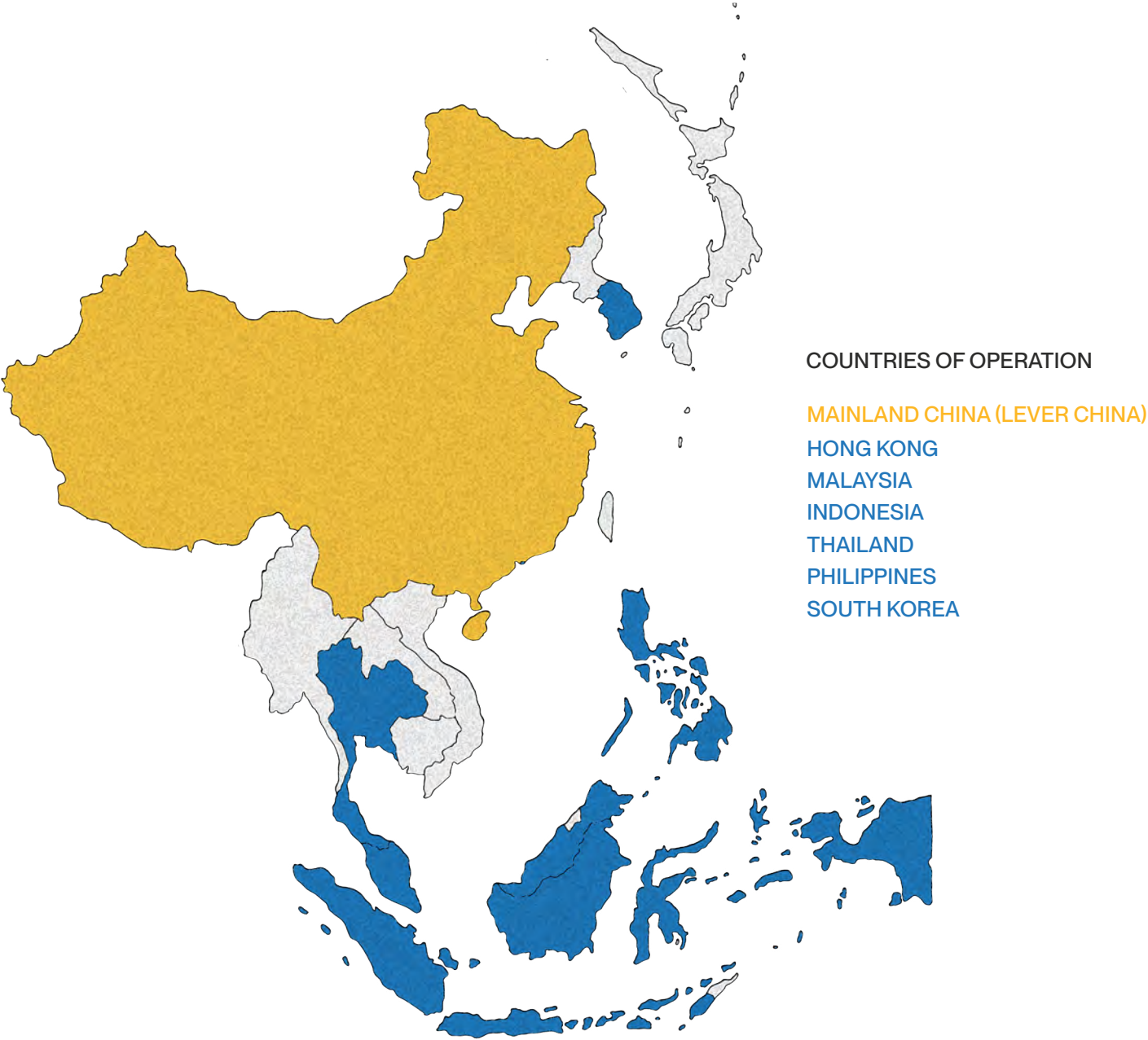


2024

MID-YEAR REPORT

Supporting Asia's transition toward a sustainable, humane and healthy food system



As Lever Foundation's progress in helping advance a sustainable, humane and healthy food system in Asia continues to grow, so too does its geographic reach. The past twelve months have seen the addition of the Foundation's first on-the-ground staff members in South Korea, Thailand and Indonesia. With their sizable to large populations, expansive animal agriculture, and increasing demand for protein, these countries represent important additional markets for creating meaningful progress in East Asia.

Thailand is home to a substantial agriculture industry, numerous globally operating food companies, and a significant Chinese ethnic population, making it an important region for Lever's work. While the Foundation has generated policy wins from several major Thai restaurant, retail and hotel brands over the past four years, this marks Lever's first on-the-ground presence in the country.

South Korea is also home to a number of major global food companies and has a significant cultural influence on China, making it another important country for driving progress across the region. Korea's influence is expected to create a ripple effect, benefiting neighboring countries and contributing to broader regional progress.

Indonesia, the fifth most populous country in the world, is also one of the world's largest producers of animal agriculture products. The Indonesian government also aims to reduce emissions by 32 percent by 2030—a growing focus on sustainability that is in line with Lever's mission to advance plant-based foods and address animal agriculture.

These expansions, and all of the progress covered in this *Mid-Year Report*, happened as a direct result of your support. Thank you for joining Lever Foundation in this critical work.







01

Advancing

Plant-Based Foods

Corporate policy work drives shift toward plant-based foods in China's hospitality sector

A new program to help food corporates shift toward using more plant-based foods has already secured backing from a key government-affiliated industry group and policy commitments from multiple leading hotel chains.

When it comes to creating a more sustainable food system, food corporates committing to make a larger portion of the food they source and serve plant-based is a powerful mechanism for change. Such policies can shift millions of meals per year toward plant-based—benefiting all involved by lowering GHG emissions, conserving land and water, reducing the number of animals raised for food, and improving customer health. Lever China has begun robust work in this area starting with China's hospitality sector, work that has already resulted in a key partnership and policy pledges from multiple top hotel groups.

