

FOR GOOD



Responsible
Business
Report

2024

INTRODUCTION

I'm delighted to introduce our latest For Good report, our fourth under our 'For Good' umbrella, in a year characterised by consistent progress across the board.

We created For Good as a way of looking holistically at Avara's impact on the world around us, both within our direct supply chain and further afield. We know from experience, and what our For Good wheel brings to life, is that nothing we do happens in isolation: it's easy to make progress on one hand while slipping off track elsewhere. In many ways, that is what makes our achievements over the last 12 months all the more satisfying. Not only have we made significant strides against our commitments, but we have done so by maintaining forward momentum across all For Good pillars.

Importantly, our carbon emissions continue to fall ahead of target which, by focusing on efficiency and decarbonisation, continues to be a commercial as well as a responsible imperative. Likewise, bird welfare has significantly improved through the consistent delivery of incremental gains, achieved without increasing the environmental footprint of our supply chain. Looking forward, we expect this trend to continue as on-farm stocking densities reduce in the year ahead.

At our heart, this is what Avara is all about: carefully considered decisions that balance often competing priorities. That's how we are able to consistently provide healthy, high-quality food, which has been ethically and sustainably produced, and is accessible to those that need it, regardless of budget. As the UK population approaches 70 million people, maintaining food security without compromising values becomes even more critical.

Andy Dawkins

Andy Dawkins
CEO, Avara Foods



OUR PLANET

Food production has an inevitable environmental footprint. As a business that 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 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.

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 (KPIs), which we use to track progress and Environmental Compliance.



STRATEGY

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 Aspects 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.

FLAG REPORTING

Forestry, Land and Agriculture (FLAG) is a framework for companies in land-intensive sectors to set Science Based Targets initiatives (SBTi's) that include land-based emissions, reductions and removals. This means that we will need to include land-use change when considering the emissions associated with areas such as feed and added value ingredients.

This provides us with a great opportunity to also improve the quality of data from our initial baseline for SBTi as we have moved more to activity-based data, with approximately 81% of our Scope 3 emissions being calculated using this methodology.

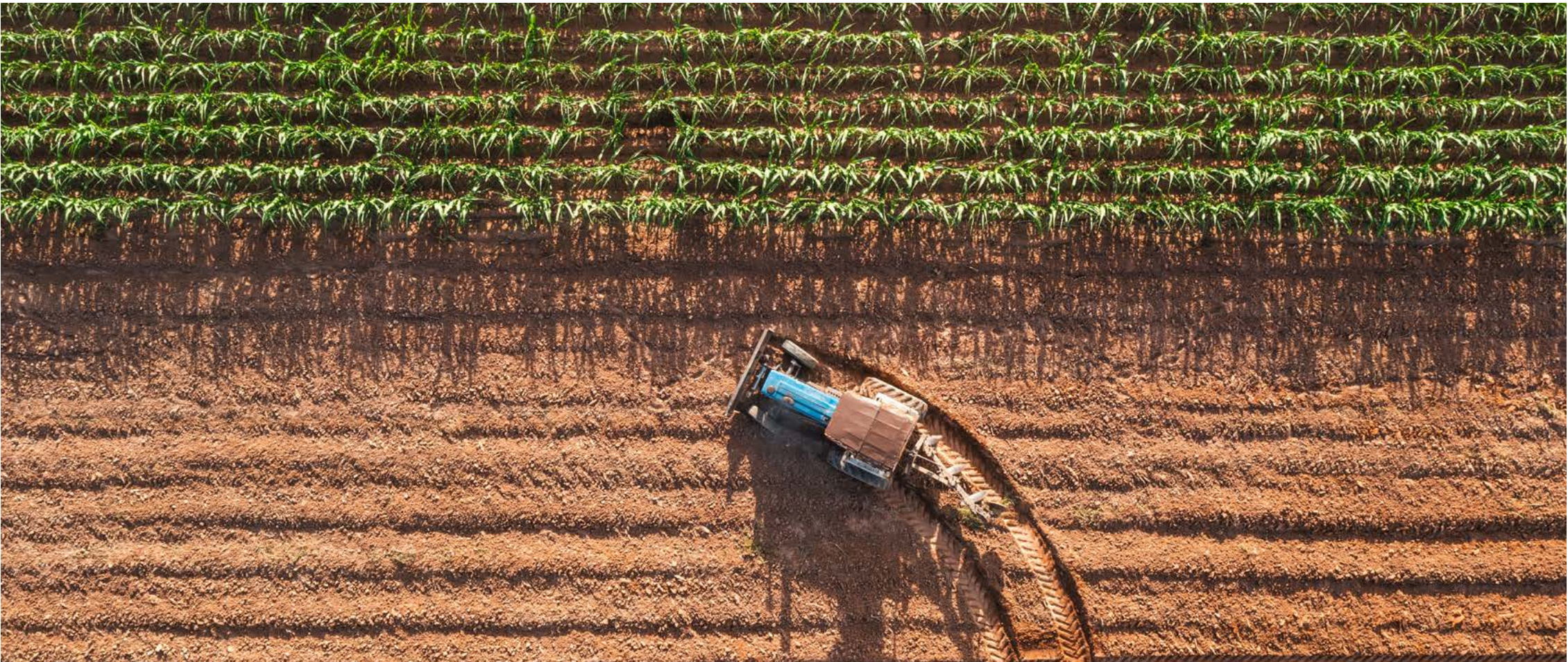
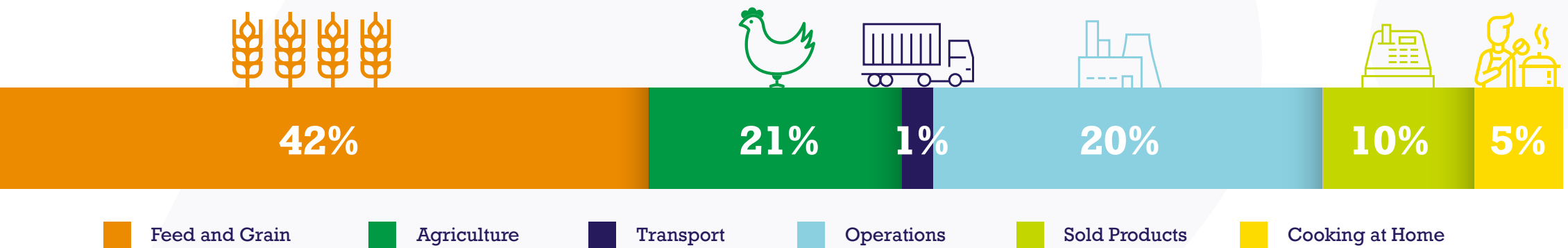
We are also using this opportunity to move our reporting year to financial year in order to support with additional reporting requirements such as TCFD.

Therefore, the carbon footprint reported going forward will align with this framework and guidance.

We aim to have this submitted to Science Based Targets by December 2024.

CARBON FOOTPRINT

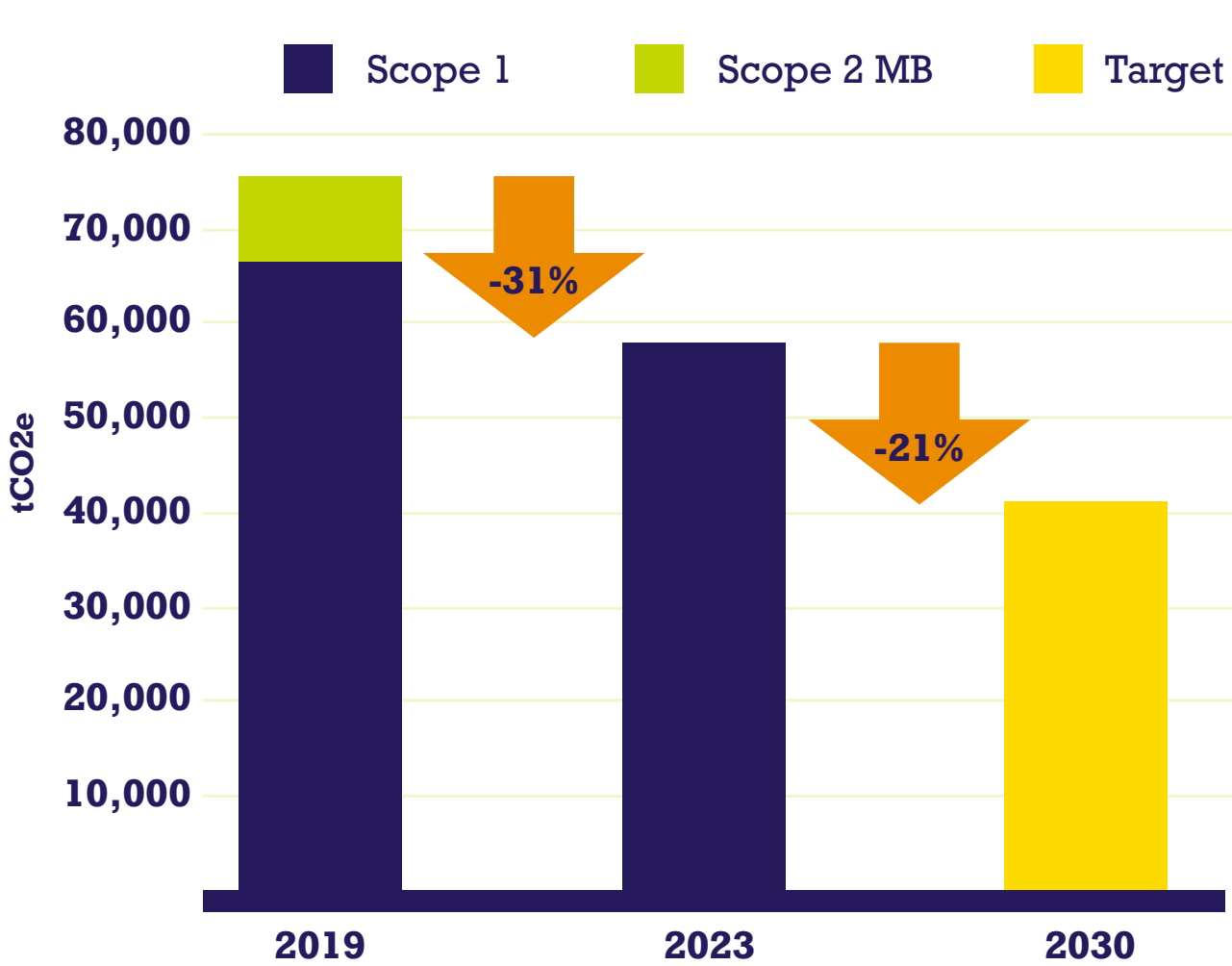
Everything we do has a carbon footprint and understanding the amount and nature of carbon emissions associated with the different aspects of our supply chain is critical to achieving our targets.



