



Hilton Food Group Animal Welfare Policy

At Hilton Food Group, animal welfare is central to our values and integral to our business, to enable us to meet our customers' expectations for high quality, sustainably reared livestock and farmed fish.

We are a customer-led business, working with, and delivering to, high standards set by our retailer partners who are themselves recognised as leading in animal welfare.

Together with our retailer partners, suppliers and farmers we are committed to the development and implementation of high welfare standards for animals and farmed fish across our global supply chains, from breeding and rearing to transportation and slaughter.

As a global business, we aim to share learnings across the different markets in which we operate, using our influence to drive progressive improvements in animal welfare that meet and exceed legal requirements.

Our approach is based on the Five Freedoms of the Farm Animal Welfare Council (FAWC):

1. Freedom from hunger and thirst
2. Freedom from discomfort
3. Freedom from pain, injury or disease
4. Freedom to express normal behaviour
5. Freedom from fear and distress

Our objectives as a business are to work with supplying partners across all species, to ensure:

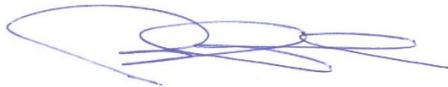
1. All applicable laws and legislative requirements are met, and where possible slaughter facilities and farms are certified to independent farm assurance schemes that include actions to improve animal welfare;
2. Antibiotics are used as little as possible without compromising animal welfare, through better site hygiene, husbandry, biosecurity and other preventative measures;
3. All animals and farmed fish are effectively stunned prior to slaughter;
4. The avoidance of routine procedures such as tail docking and the use of suitable pain relief where they are used;
5. The avoidance of close confinement and, where appropriate to the species, the promotion of environmental enrichment;

6. Travel times are kept to a minimum and for livestock are not greater than eight hours;
7. No animals/farmed fish are from cloned stock or subject to genetic engineering;
8. No use of growth promoting substances or hormones; and
9. The use of welfare outcome measures to monitor standards objectively, and to use targets/ benchmarking to drive best practice across the countries we source from.

We are committed to publicly reporting our progress against this policy.

We regularly review this policy because we believe good animal welfare is a process of continual improvement and should evolve based on our own learnings, the future needs of our customers, the latest developments in scientific research and our on-going engagement with experts in the field including NGOs.

On behalf of Hilton Food Group plc:



**Philip Heffer
Chief Executive Officer
September 2020**

This Policy will be reviewed again in 6 months' time



Hilton Food Group Animal Welfare Statement

Introduction

At Hilton Food Group 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 September 2020. It applies to all species, in all markets for the calendar year 2019, however we recognise that the different markets in which Hilton Food Group operates are at different stages in their development and implementation of animal welfare standards.

Our core business is the supply of beef, lamb, pork and fish products under retailer own label brands, working in partnership with the suppliers that lead in animal welfare in each of the markets in which we operate.

At Hilton Food Group we produce meat from the equivalent of over half a million cattle, almost 1 million pigs, almost 1,400,000 lambs and approximately 19 thousand tonnes of farmed Atlantic salmon each year. We currently operate across Europe and Australia, with the core of our business in the United Kingdom, Republic of Ireland, Denmark, Holland, Sweden, Poland, and Australia. Hilton Food Group also uses small amounts of other animal proteins, such as poultry, and very small amounts of dairy and eggs in some of our UK fish products.

Hilton Food Group does 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 Food Group. In some markets we manage cutting and packing operations on behalf of our customers, but do not have a direct purchasing relationship with these suppliers. Here we work with our customers to influence their suppliers.

At Hilton Food Group, day to day responsibility for our animal welfare policy sits with our Group CSR Director reporting to the Chief Quality and CSR Officer who in turn reports directly to the Chief Executive Officer and main Board. The Hilton Food Group Board regularly reviews progress against the animal welfare objectives outlined in our Animal Welfare Policy through the CSR Committee.

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 are in the process of agreeing 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 Food Group to audit slaughter/farm facilities (e.g. in the case of our farmed fish auditors, all have received external training provided by the Fish Vet Group, Stirling University and NAFC). 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.

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.

