Hilton Food Group plc - Climate Change 2021

C0. Introduction

C0.1

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

Hilton's business was established in 1994 to set up and operate a beef and lamb central meat packing facility in Huntingdon, England. Over the last 25 years this facility has grown and currently HFG is operating facilities in 7 European countries, and 3 facilities in Australia and opening one new facility in New Zealand in 2021, each run by a local management team enhanced by the specialist central leadership, expertise, advice and support. In Portugal and the Netherlands, facilities are operated under joint venture companies in which HFG shares the profits. HFG is also a joint venture partner with an IT systems company focused on food supply chains.

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

HFG portfolio is primarily meat and fish based, with a growing proportion of vegetable-based proteins and prepared food. HFG do not directly own or operate any primary agriculture, fisheries or slaughter facilities.

C0.2

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

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	No	<Not Applicable>

C0.3

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

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

C0.4

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

GBP

C0.5

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

Equity share

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

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

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

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

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

Row 1

Primary reason

Do not own/manage land

Please explain

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

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

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

Row 1

Primary reason

Other, please specify (Included in our Scope 3)

Please explain

Distribution of Hilton's products are largely undertaken by 3rd parties. Hence these emissions are included in our Scope 3 estimations for the downstream and upstream transportation and distribution.

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

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

Agricultural commodity
Cattle products

% of revenue dependent on this agricultural commodity
20-40%

Produced or sourced
Sourced

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

Agricultural commodity
Fish and seafood from aquaculture

% of revenue dependent on this agricultural commodity
10-20%

Produced or sourced
Sourced

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

Agricultural commodity
Other, please specify (Sheep Products)

% of revenue dependent on this agricultural commodity
10-20%

Produced or sourced
Sourced

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

Agricultural commodity
Other, please specify (Pig Products)

% of revenue dependent on this agricultural commodity
20-40%

Produced or sourced
Sourced

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

C1. Governance

C1.1

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

C1.1a

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

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	The CEO, as part of the main Executive Board has primarily the responsibility to set the ambition for long term CSR programme, embedding it into the business culture. In 2020, the CEO has set the long term ambition in emissions reduction for the Group and its supply chain to be in line with the 1.5C Business ambition as defined by the Science Based Target initiative. Additionally, the CEO along with a Non Executive Board member, members of the ELT, and the CSR Director form the Sustainability Committee. This committee sets the ambition level behind the "Quality Naturally" strategy (developed by the CSR team) and participated and approved the 8 pillars of focus of the strategy: people, sustainable proteins, packaging, resourceful factories, transparency, animal health and welfare, ethical supply chains and consumer health innovation. Within the Resourceful factories pillar the main focus is resource efficiency with special focus to fuel use and electricity, which in turn contributes to overall emissions reduction from our operations. The Board has general oversight for CSR activities, along with corresponding risks and opportunities, and is informed by the Sustainability Committee. The CEO has overall responsibility for the Group's operations, which inherently includes the sustainability of the business. The Board is updated on the CSR agenda and progress towards HFG own, and Group's customers' targets, at least every six months by the Sustainability Committee. The Executive Leadership Team (ELT) is the operational tier immediately below the Board and reports to the CEO. They are responsible for ensuring that the business strategy considers climate related risks and mitigation. The Chief Quality and Sustainability Officer is responsible for the Group CSR strategy within the ELT.

C1.1b

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

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	The CSR director is responsible for preparing papers regarding progress and strategy towards Group's sustainability goals, while also delivering updates on customers sustainability targets which apply to Hilton through the supply chain. Our CEO and the Executive Leadership Team are updated on the CSR agenda via the Sustainability committee 3 times a year and progress towards Group's own commitments, and customers' targets, via CSR updates, on a quarterly basis, with the main Board being updated every six months. The Board convenes regularly and, where relevant, climate-related issues form part of the regular Board agenda. The Board has oversight of the business strategy to mitigate the risks and pursue the opportunities for Hilton to lead in the provision of low climate impact food.

C1.2

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

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

C1.2a

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

The Hilton commitment to sustainability is led from the top, fully supported by the Board, and is core to the growth and success of Hilton. The CEO and the Executive Leadership Team are updated on the CSR agenda and progress towards our Group's commitments, and customers' targets, on a quarterly basis, with the Sustainability Committee meeting 3 times a year and the main Board being updated every six months. Taking in consideration the overview of all the aspects of the business and power of decision making, CEO has a direct responsibility to set the ambition for long-term CSR programme, embedding it into the business culture.

The ELT (Executive Leadership Team) is the operational tier immediately below the Board and reports to the CEO. It is composed by the Chief Quality and Sustainability Officer, who is the leader of the ELT when it comes to CSR issues, and the Chief Technology Officer, Regional Chief Operating Officers, Chief People and Culture Officer and Chief Manufacturing and Procurement Officer who have only shared responsibility for the CSR issues.

Whereas the main role of the ELT is to agree and oversee the delivery of sustainability targets, including the GHG emission reduction targets, and to ensure the business strategy, which is constantly evolving, portrays themes and actions to ensure current decisions reflect sustainable practices. They are also tasked with guiding the business towards an increasingly sustainable future.

The Chief Quality and Sustainability Officer, a C-Suite officer with responsibilities corresponding to the CSO, reports to the Board and CEO and oversees the work in areas such as supply chain engagement and global reporting, responsible for carrying on Hilton Food Group's sustainability strategy. He acts as the bridge between the Group's ELT and the local level, making sure the global strategy is being further communicated and implemented at local levels. The climate-related issues which the CSO is tracking and reporting on are the Group's carbon footprint, progress towards carbon targets set, development of climate risk mitigation projects across the supply chain etc.

C1.3

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

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

C1.3a

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

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Corporate executive team	Monetary reward	Emissions reduction project Emissions reduction target	The annual bonus for the Executive Directors is augmented by the personal element bonus which is calculated based on performance on the objectives set in respect of delivering the company strategy and planning for the future.

C2. Risks and opportunities

C2.1

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

C2.1a

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

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

C2.1b

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

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

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

C2.2

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

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
The Group operates a Risk Management Committee through which risks are identified and managed and are compiled into a Risk Register. The size and relevance of these risks are evaluated on the basis of the size of impact they would have on volume produced and the potential for shareholder or customer concern. All types of risk applicable to the business, including climate-related risks, are regularly reviewed and a formal risk assessment is carried out to highlight key risks to the business and to determine actions that can reasonably and cost effectively be taken to mitigate them. A Non-Executive Director chairs the new Hilton Sustainability Committee, formed in the latter part of 2020, and our CEO is a member of it. It advises the Risk Management Committee on climate risks and opportunities, and seeks expert advice externally. The role of the Sustainability Committee is to review the strategy to address climate risks and opportunities, and to monitor progress in reducing our climate footprint and the footprint of our supply chains. In the risk assessment process in 2020 we have created a materiality matrix for the risks identified by the Risk Management Committee. The 2 defining aspects of the risks have been scored on 2 scales: 1. importance to external stakeholders (moderate, significant and major) and 2. impact on company (moderate, significant and major). In the 2020 risk assessment process the Non-Executive Director provided, along with the Sustainability Committee, advised the risk Management Committee on what climate-related issues need to be included in the materiality assessment. In the end 21 risks and opportunities have been included in the CSR materiality assessment, out of which 7 are climate-related risks and opportunities. One important transitional risk identified during our risk and opportunities assessment was the opportunity coming from the low carbon food production and sustainable agriculture. In building the group level materiality matrix this opportunity scored "Major" on the importance to external stakeholders and "Significant" on the impact to company scale. There is a huge opportunity to gain trust from consumers by giving them sustainable choices and the facts about the true footprint of their food. In order to enhance our market understanding, HFG consumer and market insight teams are mapping emerging consumer behaviour and following developing regulation, supported by our membership of trade associations such as the Food and Drink Federation. In this context, HFG firmly believes that the Group's role is to ensure that consumers are able to choose from a range of sustainable and healthy proteins and to provide them with the right information to make these choices. To do this we are measuring and addressing the footprints of the foods we make, and diversifying our range into fast-growing low impact sectors. HFG will provide its partners with a balanced portfolio of meat and fish products that have significantly reduced environmental impacts, alongside growing its sales of plant-based alternatives. For example, in 2020 for Tesco UK we launched several vegan Christmas items in the Wicked Kitchen Brand. The Wicked Kitchen No Turkey Crown was the top-selling meat alternative Christmas product, making it easy for consumer to switch to a plant-based Christmas dinner A physical risk identified by the Risk Committee is impact from significant incidents such as fire, flood or interruption of supply of key utilities, that could impact the Group’s business continuity. These incidents could result in systems or manufacturing process stoppage with consequent disruption and loss of efficiency. Due to the fact that in recent history HFG has not been affected by any extreme weather events, and that none of its facilities are located in areas with high risk, this risk has been scored as "Moderate" at this moment for both scales, scale of importance to external stakeholders and scale of impact on company. As a result, a management action plan has been developed. Group has developed robust business continuity plans in place including sister site support protocols enabling other sites to step in with manufacturing and distribution of key product lines where necessary. This sister site support program is between sites that are geographically close to each other. One example, is the sister site support between Belgium and Netherlands. So far, this support has not been used to address problems caused by extreme weather events, but for managing situation of technical issues on sites. Continuity management systems and plans are suitably maintained and adequately tested including building risk assessments and emergency power solutions.

