

The Business Benchmark on Farm Animal Welfare

2017 Report

Nicky Amos and Dr Rory Sullivan





The Business Benchmark on Farm Animal Welfare

The Business Benchmark on Farm Animal Welfare (BBFAW) is the leading global measure of farm animal welfare management, policy commitment, performance and disclosure in food companies. It enables investors, companies, NGOs and other stakeholders to understand corporate practice and performance on farm animal welfare, and it drives – directly and through the efforts of others – corporate improvements in the welfare of animals reared for food.

BBFAW also maintains the Global Investor Statement on Farm Animal Welfare and convenes the Global Investor Collaboration on Farm Animal Welfare, a collaborative engagement between major institutional investors and food companies on the issue of farm animal welfare. In addition, BBFAW manages extensive engagement programmes with companies and with investors, and provides practical guidance and tools for companies and for investors on key animal welfare issues.

The programme is supported by founding partners, Compassion in World Farming and World Animal Protection, who provide technical expertise, guidance, funding and practical resources. In 2014, Collier Capital joined the programme as an additional partner.

More information on the programme can be found at: www.bbfa.com.

Collier Capital

Collier Capital

Collier Capital, founded in 1990, is a global private equity firm, and a recognised leader in private equity's secondary market. The company is headquartered in London, with additional offices in New York and Hong Kong, and has assets under management of approximately \$17 billion. Collier Capital believes farm animal welfare is an important issue, which has historically had too low a profile within the investment management industry. The firm incorporates farm animal welfare in its own Environmental, Social & Governance (ESG) policies, and is delighted to encourage greater industry engagement with the issue through its support for the Business Benchmark.

Collier Capital has also supported the development of FAIRR (Farm Animal Investment Risk & Return), an initiative to help investors understand the short and long-term risks arising from intensive livestock production, and to support investors in assessing these issues as part of their investment processes.

More information on Collier Capital can be found at: www.colliercapital.com.

More information on FAIRR can be found at: www.FAIRR.org, or on page 70 of this report.



Compassion in World Farming

Compassion in World Farming is the leading farm animal welfare charity advancing the wellbeing of farm animals through advocacy, political lobbying and positive corporate engagement. The Food Business programme works in partnership with major food companies to make tangible improvements to the lives of the farm animals in their operations and supply chains. The team offers strategic advice and technical support for the development, implementation and communication of higher welfare production systems and practices.

Compassion engages directly with many of the companies benchmarked in BBFAW to highlight potential areas for improvement and provides support with policy development, welfare management and transparent reporting. The Food Business team uses the Benchmark alongside Compassion's other tools such as the Supermarket Survey, its Awards programme, and its advisory services, to help companies understand how they are performing relative to their peers, to identify areas and mechanisms for continuous improvement, and to highlight sources of competitive advantage.

More information on Compassion in World Farming can be found at: www.ciwf.org.

More information on the work of the Food Business team at Compassion in World Farming can be found at: www.compassioninfoodbusiness.com.



World Animal Protection

World Animal Protection has moved the world to protect animals for the last 50 years by working to give animals a better life. Its activities include working with companies to ensure high standards of welfare for the animals in their care, working with governments and other stakeholders to prevent wild animals being cruelly traded, trapped or killed, and saving the lives of animals and the livelihoods of the people who depend on them in disaster situations. World Animal Protection influences decision makers to put animals on the global agenda, and it inspires people to protect animals and to change animals' lives for the better.

More information on World Animal Protection can be found at: www.worldanimalprotection.org.uk.

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- Philip Lymbery, Dr Tracey Jones, Louise Valducci, Jemima Jewell, Basia Romanowicz, Dawn Rotheram and the Food Business team (Compassion in World Farming).
- Steve McIvor, Katy Cheney, Martin Cooke, Rachel Lynch, Audrey Mealia, Darren Vanstone and the Corporate Engagement team (World Animal Protection).
- Jeremy Collier, Alan Briefel and Rosie Wardle (Collier Capital).
- Vanessa Gardner (Footprint Communications).
- The many companies, investors and other stakeholders who participated in meetings and teleconferences, who provided input to the 2017 Benchmark consultation process, and who provided feedback on the assessment process and methodology.

FOREWORD



As the world's leading food service company, Compass Group serves food and beverages to millions of people across the globe every day — we operate in around 50 countries, across more than 55,000 client locations, employing more than 550,000 great people, serving over 5.5 billion meals a year.

We seek to achieve our strategic goals in a sustainable way and recognise that we have a responsibility to use our global scale as a force for good. Working with our supply chain partners, we set global standards to ensure we consistently source our food responsibly, sustainably and humanely. In fact, doing the right thing is embedded within our company culture. It empowers us to advocate for change, push for transparency and to continually seek ways to be more socially and environmentally responsible.

Farm animal welfare is a key element of our Responsible Sourcing strategy, supported by our continued focus to increase the visibility of our complex global supply chain including the mapping of meat, poultry and dairy suppliers back to farm level. As livestock production continues to increase, our shared moral obligation across the food industry to champion high standards of animal husbandry has never been greater.

In 2016, our position on animal welfare issues was recognised by our inclusion in Fortune's Change the World list of 50 companies that have had a positive social impact through activities that are part of their core business strategy. This coincided with our commitment to source 100% cage-free eggs globally by 2025, which will positively impact the laying hens that provide us with more than 400 million eggs each year.

2017 has been incredibly active for Compass Group within the area of responsible sourcing and particularly in relation to farm animal welfare. We're proud to have been recognised with our second Henry Spira Award from the Humane Society of the US for our commitment to broiler welfare standards, as our US business became the first food service company to commit to sourcing 100% healthier, slower growing chicken by 2024 through a landmark Global Animal Partnership (GAP) agreement, which will result in improving the lives of around 60 million broiler chickens per year.

The Business Benchmark on Farm Animal Welfare is instrumental in continuing to both shape our approach and drive performance on farm animal welfare, as it provides us with a clear set of expectations and a robust framework for policy development, implementation, and the measurement of outcomes that directly benefit farm animals.

In this sixth iteration of the Benchmark, corporate performance on animal welfare continues to consistently improve, with the average score for companies rising to 37% (compared to 34% in 2016 and 23% in the launch year – 2012).

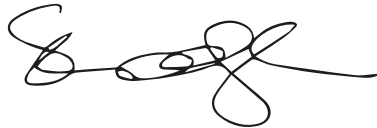
In addition to the acknowledgement of our own improved performance within this Benchmark, we are delighted to see that the restaurants and bars sub-sector that we sit within for reporting purposes has closed the gap on both food retailers and producers. Traditionally lagging behind the other sub-sectors, the average score for restaurants and bars has risen to 34% (from 27% in 2016) and is now more closely aligned to the scores achieved by food retailers (37%) and producers (38%).

This improved performance has undoubtedly been driven by wider stakeholder interest and awareness of the financial and reputational risks of being associated with poor animal welfare standards. The Benchmark has played a key role in this, not least in enabling businesses like ours to bring farm animal welfare to the attention of our senior leadership in a structured and coherent manner.

FOREWORD

This rate of progress for us and others in our sub-sector may be challenging to maintain over the next few years as we transition from the implementation of suitable supply chain management processes, towards reporting on performance and the corresponding impacts on farm animal welfare across a wide and multi-tiered supply chain. Like us, many of our peers in the foodservice sector neither source own-brand products nor offer fixed or limited menus. It is therefore important that we continue to have dialogue with valued partners such as Compassion in World Farming to help us further develop our approach to the reporting of performance and key welfare outcomes.

We view the Benchmark as a positive, long-term programme of change for our business and whilst we are mindful that there are challenges ahead for our sector, by working closely with BBFAW and our global supply chain partners, we are up for the challenge!



Sandra Moura

Executive Sponsor – Farm Animal Welfare
Compass Group PLC

EXECUTIVE SUMMARY

This is the sixth annual report from the Business Benchmark on Farm Animal Welfare. It analyses the farm animal welfare management and performance of the world's largest food companies across 34 distinct, objective criteria. As such it is the most authoritative and comprehensive account of corporate practice on farm animal welfare.

THE 2017 BENCHMARK COVERS 110 GLOBAL FOOD COMPANIES:

- 40 food retailers and wholesalers, 40 food producers, and 30 restaurants and bars.
- 34 companies from North America, 60 from Europe and the balance from a mix of countries including Australia, Brazil, China, Japan, New Zealand and Thailand.

1. FARM ANIMAL WELFARE IS NOW SEEN AS A STRATEGIC OPPORTUNITY BY MANY GLOBAL FOOD COMPANIES

Of the 110 companies covered by the 2017 Benchmark, 52 (47%) now have explicit board or senior management oversight of farm animal welfare, and 79 (72%) have published formal improvement objectives for farm animal welfare. These companies are increasingly confident in their performance; for example, 48 (44%) now proactively engage with their customers and with other stakeholders such as investors through their websites and through their annual reports.

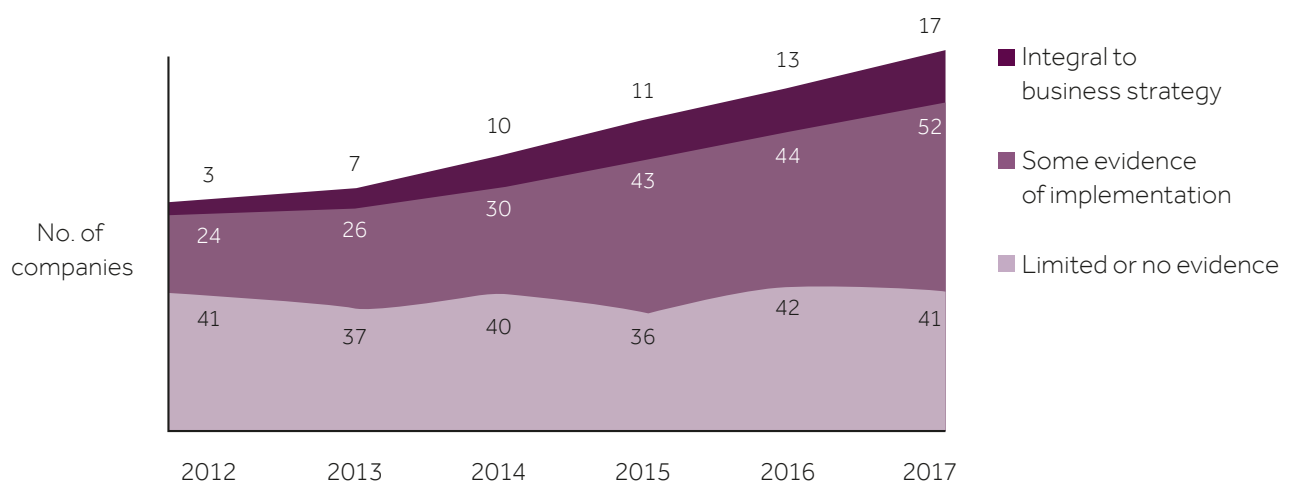
2. COMPANIES ARE MAKING COMMITMENTS ON KEY ANIMAL WELFARE ISSUES

87 companies (79%) have made commitments to the avoidance of close confinement in one or more of the major markets in which they operate. The most common corporate commitments relate to the elimination of cages for laying hens and the elimination of sow stalls. These commitments have been driven by NGO and media campaigns on close confinement, by public and consumer concerns about animal welfare and by the demand from retailers, restaurants and bars for higher welfare products.

3. LEADERSHIP AND IMPROVED PRACTICES ARE STARTING TO BECOME INSTITUTIONALISED

As shown in Figure 1, the number of companies that are considered to have farm animal welfare as an integral part of their business strategy (corresponding to Tiers 1 and 2 in the Benchmark) has grown significantly over the six Benchmark cycles, from 3 (out of 68) in 2012 to 17 (out of 110) in 2017. Equally encouraging is the number of companies that have started to introduce improved farm animal welfare management practices (such as policies, management responsibilities, objectives and targets, and audits).

Figure 1: The Evolution of Farm Animal Welfare



4. THERE IS INCREASED REPORTING OF FARM ANIMAL WELFARE PERFORMANCE

With more food companies institutionalising their farm animal welfare management systems and processes, performance reporting is becoming increasingly common and the quality of the data being reported is improving. For example, 59 companies (54%) provide at least some data on the proportion of animals that are free from close confinement, 21 (19%) on the proportion of animals that are pre-slaughter stunned and 20 (18%) on long distance animal transport times.

5. THE KEY DRIVER OF CHANGE IS CONSUMER AND CUSTOMER DEMAND

In a recent BBFAW survey of the companies covered by the Benchmark¹, 78% of respondents identified customer and client interest as the most important influences on their approaches to farm animal welfare. The survey identified the other important drivers of action as media interest (49%), NGO pressure (46%) and investor pressure (46%). Respondents pointed to investor support for the Global Investor Statement on Farm Animal Welfare and investor participation in the Global Investor Collaboration on Farm Animal Welfare as tangible examples of investor interest in the issue of farm animal welfare, and as enabling them to understand investor expectations in this area.

6. BUT THERE REMAIN INHERENT BARRIERS TO PROGRESS

Despite the progress we have seen, companies continue to face structural and commercial barriers to making farm animal welfare an integral part of their business strategy.

From our engagement with companies, the three most commonly identified barriers are:

- A perceived lack of customer willingness to pay for higher farm animal welfare.
- The scale of the costs and capital investment required to deliver higher standards of farm animal welfare.
- A general lack of awareness of the wider business and marketing benefits of higher welfare.

We note that progress is being made in all three of these areas. For example, many companies now provide financial incentives to their suppliers (for example, higher prices, extended-term contracts) to adopt higher standards, others provide support with capital investment, while others provide access to education, training, marketing and technical support on farm animal welfare.

Addressing the barriers to farm animal welfare is a key objective of the Business Benchmark on Farm Animal Welfare. Through 2018 to 2020, our priorities are:

- Increasing the level of attention investors pay to farm animal welfare in their investment research and decision making, and in their engagement with companies. We will encourage investors to sign the Global Investor Statement on Farm Animal Welfare, and to support the Global Investor Collaboration on Farm Animal Welfare.
- Tracking and evaluating company practice and performance on farm animal welfare through the annual BBFAW benchmarking process. We will continue to increase the emphasis on performance reporting and performance impact within the Benchmark.
- Building the evidence base on the business case for farm animal welfare. We will research the costs and benefits of higher standards of farm animal welfare, with a particular focus – as we do in the annual BBFAW reports – on showcasing and demonstrating the business case for leadership.
- Building capacity and expertise in the investment community. We will host roundtables, workshops, and masterclasses where we bring companies, NGOs and investors together to discuss key animal welfare related issues. We will also produce publications (briefings, reports, articles) on key issues for investors.

CHAPTER 1

INTRODUCTION



1.1

SETTING THE SCENE

This is the sixth Business Benchmark on Farm Animal Welfare (BBFAW) report². In this report, we describe how global food companies are managing and reporting on farm animal welfare, and we assess the progress that has been made since the first Benchmark report in 2012.

This report:

- Describes the Benchmark criteria, scope and assessment process (Chapter 2).
- Presents the key findings of the 2017 Benchmark, including a ranking of the companies covered by the Benchmark (Chapter 3) and a more detailed assessment of company practice against the core elements of the Benchmark (Chapter 4).
- Discusses the drivers of change and how these may be strengthened over time (Chapter 5).

1.2

THE BUSINESS BENCHMARK ON FARM ANIMAL WELFARE

The Business Benchmark on Farm Animal Welfare (BBFAW) provides an annual, objective, independent assessment of farm animal welfare management, policy commitment, performance and disclosure in food companies. It enables investors, companies, NGOs and other stakeholders to understand corporate practice and performance on farm animal welfare.

Through the annual Benchmark, extensive engagement programmes with investors and with companies, and the production of guidance and other materials for companies and investors³, BBFAW aims to drive higher farm animal welfare standards in the world's leading food businesses.

Box 1.1: BBFAW Governance and Oversight

BBFAW was originally developed with the support, technical expertise and funding of leading farm animal welfare organisations, Compassion in World Farming and World Animal Protection. In 2014, Collier Capital joined as a partner.

The BBFAW Steering Committee, comprising senior members from each of the funding partners, oversees the BBFAW programme's strategic development and budget.

The programme is managed by an independent Secretariat. In this role, Nicky Amos CSR Services Ltd is responsible for providing the Executive Director and the other resources necessary to deliver the annual Benchmark, to conduct the company research and evaluations, and to engage with investors, companies and other stakeholders.

The development of the Benchmark is overseen by a Technical Working Group (TWG) comprising the BBFAW Secretariat and representatives of each of the funding organisations. The members of the TWG, with their positions and affiliations when they were members of the TWG, for the 2017 benchmarking process were:

- Nicky Amos, Executive Director, BBFAW.
- Martin Cooke, International Head of Corporate Engagement, World Animal Protection.
- Jemima Jewell*, Head of Food Business, Compassion in World Farming.
- Dr Tracey Jones, Director of Food Business, Compassion in World Farming.
- Rachel Lynch, Corporate Engagement Advisor, World Animal Protection.
- Audrey Mealia*, Corporate Engagement Manager, World Animal Protection.
- Basia Romanowicz*, Technical Expert, Farm Animals, World Animal Protection.
- Dr Rory Sullivan, Expert Advisor, BBFAW.

- Louise Valducci, Head of Food Business (EU Programme), Compassion in World Farming.
- Rosie Wardle, Programme Director, Jeremy Collier Foundation (nominated Collier Capital representative).

* Stepped down from the TWG during 2017.

Box 1.2: Some Useful Definitions

Animal welfare encompasses not only physical wellbeing, but mental wellbeing and the ability to express important species-specific behaviours. All three aspects must be present for an animal to have a good quality of life. Animal welfare is about the welfare of the individual animal, and should be addressed through minimising the negative and maximising the positive experiences of the individual animals reared for food. Animal welfare provision is underpinned by good feeding, good housing (including appropriate design and environment provision), good health care, good breeding, and good management and stockmanship on farm, and of course good transport and slaughter conditions.

Performance in farm animal welfare is the action or process of achieving an acceptable level of welfare throughout the process of breeding, rearing/finishing, transporting and slaughtering of animals in the food industry. **Performance reporting** of a company's practices refers to disclosure of a combination of resource/management inputs and indicators from the animals themselves (outcomes), both of which can be recorded quantitatively and objectively. **Performance impact** refers to the combination of these achievements on animal welfare.

Input-based measures refer to the type of production system (e.g. caged, barn, free-range) used – this includes aspects of the housing (e.g. space allowance, provision of environmental enrichment), treatments and procedures, breed use, feeding and health management (e.g. the use of preventative antibiotics) – as well as the practices for transport and slaughter.

Outcome-based measures focus on the most important species-specific measures (e.g. lameness and mastitis in dairy cows, gait score and footpad dermatitis in broilers, tail-biting and lameness in pigs, bone breakage and feather coverage in laying hens). Outcome-based measures are not confined to physical measures of wellbeing but also include aspects of mental wellbeing (e.g. reaction to humans or novelty, fear, comfort) and behaviour (e.g. time spent lying – resting, ruminating, or being active – foraging, perching, dust-bathing, socialising).

CHAPTER 2**METHODOLOGY AND APPROACH**

2.1



THE 2017 BENCHMARK STRUCTURE

The Benchmark criteria (see Appendix 1) cover four core areas as indicated in Table 2.1⁴. As with previous Benchmarks, the focus is on the corporate entity (or parent company) as a whole rather than subsidiaries, although the Benchmark does consider how companies manage farm animal welfare issues in specific markets or geographic regions and gives credit for innovative practices and processes in these markets and regions.

In order to ensure consistency with previous iterations of the Benchmark, the questions and the associated scoring remain relatively unchanged. However, we have:

- Combined the Performance Reporting and Performance Impact pillars in the 2016 Benchmark questions into a single pillar (Performance Reporting and Impact).
- Included the scoring for the nine Performance Impact questions (first introduced in the 2016 Benchmark but excluded from companies' overall scores in 2016) in companies' overall scores. Depending on the specific species managed by the individual company, the effect is to increase the number of points in the Performance Reporting and Impact pillar by between 10 and 20 points (see Table 2.1), increasing the weighting of this category from 17% of a company's total score in 2016 to between 20 and 24% of a company's total score in 2017. This increase is in line with our stated aim of progressively increasing the Benchmark's emphasis on performance measurement and reporting⁵.
- Left the number of points for each of the Management Commitment, the Governance and Management and the Leadership and Innovation pillars unchanged. However, due to the increased emphasis on performance impact and performance reporting, the relative weighting (or importance) of these questions has decreased.

Table 2.1: Business Benchmark on Farm Animal Welfare

PILLAR	KEY ELEMENTS	NO. OF POINTS
Management Commitment and Policy	<ul style="list-style-type: none"> • General account of why farm animal welfare is important to the business, including discussion of the risks and business opportunities. • Overarching farm animal welfare policy that sets out core principles and beliefs on farm animal welfare and that explains how these are addressed and implemented throughout the business. • Specific policy positions on key welfare concerns such as the close confinement of livestock, animals subjected to genetic engineering or cloning, routine mutilations, antibiotic usage, slaughter without stunning, and long distance live transportation. 	70
Governance and Management	<ul style="list-style-type: none"> • Defined responsibilities for the day-to-day management of animal welfare related issues as well as strategic oversight of how the company's policy is being implemented. • Objectives and targets, with an explanation of how these objectives and targets are to be delivered and how progress is to be monitored. • Reporting of performance against objectives, targets, and company policy. • Internal controls such as employee training on farm animal welfare and responses in the event of non-compliance with the farm animal welfare policy. • Policy implementation through supply chains, including the incorporation of farm animal welfare in supplier contracts, supply chain monitoring and auditing processes, and supporting suppliers in meeting the company's standards on farm animal welfare. 	75
Leadership and Innovation	<ul style="list-style-type: none"> • Company involvement in research and development programmes to advance farm animal welfare. • Company involvement in industry or other initiatives directed at improving farm animal welfare. • Independent third-party acknowledgement of farm animal welfare performance from notable award or accreditation schemes. • Company initiatives to promote higher farm animal welfare amongst customers or consumers. 	30
Performance Reporting and Impact	<ul style="list-style-type: none"> • Company reporting on specific performance measures, namely: <ul style="list-style-type: none"> • The proportion of all relevant animals in supply chains that are free from confinement and from routine mutilations. • The proportion of all relevant animals in supply chains that are subject to pre-slaughter stunning. • The average, typical or maximum permitted live transport times for all relevant animals in supply chains. • Company reporting on other farm animal welfare outcome measures. • Company reporting on factors that have affected performance against farm animal welfare policy and against objectives and targets. • The performance of the company on key welfare outcomes for relevant species, namely: <ul style="list-style-type: none"> • The proportion of defined species (e.g. laying hens, sows, broiler chickens, dairy cattle) that are free from close confinement. • The proportion of defined species (e.g. laying hens, pigs) that are free from routine mutilations. • The proportion of all animals that are subject to pre-slaughter stunning. • The proportion of animals that are transported within specified maximum journey times. 	45-55

Note: Points allocated for the Performance Reporting and Impact section are linked to the specific species managed by the company⁶

- The lowest score (45 points) applies to companies that do not have or use any of laying hens, pigs, dairy cows or broiler chickens in their operations or in their supply chains.
- The intermediate score (50 points) applies to companies that have or use broiler chickens in their supply chains, but do not have or use any of laying hens, pigs and dairy cows.
- The highest score (55 points) applies to companies that have or use one or more of laying hens, pigs and dairy cows in their operations or in their supply chains, but who may or may not have broiler chickens.

