



Responsible Business Report 2019

INTRODUCTION

From the outset, Avara Foods has placed an emphasis on people, values and culture; with how we do things being as important as what we do. In this respect, the new venture reflected the priorities shared by its parent businesses. Indeed, we are fortunate that, despite being a relatively new company, we also enjoy a long-standing and demonstrable commitment to responsible business.

Building a business based on its values is important to us and reflects the emphasis we place on the four simple words that describe us best: Excelling, Inclusive, Integrity and Ambitious. We firmly believe that keeping our Values at the heart of everything we do will guide us and help us be a better business with responsibility at its core.

This first 'Responsible Business Report' reflects our journey to date: integrating two businesses, sharing good practice and redefining expectations. While it's evident we do many things well, I also appreciate there is much more to do. This report provides a solid platform from which we can develop the exciting opportunities in front of us.

Our approach is to keep Responsible Business firmly rooted within our day-to-day activities. To ensure that

this remains the case, we have empowered a working group – comprised of leaders in our business – to critically assess progress, commitments and actions and challenge us to do better.

Avara is committed to being a Responsible Business. I am proud of what we've delivered to date, confident in our ability to achieve more and excited about what we can do together in the months and years ahead. I look forward to sharing details of our progress in future reports.



Andy Dawkins
CEO, Avara Foods

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POULTRY PASSPORT

We expect everyone that works with livestock to be knowledgeable and professional: that's why we insist every member of our farm teams holds a 'Poultry Passport'. Covering essential subjects like poultry welfare and biosecurity, and to different levels to reflect that individual's responsibilities, a 'Poultry Passport' is a record of training and development, measured against clearly defined standards.

We believe that people are vital to good welfare so, as part of the Poultry Passport, we will be requiring all farm managers to complete a formal Level 3-accredited qualification. This will help maintain our commitment to the skills, knowledge and behaviours to be successful.



RESPONSIBLE FARMING

Good welfare means providing for the needs of the birds in our care. We do it because it's important to us, we have a moral obligation and because it is consistent with good business practice. Good welfare isn't established through any individual activity, it is the culmination of many factors - all delivered to high standards. This is why all our farms meet Red Tractor assurance standards - a leading benchmark for food production globally. We're proud of what we do and regularly welcome visitors to our farms.

Breeding and genetics: None of the breeds we use have been genetically modified and we never use hormones or artificial growth promotion. Our chickens, turkeys and ducks are naturally bred, by selecting specific traits, which include welfare aspects. In tandem, our birds are all fed a natural diet, with a focus on providing the right nutrition.

Environment: All of our birds, whether chicken, turkey or duck, are raised in environments tailored to suit their specific needs; be that temperature, humidity, light or additional enrichment to encourage their natural behaviour. Examples of the latter might include windows, bales, pecking objects and, specifically for ducks, access to water to preen.

Our rigorous biosecurity measures are designed to maintain the healthiest possible environment for our birds. Every visitor must wear boots and overalls to access the farm, and use boot dips then boot covers before they are allowed in any bird house. Our farm teams have dedicated clothing and footwear to keep potential disease out.

People and training: Every one of our farmers has a 'Poultry Passport' - ensuring that they have the knowledge we expect of anyone with responsibility for our animals, and this includes a module dedicated to bird welfare.

Our teams on farm are supported by a broader network of management and audit teams. Audit findings are used alongside key welfare indicators to drive continual improvement on the farm.

Medication and veterinary support: Through vaccinations and natural feed additives we provide the best possible start. If the need arises, however, we will not let birds suffer and may use medication. Antibiotics are only ever be used on the advice of a vet to treat an identified bacterial infection. We are committed to using as little antibiotic as possible, while safeguarding the health of our birds. Over the last six years we have reduced our antibiotic use by 80%.

Transport and slaughter: We aim to limit the transit time between farm and processing site, and all of our birds are stunned prior to slaughter, a part of the process which is overseen by Government appointed vets at all times.



