

*Talking about
Südstärke.*



Our sustainability report for **2021**

Our responsibility. Our motivation.

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The only way to overcome these challenges is to have a strong team and employees who can pull together even when the going gets tough.

Introduction.



After facing a difficult year in 2020, we were met with a still more difficult year in 2021: Anyone who thought that the coronavirus pandemic would end with 2020 soon realized that they were mistaken.

From an economic perspective, the year began positively. Supply chains became more robust again and the launch of the COVID-19 vaccination campaign brought hope that business would soon return to normal.

From October, however, the onset of a severe energy crisis and emergence of new variants of the virus posed significant challenges.

Implementing protective measures in the company required a great deal of time and effort, but it brought the success we hoped for: The campaign to produce potato starch was completed despite the difficult conditions.

The only way to overcome these challenges is to have a strong team and employees who can pull together even when the going gets tough. Südstärke farmers also made a significant contribution to ensuring that the silos were full again at the end of the year, despite difficult harvesting conditions.

Südstärke was only able to survive 2021, the second year of the pandemic, thanks to the strong cohesion within the workforce and the reliable collaboration between management and the works committee.

I would therefore like to express my thanks in particular to all employees and employee representatives, who have once again demonstrated their flexibility and adaptability to changing circumstances and contributed toward the continued development of the company.

Dr. Stefan Dick
(Managing Director)





The Schrobenhausen site



The Sünching site

Südstärke GmbH.

Südstärke GmbH is a major German producer of potato starch. Its two production sites in Schrobenhausen (where the company has its headquarters) and Sünching process around 600,000 tons of starch potatoes every year, producing some 150,000 tons of potato starch and starch derivatives.

This processing volume is equivalent to one third of the potato cultivation area and harvest in Bavaria every year. The two production sites together employ more than 270 people.

The controlling parent company of Südstärke GmbH is the Südstärke-Kartoffelliefergenossenschaft eG, which is owned by farmers in southern Bavaria. These farmers in turn supply the crucial raw material for starch production – starch potatoes.

The cooperative structure means that the raw material for production is grown by the shareholders of Südstärke GmbH, who then process this raw material in-house.



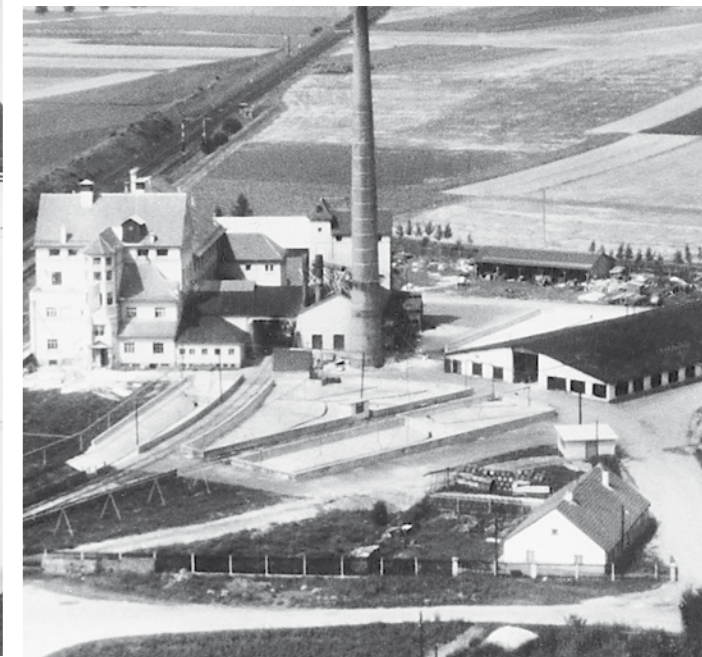
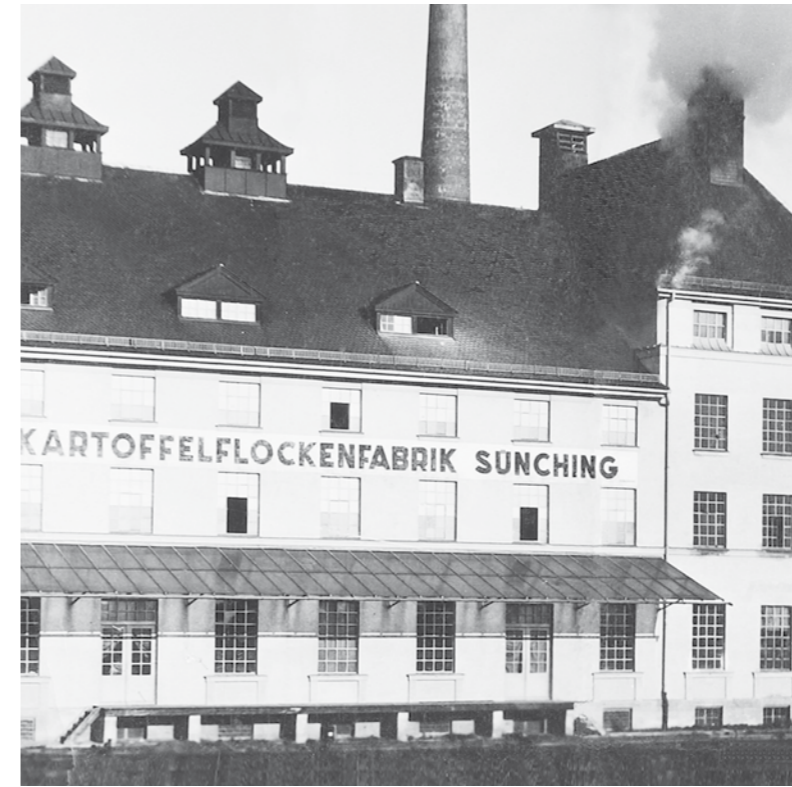
More than 100 years of tradition.

Südstärke is a company with more than 100 years of tradition. While its story started back in the early 20th century, Südstärke GmbH as it is today dates back to 1981.

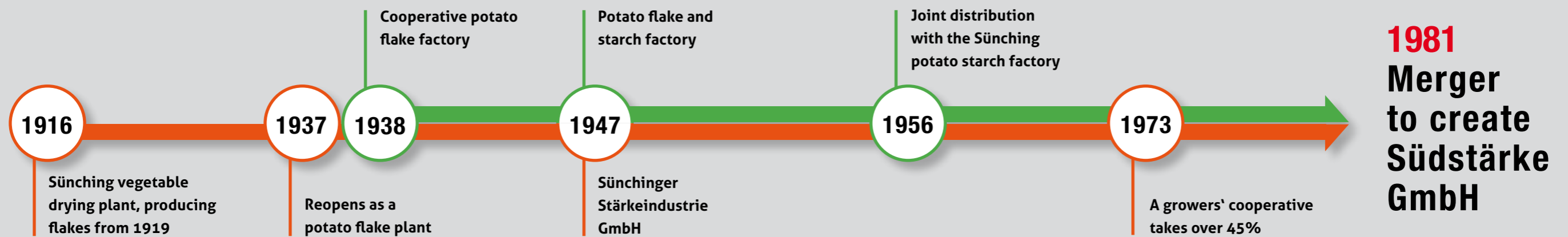
Schrobenhausen



Sünching



The start of a success story – the creation of Südstärke GmbH





Underpinning the company.



Economic performance

Our commitment is rooted in long-term economic success achieved through acting responsibly.



Risk management

We have established a risk management system that examines and evaluates the opportunities and risks for the company and the resulting impact in great detail. The organizational regulations and measures are set out in a risk management manual and undergo a continuous review process.



Employment

Our success relies on satisfied and dedicated employees, who we encourage and support from an early stage, enabling them to do the job to the best of their abilities.



Training and development

As our employees work in a demanding environment with ever-increasing product quality requirements, we provide them with ongoing opportunities to upgrade their skills. In order to give our trainees varied and hands-on training, we involve them in the company's daily operations right from the start.



Workplace safety

We strive to give our staff a safe working environment and to minimize stresses and strains on them. We implement appropriate measures and ongoing improvements in order to avoid risks and prevent accidents at work.