2.2

THE BENCHMARKING PROCESS

The 2017 Benchmark followed the same process as the previous Benchmarks.

The initial company assessments were conducted in August, September and October 2017 by the BBFAW Secretariat's assessment team: Nicky Amos, Dr Rory Sullivan, Dr Steve Webster (Delta-innovation), Dr Heleen van de Weerd (Cerebrus Associates) and Jennifer Kozak. These involved a detailed review of the material on companies' corporate (i.e. parent company) websites, the material contained in annual reports, corporate responsibility reports and other publications, and the material on subsidiary company websites. These reviews also covered materials such as company press releases and frequently asked questions.

Company assessments were based entirely on information published at the time of the assessments. The reasons for relying on published information are to:

- Encourage better disclosure, which is a core objective of the BBFAW.
- Ensure that companies are assessed in a consistent manner (i.e. via an unbiased, objective evaluation of published information).
- Avoid any suggestion that companies working with Compassion in World Farming and/or World Animal Protection are advantaged by the assessment methodology.

Following these initial assessments, individual company reports were reviewed by members of Compassion in World Farming's Food Business team and by World Animal Protection's Corporate Engagement team to check the factual accuracy of the content and to ensure consistency of the assessment methodology. The BBFAW Secretariat also conducted a sensitivity analysis to ensure that companies with different business characteristics (for example, those with complex versus those with simple supply chains, those with multiple subsidiaries versus those with fewer subsidiaries, those whose principal business operations are within Europe versus those whose operations are outside of Europe, and those with multiple brands versus those with fewer brands) were being treated fairly and to ensure the assessment was not penalising or favouring specific business models.

Preliminary assessment reports containing interim findings and scores were emailed to companies in October and November 2017. During November 2017, 43 companies (39% of those assessed, compared to 37% in 2016) responded with written comments or requested further dialogue on the assessment approach and scoring. As a result of feedback from companies, the scores for 25 companies were revised.

The final confidential company reports, showing individual scores and comments for each question, as well as overall company scores and comparable sector scores, were made available to companies in February 2018.

2.3

COMPANIES COVERED

In total, 110 companies were included in the 2017 Benchmark (see Appendix 2 for the full list, including their classification and countries of incorporation). These were broadly spread across the three food industry sub-sectors, i.e. (a) food retailers and wholesalers, (b) restaurants and bars, and (c) food producers (see Table 2.2).

Relative to the 2016 Benchmark, 11 new companies were added. These were: Aeon Group (Japan), Bloomin' Brands (USA), Coop Italia (Italy), LDC (France), Lianhua (PRC), Perdue Farms (USA), Sanderson Farms (USA), Seven & I Holdings (Japan), Sonic (USA), Vanguard (PRC) and Wens Foodstuff (USA). No other changes were made to the universe of companies covered by the Benchmark.

Table 2.2: Companies by Sub-Sector

SUB-SECTOR (AND ICB CLASSIFICATION)	NUMBER OF COMPANIES
Food Retailers and Wholesalers (5337)	40
Restaurants and Bars (5757)	30
Food Producers (3570)	40
Total	110

Table 2.3: Companies by Country of Listing or Incorporation

COUNTRY OF LISTING OR INCORPORATION	NUMBER OF COMPANIES
USA	32
UK	19
France	10
Germany	8
Italy	7
People's Republic of China	7
Netherlands	4
Switzerland	4
Brazil	3
Australia	2
Canada	2
Denmark	2
Japan	2
Norway	2
Spain	2
Sweden	2
New Zealand	1
Thailand	1

CHAPTER 3

OVERARCHING RESULTS

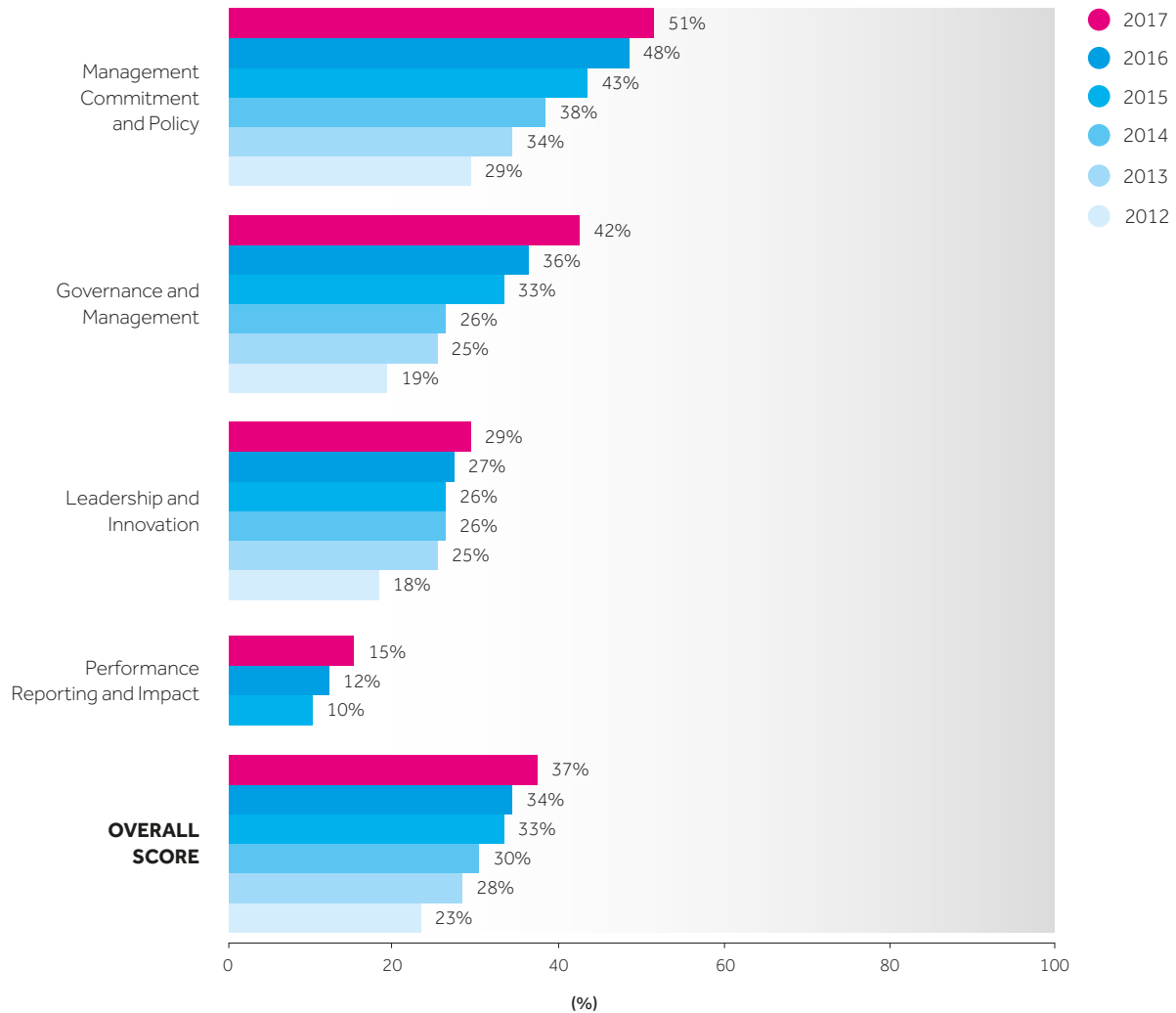


3.1

OVERALL FINDINGS

The headline finding from the 2017 Benchmark is that – as indicated in Figure 3.1 – companies are continuing to increase the attention they pay to farm animal welfare. The average score for the companies covered in the 2017 Benchmark has increased to 37% (from 34% in 2016). This is particularly encouraging given the higher weighting allocated to the performance reporting and impact questions in 2017, and given the addition of 11 new companies in 2017. If we were to exclude these new companies, the overall average score on a like-for-like basis would be 39%, a 5% increase on 2016 and clear evidence of the progress being made by the companies in the Benchmark.

Figure 3.1: Overall Scores



3.2

INDIVIDUAL COMPANY PERFORMANCE

We see this picture of overall improvement reflected in the performance of the individual companies covered by the Benchmark. As we have done in previous Benchmarks, we have grouped the surveyed companies into one of six tiers, based on their percentage scores, as indicated in Table 3.1. Figure 3.2 presents a composite picture of company scores, and Table 3.2 shows how the number of companies in each Tier has changed over the period 2012 to 2017.

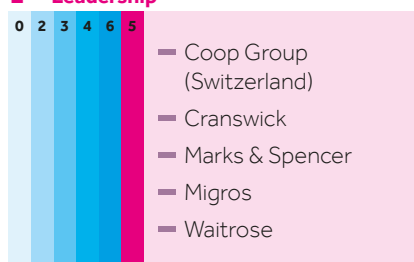
Table 3.1: Business Benchmark on Farm Animal Welfare Tiers

TIER	PERCENTAGE SCORE
1 The company has taken a leadership position on farm animal welfare	>80%
2 The company has made farm animal welfare an integral part of its business strategy	62 – 80%
3 The company has an established approach to a farm animal welfare but has more work to do to ensure it is effectively implemented	44 – 61%
4 The company is making progress on implementing its policies and commitments on farm animal welfare	27 – 43%
5 The company has identified farm animal welfare as a business issue but provides limited evidence that it is managing the issue effectively	11 – 26%
6 The company provides limited if any evidence that it recognises farm animal welfare as a business issue	<11%

Figure 3.2: Company Rankings

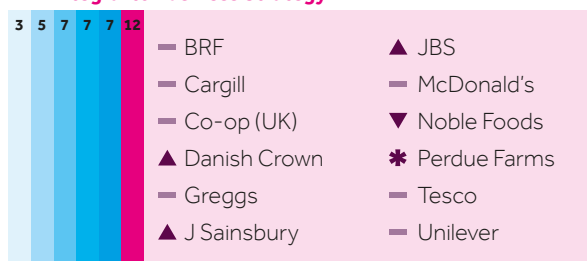
TIER

1 - Leadership



- Non-mover
- ▲ Up at least 1 tier
- ▼ Down at least 1 tier
- * New company

2 - Integral to Business Strategy



3 - Established but Work to be Done



4 - Making Progress on Implementation



5 - On the Business Agenda but Limited Evidence of Implementation



6 - No Evidence that on the Business Agenda



Table 3.2: Number of Companies by Tier

TIER		NUMBER OF COMPANIES					
		2012	2013	2014	2015	2016	2017
1	The company has taken a leadership position on farm animal welfare	0	2	3	4	6	5
2	The company has made farm animal welfare an integral part of its business strategy	3	5	7	7	7	12
3	The company has an established approach to a farm animal welfare but has more work to do to ensure it is effectively implemented	6	10	14	16	22	29
4	The company is making progress on implementing its policies and commitments on farm animal welfare	18	16	16	27	22	23
5	The company has identified farm animal welfare as a business issue but provides limited evidence that it is managing the issue effectively	18	14	19	17	24	20
6	The company provides limited if any evidence that it recognises farm animal welfare as a business issue	23	23	21	19	18	21
Total		68	70	80	90	99	110

There are four high level conclusions to be drawn from the information presented in Figures 3.1 and 3.2 and Table 3.2. The first is that farm animal welfare is recognised as a strategic opportunity by a growing number of global food companies; the number of companies in Tiers 1 and 2 of the Benchmark has grown from 3 (out of 68) in 2012 to 17 (out of 110) in 2017. These 17 companies cover all three of the food industry sub-sectors (i.e. food retailers and wholesalers, restaurants and bars, and food producers), are well distributed across the countries (of listing or incorporation) covered by the Benchmark and encompass a range of ownership structures (public, private and co-operatives).

Second, leadership and improved management practices are starting to become institutionalised. For example, of the 110 companies covered by the 2017 Benchmark, 50 (45%) now have explicit board or senior management oversight of farm animal welfare, 79 (72%) have published formal improvement objectives for farm animal welfare, and 48 (44%) proactively engage with their customers and with other stakeholders such as investors through their websites and through their annual reports. This institutionalisation is also being seen in the commitments that companies are making on key animal welfare issues, notably on close confinement where 87 companies (79%) have made commitments to the avoidance of close confinement in one or more of the major markets in which they operate.

Third, there is increased reporting of farm animal welfare performance. Fifty-nine companies (54%) now provide at least some data on the proportion of animals that are free from close confinement. A further 21 (19%) report on the proportion of animals that are pre-slaughter stunned and 20 (18%) on animal transport times.

The fourth, and less encouraging, conclusion is many companies continue to provide little or no information on their approach to farm animal welfare. As can be seen from Figure 3.2 and Table 3.2, the average score remains low, with 41 of the 110 companies appearing in Tiers 5 and 6. While this is a broadly similar proportion to that in the 2016 Benchmark, it should be noted that these results are skewed by the 11 new companies added to the Benchmark universe in 2017; of these, seven are in Tier 6 and one is in Tier 5.

When we shift our focus from the overall results to individual companies, we see (Table 3.3) that 26 companies have moved up at least one Tier in the Benchmark, with Domino's Pizza Group and JD Wetherspoon moving up three Tiers and Groupe Casino, Elior and ICA Gruppen moving up two Tiers. Of particular note is the fact that 13 of the companies appearing in Tiers 5 and 6 in the 2016 Benchmark have risen at least one Tier in 2017. In April 2017, these companies received a letter co-signed by 19 institutional investors asking them to account for their poor performance in the Benchmark. (See page 50 for further information on the BBFAW's investor engagement initiative.)

Table 3.3: Companies Improving by at Least One Tier between 2016 and 2017

COMPANY NAME	CHANGE FROM 2016 TO 2017
Groupe Casino	From Tier 6 to Tier 4
CP Group	From Tier 6 to Tier 5
Domino's Pizza Company	From Tier 6 to Tier 3
JD Wetherspoon	From Tier 6 to Tier 3
Kraft Heinz	From Tier 6 to Tier 5
Mercadona	From Tier 6 to Tier 5
Umoë Gruppen	From Tier 6 to Tier 5
Camst	From Tier 5 to Tier 4
Elior	From Tier 5 to Tier 3
Gruppo Cremonini	From Tier 5 to Tier 4
ICA Gruppen	From Tier 5 to Tier 3
OSI Group	From Tier 5 to Tier 4
Restaurant Brands International	From Tier 5 to Tier 4
2 Sisters Food Group	From Tier 4 to Tier 3
Aldi Nord	From Tier 4 to Tier 3
Aldi Süd	From Tier 4 to Tier 3
Aramark	From Tier 4 to Tier 3
Compass Group	From Tier 4 to Tier 3
Marfrig	From Tier 4 to Tier 3
Panera	From Tier 4 to Tier 3
REWE	From Tier 4 to Tier 3
Whitbread	From Tier 4 to Tier 3
Woolworths (Australia)	From Tier 4 to Tier 3
Danish Crown	From Tier 3 to Tier 2
J Sainsbury	From Tier 3 to Tier 2
JBS	From Tier 3 to Tier 2

While the overall trends are encouraging, eight companies fell by at least one Tier (see Table 3.4). In some cases, this is because of company-specific factors such as corporate actions or changes to the company's website or its approach to corporate responsibility reporting. It is also due to changes in the Benchmark. The increased weighting on performance has exerted a downward pressure on scores. We estimated that, assuming no changes in corporate reporting, 19 of the 99 companies covered by the 2016 Benchmark would fall by at least one Tier. We wrote to these companies in March 2017 to alert them to the changes and to encourage them to strengthen their performance reporting. The fact that the number of companies falling a Tier was so much lower than we predicted is encouraging as it shows that companies are responding to the signals being sent by the Benchmark. The other important factor to note here is that we expect companies to keep their reported information up to date. In 2016, we identified companies where the information reported on farm animal welfare had not changed for two or more years. As part of the feedback to these companies, we requested that they update their information as we would not be accepting the same information in the 2017 Benchmark.

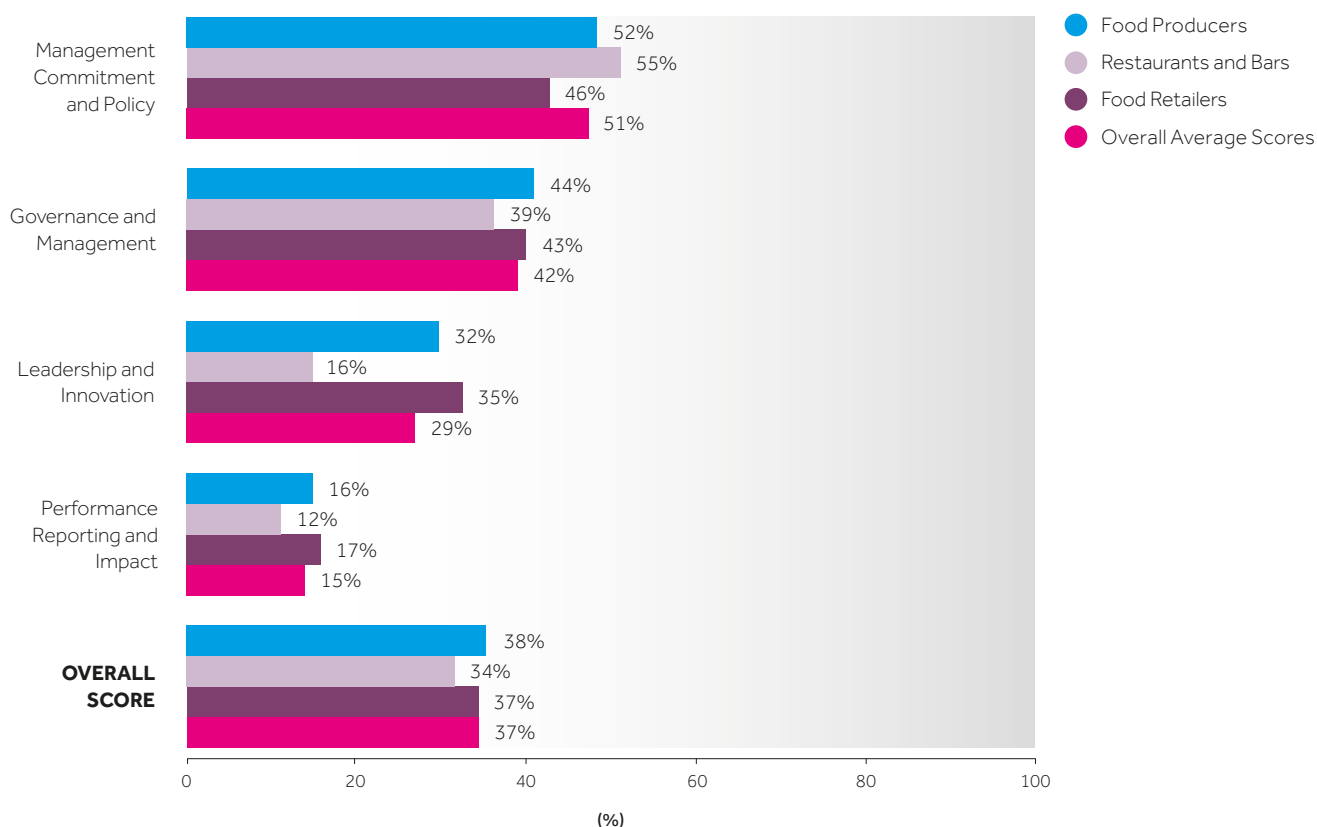
Table 3.4: Companies Falling by at Least One Tier between 2016 and 2017

COMPANY NAME	CHANGE FROM 2016 TO 2017
Noble Foods	From Tier 1 to Tier 2
Ferrero	From Tier 3 to Tier 4
Subway	From Tier 3 to Tier 4
Sysco	From Tier 3 to Tier 4
Wendy's	From Tier 3 to Tier 4
Edeka	From Tier 5 to Tier 6
Mars	From Tier 5 to Tier 6
New Hope Group	From Tier 5 to Tier 6

3.3

PERFORMANCE BY SUB-SECTOR

Figure 3.3 presents the results of the 2017 Benchmark, broken down by sub-sector (i.e. food retailers and wholesalers, restaurants and bars, and food producers). The key trend is the improved performance of the restaurants and bars sector, whose average score rose from 27% in 2016 to 34% in 2017. This improvement has almost closed the gap on the retailer and wholesaler and the producer sub-sectors. Our discussions with companies in the restaurants and bars sector suggest that this improvement is being driven by increased interest in farm animal welfare from their clients and from consumers, and NGO and investor pressure to make public commitments on specific animal welfare issues (e.g. on cage-free eggs, on broiler chicken welfare, on reductions in the use of antibiotics).

