

2021-2022

NON-FINANCIAL PERFORMANCE DECLARATION

INTRODUCTION

WHAT IS A NON-FINANCIAL PERFORMANCE DECLARATION?

At the end of each financial year, Axereal produces a non-financial performance declaration to fulfil its obligations under the French Commercial Code. The document is verified by an independent external organisation and integrated into the group's management report published during the last quarter of the year. This report is available to download from the axereal.com website. The NFPD is structured to reflect the Axereal business model and covers the main non-financial challenges identified in the different businesses. It describes the governance and the policies implemented to pre-empt the risks, and control and monitor their impacts and the results achieved, by way of KPIs. At Axereal, we also see the NFPD as an opportunity to set out our strategy for sustainable development and the agricultural and food transition and provide an update on the actions taken by the group, our cooperative members and within our manufacturing operations.

HOW ARE THE NON-FINANCIAL CHALLENGES COVERED IN THE NFPD IDENTIFIED AND MANAGED?

Following on from our first materiality analysis in 2016, in 2020 our group carried out a project to identify our main non-financial risks. We built a specific framework to provide a common methodology for all our divisions. It is based on the ISO 31000 standard and risk management recommendations from AMF, the French financial markets authority. Having done this, we were able to identify, record and classify our non-financial risks. Ten of these are recognised as major for the group. We appointed staff members in each of our divisions as "risk managers" to oversee these risks, manage their impact and transform them into opportunities. Within the group, the issue of risk is coordinated by the Risks and Audit Committee. In addition, all the information has been approved by the Executive Committee. The Group's main non-financial risks are explored in the NFPD on pages 6 to 10. ■



VIDEO

The 100% digital video version of our 2021-2022 annual report.



FIND OUT MORE

on our website, axereal.com

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SUSTAINABLE DEVELOPMENT AT AXEREAAL

Axereal's sustainable development strategy supports the agricultural and food transition that we are working to achieve. This strategy focuses primarily on the fields of corporate social responsibility (CSR). It is our response to the expectations of our customers and the aspirations of citizen-consumers, and creates new growth opportunities for cooperative members.

OPERATIONAL ROADMAPS

To ensure that our sustainable development strategy takes into account the real-life challenges in our businesses and can therefore be successfully implemented, alongside our sustainable development road map for the group as a whole we have also created specific road maps for Boortmalt, Axiane Meunerie and Axereal Elevage.

These aim not only to pre-empt and manage the potential impacts of the non-financial risks affecting the group's operations, identified at operational level, but also to harness them as opportunities to progress the agricultural and food transition, improve our group's operational performance and reinforce our links with our stakeholders.

SHARED GOVERNANCE

Axereal's governance consists of a Board elected from among the cooperative's members together with an Executive Committee (ExCom) composed of our company executives. The Transition and Innovation Director, who sits on this committee, regularly reports on the group's sustainable development performance.

The Board establishes committees of its members to examine certain key themes in detail and oversee them.

Our governance bodies discuss transition-related topics with a view to identifying, examining and proposing to the Board actions and innovations that

will help progress the group's business model and make sustainable development a more integral part of all our operations.

The Risks and Audit Committee has particular responsibility for mapping risks across our operations and ensuring that all the necessary resources and procedures have been put in place to pre-empt and cover them. It is also tasked with presenting the accounts.

The Remuneration and Appointments Committee was created to improve transparency. It oversees administrators' fees and executive pay and monitors management appointments and succession plans.

MANAGEMENT AT LOCAL LEVEL

Axereal's sustainable development road map is managed by the group sustainable development department, which produces the non-financial performance declaration and leads cross-functional projects in the fields of sustainable agriculture, climate change and corporate social responsibility.

CSR ambassadors have been appointed within each entity. They come together as an operational committee, meeting each quarter to discuss projects, organise joint activities, share knowledge and keep up to date with developments in the field, in particular in the regulatory sphere. The risk managers are responsible for overseeing the work of the risk ambassadors in their divisions. ■

Support

THE AGRICULTURAL AND FOOD TRANSITION

A balanced strategy

Our sustainable development strategy is based on the United Nations Sustainable Development Goals (SDGs). It combines our financial ambitions and ecological imperatives and social concerns ranging from climate change and extreme weather events to natural resource scarcity and the fragility of the natural world, as well as topics including health, inclusion and ethics. It exists to make sure that we have these challenges front of mind so that we can keep the group's operations viable for years to come and limit their environmental impact, and in particular their carbon footprint, while staying abreast of changing consumer behaviour.

