

Report of the Supervisory Board

The Supervisory Board of BayWa AG fulfilled the responsibility entrusted to it under the law, the Articles of Association and the bylaws. It regularly advised the Board of Management, coordinated the strategy with the Board of Management and supervised the latter in its management of the company. The common goal of the Board of Management and Supervisory Board is to raise the value of the company on a sustainable and long-term basis. The Board of Management always kept the Supervisory Board informed in a timely and comprehensive manner. The Supervisory Board was directly involved in all decisions of fundamental importance to the company. The measures requiring its approval were reviewed, and the respective resolutions passed both in meetings and in writing by way of a circulation procedure. Between the meetings, the Board of Management reported both in writing and in person on events of particular importance. After thorough deliberation and consultation, the Supervisory Board made its decisions on the reports and the resolutions put forward by the Board of Management.

The Chairman of the Supervisory Board was always informed about important decisions by the Board of Management and remained in close contact with the Chief Executive Officer. He was informed through regular detailed reports on the current business situation. The cooperation within the Supervisory Board and with the Board of Management in the reporting year 2022 was again constructive and based on trust.

Key points of consultation of the meetings of the Supervisory Board

Matters of consultation at the four regular meetings of the Supervisory Board in the financial year 2022 included, in particular, the business and financial development of the company, the performance of the individual business units, financial and investment planning, personnel-related decisions, the risk situation and questions of compliance, as well as IT security and the strategic development of the company. The Supervisory Board also deliberated on the participations entered into by BayWa AG during the period under review and previously. Moreover, the Supervisory Board addressed issues pertaining to accounting and the audit of the annual financial statements of the company, as well as BayWa AG's risk management and its risk position, on an ongoing basis. Special attention was paid to the compliance monitoring at the Group. The Board of Management reported regularly and extensively on these issues as well as on the Group's current situation.

In its first regular meeting on 23 March 2022, the Supervisory Board dealt mainly with the annual financial statements and the management report of BayWa AG and of the Group as at 31 December 2021, as well as with the reports of the audits performed on the separate financial statements and the consolidated financial statements, and on the Sustainability Report. Matters relating to the contracts of the members of the Board of Management were also addressed. In this context, the Supervisory Board adopted the recommendation of Bayerische Raiffeisen-Beteiligungs-AG and proposed Prof. Klaus Josef Lutz as a candidate for the election of shareholder representatives to the Supervisory Board at the 2023 Annual General Meeting. Prof. Klaus Josef Lutz then stepped down as Chief Executive Officer with effect from 31 March 2023. The Supervisory Board subsequently appointed Marcus Pöllinger as Chief Executive Officer with effect from 1 April 2023. The Supervisory Board also adopted a resolution to submit the Remuneration Report for the Board of Management and the Supervisory Board to the Annual General Meeting. In addition, the Supervisory Board determined the variable remuneration components of the members of the Board of Management for the financial year 2021 in accordance with the respective levels of target achievement. Furthermore, it resolved the target agreements for the short-term variable remuneration components of the members of the Board of Management for the financial year 2022 and redefined the long-term targets for the financial years 2022 to 2024. A resolution was also adopted to increase the remuneration of the Supervisory Board and to submit the corresponding remuneration system, which was due to enter into force from 1 June 2022, to the Annual General Meeting. Another topic of the meeting was the Supervisory Board election in 2023, including the corresponding report of the Nomination Committee. Moreover, the Supervisory Board consulted on the results of previous meetings held by the Lending and Investment Committee, the Strategy Committee, the Audit Committee and the Board of Management Committee. The meeting also concentrated on the agenda of the 2022 Annual General Meeting. Other topics addressed at the meeting were the Corporate Governance Report, the Statement on Corporate Governance and the Declaration of Conformity. In addition, the Supervisory Board approved the extension of the term of one member of the Cooperative Council. Finally, the Supervisory Board member Klaus Buchleitner stepped down as Vice Chairman of the Supervisory Board with effect from 31 March 2022. The Supervisory Board subsequently elected Wolfgang Altmüller as a new additional Vice Chairman of the Supervisory Board with effect from 1 April 2022. Klaus Buchleitner remains a member of the Supervisory Board.

