



Nordzucker Post 3/2023

Sustainably successful!



Dear readers,

At the beginning of July, we were able to welcome many of our shareholders at our Annual General Meeting. In addition to the formal side, the event offered a wonderful opportunity to meet and exchange ideas in person, again. We appreciate this very much.

This is all the more important in a world that is changing more than ever before. Our path is clear, it is based on our strategy, which we are constantly developing and sharpening – especially in the area of sustainability. Growth and diversification are also important for the further development of the company, and we have concrete plans for this as well – for example, with our planned entry into the market for plant-based proteins. Forecasts by independent institutes show that the share of alternative proteins in global protein consumption will increase significantly by 2035. We want to participate in this growth market.

In the area of sustainability, it will be important to integrate these aspects even more strongly and clearly into Nordzucker's business processes. To this end, we have set up further projects to achieve our ambitious sustainability goals along the entire value chain. This goes from procurement, through processing, for the products and to the people who make this possible and must therefore also be in focus. Be it with compliance with the Supply Chain Due Diligence Act, occupational safety, health protection, a good work-life balance, further training and contemporary leadership principles. Everything plays a role. Together with everyone involved, we want to successfully shape the future of the company. We express this with our motto Nordzucker. Together. Sustainable, around which our annual report also revolves and which is also the theme of our [current corporate video](#).

The topic of sustainability is particularly relevant for beet cultivation. We are currently observing the effects of climate change again – with longer periods of drought, heavy rainfall and unusual temperature developments. In many countries, the rows in the beet fields closed in mid/late June, later than in previous years. The cool spring and lack of rainfall led to the delayed growth. Now we are curious to see how the current, irregularly distributed rainfall and the coming weeks will contribute in total to yield and sugar content.

The climatic challenges and the reduction of pesticides prescribed by the EU Green Deal are major challenges and will possibly lead to greater fluctuations in yield and lower yield increases in the future. To find answers, we are developing concrete solutions for our growers with our Smart Beet Initiative – for example, through more intense cultivation advice, digital tools and practical demonstrations in more than 30 field trials. These include autonomous weed control and trials to promote beneficial insects with the help of flowering strips.

We have also sent a strong signal for beet cultivation with the offer for the 2024 sugar beet supply contracts. This is shown by the very positive response to the offer. In the spirit of sustainable management, however, we had to reject part of the "free quantity" offered to us for 2024. We will also achieve the cultivation volumes in our other countries to produce the sugar our customers need.

We are well positioned. Now it is a question of working together to move towards an even more sustainable and continued successful future: Nordzucker.Together.Sustainable.

Yours sincerely

Lars Gorissen, CEO

First quarter: figures point to an extraordinary result



The Nordzucker Group closed the first quarter of the fiscal year at the end of May 2023 with an exceptionally good result. At 643 million Euro, Group revenues were once again significantly above the high level of the same period last year (475 million Euro). The operating result (EBIT) increased to 109 million Euro in the first quarter. In the same period last year, earnings were 38 million Euro.

Nordzucker was able to benefit from a positive development in the sugar market both in Europe and in Australia. The animal feed markets also developed

favourably. In Australia, there were also good revenues from the sale of electricity generated from the residual material from sugar cane, bagasse.

"We see ourselves continuing on a successful course for the current fiscal year. In a very pleasing market environment, we expect an exceptionally good result for 2023/2024," says Alexander Bott, CFO, and continues: "The currently very good earnings situation forms the basis for preparing ourselves to meet the demands of the future. In the face of further volatile markets and comprehensive requirements with regard to the sustainability of our products, our goal must be to strengthen Nordzucker for the future through necessary investments and innovations. To achieve this, we have to invest with the necessary care and further optimise our cost structure with the help of our excellence initiatives."

Annual General Meetings 2023: Good dividend and good perspectives – sustainability course confirmed

At the Annual General Meetings of Nordzucker AG and Nordzucker Holding AG on 6 July 2023 in the Volkswagenhalle in Braunschweig, the shareholders confirmed the company's course and approved the respective dividend proposal.

"We have further sharpened our strategy and set the course for more sustainability. This includes ambitious targets along the entire value chain. With our projects, initiatives and in the context of the good financial situation, we see ourselves well positioned to consistently continue on our path to becoming an even more sustainable company," said CEO Lars Gorissen.

Jochen Johannes Juister, Chairman of the Supervisory Board of Nordzucker AG, emphasised in his speech: "The importance and long-term positive outlook for the core business in the EU and the goal of growing in the sugar business outside Europe are important themes in the corporate strategy. So are sustainability and the expansion of new business areas. The Supervisory Board is convinced that Nordzucker can expand its competitiveness and successful position in the market with its strategy and the sustainability course it has adopted."

The Annual General Meeting approved the actions of the Executive Board and Supervisory Board of Nordzucker AG and Nordzucker Holding AG with a very large majority.



Details of the voting results of the 2023 Annual General Meeting can be found on website (in German):

[Nordzucker AG](#)

[Nordzucker Holding AG](#)

The recording of the speech by the Executive Board of Nordzucker AG can be found here .

At the constituent Supervisory Board meeting following the Annual General Meeting, Jochen Johannes Juister was confirmed as Chairman of the Supervisory Board of Nordzucker AG. Helmut Bleckwenn was elected as deputy for the shareholder representatives and Sigrun Krussmann 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.

Sugar beet: state of development



After a spring characterised by cool phases, the sugar beet closed their rows in mid/late June. Compared to previous years, this is five to ten days later. However, the stocks (number of plants per hectare) are good and rainfall in July has been beneficial for growth. Nevertheless, rainfall is still lacking in almost all countries, although it varies from region to region, and sprinkler systems are in use in many places.

Field days were held again this year in all countries. Here we presented new findings in cultivation to

farmers in cooperation with other institutions. Our Smart Beet Initiative trials play an important role here. With them, we are preparing sugar beet cultivation for future challenges. The focus is on adapting to reduced plant protection use through new techniques and the aspects of sustainable and integrated cultivation.

A total of far more than 30 field days were held in the countries where Nordzucker grows beet. In some cases, over 100 farmers per field day took advantage of the opportunities to get up to date.

Trial grubbing begins in August, on the basis of which the yield can be estimated much better. It remains an estimate, however, as the weather is unpredictable and can influence sugar yields in particular significantly and at short notice. Nevertheless, we at Nordzucker use the estimates to determine the exact start date of the campaign in September. We will report on the campaign progress in the next Nordzucker Post.

Mackay Sugar's crushing season has started

All three of Mackay Sugar's sugar mills in Australia have been processing sugar cane again since June.

An estimated 5.3 million tonnes of sugar cane will be crushed in the 2023 processing season at the three sugar mills by December. The sugar cane is grown around the mills and comes from the more than 1,200 farms in the Mackay region.

Since the 2022/23 crush concluded in January, Mackay Sugar teams have undertaken extensive maintenance and investment work to ensure a stable performance for the season now underway. Despite the volume of work, all three mills were able to start processing on time.

Mackay Sugar's first mill to start processing was Farleigh on 1 June. Marian began a "milling train", the station where the juice is squeezed from the sugar cane, on 7 June. Work on the second "milling train" at Marian took a little longer, and it went into operation on 22 June. The mill in Racecourse was started up on



8 June. All mills are now expected to operate into December.

Follow the unloading of the first "milling train" [here](#).

GoGreen: Investing in a sustainable future



Nordzucker.Together.Sustainable. This is the motto under which Nordzucker bundles its sustainability initiatives. Because only together, within the company and together with our beet growers and customers, can we tackle the many tasks of protecting our environment. Sustainability is part of our corporate strategy, shapes our decisions and concerns us all.

Extracting sugar from beet is an energy-intensive process, and by 2030 – in addition to the measures we have already implemented over the past decades

– we are committed to cutting emissions from our factories by half again. This is an important intermediate step towards climate neutrality by 2050. We are developing roadmaps for all Nordzucker plants to achieve this goal. As a basis for this, we are testing and introducing technical innovations and establishing them in the company.

Nordzucker will invest more than an additional 250 million Euro across the Group over the next five years as part of our GoGreen programme. In particular, the reduction of energy consumption in the factories is a necessary building block for a sustainable future. We are following an international standard, the Science Based Target Initiative, in setting ambitious climate targets. Through science-based and transparent targets, which are verified by independent climate scientists, we ensure that the reduction of our emissions contributes to achieving the climate goals of the Paris Agreement.

Our goal is to achieve climate-neutral production by 2050 at the latest. Climate-neutral production must go hand in hand with a switch to a renewable energy supply without fossil fuels. One option here is the use of biogas from our own beet pulp. Of the amount of beet pulp that has so far been marketed exclusively as animal feed, about half could be used to produce biogas. In the long term, the Nordzucker factories

would be able to operate almost self-sufficiently in terms of energy under the right legal conditions.

Nordzucker.Together.Sustainable.

See in this video how we are preparing for the future together with employees and beet farmers from all Nordzucker countries. Because sustainability needs everyone. [Video-Link](#)

News from Brussels

RED III - now national implementation is crucial

Nordzucker wants to achieve climate-neutral production by 2050 at the latest. Renewable energy from beet pulp, which is a residual material from sugar production, plays an important role in this. In the so-called triilogue on the amendment of RED III at EU level, the Commission, the Council and the Parliament agreed to consider such residues as climate-neutral.

The use of about half of the beet pulp for biogas production can enable Nordzucker to cover its future energy needs. After the important first step in Brussels, it is now important that the directive is published and transposed into national law. And the classification of beet pulp as a residual material, which is now necessary at national level, must be examined for each site in the further procedure. In any case, beet pulp will still be available as animal feed for the market in the future.

SUR - against a blanket ban on plant protection products!

The discussion about the EU's plans for a regulation on the sustainable use of plant protection products (SUR) is intensifying. On 11 September, the Environment Committee in the European Parliament will vote on the plans before the plenary of the EU Parliament deals with the proposal on 2 October. The plan is to reduce the use of chemical plant protection products by 50 percent by 2030, which is to be achieved, among other things, through a blanket ban



on their use in so-called "sensitive areas". Restrictions on plant protection have always been excluded in the designation of protected areas, some of which are decades old. The extent of these areas also varies greatly across the EU. While in some countries they are only small in extent, in Germany there are countless landscape, nature conservation and bird protection areas etc.. The definition of "sensitive areas" for the purposes of the SUR, which has not yet been finalised, is of great importance.

Affected by the SUR are all forms of land cultivation, arable crops, fruit, vegetables, viticulture and thus also beet cultivation, which still depends on plant protection.

As part of our Smart Beet Initiative, we at Nordzucker are working intensively on new ways of growing beet with less use of chemical pesticides, sustainable promotion of soil fertility, mechanical-digital methods of plant protection such as the use of robot technology and natural pest control by ladybirds, for example.

It takes time to move from trial results to practical maturity. Large-scale and high-yielding beet cultivation will therefore not be able to manage without plant protection for the time being. If the EU plans are implemented in the short term, beet cultivation will not be possible in the areas affected by the ban. Maintaining competitive beet cultivation

secures the raw material for the sugar factories and thus contributes to the security of supply of the population with a regionally produced foodstuff. It is our task to work together with our beet growers to raise awareness of this and to argue strongly - also at the political level – for the safeguarding of beet cultivation.

New from SweetFamily: "Brown organic sugar" from the local region

The "organic family" at SweetFamily continues to grow: after the organic sugar cubes introduced in the spring, the new product "brown organic sugar" is launched on the market in July.

The first brown organic sugar from domestic sugar beet has been produced at the Uelzen plant since mid-June. It is made from 100 per cent North German organic sugar beet from organic farmers in the region according to certified organic quality. With the introduction of an organic brown sugar, we are keeping up with several current market developments: the growth of brown sugar varieties, the continuing increase in demand for high-quality organic products, and the trend towards regional and vegan products.

Are you still looking for inspiration for the next barbecue or picnic? Then we have two summery recommendations for you, where you can try out the brown organic sugar directly: a refreshing [lemon lime iced tea](#) and a [fruity currant nut cake from the tray](#). You can find more delicious recipes on the [SweetFamily website](#).



Did you already know?

In addition to the new organic brown sugar, there is already organic sugar, organic icing sugar, organic cube sugar and no less than three different organic jam sugars from SweetFamily by Nordzucker. So the sweet SweetFamily organic product family ensures lots of delight and regional organic enjoyment when cooking, baking and preserving. If you don't want to miss any more news, subscribe to the [SweetFamily newsletter](#).