

OUR  
Taste  
FOR  
Good



SNACKS

Part of the Intersnack Group



KP HAS BEEN MAKING SOME OF BRITAIN'S BEST-LOVED SNACKS FOR NEARLY 70 YEARS AND WE'VE ALWAYS LIKED TO DO THINGS A LITTLE DIFFERENTLY.

We constantly strive to do good for our consumers, the environment, our people and our local communities – we call this 'Our Taste for Good'.

From the ingredients we use to the way we develop our colleagues, the local causes we support, to the amount of energy we use – 'Our Taste for Good' means our business is working **to create more happy snacking moments** each day.



# CREATING MORE happy SNACKING MOMENTS

## OUR INGREDIENTS FOR GOOD

There are four pillars in KP's 'Our Taste for Good' programme. They are:

### GOOD FOR CONSUMERS

We use the finest ingredients and flavours to create our exciting and tasty snacks. We've listened carefully both to our retail partners and to shoppers, to identify what people want from their snacks. We make a wide variety; something for everyone and to suit all sorts of tastes, events and occasions.

### GOOD FOR THE ENVIRONMENT

From high standards of certification to programmes which drive reductions in waste, water, energy and packaging, we're actively managing KP's environmental impact.

### GOOD FOR COMMUNITIES

We are passionate about connecting positively with communities wherever we operate, whether they're close to our manufacturing sites or Head Office or part of our supply chain. At home and abroad, and with our parent company, Intersnack Group, we collaborate closely with our suppliers to support both their businesses and their local communities.

### GOOD FOR OUR PEOPLE

At KP, our people are our number one priority and having engaged, high performing colleagues is a key strategy driver for us. KP prides itself on being a great place to work. We help colleagues develop, stay safe, happy and healthy and progress their career the way they want to, taking care to recognise and reward their achievements.



# GOOD FOR CONSUMERS



We believe that snacks can be enjoyed as part of a balanced diet and healthy lifestyle, including regular exercise.

We've been working on improving the health credentials of our products and the way we market them for a number of years.

We recognise there is still more to do and that as a leading snacks manufacturer we have a responsibility to offer choices and clear information to our consumers.

OUR RANGE TODAY

<b>87%</b> FREE FROM ARTIFICIAL FLAVOURS	<b>98%</b> FREE FROM ARTIFICIAL SWEETENERS
<b>100%</b> FREE FROM ARTIFICIAL COLOURS	<b>94%</b> FREE FROM ADDED FLAVOUR ENHANCERS

## REFORMULATION

Since 2005 we have reduced the salt in Wheat Crunchies by 55%, in Discos by 47%, in Hula Hoops by 42% and in our core McCoy's flavours by 25%. We've done all this without compromising on taste. We do not use hydrogenated vegetable oils and all our fried snacks (including nuts) are cooked in 100% sunflower oil. We have reduced saturated fat by 80% across our core brands since 2005 (this reduction excludes Tyrrells and Popchips, however they were already using sunflower oil in 2018 when we acquired them).



## NEW PRODUCT DEVELOPMENT



Our product development programme aims to deliver tasty new products to suit different tastes and occasions. This includes introducing permissible snacks. For example, in 2015 we launched Hula Hoops Puft and in 2016 we introduced Unsalted Roasted Peanuts to our KP Nuts range. We also offer Naked Tyrrells; our much-loved Tyrrells hand cooked crisp, but without the salt.

WE NOW HAVE 29 PRODUCTS THAT ARE 100 CALORIES OR FEWER PER PACK

as at March 2019 vs 23 products in March 2018



## NATURALLY GOOD PEANUTS...

Peanuts provide a source of protein and are high in fibre. They also contain essential vitamins and minerals. The majority of the fat in peanuts is naturally occurring and nearly 80% of the fat is unsaturated i.e. monounsaturated and polyunsaturated.



# WHAT CONSUMERS WANT

## 'HEALTH'

is a broad theme and means different things to different people at different times of the day and week.

It includes:

- ♥ Portion control
- ♥ A bit of something good / less of something indulgent
- ♥ Fat / calories / gluten out
- ♥ Goodness in via nuts, seeds, grains, vegetables or protein

Source: MMR Research, 2017

## NATURAL PRODUCTS, HEALTHIER PRODUCTS WITH ADDED BENEFITS AND SMALLER SERVE PACKS

are in the top 5 types of new food and drink products shoppers are looking for.