To help achieve its goal Lever China secured a formal partnership with the government-affiliated Low-Carbon Hotel Development Institute. As part of the agreement, the Institute has made the increased use of plant-based foods one of its recommended carbon-reduction strategies for hotels. Importantly, it will begin requiring hotels to set a plant-based foods policy in order to be certified as “low-carbon” under its certification standard. The Institute has also introduced Lever China to a number of hospitality groups across the country and met with them alongside Lever China to educate them on the reasons for setting a strong plant-based foods policy.

“We recognize the important role of plant-based foods in helping hotels reduce carbon emissions





and improve catering profitability,” noted Institute Executive Director Jingju Lu in a joint press release issued with Lever China about the partnership.

Lever China’s work with hospitality groups on the issue has already driven several major policy pledges. Thanks to Lever’s work IHG Greater China, which operates nearly 800 hotels across the country, committed to make 30% of its menu plant-based by 2025 at all hotels nationwide. In its public press release on the commitment, IHG Greater China COO Jerome Qiu noted that the new policy goal aligns with the company’s core values of responsible sourcing and environmental stewardship.

In early August, shortly after the mid-year cut-off point for progress calculated in Lever’s annual *Mid-Year Report*, two more leading hospitality groups announced commitments of their own. First the Dossen Group, a state-owned hospitality chain with 2,000 hotels (and 1,500 more under development) announced that in collaboration with Lever China it was committing to make 30% of its menus plant-based by 2025. Not to be outdone Huazhu Group, another leading player, committed in collaboration with Lever China to make a whopping 70% of the menu plant-based at the group’s 750 Orange Hotel brand hotel locations around the country.

Together these three policies will shift around 20 million meals to plant-based each year. In addition, several more hospitality groups have privately committed to Lever China that they too will release plant-based foods policies in the months ahead.

In addition to working on policy commitments Lever also carried out a range of presentations and events on the plant-based foods topic. Lever China partnered with Marriott China on its annual Young Chefs Innovative Cooking Competition, which draws nearly 5,000 chefs from across the country. For the first time, chefs were required to prepare a plant-based or plant-forward dish as part of the competition, with the best recipes compiled as a resource for chefs across Marriott’s hotels in China.

20,000,000

meals per year will be shifted to plant-based as a result of these three policy wins

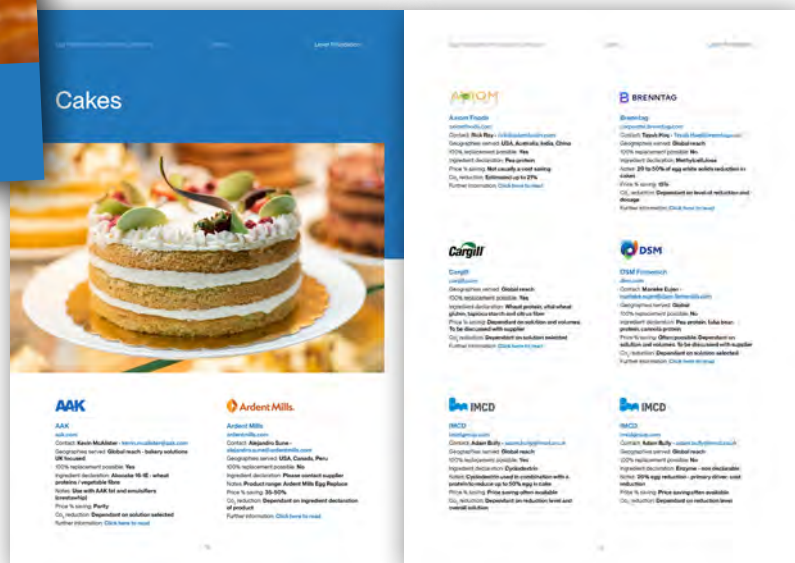
Lever China also presented to the annual gathering of directors and hotel managers of Wanda Hotels, a domestic hotel chain, on the benefits of shifting toward plant-based foods. And Lever China hosted a presentation with the China-European Union Chamber of Commerce in Shanghai to share how Chinese government policies are creating opportunities for plant-based food products. Lever China also spoke about the plant-based and alternative protein topics at a number of industry conferences and forums over the past year.

New program aids food manufacturers in reducing reliance on animal protein

Resources developed by Lever aim to help companies reduce the use of animal proteins as functional ingredients and fillers in baked goods and prepared foods.

In recent years a handful of food companies have taken steps to reduce their reliance on animal proteins as functional ingredients (for example eggs used to bind and emulsify in baked goods and sauces) or as fillers (for example processed meat used in soups or meat pastries). While these attempted moves have often been driven by cost considerations, such shifts also significantly lower GHG emissions, reduce the number of animals raised for food, and improve customer health. In desserts for example, eggs make up a modest portion of the total volume but can represent 60% of total carbon emission footprints.

Reducing the reliance on animal protein in these types of applications is a win for all



involved. Unfortunately most companies that have attempted to do so have struggled to find ingredient solutions that work with their formulations. To help companies in Asia and globally with such shifts, Lever Foundation has compiled a first-of-its kind comprehensive directory of ingredient solutions in these areas. The directory covers scores of ingredients from several dozen ingredient providers, organized by food application, with information for each ingredient on cost reduction, GHG emissions reduction, labeling, product spec sheets, and other information relevant to food formulators.

Lever is now working with several major global and regional companies on the initiative, educating on the benefits of such shifts and providing the ingredient and sourcing support needed by formulation teams to identify the most promising solutions. The Foundation hopes to have positive results to share in the year ahead from its work in this area.

Open Source Meat Project helps spread quality plant-based alternatives in Asia

While the plant-based meat category is growing in Asia, significant barriers stand in the way of mainstream adoption. One key barrier is product quality. While major western companies have spent tens of millions of dollars learning how to create higher-quality products, only a handful of experts know the tricks of the trade. Technical expertise in Asia is lacking, capital for R&D is only minimally available, and keeping ingredient and equipment costs low is critical.

