



Hilton Foods Animal Welfare Statement

October 2023

Introduction

At Hilton Foods our customers expect us to take animal welfare seriously when sourcing their products. We have set out our thinking on animal welfare in our Animal Welfare Policy, which was updated in March 2023. It applies to all species, in all markets for the for the past 12 months. At Hilton Foods animal welfare is a key are of focus of our Sustainable Protein Plan.

Our core business is the supply of vegetarian, vegan, beef, lamb, pork and fish products under retailer own label brands, working in partnership with our customers and suppliers that lead in animal welfare in each of the markets in which we operate. We also use very small amounts of animal proteins, such as poultry, and very small amounts of dairy and eggs in some of our UK fish products.

We have 24 well invested, state of the art facilities operating across the UK, Europe and Australasia. Both our animal welfare policy and statement cover the entire of the Hilton Foods operations including all species, brands and geographies.

We do not own or operate abattoirs or farms. We purchase carcass meat into our cutting and packing operations from supplying partners through direct contracts in all our major markets. Animal welfare requirements are included within the contractual requirements for all suppliers to Hilton Foods.

Day to day responsibility for our animal welfare policy sits with our Group Sustainability Director reporting to the Chief Quality and Sustainability Officer who in turn reports directly to the Chief Executive Officer and main Board. The Hilton Foods Board regularly reviews progress against the animal welfare objectives outlined in our Animal Welfare Policy through the Sustainability Committee. Our Sustainability Committee agrees our strategy through our Sustainable Protein Plan including targets and also measures progress against these targets. The Sustainability Committee is chaired by our Non-Executive Director Rebecca Shelly and she reports our progress to the main Board.

We have worked with our customers and suppliers to establish indicators, which include both input measures and outcome measures, as a means of assessing welfare at farm, during transport and at slaughterhouse facilities. We have agreed objectives with our partners and have started to monitor progress using a range of data points, including audit results and these indicators.

We provide specific animal welfare training for the auditors employed by Hilton Foods to audit slaughter/farm facilities. Our farmed fish auditors all have received external training provided by the Fish Vet Group, Stirling University and NAFC. Our slaughter house auditors are trained by our



internal animal welfare experts this includes annual in person workshops, short upskilling sessions throughout the year which are held virtually and shadowing audits. We expect all 2nd and 3rd party auditors to also have received animal welfare training.

If we identify non-compliances, we work with our suppliers to develop actions plans to resolve them, working in collaboration to identify root causes and solutions. This may require multiple visits and longer-term actions to help build better understanding and capability. Where critical animal welfare non-compliances are identified, we may temporarily suspend or, if necessary, cease supply. It is always our objective to resolve animal welfare problems, rather than to walk away from them, so ceasing supply is only ever a last resort where we believe that the problem cannot be rectified.

Our approach is to share learnings across the different markets in which we operate, using our influence to drive improvements in standards in a way that is both stretching and achievable for our supplier base. By developing an approach that shares welfare outcome measures across markets, we can allow countries to develop their own solutions to any challenges, whilst still ensuring animal welfare is constantly improving.

Throughout this report Hilton Foods will mean that the point is relevant the entire group, UK relevant to everything sold in the UK market, Australasia means the product sold throughout the Australasia market and Europe refers to everything in the European markets.

How we deliver against our policy

We have developed a multi-layered approach to animal welfare assurance (illustrated in Fig 1 below) that builds upon minimum legal requirements using a range of additional standards and audit regimes. We believe this approach provides robust assurance and fosters continual improvements, as standards are reviewed and strengthened over time.

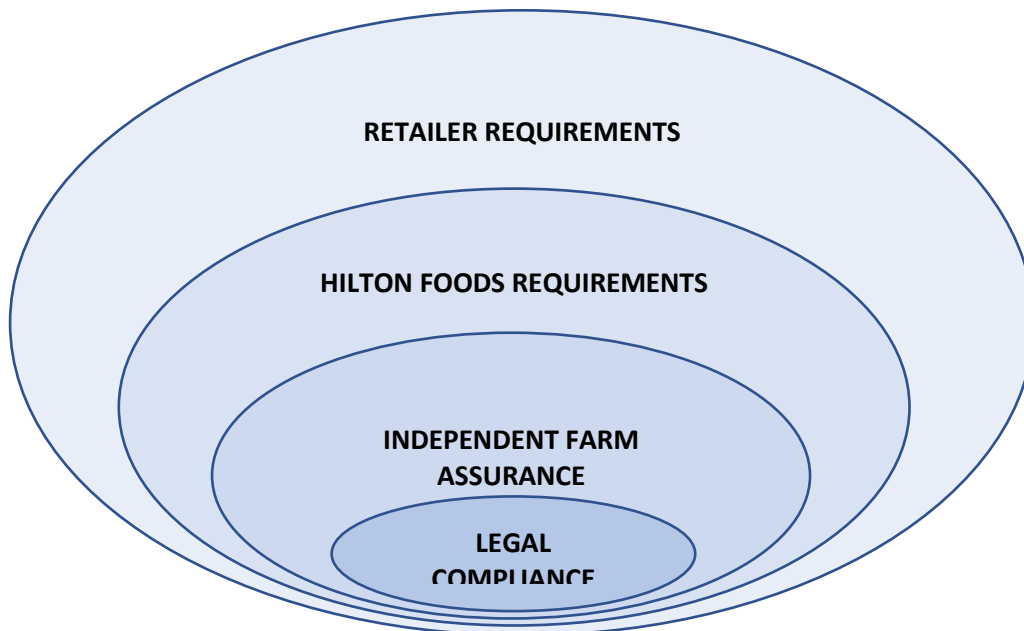


Fig 1: Hilton's multi-layered approach to animal welfare assurance

Legal compliance

Hilton Foods requires that all applicable laws and regulations relating to the welfare of animals used in our products are fully complied with wherever we operate.

Independent Farm Assurance Standards

All farms, fish farms, livestock facilities and slaughter facilities for farm animals and farmed fish supplying Hilton Foods UK, Ireland and Sweden, and the majority supplying to the other European and Australian markets are certified to independent farm assurance schemes. Where required assurance may be to higher welfare schemes or organic standards.

Hilton Foods Requirements

For all our UK and European operations, Hilton Foods directly employs a dedicated team of auditors, who are trained in animal welfare, to audit all livestock slaughter facilities against the Hilton Foods Supplier Standard which includes animal welfare. We also have an outcome measure process which all suppliers must submit to. Our outcome measure process is in place across all of Hilton Foods

Assessing Animal Welfare

We use a combination of input measures and output measures to assess animal welfare on farm, during transport and at slaughter.



Input measures include things like space allowances, transport times or volumes of antibiotic used in a farming system. Input measures are linked to animal welfare outcomes and are important in managing livestock systems; however, they do not directly provide an assessment of the animal's welfare experience and therefore may not by themselves provide a complete picture of animal welfare.

Welfare outcome measures are obtained by directly observing animals. They include both physical and behavioural observations that provide a picture of animals' welfare experience. Some outcome measures, such as body condition, mobility or effectiveness of stunning, are common to all species. Others may be species-specific, for example incidence of particular diseases or vocalisation at the slaughterhouse. These measures help us, our retail partners and our suppliers to understand how well we are doing, where we can make further improvements and to benchmark best practice and identify trends. Our suppliers report them periodically to us and we review them together during all supplier visits.

Our recent progress

- In 2022 we developed and implemented a group wide monthly outcome measure reporting systems. Bringing each of our businesses together in the same process and centrally managing the process. For the UK and Europe we manage the process in Australasia Woolworths manage the process and share their data with us.
- In 2022 we had our first year of our dedicated animal welfare audit, we completed 58 audits in total, 40 of which were green. We worked with our suppliers to close out all non-conformances

Delivering against our objectives

Hilton Foods is committed to reporting publicly on progress against our animal welfare objectives. These objectives are outlined in our Animal Welfare Policy. They drive our programmes of work on animal welfare with our retail partners and suppliers and are focused on the key farm animal welfare issues relating to beef, lamb, pork and fish.

