



Western Sugar Cooperative
(Grower Owned)

Code of Ethics and Business Conduct Guidelines

September 2022



Code of Ethics

A. Introduction

The Code of Ethics of The Western Sugar Cooperative is a document that establishes the appropriate rules of conduct for all employees of Western Sugar. Every day, each of us is required to make decisions that have ethical implications. For example, decisions about the way we relate to other people during the course of work, the handling of company property, managing company finances or observing the safety policies of Western Sugar - all are decisions that put our ethical principles to the test. Below is The Western Sugar Cooperative (“Western Sugar”) Code of Ethics.

All employees, members of management and officers of Western Sugar are obligated, with respect to each of their decisions within Western Sugar, to act in accordance with Western Sugar’s Code of Ethics. Any action not in accordance with Western Sugar’s Code of Ethics could result in disciplinary action or even be considered a criminal offense, which could impose personal liability on you as well as Western Sugar.

B. The Basic Principles of the Code of Ethics

In the various areas of Western Sugar’s activity, there are statutes, regulations and legal standards that bind Western Sugar and its’ employees and management. Similarly, Western Sugar maintains internal guidelines, procedures and compliance programs within its various function areas that instruct employees on how to act in situations they encounter in the course of their work.

The Code of Ethics is not intended to replace these statutes, regulations, and legal standards. It is intended to consolidate and summarize the principles that serve as their basis. It is intended to assist and prevent - but does not comprehensively enumerate the rules. The fact that a certain inappropriate type of conduct is not mentioned in the Code does not make it proper. Our desire is for The Code of Ethics to assist you in your decisions and daily activities during the course of your work.

If you have any doubt about the correct way in which you should act in a certain situation, or if it becomes clear to you that a certain activity is being conducted in violation of the Code of Ethics, please refer your concern to your manager or to the Western Sugar General Counsel, who will either handle the matter or refer the concern to a person who is authorized and appropriate to address it. Remember – we all benefit from compliance with the Code of Ethics.

C. “Rules of Thumb” for Ethical Conduct

It is very difficult to establish general principles that will address every potential situation that we may encounter in the course of working for Western Sugar. Nevertheless, below are some general principles that may help direct you even if there are no specific procedures for the situation at hand. If you are unsure about the way in which you should act in the situation before



you, remember that the primary rules of ethics can be summarized with three simple questions regarding the method of behavior you may choose:

- If the circumstance were reversed, would you want to be treated, with regard to your rights, your money or your property, in the same manner in which you are about to act with regards to others' rights, money or property?
- If your manner of conduct would be publicized or disclosed to the public, would you and Western Sugar be praised or criticized for your actions?
- If others scrutinized your actions knowing all of the facts, would they think your actions and the actions of Western Sugar were proper, honorable and reasonable?

D. Five Fundamental Principles of the Code of Ethics:

- 1. Obey the Law.**
- 2. Act with Integrity in Business Dealings.**
- 3. Respect for Others.**
- 4. Properly Use and Preserve Western Sugar Property.**
- 5. Work in Accordance with Western Sugar Policies and Procedures.**

1. Obey the Law

All employees, officers and directors of Western Sugar are obligated to comply at all times and unconditionally with the requirements of all applicable laws and professional rules applicable to their area of activity in Western Sugar. An employee is never required as part of his or her duties to Western Sugar to violate any legal requirements or professional rules applicable to him or her, and is forbidden from doing so. Remember – obeying the law and the Code of Ethics is meant to serve the interests of Western Sugar and its employees in the most favorable manner.

2. Act with Integrity in Business Dealings (Integrity is a WSC Core Value)

Western Sugar conducts its business with integrity and sees an intrinsic value in this. Western Sugar employees, officers and directors are obligated to conduct Western Sugar business in a fair and honest manner. In addition, Western Sugar expects its employees and management to act fairly towards the parties with whom they are in business contact such as customers, vendors, contractors or other persons or entities.

