

# Paulig Deforestation Policy

## Introduction

*Protecting and restoring forests is an essential part of the effort to tackle the loss of biodiversity, to mitigate climate change and to meet the objectives of the Paris Agreement. Paulig aims to become a sustainable frontrunner in the food & beverage industry, and as a part of that, we are committed to working collaboratively to eliminate deforestation from our supply chains.*

With the principles outlined in this policy, we support the EU level initiative to curb deforestation and forest degradation that are caused by EU consumption and production. We also support the interlinked goal of reducing EU-driven GHG emissions and biodiversity loss. We welcome the opportunity to take part through our offering and actions as a company in the market transformation towards a future where the consumer demand for sustainably produced products is high.

## Scope

In terms of deforestation, the most relevant raw materials that are currently sourced by Paulig include palm oil, soya, coffee, cocoa as well as wood derived products, such as paper and fibre-based packaging. We focus our actions on these raw materials while continuing to monitor the scope revisions of the upcoming EU legislation and other factors for deforestation risks potentially present in our supply chains and we will revise the scope of this policy accordingly.

## Our commitment and approach

Paulig commits to working collaboratively to eliminate commodity related deforestation from our supply chains as part of our sustainability approach. We aim to proactively address the potential risks for agricultural land expansion into forested areas due to climate change and other deforestation drivers in close collaboration with our supply chain partners and farmers in the countries of origin of raw materials.

We strive to provide products and services that are good for both people and the planet and to further increase the transparency and sustainability of our supply chains. We are committed to only engage in deforestation free supply chains and we require the same from all our suppliers. We will continue our efforts to mitigate deforestation risks by advancing sustainable sourcing practices and sourcing verified sustainable raw materials. Furthermore, all our suppliers must comply with the minimum requirements as set out in [Paulig Code of Conduct for Suppliers](#)

We recognise that an integrated and holistic approach is required to reduce and eliminate the negative environmental impacts associated with forest risk commodities. This means that we need to understand the interlinkages between farmer livelihoods, climate change effects, demand side measures and other factors so that we can continuously develop a better outcome for all the issues considered.

To do so, we build partnerships, work closely with a network of companies in our supply chains and engage in constructive dialogue with other stakeholders that share the same goal. We will focus on the research and development of further capabilities, both human and technical, to enable the increasing level of more in-depth risk mapping and traceability and addressing identified issues together in order to make a real impact through our commitment to continuously improve our due diligence.

## **Policies related to the main commodities associated with deforestation**

### **Palm oil**

At Paulig, palm oil is mainly used as an ingredient in some of our customer brand products, for example chips and tortillas. Paulig has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2005 and we use only traceable, RSPO certified palm oil.

We also seek to replace palm oil in our products with alternative vegetable oils when they are better from an environmental and nutritional perspective. In all Santa Maria products, we have replaced palm oil with oils containing more unsaturated fatty acids such as sunflower and rapeseed oil.

### **Soya**

At Paulig, soya is not a major raw material and it is used primarily as an ingredient in some of our products, such as in wet seasoning. For the risk country origin soya we source, we commit to only using certified raw material. We have defined risk origin for soya based on the 2021 study by Pacheco et al.\* and the categorisation may be updated. For certifications, we accept Pro Terra and Roundtable on Responsible Soy (RTRS) and prioritise traceability to origin.

### **Coffee**

Our commitment in coffee is that all green coffee sourced by Paulig comes from sources verified sustainable by external parties and that is traceable at least to the farmer groups.

Certifications accepted by Paulig: Rainforest Alliance/UTZ, Fair Trade and Organic. The Organic certified coffee is sourced in combination with other sustainability verifications covering social responsibility aspects as well. In our portfolio we currently have Fairtrade-Organic double-certified products. We also accept third party verified coffee from our partnership programmes where we support coffee farmers in the development of sustainable and profitable farming practices and we are working to improve productivity in the existing areas so that there is no undue pressure to expand farming to new areas. Together with our partners, we are also training the farmers to fight against climate change and prepare themselves better for extreme weather conditions. In these partnership programmes, we also work in a holistic manner addressing the livelihood aspects of coffee farming in order for farming communities to be able to produce sustainably.

## **Cocoa**

Cocoa is not a major raw material for Paulig and we source small quantities of cocoa as a raw material for our products. We are committed to sourcing 100% certified cocoa. The certifications accepted by Paulig are Rainforest Alliance/UTZ and Fair Trade

## **Wood derived products including pulp and paper-based packaging**

Paulig uses pulp and paper-based packaging materials in its products. We are committed to sourcing 100% of our pulp and paper-based packaging from certified sources. We prioritise traceability to the origin and seek to trace 100% of the virgin pulp and paper packaging we source back to the country of harvest. Certifications accepted by Paulig are 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  
January 14<sup>th</sup>, 2022