

NEW HORIZONS

Acting _____
responsibly.

BayWa AG 2015
Sustainability Report

BayWa

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Dear Readers,



—
Prof. Klaus Josef Lutz
 Chief Executive Officer of
 BayWa AG

The world is in a state of marked transition due to geopolitical upheavals and refugee flows. Even new technologies, whose impact on the economy and society continues to grow stronger, are raising questions. It is therefore more important than ever to place consistent focus on a model of sustainable development. At BayWa, this model gives us guidance on how we must act and change in line with our values in order to continue growing and to be able to provide as many people as possible with food, energy and good jobs.

In the past year, BayWa once again grew more international, continued to invest strongly in renewable energies and became a leading actor in digital farming. At the same time, we succeeded in further improving our sustainability-oriented processes. They represent a vital basis for further strategic development. With the collection of key environmental and social data, we are now well equipped to satisfy the Europe-wide reporting obligation for non-financial information. Nonetheless, we continue to work towards greater transparency and efficiency.

Looking ahead, BayWa aims to shape the “new digital world” together with its employees, customers and suppliers. As a company with cooperative roots, we consider it our duty to explain digitisation, weigh the benefits and risks and to deal with it in a highly responsible manner overall. As digitisation is closely

linked to globalisation, another priority here is to set an example of cultural diversity and to shape this transformation together. To do so, we rely on the values that have been a part of our identity since the company was established: trust, solidarity and innovation.

In this Sustainability Report, we explain how we are tackling global challenges and developing new solutions while remaining a reliable partner. We therefore provide examples of activities and data that illustrate how we are contributing to sustainable development across the entire company. We are convinced that these efforts not only make us even better prepared for the future, but also create greater value for customers, employees and society alike.

We hope you draw inspiration from what you read, and we look forward to receiving your feedback!

Best regards,

Prof. Klaus Josef Lutz
 Chief Executive Officer of BayWa AG

About this report

G4-17, G4-18, G4-23, G4-24, G4-25, G4-26

With its second Sustainability Report, BayWa gives an account of its corporate responsibility. The company describes the impact of its operations on the environment and society, documents key figures and presents targets and measures that it uses to manage its activities. Unless otherwise indicated, the information in the report relates to the sites of BayWa AG, which are located primarily in Germany and Austria, as well as those of the subsidiary BayWa r.e. renewable energy GmbH (abbrev. BayWa r.e.), whose operations extend to Europe and the United States. The reporting scope has also been expanded to include the subsidiaries Cefetra B.V., the Netherlands, as well as RWA Raiffeisen Ware Austria AG (abbrev. RWA AG) and "UNSER LAGERHAUS" Warenhandelsgesellschaft m.b.H. (abbrev. UNSER LAGERHAUS), both in Austria (each reported without subsidiaries). These companies account for more than two-thirds of the BayWa Group's revenues. In the long term, plans call for including all Group locations around the world.

The reporting period is the financial year 2015 (1 January to 31 December). The editorial deadline was 30 April 2016. Where available, data from the financial year 2014 is included for comparison. Reporting is done on an annual basis. The previous Sustainability Report was published in May 2015. The Sustainability Report is reviewed by the Board of Management of BayWa AG and approved for release.

The Sustainability Report is available in [German](#) and [English](#).

 [Sustainability Report in German](#)

Materiality analysis and determining the content of report

The report was prepared in accordance with the current G4 Guidelines of the Global Reporting Initiative (GRI). By way of preparation, BayWa AG conducted a materiality analysis in 2014. At a workshop, BayWa AG's sustainability steering committee identified the key global challenges for the development of the company. With the help of an external moderator, the participants assumed the point of view of the three most relevant groups of stakeholders for BayWa AG: customers, suppliers and employees. In BayWa's experience, these groups have the biggest impact on the company. At the same time, they are also the ones who are most affected by the company's activities. Starting from a scale of 1 (insignificant) to 10 (extremely relevant), ten challenges with an average rating of more than 5 were defined as being significant in the end result (see also page 5). The validity of the materiality analysis was reviewed and confirmed for the current report by BayWa's sustainability manager and an external service provider. Those aspects assigned to the challenges and supplemented by information on economic performance are responsible, as in the previous year, for providing the basis for the content of the current report. GRI Food Processing Sector Disclosures were also added in 2015.



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Results of the materiality analysis

G4-19, G4-20, G4-21

Key challenges and corresponding GRI Aspects*

Pollution  Assessment: 7.5 Aspects** Effluents and Waste (i, o), Transport (i, o), Products and Services (Environmental) (i, o), Supplier Environmental Assessment (o), Product and Service Labelling (i, o), Compliance (Product Responsibility) (i, o)	Nutrition  Assessment: 7.5 Aspects** Supplier Environmental Assessment (o), Healthy and Affordable Food (i), Customer Health and Safety (i, o), Product and Service Labelling (i, o)	Diversity and Equal Opportunity  Assessment: 7.25 Aspects** Diversity and Equal Opportunity (i), Equal Remuneration for Women and Men (i), Non-discrimination (i)	Climate Change  Assessment: 6.75 Aspects** Energy (i, o), Emissions (i, o), Products and Services (Environmental) (i, o), Supplier Environmental Assessment (o)	Corruption  Assessment: 6.5 Aspects** Anti-corruption (i), Public Policy (i), Anti-competitive Behaviour (i), Compliance (Society) (i), Supplier Assessment for Impacts on Society (o)
Health  Assessment: 7.5 Aspects** Occupational Health and Safety (i), Supplier Environmental Assessment (o), Supplier Assessment for Labour Practices (o), Customer Health and Safety (i, o), Product and Service Labelling (i, o), Compliance (Product Responsibility) (i, o)	Demographic Change  Assessment: 7.25 Aspects** Employment (i), Training and Education (i)	Scarcity of Resources  Assessment: 7.0 Aspects** Procurement/Sourcing Practices (i), Energy (i, o), Products and Services (Environmental) (i, o), Supplier Environmental Assessment (o)	Human Rights  Assessment: 6.5 Aspects** Supplier Assessment for Labour Practices (o), Supplier Human Rights Assessment (o)	Population Growth  Assessment: 6.0 Aspects** Products and Services (Environmental) (i, o), Supplier Environmental Assessment (o)

* The following challenges were assigned a score of less than five and were therefore considered insignificant: Access to Water, Poverty, Urbanisation and Biodiversity. For information on the methodology, see page 4.

** Significant within (i) or outside (o) the organisation; attribution to multiple categories possible



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Quality of Life

Profile of BayWa

Revenues

2015: €14.9 billion

2014: €15.2 billion



- Agriculture: 68%
- Energy: 22%
- Building Materials: 10%

EBIT

2015: €158.1 million

2014: €152.1 million

See also Consolidated Financial Statements

As a leading international trading, services and logistics group, BayWa is active in the agricultural, energy and construction industries. With its products and trade-related services, BayWa covers the basic human needs for food, energy, mobility and shelter. Founded as an AG from a cooperative in 1923, it has always been a profitable enterprise ever since. BayWa combines its regional roots with the successful flexibility needed to adapt to changing markets. Through a systematic approach to internationalisation and developing new business areas, the company benefits from the growth of global markets, thereby ensuring that it is fit for the future.

International business

The BayWa Group's revenues amounted to €14.928 billion in the financial year 2015, which is a year-on-year decline of 1.8 percent, primarily as a result of lower prices for fossil fuels. The company generated more than two-thirds of its revenues in the Agriculture Segment, while Renewable Energies posted an increase in revenues of nearly 30 percent through BayWa r.e. renewable energy GmbH. Since 2000, BayWa has been listed in the Prime Standard segment of the Deutsche Börse. The key shareholders are Bayerische Raiffeisen Beteiligungs-AG, with a stake of 35.22 percent, and Raiffeisen Agrar Invest GmbH, with a stake of 25.20 percent. The remaining 39.58 percent of the shares are free float.

The BayWa Group has its headquarters in Munich, though it is represented around the world at more than 3,000 locations in 34 countries. Since 2008, revenues generated abroad have more than tripled. Apart from Europe, key markets include the United States and New Zealand, in particular. They have seen the establishment of business relations from Asia to South America and an international trade and procurement network. Headcount across the Group rose by around 2 percent year on year to 16,229, primarily as a result of growth in the Agriculture Segment, such as the establishment of the Digital Farming business sector. Shaped by its origins as a cooperative, a hallmark of BayWa is its value-driven corporate culture, which is expressed in the brand values trust, solidity and innovation.

Strong partner

BayWa's customers in rural areas include farmers and foresters, consumers, industry, commercial enterprises and trading companies. BayWa works closely with these customers in a spirit of partnership – and it does so with specially trained employees and a dense sales and logistics network that boasted about 35,000 suppliers in 2015. BayWa assumes responsibility in the region through the BayWa Foundation, established in 1998, which initiates and supports sustainable education projects in the fields of nutrition and renewable energy.



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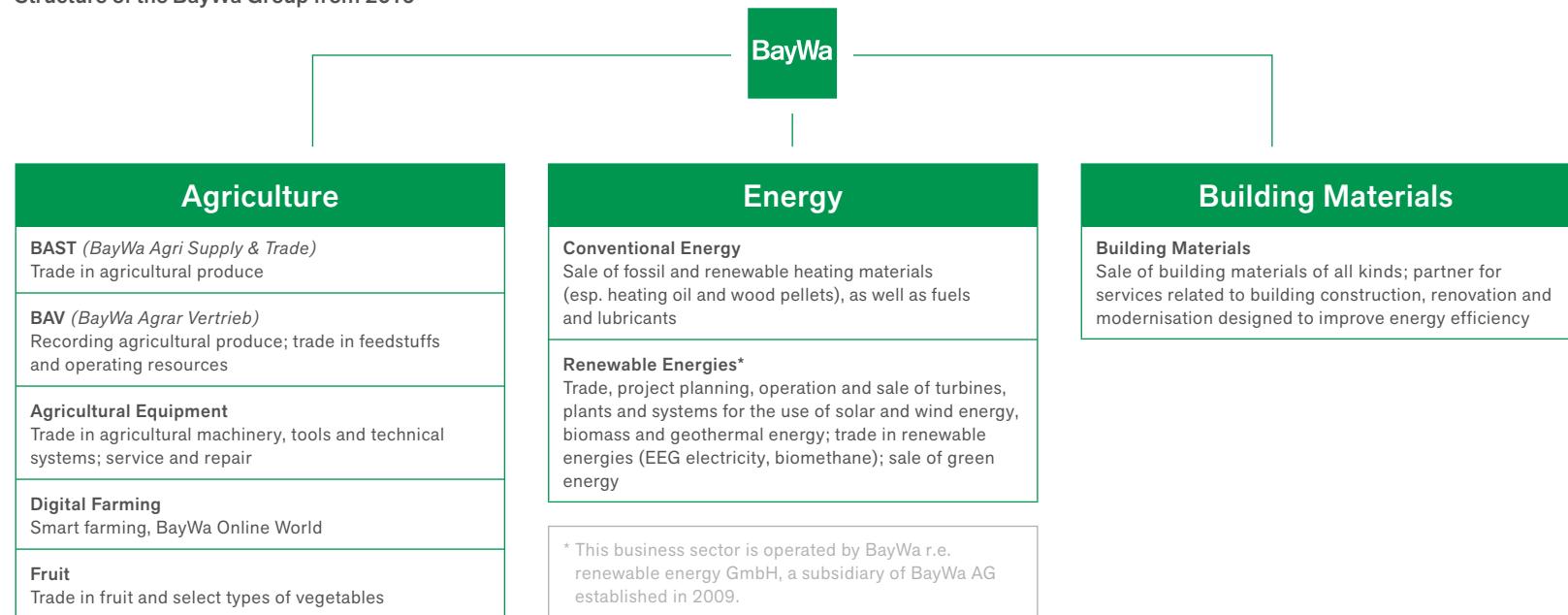


Quality of Life

BayWa's business activities are divided into three segments (see diagram). The Group is an international leader in agricultural trade. Unlike many competitors, BayWa covers the entire value chain almost seamlessly. The new Digital Farming business sector, established in 2015, and the new organisational structure in the Agriculture Segment, are one response to the progressive digitisation and internationalisation of the agricultural sector.

BayWa is attending to the radical change in the energy sector by offering a diversified range of products and services. The dynamic Renewable Energies business sector covers the entire value chain, from planning to the operation of wind and solar parks as well as biogas plants. In the specialised building materials trade, BayWa is one of the leading full-line suppliers in southern Germany and Austria.

Structure of the BayWa Group from 2016





Strategy and Governance

- › [Sustainability approach of BayWa](#)
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The economy is shaped by global challenges. Long-term success means creating added value for society that is not achieved at the cost of the environment. BayWa therefore links its international growth with targets for sustainable development. As a result, the company systematically gears its business activities towards megatrends that have a global effect. BayWa pursues its sustainability targets set through 2020 through an appropriate organisational structure and by taking clearly defined steps. BayWa's understanding of sustainability is closely tied to the cooperative tradition of the Group. The basis of corporate activity is provided by binding values that apply to all employees and managers across the Group. In addition to ethical and legal principles, BayWa also observes the principles of good corporate governance. The company is in regular dialogue with its stakeholders.



Sustainability approach of BayWa

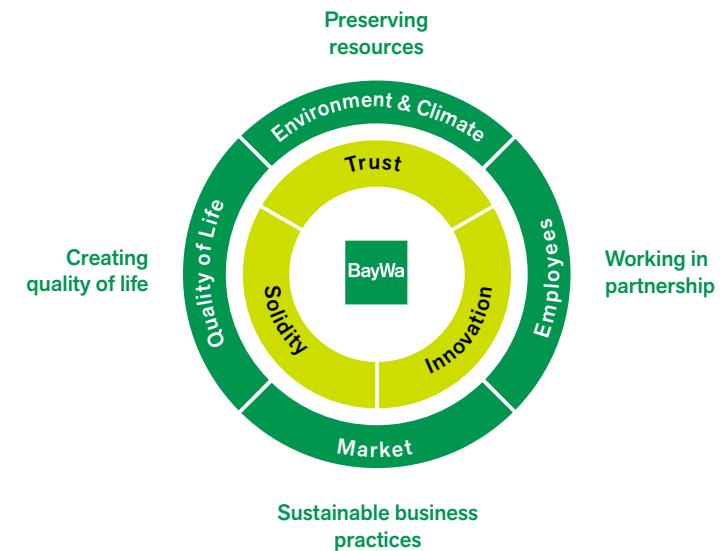
Just as in the previous year, pollution, health and nutrition are the main megatrends driving BayWa's sustainability management and reporting.

 [BayWa's sustainability targets](#)

In an environment marked by dynamic changes and internationalisation, BayWa aims to achieve profitable growth that is based on working together with customers, employees, investors and suppliers in a spirit of partnership. Shaped by its origins as a cooperative, the Group embraces the responsibility it has to people and nature. Its activities are therefore geared towards the needs of future generations. In order to realise this aim, BayWa's economic, environmental and social activities are divided into four strategic fields of action (see diagram). They are supported by the brand values trust, solidity and innovation.