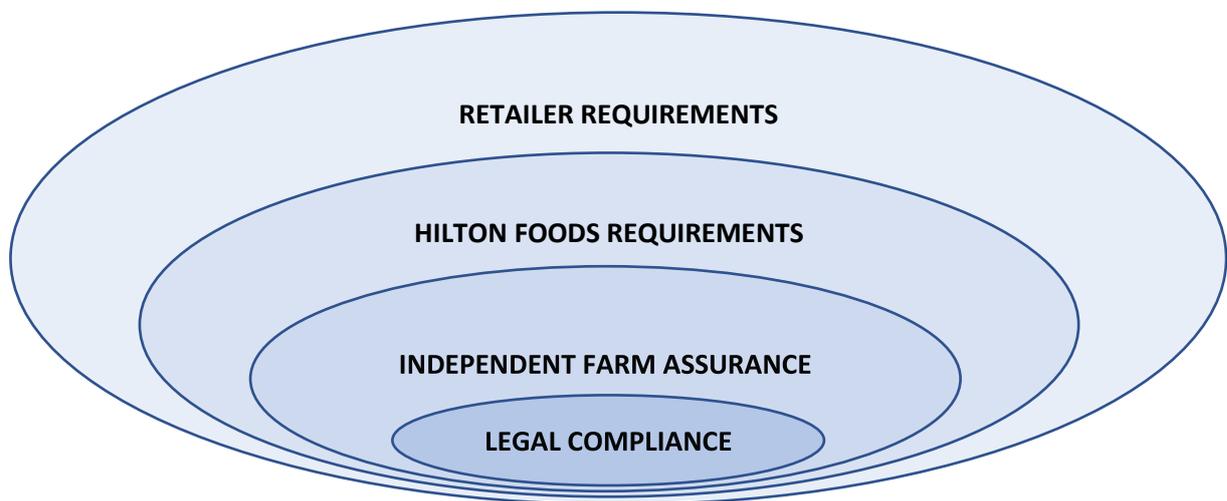


Fig 1: Hilton's multi-layered approach to animal welfare assurance

Legal compliance

Hilton Food Group 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 Food Group 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

Hilton Foods UK/ROI independently audits all livestock slaughter facilities to the Hilton Group Supplier Standard using a dedicated second party, during which standards of animal welfare are assessed by a welfare qualified auditor. Hilton Seafood UK directly employs farmed fish welfare officers to audit all farmed fish slaughter facilities and supplying fish farms including those outside the UK, e.g. pangasius in South East Asia. For our European operations, Hilton Food Group directly employs a dedicated

team of auditors, who are trained in animal welfare, to audit all livestock slaughter facilities.

Retailer Requirements

In addition to our own standards and audit programme described above, all livestock and farmed fish suppliers supplying to Hilton Foods UK and Hilton Seafood UK are required to meet and are audited to Tesco Livestock Welfare Standards. These species-specific standards are independently audited by Lloyd's Register (an ISO 17020 accredited inspection body) who employ trained animal/fish welfare officers. A similar approach is taken in partnership with other retailers in our other major markets.

Example: Tesco in UK

In the UK, Tesco UK account for 100% of Hilton's beef and lamb. In addition to beef and lamb we also do a small amount of chicken. All supplying farms and abattoirs must comply with species specific industry leading Tesco Livestock Requirements encompassing the Five Freedoms, and covering all aspects of animal rearing including health, welfare, feed, production systems, environment, stocking, transport and slaughter across all livestock species including aquaculture.

All of the products in the UK must be Tesco Welfare Approved this means meeting Tesco Livestock Requirements including that farms are assured to a Tesco recognised farm assurance standard, including Red Tractor and Bord Bia, throughout the United Kingdom and Ireland.

For farmed seafood, Tesco requirements are in compliance with the OIE Aquatic Animal Health Code and farm assurance standards including GlobalG.A.P, Best Aquaculture Practice (4 Star) and the Aquaculture Stewardship Council. Tesco *finest** salmon is reared in Scottish waters and certified to GlobalG.A.P. and RSPCA Welfare Standards. Tesco organic salmon is certified to independently assured organic standards, requiring lower stocking densities.

Example: Tesco in Ireland

In Ireland we supply all beef, lamb and pig meat to Tesco Ireland, all of which must be Tesco Welfare Approved. All of the supplying farms and abattoirs are Tesco welfare approved in addition to being farm assured by Bord Bia.

Example: Woolworths in Australia

Woolworths is committed to working with farmers and suppliers to focus attention on good animal welfare. Woolworths' animal welfare policies cover all aspects of animal rearing, health, welfare, feed, production systems, environment, stocking, transport and slaughter. Its approach is based on and endorses the Five Freedoms and applies to all dairy, beef, lamb, poultry, eggs, pigs and aquaculture species.

Woolworths' Animal Welfare policies are implemented through the supplier excellence program covering own brand products with animal welfare progress reported annually as part of the Corporate Responsibility report.

Woolworths has trained its beef purchasing team on animal welfare to Aus-meat Animal Welfare Certification System (AAWCS). Using Compassion in World Farming Animal Welfare training – Basic level 1 as a template it has started training colleagues on animal welfare of pigs.

All Woolworths' Own Brand fresh pork is independently audited to the Australian Pork Industry Quality (APIQ) standard. In addition to this it has implemented its Woolworths Pork Blueprint, which includes higher animal welfare components. Woolworths' beef cattle are grazed and finished in feedlots that are accredited by the National Feedlot Accreditation Scheme (NFAS), which

incorporates animal welfare components. Only 20% of Woolworths' sheep are sourced from sale yards with 80% sourced straight from farm. No Woolworths lamb is mulesed.

Other proteins

We are working with our suppliers of dairy and poultry products to confirm animal welfare standards in this supply. We already stipulate that all the dairy products and eggs used in our Hilton Seafood UK business for sauces and fishcake fillings must meet Tesco Livestock Welfare Standards. The eggs must be from free range flocks.

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 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.

Delivering against our objectives

Hilton Food Group 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 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 Food Group 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

Objective 2. Animals are free from close confinement.

Hilton Food Group 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. Since 95% of the beef used in our Polish business is sourced in Poland, it is probable that all of these animals 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 or confined in stalls after successful service has been confirmed.
- Across our European supply all sows must be moved to group housing no later than four weeks after insemination.
- In Australia, our retailer partner Woolworths has committed to ensuring all own brand fresh pork is sourced from farms that only use gestation stalls for less than 10% of the sow's gestation period.

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

Laying Hens

- Over 50% of the eggs we use in our supply chain come from free range farms.
- In addition the majority of rest of the ingredient egg come from cage free systems. We are currently working towards full transparency in our total egg ingredient supply chain.

Achieved for over 50% of the group

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

At Hilton 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 our annual animal welfare questionnaire, 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 entering the Hilton supply chain are farm assured. Each of the farm assurance schemes cover enrichment to varying degrees. Our suppliers are engaged in moving supply chains towards the implementation of optimal 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, manipuable 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.
- The British pigs destined for our Dutch market are RSPCA assured and outdoor breed.
- In Denmark, our suppliers report that 88% of pigs have enrichment, such as straw.

- 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.
- 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 Food Group 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.

How are we doing?

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.
- 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.

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 Food Group 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 Food Group does not permit the 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 Food Group does **NOT** permit the use of

hormones or other growth promoting substances in any species in our European 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?

We are still collecting data on this objective; however, 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 publically reported. In addition some of our key suppliers such as Vion publically report it on their website.

Supported by initiatives such as this and by our own antibiotic monitoring programmes, we are actively working to reduce antibiotic usage further. For example:

- In the UK we are supporting the use of the E- Medicines hub in cattle. Currently there is a relatively small sample of 5.5% of supplying farms. Antibiotic use was 21mg/kg in 2018, with a move away from HPCIA. We are supporting and implementing the Responsible Use of Medicines in Agriculture Alliance (RUMA) targets in our UK supply chain, which is a total reduction of 10% by 2020. We are working in partnership with Tesco to measure and drive continuous improvement in the UK. To achieve this through the Tesco farming groups farmers are paid a premium for submitting their antibiotic use. A key beef supplier has developed, in conjunction with nutritional and veterinary partners, a programme aimed to give guidance to farmers on practices they can follow to reduce the risk of disease and thus the need for antibiotics, including ways to reduce animal stress, improve hygiene and improve bio-security.
- In ROI, our key pig supplier has further developed their approach on antibiotics based around the Responsible Use of Medicines in Agriculture Alliance (RUMA) Guidelines: "Responsible use of antimicrobials in pig production". RUMA advocate the importance of good farm management and health planning to reduce disease challenge and, by doing so, reduce the need to use medicines such as antibiotics.
- 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. Our use of therapeutic antibiotics is zero in the majority of our supplier farms. In 2019, our farmed salmon supply chain reported the use of 3.33 g API /tonne LWE, noticeably below the RUMA target of maximum of 5 mg/kg. We continue to see the same zero use of antibiotics trend in other aquatic species.
- In 2019 average antibiotic use for pigs in Sweden use was 12.1mg/kg.

- 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 to our major markets are aware of this objective and many report independently on livestock transport themselves. 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.

How are we doing?

In most situations typical travel times are significantly less than 8 hours.

- In Denmark, the maximum transport times for approximately 90% of the pigs handled by our key pork supplier does not exceed two hours. No journey exceeded 8 hours.
- In Sweden, our principal supplier achieves average transport times of less than four hours and none exceeded 8 hours.
- In ROI, the typical journey time for pigs supplied to Hilton Foods Ireland is three hours and for cattle can be as low as 45 minutes this is monitored at audit and no beef, lamb or pig meat exceeded 8 hours.
- In the UK, cattle and lambs typically travel less than four hours to our major suppliers. We verify this at audit and have no evidence of any journey that exceeded 8 hours in 2019.
- The transport of live aquatic animals are all within controlled water systems and are as short and direct as possible- water quality and density are the two main parameters that we required our suppliers to record. In many examples, harvest and slaughter is done pen side with no transport times, for those that undertake travel, we require additional data to verify maximum transport times. Hilton Seafood is currently working on a system to better present transport times in aquatic animals to the public domain.
- Woolworths livestock requirements specify that transport times must be kept to a minimum. They have set up a welfare in transport standard in association with the Australian Transport Association that covers all species and is best in class.

We are still collecting data for this objective and believe that compliance is actually very close to 100% in our European businesses and all of our largest suppliers have confirmed this.

We have achieved 100% compliance in the UK, Ireland, Sweden and Holland.

More data required to verify maximum transport times for Australia and South America.

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.

We can now announce that 100% of our Atlantic salmon, pangasius, salmon, sea bass and sea bream are stunned prior to slaughter. This is independently audited by Lloyd's Register and all farms are certified to independent farm assurance standards e.g. BAP, Global GAP, or ASC.

Hilton Seafood suppliers reported for 2019 more than 97% success on primarily stun. 42% of our salmon suppliers use percussive stunner, 37% use electric stunner and 21% use both systems. A back up stunner in every system is mandatory as part of Hilton Seafood and customer requirements to ensure 100% efficacy of the stunning process.

Species	2014	2015	2016	2017	2018	2019
Atlantic Salmon	100% Electrical or percussive					
Pangasius	100% percussive	100% percussive or electric				
Sea Bass	100% Thermal Stun	100% Thermal Stun	10% Electrical 90% Thermal	60% Electrical 40% Thermal	100% Electrical	100% Electrical
Sea Bream	100% Thermal Stun	100% Thermal Stun	10% Electrical 90% Thermal	60% Electrical 40% Thermal	100% Electrical	100% Electrical
Warm Water Prawns	100% Thermal Stun					
Cattle	100%	100%	100%	100%	100%	100%
Lamb	100%	100%	100%	100%	100%	100%
Pigs	100%	100%	100%	100%	100%	100%
Chicken	100%	100%	100%	100%	100%	100%

Table 1 – Results of progress towards 100% pre-slaughter stunning

We have also commissioned work on electrically stunning warm water prawns with field trials started on May 2020 with very positive results. Due to the unforeseen circumstances with Covid-19, a desktop audit of video footage and trial results by an animal welfare expert took place in July 2020 which concludes that this method represents immediate insensibility through administration of an electric stun.

Although prawns are invertebrates and not currently subject to animal welfare legislation, there is growing evidence that decapod crustaceans, which include crabs, lobsters and prawns, possess a level of sentience that means they can experience pain as well as positive emotions. 100% of wild caught crab and lobster were electrically stunned prior to cooking.

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 Food Group 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 Food Group 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 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.
- 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 CSR Director is currently vice chair of 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.
- Hilton Seafood UK has been collaborating with Tesco to develop new aquaculture standards to improve welfare and audits of farmed seafood supply chains. In late 2019 and 2020, Hilton Seafood UK facilitated pilot audits to ensure the capability of the new Tesco standards.
- 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 GlobalG.A.P. and other standards
- 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 Food Group 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

R&D in fish welfare

Hilton Seafood UK is working in collaboration with feed companies and salmon producers to implement alternative marine ingredients that provide EPA and DHA to the fish to ensure levels in feed remain high enough to support good fish welfare. Our aim is to reduce the Forage Fish Dependency Ratio (FFDR) in the fish diets in or supply chain in order to reduce the number of wild fish needed to be harvested for the farm supply. One of the main contributing factors has been the increase and better utilization of trimmings. Our current supply chain for pangasius is free of the use of wild fish in diets in the grow out stages.

In Norway, we are currently working with our salmon farmers to reduce the number of sea lice treatments required per farm as part of a sea lice mitigation strategy, as sea lice infections and the physical treatments needed to remove them can cause stress to the fish. Our suppliers are investing in the exploration of farming technology innovations including closed containment systems and offshore salmon farming, and research into breeding fish with greater resistance to sea lice infection. This offshore farming research is being coordinated in the EXPOSED (SFI) project which is researching technologies for open water aquaculture operations which today are

unavailable to industrial fish farming due to remoteness and exposure to harsh wind, wave and current conditions.

In Vietnam, Hilton Seafood UK has been working with a Pangasius (Basa) supplier to implement a more efficient method of stunning the fish so that it can be used on the whole harvest rather than just the fish destined for Hilton Seafood UK. Trials in 2019 were carried out using an electrical stunner to good effect and we are investigating a full harvest solution to include this method.

We have also commissioned work on electrically stunning warm water prawns with field trials started on May 2020 with very positive results. Due to the unforeseen circumstances with Covid-19, a desktop audit of video footage and trial results by an animal welfare expert took place in July 2020 which concludes that this method represents immediate insensibility through administration of an electric stun.

Hilton Seafood UK collaborates with NGOs to identify concerns in animal welfare and encourage the change to the industry when issues have been scientifically recognised.

Promoting higher welfare to our consumers

At Hilton Food Group, 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.

Over the last 18 months we have developed our CSR 5 year Hilton food group strategy. This strategy has 8 pillars based on Hilton's strategic priorities, one of which is animal welfare. 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.

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.

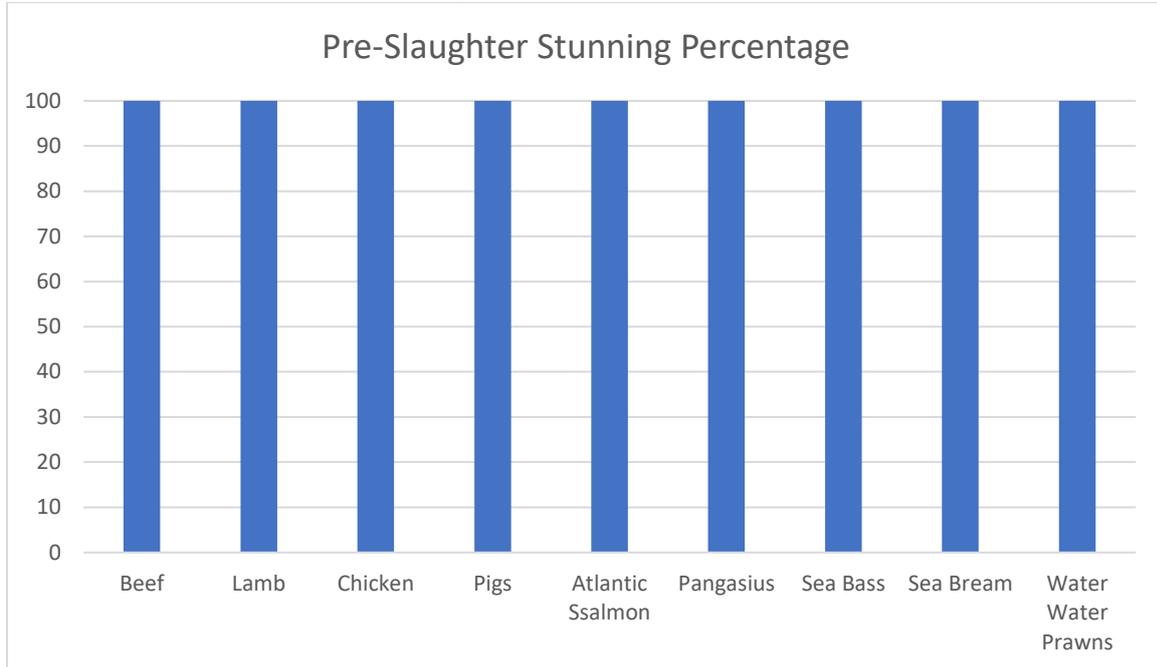
As detailed in the section on stunning in early 2020 we have carried out successful practical trials of a new design of electrical stunner for use in shrimp farms alongside the pond during harvest. We are

sharing the results of this with our retail partners and carrying out an independent welfare assessment with a view to implementing this system throughout our supply chain.

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.

Welfare Outcome Measures at Slaughterhouse

Total Hilton Food Group data including all animals destined for all markets.



All of our suppliers of chicken, aquaculture, beef and lamb entering our UK business must monitor and submit outcomes to Tesco very four weeks. Some of the outcome measures are listed below:

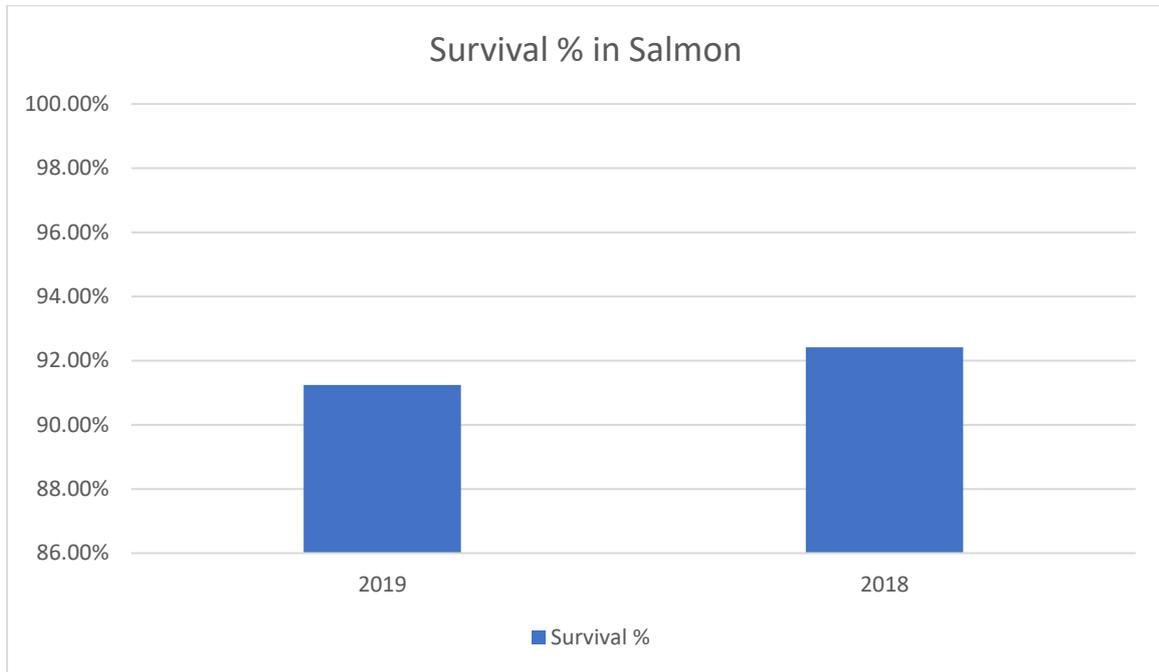
Beef	Slips and falls at unloading	Lamb	Falls at handling
	Lameness		Lameness
	Live clipping		Killed in situ
	Goad use		Dead on arrival
	Vocalisation		Live clipping
	Secondary stunning		Tail coverage
	Antimicrobial use		Secondary stunning
			Antimicrobial Use

Chicken	Total number of leg culls
	Pododermatitis
	Hockburn
	Antibiotic Usage
	Dead on arrival

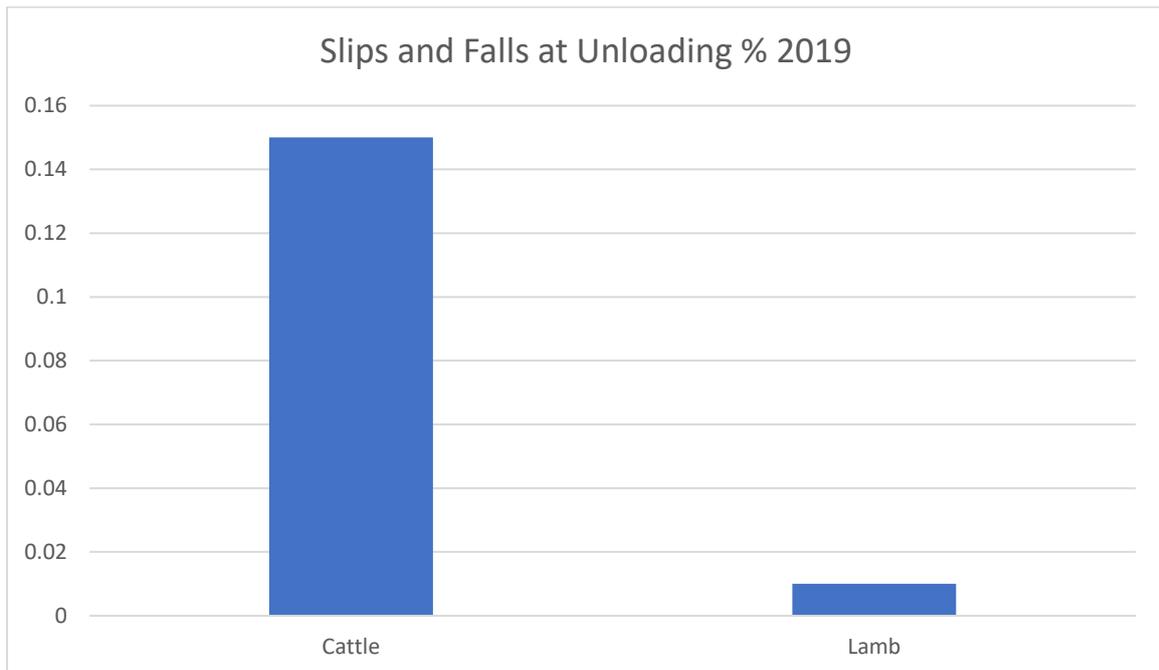
Detail of these outcome measures are reported through the Tesco UK website:

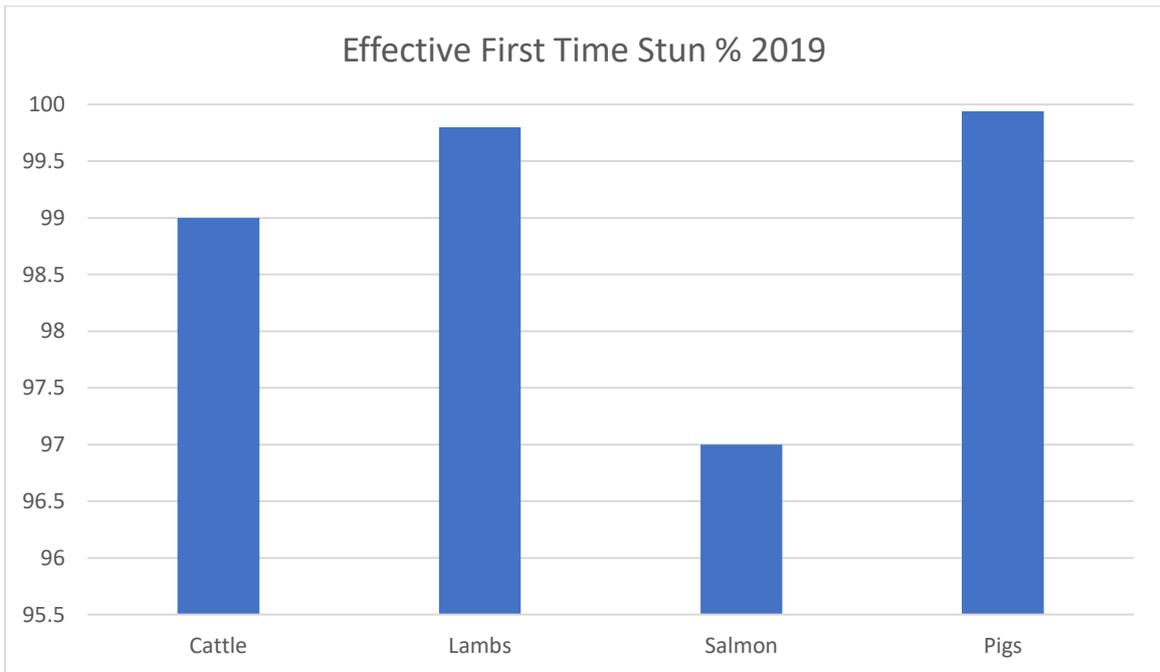
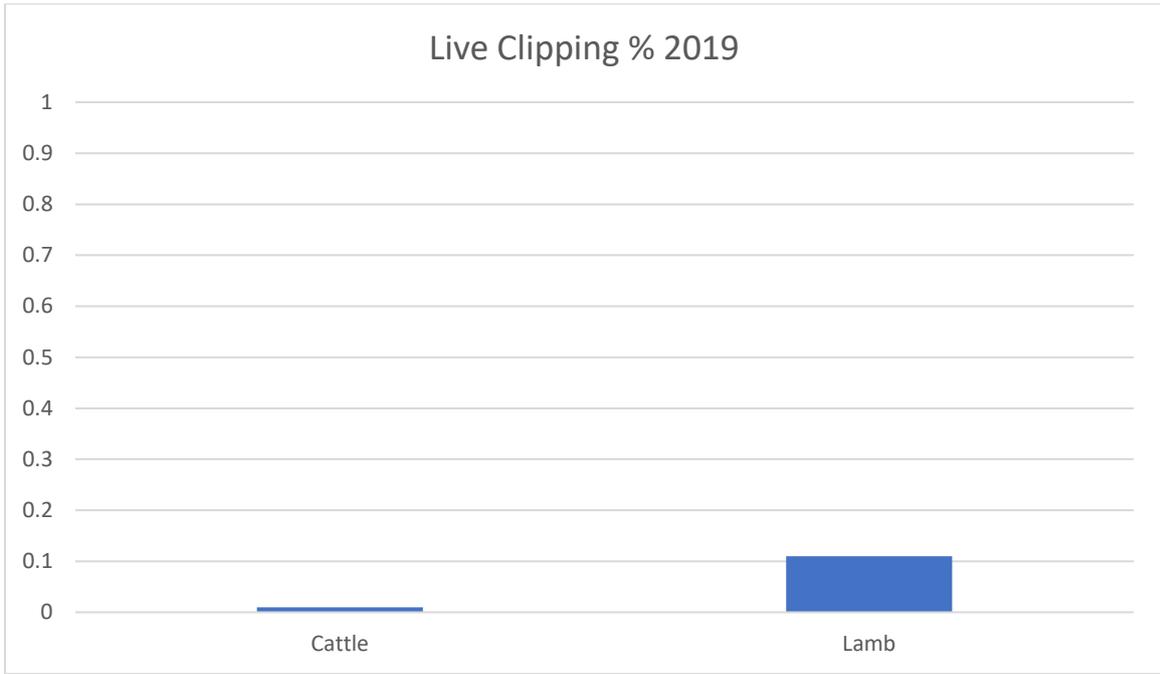
<https://www.tescopl.com/media/756483/animal-health-and-welfare-report-201920.pdf>

All our salmon producers monitor survival, sea lice numbers and antibiotic use. Which are reviewed as part of their veterinary health plans and supported by periodic veterinary examination of the fish for routine health checks, Below is the percentage survival data.



This year we have started to collate outcome measures for our European business. We have started with our largest suppliers and this accounts for 70% of the product that is supplied to us examples can be found below.





Hilton Food Group
Animal Welfare Statement
September 2020