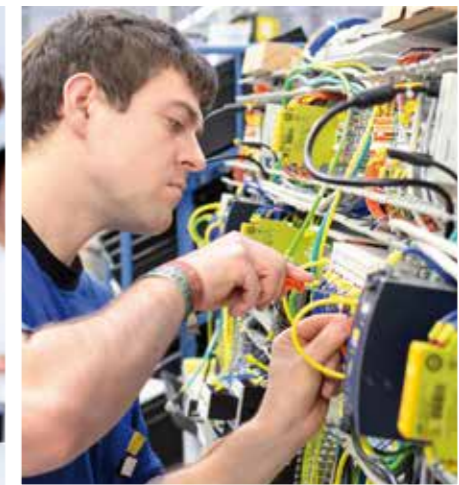
Energy and the environment

Conserving resources and acting in a way that is environmentally responsible are our top priorities. Our energy and environmental management system (which complies with DIN EN ISO 50001:2018 and DIN EN ISO 14001:2015) ensures that we observe relevant laws, regulations and recognized environmental protection standards. In addition, we record and analyze an expanded range of relevant production and consumption data. This means that we can implement specific measures to reduce consumption, increase environmental performance and minimize our impact on the planet.



Compliance

We comply with relevant national and international laws, contractual agreements and generally recognized labor and social standards – we believe that this is a prerequisite for lawful, social and ethical conduct.



Stakeholders.

Südstärke's stakeholders are located in complex upstream and downstream areas. Working relationships dating back many years and intensive, ongoing dialog enable us to safeguard the interests of all of our stakeholders.

Customers

Our customers around the world are at the heart of everything we do. They value our high-quality products and services, our reliability and our flexibility. We design our innovations in line with the needs and requirements of our customers.

Shareholders/growers

Our shareholders are the farmers who supply our raw material – starch potatoes. Our goal is to ensure that our contracted farmers receive a predictable and adequate income from growing our raw material.

Employees

We appreciate our employees as people, not simply as workers. We focus on creating a work environment that meets the needs of our employees and thus lays the foundation for a working relationship based on mutual trust.

Suppliers

Maintaining a close working partnership with our suppliers is essential if we are to meet the high quality requirements in all areas of our company.

Südstärke GmbH is a member of the following associations:

Life cycle analysis (LCA)

for starch products

As a member of Starch Europe, Südstärke has participated in an LCA for starch products. The aim of the study is to identify potential for improvement and to apply improvements to the process phases that have the greatest impact on sustainability. In addition, the results will be communicated to various stakeholders in the starch industry, who will

then also provide input in defining further improvement processes. The outcome of this study is expected to be published in 2022 and sent to members of Starch Europe for individual evaluation.





High-quality products on a global scale.

Potato starch can be used in many different applications. Starch and starch derivatives based on potato starch have numerous advantages compared with starch from other origins. Native potato starch is more swellable and viscous, for example, it is purer and more transparent, and it is definitely free of genetic engineering and allergens.

While the vast majority of our starch products is used in food production, other uses include the paper industry, the chemical industry and a wide range of other technical applications.

Native potato starch has many uses, including as a raw material for glass noodles, to produce snacks and dumpling dough, and as a binding agent in the manufacture of wood pellets.

However, potato starch produced by Südstärke is also supplied to end customers in the form of special starches that have undergone further refinement.

Chemically or physically modified starches have different characteristics that are tailored to the end product and are used as additives in cream fillings for biscuits, in baby food, in the manufacture of high-quality decorative paper and in ready-made products such as packet soups, to name just a few examples.



Our worldwide sales.

139,000 tons of potato starch and derivatives.



Südstärke GmbH is a reliable partner delivering starch products to numerous customers around the world, particularly in Germany, Europe and Asia.

Constructive partnerships create a solid foundation so we can meet the particular needs of every customer, wherever they are based. Our brand stands for quality, reliability and innovation worldwide.

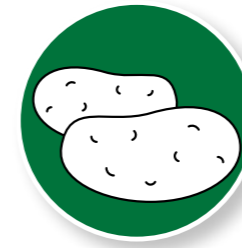
We supply more than 300 customers in 60 countries around the world.

- **Germany**
- **Europe**
- **North America**
- **South America**
- **Africa**
- **Russia**
- **Asia**
- **Australia**

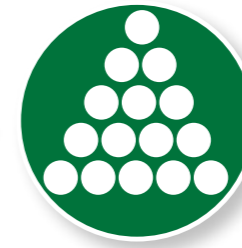


Uses.

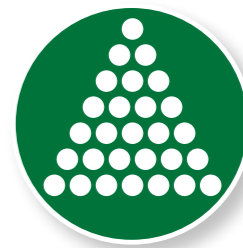
Starch is one of the most important renewable raw materials and has a wide range of potential uses in the food, paper and chemical industries.