C2.2a

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

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulation forms the basis of Group's compliance to climate related responsibilities. As a PLC, the business is under constant scrutiny to comply with current regulations in all of its operations. The Group takes this seriously as there is a possibility of a large negative financial and reputational impact of not complying with the legislation for climate related impacts. An example of a current legislation that HFG did comply with is Streamlined Energy and Carbon Reporting (SECR) in the UK. It is an annual report on the UK and global HFG annual energy use, GHG emissions and emissions intensity.
Emerging regulation	Relevant, sometimes included	Hilton is a progressive and strategic business; therefore it is important to consider the changing landscapes of regulation in the countries that it operates in. Governmental efforts to mitigate climate change may lead to policy and regulatory changes as well as shifts in consumer demand. For example, the sustainable food consumption has been highlighted in the EU Farm to Fork strategy. This strategy is aligning the agriculture and biodiversity sectors to the EU commitment under the EU Green Deal. We are following tightly the development of the EU legislation and the discussions around aligning other land management and agriculture related legislation to the EU Farm to Fork Strategy. Among other aims, Farm to Fork targets to help food system to mitigate climate change and adapt to its impacts. Specifically, the goal is to ensure that agriculture, fisheries and aquaculture contribute appropriately to the EU emissions reduction target of 55% by 2030 from 1990 base year.
Technology	Relevant, always included	Investment in low emission technology is part of the Group's strategy. HFG plants are highly automated to aid efficiency such as using advanced robotics for the storage of raw materials and finished products. Heat saving, refrigeration efficiency, and robotics technology has been extended in recent years both in the production and distribution environment, achieving material supply chain efficiencies for customers and energy efficiency measures for HFG, what can be translated into GHG emissions reductions.
Legal	Relevant, always included	Legal compliance is a core foundation when assessing climate related risks in our business. This is monitored at all stages from planning, implementation and management. Hilton Food Group seeks to minimise its exposure to legal risks by setting a global operating standard across all countries in operation. The Group is a committed and loyal partner with a continuing record of delivering value through quality products with the highest levels of food safety, traceability and integrity. There is legal and penalty risks connected to non-compliance with obligatory carbon reporting in the countries we operate. For example, there is the obligation for carbon reporting in the UK under the SECR scheme. In order to avoid any litigation HFG is monitoring all the compliance requirements in the markets it operates and is aware of associated legal, financial and reputational risks of non-compliance.
Market	Relevant, always included	The retail partners that Hilton supplies are market leaders and can often dictate the direction and speed of change towards many climate related objectives, therefore with our support they can positively influence the supply chain and introduce lower footprint products. The progress of the Group's business is affected by the macroeconomic environment and levels of consumer spending. The decline in the consumption of meat in the countries in which the group operates, can be mitigated by diversification and by offering a choice of demonstratively lower impact meat. There is a demand by consumers for food that is healthy for themselves and the planet. Social consciousness is of growing importance to consumers when making decisions about their lives and the food they eat. Covid-19 has heightened consumers' awareness of diet and health, with research showing increased consumer interest in natural, immune boosting foods and looking for local safer food options as well as indicating an increased interest in food provenance and sustainability. Shifting to sustainable food consumption has been highlighted as a key pillar for the UN 2021 summit and also in the EU farm to fork strategy. The market risk here, therefore, would be related to shifted consumer preferences towards lower impact meat. In order to address this point, we have set energy and water efficiency targets for our sites and continue to engage in global collaborative action for decarbonisation of our key raw materials.
Reputation	Relevant, always included	Reputation is inherently important for a PLC with multiple stakeholders including customers, employees and investors. Our reputation is as a responsible supplier focused on improving the sustainability of our supply chains with trusted supply chain partners. We take our responsibility for the reputation of these supply chains very seriously. Any risks that could significantly affect the Group's sales possibility (access to raw material, timely processing, and delivery of products, etc.), can as a result also affect the reputation as a reliable partner. For example, HFG reputation could be impacted if we are not active in reducing the climate impacts of our operations and supply chains, resulting in lower demand for our product. In order to address this point, we have set energy and water efficiency targets for our sites and continue to engage in global collaborative action for decarbonisation of our key raw materials. This enhances our position and reputation as reliable partner in the value chain.
Acute physical	Relevant, always included	We consider the resilience of our sites and key suppliers to extreme weather events, and therefore also our reliance on them in our risk assessment process. Using a diverse number of suppliers is one approach to mitigating this risk. An example of an acute risk with potential impact is the increased drought intensity and duration in Australia, that affects the crop availability for cattle feeding for our suppliers.
Chronic physical	Relevant, always included	The chronic physical risks considered by the Risk Committee are the rise in average temperatures and the impact on sea level flooding. Climate change may significantly affect supply chain productivity resulting in increased costs and add complexity to the supply chain. Therefore, it is important that we monitor any climate related risks which may develop. For example, a specific chronic physical risk assessed by our Group in 2020 was change in seasonality and temperature rise that influence transmission and incidence of animal diseases. Which in turn, could affect some of our main raw material (meat) in the supply chain.

C2.3

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

Yes

C2.3a

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

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Technology	Transitioning to lower emissions technology

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

In the context of commitment to Science Based Target one key area of decarbonisation for HFG would be to switch to renewable energy sources, since more than 80% of our Scope 1 and 2 carbon footprint is determined by the purchased electricity. In the context that the green electricity is coming with a premium for the energy attribute certificates (EACs) there will be an increase in the direct operational costs. The EAC costs are especially high in Australia where we have 3 of our plants responsible for almost 30% of HFG total electricity consumption, currently reaching the costs of 35 EUR/MWh.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
1641042

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
In order to calculate the potential impact of switching to renewable electricity on all the sites operated by HFG we multiplied the annual electricity consumption of HFG with the average EACs cost in each of the markets HFG is present. Average EACs cost in Europe is around 1.5EUR/MWh. Average costs of EACs in Australia is around 35 EUR/MWh. Electricity consumption European sites in 2020 = 100,425 MWh Total EACs Europe cost/year = 100,425MWh*1,5GBP/MWh= 211,887 GBP Electricity consumption Australian sites in 2020 = 40,833 MWh Total EACs Australia cost/year = 3,431MWh*35GBP/MWh = 1,429,155 GBP Total EACs cost/year = 211,887GBP+1,429,155GBP= 1,641,042GBP

Cost of response to risk
27000

Description of response and explanation of cost calculation
All food supply chains need to be on track towards net zero to meet national climate commitments. In 2020, HFG decided to set a Science-Based Target and went through a decarbonization pathway study. As identified by the study, one key area of decarbonisation for HFG would be to switch to renewable energy sources, since more than 80% of our Scope 1 and 2 carbon footprint is determined by the purchased electricity. In order to find a long term solution for the green electricity purchase without the burden of yearly costs HFG is currently exploring the option of signing a long-term PPA with renewable energy providers. This process would imply contracting a 3rd party consultancy in order assess the PPA possibilities in the markets HFG is present and the total volume of electricity consumption that could be covered by this option. Priority in assessment and solution deployment would be in Australia due to the high EACs costs and the successful development of a PPA in there would be our expected result. The following costs are expected: 1. third party consultancy on PPA possibilities for HFG: 5k EUR 2. Tendering process for a PPA offer: 15k EUR 3. third party consultancy on the legal aspects and implications for HFG on entering in a potential long-term PPA project: 7k EUR Total costs= 5k+15k+7k=27kEUR

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Market	Changing customer behavior

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
HFG main products for retails are beef, pork, sheep and seafood. If in the context of rising climate change awareness customers choose alternatives to beef and lamb to reduce their personal carbon footprint then this could have significant impact on our revenue due to decreased consumer demand. In 2020 we conducted consumer research in the UK that showed how health and sustainability are rapidly growing in importance as drivers of diet choices. Moreover, since September 2019 we have seen a 300% growth in retail sales of vegetable protein based foods.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

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

Cost of response to risk
45000

Description of response and explanation of cost calculation

Our aim is to build trust in food that is healthy for consumers and healthy for the planet. We have identified several global supply chain environmental sustainability challenges that will shape the future of food and have focussed on reducing the climate impacts of livestock farming with a focus on the emissions from cattle farming, the largest source of green house gas emissions in our supply chains. while also improving soil health. HFG has aligned its objectives for mitigating the green house gas emissions of cattle to the European Round table for Beef Sustainability objectives of an intensity reduction of 15% in emissions of cattle by 2025. In order to progress to the set target HFG engaged in the leadership of collaborative action to address the footprint of cattle farming with European Round Table in Beef Sustainability (ERBS) and UK Cattle Sustainability Platform (UKCSP). We have taken leadership roles as the vice chair of ERBS and environment lead in UKCSP. We have built a model decarbonisation plan for cattle to identify the areas where the most impactful mitigations are and it is clear that to drive these impacts at scale there needs to be uptake in large numbers of independent farmers so we will not be able to influence these alone and must work collaboratively with other companies, farmers organisations, and government, so that we all adopt one single plan for each country. We have commissioned independent academic reports to guide the actions taken by the ERBS member platforms including the UKCSP. We have written environmental position statements for the UKCSP to align the work plans. Examples of the mitigations identified include improved breeding performance from crossing beef and dairy cattle, feeding methane inhibitors. The results is a prioritised mitigation plan to decarbonise cattle with targets and KPI's that will track the uptake of mitigation methods in farms in the UK. HFG will use our data collection platform, Foods Connected, to track the implementation in our supply chain and other companies will do the same and share progress together in the UKCSP. The cost of our participation is membership fees of £15,000 and management time of £30,000. Total cost =£15,000+£30,000=£45,000

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Upstream

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Hilton Food Group, the leading specialist international food packing business, has operations worldwide with a strong focus on meat solutions. Being headquartered in the United Kingdom, HFG's business could be impacted by governmental efforts to mitigate climate change may lead to policy and regulatory changes as well as shifts in consumer demand. The potential transitional impacts include additional costs of low greenhouse gas emission farming systems, and the potential of carbon pricing aimed at shifting consumers to lower carbon foods, which may reduce the profitability of some of our products. The UK Alliance on Climate Change has already provided recommendations to the food industry changes in order to align with the decarbonisation targets UK has set, and one of the recommendations is to set climate tax on food products that have a high carbon footprint, among which meat and diary products are highlighted. If product pricing is adjusted to reflect the carbon footprint there could be a reduction in demand, leading to reduced profits from foods where the footprints have not been mitigated. Additionally HFG reputation could be impacted if we are not active in reducing the climate impacts of our operations and supply chain, resulting in lower demand for our products. Mitigation through supply chain specific carbon reduction is possible if the taxes are specific to actual product footprints, and/or mitigation by addressing sector wide footprint collaboratively.

Time horizon
Long-term

Likelihood
More likely than not

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

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

Cost of response to risk
175000

Description of response and explanation of cost calculation
We anticipate impacts from regulations that could impact the meat value chain. We are actively engaged in supply chain carbon reduction programmes aligned to science based targets. HFG is focusing on efficiency and resourcefulness of its factories. HFG has aligned its objectives for mitigating the green house gas emissions of cattle to the European Round table for Beef Sustainability objectives of an intensity reduction of 15% in emissions of cattle by 2025. In order to progress to the set target HFG engaged in the leadership of collaborative action to address the footprint of cattle farming with European Round Table in Beef Sustainability (ERBS) and UK Cattle Sustainability Platform (UKCSP). We sponsor the Global Meat Alliance and the Centre of Excellence in Livestock in the UK. We have taken leadership roles as the vice chair of ERBS and environment lead in UKCSP. We have built a model decarbonisation plan for cattle to identify the areas where the most impactful mitigations are. To drive these impacts at scale there needs to be uptake in large numbers of independent farmers so we will not be able to influence these alone and must work collaboratively with other companies, farmers organisations, and government, so that we all adopt one single plan for each country. We have commissioned independent academic reports to guide the actions taken by the ERBS member platforms including the UKCSP. Examples of the mitigations identified include improved breeding performance from crossing beef and dairy cattle, feeding methane inhibitors. The results is a prioritised mitigation plan to decarbonise cattle with targets and KPI's that will track the uptake of mitigation methods in farms in the UK initially. HFG will use our data collection platform, Foods Connected, to track the implementation in our supply chain and other companies will do the same and share progress together in the UKCSP. We are also planning to sponsor the development of global standards for sustainable livestock. Driving innovations in feed and farming technology will reduce the footprint and may avoid the need for taxation as a driver. Our cost of membership is 35k GBP, the investment in supporting

R&D will be approximately 50k GBP a year, and the cost to sponsor standards is 15k GBP a year. The cost of time from our CSR team to engage in these processes is approximately 75k GBP a year. Total costs of response to risk: 35k GBP + 50k GBP + 15k BGP + 75k GBP = 175k GBP

Comment

C2.4

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

C2.4a

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

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of more efficient production and distribution processes

Primary potential financial impact
Reduced direct costs

Company-specific description
HFG is the leading specialist international food packing business. Our role in the meat value chain can have a direct impact in both the reduction of costs and the carbon footprint of the products delivered to ever-demanding consumers. This brings an opportunity to HFG, since our purpose is to create efficiency and flexibility in the food supply chain through innovative and sustainable food manufacturing and supply chain solutions with the ambition to be the first choice partner for food retailers seeking excellence, insight and growth. Hilton's model of 'growth through total partnership' creates value for its stakeholders as well as contributing to wider society. Implementing live energy monitoring software, Clarity, across all production sites to monitor projects which are implemented and to collect accurate savings data. We have already seen improvements at sites that are currently using the software to manage against preset targets. Estimations at our Irish processing site, where the software is already in place starting with 2020, are suggesting that 1006 MWh reductions in energy usage. This represents a great opportunity for HFG to reduce operational costs and reduce the amount of input energy in operations, leading to reduced emissions.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
700000

Potential financial impact figure – maximum (currency)
2100000

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

Cost to realize opportunity
1700000

Strategy to realize opportunity and explanation of cost calculation
Hilton generated strong operating cash flows during 2020 with, as expected, further significant investment in our facilities to increase capacity, improve operational efficiency and offer innovative solutions to our retailer partners. One example of actions taken was the implementation of a live energy monitoring software, Clarity, across all production sites . The goal of this action is to monitor projects which are implemented and to collect accurate energy savings data. We have already seen improvements at sites that are currently using the software to manage against preset targets. Estimations at our Irish processing site, for example, where the software is already in place, are suggesting that 1006 MWh reductions in energy usage was achieved in 2020. By implementing these changes at a group level we estimate a potential saving of between 5 and 15 million kWh. The costs to realize this opportunity are related to the investment and installation of equipment across all facilities, as well as the and training of staff to utilize and manage the software to drive continuous improvement. The latest estimates suggest a cost of 100,000 GBP/site for a complete energy management system. Therefore the total investment required for our 17 production facilities would be: 100,000GBP/site*17 sites=1,700,000 GBP

Comment
Estimate due to the fact that costs are bespoke per site

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
HFG is the leading specialist international food packing business. Our role in the meat value chain can have a direct impact in both the reduction of costs and the carbon footprint of the products delivered to ever-demanding consumers. Being a global company, but headquartered in the United Kingdom, HFG is subject to emerging regulations on carbon taxes, such as expanding scope of the EU ETS. This gives us the incentive to become more efficient and to purchase more renewable energy, what would also address our commitment to setting science-based targets to achieve net zero carbon across all of the food types we produce. HFG did already start switching to renewable contracts for countries where the price difference between the renewable and conventional contracts is not significant. Currently, as part of the plan to set SBT HFG is also assessing the renewable opportunities available and based on it will build a strategy to reach the 100% share as in line with the Science-Based Targets requirements. The opportunity deriving from switching to renewable electricity is a way for HFG to avoid paying the potential carbon taxes in its countries of operation. In this way HFG will assure that there is no increase or limited increase in operational costs ones the carbon taxes are in place.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
2256852

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The potential financial impact figure is calculated based on the average European cost for a tonne of CO2 emitted. We calculate the avoided emissions, therefore an estimate of the avoided carbon price to be paid. Though not all our facilities are under the obligation to pay for the emissions it is a good estimate of potential future savings. The current average cost per tCO2 is 44.4 GBP within the EU ETS scheme as of June 2021. In order to assess the potential financial impact this price is applied to our global market-based Scope 2 emissions, which is 50,830 tCO2e: 44.4 GBP/tCO2e*50,830 tCO2e= 2,256,852GBP

Cost to realize opportunity
27000

Strategy to realize opportunity and explanation of cost calculation
All food supply chains need to be on track towards net zero to meet national climate commitments. In 2020, HFG decided to set a Science-Based Target and went through a decarbonization pathway study. As identified by the study, one key area of decarbonisation for HFG would be to switch to renewable energy sources, since more than 80% of our Scope 1 and 2 carbon footprint is determined by the purchased electricity. Therefore the goal is to eventually invest and source 100% renewable energy.In order to find a long term solution for the green electricity purchase without the burden of yearly costs HFG is currently exploring the option of signing a long-term PPA with renewable energy providers. This process would imply contracting a 3rd party consultancy in order assess the PPA possibilities in the markets HFG is present and the total volume of electricity consumption that could be covered by this option. Priority in assessment and solution deployment would be in Australia due to the high EACs costs and the successful development of a PPA in there would be our expected result. The following costs are expected: 1. third party consultancy on PPA possibilities for HFG: 5k EUR 2. Tendering process for a PPA offer: 15k EUR 3. third party consultancy on the legal aspects and implications for HFG on entering in a potential long-term PPA project: 7k EUR Total costs= 5k+15k+7k=27kEUR

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
HFG is the leading specialist international food packing business and have been working with major retailers who have progressively rationalised their supply base through large scale, centralised packing solutions capable of producing private label packed fresh food products. Over recent decades, we realised that consumer buying patterns are evolving with more seafood and vegetarian proteins being eaten. Through Hilton's diversification efforts into these proteins we are well placed to grow our business. We do this through collaborative full supply chain partnerships together with the market leading retailers that we supply to, and like minded food service companies. We have

joined global and regional collaborative forums and taken leadership roles within them as part of this strategy, for example, as the vice chair of the European Round-table in Beef Sustainability convened by the Sustainable Agriculture Initiative. By driving the uptake of innovation, such as methane reducing feed additives for cattle, we will be able to deliver more sustainable food to our consumers and build their trust.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
We will be able to demonstrate lower emissions from our protein supply chains that will secure and grow our market share and should be able to command a price premium in some markets. There may be some additional costs in the production of these goods but we hope that improved efficiencies will fully mitigate these. The size of the opportunity is dependent on the market demand and our ability to pass on any additional costs of achieving the reductions. We are carrying out financial impact studies with expert consultant support.