During the reporting period, BayWa's sustainability management reviewed this strategic orientation. The review confirmed the findings from the previous year: The megatrends considered critical to business success and essential to BayWa's stakeholders are pollution, health and nutrition. The topics of demographic change, diversity and equal opportunities are also important to BayWa as an employer. In its role as a global trading group, assessing the environmental and social impact of suppliers as well as the protection of human rights and anti-corruption are relevant as well. Topics not classified as essential, but nevertheless important for BayWa in the medium term – especially for the Agricultural Trade business unit – are the preservation of biodiversity and access to water. BayWa continues to pursue the [sustainability targets](#) set through 2020 in the individual fields of action and has clearly defined processes and responsibilities for this purpose.

BayWa's sustainability strategy



Sustainability organisation

The Group-wide implementation and further development of BayWa's sustainability strategy is coordinated by a Sustainability Manager, who has been part of the Corporate Human Resources department since the beginning of 2016. The sustainability manager is supported in her work by the sustainability steering committee, which is made up of representatives from central Group organisational units (Corporate HR, Corporate Business Development, Corporate Marketing, Corporate Compliance, Corporate Real Estate Management, PR/Corporate Communications), as well as from all of the business units (Agricultural Trade, Agricultural Equipment, Fruit, Conventional Energy, Renewable Energies and Building Materials). The Steering Committee analyses at least once a year whether sustainability targets have been achieved, makes recommendations for developing the sustainability strategy and devises operational measures. At the same time, the committee guarantees that sustainability is accounted for in all of BayWa's corporate divisions and business units. Defined contact persons within the corporate divisions, business units and at the companies included in this report ensure the consistent collection of relevant data.

Expanded scope of reporting

Besides the parent company BayWa AG, the BayWa Group comprises 294 fully consolidated companies. With this report, the company has expanded the scope of its sustainability reporting, beginning with BayWa AG and BayWa r.e., to three other important companies in which BayWa holds a majority stake. These companies account for more than two-thirds of consolidated revenues.

Expanded scope of reporting



UNSER LAGERHAUS

"UNSER LAGERHAUS" Warenhandelsgesellschaft m.b.H., based in Klagenfurt, Austria, operates as a wholesale and retail trader of the Lagerhaus cooperatives in Tyrol and Carinthia. It generated revenues of around €0.5 billion in the financial year 2015 in its core business sectors of Agriculture, Energy and Building Materials.



RWA AG

RWA Raiffeisen Ware Austria AG, based in Vienna, Austria, is the wholesale trading and services company of the Lagerhaus cooperatives in Austria. It operates in the business sectors of Agriculture, Agricultural Equipment, Building Materials, Energy, and DIY and Garden Centres. In 2015, the company generated revenues of around €1.1 billion.



Cefetra B.V.

The Cefetra B.V. Group, located in Rotterdam, the Netherlands, is a global supply chain manager of agricultural commodities, especially for the feedstuffs industry. It owns subsidiaries in the United Kingdom, Ireland, the Netherlands, Hungary, Poland and Canada, and it has warehousing locations in the United Kingdom and Poland. The Group's revenues for 2015 amounted to some €4.0 billion.

Binding values

-  [Corporate Guidelines of BayWa](#)
-  [Brand Mission](#)

The Code of Conduct places integrity ahead of the interests of potential business deals.

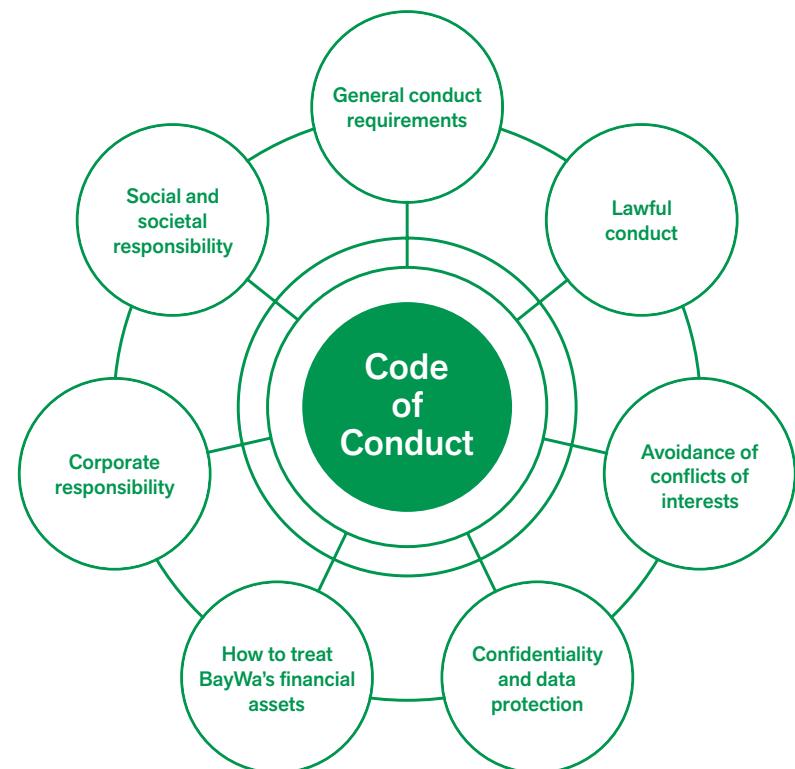
In its **Corporate Guidelines**, BayWa pursues a vision in which sustainable action has a high priority. Through its brand mission, BayWa presents partners and customers with an uniform and reliable image of what the company stands for: trust, solidity and innovation.

BayWa expects its employees' conduct towards suppliers, customers, colleagues and society to be proper from both an ethical and legal standpoint. The **Code of Conduct** defines binding values that apply to all employees, managers and Board of Management members. It was adopted by the Board of Management in December 2015, replacing the ethical principles of BayWa that had been in effect until then. The Code of Conduct sets the standards for general business conduct as well as for special topics, such as legal conformity, the avoidance of conflicts of interest, data protection and the protection of human rights (see diagram). It obliges managers to set a good example and to deal with employees fairly and respectfully, and it represents the minimum standard for all Group companies both in Germany and abroad. Provided this standard is met, the individual companies are at liberty to institute their own principles governing conduct, examples of which can be seen at RWA AG, which has its own code of conduct; at Cefetra B.V., which has an employee handbook in which a code of conduct is included; and at UNSER LAGERHAUS, which has established its own code of ethics.

Standards of conduct for managers that apply across the Group are codified in BayWa's leadership principles. They emphasise managers' responsibility to set a good example and call on them to communicate with employees in a clear and focused manner, to treat them fairly, to promote a solution-oriented

approach and to develop their skills. BayWa compiled the Corporate Leadership Guide in 2015 to serve as a practical work aimed at fostering managers' understanding of leadership.

BayWa's Code of Conduct



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Good Corporate Governance

 See also Corporate Governance Report

BayWa regards honest and lawful conduct as a Group-wide requirement critical to maintaining the company's reputation. With respect to good corporate governance, the Group uses the recommendations of the German Corporate Governance Code (GCGC) as its guide.

Management and control structure

BayWa AG is headquartered in Munich. As a result, it is subject to the provisions set forth in German stock corporation law, according to which the Board of Management and the Supervisory Board form the dual-tier management and control structure. By cooperating closely, the two boards ensure sustainable added value for the company.

As from 31 December 2015, the **Board of Management** consists of five members. Matthias Taft joined the Board of Management during the reporting year, while Dr Josef Krapf stepped down. The Board of Management manages the company, develops its strategic focus and ensures its implementation. It is also responsible for risk management and compliance and guarantees open communication. The Board of Management meets at least once a month.

The **Supervisory Board** represents the company with respect to the Board of Management. It appoints Board of Management members, monitors them and advises them on how to manage the company. During the reporting year, the Supervisory Board comprised 16 members. In accordance with the German Codetermination Act (MitbG), shareholder and employee representatives also participate in the Supervisory Board to ensure codetermination on the basis of parity. For the purposes of efficient control, the board works in six specialised

committees. Personal qualifications are a key factor in the composition of the Supervisory Board, just as they are a key factor for the Board of Management.

Like approximately one hundred other companies in Germany, BayWa AG is a publicly listed stock corporation (Aktiengesellschaft) subject to codetermination on a basis of parity. For these companies, the German Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector Act stipulates a fixed gender quota of 30 percent women on supervisory boards, which BayWa AG will satisfy.

On 5 August 2015, the Supervisory Board complied with the additional legal requirement of setting a target for a gender quota on the Board of Management and achieving said target no later than 30 June 2017. The Supervisory Board defined a target for women on the Board of Management of 0 percent by 30 June 2017. On 23 September 2015, the Board of Management of BayWa AG also set as targets a quota of 18 percent for women in the top executive tier and a quota of 12 percent for women in the second executive tier, which are scheduled to be met by 30 June 2017.

Moving beyond the legal requirements, BayWa AG also has a **Cooperative Council** in accordance with the Articles of Association. The Cooperative Council includes representatives of cooperatives from across Germany in which farmers – and therefore BayWa's main customers – are represented. The council provides them with the opportunity to broach issues directly with the Board of Management and the Supervisory Board.



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 See the Remuneration Report on page 34 of the Consolidated Financial Statements

 See the Opportunity and Risk Report on page 36 of the Consolidated Financial Statements

Excluding conflicts of interest

Members of the Board of Management are obliged to report potential conflicts of interest without delay to the Supervisory Board and other Board of Management members. In particular, such conflicts include those that could occur due to consultancy or board functions with customers, suppliers, lenders or other business partners. No acting members of BayWa's Board of Management belong to the Supervisory Board. There were no conflicts of interest on the Board of Management or on the Supervisory Board in the financial year 2015.

Remuneration and training

The remuneration system for Board of Management members, including key contractual components, is reviewed by the Supervisory Board once a year and adjusted if necessary. The total amount of remuneration consists of a fixed salary, as well as short-term and long-term variable components. For the financial year 2015, total remuneration of the Board of Management at the Group amounted to €6.326 million (2014: €6.519 million). The remuneration of the Supervisory Board members is based individually on their responsibilities and the scope of their tasks, as well as on the Group's performance. Total remuneration of the Supervisory Board in the financial year 2015 amounted to €0.702 million (2014: €0.686 million).

BayWa provides training for the Supervisory Board members on their duties, rights and obligations at least every two years. BayWa informs them of relevant legislative changes throughout the year. They continue to further educate themselves independently. The members of the Board of Management buriish their qualifications by regularly taking part in conferences and symposia.

Risk management

BayWa's **risk management** activities closely follow the Group's long-term strategy and medium-term planning. The objective is to identify business risks at an early stage and to strengthen the Group-wide opportunity and risk culture by further developing the systems in a methodical fashion. The risk management system is monitored and managed by a Risk Board, which normally meets every two weeks, headed by the Chief Executive Officer. The effectiveness of the Risk Board is examined during the quarterly business review. All units have risk officers and risk reporting officers who are responsible for implementing the reporting process.

The Board of Management is also responsible for dealing with **environmental and social risks and opportunities**. Sustainability management is assigned to the Corporate Human Resources division, which makes it the responsibility of the Chief Executive Officer. Since 2013, reports on the current status and focal points of the company's sustainability activities have been made every six months to the entire Board of Management as part of their meetings. The presentation of the key sustainability topics and the enlargement of the scope of reporting formed the focal points during the reporting year.



Compliance and data protection

BayWa AG is subject to German and European laws, as well as the laws of those countries where it has affiliated companies. Compliance with legal regulations and internal policies ensures a preventive **compliance management system**. All affiliated companies with operations and in which BayWa holds a majority stake are included in this system.

Clear organisation

The Corporate Compliance organisational unit is headed by the Chief Compliance Officer, who reports directly to the Chief Executive Officer of BayWa AG. The Corporate Compliance organisational unit continuously analyses and assesses potential risks and provides the Board of Management with the findings on a regular basis. It also monitors compliance with the corresponding regulations in collaboration with Group Audit and takes preventive action to protect individual employees and the company against legal violations. Focal points include anti-corruption and antitrust law. A guideline is in place for how to deal with conflicts of interest, which has applied to all employees and managers across the Group since 2015. Independent functions at the company cover the topics of foreign trade law, data protection and data security. In collaboration with compliance officers in the business units and affiliated companies in which BayWa holds a controlling interest, the Corporate Compliance organisational unit has been responsible for the Group-wide roll-out of compliance regulations since 2013. RWA AG has its own compliance management system headed by a compliance officer. It communicates regularly with BayWa's Corporate Compliance organisational unit.

BayWa's compliance focus is on anti-corruption and antitrust law.

The audit of the defined focal points (see table) has been performed by Group Audit since 2015. Since then, two affiliated companies with operations and in which BayWa holds a controlling interest have been audited. Plans call for 25 audits in 2016.

Compliance audit areas

	Audit focal points
Antitrust law	Horizontal and vertical relationships (Agreements among competitors or between supplier and buyer; abuse of dominant position in the market)
	Association and regional meetings
	Tenders
Anti-corruption	Acceptance and giving of gifts
	Events/incentives
	Commissioning of agents/advisors
Other	Advertising subsidies
	Money laundering

In 2015, BayWa met the complex legal requirements for exporting goods by restructuring its customs management and export control organisation. Every business unit has an export officer who is regularly informed of new developments and who passes on this information to his or her colleagues. At the affiliated companies, the managing directors are responsible for this matter.



Managers are sensitised to their position as role models. Compliance training is mandatory for them and for employees who have direct contact with customers, suppliers or competitors.

Regular training

Through on-site and online training courses, BayWa creates an uniform understanding of compliance at the Group. All guidelines and policies are available on the intranet.

During the reporting year, a total of 1,337 employees took part in on-site compliance training courses, and 811 employees completed training online (see table). Nearly all relevant employees have now received compliance training. The aim is to regularly refresh their knowledge and to train new employees in a timely manner. In 2015, BayWa raised awareness among its employees of data protection at the workplace through online training, which consisted of a voluntary course and a mandatory online survey that 6,394 employees at the Group have completed so far. On-site data protection training courses were attended by 102 employees of BayWa AG (2014: 318) and 163 employees from subsidiaries. BayWa endeavours to expand online training to other Group companies.

Complaints procedures and violations

Customer complaints submitted to BayWa in person, by phone, by email, fax or by post are forwarded to the relevant department through a complaints management system. If employees suspect that a certain procedure or transaction is not compliant with the law, they can report it to the Compliance department at BayWa AG and the subsidiaries. The Compliance department will review the tip and take any steps that may be necessary. Since December 2015, employees have been able to make reports through an anonymous whistle-blower system. All tips are treated confidentially. Alternatively, employees can inform a trusted external lawyer about their suspicions.

