

# Supplier Code of Conduct



# SUPPLIER CODE OF CONDUCT

## PREAMBLE

As part of the Nordzucker Sustainability Strategy, we are committed to working in partnership with our suppliers to follow specific standards in respect of business integrity, people and society, as expressed in this Supplier Code of Conduct (“Code”)\*.

The Code is based on the Nordzucker Code of Conduct.

\* Reference in this Supplier Code of Conduct to Nordzucker should be understood as the Nordzucker Group, Nordzucker AG, and/or any of its subsidiaries.

## SCOPE

The purpose of this Supplier Code of Conduct is to ensure that suppliers to Nordzucker operate in accordance with internationally recognised minimum standards for conducting business. Nordzucker adheres to the principles of this Code and expects the same of its suppliers.

Commitment to the terms of this Supplier Code of Conduct is a condition of any agreement or contract between Nordzucker and a supplier.

The terms of this Code extend to all employees, regardless of their status or relationship with a supplier.

It is the responsibility of each supplier to ensure that its sub-suppliers do not violate the standards of this Code.

For agricultural suppliers to Nordzucker, additional principles such as environmental and agricultural practices apply. Agricultural suppliers are suppliers to Nordzucker whose products are based on processing of raw materials from agriculture. These additional principles can be found in Annex 1.

# BUSINESS INTEGRITY

## LEGAL COMPLIANCE

Nordzucker expects suppliers to conduct their business in accordance with all applicable laws and regulations, i.e. national as well as applicable international laws and regulations, including those relating to international trade (such as those relating to sanctions, export controls and reporting obligations), data protection and anti-trust/competition laws. Where a local law or other applicable standards (e.g. collective bargaining agreements) set higher standards than those set out in this Code, these take precedence and must be adhered to. If conflicts are detected between the provisions of this Code and national laws or other applicable standards, suppliers are expected to inform Nordzucker immediately.

## BRIBERY AND CORRUPTION

Suppliers must compete fairly for our business, without offering, giving or receiving bribes or improper payments, or participating in any kind of corrupt activity, either directly or through a third party.

## GIFTS AND HOSPITALITY

Suppliers must make sure that job-related gifts, meals or entertainment are reasonable and do not influence a business decision improperly or impair independence or judgment of the recipient. Specifically suppliers must not offer any Nordzucker employee gifts or entertainment or make donations on the behalf of or for the benefit of any Nordzucker employee, unless Nordzucker expressly permits this. Any meals given by a supplier to a Nordzucker employee must be of reasonable value and provided only in the course of the supplier's business with Nordzucker.

## CONFLICT OF INTEREST

Suppliers must disclose any situation that may appear to be a conflict of interest. Each supplier should also disclose if any Nordzucker employee or family member might have an interest in or any kind of economic tie with the supplier.

## COMPETITION

Suppliers must commit to competition based on price, quality and service and only seek competitive advantage through lawful means.

## COMMUNICATION AND REPORTING

Suppliers must communicate information relevant for Nordzucker in a timely and accurate way. Suppliers' financial and other reports and records must be complete and accurate and in accordance with legal requirements.

## CONFIDENTIAL INFORMATION

Suppliers must take appropriate steps to safeguard and maintain confidential and proprietary information and only use such information for purposes authorised by Nordzucker.

# PEOPLE

## DIVERSITY, FAIR TREATMENT AND LABOUR STANDARDS

We expect suppliers to treat everyone equally and embrace difference. We expect suppliers to respect labour standards and the freedom of organisation.

### **Discrimination and fair treatment**

Suppliers must not engage in or support discrimination in respect of race, colour, sex, language, religion, political or other opinion, caste, national or social origin, property, birth, union affiliation, sexual orientation, health status, family responsibilities, age, and disability or other distinguishing characteristics. Hiring, remuneration, benefits, training, advancement, discipline, termination, retirement or any other employment-related decisions shall be based on objective criteria.

### **Harassment**

We expect suppliers not to tolerate any kind of harassment or discrimination against any employee or work partner. Suppliers must protect employees from any acts of harassment, abuse or threats in the workplace, whether direct or indirect, physical or psychological, verbal or non-verbal, and whether committed by managers or fellow employees. This also applies when determining and implementing disciplinary measures.