In its meeting on 4 May 2022, the Supervisory Board consulted on the quarterly financial statements for the first quarter of 2022, as well as on an operational outlook for the current financial year 2022. Another item on the meeting's agenda was the presentation of selected projects to be implemented in the financial year 2022.

In the regular meeting on 3 August 2022, the agenda for the Supervisory Board included the interim report for the first half of 2022, among other items. The Board of Management also reported to the Supervisory Board on market development in the first half of 2022 and the development of the individual segments, as well as on the current risk situation in the Agri Trade & Service Segment and the project business of BayWa r.e. AG. The “Greenstone” project was also discussed, along with the gender quota for the first and second management tiers. In addition, the Supervisory Board approved the extension of the terms of two members of the Cooperative Council. Lastly, the Supervisory Board adopted the resolution concerning the approval of the terms and conditions for the issuing of employee shares in 2022 within the scope of the 2020 authorised capital.

An increase in share capital and a corresponding change to the Articles of Association on account of the issuing of employee shares from the 2020 authorised capital in 2022 was adopted by the Supervisory Board by way of a circulation procedure.

In the meeting on 9 November 2022, the Group’s business development in the first three quarters of 2022 was presented, outlined comprehensively in the individual business divisions and intensively discussed between the Supervisory Board and the Board of Management. Strategic issues within the BayWa Group were another focal point. The Supervisory Board also appointed Dr. Marlen Wienert to the Board of Management with effect from 1 April 2023. Moreover, the Supervisory Board consulted on the results of previous meetings held by the Lending and Investment Committee, the Strategy Committee, the Audit Committee, the Board of Management Committee and the Nomination Committee. The Supervisory Board approved the extension of the terms of four members of the Cooperative Council and discussed the annual Declaration of Conformity to the new German Corporate Governance Code 2022, which was accepted with a small number of amendments to the previous declaration. Finally, the Supervisory Board was informed about the amendment to the Articles of Association as a result of the capital increase arising from the 2022 Employee Share Scheme.

In its first regular meeting on 29 March 2023, the Supervisory Board mainly discussed the annual financial statements and the management report of BayWa AG and of the BayWa Group as at 31 December 2022, as well as the reports of the audits performed on the separate financial statements, the consolidated financial statements and the Sustainability Report. Preparations were also made for the 2023 Annual General Meeting. Furthermore, the Supervisory Board consulted on the results of previous meetings of the committees.

Committees of the Supervisory Board

The Supervisory Board has set up a total of six committees and, to the extent permitted by law, decision-making powers of the Supervisory Board were delegated to the committees. These committees prepare additional resolutions for the Supervisory Board and issues to be discussed by the entire Supervisory Board.

With the exception of the Audit Committee, the office of Chairman in respect of all committees is held by the Chairman of the Supervisory Board. The Supervisory Board was kept informed at its meetings about the work of the committees and their resolutions by the respective chairmen.

Supervisory Board Chairman Manfred Nüssel and Supervisory Board members Wolfgang Altmüller, Klaus Buchleitner, Michael Kuffner, Wilhelm Oberhofer and Werner Waschbichler belong to the **Audit Committee**.

The Chairman of the Audit Committee is Wolfgang Altmüller. BayWa AG has therefore adopted the recommendation of the German Corporate Governance Code, which proposes that the Chairman of the Supervisory Board should not hold the office of Chairman of the Audit Committee. All members of the Audit Committee have expertise in accounting and auditing. Wolfgang Altmüller, Klaus Buchleitner, Manfred Nüssel and Wilhelm Oberhofer have gained such expertise through their work outside the Supervisory Board, with Michael Kuffner and Werner Waschbichler acquiring their skills by way of long-standing memberships on the Supervisory Board.

The Audit Committee held two regular meetings in the reporting year, in March and November.

