

2022-2023

A photograph of several young green seedlings with long, thin stems and small leaves growing out of dark brown soil. The background is a soft, out-of-focus green field.

NON-FINANCIAL PERFORMANCE DECLARATION



FINANCIAL REPORT

AXKEREAL
Land and people for the future

INTRODUCTION

NON-FINANCIAL PERFORMANCE
DECLARATION & FINANCIAL REPORT

Axereal's commitment to the agricultural and food transition began a number of years ago. We are now supporting our cooperative members as they work to implement the regenerative farming systems that will make this transition a reality and in doing so meet the needs of our food-processor customers. This transition aims to uphold an agriculture that will be sustainable, both economically and environmentally. Consequently, it is vital that we fully understand the financial and non-financial risks involved.

As required under the French Commercial Code, Axereal publishes a **Non-Financial Performance Declaration** (DPEF – Déclaration de Performance Extra-Financière) at the end of each financial year, laying out the most significant non-financial challenges identified for the various business areas. This declaration is endorsed by an independent external organisation and integrated into the Group's management report published during the last quarter of the year.

The DPEF reflects Axereal's strategy with regard to sustainable development and the agricultural and food transition. It is published here in combination with the Group's financial report for the financial year 2022-2023. The resulting document is freely available on our website, axereal.com. It sets out and explains how our Group was managed and how we have performed over the last year.

Lastly, the DPEF describes the governance and policies put in place to guard against risks and mitigate and monitor their impact. It uses key performance indicators to demonstrate the results we have obtained. ■

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VIDEO

The 100% digital video version of our 2022-2023 annual report.



FIND OUT MORE

on our website, axereal.com

SUSTAINABLE GROWTH AT AXEREAAL

Axereal's sustainable development strategy supports the agricultural and food transition that we, the Group and the subsidiaries, are working to achieve. It is our response to the expectations of our customers and the aspirations of citizen-consumers, and creates new growth opportunities for cooperative members

THE IMPORTANCE OF CONTEXT

The major challenges facing agriculture today have sparked a need to rethink models and practices. The sector has to fight against climate change, adapt to its effects and the increasing number of unpredictable weather events and meet society's expectations, all whilst finding ways to maintain or even improve yields. And it is as essential as it has always been to produce safe, high-quality raw materials for food, while securing the long-term future of farming businesses.

As the second-largest contributor to France's greenhouse gas emissions (19%), it is vital for agriculture to play its role in fighting climate change at the same time as it adapts to its impacts. The Paris Agreement aims to limit global warming to 1.5°C by 2030 and 2°C by 2050. The latest revision of France's national low-carbon strategy sets agriculture the objective of cutting GHG emissions by 19% by 2030 and 46% by 2050. Other regulatory initiatives in support of the ecological transition (French National Air Pollutant Emission Reduction Plan, the European Green Deal and the Common Agricultural Policy's 2023-2027 Eco-schemes) will affect agriculture and they call us to act.

Our customers pass on consumers' and citizens' expectations. They want to buy products that are high-quality, wholesome and responsibly-produced,

and which offer all the necessary guarantees in terms of food safety, traceability, ethics, reduced carbon footprint and attention paid to preserving the soil, air, resources and nature. A particular feature of this food transition is the clear increase in demand for plant-based protein.

The agricultural sector needs to undergo a transition to secure the future profitability of farms, both by producing more efficiently and by improving yield potential. This is the purpose of Axereal: our group exists to bring together all the stakeholders to offer our cooperative members solutions that deliver economically, socially and environmentally.

A STRATEGIC VISION THAT OPENS UP
NEW OPPORTUNITIES

Over recent years, Axereal has been advocating an agricultural and food transition to support, or even pre-empt, the challenges we face today. The group champions and upholds new practices that are better for our planet because they generate less carbon, consume less water and encourage biodiversity more effectively.

The enhanced CultivUp sustainable agriculture standard and new low-GHG specifications channels give farmers access to new markets attuned to both customer demand and consumer expectations. We harness our agronomy knowledge and our R&D capabilities to run experiments with crops and to innovate, especially in the digital sphere. Alongside this focus, we are working to enhance the skills of our employees, train farmers and collaborate with customers and suppliers to develop solutions. Our approach as a whole is backed by the Low Carbon trajectory we defined following a carbon footprint assessment carried out across the group, and our Climate 2030 adaptation strategy. Today, this approach is prompting us to offer a different model; one that is judicious and capable of producing results. It is a sustainable, low-carbon, productive and resilient approach focused on nurturing the soil and protecting nature. The crops grown are chosen to dovetail with the objectives (for example pulses) and create value for farmers. This model is regenerative agriculture. More and more farmers, customers and others, at all stages of the value chain, are now firm believers in the benefits of this "positive" agriculture, which runs through all of the group's transformation efforts. ■



SHARED GOVERNANCE

The governance structure we have put in place has enabled us to draw up and implement a joined-up strategy covering all domains. It consists of a number of complementary bodies and prioritises dialogue and empathy, to serve the cooperative and its members.

GROUP GOVERNANCE

The Board of Directors, the Executive Committee (ExCom) and the Regional Councils work hand in hand. The Board of Directors is composed of 25 cooperative members elected by their peers. It is the decision-making body of the cooperative and its subsidiaries. It drives and approves strategy, and monitors the projects and actions implemented. From within the Board of Directors, 11 members are elected to constitute the Bureau. They prepare the briefs to be presented to the Board of Directors.

The directors of the businesses sit on the Executive Committee, of seven members, which defines and implements strategy. The Transition and Innovation Director regularly reports on the group's sustainable development performance.

On the six Regional Councils sit a total of 241 councillors, elected at sectional meetings for a three-year term of office. Theirs is a consultative role, but they also submit proposals. They are responsible for monitoring the world of farming within their territories.

SUSTAINABLE DEVELOPMENT

The Sustainable Development department produces the non-financial performance declaration (DPEF). It leads and tracks the progress of cross-functional projects across the Group in the fields of regenerative agriculture, adaptation to climate change and corporate social responsibility (CSR), in France and Central Europe. Boortmalt works alongside the department to launch and manage sustainable development projects tailored to its business model and international footprint in the countries where its malting plants are located, such as Ireland. Boortmalt's goal is to halve its direct emissions by 2030, in accordance with its SBTi commitment.

CSR ambassadors have been appointed within each entity. They come together as an operational committee, meeting each quarter with the Sustainable Development department to discuss



▲ The close connection between the governance structures and cooperative members is one of the strengths behind Axereal's growth.

projects, organise joint activities, share knowledge and keep up to date with developments in the field, in particular in the regulatory sphere.

All sustainable development topics – compliance (meeting legal and ethical standards), taxonomy (classifying activities with a favourable impact on the environment), human resources and others – are addressed jointly by all the relevant departments and divisions within the Group, as early in the process as possible in order to plan for upcoming developments, especially regulatory changes.

As a Group, we have earmarked a proportion of our investments to transforming our model (agricultural transition, eco-designed buildings, renewable energy production, cutting carbon from transport, etc.), without losing sight of the importance of ensuring that our suppliers comply with their own obligations. ■



▲ Presentation of new crop varieties during the 2023 Agronomy Seminars in Nourray.

PRIORITIES FOR THE AGRICULTURAL TRANSITION

At Axereal, we have calculated our carbon footprint both at Group level and for each of our businesses, and made reducing our greenhouse gas (GHG) emissions a priority. Operationally, this translates into objectives, the construction of a Low Carbon trajectory out to 2030 and the progressive implementation of a new regenerative agriculture model.

A LOW CARBON TRAJECTORY TO CUT OUR EMISSIONS

After the Group's full carbon footprint assessment (scopes 1, 2 and 3) was completed in June 2022, we worked collectively to build our Low Carbon trajectory out to 2030, in line with the French government's national Low Carbon strategy for the agricultural sector. We brought together staff from different divisions to take part in themed workshops (energy, cereal procurement, non-cereal procurement and logistics) to identify ways of reducing GHG emissions and quantifying the estimated potential CO₂ savings. This process also fed into the ten foundational regenerative agriculture projects we have launched. We are particularly keen to decarbonise our transport operations, and have launched an initiative to cut emissions from our goods transport by road (renewing the vehicle fleet, delivering eco-driving training, moving to alternative fuels, optimising journeys, etc.) and to investigate alternative, less polluting modes of transport, such as rail freight and river transport. Goal: 5% reduction in road transport emissions, both for our own fleet (by 2024) and for sub-contracted operations (by 2025).

THE GROWTH POTENTIAL OF REGENERATIVE AGRICULTURE

Regenerative agriculture is a response to several of today's challenges: climate change, society's evolving expectations and the agricultural transition. It is a sustainable, low-carbon agricultural model focused on nature and capable of returning good yields of high-quality, resilient crops. Using this model will enable farming to produce, in quantity, high quality agricultural raw materials on an ongoing basis while cutting farmers' carbon footprints, preserving and restoring biodiversity, improving the health and fertility of the soil and safeguarding water resources. The model incorporates a commitment to results, and is based on the proven benefits of regenerative agriculture.

As there is no regenerative agriculture standard for field crops on either a national or an international level, we have established our own definition (see page 14). ■

We use OUR RESOURCES



A strong belief in cooperation

11,000

COOPERATIVE MEMBERS



Flourishing channels

1,000,000

TONNES OF GRAIN ORIGINATED
UNDER TRACEABLE CHANNELS⁽¹⁾



Motivated staff

3,540

STAFF



An efficient structure

280⁽³⁾

SITES



Financial strength

92

MILLION EUROS OF INVESTMENTS

(1) Defined specification and speciality channels
(2) Operations sold during the 2023-2024 fiscal year
(3) Prior to sale of feed compound operations

...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 approaches, using the principles of low-carbon regenerative agriculture.

- **236 regional councillors**
- **94% of farmers said that agronomics is an enabler for the transformation currently happening in farming (in-house survey)**
- **38.5% of poultry farms supported by Force Centre achieved category A or B French animal welfare certification in 2022-2023**

CUSTOMERS

Across all our markets, we support the development of high-quality food products that reflect the challenges 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 3,700 producers committed to the CultivUp initiative for sustainable channels in 2022-2023**

STAFF

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

- **Over €1.8m allocated to staff training**
- **8% reduction in the reportable accident frequency rate in 2022-2023 compared to the previous year**
- **69.76% of Agriculture & Channels staff members completed at least one training course in 2022-2023**
- **70 Boortmalt staff took part in the Talent Programme focusing on three aspects of personal development: energy, aspirations and resilience**

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.

- **94% 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.

- **€5.045bn in turnover, 50% of which is generated internationally**
- **Regular discussions with financial partners**

CONSOLIDATED FINANCIAL RESULTS

2022-2023



TURNOVER

€5,045M

Up 17%



EBITDA

€281M

Up 35%



NET FINANCIAL DEBT

€1,220M

Of which €524M of WCR

AXEREAAL CONTINUES TO FOLLOW ITS GROWTH TRAJECTORY WITH RESULTS UP SIGNIFICANTLY COMPARED TO LAST YEAR, DESPITE THE UNSTABLE ECONOMIC BACKDROP

THREE EXTERNAL FACTORS FIGURED HIGHLY IN THE ECONOMIC BACKDROP TO THE 2022-2023 FINANCIAL YEAR

1

THE RETURN OF INFLATION WORLDWIDE

Growth has slowed, with global GDP rising only about 3% in 2022 and 2023 versus 6% in 2021⁽¹⁾. **Inflation** remains a significant feature of the economy in which we operate. It is however beginning to cool, bringing a return to more normal energy prices and a fall in agricultural commodity prices. According to the OECD, across the G20 annual inflation measured via consumer price indexes is expected to fall by 7.8% in 2022 and 6.1% in 2023.

2

RAW MATERIALS PRICE VOLATILITY

Inflation is accompanied by **highly volatile commodity prices**. These impact our sectors on a day-to-day basis, in particular in terms of liquidity and working capital requirement. For example, during the year, soft wheat and malting barley prices rocketed before retreating by 31% and 34%⁽²⁾ respectively, bringing them back down close to their summer 2021 levels.

3

SOARING INTEREST RATES

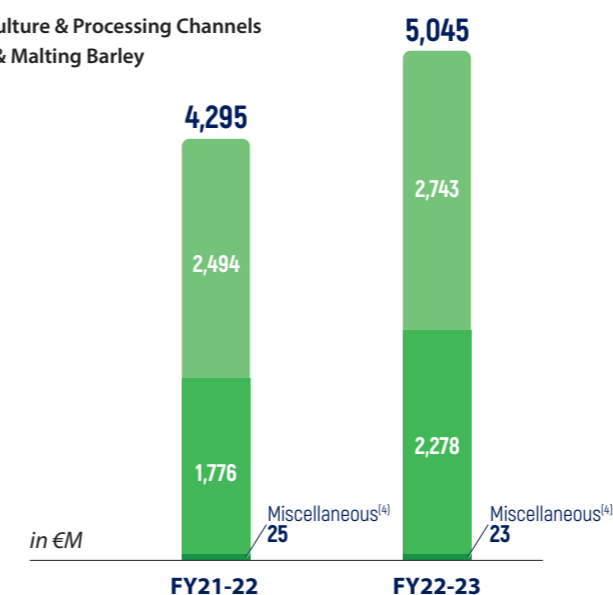
In an attempt to control this inflation, the main central banks have put in place tight monetary policies. This has increased interest rates significantly, pushing up the **cost of capital**. This is clear when we look at the change in the Euribor 3-month rate, a reference index for many medium-term sources of finance. From approximately zero at the beginning of the financial year, it rose to around 3.6%⁽³⁾ by the end, a substantial increase.

⁽¹⁾ Source: worldbank.org / ⁽²⁾ Source: agritel.com / ⁽³⁾ Source: Reuters

DESPITE THE FRAGILE ECONOMY, THE GROUP HAS SUSTAINED THE MOMENTUM GATHERED OVER RECENT YEARS TO RECORD EXCELLENT RESULTS

TURNOVER

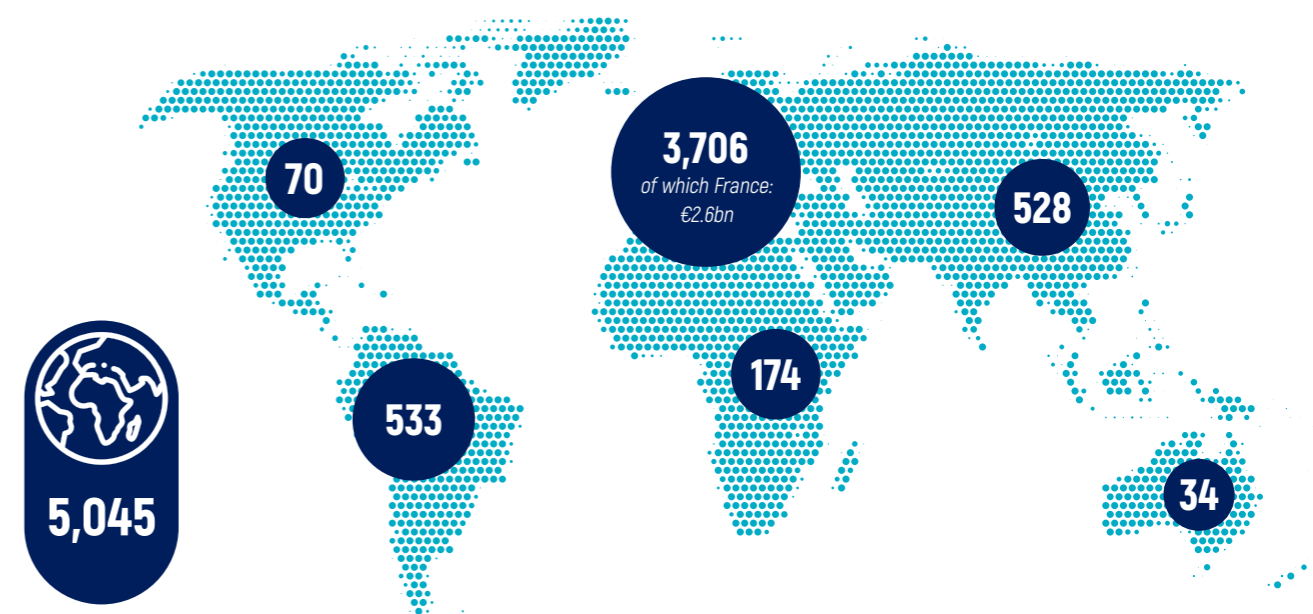
■ Agriculture & Processing Channels
■ Malt & Malting Barley



The Group posted turnover of €5,045M up 17% on the previous period, partly driven by grain price increases. Around 50% of the group's turnover is generated internationally, with Europe accounting for 23%, South America for 11% and Asia for 10%.

⁽⁴⁾ Consisting mainly of Group holdings and services

TURNOVER BY GEOGRAPHICAL ZONE⁽⁵⁾ (IN €M)



⁽⁵⁾ Turnover by destination

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (EBITDA)

EBITDA continued to rise, reaching €281M at 30 June 2023, up 35% on last year. In particular, we owe this positive operational performance to the agility of our teams who have succeeded in safeguarding margins as they have dealt with the effects of inflation.

AGRICULTURE & PROCESSING CHANNELS DIVISION

The Agriculture & Processing Channels division posted EBITDA of €70M, up over 11% on last year.

AGRICULTURE

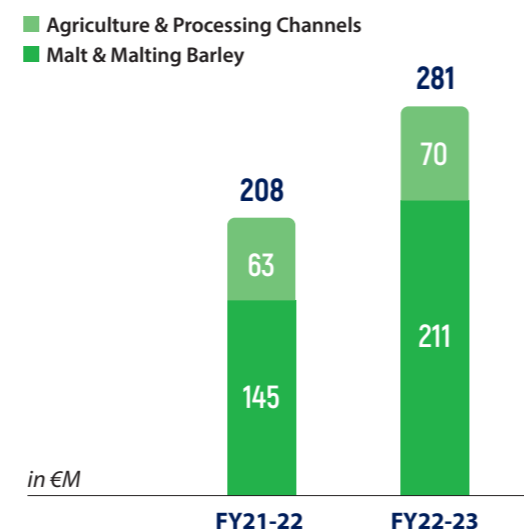
On the agricultural front, Axereal originated 4.2 million tonnes of crops during the 2022 harvest. The commercial strategy put in place improved competitiveness, partially offsetting the effects of inflation. Our agricultural business also benefitted from a very successful season for agro supplies, despite the unprecedented fertiliser market conditions.

MILLING

In the Milling division, sales volumes ticked back up again with 348,000 tonnes of flour sold, achieving 2% growth in a shrinking market. Capacity utilisation for production equipment was excellent, reaching its highest ever level (over 90%). Inflation has nevertheless had a visible effect on performance.

LIVESTOCK FARMING

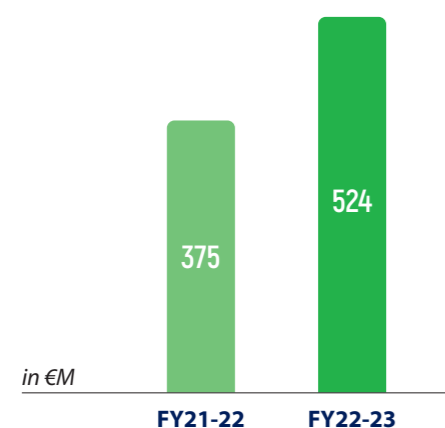
Lastly, this was a transition year for livestock farming, with volumes stabilising at around 400,000 tonnes. One significant feature of the year was the planned merger of the feed compound business with Avril Nutrition Animale. This is expected to be completed soon, once authorisation has been secured from the French Competition Authority.



MALT & MALTING BARLEY DIVISION

The Malt & Malting Barley division has performed well this year, with 2.8 million tonnes of malt sold and a plant utilisation rate of 102%. The strength of the Malting Barley business has also been noteworthy. This good operational performance, together with a favourable customer mix and success in passing on inflation has culminated in an increase of 46% in EBITDA, bringing it to €211M. Boortmalt also enjoys an advantageous geographical footprint, enabling it to benefit from the differences in energy prices on different continents.

WORKING CAPITAL REQUIREMENT (WCR)



Although commodity prices have fallen significantly during the year, the Group's WCR remains significantly above its standard level. At 30 June 2023, it stood at €524M. This is mainly due to:

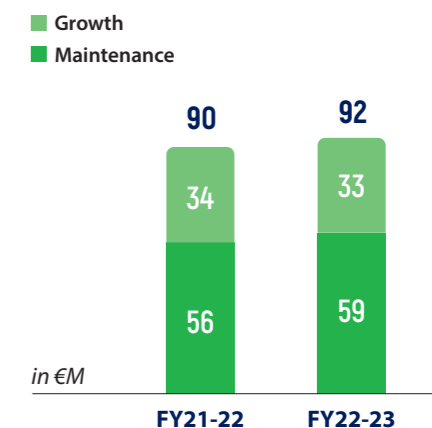
- high stock levels, linked primarily to high valuations and also to increased volumes,
- an increase in customer receivables, mainly due to the inflationary context.

INVESTMENTS (CAPEX)

Our investment spend is well controlled and in line with our investment plan, with €92M invested during the year in maintaining our assets (grain elevators, malting plants, mills, etc.) and financing our development projects.

This investment strategy aims to both enable us to continue running our current operations under the best possible conditions and to prepare for future growth opportunities which will generate value for our cooperative members over the coming years.

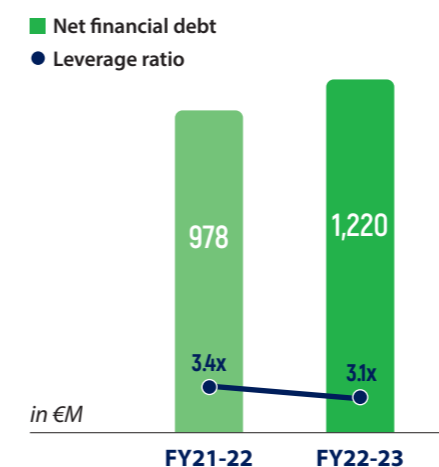
One of our major upcoming investment projects is, in the Malting Division, the Antwerp heat loop. This will be a major step forward in our plant decarbonisation trajectory because it is expected to cut the Antwerp site's carbon footprint by 70%. In agriculture, development projects are focused on digitalisation, both in our work with farmers and internally, as we are rolling out an ERP system.



Lastly, we continue to progress the projects launched last year in our local areas, primarily:

- in plant protein, work with Intact, a company with an innovative project focused on ingredients and regenerative agriculture. An industrial plant and an R&D centre are set to open in Baule, Loiret.
- in brewing, with the construction of a 10,000-hectolitre artisan brewery in Chambord, in partnership with Domaine National de Chambord. This joint operation will serve to promote our local products and create jobs in rural areas, while upholding our environmental values.

NET CONSOLIDATED DEBT AND LEVERAGE RATIO



On 30 June 2023, net financial debt stood at €1,220M, up 13% on the previous year. This can be mainly explained by the increase in WCR, which represents around 40% of net financial debt. This is partially absorbed by WCR financing which is not recognised as debt.

Our leverage ratio, as defined in our bank loan documentation, was 3.1x at 30 June 2023 compared to 3.4x at 30 June 2022 and remains within the maximum defined in the covenant. ■

CSR AT GROUP LEVEL

At Axereal, we have a Group-level sustainable development strategy. It has been used to create specific road maps for Axereal Agriculture, Axiane Meunerie, Axereal Elevage and Boortmalt, underpinned by the UN's sustainable development goals (SDGs).

Our approach ensures that our sustainable development strategy takes into account the challenges and opportunities in the different business sectors in which we operate. It uses these road maps to guard against and manage the potential impacts of the specific non-financial risks linked to our business sectors, while also supporting the agricultural and food transition, our Group's operational performance and stronger links with our stakeholders.



SDG STANDARDS

2 ZERO HUNGER

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG STANDARDS

6 CLEAN WATER AND SANITATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

8 DECENT WORK AND ECONOMIC GROWTH

14 LIFE BELOW WATER

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

15 LIFE ON LAND

SDG STANDARDS

1 NO POVERTY

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

17 PARTNERSHIPS FOR THE GOALS

Agriculture

Milling

Livestock farming

Malting

AGRICULTURE & PROCESSING CHANNELS DIVISION

REGENERATIVE FARMING PLAN

Axereal Agriculture is implementing regenerative farming as part of a comprehensive strategy involving all stakeholders, through ten evolutive long-term projects.

MANAGE SOIL HEALTH

Close attention is paid to soil health, because it is the key to plant health and therefore production yields. We harness the most advanced agronomy knowledge to improve soil fertility, and reinforce it through the use of progressive practices such as selective tillage and the addition of organic matter (crops that return nitrogen to the soil, organic fertilisers, straw after harvesting, etc.). To help us manage the soil and also demonstrate the environmental benefits of regenerative agriculture, we are working on new indicators such as "impact measurement" to see the effect of practices on the soil, by looking at CO₂ content, alteration, water-holding capacity and underground biodiversity. These indicators have already been used to measure 15,000 hectares of land.

REDUCE THE USE OF CHEMICAL INPUTS IN PRODUCTION

To limit the use of chemical intrants, it is important to propose effective alternatives so that reliance on nitrogen fertilisers and plant protection products can be reduced to the strict minimum, for example adding pulses or other low-intrant crops into rotations, using biocontrol products, etc. The development of digital decision-making tools also enables farmers to adjust the doses of fertilisers and plant protection products used on the farms to the actual needs of the soil.

SUPPORT THE TRANSITION THROUGH TRAINING AND BY DEVELOPING OUR SOLUTIONS OFFERING

Implementing regenerative agriculture affects a number of areas, some of which will be new to some farmers (CO₂, agronomic effects of biodiversity, resilient crops, technological tools, etc.). To enhance knowledge and improve skills we will need to train not only farmers but also the staff across the various sectors in which we work, so that they can promote and support the roll-out of this approach by contributing specific solutions for each farm, through tailored offerings.

EXTEND CROP ROTATIONS

Alongside investigations into extending crop rotations by introducing crops that are not only less intrant-intensive but also help fertilise the soil (ideally pulses), we have decided to invest in the plant protein market by partnering with Intact, a French company which has devised an all-new, low-carbon, dry extraction process for pulses. On the basis of this, the cooperative has created a new channel using the regenerative agriculture model which will extend all the way from the agricultural crop through to the value-added product, mainly for use by the food industry. Throughout the 2022-2023 season, "Intact ambassador" farmers contributed to improving knowledge and practices relating to pea protein crops, which not only require low levels of intrants but also serve to extend crop rotations. Added as part of a regenerative approach, this crop is beneficial to the farm as a whole. It is an example of how Axereal's agricultural transition strategy is being implemented. The first Intact production facility, in the Centre-Val de Loire region, will be operational in late 2024.



DEVELOP THE DOWNSTREAM OFFERING, THE SUPPLY CHAIN AND THE QUALITY FOCUS

Making changes to operate regeneratively represents a risk for farmers. For manufacturers however, a regeneratively farmed product can be marketed as being of higher quality. To guarantee a fair distribution of returns, the price paid to farmers for their production must reflect its value. Consideration must also be given to optimising the supply chain – from the grain elevator to the customer – by improving storage conditions, reorganising flows, certifying productions, etc.

DEVELOP DATA USAGE AND FULL TRACEABILITY

Data collected by the management and decision-making tools made available to farmers is vital to regenerative agriculture, both in terms of implementation and in terms of demonstrating results to customers and justifying price premiums to customers. In addition, the data entered can be used to monitor the conditions under which crops are produced and products are processed. Axereal is currently creating a digital platform for this. It will centralise and harmonise the various different traceability systems and offer indicators, both for farmers to use to help manage their products (from farm level down to plot level) and to provide customers with concrete information on the benefits of regenerative agriculture (for the climate, reducing carbon, etc.).

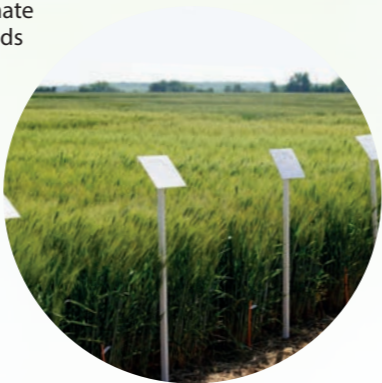


REDUCE THE CARBON FOOTPRINT OF PRODUCTION (REDUCE EMISSIONS AND INCREASE THE AMOUNT OF CARBON SEQUESTERED IN SOIL)

To achieve the necessary reduction in greenhouse gas emissions we will need to put in place a variety of new practices, and combine them together. This will involve limiting the use of chemical fertilisers, and in particular reducing the volatilisation of nitrous oxide, which is the primary factor behind around 80% of farming's CO₂ emissions, minimising tillage to improve organic activity in the soil, its infiltration rate and its water retention capacity, and also supplying low-carbon fertilisers and encouraging carbon sequestration in the soil.

PROVIDE CLIMATE PROJECTIONS

The aim of our Climate Strategy is to foresee and adapt to climate change across the region in which we operate by 2030. A study has been carried out to quantify the effects of climate change on production yields and farm profits, with a view to identifying and evaluating the possible adaptations. From 2024, we will be in a position to advise farmers on competitive, sustainable farming practices tailored to the predicted climate of 2030.



DEVELOP R&D

The only way to transform the agricultural model is by developing new practices and channels and making them part of significant advances, backed by technology, to improve accuracy, traceability and competitiveness, and also to demonstrate the impacts of these changes. At Axereal, we make our agronomy knowledge and R&D facilities available to further innovation and experimentation, in particular on our experimental farm at Chaumoy in Cher.



WATER AND BIODIVERSITY

Water management (availability and quality) and the preservation of biodiversity are particularly high-profile topics today. The degree of urgency that surrounds them makes it vital to act to preserve the resources, and to achieve this, to tackle the issue of greenhouse gas emissions. Water and biodiversity are also pillars of regenerative agriculture in their own right. Some of the solutions can be found within the scope of action of the other priorities, while others are specific (more hedges, development action plans, irrigation decision tools, contributions to local water protection plans, etc.).



SUSTAINABLE DEVELOPMENT ROAD MAP – AXIANE

During 2022-2023, Axiane Meunerie created a sustainable development road map based on three pillars:

- **Rethink:** act individually and together for the climate, by reducing our environmental impact, innovating and communicating responsibly.
- **Reinforce:** progress our local commitments by creating sustainable and equitable channels, developing and enhancing the attractiveness of our areas of operation and implementing the circular economy.
- **Respect** the people who produce and consume our flours, by focusing on health and safety and food safety, ethics, knowledge transfers and clean label.

It also initiated work to optimise and enrich this road map by redefining the monitoring indicators, with data collected and analysed weekly and monthly, and organised themed workshops on the subject for Axiane staff in the mills. This has also been an opportunity to set shared annual objectives.

KEY EVENTS

Thanks to its product innovation strategy, in May 2023 Axiane Meunerie was able to launch the first low-carbon flour, sold in supermarkets under the Cœur de Blé brand, followed by the first pesticide-residue-free flour. In addition, to support bakers battling the effects of inflation, Axiane added a soft wheat-durum wheat blend requiring shorter cooking times and less butter to its Secret de Blés range.

Another key event this year was the commissioning of a new buckwheat mill in Brittany in March 2023. This cutting-edge facility, perfectly attuned to customers' quality and food safety requirements, has given the Treblec brand a new lease of life.

Lastly, a record-breaking 140 apprentice bakers took part in the Jeunes Pousses 2023 competition. The 10 winners attended a training course with one of France's Best Craftspeople, benefitting from their invaluable experience.



SUSTAINABLE DEVELOPMENT ROAD MAP – AXEREAAL ELEVAGE

To prepare its sustainable development road map, Axereal Elevage began by collating an exhaustive list of current practices and considering opportunities for improvement. Through this collaborative process, the business defined four priority focuses, each associated with ambitions to be achieved by 2030 and priority actions to be completed during the year 2022-2023.

- **Sustainable environmental practices:** energy efficiency for facilities; managing our environmental impact; sustainable supplies; waste management.
- **Performance:** food safety and traceability; competitiveness of channels and farms; continuous improvement.
- **Animal welfare:** nutritional profile of feeds; development of alternatives to chemicals; providing the five freedoms of animal welfare.
- **Social responsibility:** employee safety; employee well-being, equality and fulfilment.

KEY EVENTS

Axereal Elevage, which has been ISO 50001 certified since 2015, cut its electricity consumption by a further 2% during the 2022-2023 year. Submeters are being installed on the different sites to provide more granular consumption data in order to pinpoint potential savings.

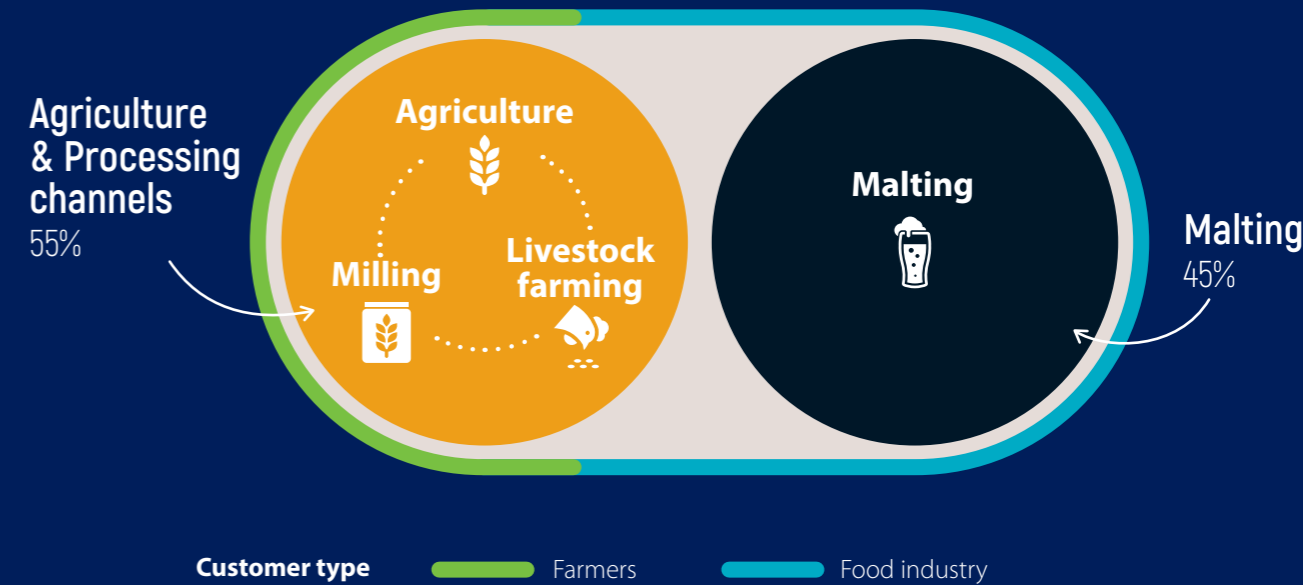
The business has pledged to stop purchasing soybeans from deforested areas by 2025. Conservation grazing is also being introduced on suitable Axereal Elevage sites.

The project to train all technicians and technical sales executives in the importance of animal welfare and relevant practices has begun and will be completed by 2025 at the latest. Almost 85% of poultry farmers have already received training on this topic.

Finally, Axereal Elevage has signed a contract with eco-organisations for to process its packaging waste, for both consumers and the trade. Trade customers can also return their empty packaging to collection points set up at the five depots.



COMPLEMENTARY ACTIVITIES



SUSTAINABLE DEVELOPMENT ROAD MAP – BOORTMALT

Boortmalt's sustainable development strategy, written based on a materiality analysis, targets four priority objectives and five supporting objectives.

The four priority objectives:

- Improve energy efficiency to reduce greenhouse gas emissions by 42% (absolute figure) by 2030.
- Protect water resources by cutting consumption by 30% between 2020 and 2030.
- Source from sustainable farms (lower CO₂ emissions, optimised water management, preservation of biodiversity, ethical working conditions, etc.), with the aim of making 100% of barley purchased "sustainable" by 2030.
- Improve staff health and safety, to achieve a target of zero harm.

The five supporting objectives:

- Reduce waste, by reusing 100% of packaging and identifying applications for all industrial waste.
- Engage with the community, by involving staff on each site in local initiatives supporting the population.
- Do business ethically, in particular by progressively adding a code of conduct to all supplier contracts.
- Provide equality, inclusion and diversity in the workplace, backed by a review of all roles across the business.
- Offer traceability of barley supplies and transparency on all sustainable development topics.

KEY EVENTS

To increase energy efficiency, our Irish plant has replaced the gas used in the malting process with an electrically powered heat pump. The installation was built in 2022-2023 and is set to enter into service in 2024. In Antwerp, Belgium, the heat network project is entering its operational phase after five years under development. In 2024, a 12km heat loop will transport residual heat from the Indaver waste incineration plant to the city centre and the Boortmalt plant. This network will supply the plant with around half the heat it requires to operate, cutting annual CO₂ emissions by around 80,000 tonnes. In Spain and also in Australia, projects have been initiated to harness solar energy to heat the water used in the malting process, mirroring a system in place at the Issoudun malting plant.

On the theme of water management, Boortmalt is continuing the site roll-out of Optistee, a technology to reduce water consumption during the malting process, while maintaining or even improving process yields and malt quality. To date, this technology is in place on seven sites. Solutions are also being developed to reuse water. Reverse Osmosis is in place in Australia and will soon be introduced in Antwerp. It is a system to cleanse wastewater so that it can be reused in the industrial process, cutting requirements by 40 to 50%. In South America, solutions are being investigated to produce water of potable quality from the ocean close by. Lastly, during 2022-2023 Boortmalt joined EcoVadis, a recognised independent body. This organisation carried out an initial evaluation of Boortmalt's CSR strategy and awarded it a silver medal, providing independent confirmation that the road map it has created is apt and effective. ■



11 MAJOR CHALLENGES

We have identified 11 main non-financial risks for our Group. We manage and track them not only to control their potential impacts but also to harness them as growth opportunities for the Group, in line with our strategy.

Our strategic aim is: to produce, in the required quantity, to the required quality and in a timely manner, raw materials that meet safety standards while embracing the agricultural transition, through an over-arching regenerative agriculture strategy which reduces greenhouse gas emissions and creates both economic value for farmers and environmental value for our planet. We have identified 11 main non-financial risks in relation to this aim.

To achieve it, we have built a specific framework, inspired by the ISO 31000 standard, to provide a common methodology for the entire Group. We have pinpointed, recorded and classified our non-financial risks as they actually exist operationally, and identified within each division colleagues acting as “risk managers” to ensure that the methodology is implemented effectively. In addition, the Risks and Audit Committee assists the Board of Directors in overseeing the effectiveness of risk management, the quality of internal control and an appropriate understanding of the financial statements.

There has been no change in the risks identified since last year. The study on which our work to identify risks is based is several years old now. We plan to update it through a new materiality matrix exercise, run internally using a simplified version of the official methodology. As we now have a fairly clear vision of what the Corporate Sustainability Reporting Directive (CSRD) will contain, and because we plan to carry out a double materiality assessment under it next year, we do not want to tackle too many things at once. Consequently, in this transition year, we will continue to work with the risks as we identified them last year. At this time, we consider these risks to be coherent, firstly because our strategy has not changed significantly, and secondly because agriculture evolves only slowly, with each consecutive harvest.

Next year, we will revise the risks in the light of our double materiality matrix, at which point we undertake to return to this topic and review how the risks are identified and their respective priorities. We have however updated the year’s key initiatives.

POLICY

We have made developing sustainable channels a main focus 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. Aim: sell one million tonnes of grain under sustainable channels for the 2023 harvest.

KEY INITIATIVES

- ▶ We have acquired a stake in Intact, setting in motion the creation of a plant protein production channel, mainly to supply the food industry, using an innovative low-carbon, low-water-consumption dry extraction process. The cooperative is also looking to a community of farmers designated “Impact ambassadors” to generate, in the first instance, new interest in pea protein crops. Peas have an agronomic benefit thanks to their capacity to capture nitrogen from the air and transfer it to the soil to fertilise it naturally. This limits the need for chemical fertilisers and reduces CO₂ emissions. Ground was broken on the first Intact production facility in the Centre-Val de Loire region in autumn 2023.
- ▶ For the first time, our proportion of sales under sustainable channels exceeds that of export sales.

POLICY

Our sustainable agriculture strategy is based on the CultivUp standard, which was launched in 2017 to support farmers in their agro-ecological transition while simultaneously creating value. CultivUp is a set of environmental, economic and social criteria to protect soil, nature and water resources. It constitutes the minimum standard for farmers wishing to enter our specifications channels.

KEY INITIATIVES

- ▶ 100% of CultivUp farmers are working to the revised version of the standard, which is certified both SAI Platform and Environmental Value level 2 for field crop production.
- ▶ CultivUp is a genuine progress plan. Over the next three years, we will continue to develop it. It will become CultivUp Régénératif and support the roll-out of regenerative agriculture within the group. The new standard will include impact assessment, an approach that uses indicators to demonstrate the environmental benefits of actions and strategies put in place to reduce greenhouse gases, reinforce soil health and protect nature.
- ▶ Following a biodiversity assessment carried out by the association Hommes & Territoires at the Chaumoy experimental farm, Axereal and Arvalis have taken the decision to follow their recommendations and add hedges (3.38 ha), planted strips of land (1.5 ha), floral fallow land (0.6 ha) and single trees (1.788 ha). This work began on 9 and 10 December 2022 at an event involving Axereal staff and their families, and was completed in spring 2023.
- ▶ The Optistee system was rolled out to additional Boortmalt sites. Seven plants are now equipped with this technology which cuts malting process water consumption by moving to a single steeping phase, without altering either the yield or the quality of the malt.
- ▶ Axiane Meunerie launched the first low-carbon flour, thanks to regenerative practices put in place by Axereal farmers (see risk 7).

POLICY

Axereal supports farmers as they implement low-carbon approaches to reduce their greenhouse gas emissions, thereby doing their bit to limit climate change. The Group also encourages them to adapt to the effects of the changing climate to make their production more resilient and guarantee the long-term future of their farms, while saving energy wherever possible.

KEY INITIATIVES

- ▶ Axereal and one of its partners carried out a study on the effects of climate change across its area in 2030 and 2050, based on scientific data from the IPCC. The aims of this were to, firstly, quantify the impact of climate change on production yields and farm profitability, and secondly, identify and evaluate various adaptation measures (introducing different species, adapting crop rotations, changing sowing dates, etc.). Thanks to this forward-looking analysis, we will be in a position in 2024 to advise farmers on competitive and sustainable farming practices tailored, initially, to the climate of 2030.
- ▶ Axereal Elevage has been practicing load curtailment (reducing electricity consumption on certain sites during a specific period) since 2020. During the 2022-2023 financial year, it cut consumption by 2%. Submeters are being installed on the Auvergne Poussins site so that energy sources can be managed. In addition, an eco-driving training plan has been put in place for both HGV drivers and staff driving cars and vans.
- ▶ Boortmalt installed a solar carport equipped with 2,000 solar panels (maximum power 1MW) at its Antwerp site. It powers 60 charging points for electric vehicles and protects cars all year round. The vehicle fleet has been renewed, moving to electric and hybrid models. This new solution avoids CO₂ emissions (scope 3) of more than 1,000 tonnes per year.

4

COMPLY WITH LEGISLATION ON OUR SITES

3

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 puts it into practice. They also ensure that the permits and licences required to operate are obtained and kept current.

KEY INITIATIVES

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



5

LOOK AFTER ANIMAL WELFARE

4

12

15

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 farming conditions, enhance the nutritional profile of our feed compound and identify alternatives to chemicals. Information and training are essential to making this a day-to-day reality.

KEY INITIATIVES

- By 30 June 2023, 85% of farmers working with Force Centre had received training in the importance of animal welfare and relevant practices. We aim to take this figure to 100% by the end of 2023.
- Axereal technical sales executives are also being trained in animal welfare, so that they can advise and guide farmers. They will all have received this training by the end of 2025.



6

ENSURE PRODUCTS MEET SAFETY STANDARDS

3

8



7

INNOVATE THROUGH FIRST-RATE R&D

4

9



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

- Axiane Meunerie organised another Food Safety Culture day across all its sites on 7 June 2023. The activities organised by the business served to raise awareness among both mill staff and the sales and head office teams of key behaviours that need to be followed to keep consumers safe and retain our customers' trust.
- Boortmalt continued working to secure certification for sites during 2022-2023. The Athy (Ireland), Bury Saint Edmunds (UK), Cavan (Australia), Dunaújvaros (Hungary), Antwerp (Belgium) and Issoudun (France) malting plants obtained FSSC 22000 certification, and the Buckie, Glenesk and Knapton sites (UK) began working towards certification. The Bibra Lake (Australia) storage and packaging warehouse secured ISO 22000 certification.




POLICY

At Axereal, we aim to use innovation to identify new solutions to support regenerative agriculture, cut carbon from our operations and make our production and products more competitive. We encourage all our staff to contribute to our efforts in this area and to suggest innovative ideas based on their own abilities and field of work. In addition, we make intensive use of business intelligence to monitor and analyse market trends and needs.

KEY INITIATIVES

- At Chaumoy farm, our crop test centre in Cher, France, we test farming practices and innovative solutions to evaluate their performance before recommending them to farmers. An experimental programme focused on regenerative agriculture is underway.
- In spring 2023, Axiane Meunerie launched two innovative new products to the market under the Cœur de Blé label: the first pesticide-residue-free flour and the first low-carbon flour, sold in 1kg bags. This second product, which is made with 100%-French wheat, supports farmers who have committed to operating regeneratively. The farming practices that they use improve soil fertility. Adjustments are made to the types and quantities of fertilisers used and plant-based organic matter is added as a natural way of sequestering more carbon in the soil.





8

DEVELOP PRODUCT QUALITY AND ORIGIN CERTIFICATION





POLICY

Axiane Meunerie believes that the quality and origin of its products are of the utmost importance. As a response to customer expectations, it maintains various system certifications (IFS, GMP+ and AIB improvement programme) and product recognition labels (Organic Agriculture, Label Rouge, NFV30, NFV30+, HEV, regional PGI label, Organic Kosher PGI and Kosher).

KEY INITIATIVES

➤ A new buckwheat mill was built and commissioned at Val-d'Anast in Ille-et-Vilaine. This enabled Axiane Meunerie to give the Treblec brand a new lease of life by producing a conventional flour and a PGI-label flour.



➤ The company reinforced Cœur de Blé's positioning as an ethical and responsible flour brand in 2023 by launching a low-carbon flour and a pesticide-residue-free flour. These new products widen the choices available to consumers because the commitments of the flour in question are shown on every packet.



9

SAFEGUARD STAFF HEALTH AND SAFETY




POLICY

Our Agriculture & Processing Channels and Malting staff are exposed to five main accident risks: falls from height, industrial operations (grain elevators and factories), manual handling equipment, road accidents and musculoskeletal disorders. Numerous awareness campaign and training programmes have been run with the teams to encourage them to follow good practices. These long-term awareness-raising efforts are coupled with an in-depth analysis of any accidents that do occur. Our goal is zero harm. We also encourage our staff to improve their health by getting involved in sport and taking physical exercise. Axereal partnered the Rugby World Cup for schools held in Pontlevoy, Loire-et-Cher, because we identified with the event's focus on teamwork and its values. In September 2023, we organised a touch rugby tournament for staff.

KEY INITIATIVES

➤ Over the last four years, Axereal Elevage has halved workplace accidents. Its continuous improvement strategy is based on risk prevention, learning from any accidents that do occur and discussing safety with staff on a daily basis. This is in addition to the safety on the ground meetings, in which a specially trained internal auditor leads a discussion on safety with each staff member ten times a year.

➤ Boortmalt promotes an open and proactive health and safety at work culture through its "Together, Masters of Safety" programme. This is based on a robust compliance framework (policy, standards, indicators, reports, etc.) combined with staff engagement and motivation and a partnership with stakeholders. For example, a fun and informative Safety Day was organised during the year for staff and their families at the Villaverde malting plant. The aim of this policy is to make damage and injuries a thing of the past Boortmalt sites.




10

DEVELOP THE ATTRACTIVENESS OF OUR BUSINESSES AND ENCOURAGE STAFF DEVELOPMENT






POLICY

Retaining staff and attracting new applicants 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.), are major challenges for us at Axereal. We put in place programmes to build team spirit among young people working in our sectors and help new staff settle into the company, while also ensuring that we upskill staff and organise succession plans for key roles. We believe strongly in transparent and constructive social dialogue, and so are careful to offer fair and competitive remuneration and benefits, improve staff's well-being and quality of life in the workplace, fight discrimination and promote diversity.

KEY INITIATIVES

- In September 2022, we launched the Discover programme for our community of apprentices, interns, VIE volunteers and Erasmus students, totalling around 120 young people, with the aim of getting the next generation involved in transforming agriculture and the food industry. During the programme, which lasts one year, participants are invited to attend dedicated events, contribute to the Discover blog and watch webinars to further their knowledge. As part of it, we held the first Discover Hackathon in June 2023. The participants spent two days working intensively on strategic issues – the Chambord craft brewery, regenerative agriculture and the future of work – and then presented their proposals to a judging panel of group staff.
- In-person job fairs and higher education events restarted in 2022, after being severely curtailed due to Covid-19. These events are an important source of applicants for our Group and we attended around 60 during the year.
- We launched the Starting Block onboarding pathway for Agriculture & Processing Channels and Group team staff in March 2023. Starting Block consists of a welcome pack, training and observation visits. It helps new staff to assimilate the company culture, encourages a sense of belonging and drives engagement. More than 50 people have already followed the pathway.
- Following an assessment carried out in summer 2022, on 2 March 2023 we signed an agreement with the trade unions on employing disabled staff and keeping them in work, to cover the scope of the Grain Chain and Group teams ESU. The Group has also submitted an application to the French authorities for certification to manage the financial aspects of the adaptations made for disabled workers in-house.



11

LIMIT FOOD WASTE AND PROMOTE THE CIRCULAR ECONOMY






POLICY

We go beyond our regulatory obligations, working to cut the volumes of waste we produce by reducing at source, reusing and recycling. This strategy, which supports circular economy practices, also promotes initiatives to produce renewable, low-carbon energy locally.

KEY INITIATIVES

- As well as using co-products (bran) in animal feed, most of Axiane Meunerie's mills (Gallardon, Maure-de-Bretagne, Vincelles, Caen and Reuilly) are involved in anaerobic digestion partnerships. This means that spilt flour, flour caught in the air filters and wheat and flour from the lab and the sample bank, as well as a part of the waste from the wheat-cleaning process, are no longer treated as non-hazardous industrial waste but are used to produce biomethane which is injected into the local gas network.
- Axereal Elevage has signed a pledge with eco-organisation Adivalor to collect and recycle feed compound packaging from professional livestock farmers, and has also joined another eco-organisation, Citeo, to deal with used packaging from consumer customers (in particular the Ma p'tite ferme range). Recycling bins have been installed on the Saint-Germain-de-Salles site for use by staff.
- Boortmalt aims to eliminate waste to landfill by 2030. To this end, it reuses most of its processing waste as co-products, such as fodder for livestock, fertiliser and biomass. In addition, transporting products in bulk or in large containers minimises the quantities of packaging used. Where packaging is necessary, recycled or recyclable materials are employed wherever possible. Also, Boortmalt is progressively joining recycling programmes in the countries where it operates, starting with Repak in Ireland.
- The heat loop, a large-scale (12km) heat network, is being built near the malting plant in Antwerp (Belgium). It will harness residual heat from the Indaver waste incineration plant and transport it to city-centre homes and the Boortmalt site. It will cover almost 50% of the site's heat needs, reducing emissions by the equivalent of 80,000 tonnes of CO₂.

COMMENTS ON INDICATORS

Thanks to our commitment to the agricultural and food transition and our pledge to follow a sustainable growth trajectory, we are able to report improved results across a number of indicators, demonstrating our solid operational, commercial and environmental performance.

The trajectory is based on the UN's sustainable development goals and is built around priority focuses shared by all our businesses. These indicators highlight the progress that has been made in the different areas (social, environmental and societal).

An increase of 13% in the volumes of flour sold under sustainability specifications within the Agriculture & Processing Channels division and an increase in 50% in the percentage of sustainable barley in supplies in the Malting division compared to 2021-2022: these significant increases demonstrate the determination within Axereal and the businesses to 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. It also shows the growing demand among consumers for sustainable food products. They are motivated to make better choices when they shop, purchasing more ethical products offering an optimal standard of food safety, ideally without spending more. Within the Boortmalt division, the aim is for 100% of supplies to consist of more responsible and sustainable barley by 2030.

Continue to work to save energy and pre-empt climate change: we have reduced our greenhouse gas emissions relating to energy consumption by 10% compared to 2021-2022 (in tonnes of CO₂ equivalent - scopes 1 and 2), demonstrating the impact of the actions implemented.



A reduction of 20% in the severity rate (in thousands of hours worked) and a reduction of 8% in the frequency rate of lost-time accidents (in millions of hours worked) compared to 2021-2022: we view staff health and safety as our top priority. We have put in place a comprehensive policy on this issue, operating on several levels: safety workshops for field staff, in-service training tailored to staff members' profiles, action plan monitoring and lessons learned. The aim is to ensure our teams are safe at work and strive for zero accidents in both our Agriculture & Processing Channels and Malting divisions.

An increase of 17% in the number of training hours delivered and an increase of 52% in training spend.

We are proud of the cooperative spirit that inspires the strong, shared values which unite all our staff: these improvements highlight the emphasis we place on ensuring staff gain new skills and develop them. They also show how we invest financially in improving the skills available and making our business model more sustainable.

Growth in carbon assessments and programmes (up 150%), including GHG sequestration, achieved by capitalising in particular on farmers holding HEV certification, an area in which channel development has stalled.

COMMENT FROM KPMG

As set out in the methodology note, the reporting scope for greenhouse gas emissions generated by upstream and downstream emissions covers 34% of Group turnover (Boortmalt division) for this first year of reporting. The scope of the indicator will gradually be increased, accompanied by a detailed emission reduction plan. The reporting, audit and consolidation processes for indicators covering waste produced will be strengthened, making them more robust. ■

CSR INDICATORS

Field	Indicator	SDG	Related challenge	2021-22	2022-23	Change
SOCIAL	Total workforce (permanent)	SDG 4		3587	3542	-1%
	Breakdown by gender					
	Men			76.3%	76.0%	-1%
	Women			23.7%	24.0%	+1%
	Gender Equality Index for 2022 and 2023					
	ESU, Grain Chain and Group Teams	SDG 5	Develop the attractiveness of our businesses and encourage staff development	93 out of 100	93 out of 100	0%
	Axiane Meunerie			75 out of 100	81 out of 100	+8%
	Axereal Elevage			90 out of 100	85 out of 100	-6%
	Work organisation					
	Number of seasonal staff recruited	SDG 4	Develop the attractiveness of our businesses and encourage staff development	-	805	-
	Absenteeism rate (%)	SDG 3 & 8	Safeguard staff health and safety	4.5%	4.3%	-2%
	Workplace accidents					
	Lost-time accident frequency rate (per million hours worked)	SDG 3 & 8	Safeguard staff health and safety	14.3	13.2	-8%
	Severity rate (per thousand hours worked)			0.84	0.67	-20%
ENVIRONMENTAL	Training					
	Training time (hours)	SDG 4	Develop the attractiveness of our businesses and encourage staff development	34136	40044	+17%
	Training spend (€)			1,198,916	1820953	+52%
	The main agreements signed in 2022-2023 were as follows: for the Grain Chain and Group Teams ESU: on employing disabled staff and keeping them in work (02/03/2023), agreement on social dialogue, trade union rights and career paths for staff representatives (19/04/2023); for the Axiane Groupe ESU: agreement concerning a value-sharing premium (08/11/2022), profit-sharing agreement (22/12/2022); for Axereal Elevage: collective agreement on a value-sharing premium (01/12/2022).					
	Energy consumption (in MWh, total of all energy sources)			2,300,021	2,275,075	-1%
	Energy consumption per tonne produced (in kWh per tonne) - processing only: Axiane Meunerie, Boortmalt, Axereal Elevage	SDG 7		611	612	0%
	Greenhouse gas emissions (in tonnes of CO ₂ - scopes 1 and 2)			487,532	440,665	-10%
	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	128	117	-9%
	Scope 3 GHG emissions Upstream/downstream transport (Axereal Agriculture + Boortmalt) + Boortmalt purchasing (GHG emissions for supplies of malting barley and packaging) (in tonnes equivalent of CO ₂)	SDG 13		-	1,295,395	-
	Scope 3 GHG emissions for the Boortmalt division (in tonnes equivalent of CO ₂)			2,940,447	3,064,268	+4%
	Water consumption (in m ³)	SDG 6	Work to implement a sustainable agriculture strategy by developing agricultural practices and controlling our impact on water, soil and biodiversity.	7,663,434	7,947,664	+4%
	Waste production					
	Total waste (in tonnes)			41,663	41,656	0%
SOCIETAL	Waste recycling rate (%)	SDG 12	Limit food waste and promote the circular economy	95%	94%	0%
	Co-products recovered (in tonnes)			228,363	218,457	-4%
	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, soil and biodiversity.	3,797	3,676	-3%
	Number of farmers committed to HEV 3 under channel contracts	SDG 12 & 15		106	90	-15%
	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%	27%	+13%
	Percentage of sustainable barley in supplies			28%	42%	+50%
SOCIETAL	Percentage of broilers fed and reared to "no antibiotics" specifications	SDG 12		37%	39%	+4%
	Percentage of poultry covered by category A and B animal welfare labelling		Look after animal welfare	40%	38%	-3%

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 01/07/2022 to 30/06/2023. Data is reported annually.

2. SCOPE

The narrative non-financial reporting scope aims to objectively represent Axereal's business activities. For the 2022-2023 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). In addition, within the Agricultural Businesses France scope, Centre Grains was sold in December 2022 and 27 sites (grain elevators) were sold during the financial year. Within the Axiane Meunerie scope, a new production facility dedicated to buckwheat flour was commissioned in Maure-de-Bretagne in 2023. Lastly, within the Axereal Elevage scope, three MEF depots were closed in July 2022. 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 (DPEF) 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 “Comply with legislation on our sites”, 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 DPEF:

- **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 coproducts recovered.
- **combating food poverty:** Axereal is involved in fighting food poverty among its farmers. This challenge is covered on page 18, “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.

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 DPEF. A reasoned opinion on the conformity of the DPEF and on the sincerity of the information can be found in the “Regulatory obligations” section of our website, www.axereal.com.

6. SPECIFICITIES AND METHODOLOGICAL LIMITS

Total permanent workforce: for 2022-2023, this indicator covers the entire scope, 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 2022. It relates solely to Axereal Agriculture (excluding Central Europe Agricultural Businesses which account for 12.52% of Axereal Agriculture) 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 was 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.

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 10.33% of the Group's workforce.

Frequency rate and severity indicator: data for the previous year has been amended retroactively. 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 10.33% of the Group's workforce.

Training time indicator: this indicator relates solely to training covered by attendance records. It takes into account all types of training (excluding conferences): internal, external, e-learning, remote, in-person and on-demand. All staff are covered, with the exception of temps. When training extends across two periods, each hour completed is reported in the relevant period. 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 11.33% of the Group's workforce.

Training spend indicator: 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 11.33% of the Group's workforce.

Energy consumption: this indicator excludes diesel for vehicles. Central Europe Agricultural Businesses (totalling 4% 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 4% 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.

Upstream and downstream scope 3 GHG emissions: Scope 3 GHG emissions relate to the upstream and downstream transport categories. This year, the calculation scope is Boortmalt. This covers 34% of the Group's revenue. The aim is to progressively extend the scope to cover all of the Group's other operations. As logistics service provider to the Agriculture business, Axereal Services, Axereal's transport subsidiary, is involved in the Objectif CO₂ strategy and the Group's general logistics operation is involved in the FRET21 strategy. The goals are to cut emissions generated by transport (all modes) by at least 5% over the next three years. This commitment has in fact already been achieved during this first year. In the future, this strategy may be rolled out to other areas of the Group across France.

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. We will make a point of strengthening processes, reporting and consolidation for this indicator to make it more robust.

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

Coproducts recovered: residues or substances resulting during production or processing that are neither products nor waste and which have a market value because they are eligible to be recovered. The coproducts indicator is given in tonnes.

Grain volumes sold under 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 (01/07/2022 to 30/09/2023), although in some cases the goods may be delivered later.

Percentage of sustainable 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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