

Code of Conduct for Suppliers

Guidelines for business partners, suppliers and their upstream suppliers (hereinafter referred to as “Suppliers”) of the Südzucker Group¹ for sustainable procurement

The Code of Conduct of the Südzucker Group (<https://www.suedzuckergroup.com/en/company/profile/code-of-conduct>) intended to assist employees in acting responsibly, appropriately and in compliance with the law in their daily work and especially in critical situations. It provides the Südzucker Group with basic understanding, based on current legislation, of how it wants to work with others in order to be successful on the market. This Code of Conduct is binding on all managers and employees throughout the entire Südzucker Group.

The Code of Conduct of the Südzucker Group combines applicable laws with international standards, company regulations, the corporate guidelines of the Südzucker Group as well as obligations arising from the employment relationships of the employees of the Südzucker Group, and it constitutes an essential component for the company to present itself as a credible and reliable partner. The Südzucker Group has integrated the corresponding control mechanisms in its management systems and derives appropriate measures from them.

The Südzucker Group derives the Code of Conduct for Suppliers from its own Code of Conduct. The Guidelines for Suppliers of the Südzucker Group are specified, defined and regulated therein in order to ensure sustainable procurement. These principles and values guide the actions of the Südzucker Group in dealing with its Suppliers within the Südzucker Group.

The Code of Conduct for Suppliers is an integral part of the contract. Although the Südzucker Group takes national and cultural differences and other relevant factors into account, it will not make any concessions with regard to the central requirements of this Code of Conduct for Suppliers.

As far as the Südzucker Group is concerned, this Code of Conduct for Suppliers should be enforced throughout the entire value chain. In addition, the Südzucker Group requires its Suppliers to influence their suppliers and work with them to ensure compliance with and recognition of the principles of this Code of Conduct for Suppliers.

The Südzucker Group reserves the right to verify compliance with this Code of Conduct for Suppliers. Where necessary, the Südzucker Group offers its Suppliers support in meeting the requirements of this Code of Conduct for Suppliers and improving their standards.

¹This Code of Conduct for Suppliers applies to the entire Südzucker Group with the exception of the AGRANA Beteiligungs-AG. It has an own Code of Conduct that takes the contents of the Südzucker Code of Conduct into consideration and implements it.

Criteria for a high level of social responsibility in the value chain

General

Suppliers undertake to conduct their business activities in an ethical, legal and responsible manner and to conduct their business activities in accordance with the Code of Conduct for Suppliers.

The Südzucker Group has identified six main criteria that are crucial for a high level of social responsibility in the value chain:

1. Fair and respectful treatment of employees
2. Responsible approach to the environment/sustainability
3. Maintaining integrity in business transactions
4. Production of safe products of high quality
5. Protection of information
6. Clear, fact-based and open communication
7. Digitalization

1. Fair and respectful treatment of employees

Working conditions and social standards

The companies of the Südzucker Group are committed to acting responsibly and respecting human rights in both their own business operations and with regard to suppliers and service providers.

The Südzucker Group bases its business activities on the following international standards and guidelines:

- the Universal Declaration of Human Rights of the United Nations (UN)
- the United Nations Guiding Principles on Business and Human Rights (UNGPR)
- the Children's Rights and Business Principles (UNICEF, United Nations Global Compact)
- the Conventions and Recommendations of the International Labour Organisation (ILO) on Labour and Social Standards
- the OECD Guiding Principles for Multinational Companies

Remuneration

In the respective countries, suppliers of the Südzucker Group comply with applicable labour legislation. Everyone has the right to fair pay for their work that enables them to enjoy a decent standard of living. The remuneration paid to employees must satisfy all prevailing legislation governing wages and salaries, including provisions relating to minimum wages, overtime hours, legislatively defined incentives, working hours and paid annual leave. Wage deductions are only permitted if they are allowed and appropriate under the law. Suppliers shall make all statutory social security contributions or pay other statutory pension benefits.