The actions we are putting in place within the group's various entities fall within three areas:

- Profitability of farming and processing operations coupled with social development for those working in these sectors, to secure the future of our financial model;
- Prudent management of the energy and water resources required by our farming operations and manufacturing processes;
- Protection of soils and biodiversity, which are both the tools of our trade and the source from which our sectors draw their value.

This decision to transition to practices which are more environmentally appropriate because they consume fewer resources and generate less carbon is facilitated by our commitment to continuous improvement, the channels we are setting up and efforts to upskill staff and train farmers. Thanks to all these initiatives, Axereal is engaged in a meaningful transition that will add value. ■

SDG STANDARDS



SDG STANDARDS



SDG STANDARDS



10 MAJOR CHALLENGES



DEVELOP SUSTAINABLE AND COMPETITIVE CHANNELS TO REINFORCE THE COMPETITIVENESS OF FARMS, THE COOPERATIVE'S INDUSTRIAL AND COMMERCIAL PERFORMANCE AND OUR POSITIVE IMPACT ON LOCAL AREAS

MANAGEMENT INDICATORS

- ▶ €2,914,840 redistributed to farmers under channels
- ▶ 81% of grain volumes under channels
- ▶ 24% of flour sold under sustainability specifications
- ▶ 28% of the barley sourced by Boortmalt is sustainable

POLICY

We have made developing sustainable channels one of the main focuses of our strategy for farmers, because such channels offer access to high-quality markets and promote more profitable modes of production. When setting up a channel, we study the customers' precise needs, evaluate supply and demand and write detailed specifications, and carry out an in-depth analysis of profitability and the associated risks. In addition, farmers who work under sustainable channels have access to customised performance tools to help them manage their farms. Goal: collect 1.5 million tonnes of grain under sustainable channels in 2025 thanks to these partnerships which also contribute to local development in the regions in which we work.

KEY INITIATIVES

- Despite the challenges of the 2021-2022 financial year and the fluctuations in cereal prices on the markets, we renewed all the contracts under channels that we had with our farmers in order to honour our commitments to our customers. These contracts offer farmers more competitive prices and a securer future. To access them, the farm must be eligible for CultivUp, our sustainable agriculture strategy.
- By signing the Duralim charter, Axereal has pledged to stop sourcing soyabeans from deforested areas by 2025.



WORK TO IMPLEMENT A SUSTAINABLE AGRICULTURE STRATEGY BY DEVELOPING AGRICULTURAL PRACTICES AND CONTROLLING OUR IMPACT ON WATER

MANAGEMENT INDICATORS

- ▶ 3,797 farmers working to sustainable agriculture standards including CultivUp
- ▶ 106 farmers working under the HEV channel
- ▶ 2.78 cubic metres of water consumed per tonne produced (Boortmalt)

POLICY

We have been supporting farmers in their agroecological transitions with our CultivUp sustainable agriculture strategy since 2017. It includes a variety of actions to protect soils, the natural world and water resources. The initiative creates value. Farmers that take part in it are required to put in place

certain actions, for example a crop protection strategy and systems for managing fertilisation, irrigation and biodiversity development. CultivUp is the minimum requirement for farmers wishing to access the specialist sector channels offered by the group.

KEY INITIATIVES

- We updated our sustainable agriculture standards, simplifying them and bringing them into line with our sustainable development road map. CultivUp now focuses on three themes: soil management, biodiversity and farm economics. Having raised the eligibility bar for CultivUp, we re-evaluated all the farmers working under the strategy. This resulted in a 5% reduction in numbers compared to the previous year. It is important to note that changes to our CultivUp standard do not have any effect on the Environmental Value level 2 certification recognised

- by the French Ministry of Agriculture and Food, or the Sustainable Agriculture Initiative (SAI) silver certification for field crop production.
- Axereal Agriculture has been in contact with the water agencies working in its origination area to identify the opportunities for developing low intrant channels.
- Boortmalt has set itself a goal of cutting its water consumption per million tonnes of malt produced by 30%. It intends to achieve this by making more efficient use of the resource, and reusing water.



