Policy Statement on the Human Rights Strategy of Nordzucker

Introduction

This is Policy Statement on the Human Rights Strategy of Nordzucker[1] (in the following "Policy Statement")

Nordzucker's Commitment

Nordzucker is committed to upholding internationally recognized human rights standards in its own business areas and along its value chain, as stipulated in the Nordzucker Human rights Policy. Similarly, in environmental protection, Nordzucker commits to compliance with both national laws, which may exceed international agreements, and the foundational international environmental protection regulations. Violations of these human rights standards and environmental protection regulations, whether at the international or national level, won't be tolerated.

Nordzucker's commitment is based on, as a minimum (see the full list in Annex 1):

- The International Bill of Rights, consisting of the Universal Declaration of Human Rights; the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social, and Cultural Rights
- ILO Declaration on Fundamental Principles and Rights at Work, including the ten ILO core conventions,
- UN Framework Convention on Climate Change, the Paris Agreement, the Convention on Biological Diversity; the Minamata Convention on Mercury, the Stockholm Convention on Persistent Organic Pollutants, and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal

Nordzucker's full commitment to respect human rights and the protection of the environment includes the human rights and environmental obligations of the German LkSG.

[1] Reference to Nordzucker should be understood as the Nordzucker Group, i.e., Nordzucker AG and its consolidated subsidiaries.

Nordzucker's due diligence is based on the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. This Policy Statement is further supplemented by other Nordzucker documents such as the Human Rights Policy, Code of Conduct, Supplier Code of Conduct, Sustainable Procurement Policy, Safety and Health Policy; Energy and Environmental Policy, and Sustainable Packaging Policy. Nordzucker is also a participant in the United Nations Global Compact.

In case the above list of international conventions, declarations and guidelines states a higher standard than applicable laws, Nordzucker will act by the higher standard.

The principles of this Policy Statement apply to all Nordzucker's business activities, and must be observed by the management and all employees in the performance of the tasks assigned to them. Nordzucker further expects all employees to comply with the above-mentioned guidelines, and obligations, and, as described in the Code of Conduct, in particular, to comply with:

- The prohibition of discrimination and respect for the principle of diversity, equal opportunities, and equal treatment
- The right to form representative bodies and associations and to participate in collective bargaining regarding working conditions and wages
- The right of freedom of expression and the protection of personal rights and privacy
- High safety and health standards
- Principles for climate mitigation and adaptation, preservation of natural, and promotion of biodiversity

Respect for human rights and protection of the environment throughout the supply chain

Nordzucker is committed to understand and manage the social and environmental impacts across all our business activities, including procurement. Nordzucker continuously strives to integrate sustainability into its procuring activities to respect human rights and reduce the impact on the environment.

Nordzucker takes appropriate and effective measures to identify and assess human rights and environmental risks within its business areas and in its supply chain to prevent risks or cease existing violations. If an imminent risk of violation or an actual violation of human rights or environmental obligation has been identified, a tailored remediation process will be initiated in which individual measures are taken to prevent or end a violation or minimise its consequences.

All actions taken in the context of Nordzucker's human rights and environmental responsibilities follow the principle of "*empowerment before disengagement*": Nordzucker is committed to supporting its suppliers in preventing and ending human rights or environmental violations before it terminates the business relationship. As a means of last resort.

Expectations towards suppliers

Nordzucker expects all suppliers to comply with human rights and environmental obligations as stated in the Nordzucker Supplier Code of Conduct (link) and referenced list of international conventions, declarations, and guidelines. It is the basic prerequisite for cooperation with Nordzucker and part of Nordzucker's contractual agreements.

Particularly, Nordzucker expects its suppliers to comply with the following:

- Respect labour standards, including discrimination and fair treatment; freedom from harassment; freedom of association and collective bargaining, fair wages and working hours.
- Prohibition of forced labor and child labor as well as standards for young employees.
- High health and safety standards.
- Respect the right to privacy.
- Protect the environment and recognise their responsibility to improve their environmental performance continuously.
- Follow high quality and product safety standards.
- Respect the community around them, including their access to land and natural resources; not to benefit from the violation of land rights; and use the principle of free, prior, and informed consent of the affected local communities, including indigenous people, in land acquisition cases.

