Hilton Food Group (Hilton) is committed to promoting environmental sustainability to address long-term critical depletion of natural resources or lasting damage to species, habitats, biodiversity and the climate. We believe that outstanding environmental performance is a fundamental prerequisite for the sustainability of our business. We consult with our stakeholders on environmental issues and have committed to Science Based Target's (SBT's) and the Business Ambition for 1.5C. As full participants of the UN Global Compact (UNGC), we are committed to supporting their 10 Principles. This commitment covers applies to the supply chains where we have responsibility for procurement and / or supply chain approval.

We are committed to continuously reducing the environmental impacts of our supply chains as part of our social responsibility and we work in partnership with our suppliers and customers. This is detailed in our <u>Supply Chain Environmental Policy</u>.

Our global commitment is that we are working to achieve verified zero net deforestation for all our raw materials by 2030, and sooner where possible.

Our UK target is that all soymeal in our UK supply chain to come from verified zero deforestation areas by the end of 2025.

We will work to monitor and report on our progress and how we have engaged collaboratively in international multi-stakeholder initiatives to address the sustainability of natural resources including soy. Hilton are also actively supporting the introduction of alternative protein sources such as peas, beans, and insect proteins.

Hilton are supporting the implementation of relevant legal requirements and supporting legal frameworks in soya producing countries. We are founder members of the Soy Transparency Coalition and we are signatories to the Business Statement of Support for the <u>Cerrado Manifesto</u> (Cerrado SoS) which calls for industry, civil society and government to work together to balance sustainable agricultural development and protection of the important natural ecosystem in Brazil, called the <u>Cerrado</u> – the world's most biodiverse savannah

(https://cerradostatement.fairr.org/signatories/). We joined the UK Roundtable on Sustainable Soya at its launch in July 2018 alongside our retail partners, where we have made a joint commitment to help protect the forests in South America from further deforestation.

Hilton signed the <u>Open-letter-on-soy-and-the-Amazon.pdf</u> (fairr.org) that calls for the protection of the 'Amazon Soy Moratorium', an agreement signed in 2006 to ensure that soy production in the Amazon region only occurs on existing converted agricultural land and not through deforestation of native vegetation.

Achieving Zero Deforestation Soy

Soy production can be compatible with forest protection. Industry, civil society and governments must work together to ensure that soy expansion occurs only on existing agricultural land. Offering incentives as well as effective policies that redirect soy expansion to existing agricultural land can ensure zero deforestation soy production. We recognise that effective forest governance is essential to successfully reversing deforestation.

Our Zero Deforestation Soy Transition Plan

Hilton have aligned with our key customers and developed a Zero Deforestation Soy Transition Plan. Our ambition is that all soy used as animal feed in our global supply chain is sourced from areas which are verified as Deforestation and Conversion-Free (DCF) which includes the protection of valuable native vegetation.

To achieve this we will work with our supply chain partners to transition our South American soy towards sourcing from verified zero deforestation areas, through the following phases:

- 1. Mapping the soy usage and origin in our supply chains to facilitate investment in zero deforestation soy credits schemes.
- 2. Transition to Area Mass Balance (or Mass Balance) certified soy where this is appropriate.
- 3. Transition to sourcing from verified zero deforestation areas by 2030 (with interim target of by 2025 for our UK supply chains).

Our transition plan started in 2018 where we mapped the soy used in animal feed, through direct traceability back to the feed manufacturers where possible. We have continuously reported the volumes for our UK, Irish, and Dutch supply chains to facilitate the purchasing of book and claim credits that support the farmers who have committed to zero deforestation farming in the region.

Where appropriate we will facilitate the transition to mass balance certified soy, which requires the origin of the soy in the feed to be traceable which is a particular challenge when purchasing from large numbers of small-scale farmers.

Our efforts are focussed on building sector wide (national and regional) DCF sourcing strategies within collaborative round tables and platforms in cooperation with feed companies and traders. This collaborative effort by processors, farmers, feed suppliers and soy producers, requires that we jointly support the development of a "landscape approach" to only permit the conversion of land that was cleared before a prescribed cut-off date.

To help ensure that verified DCF soy is available at scale we are; -

- Supporting collaborative forums to align on a consistent ask for the soy traders. We are founder members of the Soy Transparency Coalition that benchmarks the progress of major traders to deliver sustainable soy.
- Advocacy for introduction of new legal and voluntary frameworks, and retention of existing protection for natural forests and landscapes in high risk regions such as the Amazon and Cerrado.
- Supporting the development of industry wide standards for DCF soy to include in purchase specifications and built into feed assurance and farm assurance schemes.
- Supporting the use of robust soy certification schemes benchmarked against the FEFAC 2021 Soy Sourcing Guidelines.
- Working with the Cerrado SoS to address mechanisms for supporting farmers who commit to verified DCF soy with independent monitoring within the Cerrado municipalities.
- Supporting the development of sector plans, at country and regional levels, to transition the
 feed supply chains to 100% verified DCF soy with prescribed cut off dates. We have helped
 to negotiate a 2020 DCF cut off for all the soy used in salmon feed in Norway and Scotland
 and we are currently supporting building sector plans for UK and Irish cattle.