3. Show Respect for Others and Their Viewpoints (Teamwork is a WSC Core Value)

Western Sugar's success is attributable to the skills, diligence and dedication of its employees. Respecting our fellow employees and working as a team are fundamental part of Western Sugar's continued growth, development and advancement. Every



employee of Western Sugar must respect his or her fellow employees, and act reasonably and fairly towards them. Additionally, we view contract workers and service providers

as partners and we will treat them with the same respect and fairness. We also respect the privacy of our employees and therefore will not disclose to an unauthorized person any information that is likely to infringe upon our employees' privacy.

4. Properly Use and Preserve Western Sugar Property

Employees must safeguard Western Sugar's property, including its information. Western Sugar has physical property (such as product, real property, buildings, equipment, etc.) and intangible property (such as information, contracts, trade secrets, etc.). We must protect Western Sugar's property for the benefit of the Cooperative, its shareholders, and its employees. You must act with the same measure of care and loyalty with respect to the property of Western Sugar with which you would act if it were your personal property. Western Sugar employees must keep in the highest confidence all Western Sugar information that they encounter in the course of their responsibilities which has not been publicly disclosed by Western Sugar.

5. Work in Accordance with Company Policies and Procedures

Western Sugar has a number of internal policies and procedures that are designed to govern its employees' actions within Western Sugar and within their specific job function. Western Sugar's Business Conduct Guidelines contain 6 specific policies that permeate the jobs of all Western Sugar employees. These policies also reinforce the principles set forth in this Code of Ethics and are essential to the continued success of Western Sugar.

These policies are available for review at all times on Western Sugar's Website.

The Business Conduct Guidelines are as follows:

1. Western Sugar Core Values
2. Safety Policy
3. Policy Prohibiting Harassment and Promoting Equal Opportunity
4. Environmental Policy
5. Anti-Bribery & Corruption Policy
6. Antitrust Policy

We ask that you review these policies and ensure that your actions as an employee of Western Sugar you act in accordance with them. All employees, members of management and members of the Board of Directors of Western Sugar, are obligated, with respect to each of their decisions within Western Sugar, to act in accordance with Western Sugar's Code of Ethics and Business Conduct Guidelines. **Any action not in accordance with Western Sugar's Code of Ethics or Business Conduct Guidelines may affect an employee's continued employment at Western Sugar.**



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E. Conclusion

By following the principles set forth in this Code of Ethics, Western Sugar will continue to be successful, and its employees can continue to be proud to work in a company that promotes an ethical working environment.

Again, in any circumstance of doubt or suspicion of noncompliance with the provisions of the Code of Ethics, please immediately notify your manager or Heather Luther, Western Sugar's General Counsel – who is responsible for enforcement of the Code of Ethics.

Your inquiry will be handled quickly, soundly and as confidentially as possible. As long as your inquiry is made in good faith, you can be assured that your standing at Western Sugar will not be harmed or damaged.



Rodney Perry, President & CEO



Western Sugar Cooperative
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BUSINESS CONDUCT GUIDELINES

The Business Conduct Guidelines are comprised of the following policies:

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| 1. | The Western Sugar Core Values | page 6 |
| 2. | Safety Policy | page 7 |
| 4. | Policy Prohibit Harassment and Promoting Equal Opportunity | page 8 |
| 5. | Environmental Policy | page 10 |
| 6. | Anti-Bribery and Corruption Policy | page 11 |
| 7. | Antitrust Policy | page 12 |



Core Values

We are committed to further the well-being of our Growers, Employees, Customers and the communities where we operate. We will do this by following the principles of our core values:

- ▼ **Commitment to Safety:** Provide the support and actions necessary for everyone to be injury- free.
 - Continuously improve our facilities, focusing on reducing risks
 - Being attentive to the needs and interests of our employees
 - Becoming a company with a zero-incident culture

- ▼ **Integrity:** Honesty and fairness guide our actions
 - Adhere to high ethical standards of business conduct
 - Always be fair and respectful to others
 - Exhibit loyalty to the company, while fostering loyalty in others

- ▼ **Openness & Trust:** Value and reward openness and trust
 - Being straightforward, honest and direct
 - Encourage free and open discussion
 - Being Approachable and friendly