Risk Management

To ensure compliance with legal requirements, including the LkSG, and its human rights and environmental policies, Nordzucker implements various due diligence obligations to its own business area as well as to direct and – in case of substantiated knowledge of human rights or environmental violations - indirect suppliers. Nordzucker expects its suppliers to also implement due diligence and to pass on the commitment to implement human rights and environmental due diligence in their supply chain.

The due diligence obligations are part of Nordzucker's risk management system. Integration of due diligence horizontally and vertically into all relevant business processes enables Nordzucker to identify risks, and that preventive and remedial measures are implemented in a targeted manner.

The risk management system provides procedures for implementing the due diligence obligations and defines areas of responsibility, competencies, and reporting.

The horizontal integration entails that all relevant procuring functions are involved in the implementation steps. Operationally, the implementation of the due diligence obligations is driven by the Sustainability Department in collaboration with the procuring functions. The sustainability department coordinates the due diligence obligations, sets priorities, and leads the efforts of Nordzucker to protect human rights and environmental obligations. The responsibilities and implementation processes are consolidated in a specific guideline that is always available to all departments and employees.

The vertical integration of due diligence obligations is achieved by defining supervisory and coordination responsibilities at the level of the Executive Board of Nordzucker AG. The overall responsibility for the implementation of human rights and environmental due diligence obligations lies with the Executive Board of Nordzucker AG.

Nordzucker has appointed a Human Rights Officer who monitors the risk management for Nordzucker's own business area and the supply chain and carries out regular effectiveness reviews. The Human Rights Officer reports annually to the Executive Board of Nordzucker AG.

Identification, weighing and prioritising risks.

Nordzucker carries out a comprehensive risk analysis regarding compliance with human rights and environmental obligations covered by its commitment and LkSG within its own business area and regarding its direct suppliers. The process includes identifying, verifying, weighing, and prioritising risks. In doing so, Nordzucker relies on both internal and external expertise, and the complexity and scope of Nordzucker's international supply chain require the use of technical solutions that support Nordzucker in the process.

Nordzucker's risk analysis tool enables it to determine the individual risks of each supplier. Based on the general supplier information - in a particular country of origin and industrial category - an abstract risk analysis is carried out based on a significant number of recognised indices and studies by external experts. The risk analysis does

not only consider the supplier's country of origin and industrial category but also a wide range of other data to narrow down, localise and identify risks at an early stage. Nordzucker further checks direct suppliers for specific human rights or environmental risks based on supplier questionnaires, an AI-driven media analysis tool, verified certifications, of Nordzucker's own findings from audits or business processes and findings communicated through the complaints procedure.

Subsequently, Nordzucker weights and prioritises risks by comparing their typically expected severity with the probability of occurrence. Nordzucker also takes into account own experiences and knowledge about its suppliers, own potential contributions to the infringement, and the degree of Nordzucker's influence to prioritise risks and take targeted measures if a risk has been identified. Nordzucker uses a risk matrix to identify the need for action and initiates preventive measures and remedial actions where necessary.

Preventive measures

An identified risk in Nordzucker's own business area or concerning its direct suppliers and in case of substantive knowledge of possible human rights and environmental standard violations also indirect suppliers is addressed through appropriate and effective preventive measures. Preventive measures are an integrated part of Nordzucker's risk management system. The management system ensures the implementation of preventive measures and compliance with Nordzucker policies, including this Policy Statement. Measures to minimise risks may include, for example, supplier audits, participation in industry initiatives, development of own standards, implementation of funding projects, and search for alternative sources of supply.

Nordzucker is SMETA audited in Europe and thus carries out regular third party audits of its European sites of operation. Including ad-hoc follow up audits if needed to secure adherence to the ETI Base Code. This contributes to continuous risk management and good business practice in its operations.

Nordzucker's Supplier Code of Conduct clearly and comprehensibly summarises the expectations towards direct suppliers and the rights of their employees. Nordzucker requires suppliers to pass on its human rights and environmental expectations in their supply chain and to continuously monitor their compliance. For the Nordzucker beet growing sector, all beet growers are subjected to third party verified sustainability assessments (SAI Platform Farmer Sustainability Assessments). LkSG expectations and demands are discussed with national grower associations and included in the framework contracts.

Besides the annual risk assessment of the relevant direct suppliers to Nordzucker, it monitors its suppliers within the scope of legal and contractual possibilities and requirements. Those suppliers will also be given access to training to build preventive measures to respect human rights and protect the environment.

