



---

# **Sustainability Report 2025**

## **Reporting year 2024**

Simon H. Steiner, Hopfen, GmbH  
Hallertauer Hopfenveredelungsgesellschaft mbH (HHV, Mainburg)  
Hopsteiner España S.A. (HSE, Spain)  
Žatec Hop Company a.s. (ZHC, Czechia)  
Inbarco d.o.o. (INB, Slovenia)



# General disclosures



## 2 General disclosures – BP-1 – General basis for preparation of the sustainability statement

S. S. Steiner, Inc., New York, founded in 1885 to serve the American market, is now the company's headquarters. Simon H. Steiner, Hopfen, GmbH (SHS) is a wholly owned subsidiary of S. S. Steiner Inc., New York, USA. Our parent company does not prepare consolidated financial statements.

This sustainability report contains information on the reporting year in the sense of the 2024 financial year and was prepared on a consolidated basis. It covers the activities of Simon H. Steiner, Hopfen, GmbH and its subsidiaries from the annual financial statements.

In addition to SHS, this consolidated group includes:

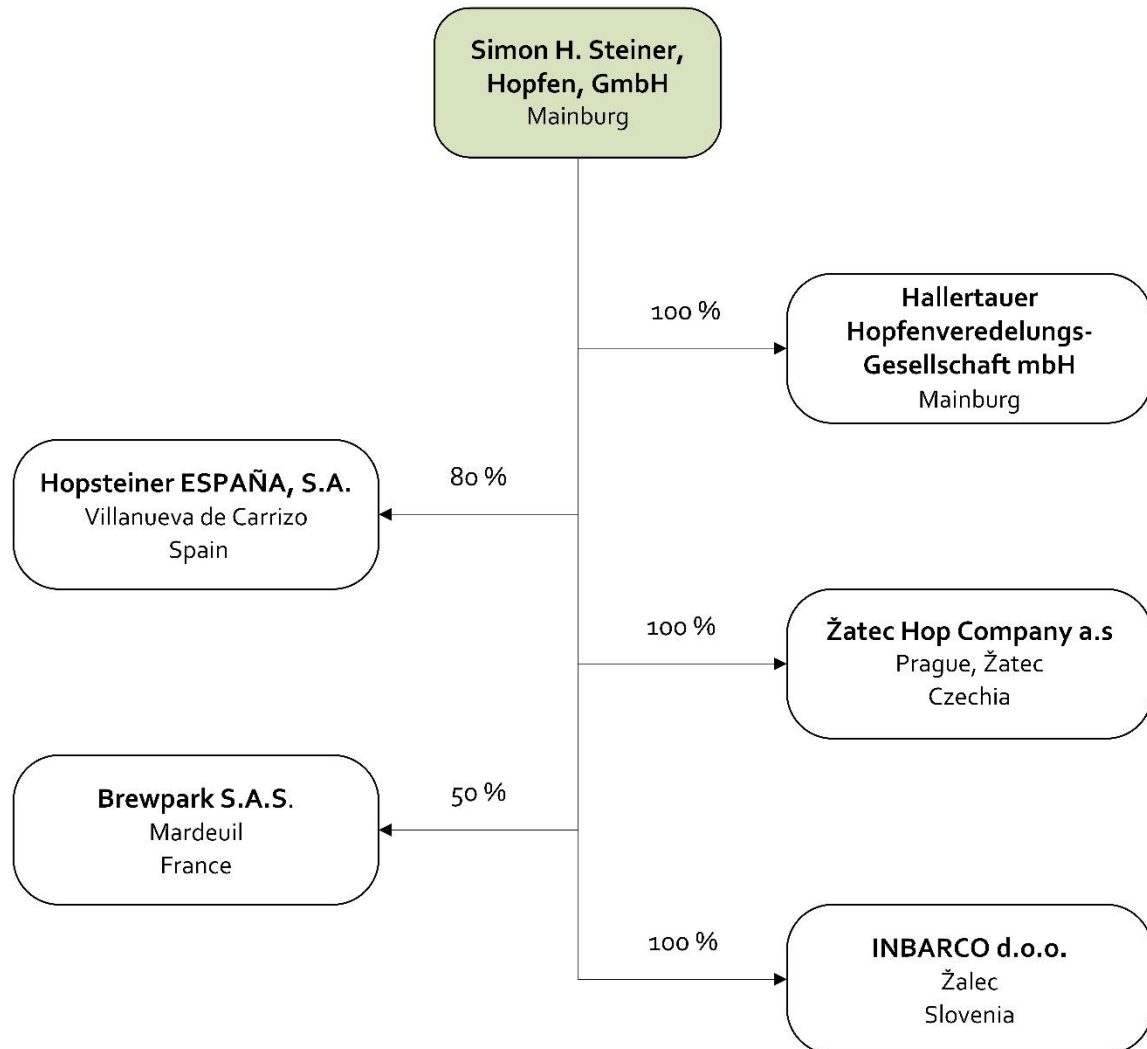
- Hallertauer Hopfenveredelungsgesellschaft mbH (HHV, Mainburg)
- Hopsteiner España, S.A. (HSE, Spain)
- Žatec Hop Company a.s. (ZHC, Czechia)
- Inbarco d.o.o. (INB, Slovenia)

Simon H. Steiner, Hopfen, GmbH (SHS) is a trading company whose hop processing services are provided by its wholly owned subsidiary Hallertauer Hopfenveredelungsgesellschaft mbH (HHV) in Germany, with which it has a profit transfer agreement. In the growing region of Spain, the regionally produced hops are processed into pellets by the subsidiary Hopsteiner España, S.A. (HSE), based in Villanueva de Carrizo (Léon), and marketed primarily to Spanish breweries. SHS holds an 80 per cent stake in this company, with the growers' association "SAT de los cultivadores de Lúpulo de León" holding the remaining 20 per cent. Other subsidiaries, such as the Czech company Žatec Hop Company a.s. (ZHC), are represented at two locations (Prague and Žatec) and operate purely as a marketing company for hops from the growing regions in Žatec, Ústěh and Tršice. SHS holds a 100 per cent stake in this company. Inbarco d.o.o. (INB) in Žalec, Slovenia, which was acquired in 2018, is also a pure trading company that purchases hops from hop growers and growers' associations in Slovenia and sells them primarily to the parent company and a few distributors and breweries directly. The corresponding hop products are manufactured exclusively in the group's own factories in Germany.

The 50 per cent-owned company Brewpark s.a.s. (France) is only included as an associated company in the form of a component of the value chain. Our investments in Ukraine were sold in 2024 and are therefore not included in the report.

	Total revenue in euros
SHS	115,407,404
HHV	18,181,924
ZHC	12,499,160
INB	3,136,972
HSE	6,100,229
<b>Total</b>	<b>155,325,689</b>

## Organisation



Both the analysis of the materiality of the impacts (stages of the supply chain) and the financial materiality (external perspective) considered the upstream and downstream value chain. However, meaningful stakeholder data is only available to a limited extent and, where available, is indicated with a reference. Strategies, measures and targets also extend to hop growers, suppliers and other service providers for certain topics.

To protect Hopsteiner's competitiveness, specific information about intellectual property, know-how and the results of innovations has been excluded.

## 2 General disclosures – BP-2 – Disclosures in relation to specific circumstances

### Time horizons

For reporting purposes, the following time horizons were used in accordance with the software settings. The definitions given do not differ from those in ESRS 1, Chapter 6.4.

- Short term: up to 1 year
- Medium term: 1 to 5 years
- Long term: more than 5 years

### Value chain estimation

Emissions data, emission factors and Product Carbon Footprints (PCFs) were obtained from the respective suppliers, where available, or taken from relevant databases (e.g. CarbonCloud). Emissions from upstream and downstream transport processes were determined using the ISO 14083 - 2023-03 standard "Greenhouse gases - Quantification and reporting of greenhouse gas emissions from transport processes".

The key figures used to calculate GHG emissions in hop cultivation for the upstream value chain in terms of Scope 3 emissions come from an indirect source. This corresponds to the sector average data according to the [online calculator of the Bavarian State Research Centre for Agriculture \(LfL\)](#) based on studies conducted at the respective farms, professional organizations and associations.

### Sources of estimation and outcome uncertainty

The carbon footprint of the raw hops purchased accounts for more than 90 per cent of the emissions in the upstream value chain and is therefore the most significant factor in Scope 3 of Hopsteiner's carbon footprint (see "Assessment of the value chain"). The cultivation emissions of hops can be determined using an online calculator provided by the LfL (harvest period 2021–2023). Completely individually determined values are used for seven varieties, which represent approximately 80 per cent of the purchase volume. For the other varieties, we use average values. This results in a certain, but not significant, degree of uncertainty in the results.

### Changes in preparation or presentation of sustainability information

#### Reporting errors in prior periods

This report is the first report in accordance with the European Sustainability Reporting Standards (ESRS). The requirements for the preparation and collection of sustainability information have been complied with. Therefore, there are no errors from previous periods.

### Further information

#### Incorporation by reference

The company does not include information in its sustainability statement based on other legal requirements that require the company to disclose sustainability information or on generally accepted standards and frameworks for sustainability reporting. Hopsteiner does not include information by reference to other documents. Repetitive and supplementary information within this report is referenced.

## Use of phase-In provisions in accordance with Appendix C of ESRS 1

As the reporting obligation under the Corporate Sustainability Reporting Directive does not currently apply to the company and its subsidiaries and is not expected to apply in the future, no list is being drawn up for the application of the provisions for phased disclosure requirements.

## 2 General disclosures – GOV-1 – The role of the administrative, management and supervisory bodies

### Composition of the management

All members of the management and administrative bodies are executives. As a result, Simon H. Steiner, Hopfen, GmbH has three male executive members, while Hallertauer Hopfenveredelungsgesellschaft mbH, Hopsteiner España S.A. and Inbarco d.o.o., Žalec, Slovenia each have one male managing director. The Executive Board of Žatec Hop Company a.s. consists of three male members.

There is no supervisory board.

	Number of managing members in administrative, management and supervisory bodies	Number of non-executive members in administrative, management and supervisory bodies	of which male	of which female	of which various
SHS	3	0	3 (100%)	0	0
HHV	1	0	1 (100%)	0	0
ZHC	3	0	3 (100%)	0	0
INB	1	0	1 (100%)	0	0
HSE	1	0	1 (100%)	0	0
<b>Total</b>	<b>9</b>	<b>0</b>	<b>9 (100%)</b>	<b>0</b>	<b>0</b>

At the Spanish subsidiary, all employees are represented by an employee representative. At HHV, a works council consisting of five people has been set up for this purpose.

### Roles and responsibilities 2024

#### Simon H. Steiner, Hopfen, GmbH

- Louis S. Gimbel 4th, businessman, Greenwich Connecticut, USA (sole representative)
- Joachim Gehde, business graduate, Mainburg (joint representative)
- Pascal Piroué, graduate in communications (BAW), Karlsfeld (joint representative)

#### Hallertauer Hopfenveredelungsgesellschaft mbH

- Peter Höckmeier, Geisenfeld (sole representative)

#### Hopsteiner España S.A.

- José Antonio Magadán, Villanueva de Carrizo (ES) (sole representative)

#### Žatec Hop Company a.s.

- Joachim Gehde, Mainburg (Chairman, sole representative)
- Andreas Waldinger, Wolnzach (Deputy Chairman, authorized to represent the company alone)
- Pascal Piroué, Karlsfeld (sole representative)

#### Inbarco d.o.o., Žalec, Slovenia

- Andreas Waldinger, Wolnzach (sole representative)

To promote sustainability within the company, a 16-member sustainability team was set up, consisting of management and employees from all departments – purchasing, production, marketing, sales, human resources, IT, finance, occupational safety, logistics, quality assurance, technology, and research and development. In their respective areas of responsibility, they continuously provide and update the necessary data and information. At a higher level, they act as sustainability ambassadors, raising internal awareness of sustainability issues. In this way, we involve as many employees as possible in our company's sustainability management.

The core team consists of the managing directors, the HHV operations manager and the sustainability officer/QMB. The latter is responsible for sustainability reporting. The materiality analysis based on the principle of double materiality (positive and negative impacts in terms of the inside-out perspective and opportunities and risks in terms of the outside-in perspective) was also carried out by this group of people, with the involvement of the subsidiaries. Adjusting existing concepts and evaluating conclusions – where necessary – are integral parts of our corporate philosophy and daily activities. The company management is always closely involved in all these processes. The management team plays a leading role in setting objectives and determining measures for key issues and dealing with identified impacts, opportunities and risks. Simon H. Steiner, Hopfen, GmbH has been collecting data annually since 2012 that records sustainability-related performance indicators. These cover production operations and human resources. Indicators that correspond to the identified key issues are relevant. The data is collected on an ongoing basis and periodically updated and published as part of the company's sustainability reporting. Close-meshed data collection ensures that sustainability goals can be managed and achieved. The respective departments are responsible for monitoring the goals. The regular preparation and publication of the sustainability report ensure additional review of the goals by the CSR core team. A Continuous Improvement Process (CIP) is monitored and confirmed in annual external certification and customer audits. Furthermore, regular meetings of the management team, including the executive board, ensure the exchange of information and progress on ongoing investment and improvement projects.

## Expertise and skills on sustainability matters

The management team brings relevant experience in the sectors, products and geographical locations to the table thanks to their commercial training, decades of management experience at Hopsteiner and, in some cases, other companies in the value chain, as well as membership in industry associations. Some come directly from the growing regions and are familiar with the local conditions.

The company has a sustainability officer/QMB. Since the first voluntary reporting in accordance with the German Sustainability Code (DNK), there has been close cooperation with a communications and sustainability agency. They not only assist with reporting but also inform the sustainability team about current developments and conduct software-supported workshops on stakeholders, double materiality and goals.

## 2 General disclosures – GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Quarterly meetings are held with the entire sustainability team – including the management – and representatives of the subsidiaries to discuss material impacts, risks and opportunities, the implementation of due diligence in sustainability, and the results and effectiveness of the strategies, measures, parameters and targets that have been adopted. Overall, internal sustainability communication is characterized by flat

hierarchies and short, direct communication channels. In addition, the sustainability officer/QMB regularly consults with the management.

The sustainability strategy, which is integrated into the overarching business strategy, considers our stance and approach to relevant sustainability issues in terms of impacts, opportunities and risks in the strategic orientation of the company, decisions on important transactions and in the risk management process. Potential and current business risks are discussed continuously within the management and periodically with the shareholders.

During the reporting period, the management team addressed all impacts, risks and opportunities identified in the IRO assessment of double materiality. A list is provided under SBM-3.

## 2 General disclosures – GOV-3 – Integration of sustainability-related performance in incentive schemes

There is currently no remuneration system or non-monetary incentive system with integrated sustainability targets. Consequently, they are not yet part of the Supervisory Board's evaluation of senior management.

There are currently no plans to introduce such a system.

## 2 General disclosures – GOV-4 – Statement on due diligence

Companies can make a positive contribution to economic, environmental and social progress. Nevertheless, their business activities also have negative impacts. The due diligence process is used to identify these actual and potential impacts based on the "OECD Due Diligence Guidance for Responsible Business Conduct" and to report on how they are being addressed. It is therefore closely linked to the business model and strategy.

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
a) Embedding due diligence in governance, strategy and business model	<p>ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3</p> <p>E1 Disclosure requirement related to ESRS 2 GOV-3 E1 Disclosure requirement related to ESRS 2 SBM-3 E4 Disclosure requirement related to ESRS 2 SBM-3</p> <p>S1 Disclosure requirement related to ESRS 2 SBM-3 S2 Disclosure requirement related to ESRS 2 SBM-3 S4 Disclosure requirement related to ESRS 2 SBM-3</p>
b) Engaging with affected stakeholders in all key steps of the due diligence	<p>ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 IRO-1 ESRS 2 MDR-P</p> <p>E1 Disclosure requirement related to ESRS 2 IRO-1 E2 Disclosure requirement related to ESRS 2 IRO-1 E3 Disclosure requirement related to ESRS 2 IRO-1 E4 Disclosure requirement related to ESRS 2 IRO-1 E5 Disclosure requirement related to ESRS 2 IRO-1</p>



	<p>S1 Disclosure requirement related to ESRS 2 SBM-2, ESRS S1-2</p> <p>S2 Disclosure requirement related to ESRS 2 SBM-2, ESRS S2-2</p> <p>S3 Disclosure requirement related to ESRS 2 SBM-2</p> <p>S4 Disclosure requirement related to ESRS 2 SBM-2</p> <p>G1 Disclosure requirement related to ESRS 2 IRO-1</p>
c) Identifying and assessing adverse impacts	<p>ESRS 2 IRO-1</p> <p>ESRS 2 SBM-3</p> <p>E1 Disclosure requirement related to ESRS 2 IRO-1</p> <p>E1 Disclosure requirement related to ESRS 2 SBM-3</p> <p>E2 Disclosure requirement related to ESRS 2 IRO-1</p> <p>E3 Disclosure requirement related to ESRS 2 IRO-1</p> <p>E4 Disclosure requirement related to ESRS 2 IRO-1</p> <p>E4 Disclosure requirement related to ESRS 2 SBM-3</p> <p>E5 Disclosure requirement related to ESRS 2 IRO-1</p> <p>S1 Disclosure requirement related to ESRS 2 SBM-3</p> <p>S2 Disclosure requirement related to ESRS 2 SBM-3</p> <p>S3 Disclosure requirement related to ESRS 2 SBM-3</p> <p>S2 Disclosure requirement related to ESRS 2 SBM-3</p> <p>S4 Disclosure requirement related to ESRS 2 SBM-3</p> <p>G1 Disclosure requirement related to ESRS 2 IRO-1</p>
d) Taking actions to address those adverse impacts	<p>ESRS 2 MDR-A</p> <p>ESRS E1-1, E1-2, E1-3</p> <p>ESRS E2-1, E2-2</p> <p>ESRS E3-1, E3-2</p> <p>ESRS E4-1, E4-2, E4-3</p> <p>ESRS E5-1, E5-2</p> <p>ESRS S1-1, S1-2, S1-3, S1-4</p> <p>ESRS S2-1, S2-2, S2-3, S2-4</p> <p>ESRS S4-1, S4-4</p> <p>ESRS G1-1, G1-2, G1-3, G1-4</p>
e) Tracking the effectiveness of these efforts and communicating	<p>ESRS 2 MDR-M</p> <p>ESRS 2 MDR-T</p> <p>ESRS E1-4, E1-5, E1-6, E1-9</p> <p>ESRS E2-3, E2-4, E2-5, E2-6</p> <p>ESRS E3-3, E3-4</p> <p>ESRS E4-4, E4-5, E4-6</p> <p>ESRS E5-3, E5-4, E5-5</p> <p>ESRS S1-5, S1-6, S1-7, S1-8, S1-9, S1-10, S1-11, S1-12, S1-13, S1-14, S1-15, S1-16, S1-17</p>

	ESRS S2-5 ESRS S4-5  G1-1, G1-2, G1-4, G1-5, G1-6
--	--

## 2 General disclosures – GOV-5 – Risk management and internal controls over sustainability reporting

Challenges in sustainability reporting lie in the availability and completeness of data within the company, its affiliated subsidiaries and the value chain, the accuracy of estimates and capacity bottlenecks due to the late delivery of information. Furthermore, due to the initial reporting, there may be misunderstandings regarding content and, due to the individual companies from different countries, regarding the language used in the consolidated report. These risks associated with sustainability reporting are not recorded in a structured manner or prioritized according to a defined method.

Mitigation strategies exist in the form of internal controls. The compiled content is regularly checked by the sustainability team while reporting. The core team and the commissioned agency perform a plausibility check of the narrative, semi-narrative and numerical information. In addition, the figures, data and facts provided by the subsidiaries are discussed in quarterly meetings and, if necessary, in further coordination meetings in the event of queries or ambiguities. Management participates in the quarterly meetings. Furthermore, the sustainability officer/QMB and the management team coordinate on an ongoing basis.

## 2 General disclosures – SBM-1 – Strategy, business model and value chain

### Key elements of general strategy, business model and value chain

The HOPSTEINER Group was one of the first companies worldwide to establish plants to produce hop pellets and hop extracts in the USA and Germany. The company, which emerged from a small hop trading business founded in 1845, is now one of the world's largest trading houses with its own hop cultivation and processing plants. S. S. Steiner, Inc., New York, founded in 1885 to serve the American market, is now the company's headquarters. Simon H. Steiner, Hopfen, GmbH (SHS) is a wholly owned subsidiary of S. S. Steiner Inc., New York, USA. In coordination with its US parent company, Simon H. Steiner, Hopfen, GmbH is responsible for marketing and processing activities from its headquarters in Mainburg, Germany. Its subsidiaries include Hallertauer Hopfenveredelungsgesellschaft mbH (HHV, Mainburg), Hopsteiner España, S.A. (HSE, Spain), Žatec Hop Company a.s. (ZHC, Czechia) and Inbarco d.o.o. (INB, Slovenia).

In this case, the number of employees is given according to the geographical location of the subsidiaries.

	Employees by geographical area (number of persons)	of which male	of which female	of which diverse
SHS	71	36	35	0
HHV	154	105	48	1
ZHC	7	5	2	0
INB	2	1	1	0
HSE	20	14	6	0
<b>Total</b>	<b>254</b>	<b>161 (63.4%)</b>	<b>92 (36.2%)</b>	<b>1 (0.4%)</b>

The company's success is primarily based on the continuity of a family business, which is now run by the sixth generation. The company supplies an international customer base that includes corporations as well as small and medium-sized enterprises worldwide. Hop products are distributed globally in over 140 countries – mainly through direct sales. Most of our customers are active in the brewing industry. We offer three product groups for these national and international small, medium-sized and large companies. Hops and pellets (raw hops, pellets, concentrated pellets, special pellets, fractionated products), bitter extracts (hop extracts, isomerized hop extracts, downstream hop extracts) and flavoring products (hop oils, aroma extracts) for use in the brewhouse or downstream beer production. Our hop refinement technology enables a high degree of homogenization, thus guaranteeing the consistently high quality of our customers' beers. In addition to the predominant use of hops in beverage production, our bio-science products (isomerized products, fractionated products) have opened further potential applications in biotechnology, the food and feed industry, medicine and cosmetics. We are represented in these market segments with a wide range of innovative products. They stabilize biotechnological fermentation processes as process aids or are used as flavorings in the food and feed industry. Our products are also used in medicine and cosmetics, for example as a basis for ingredients in medicines and creams. New hop products are constantly being developed, and existing ones are further refined. The range of important hop varieties is constantly being expanded with new, climate-adapted hop varieties from our own breeding program.

Our value chain comprises the following stages: growers (raw hop procurement), raw hop logistics, hop processing, distribution of finished goods, logistics, customers (use of hop products and disposal of packaging) and consumers. Internal value creation includes hop processing, hop trading and the distribution of finished goods.

In doing so, we take ecological, economic and social aspects into account. In this way, we align our business model with long-term success – in harmony with sustainable development. When sourcing raw materials for hops, we require our growers to think environmentally and promote gentle cultivation, plant protection, harvesting and production methods. We are continuously improving our manufacturing and refinement processes. The aim is to make optimum use of the resources required – as gently and efficiently as possible. To secure our input – and output – in the long term, we shape our business relationships with growers and suppliers in the same way as the sixth-generation family business itself. Everyone pulls together for the customers and finds solutions based on partnership. In the area of logistics, we have extensive cold storage capacity for raw hops and our hop products. Our (primary) raw hop cold storage facility in Elsendorf is 51 per cent energy self-sufficient thanks to self-generated, sustainable PV electricity. Fifty-six per cent of the energy requirements of the high-bay warehouse for finished goods are covered by renewable electricity generated at the Mainburg site. For distribution, we prefer to use logistics companies that comply with AEO and safety standards. In some cases, we also rely on service providers with climate-neutral transport options. In addition to human and technical capacities, we use the following resources for our output – hops and hop products:

- Hops
- CO<sub>2</sub> as a solvent for extraction
- Ethanol as a solvent for extraction
- Water
- Natural gas
- Heating oil
- Photovoltaics
- Wood chips (heating plant)

## Revenue by significant ESRS sectors

**We do not generate any revenue in the agriculture and farming (AF) sector. Our main revenue (total turnover in euros under 2 General information – BP-1 – General principles for the preparation of sustainability statements) is generated by the following activities:**

"Manufacturing Food & Beverages (MFB)"

- C.10.89 Manufacture of other food products n.e.c. (NACE code 10.89)

"Wholesale & Retail Trade (WWR)"

- G.46.17 Wholesale trade of other food products, beverages and tobacco (NACE code 46.17.9)

**Further activities are in the following areas:**

Manufacturing Food & Beverages (MFB)

- C.10.91 Manufacture of animal feeds (NACE code 10.91)

"Wholesale & Retail Trade (WWR)"

- G.46.21 Wholesale of grain, raw tobacco, seeds and animal feed (NACE code 46.21)

The companies SHS, ZHC and INB are 100 per cent in the WWR sectors, while HSE and HHV are in the MFB sectors. For competitive reasons, the percentage distribution of revenues is not disclosed.

In addition to our core business, we use energy sources to generate heat for our local heating network. Heat is generated by a biomass heating plant (wood chips) and a combined heat and power plant (natural gas). We use this to supply surrounding commercial enterprises at our Mainburg site. Electricity fed into the grid is generated by our installed photovoltaic systems and two combined heat and power plants (natural gas).

## Sustainability strategy and sustainability-related goals

We are aware of our responsibility and align our actions in a socially, ecologically and economically compatible manner. This is because we ensure that the natural product hop, which forms the basis of our business model, remains of high quality in the long term. That is why we cultivate, produce, trade, advise and conduct research holistically in the spirit of sustainability. Our sustainable business activities are divided into four areas of action: market (corporate management), environment, employees and community (social).

The fundamental strategic orientation of the company forms the basis of our sustainability management. In 2022, we formulated a clear sustainability strategy. It describes how we deal with relevant sustainability issues and is therefore systematically integrated into our business processes and measures. The key sustainability aspects are reflected in the company's objectives. In addition, we have re-examined the stakeholders already identified, conducted an analysis of the current situation, defined key (future) issues in the form of a revised materiality matrix, and backed this up with appropriately adjusted and new sustainability goals and measures. This is then followed by the steps of communication and consolidation.

The formulation of the corporate vision and mission not only considers short- and medium-term strategic priorities but also outlines a strategy for dealing with the economic, environmental and social impacts, risks and opportunities associated with our company in the short, medium and long term. The defined goals and measures help to steer sustainability performance. In particular, they contribute to Sustainable Development Goals SDG 2 "Zero Hunger", SDG 3 "Good Health and Well-being", 6 "Clean Water and Sanitation", 7 "Affordable and Clean Energy", 12 "Responsible Consumption and Production", 13 "Climate Action" and 15 "Life on Land". The goal of expanding the area under cultivation with self-bred, climate-resistant and more sustainable varieties to secure future viability and at the same time create a unique selling point relates to our products and services. However, it also has a positive impact on various environmental issues. This goal and all others are assigned to the material topics and corresponding fields of action [see disclosures E1-4, E2-3, E3-3, E4-4, E5-3, S1-5, S2-5, S4-5, G1-1, G1-2 and G1-4].

This strategy has been translated into a mission statement. In addition, we have formulated a universal code of conduct that serves as a practical guide for both employees and suppliers. In this way, everyone contributes to our company's sustainability strategy. [see G1-1]



## 2 General disclosures – SBM-2 – Interests and views of stakeholders

We are aware that our decisions and actions have an impact on others – our internal and external stakeholders. These include the two groups of affected stakeholders and users of sustainability statements. Only legislators/EU regulations can be assigned to users.

The stakeholder analysis was carried out by the core sustainability team at SHS and HHV – including the management – with the support of a commissioned communications and sustainability agency using software. In addition to a comprehensive collection of all stakeholders, it includes a screening of priority interests, associated risks in the event of non-fulfilment of expectations, and the Expected Damage Value (EDV) as a product of probability and damage (each 1 = very low to 5 = very high), including corresponding solutions. The colors symbolize the three dimensions of sustainability: green corresponds to the environment, yellow corresponds to social issues and blue corresponds to corporate governance. Following a detailed briefing, these results were then presented to the individual subsidiaries in the form of Excel spreadsheets for evaluation and supplementation. The materiality analysis includes all interests with priorities 1 to 3 and all others with an EDV greater than or equal to 8.

### Customers (breweries)

From a stakeholder perspective		From a company perspective		
Priority	Interest	Risk	EDV	Solution
1	Unrestricted contract fulfilment (security of supply/delivery)	<ul style="list-style-type: none"> <li>- Contractual penalties due to breaches of contract</li> <li>- Recourse claims</li> <li>- Compensation for replacement services</li> <li>- Loss of revenue</li> <li>- Damage to reputation</li> <li>- Loss of customers to competitors</li> </ul>	2	<ul style="list-style-type: none"> <li>- Management of stock levels</li> <li>- Close communication/dialog with customers</li> <li>- Fire and hail protection, occupational safety, equipment maintenance</li> <li>- Supplier management/position management (preliminary contracts, contractual penalties)</li> <li>- New varieties</li> <li>- Irrigation management</li> </ul>
2	Competitive prices	<ul style="list-style-type: none"> <li>- Lack of orders</li> <li>- Loss of revenue</li> <li>- Overcapacity</li> </ul>	4	<ul style="list-style-type: none"> <li>- Reduce costs</li> <li>- Market observation</li> <li>- Close contact with suppliers and customers</li> <li>- Long-term contracts</li> <li>- Increased efficiency</li> </ul>
3	Quality / Food compliance	<ul style="list-style-type: none"> <li>- Complaints / grievances</li> <li>- Loss of revenue</li> <li>- Recourse claims</li> <li>- Additional costs (for personnel / laboratory / recommissioning)</li> <li>- Potential fines –</li> <li>- Damage to reputation / loss of image</li> <li>- Customers switching to competitors</li> </ul>	3	<ul style="list-style-type: none"> <li>- Quality management</li> <li>- Quality assurance</li> <li>- Supplier management (monitoring)</li> <li>- Qualified personnel</li> <li>- Plant safety/capacities</li> <li>- Certifications and audits for potential improvements (e.g. at suppliers)</li> <li>- Close cooperation</li> </ul>
4	Sustainability information for CSRD reporting	<ul style="list-style-type: none"> <li>- Loss of customers</li> <li>- Loss of revenue</li> <li>- Damage to reputation</li> </ul>	1	<ul style="list-style-type: none"> <li>- Unclear CSRD reporting requirements (Omnibus Regulation)</li> </ul>

				- Figures, data and facts will be available for the 2025 reporting year
--	--	--	--	---

## Employees

From a stakeholder perspective		From a company perspective		
Priority	Interest	Risk	EDV	Solution
1	Employee satisfaction (job security, interesting tasks, working atmosphere, fair pay, flexible working hours)	- Higher staff turnover - Loss of expertise / employee turnover - Shortage of skilled workers	9	- Appreciative corporate management - Corporate benefits - Appropriate remuneration - Appreciative working atmosphere
2	Occupational health and safety	- Downtime - Costs - Deterioration of the working atmosphere / dissatisfaction / loss of employees - Liability for gross negligence	4	- Compliance with legal standards - Training / education and further training - Maintenance of machinery - Guidelines of the professional associations

## EU associations / national associations

From the perspective of stakeholders		From a corporate perspective		
Priority	Interest	Risk	EDV	Solution
1	Supporting association members in their lobbying efforts	- Own important issues are not taken into account (plant protection, irrigation)	1	- Close cooperation
2	Contribution payments	- Termination of membership - Dissolution of the association	1	

## Major banks

From a stakeholder perspective		From a corporate perspective		
Priority	Interest	Risk	EDV	Solution
1	Creditworthiness / debt servicing	- No more external capital / no financing - Overdraft interest - Poorer rating and consequently poorer terms	8	- Cooperation with several banking groups - Economic action
2	Sustainability / green finance	- Lower rating and consequently poorer conditions	4	- CSRD reporting obligation - Figures, data and facts are available, including reduction targets

### Suppliers (growers, contract growers)

From a stakeholder perspective		From a company perspective		
Priority	Interest	Risk	EDV	Solution
1	Contractual security	<ul style="list-style-type: none"> <li>- Termination of cooperation</li> <li>- Sale to competitors</li> <li>- Security of supply for the customer</li> </ul>	1	- Compliance with contracts / contract fulfilment
2	Future-proof prices	<ul style="list-style-type: none"> <li>- Growers abandon cultivation</li> <li>- Structure of growers changing</li> <li>- Dependence on market prices</li> </ul>	4	
3	Long-term partnerships	<ul style="list-style-type: none"> <li>- Volatility in the sales market (therefore no follow-up contracts)</li> </ul>	1	<ul style="list-style-type: none"> <li>- Preliminary contracts</li> <li>- Customer-specific relationships</li> </ul>

### Suppliers (auxiliary materials, packaging)

From the perspective of stakeholders		From a company perspective		
Priority	Interest	Risk	EDV	Solution
1	High and constant purchase volumes	<ul style="list-style-type: none"> <li>- Delivery capability (insufficient raw materials or packaging materials; in terms of time)</li> <li>- No interest in cooperation if purchase quantities are too low/fluctuating</li> <li>- High dependence on suppliers due to limited choice (quality-related)</li> </ul>	9	<ul style="list-style-type: none"> <li>- Long-term planning</li> <li>- Supplier management</li> <li>- Inventory management</li> </ul>
2	Appropriate and timely payment	<ul style="list-style-type: none"> <li>- No interest in cooperation and no alternative from other providers</li> <li>- Reminder / breach of contract</li> </ul>	2	

### Shareholder (USA)

From the perspective of stakeholders		From a company perspective		
Priority	Interest	Risk	EDV	Solution
1	Future-oriented corporate management (sustainable profits, stable company, long-term prospects, securing the future, maintaining market share)	<ul style="list-style-type: none"> <li>- Threat to the company</li> </ul>	3	<ul style="list-style-type: none"> <li>- Responsible corporate management</li> <li>- Controlling</li> <li>- Position management</li> <li>- Innovation &amp; research</li> </ul>

2	Maintaining the reputation and image of the Hopsteiner brand	<ul style="list-style-type: none"> <li>- Loss of market share</li> <li>- Doubts about expertise</li> </ul>	3	<ul style="list-style-type: none"> <li>- Responsible corporate governance</li> <li>- Controlling</li> <li>- Quality management</li> <li>- Communication / public relations</li> </ul>
---	--	--	---	---

### Legislators / EU regulations

From the perspective of stakeholders		From a corporate perspective		
Priority	Interest	Risk	EDV	Solution
1	Adaptation of legal regulations on consumer protection. (Ban on plant protection products, breeding policy, alcohol policy, packaging ban → BPA)	<ul style="list-style-type: none"> <li>- Marketing bans</li> <li>- Threat to security of supply</li> <li>- Additional costs, e.g. because alternatives are not available at the same price</li> <li>- Loss of consumer satisfaction</li> <li>- Financial damage</li> </ul>	9	<ul style="list-style-type: none"> <li>- Review of laws</li> <li>- Safety and quality management, analytics</li> <li>- Supplier management</li> <li>- Research and innovation for alternative solutions</li> </ul>
2	Adaptation of legal regulations for environmental protection. (CSRD, breeding policy, energy policy)	<ul style="list-style-type: none"> <li>- Additional costs</li> <li>- Loss of consumer satisfaction</li> <li>- Financial losses</li> <li>- Hop growers abandoning cultivation</li> </ul>	6	<ul style="list-style-type: none"> <li>- Review of laws</li> <li>- Sustainability reporting</li> <li>- Energy management</li> <li>- Research and development</li> </ul>
3	Adaptation of legal regulations on employee protection. (Time recording, Whistleblower Protection Act "HinSchG")	<ul style="list-style-type: none"> <li>- Penalty payments for non-compliance</li> <li>- Damage to reputation</li> </ul>	2	<ul style="list-style-type: none"> <li>- Review of laws</li> <li>- Implementation of the necessary regulations and compliance with the laws</li> </ul>

The specific stakeholders of the subsidiaries were included separately in the analysis to identify their interests and points of view.

### Junta de Castilla y León (HSE)

From a stakeholder perspective		From a corporate perspective		
Priority	Interest	Risk	EDV	Solution
1	Preserving hop cultivation in Castile and León	<ul style="list-style-type: none"> <li>- Reduction in cultivation areas</li> </ul>	6	<ul style="list-style-type: none"> <li>- Search for new areas to expand hop cultivation.</li> </ul>
2	Management of all types of subsidiaries for the hop sector	<ul style="list-style-type: none"> <li>- Loss of commitment/competence in the hop sector on the part of the Junta de Castilla y León</li> </ul>	3	<ul style="list-style-type: none"> <li>- Communication to the Junta de Castilla y León about the social importance of the cultivation areas in León.</li> </ul>



### Lúpulos de León, SAT (HSE)

From a stakeholder perspective		From a corporate perspective		
Priority	Interest	Risk	EDV	Solution
1	Contractual security	- Termination of cooperation - Sale to competitors	9	
2	Long-term partnership	- Change in producer structure - Dependence on market prices	12	
3	Future-proof prices	- Volatility in the sales market	4	

### Subcontractors (ZHC)

From the perspective of stakeholders		From a corporate perspective		
Priority	Interest	Risk	EDV	Solution
1	Quality / Food compliance	- Complaints / grievances - Loss of revenue	2	- Quality management - Certifications and audits for potential improvements
2	Competitive prices	- Lack of orders - Loss of revenue	2	- Cost reduction - Close contact with subcontractors
3	Punctual processing of orders	- Damage to reputation - Late delivery to customers - Loss of customers to competitors	2	- Timely reservation of subcontractor capacities

Open communication with these stakeholders has always been part of our identity and a key factor in our success. The goals and requirements for stakeholder communication are determined by the current market situation. Constant dialog enables regular feedback and exchange on sustainability issues. Feedback is continuously reviewed and, after internal review, incorporated into our daily work.

We provide information about our sustainability activities via various communication channels, both online and offline, in print and digital form. In addition, regular exchange with all these stakeholders has been part of our self-image and a key success factor since the company was founded. In addition to personal contact with growers, customers, employees and shareholders, who shape our daily business operations, we offer all stakeholder groups regular opportunities to participate in sustainable corporate development. This takes place, for example, through Hopsteiner Forum events and webinars, which are specifically tailored to the interests of the individual stakeholder groups. It goes without saying that we engage in ongoing scientific and technical dialog with numerous committees and institutions in the industry. We are active in the relevant associations related to the hop industry, such as the German Hop Industry Association (Deutscher Hopfenwirtschaftsverband e. V.). We maintain dialog with the respective stakeholder groups through the following measures:

### Customers (breweries)

- Customer portal
- Symposium presentations
- Hopsteiner Forum
- Taproom

- Guided tours
- Periodic customer evaluations/surveys
- Webinars and video conferences
- On-site customer visits

Innovative varieties and products must be convincing, especially when it comes to beer. That is why we installed a 5-hl pilot brewery on our premises in Mainburg in 2018 and brewed and evaluated experimental brews with our master brewer. An extension was added to this in 2022, creating a building with a sampling room and a large taproom for demonstration purposes. This allows customers to experience the influence of individual hop varieties and products on the final beer product. We aim for complete documentation and traceability of all customer contacts through a customer relationship management system linked to the enterprise resource planning system.

#### Suppliers (growers, contract growers) / Suppliers (auxiliary materials, packaging)

- Grower dialog
- Grower portal
- Grower visits
- Taproom
- Symposium presentations
- Hopsteiner Forum
- Guided tours
- Periodic supplier evaluations/surveys
- Webinars

Since 2015, Hopsteiner's hop suppliers have had access to the grower portal. More than 64 percent are now registered. The online platform facilitates intensive information exchange between buyers and hop growers. In addition to direct dialog, it represents an additional, essential means of communication. We also rely on webinars and grower forums in a hybrid format. Events with growers and suppliers also take place in the taproom. Among other things, Hopsteiner beers brewed specifically with our Bravo, Solero, Akoya and Lemondrop varieties are served there.

#### Employees

- Department head meetings
- Department and team meetings
- Employee appraisals/surveys
- Hopsteiner Forum
- Taproom

Our taproom can be used by all employees as a social area and company meeting place.

We communicate our corporate benefits to potential employees, welcome practical classes from secondary schools and maintain contact with agricultural and brewing schools. We are also making greater use of e-platforms for recruiting, in addition to job advertisements in traditional media.

## 2 General disclosures – SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

### Material impacts

Most of these impacts stem from our strategy and business model. This applies both to our own activities and to those arising from business relationships – this is reflected in the upstream (input) and downstream (output) stages of the value chain. Specifications relating to subsidiaries or geographical areas are indicated by the abbreviations in brackets. Information in the "Company" section applies equally to the parent company and its affiliated subsidiaries across all stages.

Topic / Subtopic	Type	Value-added step	Description	Assessment
<b>E1 Climate change</b>				
<b>Climate change adaptation</b>	Positive impact	Grower: Hop cultivation	<ul style="list-style-type: none"> <li>Breeding of own sustainable varieties</li> </ul>	Probability: 5 (actual)  Effect: 4 (high)  Time horizon: long term
	Positive impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>[INB] Irrigation management</li> </ul>	Probability: 5 (actual)  Effect: 5 (very high)  Time horizon: short term
	Positive impact	Logistics: Distribution of end products	<ul style="list-style-type: none"> <li>Planning (buffer quantities) due to harvest fluctuations</li> </ul>	Probability: 5 (actual)  Effect: 4 (high)  Time horizon: long term
<b>Climate change mitigation</b>	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>CO<sub>2</sub>-emissions in hop cultivation (main share of Scope 3 GHG emissions)</li> </ul>	Probability: 5 (actual)  Effect: 4 (high)  Time horizon: long term
	Positive impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>[HSE] Use of bales and improvement of drying and packaging processes in warehouses and</li> </ul>	Probability: 5 (actual)  Effect: 3 (moderate)

			agricultural businesses.	Time horizon: short term
	Positive impact	Raw hop logistics	<ul style="list-style-type: none"> <li>Locations in all major hop-growing countries reduce/shorten transport routes.</li> </ul>	Probability: 3 (likely)  Effect: 4 (high)  Time horizon: long term
	Positive impact	Production: processing and extraction	<ul style="list-style-type: none"> <li>[HSE] ISO 14001</li> </ul>	Probability: 5 (actual)  Effect: 3 (moderate)  Time horizon: short term
	Negative impact	Production: Processing and extraction	<ul style="list-style-type: none"> <li>Emissions cannot be avoided and depend on the quantity processed, the quality of the unprocessed hops and the hop products in demand.</li> </ul>	Probability: 5 (actual)  Effect: 4 (high)  Time horizon: long term
<b>Energy</b>	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>[HSE] Use of diesel as the main energy source during the hop season</li> </ul>	Probability: 5 (actual)  Effect: 4 (high)  Time horizon: short term
	Positive impact	Raw hop logistics	<ul style="list-style-type: none"> <li>[SHS/HHV] Our (primary) raw hop cold storage facility in Elsendorf is 51 per cent energy self-sufficient thanks to self-generated, sustainable PV electricity. 56 per cent of the energy requirements of the high-bay warehouse for finished goods are covered by renewable electricity generated at the Mainburg site.</li> </ul> <p>[Subsidiaries] Use of cold stores with electricity from</p>	Probability: 5 (actual)  Impact: 2 (low)  Time horizon: short term



			renewable energy sources	
	Positive impact	Production: Refining and extraction	<ul style="list-style-type: none"> <li>Energy savings through improvements in energy efficiency.</li> <li>(Increased) use of renewable energy sources: PV- e systems, wood chips</li> <li>[HHV/SHS] DIN EN ISO 50001 certification</li> <li>[HSE] ISO 14001</li> </ul>	Probability: 5 (actual) Effect: 2 (low) Time horizon: long term  Probability: 5 (actual) Impact: 2 (low) Time horizon: long term  Probability: 5 (actual) Impact: 3 (moderate) Time horizon: medium term  Probability: 5 (actual) Effect: 3 (moderate) Time horizon: short term
	Negative impact	Production: processing and extraction	<ul style="list-style-type: none"> <li>Energy-intensive manufacturing processes with cost-intensive CO<sub>2</sub>-neutral energy sources (extraction pellets)</li> </ul>	Probability: 5 (actual) Effect: 3 (moderate) Time horizon: long term
<b>E2 Pollution</b>				
<b>Pollution of water/soil/air</b>	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>Use of pesticides</li> </ul>	Probability: 5 (actual)

				Effect: 4 (high)
	Positive impact	Production: processing and extraction	<ul style="list-style-type: none"> <li>[HSE] ISO 14001</li> </ul>	Time horizon: long term
				Probability: 5 (actual)
				Impact: 3 (moderate)
				Time horizon: short term
<b>Microplastics</b>	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>Some of our growers use short plastic strings to attach the guide wires.</li> </ul>	Probability: 5 (actual)
				Effect: 3 (moderate)
				Time horizon: long term
<b>E3 Water and marine resources</b>				
<b>Water</b>	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>[HSE] Consumption of large quantities of water.</li> </ul>	Probability: 4 (very likely)
				Effect: 2 (low)
				Time horizon: medium term
	Positive impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>[INB] Precise irrigation management</li> </ul>	Probability: 4 (very likely)
				Effect: 4 (high)
				Time horizon: short term
	Negative impact	Production: processing and extraction	<ul style="list-style-type: none"> <li>[HHV] Water consumption depends on the hop products in demand and is higher for downstream products.</li> </ul>	Probability: 5 (actual)
				Effect: 3 (moderate)
				Time horizon: long term
	Positive impact	Production: processing and extraction	<ul style="list-style-type: none"> <li>[HSE] ISO 14001</li> </ul>	Probability: 5 (actual)
				Effect: 3 (moderate)
				Time horizon: short term

E4 Biodiversity and ecosystems				
Biological diversity and ecosystems	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>Integrated pest management: use of pesticides (hops are a monoculture)</li> <li>Resource consumption, emissions and waste</li> </ul>	Probability: 5 (actual) Impact: 5 (very high) Time horizon: long term Probability: 5 (actual) Impact: 2 (low) Time horizon: long term
	Positive impact	Growers: hop cultivation	<ul style="list-style-type: none"> <li>Breeding program to create resistant varieties that require fewer pesticides.</li> <li>[INB] Planting cover crop mixtures</li> </ul>	Probability: 5 (actual) Effect: 2 (low) Time horizon: long term Probability: 5 (actual) Impact: 5 (very high) Time horizon: short term
	Negative impact	Production: processing and extraction	<ul style="list-style-type: none"> <li>Resource consumption, emissions and waste</li> </ul>	Probability: 5 (actual) Impact: 3 (medium) Time horizon: long term
E5 Resource use and circular economy				
Resource use and circular economy	Positive impact	Production: processing and extraction	<ul style="list-style-type: none"> <li>Predominantly renewable processing materials by total weight.</li> </ul>	Probability: 4 (very likely) Impact: 2 (low) Time horizon: long term

	Negative impact	Production: Processing and extraction	<ul style="list-style-type: none"> <li>Energy, water, auxiliary and operating materials, packaging materials</li> </ul>	Probability: 5 (actual)  Effect: 3 (moderate)  Time horizon: long term
Resource outflows related to products and services	Positive impact	Logistics: Distribution of end products	<ul style="list-style-type: none"> <li>Recyclable packaging (approx. 75% of materials used)</li> </ul>	Probability: 4 (very likely)  Impact: 2 (low)  Time horizon: long term
			<ul style="list-style-type: none"> <li>[INB] Reuse/recycling of packaging material.</li> </ul>	Probability: 5 (actual) Impact: 3 (moderate)  Time horizon: short term
Waste	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>[HSE] Most harvest residues are not recycled.</li> </ul>	Probability: 5 (actual)  Effect: 3 (moderate)  Time horizon: short term
	Positive impact	Production: Refining and extraction	<ul style="list-style-type: none"> <li>[HSE] ISO 14001</li> </ul>	Probability: 5 (actual)  Effect: 3 (moderate)  Time horizon: short term
	Negative impact	Production: Refining and extraction	<ul style="list-style-type: none"> <li>[HHV] Hazardous waste (especially spent hop extracts)</li> </ul>	Probability: 5 (actual)  Effect: 2 (low)  Time horizon: long term



Topic / Subtopic	Type	Value-added step	Description	Assessment
<b>S1 Own workforce</b>				
<b>Working conditions – internal</b>	Positive impact	Company	<ul style="list-style-type: none"> <li>Employee satisfaction (job security, interesting work, working atmosphere, good pay, flexible working models and hours)</li> <li>[HHV] Works council/employee representation: Social Dialog on economic and social policy; consideration of employee interests in accordance with EU standards and the constructive and targeted participation of employees are firmly anchored in the company.</li> <li>The legal standards governing applicable working conditions and working time regulations, protection against dismissal, health protection and occupational safety are complied with. EU companies are subject to EU law or the respective national law. We demand compliance with EU minimum standards even for subsidiaries outside the EU.</li> </ul>	<p>Probability: 5 (actual)</p> <p>Effect: 4 (high)</p> <p>Time horizon: medium term</p> <p>Probability: 5 (actual)</p> <p>Impact: 4 (high)</p> <p>Time horizon: short term</p> <p>Probability: 5 (actual)</p> <p>Impact: 5 (very high)</p> <p>Time horizon: long term</p>

			<ul style="list-style-type: none"> <li>[SHS/HHV/HSE] Occupational safety specialist, occupational safety officer, [SHS/HHV] additional external consulting, occupational safety committee (ASA), investments in work facilitation [all] Accident prevention regulations, Risk assessments, preventive medical examinations, ergonomic workplace design.</li> <li>In some cases, several years of training for key positions</li> <li>Training courses, notices and direct instructions on health and safety at work.</li> </ul>	<p>Probability: 5 (actual)</p> <p>Impact: 5 (very high)</p> <p>Time horizon: long term</p> <p>Probability: 5 (actual)</p> <p>Impact: 2 (low)</p> <p>Time horizon: long term</p> <p>Probability: 5 (actual)</p> <p>Impact: 3 (moderate)</p> <p>Time frame: long term</p>
<b>Equal treatment and opportunities for all – internally</b>	Positive impact	Company	<ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Tailored training for all levels, genders and characteristics (additional qualifications and</li> </ul>	<p>Probability: 5 (actual)</p> <p>Impact: 2 (low)</p> <p>Time horizon: long term</p> <p>Probability: 5 (actual)</p> <p>Impact: 3 (moderate)</p>

			<p>training requirements)</p> <ul style="list-style-type: none"> <li>• Appropriate and equal pay for comparable work and qualifications (included in the Naturland criteria among others)</li> <li>• Only qualifications, skills and performance are used as assessment criteria for recruitment and promotion.</li> <li>• Employment and integration of people with disabilities.</li> </ul>	<p>Time horizon: long term</p> <p>Probability: 5 (actual)</p> <p>Impact: 5 (very high)</p> <p>Time horizon: long term</p> <p>Probability: 5 (actual)</p> <p>Impact: 5 (very high)</p> <p>Time horizon: long term</p> <p>Probability: 5 (actual)</p> <p>Impact: 3 (moderate)</p> <p>Time horizon: long term</p>
<b>Labor rights / human rights – internal</b>	Positive impact	Company	<ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Compliance with all national laws and regulations as well as the ILO, the International Convention on Human Rights, the United Nations Convention on the</li> </ul>	<p>Probability: 5 (actual)</p> <p>Impact: 2 (low)</p> <p>Time horizon: long term</p> <p>Probability: 5 (actual)</p> <p>Impact: 2 (low)</p> <p>Time horizon: long term</p>

			<p>Rights of the Child and the OECD Guidelines for Multinational Enterprises.</p> <ul style="list-style-type: none"> <li>General Data Protection Regulation (GDPR)</li> </ul>	<p>Probability: 5 (actual)</p> <p>Impact: 2 (low)</p> <p>Time horizon: long term</p>
<b>S2 Workers in the value chain</b>				
<b>Working conditions – external</b>	Negative impact	Growers: hop cultivation	<ul style="list-style-type: none"> <li>No on-site inspection of working conditions at new or existing suppliers.</li> <li>[HSE] Lack of supervision of seasonal workers</li> </ul>	<p>Probability: 5 (actual)</p> <p>Effect: 3 (moderate)</p> <p>Time horizon: long term</p> <p>Probability: 4 (very likely)</p> <p>Impact: 4 (high)</p> <p>Time horizon: short term</p>
	Positive impact	Logistics: Distribution of end products	<ul style="list-style-type: none"> <li>[HSE] Exclusive use of local seasonal workers</li> <li>[HSE] Support for local businesses, preference for local transport companies</li> </ul>	<p>Probability: 4 (very likely)</p> <p>Impact: 4 (high)</p> <p>Time horizon: short term</p> <p>Probability: 4 (very likely)</p> <p>Impact: 3 (moderate)</p> <p>Time horizon:</p>

				short term
<b>Equal treatment and equal opportunities for all – external</b>	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>No on-site inspection of new or existing suppliers with regard to equal treatment and equal opportunities.</li> </ul>	Probability: 5 (actual)  Impact: 3 (moderate)  Time horizon: long term
<b>Labor rights / human rights – external</b>	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>Existing or new suppliers are not screened for social or human rights issues.</li> <li>[HSE] Unregulated family labor</li> </ul>	Probability: 5 (actual)  Impact: 3 (moderate)  Time horizon: long term    Probability: 4 (very likely)  Impact: 3 (moderate)  Time horizon: short term
<b>S4 Consumers and end-users</b>				
<b>Protection of consumers and/or end-users</b>	Positive impact	Growers: hop cultivation	<ul style="list-style-type: none"> <li>Country-specific food safety: Data collection systems for the use of plant protection products (spray control, residue control, leaf screening)</li> </ul>	Probability: 5 (actual)  Effect: 5 (very high)  Time horizon: long term
	Positive impact	Production: processing and extraction	<ul style="list-style-type: none"> <li>Country-compliant food safety: HACCP concept, final inspection, traceability system</li> <li>[HHV/SHS, HSE] Quality management DIN EN ISO 9001</li> </ul>	Probability: 5 (actual)  Effect: 5 (very high)  Time horizon: long term    Probability: 5 (actual)  Impact: 5 (very high)

				Time horizon: medium term
	Positive impact	Logistics: Distribution of end products	<ul style="list-style-type: none"> <li>[HHV/SHS, HSE] Quality management DIN EN ISO 9001</li> </ul>	Probability: 5 (actual)  Effect: 5 (very high)  Time horizon: medium term
Topic / Subtopic	Type	Value creation stage	Description	Assessment
G1 Business conduct				
Corporate culture	Positive impact	Company	<ul style="list-style-type: none"> <li>Mission statement</li> <li>Code of Conduct</li> <li>Donations and Sponsorship</li> <li>Globally active family business</li> </ul>	Probability: 5 (actual)  Impact: 2 (low)  Time horizon: long term  Probability: 5 (actual)  Impact: 2 (low)  Time horizon: long term  Probability: 5 (actual)  Impact: 2 (low)  Time horizon: medium term  Probability: 5 (actual)  Impact: 3 (moderate)  Time horizon: medium term



	Positive impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>Comprehensive dialog and communication with suppliers, producers and partners. Agronomic Advice on cultivation (grower portal)</li> </ul>	Probability: 5 (actual)  Impact: 5 (very high)  Time horizon: long term
	Positive impact	Raw hop logistics	<ul style="list-style-type: none"> <li>[HSE] Improvement of internal handling of raw hops</li> </ul>	Probability: 5 (actual)  Effect: 4 (high)  Time horizon: short term
	Positive impact	Production: processing and extraction	<ul style="list-style-type: none"> <li>Investment and focus on product innovation, research and development</li> </ul>	Probability: 5 (actual)  Effect: 4 (high)  Time horizon: long term
	Positive impact	Customers: Use of hop products & disposal	<ul style="list-style-type: none"> <li>Responsible dealings with customers: long-term, trusting relationships</li> <li>Intensive dialog and exchange with customers: commitment to customer service; customer portal</li> </ul>	Probability: 5 (actual)  Impact: 5 (very high)  Time horizon: long term   Probability: 5 (actual)  Impact: 2 (low)  Time horizon: long term
<b>Protection of whistleblowers</b>	Positive impact	Companies	<ul style="list-style-type: none"> <li>Establishment of a system in accordance with the Whistleblower Protection Act (HinSchG)</li> </ul>	Probability: 5 (actual)  Effect: 2 (low)  Time horizon: long term
<b>Animal welfare</b>	Positive impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>[INB] Bee protection (avoid using insecticides during daylight hours and mulching flowering)</li> </ul>	Probability: 5 (actual)  Effect: 4 (high)

			plants near hop fields before applying plant protection products)	Time horizon: short term
	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>Integrated pest management in relation to animals/livestock.</li> </ul>	Probability: 5 (actual)  Effect: 5 (very high)  Time horizon: long term
Political commitment	Positive impact	Company	<ul style="list-style-type: none"> <li>[SHS/HHV] Regional engagement in Mainburg &amp; Au i.d. Hallertau, donations and sponsorship (science, hop industry)</li> <li>[HSE] Close relationships with authorities (local councils, regional government, etc.)</li> </ul>	Probability: 4 (very likely)  Impact: 3 (moderate)  Time horizon: short term    Probability: 4 (very likely)  Impact: 3 (moderate)  Time horizon: short term
	Positive impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>[SHS/HHV] Lobbying (water supply, integrated plant protection) via the German Hop Industry Association (Deutscher Hopfenwirtschaftsverband e. V.)</li> <li>[INB] Lobbying via the Slovenian Hop Growers' Association</li> </ul>	Probability: 5 (actual)  Effect: 4 (high)  Time horizon: long term   Probability: 5 (actual)  Impact: 4 (high)  Time horizon: short term
	Positive impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>Fair and timely payment</li> </ul>	Probability: 5 (actual)  Effect: 4 (high)

			<ul style="list-style-type: none"> <li>Provisional contracts</li> </ul>	<p>Time horizon: long term</p> <p>Probability: 5 (actual)</p> <p>Impact: 5 (very high)</p> <p>Time horizon: long term</p>
	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>[HSE] Difficult legacy of the previous company</li> </ul>	<p>Probability: 3 (likely)</p> <p>Effect: 3 (moderate)</p> <p>Time horizon: medium term</p>
	Positive impact	Raw hop logistics	<ul style="list-style-type: none"> <li>[HSE] Search for synergies during the hop certification phases</li> </ul>	<p>Probability: 4 (very likely)</p> <p>Impact: 4 (high)</p> <p>Time horizon: short term</p>
	Positive impact	Production: Processing and extraction	<ul style="list-style-type: none"> <li>Appropriate and timely payment (operating and auxiliary materials, packaging materials)</li> </ul>	<p>Probability: 5 (actual)</p> <p>Effect: 4 (high)</p> <p>Time horizon: medium term</p>
<b>Corruption and bribery</b>	Positive impact	Trade and processing of hops, corruption and bribery, companies	<ul style="list-style-type: none"> <li>Mission statement and code of conduct</li> </ul>	<p>Probability: 5 (actual)</p> <p>Impact: 2 (low)</p> <p>Time horizon: long term</p>
			<ul style="list-style-type: none"> <li>Compliance; no compliance cases to date.</li> </ul>	<p>Probability: 5 (actual)</p> <p>Impact: 3 (moderate)</p> <p>Time horizon:</p>

			<ul style="list-style-type: none"> <li>All incoming invoices, payments and business processes must be documented in a traceable manner and are monitored seamlessly by the management, the finance department and the relevant employees. The management and the sustainability officer are responsible for compliance. Employees and managers are made aware of this during periodic employee appraisals.</li> <li>Compliance measures in cooperation with the bank: anti-corruption, money laundering prevention and foreign trade law.</li> </ul>	<p>short term</p> <p>Probability: 5 (actual)</p> <p>Impact: 3 (moderate)</p> <p>Time horizon: long term</p>
	Positive impact	Trade and processing of hops, corruption and bribery, logistics: distribution of end products	<ul style="list-style-type: none"> <li>Compliance with applicable customs and export control laws</li> </ul>	<p>Probability: 5 (actual)</p> <p>Impact: 3 (moderate)</p> <p>Time horizon: long term</p>

## Material risks and opportunities

The term "internal" refers to risks in the processes of SHS and its subsidiaries, while "external" refers to risks with negative impacts and consequences on upstream and downstream value creation (input and output). The above risks do not focus on individual geographical areas, facilities or types of assets, or distribution channels.

ESRS classification	Risk	Negative impact	Consequence	Assessment	Measures
<b>E1 Climate change</b>	Heatwave – internal	<ul style="list-style-type: none"> <li>Overheated buildings</li> <li>Declining efficiency of machinery and equipment</li> </ul>	<ul style="list-style-type: none"> <li>Increased energy requirements (cooling) and additional costs</li> <li>Increased production costs for machines (lower efficiency/more errors) and production downtime</li> </ul>	Probability: 4 (frequent)  Damage 3 (medium)	<ul style="list-style-type: none"> <li>Early processing of hops</li> <li>Efficient cooling systems</li> </ul>
	Heatwave – external	<ul style="list-style-type: none"> <li>Damage to stocks</li> <li>Harvest losses due to drought/overheating</li> </ul>	<ul style="list-style-type: none"> <li>Security of supply (quality and quantity risk → alpha acid, yield)</li> <li>Loss of income with fixed costs remaining unchanged</li> </ul>	Probability: 4 (frequent)  Damage 3 (medium)	<ul style="list-style-type: none"> <li>Switch to new resistant varieties</li> </ul>
	CO <sub>2</sub> -transformation – internal	<ul style="list-style-type: none"> <li>Political incentives for the transition to a low-carbon economy, expansion of renewable energies</li> <li>Gradual shortage of allowances in the EU ETS leads to higher costs for emission allowances and rising CO<sub>2</sub>-prices (€25 per ton in 2021 to €55–65 per ton in 2026)</li> </ul>	<ul style="list-style-type: none"> <li>Rising energy costs</li> <li>Implicitly increased administrative costs for sustainability/energy management and reporting</li> <li>Additional investment costs for new technologies</li> </ul>	Probability: 4 (frequent)  Damage 4 (high)	<ul style="list-style-type: none"> <li>Expansion of renewable energies</li> <li>Energy management</li> </ul>
	CO <sub>2</sub> -transformation – external	<ul style="list-style-type: none"> <li>Political incentives for the transition to a low-carbon economy, expansion of renewable energy sources (reallocation of leased land for PV systems)</li> </ul>	<ul style="list-style-type: none"> <li>Rising energy costs and overheads for energy, as well as additional investment costs for business partners, may lead to higher purchasing</li> </ul>	Probability: 4 (frequent)  Damage 4 (high)	

		<ul style="list-style-type: none"> <li>Gradual shortage of allowances in the EU ETS leads to higher costs for emission allowances and rising CO<sub>2</sub>-prices (€25 per ton in 2021 to €55–65 per ton in 2026)</li> <li>Increasing customer requirements (reduction of carbon emissions)</li> </ul>	prices/procurement costs <ul style="list-style-type: none"> <li>Internal pressure and passing on of pressure to hop growers to reduce emissions</li> <li>(Scope 3; e.g. drying) → Cost increase</li> </ul>		
--	--	---	--	--	--

These sub-risks are stored in the software as suggestions with the following specifications:

- A heatwave in Germany is defined as temperatures above 30 °C on at least five consecutive days (Tinz, B. et al. (2009): Climate Change and Medicine: Frequency and Intensity of Heatwaves in Germany).
- The CO<sub>2</sub>-transformation refers to a shift towards a lower-carbon economy. This includes changing demand from end consumers and politically driven energy shortages/price increases for fossil fuels as a means of protecting against further global warming.

ESRS classification	Risk	Negative effect	Consequence	Assessment	Measures
<b>S2 Workers in the value chain</b>  <b>S4 Consumers and end-users</b>	Demo-graphic change – external	<ul style="list-style-type: none"> <li>Labor shortage among producers (e.g. due to a lack of successors in the businesses)</li> <li>Dependence on consumers, changing consumption patterns (alcohol) and product requirements</li> </ul>	<ul style="list-style-type: none"> <li>Greater efforts to find sufficiently qualified business partners, as they may also be affected by labor shortages</li> <li>Decline in the number of suppliers/decline in cultivated area</li> <li>Lower demand on the customer side (beer)</li> </ul>	Probability: 3 (occasional)  Damage 3 (medium)	<ul style="list-style-type: none"> <li>Focus on consumers: new products through research and development</li> <li>Attractive contracts</li> </ul>

This partial risk is stored in the software as a suggestion with the following specification:

- Change in the composition of the population towards an ageing German and European society

ESRS classification	Risk	Negative effect	Consequence	Assessment	Measures
<b>G1 Business conduct</b>	Legal violations – external	<ul style="list-style-type: none"> <li>Legal disputes, lawsuits, fines or compensation payments (contract fulfilment vis-à-vis business partners, plant protection requirements for growers)</li> </ul>	<ul style="list-style-type: none"> <li>Declining reputation of the business partner's industry may affect your own company</li> <li>Damage to image, decline in demand</li> <li>Loss of revenue with fixed costs remaining the same</li> <li>Increased expenditure on supplier management</li> <li>Delivery reliability cannot be maintained → Loss of customers</li> <li>Loss of raw hops due to non-compliance with plant protection regulations</li> </ul>	Probability: 4 (frequent)  Damage 2 (low)	<ul style="list-style-type: none"> <li>Quality assurance</li> <li>Purchasing conditions (clear wording)</li> <li>Supplier management</li> </ul>
	Tightening of EU plant protection policy – internal	<ul style="list-style-type: none"> <li>Mandatory reduction in chemical plant protection and the use of fertilizers</li> <li>Ban on individual plant protection products</li> </ul>	<ul style="list-style-type: none"> <li>Loss of competitiveness of European growing regions/ companies</li> <li>Personnel costs</li> <li>Additional costs and financial losses</li> </ul>	Probability: 4 (frequent)  Damage 2 (low)	<ul style="list-style-type: none"> <li>Research investment</li> <li>Innovative variety breeding</li> <li>Lobbying / dialog with the Bavarian State Research Centre for Agriculture (LfL) and EU authorities</li> <li>Solution-oriented, open dialog with customers</li> </ul>
	Tightening of EU plant protection policy – external	<ul style="list-style-type: none"> <li>Demotivation and excessive pressure on growers</li> </ul>	<ul style="list-style-type: none"> <li>Significant crop losses on the cultivation side</li> <li>Long-term forward contracts cannot be fulfilled</li> <li>Cessation of hop cultivation</li> <li>Possible increase in costs (which cannot be passed on)</li> </ul>	Probability: 4 (frequent)  Damage 3 (medium)	<ul style="list-style-type: none"> <li>Intensive cultivation and plant protection advice</li> <li>Communication and dialog</li> </ul>



	Delayed acceptance by customers – internal	<ul style="list-style-type: none"> <li>Bottlenecks in warehousing/ capacity</li> </ul>	<ul style="list-style-type: none"> <li>Increased financing requirements</li> <li>Higher storage costs due to new construction or rental of storage space</li> </ul>	Probability: 5 (certain)  Damage 2 (low)	<ul style="list-style-type: none"> <li>Increase in storage fees for customers</li> <li>Renting external warehouses</li> <li>Contractual provisions regarding acceptance</li> </ul>
--	--	--	---	--	--

The partial risk "legal violations" is stored in the software as a suggestion with the following specification:

- Increase in legal violations due to increased requirements regarding reporting, regulations on resource consumption, waste disposal, economy (corruption), compliance, working conditions, human rights, taxes, etc.

The two other sub-risks are company-specific and were added to the software for analysis.

Regardless of the consolidated results from the analysis of financial materiality at company level, the most important risks for the subsidiaries are presented below.

#### HSE

Environment: Heat waves (internal and external), droughts & water shortages (external), heavy rainfall & flooding (internal), storms (external), CO<sub>2</sub>-transformation (internal and external)

Social: Demographic change (internal and external)

Corporate governance: Dependence on suppliers (internal and external)

#### INB

Environment: carbon transformation (external)

Corporate governance: Legal violations (external), tightening of EU plant protection policy (internal and external)

#### ZHC

Corporate governance: tightening of EU plant protection policy (internal and external)

## Impact on decision-making

The current and expected influence of the material impacts and risks on the business model, value chain, strategy and decision-making is recorded in the tables in the form of probability and damage assessments. We respond to this with measures that we have linked to the risks in the software. In addition, we set ourselves specific goals. In this way, we aim to minimize risks, exploit opportunities, strengthen positive impacts and avoid or reduce negative ones. This ensures Hopsteiner's long-term stability and competitiveness. This does not result in a direct change to our strategy or business model [see SBM-1].

## Financial effects

Various damage categories have been predefined to identify the financial materiality of opportunities and risks [see IRO-1]. The table shows the damage on a scale of 1 to 5. These must also be considered in the context of probability.

#### Expected short-term financial impact of material risks (occurring at least annually)

- Carbon transformation – internal and external: high damage up to €10,000,000
- Heatwave – internal and external: medium damage up to €3,000,000

- Tightening of EU plant protection policy – internal and external: minor damage up to €500,000 and moderate damage up to €3,000,000
- Legal violations – external: minor damage up to €500,000
- Delayed acceptance by customers – internal: minor damage up to €500,000

Expected medium-term financial impact of material risks (occurring approximately every 2–5 years)

- Demographic change – external: moderate damage up to €3,000,000

Long-term expected financial impact of material risks (occurring every 5–15 years)

No material opportunities or risks identified.

## Changes in materiality

This report is Hopsteiner's first report in accordance with the European Sustainability Reporting Standards (ESRS). Changes in material impacts, risks and opportunities compared to the previous reporting period cannot therefore be disclosed.

## 2 General disclosures – IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

### Process to identify and assess material impacts

To determine the direct material impacts of the company – as well as indirect impacts in the supply chain – on environmental, social and governance aspects (inside-out perspective), we examined our business activities and the upstream and downstream stages of the value chain. This was done for the sustainability aspects covered in the topic-related ESRS and categorized by topic, sub-topic and sub-sub-topic – with software support from the established sustainability core team at SHS and HHV in dialog and with the support of a commissioned communications and sustainability agency. The CSRD compliance with the software used for sustainability management is certified by a leading auditing firm in accordance with IDW PS880.

The positive and negative impacts reported were assessed based on their probability of occurrence (potential and actual), their effect (extent and scope – for positive impacts) or their severity (extent, scope and irreversibility – for negative impacts) and their time horizon (short, medium or long term) in which they may occur. The process was set up for this initial report in accordance with ESRS and will be reviewed annually for content changes and additions.

**Severity:**

Extent from 1 (very low) to 5 (very high), scope from 1 (very selective, individual persons) to 5 (global, many people) and irreversibility from 1 (easy/short-term) to 5 (absolutely irreversible)

**Impact:**

Extent from 1 (very low) to 5 (very high) and scope from 1 (very selective, individual persons) to 5 (global, many people)

**Probability of occurrence:**

From 1 (low probability of occurrence/occurring sporadically) to 5 (actual impact occurring always and everywhere)

**Time horizon:**

Short term (up to 1 year), medium term (1 to 5 years), long term (more than 5 years)

This results in an Expected Damage Value (EDV) of between 1 and 25.

The ENCORE Nature online tool was used to assess dependencies and impacts. It is maintained and continuously improved by Global Canopy, the UN Environment Programme Finance Initiative (UNEP FI) and the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC).

After a detailed briefing, the results were then presented to the individual subsidiaries in the form of Excel spreadsheets for evaluation and supplementation. For the (partial) consolidation of this feedback from the subsidiaries into the existing materiality analysis, we weighted the assessments of the impacts specified by SHS/HHV for the subsidiaries with a total of 0.1 and for the parent company with 0.9 (in line with the rounded consolidated and non-consolidated sales figures and employee numbers, to give a realistic picture of the company as a whole). For the sake of completeness, any additional data was recorded separately (unweighted) and shown in the software and the report for the individual subsidiaries. Identified positive and negative impacts above a threshold value of 8 are included in the clustering to compile the material topics. The results are regularly checked by the sustainability team in conjunction with reporting. The sustainability officer/QMB is responsible for this. Overall responsibility for sustainability lies with the management.

## Process to identify and assess material risks and opportunities

To determine financial materiality, we conducted a software-supported risk screening in the core sustainability team of SHS and HHV with the support of a commissioned communications and sustainability agency. From an outside-in perspective, specified acute and chronic physical and transitory (partial) risks in the areas of environment, social affairs and governance are analyzed based on the EU Taxonomy Regulation, the EU Green Deal and the Global Risk Report.

In the environmental sector, these include sea level rise, cold spells, heat waves, droughts and water shortages, heavy rainfall and flooding, as well as severe weather (storms, lightning, hail), biodiversity loss and land use change, environmental pollution (water, soil, air), CO<sub>2</sub>-transformation, the circular economy and resource use. In the social sphere, pandemics and an increase in sickness-related absences, armed conflicts, migration and demographic change are considered. The governance field of action covers legal violations, data security and cybersecurity, while company-specific additions include the tightening of EU plant protection policy, statutory health policy, dependence on suppliers and delayed acceptance by customers. They are assigned to the respective ESRS standards and are considered based on their impacts and negative consequences for the company and its subsidiaries (internal) and for the value chain (external). Gross risks are assessed based on the product of financial loss (loss classes) and probability of occurrence. Our sustainability management software allows us to record possible measures so that risks can be limited or avoided (net risks are not additionally measured) or converted into opportunities. Sustainability risks and opportunities are treated in the same way as other types of risks.

Our business model is mainly affected by RFC2 (Integrative reasons for concern) according to the Third Assessment Report of the International Panel on Climate Change (IPCC): Extreme weather events – Risks/impacts of extreme weather events such as heat waves, heavy rainfall, drought and associated wildfires, and coastal flooding on human health, livelihoods, assets and ecosystems. In the longer term, RFC4: Global aggregate impacts – global monetary damage, degradation and loss of ecosystems and biodiversity on a global scale – will also become more relevant.

The WWF Biodiversity Risk Filter, the WWF Water Risk Filter, the Climate Central Coastal Risk Screening Tool and the World Resources Institute's Aqueduct Water Risk Atlas were used for the assessment. These are based on a wide range of well-founded sources, studies, methodologies and tools.

**Damage classes / impact classes:**

- 1 very low: up to £45,000
- 2 low: up to 500,000 euros
- 3 Medium: up to 3,000,000 euros
- 4 high: up to 10,000,000 euros
- 5 Existential threat / very high: from 10,000,000 euros

**Levels of probability of occurrence:**

- 1 very rare: less than once every 15 years
- 2 rare: approx. every 5 to 15 years
- 3 occasional: approx. every 2 to 5 years
- 4 frequent: annually
- 5 certain: several times a year

This results in an expected loss value of between a minimum of 1 and a maximum of 25. Following a detailed briefing, the results were then presented to the individual subsidiaries in the form of Excel tables for evaluation and supplementation. For the (partial) consolidation of this feedback from the subsidiaries into the existing materiality analysis, we weight the assessments of the risks specified by SHS / HHV for the subsidiaries with a proportionate total of 0.1 and for the parent company with 0.9 (in line with the rounded consolidated and non-consolidated sales figures and employee numbers, to give a realistic picture of the company as a whole). All other additional data was recorded separately for the sake of completeness and reported in the software and the report. Identified risks and opportunities above a threshold value of 8 are included in the clustering process to determine our key issues. The results are regularly reviewed by the sustainability team as part of the reporting process. The sustainability officer/QMB is responsible for this. Overall responsibility for sustainability lies with the management.

(Partial) risk management is already established within the framework of ISO 9001 (SHS/HHV, HSE), ISO 14001 (HSE) and ISO 50001 (HHV and HSE) certifications. The process established in connection with the IRO for identifying, assessing and managing impacts and risks corresponds to the general risk management procedure.

## Stakeholder Involvement

Through our close contact and ongoing dialog with all stakeholders, we are aware of their concerns, interests and expectations. This enables us to continue to receive regular feedback and exchange views on sustainability issues. Among other things, this influences our concepts, goals and measures. The views of stakeholders are considered via the proxy approach in the form of the various members of the sustainability team.

## 2 General disclosures – IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

We have identified the material aspects in terms of reportable material impacts, risks and opportunities in accordance with ESRS 1 Section 3. "Double materiality as the basis for sustainability disclosure". The process for determining the materiality of information is based on the flow chart described in Appendix E. For the aspects identified as material, we present all necessary information in accordance with ESRS standards. Strategies, measures and targets are disclosed. In areas where we have not yet taken concrete measures, we specify a clear timeframe in which we intend to formulate and implement appropriate targets. For parameters, an additional assessment is carried out based on individual data points. A detailed description is provided in IRO-1. The threshold is defined as greater than or equal to 8. We disclose the relevant information in accordance with ESRS requirements and identify any gaps in our reporting, including the reasons for omitting certain data. If a topic covered by a topic-specific standard is not material, the disclosure requirements are omitted except for those related to ESRS 2 SBM-2. This decision is based on a thorough assessment of financial materiality and the materiality of the impact.

Conscious (partial) omissions based on the materiality analysis do not affect any full disclosure requirements, apart from S3 Affected Communities (S3-1 to S3-5), and relate to the sub-topics Substances of Very High Concern (E2), marine resources with the sub-sub-topics of water discharge into the oceans and extraction and use of marine resources (E3), direct causes of biodiversity loss with changes in marine use (E4), and fair remuneration – external, health protection and (occupational) safety – external (S2).

ESRS Standard	Description	Disclosure requirements	Page number / Explanation
<b>ESRS 2</b> <b>General information</b>	<i>1. Basis for preparation</i>	BP-1 – General basis for preparation of the sustainability statement	<b>3-4</b>
		BP-2 – Disclosures in relation to specific circumstances	<b>5-6</b>
	<i>2. Governance</i>	GOV-1 – The role of of the administrative, management and supervisory bodies	<b>6-7</b>
		GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	<b>7-8</b>
		GOV-3 – Integration of sustainability-related performance in incentive schemes	<b>8</b>
		GOV-4 – Statement on due diligence	<b>8-10</b>
		GOV-5 – Risk management and internal controls over sustainability reporting	<b>10</b>
	<i>3. Strategy</i>	SBM-1 – Strategy, business model and value chain	<b>10-12</b>
		SBM-2 – Interests and views of stakeholders	<b>13-18</b>
		SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	<b>19-39</b>
	<i>4. Impact, risk and opportunity management</i>  <i>4.1 Disclosures on the materiality assessment process</i>  <i>4.2 Minimum disclosure requirement on policies and actions</i>	IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities	<b>39-41</b>
		IRO-2 – Disclosure requirements contained in the ESRS covered by the company's sustainability statement	<b>41-48</b>
		MDR-P – Policies adopted to manage material sustainability matters	<i>The relevant disclosures can be found directly in the corresponding passages of the topic-specific ESRS standards</i>
		MDR-A – Actions and resources in relation to material sustainability matters	<i>The relevant disclosures can be found directly in the corresponding passages of the topic-specific ESRS standards.</i>

	5. Metrics and targets	MDR-M – Metrics in relation to material sustainability matters	<i>The relevant information can be found directly in the corresponding passages of the topic-specific ESRS standards</i>
		MDR-T – Tracking effectiveness of policies and actions through target	<i>The relevant information can be found directly in the corresponding passages of the topic-specific ESRS standards</i>
ESRS E1 Climate change	Governance	Related to ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes	52
	Strategy	E1-1 – Transition plan for climate change mitigation	52
		Related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	52-54
	Impact, risk and opportunity management	Related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	54-57
		E1-2 – Policies related to climate change mitigation and adaptation	57-58
		E1-3 – Actions and resources in relation to climate change policies	58-59
	Metrics and targets	E1-4 – Targets related to climate change mitigation and adaptation	58-59
		E1-5 – Energy consumption and mix	59-61
		E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	61-62
		E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	<i>Not material as not applicable.</i>
		E1-8 – Internal carbon pricing	<i>Not material, as not applicable.</i>
		E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	63-64
ESRS E2 Pollution	Impact, risk and opportunity management	Related to ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	66-67
		E2-1 – Policies related to pollution	67
		E2-2 – Actions and resources related to pollution	68-70
	Metrics and targets	E2-3 – Targets related to pollution	68-70

		E2-4 – Pollution of air, water and soil	<b>70</b> <i>The collection of quantitative data on pollutants in air, water and soil is disproportionate.</i>
		E2-5 – Substances of concern and substances of very high concern	<b>70</b>
		E2-6 – Anticipated financial effects from pollution-related impacts, risks and opportunities	<i>Not material, as no material impacts, opportunities or risks have been identified.</i>
<b>ESRS E3 Water and marine resources</b>	<i>Impact, risk and opportunity management</i>	Related to ESRS 2 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	<b>72-73</b>
		E3-1 – Policies related to water and marine resources	<b>73-74</b>
		E3-2 – Actions and resources related to water and marine resources	<b>74-76</b>
	<i>Metrics and targets</i>	E3-3 – Targets related to water and marine resources	<b>74-76</b>
		E3-4 – Water consumption	<b>76</b>
		E3-5 – Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	<i>Not material, as no material impacts, opportunities or risks have been identified.</i>
<b>ESRS E4 Biodiversity and ecosystems</b>	<i>Strategy</i>	E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model	<b>78</b>
		Related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	<b>78-79</b>
	<i>Impact, risk and opportunity management</i>	Related to ESRS 2 IRO-1 – Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	<b>79-80</b>
		E4-2 – Policies related to biodiversity and ecosystems	<b>80-81</b>
		E4-3 – Actions and resources related to biodiversity and ecosystems	<b>81-83</b>
	<i>Metrics and targets</i>	E4-4 – Targets related to biodiversity and ecosystems	<b>81-83</b>
		E4-5 – Impact metrics related to biodiversity and ecosystems change	<b>83</b> <i>The collection of quantitative data on land</i>



			<i>use change, contribution to influencing factors, invasive alien species, species status and ecosystem impacts, and ecosystem services is disproportionate.</i>
		E4-6 – Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	<i>Not material, as no material impacts, opportunities or risks have been identified.</i>
<b>ESRS E5 Resource use and circular economy</b>	<i>Impact, risk and opportunity management</i>	Related to ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	<b>86-87</b>
		E5-1 – Policies related to resource use and circular economy	<b>87</b>
		E5-2 – Actions and resources related to resource use and circular economy	<b>88</b>
	<i>Metrics and targets</i>	E5-3 – Targets related to resource use and circular economy	<b>88</b>
		E5-4 – Resource inflows	<b>88-90</b>
		E5-5 – Resource outflows	<b>90-91</b>
		E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	<i>Not material, as no material impacts, opportunities or risks have been identified.</i>
<b>ESRS S1 Own workforce</b>	<i>Strategy</i>	Related to ESRS 2 SBM-2 – Interests and views of stakeholders	<b>94</b>
		Related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	<b>94-96</b>
	<i>Impact, risk and opportunity management</i>	S1-1 – Policies related to own workforce	<b>96-97</b>
		S1-2 – Processes for engaging with own workers and workers' representatives about impacts	<b>97-98</b>
		S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	<b>98</b>
		S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	<b>98-100</b>
	<i>Metrics and targets</i>	S1-5 – Targets related to managing material negative	<b>105-107</b>

		impacts, advancing positive impacts, and managing material risks and opportunities	
		S1-6 – Characteristics of the undertaking's employees	<b>100</b>
		S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	<i>Not material as not applicable.</i>
		S1-8 – Collective bargaining coverage and social dialog	<b>101</b>
		S1-9 – Diversity metrics	<b>101</b>
		S1-10 – Adequate wages o Disclosure Requirement	<b>102</b>
		S1-11 – Social protection	<b>102</b>
		S1-12 – Persons with disabilities	<b>102</b>
		S1-13 – Training and skills development metrics	<b>102</b>
		S1-14 – Health and safety metrics	<b>102</b>
		S1-15 – Work-life balance metrics	<b>103</b>
		S1-16 – Compensation metrics (pay gap and total compensation)	<i>No remuneration indicators are disclosed.</i>
		S1-17 – Incidents, complaints and severe human rights impacts	<b>103</b>
<b>ESRS S2 Workers in the value chain</b>	<i>Strategy</i>	Related to ESRS 2 SBM-2 Interests and views of stakeholders	<b>105</b>
		Related to ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	<b>105-106</b>
	<i>Impact, risk and opportunity management</i>	S2-1 – Policies related to value chain workers	<b>106</b>
		S2-2 – Processes for engaging with value chain workers about impacts	<b>106</b>
		S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	<b>106</b>
		S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	<b>107</b>
	<i>Metrics and targets</i>	S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	<b>107</b>
<b>ESRS S3 Affected communities</b>	<i>Strategy</i>	Related to ESRS 2 SBM-2 – Interests and views of stakeholders	<i>The stakeholder analysis did not identify any communities significantly affected by the company's business</i>

			<i>activities and along the value chain.</i>
		Related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	<i>The impact screening did not identify any potential or actual positive or negative impacts on affected communities as a result of the company's own business activities or activities along the value chain.</i>  <i>No internal or external opportunities or risks for the company with regard to affected communities were identified either.</i>
	<i>Impact, risk and opportunity management</i>	S3-1 – Policies related to affected communities	<i>Not material</i>
		S3-2 – Processes for engaging with affected communities about impacts	<i>Not material</i>
		S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	<i>Not material</i>
		S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	<i>Not material</i>
	<i>Metrics and targets</i>	S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	<i>Not material</i>
<b>ESRS S4 Consumers and end-users</b>	<i>Strategy</i>	Related to ESRS 2 SBM-2 – Interests and views of stakeholders	<b>111</b>
		Related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	<b>111-112</b>
	<i>Impact, risk and opportunity management</i>	S4-1 – Policies related to consumers and end-users	<b>112</b>
		S4-2 – Processes for engaging with consumers and end-users about impacts	<i>Not relevant, as our customers are in the B2B sector. There is no direct dialog with consumers and end-users.</i>
		S4-3 – Processes to remediate negative impacts and channels for	<i>Not material, as our customers are in the B2B</i>

		consumers and end-users to raise concerns	<i>sector. There is no direct dialog with consumers and end-users.</i>
		S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	<b>113</b>
	<i>Metrics and targets</i>	S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	<b>113</b>
<b>ESRS G1 Business conduct</b>	<i>Governance</i>	Related to ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies	<b>116</b>
	<i>Impact, risk and opportunity management</i>	Related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	<b>116-119</b>
		G1-1 – Corporate culture and Business conduct policies and corporate culture	<b>119-126</b>
		G1-2 – Management of relationships with suppliers	<b>126-128</b>
		G1-3 – Prevention and detection of corruption and bribery	<b>128-129</b>
	<i>Metrics and targets</i>	G1-4 – Confirmed incidents of corruption or bribery	<b>129</b>
		G1-5 – Political influence and lobbying activities	<b>130-131</b>
		G1-6 – Payment practices	<b>131</b>

A background image showing a pair of hands cupping a small green seedling with dark soil. The hands are light-skinned and the seedling has several green leaves. The background is a soft-focus outdoor scene.

# ENVIRONMENTAL INFORMATION

## **EU taxonomy**

### **Information pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)**

Not applicable

# **E1 Climate change**



## E1 Climate change – E1 GOV-3 – Integration of sustainability related performance in incentive schemes

The performance of members of the administrative, management and supervisory bodies was not assessed on the basis of the GHG emission reduction targets reported under disclosure requirement E1-4.

## E1 Climate change – E1-1 – Transition plan for climate change mitigation

Our company supports the Paris Agreement and is not exempt from the Paris-aligned EU benchmarks. To this end, we are guided by the Science Based Targets for Climate and the identified decarbonization levers. The reduction of emissions is in line with the EU Green Deal and the German Federal Climate Change Act. Corresponding targets are based on energy consulting, climate accounting and cost accounting. One of the goals is to expand the area under cultivation with self-bred, climate-resistant and more sustainable varieties to reduce GHG emissions in the upstream value chain. In addition, our energy management system is a central component of our sustainability measures and efforts. These are integrated into the overall business strategy and were developed in collaboration with the management. [See also E1-3 and E1-4 for targets, measures and progress].

There is no quantification of the investments and financial resources to support the implementation of the transition plan (E1-3). Currently, there is no allocation of financial resources for action plans.

To illustrate and quantify bound emissions, Hopsteiner's Product Carbon Footprints (PCFs) were determined for all product groups for the first time. Depending on the product, at least 75 to a maximum of 95 percent of emissions result from the upstream value chain. Of this, more than 95 percent is attributable to hops as raw material. The interpretation of and compliance with emission reduction targets is therefore heavily dependent on developments in hop cultivation and the hop varieties in demand.

## E1 Climate change – E1 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The resilience analysis, in the sense of identifying and assessing climate-related physical and transitional risks with financial implications for our business activities and plans, was carried out by the core sustainability team at SHS and HHV, as well as through a survey of subsidiaries with the support of a commissioned communications and sustainability agency, using software. The time horizons and damage classes used are documented under IRO-1. The analysis covers an internal perspective (company) and an external perspective (upstream and downstream value chain; proxy approach). Critical assumptions and specific climate or political scenarios were not considered. The assessment was discourse oriented. Measures and targets were then formulated to avoid or mitigate the identified risks.

*Impacts of own business activities:*

<b>Adaptation to climate change</b>	Positive impact	Logistics: Distribution of end products	<ul style="list-style-type: none"> <li>Disposition (buffer quantities) due to harvest fluctuations</li> </ul>
<b>Climate protection</b>	Positive impact	Raw hop logistics	<ul style="list-style-type: none"> <li>Locations in all major hop-growing countries reduce/shorten transport routes.</li> </ul>
	Positive impact	Production: processing and extraction	<ul style="list-style-type: none"> <li>[HSE] ISO 14001</li> </ul>

	Negative impact	Production: refinement and extraction	<ul style="list-style-type: none"> <li>Emissions cannot be avoided and depend on the quantity processed, the quality of the unprocessed hops and the hop products in demand.</li> </ul>
Energy	Positive impact	Raw hop logistics	<ul style="list-style-type: none"> <li>[SHS/HHV] Our (primary) raw hop cold storage facility in Elsendorf is 51 per cent energy self-sufficient thanks to self-generated, sustainable PV electricity. 56 per cent of the energy requirements of the high-bay warehouse for finished goods are covered by renewable electricity generated at the Mainburg site.</li> <li>[Subsidiaries] Use of cold stores with electricity from renewable energy sources</li> </ul>
	Positive impact	Production: Processing and extraction	<ul style="list-style-type: none"> <li>Energy savings through improvements in energy efficiency.</li> <li>(Increased) use of renewable energy sources: PV systems, wood chips</li> <li>[HHV/SHS] DIN EN ISO 50001 certification</li> <li>[HSE] ISO 14001</li> </ul>
	Negative impact	Production: processing and extraction	<ul style="list-style-type: none"> <li>Energy-intensive manufacturing processes with cost-intensive CO<sub>2</sub>-neutral energy sources (extraction pellets)</li> </ul>

#### Impacts along the value chain:

Adaptation to climate change	Positive impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>Breeding of own sustainable varieties</li> </ul>
	Positive impact	Grower: Hop cultivation	<ul style="list-style-type: none"> <li>[INB] Irrigation management</li> </ul>
Climate protection	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>Carbon emissions in hop cultivation (main share of Scope 3 GHG emissions)</li> </ul>
	Positive impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>[HSE] Use of bales and improvement of drying and packaging processes in warehouses and farms.</li> </ul>
Energy	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>[HSE] Use of diesel as the main energy source during the hop season</li> </ul>

#### Dependencies:

According to the [European Commission](#), climate change has far-reaching natural consequences, including heat, droughts and forest fires, the availability of fresh water, flooding, sea level rise and negative impacts on biodiversity, soils and water bodies. Direct impacts on biodiversity include changes in phenology, the frequency and geographical distribution of species, the composition of their populations, the structure of habitats and the processes within ecosystems. Indirectly, changes in land use and other resources can continue to lead to habitat fragmentation and loss, soil, water and air pollution, and the spread of invasive species. This in turn further weakens the resilience of ecosystems to climate change and their ability to provide vital

ecosystem services, including climate regulation, clean air and water, and flood and erosion control. Climate change can also lead to a decline in organic matter, salinization and species loss in soils, as well as landslides, desertification and flooding. Unpredictable rainfall patterns and more severe thunderstorms are causing changes in water availability in Europe (especially in southern and south-eastern Europe).

Hopsteiner is dependent to varying degrees on the "provisioning" ecosystem services related to biomass, genetic material and water supply, as well as the "regulating and maintaining" ecosystem services for the global and local climate, precipitation patterns (at the subcontinental level), air filtration, soil quality, soil erosion protection, water treatment, water flow, pollination, biological pest control, population breeding and habitat conservation. Another service is dilution by the atmosphere and ecosystems.

The heatwave risk (internal and external), which is classified as material, is a climate-related physical risk, while CO<sub>2</sub>-transformation (internal and external) is a climate-related transition risk.

## E1 Climate change – E1 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

### Process to identify and assess material impacts

As part of our sustainability strategy, we have identified and assessed the material climate-related impacts, risks and opportunities of and for Hopsteiner [see ESRS 2 IRO-1, SBM-3].

Our process follows the systematic LEAP approach:

*LEAP approach, step 1. Identifying interfaces with nature → Locating:* All processing and refinement processes are associated with emissions. We have identified the locations where our activities and those of our value chain impact the environment through GHG emissions. This also identifies dependencies on ecosystem services that are relevant for climate change mitigation (ENCORE Nature).

*LEAP approach, step 2. Assessment of dependencies and impacts → Evaluate:* In order to identify the most significant sources of greenhouse gases, we calculated our Corporate Carbon Footprint (Scope 1–3) for the first time, which will serve as a basis for future forecasts, targets and measures. To gain further insights into the emissions of our most important products, we calculated the Product Carbon Footprint (PCF) for the product groups hop pellets, CO<sub>2</sub> hop extract, ethanol extract and downstream products. Against this background, the severity and probability of the impacts can be evaluated.

**Severity:** range from 1 (very low) to 5 (very high), scope from 1 (very specific, individual persons) to 5 (global, many people) and irreversibility from 1 (easy/short-term) to 5 (irreversible)

**Impact:** Range from 1 (very low) to 5 (very high) and scope from 1 (very selective, individual person) to 5 (global, many people)

**Probability of occurrence:** from 1 (low probability of occurrence/occurring sporadically) to 5 (actual impact occurring always and everywhere)

**Time horizon:** short term (up to 1 year), medium term (1 to 5 years), long term (more than 5 years)

This results in an Expected Damage Value (EDV) of a minimum of 1 to a maximum of 25 with a fixed threshold value of 8.

- ➔ The assessment of the material impacts was carried out within the product screening process by the core sustainability team, with the involvement of the subsidiaries and the support of a commissioned communications and sustainability agency. The company's own activities and activities along the upstream and downstream value chain, as well as their impact on the sub-topics of climate change adaptation, climate protection and energy, were assessed. [see E1-6]

## Process to identify and assess material risks and opportunities

*LEAP approach, step 3. Assessment of material risks and opportunities → Assessment:* The potential physical and transitional risks and opportunities were identified and assessed independently of a climate scenario analysis [see below and E1-3 and E1-4 for measures and targets]. This was carried out by the core sustainability team with the involvement of the subsidiaries and the support of a commissioned communications and sustainability agency. The physical sub-risks associated with climate change, namely "sea level rise" (chronic) [Climate Central – Coastal Risk] and "cold wave" (acute), or the associated opportunities, are not taken into account for the reporting year, as these do not currently have any impact on raw materials, consumables and supplies due to the locations of the individual companies and suppliers. In addition, hops belong to winter hardiness zone Z5 and are therefore winter hardy down to –28 °C. [see IRO-1] However, it will continue to be monitored. The physical sub-risks associated with climate change, "drought & water scarcity" (acute/chronic) [WWF Risk Filter – Drought and Water Availability], "heavy precipitation & flooding" (acute) [WWF Risk Filter – Heavy Precipitation and Flooding], "extreme heat" (acute) [Climate Central xml-ph-0001@deepl.internal – Coastal Risk] and "cold wave" (acute) or associated opportunities remained below the threshold value due to an insufficient probability of occurrence and/or an insufficient damage class. "water scarcity" (acute/chronic) [WWF Risk Filter – Drought and Water Availability], "heavy precipitation & flooding" (acute) [WWF Risk – Flooding] and "severe weather (storm, lightning, hail)" (acute).

### Damage classes / impact classes:

- 1 very low: up to £50,000
- 2 low: up to £500,000
- 3 Medium: up to £3,000,000
- 4 high: up to 10,000,000 euros
- 5 Existential threat / very high: from 10,000,000 euros

### Levels of probability of occurrence:

- 1 very rare: less than once every 15 years
- 2 rare: approx. every 5 to 15 years
- 3 occasional: approx. every 2 to 5 years
- 4 frequent: annually
- 5 certain: several times a year

This results in an Expected Damage Value (EDV) of a minimum of 1 to a maximum of 25 with a fixed threshold value of 8.

Our business activities are heavily affected by climate change. The Climate Risk Index 2025 shows the extent to which Europe, and Spain in particular, is affected. We are counteracting this fundamental procurement risk by supporting water supply on the cultivation side, through product innovations and by breeding our own sustainable varieties. Ever-higher average temperatures are increasing water requirements in hop cultivation and exacerbating the problem of legally restricted irrigation options. In order to ensure the desired stable yields and quality in the future, we are conducting intensive research into new varieties that require less water. Accordingly, our business model is mainly affected by RFC2 (integrative reasons for concern) as defined in the Third Assessment Report of the International Panel on Climate Change (IPCC): Extreme weather events – Risks/impacts of extreme weather events such as heat waves, heavy rainfall, drought and associated forest fires, and coastal flooding on human health, livelihoods, assets and ecosystems. In the longer term, RFC4: Global aggregate impacts – global monetary damage, degradation and loss of ecosystems and biodiversity – will also become more relevant. Key factors for Hopsteiner and the value chain are "heat waves" (acute climate risk) and "Carbon transformation" (transition risk). Extreme heat is created as an indicator for a 5-year period according to the WWF Risk Filter. The GFDRL extreme heat hazard was used for this indicator. The classification is based on an existing and widely recognized heat stress indicator, the daily maximum wet bulb globe temperature (WBGT, in °C). Areas with a very high risk have a very high WBGT (32 °C) with a return period of 5 years. For us, there is a moderate risk both internally and externally, but it is still critical based on our strategy and business model. According to data from the EU climate research service Copernicus, Europe is the continent that is warming the fastest.

ESRS classification	Risk	Negative impact	Consequence	Measures
<b>E1 Climate change</b>	Heatwave – internal	<ul style="list-style-type: none"> <li>Overheated buildings</li> <li>Declining efficiency of machines and systems</li> </ul>	<ul style="list-style-type: none"> <li>Increased energy requirements (cooling) and additional costs</li> <li>Increased production costs for machinery (lower efficiency/more errors) and production downtime</li> </ul>	<ul style="list-style-type: none"> <li>Early processing of hops</li> <li>Efficient cooling systems</li> </ul>
	Heatwave – external	<ul style="list-style-type: none"> <li>Damage to stocks</li> <li>Harvest losses due to drought/overheating</li> </ul>	<ul style="list-style-type: none"> <li>Supply uncertainty (quality and quantity risk → alpha acid, yield)</li> <li>Loss of income with fixed costs remaining the same</li> </ul>	<ul style="list-style-type: none"> <li>Switch to new resistant varieties</li> </ul>
	Carbon transformation – internal	<ul style="list-style-type: none"> <li>Political incentives for the transition to a low-carbon economy, expansion of renewable energies</li> <li>Gradual shortage of allowances in the EU ETS leads to higher costs for emission allowances and rising CO<sub>2</sub>-prices (€25 per ton in 2021 to €55–65 per ton in 2026)</li> </ul>	<ul style="list-style-type: none"> <li>Rising energy costs</li> <li>Implicitly increased administrative costs for sustainability/energy management and reporting</li> <li>Additional investment costs for new technologies</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of renewable energies</li> <li>Energy management</li> </ul>
	Carbon transformation – external	<ul style="list-style-type: none"> <li>Political incentives for the transition to a low-carbon economy, expansion of renewable energies (reallocation of leased land for PV systems)</li> <li>Gradual shortage of allowances in the EU ETS leads</li> </ul>	<ul style="list-style-type: none"> <li>Rising energy costs and overheads for energy, as well as additional investment costs for business partners, may lead to higher purchase prices/procurement costs</li> <li>Internal pressure and passing on the pressure to hop growers to reduce emissions</li> </ul>	

		<p>to higher costs for emission allowances and rising CO<sub>2</sub>-prices (€25 per ton in 2021 to €55–65 per ton in 2026)</p> <ul style="list-style-type: none"> <li>Increasing customer requirements (reduction of carbon emissions)</li> </ul>	<ul style="list-style-type: none"> <li>(Scope 3; e.g. drying)→ Cost increase</li> </ul>	
--	--	--	---	--

## Stakeholder Involvement

We have identified the topic of "Adaptation of legal regulations for environmental protection (CSRD, breeding policy, energy policy)" as an area of interest in our stakeholder analysis of the legislator/EU regulations group. Regardless of this, we provide our growers with intensive agronomic advice and introduce them and our customers to our company's own varieties, which are more resistant to diseases and pests. There is constant exchange and dialog, including about the risks to hop cultivation posed by climate change. This also covers topics such as the use of resources in terms of energy, water, raw materials, packaging and processing materials.

## E1 Climate change – E1-2 – Policies related to climate change mitigation and adaptation

*LEAP approach, step 4. Communication results:* The results of the materiality assessment were documented in the software and integrated into our sustainability strategy to develop targeted measures to reduce environmental pollution.

Our internal challenges about climate-relevant emissions lie particularly in energy-intensive processes and the high costs of CO<sub>2</sub>-neutral energy sources in production. To reduce our emissions and, accordingly, the material negative impact on the climate, we want to improve our energy efficiency, use renewable energy sources and optimize operational processes. Energy consumption plays a particularly important role in the value-added stage of production and manufacturing. That is why we use renewable energy from photovoltaic systems and generate heat in our own heating plant. HHV and HSE maintain certifications for their energy management system in accordance with DIN EN ISO 50001, and our Spanish subsidiary has also implemented an environmental management system in accordance with DIN EN ISO 14001. In the area of logistics, we rely on logistics companies that comply with AEO and safety standards to reduce carbon emissions. In some cases, we also rely on service providers with climate-neutral transport options.

Extreme weather events with unusually long periods of drought, high temperatures and heavy rainfall have led to highly fluctuating yields and inconsistent quality in hop cultivation in recent years. To make our strategy and business model more resilient and adapt to the physical effects of climate change, we are taking various measures, including adapting our infrastructure, risk management and contingency planning.

Hopsteiner's in-house breeding program is developing new, more resistant and higher-yielding hop varieties that require significantly less use of pesticides due to their tolerance and climatic adaptation and are also better able to cope with drought stress. From cultivation to use in the brewery, these varieties ensure consistently stable yields, thus providing a reliable basis for calculation for customers and distributors. Our Akoya breeding innovation, for example, has high yield stability with consistent alpha acid content and good disease resistance. Its aroma profile is very similar to that of the previously widespread German variety Perle,

but it is more robust against diseases and more drought-resistant with consistently high yields. Akoya and Solero are also suitable for organic farming and enable lower use of pesticides and water with more stable harvest quantities.

Implementation is the responsibility of the management – supported by the core sustainability team.

## E1 Climate change – E1-3 – Actions and resources in relation to climate change policies

## E1 Climate change – E1-4 – Targets related to climate change mitigation and adaptation

The goal for 2045 – in line with the provisions of the Federal Climate Protection Act – is climate neutrality. This is also in line with the EU Green Deal. The target value for 2030 is a 50 per cent reduction in Scope 1 and 2 GHG emissions compared to the base year 2021. For Scope 3, reduction targets with a time horizon of 2030 will be defined in the following year, 2025.

Material subtopic	Status quo	Target	Measures	Dead-line
Adaptation to climate change	Own variety breeding program to breed varieties with stable yields that also require less water and pesticides, as they are more tolerant and resistant to heat and pests.  <i>Cultivation area with self-bred varieties in hectares: 90</i>	Expansion of the cultivation area with self-bred, climate-resistant and more sustainable varieties in order to secure future viability and at the same time create a unique selling point.  <i>Cultivation area with self-bred varieties in hectares: 99</i>	<ul style="list-style-type: none"> <li>Establishment of own propagation capacities for quality assurance of own varieties (high-quality plant material)</li> <li>Construction of a new greenhouse for plant propagation (2024)</li> <li>Transition to demand-oriented breeding with acceptance of own varieties by customers (communication and marketing)</li> </ul>	2029
Climate protection and energy	All processing and refinement processes involve emissions, including hop refinement. The most significant source of emissions is the consumption of natural gas in production and in the heating plant. In addition, throughput volumes in the plants are subject to harvest-related fluctuations. Overall, the trend is towards processed products that require	Reduction of emissions in line with the EU Green Deal and the German Federal Climate Change Act. Specific reduction targets are based on energy consulting, climate accounting and cost accounting.	<ul style="list-style-type: none"> <li>Switch to green electricity</li> <li>Increase own energy use for greater self-sufficiency (PV, wood chips)</li> <li>Use of renewable energies / increase in the share of electricity to over 90%</li> <li>Coordination / open dialog with customers about additional costs (industry problem)</li> </ul>	2030

	<p>higher energy consumption. Our challenges in terms of climate-relevant emissions lie in the energy-intensive processes and the high costs of carbon neutral energy sources in production.</p> <p>Nevertheless, the majority of carbon emissions come from hop cultivation (Scope 3).</p>			
--	---	--	--	--

These aggregated climate protection measures relate primarily to energy-related decarbonization levers (energy efficiency, renewable energies, fuel switching) as well as product modification and decarbonization of the supply chain (innovative variety breeding program). The latter also results from a technological adaptation solution with nature-based elements. There is no quantification of the investments and financial resources allocated to implement measures and action plans.

The effectiveness is tracked as part of a regular review of the measures and parameters during the annual sustainability reporting.

## E1 Climate change – E1-5 – Energy consumption and mix

	SHS	HHV	ZHC	INB	HSE	Total
(1) Fuel consumption from coal and coal products (MWh)	0	0	0	0	0	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	336.9	2,491.2	90.6	0	14.0	2,932.7
(3) Fuel consumption from natural gas (MWh)	63.1	5,748.6	66.3	6.4	0	5,884.4
(4) Fuel consumption from other fossil sources (MWh)	/	/	/	/	/	/
(5) Consumption from purchased or received electricity, heat, steam and cooling and from fossil sources (MWh)	79.0	2,075.7	3.04	0	18.0	2,175.74
<b>(6) Total fossil energy consumption (MWh) (sum of lines 1 to 5)</b>	<b>479.0</b>	<b>10,315.5</b>	<b>159.9</b>	<b>6.4</b>	<b>32</b>	<b>10,992.8</b>
<b>Share of fossil fuels in total energy consumption (in per cent)</b>	<b>69.6</b>	<b>64.2</b>	<b>97.9</b>	<b>86.5</b>	<b>13.2</b>	<b>66.3</b>
<b>(7) Consumption from nuclear sources (MWh)</b>	<b>8.4</b>	<b>219.6</b>	<b>2.27</b>	<b>1.0</b>	<b>0.0</b>	<b>231.27</b>



Share of consumption from nuclear sources in total energy consumption (in per cent)	1.2	1.4	1.4	13.5	0	3.5
(8) Fuel consumption for renewable sources, including biomass (also industrial and municipal waste of biological origin, biogas, hydrogen from renewable sources, etc.) (MWh).	0.0	2,760.0	0	0.0	0.0	2,760.0
(9) Consumption of purchased or received electricity, heat, steam and cooling, and from renewable sources (MWh)	86.5	2,289.3	1.2	0	181.9	2,558.9
(10) Consumption of self-generated renewable energy that is not fuel (MWh)	114.5	472.8	0	0	29.3	616.6
(11) Total renewable energy consumption (MWh) (sum of lines 8 to 10)	201.0	5,522.1	1	0	211.2	5,935.5
Share of renewable energy sources in total energy consumption (in per cent)	29.2	34.4	0.7	0	86.8	30.2

Hops are a natural product and are always subject to harvest-related fluctuations. This applies in particular to the quality-relevant ingredient lupulin (alpha acid) and the total harvest volume. Our energy requirements depend on many factors, including:

- Variable alpha acid content per hop variety and harvest year and its influence on process parameters such as extraction times
- Variable harvest yield per hop variety and harvest year
- Variable quantity and consequently duration of raw hops to be stored in cold storage
- Duration of the processing campaign depending on the total harvest volume
- Variable sales volumes of the various hop products to our customers

Basically, increasing demand for hop extracts leads to higher energy consumption. Extraction requires significantly more energy per kg of raw hops than pelletization. For CO<sub>2</sub> hop extract, the raw hops must first be pelletized and then extracted in an additional energy-intensive process. In the production of total resin extract, for example, the rectification of ethanol and the drying of extraction residues have a significant impact on the energy balance. If more so-called downstream products are manufactured from the raw material CO<sub>2</sub> hop extract, the energy requirement continues to increase due to the additional process steps.

There are also energy variables that are independent of the factors mentioned above. Consequently, the energy indicators presented do not directly indicate a reduction in energy consumption. As part of our energy management certification according to DIN EN ISO 50001, we have introduced a complex system of indicators with various correlation analyses for individual consumers, separated into thermal energy and electrical energy.

Heating oil: Invoices

Natural gas: EVU meter (billing by supplier)

Purchased electricity: utility meter (billed by supplier)

Wood chips: Truck scales and primary energy factor. Source: LFL life cycle assessment of wood chips

Process steam consumption: measurement

Electricity consumption/own generation: measurement by calibrated meter

Electricity/heating energy sold: measurement/invoice

	SHS	HHV	ZHC	INB	HSE	Total
Non-renewable energy production (in MWh)	89.6	8,240.1	66.3	6.4	14	<b>8,416.4</b>
Renewable energy generation (in MWh)	223.4	6,818.4	0	0	57.9	<b>7,099.7</b>

We use energy to generate heat for the local heating network (combined heat and power plant based on natural gas and biomass heating plant based on wood chips) and supply it to surrounding commercial enterprises. We also generate the electricity we sell from our installed photovoltaic systems. By increasing the proportion of electricity, we generate ourselves from photovoltaic systems and combined heat and power plants, we consume less purchased electricity.

## Energy intensity

Hopsteiner's consolidated energy intensity is 0.

## E1 Climate change – E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

	SHS	HHV	ZHC	INB	HSE	Total
GHG emissions Scope 1 (in tCO <sub>2e</sub> )	104.1	2,179.2	35.9	1.3	3.3	<b>2,323.8</b>
Scope 2 GHG emissions – site-based (in tCO <sub>2e</sub> )	54.5	1,407.5	3.7	0.2	3.4	<b>1,469.3</b>
Scope 2 GHG emissions – market-based (in tCO <sub>2e</sub> )	62.1	1,604.6	3.7	0.2	3.4	<b>1,674.0</b>
Scope 3 GHG emissions (in tons of CO <sub>2</sub> -equivalent)	42,664.0	3,539.5	2,980.0	1,559.0	3,693.0	<b>54,435.5</b>
Category 1: Purchased goods and services	39,948.0	2,389.0			3,657.0	
Category 2: Capital goods	10	91.3				
Category 3: Fuel and energy-related activities	24.3	789.4				
Category 4: Upstream transport and distribution	183.0	87.9			1.6	

Category 5: Waste	3.0	15.4				
Category 6: Business travel	154.0	0.5				
Category 7: Employee commuting	56.9	166.0				
Category 8: Rented or leased equipment	0	0				
Category 9: Downstream transport and distribution	2,168.0	0			34.4	
Category 10: Processing of products sold	N/A	N/A				
Category 11: Use of products sold	N/A	N/A				
Category 12: Handling of sold products at the end of their life cycle	26.8	0				
Category 13: Rented or leased property, plant and equipment	0.0	0				
Category 14: Franchise	0	0				
Category 15: Investments	0	0.0				
<b>Total GHG emissions – site-based (in tCO<sub>2</sub>e)</b>	<b>42,822.6</b>	<b>7,126.2</b>	<b>3,019.6</b>	<b>1,560.5</b>	<b>3,699.7</b>	<b>58,228.6</b>
<b>Total GHG emissions – market-based (in tCO<sub>2</sub>e)</b>	<b>42,830.2</b>	<b>7,323.3</b>	<b>3,019.6</b>	<b>1,560.5</b>	<b>3,699.7</b>	<b>58,433.3</b>

The proportion of total GHG emissions regulated under emissions trading schemes is 100 per cent.

The majority of carbon emissions originate from hop cultivation. Information on emissions from hop cultivation (and breweries) is provided by relevant studies conducted by the respective companies, professional organizations and associations. The key figures for the upstream value chain in terms of Scope 3 emissions come from an indirect source, in line with the sector average data from [the online calculator of the Bavarian State Research Centre for Agriculture \(LfL\)](#).

## GHG intensity

The consolidated greenhouse gas intensity for Hopsteiner is 0 using the market and location-based method.

## E1 Climate change – E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

No greenhouse gases are removed and stored as part of Hopsteiner's own activities or within the upstream and downstream value chain. Furthermore, we do not purchase carbon certificates to finance greenhouse gas reduction projects.

## E1 Climate change – E1-8 – Internal carbon pricing

Hopsteiner does not use any internal carbon pricing systems.

## E1 Climate change – E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

Expected Damage Values and probabilities of occurrence for material physical and transition risks as well as potential climate-related opportunities were determined. These are divided into levels 1 to 5 and assigned damage amounts:

- 1 very low: up to 50,000 euros*
- 2 low: up to €500,000*
- 3 Medium: up to €3,000,000*
- 4 high: up to €10,000,000*
- 5 Existential threat/very high: €10,000,000 and above*

Hopsteiner's total turnover in 2024 was more than €150,000,000.

The time horizons are represented by the probabilities of occurrence. In the short term, this corresponds to levels 4 and 5, in the medium term to level 3, and in the long term to levels 2 and 1. Very rare can be seen as a rough comparison until 2050, rare and occasional until 2030.

- 1 very rare: less than once every 15 years*
- 2 rare: approx. every 5 to 15 years*
- 3 occasionally: approx. every 2 to 5 years*
- 4 frequent: annually*
- 5 certain: several times a year*

In this context, "internal" refers to risks in the processes of SHS and its subsidiaries, while "external" refers to risks with negative impacts and consequences on upstream and downstream value creation (input and output). The risks are not concentrated on individual geographical areas or facilities. The expected useful life of assets and capital allocation plans were not considered.

The internal risk of heat waves, with their effects of overheated buildings and reduced efficiency of machinery and equipment, as well as the consequences of increased energy requirements (cooling) and additional costs, increased production costs for machinery (lower efficiency/more errors) and production downtime, was assigned a damage amount of *3 medium: up to 3,000,000 euros*. The assessment was carried out in the same way for the value chain. Externally, there are the effects of damage to stocks and crop losses due to drought/overheating, which leads to supply uncertainty (quality and quantity risk → alpha acid, yield) and loss of income while fixed costs remain the same.

Climate change also entails the risk of CO<sub>2</sub>-transformation in the sense of a shift to a lower-carbon economy. This includes, among other things, changing demand from end consumers and politically driven energy shortages/price increases for fossil fuels as a means of protecting against further global warming. Internally,

the negative effects of political incentives for the transition to a low-carbon economy and the expansion of renewable energies, as well as a gradual shortage of quantities in the EU ETS, are at the forefront, with higher costs for emission allowances and a rising CO<sub>2</sub>-price (€25 per ton in 2021 to €55–65 per ton in 2026). This is followed by rising energy costs, an implicit increase in administrative costs for sustainability, energy management and reporting, and additional investment costs for new technologies. Externally, there are political incentives for the transition to a low-carbon economy and the expansion of renewable energies (reallocation of leased land for PV systems), a shortage of supply and higher costs, as well as increasing customer demands for a reduction in carbon emissions. We assessed both perspectives as having a *high* damage level of 4: *up to 10,000,000 euros*.

The financial assessment of physical and transition risks is based on the critical, discursive assessment of the core sustainability team – including management and operations management – with the involvement of subsidiaries and the support of the commissioned agency. Calculations of assets, cost savings from climate protection measures and changes in net income were not prepared.

Measures to counter the risks were formulated but not linked to monetary values. Accordingly, only the gross risks are available.

# **E2 Pollution**

## E2 Pollution – E2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

### Process to identify and assess material impacts

As part of our sustainability strategy, we have conducted a comprehensive assessment of the key environmental pollution factors. In doing so, we have followed the guidelines of ESRS E2, which concern the identification and assessment of the impacts, risks and opportunities of material pollution. This includes air, soil and water pollutants as well as dependencies on ecosystem services. Our process follows the systematic LEAP approach:

*LEAP approach, step 1. Identifying interfaces with nature → Localization:* We have identified the locations where our activities and those of our value chain impact the environment through air, water and soil pollution. This also involves identifying dependencies on ecosystem services that help to reduce environmental pollution.

- ➔ Our business activities depend to varying degrees on the condition of the air, water and soil. We used the ENCORE Nature online tool for our research. Breeding, propagation and cultivation depend on the ecosystem services of soil quality regulation and water treatment.

*LEAP approach, step 2. Assessment of dependencies and impacts → Evaluation:* The severity and likelihood of impacts are assessed by analyzing pollutants and the potential consequences of this pollution for the environment and society.

- ➔ The assessment of the material impacts was carried out within the product screening process by the core sustainability team, with the involvement of the subsidiaries and the support of a commissioned communications and sustainability agency. The company's own activities and activities along the upstream and downstream value chain, as well as their impact on the sub-topics of water/soil/air pollution, substances of (very) high concern and microplastics, were taken into account. [see ESRS 2 IRO-1, SBM-3]

<b>Water/soil/air pollution</b>	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>• Use of plant protection products</li> </ul>
	Positive impact	Production: processing and extraction	<ul style="list-style-type: none"> <li>• [HSE] ISO 14001</li> </ul>
<b>Microplastics</b>	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>• Some of our growers use short plastic strings to attach the guide wires.</li> </ul>

### Process to identify and assess material risks and opportunities

*LEAP approach, step 3. Assessment of material risks and opportunities:* The potential risks and opportunities were analyzed [see below and E2-2 and E2-3 for measures and targets]. This was carried out by the core sustainability team with the involvement of the subsidiaries and the support of a commissioned communications and sustainability agency. The physical risk of "environmental pollution (water, soil, air)" or associated opportunities were classified as not material for the reporting year, as they currently have no impact on the business model. [see IRO-1, SBM-3] However, it will continue to be monitored.

The main cultivation areas and activities of the subsidiaries are located in Hallertau, in the Elbe-Saale and Tettng regions, in Czechia, Slovenia, Poland and Spain. The WWF Risk Filter was used as a source, which classifies the risk of pollution here as low (for Spain, Germany and Czechia) or medium (for Slovenia and Poland). The **condition of the soil** is rather challenging in León, Spain and Poland, while the **water condition** is only a cause for concern in isolated regions. With the exception of a few areas in Poland, **air oper** is moderate. **Water quality** in terms of water pollution is a comprehensive and robust metric, as it integrates a total of nine

best-available and expert-reviewed datasets covering various aspects of water quality and different modelling approaches: biological oxygen demand (BOD) as a widely used comprehensive indicator of overall water quality; electrical conductivity (EC) as an indicator of salinity and pH change; eutrophication potential in coastal areas, nitrate-nitrite concentration, periphyton growth potential, toxicity stress, uncontrolled plastic waste, pesticide pollution and total dissolved solids. The risk is medium to high.

The related internal and external risk issue of "tightening of EU plant protection policy" was considered from an economic perspective and is accordingly included in G1 Corporate Governance under the aspect of political influence.

## Stakeholder Involvement

The issue of "environmental pollution" did not arise as a concern in the stakeholder analysis. We already provide our growers with intensive plant protection advice in this context. We introduce them and our customers to our own plant varieties, which are more resistant to diseases and pests. This means that less integrated plant protection is required. No consultations were held, particularly with affected communities.

## E2 Pollution – E2-1 – Policies related to pollution

*LEAP approach, step 4. Communication of results:* The results of the materiality assessment were documented in the software and integrated into our sustainability strategy to develop measures to reduce environmental pollution. There are no contingency plans in addition to the legal requirements already in place for the handling of hazardous substances and emissions.

Our company is committed to actively managing the material impacts, risks and opportunities associated with preventing and reducing environmental pollution. Our strategy covers the pollutants we record and other hazardous substances. We are guided by the objectives of the EU Action Plan for Pollution-Free Air, Water and Soil. In line with the requirements of ESRS 2, we aim to reduce negative environmental impacts wherever possible and promote sustainability throughout our entire value chain.

The framework conditions for agricultural products are set by the agricultural policies of the countries and by the legal requirements and standards of the World Trade Organization, the United Nations and the European Union. At European level, these include the Common Agricultural Policy (CAP), the Green Deal and the Farm to Fork Strategy, as well as country-specific plant protection requirements. These stipulate a 50 per cent reduction in the use of chemical plant protection products by 2030, a 20 per cent reduction in the use of fertilizers, and a significant increase in the proportion of organic crop production. Growers receive agronomic advice, including on the use of plant protection measures, such as recommendations for use and restrictions with maximum quantities, both legally and at customer request. With the "quality evaluation" module included in the grower portal, hop growers will also be able to compare themselves in terms of plant protection in the future. We expect that mutual motivation will lead to quality improvements in the long term.

At the production stage, we handle substances of concern in accordance with legal requirements during refinement and extraction. Substances of particular concern are not used. Hazardous and harmful substances as well as substances of concern are recorded in separate lists. The hazardous substances register serves as the basis for this. Correct handling of hazardous substances is guaranteed by legal requirements. The Spanish subsidiary also holds ISO 14001 certification for its environmental management system.



## E2 Pollution – E2-2 – Actions and resources related to pollution

### E2 Pollution – E2-3 – Targets related to pollution

Targets and measures have been set to promote positive impacts and opportunities and to avoid negative impacts and risks [see E2 IRO-1, ESRS 2 4.2 and 5]. There has been no direct consultation with stakeholders or representatives.

Material subtopic	Status quo	Target	Measures	Dead-line
Environmental pollution	<p>Own variety breeding program for breeding varieties with stable yields that also require less water and pesticides, as they are more tolerant and resistant to heat and pests.</p> <p><i>Cultivation area with self-bred varieties in hectares: 90</i></p>	<p>Expansion of the cultivation area with self-bred, climate-resistant and more sustainable varieties to ensure future viability and at the same time create a unique selling point.</p> <p><i>Cultivation area with self-bred varieties in hectares: 99</i></p>	<ul style="list-style-type: none"> <li>Establishment of own propagation capacities for quality assurance of own varieties (high-quality plant material)</li> <li>Construction of a new greenhouse for plant propagation (2024)</li> <li>Transition to demand-oriented breeding with acceptance of own varieties by customers (communication and marketing)</li> </ul>	2029
	<p>All processing and refinement processes involve emissions, including hop refinement. The most significant source of emissions is the consumption of natural gas in production and in the heating plant. Similarly, throughput volumes in the plants are subject to harvest-dependent fluctuations. Overall, the trend is towards processed products that require higher energy consumption. Our challenges in terms of climate-relevant emissions lie in the energy-intensive processes and the high costs of carbon neutral energy sources in production.</p>	<p>Reduction of emissions in line with the EU Green Deal and the German Federal Climate Change Act. Specific reduction targets are based on energy consulting, climate accounting and cost accounting.</p>	<ul style="list-style-type: none"> <li>Switch to green electricity</li> <li>Increase own energy use for a higher degree of self-sufficiency (PV, wood chips)</li> <li>Use of renewable energies / increase in the share of electricity to over 90%</li> <li>Coordination/open dialog with customers about additional costs (industry problem)</li> </ul>	2030

	Nevertheless, the majority of carbon emissions come from hop cultivation (Scope 3).			
	Some of our hop growers use short plastic cords to attach the guide wires.	We are investigating the use of alternative materials to avoid plastic. Hop growers will not receive any specific instructions from us.	<ul style="list-style-type: none"> <li>Continuous and close dialog with our hop growers, including agronomic advice.</li> </ul>	2027
	The monoculture associated with hop cultivation poses risks to the environment. Among other things, it increases the risk of yield losses due to pests and diseases. To prevent infestation, the use of plant protection products as part of integrated pest management is essential.	Integrated pest management in accordance with guidelines and in compliance with specified limits (approved products and quantities). Ongoing monitoring of compliance. The framework conditions for agricultural products are set by the agricultural policies of the countries, the legal requirements and standards of the World Trade Organization, the United Nations and the European Union. At European level, these include the Common Agricultural Policy, the Green Deal and the Farm-to-Fork Strategy, as well as country-specific phytosanitary requirements.	<ul style="list-style-type: none"> <li>Review of guidelines</li> <li>Residue monitoring</li> <li>Advising producers</li> <li>Own variety breeding program (requiring less use of pesticides)</li> </ul>	2025
	<i>Compliance with legal requirements: 100%</i>	<i>Compliance with legal requirements: 100%</i>		

Some of the goals and measures listed contribute to several environmental issues. Climate protection measures such as switching to 100 per cent green electricity and increasing the share of renewable energies will contribute significantly to reducing air pollutants. With our climate-adapted and more resistant proprietary cultivars, we want to promote soil health and minimize soil pollutants. As an alternative to plastic, we are investigating the use of more environmentally friendly materials. Nevertheless, our hop growers will not receive any specific instructions on this in the future. Through systematic and continuous monitoring, we ensure compliance with the specified limits for the use of plant protection products. A total of between €400,000 and €500,000 was spent on residue monitoring in 2024. However, no quantified allocation of funds has been made to implement the objectives and measures.

The targets were set without considering specific freight values and ecological or company-specific thresholds. They were defined on a voluntary basis and do not refer to individual locations, but to the whole company, considering the upstream value chain (hop growers).

## **E2 Pollution – E2-4 – Pollution of air, water and soil**

The collection of quantitative data on pollutants in air, water and soil is disproportionate.

### **Ozone-depleting substances**

Hopsteiner does not use any ozone-depleting substances or refrigerants.

### **Microplastics**

No microplastics are used in our own production processes.

## **E2 Pollution – E2-5 – Substances of concern and substances of very high concern**

### **(Particularly) substances of concern**

All hop products manufactured fall into the category of substances of concern due to the irritant potential of certain natural ingredients. Enrichment/concentration during production increases the irritant potential of the end products. No substances of particular concern are used or emitted during production. They are not present in our end products.

## **E2 Pollution – E2-6 – Anticipated financial effects from pollution-related impacts, risks and opportunities**

No material risks and opportunities related to environmental pollution have been identified. Accordingly, we do not report any expected financial effects.

## **E3 Water and marine resources**

## E3 Water and marine resources – E3 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

In accordance with the LEAP approach [described in detail in E2 IRO-1], we examine our dependencies on ecosystem services and whether our business activities are associated with positive or negative impacts, opportunities and risks – both potential and actual. We analyzed the impacts along the entire value chain in the core sustainability team and the opportunities and risks related to ESRS topics in the core CSR team, involving the subsidiaries and with the support of a commissioned communications and sustainability agency. The process and the result are mapped using software [see ESRS 2 IRO-1, SBM-3].

### Process to identify and assess material impacts

*LEAP approach, step 1. Identifying interfaces with nature → Localization:* We have identified the locations where our activities and those of our value chain have an impact on water resources. This also involves identifying dependencies on ecosystem services that are relevant to the business model.

- ➔ Breeding, propagation and cultivation as well as processing and refinement depend on this resource to varying degrees. Water is also relevant in connection with global and local climate regulation, the regulation of precipitation patterns (at the subcontinental level), the regulation of soil quality, water treatment, the regulation of water flow, pollination, services for breeding populations and habitat conservation (ENCORE Nature).

*LEAP approach, step 2. Assessment of dependencies and impacts → Evaluation:* The severity and probability of impacts are assessed using the factors of water use and water pollution.

- ➔ The assessment of material impacts was carried out as part of the product screening process by the core sustainability team, with the involvement of subsidiaries and the support of a commissioned communications and sustainability agency. The company's own activities and those along the upstream and downstream value chain, as well as their impact, were examined and classified as material if they exceeded a threshold value of 8. We do not extract or use marine resources.

<b>Water</b>	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>[HSE] Consumption of large quantities of water.</li> </ul>
	Positive impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>[INB] Precise irrigation management</li> </ul>
	Negative impact	Production: processing and extraction	<ul style="list-style-type: none"> <li>[HHV] Water consumption depends on the hop products in demand and is higher for downstream products.</li> </ul>
	Positive impact	Production: Refining and extraction	<ul style="list-style-type: none"> <li>[HSE] ISO 14001</li> </ul>

No relevant water extraction takes place at the sites of the subsidiaries ZHC and INB. These are purely trading companies with fewer than ten employees. For hop pelletization in Spain, water is not required either as an auxiliary material or for large-scale, regular cleaning work. Accordingly, there is no production-related water extraction. At the Hallertau hop processing plants, water consumption depends on the products in demand. It is higher for downstream products. The cooling water requirement is mainly determined by the quantity of Xanthohumol products in the bio science sector. Furthermore, a good harvest with higher alpha acid contents requires more ethanol during extraction.

## Process to identify and assess material risks and opportunities

### *LEAP approach, step 3. Assessment of material risks and opportunities → Assess:*

In the risk screening, the physical risk "drought & water scarcity" and associated opportunities for the reporting year were identified as not material. The financial risk from the probability of occurrence, combined with the effect in the form of damage classes, does not exceed the threshold value of 8 (both internally and externally) and is therefore not material for our assets and business activities. This is because the majority of the European hop cultivation areas relevant to our purchasing and sales are in the Hallertau region, followed by Slovenia and Czechia. Marine resources are not relevant to the business model.

The source used was the "Aqueduct Water Risk Atlas" from the World Resources Institute. The overall water risk measures all water-related risks by combining indicators from the categories of physical quantity, quality, regulatory and reputational risks. Higher values correspond to a higher water risk. The river basins are the Danube, Rhine, Elbe and Lake Constance (Germany), Danube and Sava (Slovenia), Duero and Ricobayo Dam (Spain), Elbe, Eger and Vltava (Czechia) and Oder and Warta (Poland). We consume relatively little water in production through refinement and extraction. The focus is therefore on the upstream supply chain and thus the hop growers. Mainburg, Au in der Hallertau, Tett nang, the Elbe-Saale region in Germany, Prague in Czechia and Žalec in Slovenia had a very low risk factor of 0 to 1. For Žatec in Czechia, the risk is low to medium (1–2), for Léon in Spain it is medium to high (2–3) and for Poland it is high, between 3 and 4. Our growing regions in Germany, Slovenia and Prague show consistently low water stress (< 10 per cent) throughout the year. A rate between 10 and 20 per cent is recorded for Žatec. In Léon, there is high (40–80 per cent) to very high water stress (> 80 per cent) in the months of June to September, while Poland also records a value of over 80 per cent for the year. In terms of the decline in the groundwater level as an average change during the study period (1990–2014), only Tett nang shows a significant trend of 0–2 cm per year (low–medium).

A detailed screening of dependencies and risks was carried out using the "WWF Risk Filter"; see also the descriptions under E1 Climate Change, E2 Environmental Pollution and E4 Biological Diversity and Ecosystems.

We comply with the Water Framework Directive (WFD) and have a wastewater treatment plant [HHV].

## Stakeholder Involvement

The topic of "water and marine resources" did not emerge as a priority or high-risk issue in the stakeholder analysis. Nevertheless, there is occasional dialog with stakeholders on this topic. Irrigation management is discussed with growers. We support individual pilot projects for comprehensive irrigation using innovative concepts. There is ongoing dialog with them and customers to inform them about climate-adapted varieties that also require less water.

In Hallertau, hop growers can use the "quality evaluation" module in the grower portal to compare themselves with each other in terms of water consumption, among other things.

## E3 Water and marine resources – E3-1 – Policies related to water and marine resources

*LEAP approach, step 4. Communication of results:* The results of the materiality assessment were documented in the software and integrated into our sustainability strategy to develop targeted measures to reduce environmental pollution.

In our Code of Conduct, we have defined the following overarching strategies for the field of action "Environment".

**Resource efficiency:** We process natural materials and secure this business concept in the long term through sustainable management. We therefore advocate responsible use of raw materials and resources at every stage of our products' processing. We optimize our consumption of auxiliary and operating materials through efficient production processes and are constantly working to reduce it. Our suppliers pursue environmentally conscious production and sustainable manufacturing and harvesting methods wherever possible.

**Innovation:** Our passion for hops, our high quality standards and the innovative strength of our company have a positive impact on various aspects of sustainability. Noticeable climate change requires a portfolio of new cultivars that require less water and pesticides but are more productive.

This is also reflected in the measures, resources and targets we have set [see E3-2 and E3-3]. Our concept relates to water management in terms of use and procurement as well as the prevention and reduction of water pollution. Our annual internal water consumption depends on the hop products in demand [HHV]. Most of the water (in terms of metric tons of product) is used to produce downstream products at the Mainburg site. By setting up our own wastewater treatment plant at the Mainburg site, the wastewater is pre-treated before it is fed into the local sewage network. We comply with state and municipality-specific minimum standards (EEC treatment of municipal wastewater) for the quality of wastewater discharge.

Our annual internal water consumption depends on the hop products in demand [HHV]. Most of the water (per metric ton of product) is used to produce downstream products at the Mainburg site. For this purpose, we obtain municipal water from the network, which is fully desalinated for processing at the site.

Hop cultivation is water intensive. Participation in projects to support water supply for cultivation in the form of water extraction from rivers instead of spring water and flood protection measures is intended to ensure more sustainable water procurement and supply in the Hallertau region. This also reduces water risks.

## Locations not covered by concepts

The location of the subsidiary Hopsteiner España in León is affected by high water stress during the summer months. However, this does not affect internal hop pellet production and, due to the small percentage of cultivated land, it is not material for the business model when considering the value chain. Therefore, no defined concept is being pursued.

## Oceans & seas

We do not pursue any concepts or practices relating to the sustainability of the oceans.

## E3 Water and marine resources – E3-2 – Actions and resources related to water and marine resources

## E3 Water and marine resources – E3-3 – Targets related to water and marine resources

Objectives and measures have been defined to promote positive impacts and opportunities and to avoid negative impacts and risks [see E3 IRO-1, ESRS 2 4.2 and 5]. There has been no direct consultation with stakeholders or representatives.

Material subtopic	Status quo	Target	Measures	Dead-line
Water	Our business activities are heavily affected by climate change. We are counteracting this fundamental procurement risk by, among other things, supporting water supply on the cultivation side. Ever-higher average temperatures are increasing water requirements in hop cultivation and exacerbating the problem of severely limited irrigation options. We participate in projects to develop innovative irrigation concepts.	<p>As a result, a comprehensive irrigation project was initiated in the Hallertau region, which is supported organizationally by the Hop Growers' Association and the HVG Hop Processing Cooperative.</p> <p>The aim is to replace groundwater extraction with collected surface water from the Danube, Amper and Isar rivers. It is to be transported to the hop gardens for irrigation via a pipeline network.</p> <p>We are supporting the planning costs through our membership in the Hop Growers' Association.</p>	<ul style="list-style-type: none"> <li>The financing of the planning phase is secured by subsidies and own funds.</li> <li>The irrigation association was founded in</li> </ul>	2030
	Own variety breeding program for breeding varieties with stable yields that also require less water and pesticides because they are more tolerant and resistant to heat and pests.	Breeding of climate-resistant, more sustainable varieties to ensure future viability and at the same time create a unique selling point.	<ul style="list-style-type: none"> <li>Establishment of own propagation capacities for quality assurance of own varieties (high-quality plant material)</li> <li>Transition to demand-oriented breeding with Customer acceptance of own varieties (communication and marketing)</li> </ul>	2027

With these goals and measures from the parent company, we want to reduce the use of water resources. There are no other location-specific measures. Funds allocated for implementation are not recorded separately within the company. No (local) ecological thresholds were considered when setting these goals on a voluntary basis. Accordingly, there are no company-specific allocations.

Avoidance is not compatible with the business model. The restoration, regeneration and conversion of marine ecosystems and basins are not related to our activities.

These activities contribute to the objectives of the European Green Deal in relation to clean water, healthy soils and biodiversity. The following are considered: the EU Water Framework Directive and the Sustainable



Development Goals, in particular SDG 6 "Clean Water and Sanitation". The effectiveness of our concepts and measures in relation to the material sustainability impacts can only be tracked over time about the target horizons and changes in key figures [see E3-4].

## E3 Water and marine resources – E3-4 – Water consumption

### Key figures for water consumption

	Total water consumption in m <sup>3</sup>	Total water consumption from areas with water stress in m <sup>3</sup>
SHS	334	0
HHV	20,458	0
ZHC	30	0
INB	32	0
HSE	165	0
<b>Total</b>	<b>21,019</b>	<b>0</b>

Water consumption depends mainly on the hop products in demand. Most water is used to produce downstream products at the Mainburg site. As only hop pelletization takes place in Spain, water is only needed here for cleaning work. SHS, ZHC and INB only consume water during their marketing and sales activities.

### Key figures on water intensity

The consolidated water intensity for Hopsteiner is 0. No further key figures are reported.

## E3 Water and marine resources – E3-5 – Anticipated financial effects from water and marine resources-related impacts, risks and opportunities

No material risks and opportunities related to water and marine resources have been identified. Accordingly, we do not report any expected financial effects.

# **E4 Biodiversity and ecosystems**

## E4 Biodiversity and ecosystems – E4-1 – Transition plan on biodiversity and ecosystems in strategy and business model

In terms of our strategy and business model, the natural product hops has an impact on biodiversity and terrestrial ecosystems as well as dependencies and risks. There is a close connection and interaction with climate change, environmental pollution, water and resource use. The information required in accordance with ESRS 2 SBM-3 and IRO-1 corresponds to the information provided in the resilience analysis. A transition plan with regard to biodiversity and ecosystems is not being pursued; disclosures on concepts, targets and measures follow in E2 to E4.

## E4 Biodiversity and ecosystems – E4 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The company's sites were examined for direct – and negative – impacts on areas with biodiversity in need of protection by comparing the map representation of the German Federal Agency for Nature Conservation and the World Database on Protected Areas (WDPA). In addition, upstream and downstream activities were considered.

### *Impacts of own business activities:*

None of the production sites in Germany (HHV: Mainburg and Au in der Hallertau) or Hopsteiner España (Léon) are in a nature reserve. The subsidiaries Žatec Hop Company and Inbarco operate as pure trading companies with fewer than ten employees each. Consequently, Hopsteiner's own business activities at its corporate and production sites have no direct impact on biodiversity in need of protection. The only impacts on soil sealing are those caused by the already sealed areas in the form of existing company sites.

<b>Biological diversity and ecosystems</b>	Negative impact	Production: processing and extraction	<ul style="list-style-type: none"> <li>Resource consumption, emissions and waste</li> </ul>
--	-----------------	---------------------------------------	---

### *Impacts along the value chain:*

Monoculture associated with hop cultivation has a negative impact on the environment, as it increases the risk of yield losses due to pests and diseases and makes the use of plant protection products within the framework of integrated pest management indispensable. By far the greatest influence our company has in minimizing its impact on biodiversity is the purchase of raw hops from climate-resistant and more tolerant varieties with a lower carbon footprint. Such varieties are developed by the Hopsteiner breeding program, among others. These varieties are characterized by a lower need for irrigation and plant protection products, which can consequently contribute to better preservation of biodiversity in the growing regions.

<b>Biological diversity and ecosystems</b>	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>Integrated plant protection: use of pesticides (hops are a monoculture)</li> <li>Resource consumption, emissions and waste</li> </ul>
	Positive impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>Breeding program to create resistant varieties that require fewer pesticides (simultaneously reducing field work and consequently emissions).</li> <li>[INB] Planting cover crop mixtures in hop cultivation (contributing to the return of nutrients to the soil)</li> </ul>

			and increasing biodiversity in hop gardens).
--	--	--	--

There is currently insufficient data available on the impact on endangered species, land degradation, desertification or soil sealing at production sites and in cultivation areas. However, monoculture farming, the use of pesticides and soil compaction by machinery do have an impact. This leads to interaction in the form of biological, chemical and physical soil degradation and risks for hop cultivation. There is no connection to desertification and soil sealing.

#### *Dependencies:*

Breeding, propagation and cultivation are heavily dependent on ecosystem services, including pollination services, genetic material services, biomass provision services, biological pest control services, soil erosion protection services, population rearing services and habitat conservation services (ENCORE Nature). Additional interdependencies exist with climate and the condition of water, soil and air [see E1, E2 and E3].

#### **Status of ecosystem services**

Ecosystems provide a variety of services, such as regulating climate and water flow, purifying water, preserving species habitats, balancing soil biodiversity, controlling pests and diseases, and much more. This risk category is based on indicators of the fragmentation status of rivers (i.e. the Connectivity Status Index – CSI), the degradation of water catchment areas (i.e. the loss of forests, as these play an essential role in water regulation, water supply and protection against pollution), the degradation of wetlands, invasive species in fresh water and changes in the extent of rivers. For Hopsteiner, the risk in Slovenia, Germany, Czechia and Poland is moderate to medium, while in Spain it is slightly higher.

#### **Pressure on biodiversity**

Companies can negatively impact biodiversity and reduce ecosystem services through several direct factors or pressures. These include changes in land, freshwater and marine use, deforestation, invasive species and pollution. There is a medium risk to our business model.

## **E4 Biodiversity and ecosystems – E4 IRO-1 – Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities**

### **Process to identify and assess material impacts**

As part of our product screening, we identified the material potential and actual positive and negative impacts on biodiversity and ecosystems – both indirectly at our company locations and indirectly along the value chain, particularly upstream. In doing so, we followed the guidelines and the systematic LEAP approach:

*LEAP approach, step 1. Identifying interfaces with nature → Localization:* We have identified the locations where our activities and those of our value chain have an impact on biodiversity and ecosystems. At the same time, Hopsteiner's dependencies on ecosystem services related to biodiversity are analyzed.

*LEAP approach, step 2. Assessing dependencies and impacts → Evaluate:* The severity and likelihood of impacts are assessed by considering the potential damage to the environment, market and society. This was done as part of the product screening for the entire value chain in the core sustainability team, with the involvement of the subsidiaries and the support of a commissioned communications and sustainability agency. Materiality exists when the Expected Damage Value is greater than or equal to 8. The existing dependencies are already explained under E4 SBM-3. [see ESRS 2 IRO-1, SBM-3]

## Process to identify and assess material risks and opportunities

*LEAP approach, step 3. Assessment of material risks and opportunities → Assessment:* The strategy and business model were screened for physical, systemic and transitional risks and opportunities relating to biodiversity and ecosystems. This was carried out by the core sustainability team with the involvement of the subsidiaries and the support of a communications and sustainability agency. The physical risk of "biodiversity loss and land use change" and the associated opportunities were assessed as not material for the reporting year, as it currently has no concrete impact on the business model. No scenario analysis was performed. [see ESRS 2 IRO-1, SBM-3] However, it will continue to be monitored.

The main cultivation areas and activities of the subsidiaries are in the Hallertau, in the Elbe-Saale and Tettngang regions, in Czechia, Slovenia, Poland and Spain. The WWF Risk Filter was used as a source for the state of ecosystems. This indicates whether the natural environment is intact and interconnected. A medium to higher risk is indicated, with Spain and Poland being more severely affected. Natural pollination poses a significant risk (all countries except Germany and Slovenia).

General risks and opportunities for biodiversity and ecosystems posed by the specialized cultivation of hops are being examined by external institutes such as the Bavarian State Research Centre for Agriculture. Currently (duration: 03/2018 to 02/2026), for example, there is a research and innovation project [entitled "Biodiversity in harmony with hop cultivation"](#) in cooperation with the LBV, among others: "The aim of the project is not to generally impair productivity or productive areas. High-quality hop gardens, arable land and forest areas should continue to be used profitably by farmers. Less productive or even unused areas, on the other hand, should be upgraded to contribute to increasing biodiversity. In particular, the involvement of all affected associations and stakeholders from agriculture and nature conservation should contribute to the acceptance of the project. The project specifically includes the creation of an exemplary concept and the initiation of follow-up projects."

## Stakeholder Involvement

The topic of "biological diversity and ecosystems" did not arise as an area of interest in the stakeholder analysis. We share biological resources and ecosystems with hop growers. They have the greatest influence on these resources and ecosystems. We are in constant communication and dialog with them, including about the risks to hop cultivation posed by climate change. In this context, we already provide intensive cultivation and plant protection advice, including recommendations for use and restrictions with maximum quantities, both legally and at customer request. With the "quality evaluation" module included in the grower portal, growers will also be able to compare themselves with their competitors in terms of plant protection in the future. We introduce them and our customers to our own varieties, which are more resistant to diseases and pests. This means that less integrated plant protection is required.

## E4 Biodiversity and ecosystems – E4-2 – Policies related to biodiversity and ecosystems

*LEAP approach, step 4. Communication of results:* The results of the materiality assessment were documented in the software and integrated into our sustainability strategy to develop targeted measures to mitigate negative impacts on biodiversity and ecosystems.

The monoculture associated with hop cultivation poses risks to the environment. Among other things, it increases the risk of yield losses due to pests and diseases. To prevent disease and pest infestation, the use of plant protection products as part of integrated pest management is essential. The framework conditions for agricultural products are set by the agricultural policies of the countries, the legal requirements and standards of the World Trade Organization, the United Nations and the European Union. In the medium and long term, the aim is to make Europe sustainable as a major hop producer and to maintain its competitiveness. The major

reform of the Common Agricultural Policy (CAP) initiated by the European Union has been influencing agricultural economic decisions for some time and has been transposed into national law. More than half of EU funds are now being used in accordance with the German CAP Strategic Plan for environmental and climate targets. In conjunction with the Green Deal, this makes an important contribution to the biodiversity strategy and the farm-to-fork strategy for the agricultural sector. Among other things, the guidelines aim to reduce the use of chemical plant protection products by 50 per cent and the use of fertilizers by 20 per cent by 2030, and to significantly increase the proportion of organic crop production. This transformation will also bring challenges for the hop industry.

Only through holistic, responsible action, sustainable management and careful use of resources can we offer a range of hop products of consistently high quality and secure our business concept in the long term. In the interests of sustainable development and efficient use of resources, we work with our contractual partners to continuously optimize processes in hop cultivation, marketing and processing of the raw material. We welcome environmentally conscious thinking on the part of our suppliers and support it through intensive cultivation and plant protection advice and the promotion of sustainable harvesting and production methods. More than 68 per cent of our purchases from German growers are now certified in accordance with the Sustainable Agricultural Initiative (SAI), of which we are a member. The Hopsteiner farms in the USA hold GlobalG.A.P. certification. In connection with food safety, data collection systems are in place for the use of plant protection products. A monitoring system for pesticide residues, including leaf screening before harvest, has been established. Food safety measures are complemented by an HACCP concept and our QM systems with final product checks and traceability systems.

In addition, we pursue our own variety breeding program to manage key dependencies and invest in research, for example in the field of irrigation. As a result, more resistant, tolerant varieties can be used that require significantly less plant protection products and water. The Akoya and Solero varieties are also suitable for organic farming.

We support and endorse the goals of the UN Convention on Biological Diversity and the National Strategy on Biological Diversity 2030 of the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV).

Accordingly, programs are in place to reduce the material impacts of integrated pest management, resource consumption, emissions and waste. They contribute to Sustainable Development Goals 2 "Zero Hunger", 6 "Clean Water and Sanitation", 13 "Climate Action" and 15 "Life on Land".

Our sites are not located in or near a protected area or an area with biodiversity in need of protection. For this reason, no specific concept has been developed to protect biodiversity and ecosystems or to combat deforestation, as this is not relevant to our business model in the area of oceans/seas.

## E4 Biodiversity and ecosystems – E4-3 – Actions and resources related to biodiversity and ecosystems

## E4 Biodiversity and ecosystems – E4-4 – Targets related to biodiversity and ecosystems

To promote positive impacts and opportunities and avoid negative impacts and risks, objectives and measures have been defined that contribute to our concepts [see E4 IRO-1, ESRS 2 4.2 and 5].

Material subtopic	Status quo	Target	Measures	Deadline
Biological diversity and ecosystems	The monoculture associated with hop cultivation poses risks to the environment.	Integrated pest management in accordance with guidelines and in	<ul style="list-style-type: none"> <li>Review of guidelines</li> <li>Residue monitoring</li> <li>Advice to producers</li> </ul>	2025 (ongoing)

	<p>Among other things, it increases the risk of yield losses due to pests and diseases. To prevent infestation, the use of plant protection products as part of integrated pest management is essential.</p>	<p>compliance with the specified limits (approved agents and quantities). Ongoing monitoring of compliance. The framework conditions for agricultural products are set by the agricultural policies of the countries, the legal requirements and standards of the World Trade Organization, the United Nations and the European Union. At European level, these include the Common Agricultural Policy (CAP), the Green Deal and the Farm-to-Fork Strategy, as well as country-specific phytosanitary requirements.</p>	<ul style="list-style-type: none"> <li>• Own variety breeding program (requiring less use of pesticides)</li> </ul>	
	<p><i>Compliance with legal requirements: 100%</i></p>	<p><i>Compliance with legal requirements: 100%</i></p>		
	<p>Own variety breeding program to breed varieties with stable yields that also require less water and pesticides because they are more tolerant and resistant to heat and pests.</p>	<p>Expansion of the cultivation area with self-bred, climate-resistant and more sustainable varieties to ensure future viability and at the same time create a unique selling point.</p>	<ul style="list-style-type: none"> <li>• Establishment of own propagation capacities for quality assurance of own varieties (high-quality plant material)</li> <li>• Construction of a new greenhouse for plant propagation (2024)</li> <li>• Transition to demand-oriented breeding with acceptance of own varieties by customers (communication and marketing)</li> </ul>	2029
	<p><i>Cultivation area with self-bred varieties in hectares: 90</i></p>	<p><i>Cultivation area with self-bred varieties in hectares: 99</i></p>		
	<p>All processing and refinement processes involve emissions, including hop refinement. The most significant source of emissions is the</p>	<p>Reduction of emissions in line with the EU Green Deal and the German Federal Climate Change Act. Specific reduction targets are based on</p>	<ul style="list-style-type: none"> <li>• Switch to green electricity</li> <li>• Increase own energy use for a higher degree of self-sufficiency (PV, wood chips)</li> </ul>	2030

	<p>consumption of natural gas in production and in the heating plant. In addition, throughput volumes in the plants are subject to harvest-related fluctuations. Overall, the trend is towards processed products that require higher energy consumption. Our challenges in terms of climate-relevant emissions lie in the energy-intensive processes and the high costs of carbon neutral energy sources in production.</p> <p>Nevertheless, the majority of carbon emissions come from hop cultivation (Scope 3).</p>	<p>energy consulting, climate accounting and cost accounting.</p>	<ul style="list-style-type: none"> <li>• Use of renewable energies / increase in the share of electricity to over 90%.</li> <li>• Coordination / open dialog with customers about additional costs (industry problem)</li> </ul>	
--	---	---	--	--

No measurable targets based on a (local) ecological threshold value were set. They were defined voluntarily – accordingly, there are no company-specific allocations. The effectiveness of our concepts and measures in relation to the material sustainability-related impacts can only be tracked over time with regard to the target horizons and changes in the key figures [see E4-5]. The most important factors for change in biodiversity and ecosystems are climate change and environmental pollution. Targets and measures have been formulated for this purpose. We focus on minimization, as avoidance is not possible. With the help of systematic, continuous monitoring, we ensure compliance with the specified limits for the use of plant protection products. Between €400,000 and €500,000 were allocated for residue monitoring in 2024. However, no quantified allocation of funds has been made to implement the targets and measures.

There was no direct consultation with stakeholders or representatives. Indigenous knowledge and nature-based solutions were not considered.

## E4 Biodiversity and ecosystems – E4-5 – Impact metrics related to biodiversity and ecosystems change

### Sites in biodiversity-sensitive areas

Hopsteiner has no sites that are leased or owned by the company and located in or near protected areas or important biodiversity areas and have a negative impact on them.

The collection of quantitative data on land use changes, contribution to influencing factors, invasive alien species, species status and impacts on ecosystems, and ecosystem services is disproportionate.



---

## **E4 Biodiversity and ecosystems – E4-6 – Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities**

No material risks and opportunities related to biodiversity and ecosystems have been identified. Accordingly, we do not report any expected financial effects.

# **E5 Resource use and circular economy**

## E5 Resource use and circular economy – E5 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

### Process to identify and assess material impacts

In line with the LEAP approach, we examine our dependencies on ecosystem services and whether our business activities are associated with positive or negative impacts, opportunities and risks – both potential and actual.

*LEAP approach, step 1. Identifying interfaces with nature → Localization:* We have identified the locations where our activities and those of our value chain have an impact on resource use and the circular economy. This also involves identifying dependencies on ecosystem services that are relevant to Hopsteiner.

- ➔ The primary resource input and main raw material to produce our products is raw hops. In smaller quantities, hop pellets and hop extracts are also purchased as commodities or raw materials for further processing. We also use CO<sub>2</sub> and ethanol as solvents for extraction, wood, natural gas, heating oil and photovoltaics to produce our products.
- ➔ This corresponds to the ecosystem services already mentioned in the other standards.

*LEAP approach, step 2. Assessment of dependencies and impacts → Evaluation:* The assessment of the severity and probability of impacts considers the sub-topics of resource inflows, outflows and waste.

- ➔ In the product screening of the inside-out perspective, the aspects along our value creation stages were considered and material impacts were determined in accordance with our business model. This was carried out by the core sustainability team with the involvement of the subsidiaries and the support of a commissioned agency for communication and sustainability. The process and the result are mapped using software [see ESRS 2 IRO-1, SBM-3].

<b>Resource use and circular economy</b>	Positive impact	Production: Refining and extraction	<ul style="list-style-type: none"> <li>Predominantly renewable processing materials by total weight.</li> </ul>
	Negative impact	Production: refinement and extraction	<ul style="list-style-type: none"> <li>Energy, water, auxiliary and operating materials, packaging material.</li> </ul>
<b>Resource outflows related to products and services</b>	Positive impact	Logistics: Distribution of end products	<ul style="list-style-type: none"> <li>Recyclable packaging (approx. 75% of materials used)</li> <li>[INB] Reuse/recycling of packaging material.</li> </ul>
<b>Waste</b>	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>[HSE] Most harvest residues are not recycled.</li> </ul>
	Positive impact	Production: Processing and extraction	<ul style="list-style-type: none"> <li>[HSE] ISO 14001</li> </ul>
	Negative impact	Production: Refining and extraction	<ul style="list-style-type: none"> <li>[HHV] Hazardous waste (especially spent hop extracts)</li> </ul>

Furthermore, the individual Product Carbon Footprints for our most important products were determined, thereby also identifying the primary emission carriers and sources in the life cycle "from cradle to grave". We collect various indicators in order to be able to assess our materials and raw materials. This enables us to assess environmental impacts and reduce negative influences with regard to ESRS E1 (including energy consumption), ESRS E2 (environmental pollution), ESRS E3 (marine resources, water consumption) and ESRS E4 (biodiversity, ecosystems, raw materials).

## Process to identify and assess material risks and opportunities

*LEAP approach, step 3. Assessment of material risks and opportunities → Assessment:* The analysis of potential or actual material risks and opportunities in connection with "resource use and circular economy" was carried out by the core sustainability team with the involvement of the subsidiaries and the support of a commissioned communications and sustainability agency. None were identified [see ESRS IRO-1, SBM-3].

## Stakeholder involvement

The topic of "resource use and circular economy" did not arise as an expectation in the stakeholder analysis. Regardless of this, there is an overarching exchange with suppliers and customers on the topics of resource use in terms of energy, water, raw materials, packaging and process materials.

## E5 Resource use and circular economy – E5-1 – Policies related to resource use and circular economy

*LEAP approach, step 4. Communication of results:* The responsible use of our planet's limited and valuable resources is a matter of course for us. As a matter of principle, we want to protect scarce resources and reduce the use of raw materials and non-renewable materials. We therefore intend to make greater use of secondary materials in the future and strive to recycle our waste. In our Code of Conduct, we have defined the following overarching strategies for the field of action "Environment".

Resource efficiency: We process natural materials and secure this business concept in the long term through sustainable management. We are therefore committed to the responsible use of raw materials and resources at every stage of our products' processing. We optimize our consumption of auxiliary and operating materials through efficient production processes and are constantly working to reduce it. Our suppliers pursue environmentally conscious production and sustainable manufacturing and harvesting methods wherever possible.

Our concept refers to the increasing use of secondary (recycled) resources and the use of renewable resources in packaging and processing materials. We consider the waste hierarchy in terms of prevention, preparation for reuse, recycling, other recovery and disposal. Waste prevention takes the form of repairs, among other things, while preparation for reuse is achieved, for example, through the sale of obsolete parts and/or machines. Waste that cannot be avoided or minimized is treated or disposed of. The EU Waste Directive is complied with. This is also reflected in the measures, means and targets that have been set [see E5-2 and E5-3]. Concepts such as eco-design, waste as a resource or consumer waste (depending on the country of sale, reusable systems via bottle deposits) are not currently being pursued.

## E5 Resource use and circular economy – E5-2 – Actions and resources related to resource use and circular economy

## E5 Resource use and circular economy – E5-3 – Targets related to resource use and circular economy

Objectives and measures were defined to promote positive impacts and opportunities and to avoid negative impacts and risks [see E5 IRO-1, ESRS 2 4.2 and 5]. There was no direct consultation with stakeholders or representatives.

Material subtopic	Status quo	Target	Measures	Dead-line
Resource use and circular economy	Around 75% of the packaging materials used are recyclable (by total weight). No alternative to conventional packaging; on the demand side.	Search for more sustainable packaging materials. (A quantitative target cannot be set due to the demand for certain product categories of packaging and the lack of availability of certain recyclable packaging materials).	<ul style="list-style-type: none"> <li>We select packaging based on quality and availability.</li> <li>We constantly check whether there are more sustainable alternatives on the market.</li> </ul>	On-going

No measurable targets based on a (local) ecological threshold value have been set. They were set voluntarily. Accordingly, there are no company-specific allocations. Funds allocated for implementation are not recorded separately within the company.

If successful, the quantitative target and the measure will help to minimize primary raw materials, increase the use of secondary raw materials (recycled material), increase the circular material utilization rate, avoid waste generation and optimize waste management in packaging.

The effectiveness of our concepts and measures in relation to the material sustainability impacts can only be tracked over time regarding the target horizons and changes in key figures [see E5-4 and E5-5].

## E5 Resource use and circular economy – E5-4 – Resource inflows

### Description of resource inflows

The resource flows in the upstream value chain relate to hop cultivation and includes pesticides, fertilizers, seeds, diesel, heating oil, wire, water and PP bags.

Our main resource inflows in "Production: processing and extraction" consist of raw materials, auxiliary materials and packaging materials. The necessary energy resources and energy carriers are natural gas, heating oil, wood chips, combustible gases, diesel and petrol, and photovoltaics.

- The primary resource inflow and main raw material to produce our products is raw hops. In smaller quantities, hop pellets and hop extracts are purchased as commodities or raw materials for further processing.

- Various auxiliary materials are used for various refinement and extraction processes. The largest proportions here are biogenic CO<sub>2</sub>, deionized water, ethanol, sulphuric acid, caustic soda, potash lye, magnesium oxide and sulphate, and propylene glycol. No rare earths are used.
- Packaging material (main components): cardboard boxes, tinplate cans, aluminum bottles, steel drums, HDPE containers, intermediate bulk containers (IBCs), aluminum composite film bags, wooden pallets, stretch film and wet adhesive tape.

A detailed breakdown of these material inflows can be found in the Scope 3 recording and calculation for the year 2024.

Property, plant and equipment at the company's sites:

- Extraction plants (CO<sub>2</sub>-extraction and ethanol extraction) at the Mainburg site [HHV]
- Pellet plants at the Au site in Hallertau [HHV] and Léon, Spain [HSE]

## Key figures for resource inflows

Process materials in kg per metric ton of raw hops / percentages	
	HHV
Ethanol	2.4
CO <sub>2</sub> *	75
Glucose*	0.4
Propylene glycol	0.5
Acids and alkalis / processing aids H <sub>2</sub> SO <sub>4</sub> , NaOH, KOH, MgSO <sub>4</sub> , MgO	31.3
<b>of which renewable*</b>	<b>71</b>
<b>of which non-renewable</b>	<b>29.0</b>

As production at the Spanish HSE is limited to the pelletization of hops, the above-mentioned process materials are not required. These are extraction-specific and therefore relate to the HHV.

Packaging materials in kg per metric ton of raw hops / percentages	
	HHV
Tins / barrels	10.3
Cardboard boxes*	48.6
Composite films	7.1
Stretch films	0.5
Pallets*	38.8
Aluminium bottles	0.07
IBCs & canisters	1
<b>of which renewable*</b>	<b>82.2</b>
<b>of which non-renewable</b>	<b>17.8</b>

HSE uses cardboard boxes, composite and stretch films, and pallets as packaging materials. As HHV covers a total share of around 90 per cent due to the high production volume, the data on HSE's resource inflows is negligible and is not collected.

For competition law reasons, we do not provide absolute figures, but relative figures per metric ton of raw hops processed. In addition, throughput volumes at the plants are subject to harvest-related fluctuations. Relative output figures are therefore more meaningful. The calculations are based on the total tonnage per calendar year processed at the processing plants.

No further key figures are reported.

## E5 Resource use and circular economy – E5-5 – Resource outflows

### Products and materials

Our most important products are:

- Hop pellets (5-year shelf life)
- Stabilized hop pellets (6-year shelf life)
- Hop extracts CO<sub>2</sub> (8-year shelf life) and ethanol / total resin (8-year shelf life)
- Light-stable products (6-year shelf life)
- Downstream products (various, shelf life 1–6 years)
- IKE / PIKE (2-year shelf life)
- Hop oils (1-year shelf life)

<https://www.hopsteiner.com/de/brauprodukte/>

These are primarily used as raw materials in the value-added stage "Customers: Use of hop products & disposal" in beer brewing and are therefore completely used up or transformed. Direct product waste only occurs as small amounts of spent hops when hop pellets are used in the brewing process. Dried spent hops is resold by breweries to farmers as animal feed, among other things. The packaging and transport containers for the pellets and extracts (tinplate cans, steel drums, composite film bags, HDPE containers) are therefore primarily returned to the circular economy. Our transport packaging in the form of cardboard boxes, pallets and stretch film, which is necessary for "Logistics: Distribution of end products", is subject to the legal requirements for reuse or recycling.

### Key figures Resource outflows / waste

	Total weight of waste generated excluding wastewater in metric tons
SHS	10.0
HHV	179.2
ZHC	0.5
INB	0.2
HSE	9.3
<b>Total</b>	<b>199.2</b>

	Total weight of hazardous waste (per metric ton of raw hops)
	HHV
Recycling [liters]	0.3
Waste incineration (mass incineration) [I]	0.85

The company does not produce any radioactive waste.

	Total weight of non-hazardous waste (per metric ton of raw hops)
	HHV
Recycling (scrap metal) [kg]	3.6
Recycling (plastic) [kg]	0.2
Recycling (wastepaper/cardboard) [liters]	16.2
Recycling (hop sacks) [kg]	8.8
Composting [kg]	7.9
Waste incineration [liters]	22.0

As the HHV covers a total share of around 90 per cent due to the high production volume, the data on resource outflows from the HSE is negligible and is not collected.

For competition law reasons, we do not provide absolute figures, but relative figures per metric ton of raw hops processed. The throughput volumes in the plants are subject to harvest-related fluctuations. Relative output figures are therefore more meaningful. The calculations are based on the total tonnage per calendar year processed in the processing plants.

No further key figures are reported.

## E5 Resource use and circular economy – E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities

No material risks and opportunities in connection with resource use and circular economy have been identified. Accordingly, we do not report any expected financial effects.



# SOCIAL INFORMATION

# **S1 Own workforce**

## S1 Own workforce – S1 SBM-2 – Stakeholder interests and perspectives

The materiality analysis was carried out using various interrelated processes. One part of this involved identifying key stakeholders and their interests, including assessing the potential risks of non-compliance using the expected value of damage. The interests were assigned to the dimensions of environment, social and governance. The highest-ranked interests (priorities 1 to 3) and those with a high Expected Damage Value ( $\geq$  threshold value 8) are included in the determination of the material topics as part of the clustering of the results from stakeholder analysis, impact screening and risk screening. [see ESRS 2 SBM-2]

The main interests of the company's employees are satisfaction (including job security, interesting tasks, working atmosphere, fair pay, flexible working hours), occupational safety and health protection. To counteract these potential risks, we value appreciative corporate management and a positive working atmosphere, offer corporate benefits, remunerate employees appropriately, comply with legal standards and the guidelines of the professional associations, maintain machinery and provide training, education and further training.

In addition to these interests and positions, the rights of our own workforce are of course also part of our strategy and business model. We comply with the legal standards governing applicable working conditions and working time regulations, protection against dismissal, health protection and occupational safety. EU companies are subject to EU law or the respective national law. The stakeholder group "Legislators / EU regulations" also has an interest in the adaptation of legal regulations on employee protection, including regulations on time recording and whistleblower protection.

## S1 Own workforce – S1 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

### Material impacts

Our strategy and business model have a direct impact on our own workforce. Except for HSE, our company only employs salaried staff.

In our assessment, we considered that certain employee groups may be exposed to greater risks due to individual characteristics such as age or health restrictions, as well as differences in the working environment. Gathering feedback and providing regular training helps to identify these issues and develop preventive measures. An inclusive approach promotes the safety and well-being of all.

Our strategy and business model are directly linked to the following actual and potential impacts identified in our materiality analysis. As the identified impacts are only actual, positive aspects, they do not lead to any adjustments to our strategy and business model. They are all equally affected. No material impacts on the company's own workforce were identified because of the company's transition plans [see ESRS 2 SBM-3, IRO-1].

<b>Working conditions</b>	Positive impact	Company	<ul style="list-style-type: none"> <li>Employee satisfaction (job security, interesting work, working atmosphere, good pay, flexible working models and hours)</li> <li>[HHV] Works council/employee representation: Social dialog on economic and social policy; consideration of employee interests in accordance with EU standards and the constructive and targeted participation of employees are</li> </ul>
---------------------------	-----------------	---------	---

			<p>firmly established within the company.</p> <ul style="list-style-type: none"> <li>The legal standards governing applicable working conditions and working time regulations, protection against dismissal, health protection and occupational safety are complied with. EU companies are subject to EU law or the respective national law. We also require subsidiaries outside the EU to comply with EU minimum standards.</li> <li>[SHS/HHV/HSE] Occupational safety specialist, occupational safety officer, [SHS/HHV] additional external consulting, occupational safety committee (ASA), investments in work facilitation [all] Accident prevention regulations, risk assessments, preventive medical check-ups, ergonomic workplace design.</li> <li>In some cases, several years of training for key positions</li> <li>Training courses, notices and direct instructions on health and safety at work.</li> </ul>
<b>Equal treatment and equal opportunities for all</b>	Positive impact	Company	<ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Tailored training for all levels, genders and characteristics (additional qualifications and training requirements)</li> <li>Appropriate and equal pay for comparable work and qualifications (included in the Naturland criteria, among others)</li> <li>Only qualifications, skills and performance are used as assessment criteria for recruitment and promotion.</li> <li>Employment and integration of people with disabilities.</li> </ul>
<b>Work-related rights / human rights</b>	Positive impact	Companies	<ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Compliance with all national laws and regulations as well as the ILO, the International Human Rights Convention, the United Nations Convention on the Rights of the Child and the OECD Guidelines for Multinational Enterprises.</li> <li>General Data Protection Regulation (GDPR)</li> </ul>

## Risks and opportunities

An analysis was conducted to examine and evaluate the opportunities and risks relating to our workforce and to derive appropriate measures. No material opportunities or risks with financial materiality were identified in the areas of data security and cybersecurity, pandemics and an increase in absences due to illness, armed conflicts, migration and demographic change.

### Risk of child, forced and compulsory labor

There are no activities within the company that pose a material risk of incidents of child or forced labor among our own workforce. No complaints were received in this regard during the reporting year.

## S1 Own workforce – S1-1 – Policies related to own workforce

### Strategies

Our Code of Conduct refers to compliance with employee rights, equal opportunities and equal treatment, and human rights. This applies to all activities along the value chain, regardless of geographical location or stakeholders involved. The commitment to our mission statement and Code of Conduct applies to all employees of the company. Management is responsible for defining and implementing it.

We respect, protect and promote the applicable regulations for the protection of human rights. We strictly reject any form of child labor, forced labor, compulsory labor, modern slavery and human trafficking. The company management is also unconditionally committed to respecting human rights.

We treat employees, suppliers, service providers, customers and other partners along the value chain with fairness and respect. The company is committed to equal opportunities and does not tolerate any form of discrimination. Any discrimination based on gender (including gender identity), age, ethnicity (including skin color), nationality, disability or sexual orientation, as well as religion or belief (including political opinion) is prohibited. When hiring and promoting employees, only their qualifications, skills and performance are used as evaluation criteria. To promote equal opportunities and a good work-life balance, we are committed to fair and equal pay, as well as offering numerous options for part-time work, flexible working hours and working from home (where possible for the type of work involved). We promote further training to enhance employees' qualifications in their respective areas of responsibility. Both internal and external training courses are offered on a departmental basis. The topics covered in the training courses cover all areas of the company. When planning and selecting training programs, we focus on the needs of our employees in our business operations and on the development requirements we see in the individual areas and for individual employees. We pay particular attention to qualifications during generational change. This applies especially to key positions requiring specialized knowledge. Here, we provide for long-term succession planning, sometimes with training periods lasting several years. This ensures a smooth generational change. It is important to us to design employment in all areas for the long term. For years, we have been training young employees in a wide variety of areas of the company in commercial and technical professions in accordance with the guidelines of the Chamber of Industry and Commerce. We continuously provide interns with an interesting environment in which they can gain their first professional experience and an insight into our company.

Health and safety at work are also a high priority. Applicable legal provisions on occupational safety must be strictly observed. In addition, regular preventive medical check-ups are offered by the company doctor. Relevant information on occupational safety and health protection is communicated directly to employees through regular training courses, at least once a year, as well as notices in break rooms, on the noticeboard and on the information monitor. In the training courses, we provide our employees with support on maintaining a healthy working posture and on the correct implementation of first aid measures. These courses are part of our training program and cover industrial employees, clerical staff and managers. Health protection

is particularly important during pandemics. In such cases, we rely on close cooperation with our company doctor. For safety reasons, we limit in-person visits to our hop growers and customers to the bare minimum and communicate with our stakeholders via hybrid or virtual formats. In addition, there is greater flexibility in terms of home office and childcare/home schooling. This increased flexibility also leads to an optimized work-life balance. To help people balance family and work, these improved home office options will stay in place where possible.

## Strategies (information from other EU legislation)

We take into account the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights, the United Nations Convention on the Rights of Persons with Disabilities, the principles of the United Nations Global Compact, the International Labour Organization's (ILO) core labor standards, the United Nations Convention on the Rights of the Child, the OECD Guidelines for Multinational Enterprises, and we are guided by the European Convention on Human Rights, the European Social Charter and the Charter of Fundamental Rights of the European Union. We also require our business partners to implement the legal regulations at our production sites.

Due to our business activities within the EU, framework conditions have been created that ensure compliance with human rights. Regulations are constantly being adapted to applicable standards and laws. By constantly gathering information on new standards and changes in legislation, any risks that may arise can be identified in good time. Regarding employee rights, EU law or the respective national law applies to the subsidiaries.

## **S1 Own workforce – S1-2 – Processes for engaging with own workers and workers' representatives about impacts**

The consideration of employee interests in accordance with EU standards and the constructive and targeted participation of employees are firmly anchored in the company. The co-determination of our employees is of the utmost importance to us and is ensured through various structures and measures. There are no global framework agreements or other agreements that we have concluded with employee representatives regarding respect for human rights. The issue is covered by the Code of Conduct, which applies to all employees, including management.

Mutual trust and the professional and personal competence of our employees form the basis of our business success. Treating our employees with respect is a matter of course for us. That is why we value their participation. By involving all employees in the planning and development of our activities, we take their expertise into account and benefit from it in our daily operations. Our flat hierarchies and short, direct communication channels promote exchange. Department heads are involved in management decisions through regular meetings. This also applies to sustainability management. The members of the sustainability team raise awareness of the issue both internally and externally. This ensures that the workforce is broadly involved in sustainability management at all times. They are also involved through employee appraisals/surveys, departmental manager meetings, and departmental and team meetings. Feedback is systematically recorded and evaluated to ensure that the perspectives of the workforce are considered. We regularly inform all affected employees about how their feedback has been incorporated into decision-making, whether through internal communication channels such as emails, meetings or transparent reporting. In this way, we ensure open and transparent communication that strengthens trust and cooperation within the company. It also allows us to evaluate the effectiveness of our cooperation with the workforce.

Due to the sometimes physically demanding nature of production work, we pay particular attention to occupational health and safety. In accordance with legal requirements and the rules of the employers' liability insurance association, we have appointed a safety officer. He determines the necessary occupational safety measures and monitors compliance with them. The following measures counteract the risk:

- Risk assessment Occupational safety
- Accident prevention regulations
- Preventive medical examinations by company doctors (workplace-related)
- Ergonomic workplace design
- Investments and automation to make work easier

An employer-employee committee for occupational safety and health protection exists in the form of a works council at Hallertauer Hopfenveredelungsgesellschaft mbH (HHV), which belongs to Simon H. Steiner, Hopfen, GmbH, and the processing plants. This consists of five people (chairperson, deputy chairperson, three employees). Both HHV and SHS have appointed an occupational safety specialist who acts in an advisory capacity. Additional external consultancy is provided by B.A.D. The aim is to hold a meeting of the employer-employee committee at least once a quarter. The workforce at the Spanish subsidiary is also represented by an employee representative.

There have been no actual or potential negative impacts on the company's own workforce as a whole or on vulnerable groups within it. The management is responsible for incorporating and considering the results in the company's concept.

### **S1 Own workforce – S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns**

There are currently no material potential or actual negative impacts related to working conditions, equal treatment and equal opportunities, or other labor-related rights or risks in relation to our workforce. Accordingly, no remedial measures have been taken.

Our company ensures that employees can express their concerns through various communication channels, such as direct discussions with supervisors or the use of established complaint channels. If employees wish to raise concerns or complaints and have them investigated, they can do so via the whistleblower protection system established in accordance with the Whistleblower Protection Act (HinSchG) via the intranet or website [see G1-1]. These procedures are continuously monitored to ensure their effectiveness. The effectiveness of the channels is reviewed and optimized based on feedback from the relevant stakeholders. To ensure the trust of our workforce, we inform all employees about these existing structures and make it clear that their concerns are taken seriously. Our goal is to create a working environment in which all employees feel safe to raise their concerns and trust that their concerns will be treated respectfully.

### **S1 Own workforce – S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions**

### **S1 Own workforce – S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

In order to promote positive impacts and opportunities and to further avoid negative impacts and risks, various objectives and measures were defined in the reporting year on the material topics of working conditions and equal treatment and equal opportunities [see ESRS 2 4.2 and 5]. The resources for managing material impacts correspond to the personnel and time capacities of the sustainability team meetings, further coordination within the core team, and data collection and text creation for reporting purposes.

Material subtopic	Status quo	Target	Measures	Dead-line
Working conditions – internal	There were only a few work-related injuries during the reporting period. There were no work-related illnesses.	Reduction of work-related injuries / Prevention of work-related illnesses	<ul style="list-style-type: none"> <li>• Compliance with legal requirements</li> <li>• Relevant information on safety and health protection at work is communicated directly to employees, through regular training sessions held at least once a year and through notices in break rooms, on noticeboards and on information monitors.</li> <li>• At Hallertauer Hopfenveredelungsgesellschaft mbH (HHV), which belongs to Simon H. Steiner, Hopfen, GmbH and the processing plants, there is an employer-employee committee for occupational safety and health protection in the form of a works council.</li> <li>• Both HHV and SHS have appointed an occupational safety specialist who has an advisory role.</li> <li>• Additional external advice is provided by B.A.D.</li> <li>• Risk assessment for safety in the workplace</li> </ul>	2027



			<ul style="list-style-type: none"> <li>• Accident prevention regulations</li> <li>• Company medical check-ups (workplace-related)</li> <li>• Ergonomic workplace design</li> <li>• Investments and automation to facilitate work</li> </ul>	
--	--	--	---	--

## S1 Own workforce – S1-6 – Characteristics of the undertaking's employees

	SHS	HHV	ZHC	INB	HSE	Total
Number of employees (FTE)	<b>59</b>	<b>131</b>	<b>7</b>	<b>2</b>	<b>8.8</b>	<b>207.8</b>
of which male	33	95	5	1	5.4	139.4
of which female	26	35	2	1	3.4	67.4
of which miscellaneous	0	1	0	0	0	1
Number of permanent employees (FTE)	<b>59</b>	<b>131</b>	<b>7</b>	<b>2</b>	<b>5.2</b>	<b>204.2</b>
of which male	33	95	5	1	3.0	137
of which female	26	35	2	1	2.2	66.2
of which miscellaneous	0	1	0	0	0	1
Number of temporary employees (FTE)	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3.6</b>	<b>3.6</b>
of which male					2.4	2.4
of which female					1.2	1.2
of which diverse					0	
Number of on-call staff (FTE)	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
of which male						
of which female						
of which diverse						

The ratio of number of people to full-time equivalents at the subsidiary HSE can be explained by the fact that 15 of a total of 20 persons were employed under the "Fijo-discontinuo" system in 2024. This is a permanent employment relationship governed by Article 16 of the Estatuto de los Trabajadores (ET).

It does not create a continuous employment relationship. Rather, they are on call to provide support during certain periods of the year (season).

The cut-off date used for reporting the number of employees was 31 December 2024.

	Employee turnover rate in the reporting period in per cent
SHS	8.8
HHV	9.1
ZHC	0
INB	0
HSE	0
<b>Total</b>	<b>3.58</b>

The total number of employees who left the company during the reporting period is not reported. The following formula was used to calculate the turnover rate due to software limitations:

*(Employee departures / (total number of employees at the beginning of the period + employee additions) \* 100*

→ The fluctuation is primarily due to the large number of employees retiring.

## S1 Own workforce – S1-7 – Characteristics of non-employee workers in the undertaking's own workforce

Hopsteiner does not employ any external workers.

## S1 Own workforce – S1-8 – Collective bargaining coverage and social dialog

	Percentage of employees covered by collective agreements	Total percentage of employees covered by employee representatives
SHS	100	0
HHV	98	98
ZHC	0	0
INB	100	0
HSE	0	100
<b>Total</b>		

There are no company-wide collective agreements; these are determined by the subsidiaries themselves. The working and employment conditions for employees who are not covered by the company's collective agreements are nevertheless based on the principles of these agreements. At HHV, five people are not covered because their earnings fall between two pay scale groups or exceed the highest pay scale group.

Hopsteiner has no employees outside the European Economic Area. There is no agreement with its employees regarding representation by a European Works Council, a works council of a Societas Europaea (SE) or a works council of a Societas Cooperativa Europaea (SCE).

## S1 Own workforce – S1-9 – Diversity metrics

### Gender distribution at management level

	SHS	HHV	ZHC	INB	HSE	Total
Number of people in top management (number of persons)	4	11	4	1	3	23
Male	4 (100%)	9 (81.8%)	4 (100%)	1 (100%)	3 (100%)	<b>21 (91.3%)</b>
Female	0	2 (18.2%)	0	0	0	<b>2 (8.7%)</b>
Various	0	0	0	0	0	<b>0</b>

### Age distribution of employees

	SHS	HHV	ZHC	INB	HSE	Total
Number of employees in the age group (number of persons)	71	154	7	2	20	254
Under 30 years of age	12 (16.9%)	19 (12.3%)	0	0	1 (5%)	<b>32 (12.6%)</b>
30–50 years	36 (50.7%)	67 (43.5%)	4 (57%)	2 (100%)	11 (55%)	<b>120 (47.2%)</b>
Over 50	23 (32.4%)	68 (44.2%)	3 (43%)	0	8 (40%)	<b>102 (40.2%)</b>

## S1 Own workforce – S1-10 – Adequate wages

Employee remuneration is in line with applicable reference values. 100 per cent of employees earn at least the applicable fair wage benchmark.

## S1 Own workforce – S1-11 – Social protection

All company employees are insured against loss of earnings due to illness, unemployment from the time they start working for the company, accidents at work and inability to work, parental leave and retirement.

## S1 Own workforce – S1-12 – People with disabilities

	Percentage of employees with disabilities
SHS	3.4
HHV	3.8
ZHC	0
INB	0
HSE	0
<b>Total</b>	<b>1.4</b>

Formula: Number of employees with disabilities\*\* / Total number of employees\*\*\*) \* 100

\*\* According to certificate > 25°

\*\*\* Employees in full-time equivalents

## S1 Own workforce – S1-13 – Training and skills development metrics

ZHC and INB conduct regular performance and career assessments. These cover 30 and 100 per cent of employees respectively. However, there is no agreed number of reviews by management. No similar arrangements are in place for SHS, HHV and HSE.

The average number of training hours is not currently recorded.

## S1 Own workforce – S1-14 – Health and safety metrics

All employees are covered based on legal requirements and/or recognized standards or by guidelines from the company's health and safety management system.

There are no fatalities attributable to work-related injuries and illnesses. There are also no cases of reportable work-related illnesses. For the 2024 reporting year, days lost due to injuries, accidents, fatalities and work-related illnesses were not recorded.

	Number of reportable work-related accidents/injuries
SHS	0
HHV	3
ZHC	0
INB	0
HSE	1
<b>Total</b>	<b>4</b>

## S1 Own workforce – S1-15 – Work-life balance metrics

All company employees are entitled to leave of absence for family reasons based on social policy and/or collective agreements. This includes maternity leave, paternity leave, parental leave and leave for caring for relatives.

	Percentage of eligible employees who have taken parental leave
SHS	100
HHV	75
ZHC	0
INB	0
HSE	100
<b>Total</b>	<b>55</b>

There were no employees eligible for parental leave at the Czech and Slovenian subsidiaries.

No breakdown by gender was provided.

## S1 Own workforce – S1-16 – Compensation metrics (pay gap and total compensation)

No remuneration metrics are disclosed.

## S1 Own workforce – S1-17 – Incidents, complaints and severe human rights impacts

There have been and continue to be no work-related incidents of discrimination or human rights violations (forced labor, human trafficking or child labor) within the company, nor have there been any related complaints via reporting channels or serious consequences in the form of fines, sanctions or compensation payments.

# **S2 Workers in the value chain**

## S2 Workers in the value chain – S2 SBM-2 – Interests and views of stakeholders

Workers in the value chain were not included or analyzed as separate stakeholders in the stakeholder analysis. The company has no direct contact with them at the strategy or business model level.

In accordance with our Code of Conduct, compliance with (human) rights also applies to suppliers and thus also covers external workers. There is no on-site verification.

## S2 Workers in the value chain – S2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

### Material impacts

Our strategy and business model are associated with actual and potential impacts. These are incorporated into our materiality analysis as the basis for our sustainability strategy. Our disclosure of the material impacts on our strategy and business model includes employees in our upstream value chain who may be significantly affected by us. Material potential impacts have been identified by our subsidiary in Spain and relate to seasonal workers and children/young people. We have no influence on our customers' workforce [see ESRS 2 IRO-1, SBM-3].

<b>Working conditions – external</b>	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>No on-site inspection of working conditions at new or existing suppliers.</li> <li>[HSE] Lack of supervision of seasonal workers</li> </ul>
	Positive impact	Logistics: Distribution of end products	<ul style="list-style-type: none"> <li>[HSE] Exclusive use of local seasonal workers</li> <li>[HSE] Support for local businesses, preference for local transport companies</li> </ul>
<b>Equal treatment and equal opportunities for all – external</b>	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>No on-site inspection of new or existing suppliers regarding equal treatment and equal opportunities.</li> </ul>
<b>Labor rights / human rights – external</b>	Negative impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>Existing or new suppliers are not assessed in terms of social or human rights aspects.</li> <li>[HSE] Unregulated family labor</li> </ul>

### Risks and opportunities

Demographic change poses an external risk to the company regarding the workforce in the value chain. There is a shortage of successors in some planting businesses. As a result, the number of suppliers and the area under cultivation are declining. This risk is mitigated by the current oversupply of hops, coupled with weaker demand for the business model. However, this further exacerbates the situation for our partners. We support them with attractive, long-term preliminary contracts.

## Risk of child, forced and compulsory labor

We do not purchase any goods that pose a material risk of child labor or forced or compulsory labor among the workforce. No complaints of suspected child labor, forced labor or compulsory labor were received in the reporting year.

### S2 Workers in the value chain – S2-1 – Policies related to value chain workers

The company has various strategies in place to address the identified material impacts and risks related to labor in the value chain.

Our Code of Conduct refers to compliance with employee rights, equal opportunities and equal treatment, and human rights. It covers all activities along the value chain, regardless of geographical location or stakeholder groups affected. The commitment to our mission statement and Code of Conduct applies not only to employees but also to the company's suppliers. Applicable legal provisions on occupational safety must be strictly observed. We treat employees, suppliers, service providers, customers and other partners along the value chain with fairness and respect. Any discrimination based on gender (including gender identity), age, ethnicity (including skin color), nationality, disability or sexual orientation, as well as religion or belief (including political opinion) is prohibited. We respect, protect and promote the applicable regulations for the protection of human rights. We strictly reject any form of child labor, forced labor, compulsory labor, modern slavery and human trafficking. We take into account the United Nations Guiding Principles on Business and Human Rights, the International Charter of Human Rights, the United Nations Convention on the Rights of Persons with Disabilities, the principles of the United Nations Global Compact, the core labor standards of the International Labour Organization (ILO), the United Nations Convention on the Rights of the Child, the OECD Guidelines for Multinational Enterprises, and we are guided by the European Convention on Human Rights, the European Social Charter and the Charter of Fundamental Rights of the European Union. We also require our business partners to implement the legal regulations at our production sites. Due to our business activities within the EU, framework conditions have been created that ensure compliance with human rights. By constantly gathering information on new standards and changes in legislation, any risks that may arise can be identified in good time.

No complaints of suspected child labor, forced or compulsory labor were received in the reporting year.

The risk of demographic change is mitigated by the current oversupply of hops, coupled with weaker demand for the business model. However, this further exacerbates the situation for our partners. We support them with attractive, long-term preliminary contracts.

### S2 Workers in the value chain – S2-2 – Processes for engaging with value chain workers about impacts

Workers in the value chain are involved through regular communication and dialog with our growers and other suppliers [see G1].

### S2 Workers in the value chain – S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

Our whistleblower system also covers workers in the value chain [see S1-3 and G1].

## S2 Workers in the value chain – S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action

## S2 Workers in the value chain – S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

To promote positive impacts and avoid negative impacts and risks, targets and measures were agreed with regard to the workforce in the value chain [see S2 SBM-3, ESRS 2 4.2 and 5]. There has been no direct consultation with them or their representatives. The resources for managing the material impacts correspond to the personnel and time capacities of the sustainability team meetings, further consultations within the core team, and data collection and text creation for reporting purposes.

Material subtopic	Status quo	Target	Measures	Dead-line
Working conditions – external	Currently, new suppliers are not assessed on social aspects. However, our suppliers are obliged to comply with the code of conduct. Due to our business activities within the EU, framework conditions have been created that guarantee compliance with human rights. It is important that hop cultivation is as economically, ecologically and socially sustainable as possible. Hopfenring has developed an internationally recognized sustainability system for this purpose. It is listed by the global sustainability initiative SAI (Sustainable Agriculture Initiative) as equivalent to Farm Sustainability Assessment (FSA) 3.0 at benchmark level silver.	Provision of financial resources in a specified amount.	<ul style="list-style-type: none"> <li>Input required for Hopfenring criteria</li> </ul>	2027

There is no human rights risk for workers in the value chain, so there are no specific targets or measures in this regard.



## **S3 Affected communities**

## **S3 Affected communities – S3 SBM-2 – Interests and views of stakeholders**

The stakeholder analysis did not identify any communities significantly affected by the company's business activities and along the value chain.

## **S3 Affected communities – S3 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model(s)**

### **Material impacts**

The impact screening did not identify any potential or actual positive or negative impacts on affected communities because of the company's own business activities or activities along the value chain [see ESRS 2 SBM-3, IRO-1].

### **Risks and opportunities**

No internal or external opportunities or risks for the company regarding affected communities were identified either.

The "S3: Affected Communities" standard is not material from either an inside-out or outside-in perspective and is therefore not part of the sustainability reporting. As a result, disclosure requirements S3-1 to S3-5 are not published.

# **S4 Consumers and end-users**

## S4 Consumers and end-users – S4 SBM-2 – Interests and views of stakeholders

Consumers and end-users were not included or analyzed as stakeholders in the stakeholder analysis. The company has no direct contact with them at the strategy or business model level.

Their interests and views in terms of quality and food compliance are considered via our main customer group – breweries and subcontractors (ZHC). They are covered by the stakeholder group of legislators/EU regulations and the adaptation of legal regulations on consumer protection (alcohol policy). This is included in the materiality analysis.

## S4 Consumers and end-users – S4 SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model

### Material impacts

The impact screening of ESRS topics and subtopics in the areas of environment, social affairs and governance revealed no impact at the consumer and end-user level. On the topic of "Protection of consumers and/or end-users", we documented positive impacts at the level of hop growers, production in the sense of processing and extraction, and logistics for the distribution of end products [see ESRS 2 SBM-3, IRO-1].

The following actual positive impacts identified in our materiality analysis are directly linked to our strategy and business model and are included in the materiality assessment.

<b>Protection of consumers and/or end-users</b>	Positive impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>Country-specific food safety: Data collection systems for the use of plant protection products (spray control, residue control, leaf screening)</li> </ul>
	Positive impact	Production: processing and extraction	<ul style="list-style-type: none"> <li>Country-specific food safety: HACCP concept, final inspection, traceability system</li> <li>[HHV/SHS, HSE] Quality management DIN EN ISO 9001</li> </ul>
	Positive impact	Logistics: Distribution of end products	<ul style="list-style-type: none"> <li>[HHV/SHS, HSE] Quality management DIN EN ISO 9001</li> </ul>

Our customers come exclusively from the B2B sector and are mainly active in beverage production, but also in biotechnology, the food and feed industry, medicine and cosmetics. In terms of positive impacts, all types of consumers and end-users are affected. Starting from the breweries and the alcohol sold, the value chain affects consumers and end-users who consume products that are harmful to humans and/or increase the risk of chronic disease. This also includes those who rely on accurate and accessible product-related information, such as labels, to avoid potentially harmful use. Hopsteiner has no direct influence on the end consumer product and its marketing.

### Risks and opportunities

Risks associated with the ESRS issue for the company include, on the one hand, the tightening of EU plant protection policy and thus pressure to comply with food safety requirements. Legal health policy restricts the consumption of alcoholic beverages and corresponding advertising and marketing activities. Combined with

demographic change, this is reflected in a change in consumer behavior in terms of altered consumption patterns, lower demand for alcoholic beverages and a corresponding decline in demand for hops from our brewery customers. Internal and external risks and opportunities with an assessment above the threshold are part of materiality.

In research and development, we are focusing more strongly on the innovation potential of non-alcoholic beverages (special oil products, hop products) and the expansion of products in the fields of biotechnology and medicine. Non-alcoholic beers are playing an increasingly important role in the global market and based on the results of the impact and risk screening, are influencing our strategy and business model. We are therefore investigating the potential of existing products to improve non-alcoholic beers. These are currently often described as watery and lacking in body. In addition, we are proactively developing new products to improve taste. Beers with an alcohol content of 0.0 per cent are particularly challenging in terms of sensory properties.

## **S4 Consumers and end-users – S4-1 – Policies related to consumers and end-users**

In order to avoid risks and negative effects and to strengthen positive impacts, it is essential for our company, our customers and their consumers and end-users that our products comply with national food safety regulations. We are responsible for the food safety and purity of our products. Thanks to the close connection between raw material supply and processing, we guarantee impeccable quality for our customers – and we stand by this guarantee. We consistently involve the growers in this process. Our quality management system covers the entire hop supply chain – from growers to processing and storage to final delivery. It ensures traceability, sustainability and consistent quality at every stage. Using proven data collection systems, we obtain comprehensive information even during the hop growth phase. We continuously check for possible pesticide residues in accordance with our HACCP concept (Hazard Analysis and Critical Control Points). Our suppliers use plant protection products to ensure the quality and yield of the hops. It is our responsibility to ensure that they remain within the legal limits for hops. We also purchase other materials, consumables and supplies from suppliers who we evaluate and qualify as part of our quality management process. Since 1998, we have complied with the requirements of our ISO 9001-certified quality management system at every step of the subsequent hop processing. Our cold storage facilities for both raw hops and hop products effectively prevent quality deterioration and ensure product integrity throughout the entire supply chain. We analyze 100 per cent of the processed products as part of our final inspection.

There is no risk to human rights for consumers and/or end-users, so no involvement is required. All regulations on general consumer protection are complied with.

## **S4 Consumers and end-users – S4-2 – Processes for engaging with consumers and end-users about impacts**

## **S4 Consumers and end-users – S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns**

The company has no negative impacts on consumers and end-users. There are no direct channels of communication. All our customers are in the B2B sector. There is no direct dialog with consumers and end-users. However, the GDPR-compliant whistleblower system in accordance with the Whistleblower Protection Act (HinSchG) is also available to them via our website.

## S4 Consumers and end-users – S4-4 – Taking action on material impacts on consumers and end-users and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

### S4 Consumers and end-users – S4-5 – Targets related to managing material impacts on consumers and end-users

To promote positive impacts and opportunities and to further avoid negative impacts and risks, objectives and measures for the protection of consumers and end-users were defined in the reporting year [see ESRS 2 4.2 and 5]. The resources for managing material impacts correspond to the personnel and time capacities of the sustainability team meetings, further coordination within the core team, and data collection and text creation for reporting purposes.

Material subtopic	Status quo	Target	Measures	Dead-line
Protection of consumers and/or end-users	Compliance with all requirements of national and EU food legislation	Delivery of exclusively marketable products to customers	<ul style="list-style-type: none"> <li>Monitoring programs and product analyses (pesticide control, residue control, leaf screening)</li> <li>In the "Quality Assessment" module of the grower portal, hop growers can compare themselves with each other in terms of alpha content, water and, in future, plant protection. We expect that mutual motivation will lead to a long-term improvement in quality.</li> <li>Extensive cold storage facilities to ensure the quality of raw hops</li> <li>HACCP certification</li> <li>ISO Standards 9001:2015</li> </ul>	2025

There is no risk of human rights for consumers and/or end-users, so there are no specific targets or measures in this regard.

## GOVERNANCE INFORMATION

# **G1 Business conduct**



## G1 Business conduct – G1 GOV-1 – The role of the administrative, supervisory and management bodies

### a) Role of the administrative, management and supervisory bodies in relation to corporate policy

Our administrative and management bodies play a central role in determining and monitoring corporate policy. They are responsible for establishing guidelines that ensure the company acts ethically, comply with anti-corruption and anti-bribery standards, and guarantee the protection of whistleblowers. Managers act as role models and actively exemplify these values. The relevant guidelines, values, principles and standards of conduct are set out in our mission statement and code of conduct. The bodies are responsible for monitoring compliance with the established standards and taking appropriate action in the event of violations.

### b) Expertise of the administrative, management and supervisory bodies in relation to aspects of corporate policy

Hopsteiner's administrative and management bodies have comprehensive expertise and many years of experience in both general business conduct and corporate governance. They are familiar with the latest developments in the field of corporate policy and regularly exchange information on this subject with all those responsible. Their skills are continuously expanded through participation in training and further education measures. This ensures that they can make informed decisions and effectively implement corporate policy.

## G1 Business conduct – G1 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

We consider our business activities in all areas and assess their potential impact on corporate policy. This includes our procurement practices, production processes, marketing and sales activities, and interactions with customers and suppliers. We examine whether our activities have positive or negative impacts, opportunities and risks. To determine this, we analyzed the impacts along the entire value chain in the core sustainability team and the opportunities and risks related to ESRS topics in the core CSR team, with the involvement of subsidiaries and the support of a commissioned communications and sustainability agency using software. The interests of stakeholders and associated risks, including Expected Damage Values, are also considered [see IRO-1].

Corporate culture	Positive impact	Company	<ul style="list-style-type: none"> <li>• Mission</li> <li>• Code of conduct</li> <li>• Donations and Sponsorship</li> <li>• Globally active family business</li> </ul>
	Positive impact	Growers: Hop cultivation	Comprehensive dialog and communication with suppliers, producers and partners. Agronomic advice on cultivation (grower portal)
	Positive impact	Raw hop logistics	[HSE] Improvement of internal handling of raw hops
	Positive impact	Production: refinement and extraction	<ul style="list-style-type: none"> <li>• Investments and focus on Product innovation, research and development</li> </ul>
	Positive impact	Customers: Use of hop products & disposal	<ul style="list-style-type: none"> <li>• Responsible customer relations: long-term, trusting relationships</li> <li>• Intensive dialog and exchange with customers:</li> </ul>

			commitment to customer service; customer portal
	Interest	Shareholders (USA)	Future-oriented corporate management (sustainable profits, stable company, long-term prospects, securing the future, maintaining market share)
	Interest	Customers (breweries)	<ul style="list-style-type: none"> <li>Unrestricted contract fulfilment (security of supply/delivery)</li> <li>Competitive prices</li> </ul>
	Interest	Major banks	Creditworthiness / debt servicing
	Risk	Risk issue: Delayed acceptance by customers – internal	
<b>Protection of whistleblowers</b>	Positive impact	Company	Establishment of a system in accordance with the Whistleblower Protection Act (HinSchG)
<b>Animal welfare</b>	Positive impact	Growers: Hop cultivation	[INB] Bee protection (avoid using insecticides during daylight hours and mulching flowering plants near hop fields before applying plant protection products)
	Negative impact	Grower: Hop cultivation	Integrated plant protection with regard to animals/livestock.
<b>Political commitment</b>	Positive impact	Company	<ul style="list-style-type: none"> <li>[SHS/HHV] Regional involvement in Mainburg &amp; Au i.d. Hallertau, donations and sponsorship (science, hop industry)</li> <li>[HSE] Close relationships with authorities (local councils, regional government, etc.)</li> </ul>
	Positive impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>[SHS/HHV] Lobbying (water supply, integrated plant protection) via the German Hop Industry Association (Deutscher Hopfenwirtschaftsverband e. V.)</li> <li>[INB] Lobbying through the Slovenian Hop Growers' Association</li> </ul>
	Interest	EU associations / national associations	<ul style="list-style-type: none"> <li>Contribution payments</li> <li>Support for association members in their lobbying activities</li> </ul>
	Risk	Risk issue: Tightening of EU plant protection policy – internal	
	Risk	Risk issue: Tightening of EU plant protection policy – external	
	Positive impact	Growers: Hop cultivation	<ul style="list-style-type: none"> <li>Fair and timely payment</li> <li>Provisional contracts</li> </ul>

<b>Management of supplier relationships</b>	Negative impact	Growers: Hop cultivation	[HSE] Difficult legacy of the previous company
	Positive impact	Raw hop logistics	[HSE] Search for synergies during the hop certification phases
	Positive impact	Production: refinement and extraction	Appropriate and timely payment (operating and auxiliary materials, packaging materials)
	Interest	Suppliers (auxiliary materials, packaging)	<ul style="list-style-type: none"> <li>• High and consistent purchase volumes</li> <li>• Fair and punctual payment</li> </ul>
	Interest	Suppliers (growers, contract growers)	<ul style="list-style-type: none"> <li>• Contractual security</li> <li>• Future-proof prices</li> <li>• Long-term partnerships</li> </ul>
<b>Corruption and bribery</b>	Positive impact	Trade and processing of hops, corruption and bribery, companies	<ul style="list-style-type: none"> <li>• Compliance; no compliance cases to date.</li> <li>• All incoming invoices, payments and business processes must be documented in a traceable manner and are monitored seamlessly by the management, the finance department and the relevant employees. The management and the sustainability officer are responsible for compliance. Employees and managers are made aware of this during periodic performance reviews.</li> <li>• Compliance measures in cooperation with the bank: anti-corruption, money laundering prevention and foreign trade law.</li> <li>• Mission statement and code of conduct</li> </ul>
	Positive impact	Trade and processing of hops, corruption and bribery, logistics: distribution of end products	Compliance with applicable customs and export control laws
	Risk	Risk issue: Legal violations – external	
	Interest	Shareholders (USA)	Maintaining the reputation and image of the Hopsteiner brand

The herbicide resistance indicator in the WWF Risk Filter determines the number of occurrences of herbicide-resistant weeds. Since unwanted plants compete with crops, this leads to crop losses and contamination. Data from the International Survey of Herbicide Resistant Weeds database was used to estimate resistance to antimicrobial and agrochemical agents. In this context, Slovenia faces a moderate risk, Poland and Czechia face a medium risk, and Germany and Spain face an elevated risk.

The internal and external risk of tightening EU plant protection policy is based on the major reform of the Common Agricultural Policy (CAP). For the agricultural sector, the objectives are set out in the Farm to Fork

Guidelines. They aim to reduce the use of chemical plant protection products by 50 per cent and the use of fertilizers by 20 per cent by 2030, and to significantly increase the proportion of organic crop production. This in turn feeds into the risk of possible legal violations due to non-fulfilment of contracts with business partners and non-compliance with plant protection requirements on the part of hop growers. Delayed purchases by customers, resulting in bottlenecks in storage capacity, are a consequence of the trend towards just-in-time deliveries. This allows customers to save on internal cold storage capacity and costs.