Source: Nielsen State of the Nation 2018

## 29% OF PEOPLE

look for healthier types of crisps / nuts / savoury snacks all or most of the time.

Source: Lightspeed/Mintel 2019



## OF THOSE WHO LOOK FOR HEALTHIER TYPES OF CRISPS / SNACKS / NUTS

- 47%** look for low fat
- 42%** low salt
- 38%** low calorie
- 36%** non fried (baked / popped)
- 30%** all natural ingredients
- 23%** source of fibre
- 21%** source of protein



Source: Nielsen State of the Nation 2018

# OUR PLEDGES



## SPECIFICALLY, BY 2025 WE COMMIT TO:

- ♥ **Reduce salt by a further –5%** across our total range, by reformulating existing recipes and introducing new lower salt products.
- ♥ At least 60% of our range will be at 5g of sugar or less per 100g and we will **reduce sugar** in our popcorn range by –5%.
- ♥ Continue to use vegetable oils which are lower in saturated fat, such as sunflower oil and rapeseed oil, in our factories. This will help us continue to ensure that over **75% of our product portfolio contains 4g or less of saturated fat per 100g.**
- ♥ Engage in the Public Health England **calorie** reduction programme and increase the number of products with 100 kcal or fewer per pack by **+50%**.
- ♥ **Innovate to increase positive nutrition recipes** in our portfolio containing nuts, fruit, vegetables and / or wholegrain.
- ♥ Continue to explore and invest in **new technologies** to bring permissible snacking offers to market.
- ♥ Continue to work on **removing artificial** flavours, flavour enhancers and sweeteners from our products.
- ♥ **Analyse and report** our progress annually.

# OUR PLEDGES

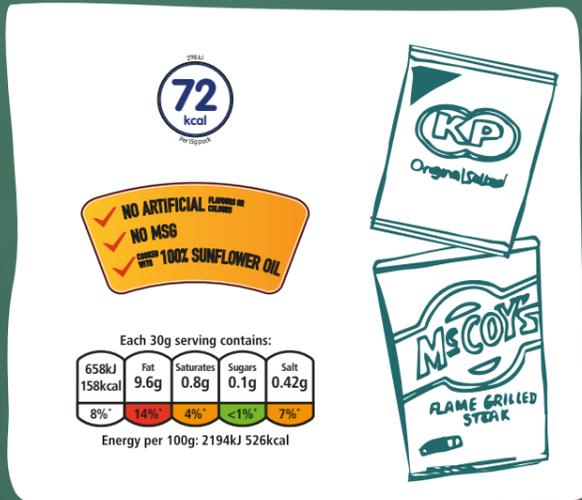


## PACKAGING



♥ We are improving our **pack communications** to help consumers **make informed choices**.

♥ We began to **add colour coding** to Reference Intake icons on the front of our packs during 2018.



## RESPONSIBLE MARKETING



**We're committed to marketing our products responsibly and we recognise that within our range there are products that appeal to and are consumed by children.**

The UK food industry is stringently regulated with regards to advertising and marketing to children and KP Snacks fully complies with all current local codes of conduct. In addition we have our own guidelines for marketing all of our brands to ensure our business is fully compliant.



# GOOD FOR THE ENVIRONMENT

Reducing the impact our business has on the environment is very important to us at KP and we work in partnership with our parent company in a number of areas to reduce use of water, energy and packaging and to drive down our waste.



## ENERGY REDUCTION

- We've cut CO2 by over 30% since 2007.
- We have ISO 50001 accreditation across our sites to identify opportunities to make further reductions.
- Awareness and engagement of colleagues at our sites has been a key initiative in supporting our ongoing energy reduction programme.

## LOWERING OUR WATER USE

- We have been working hard to reduce our water use across our business, especially that used by our sites in production. Our McCoy's factory in Teesside is our heaviest user of water since it is our largest site where raw potatoes are processed to make crisps. We've installed a water treatment plant at the site which recycles more than half a million cubic metres of water a year.
- We have also installed rainwater harvesting at a number of our sites. Colleague engagement and awareness is also key to our water reduction initiatives.
- So far, these measures and approaches have helped reduce overall water use at Teesside by **72%**, and across the whole of KP by **71%**.

## DRIVING DOWN WASTE

- We have signed up to the United Nations Sustainability Goal 12.3 Champions network and have made a public commitment to reduce all food waste in our manufacturing sites by 50% by 2030.
- We also aim to reduce our total waste levels by more than 5% per year. In 2018 we achieved a 13% reduction.
- All our waste oil is sent for conversion to biodiesel and used in the fleet that delivers our products. In 2018 the recycling of waste oil from our sites meant a saving of 687,935KGs of carbon, which is equivalent to over 150,000 cars off the road.
- All KP sites have been zero waste to landfill since 2012. In 2018 we won a 'Zero Waste' award for Excellence in Recycling & Waste Management, for maintaining this achievement and our ongoing focus on reduced waste.

CHAMPIONS 12.3

zero waste



## CORRUGATED CARDBOARD

All our secondary packaging (cardboard cases) are now 100% recyclable and made from 98% recycled material from FSC certified sources.

# OUR PACK PROMISE

Our packPromise is KP's three-stage commitment to reducing our packaging impact and ultimately in achieving our goal for all packaging to be recyclable, reusable or compostable by 2025.

PACK PROMISE



## PHASE ONE: USE LESS PACKAGING

We are continuously looking to reduce our packaging impact through film reduction and investigation of alternative materials. We already use 11% less packaging than we did ten years ago and we have also invested significantly in our Ashby factory to enable a 23% reduction in the amount of packaging required on Hula Hoops multipacks, saving 11.2 tonnes of material per year.

## PHASE TWO: RECYCLE YOUR PACKETS

We've partnered with recyclers TerraCycle® to create the KP Snacks Nuts, Popcorn, Crisps and Pretzels Packet Recycling Programme. Packets can be taken along to a number of public drop off locations around the UK, or people can set up their own collection point.

Once enough packs have been collected, they can be sent to TerraCycle®, who will turn them into something new, including watering cans and outdoor furniture. The more packs you send back, the more TerraCycle® points you raise. TerraCycle® points can be redeemed as charity donations to help fund schools, organisations or charities.

Visit [www.terracycle.co.uk/kpsnacks](http://www.terracycle.co.uk/kpsnacks) for more information.

## PHASE THREE: STRIVING TO MAKE OUR PLASTIC PACKAGING FULLY RECYCLABLE BY 2025

Through our membership of the UK Plastics Pact, we are striving to make our plastic film packaging fully reusable, recyclable or compostable by 2025 (vs a 2018 baseline). We are already on this journey and are actively investigating alternative materials that align to the UK Plastics Pact objectives but that do not reduce quality or increase food waste.



# GOOD FOR COMMUNITIES

Our local communities are very important to us – whether they are local to the sites we operate in, or the communities we work with as part of our ethical sourcing initiatives. We're also really proud of our industry and work hard to promote it as a career destination of choice.



## ETHICAL SOURCING

We use the Supplier Ethical Data Exchange (SEDEX) risk assessment tool and the Ethical Trading Initiative (ETI) code of conduct to audit our suppliers. We have reduced our palm oil usage significantly as a result of our saturated fat reduction work. Where palm oil is still used in our products it is certified sustainable by the Round Table for Sustainable Palm Oil (RSPO).

## THE TASTIEST POTATOES FOR OUR CRISPS

We contract all our potatoes from a selected group of UK potato growers – all Red Tractor certified and technically approved by us for growing the best 'crisping' potatoes! We work closely with these growers on potato variety development, to select the very best varieties and constantly improve quality.

**Our McCoy's potato growers are also engaged in a sustainability project that focuses on**

- New and better ways of pest and disease control
- Improved bio-diversity
- Increasing levels of organic matter in the soil
- Better use of precision farming methods



## TYRRELLS – FROM SEED TO BAG

Our famously hand-cooked Tyrrells crisps are made from potatoes planted and picked locally, then sliced, cooked and packed at Tyrrells Court Farm in Herefordshire. Our proud Herefordian team use potatoes from local farmers (all grown within a 30 mile radius of our farm). Our favourite potato varieties are Lady Rosetta and Lady Claire, which are renowned for their delicious taste.



## FAIR AND SUSTAINABLE NUTS

Our parent company, Intersnack, is one of the biggest buyers of nuts in the world and works directly with producers, rather than buying on the global market. This gives us a great opportunity to lead the way in sustainable nut sourcing.

**Because we connect the people who grow nuts to the people who enjoy them, we have a responsibility to both.**

We work directly with suppliers up and down the value chain to ensure superb product quality and fair deals for farmers, to help them grow both their nuts and their businesses.



