

Sustainability Progress Report 2022

# Creating positive impact *snack by snack*



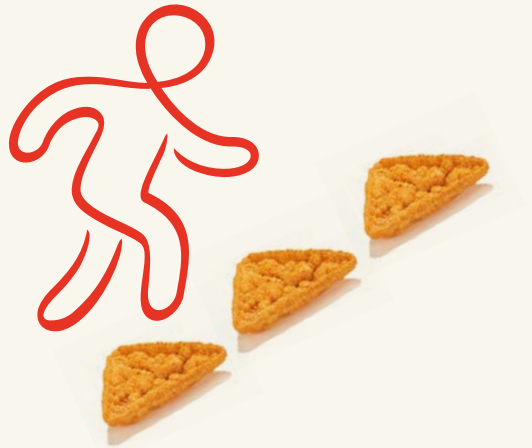
Intersnack



# Welcome

Welcome to Intersnack's 2022 Sustainability Report. At Intersnack, we believe small steps can add up to big change. In this report, we explore the most recent steps we've taken to drive sustainable change throughout our operations and supply chain.

This report compiles information and data from all Management Units that belong to the Intersnack Group. Unless otherwise stated, data and updates relate to the year 2021 and 2022.



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## Welcome from our Executive Board



Fabien Duvilla, Henrik Bauwens, Maarten Leerdam, Johan van Winkel

At Intersnack, the journey to become a more sustainable business began nearly 20 years ago. Since then, we have built on our efforts year by year and are pleased to share our latest updates in this 2022 Sustainability Progress Report.

We're in the business of creating great-tasting snacks that enrich people's lives through small moments of happiness. Consumer satisfaction is – and always will be – a priority, but we know good snacking goes beyond just taste. Good snacking is guided by an unwavering commitment to quality and responsible production processes – things that sit at the heart of our sustainability ambition.

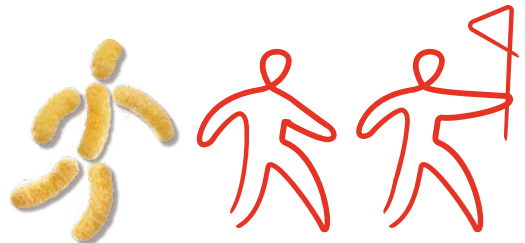
When it comes to **positive change**, there's no time like the present. The next decade will require decisive action to bring about real change. That's why, in 2022, we set new ambitious climate goals aligned with the **Science Based Targets initiative (SBTi)**. We are accelerating innovations to manufacture our products with less energy and less waste, investing in efficient production methods and reducing food waste.

We also made progress to close the loop on packaging by improving material recyclability. We reformulated products to enhance nutritional profiles and continued the rollout of our **Responsible Sourcing Policy** in our supply chains to promote decent working conditions.

While sustainable progress is driven from within, we're honoured that our efforts are being recognised externally too. We moved from a Silver **EcoVadis rating** in 2022 to **Gold** in 2023 – something that puts us in the top 5% of all rated companies. It's an achievement that recognises the work our colleagues do to embed responsible practices across our business.

With every step we take, we get closer to being the responsible, future-ready business we want to be. There will be challenges ahead; however, with the right tools and knowledge and our global team of passionate colleagues, we know we can take on these challenges – **creating positive impact, snack by snack.**

## *The Executive Board*



# Highlights from 2022

Creating a more sustainable business isn't a destination, but rather a journey. We are proud of the progress we have made in 2022, but we know there's always more to do.

**Good working conditions** through the Honest Cashew initiative – and sharing our story on pack



**5%** reduction in outbound transport emissions (Scope 3) (versus 2021)



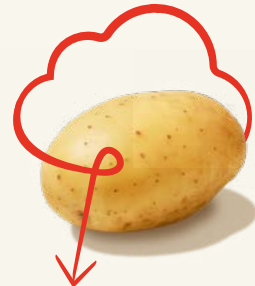
**11%** reduction in flexible packaging (versus 2014)



We have achieved an **80%** completion rate of our compliance trainings



New **SBTi-aligned** climate commitments



All our peanut suppliers in Argentina are **FSA-verified**, covering **150,000 hectares** and **670 farms**



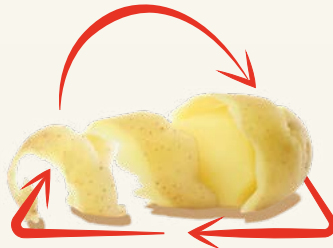
**78%** of products free from artificial flavours



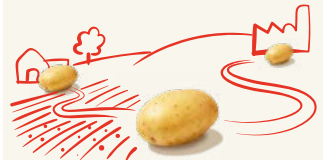
**Gold EcoVadis** rating in 2023, up from Silver in 2022



**26%** edible waste reduction for chips category (versus 2018)



Supporting **good agricultural practices** through initiatives in the UK, France and Argentina



# Get to know Intersnack

Great-tasting snacks have the power to make good times even better. At Intersnack, we seek to deliver responsibly made products that people enjoy.

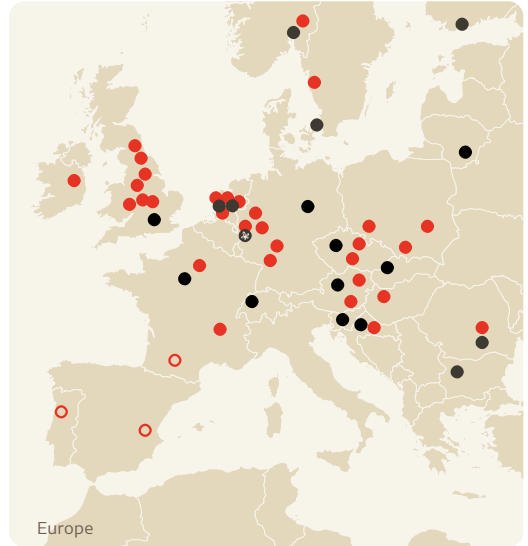
## A global business

We are one of the leading snack companies, with a presence in over 30 countries across Europe, Australia, New Zealand and beyond. In 2022, we sold over 700,000 tonnes of snacks, generating net sales of €3.7 billion.

