



Annual Report 2024



A top-down view of a meal featuring three dishes on a light-colored surface. At the top center is a small bowl of sliced cucumbers with red chili and sesame seeds. To the right is a plate of yakisoba with a dark sauce, drizzle, and green onions. At the bottom center is a large bowl of ramen with noodles, mushrooms, carrots, and leafy greens. A sprig of green basil is in the top right corner, and a pair of chopsticks is visible near the ramen bowl.

For a life full of flavour.

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Paulig in brief

Almost 150 years of life full of flavour

Paulig's story started in 1876 when Gustav Paulig opened his shop in Helsinki, selling coffee, spices and other goods. In the decades since, Paulig has grown from a coffee house to an international food and beverage company.

Our strong heritage has made us who we are today – passionate experts of taste, always looking to discover and create new flavours and bring them to the table for everyone to share.



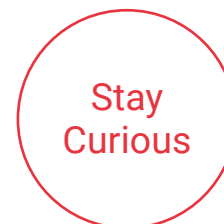
Purpose

For a life full of flavour.

Brands

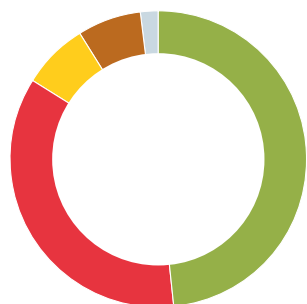


Values



2024 in brief

Revenue per market



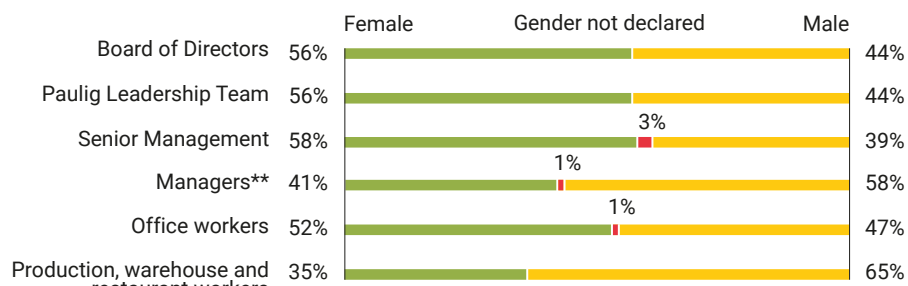
Avg. headcount per country



- 48.5% Nordic countries
- 35.4% Continental Europe
- 7.4% UK and Ireland
- 6.9% Baltic countries
- 1.8% Other countries

- 34% Belgium
- 18% Sweden
- 15% Finland
- 14% Spain
- 8% UK
- 6% Estonia
- 5% Others

Gender by position 2024*



*Situation December 31st 2024
**Managers leading a team

Revenue

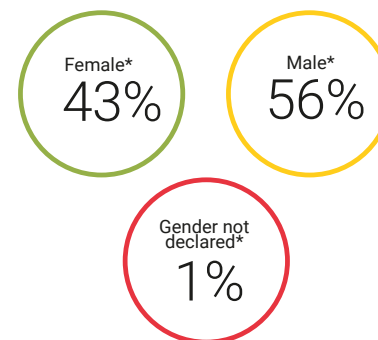
1,199 MEUR

EBIT

77.6 MEUR

Avg. headcount

2,374



*Situation December 31st 2024

Operations in 13 countries



Revenue per Business Area



CEO's review

“2024 was a strong year for Paulig, as we successfully navigated a challenging and dynamic market environment. Our revenue reached its highest level ever, growing by 2.7% to EUR 1.2 billion compared to the previous year, with a comparable EBITDA of EUR 123.0 million. The operating profit amounted to EUR 77.6 million, representing 6.5% of revenue. This reflects the strength of Paulig's brands and private label business, and the trust customers and consumers place in our products. Our strategy delivered, creating solid conditions for profitable growth in a competitive industry.

The market environment remains challenging, particularly with the volatility of green coffee prices throughout the year and a sharp price increase in Q4, along with geopolitical instability. Despite the market conditions, we have created a solid foundation for profitable and sustainable growth.

Our strategy, centred around the vision of shaping popular food culture, enables us to scale up different food trends, making it easier for our consumers to enjoy them at home or in restaurants. It also provides us with the flexibility to expand into new product categories while continuing to strengthen our core business and enhance the success of our brands. Our ambition remains clear: to become one of the fastest growing food and beverage companies in Europe and an industry frontrunner in sustainability.

A new structure to enable faster growth

To align with our growth ambitions, we introduced a new organisational structure in 2024, designed to optimise resource allocation, strengthen critical capabilities, and streamline decision-making. The new organisational structure has already shown results, enabling us to work smarter, and focus on delivering value to customers and consumers. With this building

block in place, we are well-positioned to accelerate execution and achieve even stronger volume growth.

Following the restructure, Paulig's sales were divided into two business areas: Branded and Customer Brands. The Branded Business Area includes Paulig's own brands, such as Santa Maria and Paulig, while Customer Brands focuses on private label and industry customers. Branded accounted for 59% of revenue in 2024, driven by increasing sales volumes and a recovery in this segment compared to the previous year. The Customer Brands Business Area consists of retailers' own labels as well as selected value brands.

Scaling up in World Foods and Asian cuisine

A part of the growth came from strategic acquisitions. In October, we acquired Panesar Foods, a UK-based manufacturer of sauces, salsas, and condiments, to accelerate growth in the World Foods category. In December, we announced that we are acquiring Conimex, the leading Dutch brand from Unilever. This acquisition will strengthen our presence in the Asian food category in the Netherlands and Belgium. Together with Panesar Foods' production capabilities, we are now ready to scale up the Asian food category and further deliver on our vision.

Innovation driving popular food culture

Meeting consumer needs and shaping popular food culture requires constant innovation. Over the past year, we launched more than 60 new products, including Tex Mex and Asia Mayo Toppings, Café Napoli City Coffees, and a new product range in Korean cuisine tailored for the out-of-home market. Additionally, we improved approximately 350 existing items to keep our portfolio competitive and aligned with evolving consumer demands.



Investing in future growth

Investments in production and innovation have been critical to our success. Highlights from 2024 include the development of a new salsa and sauce production line in Estonia for high-quality tomato-based salsas and sauces under the Santa Maria brand. In Spain, we completed the snacking pellet line, further advancing our capabilities. Investments in coffee production, such as high-capacity vacuum packaging and palletising automation, have enhanced efficiency and earned recognition, including a ScanStar packaging award for our recyclable vacuum packs. Through PINC, our investment arm, we also invested in an agtech startup using AI-enabled crop breeding to secure wheat supply.

Delivering on our climate ambitions

Guided by the Paulig Sustainability Approach 2030, we remained focused on delivering our climate ambitions. Alongside exceeding our target to reduce greenhouse gas emissions by 28% in our own operations compared to 2018, with the actual reduction reaching 34%, we also set a new long-term goal of achieving net-zero emissions by 2045, to guide us in accelerating our transition and actions for the coming decades.

We focused on reducing emissions in wheat, corn, coffee, and logistics value chains. Collaborations with Lantmännen in Sweden and Paniflower in Belgium and Germany have reduced wheat cultivation emissions by approximately 30% on selected farms. In coffee origin countries like Brazil and Colombia, we expanded regenerative farming programmes, which have the potential to nearly halve emissions while improving farmer resilience. Our investment in low-emissions transport, including electric trucks and biofuels, further supports these efforts.

A safe workplace for everyone

The health and safety of our employees remains a top priority. Throughout the year, we continued to foster a strong safety culture across all operations. While safety performance met expectations in many factories, we identified areas for improvement and implemented targeted initiatives to address them. Our commitment to achieving zero accidents is unwavering, and we saw a 35% reduction in lost-time accidents compared to 2023. Together with our employees, we are making steady progress toward our safety goals.

Celebrating our legacy and shaping the future of food

As we prepare to celebrate Paulig's 150-year anniversary in 2026, we are reminded of the values and legacy that have brought us here, inspiring us to continue shaping the future of food and beverages.

I would like to extend my gratitude to all our employees for their dedication and hard work during this year. I also wish to thank our customers and partners for their continued trust and collaboration, which remain critical to our shared success. ”



Helsinki, March 2025
Rolf Ladau, CEO of Paulig



Strategy 2024–2026

Our vision is to be The Shaper of Popular Food Culture.

Our ambition is to become one of the fastest growing food and beverage companies in Europe and an industry frontrunner in sustainability. The updated strategy, launched in 2023, is based on three growth platforms: Enjoyable Shared Moments, Taste Exploration and Re-imagined Snacking. The growth platforms enable us to expand our horizons in new directions and look for growth opportunities, while maintaining a strong position in our current categories.

Our strategy is centred around consumers and customers. The strategy and growth platforms are based on an in-depth under-

standing of consumer needs and demands: we conducted extensive research in five of our major markets, interviewing 17,000 consumers. eCommerce focus and development are an important part of our consumer-centric omnichannel business model.

Sustainability is embedded in our strategy and business and continues to inform our choices and guide us on our journey.

Our employees' safety is a top priority, and we are constantly working towards Paulig's goal of zero accidents.

Our values – **Stay Curious, Strive for Excellence, Grow Together** – lead us on our growth journey towards our vision, so we can deliver on our higher purpose **For a life full of flavour.**



The growth platforms enable us to expand our horizons in new directions and look for growth opportunities, while maintaining a strong position in our current categories.



Our brands and growth platforms

We offer a vast assortment of products for Tex Mex and world cuisine meals, spices, coffees, snacks and breakfast options. Our beloved brands are Paulig, Santa Maria, Risenta, Poco Loco and Zanuy. We also have a successful Customer Brands business containing value brands, private labels and industrial products. We are shaping popular food culture through our growth platforms Enjoyable shared moments, Taste exploration and Re-imagined snacking. The growth platforms enable us to scale up our business, expand our portfolio with new exciting innovations and to invest in capacity.





Enjoyable shared moments

Our key priorities in this growth platform are to own and drive morning coffee and taco meals, and to win in new convenient everyday meals. Enjoyable shared moments is our biggest platform, and Tex Mex and coffee are in a prominent role already fulfilling this consumer need. Core elements of this platform include providing convenient, simple, inclusive meals with familiar ingredients that everyone loves, providing affordable healthier options, and enjoying quality time together with loved ones.

Examples of our products in this growth platform include Tex Mex assortment, Asia regular assortment, Blue spices range, grill oils and marinades in flavouring, and Juhla Mokka, Classic, Arabica and Presidentti in Coffee.

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Taste exploration

Our key priorities within Taste exploration are to expand and scale up World Food, and to win in new kitchens and taste segments. The core elements of this platform include trying new things and new flavours, getting creative in the kitchen and scratch cooking. The products within this platform take out the difficulty of trying something new.

Examples of our products in this growth platform include City Coffees, Mundo Origin Blends and Robert Paulig Roastery in Coffee, India, Street Food, new Asian dishes and scratch cooking ingredients in World Foods, World Flavour Collection, Re flavour range, Glaze & BBQ sauces in Flavouring, and The Collection & Flavoured variants of tortillas, spice mixes and salsas in Tex Mex.

The core elements of this platform include trying new things and new flavours, getting creative in the kitchen and scratch cooking.



Re-imagined snacking

Our key priorities within Re-imagined snacking are to scale up by promoting new disruptive snacking concepts and to become a recognised industrial supplier, leading the way to a new snacking culture. The core elements of this platform include treating yourself and giving yourself the permission to enjoy the simple pleasures without guilt or stress. It's all about great taste and enjoying an easy, indulgent, special moment. The products within Re-imagined snacking offer satisfying, enjoyable and healthier options that lift you up throughout the day.

Examples of our products in this growth platform include Santa Maria Tortilla Strips Korean Style BBQ, snack bases, savoury tortilla and corn chips and popcorn in Savoury snacking, coffee solutions and Tazza in OOH Coffee and Risenta sesame & lentil cakes and nuts & seeds in healthier fueling.



The products within Re-imagined snacking offer satisfying, enjoyable and healthier options that lift you up throughout the day.

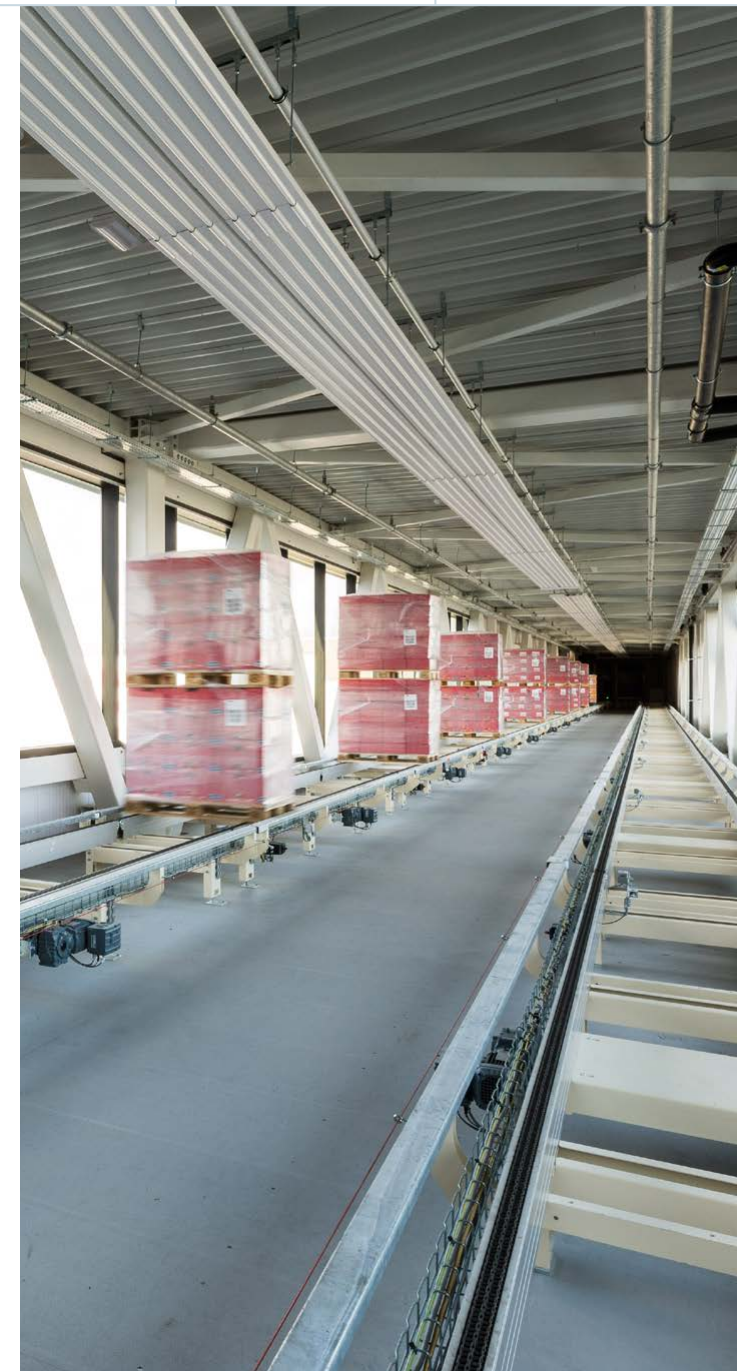
eCommerce

In 2024, we continued expanding and refining our eCommerce capabilities to meet the evolving needs of our shoppers. As shoppers encounter Paulig's brands in an increasing number of channels, eCommerce needs to take on a broader definition, extending beyond traditional online stores to encompass all the touchpoints where consumers interact with our products. With the rise of omnichannel shopping, consumers research products online before and during their regular offline shopping trips. The landscape of shopping behaviours has shifted significantly since the rapid acceleration of online shopping in the wake of the COVID-19 pandemic, and we have been committed to ensuring that our brands evolve with it. In 2024, eCommerce channels represented 11% of our total sales.

Shoppers who have discovered and embraced the convenience of online ordering are increasingly unlikely to revert to traditional offline shopping habits. As digital-first shopping experiences grow in popularity, we recognise the importance of meeting shoppers where they are. We've made significant strides in ensuring our products are not only accessible, but highly visible, in a wide array of online channels, making it easier than ever for our customers to find and purchase our products with just a few clicks. eCommerce has also become a natural and integral part in our expansion into new geographic markets.

Strengthening our partnerships with leading eCommerce retailers and marketplaces such as Grocery.com, Foodservice.com and Q-commerce has been a major focus area in 2024. Our beloved brands have not only remained visible, but thrived in both mature and less established markets. We look forward to continued developments in 2025 and beyond.

eCommerce channels represented 11% of our total sales.



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2024 highlights

2024 was a strong year for Paulig, marked by record revenue and solid EBITDA. We acquired Panesar Foods and agreed to acquire Conimex, strengthening our Asian food category. Investments in production and innovation are critical to our success, and Paulig has continued to improve the overall efficiency of its operations. The company's business transformation programme has progressed as planned. Paulig has also invested in automation, capacity building, and sustainability, including roasting upgrades in Finland, factory expansion in Estonia, and a new production line in Spain. We also launched more than 60 new products in 2024.

Acquisitions

Panesar Foods

In October, Paulig strengthened its position in World Foods with the acquisition of Panesar Foods Ltd, a UK-based manufacturer of sauces, salsas and condiments. Panesar Foods is a family-owned company based in Tipton, United Kingdom, with a turnover of EUR 70 million (fiscal year 2023) and 308 employees. Paulig has collaborated with Panesar Foods already for 17 years. Our combined taste expertise and innovation skills unite around a shared ambition: to accelerate our international growth and expand our World Foods offering.



In 2023, Paulig and Panesar Foods successfully began developing products from the Korean kitchen for the Santa Maria portfolio, with great results.

Conimex

In December, we announced that we are acquiring the leading Dutch brand Conimex from Unilever. Conimex, founded in 1932, is an iconic brand in the Netherlands for its range of meal makers, prawn crackers, soups, sauces, and seasonings.

With the acquisition of Conimex we want to make it easier for even more consumers to enjoy cooking Asian food at home. The acquisition drives our international expansion and strengthens our presence in the Netherlands and Belgium. It allows us to combine portfolio and concept development, leveraging Paulig's strong R&D and production capabilities to grow our World Foods portfolio in Europe. It also reinforces our ambition to become one of the fastest growing food and beverage companies in Europe.

Completion of the acquisition is planned for April 2025.

Paulig will leverage Panesar Foods' production capabilities to boost the growth of both Conimex and Santa Maria brands in Europe.



Investments

Saue factory investment into manufacturing of salsas

In 2024, Paulig commenced salsa and sauce production for the Santa Maria brand at its Saue factory in Estonia following an investment of EUR 10 million. The investment has enhanced the factory's capabilities and ensures a streamlined production process for high-quality tomato-based salsas and sauces on two lines: glass and plastic.

The gradual transition to in-house salsa production ensures long-term stability and accelerates our ability to introduce new innovations to the market. The opening of the new production lines is a strategic move to expand our growth and solidify our standing as a leader in the Tex Mex category throughout Europe. The Saue factory's strategic location in Estonia offers logistical advantages, facilitating efficient distribution to our European consumers and suppliers.

Vuosaari roastery investment

In 2024, we continued our project replacing our packaging lines with new and efficient lines, enabling vacuum pack solutions producing in recyclable packaging material.

Also, our pallet wrapping lines were renewed and significantly increased the automation in the coffee factory. The new palletising cells were successfully installed and taken into use. Internal logistics in Vuosaari now utilise modern autonomous mobile robot solutions for pallet movements.

With vacuum packs, the first of the new high volume vacuum packaging lines was successfully installed and taken into use. The second and third lines have passed factory acceptance tests, and will be installed during 2025.

The changes will not only overhaul the current end-of-life packing lines and palletising process but also introduce innovative features for vacuum packs and palletising formats. One noteworthy example is the improved vacuum pack opening and reclosing features. Furthermore, these changes significantly contribute to the recyclability of packaging.



Collaboration with third-party logistics suppliers

Paulig has made a significant move towards more sustainable logistics by partnering with Einride, a freight mobility company specialising in digital and electric heavy-duty freight. The partnership will introduce a fleet of digitally optimised electric heavy-duty trucks and charging solutions across Paulig's Swedish network.

In the first wave in August 2024, two trucks and five trailers started operating on Swedish roads. The collaboration aims to electrify Paulig's major transports of Santa Maria products in Sweden.

The largest shipments of Santa Maria products in the Gothenburg area cover a distance of 75,000 kilometres a year. It is estimated that the operations will save 15.9 tonnes of CO₂e each year, an 87% reduction compared to previous shipments made using trucks powered by renewable fuel HVO100 and biogas. We are also planning to increase the utilisation of electrical trucks in other European markets.

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Innovations

R&D at Paulig

Innovation plays an important role in the development of our brands and product portfolio, driving future growth as well as driving our sustainability actions. In 2024 we launched over 60 new products, reinforcing our commitment to innovation and meeting consumer needs. The launches spanned both Branded and Customer Brands Business Areas, further strengthening our market presence.

In addition, we reworked and improved approximately 350 items, ensuring our existing portfolio remains competitive and aligned with evolving demands. Key areas of improvement included **recipe enhancements** for delivering better taste and nu-

tritional profiles, **cost efficiency initiatives** for optimising products for improved profitability, as well as **packaging enhancements**, prioritising sustainability and functionality.

2024 was a strong year for innovation, marked by significant product launches and comprehensive portfolio enhancements. These efforts underline our dedication to growth and excellence as we continue to lead in our industry.

New packaging launch: Easy-open recyclable vacuum packaging for coffee

In the spring of 2024, Paulig was one of the first coffee compa-

nies in the world to bring the easy-open recyclable vacuum coffee packaging to retail stores in Finland and Estonia. The recyclable coffee packages are an important step towards our ambitious sustainability goals and are the result of extensive research, investments into our production and teamwork with both internal and external stakeholders.

Paulig's easy-open packaging has close to 20% less packaging material weight compared to the previous packaging. The new packaging, which is recognisable by the white inside, is used on a few of Paulig's products, such as Paulig Mundo Original and Paulig Café New York. The innovative packaging won an award in the ScanStar competition, a joint Nordic packaging competition.

PINC

PINC, Paulig's venture arm, invests in early-stage startups with the aim of supporting innovations enabling a more sustainable future of food.

In 2024, PINC added one new startup to its investment portfolio: **OlsAro**, which is an agtech startup securing wheat supply through AI-enabled crop-breeding. The startup is developing new wheat varieties resilient to climate stresses such as salt, heat, and drought.

In 2024 we launched over 60 new products, reinforcing our commitment to innovation and meeting consumer needs.



New product launches

The new products introduced in 2024 enhance our product portfolio, catering to diverse consumer preferences and expanding our reach in key market segments. Among the new products introduced were:



Santa Maria Tortilla Oat Wraps and White Corn Tortilla, bringing exciting variety to Tex Mex dishes



Paulig Café Napoli & Café Napoli Espresso, extending the City Coffees range for both filter and espresso enthusiasts



Santa Maria Tex Mex and Asia Mayo Toppings Sauces, elevating Tex Mex meals to a new level and responding to the growing Asian trend



Keys to Korean Taste OOH, a brand-new range of K-food flavourings - sauces, pastes and spice mixes - for restaurants and the foodservice industry

Development programmes

Paulig Efficiency programme

Our Efficiency programme aims at improving the overall profitability and efficiency of Paulig's operations. The programme consists of several streams which are working on efficiencies and optimising commercial excellence, sourcing, improving the profitability of our portfolio and optimising net working capital.

In 2024, the most significant successes were achieved in the areas of commercial excellence, net working capital and indirect sourcing. Paulig's commercial teams continued working on a joint customer management model while our sourcing team focused on generating sustainable savings in our indirect spend and fostering a shift in our spending culture by refining our indirect sourcing practices, number of suppliers and procedures. As part of indirect sourcing efficiency, we identified savings at an intense pace, significantly reducing the number of suppliers, particularly in logistics.

This programme continues throughout 2025.

Paulig Business Transformation programme

Paulig's Business Transformation programme is an internal multi-year transformation programme that harmonises the processes, systems, data, and ways of working across Paulig. Through this programme, we will establish the foundation for our future operations and growth and generate a more efficient operating model. By unifying and improving our End-to-End (E2E) business pro-

cesses, our long-term aim is to enable a unified and reliable customer experience, across all our channels, markets, and brands.

In 2024, we achieved several important milestones, including the first Go-lives with Manufacturing Execution System (MES), the successful launch and ramp-up of E2E Process Governance and Data Governance. Additionally, we have been preparing and planning for the upcoming Go-Lives with our new enterprise resource planning (ERP) system and several surrounding systems. Preparations for the first Go-Lives have been made throughout 2024, and will be executed starting in Q1 2025.

Digitalization

Our digital journey is a core component of Paulig's strategic direction, emphasizing the creation of a contemporary digital workplace, enhancement of customer and consumer experiences, optimization of data utilization, and the digitalization of the supply chain.