Participants of BayWa AG's compliance and data protection training courses

	2014	2015
Compliance basics ¹	811	1,337
Data protection	396 ²	265 ³
On-site training courses (total)	1,207	1,602
Anti-corruption	5,100	445
Antitrust law	1,000	366
Online training courses (total)	6,100	811

¹ In 2015, the on-site training courses for anti-corruption, compliance fundamentals, including antitrust law and anti-corruption, as well as antitrust law in depth were condensed into one training course known as compliance basics

² Participants from BayWa AG (318) and BayWa r.e. renewable energy GmbH (78)

³ Participants from BayWa AG (102), BayWa r.e. (89) and PC-Agrar/FarmFacts (74)

In March 2015, the Bundeskartellamt, an independent competition authority whose task is to protect competition in Germany, launched a probe against wholesale crop protection traders – including BayWa AG – for alleged price-fixing agreements. The company is cooperating with the Bundeskartellamt in clearing up the matter. The investigations were still ongoing at the time this report was published. BayWa therefore possesses no further information about the status of the investigations.

No fines were imposed on BayWa AG in 2015 for failure to comply with laws and regulations. The Group and its companies are not involved in legal or arbitration proceedings that could have a significant impact on its financial situation, nor are such proceedings foreseeable.



Dialogue with stakeholders

G4-24, G4-26, G4-27

Customers, suppliers, employees, shareholders, investors and the public represent BayWa's key stakeholders.

For **customers**, especially in the Agriculture Segment, the employees who make up BayWa's sales force are the most important contacts. The Group regularly measures customer satisfaction in the individual business units. At BayWa r.e., the evaluation of the company provided by customers is included in the process of defining targets for the departments and ideas are embraced for expanding the product and service portfolio. In 2015, RWA AG was even able to improve on its already excellent appraisal from 2014 in the annual "Kundenmonitor Österreich" survey with regard to availability and employee friendliness, for example.

BayWa cultivates strategic dialogue with **suppliers**. During the harvest season, the major markets of the Fruit business unit extend an invitation to producers to inform them about quality requirements, acceptance times and current market conditions. The Agricultural Equipment business unit provides suppliers with new product information and training on a quarterly basis, while BayWa subsidiary Cefetra B.V. is in regular dialogue with its suppliers through various sustainability certification schemes, especially for soya, and the related audits.

BayWa informs its **employees** across the Group of current developments through the employee magazine and the intranet. In addition, one member of the Board of Management and the head of Human Resources always take part at the regular employee meetings convened by the Works Council. Cefetra B.V. uses town hall meetings to inform employees four times a year of operational changes. Employee surveys are regularly conducted by the business units, and employees can submit their ideas for improvement through the employee suggestion scheme. A total of 416 ideas were received in 2015 (2014: 353).

BayWa promptly and regularly informs **investors** of the business assets, financial position, performance and earnings of the Group, placing the utmost value on equal treatment. The Board of Management engages in dialogue with analysts and institutional investors at one-on-one meetings and roadshows. Shareholders can address critical concerns at the Annual General Meeting of Shareholders, or direct them in writing to the Board of Management and the Supervisory Board.

BayWa presents itself to the **public** through its Board of Management. In the reporting year, the board's members adopted positions on current topics as part of presentations they gave or in podium discussions. In addition, the Board of Management members are represented in some 150 associations, clubs and academic institutions, including DLG e.V., Deutscher Raiffeisenverband e.V., the Bavarian State Research Centre for Agriculture, Deutsche Unternehmensinitiative Energieeffizienz e.V. (DENEFF) and the Technical University of Munich. Through its active participation in industry associations, such as the German Wind Energy Association, the German Solar Association and the Biogasrat (the German biogas advisory board), BayWa r.e. is dedicated to the successful implementation of the energy transition in Germany. It also acts as a partner to the WISE Power project supported by the German Energy Agency to promote greater acceptance of onshore wind parks and is one of the initiators of the SAFE network of companies, which is pushing for the elimination of trade barriers for solar modules.

BayWa is on hand at major trade fairs, such as Fruit Logistica, International Green Week and Wind-Energy, for engaging in direct dialogue with customers and partners.



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During the reporting year, BayWa invested primarily in agricultural trade and renewable energy, which are international markets of the future. By establishing the Digital Farming business unit, the company adopted an even more strategic position for the future field of digitisation. BayWa pursues its activities with a sound and anticipatory financing strategy, a value-driven corporate culture, continuous improvement of cost structures and integrated risk management. As a globally active trading company with a complex value creation process, BayWa and its subsidiaries collaborate with a wide range of partners from different procurement markets. Using a large number of centralised and local measures, the company ensures that suppliers from all regions of the world protect human rights and uphold environmental and social standards.



Business development and performance

Business development and result

In total, the BayWa Group is represented at more than 3,000 locations in 34 countries through direct or indirect holdings. More than 900 of these locations are situated in Germany. The subsidiaries included in this report nicely illustrate BayWa's international business: Cefetra B.V. from Rotterdam (the Netherlands), RWA Raiffeisen Ware Austria AG, "UNSER LAGERHAUS" Warenhandelsgesellschaft m.b.H. and BayWa r.e. renewable energy GmbH. They substantially contributed to EBIT of the BayWa Group. At €158.1 million in the reporting year, EBIT was up by 4.0 percent year on year (2014: €152.1 million). The Board of Management and Supervisory Board will put forward a proposal to the Annual General Meeting of Shareholders to raise the dividend from €0.80 to €0.85 per share.

The focus of the BayWa Group's operations is in Europe, which is enhanced by activities in the United States, New Zealand, Asia and South America. In 2015, approximately 56 percent of the consolidated revenues were generated abroad.

The Agriculture Segment covers the entire range of agricultural products and services, and it traditionally generates the largest share of the BayWa Group's revenues. In 2015, revenues increased slightly to €10,154.7 million, owing above all to higher trading volumes in the Agricultural Trade and Fruit business units. However, EBIT fell by almost 20 percent year on year, due primarily to the lack of summer rain in Germany, a decrease in the use of crop protection products, much lower corn collection volumes and a lack of grain drying income.

For the Energy Segment, 2015 was a record-breaking year. BayWa r.e. renewable energy GmbH increased its revenues by 29.5 percent to

BayWa Group EBIT¹

in € million	2014 ²	2015
Agricultural Trade	64.9	41.6
Fruit	20.6	27.0
Agricultural Equipment	22.3	21.5
Digital Farming	–	-2.9
Agriculture Segment	107.8	87.2
Conventional Energy	5.7	15.4
Renewable Energies	36.5	61.8
Energy Segment	42.2	77.2
Building Materials Segment	28.0	27.4

¹ The difference in the contributions from each segment to the total earnings of the BayWa Group is calculated from the earnings contribution of the Other Activities Segment (peripheral activities without any entrepreneurial management) as well as on the basis of economic influence factors at Group level.

² Figures for the financial year 2014 adjusted due to audit findings by the Deutsche Prüfstelle für Rechnungslegung (FREP – Financial Reporting Enforcement Panel). For more information, see page 17 of the Consolidated Financial Statements for 2015.



Sales in the Agriculture Segment and in the field of renewable energies rose year on year thanks to larger trading volumes and strong project management business.

Around 62 percent of the BayWa Group's total investment in non-current assets was attributable to the Agriculture Segment. This reflects the international expansion of agricultural trade and the development of the Group's business portfolio with the addition of the Digital Farming business sector.

€1,017.8 million thanks to strong project management business and a high number of turbines, plants and systems sold. Among the sales was the "Beethoven" project in South Dakota, USA, BayWa r.e.'s largest wind farm to date with total output of 80 MW. EBIT in the Renewable Energies business sector rose by €25.3 million to a record-breaking €61.8 million. The Conventional Energy business made a positive contribution of €15.4 million due to increased sales volumes. However, a sharp decline in prices for heating oil and fuel caused consolidated revenues to fall by 1.8 percent.

Revenues for the Building Materials Segment fell in 2015 by €28.4 million, or 1.9 percent, to €1,496.4 million. Thanks to the continued optimisation of the network of locations and a strong performance in the fourth quarter, EBIT came in at €27.4 million and almost matched the previous year's figure of €28.0 million.

Apart from its acquisitions, the BayWa Group invested around €174.3 million in intangible assets (€21.3 million) and property, plant and equipment (€153.0 million) in the financial year 2015. These investments were primarily for the purpose of the repair and maintenance of buildings, facilities and office fixtures and fittings. UNSER LAGERHAUS invested €6.0 million in a new raw materials intake plant and the construction of a building materials centre.

Taxes, subsidies and political donations

After tax income in the previous year of €0.3 million, income tax expenses amounted to €26.5 million for the financial year 2015. As a result, consolidated net income decreased by 23.7 percent to €61.6 million. The Agricultural Trade

business unit also received grants from the European Union for the alliance, which seeks to convert agricultural residues into biofuel. According to the German Electricity Tax Act (StromStG), the electricity purchased by BayWa r.e. Bioenergy GmbH for operating larger biogas plants (electricity consumption: approximately 10,800–14,400 GJ) is exempt from the electricity tax if it comes from local CHP units.

In the reporting year 2015, BayWa AG made donations to political parties in Germany totalling €5,000 (2014: €50,000). No donations to political parties were made through the subsidiaries Cefetra B.V., RWA AG and UNSER LAGERHAUS. Every donation is subject to review by the Board of Management, which discusses the proposal in a transparent manner and logs its decision.

Changes during the reporting period

The BayWa Group continuously analyses its portfolio with regard to growth and earnings potential and continued down the path towards internationalisation in 2015. A key step was the establishment of trade offices in Ukraine, Russia and Argentina, as well as the acquisition of the grain trader Wessex Grain Ltd as part of Cefetra in the United Kingdom. In the Agricultural Equipment business unit, BayWa established Barloworld Limited, Johannesburg, a joint venture for agricultural equipment sales in sub-Saharan Africa in which BayWa and Barloworld each hold a 50 percent stake. In the field of renewable energies, the Munich-based trading and services group acquired the project rights for several solar parks with a total output of 75 megawatts (MW) in North and South America. With the opening of



branches in Japan and Singapore, BayWa has taken its first step in entering the energy market in South East Asia. In terms of agricultural trade, the company expanded Cefetra's trade offices in Spain and Italy.

 See the Profile of BayWa
section on page 7

In order to accommodate the increasing internationalisation and digitisation of business, BayWa is introducing a new organisational structure in the Agriculture Segment in early 2016. The company also reorganised its Fruit business unit's national business, which was transferred to the newly established subsidiary BayWa Obst GmbH & Co. KG, with effect from 1 January 2015. In doing so, BayWa focused its fruit business on the increasing specialisation within the national and international markets.



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Supplier management and procurement

Description of the supply chain

As part of a globally active trading group, BayWa – with its Agriculture, Energy and Building Materials Segments – has an international trading and procurement network with very different procurement markets (see the value chains below). During the reporting year, BayWa AG worked together with some 35,000 suppliers¹ (2014: 37,000). Raw materials, goods and services worth €4.9 billion were purchased from them in 2015 (2014: €4.8 billion). The majority of suppliers for BayWa AG and BayWa r.e. renewable energy GmbH are from Germany, Europe and the United States, where strict laws and controls ensure the observance of human rights and environmental standards. As a result, the Conventional Energy business unit currently sources its

wood pellets from Europe, of which more than 90 percent are purchased from suppliers in Germany. More than 60 percent of the pellets are PEFC-certified and come from sustainably managed forests. The majority of the Agricultural Equipment business unit's suppliers are based in Europe or the United States. In the agricultural equipment business, more than 90 percent of the manufacturers come from Germany. The crop protection products sold by the Agricultural Trade business unit are purchased almost exclusively from globally active companies certified to do business in Germany. More than 90 percent of the fertilisers sold are manufactured in Europe in accordance with strict social and environmental standards.

¹ Includes the suppliers (plus farmers) for all BayWa AG segments, as well as the German activities of the Fruit business unit hived off in early 2015, with a respective purchasing volume of more than €1,000. As compared with the previous year, the data reported for 2014 and 2015 no longer includes internal suppliers (suppliers between BayWa locations).



Number of suppliers and net purchasing volume of BayWa¹

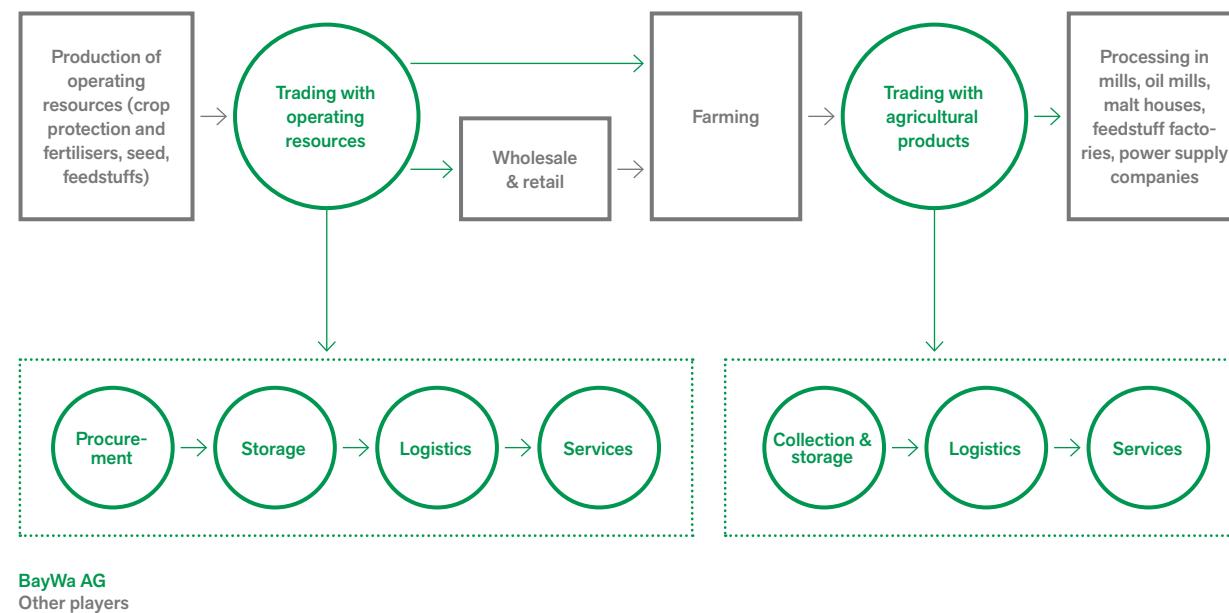
	Number of suppliers	Net purchasing volume (in € million)	
		2014	2015
Agricultural Trade	25,407	24,553	1,830.0
Fruit	670	650	98.1
Agricultural Equipment	3,715	3,679	627.0
Conventional Energy	874	831	1,138.9
Building Materials	4,484	4,132	996.5
Administration	913	777	73.3
Other Activities	824	736	53.9
BayWa AG overall	36,887	35,358	4,817.7
BayWa r.e. renewable energy GmbH	n. a.	3,233	n. a.
RWA Raiffeisen Ware Austria AG	3,212	3,407	1,050.9
"UNSER LAGERHAUS" Warenhandelsgesellschaft m.b.H.	6,687	6,641	468.6
Cefetra B.V.	650	625	4,558.7
			4,138.2

¹ Includes the suppliers (plus farmers) for all BayWa AG segments, as well as the German activities of the Fruit business unit hived off in early 2015, with a respective purchasing volume of more than €1,000. As compared with the previous year, the data reported for 2014 and 2015 no longer includes internal suppliers (suppliers between BayWa locations).