Lever Foundation's Open Source Meat Project aims to address these barriers by providing entrepreneurs and food companies with a complete formulation for high-quality plant-based chicken—free of charge. The formulation, developed by the former culinary head of a leading plant-based meat brand, uses low-cost ingredients to create a versatile plant-based ground chicken suitable for various local dishes.

In addition to the formulation, Lever offers detailed ingredient specifications, sourcing tips and industrial processing steps, as well as connections to expert external consultants, ensuring companies have all they need to produce top-quality products. Several companies in Southeast Asia have already registered to use the formulation, and Lever is working to secure additional partnerships.

By lowering the financial and technical barriers to entry, the Open Source Meat Project aims to increase the presence of higher-quality plant-based meat products across the region.



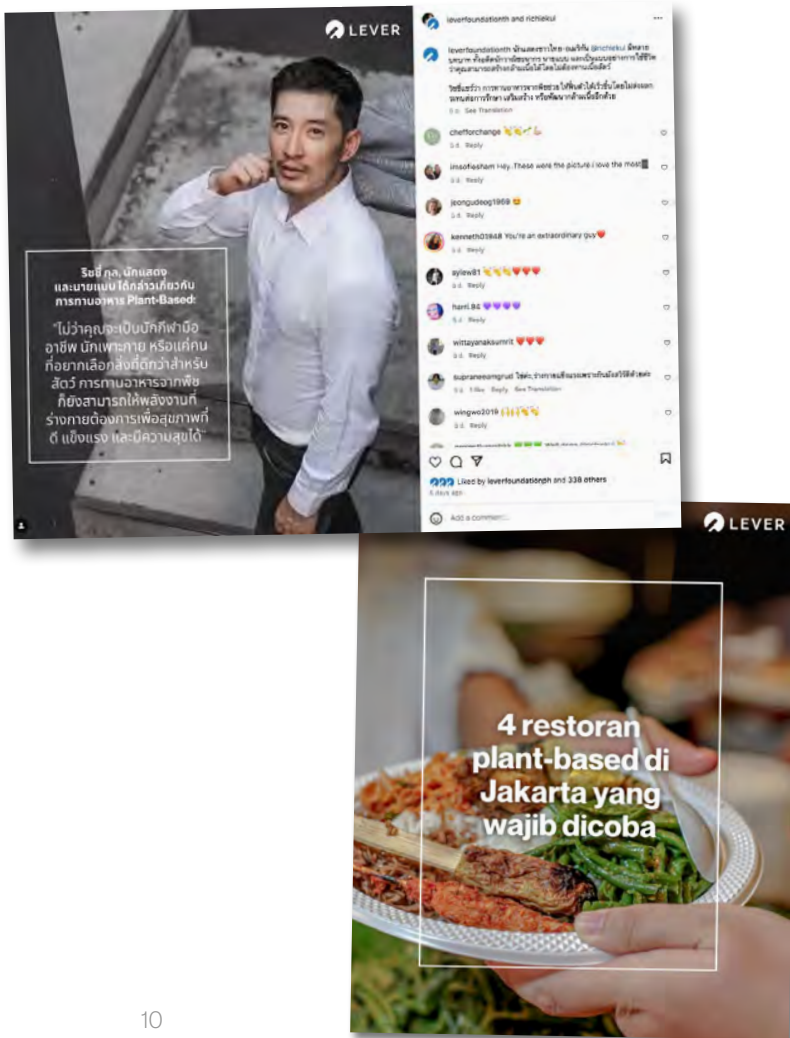
Social media campaigns promote plant-based foods and educate on animal agriculture

Lever Foundation and Lever China have begun significantly expanding social media and digital ad campaigns across Mainland China, Hong Kong, Taiwan, Malaysia, the Philippines, South Korea, Thailand and Indonesia.

While social media platforms have played a key role in increasing public awareness and concern around food systems in the west, with countless NGOs and others sharing well-produced content to millions of followers, in Asia there is a distinct lack of such content. To help fill the gap, Lever Foundation and Lever China have begun to ramp up social media and digital campaigns in the region with quality localized content.

Lever China's WeChat channel and its NewProtein.cn website continue to serve as the world's largest Chinese-language news portals on the alternative protein sector. Both report on new brands, product launches, investment rounds, industry research and market forecasts, mainly focusing on domestic news with some international coverage. Over the past year these platforms each published over 250 news stories, generating over 850,000 total article reads. Meanwhile, Lever China's additional Chinese social media accounts promote the benefits of plant-based eating and the value of humane and sustainable food choices to the general public.

Outside of China, Lever Foundation's social media accounts in East Asia similarly emphasize the benefits of plant-based eating



and the impacts of industrial animal agriculture. Over the past year Lever launched new accounts and digital campaigns in Indonesia, Thailand and Korea. The Foundation also began running paid digital ad campaigns across these markets as well as Hong Kong, Taiwan, the Philippines and Malaysia to drive more impressions and greater awareness.

The public response has been excellent. In the Philippines, celebrity power has sparked excellent discourse on plant-based eating. An ad featuring popular local actress Nadine Lustre reached over 7 million people (in a country of 115 million) and generated over 5,500 interactions. Another post featuring western athlete Lewis Hamilton reached 6.5 million people and generated over 1,600 interactions. Similar posts in Thailand with local actor Richie Kul, and in Hong Kong and Taiwan with actress Maggie Q, also garnered strong positive response and engagement.

Ad creatives focused on plant-based foods and humane food choices have also fared well. In Malaysia a post on Asian plant-based recipe creators reached 2 million people, while a post on the sentience of chickens garnered over 750,000 views. In Indonesia, a post about the caged confinement of pigs on industrial farms garnered over 75,000 interactions. In addition to photo posts, carousels and blog links, Lever is also creating and sharing short-form videos across the region, generating views of compelling original video content.

