



PEOPLE

PLANET

PRODUCT

Delivering on our environmental
and social objectives

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Delivering on our 2025 sustainable protein plan

Three years ago, we developed our 2025 Sustainable Protein Plan. As we are now over halfway through the Plan, we wanted to provide a full update on our progress and thinking for the future. The result is this, our first dedicated sustainability report.

The starting point for the Plan was our point of difference as a company. Hilton Foods operates in a privileged position, serving customers across over 20 markets and working in partnership with experts and leaders from across the food industry, from farm to fork and beyond. This gives us the opportunity to help drive targeted, practical changes and help tackle some of the biggest problems facing the world.

These practical changes are clear to see in this report. My colleagues and I on the Sustainability Committee take our role in scrutinising the Sustainable Protein Plan very seriously. When we developed the Plan in 2021, we agreed a series of challenging targets, many of them industry leading, such as having 30% of women in leadership, our Science-

Based Targets and our target to halve food waste by 2030. It is a reflection of the culture of Hilton Foods, and the commitment of management, that so many of these targets have already been met.

I am particularly pleased that we not only maintained an A- in climate change disclosures from the Climate Disclosure Project (CDP) this year, but we also improved both our Soy and Timber scores to B. These results place us ahead of the industry average for the food and drink sector.

But this is just the start, the past year has been another 12 months of global strife and instability. Across the world, many of the biggest problems are deteriorating. Two issues in particular have been front of mind for the Sustainable Protein Plan.

First, the continuing strain of inflation. Our goal as a business is to help more people enjoy sustainable, affordable proteins – and rising global prices are a major challenge for that ambition. The second major concern is climate change. The degradation of our natural habitat is increasingly clear. Climate change today is a direct threat to the entire food system.

Against this backdrop, it is significant that the team at Hilton Foods have accelerated and expanded their environmental strategy. A big part of this has been submitting new targets to the Science-Based Targets initiative (SBTi) for validation. These recently validated targets commit us to 1.5°C in line with the Paris Agreement.

We have also continued to innovate and find new ways of supporting customers and communities. Our new flow wrap mince packaging has been a big step forward in reducing plastic packaging. Additionally, with convenience being a priority for many consumers, we created our 'ready to cook' line, a range of products that help boost both accessibility and sustainability in households across the globe.

At the same time, our partnership with the Slave-Free Alliance demonstrates our commitment to eradicating any form of exploitation within our operations – a pledge which is increasingly important in the current climate of international conflict.

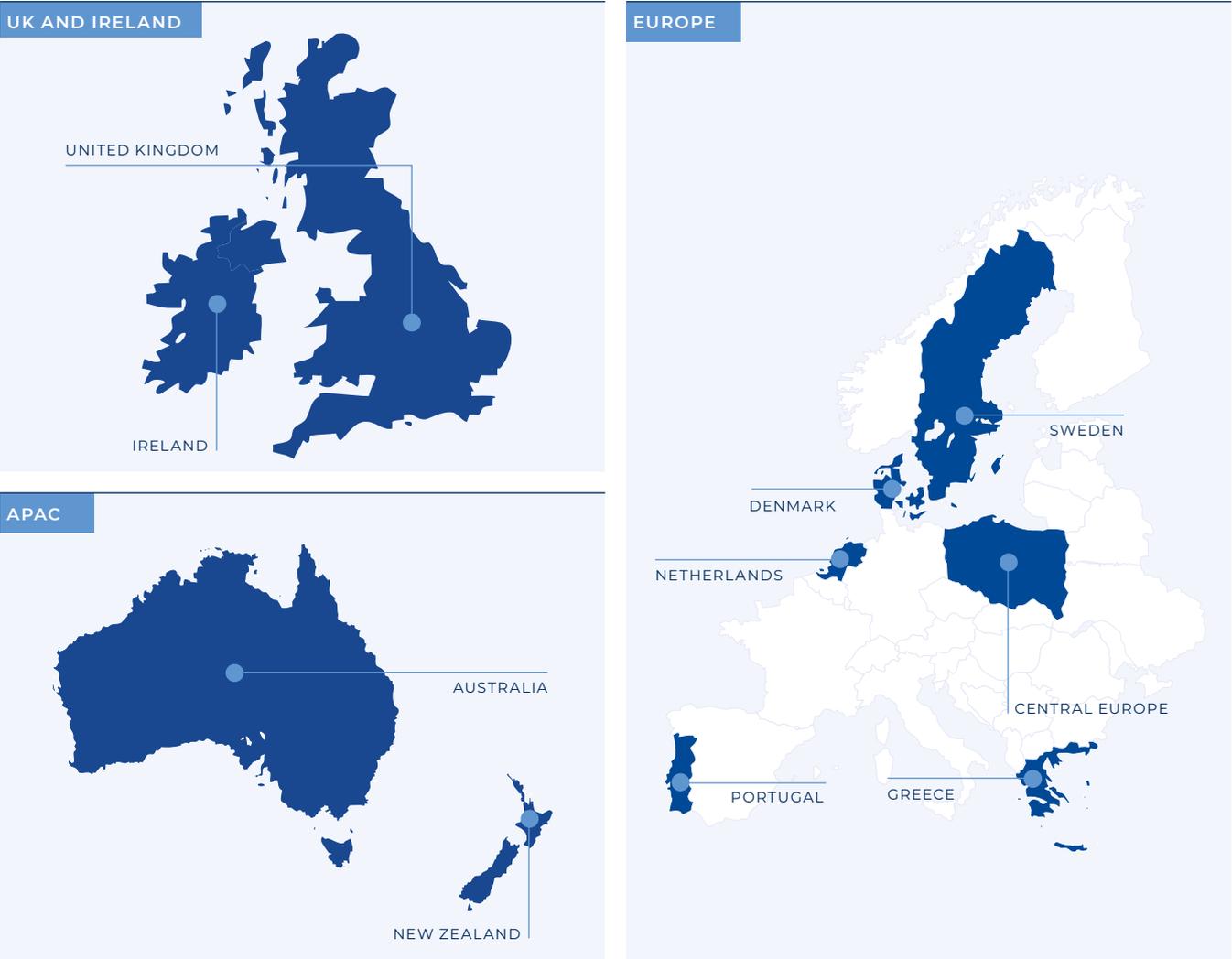
But there is far more to do. Over the next two years, we will develop the next phase of our Plan, with new targets set for 2030. Meanwhile we will continue to share regular updates and engage with experts and campaigners. My committee colleagues and I are always grateful for feedback and recommendations and we would encourage all our stakeholders within and outside the business to get in touch directly.



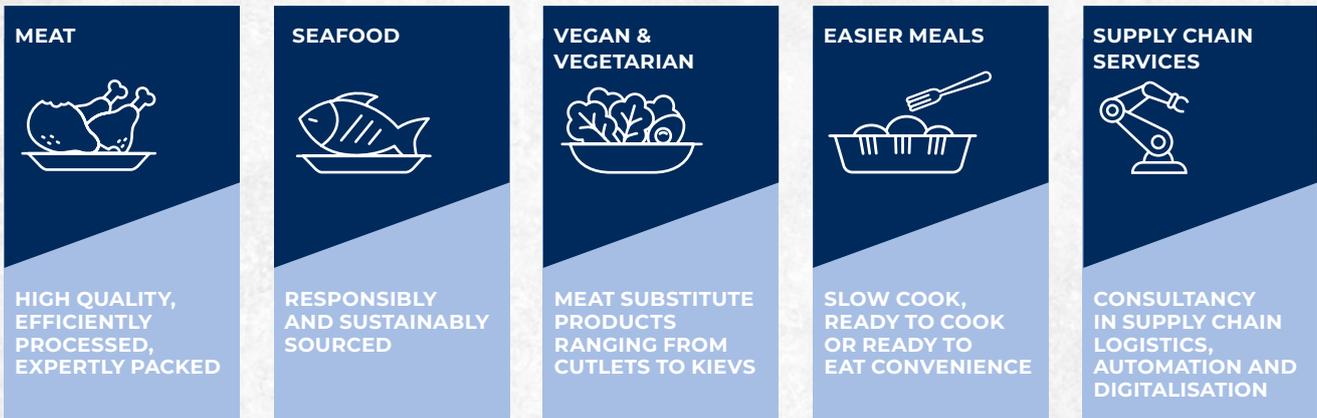
When we developed the Plan, we agreed a series of challenging targets, many of them industry leading. It is a reflection of our culture that so many have already been met.”

Rebecca Shelley
Non-Executive Director and
Chair of Sustainability Committee

Our business – at a glance



THE FIVE PILLARS OF HILTON FOODS: A multi-category proposition focused on quality and innovation.



OUR 2025 SUSTAINABLE PROTEIN PLAN

At a glance

In 2021, we set ambitious targets across the three core pillars of our 2025 Sustainable Protein Plan. An update towards our progress so far can be seen below:

PILLAR	2025 TARGETS	STATUS	PROGRESS
PEOPLE	VALUING PEOPLE Being a fair, safe and inclusive employer by engaging and empowering our people and supporting our local communities	– Reduce Lost Time Incidents (LTIs) by 10% (against 2020 baseline across Hilton Foods)	Behind – 16% reduction against 5-year median target, rebaselined following business expansion for further detail see page 96 in the annual report
		– Establish Global Wellbeing Framework to support employee wellbeing	Achieved – Successfully introduced free sanitary products in all female bathrooms
		– 30% of all leadership roles filled by women	Achieved – 36% of leadership roles now held by women
		– Employee consultative forums or works councils at all Hilton Foods sites	On track – Employee consultative forums or works councils operational at 20 Hilton sites
	RESPECTING HUMAN RIGHTS Safeguarding the welfare and just treatment of all workers and communities engaged with our business and supply chains	– Functioning governance structure in place	Achieved – Integration into key risk processes is shown on page [20]
		– Train all Hilton Foods employees on human rights	On track – Global induction video on key rights at work to be delivered in 2024
		– Modern slavery awareness training extended to all managerial colleagues	On track – Started our partnership with Slave-Free Alliance to accelerate our progress in protecting human rights in our supply chain
		– 100% of labour and service providers audited to Hilton Foods Agency Labour Standard	On track – Annual audit schedule for all labour providers now in place
		– 100% of primary suppliers signed up to Hilton Foods Supplier Social Code of Conduct	On track – Hilton Foods sites in process of onboarding their suppliers
		– 100% of new primary suppliers screened using Hilton Foods Social Criteria	On track – Fully integrated into new supplier approval in 2024
DEVELOPING POTENTIAL Growing and developing our people to be the best they can be, ensuring our business is ready for the future	– All production colleagues offered the opportunity to participate in 'work conversations' with their manager to discuss performance, development, career aspirations, wellbeing, ideas and feedback	On track – Framework developed and training materials provided to all sites	
	– Development opportunities for all management talent identified as ready for succession through annual review of leadership capability and succession	On track – 36,829 hours of training across the business	
	– 150 colleagues to go through leadership development programmes by 2025	On track – 149 employees have completed leadership development programmes since 2020	

At a glance

	PILLAR	2025 TARGETS	STATUS	PROGRESS
PLANET	REDUCING EMISSIONS Going further than addressing our footprint by achieving net negative emissions across our sites and value chains	– 100% renewable electricity across all own operations in Europe by end of 2025 and globally by 2027	On track	– 76% renewable electricity in Europe – 64% renewable electricity globally
		– Achieve our Science-Based Targets across Scope 1, 2 and 3 and publish updated ambitions	On track	– Validated updated SBTi targets in line with 1.5°C
		– Intensity reduction of 15% in emissions of cattle in Europe by 2025 (aligned to the ERBS Sustainability objectives)	On track	– Completed projects with Lincoln University on reducing emissions from manure and digestion
	ENHANCING ANIMAL WELLBEING Driving standards and innovation in the care of animals that enhances their lives and reduces antibiotic use	– More than 90% of livestock from farms in assurance schemes	On track	– Actively working with farm assurance schemes to improve standards
		– 100% humane slaughter of animals across all our products including aquaculture	On track	– Increasing skill set across the business, expanding our training to our Commercial colleagues
		– Responsible antibiotic use throughout our supply chain	On track	– Board members of the Food Industry Initiative on Antimicrobials
	NATURE POSITIVE Collaborating to improve our stewardship of land and sea, promoting biodiversity, addressing deforestation and protecting water and soils	– Eliminate deforestation from the conversion of natural forests to agriculture or livestock production in our supply chains	On track	– 100% directly purchased palm oil and soy is certified and working towards meeting European Deforestation Regulation
		– Maintain 100% of paper and board from certified sources	Achieved	– Maintained 100% certification of paper and board
		– Planning and reporting tools provided to all farmers to support regenerative farming	On track	– Developed tools to calculate emissions in seafood with Seafish
		– 100% of seafood responsibly sourced to Hilton Foods standards (aligned to the Sustainable Seafood Coalition code and PAS 1550), and openly reporting supply chains through Ocean Disclosure Project	On track	– 76% of seafood was sourced to our Hilton Foods Seafood Supplier Standard and openly reporting through the Oceans Disclosure Project
	– Hilton Seafood UK directly sourced wild caught seafood 100% certified to the MSC standard or equivalent (by 2025)	On track	– 98% of wild caught UK seafood in Hilton Seafood UK was either MSC certified or in a comprehensive Fishery Improvement Project	

