

	<b>GENERAL PRINCIPLES FOR THE PROCUREMENT OF AGRICULTURAL RAW MATERIALS AND INTERMEDIATE PRODUCTS</b>	Page: 1 of 2 Version 02, 03.12.2020 File: <b>AGR principals procurement raw materials intermediate products.docx</b>
---	---	--

Due to its business activities, adding value to agricultural raw materials in the Fruit, Starch and Sugar segments, efforts to ensure sustainability represent an important part of AGRANA's business model.

AGRANA considers sustainability to be a balance of economic, environmental and social aspects in the context of its commercial operations. The following three principles summarise AGRANA's understanding of sustainability:

- The utilisation of almost 100% of the agricultural raw materials employed and the use of low-emission technologies in processing in order to mitigate impacts on the environment
- Respect of all stakeholders and societies in which the company operates
- Aiming for long-term partnerships with customers and suppliers

AGRANA aims to act economically, environmentally and socially sustainably along the entire value chain, which also includes the procurement of agricultural raw materials and intermediate products. These principles implement the sustainability criteria for agricultural raw materials and intermediate products applied by AGRANA in more detail. Based on these principles, AGRANA contributes to reaching the UN's Sustainable Development Goals, particularly Goal 15 (Life on Land), Goal 13 (Climate Action), Goal 6 (Clean Water and Sanitation) and Goal 14 (Life below Water).

For AGRANA, compliance with the following principles represents a precondition for the conclusion of supply contracts for agricultural raw materials and intermediate products.

### **1. Compliance with legal requirements**

Every procurement procedure is subject to compliance with all relevant legal requirements and regulations.

AGRANA reserves the right to demand stricter requirements in those cases in which the company does not regard the legal basis as being adequate.

### **2. Compliance with social standards**

AGRANA expects its suppliers to comply with **AGRANA's Code of Conduct** in which minimum social standards are defined. Suppliers are also required to ensure compliance with these minimum requirements when dealing with sub-suppliers.

### **3. Good Agricultural Practices (GAP)**

Irrespective of the procurement model, AGRANA strives to rely exclusively on agricultural raw materials and intermediate products grown according to GAP.

As evidence of compliance with the requirements of GAP, AGRANA accepts certifications and verifications based on international standards such as Global GAP, Rainforest Alliance, International Sustainability and Carbon Certification (ISCC), Bonsucro, Farm Sustainability Assessment (FSA) or other comparable standards and/or compliance with EU Cross Compliance obligations.

	<b>GENERAL PRINCIPLES FOR THE PROCUREMENT OF AGRICULTURAL RAW MATERIALS AND INTERMEDIATE PRODUCTS</b>	Page: 2 of 2 Version 02, 03.12.2020 File: <b>AGR principals procurement raw materials intermediate products.docx</b>
---	---	--

Procurement of agricultural raw materials from contract growers:

AGRANA pays particular attention to ensuring that its growers maintain soil health and fertility. Water management, the appropriate use of fertilisers as well as plant protection agents, erosion protection and biodiversity are directly related to this and make a vital contribution to the long-term sustainability of agricultural production.

In order to assess the environmental, economic and social actions of contract farmers, AGRANA applies the Farm Sustainability Assessment (FSA) of the Sustainable Agriculture Initiative Platform. Compliance with the FSA standards is mandatory for contract farmers who form part of a so-called Farm Management Group.

In order to help contract farmers to implement GAP, AGRANA offers a range of crop-specific services such as consultancy provided by AGRANA specialists, educational events and crop-related information via various communication channels.

Procurement of agricultural raw materials and intermediate products from traders:

AGRANA expects its suppliers to obey AGRANA's principles, to implement them and to monitor them back to the agricultural origins of the product as far as this is practical and possible.

**Compliance monitoring**

It is AGRANA's policy to formally request that all its suppliers (growers and traders) respect AGRANA's principles for the procurement of agricultural raw materials and intermediate products and adopt practices to be consistent with them. AGRANA's direct suppliers take responsibility for requiring adherence to the principles among their sub-suppliers and exercise diligence in verifying them.

AGRANA retains the right to audit the compliance with the principles of its direct suppliers. The implementation of corrective action is expected if non-compliance with certain aspects is identified. In the event of serious and/or repeated non-compliance, AGRANA reserves the right to terminate supply contracts.

**Effective date of the principles**

By signing the relevant growing or supply contract, the grower/supplier commits to comply with AGRANA's principles related to the contracted raw materials or intermediate products and subcontracted upstream products.

Created	Reviewed	Approved	Issued QM
RM/Bogner CC/Middelhoff 20.11.20 eh	RM/Hlawati 20.11.20 eh	VS/ Marihart, Büttner, Gattermayer, Harringer, Kölbl 01.12.2020 eh	QM/List 03.12.20 eh