As of mid-year 2024, Lever was in the early stages of significantly ramping up paid digital ad campaigns to put its content in front of far more viewers around the region. Paid campaigns in key countries have yielded extremely efficient results, with every \$1,000 in ad spend generating over 3 million content impressions, highlighting the potential for digital marketing to cost-effectively drive public awareness and attitude change in the region.

As Lever Foundation continues to ramp up its digital ad spend in the year ahead, it aims to increase its reach by an order of magnitude—going from 30 million impressions generated over the past year to several hundred million impressions in the year ahead.



Asia plant-based foods and alt protein startups advance with Lever's support

Lever Foundation provided fresh support to entrepreneurs in China and southeast Asia, while previously-backed startups made further headway.

Lever Foundation continued to provide critical early-stage financial support to entrepreneurs in the plant-based foods and alternative protein categories in Asia as part of its work to increase the presence of sustainable and humane foods in the region.

The Foundation provided the first external funding to Malaysian plant-based meals company Gaia Eats, giving the company the working capital it needed to expand production and increase marketing to fuel faster sales growth. Co-founders Aaron Chin and Loh Jenn Woie had already bootstrapped the company to over \$1 million in annual sales, and in the three quarters following the Foundation's investment grew its sales a further 50% while also launching Mirra Eats, a plant-based meal subscription service.

In the Philippines Lever Foundation provided the first external funding to Amala Foods, a new plant-based meat and meals venture. The company was launched by Archie Rodriguez, a seasoned businessman who previously ran and sold a 50-unit restaurant group in the country. Amala Foods has launched 13 plant-based meat and meal products tailored to Filipino tastes and budgets, and is already present in a number of restaurants in the country.

Over the past year Lever also continued to provide close support to Hong Kong-based All You Need, a plant-based meal drinks company the Foundation helped launch through its venture builder program. All You Need creates powdered and ready-to-drink plant-based meal replacements—a healthier, clean-label version of western brands like Soylent and



Huel. Since beginning to put the company together last summer, co-founders Kelvin Chun and Ronald Hing have gone through the full process of business plan creation, product ideation and formulation, co-manufacturer selection, and brand and packaging development. As of late summer 2024 the company was launching its product in key retailers and gyms.

Lever Foundation also provided follow-on investment support to previously-backed startups Good Food Technologies and Marvelous Foods. GFT, which sells a range of ready-to-cook delicacies such as dumplings and plant-based pork and chicken under the brand name “Plant Sifu” in mainland China and Hong Kong, has expanded its client base over the past year to include major China retailer Lianhua, Hong Kong’s main airline carrier Cathay Pacific, IKEA, and several prominent Hong Kong restaurant chains. Meanwhile Marvelous Foods launched its Yeyo plant-based yogurt products in Ole, China’s largest premium supermarket chain, with a staged rollout across Ole’s 100 stores in 31 cities. Yeyo continues to sell in additional retailers such as City Super, BHG and ALDI, and is also now the top-selling plant-based yogurt on China’s e-commerce platform Tmall (the Chinese equivalent to Amazon).

Meanwhile, a number of startups supported by the Foundation in prior years continued to make headway. Shanghai-based CellX, which received its first seed funding from Lever Foundation, expanded its work into biomass fermentation to create mushroom mycelium-based meat alternatives. The company is already producing its mycelium protein in 5,000 liter industrial-scale reactors and is nearing achievement of the Generally Recognized As Safe status it needs to begin selling. Cultivated seafood maker Avant, which the Foundation helped launch in 2018, unveiled its new pilot production facility in Singapore supported by the Singapore Economic Development Board, and landed a key partnership with one of the world’s largest food brands.

Singaporean plant-based dairy company MAD Foods, one of the first startups in Southeast Asia to receive financial support from Lever Foundation, has



expanded into Malaysia with a nationwide launch across 7-Eleven stores there. Indonesia plant-based meat brand Meatless Kingdom rolled out products into an additional 100 locations at local retailers KKV and Gramedia. The company also landed as a new client airline carrier AirAsia, and began exporting to Malaysia, Singapore and Hong Kong.

Traditional investment capital for plant-based and alternative protein startups in China and Southeast Asia has become extremely scarce over the past year and a half, making Lever Foundation’s support for companies such as these crucial for their continued growth and success.



— 02

Addressing
**Animal
Protein**



Two of Asia's largest restaurant and hospitality groups issue new policies

East Asia is home to two out of every three farm animals alive today. Reducing the harmful externalities of industrial animal agriculture—from extreme cruelty to farm animals, to GHG emissions, to public health harms—is an integral part of creating a more sustainable and humane food system in the region. Lever works with food companies and producers to improve policies across a range of animal proteins, with a focus on battery cage egg production as a lead issue.

Among the dozens of new policy commitments and producer shifts generated by Lever's work over the past year (detailed on the following pages), two particularly notable pledges are those made by Jollibee Foods Corporation and Ascott Limited.

Singapore-based Ascott Limited is one of the most prominent Asia-based hospitality groups, with a portfolio of over 900 properties across 200 cities. Thanks to Lever Foundation's work with the company, Ascott has now pledged to transition all of the eggs in its global supply chain to cage-free, making the shift at 50% of its properties by 2027 and 100% by 2030. The commitment came via a two-year engagement with Lever, first through the Foundation's work with Ascott divisions in Malaysia and the Philippines to set commitments in those countries, followed by a close engagement with Ascott's global team to provide the encouragement, guidance and supplier resources needed to give the company the confidence to make a global pledge.