Our animal welfare objectives reflect how Hilton Foods and its partners and stakeholders see animal welfare developing in the mid-term. They align with our Values and Goals and are as follows:

1. No animals are from cloned stock or subject to genetic engineering
2. Animals are free from close confinement
3. Animals are provided with environmental enrichments that promote species typical behaviour
4. Animals are free from routine painful procedures. Where procedures are deemed necessary, appropriate anaesthetic and pain relief are used.



5. No routine use of antibiotics. Antibiotics are used judiciously to treat sick animals only when withholding treatment will negatively impact their welfare.
6. Travel times are kept to a minimum and are not greater than eight hours
7. All animals and farmed fish are effectively stunned prior to slaughter.
8. Slaughter facilities and farms are certified to recognised farm animal welfare assurance schemes.

We are working with our retail partners and suppliers to develop consistent metrics for each of these objectives with baselines, timelines and targets for each species in each market. We intend to incorporate these into future animal welfare updates.

Objective 1. No animals are from cloned stock or subject to genetic engineering.

Hilton Foods does not permit the use of animals or farmed fish from cloned stock or which have been subject to genetic engineering. We do not prohibit the use of genetically engineered animal feed in the production of our non-organic meat or fish.

We monitor this by checking breeding and intake records at each farm inspection.

How are we doing

We have found no evidence of the use of cloned or genetically engineered animals or fish in our supplier assessment programme.

100% achieved for all of Hilton Foods operations

Objective 2. Animals are free from close confinement.

Hilton Foods is committed to the avoidance of close confinement of livestock and finfish across all species and is working towards continuous improvement in this respect. We believe that animals thrive better when given adequate space and many animal health and welfare problems are avoided.

We monitor this by reviewing supplier records and checking the space provided for animals at all lifecycle stages at each farm inspection.

How are we doing

Cattle

- All most all of the cattle used in our European businesses are not subject to close confinement.
- Although in cold Northern climates, winter housing of cattle is normal practice in most countries for animal and farmer welfare reasons, our suppliers and customers have clear



guidelines on space requirements for cattle to avoid close confinement. Our Swedish customer, ICA also defines how many days cattle must spend grazing each year.

- Tethering beef cattle is normal practice in Poland. The beef used in our Polish business is sourced in Poland and Ireland, it is probable that all of these animals sourced from Poland are tethered for at least part of their lives. We are exploring alternatives to tethering with our Polish suppliers.

92% achieved in our European businesses

- In our Australian business, feedlots are used to finish cattle after the greater part of their lives has been spent grazing, although we only source from feedlots accredited by the National Feedlot Accreditation Scheme (NFAS), which includes animal welfare provisions.

Lamb

- Close confinement is not a feature of sheep farming in our supply.

100% achieved for entire group

Pigs

- No sows in our supply are tethered
- 100% of our pigs across all markets come from loose house systems. No pig that enters any Hilton Foods supply chain comes from a stall system.
- All of the pig meat that enters our European businesses come from supply chains where all sows must be moved to group housing no later than four weeks after insemination..
- In Australia, sows and gilts are kept in loose housing from at least five days after service until one week before farrowing in accordance with the APIQ GSF standard.
- In the UK pig meat the sows and gilts can only be held in stalls for veterinary and insemination purposes for up to 4 hours.

100% achieved for entire group

Farmed fish

- For our farmed fish, Hilton Seafood UK set science-based stocking densities according to individual species and farming system. For salmon there is a particular focus on salmon densities during harvesting to ensure fish are not overcrowded. This is measured through a



combination of parameters including time, water quality (e.g. O2 levels) and welfare outcome measures (e.g. fish behaviour).

100% achieved for entire group

Objective 3. Animals are provided with environmental enrichments that promote species typical behaviour

At Hilton Foods we are committed to ensuring that all of the animals destined for our supply chain are provided with species specific enrichment that is driven by science. We acknowledge that animals thrive better in stimulating environments. Insufficient enrichment can result in stereotypic behaviours, aberrant behaviours, such as tail biting in pigs, and in frank aggression towards other animals in their group.

For enrichment to fulfil its intended purpose and fulfil a pigs needs it needs to be made of edible materials, chewable materials, investigable materials and manipulable materials. It is often necessary to use a combination of enrichment materials to meet these needs.

The enrichment materials need to be of sustainable interest, accessible to all pigs at all times, in sufficient quantity and must be kept clean. We class enrichment as optimal, suboptimal and of marginal interest we strive for optimal enrichment and are working with our suppliers in implementing this. Sub optimal and marginal interest materials can be used in combination with other materials to meet the pig's needs. We understand that not all pigs have a combination of enrichment that is optimal and this is why we are working with our retailer and supplier partners to share best practice in species specific, effective enrichment.

Environmental enrichment has been studied in recent years and has been shown to provide beneficial advantages in some aquaculture species. Few of these studies have taken place in commercial farm conditions and as such, we are cautious when fully encouraging its wide implementation as the potential negative impacts have not been sufficiently studied.

Hilton Seafood UK collaborate with suppliers to support research on enrichment in aquaculture. One of the cases more studied is in relation to environmental enrichment of companion species in Atlantic Salmon. All companion species used in our supply chain are provided with environmental enrichment such as artificial seaweed and shelter to improve the husbandry conditions of these animals.

We monitor this through farm assurance audits and by observing the provision and appropriate use of enrichment materials during farm inspections.



How are we doing?

- All of the pigs in Europe and UK must have enrichment.
- In the Netherlands, all our pigs are grown to higher welfare standards and provided with greater space and an enriched environment. In this standard enrichment must be edible, chewable, manipulable and allow the pig investigate it. The material must be of lasting interest, accessible to oral manipulation and provided in a clean and hygienic way ensuring there is enough quantity. Where the material is loose (straw) it must be replenished daily.
- In Sweden, under the Frilandsgris (Swedish Free range pigs) scheme, pigs are outdoor reared and finished in strawed pens with indoor/outdoor access. Cattle in the Beef Nature scheme are grazed on conservation status, biodiverse pastures.
- Almost all of the cattle and lambs destined for the Hilton are extensively reared, meaning they have the ability to express their natural behaviours such as grazing and grooming. They have access to other animals which we recognised as important for their wellbeing. We are currently mapping the variation of production systems in our beef supply chains and will target those that require additional support to meet the animal's needs through enrichment.
- In Australia 100% of our lamb and beef have pasture access
- All companion fish species in salmon farms (that graze on sea lice) used in our supply chain are provided with environmental enrichment such as artificial seaweed and shelter to improve the husbandry conditions of these animals.
- All of the chicken used in the UK is red tractor approved in addition to being Tesco Welfare approved and enrichment is verified at audit.

100% Achieved for Pigs

N/A for Sheep

100% Achieved for salmon companion species

N/A for 95% of cattle

100% achieved for UK chicken

Objective 4. Animals are free from routine painful procedures. Where procedures are deemed necessary, appropriate anaesthetic and pain relief are used.

Routine procedures such as tail docking, fin clipping and disbudding of calves can cause distress and pain to animals. Hilton Foods is committed to the avoidance of routine activities such as tail docking, and are founding members of the UK Cattle Sustainability Programme (UKCSP) and on the board of the European Roundtable for Beef Sustainability (ERBS), where we have set the goal to require 100% of farmers to use suitable pain relief where they cannot be avoided.