Potatoes



Native potato starch



Modified potato starch

Native Potato Starch

Did you know? Native potato starch is used to produce products such as glass noodles, dumpling dough, wood pellets and various potato snacks.



Modified potato starches:

Modified Food Starch

Modified food starch is used, for example, in the production of ready meals, potato snacks, baby food and cream fillings.



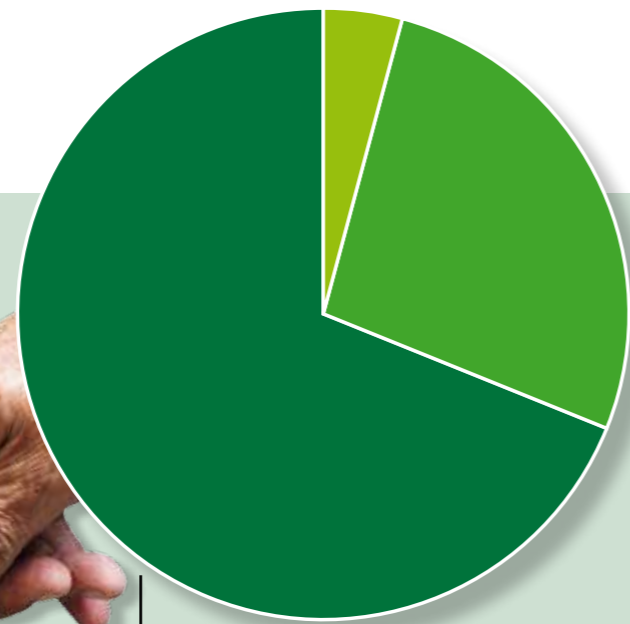
Technical Starch

Modified technical starch can be used in many different industries, such as in adhesives, decor papers and special papers.



Our employees.

Responsible employees are a valuable resource for our company. We take our social responsibility to our employees seriously, treating them with respect and making sure that they have appropriate and safe working conditions. Our employees are covered by the collective agreement on employment conditions for the potato processing industry in Bavaria.



Our employees are based at one of our two sites – Schrobenhausen and Sünching – depending on the terms of their employment contract. (Basis: Ø 2021)

	2019	2020	2021
Plant employees	182	187	188
Office employees	74	74	74
Trainees	13	14	12
Total	269	275	274

Average number of employees (full-time, part-time, seasonal and trainees)



Equal opportunities

We oppose any form of discriminatory behavior in our company and give all employees equal and fair opportunities. The works council is committed to representing the interests and concerns of all Südsärke employees and is actively involved in shaping our company's future. We operate a suggestion scheme, which allows all employees to make a decisive contribution to ongoing improvements within our company.

Family-friendly staff policy

We recognize the importance of maintaining a healthy balance between family and work. If we want to be an attractive employer, it goes without saying that we need to provide childcare support for families and enable our employees to have a good work-life balance. The pandemic saw the rapid introduction of extensive and wide-ranging arrangements for working from home, to protect staff against infection and to facilitate childcare during periods of homeschooling.

Company pension scheme

Our employees show great commitment and loyalty to our company, often over several decades. We want to give them something back in the form of a supplementary pension and take responsibility for them, even after they retire from active employment.

Opportunities for further training and development

All our employees receive regular job-related training. We also give them the opportunity to participate in internal and external training and continuing professional development, so that they can either develop their professional skills and knowledge or specialize in a particular area.

Health

We actively support our employees' health and personal wellbeing and we offer them the opportunity to attend free health days to find out about a wide range of health issues and to become active. We offer free flu vaccinations and provide our employees with free fruit.

Training programs

We offer training programs in three different technical and commercial professional fields (depending on where employees are based). We fully integrate our trainees into daily production operations, as we believe it is important that they receive hands-on training. We support our trainees with buying training materials and books, in addition to providing free transport to trade school and to external training courses.

Energy and the environment.

In order to monitor our energy consumption and environmental performance, we have implemented an integrated management system that complies with DIN EN ISO 50001:2018 and DIN EN ISO 14001:2015. We use the resulting key figures and parameters to initiate corrective and improvement measures so that we can reduce our consumption and potential environmental risks.

Water consumption

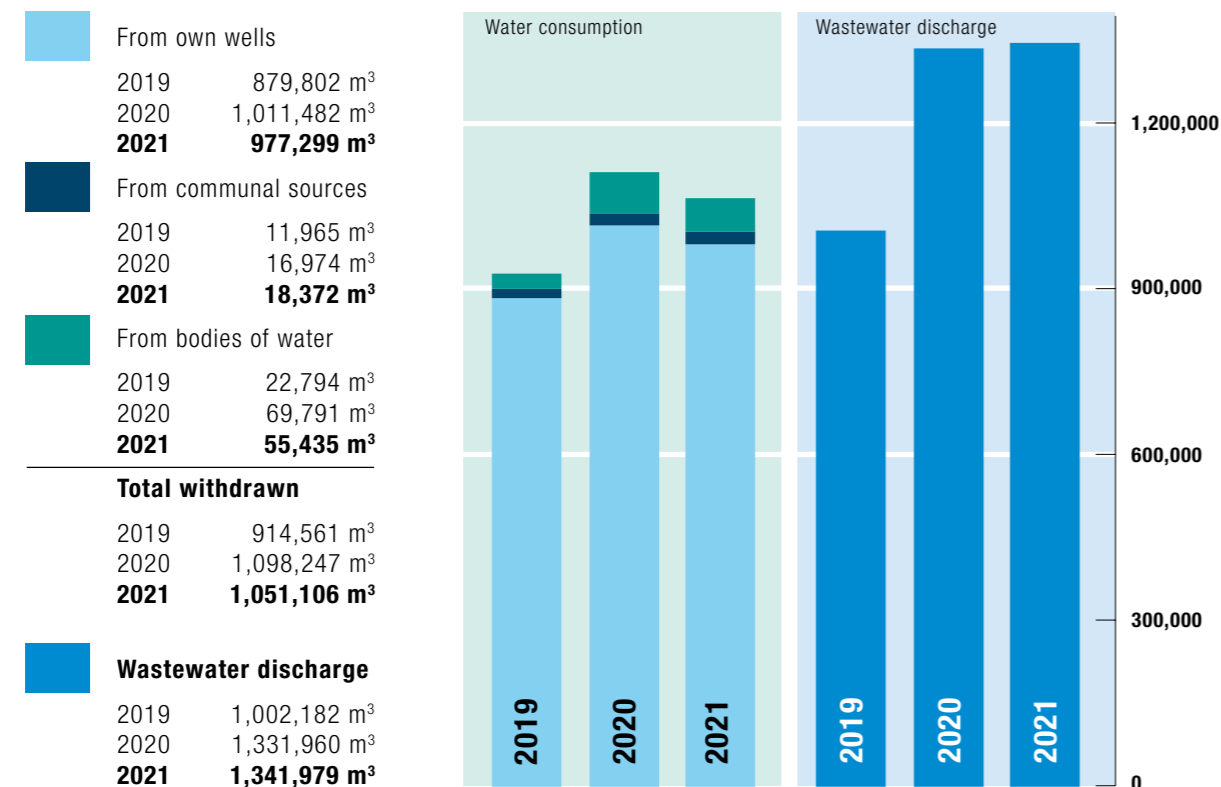
Both of our production sites in Schrobenhausen and Sünching have their own wells, which provide the fresh water for the production of potato starch and starch derivatives.

The sites also take water from the local municipal water supplies. In Schrobenhausen, we also take water from the river Paar to operate the process water treatment plant. Where possible, this process water is recirculated within the production process. The water consumption has tended to be at a similar level at both plants in recent years. Water consumption is subject to seasonal fluctuations, which can be caused by factors including concentration of soil or a lower starch content in the starch potatoes.



The Schrobenhausen site also takes process water from the river Paar, which is cleaned and treated after the production process is complete and then discharged back into the river.

Sources of water withdrawal and wastewater discharge



Wastewater

Both production sites have their own process water treatment plants that clean all the wastewater from production. Depending on the quality of the raw material supplied (starch potatoes), the quantity of wastewater can vary significantly, due to factors including the concentration of soil or starch content of the potatoes.

Process water at the Schrobenhausen site is treated in an anaerobic system that is operated by a service provider.

Regular checks are carried out to make sure that

the required wastewater limit values are being observed and the treated wastewater then passes through a channel back into the river.

Process water at the Sünching site is treated in a water treatment system operated by Südstärke and is then discharged straight into the Danube. Regular checks are carried out to make sure that the required wastewater limit values are being observed. The discharge quantity depends on factors including when it is pumped from the reservoir into the Danube as the receiving water body.



Process water treatment plants



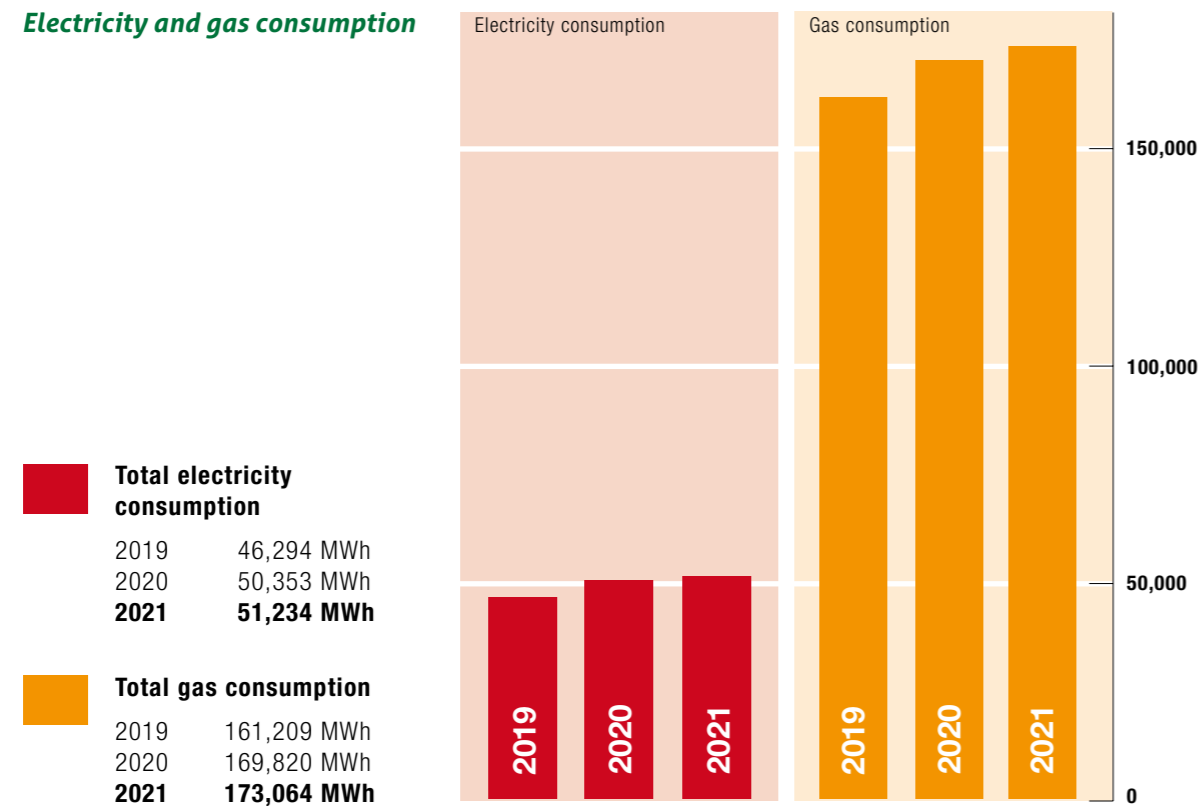
In 2021 the photovoltaic system on the roofs of the Sünching plant generated 677,411 kWh of green electricity to be used on the site.

Energy consumption trend

Thanks to continuous improvements in our production process and targeted technical measures in particular, we have reduced our specific electricity consumption in some production areas by up to 15%. This figure is adjusted for environmental factors such as the debris concentration and starch content of the starch potatoes that are supplied and the related daily processing capacity. These factors affect the total electricity consumption and cause variations in power load.

In 2021 our process water treatment plant in Schrobenhausen generated 379,863 kWh of electricity from sewage gas in a thermal power plant. All of this electricity was fed back into the grid.

Electricity and gas consumption

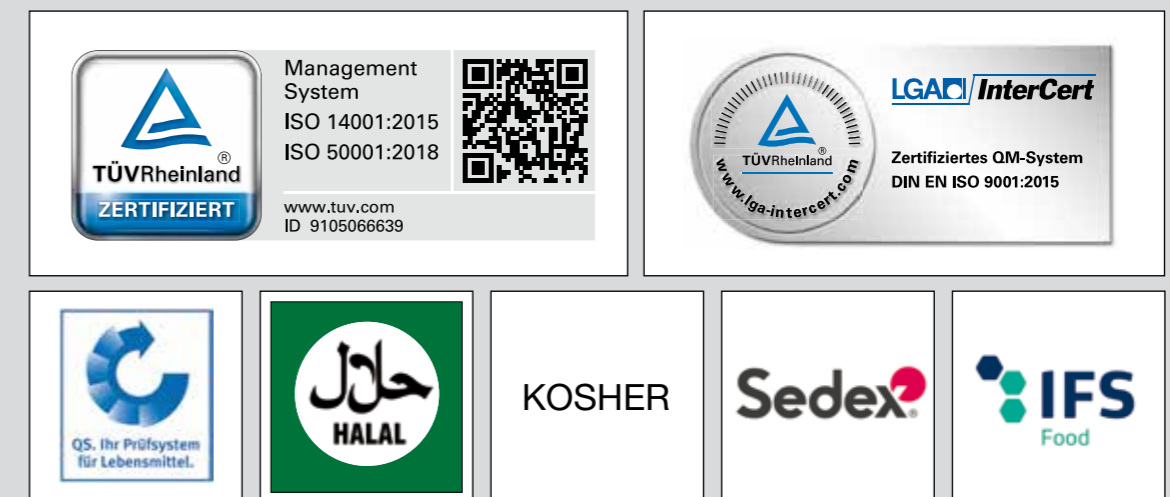


Certifications.

Our certifications demonstrate that Südstärke GmbH has a strong focus on quality and reassure our customers and suppliers that we operate a stringent quality management system. Südstärke is extremely customer-oriented and we carry out regular audits to monitor and optimize all of our processes.

We are certified in accordance with:

- Quality management DIN EN ISO 9001**
- Energy management DIN EN ISO 50001**
- Environmental management DIN EN ISO 14001**
- International Featured Standard Food, Version 6.1**
- QS quality and safety**
- Kosher certificate**
- Halal certificate**
- Social audit (SMETA)**



Tables.

About Südstärke		2020	2021
Sales revenue	Mio. €	95	110
Total capital	Mio. €	176	179
Equity	Mio. €	134	134
Liabilities	Mio. €	42	45
Employees	Anzahl Ø	275	274

Raw material used		2020	2021
Starch potatoes	kt	596	582

Environment		2020	2021
Total energy consumption: electricity	MWh	50,353	51,234
Total energy consumption: gas	MWh	169,820	173,064
Water withdrawal: total	m³	1,098,247	1,051,106
Water withdrawal: own well	m³	1,011,482	977,299
Water withdrawal: communal source	m³	16,974	18,372
Water withdrawal: bodies of water	m³	69,791	55,435
Wastewater discharge	m³	1,331,960	1,341,979

Status of the company's sustainability goals

Goals	Action/status report	Status	Implementation
Optimizing management systems	Optimizing data recording in order to improve the evaluation options and effectiveness of management systems	■ ■ ■ ■ ■ □	ongoing
Preparing a sustainability report	Collecting data and preparing a sustainability report in accordance with the GRI Standards	■ ■ ■ ■ ■ ■	ongoing
Improving the reporting system	Improving data quality and increasing the scope and detail of sustainability reporting	■ ■ ■ ■ □ □	ongoing
Improving the document system in relation to approvals	Creating a digital index for approvals with an automatic monitoring and documentation system	■ ■ □ □ □ □	2023

Status of sustainability goals relating to energy

Goals	Action/status report	Status	Implementation
Reducing electricity consumption	Replacing the hydrocyclone motors at the Schrobenhausen plant	■ ■ ■ ■ ■ ■	2021
Reducing gas consumption	Replacing the O ₂ and CO control systems in the small boiler at Sünching	■ ■ ■ ■ ■ ■	2021
Reducing electricity consumption	Frequency inverter for the feeder fan in Schrobenhausen	■ ■ ■ ■ ■ □	2021
Reducing gas consumption	Heat recovery in ND dryer 2 at the Schrobenhausen plant	■ ■ ■ ■ □ □	2022
Improving measurement accuracy	Replacing meters at the Schrobenhausen plant	■ ■ ■ ■ □ □	2022
Reducing electricity consumption	Replacing the supply and exhaust air system and filter system for the compressor/dryer at the Sünching plant	■ ■ ■ ■ □ □	2022
Improving measurement accuracy	Installing additional steam meters at the Sünching plant	■ ■ ■ ■ □ □	2022
Reducing electricity consumption	Replacing the process water treatment plant in Sünching (overall design with basin and ventilation)	■ ■ □ □ □ □	2022/2023
Reducing electricity consumption	Converting the lighting to LED	■ ■ ■ ■ □ □	2025





Status of sustainability goals relating to the environment

Goals	Action/status report	Status	Implementation
Minimizing CO₂ emissions	Switching to electric or hybrid vehicles when purchasing new company vehicles	■ ■ ■ ■ ■ □	2021
Improving workplace safety	Implementing hydrogen dioxide dosing for cleaning vacuum filters in Schrobenhausen	■ ■ □ □ □ □	2022
Achieving CO₂-neutral production	Creating an overall concept to switch to CO ₂ -neutral production in Schrobenhausen	■ ■ ■ ■ ■ ■	2021
Minimizing CO₂ emissions	Installing a photovoltaic system at the logistics center in Schrobenhausen	■ ■ ■ □ □ □	2022
Improving safety at work, reducing environmental impact	Monitoring chemicals during the discharging process at the Schrobenhausen plant	■ ■ □ □ □ □	2022

Status of sustainability goals relating to stakeholders

Goals	Action/status report	Status	Implementation
Collaborating with secondary schools (Realschule and Mittelschule in Germany)	Working with schools to make students aware of the training options in a range of professional fields and providing them with relevant information	■ ■ ■ ■ ■ □	ongoing
Collaborating with primary schools	Membership of TfK (Technik für Kinder, a charitable association running projects to introduce children to technology) and implementing programs with trainees in primary schools that aim to inspire children to pursue technical careers	■ ■ ■ ■ ■ □	ongoing
Offering placements and holiday jobs	Offering placements to pupils and students so that they can find out about Südstärke	■ ■ ■ ■ ■ ■	ongoing
Encouraging and promoting diversity	Participating in the Girls' Day and Boys' Day projects to boost interest in non-gender-typical careers	■ ■ ■ ■ ■ ■	ongoing
Offering hands-on training for technical college students	Collaborating with the technical college in Scheyern	■ ■ ■ ■ ■ ■	ongoing
Supporting social facilities and clubs	Supporting work with young people in associations, donating to charitable organizations	■ ■ ■ ■ ■ ■	ongoing

About this report.

The first sustainability report from Südstärke GmbH covered the reporting year 2019. The aim of the sustainability report is to offer our customers, suppliers, colleagues, shareholders and site neighbors an insight into how we engage with nature and the environment. We will issue the sustainability report on an annual basis.

As manufacturers of potato starch, we also have a responsibility and attach great importance to sustainable production processes, from growing the raw material through to the finished product.

The sustainability report covers our two production sites in Schrobenhausen and Sünching.

Period under review

This report covers the period of the financial year from January 1, 2021 to December 31, 2021. It may contain individual references to dates outside this period.

The basis and boundaries of this report

The sustainability report for 2021 is based on a wide range of data from various production areas. Some of the data is retrieved during internal investigations of individual subareas within the company, while the rest is recorded centrally in a database.

The complexity of the individual production systems means that data cannot always be gathered in a standardized format.

Our aim is to improve the quality and quantity of the data on an ongoing basis, in order to make the key figures and parameters in this report more meaningful.

Although this report has been carefully checked, we cannot guarantee that every detail of the information that it contains is complete and accurate.

We have used the Global Reporting Initiative (GRI) in the version of the GRI Standards to guide us in compiling our sustainability report for 2021. GRI has designed a comprehensive reporting framework and a guide, which set out the principles and indicators for measuring economic, environmental and social performance. The guide is constantly being improved and expanded.

This report was prepared in accordance with the GRI Standards: „Foundation“ option.

For the sake of clarity, this report refers to employees throughout, without making any specific reference to their orientation (male/female/non-binary).

Indicator and description.

GRI 102: General Disclosures

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Potato starch, naturally.

Südstärke GmbH

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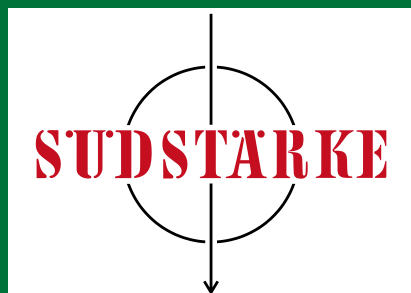
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