

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:

- 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.

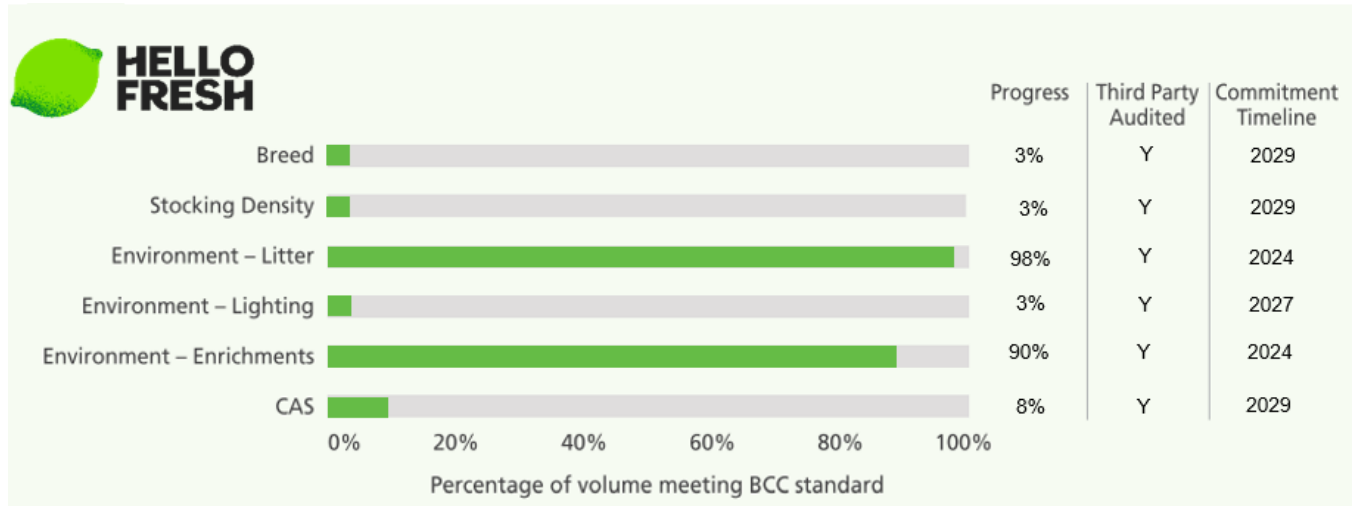
Our belief is that these advancements will become codified animal welfare standards for broiler chickens through groups like the NCC and USDA in the future, including the U.S. Humane Methods of Slaughter Act (which does not currently include poultry). As we work towards our goals, our chicken standards 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. We will publicly report on our progress annually through updates to this Policy, and participate in the Compassion in World Farming ChickenTrack report. Our reporting will include incremental progress towards the goals as it is achieved, and celebration of our wins as we support the transition that is required in the chicken producer market to deliver on these goals.

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2023 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 persistent industry disruptions caused by the Covid-19 pandemic. Our progress for chicken sourced in 2023 follows below:



Cage Free Chickens

In addition to our progress towards the Better Chicken Commitment, 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 invested in the implementation of functional enrichments for poultry production facilities in 2022. We also initiated an inspection program for friable litter and enrichments. Together, these initiatives resulted in the following advancements:

- **Functional Enrichment:** In 2022, we increased accessibility of enrichments to 75% of our broiler chicken supply and added 3rd Party Auditing. We achieved over 90% of our supply in 2023 through the support of other BCC committed suppliers, and continue to strive for 100% in 2024.
- **Friable Litter:** In 2022, over 90% of our broiler chicken supply met the friable litter requirement, and we added 3rd Party Auditing across 75% of the supply. We achieved over 98% of our supply in 2023, and continue to strive for 100% in 2024.

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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 in 2022. Small volumes of these breeds were made available in 2023, and the timing for commercial availability at larger scales is still not clear. 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 all of our customers, and striving to add these breeds incrementally into our supply chain. Our aim is to meet the breed component of the Better Chicken Commitment for 90% or more of our supply by 2028, and 100% in 2029. We will add incremental volume on the way to 90% over the next four years, and report annual progress as it is achieved.

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. 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. We aim to exceed 90% of our supply meeting the Lighting component of the BCC by 2026, with 100% meeting this requirement in 2027. In addition, over 90% of our supply will meet the stocking density component of the BCC by 2028, with 100% meeting this requirement in 2029. Throughout the next four years, HelloFresh will strive to implement the density requirement incrementally as we work towards 90%, and will continue to report annually on our progress.

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. CAS systems represent significant investments for chicken processors in the tens of millions of dollars, creating a barrier for smaller operations and reducing their ability to compete. We are committed to adding this chicken to our supply as it becomes commercially available at the scale needed for our HelloFresh customers, and aim to exceed 90% of our supply meeting the CAS component of the BCC by 2028, with 100% meeting the requirement in 2029. As we work towards 90% over the coming years, we will strive to add incremental volume and continue to report annually on our progress.

Third Party Auditing:

We will implement third-party auditing for the components of the BCC as they are implemented, as demonstrated by the current auditing of BCC elements. As we work with suppliers to implement these goals incrementally, we will require auditing to validate the changes they are making. HelloFresh will not ask suppliers that are unable to meet these requirements to audit against them.

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Policy Development and Execution

HelloFresh US has initiated work on an All-Protein Animal Welfare Policy, 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 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 on our [HelloFresh Group website](#). 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.

HelloFresh reserves the right to adjust the above targets and years based on market availability and producer progress in introducing these changes to the chicken market at the commercial level. We remain committed to upholding our animal welfare commitments and will report annual progress reflecting our journey.