- ▼ **Teamwork:** Strongly support collaboration for better outcomes
 - Act for the good of the group and company versus individual self-interest
 - Share information and resources with others
 - Show respect for others and their viewpoints
 - Go out of the way to help others succeed

- ▼ **Entrepreneurship:** Value initiative to improve and capture new opportunities
 - Have a sense of urgency and bias for action
 - Encourage proper and thoughtful risk taking
 - Show high initiative to deliver results

- ▼ **Social Responsibility:** Believe in the development of the communities we touch
 - Contribute funds and support employee time for local social activities
 - Be involved with local economic development
 - Act as stewards of the environments in which we operate



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Safety Policy

Our Safety Vision

Provide the support and actions necessary for everyone to be injury-free that results in a zero-incident cooperative culture.

Our Safety Commitment

We are committed to continuously improving our facilities and focusing on reducing risks while providing employee training to prepare them for safe work.

- No work is so important or urgent that it cannot be performed safely
- Leadership will be attentive to the needs and interests of our employees
- Safety performance is a key indicator of organizational excellence
- We will comply with or exceed all applicable safety and health regulations
- All levels of management are accountable for demonstrating proactive safety leadership
- Everyone should take responsibility for their own safety, while looking out for safety of others
- All employees will be provided the training and resources necessary to perform their job safely

Cooperative Leadership Commitment

Rodney Perry, President & CEO
Jay Bierley, Sr. VP & CFO
Parker Thilmony, VP Operations
Jerry Darnell, VP South Agriculture
Randall Jobman, VP North Agriculture
Rebecca Larson, VP Chief Scientist & Government Affairs
Heather Luther, VP & General Counsel
Mike Skeans, VP Engineering
Ashley Wertz, VP Human Resources
Chelsea Villalba, Director of Environmental



Policy Prohibiting Harassment and Promoting Equal Opportunity

The Western Sugar Cooperative provides equal employment opportunities to all employees and applicants for employment without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, age, disability, or military or veteran status in accordance with applicable federal laws. In addition, Western Sugar complies with any state and local laws governing nondiscrimination in employment applicable to the locations where it has employees. This Policy applies to all terms and conditions of employment, including but not limited to, hiring, placement, promotion, termination, transfer, leaves of absence, benefits, compensation, and training.

Western Sugar does not tolerate unlawful employee harassment. Western Sugar expressly prohibits any form of unlawful employee harassment based on race, color, religion, sex, sexual orientation, gender identity, national origin, age, disability, military or veteran status, or status in any group protected by federal or applicable state or local law.

With respect to sexual harassment, Western Sugar prohibits the following:

Unwelcome sexual advances; requests for sexual favors; and all other verbal or physical conduct of a sexual nature, especially where:

- Submission to such conduct is made either explicitly or implicitly a term or condition of employment;
- Submission to or rejection of such conduct is used as the basis for decisions affecting an individual's employment; or
- Such conduct has the purpose or effect of creating an intimidating, hostile or offensive working environment.

With respect to sexual and other forms of harassment, examples of the types of conduct prohibited include, but are not limited to, the following:

- Verbal harassment, including remarks, derogatory or offensive comments, slurs, epithets, jokes, or pranks, that relate to race, color, religion, sex, sexual orientation, gender identity, national origin, age, disability, military or veteran status, or any other legally protected status.
- Visual harassment, including derogatory words, electronic communications (including, emails and instant and text messages), gestures, markings, posters, cartoons, drawings, etc., that relate to race, color, religion, sex, sexual orientation, gender identity, national origin, age, disability, military or veteran status, or any other legally protected status.

Complaint Procedure

If you experience any job-related harassment based on your race, color, religion, sex, sexual orientation, gender identity, national origin, age, disability, military or veteran status, or other legally protected classification or believe that you have been treated in an unlawful,



discriminatory manner, promptly report the incident to your supervisor or Human Resources representative, or another member of Company Management. Complaints will be investigated and appropriate action taken. Complaints will be kept confidential to the extent possible.

This Policy applies to all incidents of alleged harassment, including those that occur off-premises or off-hours, where the alleged offender is a supervisor, co-worker, or even a non-employee with whom the employee is involved, directly or indirectly, in a business or potential business relationship on behalf of Western Sugar.