### **Freedom of association and collective bargaining**

Suppliers must respect the right of employees to freedom of association and organisation and collective bargaining in accordance with applicable laws. Workers' representatives must not be subject to discrimination and must be given access to employees at the workplace. If trade unions are not allowed in the area of operation, or only state authorised organisations are allowed, then suppliers shall facilitate, and not prevent, alternative measures that allow employees to gather independently to discuss work-related matters and a forum to present work-related concerns to management.

### **Wages**

Suppliers must comply with legal minimum standards or industry benchmark standards concerning wages and benefits, whichever is higher. Wages should always be high enough to meet basic needs. Overtime shall be voluntary and remunerated at a premium rate. Wages shall be paid in legal tender and on a regular basis. Deductions from wages shall be transparent and must never be used as a disciplinary measure. All employees and other employment relationships shall be based on a legally binding contract. Suppliers shall not use employment arrangements in a way that deliberately does not correspond with the genuine purpose of the arrangement, including, but not limited to, using seasonality or contingency work to undermine workers' protection or denying them social benefits.

**Work hours and overtime**

Suppliers must ensure that their employees work in accordance with all applicable laws and mandatory industry standards pertaining to the number of hours and days worked. In the event of conflict between a statute and a mandatory industry standard, suppliers must give precedence to compliance with national law.

**HUMAN RIGHTS**

We expect suppliers to respect and protect human rights, not tolerate forced labour and be against child labour.

**Forced labour**

Suppliers must treat their employees with fairness, respect and dignity and not tolerate any form of forced labour, corporal punishment or other forms of physical coercion, including bonded labour, forced prison labour, slavery, servitude and human trafficking. Nordzucker is against any type of recruitment fees imposed on employees. We expect our suppliers to be against them as well and to actively work on removing recruitment fees imposed on employees.

**Child labour**

Suppliers must not engage in or benefit from the use of child labour. Child labour refers to work that is mentally, physically, socially or morally harmful to children or interferes with their schooling needs. A child is defined as being less than 15 years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age shall apply. If, however, local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO, the lower age applies. The chapter on Monitoring details the steps of any case where child labour is found.

**Young employees**

Young employees between the minimum age of employment and 18 years can be employed, provided there are adequate precautions to protect them. If date of birth documents are not available, the employee's age must be established using other appropriate and reliable methods.

Suppliers must ensure full compliance with local requirements for hiring young employees. Suppliers must conduct risk assessments to identify any hazardous work conditions for young employees. Suppliers must make sure that young employees are not working at night or overtime, or allowed to carry out any form of hazardous work.

## PRIVACY

We expect suppliers to respect and protect everyone's privacy and comply with data protection and privacy laws.

## HEALTH & SAFETY

We expect suppliers to prioritise the health and safety of every employee and work partner.

Suppliers must provide employees with a safe and healthy working environment and, where relevant, safe housing conditions. This should include but not be limited to protection from fire, accidents and toxic substances. Adequate health and safety policies and procedures must be established and followed.

Suppliers must provide employees with personal protective equipment and the necessary training to perform their tasks safely.

Suppliers must provide a suitable, clean and sanitary infrastructure, including access to toilets and potable water in accordance with the needs and number of employees. Accommodation, if provided, shall meet the same requirements.

# ROLE IN THE SOCIETY

## ENVIRONMENT

We expect suppliers to protect the environment and recognise their responsibility to improve their environmental performance continuously.

Suppliers must strive to minimise the adverse environmental impacts of their activities, products and services – including packaging – through a proactive approach and responsible management of environmental aspects, particularly in relation to water use, waste disposal, carbon dioxide and other emissions, energy use and biodiversity.

Energy and environmental performance is part of our procurement selection procedure.

Additional environmental principles for agricultural suppliers can be found in Annex 1.

## QUALITY, FOOD AND FEED SAFETY

We expect suppliers to follow high quality and product safety standards.

Suppliers must provide Nordzucker with high-quality products, ingredients and services that meet our specifications and comply with all applicable legislation.

Suppliers of raw materials, process aids, ingredients, direct contact packaging materials or products for direct consumption must demonstrate that they have robust food safety and quality management systems based on HACCP principles and have implemented a well-functioning traceability and recall system.

We expect suppliers to report any concerns about product safety to Nordzucker immediately.

## COMMUNITY

We expect suppliers to respect the community around them, demonstrate social responsibility and engage actively in local community issues.

