



SOCIAL MATTERS



Approx. 98% 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 to 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 means 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 fair-trade standards



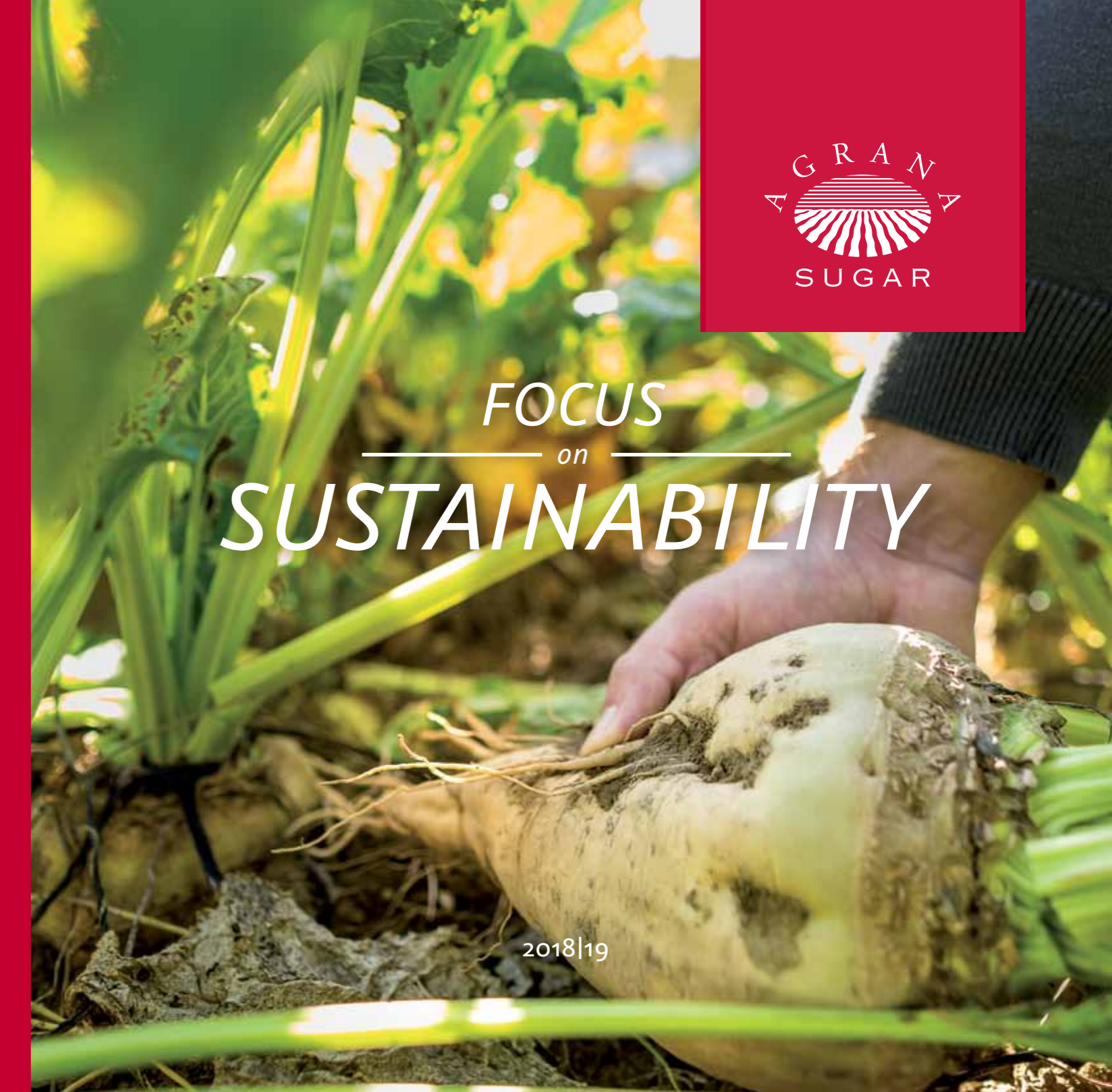
packaging made of paper, as far as feasible given different product characteristics and product protection needs

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. Unfortunately, sugar is blamed for all the negative development of today's society, especially obesity. 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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FOCUS
on
SUSTAINABILITY

2018|19



AGRANA Sugar's UNDERSTANDING OF SUSTAINABILITY

For AGRANA Zucker GmbH, 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.



2,134 employees
 € 652.6 total revenue in €m
 10 production sites



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



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

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.

SUSTAINABLE AGRICULTURE INITIATIVE (SAI)



In order to work on and document sustainability topics in the supply chain, AGRANA has since July 2014 been an active member of the Sustainable Agriculture Initiative Platform (SAI). SAI gives industrial processors several helpful tools for the evaluation and documentation of conformity with good environmental and social practices in the agricultural supply chain.

The underlying tool is SAI's Farm Sustainability Assessment (FSA) questionnaire. Depending on the fulfilment of the various criteria, each farm receives a sustainability rating designated by a status of „gold“, „silver“, „bronze“ or „not yet bronze“.

FSA-RESULTS OF OUR SUGAR BEET SUPPLIERS

In 2017, selected farmers in all five beet-growing countries participated in the mandatory FSA self-assessment and the external audits to SAI standards. Based on the results of the external verification, AGRANA Zucker GmbH is entitled

to claim gold or silver status under SAI standards for more than 75% of the statistical population of its sugar beet growers.

BONSUCRO-CERTIFICATION FOR ALL REFINING FACILITIES

At some of our facilities, we refine white sugar from raw sugar from sugar cane. To be able to satisfy customers looking for a sustainable value chain of the intermediate product, AGRANA since 2014 holds a Chain of Custody certification under the internationally recognised Bonsucro standard for all refining facilities. The Chain of Custody certificate entitles AGRANA's customers to display the Bonsucro logo on their products. Bonsucro is accorded gold status by SAI's benchmarking tool.



In 2018, AGRANA Zucker GmbH's holistic sustainability management achieved a silver 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 IN 2017/18



ENERGYMANAGEMENT
 All AGRANA sugar factories certified to ISO 50001



LOW-EMISSION ENERGY SOURCES
 We met 69% of our direct energy needs with natural gas and covered 8% from renewable sources



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)



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 100,000 tonnes of CO2 equ



BIOGAS
 In 2017/18, our sugar factory in Kaposvár/Hungary produced biogas from beet pulp that would have been sufficient to cover approx. 70% of the site's primary energy requirement for the 2017/18 beet campaign. Partly, the biogas has been 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