



MAKING THE SUGAR WORLD A BETTER PLACE

THE EU SUGAR INDUSTRY
CORPORATE SOCIAL RESPONSIBILITY REPORT

2015





ABOUT THIS CORPORATE SOCIAL RESPONSIBILITY REPORT

This is the 13th annual implementation report of the CSR Code of Conduct signed in 2003 by the European Federation of Trade Unions in the Food, Agriculture and Tourism sectors (EFFAT) and the European Association of Sugar Producers (CEFS).

The EU Sugar Industry CSR Report is adopted through an extensive consultation process whose purpose is not only to report but also to explore issues of common interest, to disseminate information on best practices while creating a spirit of collaboration and contributing to the capacity building of social partners in the face of current and emerging challenges for the sector.

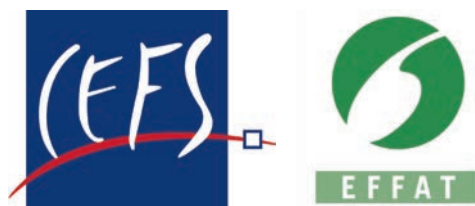
The procedure for the adoption of this report is as follows: Every year, in September-October, CEFS and EFFAT Secretariats launch a consultation of their respective national delegations regarding the application of the Code of Conduct during that natural year. That consultation takes place first through a questionnaire regarding the application of each of the 8 minimum standards contained in the Code of Conduct. CEFS also convenes a meeting with its members later in the autumn of that year in order to analyse the responses to the questionnaire and eventually complete or update those. That meeting is also an opportunity to analyse the economic and political context in light of its impact on the sugar sector. The CEFS members present at that meeting are either company representatives (most often responsible for personnel matters) or social affairs experts within national sugar associations that collect and coordinate the response of their member companies.

Sugar companies generally use the knowledge drawn from their regular contacts with workers representatives to identify the challenges and best practices that are to be reported un-

der the EU Sugar Industry CSR Code of conduct. The collected information is then contrasted with the ones collected by EFFAT and, in the event that inconsistencies would appear, the issue can be discussed at the level of CEFS and EFFAT Secretariats with the involvement, if needed, of the social partners of the company (ies) concerned.

At least two face-to-face meetings between EFFAT and CEFS are generally required in view of coordinating the content of the implementation report and the preparation of the annual plenary meeting of the social partners, where the report is adopted. Just before the plenary meeting (which traditionally takes place the last working day of February) both workers and employers representatives discuss separately the final draft report before the latter is discussed at the plenary. The plenary itself is designed, through presentations from experts on relevant topics, to explore in greater detail some of the topics described in the draft report as well as emerging issues that should be the focus of the social partners' joint work in the coming year.

This report was edited by CEFS and EFFAT Secretariats. For any questions or suggestions regarding this report please contact Oscar.Ruiz@cefs.org or E.Brentnall@effat.org



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1.

JOINT LETTER FROM THE CHAIRMEN



JOHANN MARIHART

The price of sugar in the EU continued to fall during much of 2015 – reaching its lowest point since the EU price reporting tool began in 2006 – before stagnating at this low, unsustainable level during the second half of the year. Such prices do not do justice to the efforts undertaken by the industry in recent years to increase its competitiveness in response to the challenging reforms in 2006 and 2013.

It is, however, in that challenging context that European sugar companies have pursued their efforts to increase their competitiveness. As explained in this report (see chapter 3, p.8) recent data show that the amount of sugar extracted per hectare and the length of the processing campaigns have continued to progress significantly by 22% and 25% respectively since the 2006 reform. Over the last 25 years the average EU costs of production for sugar have increased by only +0.4%/year, beating inflation levels of +2.3%/year and ranking our sector in the top quartile of world sugar industries for cost competitiveness.



HARALD WIEDENHOFER

At the same time our sector has continued to invest in its social and environmental sustainability. Sugar companies continue to develop, in cooperation with trade unions, new good social practices, and this year's report focuses on their continuous investment in staff education, training and employability (p.10) and the promotion of employees' health and well-being (p.14). In addition, in 2015, our sector sustainability partnership - the EU BSSP – launched a major sustainability project under the name of the 'Good Practices' at the first World Expo dedicated to the sustainability of Food Systems, held in Milan (p.18). Those Good Practices –available at www.sustainablesugar.eu- exemplify the commitment of the entire sugar branch (represented by workers' unions, beet farmers and sugar industry gathered in the EU BSSP partnership) to continuous improvement and put it at the forefront of CSR and sustainability in the sugar World.

But, as the EU largely liberalises its sugar market in 2017, many of those efforts would be vain if the EU is not in a position to compete fairly in the World market and internally, with increasing imports into the EU, as indeed many sugar exporting countries are maintaining, and in some cases increasing, their support to their cane and sugar industries (p.9). Establishing a level playing field on the world sugar market will be one of our most challenging targets for the future, which may even determine the survival of this vital and sustainable EU industry.

The EU's current trade policy threatens to increase the exposure of the EU price to the world market price still further, and expected to drag the former still lower. The Commission must not aggravate this situation by offering irresponsible concessions on sugar and high sugar content products as long as our trade partners do not compete on a level playing field. Such a policy could entail harmful social consequences for the 180,000 EU citizens whose livelihoods depend, directly or indirectly, on European sugar production.

Johann Marihart
CEFS President

Harald Wiedenhofer
EFFAT General Secretary

2.

ABOUT THE EU CSR CODE OF CONDUCT

EIGHT
Minimum
standards on :

1. Human Rights
2. Education, Vocational and Lifelong Training
3. Health and Safety
4. Relationship Between the Social Partners
5. Fair Pay
6. Working Conditions
7. Restructuring
8. Business Relations and Choice of Suppliers

GOOD PRACTICES in the implementation of the Code of Conduct are monitored every year and a number of them are added to the list of good practices for each of the eight minimum standards.

Companies aim not only to respect those minimum standards but also to implement those principles **BEYOND** their **LEGAL OBLIGATIONS**.

The Code of Conduct has been **ASSESSED** in accordance with **ISO26000** guidance on social responsibility and the 2011 **UN framework on business and human rights**.

The Code of Conduct and its associated Good Practices are available in the common website of the social partners www.sugardialogue.eu

THE EUROPEAN SUGAR SECTOR IN 2015

INCREASING PERFORMANCE IN AN ADVERSE ENVIRONMENT

The end of 2015 marked the start of the penultimate campaign under the sugar quota regime. Unfortunately, calls made in our last year's CSR report for the Commission to manage the European sugar market more responsibly have not been heeded. The price of sugar in the EU continued to fall during much of 2015 – reaching its lowest point since the price reporting scheme began 10 years ago in February and June at 414 EUR/tonne – before stagnating during the second half of the year. From a peak in January 2013 of 738 EUR/tonne, the price of sugar stood at 423 EUR/tonne in November 2015, a drop of over 40 per cent.