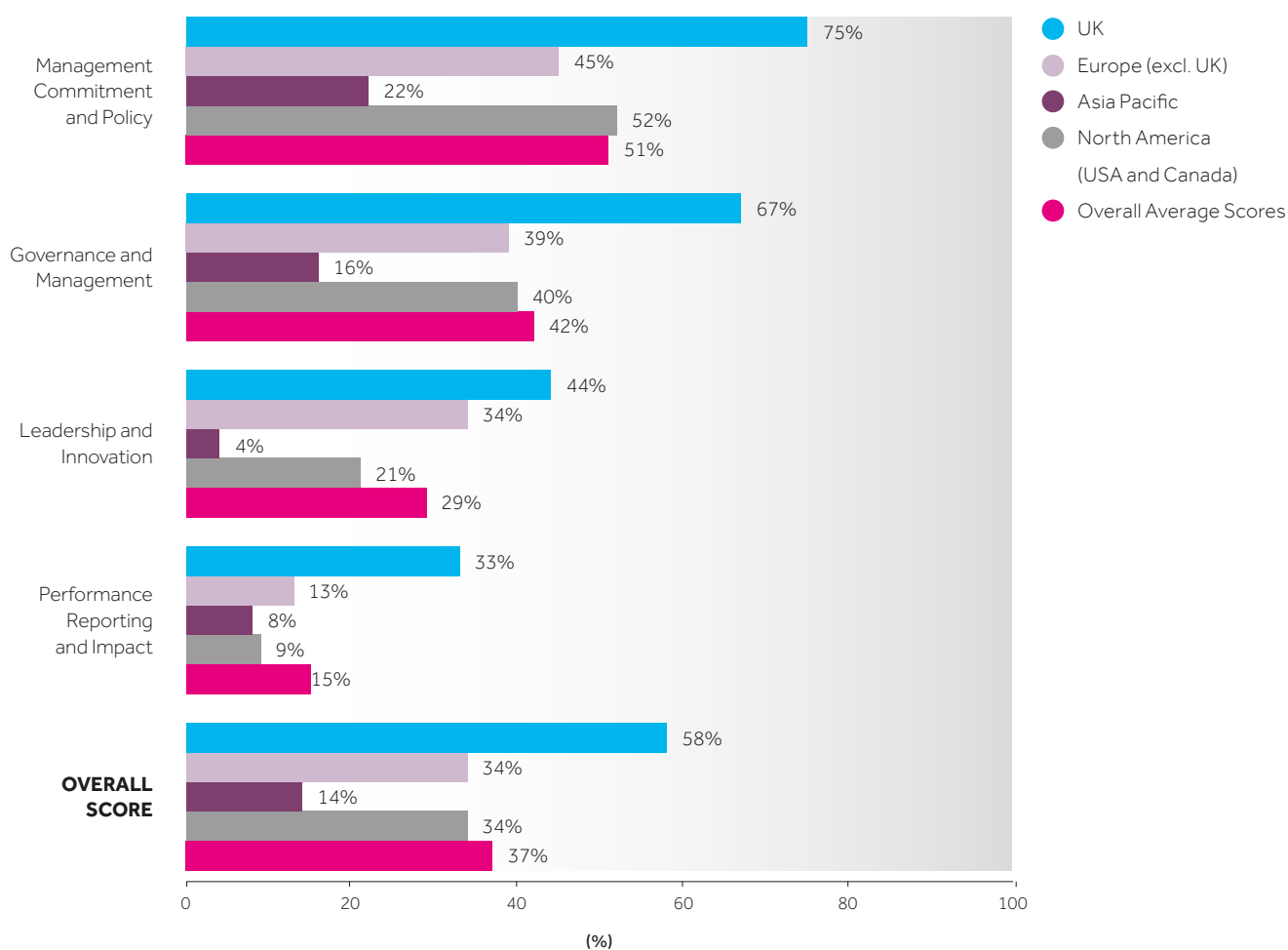
Figure 3.3: Sub-Sector Comparison

3.4

PERFORMANCE BY GEOGRAPHY

As part of our research, we analysed whether there is a difference between the companies as a result of their country of origin. The results are presented in Figure 3.4. The central finding, as we have found in previous Benchmarks, is that the average performance of the 19 UK companies covered by the 2017 Benchmark is significantly higher than the 34 North American and 41 European (excluding the UK) companies. While the average score for the 13 companies from the Asia-Pacific region is low, we note that five of the new companies in the 2017 Benchmark were from this region and that most of the remaining companies have only been covered by the Benchmark since 2015. Over time, we expect the average score for companies in this region to converge on the overall average score as we engage with these companies and as companies and investors in the region become more familiar with the Benchmark.

Figure 3.4: Geographic Comparison

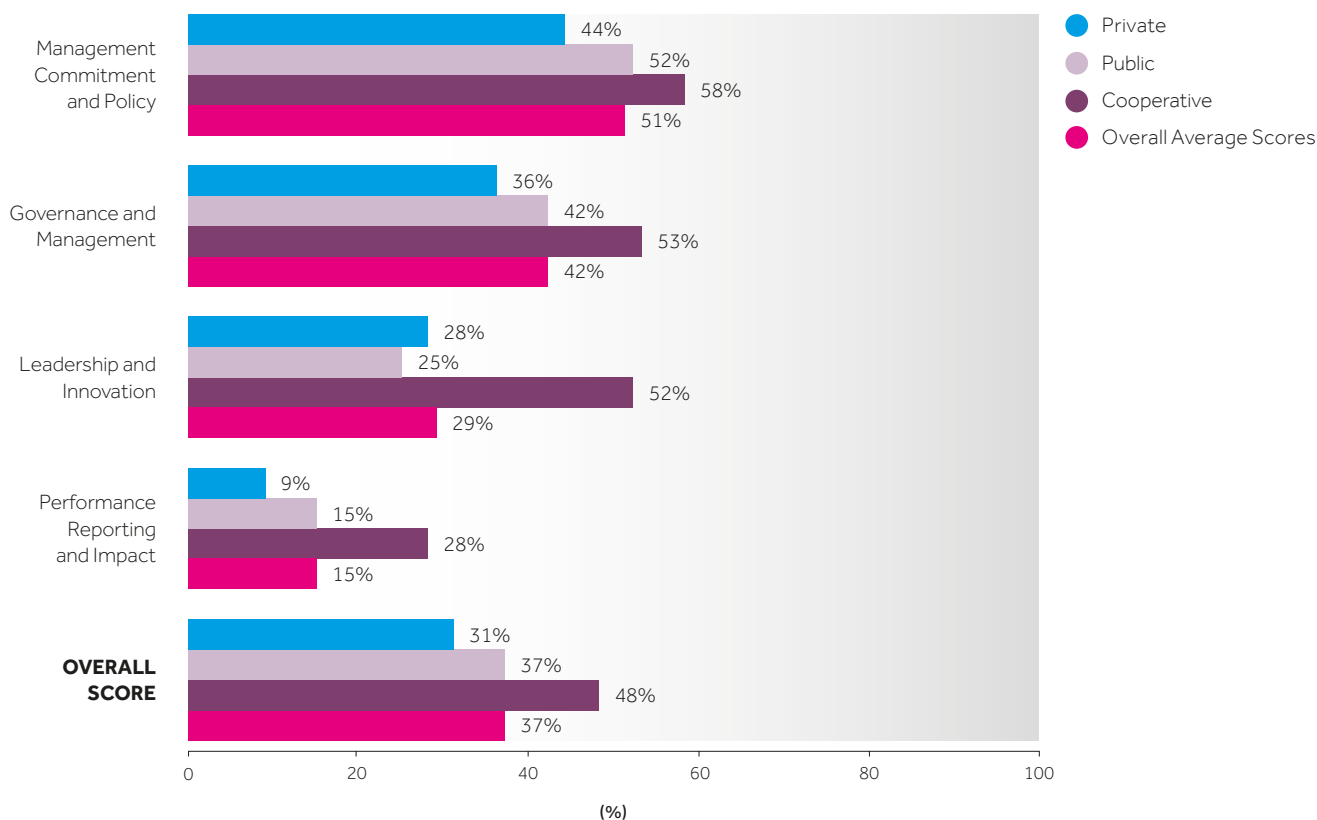


3.5

PERFORMANCE BY OWNERSHIP

Our analysis of company performance by ownership type (see Figure 3.5) suggests that publicly listed companies continue to outperform privately held companies. This trend, which we have also noted in previous Benchmarks, seems to be primarily attributable to a greater level of investor scrutiny on, and a greater level of disclosure expected of, publicly listed companies. We also note that the 11 cooperatives covered by the Benchmark perform better than publicly listed and privately held companies. However, given the relatively small number of cooperatives covered by the Benchmark, we caution against drawing very strong conclusions on the implications of cooperative ownership structures for farm animal welfare performance.

Figure 3.5: Publicly-Listed Versus Private Ownership



CHAPTER 4

DETAILED RESULTS



4.1

MANAGEMENT COMMITMENT AND POLICY

Overarching Policies on Farm Animal Welfare

It is through formal policies (or equivalent statements) that companies set out their commitments on farm animal welfare. These policies also provide the framework for management action, setting out the high level objectives for the organisation and defining the organisation's responsibilities and accountabilities. As such, the adoption of a formal farm animal welfare policy is widely seen as the key starting point for the development and implementation of effective farm animal welfare related management systems and processes.

While the specific content of these policies varies between organisations, high quality farm animal welfare policies should include:

- A clear statement of the reasons why farm animal welfare is important to the business,
- A commitment to compliance with relevant legislation and to other relevant standards,
- A commitment to continuous farm animal welfare performance improvement,
- A description of the processes in place to ensure the policy is effectively implemented,
- Clear accountabilities for the implementation of the policy, and
- A commitment to public reporting on performance.

Of the 110 companies covered by the 2017 Benchmark, 72 (65%) have now published comprehensive farm animal welfare policies. A further 11 (10%) have published farm animal welfare policy statements which, despite signalling that farm animal welfare is on the business agenda, provided limited information on commitments to key welfare issues or on how the policy statements would be implemented. Compared to 2016 (where 37% of companies had published comprehensive policies and 23% had published basic policies) these numbers point to a dramatic change in the attitude of global food companies to the issue of farm animal welfare, suggesting that these companies now see farm animal welfare as a strategic value driver for their businesses.

The other notable trend in the 2017 data is that companies are adopting more comprehensive policies. Of the 83 companies with published farm animal welfare policies, 70 (84%) apply their policies to all geographies, 64 (77%) apply their policies to all relevant animal species and 62 (74%) apply their policies to all products produced, manufactured or sold. Within this it is interesting to note that an increasing number of companies aspire to universal standards on farm animal welfare across all relevant geographies, although most recognise that these aspirations need to be tempered by the realities of supply and by their ability to exert influence over their suppliers. It is also relevant to note that different species receive different levels of attention, and that companies tend to prioritise those species where they have either the most significant impact or they have the most influence. This is illustrated by the manner in which Premier Foods defines its priorities (see Box 4.1).

Box 4.1: Premier Foods' Policy on Animal Welfare⁷

Premier Foods states that it expects its suppliers of animal based products and ingredients to meet high standards of animal welfare. It prioritises the ingredients where it can exert the most influence and have the most impact, dividing these using the following categories:

High Influence

Direct purchase of the primary raw material used in our products (e.g. milk, egg, dairy powder)

Medium Influence

Indirect purchase as a result of the primary raw material forming a component of a larger ingredient system (e.g. an animal derivative being used in a flavour or paste system)

Low Influence

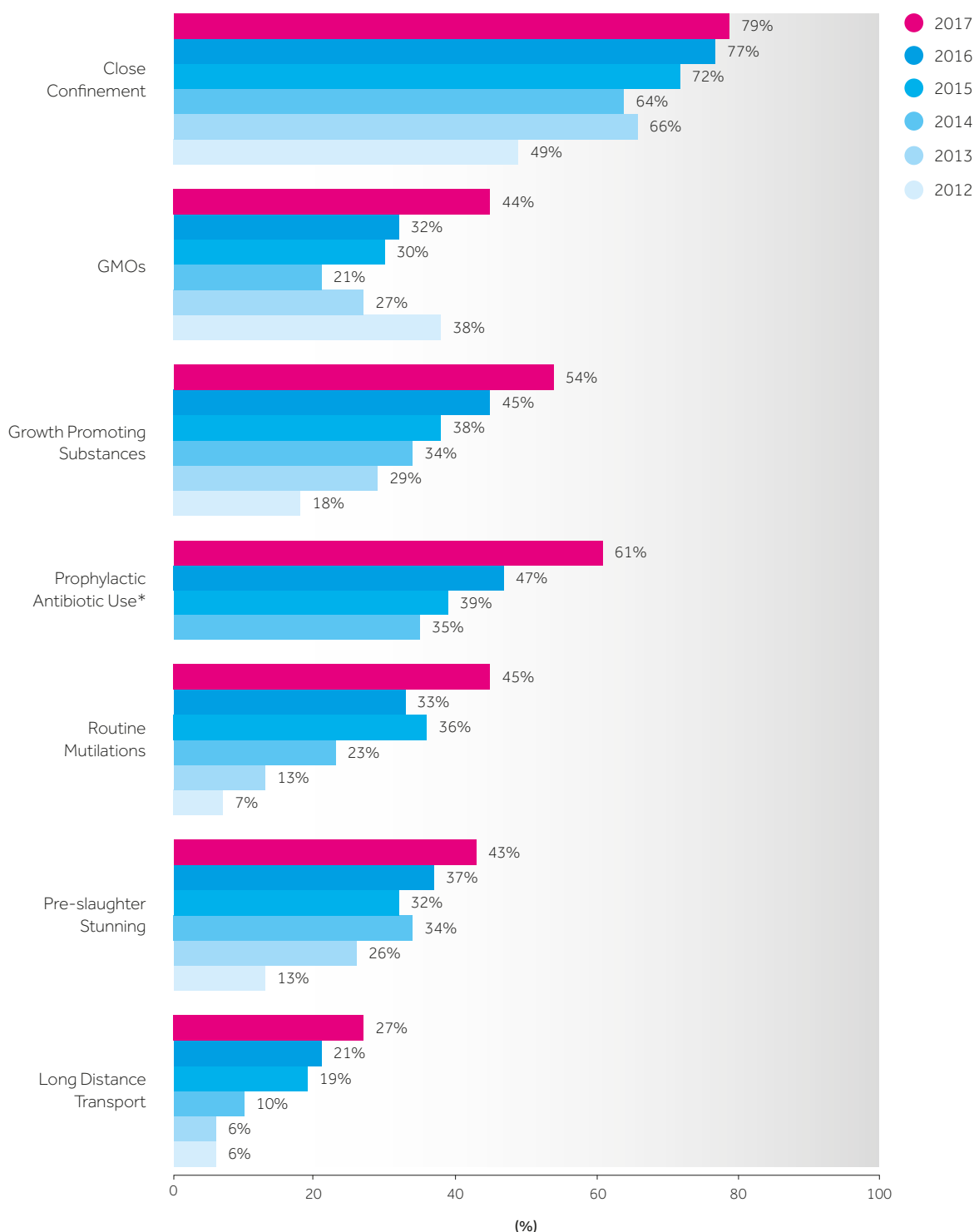
As a direct or indirect ingredient by a third party and/or co-manufacturer

Specific Policies on Key Farm Animal Welfare Issues

In practice, high level corporate policies set the strategic direction for companies but do not prescribe the specific actions that need to be taken. The Benchmark therefore assesses whether companies have adopted policies on seven key farm animal welfare related issues, namely:

- 1.** Close confinement.
- 2.** The use of genetically modified or cloned animals.
- 3.** The use of growth promoting substances.
- 4.** The use of antibiotics for prophylactic purposes.
- 5.** Routine mutilations.
- 6.** Pre-slaughter stunning.
- 7.** Long distance live transportation.

Figure 4.1 indicates the proportion of companies that have made at least partial commitments on these issues and how this compares to previous Benchmarks. These data suggest that companies are progressively establishing formal policies across a range of specific farm animal welfare issues. This reflects the normal evolution of corporate practice, where companies tend to start with high level policies and then, over time, supplement these high level policies with more detailed policies on specific issues.

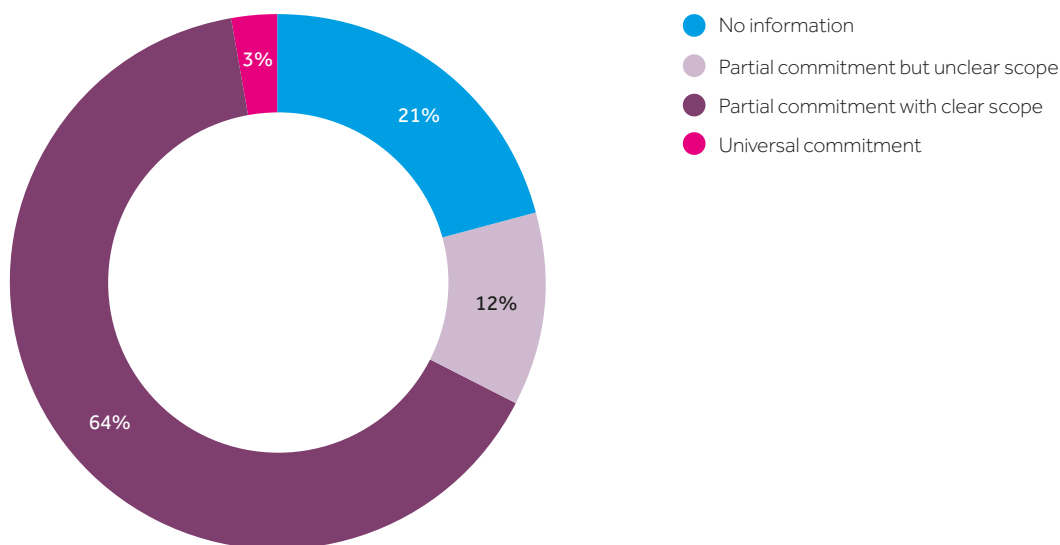
Figure 4.1: Percentage of Companies with Specific Policies on Farm Animal Welfare Issues

*Reported for the first time in 2014.

The high proportion of companies with policies on close confinement reflects the significant and sustained campaigning pressure on the issue of close confinement, in particular in relation to eggs from caged hens, the use of sow stalls, and, more recently, stocking densities of broiler chickens. These campaigns have led to many global food companies, including Aramark, Dunkin' Brands, General Mills, Kraft Heinz, McDonald's, Panera, Restaurant Brands International, Sodexo, Starbucks, Subway, Tesco, Unilever and Walmart, publishing commitments to phase out eggs from caged hens and to eliminating sow stalls. In some cases, these commitments have been limited to those markets where pressure from NGOs, consumers and regulators are the greatest, although it is anticipated that the global companies making these commitments will have a significant influence across the food industry as a whole. That is, even the adoption of country-specific policies is often seen as a signal that companies will extend these commitments over time.

Close Confinement

Figure 4.2: Company Commitments to the Avoidance of Close Confinement



The systems in which animals are kept tend to be the root cause of most of the key farm animal welfare issues. Close confinement and intensive systems inherently compromise animal welfare and rely on certain husbandry processes and practices (e.g. routine mutilations, prophylactic use of antibiotics) to compensate for the stresses that these systems place on the welfare of animals. Therefore, encouraging companies to move away from close confinement has been a key focus for many NGO campaigns.

A significant number of companies have now made commitments to the avoidance of close confinement for certain species. We present some examples in Box 4.2. These commitments are important because of the signals they send to producers and to the wider market. It is clear that many of the barriers to progress on close confinement relate to the supply of alternatives (i.e. even if companies are completely committed to the avoidance of close confinement, alternatives are frequently not available or are much more expensive). By making these commitments and providing a clear timeline within which they are to be achieved, companies can provide suppliers with confidence that there will be a market for animals reared in more extensive systems. Such commitments also incentivise innovation and scale, thereby helping to reduce the costs of these systems.

Particular progress has been made in relation to laying hens (with a number of companies having made commitments to cage-free or free-range eggs), to the phasing out of sow stalls, and to the setting of maximum stocking densities for broiler chickens. These have been the species and the confinement systems that have received most attention from consumers and from NGOs. Our research suggests that most of the companies that have made commitments to the avoidance of close confinement have tended to make these for specific species, for specific systems and for specific geographies, rather than making universal commitments to the avoidance of close confinement across all species.

Box 4.2: Examples of Company Positions on Close Confinement (extracts)**Cranswick⁸**

In the Animal Welfare section of its website, Cranswick states that it is committed to the avoidance of close confinement across all species. For example, in 2016, over 90% of pork processed by its sites was sourced from farms where sows were not confined during the gestation period. Furthermore, all of its UK pork comes from Red Tractor approved farms where it is a requirement that sows are not confined during the gestation period.

Cranswick's other commitments include not sourcing any beef from suppliers that use concentrated animal feeding operations (CAFOs) and sourcing all egg products from free-range farms.

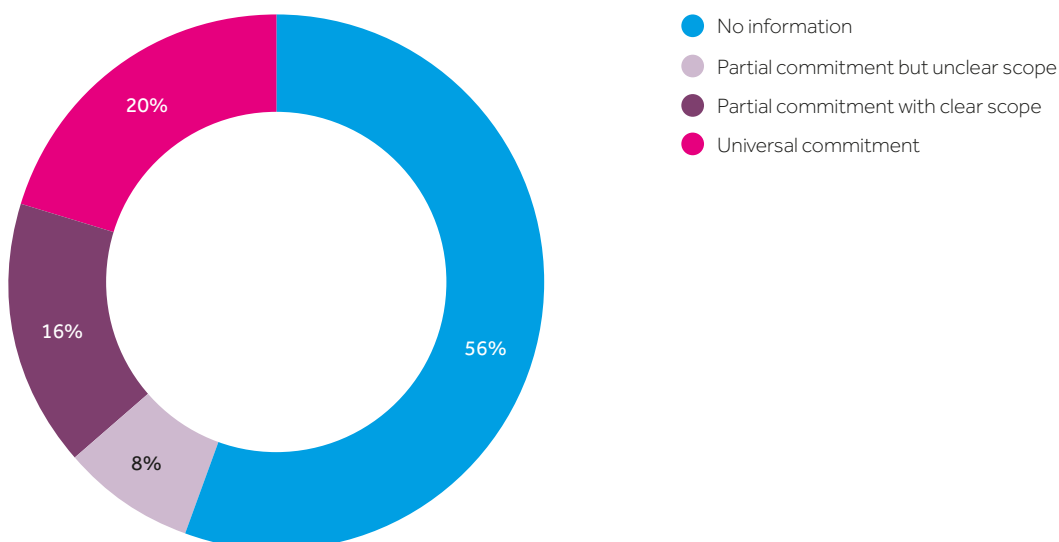
Marks & Spencer⁹

In its Policy for Farm Animal Health and Welfare, Marks & Spencer states: "All livestock used for the production of our foods must be produced according to Marks & Spencer livestock specifications and species-specific Codes of Practice that detail specific animal welfare requirements. For instance:

- All shell eggs and eggs used as ingredient must be 100% free-range.
- All fresh whole turkey and ducks must be produced to higher welfare standards as outlined in species-specific Codes of Practice.
- All geese must be 100% free-range.
- All fresh pork must be from outdoor-bred, free-range or indoor free-farrow systems. We are currently working to remove all confinement farrowing from our ingredient and continental supply by April 2020.
- All our fresh chicken must be given increased space, natural daylight and environmental enrichment, as outlined in species-specific Codes of Practice.

The use of production systems and confinement systems that can never fulfil an animal's welfare needs are banned. This includes:

- Caged systems for laying hens and poultry;
- The forced feeding of geese and ducks for foie gras;
- The rearing of calves for white veal;
- The use of the sow stalls for pigs and tether systems for dairy cows."

The Use of Genetically Modified or Cloned Animals**Figure 4.3: Company Commitments to the Avoidance of Genetically Modified or Cloned Animals**

The cloning of farm animals (which is primarily used to produce identical copies of high yielding and fast growing breeds), and the use of genetically engineered animals is becoming commonplace in intensive farming systems, despite potential adverse impacts on the welfare of the animals involved and their descendants.

The 2017 Benchmark (see Figure 4.3) suggests that just under half (44%) of the companies covered in the Benchmark have made formal commitments to the avoidance of genetically modified or cloned animals or their progeny, although the majority are not universal commitments. Where companies have made these commitments, it has generally (as with close confinement) been in response to strong consumer pressure, often in relation to safety or potential health concerns in their key markets. It is also relevant to note that some companies have qualified their commitments by noting that if these consumer concerns could be addressed or overcome, they would consider using genetically modified or cloned animals or their progeny.

