

Ulm & Ratzeburg, 15 April 2024

CODE OF CONDUCT

BAT Agrar – Code of Conduct

BAT Agrar¹ is a company closely associated with agriculture. We meet challenges posed to the industry, trade, processing and agriculture as if they were our own. Our passion for agriculture is central to everything we do.

As a distributor of products such as seeds, fertilisers, plant protection and animal feed and as a buyer of agricultural products such as cereals and oilseeds, we serve as a link between global markets and agricultural production on local farms. BAT Agrar is an integral part of the value chain of local and global food production. As such, we are committed to the goals formulated by the World Resources Institute within the scope of the 2018 United Nations Climate Change Conference in Katowice (World Resources Institute (World Bank, UNDP, UN Environment) Katowice in December 2018):

1. to increase food production for a growing world population
2. to halt the decline in biodiversity
3. to simultaneously reduce greenhouse gas emissions ensuing from food production

BAT Agrar is not just a part of the value chain. As a company, we assume a wide range of responsibilities for our customers and business partners, for our employees and their families, for society, for the value chain and for the environment in which we live and operate in. For this reason, the shareholder families of BAT Agrar have formulated their objectives, which set the pillars for the company's strategy. BAT Agrar accordingly strives for financial independence as a prerequisite for our organisational capability. We wish to establish ourselves as an industry leader and be the favoured business partner of our customers and suppliers. We seek to contribute to the sustainable development of the food industry and, in particular, develop BAT Agrar as an attractive place of work and development for our employees.

We take respect and fairness seriously: Human rights and occupational safety

At BAT Agrar, interpersonal interaction is characterised by great mutual respect and fairness. We not only respect the diversity of people and views at BAT Agrar, but also explicitly promote them. We believe diversity enriches us as people and that different experiences and perspectives as well as new ideas contribute to strengthening the company. For this reason we welcome people in our company regardless of their religion, gender, sexual orientation, ethnicity, beliefs or other personal attributes. All people within the company have access to the same opportunities and support.

For us at BAT Agrar, respecting and upholding human rights is an indispensable component of responsible corporate governance. Our commitment to fair treatment and mutual respect means that we oppose and sanction any form of defamation, bullying or sexual harassment.

We comply with all applicable regulations concerning the protection of human rights and labour rights both domestically and abroad:

¹⁾ The terms "we" and "BAT" within the meaning of this document refers to BAT Holding GmbH and all its affiliated companies, in particular BAT Agrar GmbH & Co. KG, BAT Tiernahrung GmbH & Co. KG, Beiselen GmbH, BAT Schifffahrt GmbH & Co. KG, AgrarOnline GmbH, BAT Logistik GmbH and the respective business units of these companies.

- » The company strictly observes the ban on child labour and forced labour. We also ensure the compliance of our suppliers and thereby comply the requirements of the German Supply Chain Act.
- » We comply with all labour laws, including the Maternity Protection Act, the Works Constitution Act, the Whistle blower Protection Act and the Protection Against Dismissal Act.
- » We respect the right of our employees to join the workers' council. Employees acting as employee representatives are neither disadvantaged nor favoured in any way.
- » The safety, health and well-being of our employees, as well as that of our customers, is our top priority. As such, we not only comply with all relevant occupational health and safety regulations but also constantly endeavour to improve ourselves, eliminate hazards, improve processes and, above all, increase awareness of the dangers in the workplace.

Legally compliant conduct

As a larger medium-sized trading company with presence in four European countries, BAT Agrar handles hundreds of thousands of contracts and transactions. Compliance with the applicable laws and standards in the respective countries is a top priority for us. We observe and respect the applicable regulations, provide training in this regard, ensure compliance and, where necessary, sanction non-compliance.

The legal fields relevant to our business activities are manifold and include labour law, tax law, money laundering prevention, construction law and environmental law. We would especially like to focus on the areas of anti-corruption legislation, competition law and data protection:

Anti-corruption legislation: BAT Agrar strongly believes competition should take place exclusively within the legal framework. We firmly refuse to gain a competitive edge by offering unauthorised advantages or benefits to business partners, customers or public officials.

Competition law: Agreements with competitors about prices, market shares, market strategies, capacities and other sensitive data are strictly prohibited. All BAT Agrar employees who have access to or can use such information are strictly required to observe confidentiality and also refrain from approaching competitors with sensitive enquiries. Regular training and further education courses are held within the company to raise awareness of this issue.

Data protection: Use and utilisation of data and information constitutes part of BAT Agrar's core business. We are conscious of our responsibility with regard to handling data about people, markets and business processes. Much data is confidential, and its unauthorised publication violates the rights of individuals including our employees, customers, business partners or even entire companies. BAT Agrar is therefore committed to strictly comply with data protection at all levels. In parallel, we have taken and will continue to take all structural, technical and organisational measures to prevent unauthorised access to data that we obtain in the course of our business activities.

Environmental protection and conservation of resources

BAT Agrar is a supplier of products for arable farming and animal feed for livestock farming and is also a purchaser of cereals and oil-seeds. In agriculture, food is produced on fertile soil, creating a certain conflict of interest for utilising such land as a habitat for wild flora and fauna. Food production is not possible without the utilisation of natural resources. At BAT Agrar, we are committed to using natural resources as sparingly as possible.

In the implementation of these objectives, our work is science-based and non-ideological. We define indicators and actively endeavour to improve them. We do so in pursuit of simultaneously benefiting consumers, producers and the environment.

It is clear that we strictly comply with laws, norms and standards concerning the use of natural resources in the countries in which we operate. We always strive to improve and constantly review structural and organisational options to minimise our environmental impact. However, we also consider our responsibilities beyond the boundaries of the company and are dedicated to ensuring that environmental protection is implemented effectively and as purposefully as possible within the scope of work in associations and political bodies.

All employees at BAT Agrar are required to utilise resources as sparingly as possible not only at work but also on the way to and from work. We wish to significantly reduce the consumption of energy in general and of fossil fuels in particular.

Implementation – a joint task

At BAT Agrar, compliance with law and legislation, respectful interaction with each other and the careful and sparing use of natural resources are at the core of our corporate culture. It is the responsibility especially of managers and team leaders to exemplify this corporate culture and act as role models. Only what is practised and exemplified is respected by all employees and integrated into their own work.

At the same time, we are aware that we operate in a complex legal environment. Lifelong learning – not only of business processes and professional topics but also of the legal framework and sensitive areas – is therefore a prerequisite for ensuring all employees are familiar with the areas of legislation and interaction relevant to them. Providing information, making relevant legal documents available and especially training is therefore central to implementing our guiding principles in all their forms.

Furthermore, compliance with all legal regulations depends on effective control. This control is primarily exercised through monitoring and through exchange of knowledge between responsible managers. In this way, at BAT Agrar we promote a culture in which pointing out errors or irregularities within the company is permitted – regardless of position or function – and is not sanctioned. On the contrary, we want to improve together. In addition, an effective reporting system has been established in the company that enables targeted action by management.

Ultimately, control is to be achieved through an active whistleblower system that has been established at BAT Agrar. This gives employees the opportunity to report grievances if, despite the corporate culture we have developed, they fear they may suffer disadvantages.

As part of the supply chain, BAT Agrar also bears responsibility for its suppliers. BAT Agrar is obliged to comply with the Supply Chain Due Diligence Act and not only evaluate the products we purchase in terms of price and quality but also check the circumstances under which they were produced.

-

Markus Ludewig

Magnus Schuler

Ludwig Striewe

Hauke Thordsen

Jan Thordsen