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 1&2 emissions (calendar year and financial year) are verified to ISO14064-3:2019.



SCOPE ONE & TWO REDUCTION

Since 2019 we have reduced our Scope 1 and 2 Market-based (MB) Footprint by 31%. To achieve our SBTi target we will need to reduce our emissions by approximately 3% 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.

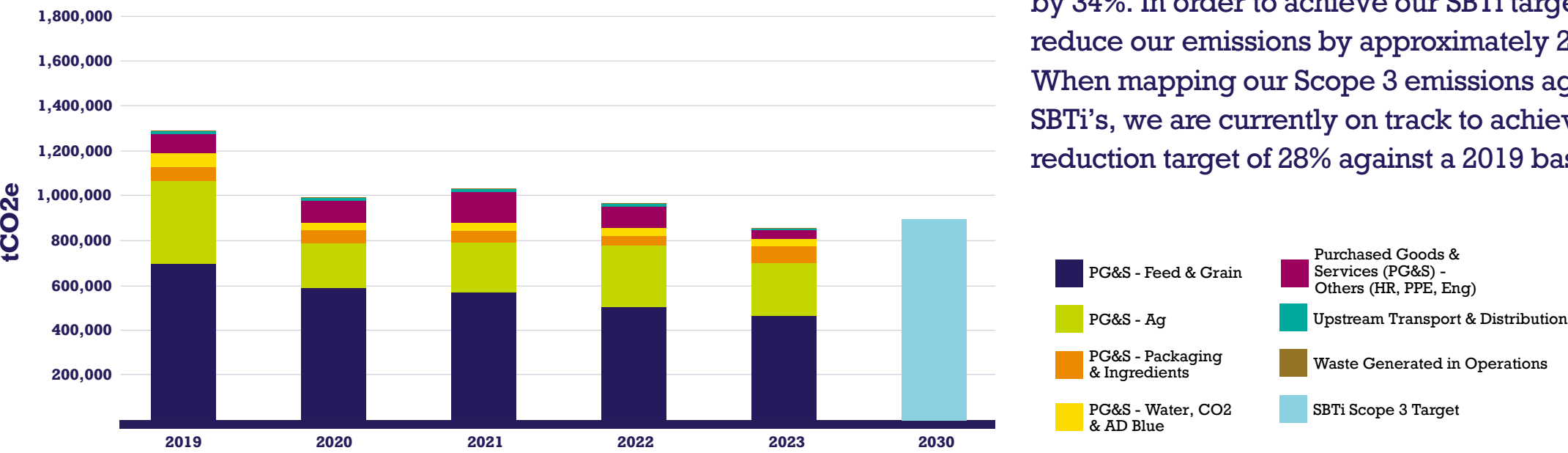
Our Scope 3 emissions are the emissions associated with our business which are outside our control. The standardisation and methodologies for calculating these emissions are currently in development within the industry. To contribute to the development of Scope 3 emission reporting, we are one of 15 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 2023, 76% 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.

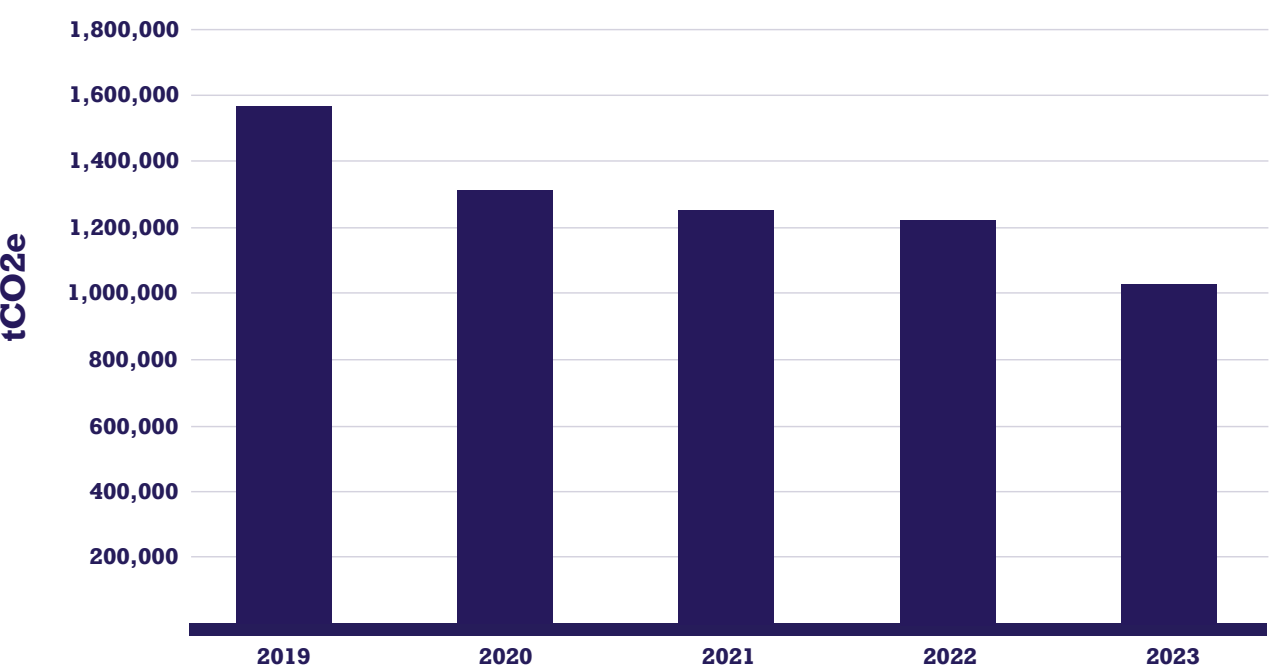
SCOPE THREE REDUCTION

Since 2019 we have reduced our Scope 3 footprint by 34%. In order to achieve our SBTi target we need to reduce our emissions by approximately 2.5% YOY. When mapping our Scope 3 emissions against our SBTi’s, we are currently on track to achieve our reduction target of 28% against a 2019 baseline.

SBTi EMISSIONS



TOTAL SCOPE 3 EMISSIONS

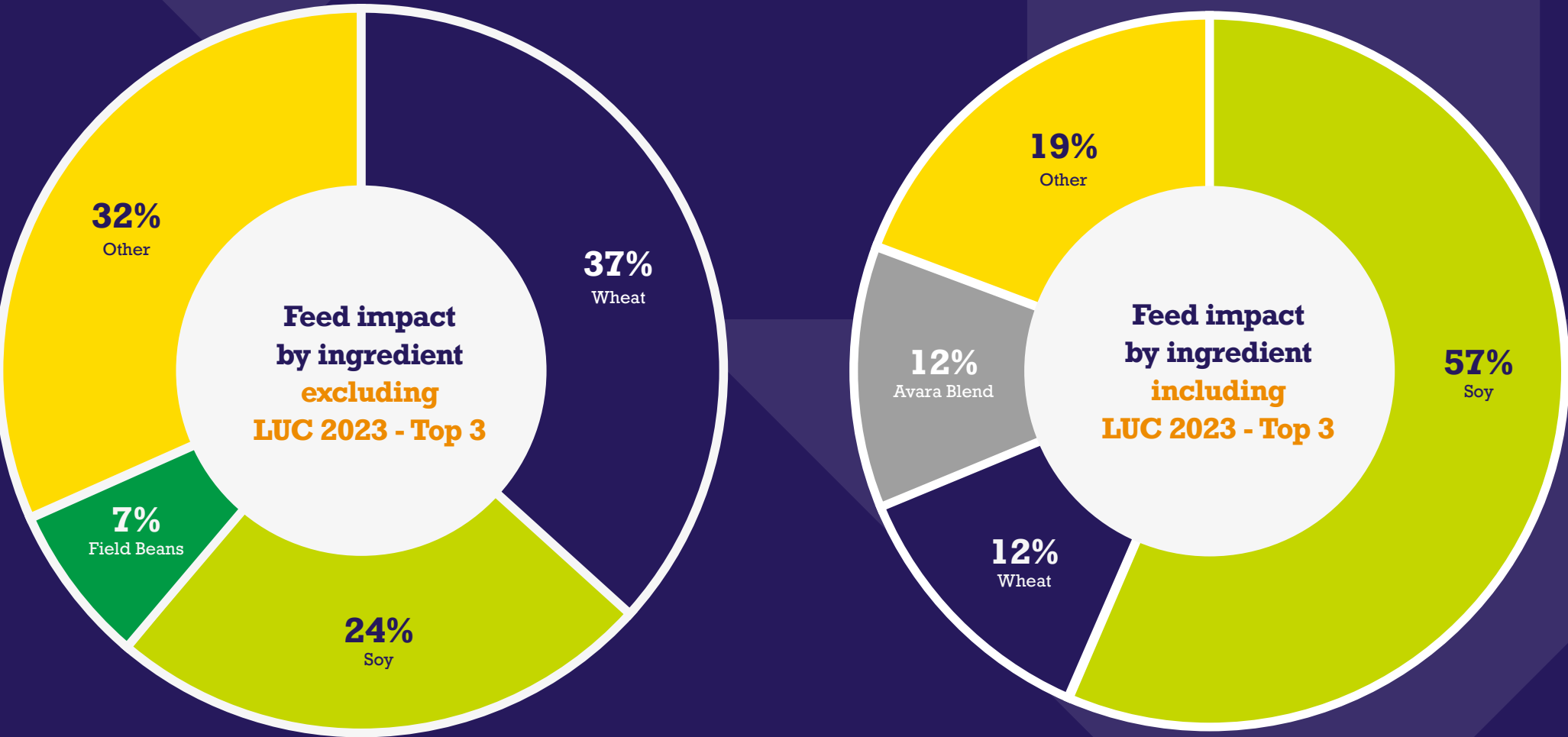


DRIVING DOWN AGRICULTURAL HOTSPOTS

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 carbon footprinting tool, Eggbase, to calculate this data. For 2021 data, we completed this for 30% of our chicken farming base and have increased this further to 56% 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.

As feed and grain are a significant contributor 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 feed conversion rate (FCR) improved by 0.87% from 2022 to 2023, thereby improving our performance and reducing the contribution of feed to our carbon footprint.

We have included the carbon footprint by ingredient, based on life cycle analysis (LCA) data for our feed formulations for 2023. When we incorporate FLAG requirements into our methodologies going forward next year, we will also calculate our feed impact including land use change (LUC).



PRODUCT LEVEL FOOTPRINTS

We were the first poultry business involved in the Mondra pilot which is linked with BRC and retail customers.

Over the last few years, we've been developing and refining our own carbon footprints, covering our own operations and those of our wider supply chain. Behind the scenes of this project, we've been sharing that information to help several retailers and restaurants work out the true carbon footprint of individual products, whether that's packs on a shelf or items on a menu.

The great hope of this project is twofold. Accurate and consistent product footprints could pave the way for some kind of labelling that enables consumers to see, understand and make decisions based on environmental impact. It could also help identify opportunities for the various parts of product supply chains to connect and drive further reductions. As we know from our own work, we can reduce our own carbon footprint, but bringing down carbon emissions throughout our supply chain requires collaboration and partnership – and that all starts with reliable data.

This builds upon the primary data and carbon footprint work that we have been improving over the past few years, including the farm carbon footprinting we've completed with Eggbase, which has been crucial in providing robust, quality data into Mondra's Farm Data Done Better workstream.



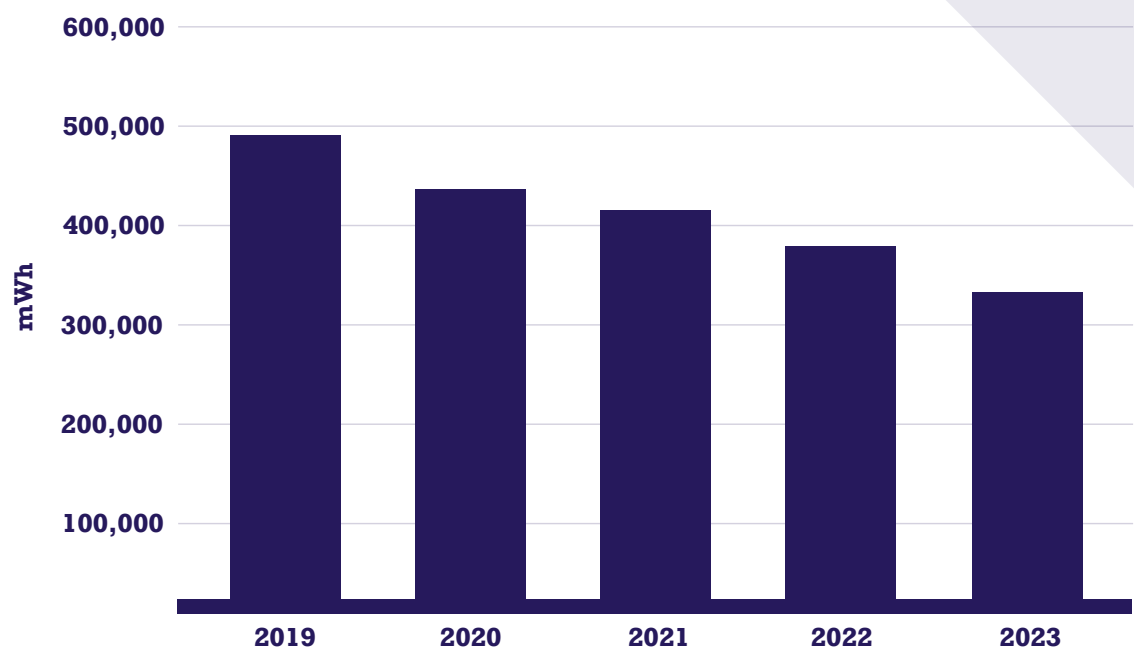
ENERGY

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. 77.1% of total energy consumption in 2023 is covered by ISO50001.

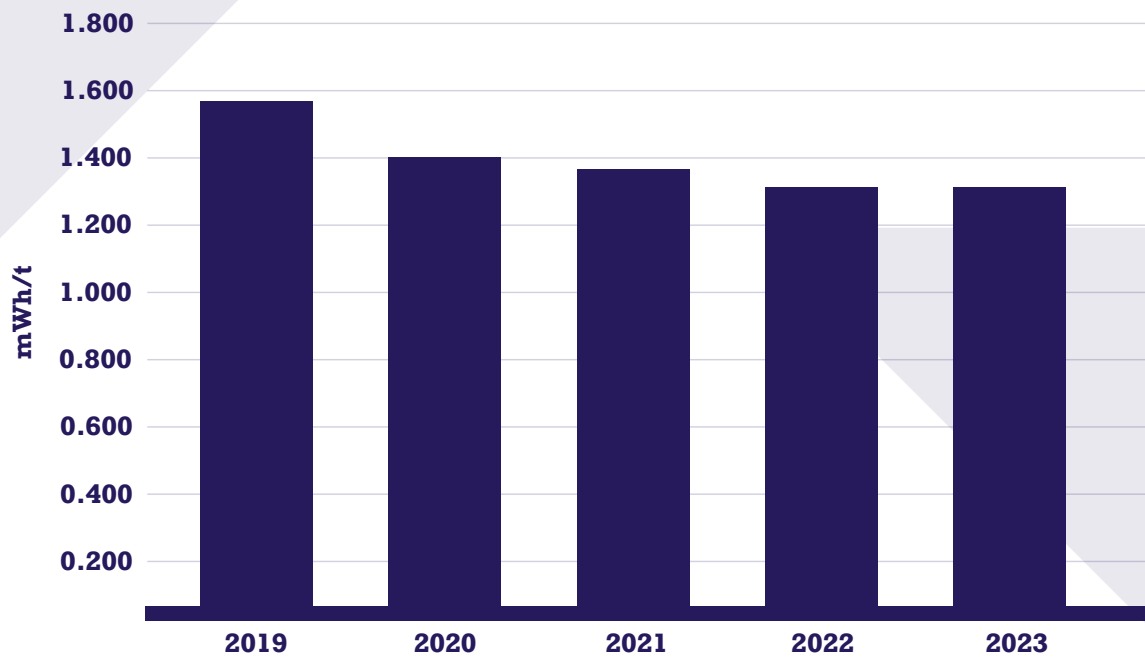
Since 2019 we have reduced our energy consumption by 32% by continuing to drive improvements in energy efficiency.

32%
REDUCED ENERGY
CONSUMPTION
SINCE 2019

YOY Comparison



Energy efficiency



WATER

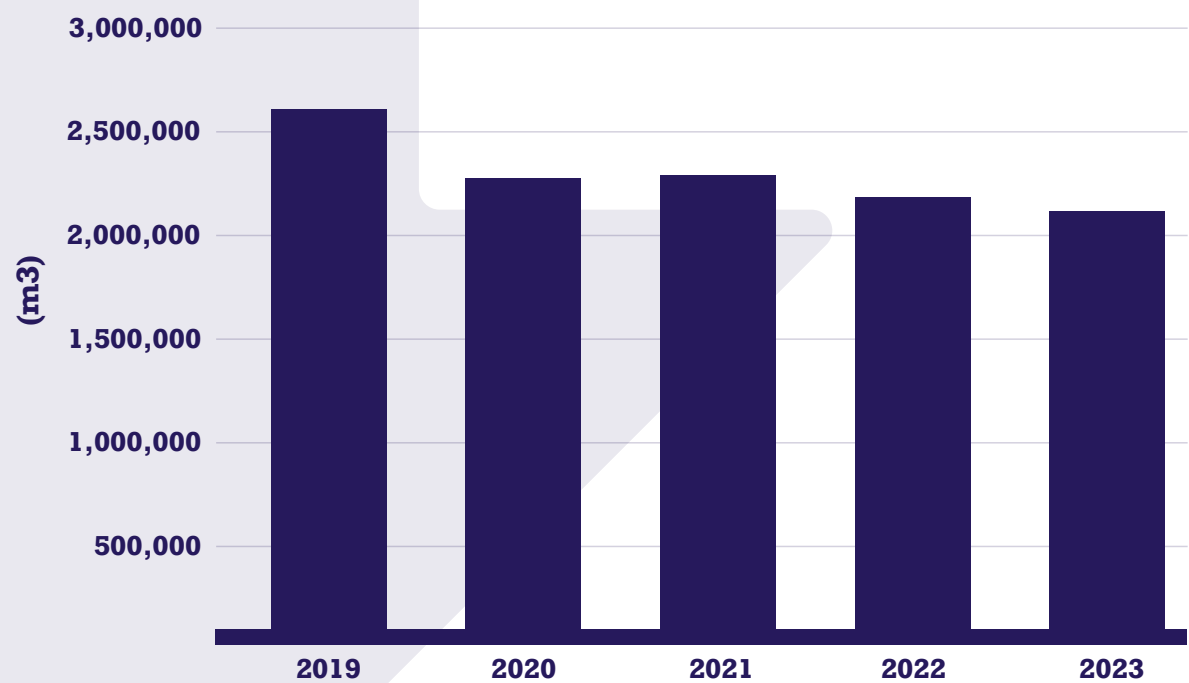
We have been continuing to focus on collating all the water consumption data from our larger sites; our factories, mills and hatcheries. We are exploring ways to expand this data collation to include our farms and wider supply chain.

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 16%.

As Courtald signatories, we are committed to the 2025 Water Ambition. We also support the Water Roadmap, taking actions to become good water stewards and following WWF’s water stewardship framework steps.

Using WWF’s Water Risk Filter, we have mapped the basin water risk of all our sites and farms, allowing us analyse maps of physical, regulatory and reputational risk now and in the future under different climate and socio-economic scenarios.

Water Consumption



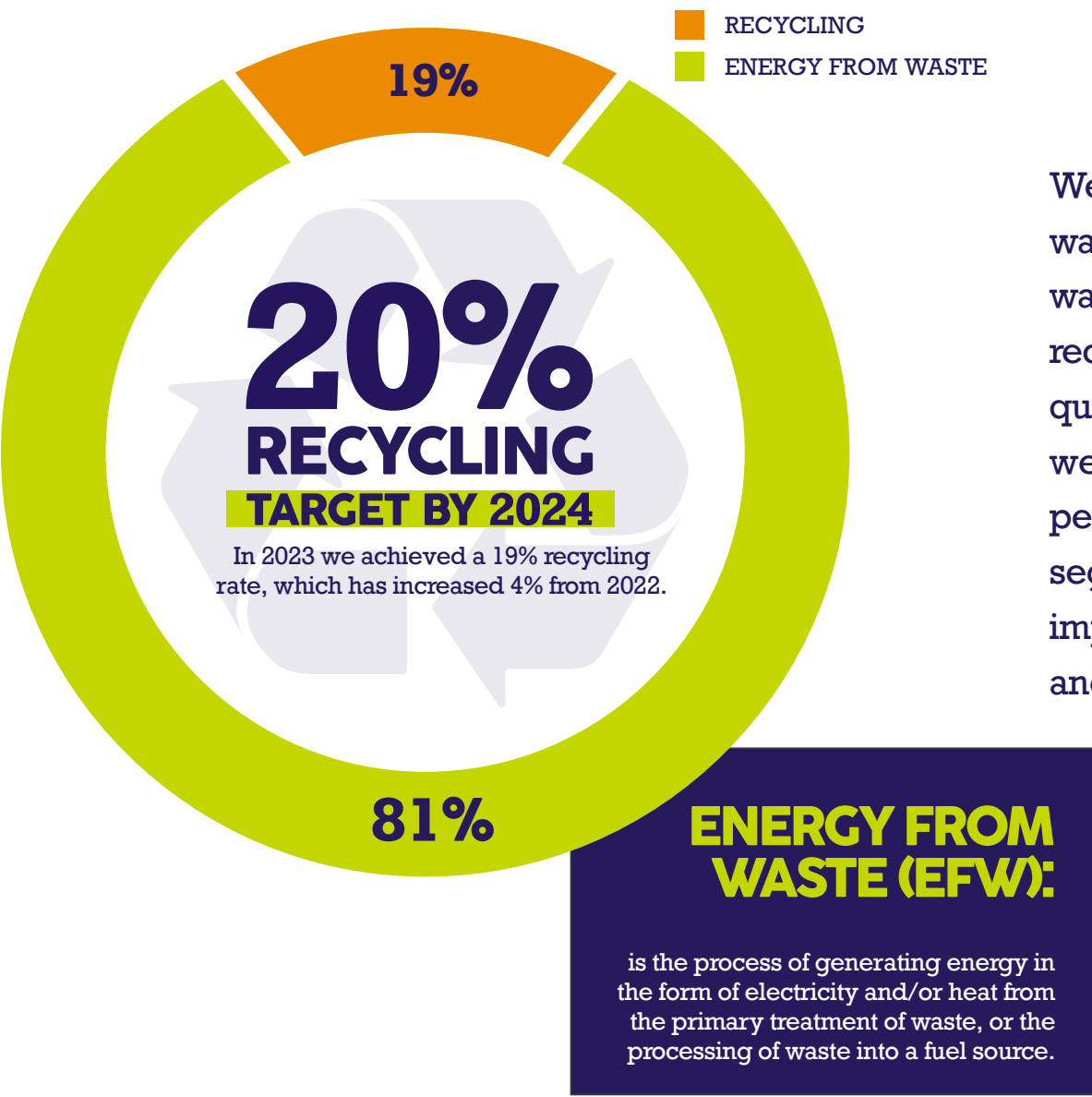
16%
REDUCED WATER
CONSUMPTION
SINCE 2019



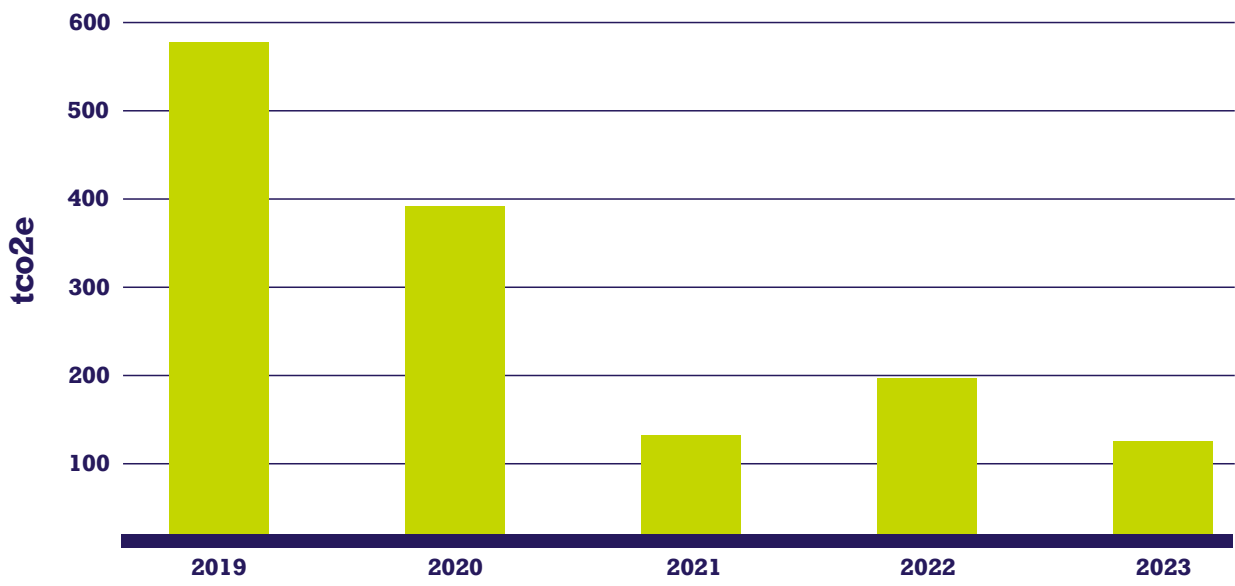
WASTE

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 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 more closely 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 (KPIs) 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.

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.

Food Loss and Waste Reduction



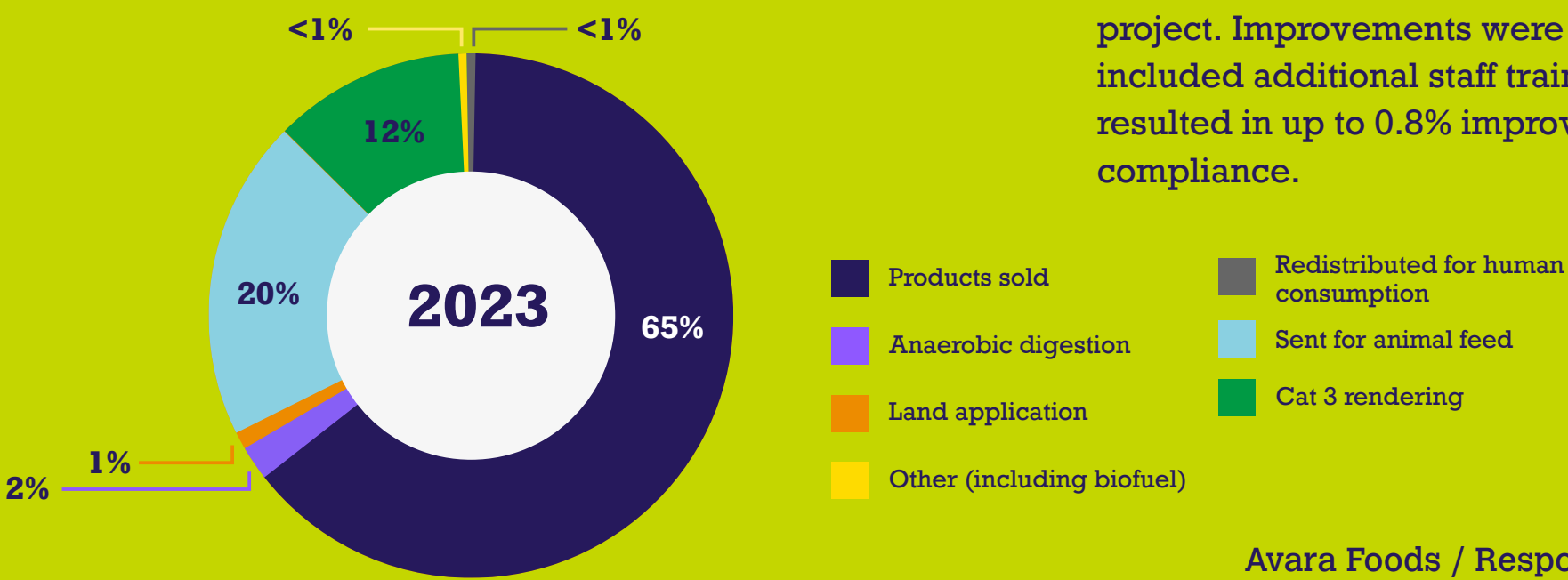
We are currently on track to achieve the target of 50% reduction in food waste by 2030.

In 2023 our operational food waste of sold product was 2.93%, 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 (85%) 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.

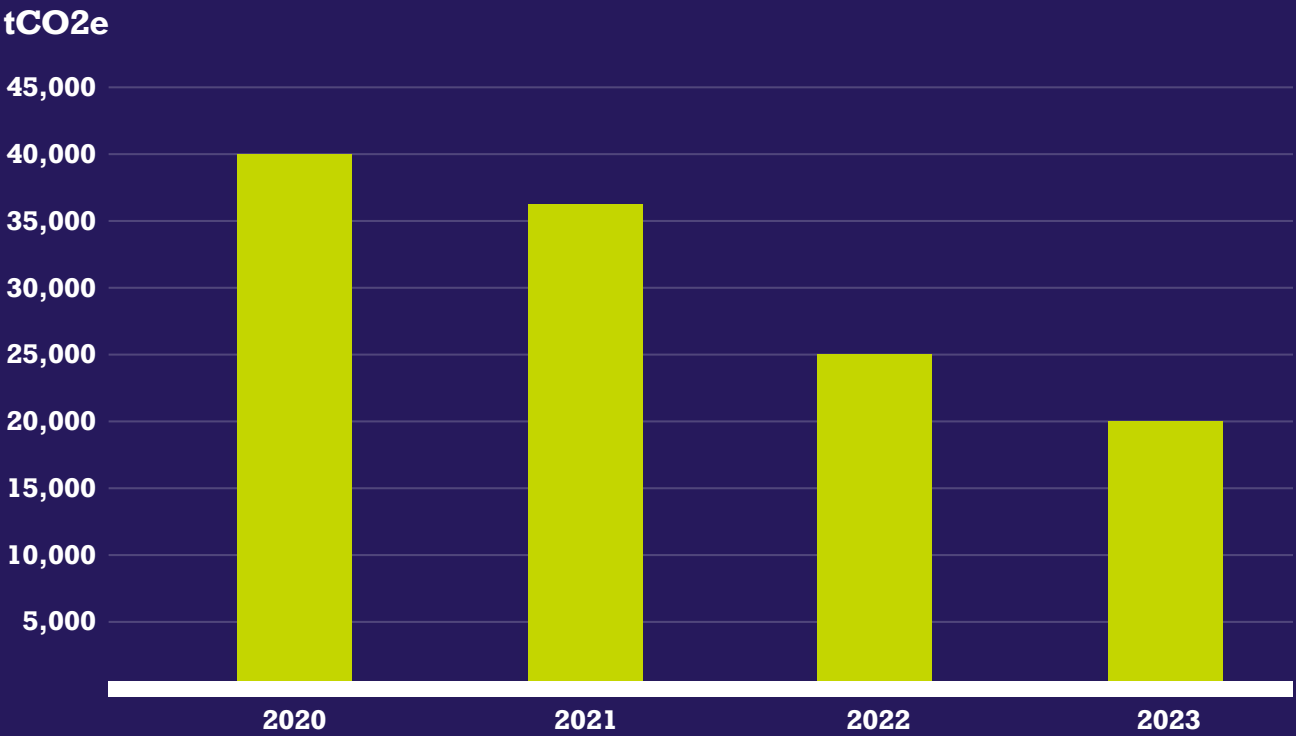
We have made significant progress introducing new packing to the market: reducing the amount of plastic required and increasing the proportion that can be recycled through kerbside collections.

PLASTICS

From 2020-2023 we have reduced the greenhouse gas emissions associated with our packaging by 50%. This is predominantly due to us reducing the weight of packaging by 45% 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.

50%
REDUCED
GREENHOUSE
GAS EMISSIONS
FROM 2020 - 2023



BIODIVERSITY

We purchase a variety of products from a wide range of countries, so we recognise the importance of understanding, managing and mitigating the potential impact of our supply chain.

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 we 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 soy.

- We have reduced the amount of soy 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 reduce the use of soy in our diets.

Beyond soy, over 50% of the wheat we use is purchased locally in the UK.

We are working on a tool to map our feed sourcing locations from each delivery into our mills. This is providing us with a much better understanding of seasonality of sourcing locations as well as capturing data such as river catchments and to feed into our water risk map.



RESPONSIBLE MANURE MANAGEMENT

At the start of 2023 we published a roadmap for action, relating to the management of manure from farms supplying us in the River Wye Catchment Area. Today, that roadmap has been fully implemented and we continue to work with experts and partners, sharing our experience and encouraging others to take action.

IN SUMMARY

| | WHAT WE'VE DONE | WHAT WE'RE DOING NEXT | OUR TARGETS |
|---|---|--|--|
|  CARBON | 31% reduction in Scope 1&2 MB emissions since 2019. 34% reduction in Scope 3 emissions since 2019. | 100% of farms to be measuring their Carbon footprint. Continuing to engage suppliers. | SBTi 46% reduction in Scope 1&2 emissions by 2030. 28% reduction in Scope 3 emissions by 2030. |
|  ENERGY | 32% reduction in energy consumption since 2019. | Investigating and trialling new technology. | 2% year on year improvements in energy efficiency. |
|  WATER | 16% 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 2.93%, down from 4.93% in 2019. Zero waste to landfill. 74% 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 rates. |
|  PLASTICS | Reduced the tCO2e associated with packaging 50% since 2020. | Continue exploring circular economies. | Plastics Pact. |
|  BIODIVERSITY | 100% certified Soy. Published River Wye Roadmap. | Trialling alternative sources of protein | 100% vDCF by 2025. |

OUR PEOPLE

We aim to be a true ‘people-business’: where everyone matters, can be themselves at work, and has the opportunity to contribute, develop and progress – no matter who they are, what they do or where they are from.

In the last year we made the difficult decision to close two facilities, in Abergavenny and Newent, as part of a major restructuring of our business. These were difficult decisions to make, but for us this is the time when you truly live your values. From a full consultation process, to regular communication and support finding new jobs, at every stage we ensured everyone affected was properly supported, treated fairly and with respect.

CULTURE OF CARE

First and foremost, Avara has to be a safe place to work. That starts with protecting everyone’s physical safety, but, increasingly, we recognise the importance of wider wellbeing.

HEALTH AND SAFETY

We continue to focus on behaviour, to ensure that everyone’s health and safety is taken seriously. Our behavioural safety training, Focus on Safety, has continued and is part of a consistent reduction in accidents over the last 12 months:

2.17%
reduction
in RIDDOR
accidents

15.74%
reduction
in lost time
accidents

HEALTH AND WELLBEING

Recognising the importance of wellbeing, we have extended a range of options and services, available to everyone at Avara, to make sure that, if help is needed, it is available.

Over the last year we have blended our inhouse provision with third party support, that has proven successful in supporting the needs of our colleagues.

Our employee assistance programme, **Help@Hand**, provides everyone with free, confidential support accessible by an app or phone, offering everything from 1-2-1 personal well-being consultations and mental health sessions, to remote GP access and financial support.

BENEFITS

We have expanded the benefits we offer to meet an evolving range of needs. Alongside our existing pension plan and group assurance, all employees can now access a cycle2work scheme, car finance, and a health cash back plan.

OPPORTUNITIES FOR ALL

DEVELOPMENT

We have well established pathways to support the progression of early careers. These include apprenticeships and placement students, with a real focus in key functions like Technical and Engineering.



**17 degree-apprentices
on-programme**



**89 apprentices currently
on-programme**

Our apprenticeship offer ranges from level 2 through to degree level qualifications, blending practical experience and training, with academic learning. Our earliest cohort of degree apprentices have completed their courses and, armed with a degree alongside their valuable experience, have gone into new roles within the business.



“I NOW HAVE MY DEGREE AND APPRENTICESHIP QUALIFICATIONS, AS WELL AS FIVE YEARS’ EXPERIENCE AND KNOWLEDGE, SO AM IN A GOOD POSITION COMPARED TO MOST PEOPLE MY AGE, WHO MIGHT HAVE ONE OR THE OTHER, BUT NOT BOTH. I AM NOW IN A FULL-TIME MANAGEMENT ROLE, WHICH IS HELPING ME DEVELOP A BROADER RANGE OF SKILLS.”

ETHAN ALDOUS

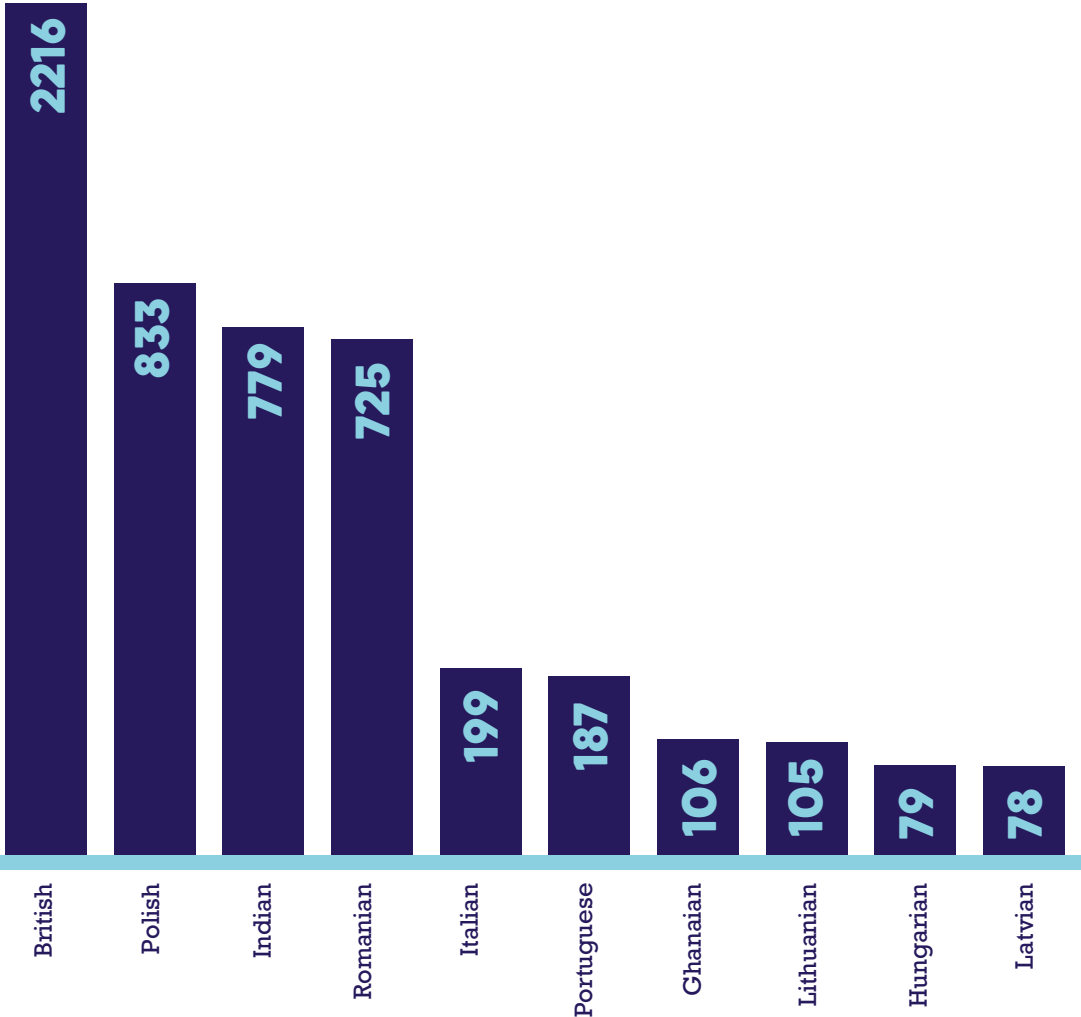
We have continued to place emphasis on the training of our people managers, a critical group within our business. We have introduced a new “Manager’s Toolkit”, which covers the critical knowledge and skills needed to manage and lead more effectively, in a way that is consistent with our culture and values.



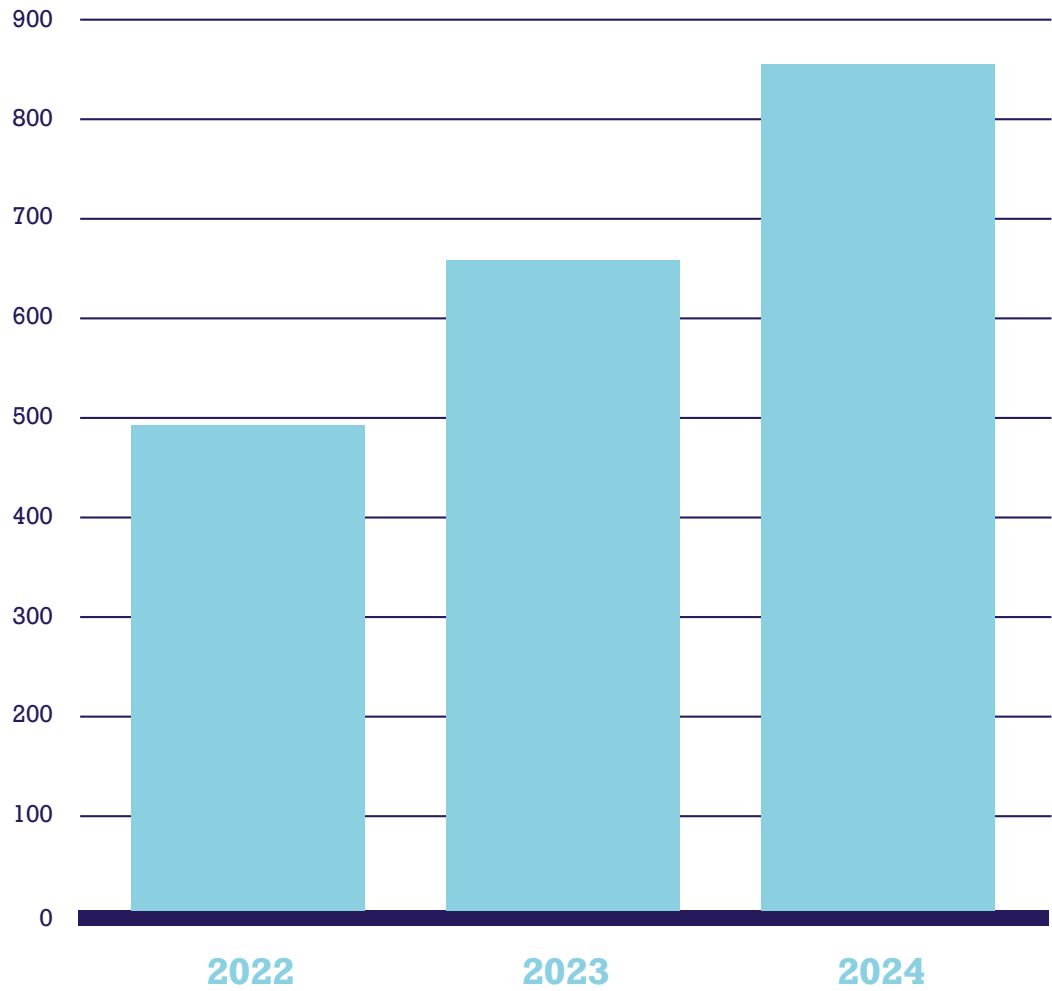
We have 314 colleagues who have achieved, or are on course to complete ILM management qualifications.

The expansion of our sites in the Midlands has been an opportunity to support internal development and succession. The growth in this region has been built on internal moves from other areas of our business, including promotions for over 70 colleagues into skilled roles.

Top 10 nationalities employed at Avara



Number of employees at Wednesbury and Dudley sites



THE DIVERSITY IN OUR BUSINESS IS CHANGING, WITH A GREATER PROPORTION OF EMPLOYEES ORIGINATING FROM ASIA SINCE BREXIT. REGARDLESS OF WHERE THEY’RE FROM, WE WANT EVERYONE AT AVARA TO SUCCEED, AND FIND WAYS TO HARNESS THE POWER OF DIVERSITY, AND THE DIFFERENT EXPERIENCES AND PERSPECTIVES THAT IT BRINGS.

COMMUNICATION

This year we launched our new digital platform **MyAvara**, a new integrated way for everyone at Avara to stay in touch. Now, everyone can access useful information, like company news, payslips and benefits, and keep their personal details up to date.

The new service is in its infancy, but the early signs are that people find it useful and feedback has been excellent. Over time, we will develop the service further: adding new information and more ways to keep in touch, improving the design and adding more interactive capabilities. MyAvara will help us to understand our people better, and for them to be part of a more inclusive business.

Rolling out MyAvara to over 4,000 new users has been a major undertaking, but the improvements in security and governance from having everyone on a single universal platform speaks for itself. Teamed with the improved access, interaction and engagement opportunities for everyone at Avara, it’s at the heart of a more modern way of working.



DIVERSITY & INCLUSION - GENDER

In recent years, we’ve launched a number of initiatives designed to make sure that women at Avara are in the best position to develop, succeed and grow. Importantly, these initiatives; including professional networks, greater awareness about female specific issues, such as the menopause and the provision of female relevant products, including sanitary items, have been shaped by the women themselves, with the backing of the executive team.

Our partnership with Meat Business Women is well established and has created a thriving network. Our members participate in events, have hosted a Masterclass conference and taken part in roadshows. Earlier this year, our CEO, Andy Dawkins, joined the first-of-its-kind CEO roundtable, committing more action to improve gender inclusion.

In 2023 we launched ‘Let’s Talk Menopause’: a campaign to raise awareness of the challenges the menopause can create; both professionally and personally. Our aim is for Avara to be a safe place to discuss issues and share experiences. Complementing this, we have a formal menopause policy and a variety of information, including a managers’ toolkit to support all colleagues. In the last 12 months we’ve recruited menopause champions, started our menopause training programme and have now been officially recognised as a Menopause Friendly Employer, accredited by independent menopause experts, Henpicked.



GENDER PAY

Our most recent 2023 gender pay snapshot has shown our pay gap has widened. We are confident that like-for-like roles are paid consistently, but there remains uneven representation between men and women across the various levels of our business.

This has been exacerbated by an unprecedented level of change over the last 18 months. In the preceding three years we’d made consistent progress towards closing the gap, and we hope to return to this trend over the coming years.

| GENDER SPLIT | | |
|-----------------------|--------|--------|
| GENDER SPLIT | MALE | FEMALE |
| COUNT | 3753 | 2121 |
| PERCENTAGE | 63.89% | 36.11% |
| SMT GENDER SPLIT | | |
| GENDER SPLIT | MALE | FEMALE |
| COUNT | 150 | 75 |
| PERCENTAGE | 66.67% | 33.33% |
| MEDIAN GENDER PAY GAP | | 11.50% |

HUMAN RIGHTS AND ETHICS

Modern Slavery is a major global, and often organised, crime. We are acutely aware of the threat it poses and have established clear policies, processes and tight controls, to protect the people at Avara from the threat of exploitation.

Our approach falls into three broad activities:

- Understanding and mitigating the risk in our business – key to this is making sure that the workers’ voices are heard.
- Conducting appropriate due diligence – both within our business and also our wider supply chain, through audits and supplier engagement. Our anonymous Whistleblowing line is critical.
- Training and awareness – making sure that people understand what modern slavery is, and what to do if they suspect there’s an issue.

Through these measures we have not identified any concerns regarding modern slavery in our business in the last 12 months, but remain vigilant and are determined to make it as difficult as possible for modern slavery to establish a presence at Avara Foods.

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



OUR ANIMALS

We are committed to high levels of bird welfare and take a science-based approach: carefully monitoring key indicators to assess whether we are consistently meeting, and exceeding, our standards and expectations.

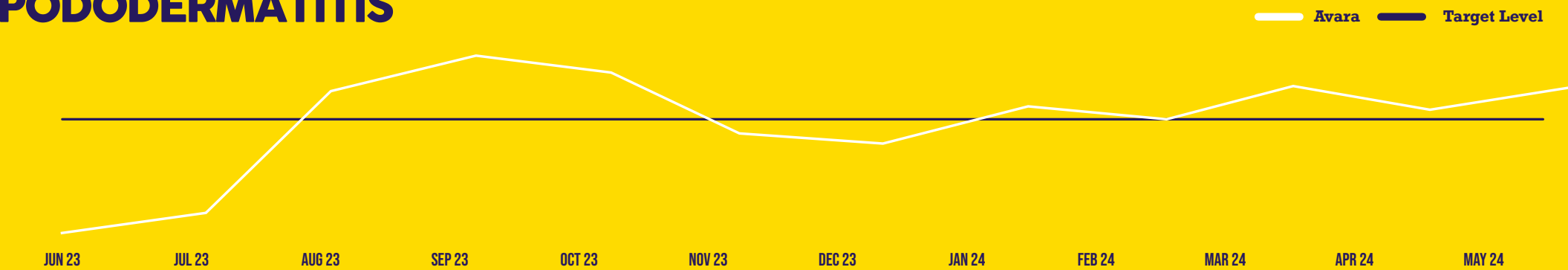
Over many years we have established a track record, not just for good welfare, but for continual improvement. An approach that means good is never good enough, and that there is always room for improvement.

This is reflected in our welfare outcomes, which are consistently best-in-class and amongst the best in Europe, for the birds that we rear.

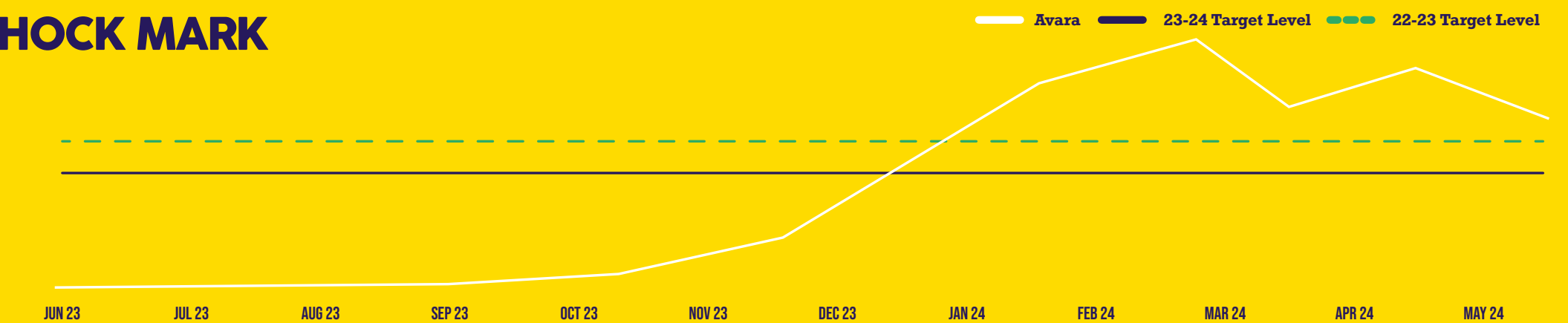


RECENT PERFORMANCE

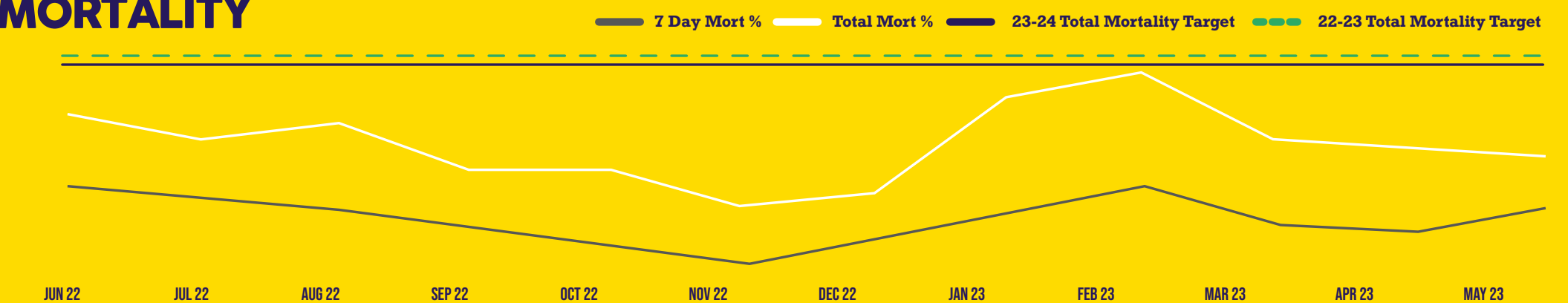
PODODERMATITIS



HOCK MARK



MORTALITY



Over the last 12 months, we've consistently performed ahead of industry averages for key indicators of good physical welfare. We are consistently within maximum allowed stocking densities for Red Tractor – itself a step above current UK legislative requirements and are a far higher standard than EU legislation allows.

Making sure that we meet the health needs of our birds, without jeopardising the quality or safety of our food is essential. If the birds on our farms become sick, it's important that we are able to help them return to health. We do not use growth hormones or prophylactic antibiotics, and any antibiotics that are used, are only done so to treat specific issues and only on the advice of a veterinarian. There is a Government-approved target for responsible antibiotic use, 25mg/PCU, and we are consistently below this; averaging 16mg/PCU across 2023. Any use of antibiotics is followed by an observation period, once the course is completed, to ensure that antibiotic residue never enters the food chain.

We have set ourselves challenging targets in key indicators of physical welfare, to provide a scientific and data-based assessment of our welfare performance. While these indicators are often influenced by factors beyond our control – like the weather or the variable digestibility of feed ingredients – we are proud of the consistently excellent results we see on farm.

In keeping with our ethos of continual improvement, we have made our targets for pododermatitis and hock burn tougher, reflecting our consistent achievement of our previous targets.

RECENT DEVELOPMENTS

The European Chicken Commitment (ECC), often called the 'Better Chicken Commitment' has received a lot of attention in the media and is a frequent request from many campaigning organisations. To meet customer demand, we implemented commercial ECC flocks on a number of farms and are using the measured welfare outcomes to compare and benchmark performance against our 'standard' poultry operations.

Operating both methods has allowed us to quantify the welfare outcomes of the ECC birds, adopt those same levels as the target for standard farms and, critically, achieve them.

WELFARE OUTCOMES ON OUR 'STANDARD' FARMS ARE THE SAME AS OUR EARLY ECC FARMS

This consistent improvement in welfare performance does not happen by luck, but can only be achieved through good practice, innovation and a detailed understanding of both bird needs and the various factors that have a meaningful impact.

Previously we've reported developments in hatchery sanitisation, egg grading and trials with different systems using the 'Internet of Things'. Alongside these, we're looking at how pheromones might reduce stress in birds, and have improved the level of detail in which we can assess diet and nutrition to help us refine their feed: an essential part of healthy growth and development.



CASE STUDY

TURKEY WELFARE IMPROVEMENTS

While chickens occupy the majority of our supply chain, we are equally committed to improve welfare outcomes for turkeys and are undertaking a number of trials to assess the welfare benefits. These include:



WINDOWS AND LOWER STOCKING



VARIATIONS IN PECKING OBJECTS AS ENRICHMENT TO KEEP THE BIRDS ENTERTAINED



A NOVEL FEED ADDITIVE APPROACH TO FURTHER IMPROVE GUT HEALTH

In addition to these we have implemented a new catching system, which is better for both welfare and biosecurity.

More detailed information about bird welfare performance and recent developments is available in our Welfare Report on our website.

LOOKING AHEAD

We expect to see further improvements in welfare outcomes, with a particular emphasis on behavioural welfare, as we reduce stocking density across more farms in our supply chain. Over the course of the remainder of this year and into 2025, more of our farms will plan to stock to 30kg per square meter, well below EU (42kg), UK (39kg) and Red Tractor (38kg) standards. We will continue to rear our standard chicken on these farms, the Ross 308, as this will enable us to balance improvements in welfare against environmental footprint, which is much higher for ECC approved breeds.

Monitoring and collecting data on a variety of key indicators will help us develop new benchmarks for physical and behavioural welfare performance on

lower-density farms, and continue to drive consistent improvements, in the same way that we have for many years.

We've previously highlighted a number of trials and developments that utilise new technology, and this will continue, as we look for new and innovative ways to support farm teams and provide the best possible care for the birds we rear.

Critics of our business often overlook that what's good for birds, is good for business. It is in our interest to ensure that our birds are in the best possible health, as sick, injured or birds that die on farm do not enter the human food chain.

OUR CONSUMERS

Our business is built on a detailed understanding of what our customers, and consumers, want and need. Some of those are universal, others vary according to circumstance. Our objective is to make sure that we have a product range that consistently meets the needs of consumers; adapting and flexing as consumer behaviours change.

UNDERSTANDING CONSUMERS

It's important that we understand what consumers want and the budgetary pressures they face, and that we use this insight to consistently meet their changing needs. We do this by listening to what they say, observing what they do, and uncovering vital insights from a variety of data.

Asking: Each year, our 'Usages & Attitudes' survey gives us quantifiable data about shoppers' thoughts, motivations and concerns.

Listening: Our 'Fresh Hub' panel is a focus group of representative shoppers, who add detail and 'colour' to our statistical survey, helping us to better understand shopping behaviour.

Learning: Using a variety of market data, we can see exactly what people do when they go shopping: what they choose and what they reject. Compared against what shoppers say they purchase, it provides a further depth of knowledge.

HOUSEHOLD BUDGETS ARE STILL UNDER PRESSURE

While the huge spike in inflation may have passed, the pressure on household budgets is easing, but it's still a pressing concern for many. The costs of goods and services are continuing to rise, albeit at a slower rate, so the behaviour of supermarket shoppers is beginning to more noticeably diverge, largely determined by household income and their ability to cope with higher prices.

Shopper confidence describes whether individuals and households are comfortable spending money, or are holding back, and all the signs suggest that confidence is starting to return. UK fresh poultry inflation has reduced 11.7% year on year, but food price inflation is forecasted at between 1.0-3.1% in the latter half of 2024 and into 2025. The cost of food shopping is unlikely to fall much in the foreseeable future ¹. Against this backdrop, we continue to invest and innovate to ensure that we're meeting the widest variety of consumer needs.

¹ Food inflation – Are we finally in the clear? (igd.com)

WHAT CONSUMERS WANT: THE NON-NEGOTIABLES

FOOD SAFETY

Producing safe food is non-negotiable. We know how important it is that consumers can trust the food they buy, and eat the products we make, with confidence. Our commitment to high food safety is reflected in our exemplary audit scores, undertaken independently every year against the requirements of the internationally recognised BRCGS Global Food Safety Standard. All our processing sites are rated AA+ or A+ against the standard, with the '+' denoting it was an unannounced inspection.

Across our agricultural network, all our supplying farms are Red Tractor assured, giving consumers the confidence that our birds are well cared for by our expert farming teams.



QUALITY

Another non-negotiable for consumers is quality. Consumers, quite rightly, expect excellent quality; whether that's appearance, packaging, or taste: our products need to look good, taste great and be packaged correctly. Our own consumer insight panel, 'Freshhub', consistently emphasises the importance of quality for shoppers in their purchasing behaviours.

CONSUMER TRENDS: DIVERGING PREFERENCES

BUYING LESS AND BUYING CHEAPER

For households where budgets are tightest, there's a continuing trend of buying less, or choosing more accessibly priced products.

Recognising this, in December 2023 we launched more cost competitive product ranges, using smaller pack sizes and less expensive meat cuts; like chicken drumsticks, breast chunks and mince products. Sales for these products have consistently trended upwards, a good example being the smaller turkey burger pack, which has seen a 74% increase in customer numbers.



TO HELP CONSUMERS OFFSET INFLATION, WE LOOKED AT HOW WE COULD MAKE LESS EXPENSIVE CUTS OF MEAT MORE APPEALING AND READILY AVAILABLE. THIS LED TO NEW DARK MEAT PRODUCTS, LIKE DE-BONED DRUMSTICKS, WHICH HAVE PROVEN VERY POPULAR.

FLAVOUR AND CONVENIENCE

For those less impacted by price, there has been strengthened demand for meals that feel more like a treat; packed with flavour and drawing inspiration from around the world. Whether it's the 'fakeaway' theme that has increased in popularity as fewer people eat out, or the quick and convenient options that are ready for the oven, shoppers are looking for more flavour and less fuss.



IMPORTANCE OF CUT

One of the biggest changes we've seen through our 'Usages & Attitudes' survey has been shoppers starting to regard poultry in a similar way to red meat; recognising the different qualities of the various cuts of meat. Historically the UK has primarily bought breast meat, but there is a growing demand for thigh and leg meat, reflecting not just its affordability, but also the recognition that it generally has more flavour.

CHANGING CHRISTMAS

Turkey remains Britain's most popular meat for Christmas dinner, but there's plenty of change here too. Demand for whole turkeys at Christmas continues to decline, as people cook for fewer guests and prioritise speed and convenience more, over the traditional image of roast turkey with all the trimmings.

ADAPT AND DELIVER

Using this insight, we've reviewed our product range to make sure that it is consistently 'hitting the spot'. Looking at the latest consumer trends, we've adapted our core range to ensure that there's more choice for those looking to keep grocery costs lower. To make sure our products are more accessible than ever we have, for example, introduced a greater variety of pack sizes, and used leg and thigh meat in different ways to create new products.

To satisfy those looking to recreate the restaurant meal in the comfort of their own home, our New Product Development team has been working equally hard; adding new recipes to the range that are easy, convenient and tasty – just what shoppers want.

Our Christmas range has adapted in similar ways, with more joints and slow cooked products, which are better suited to the modern Christmas dinner.

Keeping our fingers on the pulse of consumer trends and shoppers' preferences is at the heart of our business.



OUR COMMUNITIES

We are determined to be a proactive positive contributor at the heart of our communities. As a major employer in most of the areas we're based, we understand the importance of offering stable careers, opportunities and development, but also the role we play as a wider member of those communities.

As the cost of living crisis and inflation continue to impact people and businesses on a day to day basis, we've continued to play our part in supporting the communities around us – focusing our efforts around where we can make the most meaningful difference; tackling food poverty and encouraging healthy active lifestyles.

FIGHTING FOOD POVERTY

FARESHARE

We've been long-term partners with FareShare, supporting them even before Avara's inception in 2018. Despite challenging trading conditions, we've maintained our support, donating volumes on a scale that can deliver meaningful change.

We've once again been recognised by FareShare as Leading Food Partners, an acknowledgement of its top tier of supporters.

Since our partnership began, we've donated the equivalent of 1,672,629 meals.

In the last 18 months we also looked at how we explore other avenues for donation, diverting additional surplus stock to FareShare's South Midlands depot on top of our fixed weekly volumes.

OUR PARTNERSHIP WITH FARESHARE IS UNIQUE IN OUR SECTOR AND GUARANTEES AT LEAST ONE TONNE OF FRESH POULTRY WILL BE DELIVERED EVERY WEEK.

702 Cumulative Avara total (tonnes) equivalent to

↓
1,672,629 meals

268,505 meals donated in the last 12 months

LOCAL FOODBANKS

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



ENCOURAGING HEALTHY ACTIVE LIFESTYLES

LUCTONIONS COMMUNITY SPORTS PROGRAMME

We've been sponsors of the Luctonian's Community Sports Programme for over 20 years, encouraging children in rural communities to participate and enjoy playing sports. It began with providing additional rugby coaching to schools in the Herefordshire area, and has since led to the creation of a full time coaching position, offering a wide variety of other sports alongside this. Luctonians now work with 21 local schools, with over 21,000 children receiving coaching through their programme since 2003.



SUPPORTING MASS PARTICIPATION EVENTS

We sponsor a variety of sports and exercise clubs, focusing on encouraging more people to get, or stay, active through friendly competition, including mass participation events like The Big Bird and the Brackley Chicken Run, welcoming hundreds of runners of all abilities.



FUNDRAISING

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.