The Use of Growth Promoting Substances and Antibiotics

Figure 4.4: Company Commitments to the Avoidance of Growth Promoting Substances and Antibiotics

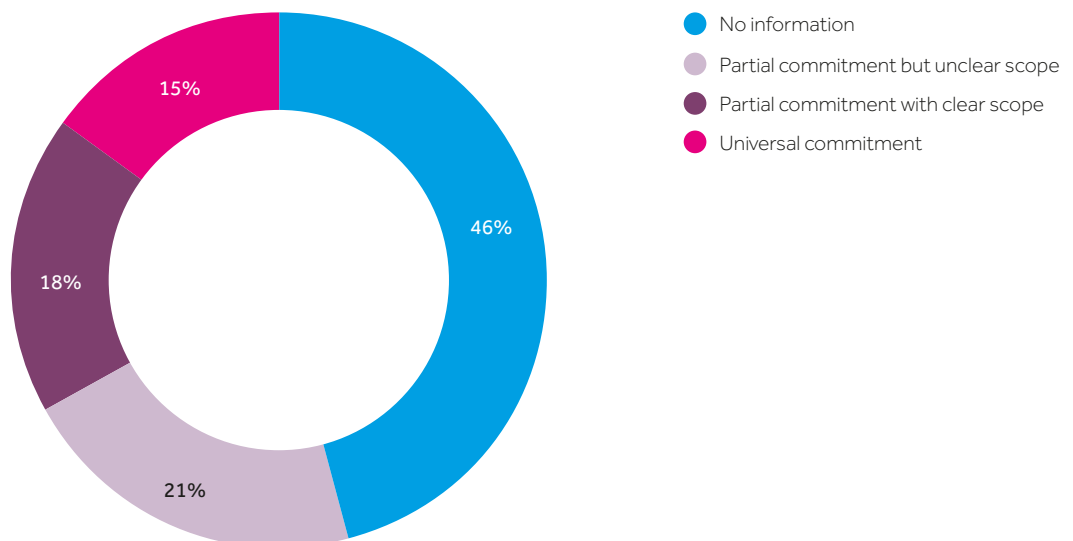
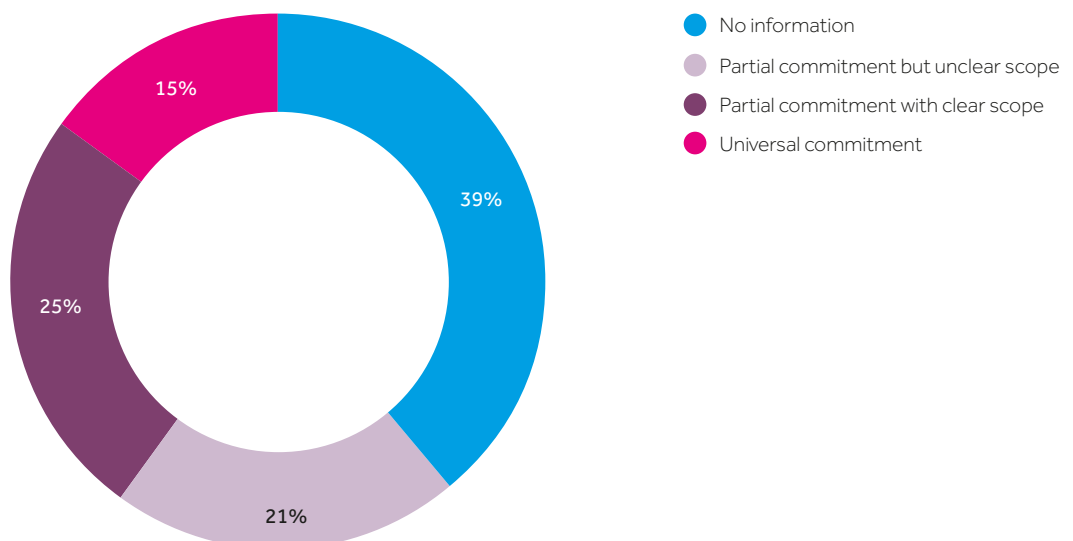


Figure 4.5: Company Commitments to the Reduction or Avoidance of Antibiotics for Prophylactic Use



Growth promoting substances are used to increase the muscle (meat) or milk production of animals farmed for food. Examples include the use of the hormone BST to increase milk yield in cows, the use of feed additives in pig production (for example, ractopamine) and the use of low dose antibiotics. The use of growth promoting substances can undermine animal welfare by pushing animals to their physiological and metabolic limits.

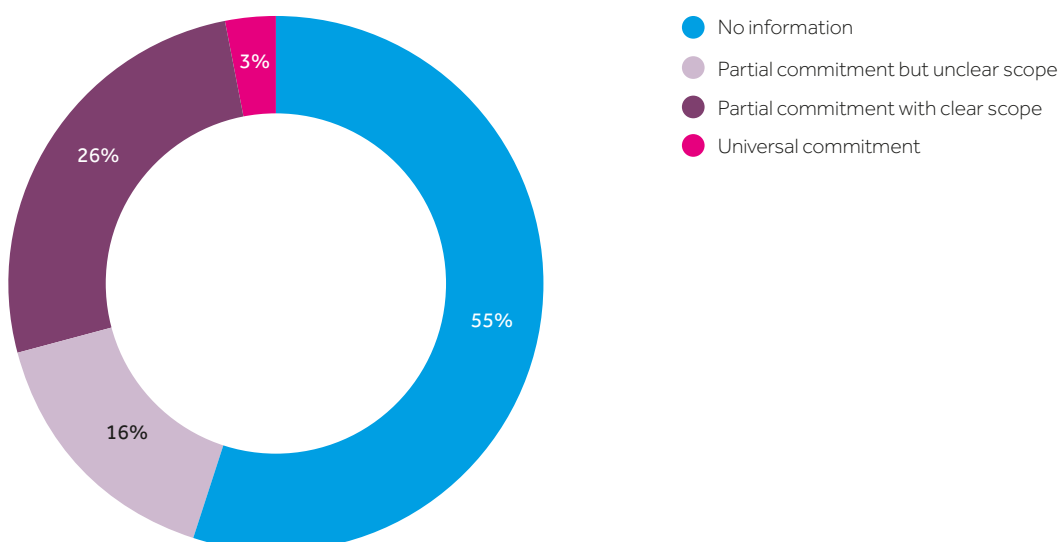
Antibiotics are medicines used to control infectious diseases in humans and animals. It is believed that farm animals may receive nearly half of all the antibiotics produced worldwide. Used correctly, antibiotics are an important tool in treating sick animals. However, the confined, cramped conditions typical of many intensive farming facilities - where animals are bred to operate at their physiological limits and weaned at a young age - are stressful, and compromise the animals' immune systems, making sickness more likely. These facilities often rely on the prophylactic use of antibiotics (i.e. antibiotics are used to prevent rather than treat disease) to compensate for an inherently low-welfare environment. That is, antibiotics are used to 'prop up' environments where the welfare potential of animals is very low. The overuse of antibiotics (especially in low doses or incomplete courses) is the main reason for the increase in antibiotic resistance in farmed animals and in humans. This resistance means that antibiotics can be ineffective when they are most needed, (i.e. to treat serious disease). Furthermore, reliance on frequent, prolonged, or low-dose use of antibiotics in farmed animals creates ideal conditions for antibiotic resistant strains of bacteria to develop.

Our research for the 2017 Benchmark (see Figures 4.4 and 4.5), indicates that an increasing number of companies have published formal positions on the use of growth promoting substances and have published commitments to the reduction or avoidance of antibiotics for prophylactic use. Furthermore, the proportion of companies that have published formal positions on the avoidance of growth promoting substances has risen from 18% in 2012 to 54% in 2017, with the proportion of companies publishing formal positions on the avoidance of the routine use of antibiotics rising from 35% in 2014 (the year we began measuring this) to 61% in 2017.

To date, the focus of many of the commitments has been on antibiotics that are important to human medicine (such as Cephalosporins, Fluoroquinolones or Macrolides) rather than all antibiotics. This focus reflects the efforts of bodies such as the World Health Organisation (WHO) and the World Organisation for Animal Health (OIE) and the regulatory lead provided by new industry guidelines issued by the U.S. Food & Drug Administration that will restrict the use of medically-important drugs to uses "that are considered necessary for assuring animal health" and will require veterinary oversight.

Routine Mutilations

Figure 4.6: Company Commitments to the Avoidance of Routine Mutilations



Many farm animals are subjected to procedures that alter their bodies, often with no anaesthesia, causing immediate and often long-term pain and distress. Examples include beak trimming (where part of the bird's beak is removed using a hot blade, secateurs or an infra-red beam), surgical castration of beef cattle, branding of animals with hot irons, disbudding of dairy calves with hot irons or caustic paste, dehorning adult cattle with wire or saws, the castration and tail docking of pigs, and fin clipping which is used to mark the origin of hatcheries in farmed fish. The majority of these mutilations can be avoided if animals are kept in well-managed conditions, provided with plenty of space to move freely and given a varied environment to express a range of natural behaviours that are important to them (for example foraging, pecking, rooting). That is, many routine mutilations are a direct consequence of the fact that animals are kept in close confinement and barren or relatively barren environments. Other mutilations can be avoided via the use and selection of polled cattle breeds (removing the need to dehorn cattle), or the use of vaccinations to delay the onset of sexual maturation (removing the need to castrate pigs).

Our research for the 2017 Benchmark (see Figure 4.6) indicates that an increasing number of companies have made formal commitments to the avoidance of routine mutilations. In total 45% of companies covered by the 2017 Benchmark have made formal commitments on this issue, compared to 33% in 2016 and just 7% in 2012 (see Figure 4.1). The majority of these commitments relate to the avoidance of beak trimming in laying hens.

Box 4.3 presents some examples of the commitments that have been made by companies to the avoidance of routine mutilations.

Box 4.3: Examples of Company Commitments to the Avoidance of Routine Mutilations (extracts)

Metro¹⁰

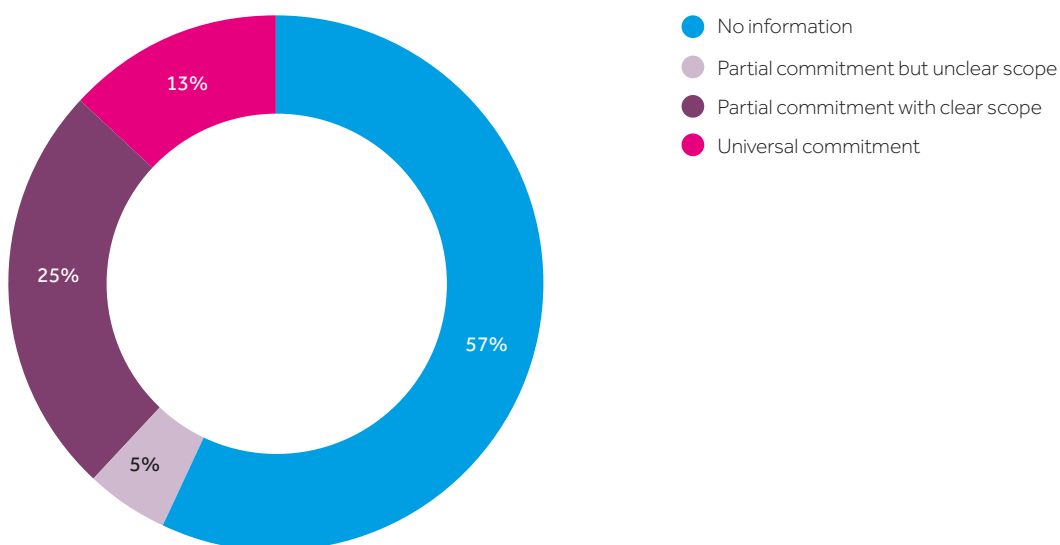
In its Purchasing Guidelines for Animal Products, Metro subsidiary, Real, states that it is committed to the avoidance of beak shortening, noting that the problems of feather-pecking and cannibalism must be prevented by improvements in housing and space standards. It has been offering shell eggs from laying hens whose beaks have not been shortened since 2016 under own-brand. Its stated goals were: (a) for its own-brand barn (floor) egg systems, to only sell eggs from hens without shortened beaks by September 2017, and (b) for all of its own-brand eggs, to not sell any eggs from laying hens with shortened beaks by the beginning of 2018.

Tesco¹¹

In the Animal Welfare section of its website, Tesco UK states: "Within our requirements we actively exclude or are working to reduce the need for routine management procedures such as tail docking. Where procedures are carried out this is done on a veterinary risk assessed basis and to welfare standards exceeding legislative requirements. We are committed to finding alternatives to these procedures and looking at research to explore genetics, nutrition, environmental management and enrichment as preferred alternatives. For example, we are working with suppliers to eliminate the need for beak trimming in commercial layers and supporting our EU pork producers to explore alternative castration management strategies. Beak trimming in commercial meat chickens, dubbing of cockerels, fin clipping of fin fish and mulesing in lambs are not allowed in our requirements."

The Use of Meat from Animals Not Subjected to Pre-Slaughter Stunning

Figure 4.7: Company Commitments to Pre-Slaughter Stunning



It is essential to render an animal unconscious before it is slaughtered in order for it to be insensible to pain, discomfort and stress until death occurs. Most developed and many developing countries have legislation that requires pre-slaughter stunning, although these often provide exceptions for authorised religious slaughter. It is, however, important to note that it is possible for animals to be stunned and to comply with the requirements for religious slaughter. For example, a substantial proportion of British Halal meat comes from animals that are stunned before slaughter.

While our research (see Figure 4.7) suggests that fewer than half of the companies covered by the Benchmark have published a policy statement committing to pre-slaughter stunning, many of the companies we interviewed in the course of this research pointed to the fact that pre-slaughter stunning is a legislative requirement in many countries and that they fully comply with this requirement. While we acknowledge that many companies are required to stun their animals prior to slaughter, we are looking for them to make a formal commitment to the use of pre-slaughter stunning across their global supply chains. We are also looking for companies to clarify whether or not their commitments apply in all species, including farmed finfish, and whether or not their commitments apply to animals that are subject to religious slaughter.

Box 4.4: Mitchells and Butlers' Commitment to Pre-Slaughter Stunning¹² (extracts)

"Slaughter Policy

Mitchells & Butlers consider the welfare of livestock throughout the whole process of slaughter, from arrival at the abattoir and unloading, the movement of the animal through lairage and handling, through to the application of slaughter method. Mitchells & Butlers recognise a slaughter method is only humane if the animal dies without pain or distress and therefore require all animals in our supply chain, regardless of origin, to be effectively stunned prior to slaughter.

- Abattoirs managed / used by suppliers to Mitchells & Butlers, are required to comply with Regulation (EC) 1099/2009 on the protection of animals at the time of killing and any provisions made under this Regulation, as apply within each European Union country.
- Mitchells & Butlers require slaughterhouses to effectively manage and monitor their systems including following Standard Operating Procedures (SOPs) to ensure a standardised slaughter process and detailed contingency plans for breakdowns on the line and other emergencies.
- Stunning equipment should be maintained to a high standard and equipment tested regularly to ensure effective working order. In the instance of equipment failing there must be back-up stunning equipment immediately accessible at the point of stunning and slaughter.

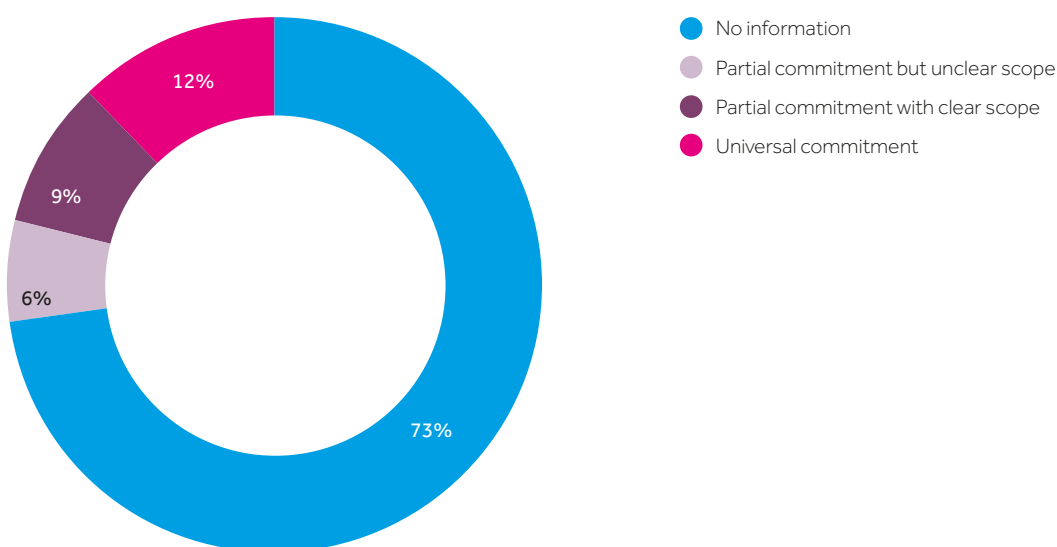
- All staff involved in the slaughter process should have effective and necessary training for them to undertake their role. Ideally this should include a designated member of staff responsible for animal welfare to be in the abattoir, whose role is to monitor operations, ensure SOPs are followed and guarantee remedial action is taken in the instance of non-compliance.
- Mitchells & Butlers are working with their suppliers to ensure supplying abattoirs further improve the effective measurement and proactive management of welfare outcomes at slaughter.

With regards to Finfish, the majority of farmed finfish supplied to Mitchells & Butlers are stunned prior to slaughter. This currently includes supplies of Salmon, Seabream, Seabass, Halibut, Trout, Turbot, Gilt Head Bream and Meagre.

However, by working closely with our suppliers, we aim to work towards increasing the number of farmed finfish stunned prior to slaughter, from all countries of origin. We are also assessing current stunning procedures in place for wild caught fish and crustaceans."

Long Distance Transport

Figure 4.8: Company Commitments to the Avoidance of Long Distance Live Transportation



Many animals are transported several times during their lifetime and most are transported to slaughter, often over long distances both within and between countries. Journeys (made via road, rail, sea, or, in the case of breeding animals, by air) may last many hours or, in some cases, days, weeks or months. Animals can experience hunger, thirst, discomfort, pain, frustration, fear and distress, whilst physical welfare problems include injury, disease, and, in the worst cases, death. For all these reasons, the transportation of live animals should be minimised wherever possible and journeys should be kept as short as possible. Specifically, any transport of a live animal that exceeds eight hours, from loading to unloading, has been shown to decrease welfare significantly. Based on advice from Compassion in World Farming and World Animal Protection, the BBFAW defines long distance transportation as journey times exceeding eight hours, measured from the time of loading to the time that the animal is unloaded.

The 2017 Benchmark results suggest that relatively few companies (27%) have made formal commitments to the avoidance of long distance transport where this is defined as avoiding journey times of more than eight hours. A number of companies have stated they are committed to the avoidance of long distance transport but do not specify what they mean by long distance, or describe their commitment in terms of the distances, as opposed to the time spent by animals in transportation.

4.2

GOVERNANCE AND MANAGEMENT

Defining Responsibilities for Farm Animal Welfare

In most large companies, there is generally a clear delineation between those staff members who are responsible for the oversight of a policy and those staff members who are responsible for day-to-day implementation of the policy. Policy oversight – for example, defining the overall goals, acting in the event of the policy not being complied with, ensuring the policy remains relevant to the organisation – is generally the responsibility of senior management or the board. Conversely, day-to-day implementation – for example, developing and implementing management systems and processes, monitoring performance, reporting – is generally the responsibility of specific individual(s) or team(s). Given the technical complexity of farm animal welfare related issues and the potentially significant business risks and opportunities associated with farm animal welfare, food companies clearly need both senior management oversight and appropriate technical and operational staff. They also need to ensure that the links between the two work effectively, so that senior management can be confident that farm animal welfare related issues are being effectively managed, and so that senior management can intervene to ensure that the policy is effectively implemented.

Despite the growing recognition of farm animal welfare as an important business issue, only 52 out of the 110 companies (47%) covered by the 2017 Benchmark report some information on responsibilities, at either a senior management or operational level, for farm animal welfare. Some examples are presented in Box 4.5. This compares to the 83 companies that have adopted a formal policy or statement on farm animal welfare. This lack of reporting on management responsibilities and accountabilities may change as companies focus more on the practicalities of implementing their farm animal welfare policies. However, even in companies that provide good descriptions of how their animal welfare policy is overseen, it is frequently difficult to tell how much, if any, senior management attention is focused explicitly on farm animal welfare. In the majority of cases, farm animal welfare is one of a whole range of corporate responsibility related issues that needs to be managed by these companies.

Box 4.5: Examples of Corporate Governance and the Management of Farm Animal Welfare**Aldi Nord¹³**

In its Animal Welfare Purchasing Policy (Germany), Aldi Nord states: "The implementation of measures and targets in the daily business is controlled by our animal welfare team established within the Corporate Responsibility department – involving the departments of buying and quality assurance as well as our business partners."

In its International Animal Welfare Purchasing Policy, Aldi Nord states: "The implementation of the International Animal Welfare Purchasing Policy requires close consultation with the Corporate Responsibility, Purchasing and Quality departments, as well as with our business partners... Objectives and measures will be continuously developed (competence with the department of Corporate Responsibility)... The management board and other persons of responsibility within Aldi Nord will be given regular status updates on the implementation."

Nestlé¹⁴

In its Nestlé in Society - Creating Shared Value and Meeting our Commitments 2016, Nestlé states: "Strategic responsibility for Nestlé's rural development activities and procurement lies with our Executive Vice-President of Operations, while final accountability rests with the Executive Board and the CEO. Operational strategy is chiefly delivered by the Corporate Agriculture Team through a network of sourcing staff and extension workers in the supply chain. Responsible Sourcing, including farm animal welfare, is jointly delivered by Corporate Procurement and Corporate Agriculture."

Setting Objectives for Farm Animal Welfare

Objectives and targets are the point where policy commitments are translated into substantive action. Of the 110 companies covered by the 2017 Benchmark, 79 (or 72% of the total) have now set farm animal welfare related objectives and targets, a markedly higher proportion than the 65% who had set objectives and targets in 2016 and the 26% in 2012. A significant proportion (57 out of 79) of the companies that have published objectives and targets provide a reasonable amount of information on how the target is to be achieved (for example, who is responsible, what resources are allocated, what the key steps or actions towards the target are). Some examples of these are presented in Box 4.6.

In many cases, companies have set targets as a direct consequence of significant consumer or NGO pressure on specific farm animal welfare issues¹⁵. In situations where the setting of objectives and targets is part of the corporate response to these external pressures, the targets are often relatively narrowly drawn and are focused on species-specific issues such as eliminating sow stalls (gestation crates) or moving towards cage-free eggs. In addition, these targets tend to be limited to specific geographies where the NGOs or consumers are most active.

Box 4.6: Examples of Company Targets on Farm Animal Welfare

Aramark¹⁶

Aramark has expanded its commitments to responsible sourcing and animal welfare by extending its 100% cage-free egg commitment worldwide by 2025, and by including liquid and shell eggs in the scope of its commitment. In the US, the company's largest market, Aramark has been serving 100% cage-free shell eggs since 2015 and is transitioning to 100% cage-free liquid eggs by 2020.

Elior¹⁷

In its Animal Welfare Position Paper (September 2017), Elior states that it will work with its suppliers to ensure that the following welfare goals for broiler chickens are implemented in the US and the EU by 2025.

