



# The Business Benchmark on Farm Animal Welfare

Launch of 2019 Benchmark,  
2 April 2020

Dr Rory Sullivan and Nicky Amos



# Opening remarks



01. Welcome

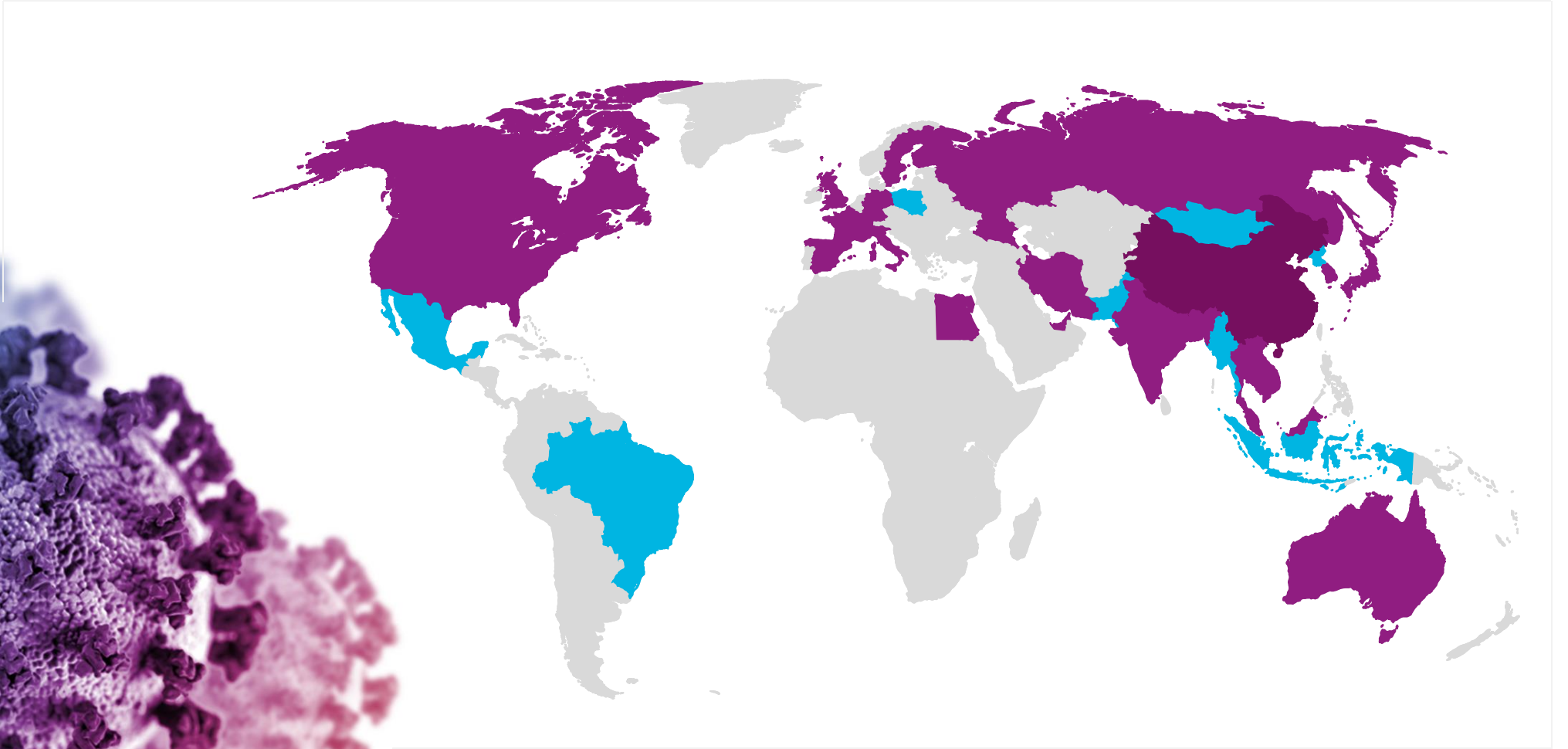