In 2024, the focus was on planning, establishing strategic objectives, and defining key metrics. The more substantial efforts will commence in 2025, with a broader implementation of new working models and digital technologies. Since 2023, Paulig employees have been equipped with AI tools and capabilities, and AI experiments have been expanding during 2024.




Our factories

In total, we have 14 factories in six countries in Europe: in Belgium, Estonia, Finland, Spain, Sweden and the United Kingdom. In Paulig, we have a factory network structured to support our strategy. We aim to drive a culture of continuous improvement, focusing on productivity increases and minimizing waste. Everyday, we make choices to become a sustainable frontrunner in our industry. This includes sourcing of raw materials from verified sources, using recyclable packaging where possible, emission reduction in our transports.

At the end of 2024, six out of 14 Paulig factories across five countries are carbon neutral certified.*

*Data is from 11 sites. Data from factories acquired in 2024 will be consolidated in the course of 2025.

OUR FACTORIES

 BELGIUM	Roeselare: Two tortilla factories & chips factory	 
 ESTONIA	Saue: Spices & wet flavouring factory	
 FINLAND	Helsinki: Coffee roastery Porvoo: Coffee roastery	 
 SWEDEN	Mölnadal: Spice & mixing factory Landskrona: Tortilla factory	 
 UK	Milton Keynes: Tortilla factory Tipton: Three wet flavouring factories	 
 SPAIN	Berga: Snacks and tortilla factory Puig-reig: Popcorn factory	  





Sustainability Report

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Welcome to Paulig's Sustainability Report 2024. This section describes Paulig's sustainability work during the financial year ending December 31st, 2024, covering all operations and companies that belong to the Group, except for Panesar Foods Ltd. The report is published annually, with the previous Sustainability Report having been published in March 2024. In the report, the Global Reporting Initiative (GRI) standards 2021 are used as a reference, where possible and relevant. The report also follows the requirements set by the European Union's Non-Financial Reporting Directive. For greenhouse gas emissions, the data collection, calculations and methodology (Scope 1, 2 and 3) follow the Greenhouse Gas Protocol. The reported CO₂ emissions, environmental and safety indicators and the data reported for the sustainable sourcing of spices are assured by a third party.

For more information, please contact Salla Sulasuo, Director, Sustainability, salla.sulasuo@paulig.com.

Sustainability highlights 2024



CLIMATE FUND ACCELERATING THE SHIFT FROM PILOTS TO LARGE SCALE

In 2024, we advanced from pilots to scaling up strategic sustainable sourcing practices on a large scale. We established several new GHG reduction programmes in logistics and two new programmes with key raw materials wheat and coffee suppliers - all accelerated through our unique climate fund.

We partnered with the Belgian wheat supplier Paniflower and agricultural trading company BAT Agrar to launch a new long-term project aimed at significantly reducing the environmental impact of wheat production. Paniflower will mill 35,000 tonnes of regeneratively farmed wheat achieving up to a 35% reduction in carbon emissions.

We also took big steps in decarbonising our logistics value chains by investing significantly in low-emissions transportation in key routes. We teamed up with Einride to electrify Paulig's major transports of Santa Maria products in Sweden, reducing CO₂e emissions on selected routes by 87%. We also established long-term partnerships with multiple logistics carriers to switch to a biofuel option for all ocean imports, reducing our ocean freight emissions by 90% on our green coffee and spices routes, which together represent approximately 80% of Paulig's total shipments.



NEW ORGANISATION TO BUILD CAPABILITIES IN CORE FUNCTIONS

Our new organisational structure and sustainability capabilities embedded in key functions will enable Paulig to accelerate our sustainability work and engagement with key stakeholders. The new function, Public & Regulatory affairs, enables better monitoring and proactive engagement on relevant sustainability policy and regulatory developments. Throughout 2024, we also invested in internal sustainability trainings and in-depth training sessions on key themes, for example with our sourcing.

SETTING PACE AND STEPS TOWARDS NET ZERO

In 2024, we progressed steadily towards our 2030 climate targets by reducing 34% of our direct emissions, and decoupling volume growth from emissions in our value chain emissions. At the same time, we also established the ambition and steps towards reducing our total greenhouse gas emissions to net zero by 2045. The net-zero targets are a natural continuum following Paulig's current 2030 focus, providing visibility to longer-term investments planning.





FIST RECYCLABLE COFFEE PACKAGING IN THE WORLD

Following a EUR 25 million investment in new packaging lines and palletising cells implemented already partially in 2024, we introduced the first batch of easy-open recyclable, fully printed vacuum coffee packaging in May 2024. This launch took place in retail stores in Finland and Estonia, making us the first roastery in the world to achieve this milestone.



STRENGTHENING RESPONSIBILITY ACROSS OUR VALUE CHAIN

We are consistently engaged in mapping human rights-related risks, developing processes, and establishing more systematic due diligence practices with our suppliers and other partners. In 2024, we updated our human rights principles outlining our commitment to respecting internationally recognised human rights and our approach to managing human rights issues. We also conducted a deep dive on human rights impacts at our contract manufacturing suppliers in Thailand.

ESTABLISHING PARTNERSHIPS TO HALT AND REVERSE NATURE LOSS

In 2024, Paulig continued to develop its nature programme to further assess and minimise negative impacts on nature and invest in restoration by scaling regenerative agriculture practices. Paulig was also represented at the COP16 global biodiversity conference, and supported the Business for Nature (BfN) COP16 Business Statement to urge governments to strengthen the policies, incentives, and legislation that will drive the business actions necessary to halt and reverse nature loss.



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Managing sustainability

Our ambition is to become one of the fastest-growing profitable food and beverage companies in Europe and a sustainable frontrunner in the industry. We have a role in global climate, nature, and health solutions, and we want to contribute to the sustainable future of food. We strive to grow a food culture for the future and provide inspiration and means for a life that is sustainable, healthy, and tasty.

Driving the transformation of food systems

The food industry has a crucial role to play in providing global climate, nature and health solutions, and now it's time to act. At Paulig, we want to help solve the global challenge of transforming food systems, and to make this happen, the Paulig Sustainability Approach 2030 sets the direction for us and our brands during this decade.

Positioned in the middle of the food value chain, we not only take independent actions but also influence both ends of the chain through collaboration with our partners and customers. This position enables us to address climate and nature, as well as human rights issues at the root of where our raw materials come from. Additionally, we focus on developing products that enable better health and wellbeing.

In 2024, we further continued the business integration and scaling of strategic sustainability initiatives, guided by the Paulig Sustainability Approach 2030. Our three focus areas with long-term ambitions are:

- Products that enable health and wellbeing of people and planet,
- Climate and nature actions, and
- Fair and inclusive way of working.

As the world continues to change, we must also renew and refine our direction to achieve our ambition of becoming a sustainable frontrunner in our industry. To this end, we have expanded our ambitions to include nature alongside climate actions. In

2024, we continued building our capabilities to assess impacts and dependencies on nature, including biodiversity and water, and developing a programme to minimise negative impacts and invest in restoration. This includes scaling regenerative agriculture practices in our value chain to alleviate pressures on nature.

Furthermore, the strategic sustainability initiatives aimed at delivering our focus areas underwent minor updates in 2024 regarding scope and roadmaps and we started the work to expand some of the roadmaps beyond 2030, for example outlining steps to net-zero GHG emissions. Additionally, we launched a new initiative focused on embedding sustainability attributes more closely into our brands and at the product level.

We engage with key stakeholders to drive the transition of food systems through concrete actions and collaboration within the food value chain. For example, in November 2024, we participated in the United Nations Biodiversity Conference COP16 to engage with global stakeholders, exchange insights from sustainability initiatives, and advocate for decisions from international peers, partners, suppliers, and policymakers.

We continuously assess our impact and develop partnerships to enhance our business practices and responsible sourcing. Starting in 2025, Paulig joined Sedex, a non-profit organisation providing an online database for companies to access data on ethical and responsible business practices within global supply chains. With this new membership, we resigned from amfori BSCI, the platform we used earlier.

At the other end of the chain, our role is to offer new flavours and inspire consumers with more sustainable choices without compromising taste or convenience. Recognising that current eating habits may not always support people's health and wellbeing, we strive to be part of the solution. The development of our products toward enabling the health and wellbeing of people and the planet creates the very core of our work. While doing all this, we continue to develop our values-driven company culture to ensure that our employees as well as partners perceive Paulig as a fair and inclusive company.

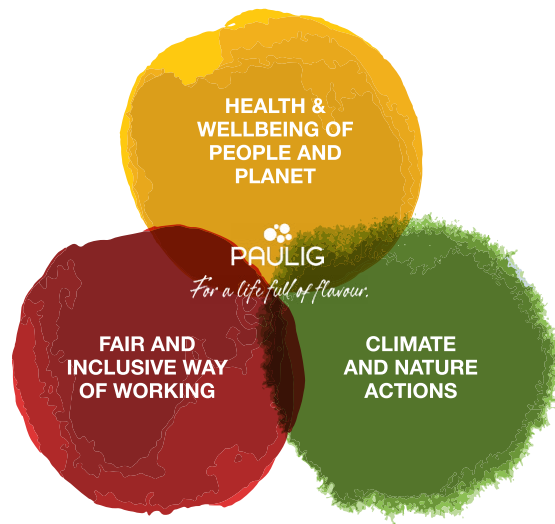
Paulig Sustainability Approach 2030 is based on three prioritised United Nations Sustainable Development Goals and comprises three focus areas and ambitions

AMBITION

70% of our net sales comes from products and services which enable the health and wellbeing of people and the planet

AMBITION

100% of raw materials from high-risk areas come from sustainable sources verified by external parties



AMBITION

50% less GHG emissions in our value chain

80% less GHG emissions from our own operations

All our packages will be recyclable and made from renewable or recycled materials

50% less food loss in our value chain




Our climate targets have been approved by the Science Based Targets initiative.



Key enablers: Resource efficiency, Transparency, Partnership, Dialogue, Data, Regenerative agriculture, Circularity



Progress towards our ambitions

	AMBITION 2030	PROGRESS 2024	FOCUS 2025	KPI STATUS 2024
 <p>HEALTH & WELLBEING OF PEOPLE AND PLANET</p>	<p>70% of net sales comes from products and services which enable health and wellbeing of people and the planet</p>	<p>Strategic project executed to update the reformulation roadmap toward the goal on health for people, according to the revised nutrition framework.</p> <p>Extended pilot of 100 largest (by sales) products executed to analyse sustainability impact based on greenhouse gas emissions, processing (energy use), blue water usage, land occupation, soil health, biodiversity, labour risk, and animal welfare. Project initiated for a full portfolio evaluation of sustainability impacts.</p>	<p>Continue the strategic project, updating the reformulation roadmap and monitoring the development of Nutri-Score A & B products.</p> <p>Continue the work on planet health framework: defining a product enabling health for planet, full status assessment and estimating KPI status.</p> <p>Monitor and update Paulig-level guidelines on sustainability communication on product level, according to emerging decisions, and establish implementation process of the guidelines.</p>	<p>33% of net sales of foods & drinks enabling health for people.</p>
 <p>CLIMATE AND NATURE ACTIONS</p>	<p>80% less GHG emissions from own operations,</p> <p>50% less GHG emissions in our value chain</p>	<p>Completed an extensive study to map energy-saving, electrification and alternative energy options for our production sites in Belgium and Spain.</p> <p>Collaboration with wheat suppliers Lantmännen and Paniflower. Climate projects ongoing with coffee partners in Colombia.</p> <p>Refined our GHG accounting methodology to align with SBTi requirements and to get more granularity on the emissions from purchased goods and services and logistics.</p>	<p>Develop a roadmap for our sites to achieve an 80% reduction in GHGs by 2030.</p> <p>Submit a FLAG target to the SBTi, review and update our existing 2030 target, and submit a net-zero target.</p> <p>Continue scaling climate projects together with suppliers in the coffee and wheat supply chains. Start projects in the corn supply chain.</p> <p>Continue identifying and implementing logistic solutions with lower emissions.</p>	<p>34% GHG emissions reduction in own operations and 2% GHG emissions reduction in value chain since 2018 baseline.</p>
 <p>FAIR AND INCLUSIVE WAY OF WORKING</p>	<p>All our packages will be recyclable and made from renewable or recycled materials</p> <p>50% less food loss in our value chain</p>	<p>Development ongoing for recyclable coffee, tortilla, and spice bags. Detailed implementation roadmaps created.</p> <p>Recyclable target updated from 2025 to end of 2027.</p> <p>Launched recyclable and resealable coffee laminate packaging.</p> <p>Work resumed: outlined new approach and scope, taking into account foreseen legislative developments.</p>	<p>Continue testing and development of tortilla and spice bags.</p> <p>Create production-site specific roadmaps for food waste reduction in own operations.</p> <p>Initiate planning for food loss in value chain baseline evaluation.</p>	<p>86% of packages by volume recyclable.</p> <p>To be defined in 2025.</p>
	<p>100% of raw materials from high-risk areas come from sustainable sources verified by external parties</p>	<p>Maintained 100% of coffee from verified sustainable sources.</p> <p>Interim target of 92% sustainable sourcing by volume for the six spices (black pepper, onion, Indian chilies, oregano, turmeric, and cumin) achieved.</p> <p>Published Responsible Sourcing Guidelines, and trained key stakeholders</p> <p>Developed roadmaps for other high-risk raw materials.</p>	<p>Achieve the key target of 100% sustainable sourcing by volume of the six spices.</p> <p>Reach targets of sustainable sourcing for the other spices and herbs in scope.</p> <p>Continue building roadmaps for all other high-risk raw materials, set KPIs, and monitor the progress.</p> <p>Engage suppliers to ensure meeting the targets and identify opportunities.</p>	<p>92% of the sourced volumes for the six spices externally verified</p>



Scaling and patience in sustainability efforts

“ As we near the midpoint of our Sustainability Ambitions 2030, I'm pleased to note that our efforts have gained momentum and are advancing well across all focus areas.

The noteworthy achievements in 2024 include collaboration with Paniflower, which replicates our partnership with Lantmännen by scaling the concept of reducing climate and nature impact in wheat cultivation. We also established new long-term partnerships aimed at reducing emissions from transportation across several land and sea routes. Additionally, our nutrition framework has been integrated into our product development, supporting us to create products that align with our nutritional ambitions.

Now that we are in the implementation phase, many sustainability aspects have become more concrete, prompting us to reassess our targets and establish detailed roadmaps for achieving our ambitions by 2030.

Despite our ambitious goals and dedicated efforts, market readiness has not always matched our pace, leading to the slower execution of certain strategic sustainability initiatives than initially anticipated. This requires patience, particularly when viable solutions are lacking or when complex transformations require significant adjustments across the value chain, involving partners, materials, infrastructure and more.

For instance, we extended our packaging recyclability target from 2025 to 2027. We have dedicated considerable effort to identifying suitable materials and creating roadmaps, but implementation takes time. Nevertheless, we are making significant progress in packaging recyclability, having introduced the first batch of recyclable vacuum coffee packaging in May 2024.

The Paulig Climate Fund is critical for us, enabling effective scaling of climate and nature projects in our value chain. Having a dedicated fund ensures that we can test and adopt

the available solutions and accelerate the transition to a lower carbon food system together with our partners and suppliers.

Our new net-zero 2045 climate target prepares us for the world beyond 2030. Setting a long-term net-zero target will guide us in accelerating our transition and actions for the coming decades. This includes planning innovations, setting growth targets and providing important signals for implementing new technologies. At the same time, we have also advanced in understanding our broader impacts and dependencies on nature.

For the benefit of our stakeholders

Regarding human rights, we face increased scrutiny and have taken steps to meet due diligence requirements. Our focus extends beyond compliance; we strive to support our partners in meeting these obligations. Our approach is fair and inclusive, rather than simply checking boxes. For instance, engaging directly with our value chain rightsholders in Thailand allowed us to understand their perspectives better.

The added value from our sustainability efforts enhances our brand and stakeholder trust. Even if stakeholders do not base their decisions solely on sustainability, they still benefit from our approach and actions. Consumers can make informed choices, new employees are keen to join a company with ambitious sustainability actions, and our partners appreciate our commitment.

I am genuinely delighted by the progress we have made. Let's continue advancing and scaling these impactful initiatives together! ”

Kaisa Lipponen
SVP, Sustainability, HSE and Communications

Our efforts have gained momentum and are advancing well across all focus areas.

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Steering sustainability: Governance and development

Our commitment to sustainability begins with our Board of Directors, which approves our long-term ambitions and regularly reviews sustainability performance against established targets. Progress on the strategic sustainability initiatives, along with findings from sustainability reporting assurance and related development areas, is reported to the Board's Audit Committee.

Since launching our Sustainability Approach in 2020, we have made significant strides towards our 2030 goals. However, as the world continues to change, we must regularly refine our direction to ensure our sustainability efforts remain current and effective. Additionally, as part of our reporting according to the Corporate Sustainability Reporting Directive (CSRD), the double materiality assessment process will ensure that our Sustainability Approach is regularly evaluated and refined, facilitating ongoing improvement and alignment with regulatory requirements and industry best practice.

Sustainability governance

Paulig's sustainability governance model outlines the roles and responsibilities for steering our sustainability actions. The strategic sustainability initiatives are considered integral to Paulig's overall

strategy and are incorporated into our annual planning cycles. The progress of these initiatives is monitored several times a year in leadership meetings. The SVP, Sustainability, HSE and Communications is part of the Paulig Leadership Team.

In 2024, we cascaded the sustainability governance model by elevating the mandate for the cross-functional Sustainability Management Group (SMG), which now serves as the steering group for our strategic sustainability initiatives, previously overseen by the Paulig Leadership Team. With an updated composition of selected directors, the SMG is now better aligned internally to include key functions, important touchpoints and the necessary capabilities and resources.

Furthermore, our sustainability team was restructured to enhance our ability to take and accelerate actions necessary to achieve our ambitious goals and respond to the growing demands from regulations and customers. Additionally, we recognise the need to manage environmental, climate, and social responsibility measures more holistically in the future.

As the world continues to change, we must regularly refine our direction to ensure our sustainability efforts remain current and effective.

STRATEGIC SUSTAINABILITY DEVELOPMENT PROCESS

Monitoring and considering the expectations of our different stakeholders, as well as the impacts of global developments and external factors on our approach, is organised according to our strategic sustainability development process.

This process defines the inputs and actions, such as adjustments to strategic sustainability initiatives, and related outputs, such as annual situational analyses. The process effectively links our development efforts to other parts of the organisation, ensuring alignment with shared annual timelines.

Additionally, we established a new Public & Regulatory Affairs function, enabling better monitoring and proactive engagement with relevant policy and regulatory developments.

Building upon our existing sustainability governance model, we also developed our governance model for human rights. Also, the role of the Board has been strengthened to ensure adequate oversight and management of human rights practices. In 2025, we will continue to focus on developing our due diligence processes.

Reporting and engagement

The importance of obtaining high-quality sustainability data and establishing robust reporting processes has grown, particularly due to the requirements stipulated by the CSRD. In 2024, we continued our preparations for CSRD reporting by engaging with various stakeholders through interviews, workshops and surveys to gain a deeper understanding of Paulig's sustainability-related impacts, risks and opportunities. We also conducted a double materiality assessment to evaluate these factors in detail and to identify material topics in Paulig's context. This work was followed by the gap analysis, ensuring our practices and reporting align with CSRD requirements. This work will continue into 2025, with the creation of a more detailed roadmap and timeline for the reporting. The first report aligned with the CSRD will be published in 2026.

In addition to meeting regulatory requirements, we need reliable, timely data to effectively manage our sustainability work and accelerate our actions, such as reducing greenhouse gas emissions in the value chain. To meet both external and internal expectations, we have put significant effort into developing our internal sustainability data management practices and processes as well as on improving data quality and timeliness.

Building upon our existing sustainability governance model, we also developed our governance model for human rights.

Sustainability governance model

PAULIG BOARD	<ul style="list-style-type: none"> Approves focus areas and targets for our sustainability work Reviews sustainability development, KPIs, and the annual sustainability reporting
PAULIG LEADERSHIP TEAM	<ul style="list-style-type: none"> Approves strategic sustainability initiatives as part of the company strategy Approves Paulig-level sustainability principles and policies Defines and approves sustainability approach focus areas (incl. targets, roadmaps, and KPIs) Reviews sustainability development, implementation, KPIs and the annual sustainability reporting
SUSTAINABILITY MANAGEMENT GROUP	<ul style="list-style-type: none"> Acts as a steering group for the strategic sustainability initiatives, and proposes adjustments to sustainability approach and initiatives Supports prioritisation and steering of sustainability implementation Validates performance and oversees sustainability risk management
SUSTAINABILITY TEAM	<ul style="list-style-type: none"> Responsible for sustainability strategic planning, development and initiatives, leading strategic sustainability initiatives Provides internal consulting, supports sustainability implementation and follows up on performance Ensures necessary processes and policies are in place Monitors and assesses trends, expectations and policy & regulation developments Leads stakeholder engagement and public affairs programme
BUSINESS AREAS & FUNCTIONS	<ul style="list-style-type: none"> Aligns sustainability approach, strategic sustainability initiatives and roadmaps with annual planning Integrates strategic sustainability initiatives and targets into sourcing, production and product development processes

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Beyond enhancing sustainability management, our efforts to improve data have fostered greater cross-functional collaboration. These actions also contribute to our preparation for the CSRD reporting.

For internal engagement, it is essential to keep all Pauligians informed about our sustainability focus areas and performance. To achieve this, we utilise multiple communication channels. Sustainability performance is integrated into our quarterly strategy reviews, and new employees participate in an onboarding day that includes an introduction to our sustainability approach. We also provide sustainability training for our personnel through a new online learning course developed in early 2024, designed to empower colleagues to drive our sustainability agenda in their functions.

Additionally, the sustainability performance is linked to our remuneration. Paulig's internal short-term incentive plan is aligned with the goals of achieving carbon emission reductions in our own operations and enhancing safety performance. The financing terms are also connected to our sustainability target levels and overall performance.



Beyond compliance: Commitment to ethical business conduct

Our Ethical Principles express our commitment to promoting ethical behaviour beyond legal requirements. Every Pauligian completes online training on these principles as part of their onboarding programme, ensuring they are well understood and reflected in our daily operations.

The Paulig Code of Conduct for Suppliers extends these Ethical Principles throughout our value chain and is included in all direct sourcing agreements. For indirect sourcing, all new agreements also encompass the Code of Conduct for Suppliers.

To complement the Ethical Principles and the Code, we developed Human Rights Principles, which were approved by the Paulig Board of Directors in autumn 2024. These principles outline our commitment to respecting internationally recognised human rights and our approach to managing related issues. We will

continue to advance this work by closely monitoring regulatory developments, particularly discussions surrounding the EU Corporate Sustainability Due Diligence Directive. Additionally, we aim to benchmark our human rights models against industry best practice.

Internal guidelines for responsible sourcing were published in 2024. To address risks associated with operating in unstable or risk regions, a list of no-go countries and regions was established. This list has been communicated to our first-tier suppliers. Additionally, training on the responsible sourcing guidelines has been provided to Pauligians involved in sourcing and supplier quality.

Our policies and guidelines are available at our website paulig-group.com/sustainability/managing-sustainability.

Whistleblowing: Reporting and responding to ethical concerns

We want our employees to feel comfortable with voicing dissenting opinions and concerns at the workplace. Paulig enables its personnel in all operating countries to report potential issues anonymously via a third-party maintained whistleblowing tool, which is accessible in six languages. The tool consists of a Group channel and local reporting channels for Belgium, Sweden and Spain.

In parallel with the internal channels, we provide a whistleblowing tool to our external stakeholders to report any misconduct on our part. We encourage external stakeholders to primarily contact a manager at Paulig, but the anonymous whistleblowing tool ensures that we receive feedback even if the person feels that they

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Mitigating risks, seizing opportunities

cannot be open with their concern. A dedicated team evaluates and investigates non-conformities, ensuring that all actions are meticulously logged and handled with strict confidentiality. Cases are reported annually to the Paulig Board of Directors.

In 2024, we received a total of 25 cases, comprising four external and 21 internal reports, two of which were either tests or lacked substantive content. The primary areas of concern reported were related to HR and product quality. Our team responded to all cases, with two cases still under investigation at the year-end. Most of the reports did not qualify as whistleblowing cases, but merely as expressions of discontent.

Aligned with our sustainability approach, we have identified and assessed the most critical sustainability risks and opportunities for Paulig. Climate change and the loss of biodiversity, recognised as the most significant risks of our time, top our list. Additionally, relevant sustainability risks include regulatory and political factors that impact our efforts, particularly in areas such as supply chain due diligence, deforestation, and reporting. We consistently monitor the regulatory landscape and strategically plan advocacy actions to contribute our insights to legislative processes.

Sustainability risks are managed in accordance with our company-level risk management model. We have undertaken a

high-level screening of human rights risks in our value chain, recognising forced labour as significant concern. In 2024, we conducted an in-depth assessment of human rights impacts at our contract manufacturing suppliers in Thailand. In 2024, we also carried out a comprehensive assessment of climate risks at the Group level, focusing on transitional, acute and chronic physical risks at our production sites. This work will continue into 2025, expanding to assessing the physical risks in our key supply chains.