"In the EU, Elior Group will:

- Comply with all EU animal welfare laws and regulations, regardless of the country of production.
- Implement a maximum stocking density of 30 kg/m² or less.
- Adopt breeds that demonstrate higher welfare outcomes: either the following breeds, Hubbard JA757, 787, 957, or 987, Rambler Ranger, Ranger Classic, and Ranger Gold, or others that meet the criteria of the RSPCA Broiler Breed Welfare Assessment Protocol.
- Meet improved environmental standards including natural light and enrichment.
- Adopt controlled atmospheric stunning or effective electrical stunning without live inversion.
- Provide details of third-party auditing and provide annual public reporting of progress.

In the US, Elior Group will:

- Implement a maximum stocking density of 6 lbs./sq. foot (roughly 29 kg/m²) in line with Global Animal Partnership (GAP) standards.
- Transition to strains of chickens accepted for use by GAP, based on measurably improved welfare outcomes.
- Provide enriched environments that meet GAP standards.
- Utilise multi-step controlled-atmosphere processing systems.
- Provide details of third-party auditing and provide annual reporting of progress."

Kraft Heinz Company¹⁸

In its Policy on Animal Welfare, Support and Procurement Standards, Kraft Heinz states that its goal on sow housing is: "to source all pork globally from suppliers who can provide pregnant sow housing that safely allows for greater movement for the animals while ensuring their comfort". It notes that, in North America, starting in 2017, it will: "give preference to suppliers that are able to help it achieve its goal of being 100% free of traditional gestation stall housing by 2025".

In relation to broilers, by 2024, Kraft Heinz Company has committed to: "work with its suppliers and the wider food industry to enable it to:

- Source 100 percent of its chicken from breeds approved by the Royal Society for the Prevention of Cruelty to Animals (RSPCA) or Global Animal Partnership (GAP).
- Provide birds with more space to perform natural behaviors, including a stocking density no greater than 6 pounds per square foot.
- Provide birds with better, enriched environments including litter, lighting and other enrichments that align with GAP's environmental standards.
- Implement multi-step controlled-atmosphere processing systems that avoid live-shackling.
- Demonstrate its compliance with these commitments via supplier verification or third-party auditing, and to communicate progress as part of its regular sustainability reporting."

We are also seeing a marked improvement in the number of companies that are 'closing the loop' by reporting against their farm animal welfare policies or their objectives and targets. In the 2017 Benchmark, of the 83 companies with formal policy commitments on farm animal welfare, 68 (62%) report on how they have performed against these policies. A similar proportion, 65 of 79 (82%) companies, report on progress against existing or previously set objectives and targets.

Box 4.7 illustrates how one company, Noble Foods, is reporting on progress against its policy and its objectives and targets.

Box 4.7: Noble Foods' Reporting on Progress against its Farm Animal Welfare Objectives and Targets¹⁹

For its UK operations, Noble Foods has set a number of targets including: (a) ensuring that 100% of its birds travel less than 12 hours to slaughter by 2016, with 80% travelling less than 8 hours and 50% less than 4 hours, and (b) 70% of its birds will be free from confinement by 2020, covering all territories, products and brands.

In relation to the transport objective, the company reports that 66% of birds have an average transit time to slaughter of between 0 and 4 hours, 29% have an average transit time of 4-8 hours, 2% have an average transit time of 8-12 hours and 3% have an average transit time of over 12 hours.

In relation to the close confinement objective, Noble Foods reports that 62% of its birds are free from confinement, an improvement of 5% year on year. The company supplements this high level information with a more detailed analysis of the number and proportion of birds held in free-range, barn, organic and other systems.

Noble Foods has set similar objectives and provides similar reporting for its US operations²⁰.

As well as reporting on its objectives and targets, Noble Foods also reports on its wider performance against its farm animal welfare policy. It reports data and trends on a variety of issues including the number of eggs produced per bird, cumulative mortality rates, feather cover scores, keel bone assessment scores, and antibiotic usage rates.

Control Systems for Farm Animal Welfare

Consistent with the many positive trends in this report, we have seen significant improvements on supply chain related controls. Some 55 of the 110 companies covered by the 2017 Benchmark (compared to 34 of the 99 covered by the 2016 Benchmark) report that they include farm animal welfare in supplier contracts; 33 include animal welfare in all supplier contracts and 22 in some supplier contracts. We see similar trends elsewhere; for example, 71 out of the 110 companies covered by the 2017 Benchmark describe how they monitor and audit the farm animal welfare performance of their suppliers (compared to 50 out of 99 in the 2016 Benchmark) and 44 (compared to 41 in 2016) describe their supplier education and capacity-building initiatives. The scale of the improvements is clear when we look at the data from the 2012 Benchmark when just 15% reported on whether they included farm animal welfare in supplier conditions, 31% reported on how they audit the farm animal welfare performance of their suppliers and 31% described their supplier education and capacity-building initiatives.

The Benchmark also asks about internal controls, specifically whether companies provide training on farm animal welfare to their internal staff (i.e. direct employees rather than employees of suppliers) and whether they have established corrective action processes for managing non-compliances with their farm animal welfare policies. The proportion of companies reporting on farm animal welfare related training (41% report this information) is a significant improvement on the proportion (27%) in the 2016 Benchmark. The proportion reporting on internal controls for farm animal welfare (38%) is also an improvement on the 31% of companies reporting in the 2016 Benchmark and it is more than double the proportion (16%) in the 2014 Benchmark.

Box 4.8: Examples of Employee Training and Internal Controls

JBS²¹

To encourage its cattle supplier farms to adopt best practices, JBS offers training courses on animal welfare based on the Best Handling Practices Manual from the Etco Group (Animal Ecology and Etiology Study and Research Group), which is the result of work done by the Faculty of Agricultural and Veterinary Sciences at the Paulista State University. These courses, which began in 2016 and are made available to more farms each year, aim to reinforce farm employee awareness of the importance of correctly handling animals to avoid suffering and injuries.

JBS carries out periodic training courses on animal welfare for the drivers responsible for transporting animals from farms to meatpacking units, for the people who receive the animals and handle them in the corrals and slaughter room and for the teams monitoring these procedures. In 2016, in order to increase compliance with JBS's animal welfare policy, employees were asked to sign a document acknowledging they had been informed of the company's guidelines. An e-learning platform was also created offering training on best practices in animal welfare. The course, which uses videos to demonstrate handling techniques, has now been included in JBS factory team training programmes.

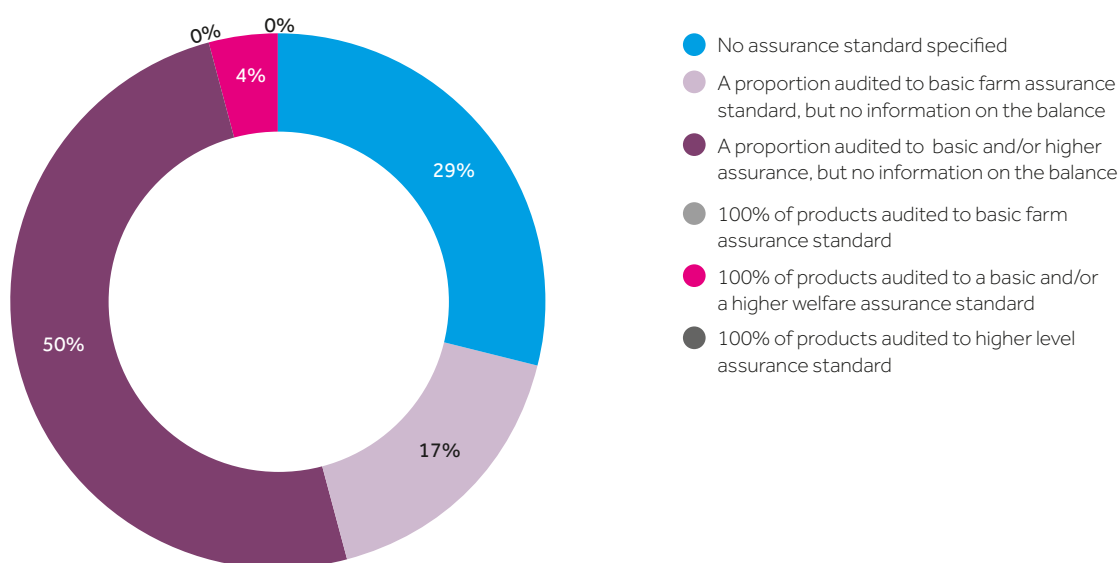
McDonald's²²

In situations where an animal welfare audit non-compliance is identified, McDonald's suppliers are required to: "develop and submit for approval a written corrective action plan. This plan is reviewed by McDonald's and by the third party audit company that had conducted to audit for appropriateness. In the event that the non-compliance involves a critical non-compliance (for example, willful acts of abuse), that source of supply is immediately suspended pending submittal of a written action plan that then has to be approved by McDonald's and a re-audit has to be conducted to verify the non-compliance was addressed."

McDonald's implements its animal welfare requirements, such as slaughter requirements for beef, chicken and pigs, through a number of global policies, programmes and specifications. Its suppliers are required to adhere to these in order to maintain their 'approved' status as a McDonald's supplier. For example: "in the event any slaughterhouse fails an audit due to a critical (Category One) Non-Compliance, there is an immediate discontinuation of raw material supply into the McDonald's global supply chain until a corrective action plan is submitted, approved and validated by a recognised authority on animal health and welfare, approved by McDonald's. McDonald's Quality Systems team reviews supplier performance and ensures that McDonald's policies are properly and consistently adopted."

Reporting Against Farm Assurance Schemes

Figure 4.9: Farm Animal Welfare Assurance Standards



At present, 78 of the 110 companies in the 2017 Benchmark provide some information on their use of farm animal welfare assurance schemes although only four apply these to all of their products. Formal farm animal welfare assurance schemes can play an important role in driving higher standards, in providing robust auditing and assurance processes, and in providing reassurance to consumers and stakeholders about the performance outcomes being achieved. Examples of assurance schemes which offer many welfare advantages relative to standard industry practice include the Soil Association organic standards, RSPCA Assured standards, Beter Leven, KRAV, Label Rouge, Neuland and the GAP 5-Step Rating Program, Best Aquaculture Practices (Global Aquaculture Alliance) and GLOBALG.A.P Aquaculture Standard.

The primary limitations of most assurance schemes are that they tend to have limited geographic scope (there are many national schemes) and tend to be species-specific. That is, companies may find that they need to sign up to a number of assurance schemes in order to ensure all their farmed animals are covered by appropriate higher welfare assurance standards. Furthermore, it is often difficult to compare schemes because of differences in the requirements of participating schemes (e.g. in relation to the space requirements specified, the training requirements for those companies involved in animal handling, monitoring and corrective action processes, the welfare outcomes that are required) and differences in the schemes' auditing and assurance processes (e.g. the frequency of auditing, the qualifications of the auditors).

The other important consideration is that many of the most widely adopted assurance standards (for example, the Red Tractor Farm and Supply Chain Assurance Schemes, the British Lion Code of Practice, Viande de Porc Française and Certification de Conformité de Produits standards) are primarily concerned with quality and safety related issues rather than farm animal welfare. While these assurance standards are not farm animal welfare standards per se (and should not be presented as such), they do provide many of the core process elements (e.g. on auditing, on traceability) that companies need if they are to implement effective farm animal welfare management processes in their supply chains.

4.3

LEADERSHIP AND INNOVATION

Advancing Farm Animal Welfare in the Food Industry

Thirty-three of the 110 companies covered by the 2017 Benchmark provide information on their involvement in research and development (R&D) programmes on farm animal welfare; this is a similar proportion to the 31% of companies that reported this information in the 2016 Benchmark. In addition, 40 companies (the same number as in 2016) describe their involvement in initiatives directed at improving farm animal welfare practices across the industry. In Box 4.9 we present some examples of Migros's involvement in farm animal welfare related R&D projects.

Box 4.9: Migros' Involvement in Animal Welfare related R&D Projects²³

Migros is supporting a range of projects that aim to improve farm animal welfare. These include:

- A research project in conjunction with the Vetsuisse Faculty of the University of Bern and IP-Suisse which aims to: "improve the health of fattening calves, and thereby reduce the use of drugs and antibiotics to a minimum. The goal is to find an economically viable solution that enables calves to reach their target slaughter weight while maintaining them in as healthy a condition as possible. The project is examining stall climatic factors, management measures, feeding and vaccination strategies, as well as the characteristics of the animals being purchased.
- Research into the potential for medicinal plants and natural substances to replace antibiotics in the treatment of diseases in piglets and calves, especially in the treatment and prophylaxis of respiratory and gastrointestinal disease. The Research Institute of Organic Agriculture (FiBL) investigated, in cooperation with Migros, the prophylactic and therapeutic effect of selected medicinal plants and natural products.
- Research into the potential for agent immunostimulatory feed supplements such as insects flour (chitin), secondary plant products (saponin) or red algae (porphyran) to strengthen disease resistance and stress resistance in young fish. This project, also with FiBL, aims to reduce losses among young fish as a result of their exposure to bacteria, viruses, parasites and fungi.
- Promoting organic fish farming through improving animal health and animal husbandry. Migros is supporting a research project of FiBL with the aim of improving the breeding conditions for organic fish in Switzerland through, amongst other measures, optimising husbandry practices and reducing the usage of synthetic drugs.

Promoting Higher Farm Animal Welfare to Customers and Clients

Forty-eight (44%) of the 110 companies assessed in the 2017 Benchmark provide information to their customers or consumers on farm animal welfare; this is an increase on the 38% in the 2016 Benchmark. In fact, 25 of the 48 companies present multiple examples of their engagement with their customers, suggesting that farm animal welfare is an important part of their customer messaging and engagement.

The proactive communication of farm animal welfare issues provides a variety of positive spill-over effects: it raises consumer awareness, it directs consumers to higher welfare choices, and it establishes consumer expectations that farm animal welfare should be an integral part of companies' approaches to corporate sustainability.

4.4

PERFORMANCE REPORTING AND IMPACT

The results of the 2017 Benchmark suggest that an increasing number of companies are starting to report on farm animal welfare performance. For example:

- 59 out of the 110 companies covered by the 2017 Benchmark provide some information on the proportion of animals that are free from close confinement. At 54%, this is significantly higher than the 33% of companies reporting in the 2016 Benchmark and the 18% of companies in 2014, the first year this question was asked.
- 21 companies (compared to 5 in 2016) report on the proportion of animals that are free from routine mutilations.
- 21 companies (compared to 10 in 2016) report on the proportion of animals that are stunned prior to slaughter.
- 20 companies (compared to 8 in 2016 and 2015) provide quantitative information on transport times.
- 12 companies (compared to 6 in 2016 and 2 in 2015) report on farm animal welfare outcomes.

In the majority of cases, however, reporting is limited to selected species or to particular geographies. The consequence is that it is difficult to make even a preliminary assessment of performance (e.g. on the proportion of animals that are free from close confinement) across the universe of companies studied in the Benchmark. Acknowledging these limitations, we can draw three interesting conclusions:

- 44 companies report on the proportion of laying hens in their global supply chains that are free from confinement. Of these, 10 companies achieve maximum points, indicating that 100% of laying hens are free from confinement.
- 22 companies report on the proportion of pigs in their global supply chains that are free from sow stalls. Of these, just one company achieved maximum points, indicating that 100% of pigs are free from sow stalls.
- 12 companies report on the proportion of broiler chickens in their global supply chains that are reared at lower stocking densities (33 kg/m² or less). However, none of these companies rears 100% of their broiler chickens at lower stocking densities.

Our discussions with companies point to several reasons why the proportion of companies reporting on farm animal performance remains relatively low and limited in scope:

- Many companies are still focusing on strengthening their internal management systems and processes, and on gathering the data they need to report on performance.
- Companies are withholding the publication of data until they are confident about the quality and reliability of the data reported internally and through their supply chains.
- Reporting on performance is largely seen as being for internal rather than external audiences.
- Companies are reluctant to report partial data, as this can highlight apparent gaps in their management and reporting on certain issues.
- Companies are concerned that performance data will be misconstrued by audiences that lack the technical or industry knowledge to effectively understand what acceptable or good practice looks like.
- Companies generally have multiple animal species and production systems, they operate in multiple jurisdictions and under multiple regulatory requirements, and manage individual species to a variety of standards. These factors mean that reporting on overall performance is complex and it is difficult to provide an overall picture of performance.
- There is a lack of consensus on the performance data that need to be reported. It is interesting to note that some companies have pointed to the performance questions in the BBFAW as providing the basis for a common, standardised framework for reporting on farm animal welfare performance. They have also noted that there is a need for a critical mass of companies to report this information, thereby enabling the creation of a level playing field across the food industry.

Nine performance impact questions were introduced in the 2016 Benchmark, and the scoring for these questions was incorporated into companies' overall scoring and Tier rankings for the first time in 2017. Unsurprisingly, the proportion of companies scoring on these new performance impact questions is low. In fact, with most of the questions, less than 10% of companies achieve any score at all.

However, for three of the questions, a slightly higher proportion of companies is reporting, and we expect more companies to score on their performance impact for these questions in future years. Notable findings include:

- 44 companies report on the proportion of laying hens in their global supply chains that is free from confinement. Of these, 10 companies achieve maximum points, indicating that 100% of laying hens are free from confinement
- 22 companies report on the proportion of pigs in their global supply chains that is free from sow stalls. Of these, just one company achieved maximum points, indicating that 100% of pigs are free from sow stalls.
- 12 companies report on the proportion of broiler chickens in their global supply chains that is reared at lower stocking densities (33 kg/m² or less).
- No company has achieved maximum points for this question.

Box 4.10: Examples of Company Reporting on Performance and Impact

Cranswick²⁴

Cranswick reports the trends in its performance, on a year-on-year basis. It also reports on historic targets, confirming that it still meets these targets.

KPI	TARGET DATE	2014	2015	2016
All animals to be stunned before process	2012	100%	100%	100%
All eggs to be sourced from free range farms	2012	100%	100%	100%
Typical transport times to our own processing sites - below 8 hours	2012	100%	100%	100%
All dairy cows to be free from tethering	2020	N/A	N/A	95%

Greggs²⁵

Greggs reports on a variety of welfare outcome measures, on a species-by-species basis. Examples of the measures reported include:

- The lame rate for the pigs used to provide raw pork, raw bacon and ham.
- The lame rate for the beef cattle used to provide raw beef.
- The leg cull rates for the broiler chickens used to provide chicken meat and chicken goujons.
- The Post Mortem Inspection (PMI) rejection rate for the turkeys used to provide turkey meat.
- The feather wear rate for the laying hens used to provide free-range whole and shell eggs, and the eggs used in mayonnaise filling, mayonnaise and omlettes.
- The mastitis rates for the dairy cattle providing liquid milk and cream.

Vion Food Group²⁶

Vion Food Group's 2016 Corporate Social Responsibility Report shows the number of pigs that are not castrated and provides data on the proportion of antibiotic residues in animals.

PIG CASTRATION AT SLAUGHTER	2016	2015	2014
Netherlands % slaughtered entire boars of total male pigs slaughtered	62.6%	74.2%	77.2%
Germany % slaughtered entire boars of total male pigs slaughtered	10.6%	10.6%	10.6%

ANTIBIOTIC RESIDUES IN PIGS	2016	2015	2014
No. of tested pigs	59,709	56,033	62,367
% of pigs found with antibiotics residue above maximum residue limit	0.02%	0.02%	0.02%

ANTIBIOTIC RESIDUES IN CATTLE	2016	2015	2014
No. of tested cattle	2,810	2,462	3,614
% of cattle found with antibiotics residue above maximum residue limit	0.02%	0.04%	0.03%

This data has been reproduced in table form from the original infographic.

WH Group²⁷

Smithfield's (a subsidiary of WH Group) 2016 Sustainability Report shows the incidence of hog transportation accidents.

COMPANY-OWNED MARKET HOG TRANSPORTATION ACCIDENTS	2012	2013	2014	2015	2016
Total number of loads hauled	84,633	89,351	80,894	82,031	85,513
Number of accidents	14	4	4	6	18
Market hogs involved	2,234	713	710	1,030	3,366
Market hog transportation fatalities	695	66	234	190	555

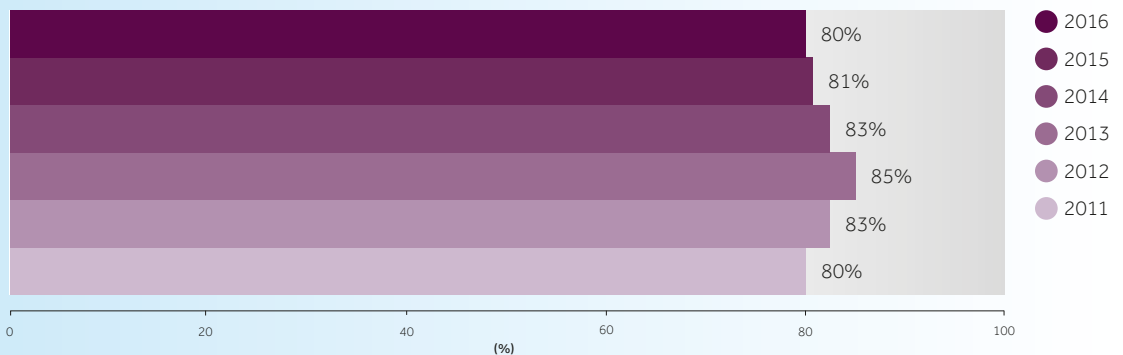
Marks & Spencer²⁸

Marks & Spencer is committed to reporting on its use of animal welfare and environmental outcome indicators for fresh meat, farmed fish, poultry, fresh milk and laying hens.

EGG SUPPLY MEASURES	SHELL EGG SUPPLY		INGREDIENT SUPPLY (UK)	
	2015/16	2016/17	2015/16	2016/17
Proportion (%) of flocks that are free range	100%	100%	100%	100%
Proportion (%) of flocks that are beak-trimmed	86%	86%	94%	94%
Proportion (%) of flocks provided with any behavioural enrichment	100%	100%	100%	100%
Proportion (%) of flocks provided with the following enrichment:				
Dust bathing boxes	80%	82%	43%	46%
Perches (at minimum 15 cm per bird)	90%	91%	60%	62%
Range enrichment of minimum 20% tree cover	85%	92%	49%	57%
Pecking objects	100%	100%	100%	100%
Average flock mortality during transportation (% birds dead on arrival)	0.18%	0.16%	0.10%	0.09%
Proportion (%) of flocks pre-stunned prior to slaughter	100%	100%	100%	100%

Waitrose²⁹

Waitrose reports that 80% of its laying hens are free from beak trimming, and provides data on trends in performance over the period 2011 to 2016.

LAYING HENS - NON-BEAK TRIMMING (%)

This data has been reproduced in table form from the original infographic.

CHAPTER 5

DRIVERS OF CHANGE



5.1

THE COMPANY PERSPECTIVE

We have seen consistent improvements in company scores in the Benchmark since it was launched in 2012. This has been underpinned by the strengthening of food companies' farm animal welfare policies, management systems and operational controls. We are starting to see better reporting on farm animal welfare performance and, in future iterations of the Benchmark, we expect to see evidence that these improvements in management systems and processes are leading to substantial improvements in farm animal welfare outcomes.

