

SUGAR: AT THE HEART OF SUSTAINABILITY

THE EU SUGAR INDUSTRY CORPORATE SOCIAL RESPONSIBILITY REPORT 2019



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1. MESSAGE FROM THE CHAIRPERSONS: THE EU SUGAR SECTOR MATTERS

Despite the unprecedented and serious market prices decline, our fifteenth EU-wide CSR report shares a positive story and presents a sector that is on a sustainability journey, which will intensify in the coming months and years.

Beet sugar factories offer skilled, remunerative industrial employment and are often at the heart of the rural communities in which they operate. Our factories generate important economic multipliers: supporting sugar beet farmers; providing food producers with high-quality, sustainable sugar; making bioethanol and molasses available to the chemicals and fermentation industries; and offering pastoral agriculture nourishing animal feed from beet pulp.

There are no simple and straightforward solutions to the current crisis, but social partners EFFAT and CEFS are mutually committed to creating the leadership and collaboration needed to ensure the continued competitiveness and sustainability of our industry, vital to the livelihoods of hundreds of thousands of European citizens and some of our most fragile communities.

The EU sugar industry matters.

Together we move our industry forward.



Paul Mesters
CEFS President

A blue ink signature of Paul Mesters, written in a stylized, cursive script.



Malin Ackholt
EFFAT President

A blue ink signature of Malin Ackholt, written in a stylized, cursive script.

2. ABOUT THE EU CSR CODE OF CONDUCT



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

3. THE EU SUGAR SECTOR: KEY FIGURES

**+ SUPPORTING LABOUR MARKETS
AND GENERATING ECONOMIC
VALUE IN RURAL AREAS**

107 
factories in 19 Member States

+

La Réunion	Guadeloupe	Martinique
		

- Beet sugar factory
- Beet sugar factory & cane sugar refinery
- Cane & beet sugar refinery
- Cane sugar refinery
- Cane sugar factory

+ Employment

23.700 sugar factory jobs

The icon consists of two parts. On the left, there are three stylized industrial buildings or factories in dark blue. On the right, there is a row of six stylized human figures in various colors: light grey, green, dark blue, red, light green, and dark blue.

Supporting 338.500 additional jobs along the supply chain

**Total jobs
generated by the
sugar industry = 362.200**

14 JOBS SUPPORTED FOR EVERY DIRECT JOB IN A SUGAR FACTORY

+ HIGHLY PRODUCTIVE INDUSTRY



Jobs are industrial
and highly-skilled



**154,000 EUR
PER EMPLOYEE**

(vs 57,000 EUR in the wider
food & beverages industry)

Due to high efficiency
and capital intensity



47%
labour share
of GVA



**1.3 BILLION
EUROS**

directly contributed
to EU tax and
welfare systems



GDP

Direct GDP contribution
of 3.6 billion EUR



80%

Around 80% of value
created in rural areas

**Total:
15.6 billion
EUR**

GDP contribution

(incl. indirect & induced)



4. A VIBRANT INDUSTRY STRIVING FOR LEVEL PLAYING FIELD

The EU sugar sector is now one of the most deregulated in the world and stands out as internationally competitive: sugar production per factory and sugar yields per hectare are among the highest in the world. The EU beet sugar industry has substantially increased efficiency through innovation and investment. Over the last 28 years, the efficiency of the sugar industry (measured in sugar production per factory) rose by 4.7 per cent per year, while average EU cost of production for sugar has fallen by 0.3 per cent per year, compared to an inflation rate of 2.2 per cent per year. This represents a notable growth rate even beyond agriculture and truly remarkable for a 200 year- old industry.

The beet sugar sector is first in class when it comes to environmental sustainability. The yield of fermentable sugars is higher for sugar beet than any other crop, including sugar cane, which makes it highly efficient in terms of land use. Sugar beet is also an important component of many farmers' crop rotation systems.

However, the EU beet sugar sector is currently under pressure on numerous fronts. For instance, while already granting preferential, tariff-free access for Least Developed Countries (LDCs) and African, Caribbean and Pacific Countries (ACPs), the entry into force of new Free Trade Agreements, in particular the recently agreed one with Mercosur countries will entail enhanced competition for EU manufacturers as sugar in third countries is often produced on the basis of lower social and environmental standards and benefits from government support. Notably Brazil will benefit substantially from the Mercosur agreement upon ratification, as it grants duty-free access

to the European market for raw sugar for a formidable tariff rate quota of 180,000 tonnes.

Last but not least, the ongoing free trade negotiations between the EU and Australia present additional challenges for European sugar producers.

The pressure on the competitiveness of the EU sugar industry following the abolition of sugar production quotas in October 2017, has been unexpectedly sharp and abrupt, and is still ongoing.

