



SUSTAINABILITY AT AGRANA
2013



RESULTS AND **RESPONSIBILITY**

OUR SUSTAINABILITY
PRINCIPLE

PEOPLE: **RESULTS**
AND SOCIAL
RESPONSIBILITY

PLANET: **RESULTS**
AND ENVIRONMENTAL
RESPONSIBILITY

PROFIT: **RESULTS AND**
ECONOMIC RESPONSIBILITY



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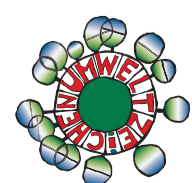


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RESULTS AND RESPONSIBILITY

To speak of sustainability today is to speak of responsibility in three dimensions: From an ecological point of view, the responsibility for nature, the environment and natural resources. From a people perspective, the responsibility to staff, to fellow citizens and personal and cultural identities. And from an economic standpoint, the responsibility for healthy growth and a secure future.

These three dimensions should not be considered in isolation from one another. Only by seeing them as an interrelated whole can the principle of sustainability be meaningfully honoured. At AGRANA as a leading processor of agricultural raw materials, this integrated approach has consistently been central to our way of doing and seeing things, based on a harmonious balance between nature, society and economic success.

This harmony of ecology, humanity and economy also informs the motto of this year's AGRANA annual report: "Results and Responsibility". Two factors that are inseparable and interdependent: They form a closed cycle – which is thus a defining aspect not just of our technology but also of our philosophy. And importantly, they offer a powerful vision of innovative, integrated management fit for the future. For it is by faithfully living up to our responsibility of today that we build a solid foundation for the rewarding results of tomorrow.

OUR SUSTAINABILITY
PRINCIPLE

**ECOLOGY AND
ECONOMY
IN HARMONY**

Sustainability to AGRANA means business management that is economically sound, resource-saving and energy-efficient while respecting both internal and external stakeholders. Consistent, with the nature of its business – the value-added processing of agricultural raw materials in the Sugar, Starch and Fruit segments – and its close proximity to agricultural primary production, striving for sustainability has always been a vital and integral pillar of AGRANA's business model.





Sustainability at AGRANA begins with the very sourcing of raw materials and encompasses environmental and energy aspects, labour practices and human rights, product responsibility, compliance and business conduct, and social engagement. Priorities for action in the sustainability sphere are set on an as-needed basis, in accordance with regulatory and sociocultural conditions and as required by the different business activities in the three segments and 26 countries.

NORTH AMERICA

■ 4 fruit plants

◆ Mexico, USA

Employees

♀ 401 ♂ 551

Revenue

€ 251.1 million

EUROPE – EU-27

● 9 sugar plants

▲ 5 starch plants

■ 20 fruit plants

◆ Austria, Belgium,

Czech Republic,

Denmark, France,

Germany, Hungary,

Poland, Romania,

Slovakia

Employees

♀ 1,282 ♂ 3,380

Revenue

€ 2,513.9 million

SOUTH AMERICA

■ 2 fruit plants

◆ Argentina, Brazil

Employees

♀ 115 ♂ 158

Revenue

€ 27.9 million

- Sugar segment
- ▲ Starch segment
- Fruit segment
- ◆ Countries
- ♀♂ Employees (as of 28 February 2013)
- € Revenue

26 COUNTRIES,
56 PRODUCTION SITES



EUROPE – NON-EU-27

- 1 sugar plant
- 5 fruit plants
- ◆ Bosnia-Herzegovina, Russia, Serbia, Turkey, Ukraine

Employees
 ♀ 419 ♂ 498

Revenue
 € 168.4 million

ASIA

- 3 fruit plants
- ◆ China, South Korea

Employees
 ♀ 71 ♂ 177

Revenue
 € 42.1 million

AFRICA

- 5 fruit plants
- ◆ Egypt, Morocco, South Africa

Employees
 ♀ 1,169 ♂ 221

Revenue
 € 22.2 million

AUSTRALIA & OCEANIA

- 2 fruit plants
- ◆ Australia, Fiji

Employees
 ♀ 37 ♂ 65

Revenue
 € 40.4 million

In the 2012|13 financial year, AGRANA, the processor of agricultural raw materials with the three segments Sugar, Starch and Fruit (fruit preparations and fruit juice concentrates), operated 56 production sites in 26 countries worldwide. The Group's core markets, however, are in the European Union and other European countries.

Within the EU, in 2012|13 AGRANA employed an average of 4,906 people in 34 locations. AGRANA on average sources about 90% of its agricultural raw materials in the EU and generated approximately 82% of its revenue in this region in the reporting

year. Given the stringent regulatory standards and the socio-cultural setting in the EU, many important aspects of corporate responsibility regarding raw material procurement, environmental and energy management, labour practices and human rights are already largely satisfied by the Group's compliance with legal and regulatory norms.