Philippines-based Jollibee Foods Corporation, the second largest Asia-based restaurant group after Yum China, operates over 6,300 restaurants in Asia and beyond across several renowned brands including Jollibee, Coffee Bean and Tea Leaf, Red



Jollibee Foods
CORPORATION

Ribbon Bakery, Chowking and others. Following a year and a half engagement and meetings with Lever's team in Manila, the encouragement of Ascott following its own commitment (Ascott and Jollibee share a common partial owner), the provision of key resources by Lever, and public campaigning by other entities, JFC issued a pledge to transition to sourcing only cage-free eggs globally by 2035.

Since JFC's commitment, the Foundation has had multiple follow-up meetings with the company's team on sourcing and implementation of its pledge (interestingly, Lever is the first NGO of any kind the company's sustainability team has met with at its headquarters), and the company has begun making strong progress toward its goal.

Together, Ascott's and Jollibee's commitments will shift around 1.8 million hens and half a billion eggs each year from battery cage to cage-free production.

GLOBAL

Global corporate pledges drive progress on animal protein in Asia and beyond

In addition to generating improved corporate policies from Asia-based food companies over the past twelve months (as covered on the following pages), Lever also secured policy pledges from a number of global food companies operating in Asia.

CKE Restaurants, which operates the Carl's Jr. and Hardees brands, committed to transitioning to 100% cage-free eggs in its global markets by 2025

thanks to Lever's work, building on an existing policy for the U.S. With CKE's new pledge 19 of the world's 25 largest multinational restaurant groups now have global cage-free egg policies, with Lever having generated most of those international pledges.

Retail Food Group, Australia's largest multi-brand restaurant group, pledged to source 100% cage-free eggs and egg ingredients globally by 2030 thanks to a year-long engagement with Lever. The company, which previously had no policy on the issue, operates over 1,300 outlets in 33 countries (most locations are in Australia and Asia) across brands including Gloria Jean's Coffees, Donut King and Michel's Patisserie.

Travel restaurant leader SSP, which operates 2,800 units across 35 countries, expanded its cage-free policy to include all franchised brands in its global portfolio by 2030 thanks to long-term engagement with Lever Foundation and a second NGO.

Major global bakery group Aryzta similarly made a pledge to transition to 100% cage-free eggs globally by 2027 thanks to Lever, building on an existing policy for Europe. The company has a presence in 27 countries, including Japan, Singapore and China as well as major production facilities in Malaysia, and produces baked goods for the fast food, restaurant, catering and bakery channels.

Lastly, Lever secured a pledge from prominent Indian hotel group The Leela, which operates 12 luxury hotels, to source only cage-free eggs by 2029.



CHINA

Nine more Chinese companies set new sourcing policies

From prominent retailers to restaurants and caterers, and from Mainland China to Macau and Hong Kong, progress on improved sourcing continues.

In addition to new global policies from companies like Ascott, Jollibee Foods Corporation, Retail Food Group, and Aryzta which cover those groups' operations in China, nine domestic companies have also issued new policy pledges over the past year thanks to Lever China's work in Mainland China and Lever Foundation's work in Hong Kong and Macau.

In mainland China prominent retailer Rainbow Digital Commercial Co. Ltd., which operates 116 supermarkets across the country, issued a pledge to sell only cage-free eggs in its stores by 2035 (and to reach 80% cage-free by 2030) thanks to its work with Lever China. Rainbow is the largest domestic Chinese retailer to make such a pledge thus far.

Meanwhile Royal Group, the largest supermarket group in China's Macau region, issued its own pledge to end the sale of eggs from caged production systems by 2035 as a result of its engagement with Lever. Royal operates 40 grocery stores across two banners, Supreme Food Market and Grand Mart, and is the first retailer in Macau to set such a policy.

In Macau, where casinos account for a staggering 50% of the local economy, Lever has also been



strategically engaging with the region's major gaming and hospitality groups. The past year saw Lever secure a cage-free commitment from major Chinese-owned gaming company Sands to source only cage-free eggs across its properties by 2028. Sands operates five resorts in Macau (including The Venetian Macao, the second-largest hotel and casino in the world), as well as a major hotel and entertainment complex in Singapore. Lever also

secured a commitment from Wynn Macau, the Chinese affiliate of global gaming company Wynn Resorts, to source 100% cage-free eggs by 2026 at its hotels, casinos and 28 food outlets in Macau.

CTS Hotels Macau, the hospitality arm of the largest state-owned company in Macau, similarly pledged a shift to cage-free eggs across its six wholly-owned hotels, spa resort, and catering service by 2025 as a result of its engagement with Lever. With these new gaming company pledges, as well as pledges from regional hotel groups generated by Lever in previous years and similar policies from global brands, 85% of moderate- to large-sized hotel chains in Macau now have timelines to end the use of caged eggs.

In Hong Kong, Rosewood Hotel Group also pledged to source only cage-free eggs for all of its properties globally by 2025 thanks to Lever. Rosewood operates 44 hotels across 20 countries, with an additional 30 locations now under development. With Rosewood's commitment, and pledges Lever generated from over a dozen other Hong Kong-based hospitality groups in prior years as well as similar policies from global hotel groups, 90% of moderate- to large-sized hotel groups in Hong Kong now have cage-free timelines.

Elsewhere in Hong Kong Cathay Dining, a subsidiary of Cathay Pacific Airways and operator of one of the world's largest flight kitchens, pledged to make 100% of its eggs cage-free by 2025 after a deep multi-year engagement with Lever. Cathay Dining produces meals for the outbound flights of Cathay Pacific and over 50 other airlines in addition to providing traditional catering services to schools and businesses in Hong Kong. Virtually the entire Hong Kong airline catering sector (with a combined capacity of 200,000 meals per day) will be using only cage-free eggs by the end of 2025, as the two other sizable players in Hong Kong—multinational operators LSG and gategroup—issued global pledges of their own in prior years in partnership with Lever Foundation and a second NGO.