We monitor this by collecting farm record data via our suppliers and asking the certification programmes to verify records of pain relief use. This is also verified by observation of animals and by examination of animal health and welfare protocols and records at each farm inspection.

Cattle

- Surgical castration and disbudding of calves are routinely practiced in all our major markets by our suppliers' farmers. There is a lack of data to prove that farmers are using appropriate local anaesthesia and analgesia for painful procedures, although we expect it is the normal routine. We are collecting data together with other members of the UKCSP and the ERBS. In the UK pain relief has been added into the farm assurance scheme Red Tractor, which we use in the UK.
- We believe that these procedures may be performed without adequate pain relief in up to 3% of our beef supply, mainly originating in Latin America. We are working with suppliers to provide data and eliminate the practice if it occurs.
- Routine tail docking of cattle is not permitted in any of our markets.
- Our suppliers have been working on improving the welfare of Irish cattle destined for Hilton Food Group Holland. The joint initiative will focus on the painful procedures of castration and disbudding, as well as provision of soft bedding and ensuring a minimum grazing requirement, aspects which all have a significant impact on animal welfare, and which address concerns of consumers.

Tail docking of cattle - 97% achieved

More data required to verify use on pain relief.

Lamb

- Mulesing of sheep is not permitted in our supply chain.

100% achieved

Pigs

- Our supplier partners are working with our farmers to understand the need for tail docking in their individual farms. We strongly believe and support our farmers in moving their production systems away from tail docking but understand that this needs to be done on a case by case basis with the correct support mechanisms.
- In Australia, our retailer partner Woolworths has rolled out its Pork Blueprint which prohibits surgical castration, teeth clipping and grinding, and is conducting research to phase out tail docking.



- Currently 100% of Hilton's supply of pigs in Hilton Holland are reared to higher welfare schemes (Beter Leven 1 & 2 star) which prohibit castration of boars.
- In Ireland Hilton's supply of pigs are all farm assured by Bord Bia, which prohibits castration.
- In the UK all of our pigs are Red Tractor and RSPCA assured which prohibit the use of castration.
- All of our Swedish pigs are castrated with anaesthesia.
- We are still collecting data in our Polish, Swedish and Danish businesses, but believe that only 10-20% of pigs here are not docked, meaning that 44% of our pork supply to our European businesses is likely to have come from pigs which were not docked.

We are confident that all of the pigs entering our UK, Swedish, Dutch and Irish markets are compliant in not being castrated.

Farmed fish

- Fin clipping is not permitted in our supply.

100% achieved

Objective 5. No routine use of antibiotics. Antibiotics are used judiciously to treat sick animals only when withholding treatment will negatively impact their welfare.

Hilton Foods is part of the Food Industry Initiative on Antimicrobials which has the stated vision of 'Retailers, manufacturers, processors and food service companies coming together to promote and support responsible antimicrobial use and action on antimicrobial resistance. The intention of this initiative is to support and engage with existing industry groups working in this area, ensuring work is aligned, avoiding duplication of effort.

We recognise the importance of antibiotics in both human and animal medicine and the threat from improper use in livestock husbandry. We believe that routine use of antibiotics should be avoided through improved biosecurity, better site hygiene and husbandry procedures and other preventative measures, such as vaccination.

Hilton Foods does not permit the prophylactic or routine metaphylactic use (which is essentially prophylactic use) of antibiotics or their use for growth promotion. Antibiotics are only used for therapeutic purposes, under veterinary control to ensure they are effective and that no residues remain at slaughter. Hilton Foods does NOT permit the use of hormones or other growth promoting substances in any species in our European or UK markets.



We believe that high priority critically important antibiotics as defined by either the European Medicines Agency or World Health Organisation depending on geography should be used only as a last resort and have seen reductions in both CIA's and total use in many of our supply chains.

We recognise that different supply chains are in different stages on their responsible use journey. In the UK in 2018 we supported FIIA to map the controls and monitoring systems in place for all of our animals sold in the UK market. We believe where possible and appropriate to use national monitoring systems to prevent duplication and confusion to farmers. For all of our animals produced in the UK we recommend using the E Medicines hub and are working towards making it compulsory. In Germany all of the animals destined for the Hilton supply chain use QS, in Denmark Vet Stat is used and in Germany Maran system is used all of these systems allow and encourage benchmarking between similar farming systems.

We monitor this objective by regular review of periodic reports of antibiotic use by suppliers and by examination of veterinary medicines records as well as inspection of feed materials at each farm inspection.

How are we doing?

Antibiotic usage is recorded by our suppliers and monitored as part of the farm audit programmes and in the case of the majority of the countries we purchase from, it is publicly reported. In addition some of our key suppliers report it publicly.

In the UK we are supporting the use of the E- Medicines in cattle. We are supporting and implementing the Responsible Use of Medicines in Agriculture Alliance (RUMA) targets in our UK supply chain.

- In Norway, our suppliers of farmed salmon have been successful in reducing antibiotic usage through use of vaccines and good husbandry.
- All antibiotic use in our farmed seafood is monitored and controlled. No prophylactic use is allowed in any farmed seafood.
- In Holland, Germany and Denmark our producers have made significant progress in the reduction of antibiotics. This has been achieved through measurement, benchmarking and targeting support at those farms that were historically high users.

More usage data required for cattle, sheep and pigs

100% usage data and responsible use compliance achieved for aquaculture species

100% achieved for growth promoting substances as there is no evidence of use in our supply chain.

100% of our supply chain have made commitments to responsible antibiotic use on farm.

Objective 6. Travel times are kept to a minimum and are not greater than eight hours



Minimising livestock travel times is critical to reduce discomfort, risk of injury and distress for transported animals. Our objective is to keep travel times to a minimum and never to exceed 8 hours.

All suppliers are aware of this objective and report independently on livestock transport to us. We are also aware that in our Australian business, the very large distances between farms and slaughterhouses make an 8 hour maximum difficult to achieve and impossible for some. We are working with our suppliers to ensure, in line with our customer's requirements, that all livestock transport times are kept to a minimum.

We monitor this by regular review of periodic supplier reports and by direct observation of transport records at each supplier slaughterhouse inspection.

PUT IN DIAGRAM

Objective 7. All animals and farmed fish are effectively stunned prior to slaughter.

It is a condition of supply to Hilton Food Group that all animals and farmed fish must be effectively stunned prior to slaughter, and for records to be kept and reviewed to monitor the efficacy of the stunning process and take further actions where necessary. All livestock and farmed fish suppliers to Hilton Food Group have systems in place to ensure they meet this requirement.

We monitor this by regular review of periodic supplier reports and by direct observation of the stunning process, equipment and records at each supplier slaughterhouse inspection.

How are we doing?

All animals in all markets are routinely stunned prior to slaughter. All suppliers are required to have in place procedures to monitor the effectiveness of stunning of each animal. All suppliers must have in place backup equipment and procedures in case for whatever reason stunning is not completely effective first time.

100% achieved

We have also asked our suppliers to report as an outcome measure the incidence of ineffective stunning. This is detailed below as an outcome measure.

For farmed fish, we have worked hard with our suppliers to drive improved standards of humane slaughter and in 2014 set ourselves the target of 100% fish stunned prior to slaughter (see the table below). In 2019 Compassion in World Farming issues a report on their visit to Turkey to view the improvements made to the sea bass and sea bream slaughter process, that endorsed the effectiveness of the new electrical stunning systems.