	PILLAR	2025 TARGETS	STATUS	PROGRESS
PRODUCT	BALANCED HEALTHY DIETS Efficient regenerative food systems producing more accessible and nutritious proteins	– Double sales of plant-based, vegetarian and flexitarian products (compared to a 2020 baseline)	Behind	– Developed tools to assess environmental and nutritional impacts of ingredients for insight during new product development
		– Assess health and sustainability attributes of all Hilton Foods proteins to provide consumers with information on their role in healthy, sustainable diets	On track	– We have upskilled our colleagues on the health and sustainability of our products, to give them the capability to include health and sustainability in our commercial strategy
	CIRCULAR PACKAGING Developing a circular economy for packaging and actively bringing waste materials back into use across our full value chain	– Reduce direct packaging waste by 30% (compared to 2020 baseline)	On track	– Building initiatives on waste across the group, both regionally and with individual sites
		– Drive demand for circular tray-to-tray recycling and actively prioritise the use of circular material	On track	– Tray-to-tray has been introduced at all our sites, in the majority of our European sites this includes 20% tray to tray content
		– All Hilton Foods retail packaging fully reusable, recyclable or compostable	Behind	– We have been working hard to ensure that all our packaging is recycle ready but the meeting of this target is dependent on national infrastructure in each of the countries we operate in
		– Achieve minimum of 50% average recycled content across all plastic packaging	Achieved	– Achieved 64% recycled content in our plastic packaging
		– Reduce the weight of plastic packaging while ensuring it remains fit for purpose	On track	– 840 tonnes of plastic reduced through our flow wrap mince packaging at Hilton Foods Holland and Hilton Foods Sweden
	RESOURCE EFFICIENCY Optimising food waste and use of packaging, energy and water across sites, supply chains and in consumers' homes	– Improve energy efficiency in Hilton Foods facilities by at least 10% (compared to 2020 baseline)	On track	– 10 sites certified with a ISO50001 standard, globally regarded as best practice in energy management, where we received zero non-conformances
		– Improve water efficiency in Hilton Foods facilities by at least 10% (compared to a 2020 baseline)	On track	– At Hilton Foods Ireland we halved our water consumption compared to the 2020 baseline and reduced water consumption by 13% at Hilton Foods Holland in the same period
		– Halve Hilton Foods factory generated food waste by 2030 compared to 2019 (in line with the Champions 12.3 commitment to deliver UN SDG 12.3)	On track	– 42% reduction in food waste since 2020



Q&A Introduction

Steve Murrells CBE

Group Chief Executive Officer

Steve Murrells, our CEO is a permanent member of the Sustainability Committee and has management responsibility for climate change and environmental issues. Steve has extensive sustainability experience having been responsible for sustainability strategy in his previous roles as the CEO of Co-op Group and Co-op Retail.

Steve developed a bold vision for the Co-op, to 'Co-operate for a fairer world.' He led the organisation to stay true to this throughout and beyond the COVID-19 crisis and campaigned boldly on issues such as violence against shop workers, modern slavery, racial inequality, climate change and food poverty. Steve was made CBE in the New Year's Honours List for his efforts in keeping Co-op's customers, members and communities fed and cared for via its Food and Life Services businesses, against the backdrop of the pandemic. Before joining Co-op Group Steve was CEO at Tulip, Chief Commercial Officer for Fresh Foods at Tesco and held a number of buying roles in Sainsbury.

Lorna Schneider

Group Chief Quality & Sustainability Officer

Lorna is a member of the Sustainability Committee as part of her role as Chief Quality & Sustainability Officer. She leads the sustainability agenda within the business and was instrumental in the development of our Sustainable Protein Plan. Along with her Executive Leadership Team colleagues, she oversees the progress of the plan against the objectives and timescales set. Her global experience covers food safety, quality, legality and sustainability throughout the food supply chain.

Lorna joined Hilton Foods in September 2017. She has extensive experience in the food industry, working in both retail and food manufacturing. Previously, she spent 15 years at Tesco in senior quality roles. Lorna has worked across many food product areas and has worked closely with the Food Standards Agency and the Global Food Safety Initiative. She was previously the Chair of the Campden BRI Scientific & Technical Committee, a co-opted member of the Campden BRI board and held roles on the International Advisory Board for BRC Global Standards and the British Retail Consortium Food Strategy Group.

Steve Murrells CBE and Lorna Schneider

After almost a year as Chief Executive Officer, what are your first impressions of the Sustainable Protein Plan?

Steve: "Lots of businesses talk about sustainability, but with Hilton Foods it's written into the way we work. Our whole business model depends on the standards and trust we provide as global food producers. Put simply, customers wouldn't choose to work with Hilton Foods and grow our businesses together if we weren't trying to take a leadership position on these issues."

Where are Hilton Foods' biggest opportunities for innovation when it comes to sustainability?

Steve: "Our position within the food system, working with partners from farm to fork, gives us a whole range of opportunities to make a positive difference."

"A good example this year has been the work we've continued to do to reduce plastic packaging with 64% recycled content in our plastic packaging."

"There are so many ways we've been doing this. For instance, this year we launched our new flow wrap mince packaging, which we trialled in Holland with Albert Heijn and have now rolled out across other sites with other customers. This project removed 710 tonnes of plastic from the packaging at our Hilton Foods Holland site alone, without damaging the quality of the product."

1,971

tonnes of plastic removed from packaging since 2020

64%

recycled content in our plastic packaging

How are Hilton Foods colleagues integrating sustainability into their daily work?

Lorna: "We upskill colleagues across the business – from the teams at our sites, to our audit team and through to our buyers and category managers. This is so that everyone can better support our retail partners and wider society."

"We are also making sure we hold ourselves accountable to action through our sustainability committee and our LTIP programme. At a practical level, we are embedding ISO 50001 processes into the day-to-day, helping to address our impact and improve our energy efficiency through the development of an energy management system."

And what about the wider food system and your own supply chain? How are you helping to make changes across the value chain?

Lorna: "We have so many opportunities to help our partners drive lasting changes – from making sure that emissions reduction targets are built into our purchasing processes, through to making sure we're setting the right standards during our audit processes."

"We're also helping our suppliers by sharing information on our human rights expectations in our Code of Conduct documents."

What are you most proud of in 2023? And what are you worried about for the future?

Steve: "The strength of the targets and robustness of the plan are in themselves things which we should be really proud of. We also continue to raise the bar we have set ourselves, to remain one of the leaders in the industry in this space. I am particularly proud this year of our decision to submit even more ambitious targets to the Science-Based Targets initiative, which have recently been validated."

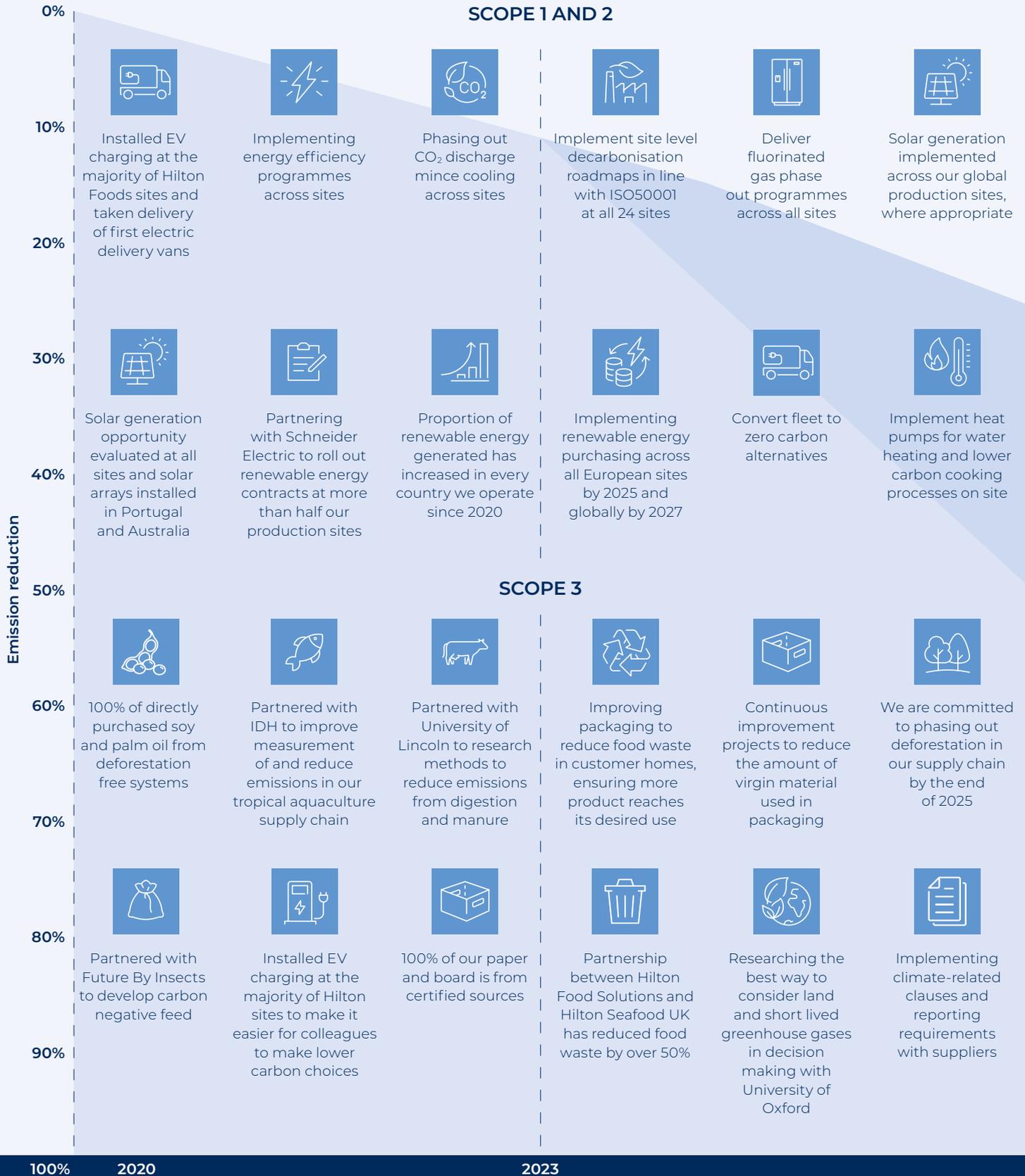
Lorna: "There is lots to be proud of in what we have already achieved but we also know there is more to be done. Around the world, there are many reasons to be concerned about the future – from environmental problems through to the pressures on nature and biodiversity. We created the Sustainable Protein Plan to help make a positive difference to all these challenges and the reality is there is far more we need to do."

How do you think the SPP will evolve after 2024?

Lorna: "Over the next year, we're going to start a thorough review process and look again at where our focus needs to be for the next five years. We'll be setting ourselves more ambitious targets going forward and focusing on where we can make the biggest difference."