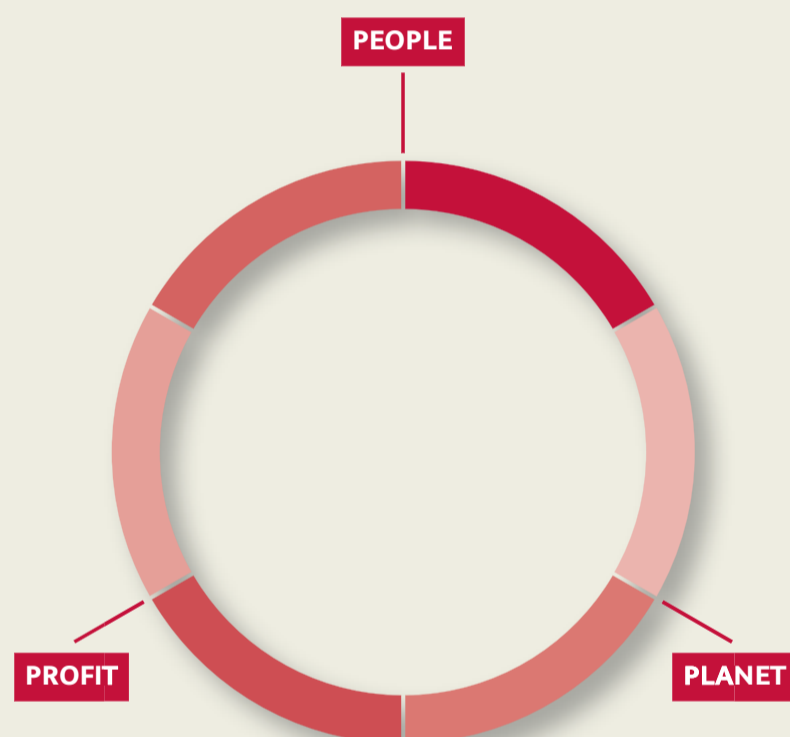
The production sites and data on this world map represent all AGRANA Group companies, including those outside the GRI report boundary (see page 09).

SUSTAINABILITY: A MATTER OF BALANCE

By the nature of the Group's business – the processing of agricultural raw materials in the Sugar, Starch and Fruit segments – and its closeness to agricultural production, sustainability has always been an integral aspect of the AGRANA way. Sustainability is therefore not a project with a specific end point, but a daily aspiration and continuous practice.

AGRANA's Core Sustainability Subjects

- Labour Practices and Human Rights
- Environmental and Energy Aspects
- Sourcing of Raw Materials
- Product Responsibility and Sustainable Products
- Compliance and Business Conduct
- Social Engagement



A consistently structured approach to sustainability

In its business activities, AGRANA defines sustainability as a harmonious combination of economically sound, resource-saving and energy-efficient production and social responsibility. Only the balanced pursuit of the “triple bottom line” can ensure the Group's sustained success. In the 2012|13 financial year AGRANA therefore continued to press ahead with the initiative (started in the prior year) to put in place a uniform, integrated, ISO 26000-based sustainability management system across the three business segments, Sugar, Starch

and Fruit. By the autumn of 2012, a sustainability core team of ten staff members from various relevant departments performed an expanded analysis of core subjects and issues along the company's value chain. The following core subjects were identified as being of material importance: sourcing of raw materials, environmental and energy aspects, labour practices and human rights, product responsibility and sustainable products, compliance and business conduct, and social engagement.

As regards the issues of interest in the Sugar, Starch and Fruit segments, different weightings and priorities are required in each segment because of the differences

in business activities and in national regulatory and sociocultural environments in the 26 countries where AGRANA maintains facilities.

AGRANA's sustainability management forms the umbrella under which the existing reporting of sustainability performance in the business segments as well as ongoing sustainability measures are now structured and combined. As its reporting standard, the Group has chosen that of the Global Reporting Initiative (GRI version 3.1), including relevant considerations from the GRI's food processing sector supplement.

On this basis, uniformly defined sustainability performance data was for the first time collected for all three business segments in 2012|13. The insights gained from this sustainability assessment, which from now on will be conducted annually, are used as a basis for future improvement activities that are devised and implemented by the functionally responsible departments with help from the sustainability core team. In all projects, the goal for the measures taken is to achieve an improvement in at least two of the three dimensions of sustainability – economic, environmental and social.

WHAT AGRANA MEANS BY SUSTAINABILITY



Three guiding principles of sustainability

In developing the Group-wide sustainability management system, AGRANA formulated three principles that sum up its concept of sustainability and reflect its six core subjects.

At AGRANA we ...

- Utilise almost 100% of our raw materials and employ low-emission technologies to protect the environment
- Respect all our stakeholders and the societies in which we operate
- Engage in long-term partnerships

In 2012|13 these three principles were also incorporated into AGRANA's mission statement, lending further weight to the already entrenched principle of sustainability. The short three-part statement is to serve management and employees as a practical, intuitive guide and reminder to work with sustainability in mind.

