



Nordzucker Post 4/2021

Lars Gorissen: Agriculture is system-relevant



Dear Readers,

“Agriculture is system-relevant!” This is how the final report of Germany’s Commission on the Future of Agriculture, which was recently presented in Berlin, begins. All relevant organizations and representatives from science, agriculture and society, including environmental associations, agreed on this groundbreaking core statement.

The report appreciates that it is through increases in production over many decades that agriculture has made our current prosperity possible in the first place. The downside of this progress is negative impacts on nature and the environment. “Given the external costs associated with the prevailing forms of production, an unchanged continuation of today’s agricultural and food system is out of the question for ecological and animal ethics, as well as economic reasons,” the report says.

So there will be a fundamental change. With our Sustainability Strategy 2030, we are hitting exactly the right nerve: Our goal is also to preserve the earth for the generations after us – with a focus on people, sustainable agriculture through our Smart Beet Initiative, sustainable procurement, production, products and packaging. With planning security for entrepreneurial decisions and fair competition in our markets, Nordzucker and beet growers will also achieve the prices required for regional and sustainable products.

Regional value creation comes into focus in the report. Here, beet and sugar are at the forefront. The report also clearly points to the need for digitalization in agriculture and rethinking modern breeding methods. The passages on the desired development of consumer behavior point to future trends. Even if they are to follow government steering measures and one wonders what sugar reduction has to do with agriculture. After all, without alternative uses, reducing sugar beet production would run counter to the goals of more crop rotations and sustainable management.

Ultimately, it’s all about everything, as the report goes on to say, “It (agriculture) is the basic economic activity of humankind. It is what made societies based on the division of labor, cities and states possible in the first place and is thus also the basis of every civilization. At the same time, agriculture and forestry shape more than 80 percent of the surface of our land.” Sugar beets belong to this picture – also in the future.

I wish you an inspiring reading of this Nordzucker Post.

Yours

Lars Gorissen

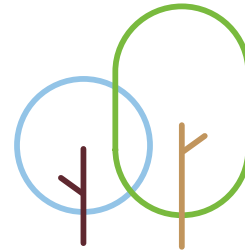
Sustainability Strategy 2030

Awareness in our society of ecological and social issues has increased significantly in recent years. For Nordzucker, this consideration is not new. Sustainability has been an integral part of our business model for many years. Now we have set ourselves new ambitious goals and bundled them in our strategy.

The Sustainability Strategy 2030 covers our entire supply chain and is based on four pillars: People Focus, Sustainable Sourcing including Beet Growing, Sustainable Production and Sustainable Products. These four pillars include a wide range of commitments and actions on issues such as climate change, ecologisation of agriculture, sustainable

supply chains and take into account changing expectations of consumers, employees and other stakeholders.

Read more about our Sustainability Strategy 2030 in our latest [Annual Report](#).



Green steam in Sweden

Our sugar factory in Örtofta cooperates with the local combined heat and power (CHP) plant in Krafringen, thus contributing to sustainability and climate protection.

Örtofta uses steam from the nearby CHP plant in Krafringen to replace the fossil fuels currently used in the sugar production process. The combined heat and power plant in Krafringen generates steam from the renewable fuel wood chips. Construction of the steam pipeline between the two plants is scheduled to begin in autumn 2021, with operation starting in autumn 2022.

The steam from the CHP plant in Krafringen can cover almost 25 per cent of the total energy demand at the sugar factory in Örtofta. This is equivalent to heating around 4,000 single-family homes per year. At the same time, the investment contributes to a reduction in emissions from sugar production of around 17,000 tonnes of CO₂ per year.

Our cooperation partner is a municipal energy company near Örtofta. It aims to use natural resources as effectively as possible and focus on local energy solutions.

As part of Nordzucker's sustainability strategy, the cooperation forms a contribution to our "GoGreen" programme. This bundles our projects for phasing out coal by 2030 at the latest and CO₂ neutrality in production by 2050 at the latest.



