







GOOD TO SEE YOU

We introduced For Good as our responsible business brand in 2021, but its origins are rooted in the way we operate. From the outset we've consistently aimed to be a responsible business, doing the right thing in in the right way, and For Good is the framework that we use to drive these actions in a considered, holistic manner.

Our commitment to act For Good takes into account the wide variety of activities, inputs, and impacts of our business and its supply chain, and understanding how these areas interconnect. Its five themes, covering different elements of our sustainability agenda are not independent of one another, but are considered holistically as part of one collective picture.

Our Planet looks at our environmental impacts as a business, and seeks to reduce our footprint on the world around us, using data and targets to drive progress.

Our People, is about us. How we treat, care for, and develop the teams and individuals that make Avara; creating fulfilling careers, in an inclusive environment where everyone has the opportunity to succeed and feels a valuable part of our success.

Our Animals is about the health and welfare of the birds in our care; driving continual improvement through data, science and, increasingly, technology.

Our Consumers takes a broader view of the market and the people that value our products. At its heart, this is all about understanding what consumer want, and helping them achieve those goals.

Our Communities looks at our wider role within our communities, and the ways in which we can be a positive influence and support meaningful change.

The For Good Wheel highlights the scope of our supply chain and the scale of its influence. Understanding our impact on the word around us, on the people we employ, the animals we tend and on those who enjoy our products, the consumer, helps us deliver consistent improvements in key areas but, crucially, not at the detriment of others.

Of course, all of this isn't possible without the focus and continued effort of our teams, and the governance, targets and accountability in place to deliver on our goals. We are a business that values sustainability and For Good is our longterm commitment to help us achieve that.



INTRODUCTION

This For Good report is being published during turbulent economic and market conditions and, like many UK food businesses, we have felt their impact first hand. However, in the face of inflationary headwinds, it is more important than ever to successfully navigate various, sometimes competing, demands on our business so that we continue to make healthy, nutritious, sustainably produced food available to all parts of society.

You can see that in practice in this report. We remain ahead of our target trajectory for our Science-Based Targets, and have achieved this through focusing on reductions, in emissions, packaging and energy use; we continue to advance welfare standards through investment and industry leading transparency; and our work to be an inclusive business continues at pace, building on our partnership with Meat Business Women, to introduce specific initiatives to support women in the workplace.

Alongside progressing these initiatives, we have also made further advances in our response to some wider issues in which we play a contributary role. In the River Wye, we expect to achieve our target to mitigate the impact of our supply chain in the region, a year ahead of schedule. Work to reduce our reliance on soya also continues, with lower soya diets already delivering reductions in our carbon footprint and alternative proteins being trialled.

While still focussing on these longer-term objectives, the need to mitigate inflation across our supply chain has resulted in some tough decisions being made to streamline Avara's operational footprint. Closing sites is never easy, however against the backdrop of a changing market and economy, our business must operate at optimum efficiency if we are to continue delivering for customers by producing food that is accessible and affordable to the majority of UK households. Difficult decisions are often a test of our commitment to be a responsible business which is sustainable for the long term, and I'm confident we are going about change in the right way: through meaningful consultation, respect for individuals and support for those affected.

Of course, there will always be those that disagree with what we do, that believe that there are cheaper, more sustainable, or more ethical options. I believe UK produced poultry remains an important contributor to a healthy food offer for consumers who rightfully expect both choice in what they buy and confidence in the security and standard of that supply. I am proud of the fantastic job our 6000 colleagues plus many more in our farming supply chain, do every day to make that true for what we do at Avara. Clearly, consumers choose and enjoy what we make in their millions. For as long as they do that, we will continue to deliver for them in an ethical and responsible way.

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.

OUR APPROACH

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 the key role we have 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.

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 (KPI's), which we use to track progress, and Environmental Compliance.



PROGRESS AGAINST TARGETS

		BEHIND	ON TRACK	АНЕ
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	By 2025 all business signatories are monitoring water use in their own operations and have improved efficiency.			
	By 2025 all business signatories are 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			
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			
CHAMPIONS 12.3	50% reduction in food waste by 2030			







We have reviewed climate-related risks and opportunities to determine their likelihood and severity, against three timelines: short, medium and long term. This process has enabled us to determine priorities and necessary actions, to adequately mitigate the impact of our supply chain and adapt to climate change that is already occurring.

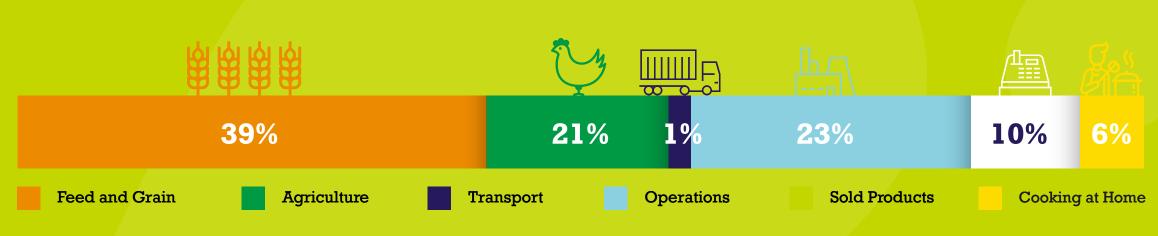
RISK MANAGEMENT

We manage environmental risks through our environmental management systems, ISO14001 and 50001. Climate risks are included in the Aspect and Impacts Register of our environmental management system and are reviewed at least annually by managers at every level in the group, from site, through Business Unit to board level. Our ISO frameworks enable adaptation measures to be costed, planned and incorporated into Avara's strategy.

We are implementing the ISO14090:2019 standard (in conjunction with our ISO14001 framework) to create an adaptation plan by setting objectives, targets, actions, responsibilities, and timescales for implementing the control measures. We are in the process of identifying indicators to monitor and evaluate the effectiveness of our plan.

CARBON FOOTPRINT

Everything we do has a carbon footprint and understanding the amount and nature of carbon emissions associated with the different aspect of our supply chain is critical to achieving our targets.

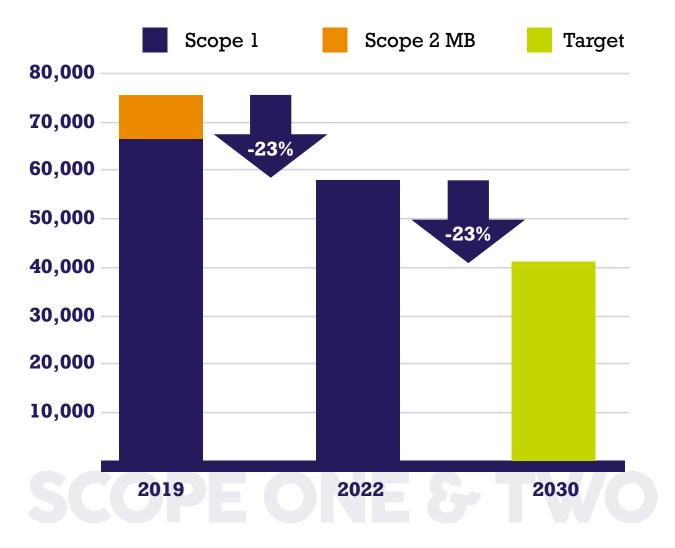






SCOPE ONE, TWO & THREE FOOTPRINT

Our Scope 1 and 2 carbon footprint comes from direct operations, which includes the energy consumption of our buildings, processes, and vehicles. As such, it is an area that we manage and monitor closely. To improve the monitoring of data we have streamlined the collection of site level data to make the process less time consuming, improve visibility and facilitate decision making. This will directly support ISO50001; a management tool instrumental in our continued efforts to drive down carbon emissions.