Over the past year Lever also worked with Hong Kong-based distributor and brand KIN to help the company pledge and successfully transition to 100% cage-free eggs for all of its retail and restaurant clients, including Hong Kong's largest supermarket chain Wellcome. Meanwhile in the restaurant sector, Shanghai-based Suntory Japanese Cuisine & Whiskey (a subsidiary of major global Japanese corporate Suntory) also pledged to source only cage-free eggs by the end of 2024 for its operations in China and for all future stores globally thanks to Lever.

CHINA

More Chinese farmers make the shift to cage-free production

Over the past year Lever China helped six more producers move away from cage systems for the first time, with 651,000 hens moving out of cages in total.

In addition to its work with public-facing food companies, Lever works with farmers in Asia to provide them the understanding and resources needed to shift away from the most harmful industrial animal agriculture systems.

In China, Lever China carries out a range of activities to help producers shift from caged to cage-free production systems. This work includes conducting regular meetings and site visits with farmers, managing a private WeChat group of over one hundred industry professionals to share helpful content, publishing relevant news articles every one to two months in a variety of food and agriculture industry trade publications, hosting panels and talks at industry conferences, co-hosting the annual China

Cage-Free Egg Summit, connecting producers with food corporate buyers, and disseminating free copies of the guidebook *Commercial Cage-Free Egg Production* which was written by Lever China staffer Mutzu Huang and published by China's state-owned China Agricultural Press. This ongoing engagement, encouragement and provision of resources has led nearly twenty producers to shift from caged to cage-free production for the first time, with many later going on to make further shifts.

Over the past year six more Chinese producers have shifted from caged to cage-free production for the first time thanks in large part to Lever China's work. Luxue, one of the country's largest processed egg products producers and a company that had previously used battery cage systems for its entire flock, will have shifted the first 50,000 of its hens into cage-free systems by the end of 2024. Similarly Jinyi, another one of China's largest processed egg suppliers and a company that had also previously used battery cage systems for all of its production, shifted 40,000 hens to cage-free for the first time. Each of these shifts was generated in large part by Lever China's work with each company, including connecting Luxue and Jinyi with food corporates looking to source cage-free processed eggs.



Panchu, a regional egg producer in Nanjing province, began removing cages for 50,000 of its hens, with the project to be completed by late 2024. In Shandong province producer Fuziyuan shifted 10,000 hens to cage-free and producer Huanshan shifted 5,000 hens to cage-free, first-time shifts for both companies. In Sichuan province egg farm Biaoagan began testing out cage-free production by shifting 3,000 of its hens away from cage systems.

In addition to helping these six producers shift away from battery cage systems for the first time, Lever continued to support producers it has been working with for several years in their ongoing evolution toward cage-free. Major egg producer Danxiansen in Anhui province shifted a further 50,000 hens out of cages. Similarly, producer Yangsheng in Fujian province moved 60,000 more hens to cage-free barns. Each company has now moved 100,000 of its hens to cage-free systems.

Not to be outdone, producer Tudama in Guangdong province—which Lever China has worked extensively with—moved an additional 60,000 hens into cage-free systems to reach 200,000 hens being kept cage-free. Producer Pianguan Yongao in Shanxi province shifted 50,000 more of its hens to cage-free systems, bringing its total to 200,000 cage-free hens as well. Sichuan province-based Xinde, another close partner of Lever China, moved an additional 80,000 hens into cage-free systems.

Producer Huaxi in Yunnan province shifted a further 35,000 hens to cage-free systems. In Jingsu province, producer Tiancheng moved 40,000 more hens into cage-free systems while producer Renjun moved an additional 11,000 away from caged

651,000

more hens will be raised in cage-free instead of battery cage systems next year thanks in large part to Lever China's work with egg producers

production. Producer Happy Egg, which has farms in Jiangsu and Hainan provinces and is one of the only sizable fully cage-free producers in China, added an additional 110,000 cage-free hens as it helped (with Lever's support) several food companies carry out the transition to cage-free egg sourcing.

For most of these producers, namely Danxiansen, Renjun, Yangsheng, Xinde, Pianguan Yongao and Fuziyuan, the evolution toward cage-free production follows three to five years of steady engagement, encouragement and support from Lever China.

In addition to its work with producers, Lever also works with egg distributors to encourage them to shift a portion of their offerings to cage-free. Over the past year Lever China's work in this area led Shanghai's biggest distributor, Xinhuyuan, to begin sourcing and distributing cage-free eggs to its clients for the first time. Ai Ge, another major distributor in Shanghai, is also now beginning to source eggs from cage-free farms thanks to Lever China, with an initial purchasing volume equivalent to 20,000 laying hens being transitioned out of cage systems.



MALAYSIA & SINGAPORE

60% of hotel groups in Malaysia have set timelines to improve sourcing

Following in the footsteps of Hong Kong, Macau and the Philippines, a majority of Malaysia’s hospitality groups have now pledged to source only cage-free eggs.

In the second quarter of 2024 Lever Foundation released its first *Malaysia Hospitality Industry Cage-Free Scorecard*, building on similar scorecards previously released in Hong Kong and the Philippines. The *Scorecard* was released alongside a new Lever-generated policy commitment from prominent hospitality group Shangri-La Hotels and Resorts to cease sourcing eggs from caged egg production systems for its properties in the country by 2030.

As the *Scorecard* revealed, with the new commitment from Shangri-La, pledges Lever generated from several Malaysian hotel groups and numerous pan-Asian hotel brands in prior years, and similar policies in place at global hotel groups operating in Malaysia, 60% of moderate- to large-sized hotel groups in the country have now set timelines for removing caged eggs from their supply chains. The release of Lever’s *Scorecard* generated positive coverage in important news and trade outlets including the *Sun Daily* and *Asian Agribiz*, building more awareness and momentum on the issue among local hospitality groups and egg producers.

In the restaurant and cafe sector, Lever’s close work with popular cafe chains Gloria Jean’s Coffee and



Coffee Bean & Tea Leaf in Malaysia helped generate global cage-free egg commitments from the parent companies of each brand (Retail Food Group and Jollibee Foods Corporation respectively), as detailed on prior pages.

