



FOR GOOD

A thick, yellow, upward-curving arc positioned below the word 'GOOD', resembling a smile.

Our
Planet
Report

2022

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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		✓	

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.

Our Planet objectives are divided into five key pillars:



DATA COLLECTION

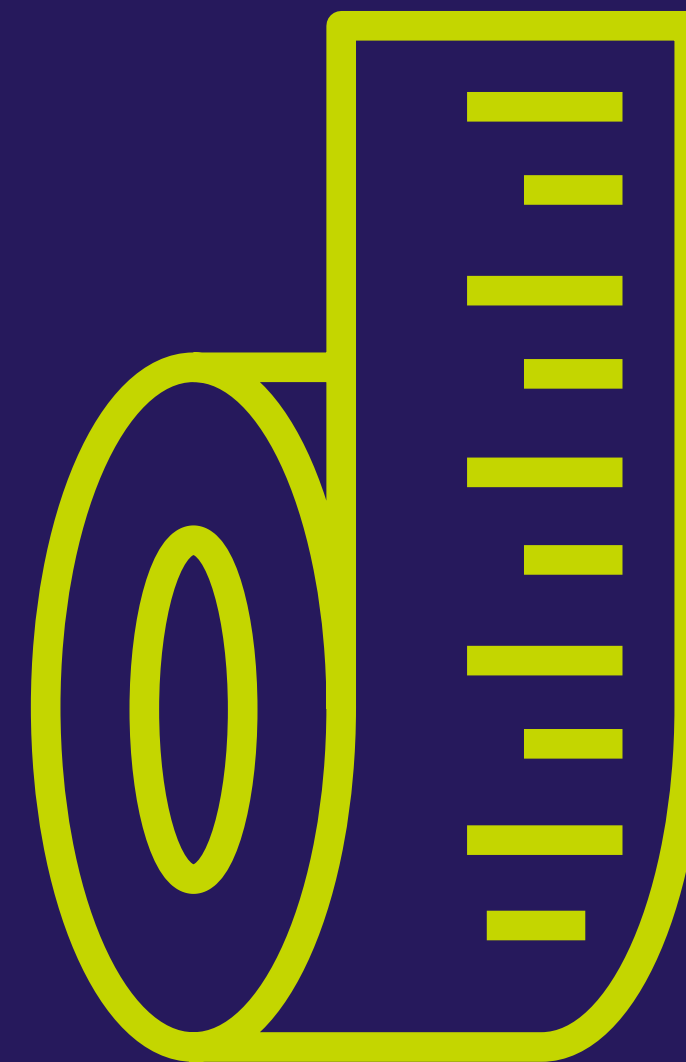
Data is at the heart of our environmental agenda, so we make sure it is comprehensive, robust and accessible. Our new monthly scorecard puts environmental data in the hands of the people that can shape its direction.

Our Scope 1 and 2 emissions have been externally verified since 2019, in line with the ISO14064-3:2019 standard.

70% of Scope 3 emissions are calculated using 'activity based' data: which tracks actual usage rather than 'spend-based' estimates. We are working closely with suppliers to capture more activity based data and build a clearer picture of our Scope 3 footprint.

As part of our commitment to accurate and consistent data we are taking part in WRAP's Scope 3 pilot study, which aims to establish standardised accounting practices and comparable data.

Alongside this, we are working closely with our farming partners to establish a detailed assessment of our agricultural carbon footprint. Starting with a representative sample this year, we will have data from 100% of our farm base within the next three years.



**WE CAN'T
IMPROVE
IF WE DON'T
MEASURE**

CARBON EMISSIONS

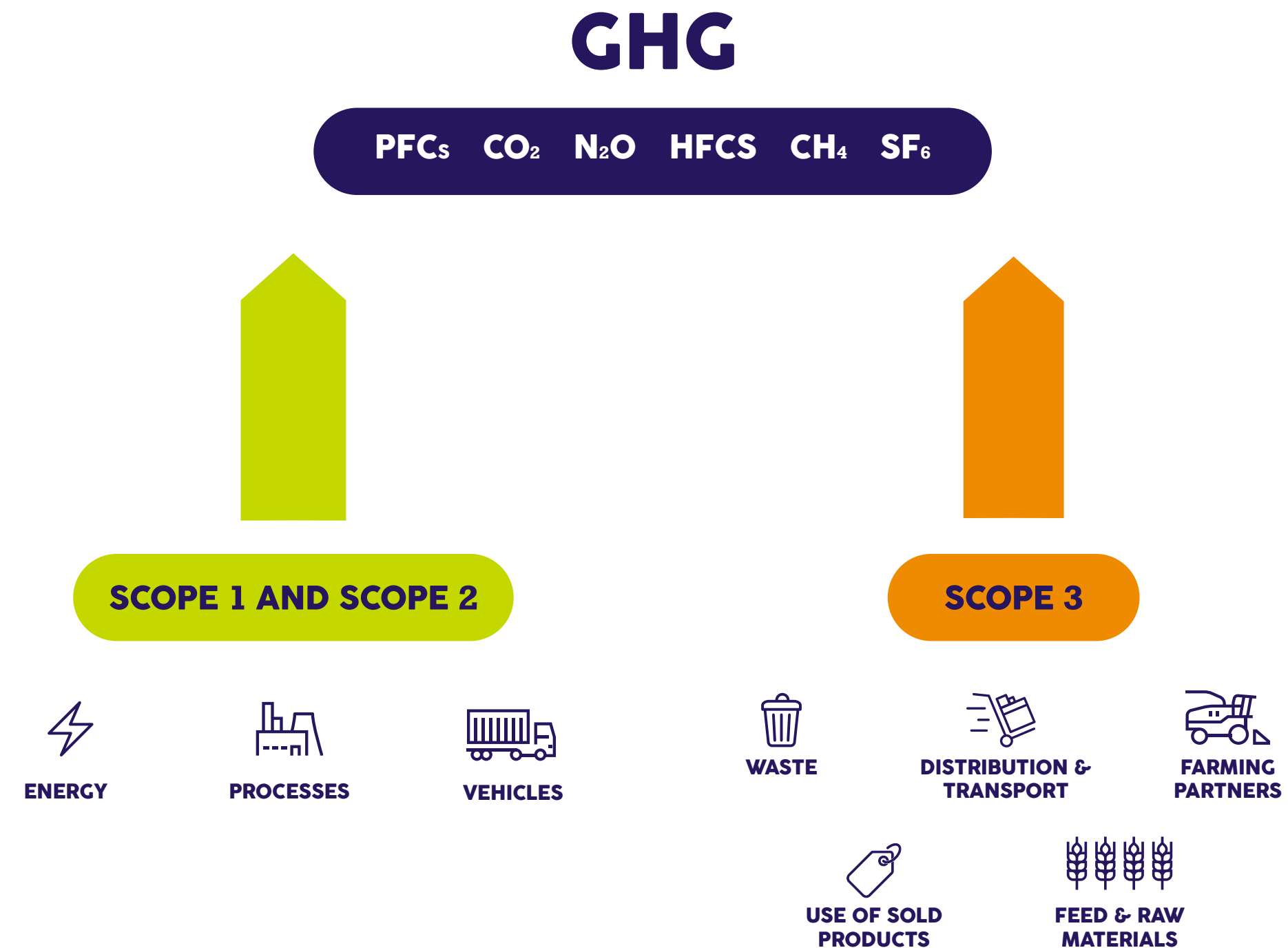
We have set ambitious Science Based Targets (SBTi's) for carbon emission reduction, as part of our Net Zero ambition.