Sugar factory Örtofta: steam dryer

Sugar beet growth has caught up

After the rather hesitant growth of sugar beet in all regions of our cultivation area, the beet have caught up. Rainfall and higher temperatures led to a growth boost from the end of May. Overall, a harvest that is at least average is expected now. Statements that are more precise can only be made with the trial harvests. The first one will take place at the beginning of August.

At the time of row closure, this year in mid/end June, leaf fertilisation measures will also be taken. However, due to the rainfall and the associated soil moisture in the topsoil, the requirement is not quite as high this year, as the nutrients are more readily available.

Monitoring for leaf diseases has now begun in the fields. Keeping the leaves healthy until harvest is an important part of securing yields and quality. The monitoring allows us to observe the course of the infestation and, if necessary, to support timely plant protection measures.



Field trials 2021

Nordzucker is conducting a series of forward-looking trials as part of the *Smart Beet Initiative*. This year, further experience was gained with robots in weed control. The systems have advanced significantly, but there is still a lot of detailed work to be done.

In a special project with several partners, including Nordzucker, weeds are to be controlled in future by using lasers. Weeds close to the sugar beet will be detected with cameras and burnt with a laser beam. These systems require image recognition systems and enormous computer power to differentiate between the weeds and the sugar beet. The trials to maintain mulch sowings in the event of a possible ban on the active ingredient glyphosate (Round Up) are very important for crop rotation and safeguarding beet cultivation. With mulch sowing, soil is only worked shallowly and more material that is organic remains on the surface. Thus, mulch sowings contribute significantly to stabilising the soil and preventing erosion. Different approaches are being tested in trials.

Further trials are looking into the question: How can we maintain or even increase yields with fewer plant protection products? Especially the combination of hoeing and band spraying seem to provide good approaches here.

The use of plant protection products can be significantly reduced, as plant protection products are only used in the row. Between the rows, weeds are removed mechanically. This is a forward-looking and environmentally friendly development in crop protection. The aim is to treat the rows with large-scale (RTK_GPS controlled) trailed sprayers and to carry out hoeing in a separate operation.

Nordzucker will evaluate the trials after the harvest. The results will then be presented at the Agricenter's winter meetings and on the AgriPortal.



Bandsprayer at work.

Sugar consumption in focus

Over the past two years, the European Association of Sugar Manufacturers (CEFS) has been working intensively on an investigation by the European Food Safety Authority (EFSA) into whether there should be a maximum tolerable intake for sugar. After several postponements, the presentation of the draft report has been announced for summer 2021.

A scientifically sound decision-making process is clearly supported by our industry association. The time taken to prepare this draft opinion speaks for a well-founded examination of the available research results.

The outcome of the EFSA study is nevertheless unpredictable, but it will have a major impact on the ongoing political debate around sugar and nutrition. Within the framework of a public consultation phase that will follow the publication of the draft opinion, we will carefully analyse the statements made and constructively contribute to the consultation.

It is of particular importance to us that conclusions regarding sugar are placed in the overall context and to what extent other risk factors are referred to in the draft report. Evidence-based, i.e. scientifically reliable results and a consideration of the individual lifestyle and energy

balance are particularly important for a proper understanding of the scientific recommendation and measures derived from it.

It is therefore all the more important that the scientific statements are presented correctly and completely in the public discussion. Generalisations and shortcuts will not help against tooth decay and overweight-related diseases such as obesity or type 2 diabetes. These issues are more related to individual lifestyle than to individual nutrients.



Joint Annual General Meeting of Nordzucker AG and Nordzucker Holding AG confirms corporate course



The Annual General Meetings of Nordzucker AG and Nordzucker Holding AG, the latter's largest and most significant shareholder with a stake of 83.8 per cent, were held together for the first time on 7 July 2021. The merger means a simplification of the organisation and the effort for the shareholders as well. They now only need one general meeting date to exercise their shareholder rights for both companies. The meeting was broadcast on the internet on Nordzucker's homepage.

