

## Nordzucker: Challenging 2022/23 campaign successfully concluded

- **Summer drought in Europe: Beet yield below average with slightly higher sugar content**
- **Challenges in supplying energy to factories in Europe well mastered**
- **Very good sugar cane harvest in Australia**

**Braunschweig, 6. February 2023** - Nordzucker has successfully completed sugar production from sugar beet and sugar cane at all its factories in the seven European countries and in Australia. Yields are behind the 5-year average due to heat and drought in some regions. This was not compensated by higher sugar contents, so that the overall campaign result was below average. In Australia, the sugar cane harvest brought very good yields.

"The current high sugar prices allow for very good prices for this crop. This is positive for our growers, for whom - as everywhere - production and logistics costs have increased," explains Dr Lars Gorissen, CEO of Nordzucker. "In these volatile times characterized by high inflation, we are doing everything in our power to continue on the path we have taken together with our growers and our customers in a sustainable and successful manner. Sugar beet is an important part of agriculture and the basis for a secure food supply."

### **Campaign marked by energy supply and weather challenges**

"The current campaign was characterized by particular challenges in terms of energy supply and extreme climatic conditions in some regions," says Alexander Godow, COO at Nordzucker. These include high temperatures and extreme drought on the one hand, and heavy rain as well as hard frost in some countries on the other. "Thanks to the extraordinary commitment of our employees, we have found suitable solutions. In this way, we mastered these complex situations flexibly and achieved the best possible result together. With the experience gained from this challenging campaign, we are even better equipped for the future."

Influenced by geopolitical developments, Nordzucker employees worked out solutions for a secure energy supply in 2022. In order to become less dependent on scarce gas, the factories in Europe, which often run on natural gas, were equipped with bivalent - that is, with another type of energy - for the short term. "It is thanks to the high level of

commitment and forward-looking action of our colleagues that we were able to carry out the campaign at all locations without any energy shortages. The issue of a sustainable energy supply at competitive prices will continue to occupy us and is an important part of our GoGreen strategy," says Godow. One of the solutions on the way to becoming CO<sub>2</sub> neutral by 2050 at the latest could be biogas obtained from pressed pulp as a residue of sugar beet processing. The basis for this would be the inclusion of beet pulp as a renewable energy source in the Renewable Energy Directive (RED III) at European level. "We will continue to campaign for this."

### **Overview of the campaign at Nordzucker locations**

The campaign was completed in all countries in December or January. The Uelzen plant (Germany) processed its last beet on February 5th. This was due to the quality of the beet as a result of extreme weather conditions. There were unusual frosts down to minus 15 degrees in December followed by relatively high temperatures and rain. Bacteria formed slimy substances in the thawed sugar beet, which then led to processing problems. Thanks to good cooperation between agriculture, logistics and production, it was possible to find other uses for beet that could no longer be processed, such as feeding it into biogas plants. Overall, this affected significantly less than one per cent of the total beet volume for Nordzucker.

On average, the campaign lasted about 114 days for all European factories. In Germany, Denmark and Lithuania, organic beet was again processed into organic sugar in the first days of the campaign.

The crush, the processing of sugar cane, in Australia was not completed until 13 January 2023 after an unexpectedly long 213 days. Rains in July led to harvest interruptions but also to higher cane yields than expected.

### **Background**

#### **Campaign / Crush**

The sugar beet campaign, or campaign for short, is the period of the year when sugar beet is processed in the sugar factories. The campaign usually lasts from mid-September to January.

The crush is the time when the sugar cane is processed in the sugar mills of Mackay Sugar Ltd. in Australia. It lasts from about June to December.

#### **Nordzucker Group**

The Nordzucker Group, headquartered in Braunschweig, Germany, is one of the world's leading sugar producers. The company extracts a wide range of sugar products from beet and cane at 21 sites in Europe and Australia - some of it in organic quality. Nordzucker also produces animal feed, molasses, fertilizer, bioethanol, biogas and electricity. The raw materials, beet and cane are fully utilized. Circular economy and sustainability along the entire value chain have been a priority in the company for decades. A total of around 3,800 employees across the Group stand for sustainably produced products and excellent service.

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