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Sustainability Trends

for the Food Industry



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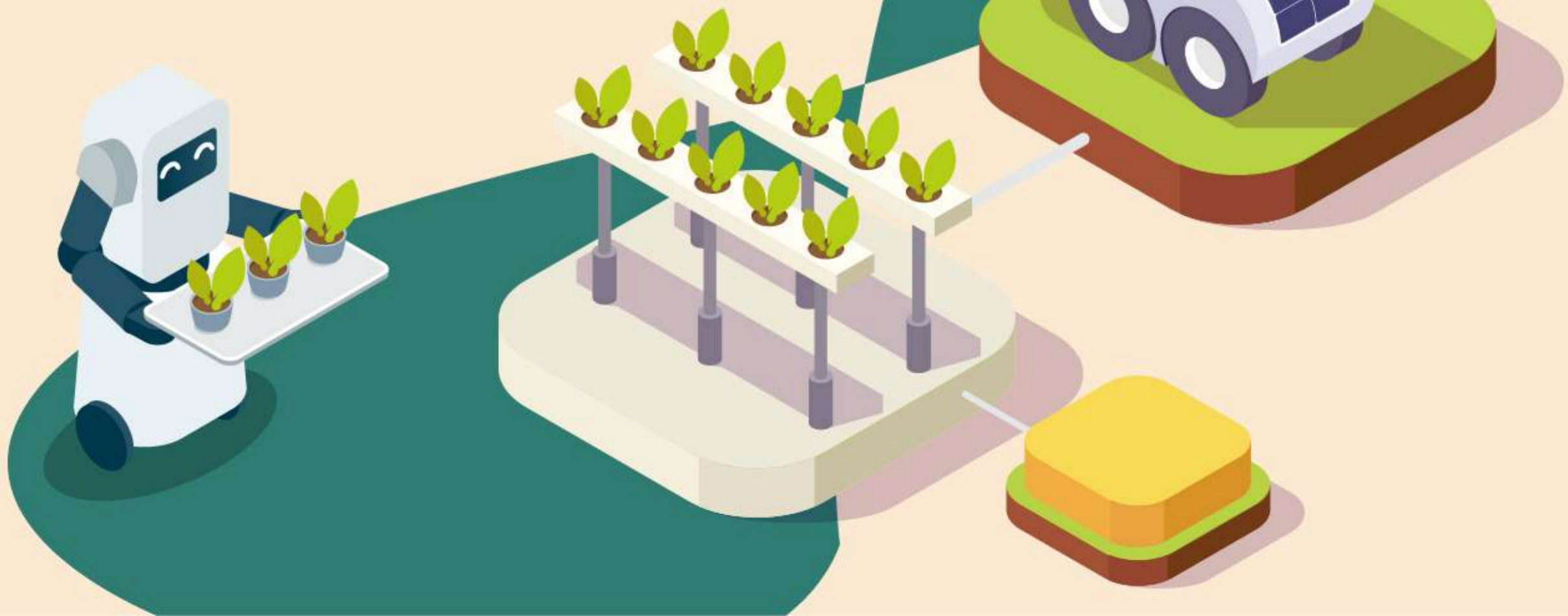
With the rising trend of sustainability having an important role on the food industry, due to its heavy reliance on natural resources, along with changing consumption behaviors, the aging population, and a preference for products from brands that prioritize environmental and social responsibility.

These trends have become a challenge for operators in the food industry from upstream to downstream, to focus on and quickly adjust their strategies to address the risks and opportunities related to sustainability in the near future. **There are five sustainability trends that are increasingly relevant to the Thai food industry, as follows:**

#1

Health-Conscious and Nutritional Foods

In addition to the quality and safety of food, consumers are increasingly prioritizing the consumption of healthy foods that are beneficial to their health. This trend creates market opportunities for nutritious food products, minimally processed, minimal additives or preservatives, and plant-based foods, such as grains, plant-based products, and meat alternatives, which not only promote health but also help reduce resource reliance on agricultural practices.



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#2

Sustainable Packaging

The shift from using plastic or single-use packaging to eco-friendly materials, such as biodegradable or recyclable materials, packaging designed for reduced plastic usage or smaller size. Additionally, it incorporates services for returning packaging for reuse, such as melting down glass bottles, in accordance with circular economy model, aiming to reduce waste and pollution while benefiting the environment.

