



European
Snacks
Association

EU Code of Conduct for Responsible Food Business and Marketing Practices

Monitoring report 2024

FOREWORD

The [European Snacks Association](#) asbl (ESA) comprises more than 200 members, including savoury snacks manufacturers, their suppliers (ingredients, machinery), as well as national trade organisations. ESA covers about 80% of the European branded market, whose retail value amounted to around €40 billion in 2023.

ESA's mission is to promote the understanding of savoury snacks at European level. We interpret this role in a way which allows us to further grow as a responsible stakeholder and contribute to a more sustainable and healthier Europe.

The European savoury snacks industry is therefore determined to do its part to move towards more Sustainable Food Systems (SFS), building on the significant achievements of manufacturers in the recent years.

We believe that food systems should be sustainable, climate adapted, nutritious, and efficient whilst not losing sight of small-scale producers. This transition requires engagement and co-operation from all actors throughout the food supply chain and beyond, both individually and collectively,

at national, regional and global level. There is a need for a holistic, fair, and coordinated approach.

ESA signed up to the EU Code of Conduct for Responsible Food Business and Marketing Practices (will be referred to as "the Code" in this report) in June 2021 because we are convinced it has the potential to further stimulate broader engagement across the board and be a valuable tool in accelerating the transition towards SFS. ESA therefore endorses the aspirational objectives set out in the Code.

As per the requirement of the Code, we are happy to submit our third monitoring report to the European Commission. The first part focuses on our efforts to promote the Code's vision and objectives within our membership and our network of stakeholders. Since we believe, it's not only important to raise awareness but also to take actions, we have included in the second part of the report a snapshot of concrete actions undertaken by our members and focusing on objective 7 of the Code: "Sustainable sourcing in food supply chains".

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Reporting on the
European Associations
pledges under the Code

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CHAPTER ONE

1 Reporting on the European Associations pledges under the Code

1.1 Promotion and dissemination of the Code

ESA has been involved in the development of the Code since the early stages end of 2020 and then has taken part in the drafting process of the Framework for Engagement on Food Sustainability (Theme 1 - Food consumption patterns for healthy and sustainable diets).

ESA members have therefore been regularly informed and updated since the Code was launched in 2021.

Information about the Code have been shared mainly through:

- ESA's internal working group meetings and board meetings since 2020
- Dozens of circulars related directly or indirectly to the Code reaching the entire membership
- Regular communications on our social media channels ([Twitter](#) and [LinkedIn](#)),
- ESA's monthly newsletter which is sent to 1'500+ recipients working in the savoury snacks industry
- ESA's official journal "[The Snacks Magazine](#)", published every quarter and read by top managers in the savoury snacks industry in Europe but also everywhere around the world
- ESA annual [activity report for 2023](#)

ESA's endorsement of the Code's aspirational objectives have been mentioned several times in the past year, for instance in the context of events organised by third parties in 2023 and before and during meetings with relevant institutional stakeholders.

All these activities over the past years had a positive impact on our membership, contributing to further raise awareness around the various sustainability issues we are facing as a sector, and thus reinforcing the sector's ambition to contribute to a rapid transition to a more sustainable food system.

1.2 Encouraging members to align their sustainability actions and/or business practices to the aspirational objectives and targets of the Code and invite them, on a voluntary basis, to adhere to this Code

Our members have a track record of successful initiatives to make their business more sustainable. These meaningful actions were already directly aligned with the Code's objectives and targets.

In spring 2021, we produced an [infographic](#) "From Farm to Fork: The European savoury snacks industry contribution to more Sustainable Food Systems" which gives an overview of all the areas where our members are actively involved to make a difference.

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ESA members contributing to the objectives of the Code and illustrating the commitment of the sector. This was followed by a 4-months digital campaign on our social media channels.

While we believe the aspirational objectives of the Code are clear enough and provide a strong basis for action, we thought we could further help our members by developing a sector-specific set of objectives inspired by the objectives of the Code - but tailored to the needs of the sector. The purpose of these sector-specific objectives is to provide additional guidance and an inclusive framework to facilitate the reporting and implementation of ongoing and new actions.

We are also proud that three members of the association decided to become direct signatories of the Code (Paulig Group; PepsiCo; Kellogg and Orkla), showcasing the commitment of the sector directly in line with ESA's involvement in the elaboration of the Code and its strong sustainability commitments.

1.3 Exploring the possibility of developing sector-specific tools and resources in support of this Code and continue to engage in dialogue with other food chain/systems actors and EU and international policy-makers

Working with members to identify a set of ESA-own aspirational objectives has been a useful exercise to mobilise the membership, further raise awareness and bring in more sector-specific elements. Building on this exercise, ESA members are regularly asked to share input on their progress so that the secretariat can keep a track record of implementation efforts and successful initiatives. By collecting company-specific examples, we are building a best-practice database which can inspire our membership.

Overall, ESA considers it essential to share best practice examples and progress with other stakeholders at European level, and to exchange with them about the role of European savoury snacks manufacturers in creating a healthier Europe, including being a responsible partner of the Code.

Over the past year, we have reinforced our contacts and relationships with other European associations with whom we share common goals. This has led to the creation in 2022 of the Agri-food chain sustainability roundtable, an informal gathering of European agri-food chain industry associations for the purpose of exchanging information, views, concerns, and positions on legislation pertaining to sustainability.

Members of the roundtable are AIJN (European Fruit Juice Association), ESA (European Snacks Association), Europatat (European Potato Traders' Association), Freshfel (European Fresh Produce Association), FRUCOM (Dried Fruit, Nuts, Processed Fruit & Vegetables & Processed Seafood), PROFEL (European Association of Fruit & Vegetable Processors) & FEFAC (the Feed Manufacturers' Federation).

In 2023, the sustainability roundtable held several meetings and organised a webinar with the participation of experts to discuss sustainability labelling in the retail sector. Another webinar took place in January 2024 to explore sustainability reporting in the agri-food sector. Each of the webinars gathered more than a hundred members from the different associations.

We look forward to continue joining forces within and beyond the food supply chain in the future.

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Snapshot of members'
activities supporting
objective 7 of the Code

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CHAPTER TWO

2 Snapshot of members' activities supporting objective 7 of the Code

In addition to the reporting requirements for European associations, we have included below a number of concrete initiatives and achievements from our membership linked to the objective 7 of the Code focusing on "Sustainable sourcing in food supply chains" to further illustrate the sector's commitment.

These are only a snapshot of the numerous actions all our members are implementing – but yet very illustrative.

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2.1 Paulig



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**.

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.

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.

As a part of our [strategic sustainability initiative](#) focusing on the spices and herbs value chain's external verifications, 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 seasonal and low-skilled workforce,



health and safety considerations, and child labour, with supplier capabilities playing a pivotal role.

Currently, we have set sustainable sourcing targets for six spices (black pepper, onion, oregano, Indian chillies, cumin, and turmeric), accounting for approximately 45% of the entire spices and herbs category.

In 2023, our target was to have 70% of the sourced volumes from externally verified sustainable sources, and we achieved 71% by the year's end. Throughout the project, we have encountered several challenges, such as quality issues, smaller-than-expected crops due to climate and water problems, and a lack of awareness among farmers, that make it difficult to achieve the targeted, externally verified quantities. Our goal is to achieve 100% sustainable sourcing for these six spices by 2025.

In 2023, we expanded the road map for external verification to include more spices and herbs. With these additional items, we cover over 50% of the spices and herbs category. Starting from 2022, the reported figures are assured by a third party.

2.2 PepsiCo



PepsiCo's **Positive Agriculture** agenda aims to source crops and ingredients in a way that accelerates regenerative agriculture and strengthens farming communities.

PepsiCo's efforts will focus on:

- Spreading the adoption of regenerative farming practices across 7 million acres, estimated to lead to a net-reduction of at least 3 million tons of GHG emissions by 2030. Furthering nearly a decade of progress with its Sustainable Farming Program, PepsiCo will continue to collaborate with farmers across 60 countries to adopt practices that build resilience and improve and restore ecosystems. Already in 2022, the company helped spreading the adoption of regenerative agriculture in more than 900,000 acres.
- Improving the livelihoods of more than 250,000 people in its agricultural supply chain and communities, including economically empowering women.
- Sustainably sourcing 100% of key ingredients, expanding to include not only its direct-sourced crops (potatoes or whole corn), but also key crops from third parties, such as vegetable oils and grains. By end 2023, already 100% of PepsiCo's grower-sourced crops were sustainably sourced in 27 countries, and more than 90% of these crops are sustainably sourced globally.



2.3 Importaco

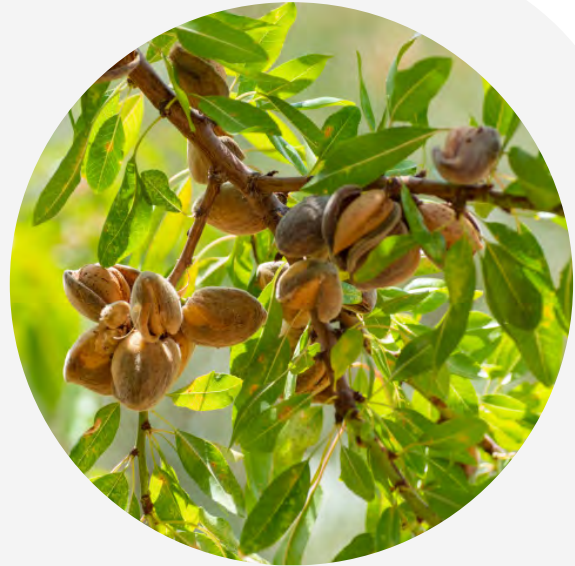


Importaco has expanded its agricultural integration programme, which aims to ensure the supply of raw materials, particularly peanuts and almonds, with guarantees relating to quality and food safety and the implementation of more environmentally friendly agricultural practices aligned with regenerative agriculture principles.

The company aims for 100% of its Argentinian peanuts and Spanish almonds to be responsibly to be responsibly sourced by 2025.

In Argentina, Importaco also implemented on top of its integration programme a Farm Sustainability Assessment (FSA) project, achieving the silver level for all the farms evaluated.

Together with growers, Importaco carries out rigorous risk assessment processes and closely monitors agricultural



practices, such as drawing up profiles for each crop, determining the risks related to the varieties of crop used, growing techniques and the causes of crop defects. As part of the programme, the company also runs training sessions for growers and provides ad-hoc support.

In total, the programme is being implemented with the help of over 340 farmers in Spain, Argentina, Chile, Peru and China, covering more than 23,000 hectares of farmland and impacting the production of more than 70,000 tonnes of nuts and dried fruits.

2.4 Griffith



Griffith Foods is a global product development partner specialising in food ingredients from seasoning and sauces, to breadings, coatings, bakery products, and more. With a century-long commitment to innovation and working to make a positive impact through sustainable and nutritious products, we offer tailored solutions that not only meet consumer needs but also contribute to a better, more sustainable world.

To support a transformation to sustainable food systems that positively impact planet and people, we are partnering with key customers, suppliers, and other external stakeholders, including governments, not-for-profit organisations, and foundations.

Working together as a catalyst for change by 2030, we aim to:

- ➔ enable the scaling of 400,000 hectares on the path to regenerative farming
- ➔ achieve net zero in our operations
- ➔ support 25% of our suppliers and customers to achieve their net zero ambitions
- ➔ positively impact 25,000 small scale farmers, improving the lives of farming families and their communities around the world.

Griffith Sustainably Sourced (GSS) is our strategic sourcing programme through our subsidiary Terova, which targets farm-level integration of the supply chain across four continents. With a goal of helping agricultural producers improve their yields and environmental farm practices, we work to increase the volume of raw materials sourced from sustainably certified farms by working with partners like Rainforest Alliance.

It's critical to ensure that our suppliers also meet our high sustainability standards. Four years ago, we launched a Global programme with EcoVadis, an independent external body, to assess and validate supplier performance. Their methodology is built on international sustainability standards, including the Global Reporting Initiative, the United Nations Global Compact, and the ISO 26000. Suppliers are provided with a Sustainability Scorecard that illustrates performance across 21 indicators in four themes: Labour and Human Rights, Environment, Sustainable Procurement and Ethics.

By 2030, we aim that 100% of our direct suppliers will be enrolled in the EcoVadis programme. We are proud to report that in our European business, already over 80% of our suppliers (by spend) have achieved this target. As we continue to work towards our 2030 aspirations, we recognise that we can only achieve success by proactively collaborating with our customers, suppliers, and stakeholders to help build a lasting sustainable future for all.

2.5 Lorenz



Lorenz feels responsible towards all people connected with their products – their consumers, their own employees, their business partners and suppliers, and to the large and small producers of their raw materials all over the world.

This also includes ensuring fair and respectful working conditions along the value chain. Given the complexity of global supply chains, this is a major challenge that Lorenz is constantly working on, believing that acting responsibly and supporting improvements alongside the supply chain is one key part to combine the joy of life provided by Lorenz snacks with the sustainable development of the company.

With the [Responsible Sourcing Commitment](#) this vision is brought to life: Based on the United Nations Sustainable Development Goals (SDGs) and the 10 Principles of the UN Global Compact, goals and measures are implemented to improve the livelihood along the Lorenz supply chain. Those notably include the Lorenz Code of Conduct for Suppliers as basis for sourcing contracts, sustainability training for buyers, increasing transparency of the supply chain via the platform Sedex, decreasing supplier's carbon footprint and commitment to no-deforestation.



Besides, Lorenz is actively involved in purposeful measures to improve the working conditions in high risk areas of their supply chain. For example, up to 90% of peanuts for NicNacs come from Lorenz' own factories in the origin countries. 100% of our cashews are directly sourced and processed in Africa to increase transparency in our supply chain, ensure traceability and to generate value in the countries of origin. In Mozambique, Lorenz is participating in the "Mozambican Cashew Development Alliance" a private public partnership to improve the livelihood of farmers and workers in the cashew sector. The majority of cashews traded worldwide are shipped from their origins to Asia for processing. By eliminating this step, we were able to reduce our transport-related CO2 emissions in the area of cashew procurement by -51% in 2021. Additionally Lorenz is an active member of the Sustainable Nut Initiative with the aim to bring more sustainability and traceability to the global nut trade.



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Step of the food chain represented

Production and processing

Who do we represent?

Over 200 members, savoury snacks manufacturers,
their suppliers (ingredients, machinery),
as well as national trade organisations