



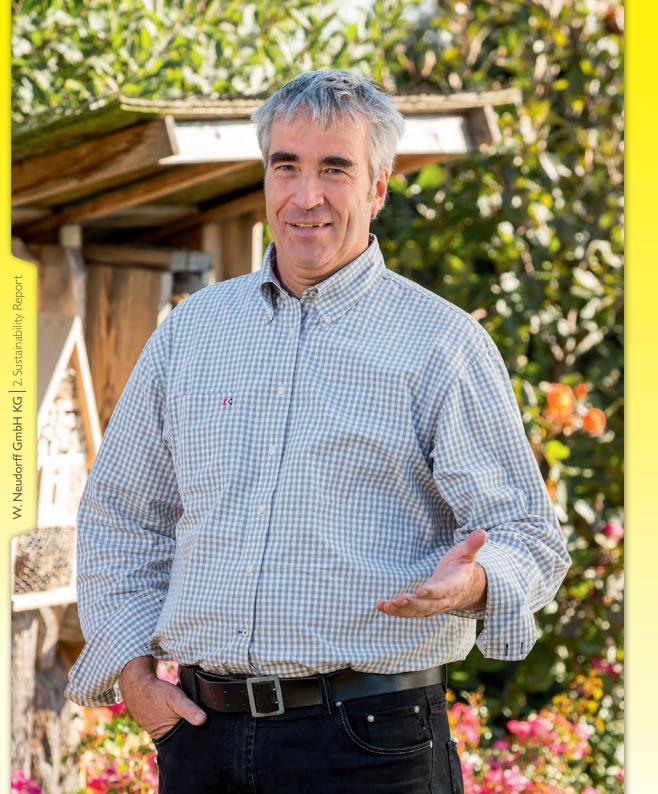
SUSTAINABLE BY CONVICTION

The Magazine for Sustainability 2020

W. Neudorff GmbH KG



WE HAVE WON!



"We don't inherit the earth from our ancestors, we borrow it from our children."

Native American saying



Dear Readers,

Have you already made your decision for a more sustainable future?

We bet you have!

Maybe even subconsciously. Every day, we take decisions that have an effect. On ourselves, our fellow men and women, our environment and our future.

The fact that a single person's decision can have major influence was proved to us recently by a schoolgirl from Sweden. A school strike for the climate quickly grew into a worldwide movement – FridaysForFuture. The voices calling for changes can no longer be overheard.

In the spring of 2020, the whole world had to face a new challenge. Measuring no more than 80–140 nm, the coronavirus is having a major impact on our lives. Restricted contact and travel bans are just some examples.

So people stayed at home and rediscovered their gardens, their green living-rooms, as an important refuge. They worked in them, harvested the fruits of their labours and spent time with the family.

At Neudorff, even before the pandemic, we kept travel to the bare minimum. We have accepted the challenges and the expansion of mobile working, developing concepts to successfully maintain our business. Because the health of our employees is always the top priority.

With this sustainability magazine, we would like to show you what decisions and measures we have implemented for a more sustainable future, and how we, as a producing company, can make a contribution both to sustainable development and the future of the next generations. Because we must not forget that there will be a time after the pandemic. Climate protection will not wait for us.

What did 7 billion people use to say?

"It makes no difference if I'm the only one to live more sustainably."

Hans-Martin Lohmann
Managing Partner of W. Neudorff GmbH KG

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Here's what awaits you

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ABOUT NEUDORFF

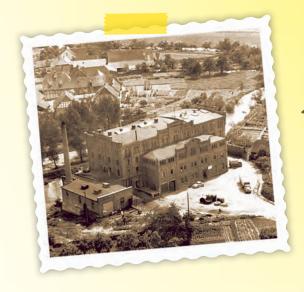
Insight into history & philosophy

History

W. Neudorff GmbH KG was one of the first German companies to make products to protect plants and animal care articles. The focus on offering the safest possible products was the same before as it is today. Back then, one natural product elicited a special degree of enthusiasm: Persian insect powder from a natural chrysanthemum extract, pyrethrum.

The mill that is used almost exclusively today for administrative purposes, housed the entire production until 1986. Here Neudorff developed and produced many other eco-friendly products for amateur gardeners. And did so in spite of the fact that the idea attracted little support.

Nevertheless we pursued this strategy systematically. Over the years, we have developed eco-friendly processes, compounds and equipment, which are ideal for use in natural gardens, organic horticulture, agriculture and integrated crop cultivation.



Founded over

165 years ago

in Königsberg

since 1959

administration & production in Emmerthal

Natural pyrethrum

then and now an important active agent from chrysanthemum extract





Sustainability & philosophy

Our society is using more resources than the Earth can provide us with. You don't need to be a mathematician to know that's one equation that can't be solved in the long term. That's why we have developed a sustainability strategy that takes account of all the economic, ecological and social factors that have an impact.

We would like to grow our traditional company sustainably with creative, environmentally aware concepts. This is the way for us to guarantee high, environmentally-friendly product quality. Our innovative ideas are intended to give everyone the chance to derive happiness and quality of life through beautiful, healthy plant life. We aim to solve the cause of any problem, whether in house or garden, with our effective, eco-friendly products.

The active contribution of ideas and the creativity of our staff are crucial for the sustainable development of our family business. Modest, sustainable growth is also intended to help us realise our ideas over the long term. That way, we can offer all our staff, customers and business partners a long-term perspective to our working relationship.

To sum up, here's what that means for us:

We want to use natural resources in an economically sustainable manner, avoid any impact on the environment and act in just and socially compatible ways. We have already achieved a lot. But sustainability means constant change. It's a journey where you're constantly defining and aiming for new destinations. So we never stand still, we're always refocussing and thus constantly evolving.



ABOUT NEUDORFF

A sustainable business model

Business model

In essence, Neudorff means gardening. And has done since 1854. The focus is always on the interaction of man, nature and the environment. That's why we offer a large selection of environmentally-friendly products. Wherever possible, we use active agents that come from nature, regrow quickly and have minimal impact on the environment. We are proud to be able to say that as from this financial year¹, our production is climate-neutral². In all areas, we make sure to conserve resources, have as little impact on the environment as possible and promote biodiversity.

In the process, we are driven by a desire not just to offer an alternative product to conventional pesticides or peat substrates, for example. Rather, it's a question of heightening awareness and imparting knowledge on how nature works and what impact each one of us has on it – regardless of whether we're a company or a private individual.

Neudorff facts

Brands

Neudorff NaturKraft Progema

Subsidiaries

W. Neudorff Inc., W. Servicos de Agricultura Neudorff do Brasil Ltda. W. Neudorff Österreich GmbH Progema GmbH

Employees

262 employees in total³

Neudorff's structure

Administration in Emmerthal Production in Emmerthal and Lüneburg Trial nursery in Aerzen

³ as of September 2020

²You can find an explanation in Section 4.6





Stakeholder & materiality analysis

One of our main goals is to make a positive contribution to sustainable development. In this context, we aim for a combination of economic success and social responsibility as well as environmental protection in order to satisfy the current and future needs of society. Responsible management and a value added model structured for the long term are indispensable in achieving these aims. However, it also includes ensuring that our high expectations of suppliers as well as their own suppliers are met and the highest ethical standards are observed as well as all applicable laws of the countries in which they produce.