## G1 Business conduct – G1-1 – Corporate culture and business conduct policies

### Corporate culture

We see ourselves as part of society and feel committed to it. As an important employer and promoter of the region, we are firmly anchored in Mainburg in the Hallertau hop-growing region and maintain close dialog and constant contact with all socially relevant groups. As part of the development of a sustainability strategy, we established a mission statement and adapted our code of conduct to manifest our values, principles, standards and behavioral norms – and to take an even stronger stance. This ensures that we act in an intrinsically sustainable manner. Our values, principles, standards and norms of behavior are laid down in our mission statement and the updated Code of Conduct. The content was developed by the core sustainability team in collaboration with employees and managers. Both documents are available in print and online versions based on the layout of our sustainability magazine.

#### Mission statement

Our mission statement ensures consistency, creates solidarity, strengthens identity and provides orientation. It encompasses our guiding principle, corporate mission and vision, internal guidelines and core values. The mission statement documents the framework of our daily work and is an important factor for success.

#### MOTTO

Committed to the customer.

Commitment to customers and individual support and advice are thus firmly anchored in the company philosophy.

#### COMPANY MISSION

We grow, refine and market hops. We supply our high-quality hop products to customers all over the world. For them, our growers and suppliers, we are a reliable, long-term partner with expertise – from the hop garden to the beer.

#### COMPANY VISION

We are one of the world's leading hop traders and experts in hop aromas. Our portfolio of varieties, including our own cultivars, ensures delivery even under changing climatic conditions. Our comprehensive range of hop products is constantly being developed – with innovation, quality, passion and commitment.

#### INTERNAL GUIDING PRINCIPLES

- We treat each other with openness, respect and appreciation.
- We act responsibly towards the environment and society.
- We have an honest and trusting relationship with our suppliers.
- We are a reliable, competent and fair partner to our customers.

Every employee acts as a role model and represents Hopsteiner both internally and externally. That is why we live on the values and principles of our mission statement with conviction. The attitude and personal behavior of each individual contribute significantly to the success of the entire company. The concrete implementation of our mission statement is regulated in our revised Code of Conduct for employees and business partners.



## GUIDING PRINCIPLES

### **Competence**

Quality, reliability, flexibility, commitment  
in the provision of our services

### **Respect**

Understanding, belonging, mediation, openness, strengthening  
in communication

### **Solution orientation**

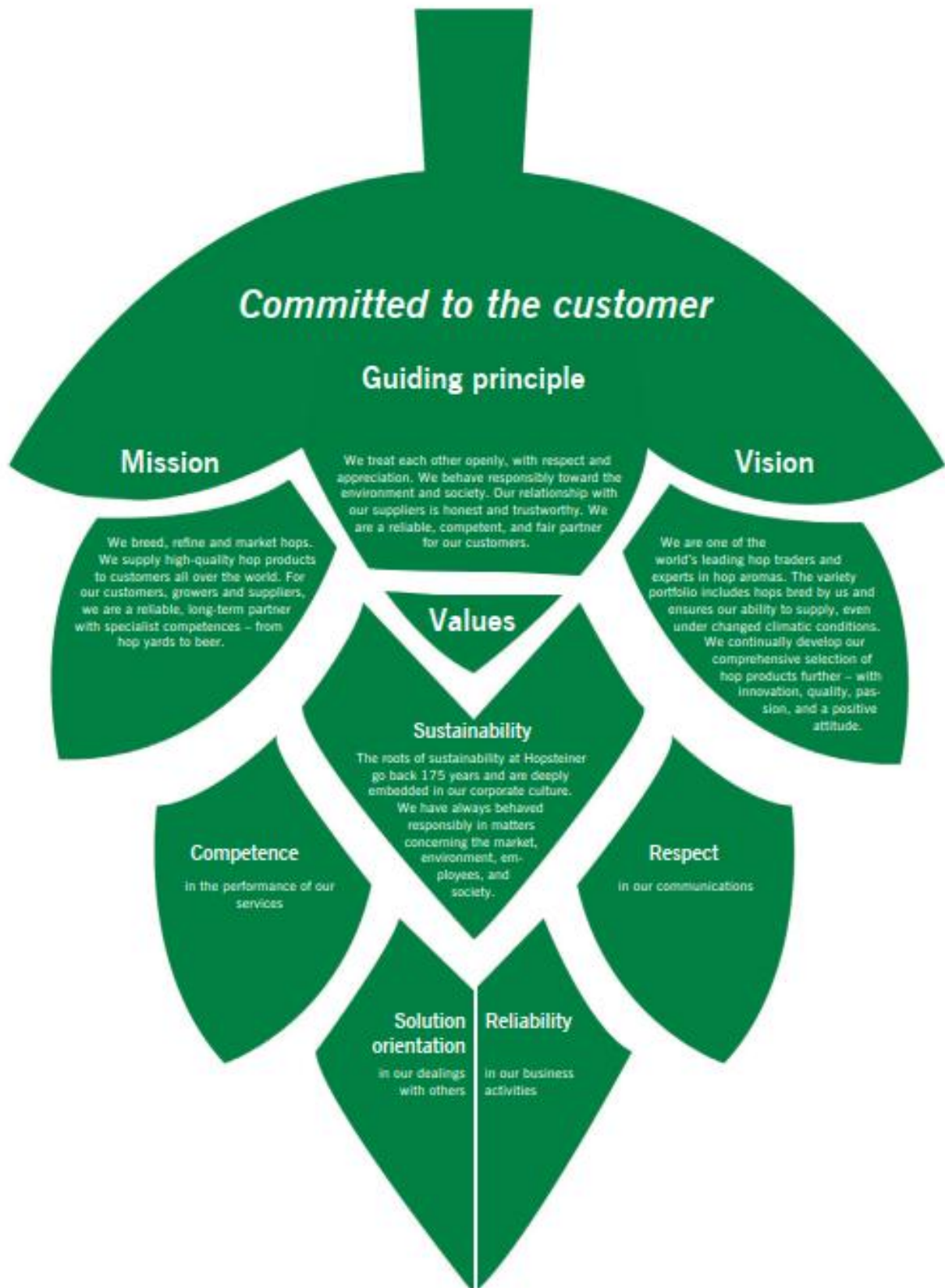
Willingness to compromise, appreciation, trust, loyalty, attitude  
in dealing with others

### **Reliability**

Responsibility, fairness, contractual integrity  
in our actions

### **Sustainability**

Sustainability has been deeply rooted in our corporate culture for over 175 years. We have always acted responsibly in the areas of market, environment, employees and society. Our passion for hops, our high-quality standards and the innovative strength of our company have a positive impact on various aspects of sustainability. With this in mind, we breed, produce, trade, advise and conduct research in a holistic manner. Only in this way can we ensure that hops, a natural product, remain the basis of our business model in the long term.



## Code of Conduct

We form a community and present ourselves internally and externally with a consistent understanding of values. The Code of Conduct serves as a guide in important decision-making and action situations in everyday business and contains guidelines for our sustainable actions.

It regulates our actions in the market, towards the environment, our employees and society. We are responsible for the reputation of our company. Protecting and maintaining this reputation is of the utmost importance.

The fundamental principle is therefore: no business transaction justifies undermining the trust placed in Hopsteiner and jeopardizing our reputation. Because success grows from trust.

Hopsteiner ensures that the Code of Conduct is communicated across the board. Compliance with this Code of Conduct is binding for all employees. Violations must be reported immediately to the direct supervisor and will not be tolerated.

These principles of conduct also form part of the contracts with our business partners. This means that the obligation to act impeccably also applies in full to our supplier relationships. We reserve the right to request ecological and social performance indicators relevant to Hopsteiner from our business partners and to integrate them into our supplier evaluation.

## MARKET

### **Suppliers**

We work together with our suppliers to serve our customers. We guarantee delivery through long-standing cooperation with our hop growers. We maintain close communication on an equal footing. This creates the basis for a partnership-based relationship.

### **Customers**

We are committed to our customers. We rely on trust and long-term customer relationships. This attitude is firmly anchored in our corporate philosophy. Our primary goal is to provide our customers with hops and hop products of the highest quality.

### **Quality and safety**

Quality assurance and food safety are top priorities for us and our customers. We are responsible for the quality of our products and their safety in terms of food law. Through a close connection between hop cultivation and processing, we ensure impeccable quality – and stand behind it.

### **Compliance with laws and regulations**

We respect, protect and promote the applicable regulations for the protection of human rights worldwide. We strictly reject any form of child labor, forced labor, compulsory labor, modern slavery and human trafficking. We comply with all conventions and applicable laws for the protection of human rights. We consider the principles of the United Nations Global Compact, the core labor standards of the International Labour Organization (ILO), the International Convention on Human Rights, the United Nations Convention on the Rights of the Child, and we are guided by the OECD Guidelines for Multinational Enterprises. We also require our business partners to implement the legal regulations at our production sites. This also includes compliance with the applicable customs and export control laws.

### **Corruption, money laundering, bribery, competition and antitrust law**

We reject any form of corruption and all activities that violate applicable legal provisions. Fair competition is essential for us. Anti-competitive agreements and the possible abuse of a dominant market position are not in line with the business policy of Hopsteiner and its partners.

### **Transparency**

Clear conduct guarantees reliable business relationships. That is why our decisions and all purchasing, and sales activities are always based on purely objective criteria and are not influenced by personal interests or financial or material incentives.





Every business process must be documented in a comprehensible manner and carried out in accordance with the generally binding rules of orderly business operations to build trust. All contacts with internal and external partners are transparent and conclusive.

Informal agreements without documentation are therefore not binding and are considered non-existent.

#### **Data protection and confidentiality**

We respect the confidentiality of information and trade secrets as a fundamental part of our business relationships. Therefore, we only use such data internally for the purpose of handling mutual business contacts or employment relationships. Consequently, we expect our business partners to observe and apply the applicable laws on the protection of personal data.

#### **Communication**

We consider respectful and fair communication, free from discriminatory and offensive statements, judgements and harassment, to be the basis of every interaction. In all markets in which we operate, we respect the ethical values, self-image and cultural characteristics of our local business partners.

### **ENVIRONMENT**

#### **Resource efficiency**

We process natural materials and secure this business concept in the long term through sustainable management. That is why we are committed to the responsible use of raw materials and resources at every stage of our products' processing. We optimize our consumption of auxiliary and operating materials through efficient production processes and are constantly working to reduce it. Our suppliers pursue the most environmentally conscious production possible, as well as sustainable manufacturing and harvesting methods.

#### **Innovation**

Our passion for hops, our high-quality standards and the innovative strength of our company have a positive impact on various aspects of sustainability. Noticeable climate change requires a portfolio of new cultivars that require less water and pesticides but are more productive.

### **EMPLOYEES**

#### **Anti-discrimination and equal opportunities**

Any discrimination based on gender, age, ethnicity, nationality, disability, sexual orientation, religion or ideology is unacceptable. Equal opportunities are a matter of course at Hopsteiner. When hiring and promoting employees, only their qualifications, skills and performance are used as evaluation criteria.

#### **Occupational safety and health protection**

Safety and health in the workplace are of the utmost importance to us. Applicable legal provisions on occupational safety must be strictly observed. In addition, regular preventive medical check-ups are offered by the company doctor. We communicate all information on occupational safety and health protection through training courses, notices and direct instructions.

### **COMMUNITY**

#### **Social responsibility**

We act responsibly towards the community. We promote and support regional and international projects in the fields of social affairs, hop culture, science and sport.



Material subtopic	Status quo	Target	Measures	Dead-line
Corporate culture	Decentralized management of customer communication data.	Installation of a customer relationship management system (CRM system) in conjunction with a new enterprise resource planning system (ERP system) for more structured communication with customers and seamless documentation and traceability of all customer contacts.	<ul style="list-style-type: none"> <li>• Software Consultant selected</li> <li>• Subsequent expansion of HubSpot to hop growers</li> </ul>	2025
	Hopsteiner's suppliers have had access to the grower portal since 2015. Over 64 per cent are now registered. The online platform facilitates intensive information exchange between buyers and hop growers. It is also possible to conclude supply contracts there.	Concluding contracts online saves time for producers and our buyers, which can instead be used for consulting. Existing data is available electronically, which not only saves paper but also CO <sub>2</sub> , as fewer trips to producers are required. That is why we want to increase their share from the current 24% to 50%.	<ul style="list-style-type: none"> <li>• Communication measures to publicize the grower portal</li> <li>• Direct dialog with reference to the possibility of concluding contracts online.</li> </ul>	2030

## Mechanisms for unlawful behavior

Our principles for legally compliant and guideline-compliant conduct are set out in our Code of Conduct and are reflected in our mission statement. In addition, an internal reporting office has been set up as a whistleblower protection system for suspected violations. It is accessible on the intranet and on the website and can therefore be used by both internal and external stakeholders. Areas that make decisions relating to purchasing, sales and finance are generally particularly vulnerable to corruption and bribery.

## Protection of whistleblowers

The Whistleblower Protection Act (HinSchG) is the national implementation of the EU Whistleblower Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019.

Our GDPR-compliant whistleblower system, in accordance with the Whistleblower Protection Act (HinSchG), ensures that our employees within the company and along the supply chain, suppliers, customers and business partners can report incidents anonymously on the intranet or via our website if they wish. Comprehensive whistleblower information is also available. Planning a joint website for Simon H. Steiner, Hopfen, GmbH and its subsidiaries (EU-wide) for a more comprehensive overview.

The internal reporting office provides a secure and confidential channel for the protection of individuals who wish to report a (suspected) violation of, among other things, laws, administrative offences and other legal provisions in connection with their professional activities or in the run-up to such activities. The web-based tool provider whistle.law is used for communication between the internal reporting office and whistleblowers.

The reports submitted must be processed by the internal reporting office completely independently, without instruction and confidentially, and checked for validity. The Whistleblower Protection Act gives companies the option of entrusting an external third party, i.e. an external service provider, with the tasks of an internal reporting office (known as an ombudsman's office, in our case kombud GmbH). The use of the digital reporting channel is voluntary for the whistleblower. The reporting person enjoys confidentiality (confidentiality requirement) within the framework of whistleblower protection. This applies not only to the whistleblower, but also to the people who are the subject of the report and the people named in the report. In addition, the whistleblower is protected against direct or indirect reprisals such as warnings, dismissals or non-promotion (prohibition of reprisals). It is possible to make an anonymous report.

Whistleblowers have the right to choose whether to report violations to the company's internal reporting office or to an external reporting office. These include the Federal Financial Supervisory Authority, the Federal Cartel Office or the Federal Office of Justice, as well as institutions at European Union level.

A joint website for Simon H. Steiner, Hopfen, GmbH and its subsidiaries (EU-wide) is in the planning stage to provide a more comprehensive overview.

Material subtopic	Status quo	Target	Measures	Dead-line
Protection of whistleblowers	Establishment of reporting channels on the website to comply with the German Whistleblower Protection Act (HSchG). This protects whistleblowers who report legal violations, environmentally harmful practices, discrimination and more, and ensures uniform standards for reporting misconduct.	Lack of reports via the whistleblower protection system.	<ul style="list-style-type: none"> <li>Planning a joint website for Simon H. Steiner, Hopfen, GmbH and its subsidiaries (EU-wide) for a more comprehensive overview.</li> <li>Ongoing communication of the mission statement and code of conduct.</li> </ul>	2025

## Training on company policy

The mission statement and our Code of Conduct are communicated to our employees on an ongoing basis. Beyond that, there is currently no training specifically on the topic of company policy within the company. This does not pose any risks or negative impacts.

## Animal welfare measures

The task of modern plant protection is to prevent or reduce damage caused by pests, weeds or other influencing factors. To this end, our hop growers rely on a combination of biological, biotechnological, plant breeding, cultivation and cultural measures. This integrated plant protection (IPS) approach aims to reduce risks to humans and the environment by limiting the use of chemical plant protection products to the necessary minimum. All existing legal requirements are complied with in our upstream value chain [see E4]. However, this does not minimize the existing risk, as ensuring the quality and yield of hops is a priority for our business model.

Our subsidiary Inbarco in Slovenia contributes to the protection of bees by avoiding the use of insecticides during daylight hours and by ensuring that growers mulch flowering plants near hop fields before applying plant protection products. This ensures that there are no bees near the hop fields at this time. Planted cover crop mixtures also have a positive effect on biodiversity.

## G1 Business conduct – G1-2 – Management of relationships with suppliers

At our company, we attach great importance to managing our supplier relationships to minimize risks for our company and maximize positive impacts on sustainability aspects.

*a) Our approach to supplier relations considers the risks in our supply chain and their impact on sustainability issues.*

We strive for long-term, stable partnerships with our growers and suppliers and pay them fairly and on time. This ensures timely and reliable delivery to our customers. We always focus on early and open communication to find joint solutions. Our grower portal provides a suitable platform, which also offers the option of concluding contracts. More than half of our hop suppliers are now registered. Regular supplier evaluations/surveys are conducted to facilitate direct exchange, and we organize grower forums on key topics such as market requirements, weather trends and irrigation. We also rely on virtual and hybrid exchange formats. Overall, we want to further increase communication and partner satisfaction. This also has a positive effect on our customers. We want to expand the number of partakers in the grower portal from 64 per cent to 80 per cent by 2030 and increase the proportion of contracts concluded there from 24 per cent in 2024 to 50 per cent by 2030. Concluding contracts online saves time for producers and our buyers, which can instead be used for consulting. Existing data is available electronically, which not only saves paper but also CO<sub>2</sub>, as fewer trips to producers are required. That is why we want to increase their share.

We address potential challenges such as climate-related fluctuations in the quantity and quality of hops with a collaborative, pragmatic and individual approach to problem solving. All stakeholders are involved in the decision-making process at an early stage. To counteract this risk of harvest deviations, our suppliers use plant protection products. We support them with cultivation advice, recommendations for optimal use and focus on synergies – for example, HSE during the hop certification phase. Our responsibility is to ensure that they remain within the legal limits for food safety in accordance with national regulations.

Together with our variety breeding program for the cultivation of climate-resistant varieties that require less water and plant protection products, we are responding to the tightening of EU plant protection policy. In this way, we are turning risk into opportunity and securing our business model in the long term. Furthermore, this

mitigates the negative impacts on climate protection, environmental pollution, water consumption, biodiversity and ecosystems. Finally, we comply with country-specific food safety regulations and have a positive impact on the protection of consumers and end-users.

*b) When selecting our suppliers, we attach importance to social and ecological criteria.*

We purchase materials, consumables and supplies from suppliers that we evaluate and qualify as part of our quality management process. Regional procurement that strengthens smallholder structures promotes the development of the farming regions in which our company operates. They pursue environmentally conscious production and sustainable manufacturing and harvesting methods. In accordance with the code of conduct, responsible behavior applies equally to employees and suppliers.

Hopsteiner does not conduct on-site inspections of social aspects such as working conditions, equal treatment, human rights, equal opportunities or ecological criteria. Due to our business activities within the EU, framework conditions have been created that guarantee compliance with human rights. It is important that hop cultivation is as economically, ecologically and socially sustainable as possible. Hopfenring has developed an internationally recognized sustainability system for this purpose. It is listed by the global sustainability initiative SAI (Sustainable Agriculture Initiative), of which we are a member, as equivalent to Farm Sustainability Assessment (FSA) 3.0 at benchmark level silver. The proportion of sustainable hop farms in Germany will be 65 per cent in 2023 (corresponding to 683 farms). Together, these farms cultivate 76 per cent of Germany's hop-growing area, which corresponds to 15,762 hectares of sustainably farmed hop-growing area. All farms are audited internally every three years by a Hopfenring consultant. In addition, a random sample audit is carried out by SGS Germany GmbH. The Hopsteiner farms in the USA hold GlobalG.A.P. certification. [see S2]

Material subtopic	Status quo	Target	Measures	Dead-line
Management of supplier relationships	We strive for long-term, stable partnerships with our producers and suppliers. We work with them as equals, find solutions to problems together and maintain constant dialog.	Increasing exchange and partner satisfaction. This also has a positive effect on our customers. To this end, we want to expand contacts in the grower portal from 64% to 80% by 2030.	<ul style="list-style-type: none"> <li>Timely payment of all suppliers in accordance with the terms of payment. Compliance with all regulations is ensured by comprehensive monitoring of payments and business processes by management, the finance department and the employees responsible.</li> <li>Cultivation advice and recommendations on the use of plant protection products help growers to ensure the quality of their hops.</li> <li>Regular supplier evaluations/surveys</li> <li>Numerous events and information formats are offered in person, hybrid and online.</li> </ul>	2030

			<ul style="list-style-type: none"> <li>In accordance with the Code of Conduct, impeccable behavior applies equally to employees and suppliers.</li> </ul>	
--	--	--	---	--

Through these comprehensive measures and evidence, we ensure that our supplier relationships are sustainable and have a positive impact on the entire supply chain. We strive to continuously improve our concepts and meet requirements to ensure a sustainable future.

## G1 Business conduct – G1-3 – Prevention and detection of corruption or bribery

### Prevention and detection of corruption and bribery

Our company is committed to comprehensive compliance with all applicable laws and guidelines and to actively preventing and detecting corruption and bribery.

#### *a) Description of existing procedures*

We reject any form of corruption and all activities that violate applicable anti-money laundering laws. Fair competition is essential to us, which means that anti-competitive agreements and any abuse of a dominant market position are not in line with the business policy of Hopsteiner and its business partners. Compliance with the regulations is ensured by the management, the finance department and the respective responsible employees checking all incoming invoices, payments and business processes without exception. Every business process must be documented in a traceable manner and carried out in accordance with the generally binding rules of orderly business operations to create trust. All contacts with internal and external partners are transparent and conclusive. These clear behaviors guarantee reliable business relationships. That is why our decisions as well as all purchasing and sales activities are always based on purely objective criteria and are not influenced by personal interests or financial or material incentives. Informal agreements without documentation are therefore not binding and are considered non-existent. This ensures that the services of consultants, agents or intermediaries are remunerated in accordance with applicable law. This is laid down in our Code of Conduct. Furthermore, compliance measures are in place in cooperation with the bank. These relate to anti-corruption, money laundering prevention and foreign trade law.

#### *b) Independence of the investigators*

The management and the sustainability officer are ultimately responsible for compliance. In accordance with the Whistleblower Protection Act (HinSchG), we have established reporting channels for suspected violations. The reporting channel for whistleblowers protects their identity and that of those affected should a report be made. It must be handled completely independently of the internal reporting office, without instructions and confidentially, and checked for validity. As an external service provider, kombud GmbH is entrusted with the tasks of an internal reporting office as an ombudsman. Accordingly, the position of investigating officer is separate from the operational management chain involved in the matter. Whistleblowers have the right to choose whether to report violations to this office or to an external reporting office such as the Federal Financial Supervisory Authority, the Federal Cartel Office or the Federal Office of Justice, as well as institutions at European Union level. [see G1-1]

#### *c) Procedure for communicating the results*

The results of the monitoring and control measures are regularly communicated to the members of the administrative and management bodies to ensure that they are fully informed and can make appropriate decisions.

#### d) Communication of the concept

Our guidelines for preventing and detecting corruption and bribery are reflected in our mission statement and are part of our code of conduct. This is binding for all employees and suppliers. These are communicated directly and as part of our sustainability reporting.

#### e) Training programs and f) Training of bodies

Employees and managers are made aware of these issues as part of regular staff appraisals. Our principles on compliance with laws and regulations, corruption, money laundering, bribery, competition and antitrust law, and transparency are covered in our Code of Conduct. No further training or continuing education programs are currently planned. However, this cannot be ruled out in the future.

To date, there have been no cases of non-compliance with laws and regulations or corruption. Based on the above measures, we do not see any risks or negative impacts on the fight against corruption and bribery arising from our business activities [see G1 IRO-1]. The company therefore does not pursue any corresponding measures or management concepts. The goal remains comprehensive compliance with applicable laws and guidelines.

### Anti-corruption training

The company does not currently offer any corruption-specific training. To date, there have been no cases of non-compliance with laws and regulations or corruption. Comprehensive training measures and management concepts are not planned due to the low risk of corruption.

The percentage of risk-prone functions covered by training programs is therefore zero.

## G1 Business conduct – G1-4 – Confirmed incidents of corruption or bribery

### Convictions and actions against corruption and bribery

To date, there have been no cases, convictions or fines for violations of corruption and bribery regulations at Hopsteiner. Accordingly, no employees have been dismissed or disciplined for corruption or bribery. There have been no contracts with business partners that had to be terminated or could not be renewed due to violations related to corruption or bribery.

Material subtopic	Status quo	Target	Measures	Dead-line
Corruption and bribery	To date, there have been no cases of non-compliance with laws and regulations or corruption.	Full compliance with applicable laws and guidelines. No confirmed incidents of corruption as a target value.	<ul style="list-style-type: none"> <li>There are a mission statement and a code of conduct.</li> </ul>	2027

## G1 Business conduct – G1-5 – Political influence and lobbying activities

### Political influence

The framework conditions for agricultural products are set by the agricultural policies of countries, the legal requirements and standards of the World Trade Organization, the United Nations and the European Union. At European level, these include the Common Agricultural Policy (CAP), the Green Deal and the Farm-to-Fork Strategy, as well as country-specific plant protection requirements.

Our company does not directly influence political decisions and does not make donations to politicians, parties or party-affiliated organizations.

However, we generally advocate an agriculture-friendly political environment in which a balance between integrated plant protection and biodiversity is maintained. The management is represented on the board of the German Hop Industry Association (DHWV). Through the DHWV, Hopsteiner is involved in various committees at national and international level and cooperates, for example, with Hopfenring. The company is a member of Forum Bier e. V. / Deutscher Brauerbund (German Brewers' Association) and the Association of Medium-Sized Breweries. HHV is also a member of the Bavarian Food Industry Employers' Association (Arbeitgeberverband der Bayrischen Ernährungswirtschaft e. V.).

The Slovenian Hop Growers' Association remains relevant for INB, while Lúpulos de León SAT remains relevant for HSE.

#### *a) Representatives for supervision*

There are no designated representatives for the supervision of these specific activities.

#### *b) Main topics and positions, and their interaction with material impacts, risks and opportunities*

The lobbying activities of the German Hop Industry Association (DHWV) are also in line with the company's objectives:

- Continuous preservation and marketing of hops based on a free-market economy and equal competition.
- Active support for appropriate measures to promote hop production and marketing that benefit all economic operators in the hop sector.
- Continuous development of common rules in marketing to ensure the best possible and reliable supply of raw hops and hop products to the brewing industry.
- Continuous dialog between all government authorities and private institutions to achieve high-quality and sustainable production and marketing of hops.
- Removal of all types of trade barriers in the global marketing of hops and hop products.

In particular, the issues of water supply and integrated plant protection in lobbying are related to our impacts, opportunities and risks.

#### *c) Entries in the EU Transparency Register*

As the first chairman of the DHWV, managing director Pascal Piroué is registered as an interest representative in the lobby register of the German Bundestag (number: R002419) and in the EU Transparency Register (number: 837660127654-12).

#### d) Appointment of members of the administrative, management and supervisory bodies

In the current reporting period, there were no appointments of members to our administrative and management bodies who had held a comparable position in public administration in the two years prior to their appointment.

Through these comprehensive measures and our transparent reporting, we aim to ensure that our political influence and lobbying activities are in line with our sustainability goals and the expectations of our stakeholders.

## Financial political donations

During the reporting period, there were no party donations in the form of direct or indirect financial contributions or contributions of kind.

## G1 Business conduct – G1-6 – Payment practices

We are a reliable, long-term partner for our growers and suppliers, with long-standing pre-contracts. The timely payment of all invoices in accordance with the contractual or statutory terms of payment is a matter of course for us. All payments and business processes are comprehensively monitored by management, the finance department and the employees responsible.

There are several variants of payment terms:

1. Settlement and payment of the total purchase price within 60 days of transfer of risk. The buyer shall settle and pay the total purchase price to the seller within 60 days of transfer of risk at the latest.
2. Settlement and payment of the total purchase price within 30 days of the transfer of risk
  - a) The buyer shall settle and pay the total purchase price to the seller within 30 days of the transfer of risk at the latest.
  - b) The seller shall make available to the buyer an amount equal to 40 per cent of the total purchase price, which the buyer shall repay to the seller no later than 28 February of the calendar year following the harvest.
  - c) The buyer shall pay the seller interest on the amount specified in V. b) at a rate of 2 percentage points above the base rate from the due date of the total purchase price payment in accordance with clause V. a) until the amount has been repaid in full. Any change in the base rate during the interest period shall not be considered.
  - d) The buyer shall retain the amount specified in V. b) amounting to 40 per cent of the total purchase price as part of the payment of the purchase price in accordance with clause V. a) and shall repay the amount plus interest in accordance with clause V. c) to the seller by 28 February of the calendar year following the harvest at the latest.

	Average time (in days) to settle an invoice from the start of the contractual or statutory payment period	Percentage of payments with standard payment terms
SHS	8	90
HHV	10	90
ZHC	30	100
INB	30	100
HSE	20	100
<b>Total</b>	<b>19.6</b>	<b>96</b>

There are currently no pending legal proceedings relating to late payments.