ABOUT THE NUMBERS IN THIS FEATURE SECTION



Organisational and content boundaries of the report

Performance data presented in this sustainability section of the 2012|13 annual report, based on GRI 3.1 and its food processing sector supplement, were compiled for the Sugar, Starch and Fruit segments, excluding joint ventures.

The 2012|13 sustainability figures thus do not include data for the AGRANA-Studen joint ventures or for Instantina (both

in the Sugar segment), for Hungrana (Starch segment) or for AUSTRIA JUICE GmbH, the company formed in the second financial quarter of 2012|13 through the merger of AGRANA Juice Holding GmbH and Ybbstaler Fruit Austria GmbH (Fruit segment). In terms of content, sustainability aspects that are outside AGRANA's direct control or that are regarded as non-material were not considered for the time being. In total, operations excluded from the sustainability data for 2012|13 represented revenue of € 718.0 million and an average of 1,139 employees.

***PLANET:* RESULTS
AND ENVIRONMENTAL
RESPONSIBILITY**

**CLEAN AND
GREEN FOR A
BRIGHT FUTURE**

With its close dependence on agricultural crops, AGRANA is passionately committed to the careful use and conservation of natural resources. The company achieves this primarily through unparalleled, near-total utilisation of its agricultural raw materials and the use of energy-efficient, low-emission production technologies. This naturally reduces the environmental footprint, and demonstrates compellingly that ecological and social responsibility make good economic sense.





Investment in energy efficiency improvement and the associated reduction of emissions from production operations are a particularly important way in which AGRANA exercises responsibility for the environment. Adding a third fermenter to the biogas plant at the sugar factory in Kaposvár, Hungary, yielded impressive results: In the 2012|13 processing campaign, at full capacity utilisation, 80% of the facility's primary energy need was met with biogas produced on site, and on average the figure was about 65%. Thanks to the use of more biogas, approximately 5,200 tonnes of CO₂ equivalent was saved in emissions.

ZERO WASTE: ULTRA-EFFICIENT USE OF RAW MATERIALS

As a processor of agricultural crops into high-quality intermediate products especially for the food industry, AGRANA is daily confronted with questions around the physical availability of raw material supply and with price volatility in its procurement markets. The societal backdrop to this includes controversy around food scarcity or high food prices and (particularly in industrialised countries) the sometimes careless use of precious food.

**98.6% – 99.9%
UTILISATION
OF RAW
MATERIALS**

**High utilisation rate
reflects technological
innovativeness and
product development
capabilities.**

AGRANA's efficient use of raw materials is both an economic imperative and a way of practicing corporate responsibility

Agricultural raw materials have always been much too valuable for AGRANA not to utilise them to the fullest. The Group-wide principle of zero waste is beneficial in two dimensions: First, AGRANA's business success depends on the efficient use of the agricultural inputs, such as sugar beet, grain, potatoes and fruit. And second, wasting nothing is also consonant with the high standard of corporate responsibility that AGRANA strives to honour in all its plants world-

wide. AGRANA works hard to convert all valuable parts of the raw materials used – carbohydrates, proteins, lipids, fibres and minerals – into marketable, desirable products, thus adding maximum value. The more effectively this is done, the less residual material and waste is left to dispose of and the better the financial performance. The results are eloquent proof that environmental and social responsibility are compatible with business logic, and show how AGRANA has internalised this fundamental principle of sustainability in its day-to-day operations.

The zero waste principle is illustrated by an annual "input-output analysis" for AGRANA's corn starch plant in Aschach, Austria, which compares the quantities of the facility's raw material inputs and its outputs. The values below are based on dry weight.

At the Aschach starch factory, 356,000 tonnes of guaranteed non-GMO corn of many varieties (including 11,000 tonnes purchased on the open market) and about 3,000 tonnes of consumables were turned into 228,000 tonnes of marketable starch and saccharification products, 82,000 tonnes of feedstuffs and fertilisers, 24,000 tonnes of corn germ for the production of corn oil, and 18,000 tonnes of intermediate products for further processing in the potato starch plant in Gmünd, Austria. In addition,

2,000 tonnes of corn cobs, corn dust and other organic residuals were used as sources of energy in the nearby biogas facilities. Overall, 359,000 tonnes of input materials were thus converted into 354,000 tonnes of valuable products, amounting to 98.6% utilisation of the input factors. The other 1.4% represented process-related unavoidable losses, which, through various purification steps, were ultimately carried to the biological waste water treatment plant and separated out. The fresh water used for corn processing is reused both as process and processing water and for the generation of energy. The process water is reused in several process steps. When no longer pure enough for further use, it is cleaned in the on-site biological treatment plant and discharged to the receiving water.