Species	2016	2017	2018	2019	2020	2021	2022
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Atlantic Salmon	100% Electrical or percussive	100% Electrical or percussive	100% Electrical or percussive	100% Electrical or percussive	100% Electrical or percussive	100% Electrical or percussive	100% Electrical or percussive
Pangasius	100% percussive	100% percussive	100% percussive	100% percussive or electric	100% Electrical or percussive	100% Electrical or percussive	100% Electrical or percussive
Sea Bass	10% Electrical 90% Thermal	60% Electrical 40% Thermal	100% Electrical	100% Electrical	100% Electrical	100% Electrical	100% Electrical
Sea Bream	10% Electrical 90% Thermal	60% Electrical 40% Thermal	100% Electrical	100% Electrical	100% Electrical	100% Electrical	100% Electrical
Warm Water Prawns	100% Thermal Stun	100% Thermal Stun	100% Thermal Stun	100% Thermal Stun	50% Electric Stun 50% Thermal stun	80% Electric Stun 20% Thermal stun	80% Electric Stun 20% Thermal stun
Cattle	100%	100%	100%	100%	100%	100%	100%
Lamb	100%	100%	100%	100%	100%	100%	100%
Pigs	100%	100%	100%	100%	100%	100%	100%
Chicken	100%	100%	100%	100%	100%	100%	100%

In 2021 we received an innovation award from Compassion in World Farming for bringing electrical stunning to Warm Water Prawns. In 2022 80% of Warm Water Prawns were stunned using this method.

Objective 8. All slaughter facilities and farms in major markets are certified to recognised farm animal welfare assurance schemes.

Although both our suppliers themselves and our own Hilton Foods audit team monitor animal welfare performance, we believe that recognised farm animal welfare assurance schemes, where they are available, give an added level of confidence to our customers and to consumers that everything is being done to protect animal welfare.

We monitor this by checking records of farm assurance schemes at each supplier and farm inspection.

How are we doing?

All farms, fish farms, livestock facilities and slaughter facilities for farm animals and farmed fish supplying Hilton Food Group UK, Ireland and Sweden, and the majority supplying to the other European and Australian markets are certified to independent farm assurance schemes.



- For Hilton Foods UK/ROI and Hilton Seafoods, this includes Red Tractor, Bord Bia Quality Assurance, Best Aquaculture Practices (BAP), GlobalG.A.P. and Aquaculture Stewardship Council (ASC).
- For our other major European markets, this includes IKB Varken (benchmarked to GlobalG.A.P.) and QS for pigs reared in Holland, the Danish Product Standard in Denmark, and IP Gris Grundcertifiering (Quality Assured Pig Production) in Sweden. In Holland all pigs supplied to Hilton meet either the Beter Leven 1 or 2 star certification (Good Farming Star programme) which are higher welfare standards.
- In Australia, this includes the National Feedlot Accreditation Scheme (NFAS) and the Australian Pork Industry Quality (APIQ) standard.
- Where farm assurance schemes are available in other countries we endeavour to source from certified facilities and farms.
- 100% of Hilton Seafood UK farmed fish and shellfish come from certified farms.

Achieved for over 90% of Hilton Food Group

Working together to improve standards

Within the industry, we are committed to engaging in the development and improvement of global standards dedicated to advancing farm animal welfare practices. Hilton Foods also actively engages in the development and improvement of global standards, looking to identify and support projects dedicated to advancing farm animal welfare practices within the industry. We work with our supplier and retail partners, for example:

- In 2021 we supported the development of the animal welfare goals for the Global Roundtable for Sustainable Group
- In 2020 we developed animal welfare questionnaire which mapped the current position of all of our beef, lamb and pig meat suppliers. We have concentrated on developing an outcome measure approach which has been submitted by our suppliers through FoodsConnected. We are now developing category plans with our retail partner to ensure target improvement in animal welfare across their retail range.
- Hilton Seafood worked in 2020 with a potential pangasius supplier to improve and reduce the time out of water and to achieve a greater efficiency in the electric stunner.
- Hilton Seafood UK participated in a project commissioned by Tesco to Fresh Studio to benchmark the pangasius industry in Vietnam in reference to different standards and Tesco own Welfare standard. The report emphasised that our current supply chain goes beyond industry norm and market demand for animal welfare in the specie.
- In 2020, Hilton Seafood UK joined the Asian Farmed Shrimp Supply Chain Roundtable by Sustainable Fisheries Partnership. This roundtable, within other objectives, aims to engage governments and national industries to reduce disease risks and environmental impacts of the shrimp industry.



- We have joined as members of Sustainable Agriculture Initiative and have supported the development of their animal welfare position paper
- We are members of the European Roundtable on Beef Sustainability and our Group Head of Sustainability & Human Rights is on the board. Each member country must report progress against 4 key areas one of which is welfare. Member's platforms must be able to demonstrate progress against 3 outcomes.
 - Target mortality rates are below 1.5%. For systems with mortality rates above this target, a year on year reduction of 20% should be achieved
 - All animals have access to loose housing (when housed) by 2030.
 - All animals are given pain relief (analgesics) for all surgical procedures and for all forms of castration, dehorning
 - In the UK the UKCSP are responsible for delivering these outcomes, we were founding members and are actively involved in ensuring that the UK can demonstrate progress against each of the outcomes to maintain ERBS approval.
- We have been involved for over 15 years in the development and improvement of global welfare standards, for example providing expert fish welfare input into the development of the fish welfare standards within Global G.A.P. and other standards
- Our Aquaculture Specialist is currently the Vice Chair of the Global Gap Technical Committee with international aquaculture scope
- We have supported the practical guidance for the UN Global Compact Sustainable Ocean Principles- Aquaculture, which includes principle 6; concerning supporting the development of standards and sharing best practices in certification
- As market leaders, our suppliers are also actively involved in their own research and standards development, for example. In the Netherlands, our supplier, Vion, alongside other stakeholders including Albert Heijn and the Animal Welfare Organisation, worked together to develop the Beter Leven Keurmark, a higher welfare standard
- Taking learnings from our welfare audit programme; for example, the findings from an audit of a salmon slaughter plant in South Norway revealed an opportunity to improve the flow of salmon into the entrance of the electrical stunner to ensure a head first alignment and thus a more effective stun. In Norway, actions agreed from a salmon slaughter audit led to improved segregation of lumpfish (that help clean sea lice from salmon) during live grading, to ensure both species are stunned correctly.
- Hilton Foods is a member of the Food Industry Initiative on Antimicrobials (FIIA), where we have agreed a common set of principles with regard to responsible use of antibiotics, and a reduction of antibiotic usage without compromising standards of animal welfare. We have incorporated the resulting principles into our policy.
- In the UK, we work collaboratively with Tesco and other leading protein producers as members of Tesco Producer Groups to assist in developing their welfare and environmental farming standards. This includes the Tesco Sustainable Farming Salmon Group and the Tesco Sustainable Farming Lamb Group. In addition to supporting training for example, Hilton



Seafood UK facilitated the provision of fish welfare training by European experts for fish farmers in Turkey and Vietnam

Research & Development

Celebrating Success



Hilton Seafood's won a Compassion in World Farming Good Farm Animal Welfare Award for Innovation in Animal Welfare in 2021. We are committed to the development and implementation of high animal welfare standards from breeding and rearing through to transportation and slaughter across our global supply chains.



One of our objectives is to ensure that all animals and farmed fish are effectively stunned prior to slaughter. This project has helped to further evaluate humane slaughter in warm water prawns and demonstrate that technology is available and effective.

The New Development- Electrical Stunner in Warm Water Prawns (P.vannamei)

This was a two year project which resulted in the first commercial trial and the adoption of electric stunner in warm water prawns (P.vannamei).

The electric stunner for finfish had to be modified to fit prawn production. The stunner had to be fitted in a moving platform to allow the transfer of the stunner at the side of the many ponds in a farm. The delivery of the animals had to be adapted to a dual entry ensure an even distribution of the prawns along the conveyor belt.

