



European
Snacks
Association

EU Code of Conduct for Responsible Food Business and Marketing Practices

Monitoring report 2023

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 €19 billion in 2020 (ca. 1.5% of the entire European food and beverage sector).

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 second 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 a copy of the ESA Sustainability report we have published earlier this year including several concrete actions from our membership to make snacking more sustainable!

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Reporting on the
European Associations
pledges under the Code

1

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](#)), including via our digital campaign #MakingSnackingMoreSustainable in summer 2021 which generated 1.5m impressions
- 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 2022](#)

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 2022 and before and during meetings with relevant institutional stakeholders.

All these activities over the past year 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.

Beginning of 2023, we published a comprehensive Sustainability report featuring numerous concrete actions implemented by

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Our members have a track record of successful initiatives to make their business more sustainable.

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ESA members contributing to the objectives of the Code and illustrating the commitment of the sector (see part 2 of this report). 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 (cf. ESA Sustainability report below in part 2 of this report). By collecting company-specific examples, we are building a best-practice database which can inspire our membership.

Overall, ESA considers that it is 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).

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

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ESA members are asked to share input on their progress on a yearly basis so that the secretariat can keep a track record of implementation efforts and successful initiatives.”

ESA Sustainability
report 2022-2023

2

MAKING SNACKING MORE SUSTAINABLE

The contribution of the European savoury snacks industry to more sustainable food systems

European Snacks Association sustainability report 2022-2023







Mathijs Peters ESA President

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.

In this spirit, the ESA signed up to the [EU Code of Conduct for Responsible Food Business and Marketing Practices](#). We are convinced it has the potential to further stimulate broader engagement and be a valuable tool in accelerating the transition towards sustainable food systems.

Growing sustainably makes good business sense. It is key to savoury snack companies' long-term competitiveness, and our members have long since taken action to respond to the sustainability challenges within their own operations and along their supply chain. These actions lie within the scope of the European Green Deal and initiatives arising from it such as the Farm to Fork Strategy.

This report showcases some of the commitments, initiatives and achievements of ESA members on their path to making snacking more sustainable - from the field to the packet!

The [European Snacks Association](#) (ESA) comprises more than 200 members, including savoury snacks manufacturers, their suppliers (ingredients, machinery, etc.), as well as national trade organisations. ESA's mission is to promote the savoury snacks industry as a responsible stakeholder that contributes to a more sustainable and healthier Europe.

Our food systems are continuing to change at a dizzying pace as consumers are more aware of the stories behind the food they eat and how they are sourced. One of the most pressing questions they have is: *"How can my food choices have a positive impact on the planet?"*

Global warming has undoubtedly transformed what and how we eat, both because of increased consumer awareness of sustainability and climate change and because of its growing impact on our wallets. These factors will deepen acceptance of sustainable food alternatives and increase consumer desire for more environmentally friendly products.

The European savoury snacks industry is therefore determined to do its part to move towards more sustainable food systems, building on the significant achievements of manufacturers in recent years.

We believe that food systems should be sustainable, climate adapted, nutritious, and efficient whilst not losing sight of small-scale producers.

THE ESA IN A NUTSHELL

WHO WE ARE

The European Snacks Association (ESA) is the voice of the European savoury snack and snack nut industry.

On behalf of snack producers and their suppliers - including ingredients, equipment, packaging - as well as national trade organisations, we promote the development and understanding of savoury snack products at European level.

BALANCE & MODERATION

Our products are enjoyed by millions of consumers every day, at different occasions across Europe. They can be a quick energy boost when on the go, an aperitif or a meal accompaniment. Consumed in moderation they can be part of a balanced diet.



Sector retail value 2021

€30bn
Approx.



Share of the European Food and beverages market

1.5%



 Direct employment
40,000
People



We cover more than **80%** of the branded European savoury snacks market

 Approx.
100
Production sites across the EU

SAVOURY SNACKS AS PART OF A HEALTHY AND BALANCED DIET

STAPLE RAW MATERIALS

Savoury snacks are made from staple raw materials such as vegetables (potato, carrot), fruit (tree nuts), grains (wheat, maize, rye, rice or quinoa), pulses (chickpeas, lentils), and vegetable oils.



HALF
of the members
are small and
medium size
enterprises
SMEs



+200
Member companies

Of all sizes
from over
40
countries



WIDE VARIETY

The sector offers a wide variety of products including potato crisps, puffed snacks, corn chips / tortillas, baked snacks, crackers, pretzels, savoury biscuits, popcorn, meat snacks, peanuts and other snack nuts.