Such prices do not do justice to the efforts undertaken by the industry in recent years to increase its competitiveness in response to the challenging reforms in 2006 and 2013. As a result of its restructuring, over the last decade the EU sugar industry has closed almost half its factories with the loss of 4.5 million tonnes/year of capacity, over 20,000 direct jobs and 150,000 farm suppliers. Following the 2006 reform, sugar production was completely stopped in five Member States, and was substantially cut (by over 40%) in a further six Member States.

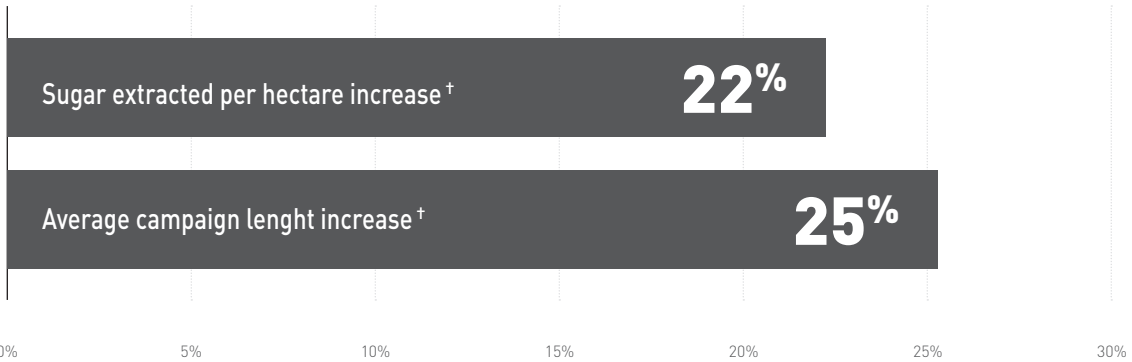
The EU sugar sector has invested heavily in technical

improvements and cost-reductions. Over the last 25 years the average EU cost of production for sugar has increased by only +0.4%/year, compared to inflation at +2.3%/year. According to independent experts like LMC International, many of the EU beet industries are now ranked in the top quartile of world industries for cost competitiveness. The sector continues to make improvements in technical efficiencies like energy reduction and input costs.

At the same time, sugar beet yields have increased consistently over past years thanks to a combination of technical and seed variety improvements driven by cooperation between the industry, growers, research and development and seed trade. Average beet sugar yields (tonnes sugar/ha) have increased by 2% per year for the last 25 years. In recent years yields have increased even more strongly – by 2.5 % per year between 2003/4 and 2013/14 – and this trend is projected to continue into the post-2017 period. In fact, EU beet sugar yields in sugar/hectare are now higher than those in Australia or Brazil's Centre-South region which are deemed to be amongst the top competitive regions in the World.



3.



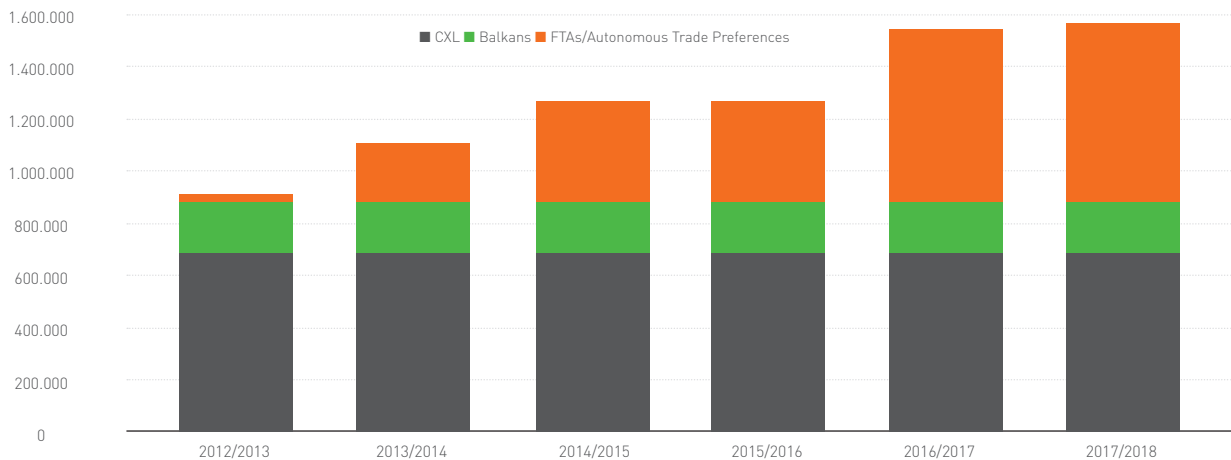
† 5-year average before Reform (2006) versus current average after Reform (2007-2015). In a capital-intensive industry like sugar, relatively large factories have to run 24/7 during the campaign months (about 4 months on average) but normally remain idle between campaigns. Hence, a longer utilisation of factory assets, through a longer campaign, means reducing the fixed costs per ton of product produced, which is an important marker of increased efficiency in our sector.

In order to remain competitive, continued performance improvement and investment will be crucial. However, such investment is subject to having a positive and consistent policy environment: while in the long term European markets are clearly linked to global markets, they are also significantly influenced by our internal agricultural and trade policies. Unfortunately, the EU's current trade policy is sending all the wrong signals.

In recent years the EU has concluded free trade negotiations with Peru, Colombia, Ecuador, Central America, Ukraine,

Georgia, Moldova, Canada and South Africa. In 2015 the EU wrapped up a deal with Vietnam that offered the country a not inconsiderable tariff-rate quota for sugar. Once they have all entered into force, these free trade agreements will together increase the annual availability of third country sugar and high sugar content products on the EU's market by over 600,000 tonnes. Many of these agreements include 'built-in' annual increases in market access. Meanwhile, negotiations with the US and Japan are ongoing.

EU market availability of third country sugar and sugar containing products (excl. ACP/LDC)



NB: the above figures represent the market access concessions granted by the EU to its trading partners and not actual imports

3.