Our global activities are driven by these approaches and principles. We expect and require all our employees and business partners also to act by these approaches and principles. In this context, our business activities affect many different stakeholders who make a wide variety of different demands on us. That is why a continuous exchange as well as an open and constructive dialogue are important. The key themes of this magazine are based on our initial materiality analysis as well as continuous dialogue with our stakeholders.

For the coming magazine in two years, we will update our materiality analysis in order to satisfy the expectations of the time and the wishes of our stakeholders in our sustainability strategy at all times.



ABOUT NEUDORFF

What we have achieved so far

Special achievements

Thanks to our demonstrable achievements in sustainability, we are making a contribution to sustainable development. We share this publicly and are all the more delighted to have won multiple awards as a result of our commitment. Most recently on 4 December 2020, when we were announced as winner of the 2021 German Sustainability Award in the transformation field of resources. The prize was awarded virtually in Düsseldorf .

You can find some of our further awards in Section 5.

German Sustainability Award

The German Sustainability Award is one of Europe's most prestigious awards in the sphere of sustainability. In 2020, companies were called upon for the thirteenth time to enter their effective contributions to transformation in

the important fields of climate, resources, biodiversity and society. We have already implemented many resource-saving processes, we produce our own electricity using hydropower and photovoltaics and invest in sustainable production processes and sustainable packaging.

German

Sustainability Award 2021

With our concept of taking a holistic view of an environmentally-friendly product range and resource-saving production, we were able to win over the jury for the second time.



At the award ceremony that was held digitally this year, Hans-Martin Lohmann, Managing Partner of Neudorff, received the award at the live event. This award represents one of the greatest tokens of appreciation that we can receive for our efforts in the field of sustainability for the protection of resources. Equally, it spurs us on to continue and expand our strategies and aims in the area of sustainability. Because we want to make a contribution to sustainable development in the future, too.

To do so, we want to prepare further CO_2 footprint labels for products and find even more solutions to conserve resources in all areas. Climate-neutral production was a staging-post on this journey. We also want to expand our own electricity generation and further enhance the energy efficiency of production.

Our medium-term goal

Further reduction of CO₂ footprint in our own facility and across company boundaries.





THE NEUDORFF PRINCIPLE

Our motivation

We would like

- ✓ to offer effective, environmentally-friendly and quickly biodegradable products,
- ✓ to produce our own environmentally-friendly energy,
- ✓ to guarantee short, low-emission transport routes,
- ✓ to give preference to regional suppliers,
- ✓ to use environmentally compatible packaging,
- ✓ to minimise waste in production,
- ✓ to select raw materials carefully,
- ✓ to support and encourage like-minded people and entities,
- ✓ to champion greater species diversity,
- ✓ to not burden the climate unnecessarily and
- ✓ to make our production climate-neutral¹.





fiscal year 2021 register.klimaktiv.de









The constantly rising global population, the consumption of resources and associated emissions have been showing us the way for years. Statutory regulations represent our minimum requirements. We would like to be a role model. As a pioneer of sustainability, we would like to motivate our industry to join us on this journey. As a member of the Chemical Industry Association (VCI), we play a pioneering role in many pilot projects in the sustainability initiative ChemieHoch3.

Sustainability has many facets and involves many spheres of action. Ecology, economy and social factors are always intertwined. All the measures that we implement should be in equilibrium with these three pillars and have a positive effect on all areas.

Of course, there are a wealth of options for creating economic value added. But we can't ignore the economic aspect. We are a commercial enterprise and responsible for more than 260 employees and their jobs. And we can only preserve them if we operate sustainably and also create economic value added.

OUR MISSION STATEMENT

The foundation of our sustainability strategy

ECONOMY

Sustainability for us means that

healthy growth of nature is in balance with the economic development of our company.



Creating value added -

through an understanding of nature.



Being transparent -

by dealing **fairly** with customers and suppliers.

ECOLOGY

Sustainability for us means
learning from nature,
not burdening it unnecessarily
and supporting it with
our products.

Protecting resources -

through the frugal, **responsible** use of resources.









Promoting species diversity

by ensuring that our products are **safe** for humans and animals.

SOCIAL

Social togetherness -

through equal rights and fair dealings.

Sustainability for us means
being a trustworthy employer
and making sure that
everyone gets a chance.



Promoting social, sustainable development around the world

Creating knowledge -

by training the next generation responsibly.



SUSTAINABLE DEVELOPMENT GOALS

Agenda 2030 with its 17 Sustainable Development Goals (SDGs) and 169 sub-goals is a global plan to promote sustainable peace and prosperity and protect our planet — a roadmap for the future. It is aimed at everybody: governments around the world but also civilian populations, private business and science. The goals represent a continuation of the Millennium Development Goals which were also adopted by the UN in 2000 and defined until 2015.

The goals are intended to put an end to extreme poverty, combat inequality and injustice and halt climate change. They are to enable people around the world to live in dignity while permanently preserving the natural foundations of life. This includes economic, ecological and social aspects. Sometimes it does not seem possible that anything each one of us can do can have any effect at all. But we are all part of the solution to global problems and we bear responsibility. Even the smallest change to our habits will have a positive effect.













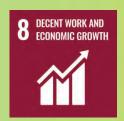
































NEUDORFF'S CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

We, too, see ourselves as having a duty to help achieve the world's sustainable development goals. They are also our roadmap. Of course, we can't adopt the goals to the letter. So we have defined our own spheres of action from them. Some of the goals don't intersect with our business model with the result that we have made a regional, national and international commitment to protect the environment as well as to engage in social projects beyond our own sphere of business.



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SUSTAINABLE BUSINESS AND SUCCESS

Through a sustainable business model





SUSTAINABLE PRODUCTS & RAW MATERIALS

Through our range of innovative products and packaging



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Page 36



PRESERVATION AND PROMOTION OF SPECIES DIVERSITY

Through products and education to "natural gardening"



Page 44

CLIMATE-FRIENDLY VALUE ADDED

Through climate-neutral production and alternative mobility concepts



INNOVATION AND CONTINUOUS IMPROVEMENT

Through organic fertilisers, peat-free soil and natural pesticides



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RESPONSIBLE EMPLOYER

Through trust and equal opportunities



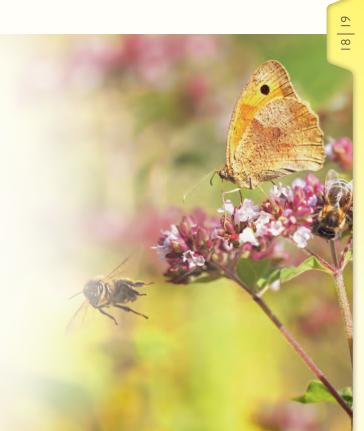
IN-HOUSE, GREEN ENERGY PRODUCTION

Through hydropower, photovoltaics and cogeneration of heat and power

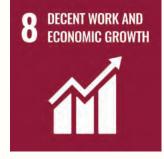


SOCIAL

Through partnerships to achieve various goals









SUSTAINABLE BUSINESS AND SUCCESS



SUSTAINABLE BUSINESS AND SUCCESS

Through a sustainable business model

Our motivation

We want to learn from nature and apply the insights gained profitably. That is why we are guided by the principle of an organic cycle when developing new products. In nature, everything helps everything else. Plants remove gases from the air and water and nutrition from the soil. The sun supplies the power to grow. In return, plants supply other living creatures with sustenance. We put these insights into practice in our integrated plant protection systems.

