Hilton Food Group plc - Forests 2023

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

Hilton's business was established in 1994 to set up and operate a beef and lamb central meat packing facility in Huntingdon, England. Over the last 25 years, this facility has grown and currently, Hilton Foods (HFG) is operating in 19 markets around the world with 24 well invested, state-of-the-art facilities across Europe, Australia, and Zealand, each facility is run by a local management team enhanced by the specialist central leadership, expertise, advice, and support. We also have a joint venture partnership in Portugal in which we share the profits. This has been supplemented by strategic acquisitions in diversified food categories and further integration in the supply chain service sector. Within our supply chain services pillar we own 65% of Foods Connected, an award-winning end-to-end supply chain management software platform, a joint venture with Agito Group offering automation solutions and investment in Cellular Agriculture Ltd, developing next generation, scalable solutions to alternative protein production.

HFG operates large-scale, extensively automated and robotized food processing, packing and logistics facilities for major international retailers on a largely dedicated basis. HFG plants are highly automated and use advanced robotics for the storage of raw materials and finished products. Developing robotics technology has been extended in recent years both in the production environment and to the sorting of finished products by retailer store order, achieving material supply chain efficiencies for our customers. Products from Group's facilities are sold in fourteen European countries, Australia and New Zealand.

HFG portfolio is primarily meat and fish based, with a growing proportion of vegetable-based proteins and prepared food. HFG do not directly own or operate any primary agriculture, fisheries or slaughter facilities.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	January 1 2022	December 31 2022

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

GBP

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

Timber products

Commodity disclosure

Disclosing

Stage of the value chain

Retailing

Are you disclosing information on embedded commodities?

No, because we have no embedded commodities

Explanation if not disclosing

<Not Applicable>

Palm oil

Commodity disclosure

Disclosing

Stage of the value chain

Manufacturing

Are you disclosing information on embedded commodities?

No, because we do not know if we have embedded commodities

Explanation if not disclosing

<Not Applicable>

Cattle products

Commodity disclosure
Disclosing

Stage of the value chain
Manufacturing

Are you disclosing information on embedded commodities?
No, because we have no embedded commodities

Explanation if not disclosing
<Not Applicable>

Soy

Commodity disclosure
Disclosing

Stage of the value chain
Manufacturing

Are you disclosing information on embedded commodities?
Yes

Explanation if not disclosing
<Not Applicable>

Other - Rubber

Commodity disclosure
This commodity is not produced, sourced or used by our organization

Stage of the value chain
<Not Applicable>

Are you disclosing information on embedded commodities?
<Not Applicable>

Explanation if not disclosing
<Not Applicable>

Other - Cocoa

Commodity disclosure
This commodity is not produced, sourced or used by our organization

Stage of the value chain
<Not Applicable>

Are you disclosing information on embedded commodities?
<Not Applicable>

Explanation if not disclosing
<Not Applicable>

Other - Coffee

Commodity disclosure
This commodity is not produced, sourced or used by our organization

Stage of the value chain
<Not Applicable>

Are you disclosing information on embedded commodities?
<Not Applicable>

Explanation if not disclosing
<Not Applicable>

F0.5

(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported
Financial control

F0.6

(F0.6) Select the countries/areas in which you operate.

Australia
Belgium
Denmark
Greece
Ireland
Netherlands
New Zealand
Poland
Portugal
Sweden
United Kingdom of Great Britain and Northern Ireland

F0.7

(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

No

F0.8

(F0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	GB00B1V9NW54
Yes, a Ticker Symbol	HFG.L

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

Distributing/packaging

Form of commodity

Primary packaging
Secondary packaging
Tertiary packaging

Source

Contracted suppliers (manufacturers)

Country/Area of origin

France
Netherlands
Spain
Sweden
United Kingdom of Great Britain and Northern Ireland

% of procurement spend

1-5%

Comment

We purchase paper and board for use in packaging of food products as labels, sleeves, cartons, and cardboard outer cases.

Pulp, paper, board and wood are used for the primary, secondary and tertiary packaging material that we procure. These materials are used for customer-facing, own-brand packaging, in-store service packaging and transport packaging, such as pallets.

100% of the material used is FSC/PEFC certified and it also contains a large proportion of recycled content.

Most of our products are contained in some form of plastic packaging ie plastic trays produced from recycled and recyclable plastic to ensure high food safety standards. However, most have some form of paper label and some have a board carton or sleeve.

Most of our products are transported to stores in returnable and reusable plastic crates but some are transported in cardboard cases that are then collected from store for closed loop recycling back into new cases.

Wooden pallets are widely used in transport and storage.

Palm oil

Activity
Using as input into product manufacturing
Buying manufactured products

Form of commodity
Refined palm oil
Palm oil derivatives

Source
Contracted suppliers (manufacturers)

Country/Area of origin
Brazil
Colombia
Costa Rica
Guatemala
Honduras
Indonesia
Malaysia
Papua New Guinea
Solomon Islands

% of procurement spend
<1%

Comment
100% RSPO segregated and certified. Used mostly as an ingredient in other products such as pastry/buns. Direct usage is reported in this submission.

Cattle products

Activity
Exporting/trading
Using as input into product manufacturing

Form of commodity
Beef

Source
Contracted suppliers (processors)

Country/Area of origin
Argentina
Australia
Austria
Belgium
Brazil
Denmark
Germany
Ireland
Namibia
Netherlands
New Zealand
Paraguay
Poland
Portugal
Spain
Sweden
United Kingdom of Great Britain and Northern Ireland
United States of America
Uruguay

% of procurement spend
51-60%

Comment
We purchase beef primals and convert into retail and foodservice products. The vast majority is sourced in Europe, Australia and New Zealand. South American beef is a small part of our total business, mainly for food service use.

Soy

Activity

Using as input into product manufacturing
Retailing/onward sale of commodity or product containing commodity
Other, please specify (The vast majority of soy is embedded in our primal meat and aquaculture supply chains, used as feed for the livestock we purchase.)

Form of commodity

Soy bean meal
Soy derivatives

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Argentina
Brazil
China
France
Germany
Netherlands
Paraguay
Serbia
United States of America

% of procurement spend

<1%

Comment

Less than 1% (0.08%) of total procurement spend is used directly in the production of products, mainly for plant-based meat alternatives.
Most of the soy is embedded in the farmed livestock products that we purchase globally.

Our estimate is that 75-80% of our total procurement spend is on meat primals or seafood products that are fed on some element of soy in their diets. These are purchased from our suppliers' abattoirs. We do not rear any animals ourselves or purchase animal feed, so this soy for feed is not directly part of our procurement spend.

We are working to get better estimates of the actual consumption of soy across all of the farms that supply us, 2-4 tiers down our supply chains.

F1.2

(F1.2) Indicate the percentage of your organization’s revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	81-90%	The vast majority of our products have paper or board in their packaging.
Palm oil	<1%	Palm derivatives are a minor ingredient in a small range of added-value products. It is all RSPO certified with a list of possible supply countries. Not all the suppliers disclose the specific countries of origin in the composite ingredients that supply to us.
Cattle products	51-60%	Beef is a major part of our business, although the volume from forest risk countries is small. We estimate total proportion of sales of products containing beef as 51% of total revenue.
Soy	71-80%	Soybean meal and soy derivatives are used as ingredients in a small number of our products, but the vast majority are embedded as animal feed for our own-brand meat and farmed fish products. As such, the percentage of our company’s total revenue dependent on those products has been estimated at 79%. Our purchase spend and revenue are in direct proportions as the raw materials are mostly brought to our sites as primals that are directly converted into finished products.
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Palm oil	Consumption data available, disclosing
Cattle products	Consumption data available, disclosing
Soy	Consumption data available, disclosing
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

Forest risk commodity
Cattle products

Data type
Consumption data

Commodity production/ consumption volume
244085.2

Metric for commodity production/ consumption volume
Metric tons

Data coverage
Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?
Yes

% of reported volume verified as deforestation- and/or conversion-free
64

Please explain
This is the total volume of beef that we purchased globally in 2022 which is taken from our intake records at each site.
We source 99.6% of our beef from Europe and Australia. While cattle purchased in Australia has a deforestation risk, we believe that the majority of our beef will not contribute. We are in the process of mapping this and so cannot disclose for certain that 99.6% of beef is DCF.
Less than 1 % of our beef is sourced from South America and of that 70% has full traceability back to breeding farms and the remainder to finishing farms.
Our suppliers in South America are in the process of introducing geospatial monitoring to verify that the remaining 0.4% are only sourced from finishing farms that have legally deforested and are no longer deforesting, and then to extend that monitoring to achieve full farm visibility back through all stages of rearing.

Forest risk commodity
Soy

Data type
Consumption data

Commodity production/ consumption volume
12473.28

Metric for commodity production/ consumption volume
Metric tons

Data coverage
Partial commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?
Yes

% of reported volume verified as deforestation- and/or conversion-free
100

Please explain
This is the volume of soy estimated to be consumed by the farmed fish and shellfish we purchase, where we have a good understanding of the proportions of soy used in the feed and the feed conversion ratios in addition to the soy used in our direct operations for vegetarian and vegan products.

All of our farmed salmon, sea bass, basa, and prawns are fed on soy from farms that are certified as DCF by Proterra or RTRS. All of the salmon feed is also Identity Preserved as non-GM. We have accurate usage and origin data for these supply chains and have carried out audits on the feed suppliers.

All of the soy used in our producing our plant-based products is from countries that do not have a deforestation risk. We have accurate usage and origin data for this.

We are currently mapping the soy utilized across all the livestock in our supply chains and its origin as part of our evaluation of sector plans to achieve 100% verified DCF soy supply chains for each country that we purchase from.

Forest risk commodity
Timber products

Data type
Consumption data

Commodity production/ consumption volume
11570.15

Metric for commodity production/ consumption volume
Metric tons

Data coverage
Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?
Yes

% of reported volume verified as deforestation- and/or conversion-free
100

Please explain
The volume represents our total global purchases of paper and board for primary, secondary, and tertiary packaging. This is calculated from our global purchasing database.

We do not currently have an estimate of the weight of wooden pallets used in our operations, and the procurement spend is a rent per cycle paid within our distribution costs.

All of our paper and board purchases are certified by either the FSC or PEFC with our suppliers also having Chain of Custody certification.

Forest risk commodity
Palm oil

Data type
Consumption data

Commodity production/ consumption volume
4.96

Metric for commodity production/ consumption volume
Metric tons

Data coverage
Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?
Yes

% of reported volume verified as deforestation- and/or conversion-free
100

Please explain
100% RSPO certified

F1.5b

(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.