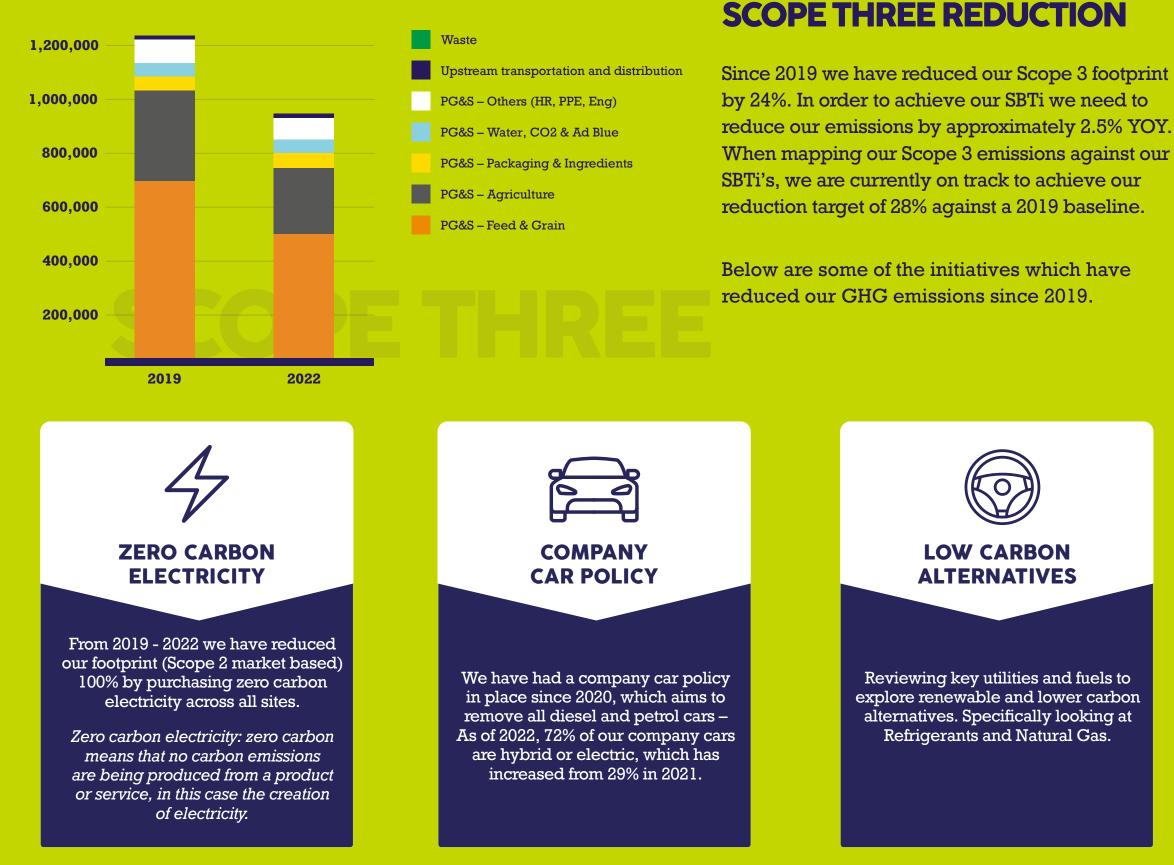


SCOPE ONE & **TWO REDUCTION**

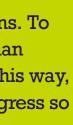
Since 2019 we have reduced our Scope 1 and 2 Market-based (MB) Footprint by 23%. To achieve our SBTi we will need to reduce our emissions by approximately 4% YOY. When mapping our Scope 1&2 emissions against our Science-based targets, we are currently on track to achieve our reduction target of 46% against a 2019 baseline.

Our Scope 3 emissions are the emissions associated with our business which are outside our control. The standardisation and methodologies for calculating these emissions are currently in development within the industry. To contribute to the development of Scope 3 emission reporting, we are a one of 15 Courtauld 2030 signatories taking part in WRAP's pilot study to test protocols to accelerate progress on Scope 3 accounting across the food and drink sector.

As we work on reduction strategies, we are also working to improve our data accuracy to account for emission reductions. To contribute to this, as of 2022, 71% of our Scope 3 SBTi footprint is now calculated using activity or average data, rather than spend based methodologies. This is a significant increase in comparison to 2019 where only 8% of data was sourced in this way, representing a major step forward. We are continually working to improve the quality of our emissions data and the progress so far has only been possible through close partnership with our suppliers.



SBTI EMISSIONS







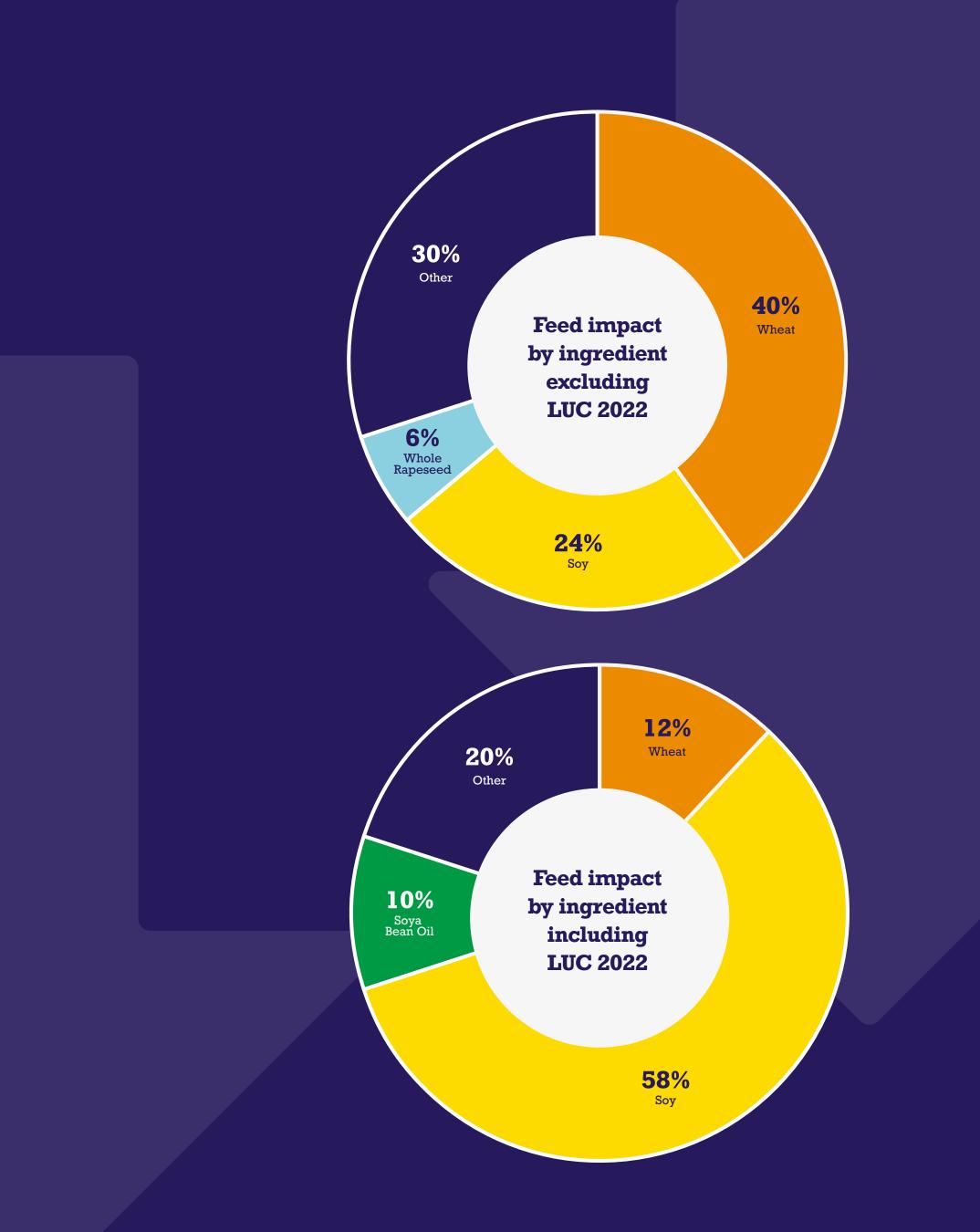
DRIVING DOWN AGRICULTURAL HOTSPOTS

We have identified agriculture as an emissions hotspot area to focus on. As we have a large contract grower base, with their support, we have worked collaboratively to improve our data quality on farms. We are completing individual annual farm carbon footprints and are working closely with Eggbase to calculate this data. For 2021 data, we completed this for 30% of our chicken farming base and have increased this further to 60% for 2022. This is a step forward building towards our 2025 target, which is to have carbon footprint reporting in place for every farm in our supply chain.

In November 2022, we transitioned to our new turkey model which is allowing us to better utilise space by growing stags and hens on the same sites, and thereby increasing the output from our farms. By doing so, this is contributing to increased efficiency with improved performance, and has reduced the distance between our farms and processing site.

As feed and grain are a significant contributors to our footprint, we have undertaken 50% and 100% soy reduction trials with alternative proteins, whilst assessing the impact on footprint, welfare and performance. Alongside this, our FCR improved by 1.3% from 2021 to 2022, thereby improving our performance and reducing the contribution of feed to our carbon footprint.

We have included the carbon footprint by ingredient, based on LCA data for our feed formulations for 2022. When we incorporate FLAG requirements into our methodologies going forward next year, we will also calculate our feed impact including land use change (LUC).





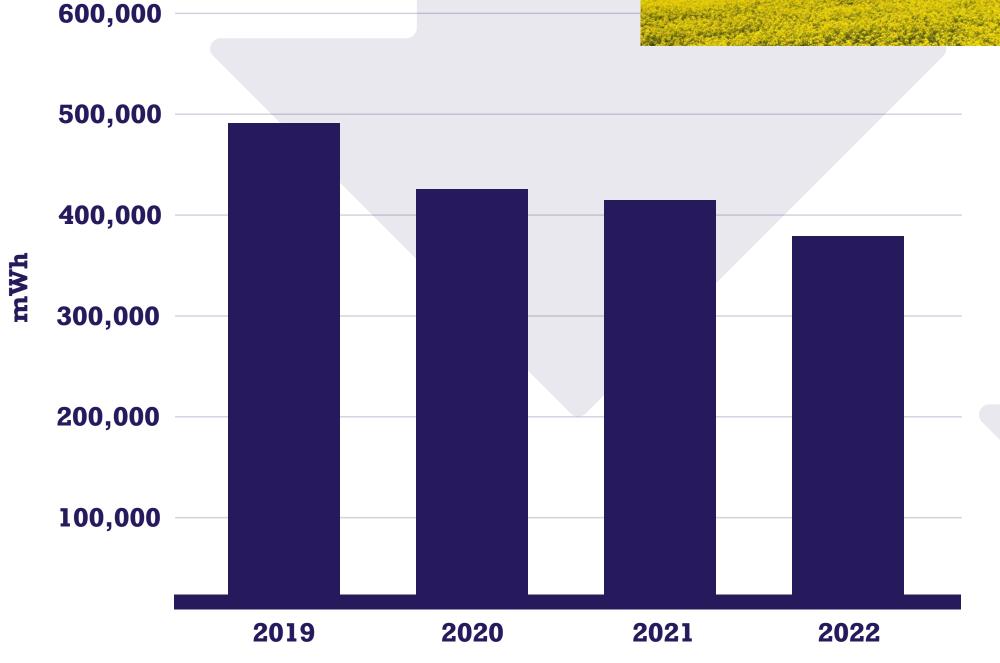
ENERGY

Our energy consumption is monitored closely both at site and at group level. We have mature ISO50001 and 14001 systems in place across most of our processing sites and mills, and plan to extend this further throughout our operations. 70.9% of total energy consumption in 2022 is covered by ISO50001.

Since 2019 we have reduced our energy consumption by 25% by continuing to drive improvements in energy efficiency.



YOY Comparison





WATER

We have been continuing to focus on collating all the water consumption data from our larger sites; our factories, mills and hatcheries. We are exploring ways to expand this data collation to include our farms and wider supply chain.

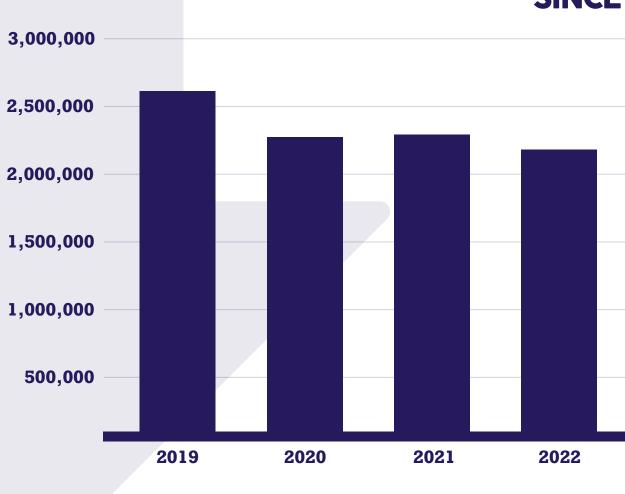
Our ISO14001 environmental management system provides a framework for individual sites to track, manage and reduce water consumption. We expect it to improve process efficiency as well as highlight opportunities for reuse and recycling. Since 2019, we've successfully reduced our water consumption by 15%.

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.

We also support the Water Roadmap; taking actions to become good water stewards and following WWF's water stewardship framework steps. The initiative aims to achieve an overall improvement in water, with sustainable water management systems in place by 2030 for half of the areas within the UK which produce fresh food.

We are also looking at ways to measure the water impact of our whole supply chain and identifying water risk hotspots.





Water Consumption







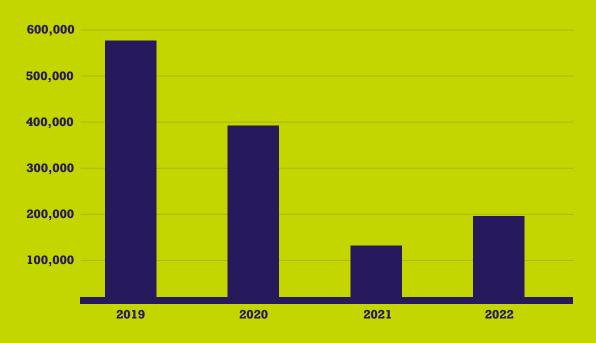


Waste in this section refers to general waste and recycling disposed of at Avara sites. Waste can be defined as any substance or material that no longer has a use or purpose and needs to be discarded.

Since 2019 we have reduced the emissions (tCO2e) associated with the disposal of waste in our food processing operations by 66%. This is due to switching to a zero waste to landfill contract in 2020. 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.



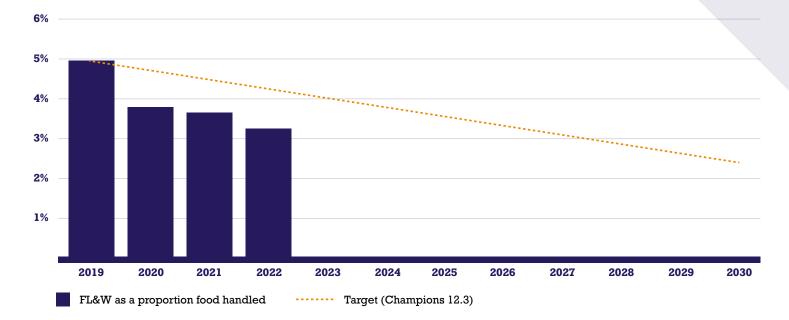
We have recently started working closer with our internal waste champions on two priorities, to help reduce our total waste and emissions footprint: by encouraging colleagues to recycle more effectively, and to reduce the total volume of waste quantities produced by our farms and factories. On a site level we have improved the visibility of data, closely monitored key performance indicators (KPI's) and improved infrastructure to segregate waste effectively. However, a large part of these improvements will come as a result of employee engagement and behaviour changes.

ENERGY FROM WASTE (EFW):

is the process of generating energy in the form of electricity and/or heat from the primary treatment of waste, or the processing of waste into a fuel source.

FOOD LOSS & WASTE

Food waste is a significant issue in the UK and a potential cost to our business. Food loss and waste (FL&W) 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 2022 our operational food waste of sold product was 3.24%, down from our baseline year 4.93%.