Furthermore, Nordzucker offers training and education opportunities to its employees. The employees entrusted with the implementation of human rights and environmental due diligence obligations regularly take part in further training measures to be able to implement Nordzucker's policies and other requirements, including the LkSG, concerning human rights and environmental protection. Nordzucker also offers its suppliers training and further education opportunities to empower them to respect and promote human rights and environmental protection in their own business area.

Remedial actions

Nordzucker initiates remedial action immediately upon identification of a relevant violation in its business area or at a direct supplier, or if such a violation seems imminent. Nordzucker develops tailored remedial measures for each situation and for each direct or indirect supplier to put an end to violations in a targeted manner. At the same time, Nordzucker has different measures that can be activated immediately as a target response to violations or medium to high risk of violations.

For each remedial measure, Nordzucker defines a process and concrete actions to be taken. Including success targets and clear internal company responsibilities. Each remedial action contains a specific timetable and if necessary interim targets. The system-supported action procedure links all relevant stakeholders.

Complaints Procedure

Nordzucker's electronic whistleblower system, "*SpeakUp*" plays an important role in identifying risks and violations. Speak up! is accessible to all those affected in its own business area, in the supply chain - from employees and to suppliers to third parties who are affected by Nordzucker's activities or those of its suppliers. It can be accessed here. Alternatively, complaints can be emailed to Nordzucker's Human Rights Officer directly at humanrightsofficer@nordzucker.com or the function Compliance Coordination of Nordzucker AG at compliance@nordzucker.com . Nordzucker does not tolerate any retaliation as a result of a complaint.

The Speak up System is multilingual. Complaints via the SpeakUp system can be submitted in writing or by telephone. Any access threshold is set low in order to make the submission of reports as easy as possible. Complaints can be submitted anony-

mously and confidentially and will be processed confidentially and swiftly. The employees involved in processing complaints are not bound to any instructions within the framework of complaints management; their neutrality is guaranteed. Each complaint is examined upon receipt by an employee responsible for the processing of complaints. If the reported violation is confirmed, a tailored solution will be developed, if necessary, in consultation with the person submitting the complaint. Once remedial actions have been taken, the success of these actions will be reviewed. The entire complaints procedure is subject to regular effectiveness reviews, in which Nordzucker uses effectiveness indicators to identify potential improvements.

Responsibility throughout the supply chain

Nordzucker is committed to its responsibility for its supply chain, following international standards and legislation like the German LkSG. Accordingly, in case of substantiated knowledge of possible human rights and environmental violations, Nordzucker also extend its risk analysis to suppliers who do not have a direct business relationship with Nordzucker but are part of its supply chain, i.e. the indirect suppliers. Nordzucker relies on close cooperation with its direct suppliers for including indirect suppliers if the particular scenario requires that. By this, transparency in the supply chain will be achieved in a cooperative manner.

Documentation and reporting

The implementation of all due diligence obligations will be documented continuously. Nordzucker uses a centralised risk management system, as described in the risk management section, to channel and coordinate all the information available to Nordzucker on identified risks and the preventive measures and remedial actions taken.

Nordzucker is also committed to transparent communication on the human rights and environmental challenges to which Nordzucker is exposed. Through its public reporting, Nordzucker communicates identified risks, measures taken, and progress made, at least once a year.

Specific Human Rights and Environmental Risks in Nordzucker's own business areas and supply chain

Nordzucker has in its Human Rights Policy described its salient human rights and environmental issues. Occupational health and safety, working conditions, discrimination and water contamination and contribution to climate change are relevant both in own business areas and supply chain. Forced labour and modern slavery, child

labour, freedom of association and land rights are also relevant for the supply chain. A particular challenge Nordzucker faces is the risks related to the agriculture sector at overseas raw cane sugar-sourcing destinations.

Outlook

Nordzucker undertakes to continuously review, develop and improve its own measures and strives towards continuously improving the effectiveness and efficiency of its due diligence approach. Effectiveness reviews are carried out on an ad-hoc basis and at least once a year.

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Annex 1

- 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
- ILO Conventions 29 (Forced Labour) and 105 (Abolition of Forced Labour) & Recommendation 35 (Forced and Bonded Labour) with Protocol of 2014 to the Forced Labour Convention
- 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) and ILO Convention 187 (Promotional Framework for 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)