Headquartered in Düsseldorf, Germany, we have 42 production sites across Europe, Asia, Australia and New Zealand – employing a global workforce of over 14,000 dedicated employees.

Being privately owned, we operate with a long-term view. Intersnack's strength lies in our unique blend of local knowledge and international expertise, our people and teamwork, plus our entrepreneurial spirit and a drive for excellence in everything we do.

Our sites and offices



Some of our iconic snack brands

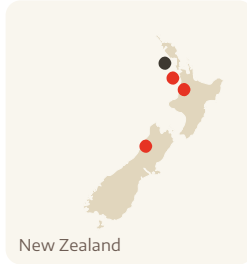




● Offices ● Factories ○ Joint ventures ● Headquarters



Australia



New Zealand



India



Singapore and Vietnam

### Our product categories

#### Nuts



#### Chips



#### Specialities



#### Baked



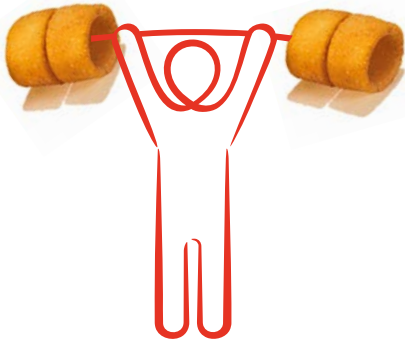
## Guiding our efforts

At Intersnack, we are guided by a clear purpose: creating happy snacking moments.

Our purpose drives our actions to develop great-tasting snacks in sustainable ways. This purpose is underpinned by our company vision, mission and values – the fundamental elements that make Intersnack who we are.

### Our Intersnack vision

We are passionate about enriching people's lives with the right choices of great-tasting savoury snacks.



### Our Intersnack mission

Our strength is being both proudly local and truly international. We create value with our products, our innovations and our iconic brands. We strive for excellence in everything we do. Being privately owned enables us to operate our business with a long-term view. We are fully committed to a more sustainable world.

### Our Intersnack values

Our core values guide our daily work with our employees, our consumers, our business partners and other stakeholders.



**Thinking responsibly**



**Acting entrepreneurially**



**Growing together**

## Creating positive impact, *snack by snack*



### Our sustainability manifesto

Our aim is to create positive impact, one snack at a time – using our influence to help build an ethical, sustainable food system that supports better futures for everyone involved.

We know this is only achievable through determination and collaboration. That's why we're on a journey with our teams and business partners to create snacks people love and trust.

We're working to ensure every action we take is better than the last, benefitting customers, consumers, employees and people throughout our supply chains.

For every crop grown with less water, every packet made with less plastic, every employee empowered to realise their full potential and every artificial flavour swapped for the real deal, we get that bit closer to being the business we want to be, snack by snack.

## Aligning with the UN SDGs

We recognise our responsibility to help create a better world by adapting what we do and how we do it. As part of this, we have committed to supporting progress against the four United Nations Sustainable Development Goals (UN SDGs) that are most material to our business.



# SUSTAINABLE DEVELOPMENT GOALS



We promote safe and secure working environments for all workers. We also implement measures along our supply chain to prevent forced labour and child labour.



We are working along our value chain to increase energy efficiency and develop a closed cycle for packaging material. We also promote responsible agricultural practices.





We strive to make efficient use of natural resources and to reduce waste along our entire supply chain.



We are engaged in multi-stakeholder partnerships with public, private and civil society actors. Together, we mobilise and share knowledge, expertise and technology.



# Sustainability at Intersnack

Sustainability is a core part of how Intersnack operates as it is integrated into every area of our business through our refined and strengthened sustainability strategy.

Our strategy rests on four pillars, designed to deliver benefits for people and planet alike.

To create an effective strategy, we must first understand the topics that matter most to our business. That's why we undertook a robust double materiality assessment in 2022, conducting research and engaging key stakeholders to better understand the areas where Intersnack can have the greatest influence.

## Consumer

Innovating for better, taste choices

Great taste at the highest quality  
Enabling better choices  
Honest communication



## Social

Leading with responsible value chain practices

Responsible sourcing  
Partnerships for impact  
Supplier support  
Engaging with local communities





## Environment

Reducing our footprint through our zero-loss approach

- Climate action
- Circular solutions
- Sustainable agriculture



Creating positive impact  
*snack by snack*



## Employee

Inspiring our people to reach their full potential

- Health and safety
- Diversity, equity and inclusion
- Engaging colleagues
- Nurturing talent



# Progress towards our 2025 targets\*

Achieving meaningful progress requires both a long-term strategy and ambitions and clear short-term quantitative targets. We have set defined targets that (unless otherwise stated) will guide our efforts towards 2025.

## Consumer

	Baseline	2022 Progress
100% of products free of artificial flavours	n/a	78%
100% of products free of artificial taste enhancers	n/a	90%
100% of products free of artificial colours	n/a	96%
100% of products free of artificial sweeteners	n/a	96%
100% of products use sunflower/rapeseed oil low in saturated fats	n/a	92%
100% of plants with Global Food Safety Initiative (GFSI) certificate	n/a	100%

## Environment

	Baseline	2022 Progress
Reduce Scope 1 and 2 emissions by 30% per tonne of product	2010	25%
Reduce Scope 3 emissions related to our outbound transport by 15%	2019	1.7%
Reduce food waste by 50% (2032 target)	2021	14%
Reduce non-edible waste by 10% per tonne of product	2018	2%
Reduce packaging materials by 10% (2022 target)	2014	11%
Reach 100% recyclability for plastic consumer packaging	n/a	9/10**
Reduce water consumption by 20% per tonne of product	2018	4%
100% of plants are energy management certified (ISO 50001)	n/a	86%

\* Data does not include our recently acquired Management Units in Australia and New Zealand unless otherwise indicated.

\*\* 9/10 packaging types are recyclable.