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#3

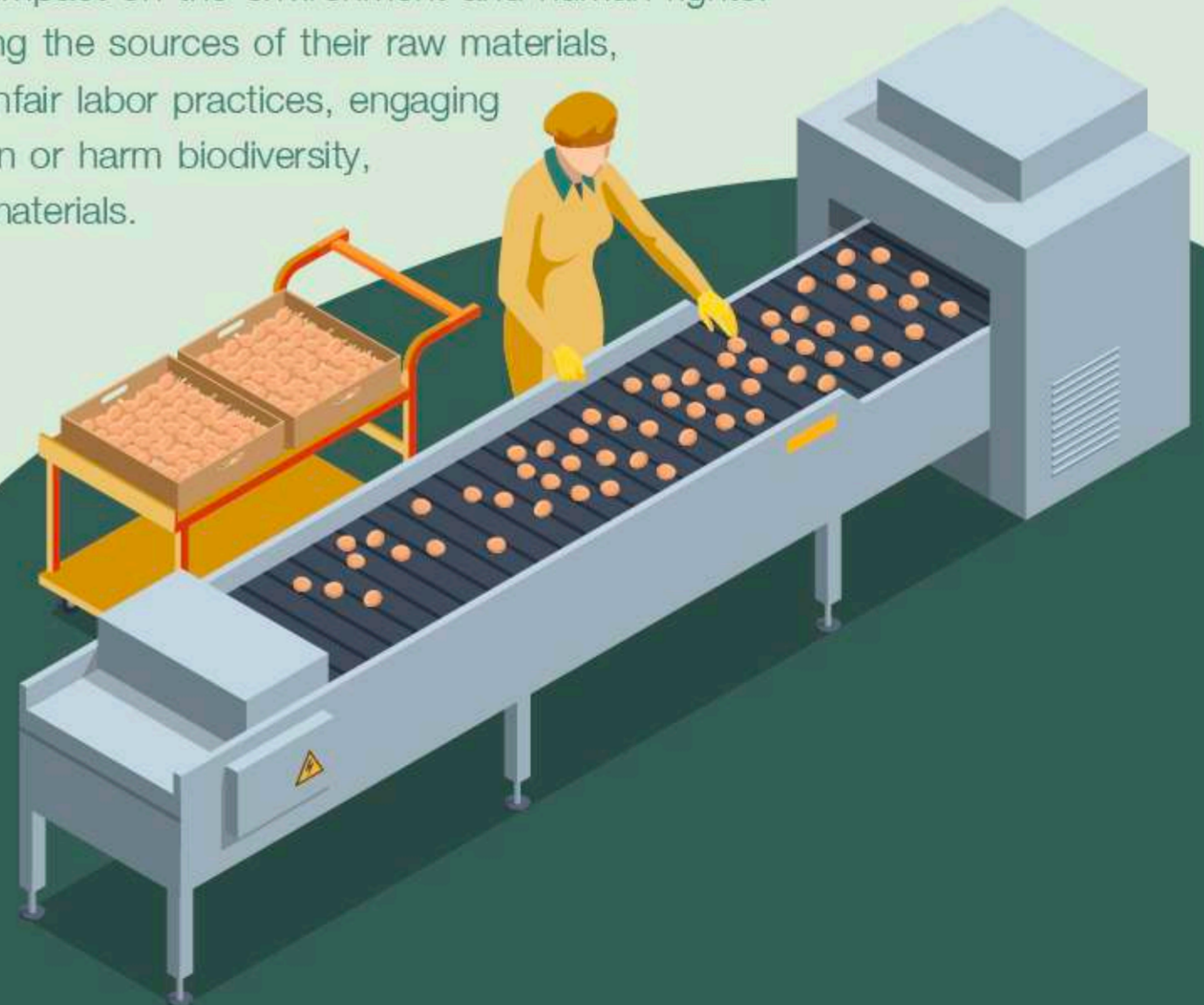
Food Waste Reduction

According to the Food Waste Index 2024, the average food waste in Thailand is 86 kilograms per person per year, which is higher than the global average of 79 kilograms per person per year. This poses a significant challenge for Thailand in managing food waste, for both households and food operators. Currently, innovations and technologies are being implemented to enhance production efficiency and reduce food waste from food production. Additionally, by-products can be repurposed to produce animal feed or bioenergy.