Over the past year Lever's Malaysia team also expanded its corporate policy work to engage companies in neighboring Singapore on improved sourcing standards. There, the Foundation secured a major global commitment from Singapore-based

Ascott Limited to transition to sourcing only cage-free eggs for its 920 global properties by 2030, as detailed earlier in this *Report*. Close engagement with Singapore's Marina Bay Sands hotel and exhibition complex—a major tourist destination that is the most expensive hotel and casino ever constructed, and that features over 2,500 hotel rooms—led to a commitment from Sands to transition to 100% cage-free eggs for all of its properties by 2028 (covering both Marina Bay Sands and Sands' properties in Macau, China).

Engagement with Malaysian farmers stimulates early progress toward improved practices

In Malaysia, as of early 2024 all mid-sized and large egg producers in the country were using exclusively battery cage production systems—making it challenging for public-facing food companies to make and implement pledges to improve sourcing standards. Thankfully, early progress toward cage-free systems is finally underway.

After collaborating with Lever's team for eighteen months, as well as collaborating with another NGO, in June of 2024 mid-sized producer TC Farm became Malaysia's first commercial-scale cage-free producer by shifting 17,000 of its hens to a cage-free system, with further cage-free expansion planned. Lever is now working closely with an additional poultry industry company to help it follow in TC Farm's footsteps in the near future.

To boost interest and action on the issue among Malaysia's largest egg producers, in mid-2024 Lever organized the Sino-Malaysia Cage-Free Egg Symposium. The online event brought together seven leading producers from Malaysia, five of the largest cage-free egg producers from China, China's

leading egg and poultry trade associations, and cross-border food distributors for an open discussion on the whys, hows and commercial opportunities of shifting toward cage-free systems. The event was positively received, and as a subsequent step Lever has organized a visit of several major Malaysian producers to two large-scale commercial cage-free facilities in China this fall.



THE PHILIPPINES

Filipino restaurant groups transition toward cage-free egg sourcing

In addition to a major global commitment from Jollibee Foods, five additional restaurant groups in the Philippines have set new policies over the past year.

With the large majority of the Philippines' hospitality sector having set improved sourcing policies on eggs thanks to Lever's work in prior years, the Foundation has increased its focus on the country's restaurant sector to drive further policy progress.

As covered on prior pages, following a year and a half of engagement and meetings with Lever's team in Manila, the provision of key resources by Lever including detailed supplier guides for all of the company's global markets, and public campaigning by other entities, the Philippines' largest restaurant group Jollibee Foods Corporation announced it would shift to sourcing only cage-free eggs globally by 2035. In addition to its namesake restaurant chain Jollibee, which has over 1,600 locations, the company also owns global café chain Coffee Bean and Tea Leaf (over 1,000 global locations), bakery brand Red Ribbon (over 550 global locations), and restaurant and café chains Chowking (over 600 global locations), Yonghe King (over 420 locations), Mang Inasal (over 570 locations), Highlands Coffee (over 600 locations), Milksha (over 280 locations), and Greenwich (over 270 locations).



As JFC is the largest restaurant group in the country and the second largest in Asia, the company's commitment represented a major step forward on this issue for the Filipino restaurant sector. Since its commitment, the Foundation has had multiple follow-up meetings with the group to assist JFC's team on sourcing and implementation of its pledge across Asia.

In addition to JFC Lever has worked with several other restaurant groups in the country over the past year to help them issue similar policy commitments. One such pledge came from Cebu-based The Abaca Group, which committed to source 100% cage-free eggs by 2027. The group operates restaurants and carries out food service at popular resorts and hotels, with a total of 46 locations nationwide.

Am-Phil Group, which operates 29 restaurants across brands including Chili's, Ruth's Chris Steakhouse, Wild West Roadhouse Grill, Nanbantei of Tokyo and Super Bowl of China, pledge to eliminate battery cages from its supply chain by 2025. Nanyang, a popular restaurant chain serving Singaporean cuisine, pledged to transition to cage-free eggs at its 15 outlets by the end of 2024.

On the bakery and packaged foods side, Lever secured a commitment from beloved fast-growing Manila dessert and pastry company Cupcakes by Sonja. By 2025 the company will shift away from caged eggs across its five storefronts and bakeries. Lastly, local bakery brand Croquembouche Factory and healthy snack maker Lifestyle Gourmet also put forth public pledges that they would not use caged eggs in any of their products going forward.



Top Filipino Egg Farmers Shift Toward Cage-Free Production

Change is underway in the Philippines' egg industry, with a number of leading producers responding to increasing corporate demand for eggs produced in cage-free systems.

Bounty Fresh, the country's largest egg producer, has undergone a significant shift over the past several years with the support of Lever. As of 2020 only 1% of its hens were raised outside of caged systems, but that percentage grew to 3% by 2022 and surged to 8% by the end of 2023. The company aims to transition 15-20% of its hens into cage-free systems by the end of 2025.

Universal Robina Corporation's Robina Farms, another one of the country's largest producers, began moving hens out of cages in late 2022. The company shifted 3% of its total production to cage-free in 2023 and anticipates reaching 4% by the end of 2024. Meanwhile Batangas Egg Producers Multipurpose Cooperative (BEPKO), a major player that aggregates eggs from several dozen farms, has expanded its cage-free liquid and shell egg offerings over the past two years to help food companies meet policy commitments on the issue.

News In Brief

Chinese poultry industry media outlet declares the term “cage-free” its word of the year for 2023

The shift toward cage-free egg production systems in China continued to gain momentum in 2023, leading national poultry industry media outlet *Ai Qin She* to declare the term “cage-free” its industry word of the year. *Ai Qin She* announced the pick in its December 2023 annual end-of-year roundup, which outlines the biggest trends in China’s poultry industry.

