

**NDC**



# No Deforestation and Conversion Commitment

Forests play a crucial role in maintaining biodiversity and regulating local and global climate patterns. As part of the Science Based Targets Initiative, we have set ourselves the goal of ensuring that, by December 31, 2025, there will be no deforestation or conversion associated with our key raw materials linked to deforestation or conversion (NDC)<sup>1</sup>. In doing so, we contribute to the protection of forests and other natural ecosystems, as well as to climate protection. We have defined our due diligence approach in alignment with the Accountability Framework Initiative (AFi).



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## Our Objective

The objective applies to the plants and business units of Hochland Deutschland GmbH. In our corporate context, we have identified soy, palm oil, and wood fibers (paper) as primary raw materials with a deforestation risk. Expectations for cooperation with our business partners are set out in our Code of Conduct. In addition to respecting human rights and labor laws, it also explicitly includes provisions for environmental protection.

preserve  
reduce  
adapt

The raw materials we purchase directly and use as ingredients in our products already meet our objectives. We have no direct influence on soy, which is used as a component of animal feed in our supply chain. We are continuously working to further improve traceability and reduce the risk of deforestation and conversion.



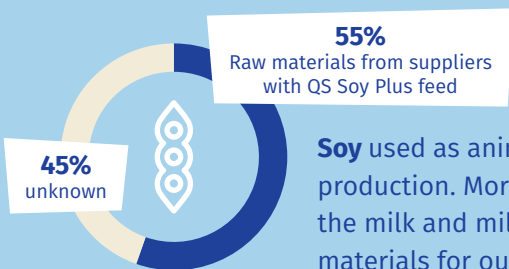
## Risk analysis by purchasing volume



**Wood fibres** We need it for our packaging.



**Palm oil** used selectively as an ingredient.



**Soy** used as animal feed in milk production. More than half of the milk and milk-based raw materials for our products come from farms that purchase feed in accordance with the QS Soja Plus standard.

### We differentiate between the following risk classes:

-  **Low Risk:** Raw materials with relevant certifications, e.g., RSPO, FSC, QS Soja Plus, RTRS.
-  **Standard Risk:** Demonstrably implemented self-commitment to no-deforestation (NDC) by the supplier, proven soybean cultivation in the EU, USA, or Canada; supplier or feed producer is covered by the EUDR (applies only after EUDR implementation).
-  **High Risk:** Soy from South America
-  **Unknown**

# Due Diligence Approach

## Wood fibre

We continue to source packaging and paper products from FSC-certified sources. We accept FSC „100%“ or „Mix Credit“ with controlled origin.

## Palm oil

We continue to source exclusively RSPO-certified palm oil (Segregated or Identity Preserved).

## Soy (in animal feed)

Milk: Our contracted milk in Germany for our plant in Schongau comes from farmers who use feed in accordance with QS Soja Plus. QS Soja Plus is committed to deforestation-free sourcing. Additionally, since 2019 there has been a contractual requirement that feed must originate from Europe.

We currently have no information about the origin of the soy used in animal feed for our products made from French milk, which are manufactured at our sister plant in Dieue-sur-Meuse, France.

In 2026, we will expand our climate data collection to France and, in this context, will also request information on the origin of the feed.

### Other milk-based raw materials:

We currently have no information about the origin of the soy used in the cows' feed for this part of our supply chain.

These raw materials cannot be substituted in the short term. Instead, a risk reduction approach is being pursued.

**»» Gradual increase of transparency.**

**»» For suppliers who permanently fail to provide transparency, a medium-term reduction in purchasing volumes will be considered.**

# Monitoring & Reporting

## Document review

Regular review of current certificates and other supporting documents.

## Spot checks

For deliveries without certifications, we conduct spot checks using publicly available monitoring tools (e.g. Global Forest Watch) and/or verify EU reference numbers (if EUDR is applicable).

## KPI

Percentage of our purchased raw material volumes associated with deforestation or conversion, categorized by risk classes: “Low”, “Standard”, “High” or “Unknown”.

## Transparency

We report annually on progress and challenges.



» This document is reviewed and updated regularly.



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## Definition

By **conversion-free**, we mean that our supply chain should be free from raw materials that originated from the conversion of natural ecosystems (e.g. forests, wetlands, savannas) into agricultural land. This definition does not include operational land use within the EU, especially the conversion of existing grassland into arable land by individual farmers. Since these decisions are made by farmers and within the scope of the applicable European agricultural legislation, we cannot provide a company guarantee for this.

- <sup>1)</sup> **Deforestation-free** means that raw materials or animal feed have not been produced on land that was deforested after December 31, 2020 (“cut-off date”).
- <sup>2)</sup> The **QS-Soja Plus standard** has been mandatory in the QS system for all feed manufacturers and traders who process or trade soybean products since January 1, 2024. With the entry into force of the EUDR, the placing of soy on the market in all other European countries will also only be permitted after submitting a due diligence statement.