

Sustainable Economies Due diLigence:
good EXamples and the role
of social dialogue

AGRAVIS Raiffeisen AG
Germany

CASE STUDY
WHOLESALE AND RETAIL TRADE

PROJECT NO. 101126464

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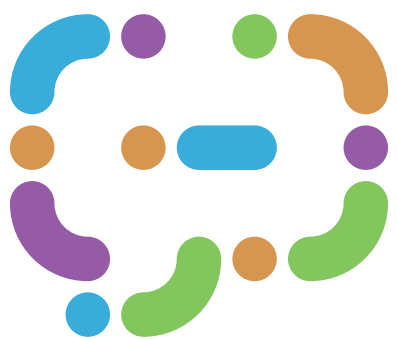
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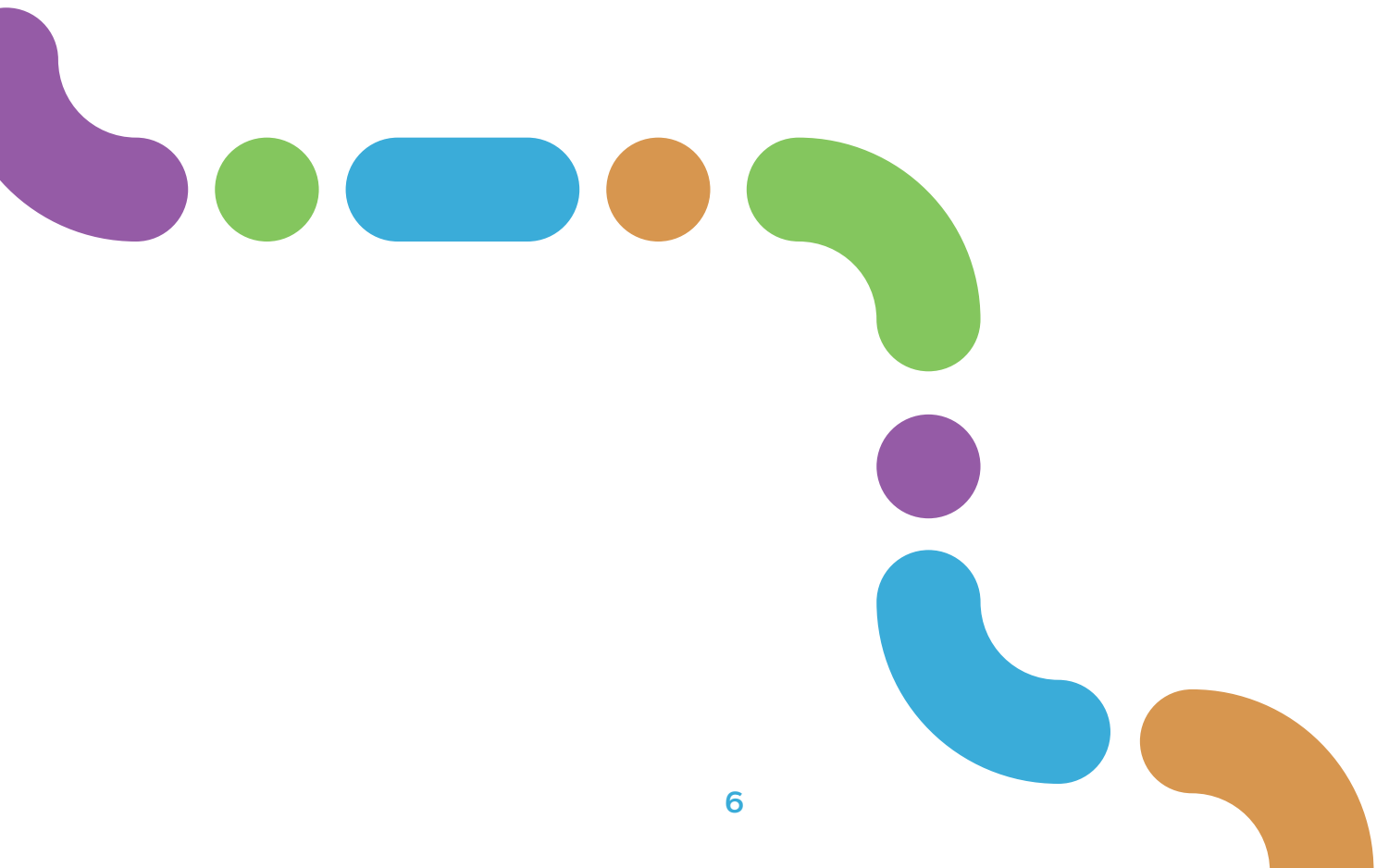
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01

Organisational model and legal status



Case study: AGRAVIS Raiffeisen AG – GERMANY

AGRAVIS Raiffeisen AG is one of five agricultural “*Hauptgenossenschaften*”¹ and one of the largest agricultural trading companies in Germany. *Hauptgenossenschaften* are organisations whose members are other cooperatives (primarily primary cooperatives). They serve to pool interests and services and usually operate on a supraregional or even national level. *Primärergenossenschaften*, on the other hand, are so-called basic cooperatives, whose members are mostly natural persons or individual companies. They serve to directly promote the economic interests of their members and operate locally or regionally. AGRAVIS is a *Hauptgenossenschaft* focusing on the German states of Lower Saxony, parts of North Rhine-Westphalia, Saxony-Anhalt, Brandenburg and Saxony. It does not target farmers directly, but rather the cooperatives to which these farmers belong. These cooperatives obtain a wide range of services from AGRAVIS in order to offer them to their own members. AGRAVIS’s supraregional tasks include the procurement and distribution of agricultural products, technical services, logistics, and the transfer of know-how. This structure gives the affiliated *Primärergenossenschaften* economic advantages, for example in purchasing. The members of the primary cooperatives, i.e. the farmers, have voting rights in their own cooperative. As shareholders of AGRAVIS, these *Primärergenossenschaften* can in turn influence the *Hauptgenossenschaft* through committees.

¹ *Hauptgenossenschaften* are organisations which function as secondary-level organisations, established by and composed of multiple primary cooperatives, to facilitate coordination, resource pooling and collective representation. It is not uncommon for *Hauptgenossenschaften* to adopt legal forms other than registered cooperatives (eG) to better accommodate their operational and financial needs. *Primärergenossenschaften* constitute the foundational, member-based entities where individual users directly engage in governance and benefit from cooperative services.

Although AGRAVIS is formally a share company, the majority of shares are held by around 100 regional *Primärergenossenschaften*, which underscores the company’s deep roots in the cooperative tradition and cooperative network. In 2024, 62% of the shares in AGRAVIS Raiffeisen AG are held by cooperatives.

² This ownership structure promotes value-oriented corporate management based on partnership, transparency, and sustainable business practices.

The cooperative ownership structure and the values that result from it have a significant influence on corporate governance and the sustainability strategy. Article 2 (1) of the company’s articles of association obliges the executive board to pursue the cooperative ideal and increase the sustainable value of the company,³ thereby consolidating its social and economic orientation. AGRAVIS is thus an example of how cooperative principles can also be implemented outside the traditional legal structure (eG) and offers valuable insights for other companies facing the challenge of implementing sustainability and social reporting in accordance with international and national guidelines.

The company’s proximity to the cooperatives is also evident when looking at its central committees. Representatives of the Raiffeisen associations are not only sporadically represented on the supervisory board. In addition to farmers, many members of various cooperatives also sit on the advisory board⁴ which advises the executive board and supervisory

² AGRAVIS Raiffeisen AG (2024): Konzerngeschäftsbericht 2023, p. 11.

³ AGRAVIS Raiffeisen AG (2024): Konzerngeschäftsbericht 2023, p. 12.

⁴ AGRAVIS Raiffeisen AG (2024): Group Annual Report 2023, pp. 6–7.

board. The annual general meeting is the decision-making body, at which the shareholders of AGRAVIS Raiffeisen AG can exercise their voting rights.⁵

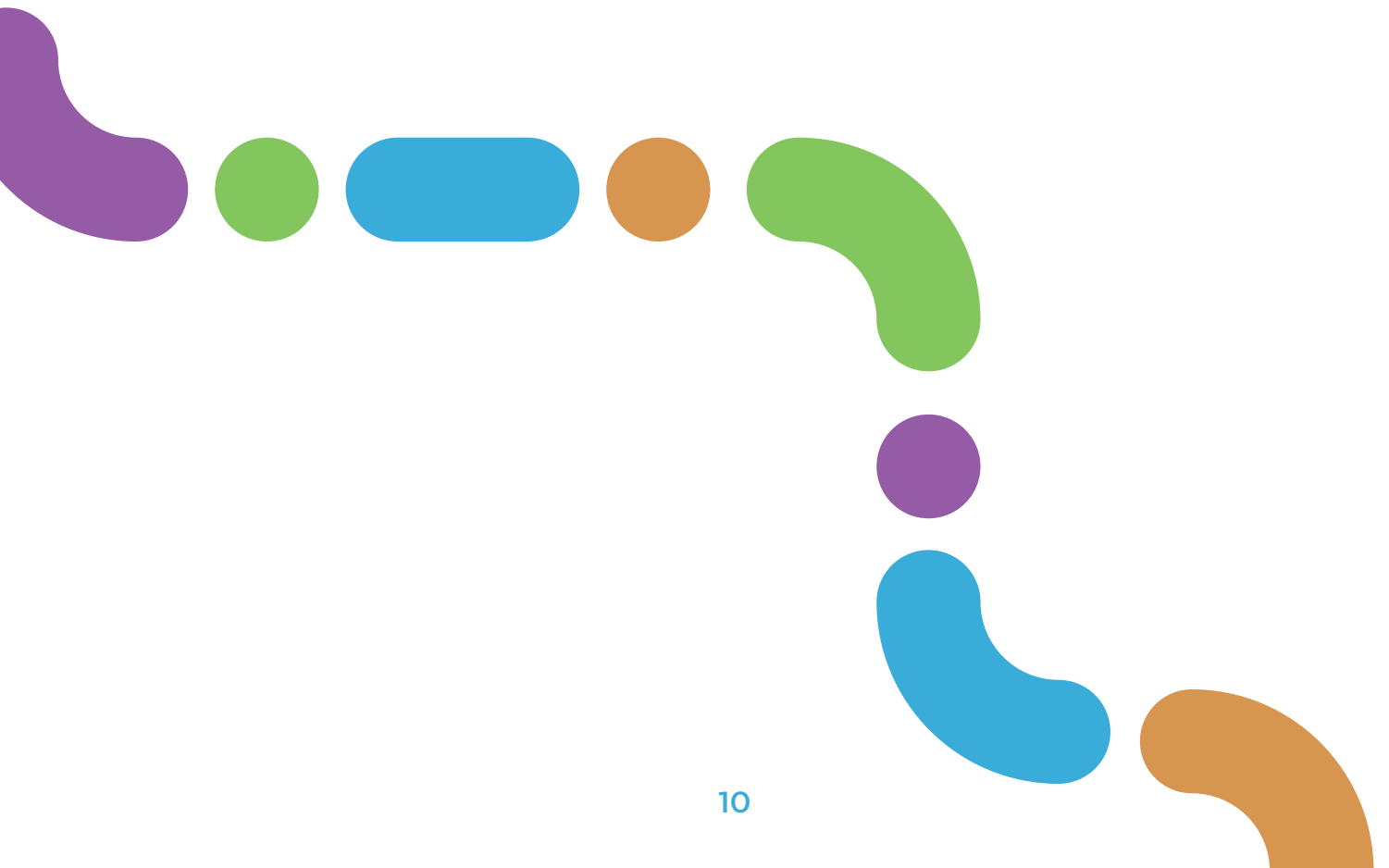
⁵ AGRAVIS Raiffeissen AG (2024): Unternehmenspolitik, p. 5.

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02

Background of the company



Case study: AGRAVIS Raiffeisen AG – GERMANY

AGRAVIS Raiffeisen AG, based in Münster (Westphalia), is an agricultural trading company that was formed in 2004 through the merger of Raiffeisen Hauptgenossenschaft Nord AG in Hanover and Raiffeisen Central-Genossenschaft Northwest eG in Münster.⁶ At the end of 2023, the AGRAVIS Group had 82 subsidiaries and 97 associated and affiliated companies.⁷

AGRAVIS Raiffeisen AG is active in a wide range of business areas in the agricultural value chain. The Agricultural Wholesale, Agricultural Farming and Technology divisions “serve agribusiness in the narrower sense.”⁸ However the Markets and Energy divisions are also part of the core business. The goal is to cover “the last mile” to the farms.⁹ The divisions are described briefly below to provide an overview of AGRAVIS’s business activities:¹⁰

✦ **Agricultural wholesale:** In this division, AGRAVIS bundles the trade in operating resources such as seeds, fertilisers and crop protection products, as well as agricultural products such as grain and oilseeds. “The focus is on supplying AGRAVIS’s own and cooperative feed mills, as well as mills and industry, with raw materials.”¹¹ The division also offers feed production. Animal health products are manufactured and sold worldwide through a group

company. The close integration with cooperative feed mills underscores the systemic role in the agricultural sector.

✦ **Agriculture:** This division comprises direct business with agricultural enterprises. AGRAVIS handles the collection of large harvest volumes, around 3 million tons of grain and oilseeds annually, and supplies farmers with operating resources and energy. Its strong regional presence and feedback via the cooperative structure ensure that its offerings are practical and tailored to needs. In addition, some regional centres and affiliated companies also operate Raiffeisen markets, gas stations, and energy trading, which further integrates AGRAVIS into the economic infrastructure of rural areas through this retail business.

✦ **Technology:** AGRAVIS sells new and used agricultural machinery, digital smart farming solutions and services via a broad network of technical service providers at over 100 locations. Its proximity to agricultural practice, supported by its cooperative network, enables it to integrate innovations directly into everyday farming life.

✦ **Markets:** With its own and cooperatively managed Raiffeisen stores, AGRAVIS supplies rural regions with products for the home, garden, animals and agriculture. The products are also sold through a franchise system covering 485 partner stores. The online shop complements the bricks-and-mortar sales business and is operated together with cooperative partners.

6 AGRAVIS Raiffeissen AG: Über uns: <https://www.agravis.de/de/unternehmen/ueber-uns> (accessed on 27.03.2025).

7 AGRAVIS Raiffeissen AG (2024): Konzerngeschäftsbericht 2023, p. 14.

8 AGRAVIS Raiffeissen AG (2024): Konzerngeschäftsbericht 2023, p. 14.

9 AGRAVIS Raiffeissen AG (2024): Unternehmenspolitik, p. 5.

10 AGRAVIS Raiffeissen AG (2024): Konzerngeschäftsbericht 2023, pp. 14–15.

11 AGRAVIS Raiffeissen AG (2024): Konzerngeschäftsbericht 2023, p. 14.

✦ **Energy:** The Energy division comprises the entire energy business of AGRAVIS Raiffeisen AG and its subsidiaries. As an independent energy supplier, the group supplies both wholesale and retail customers with power and fuels, lubricants and grid-bound energies. The network of filling stations, which is operated through its own stations and partner companies and coordinated by AGRAVIS, plays an important role. In addition, AGRAVIS is increasingly involved in renewable energies, through the production and trading of biogas and biomethane and the supply of climate-friendly fuels. Although fossil fuels still account for the majority of the business, the group is underlining its contribution to the transformation of the energy markets.

Thanks to its broad portfolio, AGRAVIS Raiffeisen AG is a systemically important player for agriculture in Germany. It is clear that it is not only the ownership structure that influences the cooperative orientation of the group, but also its operating business. The cooperative shareholders have a special role to play: they ensure that the company is geared to the needs of agricultural practice and that economic decisions are not made in isolation from real production on the farms.

In the 2023 financial year, the group generated sales of €8.8 billion. This represented a decline compared with the previous year, but was above target. The decline was mainly due to “lower prices for important product groups such as grain, rapeseed, fertiliser, and energy”.¹² The Agricultural Wholesale division generated the most sales with €3.0 billion, followed by

Agricultural Farming with €2.6 billion and Technology with €1.3 billion.¹³

Sustainable development is anchored in the company's strategy. The strategy focuses on climate protection, environmental protection, biodiversity and ecosystems, employees, and sustainable procurement.¹⁴ The overarching goal is to comply with the 1.5-degree target of the Paris Climate Agreement.

¹⁵Energy consumption is a key focus for AGRAVIS.¹⁶

AGRAVIS pursues a sustainable business policy in all its divisions and areas. In ecological terms, this is reflected in the development and marketing of environmentally friendly products, such as feed with a lower carbon footprint and resource-efficient technology solutions. The company is socially committed to fair working conditions in the supply chain and promotes regional partnerships and long-term relationships with farmers. At the governance level, AGRAVIS ensures that its business activities comply with ethical standards through internal control mechanisms, compliance guidelines, and transparent decision-making processes.

¹² AGRAVIS Raiffeissen AG (2024): Konzerngeschäftsbericht 2023, p. 18.

¹³ AGRAVIS Raiffeissen AG (2024): Konzerngeschäftsbericht 2023, pp. 18–19.

¹⁴ AGRAVIS Raiffeissen AG: Our sustainability strategy. URL: <https://www.agravis.de/de/unternehmen/ueber-uns/nachhaltigkeit-bei-agravis> (accessed on 28.05.2025).

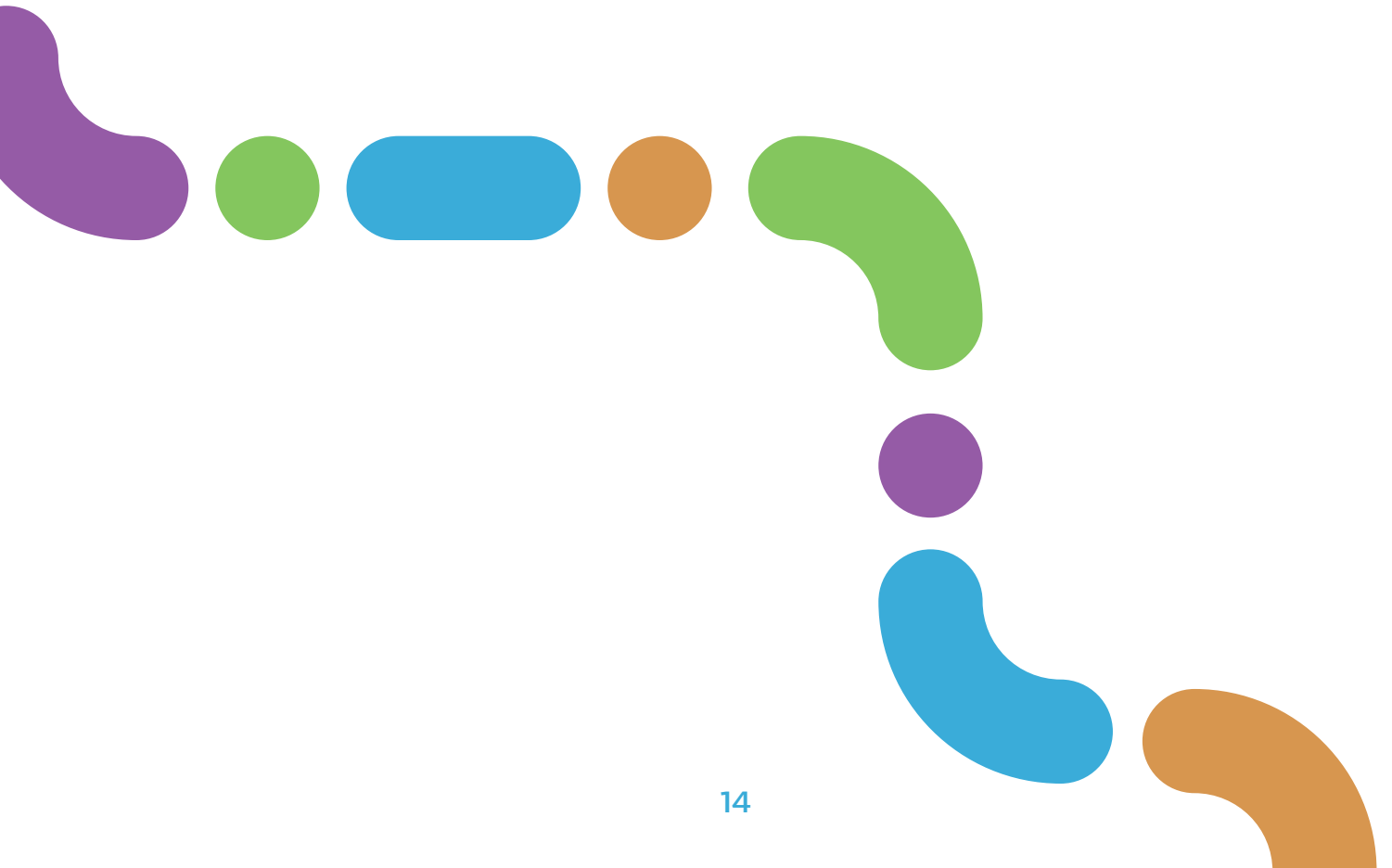
¹⁵ AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 6.

¹⁶ AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 5.



03

Corporate sustainability due diligence (CSDD)



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AGRAVIS is currently preparing for the requirements of the CSRD. In this context, the current sustainability report serves as a “basis for further developing internal processes and specifically aligning the sustainability strategy.”¹⁷ For example, the company uses double materiality analysis to identify relevant areas of action and topics.¹⁸

AGRAVIS is guided by international standards such as the UN Global Compact, the UN Guiding Principles for Business and Human Rights, and the OECD Guidelines. Suppliers must sign the AGRAVIS Code of Conduct and are continuously evaluated via a multi-level risk management system.¹⁹ The principle of “empowerment before withdrawal” ensures that the focus is initially on improvements rather than immediate termination. This is supplemented by training, contractual obligations, and the opportunity for stakeholders to submit comments via an anonymous complaints mechanism. An external ombudsman ensures independence and control.

Since 2023, the German Supply Chain Due Diligence Act (*Lieferkettensorgfaltspflichtengesetz – LkSG*) has applied to AGRAVIS. Cooperation with an external service provider ensures that “risks in the supply chain are transparently [...] assessed”²⁰ and that high social and environmental standards are maintained.

With regard to climate protection, AGRAVIS recognises its own responsibility as a “major player

in the agricultural trade and services industry”²¹ and the need to “take action”.²² AGRAVIS is committed to the 1.5-degree target of the Paris Climate Agreement.²³ The role of agricultural trading companies with regard to sustainability and the supply chain is complex. AGRAVIS is not rigidly positioned at the beginning or end of the supply chain, but occupies various positions. On the one hand, industrial customers demand proof of AGRAVIS's sustainability efforts, while on the other hand, AGRAVIS itself needs such proof from numerous suppliers. The group's carbon footprint is influenced not only by emissions at its own sites, but also those along the entire value chain.²⁴ For this reason, two aspects are highlighted below: the handling of its “own” emissions on the one hand and those of its upstream and downstream supply chain on the other.

The AGRAVIS sustainability strategy focuses on the comprehensive accounting of emissions, known as the “corporate carbon footprint” (CCF), in conjunction with its reduction. The Greenhouse Gas Protocol is used to calculate the CCF. This is the voluntary, most widely used standard for greenhouse gas accounting.²⁵ Emissions are divided into different scopes: Scope 1 (direct emissions, e.g. from its own vehicles or heating systems), Scope 2 (indirect emissions from purchased energy), and Scope 3 (indirect emissions along the supply chain and from business travel).²⁶

17 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 5.

18 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 5.

19 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 22.

20 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 22.

21 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 6.

22 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 6.

23 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 6.

24 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 6.

25 Greenhouse Gas Protocol: About Us, URL: <https://ghgprotocol.org/about-us> (accessed on 28.05.2025).

26 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 6.

The 2023 sustainability report states that AGRAVIS set itself the goal of reducing Scope 1 and Scope 2 emissions to 51.1 million kilograms by 2023.²⁷ The company achieved this with emissions of 49.5 million kilograms. In 2024, however, the figure was 60.4 million kilograms, exceeding not only the previous year's figure but also consumption in 2022.²⁸ The increase in greenhouse gas emissions in 2024 is primarily due to higher electricity consumption resulting from the integration of another subsidiary and higher energy requirements in the production facilities. The reduced use of certificates of origin also plays a role. Instead of certificates, AGRAVIS is increasingly relying on its own photovoltaic systems, which means that emissions are less offset and the reported values appear higher. According to AGRAVIS, however, this underlines its commitment to sustainability through intentional, real reductions.²⁹

A key approach to reducing greenhouse gas emissions from energy consumption for AGRAVIS is the increased use of renewable energies. In 2024, the company made significant progress in this area: the installed capacity of its own photovoltaic systems quadrupled compared to the previous year – a step that not only contributes to reducing emissions but also improves security of supply. In addition, 11 energy management teams are continuously working to make energy use more efficient, particularly in energy-intensive feed mills, and to realise savings. The teams not only implement various measures, document and measure progress, but also report

directly to management and train employees.³⁰

Stefanie Pionke, coordinator of the DLG Newsroom, describes the so-called top-down effect: “Even if farmers themselves are rarely directly affected by sustainability requirements such as the Supply Chain Due Diligence Act (LkSG) or the Corporate Sustainability Reporting Directive, their business partners in the value chain are. These include the mill, the feed manufacturer, the land dealer, the meat processor, and so on. They, in turn, must prove that they source and process sustainably produced raw materials, which is where farmers come back into play.”³¹

For AGRAVIS, as an important agricultural trading company that is closely integrated into the agricultural value chain, this top-down effect plays a central role in its sustainability strategy. Katharina Rudack, Sustainability Team Leader within the AGRAVIS Group, makes it clear: “This results in obligations for AGRAVIS within the supply chain.”³² AGRAVIS is required by the CSRD and has set itself the task of making Scope 3 emissions, i.e. those that arise along the supply chain in the course of procuring raw materials and traded goods, transparent and evaluating them –

30 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 9.

31 Pionke, Stefanie (moderator) (04.09.2024): Episode 4 Nachhaltigkeit und Agrarhandel, in: ESG to Go nachhaltig nachgefragt (audio podcast): 00:51-01:32. URL: https://wissenschaftspodcasts.de/podcasts/dlg-podcast-landwirtschaft/esg-to-go-nachhaltig-nachgefragt-episode-4-nachhaltigkeit-und-agrarhandel_9151058/ (accessed on 28.05.2025).

32 Rudack, Katharina (guest) (04.09.2024): Episode 4 Nachhaltigkeit und Agrarhandel, in: ESG to Go nachhaltig nachgefragt (audio podcast): 03:14-03:17. URL: https://wissenschaftspodcasts.de/podcasts/dlg-podcast-landwirtschaft/esg-to-go-nachhaltig-nachgefragt-episode-4-nachhaltigkeit-und-agrarhandel_9151058/ (accessed on 28.05.2025).

27 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2023, p. 6.

28 Emissions from Scope 3 are not included.

29 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, pp. 7–8.

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what quantity of emissions do the purchased goods generate? The purchased emissions are recorded in Scope 3 of the AGRAVIS Group and are not simply “traded” or passed on to the customer who purchases the corresponding product from AGRAVIS.³³ To this end, the company has developed its own system called “Nachhaltige Beschaffung” (SNB).³⁴

This is a central component for implementing due diligence in the supply chain. Risk analysis is also part of the system. It combines abstract risk analysis based on country and industry data with concrete assessments of individual suppliers using criteria defined by the strategy team. To this end, suppliers must submit various documents on their sustainability management systems.³⁵ The following topics are covered: “Environment, labour and human rights, ethical issues such as corporate governance and compliance, and procurement”.³⁶ In 2024, over 31,000 suppliers underwent an initial analysis; 150 were classified as critical and 70 strategic suppliers were classified as potentially risky. Further assessments were carried out for these groups. A total of 493 suppliers submitted a detailed sustainability rating.³⁷ In addition, suppliers are bound by the AGRAVIS Group’s Code of Conduct.³⁸

33 Rudack, Katharina (guest) (04.09.2024): Episode 4 Nachhaltigkeit und Agrarhandel, in: ESG to Go nachhaltig nachgefragt (audio podcast): 12:55-13:22. URL: https://wissenschaftspodcasts.de/podcasts/dlg-podcast-landwirtschaft/esg-to-go-nachhaltig-nachgefragt-episode-4-nachhaltigkeit-und-agrarhandel_9151058/ (accessed on 28.05.2025).

34 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 22.

35 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 22.

36 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 22.

37 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 23.

38 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 22.

In relation to soy, a key raw material, AGRAVIS not only complies with the requirements of the LkSG, but also with those of the EU Deforestation Regulation (EUDR). AGRAVIS has developed a monitoring system that enables the control and traceability of soy meal. As the EUDR is still in the implementation phase and has not yet entered into force, AGRAVIS uses internationally recognised standards, such as the private-sector standard “QS-Sojaplus” for the feed industry, with a view to the sustainable use of soy in feed. The focus here is on the exclusion of deforestation and compliance with labour and social standards. As soon as the EUDR comes into force, the company will comply with it.³⁹

AGRAVIS covers its demand for palm oil products in the agricultural products and special feed products sectors by purchasing certificates from the Roundtable on Sustainable Palm Oil (RSPO) under the book-and-claim model.⁴⁰ This system makes it possible to promote sustainable palm oil production through the trade of certificates of origin without the need for physical traceability along the supply chain. Although there is no physical separation of the certified product, the purchase of certificates contributes to the financing of sustainable production methods and meets recognised voluntary sustainability standards.^{41,42}

39 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 23.

40 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 24.

41 Roundtable on Sustainable Palm Oil: RSPO credits. URL: <https://rspo.org/as-an-organisation/rspo-credits/> (accessed on 20.05.2025).

42 RSPO (2024): Book and Claim Supply Chain Model: Sustainability at scale with RSPO Credits. URL: <https://rspo.org/as-an-organisation/certification/supply-chains/> (accessed on 20.05.2025).

As a key player in agricultural trade, AGRAVIS wants to take increasing responsibility for Scope 3 emissions in agricultural supply chains. Farmers play a central role in this. To this end, various projects and instruments have been initiated in recent years that contribute not only to transparency but also to the targeted reduction of CO₂ emissions.⁴³

A key component is the development of an IPCC⁴⁴-based accounting tool that enables agricultural businesses to quantify the climate impact of their inputs and farming practices. This tool helps businesses make informed decisions about low-emission measures and shows how alternative fertilisation or management methods, for example, affect the carbon footprint of crops.⁴⁵

One particularly effective project is the emission-reduced production of baking wheat, which AGRAVIS is implementing together with partners. Wheat production is accounted for on a location- and farm-specific basis, using farm-specific data and in accordance with ISO standards. The project was scaled up in 2024: the amount of CO₂-reduced wheat produced increased tenfold, supplying flour for around 25 million loaves of bread. The CO₂ savings achieved were up to 20% per ton of wheat. This provides farmers with a concrete basis for decision-making on climate protection measures, such as the

use of low-emission mineral fertilisers or biochar.⁴⁶ According to the company, success depends on market response.⁴⁷

Transparency is also being promoted in the area of animal nutrition: AGRAVIS has been providing the Product Carbon Footprint (PCF) for its compound feed since 2024. The calculation is based on the EU standard "PEFCR – Feed for food producing animals" and includes, among other things, cultivation conditions, processing and transport. In combination with the DINAVIS digital project – a platform for the digital flow of sustainability attributes – this enables the traceability of environmental impacts down to the product level and makes the supply chain more transparent.⁴⁸

In addition, AGRAVIS's own brands are also committed to environmental and climate protection. For example, the feed brands "*Landleben*" (poultry) and "*Buffo*" (dogs) support specific projects for the reforestation of climate-stable forests, including in the Hunsrück region – particularly on small areas that would otherwise not be eligible for funding.⁴⁹

43 AGRAVIS Raiffeissen AG: Climate and Environment. URL: <https://www.agravis.de/de/unternehmen/ueber-uns/nachhaltigkeit-bei-agravis/klima-und-umwelt> (accessed on 28.05.2025).

44 The Intergovernmental Panel on Climate Change (IPCC) is the United Nations body for assessing the science related to climate change.

45 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 10.

46 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, pp. 10–11.

47 AGRAVIS Raiffeissen AG: Klima und Umwelt. URL: <https://www.agravis.de/de/unternehmen/ueber-uns/nachhaltigkeit-bei-agravis/klima-und-umwelt> (accessed on: 28.05.2025).

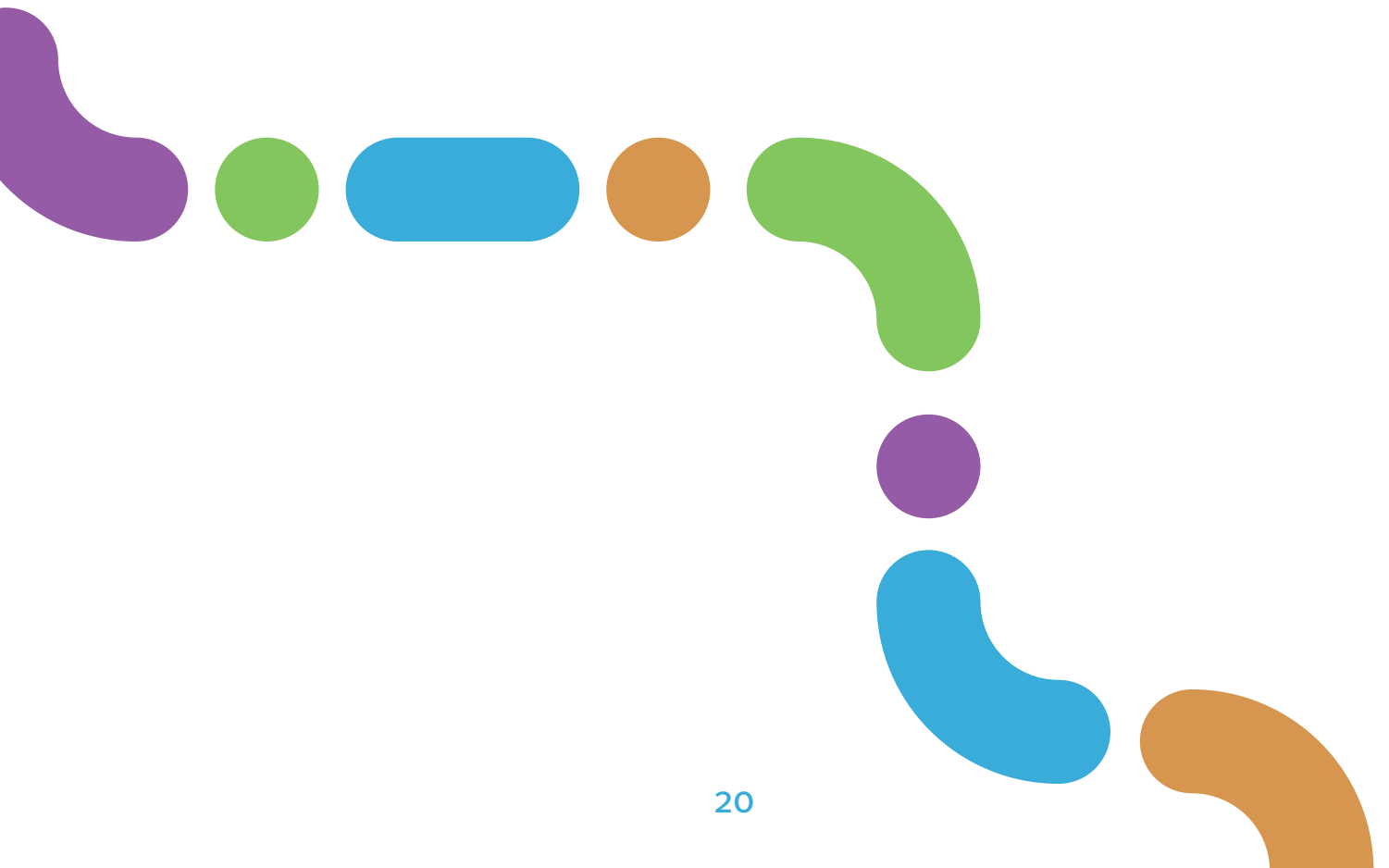
48 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 11.

49 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 12.



04

Social dialogue



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Employee participation, for example through works councils and trade unions, is a key lever for the successful implementation of corporate sustainability goals. It enables social risks to be identified at an early stage in the value chain and practical solutions to be developed that are tailored to the realities of employees' lives. It is not without reason that the EU directive on sustainability reporting, among others, requires companies to involve trade unions and employee representatives. It also promotes transparency, trust and acceptance among the workforce – key prerequisites for the effectiveness of transformation processes. In cooperative companies in particular, the active involvement of members is indispensable, as they support and help shape the organisation, thereby enabling its sustainable orientation in the first place.

However, it still needs to be clarified in practice how the co-determination system contributes to the effective implementation of sustainable practices in the organisation. The following information illustrates key co-determination rights of works councils in Germany in connection with ESG issues.

According to Section 80 of the Works Constitution Act (BetrVG), the works council should actively contribute to environmental protection and occupational safety in the workplace. To this end, the employer is obliged to inform the works council in good time and provide relevant documents; external experts may be consulted by mutual agreement.⁵⁰ Section 89 of the Works Constitution Act extends this to all measures relevant to environmental protection in the

workplace, such as buildings, technology and work processes. In practice, this enables co-determination on issues such as mobility, resource conservation and complaint mechanisms.⁵¹

Social aspects ("S") such as further training also fall under the co-determination rights (Sections 96–98 BetrVG). The works council can request training requirements and, in the event of disagreement, refer the matter to a conciliation committee. In addition, pursuant to Section 87 BetrVG, it is involved in governance issues such as internal codes of conduct, anti-corruption guidelines, and whistleblower systems.

Since 2023, global supply chains have also been explicitly included in the remit of works councils: under the new provision in Section 106 (3) BetrVG, companies must provide the economic committee with comprehensive information on their corporate due diligence in the supply chain. This does not result in a direct right of co-determination for the implementation of the LkSG, but it does give works councils the opportunity to influence the design and review of risk analysis, complaint mechanisms, training, and digital control systems. Works councils can also participate in the appointment of human rights officers, and can request information and make suggestions for improvement through various channels, such as monthly meetings, works meetings, or the economic committee. If there are indications of human rights risks, they also have the right to contact the BAFA (Federal Office for Economic Affairs and

⁵⁰ § 80 (1) 9 BetrVG.

⁵¹ § 89 (3) BetrVG.

Export Control) directly.⁵²

Supervisory boards also play an important role in corporate co-determination: they monitor the implementation of due diligence obligations by the management board, can influence strategy at an early stage, and have the option of requesting a separate chapter on the supply chain in non-financial reporting. Employee representatives on the supervisory board can raise human rights risks and suggest changes to risk management. In addition, the supervisory board should review policy statements on due diligence for appropriateness and include their implementation in the assessment of the executive board's performance, including any potential impact on remuneration systems.⁵³

Initssustainabilityreport, AGRAVIS refersto established instruments of social dialogue. These include cultural round tables, the "Women at AGRAVIS" network, continuous training, and the promotion of young talent.⁵⁴ These formats demonstrate a fundamentally existing and developed participation system. The involvement of works councils is also an integral part of AGRAVIS's day-to-day business. For example, the works council was the first stakeholder group to be included in the materiality analysis. However, this information is not documented in publicly available reports (e.g. the sustainability report), as ESRS-compliant reporting has not yet been implemented and the results of the materiality analysis are not

presented there. Accordingly, based on the documents currently available, no conclusive statements can be made about the systematic involvement of employee participation in ESG processes such as supply chain assessment or strategic sustainability decisions. However, this should not be interpreted as an indication of insufficient participation, but rather reflects the typical limitations of publicly available sustainability reports, as observed in many other companies.

The ver.di⁵⁵ conference on work in global supply chains emphasises that genuine sustainability can only be achieved by involving affected employees and their representatives – not only in Germany, but also in the countries where the supply chain originates. Trade unions are demanding a say in risk analyses, human rights assessments, and the implementation of measures. The Supply Chain Act is seen as a first step, but not a sufficient one.⁵⁶

In the case of AGRAVIS, it is clear that co-determination instruments exist and are also used – for example, in stakeholder processes and internal innovation campaigns to involve employees. Based on external information, it is not currently possible to conclusively answer the question of how systematically these are integrated into ESG management. A more precise assessment would require in-depth insights into internal processes.

52 ver.di: Factsheet: Das Lieferkettensorgfaltspflichtengesetz, p. 3. URL: <https://tinyurl.com/y92793dv> (accessed on 28 May 2025).

53 ver.di: Factsheet: Das Lieferkettensorgfaltspflichtengesetz, p. 4. URL: <https://tinyurl.com/y92793dv> (accessed on 28 May 2025).

54 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, pp. 16-18.

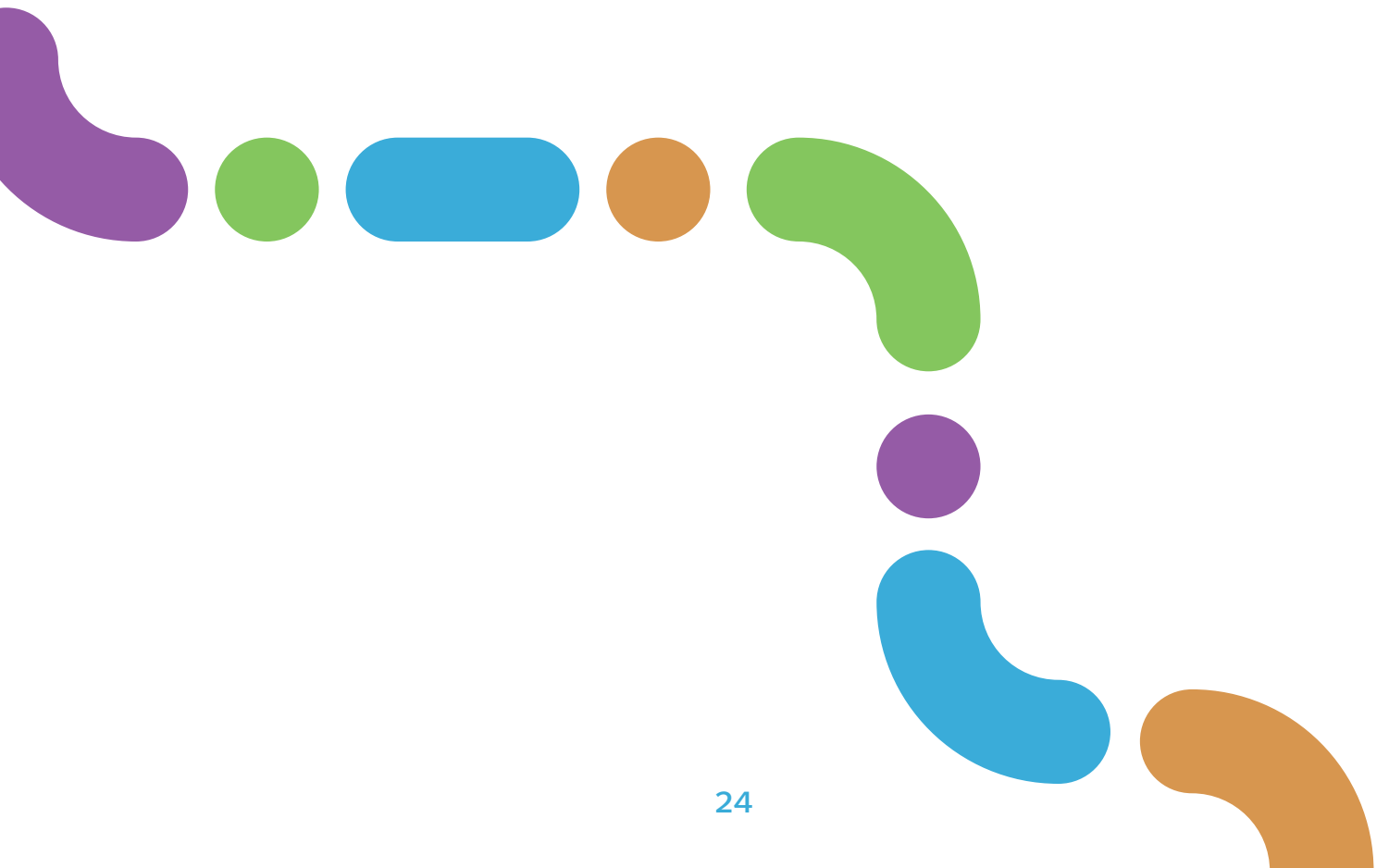
55 ver.di is one of the largest trade unions in Germany, representing the interests of employees in sectors such as public services, health, education and social services.

56 ver.di (2024): Abschlusserklärung der III. Internationalen Konferenz, pp. 1-2. Download: <https://tinyurl.com/m2r9nm7j> (accessed on 28 May 2025).



05

Challenges and opportunities



Case study: AGRAVIS Raiffeisen AG – GERMANY

Like many large (socially responsible) companies, AGRAVIS Raiffeisen AG faces the challenge of implementing sustainability requirements from a variety of regulatory and voluntary sources simultaneously. The increasing complexity resulting from EU regulations such as the CSRD, CSDDD and LkSG places high demands on data management, supply chain transparency, and internal control. The organisational integration of sustainability goals with established business management processes is particularly challenging. At the same time, uncertainty remains due to the pending national implementation of the CSRD. Although its application has been postponed by two years, AGRAVIS emphasises that rapid clarification is necessary in order to provide companies with a legally secure basis for planning.⁵⁷

Internally, the implementation of the new reporting requirements also involves a considerable investment of resources. However, AGRAVIS sees this as a strategic opportunity: the data obtained will not only be used for documentation purposes, but also as a sound basis for decision-making, in particular to reconcile ecological responsibility and economic necessities. Specific questions such as “How can we reduce emissions while increasing economic efficiency?” or “How can we make our contribution to the 1.5-degree target economically viable?” illustrate the potential of sustainable management.⁵⁸ At the same time, the systematic collection of sustainability data offers the opportunity to carry out a comprehensive inventory with a view to future sustainability – with added value not only for compliance with regulatory obligations,

but also for business efficiency, because “economic issues are [...] often sustainability issues”,⁵⁹ external image, and future strategic direction. Especially in the current phase, where there are still no clear standards for implementing reporting and due diligence obligations, there is scope for trial and error and learning. This transition phase can be used to gain experience, further develop internal processes, and showcase existing innovative solutions on farms – which not only creates transparency but can also contribute to strengthening the entire industry and its future viability in the long term.⁶⁰

For cooperative companies such as AGRAVIS, there is the additional factor that, in addition to legal obligations, their own value-based sustainability standards must also be credibly implemented. At the same time, institutionalised sustainability reporting opens up new strategic opportunities: the systematic collection and management of ESG indicators not only promotes the internal learning curve, but also builds trust among external stakeholders. For a company that is deeply rooted in regional agricultural structures, there is particular potential to position itself as a responsible partner in the transformation of agriculture. Consumers also play an indirect role in this: AGRAVIS emphasises that its customers’

57 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 4.

58 AGRAVIS Raiffeissen AG: Nachhaltigkeitsreport 2024, p. 4.

59 Rudack, Katharina (guest) (04.09.2024): Episode 4 Nachhaltigkeit und Agrarhandel, in: ESG to Go nachhaltig nachgefragt (audio podcast): 26:16-26:20. URL: https://wissenschaftspodcasts.de/podcasts/dlg-podcast-landwirtschaft/esg-to-go-nachhaltig-nachgefragt-episode-4-nachhaltigkeit-und-agrarhandel_9151058/ (accessed on 28.05.2025).

60 Rudack, Katharina (guest) (04.09.2024): Episode 4 Nachhaltigkeit und Agrarhandel, in: ESG to Go sustainably questioned (audio podcast): 25:54-26:41. URL: https://wissenschaftspodcasts.de/podcasts/dlg-podcast-landwirtschaft/esg-to-go-nachhaltig-nachgefragt-episode-4-nachhaltigkeit-und-agrarhandel_9151058/ (accessed on 28.05.2025).

purchasing decisions help determine how ambitiously sustainability projects are pursued.⁶¹

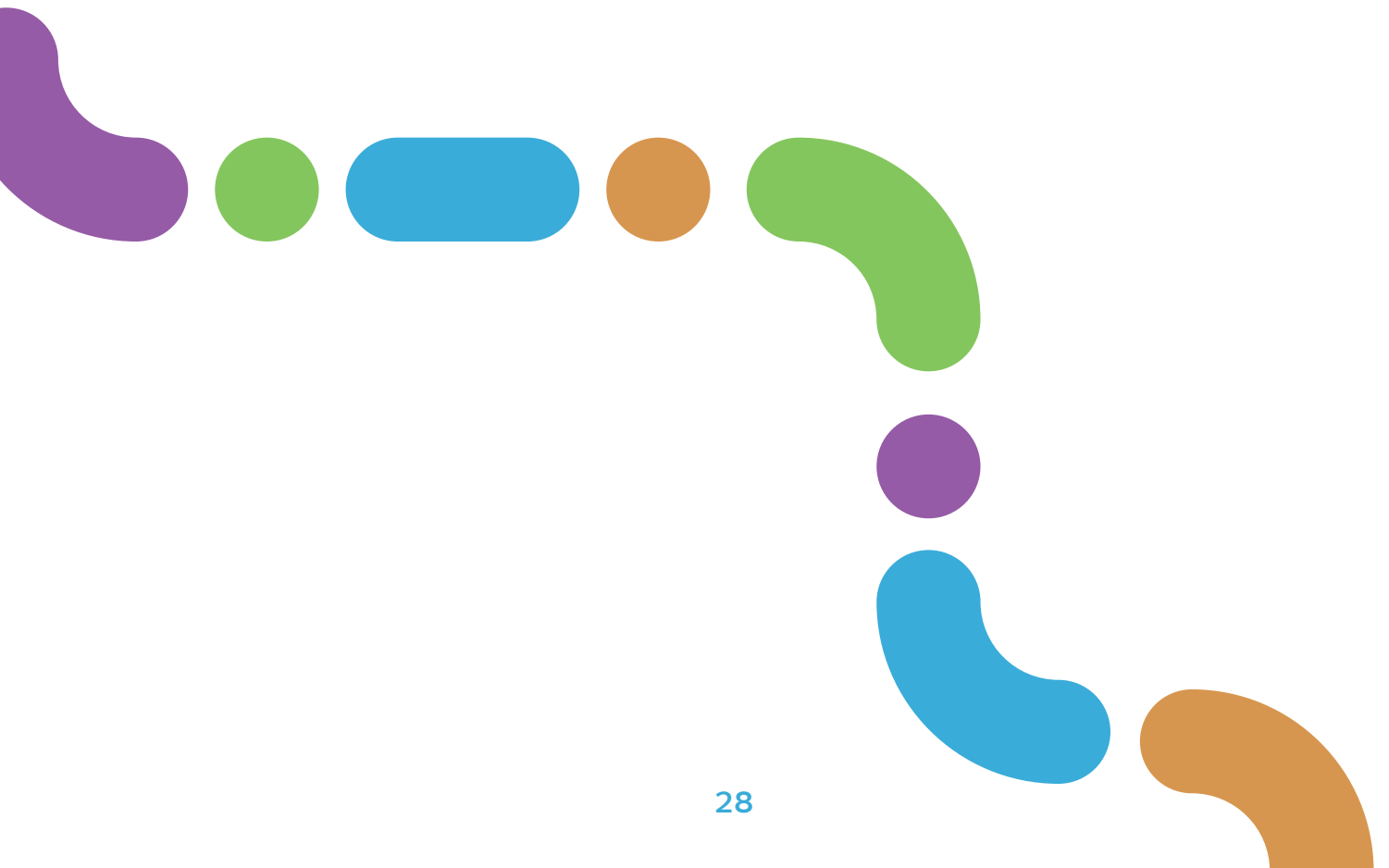
A particular area of tension arises with regard to the scale and size of the company: the larger an organisation becomes, the greater the risk that value-based principles, which are central to cooperative companies, will take a backseat. In the case of AGRAVIS, however, this risk is limited. Thanks to its strong regional roots and close exchange with cooperative partners through their role as shareholders and customers, the connection to its cooperative roots is maintained and institutionally supported.

⁶¹ AGRAVIS Raiffeissen AG: Klima und Umwelt. URL: <https://www.agravis.de/de/unternehmen/ueber-uns/nachhaltigkeit-bei-agravis/klima-und-umwelt> (accessed on 28.05.2025).



06

Strategies and actions



Case study: AGRAVIS Raiffeisen AG – GERMANY

AGRAVIS Raiffeisen AG pursues a systematic sustainability strategy that integrates environmental, social and governance aspects. In doing so, the company is guided by both legal requirements (CSRD, LkSG)⁶² and voluntary standards.

Environment

In the environmental sector, AGRAVIS focuses on reducing climate-damaging emissions and promoting renewable energies. For example, the installed photovoltaic capacity was quadrupled between 2023 and 2024 in order to increase the share of electricity generated in-house and reduce dependence on the external energy market. In-house energy management officers ensure that not only legal regulations but also the company's own ideas are implemented.⁶³ In addition, the company is developing tools for CO₂ accounting, for example for crop cultivation and feed production. These instruments enable farmers to make data-based decisions on lower-emission production methods.⁶⁴ In addition, AGRAVIS is working with suppliers and agricultural partners in pilot projects to test specific measures along the entire supply chain, for example to identify CO₂ savings potential at the farm level, understand the necessary framework conditions and costs, and test the transfer

of climate-relevant data along the chain.⁶⁵

Social

In the social sphere, the focus is on occupational safety and, in particular, on promoting training, dialogue, and regional participation. AGRAVIS participates in various educational programmes and enables continuous training for its employees, thereby contributing to equal opportunities and securing skilled labour. In keeping with its cooperative identity, AGRAVIS also promotes the involvement of cooperative members, for example through advisory boards and the joint development of products and services. This ensures social participation at a structural level.

Governance:

In the area of governance, AGRAVIS has established guidelines and control mechanisms to ensure compliance, ethics, and transparency. These include a code of conduct for employees and suppliers, various complaint channels, and systematic supply chain risk management implemented with the external assessment platform EcoVadis.⁶⁶ The cooperative influence is also reflected in the composition of committees, which actively involve cooperative shareholders in decision-making and control structures.

62 The 2024 Sustainability Report does not address the Corporate Sustainability Due Diligence Directive (CSDDD). Instead, AGRAVIS focuses its reporting on the Supply Chain Due Diligence Act (LkSG) already in force in Germany, the requirements of which largely correspond to those of the EU directive. A more intensive examination of the CSDDD is likely to be required in future reporting obligations, particularly in connection with the application of the CSRD.

63 AGRAVIS Raiffeisen AG: Nachhaltigkeitsreport 2024, p. 9.

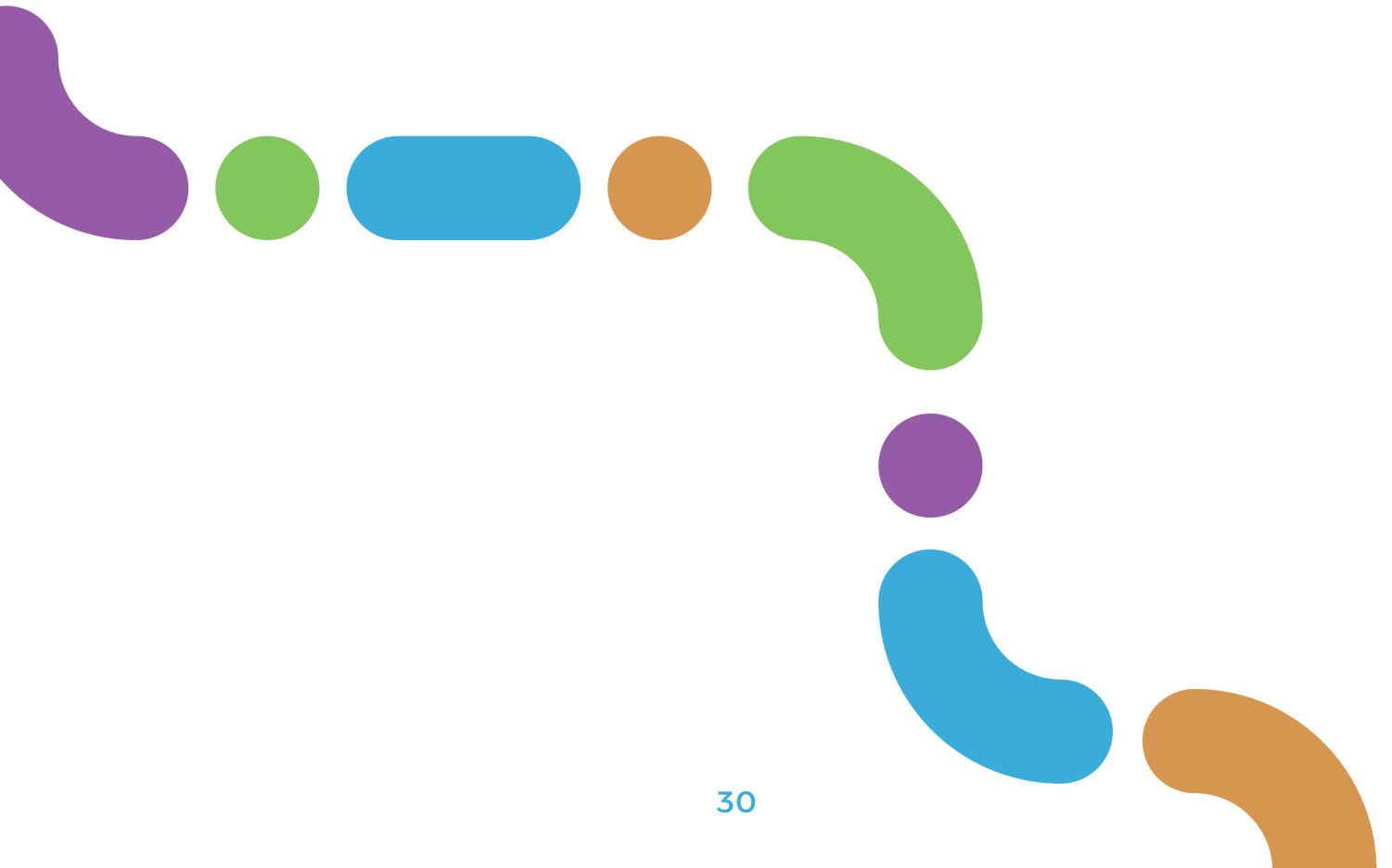
64 AGRAVIS Raiffeisen AG: Nachhaltigkeitsreport 2024, p. 10.

65 Rudack, Katharina (guest) (04.09.2024): Episode 4 Nachhaltigkeit und Agrarhandel, in: ESG to Go nachhaltig nachgefragt (audio podcast): 19:39 – 20:19. URL: https://wissenschaftspodcasts.de/podcasts/dlg-podcast-landwirtschaft/esg-to-go-nachhaltig-nachgefragt-episode-4-nachhaltigkeit-und-agrarhandel_9151058/ (accessed on 28.05.2025)

66 AGRAVIS Raiffeisen AG: Nachhaltigkeitsreport 2024, pp. 22–23.

07

Good practices



Case study: AGRAVIS Raiffeisen AG – GERMANY

The AGRAVIS case study provides insights into specific sustainability measures taken by a cooperative-based company and allows conclusions to be drawn about the success factors and challenges of the social economy. In line with the SEDLEX perspective, both transferable good practices and open questions regarding institutional anchoring and governance can be identified.

One of the outstanding practical examples is the development of an integrated sustainability management system that combines digital tools, industry-specific standards, and cross-sector partnerships. This is particularly evident, for example, in the use of the DINAVIS platform, which enables sustainability information to be digitally tracked and evaluated along the agricultural supply chain. Similarly, consistent emissions accounting in accordance with internationally recognised standards (including EU PEFCR for animal feed) is proof that AGRAVIS addresses environmental impacts not only in a compensatory manner but also structurally.⁶⁷ Emissions optimisation in the baking wheat project – with documented CO₂ savings of up to 20% per ton of raw material – proves the effectiveness of this strategy along the value chain.⁶⁸

In addition to these structural measures, a specifically cooperative approach to sustainability is also evident in the area of corporate culture. Participation formats such as internal innovation campaigns to involve employees, cultural round tables, and the “Women at AGRAVIS” network are evidence of a lived practice

of participation. Even though these formats have not yet been systematically linked to ESG processes (e.g. materiality analyses or CSRD preparation) in publicly available reports, an active and diverse culture of participation can nevertheless be inferred.

A frequently discussed area of tension in social economy enterprises arises from the combination of value-oriented, democratic self-governance on the one hand and growth-oriented, entrepreneurial management logic on the other. In cooperatively structured organisations in particular, this raises the question of whether and how participatory principles can also be translated into strategic sustainability decisions, for example in the areas of supply chain management, climate strategy, or ESG governance. In the case of AGRAVIS, this tension cannot be conclusively assessed on the basis of publicly available information. Although various participation formats were highlighted and the involvement of the works council in the materiality analysis was emphasised, there is a lack of structured insights into how this participation is institutionally anchored within the ESG strategy.

⁶⁷ AGRAVIS Raiffeisen AG: Nachhaltigkeitsreport 2024, p. 11.

⁶⁸ AGRAVIS Raiffeisen AG: Nachhaltigkeitsreport 2024, p. 10.

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