

# HelloFresh US - Chicken Welfare Policy

Since our founding in 2011, HelloFresh has been committed to changing the way people eat. Our mission to re-invent the food supply chain using thoughtful analytics has made delicious home cooking easy and accessible for busy people around the country, and created significant reductions in food waste and carbon emissions from farm to fork. As a meal kit provider and e-grocery company, we do not process or grow chickens, and therefore, our progress is and will always be in partnership with our suppliers. We apply consistent quality standards across all of our brands so our customers can focus on enjoying the home cooking experience worry-free.

HelloFresh has always sought to deliver high-quality proteins to our customers at a price that makes sense to them. Working closely with our supply chain partners, we continually strive to enact high animal welfare standards for our customers who seek them, while also raising the bar for customers who are more price sensitive. Supporting continual improvement in the meat production industry is a key part of our business strategy.

## Animal Welfare Principles

At the core of our Chicken Welfare Policy is the “Five Freedoms” of Animal Welfare, a set of principles that are supported globally, including by Dr. Temple Grandin, the leading U.S. authority on Animal Welfare. These principles seek to ensure the physical and mental well-being of livestock. The Five Freedoms are:

- Freedom from hunger, malnutrition and thirst
- Freedom from fear and distress
- Freedom from physical and thermal discomfort
- Freedom from pain, injury and disease
- Freedom to express normal patterns of behavior

In working with our protein suppliers, our standards are informed by the Five Freedoms. We also receive additional support and guidance from our partner, Compassion in World Farming (CIWF), a leading nonprofit dedicated to reforming a broken food and farming system and introducing a more humane, fair, and sustainable one.

As our supply chain grows, so does our ability to support broad-based efforts to improve animal welfare across the poultry industry. We will continue to explore ways to further enhance welfare practices for animals and engage with our suppliers to implement them. We believe that these practices will lead to a better quality of life for these animals and reflect our customers’ expectations for purchasing decisions made on their behalf.

In regard to 2021 USDA inspections revealing 68 instances of Broiler Chickens being “boiled alive” in processing facilities, across 9.6 million chickens processed in the inspection period - a result of ineffective slaughter equipment operation - HelloFresh has communicated to each of our suppliers that this is unacceptable at any frequency. This is a major non-conformance of the National Chicken Council (NCC) Animal Welfare Guidelines and must be recorded with immediate corrective actions taken in all circumstances. At HelloFresh, we expect 100% compliance with the NCC Animal Welfare Guidelines *or better* from all of our poultry suppliers.

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## Educating Ourselves and Reaching Out

In 2019, HelloFresh partnered with Compassion in World Farming (CIWF) to develop the first version of this policy and join the Better Chicken Commitment (BCC). Our team attended the CIWF Better Chicken Leadership Forum in 2019, and joined their US Working Group for Broiler Welfare in 2022. This group, which meets monthly, is a “pro-competitive” collaboration among food companies focused on driving positive change in broiler chicken production. In addition, we have joined the animal welfare committees of other industry groups, like the North American Meat Institute, to build our knowledge on the details of these issues and best practices.

Our research on Animal Welfare practices, and application of the Five Freedoms through various auditing standards, also led HelloFresh to engage a consulting firm specializing in animal welfare. This increases our access to experts like Dr. Temple Grandin, as well as helping to navigate the differences of opinion in chicken growing practices at the barn level. We also engage in ongoing dialogues with our chicken suppliers on chicken welfare, understanding their testing of new practices and any challenges they identify in implementing the Better Chicken Commitment. We are engaging relevant stakeholders across the value chain as we seek to improve animal welfare outcomes at the barn level.

## Our Goals

Achieving the welfare practices outlined below in poultry production requires significant cooperation across the broader food industry. HelloFresh will continue to collaborate with suppliers and other organizations to meet the Better Chicken Commitment goals on the timeline specified in the BCC:

- Provide broiler chickens more space (reduced stocking density to a maximum of 6 lbs/sf and prohibit the use of broiler cages);
- Offer improved environments, including litter, lighting, and enrichment described in the Better Chicken Commitment;
- Ensure broilers are rendered unconscious using multi-step controlled atmospheric stunning prior to processing;
- Transition to new broiler breeds recognized as having higher welfare outcomes, as approved under the Better Chicken Commitment; and
- Suppliers will demonstrate their compliance using third party verification.