Our discussions with the companies covered by the Benchmark³⁰ point to the following as the four key drivers of change:

1. The recognition of farm animal welfare as a business risk that needs to be managed in a similar manner to other business risks. This has led to companies integrating farm animal welfare into the management infrastructure (e.g. auditing processes, training programmes, monitoring and reporting mechanisms) that they have developed for other social and environmental issues.
2. The recognition of farm animal welfare as a strategic opportunity, both in terms of the potential for new product offerings and market access and in terms of the potential for brand differentiation and reputation enhancement.
3. Customer and client demand, which is creating pressure both to raise standards within core product offerings, and to innovate and invest in new, higher welfare products.
4. The Business Benchmark on Farm Animal Welfare, both as a driver of change in and of itself, and as a tool that can enable companies to respond to these other drivers of change (see Box 5.1).

Box 5.1: How Does the Business Benchmark on Farm Animal Welfare Drive Change?

- It provides companies with guidance and clear expectations on how to structure their management processes and reporting.
- It helps companies to understand the expectations and interests of key stakeholders (e.g. clients, customers).
- It enables companies to benchmark themselves against their industry peers. This helps senior management understand the company's overall performance, and can support the internal case for additional investment.
- It is used by many investors to structure their engagement with companies on farm animal welfare (see Section 5.2).
- It is now seen as the key global Benchmark for the assessment of corporate farm animal welfare practice. Companies use their performance in the Benchmark as tangible evidence of their commitment to farm animal welfare; in fact, 24 of the 99 companies covered by the 2016 Benchmark have reported on their performance in the Benchmark in their corporate communications (e.g. on their websites, in their annual reports and sustainability reports, in media releases).

5.2

THE INVESTMENT PERSPECTIVE

The Benchmark was designed as a tool for investors. Encouraging investors to engage with companies on farm animal welfare and to integrate farm animal welfare into their investment research and decision making are key objectives for BBFAW. We have worked closely with investors since 2011³¹ to ensure that the Benchmark and associated tools are relevant to investors, and to catalyse change in the investment community on the issue of farm animal welfare.

These efforts are starting to pay off. Investors use the Benchmark in a variety of ways including: assessing the business risks and opportunities of farm animal welfare for individual companies; providing insights into companies' quality of management; assessing the suitability of companies for inclusion in screened (ethical) funds; and identifying potential investment opportunities in the food sector.

Investors also use the Benchmark in their company engagement, both to prioritise companies for engagement (e.g. to identify leaders and laggards) and to structure the dialogue they have with companies on farm animal welfare. Many use the Benchmark to structure their expectations of companies (e.g. they expect companies to achieve a specific Tier ranking within a particular period of time). Two significant examples of investor engagement are presented in Box 5.2 (The Global Investor Statement on Farm Animal Welfare) and Box 5.3 (the Global Investor Collaboration on Farm Animal Welfare).

The Global Investor Statement on Farm Animal Welfare

In 2016, the Business Benchmark on Farm Animal Welfare launched the first ever Global Investor Statement on Farm Animal Welfare. The aim was to send a clear signal to companies, to investors and to other stakeholders that farm animal welfare is an important business issue and one that needs to be effectively managed by companies.

The signatories to this Statement identify farm animal welfare as potentially material to long term investment value creation in the food sector, and they commit to taking account of farm animal welfare in their analysis of food companies and when engaging with these companies.

The Statement has now (December 2017) been signed by 23 institutional investors representing almost £1.9 trillion in assets under management (AUM).

Box 5.2: Global Investor Statement on Farm Animal Welfare

Long-term value creation requires companies to fully consider the range of business risks and opportunities that they face, and to take appropriate action to manage these. We recognise that, alongside traditional financial risks and opportunities, environmental, social and governance (ESG) issues are potentially material to the financial performance of companies. We therefore expect companies to demonstrate that they are effectively managing these issues.

Farm animal welfare is an important issue for companies and suppliers across the food sector, including those in the retail, food processing, food service and hospitality sectors. Regulation, labelling requirements, consumer concerns, media coverage and new business opportunities are all important drivers for action. In recent years, food scares, high profile cases of animal mistreatment, and concerns about human health risks linked to food safety have forced companies to look more closely at issues such as food provenance, traceability and quality, and to be more transparent on the management of their supply chains.

As investors, we seek assurances that the companies in which we invest have fully considered the risks and opportunities associated with farm animal welfare, and have effective policies and processes for dealing with the challenges. Analysis of a company's practices and performance on farm animal welfare can provide valuable insights into these companies' quality of management and the quality of their risk management processes.

Through our inclusion in this statement, we are agreed on the following:

- We believe the issue of farm animal welfare is potentially material to long-term investment value creation in the food sector, and is a relevant consideration when forming views on the strategic positioning of companies in the food sector.
- We believe that food companies have an important role to play in raising farm animal welfare standards within their own operations and in their supply chains.
- We welcome the development of the Business Benchmark on Farm Animal Welfare. We see it as a credible, transparent and independent tool that we can use to assess the quality of companies' policies, practices and performance on the issue of farm animal welfare. We also see it as an important tool for encouraging better reporting on farm animal welfare across the food sector.
- We believe that the Business Benchmark on Farm Animal Welfare will contribute towards creating greater awareness within the food industry of this important issue, and act as a tool for highlighting leadership and good practice, as well as gaps and challenges.
- We will, as appropriate, take account of the information provided by the Business Benchmark on Farm Animal Welfare in our analysis of the food companies in which we invest.
- We will encourage food companies to use the Business Benchmark on Farm Animal Welfare as a practical tool to help them manage their farm animal welfare issues and as a framework to guide their reporting on farm animal welfare.
- We will provide investor input into the evolution of the Business Benchmark on Farm Animal Welfare to ensure that it remains relevant to the needs and interests of long term responsible investors.

Signed by:

ACTIAM
 ASR Netherlands
 Australian Ethical Investment
 Aviva Investors
 BNP Paribas Investment Partners
 Castlefield Investment Partners
 Central Finance Board of the Methodist Church
 Coller Capital
 EdenTree Investment Management
 Epworth Investment Management
 Henderson Global Investors
 Hermes EOS
 NEI Investments
 Rathbone Greenbank Investments
 Robeco
 Schroders
 Sonen Capital
 Standard Life
 The Sustainability Group of Loring, Wolcott & Coolidge
 Trillium Asset Management
 Triodos Investment Management
 USS
 Walden Asset Management (Boston Trust)

Box 5.3: Global Investor Collaboration on Farm Animal Welfare

In 2015, the BBFAW initiated the first-ever international collaborative initiative aimed at encouraging major global food companies to strengthen their management systems and processes on farm animal welfare. The initiative is now (December 2017), supported by 19 institutional investors from the UK, the Netherlands, France, Canada, the US and Australia: ACTIAM, Australian Ethical Investment, Aviva Investors, BMO Asset Management (EMEA), BNP Paribas Investment Partners, Castlefield Investment Partners, Central Finance Board of the Methodist Church, Collier Capital, EdenTree Investment Management, Epworth Investment Management, NEI Investments, Rathbone Greenbank Investments, Robeco, Schroders, Sonen Capital, The Sustainability Group of Loring, Wolcott & Coolidge Trust, Trillium Asset Management, Triodos Investment Management and Walden Asset Management.

The collaboration involves the participating investors writing to the companies covered by the Benchmark, commending leading and improving companies on their performance, and encouraging poorer performers to improve. These letters also explain that investors see farm animal welfare as a business risk that needs to be managed effectively and as a potential future source of business opportunity and growth. The participating investors follow up these letters by raising farm animal welfare related issues with companies as part of their wider engagement with these companies.

In 2017, 37 of the 99 companies formally responded to the investor letters. Many of them indicated that, as a result, they would be strengthening their reporting on farm animal welfare and will be looking to proactively engage with investors on this issue. We expect to see these efforts leading to substantial improvements in many of these companies' scores in future iterations of the Benchmark.

5.3

OUR ROLE IN DRIVING CHANGE

We see the annual Benchmark, and the associated investor and company engagement, as a long-term change programme. We are hugely encouraged by the contribution the Benchmark has made to defining core expectations for companies, to building investor and company consensus around these expectations and to catalysing change within companies and in the investment community.

We also recognise that there is much more to be done, both to institutionalise farm animal welfare in the investment industry and to continue to drive standards of practice and performance in food companies. Our priorities for 2018-2020 reflect these imperatives. We will focus our efforts in the following areas:

- a) Strengthening the signals being sent by investors to food companies about the importance of farm animal welfare as a business issue. We will do this through:
 - Increasing the number of investor signatories to the Global Investor Statement on Farm Animal Welfare.
 - Increasing the number of investors that participate in the Global Investor Collaboration on Farm Animal Welfare.
 - Encouraging investors to proactively raise the issue of farm animal welfare with the food companies in which they are invested.
- b) Raising awareness of the investment risks and opportunities associated with farm animal welfare. We will focus particular attention on the investment community in North and South America and Asia.
- c) Encouraging improvements in corporate practice on farm animal welfare, with a particular emphasis on encouraging better reporting on farm animal welfare impacts. We will do this through our engagement with companies and through encouraging investors and other stakeholders to engage with companies. We will also build the evidence base on the business case for farm animal welfare. We will research the costs and benefits of higher standards of farm animal welfare, with a particular focus – as we do in the annual BBFAW reports – on showcasing and demonstrating the business case for leadership.

CHAPTER 6

APPENDICES



APPENDIX 1: 2017 BENCHMARK QUESTIONS AND SCORING

MANAGEMENT COMMITMENT AND POLICY

Question 1	Does the company acknowledge farm animal welfare as a business issue?	
Rationale	Acknowledging farm animal welfare as a business issue is an important first step towards implementing a comprehensive approach to farm animal welfare management. It is good practice for food companies to identify whether and why farm animal welfare is a relevant issue for the business.	
Scoring	No evidence that farm animal welfare is regarded as a relevant business issue.	0
	Farm animal welfare is identified as a relevant business issue.	10
	(Max Score 10)	
Question 2	Does the company publish an overarching corporate farm animal welfare policy (or equivalent)?	
Rationale	It is good practice for companies to formalise their approach to animal welfare in a policy (or equivalent document such as a statement of guiding principles, a code of practice or a sourcing charter). While the existence of a policy may not provide a guarantee of implementation, the absence of a policy is a clear sign that farm animal welfare is not on the business agenda.	
Scoring	No evidence of a formal policy statement (or equivalent) on farm animal welfare.	0
	Broad commitment to farm animal welfare in a policy statement (or equivalent) but no description of how the policy is to be implemented.	5
	Broad commitment to farm animal welfare within a policy statement (or equivalent) and a description of the processes in place to ensure that the policy is effectively implemented.	10
	(Max Score 10)	
Question 3	Does the policy statement provide a clear explanation of scope?	
Rationale	Understanding the scope of a policy is important to understand the breadth of a company's commitment to action on farm animal welfare.	
Scoring	Scope not specified.	0
Geographic scope	Not specified.	0
	Scope is limited to certain specified geographies.	2
	Scope is universal across all geographies.	5
Species covered	Not specified.	0
	Scope is limited to certain specified species.	2
	Scope is universal across all relevant species.	5
Products covered	Not specified.	0
	Scope is limited to own-brand products or ingredients (i.e. the policy does not apply to imported or other brand products).	2
	Scope is universal across own brand, imported and other brand products.	5
	(Max Score 15)	
Question 4	Does the company have a clear position on the avoidance of close confinement and intensive systems for livestock (e.g. sow stalls, concentrated animal feeding operations (CAFOs), feedlots, farrowing crates, single penning, battery cages, tethering, veal crates, force feeding and, for finfish, high stocking densities and close confinement of solitary finfish species)?	
Rationale	Many of the most significant farm animal welfare concerns result from close confinement practices (such as those listed above) or from high stocking densities in the case of finfish. It is good practice for companies to commit to no close confinement of farm animals and to avoid excessively high stocking densities.	
Scoring	No stated position.	0
	The company makes a partial commitment to the avoidance of confinement but the scope (in terms of geography, species, products) is not clearly defined.	1
	The company makes a partial commitment to the avoidance of confinement and the scope of the commitment (in terms of geography, species and products) is clearly defined.	3
	Universal commitment to avoid confinement across all relevant species, own-brand and other brand products and geographies.	5
	(Max Score 5)	

Question 5	Does the company have a clear position on the avoidance of products from farm animals subject to genetic engineering or cloning and/or their progeny or descendants throughout its products?	
Rationale	Both cloning and genetic engineering raise serious animal welfare concerns ⁱ . In farmed fish species this includes heat treatment of eggs to induce triploidy, which renders fish sterile.	
Scoring	No stated position.	0
	The company makes a partial commitment to the avoidance of animals subject to genetic engineering or cloning but the scope (in terms of geography, species or products) is not clearly defined.	1
	The company makes a partial commitment to the avoidance of animals subject to genetic engineering or cloning and the scope (in terms of geography, species and products) is clearly defined.	3
	Universal commitment to avoidance of animals subject to genetic engineering or cloning across all relevant species, own-brand and other brand products and geographies.	5
	(Max Score 5)	
Question 6	Does the company have a clear position on the avoidance of growth promoting substances?	
Rationale	Antibiotics given at low doses improve food conversion rates, most likely by changing the composition of gut microbiota in a way that enables animals to grow faster using less feed. Hormonal growth promoters are used to specifically promote abnormal muscle growth or milk production in animals farmed for food. The use of growth promoting substances can undermine animal welfare, as they may enable animals to grow or produce milk in a way that puts excessive strain on their physiological capabilities. While the use of hormonal growth promoters and the use of antibiotics for growth promotion are banned in the EU, their use is widely practised outside of Europe.	
Scoring	No stated position.	0
	The company makes a partial commitment to the avoidance of growth promoting substances, but the scope (in terms of geography, species or products) is not clearly defined.	1
	The company makes a partial commitment to the avoidance of growth promoting substances, but the scope (in terms of geography, species and products) is clearly defined.	3
	Universal commitment to the avoidance of growth promoting substances.	5
	(Max Score 5)	
Question 7	Does the company have a clear position on the reduction or avoidance of antibiotics for prophylactic use?	
Rationale	The over-use of antibiotics in humans and in animals is directly linked to the increase in antibiotic resistance. The use of antibiotics on-farm (typically through feed or water) is frequently prophylactic; effectively 'propping up' intensive farming systems where animals are kept in confined and stressful conditions and where their immune systems are compromised and disease outbreaks can spread rapidly ⁱⁱ . Companies are expected to commit to reducing the levels of antibiotics they administer routinely and to develop animal production systems that are not reliant on the routine use of antibiotics for disease prevention.	
Scoring	No stated position.	0
	The company makes a partial commitment to the reduction or avoidance of the routine use of antibiotics, but the scope (in terms of geography, species or products) is not clearly defined.	1
	The company makes a partial commitment to the reduction or avoidance of the routine use of antibiotics, and the scope (in terms of geography, species and products) is clearly defined.	3
	Universal commitment to the reduction or avoidance of the routine use of antibiotics across all geographies, species and products.	5
	(Max Score 5)	

ⁱ For a detailed discussion of the animal welfare implications of cloning and genetic engineering, see Peter Stevenson (2012), Cloning and Genetic Engineering of Farm Animals. BBFAW Investor Briefing No. 6 (September 2012) (BBFAW, London), http://www.bbfa.com/media/1083/briefing-no6_cloning-and-genetic-engineering-of-farm-animals.pdf

ⁱⁱ See, further, Vicky Bond and Jemima Jewell (2014), The Impacts of Antibiotic Use in Animals on Human Health and Animal Welfare. BBFAW Investor Briefing No. 17 (BBFAW, London), <http://www.bbfa.com/media/1070/briefing-17-impacts-of-antibiotic-use-in-animals-on-human-health-and-animal-welfare.pdf>

Question 8	Does the company have a clear position on the avoidance of routine mutilations (castration, teeth clipping, tail docking, toe clipping, dehorning, desnooding, de-winging, disbudding, mulesing, beak trimming, fin clipping)?	
Rationale	Many farm animals are subjected to procedures that alter their bodies, often with no anaesthesia, causing pain and distress. Examples include beak trimming, castration of beef cattle with knives, branding with hot irons, dehorning of dairy cattle with hot irons, castration and tail docking of pigs, and fin clipping in finfish aquaculture.	
Scoring	No stated position.	0
	The company makes a partial commitment to the avoidance of routine mutilations but the scope (in terms of geography, species or products) is not clearly defined.	1
	The company makes a partial commitment to the avoidance of routine mutilations and the scope (in terms of geography, species and products) is clearly defined.	3
	Universal commitment to avoidance of routine mutilations across all relevant species, own-brand and other branded products and geographies.	5
	(Max Score 5)	
Question 9	Does the company have a clear position on the avoidance of meat from animals that have not been subjected to pre-slaughter stunning, or (in the case of finfish) meat from animals that have not been rendered insensible?	
Rationale	It is essential to render an animal unconscious before it is slaughtered in order for it to be insensible to pain, discomfort and stress, until death occurs.	
Scoring	No stated position.	0
	The company makes a partial commitment to avoid the use of meat from animals that have not been subjected to pre-slaughter stunning or from finfish that have not been rendered insensible but the scope (in terms of geography, species or products) is not clearly defined.	1
	The company makes a partial commitment to avoid the use of meat from animals that have not been subjected to pre-slaughter stunning or from finfish that have not been rendered insensible and the scope (in terms of geography, species and products) is clearly defined.	3
	Universal commitment to avoid the use of meat from animals that have not been subjected to pre-slaughter stunning or from finfish that have not been rendered insensible across all species, own-brand and other branded products and geographies.	5
	(Max Score 5)	
Question 10	Does the company have a clear position on the avoidance of long distance live transportation?	
Rationale	When being transported, animals can experience hunger, thirst, discomfort, pain, frustration, fear and distress, as well as physical welfare problems including injury, disease, and, in the worst cases, death. For these reasons, transport of live animals should be minimised wherever possible and journeys should be kept as short as possible. Specifically, any transport of a live animal that exceeds 8 hours, from loading to unloading, has been shown to decrease welfare significantly. In the case of farmed fish, handling practices and water quality conditions, particularly oxygenation, can have a significant impact on welfare.	
Scoring	No stated position.	0
	The company makes a partial commitment to avoid the use of long distance transport but the scope (in terms of geography, species or products) is not clearly defined.	1
	The company makes a partial commitment to avoid the use of long distance transport and the scope (in terms of geography, species and products) is clearly defined.	3
	Universal commitment to avoidance of long distance live transportation across all species, own-brand and other branded products and geographies.	5
	(Max Score 5)	

GOVERNANCE AND MANAGEMENT

Question 11	Has the company assigned management responsibility for farm animal welfare to an individual or specified committee?	
Rationale	When looking at the management of farm animal welfare, both oversight and implementation responsibilities are important. Oversight is necessary to ensure that senior management is aware of the business implications of farm animal welfare and is prepared to intervene when needed (e.g. if there are tensions between the organisation's farm animal welfare policy and other business objectives). However, it is often the case that those charged with oversight know relatively little about the specific details of how to effectively manage farm animal welfare. It is, therefore, important that there are individual(s) responsible for ensuring that the farm animal welfare policy is implemented and that farm animal welfare is effectively managed.	
Scoring	No clearly defined day-to-day management responsibility.	0
	No clearly defined senior management responsibility.	0
	Published details of the management position with responsibility for farm animal welfare on a day-to-day basis.	5
	Published details of how the board or senior management oversees the implementation of the company's farm animal welfare policy.	5
	(Max Score 10)	
Question 12	Has the company set objectives and targets for the management of farm animal welfare?	
Rationale	Objectives and targets are the point where policy commitments are translated into substantive action, and where resources and responsibilities are allocated for the delivery of these objectives and targets.	
Scoring	No published objectives and targets.	0
	Published objectives and targets but with no information on how these are to be achieved.	5
	Published objectives and targets together with information on the actions to be taken to achieve these, the resources allocated and the schedule for the delivery of these objectives and targets.	10
	(Max Score 10)	
Question 13	Does the company report on its performance against its animal welfare policy and objectives?	
Rationale	Companies should explain how they have performed against their policy commitments, and against their objectives and targets.	
Scoring	The company does not report on how it has performed against the commitments set out in its overarching policy.	0
	The company reports on how it has performed against the commitments set out in its overarching policy.	5
	The company does not report on how it has performed against its objectives and targets.	0
	The company reports on how it has performed against its objectives and targets.	5
	(Max Score 10)	
Question 14	Does the company describe its internal processes for ensuring that its farm animal welfare policy is effectively implemented?	
Rationale	The effective implementation of a farm animal welfare policy relies on employees who are competent to oversee the implementation of the policy, and on controls that allow the company to respond quickly and effectively in the event of non-compliance with the policy.	
Scoring	No information provided on employee training in farm animal welfare.	0
	Specific training provided to employees in farm animal welfare.	5
	No information provided on the actions to be taken in the event of non-compliance with the farm animal welfare policy.	0
	The company describes the actions it takes in the event of non-compliance with its farm animal welfare policy.	5
	(Max Score 10)	

Question 15	Does the company describe how it implements its farm animal welfare policy (or equivalent) through its supply chain?		
Rationale	Many of the business risks and opportunities associated with farm animal welfare relate to companies' supply chains. Companies have the ability to influence their suppliers' performance both formally (e.g. through contracts, auditing processes) and informally (e.g. through capacity building and education).		
Scoring	No description of processes for implementing farm animal welfare policy through supply chain.		0
	No information on how farm animal welfare is included in supplier contracts.		0
	Farm animal welfare incorporated into contractual obligations for suppliers but limited by geography and/or certain products or species.		3
	Farm animal welfare incorporated into contractual obligations for suppliers across all species, products and geographies.		5
	No information provided on how supplier compliance with contract conditions is monitored.		0
	Farm animal welfare specified as part of supplier auditing programme.		5
	No information provided on the specific support and/or education provided to suppliers.		0
	Specific support and/or education provided to suppliers on farm animal welfare policy/issues.		5
	(Max Score 15)		
Question 16	Does the company assure its welfare scheme to a prescribed standard?		
Rationale	Farm assurance schemes provide frameworks for managing farm animals, including their health and welfare, provenance and the legal compliance of the systems used. They can also play an important role in promoting higher welfare standards. Where species-specific legislation exists, schemes should ensure that minimum legislative standards are met and preferably schemes should lift the standards above the minimum. Where there is no species-specific legislation, assurance standards are increasingly important for protecting welfare. In the case of retailers, this applies to own-brand products only.		
Scoring	No assurance standard specified.		0
	A proportion of products audited to basic farm assurance (or equivalent company) standard, but no information on the balance.		3
	A proportion of products audited to a combination of basic and higher farm assurance (or equivalent company) standard, but no information on the balance.		6
	100% of products audited to basic farm assurance (or equivalent company) standard.		10
	100% of products audited to a combination of a basic farm assurance (or equivalent company) standard and a higher welfare assurance (or company equivalent standard).		15
	100% of products audited to higher level (or company equivalent) assurance standard		20
	(Max Score 20)		

LEADERSHIP AND INNOVATION

Question 17	Is the company currently investing in projects dedicated to advancing farm animal welfare practices within the industry?	
Rationale	Farm animal welfare is a collective issue for the food industry as well as being an individual issue for each company in the industry. Making progress and raising standards across the industry requires individual companies to support research and development programmes to improve farm animal welfare, to share their knowledge and expertise with their suppliers and with their industry peers, to play a supportive role in public policy debates around farm animal welfare, and to support industry and stakeholder initiatives directed at improving farm animal welfare.	
Scoring	No evidence of involvement in research and development programmes to improve farm animal welfare.	0
	No evidence of active involvement in advancing farm animal welfare beyond company practices.	0
	Evidence of current involvement in research and development programmes to improve farm animal welfare.	5
	Evidence of active involvement in industry or other initiatives (e.g. working groups, supporting NGO lobbying, responding to government consultations) directed at improving farm animal welfare.	5
	(Max Score 10)	
Question 18	Has the company received any notable awards or accreditations for its farm animal welfare performance in the last two years?	
Rationale	Awards from credible animal welfare organisations, consumer associations and industry and farming bodies provide tangible evidence that companies are achieving good/best practices in those areas of their operations covered by the awards. Awards can also play an important role within companies through motivating employees and signalling to senior management that farm animal welfare is an area where the organisation is achieving good/best practice.	
Scoring	No evidence of notable awards or accreditations in the last two years.	0
	The company has received a notable award or accreditation for a single category or species.	5
	The company has received a significant award relating to its efforts across a number of species, or the company has received awards for its efforts on different species.	10
	(Max Score 10)	
Question 19	Does the company promote higher farm animal welfare to consumers through education and/or awareness-raising activities?	
Rationale	Companies have an important role to play in raising awareness of farm animal welfare among their customers and clients. This, in turn, should contribute to increases in demand for higher welfare products.	
Scoring	No evidence of promoting higher farm animal welfare.	0
	At least one example of promoting higher farm animal welfare to consumers.	5
	Multiple examples of promoting higher farm animal welfare to consumers.	10
	(Max Score 10)	

PERFORMANCE REPORTING AND IMPACT

Question 20

Does the company report on the proportion of animals (or volume of fresh or frozen animal products and ingredients) for own-brand products in its global supply chain that are free from confinement (i.e. those in barn, free range, indoor group housed, outdoor bred/reared)?

