

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Hilton's business was established in 1994 to set up and operate a beef and lamb central meat packing facility in Huntingdon, England. Over the last 25 years this facility has grown and currently HFG is operating facilities in 7 European countries, and 3 facilities in Australia each run by a local management team enhanced by the specialist central leadership, expertise, advice and support. In Australia, Portugal and the Netherlands, facilities are operated under joint venture companies in which we share the profits. Products from our facilities are sold in fourteen European countries and Australia.

HFG operates large scale, extensively automated and robotised food processing, packing and logistics facilities for major international retailers on a largely dedicated basis. Our plants are highly automated and use advanced robotics for the storage of raw materials and finished products. Developing robotics technology has been extended in recent years both in the production environment and to the sorting of finished products by retailer store order, achieving material supply chain efficiencies for our customers.

Each of Hilton's packing plants is operated on a dedicated basis for Hilton customers. Hilton's business model has been adapted to meet local requirements with customers in each country.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2019	December 31 2019	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

- Australia
- Denmark
- Ireland
- Netherlands
- Poland
- Portugal
- Sweden
- United Kingdom of Great Britain and Northern Ireland

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

GBP

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Financial control

C-AC0.6/C-FB0.6/C-PF0.6

(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?

	Relevance
Agriculture/Forestry	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Processing/Manufacturing	Direct operations only [Processing/manufacturing/Distribution only]
Distribution	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Consumption	Yes [Consumption only]

C-AC0.6b/C-FB0.6b/C-PF0.6b

(C-AC0.6b/C-FB0.6b/C-PF0.6b) Why are emissions from agricultural/forestry activities undertaken on your own land not relevant to your current CDP climate change disclosure?

Row 1

Primary reason

Do not own/manage land

Please explain

Agricultural products are only purchased and processed, not reared. Hence processing emissions are included in Scope 1 and 2. Purchases of these products are included in our Scope 3 estimations.

C-AC0.6f/C-FB0.6f/C-PF0.6f

(C-AC0.6f/C-FB0.6f/C-PF0.6f) Why are emissions from distribution activities within your direct operations not relevant to your current CDP climate change disclosure?

Row 1

Primary reason

Other, please specify (Included in our Scope 3)

Please explain

Distribution of Hilton's products are largely undertaken by 3rd parties. Hence these emissions are included in our Scope 3 estimations.

C-AC0.7/C-FB0.7/C-PF0.7

(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodity

Cattle products

% of revenue dependent on this agricultural commodity

20-40%

Produced or sourced

Sourced

Please explain

Beef is sourced from abattoir companies which are subject to strict quality requirements from HFG, as well as retail customers own specifications. These beef products are then retail packed ready for Group's customers to sell.

Agricultural commodity

Fish and seafood from aquaculture

% of revenue dependent on this agricultural commodity

10-20%

Produced or sourced

Sourced

Please explain

Fish is sourced from wild and farmed suppliers which are subject to Group's strict quality requirements, as well as retail customers own specifications. These products are then retail packed ready for Group's customers to sell.

Agricultural commodity

Other, please specify (Sheep Products)

% of revenue dependent on this agricultural commodity

10-20%

Produced or sourced

Sourced

Please explain

Lamb is sourced from abattoir companies which are subject to HFG strict quality requirements, as well as retail customers own specifications. These sheep products are then retail packed ready for Group's customers to sell.

Agricultural commodity

Other, please specify (Pig Products)

% of revenue dependent on this agricultural commodity

20-40%

Produced or sourced

Sourced

Please explain

Pork is sourced from abattoir companies which are subject to HFG's strict quality requirements, as well as retail customers own specifications. These pig products are then retail packed ready for Group's customers to sell.

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	The Board has general oversight for CSR activities, along with corresponding risks and opportunities. The CEO has overall responsibility for the Group's operations, which inherently includes the sustainability of the business. The Board is updated on the CSR agenda and progress towards HFG own, and Group's customers' targets, at least every six months. The Executive Leadership Team (ELT) is the operational tier immediately below the Board and reports to the CEO. They are responsible for ensuring that the business strategy considers climate related risks and mitigation. The Chief Quality and CSR Officer is responsible for the Group CSR strategy within the ELT. The CEO, as part of the main Executive Board has the responsibility to set the ambition for long term CSR programme, embedding it into the business culture. The CEO along with other Board members set the ambition level behind the "Quality Naturally" strategy (developed by the CSR team) and participated and approved the 8 pillars of focus of the strategy: people, sustainable proteins, packaging, resourceful factories, transparency, animal health and welfare, ethical supply chains and consumer health innovation.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	The CSR director is responsible for preparing papers regarding progress and strategy towards Group's sustainability goals, while also delivering updates on customers sustainability targets which apply to Hilton through the supply chain. Our CEO and the Executive Leadership Team are updated on the CSR agenda and progress towards Group's own commitments, and customers' targets, on a quarterly basis, with the main Board being updated every six months.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other committee, please specify (Executive Leadership Team (ELT))	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other C-Suite Officer, please specify (Chief Quality and CSR officer)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Chief Operating Officer (COO)	<Not Applicable>	Assessing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Hilton commitment to sustainability is led from the top, fully supported by the Board, and is core to the growth and success of Hilton. The CEO and the Executive Leadership Team are updated on the CSR agenda and progress towards our Group's commitments, and customers' targets, on a quarterly basis, with the main Board being updated every six months. Taking in consideration the overview of all the aspects of the business and power of decision making, CEO has a direct responsibility to set the ambition for long-term CSR programme, embedding it into the business culture.

The ELT (Executive Leadership Team) is the operational tier immediately below the Board and reports to the CEO. The Chief Quality and CSR officer is leading the leadership team having direct CSR responsibility. Further team members of the ELT are the Chief Technology Officer, Regional Chief Operating Officers, Chief People Officer and Chief Manufacturing Officer who have only shared responsibility for the CSR issues. The main role of the Team is to agree and oversee the delivery of set sustainability targets. They are responsible for ensuring that the business strategy, which is constantly evolving, portrays themes and actions to ensure current decisions reflect sustainable practices, while also guiding the business towards an increasingly sustainable future. The CSR and risk management teams work together to integrate climate change risks and opportunities into the wider business strategy. The Chief Quality and CSR Officer is ideally positioned as leader of the ELT, since he has the CSR expertise and is in direct contact with the rest of C-suite officers who make sure that the global strategy is being further communicated and implemented at local levels.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Sustainability Officer (CSO)	Non-monetary reward	Emissions reduction project	Emission reductions in direct operations of HFG which lead to increased efficiencies and decreased costs is a benefit for the group and hence leads to due recognition.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	
Medium-term	1	5	
Long-term	5	50	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

All types of risk applicable to the business are regularly reviewed and a formal risk assessment is carried out to highlight key risks to the business and to determine actions that can reasonably and cost effectively be taken to mitigate them. The Group operates a Risk Management Committee to identify risks, which are compiled into a risk register. The size and relevance of these risks and opportunities are evaluated on the basis of the size of impact they would have on volume produced and the potential for shareholder or customer concern. If risks were to pose a greater impact than 1% in reduction in profits, they would be considered as 'substantive'.

We also utilize customers' processes for identifying climate related risks by maintaining constant communication with our mutual CSR teams.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

The Group operates a Risk Management Committee through which risks are identified and managed and are compiled into a Risk Register. The size and relevance of these risks are evaluated on the basis of the size of impact they would have on volume produced and the potential for shareholder or customer concern. All types of risk applicable to the business are regularly reviewed and a formal risk assessment is carried out to highlight key risks to the business and to determine actions that can reasonably and cost effectively be taken to mitigate them. One important physical risk identified by the Risk Committee is impact from significant incidents such as fire, flood or interruption of supply of key utilities, that could impact the Group's business continuity. These incidents could result in systems or manufacturing process stoppage with consequent disruption and loss of efficiency. The Group performs a materiality assessment of the identified risks and if they impact HFG revenue with more than 1% reduction then it is considered material. The risk of extreme weather events is considered material that is why a management action plan has been developed. Moreover, the Group currently is undertaking TCFD aligned risk assessment for the UK and Irish operations. Group has developed robust business continuity plans in place including sister site support protocols enabling other sites to step in with manufacturing and distribution of key product lines where necessary. Continuity management systems and plans are suitably maintained and adequately tested including building risk assessments and emergency power solutions.

Value chain stage(s) covered

Upstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

The Group operates a Risk Management Committee through which risks are identified and managed and are compiled into a Risk Register. The size and relevance of these risks are evaluated on the basis of the size of impact they would have on volume produced and the potential for shareholder or customer concern. All types of risk applicable to the business are regularly reviewed and a formal risk assessment is carried out to highlight key risks to the business and to determine actions that can reasonably and cost effectively be taken to mitigate them. If Group's supply base was subject to climate risks this would have an impact on the availability, and quality, of fresh products. It is important for Hilton to monitor potential impacts from climate change through all the supply chain. One identified climate change related risk is extreme drought that leads to reduced grazing and crop land availability for cattle feed. This in turn may determine an increase in price due to increased costs or lack of supply. Though identified as a potential risk by the Risk Management Committee, it is assessed as not substantive and thus no management plan has been developed. Hilton has its risks under continuous review, and if this risk will prove material in the next assessment, the Group is committed to respond to such outcomes.

Value chain stage(s) covered

Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Hilton collaborates in mitigation of risks with its retail partners. This process has formed much of the basis of current sustainability initiatives and commitments. Therefore, understanding possible climate related risks downstream in distribution and customer choice of products is vital for the company. Understanding the impact on consumer choices in the food they consume is important to guide the future development of food products and supply chains. One of the downstream risks identified during the risk assessment exercise is the decline in the consumption of meat in the countries the Group operates in, which is a transitional risk of change in consumer behaviour. This risk has already influenced some strategic decisions within the Group: successful diversification within the seafood and vegetable protein market, together with strong retail partners. This way the Group chose to control the identified risk and to capitalize on the opportunity of covering new product lines.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulation forms the basis of Group's compliance to climate related responsibilities. As a PLC, the business is under constant scrutiny to comply with current regulations in all of its operations. the Group takes this seriously as there is a possibility of a large negative financial and reputational impact of not complying with this legislation for climate related impacts. The Group's current rate of global growth places significant demands on the effectiveness of integration and compliance across new political, legislative and regulatory environments. This risk is further compounded due to the enormity of the change and programme management activities.
Emerging regulation	Relevant, sometimes included	Hilton is a progressive and strategic business; therefore it is important to consider the changing landscapes of regulation in the countries that it operates in. Regulation can develop quickly with regards to sustainability aspects, such as requirements on emissions reporting, emissions control, energy and emissions taxation, data collection, and obligatory energy audits. It is therefore relevant to consider how these might impact costs.
Technology	Relevant, always included	Investment in low emission technology is part of the Group's strategy. HFG plants are highly automated to aid efficiency such as using advanced robotics for the storage of raw materials and finished products. Heat saving, refrigeration efficiency, and robotics technology has been extended in recent years both in the production and distribution environment, achieving material supply chain efficiencies for customers. Having the correct technology forms much of the foundation of control and process for Hilton's operations. The risk would be not to have the best technology as this would negatively impact the management of operations and hence impact on the climate.
Legal	Relevant, always included	Legal compliance is a core foundation when assessing climate related risks in our business. This is monitored at all stages from planning, implementation and management. Hilton Food Group seeks to minimise its exposure to legal risks by setting a global operating standard across all countries in operation. The Group is a committed and loyal partner with a continuing record of delivering value through quality products with the highest levels of food safety, traceability and integrity.
Market	Relevant, always included	The retail partners that Hilton supplies are market leaders and can often dictate the direction and speed of change towards many climate related objectives, therefore with our support they can positively influence the supply chain and introduce lower footprint products. The progress of the Group's business is affected by the macroeconomic environment and levels of consumer spending. The decline in the consumption of meat in the countries in which the group operates, can be mitigated by diversification and by offering a choice of demonstratively lower impact meat. .
Reputation	Relevant, always included	reputation is inherently important for a PLC with multiple stakeholders including customers, employees and investors. Our reputation is as a responsible supplier focused on improving the sustainability of our supply chains with trusted supply chain partners. We take our responsibility for the reputation of these supply chains very seriously. Any risks that could significantly affect the Group's sales possibility (access to raw material, timely processing, and delivery of products, etc.), can as a result also affect the reputation as a reliable partner.
Acute physical	Relevant, always included	We consider the resilience of our sites and key suppliers to extreme weather events, and therefore also our reliance on them in our risk assessment process. Using a diverse number of suppliers is one approach to mitigating this risk. An example of an acute risk with potential impact is the increased drought intensity and duration in Australia, that affects the crop availability for cattle feeding for our suppliers.
Chronic physical	Relevant, always included	The chronic physical risk considered by the Risk Committee are the rise in average temperatures and the impact on sea level flooding. Climate changes may significantly affect supply chain productivity resulting in increase costs and add complexity to the supply chain. Therefore, it is important that we monitor any climate related risks which may develop. For example, a specific chronic physical risk assessed by our Group in 2019 was change in seasonality and temperature rise that influence transmission and incidence of animal diseases. Which in turn, could affect some of our main raw material (meat) in the supply chain.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Market	Changing customer behavior
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Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

If customers choose alternatives to beef and lamb to reduce their personal carbon footprint then this could impact on our revenue due to decreased consumer demand.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We are undertaking a financial impacts review aligned with TCFD requirements as there is a high degree of uncertainty over the potential consumer response to concern and our ability to mitigate and reassure them.

Cost of response to risk

Description of response and explanation of cost calculation

Strategic mapping of potential mitigation impacts in our supply chains in close dialogue with suppliers and customers. Consumer insight studies help us to communicate effectively with each consumer group. Collaboration with our retail customers to build mitigation options into their supply chains. Development of markets alternative lower impact proteins to diversify our business. Long term consumer education to build their trust of meat and fish products. Ultimately this can lead to improved public perception for the industry alongside overall emissions mitigation.

Comment

It is likely that sourcing areas and product range changes will be necessary but as we are not primary producers, our factories will be able to adapt. This is ongoing work as part of our supply chain and customer management and we expect to be able to do this with existing resources.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Carbon taxes levied on beef finished products in our countries of operation. This would be passed on to consumers potentially impacting sales revenue if consumers move to alternative proteins with lower carbon taxation. Mitigation through supply chain specific carbon reduction is possible if the taxes are specific to actual product footprints, and/or mitigation by addressing sector wide footprint collaboratively.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We are undertaking a financial impacts review, as there is a high degree of uncertainty over the potential level of taxation and the impacts of mitigation.

Cost of response to risk

Description of response and explanation of cost calculation

We are actively engaged in supply chain carbon reduction programmes aligned to science based targets for the sector. Innovations in feed and farming technology combined with planting woodland and other carbon sequestering measures will reduce the footprint and therefore the tax paid, and may avoid the need for taxation as a driver.

Comment

The costs will be in terms of lost revenue from reduced sales if customers switch from beef. This will be mitigated by improved efficiency in farming and opportunities for carbon capture in farming. Further mitigation will be through increased revenue from alternative proteins that we sell in the same markets, resulting in a shift in the balance of our production rather than a net reduction. Depending on the balance of profitability between proteins this could result in neutral or increased profits.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Chronic physical	Changes in precipitation patterns and extreme variability in weather patterns
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Primary potential financial impact

Other, please specify (Changes in quality of input materials which reduces efficiency)

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Weather has the potential to affect the quality and specification of our raw materials. Changes in these materials will likely move further away from current specifications. This has the ability to decrease our efficiency and increased production costs, all while lowering the quality of our products for the consumer.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

It's currently unknown what financial impact this would have.

Cost of response to risk

10000

Description of response and explanation of cost calculation

Set science based targets (SBT's) to do our part to mitigate society wide climate change. The amount provided in Cost of response is a rough estimate to setting SBT's. This does not include cost of achieving these targets.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced direct costs

Company-specific description

Implementing live energy monitoring software, C Cubed, across all production sites to monitor projects which are implemented and to collect accurate savings data. We have already seen improvements at sites that are currently using the software to manage against preset targets. Estimations at our Irish processing site, where the software is already in place, are suggesting that 1006 MWh reductions in energy usage.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

700000

Potential financial impact figure – maximum (currency)

2100000

Explanation of financial impact figure

We have already seen improvements at sites that are currently using the software to manage against preset targets. By implementing these changes at a group level we estimate a potential saving of between 5 and 15 million kWh. The weighted average price per kWh for the countries we have operations in is of 0.14 GBP/kWh. That would mean that the estimated potential financial impact of the opportunity would range from 700k GBP to 2,100k GBP, as calculated below: 5 mln. kWh * 0.14 GBP/kWh = 700,000 GBP 15 mln. kWh * 0.14 GBP/kWh = 2,100,000 GBP

Cost to realize opportunity

1700000

Strategy to realize opportunity and explanation of cost calculation

Invest and install equipment across all facilities and train staff to utilize and manage the software to drive continuous improvement. The latest estimates suggest a cost of 100,000 GBP/site for a complete energy management system. Therefore the total investment required for our 17 production facilities would be: 100,000GBP/site*17 sites=1,700,000 GBP

Comment

Estimate due to the fact that costs are bespoke per site

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Shift to 100% renewable energy sourcing. HFG did already start switching to renewable contracts for countries where the price difference between the renewable and conventional contracts is not significant. Currently, as part of the plan to set SBT HFG is also assessing the renewable opportunities available and based on it will build a strategy to reach the 100% share as in line with the Science-Based Targets requirements.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1021175

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The potential financial impact figure is calculated based on the average European cost for a tonne of CO2 emitted. We calculate the avoided emissions, therefore an estimate of the avoided carbon price to be paid. Though not all our facilities are under the obligation to pay for the emissions it is a good estimate of potential future savings. The 2020 average cost per tCO2 is 20.09 GBP. In order to assess the potential financial impact this price is applied to our global market-based Scope 2 emissions, which is 50,830 tCO2e. 20.09 GBP/tCO2e*50,830 tCO2e= 1,021,175GBP

Cost to realize opportunity

785400

Strategy to realize opportunity and explanation of cost calculation

Comment

Invest and source 100% renewable energy. The cost is calculated based on the country specific average current price for Guarantees of Origin or EACs. The approximate annual electricity consumption from conventional sources for the Groups is of 85,000 MWh. the weighted average price/EAC for HFG is 9.24 GBP. 85000*9.24=785,400 GBP

Identifier

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Hilton is using its size and influence to positively influence the uptake of sustainable production processes and innovations at scale across our supply chains at a global level. This will make real impacts on the GHG emissions aligned to Science based targets of well-below 2C. We do this through collaborative full supply chain partnerships together with the market leading retailers that we supply to, and like minded food service companies. We have joined global and regional collaborative forums and taken leadership roles within them as part of this strategy, for example, the vice chair of the European Round-table in Beef Sustainability convened by the Sustainable Agriculture Initiative. By driving the uptake of innovation, such as methane reducing feed additives for cattle, we will be able to deliver more sustainable food to our consumers and build their trust. We expect to see market growth opportunities from fully traceable supply chains that have a lower footprint than the sector average and to also have a significant impact on the average footprint of the cattle in the countries in which we operate. Growth from product innovation and range extension in vegetable protein based meat replacement products across all of our markets. Market leading quality in these products will be supported by sustainable sourcing and low GHG manufacturing processes.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We expect to be able to take advantage of a strong sustainability offer to our retail partners and consumers. The size of the opportunity is difficult to ascertain so we will carry out financial impact studies with a view to declaring this in future years.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

1. Engaging in collaborative forums that include farming organisations and government, to drive sector wide uptake of sustainable farming practices and uptake of innovative solutions to reduce GHG emissions. 2. Developing on farm measurement of impacts and data collection through supply chain specific and national certification schemes. 3. Obtaining verification of reduction in GHG through 3rd party scrutiny, NGO engagement, and government data collection and reporting. 4. Reassurance to consumers through the promotion of fully traceable lower impact meat and fish products. This work will also address the footprint of the packaging around the final product and raw materials in transit, to ensure it is fully recyclable and made from high levels of recycled content.

Comment

Full details explained in our Quality Naturally sustainability section of the annual report

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.1b

(C3.1b) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
2DS Other, please specify (Trends and best practices in industry of food packaging and meat processing)	HFG has been following the trends in climate strategy setting both in the industry of food packaging and meat processing, as well as monitored main consumer's requirements from its suppliers when it comes to emissions targets and climate-related actions. These actions have influenced the foundation of the strategy "Quality Naturally". Hilton Food Group is aware of the negative impacts that change to the environment and climate could cause to the business and supply chain and a result climate change has been highlighted as a business risk. As a result, we reviewed our business and integrated sustainability into our strategy. Hilton Food Group supports the Sustainable Development Goals and our CSR strategy contributes to many of the SDG goals in order to create a sustainable future by 2030. Additionally, we follow the industry trends and get engaged with NGOs, trade associations, industry and governments in order to make sure that our actions are reflecting best practices in packaging and retail. As a result, Hilton Food Group has well-defined sustainability targets which are published in the annual sustainability report. Driven by the CSR director the Group strives to reduce its carbon emissions and use energy efficiently while minimizing the use of refrigerants. Some of company-wide targets which have been influenced by climate change are: - Champions 12.3: Reduce food loss and waste in own operations by 50% by 2030 - Courtauld 2025: Reduce the resources needed to produce all products by 20% by 2025. - Founding members of the UK Plastic Pact dedicated to making 100% of HFG packaging reusable, recyclable or compostable. Include an average of over 30% recycled content in company's packaging. Ensure that 70% of plastic packaging is effectively recycled or composted. The Group has already achieved 70% average recycled content across our entire tray range. Moreover in 2019 HFG has committed to set Science Based Targets for its operations in Sweden in line with the 2 DS. The goal is to commit to SBT for the whole group in 2020. HFG did select the 2DS because it is recommended by the Science Based Target initiative and is in line to keep the global temperature rise below 2 degrees Celsius. Moreover, SBTi provides a set of tools for scenario analysis, clear targets criteria, and high ambition level in order to assist target setters. As initial findings from our modeling within 2DC has shown clear need to act upon our Scope 2 footprint, which we already starting by switching to green contracts in some of our facilities. When using scenario analysis and based on that setting carbon targets, the timelines used by HFG are timelines in line with other business strategy milestones and are set for 5 years (2025) or 10 years (2030). These are also in line with the SBT requirements of setting targets for a period between 5 and 15 years.

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Due to potential risk of consumer behaviour change towards products and services that have a lower environmental footprint, along with the strategy of diversify HFG product range, the decision was made to invest in the vegetarian product manufacturer, Dalco. The Group acquired 50% of the share capital of Dalco Food B.V. in 2019. The JV includes an option for acquiring the remaining 50% of Dalco's shares in 2024. This investment represents an opportunity to broaden Group's offerings in a growing segment of market and meet customers' demands for Hilton to supply them with a range of innovative, high-quality vegetarian products.
Supply chain and/or value chain	Yes	Significant acute and chronic physical risks, such as fires, floods or interruption of supply of key utilities could impact the Group's business continuity. Such incidents could result in systems or manufacturing process stoppages with consequent disruption and loss of efficiency which could impact the Group's sales. The Group has robust business continuity plans in place including sister site support protocols enabling other sites to step in with manufacturing and distribution of key product lines where necessary. Continuity management systems and plans are suitably maintained and adequately tested including building risk assessments and emergency power solutions. There are appropriate insurance arrangements in place to mitigate against any associated financial loss. The Group's business continuity plans are being reviewed, improved, and approved at least once a year, by the Risk Management Committee.
Investment in R&D	Yes	In the context of setting SBT, being a sustainable industry leader, and satisfying the growing need for low-carbon food for our customers, one of HFG objectives is an intensity reduction of 15% in GHG emissions of cattle by 2025 (aligned to the European Roundtable for Beef Sustainability). We are forming expert science based partnerships to develop measurement models, evaluate solutions, and monitor the impacts of the mitigation strategies. Our engagements include being founder members of the UK Cattle Sustainability Platform and joining the UK Centre for Innovation and Excellence in Livestock. The aim is to demonstrate how mitigation and sequestration can significantly reduce the climate impact for farming and potentially positively contribute to global cooling. With our suppliers and WWF we are agreeing a comparative measurement process to assess the impact of interventions including improving the genetics of the herd, using feed additives that inhibit methane production, and improving farming practices such as pasture and manure management.
Operations	Yes	Our responsible business vision is to be the first-choice partner for sustainable proteins. One way Hilton is reducing its environmental impact is via its resource efficiency. The Group is constantly investing to upgrade its facilities and have seen major success in its latest efficiency projects, for example heat recovery pumps in our refrigeration systems are proving to be around 38% more efficient at heating our hot water requirements. Whereas smart refrigeration controls have improved efficiency in energy consumption of refrigeration system by around 30%. The ambition of our efforts in are framed by being signatories of the Courtauld commitment 2025, which is an initiative to cut the carbon, water and waste associated with our food production, by 20% by 2025 in our UK operations, as well as our goal to set SBT for whole team.

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Capital Expenditures Acquisitions and divestments Access to capital Assets	Climate related issues have influenced our financial decisions in acquisitions and divestments. Our acquisition of Seachill, our fish processing business, is seen to improve our sustainability reputation and influence given their strong track record for driving sustainability through the fish supply chain in the past. Additionally, the Group acquired 50% of the share capital of Dalco Food B.V. in 2019, a manufacturer of vegetarian products. The JV includes an option for acquiring the remaining 50% of Dalco's shares in 2024. This investment represents an opportunity to broaden Group's offerings in a growing segment of market and meet customers' demands for Hilton to supply them with a range of innovative, high-quality vegetarian products.

C3.1f

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2015

Target coverage

Country/region

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Base year

2015

Covered emissions in base year (metric tons CO2e)

14913

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

58.5

Target year

2020

Targeted reduction from base year (%)

7

Covered emissions in target year (metric tons CO2e) [auto-calculated]

13869.09

Covered emissions in reporting year (metric tons CO2e)

11221

% of target achieved [auto-calculated]

353.670335565326

Target status in reporting year

Achieved

Is this a science-based target?

Yes, this target has been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

As our commitment as a 'Tesco Product Partner' we worked collaboratively to meet their Science Based Target of reducing supply chain CO2e emissions in their supply base by 7% by 2020 in our UK operations. So far we have reduced these SC1&2 emissions by 24.8%. All figures below are location based. Our calculation uses total scope 1 and 2 UK meat and seafood operations for 2015 compared to the total for 2019. 2015 total = 14913 tCO2e, 2019 total = 11221 tCO2e. We have achieved this absolute reduction of 24.8% even though we have added one more UK facility to our reporting (SVC).

Target reference number

Abs 2

Year target was set

2015

Target coverage

Country/region

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2015

Covered emissions in base year (metric tons CO2e)

14913

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

58.5

Target year

2025

Targeted reduction from base year (%)

20

Covered emissions in target year (metric tons CO2e) [auto-calculated]

11930.4

Covered emissions in reporting year (metric tons CO2e)

11221

% of target achieved [auto-calculated]

123.784617447864

Target status in reporting year

Achieved

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain (including target coverage)

We are a UK Courtauld 2025 signatory. We have therefore committed to reducing resources required to produce our products by 20% by 2025. This applies to the scope 1 and 2 emissions in our UK operations. We have reduced CO2e by 24.8% so far in our UK emissions, hence achieved the target. Currently we will have to keep our effort to keep this performance until 2025 and even improve further.

Target reference number

Abs 3

Year target was set

2018

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2018

Covered emissions in base year (metric tons CO2e)

45048

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

31

Covered emissions in target year (metric tons CO2e) [auto-calculated]

31083.12

Covered emissions in reporting year (metric tons CO2e)

58860

% of target achieved [auto-calculated]

-98.9052537508378

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

Current internal target based on planned submission to SBTi set against a 2 degree trajectory using the SDA tool.

C4.2**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2017

Target coverage

Country/region

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Waste management	Other, please specify (Metric tonnes of food waste)
------------------	---

Target denominator (intensity targets only)

<Not Applicable>

Base year

2017

Figure or percentage in base year

2432

Target year

2030

Figure or percentage in target year

1216

Figure or percentage in reporting year

1682

% of target achieved [auto-calculated]

61.6776315789474

Target status in reporting year

Underway

Is this target part of an emissions target?

No

Is this target part of an overarching initiative?

Other, please specify (UN SDG goal 12 / Champions 12.3)

Please explain (including target coverage)

This is part of our Champions 12.3 food waste commitment, to reduce food loss and waste by at least 50% in our own UK operations by 50% by 2030. Our baseline was 1,132 metric tonnes of FLW for UK meat division while 1,300 metric tonnes FLW from our UK Fish division. This year our meat division had FLW of 1682 metric tonnes. We have reduced food loss and waste by 21% compared to last year in our UK operations, meaning we are well on track to meet our 2030 commitments. Progress was made in redistributing more material to charity, animal feed and bio-material processing. In 2020 The Group will publicly report for the first time its food waste progress towards its global champions 12.3 target for its Polish and Irish operations.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	4	5076
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization
---	----------------------

Estimated annual CO2e savings (metric tonnes CO2e)

522

Scope(s)

Scope 1

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

92598

Investment required (unit currency – as specified in C0.4)

70668

Payback period

1-3 years

Estimated lifetime of the initiative

Ongoing

Comment

A third-party audit was conducted at the Huntingdon, UK site. The auditor were able to make several energy saving recommendations which have been implemented at the site. These include, heat recovery projects, compressor sequencing, review of the refrigeration equipment and the installation of solar 400 solar panels.

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization
---	----------------------

Estimated annual CO2e savings (metric tonnes CO2e)

834

Scope(s)

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

206865

Investment required (unit currency – as specified in C0.4)

298863

Payback period

1-3 years

Estimated lifetime of the initiative

Ongoing

Comment

A third-party audit was conducted at the Tychy, Poland site. The auditor were able to make several energy saving recommendations which have been implemented at the site. These include a review of the glycol pump operation, review of the refrigeration sequencing and the installation of new heat pumps.

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization
---	----------------------

Estimated annual CO2e savings (metric tonnes CO2e)

999

Scope(s)

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

129523

Investment required (unit currency – as specified in C0.4)

444485

Payback period

1-3 years

Estimated lifetime of the initiative

Ongoing

Comment

A third-party audit was conducted at the Santarem, Portugal site. The auditor were able to make several energy saving recommendations which have been implemented at the site. These include, heat recovery projects, improving compressor efficiency, upgrading equipment and improvement of monitoring systems such as metering etc.

Initiative category & Initiative type

Low-carbon energy generation	Solar PV
------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

2721

Scope(s)

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

382280

Investment required (unit currency – as specified in C0.4)

2849909

Payback period

4-10 years

Estimated lifetime of the initiative

Ongoing

Comment

400 solar panels were installed onto the south facing roof of Building A. Two SMA core inverters were also installed to convert the current from DC to AC in Huntington, UK

C4.3c**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Financial optimization calculations	Decreased operation costs and improved efficiency form the basis of driving investment in emission reductions.
Compliance with regulatory requirements/standards	As and when necessary
Dedicated budget for energy efficiency	Energy efficiency is seen as the way forward for our business both in terms of cost and carbon reductions. These efficiencies will be vital in helping us to meet our emission reduction targets in the future.

C4.5**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

Packaging reductions have meant that we have mitigated at least 1184 tonnes of carbon creation since 2015. This equates to removing 344 tonnes of plastic from the supply chain by light weighting materials.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Internal LCA assessments)

% revenue from low carbon product(s) in the reporting year

20

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

Figures supplied by one of our key packaging suppliers. Total percentage of group revenue from low carbon products is yet to be verified.

Level of aggregation

Company-wide

Description of product/Group of products

The average recycled content in our entire tray range is 70%

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Internal calculations of avoided emissions)

% revenue from low carbon product(s) in the reporting year

35

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

This is an average recycled content across our entire tray range. We have estimated that around 35% of our revenue comes from products with a high level of recycled content, such as MAP trays.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2015

Base year end

December 31 2015

Base year emissions (metric tons CO2e)

4100

Comment

Scope 2 (location-based)

Base year start

January 1 2015

Base year end

December 31 2015

Base year emissions (metric tons CO2e)

21392

Comment

Scope 2 (market-based)

Base year start

January 1 2018

Base year end

December 31 2018

Base year emissions (metric tons CO2e)

29771

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Defra Voluntary 2017 Reporting Guidelines

IEA CO2 Emissions from Fuel Combustion

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

Other, please specify (IEA emissions factors 2019)

C5.2a

(C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The general framework for GHG reporting used by HFG is the GHG Protocol: A corporate Accounting and Reporting Standard. This standard guided the approach to setting organisational boundaries, operational boundaries, choosing methodology for calculation scope 1, 2 and 3 emissions etc. For Scope 2 location based and market-based approaches the GHG Protocol: Scope 2 guidance was used.

The sources of emission factors were the following:

IEA Emissions Factors (2019 edition) was used to update our global emissions factors for location-based electricity consumption. The dataset contains CO2 emission factors from electricity for world countries (in CO2 per kWh, 1990 to 2017).

DEFRA emissions factors were used for the facilities located in the UK.

Market based emission factors have been gathered through official feedback from our electricity suppliers on their specific CO2e associated with each supply contract.

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

10454.8

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

The figure is slightly different form the one disclosed in HFG Annual report due to use of updated emission factors.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

51269.7

Scope 2, market-based (if applicable)

50829.9

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

The figure is slightly different form the one disclosed in HFG Annual report due to use of updated emission factors.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

JV 50/50 with the tech company Foods Connected

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

For the moment, the energy consumption and emissions associated with the activity of the facility is considered to be below the materiality threshold within HFG. HFG will reconsider including emissions form this facility if the materiality will increase.

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**Purchased goods and services****Evaluation status**

Relevant, calculated

Metric tonnes CO₂e

4036992

Emissions calculation methodology

Greenhouse Gas Protocol- Quantis tool

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

There is no option to account for specific supplier emissions. We have used this tool as a very indicative overview of our potential Scope 3 emissions. Moving forward we would like to explore more accurate ways of measuring these emissions. We have used procurement data for most of the inputs into the calculator.

Capital goods**Evaluation status**

Relevant, calculated

Metric tonnes CO₂e

90448

Emissions calculation methodology

Greenhouse Gas Protocol- Quantis tool

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain**Fuel-and-energy-related activities (not included in Scope 1 or 2)****Evaluation status**

Relevant, calculated

Metric tonnes CO₂e

13059

Emissions calculation methodology

Greenhouse Gas Protocol - Quantis tool

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain**Upstream transportation and distribution****Evaluation status**

Relevant, calculated

Metric tonnes CO₂e

7053

Emissions calculation methodology

Greenhouse Gas Protocol - Quantis tool

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain**Waste generated in operations****Evaluation status**

Relevant, calculated

Metric tonnes CO₂e

3456

Emissions calculation methodology

Greenhouse Gas Protocol - Quantis tool

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

261

Emissions calculation methodology

Greenhouse Gas Protocol - Quantis tool

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

6290

Emissions calculation methodology

Greenhouse Gas Protocol - Quantis tool

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Upstream leased assets

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

0

Emissions calculation methodology

Greenhouse Gas Protocol- Quantis tool

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

We don't currently lease any upstream assets

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

11004

Emissions calculation methodology

Greenhouse Gas Protocol- Quantis tool

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Processing of sold products

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

0

Emissions calculation methodology

Greenhouse Gas Protocol - Quantis tool

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Sold products are mainly retail ready, just need refrigeration in-store to be sold

Use of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Quantis tool does not calculate this for our business in a representative way

End of life treatment of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

112000

Emissions calculation methodology

Greenhouse Gas Protocol- Quantis tool

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Downstream leased assets

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

0

Emissions calculation methodology

Greenhouse Gas Protocol- Quantis tool

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

We don't currently lease any downstream assets

Franchises

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

0

Emissions calculation methodology

Greenhouse Gas Protocol- Quantis tool

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

We do not franchise our business

Investments

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

0

Emissions calculation methodology

Greenhouse Gas Protocol- Quantis tool

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Other (upstream)

Evaluation status

Not evaluated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not Included in the Quanits Scope 3 calculator

Other (downstream)

Evaluation status

Not evaluated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not Included in the Quanits Scope 3 calculator

C-AC6.6/C-FB6.6/C-PF6.6

(C-AC6.6/C-FB6.6/C-PF6.6) Can you break down your Scope 3 emissions by relevant business activity area?

Yes

C-AC6.6a/C-FB6.6a/C-PF6.6a

(C-AC6.6a/C-FB6.6a/C-PF6.6a) Disclose your Scope 3 emissions for each of your relevant business activity areas.

Activity

Agriculture/Forestry

Scope 3 category

Purchased goods and services

Emissions (metric tons CO2e)

3856576

Please explain

The methodology used to calculate this scope 3 category is the Quantis tool as recommended by CDP. As a result of using Quantis tool, the Purchased goods and services is also broken-down to smaller categories of services and products. The category for which we disclose emissions here is the largest one and incorporate all emission related to "Agriculture, Hunting, forestry and Fishing", representing 95% of our emissions from Scope 3 category 1 Purchased goods and services. .

Activity

Distribution

Scope 3 category

Upstream transportation and distribution

Emissions (metric tons CO2e)

7053

Please explain

This data has been calculated using Quantis tool.

Activity

Distribution

Scope 3 category

Downstream transportation and distribution

Emissions (metric tons CO2e)

11004

Please explain

This figure has been calculated using Quantis tool.

Activity

Consumption

Scope 3 category

End of life treatment of sold products

Emissions (metric tons CO2e)

112000

Please explain

This figure has been calculated using Quantis tool. For the moment we are able to provide consumption data only based on the end of life treatment of sold products, since Quantis toll is not reflecting correctly the use of sold products for our industry.

C-AC6.8/C-FB6.8/C-PF6.8

(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?

No

C-AC6.9/C-FB6.9/C-PF6.9

(C-AC6.9/C-FB6.9/C-PF6.9) Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?

Agricultural commodities

Cattle products

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

We have mapped and tested different cattle farming carbon measurement tools in the UK and Ireland, including the Cool Farm Tool. We calculated that the average CO2e per KG of UK beef in 2018 was 9.13 kgco2e / KG LW (liveweight). This data is also used as proxy for 2019 calculations.

Agricultural commodities

Fish and seafood from aquaculture

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

We use the emission of 0.31kgCO2e/kg gutted weight, which represents a typical Scope 1&2 intensity, kgCO2e/kg product, of an integrated salmon supplier. This is actual data from a large supplier in Northern Norway, where the energy used for lighting the cages in the winter would be highest and hence represent the higher end of CO2e intensity per kg supplied.

Agricultural commodities

Other (Sheep Products)

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

In 2012 AHDB released their beef and sheep road map which assessed the carbon footprint of a sample of beef and sheep farms across England. A total of 57 sheep units were assessed across lowland, hill farm, and upland systems. They were assessed using the E-CO2 carbon calculator (now the AllTech model) on a cradle to farm gate basis. We are using their result as basis for our emissions calculation for sheep products.

Agricultural commodities

Other (Pig Products)

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

The data used for footprint calculation in our pork products is taken from a study of 5 reference farms in our Netherlands supply chain, where the average of the collected data shows a footprint of 4kg CO2e per 100 g of protein ex farm and an additional 0.2kg CO2e for the slaughtering/deboning operations of our suppliers. For comparison we also use data from other actors in the pork industry. For example the Danish Crown, a global leader in sustainable meat production, have been measured against a CO2 emission equivalent norm based on figures from 2016, which shows that a pig from birth to slaughter emits 239 kg. CO2. The preliminary estimates show that pigs from the their stables today emit 6.7 per cent less CO2 than the norm, or the equivalent of 223 kg.

C-AC6.9a/C-FB6.9a/C-PF6.9a

(C-AC6.9a/C-FB6.9a/C-PF6.9a) Report your greenhouse gas emissions figure(s) for your disclosing commodity(ies), explain your methodology, and include any exclusions.

Cattle products

Reporting emissions by

Unit of production

Emissions (metric tons CO2e)

0.00913

Denominator: unit of production

Kilograms

Change from last reporting year

About the same

Please explain

0.00913 tCO₂e above equates to 9.13kgCO₂e/kg liveweight. In total, 21 farms from the Tesco/Hilton supply chain were assessed using the Cool Farm Tool across the UK and Northern Ireland as part of the study. These consisted of seven rearer-finisher farms, five dairy calf to beef systems and nine beef finishing farm systems as seen in the chart below. There was a vast geographical spread of farms assessed. Farms were included in Scotland and Northern Ireland as well as farms in Devon, Gloucestershire, Leicestershire, Nottinghamshire, and South Yorkshire. The average farm size of the farms assessed was 77 hectares including land for grazing and forage production. The carbon footprint of the farms in this study is expressed as kg CO₂ equivalent per kg of Live Weight (kgCO₂e/kgLW). CO₂ equivalent encompasses the three types of greenhouse gasses produced on a farm to be expressed as one single unit of emissions. The three types of greenhouse gasses produced are Carbon Dioxide (CO₂) coming from fuel, feed and fertiliser, Nitrous Oxide (NH₄) from fertiliser, manure production and spreading and Methane (CH₄) from digestion in the rumen and manure. The beef module of the carbon footprint includes farmgate emissions from grazing, fertilization, feed production, enteric fermentation, manure management, processing, and transport.

Fish and seafood from aquaculture

Reporting emissions by

Unit of production

Emissions (metric tons CO2e)

0.0003175

Denominator: unit of production

Kilograms

Change from last reporting year

About the same

Please explain

0.00031 MT CO₂e above equates to 0.31kgCO₂e/kg gutted weight, which represents a typical Scope 1&2 intensity, kgCO₂e/kg product, of an integrated salmon supplier. This is actual data from a large supplier in Northern Norway, where the energy used for lighting the cages in the winter would be highest and hence represent the higher end of CO₂e intensity per kg supplied.

Other

Reporting emissions by

Unit of production

Emissions (metric tons CO2e)

0.01186

Denominator: unit of production

Kilograms

Change from last reporting year

About the same

Please explain

0.01186 MT CO₂e above equates to 11.86kgCO₂e/kg liveweight. In 2012 AHDB released their beef and sheep road map which assessed the carbon footprint of a sample of beef and sheep farms across England. A total of 57 sheep units were assessed across lowland, hill farm, and upland systems. They were assessed using the E-CO₂ carbon calculator (now the AllTech model) on a cradle to farm gate basis.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.166

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

61725

Metric denominator

metric ton of product

Metric denominator: Unit total

371715

Scope 2 figure used

Location-based

% change from previous year

29

Direction of change

Increased

Reason for change

This figure has increased due to the inclusion of our first full year reporting for Australian sites, compounded by the fact that Australian electricity consumption carries a relatively high market based emission factor. Moreover, a new facility in the UK has been added.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United Kingdom of Great Britain and Northern Ireland	5711.95
Denmark	140.87
Ireland	351.93
Netherlands	2371.08
Sweden	142.51
Poland	327.75
Australia	1161.83
Portugal	246.88

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Meat and fresh food	7686.3
Fish	2768.5

C-AC7.4/C-FB7.4/C-PF7.4

(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

Yes

C-AC7.4b/C-FB7.4b/C-PF7.4b

(C-AC7.4b/C-FB7.4b/C-PF7.4b) Report the Scope 1 emissions pertaining to your business activity(ies) and explain any exclusions. If applicable, disaggregate your agricultural/forestry by GHG emissions category.

Activity

Processing/Manufacturing

Emissions category

<Not Applicable>

Emissions (metric tons CO2e)

10454.79

Methodology

Region-specific emissions factors

Please explain

This includes all Scope 1 emissions from across the group. Calculated using DEFRA emissions factors for the UK and IEA factors for the rest of the world

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Denmark	1132	2865	10477	0
Ireland	1912	0	5033	5033
Netherlands	8303	8795	18928	0
Poland	6695	6695	10702	0
Sweden	97	0	8440	7662
United Kingdom of Great Britain and Northern Ireland	7611	0	30818	30818
Australia	24071	31466	34158	0
Portugal	1449	1008	4017	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Meat and Fresh Food	47860	50830
Fish	3409	0

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	68	Increased	0.11	We added one more facility with green electricity contract to our portfolio in 2019 – SVC. SV Cuisine is included from 28 February 2019 when we acquired it. The emissions presented here are the ones associated with the electricity consumption of this site calculated through location-based methodology. In Market-based approach these emissions are 0 since they are from green sources.
Other emissions reduction activities	712	Decreased	1.14	Due mainly to decreases in use of HFCs and energy required for refrigeration thanks to various improvement plans. This figure is summing up the savings from the implemented emissions reduction activities.
Divestment		<Not Applicable >		
Acquisitions	388	Increased	0.6	This figure has increased due to the inclusion of our first full year reporting for Australian sites, compounded by the fact that Australian electricity consumption carries a relatively high location-based emission factor. Additionally, SV Cuisine is included from 28 February 2019 when we acquired it.
Mergers		<Not Applicable >		
Change in output		<Not Applicable >		
Change in methodology		<Not Applicable >		
Change in boundary		<Not Applicable >		
Change in physical operating conditions		<Not Applicable >		
Unidentified		<Not Applicable >		
Other		<Not Applicable >		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	1019.9	1019.9
Consumption of purchased or acquired electricity	<Not Applicable>	43513.1	72093.6	115606.7
Consumption of purchased or acquired heat	<Not Applicable>	0	5083	5083
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	1881.8	<Not Applicable>	1881.8
Total energy consumption	<Not Applicable>	45394.9	78196.5	123591.4

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

1019.9

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

2.68697

Unit

kg CO2 per liter

Emissions factor source

UK Government GHG Conversion factors for Company Reporting (DEFRA). Dataset from 2019 <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2019>

Comment

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

44301

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

2.03053

Unit

kg CO2e per liter

Emissions factor source

UK Government GHG Conversion factors for Company Reporting (DEFRA). Dataset from 2019 <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2019>

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	1881.8	1881.8	1881.8	1881.8
Heat	44301	44301	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, not supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Ireland

MWh consumed accounted for at a zero emission factor

5033

Comment

Mix from renewable energy sources: Solar PV, Concentrated solar power (CSP), Wind, Hydropower, Nuclear

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, not supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/region of consumption of low-carbon electricity, heat, steam or cooling

United Kingdom of Great Britain and Northern Ireland

MWh consumed accounted for at a zero emission factor

30818

Comment

Mix from renewable energy sources: Solar PV, Concentrated solar power (CSP), Wind, Hydropower, Nuclear

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, not supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Sweden

MWh consumed accounted for at a zero emission factor

7662

Comment

Mix from renewable energy sources: Solar PV, Concentrated solar power (CSP), Wind, Hydropower, Nuclear

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Waste

Metric value

1682

Metric numerator

Tonnes

Metric denominator (intensity metric only)

% change from previous year

21

Direction of change

Decreased

Please explain

The Group has also placed a strong focus on Food Loss and Waste as food should not be wasted at any stage in our supply chains. We have been publicly reporting our food waste data in the UK since 2018 through the Champions 12.3 initiative and we are using this framework through the Group to target and reduce food waste by 50% by 2030 as a "Global Friend of Champions 12.3" (Champions 12.3.org).

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C1. Governance	Other, please specify (Consistency of data in our annual report)	Disclosures within Annual Report reviewed by external auditors for compliance with current laws and regulations	Prior to publication the annual report is reviewed by external auditors. The aim of the review is to ensure consistency across all published reports.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

Other, please specify (Hilton partner with a core group of primary producers in our supply chain to ensure the most efficient factories, farms fishing vessels to minimise the impacts of the whole supply chain)

% of suppliers by number

30

% total procurement spend (direct and indirect)

50

% of supplier-related Scope 3 emissions as reported in C6.5

90

Rationale for the coverage of your engagement

As Hilton doesn't own or operate any primary production facilities it is key for us to drive collaboration and innovation with our suppliers to strive towards making the most sustainable products possible. We have chosen key suppliers for our cattle, seafood and sheep and pork, who represent the largest portion of our Scope 3 emissions (30% of our suppliers but 90% of our Scope 3) to work with on various projects such as; Recycled content in plastic packaging, sustainable soy in animal feed, highly efficient trawlers with on board processing of otherwise discarded products, and methane reducing feed additives. We are also engaging with these key suppliers to encourage them to set their own science-based targets and for us to collectively influence the farmers and fishermen that produce the raw materials.

Impact of engagement, including measures of success

The average recycled content across our entire tray range is currently at 70%. Which we are proud of and is ahead of our plastic pact industry targets set for 2025. This mitigates carbon in the production of virgin plastic material and drives demand in the market for recycled plastic material. We have helped create a physical supply chain working group within the UK Roundtable for Sustainable Soy. This is tasked with building fully traceable soy supply chains for UK and Irish beef and dairy cattle feed to give farmers a choice of certified deforestation free feed. Our top two cod and haddock suppliers in Russia and Norway have invested in trawlers with on board processing of otherwise discarded carcass materials in o raw materials for feeding farmed salmon. This reduces waste and footprint from the wild fish and replaces the use of other wild caught fish, sourced from South America, in the local salmon farms in Norway. We are working in a full supply chain collaborative project within the European Roundtable for Beef Sustainability. This is setting targets for the reduction of scope 3 emissions in cattle farming by 15% by 2025. We are contributing to this by convening our suppliers to participate in trials and ultimately to disseminate best practice methods to the supply chains. We are working directly with the feed companies to facilitate workshops where alternative novel feed ingredient suppliers, farmers, and retailers can meet and find collective solutions to bringing these ingredients to the mainstream market. Our salmon suppliers have led the industry in the adoption of alternative ingredients such as algal oils and insect meals. The aspiration to use these has been included in the supplier standards and uptake is rising year on year. Our principal salmon suppliers achieved a 14% reduction in use of wild caught fish oils in Salmon feed by replacing these with sustainable Algal oil. Our measure of success would be to achieve our sustainable objectives of: - A intensity reduction of 15% in GHG emissions of cattle products by 2025 - 100% of our direct supply of wild caught fish to be certified as sustainable

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Collaboration & innovation

Details of engagement

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

10

Portfolio coverage (total or outstanding)

<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement

We actively engage with our customers on a combination of CSR work streams, which supports our common objectives to reduce climate change impacts. We have very large-scale partnerships with a small number of major retailers in each of the markets we operate in, which makes it achievable to engage 100% of our customers. The scope of engagement that affects the climate change includes - Packaging weight minimisation; Increasing recycled content of packaging; Distribution efficiency including optimising case configuration - maximising truck fill; Product innovation to replace some or all of meat content of meals with vegetable extenders; Supply chain packaging - Balancing the use of returnable crates and recycled closed loop cardboard cases to give optimal energy savings; Product ranging (eg singles packs) and promotional planning to reduce food waste Supply chain collaboration projects coordinated at the retailer level including deforestation and fishery / aquaculture footprint reduction. We jointly engage with NGO's including WWF and Greenpeace

Impact of engagement, including measures of success

Packaging weight minimisation - as an example we have reduced the weight of packaging in our products in Holland by 200 tonnes a year compared with our 2017 baseline. In the UK we achieved a 12% weight reduction in trays used to pack beef mince, saving 100 tonnes of plastic compared to 2015 baseline. Increasing recycled content of packaging - we have joined the global plastics pact and have already achieved our 2025 target with 70% average recycled content in our entire tray range. Distribution efficiency including optimising case configuration - this is a continuous process in the product design stages to ensure maximum pallet fill Product innovation to replace some or all of meat content of meals with vegetable extenders - we have launched a range of vegetable extended meat in Tesco UK Supply chain packaging - We have optimised returnable crates and recycled closed loop -cardboard cases to give energy savings and we are testing closed loop recycled cardboard to replace polystyrene in salmon supply chains to ourselves, with savings equivalent to an extra layer of boxes per pallet on full boxes and 4 out of 5 truck loads saved on incoming boxes. With retailers support we hope to bring this change across the industry. Product ranging improvements has led to the launch of singles packs across the group and reduction in promotions offering extra packs that are more likely to lead to increased waste at home. Our measure of success would be achieving our objectives and commitments such as: 100% of plastic packaging to be reusable, recyclable, or compostable by 2025 70% of plastic packaging to be effectively recycled or composted by 2025 for the UK sites Achieve a 30% average recycled content across all plastic packaging

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Other partners within our value chain are feed suppliers and farmers, that are suppliers of our direct suppliers;

We are engaging with feed suppliers and farmers in the UK as part of industry collaborative initiatives and setting certification standards. We are engaging with feed producers for farmed fish to replace wild capture fish raw materials with cultivated algae that uses renewable energy sources. We are working directly with the feed companies to facilitate workshops where alternative novel feed ingredient suppliers, farmers, and retailers can meet and find collective solutions to bringing these ingredients to the mainstream market.

As result of our active membership in various innovation and sustainability driven industry working groups, we set the following targets:

1. An intensity reduction of 15% in GHG emissions of cattle by 2025 (aligned to the European Roundtable for Beef Sustainability)
2. As part of our UK Roundtable on Sustainable Soya commitments, Hilton have aligned with our UK key customers and developed a UK Zero Deforestation Soy Transition Plan.
3. Our UK Plastics Pact (led by WRAP working group in partnership with Ellen MacArthur Foundation) commitment to achieve 100% of plastic packaging to be reusable, recyclable, or compostable by 2025
4. Hilton are signatories to the Statement of Support for the Cerrado Manifesto <https://cerradostatement.fairr.org/>, which sends a clear market signal that there is widespread industry support to halt deforestation in the Cerrado, adopt sustainable land management practices and mitigate financial risks associated with deforestation and climate change.

C-AC12.2/C-FB12.2/C-PF12.2

(C-AC12.2/C-FB12.2/C-PF12.2) Do you encourage your suppliers to undertake any agricultural or forest management practices with climate change mitigation and/or adaptation benefits?

Yes

C-AC12.2a/C-FB12.2a/C-PF12.2a

(C-AC12.2a/C-FB12.2a/C-PF12.2a) Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice.

Management practice reference number

MP1

Management practice

Other, please specify (Sustainable animal feed)

Description of management practice

Our Irish, British and Dutch operations are directly supporting soy farmers who are not contributing to further deforestation in South America, by purchasing sustainable soy credits; We are now working to create fully traceable physical supply chains for certified feed to both UK and global farms that supply Hilton. We are signatures of support to the Cerrado Manifesto.

Your role in the implementation

Financial
Knowledge sharing
Procurement

Explanation of how you encourage implementation

Purchasing of RTRS credits and collaborative engagement with the supply chain, including feed suppliers who supply the farmers. We are joining a small working group (10 people) within the UK RTRS to deliver physically traceable supply chains of certified soy to ensure the UK retailers can deliver their commitments. We are working side by side with Tesco to ensure this driver of deforestation is understood throughout our industry. We are working with the UK Feed Industry to develop specifications which include sustainable soy.

Climate change related benefit

Increasing resilience to climate change (adaptation)
Increase carbon sink (mitigation)
Other, please specify (protection of carbon sink)

Comment

Management practice reference number

MP2

Management practice

Livestock management

Description of management practice

Encouraging the use of methane reducing animal feed additives. Where possible we advocate these products.

Your role in the implementation

Knowledge sharing

Explanation of how you encourage implementation

Sharing global knowledge of research and development of feed additives with suppliers and through them to farmers.

Climate change related benefit

Emissions reductions (mitigation)

Comment

Management practice reference number

MP3

Management practice

Knowledge sharing

Description of management practice

Advocating the use of high omega 3 oil extracted from algae (produced using renewable energy sources) to replace the use of wild caught fish oils in feed for farmed salmon. This addresses both climate and sustainable resources.

Your role in the implementation

Knowledge sharing
Procurement

Explanation of how you encourage implementation

Convening meetings across the supply chain and giving financial incentive by preferential purchasing from farmers that are leading in this innovation.

Climate change related benefit

Reduced demand for fertilizers (adaptation)
Reduced demand for pesticides (adaptation)

Comment

C-AC12.2b/C-FB12.2b/C-PF12.2b

(C-AC12.2b/C-FB12.2b/C-PF12.2b) Do you collect information from your suppliers about the outcomes of any implemented agricultural/forest management practices you have encouraged?

Yes

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Food and Drink Federation (UK)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Available on FDF website <https://www.fdf.org.uk/sustainability-position-statements.aspx>

How have you influenced, or are you attempting to influence their position?

We chair the seafood industry Alliance that combines the voice of the seafood industry members of both FDF and PTF. This role gives us access to DEFRA meetings with the Fisheries, Food, and Farming minister and his senior team. Our focus has been on growing a sustainable UK seafood industry, through better management of UK fisheries to maximise local productivity, and investment in UK production efficiency to be globally competitive. Our message is that we can lead globally in the maximisation of process yield and minimisation of energy use (all from renewable energy sources).

Trade association

British Meat Processors Association

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The BMPA works to achieve an efficient and competitive industry sector with lowest possible energy use. The members are encouraged to engage in industry initiatives to address supply chain impacts.

How have you influenced, or are you attempting to influence their position?

We join their technical working groups and support their work in packaging innovation to reduce the industry footprint.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Our specific subject matter experts attend external briefings and conferences such as WRAP working groups, the European Roundtable for sustainable Beef, the London launch of the EAT Lancet report, the Sustainable Landscapes conference, the UK Seafish Common Language group, and the agri-tech summit. We also meet with our supply chain partners heads of sustainability and work in collaboration with them to use best practice techniques to reduce climate change impacts.

These groups, conferences, and meetings inform our teams specialist knowledge, and we build consensus positions with our suppliers and peers to jointly advocate to policy makers via our trade associations.

Our internal communication and preparation with relevant expert stakeholders including WWF and the independent consultants ensures that our position is consistent with the direction of our business climate change objectives.

Our Senior Management Team has the CSR tasks of setting the global strategy and then oversee Group and local implementation plans, the transfer of the strategy into local involvement with stakeholders and position in various working groups.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

HFG Annual Report 19.pdf

Page/Section reference

Page 28 onwards which is our Corporate Social Responsibility report

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Comment

C13. Other land management impacts

C-AC13.2/C-FB13.2/C-PF13.2

(C-AC13.2/C-FB13.2/C-PF13.2) Do you know if any of the management practices mentioned in C-AC12.2a/C-FB12.2a/C-PF12.2a that were implemented by your suppliers have other impacts besides climate change mitigation/adaptation?

No

C15. Signoff

C-FI

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

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Sustainability Officer	Chief Sustainability Officer (CSO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms