Progress on our SBTi journey 2023

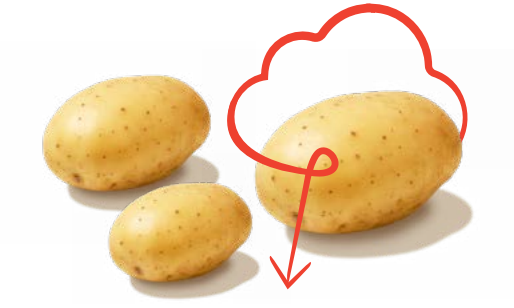
Climate action at Intersnack

Intersnack

The case for climate action

When it comes to climate change, the science is clear: the next decade provides a critical window for limiting global warming to 1.5°C, as outlined in the Paris Climate Agreement. Keeping within this limit requires immediate, collective and sustained reductions in greenhouse gas (GHG) emissions. Failure to do so could result in irreversible impacts for the world's environment, societies and economies.

While vulnerable to climate change impacts, the world's agri-food systems are also significant emissions contributors. As a global food producer, we recognise the role Intersnack must play in limiting those emissions. We are committed to achieving meaningful reductions in the next 10 years to bend the curve on GHG emissions.



Enhancing our commitment

Intersnack's journey to become a more sustainable business began nearly 20 years ago. Since 2010, we have achieved a 25% reduction of emissions per tonne of product in Scope 1 and 2. During this time, we have built on our efforts year by year and, with the approval of our targets under the Science Based Targets initiative (SBTi) in 2023, we are proud to once again take our commitment to the next level.

In 2023, we set near-term climate targets in line with SBTi standards, putting us on course for absolute carbon dioxide equivalent (CO_2e) reductions[1] in our operations and supply chain.

The role of the SBTi

The SBTi is an internationally recognised corporate climate action organisation that enables companies and financial institutions to set emissions reduction targets in line with what is needed to keep global warming below critical levels. It defines and promotes best practice in emissions reductions and net-zero targets, in line with the latest climate science.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

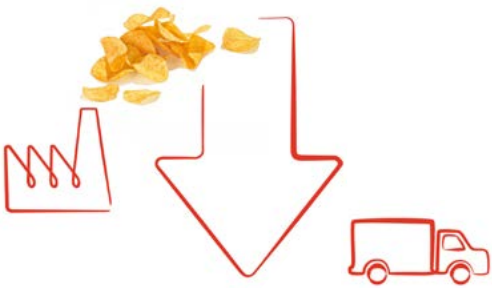
Our impact

We need to reduce emissions throughout our value chain, starting with the areas where we have the greatest potential for impact.

We are focusing our efforts across all three emission scopes: Scope 1 emissions associated with our direct operations and the production of our great-tasting snacks, indirect Scope 2 emissions from the energy we purchase and indirect Scope 3 emissions produced throughout our wider value chain.

SBTi 2032 climate target

We're on a mission to create positive impact, snack by snack. This includes our formalised target to halve operational emissions and reduce value chain emissions by one-third by 2032.



Scope 1 and 2

50%

reduction target for our operational emissions by 2032 vs 2021

Scope 3

30%

reduction target for our supply chain emissions by 2032 vs 2021

Our carbon emissions distribution

Scope 1: Direct emissions from owned or controlled sources

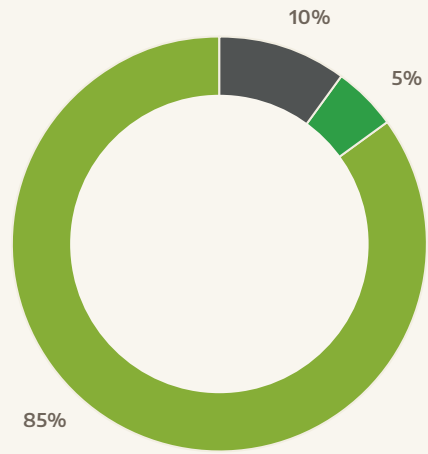
Main contributors[2]
Natural gas consumption from baking and frying products

Scope 2: Indirect emissions from the generation of purchased energy

Main contributors[2]
Use of electric energy

Scope 3: Indirect, value chain emissions

Main contributors[2]
Growing and transporting raw materials
Packaging our products



SBTi journey

To lower our environmental footprint, we strive to do more with less – reducing waste and maximising resource use efficiency.