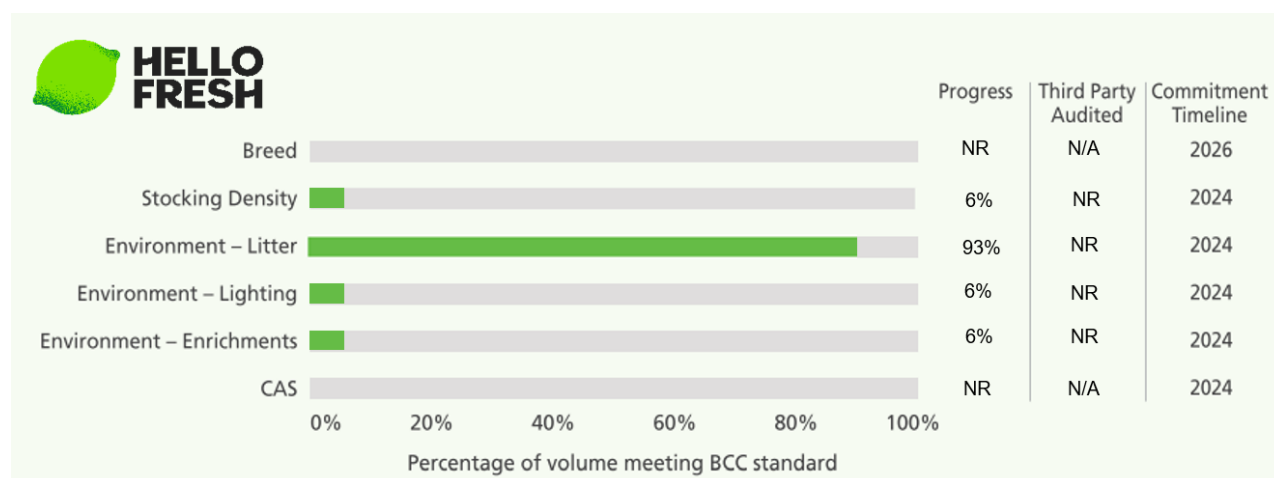
Our belief is that these advancements will become codified animal welfare standards for broiler chickens through groups like the NCC and USDA in the future, including the U.S. Humane Methods of Slaughter Act (which does not currently include poultry). As we work towards our goals, our chicken standards have always met or exceeded the U.S. National Chicken Council Animal Welfare Guidelines.

This policy, and these goals, guide our procurement across all of the HelloFresh U.S. brands, including HelloFresh, EveryPlate, Green Chef, Factor, and GoodChop.

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## 2021 Progress and Actions

HelloFresh remains committed to the Better Chicken Commitment since we joined in 2019, despite facing unprecedented challenges in availability of poultry that have emerged since that time. We are proud that we were able to maintain uninterrupted delivery during the industry disruptions caused by the Covid-19 pandemic. Our progress for chicken sources in 2021 is shown in the chart below:



## Cage Free Chickens

In addition to our 2021 progress towards the Better Chicken Commitment, shown in the chart above, our entire chicken and egg supply is 100% cage free. HelloFresh achieved this important sourcing milestone at the end of 2019.

## Our Better Chicken Commitment Roadmap

The foundation of our approach to meeting these goals is to build our supply chain around suppliers that share a common commitment to improving animal welfare outcomes in broiler chicken production. HelloFresh does not process or grow chickens ourselves. As we contract with new and existing suppliers to match our supply with increasing customer demand, we regularly benchmark them against these goals and include them as a key element of the negotiation and ongoing dialogue. This supports continual improvement in supplier selection as HelloFresh does not own or control commercial chicken production.

### Friable Litter and Functional Enrichments:

In partnership with our largest supplier, HelloFresh will make investments for the implementation of functional enrichments for poultry production facilities by the end of this year (2022). We are also initiating a friable litter inspection program. Together, these initiatives will result in the following advancements towards our commitments:

- Functional Enrichment: Increase to 75% of our broiler chicken supply before the end of 2022 with 3rd Party Auditing. We aim to exceed 90% by the end of 2023.

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- Friable Litter: Maintain at 90-100% of our broiler chicken supply, adding 3rd Party Auditing by the end of 2022 across at least 75%. We aim to exceed 90% by the end of 2023.

## Breeds Approved by the Better Chicken Commitment

Membership in the US Working Group for Broiler Welfare has provided access to pilot testing of the poultry breeds approved for the Better Chicken Commitment only recently in 2022. Our partners have communicated that these breeds will be available in small volumes before the end of 2022 and early 2023. We are working with the producers piloting these breeds commercially to test them in our kitchens, understand how quickly the supply will become available to us at the scale required for our customers, and striving to meet the breed component of the Better Chicken Commitment by 2026.

## Stocking Density and Lighting:

To achieve stocking density and lighting goals at scale requires significant infrastructure investment at poultry production facilities, which as a meal kit provider and e-grocery company, HelloFresh does not control. However, in working towards solutions at the barn level, HelloFresh has engaged our suppliers to identify opportunities for lighting retrofits in chicken barns, and adding more square footage to allow for reduced stocking density. As of 2021, 6% of our supply meets stocking density and lighting standards of the BCC. We are committed to achieving incremental improvements while working in tandem with our suppliers to identify financing and construction pathways for implementation of the BCC requirements

## Controlled Atmospheric Stunning (CAS):

We are in active discussions with our suppliers around using controlled atmospheric stunning (CAS) prior to shackling, as outlined in the Better Chicken Commitment. Shackling is currently the standard method of processing chickens globally, regardless of stunning method. We understand the benefits of CAS, and are working with our suppliers to set incremental targets to implement CAS systems. We are committed to adding this chicken to our supply as it becomes commercially available at the scale needed for our HelloFresh customers.

HelloFresh is committed to updating the above roadmap and our progress reporting on the Better Chicken Commitment on an annual basis until we are 100% compliant across all criteria.

## **Policy Development and Execution**

HelloFresh US initiated work on an All-Protein Animal Welfare Policy in 2021, including consultative support from leading experts in animal welfare. As part of institutionalizing our animal welfare policy and this chicken welfare policy, we designated an Animal Welfare Specialist on our procurement team (in addition to our on-staff sustainability experts) to ensure inclusion of animal welfare considerations in our ongoing supplier dialogue.

As a global company, HelloFresh has made additional progress on chicken welfare across all of our regions, as reported in our [2021 Sustainability Report](#). We have also implemented a global [Ethical Trading Policy](#), protecting human rights across our supply chain and in our own facilities, and the [HelloFresh Code of Ethics](#), which all employees are held accountable to.