SUSTAINABILITY FROM FARM TO PACKET!

FOOD PRODUCTION / SOURCING

PROCESSING

1

BIODIVERSITY AND SUSTAINABLE SOURCING

Always striving to do better on environmental sustainability, ESA members support and promote the use of sustainable practices by their suppliers of agricultural products that preserve natural resources

2

PRODUCTION AND DISTRIBUTION

ESA members optimise the use of resources in their supply chain wherever possible and support the integration of circular economy principles



Boosting **regenerative agriculture practices** to improve soil health and soil fertility as well as protecting water resources and biodiversity



Optimising **production plants** to:

- Reduce green-house gas emissions and promote the use of **renewable energy**
- **Save water** at every step of the production lines
- **Reduce food waste and valorise by-products** (e.g. potato peels) to produce energy and animal feed



Developing **sustainable sourcing** to raise food production standards



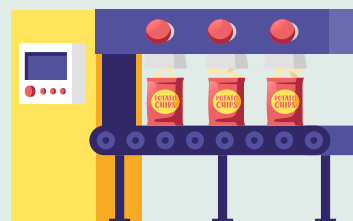
Striving to find innovative solutions for more **sustainable packaging** that maximise the use of resources and minimise waste



Promoting **ethical sourcing** for more transparent value chains and support to local farmers and processors



Minimising the impact of transports and logistics operations to **reduce green-house gas emissions**



DISTRIBUTION LOGISTICS



3

HEALTHY AND SUSTAINABLE DIETS

ESA members are committed to respond to consumer demand for a healthier and more sustainable diet

CONSUMERS

WASTE DISPOSAL AND RECYCLING



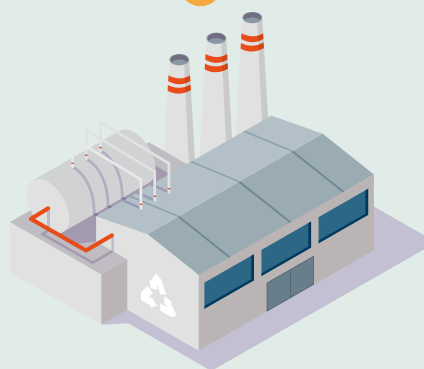
Innovating to develop the market for **healthier options**, reducing average salt and saturated fat content while promoting fibre- and protein-rich ingredients such as pulses



Helping consumers to make informed choices through **accurate labelling and guidance on portion size**



Advertising responsibly to change savoury snack food advertising to children and support parental efforts to promote healthier snacking choices and balanced lifestyles



1

Biodiversity and sustainable sourcing



ESA members strive to continuously improve their environmental sustainability and use sustainable practices to protect, promote and restore natural resources, ensuring a sustainable supply of agricultural raw materials for the manufacture of savoury snacks.



Our industry is committed to enhance the role of sustainable agricultural practices throughout the snack manufacturing chain by working in close partnership with farmers and helping them adapt to climate change and increase resiliency and productivity. Sustainable agriculture remains a major pillar of ESA members' business strategies, often leveraging innovative agricultural practices aimed at increasing sustainable productivity while restoring biodiversity, such as:

- Precision farming to optimise crop production and help restore biodiversity
- Water management to improve irrigation solutions
- Waste management to reduce crop/food wastage at field level
- Soil management to optimise the use of fertilisers and improve soil health
- Carbon sequestration to help mitigate climate change

Savoury snacks manufacturers often have long-term relationships with farmers, for instance with potato growers, which contribute to securing a fair and stable income for farmers as well as high-quality supply for manufacturers. Fostering the economic health of farmers and local communities directly ties in with the objective of building sustainable food systems.

Snack nuts manufacturers require reliable access to imports of raw materials from safe, reliable, and traceable supply chains. They spare no efforts to promote sustainable global sourcing and have developed individual and proprietary procedures related to supply practices. They promote respectful labour practices in line with human rights and international labour standards.

Several members are engaged in field projects improving the livelihood of communities in Africa, Asia or Latin America, creating more transparent value chains and supporting local farmers and processors in gaining and maintaining access to the most demanding markets.

The agriculture of tomorrow

1 KELLOGG'S ORIGINS PROGRAMME

Through its flagship global programme "Origins", our member Kellogg has initiated more than 40 partnership projects around the world with suppliers, farmers, scientists and NGOs to increase farm productivity, improve environmental outcomes and positively impact farmer livelihoods.