The EU market now tracks world prices, which are heavily influenced by third country sugar produced with government support (e.g. India and Brazil). Depressed world market prices, which do not reflect production costs, put strong pressure on EU prices.

Operating in a diverse and ever-evolving environment presents many opportunities for EU sugar manufacturers and their highly skilled workers. They stand ready to embrace the new market environment and associated challenges, provided that a sound and fair legislative framework adapted to our rapidly changing society is implemented. This means, for example, proper market management, a decent Common Agricultural Policy, a fair approach to trade on the world markets.

+ EU MARKET AVAILABILITY OF THIRD COUNTRY SUGAR (FTA & CXL ORIGINS)

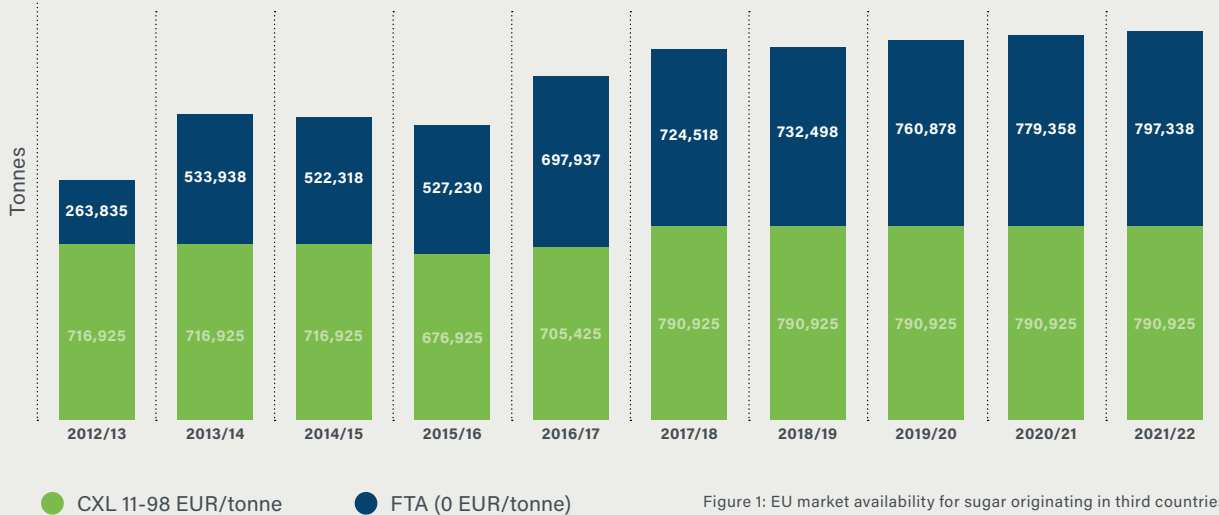


Figure 1: EU market availability for sugar originating in third countries

In 2018-2019, social partners published several joint statements and letters to highlight the importance of the industry and its workforce to the EU institutions whilst pointing out the inadequacy of the EU market and trade policies:

- In March 2018 already, CEFS, EFFAT and CIBE, the beet growers, defended the 98 EUR/tonne duty for sugar in the context of the EU-Mercosur trade negotiations.
- In May 2018, CEFS, EFFAT and CIBE reacted to the conclusion of the EU-Mexico negotiations and the sugar import quota of 30,000 tonnes at 49 EUR/tonne over three years therein, stressing that maintaining an in-quota duty for any quota offer on sugar is crucial in some trade negotiations.
- In July 2018, CEFS, EFFAT and CIBE alerted the European institutions about the danger of Mercosur for the sector and implored them to resist unreasonable demands from the Mercosur countries.
- In October 2018, CEFS and EFFAT united to sound the alarm about the crisis on the EU sugar sector and to deplore the lack of proposed measures by the European Commission.
- In November 2018, CEFS, EFFAT and CIBE produced a press release calling for rejection of all market opening to Australia.
- In January 2019, CEFS and EFFAT released a statement on the market situation of the sector, highlighting that no response to the relentless market decline was given by EU policy makers.
- In July 2019, CEFS, EFFAT and CIBE joined forces to issue a press release on the Mercosur concessions for sugar and ethanol, underlining that it is the EU's biggest ever concession on sugar in the context of a Free Trade Agreement, in combination with an EU sugar sector in crisis.
- In September 2019, CEFS and EFFAT reflected on the conclusions of the High-Level Group on sugar in a press release reiterating that after over a year of discussions, no tangible steps have been taken to stabilise the EU sugar market.

All press releases and position papers are available on the social partners' websites.