CONTINUE TO WORK TO SAVE ENERGY AND PRE-EMPT CLIMATE CHANGE

MANAGEMENT INDICATORS

- ▶ 611kWh of energy consumed per tonne produced scope 1 and 2
- ▶ 42kWh per tonne sold
- ▶ 128kg CO₂ equivalent per tonne produced (scopes 1 and 2)
- ▶ 10kg CO₂ equivalent per tonne sold
- ▶ 150,322 tonnes of CO₂ avoided across scope 3 for Axereal Agriculture thanks to low carbon channels
- ▶ Scope 3 GHG emissions for the Agriculture & Processing channels division (2020-2021): 2,166,945 tonnes of CO₂
- ▶ Scope 3 GHG emissions for Boortmalt (2021-2022): 2,940,447 tonnes of CO₂

POLICY

We are supporting farmers to put in place new "low-carbon" practices such as extended crop rotations, permanent soil cover and replacing mineral fertilisers with organic ones. By using these practices, farmers can harness soil sequestration to reduce their greenhouse gas emissions: the carbon is captured by the biosphere and buried in the ground where it is transformed into organic matter which fertilises the soil.



◀ The thermal solar energy plant at our Issoudun malting plant

KEY INITIATIVES

- With the ISO 50001 (energy management) certification achieved by the Ladon site (Loiret), 95% of Axereal Elevage sites are now certified. In addition, three tanks for biofuels made from 100% French rapeseed have now been installed on the Saint-Germain-de-Salles (Allier), Pouligny-Notre-Dame (Indre) and Ladon (Loiret) sites. They are used to run half of the lorry fleet, which has been converted to be able to use this fuel.
- Axereal Agriculture intends to work progressively to transform its pilot initiatives into large-scale strategies. Farm carbon assessments are ongoing, using the Field Crop methodology from the low-carbon label. This certification, which was launched by the French government in 2019, recognises projects by farmers to reduce greenhouse gas emissions and sequester carbon. After each assessment, an action plan is written to help the farm improve the sustainability of its operations, in particular by entering the low carbon channels developed by the cooperative. In addition, Axereal has chosen to support 60 farmers as they put in place low-carbon production strategies based on the internationally recognised Cool Farm Tool (CFT) method, to test out different approaches and stimulate discussions on a European level. In 2022, 100% of Axereal Agriculture's technical sales executives received training on carbon and soils. A carbon ambassador was appointed in each sales region to oversee the reporting of audit results and the implementation of low-carbon practices.



REINFORCE THE SAFETY AND OPERATION OF THE GROUP'S SITES IN ACCORDANCE WITH THE REGULATORY FRAMEWORK

MANAGEMENT INDICATORS

- ▶ Number of Seveso-classified sites: 4

POLICY

Safety on our sites is one of our group's priorities and an ambition shared by all our businesses. Each of our divisions keeps a list on each of its sites of all the relevant legislation and the permits and licences required to operate.

KEY INITIATIVES

- Staff are being trained in industrial and environmental risks and how to manage them.
- Action plans are put in place to ensure that any non-compliances on sites are corrected rapidly.

10 MAJOR CHALLENGES (CONTINUED)



LOOK AFTER ANIMAL WELFARE

MANAGEMENT INDICATORS

- ▶ 40% of poultry farms supported by Force Centre hold category A or B French animal welfare certification
- ▶ 37% of Force Centre broilers are fed and reared to “no antibiotics” specifications



POLICY

Animal welfare is one of the four pillars of the Axereal Elevage sustainable development road map. It is expressed through goals and concrete actions to enable us to continuously improve the nutritional profile of our feed compound and identify alternatives to chemicals. Our teams are also trained to be able to advise and guide farmers.

KEY INITIATIVES

Force Centre, which manages Axereal Elevage’s poultry production, is continuing work to develop animal welfare labelling by carrying out regular audits. In 2021, this initiative was extended to cover all Label Rouge-certified Auvergne farm-reared, organic and ECC (European Chicken Commitment) production. This labelling highlights to consumers the efforts made by Axereal Elevage and its customers to offer high livestock welfare standards.



ENSURE PRODUCTS MEET FOOD SAFETY STANDARDS



MANAGEMENT INDICATORS

- ▶ All sites are CSA-GTP food safety certified (Axereal Agriculture)
- ▶ Axereal Elevage: RCNA, STNO (except organic factories) and STNE (Blois plant) certifications maintained
- ▶ 100% of mills IFS and GMP+ certified and operating under AIB improvement programmes (Axiane)
- ▶ 100% of malting plants meet at least one of the FSSC, ISO 9001 and ISO 22000 standards



◀ Visual checks on production at Gallardon mill.

POLICY

Each Axereal division has a quality department responsible for defining its own procedures and leading its network of QSE (Quality, Safety and Environment) ambassadors. This structure ensures that we operate good food safety practices to keep consumers safe.

KEY INITIATIVES

- All Axiane Meunerie mills are involved in an improvement programme based on the AIB International standards, which exist to foster continuous improvement in food safety within food and beverage companies and increase production capacity for grain-based foods. The audits, support and training organised in partnership with AIB help to keep our facilities in line with internationally recognised food safety and cleanliness standards.
- A Food Safety Culture day was organised on 21 June 2022 for all operational staff at our mills (equating to half of the Axiane Meunerie workforce). Activities organised included an interactive quiz between the mills and raised awareness of the key behaviours enabling us to deliver safe food to customers, retain their trust and also improve our customer service levels.



INNOVATE THROUGH FIRST-RATE R&D

MANAGEMENT INDICATORS

- ▶ 2% of our permanent workforce assigned to innovation and R&D at 30/06/2022

POLICY

At Axereal, innovation focuses on identifying new solutions to make us more competitive or technologically advanced. We encourage all our staff to contribute to our efforts in this area and to suggest innovative ideas within their own field of work. In addition, we use business intelligence to monitor and analyse market trends and needs.



KEY INITIATIVES

- The 2022 Agronomy Seminars, one of the highlights of the cooperative’s year, were an opportunity to take a closer look at the impact of the geopolitical crisis and market tensions on our businesses, and also to present the group’s trajectory as regards the agricultural and food transition. A wide variety of new economic and agronomic solutions were offered to improve farm competitiveness. The agronomy-focused morning session took place in the field(s), with tours of trials, soil analyses (test pits), technical workshops and more. In the afternoon, farmers were free to tour the event village and visit a range of different stands on three themes: preparing crop rotations, adapting crop management approaches and securing the best prices for productions.
- During the 2022 Agronomy Seminars, Axiane Meunerie organised workshops on low-carbon practices and food safety for customers and prospective customers.

◀ Our 2022 Agronomy Seminars were an excellent opportunity for staff and farmers to get together and discuss ideas during topic-based workshops.



DEVELOP PRODUCT QUALITY AND ORIGIN CERTIFICATION

MANAGEMENT INDICATORS

- ▶ Certifications secured by Axiane Meunerie: Organic Agriculture, Label Rouge, NFV30, NFV30+, CRC®, HEV, regional PGI labels, Organic Kosher PGI, Kosher, IFS and GMP+.

POLICY

Axiane Meunerie places great importance on the quality and origin of its products. As a response to customer expectations, it has worked to secure various system certifications (IFS, GMP+ and AIB improvement programme) and product recognition labels (Organic Agriculture, Label Rouge, NFV30, NFV30+, CRC®, HEV and regional PGI labels, Organic Kosher PGI and Kosher).



KEY INITIATIVES

- Compagnie des Farines, which has already led the way with its Label Rouge and Organic flours, is now offering the first bagged flour made from wheat grown on High Environmental Value farms: Cœur de Blé HVE, available from supermarket and hypermarket grocery aisles. The range has had a packaging overhaul to celebrate this launch, which confirms Cour de Blé’s ethical and responsible flours positioning. It offers consumers a wide choice of flours, with each product’s commitment highlighted on the packaging.
- Reuilly (Indre) and Maure-de-Bretagne (Ille-et-Vilaine) mills have secured kosher certification.
- La Courbe mill (Ille-et-Vilaine), taken over by Axiane Meunerie in March 2022, is now PGI, kosher and organic certified.

10 MAJOR CHALLENGES (CONTINUED)



SAFEGUARD STAFF HEALTH AND SAFETY

POLICY

The group safety policy is guided by one fundamental principle: all accidents can be avoided. Numerous training and communications initiatives have been put in place involving all our Agriculture & Processing channels and Malting teams to encourage good practices in relation to five major risks: falls from height,

working on manufacturing sites (grain elevators and factories), using manual handling equipment, road accidents and musculoskeletal disorders. These long-term awareness-raising efforts are coupled with an in-depth analysis of any accidents that do occur, to move us towards our ambitious zero-accident goal.

KEY INITIATIVES

- In 2022 we created a monthly newsletter for the Agriculture & Processing Channels division. Packed with tips and stories from around the division, it is helping us to establish a shared safety culture across Axereal Agriculture, Axereal Elevage and Axiane Meunerie.
- “Safety on the ground” meetings are organised regularly on Axereal Agriculture and Axiane Meunerie sites. They use observations of workstations and constructive dialogue with staff to identify avenues for improving safety.
- Axereal Elevage has begun working to secure ISO 45001 certification for its occupational health and safety management systems by the end of 2023.

