

Pilgrim's UK Deforestation Policy

Scope

Pilgrim's UK are a Business Unit of Pilgrim's Pride Corp that operates a food processing business and a vertically integrated farming operation for higher welfare pig production from farm to fork in the UK. Due to the nature of our products and our supply chain, we recognise that there are deforestation and conversion risks associated with some of the forest risk commodity products which we purchase directly, or that are embedded within other ingredients that we procure.

These products are:

- Palm Oil
- Pulp and Paper for Packaging Materials
- and Soya for Animal Feed.

This policy covers all direct and embedded forest risk commodities supplied into Pilgrim's UK, inclusive of:

- Pilgrim's UK's owned integrated supply chain, *whereby we have full control over the sourcing of soya & palm oil*. This supply chain is prioritised to ensure we can support our third-party producers with their own Soya transitions. We aim to source 100% certified Deforestation and Conversion Free (cDCF) Soya in our integrated supply chain by 2023.
- Third Party & Independent Producers, *whereby we do **not** have control over the direct sourcing of soya & palm oil*. Using learnings from our own journey transitioning to replacing soya in diets and transition to Deforestation and Conversion Free (DCF) soya, we aim to engage with our third-party producers to support them with meeting the target of sourcing 100% verified Deforestation and Conversion Free (vDCF) by 2025.
- Pulp and paper procured for packaging materials.

Soya UK Industry Context

The majority of UK and European pig diets are cereal and soya based. On average, soya accounts for approximately 10 - 15% of a pig's diet, but this will vary at different stages of the production cycle based on the animal's dietary requirements. Approximately 90% of soya consumed in the EU is used in livestock feed, mostly as soya meal, due to its high protein content. It is worth noting that although soya used in pig diets in the UK is sourced as 'any origin', the vast majority of soya sourced from South America is not utilised in pig supply chains.

The total volume of soya imported directly into the UK each year is estimated to be 3.2 million tonnes, predominantly from Argentina & Brazil. When including soya sourced from territories considered at low risk of deforestation (North America) and soya covered by the Amazon Soy Moratorium, the total proportion of soya imported into the UK which is considered vDCF is approximately 65%. Chickens followed by pigs are the largest consumers of soya in the UK.

Pilgrim UK's Deforestation Commitments

Pilgrim's UK are members of the UN Global Compact and our Pilgrim's UK 2030 sustainability strategy is aligned with the UN Sustainable Development Goals. In relation to Goal 13, 'Life on Land', Pilgrim's UK seeks to protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss associated with our supply chain activities.

As a signatory on the UK Soy Manifesto ([The UK Soy Manifesto](#)), we are committed to ensuring that all physical shipments of soy to the UK are verified to be deforestation and conversion free, fully implemented immediately where possible and no later than 2025.

This commitment is implemented with a cut-off date of January 2020 at the latest and covers legal and illegal deforestation. This applies to all soy supplied to the UK market (both direct and embedded), including both UK and non-UK direct suppliers of products containing soya or embedded soya. We are committed to encourage third party suppliers to make similar commitments.

Since 2018, we have been members of the UK Roundtable on Sustainable Soya ([UK-RT-on-Sustainable-Soya](#)), where we sit on a number of steering groups, we are signatories to the Business Statement of Support for the Cerrado Manifesto and full members of the Soy Transparency Coalition (STC).

All paper and pulp packaging to be certified as sustainably sourced by 2025, through either Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), or a comparative certification scheme.

All processing sites that handle palm oil as an ingredient to be certified against the RSPO standard by the end of FY2022.

Pilgrim's UK commit to report annually on progress towards our deforestation commitments from FY2023.

Progress Report:

Through over a decade of investment in strategic feed R&D, Pilgrim's UK's Agriculture business has achieved an industry-leading position in terms of innovation in soya sustainability, at times reaching soya inclusion levels in feed as low as 5% across the life of the pig and 0% in finisher diets. Note: inclusion levels below 5% across the lifetime of a pig can negatively impact on other key performance metrics and ultimately the wellbeing and welfare of the pig. Therefore, Pilgrim's UK do not currently target inclusion levels below 5% in pig diets.

Pilgrim's UK can confirm that:

- Palm Oil
 - o 100% of palm oil used within ingredients in either Pilgrim's UK's integrated farming supply or food processing operations is sourced as RSPO certified. Pilgrim's UK

maintain certification with RSPO for our relevant processing sites through our parent company, JBS.

- Pulp and Paper
 - From January 2023, 100% of pulp and paper products are sourced sustainably. With 89% of that total being FSC certified and the remaining 11% being PEFC or a comparative certification scheme.
- Soya
 - All soya fed to pigs within our own, integrated supply chain has been covered by a minimum of RTRS credits since 2017.
 - All soya fed to our wider supply base (inclusive of third-party producers) has been covered by RTRS credits since 2019.
 - As of January 2023, 100% of soya sourced for Pilgrim's UK integrated pig supply is certified Deforestation and Conversion Free (cDCF) and sourced as either RTRS Mass Balance Soya or from North America. For January 2023 to end of July 2023 the total volume of this supply is 18,720 tonnes.
 - Following work undertaken on our dedicated trial farm, Pilgrim's UK's nutritionists have been able to reduce soya inclusion levels within pig feed down to 0%, however in formulating diets our target is to optimise nutrition and cost effectiveness whilst maintaining as low a level as soya inclusion as possible. For 2022 our inclusion level was 7.5%.
 - Over the past decade, Pilgrim's UK have led various feed development trials to investigate alternative sources for proteins. This has included growing and using Danube soya in our pig feed formulations and trialling UK grown peas, beans and lupins.
 - Pilgrim's UK are committed to maintain low volumes of soya in our pig diets and are currently working on further R&D trials, including Insect Meal trials overseas.
 - Pilgrim's UK engages with our feed suppliers and soya traders to be able to understand country and region of origin information for all soya used within our integrated production systems and we continue to support increasing transparency through the Soy Transparency Coalition and the UK Soy Manifesto
 - Supply Chain: Pilgrim's UK are engaging a third party to support with calculating the embedded soya footprint of our ingredients supply. We will continue to work with suppliers to improve data quality and provide a progress report once that work is completed.
 - Pilgrim's UK are partnering with our Pilgrim's Pride Corporation 'sister' Business units in Europe to review and align our Responsible Sourcing programmes. Once this process is completed, we will be reissuing updated Supplier Code of Conduct and Responsible Sourcing Policies to suppliers.
 - Pilgrim's UK continue to advocate within our wider supply chain and through working groups for our various memberships and voluntary agreements to support the adoption of a mass market solution for soya for the UK.

We will continue to review our position on progressing our deforestation commitments and report on progress to our commitments annually.