

No Deforestation Commitment

The Premium Food Group Aps & Co. KG commits to no deforestation across its primary deforestation-linked commodities, with a target date of December 31, 2025.

Our Supply Chains and the Importance of Our Commitment

Deforestation is becoming one of the most pressing environmental challenges of our time. Numerous raw materials that play a role in global value chains are directly or indirectly linked to the destruction of natural forest ecosystems and the conversion of near-natural areas. Soy and palm oil are particularly relevant here, as they are essential components in animal feed production.

Although we as a company do not keep animals ourselves, nor do we procure or mix feed, our value chain indirectly contributes to the demand for these raw materials. Around 90% of the animals we process come from German farms, whose feed contains an average soy content of 5–15%. To ensure that this soy does not originate from recently deforested or converted areas, we have implemented comprehensive measures throughout our supply chains.

Strategies to Reduce Soy Use

One possible approach to reducing the ecological footprint is to cut back on or replace soy as a protein source. However, this presents both a nutritional and economic challenge. Soy is characterised by its excellent protein content (approx. 45%) and high lysine level (6.2%), making it currently the most efficient plant-based protein source in livestock feeding.

Soy extraction meal has therefore been widely used as a protein-rich feed in pig and poultry farming since the 1960s.

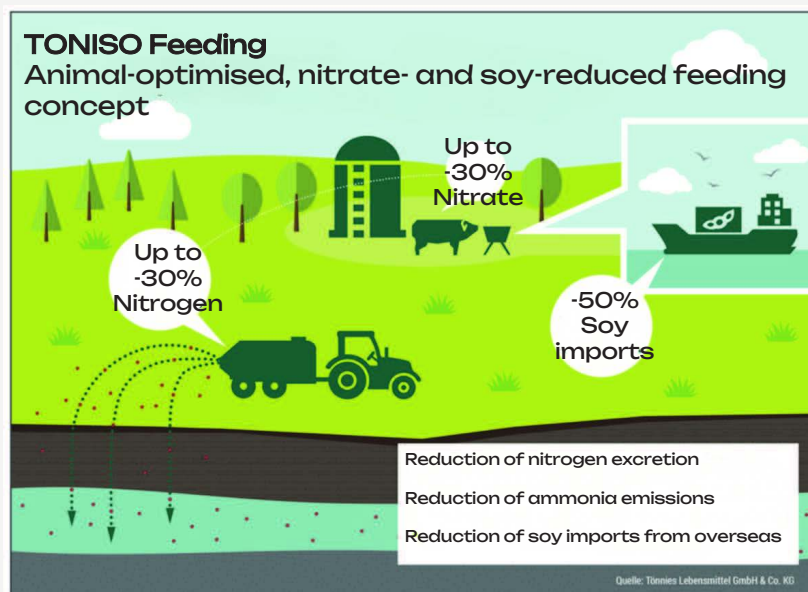
However, the steadily increasing demand for soy has led to significant land expansion and ecological challenges. We are therefore seeking practical alternatives to reduce soy use. Of interest in this context is the production of protein feed from poultry by-products that are only partially suitable for food production. These include feathers, offal and skin. The processed animal proteins (PAPs) made from them would, in terms of a circular economy, be a high-quality yet cost-effective alternative to soy – and a major step towards sustainability and reducing soy imports. However, they are only permitted in pig feeding and are also heavily regulated in that context. Our corporate group is therefore committed to the appropriate relaxation of regulations in order to contribute to the circular economy and the reduction of deforestation risks in this way.

Soy and Alternatives – Pros & Cons

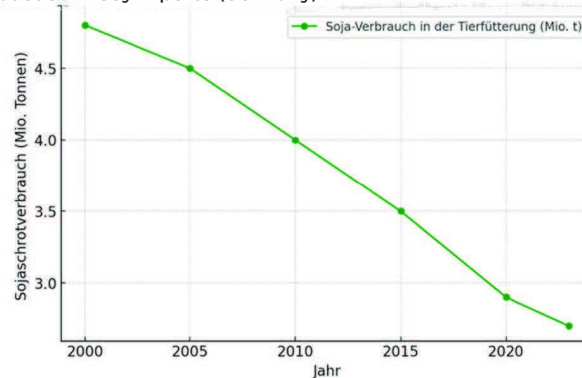
Alternative Protein	Protein (%)	Lysine (%)	
Soy	45	6,2	High protein content for plants, high lysine value, globally established, economically favourable
Lupins	35	4,5	Lower lysine content, harder to digest for poultry
Rapeseed	30	5,5	Bitter substances (glucosinolates), limited digestibility
Peas	25	7,5	Lower protein content, only limited availability
Maize	10	2,5	Very low protein content, poor lysine values
Insect meal	55	6,5	High production costs, limited availability
Poultry protein (PAP)	60-70	5,5-6,5	Very good quality, but strict regulatory requirements for production and storage
Potato protein	80	7,0	Very expensive, low production volumes
Algae protein	60	6,0	Not yet available on a large scale, expensive
Fish meal	60-72	7,5-9	Overfishing, limited availability, high cost
Synthetic lysine	N/A	N/A	Not a full protein substitute, synthetic production

Innovative Feeding Concepts: Toniso Feeding

In collaboration with the Chamber of Agriculture of North Rhine-Westphalia (NRW), we investigated in 2016 whether pigs and other livestock require consistently high protein levels throughout their fattening period. The research findings show that the need for soy protein can be reduced during certain growth phases without compromising animal health or performance. These findings led to the development of the Animal-Optimised, Nitrate- and Soy-Reduced Feeding Concept (Toniso Feeding), which is now used in practice and has significantly contributed to reducing soy imports into Germany.



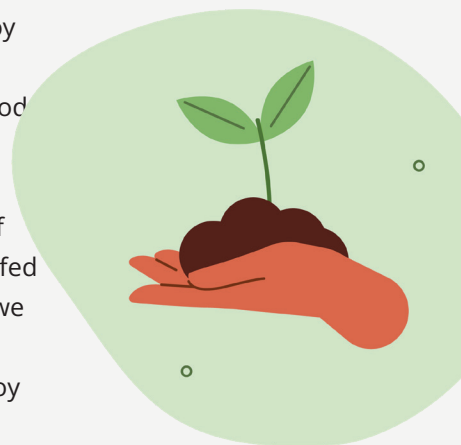
Reduction in Soy Imports (Germany)



Source: BMEL, DUH, WWF

QS Soy Plus: An Industry Initiative for Sustainable Soy

Despite significant progress in reducing soy use, around 2.9 million tonnes of soy meal are still fed in Germany every year. Given this scale, it was clear to us that isolated efforts by individual companies would not suffice. In 2020, Premium Food Group therefore initiated a cross-sector dialogue with other market players. Together with leading German meat producers, a voluntary commitment to the use of sustainable, deforestation-free soy was formulated – marking the birth of QS Soy Plus. Since January 2024, all QS-certified animals in Germany have been fed with sustainably certified soy. This currently covers around 95% of the animals we process. Additionally, the Netherlands and Denmark – two other important markets for us – have adopted similar standards to ensure deforestation-free soy sources.



Why Not 100%?

A small number of farms in Germany operate outside the QS system, particularly very small family-run farms with lower production volumes. For these producers, full implementation and certification is often not economically viable. Nonetheless, we continue to purchase animals from these farms. Many of these farmers voluntarily use certified soy, even without formal QS certification.

Outlook: Focus on Poultry Production

The growing demand for poultry meat poses an additional challenge. While around 69% of the poultry consumed in Germany comes from domestic production and thus complies with high sustainability standards, approximately 31% of poultry available in Germany is imported – often from countries with lower environmental and social standards. To ensure that our supply chains are free from unsustainable soy, we have decided to completely stop sourcing imported poultry from unverified sources.

Conclusion

Premium Food Group pursues a holistic approach to sustainable sourcing. We are fully committed to deforestation-free supply chains and have a scientifically recognised, SBTI-validated 1.5°C target. In addition to the feeding of animals by our suppliers, we also place great value on sustainable soy and palm oil in other components of our products – such as marinades and spice blends. These are already largely certified as deforestation- and conversion-free.

Our sustainability strategy goes beyond environmental concerns: it also includes social and labour standards throughout the entire supply chain. Through transparency, certifications and close cooperation with our partners, we make an active contribution to sustainable and responsible food production.

