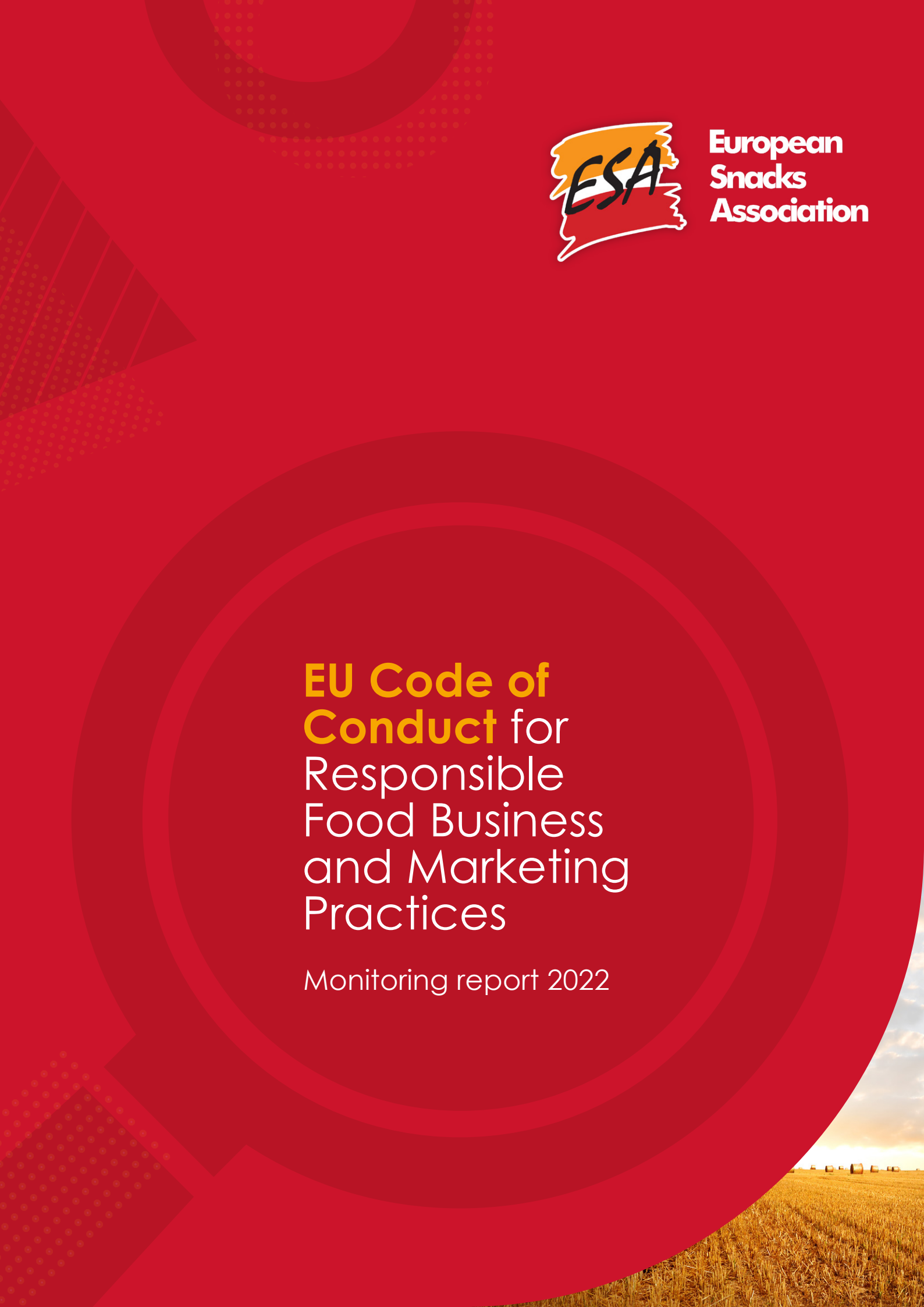




European
Snacks
Association

**EU Code of
Conduct** for
Responsible
Food Business
and Marketing
Practices

Monitoring report 2022



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 first 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 demonstrating the sector's efforts to make snacking more sustainable!

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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's inception and consulted throughout the drafting process.

Information about the Code have been shared mainly through:

- All ESA's internal working group meetings and board meetings since June 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 2021](#)

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 (e.g. FoodNavigator's Healthy Eating webinar in September 2021, etc.) 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.

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This was followed by a digital campaign #MakingSnackingMoreSustainable on our social media channels which included plenty of [concrete initiatives](#) illustrating the commitment of the sector.

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 (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 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. 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. As mentioned above, ESA had several speaking opportunities (e.g. [webinar](#), [podcast](#) or [video interviews](#)) where members' ambitions and commitments towards a more sustainable food systems have been shared.

Over the past year, we have reinforced our contacts and relationships with other European associations with whom we share common goals. 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 the aspirational objectives of the Code

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CHAPTER TWO

2 Snapshot of members' activities supporting the aspirational objectives of the Code

We believe it's not only important to raise awareness but also to take actions.

In addition to the reporting requirements for European associations, we have included below a number of concrete initiatives and achievements linked to the Code's aspirational objectives to further illustrate the sector's commitment to making our food system more sustainable.

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

2.1 Healthy, balanced and sustainable diets for all European consumers

Responding to health concerns around consumers' diets, savoury snacks manufacturers have worked very hard over the last decades to bring these great flavours and tastes to market whilst ensuring lower overall salt levels, reducing saturated fat and also total fat content in products. To meet these expectations European snack manufacturers continually invest millions of Euros into the development of new products, ingredients and manufacturing methods.

Our member [Lorenz Snack-World](#), based in Germany, has committed to reduce salt content across the entire range by 15% by 2025 (baseline 2019) and to already use 15% less salt in new products compared to current levels for the same brand.

In addition, Lorenz' product development team focuses on offering tasty snacks with improved nutritional profiles, for example by

using high-fibre ingredients such as whole grain flour and pulses. They have for instance launched in 2021 a new lentil-based crisps range made with 45% lentil flour with 30% less fat than conventional potato crisps. The new chickpea range “Kichererbsen Chips” contains up to 13% protein and 55% less fat than regular potato crisps.

Today, Lorenz' product offering already includes many vegetarian, vegan, gluten-free and some low-fat products.

2.2 Prevention and reduction of food loss and waste

Promoting a circular economy is at the heart of the concerns on manufacturers' production lines, notably when it comes to avoiding food wastage and optimising water use. Our members have implemented innovative technologies to make the best use of resources.

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Savoury snacks manufacturers have since long implemented strategies to optimise their production plants and mitigate carbon emission. ”

For instance, our member [San Carlo – Unichips](#), based in Italy, is 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 for the production of animal feed.

In addition, they have 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.

2.3 A climate neutral food chain in Europe by 2050

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

Our member [Liven](#), based in Spain, 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%; reduced their emission of CO2 for every tonne of manufactured product by 58%; and is already only using electricity from renewable sources in all the company sites.

The company continues to invest in innovative technologies to further reduce its carbon emissions across all their operations.

In Belgium, our member Kellogg has been thinking up ways and means to make their Pringles plant infrastructure greener and to reduce their impact on the environment. Since 1996, they have managed to reduce their energy consumption by half. In addition, since 2015, the site has been using renewable electricity only.

In 2022, they are further investing in upgrading equipment that will enable them to reuse the heat and gasses the frying oil generates to reheat their oil. This adjustment will cut the sites CO2 emissions by 25% and will further reduce energy consumption by 20%.

All these efforts are part of the Kellogg Company's global objective to be 45% more energy-efficient by 2030.

2.4 An optimised circular and resource-efficient food chain in Europe

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 continues to improve the circularity and environmental performance of its packaging, while ensuring material functionality and protection of health, safety, and the environment.

Our member [Intersnack](#), which is operating across the European Union, has developed a set of commitments to eliminate all unnecessary packaging while working towards full recyclability of the 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 packaging by 2025.

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 consortiums 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; a participation in a "Community of Practice" of international consumer good companies formed by the [Netherland Institute for Sustainable Packaging](#) (KIDV) to address the recyclability of flexible packaging as well as [The Digital Watermarks Initiative HolyGrail 2.0](#) which focuses on digital watermarking technologies for accurate sorting of packaging.

2.5 Sustained, inclusive and sustainable economic growth, employment and decent work for all

Ensuring optimum occupational health and safety as well as promoting diversity and inclusion in the workplace is a priority for our members. Most of them have adopted internal codes of conduct and have joined international programmes and initiatives and have their production sites audited.

Our member Lorenz, for example, has committed to a Code of Conduct containing 14 principles complying with the United Nations conventions and the core labour standards of the International Labour Organization (ILO). Employees receive a specific training to raise their awareness about the Code and since July 2020, they are able to confidentially report violations to the Code of Conduct, laws or other regulations via the online whistleblowing system "Tell us!".

In Italy, our member San Carlo - Unichips took a strong commitment on gender equality and pledged to increase the presence of women in management roles to 45% by 2023. In the last 4 years, the proportion has increased from 25% to 38%!

2.6 Sustained, inclusive and sustainable economic growth, employment and decent work for all

ESA members strive to continuously improve their environmental sustainability and use sustainable practices to protect, promote and restore natural resources, ensuring

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a sustainable supply of agricultural raw materials for the manufacture of savoury snacks.

Savoury snacks manufacturers often have long-term relationship 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.

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 & Belgium which will give 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 the carbon footprint, while improving their productivity.

On 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.

2.7 Sustainable sourcing in food supply chains

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.

Our member **Importaco**, based in Spain, has expanded its agricultural integration programme which aims at ensuring the supply of raw materials, particularly peanuts and almonds, with guarantees relating to quality

and food safety and the implementation of environmentally friendlier 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 the 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.

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Transparency register N°	00849042167-65
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



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