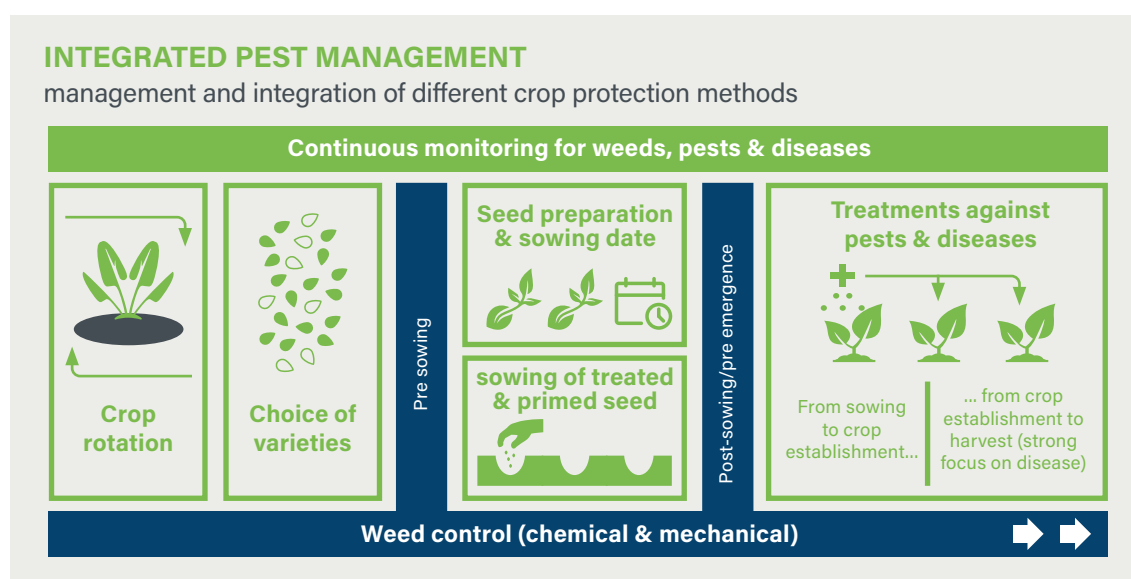
www.cefs.org & www.effat.org

5. A SUSTAINABLE EU SUGAR INDUSTRY

1. Plant Protection Products, a necessary tool in a wider perspective of crop protection techniques:

During the past decades, the EU beet sugar sector has continuously improved its efficiency, producing more and better, it has addressed environmental, social and economic issues with the aim of striking a balance between productivity, social and environmental goals. At the same time, the decreasing availability of plant protection products in the field creates serious challenges for the sector. Therefore, the European beet sugar sector is constantly

working to make optimum use of all available crop protection techniques in order to ensure greater stability of farmers' incomes, to guarantee the availability of raw materials for factories and to provide high-quality products to consumers. The main challenge faced by producers is to protect the crops from external damaging factors (i.e. weeds, pests, and diseases) while taking also into account uncertainty and variability factors (e.g. weather conditions). Farmers, therefore, rely on a broad range of technical tools, collectively referred to as Integrated Pest Management (IPM)¹.



Through their collaboration in the EU Beet Sugar Sustainability Partnership ('EU BSSP', see: sustainablesugar.eu), CEFS, EFFAT, and CIBE have released a guide on good practices on plant protection in 2019. PPPs are used to prevent or cure crop infection/infestation in situations where no other sustainable solutions are available. All sugar beet growers and factory workers are mandatorily trained and certified