Cost to realize opportunity
500000

Strategy to realize opportunity and explanation of cost calculation
HFG is engaging at all levels to promote sustainable food practices by: 1. Engaging in collaborative forums (that include farming organisations, NGO's, and government), to drive sector wide uptake of sustainable farming practices and uptake of innovative solutions to reduce GHG emissions. 2. Developing on farm measurement of impacts and data collection through supply chain specific and national certification schemes. 3. Obtaining independent verification of reduction in emissions. 4. Reassurance to consumers through the promotion of fully traceable lower impact meat and fish products. This work will also address the footprint of the packaging around the final product and raw materials in transit, to ensure it is fully recyclable and made from high levels of recycled content. One action in 2020 was the joint work done with Tesco, in the UK. In 2020 we launched several vegan Christmas items in the Wicked Kitchen Brand. The Wicked Kitchen No Turkey Crown was the top-selling meat alternative Christmas product, making it easy for consumer to switch to a plant-based Christmas dinner. We expect that in the future this business line will grow even stronger, since we are working for the introduction a range of products globally, incorporating vegetables in products that were originally 100% meat. This enables consumers to balance their meat and vegetable consumption without changing their favourite meals. Currently these actions are part of our Quality naturally strategy and there is no need for a separate budget allocation for this response to risk. Therefore cost of response to risk: 250 k GBP in cost of projects and approximately 250k in allocated time for the CSR team. Total cost: 250k_250k= 500k GBP

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

C3. Business Strategy

C3.1

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

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	Yes, in the next two years	Yes, we intend to include it as a scheduled AGM resolution item	In 2020, we conducted an initial exercise to understand the climate change risks and opportunities on our operations and value chains. To respond to these risks and opportunities, the Board and the Executive Leadership Team considered Hilton's strategy in preparing its transition to a low carbon economy in line with Science Based Targets ambition. To achieve these targets we are building decarbonisation plans for each of our operations in line with the path required to meet interim and final targets. We are also working with our key suppliers to build decarbonisation plans for our supply chains.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?
Yes, quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify (Well-below 2 degree scenario (WB2D) as defined by SBTi)	In 2019 HFG has committed to set Science Based Targets for its operations in Sweden in line with the 2 degree scenario and 2020 the commitment has been extended to the whole group with an increased ambition of well below 2 degree scenario (WB2D) as defined by Science Based Target initiative and using their frameworks. HFG did select the WB2D because it is recommended by the Science Based Target initiative and is in line to keep the global temperature rise below 2 degrees Celsius. Moreover, SBTi provides a set of tools for scenario analysis, clear targets criteria, and high ambition level in order to assist target setters. When using scenario analysis and based on that setting carbon targets, the timelines used by HFG are timelines in line with other business strategy milestones and are set for 5 years (2025) or 10 years (2030). These timelines support our short and medium term optimization and efficiency plans in our operations and medium and long term strategic plans around our products portfolio and engagement with our supply chain. They are also in line with the SBT requirements of setting targets for a period between 5 and 15 years. SBTi scenarios are drawn primarily from the Integrated Assessment Modeling Consortium (IAMC) and the International Energy Agency (IEA). While using the B2DS HFG explored the alternative options of limiting global temperature to the well-below 2 degrees by reducing emissions from its direct operations (Scope 1 and 2) and its supply chain (Scope 3). The scenario analysis exercise gave us insights on what our emissions trajectories pathways would look like in the timeframes mentioned above. As initial findings from our modelling within WB2D has shown the ascendent trajectory of our Scope 2 emissions, and therefore a clear need to act upon our Scope 2 footprint. Based on this initial finding, HFG, conducted a decarbonisation pathway study. As identified by the study, one key area of decarbonisation for HFG would be to switch to renewable energy sources, since more than 80% of our Scope 1 and 2 carbon footprint is determined by the purchased electricity. While we have already started by switching to green contracts in some of our facilities, HFG is committed to search further efficiency gains and other energy sourcing options. Another result of the scenario analysis is the fact that HFG has signed, in 2020, the Business Ambition for 1.5°C pledge to net-zero by 2050 and committed to setting Science-Based Targets in line with WB2D. To achieve these targets HFG is building decarbonisation plans for each of its operations in line with the path required to meet interim and final targets. HFG is also working with its key suppliers to build decarbonisation plans for its supply chain. In order to achieve its target on Scope 1 and 2 HFG also committed to improve usage efficiency in energy by 10% by 2025 (vs 2018 baseline). The expected result would be not only to achieve the targets and goals set ahead of time, but also to contribute to a more sustainable value chain and to address the goals of our clients and customers.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	There is a demand by consumers for food that is healthy for themselves and the planet. Social consciousness is of growing importance to consumers when making decisions about their lives and the food they eat. Due to potential risk of consumer behaviour change towards products and services that have a lower environmental footprint, along with the strategy of diversify HFG product range, the decision was made to invest in the vegetarian product manufacturer, Dalco. The Group acquired 50% of the share capital of Dalco Food B.V. in 2019. The JV includes an option for acquiring the remaining 50% of Dalco's shares in 2024. The expected results with this investment would ultimately represent an opportunity to broaden Group's offerings in a growing segment of market and meet customers' demands for Hilton to supply them with a range of innovative, high-quality vegetarian products. Time-frame: short-term
Supply chain and/or value chain	Yes	Significant acute and chronic physical risks, such as fires, floods or interruption of supply of key utilities could impact the Group's business continuity. The chronic physical risk considered by the Risk Committee are the rise in average temperatures and the impact on sea level flooding. Climate changes may significantly affect supply chain productivity resulting in increased costs and add complexity to the supply chain. Therefore, it is important that we monitor any climate related risks which may develop. For example, a specific chronic physical risk assessed by our Group in 2020 was change in seasonality and temperature rise that influence transmission and incidence of animal diseases. Which in turn, could affect some of our main raw material (meat) in the supply chain. Therefore, HFG is closely engaging with its key suppliers in order to assure their climate change adaptation. We are currently vice chair of the European Roundtable for Beef Sustainability. We are founder members of the Soy Transparency Coalition and are engaged in successful advocacy to set zero deforestation cut off dates for our supply chains in Brazil. All these engagements and actions are targeting industry adaptation to climate risks and changes of practices towards those that have less carbon footprint. Time-horizon: medium and long term
Investment in R&D	Yes	In the context of setting SBT, being a sustainable industry leader, and satisfying the growing need for low-carbon food for our customers, one of HFG objectives is an intensity reduction of 15% in GHG emissions of cattle by 2025 (aligned to the European Roundtable for Beef Sustainability). In order to reach this target, we are forming an expert science based partnership to develop measurement models, evaluate solutions, and monitor the impacts of the mitigation strategies. Our engagements include being founder members of the UK Cattle Sustainability Platform and joining the UK Centre for Innovation and Excellence in Livestock. The aim is to demonstrate how mitigation and sequestration can significantly reduce the climate impact for farming and potentially positively contribute to limit global warming. The preliminary results of the engagement with our suppliers and WWF we are already pointing towards a common comparative measurement process to assess the impact of interventions including improving the genetics of the herd, using feed additives that inhibit methane production, and improving farming practices such as pasture and manure management. Time-horizon: short and medium term.
Operations	Yes	Our responsible business vision is to be the first-choice partner for sustainable proteins. One way Hilton is reducing its environmental impact is via its resource efficiency. The Group is constantly investing to upgrade its facilities and have seen major success in its latest efficiency projects in Ireland and Sweden, for example heat recovery pumps in our refrigeration systems are proving to be around 38% more efficient at heating our hot water requirements. Whereas smart refrigeration controls have improved efficiency in energy consumption of refrigeration system by around 30%. One important case study of how climate-related risks/opportunities impacted our operations is the fact that HFG decided to sign the Courtauld Commitment 2025 in 2017. The initiative is a voluntary agreement between participants in the grocery value chain aiming to reduce waste and, consequently, corresponding CO2 emissions. In order to reach the overall targets, companies agree to set individual targets and report yearly their progresss. HFG ambition in the context of this initiative is to cut the carbon, water and waste associated with our food production, by 20% by 2025 in our UK operations, as well as our goal to set SBT for whole team. Time horizon: short-term

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Capital expenditures Acquisitions and divestments Access to capital Assets	Climate related issues have influenced our financial decisions in acquisitions and divestments. Our acquisition of Seachill, our fish processing business, is seen to improve our sustainability reputation and influence given their strong track record for driving sustainability through the fish supply chain in the past. Additionally, HFG realized that there is a demand by consumers for food that is healthy for themselves and the planet. Social consciousness is of growing importance to consumers when making decisions about their lives and the food they eat. Therefore, the Group acquired 50% of the share capital of Dalco Food B.V. in 2019, a manufacturer of vegetarian products. The JV includes an option for acquiring the remaining 50% of Dalco's shares in 2024. The expected results of this investment represents an opportunity to broaden Group's offerings in a growing segment of market and meet customers' demands for Hilton to supply them with a range of innovative, high-quality vegetarian products. Therefore, the time frame of this impacts is the short-term, since they are already taking place.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

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

C4.1a

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

Target reference number
Abs 1

Year target was set
2020

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based)

Base year
2020

Covered emissions in base year (metric tons CO2e)
66096

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2030

Targeted reduction from base year (%)
25

Covered emissions in target year (metric tons CO2e) [auto-calculated]
49572

Covered emissions in reporting year (metric tons CO2e)
66096

% of target achieved [auto-calculated]
0

Target status in reporting year
New

Is this a science-based target?
Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition
Well-below 2°C aligned

Please explain (including target coverage)

In 2020 HFG has committed to setting science-based target through the Science Based Targets initiative and signed the Business Ambition for 1.5°C pledge to net-zero by 2050. The target has been approved in 2021. The requirement on setting science based target on Scope 1 and 2 is that the target should cover at least 95% of company's footprint. In this context, HFG did include all the emissions from its operations in the emissions reduction target.

Target reference number
Abs 3

Year target was set
2020

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 3: Purchased goods & services

Base year
2020

Covered emissions in base year (metric tons CO2e)
7117360

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2030

Targeted reduction from base year (%)
12.3

Covered emissions in target year (metric tons CO2e) [auto-calculated]
6241924.72

Covered emissions in reporting year (metric tons CO2e)
7117360

% of target achieved [auto-calculated]
0

Target status in reporting year
New

Is this a science-based target?
Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition
2°C aligned

Please explain (including target coverage)
The target set on Scope 3 purchased goods and services category, subcategory agricultural products (Agriculture, hunting, forestry and fishing in Quantis) is an absolute target in line with the 2°C pathway. Hilton Food Group Scope 3 represents 99.1% of total emissions based on the Quantis screening results. The purchased goods and services represent 95.6% of the total Scope 3 emissions, and within this category purchased goods from agriculture, hunting, forestry and fishing is the most significant category and represents 96.28%, meaning 92.04% out of total scope 3 carbon footprint. In this case setting an emissions reduction target on the Agricultural products within Purchased goods and services only is in line with the SBTi Criteria of having a target on at least 2/3rds of Scope 3 emissions sources and at the same time allows us to focus our decarbonisation efforts in the most material category in our supply chain.

Target reference number
Abs 3

Year target was set
2020

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based) +3 (upstream & downstream)

Base year
2020

Covered emissions in base year (metric tons CO2e)
7510951

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2050

Targeted reduction from base year (%)
100

Covered emissions in target year (metric tons CO2e) [auto-calculated]
0

Covered emissions in reporting year (metric tons CO2e)
7510951

% of target achieved [auto-calculated]
0

Target status in reporting year
New

Is this a science-based target?
Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition
1.5°C aligned

Please explain (including target coverage)
To address our climate footprint the decision was taken to set Science Based Targets for our own operations and our supply chains that will lead to a net zero goal. Therefore, HFG has signed the Business Ambition for 1.5°C pledge to net-zero by 2050. The coverage of the target is 100% since no part of our operations or supply chain can be ignored in the context of achieving net zero emissions.

C4.2

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

C4.2b

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

Target reference number
Oth 1

Year target was set
2017

Target coverage
Country/region

Target type: absolute or intensity
Absolute

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

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

Target denominator (intensity targets only)
<Not Applicable>

Base year
2017

Figure or percentage in base year
2432

Target year
2030

Figure or percentage in target year
1216

Figure or percentage in reporting year
1414.72

% of target achieved [auto-calculated]
83.6578947368421

Target status in reporting year
Underway

Is this target part of an emissions target?
No

Is this target part of an overarching initiative?
Other, please specify (UN SDG goal 12 / Champions 12.3)

Please explain (including target coverage)
This is part of our Champions 12.3 food waste commitment, to reduce food loss and waste by at least 50% in our own UK operations by 50% by 2030. Our baseline was 1,132 metric tonnes of FLW for UK meat division while 1,300 metric tonnes FLW from our UK Fish division. This year our meat division had FLW of 1414.72 metric tonnes. In 2020 food waste has been reduced to 3.2% from 3.9% in 2017. Progress was made in redistributing more material to charity, animal feed and bio-material processing.

C4.3

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

C4.3a

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	4	543
To be implemented*	1	34
Implementation commenced*	1	26
Implemented*	9	1307.3
Not to be implemented	0	0

C4.3b

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

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
114

Scope(s)
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
32186

Investment required (unit currency – as specified in C0.4)
61401

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment
Replacement of old technology lightning system on Fresh Meat Factory to LED technology at our site in Poland.

Initiative category & Initiative type

Energy efficiency in production processes	Cooling technology

Estimated annual CO2e savings (metric tonnes CO2e)
166

Scope(s)
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
43814

Investment required (unit currency – as specified in C0.4)
109883

Payback period
4-10 years

Estimated lifetime of the initiative
11-15 years

Comment
VSD installed on glycol pumps and ammonia compressor. Compressor sequencing and set points optimized- in our site in Sweden

Initiative category & Initiative type

Company policy or behavioral change	Resource efficiency

Estimated annual CO2e savings (metric tonnes CO2e)
943

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
11650

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment
Change of process to utilise colder water for the hygiene of the facility - leads to reduced consumption of natural gas.

Initiative category & Initiative type

Company policy or behavioral change	Resource efficiency

Estimated annual CO2e savings (metric tonnes CO2e)
50

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
613

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment
Reduced the wash water temperature in our facility in Ireland

Initiative category & Initiative type

Energy efficiency in production processes	Smart control system

Estimated annual CO2e savings (metric tonnes CO2e)
7

Scope(s)
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
2265

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment
Vacuum optimisation - Alignment of required run times with actual run times

Initiative category & Initiative type

Energy efficiency in production processes	Smart control system

Estimated annual CO2e savings (metric tonnes CO2e)
7

Scope(s)
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
2212

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment
AHU optimisation - Alignment of required run times with actual run times

Initiative category & Initiative type

Energy efficiency in production processes	Compressed air

Estimated annual CO2e savings (metric tonnes CO2e)
1.4

Scope(s)
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
467

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment
New compressor and air leak survey and repair in Ireland

Initiative category & Initiative type

Non-energy industrial process emissions reductions	Process material efficiency

Estimated annual CO2e savings (metric tonnes CO2e)
0.9

Scope(s)
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
10500

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment
Hygiene wash process optimisation

Initiative category & Initiative type

Energy efficiency in production processes	Cooling technology

Estimated annual CO2e savings (metric tonnes CO2e)
18

Scope(s)
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
5931

Investment required (unit currency – as specified in C0.4)
1500

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment
Refrigeration optimisation - Free cooling when ambient conditions allow

C4.3c

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

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

C4.5

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

C4.5a

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

Level of aggregation
Group of products

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

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

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Other, please specify (Internal LCA assesments)

% revenue from low carbon product(s) in the reporting year
20

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

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

Level of aggregation
Company-wide

Description of product/Group of products
The average recycled content in our entire tray range is 70%

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

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Other, please specify (Internal calculations of avoided emissions)

% revenue from low carbon product(s) in the reporting year
35

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

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

C5. Emissions methodology

C5.1

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

Scope 1

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
10639

Comment

Scope 2 (location-based)

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
57675

Comment

Scope 2 (market-based)

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
55458

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
IEA CO2 Emissions from Fuel Combustion
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance

C6. Emissions data

C6.1

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

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
10639

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.2

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

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

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

Reporting year

Scope 2, location-based
57675

Scope 2, market-based (if applicable)
55458

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.4

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

C6.4a

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

Source
Hilton Food Group site in Belgium

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)
Emissions are not relevant

Explain why this source is excluded
The site in Belgium is responsible for an insignificant amount of GHG and represents less the 0.2% of the total carbon footprint of HFG. The Group will monitor the relevance and materiality of this emission source and include it in the reporting boundaries if proven material.

Source
Foods Connected Joint Venture (50%)

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)
Emissions are not relevant

Explain why this source is excluded
The Foods Connected Joint Venture is responsible for an insignificant amount of GHG and represents less the 0.007% of the total carbon footprint of HFG. The Group will monitor the relevance and materiality of this emission source and include it in the reporting boundaries if proven material.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
7117360

Emissions calculation methodology
WRI Quantis screening tool has been used to estimate Category 1 of the Scope 3 emissions based on the data from procurement department on purchased goods and services

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
HFG is currently working to build a hybrid method (in line with the recommendations of GHG Protocol) to combine industry average data with supplier specific data in order to calculate a more accurate carbon footprint of purchased goods and services category. This is the most material category in HFG Scope 3 footprint.

Capital goods

Evaluation status
Relevant, calculated

Metric tonnes CO2e
81029

Emissions calculation methodology
WRI Quantis screening tool has been used to estimate Category 2 of the Scope 3 emissions based on the data from procurement department on purchased capital goods

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
14195

Emissions calculation methodology
WRI Quantis screening tool has been used to estimate Category 3 of the Scope 3 emissions based on the data from calculated Scope 1 and 2 emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
1668

Emissions calculation methodology
WRI Quantis screening tool has been used to estimate Scope 3 emissions from upstream transportation and distributions based on the cost paid to 3rd party service providers in warehousing.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
5262

Emissions calculation methodology
WRI Quantis screening tool has been used to estimate Scope 3 emissions from waste generated in operations based on the data from sites on annual spend on waste management

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
861

Emissions calculation methodology
WRI Quantis screening tool has been used to estimate Scope 3 emissions from business travel based on the data from sites on annual spend on business travel split by means of transported (air, rail, bus, car).

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
12750

Emissions calculation methodology
WRI Quantis screening tool has been used to estimate emissions from this category

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
HFG currently does not lease any upstream assets that have not already been accounted within Scope1&2 figures

Downstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
11599

Emissions calculation methodology
WRI Quantis screening tool has been used to estimate emissions from this category

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

Processing of sold products

Evaluation status
Relevant, calculated

Metric tonnes CO2e
5

Emissions calculation methodology
WRI Quantis screening tool has been used to estimate emissions from this category

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The products sold by HFG do not consume electricity or fuel in their direct use-phase. The products consume fuels/electricity in the indirect use phase (cooking, refrigeration), which can not be calculated using Quantis. At this moment reporting on the indirect-use phase of sold products is optional under the requirements of GHG Protocol.