Value chain illustration

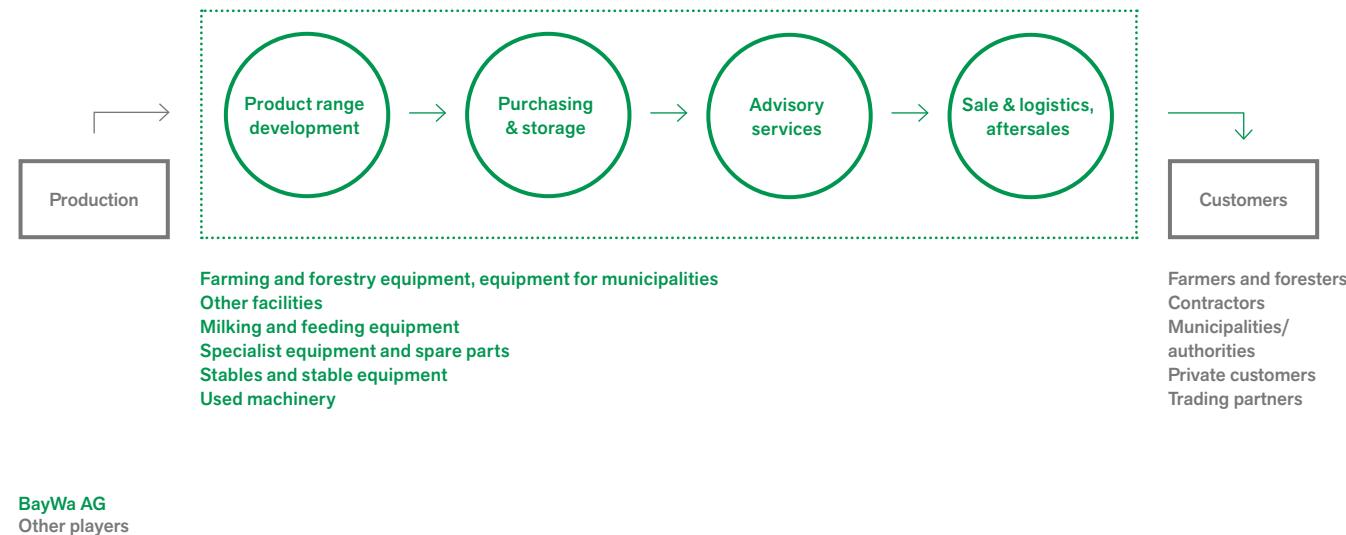
Agricultural Trade value chain



Online greening calculator of BayWa (only in German)

In addition to trading in agricultural produce, the Agricultural Trade business unit further expanded its comprehensive services for farmers, such as soil and feedstuff analysis, in 2015. To support its customers in complying with greening requirements, which have been in force since 2015, BayWa offers more catch crop blends, as well as advice and information on the core aspects of permanent pasture maintenance, crop diversification and Ecological Focus Areas (EFA). BayWa's online greening calculator lets farmers see at a glance whether they comply adequately with the legal requirements.

Agricultural Equipment value chain



With the goal of providing premium service and customer focus, the Agricultural Equipment business unit developed multi-level training courses in methodology for its employees in the reporting year. The first courses started in January 2016.



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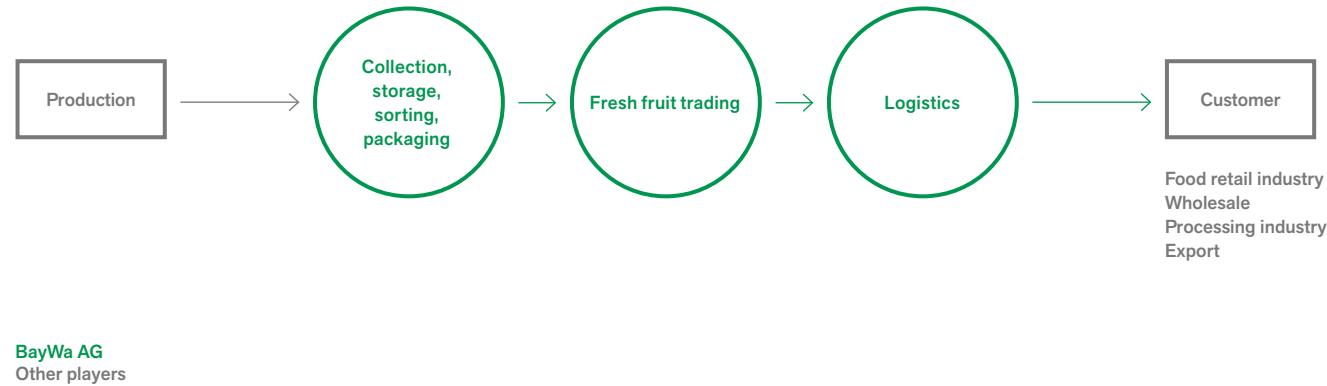


Employees



Quality of Life

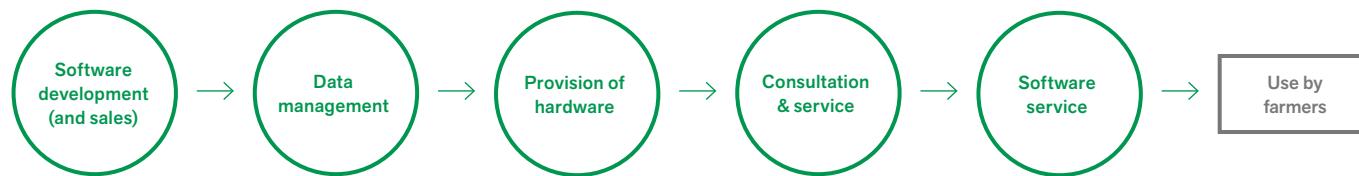
Fruit value chain



The Fruit business unit closes the gap between producers and the retail sector in the apple trade in a strong core region. It ensures its ability to perform through national and international reach. From integrated production to organic farming, the company is always an expert partner in fruit trading and stands for sound, competitive supplier relationships characterised by trust.

Digital Farming value chain

Smart Farming



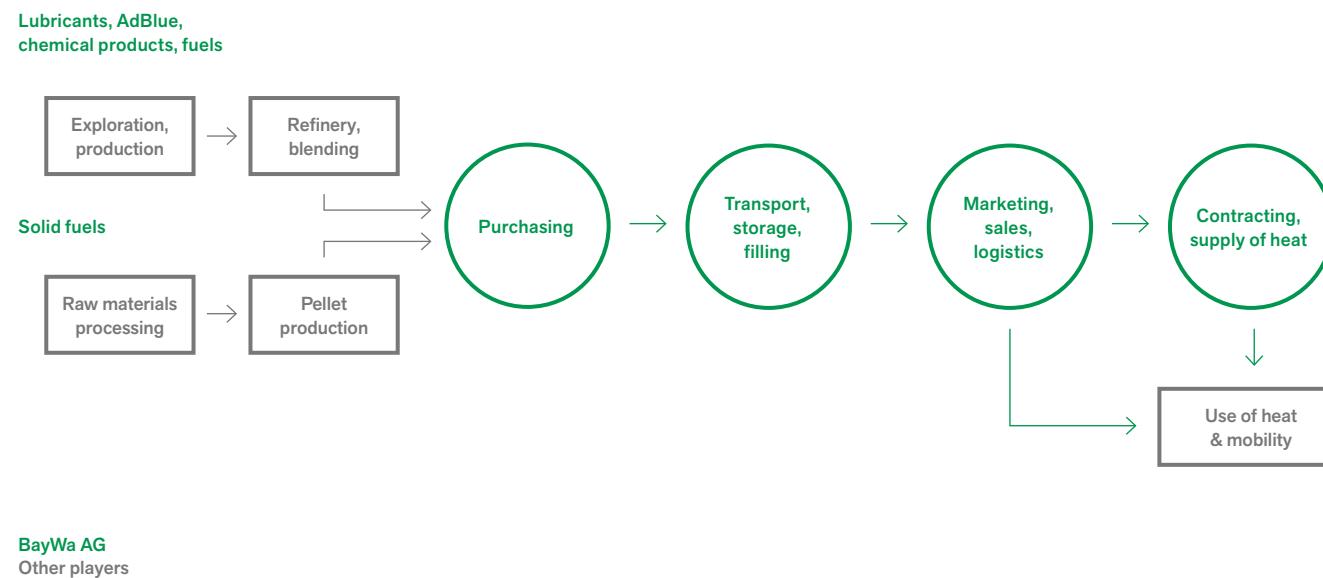
E-business



BayWa AG
Other players

In the reporting year, the BayWa subsidiary FarmFacts, the German market leader in smart farming, launched Next Farming: the first cloud-based software solution on the market for small and medium-sized farms that allows them to manage their entire operations along with the use of fertilisers and crop protection products in line with their own needs, among other things. Biological pest control with the help of drones is another path-breaking project in the Digital Farming business unit. In addition to ordering biological control agents and determining the optimum point in time for treatment, BayWa also conducts drone flights on customers' fields.

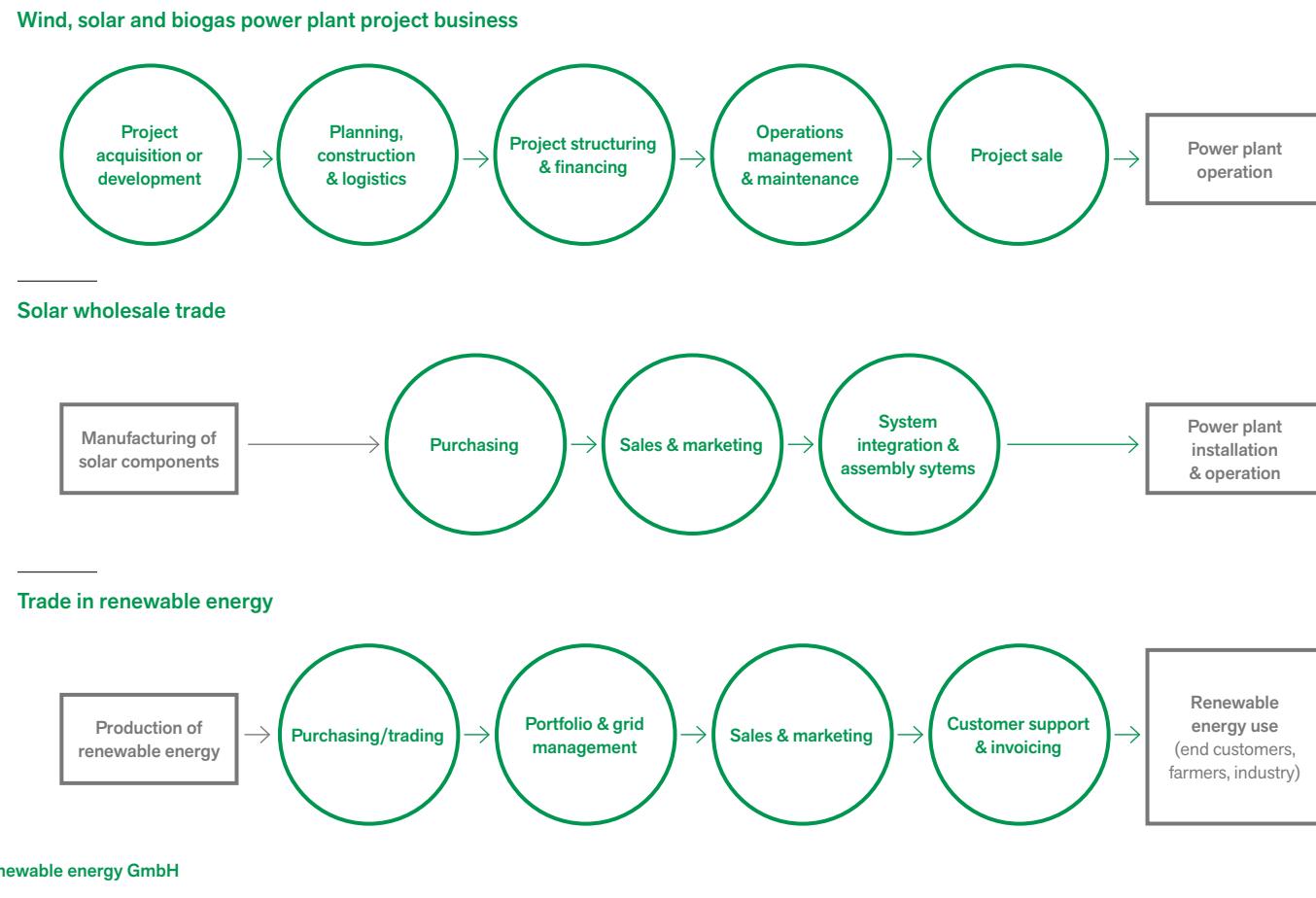
Conventional Energy value chain



In the reporting year, the Conventional Energy business unit expanded its product portfolio and launched BayWa premium diesel across the board. The advantage? The cleaning components in the included additives clean injector nozzles and keep them clean. This leads to more efficient combustion, resulting in lower consumption and emissions. The business unit has also converted its entire fleet of tankers (178 trucks) to premium diesel. In the lubricants business, the resource-conserving system for monitoring gas engine oil – with regard to performance and optimising service life – was successfully expanded to include hydraulic fluids and engine coolant, saving users money and significantly reducing the consumption of raw materials.

Renewable Energies value chains

BayWa r.e. customers benefit from a wide range of electricity, gas and biomethane products and services. As a result, biomethane customers in particular can optimise their payment flows thanks to Biogas2Power-smartNETTING if BayWa r.e. is also responsible for the direct distribution of their EEG electricity production.



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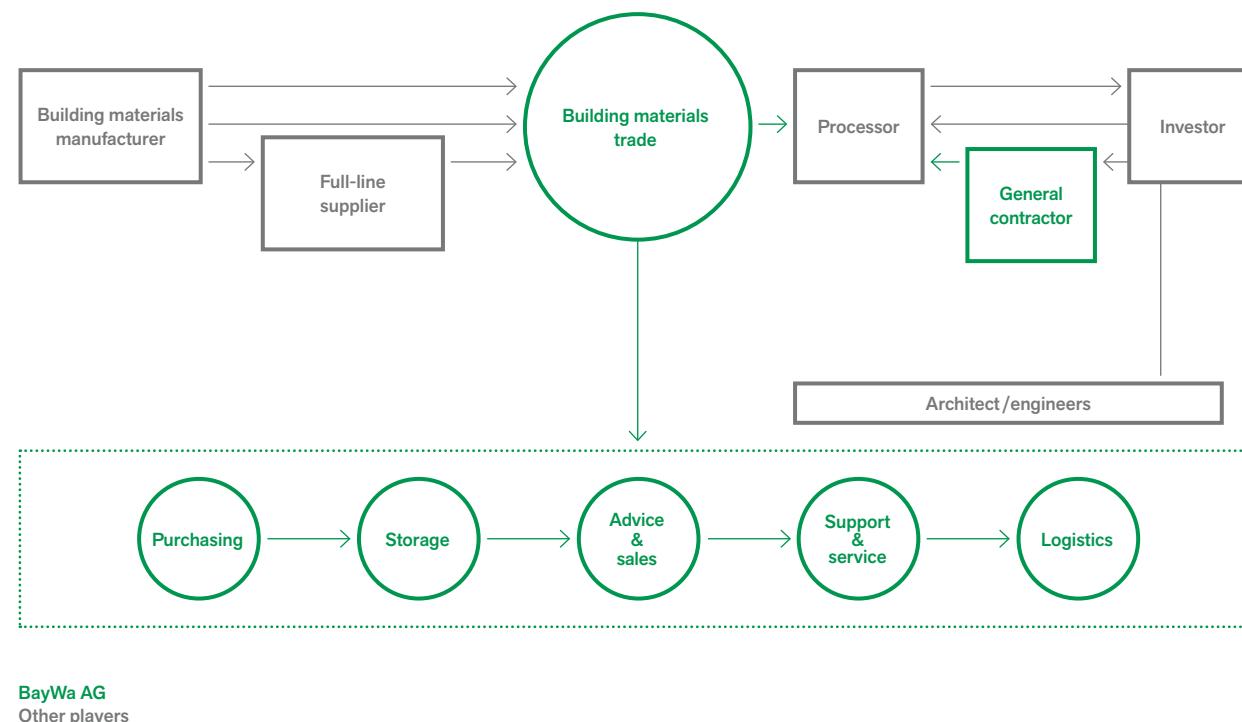


Employees



Quality of Life

Building Materials value chain



Last year, the Building Materials business unit expanded its range of products and services, with a special focus on timber construction. It provides customised construction timber, which contributes to green building with renewable resources.



In terms of purchasing for own use, BayWa AG included clauses on compliance, minimum wage, child labour and environmental protection in 2015 for all new suppliers.

Social and environmental responsibility in the supply chain

The challenges faced by BayWa suppliers from 34 countries range from the conservation of resources and product safety to compliance with labour laws. Developing and instituting a code of conduct for social and environmental standards is therefore one of seven Group-wide BayWa sustainability targets to be achieved by 2020. All business units have already been instructed to work exclusively with suppliers who can furnish evidence that they do not employ child and forced labour. The Fruit business sector purchases certified goods exclusively through GlobalGAP or QS-GAP, which guarantee certain food, environmental and social standards.

All suppliers of lubricants for the Conventional Energy business unit must be certified with regard to quality management and follow the recommendations of the United Nations on the transport of dangerous goods. BayWa also requires certificates of origin and information about the share of products from non-member countries. During the reporting year, the Conventional Energy business unit reviewed three suppliers with regard to social impact and labour practices. In addition to economic criteria, the selection of suppliers by the BayWa subsidiary BayWa r.e. Solar Energy Systems GmbH is also based on the conservation of resources and fair trade. An interview and a visit to the supplier are additional factors. All of the suppliers for BayWa r.e. Solar Projects GmbH are TÜV- or ISO-certified.

The Cefetra Group is a member of the Roundtable on Sustainable Palm Oil (RSPO) and the Round Table on Responsible Soy Association (RTRS). In 2008, the company worked with a partner to develop the Certified Responsible

Soya (CRS) Standard, which covers, among others, social and environmental aspects of soya production. The total amount of soya certified according to CRS, RTRS or ProTerra covers about 57 percent of the total traded volume of soya bean meal. Some 80 percent of the contracts for soya or sunflower products purchased from South America (with a respective volume of more than 1,000 tonnes) also incorporate human rights considerations.

RWA AG and UNSER LAGERHAUS also include environmental certificates, such as the Forest Stewardship Council (FSC), or labour standards, such as the Business Social Compliance Initiative (BSCI). Furthermore, all investments requiring the Supervisory Board's approval are examined with a view to human rights.

Local procurement

In order to support the local economy and minimise transport distances, regional suppliers (such as craftspeople and service providers) accounted for approximately 70 percent of orders on average at BayWa AG's German locations in 2015. In the Agricultural Trade business unit, suppliers based in Germany even accounted for as much as 76 percent of the total purchasing volume on average. In terms of agricultural produce (grain and oilseed), the regional collection structure means the share of local suppliers is extremely high at 89 percent. At RWA AG, the share of Austrian suppliers is 81.5 percent. At UNSER LAGERHAUS, the same was true for 86 percent of the purchasing volume. BayWa r.e. Bioenergy GmbH purchases 90 percent of its components for biogas plants within a 25-kilometre radius of its headquarters in Germany.





Environment and Climate

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To keep the impact of its business activities on the environment and the climate to a minimum, BayWa ensures the efficient use of raw materials and energy. For a trading company, responsible transport and logistics represent important means of reducing the emission of harmful greenhouse gases. In addition to its own activities, BayWa also keeps sight of upstream and downstream processes, which include the resource-friendly cultivation of food or feedstuffs, as well as the provision of products for expanding renewable energies. With regard to its own energy-efficient and environmentally friendly processes, BayWa has established a company-wide environmental organisation and standardised waste management. Raising awareness among employees about environmentally responsible behaviour is also a key component of the strategy.



Environmental management

Company-wide environmental management

BayWa AG's company-wide environmental organisation covers all levels through to the specific locations. The primary task of the Environmental Management department is to inform the business units of the valid statutory provisions pertaining to the transport of dangerous goods, incident law, ambient pollution protection, chemical and hazardous materials storage, water law, to provide advice on compliance with these provisions and to support the business units in these matters. The Environmental Management department also provides advice on environmentally friendly measures in terms of storage and transport. The objective is to avoid environmentally harmful incidents and to limit their impact in the event of damage. Checklists, info sheets and operating instructions provide employees with support in their day-to-day work. Compliance with environmental regulations is monitored at various levels. In 2015, more than 50 training courses on environmental measures for storage, delivery and transport were held. More than 1,000 employees took part in these courses. During the reporting year, BayWa AG invested some €800,000 altogether in environmental and biodiversity measures. As in 2014, no complaints related to ecological concerns were submitted to the Environmental Management department.

Corporate Real Estate Management, the Building Materials business unit and Sustainability Management of BayWa AG developed a guideline for the sustainable construction of company buildings. In addition to provisions on green electricity and energy efficiency, this guideline includes criteria for environmental, water and soil protection, as well as for awarding contracts to regional partners and the use of materials with sustainable properties.

Risk management relating to climate change

Since 2000, BayWa AG has reported annually on opportunities and risks related to climatic influences as part of Group risk management. In 2015, 41 out of 646 risks (2014: 37 out of 602 risks) concerned weather-related factors that could affect operations and were taken into consideration, such as drought, cold, periods of rain, wind, sunshine or flooding. The probability of occurrence, extent of the damage, the resulting expected value of the damage, measures such as insurance policies and diversification, as well as cost and marketing aspects are recognised for the risks. However, due to the annual basis of this approach, it is not possible to make a direct connection to long-term climate change. The agricultural sector in Central Europe, which is the source of most of BayWa AG's goods, is less affected by climate change, such as extreme weather events, than regions of the world located farther south. In the Conventional Energy business unit, BayWa is responding to changing customer needs as a result of climate change by supplementing its range of products and services, for example by including sustainable products for supplying heat. The company strategically caters to the growing demand for renewable energy through its subsidiary BayWa r.e.



Energy consumption and greenhouse gas emissions

G4-22

Electricity and fuels accounted for the lion's share of energy consumption at both BayWa AG and the reported subsidiaries.

 See also "Transport and logistics" section page 39

Energy consumption

BayWa sees reducing its energy consumption and Group-wide carbon footprint as a key contribution to climate protection. The company therefore designs its processes to be as energy- and resource-efficient as possible – especially in transport and logistics, which have the highest consumption levels. In many areas, employees are motivated to use energy as economically as possible, which protects the environment while saving costs.

Compared to 2014, BayWa succeeded in expanding its efforts to collect energy and emission data to three additional subsidiaries (Cefetra B.V., RWA AG and UNSER LAGERHAUS) during the reporting year. However, the data refers primarily to energy consumption within the organisation, i.e. in the companies' own processes. In part, the companies report the energy consumption for transport and logistics outside of the organisation through the recorded tonne-kilometres of their service providers.

In 2015, total energy consumption (direct and indirect) at BayWa AG decreased year on year by 30 percent to around 682,000 gigajoules (GJ)¹, which was primarily due to reduced utilisation and the closure of individual sites. Energy consumption per employee fell by 40 percent year on year to 75.6 GJ. The energy consumption of reported subsidiaries totalled some 408,000 GJ, which amounts to energy consumption per employee of 149 GJ.

At BayWa AG, fuels (especially diesel) for transport and logistics services (own and outsourced procurement and distribution shipments, service vehicles for agricultural equipment and lift truck operations) accounted for just under

¹ Figure from the 2014 report adjusted due to modified calculation.

Energy consumption at BayWa AG 2015¹ (in gigajoules)

Total 682,184.6 (971,483.7)



Natural gas:	60,558.8	(102,876.5)
District heating:	23,077.1	(23,241.6)
Heating oil:	111,845.5	(180,031.1)
Electricity:	157,760.7	(199,630.4)
Fuels:	328,942.5	(465,704.1)

¹ Benchmark 2014 figures in brackets. The fuel figures were adjusted with respect to the previous year. Due to the temporary relocation of the head office, the figures for BayWa headquarters in Munich were carried forward from the previous year.

Energy consumption of subsidiaries in 2015¹ (in gigajoules)

Total 407,837.3



Natural gas:	152,725.1
District heating:	10,222.2
Heating oil:	29,180.6
Electricity:	136,259.3
Fuels:	78,323.6
Biogenic fuels:	1,126.5

¹ Includes the subsidiaries BayWa r.e renewable energy GmbH, RWA Raiffeisen Ware Austria AG, "UNSER LAGERHAUS" Warenhandelsgesellschaft m.b.H. and Cefetra B.V. Data from 2014 not available. Data from RWA Raiffeisen Ware Austria AG and BayWa r.e. renewable energy GmbH for 2015 not complete. Data for Cefetra B.V. does not include fuel consumption.



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50 percent of direct energy consumption. Altogether, the energy consumption of BayWa AG and the reported subsidiaries amounted to some 1,090,000 GJ (including electricity and district heating). At BayWa AG, direct energy consumption was down 42 percent year on year. The procurement of electricity accounted for almost 87 percent of BayWa AG's indirect energy consumption. Since 2012, the company has procured 99 percent of its electricity from renewable energy sources. Most of that electricity is certified with the "OK power" seal of quality, which stipulates relatively high sustainability standards. RWA AG managed to reduce its petrol consumption year on year by more than 25 percent thanks to the exchange of petrol against diesel vehicles. Diesel consumption increased by 7.7 percent. The procurement of electricity accounted for almost 70 percent of indirect energy consumption.

Greenhouse gas emissions

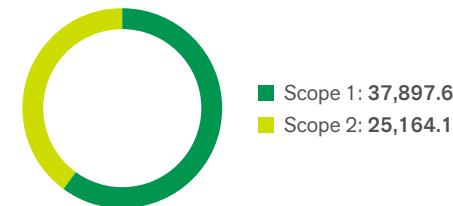
Since 2014, BayWa AG and BayWa r.e. have been keeping records of their CO₂ emissions from operations based on the internationally recognised Greenhouse Gas (GHG) Protocol Corporate Standard. The subsidiaries Cefetra B.V., RWA AG and UNSER LAGERHAUS have been doing the same since 2015. They report on the following emissions:

Scope 1: Direct emissions from combustion processes of stationary systems (natural gas, heating oil and diesel), mobile systems (fuel from procurement and distribution shipments, own and leased passenger cars) as well as direct emissions of volatile gases (coolants and refrigerants)

Scope 2: Indirect emissions from purchased electricity and district heating.

Greenhouse gas emissions at BayWa AG in 2015¹ (in tonnes of CO₂ equivalents)

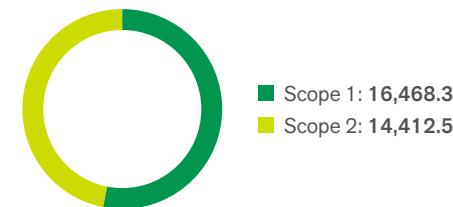
Total 63,061.7



¹ Activities included in Scope 1: Fuel combustion in passenger cars, trucks and forklift trucks, as well as the combustion of heating oil and natural gas for heating and drying as well as emissions from refrigerants; emission factors from VDA 2015 and DEFRA 2015. Activities included in Scope 2: Procurement of district heating and electricity; emission factors from VDA 2010 and VDA 2015 (location-based).

Greenhouse gas emissions at subsidiaries in 2015¹ (in tonnes of CO₂ equivalents)

Total 30,880.8



¹ Includes the subsidiaries BayWa r.e. renewable energy GmbH, RWA Raiffeisen Ware Austria AG (only partial data for both), "UNSER LAGERHAUS" Warenhandelsgesellschaft m.b.H. and Cefetra B.V. (with projections for 2014). Activities included in Scope 1: Fuel combustion in passenger cars, trucks and forklift trucks, as well as the combustion of heating oil and natural gas for heating and drying; emission factors from VDA 2015 and DEFRA 2015 used. Activities included in Scope 2: Procurement of district heating and electricity; emission factors from VDA 2010 and VDA 2015 (location-based).



 See also "Transport and logistics" section page 39

BayWa AG reduced greenhouse gas emissions by around 29 percent compared to 2014.

In accordance with the guidelines of the Greenhouse Gas Protocol in effect since 2016, BayWa reports its greenhouse gas emissions from electricity using the emission factors of the respective national electricity mix. The "location-based method" was applied for calculating emissions, which also includes emissions from green electricity in the total emissions reported. BayWa includes emissions generated along the upstream and downstream value chain (Scope 3) in its reporting if there is a sufficient data basis for calculation. In this report, this last scope also extends to the emissions generated by transport and logistics service providers. BayWa aims to expand its record-keeping activities for Scope 3 categories in the long term.

Greenhouse gas emissions at BayWa fell year on year by around 29 percent to just under 63,000 tonnes of CO₂ equivalents. This corresponds to CO₂ emissions of 7.0 tonnes per capita – a year-on-year reduction of almost 25 percent. CO₂ emissions at the subsidiaries amounted to some 30,900 tonnes of CO₂ equivalents. Overall, BayWa AG accounted for the largest share of emissions from direct consumption in 2015 – primarily from transport – at 60 percent, while electricity consumption at the subsidiaries proved to be a major factor, accounting for 45 percent of CO₂ emissions. Through the purchase of green electricity, BayWa AG contributed towards reducing emissions in the amount of about 23,000 tonnes (2014: 32,000 tonnes) of CO₂ equivalents in the reporting year. At the subsidiaries, green electricity accounted for approximately

17 percent of total electricity consumption and contributed to an emission reduction of 4,400 tonnes of CO₂ equivalents.

Ozone-depleting substances at BayWa are attributable primarily to product refrigeration in the Fruit business unit. The business unit consumed 710 kilograms (2014: 280 kilograms) of refrigerant at four locations in 2015, causing the emission of some 1,944 tonnes of CO₂ equivalents (2014: 424 tonnes). Certain refrigerants, such as R22, are recycled at the end of their life cycles and reused in other products, such as acids, at a rate of up to 97 percent.



Waste and waste water

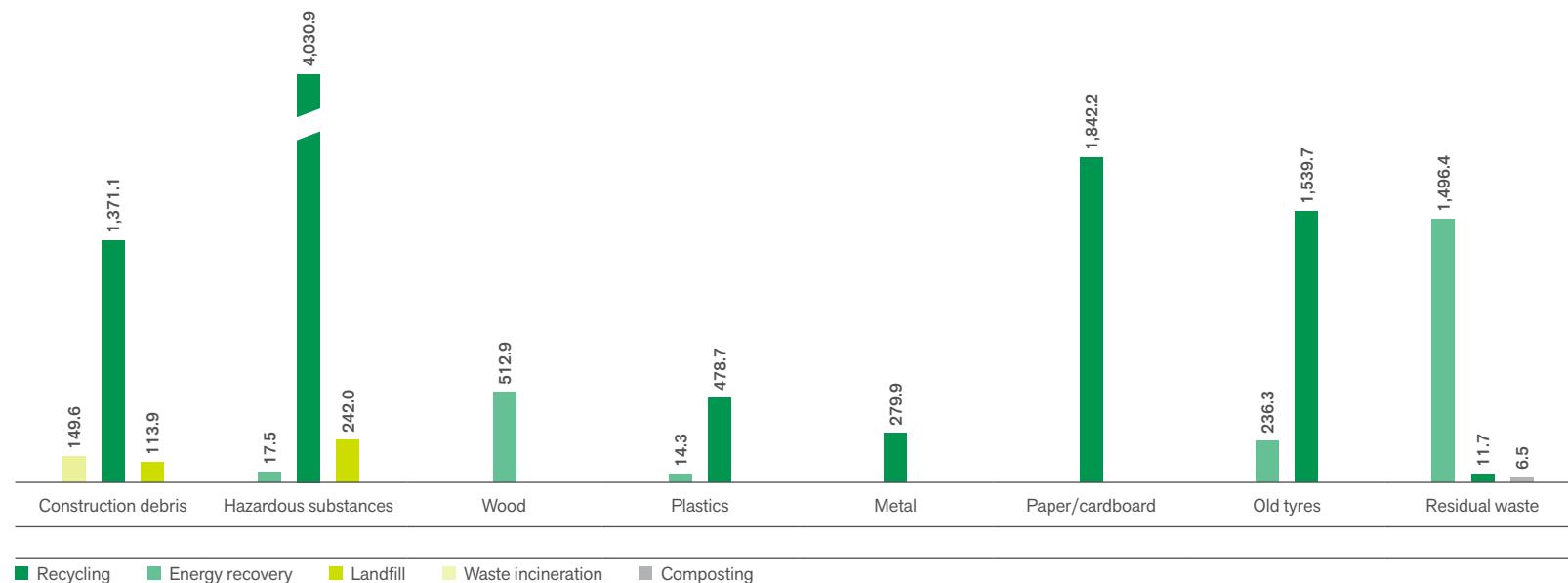
Waste

BayWa AG designs its processes to be as energy- and resource-efficient as possible, keeping the impact of waste and waste water on the environment to a minimum. Standardised instructions at all sales branches on dealing with waste and proper disposal channels ensure that environmentally harmful

incidents, either at sites or when transporting goods, are avoided and the results of incidents are limited. The careful selection of and long-term partnership with disposal companies that provide a full range of services make it easier to monitor and control the processes.

Waste at BayWa AG 2015¹ in tonnes

Total 12,343.6



¹ Data and method of disposal provided by waste management company. Residual waste, including green waste, waste from the delivery of goods and administrative operations, including waste taken back.

As part of product responsibility, BayWa AG supports the establishment of collection points at its locations and organises regular campaigns to take back waste. As a result, more than 100 locations in the Conventional Energy and Agricultural Equipment business units are registered as collection points of the collecting society for containers in the petroleum industry (Verwertungsgesellschaft für Gebinde der Mineralölindustrie – GVÖ), which customers can use free of charge. In cooperation with the packaging return service of the agricultural industry association Industrieverband Agrar e.V. (PAMIRA) and Gesellschaft für Rückführung industrieller und gewerblicher Kunststoffverpackungen (RIGK) mbH, BayWa AG took back 2,900 tonnes of crop protection containers at Conventional Energy and Agricultural Equipment business unit locations, as well as 892 tonnes of agricultural film at 56 collection points.

The proper disposal of waste from products and processes is a central task of BayWa AG. In 2015, around 12,300 tonnes of waste (including waste that was taken back) were produced at some 400 BayWa AG locations. Used oil, used tyres and residual waste accounted for the majority of this at 51 percent. A portion of this waste – 1,900 tonnes – was generated from packaging materials from goods deliveries. As in the previous year, more than 99 percent of the packaging was recycled. In the course of its administrative operations, BayWa AG produced 530 tonnes of waste, primarily from used paper (505 tonnes). At six locations, RWA AG produced some 780 tonnes of waste. At 76 percent, the majority of this was created by paper, organic and residual waste. At the subsidiary UNSER LAGERHAUS, 2,700 tonnes of waste were generated, including 290 tonnes of paper.

Waste by disposal method at subsidiaries 2015¹ (in tonnes)

Total 8,235.8



- Recycling: 1,281.8
- Composting: 583.2
- Energy recovery: 164.5
- Waste incineration: 4,687.2
- Landfill: 295.5
- Other methods of disposal: 1,223.6

¹ Includes the subsidiaries BayWa r.e. renewable energy GmbH, RWA Raiffeisen Ware Austria AG, "UNSER LAGERHAUS" Warenhandelsgesellschaft m.b.H. and Cefetra B.V. Data and method of disposal provided by waste management company. Data from BayWa r.e. renewable energy GmbH for 2015 not complete. Including waste from the delivery of goods, administrative operations and waste taken back.

Instructions for the handling of hazardous waste are in effect at BayWa AG and the reported subsidiaries. During the reporting year, BayWa AG organised the proper disposal of around 4,290 tonnes (2014: 4,612 tonnes, excluding waste disposed of by contractual partners) of machine, gear and lubricating oils and other hazardous substances, such as fuel, contaminated packaging and solvents. UNSER LAGERHAUS produced 1,273 tonnes of hazardous waste, while the figure for RWA AG was around 18 tonnes. In total, some 95 percent of all hazardous waste was recycled.



To guarantee the safety of the environment and society, Group-wide instructions for the handling of hazardous substances are in effect at BayWa AG. To ensure compliance, regular demonstration sessions, training sessions and inspections are carried out.

Damage claims and pollution

BayWa AG and its subsidiaries are responsible for, among other things, the safe storage of hazardous substances and the safe transport of dangerous goods, such as heating oil or crop protection products. Top priority goes to avoiding incidents of pollution and to customer satisfaction. Since 1992, all claims involving BayWa AG have been recorded centrally, analysed and processed as quickly as possible in cooperation with the insurance company, relevant experts and the customer, regardless of who caused the damage. RWA AG employees are obliged to report anything that sticks out with regard to incidents of pollution and cases of damage. In 2015, BayWa r.e. acquired a biogas plant in Bavaria at which environmental damage was known to have occurred. In cooperation with the local authorities, the company dismantled the former bunker silo, which was responsible for the environmental damage. At the same time, BayWa cleaned up the contaminants in the soil by building an innovative, new bunker silo concept at the same site, including a leakage detection system that can be monitored. Monitoring of the successful groundwater bioremediation efforts was completed in 2016.

Recycling waste water

Since the end of 2015, BayWa AG has no longer been directing the scrubbing slurry that is created in the process of cleaning fertiliser ships into the water, but rather disposes of it separately or discharges it into the sewer system. BayWa is coordinating the implementation closely with the communal waste management. The water treatment plants at the two sorting facilities in the Fruit business unit are permanently in operation and supply 97 percent of the drinking water required for the treatment process, so that only a small amount of fresh water is used. To clean waste water contaminated by oil, RWA AG has installed mineral oil separators at the affected areas. The company discharged 7,113 m³ of waste water into the public sewer system. At the mixed feed-stuff locations of UNSER LAGERHAUS, the fresh water is sourced from the municipal water mains and prepared for production. A majority of the waste water is reused, mainly in production. The nearly 30 filling stations in Austria are equipped with cutting-edge oil separators that reintroduce only harmless waste water back into the water cycle.



Transport and logistics

Logistics strategy

Logistics are an essential part of the value chain for a trading company. At the same time, they are an important means of improving the company's carbon footprint. We rely on process safety and customer service to meet this challenge, as well as for handling sensitive products, such as food or dangerous goods, and to accommodate the wide range of value chains.

Since 2014, BayWa AG has been pursuing the sustainable focus of its logistics as a project spanning all business units. As a result, it not only saves on energy and costs, but also meets the rising expectations of customers with regard to safe, environmentally compatible transport. The path to achieving this involves four goals:

- Creation of optimal distribution structures through network planning
- Increasing the number of shipments by rail and inland waterways through targeted logistics concepts
- Reducing shipments and emissions by optimising routes, using a modern vehicle fleet and trained drivers
- Sustainable transport partnerships anchored as a principle in the procurement framework and purchasing guideline

Ecological impact of transport by BayWa AG vehicles and service providers

The calculation of CO₂ emissions from the vehicle fleet of BayWa AG and its subsidiaries is based on actual fuel consumption. In terms of the commissioned freight forwarders, the transported tonnage and distance travelled or – if available – fuel consumption provided the basis of calculation. In the case of the processes under consideration, the focus is on procurement as well as distribution shipments (including tankers and pellet trucks, crane trucks, silo and dump trucks) for which BayWa assumes the cost.

BayWa AG covered approximately 17 million kilometres to transport more than 1.8 million tonnes of goods in the reporting year. The resulting emissions totalled around 16,300 tonnes (2014: 18,750 tonnes) of CO₂ equivalents. With some 7,400 tonnes of CO₂ equivalents, most greenhouse emissions were attributable to the Conventional Energy business unit for the transportation of liquid fuels and wood pellets.

A considerably higher share of around 4.3 million tonnes of goods from BayWa AG was transported by logistics service providers in the reporting year. At more than 1.5 billion tonne-kilometres covered, some 67,000 tonnes of CO₂ equivalents were emitted (2014: approximately 75,000 tonnes). As in the previous year, the largest share of this amount, at more than 56,500 tonnes, was attributable to the Agricultural Trade business unit for the transport of agricultural produce and fertilisers by trucks, rail and inland waterways.



BayWa means of transport mix

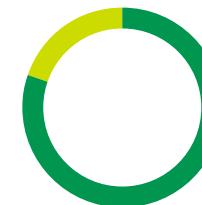
At both BayWa and its subsidiaries, the majority of shipments were made by trucks or maritime transport. The company focuses on environmentally friendly models. As a result, the number of trucks with Euro 5 or Euro 6 standards increased by 8 percent in 2015. However, the company is increasingly relying on environmentally friendly rail transport, especially in the Agricultural Trade business unit. The business unit succeeded in further increasing the share of shipments transported by rail in the reporting period from 5.8 percent to 11.0 percent, due primarily to the north-east block train concept. As announced in 2014, BayWa AG sent the majority of its packages – 150,000 pieces – in a carbon-neutral manner in 2015.

BayWa AG and its subsidiaries consumed approximately 12 million litres of fuel in 2015 using own and leased vehicles, including service vehicles used by technicians (Agricultural Equipment sales, customer service) or cars for business trips. RWA AG consumed some 230,000 litres of diesel. Using lease agreements, BayWa AG replaces its cars with new, more fuel-efficient models every three to four years. In 2015, BayWa also purchased four environmentally friendly natural gas vehicles. Over the whole of 2015, BayWa AG employees covered approximately 515,000 passenger kilometres (2014: 530,000 passenger kilometres) by train on business trips, saving more than 84,000 kilogrammes (2014: 86,000 kilogrammes) of CO₂ when compared to using a car.

Greenhouse gas emissions caused by transport at BayWa AG 2015¹

(in tonnes of CO₂ equivalents)

Total 82,910.6



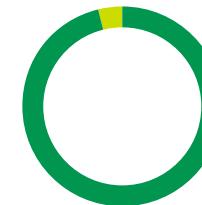
- Service providers: **66,619.1**
- Own vehicles: **16,291.5**

¹ Emission data of own vehicles: diesel combustion in own trucks, emission factors from VDA 2015. Basis for emission data of service providers: transport in tonne-kilometres, emission factors from GEMIS 4.94. Excluding the Building Materials business unit. Due to a modified collection method, the data is not directly comparable to the data from 2014.

Greenhouse gas emissions caused by transport at subsidiaries 2015¹

(in tonnes of CO₂ equivalents)

Total 100,871.7



- Service providers: **97,107.4**
- Own vehicles: **3,764.3**

¹ Includes the subsidiaries BayWa r.e. renewable energy GmbH, RWA Raiffeisen Ware Austria AG, "UNSER LAGERHAUS" Warenhandelsgesellschaft m.b.H. and Cefetra B.V. Emission data of own vehicles: diesel combustion in own trucks, emission factors from VDA 2015. Basis for emission data of service providers: transport in tonne-kilometres, emission factors from GEMIS 4.94. Data from UNSER LAGERHAUS, RWA AG, BayWa r.e. and imports from maritime cargo transport not fully reported.



Transport by means at BayWa AG 2015¹ (in million tonne-kilometres)

Total 1,506.6



- Trucks: 586.4
- Rail: 175.0
- Ship: 745.2

¹ Only transports by service providers, excluding the Building Materials and Fruit business units.

Transport by means at subsidiaries 2015¹ (in million tonne-kilometres)

Total 2,312.8

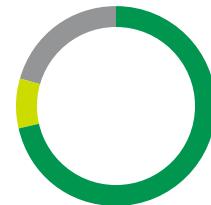


- Trucks: 1,182.4
- Rail: 132.2
- Ship: 998.2

¹ Includes the subsidiaries BayWa r.e renewable energy GmbH, RWA Raiffeisen Ware Austria AG, "UNSER LAGERHAUS" Warenhandelsgesellschaft m.b.H. and Cefetra B.V. Only transports by service providers. Calculated on the basis of transport (tonne-kilometres), emission factors from GEMIS 4.94, without maritime cargo.

Share of means of transportation in Agricultural Trade (for bulk cargo, weight in t)¹

Total 4,395,453 (4,889,219)



- Trucks: 3,145,453 (3,108,631)
- Rail: 350,000 (283,798)
- Ship: 900,000 (1,496,790)

Reference figures for 2014 in brackets

¹ Agricultural produce, fertilisers, feedstuffs



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Strategy and Governance



Market



Environment and Climate



Employees



Quality of Life



Employees

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Qualified and capable employees are becoming a key requirement that companies are increasingly struggling to meet. The reasons for this are the demographic change in industrialised countries, the subsequent lack of specialists and the increasing specialisation of job profiles. At the same time, the demands placed on employees and managers are constantly growing. BayWa is rising to meet these challenges with a proactive human resources strategy. The company promotes the development and loyalty of employees and addresses their needs at different stages of their lives. Employees are qualified in a targeted manner for the technical and cultural challenges associated with the internationalisation and digitisation of the Group. As a result, BayWa is based on loyal permanent staff, a traditionally high training rate and high-quality training.