DELIVERING NET ZERO

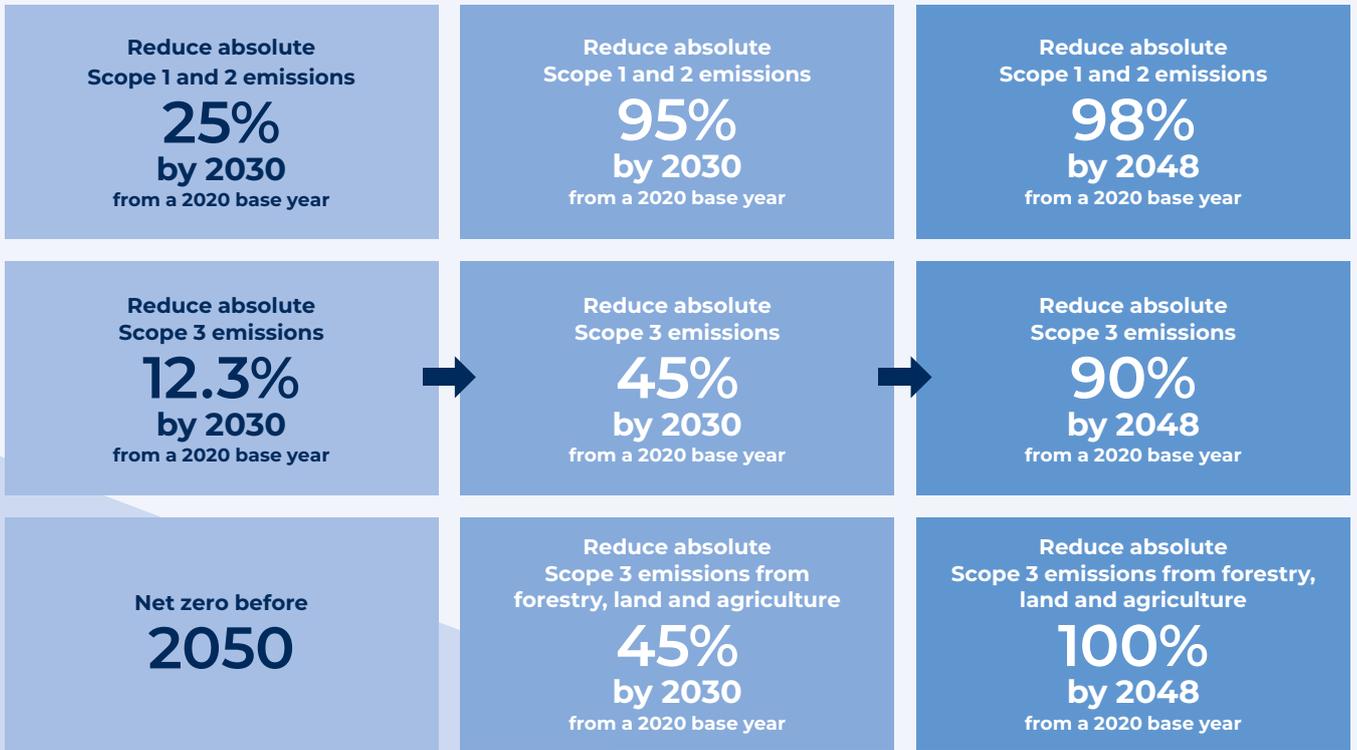
The following pages break down our roadmap to achieving net zero by 2048, looking at the actions we've taken so far and our upcoming projects that ensure we meet this target.



PREVIOUS TARGETS

NEAR-TERM TARGETS

LONG-TERM TARGETS



Development of tools, changes to formulation and implementation of new technologies to deliver lower carbon products



Partnering with supply chain and providing clear guidance to transition to net zero machinery



Support supply chain to shift to low carbon fertiliser production in feed production



Industrial decarbonisation in material production sectors



Implement livestock farming practices which actively enhance carbon sequestration



Partnering with retailers and suppliers to implement renewable energy in their farms and factories



Support farmers to implement best practice genetics and animal health in line with our species level decarbonisation roadmaps



Partnering with hauliers, retailers and government to transition vehicle powertrains to continue installing charging in delivery bays



Work with suppliers to commercialise enteric emissions inhibitors and implement in our supply chain

2030

2048

Our partnerships hold the key to our impact

At Hilton Foods, our partnerships hold the key to our impact. We have a crucial position at the centre of the food value chain with the freedom to influence and innovate across each stage of the supply chain.

It is the depth of our commercial partnerships that help to maximise our impact.

We partner with Foods Connected, a supply chain software company, in which we hold a significant investment, to share our commitments with our suppliers on quality, safety, animal welfare, human

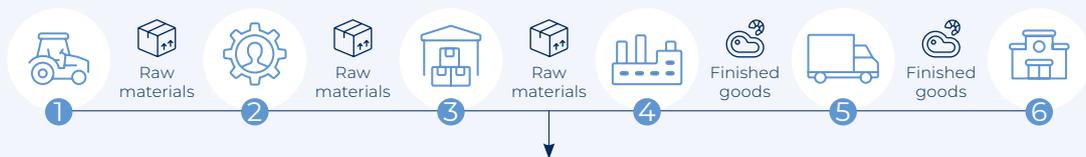
rights and sustainability. This helps manage our suppliers' performance to ensure we deliver our own and customers' priorities, using technology to inform consumers.

HILTON FOODS AND FOODS CONNECTED – SUPPLY CHAIN TRANSPARENCY



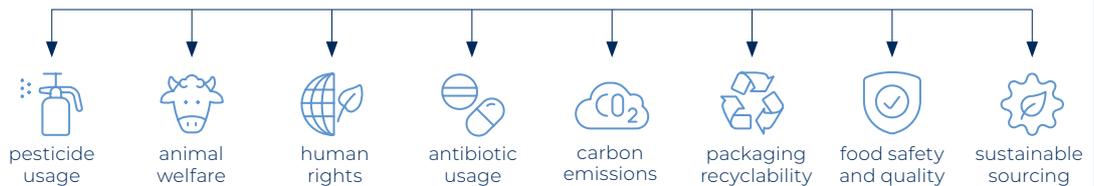
Base traceability

The movement and transformation of a product across different parties in the supply chain

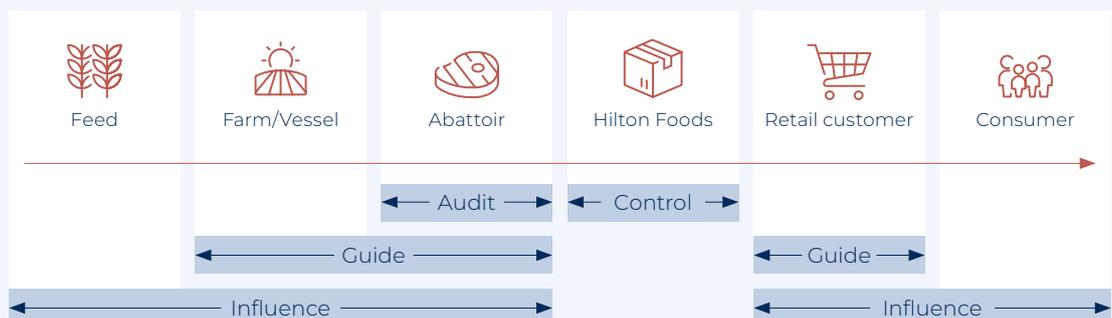


Value added traceability

Additional information that can be captured at different stages in the base traceability process



How we work through the value chain



Areas of biggest impacts and risks

The materiality matrix maps the most crucial aspects of sustainability by pinpointing what really matters to our business and the world around us. These issues are not just checkboxes; they guide our strategic decisions, demonstrating our commitment to sustainable growth and responsible business practices.

The matrix undergoes an annual review, allowing for adaptations to emerging challenges and evolving priorities. Every three years, an in depth reassessment is carried out, supported by engagement from our key stakeholders. This collaborative approach ensures a holistic and nuanced understanding of the issues that matter most to our stakeholders, spanning from within our organisational framework to the communities and environment we engage with. The materiality matrix will undergo an in depth review in 2024 and will be adjusted to implement a double materiality scope.

As part of the changing global landscape and to ensure alignment to upcoming legislation and emerging challenges, we have made the decision to split 'sustainability and biodiversity of agriculture, fisheries and aquaculture' into three components: 'deforestation', 'biodiversity' and 'sustainable management of fisheries, aquaculture and agriculture'. Additionally, based on feedback from the Executive Leadership Team, we have added a risk highlighting the importance of our sites as a responsible neighbour.

Our five most material issues are:

Product safety, quality and integrity

The safety of our products is our first priority and everyone's responsibility at Hilton Foods. We ensure our factories adhere to rigorous quality standards and we are ever-vigilant to ensure we maintain these standards. As we continue to expand into new markets and grow our customer base, this remains a growing risk for us.

Deforestation

Although 100% of timber products, palm oil and directly purchased soy we buy are certified as deforestation free, we are still working to ensure our entire supply chain is deforestation free. We are engaging with emerging legislation in the EU and have updated ambitions to align our Science-Based Targets to 1.5°C to contribute to eliminating deforestation from our supply chain.

Climate change

It is increasingly clear that the global food system contributes to climate change, so we have further increased our internal focus on tackling climate change and mitigating its effects. Whilst we are continuing to improve measurement of our impact both in our operations and throughout the value chain, we are now very much into the delivery of these targets with significant progress being made.

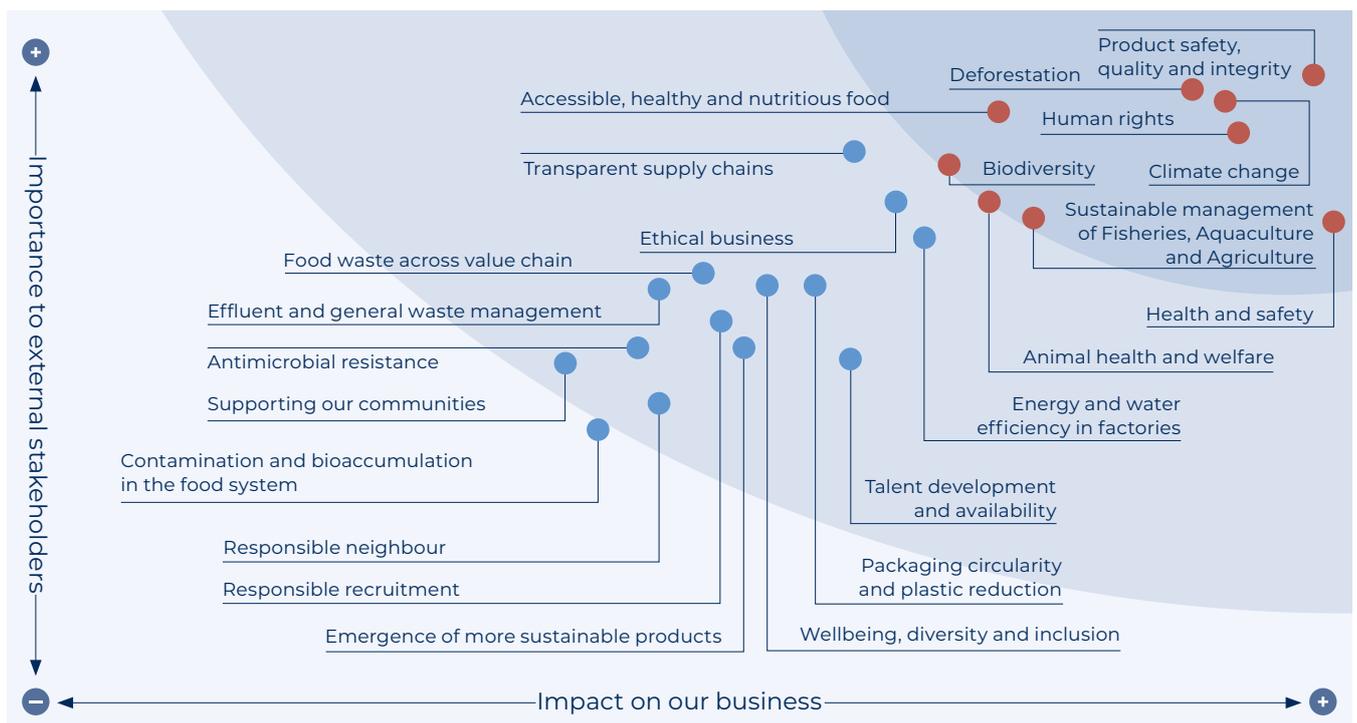
Human rights

Ensuring communities and workers across our value chain receive fair treatment and are safeguarded is a moral, regulatory and strategic imperative.

Around the world, governments are introducing additional legislation to protect these rights; complying with and where possible, exceeding these legal requirements, is a core part of the Sustainable Protein Plan.

Health and safety

A safety-first culture is at the heart of our operations and we recognise that there are risks for our colleagues who work across the sites. We have programmes at all site locations to ensure a safe environment is maintained at all times and through our audit programme, we are working to mitigate any risks that occur and reduce accident incidents in our supply chain.