02. Introduction to speakers

03. What we will cover:

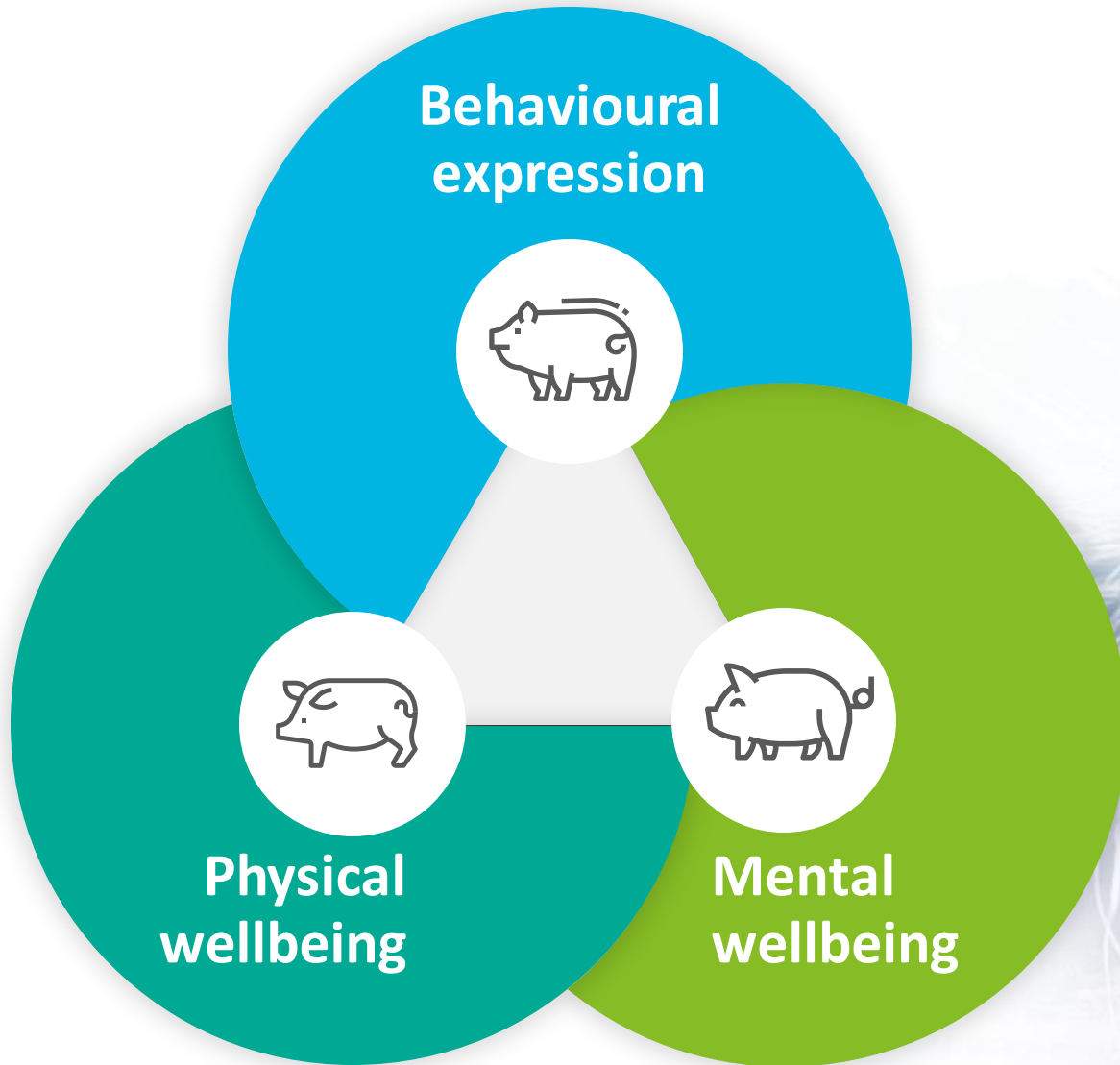
- Overview of the BBFAW programme
- 2019 Benchmark Scope & Methodology
- 2019 Key Findings
- Q&A