Rationale

In addition to having clear policy commitments and management practices, companies are expected to maintain strict reporting criteria for animals in their supply chain. This question is looking specifically at measures linked to the housing systems and environmental enrichment of animals in their supply chains. This is because many of the most significant farm animal welfare concerns result from close confinement practices and barren living conditions (such as barren battery cages, sow stalls, farrowing crates, veal crates, concentrated animal feeding operations (CAFOs), feedlots, tethered systems, close confinement of solitary finfish species).

Scoring

No reporting on the proportion of animals free from confinement.

0

The company reports on the proportion of animals free from confinement, but this reporting is limited to certain geographies, species or own-brand products.

3

The company reports fully on the proportion of animals free from confinement, covering all relevant geographies, species and own-brand products.

5

(Max Score 5)

Question 21

Does the company report on the proportion of animals in its global supply chain that are free from routine mutilations (i.e. castration, teeth clipping, tail docking, toe clipping, dehorning, desnooding, de-winging, disbudding, mulesing, beak trimming, fin clipping)?

Rationale

In addition to having clear policy commitments and management practices, companies are expected to maintain strict measurement criteria for animals in their supply chain. This question is looking specifically at measures linked to the routine mutilation of animals in their supply chains.

Scoring

No reporting on the proportion of animals that are free from routine mutilations.

0

The company reports on the proportion of animals that are free from routine mutilations, but this reporting is limited to certain geographies, species or own-brand products.

3

The company reports fully on the proportion of animals that is free from routine mutilations, covering all relevant geographies, species and own-brand products.

5

(Max Score 5)

Question 22

Does the company report on the proportion of animals in its global supply chain that are subject to pre-slaughter stunning?

Rationale

In addition to having clear policy commitments and management practices, companies are expected to maintain strict measurement criteria for animals in their supply chain. This question is looking specifically at measures linked to the slaughter of animals (or the rendering of fish insensible) in their supply chains. It is essential to render an animal unconscious before it is slaughtered in order for it to be insensible to pain, discomfort and stress, until death occurs.

Scoring

No reporting on the proportion of animals subject to pre-slaughter stunning.

0

The company reports on the proportion of animals subject to pre-slaughter stunning, but this reporting is limited to certain geographies, species or own-brand products.

3

The company reports fully on the proportion of animals subject to pre-slaughter stunning, covering all relevant geographies, species and own-brand products.

5

(Max Score 5)

Question 23**Does the company report on the average, typical or maximum permitted live transport times for the animals in its global supply chain?**

Rationale

In addition to having clear policy commitments and management practices, companies are expected to maintain strict measurement criteria for animals in their supply chain. This question is looking specifically at measures linked to the live transportation of animals in their supply chains. When being transported, animals can experience hunger, thirst, discomfort, pain, frustration, fear and distress, as well as physical welfare problems including injury, disease, and, in the worst cases, death. For these reasons, transport of live terrestrial animals should be minimised wherever possible and journeys should be kept as short as possible. Specifically, any transport of a live terrestrial animal that exceeds 8 hours, from loading to unloading, has been shown to decrease welfare significantly. In the case of farmed fish, handling practices and water quality conditions (particularly oxygenation) can have a significant impact on welfare. Conditions for transportation of fish must therefore be suitable and a maximum time limit may be required as determined from species-specific welfare risk assessments.

Scoring

No reporting on live transport times.

0

The company partially reports on the live transport times for animals, but reporting is limited to certain geographies, species or products.

3

The company reports fully on the live transport times for animals, covering all relevant species and geographies.

5

(Max Score 5)

Question 24**Does the company report on welfare outcome measures (i.e. measures linked to the physical, emotional and/or behavioural wellbeing of animals)?**

Rationale

In addition to having clear policy commitments and management practices, companies are expected to maintain strict measurement criteria for animals in their supply chain. This question is looking specifically at welfare outcome measures (WOMs) relating to the physical, emotional and/or behavioural wellbeing of animals. WOMs may be quantitative, or qualitative. They should focus on the most important species-specific measures, of physical wellbeing, mental wellbeing and behaviour.

WOMs might include for example: For all species: mortality rates; For laying hens: end of lay feather coverage, keel bone fractures, bone breakages at slaughter; For dairy cows: lameness, mastitis, body condition, involuntary culling rate; For pigs: lameness, tail bite and other lesions; For broiler chickens: gait score, footpad dermatitis, hockburn, breast blisters; For beef: body condition, lameness; For rabbits: foot lesions, fur coverage, eye condition; For fish: fin and body damage; For mental wellbeing: reaction to humans or novelty, fear, comfort; For behaviour: time spent lying/resting, ruminating or being active – foraging, perching, dustbathing, socialising; For transportation: injuries, fatigue, road traffic incidents, mortality (dead-on-arrival/DOA); For slaughter: effectiveness of stunning.

Scoring

No reporting on welfare outcome measures.

0

Partial reporting on welfare outcome measure but reporting is limited to certain species or geographies.

3

Company fully reports on at least one welfare outcome measure per relevant species and/or per relevant geography.

5

(Max Score 5)

Question 25	Does the company provide an explanation of progress and trends in performance (either in terms of input measures or welfare outcome measures)?	
Rationale	Companies should provide an explanation of progress and trends in performance and clearly define the scope of reporting (i.e. by geography, by species, by production system, by welfare outcome).	
Scoring	The company does not report on progress on animal welfare performance (either in terms of input measures or welfare outcome measures).	0
	The company reports on progress on at least one animal welfare performance measure (either an input measure or a welfare outcome measure), but this is limited to certain species, products or geographies and there is no explanation of trends in performance.	4
	The company reports on progress on at least one animal welfare performance measure (either an input measure or a welfare outcome measure) in its supply chain, but this is limited to certain species, products or geographies, although it does provide an explanation of progress and trends in performance.	6
	The company reports on at least one performance measure (either an input measure or a welfare outcome measure) per relevant species across all geographies, but there is no explanation of progress or trend in performance.	8
	The company reports on at least one performance measure (either an input measure or a welfare outcome measure) per relevant species across all geographies, and it provides an explanation of progress or trend in performance.	10
	(Max Score 10)	
Question 26	What proportion of laying hens (for shell eggs and fresh/frozen products and ingredients) in the company's global supply chain is cage-free?	
Rationale	Companies making public commitments to source cage-free eggs should report on the proportion of own brand shell eggs and eggs used as ingredients that are from cage-free hens. NB. Companies that report on the proportion of eggs that are cage-free but do not specify the scope will be awarded minimum points. For retailers and wholesalers, this question applies to all own-brand products.	
Scoring	0% of laying hens are cage-free, or no reported information.	0
	1 – 25% of laying hens are cage-free (or scope of reporting is not clear).	1
	26 – 50% of laying hens are cage-free.	3
	51 – 75% of laying hens are cage-free.	5
	76 – 99% of laying hens are cage-free.	7
	100% of laying hens are cage-free.	10
	(Max Weighted Score 1.25 – 5*)	
Question 27	What proportion of fresh/frozen pork products and ingredients in the company's global supply chain is sourced from pigs that are free from sow stalls?	
Rationale	Companies making public commitments to source sow-stall-free pork should report on the proportion of sows that are free from sow stalls. NB. Companies that report on the proportion of pork that is sow stall-free but do not specify the scope will be awarded minimum points. For retailers and wholesalers, this question applies to all own-brand products.	
Scoring	0% of sows are free from sow stalls, or no reported information.	0
	1 – 25% of sows are free from sow stalls (or scope of reporting is not clear).	3
	51 – 75% of sows are free from sow stalls.	5
	76 – 99% of sows are free from sow stalls.	7
	100% of sows are free from sow stalls.	10
	(Max Weighted Score 1.25 – 5*)	

Question 28	What proportion of fresh/frozen milk or milk products and ingredients in the company's global supply chain is sourced from cows that are free from tethering?	
Rationale	Companies making public commitments to source milk from dairy cows that are not tethered should report on the proportion of own brand milk and milk products (including ingredients) that are from dairy cows that are not tethered. NB. Companies that report of the proportion of milk or milk products and ingredients that are sourced from cows that are free from tethering but do not specify the scope will be awarded minimum points. For retailers and wholesalers, this question applies to all own-brand products.	
Scoring	0% of dairy cows are free from tethering, or no reported information.	0
	1 – 25% of dairy cows are free from tethering (or scope of reporting is not clear).	1
	26 – 50% of dairy cows are free from tethering.	3
	51 – 75% of dairy cows are free from tethering.	5
	76 – 99% of dairy cows are free from tethering.	7
	100% of dairy cows are free from tethering.	10
	(Max Weighted Score 1.25 – 5*)	
Question 29	What proportion of broiler chickens for own-brand fresh/frozen products and ingredients in the company's global supply chain is reared at lower stocking densities (specifically, 33 kg/m² or less)?	
Rationale	Companies making public commitments to source broiler chickens to higher welfare standards should report on the stocking densities of own brand fresh and frozen chicken meat and ingredients. NB. Companies that report on the proportion of broiler chickens reared at lower stocking densities but do not specify the scope will be awarded minimum points. Companies will not be scored for reporting on the proportion of broiler chickens that are cage-free. (i.e. the actual stocking density or higher welfare/free range systems must be specified). For retailers and wholesalers, this question applies to all own-brand products.	
Scoring	0% of broiler chickens reared at lower stocking densities, or no reported information.	0
	1 – 25% of broiler chickens are reared at lower stocking densities (or scope of reporting is not clear).	1
	26 – 50% of broiler chickens are reared at lower stocking densities.	3
	51 – 75% of broiler chickens are reared at lower stocking densities.	5
	76 – 99% of broiler chickens are reared at lower stocking densities.	7
	100% of broiler chickens are reared at lower stocking densities.	10
	(Max Weighted Score 1.25 – 5*)	
Question 30	What proportion of laying hens in the company's global supply chain is free from beak trimming or tipping?	
Rationale	Companies should report on the proportion of laying hens that are free from beak trimming or tipping. NB. Companies that report of the proportion of shell eggs or eggs as ingredients that are sourced from laying hens that are free from beak trimming or tipping but do not specify the scope will be awarded minimum points. For retailers and wholesalers, this question applies to all own-brand products.	
Scoring	0% of laying hens are free from beak trimming or tipping, or no reported information.	0
	1 – 25% of laying hens are free from beak trimming or tipping (or scope of reporting is not clear).	1
	26 – 50% of laying hens are free from beak trimming or tipping.	3
	51 – 75% of laying hens are free from beak trimming or tipping.	5
	76 – 99% of laying hens are free from beak trimming or tipping.	7
	100% of laying hens are free from beak trimming or tipping.	10
	(Max Weighted Score 1.66 – 5*)	

Question 31**What proportion of pigs in the company's global supply chain is free from tail docking?**

Rationale

Companies should report on the proportion of pigs that are free from tail docking. NB. Companies that report of the proportion of fresh/frozen pork products and ingredients that are sourced from pigs that are free from tail docking but do not specify the scope will be awarded minimum points. For retailers and wholesalers, this question applies to all own-brand products.

Scoring

0% of pigs are free from tail docking, or no reported information (or scope of reporting is not clear).	0
1 – 25% of pigs are free from tail docking.	1
26 – 50% of pigs are free from tail docking.	3
51 – 75% of pigs are free from tail docking.	5
76 – 99% of pigs are free from tail docking.	7
100% of pigs are free from tail docking.	10

(Max Weighted Score 1.66 – 5*)

Question 32**What proportion of dairy cows in the company's global supply chain is free from tail docking?**

Rationale

Companies should report on the proportion of dairy cattle that are free from tail docking. NB. Companies that report of the proportion of fresh/frozen milk products and ingredients that are sourced from cows that are free from tail docking but do not specify the scope will be awarded minimum points. For retailers and wholesalers, this question applies to all own-brand products.

Scoring

0% of dairy cows are free from tail docking, or no reported information.	0
1 – 25% of dairy cows are free from tail docking (or scope of reporting is not clear).	1
26 – 50% of dairy cows are free from tail docking.	3
51 – 75% of dairy cows are free from tail docking.	5
76 – 99% of dairy cows are free from tail docking.	7
100% of dairy cows are free from tail docking.	10

(Max Weighted Score 1.66 – 5*)

Question 33**What proportion of animals (excluding finfish) in the company's global supply chain is pre-slaughter stunned?**

Rationale

This question applies to all products (including other brand products) and is looking specifically at measures linked to the slaughter of animals in their supply chains. It is essential to render an animal unconscious (through for example captive bolt and stun to kill methods including electrical stunning, gas stunning, gas stun to kill) before it is slaughtered in order for it to be insensible to pain, discomfort and stress, until death occurs. NB. Companies that report on the proportion of animals that have been pre-slaughter stunned but do not specify the scope will be awarded minimum points.

This question currently excludes finfish because finfish are slaughtered in commercial aquaculture systems using a variety of methods, which, depending on the species and husbandry system, may or may not involve pre-slaughter stunning.

0% of products are from animals that have been pre-slaughter stunned, or no reported information.	0
1 – 25% of products are from animals that have been pre-slaughter stunned (or scope of reporting is not clear).	1
26 – 50% of products are from animals that have been pre-slaughter stunned.	3
51 – 75% of products are from animals that have been pre-slaughter stunned.	5
76 – 99% of products are from animals that have been pre-slaughter stunned.	7
100% of products are from animals that have been pre-slaughter stunned.	10

(Maximum Weighted Score 5)

Question 34**What proportion of animals (excluding finfish) in the company's global supply chain is transported within specified maximum journey times?**

Rationale

This question applies to all products (including other brand products) and is looking specifically at measures linked to the live transportation of animals in their supply chains. When being transported, animals can experience hunger, thirst, discomfort, pain, frustration, fear and distress, as well as physical welfare problems including injury, disease, and, in the worst cases, death. For these reasons, transport of live terrestrial animals should be minimised wherever possible and journeys should be kept as short as possible. Specifically, any transport of a live terrestrial animal that exceeds 8 hours, from loading to unloading, has been shown to decrease welfare significantly. NB. Companies that report of the proportion of animals that have been transported in 8 hours or less but do not specify the scope will be awarded minimum points.

This question currently excludes finfish because the key welfare issues concern the pumping, crowding and poor handling of finfish, as well the deterioration of water quality, especially the depletion of oxygen or accumulation of carbon dioxide and ammonia.

Scoring

0% of animals are transported in 8 hours or less, or no reported information (or scope of reporting is not clear).	0
1 – 25% of animals are transported in 8 hours or less.	1
26 – 50% of animals are transported in 8 hours or less.	3
51 – 75% of animals are transported in 8 hours or less.	5
76 – 99% of animals are transported in 8 hours or less.	7
100% of animals are transported in 8 hours or less.	10

(Maximum Weighted Score 5)

*Notes

- For questions 26-29, the total five points for these questions will be equally allocated across relevant questions. For companies with four relevant species, each question will account for one-quarter (i.e. 1.25 points) of the maximum score of 5 points. Similarly for companies with 3 species (1.66 points), 2 species (2.5 points) and 1 specie (5 points). None of these questions will be asked of companies that use none of these species (i.e. their potential maximum score will be reduced to 220 points).
- For questions 30-32, the total five points for these questions will be equally allocated across relevant questions. For companies with three relevant species, each question will account for one-third (i.e. 1.66 points) of the maximum score of 5 points. Similarly for companies with 2 species (2.5 points) and 1 specie (5 points). None of these questions will be asked of companies that use none of these species (i.e. their potential maximum score will be reduced to 220 points (if they do not have any of these species and do not have broiler chickens) or 225 points (if they do have broiler chickens).

	COMPANY	OWNERSHIP	ICB CLASSIFICATION	COUNTRY OF INCORPORATION
1	Aeon Group/AEON Co, Ltd	Public	5337: Food Retailers and Wholesalers	Japan
2	Ahold Delhaize	Public	5337: Food Retailers and Wholesalers	Netherlands
3	Albertsons Companies LLC	Private	5337: Food Retailers and Wholesalers	USA
4	Aldi Nord (Aldi Markt)	Private	5337: Food Retailers and Wholesalers	Germany
5	Aldi Süd/Aldi Einkauf GmbH&Co	Private	5337: Food Retailers and Wholesalers	Germany
6	Carrefour SA	Public	5337: Food Retailers and Wholesalers	France
7	Casino Guichard-Perrachon SA	Public	5337: Food Retailers and Wholesalers	France
8	China Resources Vanguard	Public	5337: Food Retailers and Wholesalers	PRC
9	(The) Co-operative Food (UK)	Cooperative	5337: Food Retailers and Wholesalers	UK
10	Coop Group (Switzerland)/Coop Genossenschaft	Cooperative	5337: Food Retailers and Wholesalers	Switzerland
11	Coop Italia	Cooperative	5337: Food Retailers and Wholesalers	Italy
12	Costco Wholesale Corporation	Public	5337: Food Retailers and Wholesalers	USA
13	E Leclerc	Cooperative	5337: Food Retailers and Wholesalers	France
14	Edeka Zentrale AG & Co KG	Private	5337: Food Retailers and Wholesalers	Germany
15	El Corte Inglés SA	Private	5337: Food Retailers and Wholesalers	Spain
16	Groupe Auchan SA	Private	5337: Food Retailers and Wholesalers	France
17	ICA Gruppen/ICA Eiendom Norge AS	Public	5337: Food Retailers and Wholesalers	Sweden
18	J Sainsbury Plc	Public	5337: Food Retailers and Wholesalers	UK
19	(The) Kroger Company	Public	5337: Food Retailers and Wholesalers	USA
20	Les Mousquetaires	Private	5337: Food Retailers and Wholesalers	France
21	Lianhua Supermarket Holdings Co	Public	5337: Food Retailers and Wholesalers	PRC
22	Lidl Stiftung & Co KG	Private	5337: Food Retailers and Wholesalers	Germany
23	Loblaw Companies Limited	Public	5337: Food Retailers and Wholesalers	Canada
24	Marks & Spencer Plc	Public	5337: Food Retailers and Wholesalers	UK
25	Mercadona SA	Private	5337: Food Retailers and Wholesalers	Spain
26	Metro AG	Public	5337: Food Retailers and Wholesalers	Germany
27	Migros-Genossenschafts-Bund	Cooperative	5337: Food Retailers and Wholesalers	Switzerland
28	Publix Super Markets, Inc	Private	5337: Food Retailers and Wholesalers	USA
29	REWE Group	Cooperative	5337: Food Retailers and Wholesalers	Germany
30	Schwarz Unternehmens Treuhand KG/Kaufland	Private	5337: Food Retailers and Wholesalers	Germany
31	Seven & i Holdings Company Ltd	Public	5337: Food Retailers and Wholesalers	Japan
32	Sysco Corporation Inc	Public	5337: Food Retailers and Wholesalers	USA
33	Target Corporation	Public	5337: Food Retailers and Wholesalers	USA
34	Tesco Plc Inc	Public	5337: Food Retailers and Wholesalers	UK
35	Waitrose/John Lewis Partnership	Partnership	5337: Food Retailers and Wholesalers	UK
36	Wal-Mart Stores, Inc	Public	5337: Food Retailers and Wholesalers	USA
37	Wesfarmers Limited	Public	5337: Food Retailers and Wholesalers	Australia
38	Wm Morrison Supermarkets Plc	Public	5337: Food Retailers and Wholesalers	UK
39	Woolworths Limited	Public	5337: Food Retailers and Wholesalers	Australia
40	Yonghui Superstores Co. Ltd	Public	5337: Food Retailers and Wholesalers	PRC
41	Aramark Corporation	Public	5757: Restaurants and Bars	USA

	COMPANY	OWNERSHIP	ICB CLASSIFICATION	COUNTRY OF INCORPORATION
42	Autogrill SpA	Joint Stock	5757: Restaurants and Bars	Italy
43	Bloomin' Brands, Inc	Public	5757: Restaurants and Bars	USA
44	Camst – La Ristorazione Italiana Soc. Coop. ARL	Cooperative	5757: Restaurants and Bars	Italy
45	Chick-fil-A	Private	5757: Restaurants and Bars	USA
46	Chipotle Mexican Grill, Inc	Public	5757: Restaurants and Bars	USA
47	Compass Group Plc	Public	5757: Restaurants and Bars	UK
48	Cremonini SpA	Private	5757: Restaurants and Bars	Italy
49	Darden Restaurants Plc	Public	5757: Restaurants and Bars	USA
50	Domino's Pizza Group Plc	Public	5757: Restaurants and Bars	UK
51	Dunkin' Brands, Inc	Public	5757: Restaurants and Bars	USA
52	Elior Group SA	Public	5757: Restaurants and Bars	UK
53	Gategroup Holding AG	Public	5757: Restaurants and Bars	Switzerland
54	Greggs Plc	Public	5757: Restaurants and Bars	UK
55	JD Wetherspoon Plc	Public	5757: Restaurants and Bars	UK
56	McDonald's Corporation	Public	5757: Restaurants and Bars	USA
57	Mitchells & Butlers Plc	Public	5757: Restaurants and Bars	UK
58	Olav Thon Gruppen AS	Public	5757: Restaurants and Bars	Norway
59	Panera Bread Inc	Public	5757: Restaurants and Bars	USA
60	Restaurant Brands International Inc	Public	5757: Restaurants and Bars	Canada
61	Quick Restaurants	Public	5757: Restaurants and Bars	France
62	Sodexo	Public	5757: Restaurants and Bars	France
63	Sonic Corporation	Public	5757: Restaurants and Bars	USA
64	SSP Group Limited	Public	5757: Restaurants and Bars	Sweden
65	Starbucks Corporation	Public	5757: Restaurants and Bars	USA
66	Subway/Doctor's Associates Inc	Private	5757: Restaurants and Bars	USA
67	Umoe Gruppen AS	Public	5757: Restaurants and Bars	Norway
68	Wendy's Company (The)/Wendy's International, Inc	Private	5757: Restaurants and Bars	USA
69	Whitbread Plc	Public	5757: Restaurants and Bars	UK
70	Yum! Brands, Inc	Public	5757: Restaurants and Bars	USA
71	2 Sisters Food Group (Boparan Holdings Ltd)	Private	3570: Food Producer	UK
72	Arla Foods Ltd	Cooperative	3570: Food Producer	Denmark
73	Associated British Foods Plc	Public	3570: Food Producer	UK
74	Barilla SpA	Private	3570: Food Producer	Italy
75	BRF SA	Public	3570: Food Producer	Brazil
76	Cargill, Inc	Private	3570: Food Producer	USA
77	(The) Charoen Pokphand (CP) Group	Private	3570: Food Producer	Thailand
78	Conagra Brands, Inc	Public	3570: Food Producer	USA
79	Cranswick Plc	Public	3570: Food Producer	UK
80	Danish Crown AmbA/Tulip	Joint Stock	3570: Food Producer	Denmark
81	Dean Foods	Public	3570: Food Producer	USA

	COMPANY	OWNERSHIP	ICB CLASSIFICATION	COUNTRY OF INCORPORATION
82	Ferrero SpA	Joint Stock	3570: Food Producer	Italy
83	Fonterra Co-operative Group Limited	Cooperative	3570: Food Producer	New Zealand
84	General Mills, Inc	Public	3570: Food Producer	USA
85	Groupe Danone SA	Public	3570: Food Producer	France
86	Gruppo Lactalis	Private	3570: Food Producer	Italy
87	Gruppo Veronesi	Private	3570: Food Producer	Italy
88	Hormel Foods Corporation	Public	3570: Food Producer	USA
89	JBS SA	Public	3570: Food Producer	Brazil
90	(The) Kraft Heinz Company	Public	3570: Food Producer	USA
91	LDC Groupe	Private	3570: Food Producer	France
92	Mondelēz International, Inc	Public	3570: Food Producer	USA
93	Marfrig Alimentos SA	Public	3570: Food Producer	Brazil
94	Mars, Inc	Private	3570: Food Producer	UK
95	Muller Group AG	Private	3570: Food Producer	Germany
96	Nestlé SA	Public	3570: Food Producer	Switzerland
97	New Hope Group	Public	3570: Food Producer	PRC
98	Noble Foods Group Limited	Private	3570: Food Producer	UK
99	OSI Group	Private	3570: Food Producer	USA
100	Perdue Farms	Private	3570: Food Producer	USA
101	Premier Foods Plc	Public	3570: Food Producer	UK
102	Royal FrieslandCampina	Cooperative	3570: Food Producer	Netherlands
103	Sanderson Farms	Public	3570: Food Producer	USA
104	Terrena Group	Cooperative	3570: Food Producer	France
105	Tyson Foods, Inc	Public	3570: Food Producer	USA
106	Unilever NV	Public	3570: Food Producer	Netherlands
107	VION Food Group/VION NV	Private	3570: Food Producer	Netherlands
108	Wens Foodstuffs Group/Guangdong Wens Foodstuffs Co, Ltd	Private	3570: Food Producer	USA
109	WH Group Ltd	Public	3570: Food Producer	PRC
110	Zhongpin, Inc	Public	3570: Food Producer	PRC/USA

Androsterone – an androgenous steroid hormone and pheromone formed in the testes from the breakdown of progesterone excreted in the urine and plasma of entire (i.e. non-castrated) males, and responsible for boar taint and an unpleasant odour/taste to meat.

Animal welfare – the physical and mental wellbeing of animals and the freedom to express behaviours that are important to them; the Farm Animal Welfare Council adopted the Five Freedoms (see below) to demonstrate the attributes of good animal welfare.

Basic farm assurance – certification schemes that ensure certain standards of safety and quality are met, often including some animal welfare standards similar to the legislative requirements of the market(s) in which they operate.

Barren battery cage – a cage used to house several laying hens, usually providing space equivalent to less than an A4 sheet of paper per hen; provision is limited to food and water; barren battery cages are prohibited by EU legislation although they are common in other parts of the world.

Battery caged hens – hens housed in barren battery cages.

Beak trimming – removal of part of the beak (laying hens, parent broilers and turkeys) using a hot blade, secateurs or an infra-red beam. Infra-red is the only method permitted in England; in the EU no more than a third of the beak may be removed.

Broiler chickens – chickens reared for meat production.

Cephalosporins – medicines that kill bacteria or prevent their growth. Cephalosporins are a newer class of antibiotics and often are seen as an alternative to penicillin.

Cloning – the process of producing genetically identical individuals using donor DNA and a surrogate mother. In farm animals, cloning may be used to create copies of high-yielding animals for breeding whose progeny may then be used in food production. The majority of cloning is performed with cattle, but pigs, goats and sheep have also been subject to the procedure. Animal welfare concerns associated with cloning include risks associated with the surgical procedures undergone by the donor and surrogate animals, high rates of pregnancy loss and juvenile deaths, birth complications, and potential loss of genetic diversity.

Close confinement – provision of very limited space, representing inadequate space to allow an animal to move around or express normal patterns of behaviour.

Coccidiostat – a pharmaceutical agent that acts upon Coccidia parasites commonly found in animal intestines.

Concentrated animal feeding operations (CAFOs) – also known as a factory farm, a CAFO is a production process for meat that squeezes many animals into a small and confined space (for at least 45 days in a 12 month period under the US Environmental Protection Agency's definition). The animals have very little room to move and the land is bare of vegetation so, instead of grazing, feed is brought to the animals.

Disbudding – removal of the horn buds in young animals (calves, kids) using a hot iron or chemical cauterisation

Dehorning – removal of the horns of adult animals by cutting or sawing.

Desnooding – removal of the snood of a turkey, the fleshy part hanging from the forehead and over the beak.

Dry sows – pregnant female pigs.

Farm animal welfare – specifically relates to the physical and mental wellbeing of animals reared for food, fibres and other commodities. In 2012, the BBFAW defined farm animal welfare as it relates to egg laying hens, broiler chickens, pigs, dairy cows and calves, ducks, guinea fowl, rabbits, turkeys, geese, beef cattle, sheep and game.

Farrowing crate – a metal cage used to confine a single sow during farrowing (birth) and lactation; the crate is designed to limit the crushing of piglets when lying and does not allow the sow to turn around or engage properly with her piglets.

Feedlot – an intensive animal feeding operation used to fatten livestock prior to slaughter. Animals such as pigs, sheep or cattle are confined in small areas and supplied with a high protein feed.

Finfish – so-called 'true fish', this term is used to distinguish fish with gills, fins and a backbone from other aquatic animals such as shellfish and jellyfish.

The Five Freedoms outline an acceptable state (outcomes) for welfare (e.g. freedom from thirst, hunger and malnutrition, from discomfort, from pain and disease, from fear and distress, and to express normal behaviour), on-farm, in transit and slaughter, and includes elements of health, emotional state, and physical and behavioural functioning. The provisions, added later, are aimed at practical measures required to secure the freedoms, and to provide a logical framework for assessing the strengths and weaknesses of husbandry systems to minimise negative welfare states:

1. **Freedom from Hunger and Thirst** – by ready access to fresh water and a diet to maintain full health and vigour.
2. **Freedom from Discomfort** – by providing an appropriate environment including shelter and a comfortable resting area.
3. **Freedom from Pain, Injury or Disease** – by prevention or rapid diagnosis and treatment.
4. **Freedom to Express Normal Behaviour** – by providing sufficient space, proper facilities and company of the animal's own kind.
5. **Freedom from Fear and Distress** – by ensuring conditions and treatment which avoid mental suffering.

Fluoroquinolones – antimicrobials, used typically to treat bone, joint and skin infections caused by microorganisms.

Food companies – food businesses including producers, processors, manufacturers, food retail and service companies.

Free-farrowing – these systems house sows and their litters in pens as opposed to farrowing crates, enabling the sow to move more freely, nest build and exhibit other natural behaviours such as maternal care.

Free range – free range livestock have access to the outdoors for at least part of the day, allowing greater freedom of movement.

Gait score – a method for assessing walking ability in poultry using indicators such as balance, stride length, and the position of the feet.

Gilts – young female pigs that have yet to be pregnant or have their first litter.

Growth promoting substances – used to increase the muscle (meat) or milk production of animals farmed for food. Examples include the hormone BST used to increase milk production, feed additives in pig production (ractopamine) and low dose antibiotics. Antibiotic and hormonal growth promoters are not permitted by EU legislation.

In-Ovo gender identification (sexing) – a method for identifying the sex of laying hens via analysis of the allantoic fluid, aimed at avoiding the routine culling of day-old male chicks.

Lairage – holding pens for livestock following transport to a slaughter house.

Long distance live transportation – any transport of a live animal that exceeds 8 hours, from loading to unloading; welfare has been shown to decrease significantly in journeys lasting more than 8 hours.

Mulesing – removal of skin from the hind-quarters of sheep breeds with excess folds of skin on their rumps, often without adequate pain relief.

Mutilation – a procedure that interferes with the bone structure or sensitive tissues of an animal, usually to prevent an abnormal behaviour such as tail biting (pigs) and injurious pecking (laying hens).

Ractopamine – a feed additive used to promote growth and leanness in animals raised for their meat. Ractopamine use has been banned in many countries, including European Union countries, mainland China and Russia.

Neospora caninum – a microscopic protozoan parasite that causes the disease neosporosis, a major cause of abortion in cattle.

Phytotherapy – the study of the use of extracts of natural origin as medicines or health-promoting agents.

Polled breeds – typically refers to breeds or strains of ruminants that are naturally polled (without horns) through selective breeding (as opposed to being dehorned).

Pithing – a technique used to immobilise or kill an animal by inserting a needle or metal rod into its brain. Current USA and European Union regulations prohibit importation of beef from cows pithed due to risk of bovine spongiform encephalopathy (BSE, or "mad cow") disease.

Routine mutilations – the mutilation of all animals at a certain stage within a certain system to help prevent problems associated with abnormal behaviours. Usually occurs instead of addressing the underlying issues with the system that may lead to the abnormal behaviours.

Sow stall – a narrow metal crate used to confine individual sows for their 16 week pregnancy, without sufficient room for sows to turn around; also called gestation crates.

Stockmanship – the knowledgeable and skillful handling of livestock in a safe, efficient, effective, and low-stress manner.

Tail docking – removal of part of the tail (usually up to two-thirds) using a hot docking iron, sharp blade (pigs) or tight rubber ring (lambs, cattle); routine tail docking of pigs is not permitted by EU legislation.

Teeth clipping – reduction (cutting) of a piglet's 8 sharp needle teeth shortly after birth using sharp clippers or pliers; routine teeth clipping is not permitted by EU legislation.

Tethering – tying of an animal (usually grazing animals such as cattle and goats, but also sows) to a fixed point; tethering prevents an animal from carrying out its normal behaviour, not permitted in the EU for calves (certain exceptions) and pigs.

Toe clipping – the removal of the ends of toes, including the whole toenail, in poultry.

Triploidy – triploid fish have one extra set of chromosomes than the natural diploid state, rendering them sterile. Aquaculture using artificially induced triploidy avoids problems such as early sexual maturation and interbreeding between wild and cultured fish. However, triploids may be more susceptible to eye cataracts, temperature stress, deformities, and suffer slower growth and lower survival rates.

Veal crate – a pen or box to confine a single dairy calf; calves are often tethered in these systems and do not have adequate space to turn around; the use of veal crates is prohibited in the EU and some US states.

Welfare outcome measures – performance measures directly linked to the physical, emotional and/or behavioural wellbeing of animals.

- 1 BBFAW Briefing, 'How Companies are Using the BBFAW' (2017), <https://www.bbfaw.com/media/1501/2017-briefing-how-companies-are-using-the-bbfaw.pdf>
- 2 Previous Benchmark reports (for 2012, 2013, 2014, 2015 and 2016) can be downloaded from <https://www.bbfaw.com/publications/>
- 3 BBFAW has produced guidance and other materials on issues such as the business case for farm animal welfare, best practices in management and reporting, and new and forthcoming farm animal welfare related regulations and policies. These can be found at <https://www.bbfaw.com/publications/>
- 4 For a more detailed discussion of the Benchmark criteria, see the 2017 Methodology Report at www.bbfaw.com/publications. The modifications to the Benchmark criteria have been based on a formal consultation on the scope and criteria for the 2017 iteration of the Benchmark (see <https://bbfaw.com/media/1503/2017-briefing-summary-of-responses-to-the-2017-bbfaw-consultation.pdf>), on the feedback received from formal surveys of how food companies and investors are using the Benchmark (see <https://bbfaw.com/media/1501/2017-briefing-how-companies-are-using-the-bbfaw.pdf> and <https://bbfaw.com/media/1502/2017-briefing-how-investors-are-using-the-bbfaw.pdf>) and on our active engagement with investors and with companies on the business and investment case for farm animal welfare.
- 5 Our current thinking is that the Performance Reporting and Impact questions will represent approximately 30-35% of the overall score in 2018. We will consult on the weighting to be assigned to these questions as part of the consultation around the 2018 Benchmark.
- 6 For more information, see Appendix 2 to this report and the 2017 Methodology Report at www.bbfaw.com/publications.
- 7 <http://www.premierfoods.co.uk/responsibility/Driving-high-ethical-and-environmental-standards/Animal-Welfare>
- 8 <https://cranswick.plc.uk/taking-responsibility/animal-welfare>
- 9 <https://corporate.marksandspencer.com/plan-a/food-and-household/product-standards/farm-animal-health-and-welfare>
- 10 http://shared.real.de/handeln_aus_verantwortung/einkaufsleitlinie-tierwohl.pdf (p6)
- 11 <https://www.tescopl.com/little-helps-plan/reports-policies-and-disclosure/animal-welfare-policy/more-information-on-our-uk-animal-welfare/>
- 12 <https://www.mbplc.com/responsibility/goodfood/overarchingpolicy/scope/>
- 13 https://www.aldi-nord.de/content/dam/aldi/germany/bewusst-einkaufen/nachhaltigkeit/tierwohl/tierwohleinkaufspolitik/ALDI-North-Germany_National-Animal-Welfare-Purchasing-Policy.pdf.res/1505226608895/ALDI-North-Germany_National-Animal-Welfare-Purchasing-Policy.pdf
- 14 http://www.nestle.com/asset-library/documents/library/documents/corporate_social_responsibility/nestle-csv-full-report-2016-en.pdf (p76)
- 15 For example, the Joint Animal Protection Organization Statement on Broiler Chicken Welfare Issues, launched in November 2016, involves nine leading NGOs in the US (including Compassion in World Farming and World Animal Protection) agreeing a unified 'corporate ask' on broiler welfare standards. To date, more than 60 US companies have made public commitments that align with these asks.
- 16 <http://www.aramark.com/about-us/news/aramark-general/environmental-sustainability-performance>
- 17 <https://www.eliorgroup.com/corporate-responsibility/sustainable-ingredients>
- 18 http://www.kraftheinzcompany.com/pdf/KHC_AnimalWelfarePolicy_10.27.17.pdf
- 19 <https://www.noblefoods.co.uk/assets/PDFs/ANIMAL-WELFARE-RESULTS-2017-UK-2017.pdf>
- 20 <https://www.noblefoods.co.uk/assets/PDFs/ANIMAL-WELFARE-RESULTS-2017-USA-2017.pdf>
- 21 <http://jbs.com.br/en/sustentabilidade/bem-estar-animal/>
- 22 <http://corporate.mcdonalds.com/mcd/sustainability/sourcing/animal-health-and-welfare/issues-we-re-focusing-on/objective-measures.html>
<http://corporate.mcdonalds.com/content/dam/AboutMcDonalds/2.0/pdfs/McD%20Animal%20HW%20Update%20Aug%2017.pdf>
- 23 https://generation-m.migros.ch/dam/jcr:83f78ff4-5866-48c9-9d37-e2802c6b6c2a/2017_Fachdokumentation%20Tierwohl.pdf
- 24 <https://cranswick.plc.uk/taking-responsibility/animal-welfare>
- 25 <https://corporate.greggs.co.uk/sites/default/files/FAW%20Strategy%202017%20v8%20to%20publish.pdf>
- 26 <https://publish.folders.eu/en/fixe/1054712?token=f634cee3558008cf0b46b4916d1fb05e&pageMode=single>
- 27 <https://www.smithfieldfoods.com/integrated-report/2016/animal-care/safe-transportation>
- 28 <http://corporate.marksandspencer.com/plan-a/our-approach/food-and-household/product-standards/raw-materials-commodities-and-ingredients/eggs#e4d857d94d4e40e68654a3d6b62a17ac>
- 29 www.waitrose.com/content/dam/waitrose/Inspiration/Waitrose%20Way/Animal%20welfare/BBFAW%20KPI%20Final.pdf
- 30 See, for example, <https://bbfaw.com/media/1501/2017-briefing-how-companies-are-using-the-bbfaw.pdf> and <https://bbfaw.com/media/1503/2017-briefing-summary-of-responses-to-the-2017-bbfaw-consultation.pdf>
- 31 We estimate that we have engaged with over 300 investment institutions in this time.



Food Business

Compassion in World Farming: Food Business Programme

Since 2007, Compassion's corporate engagement team has pioneered a unique partnership approach to working with the world's leading food businesses to raise the baseline standards of welfare for farm animals, and so effect change at scale.

We work with supermarket chains, food manufacturers and producers, and food service companies at every stage of their journey to improve farm animal welfare. Our approach is collaborative and solutions-led, built on trust and mutual respect, and is described by our partners as 'challenging, but supportive and practically relevant'.

Our team of specialist staff have extensive farm animal welfare knowledge, with backgrounds in scientific research, veterinary medicine, supply chain management, corporate social responsibility, and marketing communications. Our resources are evidence-based and include scientific review, rationale and best practice case studies, designed to help companies achieve their goals. To date, over 1 billion farm animals are set to benefit through our corporate partners commitments and practices.

We work with companies at the start of their journey to develop and strengthen full and transparent welfare policies and strategies. At a deeper level, we can help map out specific welfare issues in their supply chain and plot a course for continuous improvement. To date, more than 377 million animals have the potential to benefit from our project work with partners.

Our Good Farm Animal Welfare Awards recognise market-leading companies for delivering higher welfare criteria for key species: laying hens, broiler chickens, dairy cows and calves, sows and meat pigs, and breeding and meat rabbits. As of June 2017, more than 442 million animals are set to benefit each year as a result of our awards winners' policies and practices.

We have been successful in securing additional corporate pledges from major food companies to further improve the welfare standards of an estimated 270 million laying hens and broiler chickens (as of June 2017).

Through our marketing activities with food industry partners we are reaching a growing number of consumers, promoting the benefits of higher welfare products and bringing them on the journey towards more humane, sustainable food.

Compassion is a founding partner of the Business Benchmark on Farm Animal Welfare (BBFAW). Our team works with many of the benchmarked companies to strengthen the policy, management, governance and performance impact associated with farm animal welfare, helping them improve their Benchmark ranking and welfare achievements year on year.

We are passionate about ensuring farm animals can lead better lives, experiencing positive mental and physical wellbeing whilst being free to express natural behaviours. Working together with industry we benefit the lives of millions of farm animals each year and represent a community which is actively leading the movement towards more ethical and sustainable food.

More information on the work of the Food Business team at Compassion in World Farming can be found at: www.compassioninfoodbusiness.com



FARM ANIMAL
INVESTMENT
RISK & RETURN

FAIRR

Over 70% of the world's animal products come from animals reared in intensive 'factory farms'. The FAIRR (Farm Animal Investment Risk & Return) initiative was established in 2015 to help investors understand the short and long-term risks arising from intensive livestock production, and to support the assessment and incorporation of material risk factors in their investment processes.

FAIRR believes that the factory farming model presents an iceberg of risks to investors. Above the surface, scandals such as swine flu, avian flu and fipronil contamination have shown how poor animal welfare and industrial production methods can lead to value destruction. Below the surface, there are more substantial risks linked to intensive livestock production, which have the potential to damage long-term performance for investors.

Now backed by investors representing over 4 trillion USD in AUM, FAIRR publishes research and case studies on these issues to help investors integrate risks and opportunities into investment decision-making processes. FAIRR also coordinates collaborative engagements on behalf of its investor network, working with food companies to reduce the level of antibiotics in agricultural supply chains and to build sustainable protein supply chains.

By fostering a culture of collaboration and knowledge sharing, FAIRR aims to help its members to better understand the impact of factory farming, and to effectively manage risks and opportunities associated with investments in the food sector.

See more at www.FAIRR.org

FAIRR is an initiative established by the Jeremy Collier Foundation and Collier Capital and is independent from the Business Benchmark on Farm Animal Welfare.



Global Ghost Gear Initiative

The Global Ghost Gear Initiative (GGGI) is a cross-sectoral alliance committed to driving solutions to the problem of lost and abandoned fishing gear worldwide. It aims to improve the health of marine ecosystems, protect marine animals, and safeguard human health and livelihoods.

Ghost gear poses a very real threat to marine animals. Abandoned, lost and discarded nets, lines and traps are one of the biggest threats to our sea life. This gear traps, injures, mutilates and kills hundreds of thousands of whales, seals, turtles and birds annually.

- At least 136,000 seals, sea lions and large whales are killed each year.
- 640,000 tonnes of gear per year = 50,000 double decker buses.
- 125 tonnes of fish caught = about 1 tonne of gear lost or discarded.

To find solutions to this problem the GGGI operates across three working groups:

- Building evidence and gathering data to create a global picture of the problem.
- Defining best practice guidelines on how to deal with fishing gear, at all stages of its life within the supply chain.
- Creating solutions projects which can be scaled and replicated across the globe.

Our strength lies in the diversity of the GGGI's participants including 63 participants from the fishing industry, the private sector, academia, intergovernmental and non-governmental organisations and an additional 12 Governments. The GGGI's engagement with the UN and involvement in on the ground solutions means that we are mitigating the risk posed by ghost gear locally, regionally and globally.

Join us, and together we can drive economically viable, sustainable solutions towards safer, cleaner oceans. Find out more at **www.ghostgear.org**.

The GGGI is an initiative of World Animal Protection.

For further information please
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www.bbfaw.com



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