Once these adjustments were in place the suitability of electric stunner under commercial circumstances was evaluated. The evaluation concluded that the use of the stunner presented several benefits including:

- Reduced handling
- Reduction in crowding times (in pond)
- Easier access to measure effectiveness
- Better consistency of stun delivery
- Faster method to render animals unconscious and insensible to pain.
- Greater efficiency and reduction in labour during the harvest process, although the initial investments was significantly high.
- Not detrimental to product quality

Prior to this we were a key stakeholder in an initiative led by Tesco which introduced the electric stunner in seabass and seabream and sharing these learning with the rest of the industry. Tesco won the Best Retailer Innovation Award from Compassion in World Farming in 2017 for this work. We then took these learning and adopted them to meet the needs of warm water prawns (P.vannamei) as we believed it could deliver a more instant stun than the current thermal shock and therefore improve welfare at slaughter.

Our Fisheries, Aquaculture and Supply Chain Manager presented this project at the Animal Welfare Research Network to share the learnings with the scientific community who may be able to adapt the technology to meet the needs of other species.

In 2022 80% of our warm water prawns were stunned using this method

Promoting higher welfare to our consumers

At Hilton Foods, we are proud of the work we carry out on a day to day basis to improve animal welfare, in partnership with our suppliers, our retail customers and the wider industry. We look for opportunities to communicate this through our website and directly with consumers, for example through our attendance at UK agricultural shows alongside our retailer partner Tesco.



We are now in the third year of our Sustainable Protein Plan. Animal welfare is one of three focus areas in the planet pillar. As a strategic priority animal welfare is being communicated both internally and externally with a plan to improving the base standard within our supply chain and exploring opportunities to have industry leading supply chains. This strategy includes working with our retail partners to assess their category and target areas for welfare improvement.

We work with our retail partners to support their buying and technical teams including explaining the issues and opportunities to promote best practice in animal welfare. Welfare is a key part of this upskilling ensuring they understand its importance to customers and how welfare adds value to a product.

Over the past 12 months we have updated our website including an animal welfare section to show what we can offer customers.

We have developed a broad approach to evaluating and communicating the positive role of meat and fish in human nutrition. Our purpose is to demonstrate the nutritional benefits of eating these products with due consideration of the need to minimise their environment impact and maximise animal welfare.

We have a graduate scheme and, in the UK, support the Tesco Future Farmer Foundation in the UK and Ireland; through which we aim to support a wider understanding of the livestock industry including the importance of animal welfare.

In the Netherlands, products supplied to Albert Heijn promote their higher welfare 'Good Farming Star' programme through a QR Code on the final product packaging through which customers can have traceability back to the farmer and farm.

We have encouraged our suppliers of wild caught cod and haddock to invest in pre slaughter electrical stunning on existing and new build trawlers and have been successful in promoting the benefits of this technology. There are several trawlers under construction being fitted with Optimar electrical stunners.

Examples of promoting higher welfare on social media

<https://www.linkedin.com/feed/update/urn:li:activity:6798199781119311872>

<https://www.linkedin.com/feed/update/urn:li:activity:6780492829350277120>

Welfare Outcome Measures are collected for the entire group



Hilton has a commitment to upholding high standards of animal welfare throughout the supply chain, up to and including final slaughter. To support this commitment we introduced a system of animal based Welfare Outcome Measures (WOM) in 2022, which are continuously reported across our beef, lamb and pork supply chains, in order to evidence good practice and identify trend incidence and areas of improvement.

WOM are intended to be simple, repeatable and valid metrics which are a measure of handling and slaughter practice, in addition to providing insight into the farm and transport conditions that the animal has experienced.

This process is intended to promote supplier engagement and embed understanding of the domain model of animal welfare assessment, which requires:

- good feeding
- good housing
- good health
- good handling
- appropriate behaviours

WOM data is now typically submitted by suppliers on a monthly basis and is verified as part of our ongoing programme of abattoir assessments. We now have 18 months of data and moving forward this will now allow Hilton to track and trend relative performance within any given sector and monitor individual supplier performance over time. Crucially, this assessment approach is designed to emphasis positive outcomes and not simply report on an absence of negatives and now having an extended data set we will start to be able to evaluate factors such as seasonal impact on welfare metrics

For all of our UK and Europe Operations

Transport & Fitness to Travel

Extended transport times can be associated with welfare challenges in all livestock species; as such Hilton require that typically transport times should be limited to less than 8 hours. Transport times in excess of 8 hours must only be undertaken in superior vehicles (where animals are provided opportunity to drink in transit) and where journeys are conducted by personnel assessed as competent to undertake extended transport. Transport in excess of 12 hours must never be a planned event but only occur as a consequence of exceptional circumstances e.g traffic incidents.

Figure 1 illustrates that in the year to date over 96% of all journeys (averaged across all sectors) are completed in 8 hours or less. This is a slight (non-significant) reduction relative to 2022 data sets. This is a consequence of the lower proportion of lamb transport occasions completed within 8 hours and a concomitant increase in the relative number of transport occasions exceeding 12 hours. There is some interspecies variance, with the pork sector reporting a slightly larger proportion of journeys between 8-12 hours (3.57%) compared to cattle (1.82%). However, lamb has shown an increase in longer journey times and sheep (2.9%) primarily associated with specific geographies.

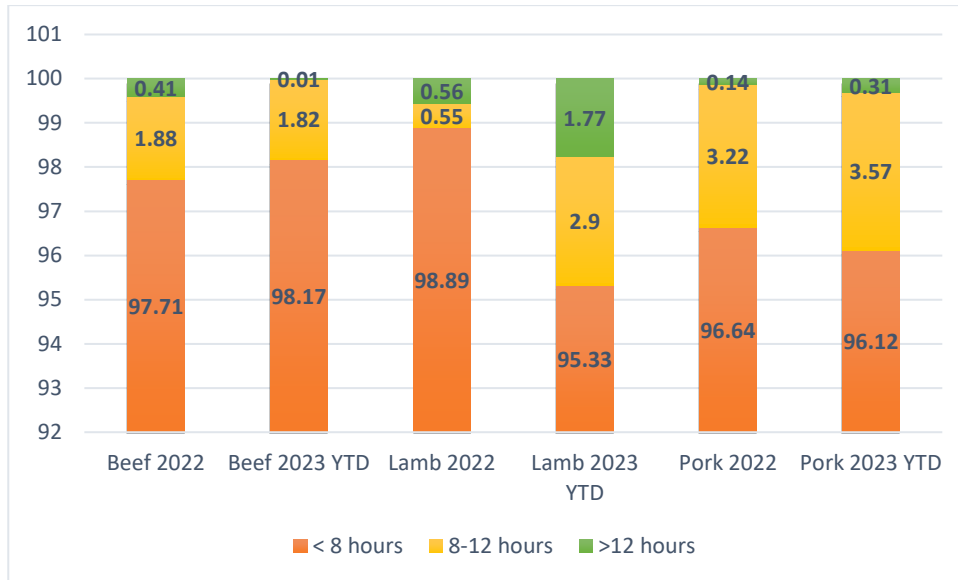


Figure 1: Percentage of Deliveries (Cattle, Sheep and Pigs) Completed within 8 hours

Only animals that are physically fit should be loaded for transport and journeys should be completed with due regard for animal wellbeing throughout. Animals in the latter stages of pregnancy, unweaned young stock or animals that are physically injured or unable to weight bear on all 4 limbs must not be transported.

The proportion of animals detained on arrival and/or reported as casualties provides a measure of fitness at time of loading as illustrated in Figure 2.

The proportion of casualty animals overall is exceptionally low and both beef and pork sectors have shown a relative reduction in casualties between 2022 and 2023. Lamb has, however shown a slight trend increase in the incidence of casualty animals. This may suggest an association with the increased incidence of transport times in excess of 8 hours but this will require further review and evaluation as reported data sets grow.