Employees who believe that they have been harassed or discriminated against are urged to promptly report any such conduct that they believe violates this Policy so Western Sugar will be aware of the situation, may make an investigation, and may take appropriate corrective action. In addition, every employee has a duty to cooperate with any investigation conducted by Western Sugar or its designee.

If Western Sugar determines that an employee has harassed another employee in violation of this Policy, Western Sugar will take appropriate corrective action, which may include disciplinary action, up to and including termination of employment, against the offending employee.

Western Sugar prohibits any form of retaliation against any employee for filing a complaint under this Policy or for assisting in the investigation of a complaint.



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Environmental Policy

The Western Sugar Cooperative is committed to the protection and preservation of the environment in the communities in which we operate.

As an agricultural Cooperative owned by farmers, climate change has a direct impact on the prosperity of our farms and the viability of the cooperative. Responsible and sustainable environmental management has never been more important to the success of the Cooperative and is critical to its longevity.

We strive for environmental excellence in our operations and prioritize investments that will further the Cooperative's sustainable efforts to reduce energy dependency and water usage and increase landfill diversion. We are committed to this priority and demonstrate action through specific projects and initiatives, a formal sustainability governance and reporting structure, and a strong environmental management system. This management system includes routine internal auditing, public reporting, and environmental impact assessments that support our continuous improvement efforts.

The Cooperative will continue to dedicate resources toward strategic sustainability goals that are designed to preserve the environment, strengthen our cooperative, and foster the prosperity of our farmers.

Cooperative Leadership Commitment

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Heather Luther, VP & General Counsel
Mike Skeans, VP Engineering
Chelsea Villalba, Director of Environmental



Anti-Bribery and Corruption Policy

Western Sugar's policy is to act on all occasions in an honest and ethical manner. One of our principal objectives is to be a good corporate citizen. Western Sugar employees must achieve their commercial and corporate objectives in a manner consistent with the applicable laws and regulations.

In accordance with the foregoing:

- Unlawful or unethical business behavior, whether or not such activity is intended to achieve a business or financial objective, will not be tolerated.
- The use of Western Sugar funds or assets for any unlawful or unethical purpose, including any political or commercial bribery, is prohibited. No payment shall be offered, made or authorized to a government official, political party, candidate, customer or vendor or any of their employees, or other person in a position of trust with the intent or desired effect of causing that individual to violate his or her duties.
- No payment on behalf of Western Sugar shall be offered, made or authorized with the intention that any part of it is to be used for any unlawful purpose or a purpose other than that described by the records supporting the payment.

Gifts to Customers or Vendors

On certain occasions, such as in connection with the holiday season or to commemorate an important event, it may be customary to give a gift to a customer or vendor. No set of rules can replace the exercise of prudent good judgment by Western Sugar's representatives in determining what is an appropriate gift under the circumstances. However, below are some general guidelines regarding giving gifts to customers or vendors:

- The amount of the gift and the manner of its presentation to the customer or vendor should be in keeping with reasonable business practices.
- A gift should never be given to a customer or vendor as a quid pro quo for the award of business or favorable terms of sale or purchase.
- Cash or cash equivalents should never be given as a gift.
- The customer's or vendor's rules and practices regarding the receipt of gifts by its representatives must be respected.

Antitrust Policy

1. Statement of Policy

The Western Sugar Cooperative (“WSC” or the “Cooperative”) values the importance of free market competition and is committed to conducting business fairly and transparently. WSC will fully comply with all antitrust laws applicable to its operations.

All WSC employees, officers, and directors are required to uphold this commitment by understanding the requirements of this Policy, conducting themselves in accordance with this Policy, and by reporting any suspected antitrust violations in accordance with this Policy. No employee is ever required, as part of his or her duties to WSC, to violate any antitrust requirements applicable to WSC’s business.

The purpose of this Antitrust Policy is to alert employees to the kinds of activities most likely to raise antitrust concerns and to the precautions that must be taken to avoid antitrust problems.

