

Supplier Code of Conduct

Guidelines for sustainable procurement by Südzucker AG
(hereinafter called “Südzucker”)

In accordance with the principles of the “Code of conduct” (www.suedzucker.de/en/Unternehmen/Verhaltenskodex/) established in the company, Südzucker's aim is for the employees in all areas of work and at all company locations to have a clear, fundamental understanding of the internationally recognised standards for the environment, labour and social welfare. Furthermore, Südzucker's intention is to base all of the activities and services that contribute to the business success of Südzucker on these ideals and to strongly encourage all employees, managers and directors to live and act in accordance with the values and provisions they contain.

These standards have been detailed, defined and provided for in the “Supplier Code of Conduct” with the aim of safeguarding sustainable procurement. These principles and values guide the way Südzucker acts with regard to its business partners, suppliers and their upstream suppliers within the Südzucker Group.

The “Supplier Code of Conduct” is an essential component of Südzucker's calls for tender and is taken into consideration in decisions to award contracts. In these processes, Südzucker takes national and cultural differences and other relevant influential factors into consideration, but will not agree to make any concessions with regard to the main requirements of this “Supplier Code of Conduct”.

Insofar as it is within Südzucker's sphere of action, this “Supplier Code of Conduct” shall be implemented along the entire value chain. Furthermore, Südzucker demands that its suppliers influence their upstream suppliers and together with them, guarantee to adhere to and recognise the principles of this “Supplier Code of Conduct”.

Südzucker reserves the right to verify adherence to the “Supplier Code of Conduct” on location. As required, Südzucker will offer its support to business partners, suppliers and their upstream suppliers in meeting the requirements of the “Supplier Code of Conduct” and improving these standards.

Environmental, labour and social welfare standards to be met

General

Südzucker's business partners, suppliers and their upstream suppliers pledge to perform their business activities in an ethical, legal and responsible manner and align their business conduct to Südzucker's "Supplier Code of Conduct".

Südzucker has identified three main criteria that are decisive for a high level of social responsibility in the value chain. They are:

1. Recognition of human rights and guaranteeing suitable working conditions for employees
2. Reduction of environmental pollution to a minimum
3. Adherence to high ethical and moral business standards

1. Employees

Recognition of human rights

Südzucker expects its business partners, suppliers and their upstream suppliers to recognise, support and guarantee the United Nations' "Universal Declaration of Human Rights" (UDHR).

Occupational health and safety

Südzucker's business partners, suppliers and their upstream suppliers shall ensure that their workplace and its surroundings (machines, equipment and work processes, chemical agents, etc.) will endanger neither the physical integrity nor the health of their employees. Suitable measures for reducing the risk of accidents and improving the working conditions shall be the aim of the optimisation programmes that take place at regular intervals. Furthermore, the employees shall receive training on occupational safety and health. The employees must have guaranteed access to potable water, sanitary facilities and social areas that have been erected and are maintained in agreement with the applicable legal provisions. The workplace and its surroundings must provide adequate emergency exits, fire control systems and sufficient illumination. Sufficient protection of non-smokers must also be provided.

No child labour or forced labour

Südzucker's business partners, suppliers and their upstream suppliers shall not tolerate the employment of children under the age of 15 unless this is permitted by legal provision and in no case shall they employ children under 14. In the event that the applicable laws provide for a higher minimum employment age or the legal age for compulsory school attendance is older than 15, that age limit shall be considered binding.

General training programmes that children in schools or other institutions may participate in are not subject to this age restriction. All young employees must be protected against having to do work that appears to be dangerous or would have an adverse effect on the children's education or would endanger their health or physical, mental, social, spiritual or moral development.

Südzucker's business partners, suppliers and their upstream suppliers shall not use forced or compulsory labour, which are to be understood as work or services that are carried out under the threat of punishment or performed by persons who have not voluntarily made themselves available to do so. Retaining employees' personal identification documents at the start of the employment relationship is also prohibited.

No discrimination or harassment

Business partners, suppliers and their upstream suppliers shall not permit any measures or perform any actions that are discriminatory. Discrimination means all types of differentiation, exclusion or preference that restricts equal treatment or access to work and employment and that can potentially be traced back to skin colour, gender, religious beliefs, political convictions, age, national, social or ethnic origin, family-related obligations or similar considerations of these types. Südzucker's business partners, suppliers and their upstream suppliers shall also commit to workplaces that are free from all types of harassment.

Transparency of working hours and payment

Südzucker's business partners, suppliers and their upstream suppliers must pledge to refrain from paying any wages below the legal minimum wage and will neither curtail nor retain pay for disciplinary reasons or as a condition of employment. The payment distributed to the employees must meet all of the applicable laws on wages and salaries, including the provisions on minimum wages, overtime and legally specified benefits.

Business partners, suppliers and their upstream suppliers shall ensure adherence to the applicable legal working hour restrictions. The maximum permissible working hours per week shall be regulated by national laws and in accordance with the conventions of the international labour organisations. The restriction on overtime shall be regulated in accordance with the regional laws or contractual agreements. With the exception of extraordinary circumstances and for a limited period of time, the employees have the right to at least one free day per week.

The labour organisation shall ensure that employees take the required breaks from work in order to prevent harm to their safety and health.

Freedom of association and right to collective bargaining

Südzucker's business partners, suppliers and their upstream suppliers honour and respect the right of their employees to associate freely and their right to choose their representatives freely and independently and guarantee that these representatives will not be exposed to any form of discrimination. The employees' right to collective contract negotiations (collective bargaining) shall also be recognised.

2. Environment

Südzucker is certified as per DIN 150 50001. This energy management system encompasses the sum of all the measures that are planned and implemented in order to tap existing energy saving potentials and encourage energy-saving behaviour. To Südzucker, it is important that business partners, suppliers and their upstream suppliers also understand the environmental impact resulting from their business-related activities. They must pledge to deal with the environment responsibly and work continuously to reduce their environmental impact.

Environmental protection

Südzucker expects its business partners, suppliers and their upstream suppliers to have developed and implemented a meaningful environmental policy and, as part of their business-related activities, observe all the applicable laws and regulations on protecting the environment.

Handling hazardous substances

When handling chemicals and other substances that are deemed hazardous if they enter the environment, the business partners, suppliers and their upstream suppliers shall ensure their safe handling, movement, storage, re-use or disposal.

Reduction of resource use, waste and emissions

Südzucker's business partners, suppliers and their upstream suppliers must have processes in place and standards for waste treatment, for the handling and disposal of chemical and other hazardous substances, and for emissions and waste water treatment that either meet or exceed the legal requirements.

3. Ethical and moral business standards

Adherence to the law

Südzucker demands that its business partners, suppliers and their upstream suppliers adhere to all the applicable legal requirements at the national and international levels and observe the applicable anti-bribery and anti-corruption laws or provisions in the course of their business-related activities.

Transparent business relationships

Südzucker has adopted suitable measures to regulate how gifts, invitations or the granting of other benefits are handled within the company. These measures are intended to ensure that persons are not tempted to violate their obligations in general and the obligations of the “Supplier Code of Conduct” in particular.

Südzucker expects the same of its business partners, suppliers and their upstream suppliers.

Mannheim, 1st March 2016