COMMITMENTS

- › 100% of our own and partner farms maintain their Red Tractor status
- › Every farm has passed two audits each year - by end-2020
- › 100% of broiler farms have natural light and enrichment
- › 100% of farm managers to undertake a Red Tractor accredited qualification at Level 3
- › Focus on reducing travel times from farm to factory to 100% under four hours
- › Continue progress in reducing antibiotic use

FOOD YOU CAN TRUST


Eating food produced by someone else is the epitome of trust. It requires confidence and faith that it has been produced to high standards, is safe to eat and is exactly what it claims to be. We cannot, and do not, take this trust for granted.

Independent assurance: At the heart of our food safety credentials are our independently accredited facilities, assessed against the British Retail Consortium Global Food Safety Standards, by independent external auditors to exacting standards.


Thorough examination: Every product that we provide passes through a range of extensive checks and tests before we deem it suitable for consumers. Sophisticated technology, in combination with multiple pairs of human eyes, examine everything we produce and we undertake detailed benchmarking to ensure that our standards are amongst the best in the industry.

Tackling Campylobacter: Campylobacter is a naturally occurring bacterium that is killed during cooking. We continue to support the Food Standards Agency campaign to reduce levels and have achieved this through a combination of measures alongside state-of-the-art technology. We also support several university research programmes designed to help reduce levels still further. Consumers have a role to play by ensuring that meat products are thoroughly cooked before being eaten.


We have invested significantly throughout our supply chain, from farm to processing to packaging.

 **FARM**

- › Good animal husbandry
- › Biosecurity measures

 **PROCESSING**

- › Process intervention – ‘SonoSteam’
- › Hygienic processes

 **PACKAGING**

- › Roast in the Bag packaging
- › High Oxygen flushed packs

Our primary processing sites that supply retail customers have SonoSteam technology, which reduces Campylobacter levels through a combination of steam and ultrasound. This year, we've updated this technology to maintain our focus in this important area.

We have also invested in packaging that removes the need to handle raw chicken and have extended this from Roast in the Bag for whole chickens, to be the first manufacturer to supply portioned chicken products in pouches.

Allergens: Certain food ingredients have the potential to cause an allergic reaction for a significant number of people and this can be very serious in some cases. We don't allow the use of any nut products in our facilities and make every effort to keep the use of other allergens to a minimum. If any ingredients containing allergens need to be used, we operate with a number of strict handling controls, combined with effective hygiene measures, to keep them segregated, during storage and production. All ingredients and products are clearly labelled with allergen information.

Traceability: We operate a short and tightly controlled supply chain from UK farms and operations. We undertake regular system test exercises to ensure that our finished products can be traced back to the farms of origin.

COMMITMENTS

- › All processing sites to maintain minimum A grade status for BRC audits by 2020
- › Campylobacter – Continue to meet the FSA target and reduce highest levels to <5%
- › All the Avara processed poultry is sourced locally in the UK from Red Tractor assured farms
- › All of our eggs come from our own local UK farms or from accredited suppliers with full traceability
- › 100% of Soya used in feed sourced from sustainable production

TACKLING CAMPYLOBACTER

We have successfully reduced Campylobacter in our fresh whole chickens by maintaining strict controls on farms and during production, combined with state-of-the-art SonoSteam equipment that utilises an innovative steam and ultrasound process. Our continued investment means that we have the newest versions operating in our facilities and we are utilising the latest technology to improve its consistency and effectiveness.

Working closely with our equipment supplier, we are using a unique 3D-printed ‘chicken’ to fine-tune the SonoSteam equipment. This ‘chicken’ is actually a temperature measuring device, with sensors at multiple points on its surface that each individually record the temperature during the process. We then adjust the SonoSteam setup based on this data, to deliver an even higher level of performance.





SUPPORTING APPRENTICESHIPS

We are strong advocates for apprenticeships and offer a wide range of subjects and levels, from Level 2 to Degree. Apprenticeships offer tangible benefits to us and also to prospective apprentices:

- › We can align development programmes with the current, and future, needs of our business.
- › School leavers see an attractive way of obtaining a qualification while earning a wage, gaining valuable experience or (particularly with degree subjects), avoiding the increasing cost of full-time further education.

Importantly, our apprenticeships are complemented by clearly defined development pathways to ensure that our apprentices have every opportunity to progress and build a career with us.

PUTTING PEOPLE FIRST

Our people are what make us great – their talent, their commitment and their diversity. We recognise this and understand the responsibility we have to meet the needs of the people that are ultimately responsible for our success. We are committed to being an inclusive employer: where people are free to be themselves, feel that they have an important role in our business and have opportunities to develop and grow with us.

Health & Safety: We're absolutely clear that there is nothing that is so important that we can't take the time to do it safely. We expect and empower individuals to take responsibility for their own health and safety. We undertake regular audits and inspections, including annual independent assessments, and our Executive Committee maintain close oversight of incidents, issues and improvements.

Inclusion, Diversity and Wellbeing: Our aim is to ensure that everyone feels included, no matter what their age, gender, race or background and we've formed an Inclusivity, Diversity and Wellbeing team to identify ways in which we can be better.

Human Rights and Modern Slavery – Providing a safe environment also means one that is free of exploitation. We are leaders in our industry, with strong policies, tight governance and close collaboration with the Gangmasters and Labour Abuse Authority' (GLAA) to protect our business and our people from the threat of modern slavery.

Opportunities for all: We provide opportunities for everyone in our business. We have 15 different apprentice programmes underway, from Level 2 to Degree, we offer functional training in core areas like English and Mathematics, accredited leadership programmes at multiple levels and professional qualifications to support the development of specialist skills.

Communication and feedback: Being an inclusive business means engaging people and listening to what they have to say. We provide a range of communications, including a company magazine that reaches everyone and encourages them to share their own news.

We also offer different ways for colleagues to speak up, including the development of a company-wide opinion survey that will gather the collective feedback of our people and identify areas where we can be better.

Fair employment: It's important to us that employees feel fairly treated and there are a number of principles that we've adopted to support this.

- › We do not have zero hours contracts,
- › We do not distinguish between over and under 25's when it comes to pay
- › We pay everyone more than the National Living Wage – including apprentices
- › We do not use agency contracts for long term positions. A job with us is a job with us, not someone else.



COMMITMENTS

- › 3%+ of colleagues undertake an apprenticeship per annum
- › 10% reduction in year on year in number of hours lost to safety related incidents in the workplace
- › 75% of vacancies filled through internal promotion by 2021
- › 75% of employees would recommend us as an employer
- › Reduce gender pay gap every year

LEAVING A SMALLER FOOTPRINT

As a business with an extensive and far reaching supply chain, our environmental impact has the potential to be significant. We consider it an imperative for responsible business to limit, and reduce, our impact on the world around us to provide a sustainable source of protein that people can rely on.

Management and control: Historically we've held ISO 14001 and were the first UK poultry business to achieve ISO50001 accreditation. As Avara Foods we are extending the remit of these important, and externally verified, standards to cover all major sites in our business.

Energy/Carbon: We place a great emphasis on carbon reduction, primarily through reducing our energy consumption. Whether as part of a major project or through the empowerment of local teams, we've had great success driving reductions. From 2014 - 2018, in those sites covered by ISO50001, we cut electricity consumption by 8,883,253 KW/h. That's enough electricity to run our facility in Brackley for six months.

100% of our operations are now powered by renewable electricity and around 85% of our farms have biomass on site. This includes multiple litter burning installations, where litter from one crop is burnt to provide heat for the next - enabling a cyclical and self-sustaining approach to farming.

Water: We adopt the mantra 'reduce, reuse, recycle'. Having focused on efficient use of water we are actively looking at options to re-use and recycle more of what we use, relieving pressure on commercial treatment plants and fresh water supply.

Waste: Our business is built on minimal waste - finding value in everything we produce. Even material that is not suitable for human or animal consumption becomes saleable products that create value for our business. We've signed up to *Champions 12.3*, and the commitment to reduce food losses within the production and supply chain by 2030.

Supply Chain: Our responsibility goes beyond our own footprint, that is why we use 100% sustainable soymeal in our animal feed. Independently verified certification schemes provide guarantees on worker welfare, good agricultural practices, previous land use,

habitat protection and reduced greenhouse gas emissions. We don't use Palm Oil in our animal feed and we purchase over 50% of our wheat locally.

We are also looking at ways in which we can reduce the impact of chicken waste on the land, by reducing phosphorous intake (through feed) and thereby reducing phosphorous content in manure.

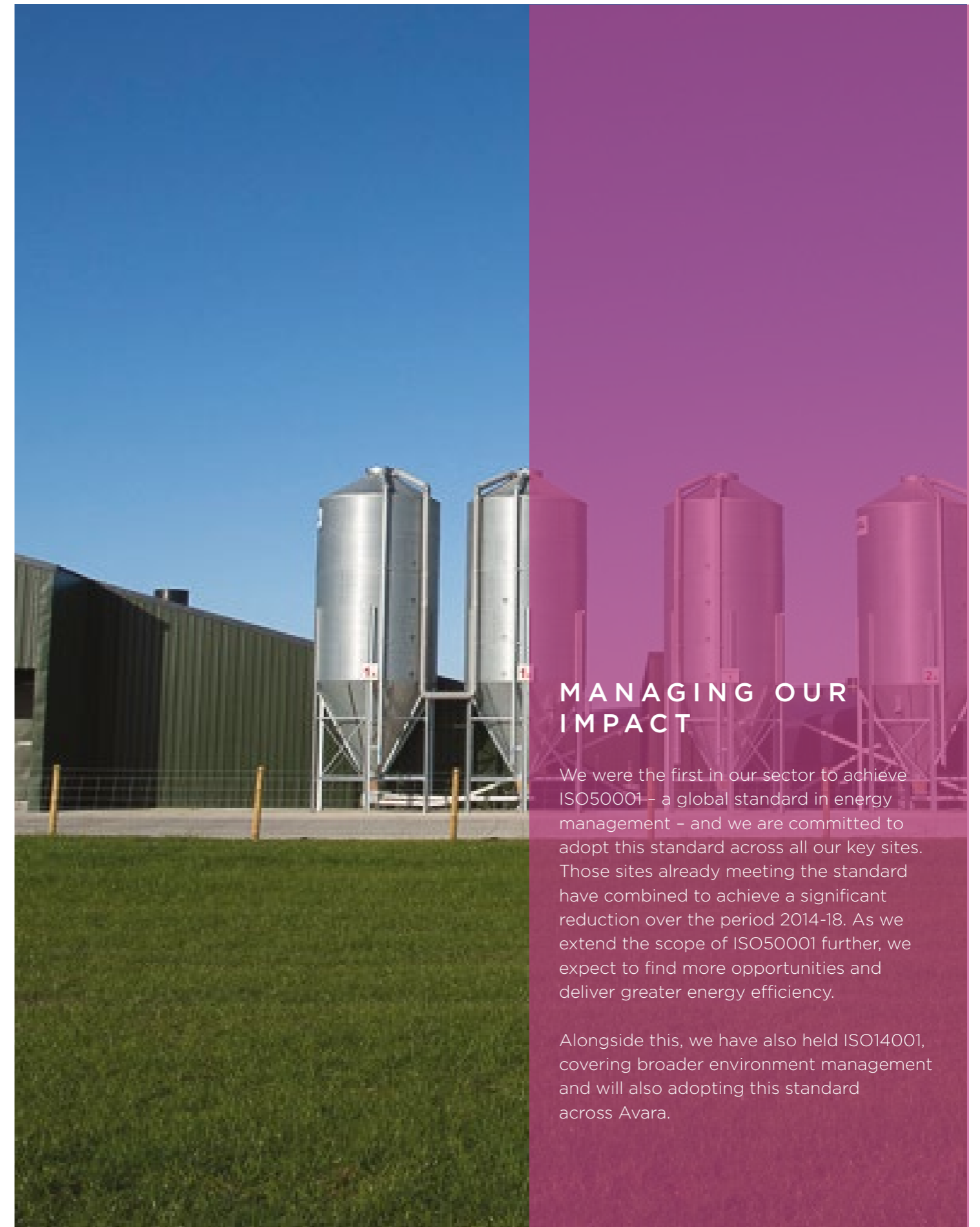
Plastic/packaging: We've signed up to the UK Plastics Pact and are working hard to fulfil our commitments to this important pledge.

In addition, all of the paper and card we use is from recycled material or has been approved by the Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC).



COMMITMENTS

- › Extend ISO50001 and ISO14001 to cover all key Avara sites (by 2021)
- › Champions 12.3 - food waste reduction targets by 2030
- › Courtauld 2025 - reduction in food waste, greenhouse gas emissions and water usage
- › UK Plastics Pact 2025 - Eliminate problematic or unnecessary single-use packaging through redesign, innovation or alternative (reuse) delivery model



MANAGING OUR IMPACT

We were the first in our sector to achieve ISO50001 - a global standard in energy management - and we are committed to adopt this standard across all our key sites. Those sites already meeting the standard have combined to achieve a significant reduction over the period 2014-18. As we extend the scope of ISO50001 further, we expect to find more opportunities and deliver greater energy efficiency.

Alongside this, we have also held ISO14001, covering broader environment management and will also adopting this standard across Avara.



FARESHARE

We were the first poultry supplier to commit to regular, dependable deliveries of fresh, quality protein to FareShare, for them to distribute amongst their charity partners. Over 2019 we will supply enough protein for almost 150,000 meals for people that need it most.

As well as the obvious nutritional benefits of a wholesome meal, many charities offer food as a vital gateway to other important services that give support to those that need it most.

Supplying much needed protein is a good start, but we're also looking at ways we can develop our relationship with FareShare to provide support in areas other than food.

AT HOME IN THE COMMUNITY

We recognise our role in our local communities and take it seriously. We are an employer, neighbour and partner, determined to be recognised as a positive contributor to community life; engaging people and utilising resources to help tackle local needs. Our focus is on four themes that are aligned to core business and where we can utilise our full range of expertise, resources and skills to have the biggest impact.

Food poverty: We believe that good quality, healthy protein should be available to everyone.

Every week we supply FareShare depots in the West Midlands and South West with a dependable supply of fresh chicken, free of charge. This is not surplus or waste product, but a regular commitment that FareShare then distributes amongst its charity members. We are actively looking at more ways we can work with FareShare and support their mission.

Healthy lifestyles: Our core business is providing healthy protein, so it makes sense that we support activities that encourage other aspects of a healthy lifestyle.

We support a number of mass participation events that are open to anyone and ideal motivation to get moving. Through Luctonians Rugby Club in Herefordshire, we fund the provision of multi-sports coaching and activities to local schools, encouraging participation and creating opportunities for friendly competition.

Supporting education: Helping address skills gaps in the UK, preparing the next generation for work and supporting their education are all areas in which we can make a positive difference.

Our Telford site has been heavily involved with local schools to encourage their students to consider Science, Technology, Engineering and Maths (STEM) subjects. An advanced manufacturing site, Telford is an ideal location to show the practical benefits of STEM skills and potential career opportunities.

At each of our major sites we will create and develop relationships with at least one school, and work together to agree and deliver meaningful support for them and their students.

Employment opportunities: One of the most impactful and lasting contributions we can make is to provide meaningful jobs and opportunities for people in our communities.

Alongside a range of apprenticeships of varying levels, we work with groups to support ex-military personnel back into work and have established relationships to support ex-offenders back into mainstream employment.



COMMITMENTS

- › 100% of our major operational hubs have programmes in place to deliver the 4 community initiatives by 2020
- › Participate in the Business in the Community Responsible Business Tracker
- › Provide more than 200,000 meals to people in need each year
- › For every graduate we hire we will create an opportunity that supports long term unemployed back into mainstream employment



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