Human resources strategy and employment structure

Sustainable human resources strategy

BayWa AG's Corporate Human Resources organisational unit sees its role as driving corporate culture and serving as a strategic partner with a wide-ranging management function. A fitting selection of employees, their development and retention all make a significant contribution to the company's success. Four fields of action define BayWa's human resources strategy:

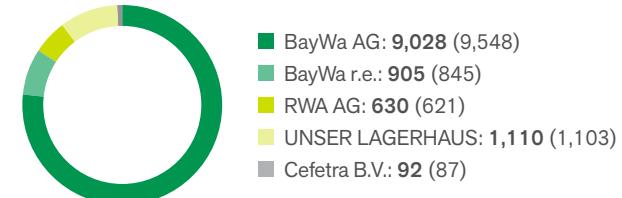
- The **demographic change** requires strategic positioning in the “war for talents”. BayWa needs to know and accommodate the needs of its employees at different stages of their lives (generational mix). One focus of HR work is on promoting a work-life balance as well as employee health.
- The company is tackling the multicultural, intercultural and global HR issues associated with BayWa's internationalisation through **innovation and development**. The primary objective is to successfully combine new and old employee structures.
- In order to be able to react quickly to **changes in market conditions**, BayWa is expanding the skills and expertise of its employees, sensitising them to cultural challenges and fostering an active transfer of knowledge.

– In terms of the **Group's social aims**, BayWa includes corporate social responsibility measures in HR management and promotes the alignment of corporate and personal values among employees.

Through systematic training and efforts to promote diversity, BayWa builds up the long-term loyalty of its employees.

Headcount at BayWa AG and subsidiaries¹

Total 11,765 (12,204)



Benchmark 2014 figures in brackets

¹ All employee figures in this section take into account trainees and may therefore differ from the figures provided in the Consolidated Financial Statements.



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Employment structure¹

The number of employees at the BayWa Group rose once again in 2015. At the end of the year, the headcount totalled 17,438 employees in 32 countries worldwide (2014: 16,935 employees). Of these employees, 51.8 percent worked in Germany (BayWa AG without affiliated companies). In particular, the Agriculture Segment with the Fruit, Agricultural Trade and Agricultural Equipment business units contributed to growth through targeted recruitment and international acquisitions. The number of BayWa AG employees fell further, down to 9,028, due to organisational and structural measures. During the reporting year, 2.9 percent of employees worked at BayWa AG on a fixed-term basis (2014: 3.6 percent), while 10.9 percent worked there part-time (2014: 10.3 percent). Marginally employed and fixed-term workers also play an important role in the company's success. They lend support with seasonal business, such as the processing of the grain and fruit harvests.

During the reporting year, a total of 2,737 employees worked at the reported subsidiaries BayWa r.e., RWA AG, UNSER LAGERHAUS and Cefetra B.V. (2014: 2,656 employees). These employees, together with those of BayWa AG, account for 67.5 percent of the Group's headcount. Due to the acquisition and establishment of companies, headcount at the BayWa r.e. Group increased by 60 to 905 employees altogether.

BayWa AG's personnel expenses amounted to some €433 million in 2015 (2014: approximately €450 million).

¹ All employee figures in this section take into account trainees and may therefore differ from the figures provided in the Consolidated Financial Statements. Due to rounding, numbers presented in these tables may not add up precisely to the totals provided.

Employment structure at BayWa AG 2015

Total employees 9,028 (9,548)



- Technical, men: **32.0%** (32.8%)
- Technical, women: **2.1%** (2.5%)
- Commercial, men: **42.3%** (41.3%)
- Commercial, women: **23.5%** (23.4%)

Including trainees
Benchmark 2014 figures in brackets

Employment structure at RWA AG and UNSER LAGERHAUS 2015

Total employees 1,740 (1,724)



- Technical, men: **26.0%** (26.3%)
- Technical, women: **2.5%** (2.7%)
- Commercial, men: **40.1%** (40.3%)
- Commercial, women: **31.4%** (30.7%)

Including trainees
Benchmark 2014 figures in brackets



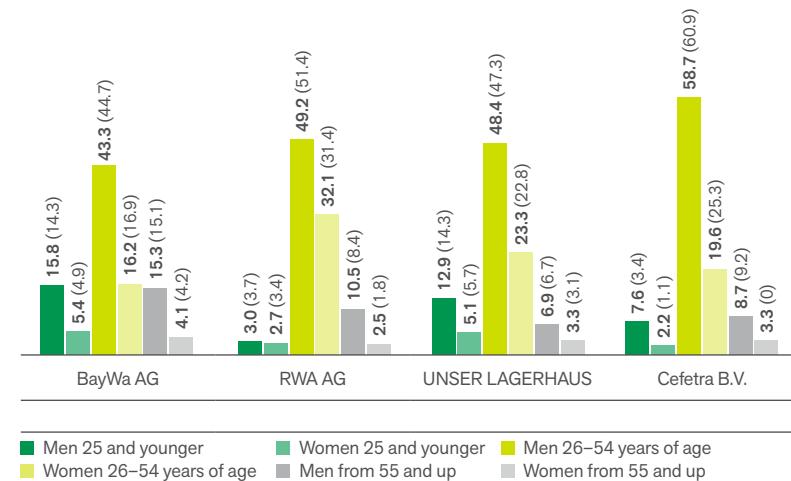
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Length of service and employee turnover

Through strategic HR development and targeted training, BayWa AG builds up the long-term loyalty of its employees and maintains their employability. Above-average length of service to the company and low turnover both indicate a high level of employee satisfaction. The former increased year on year to 15.6 years (2014: approximately 15 years). During the reporting period, 567 new employees joined the company (2014: 827 employees), while 1,055 employees left (2014: 1,767 employees). This amounts to a turnover rate of 3.4 percent (2014: 4.4 percent). Turnover was highest in the group of employees between 30 and 50 years old. New employees stood at 5.9 percent during the reporting year (women: 5.1 percent; men: 6.2 percent; 2014: 8.1 percent overall). At BayWa r.e., 151 persons who left resulted in a rate of employees leaving of 17.8 percent in 2015. Offsetting this were 198 new hires, so that the number of employees went up on the whole. The average age of employees at BayWa AG was 40 years, as in 2014. At BayWa r.e., the average age of employees was 38 years in 2015, whereby about 22 percent of employees were under the age of 30 and about 14 percent over the age of 50 years old.

Age distribution at BayWa AG and subsidiaries 2015 in percent

Total employees 10,860 (11,359)



Diversity and equal opportunities

The number of employees working outside Germany increased year on year by 2.7 percent. Our employees hail from 32 different countries and cover all age groups. To take even better advantage of this potential, international meetings were held in 2015 for the first time to foster networking among HR managers from Germany, New Zealand, the Netherlands and Austria, among other countries. As in 2014, at BayWa AG women accounted for some 26 percent of the workforce during the reporting year. The number of women in management positions at BayWa AG went down from 15.3 percent to 12.7 percent, while the number of women on the Supervisory Board increased to around 19 percent (2014: 12.5 percent).

Employee discrimination on the basis of personal background, gender, age or sexual orientation is not tolerated at BayWa. This policy is embedded in the Code of Conduct drawn up in 2015, which replaced the ethical principles of BayWa that had been in effect until then. These principles are also communicated through BayWa's Corporate Leadership Guide published in early 2016 and at mandatory management training courses. In terms of equal opportunities, the company pursues the aim of securing the most suitable candidates for every vacant management position, regardless of gender. Pay is determined based on a candidate's experience and expertise, as well as the assessment of a candidate's performance pursuant to the collectively negotiated pay scales. Virtually all of the employees at BayWa AG fall under these collective wage agreements. As a result, there are no differences in pay between women and men at BayWa. As in 2014, neither BayWa nor any of the reported subsidiaries were made aware of any cases of discrimination in 2015. Employees have

Age distribution for management positions at BayWa AG 2015

Total management (levels 1 and 2) 110 (98)



Benchmark 2014 figures in brackets

Age distribution for management positions at subsidiaries 2015¹

Total management (levels 1 and 2) 95 (89)



Benchmark 2014 figures in brackets

¹ Includes BayWa r.e. renewable energy GmbH, RWA Raiffeisen Ware Austria AG, "UNSER LAGERHAUS" Warenhandelsgesellschaft m.b.H. and Cefetra B.V.



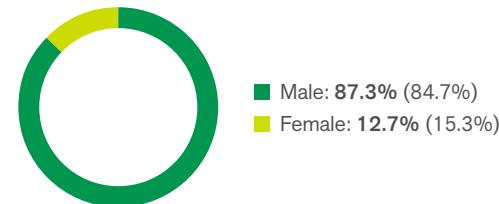
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the option to approach their supervising manager, the Human Resources department or to anonymously contact the external legal counsel mandated by BayWa to serve as an ombudsman with regard to these matters.

To promote a better work-life balance, BayWa AG provides its employees with flexible working time models geared towards the different stages of their lives. In 2015, 2.3 percent (2014: 2.2 percent) of employees went on parental leave, 89.4 of whom were women (2014: 92.0 percent). Of the 10.9 percent of employees working part-time (2014: 10.3 percent), 70.0 percent were women (2014: 71.6 percent). In 2015, BayWa AG offered the "Welcome Back" seminar for the first time, which lends support to employees as they transition back into professional life after taking parental leave. When it comes to the issue of care for children or relatives requiring care, the company provides support by coordinating day care and providing an allowance for the related costs. In its advertisements for jobs, BayWa encourages people with a disability to apply. At BayWa AG, they accounted for 3.3 percent of employees during the reporting period (2014: 3.5 percent). BayWa AG also awards orders for digitising contract documents, for example, to organisations that employ people with disabilities as a matter of priority.

Management positions by gender at BayWa AG 2015

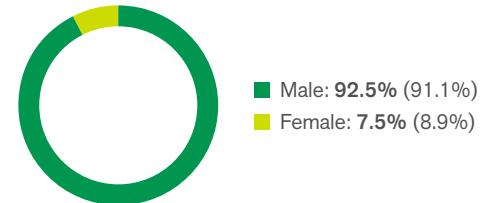
Total management (levels 1 and 2) 110 (98)



Benchmark 2014 figures in brackets

Management positions by gender at subsidiaries 2015¹

Total management (levels 1 and 2) 80 (79)



Benchmark 2014 figures in brackets

¹ Includes BayWa r.e. renewable energy GmbH, RWA Raiffeisen Ware Austria AG, "UNSER LAGERHAUS" Warenhandelsgesellschaft m.b.H. and Cefetra B.V.

Training and education

Through strategic personnel development and training measures, the BayWa Group gives its employees the opportunity to make systematic and individual progress in their careers. The competence model introduced in 2014, which outlines the requirements for employees and managers, underwent further development in 2015 based on the corporate strategy and the corporate mission statement. Seminars and training courses focus on strengthening personal and social skills, technical and methodological skills as well as business and leadership skills. In 2015, more than 7,900 participants (2014: more than 11,500 participants) took advantage of more than 19,000 training days (2014: more than 20,200 training days) at BayWa AG. This amounts to an average of 14.8 training hours per employee during the reporting period (2014: 13.6 training hours). In 2015, more than 470 participants (2014: more than 420 participants) took advantage of more than 1,000 training days (2014: more than 1,200 training days) at BayWa r.e. RWA AG and UNSER LAGERHAUS conducted 1,190 training courses for some 1,500 participants in the reporting year.

Training and recruiting

For years, BayWa has been providing training at levels that exceed the German average. The range covers 13 grey- and white-collar apprenticeships at some 400 locations in total. During the reporting year, BayWa AG employed 446 commercial (2014: 479) and 513 technical (2014: 506) trainees in Germany, which amounts to a training ratio of 9.5 percent (2014: 9.3 percent). In 2015, the hiring ratio stood at 58.2 percent (2014: 64.8 percent). BayWa r.e. employed ten trainees during the reporting period, three of whom were hired on.

Average number of training hours at BayWa AG 2015¹

	2014	2015
Average total number of employees: 9,625 (2014: 10,237)		
Number of hours per capita overall	13.6	14.8
Number of hours per capita: men	15.2	16.7
Number of hours per capita: women	9.3	9.6
Number of hours per capita: commercial	14.4	14.2
Number of hours per capita: industrial	12.1	15.9

¹ The figures refer to BayWa AG, excluding specialist training courses by Conventional Energy. The Conventional Energy business unit included 934 employees and conducted 1,752 training courses with some 1,312 participants in the reporting year.

Personnel development and training

Continued professional training for employees provides the basis for securing qualified, motivated employees and retaining them in the long term. The annual employee assessment, which was revised in 2015, is a mandatory management tool for all full- and part-time BayWa AG employees. It focuses on respectful dialogue between managers and their employees, as well as on providing employees with feedback on their personal development and performance. Based on the competence model, personal strengths and areas for improvement are identified, and together, managers and employees establish specific measures for professional development. Compared to 2014, the percentage of employees at BayWa AG who took part in an employee assessment rose slightly (43 percent of whom were women).



Occupational health and safety

Through active health management as well as preventive measures for occupational health and safety, BayWa AG ensures the long-term performance of its employees in all business units. Since 2013, the Environment, Health and Safety (EH&S) department has been responsible for this matter. EH&S is an organisational unit comprising 14 employees who provide related advice and support.

Occupational safety

BayWa AG has kept systematic records of accidents at work since 1974. With a total of 296 work and travel accidents (2014: 246 accidents), the accident rate increased year on year in 2015. The total amount of downtime

per accident dropped to 8.0 days (women: 7.2 days; men: 8.1 days; 2014: 8.8 days overall). At BayWa r.e. renewable energy GmbH, there were no work-related accidents in 2015. There were ten and 15 accidents respectively at RWA AG and UNSER LAGERHAUS. As in 2014, there were no fatal accidents either at BayWa AG or the subsidiaries. BayWa aims to avoid accidents and injuries among its workforce. BayWa AG and its subsidiaries achieve this, for example, through an extensive catalogue of personal protective equipment as well as a comprehensive training programme on prevention in occupational safety. BayWa AG also makes use of its internal suggestion scheme to determine how accidents can be prevented and working conditions improved.

Accidents BayWa AG 2015

	Accidents in the workplace		Accidents on the way to work		Accidents total	
	2014	2015	2014	2015	2014	2015
Employees	28	27	13	21	41	48
Warehouse personnel	103	122	8	10	111	132
Workshop personnel	91	109	3	7	94	116
Total	222	258	24	38	246	296



Occupational health

BayWa's occupational health management is based on an extensive infrastructure, which consists of a working group, the addiction officer, EH&S coordinators and cooperation partners. In 2014 and 2015, more than 5,000 employees received training on health and safety issues. BayWa AG actively promotes employee health with a six-point health programme, which includes advice on exercise, nutrition, psychological well-being, stress management and work-life balance. The result of all these efforts is a rate of illness that has been low for years. In 2015, it stood at 3.2 percent at BayWa AG (2014: 2.8 percent). The companies RWA AG and UNSER LAGERHAUS recorded a rate of illness of 3.0 percent and 2.3 percent respectively.