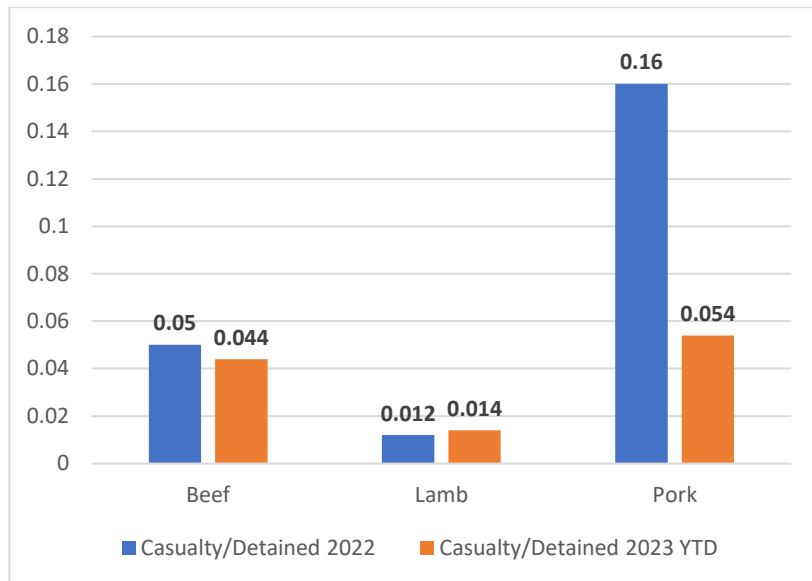


Figure 2. Percentage Incidence of Casualty/Detained Animals (Cattle, Sheep and Pigs)

Animal Handling

Careful and compassionate animal handling, together with well-designed unloading and holding facilities is crucial to animal well-being prior to slaughter.

All sites are required to make an assessment of slips (in cattle and pigs) and falls (in cattle, sheep and pigs) at time of unloading. Seasonality can have an impact e.g. wet/muddy conditions but overall there is an expectation that low levels occur.

Figure 3 illustrates the relative incidence of slips and the total occurrence is low, with the level in the pork sector having reduced significantly in the year to date relative to 2022 figures. However, it is noted that as yet the data sets for autumn/winter 2023/2024 are not included and the seasonal impact on slips and falls is well documented.

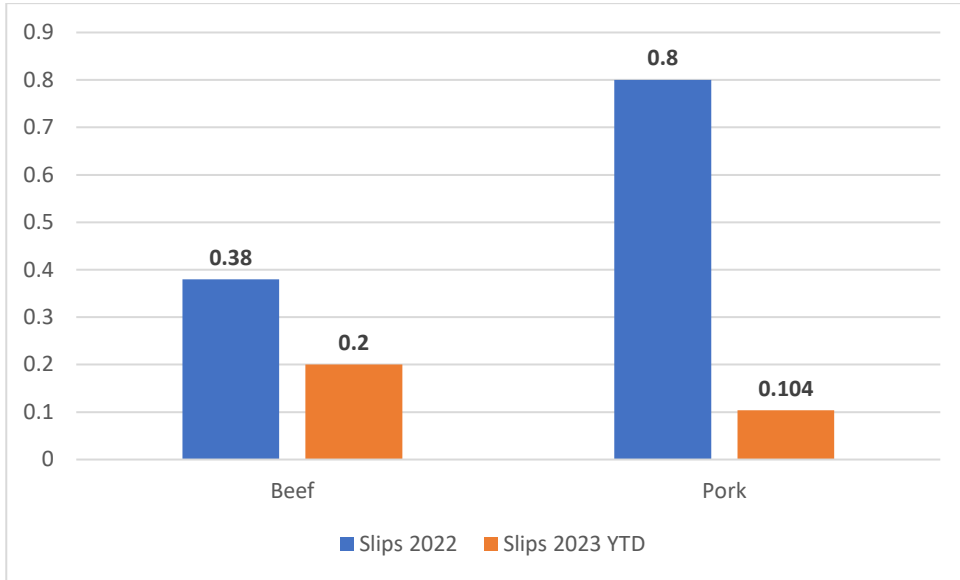
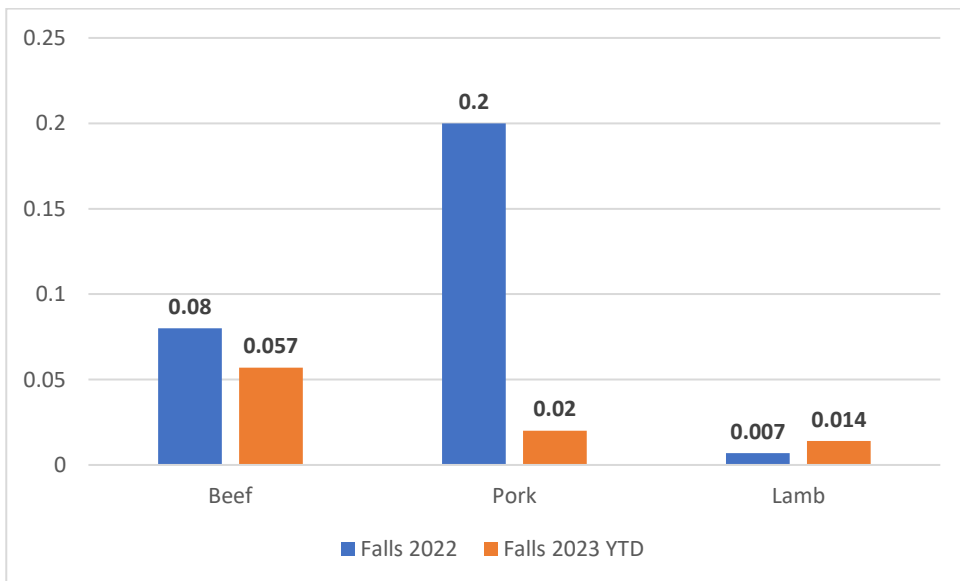


Figure 3: Percentage Incidence of Slips (Cattle and Pigs)

Figure 4 illustrates the percentage of recorded falls. Figures are exceptionally low and again both beef and pork have recorded a decrease in incident for year to date. There has been an increase in figures reported across the lamb supply base but they nevertheless remain significantly lower than other sectors.





The use of goads for handling juvenile animals is prohibited. Goad use in cattle is restricted to adult animals (over 12 months), applied only on the hind quarters and when the animal has unobstructed pathway in the direction of travel. Repeated use on any individual animal should be avoided. Processors are therefore required to report on the total number of animals goaded and the total number of times the goad is used (a big discrepancy between these two measures being indicative of repeated use). Figure 5 illustrates these two reporting metrics and indicates that only a minority of cattle are goaded (4.36%) across the Hilton supply base and of these only an average of 0.19% have been multiply goaded as reflected in total goad use (4.55%). These metrics represent a marginal (non-significant) increase across the supply base as a whole. The focus will be on those sites reporting higher values; particularly where use suggests a systematic shortfall e.g. in lairage and/or handling facilities

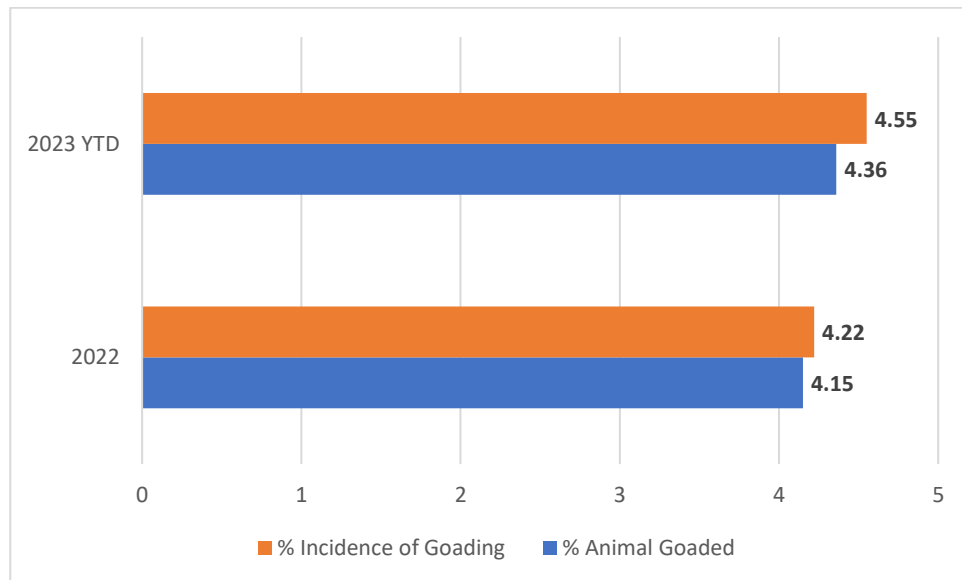


Figure 5: Percentage Incidence of Goad Use (Cattle)

Stun and Slaughter

Hilton does not allow the use of non-stun slaughter within its supply base. 100% of animals are stunned and there is a further requirement that an effective secondary stunning system is available in the event of either primary failure or for what are termed 'health and safety' stuns i.e. where the extent of post-stun movement that occurs as part of an effective percussive or electrical stun is such that ensuring the slaughter process is delivered swiftly and effectively could be compromised, and a secondary stun is advised. Additionally, when electrically stunning sheep there can be occasions where individual animals 'jump through' the restrainer unstunned, requiring deployment of the back up method in the first instance. Figure 6 illustrates the relative incidence of each of the scenarios described.

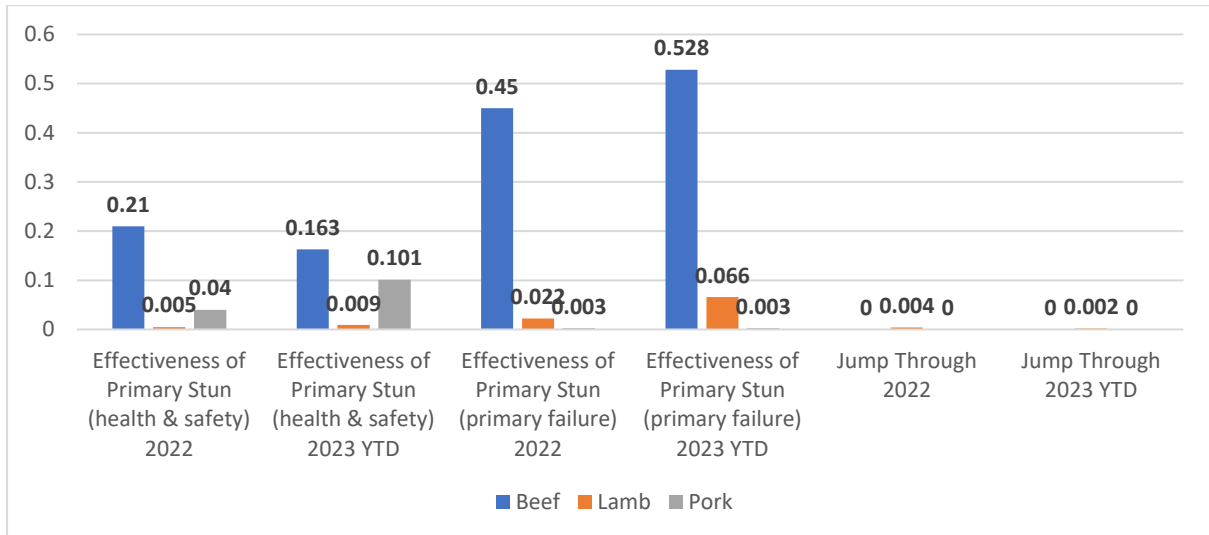


Figure 6: Percentage Incidence of Secondary Stuning (Cattle, Sheep and Pigs)

The extremely low level of secondary stunning across the pork supply base is reflective of the use of controlled atmosphere stunning (CAS) across a significant proportion of the supply chain. Recorded instances of secondary stunning have declined to single figure occasions across sites using CAS. Conversely recorded figures have increase fractionally across the beef and lamb supply base but audit findings suggest this is due to sites adopting a precautionary approach rather than being suggestive of any underlying issues.

Condemnation Reporting

The incidence of condemnations is an important metric to understand the health and welfare status of the animal and identify where challenges have arisen on farm. For cattle and sheep a total loss is reported (Figure 7) whereas for pigs there are three specific metrics of interest which reflect the most common issues.

Condemnations for arthritis can be illustrative of general housing conditions e.g. flooring type and integrity, where the incidence of spinal abscesses can be an indication of tail biting (even if healed and no longer evident at time of loading for transport). The prevalence of skin lesions associated with fight damage in pigs can also be indicative of poor/inappropriate group mixing either on farm, in transit or during lairage and these data sets are carefully monitored to allow processors to implement targeted interventions where indicated.

There has been significant reduction in the percentage incident of condemnations reported (all categories) from 2022 to 2023.

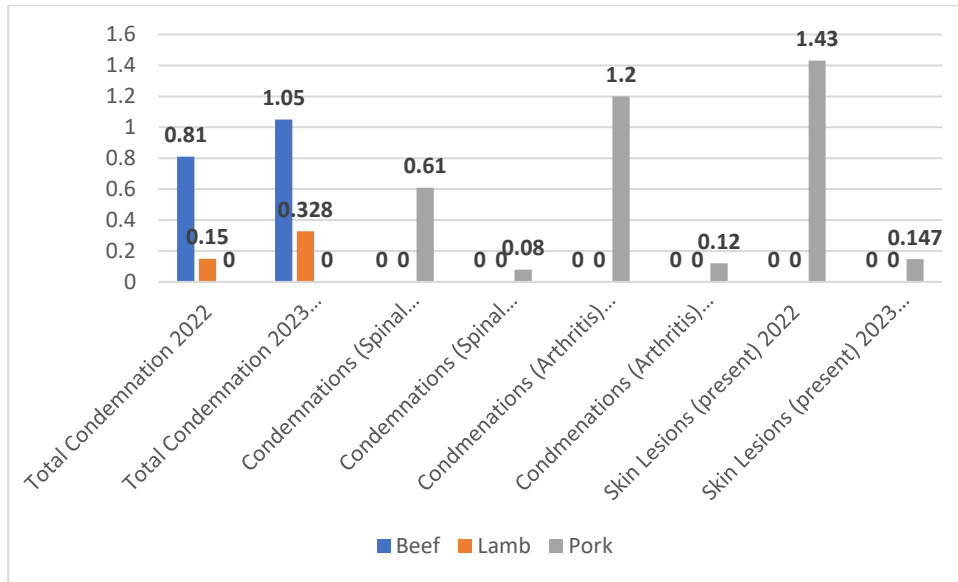


Figure 7: Percentage Incidence of Condemnations (Pigs, Sheep and Cattle)

WOM reporting is a comparatively new initiative within the Hilton business but the scope of reporting and value attributed will become more important in order to understand the effectiveness of policy impact and implementation.

For our operations in Australasia the collection process is managed by our retail partner Woolworths group, who share the data with us. They are the only customer we service in the geography.

Transport times

Transportation times must be minimised at all times and, where possible, transport times should not exceed 8 hours. The welfare of animals must never be compromised. Woolworths encourages livestock transporters to have independent transport schemes in place such as TruckSafe and must adhere to the National Transport Guidelines

Species	Transport Time	% of supply transported within times listed	% of Supply transported for under 8 hours
Woolworths cattle	6 hours	67.36%	79.55%
Woolworths Lamb	6 hours	86.36%	92.76%



Pork	<4 Hours	74.34%	100%
	4-6 Hours	25.66%	

Pre-Slaughter Stunning

All livestock is stunned prior to slaughter. Suppliers must record the number of animals that are ineffectively stunned and/or require back up stunning. This is verified at audit and captured through our welfare outcome measures.

Outcome Measure Reporting

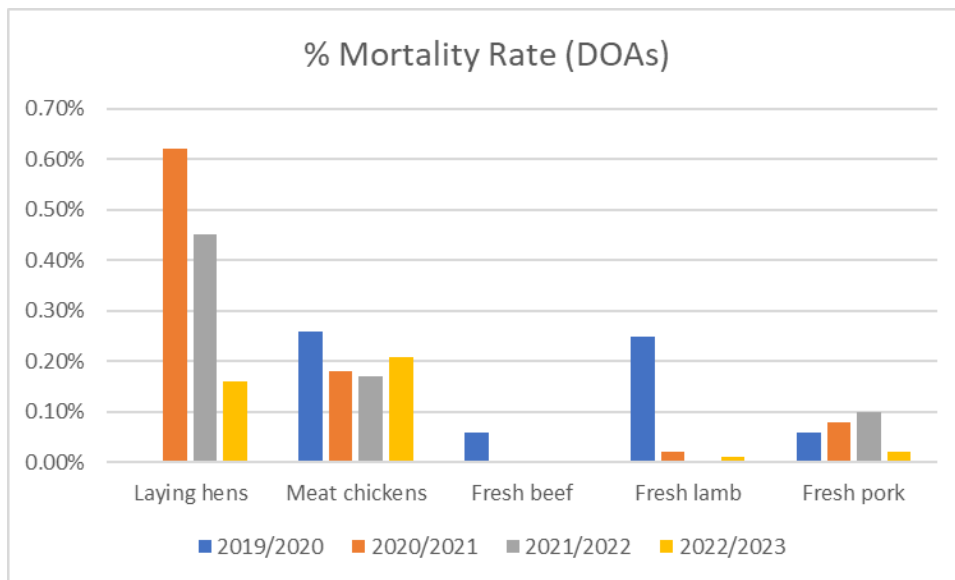
Due to changes in the data collection methodology the results for beef, lamb and pork represent June and July 2023.

Species	Measure	Proportion (%) of animals
		FY 2022/2023
Woolworths cattle	Injured during transport / unfit for transport	0.001%
	Secondary/ backup stun	1.59%
	Mortality rate (DOAs)	0.00%
	Lame or injured in lairage	0.0007%
	Road traffic incidents	0.00%
	Slips/trips/falls	0.00%
	Vocalisation	1.70%
Woolworths Lamb -	Injured during transport / unfit for transport	0.002%
	Mortality rate (DOAs)	0.011%
	Secondary/ backup stun	0.002%
	Lame or injured in lairage	0.002%



	Road traffic incidents	0.00%
	Slips/trips/falls	0.00%
	Vocalisation	0.00%
Fresh Pork	Injured during transport/ unfit for transport	0.00%
	Lame or injured in lairage	0.00%
	Slips/trips/falls	0.00%
	Vocalisation	0.47%
	Mortality rate (DOAs)	0.02%
	Road traffic incidents	0.00%
	Secondary/ backup stun	0.00%

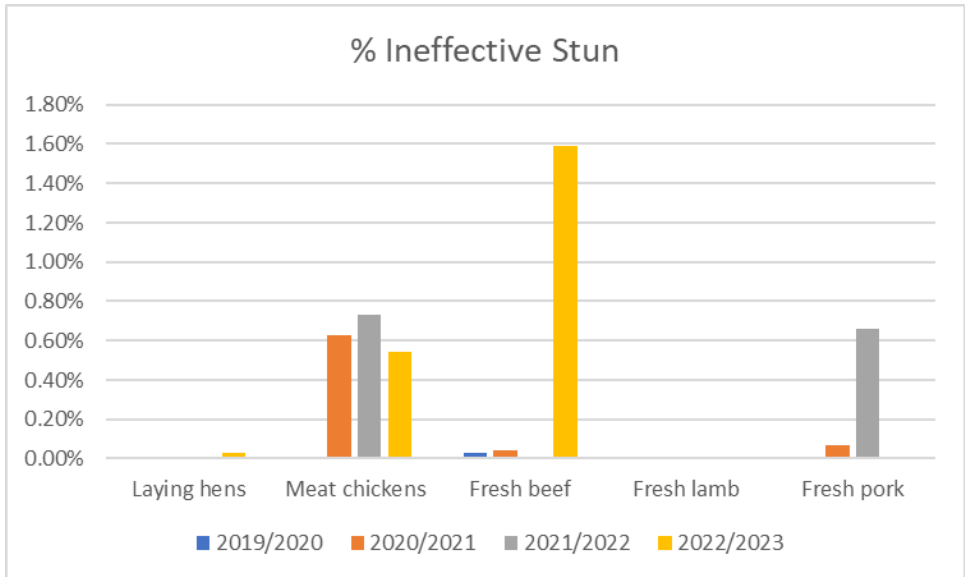
Mortality Rate (Dead on arrival)



NB no data for laying hens in 2019/2020 and beef/lamb in 2021/22. Beef recorded as 0.00% in 2020/21 and 2022/23.



Ineffective Stun



NB no data for laying hens, chicken, lamb or pork in 2019/2020 and beef/lamb in 2021/22. Laying hens reported as 0.00% in 2020/21 and 2021/22, lamb in 2020/21 and 2022/23 and pork in 2022/23.

Animal Welfare Commitments to end the use of inhumane practices

We are committed to not produce or sell foie gras or meat from birds reared for foie gras across our entire group. This has been achieved for the entire of Hilton Foods

We do not allow live plucking or live harvesting for geese

Animal Sourced Foods

Hilton Foods have a committed through our Sustainable Protein Plan detailed in our annual report to increase the sales of our plant based, vegetarian and flexitarian products by 50% compared to a 2020 baseline by 2025. As we have recognised the need to reduce our reliance on animal-sourced foods across our entire operations, which is why we are diversifying. Our business began processing beef and lamb and has since diversified as outlined in our annual report. The responsibility of these businesses and the growth in our plant base lands with our regional CEO's who in return report to our Group CEO.

In our annual report we have acknowledged in our Climate- related Transition risk that there is a likely risk of changing consumer purchasing preferences to lower emission alternatives. Our mitigation strategy includes achieving significant reductions in the emission intensity of beef and lamb supplied to Hilton Foods and creating a diversified portfolio of proteins that aligns with consumer demand. We are committed to doubling production of plant-based proteins by 2025 and are actively expanding our plant-based facilities at several sites including a dedicated facility in the



UK. We are investing in acquisitions to gain market share in lower emission proteins, such as the outright purchase of Dalco and our investment in Cellular Agriculture.

Our targets

- In 2023 we have resubmitted our Science Based Targets to SBTi with an increased ambition in line with 1.5 degrees
- We are committed to doubling production of plant-based proteins by 2025

Our progress in 2022

- Launched 60 new vegetarian and vegan products, including vegan bacon with Tesco
- 48.5% increase in sales of vegetarian and vegan products since 2021
- Milestone investment in CellAg, cultured meat producer in the UK

We actively engage with our retailer partners to grow our plant based and IT based companies. The annual report outlines some products we have launched with our retail customers. We have upskilled our commercial teams to support them in conversations with our retailers to grow our plant based range.