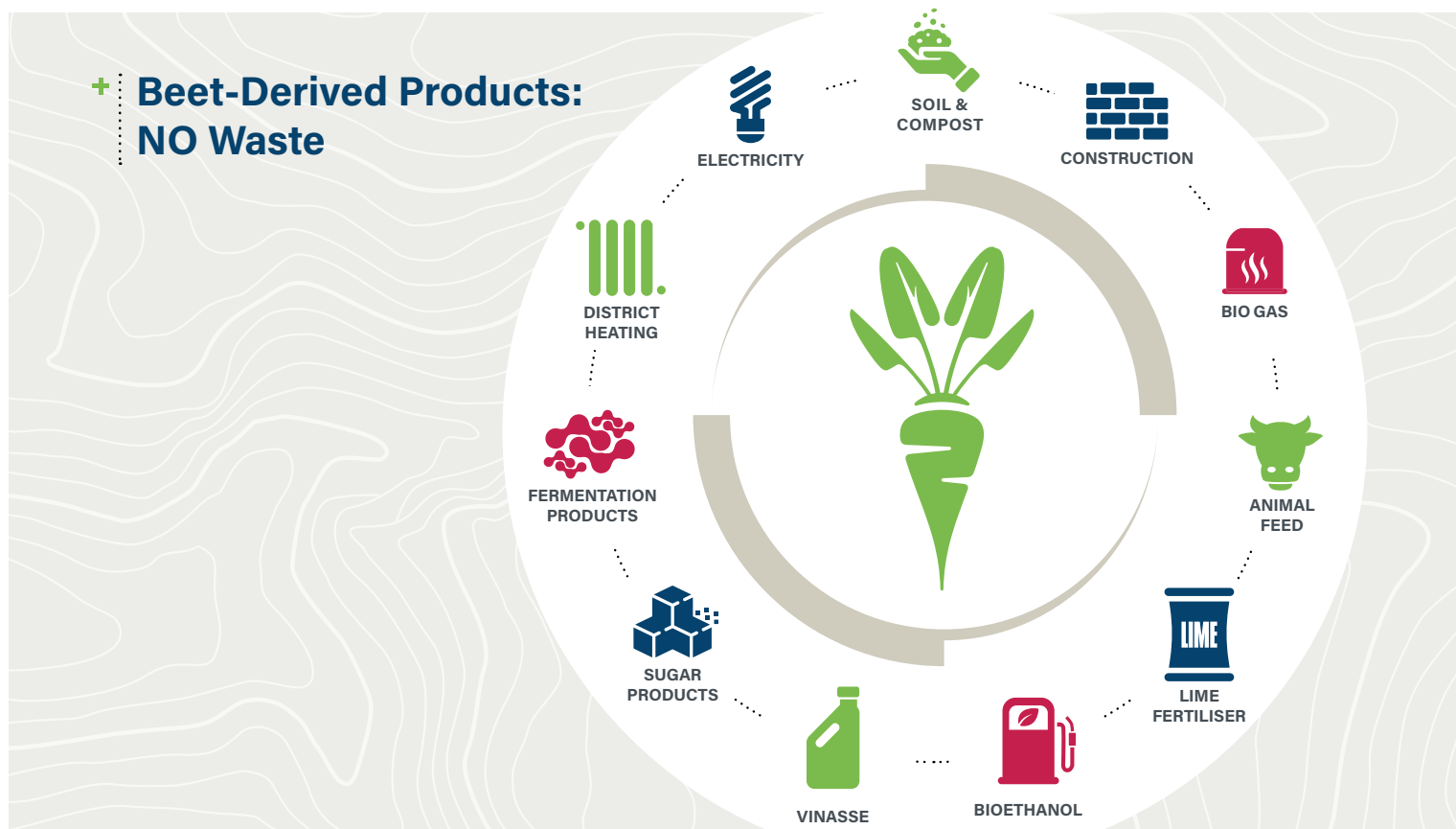
on how to handle PPPs (dosage, equipment, the timing of application, storage and disposal) in order to minimise risks to humans and the environment and to ensure the correct manipulation by professional users, distributors or advisors. Certificate holders are kept informed of new developments in pest control with the help of mandatory continuous training.

1. According to the FAO, "Integrated Pest Management (IPM) means the careful consideration of all available pest control techniques and subsequent integration of appropriate measures that discourage the development of pest populations and keep pesticides and other interventions to levels that are economically justified and reduce or minimize risks to human health and the environment."

2. Exploring the bioeconomy potential of the sector

In sugar processing nothing is wasted: a use is found for every part of the beet. For instance, the pulp is processed into animal feed, water is re-used in factory processes, and molasses are used for bioethanol or as components of animal feed. As this report illustrates, the EU beet sugar sector sets global benchmarks in environmental sustainability.

The increase of bioeconomy-related activities represents an opportunity for sugar factory workers. Work with bioeconomy technologies leads to further educating and training workers. This also makes the sector more attractive to new, young workers, driving in turn investments in rural areas. The development of bioeconomy therefore ensures that rural areas remain populated and, consequently, that public services (e.g. schools, sports infrastructures) are maintained.



Social partners' collaboration on bioeconomy:

Active participation and presentation from CEFS to the EFFAT final conference on bioeconomy in October 2019. This conference marked the publication of EFFAT's report entitled "The bioeconomy and a future biobased food industry and agriculture sector: how can workers' organisations shape the change?".

See more on: <https://www.effat.org/bioeconomy/>

SUSTAINABILITY SUCCESS STORIES

A. Polski Cukier: towards more sustainable factories

In addition to sustainable agriculture techniques and cooperation with beet farmers, Krajowa Spółka Cukrowa S.A., the Polish sugar producers, are working towards a more sustainable production at factory-level.

The Polish producers have achieved a significant reduction in water consumption in the technological process in their sugar plants. Process water circulation systems are closed circuits in which amounts of water of up to several thousand cubic meters per hour circulate. Currently, sugar plants draw very small quantities of water from connections for the production process, about 0.02 m³/tonne of sugar beets (20 times less than in 2002).