Timber products – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion
0

% of DCF production/consumption volume verified through monitoring systems
0

% of DCF production/consumption volume physically certified
100

% of non-DCF production/consumption volume from unknown origin
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as country level
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as sub-national area
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as processing facility level
<Not Applicable>

% of non-DCF production/consumption volume traceable to production unit level
<Not Applicable>

Total percentage of production/consumption volume reported (DCF) [auto-calculated]
100

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]
<Not Applicable>

Timber products – Non DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion
<Not Applicable>

% of DCF production/consumption volume verified through monitoring systems
<Not Applicable>

% of DCF production/consumption volume physically certified
<Not Applicable>

% of non-DCF production/consumption volume from unknown origin
0

% of non-DCF production/consumption volume traceable only as far as country level
0

% of non-DCF production/consumption volume traceable only as far as sub-national area
0

% of non-DCF production/consumption volume traceable only as far as processing facility level
0

% of non-DCF production/consumption volume traceable to production unit level
0

Total percentage of production/consumption volume reported (DCF) [auto-calculated]
<Not Applicable>

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]
0

Palm oil – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion
0

% of DCF production/consumption volume verified through monitoring systems
0

% of DCF production/consumption volume physically certified
100

% of non-DCF production/consumption volume from unknown origin
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as country level
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as sub-national area
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as processing facility level
<Not Applicable>

% of non-DCF production/consumption volume traceable to production unit level
<Not Applicable>

Total percentage of production/consumption volume reported (DCF) [auto-calculated]
100

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]
<Not Applicable>

Palm oil – Non DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion
<Not Applicable>

% of DCF production/consumption volume verified through monitoring systems
<Not Applicable>

% of DCF production/consumption volume physically certified
<Not Applicable>

% of non-DCF production/consumption volume from unknown origin
0

% of non-DCF production/consumption volume traceable only as far as country level
0

% of non-DCF production/consumption volume traceable only as far as sub-national area
0

% of non-DCF production/consumption volume traceable only as far as processing facility level
0

% of non-DCF production/consumption volume traceable to production unit level
0

Total percentage of production/consumption volume reported (DCF) [auto-calculated]
<Not Applicable>

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]
0

Cattle – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion
0

% of DCF production/consumption volume verified through monitoring systems
100

% of DCF production/consumption volume physically certified
0

% of non-DCF production/consumption volume from unknown origin
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as country level
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as sub-national area
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as processing facility level
<Not Applicable>

% of non-DCF production/consumption volume traceable to production unit level
<Not Applicable>

Total percentage of production/consumption volume reported (DCF) [auto-calculated]
100

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]
<Not Applicable>

Cattle – Non DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion
<Not Applicable>

% of DCF production/consumption volume verified through monitoring systems
<Not Applicable>

% of DCF production/consumption volume physically certified
<Not Applicable>

% of non-DCF production/consumption volume from unknown origin
0

% of non-DCF production/consumption volume traceable only as far as country level
0

% of non-DCF production/consumption volume traceable only as far as sub-national area
0

% of non-DCF production/consumption volume traceable only as far as processing facility level
0

% of non-DCF production/consumption volume traceable to production unit level
100

Total percentage of production/consumption volume reported (DCF) [auto-calculated]
<Not Applicable>

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]
100

Soy – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion
0

% of DCF production/consumption volume verified through monitoring systems
0

% of DCF production/consumption volume physically certified
100

% of non-DCF production/consumption volume from unknown origin
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as country level
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as sub-national area
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as processing facility level
<Not Applicable>

% of non-DCF production/consumption volume traceable to production unit level
<Not Applicable>

Total percentage of production/consumption volume reported (DCF) [auto-calculated]
100

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]
<Not Applicable>

Soy – Non DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion
<Not Applicable>

% of DCF production/consumption volume verified through monitoring systems
<Not Applicable>

% of DCF production/consumption volume physically certified
<Not Applicable>

% of non-DCF production/consumption volume from unknown origin
0

% of non-DCF production/consumption volume traceable only as far as country level
0

% of non-DCF production/consumption volume traceable only as far as sub-national area
0

% of non-DCF production/consumption volume traceable only as far as processing facility level
0

% of non-DCF production/consumption volume traceable to production unit level
100

Total percentage of production/consumption volume reported (DCF) [auto-calculated]
<Not Applicable>

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]
100

F1.5c

(F1.5c) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity
Cattle products

Country/Area of origin
Argentina

State or equivalent jurisdiction
Don't know

% of total production/consumption volume
0.03

Please explain
This location accounts for 0.03% of the beef sourced by our business out of the 100% that is traced to the country/jurisdiction level.

We record each batch of beef primals on intake and record the supplying abattoir and their batch codes. Our suppliers can trace each batch to the origin finishing farms through their production and intake records.

We do not record the specific state in our records but have traceability to the abattoirs and through their records to the finishing farms so this information is available but has not been analysed for reporting.

Forest risk commodity
Cattle products

Country/Area of origin
Brazil

State or equivalent jurisdiction
Don't know

% of total production/consumption volume
0

Please explain
This location accounts for 0.006 % of the beef sourced by our business out of the 100% that is traced to the country/jurisdiction level.

We record each batch of beef primals on intake and record the supplying abattoir and their batch codes. Our suppliers can trace each batch to the origin finishing farms through their production and intake records.

We do not record the specific state in our records but have traceability to the abattoirs and through their records to the finishing farms so this information is available but has not been analysed for reporting.

Forest risk commodity
Cattle products

Country/Area of origin
Any other countries/areas

State or equivalent jurisdiction
<Not Applicable>

% of total production/consumption volume
63.7

Please explain
63.7% of the beef sourced by our business is from other countries out of the 100% that is traced to the country level.

We record each batch of beef primals on intake and record the supplying abattoir and their batch codes. Our suppliers can trace each batch to the origin finishing farms through their production and intake records.

We do not record the specific state in our records but have traceability to the abattoirs and through their records to the finishing farms so this information is available but has not been analyzed for reporting.

Forest risk commodity
Cattle products

Country/Area of origin
Any other countries/areas

State or equivalent jurisdiction
<Not Applicable>

% of total production/consumption volume
0.26

Please explain
Uruguay accounts for 0.264 % of the beef sourced by our business out of the 100% that is traced to the country/jurisdiction level. We record each batch of beef primals on intake and record the supplying abattoir and their batch codes. Our suppliers can trace each batch to the origin finishing farms through their production and intake records. We do not record the specific state in our records but have traceability to the abattoirs and through their records to the finishing farms so this information is available but has not been analysed for reporting.

Forest risk commodity
Cattle products

Country/Area of origin
Australia

State or equivalent jurisdiction
Not disclosing

% of total production/consumption volume
35.8

Please explain
This location accounts for 35.8% of the beef sourced by our business out of the 100% that is traced to the country/jurisdiction level. We cannot disclose the exact proportion by state as that is commercially sensitive information about market share.
We record each batch of beef primals on intake and record the supplying abattoir and their batch codes. Our suppliers can trace each batch to the origin finishing farms through their production and intake records, and through their records to all the farms in the supply chain.

F1.5f

(F1.5f) How does your organization produce or consume biofuel derived from palm oil?

Does your organization produce or consume biofuel derived from palm oil?
No

Data type
<Not Applicable>

Volume produced/consumed
<Not Applicable>

Metric
<Not Applicable>

Country/Area of origin
<Not Applicable>

State or equivalent jurisdiction
<Not Applicable>

% of total production/consumption volume
<Not Applicable>

Does the source of your organization's biofuel material come from smallholders?
<Not Applicable>

Comment

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

No

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity
Timber products

Have you monitored or estimated your deforestation/conversion footprint?
Yes, we monitor deforestation/conversion footprint in our supply chain

Coverage
Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?
During the last 5 years

Known or estimated deforestation/ conversion footprint (hectares)
0

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint
We ensure that all the paper and board we purchase is certified as DCF by FSC or PEFC so we do not have a deforestation footprint for those products. The packaging also contain a high proportion of recycled content.
We do not have a measure for the footprint from our use of wooden pallets.

Forest risk commodity
Cattle products

Have you monitored or estimated your deforestation/conversion footprint?
Yes, we estimate deforestation/conversion footprint based on sourcing area

Coverage
Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?
During the last 5 years

Known or estimated deforestation/ conversion footprint (hectares)
3042

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint
We estimate our deforestation footprint based on origin data, where we have supply chains that are in risk areas. We take a conservative approach to calculation using national deforestation figures from Global Forest Watch and overlaying that with the amount of production in risk areas. We are developing traceability systems that allow us to continue working with farmers that do not contribute to deforestation.

Forest risk commodity
Soy

Have you monitored or estimated your deforestation/conversion footprint?
Yes, we monitor deforestation/conversion footprint in our supply chain

Coverage
Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?
Since a specified cutoff date, please specify year (2020)

Known or estimated deforestation/ conversion footprint (hectares)
415

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint
We estimate our deforestation footprint based on origin data, where we have supply chains that are in risk areas. For this year we have used the most conservative possible measure of soy deforestation risk, assuming all non-DCF soy is grown on newly deforested land, this is not likely but in line with the precautionary principle. This has been done by considering our consumption (both though direct soy purchase and embedded soy) against global average yield per hectare, to give an upper bound for our deforestation footprint. We are developing traceability systems that allow us to continue working with farmers that do not contribute to deforestation.

Forest risk commodity
Palm oil

Have you monitored or estimated your deforestation/conversion footprint?
Yes, we monitor deforestation/conversion footprint in our supply chain

Coverage
Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?
During the last 5 years

Known or estimated deforestation/ conversion footprint (hectares)
0

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint
We ensure that all the palm oil that we purchase is certified as DCF by RSPO so we do not have a deforestation footprint for those products.

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

Issues considered

Impact of activity on the status of ecosystems and habitats
Regulation

Stakeholders considered

Customers
Investors
NGOs
Regulators
Suppliers

Please explain

We conduct annual risk assessments of our paper and board supply chain to identify, understand and address forest-related risks that could impact our company, and ensure that risk is embedded in decision-making processes. Our assessment shows that we only purchase paper and board that is certified as DCF by FSC or PEFC, therefore our purchases are not impacting deforestation.

Palm oil

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

Issues considered

Impact of activity on the status of ecosystems and habitats

Stakeholders considered

Customers
Investors
NGOs
Regulators
Suppliers

Please explain

We conduct annual risk assessments of our supply chain to identify, understand and address forests-related risks that could impact our company, and ensure that risk is embedded in decision-making processes. Our assessment shows that we only purchase palm derivatives that are certified by RSPO as DCF so we are not impacting deforestation.

Cattle products

Value chain stage
Supply chain

Coverage
Full

Risk assessment procedure
Assessed as part of an established enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
> 6 years

Tools and methods used
Internal company methods
External consultants

Issues considered
Availability of forest risk commodities
Quality of forests risk commodities
Impact of activity on the status of ecosystems and habitats
Regulation
Climate change
Tariffs or price increases
Brand damage related to forests risk commodities
Social impacts

Stakeholders considered
Customers
Investors
Local communities
NGOs
Regulators
Suppliers

Please explain
The main issue in identifying and assessing forest-related risks includes ensuring the traceability of all farms from birth through to slaughter. A further issue is the availability of verification methods to demonstrate farms are deforestation and conversion-free, as this varies depending on geography.

To address these issues we conduct annual risk assessments of our supply chain ensuring that risk is embedded in decision-making processes. Our assessments include availability and quality of our beef products including potential impacts of droughts in our Australian supply chain, and our supply chain's impact on ecosystems.

We also consider potential revenue loss due to factors such as import tariffs (e.g. from the EU to the UK), potential/upcoming laws on deforestation-free products in the UK and EU, loss of markets due to plant-based alternatives and cultured meat, brand damage, and increasingly tougher regulation.

We engage with stakeholders that we deem most relevant to our cattle value chain alongside our key customers with whom we jointly engage in stakeholder forums such as the European Roundtable in Sustainable Beef, of which we are Vice Chair. We consider reports from WWF, Greenpeace, and Mighty Earth in our assessments.

In South America, our supply partners use geospatial monitoring and satellite imagery to assess the performance of their supplying farmers and the impact they have, or could potentially be having, on local communities. Our suppliers in Brazil use national-specific databases, containing information on land-use cover and deforestation trends, to screen farms.

To stay ahead of regulation and reduce associated risks, we conduct regular meetings with DEFRA and participate in their advisory group on the development of secondary regulations on deforestation due diligence requirements.

We are also participating in the Global Roundtable for Sustainable Beef and are sponsors of the Global Meat Alliance to fully understand where the cattle sector is heading in terms of sustainability.

We complement our own efforts to identify risk by engaging expert consultants, CEN, who have access to national specific tools and databases for high-risk geographies. These tools provide us with data that is effective for risk analysis and forecasting.

We have prepared a high level decarbonisation plans for all of our protein supply chains.

Soy

Value chain stage
Supply chain

Coverage
Full

Risk assessment procedure
Assessed as part of an established enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
> 6 years

Tools and methods used
Internal company methods
External consultants
National specific tools and databases
Jurisdictional/landscape assessment

Issues considered
Availability of forest risk commodities
Impact of activity on the status of ecosystems and habitats
Regulation
Climate change
Brand damage related to forests risk commodities
Social impacts

Stakeholders considered
Customers
Investors
Local communities
NGOs
Regulators
Suppliers

Please explain
We conduct annual risk assessments of our supply chain to identify, understand and address forests-related risks that could impact our company, and ensure that risk is embedded in decision-making processes.

Our assessments include impacts on ecosystems, availability and quality of the soy used in the feed of the livestock we purchase and that used directly in our products. We also consider potential/upcoming laws on deforestation-free products in UK and EU.

We engage directly in and sponsor stakeholder forums to address the supply and verification of DCF soy such as the Soy Transparency Coalition (STC), the UK Sustainable Soya Round Table, and the UK Soy Manifesto, where we participate in the steering group. In these forums we participate directly in meetings with soy traders, alongside our key customers, to negotiate commitments to DCF soy with a cut-off date in 2020. We have been successful in negotiating this for all of the soy protein concentrate used in salmon feed globally.