2. The Antitrust Compliance Program

The WSC Antitrust Compliance Program (the “Program”) has been established under the direction of WSC’s General Counsel. The Program includes:

- this WSC Antitrust Policy;
- relevant procedures;
- frequently asked questions document for employees, officers and directors;
- training for employees, officers and directors;
- annual Capper Volstead compliance report; and
- reporting hotline.

3. The Antitrust Laws

The antitrust laws are intended to ensure free and open competition and prohibit an unreasonable restraint on trade, including monopolization and attempted monopolization. These laws – the Sherman Act, Clayton Act, and Federal Trade Commission Act at the federal level and similar laws in many states - prohibit any activity or discussion with a competitor for the purpose of bringing about any understanding or agreement among competitors to (a) raise, lower, or stabilize prices; (b) regulate production; (c) allocate markets; (d) encourage boycotts; (e) foster unfair trade practices; or (f) assist monopolization.



An "agreement" in antitrust terms is a very broad concept: it may be oral or written, formal or informal, express, or implied. (See Attached Exhibit A related to the Capper-Volstead Act for Cooperatives.)

4. Potentially Severe Penalties

It is essential for WSC and its employees to comply with all aspects of federal and state antitrust laws. Violation of these laws can result in severe penalties and significant litigation expenses for organizations and individuals. For example:

- The government can seek to have imposed fines per violation of up to \$100,000,000 for a corporation and \$1,000,000 for each individual.
- Individuals who are involved in activity that violates the antitrust laws can also be sentenced to jail for up to 10 years, and possibly more if mail or wire fraud is involved.
- The government can also seek other relief for violations, including doubling the maximum fine (\$100 million) when unlawful gains or damages exceed the fine, obtaining cease and desist orders, and seeking dissolution of WSC.
- Private companies and individuals who are injured by an antitrust violation can sue WSC, its member, and employees for up to three times their damages, plus reasonable attorneys' fees and injunctive relief.

Even if a government or private suit is successfully defended, the cost and disruption of litigation can be overwhelming. Taking antitrust precautions, therefore, is not only advisable, but imperative.

5. Trade Associations and Antitrust Agreements

Trade association participants must be particularly sensitive to avoiding antitrust violations. This is because, in bringing competitors together into an association, one element of a possible antitrust violation may already be present - a combination of competitors. Thus, all that may be needed to prove a violation is an action by association members to restrain trade.

WSC employees who participate in trade associations, therefore, should refrain from any discussion with other association members that could provide the basis for even an inference that the members agreed to take any action that might restrain trade such as agreeing on prices, allocating customers, territories, or products, or refusing to do business with certain suppliers, customers, or other association members.

Remember that an "agreement" among trade association members need not be in writing. A "gentleman's agreement" to "hold the line" on prices may be more than sufficient for a court to



permit a jury to infer an unlawful conspiracy to fix prices. The "agreement" can also be inferred by the parallel actions of association members that happen to follow the discussion of the topic at an association gathering.

The basic principle to be followed in avoiding antitrust violations in connection with trade association activity is not to discuss non-public or competitively sensitive information so that illegal agreements, express or implied, cannot be reached or carried out through the association.

6. Conduct That is Automatically Unlawful

Certain kinds of joint conduct are presumed to be unreasonable and therefore unlawful. These so-called "*per se*" unlawful practices are joint activities that the courts have long found to clearly restrain competition and lack redeeming precompetitive benefits. Examples include:

- **Setting Prices.** Agreements with competitors with the purpose or effect of setting or maintaining either prices or factors relating to prices, such as credit, discounts, profit levels, or volume of production.
- **Allocating Markets or Customers.** Agreements with competitors with the purpose or effect of allocating or dividing markets or customers, such as an agreement not to provide service to a particular geographic area, industry, or group of customers in return for a reciprocal pledge from a competitor.
- **Tying.** Requiring a customer to buy an unwanted product or service in order to obtain the product or service desired.

In addition, agreements with the purpose or effect of refusing to deal with competitors, customers, suppliers, or other third parties (often called "group boycotts") also have often been declared *per se* unlawful and should be avoided.