Kellogg already sources 100% of potatoes from European farms and in 2022, Kellogg has launched the first Origins programme with potato farmers in France and Belgium. The company is offering a carbon emission assessment to 10 farmers in France and Belgium, which will establish a benchmark for year-on-year verified carbon savings and generate carbon certificates that the farmers can sell on the voluntary carbon market. In the future, based on this assessment, farmers may get support to help decrease their carbon footprint while improving their productivity.

In this programme, Kellogg is partnering with long-term potato flakes supplier, Clarebout, and Soil Capital, a society of independent agronomists working to help farmers adopt more sustainable and regenerative agriculture practices.



2 PEPSICO'S POSITIVE AGRICULTURE AGENDA

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, leading 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.
- **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. PepsiCo sources crops across 60 countries and supports over 100,000 jobs in the agricultural supply chain. Already as of the end of 2020, PepsiCo's direct-sourced crops were 100% sustainably sourced in 28 countries.



Sustainable and ethical sourcing

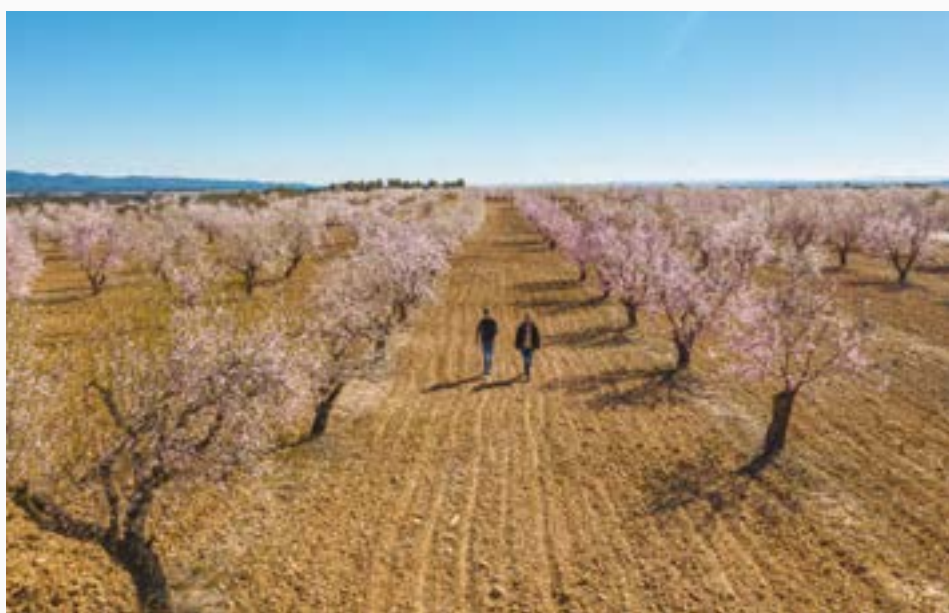
1 IMPORTACO'S AGRICULTURAL INTEGRATION PROGRAMME

Our member Importaco, based in Spain, 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 to be responsibly sourced by 2023 and 100% of its Spanish almonds to be responsibly sourced by 2025.

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 22,593 hectares of farmland and impacting the production of 69,933 tonnes of nuts and dried fruit.





2 INTERSNACK'S HONEST CASHEW INITIATIVE

Intersnack's nuts supply chains span the entire globe and the company is committed to help improve the livelihoods of workers and farmers along the chain. **With the Honest Cashew initiative, Intersnack is building a fully transparent supply chain to ensure a safe place to work, to contribute to a decent income and to prevent child labour.**

From harvest to processing, it takes about 5,000 man-hours to fill one container of cashews. Unfortunately, some steps in the process don't yet take place under the safest circumstances. Intersnack therefore implemented "single roof processing" with the objective to avoid subcontracting and achieve greater transparency. It means that the main steps are now carried out under one roof, instead of being scattered across a network of smaller processing facilities. Grading cashews inhouse improves the traceability, safety for employees and food quality.

Intersnack is increasingly linking with the thousands of smallholder farmers in their supply chain, and this enables the company to collaborate on agricultural practices and help farmers increase their yield and volumes, which results in more income to support their families. To date, 25% of the cashews come directly from farmer cooperatives and Intersnack is committed to extending this to cover the total volume.



3 "MADE WITH SUSTAINABLY SOURCED INGREDIENTS" CONCEPT BY GRIFFITH FOODS

At Griffith Foods, a global food product development company specialised in blending products such as seasonings and coatings for the savoury snacks market, Sustainability is a platform to grow business while positively impacting People, Planet and Performance.

To provide regulatory guidance and a framework through which a nutritious and sustainable portfolio could be developed, Griffith launched a new pilot concept named "Made with Sustainably Sourced Ingredients". It offers transparency about the ingredients used, where they are cultivated and how the company supports local communities.

The seasonings range includes the most beloved flavours of European consumers such as Paprika & Chilli, Sea salt and Black Pepper, Sour cream & Onion (Dairy free), BBQ Rib (Vegetarian) or Cheese.

Due to the complexity of the raw material base, Griffith Foods has developed a three-tier approach to measure the sustainability and traceability status of each material. Tier one includes those materials that are sustainably certified by a third party, tier two comprises materials without third party certification but with full traceability to the farm and finally tier three, where full supply chain mapping is available as far back into the supply chain as technically possible. By measuring their ingredients in this framework, Griffith Foods can ensure their materials are sustainably sourced and as traceable as possible. Additionally, Griffith works with EcoVadis, to assess and certify all of their suppliers from an environmental, social, and ethical perspective.

By 2030, Griffith Foods aims to purchase 100% of its major raw materials from fully certified sustainable sources (ensuring that their suppliers are EcoVadis gold or platinum medal certified). Additionally, the aim is for 80% of raw materials to have achieved Farm To Fork supply chain traceability.



2

Production and distribution

ESA members apply measures to efficiently manage resources such as water and energy throughout the supply chain, reduce green-house gas (GHG) emissions and support the integration of circular economy principles.

Manufacturers have long since implemented strategies to optimise their production plants and mitigate GHG emissions, including those from transports and logistics. A growing number of snacks production plants are now using 100% renewable energy or are reducing their GHG emissions in various ways, such as photovoltaic modules or renewable energy in the form of biogas from organic waste compounds to power their operations.

Promoting circular economy practices are at the heart of the concerns on the production lines, notably when it comes to optimising water use and avoiding food wastage (including oil wastage):

- New technologies can help save water for instance by distributing water more efficiently around a potato slicer. More commonly, the water used to wash the potatoes at the beginning of the process is collected and reused for other operations further down the chain.
- The valorisation of waste is another key element. For instance, the starch collected from potatoes is reused as a raw material in the production of other snacks, while the potato peels are used in bio-gas facilities or as feed for animals.

Moving towards a more responsible use of natural resources and a circular economy also means that manufacturers are striving to find innovative solutions for more sustainable packaging and improved waste sorting and recycling.

Packaging plays a key role in guaranteeing a high level of quality and safety of our products and in preventing food waste. As a major user of flexible packaging, the European savoury snacks industry will continue to improve the circularity and environmental performance of its packaging, while ensuring material functionality and protection of health, safety, and the environment. ESA members have already come forward with ambitious commitments and are engaged in a number of initiatives aiming at:

- Further reducing plastics in their packaging
- Developing new packaging design, working towards making material easier to recycle
- Stimulating research and innovation in packaging material and recycling technologies such as chemical recycling
- Improving collection, sorting and recycling of flexible packaging together with competent authorities and the plastic value chain

Cutting green-house gas emissions

1 LIVEN'S GREEN ENERGY AMBITION

Our member [Liven](#) is based in Spain and is now part of Paulig Group. Liven is a pioneer in the area of energy transition and has a strong commitment to green energy. **Since 2015, and based on latest data available (2021), the company has increased its use of green energy in the production processes by 59%.** It has reduced emissions of GHG for every tonne of manufactured product by 58% and is already only using electricity from renewable sources at all the company sites.

From May 2022 Liven's Popcorn factory based in Puig - Reig (Barcelona) has reached carbon neutrality and achieved the CarbonNeutral® building certification. The factory produces microwave popcorn and popcorn packaging for customer brands and

uses 100% renewable energy. The factory's unavoidable GHG emissions are compensated through forestation and forest conservation projects.

The company continues to invest in innovative technologies to further reduce its carbon emissions across all its operations, including logistics. In December 2021, [Liven](#) launched in the province of Barcelona its "Duo Truck" which is one of the longest and most efficient trucks currently circulating on European roads. It is a 32-metre trailer made up of a tractor and two semi-trailers, with a load capacity of up to 44 tons, hence reducing the road transport of Liven's deliveries by 50% and GHG emissions by 30%. It helps reduce the number of trucks on roads and the semi-trailers are designed to be directly placed on trains for rail transport.





2 LORENZ' COMMITMENT TO REDUCE ITS CARBON FOOTPRINT

Lorenz has committed for long to reduce its carbon footprint across all operations, notably by using renewable energies and systematically optimising production and distribution processes to save energy.

Since the beginning of 2022 Lorenz obtains 100% electricity from renewable sources at all six production sites, the administrative sites in Neu-Isenburg, Sady and Klagenfurt and all factory stores.

Photovoltaic installations are increasingly deployed such as in the Hankensbüttel production site, covering now around 9% of its energy needs. Furthermore, Lorenz has its own combined heat and power facilities at each of their factories in Neunburg and Kreba, and reuse most of the energy and heat generated from these systems. The factory in Neunburg, for instance, covers 17% of its power needs from its very own facilities. At the Neunburg site, the company also operates its own biogas plant feed powered by production waste.

Between 2014 and 2019, Lorenz also reduced GHG emissions in logistics by 24%. For this, the company received the "Lean & Green 1st Star" award of the non-profit initiative GS1 Germany in March 2020.

While transitioning to net zero by 2045, Lorenz will reduce its Scope 1 and Scope 2 emissions by 50% by 2030 compared to 2019.



Valorising food waste and saving water



1 SAN CARLO'S EFFORTS TO VALORISE FOOD WASTE

Savoury snacks manufacturers have since-long implemented innovative technologies to make the best use of resources and eliminate food waste from their production lines.

Our member [San Carlo](#), a leading savoury snacks manufacturer based in Italy, is for instance already valorising all its by-products:

100% of the potato peels are transformed into energy in third party biogas facilities - and 100% of bread-based snack residues are used to produce animal feed.

In addition, the company has set an ambitious target to reduce by 30% the water consumption on potato crisps lines by 2025 (baseline 2020). First results already show an encouraging 20% reduction for the year 2021.





2 PEPSICO'S INNOVATION TO SAVE WATER

As a convenience foods and beverages company, PepsiCo is acutely aware of the critical role water plays in the food system. To achieve its ambition of becoming net water positive, PepsiCo has adopted an approach to watershed management that includes improving water-use efficiency across its value chain, notably on farms and in manufacturing facilities.

To this end, the group announced its ambition to becoming **net water positive** in its operations, enhancing watershed management in the agricultural supply chain and contributing to community water health.

PepsiCo supports the principles of circular water within the company-owned manufacturing operations and across third-party sites. This means the company looks to reduce its freshwater footprint and identify reuse opportunities for treating process water within its own operations and those of its third-party manufacturers, through operational water efficiency programmes, behavioural changes, innovation in manufacturing and capital technology investments.

PepsiCo's technical team has developed the **Splash Cone innovative technology** to save water on potato crisp manufacturing lines. Water is used to wash the potatoes and to slice them so that they don't stick together. Splash Cone works like a water sprinkler and distributes water around the potato slicers more efficiently, making each drop go further. **The technology has been so effective, that it has been rolled out at each of PepsiCo's Europe crisp manufacturing locations and will be implemented in every PepsiCo factory across the globe.** It is estimated that Splash Cone will help the company save up to 200 million litres of water annually in Europe.



Boosting packaging circularity



1 INTERSNACK'S PACKAGING PLEDGE

Intersnack has developed a set of commitments to eliminate all unnecessary packaging while working towards full recyclability of packaging materials.

The aim is to reduce the packaging material used by 10% by end 2022 compared to 2014 and to achieve 100% recyclability of its consumer plastic packaging by 2025.

In 2020, Intersnack developed a best practice packaging standard, which already has a positive impact. The use of flexible packaging material is down by 6% compared to 2014, which represents a structural saving of 1,200 tonnes per year. In 2021, the company achieved an 8% reduction compared to 2014, coming a step closer to the 10% target by end 2022.

A single company cannot achieve circularity on its own. The effective recycling of materials requires working together as an entire industry, from the packaging producer to the recycling company. For this reason, Intersnack teams up with stakeholders from across the value chain through multi-stakeholder initiatives.

The company is involved in several projects and consortia to stimulate innovation and effective recycling of materials. These include CEFLEX, a collaborative organisation that brings the entire value chain together to tackle the complex technical and business barriers to a circular economy as well as The Digital Watermarks Initiative HolyGrail 2.0, which focuses on digital watermarking technologies for accurate sorting of packaging.



2 PEPSICO'S SUSTAINABLE PACKAGING VISION

PepsiCo's sustainable packaging vision is to build a world where packaging never becomes waste. The company strategy is based on three inter-connected pillars: reduce, recycle, and reinvent. Through each of these three pillars, PepsiCo strives to lead change through active partnerships and stakeholder engagement.

PepsiCo Europe's ambition is to eliminate virgin fossil-based plastic in all of its savoury snacks bags by 2030, meaning that all savoury snacks bags will be made from 100% renewable or recycled plastic in Europe by the end of the decade. This commitment is expected to reduce GHG emissions from film packaging by up to 40% per ton of packaging material. The recycled content in the packs will be derived from previously used plastic and the renewable content will come from by-products of plants such as used cooking oil or waste from paper pulp.

To build a circular economy for packaging, it is important that all actors in the packaging value chain, including packaging producers, retail and sales outlets, waste management and recycling industries, governments, and consumers, work together collectively to achieve the transition. To this end, PepsiCo engages in a variety of programmes and initiatives that bring stakeholders together to create broad solutions in order to shift the whole system in a more sustainable direction.

Increasing collection and recycling rates supports a circular economy by promoting the recovery of the materials put into market, preserving their value, and aiming to prevent the materials from ending up as litter or in landfills. PepsiCo seeks to improve collection and recycling infrastructure through policy and programmes as well as consumer education and engagement.



3

Healthy and sustainable diets

ESA members are committed to meet citizens' needs and consumer demands in an effort to promote healthier and more sustainable diets.

The European savoury snacks industry listens to the preferences of the millions of consumers who enjoy its products every day. Consumers demand great tasting snacks and treats, excellent value for money, constantly improved nutritional content and of course the highest safety standards and quality ingredients in finished products.

To meet these expectations, ESA members continuously invest in the development of new products, ingredients and manufacturing methods. Although savoury snacks products contribute very little to the average dietary salt, saturated fat and fat intake in the European diet, our members are always working to bring great flavours and tastes to market whilst ensuring lower levels of salt, saturated fat and total fat.

ESA members have pioneered reformulation and innovation leading to healthier snacks. Whilst manufacturers have already successfully reduced the average quantity of salt in their recipes in the

past decades, the European market has witnessed a considerable drop in fat and saturated fats levels in the recent years thanks to the replacement of previously used frying oils with high-oleic oils (such as sunflower or rapeseed oils) or the use of new cooking techniques (e.g. air-popped snacks or oven-baked snacks).

To further improve the nutritional composition of the products, snacks makers also increasingly include fibre- and protein-rich ingredients such as pulses to develop the market for healthier options. Moreover, in response to growing consumers' demands, manufacturers are increasingly including natural ingredients in their recipes. This commitment to "clean ingredients" is set to be one of the major products innovation trend for the years to come.

ESA members recognise their responsibility as advertisers and have endorsed guidelines on commercial communication and vending, supporting initiatives to develop and spread

responsible advertising practices, especially towards children. ESA is the only European trade association that has endorsed the EU Pledge commitments on food and beverage advertising to children in the EU. By adhering to the commitments enshrined in the EU Pledge, we aim to support parental efforts to promote healthier snacking choices and balanced lifestyles among children.

ESA members support the accurate labelling of all foods to help consumers make informed choices by providing them with information on a wide variety of issues including ingredient composition, nutritional value, portion sizes and storage conditions. ESA recommends the use of a portion rationale of 30g for savoury snacks and snack nuts, reflecting consumers' eating habits whilst being compatible with dietary recommendations.



Innovation for healthier snacking

1 KELLOGG

Kellogg-owned Pringles have undergone several reformulation steps over the past decades. The latest in 2020 when salt and saturated fat have been further reduced by respectively 10% and 12% in the six top flavours (Original, Sour Cream & Onion, Sweet Paprika, Hot Paprika, Hot & Spicy and Texas BBQ), which make up around 65% of the Pringles sold in Europe.

Pringles has recently created a new multigrain range made with fibre and grains such as wheat and barley, containing less salt. Sensory experts used more herbs and spices and natural flavours to replace some of the salt while keeping the same taste and iconic saddle shape of Pringles. The move is part of Kellogg's decade-long Wellbeing Plan, announced in 2021, that pledged to improve its foods and packaging so that they are better for people, the community and the planet.





2 SAN CARLO

In recent years, San Carlo has put the emphasis on reducing saturated fat content across its portfolio, notably achieving a 15.4% reduction in potato crisps between 2017 and 2021. San Carlo has also worked to reformulate its products in relation to salt content, reducing, for instance, salt in potato crisps by 12.5% between 2018 and 2020.

These efforts are supported by new products launches such as the Veggy Good range, balanced salty snacks made from 100% natural ingredients. The range comprises three different thin and crunchy triangles (rice and three legumes, chickpeas, red rice and lentils) and extruded crunchy squares with carrot and lentils, all providing a source of fibre and protein of vegetable origin, with low salt and fat content. Good for health and good for the environment, the Veggy Good range comes in a new recyclable paper packaging.

3 ZWEIFEL

Zweifel has launched a number of reformulated and new products in the past years, for instance, developing baked or popped snacks with lower fat content (up to 60% less fat than traditional potato crisps) and using new ingredients to increase the overall fibre, wholegrain and protein content. The new Vaya range perfectly reflects the innovation efforts with tasty products made of chickpeas, beans, peas and sweet potatoes.



4 LIVEN-PAULIG

The company is progressively improving the nutritional profile of its portfolio. In 2020, 28% of the new products launched incorporated new ingredients such as pulses or vegetables to increase fibre, wholegrain and protein content. Moreover, half of these products are made only with natural flavours.



5 PEPSICO

PepsiCo has embarked on a journey to provide "Positive Choices" for consumers and the planet. Striving to offer consumers healthier options for every occasion, the company is expanding its product line to include ingredients that offer greater nutritional benefits or are better for the planet, like chickpeas and other legumes, whole grains, plant-based proteins, fruits and vegetables, nuts and seeds.

PepsiCo committed to build a \$500 million (appx. €510 million) "healthier snacking" business in the EU by 2025, with products that would be compliant with a Nutri-Score B definition or better. The ambition is to grow that part of the business to \$1 billion (appx. €1.02 billion) by 2030. In addition, the company committed to transform a range of their snacks that currently rate D or E in Nutri-Score to be compliant with a C classification or better.

Already in 2022, PepsiCo reformulated Lay's Oven Baked in North West Europe markets to Nutri-Score B, with plans to roll this out to all the markets in the coming years – and has started to reformulate many of the Lay's and Doritos portfolio to further reduce sodium and saturated fat.



6 IMPORTACO

It is widely recognised that regular consumption of nuts can form part of a healthy, balanced diet. Nuts are an important source of nutrients, including dietary fibre, copper, iron, magnesium, and potassium. They also contain many important minerals and vitamins. But not all nuts are the same. Each nut type has its own benefits and varying levels of nutrients.

Importaco's portfolio therefore includes so-called "better for you" options made of a wide range of natural nuts (peanuts, almonds, cashews, etc.) as well as unsalted roasted nuts.

Moreover, thanks to its Advance Nutrition Strategy, Importaco identified probiotic bacteria with antioxidant, anti-inflammatory and immunostimulant properties that may help improve the immune system, prevent the ageing of cells, slow down neurodegeneration, and boosting the health of people in all age groups. This discovery allows the company to fortify its nuts with their own naturally occurring bacteria, improve their functionality and enhance their health benefits.



7 INTERSNACK

Always on the look-out for new flavours and new product types to satisfy changing consumer preferences, Intersnack continues to heavily invest in research and development to sustain its innovation pipeline through reformulation efforts on its existing portfolio and the development of new products.

The popularity of Intersnack's innovative Lentil Chips, now present in 16 markets across Europe, has for instance proven to be one of the most successful launches in the past years. The market research institute Nielsen listed Intersnack's German "funny-frisch Linsen Chips" product as one of the top 25 breakthrough innovations in Europe in 2020.

Moreover, the company has committed to an ambitious "clean label" policy with the goal to have 100% of products free of artificial taste enhancers, colours and sweeteners by 2025. This objective has been reached already in a few markets, including France. Intersnack is also on its way to have 100% of its products using sunflower/rapeseed oil, which is low in saturated fats.

8 LORENZ

Building on long-lasting innovation efforts, Lorenz recently accelerated its ambition to further reduce salt content across its portfolio. In newly launched products, the objective is to reduce the salt content across the entire product range by 15% compared to 2019. In parallel, the company is also investing in new product development with new ingredients rich in fibre and protein.

The "Saltletts Pausen Cracker" made with whole grain flour topped with chia, flax and sesame seeds launched in 2019 or the new lentil chips range launched in 2021 are perfect illustrations of the company's achievements.

At Lorenz, an international and interdisciplinary team from marketing, product development and quality management works closely together to develop snacks for all kinds of consumer needs. Lorenz is committed to keep the ingredients limited to what is necessary and to remove allergens from the ingredients list. Today, Lorenz's product range already includes many vegetarian, vegan, gluten-free and some low-fat products.



Reducing children exposure to advertising

The EU Pledge is a voluntary initiative by leading food and beverage companies in Europe to change food and beverage advertising to children in the European Union. By changing savoury snack food advertising to children, we aim to support parental efforts to promote healthier snacking choices and balanced lifestyles among children.

As per the EU Pledge commitment, the ESA recommends that member companies do not advertise their products to children under 13 years of age on TV, print, radio, cinema and online (including social media and other online platforms and sites, including company-owned websites and video-sharing platforms such as YouTube) at all, or only products that fulfil nutrition criteria based on accepted scientific evidence and applicable national and international dietary guidelines. **In 2022, ESA Pledge members agreed to stop advertising potato-based products to children under 13, irrespective of any nutrition criteria.**

Members also agree not to engage in any commercial communications related to savoury snack products in primary schools, except where specifically requested by or agreed with the school administration for educational purposes.



Each year, third-party organisations are commissioned to carry out independent monitoring and an independent reviewer assesses whether the monitoring was carried out with an appropriate methodology, resources and diligence. Results are published on an annual basis and are available at the EU Pledge [website](#).

Throughout the years, ESA members have continuously achieved excellent compliance with the commitments. In 2021, more than 98% of ESA pledge signatories' TV spots were compliant, as well as 100% of company-owned websites and social media profiles.



SAVOURY SNACKS LABELLING COMMITMENT & PORTION SIZE RECOMMENDATION

A PORTION RATIONALE OF 30G IS RECOMMENDED BY ESA

The vast majority of European savoury snacks manufacturers now systematically indicate the 30g portion on their packs.

ESA supports the use of Reference Intakes (RIs)¹ on pack.

Compatible with existing dietary recommendations

Reflects consumer behaviour

ESA members are encouraged to inform consumers where more than one portion is included in a pack, and about the number of portions a pack contains.

Single-portion packages should be defined as those products weighing 50g or less, and that are designed to be eaten in a single occasion.

EMPOWER CONSUMERS to adopt a healthy, balanced diet using portion-based information

1. Also known as Guideline Daily Amounts (GDA)



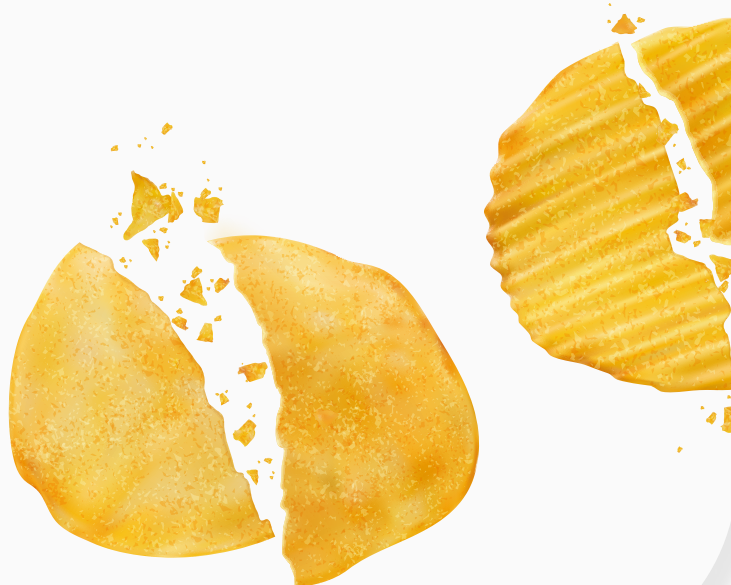
Better informed consumers

The ESA was able to develop a **portion recommendation of 30g** for savoury snacks and snack nuts which aims to ensure that portions are compatible with existing dietary recommendations and portions reflect consumer behaviour.

While nutrition information provided per 100g helps the consumer compare the nutrient content of different kinds of foods in general, it fails to provide information on the actual nutrient content the consumer intends to consume. Providing nutrition information on a per portion basis empowers consumers to choose a healthy, balanced diet. In this way, consumers can decide if consumption of the whole pack, or of the portion suggested on the pack of that particular food, is appropriate for them.

Since 2010, ESA members have been encouraged to voluntarily provide the 30g portion information front-of-pack and/or back-of-pack. As a result, the vast majority of European savoury snacks manufacturers now systematically indicate the recommended portion rationale on their packs.

Beyond, the portion rationale, members have adopted different approaches to communicate nutritional value (e.g. use of Nutri-Score or the traditional Reference Intakes scheme), ingredients or specific product attributes. Some members are also using icons on-pack to clearly show which products are gluten-free, suitable for vegan or simply helping consumers to reduce food waste, for instance.





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Transparency register N°

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Date of signature of the Code

28 June 2021

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