04. Housekeeping

# BBFAW in a changing landscape



# What is animal welfare?



01

# 2019 Benchmark: Overview



# About the BBFAW

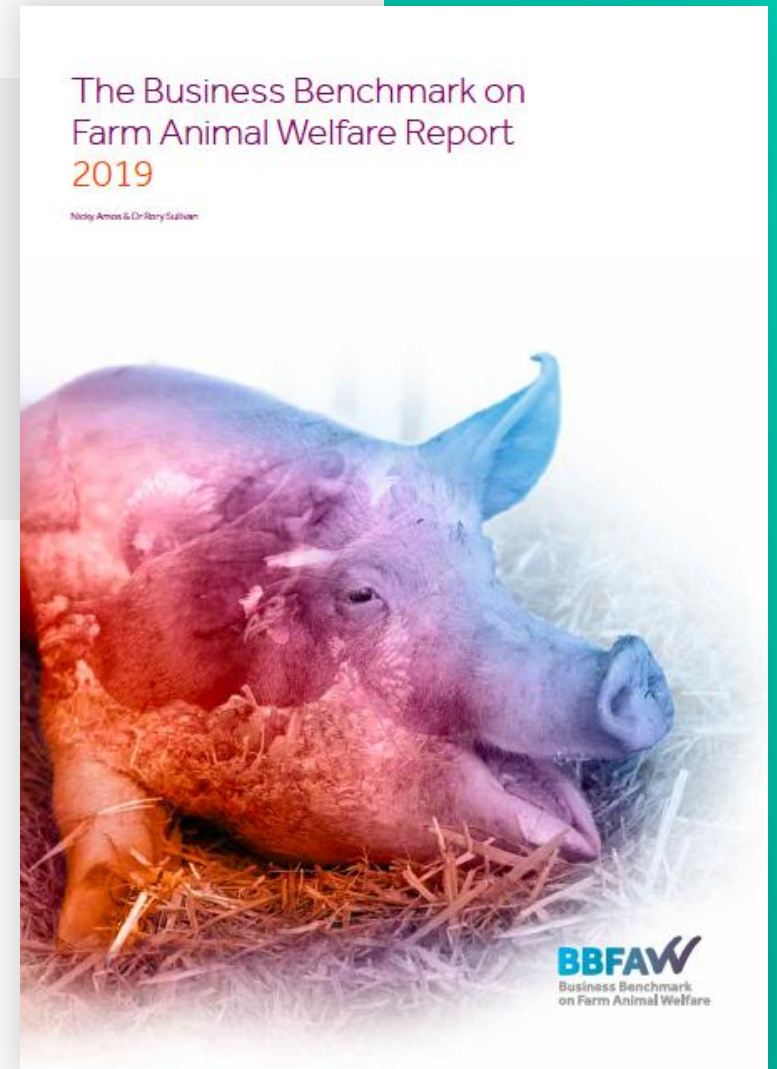
BBFAW is recognised by investors and companies as the **definitive global benchmark** on farm animal welfare management, performance and disclosure



It enables stakeholders to understand corporate practice and **drive improvements** in the welfare of animals reared for food



Supported by **Compassion in World Farming** and **World Animal Protection**



# The Programme

## Annual Benchmark



**150**  
Companies

## Global Investor Statement



**32**  
Investor  
signatories  
(£2.3 trn in AUM)

## Global Investor Collaboration



**30**  
Investors  
(£2.3 trn in  
AUM)

## Investor and Company Engagement



Annual  
surveys



One-on-one  
engagements



Technical  
briefings



# What BBAW means to investors

Faith Ward, Chief Responsible  
Investment Officer,  
**Brunel Pension Partnership**

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“The BBAW Global Investor Collaboration on Farm Animal Welfare amplifies our ability in signalling to the food industry the importance of better farm animal welfare practices and performance.”

Daniel Simard,  
CEO of **Bâtirente**

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“... The analysis and data provided by the BBAW are very useful for fuelling the corporate dialogues that our engagement service provider, Æquo, conducts on our behalf.”

Anton Kristiansson,  
Fund Manager,  
**Simplicity AB**

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“Our impact on companies’ efforts to improve farm animal welfare would be much lower without BBAW.”

Kristen Le Mesurier,  
Portfolio Manager,  
**AMP Capital Ethical Leaders Fund**

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“The Business Benchmark on Farm Animal Welfare (BBAW) is helping the community get better visibility and understanding of animal welfare issues and how food companies are managing them..”

Greta Fearman, Sustainable  
Responsible Investment Officer,  
**ACTIAM**

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“BBAW allows investors to speak with a collaborative voice to encourage companies in improving their standards for animal welfare, and to reduce their related material risks.”