We have also identified sustainability-related opportunities, particularly driven by the growing consumer interest in healthy, plant-based options. Through an annual situational analysis, we aim to ensure that sufficient information is available to consider and identify both risks and opportunities.

In our value chain

Climate change

Climate change is the most significant long-term sustainability risk for Paulig, and that is why our climate targets are aligned with a 1.5°C pathway and approved by the Science Based Targets initiative. Paulig's biggest impacts on climate are within the value chain. Climate-related risks and impacts are mitigated through general risk management and the strategic sustainability initiatives focusing on carbon reductions in our own operations and value chain, as well as sustainable sourcing of raw materials from risk countries.

In 2024, we carried out a comprehensive assessment of climate risks at the Group level.

CLIMATE SCENARIOS TOWARDS 2030–2060

We use climate scenarios to assess risks and opportunities for our business across various time horizons, extending to 2060. These scenarios are based on IPCC temperature models, specifically the Representative Concentration Pathways (RCP), which illustrate potential global temperature increases by the end of the century, and the Shared Socioeconomic Pathways (SSPs), which project socioeconomic changes on a global scale.

The assessed scenarios include temperature rises of 1.5°C, 2°C, and 3°C or more.

For the transition assessment, these scenarios were enriched with specific insights from the food, agriculture, and forestry sectors, along with forward-looking context relevant to Paulig, such as current and emerging regulations on packaging and water use, shifts in consumption patterns, and technology outlooks.

Input was collected from key functions to evaluate risks and opportunities for each scenario. Our scope extends beyond our own operations to encompass impacts along the entire value chain.

For physical climate risk assessments, we conducted a desktop study to perform a high-level screening of acute and chronic hazards, including extreme heat, drought and water scarcity, flooding and precipitation, high winds and wildfires. This was aligned with the transition risk scenarios predicting a temperature rise of over 2°C.

In the analysis, we identified the major impact factors affecting our portfolio. We will continue conducting onsite deep dives to gain a more detailed understanding of the actual risks to our assets and expand the assessment to include key value chains.

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Loss of biodiversity

In addition to climate change, biodiversity loss has been identified as a significant risk for Paulig, as our business is dependent on raw materials cultivated on land and changes in local ecosystems can affect farming in many ways. In 2022, Paulig participated in a pilot to explore Science-Based Targets for Nature to better understand nature impact evaluation and target setting. Throughout 2024, we actively engaged in nature target setting with our business partners, peers, and NGOs across various forums, such as the FIBS Biodiversity Network in Finland and the Business for Nature COP16 Business Sprint. Our aim is to understand the nature impacts even further and explore tools and data to help with the assessments and design the most impactful actions.

Protecting and restoring forests is essential in our efforts to combat biodiversity loss and mitigate climate change. In terms of deforestation, the most relevant raw materials sourced by Paulig include palm oil, soya, coffee, cocoa, and wood-derived products

such as paper and fibre-based packaging. As we move forward, it is essential to incorporate practices related to verification and sourcing for these commodities in our product development and supply chain processes.

We are also closely monitoring developments related to the EU Deforestation Regulation and continue to collaborate with our partners to ensure timely compliance by the end of 2025.

Human rights

As a food and beverage company, our value chains are global and complex, with a significant portion of our raw materials sourced from countries classified as risk countries. Recognising the factors that elevate risk levels—such as lengthy and less visible supply chains, the presence of seasonal and low-skilled workforces, regions with high migration rates, and countries with poorly enforced or less developed legislation—we acknowledge the necessity for a diligent approach.

When addressing human rights risks, we must evaluate how our actions impact individuals and communities. This perspective deviates from conventional risk management processes, requiring a different assessment of the severity and likelihood of impacts. Additionally, there are reputational and regulatory risks associated with adverse human rights impacts within our value chain and operations.

We are engaged in mapping human rights-related risks, developing processes, and establishing more systematic due diligence practices with our suppliers and partners. Moreover, we are committed to continuously enhancing our understanding of human rights issues within Paulig. In 2024, the Sourcing Leadership Team and their respective teams participated in a training session on human rights, covering the regulatory framework and our initiatives in this area.

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In 2024, we conducted human rights impact assessments in Thailand as a part of our human rights work together with human rights experts from KPMG.

CASE

Deep dives into human rights impacts

In 2023, we conducted a human rights risk screening on our value chain, providing a high-level, comprehensive view of human rights risks at Paulig. Based on this assessment and the existing mitigation measures and controls in place, we identified living income and wage, as well as forced and child labour as the most significant human rights risks in our value chain. For these prioritised issues, our objective is to conduct human rights impact assessments to deepen our understanding and strengthen measures and controls to mitigate the associated risks and impacts.

In 2024, we conducted human rights impact assessments in Thailand as a part of our human rights work together with human rights experts from KPMG. We have several contract manufacturing suppliers in Thailand, and we have identified that the majority of them are employing migrant workers from the neighbouring countries in Southeast Asia. In 2022, we encountered a case of bonded labour involving our supplier, who was withholding passports in exchange for the reimbursement of recruitment fees. This made it evident that we needed to initiate in-depth investigations in Thailand.

For this pilot we selected two of our suppliers. The purpose of the assessment was to conduct a deep dive to assess actual and potential adverse impacts and have meaningful engagement with affected rightsholders, as well as to conduct a rapid analysis of the root causes of the identified impacts. In addition, the aim was to build and pilot a model for Paulig to conduct similar deep dives into other value chains and countries.

As preparation for the assessment, we familiarised ourselves

with the overall human rights situation in Thailand and conducted background research on our suppliers and their human rights work. We reached out to and had discussions with the International Labour Organization and the International Organization for Migration representatives in Thailand on topics faced by migrant workers, and also with the Foundation for Education and Development which is working locally with Burmese migrants in Thailand.

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.

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, we recognised that establishing strong collaborative relationships with our suppliers is essential for jointly addressing impacts. Leverage plays a crucial role in creating positive outcomes and ensuring that human rights are respected within the supply chain.

We will follow up on the conclusions of the human rights impact assessment with our current suppliers and aim to conduct further in-depth assessments with the remainder of our suppliers in Thailand.



In our own operations

Product safety and quality

Ensuring food safety and quality is of paramount importance to us as a food and beverage company. Our commitment to safeguarding the quality and safety of our products extends from the cultivation and sourcing of raw materials all the way to the end consumer.

To uphold our stringent standards, we proactively assess risks and regularly engage with our suppliers to review their quality and food safety management practices. To continually manage risks related to quality, food safety, and food fraud, as well as to ensure legal compliance, we implement extensive incoming control plans. We sample and analyse incoming raw materials, which allow us to ensure that our raw materials and products meet our high requirements for quality.

Work safety

The health and safety of our employees are top priorities for us. Related indicators are monitored by site management and Paulig's Leadership Team, with reports provided to the Board of Directors on a monthly basis.

Critical factors in ensuring safety at our workplaces include continuously raising safety awareness and fostering a culture where it is everyone's responsibility to uphold safety standards. This area requires ongoing attention, and a proactive and preventive approach is our most effective tool. This commitment is supported by systematically assessing, observing and reporting on risks, as well as inspecting and auditing our safety practices.

Together we can make an impact

To make an impact, collaboration with our stakeholders is essential. We are faced with systemic and complex challenges, requiring a united effort toward shared goals. Our owners have a long-term interest in doing business in a way that respects natural resources, the environment, and human rights. Our sustainability ambition is born from that interest and intention.

Our consumers expect tasty, healthy, and sustainable products and services that they can safely enjoy. Our customers are our partners who sell our products to consumers, such as in the retail and food service industry.

Pauligians, our more than 2,400 employees, are the key asset to our success. In 2024, we introduced our first capability-building strategy, which identifies and defines the business capabilities and associated skills necessary to our future success. This strategy enables us to nurture our people by investing in their skills, enhancing job satisfaction, and increasing retention. Our goal is

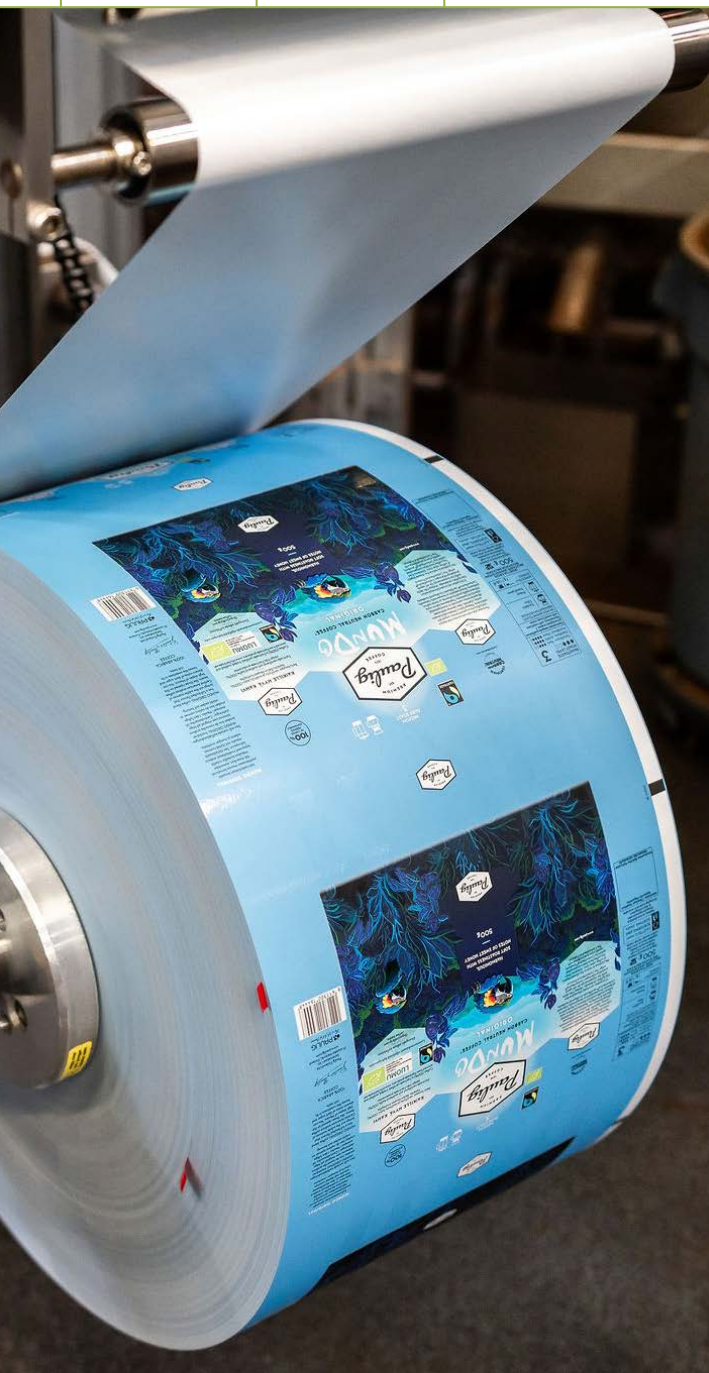
to foster not just careers but also a sense of belonging and accomplishment among our employees.

Many of our largest impacts occur in our value chain. To mitigate those, we need the right partners. It is important for us to have a dialogue with our suppliers to understand their challenges and potential.

We value the expertise and insights of research institutes and NGOs in broadening our understanding of our impacts and future expectations. We want to ensure we use our resources wisely, which means our actions need to be grounded in and guided by robust scientific frameworks.

Paulig also actively participates in industry associations across our countries of operation. Additionally, we contribute to, and express our views on various collaborative platforms. The most important associations and collaboration platforms are listed on [page 81 >>](#).





We have established a new Public & Regulatory Affairs function, which enables us to better monitor and proactive engage with relevant policy and regulatory developments.

Using our voice

We strive to take a more visible role in global events and to find the right partners to collectively drive our key ambitions. We aspire to collaborate with industry players, contribute to EU policy discussions, and work towards a sustainable and prosperous future for the food and drink industry in Europe, while maintaining its competitiveness. To support this, we have established a new Public & Regulatory Affairs function, which enables us to better monitor and proactive engage with relevant policy and regulatory developments.

In November 2024, Paulig joined FoodDrinkEurope, the European trade association that advocates on behalf of the entire food industry towards the EU institutions. Furthermore, Paulig's representative was selected to serve as the President of the Board of FoodDrinkEurope. This marks a significant step in both raising our profile at the European level and providing access to the EU stakeholders.

Throughout 2024, our representatives participated in panel discussions at international and national events and summits, including COP16 in Colombia and SuomiAreena in Finland, to share our perspectives and actions for more sustainable food systems from farming to consumer engagement.

Keeping pace with compliance and change

The regulatory landscape concerning sustainability is rapidly changing in the European Union. Paulig supports the EU's regulatory push to enable the green transition, and our hope is that the agreed frameworks will be finalised and enforced.

In 2024, we encountered a concerning decrease in the predictability of the EU regulatory environment. Overall, we advocate for well-informed legislative decision-making that is based on scientific impact analyses. This, combined with official guidance, is crucial for easing implementation and ensuring that regulations effectively direct stakeholders toward the desired outcomes.

At the EU level, our priority issues include the EU Deforestation Regulation, the Corporate Sustainability Due Diligence Directive, the Packaging and Packaging Waste Regulation, the Green Claims Directive, and food information to consumers, specifically the front-of-pack nutrition label. We also closely monitor developments that impact the competitiveness of the food industry.

Throughout 2024, we closely monitored the EU Deforestation Regulation from both an implementation and advocacy perspectives. In late 2024, we reached out to national and EU-level decision-makers to advocate for the approval of a 12-month extension of the transition period with no further amendments to the text. This request was approved by the European Commission in late December 2024.

We continued to voice our support for the European-level due diligence directive. In February 2024, we reached out to selected members of the Finnish Parliament to communicate our position and to call for support for the directive.

We find it unfortunate that a legislative proposal for a harmonised, mandatory front-of-pack nutrition label has not been agreed on. Paulig continues to support harmonised front-of-pack nutrition labelling across the EU and endorses Nutri-Score as the preferred label.

Our economic impact

As an international company, our operations exert direct and indirect economic impact on the economies where we are present. Our direct economic impacts encompass the procurement of goods from suppliers, wages and benefits paid to employees, dividends distributed to shareholders and income taxes contributed to the public sector.

The indirect impacts are most pronounced in our supply chain. Sourcing raw materials, products, and services from nearly 80 countries, we actively contribute to the creation of business and job opportunities throughout the value chain.

Tax payments and policies

Our approach to taxes

Our approach to taxes is guided by our tax policy, ensuring steadfast compliance with regulations, transparency, cooperation with authorities, and effective management of tax risks. The Board of Directors approves our tax policy, subject to annual reviews.

At Paulig, we are dedicated to paying the correct amount of taxes in the appropriate country and at the right time. Our business models are driven by commercial rationale, and taxes are paid in accordance with the value creation principle. Our transfer pricing policy adheres to the arm's length principle, following the OECD Transfer Pricing Guidelines and local regulations in our operational countries.

To uphold transparency in taxation, we commit to complying with all applicable tax reporting obligations and promptly disclosing necessary information to tax authorities when requested. We strive for predictability in tax matters, preferring proactive communication and seeking advance rulings with tax authorities whenever possible.

The international tax framework is undergoing rapid changes due to numerous legislative initiatives from the OECD and EU aimed at addressing aggressive tax planning. To mitigate tax risks, we closely monitor legislative developments in our operational countries and engage early to implement necessary changes in our processes. We believe that internal guidelines, training, documentation, and pre-defined processes are key measures for effectively mitigating tax risks.

Our tax payments

In 2024, the paid direct income taxes by Paulig were EUR 28.6 million. Approximately 38% of income tax payments were made in Sweden, 34% in Belgium, 11% in Finland and the rest in the other countries in which we operate.

In addition to direct income taxes, we contribute to society in the form of pension and social security contributions, payroll taxes, value-added taxes, customs duties, as well as excise, real estate, and environmental taxes. Payroll-related tax payments and VAT constitute the largest part of our tax footprint.

Our economic value creation and distribution 2024, MEUR



*Taxes booked in the financial statement for the year 2024



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Products enabling the health and wellbeing of people and the planet

Our ambition is that by 2030, 70% of our products and services will enable the health and wellbeing of people and the planet. We are committed to developing our products in a healthier direction as well as innovating new products that are better for both people and the planet.

Alongside systematically improving the nutritional quality and reducing the environmental footprint of our products, we take food safety and quality with the utmost seriousness.



AMBITION 2030

70% of our net sales comes from products and services which enable the health and wellbeing of people and the planet

Road to our ambition

Global food production places significant pressure on the climate and ecosystems, while unhealthy diets considerably raise the risk of morbidity and mortality. It is essential for both people and the planet to transition towards more sustainable diets. As an industry frontrunner, Paulig is committed to steering this change in the right direction. We are dedicated to future-proofing our business for generations to come.

We have been working to improve the health aspect of our products for years. To accelerate the work towards healthier products, in 2020, we set a sustainability goal of having 70% of net sales in 2030 coming from products and services that enable the health and wellbeing of people and the planet. Since then, we have charted a robust course towards this goal.

To begin with, we developed a nutrition framework based on the front-of-pack nutrition label Nutri-Score. This framework guides the evaluation of our status, allowing for continuous monitoring and development of our product portfolio. This has been instrumental in identifying focus areas and creating roadmaps to achieve our health ambition, with implementation throughout the organisation.

In 2023, the cornerstone of the nutrition framework, Nutri-Score, underwent significant updates to its algorithm. The stricter Nutri-Score algorithm incentivises us to work even harder to reach our goal. In addition, in 2024, 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 Nutri-Score as the sole measure and disclosure of the nutritional status of our product portfolio.

Secondly, significant strides have been taken to establish a framework to define a product that enables health for the planet, with the focus of estimating the holistic sustainability impact of our product portfolio during 2024.

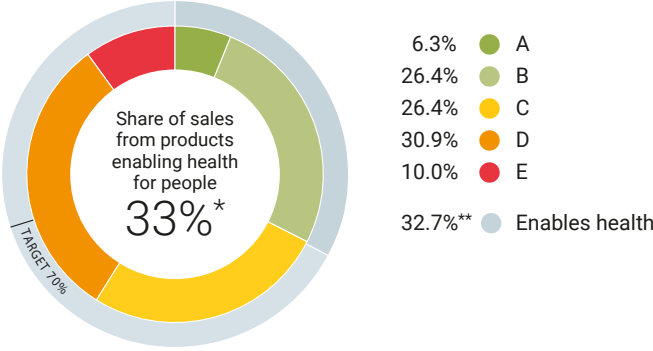
It is essential for both people and the planet to transition towards more sustainable diets.

Paulig's nutrition framework steering our way forward

Paulig's nutrition framework is based on Nutri-Score, a widely used front-of-pack nutrition label in the EU, developed by independent researchers. Endorsed by esteemed organisations such as the *World Health Organisation's International Agency for Re-*

search 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.

Paulig Nutrition KPI Framework
Share of sales from Nutri-Score



*Unallocated net sales, representing 3.7% of the overall net sales, are excluded. The unallocated sales include, for example, intra-company sales, non-food/drinks items, and sales from one-pallet-units containing mixed products. If the unallocated sales are included in the KPI calculation, with the conservative assumption that no product contributes to share of sales enabling health, the total share enabling health is 31.7%.

** Coffee is classified as B and included in the share of sales enabling health. However, we have excluded coffee products with on-pack instructions only for pot brewing, as it may have cholesterol elevating properties.

The impact of the 2024–2025 acquisitions of Panesar Foods and Conimex has not yet been included. The assessment of their portfolio impact will be conducted and included in the course of 2025.



Our nutrition framework enables us to identify and prioritise major opportunities for reformulation in alignment with our 2030 health ambitions.

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.

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%.

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. For simulations of various R&D scenarios, providing a systematic approach and assisting in decision-making, we also finalised and made good use of a Nutri-Score R&D scenario simulation tool.

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 independent nutrient-profiling models in a systematic manner. One element of the proposed reporting guidelines is the requirement for companies to utilise one or more nutrient-profile models: Health Star Rating, Nutri-Score, or the UK nutrient profiling model. Paulig is

NUTRI-SCORE AND PAULIG NUTRITION KPI FRAMEWORK

Developed by independent researchers, Nutri-Score currently stands as the most extensively used front-of-pack nutrition label in the EU. Nutri-Score categorises food products based on their nutritional quality, presented through a five-graded colour-coded scale, ranging from A (dark green) to E (dark orange). Nutri-Score is derived from the sum of "unhealthy points" and "healthy points" generated from the content of nutrients and food components with well-established health effects.

The components contributing to:

- **unhealthy scores** include energy, sugar, saturated fat and sodium.
- **healthy scores** include fibres, protein, and healthy foods, such as herbs, legumes, nuts, seeds, and healthy oils.

For a product to be classified as having sufficient nutritional quality and to meet our target of achieving 70% of sales from products that enable health for people, Paulig's nutrition framework states that it must have a Nutri-Score of A or B. This also includes coffee. However, pot-brewed coffee is excluded from the healthier sales category, even if it has a Nutri-Score of B, due to studies indicating that it may elevate cholesterol levels. Concurrently, Paulig supports the Institute for Scientific Information on Coffee and is actively involved in funding research projects on coffee and health.

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proud to be the first food and beverage company to publicly support this initiative and its ambition.

Integrating the nutrition framework in our innovation process

Our nutrition framework enables us to identify and prioritise major opportunities for reformulation in alignment with our 2030 health ambitions. We are continuing our efforts, building on the previous achievements, such as a reduction of additives, salt, sugar, and saturated fats in Tex Mex products, while increasing the use of fibre, herbs, spices, and natural ingredients.

Besides improving our existing products, we have integrated the nutrition framework into the broader concept and innovation

process across the entire organisation. This ensures that all our development efforts and their implications are evaluated through the nutrition framework, reinforcing our commitment to the health ambition.

Throughout the innovation process, starting from the early concept development phase, the nutrition framework is a key consideration. If a concept involves any health communication or claims, it must meet the criteria outlined in our nutrition framework for a product enabling health ("a healthy score") in order to proceed.

Even for concepts that focus on areas other than health, a healthier scoring shall nevertheless guide the product development throughout the entire innovation process. In cases where a

CASE

Developing healthier products

We strive to offer consumers healthy products that align with our goal of enabling health for people, which is defined by a Nutri-Score of A or B. This commitment also extends to our new product development.

In 2024, we launched the new Santa Maria Oat Tortilla and White Corn Tortilla. Both tortillas feature a green Nutri-Score of B, achieved using the updated, most stringent algorithm.

Santa Maria Oat Wraps

The new fibre-rich Santa Maria Tortilla Oat Wrap offers an alternative to the typical wheat tortilla and is perfect for healthier wraps* or as the base for classic tacos, burritos or enchiladas – with an oat twist.

This high-fibre tortilla is made with 37% whole grain oat flour.

*The product contains phosphorous which plays a role in body's energy metabolism.

Santa Maria White Corn Tortilla

Santa Maria White Corn Tortilla is made from 100% white corn - just like street style tacos often are. The white corn has a slightly more mellow taste than regular corn, making this bread a versatile base that enhances all other flavours in the taco.



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healthy score is not attained, we have established checkpoints for alignment and evaluation of the implications for our health target. 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 reformulation to meet the 70% healthier sales target.

Furthermore, beyond our defined sustainability goals, our actions extend to developing tasty vegetarian products and delicious recipes to help everyone succeed in preparing vegetarian food. One significant hurdle to embracing more plant-based food is the consumer concern that it may not be as tasty. Our aim is to dispel this fear and change the perception by creating plant-based options that are not only optimal for health-conscious individuals, but also delicious.

Building shared capabilities

Gathering detailed information on ingredient and nutritional content for several thousand products to calculate the Nutri-Score has proven to be challenging. This comprehensive exercise, essential for evaluating our progress towards the ambition, will be repeated annually to include new and reformulated products.

The challenge in data collection extends beyond nutrition data to encompass the broader sustainability data, including our goal of achieving 70% of sales from planet healthier products. For the purpose, a sustainability data collection project was initiated during 2024. This project involves mapping all sustainability-related initiatives and data point requirements to identify overlaps and data sources. Relevant resources and projects are prioritised, initiated, and overseen going forward.

We also explore opportunities and identify synergies with the Paulig-wide programme aimed at harmonising and streamlining systems, data, and processes, and to support one Paulig way of working.

Building a framework for planet health

To answer to the goal of having 70% of our net sales coming from products that enable health and wellbeing of the planet, we have been working diligently to establish a planetary framework. We have delved into existing environmental impact scoring and evaluation methodologies. This process involved scrutinising different environmental impact categories to include, and different systems for the assessment and discussing of thresholds for overall scoring to meet the criteria for enabling planet health.

We have piloted a product sustainability impact evaluation tool that utilises various datasets and scientific sources. This tool assesses raw materials and ingredients based on a selected set of key metrics, including GHG emissions, blue water usage, land use, soil health, soil biodiversity, deforestation, and labour risk.

Following the pilot, we conducted an extended project involving our 100 most significant products in terms of sales. This second phase paves the way for assessing the status of Paulig's entire portfolio, determining the threshold for our 70% planet healthy target, and developing a roadmap to achieve our goal by 2030. Additionally, we keep a close eye on EU-level progress to ensure our impact assessment and communication of product sustainability are aligned.

CASE

FullkornsFrämjandet - a Swedish wholegrain partnership

Paulig has become a supporting member of a Swedish public-private partnership FullkornsFrämjandet, which is aiming at increasing whole grain consumption in Sweden. Adequate intake of whole grains is one of the most important dietary factors for health and longevity. However, only one in ten Swedes meets the recommended intake.

Baked products and tortillas are central to Paulig's portfolio, and Sweden is one of our biggest markets. Therefore, contributing to the partnership is a valuable opportunity for us to support in communication campaigns that inspire consumers to increase their whole grain intake, shift sales from regular to whole grain baked products, and discover effective ways to incorporate whole grains into regular baked goods.



Responsible use of health and sustainability claims

The forthcoming EU legislation designed to combat false green claims, i.e. greenwashing, will necessitate companies to justify their environmental claims with a standardised methodology to assess their impact on the environment. The directive aims to provide consumers with reliable, comparable and verifiable information regarding the environmental impacts of products. This creates an opportunity to communicate on well-performing products, with a level playing field.

At Paulig, we have taken measures regarding the responsible use of nutrition and health claims. The green colours of Nutri-Score not only define a product as “enabling health for people” but also as a product suitable for using claims regarding nutrition or health.

Furthermore, any health claims intended for use on packaging or related product communication undergo a thorough evaluation by the Paulig Legal Advisory Board to ensure the correct interpretation of legislation and the responsible use of the claim. Going forward, a similar structured approach will also be necessary for environmental claims.

In 2024, we created an internal information package and guidance for green claims, based on the Empowering Consumers for the Green Transition Directive approved during the year and the proposed Directive on Green Claims. These guidelines will be continuously updated as new information becomes available, following the approval of the Green Claims Directive and the implementation of directives at national levels. We aim to be well-prepared for upcoming regulations and, where possible, communicate effectively in alignment with future expectations even before mandatory implementation. For instance, we initiated a project in 2024 to review all sustainability communication for our coffee packages.

In a broader context, all our claims and communications are guided by Paulig’s Responsible Marketing & Communications Guidelines, which commit us to the principles of integrity, accuracy, honesty, transparency, and inclusivity in all our messages.

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CASE

Strategic initiative: Sustainability in consumer communications

We have initiated a strategic initiative to actively communicate our sustainability efforts at both the brand and product levels. By transparently sharing our efforts, we aim to provide clear, engaging information for consumers, and hold ourselves accountable in our journey towards a more sustainable future.

The strategic initiative was kicked off in 2024 to systematically integrate sustainability at the brand and product levels. For example, we identified key consumer touchpoints for our sustainability communications, including packaging, in-store displays, and social media.

We will continue further developing the communications during 2025.



Incubating positive impact through investments

We actively seek innovative products and solutions that benefit both people and the planet. 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.

PINC was launched to keep Paulig at the forefront of relevant innovations while contributing to a tastier, healthier, and more sustainable planet. The primary focus for PINC is on societal impact, coupled with the goal of establishing a strategic connection between Paulig and the startups.

For instance, **Amatera**, in which PINC invested in 2023, develops a breeding platform optimised for perennial crops threatened by climate change and spreading diseases. Their first focus is on coffee, creating a new variety that combines the rich flavour profile of Arabica with the robustness and higher yield properties of Robusta.

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 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.

The primary focus for PINC is on societal impact, coupled with the goal of establishing a strategic connection between Paulig and the startups.

Our way of creating an impact

PINC operates like any other professional venture capital unit. However, being an evergreen fund, it does not have a pre-determined exit timeframe. PINC specialises in early-stage investments, focusing on pre-seed and seed stages where conventional venture capital is relatively scarce, allowing us to make a more significant impact.

Our typical entry ticket size ranges from EUR 200,000 – 1,000,000. We actively engage and, when we are the lead investor, take a seat on the Board. As a PINC portfolio company, the level of support provided to the startup is tailored to its specific needs and our role in the investment.

For example, in **For Real! Foods**, known for its nutrient-dense and delicious pizzas and wraps with a base made of white cabbage and beans, there is joint Paulig/PINC participation on the Board. We provide support in various areas, including product development, sales, and sourcing.



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PINC also holds a board position in **Kaffe Bueno**, a company that upcycles coffee side streams from Paulig's coffee roastery in Helsinki into high value ingredients. Given Paulig's commitment to circularity, supporting such ventures is deemed strategic.

Contributing to a more sustainable planet

PINC's impact is driven by the collective contributions of its portfolio companies, many of which are dedicated to climate change mitigation or the responsible use of natural resources like water.

Kaffe Bueno and **WinWin**, for instance, offer products with significantly lower emissions compared to their more traditional

alternatives, as indicated by life cycle analyses. WinWin's cocoa-free alternatives to chocolate have an 80–90% lower carbon footprint than regular chocolate. In the field, **Improv'in**, an AI-powered platform driving emission reductions and soil health in the whole agrifood value chain, contributes by enabling better data and pricing mechanisms for farmers.

Through the investments in Amatera and the latest addition **OlsAro**, PINC extends its focus to climate change adaptation. OlsAro works to secure wheat supply through AI-enabled crop-breeding, bringing forward new wheat varieties with higher tolerance for salt and heat.

Additionally, PINC emphasises promoting people's health

through ventures like For Rea! Foods, which disrupts conventional convenience foods by offering clean-label, nutrient-dense pizzas and wraps.

Our startups often create a positive impact across multiple areas. For example, **Melt&Marble** produces designer fats through precision fermentation for both food and personal care. This approach not only delivers functional, better-tasting, and more sustainable fats, but also enables the creation of fats with lower levels of saturated fatty acids and the incorporation of healthier, unsaturated fatty acids.

For an overview of the portfolio, please read more >>



Our startups often create a positive impact across multiple areas.

Managing quality and food safety

Ensuring food safety and quality is of paramount importance to us and serves as the cornerstone of building trust with our customers and consumers. Our commitment to safeguarding the quality and safety of our products extends from the cultivation and sourcing of raw materials all the way to the end consumer.

To uphold our stringent standards, we proactively assess risks and regularly engage with our suppliers to review their quality and food safety management practices. To verify the supply chain for raw materials and contracted products, our audit team conducts supplier audits in the countries of origin, tracing the flow from the fields through transportation, processing, and packaging. This approach enables us to identify food safety risks and areas for improvement that might not be detected otherwise.

In our production processes, we carefully adhere to established procedures, ensuring that the different process phases never fail. Our quality and food safety protocols are in line with certified management systems such as ISO 9001, FSSC 22000, IFS and BRC Food. All of our production sites are certified according to a food safety standard approved by the Global Food Safety Initiative (GFSI). *Please, refer to page 84 for a comprehensive list of Paulig's management systems.>>*

To continually manage risks related to quality, food safety, and food fraud, as well as to ensure legal compliance regarding raw materials, packaging, semi-finished, and finished products, we implement extensive incoming control plans. We also learn from industry incidents and regularly update our control plans, expanding their scope as needed.

An essential part of meeting customer and consumer expectations is frequent analysis of our finished products. For example, every batch of coffee that leaves our factories undergoes sensory evaluation by trained tasters.

Ensuring consistent legal compliance

Monitoring and ensuring legal compliance are crucial aspects of our operations. To strengthen our regulatory governance, a Public & Regulatory Affairs team has been established, effective June

2024. This team is dedicated to ensuring that Paulig is prepared for changes in the policy and regulatory environment and proactively supports the implementation of new practices to maintain legal compliance.

To enhance our regulatory governance, the Paulig Legal Advisory Board supports our quality and marketing teams in interpreting complex or challenging aspects of food legislation. Comprised of experts in legal affairs and food law, including labelling and health claims, the advisory board assists in clarifying ambiguous or conflicting regulations, providing guidance on compliance in such situations.

Developing our food safety culture and tools

In addition to implementing technical and compliance measures, we are committed to fostering a unified food safety culture throughout our organisation. While we already have strong local examples, we pursue a shared culture and tools that encompass the entire company.

The Paulig Food Safety e-learning, which is mandatory for all Paulig employees, was successfully implemented in 2024, receiving positive feedback from the organisation. We have also added additional languages to the training to enhance and improve the learning experience.

To enhance food safety competence and awareness within Paulig, we have introduced a Quality Champion programme. This programme focuses on training designated individuals to serve as advocates for quality and food safety culture within their respective teams. The objective is to ensure that considerations related to quality and food safety are integral to our daily work.

Efficient processes for recalls and withdrawals

Ensuring the health of consumers is our primary responsibility. However, we understand that negative impacts can occasionally occur, which requires an efficient process for prompt and proper actions. Recalls and withdrawals may be initiated by a supplier, our own operations, or prompted by authorities or customers.



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Regardless of how a case is initiated, a rapid response and the implementation of appropriate measures are crucial to protect consumers from potential harm.

In 2024, a third party was engaged to conduct an in-depth audit of our recall process to identify opportunities for improvement. As part of our commitment to continuous improvement, we have updated the recall procedure, simplifying and enhancing the efficiency of decision-making.

The Paulig Food Safety e-learning, which is mandatory for all Paulig employees, was successfully implemented in 2024, receiving positive feedback from the organisation.

CASE

Allergen risks detected and addressed at supplier audit

In May 2024, a visit was conducted to a caper supplier outside the EU. The team from Paulig included representatives from Sourcing, Sustainability, and Supplier Quality.

A Food Safety audit was performed, covering the entire supply chain at the origin, which involved visits to crop fields, collection points, transportation methods, and processing and packing facilities.

During the audit, we discovered that the capers are grown alongside wheat and lupins. This was new information for us, as the supplier had not reported any allergen contamination risks related to gluten or lupin in the supplier questionnaire or specifications.

As a result, we updated the caper specifications to include allergen analysis for gluten and lupin in the incoming inspection sampling procedure for future caper deliveries. Additionally, we requested that the supplier implement allergen analysis and update their risk assessment accordingly.

If we had not visited these crop fields, we would not have gained this crucial information, and the allergen risk would have remained unaddressed, potentially posing a risk of harmful reactions for consumers. This experience underscores the importance of auditing our supply chain, including travelling to remote locations to reach the farmers when necessary.



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Climate and nature actions

Paulig has set ambitious climate targets approved by the Science Based Targets initiative. Our ambition is to achieve an 80% reduction in absolute greenhouse gas emissions from our own operations and a 50% reduction from our value chain by 2030, using 2018 as the baseline. In 2024, we refined our focus on climate with the new ambition to reduce our total greenhouse gas emissions to net zero by 2045.

We have also intensified our focus on nature, elevating it to a priority within our sustainability ambitions. Our next step is to establish specific targets and a roadmap to comprehensively address our dependencies and impact on nature.

In line with these goals, we are committed to advancing circularity. We have set a target for all our packaging to be recyclable by 2027, and to be made from renewable or recycled materials by 2030.

Road to our ambition



AMBITION 2030

- 50% less GHG emissions in our value chain
- 80% less GHG emissions from our own operations
- All our packages will be recyclable and made from renewable or recycled materials
- 50% less food loss in our value chain

The food system accounts for about a third of global human-caused greenhouse gas emissions, playing a significant role in the climate and biodiversity crises we currently face. At Paulig, our commitment is to be part of the solution, and we have set ambitious climate targets approved by the Science Based Targets initiative, aligning ourselves with the 1.5-degree pathway. Our ambition is to achieve an 80% reduction in absolute greenhouse gas emissions from our own operations and a 50% reduction from our value chain by 2030, using the 2018 baseline. We use the market-based approach as the default method to account for the emissions and track progress towards our target of reducing GHG emissions in our own operations.

The vast majority of Paulig's carbon footprint, 98%, is derived from our value chain, particularly linked to the agricultural production of raw materials. While the climate impact within our value chain is noteworthy, our efforts are also geared towards empow-

ering farmers to better adapt to the changing climate. Through close collaboration with key partners and farmers in wheat, coffee, and corn supply chains, we strive to achieve emission reductions and enhance farmers' capacity and resilience.

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.

To achieve net-zero emissions, we will continue to implement emissions reduction programmes both in our own operations (Scope 1&2) and in key value chains (Scope 3). Long-term planning includes iteratively refining our roadmaps, including switching to renewable energy beyond electricity, investment in innovative technologies and expanding new farming methods. The net-zero 2045 ambition is to ensure the long-term transition and that all our growth planning is assessed through the net-zero target.





In 2024, we advanced from pilots to scaling up strategic sustainable practices on a large scale. For example, carbon reduction projects in wheat cultivation were scaled up with existing and new partners in Sweden and Central Europe. In coffee origins, notably in Brazil and Colombia, we expanded the regenerative farming projects with new methods to encourage the implementation of practices that reduce greenhouse gas emissions.

The Paulig Climate fund is used to kick-start and support new practices and solutions to reduce emissions where they have the biggest impact: Paulig's coffee, wheat and corn value chains and logistics. The main projects funded in 2024 focused on logistics. There are now several new projects running for 2024-2026 including electric trucks and biofuels for road and ocean freight.

While our own operations contribute only 2% to Paulig's total emissions, we remain dedicated to systematic emission reduction efforts and efficiency improvements. We were able to reduce emissions across our sites despite growing production volumes. In 2024, our absolute emissions were reduced by 34% compared to the baseline year of 2018.

Our Scope 3 emissions decreased by 2% compared to the baseline year 2018, driven mainly by a change in our product portfolio mix. 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.

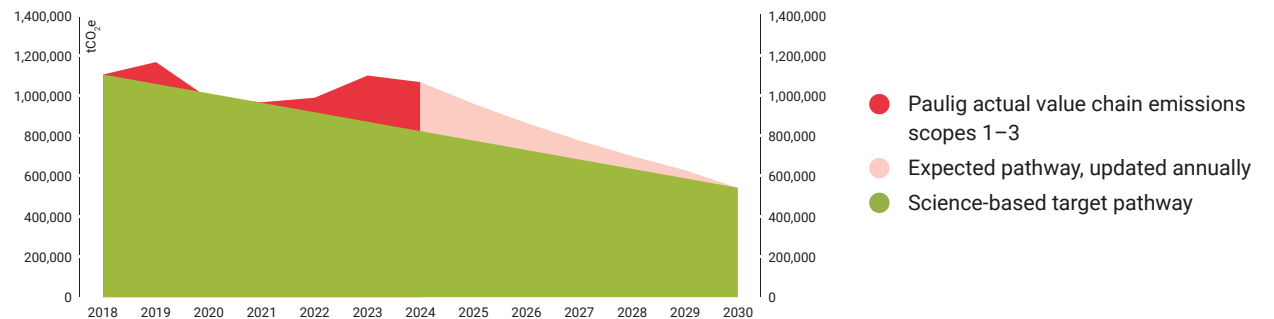
Moreover, we have taken further steps towards structuring our work for nature. A screening was carried out to clarify Paulig's dependency on water and biodiversity. The results showed that there is a very high dependency on biodiversity for the agricultural production of raw materials in several key sourcing areas. Our next step is to establish specific targets and a roadmap to comprehensively address our nature impacts.

In pursuit of circularity, our ambition towards 2030 is that all our packages will be recyclable and made from renewable or recycled materials. During 2024, our packaging development teams continued testing recyclable options for our coffee, tortilla and spice products, and creating detailed roadmaps for each type of packaging. These roadmaps resulted in an update of our milestone: the 100% recyclable packaging target for 2025 has now been extended to 2027. The development of new recyclable packaging materials together with our suppliers simply requires more time. Currently, 86%* of our consumer packages are recyclable, with the most challenging part of the journey ahead involving covering the remaining 14%.

Additionally, our ambition is to halve the food loss in our value chain by 2030. In 2024, we resumed this effort by reviewing new requirements expected to be introduced through future regulations and began outlining our updated approach and scope accordingly.

*This figure is estimated based on 2023 data, under the assumption that there have been no changes to the recyclability share since last year. The actions in the roadmap to increase recyclability will be implemented starting in 2025, and we will collect the status on the recyclability once these changes have been implemented.

Emissions reduction path to 2030 (tCO₂e)



Improving our greenhouse gas accounting

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.

While obtaining granular data for the agricultural stage is es-

sential, particularly for companies committed to SBTi targets, the availability of FLAG-compliant life cycle inventory databases remains limited. After exploring several options, we selected a database that offers FLAG-compliant data, supported by a platform that includes a tool for assessing sustainability impacts at the product level. This will also help us build a framework for our product-related ambition of achieving 70% of sales from planet healthier products by 2030 (described in more detail in [page 43 >>](#)).

The largest share of Paulig's carbon footprint, accounting for 98%, comes from our value chain, primarily linked to the agricultural production of raw materials. With the new database, we can now

assess and understand the GHG emissions within our value chain in much greater detail, expanding to approximately 200 categories of purchased raw materials, packaging materials, and finished goods.

We have also improved the accuracy of our logistics emissions data. Previously, these emissions were estimated using generic data from life cycle assessment studies. We have now incorporated actual data on incoming and outgoing transport into our accounting, providing a more precise calculation of these emissions. Furthermore, we aim to create an automated follow-up system for GHG accounting that reduces the need for manual data review.

CASE

Exploring satellite data to minimise our footprint

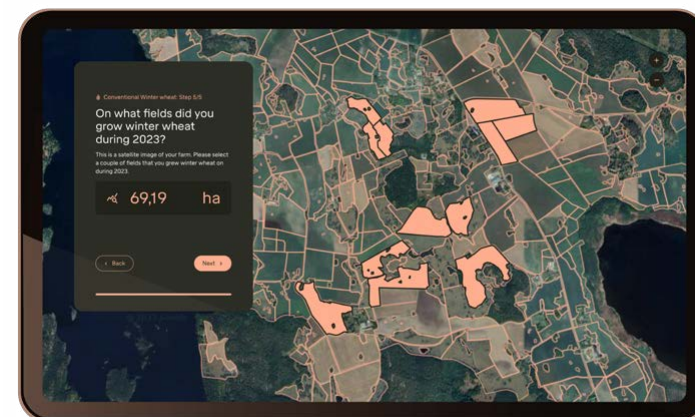
The environmental impact of food production largely depends on how ingredients are cultivated. For our products, such as tortilla chips and wraps, collaborating closely with wheat farmers is essential in addressing shared challenges, including reducing CO₂ emissions, strengthening crop varieties, improving biodiversity, and maintaining healthy soils.

In partnership with our farmers in Europe, we are exploring sustainable wheat farming methods while gathering on-farm data to measure and minimise our environmental footprint. We have started utilising AI-based technology developed by the Swedish climate tech company Improvin', which collects data from various sources, including satellite images and farm management systems. The satellite imagery serves as a crucial data source, providing insights into crop types, yields, and farming practices. When combined with weather data, these images enhance farmers' ability to predict future

yields. Furthermore, this technology enables us to calculate the CO₂ emissions and biodiversity impact of the wheat sourced by Paulig.

For both farmers and Paulig, this automated data collection significantly improves the speed, ease, and accuracy of sustainability assessments compared to previous manual methods. By using precise field-level data, we enhance our capacity to track the results of our initiatives and make informed decisions.

Additionally, Improvin's system integrates information from mills that process the wheat, including production volumes and quality measures, such as the amount of drying required. Soil health also emerges as a critical indicator; to assess soil quality, the system evaluates factors such as crop rotations. Understanding yields, crop rotations, and the types and amounts of fertilisers applied provides valuable insights into our carbon footprint and biodiversity impacts.





Climate and nature actions across our value chain

As part of our commitment to the science-based climate targets, we have an ambition to reduce emissions from our value chain by 50% by 2030, based on a 2018 baseline.

While our focus remains in meeting our near-term targets, in 2024, we refined our focus on emissions reductions with a new ambition to achieve net-zero greenhouse gas emissions across our value chain by 2045. We are diligently working to decouple emissions from our business growth, which involves identifying the most effective activities for reducing emissions with the goal of rapid scale-up.

Approximately 80% of Paulig's value chain emissions are tied to the production of food raw materials, such as green coffee, wheat, corn and oils.

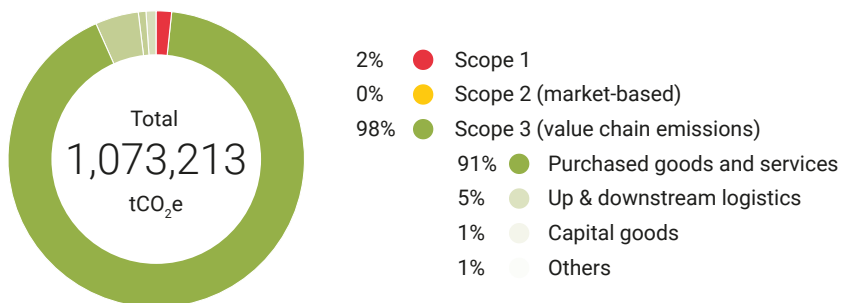
Understanding that successful scaling of impactful actions requires collaboration, we are actively engaging with key partners and farmers to plan and execute projects aimed at achieving the targeted reductions. In 2024, we advanced from pilots to scaling

up strategic sustainable practices on a large scale. For example, carbon reduction projects in wheat cultivation were scaled up with existing and new partners in Sweden, Belgium, and Germany.

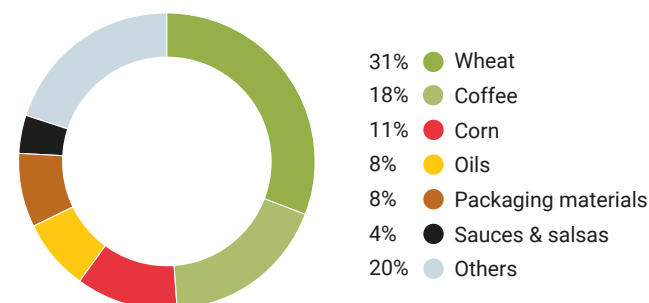
In Sweden, we carried on the climate partnership with our wheat supplier, Lantmännen. This cooperation ensures that all wheat used in the production of our Santa Maria tortillas at our Landskrona factory adhere to Lantmännen's Climate & Nature programme, resulting in a 30% reduction in climate impact compared to the 2015 baseline for average Swedish autumn wheat.

Additionally, we have initiated a partnership with the wheat milling company Paniflower and agricultural trading company BAT Agrar, and with wheat farmers in Germany. This long-term project aims to significantly reduce the environmental impact of wheat production by empowering farmers to adopt sustainable practices such as biostimulants, cover crops, resilient wheat varieties, and optimised nutrient management. Together, these initiatives not only lower greenhouse gas emissions but also enhance

GHG emissions from Paulig's operations and value chain 2024



Share of GHG emissions by raw material groups 2024*



*Based on purchased volumes of raw materials and finished goods.

CASE

Climate Fund to accelerate emission reductions

Paulig's unique Climate Fund was established in 2023, originally valued at EUR 2.7 million to accelerate our climate and nature actions. Through this fund, we aim to amplify the impact and agility of our climate initiatives, bolster our innovation capabilities, and hasten our progress toward our targets. It empowers us to prioritise actions with the most significant climate impact across the value chain.

To determine the initial budget for CO₂ emission reductions, we applied an internal carbon price of EUR 50 per ton of CO₂ and evaluated the required budget for our targeted emission reductions, set to increase in line with the reduction pathway. This assessed cost is then integrated into our financial plan and annual budget.

In the first phase, the fund is primarily directed towards projects within wheat, coffee, and corn value chains and logistics. Tortillas and coffee contribute most significantly to our value chain's climate impact. The emphasis is on mitigating emissions in raw materials farming and advancing regenerative farming methods.

The projects financed from the fund are reviewed annually, focusing on criteria such as the project's potential for reduced climate impact, innovativeness, cost-effectiveness, and scalability. In 2024, we continued to develop impact assessments and included new metrics e.g. on water and biodiversity benefits.

In 2024, we developed a pipeline of several potential projects, recognising that identifying high-quality emission reduction projects and agreements takes time. Nevertheless, we have made progress in developing our monitoring practices and are working towards scaling these practices to larger volumes.

Accelerating emission reductions

Collaboration with our suppliers and partners is integral to the planning and execution of most projects. In 2024, our main funded projects focused on accelerating emission reductions in the value chains of wheat, corn, coffee, and logistics. We continued collaborations to reduce carbon emissions in the wheat value chain with Lantmännen in Sweden and Paniflower in Belgium and Germany, achieving approximately 30% lower emissions from wheat cultivation on selected farms.

In coffee origin countries, particularly in Brazil and Colombia, we expanded our sustainable farming programmes to promote regenerative practices. These initiatives have the potential to nearly halve emissions in some locations while improving farmers' resilience and restoring nature.