At-risk employee groups

BayWa AG employees who are considered especially at risk in the industrial sector include warehouse staff and professional drivers, as well as employees in workshop areas, such as agricultural machinery mechanics and customer service for milking operations. The requests submitted through the employer's liability insurance association regarding suspicions of occupational illnesses afflicting current or former employees in 2015 were looked into. As in 2014, no occupational illnesses were ascertained. BayWa's occupational reintegration management provides employees suffering from longer-term or frequent illnesses with optimum support.

Sickness absence rate BayWa AG in percent

	2014	2015
Total	2.8	3.2
Commercial	2.4	2.7
Thereof female	2.5	3.1
Thereof male	2.3	2.5
Technical	3.7	4.4
Thereof female	2.7	4.4
Thereof male	3.7	3.3





Quality of Life

- › [Comprehensive product responsibility](#)
- › [Certification of processes and product labelling](#)
- › [BayWa Foundation and sponsorships](#)

With its products and services, BayWa helps to meet the basic human needs for food, energy and shelter. BayWa relies on appropriate processes and guidelines to ensure that it is able to provide safe products with a high level of lasting quality. This includes systematic product traceability, comprehensive residue monitoring for food and feedstuffs, as well as transparent customer notification. The company is also available across the board to customers, especially in rural regions, and offers comprehensive support with efficient and sustainable agricultural practices, plus product consulting. In addition, BayWa assumes social responsibility through donations and sponsorships in the fields of education, sports and the environment. The BayWa Foundation works to improve the educational opportunities for children and young people across Germany and the globe.



Comprehensive product responsibility – regarding product range and services

In late 2014, BayWa r.e. was one of the first companies to receive the "Wegbereiter der Energiewende" (energy transition pioneer) certificate from TÜV SÜD for its efforts in promoting renewable energy, energy efficiency and flexible energy supply systems.

In its various roles as a service provider for farmers, as the largest single seller of German dessert pome fruit and as a trader of energy carriers, BayWa is aware of its responsibility towards people and the environment. Thanks to close collaboration between producers, production and marketing, in addition to comprehensive residue monitoring, the company meets strict quality and product-safety standards, especially in the food and feedstuffs industry. Seamless supplier logging and defined, transparent processes guarantee the systematic traceability of all products, which includes verification of the food grade quality of consumables and supplies. As a result, the companies included in the report were not made aware of any incidents during 2015 of non-compliance with regulations in terms of the effects of products and services on health and safety or in terms of the labelling of products and services.

Comprehensive range of products and services for farmers

To ensure our customers are able to realise the yield potential of their fields in an environmentally sound way, BayWa offers high-performance seed and provides extensive advice on cultivation methods and technologies. We test the quality of our seed at seven research stations across Germany, while we mix fertilisers at 18 locations in a needs-based manner. In addition, RWA AG designed an [online calculation tool](http://www.duengerplan.at) (www.duengerplan.at) in 2014 for the Austrian warehouses ("Lagerhäuser"), which determines the precise amount of nutrients needed for the particular soil. Apart from BayWa's OPTIFERT check for determining the fertiliser requirements of individual fields, RWA AG has also offered a mobile sampling service in Austria since 2015 for collecting soil samples. During

the reporting year, BayWa AG and RWA AG provided more than 1,900 employees with training in fertilisation, seed and crop protection. Some 150 plant cultivation events are held each year with around 7,000 external participants. In addition to information about the weather, markets and the stock market, the free 'BayWa Agri-Check' app provides farmers with a storm warning function and price alerts for market data and commodities. With the free BayWa greening calculator, farmers can also check online whether they fulfil the requirements set by the greening regulations in effect since early 2015 with regard to permanent pasture maintenance, crop diversification and the provision of Ecological Focus Areas (EFA). Since 2015, BayWa AG and RWA AG have been supporting farmers by employing the companies' own drones to spread wasp larvae as part of pest control efforts.

Healthy building materials and comprehensive consultation

Through a wide range of products and services, BayWa makes healthy, environmentally friendly construction a reality for customers. The Building Materials business unit offers some 1,000 low-emission products that feature the corresponding verification thanks to tests performed by either the manufacturer or BayWa. Since 2013, the business unit has carried building materials that are natureplus-certified, thereby satisfying the criteria for sustainable building. The EMICODE® EC1 + seal and eco-INSTITUT guarantee that materials are solvent-free and especially low-emission. BayWa also offers a planning service for homes that are healthy to live in and consulting on energy standards. Around half of the building material products are subject to labelling requirements.

 www.duengerplan.at



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Certification of processes and product labelling

Under the direction of the corporate Environmental Health & Safety (EH&S) regular meetings and training courses for current laws are held for all business units. In the reporting year, more than 1,000 BayWa AG employees received training on environmental regulations, especially with regard to hazardous goods and substances. In accordance with legal requirements, BayWa sends safety data sheets and any updates directly to customers, and it makes more than 13,000 such documents for hazardous goods and substances available on the internet and intranet (see table for the breakdown).

Special requirements for food and feedstuffs

The Conventional Energy and Agriculture business sectors of BayWa AG have implemented the ISO 9001 quality management standard, among others. All 235 locations of BayWa AG Agrar that collect, store and trade grain and feedstuffs in bulk, as well as all bulk shipments (made by truck, rail or ship) of grain and feedstuffs, are certified in accordance with the GMP B3 or B4 feedstuffs safety standards. RWA AG also introduced GMP B3 certification at 359 UNSER LAGERHAUS locations in 2015. BayWa complies with the special labelling obligations for products such as crop protection, seed, fertilisers and feedstuffs. As part of residue monitoring, which is reviewed every year by an independent certification company, BayWa spot checks food and feedstuffs for residues from crop protection and heavy metals, as well as for the impact caused by microorganisms and mycotoxins. More than 2 million tonnes (approximately 60 percent) of the recorded grain and oilseed were certified according to the REDcert EU sustainability standard in 2015 and can therefore

BayWa guarantees safe products for its customers through systematic traceability, reliable processes for hazardous substances and comprehensive residue monitoring.

Number of products with safety data sheets in 2015

BayWa AG	13,127
Cefetra B.V.	0
RWA Raiffeisen Ware Austria AG	16,000
"UNSER LAGERHAUS" Warenhandelsgesellschaft m.b.H	15,802
BayWa r.e. renewable energy GmbH	1,241

be used for the production of biofuels. RWA AG already introduced a quality management manual for grain storage and logistics in 2000. 97 percent of the soya traded by BayWa Agrarhandel and 94 percent of the soya traded by the subsidiary RWA AG is genetically modified. As a result, both companies comply with a special labelling obligation. As an international commodities trader, Cefetra B.V. is regularly audited with regard to quality, environmental and social standards in accordance with its good manufacturing practice (GMP+ International), Good Trading Practice (GTP), Cert ID Non-GMO Standard, International Sustainability and Carbon Certificate (ISCC), its Roundtable on Sustainable Palm Oil (RSPO) membership and its Round Table on Responsible Soy Association (RTRS) membership. Moreover, Cefetra B.V. has set up a standard to certify the soya production. This Certified Responsible Soya (CRS) standard was found to be compliant with the European Feed Manufacturers' Federation (FEFAC) sourcing guidelines.



The BayWa AG fruit wholesale markets fulfil the requirements of the food standards for quality and safety (QS), the International Featured Standard (IFS), and the Global Standard for Food Safety (BRC). What's more, they are recognised for registering products from organic farming pursuant to European Council Regulation (EC) 834/2007 on organic production and labelling of organic products. The producers are also QS-certified and operate in accordance with GlobalGap guidelines – a global standard for the sustainable production of agricultural produce. Both producers and BayWa fruit wholesale markets are audited each year. With 12 percent of the recorded amount, BayWa is the most important supplier of organically grown pome fruit.

Hazardous substances in the Renewable Energies business sector

Some 80 percent of BayWa r.e.'s products are subject to statutory labelling requirements, which the company fully guarantees. Storage systems for solar energy and biomass contain hazardous substances that are subject to special warehousing and transport requirements, in addition to proper labelling. BayWa r.e. ensures the safety of employees and customers through external safety officers, safety training courses and special protective equipment.

Products with safety data sheets at BayWa AG in 2015

Total: 13,127



- Agricultural Trade: 18%
- Fruit: 0%
- Agricultural Equipment: 8%
- Conventional Energy: 16%
- Building Materials: 58%

BayWa Foundation and sponsorships

Beyond the activities of the Foundation, BayWa AG lends support to the fields of sports, ecology and the environment, and education and society. Its current focus is on sponsoring sports. Since the 2014/15 season, the company's flagship project has been its involvement as the main sponsor of FC Bayern Basketball. During the reporting year, BayWa AG donated some €850,000 in total, of which €218,000 went to projects of the BayWa Foundation. All of the donations that the Foundation receives go entirely towards projects that it funds. BayWa AG doubles the donation amount and covers the administrative costs.

The BayWa Foundation is currently initiating and supporting more than 20 educational projects in Germany and across the world. The projects place special focus on healthy eating and renewable energy. The "Gemüse pflanzen, Gesundheit ernten" (planting vegetables, harvesting health) school garden project emphasises hands-on learning. In keeping with this, students and teachers plant fruits and vegetables together. They grow seedlings, create fruit and vegetable patches and tend the school garden. Preparing the fruits and vegetables to eat is part of the project's scope as well. Since the project began in 2013, the BayWa Foundation has successfully implemented it at 95 schools. In partnership with the BayWa Foundation, the Bavarian association for traditional costumes – Bayerische Trachtenverband – also created a large farmer's garden in 2015 and offers seminars on a healthy diet and vegetable growing.

Since 2011, the BayWa Foundation has supported the Deutschlandstipendium and provides some 100 students at German universities with financial assistance each year. The stipend was also awarded outside of Germany for the first time during the reporting year.

For education about renewable energy, the BayWa Foundation launched a pilot project in the reporting year with the Bechhofen primary and middle schools and the Weihenstephan-Triesdorf University of Applied Sciences. The students were put in a position to plan, make and operate a wind turbine on their own. The turbine successfully commenced operation in July 2015.

Since 2010, the BayWa Foundation has funded a project in Tanzania for producing energy through biogas. A large biogas plant for a girls' school was completed in 2015, and other measures for training and educating the people there were implemented.

In addition, 2015 was a year marked by great efforts to help refugees. BayWa AG and its subsidiaries RWA AG and UNSER LAGERHAUS provided space for housing refugees, organised donation campaigns for winter clothing and lent their support with distribution and logistics. The BayWa Foundation also provides language courses for refugees.

In 2015, the BayWa Foundation provided about €600,000 in funding for global projects that promote healthy eating and the responsible use of natural resources.



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Quality of Life

Sustainability targets of BayWa

		Sustainability targets by 2020	Target achievement in 2015
Environment and Climate	Reduction of CO ₂ emissions	<ul style="list-style-type: none"> - Measurement and management of the consumption of oil, gas, diesel, petrol (Scope 1) and electricity, as well as the procurement of district heating (Scope 2) at the sites - Identification of savings potential - Strategic energy management - Absolute CO₂ reduction target by 2020 for all emissions according to Scope 1 and Scope 2 	<ul style="list-style-type: none"> - Improvement in measuring consumption: collection of energy data, which is used as the basis for calculating CO₂ emissions, extended to include three subsidiaries - Energy audits performed at 63 locations for determining savings potential - Start of remodelling work at BayWa headquarters: goal is to achieve the LEED Gold rating - Development of a "Sustainable building at BayWa AG" guideline by construction management
Market	Governance and data quality	<ul style="list-style-type: none"> - Clear processes and contacts for sustainability issues - Greater transparency thanks to the consistent collection of social and environmental data - Measurement and management of sustainability performance through defined performance indicators and targets 	<ul style="list-style-type: none"> - The collection of social and environmental data expanded to include three subsidiaries, thereby accounting for around two-thirds of consolidated revenues - Data workshops held with managers and officers of BayWa AG and subsidiaries - Launch of a tool for collecting social and environmental data - Reconciliation of the results of the materiality analysis from 2014 with the subsidiaries included
	Suppliers Code of Conduct	<ul style="list-style-type: none"> - Code of Conduct for suppliers based on BayWa AG's Code of Conduct - Medium-term target: getting 10 percent of key suppliers to sign - Long-term target: getting all suppliers to sign 	<ul style="list-style-type: none"> - Responsibility for drafting the Code of Conduct for suppliers was assigned and the first consultation meetings between Sustainability management and the Compliance department were held - Initial talks held with operating units on the approach and implementation
	Analysis of customer expectations	<ul style="list-style-type: none"> - Structured and systematic collection and processing of customer opinions and requests - Survey of key customers in each business unit on their expectations of BayWa's sustainability performance - Integration of the results from sustainability management and the sustainability programme 	<ul style="list-style-type: none"> - Survey completed of more than 3,200 customers by the Conventional Energy business unit in the area of wood pellets - Findings from the "Kundenmonitor Österreich" survey included in RWA's customer management
Employees	Employee training	<ul style="list-style-type: none"> - Regular training on the challenges, strategy, targets and measures with regard to sustainability and encouragement to help shape the company's efforts - Sensitisation of managers to stakeholder expectations, providing them with motivation to take self-initiative 	<ul style="list-style-type: none"> - First Leadership Forum, where 90 BayWa managers discussed the topic of impulses and trends for leadership in transformation - 1,602 employees received on-site training on compliance or data protection, and 811 employees received online training on anti-corruption and antitrust law - Preparation of e-learning-based training for sensitising employees to the issue of sustainability (set-up tailored to the specific target groups, from managers to employees, apprentices and students)
	Employee survey	<ul style="list-style-type: none"> - Anonymous evaluation of the regularly conducted employee surveys - Development of cross-departmental measures based on the results - Monitoring of success through systematic follow-up and another survey 	<ul style="list-style-type: none"> - The drafting process of the employee survey started
Quality of Life	Future quality-of-life scenarios	<ul style="list-style-type: none"> - Development of future scenarios by cross-departmental and cross-business-unit groups of experts - Analysis of long-term societal changes and the value creation processes that arise as a result - Coming up with potential ways for BayWa to contribute to sustainable development 	<ul style="list-style-type: none"> - The issue of sustainability integrated into the programme for the next generation of leaders and managers



GRI Content Index



Materiality
Disclosures
BayWa AG

May 2016
Service

The BayWa Sustainability Report 2015 was prepared in accordance with the Global Reporting Initiative (GRI) guidelines and fulfils the "in accordance" Core option. The G4 guidelines in force since May 2013 were applied. The GRI G4 Food Processing Sector Disclosures were also taken into account. An external audit of the contents of the report was not performed.

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