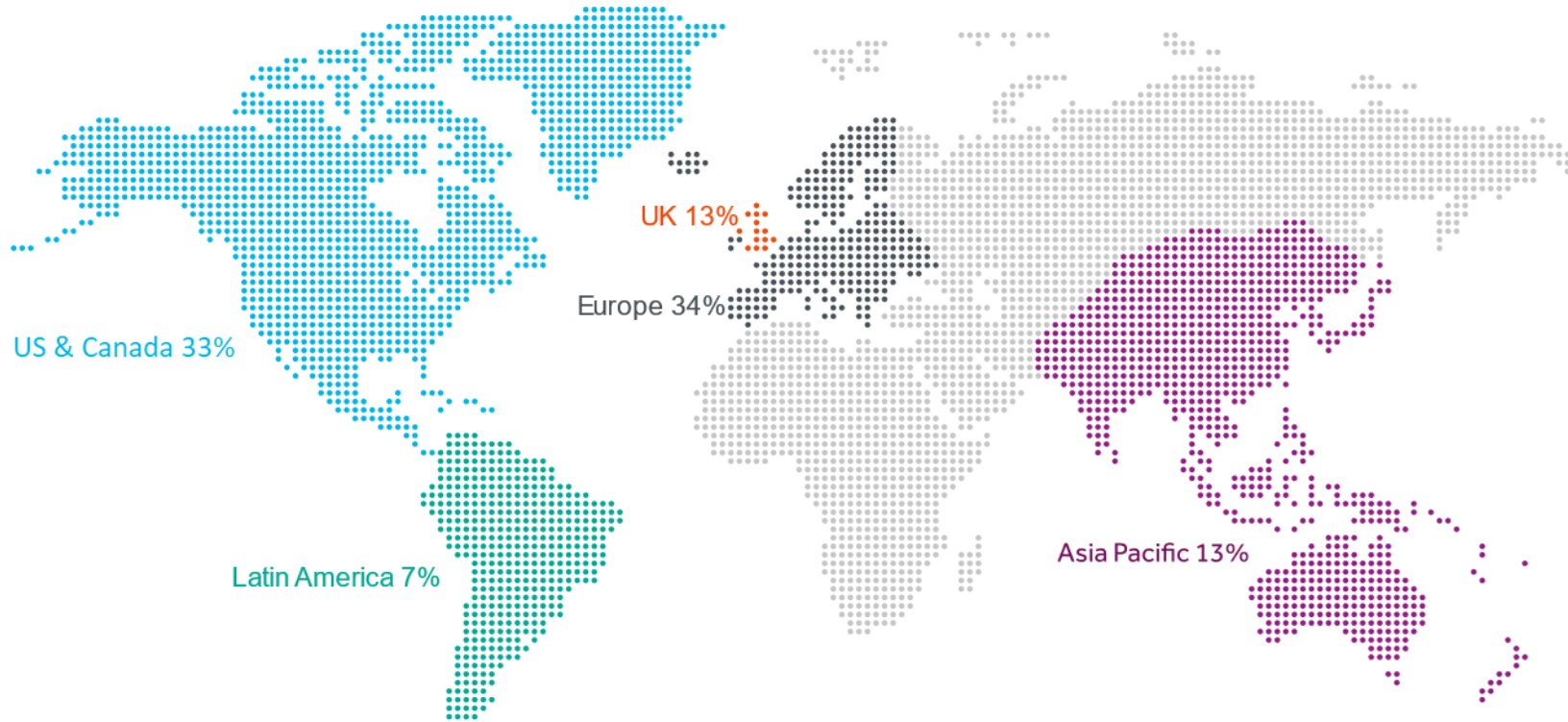


02

# 2019 Benchmark




# 2019 Coverage



 **150**  
Companies

 **24**  
Countries

 **52**  
Food retailers and wholesalers

 **63**  
Food producers

 **35**  
Restaurants and bars

# Methodology

## Annual assessment based on published information

35%

Performance Reporting and Impact

26%

Management Commitment and Policy

11%

Leadership and Innovation

28%

Governance and Management



### 2019 Benchmark questions and scoring

#### Management Commitment and Policy

##### Q1. Does the company acknowledge farm animal welfare as a business issue?

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.

No evidence that farm animal welfare is regarded as a relevant business issue.	0
The company identified farm animal welfare as a relevant business issue.	10

(Max Score 10)

##### Q2. Does the company publish an overarching corporate farm animal welfare policy (or equivalent)?

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.

No evidence of a formal policy statement (or equivalent) on farm animal welfare.	0
The company has a broad commitment to farm animal welfare in a policy statement (or equivalent) but no description of how the policy is to be implemented.	5
The company has a 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)

##### Q3. Does the policy statement provide a clear explanation of scope?

Understanding the scope of a policy is important to understand the breadth of a company's commitment to action on farm animal welfare.

