

PRESS RELEASE

Bergisch Gladbach, May 30, 2022

KRÜGER GROUP shifts to use of sustainable cocoa

- "Cocoa commitment" program to start in 2023
- Plans to successively convert Group-owned branded products and, additionally, to distribute sustainable cocoa to its partners

Sustainably and fairly grown—these are the characteristics of the cocoa beans the KRÜGER GROUP will be using from 2023 for a significant number of the group's cocoa-based branded products. Therefore the manufacturer of chocolate products and processor of raw cocoa has launched a special initiative: "cocoa commitment" complements the established Rainforest Alliance or Fairtrade standards and sets additional environmental and socio-economic standards to support the farmers. It also makes the supply chain transparent and the cocoa beans traceable from cultivation to production. The first harvest will take place in the fall of 2022, with the first products containing sustainable cocoa arriving in stores in early 2023. The company intends to successively introduce the use of the sustainable raw ingredient for many of its own products, while in the near future, retail chains, other branded companies and processors will also be able to purchase sustainably grown and produced cocoa for their products from the KRÜGER GROUP. KRÜGER GROUP's "cocoa commitment" program is another important component in its corporate strategy, aiming to produce raw materials and products sustainably within the vertical value chain and to integrate them transparently into the supply chain.

KRÜGER GROUP is one of the leading manufacturers of chocolate products and processors of raw cocoa. Its portfolio ranges from semi-finished products such as cocoa powder, cocoa mass, and cocoa butter to finished products such as chocolate bars, spreads, drinking chocolates and co. Its best-known brands include Schogetten, Duo Penotti, and Trumpf. Every year, the KRÜGER GROUP subsidiaries process around 100,000 tons of cocoa beans for their food ingredients, own brands and private label products. Cultivation and harvesting are now to become ecologically and socio-economically sustainable with the help of the "cocoa commitment" program developed by the KRÜGER GROUP. The program is based on the established Rainforest Alliance or Fairtrade standards and supplements these with other important measures such as the prevention of child labor through a Child Labor Monitoring and Remediation System (CLMRS), but also the promotion of women through the provision of small loans. It is anticipated that by 2030 a significant proportion of the KRÜGER GROUP's ownbrand products will be made with sustainable cocoa.

The KRÜGER GROUP's ambitious goal: to sustainably source the valuable raw material that is cocoa within its value chain

Sourcing cocoa, a valuable raw material, sustainably within the group's own value chain—this is KRÜGER GROUP's ambitious goal, as explained by Marc Krüger, Managing Director of the KRÜGER GROUP and son of the company's founder Willibert Krüger: "With our cocoa program, we are setting completely new standards in the market," Krüger says. "Through the further, consistent expansion of our value chain at the vertical level, we offer a total package that only a few manufacturers offer on the market," Krüger emphasizes. "We are already noticing a great deal of interest in our extensive portfolio of semi-finished and finished cocoa products within the industry. With our cocoa program we have gone a significant step further by integrating the potential for precise traceability into the program." In the future, "cocoa commitment" will make it possible to track exactly where and under what conditions the cocoa beans were cultivated -and to make any necessary improvements on site.



KRÜGER GROUP cocoa beans: sustainably grown, fairly harvested, and traceable

Cocoa plays an essential role as a key raw ingredient in many KRÜGER GROUP products. In West Africa, where the KRÜGER GROUP sources its cocoa for the program, cocoa farming is one of the most important means of income for the population. "We want to meet our ecological and social responsibility via our sustainability concept. And in doing so, we will support and protect the local farmers as well as the environment," explains Dr. Guido Colsman, Managing Director of the KRÜGER GROUP, whose role it is to oversee the company's cocoa program. An important objective of the program is to help the farmers and their families to improve their income and living situation, to prevent exploitation and child labor, and at the same time to protect the environment. Both the expansion of so-called agroforestry on participating farms and the accompanying measures such as training in cocoa cultivation are central components of the "cocoa commitment" program. There are plans to expand the program to other growing regions and cooperatives.

Cocoa: precious raw material and demanding crop

Cocoa is a demanding crop, and the path from cultivation to harvest is long. Conventionally, cocoa is cultivated in monocultures. This is usually detrimental to the environment and to biodiversity, and in the long term it reduces farmers' yields. The program developed by the KRÜGER GROUP focuses on agroforestry. Agroforestry is a cultivation concept that integrates shade trees and crops alongside cocoa trees on arable land, thus reducing the prevalence of monocultures and the associated negative consequences. The diversity of planting in turn ensures better yields and income diversification for the farmers. The program also includes accompanying measures such as agricultural training, whereby farmers learn how to reduce the use of pesticides and fertilizers and achieve higher harvests at the same time. In addition, it will involve initiatives to improve occupational health and safety as well as the renaturation of farmland to protect and preserve the rainforest.

For more information about the KRÜGER GROUP's cocoa program, visit: www.cocoa-commitment.com

You can find a FAQ section about the valuable raw material cocoa here.

About the KRÜGER GROUP

Krüger GmbH & Co. KG, founded in 1971 and based in Bergisch Gladbach (North Rhine-Westphalia), laid the foundations for the KRÜGER GROUP, one of the most successful family-owned companies in the global food industry. Today the group develops, produces, and markets its products with around 5,300 employees at 21 locations in 10 countries. Following the successful launch of Krüger GmbH & Co. KG as an instant-drink specialist, the acquisition of Wilhelm Reuss added the first cocoa expert to the group's portfolio. Krüger later expanded this expertise with the acquisition of Ludwig Schokolade and Fuchs & Hoffmann. Dr. Scheffler opened up the market for pharmacies and the pharmaceutical wholesale trade to the KRÜGER GROUP. The Mittelelbe and Lactoland milk processing plants have been complementing the group's core competencies with milk-based semi-finished products since the 1990s. The KRÜGER GROUP continues to grow and expand: in 2019, KRÜGER GROUP acquired the Dutch Peeters Group. Most recently, the KRÜGER GROUP entered the promising CO₂ carbonator market by acquiring SODAPOP Austria GmbH. The KRÜGER GROUP's current products range from drinks, chocolate products, and infant nutrition to health products, OTC, and pharmaceutical products, as well as ingredients for the food industry. Brands such as Schogetten, FRITT, KRÜGER, K-fee, MaxiNutrition/Maximuscle, and HAFERVOLL, as well as Duo Penotti, enjoy great confidence among consumers in more than 100 countries around the world.



KRÜGER Press Office

c/o zeron / Agentur für PR & Content Erkrather Straße 234 a 40233 Düsseldorf

Phone: 02202 / 105-8008 Fax: 02202 / 105-8009

E-Mail: presse-krueger@zeron.de