How is sustainability embedded in our business?

At Hilton Foods, we have embedded sustainability throughout our governance structure so that we can deliver a lasting positive impact. Our governance structure serves as a robust framework, driving the achievement of goals and targets within our Sustainable Protein Plan while ensuring accountability and oversight at all levels of the business.

MAIN BOARD OVERSIGHT

The Main Board is updated on the progress of the 2025 Sustainable Protein Plan every three months. In collaboration with the Sustainability Committee, it oversees the implementation of Hilton Foods’ sustainability strategy throughout the organisation.

SUSTAINABILITY COMMITTEE

Chaired by Non-Executive Director, Rebecca Shelley, the Sustainability Committee assumes a pivotal role in overseeing the delivery of our long-term social and environmental strategy. Steve Murrells, our CEO is a permanent member of the Sustainability Committee and has management responsibility

for climate change and environmental issues. Steve has extensive sustainability experience having been responsible for sustainability strategy in his previous roles as the CEO of Co-op Group and Co-op Retail. The committee actively supports the business in the implementation of our Sustainable Protein Plan, in addition to approving formal corporate sustainability reporting. Meeting quarterly, the committee undertakes the responsibility of assessing climate-related risks alongside the Audit and Risk Committee, ensuring the ongoing resilience of Hilton Foods against climate-related risks. The Committee Chair updates the Board on climate change strategy and progress against the Sustainable Protein Plan every three months.

EXECUTIVE LEADERSHIP TEAM

The Executive Leadership Team, alongside the CEO, receives monthly updates on the progress of our 2025 Sustainable Protein Plan. These sessions delve into relevant collaborative projects and customer requirements, underscoring the commitment to keeping sustainability at the forefront of strategic decision-making.

SENIOR MANAGEMENT TEAM

Under the stewardship of the Chief Quality and Sustainability Officer, the senior management team receives monthly updates. The Sustainability team, under this leadership, actively supports site

level senior management teams in achieving targets, fostering supply chain engagement and advancing global reporting. Progress against sustainability targets is shared across diverse functional areas, ranging from People and Culture to Quality, Operations and Procurement. The Sustainability team plays a pivotal role in leading the implementation of our sustainability strategy, working closely with site Sustainability leads.

LEADERSHIP TARGETS AND LTIPS

The Sustainable Protein Plan is an essential part of our plan to create sustainable value for all our stakeholders.

In 2022, we announced specific EPS and sustainability targets in the Hilton Foods Long-Term Incentive Plan (LTIP) as part of our ambition to embed sustainability within our business strategy. This was the first time the LTIP contained a significant sustainability element.

We have further developed the LTIPs to have an increased weighting around our People pillar. People metrics are a challenge to measure as they are not easily quantifiable. Despite this challenge, we want to demonstrate the importance of our people within the Sustainable Protein Plan and to the wider business, ensuring they are held central to our values so that leadership are held accountable for progress across all three pillars of our strategy.

The performance conditions covering the three financial years 2022–2024 are as follows:

Metric	Weighting	Threshold 10% vesting	Maximum 100% vesting
EPS	60%	5% growth per annum	12% growth per annum
Relative TSR compared with the constituents of the FTSE 250 (excluding investment trusts)	25%	Median	Upper quartile
Sustainability			
i. Scope 1 and 2 energy efficiency	5%	6.5% reduction over 3 years	43.9% reduction over 3 years
ii. Packaging recycled content	5%	11.7% increase over 3 years	28.3% increase over 3 years
iii. Food waste	5%	15% reduction over 3 years	30% reduction over 3 years

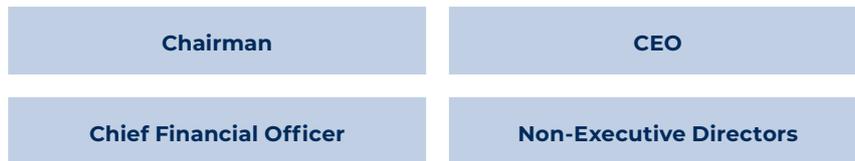
The performance conditions covering the three financial years 2023–2025 are as follows:

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EPS	60%	5% growth per annum	12% growth per annum
Relative TSR compared with the constituents of the FTSE 250 (excluding investment trusts)	25%	Median	Upper quartile
Sustainability			
i. Scope 1 and 2 energy efficiency	5%	35% reduction over 3 years	52% reduction over 3 years
ii. Scope 3	5%	21% reduction over 3 years	33% reduction over 3 years
iii. Women in leadership roles	1.5%	0% increase over 3 years	5% increase over 3 years
iv. Employees who ‘feel included’	1.5%	2% increase over 3 years	5% increase over 3 years
v. 100% of high risk suppliers with SMETA audit	2%	80% of higher risk suppliers with valid SMETA audit	100% of higher risk suppliers with valid SMETA audit

Who is responsible for the Sustainable Protein Plan at Hilton Foods?

Main Board

Set the ambition for long-term sustainability programme, embedding this in the business culture



Sustainability Committee Audit and Risk Management Committees



Executive Leadership Team

Agree and oversee delivery of targets



Senior Management Team

Set global strategy and oversee Group and local implementation plans



Responsible for sustainability projects and reporting



Integrate sustainability strategy into their areas of responsibility



- Direct responsibility for sustainability, including climate
- Shared responsibility

PEOPLE

At Hilton Foods, we employ over 7,000 people and our people are at the heart of our success. Their health, safety and wellbeing are our first priority.

We are an inclusive organisation, built on equity and respect, ensuring opportunities for skills and career development are open to all. It is essential that every person across our business and supply chain is treated fairly and rewarded appropriately.

This chapter highlights our progress on key people projects this year.



To prevent exploitation amid the global challenges we face, it's pertinent that we empower the voices of employees and workers within the value chain. Grievance mechanisms provide a crucial channel for transparency, fairness, remedy, and accountability. Slave-Free Alliance is proud to be partnering with Hilton Foods and focusing on the development of effective escalation pathways in the organisation, to amplify the voices of workers and ensure access to remedy."

Rachel Hartley
Consultancy Director,
Slave-Free Alliance

VALUING OUR PEOPLE

Being a fair, safe and inclusive employer by engaging and empowering our people and supporting our local communities

2025 Targets

Reduce Lost Time Incidents (LTIs) by 10% (against 2020 baseline across Hilton Foods)

Establish Global Wellbeing Framework to support employee wellbeing

30% of all leadership roles filled by women

Employee consultative forums or works councils at all Hilton Foods sites

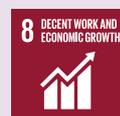
→ Read more about how we are enhancing our family leave policy **page 17.**



ALIGNMENT WITH THE UN SDGs



5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life



8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

RESPECTING HUMAN RIGHTS

Safeguarding the welfare and just treatment of all workers and communities engaged with our business and supply chains

2025 Targets

Functioning governance structure in place

Train all Hilton Foods employees on human rights

Modern slavery awareness training extended to all managerial colleagues

100% of labour and service providers audited to Hilton Foods Agency Labour Standard

100% of primary suppliers signed up to Hilton Foods Supplier Social Code of Conduct

100% of new primary suppliers screened using Hilton Foods social criteria

100% of high risk primary suppliers audited

→ Read more about how we are promoting gender equality in Hilton Foods' shrimp value chain **page 20.**

DEVELOPING POTENTIAL

Growing and developing our people to be the best they can be, ensuring our business is ready for the future

2025 Targets

All production colleagues offered the opportunity to participate in 'work conversations' with their manager to discuss performance, development career aspirations, wellbeing, ideas and feedback

Development opportunities for all management talent identified as ready for succession through annual review of leadership capability and succession

150 colleagues to go through leadership development programmes by 2025

→ Read more about how we are helping our people to develop their skills **page 22.**



VALUING OUR PEOPLE

We believe the work we do as a business is crucial for society and brings value to all our stakeholders – from consumers through to farmers and producers. But none of this value would be possible without the people who run, manage and drive Hilton Foods forward each and every day. That is why the value we create as a business depends on our 7,000 employees, across all 10 countries where we operate.

There are so many different forms this value can take. We know from connecting with our employees, whether individually through our engagement survey or within our vibrant employee forums, that our colleagues value their wellbeing and want to be given opportunities to progress and develop. They want to feel valued at work and that they are working as part of inclusive teams and communities. As an inclusive organisation, it is our priority to support employees with their mental health as well as physical health challenges and it goes without saying that they want to be protected at work and operate in safety-conscious environments.

The following case studies show some of the work we are doing to help show this support and value for our people.



OUR CORE BEHAVIOURS

We're open and honest

- We share knowledge and information
- We are clear on expectations
- We value honesty

We value each other

- We recognise efforts of others and say thank you
- We listen to and value the voices and ideas of others
- We value others for who they are

We're respectful

- We never discriminate against others
- We treat others how we wish to be treated
- We respect others' time, workload and commitments

We're friendly and inclusive

- We are welcoming and patient
- We celebrate and embrace our differences
- We say 'hello' and know the value of a smile

We're understanding and supportive

- We care and support the wellbeing of others
- We support training and career development
- We listen and give supportive feedback

We're responsible

- We proactively ask for and give help to others
- We take personal responsibility for our actions
- We trust, support and hold each other to account

FAMILY LEAVE ENHANCEMENTS AT HILTON FOODS UK

In October 2023, we enhanced our family leave policy at our largest UK site, offering the same benefits to all colleagues – regardless of whether they work on site or in our offices.

This includes 18 weeks full pay for maternity leave and three weeks full pay for paternity leave. In total, over 1,000 colleagues can benefit from the new policies.

These changes have been well received by colleagues and we will continue to look at how we support our team members live life well at Hilton Foods, particularly alongside family and caring responsibilities.



Starting a family is an exciting time and as a business it is important we find ways to support our colleagues and their wellbeing at this time.”

Managing Director

Hilton Foods UK and Hilton Foods Ireland



USING TECHNOLOGY TO REDUCE ACCIDENTS IN THE UK

This year, we introduced two new tools which use innovative technology to help us identify areas of concern and proactively inform us of the most pressing risks that may lead to accidents on sites.

Using Protex AI and Back-Track systems, colleagues now have added support in understanding how to undertake tasks in the safest manner. These new tools allow us to improve safety decisions using data to identify the risks before they lead to accidents. We now have access to live data showing the safety behaviours at our sites, from use of spaces within the workplace to individual analysis of workers manual handling. Using this data, our Health and Safety team has also been able to develop new KPIs to determine how safe the work environment is and implement training programmes to contribute to and maintain a safer workplace.



I have saved hours since using Protex AI thanks to the automatic functionality. It allows me to communicate more effectively and more quickly with colleagues, and helps ensure our sites are as safe as they can be.”

Safety and Wellbeing Coordinator

Hilton Foods UK

 **Protex AI**



PEOPLE continued

IMPROVING COLLEAGUE ENGAGEMENT IN APAC REGION

Across Hilton Foods we run an annual engagement survey to understand how our colleagues feel about working with us. Our people are at the forefront of all our health, safety and wellbeing programmes. It is important to us to work collaboratively with our employees, responding to the feedback they provide us through the engagement survey.

In 2023 our APAC business developed site specific workplans to further improve wellbeing, based on colleague insights. As part of this work, we focused on three things: personal development opportunities, wellbeing initiatives and enhanced communications across the business. Colleagues feeling a part of our business objectives is a crucial part of our success.

The work we have done has included offering external certification courses for colleagues alongside study assistance programmes, a new buddy programme for new joiners, English classes for those wishing to improve their literacy skills and leadership skills training for team leaders. To further support wellbeing, we have introduced mental health first aiders and a parenting support programme with access to counsellors that provided guidance on all aspects related to parenting and family life. Our APAC business has seen an eight point increase in those who find their job personally satisfying following these activities.



OUR COMMITMENT TO WOMEN IN THE WORKPLACE

In our pursuit of a more inclusive and diverse workplace, we are focused on recognising the pivotal role women play in the food sector and creating initiatives to support their careers. Launched last year, our Women's Network serves as a vibrant platform for creating connections, providing mentoring and hosting workshops that empower women across our business.

Our commitment to gender diversity is reflected in our board composition, with 43% representation of women on the board. Additionally, we proudly stand as a strategic partner with Meat Business Women, offering crucial networking opportunities to women in the industry. Through this collaboration, we provide mentorship programmes and workshops, ensuring women have the tools they need to thrive professionally.

Despite industry challenges, we have not only maintained but exceeded our 30% target for women in leadership roles, with 36% of our senior management now women making impactful contributions. By championing gender diversity, we believe we will create a more innovative, resilient and successful future for our company and the food sector as a whole.



I believe in enabling women to have fulfilling careers, within our organisation and industry. Both for themselves and to ensure we have access to top talent. As a member of the Meat Business Women expert advisory panel I support the strategic development of the organisation. I am an active member of our internal women's network and mentor women in our business to support them in their development."

Penny Tomlinson
Fairfax Meadow

36%
of women in
leadership roles

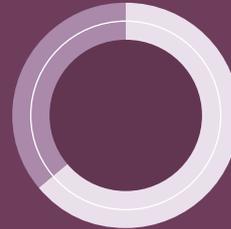
43%
female
representation
on the board



Meat Business Women (MBW) is the global professional community for women working in our industry. It has the ultimate goal of assuring the sustainability of the food sector by attracting and retaining the best possible talent. Hilton Foods is a Strategic Partner of MBW, working to diversify the industry and supporting women throughout their careers."

Laura Ryan
Meat Business Women

Senior management



● Male 64%
● Female 36%

Employees



● Male 58%
● Female 42%

Board



● Male 57%
● Female 43%

RESPECTING HUMAN RIGHTS

Building strong ethical standards to embed respect for human rights across our value chain is essential for building a fairer food system. Our approach is informed by Principle 15 of the UN Guiding Principles on Business and Human Rights, which says companies must “know and show” that they respect human rights.

At Hilton Foods, we do this by protecting the human rights of workers within our business and our global supply chain networks, including establishing fair remuneration, respect for the right to freedom of association and collective bargaining, high health and safety standards, discrimination-free workplaces and access to effective grievance procedures and remedy.

We have continued to integrate our Human Rights Policy into our core business functions, through the implementation of our global Supplier Social Responsibility Code of Conduct and accompanying Compliance Requirements. We are delivering a globally agreed appraisal of human rights and labour risk, linking this to our supplier approval process. We use the internationally recognised supply chain transparency platform, Sedex, to monitor labour standards and gain in depth insight into working conditions in supplier sites.

We always seek to work collaboratively with our suppliers, providing resources, training and developing shared workstreams to align with the supply chain, through our Food Network for Ethical Trade and Seafood Ethics Action Alliance memberships. Where suppliers are found to be high risk, they are required to provide additional due diligence, up to and including an independent ethical audit. Our preferred methodology for ethical audits is the Sedex Members Ethical Trade Audit (SMETA). If a supplier is unwilling to engage on corrective actions or provide remediation to workers, Hilton Foods will re-audit, re-train and, if we have to, end the contract in question. Hilton Foods has committed to engage in remedy where workers have been adversely affected.

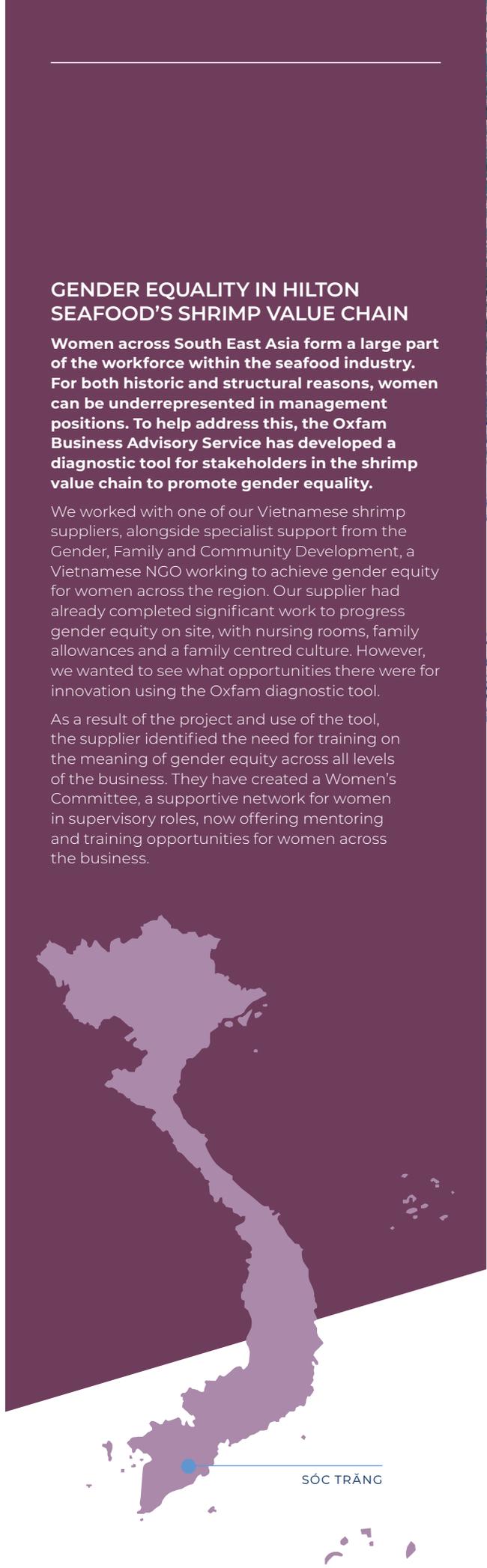


GENDER EQUALITY IN HILTON SEAFOOD'S SHRIMP VALUE CHAIN

Women across South East Asia form a large part of the workforce within the seafood industry. For both historic and structural reasons, women can be underrepresented in management positions. To help address this, the Oxfam Business Advisory Service has developed a diagnostic tool for stakeholders in the shrimp value chain to promote gender equality.

We worked with one of our Vietnamese shrimp suppliers, alongside specialist support from the Gender, Family and Community Development, a Vietnamese NGO working to achieve gender equity for women across the region. Our supplier had already completed significant work to progress gender equity on site, with nursing rooms, family allowances and a family centred culture. However, we wanted to see what opportunities there were for innovation using the Oxfam diagnostic tool.

As a result of the project and use of the tool, the supplier identified the need for training on the meaning of gender equity across all levels of the business. They have created a Women's Committee, a supportive network for women in supervisory roles, now offering mentoring and training opportunities for women across the business.





SUPPORTING MIGRANT FISHERS ON THEIR UK WORKING RIGHTS

Fishers can be vulnerable to labour exploitation due to the 'at sea' nature of their work, in particular migrant workers, who may not be fully aware of their rights within their country of work. In 2023 Hilton Foods undertook a project to promote awareness of core human rights for migrant fishers in the UK, as well as how to raise grievances at sea.

In collaboration with the Transport Workers Federation, a democratic, affiliate-led federation recognised as the world's leading transport authority, and Stella Maris, the largest ship-visiting network in the world, resources were developed, translated and disseminated to fishers across the UK. These resources provided crew with information on their rights and how to raise grievances, together with employers' information on their responsibilities. In the medium-term, this work forms the basis for developing networks between migrant groups who can educate each other. In the long-term, these materials could be developed for other situations internationally.

This was funded through the Seafood Ethics Action Alliance (SEAA) Change on the Water Fund, with contributions from Hilton Seafood UK, Tesco and Morrisons.



A FOCUS ON PREVENTING MODERN SLAVERY

At Hilton Foods, we work to empower our people, ensuring their working environment is safe and they have meaningful opportunities to engage with us. However, we believe we also have a role to play in protecting all workers from third party exploitation and modern slavery.

In 2023 Hilton Foods formed a strategic partnership with Slave-Free Alliance to further hone and focus our efforts to disrupt modern slavery. Slave-Free Alliance, a social enterprise wholly owned by global anti-slavery charity Hope for Justice, acts as a critical friend to us as a business.

This year we worked together to address gaps identified collaboratively. They provided an external review of our newly launched Agency Labour Standard and audit framework. The recruitment of workers can be an area of increased risks, as the recruitment journey can be fraught with different agents and potential fees. Our new Standard will allow us to have a consistent approach to the competency and resilience of our labour providers, to ensure that all workers on our sites are able to freely enjoy their work.

In 2024, Slave-Free Alliance will be supporting us to review our operational controls at a site level and to develop robust escalation plans across the UK and Ireland.



SLAVE-FREE ALLIANCE
Working Towards a Slave-free Supply Chain

DEVELOPING POTENTIAL

A business built around people must ensure every colleague is able to develop to their full potential. It is vital that we do everything we can to help each person within our business to build their skills and careers. Our teams across the world look to us to ensure they are supported in their training and career trajectories.

Over the past two years we have invested in a range of new training programmes, projects and management initiatives to help all our colleagues have more opportunities to get on and get ahead. The “work conversations” initiative we launched in 2022 continues to be impactful, with the number of colleagues saying they have had opportunities to discuss their individual performance up by 6% compared to 2021.

This year we have introduced a number of new training modules to help back our manufacturing talent, with clear and obvious improvements on different measures of employee performance and engagement, as well as positive changes to key quality indicators and efficiency measures within the business.

80%

of employees said they are part of a team that works well together

MANUFACTURING EXCELLENCE PROGRAMME – UK, ROI, SOHI, SERVICES, SEAFOOD

Over the past two years, we have introduced a new training module in partnership with a leadership and change consultancy, Project7, designed to create a new group of manufacturing leaders, with skills across every aspect of what it takes to run large and complex manufacturing businesses.

97 colleagues have taken part, representing our Hilton Foods UK, Hilton Seafoods, Hilton Foods Ireland, SoHi and Hilton Services teams. The course has provided these colleagues with immersive training experiences, teaching them how to improve every aspect of our business performance. The result has been a clear and measurable return on investment, for the individuals involved, for our customers and for Hilton Foods.

For the individuals, the course has helped drive wider engagement score improvements within Hilton Foods this year (with our overall UK engagement scores up 12% compared to 2022). For our customers, the training has helped us to boost key quality indicators, as recognised in the award we received for the best Quality Supplier from Tesco. We will now expand this Programme across Europe and APAC.

12%

increased overall UK engagement compared to 2022



We’re seeing the impact in people themselves and in the roles they’re doing.”

Commercial Financial Controller
Hilton Foods UK





EMERGING LEADERS PROGRAMME IN THE UK AND EUROPE

One of the targets within the Sustainable Protein Plan is to make sure 150 colleagues have been through dedicated leadership development programmes by 2025. This year, we ran our Emerging Leaders Programme – designed to support key talent in progressing to the next level, with a focus on helping leaders to retain talent within the business and how to be inclusive leaders.

This year 14 people completed the course, of whom four have already been promoted, while three of the participants were given the opportunity to complete the course through a combination of video calls and virtual sessions to support their development within the context of their own maternity and paternity leave. The feedback from the courses has been excellent and overall 149 colleagues have now completed leadership development programmes since 2020.

99%

achieved towards our leadership development target



It was a great learning experience! The individual coaching, the learning modules and the project on diversity and inclusion that we worked on together were very challenging and of great added value for me personally.”

Senior HR Advisor

Hilton Foods Holland



It’s been fantastic to have had the opportunity to take part in such a valuable development experience. Huge thank you to all involved. I’m particularly grateful for the support that allowed me to complete the programme whilst on maternity leave and still participate in the final presentations.”

Organisational Development Manager

Hilton Foods UK



PLANET

Our Sustainable Protein Plan sets out our ambition to contribute positively to our planet by managing and reducing our emissions, enhancing animal welfare and progressing a Nature Positive agenda.

The production of protein, in particular cattle farming, remains one of the biggest contributors to global emissions and we have a duty to transition to a food system which actively enhances nature. We are committed to being a net zero business by 2048 and are implementing Decarbonisation Plans in our manufacturing sites and in partnership with our key supply chains. We are working hard to provide active, responsible stewardship of our natural environment across land and sea.



We work with Hilton Foods on all aspects of sustainability, human rights, packaging reduction and our net zero targets. The team there are doing important work to help us serve customers, communities and the planet. Tesco's sustainability targets and Hilton Foods' Sustainable Protein Plan are closely aligned and we're working together to achieve the same goals. It really makes a difference when you have partners who are experienced and passionate about the subject."

Kené Umeasiegbu

Responsible Sourcing Director at Tesco

REDUCING EMISSIONS

Going further than addressing our footprint by achieving net negative emissions across our sites and value chains

2025 Targets

100% renewable electricity across all our own operations in Europe by end of 2025 and globally by 2027

Achieve our Science-Based Targets across Scope 1, 2 and 3 and publish updated ambitions

Intensity reduction of 15% in emissions of cattle in Europe by 2025 (aligned to the ERBS Sustainability objectives)



Read more about how we have introduced a new product development tool in UK and Denmark **page 26**.

ALIGNMENT WITH THE UN SDGs



2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems



14.4 By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans



15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally

ENHANCING ANIMAL WELLBEING

Driving standards and innovation in the care of animals that enhances their lives and reduces antibiotic use

2025 Targets

More than 90% of livestock from farms in assurance schemes

100% humane slaughter of animals across all our products, including aquaculture

Responsible antibiotic use throughout our supply chain

→ Read more about how we are improving animal welfare **page 28**.

NATURE POSITIVE

Collaborating to improve our stewardship of land and sea, promoting biodiversity, addressing deforestation and protecting water and soils

2025 Targets

Eliminate deforestation from the conversion of natural forests to agriculture or livestock production in our supply chains

Maintain 100% paper and board from certified sources

Planning and reporting tools provided to all farmers to support regenerative farming

100% of seafood responsibly sourced to Hilton Foods standards (aligned to the Sustainable Seafood Coalition code and PAS 1550), and openly reporting supply chains through Ocean Disclosure Project

Hilton Seafood UK directly sourced wild caught seafood 100% certified to the MSC standard or equivalent

→ Read more about how we are using birdsong and AI to measure biodiversity on UK farms **page 30**.



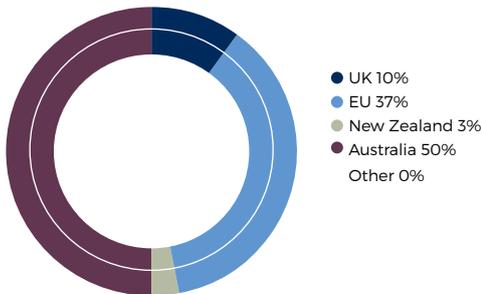
REDUCING EMISSIONS

Reducing emissions while creating a profitable and growing business is a challenge for every company in every sector. For the food industry, and even more so for businesses that produce proteins, this challenge is particularly pronounced.

At Hilton Foods, we are focusing on three areas where we can drive lasting change, our own business processes, sector wide collaboration, and data and metrics. We have innovated across all areas during 2023, through implementing new tools into our manufacturing processes spearheading research with other industry experts and investing in new technology that improves energy efficiency.

Our work this year has meant we have made a 14% reduction in our Scope 3 emissions and achieved a CDP rating A- for climate change. However, we have not stopped there. In September, we submitted new targets to the Science-Based Targets initiative (SBTi) for validation to ensure we are continuing to raise the bar. These targets now verified, have brought us in line in line with the goal of limiting global warming to 1.5°C.

Scope 1 & 2 (market based)



14%

reduction in our Scope 3 emissions and achieved a CDP rating A- for climate change



INTRODUCING ELECTRIC VEHICLES FOR OUR UK FOODSERVICE BUSINESS

We are always looking for ways to reduce our emissions across the whole value chain. That goes for how we create and manufacture the product, right through to delivery.

At the Fairfax Meadow site in Enfield, we have started the process of moving our delivery fleet to fully electric vehicles, with the purchase of two electric delivery vans and the installation of on-site electric charging infrastructure which will ensure they are charged with 100% renewable electricity. This is in addition to the charging infrastructure already installed across our sites to encourage employees to start driving electric vehicles, reducing our Scope 3 emissions from employee commuting. This will up to 12,000 kgs of CO₂ annually per van when delivering meat products to customers.

INTRODUCING A NEW PRODUCT DEVELOPMENT TOOL IN UK AND DENMARK

A central part of Hilton Foods' offer is our ability to create new products which customers love and which are affordable too. This year, our Sustainability team developed a tool that allows the New Product Development team to estimate the carbon footprint of new products and consider that in the development process.

This allows us to tweak and change product composition to ensure we align to our Scope 3 targets, which in turn supports our full supply chain to meet their sustainability goals.

This tool also allows us to estimate the nutrition of the product during the development process, allowing our expert team of development chefs to consider both at an early stage. We are working to integrate the tool with the tool we have developed with Seafish and Foods Connected to develop a tools ecosystem. This embeds our Transition Plan across the business which allows us to deliver on our net zero goals.



FOUNDING THE UK SEAFOOD CARBON COLLABORATION

Last year, Hilton Foods founded the Seafood Carbon Collaboration with Seafood Grimsby Humber Alliance (SGHA). This brings together the major UK seafood processors with government and academia to provide the industry with a unified direction on emissions measurement and decarbonisation.

Core to this work is the development of a unified carbon measurement tool, led by Seafish, to ensure there is consistency across the UK seafood industry that was finalised this year. This is a unique collaboration of processors to provide direction to the sector. The work is still underway, but as a next step Seafish will be launching the tool across both wild capture and aquaculture in 2024 and we are looking into projects to explore additional measurement systems and coordinated research into how we can decarbonise the sector.



DRIVING GROUNDBREAKING RESEARCH INTO CATTLE EMISSIONS AT THE UNIVERSITIES OF OXFORD AND LINCOLN

Solving the puzzle of how to feed the world effectively, while also reducing greenhouse gas emissions, requires a strong foundation of research and academic analysis. Some of the research we are involved in at these universities is at the forefront of thinking in the land-sector and emissions space and we are proud to play our part.

At the University of Lincoln, we supported a project to evaluate technologies to reduce emissions, particularly methane in livestock farming. Cattle and sheep release larger quantities of methane through digestion and in their manure. The students explored interventions available and the dependencies between them. There is a lack of research in this area and so we felt it was important to support the funding of this project. The results will not just help the industry, but it will help us advance our Scope 3 Transition Plan.

At the University of Oxford, we are funding a DPhil project looking at how livestock production emissions and sustainable land usage should be measured. The researcher leading the project, Jess Zions, is assessing existing metrics and analysing how we integrate these to ensure governments and corporates look at efficiency of land use as well as the reduction of emissions. This will help companies make more impactful decisions and help us develop our Transition Plan to achieve our Scope 3 targets.

With the research on cattle digestion, manure management and on measuring land use and livestock emissions, we have made a clear commitment to ensure the findings are open sourced and any intellectual property which emerges from the work will be shared with the entire industry.



My research looks at what measurement techniques could incentivise progress in feeding the world, given finite land resources and ambitious warming targets. This is important, broadly because we won't change what we don't count and the livestock sector's significant land footprint and methane emissions means it faces major challenges in getting to net zero. My research helps Hilton Foods refine their decarbonisation strategy to target interventions in the most effective geographic context and the right timescale."

Jess Zions

DPhil student at University of Oxford

ENHANCING ANIMAL WELFARE

Animal welfare is a central part of our sustainability strategy and we are consistently striving to adopt new innovations to improve the lives of animals and further industry understanding. Our work has focused on improving welfare in our supply chain, contributing to industry working groups and driving innovation in animal care.

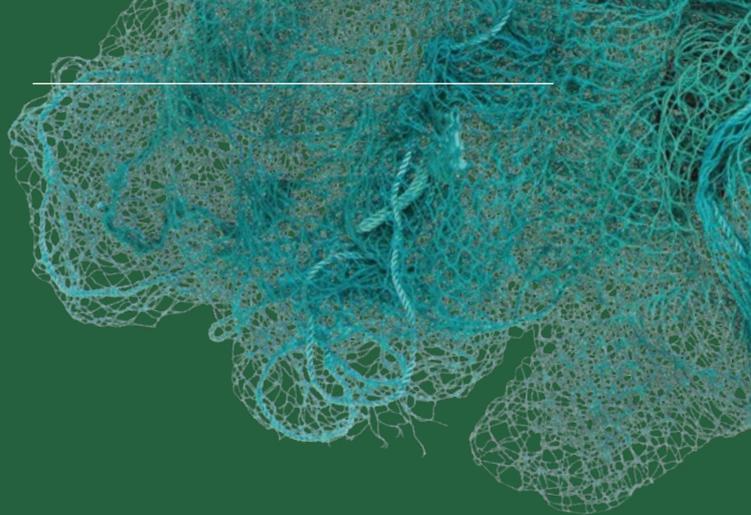
To achieve our ambitions, we work in partnership with industry and expert bodies. Last year we joined the Stakeholder Advisory Board for the Animal Welfare Research Network to identify and prioritise new research areas. Additionally, we hold the Vice-Chair of the European Roundtable for Sustainable Beef and are founding members of the Food Industry Initiative on Antimicrobials. Meanwhile our Sustainability Senior Manager of Seafood & Added Value is Co-Chair of Global GAP Aquaculture Committee.

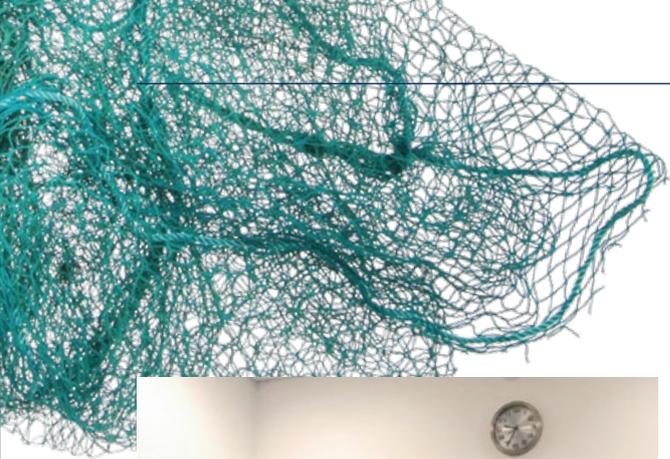
STUNNING IN WILD CAPTURE VESSELS

Within the seafood industry, in recent years there have been a number of scientific reports on the most humane and effective methods of capture and slaughter of wild caught seafood. These reports have been species and gear specific, with equipment requiring considerable investment and space on vessels, which has resulted in a poor uptake of welfare measures in wild capture.

Furthermore, there is a lack of national and international regulation on animal welfare in wild capture fisheries.

To bridge this gap, Hilton Seafoods undertook a viability project on the use of stunning in wild capture vessels, identifying those in the supply chain that had already taken action and the technologies currently available. This was used to identify future opportunities for collaboration to ensure we strive for best practice in wild capture welfare. It is hoped that this can eventually lead to a breakthrough in animal welfare for wild capture seafood, which has been overlooked due to a lack of research in this area.





ANIMAL WELFARE TRAINING AT OUR CENTRAL EUROPE SITES

In Hilton Foods Central Europe, we extended our animal welfare training to colleagues in different departments. This training enables our colleagues to better understand our supply chain and the requirements, ensuring animal welfare best practices are followed throughout the business. Our shared understanding of the standards helps us work with suppliers to meet and maintain the best practice approach to animal welfare.



Having worked in animal production for my whole career, I wanted to continue to expand my understanding of animal welfare. Working at Hilton Foods gave me the opportunity to receive training, both in farm and abattoir settings, giving me the confidence to call out any non-conformance and support suppliers to develop their own improvement plans."

Group Audit Senior Manager
Hilton Foods



ANIMAL WELFARE AUDITING – EUROPE

Alongside our partner Albert Heijn, we set up a dedicated farm assurance scheme in Europe to give us enhanced visibility of the welfare standards across our European supply chain. While in the UK, schemes such as Red Tractor provide assurance around animal welfare standards on farms and in abattoirs across the country, in Europe there is no equivalent assurance system. In collaboration we ran an audit programme that created a benchmark of our supply chain ensuring our animal welfare standards are implemented and upheld.

We are now in year two of running these dedicated animal welfare audits for cattle, pigs and lamb at abattoir level and we have developed a beef and lamb farming standard as an option for additional assurances to our customers. We work together with suppliers to resolve any non-conformances and support them in continuous improvements.

24/38

24 of a total of 38 audits achieved a green rating



NATURE POSITIVE

When we first developed the Sustainable Protein Plan, we were clear that we did not simply want to protect our natural environment – we wanted to enhance it and be nature positive as a business.

With so much of our natural environment under pressure as a result of climate change and other challenges, we want to do whatever we can to regenerate our natural habitats, while also continuing to deliver against Hilton Foods' ambition of helping more people have access to affordable, sustainable proteins.

Achieving these goals remains a major challenge. Throughout 2023, we saw further threats to nature and growing pressures on biodiversity. Through the work we are doing to address deforestation, protect water and soils and strategically enhance biodiversity at every stage of the food chain, we are doing everything we can to help reverse the trend and revitalise our planet.

The following case studies give a glimpse of how we are doing this.



DEVELOPING CARBON NEGATIVE ANIMAL FEED FOR OUR GLOBAL SUPPLY CHAIN

A damaging factor behind rising emissions remains widespread deforestation and demand for soy is one of the biggest reasons why so much land is deforested.

It is for this reason that we are founding members of the UK Soy Manifesto and the Soy Transparency Coalition. However, these partnerships only go some way in addressing the problem. To reduce emissions, we need to reduce demand for soy and that is where our focus on animal feed comes in.

Currently, around three quarters of all soy is used for animal feed, so finding a more sustainable, protein rich source for animal feed can unlock huge benefits in the fight against climate change.

For two years, Hilton Foods has been working in a partnership with FERA, the UK's leading science research organisation, as well as Greencore and Future By Insects as part of an innovation programme backed by Tesco and the WWF to develop a new and potentially carbon-negative form of animal feed derived from insects.

Whilst Future By Insects have led the development of the process, the partnership is a genuine collaboration, with each organisation providing to its strengths. Greencore provided food waste and Future By Insects the algae to sustain the insects; the insects were reared in FERA's cutting edge facility; and Hilton Foods carried out the lifecycle assessment for the project.

Our lifecycle assessment found that, because the insect larvae are fed algae, this process could produce carbon-negative animal feed under the right conditions, however a significant amount of development is required to deliver this.

Appropriately deployed, this technology could be a gamechanger in the fight against climate change and help accelerate our efforts to reduce Scope 3 emissions.

The next step for Future By Insects is to take this intellectual property to the market and find a long-term partner to develop it at scale.





USING BIRDSONG AND AI TO MEASURE BIODIVERSITY ON UK FARMS

Over the last two years we have been partnering with Chirrup.ai to develop their pioneering technology, using artificial intelligence to track birdsong as a method of monitoring biodiversity. This project has also been part of the Tesco-WWF Innovation Accelerator, and we believe it offers a scalable, science-based benchmark for measuring biodiversity.

On the face of it, the technology appears very simple, a small yellow box is positioned in a tree or on a post in a field. Inside the box, a microphone is activated whenever a bird sings nearby, recording the birdsong. Chirrup's AI algorithm then identifies which species of bird are present, where they fit in the ecosystem and thereby builds a picture of the health of the entire ecosystem.

Last year, Chirrup boxes were deployed across 30 sites covering dairy, beef and sheep farm systems in Devon, the Midlands and County Down.

In 2023 the boxes were certified by RSPB and continue to support farmers to measure biodiversity with over 25% of the farms hosting over eight protected species. Importantly, feedback from farmers is extremely positive, the boxes have empowered farmers on something they knew was a challenge, but where the existing solutions were expensive and labour intensive. It has allowed them to address key requirements, including Red Tractor, for measuring biodiversity and promote regenerative farming.

In 2024, Hilton Foods will work with Chirrup to validate the accuracy of their algorithm and develop the advice to farmers based on the Chirrup platform's results.



ADVOCATING A DEFORESTATION-FREE SUPPLY CHAIN

In our collective journey toward advocating for deforestation free supply chains, we have achieved significant milestones. Originating from our UK Soy statement, our commitment has expanded to encompass a broader European deforestation pledge. As steering group members of the UK Soy Manifesto Governance Board and founders of The Soy Transparency Coalition, we have been at the forefront of collaborative initiatives.

With over four years of collaboration with South American strategic suppliers through our work with the UK Roundtable on Sustainable Soy, we are determined that all soy, in both our products and in feed, does not contribute to deforestation. Our dedication extends to aligning with the 2024 European Deforestation regulation, working with suppliers to ensure accurate due diligence statements.

So far, we have achieved 100% certified soy protein in salmon feed as well as 100% certified palm oil, complying with our stringent deforestation commitment. Collaborative efforts with soy protein concentrate traders resulted in a collective commitment to source only deforestation free and conversion-free soy, bolstered by robust third party verification.

Engagement extends to key retail partners as we unite forces as we unite forces to address deforestation with a singular, impactful ask. Together, we are actively shaping a sustainable and responsible future for our supply chains.



Deforestation is a significant contributor to climate change. Hilton Foods was a founding member of the UK Soy Manifesto, for which we are secretariat, and together we have been working to tackle deforestation and soy sustainability challenges since 2018 via the UK Roundtable on Sustainable Soy. Our aim is to develop practical solutions to the challenge of deforestation and conversion-free soy."

Jonathan Gorman
Efeca

PRODUCT

For over 30 years, Hilton Foods has produced affordable, high quality protein products. While we started out as meat producers, over time we have diversified into different proteins and expanded into new categories. In 2023, our products reached 160 million consumers across more than 20 markets as we sought new ways of offering a range of healthier and more sustainable proteins.

We have worked to limit our environmental impact through measures such as reducing the amount of packaging used, increasing the amount of recyclable material, implementing efficiency programmes to minimise food waste, reduce energy and water consumption, as well as sharing best practice. At the same time, we are stepping up our focus on reformulating our products and looking at what more we can do to support healthier diets.

The big challenge for the future is to bring these two objectives together and help more people enjoy healthier diets, which are also more sustainable. We are making progress, but there is more work to do.



Albert Heijn's ambition is to create a sustainable and responsible food system. Improving our packaging is essential not just for food safety, but also to enhance product shelf life and secure transportation. We take pride in making our private-label products as sustainably packaged as possible, continuously working on packaging reduction and utilising recyclable materials. Our goal is a future with a circular packaging approach, emphasising reuse and recycling without resource loss. We are excited about our collaboration with Hilton Foods, working together to drive sustainable packaging innovation."

Anita Scholte op Reimer
Ahold Delhaize

BALANCED HEALTHY DIETS

Efficient regenerative food systems producing more accessible and nutritious proteins

2025 Targets

Doubling in sales of plant-based, vegetarian and flexitarian (vegetables added to products that were previously 100% meat or fish) products compared to a 2020 baseline

Assess health and sustainability attributes of all of our proteins to provide consumers with the facts on their role in a diet that is healthy for us and the planet



Read more about how we have launched new products that provide convenience for customers **page 34.**

ALIGNMENT WITH THE UN SDGs



7.2 By 2030, increase substantially the share of renewable energy in the global energy mix



12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

CIRCULAR PACKAGING

Developing a circular economy for packaging and actively bringing waste materials back into use across our full value chain

2025 Targets

Reduce direct packaging waste by 30% compared to a 2020 baseline

Drive demand for circular tray-to-tray recycling and actively prioritise the use of circular material

All our retail packaging will be fully reusable, recyclable or compostable

Achieve a minimum of 50% average recycled content across all plastic packaging

Reduce the weight of our plastic packaging while ensuring it remains fit for purpose

→ Read more about how we are reducing our plastic packaging and improving recyclability **page 36.**

RESOURCE EFFICIENCY

Optimising food waste and use of packaging, energy and water across sites, supply chains, and in consumers' homes

2025 Targets

Improve energy efficiency in our facilities by at least 10% compared to a 2020 baseline

Improve water efficiency in our facilities by at least 10% compared to a 2020 baseline

Halve our factory generated food waste by 2030 compared to 2019 in line with the Champions 12.3 commitment to deliver UN SDG 12.3

→ Read more about how we are installing solar across our sites **page 39.**



BALANCED HEALTHY DIETS

How to maintain a balanced healthy diet continues to be at the forefront of public consciousness. As people's lives get busier and more demanding, finding ways to maintain a balanced healthy diet becomes more challenging.

In the past year there have been particular trends front of mind for us; increasing desire for convenience, continued consumer demand for increased protein in their diets and consumers seeking flavour adventure in their mid-week meals. As a result of these trends we have created a 'ready to cook' range with products such as 'Beef Donburi Stir Fry' and 'Salmon with Soft Cheese, Nduja, Red Pepper and Tomato Stuffing with a Spicy Bean Sauce'. Providing convenience to consumers whilst not sacrificing health or cost is at the forefront of our product development decisions.



PROVIDING A WIDER RANGE OF HEALTHY PROTEINS

Ready meals are not considered to be the most healthy, however we know consumers are looking for products that are quick but still healthy. We collaborated with our retail partners to introduce a range of products aimed at increasing vegetable intake and access to products rich in vital nutrients like Omega-3 to help deciding on dinner just that little bit easier.

With Tesco Central Europe we worked to develop a range of products that incorporate vegetables and legumes to help consumers increase vegetable intake without sacrificing flavour. This includes products such as Tesco's 'Beef Burger with Beetroot and Pumpkin'. Similarly, with Sonae we collaborated to create beef burgers with 25% vegetables.

Furthermore, we wanted to expand our fish range to offer a diverse selection for consumers, with Asda we launched 'Basa Fillets with Gochujang Butter', promoting Omega-3 consumption.

We remain committed to expanding our range of healthier products and fostering collaborations with retail partners to make nutritious eating more accessible and convenient for consumers.

INSIGHTS

INNOVATION

INTRODUCING OUR READY TO COOK RANGE IN THE UK

In response to the growing demand for convenient, nutritious and affordable meal options, we collaborated with Tesco to introduce the 'ready to cook' product lines. This range not only caters to the need for quick and easy meals but also addresses the rising concerns of energy consumption in households during the cost of living crisis.

The product range provides a convenient solution for consumers, bridging the gap between scratch cooking and prepared meals. The range boasts a variety of options, including 'Tandoori Style Butter Chicken', 'Beef Donburi Stir Fry' and 'Pulled Pork Bao Buns'. Each item is crafted based on comprehensive research conducted by our Insights team, utilising market research and consumer surveys to ensure alignment with customer preferences.



We look forward to working together with Hilton Foods to support them in their journey to both upskill their teams and build expertise around climate and healthy sustainable diets, enabling consumers to choose products that are better for themselves and for the planet. Working together with industry to produce accessible and nutritious protein that comes from regenerative food systems for their retail and food service customers.”

Kate Cawley

Future Food Movement



CIRCULAR PACKAGING

Our approach to circular packaging is one that balances reducing the amount of material without compromising on safety or quality.

Packaging is essential to reduce food waste, so our goal is not to remove packaging entirely, but rather to look at how we can reduce, reuse or recycle all our packaging materials.

We do this by implementing circular principles across our value chain so we can assess how we can use packaging materials in the most efficient way. That is, we are focused on the reduction and extended use of virgin materials to more sustainably package Hilton Foods' products. A lot of this work is conducted in collaboration with our customers, as we know just how important this area of work is for their own sustainability targets, too.

We have continued to make progress across all our markets this year. Our plastic packaging contains over 64% recycled content. In 2023, we reduced our plastic use by 604 tonnes through innovative solutions like removing soaker pads in trays and our flow wrap mince packaging.

604 tonnes

reduced in 2023

64%

recycled content in our plastic packaging



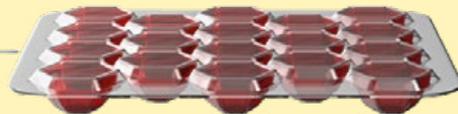
FLOW WRAP MINCE IN EUROPE, UK AND IRELAND

Working with Albert Heijn, we have developed a flow wrap packaging alternative that is fully kerbside recyclable, without compromising the quality of the product.

Switching from a modified atmosphere packaged (MAP) tray to flow wrap allowed us to use an average of 70% less packaging by weight across the range. This solution has the added benefit of a reduced pack size which allows us to fit more product into shipping crates and for retailers to fit more packs on the shelf.

Not only is this a unique product in the market due to the texture of the mince when cooked, but the flow wrap packing is also fully recyclable. In addition, product information can be printed straight onto the pack, so there are no mixed materials for recycling and no label, therefore reducing products from three pieces of packaging per item to one.

Following a successful launch with Albert Heijn in Holland in 2021 and with ICA in Sweden in 2023, we trialled the packaging in UK and Ireland in partnership with Tesco, with the aim of reducing our plastic packaging volume by 650 tonnes a year across the range. Looking ahead, we are continually working to improve the flow wrap and optimising the weight of it.



A cleverly designed tray with cells that lock away the moisture produced by meat in its life cycle without affecting the quality or shelf life allowing for the removal of unrecyclable soaker pads.