- A campaign has been run on certain Axereal Elevage and Axiane Meunerie sites to highlight the importance of a physical warm-up before work. It aims to encourage employees to do some stretches before starting their workday to limit the risk of injury to muscles or joints.
- The construction of Boortmalt’s first malting plant in Africa, which began in 2018, was completed in 2021. Thanks to all the efforts made, the entire project was completed without a single accident. Looking beyond this special project, all the health and safety measures observed daily on all Boortmalt’s sites worldwide are monitored closely, taking into account local challenges.



MANAGEMENT INDICATORS

- ▶ Workplace accident frequency rate: 14.18
- ▶ Workplace accident severity rate: 0.80



DEVELOP THE ATTRACTIVENESS OF OUR BUSINESSES AND ENCOURAGE STAFF DEVELOPMENT

POLICY

To ensure we have the vital skills we need to keep our business running long-term and implement our strategy, especially in new fields (digital, data science, etc.), it is important that we retain our staff and attract new applicants. Challenges in this area were heightened in 2022 by a tight recruitment market and

higher numbers of resignations. We responded to this by writing succession plans for key roles, upskilling our staff and offering competitive and fair pay and benefits packages. We also work to improve quality of life and well-being at work, fight discrimination and promote diversity.

KEY INITIATIVES

- We are continuing to develop our employer brand to improve our external visibility. We have also ramped up our apprenticeship and internship programmes to help secure the skills we need as early as possible.
- An agreement on senior employment was signed in the Grain Chain and Group Teams ESU in March 2022. It will offer enhanced support to employees aged over 45 by planning ahead for changes in their roles, improving their working conditions and anticipating

- difficult situations, making adjustments for the later stages of their careers and helping them transition to retirement.
- We have set up a steering committee including representatives from the human resources, training, pay, recruitment and purchasing departments to work on improving employment for people with disabilities. In addition, we tailor jobs for workers with disabilities, to help them stay in employment. ■



MANAGEMENT INDICATORS

- ▶ 3,587 permanent staff at 30/06/2022
- ▶ 34,136 training hours
- ▶ €1,198,916 training spend

CSR INDICATORS

Field	Indicator	SDG	Related challenge	2020-21	2021-22	Change
	Total workforce (permanent)	SDG 4		3,615	3,587	-1%
SOCIAL	Breakdown by gender					
	Men		Develop the attractiveness of our businesses and encourage staff development	77%	76%	-1%
	Women			23%	24%	+4%
	Gender Equality Index for 2020 and 2021					
	ESU, Grain Chain and Group Teams	SDG 5		94outof100	93outof100	-1%
	Axiane Meunerie			75outof100	75outof100	0%
	Axereal Elevage			76outof100	90outof100	+18%
	Work organisation					
	Number of seasonal staff recruited	SDG 4	Develop the attractiveness of our businesses and encourage staff development	820	-	-
	Absenteeism rate (%)	SDG 3 & 8	Safeguard staff health and safety	3.74%	4.53%	+21%
Workplace accidents						
Lost-time accident frequency rate (per million hours worked)	SDG 3 & 8	Safeguard staff health and safety	15.54	14.18	-9%	
Severity rate (per thousand hours worked)			0.76	0.80	+4%	
Training						
Training time (hours)	SDG 4	Develop the attractiveness of our businesses and encourage staff development	44,282	34,136	-23%	
Training spend (€)			1,128,338	1,198,916	+6%	
The main agreements signed in 2021-2022 were as follows: for the Grain Chain and Group Teams ESU – profit-sharing agreement (10/12/2021), agreement on the employment of seniors (23/03/2022); for the Axiane Group ESU – remote working charter (09/07/2021); for Axereal Elevage – Axereal Elevage profit-sharing agreement (06/12/2021), MEF remote working charter (14/12/2021).						
ENVIRONMENTAL	Energy consumption (in MWh, total of all energy sources)			2,095,504	2,300,021	+10%
	Energy consumption per tonne produced (in kWh per tonne) - processing only: Axiane Meunerie, Boortmalt, Axereal Elevage	SDG 7		605	611	+1%
	Greenhouse gas emissions (in tonnes of CO ₂ - scopes 1 and 2)			458,042	487,532	+6%
	Greenhouse gas emissions per tonne produced (in kg CO ₂ eq. per t – scopes 1 and 2) - processing businesses only: Axiane Meunerie, Boortmalt, Axereal Elevage		Continue to work to save energy and pre-empt climate change	132	128	-3%
	Scope 3 GHG emissions for the Agriculture & Processing Channels division (Axereal Agriculture, Axiane Meunerie, Axereal Elevage) (in tonnes of CO ₂)	SDG 13		2,166,945	-	-
	Scope 3 GHG emissions for the Boortmalt division (in tonnes of CO ₂)			1,226,170	2,940,447	+140%
	Water consumption (in m ³)	SDG 6	Work to implement a sustainable agriculture strategy by developing agricultural practices and controlling our impact on water	7,424,004	7,663,434	+3%
	Waste production					
	Total waste (in tonnes)			44,273	41,663	-6%
	Waste recycling rate (%)	SDG 12	Limit food waste and promote the circular economy	96%	95%	-1%
Co-products recovered (in tonnes)			205,431	228,363	+11%	
SOCIETAL	Number of farmers involved in the CultivUp sustainable agriculture initiative	SDG 3 & 15	Work to implement a sustainable agriculture strategy by developing agricultural practices and controlling our impact on water	3,993	3,797	-5%
	Number of farmers committed to HEV 3 under channel contracts	SDG 12 & 15		76	106	+39%
	Grain and oilseed volumes sold under channels (%)	SDG 3 & 8	Develop sustainable and competitive channels to reinforce the competitiveness of farms, the cooperative’s industrial and commercial performance and our positive impact on local areas	81%	81%	0%
	Percentage of flour volumes sold under sustainability specifications			24%	24%	0%
	Percentage of organic barley in supplies			25%	28%	+12%
	Percentage of broilers fed and reared to “no antibiotics” specifications	SDG 12	Look after animal welfare	39%	37%	-5%
	Percentage of poultry covered by category A and B animal welfare labelling			71%	40%	-43%

We use
OUR RESOURCES

A strong belief in cooperation
11,000
COOPERATIVE MEMBERS

Flourishing channels
862,000
TONNES OF GRAIN ORIGINATED UNDER DEFINED CHANNELS*

Motivated staff
3,587
STAFF

An efficient structure
280
SITES

Financial strength
90
MILLION EUROS IN INVESTMENTS

... To achieve
OUR STRATEGIC AMBITION



... and create
VALUE

FARMERS

We provide our members with diversified, high-growth channels so that they maximise their returns on their production and we support them as they develop their farms and their practices in line with changes in society.

- ▶ 229 regional councillors
- ▶ 94% of farmers said that agronomics is a lever for the transformation currently happening in farming (*in-house survey*)
- ▶ 40% of poultry farms supported by Force Centre achieved category A or B French animal welfare certification in 2021-2022

CUSTOMERS

Across all our markets, we support the development of high-quality food products that reflect the priorities of the agrifood transition, so that our customers can market to consumers products that match their expectations.

- ▶ Operating in 18 countries
- ▶ Exporting to 120 countries
- ▶ Some 3,800 producers committed to the CultivUp initiative for sustainable channels in 2021-2022

STAFF

We are proud of the cooperative spirit that inspires the strong, shared values through which we unite our staff.

- ▶ Almost €1.2m allocated to staff training
- ▶ 9% fewer lost-time accidents in 2021-2022 than in the previous year
- ▶ 65.5% of Agriculture & Channels staff members completed at least one training course in 2021-2022

LOCAL AREAS

We contribute to the vitality of local areas by working at the heart of the regions and through our efforts to protect the environment.

- ▶ 95% waste recycling rate
- ▶ 120 meetings in the regions during the year, between farmers, regional councillors and operational teams

FINANCIAL PARTNERS

We use the robust performance of our business model based on sustainable, profitable growth to provide excellent financial value to our cooperative members and our investors.

- ▶ €4.295 billion in turnover, 50% of which is generated internationally
- ▶ Regular discussions with financial partners

*: defined specification and speciality channels

METHODOLOGY NOTE

Axereal Group's non-financial reporting has been drafted to meet the requirements of articles R. 225-105, R. 225-105-1 and L. 225-102-1 of the French Code of Commerce.

1. REPORTING PERIOD AND FREQUENCY

In line with Axereal's reporting period, the data collected covers the year from 01/07/2021 to 30/06/2022. Data is reported annually.

