



# FOR GOOD

A thick yellow curved line positioned below the word 'GOOD', resembling a smile or a checkmark.

Responsible  
Business  
Report

2022

# GOOD TO SEE YOU

We set out to put healthy, nutritious and high-quality protein within reach of as many people as possible, and to do so in a responsible and sustainable way. For Good is the framework that we use to keep us on track and continuously improving.

Built around five key themes, our For Good wheel covers the activities of our business and supply chain; dividing them into categories, each with their own objectives and actions. These themes, however, are not separate from each other, but are intertwined and considered as a whole.

That's the key to our approach: making sure that we properly understand the impact of our business, the issues that relate to us, and the complex relationship between, at times competing, priorities. Only then will we plot a course of action that we are confident will deliver improvement, without compromising standards elsewhere.



## INTRODUCTION

The last couple of years have been unprecedented in the scale and depth of challenge faced by all businesses. Hot on the heels of COVID, Avara has worked through stresses created by BREXIT, an increasing risk from widespread bird flu and significant cost inflation across almost every category of goods and services.

We established 'For Good' with a deliberate play on words but never expected this dual meaning to be tested so soon.

Given this backdrop, I am immensely proud that our commitment to progressing our sustainability agenda has never wavered and, as such, we are now ahead of our Science Based Target trajectory, have further reduced our use of plastic packaging and have crystallised a sustainable welfare proposition.

This year's report creates an opportunity to stop and reflect on progress to date and provides energy to continue moving forward.

At the heart of our achievements is a commitment to responsible business and an understanding of the role we play in society.

First and foremost, we are here to feed people: putting natural, healthy affordable protein within reach of as many people as possible. We aim to do that responsibly and sustainably, always looking to find ways of mitigating our environmental and social impact and reducing our demand on natural resources. This is a balance that we want to get right, and we can only do so by looking at issues holistically, understanding our contribution and using accurate data and evidence to shape our plans. That's how we'll make progress, for good.

A handwritten signature in dark blue ink, reading 'Andy Dawkins', is positioned above the printed name and title.

**Andy Dawkins**  
CEO, Avara Foods

# OUR PLANET

Food production has an inevitable environmental footprint. As a business who helps to feed millions of people every week, we recognise ours has the potential to be significant. Therefore we measure our impact and strive to manage and reduce it, by using science and data.

Climate change is a real issue with direct impact on food production and our broader way of life. We have an extensive supply chain and understand we have a key role to play in mitigating climate change and are committed to reducing our environmental footprint.

While our initial focus has been on mitigating our environmental impact, we are already seeing the impact of climate change and its consequences for our business. Alongside our mitigation efforts, we are beginning to establish climate adaption plans, which will help ensure the sustainability of our business and the supply of food for the nation.

## OUR APPROACH:

We have divided Our Planet objectives into five key pillars: energy, water, waste, plastics and biodiversity. Overarching these is our commitment to reduce our carbon footprint, and underpinning them are Key Performance Indicators, which we use to track progress, and Environmental Compliance.



## PROGRESS AGAINST TARGETS

		BEHIND	ON TRACK	AHEAD
SBTI	Scope 1&2: absolute reduction 46% by 2030 from 2019 baseline			✓
	Scope 3: absolute reduction from 28% by 2030 from 2019 baseline			✓
NET ZERO	Net Zero by 2040		✓	
2025 WATER AMBITION	Monitoring water use in our own operations and are improving efficiency		✓	
	Participating in collective action to improve the quality and availability of water in key sourcing areas		✓	
WATER ROADMAP	50% of fresh food is sourced from areas with sustainable water management		✓	
FOOD LOSS AND WASTE CHAMPIONS 12.3	50% reduction in food waste by 2030		✓	
PLASTICS PACT 2025	Eliminate problematic or unnecessary single-use packaging through redesign, innovation or alternative (reuse) delivery model		✓	
	100% of plastics packaging to be reusable, recyclable, or compostable		✓	
	70% of plastics packaging effectively recycled or composted		✓	
	30% average recycled content across all plastic packaging		✓	

# CARBON EMISSIONS

We have set ambitious Science Based Targets (SBTi's) for carbon emission reduction, as part of our Net Zero ambition.

## NET ZERO VS CARBON NEUTRAL: WHAT'S THE DIFFERENCE?

A "carbon-neutral" business has committed to not increasing its emissions and has reduced or balanced their emissions through offsetting. Whereas a "net-zero" business has made changes to reduce their carbon emissions to the lowest possible amount.

 **NET ZERO**  
We are committing to be Net Zero by 2040

**SCOPE 1&2**

Set in line with efforts to limit warming to 1.5°C

Reduce absolute emissions 46% by 2030 from a 2019 baseline

**SCOPE 3**

Set in line with efforts to limit warming to 2°C

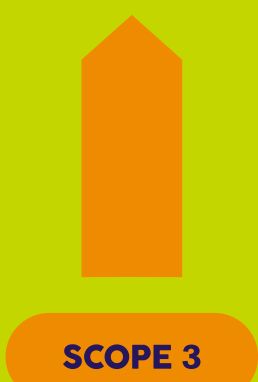
Reduce absolute emissions 28% by 2030 from a 2019 baseline\*

## GHG

PFCs CO<sub>2</sub> N<sub>2</sub>O HFCS CH<sub>4</sub> SF<sub>6</sub>



- ENERGY
- PROCESSES
- VEHICLES



- WASTE
- DISTRIBUTION & TRANSPORT
- FARMING PARTNERS
- USE OF SOLD PRODUCTS
- FEED & RAW MATERIALS

Scope 1 and 2 emissions are from our direct operations, which includes the energy consumption of our buildings, processes, and vehicles.

Scope 3 emissions are associated with our business but, outside our immediate control.

# CURRENT POSITION

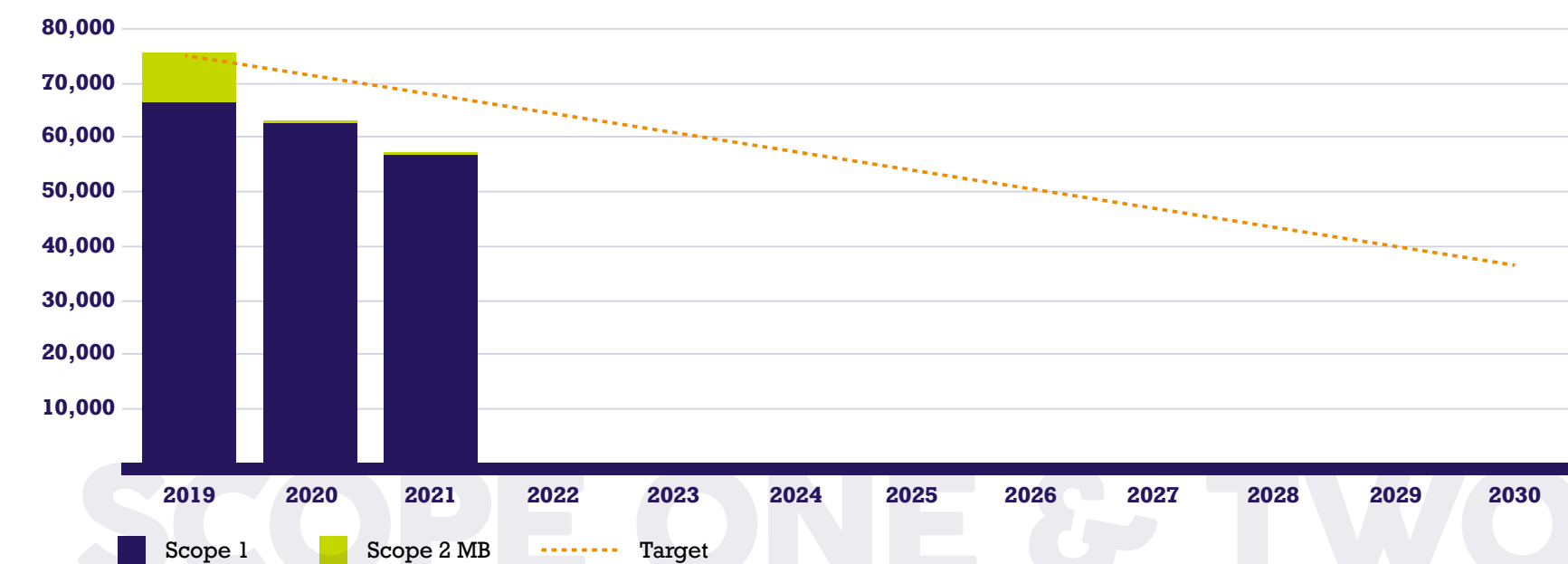


Understanding the nature of our carbon emissions is critical if we are to achieve our targets. We have undertaken detailed assessments of our supply chain to understand where our emissions originate from, and the volume. The graph shows our total emissions split out by process.

## SCOPE 1&2 REDUCTION

Since 2019, we have reduced our Scope 1 and 2 Market-Based (MB) Footprint by 24%. Our target is to reduce these absolute emissions by 46% by 2030 against our 2019 baseline.

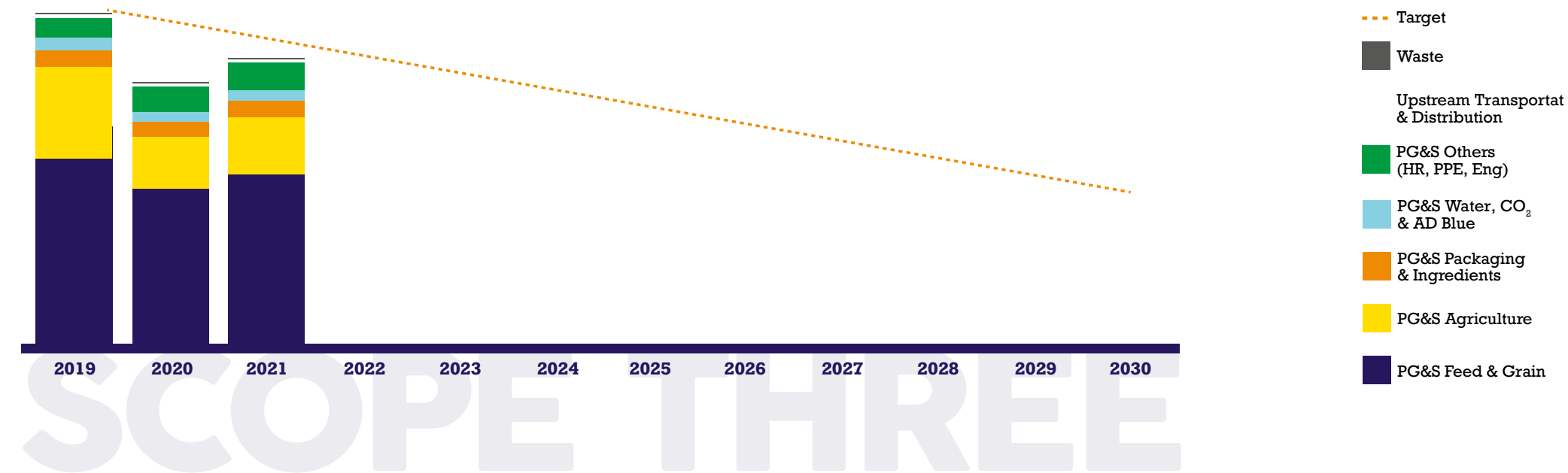
To enable us to meet this target, we need to reduce our emissions by approximately 4% YOY. When mapping our emission reductions so far against our Science-based targets, we are on track to successfully achieve our Science-based targets.





# SCOPE 3 REDUCTION

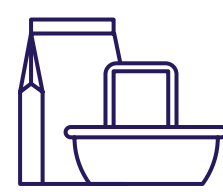
Since 2019 we have reduced our Scope 3 Footprint by 17%. To achieve our SBT, we need to reduce our emissions by approximately 2.5% YOY and are on track to successfully reach our reduction target of 28% against a 2019 baseline. Where we have seen increases this is in areas where we still use spend based methodology and is due to inflation rather than physical increases in emissions.



## TO REDUCE OUR SCOPE 3 EMISSIONS WE HAVE:



Switched to a zero waste to landfill contract.



Introduced new packaging that uses less plastic and has reduced associated emissions by 9% from 2020 to 2021.

## LIFE CYCLE ANALYSIS (LCA)

We are now completing annual Life Cycle Analysis (LCA) assessments on our feed rations, to better understand the environmental impacts of the raw materials in our feed. This has been a significant piece of work, that allows us to assess the impact of new and alternative feed rations. It will also allow us to track the carbon emissions from feed associated with each crop.

## NEXT STEPS

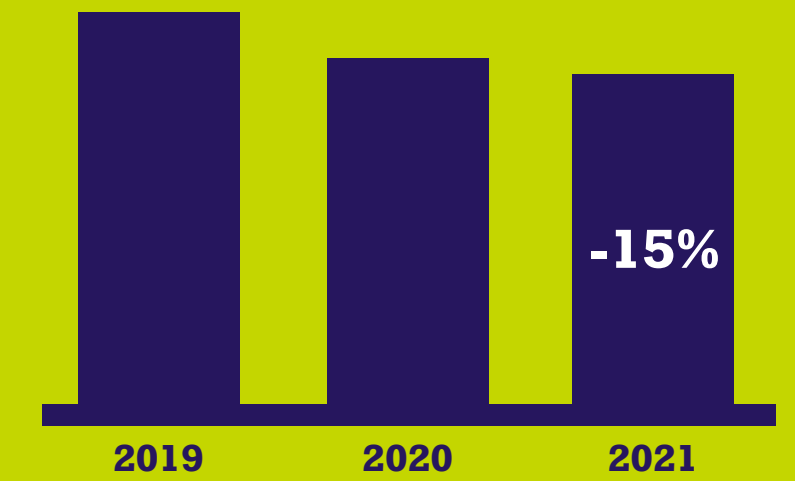
To continue our progress we are:

- Trialling an alternative to natural gas, initially with heat exchange pumps.
- Investigating the potential for new technologies within our supply chain, particularly utilising circular economies to generate alternative fuels for our transport fleet.
- Trailing new feed formulations and ingredients to reduce the carbon footprint associated with South American soya.
- Establishing new rules for our company car fleet, requiring only electric or hybrid vehicles, to significantly reduce the use of fossil fuel.

# ENERGY

Our energy consumption is monitored closely both at site and at group level. We have mature ISO 50001 and 14001 systems in place across most of our processing sites and mills, and plan to extend this further throughout our operations.

Since 2019 we have reduced our energy consumption by 15% by continuing to drive improvements in energy efficiency.



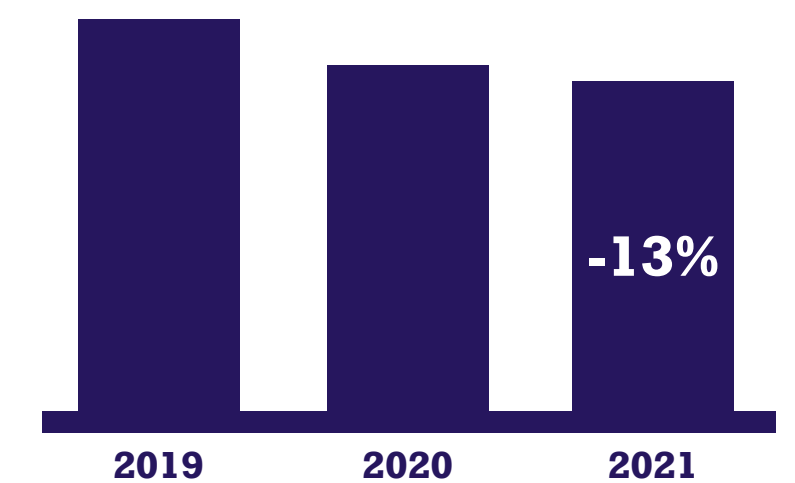
**15% REDUCED ENERGY CONSUMPTION SINCE 2019**

# WATER

This year, we have been focused on collating all the water consumption data from our larger sites, initially our factories, mills and hatcheries, in order to publish our first ever water footprint.

Our ISO14001 environmental management system provides a framework for individual sites to track, manage and reduce water consumption. We expect it to improve process efficiency as well as highlight opportunities for reuse and recycling. Since 2019, we've successfully reduced our water consumption by 13%.

As Courtauld signatories, we are committed to the 2025 Water ambition. This involves monitoring usage in our operations, improving efficiencies and taking collective actions to improve water quality and the availability of water in the aquatic environments around us.



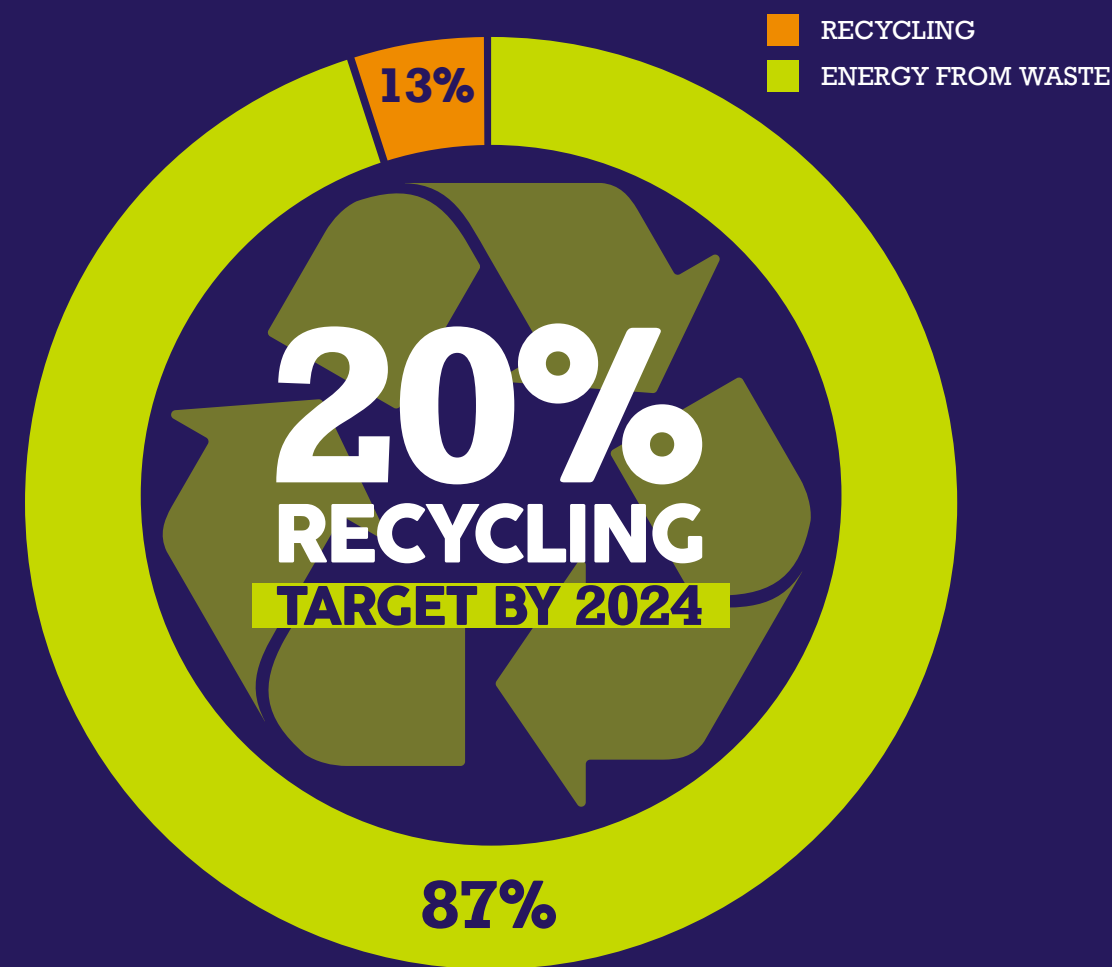
**13% REDUCED WATER CONSUMPTION SINCE 2019**

# WASTE

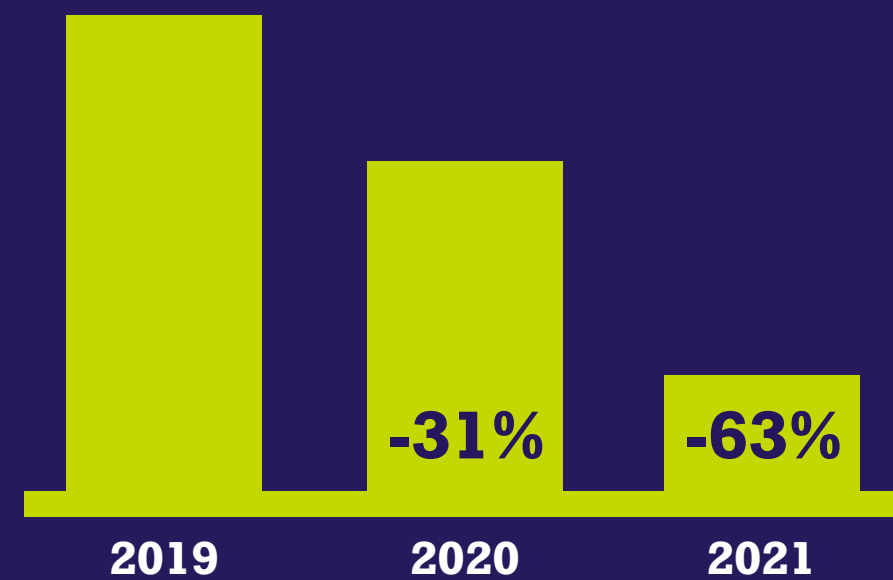
Waste in this section refers to general waste and recycling disposed of at Avara sites. Waste can be defined as any substance or material that no longer has a use or purpose and needs to be discarded.

Since 2019 we have reduced the emissions (tCO<sub>2</sub>e) associated with the disposal of waste in our food processing operations by 74%. This was mainly due to seeing a full annual years benefit from switching to a zero waste to landfill contract. This contract means our waste is now sent for energy recovery rather than landfill.

The data obtained has given us an insight to set targets, reduce the total amount of waste produced, increase recycling rates, and encourage circular economies.



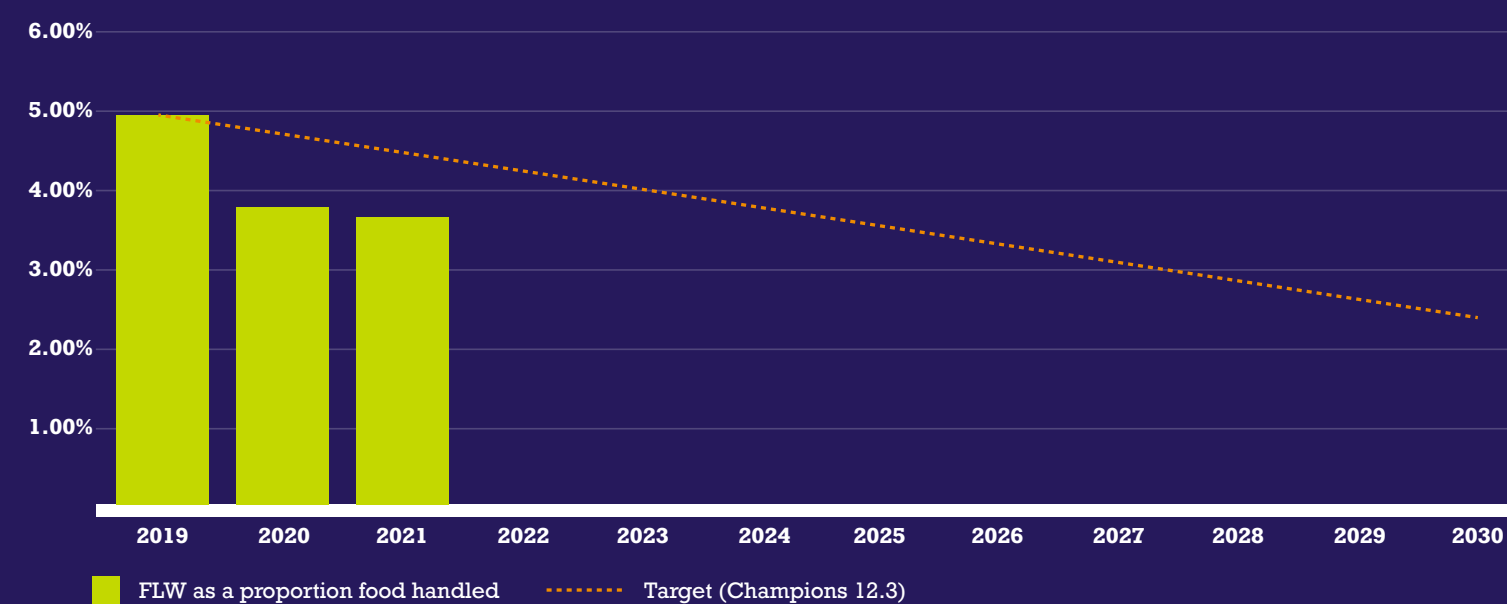
## tCO<sub>2</sub>e associated with waste disposal



## FOOD LOSS AND WASTE

Food waste is a significant issue in the UK and a potential cost to our business. Food loss and waste can occur across our operations: in agriculture and during processing. However, our business model is built on minimal waste and finding value in every part of the carcass, whether it is for the human food chain, animal consumption or a non-food product, such as biofuel.

We are currently on track to achieve the target of 50% reduction in food waste by 2030. In 2021 our operational food waste of sold product was 3.67%, down from our baseline year 4.93%.

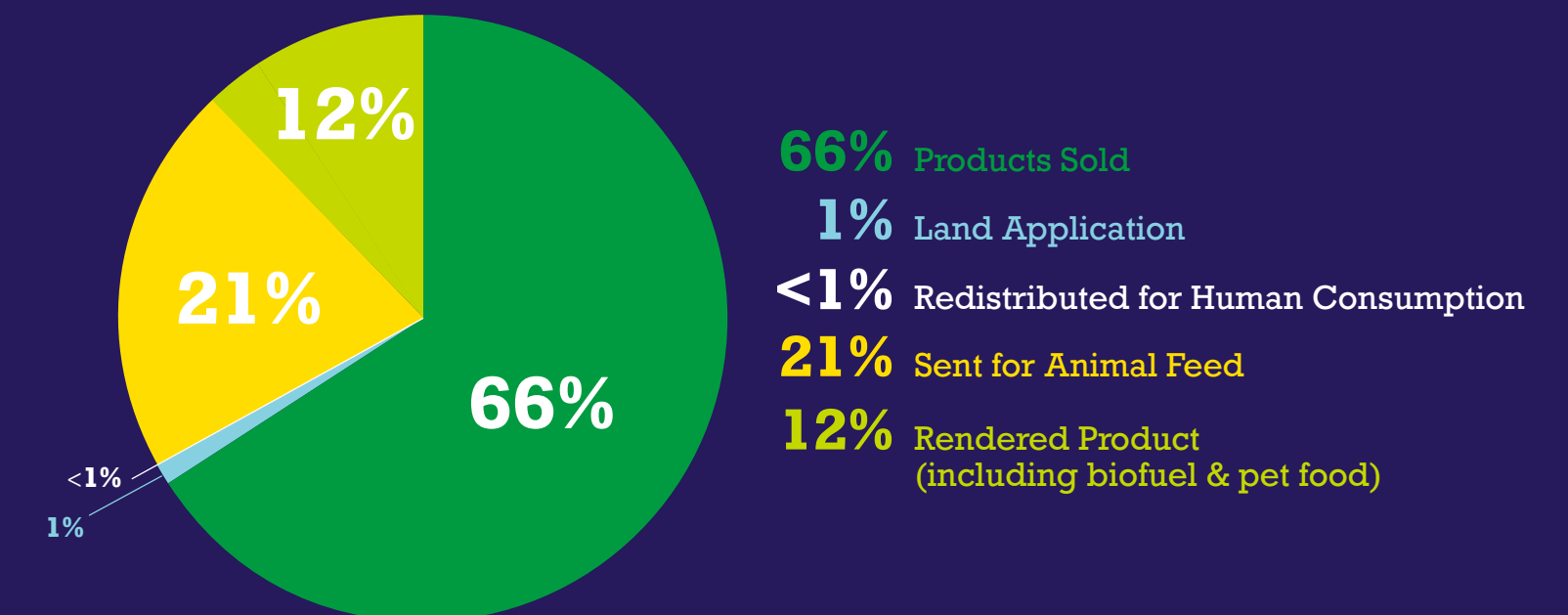


## END DESTINATION

In our supply chain, we redistribute products to the best of our ability for human consumption within our business to our staff shops and externally through charity donations such as FareShare; this is our food surplus.

The pie chart below shows how the majority of our products are used for human or animal consumption.

Most recently, we have started an end-to-end waste review with one of our food service customers. This aims to identify where waste hotspots occur as well as how, by working together, we can make reductions.





# PLASTIC & PACKAGING

Alongside other signatories, we will ensure plastic packaging is designed so it can be easily recycled and made into new products and packaging, ensuring consistent recycling is met.

The right packaging preserves the safety, quality, and nutritional properties of our products, as well as prolonging the life of our products and reducing food waste.

We have made significant progress introducing new packing to the market: reducing the amount of plastic required and increasing the proportion that can be recycled through kerbside collections. Find out more about this in the Our Consumers section.



Under the UK Plastics Pact, we have committed to:



Eliminate problematic plastics reducing the total amount of packaging on supermarket shelves



Stimulate innovation and new business models



Help build a stronger recycling system in the UK

# BIODIVERSITY

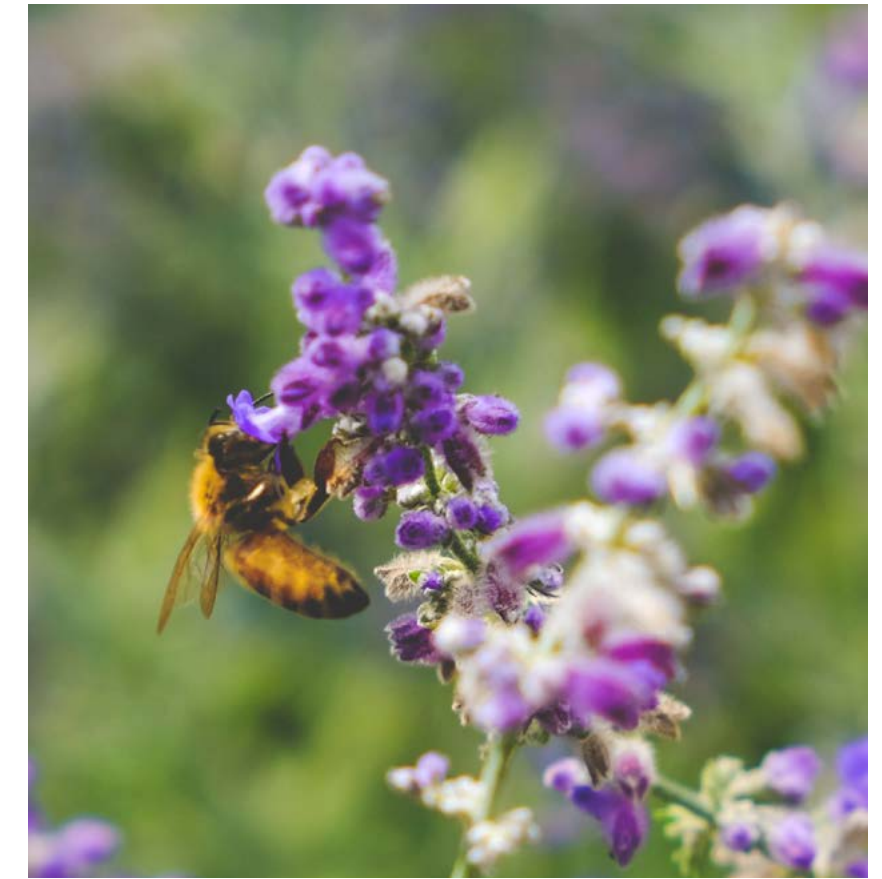
There are two immediate priorities when it comes to our business, wider supply chain and its impact on biodiversity:

## 1. SUSTAINABLE SOURCING

Working with our suppliers to ensure we are sourcing all the products we need to keep our birds fed and healthy. From suppliers supporting sustainable agricultural practices to zero deforestation.

## 2. MITIGATING POLLUTION IMPACTS

We are working with our local authorities and expert bodies to understand and drive solutions to local pollution linked to poultry litter spreading.



## SOURCING RAW MATERIALS

We use Brazilian soya as an ingredient in our feed. It's a great source of protein, which is a requirement for the healthy development of our birds, but we recognise that it needs to be sourced responsibly. We do this in a number of ways:

- We only buy certified zero-deforestation soymeal (and have done so since 2019). It's currently certified to sub-national regions and have committed to sourcing from verified zero-deforestation areas by 2025.

- We are a member of the UK Soy Manifesto, and are working collaboratively with others to find practical ways of achieving a UK supply of verified deforestation and conversion-free soya.
- We have reduced the amount of soya in our diets by using more alternative protein sources, such as synthetic proteins, peas, beans and rapeseed. We have also been investigating the use of alternative proteins to phase out the use of Soy in our diets.

Beyond soy, we do not use palm oil and over 50% of the wheat we use is purchased locally in the UK.





# RESPONSIBLE MANURE MANAGEMENT

Poultry manure is a valuable agricultural commodity, but one that must be handled responsibly.

In the Wye Catchment, excess phosphate is one of the contributing factors to declining water quality and damage to the wider ecosystem. While we do not apply manure to the land directly, we recognise that, as a significant producer within the catchment, we have a responsibility to ensure that the impact of our wider supply chain is adequately mitigated.

Before the end of 2022 we will be publishing our 2025 roadmap, detailing how we will ensure that manure from our supply chain no longer contributes to excess phosphate in the Wye. This is built around:

- Accurate data that enables targeted intervention
- Continued feed development, to further reduce phosphate levels
- Development of innovative technology to process manure and establish circular economies that create value
- Enhanced manure management standards to ensure rigorous control and oversight

By implementing our roadmap throughout our supply chain we are confident that we will play our part in reversing the decline of the Wye and returning this precious natural resource to its former glory.





# CIRCULAR ECONOMY

## LOOKING TO THE FUTURE: TOWARDS A CIRCULAR ECONOMY

Increasingly, we're aware that the sustainability challenges in front of us will not be addressed without fundamental changes in the way that we work. Achieving our Science Based Targets and NetZero ambition requires a different approach and new outlook.

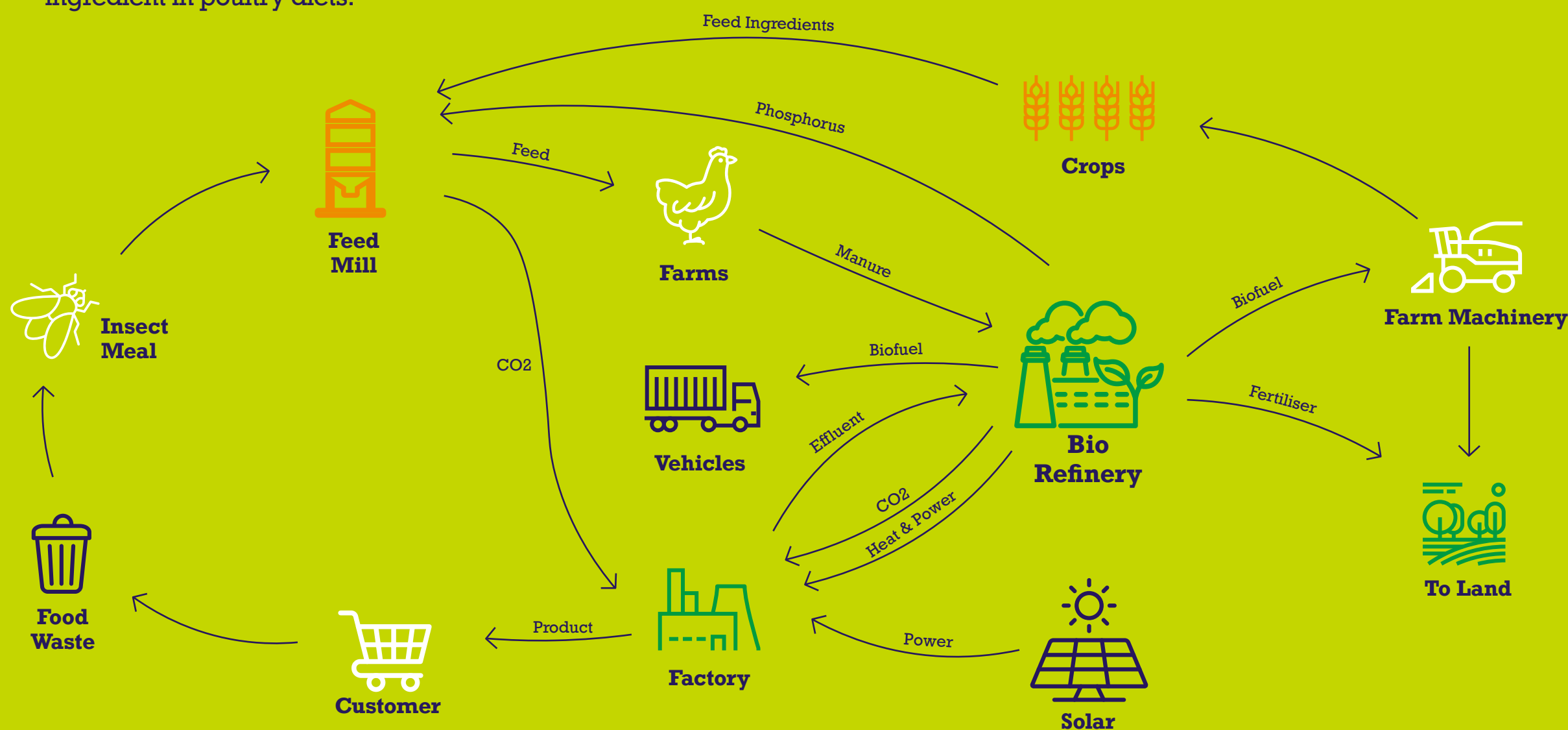
We believe that developing circular economies, where 'waste' products are converted into valuable resources, are at the heart of this transformation. The benefits are obvious – conservation of virgin resources and less waste both equate to a lower environmental footprint – and we're investigating a range of potential circular economies, which could have the potential to replace natural resources needed in our operations. These include:

- Alternatives to soya, including the potential use of Black Soldier Fly larvae, fed on food waste, as an ingredient in poultry diets.

- Processing chicken litter through novel anaerobic digestion plants to create new sources of phosphate, biofuel and, potentially, CO<sub>2</sub>.
- Investigating the potential for carbon capture within our operations, to provide a commercial-grade supply of CO<sub>2</sub> for our processing sites.

Alongside these projects, we'll be looking for more opportunities to create value from waste and further enhance the sustainability of our business.

The diagram shows how a circular economy might work.



# IN SUMMARY

	WHAT WE'VE DONE	WHAT WE'RE DOING NEXT	OUR TARGETS
<b>CARBON</b>	25% reduction in Scope 1&2 emissions since 2019 17% reduction in Scope 3 emissions since 2019	Collaborating with suppliers	SBTi 46% reduction in Scope 1&2 emissions by 2030 28% reduction in Scope 3 emissions by 2030
<b>ENERGY</b>	15% reduction in energy consumption since 2019	New technology trials	2% year on year improvements in energy efficiency
<b>WATER</b>	13% reduction in water consumption at our main sites	Water Footprint of our farms Water risk analysis of our supply chain	50% water to be sourced from sustainable sources 2025 Water Ambition
<b>WASTE</b>	26% FL&W reduction Zero waste to landfill 76% reduction in carbon emissions associated with waste disposal	Educating employees on effective waste segregation and improving on-site infrastructure	50% reduction in FL&W 20% recycling rates
<b>PLASTICS</b>	Reduced the tCO <sub>2</sub> e associated with packaging 10% since 2020	Continue to explore circular economies for our packaging	Plastics Pact
<b>BIODIVERSITY</b>	100% certified soy	Trialling alternative sources of protein	100% vDCF by 2025



# OUR PEOPLE

The last year has seen a challenging labour market, with a number of factors including demographic change and a burst of business activity following COVID, resulting in a lack of available people. In this environment Avara's clear focus on providing safe, stable employment, on good terms with real opportunities to develop to everyone in our local communities has never been more important.

## CULTURE OF CARE

At Avara people matter and they come first - they look after our animals, create our products, and ensure all our standards and expectations are delivered. It's our People who make the difference.

This starts with keeping people safe in their workplace, and a culture of care that treats people with respect and looks after their physical and mental wellbeing.



## COMING OUT OF COVID

As the national measures eased over the last 12 months, we have taken a careful and phased approach to removing our own measures, only relaxing the last of these temporary interventions in June 2022. We did this to ensure we prioritised the health and safety of our colleagues only changing when we felt satisfied that it was safe, timely and where it could be achieved in a consistent and progressive manner.

During COVID and after we never took our eye off the basics of safe working. That's why we have seen the following improvements in safety and lost time accidents.

**12%**

**reduction in RIDDOR accidents since 2018**

**8%**

**reduction in Lost Time incidents in 21/22**

# HEALTH & WELLBEING

In 2022 we've expanded our health and wellness provision, establishing health and wellness centres at our major operational sites, providing dedicated and personalised support. This was done with four important benefits in mind.

1. Bring occupational health in house - giving us more opportunities to provide an in-depth tailored service, supporting individuals back to work, and looking holistically at their health, rather than just at isolated symptoms and concerns.
2. Provide better mental health support - an issue that's increasingly important and relevant in our business as we help people cope with the challenges of a difficult external economic environment. In the last 2 years we have rolled out mental health awareness training to over 200 colleagues.
3. Ensure we offer preventative help in the workplace, conducting workplace assessments, relevant health testing and proactive health advice to our people.
4. Provide a first point of contact for everyone at Avara. This means that if we can help, we will, but if we cannot, we ensure people are signposted to the right expert external support.

One example of this is our employee assistance programme, UNUM, accessible to everyone at Avara. This provides confidential support and advice on a range of issues, including personal, mental, financial, and broader well-being.





# INCLUSIVE & DIVERSE EMPLOYER

We strive to be a diverse and genuinely inclusive business that is representative of all parts of our communities, where everyone is welcome and can succeed, regardless of background, gender, age, or any other factor. Whatever your background you are welcome at Avara and can find a path that is right for you.

## GENDER EQUALITY

One of the challenges we've set ourselves, is to be a more inclusive business for women, who have historically been underrepresented in our sector. One way we can do this is to keep closing the gender pay gap. We have made consistent progress towards this over the last 3 years, but have consistently said that reaching this goal will require sustained change over the long term.

Each year we report on our gender pay gap and that action being taken to reduce it. This report is available on our website and will be updated before the end of 2022.

As part of this commitment we have set a target for women to make up 40% of our Senior Management Team by 2025. In the last 12 months we've increased this proportion to 35% and continue to make progress every year, reinforced by proactive initiatives.

## MEAT BUSINESS WOMEN PARTNERSHIP

One of these initiatives is Meat Business Women (MBW) who we confirmed a strategic partnership with in January 2022. MBW run a variety of events, networking opportunities and a mentorship scheme to help champion women in the meat industry. We now have 40 MBW members across the business, benefitting from this global support network and the shared insight and learnings from some of the best minds in the industry.



# OPPORTUNITIES FOR ALL

At Avara, opportunity comes in different shapes and sizes, but the consistent theme is that they exist: no matter who you are or what you do, we take pride in the fact that there's an opportunity for everyone. We're committed to development and making sure that everyone gets to improve while they're working with us. This is demonstrated through our extensive apprentice and graduate programmes together with our commitment over more than a decade to professional qualifications and accredited management programmes. It's also why our average length of service is over 7 years. People have a career at Avara – not a job.

## ENGLISH LANGUAGE TRAINING

At our Hereford and Newent sites we've provided a programme of language training, helping colleagues where English may not be their first language, to upskill and become more fluent in a structured and supported way. This is a blended approach combining nationally recognised functional skills training, access to the online language app Utalk, and business specific language training focussed around our operations. We currently have 86 colleagues who've been enrolled onto these programmes, following many hundreds who have passed through the training already.

## FLEXIBLE WORKING PATTERNS

We have a variety of pathways and entry points for people to enter the business and develop meaningful careers in the industry. Over the last 12 months we've expanded our flexibility and range of different working patterns with parental, part time shifts, and weekend shifts, opening up new opportunities for people to join us, fitting work around their lifestyle and family commitments to play that central role in our communities.



## SUPPORTING EARLY CAREERS

We offer a broad mix of opportunities for young people, ranging from our technical apprenticeships through to Degree Apprentices, as well as an extensive graduate programme. Last year we recruited two cohorts of young people onto the government Kickstart programme, and encouragingly have seen some of those progress into permanent employment in the business.



**84 apprentices currently on programme, including 23 at degree level.**



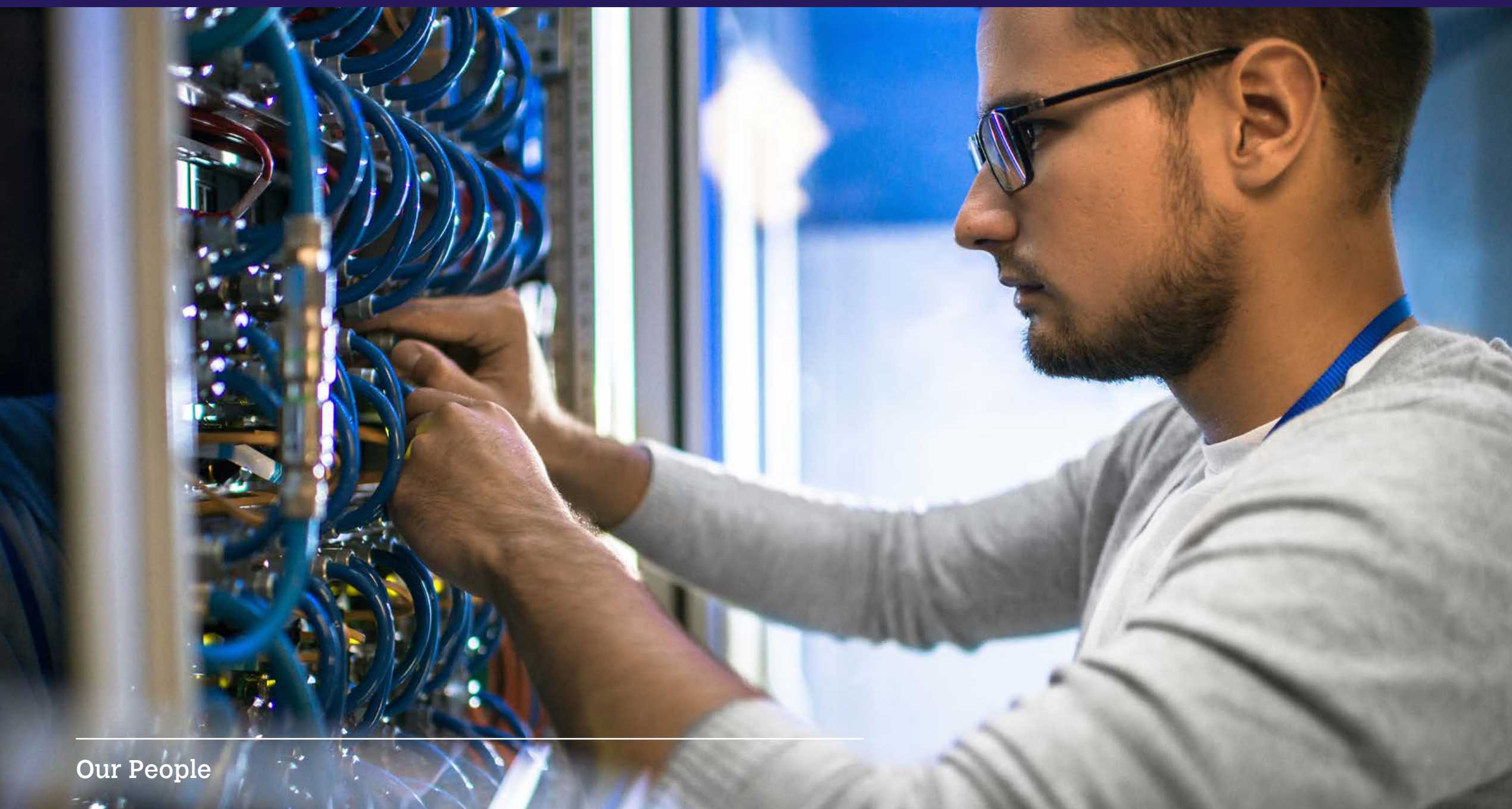
**282 colleagues supported through ILM accredited management qualifications.**



**75 ILM programmes completed through Covid.**



**26 graduates currently on programme**



# COMMITMENT TO GOOD WORK

## MODERN SLAVERY SUMMARY

Modern slavery is a prevalent crime and a challenge globally, which we are acutely aware of. We go to great lengths to monitor our business and wider supply chain, with rigorous checks and robust management and controls to prevent, detect and act upon on any threat of it.

In 2019 we reported on a live case within our business, which in October 2022 resulted in sentencing and jail terms for two of the suspects involved. This outcome is proof that our oversight, and close relationships with enforcement agencies, are well established and effective. Our priority throughout the incident was to protect the victim, through careful and confidential management of the case and by supporting them into free employment, including elsewhere within our business.

You can find out more about the actions we take, and the progress we've made over the last 12 months in our annual Modern Slavery report on our website.





## INVESTING IN SKILLS & TECHNOLOGY

In an increasingly competitive labour market, being able to offer more interesting roles with higher skill development and career opportunities is essential to stand out from the ground. Greater automation and use of technology is key to delivering this.

Over the last 12 months we have invested heavily in our operational infrastructure, introducing more automation across our bagged BBQ ranges at our Hereford and Telford sites. This marks a considerable investment in new packing technologies, totalling just under £5m altogether. These new lines not only require much less packaging, but involve fewer higher skilled roles with improved development and progression opportunities for our colleagues.

## CREATING WELCOMING WORK ENVIRONMENTS

However, investment in our people extends beyond just the factory floor, and it's important that we create modern, best in class facilities, that are colleagues enjoy using.

Our recent renovation of our new Wednesbury site is a good example of this. When we took on the lease of the site in 2021, we could have just accepted the facilities and moved in. Instead, we started with a clean sheet, committing to a full refurbishment of the people amenities, including new locker rooms, canteen, toilets and office spaces. Alongside investment into operational equipment, in total we've spent £5m at Wednesbury. This investment follows on from a £2.2m investment of our Brackley site amenities. We're serious about looking after our people and creating a great working environment with excellent facilities is a key part of this plan.



## OUR TARGETS

**75%** 75% ENGAGEMENT IN COLLEAGUE SURVEYS

**200+** 200+ COLLEAGUES TO UNDERTAKE AN APPRENTICESHIP PER ANNUM BY 2022

**40%** 40% OF SENIOR MANAGEMENT TEAM ARE WOMEN BY 2023



# OUR ANIMALS

Protecting the health and welfare of the animals on our farms and through our supply chain remains a priority for us. Over the last 12 months we've faced a number of challenges, from extreme heat to an extended Avian Influenza season. Throughout all these we have maintained a steady focus on welfare and driving continual improvement, evidenced by improving outcome measures.

## POSITIVE WELFARE OUTCOMES

The extent to which good welfare has been achieved should be determined by careful assessment of welfare outcomes, that is, the measurable impacts on the birds' welfare throughout their lives. Setting standards and monitoring them is important, but measuring outcomes is essential to understand whether those standards are meeting our expectations.

More detail is available in our Welfare Report, available later this autumn, but our welfare assessments show improvement in key areas, such as Pododermatitis, Hock Marks, 7-day and overall mortality.



# AVIAN INFLUENZA

Until this year, the Avian Influenza (AI) risk period in the UK had been considered to be autumn into early spring. This last 'season' has been the most significant ever experienced, with over 150 recorded outbreaks in England, continuing right through Summer.



Over the course of 2021/22, a number of our supply farms were directly affected: there were 13 outbreaks within our supply chain, and many more premises captured within Protection and Surveillance Zones, including five hatcheries and two processing plants.

Over the last 12 months we've learnt more about AI, both how to better prevent infection and how to effectively work with agencies to manage sites where an outbreak has occurred. Our watchword throughout this has been "biosecurity". We've always put a great emphasis on strong biosecurity, but our recent experience of AI has put that into a new perspective.

Alongside carefully controlled people movement, we're redoubling efforts to ensure that everything that enters a poultry house is free of contamination, from equipment to bedding - it all has to be spotless. Through consistent and clear communications with our agricultural partners, we're continually raising standards and setting new expectations for biosecurity throughout our agricultural estate.



## TRAINING & COMMUNICATION

We've often said that people are the single largest determining factor in the quality of welfare provided for our birds.

In keeping with that, we've started the roll-out of a revised and updated welfare training programme, the aim of which is to share the latest thinking with our farm teams, as well as gather their insights. At the time of writing, this has been successfully delivered to 100% of all personnel who work with our turkeys, from breeders, poults in the hatchery and at farm, and 73% of all those who work with our chickens. This is in addition to the "poultry passport" training carried out for all people who manage facilities that house birds. At the time of writing, 78% of this training has been delivered.

## CONTINUAL IMPROVEMENT

In keeping with our stated commitment to continual improvement, we've undertaken some significant activities over the last 12 months. We have altered our breeder vaccination programme, revisited our egg selection process, implemented and driven a precision nutrition approach and introduced a probiotic application to each of our broiler chickens.

We've also increased our communications, trying new and different ways of sharing important information, updates and news with our agricultural teams. As well as a new newsletter for contract farmers, we have released podcasts focusing on Animal Welfare to share the science behind what we do, and to emphasise the importance of welfare to Avara, and on Avian influenza, sharing first-hand experiences and our latest thinking to help farmers prepare for the upcoming Autumn/Winter period, when bird flu is expected to surge again.



# THE EUROPEAN CHICKEN COMMITMENT

Following last year's trials, we now have commercial flocks on the ground, and expect to process 3.5 million ECC chickens in the year ahead. These flocks use a different breed of chicken, the Hubbard Redbro, and are stocked at a lower maximum density of 30kg/m<sup>2</sup>. All of the chickens that we farm under this programme fulfil the other requirements of the commitment.

As the birds take longer to reach the desired weight, they consume more feed over their lifetime and, as a result, have a larger carbon footprint than the standard chicken on supermarket shelves. However, as a leading poultry producer, we believe it's important that we are providing a range of products that matches what consumers demand. Importantly, we'll be looking at the welfare benefits of this programme, to see what advancements we can make across our standard chicken growing programme.





# PATHOGEN SUPPRESSION IN HATCHERIES

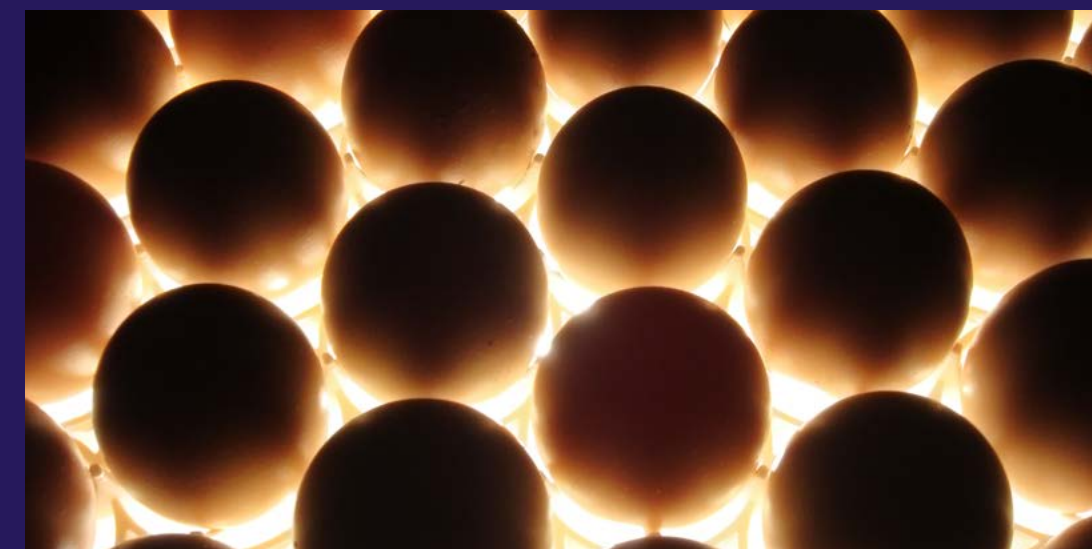
This year we've improved animal welfare, human health and safety and commercial performance, all through a single innovation.

Working with Sonas, we've installed automated systems that disperse optimal concentrations of biocides within the hatchery, suppressing harmful pathogens, without the need for human interaction, however well controlled, with the chemicals.

This more effective method has already delivered improvements. Hatched chicks are healthier and reaching their farms in a stronger physical condition, which helps them to grow and fend off illness; reducing early mortality and using less medication or antibiotics.

The biocides are dispersed automatically, which removes the need for human interaction, eliminating the risk of direct contact which can be harmful and, in extreme cases, potentially fatal.

The Sonas systems have been so effective we're investigating further potential applications in our feed mills and on farm.



# NESTBORN

At present, all our eggs hatch in one of our hatcheries and day-old chicks are transported to a farm.

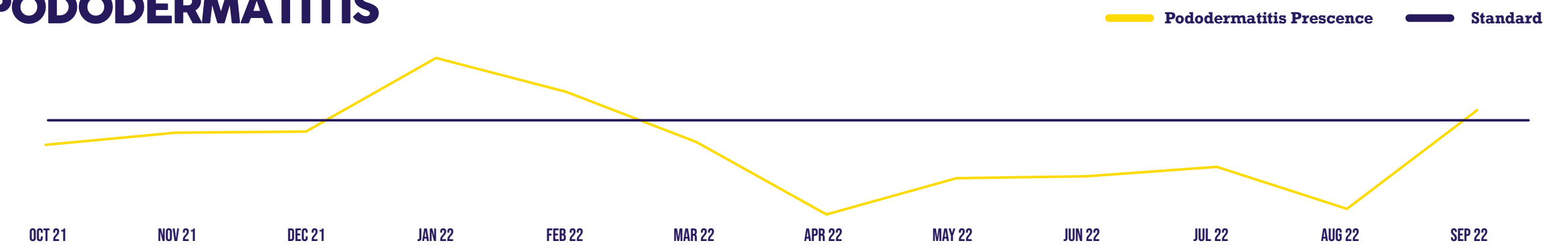
An alternative approach would be to transport the eggs to a farm so that they can hatch there and begin life without further transport. To see if this 'in-house hatching' would bring any welfare benefits, we conducted a major trial of our own, covering 830,000 eggs, 23 farms and over a five month time frame.

Despite the potential benefits, we didn't see this come to fruition.

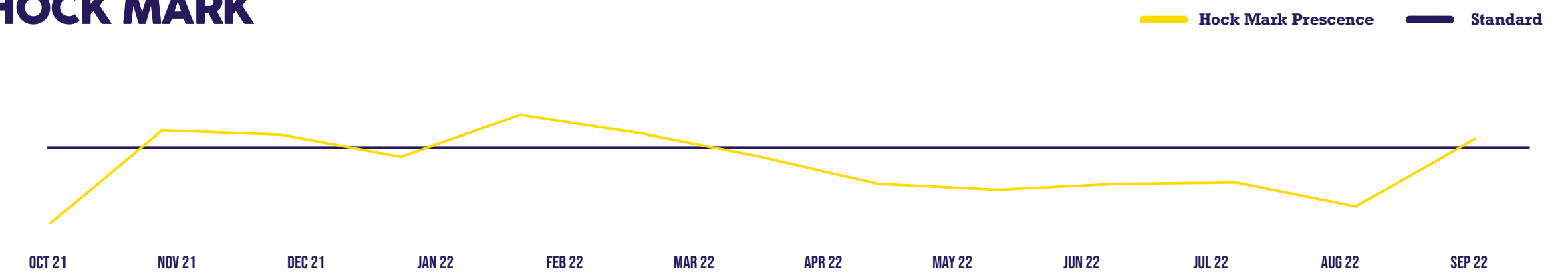
Against a wide range of assessed outcomes we saw marginal improvement, at best, in some, and decline in others. Having invested in hygiene suppression technology in our hatcheries (see pathogen suppression, above), our assumption is that on-farm hatching is unable to meet the same hygiene standards, leading to equal or worse welfare outcomes on the farms we trialed.

# OUR TARGETS

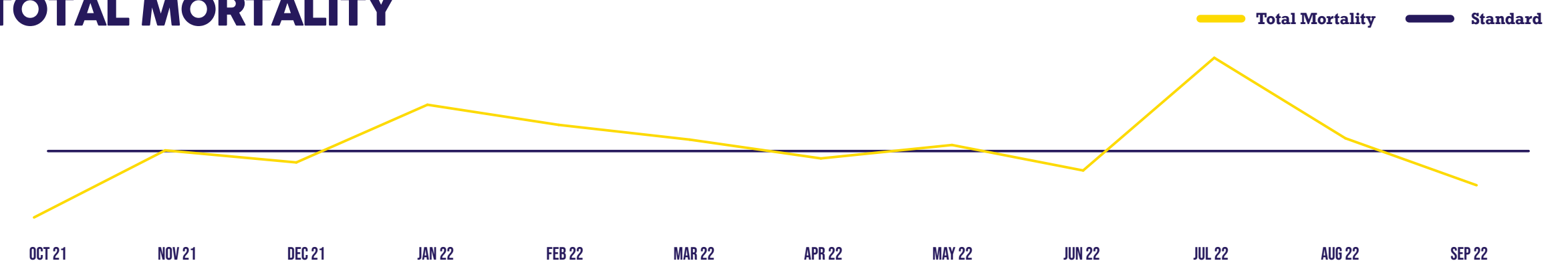
## PODODERMATITIS



## HOCK MARK



## TOTAL MORTALITY





# OUR CONSUMERS

Consumers are under pressure and confidence is lower than during Covid or the 2008 recession<sup>1</sup>. In the current economic climate, with significant inflation driving an annual increase of £643 on the average grocery shopping bill<sup>2</sup>, budgets are under strain, and many people are facing difficult spending decisions. Now, more than ever, we are working hard to understand how consumers are feeling and behaving, and using that insight to make sure we're providing them with the right products, pricing, promotions and packweights for both immediate, and future shopping and consumption patterns.

## FOOD YOU CAN TRUST

During 12 months of unprecedented business challenge, we have had to adapt and adjust, changing the way that we operate to avoid disruption caused by coronavirus, avian influenza, labour shortages and rising inflation, amongst others. Throughout this upheaval, our commitment to supply food you can trust never wavered.

Our commitment to high food safety and quality standards is reflected in our outstanding audit results: every one of our processing plants holds an A or AA rating from their most recent BRC Global Standard audit, reflecting the highest standards of food safety.

Equally importantly, all our farms remain Red Tractor assured to give consumers confidence that the animals on the farm have been well cared for. There's more information about how we're continuously improving bird welfare in Our Animals.



**SOURCES**

- 1 GfK Consumer Confidence 2022
- 2 Kantar Total Grocery Update October 2022
- 3 Avara Usage and Attitudes Study 2021

# SUPPORTING CONSUMERS GOALS

We know that the cost-of-living crisis is already affecting consumers and leading to changes in the way many people are shopping. As a wide range of products and services, from energy and fuel to groceries and other household essentials, have become more expensive, many consumers are having to adapt so that household budgets can stretch a little further. For many, the immediate need is to find ways of cutting expenditure and the grocery shop is one of the places they start.

Understanding more about consumers means talking to them, so that's exactly what we do. Our Freshhub consumer group is an online panel of 1000 consumers, who provide us with real-time, regular monthly insights. In addition to this we also run an annual Usages and Attitudes study, providing a qualitative and statistically robust measure of peoples' food shopping habits.

It helps us understand attitudes and behaviours of consumers when it comes to poultry. Together with that market data, we develop a thorough understanding of consumers, which acts as a compass for the year ahead: informing and shaping into our business planning for the future.



30%



26%



20%

**We know, from our own consumer insight, that, broadly speaking, 30% of people will simply buy less products, 26% will switch to buy a cheaper product and 20% will switch to shopping at a cheaper priced retailer<sup>3</sup>.**

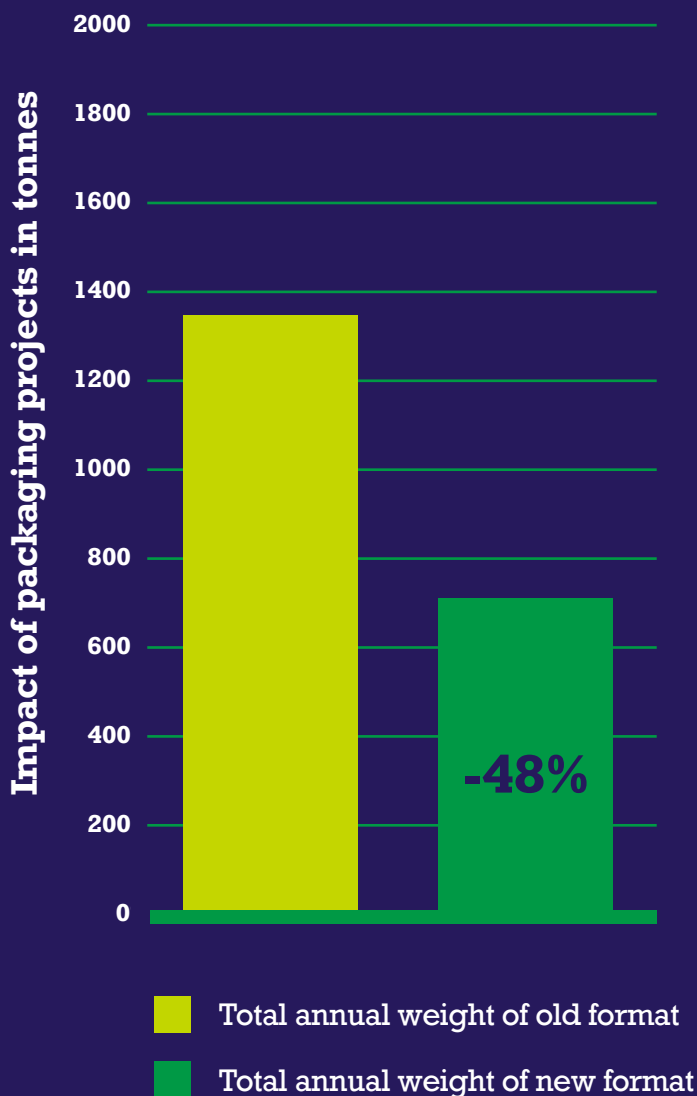
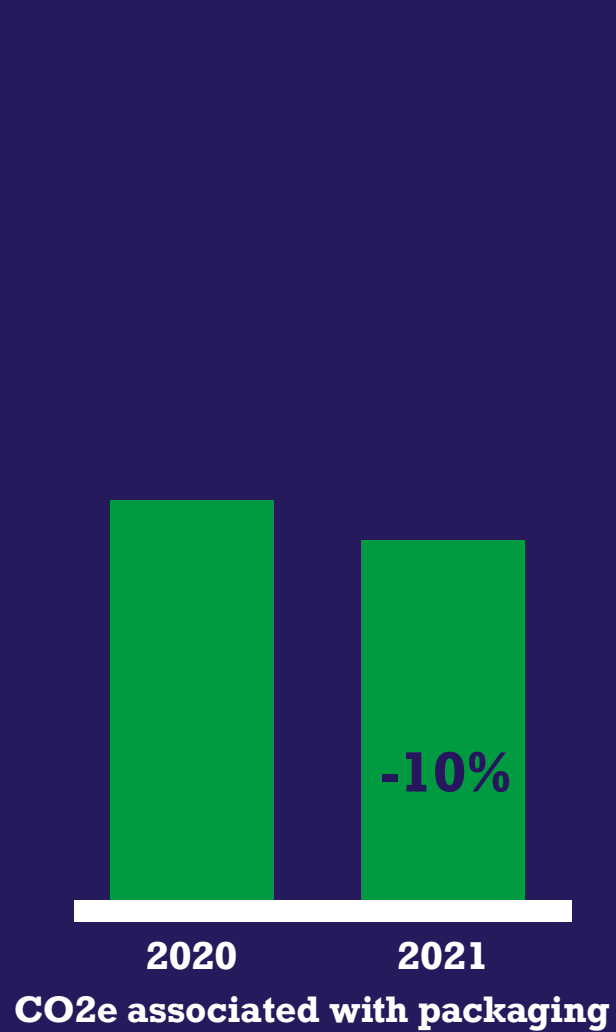
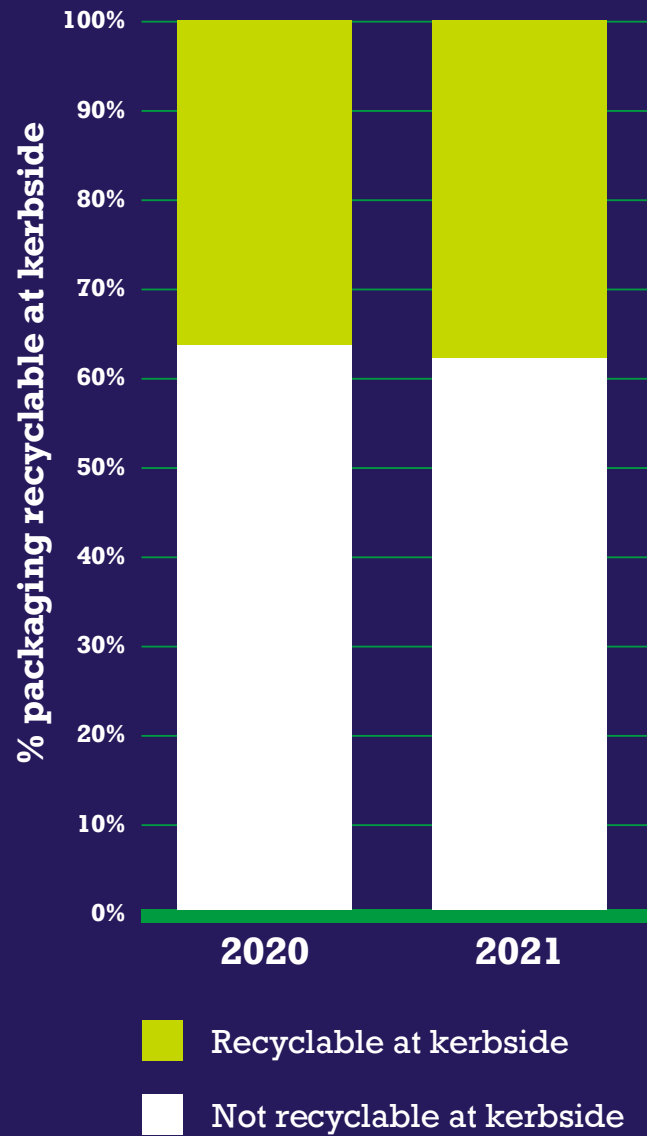


Against this economic backdrop, our role in the market becomes even more important. Firstly, we have to make sure that our products remain affordable for as many people as possible. At the same time, consumers need confidence that their expectations for quality, sustainability and welfare are being met and continue to advance. You can see how we're making press against our own welfare and sustainability targets in 'Our Animals' and 'Our Planet'.

One key area where we're supporting consumers' goals, is through our packaging innovation. We know that consumers are increasingly concerned about their impact on the environment and are looking for ways they can reduce their footprint. Last year we introduced pouches for poultry portions and bags for whole birds, which use up to 50% less plastic than the packaging that they replaced. Both have been popular with consumers, so this year we extended the range of pouched products to include a BBQ range.

This packaging innovation is a great example of how the right innovation creates a number of benefits that we've been able to extend. Environmentally, less plastic is a great step forwards, but consumers also like that they don't need to handle raw meat and can even put some products straight in the oven – making it safer in the kitchen too. From a commercial perspective, pouched products can be produced on automated production lines, meaning we can more easily navigate labour constraints and customer demand. These automated lines also create more skilled opportunities for team members; running those production lines and managing the technology. It's a great success all round, and a great illustration of our different For Good objectives aligning in a single solution.

Alongside new packaging, we've been changing the composition of all packs, to increase the amount of recycled and recyclable content, so that more of what consumers buy can go into their domestic recycling, rather than general waste.



# OUR TARGETS

Through our commitment to the Plastic Pact, we have committed to eliminating problematic or unnecessary single-use plastic packaging through redesign, innovation or alternative delivery models by 2025. In practice this means:

**100%** 100% OF PLASTIC PACKAGING TO BE REUSABLE, RECYCLABLE OR COMPOSTABLE

**70%** 70% OF PLASTIC PACKAGING EFFECTIVELY RECYCLED OR COMPOSTED

**30%** 30% AVERAGE RECYCLED CONTENT ACROSS ALL PLASTIC PACKAGING

As a supporter of the Courtald Commitment 2030, we are aligned with the following targets:

**50%** 50% PER CAPITA REDUCTION IN FOOD WASTE BY 2030 VS THE UK 2007 BASELINE

**50%** 50% ABSOLUTE REDUCTION IN GHG EMISSIONS ASSOCIATED WITH FOOD AND DRINK CONSUMED IN THE UK BY 2030





# OUR COMMUNITIES

We are determined to be a proactive and positive contributor at the heart of our communities; this is focused around tackling food poverty, encouraging healthy lifestyles and supporting skills and education. We recognise the importance of this role and are determined to play our part in making a difference.

Our continued approach is to work collaboratively with expert partners, who understand our business, the communities and its needs, and how best to effect change together.

## TACKLING FOOD POVERTY

### FARESHARE

As a business producing high quality, healthy protein that millions of people depend on, we're well placed to help those at risk of food poverty. We believe wholesome and nutritious food should be accessible to everyone, whoever you are, and our longstanding partnership with FareShare provides the perfect platform to do this.

We were the first poultry supplier to commit to donating fresh weekly protein, free of charge, and last year became the first meat processor to surpass the equivalent of 1 million meals donated.



### DONATIONS TO FARESHARE



Cumulative Avara total (tonnes)



In the last 12 months (tonnes)



Meals donated in the last 12 months



### FOOD BANKS

In addition to our FareShare commitments, at all our major operational hubs we have relationships in place for donating products to local foodbanks in the area.

#### LIFE AND SOUL KITCHEN

We sponsored the purchase of new equipment for the Life and Soul Kitchen, a Herefordshire-based charity supporting adults with learning difficulties, giving them an opportunity to work in a busy café environment, helping them to reach their potential, through empowering independence, and inclusion.

#### FOOD AND EDUCATION ENTERPRISE

Our Holly Bank team have continued their support for the Food & Education Enterprise (FEE), supporting local disadvantaged groups in Derby. Over Christmas we donated enough Turkey to support over 300 families and have funded an administration coordinator role to help them better plan and respond to food needs in their area.





# ENCOURAGING HEALTHY LIFESTYLES

## GRASS ROOTS SPORT

We sponsor eight different youth sports and exercise clubs, encouraging participation, friendly competition and for people to lead more active lifestyles.

### SCROPTON RIDING FOR THE DISABLED

We support Scropton Riding for the Disabled (RDA); who offer life changing therapy, fitness, skills development and opportunities for achievement, through riding sessions. Their provision helps local children and adults with physical, learning and sensory disabilities, catering for a wide variety of needs and providing accesible opportunities to participate.



### BRACKLEY CHICKEN RUN

We have continued our support for the annual Brackley Chicken Run: a mass participation 10km fun run around the town.

### LUCTONIANS SPORTS CLUB

We continue to sponsor Luctonians Sports Club's coaching programme, that provides an array of opportunities for young people to participate across multiple different sports.



### THANK YOU TROPHY

We partnered with the Herefordshire Football association to run the inaugural Thank You Trophy; an event recognising and celebrating the dedication and hard work of key workers throughout the pandemic, raising money for the Wye Valley NHS and other local charities.

### BERYL BIKESHARE

We have partnered with bikeshare providers Beryl Bikes, in Herefordshire, promoting sustainable travel between our two sites in Hereford and more widely about the town.



### BRACKLEY TOWN

We sponsor Brackley Town Football Club's youth teams, reaching over 200 people across their youth divisions. Through their connections with local foodbanks in the community, we have donated products which they shared amongst this network to local families in need.

## MENTAL HEALTH & WELLBEING

An area of focus over the last 12 months has been supporting charities addressing mental health and wellbeing, with a particular focus in the farming community. We've made donations to rural mental health charity YANA, and this year took part in their Egg & Spoon fundraiser.

Our Hereford site has fundraised for the local branch of the Armed Forces Charity, the First Light Trust, who support veterans.





# SUPPORTING SKILLS AND EDUCATION

## NATIONAL MANUFACTURING DAY

This year we supported National Manufacturing Day (NMD), an awareness event designed to showcase the diversity of the manufacturing sector, the range of highly skilled jobs available and the amazing opportunities for reskilling and career development within UK manufacturing.



## SCHOOLS OUTREACH

Our Telford team ran two week-long work experience programmes for students of a local secondary school, focussing on Science Technology and Engineering (STEM) based problem solving, working with our Engineering teams, and broader office-based skills with HR.



## NMiTE

We are a strategic partner with NMiTE University in Hereford and sponsored it's first five students on Lean Manufacturing CPD courses, who are now entering their second year. We have continued to support with the development of curriculum and on advisory level, as they look to develop a centre for automation.

## A COMMUNITY EMPLOYER

### APPRENTICESHIP LEVY

We have started to reallocate our unused apprenticeship levy funds to benefit other organisations. So far, we have provided around £100k of funding for vital roles in healthcare, and are working with the National Skills Academy for Food and Drink and Health education England to help identify where support is best placed.



## YOUTH EMPLOYMENT

Youth employment remains a strong focus, using our partnerships with schools, colleges and universities, to provide sponsorship, support and mentoring opportunities. Through our apprentice and graduate pathways we have a variety of ways in which young people can join our business, and build the skills and experience needed for a long term career in the industry.

## OUR TARGETS



**PARTNER WITH THE ENGINEERING DEVELOPMENT TRUST AND RUN ONE OF THEIR STEM INITIATIVES AROUND EACH OF OUR MAIN OPERATIONAL HUBS**



**PROVIDE MORE THAN 200,000 MEALS PER ANNUM TO FARESHARE**



**BY 2023 OUR RECRUITMENT WILL BE REPRESENTATIVE OF OUR LOCAL COMMUNITIES**