7. Employee Conduct Guidelines

To minimize the possibility of antitrust violations, the following conduct guidelines should be followed by all WSC employees, officers, and directors:

- **DO NOT** discuss WSC prices or competitors' prices with a competitor (except when buying from or selling to that competitor) or anything that might affect future prices such as costs, discounts, terms of sale, or profit margins.
- **DO NOT** agree with other cooperatives on the terms or amounts of payments or compensation to its members or employees.



- **DO NOT** agree with competitors to divide customers, territories, or product sales.
- **DO NOT** act jointly with one or more competitors to put another competitor at a disadvantage.
- **DO NOT** try to prevent a supplier from selling to your competitor.
- **DO NOT** discuss future WSC pricing, marketing, or policy plans with competitors.
- **DO NOT** discuss WSC customers with your competitors.
- **DO NOT** make any statements regarding non-public prices or matters affecting prices at trade association meetings.
- **DO NOT** make statements to competitors about future plans regarding pricing, expansion, or other policies. Do not participate in discussions where other competitors do make such statements.
- **DO NOT** propose or agree with a competitor to any standardization which will injure another competitor.
- **DO NOT** attend or stay at any trade association meeting where there is no agenda, no minutes are taken, and no association staff member is present.
- **DO NOT** communicate with competitors through a third-party on the subjects which would otherwise be prohibited, as outlined above.
- **DO NOT** do anything before or after trade association meetings, or at social events, which would be improper at a formal association meeting.
- **DO** alert WSC legal counsel to any violations of this Policy.
- **DO** consult WSC legal counsel before raising any matter with a competitor or at an association meeting that you feel might be sensitive.
- **DO** send copies to WSC legal counsel of any communications or documents sent to a competitor or received from a competitor.
- **DO** be conservative. If you feel an activity might be improper, do not do it.

8. Reporting Potential Violations

WSC cannot resolve a potential violation unless it knows about it. Therefore, it is the responsibility of any employee, officer, or director who has information about a potential violation to report the information immediately to WSC's legal counsel or via WSC's Employee Hotline. All reports will be investigated thoroughly and without delay. The investigation will be conducted as confidentially as possible. Only persons with a need to know will be advised of such reports.

WSC will not penalize or retaliate against anyone in any way for reporting suspected violations of the antitrust laws or any other law. WSC will not tolerate intimidation of, retaliation against or the imposition of any form of retribution upon any employee for reporting suspected violations of the antitrust laws and such behavior may result in disciplinary action, including possible termination of employment.



9. Breach of this Policy

Any breach of this WSC Antitrust Policy may lead to disciplinary action, dismissal or termination of employment or contract.

Any questions regarding the meaning or applicability of this policy, as well as any concerns regarding activities or discussions at association meetings, should be promptly brought to the attention of WSC's Legal Counsel.

August 2022



Exhibit A
Limited Exemption to Antitrust Laws for Cooperatives –
The Capper-Volstead Act

WSC's members are able to come together to produce, produce, market, and sell sugar from the beets they grow under the umbrella of a Cooperative so long as they qualify for the exemption to the antitrust laws codified by the Capper-Volstead Act, without which such activities would be a violation of the antitrust laws.

The Capper-Volstead Act enables farmers to band together to achieve efficiencies through collectively growing, processing, and marketing their products in order to increase their bargaining strength in the marketplace so long as the Cooperative meets the following requirements:

- The Cooperative operates for the mutual benefit of its members;
- All members must be persons or entities engaged in the production of agricultural products;
- Each member has only 1 vote based on shares in the Cooperative or the Cooperative pays no more than 8% in annual dividends on capital stock: and
- The Cooperative does not deal with non-member product in an amount that exceeds the total value that it deals with member product.

While the Capper-Volstead Act can provide antitrust protection for cooperatives that meet its requirements, it is important to remember that this protection is limited in scope. Conduct by cooperatives that does not serve to benefit its members or has no legitimate business purpose for the cooperative can be found to be outside of the Capper-Volstead Act's protection.

In order to ensure that the Cooperative maintains the exemption under the Capper-Volstead Act, the Cooperative will perform an annual review to verify the above requirements have been met and will take such necessary action required to remedy any failing to meet the requirements.