#4

Responsible Sourcing of Raw Materials

Consumers are concerned about food safety and the impact on the environment and human rights. Therefore, food producers must be attentive in selecting the sources of their raw materials, such as sourcing from suppliers that do not employ unfair labor practices, engaging in sustainable farming, and refraining from deforestation or harm biodiversity, while supporting local farmers and procuring organic materials.



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#5

Low-Carbon Foods

The use of renewable energy across farming, production, distribution, and retailing aims to reduce greenhouse gas emissions.

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Sustainability Initiatives of KCG





In response to the sustainability trends in the food industry, KCG, as a leader in the production and distribution of butter, cheese, and Western food products, is committed to delivering both delightful flavors and sustainability. KCG continuously strives to create high-quality food products that meet the evolving needs of customers and consumers, while enhancing sustainability through improvements in processes--from selecting raw materials and production to delivering products with care for a better environment for future generations. The following are our sustainability initiatives:

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Sustainability
Initiatives
of KCG



1

Develop and Research Health-Conscious and Eco-Friendly Products

- Plant-based protein innovations, such as Imperial Vegan Cheddar Style Slices made from plants and Imperial Sunflower Spread, a spread extracted from sunflower seeds and pure olive oil, which helps reduce the risk of heart disease and lower blood pressure.
- Creating healthy snacks with Baker's Choice, health-focused crackers that are sugar-free, and high calcium and iron. It is available in original, whole wheat, and almond formula varieties, which contain healthy fats for the body.

2

Develop Eco-Friendly Packaging

KCG has been working to increase the use of sustainable packaging while maintaining product quality. Currently, 60% of all packaging is recyclable, and plans are in place to convert plastic film packaging to a single type of plastic (Mono Material), which will enhance sorting, reusing, and recycling cost-effectively.



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Sustainability
Initiatives
of KCG



3

Responsible and Sustainable Sourcing of Main Raw Materials

KCG has additional requirements for sourcing main raw materials from appropriate sources to promote responsible procurement practices, such as palm oil and sugar that come from sustainably cultivated sources that do not contribute to deforestation.

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Sustainability
Initiatives
of KCG

4

Food Waste Management

KCG manages production waste or deteriorated products by passing them on to farmers for use as animal feed or transferring them to authorized external agencies as materials for soil improvement. KCG also has a waste management plan aiming at achieving the goal of "Zero Waste to Landfill 100%", improving production processes to reduce waste from production and developing efficient storage and transportation processes to extend product shelf life. Additionally, KCG has researched and developed an innovative edible coffee cup, the IMPERIAL Edible Cookie Cup, which can hold drinks and the cup itself can be eaten. The cup is made from a special Imperial cookie recipe that enhances the drinking experience while reducing food waste.

KCG also plans to develop innovations to use by-products or waste from other production processes to create added value, with the goal of sustainably reducing food waste in the future.





5 Greenhouse Gas Emissions Reduction

In 2024, KCG started operation KCG Logistics Park, a comprehensive distribution center and warehouse that will enhance the efficiency of storage and transportation of goods, driving efforts to reduce greenhouse gas emissions. KCG is also in the process of installing solar rooftops across all factories and warehouses as well as increasing the use of EV Trucks, transitioning from ozone-depleting hazardous substances to non-CFC refrigerants and extinguishers. Additionally, KCG is reviewing its greenhouse gas reduction targets based on scientific principles in accordance with the SBTi (Science Based Targets initiative) framework, while developing strategies and measures to achieve the set goals.



The above initiatives represent just part of KCG's sustainability plan, reflecting our commitment to drive forward sustainable practices in the food business with a focus on environmental and social responsibility. This is one of KCG's missions to create sustainable pleasure of taste for everyone in our society and our world.

Join us in our journey to create sustainability for our world and society and stay tuned for more inspiring stories about KCG's journey towards sustainability in other dimensions....