Additionally, we made significant investments in low-emissions transportation along key routes, with several new projects planned for 2024-2026 that include electric trucks and the acceleration of the switch to biofuels for both ocean freight and road transport.



biodiversity. The objective is to reduce the climate impact of wheat used in our tortillas by 35%.

In coffee origins, particularly in Brazil and Colombia, we expanded the regenerative farming projects with new methods to encourage the implementation of practices that reduce greenhouse gas emissions. One such project, in collaboration with our long-term partner and coffee supplier ECOM, actively engages 150 family-owned farms in the Cauca region of Colombia. This initiative aims to reduce on-farm emissions by up to 60% while simultaneously enhancing soil fertility. Key activities include growing nitrogen-fixing plants, minimising the use of synthetic fertilisers, and converting coffee pulp residue into organic fertiliser. Naturally, the implementation of the efforts takes time, and the results will become visible in the coming years.

The Paulig Climate fund is utilised to kick-start and support new practices and solutions aimed at reducing emissions in areas where they will have the greatest impact, specifically within Paulig's coffee, wheat, corn value chains, and logistics.

The main new projects funded in 2024 focused on logistics, with several initiatives planned for 2024-2026, including electric trucks and biofuels for road and ocean freight.

The impact of these initiatives is measured using relevant accounting standards, and progress is regularly monitored in

We continued collaborations to reduce carbon emissions in the wheat value chain with Lantmännen in Sweden and Paniflower in Belgium and Germany, achieving approximately 30% lower emissions from wheat cultivation on selected farms.

CONTENTS	Paulig in brief	CEO's review	2024 highlights	Sustainability				Financial information	Board of Directors' report
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relation to set targets and budgets. Our objective is to institutionalise best practice as part of our operations and integrate them into our value chain by scaling up the innovations, methods, and technologies discovered through these projects.

Despite a 22% increase in our sold volumes from 2018 baseline due to overall business growth, our value chain GHG emissions have 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.

Our new ambition and the transition plan towards net zero by 2045 encompasses actions for both the near and mid-term. This includes iteratively refining our roadmaps for coffee, wheat, corn, logistics, and packaging, as well as investing in innovative technologies and reformulating our products and portfolio. Additionally, all our growth planning will be evaluated against the net-zero 2045 target.

Our objective is to institutionalise best practice as part of our operations and integrate them into our value chain by scaling up the innovations, methods, and technologies discovered through our projects.

CASE

Partnership for a sustainable agricultural ecosystem

Together with our partners Paniflower, a milling company, and BAT Agrar, an agricultural trading company along with wheat farmers in Germany, we are establishing foundations for a sustainable agricultural ecosystem. In addition to adopting various new methods to protect nature, one of our primary goals is to reduce the climate impact of wheat production for tortilla wraps by up to 35% within the next three years.

This long-term project aims to significantly reduce the environmental impact of wheat production. It empowers farmers to implement sustainable practices such as biostimulants, cover crops, under-sown crops, resilient wheat varieties, soil improvement, biodiversity zones, and optimised nutrient management. Together, these initiatives

not only lower greenhouse gas emissions but also enhance biodiversity, contributing to the resilience and long-term viability of farming operations. By gathering data at the farm level on factors influencing environmental impact, we can closely monitor progress and adjust our approaches to optimise outcomes.

As a result of this collaboration, the first tortillas with a reduced environmental footprint will be available to European consumers starting in 2025, potentially enabling the production of up to 500 million tortillas annually at our Roeselare factory in Belgium. Given that tortillas are our largest product category, this collaboration will have a significant impact from a sustainability perspective.



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Understanding our impacts on nature and water

Nature has been part of our sustainability ambitions since 2023, and during 2024 we conducted a screening to clarify our dependencies on water and biodiversity. The results revealed a high reliance on biodiversity for the agricultural production of our raw materials across our approximately 70 sourcing countries. Additionally, over 15% of these countries presented risks related to our water dependency.

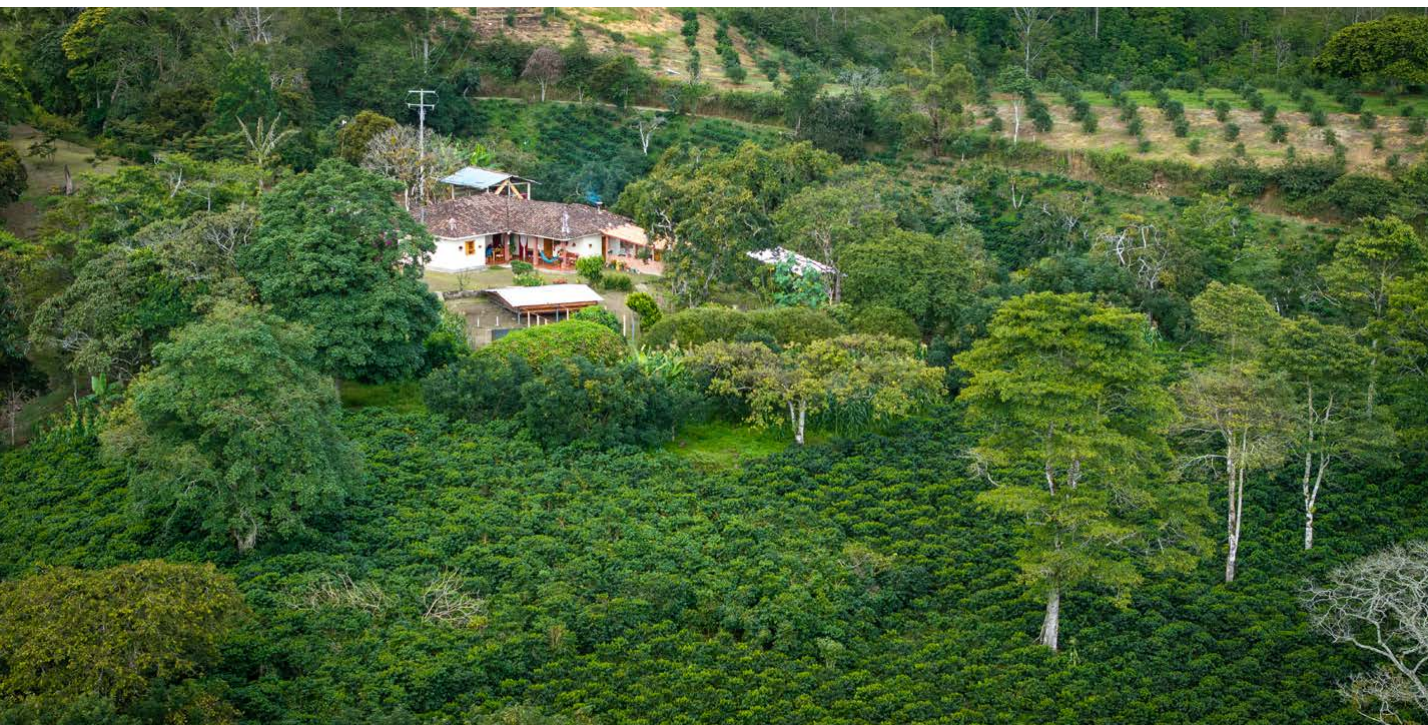
We have ongoing projects with our suppliers that include initiatives aimed at enhancing biodiversity and improving water management. Our next step is to establish specific targets and a comprehensive roadmap to address our impact on nature.

We have explored the Science Based Targets for Nature (SBTN) as a potential approach for our work. We understand that the process

is complex and requires significant resources, particularly in terms of data collection. Our goal is to set an ambitious and relevant target for nature while balancing robustness and pragmatism in this challenging area, allowing us to allocate our resources effectively.

Water, particularly the lack of it, is an issue we must address in our operations. Water consumption in our production varies significantly between sites, depending on the type of end products. While spice blending processes do not require water, it is a vital ingredient in the production of tortillas and tacos. Additionally, water is used for cleaning our production lines and facilities. Although we strive to minimise water usage, we are committed to ensuring that hygiene and food safety requirements are never compromised.

In 2024, we conducted an in-depth assessments of long-term water availability and stress, considering the socio-economic situation and reviewing governmental mitigation actions at selected sites.



We acknowledge that our factories in Spain are situated in water-stressed areas. Although water usage in our processes has remained stable, the site team is actively developing a roadmap to address this concern. We have already achieved a 22% reduction in water consumption at our Berga site between 2023 and 2024 by implementing more efficient equipment and making revisions to the corn cooking process. This aims for substantial reduction in our water usage, aligning with the regional government's restrictive measures and guidelines.

In 2024, we also conducted an in-depth assessment of long-term water availability and stress, considering the socio-economic situation and reviewing governmental mitigation actions at selected sites. As part of the study, we utilised two extreme climate scenarios from the IPCC to evaluate future water availability at selected sites. This research focused on changes in water availability due to climate change and the local context regarding water demand and stress. The study identified a range of risk mitigation measures within our control, such as the use of wells, as well as ongoing initiatives from local authorities.



Systematic work to cut logistics emissions

Since our baseline year of 2018, we have significantly expanded our business, resulting in increased logistics operations. Consequently, our GHG emissions from transport have risen by 11%, primarily due to increased road transport of incoming raw materials and outbound products to customers.

The Paulig Climate Fund is utilised to initiate and support new practices and solutions to reduce emissions where they have the greatest impact. In 2024, the main projects funded focused on logistics, with several new initiatives planned, including electric trucks and biofuels for road and ocean freight. We anticipate seeing the effects of these projects in the coming years and are developing a roadmap to further expand reductions by collaborating with forward-thinking logistics partners.

In 2024, we also implemented a new digital platform to assess GHG emissions from our transports, giving us more detailed insights and enabling us to focus our efforts where they will most effectively reduce emissions.

Towards reducing our own emissions by 80%

We have defined our strategic HSE (Health, Safety, Environment) initiatives for 2025, including the establishment of a unified HSE management system across all our sites to streamline processes,

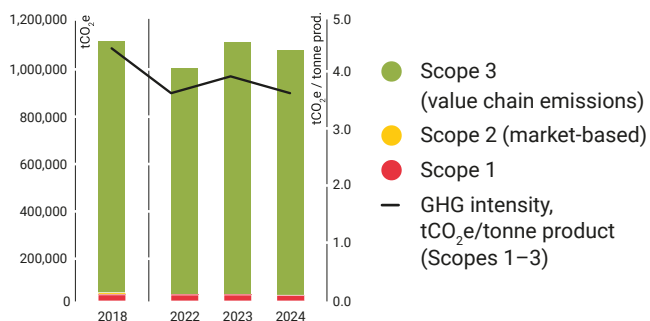
enhance compliance, and improve data accuracy. Another initiative focuses on advancing energy efficiency measures in collaboration with our facilities department to support our target to reduce our own emissions by 80%.

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.

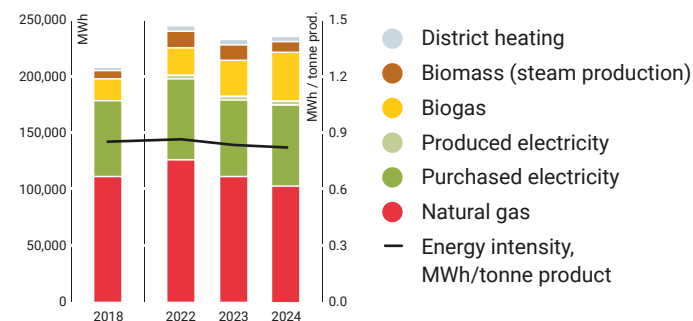
However, the availability of local high-quality biogas remains a challenge at several of our manufacturing locations, particularly in Belgium and Spain. We have made a partial switch to biogas at these sites through Renewable Gas Guarantees of Origin, which has been the second largest contributor to our achieved reductions. Nonetheless, uncertainties surrounding the registries for renewable gas certificates, crucial for cross-border transactions and determining accounting methodologies, are hindering our longer-term investments and transition plans that rely on green gas from the grid.

To address these challenges, a study was completed in 2024 for our largest sites in Spain and Belgium. This study explored energy efficiency measures and alternative technologies for baking and frying, including options for electrifying some production

GHG emissions and intensity



Total energy consumption by source and intensity



processes. The insights gained from this study will be used to prioritise measures across our manufacturing sites and to develop a corresponding roadmap towards 2030 and beyond to reduce energy consumption and GHG emissions.

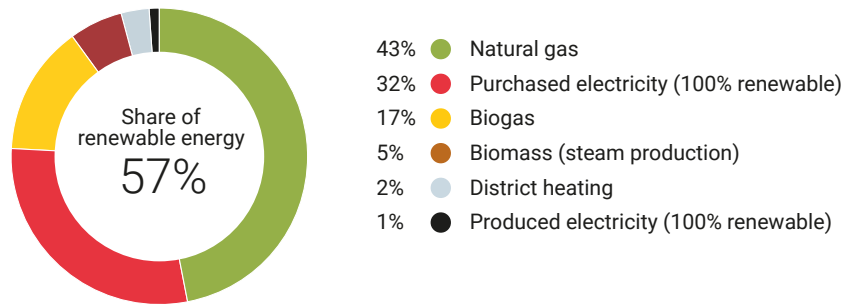
Our sites also continue to implement several smaller energy efficiency initiatives. At our site in Berga, Spain, we upgraded the boiler and improved the heat exchanger, which is expected to save 10% of the boiler's energy use. At our coffee roastery in Helsinki, Finland, we further enhanced energy efficiency by utilising waste heat from cooling machines to warm the production and warehouse areas.

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. Furthermore, the share of renewable energy now stands at 57%, up from 53% last year.

Currently, six out of our 11 factories across five countries hold carbon neutral certification. While our initial goal was to achieve carbon neutrality at all Paulig factories by 2025, we have now shifted our focus towards implementing reduction measures.

In 2024, we successfully reduced our own GHG emissions across our sites by 34% compared to the baseline year of 2018.

Energy consumption by source 2024



Incorporating circular thinking into our operations

To achieve a future within the limits of the planet, we must incorporate circular thinking into our operations. At Paulig, we continue to embrace circularity in various stages, from nutrient recycling to organic fertilisers in primary production to developing recyclable packaging.

In pursuit of circularity, our packaging development team continued testing recyclable options for our coffee, tortilla and spice packaging, and creating detailed roadmaps for each type of packaging. In 2024, these roadmaps resulted in an update of our milestone: the 100% recyclable packaging target for 2025 has now been extended to 2027. The development of new recyclable pack-

aging materials together with our suppliers, as well as investments in production, simply require more time.

Today, all of Paulig's retail and transport packages, along with 86%* of our consumer packages (by weight) are recyclable according to our definition. We are facing the most challenging part of the journey to cover the remaining 14%. Additionally, we see preventing food loss as a way of embracing circularity, and we are committed to the global challenge of reducing food loss by 50% by 2030.

*The figure is estimated based on 2023 data, under the assumption that there have been no changes to the recyclability share since last year.

Our commitment to using recyclable packaging is guided by the principle that the quality and food safety of our products must never be compromised.



Recyclability of packages in focus

Even though packaging typically represents only a small percentage of a product's environmental footprint, it plays a crucial role in protecting the product and preserving its taste. Consequently, recyclability is just one aspect of packaging development. Other important considerations include durability during handling and transportation, packaging line runnability, preservation of product freshness, prevention of food and coffee waste, and the provision of essential information to consumers. Achieving these objectives requires close collaboration with our suppliers.

Our commitment to using recyclable packaging is guided by the principle that the quality and food safety of our products must never be compromised. The challenge lies in maintaining all necessary package functions, such as puncture resistance, oxygen, light, moisture barriers, and tight sealing, while using only recyclable mono materials.

Currently, we are focusing our development efforts on the packaging of our highest-volume products, namely tortillas, coffee, and spices. In collaboration with our packaging suppliers, we are actively developing and testing various packaging structures, prioritising the preservation of product quality and the minimisation of food waste. A significant investment of EUR 25 million in packaging lines at our roastery in Helsinki, implemented during 2024 and continuing into 2025, will facilitate our transition from

CONTENTS	Paulig in brief	CEO's review	2024 highlights	Sustainability			Financial information	Board of Directors' report
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In 2024, we introduced the first batch of recyclable vacuum coffee packaging. The development of this packaging required over 100 tests and extensive research.

multi-material plastic coffee packages to recyclable alternatives. As a result of these efforts, we introduced the first batch of recyclable vacuum coffee packaging in 2024. The development of this packaging required over 100 tests and extensive research in collaboration with various internal and external stakeholders to ensure its effectiveness.

The new coffee packaging features a distinctive white interior that is suitable for plastic recycling. As most of Paulig's coffees are sold in vacuum packaging, the launch of these recyclable packages represents a significant step towards our goal of ensuring that all packaging is recyclable by the end of 2027. Currently, the new packaging is available for select products, such as Paulig Mundo Original and Paulig Café New York. In 2025, we will expand the new packaging further to our other vacuum coffee products.

Recycling still needs boosting

As the term recyclability still lacks an official definition within the EU and globally, we maintain multiple solutions in reserve, depending on materials that can be efficiently recycled into new products across diverse markets in the future. To guide our efforts, we have established internal rules for recyclability that align with the guidelines of Recyclclass, a cross-industry initiative, and CEPI, a non-paper industry association.

Given the significant differences in recycling processes, regulatory landscapes, customer demands and attitudes toward waste sorting across various markets, we are committed to facilitating the sorting of empty packages and guiding consumers on proper sorting practices. We closely monitor developments and actively participate in discussions to contribute to better solutions.

PAULIG CALLS FOR ENABLING THE SMART IMPLEMENTATION OF THE PACKAGING REGULATION

Paulig welcomed the final approval of the Packaging and Packaging Waste Regulation in December 2024. The primary goal of the regulation is to prevent and reduce packaging waste while promoting closed-loop recycling.

We call for strong focus on enabling the implementation in a smart and efficient way. This requires, for example, the Commission to deliver on the promised definitions as well as on careful guidelines. Additionally, we believe it is important to have harmonised legislation with clear definitions for recyclability. The secondary legislation must address, e.g., alignment with existing legislation (food contact materials) and provide feasible options, supported with sufficient scientific evidence.

Halving food loss by 2030 is a joint challenge

One-third of globally produced edible food goes to waste, and this wastage occurs at all stages in the value chain. Factors contributing to food loss include weather-induced crop failures, improper storage, and poor planning in our kitchens.

To do our part, Paulig aims to reduce food loss in the value chain by 50%. Although our initial plan was to launch a strategic initiative targeting food loss reduction in 2023, this work did not progress as intended. In 2024, we resumed this effort by reviewing new requirements expected to be introduced through future regulations and began outlining our updated approach and scope accordingly.

The upcoming work will focus on collecting baseline data and revising indicators, identifying best practices, and defining clear roles and responsibilities to drive meaningful action. Initially, we will concentrate on our own production before gradually extending our efforts to address food loss prevention throughout the value chain.

Food loss reductions are reached through careful production as well as production planning and joint forecasting with customers to minimise the amount of food and coffee that is scrapped from our warehouses. Furthermore, we enhance the recycling of packaging and other non-food waste from our facilities through the optimisation of transportation and packaging case size. Part of the food loss at our factories is caused by food safety considerations.

Waste management at our factories

We have set the target of a 100% recycling rate for our own operations' waste by 2030, and laid guidance addressing the waste generated and its proper sorting and recycling. In 2024, we achieved an average recycling rate of 89%. In recent years, the absolute amount of waste has increased, primarily due to growth in our production volumes. However, waste generation relative to production output has remained stable compared to previous years.

In our operations, we adhere to the waste hierarchy principles, prioritising avoidance and reduction first, followed by reuse and recycling. Approximately 75% of our total waste generated is food-related, mainly non-marketable and by-products deriving from our production. Most of that is recycled as animal feed,

composted, or used for biogas production. At our tortilla factories in Belgium, the UK, and Sweden, the leftover tortilla dough is being reground, resulting in less dough waste. At our coffee roastery in Helsinki, the waste is minimised with the help of automated tools and efficient quality controls. For example, if a coffee package does not meet our quality criteria, our automated process detects it, and the coffee is repacked.

We are delighted that part of the side stream from coffee production at our roastery in Helsinki is upcycled in different products, for example, as natural textile dyes by the Finnish startup Natural Indigo and into high-value ingredients for cosmetics, nutraceuticals, and functional foods by Danish startup Kaffe Bueno.



Food loss reductions are reached through careful production as well as production planning and joint forecasting with customers to minimise the amount of food and coffee that is scrapped from our warehouses.

CASE

Coffee side streams turning into textile dyes and high-value ingredients

We have formed an innovative partnership in which our ground coffee waste is used to produce natural dyes for the textile industry. Our partner, the Finnish startup Natural Indigo, produces these dyes on an industrial scale using by-products from our coffee roastery in Helsinki.

In practice, the coffee waste from our roastery is directed to Natural Indigo's factory where the colour is extracted from the coffee grounds. The extracted pigment is then refined into natural dyes in an array of colours, spanning from shades of yellow, orange, brown and even blue.

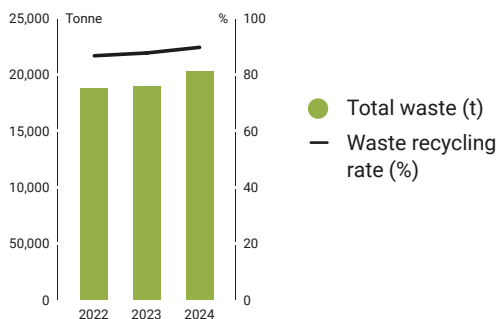
These dyes have already been utilised by various Finnish

textile companies, including Marimekko, Spinnova, and ASK Scandinavia, in their products.

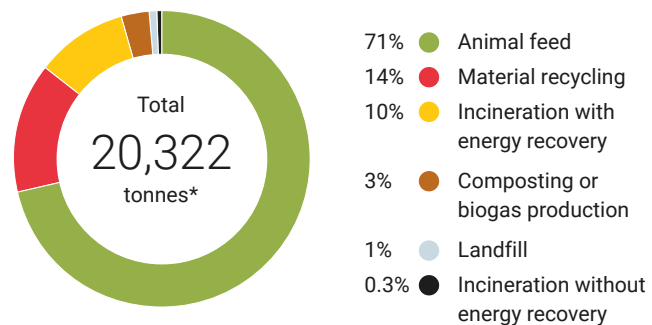
In addition to textiles, Paulig's coffee production side stream is being used in diverse industries. For instance, Danish bioscience company Kaffe Bueno upcycles the side stream of Paulig's coffee roastery into coffee oil and other active ingredients, for the cosmetics, nutraceuticals, and functional foods industries. These collaborations strongly align with our sustainability ambitions, driving climate actions and circularity throughout our value chain.



Total waste and recycling rate

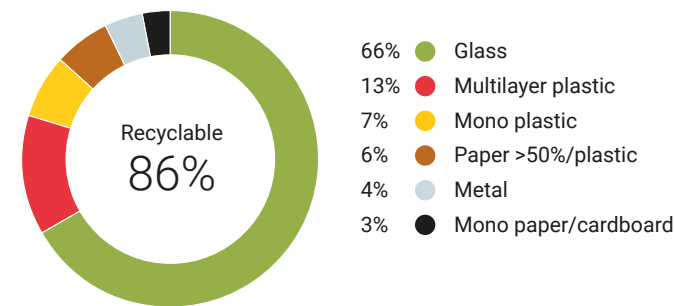


Total waste by disposal method 2024



*Not including volumes sold as II-quality or donated for human use.

Packaging material usage and recyclability 2024*



*These figures are estimates based on 2023 data, under the assumption that there have been no changes to the recyclability share since last year.

Key figures

Volumes (t)

	2018	2022	2023	2024	CHANGE 2018–2024
Production volume	244,382	268,828	276,878	291,499	19%
Sold volume	263,232	358,860	358,621	321,718	22%

Energy consumption by source (MWh)

	2018	2022	2023	2024	CHANGE 2018–2024
Natural gas	111,260	124,495	109,393	101,558	-9%
Purchased electricity (100% renewable)	67,240	72,402	67,974	74,338	11%
Produced electricity (100% renewable)	575	2,830	2,844	2,579	349%
Biogas	19,355	24,554	32,979	41,131	113%
Biomass (steam production)	8,150	14,330	12,947	10,730	32%
District heating	5,052	5,336	5,741	5,460	8%
Group total	211,632	243,947	231,878	235,798	11%
<i>Energy intensity MWh/tonne production volume</i>	<i>0.87</i>	<i>0.91</i>	<i>0.84</i>	<i>0.81</i>	<i>-6%</i>
Share of renewable energy	25%	49%	53%	57%	128%

GHG emissions by Scope (tCO₂e)

	2018	2022	2023	2024	CHANGE 2018–2024
Scope 1	23,191	22,739	22,736	21,313	-8%
Scope 2 (market-based)	9,287	0	0	0	-100%
<i>GHG intensity, tCO₂e/tonne production volume (Scope 1 and 2)</i>	<i>0.13</i>	<i>0.08</i>	<i>0.08</i>	<i>0.07</i>	<i>-46%</i>
Total, own operations (Scopes 1–2)	32,478	22,739	22,736	21,313	-34%
Scope 3 (value chain emissions)*	1,078,857	972,553	1,083,529	1,051,900	-2%
<i>GHG intensity, tCO₂e/tonne production volume (Scope 3)</i>	<i>4.4</i>	<i>3.6</i>	<i>3.9</i>	<i>3.6</i>	<i>-18%</i>
Paulig total (Scopes 1–3)	1,111,335	995,292	1,106,265	1,073,213	-3%
<i>GHG intensity, tCO₂e/tonne production volume (Scopes 1-3)</i>	<i>4.5</i>	<i>3.7</i>	<i>4.0</i>	<i>3.7</i>	<i>-19%</i>
<i>GHG intensity, tCO₂e / tonne sold volume (Scopes 1-3)</i>	<i>4.2</i>	<i>2.8</i>	<i>3.1</i>	<i>3.3</i>	<i>-21%</i>

2018, 2022 and 2023 restated.

More detailed Scope 3 category calculation description in separate document. [Read more >>](#)

2024 Location-based Scope 2: 7,766 tCO₂e

2024 Biogenic CO₂ Scope 1: 11,942 tCO₂e

2024 Scope 1 without biogas certificates: 29,631 tCO₂e

GHG emissions share, Scope 3 (tCO₂e)

	2018	2022	2023	2024
1. Purchased goods and services	1,011,212	898,784	1,013,414	972,629
2. Capital goods	6,842	14,045	10,661	14,760
3. Fuel and energy-related activities	5,835	4,259	4,498	4,245
4. Upstream transportation & distribution	26,542	24,180	22,174	27,360
5. Waste generated in operations	69	352	335	175
6. Business travel	1,831	878	1,850	1,708
7. Employee commuting	2,263	2,426	2,684	1,807
9. Downstream transportation & distribution	19,486	22,544	22,541	23,692
12. End-of-life treatment of sold products	4,777	5,085	5,372	5,524
Total Scope 3	1,078,857	972,553	1,083,529	1,051,900

GHG emission figures for 2018, 2022, 2023 restated.

2024 Biogenic CO₂ purchased goods and services: 12,316 tCO₂e

Total waste by disposal method (t)

	2022	2023	2024
Sold or donated for human use	182	465	580
Animal feed	12,652	13,446	14,508
Incineration with energy recovery	1,982	1,800	1,955
Material recycling	2,767	2,535	2,897
Composting or biogas production	855	766	698
Landfill*	483	461	215
Incineration without energy recovery*	62	52	50
Total waste (t)	18,801	19,060	20,322
Waste recycling rate (%)	87%	88%	89%
<i>Total waste (t)/tonne product</i>	<i>0.07</i>	<i>0.07</i>	<i>0.07</i>
Hazardous waste		132	66
Non-hazardous waste		18,928	20,257
Hazardous waste, share of total waste (%)		0.7%	0.3%

Water consumption (m³)

	2022	2023	2024
Group total*	169 237	181 471	172 832
<i>Water consumption (m³)/tonne product</i>	<i>0,63</i>	<i>0,66</i>	<i>0,59</i>
Water consumption in water-stressed areas:			
Berga, Spain	50 201	55 905	43 348
Puig-Reig, Spain	942	1 093	908

Packaging material usage and recyclability 2024

MATERIAL	PACKAGING TOTAL WEIGHT (TN)	RECYCLABLE %	MATERIAL TYPE % FROM TOTAL
Glass	19,321	100%	66%
Multilayer plastic	3,871	1%	13%
Mono paper/cardboard	845	100%	3%
Paper >50% /plastic	1,682	99%	6%
Mono plastic	2,179	95%	7%
Metal	1,266	100%	4%
Total	29,164	86%	100%

*These figures are estimates based on 2023 data, under the assumption that there have been no changes to the recyclability share since last year. The actions in the roadmap to increase recyclability will be implemented starting in 2025, and we will collect the status on the recyclability once these changes have been implemented. The data does not include Paulig Spain; this will be incorporated in the next KPI update.

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Fair and inclusive way of working

We aspire to be a fair and inclusive employer and partner throughout our entire value chain. By 2030, our objective is to source all raw materials from high-risk areas from sustainable, externally verified sources. At the same time, we are committed to developing our values-driven company culture to ensure that every Paulig employee sees our organisation as fair and inclusive. We want to foster an engaging work environment, underpinned by a culture that strongly promotes safety and wellbeing at work.





Road to our ambition

We strive to be recognised as a fair and inclusive employer and partner for all. Our ambition is to ensure that by 2030 all our raw materials from high-risk areas originate from sustainable sources, verified by external parties.

This requires establishing resilient and sustainable supply chains on a foundation of long-term collaboration and trust. It is crucial for us at Paulig to cooperate closely with our suppliers and other key stakeholders that share our values and commitment and possess the right capabilities to enable progress towards our aspirations.

In order to achieve our ambition, we have launched a set of accepted sustainability standards and verifications. Over the subsequent years, we have focused on training both internal and external stakeholders, utilising it as a vital instrument in working with our suppliers to establish sustainable supply chains.

In 2024, we published new Responsible Sourcing Guidelines to help our own personnel align more closely with our sustainability ambitions, Supplier Code of Conduct requirements, and evolving customer and legal requirements. Training for key internal stakeholders will extend into 2025.

Approximately one-third of our raw materials by volume originate from risk countries*, excluding raw materials sourced to Paulig Spanish sites. Our target is that by 2030, all our raw materials sourced from risk areas will come from sources verified as sustainable. By the end of 2024, we were nearing this target, with sustainability verified raw materials accounting for 60% of our total sourcing from risk countries by volume. Notably, green coffee, which has been externally verified since 2018, constitutes nearly half of this volume.

*following amfori BSCI and SEDEX risk country classification

AMBITION 2030

100% of raw materials from high-risk areas come from sustainable sources verified by external parties



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Spices and herbs, which are another important raw material category for achieving our ambition, are primarily sourced from risk areas. As a result, our strategic sustainability initiative focuses on developing and executing roadmaps for the external sustainability verification of the spices and herbs value chains.

In 2024, we began building roadmaps for other major raw material categories in addition to spices and herbs. Oils and flours are the two largest raw material groups by volume after green coffee that partly originate from risk countries. Oils account for approximately 25% of all sourcing volume from risk countries,

while flours represent around 15%.

Along with our efforts in the value chain, we remain committed to cultivating an engaging work environment and a culture that fosters inclusivity, safety, and wellbeing for all. This is what we pursue as a company, customer, partner, and as a corporate citizen.

Safety is always our top priority at Paulig, and this is a fact we cannot emphasise enough. As a production company, we are committed to ensuring safety in all our premises, both in the factory and the office. Our goal is to achieve zero accidents.

We remain committed to cultivating an engaging work environment and a culture that fosters inclusivity, safety, and wellbeing for all.

Our people

At the end of 2024, we employed 2,468* professionals (compared to 2,352 in 2023) in 13 European countries. Our workforce is engaged in various roles, including direct production, warehouse operations, and office responsibilities.

A major organisational restructuring took effect at Paulig in June 2024. This change was driven by a renewed growth strategy, and the success of this transformation relies heavily on our commitment to supporting our employees throughout the transition.

The restructuring brought several enhancements, such as the merger of three business areas into two to optimise resources and decision-making. As part of this change, we established a dedicated team for People Development and Experience and appointed a DEI Lead to champion diversity, equity, and inclusion across all levels of the organisation.

While the intent of the change was not to reduce the overall headcount, the changes did lead to role adjustments and the discontinuation of certain positions.

*Total workforce of which 2,337 active employees at the year end.

A new structure to support business and people growth

To further support Pauligians and leaders during the organisational transition, we developed a comprehensive toolkit designed to guide teams and their managers through the change, ensuring they had the resources and confidence needed to thrive in the new structure.

The reorganisation also enhanced collaboration across increasingly diverse and interconnected teams, reinforcing our commitment to building an inclusive culture where everyone feels valued. By prioritising people-focused initiatives, we ensured that Pauligians were not only prepared for the changes but empowered to drive our collective success.

As part of this transformation, we continue to invest in the development of our people. Experienced and motivated people professionals in People & Culture function ensure that Pauligians receive the support they need to grow and thrive in their roles. This includes continuous development initiatives, improved access to resources, and programmes aimed at creating winning and respectful teams. Together, these efforts are shaping future-ready employees at Paulig.



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Gathering employees' insights

In 2024, instead of conducting the regular engagement survey, we deployed a series of Change Surveys specifically targeted at office employees to gather insights during the organisational transformation. These surveys provided valuable feedback on employees' experiences and perceptions, ensuring their voices were heard throughout the process.

Nearly all of surveyed employees expressed confidence or neutrality regarding the recent changes, with only 5% reporting unfavourable views. This positive outlook underscores employees' belief in the alignment of the changes with Paulig's goals, indicating the potential for long-term success while addressing ongoing challenges.

The results yielded insights into employees' expectations, concerns, and positive feedback regarding the restructuring, including improved collaboration and role clarity. However, challenges such as workload distribution were also identified, which will guide the implementation of targeted support initiatives.

The insights from these surveys were instrumental in refining our approach, reinforcing communication, and tailoring support for Pauligians as they navigated the change. By actively listening to our employees, we strengthened our commitment to building

an inclusive and responsive company culture, ensuring the success of both the restructuring and our people.

Strategy for building our capabilities

In 2024, we introduced our first capability-building strategy, which identifies and defines the business capabilities and associated skills necessary to enable our growth.

This strategy enables us to nurture our people by investing in their skills, enhancing job satisfaction, and increasing retention. Our goal is to foster not just careers but also a sense of belonging and accomplishment among our employees.

Furthermore, by enhancing our internal capabilities, we secure a competitive advantage that allows us to keep pace with industry advancements and lead innovation in our sector, ensuring we stay ahead of the competition. The capacity-building efforts align with our strategic vision, which focuses on long-term growth and sustainability. Developing our capabilities internally supports this vision by building a robust foundation for the future.

We recognise the competitive talent landscape, and our commitment to personal and professional development allows us to attract and retain talented individuals.

Our goal is to foster not just careers but also a sense of belonging and accomplishment among our employees.



We operationalise the capability-building strategy through the deployment of Academies. These centralised talent development solutions focus on addressing critical capability gaps at scale by offering learner-centric solutions that cater to diverse learning requirements. All Academies are accessible to everyone and provide targeted, structured knowledge and skills learning on critical, prioritised capabilities.

The success of the Academies relies on strong partnerships with Business Areas and Functions, ensuring that participants have targeted opportunities to practice and apply what they learn. We are launching our Academies in the first quarter of 2025, beginning with the Leadership Academy.

CASE

Towards a more equal and inclusive working life

Diversity, equity and inclusion (DEI) are fundamental themes at Paulig, guiding our everyday actions. To strengthen our commitment to DEI, we have implemented a Group-wide DEI policy and formed a partnership with Workplace Pride.

During 2024, we continued our learning journey by hosting a DEI Talks webinar focused on "How to contribute to a more inclusive workplace for LGBTIQ+ colleagues and others." This initiative aimed to deepen understanding and promote actions that support inclusivity within our organisation.

Additionally, we developed a DEI discussions toolbox titled "Let's Talk About Diversity, Equity & Inclusion," which empowers our managers to engage in open dialogues with their team members. Through these conversations, we sought to gather insights on what matters most to our colleagues regarding DEI.

Our employees expressed that DEI is about respecting and accepting individuals regardless of their background, gender, race, or other differences. This philosophy embodies the Paulig Way, where everyone feels valued, respected, and empowered to be themselves. Our people view DEI not as a singular initiative, but as an everyday practice that enriches our workplace culture.

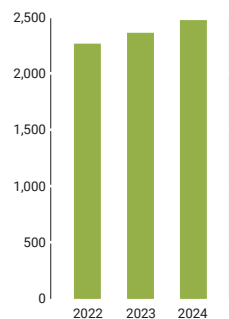
The invaluable feedback from the DEI dialogues is now being leveraged to co-create our diversity, equity, and inclusion strategy.

"Diversity, equity and inclusion are important at Paulig every day of the year. The conversations we are having in teams are an activity to maintain and develop the conversation around DEI, and we gather and analyse the most important insights to develop the DEI work at Paulig further."

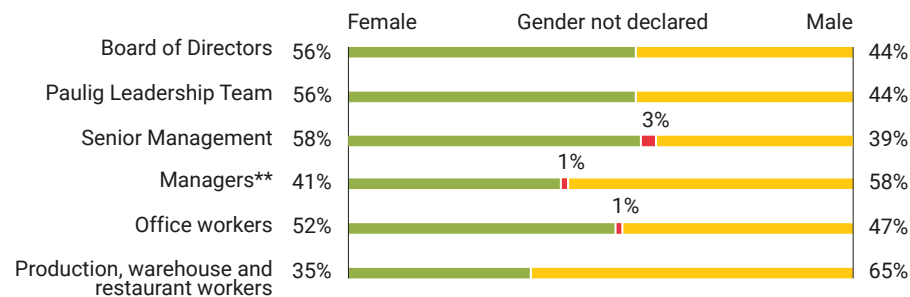
*– Lilian de Munno,
HR Director, People Development and Experience*



Paulig personnel 2022–2024

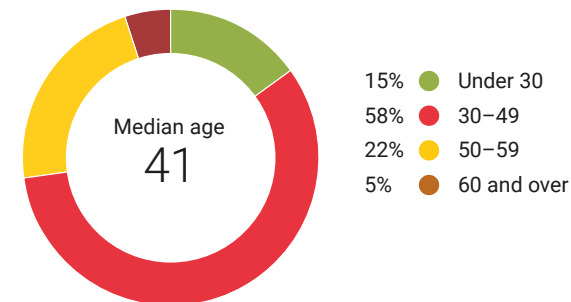


Gender by position 2024*



*Situation December 31st 2024
**Managers leading a team

Age groups 2024



CASE

A true story of our people-centric approach

At Paulig, we are committed to nurturing talent and promoting internal growth. A noteworthy example of this commitment is the appointment of Mariell Toiger as our Chief Marketing Officer in early 2024.

Mariell, who joined Paulig more than 17 years ago as a marketing assistant, quickly advanced into leadership roles. Her journey within the organisation to a key leadership position not only demonstrates her exceptional performance but also reflects our commitment to recognising and cultivating talent, as well as providing opportunities for personal growth and development within the company.

“For me, Paulig has been more than just a place to work – it has been a community where I have developed as a professional in the past 17 years and vastly enjoyed it. What

I love about Paulig is the focus on growth – both in terms of business growth and the professional growth of individuals”, Mariell explains.

“I have consistently encountered opportunities to learn and take on new challenges. Over the course of my career in Paulig, I have held seven different positions from marketing to commercial to being responsible for logistics and purchasing.”

This achievement is more than just a milestone for Mariell, it represents a broader vision for leadership at Paulig, where the development of our people is a key part of how we grow.

Her promotion to the Leadership Team also highlights our commitment to fostering diversity in leadership. As of January 2025, the Paulig Leadership Team comprises nine members, five of whom are women.



Healthy and safe workplace

In 2024, we continued our Road to Zero Accidents programme, which is grounded in the principle that everyone is entitled to a safe working environment. This ensures that all employees work safely throughout the day and leave for home without incident. We strive to be a workplace where safety is integral to our operations and where there is a positive and caring culture.

The critical factors for the success of the Road to Zero Accidents programme include ensuring that all employees recognise and support the importance of a safe workplace, increasing safety awareness through knowledge of safety guidelines and the adoption of safe behaviours, and building a safety culture where it is everyone's responsibility to never compromise on safety.

To oversee our efforts on this topic, we have established the Paulig Health & Safety Steering Group. This group, chaired by the

SVP, Sustainability, HSE & Communications, includes members from the Paulig Leadership Team and HSE (Health, Safety, and the Environment).

The ongoing evolution of our safety culture is grounded in the adoption of the Paulig governance model for HSE, which clarifies roles and responsibilities for different levels within our organisation. The further development of our safety culture will be supported through the Culture Improvement Programme in 2025.

Our road towards zero accidents

To further develop the critical success factors of our Road to Zero Accidents programme, various workstreams were initiated in 2024.


For example, the workstream focusing on standardisation developed a harmonised approach to incident management and re-

porting, defined a methodology for root cause analyses, and established a standard matrix for risk assessment. Furthermore, a standard procedure for machine intervention was agreed upon. This standardisation effort will serve as the foundation for developing an HSE management system, one of our strategic HSE initiatives for 2025.

Another workstream focusing on training created and rolled out a standard HSE induction training programme. Specific HSE training was conducted at certain sites, leading to a significant decrease in incidents. The development will continue with building a comprehensive training and competence development programme on HSE.


Additionally, a series of initiatives implemented throughout the year fostered a safer and collaborative working environment

The critical factors for the success of the Road to Zero Accidents programme



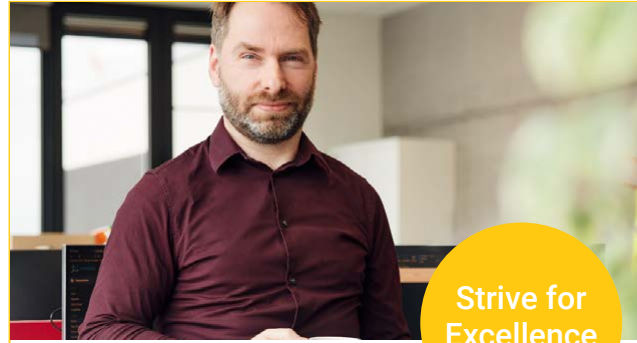
Grow Together

All employees share and support the importance of a safe workplace



Stay Curious

Increased safety awareness through **know-how of safety rules/guidelines** and a behaviour that meets these rules/guidelines every single time



Strive for Excellence

We are committed to building a safety culture by promoting the principles that safety is everyone's responsibility, that we never compromise on safety, and that all injuries are preventable through proactive measures to learn from incidents and prevent their recurrence.

within Paulig. One notable event was Safety Day, which engaged employees throughout our organisation, raising awareness and encouraging discussions about workplace safety. During this event, we focused on themes such as risk identification, ergonomics, and emergency response.

We also hosted a European Safety Week that featured campaigns emphasising machine safety and wellbeing, reinforcing best practice across our sites. Additionally, we launched an e-learning initiative that provided foundational safety training to ensure all Pauligians have a consistent understanding of key safety principles across various roles and regions.

Improved results on safety

We have focused on effectively managing high-risk workplaces, enhancing our infrastructure and processes, and empowering our teams through training while encouraging active engagement. These efforts have resulted in a significant decrease in the overall Lost Time Accident (LTA) rate and a noteworthy increase in our reporting of safety observations.

Although our Lost Time Accident Frequency (LTAF) stood at 6.23 at the end of the year, slightly above our target of 6.0, this result should be viewed in the broader context of our ongoing improvement efforts. Notably, we observed a decrease of 36% in our LTAF, marking this our best result since 2021.

Our strong commitment to fostering a proactive safety culture and systematically utilising the centralised incident reporting system resulted in a 48% increase in reported risks compared to previous years, reaching a total of 14,041 reported observations in 2024.

Making Paulig a safer place to work

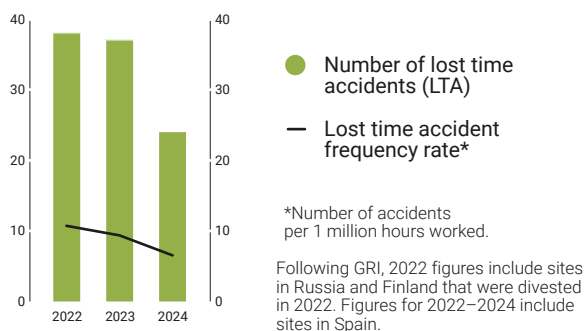
As we reflect on our achievements, we recognise that our progress is the result of collective effort and shared responsibility. Looking ahead, our strategy is centred on fostering an inclusive safety culture where everyone is empowered to contribute to a safer workplace. Enhanced incident analysis and data-driven decision-making will be fundamental to our approach, enabling us to address root causes and implement effective solutions to prevent recurrences.

To sustain and accelerate our significant progress, we have established clear objectives for the coming year. One key measure is to transition our KPI from Lost Time Accidents to Total Recordable Cases (TRC), adopting a more proactive perspective on workplace safety. This KPI provides a consistent approach for both low and high severity incidents.

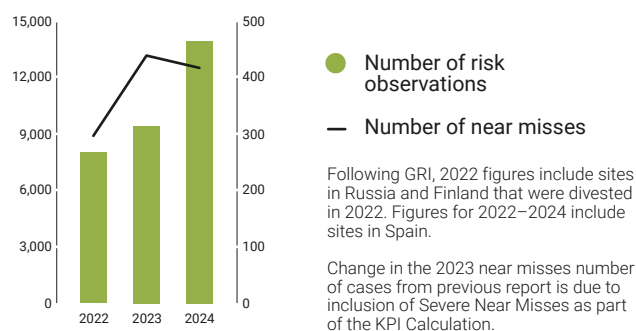
We are also committed to the strategic HSE initiatives. These include implementing an HSE management system to establish a unified framework across all regions, streamlining processes, enhancing compliance, and improving data accuracy.

Additionally, we will focus on training and competency development to ensure that both our employees and contractors are well-equipped to identify and mitigate risks. Machine safety will be a priority in our ongoing efforts. Furthermore, we aim to enhance our organisational culture by assessing the culture at all sites and fostering employee engagement in safety practices.

Lost time accidents and frequency



Risk observations and near misses



Our strategy is centred on fostering an inclusive safety culture where everyone is empowered to contribute to a safer workplace.

Towards 100% verified sustainable sources

Our ambition is for all our raw materials from high-risk areas to be sourced from externally verified sustainable sources by 2030. Achieving this ambition requires collaborative efforts with suppliers and partners who share our sustainability aspirations as well as our emphasis on establishing external verifications.

Securing volumes, maintaining quality, environmental and social standards are all important to ensure business continuity. We value long-term relationships with our suppliers. We acknowledge that advancing responsible sourcing demands the cultivation of new skills and ways of working, both within and beyond Paulig.

To reach our ambition of having all our raw materials from high-risk areas externally verified as sustainable, we must leverage best practice, tools, and collaborative projects. As an initial approach, we have defined Paulig's accepted standards and verifications for contract manufacturing factories and raw materials sourced from risk areas.

These standards and verifications encompass both social and environmental aspects, and we continue trainings for relevant internal and external stakeholders on these methodologies. Also, certifications play a crucial role in validating sustainable sourcing, and approximately 50% of our green coffee, for instance, is certified and 100% externally verified.

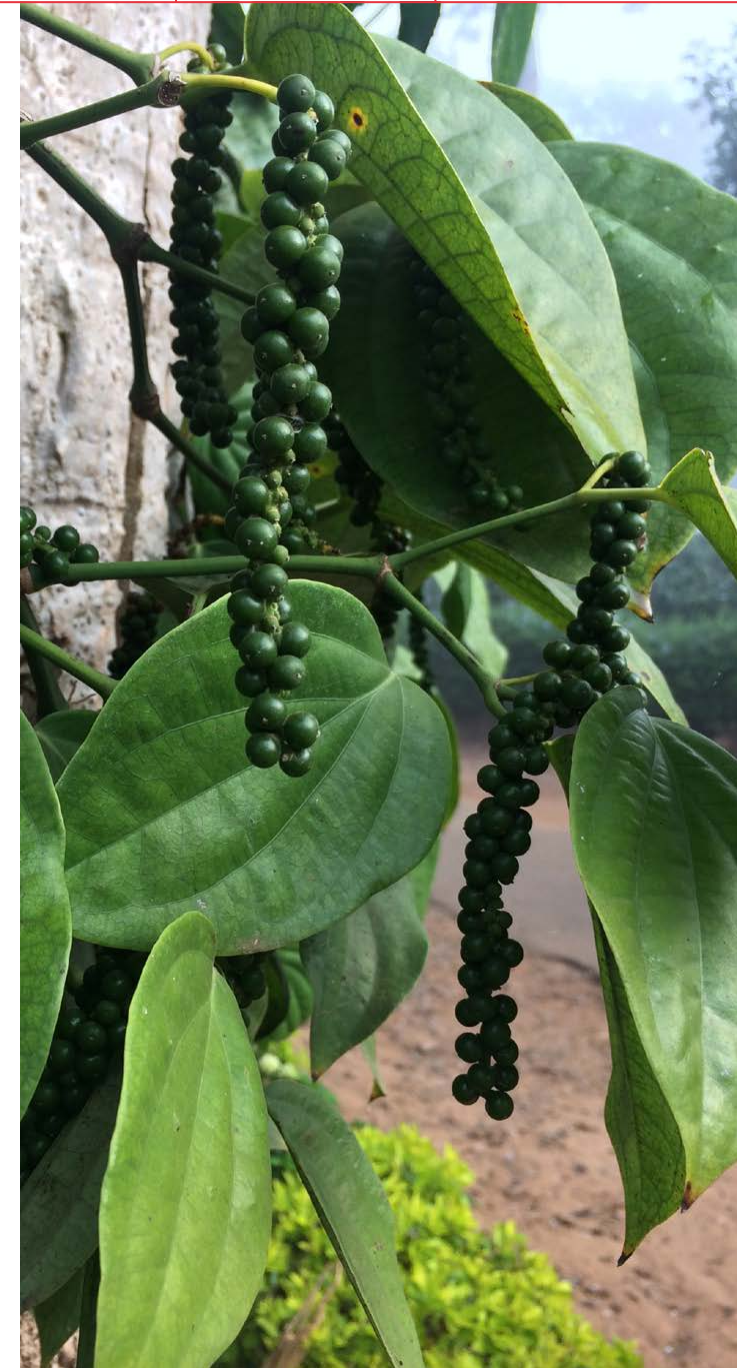
During recent years, we have developed our reporting tools and put effort into improving data quality, introducing reports to track progress towards our sustainability ambitions. A specific sustainability dashboard has been created to enable the fact-based management of our work.