Health & safety at work (H&SW)

Workplace safety is a matter of the highest priority for suppliers of the Südzucker Group. Suppliers provide safe and hygienic working conditions that comply with applicable statutory H&SW provisions. The aim of regular optimisation programmes is to take appropriate measures to prevent the risk of accidents and to improve working conditions. Every employee should know the applicable H&SW-related legislation, regulations and internal directives. Regular training courses are held on occupational and workplace health and safety. Furthermore, the organisation of the work of suppliers ensures that there are regular breaks from work to prevent any threat to the health and safety of their employees.

Child labour and forced labour

Suppliers of the Südzucker Group do not accept any form of child labour, nor any form of forced or mandatory labour. In accordance with ILO Conventions 138 and 182, the suppliers define child labour as work performed by minors that has a negative impact on their mental, social and health development and infringes on the fundamental rights of children to education, health, protection and participation. Forced labour is all types of work that people are forced to perform against their will under threat of punishment or other serious harm. Suppliers comply with all applicable national and international legislation, specifications and provisions and with applicable international standards.

Social dialogue, freedom of association and the right to collective negotiations

Suppliers respect the freedom of association and therefore the right of all employees to form and join local, national or international associations or organisations. Suppliers recognise the right of employees to engage in collective negotiations and respect the rights of trade unions. Employees and their representatives must not incur any personal or professional disadvantages through the exercise of these rights. This also includes the right of every employee of the Suppliers to take collective action (including the right to strike) in the event of conflicts of interest. Exercising this right shall only be subject to such restrictions as are prescribed by law and are necessary in a democratic society in the interests of national security or public order or to protect the rights and freedoms of others. The employees of Suppliers are informed on a regular basis by executive management and line management.

Diversity and the principle of equality of treatment

Suppliers of the Südzucker Group are committed to diversity and tolerance. The Suppliers do not tolerate any discriminatory actions and harassment in their company, for example on grounds of social or national origin, gender, ethnic origin, religion, age, illness or disability, sexual orientation, political conviction or other personal attributes. Every individual is entitled to receive fair and respectful treatment.

Compatibility of career and family life

The Südzucker Group is committed to finding an appropriate balance between the commercial interests of the company and the private interests of employees. Indeed, the satisfaction and motivation of employees substantially contributes to corporate success. The Südzucker Group expects its Suppliers to make the same efforts.

2. Responsible approach to the environment/sustainability

Suppliers are aware that their activities have an impact on the environment and the climate.

Suppliers take care at their locations and in the value chain to

- reduce the consumption of resources, including water, as well as the environmental and climate effects of their business activities
- use energy in a responsible manner
- continuously improve the energy efficiency of production processes

All the processes and activities that are used must meet or exceed the statutory and self-imposed requirements. Land use must be compatible with nature and landscape, and must take place within the established laws governing nature conservation, property rights and land use rights. Suppliers are committed to deforestation-free supply chains.

3. Maintaining integrity in business transactions

Competition law and anti-trust legislation

The Südzucker Group expects its Suppliers to act fairly and responsibly in the marketplace and to fully comply with prevailing competition law and anti-trust legislation. Suppliers do not take part in agreements or arrangements about competition or anti-trust with other companies that intend or may lead to a restriction or impediment to competition.

Bribery and corruption

Suppliers do not tolerate bribery or corruption. The business relationships of Suppliers should be based solely on objective criteria. These include quality, reliability and competitive prices as well as due observance of ecological and social standards as well as the principles of good company management. Suppliers undertake to ensure that the acceptance and granting of gifts, invitations and donations are made in accordance with their internal guidelines governing this area in terms of appropriateness, approvals, reporting channels and documentation. Suppliers also undertake to comply with relevant national anti-bribery and anti-corruption laws and regulations.

