

# Mackay Sugar's Human Rights Policy

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## Our commitment to Human Rights

Mackay Sugar, together with its parent company Nordzucker, is committed to developing an organisational culture and a general conduct of respect and support for internationally recognised human rights<sup>1</sup> and seeks to avoid complicity in any human rights abuse through its activities and business relationships. We support the principles contained within the UN Guiding Principles on Business and Human Rights and the Australian Modern Slavery laws<sup>2</sup>.

This Policy applies to all employees of Nordzucker Group and to all subsidiaries and affiliates worldwide, including Mackay Sugar. It also applies, as far as is reasonably achievable, to our upstream and downstream supply chain through partners, suppliers and third-party contractors. All our suppliers are strongly encouraged to adopt the same or similar standards, and stipulate the same expectations of their suppliers – the Mackay Sugar sub suppliers.

## Salient human rights

Mackay Sugar operates mainly in Australia where the risk of human rights violation is low. However, more work is required to understand and mitigate human rights risks in our supply chain. We believe our main responsibilities lie in a number of critical areas:

- Occupational health and safety;
- Forced labour and modern slavery;
- Child labour;
- Working conditions and discrimination;
- Right to association;
- Land rights; and
- Water contamination and contribution to climate change.

## Implementation of the Human Rights Policy

The Policy is primarily implemented through our human rights due diligence to identify, prevent and mitigate human rights risks. The above-identified salient human rights are a focus of our Country Risk Assessments that are conducted prior to taking up any new activities in countries where Mackay Sugar has no previous experience in and reviewed periodically, especially in countries that have been identified as high risk or medium risk. We further evaluate our direct business partners, particularly in emerging markets, through Suppliers Desktop Questionnaires and undertake audits of our most risky suppliers. As a minimum, Mackay Sugar always audit key suppliers from regions where we do not have prior experience, and where repeated business is intended. Where we identify that they have caused or directly contributed to adverse human rights impacts, we will engage in appropriate remediation processes by ourselves or in cooperation with other stakeholders.

## Reporting a breach of the Human Rights Policy

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<sup>1</sup> Defined in the International *Bill of Human Rights* and the ILO's *Declaration on the Fundamental Principles and Rights at Work*

<sup>2</sup> Defined in the Australian *Modern Slavery Act 2018 (Cth)*

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Any breach of this Policy is also considered to be a breach of Mackay Sugar's Code of Conduct and should be reported promptly. If any employee or other relevant stakeholder believes that someone is violating human rights in the scope of Mackay Sugar's business activities, they are asked to report it immediately to their manager, HR or the Company Secretary or through the Whistleblowing process within the business. The Whistleblowing Policy can be accessed by all stakeholders to report anonymously any issues regarding labour practices and other matters in our supply chain.

### **Corrective actions**

When Mackay Sugar encounters potential human rights violation in the supply chain, we do not withdraw as the first reaction, but rather work actively with the suppliers to address these issues.

We will:

- Inquire into the subject and evaluate the case;
- Set up demands and corrective actions;
- Follow up in an active engagement process with the suppliers, ensuring implementation of the mitigation plan; and
- Ensure effective remedy.

All violation of fundamental human rights demands a response by the supplier and a follow-up by Mackay Sugar in the form of constant monitoring. We strongly believe that by doing this, we can contribute to an improvement of human rights conditions.

### **Terminating a supplier relation**

Mackay Sugar will terminate a supplier relation in case of:

- A violation of the fundamental human rights or something of similar severe nature, which is done knowingly.
- An unwillingness to engage with Mackay Sugar on human rights issues either through refusing to respond or by denying access.
- No inclination or ability to improve even after Mackay Sugar has engaged with the supplier.

All business unit managers are responsible for ensuring adherence to these commitments and our Executive Management has responsibility for overseeing their implementation and ensuring that any breaches of our Human Rights Policy are thoroughly investigated.

### **Modern Slavery**

In particular, for the purposes of the *Modern Slavery Act 2018 (Cth)*(**Act**):

#### **Supply chains**

Supply chains include third party suppliers of IT services; telecoms; facilities management services including, for example, cleaning, security and stationery; marketing materials; and professional services, such as auditing, accounting, legal and HR services.

We also contract with various local, interstate and international companies for the supply of equipment and services, to support our operations and the maintenance and capital works on our factories and railway infrastructure.

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## **Risk Management and Due Diligence**

Whilst the nature of our business shows that Mackay Sugar has a lower risk profile than in many other industries, we do recognise that through our third-party supplier and distribution chain the risk of being exposed to modern slavery practices is increased. To address this, we have developed internal processes and controls to assist us in identifying and managing the risk that modern slavery may be taking place in our business or third-party supply chains.

These processes and controls are managed through our adoption of the Supplier Code of Conduct, in conjunction with our parent entity, Nordzucker. These include:

1. Undertaking a risk assessment to determine potential modern slavery risks in our third-party supplier chain and distribution networks with emphasis on high-risk arrangements and/or geographical locations.
2. Reviewing and amending internal policies to ensure that modern slavery requirements are included, where relevant.
3. Developing and delivery of training for relevant staff in modern slavery requirements.
4. Ensuring due diligence is conducted on local and global third-party supply chains.
5. Reviewing and amending Mackay Sugar initiated supplier contracts to ensure they contain terms that are consistent with the Act. Taking steps to address any potential modern slavery risks identified.
6. Setting up an assurance program to monitor adherence to the modern slavery requirements
7. The development and implementation of effective escalation processes in the event that modern slavery risks are identified.
8. Development and implementation of appropriate governance and reporting to facilitate the preparation of an annual Modern Slavery Statement that meets the requirements of the Act, which is supported by appropriate assurance.

## **Mackay Sugar Staff**

All new and existing employees of Mackay Sugar are required to complete training on this Policy, the Code of Conduct and related human resource and compliance policies. Staff are always required to agree to and adhere to our Code of Conduct. Any matters of misconduct are reported to the Senior Management and/or Human Resource teams, investigated and reported to the Mackay Sugar board as required

**Jannik Olejas**  
**CHIEF EXECUTIVE OFFICER**

**8 June 2023**