###### Geographic scope

Not specified	0
Scope is limited to certain specified geographies	2
Scope is universal across all geographies	5

###### Species scope

Not specified	0
Scope is limited to certain specified species	2
Scope is universal across all relevant species	5

###### Product scope

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)

# Changes to 2019 Methodology

## Removal of 2 Questions



### Innovation & Leadership Section

⊗ External recognition / awards

⊗ Non-animal protein

## Introduction of 4 Questions



### Policy & Management Section and Performance Reporting & Impact Section

⊗ Species-specific environmental enrichment

⊗ % animals with species-specific enrichment

⊗ % broiler chickens from slower growing breeds

⊗ % animals subjected to repeat stunning

## Adjusted Weighting



### Performance Reporting & Impact Section

⊗ Overall weighting unchanged

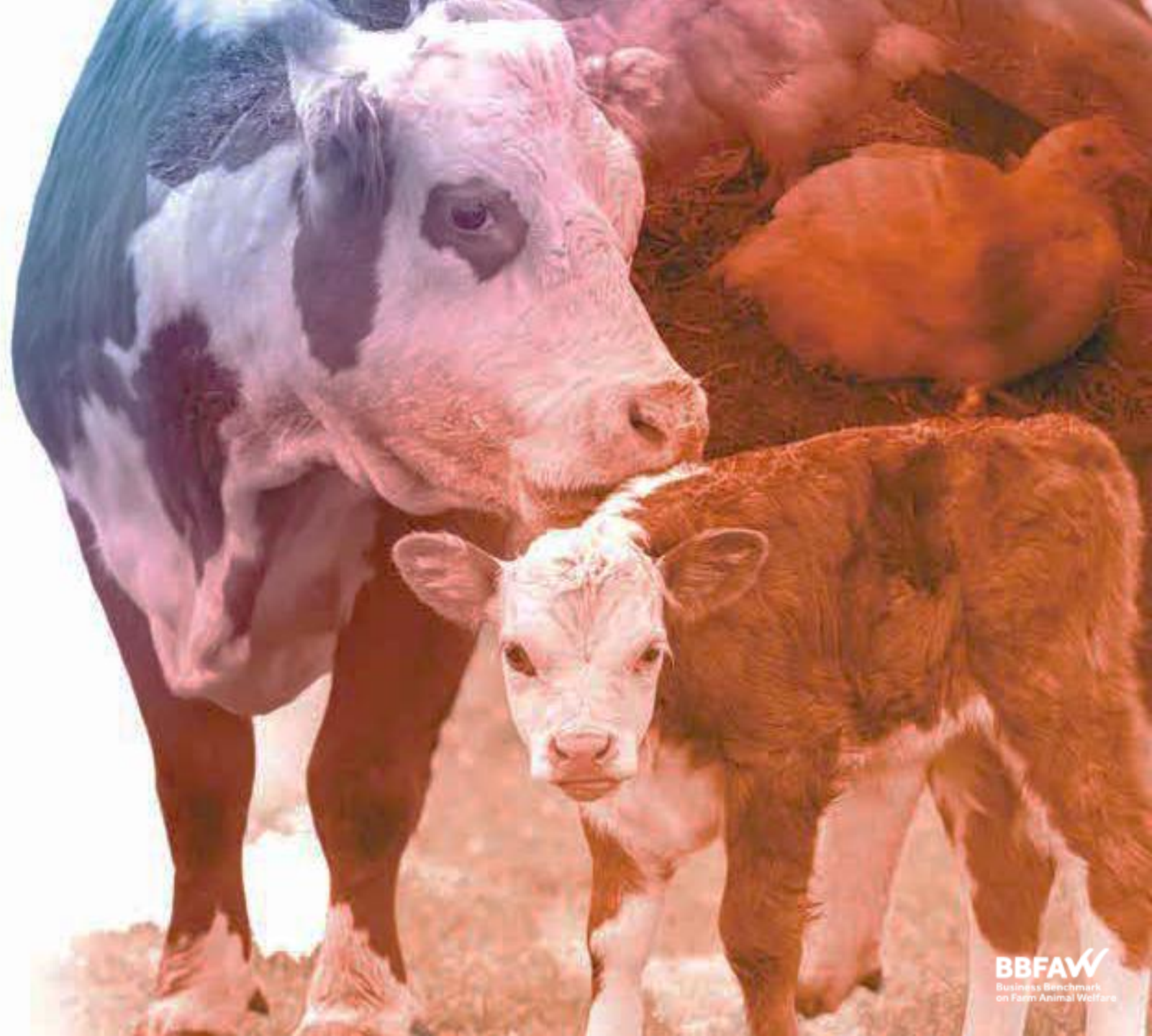
⊗ Weighting of performance impact questions now account for 56% of overall scores in this section



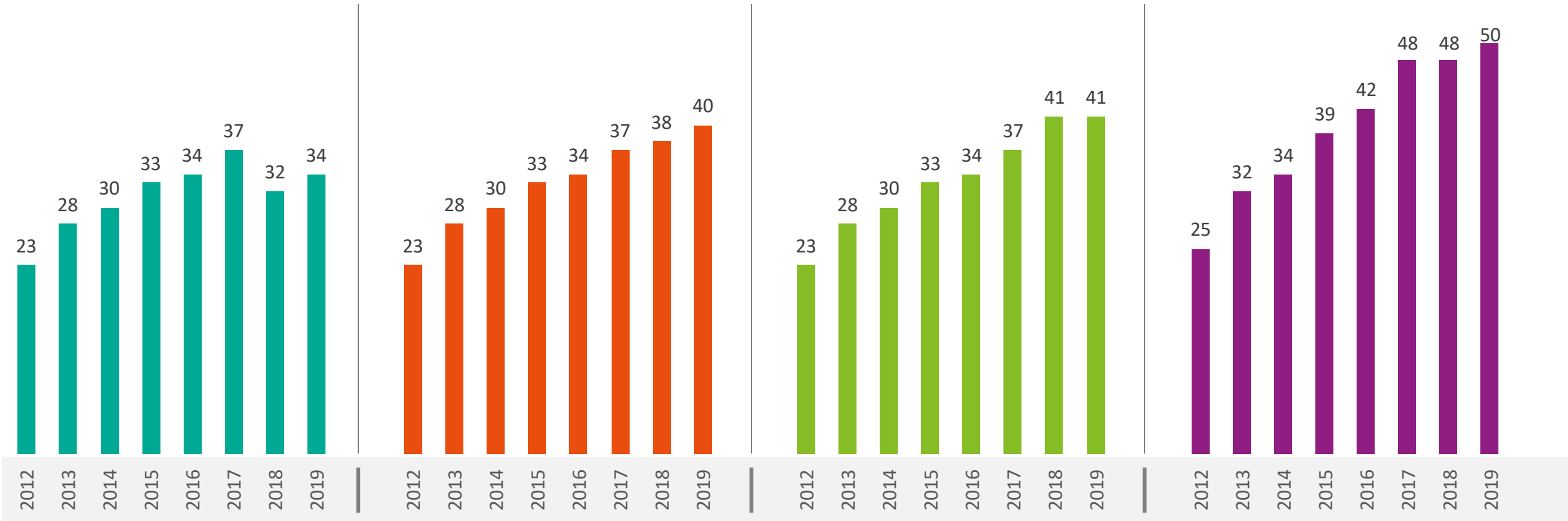
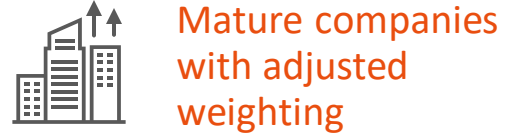
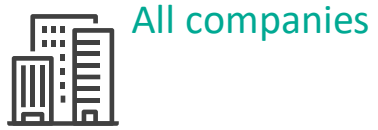
03