Nordzucker AG's 2020/21 financial year, which was reported to the joint general meeting, closed with EBIT of 81 Million Euro (previous year's loss 15 Million Euro). The realignment of the sales strategy, the significant streamlining of the organisation and comprehensive permanent cost reductions made the operating result of 81 Million Euro possible, with a stable market environment supporting the positive business performance. The majority stake in Mackay Sugar Ltd. in Australia also made a positive contribution.

Outlook for 2021/22 promises profit again

"We are benefiting significantly from the improvement in our cost structure as markets continue to be stable in the current year. Therefore, we expect another clearly positive result in the annual financial statements this year," Dr Lars Gorissen, CEO, made clear.

For the future, the Group is focusing on excellence in the entire value chain. "There are extensive measures on our agenda. The implementation of our sustainability strategy and our excellence initiatives will accompany us in the coming years. The optimisation of our processes, progressive digitalisation and further planned cost reductions will have a positive impact on our results," Gorissen emphasised.

Jochen Johannes Juister, Chairman of the Supervisory Board of Nordzucker AG, emphasised in his presentation: "Transformation, cost reductions and a focus on the targets we have set have shaped the 2020/21 financial year. The Supervisory Board is convinced that Nordzucker's planned measures in terms of growth, sustainability and excellence will increase competitiveness and thus further promote beet cultivation in Europe."

Voting results

The Annual General Meeting discharged the Executive Board and Supervisory Board of Nordzucker AG and Nordzucker Holding AG with a large majority. The dividend proposals of 0.60 Euro per share for Nordzucker AG and 0.70 Euro per share for Nordzucker Holding AG were also approved by the Annual General Meeting.

Elections to Supervisory Boards

The Annual General Meeting re-elected Dr Carin-Martina Tröltzsch, Kürten, as a member of the Supervisory Board of Nordzucker AG with a convincing majority.

At Nordzucker Holding AG Franziska Bennecke (Kissenbrück), Heinrich Otte (Ehmen) and Jan-Wilhelm Strampe (Barum) were elected to the Supervisory Board for the first time.

Re-elected were:

- Dr Werner Buchner, Iden,
- Christof Goebel, Gührde,
- Ulrich Langenhoff, Hämelerwald,
- Alice F. Wätjen, Altenrode, and
- Maik Wiedemann, Bettmar

Amendment of the Nordzucker AG Articles of Association

The proposed amendment to the Articles of Association of Nordzucker AG on the remuneration of the Supervisory Board was approved by the Annual General Meeting.

All detailed voting results can be found [here](#) on the Internet.

Constituent meeting of the Supervisory Board

Following the AGM, the newly elected Supervisory Boards of Nordzucker AG and Nordzucker Holding AG met virtually for their constituent meetings.

Jochen Johannes Juister was confirmed in office as Chairman of the Supervisory Board of Nordzucker AG. Helmut Bleckwenn, Schellerten, was again elected as deputy for the shareholder representatives and Sigrun Krussmann, Seelze, was elected as deputy from the employee side.

For Nordzucker Holding AG, Alexander Heidebroek was confirmed as Chairman of the Supervisory Board. Eckhard Hinrichs was confirmed as first deputy chairman and Ulrich Langenhoff as second deputy chairman.

The recording of the speech by the Executive Board of Nordzucker AG at the Annual General Meeting on 7 July 2021 can be found [here](#).

Good results in the first quarter

In the first quarter of 2021/22, from March to May 2021, the Nordzucker Group achieved a significant year-on-year increase in revenue of about 19 per cent.

In the beet sugar business in Europe, sugar prices were slightly higher than in the same period last year; sugar sales also increased very significantly. The development of animal feed products was also positive due to consistently high prices. Group operating profit (EBIT) rose from 23 Million Euro in the same period last year to 28 Million Euro.

Our majority shareholding in Australia Mackay Sugar Ltd. (MSL) achieved an EBIT of 3 Million Euro in the first quarter. The result of the first quarter is thus already at the level of the entire previous year.