The sugar production process requires supply of large quantities of heat in forms of heating steam and of electricity. As steam for the production process is generated in coal-fired boilers, the company undertakes actions to limit quantities of the coal burned. Following implementation of projects in this area, the company received so-called white certificates (confirmed by audits), awarded by the Energy Regulatory Office.

Since 2014, the number of these certificates has reflected the reduction of 33 tonnes in energy consumption calculated as coal used (reduction in a quantity of coal used by one production plant during one year of operation), which corresponds to a decrease in the annual carbon dioxide emissions of around 70,000 tonnes. This improvement was made possible by increasing effectiveness of technological processes, including efficiency of boiler rooms at individual sugar plants. The quantity of coal used was cut in half compared to 2002. Krajowa Spółka Cukrowa S.A. also produces electricity for its own needs, and sells its surpluses (ca. 16 GWh/year) to external customers.

The developed plan for modernisation of heat and power plants operating at the company generates a continuous improvement of flue gas treatment efficiency by 2025. Systems for desulphurisation of flue gases were constructed at two sugar plants - this was the first step aiming at adapting the existing systems to legal requirements for emissions to the air.



Credit – Polski Cukier

B. British Sugar: the BBRO (British Beet Research Organisation) project - targeted investment to maximise yield growth and productivity in the British beet sugar sector

As part of the British Sugar and the BBRO's continuous efforts to identify and promote best practice amongst the 3,000+ sugar beet growers in the UK, the BBRO launched its On-Farm initiative at the beginning of 2018, a project that was continued throughout 2019.

The initiative enables growers to compare their own on-farm practice to the wider beet sugar industry in the UK. This includes, for example, reviewing lifting data related to soil type and weather conditions – with the information gathered by the BBRO as part of the programme – enabling it to provide advice on the best settings and practices to adopt. The programme helps growers to minimise losses, with a view to maximising yield.

On-Farm, also comprises the Beet Yield Challenge, which is now in its third year. The Beet Yield Challenge provides growers with a framework to identify how to manage the resources at their disposal to the best effect. Participants enter a particular field into the challenge at the point of drilling. Crop progress is monitored throughout the season, with growers receiving a number of benefits, including a free soil analysis and satellite imagery of their entry field. This data, combined with other data supplied by the grower throughout the process, is used to understand the factors influencing yield performance.

A report on the Challenge is produced at the end of each year and is available to all growers, and participants also receive a report on their own field which contains recommendations specific to them.



Credit – British Sugar

C. Azucarera's solar irrigation project: going beyond sugar beet in water management

AIMCRA is the Spanish Beet Institute founded by Azucarera and its growers in 1964. Water usage efficiency has been one of its major priorities over the years. The company contributes very actively to educate and raise awareness on water usage among Azucarera's growers community.

The solar irrigation project started in 2014 and was oriented at reducing energy costs to Azucarera's beet growers.

Over the years, there have been major learnings and achievements, not only in terms of economic savings but also regarding key environmental aspects. More recently, the focus has evolved towards water irrigation reduction as one of Azucarera's key sustainability commitments.

The solar irrigation project consists of the installation of a demonstrator showing the functioning of pumping water using solar energy.

The cost of the investment amounts to around 150.000 euros, which can be recovered in 5 to 7 years, depending on the plot and crop characteristics.

After the first unit was installed in Castille and Leon, 30 others were installed in various parts of Spain. Between 2016 and 2018 the project evolved under the umbrella of the European Commission and the Spanish Institute of Photovoltaic Energy, expanding its action to other EU countries such as Italy and Portugal but also outside the EU, for instance in Morocco.

At present time, different systems of solar irrigation adapted to different crops and particular environmental and irrigation systems have been adapted and are in place in Alicante (Spain), Portugal, Italy and Morocco.

The main annual gains until now (average figures) are:

- 90% less CO2 emissions due to non-usage of fuel;
- savings of 31.400 euros – irrigation cost reduced by 70%;
- 20% water usage decrease

The current goals are to keep expanding the formula among sugar beet growers (hence, indirectly expand its benefits to other crops) and to keep reducing energy water in the field by 20%. The Spanish Government and other international sugar industries have shown interest in the project and its benefits.



6. GOOD SOCIAL PRACTICES IN THE EU SUGAR SECTOR: A SELECTION

STANDARD 1: HUMAN RIGHTS



Pfeifer & Langen Polska S.A.'s anti-discrimination

The Polish branch of the Pfeifer & Langen group have put in place preventive actions in the field of human rights, such as an anti-discrimination and mobbing policy. The enforcement of such policy is supervised by an Employee Affairs Committee.

In order to ensure fairness and democracy in the group's affiliates, elections for the Employee Council are regularly organised.

factory, such as: loading trucks, containers and railway wagons; operating forklift trucks; securing cargo against slipping or leaking; optimising internal flows of information and materials from procurement to sales; exploring sources of supply; working out bid comparisons; or ordering goods and arranging for their payment. The work of such specialist is therefore very diverse and attractive.



COPROB's trainings for organic sugar production

COPROB, together with the Emilia Romagna region and under supervision of the EU, provided training and qualification to employees on the topic of development of beet growing and organic arable crops and plants. All workers received a diploma certifying their "knowledge of organic production techniques for sustainable horticulture". In addition to these employees' trainings, COPROB also trained agricultural workers and beet growers with information on sustainable/organic agriculture. A total of 12 days of training in the countryside was carried out. The goal of COPROB is to spread the culture of sustainability of its products and of the entire production process towards users (retail and consumers).

STANDARD 2: EDUCATION, VOCATIONAL AND LIFELONG TRAINING



Nordzucker Germany: new apprenticeship

A new apprenticeship was developed by Nordzucker to train specialists in warehouse logistics. A warehouse logistics specialist can be responsible for various tasks within the

The final result of such trainings is the following: COPROB-ITALIA ZUCCHERI has implemented, in the 2019/20 campaign, and after a long design and experiment process, organic sugar production. The first organic sugar beets were harvested in July 2019. The project is still ongoing and hectares of organic production should increase thanks to the dissemination of the good results achieved in the targeted territories. The training provided to employees will allow further improvement of the performances, thereby favouring their employability and company results.



Credit - COPROB



Suiker Unie: personal 'Vitality' budget for employability

Starting in 2020, Suiker Unie's employees will obtain a personal budget to facilitate their personal needs regarding employability. The arrangement, concluded with trade unions, provides that from 2020 onwards, employees with a long-term, temporary or permanent, contract will be allocated a budget of € 450

gross each year, which can be used to support their vitality and development. Trade unions are involved in both the realization of the arrangement and the preconditions for the use of the budget. The budget is freely spendable in 2020 on health, vitality in work and career development. Employees are offered the option to have the amount paid out in January 2020 with their salary or to be reserved for spending on the arrangements in the course of 2020. From January 1, 2021 this budget will become a conditional budget. The employee can then use the budget during the year to make purchases from the package. The parties will regularly evaluate the budget and its use after 2021. This agreement also shows good collaboration between Suiker Unie and the trade unions.

STANDARD 3: HEALTH AND SAFETY



Pfeifer & Langen Polska S.A.: safety improvements and medical insurance

Several safety improvement tools have been implemented in the factories of the group, including: a systematic risk assessment of work stations; creation of a programme to improve safety conditions for tank loading; installation of new fire alarms and new evacuation lighting systems; and mandatory annual evacuation exercises.

In addition, the company now provides access to additional medical insurance to its employees. Employees were moreover able to measure their blood pressure, BMI, and sign up for an annual health review through a partnership with LUX MED, the leader in private medical services in Poland.



Nordic Sugar: reduction of work injuries

In the Swedish subsidiary of the Nordzucker Group, Nordic Sugar, a programme has been developed on how the company sets its goals, measures and monitors work-related injuries resulting in sick leave for up to 3 days and more. This is described in the company's quality management system. Extensive risk assessments have been carried out in order to introduce preventive measures to create a good and safe work environment. In addition, the company is willing to provide a psychologically-safe work environment. For this purpose, the company is active in dialogue conversations, continuous trade unions meetings, health examinations and medical check-ups for the "at-risk" professions (e.g. night workers). During the 2018/19 fiscal year, the company had no reported work injuries requiring employees to be away from work for more than 3 days, which can be considered a great achievement.



credit - Nordic Sugar



Azucarera's health and safety programme

The first component of Azucarera's health and safety focus is the elaboration of a training plan covering all technical health and safety aspects, broken down by job position. This enables workers to ensure they know, according to their specific role, what specific risks they have to deal with. The trainings include: intervention in emergency situations such as work accidents or evacuation; hygienic hazards; ergonomic hazards; works at height; works with fire and explosion hazards; works with chemical products; and many others.

Azucarera has moreover been focused on the promotion of a more efficient management to control critical risks. A mobile app has been developed and implemented to manage Permits to Work, which includes risk control for exposure to heat, working at height, works with chemical products, confined spaces or any other work liable to generate a critical risk for life. This way, the process to analyse risks before executing those critical tasks has been simplified and accelerated. In addition, Azucarera worked on consistency and learning from incidents. The main measure implemented is related to the assessment of all incidents based on their injury potentiality.

The company is moreover focused on promotion of health amongst employees. Therefore, a Healthy Company Plan has been implemented. The plan is divided into two parts:

1. Physical well-being: covering the treatment and prevention of musculoskeletal disorders, through free access to a physiotherapy service for all employees in factories and packaging

sites. The 3-year strategy also includes the creation of well-being spaces in all factories the implementation of a stretching and muscular strengthening programme.

2. Cardiovascular health: in this field, the company is working on creating and disseminating campaigns to raise awareness on risk factors and prevention of heart attack. These awareness actions have been complemented by the implementation of workshops about healthy diet habits and learning about what a "healthy breakfast" should include.



Credit – Azucarera

STANDARD 4: RELATIONSHIP BETWEEN THE SOCIAL PARTNERS



AGRANA: employers' and employees' representatives meeting

The European umbrella employee organization of AGRANA and Südzucker meet once per year. Topics of the last session included the development of the European sugar market, the end of the quotas and its effect on jobs, the education of employees, subcontracted

and temporary labour, precarious employment situations, policy developments in health and safety in the European Union, and the growing lack of skilled labour.

STANDARD 5: FAIR PAY



Nordic Sugar

Member of Nordzucker Group

Nordic Sugar's survey on equal pay

In Sweden, the Nordic Sugar company conducts an annual survey on salaries. This survey aims at identifying weak spots and unfair wage differences for equal work, based on age, gender, etc.

The results are then reviewed with trade unions and decisions are taken jointly on salary adjustments. This practice once again shows great collaboration between employers and trade unions.



Credit – Nordic Sugar



In addition, measures have been taken throughout Germany, in collaboration with the trade unions, to reduce stress in the workplace.

Tereos' salary policy

Tereos applies and respects equal treatment between permanent and short-term employees. Salary grids are negotiated with trade unions during annual salary negotiations and are similar for all employees of each business unit. For the last 3 years, there have been agreements of the whole unions on salary policy. All information on salary and general terms of the contract are explained by the recruiters and HR department prior to recruitment. All employees have an individual contract. The contract template is standardized.

Communication on the collective agreements and benefits are duly realised. All the agreements are available on the Tereos Intranet and at the disposal in the HR department.



Nordzucker Polska
Member of Nordzucker Group

The same process of implementation of the "home office" policy is currently being made for the Polish subsidiary of Nordzucker in Poland, Nordzucker Polska.



Považský cukor
Member of Nordzucker Group

In Slovakia, where Nordzucker is also active, the company has made efforts to improve the social environment of the workplace. For that purpose, new dressing rooms and social spaces were built. This process was run under observation of the OSH department, in cooperation with a commission for environment safety.

STANDARD 6: WORKING CONDITIONS



Nordzucker

Nordzucker: examples of good practices relating to working conditions

In Nordzucker Germany, discussions are ongoing as to flexibility of work. Such flexibility could relate to working hours and working place: indeed, the possibility of working from home, under certain conditions, is discussed.



Tereos Campus

A new Tereos Campus has been created in 2018 in the region of Paris in order to bring together/unite various European positions/roles previously based on different sites in one place. This new organisation improves dialogue, proximity and efficiency and reduces business travel and wasted time and costs. Nearly 500 employees are now located on the Campus. A package of services is offered to these employees, such as:

- Free shuttle services from the airport or from Paris' central station.
- Development of a car-pooling application to facilitate information exchange amongst employees willing to commute together. This service also has a positive impact on employees' carbon footprints.
- For employees with young children, Tereos has partnered with Kids'up, which gives parents access to a network of 2,000 day-care centres or nurseries. This service is available to all permanent employees with children under four. Kids'up selects the most convenient facility for children, close to the parents' workplace or home.
- Other services on the Campus include an in-house fitness centre and a company concierge service, aimed at facilitating employees' and families' daily lives.

Moreover, in 2019, Tereos has negotiated with the trade unions and workers' representatives a teleworking agreement in France, allowing workers to work up to two days per week from

home, thereby reducing commuting time. This agreement contributes to a better work/life balance and brings more flexibility into team work.



AGRANA: stress and burnout management

This topic covers both health and working conditions, as AGRANA has been working to reduce stress and prevent burnout in the company. For this purpose, occupational physicians have regular office hours on site. Massages are also offered. Alternatives are proposed for lunch, for employees with special dietary requirements (e.g. vegetarian alternatives) and employees can enjoy tea on site. Experts have made presentations on fighting stress. This contributes to the well-being of employees. In the springs of 2017 and 2018, several workshops on burnout prevention were offered to employees in both Austrian locations.