2023 marked the start of Intersnack's SBTi journey. Our SBTi targets encourage us to keep exploring new ways to reduce Scope 1 and 2 emissions, while extending our actions into our supply chain to address our Scope 3 footprint.

Achieving lasting progress requires action from the entire Intersnack Group. That is why our dedicated working groups connect globally and locally to leverage insights, enhance collective learning and implement reduction initiatives.

SBTi roadmap

To address the areas where we have the greatest scope for positive change, we have identified six emission reduction levers.

Renewable energy

Energy efficiency and technologies

Sustainable agriculture

Sustainable transport

Waste reduction

Reduction and recyclability of packaging

Addressing Scope 1 and 2

By leveraging new technologies and low-carbon energy sources, we are actively working to reduce our Scope 1 and 2 emissions. These emissions are directly associated with our production facilities.

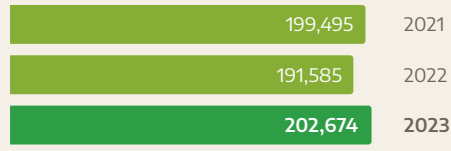
During 2023, our absolute Scope 1 and 2 emissions increased; this was partly due to business growth as well as biogas supply issues in Sweden, which prompted a switch to conventional natural gas.

Despite these circumstances our relative emissions[3] for Scope 1 related to natural gas use remained constant, while Scope 2 emissions from electricity increased by 11%, primarily due to changes in national CO_2e factors in Germany.

Our Scope 1 and 2 emissions inventory

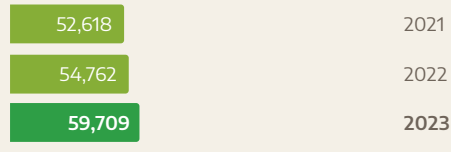
Scope 1

Base-year emissions (tCO_2e)



Scope 2 (market-based)

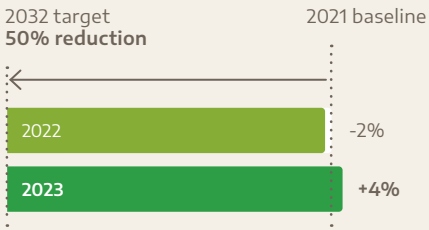
Base-year emissions (tCO_2e)



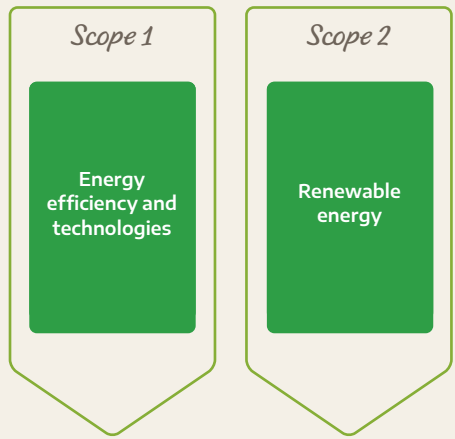
Target progress

50%

reduction in absolute Scope 1 and 2 CO_2e emissions by 2032 from a 2021 base year[4]



Actions towards meeting targets



Energy efficiency and technologies

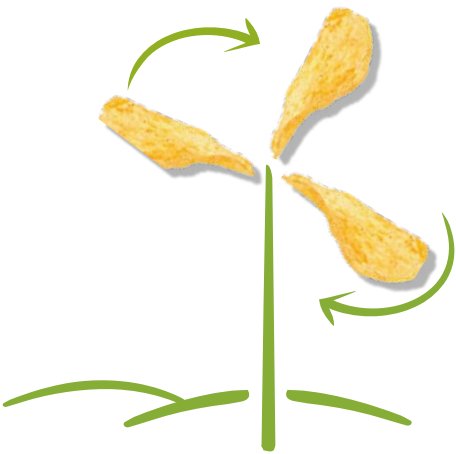
To tackle Scope 1 emissions, we are prioritising reducing our largest contributor: natural gas consumption. Our approach focuses on enhancing operational efficiency and pursuing innovative technologies to support our long-term sustainability goals.