2. SCOPE

The narrative non-financial reporting scope aims to objectively represent Axereal's business activities. For the 2021-2022 accounting period, it includes the Malting division (Boortmalt) and the Agriculture & Processing Channels division (Axereal Agriculture, encompassing Agricultural Businesses France, Agricultural Businesses Central Europe, International Trade and Diversified Activities; Axiane Meunerie; Axereal Elevage and Group Services and others, made up of the Group Teams and Ebly). Within Agricultural Business, France, ten sites closed during the year. Within Axiane Meunerie, La Courbe mill was taken on under a lease-management agreement from 01/03/2022. Within Axereal Elevage, Bovi Perche was sold on 31 May 2022 and an insemination site operated by Auvergne Poussins was closed in November 2021. Lastly, within Boortmalt, the malt houses at Cavan (Australia) and Debre Birhan started operating at full capacity again during the year. Readers should note that data for the Central Europe Agricultural Businesses and Ebly are consolidated in the workforce figures but excluded from the environmental and social data because Axereal does not have either sight or control of this information. Because Axereal's activities are highly diversified, certain indicators cannot be published for the entire scope and one or more operations for which the challenge is not considered relevant may be excluded from the reported data (see part 6, Specificities and methodology limits).

3. CHOICE OF POLICIES, RESULTS OF POLICIES AND NON-FINANCIAL PERFORMANCE INDICATORS

The policies, results of policies and non-financial performance indicators presented in the non-financial performance declaration (NFPD) are chosen in light of the main social and environmental risks – referred to here as “challenges” – to which the company is exposed. For the challenge entitled “Reinforce the safety and operation of the group's sites in accordance with the regulatory framework”, the group has a management indicator in place but does not publish these figures externally. Given Axereal Group's business activities, the following information listed in paragraph 2 of part III. of article L. 225-102-1 of the French Commercial Code is not examined in the NFPD:

- **food waste:** this topic is covered via the coproducts produced by the company's processing operations (grain offal, crushed corn, granules, dusts and red dog) sold or reused for the protein or energy they contain. Axereal has put in place a specific indicator: tonnes of co-products recovered.

- **combating food poverty:** Axereal is involved in fighting food poverty among its farmers. This challenge is covered on page 6, “Develop sustainable and competitive channels to reinforce the competitiveness of farms, the cooperative's industrial and commercial performance and our positive impact on local areas”. Indicators are in place for this. Axereal group is not directly involved in action on consumer food poverty.

4. CONSOLIDATION AND INTERNAL AUDIT

Data is collected centrally or from each entity included in the narrative reporting scope from the following sources: information system extracts, Excel tracking files, invoices, etc. Qualitative information is collected centrally, checked and approved by Axereal's Sustainable Development department.

5. EXTERNAL AUDIT

In application of the provisions of article R. 225-105-2 of the French Code of Commerce, from the 2018-2019 reporting period Axereal has appointed KPMG as the independent external verifying organisation for its NFPD. A reasoned opinion on the conformity of the NFPD and on the sincerity of the information can be found on our website www.axereal.com “Obligations réglementaires” section (in French only).

6. SPECIFICITIES AND METHODOLOGICAL LIMITS

Total permanent workforce: for 2021-2022, this indicator covers the entire scope, i.e. 100% of Axereal staff.

Gender equality index: within Axereal Elevage, this indicator cannot be calculated for MEF because the criteria ensuring a relevant comparison restrict us to examining less than 40% of the total population.

Number of seasonal staff employed in the previous calendar year: the number of seasonal staff employed is communicated for the previous calendar year, i.e. January to December 2021 because the harvest causes a peak in activity between June and August. In 2021, all seasonal staff employed were on temporary contracts. Because we employ all our temporary staff through service providers, it is not possible for us to identify temporary staff employed specifically for the harvest among all the staff employed via the service providers. We have therefore not reported this indicator for the year 2021. In 2022, we will be employing our temporary staff for the harvest in-house on fixed-term contracts and we will therefore be able to report this indicator.

Absenteeism rate: this indicator relates solely to full-time staff. Days of absence and theoretical working days are calculated based on calendar days (including, for the number of days theoretically worked, leave entitlement based on a full year worked). The following entities are excluded from the scope of reporting because the data is unavailable: port elevator companies, Central Europe Agricultural Businesses, and Ebly, totalling 9.34% of the Group's workforce.

Accident frequency rate and severity rate: this indicator covers permanent and temporary staff (excluding contractors). Sick days and hours worked are counted in calendar days. The number of hours worked on Boortmalt sites in the United Kingdom and Ireland is estimated (based on FTE and excluding public holidays) because there is no system to record it. The following entities are excluded from the scope of reporting because the data is unavailable: port elevator companies, Central Europe Agricultural Businesses, and Ebly, totalling 9.34% of the Group's workforce.

