

EU CODE OF CONDUCT ON RESPONSIBLE FOOD BUSINESS AND MARKETING PRACTICES

TEMPLATE FOR COMPANIES

PAULIG

29.7.2025

Type of business/sector <i>(E.g. retail, dairy)</i>	Sustainability dimension <i>(E.g. environmental, social)</i>	Code aspirational objective <i>(1-7)</i>	Individual commitments with baseline	Progress on KPIs and goals (qualitative and/or quantitative)	Additional information (optional) <i>(E.g. partnerships, geographical coverage, sharing best practices, links with other COM initiatives, with other reporting initiatives)</i>	Comments (optional) <i>(E.g. enablers, ideas on how to improve)</i>
food & beverage	economical and social	1	By 2030, 70% of our net sales come from products and services which enables health and wellbeing of people and planet	With regard to the Code, our KPI has partly been defined as “Share of products enabling health for people”, and by the end of 2024, 33% of Paulig’s net sales come from products that enable health for people, defined by Paulig’s nutritional framework. Paulig’s nutrition framework is based on the front-of-pack nutrition label Nutri-Score, which is developed by independent researchers. It is today the most widely used	During 2024, Paulig was involved in a global alignment project, led by the Access to Nutrition Initiative, involving academia, NGOs, investors, and industry. The purpose was to standardise the assessment of food healthiness across the industry, encouraging companies to disclose portfolio status based on	The European Commission aims to put forward a proposal of harmonised mandatory front-of-pack nutrition labelling and develop nutrient profiles and prerequisites for using

			<p>(baseline year 2021).</p> <p>FOPNL in the EU, and also endorsed by e.g., the World Health Organisation's International Agency for Research on Cancer (IACR) and the European Consumer Organisation (BEUC). Nutri-Score evaluates products based on established nutrients and food groups known to impact health, with an intuitive and consumer-friendly approach.</p> <p>When including our pure coffee, the 2024 year's status landed at 33%. The full distribution of sales by Nutri-Score for 2024 is as follows: A, 6.3%; B, 26.4%; C, 26.4%; D, 30.9%; and E, 10.0%.</p> <p>In 2024, we launched a strategic nutrition initiative that adopts a systematic approach to continuously review our nutrition framework while coordinating and supporting our journey towards our goals. The current roadmap was renewed based on the revised nutrition framework, with a clear target of transforming our core products to achieve Nutri-Score A and B. The project status is reported regularly to Paulig's Leadership Team and Paulig Board, and disclosed each year in Paulig's annual report. For simulations of various R&D scenarios, providing a systematic approach and assisting in</p>	<p>independent nutrient-profiling models in a systematic and consistent manner. One element of the proposed reporting guidelines is the requirement for companies to utilise one or more nutrient-profiling models: Health Star Rating, Nutri-Score, or the UK nutrient profiling model. Paulig is proud to be the first food and beverage company to publicly support this initiative and its ambition, with a statement on its website.</p> <p>Paulig has become a supporting member of a Swedish public-private partnership FullkornsFrämjandet, which is aiming at increasing whole grain consumption in Sweden.</p> <p>In 2024, we initiated the process of creating and concretising product guidelines on nutrition for the products in our portfolio that are not targeted for the</p>	<p>nutrition and health claims.</p> <p>In the light of our ambition of 70% of net sales coming from products enabling health for people and the planet by 2030, we welcome and support the Commission's ambition of harmonized front-of-pack nutrition labelling to harmonize science-based solutions for addressing over-processed food health concerns and support consumers with a healthy diet Paulig endorses Nutri-Score thanks to its dynamic model, transparent and intuitive approach, and strong research support; while also acknowledging following areas of development within</p>
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				<p>decision-making, we have created and made good use of a Nutri-Score R&D scenario simulation tool.</p> <p>In Paulig's nutrition framework, the criteria was previously further developed, internally, to align even better with dietary recommendations and account for all type of foods that may contribute to the development of food products that enable health for people. In addition to the original Nutri-Score parameter for healthy foods (yielding healthy points to the summary scoring) i.e., fruit, vegetables, herbs, legumes, nuts, and olive, rapeseed and walnut oils, we also include seeds, pure spices, whole grains and grind or flours of foods defined as healthy, in Paulig's nutrition framework.</p> <p>In 2023, the cornerstone of the nutrition framework, Nutri-Score, underwent significant updates to its algorithm. The stricter Nutri-Score algorithm incentivizes us to work even harder to reach our goal. Moreover, we decided to further refine our KPI, by moving away from the internal adjustments to the algorithm that were previously used, and instead, adopting the original, and updated, Nutri-Score as the sole measure and disclosure of the nutritional status of our product portfolio.</p>	<p>reformulation to meet the 70% healthier sales target.</p> <p>Paulig's venture arm, Paulig Incubator (PINC), invests in early-stage European startups with a high degree of innovation that aligns with our vision to contribute to a sustainable food culture.</p> <p>PINC invests across the agrifood value chain with a focus on three major impact themes: 1. Improving human and planetary health within the current food system. This involves innovations in agriculture promoting soil health, biodiversity and food security, innovative ingredients and next-generation healthy foods, as well as data solutions for tracking and reporting climate and nature footprints. 2. Inventing novel technologies to feed 10 billion people by 2050. Exploring "post-agriculture" technologies such as precision fermentation and cell culture</p>	<p>the Nutri-Score model:</p> <p>1) acknowledge all healthy foods as healthy, yielding „healthy points“ in the healthy food parameter, e.g. nuts and seeds in the general category, wholegrain, and grinds/flours of healthy foods.</p> <p>The share of healthy sales for 2024 was 33%. The decreased compared with last years' status is explained by the updated, and stricter, Nutri-Score algorithm. Noteworthy, the strategic reformulation actions to reach 70% healthy</p>
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				<p>As a result of Paulig's decision to align our internal nutrition framework with the algorithm updates of Nutri-Score, the framework has become more stringent. Consequently, there are some changes in the products within our portfolio that achieve a Nutri-Score of A or B, our benchmark for "enabling health for people". Furthermore, due to the improved relevance of the drinks category, we include pure coffee in our health-for-people KPI starting from 2024. This makes our status for 2024 not fully comparable to previous years.</p>	<p>with food growing in bioreactors. This approach, to some extent, decouples food production from land, and is essential for sustainably producing enough food for the growing global population. 3. Creating a circular system for food & material. Regardless of whether we grow our food on land or in bioreactors, the system must be circular and minimise waste. This includes upcycled ingredients, sourcing food from unused sources, reducing or introducing new packaging, and various technologies to improve shelf life and prevent waste.</p>	<p>sales by 2030 require time before hitting the market.</p>
food & beverage	environmental	3	<p>By 2030, 80% less GHG emissions from own operations and 50% less GHG emissions in our value chain from 2018 baseline. By 2045, we also aim to achieve net-zero emissions</p>	<p>With regard to the Code, our KPI has been defined as "GHG emission reductions". This far, we have reached 34% GHG emissions reduction in our own operations from the 2018 baseline. Our absolute Scope 3 emissions were 2% lower in 2024 compared to the 2018 baseline. Overall, production of wheat, coffee, corn and oils, and also packaging materials are important contributors to our Scope 3 emissions and remain in focus for our reduction efforts.</p> <p>Despite a 22% increase in our sold volumes from 2018 baseline due to overall business growth, our value chain GHG emissions have</p>	<p>Paulig's climate targets are aligned with the Paris agreement of 1.5 degrees scenario, and they have been approved by the Science Based Targets Initiative.</p> <p>In 2024, we refined our focus on climate and announced a new ambition to reduce our total greenhouse gas emissions to net zero by 2045. The net-zero targets are a natural continuum following Paulig's current 2030 targets and ambition level.</p>	<p>We acknowledge that we are on a journey with obstacles that we cannot tackle alone. Therefore, we will continue to work with our suppliers and partners to adopt climate-smarter farming practices, find solutions for logistics networks optimization, and look for new and more sustainable raw</p>

			<p>across our value chain.</p> <p>not seen significant changes. In 2024, our Scope 3 emissions decreased by 2% compared to the baseline, while they decreased by 3% compared to the previous year. These changes are primarily due to shifts in our product portfolio composition.</p> <p>In 2024, we successfully reduced our own GHG emissions across our sites by 34% compared to the baseline year of 2018. By 2020, all our sites had switched to renewable electricity which has been a key factor in our emission reductions, with our main remaining fossil source now being natural gas.</p> <p>Most of our sites continued to take several smaller energy efficiency efforts. A major stride was made through the partial switch to biogas at our Belgian, Spanish and Estonian sites through Renewable Gas Guarantees of Origin.</p> <p>In 2024, our absolute energy consumption increased by 2% compared to the previous year, while our energy intensity declined by 4% (-0,03 MWh/tonne production volume). This reduction can be attributed to energy-saving initiatives at our sites and improved access to higher-quality biomass.</p>	<p>To support our emission reduction ambitions, we have undertaken efforts to update our methodology for greenhouse gas accounting to ensure consistency and detail in tracking emissions from agriculture across all our raw materials. This update aligns with the new SBTi requirements concerning targets for forest, land, and agriculture (FLAG) emissions and enhances our understanding of our emissions on a more granular level. Following this, we will review and update our existing 2030 targets, and we aim to formally apply to the SBTi for validation of our net-zero 2045 target, too.</p> <p>The greenhouse gas emissions (Scopes 1–3; 305–1–4), employment indicators (401-1), diversity indicators (405-1), health and safety indicators (403–9), the environmental indicators (302–1, 302–3, 302–4; 303–5; 306–3, 306–4; 306–5), as well as the reported KPIs for the sustainable sourcing of spices, have gone through an external independent assurance provided by Paulig’s financial auditor EY. The assurance statement appears</p>	<p>materials to reach our ambitious climate targets.</p> <p>We are working hard to decouple emissions from business growth, requiring the identification of the fastest and most effective emissions reduction activities in key value chains with a goal of rapid scale-up.</p>
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food & beverage	social	7	<p>By 2030, 100% of raw materials from high-risk areas come from sustainable sources verified by external parties (baseline year 2019).</p>	<p>With regard to the Code, our KPI has been defined as “Share of sustainably sourced raw materials from risk countries verified by external parties”.</p> <p>In 2024, we published new Responsible Sourcing Guidelines to guide our work and better align with our sustainability ambitions, Supplier Code of Conduct requirements, as well as evolving customer and legal requirements.</p> <p>Our process for evaluating sustainability risks within our supply chains includes country risk assessments, supplier self-assessments, and both internal and third-party audits. Supplier-specific risks and opportunities are evaluated through questionnaires updated every three years. In 2024, we refined our supplier self-assessment questionnaires to address transparency, supply chain management, and human rights more comprehensively. Furthermore, we continued to explore how emerging due diligence expectations related to deforestation and human rights risk mapping can be facilitated through technical tools and collaborative efforts with our partners and industry peers.</p>	<p>To reach our goal, we need to make sure we have suppliers that share our values and have the capability to support our ambitions – and focus on building external verifications.</p> <p>Paulig works closely with the global green coffee companies, building their partnership programmes to promote sustainable and profitable coffee growing and coffee farmers’ capabilities for taking proactive action regarding their livelihoods and the environment.</p> <p>Our due diligence approach has been developed in accordance with the OECD Due Diligence Guidance for Responsible Business Conduct. Paulig is committed to respecting the Universal Declaration of Human Rights and to the United Nations Guiding Principles on Business and Human Rights.</p>	<p>Paulig welcomes the CSDDD on EU-level harmonised, mandatory human rights and environmental due diligence, as part of the overall corporate sustainability governance legislation. Mandatory human rights due diligence would foster the necessary transformation towards respect for human rights across different sectors and ensure that efforts by companies are not undercut by the lack of a uniform standard of conduct and to guarantee a level playing field. Our view is that the focus of the regulation should be on companies building strong due</p>

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				<p>achieved this target by the end of the year. This is a significant improvement from our 71% of externally verified sustainable sourcing.</p> <p>In 2024, we expanded the roadmap for external verification to include additional spices and herbs, such as cassia, fennel, coriander seeds, aniseeds, sage, and rosemary. With these additions, we now cover 55% of the entire spices and herbs category.</p> <p>Our ambition is for all our raw materials from high-risk areas to be sourced from externally verified sustainable sources by 2030.</p>	<p>rights work together with human rights experts from KPMG. We are conducting these human rights based assessments to build on the results of our human rights risk screening we conducted in 2023.</p> <p>We had insightful discussions with our suppliers' management about their human rights practices and most importantly with the migrant workers from Myanmar, Cambodia and Laos. Both of our suppliers respect the principles of responsible recruitment, including the Employer Pays Principle. This enables migrant workers to start their employment without debt and additionally there is more income available for living when documents that need to be renewed over time is implemented by the employer.</p> <p>The maturity of human rights management among both of our suppliers is still in its early stages, highlighting the need for increased knowledge and capacity building. Furthermore,</p>	
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