Depending on the business segment, site and product portfolio, the utilisation of input materials in the 2012|13 financial year in the AGRANA Group ranged from 98.6% to 99.9%. This very high degree of utilisation – made possible by AGRANA's extremely efficient use of agricultural raw materials and driven by the Group's technological innovative power and product development capabilities – does justice to a high standard of financial, environmental and social responsibility.



PRODUCTION OF FEEDSTUFFS AND FERTILISERS

CLOSES THE ECOLOGICAL LOOP

Virtually complete utilisation through conversion into valuable by-products

In parallel with the well-known, high-quality foods and intermediate products for the downstream processing industry, AGRANA pursues the most sustainable, complete possible utilisation of all its agricultural raw materials by manufacturing a very extensive range of valuable by-products, especially

in the Sugar and Starch segments. For each tonne of sugar, approximately one tonne of by-products is also generated, and the Starch segment produces about 0.6 tonnes of co-products per tonne of starch. These by-products make a substantial contribution to the Group's profitability while also fulfilling an ecological function. Widely used as feed and fertiliser, they ensure that important minerals and other nutrients return to the natural environment, thus establishing a desirable closed loop.

HIGH UTILISATION RATE

MINIMISES WASTE

How AGRANA manages waste

The almost complete utilisation of agricultural inputs (made possible partly by starting with carefully selected raw materials of excellent quality) is the basis for the Group's low volume of waste.

Per tonne of product (counting both core and by-products), the Sugar segment generated about 178 kg¹ of waste in

2012|13. It is important to note that this comparatively high value, far from being meaningful, is merely the result of local legislation. Waste quantities shown in the "reuse"² category primarily represent pressed beet pulp and beet residue sold as animal feed as well as dewatered carbonation mud marketed as fertiliser in Romania, which must locally be reported as waste despite being reused. Similarly, much of the "landfill"³ quantity consists of non-hazardous soil

remnants cleaned from beet at a sugar plant in Slovakia.

Per tonne of product, the Starch segment generated 10 kg of waste requiring disposal and the Fruit segment, 59 kg. The Fruit segment waste sent to recycling consisted largely of cartonboard and plastic packaging materials. Waste sent to the landfill was primarily fruit matter and reject product.

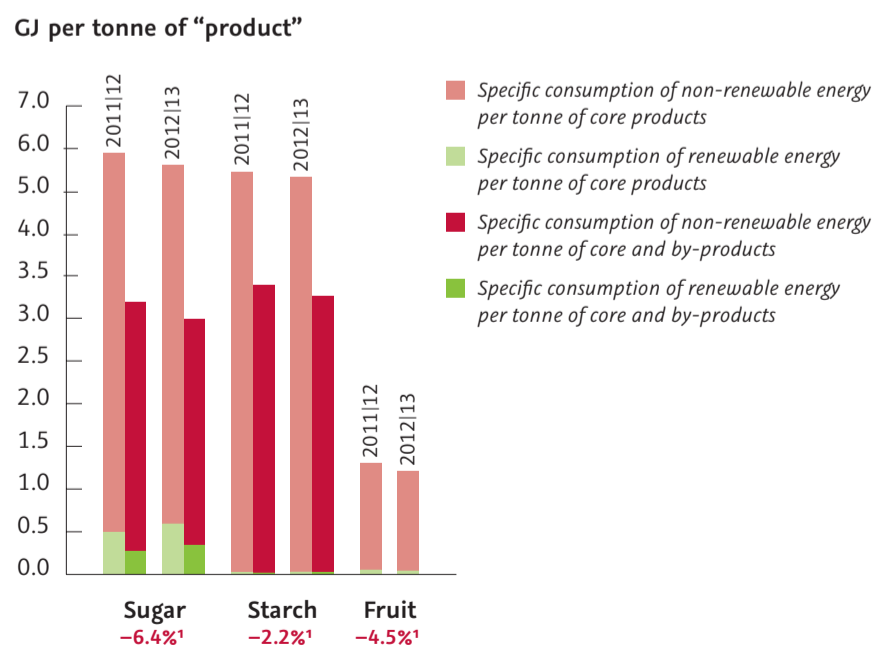
2012 13 financial year	Sugar segment	Starch segment	Fruit segment
Waste disposal, in tonnes	377,942	9,683	29,795
Of which hazardous waste, in tonnes	212	42	301
% waste per tonne of product	¹ 17.8%	1.0%	5.9%
% hazardous waste per tonne of product	0.009%	0.004%	0.060%
Disposal methods	Waste disposal, in tonnes	Waste disposal, in tonnes	Waste disposal, in tonnes
Composting	970	7,775	7,465
Energy recovery	239	1,095	433
Reuse	² 242,792	23	3,732
Recycling	54,116	459	11,506
Landfill	³ 79,778	0	4,527
Other	47	331	2,132

Source: Reports by waste management contractors, AGRANA calculations



NO ECONOMY WITHOUT ECOLOGY

Average specific direct energy consumption in processing operations at AGRANA plants in gigajoules (GJ) per tonne of core products only and per tonne of core and by-products combined



¹ Percentage change based on average specific total energy consumption per tonne of core and by-products.

Environmental responsibility that pays dividends

Of the total energy costs of € 115.7 million in the 2012|13 financial year for all companies within the report boundary, the energy-intensive Sugar and Starch segments accounted for about 86%. In view of the inherent high energy requirement, energy efficiency has always been a key economic interest for the Group. Although faced with the need to optimise profitability, AGRANA draws the line at compromises that are bad for the environment. Contrary to the trend in energy-intensive industries, for environmental reasons AGRANA's investment decisions favour low-emission primary energy sources. In 2012|13 about 80% of direct total energy consumption represented natural gas. Seven percent of direct total energy used came from renewable sources, thanks to energy recovery through the production of biogas from otherwise no longer usable agricultural residues in the final stage of a sustainable utilisation chain.

AGRANA processes crops such as sugar beet, grain, potatoes and fruit whose quantity, sugar and starch content, and quality are all subject to annual fluctuation as a result of changing influences during the growing season and harvest. Product quantities manufactured at each site thus vary from one reporting season to the next. Presenting non-specific total consumption and total emissions is therefore not meaningful. AGRANA consequently reports specific energy consumption and specific emissions associated with the production of each tonne of product (core and by-products), as well as total savings from energy efficiency and emission reduction activities.

EMISSIONS IN THE SUGAR SEGMENT

DOWN 8.8%¹ FROM THE PRIOR YEAR

¹ Measured by specific emissions per tonne of core and by-products

In 2012|13 AGRANA saved approximately 60,000 tonnes of CO₂ equivalent in emissions compared to 2011|12, with most of the reduction (57,000 tonnes) achieved in the Sugar segment. To highlight the major projects:

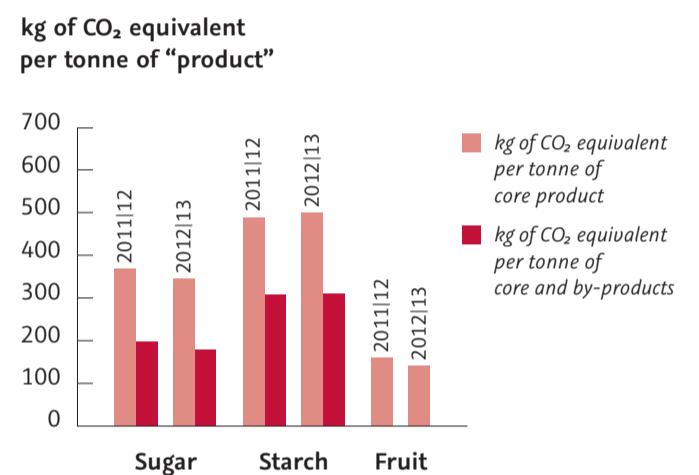
- In order to cut energy consumption in feedstuff production at its Austrian sugar factories in Tulln and Leopoldsdorf, in the 2012|13 campaign AGRANA for the first time used so-called low-temperature dryers. These installations, erected for € 23.5 million, allow the especially gentle pre-drying of desugared, pressed beet pulp before its processing into pelleted dried beet. By capturing waste heat from earlier process steps and harnessing it in the low-temperature dryers, emissions from drying in the two plants were reduced by about

24,000 tonnes of CO₂ equivalent compared to 2011|12.

- At the sugar plant in Sereď, Slovakia, the expansion of the evaporator station for € 1.5 million in the reporting period saved emissions of about 13,000 tonnes of CO₂ equivalent relative to the prior year.
- The investment of € 3.0 million in a third fermenter for the biogas plant attached to the sugar factory in Kaposvár, Hungary, which produces biogas primarily from beet tips, remnant leaves and pressed beet pulp, further improved the site's level of energy self-sufficiency. At full capacity utilisation, 80% of the facility's primary energy need during the 2012|13 campaign was met with biogas produced on site, and the average was

about 65%, compared with 50% in the year before. Thanks to the use of more biogas, approximately 5,200 tonnes of carbon dioxide equivalent was saved in emissions.

Average specific emissions (from direct and indirect energy use) from processing, in kg of CO₂ equivalent per tonne of core product or of core and by-products



An energising outlook

In the 2013|14 financial year AGRANA intends to introduce an ISO 50001 energy management system in the energy-intensive Sugar and Starch segments in Austria, where these businesses account for the lion's share of energy consumption. The first step is a stock-taking of the company's energy-related status quo. Building on this, specific recommendations for energy conservation measures will be developed and their implementation initiated and monitored on a continuous improvement basis. Other major features are the formulation of an energy strategy/policy, training for employees in energy matters, development of internal control mechanisms, and a review by top management.

The EMS thus provides the organisational framework for continually attending to the optimisation of energy flows in the company and hence is an important aid in sustainable management.

ENERGETICALLY RESPONSIBLE

SETTING UP AN ENERGY MANAGEMENT SYSTEM

**PEOPLE: RESULTS
AND SOCIAL
RESPONSIBILITY**

**OUR
FUTURE
HAS
MANY FACES**

A company's people are a resource crucial to its success. AGRANA offers its staff interesting work in an international setting, opportunities for professional development, advancement and personal growth, and a work climate where employees feel integrated, respected and connected. Their diversity of abilities, experience and perspectives is thus mobilised for the good of the business.





Highly trained, motivated employees with an international outlook are essential to AGRANA's success as a company. With this in mind, the Group invests readily in training and development, including the fostering of young management talent. In 2012|13 a number of such programmes were completed and, encouraged by the positive experiences, many new initiatives were launched. Pictured are participants in the Purchasing (Raw Materials) and Sales trainee programme; from left to right: Opher Ben-Zvi, Elisabeth Schnaubelt, Christopher Gabriel.

EDUCATION: INVESTMENT IN THE FUTURE

An average of about 8,500 employees on six continents are AGRANA's most indispensable resource, as their know-how and commitment power the Group's prosperity and growth. AGRANA develops its people and their abilities through numerous training and development opportunities and specialised programmes for promising junior talent.

Fully trained, motivated employees who think beyond national borders are key success drivers for the company. A top priority for the human resources business partners in the Sugar, Starch and Fruit segments last year was to facilitate the quickest and smoothest possible integration of new employees in the work process, as well as their training and personal development.

Standardised welcome days and individually tailored onboarding programmes for new staff members in the Sugar and Starch segments helped ensure rapid orientation to the Group and easy familiarisation with its culture. The Group-wide INCA meeting (Information & Communication at AGRANA) was again held in 2012|13. Selected new employees slated for specialist and management roles were invited to this event to learn about the organisation and meet key management and colleagues.

Trainee programmes at AGRANA

The basis for AGRANA's sustained financial success is the anticipation of opportunities and risks and the free flow of information between the Group's international raw material sourcing markets and sales regions. To build expert knowledge among future employees along the entire product-related AGRANA value chain, in 2012|13 the Raw Materials and Sales functions put in place an international trainee programme across all business segments and various departments. At the end of the financial year the first 14 participants from 11 nations began their rotation programme, which is custom-designed for their future position. Over the 15-month curriculum, supported by a personal mentor, each trainee will become familiar with four functions.

In the Sugar segment in 2012|13, six trainees completed a one-year European programme with a focus on raw material procurement. Four of the participants were hired to permanent positions in the respective raw materials departments. Also, to ensure the timely availability of young experts and managers to replace retiring employees in production-related and technical roles, a European training programme was initiated for ten trainees in the technical professions.

Besides these training opportunities for university and higher-education graduates, in Austria and Germany AGRANA trains apprentices in a variety of occupations. For instance, in the Sugar segment last year, the company started a pilot project with AMS (the Austrian Public Employment Service) that enables labourers to upgrade their skills and become technicians at the sugar plant in Tulln, Austria.

AGRANA employees within the GRI report boundary (at the balance sheet date of 28 February 2013)

Segment	Non-permanent staff ¹		Permanent staff				Managers ²		Of which Executive Leadership group ³			
	Total	% female	Blue-collar	% female	White-collar	% female	Total	% female	Total	% female		
Sugar ⁴	182	30.8	1,076	14.1	725	40.0	1,801	24.5	173	22.0	17	17.6
Starch	46	23.9	537	13.0	230	40.9	767	21.4	44	11.4	3	0
Fruit	1,898	83.7	1,818	28.1	996	44.8	2,814	34.0	201	25.4	13	7.7
Total	2,126	77.9	3,431	21.4	1,951	42.5	5,382	29.0	418	22.5	33	12.1

¹ Almost all non-permanent positions represent seasonal workers in harvesting and processing campaigns.

² Positions from Hay grade 13.

³ Positions from Hay grade 17.

⁴ The Sugar segment includes the staff of AGRANA Beteiligungs-AG.



PEOPLE DEVELOPMENT

AT AGRANA

At AGRANA, every employee is given the opportunity for professional and personal development in harmony with the Group's strategic objectives.

Job-related training and development is available from in-house sources, increasingly via e-learning tools, and through external offerings. In many areas, next to diverse basic operational trainings, AGRANA also arranges very practice-oriented courses, such as the Sales Academy in the Starch segment. This programme for sales staff not only teaches sales techniques but also includes modules on all aspects of the whole AGRANA value chain relevant to the products. The Group's customers thus have the benefit of dealing with highly knowledgeable people in all product-related matters. Beyond job skills training, employees naturally also have access to personal development instruction.

For the in-house development of future specialists and managers, AGRANA in 2007 created ACT (AGRANA Competencies Training), an international two-year programme spanning all business segments. Selection criteria for participation in ACT are outstanding performance and further potential. The modules of the programme, which is now in its third round, are custom-tailored to the employees. The total of 120 participants to date come from 22 nations, with 28% being female and 72% male.

Training hours of AGRANA employees in the 2012|13 financial year

Segment	Average training hours per employee ¹			Proportion of employees ¹ who received a training	Training & development costs as a share of pay
	Male	Female	Total		
Sugar ²	26	23	25	86%	1.40%
Starch	14	16	14	60%	0.60%
Fruit	18	17	18	84%	1.20%
Total	21	18	20	80%	1.20%

¹ Permanent staff within the GRI report boundary (see page 09)

² The Sugar segment includes the staff of AGRANA Beteiligungs-AG.

Diversity

To support its core business activity of processing agricultural raw materials into high-quality foods and intermediate products for the food industry and for non-food applications, AGRANA regularly seeks people with vocational training. In Austria, however, only about 5.5%¹ of all women complete such a vocational education. The average proportion of female graduates at Vienna University of Technology in the 2012 academic year was 23.6%². The much lower percentage of female technicians and female holders of technical degrees in the labour market both in Austria and

other countries is also reflected in the share of female applicants for technical positions at AGRANA and thus in the overall staff gender profile (29% of employees are female).

As a long-term measure to help increase the percentage of women among staff and managers, AGRANA in 2012|13 held a "Daughters' Day" to raise girls' interest in the technical trades and professions. Also, since April 2013, staff of AGRANA Beteiligungs-AG have access to a company day-care centre at the Group's new office location in Vienna to make work and family life more compatible.

¹ Source: OECD, Closing the Gender Gap – Act Now, Country Note Austria, March 2013

² Source: Vienna University of Technology, March 2013

***PROFIT: RESULTS
AND ECONOMIC
RESPONSIBILITY***

**SUSTAIN-
ABLE
EARNINGS**

The purpose of a business is to earn a profit. In pursuing this goal, however, AGRANA consistently puts long-term thinking ahead of short-term profit maximisation. Notably, the company takes the long view in the development of sustainable products, in ensuring environmentally friendly and resource-saving production, in the respectful treatment of internal and external stakeholders and in social engagement. In this way, AGRANA seeks to honour its responsibility as a corporate member of society in the 26 countries where the company operates.





To promote a shared understanding of and adherence to key legal and voluntary regulations, norms and values, AGRANA conducts both regular and ad-hoc trainings and audits in the areas relevant to business activities. Pictured are staff members from Internal Audit and Sustainability Management; from left to right: Slavica Radic, Hannes Meszner, Ulrike Middelhoff.

COMPLIANCE: APPLIED VALUES

With its worldwide business operations, AGRANA is subject to numerous legal provisions. In addition, the company has set out other important norms and values to guide its actions. The understanding of and compliance with legal requirements and voluntary commitments are the focus of regular training and audits.

AGRANA's norms and values

The norms, values and principles important to AGRANA and relevant to its business activities are set down in several documents, which are available to all employees via internal communication media. Training is provided to help ensure these norms and principles are understood and practiced. The two major sets of rules which apply across the entire Group are AGRANA's Corporate Compliance Principles and the AGRANA Code of Conduct. The Compliance Principles mainly address legal and voluntary standards regarding fair competition, transparency of financial reporting, and compliance with stock exchange laws and regulations. AGRANA's Code of Conduct deals primarily with social matters. Among other subjects, it prohibits discrimination and harassment, covers pay, other compensation and work hours, rules out child labour and forced labour, affirms freedom of association and collective bargaining, and speaks to health and safety topics. Its observance by suppliers and other partners is particularly important to AGRANA. The essence of both documents' content is also reflected in AGRANA's mission statement.

Anti-corruption

Prompted by a reform of Austria's corruption law that took effect in January 2013, the subject of corruption was thoroughly addressed in the 2012|13 reporting period. AGRANA as a processor of agricultural raw materials acts primarily as a supplier to other manufacturers, mainly in the food industry, and AGRANA's customers are thus in the private sector. Therefore only a relatively small, well-defined group of AGRANA employees and organisational bodies has contact with public officials in the course of its work. But to provide clear guidelines for all Austrian employees and bodies and ensure compliance with relevant legal requirements, AGRANA formulated an anti-corruption policy based on Austria's revised anti-corruption law. In particular, the policy sets out the rules for employees and bodies on accepting and giving gifts and hospitality.

In AGRANA's intra-Group risk analysis, close attention is devoted not just to corruption but also to fraud prevention. The Internal Audit department therefore conducts combined audits for corruption and fraud. In the 2012|13 financial year, with the help of a whistleblower, a conflict of interest on the part of the local management was uncovered in the Fruit segment in Mexico involving pro-

Nine corruption and fraud audits were conducted in 2012|13, covering 24.3% of the companies inside the report boundary.

hibited organisational links to suppliers and irregularities in financial reporting. The financial consequences and the effects on the Group's risk management are described in the 2012|13 annual report.

Antitrust training using modern technology

To train employees efficiently in areas such as safety and quality management which require regular trainings and refresher courses, AGRANA has for some years been using an online e-learning platform. An e-learning programme on antitrust law was developed in 2012|13 based on this platform. Participants and AGRANA benefit from the resulting more flexible timing of training delivery, the simplified administration of the training and very transparent documentation of training effectiveness.

SUSTAINABILITY CREATES BUSINESS OPPORTUNITIES



Products from renewable resources

While the 1950s to 1970s saw synthetic adhesives based on petroleum derivatives displace protein- and starch-based glues, a countermovement can now be seen. In 2012|13, AGRANA developed a new generation of innovative starch products in the product area of green glues as a sustainable alternative to synthetic polymers.

One example application is the refining of graphic paper into high-gloss paper grades. Here, AGRANA's development of AmitroCoat means that, for the first time, a starch-based, sustainable product is available to replace the conventionally used synthetic latex as a binder in the high-quality market segment. The use of one tonne of AmitroCoat has an emission reduction potential of about 6 tonnes of CO₂ equivalent compared with synthetic latex. A paper mill with a production capacity of 100,000 tonnes of high-gloss paper for magazines could thus cut its emissions by about 10,000 tonnes of CO₂ equivalent per year.

SOCIAL ENGAGEMENT



Engaged especially through the arts, culture and education

In light of the importance of Austrian cultural history to the company's identity, the focus of AGRANA's social engagement in 2012|13 remained on supporting art and culture in Austria. Thus, AGRANA continued its long-standing sponsorship of Theater an der Wien, Musikfestival Grafenegg and Theater in der Josefstadt. Free tickets received in return were also donated to social institutions, whose clients thus gained access to these cultural offerings.

Besides the cultural sphere, a social involvement priority for AGRANA is to help children and youth. In Austria in the reporting period, the Group supported organisations and initiatives such as the Austrian League for Child and Youth Health,

Children looked after by the Limda project (winner of the 2011 MYKI Child Protection Award) were invited to a children's play at Austria's Poysbrunn castle in summer 2012.

the MYKI Child Protection Award and the Sibling Group of Kinderhospiz Netz (Childrens Hospice Network), which helps the siblings of very sick children. AGRANA locations in Austria, Argentina, France, Mexico, Russia, Hungary and the USA offered plant tours specifically for schools, and supported educational, integrative and other social initiatives with donations in cash and in kind, as well as with hands-on assistance from their staff.

GLOBAL REPORTING INITIATIVE

GRI 3.1.	Description	Reported on page
1.1	Statement from the organisation's most senior decision-maker about the significance of sustainability to the organisation	01 ¹ , 02ff. ¹
Organisational Profile		
2.1	Name of the organisation	44 ¹
2.2	Primary brands, products, and/or services	45 ¹
2.3	Organisational structure, including business segments, Group companies, subsidiaries, and joint ventures	44 ¹
2.4	Location of organisation's headquarters	159 ¹
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	06ff.
2.6	Ownership structure and legal form	20 ¹ , 74 ¹
2.7	Markets served (broken down by geography, sector and type of customer)	16ff. ¹
2.8	Size of organisation	06ff.
2.9	Significant changes in size, structure or ownership during the reporting period	46 ¹
Report Parameters		
3.1	Reporting period	09
3.6	Report boundary (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures)	09
Governance, Commitments and Engagement		
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight	06ff. ¹
4.4	Mechanisms for shareholders to provide recommendations to the highest governance body	06ff. ¹
Environmental		
EN3	Direct energy used, by renewable and non-renewable primary source	14
EN16	Greenhouse gas emissions (from direct and indirect energy use) by weight; calculated on the basis of site-specific consumption values using the Greenhouse Gas Protocol	15
EN18	Initiatives to reduce greenhouse gas emissions, and reductions achieved	15
EN22	Total weight of waste by disposal method	13
Social Performance: Labour Practices		
LA1	Total workforce by employment type, contract type and region, broken down by gender	06ff., 18
LA10	Average hours of training per year per employee, by gender	19
Social Performance: Society		
SO2	Total number and percentage of Group companies that have been subject to a corruption risk analysis or corruption audit	22
SO4	Actions taken in response to incidents of corruption or fraud	22, 61 ¹ , 72 ¹

¹ Reported in AGRANA's Annual Report 2012/13.