Training time: this indicator relates solely to face-to-face training (excluding e-learning). For Axereal Agriculture, only training that began on or after 01/07/2021 is taken into account. For Agriculture & Processing channels, training hours completed by staff who left the workforce before 30/06/2022 have been excluded. For Boortmalt, only training run by external providers is taken into account in the indicator. Training delivered in-house is not included. In addition, the following entities are excluded from the scope of reporting because the data is unavailable: port elevator companies, Central Europe Agricultural Businesses staff (other than expats), Ebly and MEF totalling 10.71% of the Group's workforce.

Training spend indicator: data for the previous year has been restated retroactively. For Agriculture & Processing channels, training hours completed by staff who left the workforce before 30/06/2022 have been excluded. For Boortmalt, only training run by external providers is taken into account in the indicator. Training delivered in-house is not included. The following entities are excluded from the scope of reporting because the data is unavailable: port elevator companies, Central Europe Agricultural Businesses staff (other than expats), MEF and Ebly totalling 10.71% of the Group's workforce.

Energy consumption: this indicator excludes diesel for vehicles. Central Europe Agricultural Businesses (totalling 5.5% of Group turnover) are excluded from the scope of the reporting because the data is unavailable. MEF's electricity consumption has been partially estimated from bills because the billing interval does not correspond with the reporting period.

Scope 1 and 2 GHG emissions: scope 1 and 2 GHG emissions are calculated based on ADEME emissions factors. Central Europe Agricultural Businesses (totalling 5.5% of Group turnover) are excluded from the scope of the reporting. Diesel consumption is taken into account in calculating GHG emissions. For Axereal Agriculture, the fuel consumption of the company-owned car and HGV fleet is included.

Ratio of energy consumed and greenhouse gas emissions per tonne produced: Indicators for energy per tonne produced and GHG emissions per tonne produced for Boortmalt are not limited to production activities but include all activities relating to it. The following entities are excluded from the scope of reporting:

Auvergne Poussins and MEF because their operations cannot be measured and reported in terms of tonnes produced, together with Axereal Agriculture, whose operations are measured in tonnes originated.

Scope 3 GHG emissions for the Agriculture & Processing Channels division: scope 3 GHG emissions published relate to purchases of products and services, fixed assets, upstream emissions for energy, upstream and downstream goods transport, waste generated, business travel and travel to and from work. Other sources were excluded because they were judged not to contribute significantly. Our Central Europe Agricultural Businesses, Agri Négoce companies, secondary operations (seeds, vines, etc.) and Ebly are outside the scope of evaluation, but an average estimate will be made for them when the indicator is next updated. Emissions factors used are taken from the ADEME, Ecolnvent, Agribalyse, EcoAlim and Agrifootprint databases. For product purchases (grains), specific grain production emissions factors were calculated using the Low-Carbon Label for Field Crops method. For transport, we take into account flows between us and our suppliers and customers through to the first intermediary, upstream and downstream. Only ocean cargo shipping (export) takes into account the destination country for the goods.

Scope 3 GHG emissions for Boortmalt: the scope 3 GHG emissions published relate to goods purchased (barley and packaging) and upstream and downstream transport for Boortmalt. Our objective is to progressively integrate all data. In relation to barley purchased, a conversion factor of 1.3 (obtained from Boortmalt average data) is used to convert tonnes of barley purchased into tonnes of malt produced. National emissions factors are used to calculate total GHG emissions relating to tonnes of barley purchased. For the Cargill-owned Salzgitter production site, to which Boortmalt subcontracts malt production, figures are estimated based on data from another similar production site. As regards transport and distribution, data is calculated based on distance travelled for each type of transport, energy used and the volume transported. Calculation methods are based on the GHG Protocol emissions factors.

Water consumption indicator: Axereal Agriculture sites are excluded from the scope of reporting because the indicator is not relevant to their operations and their consumption is negligible.

Total waste indicator: total waste produced directly by the company in tonnes. Waste is reported as hazardous and non-hazardous waste generated by our operations.

Waste recycling rate: waste produced directly by the business and recycled, as a percentage.

Grain volumes sold via channels: this indicator relates solely to Axereal Agriculture and excludes Agri Négoce companies and Central Europe Agricultural Businesses which have their own trading service. It reflects the volumes sold under channels during the current harvest (01/07/2021 to 30/09/2022), although in some cases the goods may be delivered later.

Percentage of organic barley in supplies: percentage of malting barley purchased under sustainability specifications (SAI, Red Tractor or equivalent) within Boortmalt's supplies as a whole. ■

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Land and people for the future



36 rue de la Manufacture - CS 40639
45166 Olivet Cedex - France
Tel.: +33 (0)2 34 59 51 00

axereal.com