STANDARD 7: RESTRUCTURING

As previously mentioned in this report, the European sugar manufacturing sector is undergoing a major crisis. This crisis requires companies to restructure. This undoubtedly impacts directly on the workers. Companies are therefore undertaking steps in order to ensure that any restructuring is properly managed. Notably stress is a key concern in this context. Stress management is therefore essential and, as shown above, companies put more and more emphasis on this dimension. Companies make sure that any necessary changes occur in the smoothest possible way.



Nordzucker: dealing with the transformation of the industry

The company is undergoing an intensive transformation and will reduce its workforce across the company. In doing so, personnel management measures are taken. Intensive information events with the collective committees in Germany have taken place. Furthermore, Nordzucker has implemented a tool called the "Know-how Transfer". This tool aims at being prepared for future retirements, to be as transparent as possible and to be able to plan for the long term: successors for a specific position are thoroughly sought and appropriate training is organised in order to generate the best possible transfer of knowledge among the employees. Individual experiences and abilities of the potential successor are taken into account.



AGRANA: de-merger of commercial department

In October 2019, the commercial department was demerged from AGRANA Sugar Ltd. and split off into an adjacent association with the employment contracts of 130 Austrian employees being transferred into the new company. Because of evolving customers' preferences, the company wishes to become more effective and competitive. Meetings were held between the executive board and the employees' organization as well as informative events for employees with the Board and employees' organisation.



STANDARD 8: BUSINESS RELATIONS AND CHOICE OF SUPPLIERS



Polski Cukier: sustainable beet cultivation

In May 2019, Krajowa Spółka Cukrowa S.A. again received a certificate of sustainable sugar beet cultivation "REDcert2" confirming that KSC S.A. farmers meet the requirements for sugar beet cultivation in accordance with good agricultural practices. Furthermore, the REDcert2 certificate confirms that recommendations of the Sustainable Agriculture Initiative Platform were met at the "silver" level. The implementation of REDCert2 standard results from the requirements of our clients. Core labour standards were covered.



British Sugar: improving fleet efficiency

The company is continually looking at ways to improve the environmental performance of every aspect of our supply chain. In the transportation of sugar products, Abbey Logistics, an important partner, provides British Sugar with bulk tanker transport from factories to large manufacturing customers. Wincanton also operates a core fleet for British Sugar that is 100% Euro 6, which is the highest engine standard currently available, and therefore emits very low levels of particulate matter (PM) and nitrogen oxides (NOx).

British Sugar's logistics partners have all trialled gas-powered vehicles on the contract and British Sugar continues to closely monitor developments in alternative fuels.

Following the addition of a number of new, state of the art trucks to the fleet in 2018, the company has been looking at ways to introduce additional improvements. As part of this, Microlise's fleet telematic and fleet management systems have been put in place, providing regular feedback on vehicle and driver performance. This has resulted in an increase in miles per gallon from 7.81 to 9.21 across the fleet, delivering obvious benefits in terms of reduced emissions and less fuel usage.



Südzucker: sustainable business relations

Südzucker Group's purchasing departments consider ecological, business and social aspects when procuring the goods and services. The Supplier Code of Conduct is part of the competitive bidding process and contract negotiations. Together with the environmental, labour and social standards guidelines, this code of conduct ensures that procurement remains sustainable. It applies to suppliers along the entire value chain. The purchasing departments are subject to various annual audits which are suitable for the respective procurement area and are certified in compliance with standards such as ISO 9001, International Food Standard, GMP+ or SAI. In the fiscal year 2018/19, the company processed about 36 million tonnes of agricultural raw materials, such as sugar beets, grain, corn, chicory and fruits, at over 100 production sites around the world. Renewable agricultural materials thus comprise the largest share of the procurement volume.







7. ABOUT THIS CORPORATE SOCIAL RESPONSIBILITY REPORT

This is the 15th 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. Its 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 two years, 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 year. The consultation takes place first via a questionnaire regarding the application of each of the 8 minimum standards contained in the Code of Conduct.

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 under the EU Sugar Industry CSR Code of conduct.

The collected information is then contrasted with the data 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, 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:

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CEFS stands for le Comité Européen des Fabricants de Sucre, or in English: the European Association of Sugar Manufacturers. CEFS is an international non-profit organization and a recognised interlocutor for the EU Institutions since 1953, sharing knowledge and technical expertise on sugar. CEFS' membership is composed of sugar-producing companies in the EU and Switzerland.



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EFFAT is the European Federation of Food, Agriculture and Tourism Trade Unions, also representing domestic workers. As a European Trade Union Federation representing 120 national trade unions from 35 European countries, EFFAT defends the interests of more than 22 million workers. EFFAT is a member of the ETUC and the European regional organisation of the IUF.