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

SCOPE 1&2	SCOPE 3
Set in line with efforts to limit warming to 1.5°C	Set in line with efforts to limit warming to 2°C
Reduce absolute emissions 46% by 2030 from a 2019 baseline	Reduce absolute emissions 28% by 2030 from a 2019 baseline*

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

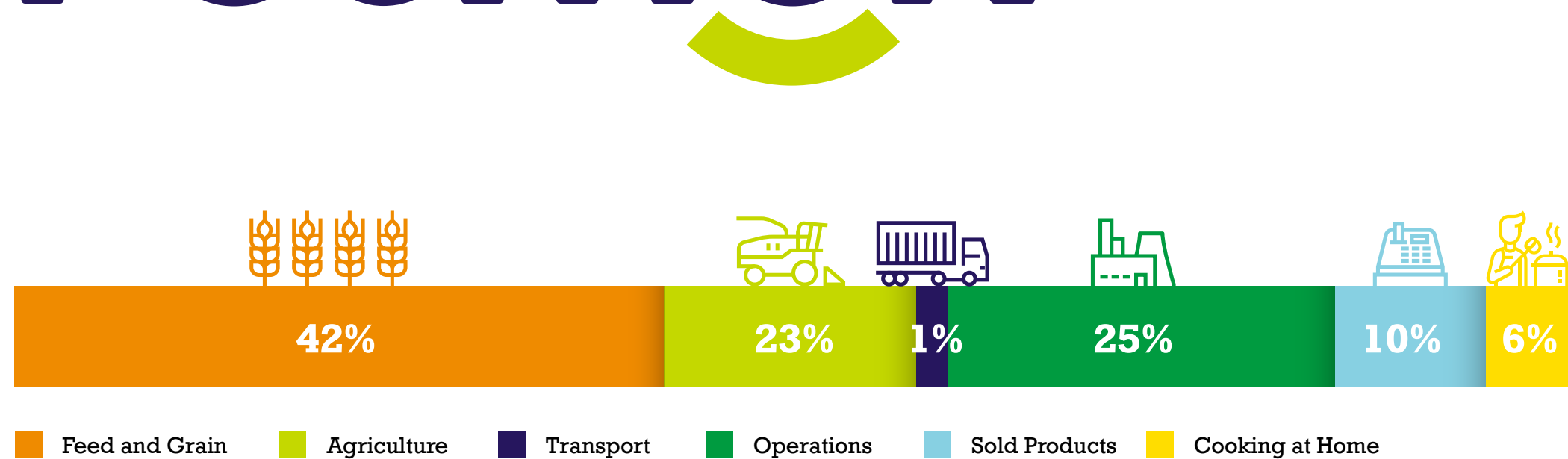
A “carbon-neutral” business has committed to not increasing its emissions and has reduced or balanced their emissions through offsetting. Whereas a “net-zero” business has made changes to reduce their carbon emissions to the lowest possible amount.



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.

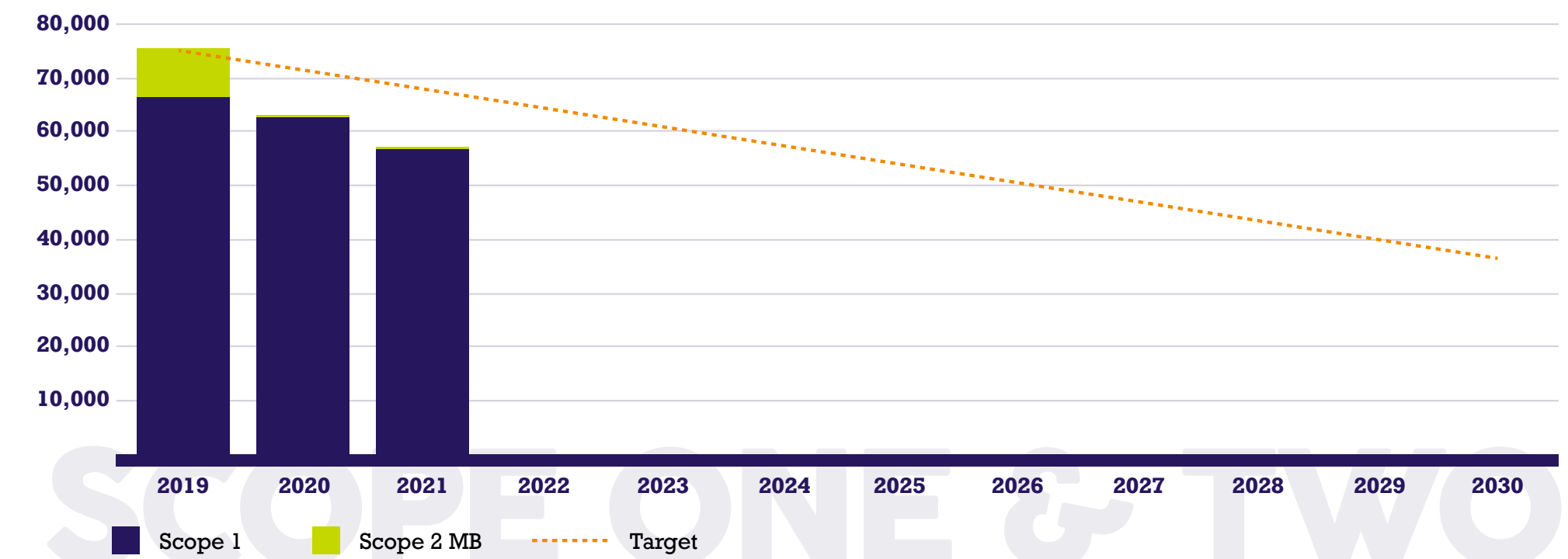
SCOPE 1&2 REDUCTION

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.

MARKET BASED METHOD

A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice).



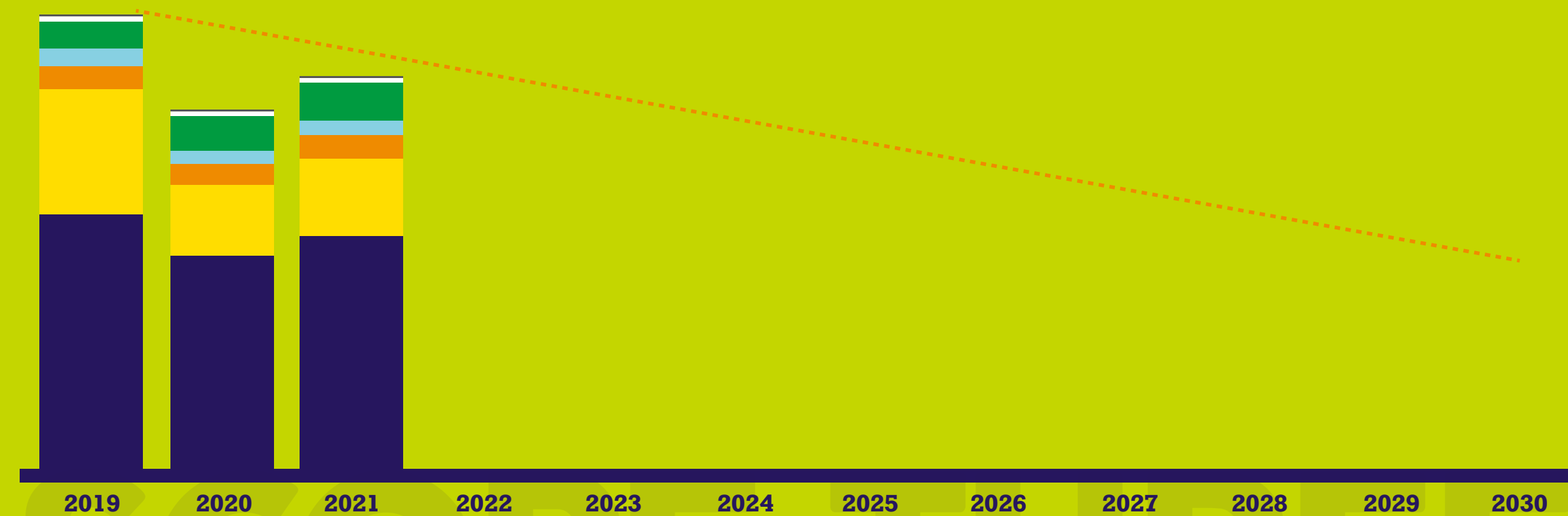
HOW HAVE WE REDUCED OUR FOOTPRINT?

In terms of reducing our Scope 1&2 emissions, we have:

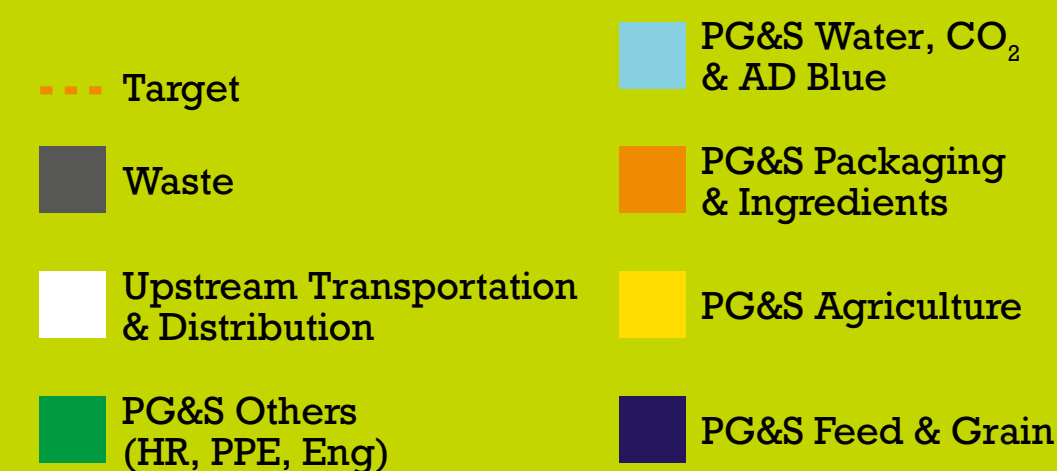
- Reduced propane emissions by 29%, as it is phased out of operations and replaced by alternative fuels with lower emission factors.
- Implemented a range of energy efficiency measures, targeting incremental change over a large number of projects.
- Reduced our emissions (Scope 2 market-based) by purchasing zero carbon electricity since 2018 where 99.8% of our sites now purchase zero carbon electricity.

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.



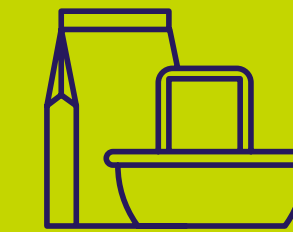
SCOPE THREE



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

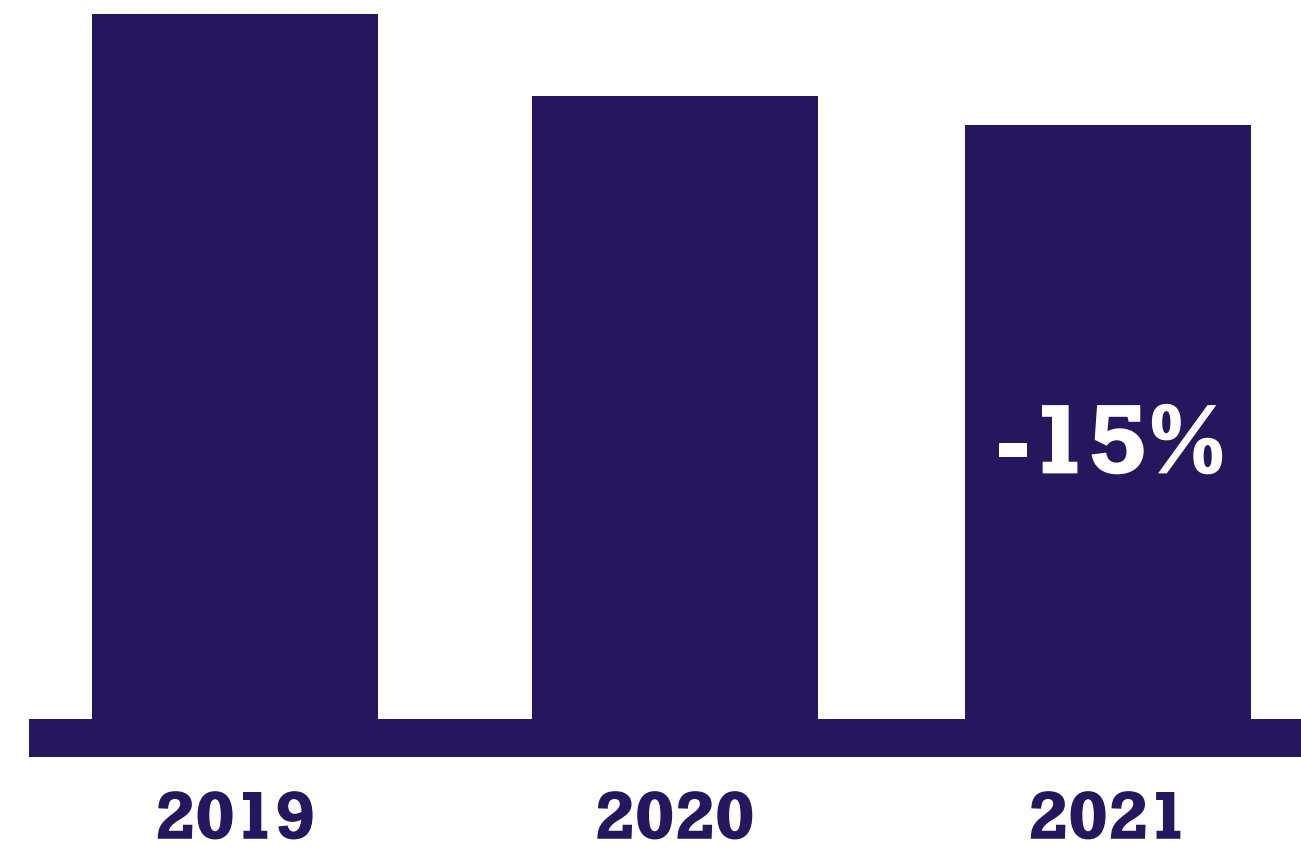
To continue our progress we are:

- 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.
- Trialling 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

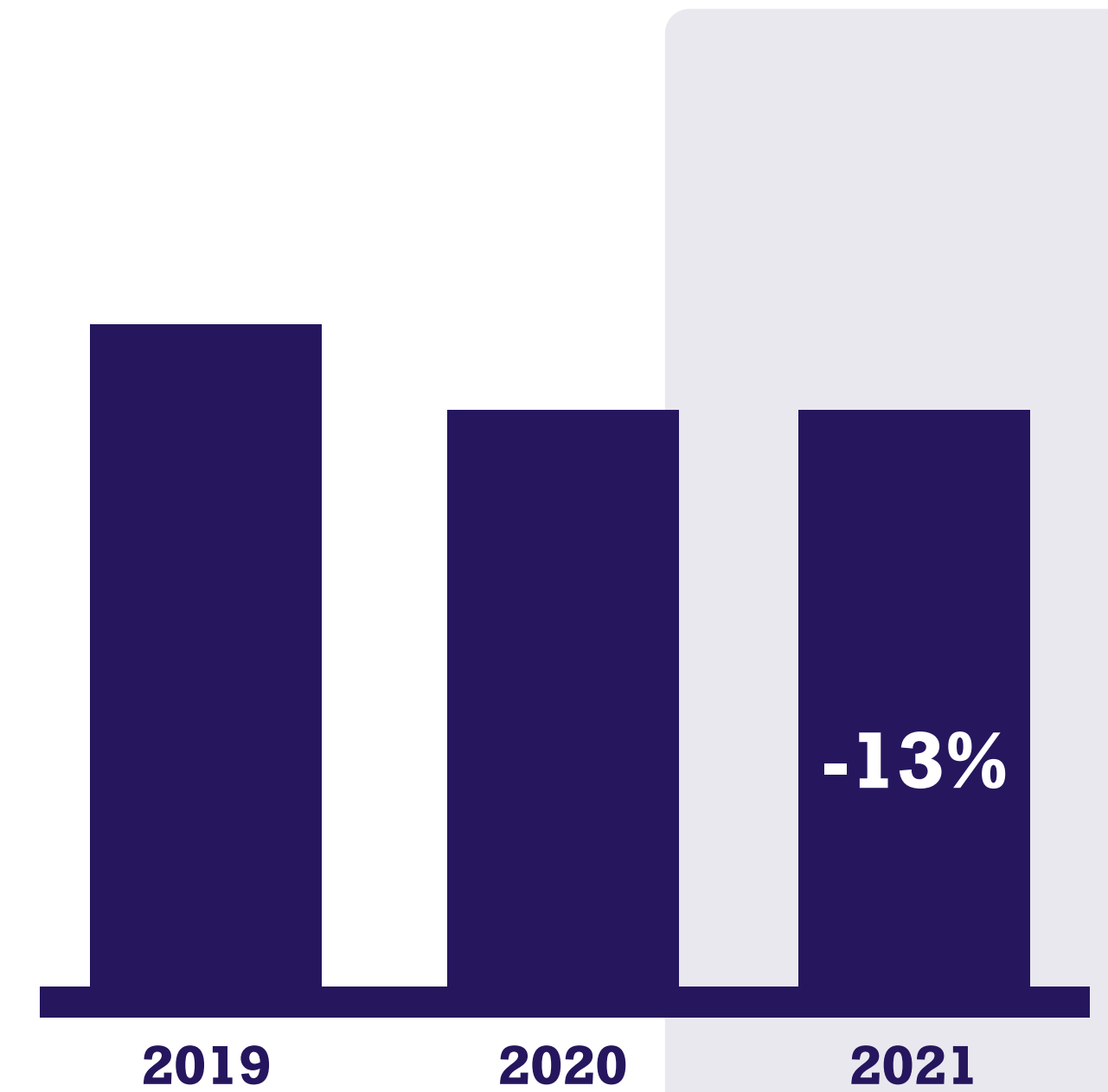
This year, we have been focused on collating all the water consumption data from our larger sites, initially our factories, mills and hatcheries, in order to publish our first ever water footprint.

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.

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.



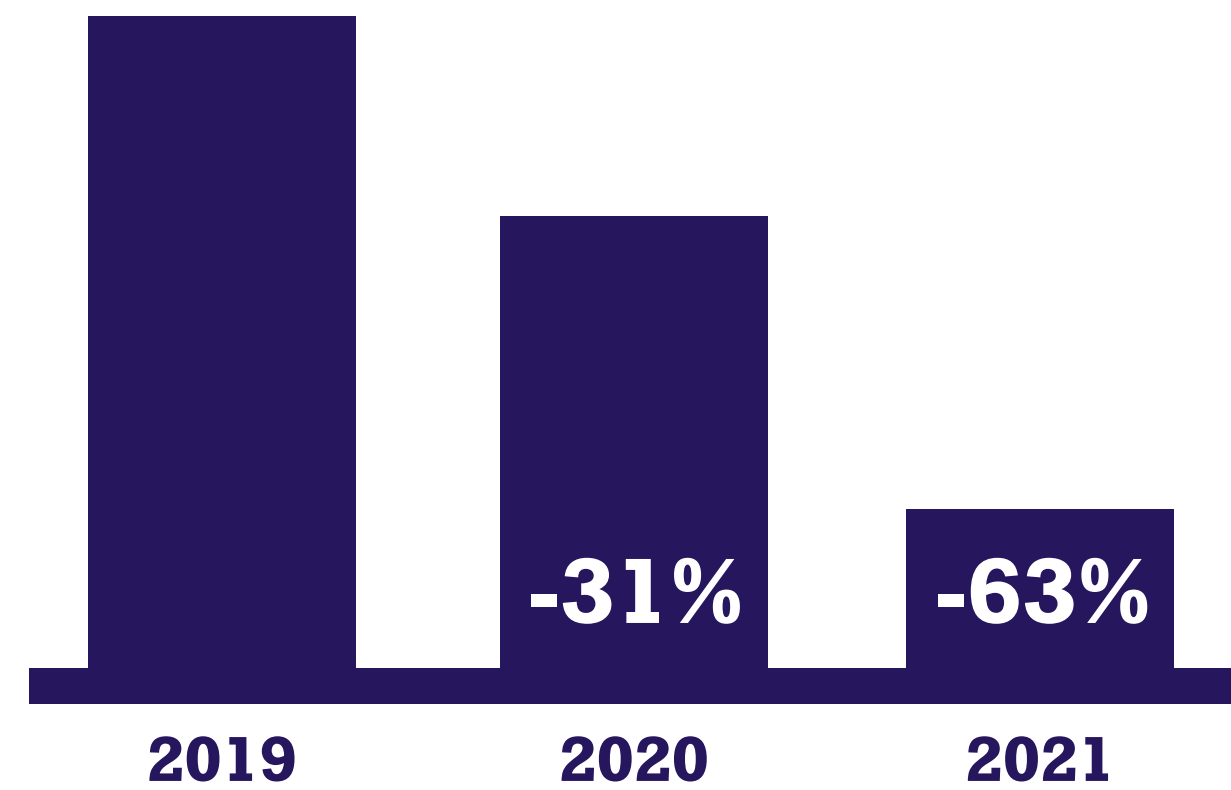
13%
REDUCED
WATER
CONSUMPTION
SINCE 2019

WASTE

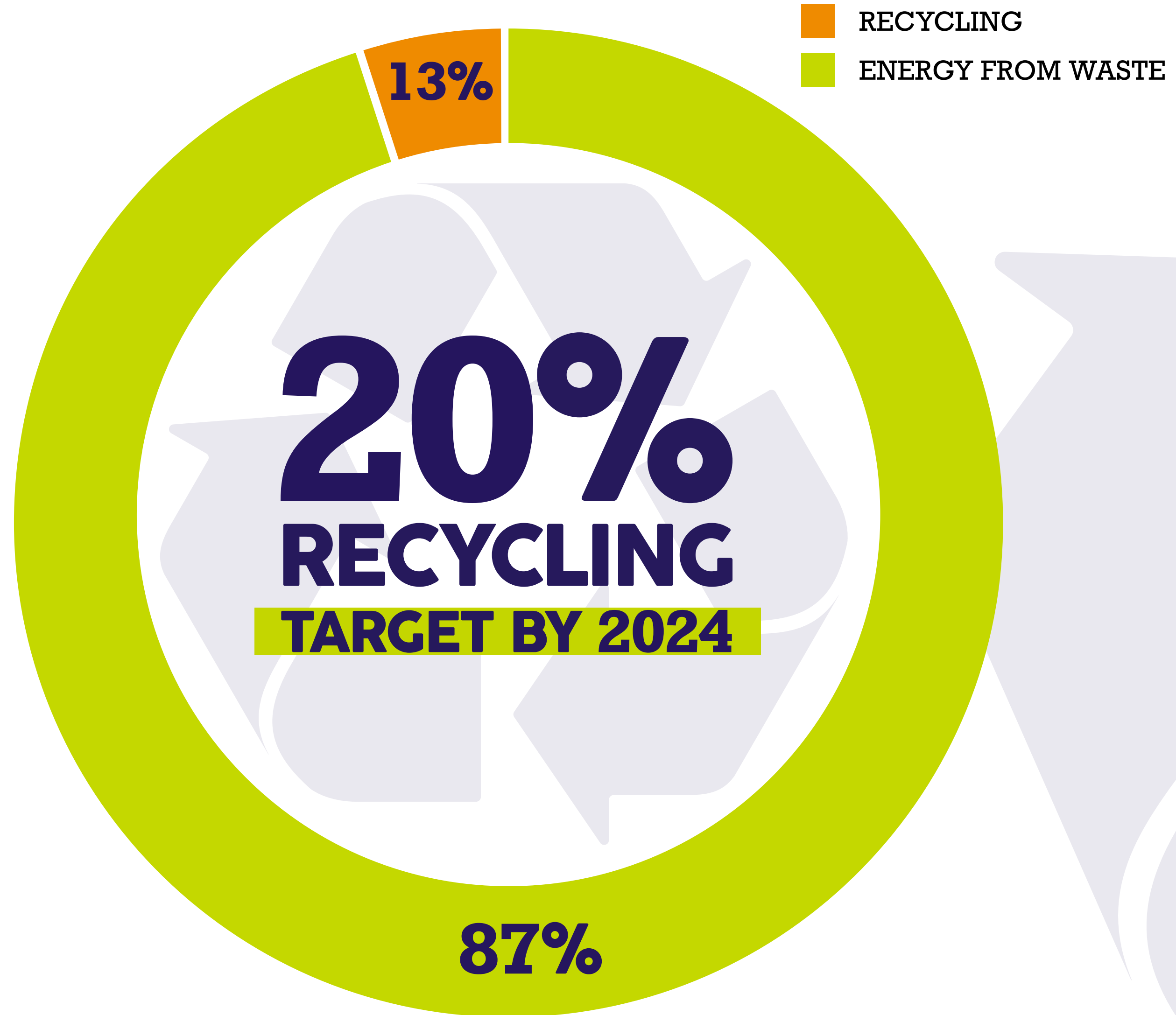
Waste in this section refers to general waste and recycling disposed of at Avara sites. Waste can be defined as any substance or material that no longer has a use or purpose and needs to be discarded.

Since 2019 we have reduced the emissions (tCO₂e) 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.

tCO₂e associated with waste disposal

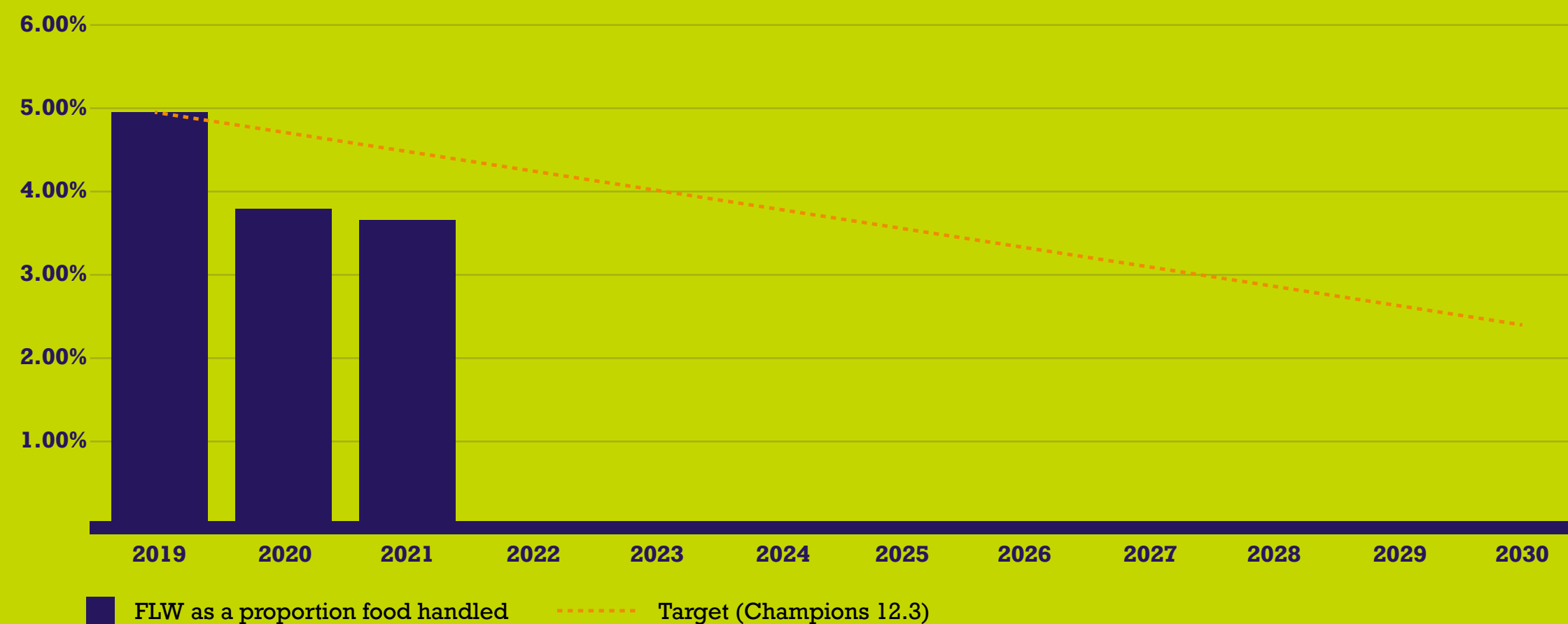


The data obtained has given us an insight to set targets, reduce the total amount of waste produced, increase recycling rates, and encourage circular economies.



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.

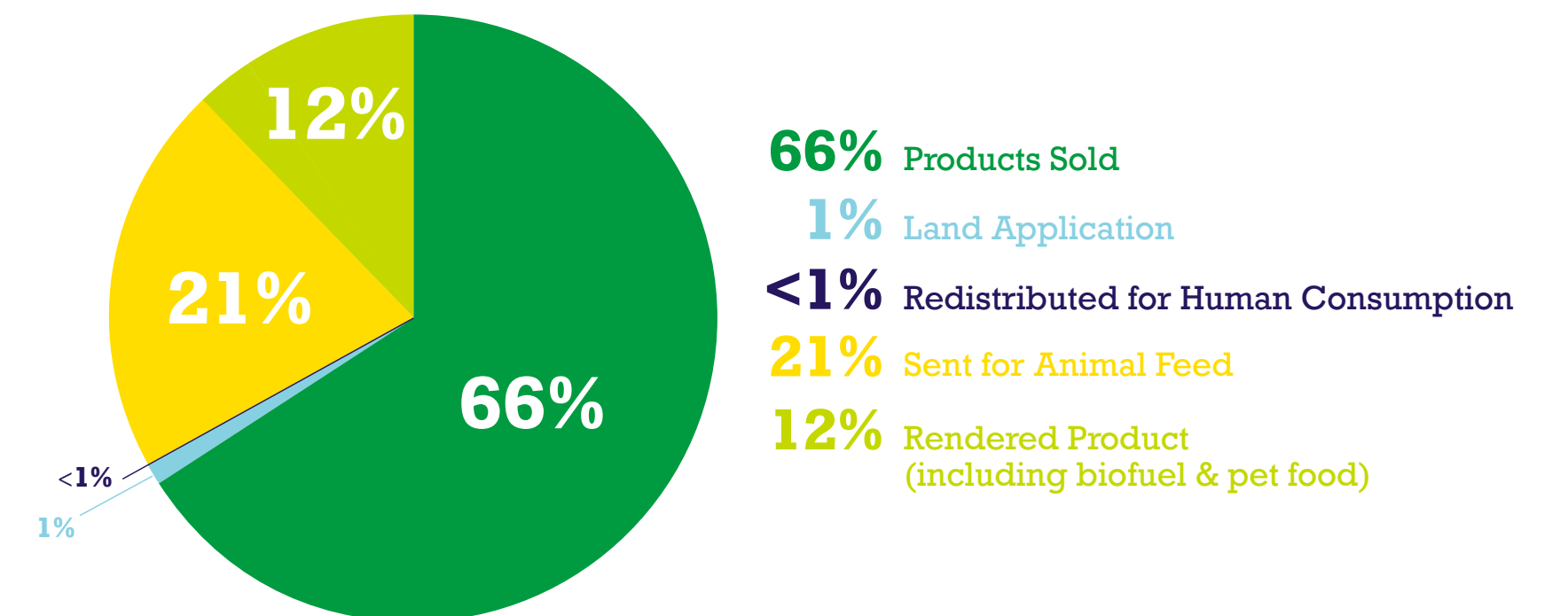


We are currently on track to achieve the target of 50% reduction in food waste by 2030. In 2021 our operational food waste of sold product was 3.67%, down from our baseline year 4.93%.

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 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.

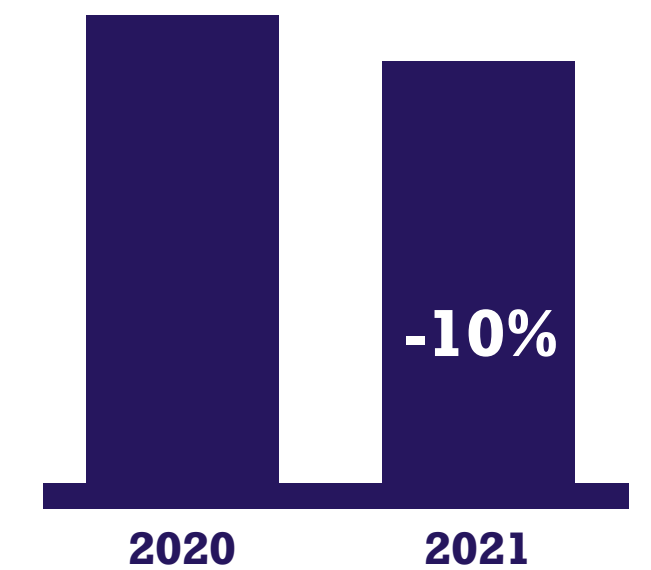
The right packaging preserves the safety, quality, and nutritional properties of our products, as well as prolonging the life of our products and reducing food waste.

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.

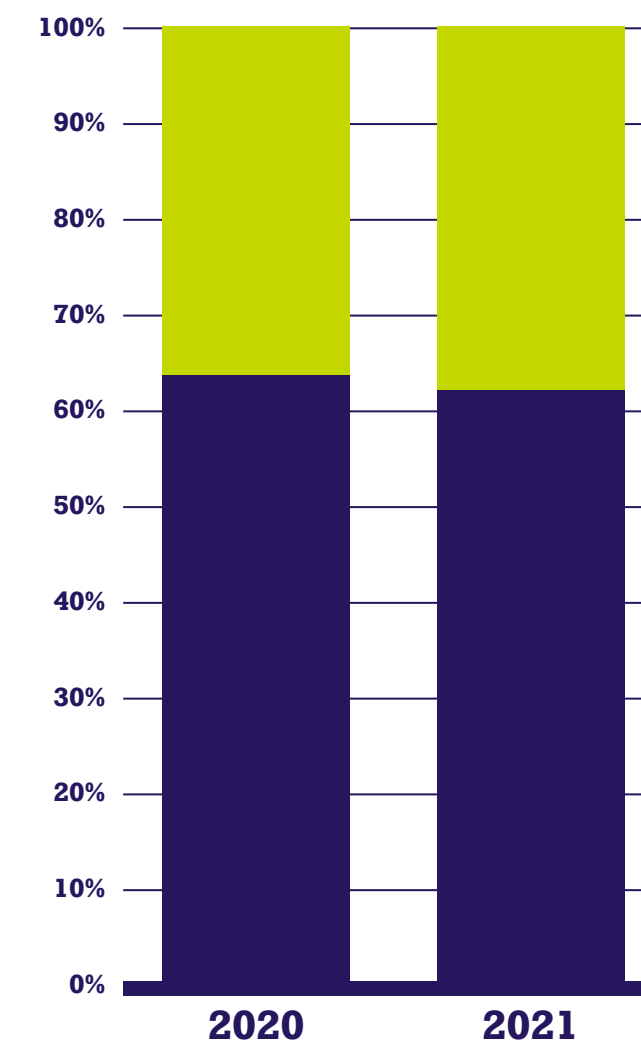
From 2020-2021 we have reduced the greenhouse gas emissions associated with our packaging by 10%. This is predominantly due to us reducing the weight of packaging by 17% during the same period.

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 associated with packaging



% packaging recyclable at kerbside



RECYCLABLE PACKAGING

Our total packaging which is recyclable at kerbside has increased from 2020 to 2021. The majority of our packaging that is not recyclable at kerbside has the OPRL logo, which means it is recyclable in store.

■ Recyclable at kerbside
■ Not recyclable at kerbside

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

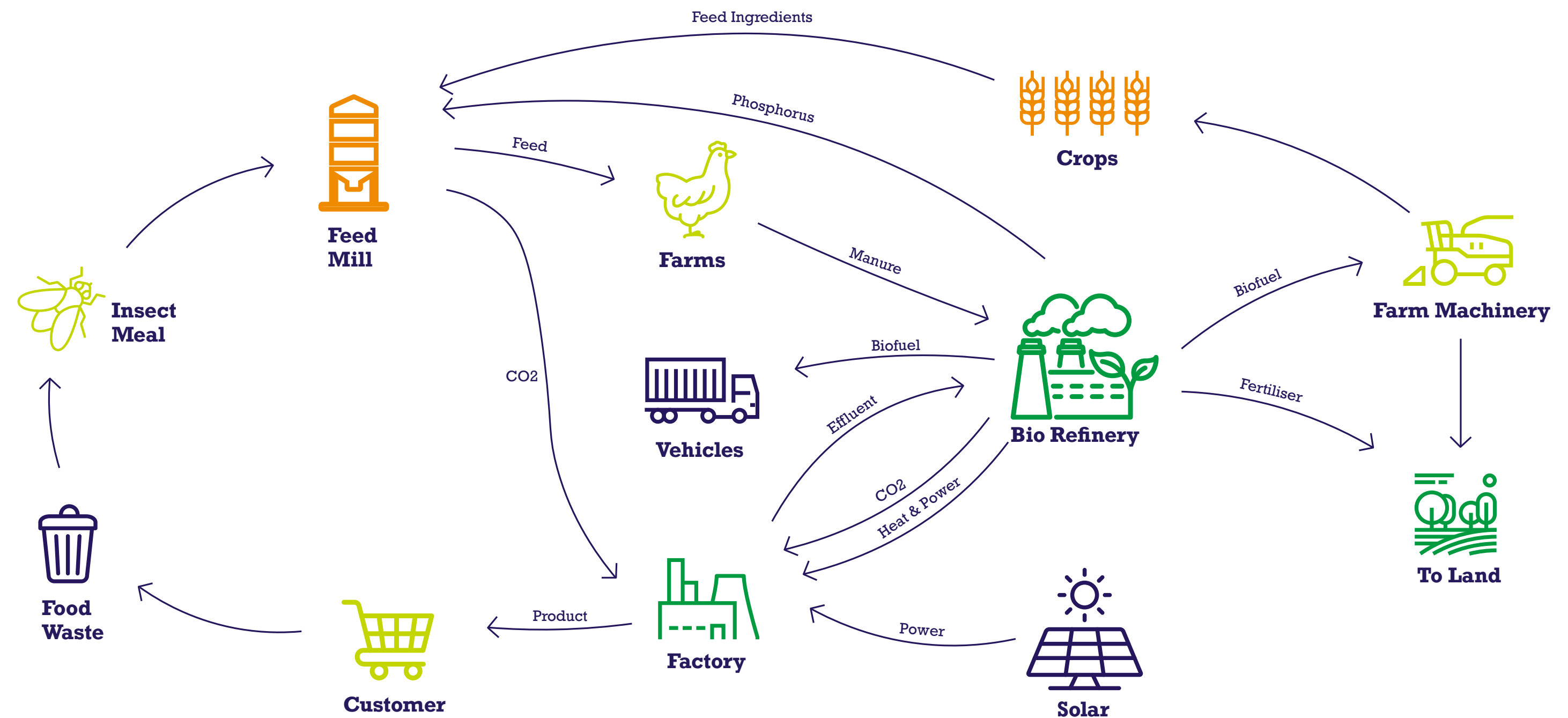
LOOKING TO THE FUTURE: TOWARDS A CIRCULAR ECONOMY

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, CO₂.
- Investigating the potential for carbon capture within our operations, to provide a commercial-grade supply of CO₂ 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 above diagram shows how a circular economy might work.

IN SUMMARY

	WHAT WE'VE DONE	WHAT WE'RE DOING NEXT	OUR TARGETS
 <p>CARBON</p>	<p>25% reduction in Scope 1&2 emissions since 2019</p> <p>17% reduction in Scope 3 emissions since 2019</p>	<p>Collaborating with suppliers</p>	<p>SBTi</p> <p>46% reduction in Scope 1&2 emissions by 2030</p> <p>28% reduction in Scope 3 emissions by 2030</p>
 <p>ENERGY</p>	<p>15% reduction in energy consumption since 2019</p>	<p>New technology trials</p>	<p>2% year on year improvements in energy efficiency</p>
 <p>WATER</p>	<p>13% reduction in water consumption at our main sites</p>	<p>Water Footprint of our farms</p> <p>Water risk analysis of our supply chain</p>	<p>50% water to be sourced from sustainable sources</p> <p>2025 Water Ambition</p>
 <p>WASTE</p>	<p>26% FL&W reduction</p> <p>Zero waste to landfill</p> <p>76% reduction in carbon emissions associated with waste disposal</p>	<p>Educating employees on effective waste segregation and improving on-site infrastructure</p>	<p>50% reduction in FL&W</p> <p>20% recycling rates</p>
 <p>PLASTICS</p>	<p>Reduced the tCO₂e associated with packaging 10% since 2020</p>	<p>Continue to explore circular economies for our packaging</p>	<p>Plastics Pact</p>
 <p>BIODIVERSITY</p>	<p>100% certified soy</p>	<p>Trialling alternative sources of protein</p>	<p>100% vDCF by 2025</p>



**FOR
GOOD**

A yellow, curved graphic element resembling a smile or a wide 'U' shape, positioned below the word 'GOOD'.