

## Nordzucker's Sustainable Procurement Policy

### Our Commitment to Responsible Procurement

Nordzucker is committed to understand and manage the social and environmental impacts across all our business activities, including procurement. We continuously strive to integrate sustainability issues into our purchasing activities in order to safeguard human rights and reduce the impact on the environment. The objective of this Policy is to support Nordzucker's commitment to sustainability by adopting and maintaining sustainable procurement practices throughout the supply chain.

This Sustainable Procurement Policy is aligned with the UN Guiding Principles for Business and Human Rights, the Universal Declaration on Human Rights and the ILO fundamental conventions, as well as Nordzucker's Code of Conduct, Supplier Code of Conduct and Human Rights Policy. The Sustainable Procurement Policy applies to all employees of Nordzucker Group in Europe, and specifically those working in the Procurement function.

In line with our values and sustainability goals, Nordzucker commits to:

- Consider social and environmental factors in the buying decisions.
- Respect human rights in all the company's production, sourcing, and financial investments, aligned with Nordzucker's Human Rights Policy, Nordzucker's Supplier Code of Conduct and International Human Rights Conventions.
- Undertake due diligence on an ongoing basis to ensure that sourced products and services are not in violation of any human rights and labour rights, in line with our Human Rights Policy.
- Purchase products and services that are in line with Nordzucker's Supplier Code of Conduct. In this respect, Nordzucker does not tolerate any cases of
  - child labour;
  - forced or compulsory labour (modern slavery);
  - no freedom of association and collective bargaining;
  - discrimination;
  - abusive practices or undue disciplinary procedures;
  - exploitative working conditions;
  - unsafe and hazardous workplaces;
  - wages below the living standard;
  - and unethical business practice.
- Purchase products that did not cause or contribute to deforestation or water scarcity.
- Procure all raw materials, such as cane sugar, responsibly.
- Protect biodiversity and land-rights of local communities across the supply chain, in line with our Human Rights Policy.

- Ensure that our procurement minimises its contribution to climate change and strives to decrease our Scope 3 emissions, in line with our Energy and Environmental Policy.
- Support suppliers to minimise the adverse environmental impacts of their activities, products and services, including packaging. Specifically, suppliers are encouraged to improve their environmental performance in relation to water use, waste disposal, air emissions and energy use.
- Eliminate unnecessary packaging and maximising recyclability of the packaging we source, taking into account life cycle costs. We are committed to the principles of avoiding, reducing, reusing and recycling, and consider sustainability during procurement of packaging, as stipulated in our Sustainable Packaging Policy.
- Engage suppliers on sustainability matters, supporting capacity building and adoption of sustainability practices across the supply chain.
- Improve transparency, including period reporting on KPIs and targets.
- Review and improve our purchasing practices, including providing periodical training of Nordzucker's buyers on Sustainable Procurement continuously.

## Implementation of the Sustainable Procurement Policy

Nordzucker recognises that improving on Sustainable Procurement is an ongoing process and that all our suppliers play an essential part in this. Therefore, to integrate environmental and social considerations into our procurement policies and practices, we will continue to enhance our purchasing processes and the engagement with our suppliers.

To implement and demonstrate progress towards our sustainable procurement commitments, Nordzucker undertakes the following actions:

### **Procurement**

We continuously review each stage of the procurement process to identify if, and how, sustainability considerations are included. All Nordzucker's buyers undergo periodic training on Sustainable Procurement to be able to identify and prioritise the purchase of the most socially and environmentally responsible products and services that meet the performance requirements for the intended purpose. If relevant, sustainability criteria are included in the contract process, and all our contracting activities are conducted fairly and ethically in accordance with our Code of Conduct and applicable laws. We require suppliers to comply with our minimum requirements stipulated in the Supplier Code of Conduct, which serves as the basis for how we conduct our business and fulfil the commitments stated in this Policy.

### **Human Rights Due Diligence and Supplier Assessment**

We proactively monitor our supply chain for potential risks to prevent any negative impact on the environment and the people. We prioritise focus on those products and services that we have identified as areas with the highest social and environmental risks and opportunities. Procurement and Sustainability function collaboratively assess those suppliers considered

high- or medium-risk through supplier self-assessment questionnaires and desk-based and on-site audits. Moreover, all our new suppliers are evaluated based on sustainability criteria.

If procured products and services are found to be in non-compliance with our Supplier Code of Conduct, and which have negative social and environmental consequences, we will act according to our engagement principles stipulated in our Code of Conduct and Human Rights Policy. Any breaches to this Sustainable Procurement Policy, in the scope of Nordzucker's business activities and supply chains, should be reported immediately either to the Sustainability or Procurement function or via the web-reporting tool [SpeakUp](#), Nordzucker's grievance mechanism.

### **Supplier engagement**

We focus on engaging with suppliers based in the high risk locations or industries identified through the risk assessment. We prioritise engagement with suppliers that pose the highest risks and most significant opportunity for improvement, such as those suppliers who account for high spend, and where we have leverage. Through ongoing assessment of sustainability performance and close collaborating with these suppliers through the Supplier Sustainability Engagement Program, we encourage better sustainability practice in their productions and supply chains. Where relevant, we help build the capacity to address any gaps.

### **Monitoring and reporting**

We will measure and report our progress towards our Sustainable Procurement commitments and relevant KPIs in the Nordzucker's annual report. We will continuously evaluate the commitments to meet legal requirements and stakeholders' expectations and ensure the highest sustainable procurement practices and responsible supply chains

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