We expect suppliers to recognize and safeguard the rights of communities and traditional peoples to maintain access to land and natural resources. We expect suppliers not to benefit from the violation of land rights of individuals and communities.

We expect suppliers to use the principle of free, prior and informed consent of the affected local communities, including indigenous people, in land acquisition cases.

# IMPLEMENTATION

We expect suppliers to develop, implement and document appropriate internal business practices to ensure awareness of and compliance with this Code. Suppliers are responsible for ensuring that their respective sub-suppliers comply with the terms and standards of this Code. This includes sub-suppliers classified as home-based workers or small farmers. Suppliers are responsible for educating their employees, agents and subcontractors accordingly.

## MONITORING

Nordzucker reserves the right to verify the compliance of individual suppliers with the Supplier Code through audits carried out by Nordzucker and/or a third party. Suppliers must agree to such audits, make employees and contract workers available for the audits and not discriminate or retaliate against employees for their comments to the auditors. If a supplier fails to comply with any aspect of this Code, the supplier is expected to implement corrective actions. In the event of material breaches of the terms of this Code, Nordzucker reserves the right to terminate any supplier agreement.

Should Nordzucker encounter any human rights violations during an audit, we will inquire into the matter, evaluate the case, set corrective actions and start an active engagement process with the supplier.

Nordzucker will terminate a supplier relation in any of the following cases: violations of fundamental human rights or something of similar severe nature, if done knowingly; if the supplier is unwilling to engage with Nordzucker on human rights issues, either by refusing to respond or by denying access; if the supplier shows no inclination or ability to improve even after Nordzucker has engaged with the supplier.

In cases where child labour is found, Nordzucker will initiate a remediation process for the child together with the supplier. The child shall be removed from the site immediately. We expect full cooperation from the supplier. During a remediation process, Nordzucker will not terminate the relationship with the supplier.

The remediation process should focus on providing education opportunities for the child and on providing other long-term stable means of income for the family of the child.

In case Nordzucker employees breach the terms of the Supplier Code of Conduct, it can be reported to the Nordzucker Ethics Committee by using the Speak Up-system on the Nordzucker webpage.

# ANNEX 1

The principles in the annex are additional requirements on agricultural and environmental practices for Nordzucker's agricultural suppliers.

## AGRICULTURAL PRACTICES

Nordzucker supports sustainable agriculture practices that enable growers to improve product value by maximizing the desired outputs of an agricultural system and reducing waste while minimizing the required inputs and avoiding any negative impacts to the farm and surrounding lands.

### **Harvest and Postharvest Handling**

We expect agricultural suppliers to manage harvest and postharvest processes effectively to minimize losses and ensure the quality and safety of agricultural products. We expect agricultural suppliers to report any concerns about the quality or safety of their produce or products to Nordzucker immediately.

### **Growing Conditions and Reproductive Material**

We expect agricultural suppliers to ensure that crops are suited to local growing conditions (climate, water availability, pest pressure, etc.) to help ensure sustainable harvests over time. We expect agricultural suppliers to choose reproductive material of good quality from well-reputed producers.

### **Management Practices and Commercial Relationships**

We expect agricultural suppliers to comply with all relevant legal and regulatory requirements and to secure, where relevant, a management system that provides stability for effective forward planning.

### **Quality and Safety**

Agricultural suppliers of raw materials or products for direct consumption must demonstrate that they have robust food safety and quality management systems based on HACCP principles and have implemented a well-functioning traceability and recall system.

## ENVIRONMENT

We expect agricultural suppliers to protect the environment and recognize their responsibility to improve their environmental performance continuously.

### **Water Management**

We expect agricultural suppliers to ensure the long-term sustainability of water resources by maximizing water use efficiency and minimizing water quality impacts from wastewater discharges and runoff. We expect agricultural suppliers to minimize potable water consumption, when possible.

### **Energy and Climate**

We expect agricultural suppliers to maximize energy use efficiency and minimize greenhouse gas emissions from production and agricultural activities. We expect agricultural suppliers to use renewable energy, when feasible.

### **Biodiversity**

We expect agricultural suppliers to promote biodiversity through the conservation of natural flora and fauna and the maintenance of important ecosystems including natural pest and disease controls, pollination, and freshwater flows. We expect agricultural suppliers not to engage in deforestation of primary forest or illegal harvesting.

Energy and environmental performance is part of our procurement selection procedure.