BayWa r.e.

Sustainability Report 2022

r.e.think energy

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Information marked with this symbol in the report refers to external sources.

Günter Haug | COO **Dr. Mihaela Seidl** | CFO **Matthias Taft** | CEO

Dear reader,

We are pleased to share BayWa r.e.'s second Sustainability Report with you. This report describes how we deliver on our strategic objective to **"accelerate the growth of renewable energy"** while adhering to our sustainability commitments. In other words, we consider scaling our business a success only if we do this sustainably, and by considering the environment, society and our people.

This report highlights the considerable progress BayWa r.e. has made during the past year with our Sustainability Framework, launched in 2020 to guide our sustainability initiatives globally. The framework outlines the priority topics we identified: 1. promoting Diversity, Equity and Inclusion (DEI), 2. improving transparency in global supply chains and 3. fostering community acceptance of renewable energy.

BayWa r.e. performed strongly in 2022, achieving double-digit growth in both revenue and Earnings Before Interest and Taxes (EBIT). We have continued the momentum gained during a decade of strong growth, deploying gigawatts of renewable energy and rapidly expanding our global workforce. The war in Ukraine underlined the importance of energy security for European countries, increasing the urgency for renewable energy investments to swiftly reduce the reliance on fossil fuel imports from Russia. It also became imperative for us to support the people of Ukraine by providing financial donations for humanitarian aid and energy infrastructure, and supporting Ukrainian students and refugees looking for educational or professional opportunities.

While interest in renewable energy surged in 2022, the world's transition to renewable energy is not fast enough. According to the United Nations Environment Programme's Emissions Report 2022, the international community is falling far short of the Paris Agreement goals, with no credible pathway to 1.5°C. The International Renewable Energy Agency (IRENA) estimates that global investments in energy transition technologies must more than quadruple annually to meet the Paris Agreement goals. Therefore, renewable energy must rise to around $5 trillion annually. We must urgently intensify our efforts and show, with concrete projects and accelerated growth, how renewables can deliver the energy solutions the world desperately needs. While renewable energy mitigates the risk of climate change, it also improves energy security, access and affordability.

In March 2023, we announced our intention to sell our Solar Trade business. The anticipated proceeds will be used to finance a tripling of the capacity of our current projects business and to enlarge our IPP portfolio to 3 gigawatts (GW) in the coming years. The sale is also intended to give Solar Trade the opportunity to continue its success story. Enormous growth opportunities exist and Solar Trade has the potential to increase annual sales of solar modules and inverters to more than 10 gigawatts (GW) each.

We are in the middle of an exciting journey to make meaningful and lasting contributions to the communities we work with. With many of the projects we develop, we aim to build solar and wind parks that offer direct benefits to local stakeholders, in addition to providing energy based on sound environmental and social principles.

We look forward to continuing our progress in 2023 and know that this will depend on the collective effort of the best and brightest minds. This is why we provide an inspiring workplace where people feel welcomed and empowered to act on a common purpose: safeguarding a sustainable future for our planet.

Thank you for your interest in BayWa r.e. and our sustainability journey. Thank you and well done to our Corporate Sustainability team and all internal contributors for this excellent report. We believe in making this world more sustainable and will continue accelerating the growth of renewable energy to create a better future for our planet.

Matthias Taft | CEO

Günter Haug | COO

Dr. Mihaela Seidl | CFO

About this report

Our Sustainability Report 2022 is the second report created by BayWa r.e. to give our stakeholders an understanding of our sustainability ambition, strategy and performance.

This report gives readers insights into our sustainability performance and developments for the financial year from 1 January to 31 December 2022. The report also references important developments up to 31 May 2023.

BayWa r.e. Group has long been part of our parent company's, BayWa AG, sustainability reporting process. This report complements BayWa AG's sustainability disclosures while expanding on topics relevant to our specific BayWa r.e. business models and our unique sustainability impact. In this report, some topics are discussed only at a high level, with indications of where the topic is addressed in more detail in the BayWa AG Sustainability Report 2022. This report should therefore be read in conjunction with the BayWa AG Sustainability Report 2022, available online.

How we compiled this report

The Management Board authorised the release of this report on 26 June 2023.

We drafted this report from detailed internal documents and interviews with executives.

Content owners and the management team reviewed the report.

The Management Board completed a final review of the report and approved it for release to stakeholders.

Reporting framework

For this report, we referred to the Global Reporting Initiative (GRI) Universal Standards 2021, enacted on 1 January 2023.

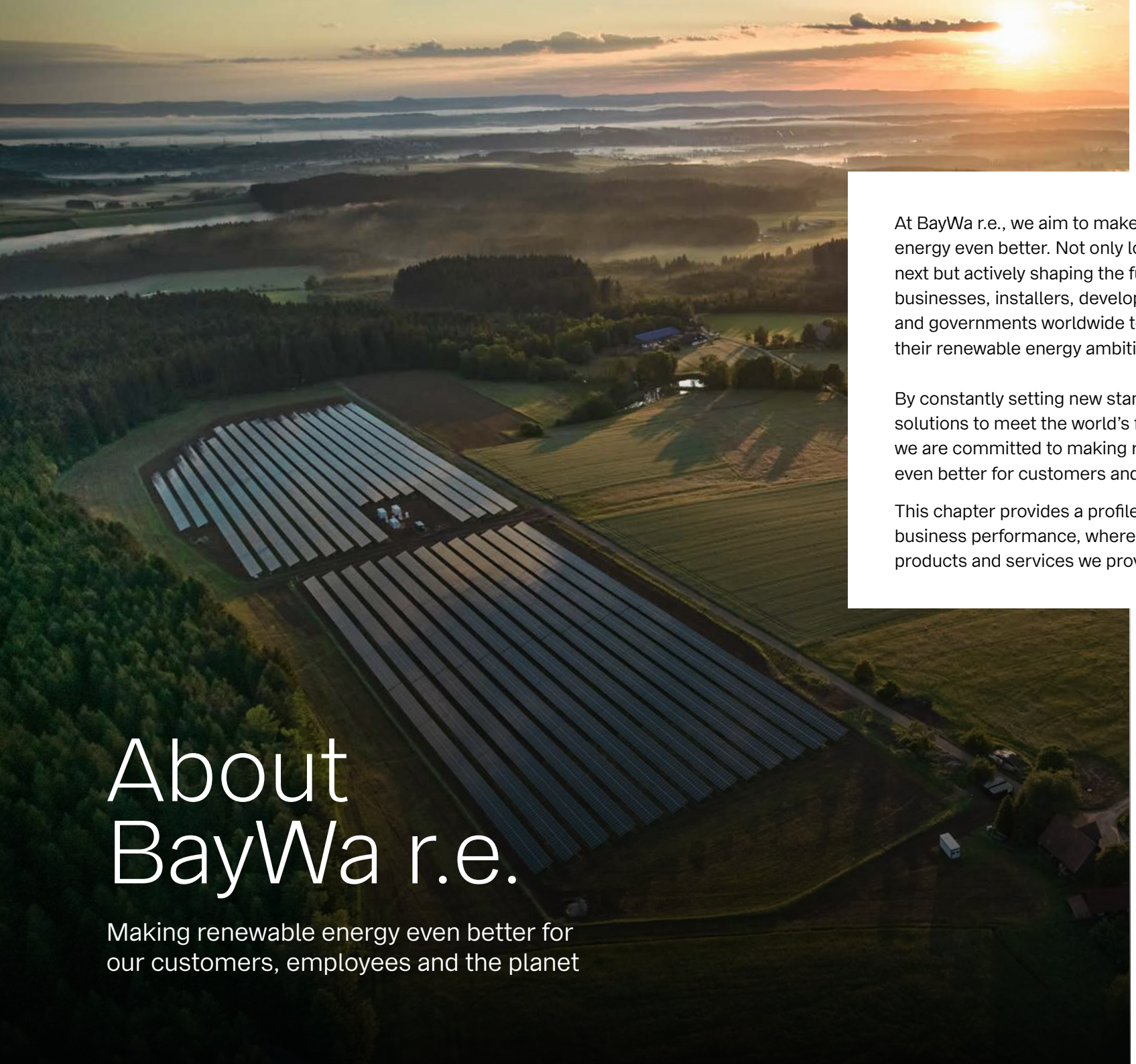
Scope and boundary

Unless otherwise indicated, this report covers the activities of the entire BayWa r.e. Group, including all its subsidiaries. The full list of subsidiaries can be found in the BayWa r.e. Group Annual Financial Statements 2022 appendix.

This report excludes data relating to BayWa r.e. Bioenergy, our biogas business sold in October 2022, resulting in significant deviations in our CO_2e and energy reporting. It also includes data relating to the January 2022 acquisition of Sol in One GmbH.

This report has not been audited. Our parent company's report, including BayWa r.e.'s sustainability data, has been audited with limited assurance, and the specific audit scope of the 2022 BayWa AG Sustainability Report is indicated accordingly. The BayWa r.e. Sustainability Report will be published annually in the second quarter.

We welcome your feedback. Please contact us if you have suggestions on how we can improve our reporting, disclosures and practices to benefit all our stakeholders. Contact the BayWa r.e. Corporate Sustainability team at **sustainability@baywa-re.com**



About BayWa r.e.

Making renewable energy even better for our customers, employees and the planet

At BayWa r.e., we aim to make renewable energy even better. Not only looking to what comes next but actively shaping the future. We work with businesses, installers, developers, utilities, investors, and governments worldwide to help them realise their renewable energy ambitions.

By constantly setting new standards and reimagining solutions to meet the world's future energy needs, we are committed to making renewable energy even better for customers and society.

This chapter provides a profile of our Group, our business performance, where we operate and the products and services we provide to our customers.

About BayWa r.e.

We are a leading global renewable energy developer, service provider, solar distributor, Independent Power Producer (IPP)* and energy solutions provider. Since we were founded in 2009, we have developed over 5 GW of renewable energy projects. The business entity Services currently manages over 10 GW of renewable energy assets. Operating throughout Europe, the Americas and Asia-Pacific, we are strategically investing in emerging markets worldwide, actively shaping the future of energy and taking a stand against climate change.

As a closely integrated Group of businesses working across international markets, we draw on an incredible depth of global shared learnings and expertise and collaborate on renewable energy projects to benefit our customers.

BayWa r.e also works with commercial and industrial customers to provide customised renewable solutions to reduce their carbon footprint and energy costs.

We are also committed to our sustainability journey and are driving forward several global social, environmental and economic initiatives.

As a player in the solar distribution market, we provide a comprehensive range of products and industry-leading customer support. Through first-in-class training, logistical expertise and online services, BayWa r.e. is the preferred partner for thousands of installers and contractors around the globe.

Every day, we work hard to find new solutions, push technological boundaries, and redefine service standards to improve renewable energy. We incorporate sustainability elements into our project development process and promote better sustainability practices within our supply chain. Our people make it all possible. Embracing DEI, we are committed to creating inclusive environments where our employees can reach their full potential.

At BayWa r.e., we r.e.think energy – how it is produced, stored and delivered to accelerate the growth of renewable energy, which is essential to our planet's future.

* An Independent Power Producer (IPP) is a Legal Entity, corporation, agency, authority, or other instrumentality that owns or operates facilities for the generation and sale of electricity for use, primarily by the public and commercial offtakers, and that is not an public electric utility.

BayWa r.e. Group in numbers

Founded in
2009

Headquartered in
Munich, Germany

4,500*
employees worldwide

Located in
30
countries

€6.5 billion
in revenue in 2022

5+ GW
renewable energy projects developed since 2009

10+ GW
of renewable assets managed by our Services business

* Number of employees of BayWa r.e. Group as of 31 May 2023

Our Mission

It is our mission to make renewable energy even better. We drive the renewable energy transition forward for our planet and its citizens. We believe that electricity should be accessible, affordable and produced in a way that minimises its impact on the environment. We are passionate about mitigating the worst impacts of climate change and building a more climate-resilient world.

Values

We are ambitious. To make the biggest positive impact in business and beyond. We create meaningful solutions.

We are reliable. For our colleagues, partners and customers, we create trust by being responsible.

We succeed as a team. We collaborate in an honest, friendly, and respectful way. We have fun and celebrate our successes.

We inspire others. With open minds, courage and innovation. We challenge the status quo.

Our shareholders

Our joint shareholders are BayWa AG, a global business with revenues of €27.1 billion (in 2022) and Energy Infrastructure Partners, a market leader in energy infrastructure investment that manages more than €5 billion on behalf of global investors. Energy Infrastructure Partners acquired a 49% stake in BayWa r.e. in March 2021.

BayWa r.e.

BayWa 51%

49% ENERGY INFRASTRUCTURE PARTNERS

BayWa AG

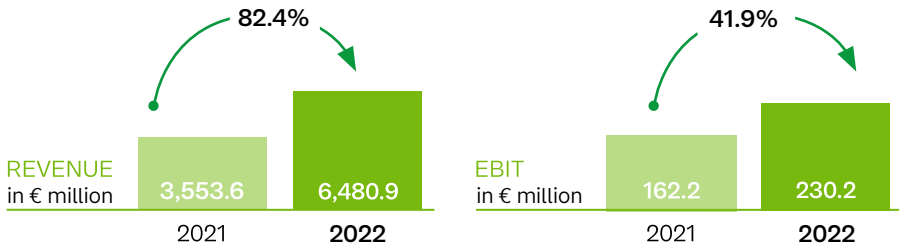
- Founded in 1923
- Globally active multinational
- Core segments: Energy, agriculture, building materials, innovation and digitalisation
- Over 3 000 locations in more than 50 countries

Energy Infrastructure Partners AG (EIP)

- Founded in 2014 as specialist energy investors
- Collective assets focused on high-quality, large-scale renewables, and system-critical energy infrastructures
- Extensive network, transaction, and investment management experience

Business performance in 2022

The BayWa r.e. Group experienced a record financial performance in 2022, with revenues of almost €6.5 billion (2021: €3.6 billion) and earnings before Interest and Taxes (EBIT) of €230.2 million (2021: €162.2 million). The strong earnings can be attributed to the sale of 26 wind and solar projects and the strong demand for solar photovoltaic (PV) components. The Group sold solar modules with a total output of 3.5 GWp and inverters with more than 4.6 GW.



Shared financial value as an outcome

As a company, we contribute to the economic development of the countries where we operate by providing fair salaries and benefits to our employees and paying government taxes. We also support local suppliers and businesses in our operating territories by procuring goods and services. In 2022, our operating expenses and salaries increased as the Group's revenue grew and the company expanded its operations.

Direct economic value created[1]	2021	2022
in € million		
operating costs	4,131.8	6,345.1
employee wages and benefits	235.0	328.7
payments to providers of capital	64.4	96.0
payments to government by countries	29.3	77.3

[1] This is just an excerpt and for the full report please refer to the Annual Financial Statement here:

Outlook

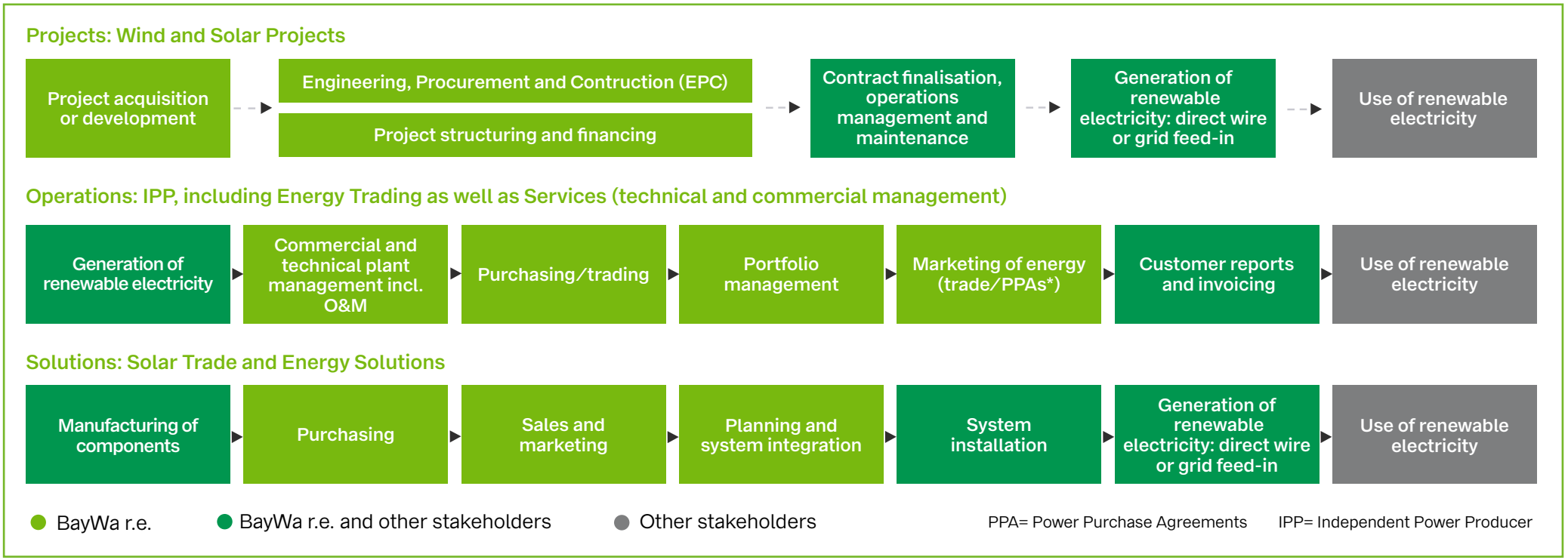
In 2023, we plan to realise and transfer wind and solar projects, completed or still under construction, with a total output of 2.1 GW. Our Projects segment, which develops renewable energy projects and our IPP portfolio, is well-positioned for further growth. Governments' expansion targets, the increasing desire for organisations and individuals to establish independent electricity supply, and the fact that solar energy is now the cheapest power source bode well for the renewable energy industry.

In March 2023, we announced our intention to sell our Solar Trade business to increase our focus on our international Projects business and further expansion as an IPP. The anticipated proceeds would be used to finance a tripling of the capacity of our current projects business and to enlarge our IPP portfolio to 3 gigawatts (GW) in the coming years. We will also grow our services portfolio, while focusing on profitability, and realise 1.2GWp of C&I solutions.

The sale is also intended to give Solar Trade the opportunity to continue its success story. Enormous growth opportunities exist and Solar Trade has the potential to increase annual sales of solar modules and inverters to more than 10 gigawatts (GW) each.

Value stream of our global operations

Our business is divided into three segments: Projects, Operations and Solutions.



Our stakeholders

Stakeholder engagement is a key success factor for BayWa r.e., and it takes dedicated focus, as we have an extensive universe of stakeholders. Our key stakeholders include our shareholders, employees, contractors, suppliers and the communities we serve. Our customer group is varied and includes commercial and industrial customers, national and local governments, and solar system installers and contractors. In addition, we must respond to the demand of our regulators and be attentive to the views of the media and the general public.

Read more about our customers in our Products and Services chapter, our suppliers in the Sustainable Supply Chain chapter and our employees in our People chapter.

Read more in our Products and Services chapter

Strong, sustainable stakeholder relationships enable us to create shared value in the short, medium, and long term.

Our geographic footprint*

Americas (AMER)

Locations

Canada
Mexico
United States of America

Activities

Colombia
Nicaragua

Europe, the Middle East and Africa (EMEA)

Locations

Austria
Belgium
Bulgaria
Croatia
Czech Republic
Denmark
France
Germany
Greece
Ireland
Italy
Luxembourg
Netherlands
Poland
Romania
Spain
Sweden
Switzerland
United Kingdom

Activities

Cyprus
Egypt
Finland
Hungary
Latvia
Lithuania
Kenia
Mali
Marocco
Norway
Portugal
Slovakia
Slovenia
South Africa
Zambia

Asia-Pacific (APAC)

Locations

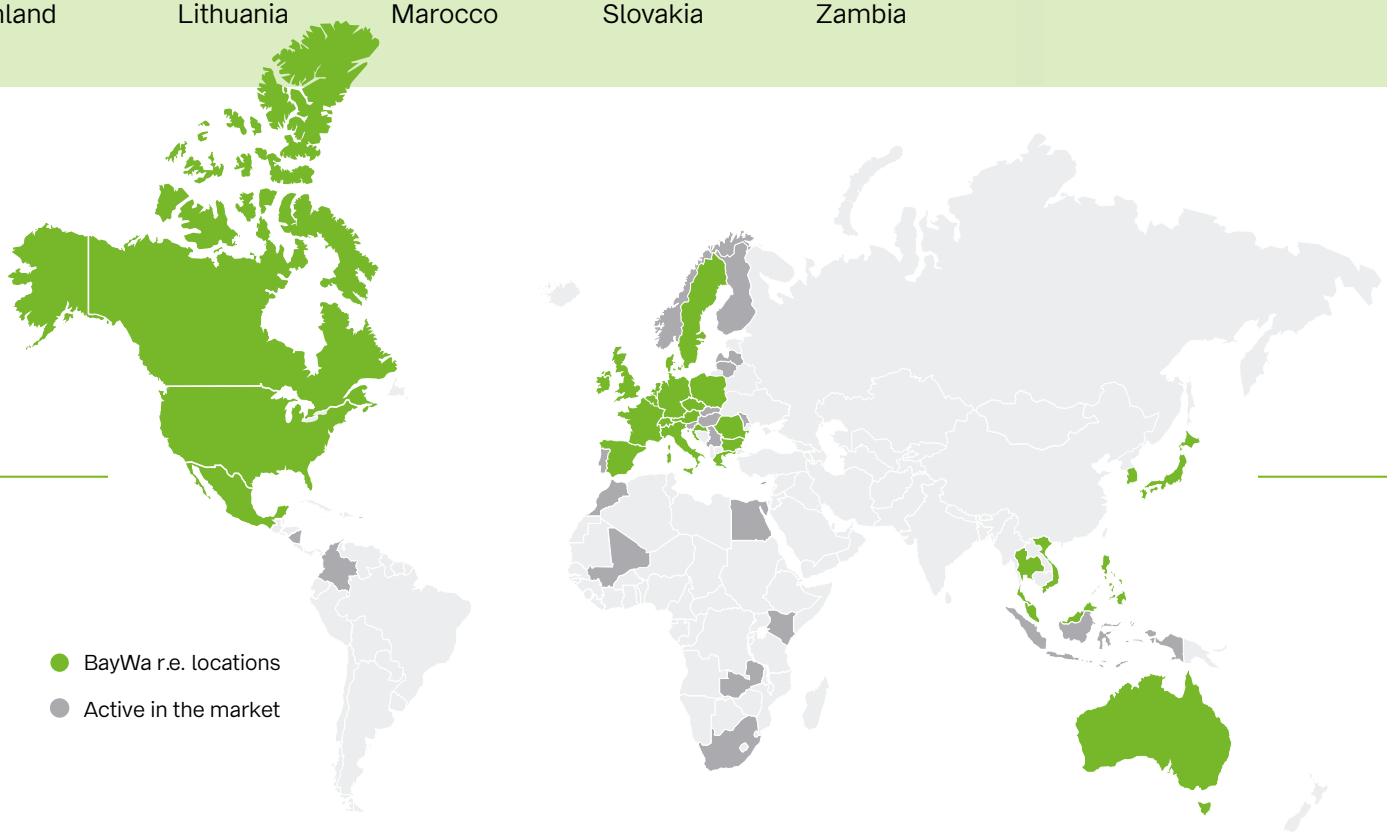
Australia
Japan
Malaysia
Philippines
Singapore
South Korea
Thailand
Vietnam

Activities

Indonesia

Our headquarters are in Munich, Germany, with offices in 30 countries.

Our business activity is mainly in Europe, North America and Asia-Pacific. We have emerging activities in South America and Africa.



*Our geographic footprint as of end of May 2023.

EU Taxonomy performance

European Union member states have committed to increasing climate protection measures and aim to make Europe climate-neutral by 2050. The European Commission developed the Sustainable Finance Action Plan to direct capital flows to environmentally sustainable activities, as defined by the EU Taxonomy Regulations. As a result, there are increased requirements for European companies to expand the scope of their non-financial reporting.

As a subsidiary of the listed BayWa AG, we must disclose the proportion of revenue, Capital Expenditure (CAPEX) and Operating Expenditure (OPEX) classified as taxonomy-eligible or taxonomy-aligned activities. If activities are aligned, they are automatically eligible. Our parent company, BayWa AG, audited our performance of EU Taxonomy eligible and aligned activities (see tables below).

2022

	Total in € million	EU Taxonomy-eligible activities	EU Taxonomy-aligned activities
REVENUE	6,480.9	19%	19%
OPEX	34.8	56%	52%
CAPEX	537.9	91%	91%

Activities under the EU Taxonomy

Taxonomy-aligned	BayWa r.e. activities
3.1. Manufacture of renewable energy technologies	• Manufacture of assembly systems for photovoltaics
4.1. Electricity generation using solar photovoltaic technology	• Construction and operation of solar parks and solar systems
4.3. Electricity generation from wind power	• Construction and operation of wind farms
6.15. Infrastructure enabling low-carbon road transport and public transport	• Construction, modernisation, maintenance and operation of free-standing electric charging points
7.6. Installation, maintenance and repair of renewable energy technologies	• Operational management, technical plant management for solar parks and wind farms (on buildings) • Installation of PV systems (on buildings) and installation of solar panels for customers: integrated PV system solutions and storage systems • Installation of solar thermal systems and consultancy

Taxonomy-eligible activity	BayWa r.e. activities
4.20. Cogeneration of heat/ cool and power from bioenergy*	• Construction and operation of biomethane facilities for generating electricity and heat
7.1. Construction of new buildings	• Building of new office building and warehouse in Tübingen, Germany

Refer to page 33 of the 2022 BayWa AG Sustainability Report for more information regarding how our parent company implements the EU Taxonomy, including processes, general principles and definitions.

A note on trade activities within the EU Taxonomy

Trade activities are currently taxonomy-non-eligible economic activities. Our Solar Trade and Energy Trading activities fall outside the EU Taxonomy classifications. We encourage policymakers to reconsider this position as these activities play an important role in Europe's energy transition.

*The EU Taxonomy financial figures above reference the BayWa r.e. Group's financial statement. To ensure the comparability of information, the values for the bioenergy business remain in the figures and explanations, despite the sale of this business at the end of 2022.

Sustainability Strategy

We seek to deliver renewable energy solutions sustainably

As a renewable energy Group with a large global reach, we can pave the way and positively contribute to a growing energy sector. We are committed to addressing known issues, such as increasing supplier transparency and promoting diversity and inclusion across our industry. As part of our comprehensive sustainability approach and our dedication to improving our performance, we engage with communities to ensure they understand the benefits of renewable energy, offer opportunities to collaborate and thereby increase their acceptance.

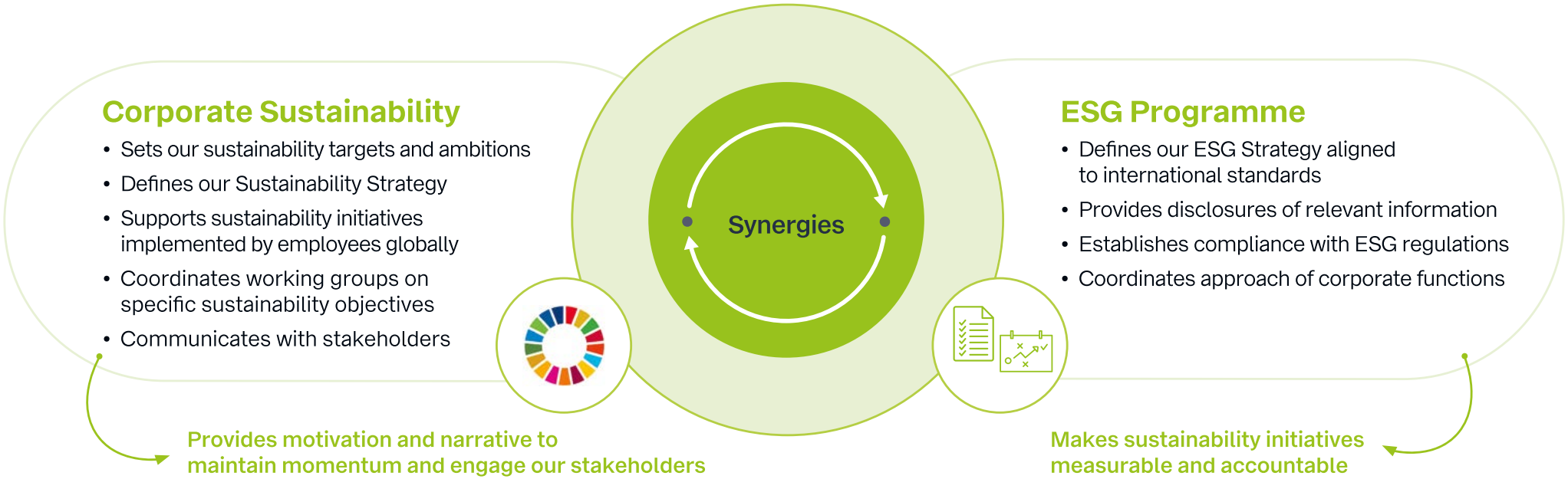
In 2020, we launched our Sustainability Framework 2025 to expand our sustainability commitment from being “100% carbon compensated” to going “beyond carbon”. We recognised that we need to think about sustainability holistically. This Framework broadened our sustainability scope and range of topics. It encourages employee-driven sustainability initiatives and projects that support social, economic and environmental objectives.

Sustainability Strategy

As a renewable energy business, we naturally focus on climate change and emissions-related aspects of sustainability. Our sustainability journey began in 2017 with our commitment to being 100% carbon compensated. By the end of 2018, we achieved this goal by offsetting Scope 1, 2 and Scope 3.6 emissions from business travel. Since 2020, we have run all our operations with 100% renewable electricity. We acknowledge that sustainability is a complex subject and that we must move “beyond carbon” towards embedding broader sustainability principles across our operations and better business practices in our daily activities.

Embedding sustainability across our operations

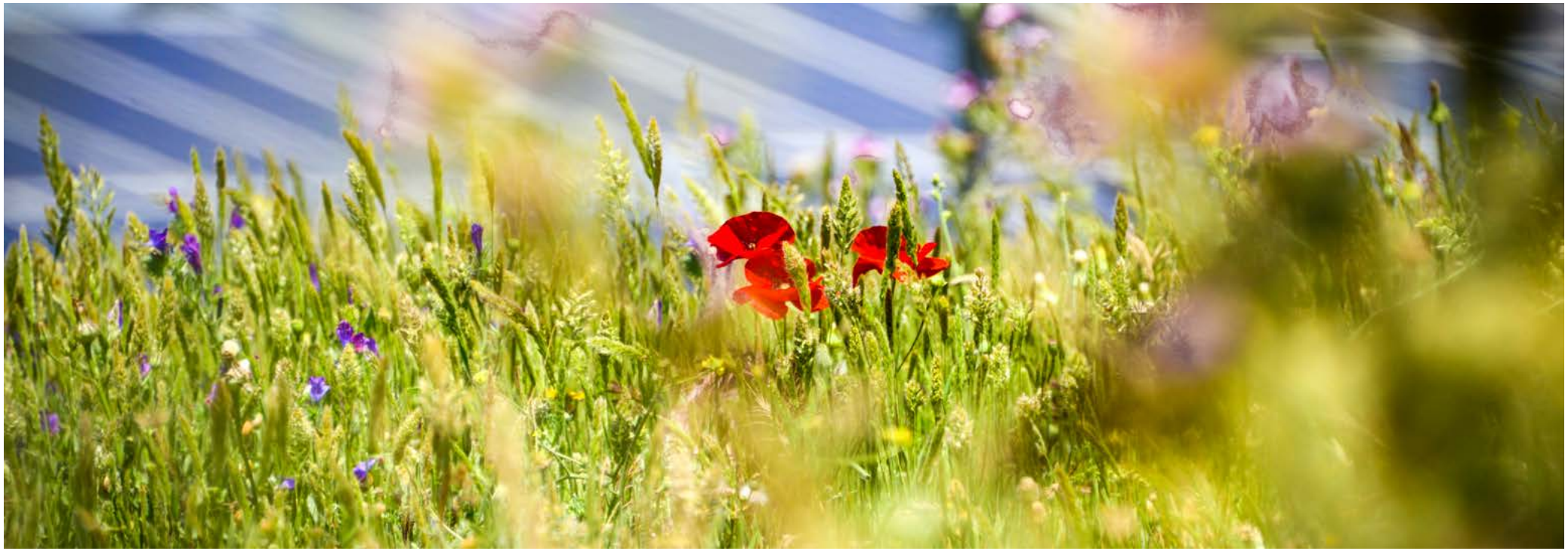
Our holistic approach to sustainability relies on two pillars:



Developing our sustainability approach

Sustainability was initially a dedicated strategic initiative within our Corporate Strategy. However, this has since expanded as sustainability efforts have been adopted across our operations, guided by our Sustainability Framework 2025. Our daily work considers sustainability aspects, as evidenced by the environmental and community engagement measures we undertake in our project developments and supply chain strategies. Responsibility for sustainability-related matters is shared across the organisation. Therefore, we have distributed sustainability resources within the Group while maintaining a lean Corporate Sustainability team. Our Corporate Finance and Controlling Department also collects and monitors sustainability-related data globally. Our ESG Programme is managed by a multidisciplinary team with representatives from four corporate departments: Legal, Finance and Controlling, Risk Management and Strategy, Energy Policy and Sustainability.

As a global renewable energy player, we contribute to transforming the energy sector and improving the quality of life for communities worldwide. Our best-in-class sustainability practices have become part of how we do business.



Five questions for Jochen Hauff - Director of Corporate Strategy, Energy Policy and Sustainability

How has BayWa r.e. integrated sustainability into its overall Corporate Strategy?

In 2017, my department, now known as the Corporate Strategy, Energy Policy and Sustainability Department, took over the responsibility for sustainability. At the time, sustainability was one of our 11 strategic initiatives. Today, we no longer treat sustainability as a standalone initiative, but sustainability is woven deeper into our operations and our six strategic cornerstone initiatives of the Corporate Roadmap 2026. For example, our Corporate Roadmap includes empowering people and sustainable supply chain strategies.

How do you see the relationship between Corporate Sustainability and ESG?

Sustainability means defining our ambitions regarding what we want to achieve and how we can define sustainability initiatives that our people care about and actively engage in. ESG is more directed at meeting reporting and financial market needs, delivering transparent and risk-aware governance structures demonstrating discipline and responsibility.

If sustainability were only a "tick the boxes" exercise, we would likely fall short of our ambitions. Maintaining an aspirational view on sustainability is important; therefore, sustainability and ESG are separate centres of gravity in the business. In 2022, we decided to create the position of a dedicated ESG Coordinator, helping to align all ESG-related activities. This role reports to the Management Board and provides ESG metrics. At the same time, our Corporate Sustainability team remains embedded in the Corporate Strategy, Energy Policy and Sustainability Department and reports to the CEO.

Are you seeing a greater public acceptance of renewable energy?

It is difficult to give a general answer as public acceptance varies considerably by community and country. At a high level, we enjoy significant and growing public support from government officials. They see renewable energy as core to energy security and lower cost of energy supply.
This is increasingly important given geopolitical tensions and Russia's war on Ukraine. Renewable energy is not only a "green choice" any more.

At the community level, we encourage extensive engagement and consultation. Communities have valid concerns about protecting their local environment and cultural sites and demand a fair share in the value creation associated with a renewable energy plant. Over the years, we and our other industry players have become increasingly sophisticated in mitigating our projects' environmental impacts. We appreciate that, at times, more can be done, and we actively leverage our global experiences across our Group.

Do you believe that the renewable energy industry can adopt circular economy principles? What needs to change for this to happen?

Yes, absolutely. Most materials used for renewable energy products are recyclable. In addition, materials have a high potential for reuse before they are recycled. However, as current volumes are low, the industry's focus has not been on recycling, largely due to the durability of the products, which have a lifecycle of 20 to 30, sometimes even 40 years. At BayWa r.e., we began operating 15 years ago, so our volumes ready for recycling are currently negligible. Where possible, we already design our plants to facilitate the reuse and recycling of materials.

This industry's business case for systematic reuse and recycling concepts will mature over the next five years. On the battery side, there is a stronger business case at present, thanks to used battery volumes from the automotive industry.
We should see exciting developments in this space soon.

Jochen Hauff | Director of Corporate Strategy, Energy Policy and Sustainability

Our Sustainability Framework 2025

In 2020, we launched our Sustainability Framework 2025. The Sustainability Framework aims to integrate sustainability management into our business processes. It encourages employee-driven initiatives to improve our sustainability performance and addresses three priority objectives derived from our SDG evaluation and selection process.

The priority objectives are each supported by dedicated Sustainability Working Groups, which bring together employees at the regional and global levels to develop action plans. Participation from all employees is encouraged. Employees with expertise in these topics are crucial to having a positive impact.

These priority objectives are as follows:

Foster sustainability in the supply chain

- Improve processes for supply chain risk analysis.
- Evaluate key suppliers based on sustainability criteria.
- Conduct lifecycle analysis for solar and wind parks.
- Promote cross-industry cooperation around compliance and strengthening of human rights.

Read more in our Sustainable Supply Chain chapter.

Working groups

- Different working groups are established for individual objectives.
- Procurement heads of each business unit are in regular exchange with the Corporate Sustainability team, for example, through the procurement round table.
- Human Rights Task Force established and meets regularly.

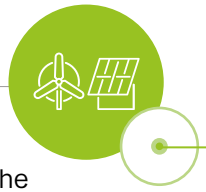
Promote Diversity, Equity, and Inclusion (DEI)

- Develop and implement a holistic DEI Implementation Framework.
- Measure the success of initiatives to increase diversity.
- Support the #socialandhealthy initiative to protect employees' physical and mental health.

Read more in our People chapter.

- A global DEI Working Group with links to three regional DEI Working Groups were established.
- Working groups meet regularly to support the development of the DEI Strategy, the DEI Handbook, training and Group-wide communications.
- In the future, coordination of DEI initiatives will be handed over to Human Resources (HR) and incorporated into business processes.

Increase acceptance of renewable energy



- Compile a list and toolbox of projects with best practices for social commitment and environmental initiatives.
- Develop and roll out a Project Sustainability Checklist for the central management of sustainability-related initiatives for projects.

Read more in our Products and Services chapter.

- Acceptance Toolbox developed by a working group.
- Regular meetings to exchange new best practices from project development colleagues around the world.
- A complementary working group was established to convene colleagues with expertise in project development, marketing, legal risk, strategy and sustainability to develop a Project Sustainability Checklist.

Rewarding sustainability achievements

The Management Board approved compensation guidelines to incentivise full management team commitment, including environmental and social goals for the top global leaders. Environmental goals include energy usage, waste and pollution management, compliance with environmental regulations and social goals related to DEI.

Determining materiality

BayWa r.e. participated in the BayWa AG's materiality assessment and participated in the selection of relevant SDG business themes. In this report, you will find further information on the following material topics determined in the assessment of the Group:

- Innovative solutions for renewable energy technology.
- Compliance with laws and regulations.
- Conservation of natural habitats.
- Efficient energy supply from renewable energies.
- Reducing energy consumption and Greenhouse Gas (GHG) emissions.
- Managing risks and opportunities due to climate change.
- Employee development.
- Diversity and equal opportunities.
- Sustainable procurement.

We plan to conduct our materiality assessment according to the double materiality principle in the near future to enrich our understanding of materiality. More detail on the BayWa AG materiality can be found in their Sustainability Report 2022 on page 16.

BayWa r.e. used the following definition of materiality to guide what information was included in this report: to us material matters are those relevant issues that directly or indirectly impact our ability to create or maintain or erode economic, environmental or social value for the Group, its stakeholders, the environment and society at large.

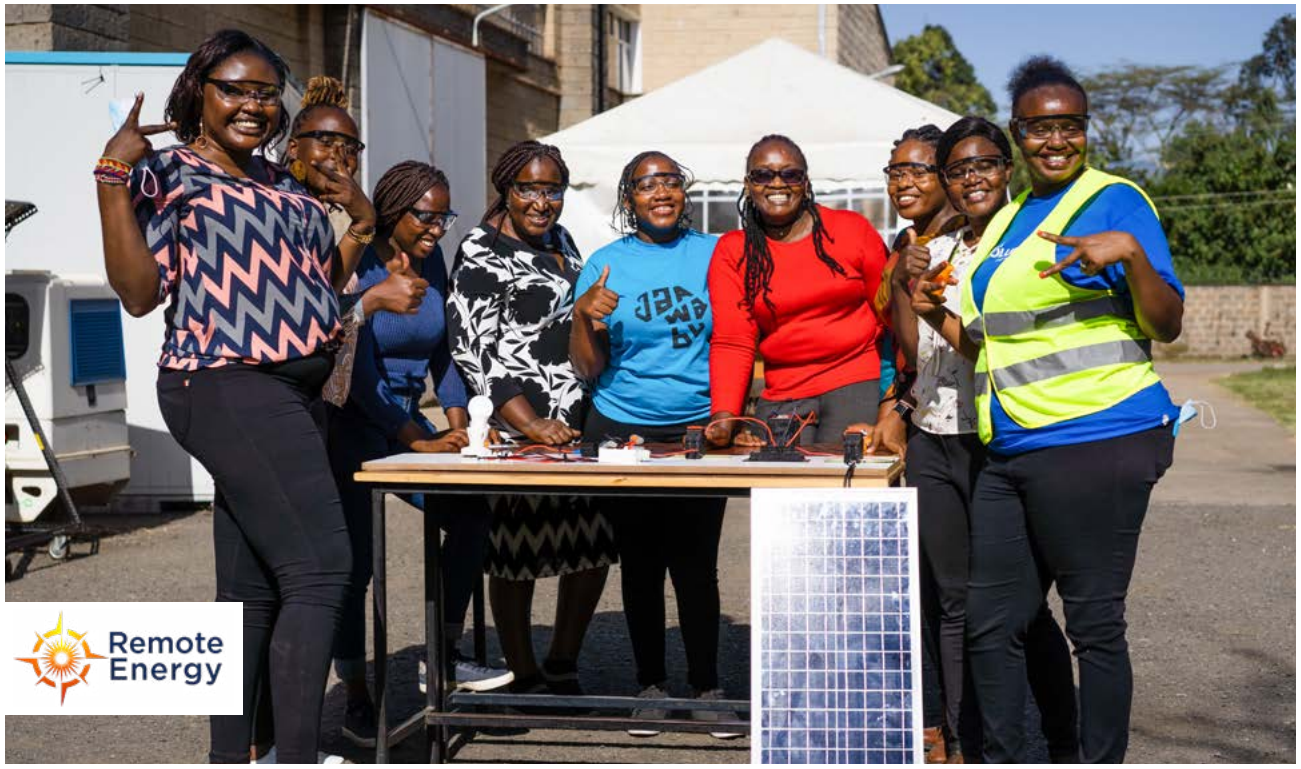
Our sustainability strategy's alignment with the SDGs

The Sustainability Framework 2025 supports 10 of the 17 United Nations Sustainable Development Goals (SDGs). While BayWa r.e. supports many SDGs, our business models are best positioned to impact our seven priority SDGs listed below. Furthermore, this selection aligns with BayWa AG's sustainability commitments and climate strategy.

Priority SDG	Our Contribution	Examples of our impact
 **Affordable and Clean Energy** Ensure access to affordable, reliable and sustainable energy.	As part of our mission, we ensure access to modern technologies, services and increase the share of renewable energy in the global energy mix. We support industry associations and engage with policymakers in developing renewable energy regulatory frameworks.	The installed capacity from our projects and sold solar modules in 2022 will generate approximately 4,466 GWh of electricity and save over 1.7 million tonnes of CO_2 emissions. We do much more than deliver renewable energy solutions. We strive to provide access to affordable and reliable renewable energy to those in vulnerable situations, such as the Ukrainian refugees and stateless children in Thailand.
 **Decent Work and Economic Growth** Promote inclusive and sustainable economic growth, employment, and decent work.	We contribute to sustainable economic growth with technological diversification and innovation while supporting vibrant local communities through high-value job creation. We run Group-wide initiatives to develop and support our people and offer a safe and inclusive working environment.	In 2022, BayWa r.e. grew, creating jobs worldwide. We promote decent work through our internal policies and initiatives, such as our Global DEI Strategy, ensuring inclusive and sustainable development growth. Our global well-being initiative #socialandhealthy was awarded the HR Energy Award in September 2022 for providing digital physical and mental health courses. Read more in our case study.
 **Industry, Innovation, and Infrastructure** Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	Our high-quality renewable energy products and services support energy independence and security, reduce energy costs for consumers and contribute to addressing climate change. We pioneer new solutions and processes to enhance resilience and benefit our customers.	Agri-PV technology exemplifies how our solutions sustainably benefit two sectors (agriculture and energy) and shows resilience to overcome sector challenges. We are working with key stakeholders on research projects to push this innovative technology further. Read more here.

Priority SDG	Our Contribution	Examples of our impact
 **Sustainable Cities and Communities** Make cities inclusive, safe, resilient, and sustainable.	We work with residential and commercial PV installers worldwide and provide the infrastructure required for electric vehicles. Our collaboration with community members and business partners ensures that communities benefit from renewable energy.	We facilitate energy affordability in cities as today solar and wind are the cheapest electricity sources worldwide and substitute non-affordable and unreliable fossil fuel energy. Our US solar team powering homes in Hawaii is a clear example of our contribution involving local communities, creating economic benefits for the community while powering households with renewable electricity
 **Responsible Consumption and Production** Ensure sustainable consumption and production patterns.	We collaborate with suppliers to foster more ethical and sustainable supply chains. Achieving full transparency of purchased products and logistics is a business imperative for our supply chain.	Fostering a sustainable supply chain is one of the three prioritised sustainability objectives of our Sustainability Framework 2025. We contributed to forming the Solar Stewardship Initiative Code, which aims to foster a responsible and sustainable solar value chain. The Furuby wind project may inspire other project developers who seek to decrease their carbon footprint in the construction phase. Read more in our case study.
 **Climate Action** Take urgent action to tackle climate change and its impacts.	We avoid, reduce and compensate for emissions across our operations. Since 2018, we have operated as a fully carbon-compensated Group. In 2020, we transitioned to being powered exclusively by renewable energy. Our solutions help customers meet their climate commitments.	Every year we are more ambitious in increasing our positive and mitigating negative impacts.See more about the BayWa AG Climate Strategy and commitments. Our new warehouse in Tübingen is sustainably designed and will produce almost twice as much electricity as it consumes. The buildings will be constructed from sustainable materials. Read more in our case study.

Priority SDG	Our Contribution	Examples of our impact
Life on Land Sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss.	We promote biodiversity through innovative solutions and strive to reduce our environmental impact. We foster local communities' acceptance of renewable projects by considering biodiversity in our designs.	Our Solar Honey Project in Mexico is an example of how BayWa r.e. creates benefits for the local community and environment. The PPA projects with our customer VELUX represent a purposeful collaboration between the local community and universities to enhance local biodiversity. Read more in our case study.



BayWa r.e. contributes to Remote Energy's hands-on solar installations course for women in Kenya during International Women's Month.

In addition to our priority SDGs we support selected aspects of these SDGs:

We are committed to contributing materially to the SDGs. These SDGs align with our purpose and strategy and are the key areas where we can make the most positive contribution.

Our ESG Programme

At BayWa r.e., we developed ESG policies and guidelines to describe our approach and the standards we commit to as a global company. Our stakeholders, including customers, suppliers and employees, expect us to adhere to these binding ESG policies. Adopting and implementing these will mitigate our risks, protect our reputation and ensure our continued success. By considering, measuring and reporting ESG aspects alongside financial KPIs, we continuously identify areas where we can improve our processes and, therefore, provide internal and external stakeholders with relevant and accurate information. Our ESG Programme is implemented alongside our Sustainability Framework 2025.

Our ESG Programme ensures that our sustainability actions are measurable, accountable, transparent and comparable. The focus areas are:

1. Improve overall sustainability management

Objectives:

- Create ESG-related policies and guidelines.
- Oversee Group-wide ESG processes and certifications.
- Develop our own Climate Strategy, independent of our parent company's.

2. Strengthen supply chain sustainability and human rights due diligence

Objectives:

- Define responsibilities and establish a Group-wide supply chain due diligence process.
- Ensure legal compliance with supply chain due diligence obligations.
- Collaborate with industry partners and associations.
- Develop strategic options and scenarios to strengthen resilience.

Read more in our Sustainable Supply Chain chapter.

3. Ensure capital market readiness by establishing the required processes for Green finance

Objectives:

- Develop ESG and climate risk management.
- Conduct ESG rating by an external agency.
- Develop and publish our annual BayWa r.e. Sustainability Report, independent of our parent company's report.

ESG is a framework to assess an organisation's business practices and performance on various sustainability and ethical issues. It also provides a way to measure business risks and opportunities in those areas.

Our first ESG rating

An ESG rating evaluates an organisation's performance against various sustainability metrics. ESG ratings are generated by independent, professional ratings agencies where analysts evaluate corporate disclosures, conduct management interviews and review publicly available information about the organisation. In November 2022, Institutional Shareholder Services Inc. (ISS) assessed our sustainability performance and identified areas to improve.

BayWa r.e.'s ESG rating performance: B+

ISS completed an assessment of our company by gathering information from our 2021 Sustainability Report, our website's ESG policies and guidelines section and internal documents. They also assessed findings from government data banks, media articles and other sources. ISS awarded BayWa r.e. their ESG Corporate Rating (B+), a very good first achievement which puts the company among the Prime peers in 2022. ISS also provided comprehensive feedback on how to improve our performance. Areas for potential improvement include:

- To improve the quality and expand the scope of our data and KPIs in our BayWa r.e. Sustainability Report.
- To improve consistency and systematisation of Group-wide standards, processes and guidelines.

The ESG Programme management office analysed the feedback in detail and will continue collaborating with the respective departments to achieve continuous improvements.

ESG risk management

The Corporate Risk Management team is developing our ESG risk management processes. This team, which is part of the Finance and Controlling Department, is responsible for the Group's overall enterprise risk management processes. Every quarter the Risk Management team informs the Management Board about key risks. One of the main focus areas in 2022 was building up climate risk management capabilities, especially related to physical climate risks. In 2023, we will further work to deepen our understanding and management of climate risks at BayWa r.e., including identifying and evaluating transition risks. These are important considerations as we aim to meet the requirements of the Task Force on Climate-Related Financial Disclosures (TCFD) in the future.

BayWa r.e.'s climate risks

This is not an exhaustive list; however, examples of physical climate risks that could affect BayWa r.e. include:

- **Drought:** Ongoing droughts could lead to soiling which could impact the overall energy production of solar parks.
- **Flooding:** Flooding could destroy the foundations and equipment at solar and wind parks.
- **Heat waves:** Could lead to health and safety issues during the construction of sites and during the operation and maintenance works on solar and wind parks.

In 2023, we will improve our understanding of social risk management to ensure we mitigate our social risks and comply with current and upcoming regulations. Social risks are especially relevant for our supply chain management processes.

Community outreach initiatives

Providing affordable renewable energy to remote or low-income communities is important to the planet's energy transition. This is especially important in places with no reliable energy supply. Here, solar power can have a life-changing impact. It enables light, provides running water, supports medical care and, opens the door to a brighter education.

Sopowerful Foundation – Implementing solar power where it matters most

Sopowerful, established in 2019 by a former BayWa r.e. colleague, Stefano Cruccu, is a Dutch foundation with the mission to provide "solar where it matters most". It's focus is to implement solar power installations that provide reliable electricity, creating better opportunities for the world's poorest and most vulnerable. Corporates and many individuals support the foundation to develop solar power installations at healthcare, education or water infrastructure facilities. Sopowerful's work has impacted more than 100,000 lives.

BayWa r.e. has been a proud supporter of Sopowerful's mission since 2020. Many of our employees have been involved through their crowdfunding campaigns. In 2022, our support helped the foundation complete several meaningful projects, including installing a solar system at the Tamkeen School in Sawiri, Lebanon. This project enables 1,150 children to attend lessons, which would otherwise be impossible due to the current energy crisis in the country.

Food insecurity is a major challenge in Malawi, worsened by climate change and extreme drought. With our support, Sopowerful implemented a solar-powered irrigation system to allow the Chagontha Women's Famer's Cooperative to irrigate all year round and harvest crops multiple times a year.

In addition, BayWa r.e. donated laptops to the Kudziwa Centre for Knowledge and the Wandikweza Health Centre. The Kudziwa Center for Knowledge hosts over 200 children, and their use of laptops has opened new learning opportunities. Wandikweza Health Center in Dowa takes care of around 12,000 patients per year. Using laptops (powered by the solar system implemented by Sopowerful), the medical team can better perform patient administration and digitalise important processes such as tracking their medicine stock.

Today 770 million people live without access to electricity, mostly in Africa and Asia. We can make a difference in their lives. We develop community outreach initiatives that align with the selected SDGs in our Sustainability Framework 2025.

Aid for Ukraine

Since the Russian invasion of Ukraine in February 2022, BayWa r.e. has been wholeheartedly committed to providing immediate and long-term relief to the Ukrainian people. We established the Ukrainian Task Force, supported employees looking for ways to assist with this crisis, and organised our actions under three workstreams:

Financial aid

In 2022, we donated to various humanitarian aid organisations helping war victims and refugees, including Doctors Without Borders and local relief organisations.

Infrastructure

As missile attacks disrupted Ukraine's electricity grid, critical infrastructure entities were left without electricity. Our employees quickly sought solutions and involved partners to amplify our efforts. In March 2022, BayWa r.e. joined forces with Tesla to provide 200 small off-grid solar systems for refugee camps. In May 2022, with financial support from the BayWa Foundation, we provided 100 mobile solar systems for state emergency services to run communication systems, mobile teams, fire brigades and medical equipment.

In April 2023, we were among the first to pledge our support to the donation campaign "Solar Supports Ukraine". This campaign was organised by the German Solar Industry Association (BSW), SolarPower Europe, and the Ukrainian Solar Energy Association to finance PV systems for schools and hospitals in Ukraine. We sponsored the installation of a rooftop PV system at Kharkiv City Hospital. In November 2022, we supported Irpin School SES project by funding the deployment of 70 mobile batteries. In August 2022, in cooperation with the Energy Act for Ukraine Foundation and the Ukrainian Solar Energy Association, we donated 12 autonomous mobile solar stations. These trailers are power sources for field hospitals with healthcare workers on the front lines, ensuring that medical equipment such as ventilators is operational to save lives.

Human resources (HR)

To support students, we granted three scholarships to Ukrainian students at Central European University (CEU) in Vienna and four scholarships to students at the Integration Programme at the Technical University of Munich (TUM). We plan to grant six additional one-year stipends for CEU and TUM in 2023.

In 2023, BayWa r.e. launched a job portal for Ukrainian students and professionals to introduce them to our work environment and potential job opportunities. We plan to introduce a six-month Traineeship Programme for Ukrainian refugees to help them develop the skills required for a job at BayWa r.e. This includes language courses, IT and technical training, skills development and coaching, and mental health support.

These timely contributions are only possible with the extraordinary efforts of our employees leading and supporting our Ukraine Task Force.

With this initiative, we support:

- **SDG 1:** No Poverty, by helping to build resilience for war victims.
- **SDG 4:** Quality Education, by ensuring access to education for those affected by the war.
- **SDG 7:** Affordable and Clean Energy, by supplying renewable energy services.

Enabling employee engagement

Our Corporate Sustainability team is committed to creating conditions that support employees' participation in sustainability efforts. We encourage employee participation through various platforms, including internal lectures on sustainability issues and workshops to brainstorm and co-create new sustainability-related project ideas to address local needs. We help guide new employee-driven initiatives that align with our selected SDGs.

BayWa r.e. sustainability lecture series

We strive to broaden our employees' understanding of sustainability by inviting scientists, activists and leaders to share their expertise. This is followed by employee discussions and debates. Employees can suggest topics to cover and suggest potential speakers. In 2022, we hosted two virtual lectures. The first lecture presented research and case studies showcasing how renewable energy plants can integrate sustainability, such as regenerating nature and optimising the benefit to society and the economy. The second lecture was on the power of cultural diversity. Employees learned how culture affects our thinking and behaviours and how to be more conscious and inclusive in our work environment. There were more than 800 participants participated in these lectures in 2022.

Local initiatives

We are proud of our employee sustainability champions, who drive local initiatives to benefit like-minded organisations, society and the environment and contribute to our selected SDGs. Since the launch of our Sustainability Framework 2025 in 2020, our employees have implemented more than 70 sustainability initiatives worldwide.

We encourage all employees to implement initiatives that contribute to our Sustainability Framework 2025.

Examples of employee sustainability engagement worldwide

Mexico: Sustainability site visit

In 2022, our Sustainability Team invited Mexico-based colleagues to a site visit in central Mexico, where they learned how sustainability aspects were integrated into a utility-scale solar project development process.

The solar project was the fourth largest solar installation in Mexico at the time of construction. One of the environmental impact mitigation activities included a reforestation effort on 175 acres, which included planting native species to attract pollinators.

Another stop in the tour was a visit to the Solar Honey Project, developed to benefit the rural community. Colleagues learned about apiculture and regional pollinator processes. The site visit culminated with a sustainability brainstorming workshop where colleagues introduced new ideas.

Thailand: Children of the Forest

For the second consecutive year, our Bangkok-based colleagues conducted a charity drive for Children of the Forest, a local Non-governmental Organisation (NGO) that supports migrant families in the Sangkhlaburi area. They raised funds and donated supplies such as clothes, milk, dry food and personal care items totalling €2,000. After decades of armed conflict in Myanmar, many families have fled to Thailand. These stateless migrant families live in extreme poverty and are subject to exploitative work practices, leaving children at risk. Children are often orphaned, abandoned, abused or neglected. Some are exploited for cheap labour or trafficking. The NGO strives to provide a pathway to a stable future by providing a home, school and healthcare.

Our annual contribution helps this organisation address a local societal challenge.

France: Support volunteer engagement

In May 2022, our French team rolled out a new employee volunteer programme supported by a platform called Vendredi. This platform lists volunteering opportunities and diverse missions organised by NGOs, including blood donation, waste collection, solidarity challenges and online awareness events. This platform offers the following benefits:

- Increased civic engagement and volunteering opportunities
- Promotion of economic development in the community
- Collaboration among different sectors of society, including businesses, government, associations and citizens

Each French-based employee receives two workdays per year to carry out missions of their choice.

With these initiatives, we support:

- **SDG 1:** No Poverty, by facilitating access to basic services to impoverished children.
- **SDG 4:** Quality Education, by training our employees on sustainability topics and supporting education initiatives among vulnerable communities.
- **SDG 7:** Affordable and Clean Energy, by supplying sustainable energy for developing countries and improving access to affordable renewable energy.

Governance and Management

Our governance and management structures provide accountability for sustainability and ESG outcomes

We continuously improve our management practices to ensure appropriate ESG governance and achieve our ambitious sustainability objectives. By providing platforms for collaboration, we share the responsibility for sustainability management and harness the efforts of our highly motivated colleagues.

In this chapter, we describe our governance and management structures, how we allocate responsibility for sustainability and ESG and how we promote a strong ethical culture. We list the relevant policies for sustainability and ESG and outline how we work with industry associations.

Governance and Management

Our governance approach to sustainability includes binding policies and processes and cross-divisional collaboration driven by the participation of our employees and regulatory requirements. This ensures we achieve our sustainability objectives and appropriately mitigate our ESG risks. At the same time, our governance structures support us in implementing our impactful sustainability ambitions.

Our Sustainability Framework 2025 guides our sustainability management approach. This framework outlines our sustainability objectives, impact measurements, Sustainability Working Groups and their responsibilities. The ESG Programme sets out the due diligence measures across our operations. Read more in our Sustainability Strategy chapter.

We modelled our sustainability management and governance structures based on our business model, value creation processes and regulatory requirements.
Our binding ESG policies and processes were implemented accordingly.

Governance

Corporate governance refers to managing, monitoring, and controlling our company and its operations. BayWa r.e. is structured as a joint-stock corporation and meets the German Stock Corporation Act requirements. According to statutory regulations, BayWa r.e. is subject to the “dual governance system”. There is a strict separation of personnel between the Management Board as a management body and the Supervisory Board as a monitoring body. Members of the Management Board cannot be members of the Supervisory Board and vice versa.

Personal qualifications are a key factor for Supervisory and Management Board appointments. All Supervisory Board members have experience and expertise with renewable energies, finance, and accounting.

Supervisory Board

Role of the Supervisory Board: It advises and monitors the Management Board, appoints its members, and approves the Group's Annual Financial Statements. The Supervisory Board, among other things, approves specific decisions as outlined in the Rules of Procedures, including transactions above a certain value.

Membership: Six men and two women.

Independence: Four members are classified as independent in accordance with the German Corporate Governance Code. This includes the Chairman of the Supervisory Board.

Audit and Investment Committee

Role of the committee:

The committee monitors the financial reporting process and the effectiveness of the internal control, audit and risk management systems (including the compliance management system) and approves investments above a certain threshold.

The committee also prepares the proposal for the election of the external auditor, commissions the auditor and determines the key focus points of the audit. The committee's chairman is independent and experienced in accounting and auditing*

Membership:
Three men

Independence:
One member is independent*

Remuneration and Nomination Committee

Role of the committee:

The committee reviews the Management Board's remuneration system, including setting targets of variable remuneration. The committee assesses how members of the Management Board have achieved their targets for remuneration. In addition, the committee seeks suitable candidates for election to the Management and Supervisory Board.

Membership:
Three men

Independence:
One independent member*

Strategy Committee

Role of the committee:

The committee advises the Management Board in reviewing strategy development the Group's Corporate Strategy and projects of strategic relevance.

Membership:
Four men

Independence:
One independent member*

Sustainability Committee

Role of the committee:

The committee has regular exchanges about sustainability and ESG matters that are relevant to sustainable development and our Group's reputation.

Membership:
One man and two women

Independence:
Three independent members*

Management Board

Duties: The Management Board is responsible for managing our Group. The members conduct the business subject to the applicable law, the Articles of Association and the Rules of Procedure.

Membership: Two men and one woman

The four committees prepare topics and resolutions for the Supervisory Board's consideration. They may exercise those decision-making powers conferred on them by the Supervisory Board. The Supervisory Board is informed of the work of the committees by their chairs at every meeting.

*In accordance with the German Corporate Governance Code.

Responsibilities for Sustainability

Regular communication ensures the Supervisory Board, Management Board, our Managing Directors and employees are fully informed on the progress we have achieved with sustainability initiatives.

Corporate Sustainability team

The Corporate Sustainability team, which falls under the Corporate Strategy, Energy Policy and Sustainability Department, reporting to the CEO, is responsible for developing and executing the sustainability strategy. This includes sustainability updates, outstanding approvals and decisions from the regular meetings and Sustainability Steering Committee meetings.

This team collaborates with different corporate departments and Legal Entities globally through dedicated working groups to support them in developing and implementing sustainability initiatives, including socially responsible supply chain management. They work closely with the Marketing and Communications Department to ensure consistent and regular communication with internal and external stakeholders.

As members of the Strategic Sustainability Board and the Operational Sustainability Board, they contribute to BayWa AG's sustainability strategy and respective decisions. Read more in the BayWa AG Sustainability Report on page 13.

Various departments, working groups and decision-makers are accountable for sustainability governance.

Non-financial Controlling team

The Non-financial Controlling team collects, evaluates and monitors all sustainability-related data. This team is part of the Finance and Controlling Department. The combination of financial and sustainability data reporting in one dedicated team ensures alignment between those two types of reporting.

Sustainability Committee

The Supervisory Board's Sustainability Committee monitors sustainability performance and ESG matters and promotes better ESG practices across the Group. This includes inter alia supervising the systematic identification of environmental and social risks and opportunities and their impact on corporate activity and strategy.

Sustainability Steering Committee

The Sustainability Steering Committee meets yearly to discuss the sustainability strategy and other sustainability matters, such as setting sustainability objectives and prioritising relevant topics. This committee comprises Management Board members and directors of Legal Entities and Corporate Functions.

Business ethics

We regard acting with integrity and complying with all applicable laws and regulations as imperative to our long-term success. Up until September 2022, BayWa r.e. was integrated into the compliance management system of BayWa AG. In this context, our parent company has developed comprehensive rules and compliance guidelines, which were adhered to by BayWa r.e.

In October 2022, BayWa r.e. established its compliance management system to implement and further develop our compliance capabilities regarding anti-trust law, anti-corruption, money laundering prevention, conflicts of interest and supply chain matters. The system aims to identify and minimise compliance risks by training, informing and advising employees on the above-mentioned topics. This is performed by a newly established Corporate Compliance team and compliance representatives appointed at the relevant Business Entities.

Since 2015, all BayWa AG companies adopted a Code of Conduct enforcing the company's value system, a set of standards and principles of conduct, including business ethics matters. In 2022, BayWa r.e. introduced its own Code of Conduct, which applies to all employees, Managing Directors and Management Board members. In addition, BayWa r.e. has a Compliance Policy that, among other things, outlines the principles of anti-corruption. This includes, in particular, regulations on offering and accepting gifts and hospitalities, engaging intermediaries, brokers and similar business partners.

To promote compliance and strong ethics, BayWa r.e. offers employees online and face-to-face training courses on compliance, including case studies on anti-corruption topics. Regular compliance risk assessments are conducted at the relevant Business Entities to identify potential corruption risks and define mitigating measures.

As a global company, we are committed to fulfilling our tax obligations in the countries where we operate. We do not use tax-driven models that aim solely to reduce the tax obligations of the operating business.

Whistleblowing

In November 2021, BayWa r.e. implemented a whistleblower system for our employees and external parties. Matters can be reported anonymously if desired. Internal and external parties can report inappropriate situations, fraud and illegal activities or breaches of our compliance standards. Reports are evaluated by the Corporate Compliance and Corporate HR Departments in close cooperation with the BayWa AG Corporate Audit team, if necessary.

Regardless of whether the suspicion is substantiated, the whistleblower will not be subject to negative repercussions. We do not tolerate retaliation or discrimination.

Tax

The Finance and Controlling Department, led by our CFO, ensures we meet our tax obligations. Senior managers at our subsidiaries ensure that their Business Entities' tax obligations are met. Tax structures reflect the needs of each business, and tax is declared and paid where the value creation takes place.

The operational implementation and monitoring of tax is carried out by BayWa r.e. AG's Tax Department, subsidiaries' Tax Departments and tax advisers. Comprehensive information on current and deferred tax positions is included as part of audited Group reports, in line with the International Financial Reporting Standards (IFRS).

BayWa r.e. has a tax compliance management system to enable BayWa r.e. AG and its German subsidiaries to respond to our tax obligations in full, correctly and on time to avoid and limit our tax risks. Country-by-country reporting for BayWa r.e. is included in our parent company's reporting. Tax concerns or violations can be reported via the whistleblower system. Read more about compliance, tax and governance on page 29 of the BayWa AG Sustainability Report 2022.

Memberships and contributions

We aim to provide comprehensive and nuanced information and perspectives to inform evidence-based global energy transition policy decisions. We have affiliations with approximately 120 well-established regional, national and state-level industry associations, including SolarPower Europe, Bundesverband Deutsche Energie und Wasserwirtschaft (BDEW), and the US Solar Energy Industry Association (SEIA). We are a member and participate as mentors of Women of New Energies e.V, to support young professionals and female leaders. In the US, we participate in the Women in Renewable Industries and Sustainable Energy (WRISE).

Regarding political donations, we collaborate with independent stakeholders who can analyse, understand, and assess emerging developments in energy markets. An example of our commitment to this approach is our support of the independent, "Stiftung Umweltenergierecht", to which we donated €10,000 in 2022.
We do not make direct contributions to political parties or governments.

In Germany, we have officially declared memberships of the following associations in our lobby register for 2022:

- Bundesverband Erneuerbare Energie e.V. (BEE)
- Bundesverband Deutsche Energie und Wasserwirtschaft (BDEW)
- Bundesverband Neue Energiewirtschaft e.V. (bne)
- Bundesverband mittelständische Wirtschaft, Unternehmerverband Deutschlands e.V. (BVMW)
- Bundesverband WindEnergie e.V. (BWE)

Our Legal Entities are free to choose whether to join their respective national associations, including lobby groups.

Our ESG and sustainability-related policies

We have several policies and related documents relevant to sustainability and ESG. These are also available on our website. Employees who need policy guidance can contact the Corporate Compliance Department, their Business Entity's compliance representative, the data protection adviser, HR or their manager.
The topic of human rights is addressed in our Code of Conduct, ESG Policy, and Supplier Code of Conduct.

Policy owners are responsible for the communication and monitoring of sustainability-related policies. These policies are communicated through relevant distribution channels and made accessible to all employees via our internal platforms. For certain policies, training reinforces understanding of policy. For example, the Supplier Code of Conduct will be covered in human rights trainings to meet the requirements of the German Supply Chain Due Diligence Act; BayWa r.e. will fall under the scope of the German Supply Chain Due Diligence Act on January 1st 2024.

Overview of policies

Below you can find a list of policies relevant to sustainability and ESG, also published on our website:

Articles of Association	Describes the Company's objectives, share capital, constitution, and information on each corporate body, and their responsibilities and tasks.
Code of Conduct	Describes the behaviour and ethical standards we expect from all employees.
ESG Policy	Describes our internal commitment and organisational arrangements for ESG-related matters.
Rules of Procedures for the Audit and Investment Committee	Provides details of the committee's structure, responsibilities and rights, and how the committee interacts with finance and risk management.
Rules of Procedure for the Board of Management	Provides details on the Board of Management's Code of Conduct, collective and individual responsibilities, decision-making procedures, resolution adoption processes, and guidelines for interacting and cooperating with the Supervisory Board.
Rules of Procedure for the Nomination and Remuneration Committee	Provides details of the committee's structure, responsibilities and rights, and how it reports to the Supervisory Board.
Rules of Procedures for the Supervisory Board	Comprises the Supervisory Board's Code of Conduct, internal structure, responsibilities and rights, resolution adoption, and the set-up of the Audit and Investment Committee.
Rules of Procedure of the Strategy Committee	Provides details on the committee's structure, responsibilities and tasks related to delivering our Corporate Strategy.
Rules of Procedure of the Sustainability Committee	Provides details on the committee structure, responsibilities and tasks relating to our sustainability strategy and ESG Programme.
Supplier Code of Conduct	Describes the business principles and behaviours we expect our suppliers to meet.

BayWa r.e. actively shapes the future of energy as a leading global renewable energy developer, service provider, distributor, and energy solutions provider. Our solar and wind parks provide renewable energy and climate protection solutions and respect ecological and social needs.

The global climate and ecological crises are inextricably linked and must be tackled together. Well-considered, designed and managed renewable energy parks could offer this opportunity. This chapter describes how we contribute to mitigating the threat of climate change, work with communities to gain acceptance of renewable energy and showcases some of our best environmental practices.

Products and Services

We will only achieve our full potential if we act in harmony with local communities and the environment

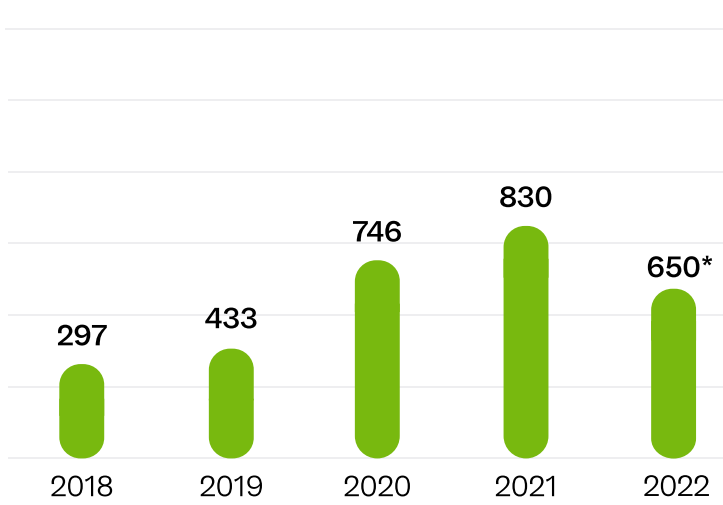
Products and Services

All our business activities – divided into three segments, Projects, Operations, and Solutions – contribute strongly to more climate-resilient economies and societies. Whether developing a single plant or servicing a large-scale portfolio, BayWa r.e. provides consistent and high-quality products and services that add value at every stage of a project's lifecycle. Our products and services ensure a carbon-neutral energy mix and a better energy future for all.

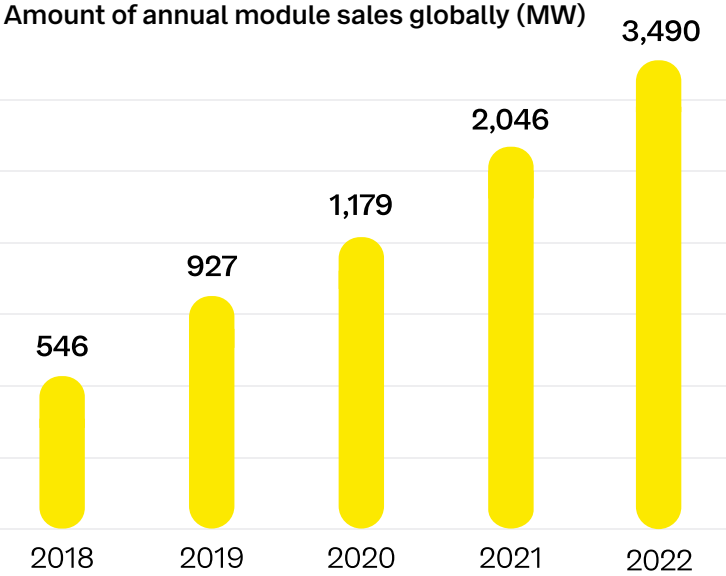
The installed capacity from our projects and sold solar modules in 2022 will generate 4,466 GWh and save over 1.7 million tonnes of CO_2 annually[1]. This amount of electricity is equivalent to powering 1,331,817 households[2].

Annual installed renewable energy capacity

Annual capacity additions of solar and wind projects globally (MW)



Amount of annual module sales globally (MW)



*The installed MW in 2022 went down after we established an above-average solar park with 266 MW in 2020 and an above-average wind park with 250 MW in 2021.

[1] This calculation includes the lifecycle emissions of plants and savings compared to a natural gas plant according to the Intergovernmental Panel on Climate Change.
[2] The world's average household consumption is 3,353 kWh/a.

Business segment: Projects

Our Projects segment develops solar and wind plants. In 2022, we commissioned 466 MWp of new solar capacity and 184 MW of wind capacity globally. During the development phases of these parks, an Environmental Impact Assessment is completed to determine the environmental impact on the area and the mitigation measures required by environmental legislation and local authorities. The assessment may result in a project design change, such as adding wildlife corridors between solar rows, or require nature conservation aspects, such as tree planting. We comply withlocal regulations but aim to go beyond the minimum regulations to create a positive impact. For example, we plant native plant species or increase the environmental compensation measures embedded into projects.

Our Solar Projects entities only works with Mono P Type PERC Modules, which have the highest market capacity within the market. These solar modules' average conversion factor or efficiency is between 21.1 to 21.4%, which aligns with industry standards. The lifetime of our projects is calculated at 30 years, as the electricity capacity guarantee from the suppliers is also 30 years in most cases.

Success factor: Bringing people along

We work hard to increase the acceptance of renewable energy among communities and the general public. During a project's development, we assess the opportunities for engaging with the local community. Through transparent communication and project information, we involve the local community in the early stages of the project. We strive to make the benefits of renewable energy tangible and easy to understand.

As part of the planning, construction and operation of the plants, we seek to contribute to a municipal energy transition that goes beyond the regulatory requirements, incorporating the interests and concerns of local community members, including farmers, and ensuring the highest standards of environmental protection and nature conservation.

We use financial participation models to involve local communities in our renewable energy plants where appropriate and allowed by regulations. Here, we can deploy a crowdfunding model where community members become investors in the development phase of our wind parks. They benefit from financial distributions once these wind parks become operational.

We believe that an important aspect of project development is community engagement; we work closely with local stakeholders to develop bespoke solutions that complement the community's traditions and vision for the future.

Fred Robinson | Managing Director, BayWa r.e. US Solar Projects LLC

US: A Kentucky solar project adds a Workforce Development Programme

In Kentucky, BayWa r.e. US Solar Projects partnered with the Center for Energy Education (C4EE) on a Workforce Development Programme for residents where a 100 MW project site is nearing construction. This will bring long-term benefits to the community and help meet the increased demand for skilled solar industry workers. BayWa r.e. also donated to emergency relief efforts in the area when tornados and floods impacted the community.

Australia: Bullawah wind farm and community involvement

The Bullawah Wind Farm project is currently being assessed by the New South Wales Department of Planning and Environment as part of its state-significant development application process. In addition, the project team is completing the Environmental Impact Assessment phase.

Our project developers actively engage local communities when developing renewable energy projects. This includes providing information sessions, creating opportunities for feedback and ensuring local concerns and interests are addressed. In Australia, this engagement includes a special focus on First Nations people by acknowledging them as the land's traditional custodians and paying respect to their elders, past and present. Through this process, we will discover engagement opportunities to benefit this community. We will also be investing in the education, training and capacity building of First Nation people so they can engage in the renewable energy transition and benefit from the beginning.

Once the project is built, it will have an installed capacity of up to 1,000 MW, including battery storage and up to 170 wind turbines with a maximum tip height of 300 meters. The project brings multiple benefits, such as diversifying the local economy, creating 400 jobs during construction, 40 jobs during operation, and generating renewable energy for half a million homes.

Introducing our Project Sustainability Checklist

In 2022, we developed a new Project Sustainability Checklist to help us develop a consistent overview of our sustainability measures, which are helpful for ESG and green financing reporting, and inspire our project developers to address local community engagement better. The checklist focuses on industry standards, national and local compliance and regulations and stakeholder requirements. It is not intended to be a strict set of requirements for all projects and is flexible enough to allow differentiated compliance restrictions in local conditions.

Through this checklist, we address relevant stakeholder issues, including social aspects such as the involvement of indigenous communities and cultural heritage, environmental benefits to promote biodiversity and best practices in the value chain, including circularity principles.

While the Corporate Strategy, Energy Policy and Sustainability Department's colleagues spearheaded the checklist, and led the checklist development, the team had extensive support from Business Entities, segment directors, and working group participants from across the business.

This provided perspectives from people with different backgrounds and experiences to provide a holistic understanding and solutions. Many participants had an intrinsic motivation using the checklist to meet their needs when developing projects. The Working Group was open to all, and new participants joined over time.

Protecting biodiversity

Biodiversity is an important topic identified to increase acceptance of renewable energy. Biodiversity is emphasised in our Project Sustainability Checklist, and we aim to measure all projects against this checklist. With this approach we go beyond the obligatory Environmental Impact Assessments which are defined by the local authorities and describe how we can limit our impact and compensate for this impact with best practice measures.

This initiative goes hand in hand with our objective to "Enhance Acceptance of Renewable Energies", where we initiated a first working group already in 2020, to facilitate knowledge transfer among our global Project Development teams. Through this Working Group, our community engagement initiatives and best practices are documented in a toolbox accessible to all employees.

Solar parks protect nature

Solar farms last for around 30 years, and these sites, where human disturbance is minimal, could offer shelter to embattled wildlife and regenerate the soil. In many cases, well-designed ground-mounted solar parks can protect the land and restore biodiversity. For example, they may reclaim land that has been extensively cultivated with a low level of biodiversity. In a solar park, less or no fertiliser or pesticides is applied, encouraging a greater diversity of plant species to thrive, creating an attractive, safe habitat for insects.

A study by the Association of Energy Market Innovators (bne) called "Solar Farms – Profits for Biodiversity" confirmed the positive effects of ground-mounted solar parks on biodiversity. The study found that maintaining natural grassland between solar panels promotes biodiversity. Solar parks can be particularly suitable summer habitats for amphibians and lizards.

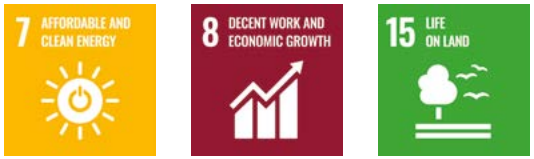
CASE STUDY

Mexico: Solar Honey Project

In the rural community of Los Cuervos, central Mexico, residents face social and economic challenges, including limited access to quality education, vocational training, and employment opportunities. To address these issues and promote environmental sustainability and biodiversity, BayWa r.e. Mexico Solar Projects partnered with local organisations and the community to develop the Solar Honey Project. This innovative project involves the establishment of beehives within a reforestation area adjacent to the utility-scale solar project we developed, providing families from the communal land with additional income through honey production.

BayWa r.e. supports the five-year project implementation plan, which will benefit 20 families from the rural community who currently lack economic opportunities. After several training sessions, the families established 400 beehives (20 per family) and provide regular maintenance. Each beehive produces an estimated 48 kg of honey annually, translating to an estimated annual added income of €2,418 (US$2,640) per family.

The Solar Honey Project was made possible with the Los Cuervos Community and local partners such as the State's Environmental Department and APINOVA. APINOVA is a national organisation with expertise in apiculture, regional pollinator processes, and a recognised entrepreneurship programme customised to rural communities. These partners provide resources, expertise, and funding, creating a collaborative and dynamic environment, and ensuring long-term sustainability.



This project contributes to the following SDGs:

- **SDG 7:** Affordable and Clean Energy, by investing in solar energy in a developing country.
- **SDG 8:** Decent Work and Economic Growth, by promoting decent jobs and creating entrepreneurship and innovation opportunities.
- **SDG 15:** Life on Land, by protecting the environment and enhancing biodiversity.

Benefits of Agri-PV systems

We acknowledge that land is a limited resource and we work to solve this challenge. One proven concept is the dual use of farmland, also known as Agri-PV, which combines food and energy production. By bringing agriculture and energy generation together, we protect crops from extreme weather, promote efficient energy use and enable, long-term climate resilience.

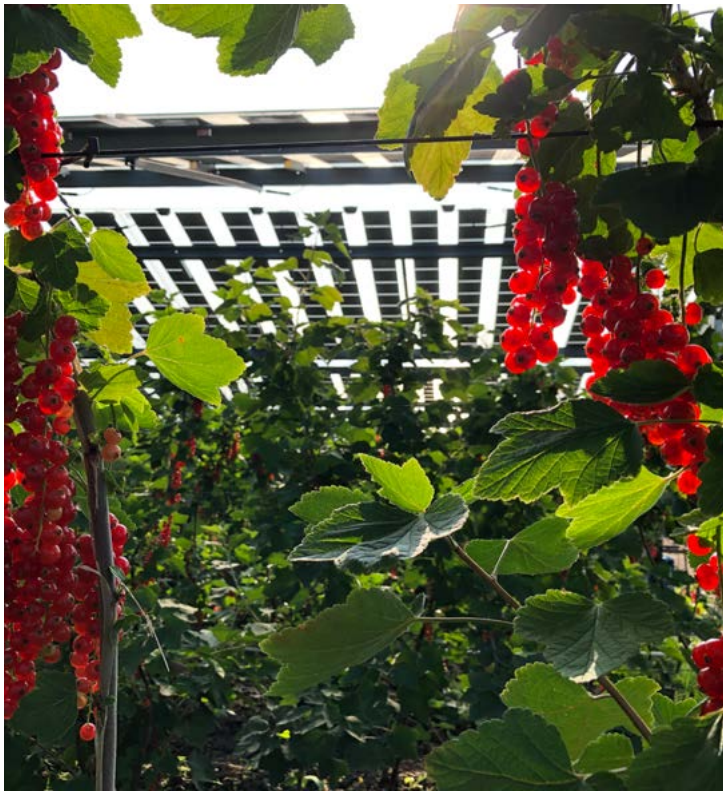
Income diversification from the land, efficient water consumption for irrigation, the pursuit of energy independence and the revitalisation of farming activities in areas that are currently low in profitability, are only some benefits of sharing land between agriculture and energy production.

Austria, Germany and the Netherlands: collaborative research projects on Agri-PV

In response to the growing challenges of climate change, water scarcity, and the energy crisis, there is an increasing need for innovative, multifunctional approaches that support sustainable development while creating synergies between agriculture, energy generation, and nature conservation. To address this issue, BayWa r.e. and its partners embarked on a mission to build Agri-PV research facilities in the Netherlands, Austria, and Germany that explore the potential of combining solar energy production with agriculture.

In the Netherlands, two Agri-PV research facilities have been constructed, focussing on cherry and pear cultivation, with capacities of 105 kWp and 125 kWp, respectively. Fruit Tech Campus and Wageningen University and Research will monitor these cultivations. Meanwhile, a 340 kWp pilot project in Austria has been completed for stone and pome fruit (apples and pears) in collaboration with the Haidegg Research Facility. Similarly, a 115 kWp raspberry pilot project has been built together with MKG Göbel in Germany, featuring a 70% light transmittance and rainproof construction monitored by the State Research Institute for Viticulture and Pomiculture (LVWO) in Weinsberg. The funding for these ground-breaking projects comes from the Dutch government, the federal state of Styria in Austria, and the federal state of Baden-Württemberg in Germany, respectively.

These initiatives aim to demonstrate that Agri-PV projects are socially and environmentally beneficial and economically viable. By showcasing the advantages of Agri-PV, BayWa r.e. aims to encourage political support and inspire the adoption of similar initiatives in the future.



Wind parks create space for species protection and community benefits

We work closely with nature conservation authorities and associations to develop wind park designs that minimise their environmental impact and provide compensation measures for unavoidable impacts such as cutting trees during the construction phase. We aim to enhance the environment at all times. For example, we create feeding and breeding habitats for birds of prey and bats and establish habitats to protect populations for different species of plants and animals.

Germany: The Langenbrander Höhe wind farm

The Langenbrander Höhe Wind Farm in the Black Forest is an example of how to cultivate community involvement in developing large-scale industrial projects. BayWa r.e. emphasised regional value creation by partnering with local contractors and service providers for surveying, road construction and clearing land.

To ensure the local population also benefits from the electricity generated by this project, BayWa r.e. offers a discounted citizen electricity tariff for residents withina 2,500-metre radius of the wind farm. This tariff is 10% below the local basic supplier tariff in both the basic price and for the first 5,000 kWh per year in the commodity price. This fosters a sense of ownership and engagement among community members.

The farm consists of four wind turbines with a capacity of 4.5 MW each. A second phase of this project includes plans to install three additional turbines. The project includes reforesting areas and restoring habitats to help mitigate the impact on wildlife.

The VELUX Group's European Operations to be powered with Renewable Electricity by 2023

BayWa r.e. and The VELUX Group have entered into PPAs to develop two new solar parks in southern Spain, to generate 167 GWh of renewable electricity annually. Eighty percent of the electricity generated by these plants are part of the PPAs and will lead to a carbon footprint reduction of approximately 40,000 tonnes of CO_2e emissions every year. Once connected to the grid, the new solar farms will empower VELUX to achieve its 2023 target of 100% renewable electricity coverage globally and 2030 target of reducing scope 1&2 emissions by 100%.

One of the solar parks is situated in Alhendin. 10% of this Solar Park will be Agri-PV technology and therefore, our first of its kind technology for BayWa r.e. in Spain, combining agricultural production, energy generation, and rainwater management. This will allow the plants to grow in between the solar panels. The PV modules will also collect rainwater helping manage climate change risks and drought. BayWa r.e. partners with nearby universities to form an interdisciplinary research group to ensure that the parks always prioritise their local environment, biodiversity and communities.

Business segment: Operations

Our Operations segment comprises Services and IPP activities, including our Energy Trading business. Within these Business Entities, we manage, operate, and maintain renewable energy plants worldwide.

More than **10 GW** of renewable energy under management

More than 6.4 GW direct marketing portfolio and PPAs

We offer technical, commercial operations, management and consulting services, including services for plants approaching the end of their subsidy term. These services include repowering or revamping plants to provide second-life opportunities.

The lifetime of renewable energy projects can be extended with secure and reliable operational management and regular, comprehensive maintenance. Appropriate maintenance and selection of high-quality components during the product development phase can ensure that wind and solar parks have a lifetime of over 30 years.

Céline Tran | Managing Director, BayWa r.e. France SAS

Extending the lifetime of renewable energy plants is good for our customers and for our planet. Our use of high-quality components and diligent operational management and maintenance ensure plants reach maximum lifetimes – but we also provide revamping and repowering services, if it is more efficient to upgrade plants earlier.

Supplying customers with renewable energy

We provide PPAs with large-scale PV and wind parks to ensure a sustainable electricity supply for customers. These customers seek sustainability initiatives and demand high-quality, innovative, environmentally and socially-just project design.

Our Energy Trading business manages a direct marketing portfolio and broad energy trading services, including PPA activities comprising more than 6.4 GW.

We have begun building a dedicated IPP business entity to retain ownership of certain wind and solar projects.

US and Mexico: Sheep provide “green maintenance”

Solar grazing adds economic and environmental benefits to rural communities. Through a partnership model with local shepherds, we use sheep to manage vegetation at two large-scale solar project sites, each 270 MW, in the United States and Mexico. The environmental benefits of planting native vegetation include improving soil health, retaining water, and providing wildlife and pollinator habitat.

Business segment: Solutions

The Solutions segment comprises Solar Trade and Energy Solutions. As a leading global supplier to the solar distribution market with 30 years of experience, our Solar Trade business offers a wide range of high-quality products and services for over 17,000 installation and sales partners globally. In 2022, our Solar Trade business sold nearly nine million solar modules worldwide.

30 years of experience in Solar Trade

More than **17,000 installation** and **sales partners** globally

Our Energy Solutions business provides integrated solutions, from consultancy to PV rooftop and ground-mounted installations, carports, storage, and e-mobility concepts and financing solutions such as leasing or PPAs. We serve multinational and local customers with tailor-made solutions. There is a growing demand for our Solutions segment as more multinationals commit to achieving net zero emissions.

Through our subsidiary novotegra GmbH, we manufacture rooftop brackets (mounting systems) for solar modules. These activities do not use hazardous materials and align with the EU Taxonomy and the "do no significant harm" to the environment criteria. More details on EU Taxonomy data can be found here.

US: Solar powering Hawaiian homes

The AES Corporation aims to deliver reliable, renewable energy to Hawaiian homes. Our US Power Solutions team supports this goal by planning a solar and battery storage project in South Kohala. Permits have been secured, and site preparation and construction have begun. The 30 MW solar and 30 MWh storage project will produce enough electricity to power 13,600 households, contributing to more than 7% of the islands' annual energy needs. The project will create 200 jobs and the project is expected to generate a total economic output of an estimated $47 million for Hawaii's economy.

Our Energy Solutions colleagues support commercial and industrial companies, both globally and locally, to meet their sustainability goals and energy supply needs with reliable and cost-effective renewable energy.

Niranpal Singh | Managing Director,
BayWa r.e. Energy Solutions Sdn. Bhd., Malaysia

Vietnam: Decarbonising the apparel manufacturing sector

Following a successful rooftop pilot project in 2021, BayWa r.e. and Swedish shoe manufacturer Icebug launched a new collaboration between the renewables and the apparel sectors. The goal is to achieve 100% renewable energy for production and operations allowing factories and partners to take one step further into sustainable, net zero production without sacrificing production scale.

Icebug operates three factories in Vietnam, and the initial programme aims to reduce more than 5,000 tonnes of carbon dioxide across these annually. The level of carbon reduction will increase as more partners and factories join the programme, enjoying reduced operational costs and gaining energy independence.

Footwear and apparel manufacturing is responsible for roughly 1.2 billion tonnes of carbon dioxide production per year – more than the aviation and shipping industries combined. While carbon emissions in Vietnam make up approximately 5% of all global carbon emissions according to World Economic Forum, making this programme a meaningful endeavour for both Icebug and BayWa r.e..

Sustainability in Business Operations

We take our environmental and climate change responsibilities seriously

We leave a carbon footprint while doing business because it takes resources and energy to develop and offer our products and services.

In 2017, BayWa set a goal to achieve carbon-neutral operations from 2018 onwards. We reached our goal by offsetting all our operations' carbon emissions by the end of 2018. BayWa r.e. has been supplied with 100% renewable electricity since 2020, and energy efficiency is embedded in our Sustainability Framework 2025.

For us, the reduction of Greenhouse Gas (GHG) emissions is a top priority. We regularly identify and implement emission reduction projects. This process starts with measuring, monitoring, reporting, and analysing our emissions.

This chapter provides an overview of our parent company's Climate Strategy, how we contribute to it, our carbon footprint, and what we are doing to reduce this. We also provide insights into our energy consumption, water and waste management.

Sustainability in Business Operations

Our global business activities have an environmental impact and leave a carbon footprint. To manage and reduce our negative environmental impact, we start by understanding the full impact of our activities. We monitor and measure the emissions from our business activities and take the necessary actions to avoid, minimise and offset our carbon footprint. This environmental accountability process and the positive benefits of renewable energy allow us to contribute towards the SDGs and mitigate climate change risk.

We are guided by the Paris Agreement on global warming to mitigate these negative environmental impacts. By reducing the energy intensity of our operations, we also reduce energy costs and improve profitability, benefiting our bottom line and the planet.

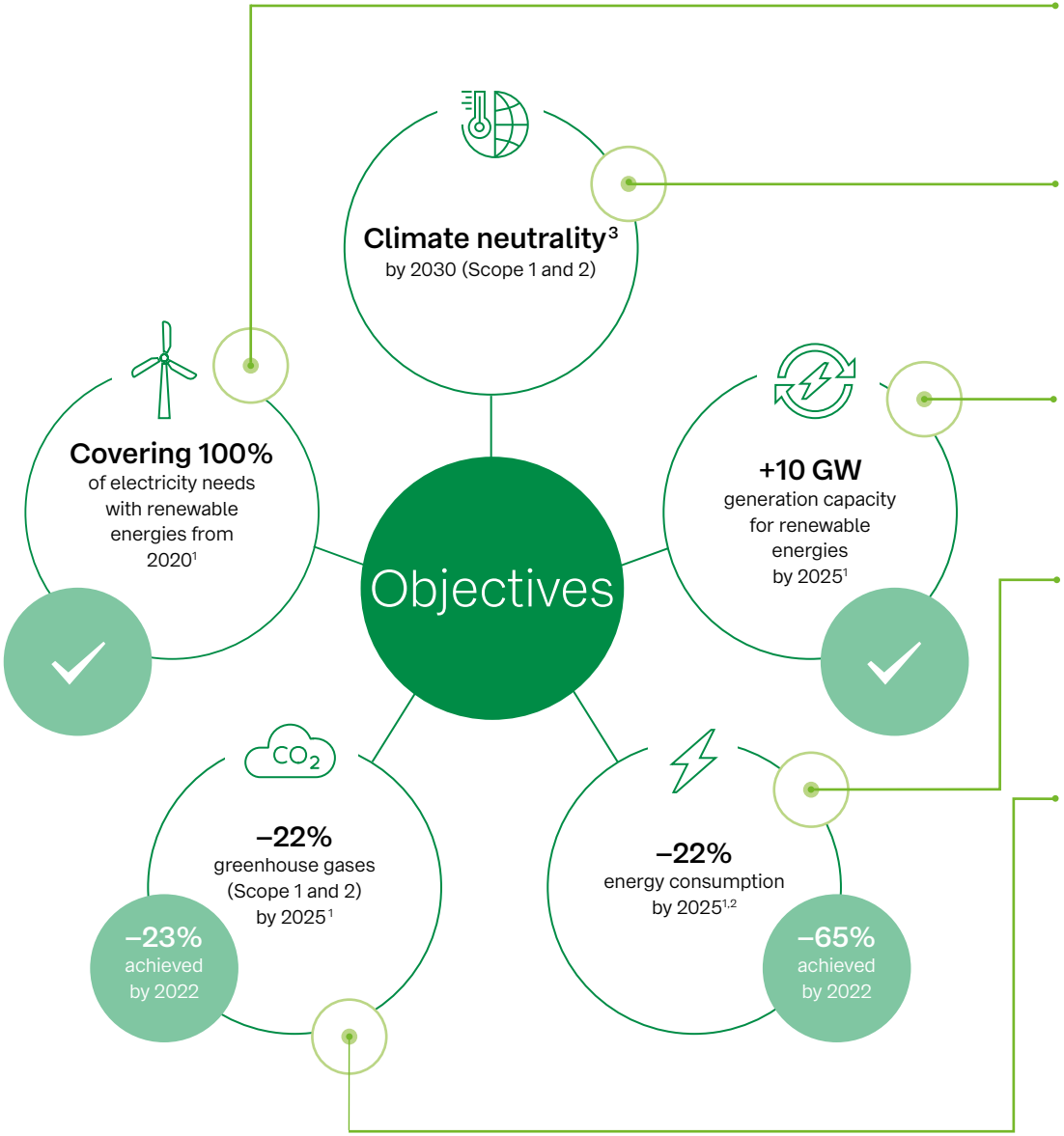
We strive to minimise our negative impact on the environment at all levels of our operations.

Supporting BayWa AG's Climate Strategy

We have contributed to our parent company's BayWa Climate Strategy since its launch in 2018. The Paris Climate Agreement guided the BayWa Climate Strategy. This agreement sets out a global framework to avoid dangerous climate change by limiting global warming to well below 2°C with efforts to limit this increase to 1.5°C. BayWa AG's Climate Strategy and targets are externally audited as part of its limited assurance process.

More information about the BayWa AG Climate Strategy can be found online.

Climate targets and status progress of BayWa AG



Our contribution to BayWa AG's Climate Strategy

We committed to procuring 100% renewable electricity for all our operations by 2020, which we have achieved each year since then. This includes the onsite electricity needed to operate our solar and wind parks.

Since 2018, BayWa r.e. has compensated all Scope 1, Scope 2, and Scope 3 carbon emissions from business travel. We have procured high-quality certificates from well-established projects to reach this target. The supported projects have been evaluated against Group-wide criteria.

We were able to achieve the goal of generating additional renewable energy capacities. From 2017 to 2022, we deployed 12 GW. This includes the construction of wind and solar projects and the delivery of solar panels.

We seek to reduce energy consumption while increasing efficiency across our global footprint. Our energy consumption has increased slightly since 2020. However, our energy intensity ratio, which also considers our company's growth, shows that we are operating with less energy intensity.

Reducing GHG emissions is a priority. We regularly review emission reduction possibilities and reduction projects. We are evaluating fossil fuel usage in our vehicle fleet and building carbon-neutral heating systems where possible.

[1] Base year: 2017
[2] In terms of EBITDA
[3] BayWa defines climate neutrality as the avoidance, reduction and compensation of remaining Scope 1 and 2 greenhouse gas emissions (CO_2 and other relevant gases impacting climate) through investments in high-quality carbon credits.

Our carbon footprint

How we record our emissions data

We record our Group's emissions data (including Scope 1 and 2 and Scope 3.6 business travel) annually via an online data collection tool provided by our parent company BayWa AG. This data collection process is first evaluated for plausibility at the subsidiary level and then consolidated at the Group level.

All BayWa r.e. Group subsidiaries adhere to this annual reporting process. For further details on the calculation method and the GHG emission inventories, please refer to BayWa AG's 2022 Sustainability Report on page 72. Our recording and calculation methods align with BayWa AG's guidelines and the internationally recognised GHG Protocol Corporate Standard.

Scope 1

Scope 1 emissions are direct GHG emissions from sources controlled or owned by an organisation. These include emissions associated with fuel combustion in boilers and vehicles.

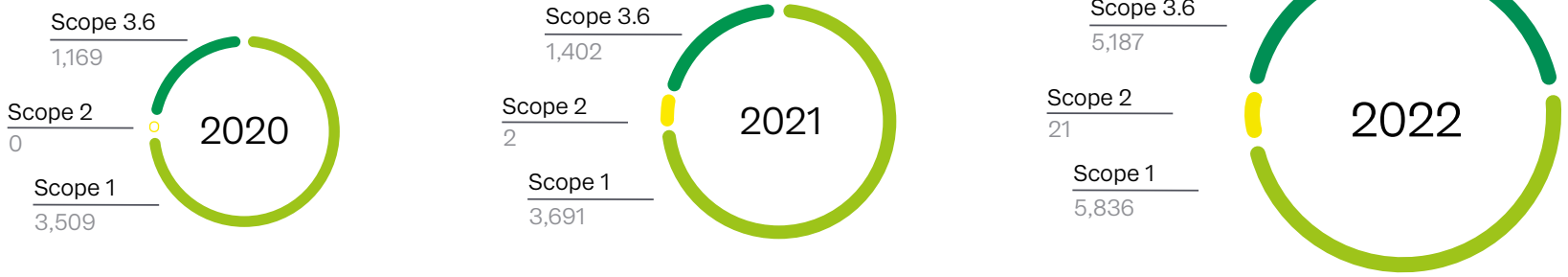
Scope 2

Scope 2 emissions are indirect GHG emissions associated with purchasing electricity, steam, heat, or cooling.

Scope 3

Scope 3 emission sources include the upstream and downstream activities of the organisation.

Our Corporate Carbon Footprint



In tCO_2 equivalents		2020	2021	2022
Scope 1	Mobility	2,965	3,133	5,178
	Heating	544	558	658
	Direct emissions of volatile gases	0	0	0
	Total Scope 1	**3,509**	**3,691**	**5,836**
Scope 2	Electricity	0	0	0
	District heating	0	2	21
	Total Scope 2	**0**	**2**	**21**
Scope 3.6	**Business Travel**	**1,169**	**1,402**	**5,187**
Total Emissions		**4,678**	**5,095**	**11,045**

How we performed in 2022

Our Scope 1 and 2 and Scope 3.6 emissions amounted to 11,045 tonnes of CO_2 equivalents (2021: 5,095 tonnes of CO_2e). This 117% increase can be attributed to continued business growth, including increased employee numbers. As the threat of the COVID-19 pandemic subsided, business travel increased significantly, and employees returned to the office, which bumped up our overall energy demand. The sale of our bioenergy business at the end of 2022 resulted in our 2017 base year adjustment. Therefore, this sale can explain the deviations in emissions, heating and electricity. In addition, the Group acquired the Legal Entity Sol in One GmbH, with a fleet of 75 vehicles leading to the emission of 1,271 tonnes of CO_2e.

In 2022, we achieved further data quality increase through stricter processes for monitoring of data reported. This caused a slight increase in energy consumption and our overall Corporate Carbon Footprint.

Emissions intensity of our global operations

As mentioned above we track our Corporate Carbon Footprint across our operations to ensure transparency of our climate impact. The emission intensity ratio is a key sustainability KPI, which reflects our Corporate Carbon Footprint, compared to our revenue while considering the Group's growth trajectory. Our emissions intensity ratio result for 2022 shows the impact of our rising travel activities of our global business after the COVID-19 pandemic. We are aware of this trend and are looking into possible reduction measures to avoid a significant rebound effect of our overall emissions in the long term.

Emission intensity ratio for BayWa r.e. Group:

	2020	2021	2022
Corporate Carbon Footprint in tCO_2e (Scope 1, 2 and 3.6)	4,678	5,095	11,045
Revenue in € million	2,197.4	3,553.6	6,480.9
Emissions intensity ratio (tCO_2e/€)	**2.13**	**1.43**	**1.70**

Measures to reduce our Corporate Carbon Footprint

BayWa AG provides a calculation tool to assess energy efficiency and CO_2 reduction measures according to their impact. High potential measures, such as our vehicle fleet in the Operations segment, are prioritised. The highest share of our direct emissions can be attributed to our vehicle fleet. The ongoing management of solar and wind parks requires regular site visits to conduct technical maintenance and performance monitoring. We are focussing on the following measures to reduce the carbon footprint of our fleet:

- Initiated a round table for fleet managers at European subsidiaries to exchange ideas around energy efficiency initiatives in the vehicle fleet.
- Considering country-specific company car guidelines to allow for only purely electric cars.
- Evaluating incentives for pilot projects with electric vans for our Operations segment.
- Expanding the infrastructure for charging points at locations and our plants for supply during maintenance work.

Moreover, we will look into opportunities to reduce emissions from business travel. In 2023, one of the first steps will be an update of the Group's travel policy by highlighting alternative meeting settings (such as hybrid) as well as more sustainable and cost-effective travel options.

Increasing Scope 3 reporting

To improve transparency and identify possibilities to reduce emissions in our up- and downstream processes further, we are intensifying reporting activities in Scope 3.

Scope 3.4
Upstream transportation and distribution

Scope 3.7
Employee commuting

We collect data on these scopes through BayWa AG's methodology and sources and aim to increase transparency by disclosing additional Scope 3 data in future reports.

Scope 3.6
Business Travel

This Scope has been fully integrated with reporting since 2018.
Please refer to the overview of GHG emissions on page 51.

Measuring supply chain emissions through Scope 3.1 reporting

In this report, BayWa r.e. discloses its Scope 3.1 emissions related to key purchased goods and services for the first time. With this data, we aim to increase transparency and lay the foundation to establish our climate targets in the future. We began recording Scope 3.1 data in 2021 and have noted data quality improvements. In 2022, BayWa r.e. collected data from the most relevant purchased goods categories, as follows:

Emissions from Scope 3.1 Purchased goods and services (tCO_2e)*	2022
Wind projects: Turbines	61,771
Solar projects: Modules	607,064
Solar projects: Inverters	28,828
Solar trade: Modules	5,198,554
Solar trade: Inverters	279,074
Solar trade: Batteries	275,640
Total	**6,450,931**

*The CO_2e footprint of modules, inverters and batteries is calculated using specific CO_2e factors provided by the Eco Invent database. For wind turbines, primary sources are used from Life Cycle Assessments provided directly by our suppliers.

Ratio – Scope 3.1
Emissions from purchased goods and services in tCO_2e per purchased volume (MW)

	2022
Ratio wind projects tCO_2e per purchased MW	0.530
Ratio solar projects tCO_2e per purchased MW	1.297
Ratio solar trade tCO_2e per purchased MW	1.379

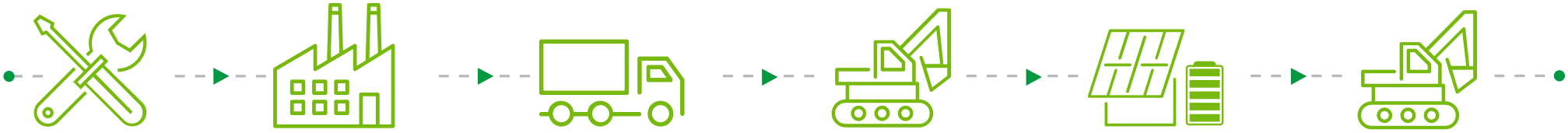
A ratio was developed to measure the long-term climate impact of our purchasing strategies. This will support the ongoing efforts to reduce emissions from upstream processes while considering our anticipated growth of BayWa r.e.

We are committed to investigating our value chain to understand the full GHG impact of our operations. Scope 3 sources represent the lion's share of our emissions, offering the most reduction opportunities. Here, we influence our suppliers' activities and can choose suppliers based on their emissions practices.

Germany: New sustainable buildings in Tübingen

BayWa r.e. Solar Energy Systems GmbH is expanding its warehouse and office capacities at its Tübingen headquarters. The new buildings are designed as plus-energy buildings and will produce almost twice as much electricity as they consume. The buildings will be constructed from sustainable materials such as wood and glass. They will feature a 1.2 MWp rooftop PV system, generating around 1.2 GWh of electricity annually, making it the largest rooftop PV system in Tübingen.
This includes operating forklift trucks in the warehouses and supplying more than 50 wall boxes for charging electric cars and e-bikes. The buildings showcase how modern real estate can fulfil progressive environmental and climate objectives without compromising functionality or comfort.

BayWa r.e. CO_2 impact calculation of solar plants



Although renewable energy does not directly emit GHG emissions, we are aware that the upstream processes involve energy-intensive production methods. We want to actively address energy consumption and, therefore, carbon emissions caused within the manufacturing processes of our main products. Therefore, we closely collaborate with our suppliers to receive the most accurate and current data, such as Life Cycle Assessments (LCAs), Environmental Production Declarations (EPDs) or Product Carbon Footprints (PCFs) to collect Scope 3 data related to Scope 3.1: Emissions from purchased products.

The Corporate Sustainability team is working closely with the Solar and Wind Procurement Department to reduce GHG emissions in the wind supply chain. Different opportunities are being evaluated, such as using other switchgear technologies to limit climate impact, electrification of construction vehicles, and alternative wind tower concepts. However, today, wind projects have an overall CO_2e factor between 6–10 gCO_2e/kWh (according to LCAs from BayWa r.e. suppliers) and achieve an overall CO_2e amortisation rate below one year. In solar projects, the overall CO_2e factor lies between 15 and 30 gCO_2e/kWh and amortises between 0.8 and 2.5 years.

Sweden: Furuby wind farm project steps towards carbon-free construction

The Furuby Wind Farm project addressses the growing need to reduce CO_2e emissions in constructing wind turbine foundations and contributes to Sweden's renewable energy goals. By using carbon-efficient concrete for the turbine foundations, the project managed to reduce the related emissions by about 20%. The farm in southern Sweden will consist of 10 wind turbines, each with a tip height of 220 metres.

With an annual production capacity of around 210 GWh, the wind farm will provide electricity equivalent to 27,100 average households in Sweden, saving 88,620 tonnes of CO_2e emissions each year. The project will play an important role in helping Sweden to fulfil its target of a fully renewable energy system by 2040 and carbon neutrality by 2050. Construction of the wind farm began in May 2021 and commissioning is expected to be completed by the end of 2023.

Carbon compensation projects supported in 2022

Carbon compensation is just one element of the Climate Strategy of BayWa AG. We prioritise avoiding emissions followed by reducing emissions, with the remaining emissions offset through high-quality carbon projects. We have a due diligence process and evaluation standards to select carbon projects that also contribute to the SDGs. All our carbon projects are certified by an international registry, Gold Standard or Verra, complemented by the CCB standard. In 2022, we supported three projects verified only by Gold Standard supporting best practices.

CO2OL Tropical Mix

Technology: Afforestation/reforestation
Location: Panama
Standard: Gold Standard

Certified SDG impacts:

This project turns pasture ground degraded by cattle farming into forests with primarily native tree species. These mixed-use forests facilitate biodiversity protection and ecosystem restoration while producing cacao and timber sustainably. More than 7.5 million trees from 20 native species have been planted, with habitats being created for about 15 threatened species. The project provides long-term employment with 150 jobs created. All employees receive a wage above the legal minimum, health insurance and access to a pension fund. They also benefit from ongoing training and seasonal bonuses. Read more here.

Bundled Solar PV Power Project

Technology: Solar PV
Project scale: Large Scale
Location: Indonesia
Standard: Gold Standard

Certified SDG impacts:

The project contributed to funding four solar power projects in Indonesia with a total installed capacity of 42 MWp, successfully displacing an equivalent amount of electricity which a fossil fuel-dominant electricity grid would have otherwise generated. This has environmental benefits for the island. Read more here.

La Esperanza Hydroelectric Project

Technology: Hydroelectric power
Project scale: Small
Location: Honduras
Standard: Gold Standard

Certified SDG impacts:

A small hydropower plant (12.8 MW) located on the Intibucá River, outside the site of La Esperanza, produces climate-friendly electricity to over 25,000 households, including four nearby villages, which previously suffered frequent voltage fluctuations and power cuts. Before the plant, households used wood for cooking and diesel generators for power. The power plant feeds electricity into the national grid throughout the year, contributing to a stable energy supply in connected villages. The plant created 50 permanent jobs in the local community. Read more here.

Our overall energy consumption

In 2022, our total energy consumption was 15.3 GWh (2021: 9.2 GWh).
This increase can be attributed to the strong growth experienced in 2022 and our growing IPP portfolio. We assured that we provided 100% renewable electricity to our locations and energy plants through our production, external providers or certificates of origin (where possible, from our wind and solar parks).

Energy consumption by energy source for BayWa r.e. Group[1]

In GWh	2020	2021	2022
Electricity [2]	9.5	6.1	11.7
Heating [3]	2.8	2.9	3.4
Other [4]	0.0	0.2	0.2
Total energy consumption	**12.3**	**9.2**	**15.3**

Energy intensity ratio for BayWa r.e. Group[5]:

	2020	2021	2022
Energy consumption in GWh	12.3	9.2	15.3
Revenue in € billion	2.20	3.55	6.48
Energy intensity ratio (GWh/ €)	**5.58**	**2.58**	**2.36**

Monitoring our energy efficiency

We track energy consumption across our operations to lower consumption and overall intensity. Our energy intensity ratio is a key sustainability KPI, which reflects our energy efficiency compared to our annual profit while considering the Group's growth trajectory. After a decline from 2020 to 2021, our energy intensity ratio for 2022 stayed on the same level.

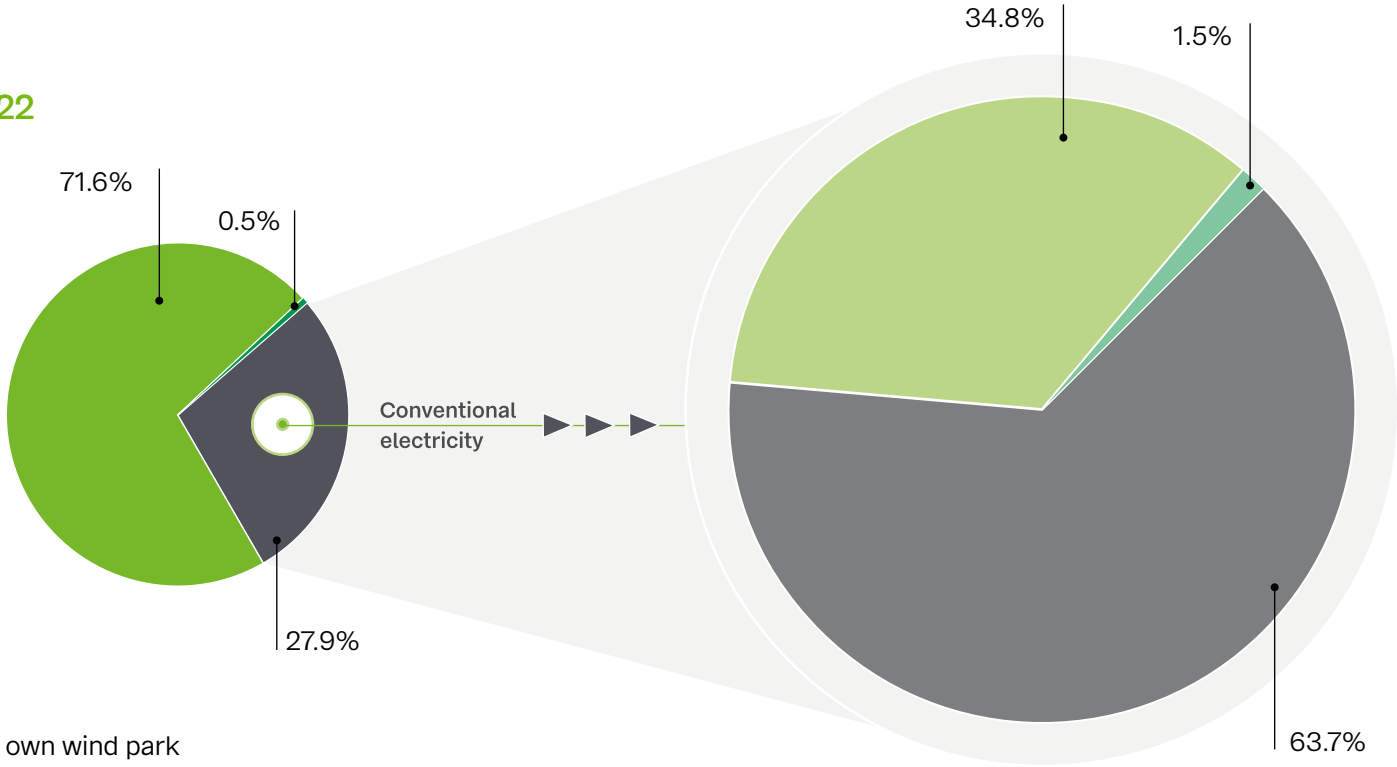
[1] Please note that these numbers differ from those reported in 2021 as the bioenergy business was sold in 2022 and therefore their consumption was removed.
[2] Electricity procurement from conventional electricity, electricity procurement from renewable energy, electricity consumption from renewable energy, green electricity for passenger car, conventional electricity for passenger cars, electricity for passenger cars (unknown type).
[3] Consumption of heating oil for heating purposes, consumption of heating oil for drying purposes, consumption of natural gas for heating purposes, consumption of natural gas for drying purposes, consumption of natural gas for other purposes, consumption of wood pellets, consumption of wood chips, consumption of district heating, own heat generation from renewable energy sources.
[4] Other energy consumption – electricity, other consumption – fuel, other energy consumption – heating.
[5] BayWa r.e. has changed the comparison factors for the energy intensity ratio KPI for this year's report from EBITDA (GWh/EBITDA) to revenue (GWh/revenue). This change makes our ratio more comparable with other companies as energy usage by revenue is widely used. We plan to continue using this calculation method for future reports.

100% renewable electricity consumption since 2020

Since 2020, BayWa r.e.'s electricity needs have been 100% supplied by renewable energy. We achieved this by having global renewable energy tariffs in our office locations and warehouses. Where such a tariff is unavailable, we greened our electricity consumption with Energy Attribute Certificates[1] (EACs). Further EACs from renewable energies are used to transform the consumed electricity from conventional power to electricity from green power. Please note that a variety of terms are used in other markets to designate certificates from renewable energy electricity.

EACs: Energy Attribute Certificates, a globally accepted term.
RECs: Renewable Energy Certificates, a widely used term in North American markets.
LGCs: Large-scale Generation Certificates, a term used in the Australian market.

Our global electricity consumption in 2022



- Electricity purchased with green tariff
- Electricity from own renewable energies
- Electricity purchased with conventional tariff
- US and Canada greened with regional RECs from own wind park
- Australian consumption greened with LGCs from own solar park
- Rest of the world greened with external EACs

[1] Renewable energy plants are usually eligible to generate EACs when they do not receive extra revenue such as green subsidies or compensation certificates and sell the electricity without a green attribute to the offtaker.

Water usage and waste management

Our business activities are not water-intensive, and our water discharge-related impacts are limited. However, as water is scarce, we plan to enhance our future reporting activities to include water usage. In 2022, we recorded our water and waste data as part of our overall environmental management practices. This will lead to reliable figures with which we can develop targets and measures to reduce water use and waste generation. Our water data is displayed in the table below.

Water consumption for BayWa r.e. Group:

	2021	2022
Water consumption in m^3	**67,296.64**	**77,101.09**

We focus on reducing our waste throughout the Group. We embrace circular economy principles wherever possible by reusing and recycling materials. In our Solar Trade business, we work to eliminate or reduce packaging and find solutions to reuse and recycle. We cannot disclose data on waste due to a limitation of coverage of all subsidiaries within BayWa r.e..

In the near future, we will broaden our reporting scope by enhancing data quality for water and waste to define targets and measures to reduce water and waste consumption.

US: Introducing reusable pallets

Transportation of any material creates waste. To minimise packaging waste while protecting the physical integrity of solar modules during transport, US Solar Trade partnered with PVpallet. Through this partnership, we can now offer a reusable system for installers that improves material transport and installation logistics while enhancing sustainability.

The pallets are made of high-density polyethylene plastic with a steel-reinforced base to protect the module in transit. In addition, due to its design, the pallets are easy to store and return shipping volume is minimised. BayWa r.e. is exploring options to make it easier for installers to use the modular pallets in a closed-loop transport arrangement, including lease agreements for a fleet of pallets or a deposit model.

Certified Legal Entities

In addition to the guiding principles and policies described in the Management chapter, we rely on recognised certification systems to ensure sound environmental management and health and safety practices, among others. As we have a broad spectrum of business activities across the Group, these certification systems are not universally applied but rather in those subsidiaries where they provide the greatest benefit.

Certificate	Certificate Description	Certified Legal Entity
ISO 9001: 2015	Quality	BayWa r.e. Asset Holding GmbH BayWa r.e. Asset Management GmbH BayWa r.e. España S.L.U. BayWa r.e. France SAS BayWa r.e. Ireland Limited BayWa r.e. Operation Services GmbH BayWa r.e. Operation Services Limited BayWa r.e. Operation Services S.r.l. BayWa r.e. Power Solutions GmbH BayWa r.e. Rotor Service GmbH BayWa r.e. Solar Projects GmbH BayWa r. e. Solar Energy Systems GmbH BayWa r.e. UK Limited Energy System Services S.r.l. GroenLeven B.V. renerco plan consult GmbH Sol in one GmbH novotegra GmbH
ISO 14001	Environment	BayWa r.e. España S.L.U. BayWa r.e. France SAS BayWa r.e. Ireland Limited BayWa r.e. Operation Services Limited novotegra GmbH
		BayWa r.e. Operation Services S.r.l. BayWa r.e. Power Solutions GmbH BayWa r.e. Solar Projects GmbH BayWa r.e. UK Limited Energy System Services S.r.l. GroenLeven B.V.
ISO 45001	Health and Safety	BayWa r.e. España S.L.U. BayWa r.e. France SAS BayWa r.e. Ireland Limited BayWa r.e. Operation Services Limited BayWa r.e. Operation Services S.r.l. BayWa r.e. Rotor Service GmbH BayWa r.e. UK Limited Energy System Services S.r.l. renerco plan consult GmbH
ISO/IEC 27001:2013	Cybersecurity	BayWa r.e. Energy Trading GmbH BayWa r.e. Operation Services S.r.l.
DIN EN ISO/IEC 17025:2005	Quality	renerco plan consult GmbH
ISO 50001	Energy	BayWa r.e. Rotor Service GmbH
VCA-P	Safety, Health and Environment Checklist Contractors	GroenLeven B.V.
SCC	Safety Certificate Contractors	Sol in One GmbH

Sustainable supply chains

We know that our responsibilities extend far beyond our company gates

We acknowledge that our procurement practices impact social and environmental conditions along our supply chains. This starts with the extraction of raw materials in often underdeveloped countries and ends with plants that have reached end-of-life.

With this in mind, we are committed to making our supply chains as transparent and sustainable as possible. This includes applying our due diligence obligations to evaluate suppliers and identify supply-related risks. We aim to work with suppliers to improve their sustainability practices.

At the same time, we believe an industry-wide approach is needed to shape a socially and environmentally friendly renewable energy industry collectively. This requires collaboration and political will on the part of governments. At BayWa r.e., we seek to foster a supply chain that can be a climate game-changer.

This chapter unpacks how we work with suppliers to support high ethical standards and increase transparency in our highly globalised supply chains.

Sustainable supply chains

Strengthening our supply chain management improves the resilience of our supply chains and meets our customers' expectations for high ethical standards. With our Sustainability Framework 2025, we seek to reduce negative impacts and manage risks in both up- and downstream processes.

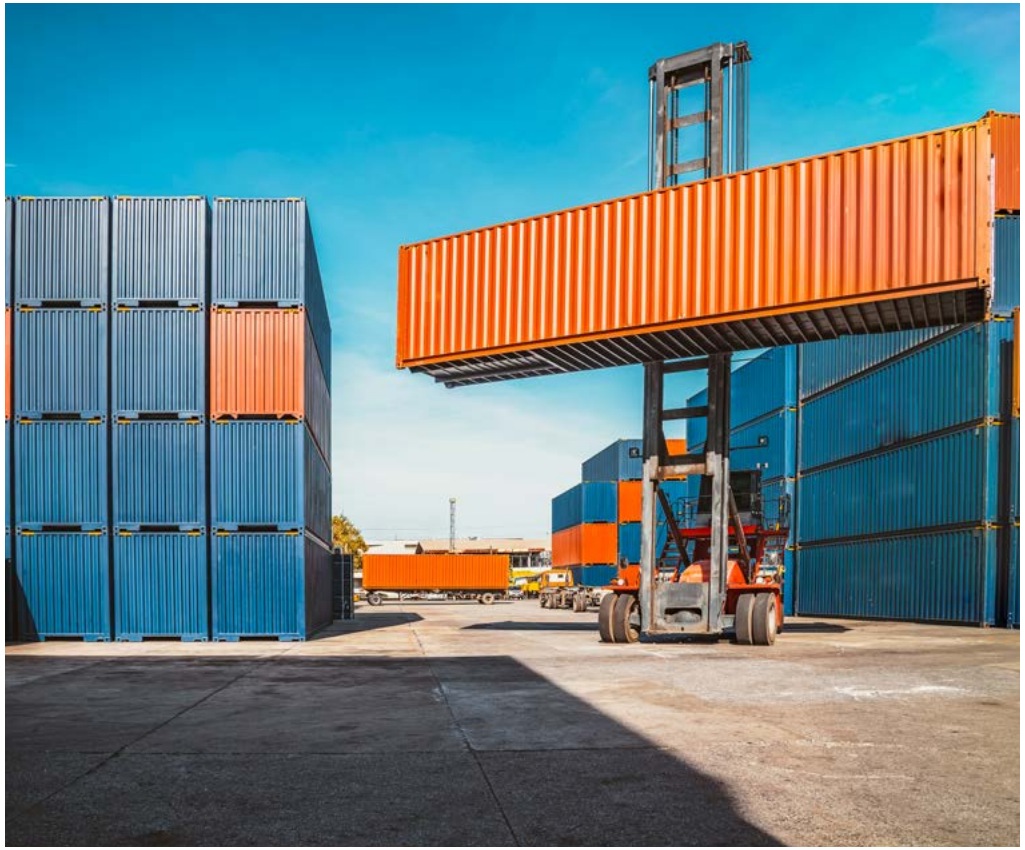
As we procure significant volumes of components, we recognise the responsibility and leverage we exert with our procurement practices. International and national regulatory developments will oblige us to enhance our efforts regarding sustainable supply chains. Moreover, we will aim to screen our direct suppliers and uphold due diligence across our value chains. We actively engage with our suppliers to increase supply chain transparency and prevent environmental or social standards violations.

We contribute to SDG 12: Responsible Consumption and Production, and our Sustainability Framework 2025 has dedicated objectives around fostering sustainability in our supply chain. We aim to actively reduce negative impacts and manage risks in up- and downstream processes.

We are actively addressing two risks:

- Greenhouse gas emissions and climate change through energy-intensive resource extraction, production and transport processes.
- Restricted labour rights, such as denial of workers' rights in countries where technology products are sourced and manufactured.

We are addressing unacceptable working conditions, poor social justice practices, and environmental risks such as high GHG emissions from manufacturing key components. We comply with current legislation and prepare for changing regulations in all the countries where we operate.



Supply chain management

Each Business Entity is responsible for its own supply chain management. In recent years, we introduced different network groups and new roles to achieve greater synergies and operational efficiencies for our procurement processes. Our procurement teams work with the Corporate Sustainability team to improve sustainability performance across our value chain.

How we are achieving sustainability in the supply chain

1. Increase transparency in our upstream supply chains by identifying and evaluating risks that may negatively impact the environment or people.
2. Define initiatives, targets and KPIs to address challenges and measure progress.
3. Deepen dialogue with suppliers around optimisation opportunities.
4. Use leverage and enhance partnerships with engagement in industry associations.
5. Enhance broader collaboration with internal and external partners and communicate progress.

Three initiatives to foster sustainability in our supply chain:

Comprehensive Group-wide value chain risk analysis

- Conducted in 2020 across all BayWa r.e. Business Entities.
- Key outcomes were addressed and implemented in phases, including a whistleblower process.
- Human rights aspects are incorporated within the Code of Conduct and Supplier Code of Conduct.

Suppliers' assessment of sustainability performance

- Holistic supplier evaluation process conducted in Solar Trade Business Entity.
- Our supplier questionnaire reflects the relevant goals of the Sustainability Framework 2025.
- Rollout and assessment of results continued during 2022.

CO_2e calculation for the lifecycle of solar plants

- Read more in our Sustainability in Business Operations chapter

Progress made in 2022

We continued to assess suppliers on their sustainability performance. In 2022, all key solar module and inverter manufacturers were evaluated through a balanced scorecard that includes material topics related to our Sustainability Framework 2025. This scorecard includes a general commitment to sustainability, environmental performance, circularity and employee engagement. These assessments sparked further dialogue with suppliers to understand their sustainability ambitions.

We have increased our emissions reporting to measure our climate impact across our supply chain. Read more in the Sustainability in Business Operations chapter.

Customers increasingly demand transparency on our solar projects' real impact and CO_2e savings. Around 10 sophisticated climate impact assessments were conducted on solar plants within our Projects segment in 2022. The biggest opportunities to reduce CO_2 lie within the module manufacturing phase. This phase accounts for approximately 90% of the overall carbon footprint. We plan to promote the topic of low-carbon production among our suppliers. For 2023, we aim to automate our calculations and establish assumption values to make CO_2 calculation results accessible to all global solar projects.

We plan to promote circularity by addressing the recyclability of components with suppliers and by establishing end-of-life schemes and partners.

Human rights due diligence

Human rights at BayWa r.e.

BayWa r.e. has an ESG Policy and Code of Conduct, including human rights aspects that align with globally accepted standards. BayWa r.e. adheres to all applicable laws and worldwide regulations for protecting human rights as a fundamental and universally applicable requirement. The ESG Policy will be updated in 2023 to emphasise our human rights commitment further. Read more here.

The Xinjiang region of north-west China has attracted international attention due to accusations from international reports regarding the use of forced labour of the Uyghur ethnic group. Reports indicate a high probability of forced labour linked to the supply and manufacture of multiple goods and services across different industries, including polysilicon production for the solar industry.

At the beginning of 2021, BayWa r.e. created a dedicated Human Rights Task Force to manage and drive our response to this important issue. This task force includes participants from the Management Board and representatives across procurement, risk, legal, communications, strategy, corporate sustainability functions and social compliance.

We strongly believe that an industry-wide effort and political engagement are required to remediate the situation. We are engaged in several workstreams to increase transparency on upstream supply chain activities. This includes close collaboration with trade associations, including SolarPower Europe and SEIA in the United States. We firmly support these efforts to establish genuine supply chain transparency and meaningful and sector-wide steps, including audits to ensure that forced labour does not exist in global solar supply chains.

We are working on several initiatives to foster greater sustainability and transparency within our supply chain, comply with relevant national legislation and fulfil our commitments to ethically sourced products and services.

We strongly condemn the use of forced labour and all unethical working practices and are fully committed to ethically sourcing all products and services.

Progress made and planned

Different interdisciplinary working groups and the Human Rights Task Force continuously consider the potential for immediate action while developing medium and longer-term solutions. Initiatives that we have been implementing since 2021 and further pursued in 2022 include the following:

- Developing and rolling out a BayWa r.e. dedicated Supplier Code of Conduct to provide guiding principles and a binding code regarding our commitment to ethical and responsible business practices.
- We outline specific contract language within a Group-wide contractual template to support and reinforce the commitments established in the Supplier Code of Conduct.
- A whistleblower system is in place to report incidents, including human rights offences.
- We have a dedicated supplier evaluation process for key suppliers in the Solar Trade Business Entity, including an assessment across a comprehensive range of ethical and sustainability criteria. In 2023, we plan to further develop the supplier assessment with a specific human rights focus.
- We plan to facilitate an employee training programme, including specific training for our procurement teams on sustainability and human rights matters.
- We conducted internal communications through updated Supervisory Board statements and informative presentations to internal and external stakeholders in 2022.
- We continue to prepare our internal systems, processes and responsibilities to respond to the German Supply Chain Act, which will become effective for BayWa r.e. as of January 2024. We are planning for systematic supplier risk due diligence in 2023, with a first trial on one key wind turbine supplier conducted in 2022.

Supporting the Solar Stewardship Initiative to promote responsible and sustainable industry growth

As the solar industry grows rapidly, the need for an industry-wide standard that ensures responsible, transparent, and sustainable practices while respecting human rights and inclusivity has become increasingly important. In response to this challenge, BayWa r.e. actively supports and contributes to the Solar Stewardship Initiative (SSI) as a co-sponsor. This programe is led by SolarPower Europe, establishing a comprehensive corporate sustainability standard called the SSI Code.

The SSI brings together more than 50 solar companies, including BayWa r.e., to create a responsible and sustainable solar value chain. The SSI Code is currently in its pilot phase at various sites worldwide, with a public consultation scheduled for April 2023 and a full rollout expected by December 2023.

To ensure the effective implementation of the SSI Code, our Human Rights Task Force monitors its progress and collaborates with partners in the solar value chain. This initiative is crucial as solar energy is projected to generate over 60% of Europe's electricity by 2050, highlighting the importance of maintaining high human rights and sustainability standards in the industry. This partnership demonstrates our strong commitment to a sustainable future in the solar industry.

SOLAR STEWARDSHIP INITIATIVE

People

We are passionate about protecting our planet for future generations

At BayWa r.e., we adress the challenges of climate change. Our team is proud of their work. They actively seek out new opportunities to improve the world. They know without a doubt that they are truly making a difference.

To support our employees, we create an environment that offers clear career progression and countless opportunities to collaborate to make a difference. Respectful collaboration, flat hierarchies and a truly cosmopolitan nature make BayWa r.e. the ideal employer for those who want to make a difference and drive innovation for a sustainable future.

In this chapter, we unpack our People Strategy and how we drive Diversity, Equity and Inclusion (DEI) and support continual professional development. We also detail our stringent Environmental Health and Safety (EH&S) standards to keep everyone safe at work.

Our People Strategy

At BayWa r.e., we strive to create a fair, safe, healthy and inclusive environment for all employees. Through our work environment and culture, we foster continual professional development, innovation and collaboration.

Our Corporate Human Resources (HR) Department developed the ONE BayWa r.e. People Strategy in 2020. This strategy provides global direction on all people-focussed topics and coordination of global, regional, and local efforts. The HR Department facilitates global collaboration and synergies by bringing HR representatives from different entities together. These representatives support the implementation of the People Strategy while having some flexibility for local adaption.

Our People Strategy aims to:

BayWa r.e. aims to attract and retain an empowered team to sustain our rapid growth with motivation and great talent. In 2023, we will further develop our People Strategy to align with this goal and ensure we are a future fit.

Our colleagues are leading change every day with their daily work and ideas. We listen to them and include their perspectives. This is why, for example, BayWa r.e. won the Top Company 2023 Award from kununu, a German employer rating platform. It ranks us in the top 5% of employers in German-speaking countries.

The People Strategy supports our HR objectives throughout the employee lifecycle. This includes:

1. **Attraction:** Creating and protecting our strong, holistic employer brand to attract the right people. The strategy provides guidance and a framework for strategic recruitment, including inclusive hiring practices and providing fair and competitive compensation models.
2. **Integration:** Integrating people smoothly with a welcoming and inclusive onboarding. The strategy guides how we explain and embed our values and culture.
3. **Retention:** Retaining and motivating employees by developing an environment that facilitates career and personal development. We have standards in place to ensure fair and equal treatment for all our people.

Our team at a glance

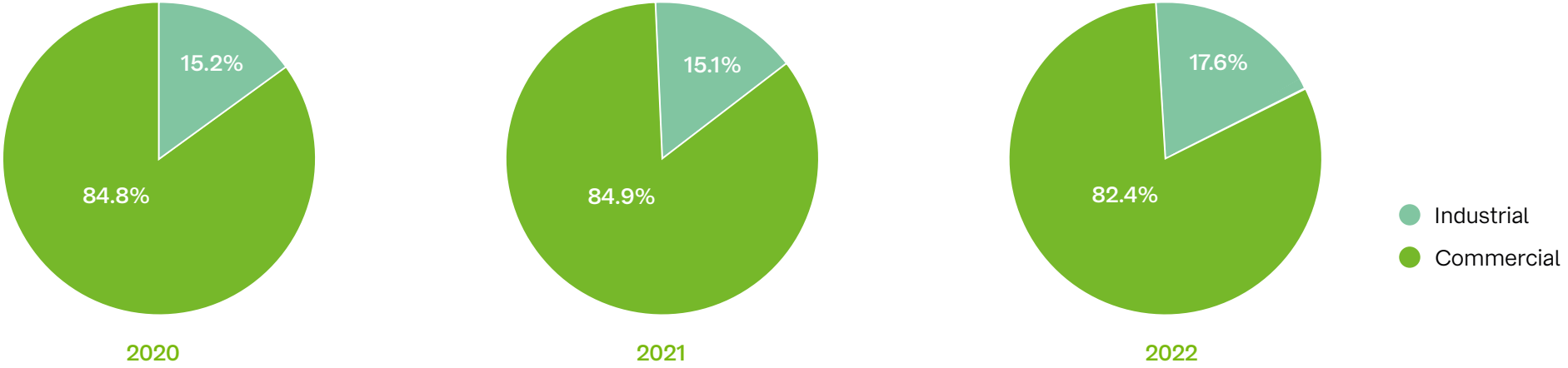
In the reporting year 2022, BayWa r.e. employed 4,323* people, up 36.7% compared to the previous year (2021: 3,163). Across BayWa r.e., the proportion of female employees was 32.6% in 2022 (2021: 32.7%). Since 2022, we have been tracking the amount of gender-diverse colleagues. Six employees have reported as gender diverse. As of 31 December 2022, 31 employees were on parental leave (2021: 44). We also employed 221 trainees, students and interns (2021: 162). For reporting purposes, we split our employees across commercial and industrial environments.

* Active employees excluding employees on extended leave or those on maternity leave.
**Different gender orientations refer to employees who do not identify as male or female. We do not have data for previous years as we began recording this information in 2022.

A more detailed overview of our workforce can be found in the table at the end of this chapter:

Employee structure by gender*	2020	2021	2022
Male	68.0%	67.3%	67.3%
Female	32.0%	32.7%	32.6%
Different gender orientations**	–	–	0.1%

Employee share in commercial and industrial environments:



Employee turnover and new hires

In 2022, the employee turnover across the Group was 21.3% (2021: 12.3%). There were 1,854 recruits (2021: 1,219) and 998 employees left (2021: 551).

Diversity, Equity and Inclusion

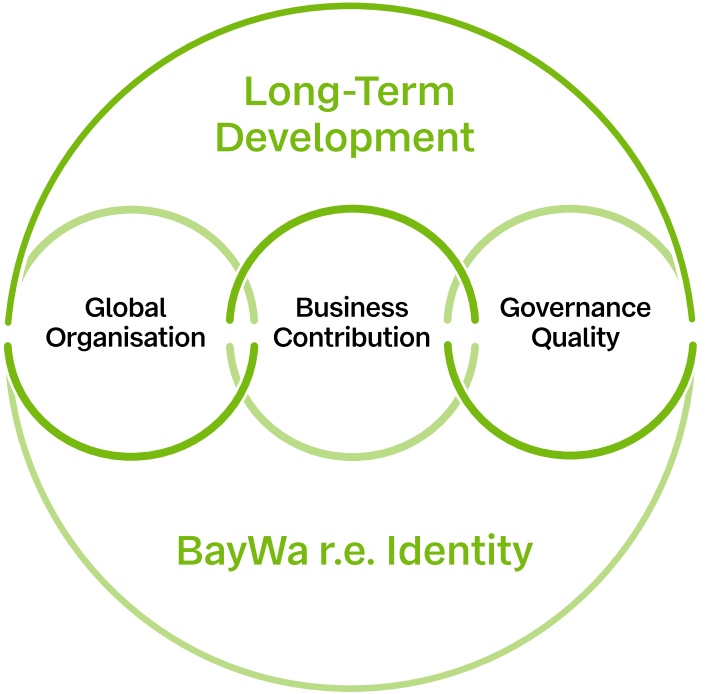
We believe in the strength and potential of diversity fostered by an inclusive work environment and equitable processes.

We drive Group-wide Diversity, Equity and Inclusion (DEI) initiatives to unlock our employees' full potential. We are an inclusive and fair employer that values employees for who they are and encourages them to contribute to decision-making. DEI is a key enabler in our Group's development as it contributes to successful growth, innovation and retaining top talent. We aim to increase our diversity across all levels of the organisation.

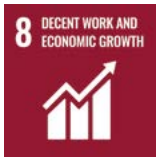
Global DEI Strategy – priority areas

Developing our strategy included several leadership interviews and employee focus groups across the Group. Based on this collaborative process, we developed five priority areas for the Global DEI Strategy. DEI is a natural element of our ongoing growth and long-term development. It is also a characteristic of the global organisation that we are. Moreover, we consider DEI in different business contexts to contribute toour business success and coherently apply DEI in all people processes in the employee lifecycle to secure a sustainable and discrimination-free governance quality, processes, and guidelines. DEI is a core element of BayWa r.e.'s identity.

Our global DEI team, who developed the DEI Strategy, also develops Group-wide DEI guidelines and measures while considering regional and local contexts through regular meetings with representatives from all regions. In addition, BayWa r.e. coordinates DEI communities on a global and regional level are established, and interested employees can meet virtually to discuss ideas, share best practices and work on DEI initiatives.



Our Global DEI Strategy was developed in 2021 and guides initiatives across the Group. It aims to contribute to the following SDGs:



Promoting equal opportunity

In 2021, we implemented a whistleblower system that allows employees and third parties to (anonymously, if desired) report inappropriate behaviour or misconduct, including discrimination, harassment, or unfair treatment. In addition, our employees are encouraged to contact their superiors, HR responsible or compliance managers if they want to share insights on inappropriate behaviour or need advice on handling a situation involving misconduct. Corporate HR and Corporate Compliance handle all cases with high sensitivity per the predefined internal process. In addition, BayWa r.e. has taken further measures to prevent discrimination, including the Group-wide introduction of its Code of Conduct in 2022.

Analysing the first annual DEI assessment, completed in January 2023, will enable us to assess where we stand regarding DEI, work-life balance, anti-discrimination, and equal opportunities. It will also enable us to identify specific interventions for different countries and circumstances.

Focus areas in 2022

In 2022, we focussed on raising awareness of our Global DEI Strategy and the topic in general while preparing the Group for its first annual DEI assessment that was completed in January 2023.

- After developing our DEI Strategy in 2021, we rolled out the DEI Handbook, which the Management Board approved in July 2022. This rollout included a communications campaign with announcements and news articles on our intranet, and internal DEI homepage and DEI discussions facilitated by leadership.
- We started the first annual DEI assessment for our Legal Entities and Corporate Functions. This assessment, completed in January 2023, was supported by our DEI toolbox. The toolbox was developed to help business leaders assess their DEI status and provide guidance, best practices, and various measures to strengthen it. In 2023, the results will be analysed, and action items will be taken.
- We further developed our DEI centre of competence by increasing capacity and expertise.
- Globally, 60 of our leaders participated in an Inclusive Leadership Team Learning Journey. In their journey, they developed a greater awareness of unconscious biases and how to become more inclusive leaders. This journey aims to improve inclusiveness among leadership teams and the organisation.
- More than 140 employees worldwide participated in anti-bias exercises to learn about and reflect on their biases.

Focus areas for 2023

In 2023, we will continue to drive DEI initiatives, which will shape the results of our first DEI assessment. We do not believe in a one-size-fits-all approach; this assessment will guide the steps in each region and Legal Entity must take. In 2023, we will prepare to conduct the second DEI assessment and share our progress in our 2023 Sustainability Report. In 2023, we will focus on the following:

- Rolling out the inclusive language guideline throughout the Group.
- Analysing the results of the DEI assessment and putting concrete measures in place to strengthen DEI.
- Improving the process and tools for the second annual DEI assessment.
- Developing DEI introductory training for new hires and interested employees.
- Conducting DEI training for middle management.
- Developing internal employee resource groups and partnerships with external networks.
- Developing a global parental leave process. At present, employees at BayWa r.e. take parental leave per the specific country's legal requirements.

Women in management positions

Two of the eight Supervisory Board members are female (2021: One woman out of five). At the first and second levels of management,* 23% are female (2021: 20.5%). Currently, there is no data on the percentage of women holding middle management positions, such as team leads. We plan to collect this data for future reports.

1st and 2nd level*	2020	2021	2022
Total	44	53	77
Percent	20.4%	20.5%	23.0%

*First and second-level management positions are Board members, Global Directors of Business Entities, Managing Directors and Corporate Functions.

CASE STUDY

Global partnership with Remote Energy supports renewable energy access and gender equality

The solar industry faces a significant problem with gender balance, diversity, and inclusion. There is also limited access to affordable, and reliable energy for all. To address these challenges, BayWa r.e. formed a global partnership with Remote Energy, a not-for-profit organisation that mentors and shares experience, skills, and expertise in sustainable energy to empower individuals, communities, technicians, and instructors in marginalised and developing communities worldwide, with a strong alignment with the SDGs and our DEI Strategy.

In 2022, various Legal Entities from across the globe donated to Remote Energy's Women's Scholarship Programme. Our funding helped provide online and hands-on training for women in various African countries, empowering them with the skills and knowledge necessary to succeed in the solar industry. Furthermore, BayWa r.e. Solar Energy Systems GmbH contributes to developing women's career pathways and mentorship programme. This programme will assist women trained by Remote Energy in finding jobs within the solar industry. This global partnership demonstrates a commitment to creating a gender-balanced, diverse, and inclusive solar industry. Learn more about our partner, Remote Energy, here.

By supporting Remote Energy, we contribute to the following SDGs:

- **SDG 1:** No Poverty, by providing better access to new technology.
- **SDG 4:** Quality Education, by providing training opportunities.
- **SDG 7:** Affordable and Clean Energy, by increasing the availability of renewable energy in some of the world's least developed nations.

Learning and development

Recruiting and retaining skilled employees is an industry-wide challenge. As a fast-growing organisation, we must develop our people's capabilities to retain our competitive edge as a top employer. Younger generations, in particular, expect companies to offer attractive career and personal development opportunities.

The HR Department offers employees training that suits their strengths and interests and aims to build skills at every career stage. This includes providing guidance and counselling, tools and training. Through our learning and development focus, we have successfully created a skills pipeline for specialist, project and management positions. To maximise the success of learning and development, we focus on those activities that will result in a high probability of behavioural changes among employees.

Total training hours by gender	2020	2021	2022
Male	13,459	12,260	28,765
Female	5,229	4,415	8,263
Other gender orientations	–	–	5
Total	**18,688**	**16,675**	**37,033**

Annual talent development planning

We expect every employee to meet with their manager at least once a year to discuss and develop a structured personal and professional development plan. In 2021, we implemented a framework to support these discussions and provided customised local support where necessary. In 2022, over 55% of employees had a development plan, and we aim to increase this to 70% by the end of 2023.

Leadership development

We offer leadership training through various formats. This includes global training, largely facilitated online for ease of access. This is complemented by modules reflecting country or business-specific topics. We also offer access to internal experts who can support colleagues seeking to expand their energy market knowledge.

BayWa r.e. established a mentorship programme in 2020. In 2022, approximately 20 mentees and mentors participated in this programme. We aim to improve the programme in 2023 by guiding for participants to enrich the experience. Mentorship can be a key enabler in empowering diverse colleagues to unlock their potential.

Development Navigator

The Development Navigator was launched in 2020 as the one-stop-shop for managers, employees and HR colleagues that provides learning and development offerings. This includes renewable energy basic training, soft skills and leadership development offerings. Employees and local HR representatives can find relevant training material through this tool.

The Development Navigator benefits employees changing roles or joining a new project. We believe in the value of social learning, including mentoring and 360-degree leadership feedback. The Development Navigator is also the go-to destination where colleagues can offer each other training.

In 2022, we focussed on consolidating and improving our range of offerings in response to employee feedback. We also improved internal communications to increase awareness of what training is available. In 2023, we will focus on enriching our leadership development offering through this tool.

Thailand: Partnering with Steps

BayWa r.e. partnered with Steps, Thailand's first-ever vocational centres supporting individuals with differences in mental function, learning styles, sensory processing, communication styles or behaviours. Steps aims to embrace the potential of neurodivergent individuals, ultimately promoting a more inclusive society.

We started our partnership with Steps in April 2022, providing a platform for four Steps trainees to learn and grow in a corporate environment while working on BayWa r.e projects. This collaboration seeks to create meaningful opportunities for neurodivergent individuals, enabling them to gain paid work and develop their skill sets in a supportive setting.

A spotlight on two learning and development initiatives

Future Energy Leadership Development Programme (FLEX)

A professional leadership development approach is critical to developing our untapped leadership potential. The FLEX programme was established in 2017 to prepare employees to take over key leadership roles. In 2022, the programme welcomed 14 employees from different countries who came together four times to explore BayWa r.e.'s ideal leadership characteristics and network with the senior leadership team.

Development Assignment Abroad

The Development Assignment Abroad opportunity was developed in 2022 to encourage cross-border collaboration. It allows colleagues to live and work in a different country for four to six months once processes are established in a specific country.

Key learning and development indicator

€3.4 million spent on employee learning and development (2021: €2.5 million)

Focus areas in 2022

- Creating leadership development offerings for different levels and needs.
- Increasing the percentage of completed individual development plans to increase our organisation's resilience to changes in the market and society.

Focus areas for 2023

- Further developing leadership training for different levels and needs
- Empowering our workforce by expanding the reach of individual development plans, fuelling personal growth and advancement

Environment, Health and Safety (EH&S)

Safe and healthy working conditions protect our employees from harm. They improve productivity and reduce stress and health problems. EH&S is, therefore, a top priority across our segments. In addition, BayWa AG's Corporate EH&S Department develops company-wide guidelines and offers a point of contact for EH&S. For more information, read BayWa AG's 2022 Sustainability Report.

In our Operations segment, industrial employees, including mechanics and electricians, face greater health risks due to the physical nature of their work. This includes working with high voltages and heights. This segment has specific policies, procedures and regular inspections to enforce the highest EH&S standards. All hazards and risks and the effectiveness of their respective safeguards are reviewed at least once per year. Specific training modules are in place for working at heights and on electrical installations.

Our EH&S approach

Technical measures

We plan, develop and distribute our products and services in a way that protects the environment and human health and conserves natural resources. The highest technical standards and continuous adaption to these are our top priorities. We create a safe working environment by continuously reviewing and, if possible, substituting chemicals that are hazardous to the environment.

Organisational measures

We design our work processes to ensure our employees' performance, health, motivation and satisfaction. We regularly review our standards to ensure we comply with all industry regulations. All risks and hazards are assessed, investigated, and best practices are followed. Management drives an ongoing programme of continuous improvement measured by KPIs for all elements of EH&S. We ensure a safe working environment through preventative risk management, enforcing the highest technical standards and adopting the latest innovations in EH&S.

Personal measures

We provide appropriate Personal Protective Equipment (PPE) to minimise exposure to hazards that cause serious injuries and illnesses in the workplace. To ensure that workers can use the PPE without risk to their health, our company doctors regularly check users' physical condition. We provide ergonomically designed workplaces and promote healthy living by, for example, providing medical examinations.

Behavioural measures

We support our employees in behaving in an environmentally, health and safety-conscious manner by systematically training, informing and motivating them in our in-house EH&S Academy. Our employees are the experts for their respective work and know the hazards in their daily work best. We, therefore, actively involve them in identifying and minimising health, safety and environmental risks and proactively encourage them to contribute ideas and suggestions for improvement.

Our EH&S approach places our people at the centre, protected by a balanced multi-level system of steps based on the hierarchy of measures of the International Labour Organization (ILO).

Our adherence to International Standards Organization (ISO) 45001

Our EH&S guiding principles and policies are based on the ISO 45001 global occupational health and safety management system standards. These policies define each site's minimum precautionary measure for occupational health and safety. These apply to all companies, employees and sub-contractors within BayWa r.e.. To date, eight of BayWa r.e.'s European Legal Entities are ISO 45001 certified (2021: Eight). We anticipate that more Legal Entities will become certified in the coming years. You can find our full list of ISO certifications here.

Reducing health and safety incidents

Every Legal Entity has its own Environment, Health and Safety (EH&S) Manager and sometimes a larger EH&S team. The standalone EH&S Managers connects via regular network meetings to discuss current challenges and share insights from their work.

In 2021, our parent company BayWa AG launched a project to harmonise incident reporting and analysis. In 2022, the project recorded 713 reported incidents (2021: 379) from 23 Legal Entities (2021: 13) via the new system across all regions. More information was supplied on the types of incidents. For the first time, we also included third-party incidents and recorded 32 reports from eight Legal Entities. There is no uniform investigation process for incidents within the Group. Each Legal Entity has an investigation process, as required by the EH&S guidelines. The same applies to communication regarding incidents and consulting employees, sub-contractors and other affected parties.

As our Operations segment grows and we develop more projects, we will focus on strengthening collaboration with sub-contractors to monitor, manage and report incidents. This includes awareness of EH&S matters, including improving general EH&S competency for relevant employees.

In 2023, BayWa r.e. will appoint a Group-wide Head of EH&S, who will coordinate, for example, the alignment of incident reporting and improving reporting against sustainability and EH&S KPIs. Establishing a stronger EH&S network across the Group will be critical to this role.

Lost Time Injury Rate (LTIR)[1]

The LTIR is an important measurement of the number of accidents in a period. This includes accidents when travelling to sites. The LTIR should be viewed in the context of a growing business.

	2020	2021	2022
LTIR	**1.33**	**2.18**	**1.60**

In 2022, there was a tragic incident where a subcontractor on a German wind project lost his life. The fatality emphasises the need for constant vigilance and continual improvements of our EH&S procedures.

Number of occupational accidents	2020	2021	2022
Commercial	13	13	18
Industrial	14	43	39
Total	**27**	**56**	**57**

[1] The LTIR rate is calculated by dividing the total number of lost time injuries in a certain time period by the total number of target working hours in that period, then multiplying it by 200,000 to get the LTIR. This number tells you the number of lost time injuries per 100 worker/years (equivalent to 2,000 hours worked for each of 100 workers).

Innovation in employee well-being: #socialandhealthy

The #socialandhealthy global well-being programme was introduced during the pandemic in 2020 to reduce the negative effects of social isolation. Since then, #socialandhealthy has become integral to the corporate culture and our everyday working lives.

In April 2022, we launched the BayWa r.e. Global Well-being Week, commemorating World Health Day. External experts led presentations on good sleep practices, nutrition and managing stress. Employees participated in physical activity, with 113 joining the BayWa r.e. Charity Walk and raising €10,000 for Doctors Without Borders. Employees could track their steps, all steps were counted, and the global average was used to calculate our donation.

In 2022, special emphasis was placed on expanding our range of mental health services. To draw attention to the topic, 242 leaders and HR managers attended mandatory e-learning sessions on mental health. In addition, 15 employees were trained as mental health first aiders in an EMEA-focussed pilot project, which will be expanded into other regions in 2023.

#socialandhealthy in numbers

In 2022, 2,000 employees (2021: 1,369) across 18 countries (2021: 20) participated in activities.

The programme aims to encourage employees to:

- Stay socially connected
- Take care of your physical well-being
- Take time for your mental health

Our #socialandhealthy initiative is aligned with:

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

BayWa r.e. HR Department honoured with a prestigious award

#socialandhealthy received the HR Energy Award 2022 as a “lighthouse project” in the health category. The award is presented each year at the Personalforum Energie. The HR Energy Award honours forward-looking concepts for the working environments in Germany’s energy, gas and water infrastructure sectors. The jury praised the #socialandhealthy programme for its degree of digitalisation and how it promotes organisational resilience.

Overview of workforce-related KPIs*:

Number of employees per region		2020	%	2021	%	2022	%
EMEA		**1,983**	**79.2**	**2,482**	**78.5**	**3,427**	**79.3**
	male	1,369	54.7	1,666	52.7	2,330	53.9
	female	614	24.5	816	25.8	1,095	25.3
	diverse	0	0.0	0	0.0	2	0.0
APAC		**166**	**6.6**	**195**	**6.2**	**253**	**5.9**
	male	105	4.2	122	3.9	145	3.4
	female	61	2.4	73	2.3	107	2.5
	diverse	0	0.0	0	0.0	1	0.0
AMER		**356**	**14.2**	**486**	**15.4**	**643**	**14.9**
	male	230	9.2	342	10.8	434	10.0
	female	126	5.0	144	4.6	206	4.8
	diverse	0	0.0	0	0.0	3	0.1
Total		2,505		3,163		4,323	

Numbers of employees by employment agreement		2020	%	2021	%	2022	%
Fixed-term employment		**151**	**6.0**	**274**	**8.7**	**216**	**5.0**
	male	87	3.5	107	3.4	120	2.8
	female	64	2.6	167	5.3	96	2.2
	diverse	–	0.0	–	0.0	–	0.0
Permanent employment		**2,354**	**94.0**	**2,889**	**91.3**	**4,107**	**95.0**
	male	1,617	64.6	2,023	64.0	2,789	64.5
	female	737	29.4	866	27.4	1,312	30.3
	diverse	–	0.0	–	0.0	6	0.1
Total		2,505		3,163		4,323	

* all data in the following table as of 31 December 2022

Detailed overview of employee groups		2020	2021	2022
Full-time employees		**2,013**	**2,589**	**3,620**
	male	1,460	1,845	2,581
	female	553	744	1,034
	diverse	–	–	5
Part-time employees		**254**	**308**	**376**
	male	84	112	120
	female	170	196	255
	diverse	–	–	1
Apprentices, trainees, dual-system students		**26**	**30**	**38**
	male	20	18	24
	female	6	12	14
	diverse	–	–	–
Temporary staff, marginal employees		**30**	**33**	**33**
	male	24	25	21
	female	6	8	12
	diverse	–	–	–
Interns, working students		**123**	**132**	**183**
	male	64	67	101
	female	59	65	82
	diverse	–	–	–
Managing directors		**59**	**71**	**73**
	male	52	63	62
	female	7	8	11
	diverse	–	–	–
Total number of active employees		2,505	3,163	4,323
Inactive employees, employees on leave		**62**	**82**	**79**
	male	29	37	43
	female	33	45	36
	diverse	–	–	–
Employees on maternity leave		**16**	**9**	**8**
	male	–	–	–
	female	16	9	8
	diverse	–	–	–
Total number of employees		2,583	3,254	4,410

Employees by age group		2020	%	2021	%	2022	%
Up to 25 years		**219**	**8.7**	**262**	**8.3**	**463**	**10.7**
	male	129	5.1	160	5.1	302	7.0
	female	90	3.6	102	3.2	160	3.7
	diverse	–	0.0	–	0.0	1	0.0
26 to 54 years		**2,076**	**82.9**	**2,646**	**83.7**	**3,523**	**81.5**
	male	1,409	56.2	1,775	56.1	2,353	54.4
	female	667	26.6	871	27.5	1,166	27.0
	diverse	–	0.0	–	0.0	4	0.1
55+ years		**210**	**8.4**	**255**	**8.1**	**337**	**7.8**
	male	166	6.6	195	6.2	254	5.9
	female	44	1.8	60	1.9	82	1.9
	diverse	–	0,0	–	0.0	1	0.0
Total		2,505		3,163		4,323	

Employees on parental leave	2020	%	2021	%	2022	%
male	10	28.6	11	25.0	11	35.5
female	25	71.4	33	75.0	20	64.5
diverse	–	0.0	–	0.0	0	0.0
Total	35		44		31	

Total training hours of all participants in classroom trainings	2020	%	2021	%	2022	%
male	13,459	72.0	12,260	73.5	28,765	77.7
female	5,229	28.0	4,415	26.5	8,262	22.3
diverse	–	0.0	–	0.0	5	0.0
Total	**18,688**		**16,675**		**37,032**	

Number of annual employee appraisals	2020	%	2021	%	2022	%
male	956	68.2	1,560	69.5	2,165	68.3
female	445	31.8	683	30.5	1,003	31.6
diverse	–	0.0	–	0.0	4	0.1
By gender	**1,401**		**2,243**		**3,172**	

Performance indicators at a glance

Performance indicator	2021	2022
Annual revenue	€3.6 billion	€6.5 billion
Compliance		
Participants in on-site compliance training courses	99	106
Participants in compliance e-learning courses	836	1,864
Energy and GHG emissions		
Energy consumption in GWh	9.15	15.31
Proportion of electricity from renewable energies in %	100	100
GHG emissions (Scope 1, 2 and 3.6 business travel) in tCO_2e	5,095	11,045
People		
Number of employees	3,163	4,323
Proportion of women in management positions (1st and 2nd level) in %	20.5	23.0
Health and Safety		
Number of occupational accidents	56	57
Lost time injury rate (LTIR)	2.18	1.60

GRI content index

The BayWa r.e. Sustainability Report 2022 was prepared referencing to the GRI Standards, for the reporting period 2022 (1 January 2022 to 31 December 2022). The same standard version was used in the BayWa AG Sustainability Report 2022, to which BayWa r.e. contributed data. References to the BayWa AG Sustainability Report are included throughout this report.

GRI Standard		Page reference	Notes
GRI 1:	**Foundation 2021**		
GRI 2:	**General Disclosures 2021**		
	The organisation and its reporting practices		
2-1	Organisational details	7, 8, 9, 2	
2-2	Entities included in the organisation's sustainability reporting	5	
2-3	Reporting period, frequency and contact point	5, 90	
2-4	Restatements of information	5, 51, 57	
2-5	External assurance	5	
	Activities and workers		
2-6	Activities, value chain and other business relationships	11	
2-7	Employees	78,79,80	Casual labour (non-guaranteed hours employees) and a breakdown by gender and by region cannot be reported since it is not currently recorded.
2-8	Workers who are not employees	–	Information unavailable. Data is currently not collected. BayWa r.e. plans to report this information in the future. See also the BayWa AG Sustainability Report 2022.
	Governance		
2-9	Governance structure and composition	31,32	
2-10	Nomination and selection of the highest governance body	31,32	
2-11	Chair of the highest governance body	32	

GRI Standard		Page reference	Notes
2-12	Role of the highest governance body in overseeing the management of impacts	32,33	
2-13	Delegation of responsibility for managing impacts	33	
2-14	Role of the highest governance body in sustainability reporting	5	
2-15	Conflicts of interest	31, 34	
2-16	Communication of critical concerns	33	
2-17	Collective knowledge of the highest governance body	31	Professional qualifications are a key factor for appointments to the Supervisory Board and Management Board. All Supervisory Board members have experience and expertise with renewable energies as well as finance and accounting.
2-18	Evaluation of the performance of the highest governance body	–	We have no evaluations in place, as we are not a listed company.
2-19	Remuneration policies	32, 36	
2-20	Process to determine remuneration	32	
2-21	Annual total compensation ratio	BayWa AG Sustainability Report 2022 page 114	Information unavailable. Data is currently not collected. BayWa r.e. plans to report this information in the future. See also BayWa AG Sustainability Report 2022.
	Strategy, policies and practices		
2-22	Statement on sustainable development strategy	3,4	
2-23	Policy commitments	35,36	
2-24	Embedding policy commitments	35	
2-25	Processes to remediate negative impacts	16, 17, 19, 24, 33	
2-26	Mechanisms for seeking advice and raising concerns	33	
2-27	Compliance with laws and regulations	–	There were no significant breaches of laws or regulations resulting in fines during the reporting period.
2-28	Membership associations	35	
	Stakeholder engagement		
2-29	Approach to stakeholder engagement	11	
2-30	Collective bargaining agreements	–	In 2022, 17% of our workforce was covered by collective agreements.

GRI Standard		Page reference	Notes
	Material topics		
GRI 3	**Material Topics 2021**		
3-1	Process to determine material topics	20	
3-2	List of material topics	20	
GRI 201	**Economic Performance 2016**		
3-3	Management of material topics	10, 13, 14	
201-1	Direct economic value generated and distributed	10	
201-2	Financial implications and other risks and opportunities due to climate change	25	
GRI 205	**Anti-corruption 2016**		
3-3	Management of material topics	34	
205-2	Communication and training about anti-corruption policies and procedures	82	
GRI 206	**Anti-competitive Behaviour 2016**		
3-3	Management of material topics	34	
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	–	BayWa r.e. was not party to any legal proceedings related to anti-competitive behaviour or breaches of cartel or monopoly laws during the reporting period.
GRI 207	**Tax 2019**		
3-3	Management of material topics	34	
207-1	Approach to tax	34	
207-2	Tax governance, control and risk management	34	
207-3	Stakeholder engagement and management of concerns related to tax	34	
207-4	Country-by-country reporting	BayWa AG Sustainability Report 2022 page 30	

GRI Standard		Page reference	Notes
GRI 301	**Materials 2016**		
3-3	Management of material topics	BayWa AG Sustainability Report 2022 page 116	
301-1	Materials used by weight or volume	BayWa AG Sustainability Report 2022 page 116	For the whole of BayWa r.e. Group, data is not yet available in adequate quality. See also BayWa AG Sustainability Report 2022. We are working on optimising data quality.
GRI 302	**Energy 2016**		
3-3	Management of material topics	48, 57	
302-1	Energy consumption within the organisation	57	We report our energy consumption in GWh, excluding our LEED-certified headquarters in Munich, as BayWa r.e. Group occupies only a limited amount of office space. The energy consumption of the entire building is included in the BayWa AG Sustainability Report 2022, page 77. In the future, we plan to include our energy share of the office spaces in our reporting.
302-3	Energy intensity	57	Calculation of energy intensity ratio: total energy consumption in GWh/ EBIT in Mio. EUR. Scope: energy used within the company.
GRI 303	**Water and Effluents 2018**		
3-3	Management of material topics	48, 59	
303-1	Interactions with water as a shared resource	59	
303-2	Management of water discharge-related impacts	59	
303-5	Water consumption	59	
GRI 304	**Biodiversity 2016**		
3-3	Management of material topics	40, 41	
304-2	Significant impacts of activities, products and services on biodiversity	40	There was no Group-level analysis of the significant impacts on biodiversity of BayWa r.e.'s products and services in 2022. However, our project planning and the development of our projects include environmental assessments and directly monitor and enhance biodiversity measurements.
GRI 305	**Emissions 2016**		
3-3	Management of material topic	48, 50, 51, 52, 53, 55, 56	

GRI Standard		Page reference	Notes
305-1	Direct (Scope 1) GHG emissions	51	All gases included, for full inventory please refer to BayWa AG Sustainability Report 2022 page 75-78.
305-2	Energy indirect (Scope 2) GHG emissions	51	Market-based, for methodology in full please refer to BayWa AG Sustainability Report 2022 page 75-78.
305-3	Energy indirect (Scope 3) GHG emissions	51, 53	We report on Scope 3.6 travel emissions, as they are material for our corporate carbon footprint. Moreover, for the first time, we have reported on Scope 3.1 purchased goods and services. Here, we report on carbon emissions from key components such as modules, inverters and wind turbines.
305-4	GHG emissions intensity	52	
GRI 306	**Waste 2020**		
3-3	Management of material topics	48, 59	
306-1	Waste generation and significant waste-related impacts	59	
306-2	Management of significant waste-related impacts	59	
GRI 307	**Environmental Compliance 2016**		
3-3	Management of material topics	60	
307-1	Non-compliance with environmental laws and regulations	–	None during the reporting period.
GRI 308	**Supplier Environmental Assessment 2016**		
3-3	Management of material topics	63	
308-1	New suppliers that were screened using environmental criteria	–	Not available for 2022 as the roll-out of our supplier assessment is ongoing.
308-2	Negative environmental impacts in the supply chain and actions taken	–	None were brought to our attention during the reporting period.
GRI 401	**Employment 2016**		
3-3	Management of material topics	67	
401-1	New employee hires and employee turnover	68	
401-3	Parental leave	79	

GRI Standard		Page reference	Notes
GRI 402	**Labor/Management Relations 2016**		
3-3	Management of material topics	67	
402-1	Minimum notice periods regarding operational changes	–	BayWa r.e. complies with the respective regional statutory requirements for notice periods regarding operational changes.
GRI 403	**Occupational Health and Safety 2018**		
3-3	Management of material topics	74, 75	
403-1	Occupational health and safety management system	75	
403-2	Hazard identification, risk assessment and incident investigation	76	
403-3	Occupational health services	77	In compliance with all DSGVO regulations, it is ensured that data protection, for example, on personal health data is guaranteed at all times.
403-4	Worker participation, consultation and communication on occupational health and safety	75	
403-6	Promotion of worker health	77	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	76	
403-8	Employees covered by a management system for occupational health and safety	75	
403-9	Work-related injuries	76	
GRI 404	**Training and Education 2016**		
3-3	Management of material topics	72, 73	
404-1	Average hours of training per year per employee	72, 81	Total of all training hours of all participants (male, female and other gender orientations) in classroom training in the reporting year. Classroom training refers to trainer-led live seminars or webinars with training participation in person or digital.
404-3	Percentage of employees receiving regular performance and career development reviews	72, 81	
GRI 405	**Diversity and Equal Opportunity 2016**		
3-3	Management of material topics	69, 70, 71	
405-1	Diversity of governance bodies and employees	71	

GRI Standard		Page reference	Notes
GRI 406	**Non-discrimination 2016**		
3-3	Management of material topics	34, 69	
406-1	Incidents of discrimination and corrective actions taken	–	At BayWa r.e. Solar Systems LLC a lawsuit for an alleged wrongful termination based on sex discrimination and retaliation is pending. We will report on the outcome of the lawsuit in the 2023 Sustainability Report.
GRI 414	**Supplier Social Assessment 2016**		
3-3	Management of material topics	63, 64, 65	
414-1	New suppliers that were screened using social criteria	–	This cannot be reported for 2022 as the roll-out of our supplier assessment is ongoing.
414-2	Negative social impacts in the supply chain and actions taken	64	
GRI 415	**Public Policy 2016**		
3-3	Management of material topics	35	
415-1	Political contributions	35	
GRI 419	**Socioeconomic Compliance 2016**		
3-3	Management of material topics	34	
419-1	Non-compliance with laws and regulations in the social and economic area	–	None during the reporting period.

Glossary

DEI	**Diversity, Equity and Inclusion** is a concept, supported by policies and practices, designed to make people of various backgrounds feel welcome and ensure they have support to perform to the best of their abilities in the workplace. Diversity refers to the presence of differences in the workplace and may mean differences in race, gender, gender identity, sexual orientation, age, and socioeconomic background. Equity is the act of ensuring that processes and programmes are fair and provide equal possible outcomes for every individual. Inclusion is the practice for making people feel a sense of belonging at work.
EH&S	**Environmental, Health and Safety** refers to the practical aspects of protecting the environment and maintaining health and safety at occupation. In simple terms, it is what organisations must do to ensure that their activities do not cause harm to anyone.
EPD	An **Environmental Product Declaration** tells the life cycle story of a product in a single, comprehensive report. This includes information about a product‘s environmental impact, such as global warming potential, smog creation, ozone depletion, and water pollution.
GHG	A **Greenhouse House Gas** is a gas that absorbs and emits radiant energy at thermal infrared wavelengths, causing the greenhouse effect. There are several different types of greenhouse gases, e.g. CO_2, methane, etc.
GW	A **Gigawatt** is a unit of electrical power equal to one billion watts.
GRI	The **Global Reporting Initiative** is an international, independent standards organisation that helps businesses, governments, and other organisations understand and communicate their impacts on climate change, human rights, and corruption.
IPP	An **Independent Power Producer** is a Legal Entity, corporation, agency, authority, or other instrumentality that owns or operates facilities for the generation and sale of electricity for use, primarily by the public and commercial offtakers, and that is not an public electric utility.
LCA	A **Life Cycle Assessment** is a method for the environmental assessment of products and services, covering their life cycle from raw material extraction to waste treatment.
LTIR	**Lost time injuries** encompass temporary injuries that keep the employee away from work for at least a day and permanent disabilities and conditions that prevent the employee from ever returning to the job or performing their regular work tasks. The Lost Time Injury Rate is calculated using a simple formula, where the total number of lost time injuries in a given period is divided by the total number of hours worked in that period and then multiplied by 200,000. The figure of represents 100 employees working 40 hours a week for a 50-week calendar year.
MW	A **Megawatt** is a unit of power equal to one million watts.
PCF	A **Product Carbon Footprint** measures a product‘s total greenhouse gas emissions, from the extraction of raw materials to end-of-life. It is measured in carbon dioxide equivalents (CO_2e).
PV	Solar **Photovoltaic** materials convert sunlight into electrical energy. A single photovoltaic device is known as a cell. Cells are made of different semiconductor materials and are sandwiched between protective materials in a combination of glass and plastics.
SDGs	Formulated in 2015 by the United Nations General Assembly, the **Sustainable Development Goals** are a collection of seventeen interlinked objectives designed to serve as a shared blueprint for peace and prosperity for people and the planet, now and into the future.
SSI	The Solar Stewardship Initiative was set in motion by SolarPower Europe and Solar Energy UK in March 2021 as part of a programme established to promote responsible production in the solar value chain. The official launch of the SSI in September 2022 marked a critical first milestone for the European solar industry to increase transparency in the solar supply chain in the next years.
tCO_2e	tCO_2e stands for **tonnes (t) of carbon dioxide (CO_2)** equivalent (e). Carbon dioxide equivalent” is a standard unit for counting greenhouse gas emissions regardless of whether they are from carbon dioxide or another gas, such as methane.

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