



*FOCUS ON
SUSTAINABILITY*

UNDERSTANDING OF SUSTAINABILITY

For AGRANA Sugar, as an industrial processor of sugar beet and raw sugar from sugar cane, sustainability is an integral part of our corporate philosophy.

AGRANA defines sustainability as a harmonious balance of economic, environmental and social responsibility. In our core business, this means, we...

- utilise almost 100% of our agricultural raw materials and use low-emission technologies to minimise impacts on the environment,
- respect all our stakeholders and the communities where we operate,
- engage in long-term partnerships with suppliers and customers.

This commitment begins long before the industrial processing of the agricultural raw materials with their procurement and extends along the whole value chain. Further information about our value chain is provided at wsk.agrana.com

In line with our business activities, we support several of the United Nation's Sustainable Development Goals.



*Leading SUGAR SUPPLIER
in Central, Eastern & South
Eastern Europe*



PRODUCTS

*Sugar and sugar specialty
products, by-products
(feedstuffs and fertilisers)*



KEY MARKETS

*Austria, Hungary, Czech
Republic, Slovakia, Romania,
Bosnia & Herzegovina (Wes-
tern Balkans region), Bulgaria*



CUSTOMERS

*Downstream manufacturers
(particularly confectionary,
beverage and fermentation
industries), food resellers
(for consumer products)*



SUSTAINABILITY IN THE SUPPLY CHAIN

CONTRACT FARMING OF SUGAR BEET OFFERS SUSTAINABLE ADVANTAGES

Sugar beet processed at our seven beet sugar factories in Austria, Hungary, the Czech Republic, Slovakia and Romania come from contract growers of the respective region. Contract farming enables us to work on the improvement of the implementation of environmental and social standards with the producers of agricultural raw materials.

CONTRACT FARMING...

- is based on an explicit contractual agreement with each individual farmer
- involves a dense network of AGRANA-agronomists providing consulting to the farmers
- includes comprehensive education and training programmes regarding good agricultural practices
- is marked by active communication and dialogue e.g. at BetaExpo, Austria's largest demonstration field for AGRANA raw materials crops

AGRANA PRINCIPLES FOR THE PROCUREMENT OF AGRICULTURAL RAW MATERIALS AND INTERMEDIATE PRODUCTS



Applicable to all AGRANA Group companies and procurement models worldwide



Include minimum social standards referring to and thus incorporating the AGRANA Code of Conduct



Include environmental criteria relevant for the production of agricultural raw materials.



Integrated sustainability reporting in accordance with the Global Reporting Initiative's Standards
Further information is provided at: www.agrana.com/en/investor/publications



FARM SUSTAINABILITY ASSESSMENT (FSA)

AGRANA has been an active member of the Sustainable Agriculture Initiative Platform since 2014. SAI Platform provides industrial processors with tools for the evaluation and documentation of conformity with good environmental and social practices in the agricultural supply chain.

The underlying tool is the FSA farm questionnaire. Depending on the fulfilment of the various criteria, each farm achieves a sustainability level designated by a status of „Gold“, „Silver“, or „Bronze“.

FSA-RESULTS OF SUGAR BEET CONTRACT FARMERS

AGRANA Sugar uses the FSA systematic to engage its beet contract growers located in all five countries with sugar production in so-called Farm Management Groups (FMGs). In 2017 these groups were audited by an external verification body according to the FSA requirements, in 2020 the re-verification audits took place: In the FMGs in Austria and the Czech Republic, all farms achieved at least FSA Silver status.

For Romania, Slovakia and Hungary it was not possible to complete the audits due to the COVID-19 restrictions. That's why their attestations issued 2017 stay valid till mid 2021. At the first verification all Slovakian farms achieved at least FSA Silver status, this was the case for 96% in Hungary and 31% in Romania.



AGRANA Sugar's holistic sustainability management achieved a gold rating at ECOVADIS, the international supplier evaluation platform.



FARM SUSTAINABILITY ASSESSMENT (FSA)

Farm-specific 112-point questionnaire covering all features relevant to agricultural practices

- ✓ Farm management
- ✓ Soil and nutrient management
- ✓ Crop protection
- ✓ Working conditions and workplace safety (including questions on child and forced labour)

ENVIRONMENTAL AND ENERGY TOPICS IN AGRANA'S PRODUCTION OPERATIONS

Due to our proximity to agricultural production, we are passionately committed to the careful use and conservation of all natural resources.