We consider reports from WWF, Greenpeace and Mighty Earth in our assessments. Our dialogue with our investors allows them to voice their expectations for our soy.
In South America, the NGOs and traders are using geo-spatial monitoring and satellite imagery to build risk assessments of the impacts of land conversion and to measure the size of specific farms to monitor expansion over time. Traders use this data to monitor their farmers and the impact they have. This data is being utilised in our negotiations with traders to assess the risks and the opportunity.
To stay ahead of regulation and reduce associated risks, we conduct regular meetings with DEFRA and participate in their advisory group on the development of secondary regulations on deforestation due diligence requirements. We are also building soy sourcing commitments into the processes we are participating in for Sustainable Beef such as the UK Cattle Sustainability Platform where we drafted the soy action plan.

The STC and the Soy Manifesto steering governance group, which we are a member of, have prepared a high-level plan for achieving verified DCF soy by the end of 2025. These tools provide us with data that is effective for risk analysis and forecasting and ultimately with the verification processes to provide assurance as part of our shared commitments to DCF supply chains by the end of 2025.

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

	Value chain mapping	Primary reason for not mapping your value chain	Explain why your organization does not map its value chain and outline any plans to introduce it
Timber products	Yes, we have partially mapped the value chain	<Not Applicable>	<Not Applicable>
Palm oil	Yes, we have partially mapped the value chain	<Not Applicable>	<Not Applicable>
Cattle products	Yes, we have partially mapped the value chain	<Not Applicable>	<Not Applicable>
Soy	Yes, we have partially mapped the value chain	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>

F2.2a

(F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).

Forest risk commodity
Cattle products

Scope of value chain mapping
Tier 1 suppliers
Tier 2 suppliers

% of total suppliers covered within selected tier(s)
100

Description of mapping process and coverage
We have intake data for all beef purchased with details of the 1st tier supplier.
Every supplying site is audited and approved by our own trained team annually.
Every batch is fully traceable to the farms that the cattle were finished at (Tier 2). We specify that the farms they purchase from must be verified as not having deforested and we are working to set a cut of date for this.
Our aim is that all of our suppliers can provide full life traceability for the cattle back to breeding farms (Tiers 3 and 4).

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

Forest risk commodity
Soy

Scope of value chain mapping
Tier 1 suppliers
Tier 2 suppliers

% of total suppliers covered within selected tier(s)
100

Description of mapping process and coverage
For direct purchases of soy, we have full traceability of every batch to a supplier that has been audited and approved by our own team of trained auditors. The specifications for these products ensure they are not sourcing soy from forest-risk countries.

For embedded soy in livestock, we have full traceability to the direct suppliers (Tier 1) for every batch and then to the finishing farms that supplied the animals (Tier 2).

For farmed salmon, we have full visibility through the farm records of the batches of feed used and the feed suppliers can verify the origins of 100% of the soy protein concentrate (the only soy utilized in the feed) back to certified DCF soy with a 2020 cut-off date.

We utilize data from the soy traders and feed suppliers to map the proportion of soy from each country (and sub-region of origin where possible) to the farming industry in the country where the farms are located. This data is complete for the UK and we are continuing to map the supply chains in the other countries that we purchase livestock from.

Our next step to achieve this is to engage in the UK Sustainable Soy Roundtable Roundtable data flow working group alongside the major soy traders to establish data transfer up the supply chain on the DCF status.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

Forest risk commodity
Palm oil

Scope of value chain mapping
Own operations
Tier 1 suppliers

% of total suppliers covered within selected tier(s)
100

Description of mapping process and coverage
We have mapped all of our direct suppliers in our own operations, and a condition of supply is that all ingredients containing palm oil must be RSPO certified.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

Forest risk commodity
Timber products

Scope of value chain mapping
Own operations
Tier 1 suppliers

% of total suppliers covered within selected tier(s)
100

Description of mapping process and coverage
We have mapped all of our direct suppliers in our own operations, and a condition of supply is that all packaging containing paper or board must be PEFC or FSC-certified.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

F2.3

(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?

	Use of a classification system to determine deforestation and/or conversion risk of sourcing areas	Methodology used for classifying levels of risk	Use of risk classification	Attachment indicating risk classification for each sourcing area (optional)
1	No, but we plan to in the next two years	<Not Applicable>	<Not Applicable>	<Not Applicable>

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	No
Palm oil	No
Cattle products	Yes
Soy	Yes
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

All types of risks applicable to the business, including forests-related ones, are regularly reviewed and a formal risk assessment is carried out to highlight the most significant risks to the business and to determine actions that can reasonably and cost-effectively be taken to mitigate them. The Hilton Food Group operates a Risk Management Committee to identify risks, which are compiled into a risk register.

Definition of substantive financial impact: HFG defines substantive financial impact as an effect that has a significant impact (greater than 1% reduction in profit) on the organization at the corporate level.

Description of the quantifiable indicator(s): The size and relevance of these risks and opportunities are evaluated on the basis of the size of impact they would have on the volume produced and the potential for shareholder or customer concern. If risks were to pose a greater impact than a 1% reduction in profits, they would be considered as 'substantive'. We also utilize customers' processes for identifying climate-related risks by maintaining constant communication with our mutual CSR teams.

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity
Soy

Type of risk
Reputational and markets

Geographical scale
State or equivalent

Where in your value chain does the risk driver occur?
Supply chain

Primary risk driver
Increased cost of certified sustainable material

Primary potential impact
Increased production costs

Company-specific description
Increasing cost associated with verified DCF soy protein concentrate for suppliers, currently used as a major component in feed for farmed salmon, will reduce the affordability of salmon products to consumers, limiting their access to an important part of a sustainable balanced diet.

Timeframe
4-6 years

Magnitude of potential impact

Medium

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
1200000

Potential financial impact figure - maximum (currency)
3000000

Explanation of financial impact
The additional annual purchase costs of 20,000 tonnes of gutted salmon, based on 2-5% higher feed costs and feed being approximately 50% of the cost of production. Assumes baseline purchase cost of salmon is £6 per kg and that the increase was not absorbed by the supply chain.
20000 tonnes at £6 per kg = £120,000,000
2% increase in feed costs would increase total production costs by 1% (2%*50%) =£1,200,000
5% increase in feed costs would increase total production costs by 2.5% = £3,000,000

Primary response to risk
New product/technology development

Description of response
The movement to DCF soya for animal feed supply chains is challenged by the availability of soy with complete traceability as the industry is still developing the processes around this. Thus our options are either to pay more for sustainable verified DCF soy protein concentrate or find an alternative protein source that has equivalent nutritional benefits and equal or better environmental footprint.
The task is to evaluate the commercial production of insect protein meal fed on food waste and algae that has a lower LCA emissions footprint and delivers consistent high quality protein that will also maintain or improve feed conversion and fish health.
The actions we are taking is working with Future By Insects, FERA and Greencore on a joint project that will grow algae to feed to black soldier fly larvae together with bread crusts / waste salad materials from a Greencore sandwich factory. The algae will be grown in food factory waste water and its growth will be accelerated by adding CO2, that will ultimately be from their cooking system, potentially making the meal carbon neutral. The trails will be conducted at the FERA bioreactor and will produce sufficient quantities to prove the scalability and consistency of the resulting insect protein meal. The intention is to be able to implement this in our supply chain in the next three years.

Cost of response
135000

Explanation of cost of response
The cost of a one-year project utilising the FERA facilities and the Greencore food waste to test various combinations of feed substrate and then produce at pilot scale for feed companies to evaluate. This has been fully costed and funded by a generous grant by WWF. The intention is to be able to implement this in our supply chain in the next three years.

Forest risk commodity
Cattle products

Type of risk
Regulatory

Geographical scale
Farm

Where in your value chain does the risk driver occur?
Supply chain

Primary risk driver
Uncertainty and/or conflicts involving land ownership and occupancy rights

Primary potential impact
Fines, penalties or enforcement orders

Company-specific description
Beef supplied from South America is associated with risks around uncertainty and/or conflicts involving land ownership and occupancy rights as well as documentation issues proving legal permission for the historic deforestation that they have carried out or was done on the land that they purchased.
Thorough due diligence is required to address risk of fines from breaching the regulations. The fines would not be substantive as traceability and verification in each country with forest risks can be verified by our supplier audits.

Timeframe
1-3 years

Magnitude of potential impact
Medium-low

Likelihood
Very unlikely

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact (currency)
93934200

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
This is the maximum fine that may be imposed (4% of EU revenue, GBP 2.34bn in 2022) should we fail to demonstrate sufficient due diligence in assessing the legality of our supply chains when challenged over a proven case of illegal deforestation on a farm in our supply chain.
The fine would be imposed immediately if we were found to breach regulation.

Primary response to risk
Greater due diligence

Description of response
The actions we are taking are working with trusted suppliers to ensure that they have robust traceability through the whole life of the cattle and verification of the deforestation permission
status of each farm. This is to be carried out by a verification of the legal permission for the original forest clearance combined with satellite monitoring of the farms to ensure that any further deforestation is identified.

Our policy is to avoid purchasing from farms that continue to deforest after 2020 so the verification process will confirm that no further forest clearance has occurred.
The results will be that all of our supply in forest risk countries is from farms that have robust and traceable permission for their original deforestation activities historically and the avoidance of farms that have undertaken any deforestation activity since 2020.

These precautions will be effective in preventing risk of fines for insufficient due diligence and will improve Hilton Foods' resilience at a corporate level, preventing any future financial impacts.
Timescale of implementation is based on our DCF target by 2025. This due diligence began in 2020 and will continue until we meet our 2025 target and thereafter to ensure we maintain that level.

Cost of response
5500

Explanation of cost of response
The cost to realise the opportunity is the estimated cost to maintain the software with software company Foods Connected. In addition to the 50 hours (at average cost of £30/h) required to ensure the appropriate due diligence of our verified DCF cattle supply chain in South America to address this risk according to legislation.

F3.1c

(F3.1c) Why does your organization not consider itself to be exposed to forests-related risks with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Timber products	Risks exist, but no substantive impact anticipated	The paper and board used in our packaging is all certified by FSC or PEFC, and is also made from a high proportion of recycled materials. There is a very unlikely risk of some non-certified materials entering the suppliers but this is very unlikely to have any substantive risk to our reputation.
Palm oil	Risks exist, but no substantive impact anticipated	The small amounts of palm derivatives used in our products is all certified by RSPO. There is a very unlikely risk of some non-certified materials entering the suppliers but this is very unlikely to have any substantive risk to our reputation.
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	Yes, we have identified opportunities but are unable to realize them
Palm oil	Yes, we have identified opportunities but are unable to realize them
Cattle products	Yes
Soy	Yes
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity
Soy

Type of opportunity
Markets

Where in your value chain does the opportunity occur?
Supply chain

Primary forests-related opportunity
Increased brand value

Company-specific description
The situation we have identified is an opportunity to grow sales and build consumer confidence by ensuring physically traceable verified DCF soy in all of our animal feed for our meat and fish products. There is a high potential for additional revenue in the UK and other countries where there is a growing consumer demand for food products that have a demonstrably lower footprint. Our consumer research shows that there is a specific demand for livestock products that offer a choice of lower footprints. Using 100% DCF soy in feed will be one of the largest impacts in the footprint within the measures that we are taking in our supply chains.

Our strategic actions are driven by our commitment is to eliminate deforestation from the conversion of natural forests to agriculture or livestock production in our supply chains by the end of 2025. Our strategy is to actively engage in collaborative forums to influence and negotiate directly with the major soy traders and through them to influence the practices of growers. We are founder members of the Soy Transparency Coalition and the UK Soy Manifesto. We are directly supporting the development of livestock sector plans in each of the countries where we source livestock that will deliver physically verified supply chains of DCF soy.
Hilton is part of the DEFRA working group developing the supply chain verification requirements and guidance to comply with the new UK regulation.

We have been utilising both soy credits and mass balance certification to encourage farmers to commit to DCF status. Moving forward we are transitioning to physical verification with segregation throughout the chain of custody. The DCF status of farmers will be verified either by independent certification schemes (such as with the new RTRS module) or by using a traders own verification system that monitors farms using satellite technology. Hilton participated in the negotiation between the salmon industry and the soy protein concentrate producers who now only purchase certified DCF soy with a 2020 cut off date. These actions will result in demonstrating a reduced carbon footprint as the impacts of land use change can be excluded form the LCA. When verified DCF soy use is widespread across the livestock farming industry there will also be a reduction in the national GHG inventory figure.