PARTNERSHIP RESPONSIBILITY

ASSESSING OUR ENVIRONMENTAL IMPACT OF PACKAGING

We developed a tool that allows our Packaging team to estimate the environmental impact of products during new product development, including food waste impacts. It is a simple software tool where the team can input product data to calculate the carbon footprint of the product, broken down by product element and supply chain stage.

The tool allows the team to understand the impact of each product element and production process, helping us ensure we use the right material in the right place to minimise food waste, whilst ensuring safety and quality is unaffected. It also helps address our circularity targets, making recycled content and recyclability easy to calculate.

As a food business, packaging is a small part of our carbon footprint in isolation but has such a big part to play in reducing food waste and the emissions associated with producing that food waste. This tool provides a simple method to allow us to develop packaging with this in mind, ensuring we balance our packaging targets with our wider product and business ambitions.



AUDITING OUR PACKAGING SUPPLY CHAIN

In light of impending European legislation on packaging and heightened consumer concerns about greenwashing, we prioritise transparency in environmental claims. We have initiated independent audits through reputable bodies like RecyClass. Currently, we've successfully audited our supply chain for our plastic tray and mince flow wrap suppliers.

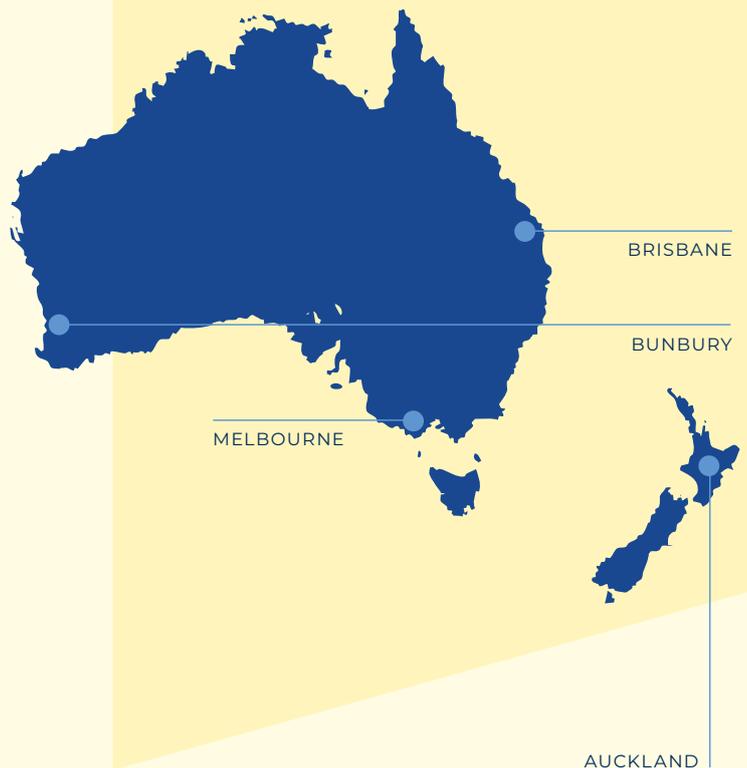
These audits not only validate the accuracy of our claims but also contribute to verifying recycling streams in the UK and Europe. By undergoing rigorous scrutiny, we demonstrate our commitment to authenticity and sustainability, ensuring consumers can confidently trust the environmental claims stated on our packaging. We are expanding this verification process across our supply chain to ensure we continue our dedication to being a transparent business.

REDUCING PACKAGING ACROSS ASIA PACIFIC

At Hilton Foods Asia Pacific, in partnership with Woolworths, we challenged ourselves to find ways to reduce materials in every part of the packaging that we use for products. Most products consist of an outer layer, inner layer, and a film for freshness. We addressed all parts this year.

We are proud to have achieved several significant milestones, in compliance with the Sustainable Packaging Guidelines administered by APCO. All soaker pads were removed from thermoform products, removing over 320,000 non-recyclable soaker pads from landfill. Additionally, we targeted the reduction of plastic in our films, focusing on our MAP lid, sealed fresh and thermoform films, decreasing the amount of plastic processed by 175 tonnes per year.

We have now set ourselves an additional target of reducing plastic by a further 1,302 tonnes in 2024 in our Asia Pacific business. We will also be trialling a chemical process to turn packaging plastics back into essential oils to produce new plastics, thereby creating a fully circular approach.



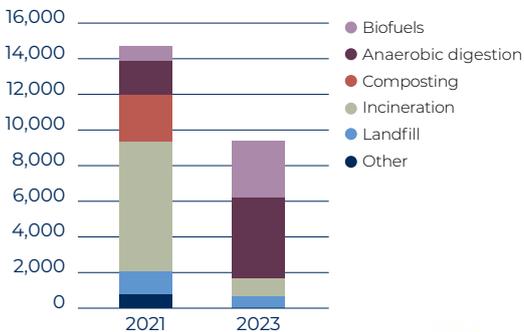
RESOURCE EFFICIENCY

Any food business that wants to succeed internationally has to have a laser-like focus on waste and productivity. We have to keep innovating and be smart about the resources we have to provide quality nutritious protein at an accessible price.

That is why resource efficiency is a core focus at Hilton Foods, as well as part of our Sustainable Protein Plan. Our team of engineers have helped to develop sites that are at the cutting edge of resource efficiency, with almost all running yields above 95%. We draw on their expertise, as well as the commitment of all Hilton Foods colleagues, in helping to tackle wider environmental challenges around water security, energy security and food waste.

We are making major progress. A big part of that has been rolling out energy efficiency programmes which are aligned to ISO50001:2018 – an energy standard which helps businesses deliver improvements in line with the UN Sustainable Development Goals. We have also continued to transfer more of our sites to renewable energy, making significant investments in solar energy in particular, including a new 1.76MW array at our Melbourne site. Our investment in solar means 50% of our production sites use 100% renewable electricity. Meanwhile, we have expanded the work we do to reduce food waste and water scarcity, as a member of the Champions 12.3 coalition committed to halving food waste by 2030.

Food waste (tonnes)



USING COOLER WATER TO HELP CLEAN OUR SITES

Nothing matters more than safety and hygiene in our food manufacturing facilities. One of the key processes therefore is the wash-down, which ensures that all areas of food production are kept to the highest standards of cleanliness and food safety.

Historically, the wash-down has been an energy-intensive process, heavily reliant on water heating by natural gas. However, we saw an opportunity to be smarter in the way we use hot water, in order to help reduce our Scope 1 and 2 emissions.

We brought together our Engineering, Hygiene and Quality teams, as well as our chemical suppliers, to look at how we could make the wash-down process more energy efficient. Following a successful trial in Ireland, we are now moving from an end-to-end washing process with temperatures between 60°C – 70°C to a hybrid process where we only use extremely hot water for the first phase of the washing and after that we switch to ambient water temperature.

This change allows us to reduce natural gas, site heating and the steam generated during the wash-down process, without in any way compromising our stringent health and hygiene standards. We managed to lower our gas consumption during the washing process by up to 70%.

As far as we can tell, we are the first major food producer to pioneer a new hybrid approach to wash-down processes. We are in the process of implementing the project across all sites that currently use hot water for the whole washing process.



MAKING OUR SITES ACROSS THE GLOBE MORE SUSTAINABLE

We are constantly looking at ways to improve the efficiency of our sites to ensure they are as sustainable as possible and in turn reduce our impact on the planet. We have made a number of changes this year to contribute to this.

We continued to install solar panels across our site network to generate clean electricity. Focusing on the sites with the greatest generating capacity, this year in Australia we installed a 1.76MW solar array at our Melbourne site. This now means we have solar generation at five of our sites, with plans in place to install them across many of our remaining production sites. Our ambition is to have 100% renewable electricity in our European sites by 2025 and globally by 2027.

We have also rolled out energy efficiency programmes aligned to the ISO50001:2018 standard across our business. 2023 marks the first year of our multisite certification and we now have 10 sites (nine entities) certified, with zero non-conformances.

In practical terms, this means our teams on each site use the same measurement and control platform with standardised dashboards tracking our consumption live. This allows them to target reduction projects where they will have the greatest impact and identify problems more rapidly. Having this across sites allows us to share knowledge and rapidly implement new innovations across the world.

So far, our new energy management system has led to a 6% reduction in energy consumption compared to a 2020 baseline. We want to continue our ambition and certify all our production sites with ISO50001:2018 by end of 2025.

4,410MWh
of electricity generated on site in 2023

6.1MWp
of solar generation capacity installed across our sites

REDUCING GLOBAL SEAFOOD WASTE, IN PARTNERSHIP WITH HILTON FOOD SOLUTIONS

Over the past two years, Hilton Seafood UK, Hilton Food Solutions and Foods Connected teams have been working together to find new ways of maximising the amount of food that stays within the supply chain. Our goal is to reduce food waste within the manufacturing process and divert as much edible food as possible away from waste streams.

The approach we are taking is simple, any Hilton Seafood UK stock that is identified as surplus or not meeting our quality standards for sale to customers is sold to Hilton Food Solutions. Many of these fish products can then be reused in other ways within the supply chain, as human food, animal feed or in other industries.

A good example is fish heads being sold for fish head soup in markets where this is a delicacy, rather than being turned into fish meal or sent for disposal here in the UK. In 2023, 1,475 pallets of surplus food were diverted back into the supply chain and away from waste thanks to this partnership.



Schneider Electric's team was pleased to offer support to Hilton Foods, with procurement and carbon emissions reporting; enabling greater resource efficiency. Through the use of various EcoStruxure Resource Advisor modules, including Dashboards and Reporting, Procurement Management, Utility Data Management, and the Emissions Module, we were able to help simplify reporting, and help the team achieve sustainability objectives."

Jessica Kipper

Senior Director for Software Management at Schneider Electric

Continuing to drive the Sustainable Protein Plan forward

I am incredibly proud of my team and their efforts over the past year to continue to drive our Sustainable Protein Plan forward.

The case studies in this report paint a small picture of the work that is ongoing throughout Hilton Foods. It remains a critical part of our overall business strategy, not just because it is the right thing to do for the planet and our people, but also because it remains a key differentiator for us with our customers.

In the long-term, we will only succeed if we all work together to tackle these big challenges in a way that continues to help people access high quality, affordable and nutritional proteins. The work we are doing is a big step forward, but there's more we want to do in the coming years.

In the next 12–18 months, we will be looking at updating our plan to create more stretching targets across our three pillars. A significant part of this process will be engaging with all relevant stakeholders to understand their pressures and priorities.

Lorna Schneider
Group Chief Quality & Sustainability Officer



Sustainability remains a critical part of our overall business strategy, not just because it is the right thing to do for the planet and our people, but also because it remains a key differentiator for us with our customers.”

Lorna Schneider
Group Chief Quality & Sustainability Officer

PARTNERSHIP LOGOS

Our partnerships

Our partnerships are not only a key part of our business approach but the partnerships we forge are also vital to achieve our targets. Collaboration across the industry is a necessity, pushing us to strive for best practice and work towards a sustainable food system for all.



BRITISH MEAT PROCESSORS ASSOCIATION

Member of BMPA since 2016.



SEAFOOD ETHICS ACTION ALLIANCE

Founding member and Chair of the Seafood Ethics Action Alliance.



UK AGRI-TECH CENTRE

Member of the Centre of Livestock Innovation (CIEL) since 2021, now part of the UK Agri-Tech Centre.



SEAFOOD GRIMSBY HUMBER ALLIANCE

Founding member of the SGHA, collaborating to decarbonise the seafood sector.



EUROPEAN PLASTICS PACT

We have been committed to the European Plastics Pact since 2020.



SEDEX

Member since 2016.



EUROPEAN ROUNDTABLE FOR BEEF SUSTAINABILITY

We are a board member of the European Roundtable for Beef Sustainability.



SLAVE-FREE ALLIANCE

Member of the Slave-Free Alliance since 2023, working to progress our work in this crucial area.



FOOD NETWORK FOR ETHICAL TRADE

We are a board member of Food Network for Ethical Trade.



UK SOY MANIFESTO

We are founding signatories of the UK Soy Manifesto.



UK PLASTICS PACT

Founding member of the UK Plastics Pact, working with partners in order to be industry leading in sustainable packaging.



WRAP

In 2019, we became a member of WRAP and signed up to the Champions 12.3 ambition to halve food waste by 2030 and the 2030 Courtauld Commitment.

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