## CASE STUDY

We have invested in an Indian joint venture; Intersnack Rajkumar Cashew Company, which is able to manage cashew processing under one roof after the nuts leave the farms. This guarantees cashew quality and consistency as well as providing reliable working conditions.

## BEST TASTING PEANUTS

KP have been selecting, roasting and seasoning peanuts since 1954 and our peanuts are regularly rated the best-tasting by consumers (Cambridge Market Research, 2016). We only use a specific high grade of peanut that has been allowed to grow to full maturity (at least 130 days) in the sunshine to give the fullest flavour and crunchiest texture.

KP know the farms that we source from and we've worked with them for many years to ensure that their working conditions and environmental approach produces the best yields and the best quality nuts. We share knowledge of modern farming techniques and invest directly in the technology needed to successfully grow peanuts and safeguard local varieties for the future.

KP Nuts are nature's own snack; not only delicious but packed full of natural fibre, protein, vitamins and minerals. That's why they are worth taking time and care to produce.



# KP COMMUNITY HEROES

We work with our local communities in a number of ways; it's something our colleagues are really passionate about.

## SUPPORTING OUR INDUSTRY'S CHARITY

We're a strong supporter of GroceryAid, the grocery industry's benevolence charity, and we get involved in a range of events each year to raise money for the charity, as well as promoting their Assistance Programme and other benefits to our colleagues. In 2019 we were proud to be awarded a Gold award by GroceryAid, in recognition of the support we provide the charity in terms of volunteering, fundraising and awareness raising. Each of our sites also choose different charities to support each year, picking causes that are important to them.



## WE PROVIDE EACH OF OUR COLLEAGUES WITH AN ADDITIONAL DAY OFF EVERY YEAR

We call this a KP Community Hero day. They can use this leave to support local community organisations or charities of their choice. Many individuals and also teams across the business have gone out to support community initiatives.



## CHAMPIONING JOBS IN OUR INDUSTRY

KP has supported the IGD's Feeding Britain's Future programme for a number of years. This brings the industry together to inspire the next generation and equip them with skills for work. As part of this, 26 KP colleagues went into schools in 2018 to talk about their experiences of working in the food industry; bringing to life the world of work; highlighting the skills required to succeed and showcasing the variety of roles available in the industry. More KP colleagues have signed up to take part in this initiative in 2019 too.



## APPRENTICESHIPS

At KP we currently have eight apprentices gaining an engineering qualification using a blend of learning via day release at college and putting their new skills into practice in our factories. Pictured is our engineering apprentice from our Butterkist factory in Pontefract.

# GOOD FOR OUR PEOPLE



At KP, **our people are our number one priority** and having engaged, high performing colleagues is a key strategy driver for us.

We strive to provide our colleagues with an environment that is fun, rewarding and enables them to be the best they can be. By continuing to listen to, invest in and grow our people we believe our business will continue to be successful today and for generations to come.

## HOW WE DO THINGS:



### OUR VALUES & BEHAVIOURS

Our award-winning Values & Behaviours (V&Bs) programme was developed with the input of KP colleagues from across the company. Our V&Bs guide how we work every day and have helped us to create a great culture for the business, making it a fantastic place to work. We have more than

100 V&B 'Champions' around KP who work to embed our V&Bs into every part of our business, at every site, every day. Every Friday is 'Feel Good Friday' where our people hear if they have been called out by other colleagues who feel they have demonstrated the Values and Behaviours really well.



### ELIMINATING LOSSES FROM OUR SITES

Our IWS (Intersnack Working Systems) methodology is being deployed across all of our manufacturing sites and allows our colleagues to have more ownership within their working environment. We provide structured training and development as part of IWS, to build capability.



### MENTAL HEALTH MATTERS

We recognise that our colleagues' mental health is as important as their physical wellbeing. We have over 100 trained mental health first aiders across the business and these are supported by our Employee Health and Wellbeing team. We will continue to train more people each year. We're now working on increasing the visibility of our mental health first aiders across the business, using photo boards and overall patches to help people identify them.



### INCREASING EMPLOYEE ENGAGEMENT

Since 2015 we have completed the Best Companies employee engagement survey, which helps us understand the key areas of focus to ensure KP continues to be a great place to work. The majority of our colleagues' give us their feedback each year, which gives us an accurate reflection of where we can really make a difference. We're delighted that through this initiative we have increased our colleagues' engagement.



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