Conflicts of interest

The Südzucker Group expects the employees of its Suppliers to act exclusively in the interest of their company. Private or personal business interests shall always be kept separate from the business interests of the Suppliers in order to prevent any conflicts of interest. Also with personnel decisions or business relationships with third parties, it is only objective criteria that count.

Dealing with company property and with the property of business partners

The Südzucker Group expects Suppliers to protect the business assets of the Südzucker Group, including all tangible and intangible assets.

This also includes intellectual property as well as all processes, products and draft designs developed by employees of the Südzucker Group that are in use at the Südzucker Group.

Money-laundering and trade checks

The Südzucker Group does not tolerate any activity related to money-laundering. The identity of Suppliers, service providers, advisers and other third parties with whom the Südzucker Group maintains business relationships is carefully checked. This shall also apply in the event that the Südzucker Group initiates new business relationships.

Through due observance of national and international legislation, we ensure that business transacted with third parties does not violate trade provisions such as economic embargos, stipulations governing import and export controls or prevailing stipulations intended to prevent the financing of terrorism. The Südzucker Group expects its Suppliers to make the same efforts.

4. Production of safe products of high quality

Product quality and product safety

The Südzucker Group is aware of its responsibility as a manufacturer and provider of food, feed and biofuel. Suppliers ensure that they comply with all national, European and international regulations on quality and hygiene relevant to the food, feed and biofuel industries and to agriculture. This applies to the products as well as to the working and production processes, including those of associated supply chains.

5. Protection of information

Protection of information

Suppliers protect all company information of the Südzucker Group as well as information from and about the business partners of the Südzucker Group and such information is treated as confidential. Confidential information is one of the most valuable assets. Operational and business secrets must not be disclosed to third parties, and must never be placed in the public domain.

Data protection

The protection of informational self-determination and protection of the private sphere as well as the security of data processing are important matters to us. For this reason, Suppliers take all the necessary precautions to ensure that the collection, processing and use of personal data provided by the Südzucker Group is transparent, purpose-specific, verifiable, accurate and in compliance with the applicable legal provisions of data protection legislation. Suppliers commit to ensuring an appropriate standard in the security level of information-processing to ensure that the confidentiality, integrity and verifiability of information worthy of protection are assured and unauthorised usage is prevented.

Insider trading

Suppliers treat insider information as strictly confidential. Insider information comprises information of a precise nature, which has not been made public, relating directly or indirectly to issuers of financial instruments or financial instruments themselves (e. g. shares) and which, if made public, would be likely to have a significant effect on the prices of the financial instruments. Suppliers with access to insider information commit wholly and bindingly to observe a prohibition on the trading of financial instruments of the Südzucker Group. The passing of insider information to third parties or the expression of a recommendation to acquire or dispose of securities or other financial instruments of the Südzucker Group are prohibited. This prohibition applies until the information loses its property of being insider information.

6. Clear, fact-based and open communication

Internal and external communication

The Südzucker Group expects its Suppliers to place value on clear, fact-based and open communication. Suppliers maintain an objective and polite tone in their external presentation. Only the relevant departments are permitted to answer any enquiries to the Südzucker Group or that are connected with products of the Südzucker Group.

Financial reporting

The accounting and financial reporting of Suppliers is proper, correct, timely and transparent, and in accordance with relevant legal regulations and standards. Furthermore, within the framework of an internal monitoring system, key business processes must be documented to a commensurate extent. The complete and correct recording of invoicing-related information must be assured.

Relations with authorities

Suppliers strive to maintain an open and cooperative relationship with all the competent authorities. Information is provided in a complete, accurate, prompt and comprehensible manner. Suppliers also seek to maintain an open dialogue at municipal and local level in the regions in which the sites of the Südzucker Group are located.

7. Digitalization

Digitalization

Suppliers use the advantages and opportunities of digital and IT technology in a responsible manner to overcome the associated challenges and are committed to the digitalisation principles and corporate values of the Südzucker Group.

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