## Social

	Baseline	2022 Progress
100% of priority-1 suppliers signed our Responsible Sourcing Policy	n/a	94%
100% of priority-1 volume sourced from processors assessed against ETI/SMETA criteria or equivalent	n/a	91%

## Employee

	Baseline	2022 Progress
100% of plants are health and safety certified (ISO 45001)	n/a	97%
100% of plants have completed valid ethical assessments (ETI/SMETA)	n/a	89%
100% of Management Units use talent management tools	n/a	100%
80% of eligible employees at IWS* sites have a Work Development Plan	n/a	45%



\* Intersnack Work System (IWS)



## Consumer focus topics

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Great taste at the highest quality

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Enabling better choices

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Honest communication

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# Consumer

## Innovating for better, tasty choices

We're constantly innovating to deliver great-tasting, high-quality snacks that address sustainability and health considerations for people around the globe. We communicate responsibly with our consumers – sharing transparent information so they know exactly what they get when they choose one of our snacks.

Consumer needs are changing, with more demand for products that fit a health-conscious, sustainable lifestyle. We are leveraging our expertise and investing to reformulate, innovate and improve in everything we do – offering consumers sustainably produced, appetising products with enhanced nutrition profiles. And, so consumers can make informed choices, we're working to provide clear, honest and relevant information.

To support consumer choice wherever we have a presence, we must ensure everyone across the Group is working towards the same goals. It's why our consumer responsibility policies are implemented by each Management Unit to ensure regional alignment. We also strive to maintain cross-company compliance with internal product quality and safety policies through our quality management teams, while marketing teams work on advancing consumer communications, with a key focus on product labelling.

# Enabling Better Choices

People want to enjoy snacks that complement their balanced lifestyles without compromising on taste. We're working on reformulating our recipes, focusing on clean, natural ingredients that deliver the flavours consumers love while reducing saturated fat and salt. It's what we call Mindful Indulgence.

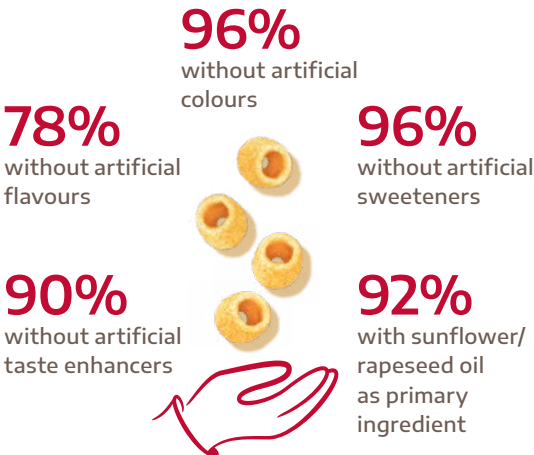
## Delivering more natural products

We are committed to enhancing our ingredients and gradually removing all remaining added artificial taste enhancers, colours or sweeteners from branded products by 2025.

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## Enhanced nutritional profiles

(% of net sales of branded products in 2022)



## Less (saturated) fat

While fat is an essential macronutrient, we want to create products that help consumers reduce their intake of less-healthy fats. We have worked progressively to deliver against this.

All fats used in our snacks are plant-based. Since 2020, most products have also been produced without palm oil – an oil high in saturated fats\*. Instead, we have shifted to sunflower and rapeseed oil for our frying processes, reaching 92% coverage based on net sales of branded products in 2021.

In 2022, we launched Lentil Chips across additional countries, including the UK, Ireland, Norway, Romania and the Czech Republic, with 'less fat' claims prominently featured on-pack. Across all countries, sales of Lentil Chips have increased 33% between 2020 and 2022.



Popchips are another of our lower-fat snack options. Made by combining heat and pressure to 'pop' the chips rather than fry them. The result is lower-calorie, lower-fat chips that taste great. In the UK, KP Snacks reformulated the entire Popchips range to be non-HFSS (high fat, salt and sugar).



\* Where palm oil is used, we are committed to sourcing it from certified sustainable sources.

## Evolving our portfolio to meet all needs

### Natural protein enjoyment

During 2022, KP Snacks in the UK launched the KP Nut-Tastic nut mix – a natural source of protein, fibre and vitamin E available as a 200kcal snack pack or grazing bag.

Our portfolio includes various reduced-salt products, including ültje pur's range of lightly salted and unsalted nuts or nut/fruit mixes in Germany, as well as similar mixes in Poland (Felix Natura), UK (KP Nut-Tastic) and Sweden (Estrella Nut Boost).

### Suitable for vegetarians and vegans

We have changed the recipe of many of our 'meat'-flavour snacks – including McCoy's Flame-grilled Steak, Sizzling King Prawn and Thai Sweet Chicken chips – to be suitable for vegetarians. Additionally, many of our 'dairy'-flavour snacks are suitable for vegans, including the complete Estrella Lentil Chips range in Sweden.

To make it easy for people to find options that suit vegetarian and vegan diets, many of our brand websites, like in Germany, Austria and the UK, offer the option to filter snacks by dietary requirements.



## Safety and quality: the cornerstones of Intersnack products

Flavour and an enhanced nutritional profile are key considerations when it comes to our product developments. However, one thing that is always of paramount importance is ensuring everything we produce meets the strictest food safety standards.

All Intersnack sites maintain at least one food safety scheme accredited by the Global Food Safety Initiative (GFSI) and are externally audited every year to assure ongoing compliance. Each site also undertakes a voluntary audit of its manufacturing practices by the American Institute of Bakery (AIB).

### 2025 Targets



**100%**  
of sites maintain at least one food safety scheme, accredited by GFSI

**100%**  
of products free of artificial flavours, taste enhancers, colours and sweeteners

## Listening to our customers

We conduct annual satisfaction surveys with retail customers to gather feedback from retail customers on our cooperation.

Since 2016, we have noted marked progress, with top-tier customer satisfaction rankings increasing from 17% (2016) to 76% (2022).

### Top-tier customer satisfaction ratings\*



\* Based on survey results from retail partners who work with Management Units to identify potential improvements.

# Honest communication

Responsible, informative and transparent communication is key to helping consumers make informed choices. We're going beyond regulatory requirements, enhancing the nutrition and sustainability information we share.

Moreover, we have a responsible approach to marketing, as we are signatories of the EU Pledge, a voluntary initiative that establishes parameters for responsible food and beverage advertising to children.



Several of our brands have developed on-pack messaging with updates on key sustainability initiatives, including:

## Przysnacki:

In Poland, we're leveraging packaging as a platform for sharing that, by reducing Przysnacki packaging size, we've cut plastic use by up to 14% per pack



## Vico:

French brand Vico is introducing the growers behind their snacks with on-pack codes and a supporting website that lets people explore the journey from farm to pack



## Kelly's and Soletti:

In Austria, two brands have committed to locally sourcing all their main ingredients – and to keeping consumers informed with clear, front-of-pack labelling



## Vico and Estrella:

In a bid to introduce more people to our Honest Cashew initiative, nut brands like Vico Cashews and Estrella Cashews now proudly display the initiative logo, inviting consumers to explore how cashews are processed at our sites in Vietnam and India







## Environmental focus topics

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Climate action

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Circular solutions

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Sustainable agriculture

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# Environment

## Reducing our footprint through our zero-loss approach

We're committed to lowering our environmental footprint, driven by a zero-loss mindset and a dedication to efficiency. It's why we're working to promote sustainable agriculture, reduce carbon emissions and close the loop on resource use, finding ways to do more with less and designing packaging with recyclability in mind.

As a snack producer, we recognise the role healthy ecosystems play in safeguarding the future of our business. Issues like climate change, biodiversity loss and natural resource depletion represent challenges for everyone, globally. We understand the role Intersnack plays in mitigating negative environmental impacts to help address these issues.

With a large proportion of Intersnack's environmental footprint occurring in our supply chain, we know we can't take it on alone. We collaborate to amplify our efforts, partnering strategically and promoting sustainable agriculture practices.

Achieving lasting progress will require joint action across the Intersnack Group. Our working groups connect with Management Unit representatives to exchange important information, leverage regional insights and enhance collective understanding and learning as we work to embed sustainability into the fabric of Intersnack.

# Climate action

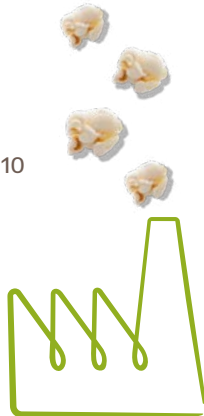
While vulnerable to climate change impacts, global agri-food systems are also significant emissions contributors. We therefore have taken action by committing to the SBTi and to reducing company-wide emissions.

## Our progress so far

### Intersnack operations (Scope 1 and 2)

We have been working on emissions reductions for approximately a decade. Our initial goal, set in 2010, was to reduce Scope 1 and 2 emissions by 30% per tonne of product by 2025. We achieved 25% by 2022 – which we'll use as a basis for raising the bar on our future ambitions.

We have achieved a **25%** reduction in CO<sub>2</sub>e emissions\* in our operations versus 2010 (Scope 1 and 2)



### Intersnack logistics (Scope 3)

Scope 3 emissions are indirect emissions that occur along our up- and downstream value chain. We have set a target in 2019 of reducing our CO<sub>2</sub>e emissions from outbound transport by 15% by 2025. By the end of 2022, we had achieved a reduction of 1.7% versus 2019, and 5% reduction versus 2021.

**5%** reduction in outbound transport emissions versus 2021 (Scope 3)



\* location-based

## Our new roadmap to 2032

As part of our SBTi commitment, we have increased our ambitions and have announced two new science-based, company-wide emission reduction targets.

Achieving these targets will require a multifaceted approach, which is why we have identified several areas for improvement and established various delivery workstreams.

Our Scope 1 and 2 focus areas will centre around reducing gas consumption, increasing energy efficiency and transitioning to renewable sources.

To reduce Scope 3 emissions, we will continue to optimise transport logistics and engage with suppliers and farmers in our value chain, for example, promoting sustainable farming practices.



## Powering our snacks more efficiently

Critical to achieving our SBTi targets will be finding ways to operate more efficiently. We look to reduce overall energy consumption while seeking out more renewable sources to meet our remaining requirements.

To understand our current energy use, we rely on digital energy management systems as well as external standards such as ISO 50001. 86% of fully owned Intersnack plants align with ISO 50001.

### Targets

2032

**50%**

reduction in absolute  
Scope 1 and 2  
CO<sub>2</sub>e emissions  
(versus 2021)

2032

**30%**

reduction in  
absolute Scope 3  
CO<sub>2</sub>e emissions  
(versus 2021)

**25%**

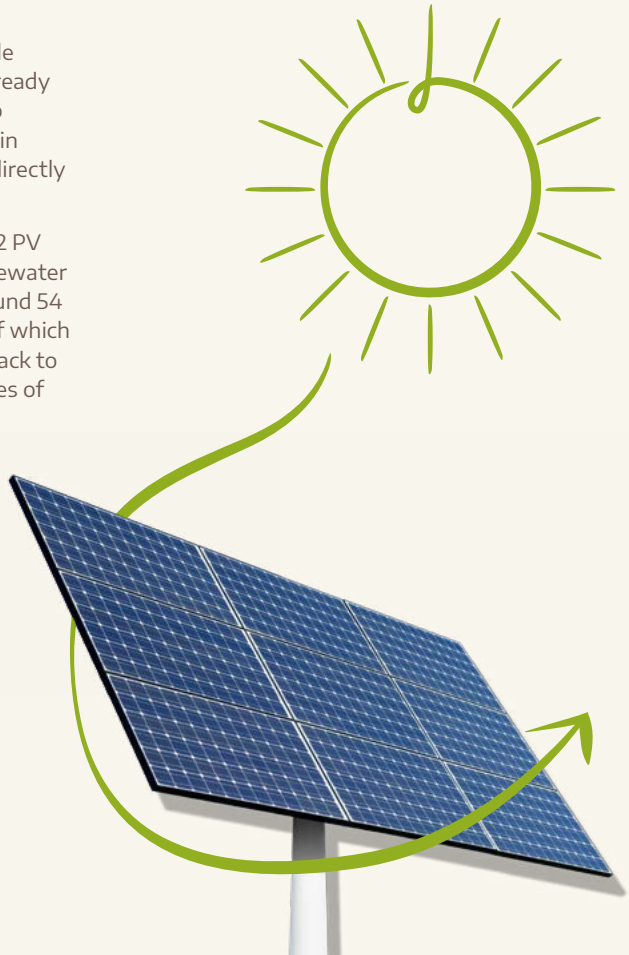
of electricity purchased  
from renewable sources



## Leveraging renewables

Renewable energy represents a valuable emissions reduction tool. Many sites already use rooftop photovoltaic (PV) panels to generate solar electricity. For example, in Austria, our electric car fleet is fuelled directly by onsite solar.

At Nysa's production plant in Poland, 92 PV panels have been installed on the wastewater treatment plant. This will generate around 54 megawatt-hours of electricity – 80% of which will be used onsite, with the rest sold back to the grid. This will avoid around 25 tonnes of CO<sub>2</sub>e emissions per year.



## Closing the loop on waste

To enable circular solutions, we are optimising our material use, eliminating waste, minimising resource consumption and innovating our packaging for recyclability.

Our waste management approach follows a clear hierarchy, with prevention as our priority. Particularly, we look to avoid food waste, reusing what we can and sending edible waste for use in animal feed. Where waste can't be avoided, we leverage reuse, recycling and energy recovery to give materials a second life. Disposal is the final option.

### Targets

2025

**10%**

reduction of  
non-edible waste  
(versus 2018)

2032

**50%**

reduction in  
food waste  
(versus 2021)

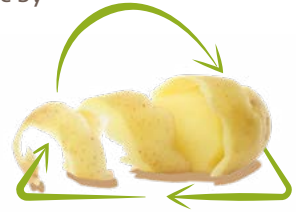


## Reducing food waste

We believe good food shouldn't be wasted. Having reached our food waste target in 2020, we are setting a new ambition, aligned to the robust guidelines by the Food Loss and Waste (FLW) Protocol, to reduce total food waste by 50% by 2032 versus 2021.

In the chips category, we reduced edible waste by

**26%**  
versus 2018



## Doing more with less

We rely on sunflower oil to give many of our snacks their characteristic crunch.

At several production locations, we introduced enhanced machinery and refining processes so frying oil can be filtered, refreshed and reused.

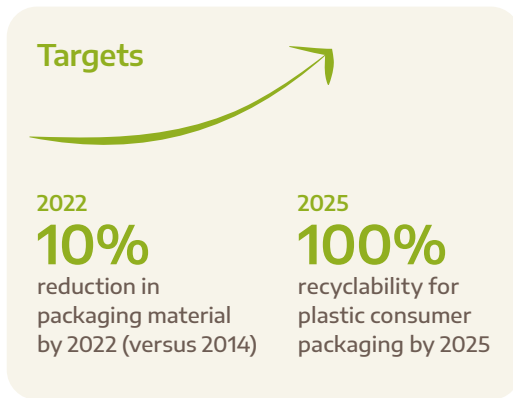
For example, one of our plants in the Netherlands could save up to 240,000 litres of oil annually thanks to these measures. We are sharing these learnings and best practices across our sites.



# A pledge to better packaging

We believe packaging should protect our products without harming the planet or becoming waste. To achieve this, we must move towards a circular economy – targeting efficient material use and full recyclability while minimising environmental impact. Across our packaging portfolio, we select the materials that best keep products fresh and safe while optimising sustainability performance.

In 2018, we launched our Packaging Pledge, with two clear targets:



We are proud to have surpassed our Packaging Pledge reduction target, achieving an 11% reduction in material use by the end of 2022.

## Our packaging footprint

For a large share of our products, we already use flexible packaging, a lightweight and highly efficient solution with a relatively low environmental footprint compared to alternatives. To drive further progress, we are extending our reduction target to 2025, aiming for an additional 5% decrease in packaging material use (including primary, secondary and tertiary packaging).

## Partnering for progress

To achieve a circular economy, the real challenge is closing the loop on materials. Using the most optimal, recyclable packaging type is only the first step; it also has to be collected, sorted and recycled properly. For this, we are dependent on national waste collection and sorting systems and the recycling infrastructure, which varies from country to country.

That's why we engage in partnerships and sector initiatives that improve collection and recycling infrastructure, as well as the quality of recycled packaging materials. Our partners currently include CEFLEX and WRAP UK.



## Increasing recycled content

We have set an ambition to use recycled content in our plastic packaging materials. By 2030, we strive to use 20% recycled content in our plastic packaging, if and when it becomes commercially available and the functionality can be guaranteed.

## Packaging progress to date (2022)



**9/10**

packaging types  
are recyclable



**11%**

reduction in flexible  
packaging (versus 2014)



**11%**

reduction in cardboard  
(versus 2014)





## Designing for recycling

Across Sweden and Austria, we have applied the Design for Recycling (D4R) principle. Previously, the film for our chips bags was made using three different types of plastic. Adopting a D4R mindset, we updated the packaging to use only one plastic type.

This single material makes the bags fit for recycling after use. Additionally, further optimising the material, we have achieved a 35% reduction in material use – saving 108 tonnes of plastic.



## Enhancing recycling with Holy Grail 2.0

Since 2021, Intersnack has been a member of HolyGrail 2.0 – an initiative to introduce invisible digital watermarks to consumer packaging, which enables sorting into the correct recycling stream.

The result is more efficient sorting and higher-quality recycling material. In 2022, Intersnack tested the HolyGrail 2.0 digital watermarks on two products in France and Germany. Further results of these trials will be collated in 2023 in order to assess additional application in the branded portfolio.



## Minimising water use

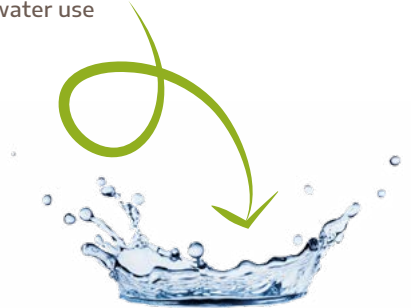
Water is a valuable resource we all share. It is also becoming increasingly scarce as climate change impacts put a strain on clean, safe water sources. As such, we all have a responsibility to use it efficiently to protect and preserve valuable supplies.

Our water use efficiency approach rests on two pillars: reduction and reuse. First, we look to minimise use, with a goal to reduce consumption by 20% by 2025 (versus 2018). Where we cannot avoid use – for example, in production processes where water is a key input – we look to increase reuse in line with food safety regulations.

We have achieved a

**4%**

reduction in water use  
(versus 2018)



## Getting the most from every drop

In one of our UK chips plants, we updated onsite wastewater treatment to improve water quality. By filtering and cleaning more of the water that is used in our processes, we can now recycle over 500,000m<sup>3</sup> of water annually. This helps cut water use in the plant by over 70%.



## Sustainable agriculture

We are working with farmers to find better ways of growing crops that are good for the farmer – and for the planet.

### Promoting regenerative practices

Across several raw material sourcing networks, we are advancing initiatives that support suppliers and farmer groups in improving soil health, safeguarding biodiversity and reducing emissions.

For example, our largest popcorn kernel supplier engages hundreds of farmers on cover cropping. To date, these growers have collectively cover cropped over 4,000 hectares – capturing over 2,400 tonnes of CO<sub>2</sub>e.

### Saying no to deforestation

As global populations grow and demand for food rises, this may also potentially lead to a need for more agricultural space and forest clearing. We are committed to zero-deforestation supply chains. To inform our policy, we conduct an annual risk assessment of our key commodities.

**RSPO-certified  
for palm oil\***



**FSC\*\* -certified for  
cardboard packaging**



## Understanding on-farm emissions

To address farming impacts, we must first understand them. We take a local-for-local approach to potato sourcing, closing the distance between field and factory. In fact, the majority of the potatoes we use are sourced directly from farms within 150km of our factory sites.

Not only does this help support local economies, it also plays a key role in reducing related emissions.

In several countries, we are encouraging and supporting our growers to adopt regenerative agricultural practices to reduce their environmental impact.



\* Roundtable on sustainable palm oil (RSPO) trademark license number: 4-1430-22-100-00. Check our progress at [www.rspo.org/members/15024](http://www.rspo.org/members/15024).

\*\*Forest Stewardship Council- certified (FSC).



## Social focus topics

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Responsible sourcing

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Supplier support

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Partnerships for impact

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Engaging with local communities

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# Social

## Leading with responsible value chain practices

Behind every one of our products is a complex global network of value chain partners – from suppliers to local communities. We're committed to driving best practice responsible sourcing standards, building supplier capacity and giving back to the communities we call home.

We use our expertise and resources to drive change in the global supply chains where we have influence – and the communities where we have a presence.

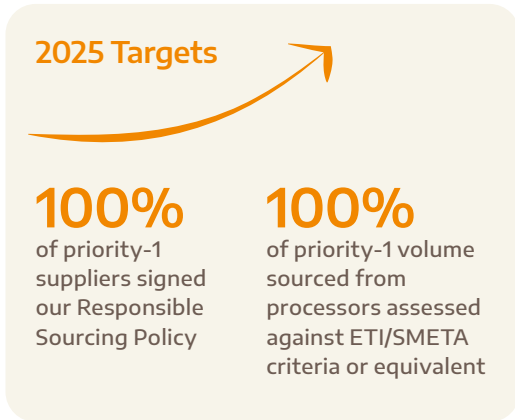
Intersnack is committed to preventing and addressing social risks that may arise in the supply chain. Through our Responsible Sourcing Policy, we drive compliance across our supply chain. We strive to continually contribute to assuring labour standards through targeted audits, projects and supplier development.

To ensure sustainability is fully embedded into daily work, we're making this everyone's responsibility – from category managers dealing directly with suppliers to vendor assurance teams assuring the quality of our products.

# Responsible sourcing

Sustainable products start with responsible sourcing practices. As a company with a complex, diverse and global supply network, we aim to work with suppliers who share our commitment to upholding human rights and providing safe and decent working conditions.

We have two clear 2025 targets to guide progress:



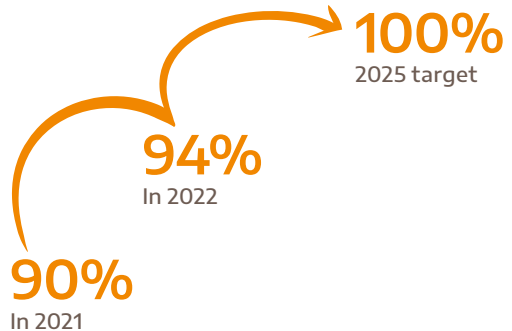
## A strategy for better procurement

We drive supply chain compliance with our Responsible Sourcing Policy which references the ETI Base Code – an internationally recognised code of good labour practice. We also support improvements against labour-related and environmental issues through targeted projects and supplier developments.

Our key levels of intervention are:

- Implementation of the Responsible Sourcing Policy
- Supplier development and projects
- Origin and sector development

## % priority-1 suppliers signed our Responsible Sourcing Policy



## Understanding our risks

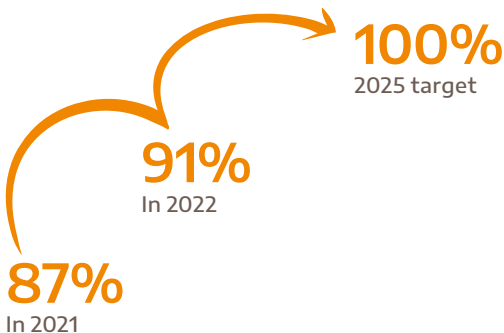
Our updated due diligence approach is based on the internationally recognised UN Guiding Principles for Business and Human Rights and the Organisation for Economic Cooperation and Development Due Diligence Guidance for Responsible Business Conduct.

To ensure wider teams understand risks across our supply chains and product categories, we have developed a due diligence e-learning course. We also offer an online whistleblowing channel for anyone who wishes to report concerns or feedback.

### Audits and compliance

Our suppliers are required to complete the Sedex self-assessment questionnaire. For our priority

## % of priority-1 volume sourced from processors assessed against ETI/ SMETA criteria or equivalent



1 and 2 categories, we also require a third-party assessment of processing facilities which covers four areas: Labour, Health and Safety, Environment, and Business Ethics. This aligns with Sedex's social auditing methodology (SMETA). For our risk categories, we also require a third-party assessment of processing facilities.

## Spotlight on Honest Cashew

Through our Honest Cashew initiative we're committed to full transparency, strong farmer relationships and 100% in-house production with our single-roof processing. To date, we have ensured a good work environment and decent income for our 3,000 colleagues in Vietnam and India.

Learn more about our initiative at [www.honest-cashew.com](http://www.honest-cashew.com).



## Supplier support

Long-standing partnerships are vital to building supply chain capacity, knowledge and profitability. To ensure our suppliers grow alongside us, we conduct due diligence that protects labour rights and pursue supply chain improvements that drive quality and sustainability standards globally.

### Working in partnership

We work with various partners and industry peers to improve working conditions, crop yields, product quality and farmer livelihoods throughout our supply chains. To support this, we maintain membership with organisations and initiatives such as Rainforest Alliance and Sustainable Agriculture Initiative (SAI) platform.



We collaborate with various organisations that specialise in promoting human rights and driving sustainable agriculture.

## Rainforest Alliance

In Turkey, we're working with Rainforest Alliance and the Netherlands Enterprise Agency (RVO) to improve livelihoods and trained 625 farmers and workers on preventing child labour in the hazelnut supply chain in collaboration with local authorities, companies and civil society organisations. Additionally, in 2022, we worked to ensure 190 children of seasonal workers had a safe place to play at the project's summer schools.



In the last 10 years,  
we have supported  
**20,000**  
smallholder farmers to  
improve their incomes





## Driving sustainable practices with peanut farmers in Argentina

With a group of European buyers and support from the Argentine Peanut Chamber, we are implementing the SAI platform Farm Sustainability Assessment (FSA) in our peanut supply chain. FSA standardises farm assessment and drives sustainable production practices – including direct seeding and low tillage – to improve soil health and prevent erosion.

To date, all Intersnack peanut suppliers in Argentina are FSA-verified, covering 670 farms and 150,000 hectares. This represents over half the country's peanut growing area.

*“Sustainability is on top of our agenda. As part of our commitment to responsible sourcing, Intersnack actively engages in supply chain initiatives like the SAI platform. By working together in this project, we can build on existing efforts and identify common next steps. Growers can avoid duplication of costs by understanding market requirements and demonstrating their sustainability performance using the FSA.”*

**Yann Quéméneur,**  
Procurement Director for Food  
at Intersnack



## Some of our social responsibility partners include:



### Competitive Cashew Initiative

The Competitive Cashew Initiative supports the African cashew value chain to increase competitiveness in production, processing, market linkages and sector organisation.



### Rainforest Alliance

Rainforest Alliance collaborates with traders and manufacturers to protect nature and improve the lives of farmers and forest communities.



### Sustainable Agriculture Initiative (SAI)

120 member companies collaborate to improve sustainable agricultural practices. Intersnack is part of the SAI Crops Working Group and contributes to the SAI almond project.



### Sustainable Futures

Sustainable Futures links global brands, food processors and farmers to deliver more resilient, sustainable food and drinks in the UK and beyond.



### Sustainable Nut Initiative (SNI)

Intersnack is a founding member of this precompetitive collaboration platform that is committed to a more sustainable nut sector.



### Sustainable Spices Initiative (SSI)

The SSI is an initiative to transform the mainstream spices sector, sustainably secure future sourcing and stimulate economic growth in producing countries.



### RSPO\*

Intersnack is a member of the Roundtable on Sustainable Palm Oil (RSPO) to make sure that the palm oil that we use is RSPO-certified.

\* RSPO trademark licence number: 4-1430-22-100-00. Check our progress at [www.rspo.org/members/15024](http://www.rspo.org/members/15024).

## Engaging with local communities

Our communities are more than just places – they're our neighbours, employees and partners. We want to be an active community member, engaging with community stakeholders on locally relevant initiatives.

Throughout 2022, many of our Management Units activated their employees, resources and expertise to give back to the places they call home.

### Uplifting our neighbours with KP Snacks

In the UK, KP Snacks employees can take a day of paid leave annually to volunteer with local organisations. This year's activities included employees working at hospices, gardening, improving a children's playground and raising funds for the Royal British Legion. In partnership with FOCUS, KP Snacks is also working to help young people develop skills to confidently navigate life.



KP Snacks colleagues taking part in the 'homemaking' at St. Michael's Hospice

### Cleaning up Sweden with Estrella

In Sweden, 3.5 tonnes of trash were collected from natural areas around Angered and Bergsjön by Estrella staff through Städa Sverige (the 'clean up Sweden' organisation). Supported by Estrella and other local companies, 15 local sports clubs spent a day picking up trash to improve the environment and fundraise for sports training equipment. This is the fourth year of the initiative, with 12.5 tonnes of trash collected to date.



Cleaning up Sweden with Estrella

### Supporting local centres in Poland

Throughout 2022, employees in Poland took steps to support important local causes. Several team members volunteered time to help renovate a local foster house while product donations to a child support centre helped support local vulnerable young people. Throughout the year, charity collections raised funds for both a nearby animal shelter and a foundation that helps children with cancer.



## Employee focus topics

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Health and safety

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Diversity, equity and inclusion

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Engaging colleagues

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Naturing talent

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# Employee

## Inspiring our people to reach their full potential

Everything we achieve as a company is thanks to the thousands of passionate people who work across our Group. We believe – to support current and attract future talent – we must offer safe, inclusive environments where employees can thrive and build long-lasting careers. This starts with creating workplaces where diversity is embraced and where people feel supported to reach their full potential.

To achieve this, we are targeting greater representation in our global workforce and thus attracting new talent through inclusive hiring processes. We're also working to retain those people with development and training opportunities that enable meaningful career progression.

We aim to nurture a culture of open communication, creating various engagement channels so employees can feed back on what they like about working for Intersnack, and where there's room for improvement. We combine this understanding with industry best practices and the relevant regulations to help develop the policies, programs and targets which guide our efforts.

## Our team

As a global business, Intersnack has a presence in around 30 countries. We have a workforce that is just as expansive, with more than 14,000 colleagues working to deliver on our mission, vision and values.



## Health and safety

The health and safety of our colleagues is our top priority. Robust policies, internationally recognised accreditation and tailored well-being resources are how we're building a strong safety culture.

Addressing health and safety concerns is vital to employee well-being and satisfaction. This is why we have made it an essential element of our Code of Conduct, as well as integrating it into our new Labour and Human Rights Policy.

### Placing health and safety at the heart of Intersnack

We launched safety days across our sites – taking two full days of trainings, hands-on experience and awareness raising – in order to emphasise the importance for everyone to put safety first in everything we do. The first safety days at the Vic and Feldbach sites have been a great success.

We have set 2025 targets to support continuous improvement:

#### Targets



**100%**  
of plants are health and safety certified (ISO 45001)

**100%**  
of plants have completed valid ethical assessments (ETI/SMETA)

## Inclusion and diversity

Innovation happens when we bring different perspectives together. We aspire to create an inclusive culture where diversity can thrive, with programmes and training that provide opportunities across our workforce.

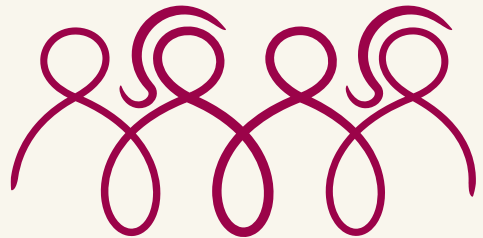


## Driving diverse representation

The UK has now introduced an Inclusion and Diversity Strategy. To drive progress, inclusion and diversity objectives were set for 2023 for all UK Executive Team members.

In Ireland, Tayto has joined the 30% Club – a global campaign to increase female Board and Executive Team representation to 30%. Intersnack Poland is also driving greater gender equality, increasing female leadership to 34% – well above Polish benchmarks. Additionally, they have more than doubled women in technical positions since 2015.

Our Management Unit in France took steps to advance inclusion and diversity throughout 2022. This included launching a campaign to achieve professional equity and prevent workplace harassment. This builds on the progress they have already made, with 60% of leadership being women.



## Engaging colleagues

Engagement is about developing highly motivated people and team environments that achieve consistently great results. That includes creating a workplace culture that lets people know their opinions matter.

To best support our teams, we have long leveraged strategies to track employee satisfaction and engagement. We are now enhancing this with a new survey in cooperation with workplace consultants Gallup.

# 92%

of sites reached the Phase 1 participation target. 2021–2022 overall participation rate: 68%.

## Measuring morale

30 Intersnack sites are implementing our Intersnack Work System (IWS) and surveying employees to measure morale and progress against IWS ways of working. 2021–2022 results show that most sites exceeded Phase 1 targets to have 40% participation and 40% of survey questions receive 'strongly agree' or 'agree' answers.

# 84%

of sites reached the Phase 1 positive response target. 2021–2022 overall positive response rate: 62%.





# Nurturing talent

One of our core values is 'growing together'. To realise this, we provide development opportunities that nurture potential talent to build a pipeline of future innovators.

## Learning with impact



Building capabilities takes several forms, including coaching, webinars and online sessions.

We believe learning by doing is the most effective way to learn. Managers act as mentors, offering on-the-job coaching to equip employees for workplace challenges. Moreover, we harmonised learning through a common online training provider. Starting the rollout in 2021, we reached a completion rate of 80% across 12 countries by the end of 2022 for our trainings on compliance topics.



## Supportive leadership

At Intersnack, leading means enabling employees to do their best work. We call this servant leadership because the role of the leader is to 'serve the operator' and help to remove barriers that employees may be facing, making their jobs easier. IWS creates an environment where teams become self-sufficient, with all the necessary skills and competencies as well as the authority to make their own decisions. Our new Leadership Fundamentals set out the behaviours we require from all our leaders.

To drive action forward, we have established two targets:

### 2025 Targets



## 100%

of Management Units use talent management tools

## 80%

of eligible employees at IWS sites have a Work Development Plan

# Governance

## Trust and transparency

Our Executive Board is committed to applying good corporate governance throughout the Intersnack Group. To support this, we have outlined our business principles and standards in a Code of Conduct, which defines our approach to acting ethically and transparently.

### Respect for everyone

With a value chain that spans the globe, our business has the potential to impact farmers, workers, suppliers, processors and local communities. We recognise the responsibility we have to ensure robust human rights standards are upheld throughout this complex network of partners.

In 2022, we developed a holistic Labour and Human Rights Policy which addresses relevant topics. This new approach, combining labour and human rights commitments, aims and risk reduction mechanisms, will be fully implemented in the course of 2023.

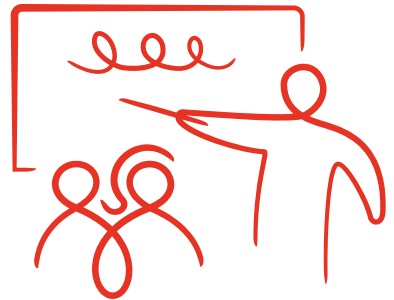
Our commitment to protecting human rights includes tackling hidden labour exploitation, such as modern slavery. We are working to make training on forced labour and human trafficking available to all Management Units by 2024 as part of our operational due diligence.

### Monitoring compliance

We conduct semi-annual compliance reporting with all our Management Units to identify any risks and cases of non-compliance with relevant laws or internal and external regulations. In the latest reports, there were no significant cases of non-compliance resulting in fines or non-monetary sanctions.

### Employee training

Intersnack delivers a wide range of compliance training, via both e-learning courses and classroom trainings. Completion rates are monitored by managers.







Creating positive impact  
*snack by snack*