Paulig

Deforestation Policy

PAULIG

Introduction

Deforestation and forest degradation continue to occur at an alarming rate, posing significant risks to climate stability, biodiversity, and ecosystem services. According to the Food and Agriculture Organization of the United Nations (FAO), an estimated approximately 489 million hectares of forest have been lost globally since 1990, equivalent to an area larger than the European Union (FAO, Global Forest Resources Assessment 2025). While the rate of deforestation has declined over recent decades, it remains persistently high. FAO data indicates that the world continues to lose around 10.9 million hectares of forest per year (2015–2025 average), compared to approximately 17.6 million hectares annually in the 1990s.

Agricultural expansion is the principal driver of this trend. FAO estimates indicate that nearly 90% of global deforestation is attributable to agricultural expansion, including both crop production and livestock grazing. More than half of forest loss results from the conversion of forests into cropland, while livestock grazing accounts for almost 40% of deforestation. These dynamics highlight the strong link between global supply chains and deforestation, with agricultural commodities playing a central role in land-use change across tropical forest regions.

Addressing deforestation therefore requires targeted action across agricultural value chains to reduce pressure on forests and to ensure that production and sourcing practices do not contribute to forest loss.

Scope

The scope of this policy covers commodities that are most relevant in terms of driving global deforestation and that are relevant in Paulig Group's activities, namely coffee, cocoa, oil palm, soya and wood (referred to as "Relevant Commodities").

This policy applies to all Paulig Group entities, and covers both products manufactured in Paulig's own manufacturing sites (referred to as **"Manufactured Product"**, including both Paulig branded and customer brand products), as well as traded and contract-manufactured products manufactured by third parties and purchased by Paulig (referred to as **"Co-manufactured Product"**).

In case of mergers and acquisitions, new entities to the Paulig Group will be included in the scope of this policy following a time-bound action plan by Paulig Sourcing.

Our Commitment and approach

For years Paulig has been committed to deforestation free sourcing of the Relevant Commodities, as elaborated in this Deforestation policy, first developed and adopted in 2022, and in Paulig's Code of Conduct for Suppliers. Paulig is also firmly committed to the EU Deforestation Regulation ("EUDR") and complying with its obligations once the EUDR becomes applicable. Under the EUDR, companies placing relevant products or commodities on the EU market, or exporting relevant products or commodities from it, must ensure that such products/commodities have been produced in accordance with the relevant legislation of the country of production and are deforestation-free.

Our commitment to no deforestation across our Relevant Commodities is also aligned with Paulig's Science Based Targets initiative (SBTi) validated climate targets following the SBTi's Forest, Land and Agriculture (FLAG) guidance.

We focus our most rigorous deforestation-free sourcing efforts on commodities and volumes where we have the biggest impact and/or where the applicable legislation (such as the EUDR) imposes obligations on Paulig. For example, in the case of coffee – one of our key commodities – we complement our long-standing certification and verification requirements with additional due diligence processes as required under the EUDR. For our other Relevant Commodities, we define and implement certification and verification requirements and work progressively on further strengthening our sourcing processes. For the purposes of this policy, we acknowledge and approve only relevant and reliable certification and third-party verification schemes[1] prohibiting deforestation.

The due diligence obligation for EUDR operators is expected to significantly strengthen deforestation assessment, prevention and mitigation capabilities and efforts in our upstream supply chains. The commodity coverage of EUDR includes all commodities in the scope of this policy.

[1] As defined in Paulig Group's internal Responsible Sourcing Guidelines (incl. approved traceability levels), reviewed and updated periodically.

Policies related to Relevant Commodities

Coffee

Coffee is a major commodity for Paulig as we buy significant quantities of green coffee per year, from more than 15 coffee-producing countries around the world. Paulig predominantly sources its green coffee directly from producing countries and acts as the importer to the EU market.

Paulig has worked systematically over the long term with concrete sustainability targets for coffee. Since the end of 2018, all our green coffee has been sourced as certified or verified.

Paulig continues to be committed to sourcing only green coffee that is either third-party certified (Rainforest Alliance, Fairtrade and Organic, or 4C) or sourced through verified, Global Coffee Platform equivalent supplier schemes incorporating third-party audits for Paulig supply chains.

Co-manufactured coffee products are always third-party certified.

Cocoa

Cocoa is a minor raw material for Paulig and is contained only in few Co-manufactured Products, such as hot chocolate. Paulig does not source cocoa (e.g. cocoa beans or butter) directly from producing countries nor act as the importer to the EU market.

We are committed to using certified cocoa in both our Manufactured and Co-manufactured Products. The certifications accepted by Paulig are Rainforest Alliance and Fairtrade. In exceptional cases, traded accessory products (such as chocolate confectionary) from credible third-party audited verification schemes may be approved in accordance with Paulig's internal processes.

Palm oil and it's derivates

Paulig has worked systematically on reducing palm oil and palm oil derived glycerin use in selected products and brands. However, vegetable oils, including palm oil, continue to be a sizeable direct raw material category for Paulig and palm oil and/or palm-oil derived glycerin can be used as an ingredient in selected products, for example in the tex mex, world foods and snacking categories.

In our direct sourcing of palm oil we buy from established traders located within the EU and UK. Paulig does not source palm oil directly from the producing countries nor act as the importer of palm oil to the EU market.

Paulig has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2005, and in our Manufactured Products we only use RSPO certified palm oil and its derivates. We prioritize sourcing segregated palm oil, but also mass balance palm oil may be accepted in certain products.

For Co-manufactured Products containing palm oil (≥1%), transitioning to the use of certified palm oil for remaining products has started in 2026 and aimed to be completed by end of 2028.

Palm oil is not used in our products under the Santa Maria and Paulig (coffee) brands.

Soya

Soya is not a major raw material for Paulig and it is used primarily as an ingredient in some of our wet seasoning products.

In case of direct sourcing of soya (soya beans, soya bean flour and meal, and soya-bean oil and its fractions) from high-risk origins[2], we approve only third-party certified soya (Pro Terra, Certified Responsible Soya (CRS) and Roundtable on Responsible Soy (RTRS).

For Co-manufactured Products with soya-derived content (≥5%), the same certification principle and high-risk approach for origin of soya will be applied from 2027 onwards.

Wood-derived products, including pulp and paper-based packaging

We are committed to sourcing all of our pulp and paper-based materials, products and packaging (incl. wooden pallets) from certified sources. Certifications accepted by Paulig include FSC and PEFC.

We review this policy regularly and revise our actions and guidelines as necessary. This policy has been approved by the Paulig Group Leadership Team.

Rolf Ladau, CEO, Paulig Group
23.10.2026

PAULIG

[2] For defining high-risk origins, Paulig uses a combination of Sedex Country risk classification and amfori BSCI high risk countries.