More ominously, there is a real threat that other negotiations, such as with Mercosur, Thailand and India, could be resumed. The sugar sectors of these three partners – Brazil in the case of Mercosur – have clear offensive interests towards the EU. Yet they are not competing on a level playing field and are maintaining, and in some cases increasing, their support to their cane and sugar industries. Evidence suggests strongly that the expansion of sugar production capacity in Brazil is not due to margins but to government support, largely to the ethanol sector (about 90% of the Brazilian sugar mills also produce ethanol). The Thai regime is almost the same as the EU system prior to 2006, which was ruled incompatible with WTO rules. Finally, India remains one of the world's biggest export subsidisers: in 2014/15 the country offered a premium of \$65/tonne for 1.4 million tonnes of raw sugar exports.

This support contrasts sharply with the long and painful process of deregulation that is to transform the European sugar market into one of the most liberal in the world by 2017.

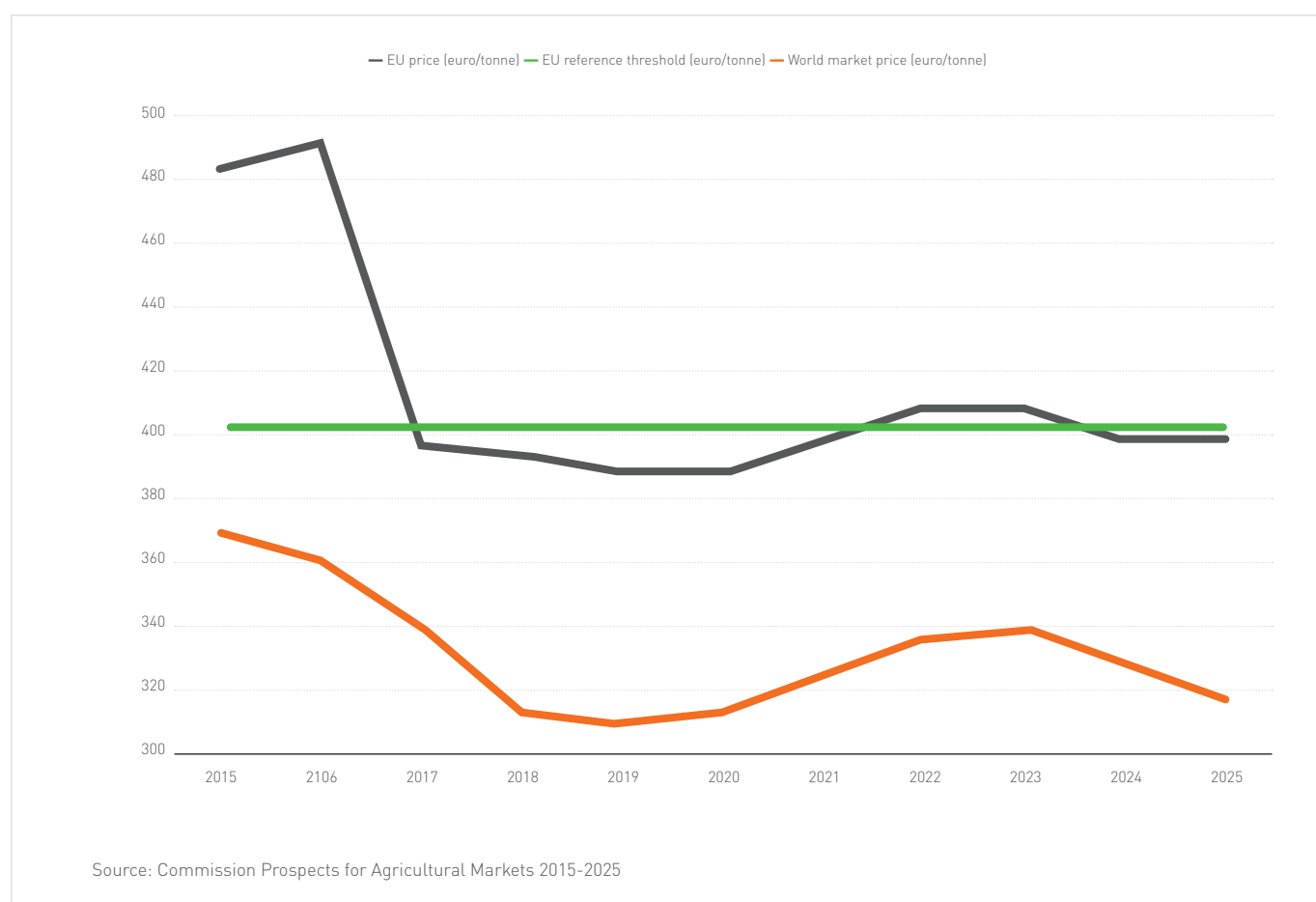
The EU's current trade policy threatens to increase the exposure of the EU price to the world market price still further, and expected to drag the former still lower. This is

because the distorting policies of the major sugar producers mentioned above have turned the world sugar market into a residual dump market that does not reflect the real costs of sugar production.

It is difficult to make predictions on the future of the sugar sector in the forthcoming years but according to the European Commission's EU's medium-term prospects for Agricultural Markets 2015-2025, EU sugar prices are forecast to fall below the Commission's reference threshold of 404 EUR/tonne for much of the post-quota period (see figure below). The EU price will move closer to a world market price that does not cover the production costs of even the most competitive producers.

That sustained level of low prices would be devastating for the sector. The Commission must not aggravate this situation by offering irresponsible concessions on sugar and high sugar content products to our competitors.

In order to avoid a wave of social consequences for the 180,000 EU citizens whose livelihoods depend on European sugar production, the EU institutions and operators need to anticipate and organise socially acceptable responses.



A. GOOD PRACTICES IN EMPLOYABILITY, EDUCATION & TRAINING,

Education and training constitute an integral part of the social dialogue in the companies and steps are taken to improve the employability of workers through comprehensive lifelong learning strategies such as re-skilling and updating of existing qualifications.



- CSR standards concerned: Education & Training, Employability (Standard 2)
- Place and time of implementation: **Germany**, 2015
- Theme: Inclusion and integration of disabled individuals

The context:

The following example focuses on fighting unemployment, isolation and feelings of worthlessness through training and

empowerment of individuals who have personal health issues. Nordzucker's successful employability trainings enable the company not only to secure jobs to its own employees who have faced personal health issues and who require a re-training, but also to external people, who require being re-integrated at the workplace for one reason or another.

"Our trainings help us to retain our colleagues and we additionally benefit from re-trained external individuals who most of the time join Nordzucker with unlimited contracts afterwards".

In practice:

Voluntary professional 2 year apprenticeship training of four external trainees, who are not able to work in their original profession anymore due to various health reasons. Very successful re-integration processes have been reported, including unlimited job contract offers by Nordzucker under the same employment conditions as permanent employees.