Food Loss and Waste Reduction

OUR BUSINESS MODEL IS BUILT ON MINIMAL WASTE



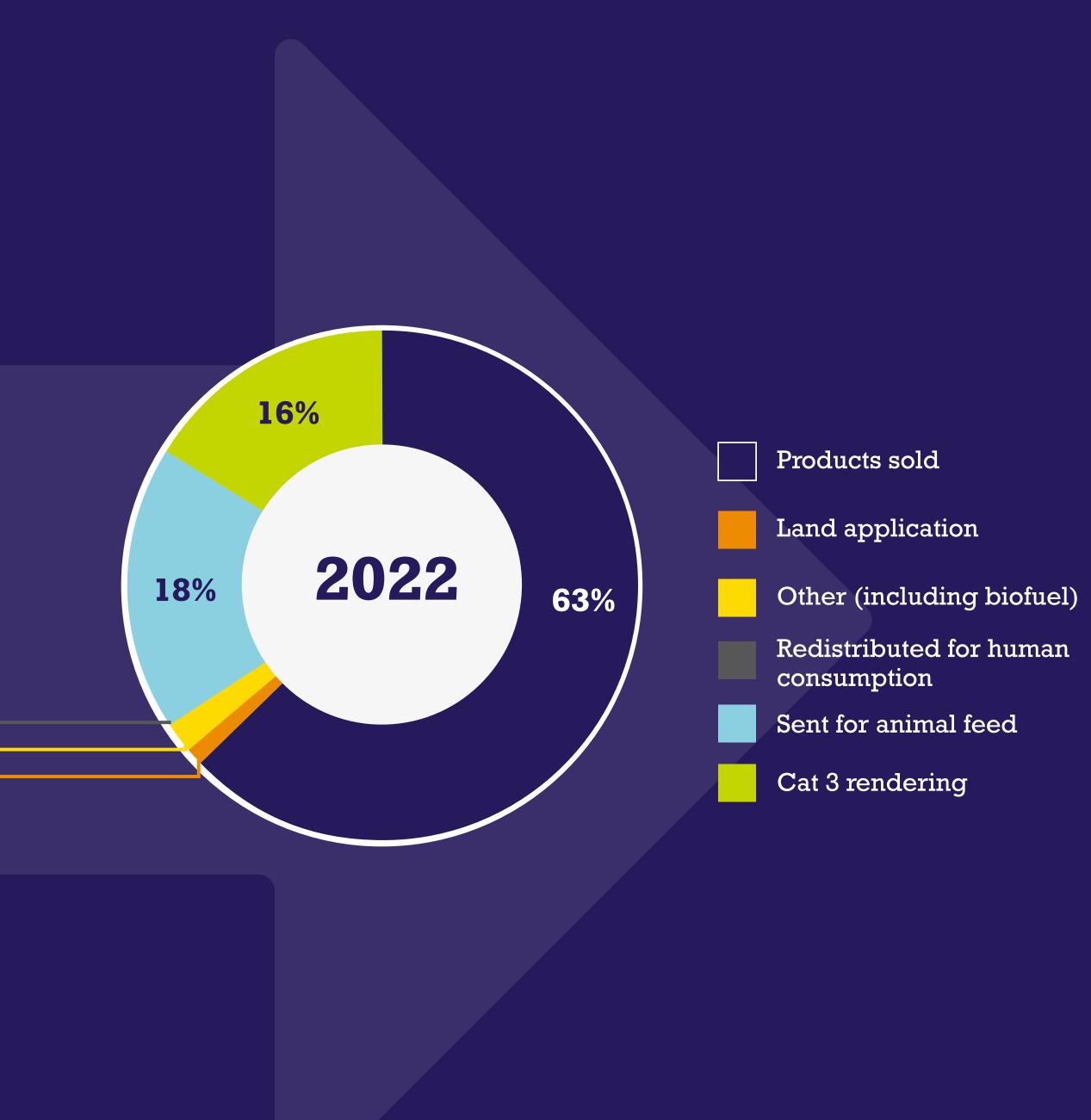
END DESTINATION

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 shows how the majority (81%) of our products are used for human or animal consumption.

We have also been working with our customers in the hospitality and food sector in order to create a whole chain reduction plan, in conjunction with WRAP. The objective of the project was to identify opportunities where meat waste reduction could be achieved across the supply chain with a focus on one product - chicken thighs. Our data showed our thigh factory rejects, where a product does not meet specification, to be less than 0.5% of processed volumes in this project. Improvements were implemented which included additional staff training, and thereby resulted in up to 0.8% improvements in quality compliance.





PLASTICS AND PACKAGING

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

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.

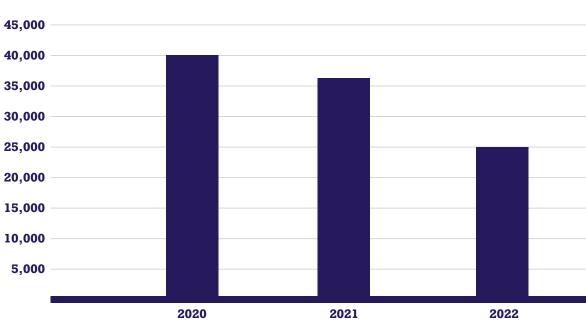
The right packaging preserves the safety, quality, and nutritional properties of our products, as well as prolonging the life of our products and reducing food waste.

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.

PLASTICS

From 2020-2022 we have reduced the greenhouse gas emissions associated with our packaging by 31%. This is predominantly due to us reducing the weight of packaging by 40% during the same period.

We've also completed a circular economy trial with one of our customers and their packaging supplier, taking their 'back office' plastic waste and recycling it into food-grade packaging for our products.



tCO2e

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 local authorities and expert bodies to understand and drive solutions to local pollution linked to the spreading of poultry litter to land.

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.

Currently trialing 50% reduction in Soy diets

Running small scale pen trails for black soldier fly diet

100% reduced diets subject to the outcome of 50% reduced diets

Run wider commercial trials subject to legislation

Option to use diets that contain zero soy

To use insect protein as alternative ingredient in zero soy diets



RESPONSIBLE MANURE MANAGEMENT

In the Wye Catchment, excess phosphate is one of the contributing factors to declining water quality and damage to the wider ecosystem. While we are not a direct polluter - no litter is spread on poultry farms - we recognise the potential impact of phosphates that originate in our supply chain, when used as fertiliser on other land within the catchment.

That's why we committed to manage the impact of our own supply chain and establish standards that others can adopt. In January we published our River Wye Roadmap explaining how we would ensure our supply chain was not contributing phosphate in the River by 2025. We are making good progress and expect to deliver ahead of schedule.

This road map is built around:

Data: Accurate data that enables us to make informed decisions and measure progress. We're in the process of updating and refining our data to better understand the origins and flows of litter from our supply chain. Our feed analysis shows that we have made a further year-on-year reduction in the amount of phosphate within our birds' diet.

Diverting Litter: We have agreed a partnership with an independent third party logistics company that will

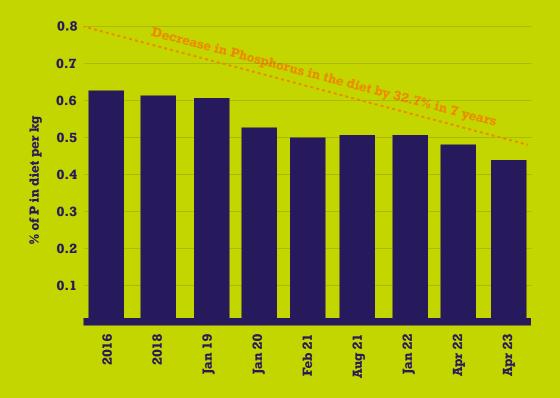
effectively cease the sales of poultry litter from the Avara supply chain, as fertiliser, within the catchment from 1st January 2024.

Enhanced soil standards: Land management is at the heart of our approach and essential if lasting change is to be achieved in the catchment. We've been identifying potential independent assurance standards that we can adopt on farms within our supply chain that use poultry litter elsewhere on their farming estate, and are piloting a scheme that is managed by Red Tractor.

Technological solutions: Our supply to an in-catchment anaerobic digestion plant continues to increase, alongside rigorous testing of the phosphate stripping technology. We are also exploring other potential avenues for litter and will update as we understand more.

Stakeholder and community engagement: We recognise that we have a role to play supporting other businesses and organisations in the region. That's why we've continued to work with WWF, WRAP and the Wye and Usk Foundation, as well as adapting our approach to be a blueprint for others to follow, if they wish.

By implementing our roadmap we are confident we will play our part in reversing the decline of the Wye. However, as our supply chain is just one of a range of factors contributing to the issues in the river, urgent action is needed across them all, if the river is to recover.



32.7% REDUCTION IN PHOSPHOROUS SINCE 2016

The average composition of the total Phosphorus level

IN SUMMARY

	WHAT WE'VE DONE	WHAT WE'RE DOING NEXT	OUR TARGETS
CARBON	23% reduction in Scope 1&2 MB emissions since 2019. 24% reduction in Scope 3 emissions since 2019.	100% of farms to be measuring their Carbon footprint. Continuing to engage suppliers.	SBTi 46% reduction in Sco 1&2 emissions by 203 28% reduction in Sco 3 emissions by 2030
ENERGY	25% reduction in energy consumption since 2019.	Investigating and trialling new technology.	2% year on year improvements in energy efficiency.
WATER	15% reduction in water consumption at our main sites since 2019.	Mapping our supply chain water footprint, including farms.	50% of water to be sourced from sustainable sources 2025 Water Ambition
WASTE	Operational food waste is 3.24% down from 4.93% in 2019. Zero waste to landfill. 66% reduction in carbon emissions associated with waste disposal.	Continuing to engage employees on effective waste segregation. Completing waste mapping at sites to identify further recycling opportunities.	50% reduction in FL&W by 2030. 20% recycling rate
PLASTICS	Reduced the tCO2e associated with packaging 31% since 2020.	Continue exploring circular economies.	Plastics Pact
BIODIVERSITY	100% certified Soy. Published River Wye Roadmap.	Trialling alternative sources of protein	100% vDCF by 202







We often say that our colleagues make the difference, and we mean it. It's our people that care for our animals, create our products, maintain our standards and deliver for our customers. That's why it's important to us to have an inclusive environment, where opportunities are available to all, and where everyone feels that they are able to contribute to the success of our business. We have also acknowledged that lives outside work have become much harder over the last couple of years, which is why we're doing more than ever to support peoples health and wellbeing in ways that they can benefit outside the workplace.

CULTURE OF CARE

Everyone matters at Avara – that starts by keeping people safe, but increasingly we see the need to support peoples' wider physical and mental wellbeing. Increasingly, this means taking the time to understand the challenges, needs and barriers facing different groups of people within the workforce, and then giving them the confidence and authority to drive change.

HEALTH AND SAFETY

Our Focus on Safety campaign helps make sure that keeping everyone safe at work is everyone's priority, and RIDDOR accidents continue to fall. Our relaunched safety workshops emphasise the importance of behavioural safety and everyone's personal responsibility to look after themselves, those around them, and to challenge unsafe practices. Integral to this, our app makes it easy to highlight risks and get support, so that everyone can contribute to a safer Avara.



21%

reduction in **RIDDOR** accidents

16% increase in Lost **Time Accidents**

Overall, there's a 1.3% reduction year on year

VELBEING

In 2021 we introduced on-site wellness hubs at our three largest facilities. In the autumn of 2023 we are complementing these with 3rd party support from Medigold, who will manage our occupation health referral service.

Using both in-house and external resources we expect to provide the best possible range of services and support for anyone at Avara that needs it.

Beyond Occupational Health, we make a wide range of additional services available through our Employee Assistance Programme, provided by Help@Hand. From shopping discounts and financial support to virtual GP access and physiotherapy, we're confident that we're doing all we can to support our team members during challenging times.

Looking ahead we're introducing more benefits and support during 2023, drawing on 3rd party expertise to give the team at Avara everything they need to stay healthy and well.







INCLUSIVE & DVERSEEMPLOYER

A COMMUNITY EMPLOYER

In many of our locations we are also one of the largest local employers, and one of our most positive contributions is through long term, meaningful jobs. Over the last 12 months we have looked at the composition of the communities around our key geographies, to better understand how well our workforces reflects local demographics.

The nature of our business and the scale of our supply chain means that we offer opportunities for almost anyone, from niche specialists through to those with no prior experience. Understanding what our communities look like will help us to target particular demographics in our communities and, critically, offer support to help break down barriers to employment.



GENDER

Being a company where everyone can excel, regardless of who they are, where they're from or what they look like, has always been important. Much of this comes from a culture and environment where people are confident speaking up and empowered to drive change. When it comes to gender, we've seen some important progress in the last 12 months.

In March we launched **#Letstalkmenopause**, creating our first menopause policy, publishing a variety of information and create an internal support network. Some of the symptoms of the menopause can have significant impact on personal and professional lives, and yet it's seldom discussed. Our aim is that more people at Avara understand what going through the menopause can mean, so that anyone struggling can speak up without fear or shame, find reassurance from others and get whatever support they need to be at their best.

Period poverty is an issue that shouldn't exist in the UK in the 21st century, but we know that it does. Though our partnership with Grace and Green, we're making sanitary products readily available, for free, because we might not be able to stop period poverty completely, but we'll do what we can to make sure it isn't in Avara. These initiatives complement our existing strategic partnership with Meat Business Women, which, over the last 12 months, has engaged more people who have benefited from their events and networking opportunities. We now have 30 members across the business, and five colleagues participating in the Meat Bussiness Women mentorship programme. We have developed an online network for women to connect, network and share experiences and insights, and develop talent within our business.

For all the progress we're making, there's so much more we can do. Already, we've started to reconsider what it means to be a working parent at Avara, and what it's like to juggle the sometimes-competing lives of 'work' and 'home'. Again, progress will be driven by those that know the subject and issues best: parents.

Looking further ahead, we see an inclusive employer as a more flexible employer, able to take into account individual circumstances and needs. One way we're looking to achieve this, is by changing the benefits we offer, so that individuals have more flexibility and choice to decide what's important for them now, but with the ability to adapt them to changing circumstances.

	TOTAL - JULY 23		SMT (G5+) – JULY 23	
GENDER SPLIT	MALE	FEMALE	MALE	FEMALE
TOTALS	3852	2385	151	79
PERCENTAGE	61.76%	38.24%	65.65%	34.35%



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OPPORTUNITIES FORALL

Opportunities come in many different guises, but it's important that they are available for everyone at Avara, whether that's training and development or progression and responsibility.

ENGLISH LANGUAGE TRAINING

For many team members, English is a second language, so we've made the language training app 'U-Talk' available to everyone. As well as the obvious business benefits, people at Avara that have completed English language training have talked about how it's made everyday tasks, like shopping, visiting a doctor, or helping with homework, much easier.

We've also put considerable focus on the development of our first line managers: a critical cohort that are hugely influential in our operations, often with responsibility for both people and processes. Our Managers' Toolkit covers all the vital skills that we believe are essential in a successful, modern people manager and it's being rolled out across our business.

In keeping with making opportunities more easily available, we've changed the way we promote internal vacancies. Now, all internal roles advertised on our careers website and promoted around our business, so that a promotion is more accessible than ever.





SUPPORTING EARLY CAREERS

In a tight labour market with many skills in short supply, the value of 'growing your own' has never been greater. From Graduates and Apprentices, through to placement students and direct hires, we offer a broad mix of mix of opportunities to young people wanting to forge a career in food. Particularly in key functions like Technical and Engineering, where we have well-established pathways that offer school and university leavers a clear route to the knowledge, skills and experience they need to be successful.

This year sees our first cohort of Technical Degree Apprentices reach completion of their five year course. In September two colleagues received degrees, achieved while working at Avara.

18 graduates currently on programme



105 live apprenticeships



242 colleagues supported through ILM accredited qualifications









COMMITMENT TO GOOD WORK

TACKLING **MODERN SLAVERY**

We have developed controls and process to help mitigate the risk of modern slavery or other forms of exploitation, in our supply chain. In recent years these have proven to be very effective, identifying illegal gangmasters and, through close cooperation with enforcement agencies, this has resulted in successful prosecutions.

Today, we remain alive to the threat and continue to enhance and refine our controls.

Against the backdrop of a constricting labour market, the proportion of temporary agency workers within the business has increased from around 6 -7% to 12% of our total workforce, this still means most of the team at Avara is under our direct management.

Our Whistleblowing service remains available and accessible by colleagues, including our third-party Farming Partners. Independently run to ensure anonymity if required, the service is available 24/7 and, while concerns have been raised, none have related to potential modern slavery cases in the last 12 months.

We will continue to participate in networks such as FNET, GLAA working groups, Stronger Together and the ALP, as well as work closely with our retailer Ethical leads, to ensure that we are up to date with best practice and latest intelligence.

You can find out more about our recent progress in our modern slavery statement, which is available on our website.



CASE STUDY: ABERGAVENNY

In May 2023 we made the difficult decision to propose the closure of our facility in Abergavenny. This was an extremely difficult decision to reach but we are confident that we went about it the right way.

Most importantly, we did not reach a quick or hasty decision, but considered a number of other potential courses of action before determining that the only practicable option was to close the site. Even then, we committed to meaningful talks with employee representatives. Our consultation fully explained our decision-making process and gave people on-site the opportunity to put forward alternatives. Finally, once our proposal had been accepted, we looked at how we could give individuals the support they needed, starting with possible vacancies within Avara.

We worked with the Welsh Government's ReACT+ scheme, the Department of Work and Pensions, National Skills Academy for Food and Drink and Unite the union to support training and redeployment. Internally, we ran training sessions covering CV writing, interview technique and building confidence, as well as hosting a job fair and allowing time off for interviews or retraining. Looking further ahead, we organised sessions with our pension provider for those wanting pension or retirement advice, and everyone leaving Avara does so with a pack of information to which they can refer.

Any site closure is a difficult time, but we are confident that we have done everything possible to soften the blow.







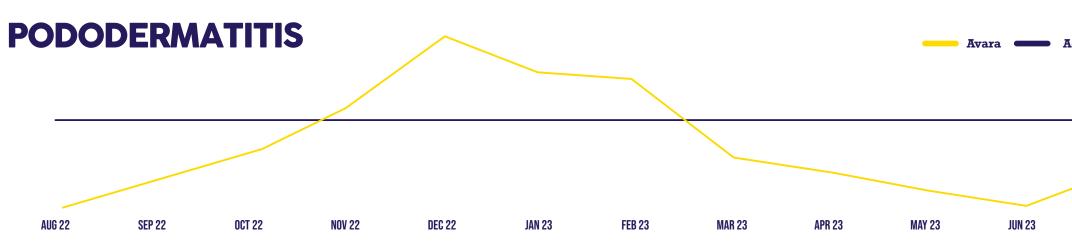
For many years, animal welfare has been defined by the 5 freedoms. While these remain a good starting point for conversations about welfare, the inherent conflicts between them limit their effectiveness. Increasingly, we have started to look at welfare in terms of "a life worth living and a life well lived", and a greater focus on behavioural, as well as physical, welfare.

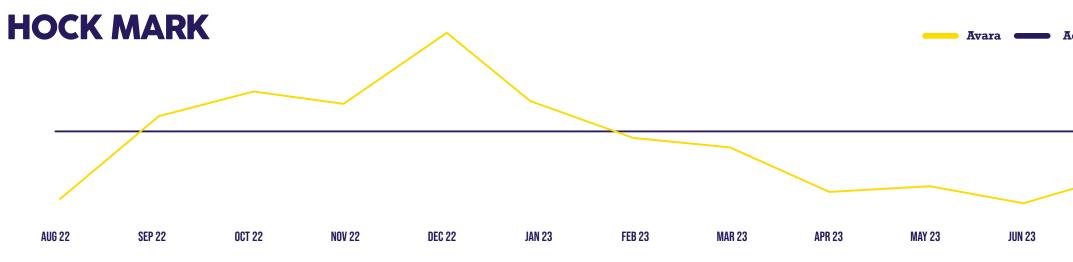
We already have and monitor robust data relating to physical welfare, and our aim is to continually set higher standards for welfare within our supply chain and strive to meet or exceed them. Aside from our moral obligations, as a business, it's in our interest to have healthy growth and well cared-for birds. Only birds that are healthy when they leave the farm can enter the food chain.

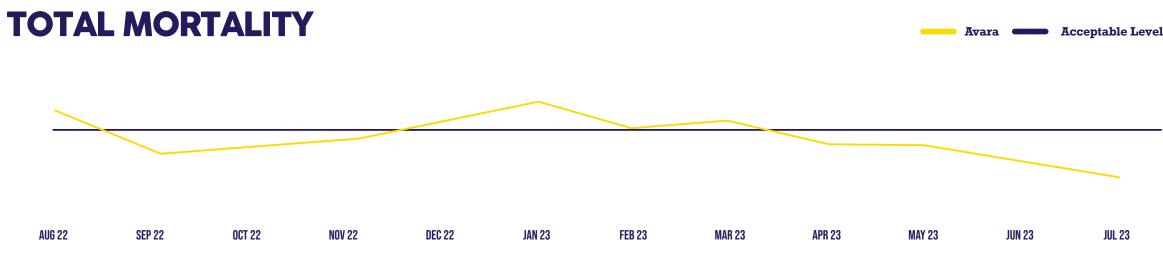


WELFARE DATA & TRENDS

We have long argued that any assessment of welfare must be based on outcomes (i.e. the birds themselves) and grounded in robust data. For the 3rd year running we've published key outcome metrics, relating to the health and welfare of birds in our supply chain.









Within this data, the effects of our work to improve sustainability are evident. We made changes to our birds' diet; increasing phytase volumes in order to 'unlock' more of the phosphorus in the diet and enable a further reduction in soya volumes. Soya being a significant contributor to the carbon footprint of chicken.

Unfortunately, these dietary changes led to an unforeseen increase in pododermatitis, arising from wet litter, which we quickly moved to address. Here the importance of regular monitoring becomes clear, as we were able to make modifications and bring those outcome metrics back to a comfortable level.

COLLABORATION

This highlights the importance of a holistic approach, and a recognition that action to address one issue may have unintended consequences for another. While this may lead to progress that is slower than some might like, our responsibility is to improve standards across the board.



Promoting ever-higher standards of welfare within our own supply chain is our priority but, as part of a wider UK industry, we have a role to play there too. There are many areas where we are playing a leading role driving forward industry standards, not just in-house improvements:

We work in close partnerships with Defra and the APHA, particularly when it comes to Avian Influenza and what more can be done to protect birds from the virus, and with our industry peers, through the British Poultry Council (BPC), on non-competitive issues.

GROUP	OUR REPRESENTATIVE	GROUP OBJECTIVE
BPC Antibiotic Stewardship Group	Head of Poultry Health and Welfare	To work collegiately to reduce antibiotic use across the industry
BPC Welfare Stewardship Group	Technical Director, Head of Poultry Health and Welfare	To identify continuous improvement opportunities in bird welfare, across the sector
BPC Antibiotic Use sub group chair	Head of Poultry Health and Welfare	To have open discussions about driving solutions to the major causes of antibiotic use
BPC Poultry Health and Welfare Group	Head of Poultry Health and Welfare, Avara non-executive Director	To drive continuous improvement in K poultry welfare, whilst protecting the health of other poultry and humans, the environment, and the wider rural economy
Defra Animal Health and Welfare Pathway Steering Group	Avara non-executive Director	To support continuous improvement farm animal health and welfare, working with farmers, vets, the wider industry and supply chain
Animal Health and Welfare Board for England	Avara non-executive Director (non-executive member, appointed by Defra)	To provide strategic oversight, set policy framework and provide departmental advice to Defra on health and welfare matters of all kept animals in England

THE EUROPEAN CHICKEN COMMITMENT

In recent years, the campaign for chicken to meet the European Chicken Commitment has increased in intensity. Ultimately, consumers will make their own decisions about what to buy, and we see ECC chicken as part of that broader market choice.

While there may be some advantages to chicken raised to ECC standards, it's not without its disadvantages too, reinforcing the need to look holistically at the impact of food production. There's no doubt that ECC chicken has a higher carbon footprint, by virtue of its higher consumption of feed, and it also has higher production costs, which could put it beyond the reach of many households, if it became the minimum welfare standard in the UK.

This highlights the importance of factoring consumer behaviour into the drive for change. In the midst of a cost-of-living crisis, purchases of ECC products are mostly replacing free-range and organic chicken in shopping baskets, not the Red Tractor assured chicken that was originally hoped. Likewise, the logical action for consumers facing budget pressures is not to buy fewer, more expensive items, but to stretch every penny as far as it will go. We know that consumers are already switching to dark meat, and there's a logical next step to choosing imported meat over British, if the price difference makes it worthwhile.

This raises another important issue: whether imported meat should meet the same legal standards as that produced in the UK. As an example, at present, imported EU chicken can be raised at a stocking density that exceeds current UK legislative standards; standards to which UK producers must adhere and which carries a cost. Raising the overall standard of animal welfare in UK products will not be achieved through more ECC products, if imported meat is allowed to undermine UK welfare standards. Arguably, if British poultry becomes too expensive, the reverse will happen, as more consumers will switch to cheaper, imported meat and this will lead to an overall decline in welfare standards. Improving animal welfare cannot happen in isolation, but must be considered alongside other factors that drive consumer behaviour. That's what we've always said and that's what we do.

CASE STUDIES

IMPORTANCE OF OUTCOME-BASED ASSESSMENTS

We've consistently said that any objective assessment of welfare has to be based on outcomes. Of course, high standards are important, but using inputs as a proxy for good welfare falls short in one key area: confirmation whether or not they've worked. There are many variables that affect the welfare of the chicken or turkey, from the quality of the housing to the skill of the farmer. The idea that a uniform set of inputs will assure good welfare is, unfortunately, overly simplistic and misleading.

As an example, the quality of the facilities – particularly heating, ventilation and draft proofing, has a major impact on welfare. Birds raised to identical standards but on farms of differing quality, will not experience the same welfare outcomes. In practice this means that older, less well invested

farms may benefit from different inputs – perhaps a lower stocking density – where the benefits on a modern, well-invested farm are negligible.

Recognising this, our focus has been in two key areas: facilities and people. In recent years our farming supply chain has made major infrastructure investments, in facilities and technology, to give our birds the best possible environment for healthy growth. This investment, alongside training and management support for farm teams, puts us in the best position to consistently achieve the highest possible welfare on farm, and to consistently make yesterday's excellence today's expectation.

INTERNET OF THINGS

On a farm in Northamptonshire, we've been trialling the Internet of Things, to see how adopting this technology might be able to support farming teams and further improve welfare.

The key benefit is that live, real time data helps the farmer maintain tighter control of environment, so that the birds are raised in optimal conditions.

Tracking key data, including temperature, humidity, CO2 and lighting levels, helps us understand more about the condition and wellness of our birds, and doing so in real time means action can be taken quickly, if needed.

ARTIFICIAL INTELLIGENCE **ON FARM**

We've launched a groundbreaking pilot, with Beakbook, using AI to track data and drive improvements in welfare and productivity.

The weight of the birds is a critical for both welfare and productivity. From a welfare perspective, steady growth is an excellent indicator of bird health, while meeting stocking densities is critical both for the birds and our own compliance. If the AI can accurately predict bird growth, the farmer has a better opportunity to intervene if there are signs of poor health and manage the stocking density more proactively.

Weight is a critical factor in efficient processing too, so this technology is another excellent example of where good welfare is good business.

ADAPTING TO A CHANGING CLIMATE

Sadly, the trend for more extreme weather events appears to be well established and, over the last few years, we've seen temperatures in the summer spike and remain at levels beyond what we once thought possible.

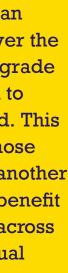
Recognising the potential impact of extreme heat on poultry, there has been significant investment, particularly on broiler farms, where the impact of extreme heat is greatest.

At present, almost 89% of our broiler houses have active cooling mechanisms in place, typically with misting or ground cooling. Of those that remain, other than those with tunnel ventilation, which has demonstrated proven cooling effects, we downstocked for June, July and August. This reduction in bird numbers gave them more space and allowed for better airflow, to reduce the risk of heat stress.

FIRST, THE EGG

We know that the quality of the hatching egg is an accurate reflection of the health of the chick. Over the last six months we've changed the way that we grade eggs, so that chicks that have a higher potential to have poorer welfare outcomes are not incubated. This means that the embryo does not develop and those eggs are sold to create pasturised liquid egg – another import food product. We're already seeing the benefit on-farm, with higher overall welfare outcomes across our flocks, showing that our approach to continual improvement is working.







CASE STUDIES

HATCHERY TRIAL

In one of our hatcheries we're looking at ways we can reduce stress and improve the psychological comfort of chicks, introducing the smell of natural maternal pheromones in the hatching environment.

Prior to the eggs hatching, we spray chicken pheromones onto the eggs so that, as the chicks break through, they enter an environment that feels more comfortable. As stress can affect the bird's health and growth, we're interested to see if the practice matches the theoretical benefits.

Being in an atmosphere with the smell of natural maternal pheromones leads to a natural reduction in stress, and high levels of psychological comfort for the bird.

AVIAN INFLUENZA

We continue to closely monitor the potential risks associated with Avian Influenza and are confident that we are providing the best possible protection for the birds on our farms, and that the risk to human health remains close to zero.

Vaccinating poultry against Avian Influenza has been identified as a potential solution and would help prevent replication within our flocks and lower the likelihood of mutation, however, at present, it is not legal in the UK. We are working with Government, via the Avian Influenza Vaccination taskforce, to overcome the challenges and allow vaccination to be added to our toolbox for effective bird flu control.

SUMMARY

While we're always looking for opportunities to improve welfare, we go to great efforts not to compromise our standards elsewhere. Each trial or development has to achieve progress, without making the end product less sustainable, or pricing it beyond the reach of the majority of consumers.

For us, it's vital that everyone can choose products aligned to their values – regardless of their budget.





OUR CONSUMERS

Over the last two-to-three years, business and households alike have been under immense pressure. From the restrictions of the COVID pandemic to, more recently, rapid inflation that has been putting budgets under strain. Prices have risen significantly across a range of household goods and services.

Grocery inflation has not been immune and prices in shops and restaurants reflect this. At the levels of inflation seen in the last 12 months, if shoppers bought the same items one year apart, they would need to find, on average, an extra £683 to cover the cost.

While it looks like inflation has peaked and is slowly declining, prices are continuing to increase, albeit slower than historic rises – peaking at 17.3% in March 23. Poultry is still well placed in this environment though. Inflation in Chicken is currently +9.7% year-on-year, versus Pork, which is up 23.7% and Beef, which has risen 12.3%. Meaning Chicken, and Turkey, are still amongst the cheapest proteins to buy, evident in the 2% year-on-year volume growth seen in fresh chicken to August 2023. These price increases are a particular challenge for consumers because much of grocery shopping is not discretionary: there is a fixed amount of food that's needed to stay fed and healthy. And with 26% of people claiming not to be able to afford essential food shopping, some are struggling to cope.

But consumers across the board have adapted their habits to manage and offset this increase as much as possible.

CHANGING CONSUMER BEHAVIOUR

BUYING LESS

Initially, consumers simply bought less. In November 2022, 24% said they were cutting out discretionary items and reducing spend on treats. This behaviour plateaued quickly once consumers had made all the cuts that were possible, and in February 2023 it was down to just 19% of shoppers who were still engaging with this behaviour.



TRADING DOWN

If buying less was one option, then buying for less was another. By 'trading down', consumers increasingly turned to budget-stretching options across 2022 and 2023. In February 2023 the number of consumers trading down was up to +39% from +34% in November 2022.

In Fresh Poultry this was evident as dark meat sales surged: up 14.1% year-on-year to August 23. Consumers shifted into cheaper cuts like legs, thighs and drumsticks but also cuts like mince surged in popularity.

Within trading down behaviour, we also saw a significant switch in shoppers moving from higher welfare tiers like free range and organic into core and enhanced welfare ranges.

Through our own consumer insight, we know that longer term, consumers desire higher welfare and sustainable standards which will continue to drive the future direction of our business. The recent change in purchasing behaviour, however, show that, right now, price trumps higher aspirations. This makes it all the more important that we continue to drive improvements in welfare and sustainability for our core products, putting responsible choices within reach of the majority of shoppers.



SWITCHING TO CHEAPER STORES

The third key behaviour change has been for some consumers to choose cheaper outlets for their grocery shop. The discounters have benefited from this trend the most, with almost 18% market share combined in the last 12 weeks to August 2023. The response from the traditional retailers has been more aggressive promotions and a focus on loyalty cards, to compete with lower prices, offer better deals for consumers and encourage shoppers not to leave. This competition at the retail level has been effective at suppressing the impact of shopper movement and winning shoppers back from Discount channels. Both Tesco and Sainsburys outperformed the market in August with sales growth of +9.5% and +9.3% respectively over the 12 week period. We continue to support with deals and promotional plans that will help maintain this level of competition as we navigate another difficult year for consumers.



IMPACTS ON EATING OUT

Overall, the eating-out market is in growth, up 4.2%, but this is driven by inflation and budget-conscious consumers are holding the market back. Within this, fast food channels have continued to do well (up 2.3% between 2017 and 2023), however, serviceled outlets and pubs are under more pressure, down 3.7% and 0.8% respectively. Much like in the retail environment, we see those consumers with less disposable income, are changing their behaviour to eat out either less often or, more likely, opting for a cheaper option.



MEETING CONSUMERS' NEEDS

Understanding what consumers want and how they are responding to pressure on their budgets is only half the story. We've also been working hard to make sure that we're consistently meeting consumers' changing needs.

First and foremost, shoppers want great taste, and that's been our focus this year. Our 'Added Value' has undergone major investment and innovation, adding flavours and ingredients from around the world to create an extended range of mouthwatering dishes. The winning combination of that great taste, poultry's versatility, and the convenience of the hard work being taken care of, have made this range incredibly popular.

For those that need to trade down, we've worked hard to add lower price points into our ranges, using our 'Simply' brand to make this change at pace. By increasing presence of cheaper cuts and ingredients, using dark meat in particular, and strong promotional plans to maintain value for money, we helped make sure that the products we make suit changing consumer needs and behaviours.

Recognising that many consumers were foregoing their eating out treats, we developed and launched several ranges that aim to replicate the comfort, flavour and convenience of eating out, but at the pricepoint of eating at home.

From more 'fakeaway' products, to supporting new brand launches and premium dishes, our extended range is helping consumers enjoy the meals they want, at a price they can afford.

Critically, our long track record of continuous improvement in areas like welfare and sustainability, without losing sight of the need to remain affordable, meant that we can adapt our product range to suit restricted budgets, without consumers feeling that they have to accept lower ethical standards.





OUR COMMUNITIES

We are determined to be a proactive and positive contributor at the heart of our communities both as a major employer where we're are based – this starts with offering stable careers, opportunities and development – but also through our wider contribution as members of those communities. This is focused around tackling food poverty and encouraging healthy lifestyles.

We recognise the impacts the cost of living crises and inflation have had in the home and beyond over the last 12 months, and despite challenging trading conditions have continued to support our communities when it's needed most, regardless of business pressures.

Through leveraging our resources and collaborating with community stakeholders and expert partners - who understand our business, and crucially, the real needs of the community – we are able to help drive meaningful change.

Increasingly, we are improving our support for disenfranchised groups in the community, providing stable, long-term employment, that affords lasting opportunities to overcome change. We have explored the composition of our communities around our key geographies, to better understand how they are made up, and what we can do to help reflect this in our workforces.



FIGHTING FOOD POVERTY

We've been longstanding supporters of food charities at a regional and local level, and they've consistently told us that they are seeing unprecedented demand. While we've seen many consumers change their shopping habits, there is a growing portion for whom finances are so tight, their only option is charity. The scale of our business and the volumes we work with, mean that we're well placed to make a meaningful contribution and help those that need it most.

FARESHARE

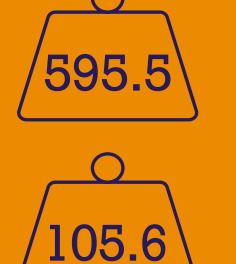
We've continued our industry leading partnership with food redistribution charity, FareShare, providing a regular, dependable supply of fresh chicken every week. We effectively treat FareShare as another customer, but with one notable exception: their products are free. Since our partnership began, we've donated the equivalent of 1.4m meals.

Last year we were officially recognised as a one of the FareShare's Leading Food Partners. An award reserved for the top tier of business, based on volume of contributions.



In the last 12 months another of our processing sites has established a partnership with their local FareShare warehouse, supporting the South Midlands area. Alongside conventional support with food donations, the team also contributed IT equipment to its partner charity, helping tackle digital exclusion in the community and get more people online.

We are also exploring opportunities for Avara colleagues to support FareShare through volunteering experiences where we can lend the time and skills of our teams.



Cumulative Avara total (tonnes) equivalent to

In the last 12 months (tonnes) equivalent to



251,433 meals



Alongside FareShare, all our major operational sites have established relationships with local foodbanks, regularly donating products and funding to support those on their doorstep.

HEREFORD FOOD BANK

Along with food donations and fundraising, the Hereford team have also worked closely with the local foodbank to better understand their needs beyond just products, and donated funds to help improve key parts of their process, including refurbishments to their site.



FOOD AND EDUCATION ENTERPRISE PARTNERSHIP

We have been partners with FEE, a social enterprise group in Derby, for several years. As well as donating turkey from our nearby Holly Bank site, our support has helped pay for an admin coordinator role, to help better plan and respond to food needs in the area.

FEE support marginalised groups in the community, including BME, refugees, and isolated people in long term unemployment. Whilst their offering starts with food, they provide a gateway service where recipients can also access a broader range of support, from literacy and English language lessons, to cooking workshops and CV writing skills.



ENCOURAGING HEALTHY ACTIVE LIFESTYLES

Sponsoring youth sports and exercise clubs is a great way of encouraging more people to get, or stay, active through friendly competition. With a focus around inclusive grassroots sports and mass participation events that cater for all levels, we've supported 10 teams and competitions over the last 12 months.

HEREFORD FOOTBALL ASSOCIATION PARTNERSHIP

We are the Lead Cup Partner for the Herefordshire Football Association (HFA). This partnership supports the running of seven cup competitions, and opens up new opportunities to engage and support initiatives that can help the community more widely, in partnership with HFA.

A good example is our sponsorship of the Hereford 'Thank You' trophy, a youth football tournament raising money for the Wye Valley NHS and other local charities.





SCROPTON RIDING FOR THE DISABLED

Holly Bank have continued to partner with Scropton Riding for the Disabled (RDA), a charity who offer life-changing therapy, fitness and skills development for local children and adults with a range of physical, learning and sensory disabilities.

Scropton RDA is an inclusive and diverse organisation, catering for a wide variety of needs and circumstances, and creating opportunities for groups who may otherwise struggle to participate in mainstream activities.



SPORTS COACHING WITH LUCTONIANS SPORTS CLUB

Our sponsorship of Luctonians Sports Club's community coaching programme dates back to 2003. This initiative aims to get more young people active and playing sport on a regular basis, through the delivery of multi-sports coaching in over 20 primary and secondary schools, across Hereford, Shropshire, Worcestershire and Powys. Annually it provides over 1800 hours of quality coaching, reaching over 1000 young people.



FUN RUNS

One way to get more people up and active is through mass participation sports events where people of all abilities are welcome and encouraged. In the last year we've worked closely with local clubs and community stakeholders to support two community fun runs that saw hundreds of participants take part.

BRACKLEY CHICKEN RUN

This is our 12th year sponsoring the Brackley Chicken Run, a 10km fun run around the town, accommodating elite club runners through to casual plodders. This year saw over 200 runners taking part.



THE BIG BIRD

Fundraising for the Hibbs Lupus Trust and Mind, the event saw over 250 runners of all ages taking part, with some even braving the course in fancy dress. We donated turkey whole birds to all participants, with any leftovers going to local foodbanks in the Wolverhampton area.



SUPPORTING CYCLING

We first launched our partnership with bikeshare provider Beryl at our Hereford site in the summer of 2021 and now, two years in, our colleagues have ridden an incredible 123,000 km. This initiative was setup to promote more travel between our two sites in Hereford, increase the number of employees cycling, and help take traffic off the busy Hereford roads. In two years, we have taken 51,465 journeys using the bikes, with 850 colleagues trying them, with many using them as their preferred method for commuting to and from work.

Complimenting this, we also explored other ways to encourage more people to take up on two wheels. This summer we offered a series of free bike clinics, with casual drop-in sessions taking place on site, where colleagues could bring in their bikes for repairs, tips and advice on maintenance and upkeep.



Visitor Parking ← Drop Off & Pick Up ← Employee Parking ↑

SITE SAFETY

Take care of your own safety and the safety of others around you All drivers and visitors must report into

 10
 10mph - Please keep within this speed limit at all times

 10
 Pedestrians use the designated walkways and crossing points

 10
 Children must be supervised by an additional at all times

No lorries Smoking is only permitted in th

CTV & 24hr security in operation



FUNDRAISING AND VOLUNTEERING

Financial support isn't the only way we make a difference, and our teams love to get involved with volunteering activities; donating their time, knowledge and resources to local causes.

- Our Hereford Engineering teams have supported with the upkeep of the G.E.M special school, with colleagues visiting regularly to help with the maintenance of the grounds.
- Once a month members of our Hereford Operations team have been volunteering with the Little Princess Trust.
- We have continued our engineering apprentice volunteering day at St Michael's hospice, helping with gardening around their site.

Many of our sites have also taken part in fundraising initiatives raising money for local and national charities.

Our team at Brackley held a Charity Challenge week and raised over £3,000 for Katherine House Hospice, a local charity providing palliative care for adults with life limiting conditions. Over the week colleagues from across the site, took part on array of activities, from running and cycling over 1100 miles to bake sales and fancy dress.







Colleagues from Hereford and Newent took on a gruelling 30km hike across the Welsh black mountains, raising £1000 for their local Herefordshire food bank.





An Avara team undertook the three peaks challenge this summer, summiting the highest peaks in Scotland, England and Wales, all in under 24 hours. This mammoth effort raised over £9,400 for Mind, a mental health charity we supported frequently in recent years.

