Estimated timeframe for realization
1-3 years

Magnitude of potential impact
Medium-high

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
7103375

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The potential impact figure is based on the increase in sales by 5% if we had 100% DCF soy in our UK and Europe salmon supply chain as these regions are identified as an area with greater demand for this criterion.

Calculation: 5% multiplied by estimated 2022 salmon revenue in UK & Europe.

Cost to realize opportunity
2486181

Strategy to realize opportunity
Our strategic actions are driven by our commitment to eliminate deforestation from the conversion of natural forests to agriculture or livestock production in our supply chains by the end of 2025. As one of many actions we are taking to address traceability of the soy supply chain, we are on the governance board of the UK Soy Manifesto, this resulted in 60% of the British food industry having a common commitment to DCF soy and a common to ask to the soy traders. We published Our UK Commitment to Sourcing Deforestation and Conversion Free Soy in 2022.
We are supporting DEFRA in developing secondary regulation under the Env. Act to require due diligence against illegal deforestation. Our engagement is both directly and through the Food and Drink Federation where we are active members.
We are mapping soy usage and origin to allow us to conduct risk assessments for each of our supply chains, and to then develop appropriate deforestation due diligence.
We are engaged in collaborative action to achieve verified DCF soy supply chains to the UK, and to the livestock feed industries in the countries where we import livestock from. Some examples of actions we are taking are:
• We are founder members The Soy Transparency Coalition and through this forum we co-fund the soy trader benchmarking surveys and reports.
• We joined the UK Roundtable on Sustainable Soya at its launch in July 2018 alongside our retail partners, where we have made a joint commitment to help protect the forests in South America from further deforestation.
• We are leading the development of a sector plan for soy fed to cattle within the UK Cattle Sustainability Platform.
This strategy is being implemented currently; all the Soy Protein used in our salmon feed complies with this commitment. We helped negotiate with the Soy Protein Concentrate (SPC) traders a collective commitment to only source DCF soy, with robust third-party verification processes and a cut-off date of Jan 2020. All the soy we use as a direct ingredient comes from farms that are in regions where there is no deforestation and conversion . With the target to have all UK product supply chains DCF by 2025.
Calculation:
Estimated DCF premium of 3.5% on feed, which is 50% of total cost of Salmon (GBP 142067500) = 0.035*0.5*142067500 = 2 486 181

Forest risk commodity
Cattle products

Type of opportunity
Products & services

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity
Increased sales of existing products/services

Company-specific description
The opportunity is to grow our food service market share by providing assurance of the DCF status of all of the beef we purchase from South America.
The strategy is to work with supplier partners to develop robust verification processes to trace purchases to farms that they are monitoring and prohibiting their land from deforestation or natural habitat conversion. By integrating our traceability tools in Foods Connected with geospatial monitoring of the farms we can provide visibility to the end customer.
Geospatial monitoring tracks the condition of the ranches, ensuring that cattle purchased do not originate from properties with deforested areas. Monitoring of the indirect suppliers is the greatest challenge as requires the engagement of the entire value chain to ensure complete cattle traceability.
As a case study, our principle supply chain partner, has pioneered the wider application of geospatial monitoring technology to 100% of direct suppliers in
all biomes of Brazil (Amazon, Cerrado, Pantanal and Atlantic Forest). In 2021 the implementation of monitoring for 100% of purchases in Paraguay was concluded., and 90% are monitored in Argentina.
Our partner has also started to integrate 2 new systems to further enhance the data from Geospatial monitoring and look further back down the supply chains -
1. Visipec a traceability and monitoring tool for indirect suppliers. The tool cross-references information from a property's Rural Environmental Registry (CAR, in Portuguese)
with public databases to track cattle movements during their production cycle. Visipec was developed by the National Wildlife Federation (NWF) in partnership with the Gibbs - Land-Use and Environment Lab at Wisconsin-Madison University. It is currently managed by the NWF.
2. The app SMGeo Prospec, which is used to engage the entire livestock chain by transferring its monitoring technology, to the hands of the rural producers.

Estimated timeframe for realization
1-3 years

Magnitude of potential impact
Medium

Likelihood
Virtually certain

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
265500

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The potential impact figure is based on the estimated sales which could be increased with full traceability for deforestation
10% increase in sales associated with traceable supply chains = £265 500

Cost to realize opportunity
22500

Strategy to realize opportunity
Our strategic actions are driven by our commitment is to eliminate deforestation from the conversion of natural forests to agriculture or livestock production in our supply chains by the end of 2025.
As one of many actions we are taking to address traceability of the soy supply chain, we are on the governance board of the UK Soy Manifesto, this resulted in 60% of the British food industry having a common commitment to DCF soy and a common to ask to the soy traders. We published Our UK Commitment to Sourcing Deforestation and Conversion Free Soy in 2022.
Additionally, we are mapping soy usage and origin to allow us to conduct risk assessments for each of our supply chains, and to then develop appropriate deforestation due diligence.
We are founder members The Soy Transparency Coalition and through this forum we co-fund the soy trader benchmarking surveys and reports.
This strategy is being implemented currently; all the Soy Protein used in our salmon feed complies with this commitment. With the target to have all product supply chains DCF by 2025.
Calculation:
Total volume of products sold in the UK with soy-based feed = 71909073 tonnes. Used the methodology to calculate the transition to DCF soy feed in salmon in risk section-
71909073 x £6 the average price of salmon per tonne = £431,454,438.00

F3.2b

(F3.2b) Why does your organization not consider itself to have forests-related opportunities?

Timber products

Primary reason

Opportunities exist, but none with potential to have a substantive financial or strategic impact on business

Please explain

HFG defines a substantive financial opportunity as an effect that has a significant impact (greater than 1% reduction in profit) on the organization at the corporate level.
All our paper and board is already 100% certified and is a vital part in labels and sleeves of packaging, thus reduction in use is not a viable opportunity. The replacements of plastic packaging with paper and board are also not compliant with product Health and Safety for protein. Therefore, the two changes likely to have a substantive impact on the business are not viable at this point in time.
This assessment will be repeated upon renewal of supplier contracts.

Palm oil

Primary reason

Opportunities exist, but none with potential to have a substantive financial or strategic impact on business

Please explain

HFG defines a substantive financial opportunity as an effect that has significant impact (greater than 1% reduction in profit) on the organization at the corporate level.
Palm oil is below 1% of procurement spend and it is already 100% RSPO certified meaning there is no opportunity for over 1% increase in profit according to this method of assessment.
This assessment will be repeated upon renewal of supplier contracts. However, we are not looking to increase palm oil consumption.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual or committee	Responsibilities for forest-related issues
Director on board	The Chair of the Sustainability Committee is a Non-Executive Board Member, this member also sits on the Audit Committee. They have responsibility for the governance of the CSR strategy and climate-related risk and opportunity assessments including our commitment to deforestation and conversion-free supply chains. An example of a forest-related decision that the individual led is the implementation of our Long-term incentive plan for our business leaders, this included a metric aligned to our Science-based target which encompasses DCF.
Chief Sustainability Officer (CSO)	The Chief Quality and Sustainability Officer is responsible for the oversight of the Sustainability strategy and management of the CSR team. They oversee progress against our CSR targets, supply chain engagement and progress global reporting, which includes our commitment to deforestation and conversion-free supply chains. An example of a forest-related decision is that the individual contributed to the oversight of target setting as well as publishing progress against our targets. They have also supported and encouraged our participation and leadership in industry working including the UK Soy Manifesto. The Chief Quality and Sustainability Officer is a member of the Executive Leadership team who are responsible for the implementation and delivery of strategy.
Board-level committee	The Committee is accountable for the delivery of our long-term social and environmental strategy and progress. It approves formal corporate sustainability reporting and supports the Senior Management Team in its delivery. It is formally updated on progress every three months and to ensure the ongoing resilience of Hilton Foods, it assesses climate-related risks and opportunities in collaboration with the Audit and Risk Management Committees. Our Sustainability Committee also includes our CEO and CFO. An example of a forest-related decision that the committee has contributed to the oversight and approval of target setting.

F4.1b

(F4.1b) Provide further details on the board's oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding public policy engagement Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation / R&D priorities Setting performance objectives	The Board is formally updated on the progress of the 2025 Sustainable Protein Plan every six months and together with the Sustainability Committee has oversight over the implementation of Hilton Food's sustainability strategy throughout the business. This includes reviewing and guiding of annual budgets, business plans, strategy and monitoring implementation and performance. The Sustainability Committee discusses climate-related risks and opportunities and the progress of the Sustainability strategy including our DCF commitment and progress towards the certification of our supply chain to deforestation and convers supply. In addition to oversight over the strategy the committee also reviews and guides R&D priorities, and annual budgets and monitors implementation and performance against targets. The Audit Committee considers climate-related risks with a report and minutes from the chair of the Sustainability Committee. The board has a review of risks and Sustainability strategy progress scheduled annually. Agenda items for the Sustainability Committee October meeting, we updated on our progress on the Hilton Foods commitment across all geographies and did a legislation update in all of the geographies we operate in.

F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

Yes

Criteria used to assess competence on forests-related issues

Non-Executive Director and Chair of the Sustainability Committee was responsible for the CSR strategy at Tesco's CSR strategy and their delivery programme internationally including leading the strategy on Forest Risk. They also have experience in establishing and running sustainability programmes for large financial services companies including Prudential.

Primary reason for no board-level competence on forests-related issues

<Not Applicable>

Explain why your organization does not have at least one board member with competence on forests-related issues and any plans to address board-level competence in the future

<Not Applicable>

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain
Other C-Suite Officer, please specify (Chief Quality and Sustainability Officer)	Managing annual budgets relating to the implementation of forest-related policies and commitments Setting forests-related corporate targets Monitoring progress against forests-related corporate targets Managing public policy engagement that may impact forests Managing value chain engagement on forests-related issues Assessing forests-related risks and opportunities	Quarterly	The Chief Sustainability and Quality Officer is also a member of the Executive Leadership Team. They are updated monthly alongside the CEO on the progress of our 2025 Sustainable Protein Plan and relevant forest-related issues including monitoring progress against our deforestation commitment and the management of the annual budget. They also report via the Chair of the Sustainability Committee to the board annually on our risk assessment and progress towards our commitments.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	We have developed a Long-term Incentive Plan to demonstrate the importance of the 2025 Sustainable Protein Plan to the business and ensure leadership is held accountable to the progress we strive to make. The annual bonus for the Executive Directors is augmented by the personal element bonus which is calculated based on several metrics including increasing packaging recycled content, paper and carboard form part of this metric.

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Contribution of incentives to the achievement of your organization's forests-related commitments	Please explain
Monetary reward	Corporate executive team	Ending deforestation and/or conversion of other natural ecosystems	5%	The performance conditions cover the three financial years 2022-2024 and cover 100% of direct operations. The minimum threshold to indicate successful performance is 6.5% scope 1& 2 emissions reduction over 3 years and the maximum is 43.9% reduction over 3 years. This LTIP relies on ensuring no land conversion or deforestation to achieve this.
Non-monetary reward	Please select	<Not Applicable>	<Not Applicable>	

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

Yes (you may attach the report – this is optional)

Sustainability Report 2022.pdf

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

Row 1

Scope

Company-wide

Commodity coverage

General forests policy covering all commodities

Content

Commitment to eliminate conversion of natural ecosystems
Commitment to eliminate deforestation
Adoption of the UN International Labour Organization principles
Commitment to take action beyond own supply chain to tackle environmental issues
Commitment to resolving both social and environmental issues in own operations and supply chain
Commitment to protect rights and livelihoods of local communities
Commitment to stakeholder awareness and engagement

Document attachment

Please explain

Hilton Food Group plc (Hilton) is committed to promoting environmental sustainability to address long-term critical depletion of natural resources or lasting damage to species, habitats, biodiversity and the climate, as detailed in our Supply Chain Environmental Policy. This policy covers 100% of HFG manufacturing operations and applies to the supply chains where we have responsibility for procurement and/or supply chain approval. This policy outlines our commitments to reducing environmental impacts, including forest-related commitments, and is reviewed periodically and amended when relevant.

In our annual report we have directed to our UK Commitment to Sourcing Deforestation and Conversion Free Soy which outlines how we have supported policy development. This is publically available.

We have made publicly available our commitment to eliminate deforestation and conversion of natural ecosystems in the Nature Positive Plan within the sustainability section of our Annual Report.

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Forest risk commodity	Public commitments made
Cattle products	Yes
Soy	Yes
Timber products	Yes
Palm oil	No

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Cerrado Manifesto
Soy Moratorium
Other, please specify (UK Soy Manifesto, Soy Transparency Coalition)

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity
Soy

Criteria
Zero gross deforestation/ no deforestation
No sourcing of illegally produced and/or traded forest risk commodities

Operational coverage
Supply chain

% of total production/ consumption covered by commitment
100%

Cutoff date
2020

Forest risk countries/areas that the cutoff date applies to
Applied globally

Reason for selecting cutoff date
Compliance with initiative, please specify (UK Soy Manifesto)

Commitment target date
2021-25

Please explain
Globally we have set a 2025 target date to eliminate deforestation from the conversion of natural forests to agriculture or livestock production in our supply chains. This is stated in our 2022 Sustainability report under targets and is in accordance with our Supply Chain Environmental policy to eliminate deforestation and damage to pristine natural habitats.
We are seeking the earliest possible cutoff date that traders can achieve with a target of 2020, although this date is only currently a public commitment for our UK chains as stated in our UK Commitment to Sourcing Deforestation and Conversion Free Soy.
This commitment is valid across all our operations, covering the entirety of our soy consumption. We work with our suppliers to ensure this commitment is fully implemented by 2025.
An example of the work we have done in the last year to achieve these commitments is to directly engage with soy traders as part of the steering group of the UK Soy Manifesto and in the collaborative forum of the Soy Transparency Coalition.
We have also made commitments in our Supply Chain Social Responsibility Policy to follow the United Nations Guiding Principles on Business and Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, and the Ethical Trade Initiative Base Code. As full participants in the UN Global Compact (UNGC), we are committed to supporting their 10 Principles. We are conducting human rights risk assessments across our supply chains.

Forest risk commodity
Timber products

Criteria
Zero net deforestation
No trade of CITES listed species
Promotion of gender equality and women's empowerment
Adoption of the UN International Labour Organization principles

Operational coverage
Supply chain

% of total production/ consumption covered by commitment
100%

Cutoff date
2018

Forest risk countries/areas that the cutoff date applies to

Applied globally

Reason for selecting cutoff date
Sector-wide agreement/recommendation

Commitment target date
2020

Please explain
Globally we have set a 2025 target date to eliminate deforestation from the conversion of natural forests to agriculture or livestock production in our supply chains. This is stated in our 2022 Sustainability report under targets and is in accordance with our Supply Chain Environmental policy to eliminate deforestation and damage to pristine natural habitats.
Globally we also set a 2020 target date to only purchase paper and board products used in our packaging from FSC or PEFC certified
sources. This was achieved before 2020 and has been maintained since. This is stated in our 2022 Annual Report in the Sustainability Section and is in accordance with our Supply Chain Environmental policy to eliminate deforestation and damage to pristine natural habitats.

Forest risk commodity
Cattle products

Criteria
Zero gross deforestation/ no deforestation
Avoidance of negative impacts on threatened and protected species and habitats
Collaborate in landscapes/jurisdictions to progress shared sustainable land use goals

Operational coverage
Supply chain

% of total production/ consumption covered by commitment
100%

Cutoff date
2020

Forest risk countries/areas that the cutoff date applies to
Applied globally

Reason for selecting cutoff date
Sector-wide agreement/recommendation

Commitment target date
2021-25

Please explain
Globally we have set a 2025 target date to eliminate deforestation from the conversion of natural forests to agriculture or livestock production in our supply chains. This is stated in our 2022 Sustainability report under targets and is in accordance with our Supply Chain Environmental policy to eliminate deforestation and damage to pristine natural habitats.
We are seeking the earliest possible cutoff date that our supply chains can achieve.
This commitment is valid across all our operations, covering the entirety of our beef consumption. We work with our suppliers to ensure this commitment is fully implemented by 2025.
An example of the work we have done in the last year to achieve these commitments is to engage with our principal beef supplier in South America and visit farms with them to understand how they are implementing a zero deforestation verification programme with their farmers. Our supply partner monitors 100% of its direct supplier farms using georeferenced maps in all biomes in which it operates (Amazon, Cerrado, Pantanal and Atlantic Forest), including all full-cycle farms, from birth to processing. The Company also met its target of monitoring 100% of supplier farms in Paraguay by 2021. Our suppliers are extending the verification and approval system to cover the full life of the cattle and ensuring that the finishing farms only purchase cattle from approved rearing and breeding farms. With the SMGeo Prospec app, launched in 2021, direct supplying farms have access to technology to assess their supply chains for compliance.
We have also made commitments in our Supply Chain Social Responsibility Policy to following the United Nations Guiding Principles on Business and Human Rights, the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work, and the Ethical Trade Initiative Base Code. As full participants of the UN Global Compact (UNGC), we are committed to supporting their 10 Principles. We are conducting human rights risk assessments across our supply chains. These social commitments cover all our operations (including supply chain). We are conducting human rights risk assessments across our supply chains.

Forest risk commodity
Soy

Criteria
No conversion of natural ecosystems
Zero gross deforestation/ no deforestation
No sourcing of illegally produced and/or traded forest risk commodities

Operational coverage
Selected facilities, businesses or geographies only

% of total production/ consumption covered by commitment
11-20%

Cutoff date
2020

Forest risk countries/areas that the cutoff date applies to
Any other countries/areas

Reason for selecting cutoff date
Compliance with initiative, please specify (UK Soy Manifesto)

Commitment target date
2021-25

Please explain

We are signatories to the UK Soy Manifesto, and this commitment is valid across all our UK operations, covering the entirety of our UK soy consumption.
We are committed to ensuring we use deforestation and conversion free soy (encompassing both legal and illegal deforestation/conversion) for all our operations, as soon as possible and no later than the end of 2025. Our target cut-off date is January 2020 (upholding pre-existing or emerging sectoral or biome-wide cut-off dates already in place e.g., the Amazon Soy Moratorium). This commitment applies to all soy used in the production of our UK origin animal protein products, whether used directly as an ingredient or indirectly in the feed of the livestock in all of the supply chains where we have
responsibility for procurement and / or supply chain approval. We are encouraging our customers and our suppliers to make similar commitments.
The % range represents the estimated approximate UK proportion of our total 'embedded in feed' soy footprint. We have not mapped the total footprint but we can calculate the proportion of the total volumes of livestock fed on some element of soy.
An example of the work we have done in the last year to achieve these commitments is to engage with soy traders as part of the steering group of the UK Soy Manifesto and in the collaborative forum of the Soy Transparency Coalition. Our active role in these working groups, includes engaging in the data flow working group of the Manifesto to develop traceability protocols to verify the DCF chain of custody through the supply chains. We are also actively engaged in the development of a sector plan for cattle fed on soy within our governance role of the UK Cattle Sustainability Platform.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	5-10	Our sustainability commitments are contained in our Sustainable Protein Plan detailed in our 2022 annual report. This is aligned with our global environmental policies which are applied in all the regions we operate in. This plan includes a global commitment that applies to all the forest risk commodities that are disclosed, to eliminate deforestation from the conversion of natural forests to agriculture or livestock production, before the end of 2025. The long-term time horizon chosen reflects our commitment to achieving our approved Science Based Targets. Our long-term decarbonisation plans for Scope 3 require us to include investments in the 5-10 year horizon in our financial planning to achieve and maintain our target for eliminating deforestation and also address land conversion and biodiversity protection and enhancement across our global supply chains. We have a target to double the sales of plant based and flexitarian products by 2025 and to grow our seafood business to diversify our portfolio of protein products over the next 10 years. This will reduce our reliance on forest risk proteins. We have made a UK commitment to the Soy Manifesto to ensure that all the soy used in our livestock will be verified as DCF by the end of 2025 with a cut off date of 2020. All of our directly purchased soy is already from countries without forest risks.
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	Our market development strategy includes diversifying our portfolio of protein products over the next 10 years and this has already progressed rapidly with the growth of plant-based products and seafood. Our strategy to address deforestation is focused on farmed animal feed where soy is major component. We are signatories to the UK Soy Manifesto and sit in the steering group. We are members UK roundtable on sustainable soy and we are engaged in the physical supply chain working group to address directly traceable verified DCF soy into the feed supply chains of the UK. We are founder members of the Soy Transparency Coalition which is targeted at large soy traders to be open about their soy sourcing and plans to achieve net zero deforestation and conversion free supply chains. We are signatories of the Statement of Support for the Cerrado Manifesto and have actively engaged in advocacy to soy traders and governments. Our long-term strategy is to utilise standards to independently verify the DCF status of our supply chain that we are already engaged in developing and will remain committed to supporting over the 10 year period. We are working with our beef suppliers in South America to verify the DCF status of every farm in the chain back to breeding farms. Through our membership of the UK Cattle Sustainability Platform, we have developed a soy working group. This group is building a UK cattle sector plan to achieve verified DCF soy supply chains for all UK cattle farmers that use soy in their feed.
Financial planning	Yes, forests-related issues are integrated	5-10	Our financial planning includes the actions required to reduce our reliance on forest risk commodities and to address deforestation and land conversion in our supply chains over the 10 year horizon. The financial plan includes our investment in acquisitions and R&D to diversify our portfolio of protein products over the next 10 years. Recent examples include the acquisition of Dalco in the Netherlands, a plant-based protein specialist with global sales. We have also purchased Foppen, a salmon smoker in the Netherlands and Greece that also has a verified DCF supply chain for the soy used in its farmed salmon feed. We are including long-term financial planning for innovation in our agricultural supply over the 10 year time horizon, such as our existing project in the development of insect meal feed ingredients described in our response to strategy. The cost of purchasing responsible soy credits and subsequently directly purchasing certified and verified DCF soy is incorporated into our financial planning. We initially focused on buying certification credits for soy and now we are transitioning to verified segregated supply chains that will require financial investment in the cost of certified raw materials and the traceability and verification systems. In 2022, we implemented out first ESG metrics for LTIPs, including a packaging metric to increase recycled content which also covers paper and board packaging. This is the first time the LTIP contains a significant ESG element. The changes are designed to demonstrate in practice the importance of the 2025 Sustainable Protein Plan to the business, and ensure leadership are held accountable to the progress we strive to make.

F6. Implementation

F6.1

(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.

Target reference number
Target 1

Forest risk commodity
Soy

Year target was set
2021

Target coverage
Company-wide

Target category
Third-party certification

Metric
% of volume third-party certified

Traceability point
<Not Applicable>

Third-party certification scheme
RTRS (any type)
RTRS Segregated
RTRS Mass Balance
RTRS Credits
ProTerra certification

Base year
2021

Base year figure
11

Target year
2025

Target year figure
100

Reporting year figure
17.2

% of target achieved relative to base year [auto-calculated]
6.96629213483146

Target status in reporting year
Underway

Is this target linked to a commitment?
Zero net/gross deforestation

Please explain
This target is company-wide as outlined in the Annual Report.

There are 5 suppliers to Hilton who have already signed the UK soy manifesto and in addition all of our salmon farmers already comply with the commitment as they have 100% verified DCF soy in their feed. In total, we estimate that this group of suppliers in total equates to approximately 90% % of total embedded soy in the feed of livestock supplied to our UK operations.

100% of our soy use in direct operations in vegetarian and vegan products is certified as deforestation and conversion free.

The % of soy third-party certified is a sum of the UK-embedded soy certification and soy used in our direct operations.

Target reference number
Target 2

Forest risk commodity
Timber products

Year target was set
2018

Target coverage
Company-wide

Target category
Third-party certification

Metric

% of volume third-party certified

Traceability point
<Not Applicable>

Third-party certification scheme
FSC Chain of Custody
PEFC Chain of Custody

Base year
2018

Base year figure
0

Target year
2020

Target year figure
100

Reporting year figure
100

% of target achieved relative to base year [auto-calculated]
100

Target status in reporting year
Achieved

Is this target linked to a commitment?
Zero net/gross deforestation

Please explain
100% of the paper and board-based packaging including primary and secondary is certified to either FSC or PEFC.
This is a requirement of the specifications and verified by chain of custody audits.

Target reference number
Target 3

Forest risk commodity
Cattle products

Year target was set
2021

Target coverage
Company-wide

Target category
Traceability

Metric
% of volume traceable to traceability point

Traceability point
Breeding farm

Third-party certification scheme
<Not Applicable>

Base year
2021

Base year figure
63

Target year
2025

Target year figure
100

Reporting year figure
99.9

% of target achieved relative to base year [auto-calculated]
99.7297297297297

Target status in reporting year
Underway

Is this target linked to a commitment?
Zero net/gross deforestation

Please explain
We have engaged with our direct suppliers (abattoirs and traders) to explain this commitment and we are progressively building it into our commercial agreements.
The represents the 70.4% of our South American beef that came from Uruguay out of the total from South America.
Uruguay has full-life traceability back to breeding farms in place for the supply chains that we use.
Our direct suppliers in South America will provide regular (minimum annual) updates on how the development of traceability and engagement with their farms is progressing. Hilton have a 50% joint venture with Foods Connected and we will utilise their Trace Connected traceability platform to provide visibility across the suppliers

into Hilton Foods.
As a case study, our principal supplier in South America has pioneered the wider application of geospatial monitoring technology to 100% of direct suppliers in all biomes of Brazil (Amazon, Cerrado, Pantanal and Atlantic Forest). In 2021, the implementation of monitoring for 100% of purchases in Paraguay was concluded., and 90% are monitored in Argentina.
They have also started to integrate 2 new systems to further enhance the data from Geospatial monitoring and look further back down the supply chains -
1. Visipec a traceability and monitoring tool for indirect suppliers. The tool cross-references information from a property's Rural Environmental Registry (CAR, in Portuguese)
with public databases to track cattle movements during their production cycle. Visipec was developed by the National Wildlife Federation (NWF) in partnership with the Gibbs - Land-Use and Environment Lab at Wisconsin-Madison University. It is currently managed by the NWF.
2. The app SMGeo Prospec, whis is used to engage the entire livestock chain by transferring its monitoring technology, to the hands of the rural producers. In partnership with Niceplanet Geotecnologia developers of the application, is making it easier for the finishing farms that supply them throughout Brazil to verify compliance within their own supply chain.

Target reference number
Target 4

Forest risk commodity
Palm oil

Year target was set
2018

Target coverage
Company-wide

Target category
Third-party certification

Metric
% of volume third-party certified

Traceability point
<Not Applicable>

Third-party certification scheme
RSPO Segregated
RSPO Mass Balance

Base year
2018

Base year figure

Target year
2020

Target year figure
100

Reporting year figure
100

% of target achieved relative to base year [auto-calculated]
<Calculated field>

Target status in reporting year
Achieved

Is this target linked to a commitment?
Zero net/gross deforestation

Please explain
All of our palm oil derivatives used in our products are certified to RSPO. And we continue to apply this target in purchasing agreements. This is a requirement of the specification and is verified by audit.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Supply chain coverage	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	Volume from direct suppliers only	All suppliers have a specification to only supply FSC or PEFC certified paper or board. The internal traceability systems at each supplier start with verifying that their raw materials are from certified sources and each batch is recorded as such in their intake records and is traceable through production records to finished products. This is verified by a chain of custody audit by the certification body concerned. We check on intake that certified packaging components have been supplied as part of our intake compliance checks. During our supplier audits we also verify compliance.	Not applicable	<Not Applicable>
Palm oil	Yes	Volume from direct suppliers only	All suppliers have a specification to only supply RSPO certified palm oil or its derivatives. The internal traceability systems at each supplier start with verifying that their raw materials are from certified sources and each batch is recorded as such in their intake records and is traceable through production records to finished products. This is verified by a chain of custody audit by the certification body concerned. We check on intake that certified ingredients have been supplied as part of our intake compliance checks. During our supplier audits we also verify compliance.	Not applicable	<Not Applicable>
Cattle products	Yes	Volume from direct suppliers only	All suppliers of beef primals are able to trace back to rearing farm of origin. This is done by recording the farm details for each animal at the abattoir intake and maintaining traceability of the specific animal to the final primal using labelling codes. The records then allow us to verify which farms have been utilised to supply a particular batch of primals. We record the batch details on intake in our internal electronic traceability systems, as part of our intake compliance checks. During our supplier audits we also verify the traceability systems and carry out traceability testing back to a group of farms for a specific batch supplied to Hilton Foods.	Not applicable	<Not Applicable>
Soy	Yes	Volume from direct and indirect suppliers	1. All direct purchases of soy is traceable to the supplying factory and country of origin. All suppliers have a specification to only supply from countries that are not forest risk areas. The materials we are purchasing are processed soy as a functional food ingredient usually manufactured in the same countries as the soy is grown. The internal traceability systems at each supplier record the country of origin and the intermediate supplier or farm of origin as part of their intake records and this is traceable through production records to finished products. We check on intake that the soy is from approved suppliers and is to the correct specification as part of our intake compliance checks. During our supplier audits we also verify compliance. 2. Soy used as an ingredient in feed for farmed salmon. 100% of the soy protein concentrate (SPC) used in feed for our salmon comes from Proterra certified farms that have not deforested after Jan 2020. This is verified at origin by Proterra and through the supply chain to the the processing plant making SPC. The SPC processing plant checks the origin of the soy against a list of approved farms as part of their intake checks. This is recorded as a batch of soy which is then traceable through he production process to finished batch and labelled accordingly. This is verified by Proterra during audits and further verified by independent audits carried out on behalf of the salmon feed suppliers. The salmon feed manufacturers only purchased certified SPC from farms with a deforestation cut off of Jan 2020. This is in the specifications and each batch is checked on intake for conformance. The batches used are recoded in production records. Each batch of feed is recorded in their electronic systems that are integrated with the salmon farmers traceability systems. Typically a batch will be delivered by boat in bulk and pumped in a silo at the farm which then records which fish have been fed on the batch. We carry out verification audits at the feed plants and the salmon farms.	Specific product line(s)	The direct purchases of soy applies to 100% of the soy used directly in our products. The soy used in salmon feed applies to 100% of the soy protein concentrate used by the feed suppliers for our salmon.
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Cattle products	Fattening farm	Argentina Australia Austria Belgium Brazil Denmark Germany Ireland Namibia Netherlands New Zealand Paraguay Poland Portugal Spain Sweden United Kingdom of Great Britain and Northern Ireland United States of America Uruguay	100
Palm oil	Refinery	Brazil Colombia Costa Rica Guatemala Honduras Indonesia Malaysia Papua New Guinea Solomon Islands	100
Soy	Plantation	Argentina Brazil China France Germany Netherlands Paraguay Serbia United States of America	38.03
Soy	Country	Argentina Brazil China France Germany Netherlands Paraguay Serbia United States of America	100
Timber products	Mill	France Netherlands Spain Sweden United Kingdom of Great Britain and Northern Ireland	100

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	100
Palm oil	Yes	100
Cattle products	No, but we plan to adopt a third-party certification scheme within the next two years	<Not Applicable>
Soy	Yes	17.2
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity
Timber products

Third-party certification scheme
FSC Chain of Custody

Chain-of-custody model used
<Not Applicable>

% of total production/consumption volume certified
50

Form of commodity
Primary packaging
Secondary packaging
Tertiary packaging

Volume of production/ consumption certified
5785.08

Metric for volume
Metric tons

Is this certified by more than one scheme?
Yes

Is embedded soy certified through this scheme?
Not applicable

Please explain
100% of our paper and board is certified FSC or PEFC. So, we have split the total purchased volume of paper and board equally to the two certification schemes.

Forest risk commodity
Timber products

Third-party certification scheme
FSC Chain of Custody

Chain-of-custody model used
<Not Applicable>

% of total production/consumption volume certified
50

Form of commodity
Primary packaging
Secondary packaging
Tertiary packaging

Volume of production/ consumption certified
5785.08

Metric for volume
Metric tons

Is this certified by more than one scheme?
Yes

Is embedded soy certified through this scheme?
Not applicable

Please explain
100% of our paper and board is certified FSC or PEFC. So, we have split the total purchased volume of paper and board equally to the two certification schemes.

Forest risk commodity
Soy

Third-party certification scheme
RTRS (any type)

Chain-of-custody model used
Certificate trading

% of total production/consumption volume certified
15

Form of commodity
Soy bean meal

Volume of production/ consumption certified
23292.44

Metric for volume
Metric tons

Is this certified by more than one scheme?
Yes

Is embedded soy certified through this scheme?
Yes

Please explain
These were purchased as RTRS Country and Regional Credits Calculated using the total volume of primals of beef, lamb, and pork purchased for our Holland site, the soy volumes were calculated using specific factors for the soy content in the diet taken from RTRS conversion factors and from industry surveys on soy use, eg by Bord Bia in Ireland.
The factors we have used are:
Beef and lamb = 0.145 tonnes of soy used to produce 1 tonne of beef/lamb
Pork = 0.507 tonnes of soy used to produce 1 tonne of pork.
We recognise that we purchase some beef from ex-dairy cattle but the extra soy used in their feed for the production of milk is accounted for in the dairy products so we do not factor this into our calculations and assume all beef has the same factor.
We have made a very approximate estimate of the percentage of soy-based on the proportion of the total volumes of beef, pork, and lamb purchased and factoring in the

soy content factors above. We are conducting a supply chain survey of the actual usage of soy and its origin for all our major suppliers so the estimated volumes will change as the data improves.

Forest risk commodity
Soy

Third-party certification scheme
ProTerra certification

Chain-of-custody model used
Identity preservation

% of total production/consumption volume certified
1.5

Form of commodity
Other, please specify (Soy Protein Concentrate)

Volume of production/ consumption certified
3600

Metric for volume
Metric tons

Is this certified by more than one scheme?
Yes

Is embedded soy certified through this scheme?
Yes

Please explain
This represents 100% of the volume of soy protein concentrate (SPC) that is used in the feed for our farmed salmon purchases.
All of the soy used in salmon feed in Norway and Scotland is purchased as Soy Protein Concentrate (SPC) that is certified by Proterra as DCF and Identity Preserved GMO. All of the traders have also committed to a 2020 cut-off date for all the soy they purchase.
We collected accurate data from each salmon supplier on the quantity of soy used in their feed to produce 1 tonne of harvested salmon. This is based on using their individual company feed conversion ratio and the actual soy % in feed. Our data shows that the soy content of salmon feed varies between 6 and 17%.
We then used the yields to produce the gutted salmon that we purchase to calculate the whole fish equivalent weight harvested for us.
The SPC is both verified DCF and non-GM hence the identity preserved certification.
The % is an estimation of the volume of soy used in our salmon as a percentage of the total volume of soy used in all of the livestock feed in our supply chains. We have made a very approximate estimate of the percentage of soy based on the proportion of the total volumes of aquaculture, beef, pork and lamb purchased and factoring in the soy content factors. We are conducting a supply chain survey of the actual usage of soy and its origin for all our major suppliers so the estimated volumes will change as the data improves.

Forest risk commodity
Palm oil

Third-party certification scheme
RSPO Mass Balance

Chain-of-custody model used
<Not Applicable>

% of total production/consumption volume certified
5.6

Form of commodity
Refined palm oil

Volume of production/ consumption certified
0.28

Metric for volume
Metric tons

Is this certified by more than one scheme?
Yes

Is embedded soy certified through this scheme?
Not applicable

Please explain
A small amount of the certified palm oil used in coatings for fish is certified to the mass balance.
Total group purchase of palm oil = 5.46T
of which 0.31T is certified to RSPO mass balance

Forest risk commodity
Palm oil

Third-party certification scheme
RSPO Segregated

Chain-of-custody model used
<Not Applicable>

% of total production/consumption volume certified
94.4

Form of commodity

Refined palm oil

Volume of production/ consumption certified
4.68

Metric for volume
Metric tons

Is this certified by more than one scheme?
No

Is embedded soy certified through this scheme?
Not applicable

Please explain
The majority of the palm oil utilised for bread and used in coatings for fish is certified to RSPO Segregated
Total group purchase of palm oil = 5.46T
of which 5.15T is certified to RSPO Segregated

Forest risk commodity
Soy

Third-party certification scheme
RTRS Mass Balance

Chain-of-custody model used
<Not Applicable>

% of total production/consumption volume certified
0.7

Form of commodity
Soy bean meal

Volume of production/ consumption certified
87.31

Metric for volume
Metric tons

Is this certified by more than one scheme?
Yes

Is embedded soy certified through this scheme?
Yes

Please explain
This represents 100% of the volume of soy meal that is used in the feed for our farmed seabass, and pangasius purchases.
All of the soy used is purchased is certified by RTRS.

We collected accurate data from each supplier on the quantity of soy used in their feed to produce 1 tonne of harvested product. This is based on using their individual company feed conversion ratio and the actual soy % in feed

We then used the yields to produce the gutted salmon that we purchase to calculate the the whole fish equivalent weight harvested for us.
The % is an estimation of the the volume of soy used as a percentage of the total volume of soy used in all of the livestock feed in our supply chains. We have made a very approximate estimate of the percentage soy based on the proportion of the total volumes of aquaculture, beef, pork and lamb purchased and factoring in the soy content factors. We are conducting a supply chain survey of actual usage of soy and its origin for all our major suppliers so the estimated volumes will change as the data improves.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance	Comment
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Cattle products	No, but we plan to develop one within the next two years	We have engaged with our direct suppliers (abattoirs and traders) to explain our commitment to deforestation and conversion free supply chains and we are progressively building it into our commercial agreements. We are building the due diligence system in place to monitor traceability and use this to ensure deforestation free beef.
Soy	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity
Palm oil

Operational coverage
Supply chain

Description of control systems
100% of the the palm oil that we purchase is RSPO certified.

Monitoring and verification approach
Third-party verification

% of total volume in compliance
100%

% of total suppliers in compliance
100%

Response to supplier non-compliance
Retain & engage
Suspend & engage

% of non-compliant suppliers engaged
<Not Applicable>

Procedures to address and resolve non-compliance with suppliers
Developing time-bound targets and milestones to bring suppliers back into compliance
Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

Please explain
We rely on RSPO certification of the very small quantities of palm oil. Any non-conformances found in the supply chain would be followed up with corrective actions by the supplier and checked at re-audit.

Forest risk commodity
Soy

Operational coverage
Direct operations

Description of control systems
100% of our soy in direct operations is RSTS certified. We are working on expanding this to our supply chain, 100% of our fish embedded soy feed is certified RTRS or ProTerra. Our next step is to establish a sector plan for the supply of certified segregated soy for use in cattle feed in our UK and Irish farms, and to build a sector plan for the soy utilised in pig farms in Holland and Denmark. We will use a combination of third-party certification, currently being developed by RTRS, and first party monitoring systems in use by the major traders.

Monitoring and verification approach
Third-party verification

% of total volume in compliance
100%

% of total suppliers in compliance
<Not Applicable>

Response to supplier non-compliance
<Not Applicable>

% of non-compliant suppliers engaged
<Not Applicable>

Procedures to address and resolve non-compliance with suppliers
<Not Applicable>

Please explain
To demonstrate compliance with DCF commitments by farmers we will use a combination of third-party certification, currently being developed by RTRS, and first party monitoring systems in use by the major traders.
We have direct engagement with the traders in the working groups we participate in and are working with them to be able to demonstrate progress towards achieving our hared no conversion and no deforestation commitments as documented in our policy.
The response to non-compliances is determined by the certification scheme. If a supplier loses their certification, they may be excluded from our supply chain until this will include consideration of factors such as the extent of land converted, the irreversibility of the impact, and the persistence of the non-compliance. These factors will determine whether the retain or suspend the supplier.
Regardless of whether we retain or suspend, we will support the farmer(s) to come back into compliance in cooperation with the traders and feed manufacturers that we are working alongside.

Forest risk commodity
Timber products

Operational coverage
Supply chain

Description of control systems
100% of all of the supply of paper and board packaging that we purchase is either FSC or PEFC certified .

Monitoring and verification approach
Third-party verification

% of total volume in compliance
100%

% of total suppliers in compliance
100%

Response to supplier non-compliance
Retain & engage
Suspend & engage

% of non-compliant suppliers engaged
<Not Applicable>

Procedures to address and resolve non-compliance with suppliers
Developing time-bound targets and milestones to bring suppliers back into compliance
Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

Please explain
We rely on FSC and PEFC certification of all of the supply of paper and board packaging that we purchase. Any non-conformances found in the supply chain would be followed up with corrective actions by the supplier and checked at re-audit.

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations	Comment
Timber products	<Not Applicable>	<Not Applicable>
Palm oil	Yes, from suppliers	<Not Applicable>
Cattle products	Yes, from suppliers	<Not Applicable>
Soy	Yes, from suppliers	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.6a

(F6.6a) For your disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.

Palm oil

Procedure to ensure legal compliance
Certified to RSPO

Country/Area of origin
Argentina
Brazil
Cambodia
Colombia
Ecuador
Guatemala
Honduras
Malaysia
Papua New Guinea
Peru
Thailand

Law and/or mandatory standard(s)
General assessment of legal compliance

Comment
Assessed during certification process

Cattle products

Procedure to ensure legal compliance

The process of conducting a legal compliance assessment consists on (1) Defining the scope of the assessment, in this case cattle producing regions Brazil, Argentina, Australia, Paraguay and Namibia (2) gathering and reviewing all relevant laws of the regions that are applicable to agriculture and environment and the compliance requirements, and (3) building due diligence and geospatial monitoring system to verify compliance with local laws within a specific timeframe. Our suppliers in South America have a process to approve direct supply farmers that includes verifying the legal permission for deforestation as part of the approval process. These farmers would be removed from the approved list if they are proven to have deforested illegally.

As a case study our principal partner in South America has pioneered the application of geospatial monitoring technology to 100% of direct suppliers in all biomes of Brazil (Amazon, Cerrado, Pantanal and Atlantic Forest). In 2021 the monitoring was extended for 100% of purchases in Paraguay and more than 90% in Argentina. The objective is to achieve the same range of coverage for Uruguay and all other countries in which they operate in South America. Geospatial monitoring tracks the condition of the ranches, ensuring that cattle purchased does not originate from properties with illegally deforested areas; possess environmental embargoes (punitive measures issued by inspection and control agencies that stop production activities that degrade the environment); or are overlapping with indigenous lands and/or traditional communities and conservation units. With the SMGeo Prospec app, launched in 2021, direct supplying farms have access to the same technology as used by our supplier to assess their supply chains for compliance.
Our suppliers are extending the verification and approval system to cover the full life of the cattle and ensuring that the finishing farms only purchase cattle from approved rearing and breeding farms.
Brazil's government is currently building a regulation to require recorded cattle movement between these indirect cattle suppliers.
We do not directly source beef in Australia, this is purchased by our retail partner who ensure the legal status of the farms as part of their supplier approval process.

Country/Area of origin

Argentina
Australia
Brazil
Paraguay

Law and/or mandatory standard(s)

General assessment of legal compliance
Forest Law - Argentina
Forest Law - Paraguay
Zero Deforestation Law - Paraguay
Brazilian Forest Code

Comment

We are currently mapping the implementation of geospatial monitoring in the supply base in South America and building a requirement for its implementation into commercial agreements.

Soy

Procedure to ensure legal compliance

Where the supply chains are certified the legal compliance is verified during certification .

Country/Area of origin

Argentina
Brazil

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

Assessed during certification. 100% of the soy used in our aquaculture feed is verified by Proterra or RTRS mass balance, the soy protein concentrate used in salmon feed is also identity preserved during its chain of custody and has a DCF cut-off date in 2020.
A case study example is our collaborative dialogue within the UK Soy Manifesto group with Viterra, a large importer of soy. Viterra have made a commitment t to provide the UK market with verified DCF soy, certified by Control Union and aligned with the AFI definitions of deforestation and conversion. This is on a mass balance basis, and was launched to the UK market in February 2022. As they increase the proportion of soy volume that is traceable to origin/DCF* they will be able to roll out the scheme in other markets. Viterra have confirmed they have the capacity to ensure all soy meal they supply to the UK via their deep sea import facilities from early 2022 is vDCF. Beyond this however, Viterra have made a commitment that “After December 2025, we will not source soy that is traceable-to-origin from any suppliers that show Deforestation or Conversion of Natural Ecosystems”.
(*According to Viterra's most recent sustainability report (2021) 73% of soy from South America is traceable back to origin, and of this 67% is from a low-risk municipality.

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	We support third party schemes through the purchasing of credits such as PEFC in order to drive engagement with small holders on a national level.
Palm oil	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	We support third party schemes through the purchasing of credits such as RTRS in order to drive engagement with small holders on a national level.
Cattle products	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	Our suppliers engage with their own smallholder suppliers on protecting natural eco-systems and reducing deforestation. Our suppliers are active members of GTPS which is the Brazilian Round table for Sustainable Livestock.
Soy	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	We support third party schemes through the purchasing of credits such as RTRS in order to drive engagement with small holders on a national level.
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.8

(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.

Forest risk commodity
Timber products

Are you working with direct suppliers?
No, not working with direct suppliers

Action(s) on forests-related issues driven by engagement
<Not Applicable>

Type of engagement
<Not Applicable>

Details of engagement
<Not Applicable>

Description of engagement
We are not working with direct suppliers as we rely on the third-party certification process of our paper and board supply which is 100% FSC and PEFC certified.

% of suppliers engaged by procurement spend covered by engagement
<Not Applicable>

Explain the impact of your engagement on the selected action
<Not Applicable>

Is this engagement helping your suppliers engage with their suppliers on the selected action?
<Not Applicable>

Does this engagement contribute to achieving a reported target?
<Not Applicable>

Forest risk commodity
Palm oil

Are you working with direct suppliers?
No, not working with direct suppliers

Action(s) on forests-related issues driven by engagement
<Not Applicable>

Type of engagement
<Not Applicable>

Details of engagement
<Not Applicable>

Description of engagement
We are not working with direct suppliers as we rely on the third-party certification process of our palm oil supply which is 100% RSPO certified.

% of suppliers engaged by procurement spend covered by engagement
<Not Applicable>

Explain the impact of your engagement on the selected action
<Not Applicable>

Is this engagement helping your suppliers engage with their suppliers on the selected action?
<Not Applicable>

Does this engagement contribute to achieving a reported target?
<Not Applicable>

Forest risk commodity
Cattle products

Are you working with direct suppliers?
Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement
Ending deforestation and/or conversion of other ecosystems

Type of engagement
Supply chain mapping
Capacity building
Financial and commercial incentives

Details of engagement
Developing or distributing supply chain mapping tool
Supplier audits
Offering on-site training and technical assistance
Long-term contracts linked to forest related commitments

Description of engagement
This engagement is with our South American supply chain only, as this is the area where there is a forest risk,

hence it is less than 10% of procurement spend.
We have commercial agreements that require checks on the legality of the original deforestation on the farms and the avoidance of future deforestation and conversion. We visited our South American suppliers in both 2022 and 2023 to build a plan to verify compliance through the whole life of the cattle. We conduct our own supplier audits include traceback to farms. The plans must demonstrate compliance by 2025.

% of suppliers engaged by procurement spend covered by engagement
0.3

Explain the impact of your engagement on the selected action
This engagement has ensured traceability of all south American beef, addressing associated risk in our supply chain.

Is this engagement helping your suppliers engage with their suppliers on the selected action?
Unknown

Does this engagement contribute to achieving a reported target?
Yes, please specify target ID(s) (Target 5)

Forest risk commodity
Soy

Are you working with direct suppliers?
Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement
Ending deforestation and/or conversion of other ecosystems

Type of engagement
Supply chain mapping
Capacity building
Financial and commercial incentives

Details of engagement
Supplier questionnaires on environmental and social indicators
Supplier audits
Support suppliers to set their own no deforestation/conversion commitments across their entire commodity operation

Description of engagement
We work in collaboration with our direct suppliers of meat primals and seafood to achieve our shared goals for DCF soy in the feed supply chains.

We are signatories of the WRAP Meat in a Net Zero World commitment where we work to shared goals with our suppliers including achieving DCF soy by the end of 2025.
We are on the steering group of the UK Soy Manifesto and in the Physical supply chain and data transparency working groups for the UK Roundtable on Sustainable Soy alongside our key beef and pork suppliers.
We are in the signatures of support for the Cerrado Manifesto group where we have successfully negotiated alongside our key salmon farmers with the soy protein concentrate traders to agree a 2020 cut off date for DCF soy for all of their purchases.
We are founder members of the Soy Transparency Coalition alongside some of our largest pork and beef suppliers in Europe - https://soytransparency.org/, where we participate in the annual survey of actions by soy traders to develop and verify the DCF status of their farmers.

We are full participants in the UNGC alongside our large salmon suppliers and participate in their global ocean platform that includes a workstream on sustainable aquaculture where we contributed to their guidance that included addressing sustainable feed sourcing including deforestation free soy.

We collaborate in research projects to develop alternative proteins such as the one for developing insect meal from black soldier flies grown on food waste, in partnership with FERA and Future by Insects.

The target for DCF soy cut-off was 2020 and this collaboration is ongoing to support suppliers in being able to demonstrate compliance before the 2025 target date. In 2022, we verified the UK soy supply chain and this is being expanded to all Hilton Food's geographies and their supply chains to meet the 2025 target.

% of suppliers engaged by procurement spend covered by engagement
75

Explain the impact of your engagement on the selected action
This engagement will ensure traceability of soy and create a platform to monitor and assess deforestation risk.

Is this engagement helping your suppliers engage with their suppliers on the selected action?
Yes

Does this engagement contribute to achieving a reported target?
Yes, please specify target ID(s) (Target 1)

F6.9

(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.

Forest risk commodity
Timber products

Are you working beyond first tier?
No, not working beyond the first tier

Action(s) on forest-related issues driven by engagement
<Not Applicable>

Type of engagement
<Not Applicable>

Details of engagement
<Not Applicable>

Description of engagement
We are not working with direct suppliers as we rely on the third-party certification process of our paper and board supply which is 100% FSC and PEFC certified.

Explain the impact of your engagement on the selected action
<Not Applicable>

Does this engagement contribute to achieving a reported target?
<Not Applicable>

Forest risk commodity
Palm oil

Are you working beyond first tier?
No, not working beyond the first tier

Action(s) on forest-related issues driven by engagement
<Not Applicable>

Type of engagement
<Not Applicable>

Details of engagement
<Not Applicable>

Description of engagement
We are not working with direct suppliers as we rely on the third-party certification process of our palm oil supply which is 100% RSPO certified.

Explain the impact of your engagement on the selected action
<Not Applicable>

Does this engagement contribute to achieving a reported target?
<Not Applicable>

Forest risk commodity
Cattle products

Are you working beyond first tier?
Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement
Ending deforestation and/or conversion of other ecosystems

Type of engagement
Supply chain mapping
Capacity building

Details of engagement
Developing or distributing supply chain mapping tool
Supplier questionnaires on environmental and social indicators
Supplier audits
Offering on-site training and technical assistance

Description of engagement
We are engaging with direct suppliers in partnerships to improve the traceability and visibility of cattle supply chains down multi tiers of supply. We use a combination of their traceability and verification tools together with our global traceability systems in Foods Connected. We map out their farming supply chains and conduct risk assessments on deforestation and social impacts. that supply them. This is to support the education of farmers and provide them with the tools to map their own supply of cattle from intermediary or breeding farms. We want to extend the controls back to the beginning of the supply chains to ensure they are only sourcing from farms that have not cleared forests or purchased recently deforested land.

Explain the impact of your engagement on the selected action
The mapping of cattle products will support suppliers and overall traceability of the beef supply chain.

Does this engagement contribute to achieving a reported target?
Yes, please specify target ID(s) (target 3)

Forest risk commodity
Soy

Are you working beyond first tier?
Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement
Ending deforestation and/or conversion of other ecosystems

Type of engagement
Supply chain mapping
Innovation and collaboration

Details of engagement
Developing or distributing supply chain mapping tool
Supplier questionnaires on environmental and social indicators
Supplier audits

Encourage suppliers to work collaboratively in sectors, landscapes, or jurisdictions

Description of engagement

We are members of the Soy Transparency Coalition and UK Roundtable for sustainable soy are involved in mapping soy trading from South America to be used in animal feed in our global supply chains. We are members of the Cerrado SoS and engage in advocacy for the protection of forests and other natural ecosystems in the region. The UK Sustainable Soy Roundtable is engaging with the feed industry and the traders to find solutions for verified DCF soy.

Explain the impact of your engagement on the selected action

Our engagement in certification schemes for South American Soy and soy imported into the UK is supporting a template to expand progress to the rest of the soy supply chain in our embedded soy supply.

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (target 1)

F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	Yes, we engage in landscape/ jurisdictional approaches	<Not Applicable>	<Not Applicable>

F6.10a

(F6.10a) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.

	Criteria for prioritizing landscapes/jurisdictions for engagement	Explain your process for prioritizing landscapes/jurisdictions for engagement
Row 1	Company has operational presence in area Current and future sourcing risk Recognized as priority landscape by credible multi-stakeholder groups Risk of deforestation, forests/land degradation, or conversion of other natural ecosystems	We have identified that the Cerrado biome in Brazil is a critically important landscape area for the production of high quality protein rich soy for livestock feed and is also used for cattle grazing. There are regional initiatives in place that we can support and add our voice to both negotiations with traders and the lobbying for improved regulatory controls. We can also support the implementation of incentives for farmers, who are several tiers down our supply chains, through these collaborative initiatives.

F6.10b

(F6.10b) Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year.

Landscape/Jurisdiction ID
LJ1

Country/Area
Brazil

Name of landscape or jurisdiction area
Cerrado

Types of partners engaged in the initiative design and implementation
National government
International civil society organization(s)
International company(ies)
National/local company(ies)
Indirect supplier(s)

Type of engagement
Partner: Shared responsibility in the implementation of multiple goals

Goals supported by engagement
Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate
Rights to land and resources recognized and protected, and related conflicts reduced
Increased uptake of certification
Reliable commodity traceability and landscape monitoring/data collection system(s)

Company actions supporting approach
Co-design and develop goals, strategies and an action plan with timebound targets and milestones for the initiative
Collaborate on establishing and managing monitoring system(s) for deforestation, natural ecosystem conversion and/or degradation
Help establish a transparent governance platform responsible for managing the initiative and its activities with clear roles, responsibilities and balanced decision-making
Identify and act on opportunities for pre-competitive collaboration with your sector
Engage stakeholders on importance of conservation, restoration and/or rehabilitation
Collaborate on commodity traceability
Use preferential sourcing to support landscape/jurisdictional initiatives that are demonstrating progress

Description of engagement
Lobbying and development of incentives for farmers not to convert natural landscapes.

Engagement start year
2020

Engagement end year
Not defined

Estimated investment over the project period (currency)
5827

Is a collective monitoring framework used to measure progress?
Yes, progress is collectively monitored using a shared external framework, please specify (Cerrado SoS)

State the achievements of your engagement so far, and how progress is monitored
We have directly lobbied government, soy traders, and trader associations for the establishment of biome wide protection for the Cerrado and support the development of farmer incentives not to deforest including access to low interest loans linked to sustainable production verification.

F6.10c

(F6.10c) For each of your disclosed commodities, provide details of the production/consumption volumes from each of the jurisdictions/landscapes you engage in.

Indicate landscape/jurisdiction ID	Does any of your commodity production/consumption volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume?	Commodity	% of total production/consumption volume from this landscape/jurisdiction
LJ1	Yes, we do produce/consume from this landscape/jurisdiction, and we are able/willing to disclose volume data	Cattle products	0.01

F6.11

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity
Cattle products

Do you participate in activities/initiatives?
Yes

Activities
Involved in multi-partnership or stakeholder initiatives

Country/Area
Not applicable

Subnational area
Not applicable

Initiatives
UN Global Compact
Global Roundtable for Sustainable Beef (GRSB)
Sustainable Agriculture Initiative (SAI)

Please explain
We are members of SAI platform and active participants in working groups including the European Roundtable for Beef Sustainability

As Vice Chair of the European Roundtable for Beef Sustainability we have a shared seat on the board of the Global Roundtable for Sustainable Beef. We also participate directly in the global goal setting group and support the development of global tools to evaluate the footprint of cattle farming.

We are leading on the environmental workstreams for the UK Cattle Sustainability Platform.

Forest risk commodity
Soy

Do you participate in activities/initiatives?
Yes

Activities
Involved in multi-partnership or stakeholder initiatives

Country/Area
United Kingdom of Great Britain and Northern Ireland

Subnational area
Not applicable

Initiatives
UN Global Compact
UK Roundtable on Sustainable Soy
Other, please specify (UK Soy Manifesto and Soy Transparency Coalition)

Please explain
We are on the steering group of the UK Soy Manifesto. We are active participants in the Physical supply chain and data transparency working groups for the UK Roundtable on Sustainable Soy.
We are founder members of the Soy Transparency Coalition - https://soytransparency.o.rg/, where we participate in the annual survey of actions by soy traders to develop and verify the DCF status of their farmers.
We are full participants in the UNGC and participate in their global ocean platform that includes a workstream on sustainable aquaculture where we contributed to their guidance that included addressing sustainable feed sourcing including deforestation-free soy.

F6.12

(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?
No, but we plan to implement a project(s) within the next two years

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?
No, we are waiting for more mature verification standards/processes

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity
Timber products

Coverage
Supply chain

Primary barrier/challenge type
Value chain complexity

Comment
Our supply chain for is fully certified by either FSC or PEFC. The complexity of the supply chains makes it hard to quantify the positive impacts as we do not understand the commodity driven impacts of sourcing non-certified materials.

Forest risk commodity
Palm oil

Coverage
Supply chain

Primary barrier/challenge type
Value chain complexity

Comment
Our supply chain for palm oil is fully certified by RSPO. The small volumes in complex supply chains makes it hard to quantify the positive impacts as we do not understand the commodity driven impacts of sourcing non-certified materials.

Forest risk commodity
Cattle products

Coverage
Supply chain

Primary barrier/challenge type
Lack of regulatory control and enforcement from local governments

Comment
The lack of regulatory control and enforcement in some areas of South America makes verification of DCF status of farms more complex, requiring satellite surveys to monitor physical expansion.

This challenge impacts the 0.3% of beef supplied from South America. We are actively engaged in ensuring the traceability of our beef supply chain to work towards a DCF status.

This challenge is ongoing and has been an issue in the food system since Hilton Foods first began and will continue to be until legislation is strengthened to ensure traceability of land ownership and commodity use to prevent deforestation.

Forest risk commodity
Soy

Coverage
Supply chain

Primary barrier/challenge type
Lack of adequate traceability systems

Comment
The consolidation of batches of soy from several farms during storage and distribution makes physically segregated supply- of DCF very challenging for traders.

While soy in our direct supply is small, the vast majority is embedded soy in our supply chain used for animal feed for cattle, pigs, sheep and fish. Therefore, this challenge remains a prevalent issue as it impacts the majority of our facilities and supply chain. We have achieved 100% DCF in our direct supply of soy in vegetarian and vegan products as well as embedded soy in 100% of salmon feed. However, we continue to play an active role in advocacy and due diligence of our soy supply chain to ensure all soy is DCF by 2025.

This challenge is ongoing and has been an issue in the food system since Hilton Foods first began and will continue to be until legislation is strengthened to ensure traceability of land ownership and commodity use to prevent deforestation.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity
Cattle products

Coverage
Supply chain

Main measure
Development of certification and sustainability standards

Comment
We have been working with BSI to propose a global PAS standard for sustainable farming of cattle and have received very positive support.

We hope to progress an initial standard for grass-fed cattle. Another potential route is to build a standard for regenerative farming that includes a module on cattle.

Forest risk commodity
Soy

Coverage
Supply chain

Main measure
Development of certification and sustainability standards across entire landscapes/jurisdictions

Comment
There is a need for a standard to verify the physical supply chains from DCF farms, including chain of custody, with a data sharing protocol between supply chain tiers.

Forest risk commodity
Palm oil

Coverage
Supply chain

Main measure
Investment in landscape and/or jurisdictional approaches

Comment
Although we are not large users of palm products, we are looking for jurisdictional level approaches in both soy and palm to be confident to source from a region that has achieved DCF status.

Forest risk commodity
Timber products

Coverage
Supply chain
Other parts of the value chain

Main measure
Increased knowledge on commodity driven deforestation and forest degradation

Comment
We only source FSC and PEFC certified paper and board products. However, we are not able to quantify the impact of that policy as we do not understand the commodity driven impacts of sourcing non-certified materials.

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Chief Financial Officer	Chief Financial Officer (CFO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms