

WHITBREAD

**Animal Welfare Key Performance
Indicators
2019**

Background

We started our formal Animal Welfare journey with the implementation of our overarching Animal Welfare Policy and subsequent species-specific policies, across our direct suppliers from whom we source our primal meat, liquid milk and shell egg products for centre plate.

Through our Animal Welfare Policy, we publish our commitments to improving the welfare of the animals within our supply chain. To ensure we are making progress on these commitments, we review these on an annual basis and publicly report on our achievements to our consumers through our Key Performance Indicator (KPI) Report.

This report details this progress we have made against each commitment (stated in the blue boxes) published within our policy.

There will be no genetic engineering or cloning of animals used in Whitbread product

Genetic modification is governed under EU legislation which controls the presence of GM animals or derived products within the EU supply chain, namely:

- Directive 2001/18/EC on the deliberate release into the environment of genetically modified organisms
- Regulation (EC) 1829/2003 on genetically modified food and feed
- Implementing Regulation 503/2013 on applications for authorisation of genetically modified food and feed

Whitbread set strict requirements within our overarching Animal Welfare Standard, as well as our species-specific standards, that no genetic engineering or cloning of animals is permitted. As such, we currently require 100% of all animals within our supply chain to be free of genetically engineering or cloning.

No illegal animal welfare or husbandry systems are in use throughout our supply chain

All of our suppliers are required to comply with UK and/or EU animal welfare legislation (or accepted National Equivalents) including statutory livestock codes of practice as a minimum: The Animal Welfare Act 2006, The Welfare of Farm Animals Regulations 2007 and The Welfare of Farmed Animals (Amendment) Regulations 2010, plus any subsequent revisions or associated Codes of Practice; EU Council Directive 98/58/EC and other EU Regulations and Directives relating to specific animal welfare standards for each species.

This requirement is clearly stated within our animal welfare policy which we circulate to our suppliers for agreement. In addition, we have developed species specific policies which clearly outline our expectations throughout our international supply chain, regardless of country of origin.

In order to validate compliance, welfare is now a key component of our independent supplier audits and we can confirm that 100% of these audits have shown compliance to legislative standards.

Our pig meat is sourced from the UK or EU and confinement in sow stalls is limited to a maximum of 28 days post service during pregnancy

100% of our Pig Meat is currently sourced from the EU, where there is a maximum of 28 days post service confinement.

In addition, Whitbread has made progress across other species and the reduction of confinement within their supply chain. This includes:

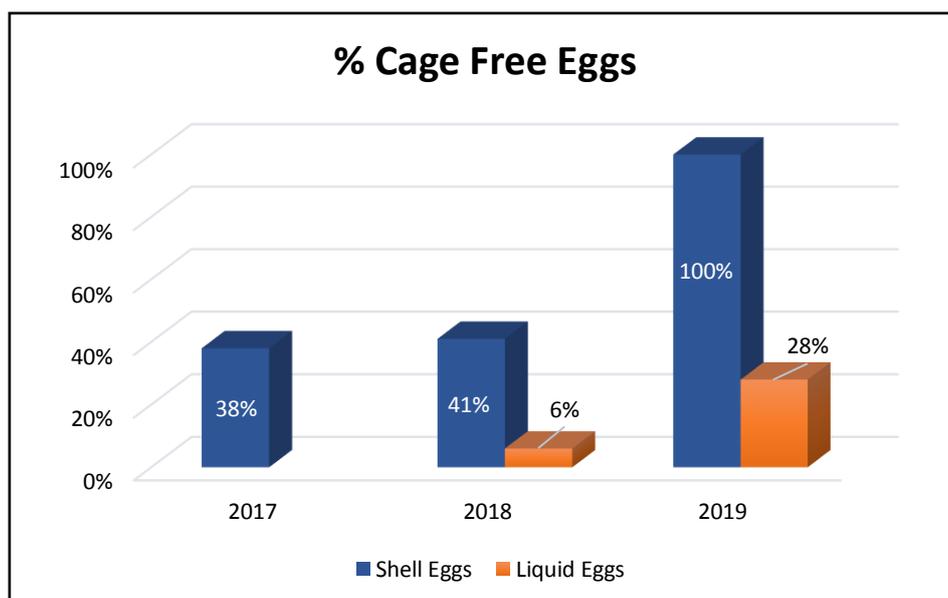
- 100% of our lamb are farmed extensively
- ≥95% of our cattle are extensively reared, with 100% having ready access to a wholesome diet which is appropriate for their age and body condition.
- 100% of finfish are either wild caught or farmed in open water systems.
- 100% breeding females (dairy cattle, sows and ewes) are never tethered.
- 100% Poultry species for meat production are never housed in caged systems and meet or exceed the space requirements as defined in EU/UK legislation. Broiler birds are typically stocked at 38 kg/m² (or lower).

By 2020, all our whole, shell eggs will be cage free and by 2025 all ingredient egg will be cage free, across all brands in the UK and Germany

The Whitbread Animal Welfare Policy stipulates that close confinement systems must actively be avoided. This is ongoing, as indicated by the commitment to be ‘cage free’ for egg supply.

In 2016 we committed to achieving 100% cage free status on all whole shell eggs by the end of 2020 and sourcing 100% cage free eggs for all ingredient egg products by 2025 across all our brands in the UK and Germany. We have already achieved part of this objective ahead of our 2020 commitment, with 100% of our whole shell eggs now being cage free.

We have also completed the task of mapping our supply base for liquid egg used in manufactured product.



Whitbread currently have 161 products containing egg as an ingredient across our business and as of June 2019, 46 (28%) of these were using cage free egg. In order to fulfil our commitment to sourcing all cage free liquid egg by 2025, we have identified the products which will need to be changed and are working internally across multi-disciplinary teams to ensure we fulfil our commitment. The working objectives include:

- Any new products containing egg as an ingredient will be developed using cage free eggs from January 2020
- Whitbread will work with suppliers of existing products to change any egg ingredient to cage free by 2025

These objectives will be managed and monitored by multidisciplinary teams across our business including; technical, product development, food policy and procurement, in collaboration with our suppliers.

Animals are always provided with the appropriate veterinary care when needed, but medicines including antibiotics will only be used where it is absolutely necessary to ensure good health and welfare. Our species policies outline our approach to antibiotic usage dependant on their specific requirements. With these, we are committed to reducing the use of Highest Priority Critically Important Antimicrobials (HP-CIA) and prophylactic use of all antimicrobials unless these have been clinically substantiated to protect Animal Health and Welfare, and are used under veterinary direction.

We work with our suppliers and advocate the responsible use of antibiotics at farm level; specifically, the reduction of Highest Priority Critically Important Antibiotics (HP-CIA), as defined by the European Medicines Agency. In practice this means limited use of fluoroquinolones, 3rd and 4th generation cephalosporins, and colistin i.e. where no other product will be effective for the condition being treated

To this end Whitbread ensures utilization of raw materials which are fully traceable and from known supply chains which advocate operating a responsible medicine use policy (devised in conjunction with their vet). We also welcome schemes which monitor and recommend practices to reduce the use of HP-CIA's such as the recently implemented red tractor initiative to monitor the UK Beef, Lamb and Dairy sectors and other monitoring and antibiotic reduction schemes from Holland and Denmark

We are also working to reduce the use of prophylactic use of antibiotics within our supply chain. It is widely recognised across the industry that different approaches to the use of antimicrobials are required for different livestock species, and we have set strict guidelines within our species-specific policies for this. Where ANY prophylactic use is permitted, this must be clinically substantiated with a demonstrable need to protect the welfare of the animals and must be administered under veterinary direction and governance.

Our approach towards responsible antibiotic use within our supply chain has been reviewed and benchmarked by FAIRR, and we were ranked joint-second out of the 20 companies evaluated. The full report is available here:

<https://cdn.fairr.org/2019/05/19194214/FAIRR-antibiotics-engagement-update.pdf>

Substances such as growth promoter hormones will never be used.

The use of growth promoting hormones in farm animals is banned through the EU and controlled under Directive 96/22/EC as amended by Directive 2003/74/EC. Imports of meat from animals treated with growth promoting hormones from countries outside of the EU is also not permitted.

We have also implemented this restriction into all of our policies to require that 100% of the animals within our supply chain have not been treated with growth promoting hormones, due to their potential effect both on animal welfare and human health.

Permissible mutilations are avoided wherever possible. Where there is a demonstrable animal welfare need for them to be carried out this must be in accordance with legal and best practice requirements. Our species-specific policies outline the types of mutilation this might include for each species.

Whitbread encourages farming practices that reduce the need for management mutilations. At present tail docking of dairy cattle used of liquid milk supply, beak trimming in commercial meat chickens and mulesing of lambs is not practiced by producers within any of our global direct supply chains. UK finished pigs are not castrated, Whitbread is aware of and support the work of the EU pig innovation group; exploring methods of raising entire male pigs within EU pig supply chains <https://www.eupig.eu/best-practice?tags=Castration%20Methods>

Our achievements to date:

- 100% of Commercial Meat Chickens are free of any mutilations.
- 100% of Dairy Cattle used for liquid milk supply are not tail docked.
- 100% of Sheep are free from Mulesing

Whitbread will continue to actively monitor industry research, advances and developments with regards to permissible mutilations.

All live animal transport across all species is kept at a minimum. Our aim is that this should not exceed a target of 8 hours and will be recorded for each delivery

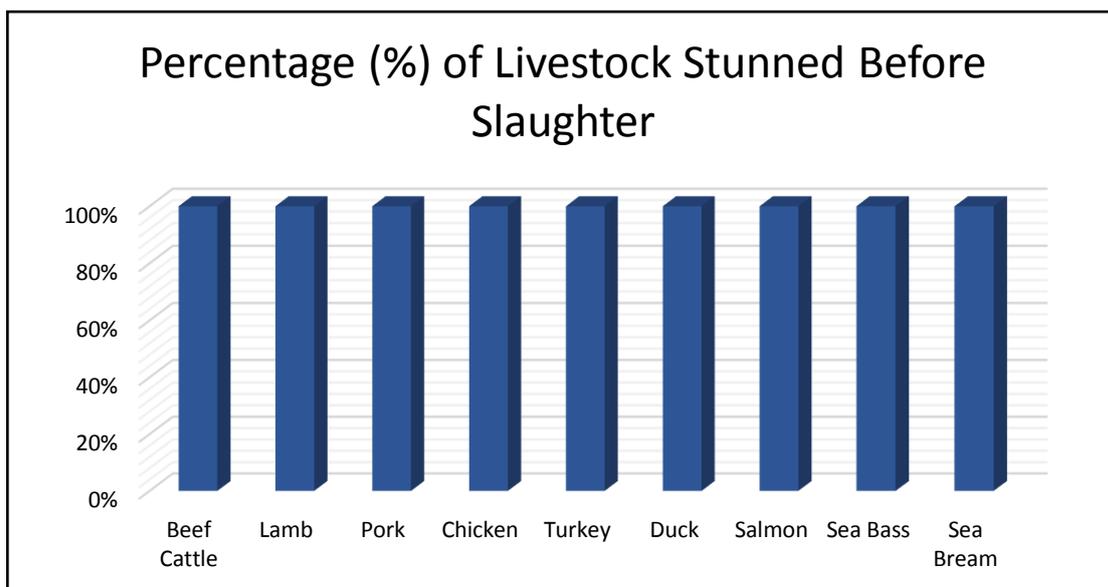
Our species-specific standards limit transport time to <8 hours. Our direct suppliers have committed to implementing this requirement and compliance to this is checked during our independent auditing scheme. Our audits this year have demonstrated that 100% of our direct suppliers visited had transported their animals in <8 hours, regardless of geography.

Species	Transported in <8 Hours (Audit Results)	Average Transport Time (Supplier Requested Data)
Beef	100%	<4 Hours
Chicken	100%	<6 Hours
Turkey	100%	3 Hours
Pork	100%	3 Hours
Lamb	100%	3.5 Hours

As demonstrated by the table, 100% of the direct suppliers audited were compliant with the Whitbread Welfare Policy regarding limiting transport time to <8 Hours. Furthermore, data collected from our international direct suppliers indicates that the average transport times within our direct supply chain were well within this. Transport times are typically 3-4 hours for red meat species and 3-6 for poultry.

All meat and poultry used in Whitbread product is humanely slaughtered, specifically requiring pre-slaughter stunning. Abattoirs are required to comply with Regulation 1099/2009 EC and/or equivalent associated national law.

The Whitbread Animal Welfare Policy requires that all livestock species are pre-stunned in accordance with European regulatory requirements (Regulation 1099/2009 EC). This is irrespective of geography or species. This means that while there is currently no statutory requirement for fish to adhere to prescribed methods of stun and slaughter Whitbread suppliers of salmon, sea bass and sea bream have adopted industry best practice i.e. electrical stunning prior to slaughter. Where poultry and lamb species may be sourced from Halal approved sites this is strictly limited to those that accept electrical and/ or gas stunning as part of the process.



As demonstrated within the table, 100% of direct suppliers across all of our species are using pre-slaughter stunning. Stunning practice and procedure are verified during independent audit and the effectiveness of stun now constitutes an element of recently introduced outcome measure data which will be monitored by the site on an ongoing basis.

The welfare condition of all animals is assessed by an animal welfare officer or equivalent on arrival at slaughter

The animal welfare officers ensure compliance with the standards laid out in Whitbread's Audit Standard for Slaughter Houses and will regularly inspect the state of health of the animals in lairage. Where required, corrective actions are carried out to ensure compliance with Whitbread's standard. If suppliers demonstrate persistent disregard for corrective action against any non compliance, Whitbread will cease trading.

Historically Whitbread has relied predominantly on self- reporting by suppliers to ensure compliance with welfare requirements. However, welfare KPI assessment is now an element of the independent inspections that are ongoing across the Whitbread supply chains.

As of June 2018, this monitoring process allows performance against the Whitbread Animal Welfare policies to be measured and provides an overview of emerging health and welfare trends.

Typically, the areas covered include:

- Livestock handling (slips and falls at unloading, goad use in cattle, vocalisation)
- Fitness for transport (casualty animals and dead on arrival)
- Effectiveness of stun and slaughter processes
- Physical Injury (attributed to farm conditions e.g. hock burn in poultry)

Key Measures are illustrated below, with the current associated policy and an overview provided of Whitbread's planned improvement approach. Year-on-year performance progress against our objectives is evaluated and is pivotal to Whitbread's approach to driving future welfare improvements.

We measure our performance against the following five KPIs:

Is the product farm assured?

We require that animals are reared to a nationally recognised farm animal welfare scheme - Red Tractor in the UK, Bord Bia in Ireland or equivalent monitoring scheme globally.

Has the supplier been invited to Whitbread's Due Diligence system for Animal Welfare Performance?

Has a Whitbread Animal Welfare audit been carried out on the supplier?

Has the supplier completed our Animal Welfare Questionnaire

How many Non-Compliances were raised (and closed off) during audit?

The progress against these KPIs to date is illustrated in the table below.

Animal Welfare Key Performance Indicators (July 2018-July 2019)

Direct Suppliers (Centre Plate)	Beef	Laying Hen Eggs	Broiler Chicken	Pork	Lamb	Turkey	Milk
Farm Assured product (Red Tractor in UK or equivalent)	95%	100%	65%	90%	100%	100%	100%
Whitbread welfare audits carried out (% of supply base to date)	95% Completed	0% Completed	31% Completed	23% Completed	38% Completed	100% Completed	0%
Number of welfare audits conducted (2018-2019)	15	0	4	7	3	2	0
Number of Non-Compliances identified.	64	0	17	16	14	11	0
Number of Non-Compliances managed & closed post audit	100%	n/a	100%	100%	100%	100%	n/a
On-boarded to Whitbread's due diligence system	100% completed	100% completed	100% completed	100% completed	100% completed	100% completed	100% completed
Animal welfare policy signed and agreed	95%	100%	100%	100%	100%	100%	0%

We prefer to source from farms who are independently assessed against a Farm Assurance Scheme (e.g. Red Tractor or in country equivalent). We have made good progress through the implementation of our policies across our direct suppliers to ensure that protein is farm assured, with a plan to achieve this across all of our suppliers, including indirect protein suppliers, by 2025.

Whitbread have also developed a Dairy (Liquid Milk) standard which we aim to publish before the end of 2019, with plans to produce standards for Laying Hens and Aquaculture in 2020. We have worked with our suppliers to ensure that all non-conformances detected at site have been managed and closed post audit.

We publish our approach to animal welfare on our website to promote transparency and to communicate our animal welfare standards to our customers

We are committed to continue publishing our standards and progress to ensure our consumers are aware of our Animal Welfare commitments and our achievements to date. We are continuing to develop our species- specific policies in line with the following plan, which involves time and commitment from various departments within our business (e.g. Policy, Technical and Procurement), independent Animal Welfare consultants and our suppliers.

Species	Finalised Policy Date
Dairy (Liquid Milk)	December 2019
Dairy (Non Milk)	December 2020
Egg (Laying Hens)	December 2020
Aquaculture	December 2020

We are committed to ensuring that all of our species- specific policies are written and implemented with our direct suppliers (centre plate) by the end of 2020. To achieve this we will undertake the following objectives:

- Review our current sourcing standards per species against industry practice and NGO guidance
- Create draft standards, which are shared with our suppliers for consultation and subject to a trial audit
- Finalise standard and obtain formal agreement from our suppliers.

Following this, we will roll out a plan for their implementation across our indirect suppliers by 2025.

In addition, Whitbread are creating Outcome Measure polices for all species, where the data will be collated and utilised by our suppliers to help monitor management practices and their efficacy. This data is available to Whitbread on request and is monitored during our audit process.

Governance Structure

Whitbread are committed to protecting the welfare of all animals within their supply chain and have invested heavily within their resource structure (see table below) to ensure that the companies' objectives and policies can be devised, implemented and monitored.

Position	Role in Animal Welfare Commitments and Policy
General Council	Reports into CEO. Responsible for Whitbread's "Force for Good" implementation programme
Transformation Director	Overall responsibility for Supply Chain and IT Infrastructure. Decision maker at committee level.
Procurement and Supply Chain Director	Overall responsibility for procurement and supply chain internationally.
GFR Head of Procurement	Direct responsibility for the procurement of food and drink products, including animal welfare sustainability.
Head of Sustainability	Responsible for the communication of Whitbread's overall sustainability policies.
Food Policy Manager	Day to day management responsibility for all animal welfare policies and interface with procurement team, food development, technical, external consultants and suppliers.
Chief Marketing Officer (Restaurants)	Responsibility for marketing and communications in relation to animal welfare
Procurement Managers	Overall category responsibility to support the animal welfare agenda.
Technical	Third Party (Independent) technical standards and auditing team. Responsible for verifying the implementation of welfare policy.
Head of Food and Beverage Development	Responsibility for implementing animal welfare policies in product development and associated operations.
Food Development	Responsible for ensuring that all menus reflect animal welfare policy requirements
Strategic Direct Protein Suppliers	Facilitate the implementation, monitoring and maintenance of Whitbread Animal Welfare Policies.

In addition, further investment has been made by Whitbread to engage independent food-technical and animal welfare experts to assist with animal welfare policy development and monitoring. All supplier audits are undertaken by third party, independent auditors to maintain robustness within the programme with Whitbread notified of audit outcomes for any potential follow up.