In its meeting on 22 March 2022, it discussed the separate financial statements and the consolidated financial statements for the financial year 2021, the management report of BayWa AG and of the Group, and the related audit reports in the presence of the independent auditor, the Chief Executive Officer and the Chief Financial Officer. Resolutions on recommendations were drawn up for the Supervisory Board to approve and adopt the separate financial statements and the consolidated financial statements for 2021 and to propose to the Annual General Meeting that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) be elected as the independent auditor for the financial year 2022. Furthermore, the work of Corporate Finance & Accounting, Corporate Controlling, Risk Management and Internal Audit in the financial year 2021 was presented. Wilhelm Oberhofer was also unanimously elected as Vice Chairman of the Audit Committee.

The regular meeting on 8 November 2022 dealt with the quarterly figures for the third quarter of 2022, the assignment of audit mandates and establishing the key audit areas in respect of the separate financial statements and the consolidated financial statements for 2022, as well as the audit fees, the discussion with the auditor PwC on 29 September 2022 and the EMIR audit report. Moreover, the statement declaring the independence of the independent auditor was submitted.

Outside the meetings, Supervisory Board members Altmüller, Oberhofer and Nüssel met with the auditor to discuss the process of the preliminary audit.

Supervisory Board Chairman Manfred Nüssel, Wolfgang Altmüller and Werner Waschbichler belong to the **Board of Management Committee**. The Board of Management Committee met twice in the reporting year, on 22 March and on 8 November.

In its meeting in March 2022, the Board of Management Committee focused in particular on its recommendations to the Supervisory Board. In this context, the committee drew up the following resolutions on recommendations to the Supervisory Board: it recommended the removal of Chief Executive Officer Prof. Klaus Josef Lutz with effect from 31 March 2023 and the appointment of Marcus Pöllinger with effect from 1 April 2023. It also recommended adopting the target achievements of the members of the Board of Management with regard to their variable remuneration components for the financial year 2021. Furthermore, the committee proposed resolving the new target agreements for the members of the Board of Management concerning their short-term variable remuneration for the financial year 2022 and redefining the long-term targets for the financial years 2022 to 2024. It also proposed increasing the Supervisory Board's remuneration and submitting the corresponding remuneration system to the Annual General Meeting. In addition, the committee approved the mandates of the members of the Board of Management and discussed the Remuneration Report for the financial year 2022.

The Board of Management Committee and the Nomination Committee held a joint meeting on 8 November 2022 to address succession planning for the Board of Management. The committees unanimously adopted a resolution to recommend to the Supervisory Board that Dr. Marlen Wienert be appointed to the Board of Management with effect from 1 April 2023.

Supervisory Board Chairman Manfred Nüssel and Supervisory Board members Theo Bergmann, Michael Kuffner, Dr. Johann Lang, Wilhelm Oberhofer, Joachim Rukwied and Werner Waschbichler belong to the **Strategy Committee**. The Strategy Committee also met twice in the reporting year, on 22 March and on 8 November.

In its meeting on 22 March, the committee was informed about ongoing projects and focused primarily on the sale of the greenhouse in the United Arab Emirates. The committee also prepared the Supervisory Board meeting to be held the next day.

On 8 November, it received a report on the planned sale of Schradenbiogas GmbH & Co. KG. The agenda of the Supervisory Board meeting to be held the next day was also discussed.

Supervisory Board Chairman Manfred Nüssel and Supervisory Board members Jürgen Hahnemann, Ingrid Halbritter, Monika Hohlmeier, Dr. Johann Lang, Bernhard Loy and Monique Surges belong to the **Lending and Investment Committee**. The Lending and Investment Committee held meetings in the reporting year on both 22 March and 8 November 2022.

In the meetings on 22 March and 8 November, it dealt with the financing and investment budgets for 2021 and 2022 respectively.

Supervisory Board Chairman Manfred Nüssel and Supervisory Board members Dr. Johann Lang and Wilhelm Oberhofer belong to the **Nomination Committee**. The Nomination Committee also met on 22 March and 8 November in the reporting year.

At the meeting in March 2022, Supervisory Board Chairman Manfred Nüssel informed the committee that he would not be standing for re-election in 2023. The committee then proposed that the Supervisory Board adopt the recommendation of Bayerische Raiffeisen-Beteiligungs-AG and propose Prof. Klaus Josef Lutz as a candidate for the election of shareholder representatives to the Supervisory Board at the 2023 Annual General Meeting. Furthermore, Klaus Buchleitner announced that he would be stepping down as Vice Chairman of the Supervisory Board with effect from 31 March 2022 and would be succeeded by Wolfgang Altmüller.

As mentioned above, the Nomination Committee held a joint meeting with the Board of Management Committee on 8 November 2022.

Supervisory Board Chairman Manfred Nüssel and Supervisory Board members Monika Hohlmeier, Michael Kuffner and Werner Waschbichler belong to the **Mediation Committee**, set up pursuant to Section 27 para. 3 of the German Codetermination Act (MitbestG). The Mediation Committee was not convened in the past financial year.

The attendance rate of the members at the meetings of the Supervisory Board and of its committees stood at 96.9% and 97.6% respectively.

Due to the exceptional circumstances in connection with the coronavirus pandemic, the committee meetings on 22 March 2022 and the Supervisory Board meetings on 23 March, 4 May and 3 August 2022 were held as in-person meetings with a virtual attendance option. The committee and Supervisory Board meetings on 8 and 9 November 2022 were held exclusively in person.

The attendance of the members at the meetings of the Supervisory Board and of its committees in 2022 is disclosed individually as follows:

	Supervisory Board meeting		Lending and Investment Committee		Strategy Committee		Audit Committee		Board of Management Committee		Nomination Committee	
	number	in %	number	in %	number	in %	number	in %	number	in %	number	in %
Number of meetings/ attendance in %												
Manfred Nüssel Chairman	4/4	100	2/2	100	2/2	100	2/2	100	2/2	100	2/2	100
Klaus Buchleitner Vice Chairman (until 31 March 2022)	4/4	100					2/2	100				
Werner Waschbichler Vice Chairman	4/4	100			2/2	100	2/2	100	2/2	100		
Wolfgang Altmüller Vice Chairman (since 1 April 2022)	3/4	75					2/2	100	2/2	100		
Theo Bergmann	4/4	100			2/2	100						
Andrea Busch	3/4	75										
Thomas Gürlebeck	4/4	100										
Jürgen Hahnemann	4/4	100	2/2	100								
Ingrid Halbritter	4/4	100	2/2	100								
Monika Hohlmeier	4/4	100	2/2	100								
Michael Kuffner	4/4	100			2/2	100	2/2	100				
Dr. Johann Lang	4/4	100	2/2	100	2/2	100					2/2	100
Bernhard Loy	4/4	100	2/2	100								
Wilhelm Oberhofer	4/4	100			2/2	100	2/2	100			2/2	100
Joachim Rukwied	4/4	100			1/2	50						
Monique Surges	4/4	100	2/2	100								
		97		100		93		100		100		100

Corporate Governance

Recognising the important contribution that Corporate Governance makes to the transparent and responsible management of the company, the Supervisory Board regularly deliberates on related matters. More information on corporate governance can be found in the Statement on Corporate Governance. Details concerning the amount and structure of remuneration received by the Supervisory Board and the Board of Management can be found in the Remuneration Report.

Regarding the recommendations of the German Corporate Governance Code in the version dated 28 April 2022 (published in the German Federal Gazette on 27 June 2022), the Board of Management and Supervisory Board adopted the recommendations of the German Corporate Governance Code in the aforementioned version in their meetings on 28 October 2022 (Board of Management) and 9 November 2022 (Supervisory Board) with exceptions, as in the past.

The Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) is included in the Statement on Corporate Governance pursuant to Section 289f of the German Commercial Code (HGB). It has also been posted on the company's website at www.baywa.com/downloadcenter under the Corporate Governance heading.

The company supports the members of the Supervisory Board individually with training and continuous professional development events and upon taking office. Furthermore, the Supervisory Board has set up an annual conference for continuous professional development that involves discussing the latest changes in laws and accounting regulations, as well as strategy, sustainability and digitalisation, among other topics. The Supervisory Board held such a continuous professional development event on 20 January 2023, which focused on sustainability issues.

Members of the Board of Management and of the Supervisory Board report any conflicts of interest without delay to the Supervisory Board. No such case was reported in the financial year 2022.

Sustainability Report audit

At its meeting on 29 March 2023, the Supervisory Board carefully examined the Sustainability Report 2022 and discussed it in detail in the presence of the auditor and the Board of Management. Both the Sustainability Report and the auditor's report on the Sustainability Report were discussed extensively.

Based on the audit procedures performed and audit evidence obtained, nothing has come to the auditor's attention that causes them to believe that BayWa AG's consolidated non-financial report for the period from 1 January to 31 December 2022 has not been prepared, in all material aspects, in accordance with Sections 315b, 315c in connection with Sections 289c to 289e of the German Commercial Code (HGB) and the EU Taxonomy Regulation, as well as the enacted delegated acts, and the explanations by the executive directors made in the consolidated non-financial report in the "EU Taxonomy" subsection "Strategy and Governance". The auditor has not issued an audit opinion on the external document sources or expert opinions cited in the consolidated non-financial report.

The audit opinion covers only the sections and other disclosures listed in the overview of the consolidated non-financial report of BayWa AG. The audit opinion does not cover the other sections and other disclosures of the consolidated non-financial report and does not cover company websites to which reference is made.

Both reports were made available to all Supervisory Board members in good time prior to the meeting. The Supervisory Board concurred with the auditor's audit opinion at the meeting on 29 March 2023 and released the Sustainability Report 2022 for publication.

Audit of the separate financial statements and the consolidated financial statements

The separate financial statements of BayWa AG and the consolidated financial statements of the Group for the financial year 2022, as well as the related management reports, have been audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, and both were issued an unqualified audit opinion.

At its meeting on 29 March 2023, the Supervisory Board carefully examined the financial statements and the management report of BayWa AG, drawn up by the Board of Management in accordance with the German Commercial Code, and the consolidated financial statements and the Group management report of BayWa AG for the financial year 2022 prepared in accordance with the IFRS and the additionally applicable standards set out under Section 315e of the German Commercial Code (HGB), and discussed them in detail in the presence of the external auditor and the Board of Management. The key points of the 2022 audits as defined by the Audit Committee were also discussed extensively. All audit reports and documentation pertaining to the financial statements were made available to all Supervisory Board members in good time. The Supervisory Board concurred with the findings of the financial statements audit at its meeting on 29 March 2023. The audit reports and the documentation on the financial statements were previously the subject of in-depth deliberation by the Audit Committee at its meeting on 28 March 2023. The Audit Committee discussed the separate financial statements and the consolidated financial statements, the management report on the company and the Group, the audit reports, as well as the proposal for the appropriation of profit in the presence of the external auditor at its meeting on 28 March 2023. In accordance with the conclusive findings of the review by the Audit Committee and Supervisory Board, no objections were raised against the financial statements. The Supervisory Board therefore ratified the separate financial statements of BayWa AG and the consolidated financial statements of the BayWa Group on 29 March 2023, and the financial statements were thereby adopted.

During the Supervisory Board meeting on 29 March 2023, the external auditor also reported that there were no substantial weaknesses in the internal control system and the risk management system in respect of the accounting process. The Board of Management has thus taken all the appropriate measures to fulfil its obligations in this regard.

The proposal of the Board of Management on the appropriation of profit available for distribution through paying a dividend of €1.10 per share and a special dividend of 10 cents per share to mark BayWa AG's 100th anniversary has been reviewed and approved by the Supervisory Board.

Changes to the Supervisory Board and to the Board of Management

There were no personnel changes to the Board of Management and the Supervisory Board in the financial year 2022.

The Supervisory Board thanks the members of the Board of Management, the employees as well as the employee representatives of BayWa AG and all Group companies for their work.

Munich, 29 March 2023

On behalf of the Supervisory Board

Manfred Nüssel

Chairman of the Supervisory Board