

Supplier Code of Conduct



Supplier Code of Conduct

According to the four Nordzucker¹ values (responsibility, dedication, courage, appreciation) and as part of our Sustainability Strategy, we are committed to continuously optimize the sustainability of our business activities and our products. Including collaboration with our suppliers for enhanced sustainable sourcing and asking them to contribute to this effort by implementing sustainable practices in their business activities and document them. This entails to follow applicable laws including the German Act on Corporate Due Diligence Obligations in the Supply Chain² and specific internationally recognized standards protecting the environment and in respect of business integrity, people, society, and the specific communities affected by our operations as expressed in this Supplier Code of Conduct (hereinafter referred to as “Code”) e.g.: Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, OECD Guidelines for the Multinational Enterprises, and Core Conventions of the International Labour Organization (ILO).³

Nordzucker stands for ethical as well as legally compliant behaviour and adheres to the principles of this Code and expects the same of our business partners. This Code aligns with the Nordzucker Code of Conduct that can be found **here**.

¹ Reference to Nordzucker in this Code should be understood as the Nordzucker Group, i.e., Nordzucker AG and its subsidiaries.

² Lieferkettensorgfaltspflichtengesetz

³ See list at the end of the document.

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**Nordzucker is
committed to
business ethics
and integrity**



› Nordzucker does not receive or give bribes

Nordzucker does not tolerate any form of corruption. Suppliers must compete fairly for our business and must not, directly, or indirectly, engage in any act of corruption. This includes, for example, offering, giving, requesting, or accepting advantages of any kind or anything of value, if it influences a decision-making process in an inadmissible way.

Benefits in the business environment such as gifts or hospitality must comply with social customs acceptable to Nordzucker and must be transparent. They must never lead to an inadmissible influence of a business decision or create such an appearance.

› Avoid conflicts of interest

Suppliers must avoid all conflicts of interest and disclose to Nordzucker any situation that may appear to be a conflict of interest, e.g., close relationships with a Nordzucker employee with decision-making authority (such as a spouse, sibling, parent, life partner, close relative, or other close relationships).

› Act fairly in competition

Nordzucker is committed to the rules of the market economy and freedom of competition and expects its suppliers to conduct their business by complying with all applicable anti-trust laws. Suppliers shall neither be involved in anti-competitive agreements with competitors in violation of antitrust law, nor shall they abuse a market position that may potentially be considered dominant or take part in any other anticompetitive practices. Suppliers shall employ fair business practices including accurate and truthful promotion.

› Protect trade secrets and personal data

Suppliers must take appropriate steps to safeguard and maintain Nordzucker's confidential and proprietary information. Suppliers must not disclose Nordzucker's confidential and proprietary information to others and shall only use such information for purposes authorised by Nordzucker.

Suppliers must treat personal data in full compliance with the relevant data protection regulations.

› Do not tolerate money laundering

Nordzucker does not tolerate any activities connected with money laundering. Nordzucker only conducts business with suppliers that comply with the relevant laws and obtain money from legal sources.

Money laundering means that the origin of illegally obtained money, e.g., from terrorism, drug trafficking, organized crime, or other criminal offenses, is disguised by smuggling it into the legal economic cycle, thereby creating the appearance of legality.

› Comply with trade control and tax regulations

Nordzucker expects its suppliers to comply with all relevant trade control regulations. The suppliers shall refrain from delivering goods or services to countries, persons, or organisations subject to an embargo.

Nordzucker expects its suppliers to meet all tax obligations in full, and not participate in or facilitate unlawful tax evasion.

Focussing on people



› Nordzucker does not accept 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, human and drug trafficking, torture, and prostitution. Nordzucker does not accept any type of recruitment fees imposed on employees. Nordzucker expects its suppliers to be against them as well and to actively work on removing recruitment fees imposed on employees.

Suppliers shall only employ persons who have made themselves available for work voluntarily. The supplier must grant its employees the right to terminate their employment contract in accordance with the contractually agreed or statutory termination period. Further, suppliers must not withhold identification documents of their employees.

› Nordzucker does not accept child labour

Suppliers must not engage in or benefit from the use of child labour in any form. Child labour is defined by work performed by a child, which interferes with compulsory schooling of the child. 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.

See section on “Violation of the Code” for detailed remediation steps when child labour is found.

› Young employees

If suppliers employ young employees (e.g., apprentices), defined as youth between the minimum age of employment and 18 years, they must not do work that is mentally, physically, socially, or morally dangerous or harmful or interferes with their schooling by depriving them of the opportunity to attend school.

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 make sure that young employees are not working at night or over- time or allowed to carry out any form of hazardous work.

› Respecting the rights of migrant workers

Where a supplier benefits from and/or makes use of migrant workers in its own operations or supply chain, the supplier shall use best efforts to ensure that such migrant workers are afforded the level of protection of their human rights substantially equivalent to those afforded to the other workers and/or employees in its operations or at the supplier’s operations under the obligations of this Code. Including that migrant workers are provided with employment contracts and treatment equal to those of their co-workers and employees.

Suppliers must be fair employers

Freedom of association, right to strike and to collective bargaining

Nordzucker expects from its suppliers to respect and protect the right of their employees to form representative bodies and associations. This includes the right to strike and bargain collectively in accordance with applicable laws. Neither organised employees, nor their representatives must be subject to discrimination or retaliation for exercising these rights. Employees' representatives must be given access to those they represent at the workplace. If trade unions are not allowed, 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 provide a forum to present work-related concerns to management.

Wages

Wages shall comply with legal minimum standards or industry benchmark standards concerning wages and benefits, whichever is higher. In addition, wages shall always be high enough to meet basic needs (basic living wage). Overtime shall be voluntary and remunerated at a premium rate and compensated by adequate recreational time. Wages shall be paid in full in legal tender, on a regular basis and on time. Deductions from wages are only permitted under the conditions set forth in the applicable laws and shall be transparent. Wage deductions must never be used as a disciplinary measure. Nor must wage deductions be to an extent where it might compromise a basic living wage. 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 employees' protection, or denying them social benefits.

Work hours and overtime

Suppliers must ensure that their employees work in accordance with national laws, collective agreements, and the provisions of ETI Base Code:

- Work hours, excluding overtime, shall be defined by the employment contract, and shall not exceed 48 hours per week.
- All overtime shall be voluntary. Overtime shall be used responsibly, considering all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125 per cent of the regular rate of pay.
- The total hours worked in any 7-day period shall not exceed 60 hours, except in exceptional circumstances where all the following are met:
 - this is allowed by national law;
 - this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
 - appropriate safeguards are taken to protect the workers' health and safety;
 - the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents, or emergencies.
- Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

Nordzucker Stands for Diversity

› Equal and fair treatment of a diverse workforce

Suppliers assure integration and promote a culture of diversity. Suppliers shall secure equal treatment of all employees in the employment and at the workplace. Suppliers must not engage in or support discrimination in respect of for example: ethnical or national background, religion or ideology, political views, trade union involvement, social class, gender and sexual orientation, age, disability, physical appearance, and illness. Hiring, remuneration, benefits, training, advancement, discipline, termination, retirement, or any other employment-related decisions shall be based on objective criteria and shall be transparent. Equal treatment shall particularly include payment of equal remuneration for work of equal value.

› Harassment

Nordzucker expects its suppliers to not tolerate but protect all employees or work partners from any kind or act of harassment, bullying, mobbing, intimidation, abuse, threat – 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.

Nordzucker wants your employees to stay safe and healthy

› Occupational safety and health

Nordzucker expects its suppliers to prioritise the safety and health of every employee and work partner, minimum according to applicable law in the place of employment.

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 safety and health policies and procedures must be established and followed.

Suppliers must provide employees with personal protective equipment, and measures to avoid exposure to chemical, physical, biological agents and prevent excessive physical and mental fatigue. Suppliers must assure that necessary training is provided to the employees to perform their tasks safely.

Suppliers must provide a suitable, clean and at least two gender segregated 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.

› Hazardous materials

Suppliers shall have programs in place to prevent or mitigate unintended releases of chemicals associated with operations and processes. Suppliers shall regularly conduct specific risk assessments for hazardous installations and implement measures that prevent incidents such as chemical releases, fires, or explosions. Suppliers shall provide safety information to their employees for all hazardous materials including chemical and pharmaceutical substances.

› Training and emergency management

Suppliers shall conduct risk assessments, train, and instruct their employees on how to contribute to a healthy and safe working environment. Suppliers shall identify and evaluate emergencies and minimize their impact by implementing adequate emergency plans and emergency equipment.

› Use of security personnel

Suppliers who make use of security personnel to protect their business activities must ensure that their security personnel respect the human rights and labour rights set forth in this Code.

Nordzucker protects the environment and climate



› Environment and related human rights

Nordzucker expects its 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 through a proactive approach and responsible management of environmental aspects, particularly in relation to soil, water use, waste management and disposal, emissions to air including greenhouse gases, noise, energy use and biodiversity. The natural foundation of life must be preserved and safeguarded. Care must be taken within the scope of all business activities to avoid any adverse effects that would result in:

- An impairment of the natural basis for the preservation and production of food,
- A person being denied access to safe drinking water,
- A person having difficulty to access health and sanitary facilities, or the destruction of such facilities, or
- Direct damage to the health of a person.

› Climate and emissions

Nordzucker expects suppliers to continuously work towards decreasing their greenhouse gas emissions of their operations and supply chain for example, by increasing energy efficiency or by generating or procuring energy from renewable resources. Nordzucker also expects that they invest towards decreasing other relevant emissions such as sulphur, nitrogen oxides and dust according to regulatory requirements. Suppliers are encouraged to establish

systems to measure or quantify their emissions in compliance with internationally recognised standards such as the GHG Protocol and the ISO 14064. The suppliers should be transparent about their emissions, especially greenhouse gases, and set ambitious carbon reductions targets. In this regard, Nordzucker aligns with the principles and objectives of the Science Based Targets and encourage its suppliers to also join the initiative.

› Energy

Energy and environmental performance are part of our procurement selection procedure and thus Nordzucker expects the same from its suppliers. Further, Nordzucker expects its suppliers to maximize energy use efficiency on their operations and pursue the adoption of renewable energy sources. Similarly, Nordzucker expects that its suppliers pursue the purchase of energy and electricity from renewable sources, not including nuclear.

› Natural resources

Suppliers are expected to reduce to a minimum their usage of natural resources and apply the principles of a circular economy. Emissions and activities that could potentially damage the soil shall be decreased as much as feasible. Suppliers are to minimize the withdrawal of water, especially in regions where water is scarce, by striving to improve their water use efficiency. Nordzucker recommends its suppliers to evaluate the water-related risks and opportunities to the operations using e.g., the Aqueduct tool of World Resources Institute. Wastewater emissions should be reduced to a minimum and the quality standards of it shall be defined and monitored within the scope and structure of applicable statutory and regulatory requirements.

› Materials, waste management, and chemicals

Nordzucker expects its suppliers to reduce material input. Materials are to be reused whenever possible. In dealing with waste, our suppliers follow the principle of first avoiding waste, then recycling, and finally disposing of it as a last resort.

Use of chemicals, pesticides and chemical feedstocks, and other material that constitutes a hazard to humans or the environment shall be identified, evaluated, labelled, and managed with care to ensure safe handling, relocation, storage, use, recycling, or reuse and removal. The use of such material shall be minimised. The production, use, handling, collection, storage, and disposal of Persistent Organic Pollutants (POPs) and mercury, mercury compounds and mercury waste occurs in line with the Stockholm and Minamata Conventions. Suppliers respect international prohibitions on the import and export of hazardous wastes and refrain from using third parties to illegally import or export hazardous wastes.

At the minimum, our suppliers shall comply with applicable statutory provisions and authorities' requirements for waste management and chemicals.

› Biodiversity

Promoting biodiversity is an integral part of our sustainable sourcing strategy and Nordzucker expects its suppliers to promote biodiversity in their own operations and in their supply chain through the conservation of natural flora and fauna and the maintenance of important ecosystems including natural pest and disease controls, pollination, and freshwater flows.

› Sustainable agriculture

Nordzucker recognizes its reliance on agricultural raw materials, but it is also aware of the impact that farming has on the environment. Therefore, Nordzucker expects that its agricultural suppliers adopt practices to increase the sustainability of their production system. Agricultural suppliers are encouraged to implement practices based on the principles regenerative agriculture, such as protecting the soil from erosion and reducing soil disturbances, maintain biodiversity by reducing pesticide applications and adopting an integrated pest management system, and optimizing the usage of fertilizers to avoid pollution of water bodies and air.

› Animal welfare in balance with nature

Suppliers with animal husbandry are expected to ensure that animals are treated humanely and in compliance with the applicable national laws and recommendations for animal protection and welfare.

› Deforestation

Nordzucker expects its suppliers not to engage in deforestation or forest degradation of primary forest or illegal harvesting. Suppliers are not allowed to source products from deforested areas within the meaning of Regulation (EU) 2023/1115. Nordzucker expects its suppliers to be able to document the origin of their raw materials.

**Nordzucker
is part of
the whole**



› Quality, food and feed safety

Nordzucker expects its 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 legislations.

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.

Suppliers must report any concerns about product safety to Nordzucker immediately.

› Community

Nordzucker expects its suppliers to respect the community around them, demonstrate social responsibility and engage actively in local community issues.

Nordzucker expects its suppliers to recognize and safeguard the rights of communities and indigenous people to maintain access to land, water and natural resources. We expect suppliers not to cause or contribute or benefit from violation of such rights of individuals and communities.

Nordzucker expects its suppliers to use the principle of free, prior, and informed consent of the affected communities, including indigenous people, in land acquisition cases. Nordzucker rejects the unlawful eviction and the unlawful taking of land, forests, and waters, especially when they secure the livelihood of persons or communities.

Commitments, improvements and management systems



› Application to suppliers and their own supply chain

Suppliers shall ensure that their own suppliers and business partners (e.g., retailers, distributors, and agents) comply with all provisions set forth in this Code. In particular, suppliers shall monitor, assess, address and document risks to the principles set forth in this Code in their supply chains in an appropriate manner.

› Legal and other requirements

Suppliers shall conduct their business in accordance with applicable national as well as international laws and regulations. Where a national or international law or other applicable standards (e.g., collective bargaining agreements) set higher standards than those set forth in this Code, these take precedence and must be adhered to.

Suppliers must obtain, maintain, and keep up to date all applicable permits, certificates, licenses, and registrations.

› Training and competency

Suppliers shall inform all employees about the principles of this Code and secure that the information is understood. If needed, the information could take form of a training. If the Supplier has its own Code of Conduct, and it contains provisions which are substantially similar to those of this Code, it shall be sufficient for the supplier to inform/train its employees of the provisions of its own Code of Conduct. Information/training shall be repeated periodically. In single cases and after consultation with our suppliers, we will provide appropriate training.

› Continuous improvement

Nordzucker expects its suppliers to continuously improve the implementation of the principles of this Code by setting performance targets, executing appropriate implementation plans and taking necessary and appropriate corrective actions for deficiencies identified by internal or external assessments and audits.

› Documentation

Suppliers shall maintain documentation necessary to demonstrate compliance with this Code or as applicable, their own Code of Conduct if it includes provisions which are substantially similar than those of this Code, as well as applicable laws and regulations. Upon request, suppliers shall provide Nordzucker with such documentation.

› Reporting of breaches of this code and duty of cooperation

Suppliers shall report any breach of the principles of this Code caused by the supplier or their own suppliers that has an influence on the business with Nordzucker to Nordzucker without undue delay. Suppliers shall provide a written report of breaches upon Nordzucker's request. The report must include a detailed description of the breach, and the actual or potential consequences of the breach (e.g., regulatory action).

› Monitoring and compliance

Suppliers must answer any self-assessment questionnaire which will be provided by Nordzucker within the time frame agreed with Nordzucker. Further, in case of identified risks or violations with respect to the principles of this code, Nordzucker reserves the right to verify the compliance of individual suppliers with this Code through audits conducted by Nordzucker and / or a third party, at the respective supplier's premises and operating facilities. Suppliers must agree to such audits, make employees available for the audits and not discriminate or retaliate against employees for their comments to the auditors. When conducting an audit, Nordzucker will adhere to applicable data protection, confidentiality, and antitrust law requirements. In case of reasonable concerns on the disclosure of business or trade secrets, suppliers may request that the audit is conducted by a third party.

› Violation of the code

Should Nordzucker become aware that the supplier has caused a violation, or an imminent risk of violation of this Code, Nordzucker will inquire into the matter, evaluate the case, set appropriate corrective actions and start an active engagement process with the supplier, who must immediately take measures to end the violation and eliminate the risk.

In cases of child labour, Nordzucker will initiate a remediation process for the child together with the supplier and expect full and timely cooperation from the supplier. The work of the child shall be terminated with immediate effect. The remediation process shall focus on providing adequate support to secure the

safety, health and development of the child and enable such child to attend and complete compulsory education and on providing other long-term stable means of income for the family of the child.

In case of any violation of this Code, the supplier shall direct its responsible employees to participate in any training and further education offered by Nordzucker (or equivalent training arranged by the supplier itself).

› Grievance procedure and whistleblower system

Suppliers shall have a grievance mechanism or respective complaints procedure in place. The grievance mechanism or complaints procedure also needs to be made available and actively communicated to relevant external stakeholders.

Suppliers shall encourage its employees to report any suspected violation of this Code. Such violations can also be reported to the supplier's contact person at Nordzucker or via Nordzucker's electronic whistle-blower system **SpeakUp** (web application and telephone hotline) – also anonymously. Suppliers shall inform their employees and their own suppliers about this grievance procedure and use their best efforts to instruct their suppliers to inform their employees hereof.

Suppliers guarantee that employees filing reports will not be subject to reprisals or disciplinary action of any kind.

› Termination

Nordzucker has the right to terminate any existing contract with the respective supplier for good cause with immediate effect, in particular if:

1. the supplier has caused a material breach of this Code; or
2. the supplier is unwilling to engage with Nordzucker on breaches of this Code, for instance either by refusing to respond or by denying access to the supplier's premises or operating facilities; or
3. the supplier shows no inclination or ability to minimize the risk and / or end the actual violation of the obligations set forth in this Code to a degree that is acceptable within the time frame agreed with Nordzucker even after Nordzucker has engaged with the supplier.

In the event of a breach of this Code by the supplier, the respective supplier shall be liable for damages if and to the extent that the supplier is responsible for such breach.

› List of conventions, declaration and guidelines

- Universal Declaration of Human Rights
- The United Nations Convention on the Rights of the Child
- The United Nations Convention on the Elimination of All Forms of Discrimination Against Women
- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for the Multinational Enterprises
- ILO Convention 1 (Hours of Work – Industry) and Recommendation, ILO Convention 30 (Hours of Work - Commerce and Offices) and 116 (Reduction of Hours of Work)
- ILO Conventions 29 (Forced Labour) and 105 (Abolition of Forced Labour) & Recommendation 35 (Forced and Bonded Labour)
- ILO Convention 87 (Freedom of Association)
- ILO Convention 98 (Right to Organise and Collective Bargaining)
- ILO Conventions 100 and 111 & Recommendations 90 and 111 (Equal Remuneration for male and female workers for work of equal value; Discrimination in employment and occupation)
- ILO Convention 131 (Minimum Wage Fixing)
- ILO Convention 135 (Workers' Representatives)
- ILO Convention 138 and Recommendation 146 (Minimum Age)
- ILO Convention 155 and Recommendation 164 (Occupational Safety and Health)
- ILO Convention 159 (Vocational Rehabilitation and Employment – Disabled Persons)
- ILO Convention 181 (Private Employment Agencies)
- ILO Convention 182 (Worst Forms of Child Labour)

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