In explaining the pick editor in chief Yan Jianquan highlighted the substantial increase in the number of egg producers transitioning to cage-free systems thanks in large part to Lever China’s work. The designation received follow-on coverage from numerous other domestic news outlets, including state-affiliated *China Food Safety News* and top online news outlet *Sina*.

New investigations into the Asia egg supply chains of major global QSR brands Starbucks and Subway over the past year garnered significant media coverage in the region, shining a further spotlight on the animal welfare, public health, and disease impacts of battery caged egg production.

In Indonesia, an investigation uncovered filthy conditions, avian influenza transmission risks, and extreme animal cruelty at farms whose eggs are used in the baked goods and prepared foods served at global coffee chain leader Starbucks. The investigation, which found hens confined for their entire lives in individual wooden stalls where they could barely turn around, was covered by over two dozen media outlets in the country

A separate investigation into multiple egg suppliers to global restaurant brand Subway in Malaysia, Taiwan and the Philippines exposed similarly harmful conditions. Investigations such as these serve as strong reminders on the urgency of corporate progress and speak to increasing public awareness on this issue.

Investigations shine a spotlight on the harms of caged egg production



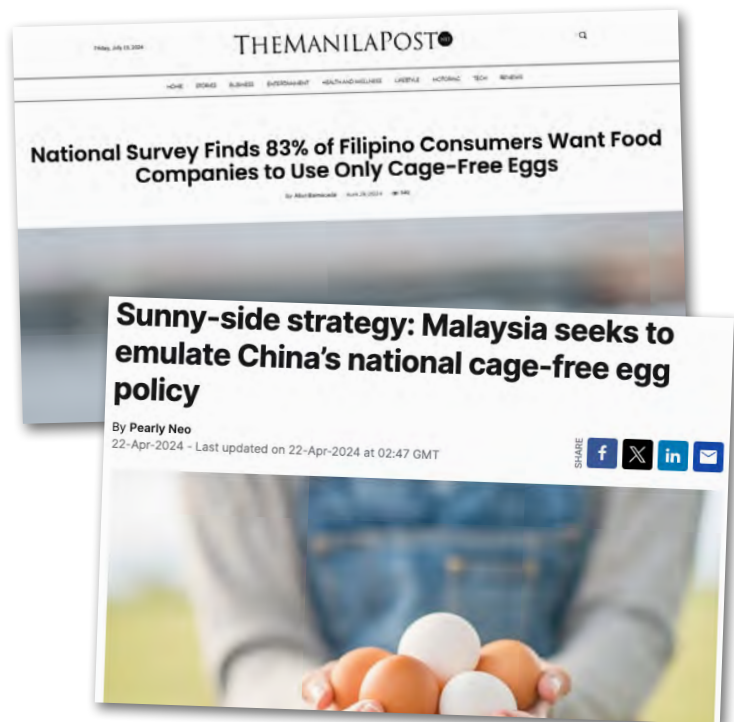
Surveys show strong public demand for improved food corporate policies

A set of surveys commissioned by Lever Foundation and conducted by GMO Research, one of Asia's largest consumer research agencies, have found that in country after country in the region large majorities of the public want food companies to eliminate the most harmful animal agriculture practices from their supply chains.

The first two publicly-released surveys found that 99% of Filipino and 83% of Malaysian consumers think food companies should only source animal protein from suppliers adhering to heightened animal welfare standards. In the Philippines 83%

of respondents believe food companies should only source eggs from cage-free hens, while 77% in Malaysia share the belief. Clear majorities in both countries said they would be more likely to shop and dine at brands that make such a shift compared to those that don't.

The releases generated significant positive media coverage in both countries, including in *Food Navigator*, *The Manila Post*, and *Business Mirror*. Similar surveys were carried out in Hong Kong, Thailand, Korea, Indonesia and Singapore and will be released in those markets in the coming months.





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Lever
Foundation's
Impact



Advancing Plant-Based Foods

10,000,000

meals per year will be shifted to plant-based due to corporate plant-based policy wins

253,000

fewer animals will be raised in animal agriculture systems due to corporate plant-based policy wins

5

plant-based foods startups were provided with critical early investment and support

30 million

impressions of content promoting plant-based foods and related were generated through Lever's social media channels in Asia

850,000

article reads on plant-based foods and alternative protein were generated on Lever China's news portals

555

news articles on the plant-based foods and alternative protein topics were generated in China and East Asia

Addressing Animal Protein

41

food companies set policies to remove one of the most harmful industrial animal agriculture practices from their supply chains

414

total country-level food brand policies were set to remove one of the most harmful industrial animal agriculture practices

19

producers shifted production away from one of the most harmful industrial animal agriculture practices

3,426,000

animals per year will be moved out of the most harmful industrial animal agriculture systems due to corporate policy wins

651,000

animals per year were moved out of the most harmful industrial animal agriculture systems due to producer shifts

409

news articles on addressing animal protein were generated in China and East Asia

Lever's cost-effective impact

From corporate policy work alone, for every \$1,000 in donations spent by the Foundation over the past year:

300 fewer animals will be raised in animal agriculture systems each year

5,000 animals will be moved each year to agriculture systems that generate far fewer public health, animal welfare, and environmental harms

25,000 pounds CO2 equivalent of GHG emissions will be eliminated each year

65,000 fewer grams of fat, 35,000 fewer grams of saturated fat, and 1,100,00 fewer milligrams of cholesterol will be consumed each year

That same \$1,000 in donations also created significant similar impacts from Foundation programs whose outcomes are harder to quantify, such as supporting plant-based food startups, educating the public on the benefits of consuming more plant-based foods, and influencing food executives, investors and the public via the media.

These results highlight the cost-effectiveness of Lever's approach for advancing a sustainable, humane and healthy food system in Asia, and the Foundation's careful financial management of donor dollars.

**Impact numbers are best estimates based on publicly available data and data provided privately to Lever by food companies.*





It's you and others like you that made the progress described in this *Report* happen.

Thank you for helping Asia move toward a more sustainable, humane and healthy food system.