- Code of Conduct CSR standards concerned: Health & Safety (Standard 3).
- Place and time of implementation: **France**, 2015.
- Theme: Promoting good understanding and dissemination of the group's health & safety program (CRISTAL).

The context and goals of the initiative:

The group wanted to make its safety program visible and understandable through a communication of the group safety rules.

The project in practice:

The group safety rules are known as the CRISTAL rules (Les règles CRISTAL). Each letter of the word CRISTAL having a specific meaning: C for Circulation (Ciruler en sécurité), R for Tidying (Ranger, ordre et propreté), I for Intervene (Intervenir en sécurité), S for Highlight (Signaler les zones à risque), T for work (Travailler avec des équipements de protection individuelle adaptés), A for food safety (Alimentaire, respecter les règles Hygiène et sécurité alimentaire) and L for carry (Lever des charges en sécurité).

In 2015, the company made a specific effort on two of the rules: C (Circulation) and I (Intervene). Each production site had to become compliant on those rules, and a group wide communication was prepared and spread out. In addition, each accident is reported to group top management within a few hours, through dedicated group software. Finally, a 'safety trophies' annual program was started in 2014 in order to highlight good safety practices and promote emulation between production sites.

4.



- CSR standards concerned: Education & Training, Employability (Standard 2)
- Place and time of implementation: **Italy** (COPROB Factory in Minerbio, Bologna), 2015
- Theme and purpose: development of workers' individual cross-competences and awareness of sugar sector's challenges.

The context:

COPROB has a deep-rooted dialogue with Trade Unions both at national and company level. At least yearly, COPROB organizes ad hoc meetings to inform Unions about sugar sector general situation and company's perspectives.

In addition, in 2015, COPROB contributed to establishing a public dialogue amongst the three National Associations of, respectively, sugar, cakes and soft drink industries, about both economic challenges and nutritional facts around sugar.

It was as a result of this process that the company realised the need to promote better comprehension of those external challenges also internally, among its workers.

The goals of the initiative:

A key objective was creating awareness and sense of belonging amongst employees. In addition, it was considered that developing a wider range of topics (i.e. not directly related to personal performances), could also help to improve workers' employability.

In practice

COPROB voluntarily designed a training project at company level to provide its employees technical and economic information and consciousness.

The content was not exclusively related to their own jobs but rather it aimed to offer them those cultural instruments and general knowledge useful to better understand the social and economic framework surrounding the company.

Such project involved 85 employees, both white and blue collar. They attended several courses (23 days in total, during their normal working hours for a total of 110 learning hours).

The courses took place in two different phases (spring and autumn; in both cases outside the campaign period). Those covered a wide range of topics such as: Quality and Environmental certifications, Sugar production process, Economical Sustainability of Italian and EU sugar sector, Nutritional facts about sugar, Industrial waste, etc.

In the first phase, the emphasis was put on more technical topics related to industrial sugar production. They were addressed to 23 employees (blue collars) throughout 12 days and 48 learning hours.

The second phase was addressed to 62 people (both blue and white collars, including managers) throughout 11 days and 62 learning hours. The subjects covered were broader and included project management, nutrition, sustainability and energy management among other.

The team of trainers was composed of both internal managers and external consultants.

Results and evaluation:

The whole project could be supported financially by Fon Coop (National Fund for long life learning established by Italian Cooperatives and Trade Unions) and certified by IRECOOP (the vocational training centre of the Cooperatives Confederation of Emilia-Romagna). The latter body was also involved in the implementation phase by formally recording the participation and teaching hours.

For more information on this good practice, contact: Giorgio Sandulli – giorgio@sandulli.it

4.



- Code of Conduct CSR standards concerned: Education, Vocational & Lifelong Training (Standard 2).
- Place and time of implementation: **France and other group countries, 2015.**
- Theme: Promoting skilled employment in the areas in which the company operates.

The context:

With 24,000 employees across 12 countries, the Tereos group (which covers not only sugar but also alcohol and starch) is a major local employer, notably in rural areas. Convinced that better sharing of values, expertise and managerial practices improves performance and entrepreneurial spirit, Tereos enhanced its training activities with the creation of its internal training centre – the Tereos Academy – in June 2014.

The goals of the initiative:



The Academy was designed to allow all employees, managers and executives to gain better knowledge of the Group and its expertise, develop their skills, and benefit from personal development opportunities.

Training programs contribute to the development of workers competencies and therefore their employability regardless of any restructuring project.

The project in practice:

As a “school without walls”, the Tereos Academy offers e-learning programs as well as classroom programs. Training, which is common to all twelve countries in which the Group operates, includes integration programs for managers aimed at imparting the fundamentals in terms of managerial behavior, ethics, values, safety, and social and environmental responsibility. Other programs include courses to help executives in their managerial roles: adopting proper behavior, steering performance, managing and motivating teams, and



conducting annual reviews.

When the Academy was formally set up in 2014, it focused first on the topic of ‘management’ (improving management efficiency on a daily basis) and in 2015 additional modules were

added concerning the 3 other areas of work of the Academy:

- ‘Corporate’ (strengthening adherence to the company values and knowledge about the company),
- ‘Métiers’ (learning about the good practices within the company, understanding the markets, the clients, the activities and products).
- ‘Specialised training’ (language skills, integration in the company, etc.)

Results and evaluation:

Some thirty modules are set to be deployed Group-wide within 2015 and 2016, to promote excellence and career development. To ensure a high-level follow-up, each program is sponsored by a member of Tereos’ Executive Board.

4.



- CSR standards concerned: Education & Training, Employability (Standard 2)
- Place and time of implementation: **United Kingdom, 2015**
- Theme: Inclusion and equality of opportunity

The context:

British Sugar actively looks at ways in which it can further develop the diversity of its workforce through encouraging and nurturing future talent for its business.

The goals of the initiative:

As part of British Sugar's commitment to inclusion and diversity, the organisation actively supports the Women in Science & Engineering (WISE) initiative. WISE inspires girls and women to build careers using science, technology, engineering and mathematics (STEM) subjects. WISE's aim is to get one million more women into the UK STEM workforce. Working with businesses, they aim to boost talent pools from classrooms to boardrooms and drive economic growth.

The project in practice:

British Sugar's support for WISE and increasing the number of young women studying for future careers in technical and production roles, led to the development of a learning event at one of the organisations' processing sites. Eight female chemical engineering graduates from Strathclyde got the chance to learn about engineering opportunities in the sugar beet industry when they spent a day at British Sugar's Newark site. The graduates learnt about engineering in the sugar beet industry by taking a closer look at the processing operation. They also had the chance to talk to fellow graduates on the British Sugar graduate programme, as well as those who now have a career in engineering after completing the programme.

Kathryn Grant, a British Sugar Beet End Process Manager, has been appointed to the nationally recognised Women in Science & Engineering (WISE) Young Women's Board. Places on the WISE Board are extremely sought after and Kathryn was one of only seven successful applicants out of an overall

total of eighty to gain a place. This is an example of how we can provide support for people who are developing their skills outside of the workplace.

British Sugar is also active in engaging with young people, their teachers and parents within the communities it operates to highlight the possibilities from studying STEM subjects, with a particular focus on young women. A range of activities are delivered including careers events, presentations and employer workshops. This provides an opportunity to share information and educate young people about the origins of sugar, sugar processing and the diverse variety of roles within the organisation and sector.

Results and evaluation:

These activities are small but important steps in helping the company to build a culturally diverse business for the future. Our aim is to build on the activities we are currently involved with and get involved in other opportunities which are of mutual benefit to the schools and colleges we partner with and British Sugar itself.



4.

B. GOOD PRACTICES SELECTED IN THE CONTEXT OF OUR PARTNERSHIP WITH EU-OSHA CAMPAIGN 'MANAGING STRESS' 2014-15

EFFAT and CEFS were selected as official partners of the 2014-2015 European Agency for Safety and Health at Work (EU-OSHA) "Manage Stress" campaign. Our members have engaged actively in this specific workplace health and safety campaign and we can observe that EU sugar companies increasingly provide training that covers one or several of the following areas (see also our selection of good practices in the 2014 CSR report):



- Conciliation of work and family life
- Techniques to deal with stress individually
- Keeping a healthy and balanced lifestyle, including adequate nutrition during campaign shifts
- Burnout prevention and mitigation.

Examples of good practice on the prevention and management of stress at work collected during 2015:



- CSR standards concerned: health and safety (Standard 3)
- Place and time of implementation: Germany, 2014-2015
- Theme: work-life balance

The context:

In Germany, the company Nordzucker has put in place different prevention programmes at its Braunschweig headquarters and as part of its sustainable and socially responsible Work-Life-Balance Concept which is intended to be gradually broadened in all Nordzucker countries. Social responsibility, well-being of employees and their families play a major role in the Work-Life-Balance concept.

Specifically, the work-life balance programme provides support to families through local day-care for children (KinderWerk GmbH, Braunschweig), family care time offer, flexible working hours or part-time work as well as home office. That programme is open to both women and men and it

covers not only child care but also situations involving elderly or sick relatives among other possible motivations. The concept also includes the "Nordzucker Diner", which is run by a non-profit limited liability company "Lebenshilfe Braunschweig", whose commitment is to create positive living conditions for handicapped people by taking care of them, stimulating their development and integrating them in the community of the non-handicapped. "Lebenshilfe" trains their apprentices "on the job" at the Nordzucker Diner. In addition the concept of the Diner focuses on healthy meals and snacks throughout the day (e.g. fruits are provided daily to all workers, free of charge). Sport facilities are also made available to members of staff through cooperation with fitness clubs.

For more information: <http://www.nordzucker.de/unternehmen/jobs-karriere/work-life-balance.html>

In practice:

A Stress prevention Pilot Program has been introduced directly at the workplace, which aims to evaluate the actual state of stress, to reduce it and stabilize the individual resilience against stress with remarkable and measurable results using a breathing rhythm device to influence the heart rate variability as a significant indicator of health and well-being.

The company has also introduced a "brainlight" system. Brainlight is an "All-round-Chair" which offers stress reduction, reduces physical weakness, persistent tiredness, and lack of concentration, circulation disorder and sleeping disorder. The chair offers massage, light impulse and sound impulse. It may also help with learning difficulties. Excellent feedback from members of staff has been received.

4.

In addition, A Time-Out Zone has been created at the Headquarters in Braunschweig offering the following services:

- Lounge-Area (for “time-outs” such as taking a break and social interactions)
- Family Office (in case of child day care problems, parents can bring their kids to work)
- Cleaning & Ironing Service
- In-house Fitness Training (Power Plate), Physiotherapy/ Osteopathy, Medical Massage
- Exercise / Empowerment Massage area (Relaxation)

Health promotion campaigns (“Health Days”) have been carried out in all sites in Germany over 2014 and 2015,



- CSR standards concerned: health and safety (Standard 3)
- Place and time of implementation: **France, 2014-2016**
- Theme: development of an action plan to reduce stress at work

The context:

In November 2014, Tereos’ management and trade unions reached an agreement on prevention of work related stress within Tereos in France.

A structured approach was implemented across Tereos Sugar France facilities in 2014, which aim was firstly to identify internal causes that can lead to situations of stress and “excessive” stress and, secondly, to address the causes and to prevent impacts on people.

In practice:

An action plan in four points has been developed as follows:

focusing on practical training as well as theoretical elements. Employee surveys taken during the campaign in 2014 were evaluated to design individual long-term concepts for each site. The measures successfully took place in all sites during 2015 and covered the following main topics:

- Prevention of back pain
- Stress Prevention
- Balanced Nutrition Workshops
- Relaxation techniques
- Physical exercise with personal trainings (including Qi-Gong: body-centered energy work)

- A phone listening and support line has been made available 7/7 and 24h/24h. It is accessible via a hotline dedicated to each establishment of the Tereos group. The service is provided by qualified psychologists external to the company.



- A stress prevention committee has been set up to work on two “pilot” plants: Origny-Sainte-Benoite and Lille. Members of staff have been trained and accompanied by an approved body. The committee’s role is to inform, participate in the analysis and decisions to implement tools to monitor actions and evaluation. The committee is responsible for establishing an internal diagnosis and define an appropriate action plans if needed.

- An awareness campaign among managers and staff has been launched on the sites in France, based on educational meetings and guidelines to adequately use the hotline and liaise with the program’s representatives on sites.

- A joint steering committee has been set-up. It is composed of representatives of staff, management, and occupational medicine experts. Its aim is to follow the progress of operations on the above prevention “pilot” plants committees.

Results and evaluation:

Further to the two pilot experiences led in France, the steering committee has decided:

- to extend this program to another Business unit in its France based locations (Tereos Starch and Sweeteners)
- to review the methodology towards a simplified scheme.



- CSR standards concerned: health and safety (Standard 3)
- Place and time of implementation: **France**, 2014-2015
- Theme: solutions to common stress problems

The context

Employees' meetings have been organised and facilitated by an external consultant across the Cristal Union group to allow employees to express their feelings, good or bad, about their workplace. Overall, more than 30% of employees have participated to such meetings. As a result, actions have been taken, where possible, to improve workers' lives and conditions

In practice

- Ergonomic modifications around the beet cutting area have been implemented
- New changing rooms have been put in place
- New set of working clothes have been ordered
- New air-cooling devices in hot places have been installed.



5.

JOINT INITIATIVES OF THE SOCIAL PARTNERS DEVELOPED IN 2015

COURTESY TEREOS - CRÉDITS MOSCHETTI JEAN CLAUDE

A. LOOKING INTO THE SUSTAINABILITY OF PRIVATE COMPANY PENSION FUNDS.

The social partners have identified the sustainability of companies' private pensions systems as an emerging issue. Indeed, several of those systems were set and build up during the upward market years but now appear in some cases as a major financial burden that puts in danger their sustainability.

In the context of the EU sugar dialogue, the social partners looked into the factors that make those arrangements in the current context less sustainable and identified among other the following factors:

- **Depressed sugar market prices** are significantly reducing margins and therefore the companies' capacity to provide top-ups in addition to the employees own contributions.
- **Low interest rates**, following the international financial crisis, have led to a much lower profitability of company pension funds as those receive lower returns for their reserves than initially estimated.
- **Higher retirement age** leads those systems to be applied for longer years than initially planned which increases the company burden overtime.

When sharing experiences among social partners in different countries, one success factor and one emerging good practice were also identified in this area:

- **Companies that put their company fund in common with others receive greater and more stable returns.** The example of Italy was given, where sugar companies

participate to a national pension fund created by the entire food industry. The much bigger size of the fund –compared to a stand-alone company- gives the possibility to hire more and better fund management services which generally results in greater returns. In addition, the bigger scale of the fund allows for better negotiating terms with banks and other financial institutions.

- **Offering expert financial planning and pension advice to those in the 55+ age group.** It has become increasingly difficult for workers to assess how many years of career they will need to fulfil in order to receive a given level of pension rights. One further difficulty is to link that assessment to an accurate estimate of their financial needs once they approach the retirement age. Some workers tend to stay longer in activity than they would like to in order to be 'in the safe side' of those uncertain calculations. The downside of that choice can be, for example, lower levels of staff motivation and greater risk of age-related problems at work. Such a situation is neither good for companies nor their workers.

One emerging good practice identified in some companies in the sugar sector is to ask current external advisors of the company (e.g. private insurance companies) to provide employees in the senior range with financial advice regarding their estimated financial needs and savings after retirement, their pension rights and the years of work still required in order to meet those needs.

5.

B. FIRST MAJOR PROJECT OF THE EU BEET SUGAR SUSTAINABILITY PARTNERSHIP (EU BSSP): THE OFFICIAL LAUNCH OF THE GOOD PRACTICES



EU BEET SUGAR
SUSTAINABILITY
PARTNERSHIP



MILANO 2015

FEEDING THE PLANET
ENERGY FOR LIFE

2015 was a key year for the EU BSSP as the latter made its first public stakeholder event in order to present the Good Practices developed by the Partnership. The venue and the occasion, the World Expo in Milan dedicated to the topic “Feeding the Planet. Energy for Life”, where a perfect match for the ambitions of the EU BSSP to share and exchange knowledge about best practices in the sector.

The event, which was hosted by the EU Pavilion of EXPO Milan 2015 on 9 September, saw the partnership announce the release of the Good Practices – a tool designed to illustrate the sustainability progress of the European beet sugar sector and to help spread the uptake of environmental and social management from field to factory. The Good Practices reflect the achievements of beet growers and sugar manufacturers together with their workers, and serve as a basis of dialogue with stakeholders’ sustainability progress for European beet sugar, already renowned as one of the world’s most sustainable crops.

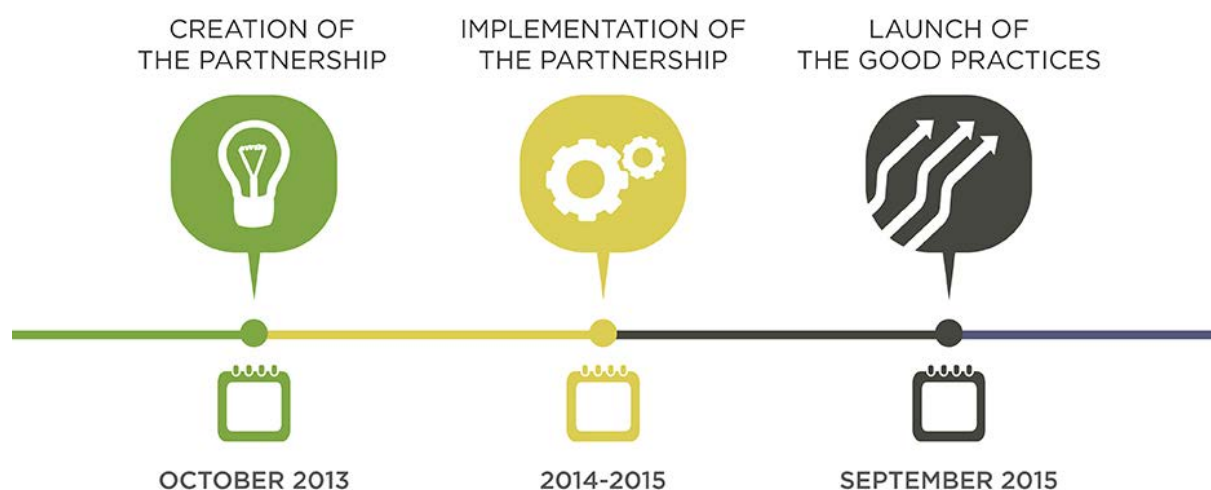


ABOUT THE EU BSSP PARTNERSHIP:

The Partnership is an alliance between European beet growers (CIBE), sugar producers (CEFS) and trade unions of the food and agriculture sector (EFFAT) dedicated to sustainability and created end of 2013.

In line with the Europe 2020 strategy for a ‘smarter, more sustainable and more inclusive growth’ for the EU, the partnership aims to highlight and facilitate further the dissemination of good agricultural, industrial, social and environmental practices in the sector, while taking into account the relevant elements of economic sustainability providing stable and reliable beet sugar production in the EU.

5.



CIBE President Jørn Dalby highlighted: "the Good Practices show the very high level of sustainability of sugar beet in the EU and the way growers and the sector have invested to work smartly and efficiently". "EU growers can be proud of their constant improvement which will now take place in an ever changing and challenging context", he added.

Johann Marihart, President of CEFS, described the BSSP initiative as "an initiative that proves that we have a positive grounding in sustainability and that we know where our remaining challenges lie." He also added: "We promote an approach that is commensurate with the risks of each supply chain. In the case of beet sugar, we believe the EU's evidence-based and precautionary regulatory regime, coupled with our long-standing, strong and local partnerships between beet growers, sugar producers and labour unions, ensures the sustainability risks are lower here than anywhere else in the sugar world."

Harald Wiedenhofer, Secretary General of EFFAT, described the involvement of trade unions in delivering sustainability and said: "We are in favour of joint multilateral initiatives amongst stakeholders involving workers and their trade unions. It represents a very good example not only for the employers but also for social partners. Well-functioning social dialogue helps to cope with sustainability challenges. This is the best lesson we can get from the recent economic crisis."

Some 85 participants from companies, trade associations, investors and others stakeholders took part in the event and welcomed positively the launch of the Good Practices. Delegates took active part in the discussions and contributed to deepening the understanding of the Good Practices, the way they will be used practically, as well as their role in the trade of sustainable sugar.

Members of the partnership expressed their commitment to continuing working in collaboration with each other and to following up on their joint initiative, in response to stakeholders' feedback. A summary of the key themes discussed at the EXPO Milan event appears below.

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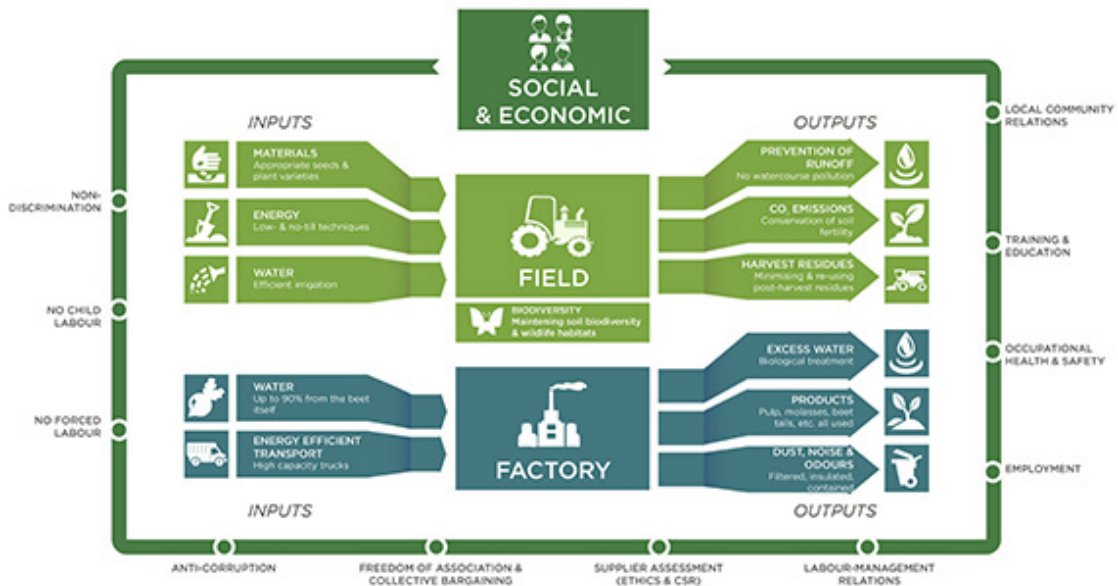
Key learning points from the eu bssp stakeholders' roundtable

Below are some of the key ideas discussed by participants at the EU BSSP stakeholder roundtable, which the partnership will be working to address in coming months:

- The Good Practices are both formative and informative: The purpose of the Good Practices is to be disseminated and taken up throughout the sector, all around Europe. They provide ongoing inspiration for continuous improvement, as well as a handy and practical benchmark for practitioners.
- European beet sugar is widely recognized as a sustainable crop and product: Customers, manufacturers, investors and other stakeholders already acknowledge the sustainability credentials of beet sugar grown and produced in the EU. They further encourage its development as a bio-based feedstock to produce materials currently requiring petroleum or other non-renewable materials. This diversification would have a positive economic benefit for the region, as well as an environmental one.
- Customers, consumers and governments need reassurance on the sustainability of products: It is vital for the work of disseminating Good Practices to translate into a clearer, more reliable picture of actual sustainability performance in practice. Sustainability certification is not necessarily the answer for EU-produced beet sugar, but more needs to be done to ensure the widespread uptake of good practices.
- The future for sustainable beet sugar is bright, but not easy: While sustainability can help differentiate sugar producers in an increasingly competitive market, it may not affect the prices that producers can hope to achieve. The changes ahead for the EU and global sugar markets, in light of forthcoming changes to the Common Agricultural Policy, paint an uncertain picture, but sustainability is likely to become more and more a part of the expected criteria for sugar demanded by customers. From that point of view, producing sustainable sugar will be a competitive advantage. Sustainability indicators, if relevant and communicated transparently are also seen by investors as useful proxies for the quality of a company's management and its value as a potential investment.
- The Good Practices represent the sector's commitment to sustainability, and can drive continuous improvements in performance: The Good Practices are a welcome initiative by a sector with a long-standing partnership between labour, growers and manufacturers, and summarize some of the best approaches to environmental and social management in operation. The sector is challenged by its stakeholders to work to spread knowledge and implementation still further, and to raise understanding and awareness of their value in practice, both within and outside the sector.

Sustainability from field to factory

The Good Practices capture a wide variety of sustainability techniques, tools and practices used by the sector, underpinned by a commitment to technical environmental excellence and social dialogue.



5.

A range of documents to cater for the different information needs of our stakeholders



All documents and further information about the partnership activities is available in the EU BSSP website:

www.sustainablesugar.eu

- **The Good Practices:** A detailed technical guide illustrated with over 80 different examples from across the EU, and further underpinned by the relevant EU legislation and regulatory instruments.
- **Sustainability review:** An outline of the main environmental and social responsibility issues and impacts associated with our sector, and what we are doing about them ('materiality analysis').
- **Overview:** An introduction to the Partnership, our objectives, and the Good Practices.
- **Issue Briefs:** A series of short, in-depth analyses of some of the major sustainability issues our sector addresses. Our Issue Brief library is updated over time to assist our members and stakeholders in our ongoing dialogue on sustainability.

C. THE JOINT SOCIAL PARTNERS WEBSITE HAS A NEW NAME: WWW.SUGARDIALOGUE.EU

After the improvements introduced in the old eurosugar.org website in 2014, it was agreed in 2015 to find a new name that would better represent the content of and the spirit of the new joint website of the social partners in the EU sugar sector. The chosen name was: SUGARDIALOGUE.EU

We hope to see you soon in our new website in order to find more about the joint projects of the social partners in the sector.



6.

BRIEF NEWS FROM THE SECTOR

A. DEVELOPMENT OF SOCIAL DIALOGUE IN EASTERN EUROPE

Strengthening social dialogue at national level is one of the key objectives of the EU sectoral social dialogue in the sugar sector for the enhancement of decent work in line with the social partners' code of conduct, together with the promotion of labour standards, fundamental principles and rights at work, the creation of greater opportunities for secure and decent employment for both men and women, and the coverage and effectiveness of social protection for all.

The crucial aspect about social dialogue is its partnership approach and social partners in the Polish beet sugar

manufacturing sector have, for the first time, come together to engage in such a cooperative and constructive dialogue ranging from negotiations to information exchange. It is hoped that this development will create space for interaction and decision-making by the social partners, and gives both trade unions and employers in the sugar sector in Poland an opportunity to take an active, institutionalized and recognized role in the national policymaking process.

B. JOINT STATEMENT ON THE FUTURE OF THE SUGAR SECTOR

On 19 March 2015, the social partners CEFS and EFFAT, representing respectively employers and workers of the European sugar sector, expressed their concerns about the difficult economic situation that the sector is facing, with many social risks and economic uncertainties ahead of the end of the quota system in 2017.

The social partners welcomed the efforts by the European Commission to set up an Expert group, following the debate held at the EU Council of Agriculture Ministers on 26 January, in which several Ministers supported Italy's call regarding measures which would ensure a smooth transition towards ending the current sugar quota system in 2017.

In this spirit, the social partners voiced that the Expert group should seize the opportunity to raise the discussions to the political level to take stock of the end of the quota system.

"During the past 30 years, the EU social dialogue in the sugar sector has strongly contributed to the success of important reforms in the common market organisation of the sector. The European social partners intend to continue contributing constructively to the implementation of the current reform. But the social partners count on the EU Council and on the Commission to give a clear signal that they will give the European sugar sector the lift it needs to steer beyond a potentially very serious social and economic crisis" stated CEFS and EFFAT Presidents in the sugar sector.

7.

OUR OBJECTIVES FOR 2016 AND BEYOND

OBJECTIVES	TIMING	STATUS
FOR GOOD SOCIAL PRACTICES		
Monitor the implementation of the EU Code of Conduct in 2016-17	2016-17	On track
Update the Good Social Practices in the social partners' website www.sugardialogue.eu	2016	Project yet to be set up
Apply to become partners of the new OSHA campaign (2016-17) on 'Healthy Workplaces for All Ages'	2016-17	Project yet to be set up

OBJECTIVES	TIMING	STATUS
FOR COMPETITIVENESS & FAIR COMPETITION		
Monitor the evolution of the EU Sugar Regime with a special focus on its economic and social impact for the sector.	2016-17	On track
Monitor the evolution of the EU Industrial and Trade Policy with a special focus on their economic and social impact of bilateral trade agreements.	2016-17	On track

OBJECTIVES	TIMING	STATUS
FOR THE ENVIRONMENT		
Support the spread of good practices in the social area of the EU BSSP (Issue Brief on Social Dialogue).	2016-17	On track
Promote the Partnership communication with other stakeholders along the chain.	2016-17	On track

OBJECTIVES	TIMING	STATUS
FOR TRANSPARENCY AND COMMUNICATION		
Develop the campaign on the professional profiles of workers in the EU sugar industry.	2016-17	Project yet to be set up
Develop a 6-monthly newsletter based on the updated content of the new social partner's website	2016-17	Project yet to be set up
Develop other language versions of the CSR report.	2016-17	Project yet to be set up

■ On track ■ Project yet to be set up.

ANNEX

COMPANY CSR & SUSTAINABILITY REPORTS PUBLISHED IN 2015



Associated British Foods Corporate Responsibility

Update 2015 (includes information from Azucarera and British Sugar).

Geographical coverage within the EU: UK, ES.

Time coverage: until 2015

Topics: Selection of CSR topics.

E-source: <http://www.abf.co.uk/documents/pdfs/2015/abf-corporate-responsibility-report-update-2015.pdf>



Agrana

Partial sustainability report within the Group's Annual report 2014-2015.

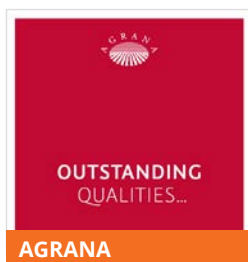
Geographical coverage within the EU: AT, HU, CZ, SK and RO among other.

Time coverage: 2014-2015

Topics: Selection of various sustainability topics (economic, environmental and social) also targets.

E-source: <http://bit.ly/1Ta2Qj8>

Remarks : the Agrana group has also developed a new website section dedicated to overall sustainability topics: <http://www.agrana.com/en/sustainability/>



Azucarera

CSR report (2014 Update).

Time coverage: until 2014

Topics: Overall sustainability (economic, environmental and social)

E-source: <http://www.azucarera.es/rsc/informes.html>



Nordzucker

'Sustainability Information 2015'.

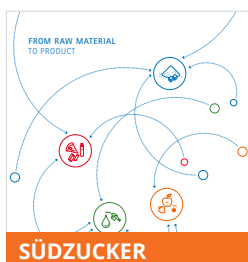
Geographical coverage within the EU: GER, DK, FIN, SVE, LIT, etc.

Time coverage: until 2015

Topics: Selection of CSR/ sustainability topics

Remarks: Intermediate update between two Sustainability reports.

E-source: <http://nordzucker-growing-together.com/downloads/>



Südzucker

From raw material to product - Update 2015

Geographical coverage within the EU: BE, CZ, DE, FR, PL, etc.

Time coverage: 2015.

Topics: Selection of CSR topics.

E-source: <http://www.suedzucker.de/en/Unternehmen/Umwelt-Nachhaltigkeit/>



Tereos

Corporate Social Responsibility Report 2015

Geographical coverage within the EU: FR, ES, CZ, RO.

Time coverage: until end of 2015

Topics: Overall sustainability (economic, environmental, social)

E-source: http://tereos.com/sites/default/files/tereos_booklet_rse_uk.pdf



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Founded in 1953, CEFS represents all European beet sugar manufacturers and cane sugar refiners, covering sugar production in 21 EU countries plus Switzerland.

**EFFAT**

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EFFAT results from the merger of two European federations (ECF-IUF and EFA) in 2000. It represents 120 national trade unions from 35 European countries, defending the interests of more than 2.6 million members in the food, agriculture and tourism sectors.

www.sugardialogue.eu