Tight stocks in the EU, a global deficit in 2020/21 and an overall positive mood on the commodity markets are leading to rising sugar prices in the EU and on the world market. The further development of world market prices depends heavily on the crop and harvest situation in Brazil, India and Thailand. The further development of the pandemic can also influence sugar demand worldwide.

Due to the cost reductions implemented in all areas of the company and the current positive trends on the sugar markets, a clearly positive result can be expected for the current 2021/22 financial year. "Together with our employees, we will continue to work on our cost structure and the optimisation of our processes in order to be successful in competition. We want to remain an attractive partner for our beet growers and secure good dividends," emphasises Lars Gorissen, CEO.



Nordzucker combines entrepreneurial success with sustainable and responsible action

Explaining this connection is one of the goals of the partnership between Nordzucker and the FAZ Institute's "Responsibility" initiative. The offers range from digital platforms and conferences to publications in the magazine "Verantwortung". The target groups are both managers in companies and representatives from politics, science and society.

So far, the focus of the publications in which Nordzucker has been involved has been on the topic of biodiversity and business, i.e. the variety of species of animals and plants. As a sugar producer, Nordzucker together with the beet growers face the conflicting demands of using the available agricultural land as efficiently as possible and increasing yields. At the same time, the company wants and

needs to do its bit to protect biodiversity in order to preserve the existing resources for future generations.

Listen to the discussion between Dr Lars Gorissen, CEO Nordzucker AG, and Prof. Dr Volker Mosbrugger, former Director General of the Senckenberg Society for Nature Research as well as Eva Meyer, Head of Company Engagement of BNP Paribas Germany, at the webinar on "Biodiversity and Business" on 2 July 2021 here:

[Biodiversität und Business - F.A.Z.-Institut \(faz-institut.de\)](https://www.faz-institut.de/Biodiversitaet-und-Business)

Verantwortung

Lower Saxony Sugar Beet Day on 9 September 2021 in Dungenbeck near Peine

The Lower Saxony Sugar Beet Day usually takes place in spring. For corona reasons, however, it had to be moved to autumn this year. The motto of the Lower Saxony Sugar Beet Day, which is already taking place for the 23rd time, is "Staying on track for success with sugar beet". Behind this is the fact that, despite all the challenges facing beet cultivation, there are many approaches to making beet cultivation successful in the future as well.

On this day, different experimental projects on sugar beet will be presented. The stations will be visited in guided groups. A soil profile completes the overview. Among other things, new strategies in all areas of plant protection and the management of catch crops and their effects on sugar beet will be discussed.

Date: Thursday, 9 September 2021, starting at 9.30 a.m.

Location: Directly on the B65 between Peine and Vechelde:
Alte Landstraße, 31226 Peine-Dungenbeck

Admission is free of charge! No registration is required. [Here](#) you can find further information.



Sweet Family is Top Brand 2021

The top brands of 2021 as determined by the Lebensmittelzeitung have been decided and our SweetFamily brand has won, taking first place in the sugar category.

SweetFamily is one of the 100 brands that best fulfilled the strict criteria of the top brand in their respective product group through sustainable brand management. The analysis of around 5,000 product brands is based on the representative consumer panel "GfK ConsumerScan", which records the purchases of 30,000 households in Germany.

In 2020, SweetFamily was able to attract more than 1.5 million new buyers to the brand. To achieve this, the marketing department optimized both online and social media advertising and made it more target group-specific. Market trends - such as regionality and organic - were picked up more quickly and transferred into successful products, such as the organic jam sugar 3:1 and the organic icing

sugar. The promotional offer for the classic 2:1 jam sugar as a one-kilogram pack instead of the conventional 500 gram size also contributed to strengthening our Sweet Family brand.



Fruit gum from your own kitchen

Innovations to easily surprise friends and family with delicious homemade sweets are now available on the [SweetFamily](#) homepage.

How about homemade wine gums? In a departure from this classic name, however, you do not need wine at all for our gummy bears. Juices give the gummy bears a really delicious fruity flavour. The production is uncomplicated and is also a lot of fun for children – but especially for the snacking!