Given the current difficulty in substituting natural gas due to limited viable alternatives, we are pursuing two workstreams. The first is efficiency, which involves taking steps to optimise our existing processes through continuous improvement. This includes maximising performance, minimising downtime and ensuring machines operate efficiently to reduce waste, improve line speed and assure the best-quality raw materials.

The second workstream focuses on innovation, exploring new technologies for mid- to long-term impact, such as alternative energy sources like hydrogen. While these technologies show great promise, they currently face challenges, including limited availability, higher costs and lack of developed infrastructure. Addressing these hurdles will open the door to even greater possibilities, but in the near term, we remain dependent on the use of natural gas.

Renewable energy

Making the switch to more sustainable energy sources will be an important step in reducing our Scope 2 emissions, which is why we are committed to reaching 100% renewable energy by 2032.



Investing in solar

To increase on-site renewable energy generation, several sites have invested in photovoltaic (PV) panels. For example, in Poland, Nysa's wastewater treatment plant features PV panels that generate around 54 megawatt-hours (MWh) of electricity annually.

Our plants in Vienna and Feldbach, Austria, have also installed PV systems which, since installation[5], have produced 1,200 MWh of electricity each. Over their runtime, this has avoided approximately 410 tonnes of CO_2 (up to June 2024).

Addressing Scope 3

To effectively tackle our carbon footprint, we must address supply chain emissions. Strong supplier partnerships and collective progress are essential, especially since Scope 3 emissions account for approximately 85% of our total carbon footprint.

Due to concentrated efforts to improve data collection and reporting quality – and the influence of growth – during 2023, emissions from our selected Scope 3 categories increased versus a 2021 baseline.

Partnering to reduce emissions

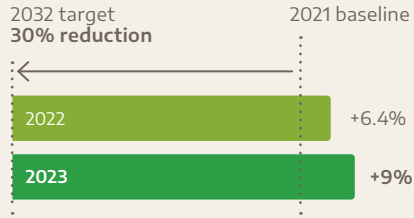
We partner with our suppliers and service providers wherever possible on joint improvement initiatives to address Scope 3 emissions. We collaborate to amplify our efforts, collectively driving improvements in efficiency and exploring new innovations to reduce emissions.

This includes engaging with our transportation providers to optimise logistics and aligning with internationally recognised standards for reducing waste. And, through our Packaging Pledge, we are working to evolve our packaging footprint, innovating internally and partnering with organisations such as CEFLEX and WRAP UK to advance shared action.

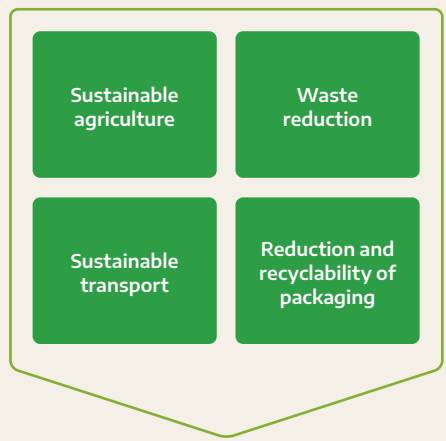
Target progress

30%

reduction in absolute industrial Scope 3 CO_2e emissions vs 2021[6]



Actions towards meeting targets



Scope 3 emissions inventory[7]

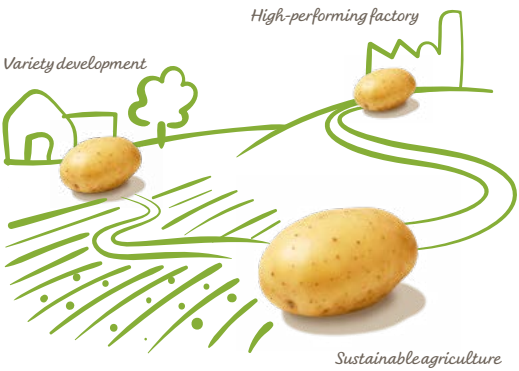
Scope 3 category	Base-year emissions 2021 (tCO_2e)	2022 (tCO_2e)	2023 (tCO_2e)
1: Purchased goods and services	1,612,753	1,663,324	**1,749,464**
2: Capital goods	24,808	15,456	**17,721**
3: Fuel- and energy-related activities	57,078	56,271	**59,595**
4: Upstream transportation and distribution	115,481	126,627	**120,822**
5: Waste generated in operations	18,987	15,175	**16,504**
6: Business travel	3,257	3,928	**4,409**
7: Employee commuting	4,627	4,508	**4,491**
8: Upstream leased assets	2,609	2,406	**2,721**
9: Downstream transportation and distribution	8,910	8,910	**8,910**
12: End-of-life treatment of sold products	11,251	12,549	**9,319**
15: Investments	2,498	2,132	**2,137**

Sustainable agriculture

Our agricultural supply chain is key to our success; it also accounts for 48% of our Scope 3 emissions. Recognising this, we are working to promote sustainable agriculture practices that nurture more resilient, responsible and productive supply chains to reduce our carbon footprint, enhance biodiversity and support the long-term viability of farming communities.

During 2023, we launched our sustainable agriculture programme, with an initial focus on our potato supply chain.

Throughout the year, we launched several initiatives focused on our key commodities in collaboration with suppliers. While it will take time to fully engage everyone and see progress, we expect to observe initial positive impacts from these efforts in the next two years.



Improving soil and preventing emissions with cover crops

We're encouraging farmers to adopt regenerative practices that support soil health, including cover cropping – planting non-cash crops to reduce erosion, prevent nutrient loss, build organic matter and enhance carbon sequestration.

In the UK, we supported one of our potato farmers to trial cover crops on 11 hectares of land. The cover crops improved soil structure, health and water filtration, as well as producing nearly 40 tonnes of fresh organic matter per hectare. They also sequestered significant amounts of carbon in just seven weeks, helping balance the carbon footprint of the farmer's next potato crop.

Outlook

Our efforts to minimise emissions across all scopes underline our dedication to sustainability and responsible business practices. By focusing on innovative solutions, enhancing operational efficiency and collaborating closely with our supply chain partners, we aim to achieve long-term reductions in our carbon footprint. Moving forward, we will continue to engage our teams and stakeholders, ensuring our initiatives align with global climate objectives. Together, we can foster a more sustainable future for Intersnack and the communities we serve.

Exclusions and data limitations

In alignment with the SBTi guidelines, companies shall not exclude more than 5% of their total combined Scope 1 and 2 emissions from their GHG inventory or target boundary. Additionally, no more than 5% of emissions shall be excluded from the total Scope 3 GHG inventory. For Intersnack, 0.4% of emissions have been excluded from Scope 1, 3.1% from Scope 2 and 0.4% from Scope 3, all well within the permissible limits.

Endnotes

[1] Absolute emissions are the total GHG emissions produced by an entity, measured in tonnes of CO_2 equivalent, without adjusting for production levels.

[2] Main contributors' calculations done in accordance with guidelines from the Greenhouse Gas Protocol.

[3] GHG emissions expressed per unit of output, such as tonnes of CO_2 equivalent per product, allowing for comparisons of emissions intensity.

[4] Intersnack Group GmbH & Co KG commits to reduce absolute Scope 1 and 2 GHG emissions 50.4% by 2032 from a 2021 base year.

[5] Vienna in June 2022 and Feldbach in June 2023.

[6] In Scope 3, Intersnack differentiates between FLAG (Forest, Land and Agriculture) emissions and energy/industry (non-FLAG) emissions, in accordance with SBTi guidelines. Intersnack Group GmbH & Co KG commits to reduce absolute Scope 3 GHG emissions from purchased goods and services, fuel- and energy-related activities and upstream transportation and distribution 30.0% by 2032. The company commits to reduce absolute Scope 3 FLAG GHG emissions 36.4% within the same timeframe.

[7] The figures presented are based on calendar years. Only the GHG categories relevant to Intersnack are included here. Category 1 emissions were calculated using a hybrid approach, while emissions for Categories 2, 4, 5, 6 and 8 were derived from spend-based data. Emission factors from the following databases were used in these calculations: CDP, Trucost, Defra and EPA EEIO. Categories 3 and 15 were calculated using primary data, and categories 7, 9 and 12 are based on assumptions.

Creating positive impact

snack by snack