End of life treatment of sold products

Evaluation status
Relevant, calculated

Metric tonnes CO2e
146424

Emissions calculation methodology
WRI Quantis screening tool has been used to estimate emissions from this category. The input data in Quantis for this category have been tons of mixed organics and tons of mixed plastics (packaging) that have been sold in the reporting year. The emissions calculated are emissions associated with waste disposal and treatment of these sold products.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
HFG does not currently lease any downstream assets

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
HFG does not franchise its business

Investments

Evaluation status
Relevant, calculated

Metric tonnes CO2e
53702

Emissions calculation methodology
WRI Quantis screening tool has been used to estimate emissions from this category. The emissions reported in Scope 3 "Investments" category, were calculated based on the total financial figure of the investment HFG has in its 3 joint ventures: Dalco, SOHI and Foods Connected.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

Other (upstream)

Evaluation status
Please select

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

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

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

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

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

Activity
Agriculture/Forestry

Scope 3 category
Purchased goods and services

Emissions (metric tons CO2e)
6852615

Please explain
The methodology used to calculate this scope 3 category is the Quantis tool as recommended by CDP. As a result of using Quantis tool, the Purchased goods and services is also broken-down to smaller categories of services and products. The category for which we disclose emissions here is the largest one and incorporate all emission related to "Agriculture, Hunting, forestry and Fishing", representing 92.04% of our emissions from Scope 3 category 1 Purchased goods and services.

Activity
Distribution

Scope 3 category
Upstream transportation and distribution

Emissions (metric tons CO2e)
1668

Please explain
This data has been calculated using Quantis tool.

Activity
Distribution

Scope 3 category
Downstream transportation and distribution

Emissions (metric tons CO2e)
11599

Please explain
This data has been calculated using Quantis tool.

Activity
Consumption

Scope 3 category
End of life treatment of sold products

Emissions (metric tons CO2e)
146424

Please explain
This figure has been calculated using Quantis tool. The products sold by HFG do not consume electricity or fuel in their direct use-phase. The products consume fuels/electricity in the indirect use phase (cooking, refrigeration), which can not be calculated using Quantis. At this moment reporting on the indirect-use phase of sold products is optional under the requirements of GHG Protocol.

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

(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?
No

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

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

Agricultural commodities
Cattle products

Do you collect or calculate GHG emissions for this commodity?
Yes

Please explain
We have mapped and tested different cattle farming carbon measurement tools in the UK and Ireland, including the Cool Farm Tool. We calculated that the average CO2e per kg of UK beef in 2018 was 9.13 kgCO2e / kg LW (liveweight). This has been used as proxy for most of geographies. Additionally, we are members of the Centre for Innovation and Excellence in Livestock. They produced a report in 2020 titled Net Zero Carbon UK Livestock https://www.cielivestock.co.uk/wp-content/uploads/2021/05/CIEL-Net-Zero-Carbon-UK-Livestock-FINAL-interactive-revised-May-2021.pdf. This report summarises the most accurate data available for the footprint of UK beef and lamb. For beef there are three breed types: pure dairy (bull calves and surplus heifer calves); late-maturing beef cross dairy; and early-maturing beef cross dairy. Fattening systems are matched to breed types. Intensive systems are suitable for late-maturing bulls and steers, and aim to finish animals on cereals at 12 - 14 months of age, or silage at 14-16 months of age. Semi-intensive systems are suitable for all types of dairy-bred animals, and aim to finish animals at 18 months of age. Animals spend one or two summers grazing and one or two winters indoors. Extensive systems are suitable for early-maturing animals and aim to finish animals at 24-30 months of age mainly on grass and grass silage. The Cranfield Life Cycle Assessment model estimates carbon footprint (kg CO2 -eq/kg carcass) of 10.4 for intensive systems, 10.6 for semi-intensive systems, and 11.8 for extensive systems. Differences in emissions reflect differences in length of fattening period, weight at slaughter, and diet with enteric fermentation as the key source of methane driving the carbon footprint along with feed production. This sources has been used for the emissions calculation for cattle products from UK operations.

Agricultural commodities
Fish and seafood from aquaculture

Do you collect or calculate GHG emissions for this commodity?
Yes

Please explain
For farmed salmon the most comprehensive study was carried out in Norway in 2017 by Sintef and published in 2020 this shows that farmed salmon has emissions of 6.5 kg CO2e/kg edible product as delivered to our site including transport and processing, and the equivalent emissions for frozen cod fillet are 1.8 (or 2.5 if processed from whole frozen fish in China) . https://www.sintef.no/contentassets/25338e561f1a4270a59ce25bcbc926a2/report-carbon-footprint-norwegian-seafood-products-2017_final_040620.pdf/

Agricultural commodities
Other (Sheep Products)

Do you collect or calculate GHG emissions for this commodity?
Yes

Please explain
We are members of the Centre for Innovation and Excellence in Livestock. They produced a report in 2020 titled Net Zero Carbon UK Livestock https://www.cielivestock.co.uk/wp-content/uploads/2021/05/CIEL-Net-Zero-Carbon-UK-Livestock-FINAL-interactive-revised-May-2021.pdf. This report summarises the most accurate data available for the footprint of UK beef and lamb. The mean carbon footprints for lowland, upland and hill sheep enterprises were 10.9kg CO2 -eq, 12.9kg CO2 -eq and 17.9kg CO2 -eq per kg liveweight, respectively.

Agricultural commodities
Other (Pig Products)

Do you collect or calculate GHG emissions for this commodity?
Yes

Please explain
The data used for footprint calculation in our pork products is taken from a study of 5 reference farms in our Netherlands supply chain, where the average of the collected data shows a footprint of 4kg CO2e per 100 g of protein ex farm and an additional 0.2kg CO2e for the slaughtering/deboning operations of our suppliers. For comparison we also use data from other actors in the pork industry. For example the Danish Crown, a global leader in sustainable meat production, have been measured against a CO2 emission equivalent norm based on figures from 2016, which shows that a pig from birth to slaughter emits 239 kgCO2. The preliminary estimates show that pigs from the their stables today emit 6.7 per cent less CO2 than the norm, or the equivalent of 223 kg.

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

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

Cattle products

Reporting emissions by
Unit of production

Emissions (metric tons CO2e)
0.00913

Denominator: unit of production
Kilograms

Change from last reporting year
About the same

Please explain
0.00913 tCO2e above equates to 9.13kgC02e/kg LW (liveweight). In total, 21 farms from the Tesco/Hilton supply chain were assessed using the Cool Farm Tool across the UK and Northern Ireland as part of the study. These consisted of seven rearer-finisher farms, five dairy calf to beef systems and nine beef finishing farm systems as seen in the chart below. There was a vast geographical spread of farms assessed. Farms were included in Scotland and Northern Ireland as well as farms in Devon, Gloucestershire, Leicestershire, Nottinghamshire, and South Yorkshire. The average farm size of the farms assessed was 77 hectares including land for grazing and forage production. The carbon footprint of the farms in this study is expressed as kg CO2 equivalent per kg of Live Weight (kgC02e/kgLW). CO2 equivalent encompasses the three types of greenhouse gasses produced on a farm to be expressed as one single unit of emissions. The three types of greenhouse gasses produced are Carbon Dioxide (C02) coming from fuel, feed and fertiliser, Nitrous Oxide (NH4) from fertiliser, manure production and spreading and Methane (CH4) from digestion in the rumen and manure. The beef module of the carbon footprint includes farm-gate emissions from grazing, fertilization, feed production, enteric fermentation, manure management, processing, and transport.

Fish and seafood from aquaculture

Reporting emissions by
Unit of production

Emissions (metric tons CO2e)
0.0003175

Denominator: unit of production
Kilograms

Change from last reporting year
About the same

Please explain
0.00031 tCO2e above equates to 0.31kgCO2e/kg gutted weight, which represents a typical Scope 1&2 intensity, kgCO2e/kg product, of an integrated salmon supplier. This is actual data from a large supplier in Northern Norway, where the energy used for lighting the cages in the winter would be highest and hence represent the higher end of CO2e intensity per kg supplied.

Other

Reporting emissions by
Unit of production

Emissions (metric tons CO2e)
0.01186

Denominator: unit of production
Kilograms

Change from last reporting year
About the same

Please explain
0.01186 MT CO2e above equates to 11.86kgC02e/kg liveweight. In 2012 AHDB released their beef and sheep road map which assessed the carbon footprint of a sample of beef and sheep farms across England. A total of 57 sheep units were assessed across lowland, hill farm, and upland systems. They were assessed using the E-CO2 carbon calculator (now the AllTech model) on a cradle to farm gate basis.

C6.10

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

Intensity figure
0.023827

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
66097

Metric denominator
unit total revenue

Metric denominator: Unit total
2774036

Scope 2 figure used
Market-based

% change from previous year
29

Direction of change
Decreased

Reason for change
The main reason of change in the intensity figure is the considerable increase in the volume produced and sold, combined with energy efficiency measures undertaken across all HFG facilities.

Intensity figure
0.140899

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
66097

Metric denominator
metric ton of product

Metric denominator: Unit total
469110

Scope 2 figure used
Market-based

% change from previous year
12

Direction of change
Decreased

Reason for change
The main reason of change in the intensity figure is the considerable increase in the volume produced, combined with energy efficiency measures undertaken across all HFG facilities.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
No

C7.2

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

Country/Region	Scope 1 emissions (metric tons CO2e)
United Kingdom of Great Britain and Northern Ireland	4503
Denmark	187
Ireland	325
Netherlands	2371
Sweden	126
Poland	862
Australia	2023
Portugal	241

C7.3

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

By business division

C7.3a

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

Business division	Scope 1 emissions (metric ton CO2e)
Meat and fresh food	6136
Fish	4503

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

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

Yes

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

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

Activity

Processing/Manufacturing

Emissions category

<Not Applicable>

Emissions (metric tons CO2e)

10639

Methodology

Region-specific emissions factors

Please explain

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

C7.5

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

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Denmark	1260	1144	7434	0
Ireland	1729	0	5218	5218
Netherlands	7978	9454	23588	0
Poland	7723	8595	10549	0
Sweden	107	0	7957	7957
United Kingdom of Great Britain and Northern Ireland	8607	0	37526	37526
Australia	29062	35554	40833	0
Portugal	1210	711	8153	0

C7.6

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

By business division

C7.6a

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

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Meat and Fresh Food	49069	55458
Fish	8607	0

C7.9

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

Increased

C7.9a

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

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	In 2020 there has been no change in the consumed renewable energy.
Other emissions reduction activities	1307.3	Decreased	2.13	Due to 'other emissions reduction activities' implemented during the year, despite an increase in production, emissions have not grown as high as could be expected. Last year 1307.3 tons of CO2e were reduced by our emissions reduction projects, and our total Scope 1 and Scope 2 emissions in the previous year was 61284.7 tCO2e, therefore we arrived at -2% through (-1307.3/61284.7) * 100= -2.13% (i.e. a 2.13% decrease in emissions).
Divestment	0	No change	0	In 2020 there has been no changes in emissions due to divestment.
Acquisitions	0	No change	0	In 2020 there has been no changes in emissions due to acquisitions.
Mergers	0	No change	0	In 2020 there has been no changes in emissions due to mergers.
Change in output	3505	Increased	5.72	An increase of emissions of around 5.72% resulted from the increase in the overall produced goods in 2020 compared to 2019. The increased production meant also an increase in electricity use and fuel use and therefore we saw an increase of 3505 tCO2 to the Group's carbon footprint. Total scope 1 and 2 in 2019 was 61284.7, therefore we arrived at +5.72% through (3505/61284.7) * 100= +5.7% (i.e. a 5.7% increase in emissions).
Change in methodology	0	No change	0	In 2020 there has been no change in methodology.
Change in boundary	0	No change	0	In 2020 there has been no change in reporting boundary.
Change in physical operating conditions	0	No change	0	In 2020 there has been no changes in emissions due to change in physical operating conditions.
Unidentified	0	No change	0	There has been no changes in emissions due to unidentified reasons.
Other	0	No change	0	No other reasons for emissions changes have been identified.

C7.9b

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

Market-based

C8. Energy

C8.1

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

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

C8.2

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

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

C8.2a

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

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	60943	60943
Consumption of purchased or acquired electricity	<Not Applicable>	13175	141252	154427
Consumption of purchased or acquired heat	<Not Applicable>	0	1392	1392
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	2503	<Not Applicable>	2503
Total energy consumption	<Not Applicable>	15678	203587	219265

C8.2b

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

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

C8.2c

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

Fuels (excluding feedstocks)
Natural Gas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
58966

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
2.02266

Unit
kg CO2 per m3

Emissions factor source
UK Government GHG Conversion factors for Company Reporting (DEFRA). Dataset from 2020

Comment

Fuels (excluding feedstocks)
Liquefied Petroleum Gas (LPG)

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
1977

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
1.55537

Unit
kg CO2e per liter

Emissions factor source
UK Government GHG Conversion factors for Company Reporting (DEFRA). Dataset from 2020

Comment

C8.2d

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

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	2503	2503	2503	2503
Heat	58966	58966	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

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

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

Low-carbon technology type
Low-carbon energy mix

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

MWh consumed accounted for at a zero emission factor
5218

Comment

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

Low-carbon technology type
Low-carbon energy mix

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

MWh consumed accounted for at a zero emission factor
7957

Comment

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

Low-carbon technology type
Nuclear

Country/area of consumption of low-carbon electricity, heat, steam or cooling
United Kingdom of Great Britain and Northern Ireland

MWh consumed accounted for at a zero emission factor
37526

Comment

C9. Additional metrics

C9.1

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

C10. Verification

C10.1

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

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

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
210406 Hilton Food Group plc GHG Verification Report v1.0.pdf

Page/ section reference
Page 5 and page 10

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
84

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
210406 Hilton Food Group plc GHG Verification Report v1.0.pdf

Page/ section reference
Page 5 and page 10

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
210406 Hilton Food Group plc GHG Verification Report v1.0.pdf

Page/ section reference
Page 5 and page 10

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, we do not verify any other climate-related information reported in our CDP disclosure

C11. Carbon pricing

C11.1

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

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

C11.2

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

No

C11.3

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

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

C12. Engagement

C12.1

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

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

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

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Run an engagement campaign to educate suppliers about climate change
Other, please specify (Hilton partners with a core group of primary producers in our supply chain to ensure the most efficient factories , farms fishing vessels to minimise the impacts of the whole supply chain)

% of suppliers by number
30

% total procurement spend (direct and indirect)
50

% of supplier-related Scope 3 emissions as reported in C6.5
90

Rationale for the coverage of your engagement
As Hilton doesn't own or operate any primary production facilities it is key for us to drive collaboration and innovation with our suppliers to strive towards making the most sustainable products possible. We have chosen key suppliers for our cattle, seafood and sheep and pork, who represent the largest portion of our Scope 3 emissions (30% of our suppliers but 90% of our Scope 3) to work with on various projects such as: Recycled content in plastic packaging, sustainable soy in animal feed, highly efficient trawlers with on board processing of otherwise discarded products, and methane reducing feed additives. We are also engaging with these key suppliers to encourage them to set their own science-based targets and for us to collectively influence the farmers and fishermen that produce the raw materials. We have surveyed all of our main suppliers to determine those that have set targets, what their baseline data is, and what processes they have to measure and reduce the footprint of the farms that supply them. We are using this information to further improve the accuracy of our Scope 3 footprint and to inform our decarbonisation strategy.

Impact of engagement, including measures of success
Our measure of success in our engagement with suppliers would be to achieve our sustainable objectives of: - A intensity reduction of 15% in GHG emissions of cattle products by 2025 and 100% of our direct supply of wild caught fish to be certified as sustainable. In this context, we have helped create a physical supply chain working group within the UK Roundtable for Sustainable Soy. This is tasked with building fully traceable soy supply chains for UK and Irish beef and dairy cattle feed to give farmers a choice of certified deforestation free feed. Our top two cod and haddock suppliers in Russia and Norway have invested in trawlers with on board processing of otherwise discarded carcass materials in o raw materials for feeding farmed salmon. This reduces waste and footprint from the wild fish and replaces the use of other wild caught fish, sourced from South America, in the local salmon farms in Norway. We are working in a full supply chain collaborative project within the European Roundtable for Beef Sustainability. This is setting targets for the reduction of scope 3 emissions in cattle farming by 15% by 2025. We are contributing to this by convening our suppliers to participate in trials and ultimately to disseminate best practice methods to the supply chains. We are working directly with the feed companies to facilitate workshops where alternative novel feed ingredient suppliers, farmers, and retailers can meet and find collective solutions to bringing these ingredients to the mainstream market. Our salmon suppliers have led the industry in the adoption of alternative ingredients such as algal oils and insect meals. The aspiration to use these has been included in the supplier standards and uptake is rising year on year. Our principal salmon suppliers achieved a 14% reduction in use of wild caught fish oils in Salmon feed by replacing these with sustainable Algal oil. As a result of our engagement 98% of our direct supply wild caught fish is certified to the MSC and 100% of our aquaculture supply is third party certified for responsible seafood, whic brings us really close to the measure of success set on the fish products.

Comment

C12.1b

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

Type of engagement
Collaboration & innovation

Details of engagement
Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number
100

% of customer - related Scope 3 emissions as reported in C6.5
2

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
We actively engage with our customers on a combination of CSR work streams, which supports our common objectives to reduce climate change impacts. We have very large-scale partnerships with a small number of major retailers in each of the markets we operate in, which makes it achievable to engage 100% of our customers in shared processes. The scope of engagement that affects the climate change includes producing cattle decarbonisation plans for both Tesco and Albert Hein and are working in partnership with them to deliver these with the supply base. HFG are signatories alongside our customers and suppliers to the UK WRAP Meat in a Net Zero world commitment that includes commitments in GHG reduction, food waste, and eliminating deforestation. We have contributed to the development of the plans for cattle decarbonisation.

Impact of engagement, including measures of success
Our measure of success in our engagement with clients would be achieving our objectives and commitments such as: 100% of plastic packaging to be reusable, recyclable, or compostable by 2025; 70% of plastic packaging to be effectively recycled or composted by 2025 for the UK sites; achieve a 30% average recycled content across all plastic packaging. In order to achieve, packaging weight minimisation we have reduced its thickness and therefore its weight, eg from 720 micron to 480 micron in our trays used for steaks. We are continuously increasing the recycled content of both plastic and board packaging, and have achieved an average of 70% across all of our plastic packaging in 2020, well in advance of our 2025 target; to improve distribution efficiency to save fuel we have optimised case configuration therefore maximising truck fill. We are also addressing the footprint of our supply chain packaging by increasing the use of returnable crates and recycled closed loop cardboard cases with the intention of completely replacing polystyrene in our fish supply chain. As a result of our active engagement, we have made huge progress on our journey to sustainable and circular packaging. Having overachieved our target for recycled content, which is now an average of 70% across all plastic packaging. Furthermore 98% of our beef mince is now packed in recyclable mono plastic trays, while 100% of our paper and board is sustainably sourced.

C12.1d

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

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

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

As result of our active membership in various innovation and sustainability driven industry working groups we are able to influence the industry trends n terms of emissions reductions.

An example of this is our role as vice chair of the European Roundtable in Beef Sustainability (ERBS) and the group setting goals for the Global Roundtable for Sustainable Beef. In our role in ERBS have commissioned a review of the LCA's for beef by Wageningen university and a survey of the interventions used by major meat and dairy companies to reduce the GHG output showing which is the most cost effective. We lead the environmental work within the UK Cattle Sustainability Platform (UKCSP) that includes all of our suppliers and customers. Within the UKCSP we have helped align all the members behind one single plan. As a result of our engagements we have set an intensity reduction of 15% in GHG emissions of cattle by 2025. which is aligned to the targets set by the European Roundtable for Beef Sustainability.

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

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

Yes

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

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

Management practice reference number
MP1

Management practice
Other, please specify (Sustainable animal feed)

Description of management practice
We are working to create fully traceable physical supply chains for verified Deforestation and Conversion Free (DCF) soy for use in feed for all of our livestock species globally. feed to both UK and global farms that supply Hilton. We are signatures of support to the Cerrado Manifesto and founder sponsor members of the Soy Transparency Coalition. We are encouraging the uptake of novel proteins and oils in aquaculture feed that have a lower carbon and broader environmental footprints.

Your role in the implementation
Financial
Knowledge sharing
Procurement

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

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

Comment

Management practice reference number
MP2

Management practice
Livestock management

Description of management practice
Encouraging the uptake of methane reducing animal feed additives and to advocate for support for their use at scale globally.

Your role in the implementation
Knowledge sharing
Other, please specify (Advocacy, mapping effectiveness)

Explanation of how you encourage implementation
To help map the various solutions available and how effective they are then work collaboratively to share this knowledge via our suppliers and national or global forums. In our role in ERBS we have commissioned a survey of the interventions used by major meat and dairy companies to reduce the GHG output including asking which feed additives are the most cost effective. The resulting report will advise farmers on the potential GHG reduction impacts they can achieve and hopefully to demonstrate how they have also improved feed efficiency making this a very cost effective solution. We will use this knowledge to advocate for governments to support their use. Sharing global knowledge of research and development of feed additives with suppliers and through them to farmers.

Climate change related benefit
Emissions reductions (mitigation)

Comment

Management practice reference number
MP3

Management practice
Knowledge sharing

Description of management practice
Engagement in forums where best practice is shared in a precompetitive environment addressing shared challenges such as encouraging supply chains to set science based targets

Your role in the implementation
Knowledge sharing
Procurement

Explanation of how you encourage implementation
We have joined the UNGC and the UN Sustainable Oceans Business Platform where we are learning form businesses across many sectors how they are working to achieve their science based targets. We presented at the World Economic Forum Virtual Ocean Dialogues in 2020 https://www.weforum.org/events/virtual-ocean-dialogues-2020/sessions/sustainable-ocean-economy With an opening video address from Erna Solberg, Prime Minister of Norway.the session addressed how fish provide essential nutrients for over 1 billion people. Recovery from the pandemic and building back a more resilient and sustainable ocean economy will be critical to ensuring long-term ocean security, and inclusivity for the livelihoods that depend on it. The need to rethink and rebuild our economic system presents an opportunity that society must seize today. At the same time, we must address the gaps in ocean management and take action to reverse unsustainable ocean economy practices. We have contributed to the forthcoming UNGC report advising seafood companies globally how to set and achieve science based targets.

Climate change related benefit
Reduced demand for fertilizers (adaptation)
Reduced demand for pesticides (adaptation)

Comment

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

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

Yes

C12.3

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

Trade associations

C12.3b

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

Yes

C12.3c

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

Trade association

Food and Drink Federation (UK)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The FDF is commited to reach net zero emissions by 2040. The FDF and its members are fully committed to cutting CO2 emissions, promoting efficient water use, building a more circular economy for packaging, embedding environmental standards in transport practices and reducing food waste. FDF wants to increase understanding of sustainable supply chains and natural capital. FDF has committed to reach net zero emissions by 2040.

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

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

Trade association

British Meat Processors Association

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

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

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

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

C12.3f

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

We build our advocacy strategy in line with our CSR goals and objectives. The strategy is agreed by the Sustainability Committee which is creating clear position statements as required.

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

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

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

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

C12.4

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

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
annual-report-2020.pdf

Page/Section reference
Governance: pages 56-57 Strategy: page 32 Risks and opportunities: page 33, page 54 Emission figures: page 58 Emission targets: page 55

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C13. Other land management impacts

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

(C-AC13.2/C-FB13.2/C-PF13.2) Do you know if any of the management practices mentioned in C-AC12.2a/C-FB12.2a/C-PF12.2a that were implemented by your suppliers have other impacts besides climate change mitigation/adaptation?
No

C15. Signoff

C-FI

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

C15.1

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

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

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	2774036

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	GB	00B1V9NW54

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member
Ahold Delhaize

Scope of emissions
Scope 1

Allocation level
Facility

Allocation level detail
Hilton Food Group facility in Holland is a strategic partner of Albert Heijn, and all Scope 1 emissions of Hilton Food Group Holland are allocated to the products supplied to Ahold.

Emissions in metric tonnes of CO2e
1188.485

Uncertainty (±%)
0

Major sources of emissions
Major sources of Scope 1 emissions are natural gas used in operation of the facility and diesel used for transportation purposes.

Verified
Yes

Allocation method
Allocation not necessary due to type of primary data available

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Hilton Food Group facility in Holland is a strategic partner of Albert Heijn, and all Scope 1 emissions of Hilton Food Group Holland are allocated to the products supplied to Ahold. In this case allocation was not necessary.

Requesting member

Ahold Delhaize

Scope of emissions
Scope 2

Allocation level
Facility

Allocation level detail
Hilton Food Group facility in Holland is a strategic partner of Albert Heijn, and all Scope 2 emissions of Hilton Food Group Holland are allocated to the products supplied to Ahold. Please note the Scope 2 emissions reported are using the market based approach as defined by GHG Protocol.

Emissions in metric tonnes of CO2e
7213

Uncertainty (±%)
0

Major sources of emissions
The major sources of Scope 2 emissions is electricity used in operation of the Hilton Food Group Holland facility.

Verified
Yes

Allocation method
Allocation not necessary due to type of primary data available

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Hilton Food Group facility in Holland is a strategic partner of Albert Heijn, and all Scope 2 emissions of Hilton Food Group Holland are allocated to the products supplied to Ahold. In this case allocation was not necessary.

Requesting member
Coop Danmark A/S

Scope of emissions
Scope 1

Allocation level
Facility

Allocation level detail
Hilton Food Group facility in Denmark is a strategic partner of Coop Danmark A/S, and all Scope 1 emissions of Hilton Food Group Denmark are allocated to the products supplied to Coop Danmark A/S.

Emissions in metric tonnes of CO2e
187.97

Uncertainty (±%)
0

Major sources of emissions
Major sources of Scope 1 emissions are natural gas used in operation of the facility and diesel used for transportation purposes.

Verified
Yes

Allocation method
Allocation not necessary due to type of primary data available

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Hilton Food Group facility in Denmark is a strategic partner of Coop Danmark A/S, and all Scope 1 emissions of Hilton Food Group Denmark are allocated to the products supplied to Coope Danmark A/S. In this case allocation was not necessary.

Requesting member
Coop Danmark A/S

Scope of emissions
Scope 2

Allocation level
Facility

Allocation level detail
Hilton Food Group facility in Denmark is a strategic partner of Coop Danmark A/S, and all Scope 2 emissions of Hilton Food Group Denmark are allocated to the products supplied to Coop Danmark A/S. Please note the Scope 2 emissions reported are using the market based approach as defined by GHG Protocol.

Emissions in metric tonnes of CO2e
1143.99

Uncertainty (±%)
0

Major sources of emissions
The major sources of Scope 2 emissions is electricity used in operation of the Hilton Food Group Holland facility.

Verified
Yes

Allocation method
Allocation not necessary due to type of primary data available

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Hilton Food Group facility in Denmark is a strategic partner of Coop Danmark A/S, and all Scope 2 emissions of Hilton Food Group Denmark are allocated to the products supplied to Coop Danmark. In this case allocation was not necessary.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
We face no challenges	All emissions for those sites that supply our customers have been included in this module. The volume share of supplied products in Denmark and Holland are going predominantly to one customer customer in each of these markets so it is reasonable to include all emissions in those markets in this submission. All actions to reduce emissions will positively impact the emission reduction targets of our customers.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?
No

SC1.4b

(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

All production processes and packing lines are utilized for one major client in each of the 2 markets reported above. Additional energy required for operating cutting and packing lines for the small proportion of other customers volumes would not significantly impact overall emissions.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?
No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?
No, I am not providing data

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below
I have read and accept the applicable Terms