AGRANA Group's Environmental Policy constitutes the guiding document for the handling of all relevant natural resources. In the context of the environment, it is clear that environmental and social responsibility go hand in hand with entrepreneurial thinking.

ENVIRONMENTAL & ENERGY ASPECTS



ENERGYMANAGEMENT

All AGRANA sugar factories certified to ISO 50001



LOW-EMISSION ENERGY SOURCES

We met 60% of our total energy needs with natural gas and covered 7% from renewable sources

-5 %

ENERGY CONSUMPTION

In 2017|18, we already met the target for 2020|21 of reducing average specific direct energy consumption by 5 % per tonne of product output (baseline 2013|14: 2.62 GJ)

CO₂

EMISSION SAVINGS

With the installation of low-temperature dryers in sugar factories in Austria in 2011|12, we have since saved emissions of more than 240,000 tonnes of CO_{2e}



BIOGAS

Our sugar factory in Kaposvár|Hungary produces biogas from beet pulp that is sufficient to cover between 70% and 80% of the site's primary energy requirement. Partly, the biogas is upgraded to biomethane to be fed into the local natural gas grid



FRESH WATER

Use of the water contained in sugar beet to reduce the fresh water consumption of our processes



ALMOST 100% UTILISATION

Per tonne of core-product we produce more than a tonne of by-products, especially feedstuffs and fertilisers that return important nutrients and minerals into nature's material cycle



SOCIAL MATTERS IN FIGURES



Approx. 99% of our employees are represented by a workers council and their employment relationships fall under collective agreements



Training and development as well as the safety of our employees are important for us



Membership at the „Business for Family“ network and several initiatives and offerings to balance the demands of work and family

OUR EMPLOYEES

Our employees* are our success. At AGRANA, we offer our employees an interesting workplace in an international group of companies, opportunities for job skills trainings and personal development, as well as a corporate culture that fosters integration and mutual respect. Thus, employees can contribute to AGRANA's success using their diverse competencies, experiences and perspectives.

The AGRANA Code of Conduct, applicable at all our sites worldwide, summarizes the guiding rules of internal cooperation and dealing with our stakeholders. We also expect our suppliers and business partners to comply with these social standards.

COMPLIANCE

For AGRANA, compliance with legislation and rules, as well as voluntary commitments is a foundation of sustainable business operations. AGRANA's group-wide compliance management system comprises the following core elements and policies: Code of Conduct, Anti-Corruption Policy, Capital Market Compliance Policy, Antitrust Compliance Policy, Conflict-of-Interest Policy and the Guideline Data Protection.

The most important responsibilities of the Compliance Office include the production and training of internal guidelines, provision of support in compliance matters, as well as the documentation of cases of non-compliance and issuing of recommendations.



Member of the „Supplier Ethical Exchange Database (SEDEX) since 2009; all our sugar factories hold a valid „SMETA“ social audit

* Any gender-specific references should be understood to include masculine, feminine and neuter as the context permits.



PRODUCT RESPONSIBILITY

The foremost aim of the AGRANA Quality Policy as the quality leader in the processing of sugar beet is to produce foods and feed-stuffs that meet customer requirements and are safe for consumption.

WE ACHIEVE THIS GOAL BY MEAS OF...



taking advantage of an ISO 9001 based quality management system supplemented by numerous certifications for food safety and food defence, as well as dietary laws (e.g. IFS, Halal, etc.)



Wiener Zucker, made free from genetically modified organisms (NON-GMO) from seeds to sugar, certified to the respective standard



our wide range of high-quality sugar products for consumers, the food and food service industries, that includes products certified to organic and fairtrade standards



packaging made of paper, as far as feasible given different product characteristics and product protection needs. Gradual changeover to FSC-certified packaging paper.

SUGAR FACTS & FICTION

Sugar, as a natural product, is a source of energy which, consumed as part of a balanced diet, supports organisms' physical but particularly mental performance. Weight gain in healthy individuals is easy to explain: More calories are taken in than expended. Whether these calories come from fat, protein, sugar or other carbohydrates makes no difference to the energy balance.



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