ANIMAL WELFARE RESULTS (Poultry) - 2019

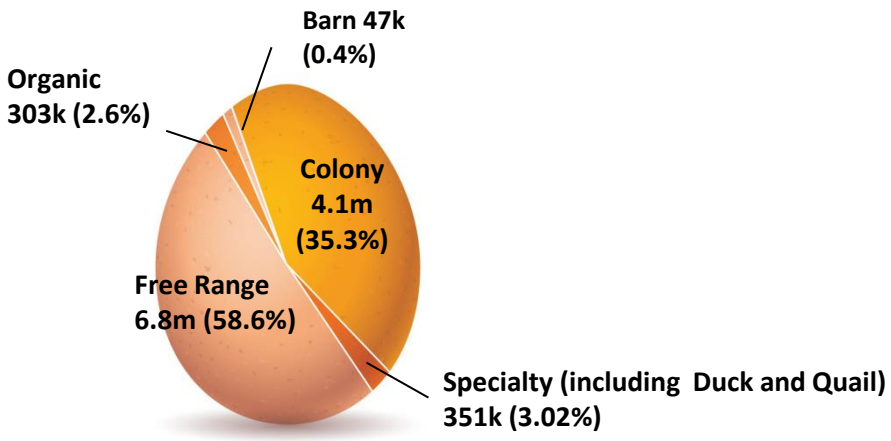
The information below, relates only to its operations in the UK. Noble Foods Ltd no longer operates or has any connections to Happy Egg Co, USA.

TARGETS

- Colony lifecycle will be extended from 80wks to 85wk by 2020
- Free range lifecycle will be extended from 72wks to 76wks by 2020
- We will reduce the reliance on Infra-red beak trimming though a combination of management techniques, genetic improvement via our partner suppliers and breed selection. We will aim to reduce to 15% non-treated beaks by 2025.
- 100% of our birds will travel less than 12 hours to slaughter by 2020
- 100% of our birds will be free from confinement by 2025, covering all products and brands.
- Feather cover scores will be an average of 1.00 on a 3 point scale by 2020.

2019 UPDATE - (Unless otherwise stated, data is taken from internally collected sources, and refers to the period 1st July 2018 to 30th June 2019)

- A summary of our bird supply base is shown below. Currently 64.7% of our birds are free from confinement (note that 'Speciality' are all Free Range). We have been seeing an improvement of 5% year on year but recently this has slowed, 1.5% last year and 1.9% this, mainly driven by fluctuations in total bird numbers rather than a reduction in colony production. In real terms since 2015 the total number of birds in colony production has reduced from 5.2m to 4.1m, so a fall of 17.5%. Over the coming years we expect to see accelerated change as we start to transition to a 'cage free' business by 2025. Valid 30th June 2019.
- 100% of our duck and quail supply base are free from confinement, kept in bespoke low stocking density high welfare free to roam and free to fly systems of production.



- Average depletion ages in the last year:
  - Colony – 81.5wks
  - Free Range – 75.5wks
  - Duck – 80.1
  - Quail – 40.2wks

Both colony and free range lifecycles have increased again, colony by 1.1wks and free range by 1wk in the last year. Year on year average increases have been 6 days on colony lifecycles and a 3.5 on free range. We expect the upward trend to continue in both systems of production with free range slowing as we approach our target of 76wks for 2020. Improvements in the breeds are being capitalised on in both colony and our free range producers with genetic companies looking at longevity of lay as their main target to drive further efficiencies.

- 100% of our birds were subject to pre-slaughter stunning (including special breeds, duck and quail)

- 2.6% of our supply base is non beak trimmed (free from routine mutilations)
  100% of our ducks and quail are non beak trimmed (free from routine mutilations)

- Average transit time to slaughter:
  - 0-4 hrs – 51.6%
  - 4-8hrs – 43.7%
  - 8-12hrs – 4.5%
  - Over 12 hours – 2.0%
  - 100% of ducks and quail travel less than 4hrs to slaughter

Transit times are dependent on the distribution of our supply base across the UK at any given time but have targeted reduction by transporting during quite periods (overnight)
This has now resulted in a 2.7% shift to less than 8 hours and over 50% of all transit times under 4 hours.

OUTCOME MEASURES AND PERFORMANCE INDICATORS (ANNUALISED)

- Average Eggs/Bird:
  - Colony – 373
  - Free Range – 329
  - Duck – 353
  - Quail – 150

On the back of last years 55 eggs/bird increase we have seen colony production reduce by 4 eggs/bird mainly due to a number of poor performing flocks. Free range performance has gone from strength to strength increasing by 17 egg/bird mainly driven by extended lifecycles. Previously year on year the numbers have only fluctuated by around 2 - 4 eggs/bird but again we expect the trend to continue upward as laying cycles increase.

- Average Cumulative Mortality %:
  - Colony – 8.06
  - Free Range – 8.07
  - Duck – 1.8
  - Quail – 13.8

Average mortality figures have reduced this year, colony by 3.26% and free range by 0.89%. These are promising figures as the increase in flock cycle length will have significant impact. Expectation is for this to remain fairly static as improvements in bird health are offset by increased length of flock cycles.

- Average Feather Cover score at End of Lay (0-2 scale):
  - Head & neck – 1.31
  - Back & vent – 1.27

In general we see comparable scores year on year with only a slight movement. This year we have seen a reduction of 0.24, head and neck and 0.17, back and vent. Again, promising against the backdrop of longer laying cycles. Changes in general diet formulation with increased fibre levels are thought to be positively impacting this.

- Average Keelbone assessment scores %:
  - Colony – 31.6
  - FR – 47.9

In both colony and free range we have seen a slight increase in keel bone damage (0.1% colony and 3.2% free range). This again will have a direct correlation to laying cycle length as well as the move to more free range aviary production systems. New RSPCA Assured requirements for all flocks to have at least 8cm of perch space are now in place in England. It will be interesting to see if this change has an impact on the overall figures.

- Average antibiotic usage (% medication days) = 0.777% (RUMA Target 1%)

We have seen average usage across all production systems this year fall by 0.076%. Health issues and treatments on some of our large colony sites have again pushed up usage. Without colony production the average is 0.686 for 2018 to 2019 meaning free range flocks sitting at 0.314% below the current RUMA target for laying hens.