Sustainable business practice also requires responsible use of energy and scrupulous treatment of resources. This is the way for us to meet social challenges such as climate change.

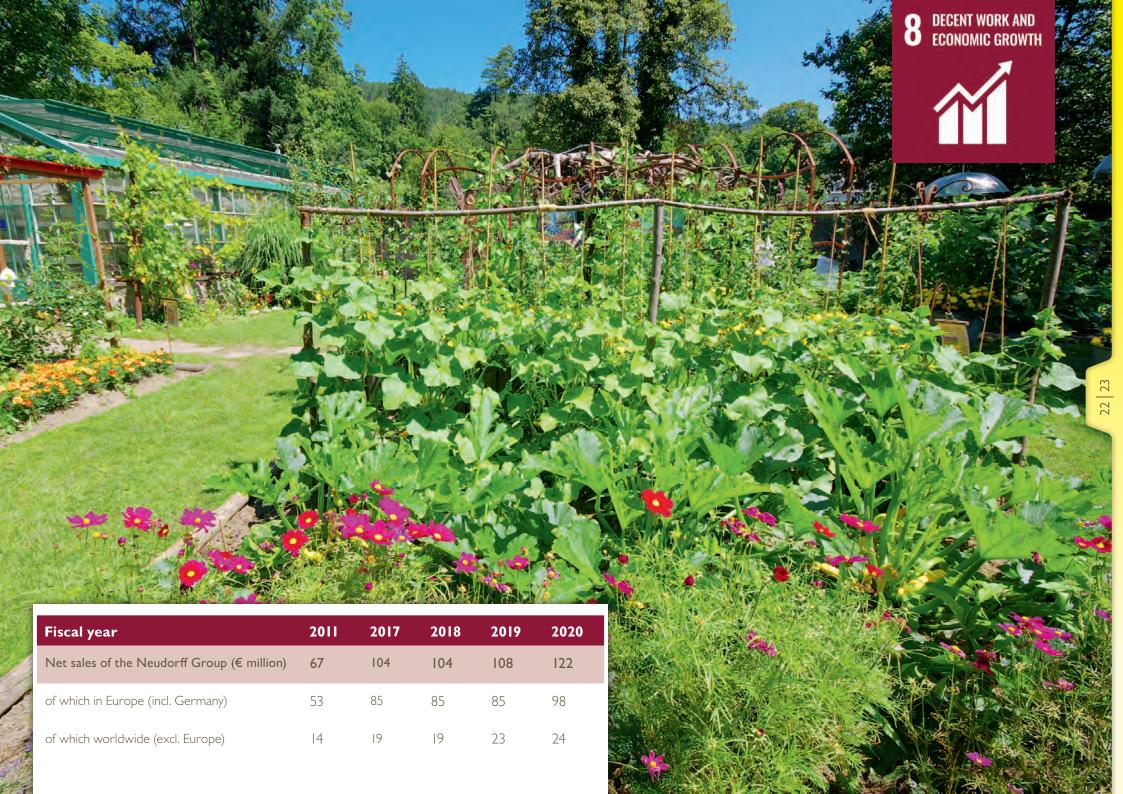
We want to achieve a balance between the healthy growth of nature and the economic development of our family business. Because our gaze is focussed on the next generation. We want to offer them excellent prospects and every chance to lead a healthy, sustainable life and to conduct their business in a way that secures their future.

Our goals

- \bullet to hand over a stable, successful family business to the next generation
- to create secure jobs for the long term to bring stability to the region



For example, we have always relied on peat-free soil for the protection of the environment and the climate.





SUSTAINABLE BUSINESS AND SUCCESS

Through a sustainable business model

Here's what we're doing

High, consistent quality is the foundation of customer satisfaction and secures our economic success. Our top priority, therefore, is to meet the requirements and wishes of customers for innovative, quality products and services. We offer people "the pleasure of natural gardening" with environmentally-friendly products and processes. This is how we secure the jobs of our employees and act as one of the key employers in a region of the Weser hills that is somewhat underdeveloped in economic terms. To strengthen the region beyond the confines of our company and to support regional trade, we purchase as much as possible locally.

All products are made in house in observance of quality, environmental and energy management standards. With the aid of our integrated management system, we identify, register and optimise the effects of our actions. To enable us to guarantee the continuous improvement of our services, we examine our processes, for example, by means of annual internal and external audits, and where required, we adjust them.

Our certifications

Quality management to DIN EN ISO 9001 Energy management to DIN EN ISO 50001 Environmental management to DIN EN ISO 14001 We are always guided by the principle of: avoid, reduce, recycle. Regardless of whether it's for the use of raw materials, packaging or energy. All environmental impacts affected by the use of energy are taken into account in order to reconcile economic and ecological factors. For example, in 2019 we renovated the heating system in our administrative building, thereby saving 56,500 kWh of energy. Every one of these kilowatt hours saved eases the burden on the environment on a permanent basis, and also reduces our costs.

We also see it as our duty to reduce our emissions to an unavoidable minimum. Since 2011, we therefore determine our ${\rm CO_2}$ footprint every year in order to identify any potential for action. The last few years have proved that we have continually reduced our footprint in spite of strong economic growth. Since this financial year, we have been offsetting our unavoidable emissions by means of climate protection certificates, and our production is thus climate-neutral. You can find more about this in Section 4.6.

Of course, sustainable business doesn't just relate to our own actions but also to our business relationships and partners. So it's a particular concern of ours to ensure that our values in economic, ecological and social matters are respected and supported in a spirit of partnership. You can only be a suitable partner on our common path towards greater sustainability if you agree with our Code of Conduct.

Anyone can view our code at www.neudorff.de.



Use of energy & resources ...

recover & generate

Energy recovery, storage, CHP¹, solar, water



More efficient use through better handling & deployment of new technologies

reduce

avoid



¹ cogeneration of heat and power







SUSTAINABLE PRODUCTS AND RAW MATERIALS



SUSTAINABLE PRODUCTS AND RAW MATERIALS

Through our range of innovative products and packaging

Our motivation

It was always our idea to offer sustainable products for natural gardening through the efficient use of resources. In those days, no-one in our industry believed that this idea had the potential for success. In the meantime, we operate around the world and offer a broad product range: peat-free soils, beneficial insects, organic fertilisers, natural pesticides and much more besides. We would like to show that plant care and plant protection is not in conflict with nature conservation and climate protection.

Our goals

- \bullet to increase energy efficiency by 20 % by 2022
- to use and purchase raw materials and active agents only in accordance with fixed sustainability standards by 2023
- to use 100 % recyclable packaging by 2025
- to use at least 30 % recycled material in all packaging by 2025

Here's what we're doing

Sustainable products

The cycle of nature is our role model in product development. They are designed so as to support nature in solving the problem, not to impact it negatively. For that reason, we only work with the best raw materials and active agents which meet our sustainability demands. We prefer domestic raw materials that regrow quickly and natural active agents such as natural pyrethrum, rape, wood fibre and bark products.