Sustainable sourcing of spices

The diverse nature of Paulig's spice category and the complexity of the spice value chains, often involving numerous smallholder farmers, present a challenging landscape for sustainability verification. However, this underscores the importance of adopting a continuous development approach in partnership with our suppliers.

To reach our ambition, we have established spice-specific roadmaps to monitor progress towards our goals. Our efforts are prioritised on the basis of sourced volume and potential risks in the supply chains, including the presence of a seasonal and low-skilled workforce, health and safety considerations, as well as child labour, with supplier capabilities playing a pivotal role.

Currently, we have established sustainable sourcing targets for six spices: black pepper, onion, oregano, Indian chillies, cumin, and turmeric. These spices account for approximately half of our entire spices and herbs category. Our goal is to reach 100% sustain-



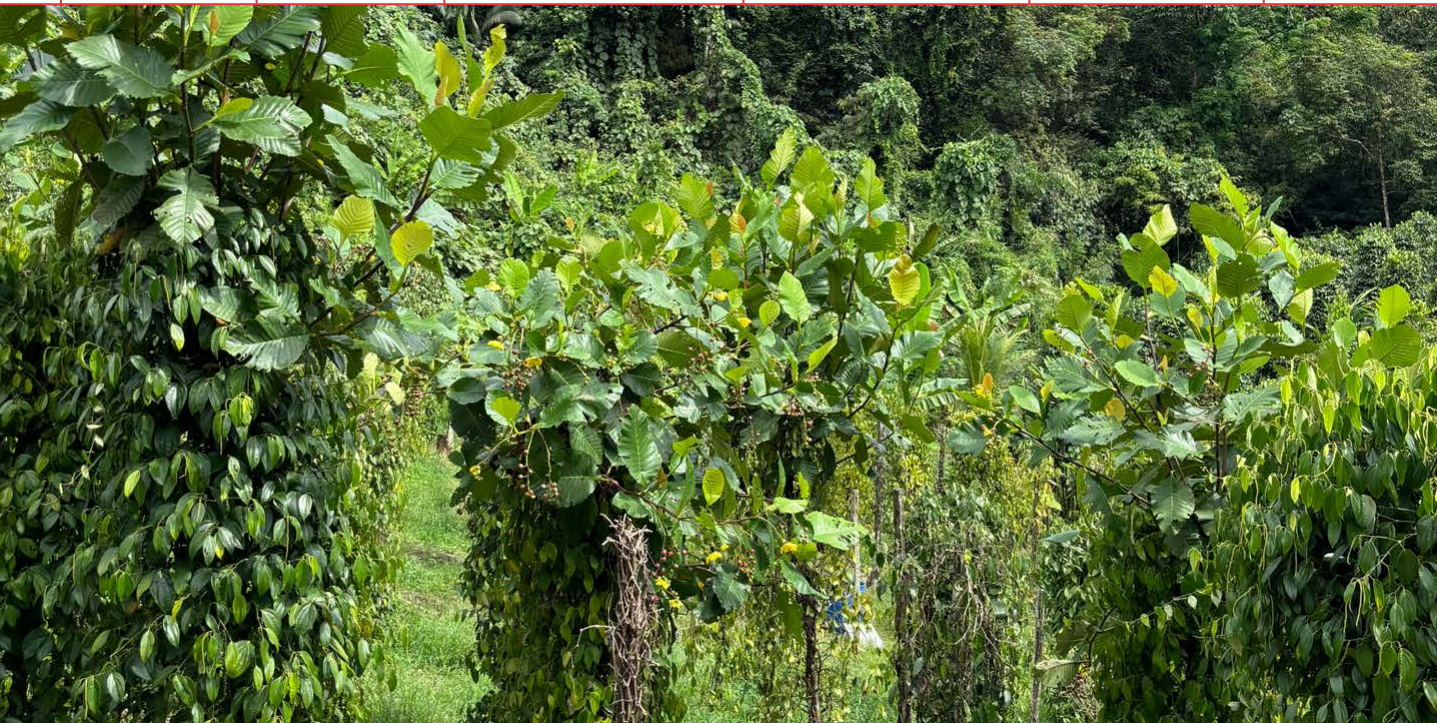
Sustainable sourcing of spices



Spices in scope

- Black pepper
- Indian Chillies
- Onion
- Oregano
- Cumin
- Turmeric

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able sourcing for these six spices by the end of 2025. For 2024, our interim target was to source 92% of these six spices volumes from externally verified sustainable sources. Despite challenges related to quality and smaller-than-expected crops due to climate and water issues, we achieved this target by the end of the year.

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.

We also began developing roadmaps for other major raw material categories in addition to spices and herbs. Oils and flours are the two largest raw material groups by volume, following coffee, originating partly from risk countries. In 2025, we will focus on oils and flours categories to partner with our suppliers and address the complexities of their value chains. This presents a challenging landscape for sustainability verification due to the numerous countries of origin, including several risk countries associated with each of these raw materials.

The reported figures are assured by a third party. In 2024, the assurance specifically covers the sustainable sourcing of the six spices: black pepper, onion, oregano, Indian chillies, cumin, and turmeric.

In contract manufacturing, our objective is to ensure that all factories located in risk areas undergo external verification. Currently, audit coverage for these factories stands at 100%. In 2024, two follow-up audits under amfori BSCI were conducted at manufacturing sites in Colombia and Thailand, along with one multi-tier audit in Peru for a raw material supplier.

Careful selection of partners to pursue sustainability

When aiming to be a frontrunner in sustainability, the careful selection of partners and the establishment of strong collaborations are crucial elements. Building an effective toolbox to manage risks and leverage opportunities is equally important, especially as supply chains contribute to a larger transition towards sustainable food systems and are at risk of escalating due diligence ex-

OUR SOURCING IN FIGURES

With more than 560 direct and 5,900 indirect suppliers and value chains stretching to 66 countries, we have the opportunity to make a global impact.

Our direct sourcing covers raw and packaging materials, green coffee and contract manufactured products. Our direct purchasing spend in 2024 was roughly EUR 635 million, with the share of raw and packaging materials being approximately EUR 503 million.

Our most important sourcing countries by spend are:

- Belgium (raw materials, contract manufacturing and packaging materials),
- Brazil (green coffee),
- Colombia (green coffee and contract manufacturing),
- Sweden (contract manufacturing, packaging materials and raw materials), and
- Spain (raw materials, contract manufacturing products and packaging materials).

In addition to direct sourcing, our indirect sourcing extends to diverse service providers in categories such as logistics, marketing, IT, facility management, administration, energy and utilities and travel.

Indirect sourcing is closely linked to, and an enabler in reducing the emissions in our own operations, including in logistics.

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expectations. This is particularly relevant for agricultural chains with a substantial number of smallholder farmers.

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.

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.

As part of value chain risk management, we have defined red-flag and prohibited sourcing countries and regions, classified as the most severe risk countries by amfori BSCI, as well as those categorised as conflict zones or regions with risks for human rights abuses. In 2024, we expanded training and communications regarding these countries to our sourcing teams and tier one suppliers.

Before initiating collaboration with a new supplier, we conduct a supplier risk assessment. Existing approved suppliers are also re-evaluated based on criteria such as significant changes in business operations or stakeholder feedback. We have also harmon-

ised our supplier approval processes across all direct sourcing categories.

We conduct our own sustainability audits to foster mutual trust and knowledge with our suppliers and to align our sustainability efforts. These audits, combined with external verifications, enhance our due diligence efforts, helping us mitigate risks and identify areas for development. In 2024, we conducted nine audits for suppliers in origin countries, with the main findings related to health and safety, the integration of sustainability considerations into upstream supplier and supply chain management and fair and equal treatment.

We emphasise ongoing competence development for those working with sustainability and sourcing. Our own employees conducting supplier sustainability audits must complete SA8000 auditor training, and our sourcing teams receive capacity building on responsible sourcing guidelines.

In 2024, we conducted a pilot for in-depth human rights impact assessments at two of our suppliers in Thailand, in collaboration with local and international human rights experts. These assessments aimed to evaluate adverse human rights impacts, engage meaningfully with affected rightsholders, and conduct a rapid analysis of the root causes of identified impacts. For more details on the visit and its learnings, please refer to [page 34 >>](#)

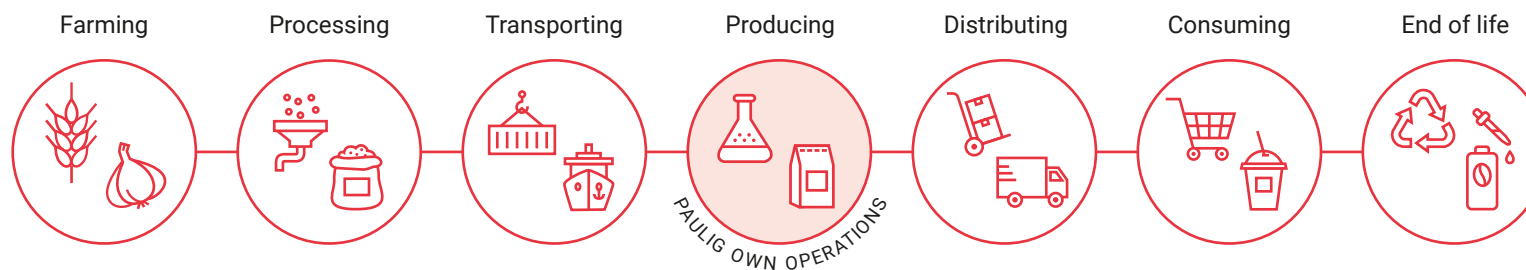
To drive sector-wide sustainable development, we collaborate with other industry representatives in the Sustainable Spices Initiative and among the amfori BSCI community, promoting multi-tier audits and mutual learning.

We conducted a pilot for in-depth human rights impact assessments at two of our suppliers in Thailand, in collaboration with local and international human rights experts.

Starting in 2025, Paulig will transition to Sedex, a non-profit organisation that provides an online database for companies to access data on ethical and responsible business practices within global supply chains. With this new membership, we will resign from amfori BSCI.

Many of our suppliers are already utilising Sedex tools and services. Thus, by joining Sedex, we will further enhance our ability to work with our suppliers to ensure they uphold safe, ethical, and sustainable business practices, ultimately protecting the working conditions for individuals within our supply chain. Additionally, Sedex will enable our own sites to share their sustainability performance with our customers.

Our value chain



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Supporting local communities

In addition to systematically enhancing sustainability in our value chains and sourcing origins, supporting local communities where we operate has always been a vital part of our approach. We sponsor, support, and partner with international NGOs and local organisations through various forms of collaboration to create a greater impact.

For example, during the last 25 years, Paulig has supported the Aseman Lapset (Children of the Station) organisation's Walkers concept. This initiative provides young people with safe environments with volunteer adults and professionals, operating a network of youth cafés, buses, and other meeting places across Fin-

land. We contribute by supplying coffee to these facilities twice a year. Additionally, Paulig has been a primary partner of SOS Children's Village in Finland to support the development of the Läksyapuu service and the Apuu chat platform.

In Sweden, since 2001, Paulig has donated 80 tons of surplus food to MatRätt, a social supermarket that offers vocational training opportunities for individuals entering work life. We also collaborate with several food banks in Sweden to donate products that would otherwise go to waste.

In Estonia, we uphold an annual tradition of organising a summer event with Haiba Children's Home, our long-term partner. This

event features fun activities and games for the children, along with offerings from our Santa Maria food truck.

In Belgium, we donate products with short shelf lives or those that can no longer be sold to food banks, contributing approximately 25 pallets monthly, equivalent to nearly one fully loaded truck.

In Spain, in addition to our regular collaborations with food banks and local charities, we undertook special initiatives by donating food products, safety and cleaning materials, and providing financial contributions to support victims affected by the floods in Valencia in 2024.



Supporting local communities where we operate has always been a vital part of our approach.

Key figures

Health & Safety

	2022	2023	2024	TARGET 2024
Number of Lost Time Accidents (LTA)	38	37	24	22
Lost Time Accident Frequency rate*	10.5	9.8	6.23	>6
Number of Lost Time Days (LTD)	508	448	799	
Number of near misses	298	441	419	
Number of risk observations	8,028	9,507	14,041	12,000

*Number of accidents per 1 million hours worked
 2022 figures include sites in Russia and Finland that were divested in 2022. Figures for 2022–2024 include sites in Spain.
 Reported figures cover all Paulig employees. Contractor LTAs are monitored but not reported.
 No work-related fatalities occurred during FY2024.
 The most typical injuries include: human-machine interaction, 46% total. Typical injuries impacting hands and fingers.
 Change in the 2023 near misses number of cases from previous report is due to inclusion of Severe Near Misses as part of the KPI Calculation.

Recruitments by age group and gender in 2024

	< 30	30-49	50-59	60 AND OVER	TOTAL
Female	56	88	16	5	165
Male	98	118	18	1	235
Not declared	5	9	0	0	14
Total	159	215	34	6	414

The rate of new employee hires was 17% of the total 2,468 employees at 31.12.2024

Employee turnover by age group and gender in 2024

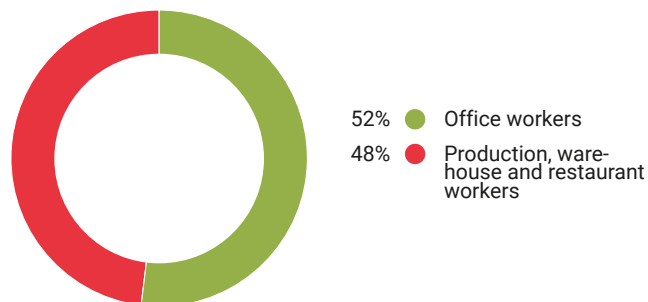
	< 30	30-49	50-59	60 AND OVER	TOTAL
Female	31	58	13	9	111
Male	55	72	25	14	166
Not declared	1	1	0	0	2
Total	87	131	38	23	279

The turnover rate was 11% of the total 2,468 employees at 31.12.2024.

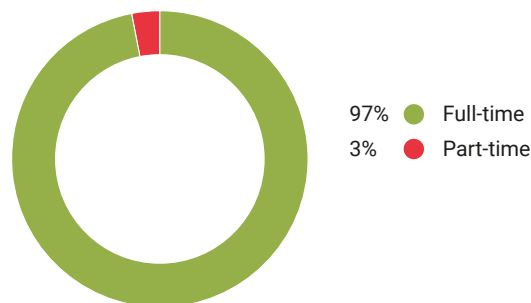
Personnel

Figures as per
31.12.2024

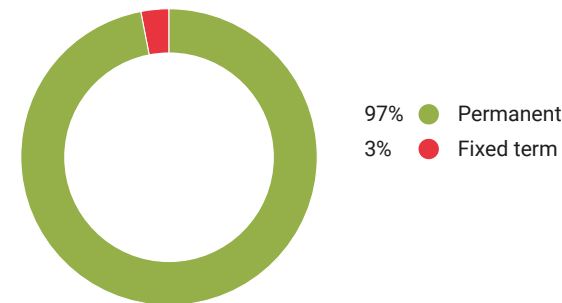
Personnel groups



Employment type



Employment contract



Externally verified sustainable sourcing

	2022	2023	2024	TARGET*
				2025
Share of sourced volumes of selected spices* from externally verified sustainable sources	51%	71%	92%	100%
Green coffee	100%	100%	100%	100%
Contract manufacturing sites in high-risk countries externally verified for sustainability	90%	95%	100%	100%

*Scope 2022 onwards: black pepper, onion, Indian chillies, turmeric, oregano, cumin.

Sourcing spend from high-risk areas* 2024

SHARE OF PAULIG TOTAL SOURCING SPEND	
Green coffee	33%
Raw materials	10%
Traded goods	5%
Packaging materials	1%
High-risk area spend from total spend	49%

*Classified as risk areas by amfori BSCI.



CONTENTS	Paulig in brief	CEO's review	2024 highlights	Sustainability			Financial information	Board of Directors' report
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About the report

This Sustainability Report covers Paulig Group for the year 2024. The contents of the report and the selected indicators are based on the Paulig Sustainability Approach 2030.

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Reporting principles and scope

This Sustainability Report covers the entire Paulig Group (corporate ID 0112563-0) for the year 2024. The contents of the report and the selected indicators are based on the Paulig Sustainability Approach 2030. Indicator-specific boundaries are stated separately, where relevant.

The report is compiled in reference to the Global Reporting Initiative standards (GRI). In addition, the Food Processing Sector Specific Disclosures relevant to Paulig's operations are included. The report also follows the requirements set by the European Union's Non-Financial Reporting Directive.

During 2024, and on a continuous basis, we have continued to develop our environmental reporting processes and definitions to improve data quality. However, this may have led to decreased comparability between years for some indicators, the material ones of which have been addressed in the report.

In 2018, we conducted a screening analysis of our full value chain's climate impacts, alongside monitoring the climate impacts of our own operations, to set science-based climate targets. We continue to refine the baseline as we receive more granular, higher-quality data from our value chains.

For the greenhouse gas (GHG) emission reporting, we have refined the emission factors and implemented notable methodological changes, which are outlined below.

For Scope 2 GHG, the emission factors have been reviewed and updated for both location-based and market-based calculations, with market-based being the default in the reporting. Under the market-based approach, the emission factors for our sites in Spain and Belgium, which did not use renewable electricity in 2018, have been updated for that year to reflect the residual mix for 2018.

A significant methodological change has been made for Scope 3.1 Purchased Goods and Services. The calculation approach now relies on data for purchased raw materials and traded goods, instead of using sold volumes of finished products. Additionally, the data has been made more granular, and the source of the emission factors has been updated to enhance the quality and

consistency of emission data across our purchased goods.

For inbound and outbound transport, the method has been updated to use data on Paulig's actual incoming and outgoing transport from Paulig's ERP system, which was further processed with an external CO₂ calculation tool to derive the GHG emissions.

The use of sold products category has been removed, as the GHG Protocol does not mandate including the use phase of food in reporting, and accurate data collection for this phase is challenging.

Paulig acquired Panesar Foods Ltd in November 2024, but this data has not yet been included in base year recalculation or in the data for any subsequent reporting years. Paulig will incorporate the GHG data for this business into the 2025 reporting.

Data collection and reporting

Employee-related data is derived from statistics collected by People & Culture. The data presented includes our permanent and temporary employees and is expressed as the total number of active employees at the end of the year. Additionally, the total numbers and rates of new hires and employee turnover, broken down by age group, gender and region, are presented.

Health, safety, and environmental data (including waste, GHG emissions, energy use, and water consumption) are reported for our production sites, controlled warehouses, and material office facilities. Emissions from small sales offices (with fewer than 10 employees) are excluded from the total for our operations calculations as they are relatively insignificant to the total Scope 1 and 2 emissions.

Greenhouse gas reporting follows the Greenhouse Gas Protocol and the GRI. A more detailed description of the GHG inventory and calculation methodology is presented in a separate document: [Read more >>](#)

For the sustainable sourcing of a spices strategic initiative, we have selected a group of six spices as a priority and have set targets for the share of sustainably sourced volumes (kg) out of the total combined sourcing volume of the six spices in scope. The

spices in scope are black pepper, onion, Indian chillies, oregano, turmeric, and cumin. We have developed roadmaps with our suppliers as to how the agreed-upon raw materials will become sustainably sourced in the agreed-upon time frame. The sustainably sourced definition is based on Paulig's accepted basket of third-party certifications and verification methods.

The agreed-upon volumes are sourced through purchasing agreements and information integrated into the ERP system. The information regarding the certifications/verifications will be automatically transferred from purchase agreements to the purchase orders. The volumes are tracked upon arrival, and we have developed a dashboard to follow up on the overall progress in sourcing the six spices in scope through a Power BI report.

External assurance

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 [on page 85](#).

List of climate projects used for our own operations and Mundo coffee climate neutrality certification

Reforestation and Community Development (Ghana) – VCS verified reforestation project that engages local community members to plant trees and allows local farmers to grow crops, via intercropping, on degraded lands.

Acre Amazonian REDD+ (Brazil) – VCS and CCB verified forest conservation project. Aiming to prevent deforestation in the Amazon rainforest, whilst providing alternative models of economic development.

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Memberships of associations

We participated in the work of the following industry organisations and collaboration platforms:

- FoodDrinkEurope
- Consumer Goods Forum (CGF)
- The Finnish Food and Drink Industries' Federation (ETL)
- The Swedish Food Federation (Livsmedelsföretagen, LI)
- Belgian Federation for Bakery
- The Estonian Food Industry Association
- Federation of Dutch Grocery and Food Industry (FNLI)
- DLF Sweden, Grocery Suppliers Association (Dagligvaruleverantörernas Förbund)
- Swedish Flavour and Spice Association (Arom & Krydd Föreningen)
- Spanish Snacks Association
- Amfori BSCI (exited in late 2024)
- Coffee & Climate (ICP initiative)
- European Coffee Federation (ECF)
- European Spice Association (ESA)
- European Snacks Association (ESA)
- Institute for Scientific Information on Coffee (ISIC)
- Roundtable for Sustainable Palm Oil (RSPO)
- Sustainable Spices Initiative (SSI)
- The Finnish Packaging Association
- Estonian Responsible Business Forum (Vastutustundliku Ettevõtluse Foorum)
- Finnish Business & Society (FiBS ry)

GRI-table

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Management systems in Paulig

AREA	CERTIFICATION	DESCRIPTION	TORTILLA FACTORY LANDSKRONA, SWEDEN	SPICE & MIXING FACTORY MÖLNDAL, SWEDEN	SPICE FACTORY SAUE, ESTONIA	COFFEE ROASTERY HELSINKI, FINLAND	COFFEE ROASTERY PORVOO, FINLAND	BUSINESS AREA FINLAND & BALTICS	SNACKS FACTORY BERGA, SPAIN	SNACKS AND PACK. FACTORY PUIG-REIG, SPAIN	TORTILLA & CHIPS FACTORIES ROESELARE, BELGIUM	TORTILLA FACTORY MILTON KEYNES, UK	DISTRIBUTION CENTER KUNGSBACKA, SWEDEN
Quality/ Food safety	BRC Food	British Food safety standard							x	x	x	x	
	BRC Storage&Distribution	Food safety standard for warehouse											x
	BRC Packaging	Food safety standard for production of packaging material								x			
	FSSC 22000	Combined ISO 22000 (Quality management systems and food safety)	x	x	x	x	x						
	ISO 9001	Quality Management systems				x	x	x					
	IFS Food	German food safety standard							x	x	x		
	AIB	Prerequisite and FS							x	x	x		
	EU organic	Organic production and sales	x	x	x	x	x		x	x	x		x
	V-label	Vegan/ vegetarian standard							x	x	x		
	BRC GFCP	BRC Gluten Free Certification Program									x		
	Crossgrain SE	Gluten free standard in Sweden		x									
	Halal certification	Halal certification (certain products)							x	x	x	x	
	Kosher certification	Kosher certification (certain products)							x	x	x		
E-label	E-label for weight control (certain products)	x	x	x									
Environment/ Sustainability	ISO 50001	Energy management system									x		
	ISO 14001	Environmental management system	x	x	x	x	x	x	x			x	x
	Fairtrade	Sustainable supply chain				x	x						
	SMETA 4 Pillar	Social, H&S, Environment, Business ethics							x	x	x	x	
	RSPO	Palm oil certificate							x	x	x	x	
	Rainforest Alliance	Sustainable supply chain				x	x						
Health & Safety	ISO 45001	Health & Safety Management system				x	x	x					
	SMETA 4 Pillar	Social, H&S, Environment, Business Ethics							x	x	x	x	

ISO 9001 = Quality Management Standard
FSSC 22000 = Food Safety Management Standard

BRC = Food Safety Standard
IFS = International Featured Standards

ISO 14001 = Environmental Management Standard
ISO 50001 = Energy Management Standard

ISO 45000 = Occupational health and safety

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Independent accountant's assurance report

To the management of Paulig Ltd

Scope

We have been engaged by Paulig Ltd (hereafter "Paulig") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, hereafter referred to as the engagement, to report on Paulig's percentage of volume of selected six (6) spices sourced from verified sustainable sources and the selected GRI indicators (the "Subject Matter") in Paulig's Annual Report 2024 for the period 1.1.2024 to 31.12.2024 (the "Report").

Selected GRI indicators:

- Greenhouse gas reporting (scope 1, scope 2, scope 3) (305-1, 305-2, 305-3, 305-4)
- Energy consumption within the organization (302-1),
- Energy intensity (302-3),
- Reduction of energy consumption (302-4)
- Water consumption (303-5)
- Waste generated (306-3)
- Waste diverted from disposal (306-4)
- Waste directed to disposal (306-5)
- New employee hires and employee turnover (401-1)
- Work-related injuries (403-9)
- Diversity of governance bodies and employees (405-1)

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Paulig

In preparing the Subject Matter, Paulig applied the Global Reporting Initiative (GRI) and the Paulig's internal reporting guidelines related to spice sourcing (Criteria). Such Criteria were specifically designed for Paulig's sustainability reporting. As a result, the subject matter information may not be suitable for another purpose.

Paulig's responsibilities

Paulig's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and the terms of reference for this engagement as agreed with Paulig on 11.10.2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

Ernst & Young also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Au-

ditions or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- development of our knowledge and understanding of Paulig's material sustainability reporting topics, organization and activities,
- interview with senior management to understand Paulig's sustainability management,
- interviews with personnel responsible for gathering and

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consolidation of the Subject Matter to understand the systems, processes and controls related to gathering and consolidating the information,

- d) assessing sustainability data from internal and external sources and checking the data to reporting information on a sample basis to check the accuracy of the data.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter in Paulig's Annual Report 2024 for the period 1.1.2024 to 31.12.2024 in order for it to be in accordance with the Criteria.

Helsinki, 25th March 2025

Ernst & Young Oy
 Authorized Public Accountant Firm

Terhi Mäkinen
 Authorized Public Accountant

A photograph of a modern building facade with large glass windows. The Paulig logo, consisting of a cluster of four circles above the word 'PAULIG' in large, bold, white letters, is mounted on the upper part of the building. Below it, a row of smaller logos is visible: Paulig (in a hexagon), Santa Maria (in a blue oval), Poco Loco (in a red apple shape), Risenta (in a yellow circle), and ZANUY (in a white circle with a rainbow arc).

PAULIG

Financial information

Paulig Group's official financial statements are available on *Paulig's website*. >>

Corporate governance 2024

Paulig Ltd, the Parent Company of Paulig Group, is a Finnish family-owned company incorporated under Finnish law. The corporate governance is based on the company's Articles of Association, the Limited Liability Companies Act, applicable codes and standards, ethical principles and other instructions and policies. Paulig Group also follows applicable parts of the recommendations for listed and family-owned companies.

Annual General Meeting

Paulig Group's highest decision-making body is the Parent Company's Annual General Meeting (AGM). The AGM passes resolutions on matters that are covered by legislation and by the Articles of Association, such as the adoption of the financial statements, dividend distribution and the election of Board members and the auditor as well as their remuneration.

Board of Directors

Composition and tasks of the Board

According to the Articles of Association of Paulig Ltd, the AGM elects a minimum of four and a maximum of eight Board members. Under the Limited Liability Companies Act, the Board is responsible for the administration of the company and the appropriate organisation of operations. It is also the Board's responsibility to ensure that the supervision of accounting and asset management has been organised appropriately. The tasks also include determining the Group's strategy and the annual business plan and deciding on acquisitions and strategic investments. The Board oversees the Group's financial performance and financial position.

The Board appoints the Managing Director and CEO and approves the appointment of members of the Group management. The Board decides on the remuneration of the Group's management. The Board undertakes regular reviews of its own activities and of its cooperation with the management.

Meetings

In 2024, the Board convened 11 times. The Board deals with the financial statements in March, finalises the Group's strategy in June and decides on the business plan and financial plans for the following year in December.

Chairman of the Board

The Chairman of the Board is appointed by the AGM. The Chairman's role is to lead the activities of the Board, convene the Board and prepare the meetings together with the CEO. The Chairman is in active dialogue with the CEO and stays informed about events in the company and the operating environment. Together with the CEO, the Chairman ensures that the notice, agenda and any necessary material for a meeting are delivered to the members of the Board as agreed before the meeting.

Board committees

The Board resolves on the appointment of committees and their members. The committees prepare matters for the decision of the Board. Paulig Ltd's Board has appointed an HR & Safety Committee, an Audit Committee and a PINC Investment Committee.

CEO and Leadership Team

Paulig Ltd's Board appoints the Managing Director who also serves as the CEO. The Managing Director's task is to manage the company's current affairs according to the Board's instructions and to ensure that the company's accounting is managed responsibly and according to law.

The Managing Director reports to the Board and keeps the Board informed about the company's business environment, financial situation and development. The Group's Leadership Team consists of the Managing Director, who is also the Chairman, SVPs of Business Areas and SVPs of Business Functions. Together with the Group's Leadership Team, the Managing Director prepares and implements the strategy and steers business operations. The Leadership Team also coordinates the Group's various functions and ensures efficient operations at the Group level.

Risk management

The principles guiding Paulig Group's enterprise risk management have been determined in the risk management policy approved by Paulig Ltd's Board. According to these principles, risks are identified, evaluated and handled systematically. The objective is to attain strategic and operating targets and to secure the continuity of the business.

Auditing

The AGM appoints an auditor. The auditor's task is to audit the corporate accounts, financial statements and administration. The tasks are defined in legislation and in generally accepted auditing practices.

Paulig Group's ethical principles

The purpose of Paulig Group's ethical principles is to promote responsible entrepreneurship and sustainable development as well as to support decision-making. Based on strong shared values, the ethical principles guide the Group's employees in their cooperation with colleagues, customers, suppliers and other business partners.

Board of Directors' report for 1 January–31 December 2024

In 2024, Paulig Group's revenue was EUR 1,198.9 million (1,167.6), an increase of 2.7% on the previous year. The Group's operating profit was EUR 77.6 million (90.1), which represented 6.5% (7.7) of revenue. Paulig Group employed 2,374 people on average during the year (2,209).

Changes in the Group's structure during the financial year

The following changes took place in the Group's structure in 2024:

- Panesar Foods (Holdings) Limited, together with its three subsidiaries (UK), were acquired.
- Sauerklee A/S (Denmark) was merged into Paulig Ltd.

Revenue

In 2024, Paulig Group's revenue was EUR 1,198.9 million (1,167.6), an increase of 2.7% on the previous year. Revenue growth was mainly driven by price increases, volume growth within the

Branded Business Area and the inclusion of the acquisition of Panesar Foods for November-December.

Of Paulig Group's total revenue of EUR 1,198.9 million, 48% came from the Nordic countries and 52% from other countries. Business area Branded accounted for 59% of the external revenue, Customer Brands 40% and Other 1%.

Result for the financial year

The Group's operating profit was EUR 77.6 million (90.1), and its ratio to net sales was 6.5% (7.7).

The consolidated net profit for the financial year was EUR 65.8 million (89.1). Depreciation, amortisation and impairment losses totalled EUR 45.4 million (42.3). The net financial items were EUR 8.6 million (13.6).

Furthermore, raw material prices, with the exception of green coffee, decreased somewhat during the year. Employee benefit expenses were higher due to salary inflation.

Financial position

The financial position remained good for the entire financial year. The net cash flow from operations was EUR 89.9 million (125.9). The Group's solvency was on a good level throughout the year.

Investments

Investments during the financial year totalled EUR 107.0 million (39.6). The most significant investments were related to M&A as Paulig acquired Panesar Foods Limited, a manufacturer of salsas, sauces and condiments located in Tipton, UK. Other important operative investments related to the business transformation programme, high-capacity vacuum pack and palletising automation solution renewal in roasting, capability building in Saue, Estonia, as well as the remaining part of a snacking pellet line in Spain and automatic nesting for tacos, together with a solar panels-related project in Belgium.

REVENUE (MEUR)

	2024	2023	CHANGE
Branded	710.0	673.5	5.4%
Customer Brands	482.2	477.7	0.9%
Other	6.7	16.4	
Total	1,198.9	1,167.6	2.7%

KEY INDICATORS OF PAULIG GROUP'S FINANCIAL STATUS AND RESULT

	2024	2023	2022
Revenue, MEUR	1,198.9	1,167.6	1,105.5
Other income, MEUR	1.7	2.6	11.0
Share of results in associated companies, MEUR	-	-	-21.6
Operating profit, MEUR	77.6	90.1	5.8
Operating profit, % of revenue	6.5	7.7	0.5
Operating profit before depreciation, amortisation and impairment, MEUR	123.0	132.4	48.9
Profit for the financial year, MEUR	65.8	89.1	-19.9
Shareholders' equity, MEUR	600.2	583.2	715.0
Return on equity, %	11.1	13.7	-2.7
Equity ratio, %	59.1	61.3	61.8
Cash and short-term deposits, MEUR	60.5	51.4	52.2
Interest-bearing liabilities, MEUR	100.5	94.4	149.9
Investments during the financial year, MEUR	107.0	39.6	56.3

Risks

In its risk management, Paulig Group observed the risk management policy adopted by Paulig Ltd's Board of Directors. Risks are systematically identified and assessed on the basis of this policy.

In the management of liability risks, the Group followed the insurance policies adopted by the Board of Directors. The insurance coverage against losses related to property and business, such as product liability and interruption of operations, is comprehensive in accordance with these policies.

The Group's main operative risks are related to raw materials, their costs and their availability. In the management of risks associated with the acquisition of green coffee raw materials, the Group followed the policies adopted by the Board of Directors. The principal strategic risks were changes in competition and consumer behaviour in different market areas, accentuated by the weak economic outlook and the reduced purchasing power of households.

In its management of financial risks, the Group followed the treasury policy adopted by the Board of Directors. The availability of sufficient financing for the business in the future is guaranteed with credit facilities, even in the current solvent situation. The treasury policy also covers the hedging of currency and interest rate risks. The most significant of these risks is the currency risk associated with the US dollar, as a substantial proportion of raw materials is paid for in dollars.

Personnel

Paulig Group's average number of employees increased by 165 persons from the previous year. The majority of the Group's 2,374 employees on average were employed in Belgium 34%, Sweden 18%, Finland 15% and Spain 14%. The increase in the average number of personnel relates mainly to the acquisition of Panesar Foods Limited in the UK.

PERSONNEL

	2024	2023	2022
Average number of employees	2,374	2,209	2,278
Employee benefit expenses, MEUR	170.5	162.6	147.8

Innovation and product development

In 2024, Paulig launched more than 60 new products, reinforcing the commitment to innovation and meeting consumer needs. New product launches included Corn and Oat Tortillas, Tex Mex and Asia Mayo Toppings, Café Napoli & Café Napoli Espresso City Coffees and Keys to Korean taste OOH, a toolbox of K-food flavourings including sauces, pastes and spice mixes.

In addition, approximately 350 items were reworked and improved, ensuring the existing portfolio remains competitive and aligned with evolving demands. Paulig also introduced the first easy-open recyclable vacuum packaging on a few products, such as Paulig Mundo Original and Paulig Café New York.

PINC, Paulig's venture arm, invests in early-stage startups with the aim of supporting innovations enabling a more sustainable future of food. In 2024, PINC added one new startup to its investment portfolio: OlsAro, which is an agtech startup securing wheat supply through AI-enabled crop-breeding.

Sustainability

In 2024, Paulig further continued the business integration and scaling of sustainability initiatives, guided by the Paulig Sustainability Approach 2030. Paulig's three focus areas with long-term ambitions continue to be: products that enable health and wellbeing of people and planet, climate and nature actions, and fair and inclusive way of working. The strategic initiatives ensuring the delivery of the focus areas saw minor updates on scope and roadmaps, and we launched a new strategic initiative focusing on embedding sustainability attributes closer to our brands and at a product level.

While the delivery of our 2030 climate ambitions, aligned with a 1.5°C pathway and approved by the Science Based Target initiative remain to be in focus, in 2024, Paulig also set a complementary ambition to reach net-zero emissions by 2045. This ensures our long-term transition and growth plans are purposefully aligned.

Development of Paulig's Climate Fund, aimed at accelerating climate emission reductions in Paulig's value chain, continued in 2024, with special focus on accelerating emission reductions in wheat and corn value chains, coffee, and logistics. Collaborations to reduce carbon emissions in the wheat value chain with Lant-

männen in Sweden and Paniflower in Belgium and Germany were continued, with approximately 30% lower emissions from wheat cultivation in selected farms. In coffee origin countries, notably in Brazil and Colombia, Paulig expanded to new sustainable farming programmes to encourage the implementation of regenerative farming practices with the potential to nearly halve the emissions in some locations, improve the resilience of farmers and restore nature. Paulig also significantly invested in low-emissions transportation in key routes, including investments in electric trucks and accelerating the switching to biofuels in ocean freight and road transport.

In 2024, we reduced our emissions from operations by 34% compared to the baseline year of 2018, exceeding our initial target. We concluded a net-zero roadmap study to introduce low-carbon manufacturing solutions for our sites in Spain and Belgium and continued to invest in energy efficiency across our sites. The availability and uncertainty of biogas and green gas certificates that meet our quality requirements continues to be a challenge.

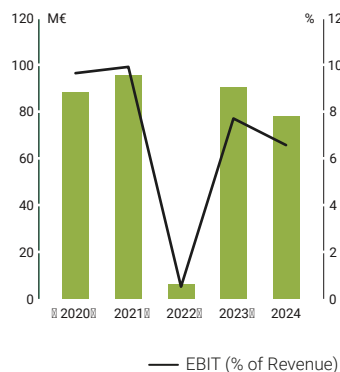
As a result of intensive development and a significant step towards making all our packaging recyclable by 2027, we introduced the first batch of easy-open recyclable, fully printed vacuum coffee packaging in May 2024. This launch took place in retail stores in Finland and Estonia, making us the first roastery in the world to achieve this milestone.

In 2024, we continued our progress towards the strategic initiative target of securing external verifications for a selection of our top spices. We achieved our 2024 target to have 92% of the sourced volumes come from externally verified sources. We also updated our human rights principles and conducted an in-depth impact assessment in Thailand.

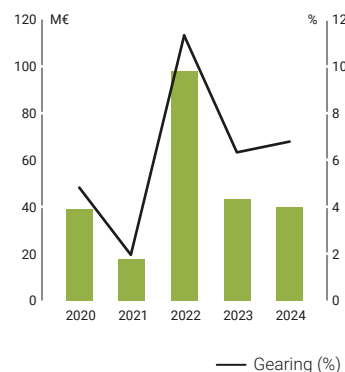
Paulig's nutrition framework was updated in 2024, to fully align with the widely used EU front-of-pack nutrition label Nutri-Score. In 2024, a cross-functional project group finalised detailed reformulation roadmaps to increase Nutri-Score A and B products in our portfolio.

Nature was added to Paulig's sustainability approach already in 2023. In 2024, Paulig continued to build capabilities to assess impacts and dependencies on Nature, including on biodiversity and water, and to develop a programme to further minimise nega-

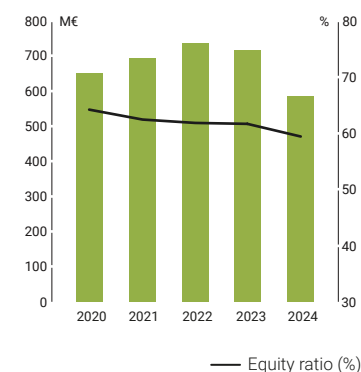
EBIT



Net debt



Shareholders' equity



tive impacts and invest in restoration by scaling regenerative agriculture practices to ease pressures on nature.

Management and auditors

At the end of the financial year, Paulig Ltd's Board of Directors had seven members: Jukka Moisio (Chairman), Mathias Bergman, Arancha Cordero, Eduard Paulig, Petra Teräsaho, Rob Versloot and Christina Wergens. Anna Paulig was elected as the observer of the Board in April 2024.

Arancha Cordero and Rob Versloot were elected as new Board members in April 2024. The mandate periods of Board Members Christian Köhler and Heikki Takala and the mandate period of Observer of the Board Oliver Paulig ended in April 2024.

The Group's CEO is Rolf Ladau.

The Group's auditor was Ernst & Young Oy, with Authorised Public Accountant Terhi Mäkinen as the principal auditor.

Shares

The company's stock is divided into A shares (487,765 shares) and B shares (15,000 shares), a total of 502,765 shares. There were no changes in this during the financial year.

The Articles of Association contain restrictions specific to

share series that concern the right to dividends and company assets, as well as a series-specific redemption clause.

Proposal by the Board of Directors for the distribution of profit

The consolidated profit for the financial year was EUR 65,834,186.08. The Parent Company's distributable shareholders' equity was EUR 394,725,514.20 according to the financial statements on 31 December 2024. The Board of Directors proposes that a dividend of EUR 38.72 per share be paid, amounting to EUR 19,467,060.80 in total, and that the parent company retains distributable equity of EUR 375,258,453.40.

There have been no fundamental changes in the company's financial position since the end of the financial year. Liquidity is at a good level, and the proposed disposal of profits will not, in the Board's view, endanger the company's solvency.

Outlook for the current financial year

The global economic outlook continues to be uncertain and divergent with low GDP growth expectations particularly in the Eurozone. Continued geopolitical uncertainty and elevated uncertainty in foreign trade policies may impact Paulig's supply chain.

Revenue and profitability are expected to improve in 2025.

Events following the end of the financial year

In December 2024, Paulig announced the acquisition of Conimex, a leading brand on the Dutch market known for its range of Asian meal makers, prawn crackers, soups, sauces, and seasonings. The acquisition includes the Conimex brand and its associated business, encompassing all trademarks and related intellectual property. The merger control clearance from the Dutch competition authority has already been received. The closing of the acquisition is subject to customary works council procedures, and takes place earliest on April 1, 2025.

Consolidated Statement of Comprehensive Income

EUR 1,000	NOTE	2024	2023
Revenue	3.1	1,198,931	1,167,580
Other operating income	3.2	1,716	2,582
Materials and services	3.3	-695,652	-687,116
Employee benefit expenses	3.4, 5.7	-170,475	-162,575
Depreciation, amortisation and impairment losses	4.1–4.4	-45,383	-42,279
Other operating expenses	3.5	-211,539	-188,109
Operating profit		77,598	90,082
Financial income	3.6	18,748	30,893
Financial expenses	3.6	-10,176	-17,263
Net financial expenses		8,571	13,631
Profit (-loss) before taxes		86,170	103,713
Income taxes	3.7	-20,335	-14,595
Profit (-loss) for the financial year		65,834	89,117

EUR 1,000	NOTE	2024	2023
Other comprehensive income (OCI)			
Items that may be reclassified to profit or loss in subsequent periods			
Foreign currency translation difference		-3,392	211
Change in fair value of hedging instruments	6.4	-23,325	-15,489
Items that will not be subsequently reclassified to profit or loss			
Actuarial gains and losses from defined benefit plans	5.7	-80	-155
Changes in fair value of equity investments through OCI		74	-740
Tax effect	3.7	-7	147
Other comprehensive income (-loss), net of tax		-26,731	-16,025
Total comprehensive income (-loss) for the year		39,104	73,092
Profit for the financial year attributable to			
Owners of the parent company		65,834	89,117
		65,834	89,117
Total comprehensive income for the year attributable to			
Owners of the parent company		39,104	73,092
		39,104	73,092

The consolidated financial statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

EUR 1,000	NOTE	31 DECEMBER 2024	31 DECEMBER 2023
ASSETS			
Non-current assets			
Goodwill	4.1, 4.2	98,595	89,833
Intangible assets	4.1	46,501	23,688
Tangible assets	4.3	373,669	331,204
Other receivables	5.2	1,606	1,398
Non-current financial assets	6.2	20,149	28,899
Deferred tax assets	3.7	5,519	5,927
Total non-current assets		546,039	480,949
Current assets			
Inventories	5.1	187,652	134,104
Trade and other receivables	5.2	170,471	183,747
Other current financial assets	6.2–6.4	48,489	99,605
Income tax receivable		2,847	726
Cash and short-term deposits	5.3, 6.2	60,489	51,428
Total current assets		469,947	469,609
Total assets		1,015,986	950,558

EUR 1,000	NOTE	31 DECEMBER 2024	31 DECEMBER 2023
EQUITY AND LIABILITIES			
Equity			
	6.1		
Share capital		8,204	8,204
Other equity		592,004	574,962
Equity attributable to equity holder of the parent		600,208	583,166
Total equity		600,208	583,166
Non-current liabilities			
Interest-bearing liabilities	5.6	88,795	84,153
Other non-current financial liabilities		1,681	1,450
Provisions	5.5	4,442	4,378
Net employee defined benefit liabilities	5.7	1,857	2,039
Deferred tax liabilities	3.7	23,104	14,273
Total non-current liabilities		119,879	106,295
Current liabilities			
Interest-bearing liabilities	5.6	11,733	10,275
Provisions	5.5	0	30
Trade and other payables	5.4, 6.2–6.4	280,471	243,490
Income tax payable		3,696	7,303
Total current liabilities		295,900	261,098
Total liabilities		415,779	367,393
Total equity and liabilities		1,015,986	950,558

The consolidated financial statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

EUR 1,000	NOTE	2024	2023
Cash flows from operating activities			
Net profit (-loss) before taxes		86,170	103,713
Adjustments 1)		10,572	-3,825
Change in net working capital:			
Change in trade and other receivables		26,246	-17,062
Change in inventory		-43,033	38,542
Change in trade and other payables		28,910	5,510
Interest received		10,967	12,026
Interest paid		-6,886	-6,090
Other financial income and expenses, net		5,555	1,842
Income taxes paid		-28,624	-8,757
Cash flows from operating activities (A)		89,876	125,900
Cash flows from investing activities			
Investments in tangible and intangible assets	4.1–4.4	-40,684	-39,629
Proceeds from sale of shares in associated companies		0	20,000
Proceeds from disposal of tangible assets		270	2,298
Investments in other investments (subsidiary acquisitions)		-66,318	0
Dividends received		212	2,277
Net cash flow from investments		59,721	-8,905
Cash flows from investing activities (B)		-46,799	-23,959

EUR 1,000	NOTE	2024	2023
Cash flows from financing activities 2)			
Increase (-), decrease (+) in long-term receivables		-248	-137
Dividends paid		-22,061	-34,238
Repayment of borrowings	5.6, 6.2	-682	-50,615
Repayments of leasing liability	4.4	-11,356	-10,355
Cash flows from financing activities (C)		-34,347	-95,345
Change in cash flows (A+B+C)		8,730	6,597
Cash and short-term deposits at 1 January	5.3	51,428	52,159
Net foreign exchange difference in cash		331	-10
Cash transferred in demerger		0	-7,318
Cash and short-term deposits at 31 December	5.3	60,489	51,428
Change		8,730	6,597
1) Adjustments			
Depreciation, amortisation and impairment losses	4.1–4.4	45,383	42,279
Eliminated foreign exchange gains and losses		-138	1,216
Net financial expenses	3.6	-8,571	-13,631
Other adjustments		-26,101	-33,689
Total		10,572	-3,825

2) Changes in liabilities arising from financing activities

Cash flow from financing activities consists of dividends paid, proceeds from borrowings, received finance lease receivable payments and repayments of leasing liability. The movements in leasing liabilities are presented in note 4.4 Leases.

Board of Directors



Jukka Moisio
b. 1961
M.Sc. (Econ.)
MBA
Chairman of the Board
since 2020
Member of the Board
since 2019



Mathias Bergman
b. 1956
Ph.D
Member of the Board
since 2020



Arancha Cordero
b. 1970
M.Sc. (Econ. & B.A.),
LL.M.
Member of the Board
since 2024



Anna Paulig
b. 1994
M.Sc. (Econ.)
Observer of the Board
since 2024



Eduard Paulig
b. 1962
M.Pol.Sc.
Member of the Board
since 2016



Petra Teräsaho
b. 1966
M.Sc. (Econ.)
Member of the Board
since 2020



Sarah Tähkälä
b. 1969
LL.M.
Secretary of the Board
since 2019



Rob Versloot
b. 1967
M.Sc. (B.A.)
Member of the Board
since 2024



Christina Wergens
b. 1969
M.Sc. (Econ.)
Member of the Board
since 2020

Leadership Team



Rolf Ladau
b. 1967
CEO
Working for Paulig
since 2018



Lenita Ingelin
b. 1967
SVP, Branded Business Area
Working for Paulig
since 2013



Kaisa Lipponen
b. 1980
SVP, Sustainability, HSE &
Communications
Working for Paulig
since 2019



Thomas Panteli
b. 1970
SVP, Supply Chain & Sourcing
Working for Paulig
since 2019



Henrik Samuelson
b. 1971
SVP, Customer Brands
Business Area
Working for Paulig
since 2014



Mariell Toiger
b. 1987
CMO
Working for Paulig
since 2008



Siru Turtiainen
b. 1973
SVP, People & Culture (Acting)
Working for Paulig
since 2019



Sarah Tähkälä
b. 1969
SVP, Legal
Working for Paulig
since 2010



Juha Väre
b. 1970
CFO
Working for Paulig
since 2019



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