Our packaging must also have as little negative impact on the environment as possible. Of course, the most sustainable packaging of all is the one you don't need. But unfortunately we can't do without it all the time. Our paper and cardboard packaging such as our folding cartons and display boxes have consisted of at least 80 % recycled paper for over 20 years. Our plastic packaging is already made from up to 90 % recycled plastic in some cases. This saves oil, energy and other natural resources such as water and wood. We maintain a constant dialogue with the packaging industry and are always looking for ways to improve. Unfortunately, when designing packaging, we are also tied to statutory requirements from certifying authorities, for example, and we are unable to use any alternative, more sustainable packaging.

¹ With the introduction of ISO 50001, it was recognised that a relatively large volume of water was used at the facility in 2011 and a correspondingly large volume of wastewater was paid for. It was found that the production water was billed as process water. Thereupon the system was changed.

² Short-term deterioration as a result of extensive construction work and the commissioning of further production areas.

³ 59 % of this figure due to returned goods no longer saleable or products no longer saleable for certification reasons.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We have converted our entire pallet system from disposable to reusable pallets, and the entire bottle range will be converted to recyclate by 2025. Recyclates are reused plastics from plastic waste generated by consumers in households and offices.

Fiscal year	2011	2017	2018	2019	2020
Water (m³)	6,012	9,250	9,884	8,004	7,154
of which process water	4,905 ¹	1,331	1,459	1,824	1,846
of which production water	1,107	7,919	8,425	6,180	5,308
Waste water (m³)	4,905*	2,607	2,605	2,735	2,841
Energy efficiency (kWh/t)					
Emmerthal production	150	123	111	1172	110
Lüneburg production	111	105	103	101	86
Waste (t)	460	786	738	735	491
Non-hazardous	382	627	634	682	394
Hazardous	78	159	104	53	97³



SUSTAINABLE PRODUCTS AND RAW MATERIALS

Through our range of innovative products and packaging

Sustainable production

water. But it is our decision as to what energy is used and how processes are designed in order to make the best possible use of energy and water. For example, we use natural gas, power-to-gas systems and district heat for heating processes and when it comes to electricity, we are uncompromising in our reliance on certified green electricity from largely renewable energies. You can find more about this in Section 4.5. We work continuously on further enhancing our energy efficiency. This means we are constantly examining how we can reduce the amount of energy used per ton produced. Since 2018, we have been using a vacuum evaporator to recover rinse water from our production operation. This water is caused by cleaning processes on machines and containers. As a result of the constant enlargement of production facilities, continuously expanding product diversity and our own high quality demands, the volume of wastewater increased by 26 % from 2015 to 2018. So we looked for and found a solution. The evaporator system runs on electricity and it evaporates the watery component of wastewater

Production is not possible for us without using energy and

with the result that ultimately you are left with pure distillate and a concentrate. The concentrate can be removed by the local disposal company and the distillate fed back into the water cycle without concern. In addition, transports to the disposal company and the associated CO₂ emissions are avoided.

Creating awareness

We pass on our knowledge to the outside world via a variety of tools and channels. This gives everyone the chance to understand the natural cycle and learn how our products work in the environment and how resources are used efficiently. To do so, we offer seminars for our staff and the trade, technical advice for our customers, a plant doctor app, our social media channels, our garden handbook and our Green Lounge. The Green Lounge is an exclusive portal for specialist sales staff. There we offer webinars, expert tips, interactive games, free product tests and much more besides.







For that, you would have to plant

Avoidance of

7.5t CO₂/p.a.



a saving of

4.7t of new plastic

by converting our 250 ml bottle to recycled material



Enough to make

11,750 watering cans (IO L)

A vacuum evaporator reduces the volume of waste rinse water by $79\,\%$ and avoids transport emissions of

1.98t CO₂

(by comparison with 2017)



To offset this volume, you would have to plant 158 beech trees

63% of non-hazardous waste

is recycled







PRESERVATION AND PROMOTION OF SPECIES DIVERSITY



PRESERVATION AND PROMOTION OF SPECIES DIVERSITY

Through products and education to "natural gardening"

Our motivation

Diversity is always in season, and we know how important wild bees and honey bees are to us all. All other insects and species that attract less notice also deserve our attention and appreciation. Every species is unique and intrinsically important and valuable. If a species becomes extinct, it is gone for ever. We would like to leave a diverse environment to the generations that come after us.

That is why the protection of our environment and above all the preservation of species diversity are among our core concerns. We take this into account for the entire life cycle of our products. Starting from development, during production all the way to their use by consumers. Our nesting aids attract additional life to gardens, offering a home to useful species. In this way, we want to promote better understanding of our philosophy and values and acquaint everybody with them.

We want to be a role model and inspire others – customers, service providers, partners or companies in our industry alike – to join us on our journey.

Our goals



 to achieve a natural design for our production facilities by creating at least one area of flowering plants and installing nesting aids by 2023

Here's what we're doing

We make sure that our products are classified as "non-hazardous to bees" (NB664). Many of our products are also certified for ecological agriculture. Neudorff's organic, environmentally-friendly products, particularly the WildgärtnerFreude seed mixtures and nesting aids are the right products to promote greater species diversity.

We have had exclusively peat-free soil in our product range ever since. This helps to prevent the destruction of wetlands and protect these unique eco-systems and their species. Another positive aspect is the fact that wetlands are huge CO_2 repositories, thus easing the burden on our environment.

BurdaHome has launched its #beebetter initiative. We have partnered with them on this project from the outset. Together with other supporters, we have thrown our weight behind the protection of bees and with it greater species diversity. Because everyone can help to save the bees. The idea is that many small steps can lead to a giant leap. If everybody ensures a greater diversity of species in their garden, that is a good thing. But if many people act in concert, even more can be achieved. You can find out more about this project in Section 4.8 Social commitment on page 56.

¹ Assumption: 50 % occupancy and survival rate

² Assumption: 50 % of the quantity sold is actually sown; size of a football pitch 7,140 m²





23.2

million wild bees saved every year through

Wildgärtner Freude beehives¹

Last year, our Wildgärtner Freude seed blends created

1,786 ha of flowering areas

for beneficial species.



That equates to

2,500 football pitches.²





INNOVATION AND CONTINUOUS IMPROVEMENT

4.4

INNOVATION AND CONTINUOUS IMPROVEMENT

Through organic fertilisers, peat-free soil and natural pesticides

Our motivation

The innovation of new products and processes as well as their continuous improvement are indispensable for the sustainable success of our business. That is why we want to take the lead as pioneers. We don't wait to meet others' expectations. We expect it of ourselves that we will find the solutions beforehand.

That's the way it was in the past when, for example, as the first producer of peat-free soil, we took a trailblazing step in a different, sustainable direction. And that's also the way it is to be in future. We want our innovative ideas to inspire others to join in and change their way of thinking.

Our goal

100 %

automated energy monitoring of our own electricity consumption at production facilities by 2022



Here's what we're doing

Research and innovation are essential for us as a company in order to compete successfully on the global stage over the long term. Innovation is in our DNA. We were the first company in our industry to launch a range of organic fertilisers, natural pesticides and peat-free soils. Since then the core task of our Research & Development has been to develop and refine innovative, marketable, new products. It supports the development from the manufacturing process until the production stage, and it looks after and improves existing products. Raw materials are classified and permanently tested for more sustainable opportunities for substitution. New raw materials are carefully analysed before being used. Any problems that occur, new circumstances or customer

demands are also thoroughly examined and possible products developed for their solution. One special feature is our own trial nursery in Aerzen as this is where all the application research takes place. This is how we can guarantee that products also work in practice and protect the environment.

However, innovation relates not only to our products and research but also to all other areas of work. We use intelligent machine controls in production in order to use energy as efficiently as possible, and we put new concepts into practice that help to promote our in-house, green energy production. In our offices, we attach great importance to digitising all processes, thus creating the best possible conditions for digital, mobile working.









IN-HOUSE, GREEN ENERGY PRODUCTION



IN-HOUSE, GREEN ENERGY PRODUCTION

Through hydropower, photovoltaics and cogeneration of heat and power

Our motivation

As a manufacturer, energy is an indispensable component of all activities at Neudorff. It is used in the form of both electricity and heat. For example, to heat our greenhouses or also for drying processes in production. But electricity is not just electricity. We have deliberately decided to produce our own green electricity and heat in order to take early steps to counter rising costs and to be independent. By purchasing green electricity, we also want to promote the expansion of renewable energies.

Our goals

- to expand our own generation of electricity to 20 % (self-generated energy as a proportion of total requirement) by 2022
- to reach 100 % regenerative electrical energy at all facilities

Here's what we're doing

For our electricity production, we rely on one hydroelectric plant, three photovoltaic plants and one combined heat and power plant (CHP). The CHP also supplies our production with heat. So we are on the right track. Nevertheless, we are not able to cover our entire requirement with our in-house electricity production. I 00 % is not our target, however. We feed a large part of the electricity generated with hydroelectric power and photovoltaics into the public grid.

The reason is simple: the hydroelectric plant supplies our admin with electricity. This is not energy-intensive. And to light the plants in our greenhouses, we need power mainly at night when the sun is not shining. For that reason, we purchase additional electricity – naturally certified green electricity from Naturstrom and Lichtblick.

To heat our greenhouses, we use the waste heat from a nearby biogas plant which covers 50 % of our heat requirement. To cover the remaining 50 %, power-to-gas fuel from Greenpeace Energy has been used at this facility since April 2012 instead of natural gas. The power-to-gas method is used to make this fuel. This means the unused green electricity, primarily from wind energy, is used by means of electrolysis to split water into its two elements: hydrogen and oxygen. The oxygen is released back into the atmosphere while the hydrogen is fed into the existing gas grid.



¹This year, our CHP plant suffered a lot of downtime due to frequent faults and it was not able to produce any energy. For that reason, we had steep falls in the generation of both electricity and heat. The fault has now been fixed and normal operation has resumed.



Fiscal year	2017	2018	2019	2020
Energy sources used	7,797	7,599	7,517	7,536
Primary energy sources in MWh	4,361	4,445	4,297	4,295
Natural gas	4,247	4,347	4,152	4,179
Power-to-gas	114	98	145	116
Indirect energy sources in MWh	3,436	3,154	3,220	3,241
Electricity	2,924	2,753	2,911	2,916
District heat	512	401	309	325
Energy generation in MWh	1,538	1,360	790¹	1,451
Electricity	1,039	1,049	684	1,052
Heat	499	311	160	399





of which for own consumption 38 %



ELECTRICITY GENERATION PHOTOVOLTAIC SYSTEMS

(since 2011)

more than 700,000 kWh of electricity
= 200 circuits of the earth by electric scooter

ELECTRICITY CONSUMPTION FROM IN-HOUSE TURBINE

avoids 94 t CO_2 = planting > 7,000 beech trees per year









CLIMATE-FRIENDLY VALUE ADDED

4.6

CLIMATE-FRIENDLY VALUE ADDED

Through climate-neutral production and alternative mobility concepts

Our motivation

Proactive climate protection is essential. It secures the viability of our global community and that of our company in harmony with our core business. This relates both to our own business processes and our value chain.

That is why we want to minimise our impact on the environment, use resources sparingly and responsibly and make a contribution towards regenerating nature. The rule for designing our value chain is: regional before international. Waste, wastewater, emissions and energy are, if possible, avoided, reduced or recovered. This makes products and processes safe for man and the environment.

Our goals

- to achieve climate-neutral production from 2021
- to produce at least one further CO₂ footprint for a product by 2023
- to convert the vehicle fleet to hybrid and electric vehicles by 2023

Here's what we're doing

Accounting in accordance with the Greenhouse Gas Protocol (GHG)

The Greenhouse Gas Protocol is an international standard for CO₂ accounting. A distinction is made here between sources of emissions within company bounds which give off direct emissions, and sources outside the bounds which give off indirect emissions. All emissions are allocated to three scopes:

- Scope I direct emissions¹
- Scope 2 indirect emissions²
- Scope 3 other indirect emissions³

We focus not only on Scope I and 2 but also try to account as extensively as possible for third Scope emissions which are hard to register. Our accounting already includes the following from this Scope: emissions from upstream and downstream transports, waste produced, business travel and employees' travel to work. This scope is to be steadily expanded to include product accounts.

¹Sources of emissions such as heating systems or the vehicle fleet are owned by the company. Emissions from fixed and mobile combustion such as natural gas and fuel are charged.

² Emissions caused by company operations. Emissions from purchased energy such as electricity and district heat.

³ Emissions caused outside the bounds of the company. Emissions from purchased goods, from transporting the company's own products, the disposal of waste and due to business travel.





Climate protection in our business processes

Our production is now climate-neutral. What does that mean exactly? Since 2011, we have reduced our indirect emissions² by 89%. We achieved this saving through our inhouse electricity generation and by converting to certified green electricity. We also want to reduce our direct emissions¹. We have taken a further step towards achieving our goal by converting our vehicle fleet to hybrid and electric vehicles. As we cannot avoid emissions in these two Scopes completely and would like to make a positive contribution, we have been offsetting the unavoidable emissions by means of climate protection certificates since September 2020. You can find out more about this in Section 4.8 Social commitment on page 56.

A further major driver of emissions is private transport. That's why we were reducing our travel to the bare minimum – even before the pandemic. When you visit Neudorff, you can charge your car with our in-house turbine electricity at our electric charging stations.

The products, too, are designed to ensure that their impact on the environment is as low as possible. We are the only soil producer to have only ever distributed peat-free products, thus protecting wetlands and the climate. Together with the Nature Conservation Society (NABU), we have been educating people for many years on the connection between peat cutting and climate protection. You can find out more about our collaboration with NABU

in Section 4.8. So we take care in all areas to reduce our impact on the climate and keep our **CO₂** footprint as

small as possible.



CLIMATE-FRIENDLY VALUE ADDED

Through climate-neutral production and alternative mobility concepts

Climate protection in the value chain

In general, we are striving to reduce our emissions on the basis of our internal guide-lines. We want to tackle every negative effect and are therefore relying on compensation through selected projects. For example, we voluntarily offset the majority of our unavoidable flights by making a climate protection contribution to the climate protection organisation atmosfair. Admittedly, this won't undo the ${\rm CO}_2$ emissions but atmosfair's compensation is invested in climate protection projects.

The rule for our value chain is: regional before international. That means, wherever possible, we procure our raw materials, packaging and services from the Weser hills area.

Fiscal year	2011	2017	2018	2019	2020	
Greenhouse gas emissions in t CO ₂ -eq	1,347	1,143	1,229	1,125	1,023	
of which direct emissions ¹	775	1,045	1,173	1,066	961	
of which indirect emissions ²	572	98	56	59	62	

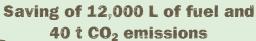
¹e.g. from the combustion of natural gas and fuel

²e.g. from electricity and district heat purchased from a biogas plant

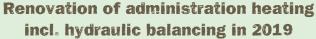


2020





from conversion of the vehicle fleet



gas ($15\% = 50,000 \text{ kWh} = 11 \text{ t CO}_2$)

Video conferences



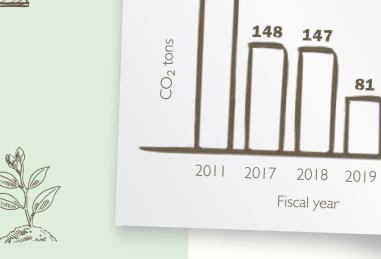
Only 2% of our suppliers from third countries / overseas

> 18 charging stations for cars

Avoidance of 61% of climate-harmful CO₂

through the sale of peat-free NeudoHum soil³





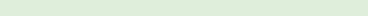
customers

2011-2020 (-85 %)

283

Trajectory of flight emissions

as a result of video conferences instead of visits to



³ by comparison with a standard peat substrate (50/50 mixed peat / white peat, lime, NPK).



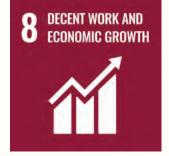


saves electricity (29 % = 6,500 kWh = 0 t CO_2) and

instead of travel









RESPONSIBLE EMPLOYER



RESPONSIBLE EMPLOYER

Through trust and equal opportunities

Our motivation

For us, it's important to be a caring trustworthy and attractive employer. Because our staff are the most important ambassadors of the entire company. They communicate our values in their daily work and in everyday life.

Diversity is also important to us. That is why we promote dialogue and solidarity between employees of different ages, cultures, lifestyles, languages and life phases. We would like to further reinforce this diversity and thus counteract demographic change and the imminent shortage of skilled workers. Teamwork and project work are front and centre for us. Gender, origin or physical condition are of no importance and each of our employees has the same prospects of furthering their career.

Our goals

• to introduce company health management by 2024



Here's what we're doing

Training

Every year, young people face a decision on what career path to choose and with whom. Is it better to join a big group or a family-run business such as Neudorff? There is a large selection of traineeship occupations to choose from: Industrial management, e-commerce management, Bachelor of Arts in business administration, marketing communication, media designer, warehouse logistics, computer scientist in system integration or machine and system operator. Anything is possible with us. We train young people and offer them a good start to their working life. However, if they don't want their educational path to stop there, we support our employees, for example, on an in-service degree course.

Suggestion scheme

There is a lot of potential slumbering in our employees. Our suggestion scheme is ideal for awakening this potential. Every employee can submit their ideas. These are wide-ranging. Some relate to social improvements, others to optimisations in production. We introduced our Corporate Benefits Programme as a result of one of these suggestions. Through this programme, our employees receive special terms from wellknown manufacturers and brands. Another idea contributed to an improvement in production. A waste process was modified as a result of which less waste is produced.





RESPONSIBLE EMPLOYER

Through trust and equal opportunities

Health

Health is one of the most important assets in life. For that reason, our employees at all our facilities are invited at regular intervals by the company doctor to take advantage of preventive measures such as flu vaccinations, for example. In addition, the doctor is of course available for other employee concerns during their consulting hours. Health also has to do with sporting activity. That is why we take part every year in the campaign "By bike to work" sponsored by the AOK and adfc (German Bicycle Club). It improves fitness, promotes health, protects the climate and what's more, there are great raffle prizes.

Benefits

What does Neudorff have that others don't? Besides a regulated pay scale, 30 days holiday, company pension as well as holiday and Christmas bonuses, we offer further benefits for our employees. The Corporate Benefits Programme that was even initiated by our employees, is a platform offering special purchase terms from over 800 suppliers. Besides registering, there is nothing more to be done in order to benefit from exclusive offers from well-known manufacturers and brands made available to Neudorff by the supplier. Furthermore, we have been offering all employees bicycle leases since 2015. As a result of tax benefits, they receive their bike for a reduced price and after using it for three years, they can buy it or simply trade it in for a new one. We also insure the bicycle or e-bike.







2020 proportion of women 45 %

Women in managerial positions¹: 35 %

> 75 % of trainees are taken on²

45 commuter cyclists



Proportion of employees with severe disabilities: 6.11 %

Employees from 10 different nations

Scholarships awarded, dissertations, Bachelor theses & work placements assigned

¹In upper and middle management tiers ² Average of the last three years (2018-2020)









Through partnerships to achieve various goals

Our motivation

Partnerships and social commitment are essential for promoting sustainable development and creating a better world for the next generations. We are therefore throwing our weight behind sustainable development out of sheer conviction, not just in our own sector of industry but also across the region, across the country and around the world. What's important to us, more than anything else, is to support associations and long-term initiatives that combine ecological and social aspects.

Our goals

• to promote regional, national and international projects with ecological and social value added



Here's what we're doing

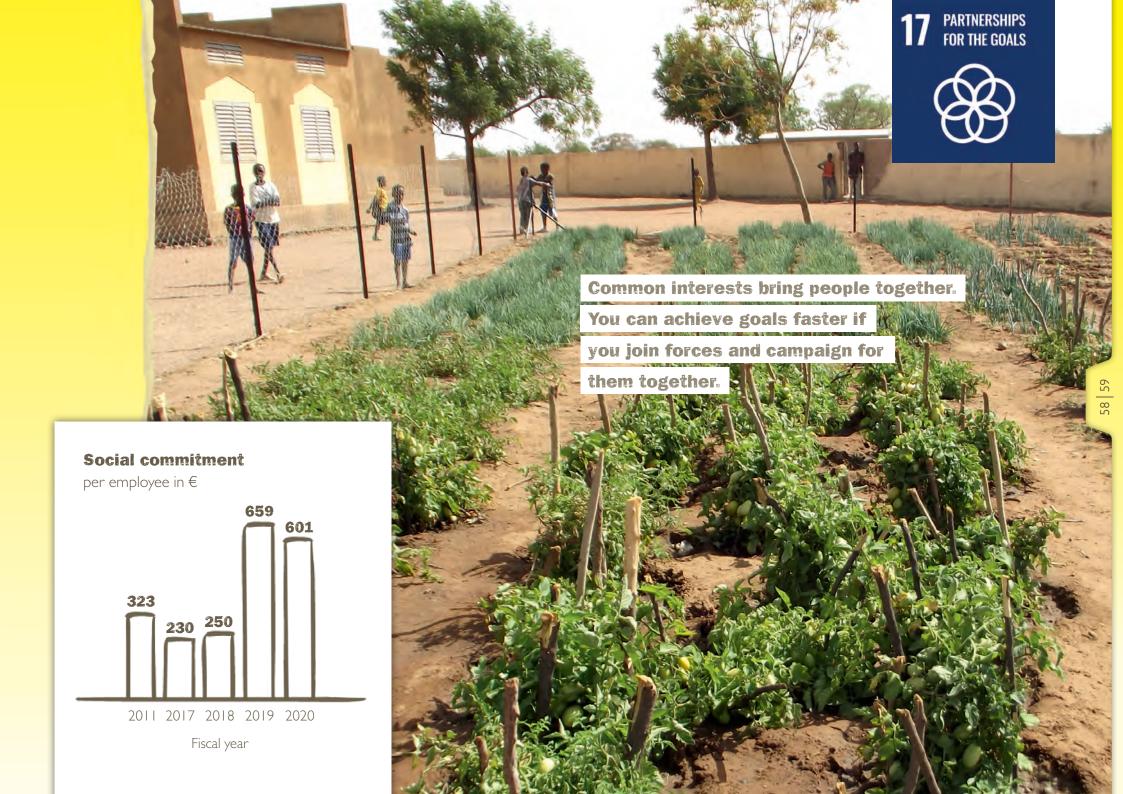
Working in associations and joining as members

We have been working with various environmental and climate protection associations for many years to drive sustainable development, hone awareness of sustainability and do our bit to provide education.

Together with Naturschutzbund Deutschland (German Society for Nature Conservation), we are making an active contribution towards protecting wetlands by providing education on the subject of peat cutting. To facilitate the purchase of environmentally compatible, climate-friendly flower soils, the NABU logo adorns our 100% peat-free NeudoHum soils. We also provide funds for the German Wetlands Conservation Fund which was set up by NABU in 2011.

We are also members of various associations which advocate for environmental conservation and climate protection. For example, we are members of Förderverein der Klimaschutzagentur Weserbergland (promotional association of the Weserbergland climate protection agency) in order to contribute to a varied and wide-ranging promotion of climate protection in our home region. Equally, we are a member of Bundesdeutscher Arbeitskreis für Umweltbewusstes Management (German Working Group for Environmentally Aware Management) and Bundesverband Nachhaltige Wirtschaft (Federal Association of Sustainable Business).

By donating annually to Bund für Umwelt und Naturschutz Deutschland (Friends of the Earth Germany), we also want to support the fight to protect nature and the environment.



International projects

Viruanga Berggorilla Project -Improving and preserving habitats in Rwanda by means of efficient cookers

Partner: KlimAktiv

Our contribution: annual donation

Goal: With the aid of energy-efficient cookers, many households' need for firewood is

to be reduced thus protecting the rainforest ecosystem in Rwanda.

Goals supported:





















Measures:

Of the roughly 1,000 mountain gorillas left in the world, around 600 of them live in the Virunga Mountains in this park. The neighbouring villagers gather wood for their cooking fires every day in the national park. The deforestation of the rainforest endangers the mountain gorillas living in this area. Up to 50,000 households around the national park will be supplied with a low-priced cooker made in Rwanda. This cooker uses only a third of the firewood required for a traditional open fireplace. That avoids CO2. At the same time, people in the region spend less time and money on getting hold of wood. The children can go to school and families have more time to increase the family income by selling home-made baskets and other goods.





For more information, please go to www.klimaktiv.de • www.likano.eu



Child Aid Project -Giving children in Namibia a future with soup kitchens and school dormitories

Partner: Namibia Unterstützung e.V. Our contribution: Annual donation

Goal: With the aid of soup kitchens and the support of school dormitories, all children in Okombahe are to be given access to education and unemployment combated in the region of Namibia.

Goals supported:



















Measures:

As in many African countries and rural regions, distances are very long. For this reason, many children in Okombahe have to be housed in school dormitories. Unemployment in the region stands at over 50 %, and water, electricity and telecommunications are only available against cash in advance. As the rate of HIV infection is very high, many orphans live on the street or with their grandparents. Thanks to two soup kitchens that have been set up, I 30 children who don't get enough to eat at home, can get a full meal three days a week. In addition, the dormitory costs including school uniforms and material are paid for 71 children and schoolchildren.





International projects

Get a Smile – Promote education in Mali with a school garden and private canteen and combat poverty for the long term

Partner: africa-co-operation e.V.

Our contribution: Working time and annual donations

Goal: With the aid of a school garden and private canteen, all schoolchildren in Fangasso are to be given the opportunity to leave school with a certificate, thus improving education and fighting poverty in this region of Mali.

Goals supported:





















Measures: Secondary schools in Mali are mainly only found in larger towns. Many schoolchildren have to leave their villages and stay with guest families. They have to pay for their stay with money or food, both of which are in short supply. With the construction of a school canteen in Fangasso which can reliably provide the schoolchildren with home-grown vegetables from the school garden, the costs are reduced and knowledge of how to cultivate local fruits naturally is promoted. The schoolchildren can concentrate on their studies and on obtaining their school-leaving certificate. At the same time, management of the garden and operation of the school canteen have created seven new jobs. In addition, a cooling system with a photovoltaic system was installed in the health centre in Fangasso. This allows the storage of medicines and vaccinations. In addition, two former Neudorff vans were converted to ambulances and handed over to the Hospital of San and the Centre de Sante in Fangasso.



Reserva Finca Curré, Monte Alto and Lapa Verde -Preserve the rainforest habitat in Costa Rica with reforestation. the acquisition of virgin forests and the securing of conservation areas

Partner: Tropica Verde e.V.

Our contribution: Annual donation

Goal: to protect the regional species diversity of the tropical rainforests in Central America by preserving contiguous forested areas, and to secure the supply of drinking water through reforestation.

Goals supported:



Measures:





The tropical rainforests are the most species-rich ecosystems on the planet. They stabilise the climate and regulate the global water supply. They yield foodstuffs and raw materials, some of which are also used by us. The existence of these unique habitats is continually threatened. Large-scale clearing of the valuable timber endangers the finely balanced, symbiotic plant and animal communities. Deforested areas lose their topsoil through erosion and become desertified, making it impossible for new tropical forests to re-establish themselves. To counteract these effects, virgin forests are being acquired in Talamanca, thus protecting them from illegal logging and poaching. In the area where the Rio Nosara rises in Guanacaste, former sloping pastures are being reforested with

a blend of local species suitable for the location through natural regeneration and replanting. The virgin forests on Rio San Juan are threatened by logging and the cultivation of pineapples. The Maguenque conservation area with the breeding grounds of the great green macaw is being preserved here.





National and regional projects

NABU insect trainer

Partner: Naturschutzbund Deutschland e.V. Our contribution: financial participation

Goal: Education on domestic species and their protection











Measures: What do the caterpillars of the Small Tortoiseshell butterfly look like? Why do ladybirds bring luck? The NABU insect trainer invites you to get to know 32 species occurring frequently in Germany. The special feature is that the insects are not just to be seen in their adult form but also as caterpillars, pupae or larvae. Species that can be easily confused are shown side by side for direct comparison. There are also tips on how everyone can help to protect animals in our own gardens.





For further information, please go to www.insektentrainer.de

#Beebetter

Partner: BurdaHome.WWF

Our contribution: working time, knowledge and

financial participation

Goal: To protect the bees, particularly wild bees, and provide education on their importance

Goals supported:















Measures: Did you know that pollen and nectar-gathering insects are responsible for the reproduction of 90% of all plant species in the world? So they play a crucial role in the food chain. They perform essential work in the eco-system and in the creation of countless products of daily life. More than half of all wild bees in Germany are already on the Red List. The wild bees are disappearing because of a lack of habitat and food resources. #beebetter is a platform for information and commitment to the subject of bees and biodiversity. For that reason, the initiative won an award as an official project

of the UN Decade on biological Diversity.





For further information, please go to www.beebetter.de

#beebetter

17 PARTNERSHIPS FOR THE GOALS

Social service provider

Partner: Paritätischen Lebenshilfe

Schaumburg-Weserbergland GmbH (PLSW)

Our contribution: Contract awarded

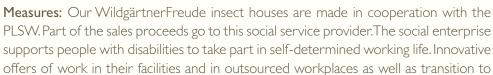
Goal: To enable people with disabilities to enjoy self-determined work

Goals supported:











the general labour market offer the employees a wide range of opportunities.

Paritätische Lebenshilfe Schaumburg-Weserbergland GmbH



For further information, please go to www.plsw.de

Further projects

We take on eight child sponsorships with PLAN, thereby giving children in Columbia, Nicaragua and Mali the chance of a self-determined childhood and a better future. These sponsorships end when the children turn 18 and on successful completion of school to enable them to learn an occupation.

Locally, we have been working with the radio station Radio Aktiv for many years. We are currently producing a podcast series under the title "Einfach natürlich Gärtnern" (Simply garden the natural way).

We also support educational projects on natural gardening and sustainability with our knowledge, donations in kind and financial contributions. For example, klimAkademie in Hameln, cloister garden in Einbeck, Himmelbeet in Berlin and various school garden projects in the Weser hills region.



OUR GOALS

Review & outlook

Review

Goal	by	Development goal	Status
Climate-neutral production	2020	13 CHANTE ACTION	<u> </u>
To use environmentally-friendly technologies for transport and mobility and reduce CO_2 emissions for business travel by 20%	2020	13 CHANTE ACTION	<u> </u>
To improve environmental and social standards in the supply chain	2020	12 REPORTER AN PROJECTION AND PROJEC	
To expand our own generation of electricity to 20% through electricity from regenerative energies	2020	7 DEPARTE AND COLOR OF THE PROPERTY OF THE PRO	-ÿ- ■ <u>&</u>
To reach 100% regenerative electrical energy at all production and administrative facilities	2020	7 MYHOMARIE AND CILLAR HUSSON ——————————————————————————————————	
To increase energy efficiency by 20%	2020	12 HISPONDRE CODOMPTON AN PROJECTION AND COMMENTS	-ÿ- ■ &
Agenda 2030 – to combine sustainable development goals with Neudorff's strategy	2020	17 PARTICIONES (ON THE GRALE)	









Outlook

Goal	by	Development goa
Sustainable business and success To hand over a stable and successful family businessto the next generation To create secure jobs for the long term to stabilise the region		8 DECENTRACION AND DECENTRAL A
Sustainable production and raw materials To only use and purchase raw materials and active agents in accordance with fixed sustainability standards 100% recyclable packaging To use at least 30% recycled material in all packaging To increase the energy efficiency of our production by 20%	2023 2025 2025 2022	12 sorocenti An Production
Preservation and promotion of species diversity To achieve a natural design for production facilities by creating at least one flowering area and installing nesting aids	2022	15 UTT ONLIND
Innovation and continuous improvement • 100% automated energy monitoring for in-house electricity consumption at production facilities	2022	9 AND STEPL AND VICTOR
 In-house generation of green energy Expansion of in-house electricity generation to 20 % (energy generated in-house as a proportion of total requirement) I 00% regenerative electrical energy at all facilities 	2022	7 MORRAGIANO CLAN INITIO
Climate-friendly value added Climate-neutral production At least one further CO ₂ footprint for one product To convert the entire vehicle fleet to hybrid and electric vehicles	2021 2022 2023	13 COMPT
Responsible employer Introduction of a company health management system to further reinforce and expand opportunities for sporting activities and healthy nutrition for employees	2024	8 DECENTRUM AND DECENTRUM CONTROL
Social commitment To promote regional, national and international projects with ecological and social value added	E O	17 PASTINESSIAPS FOR THE GOALS

6

AWARDS AND CERTIFICATES

All our success at a glance





Introduction of and certification to QMS ISO 9001

2010



Introduction of EcoCert

2012



Ist place Hannover Prize: Energy turnaround in company practice – practicable and successful energy-saving measures



Best concept finalist Energy & Environment





Introduction of and certification to EnMS ISO 50001 & UMS ISO 14001







Award for participating in the sustainability check by the sustainability initiative ChemieHoch³





National Champion in the category The Award for Environmental & Corporate Sustainability







3rd place Energy Savings Cup Germany of the European Enterprises Climate Cup



Ruban d'Honneur Prize-winner in the category The Award for Environmental & Corporate Sustainability 2017



Honoured as Green Brand Germany 2017/2018



Introduction of certification Secured Sustainability



Winner

Best concept Environment & Sustainability 2018



Honoured as Green Brand Germany 2018/2019



National Winner in the category Social Responsibility & Environmental Awareness 2020



in Scope 1 & 2 (climate-neutral production)

2021



Winner in the transformation field of resources

APPENDIX AND LEGAL NOTICE

About this report

The present report is the second sustainability report of W. Neudorff GmbH KG and is available for downloading via our company website. However, from now on it will be entitled Sustainability Magazine. The aim of the magazine is to inform our stakeholders such as customers, employees, business partners and residents about our sustainability performance, progress and goals.

Contents of the report

In preparing the report, we were guided by the Agenda 2030 and the Sustainable Development Goals. The contents and structure of the report are based on the 17 goals for sustainable development.

Reporting period and scope

The 2020 Sustainability Magazine relates to the fiscal years 2017–2020 and comprises the period from 1 October 2016 to 30 September 2020. To give a better picture of our progress so far, all the figures are compared with our base year of 2011, i.e. from 01.10.2010 to 30.09.2011.

Unless otherwise specified, the data, facts, figures and information reported here apply to the whole Neudorff company, including all facilities in Germany. In the reporting period, there were no significant changes in the size and structure of the company or ownership relationships.

Collection and comparability of data and information

In the case of key indicators for which no trend can be shown as yet, the aim is to do so in future. Due to new bases for calculation, higher data quality and updated information, figures from past periods may be corrected in individual cases. Discrepancies may occur due to rounding differences when figures are aggregated. All forward-looking statements in this report are based on current assumptions. Actual developments may vary from our forecasts and estimates due to uncertainties, unknown risks and other factors. All the contents of this report were carefully compiled from a variety of sources. The data, information and figures contained in the report are provided to the best of

Further comments

In order to guarantee better readability, we have dispensed with gender-specific double pronouns in this report. This does not represent any value judgement. All references are to be understood as gender-neutral.

Neudorff's knowledge but no liability is accepted for their accuracy or completeness.



Dear Readers,

Do you have any suggestions, comments or questions about this Sustainability Magazine? Please contact us at: info@neudorff.de

Picture credits

1 p. 60 "Project in Rwanda" Likano

2 p. 61 "Namibia Project" Joachim Knoche

3 p. 62 "Mali Project" Bakary Coulibaly (Fangasso)

4 p. 63 "Costa Rica Projects" Likano

Legal notice

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