2019

Key Findings



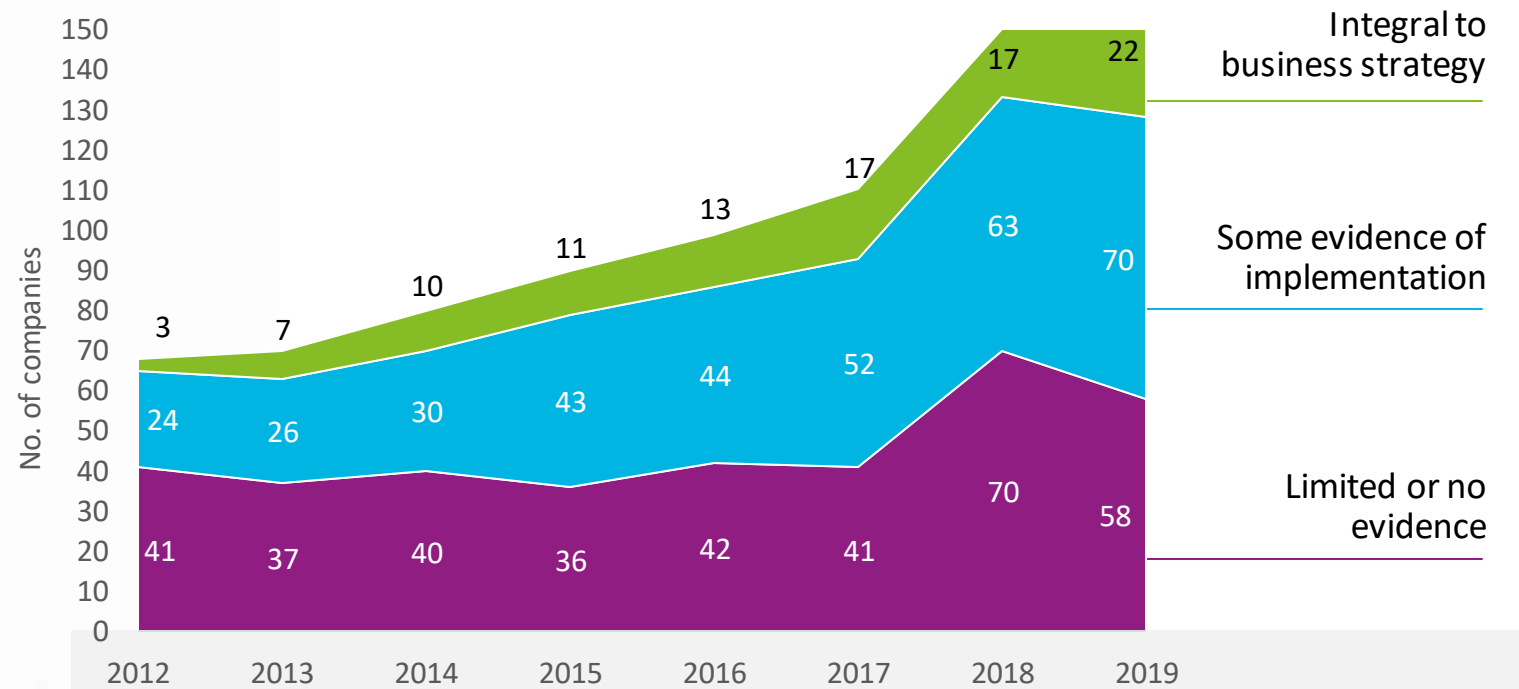
# Overall Average Scores by Year (%)



# Headline Finding 1



The pace of change is accelerating - companies increasingly recognize farm animal welfare as integral to business strategy



# Companies improving by at least 1 Tier (2018-2019)

## Retailers and wholesalers

- Aldi Süd
- Auchan
- Colruyt
- Coopérative U  
Enseigne (formerly  
System U)
- E Leclerc
- Edeka Group
- Jeronimo Martins
- Les Mousquetaires
- Migros
- Sysco Corp

## Producers and Manufacturers

- Agro Super
- Associated British Company
- Cooperl Arc
- Danish Crown
- Fonterra
- General Mills
- Hilton Food Group
- LDC
- Maple Leaf Foods
- Minerva Foods
- Mowi (formerly Marine Harvest)
- Nestlé
- Premier Foods
- Terrena Group

## Restaurants and Bars

- Chipotle Mexican Grill
- Darden Restaurants PLC
- Mitchells & Butlers PLC
- SSP Group
- Subway / Doctor's  
Associates Inc





# Companies falling by 1 Tier (2018-2019)

## Retailers and wholesalers

- Lidl
- Loblaw

## Producers and Manufacturers

- KraftHeinz
- Marfrig Alimentos SA
- Modales to Mondelez International
- Unilever NV
- Vion Food Group

## Restaurants and Bars

- Dunkin' Brands



# Headline Finding 2

Companies are working to ensure their farm animal welfare management systems are effective



**88 companies**

59% now have explicit board or senior management oversight of farm animal welfare (vs 43% in 2018)



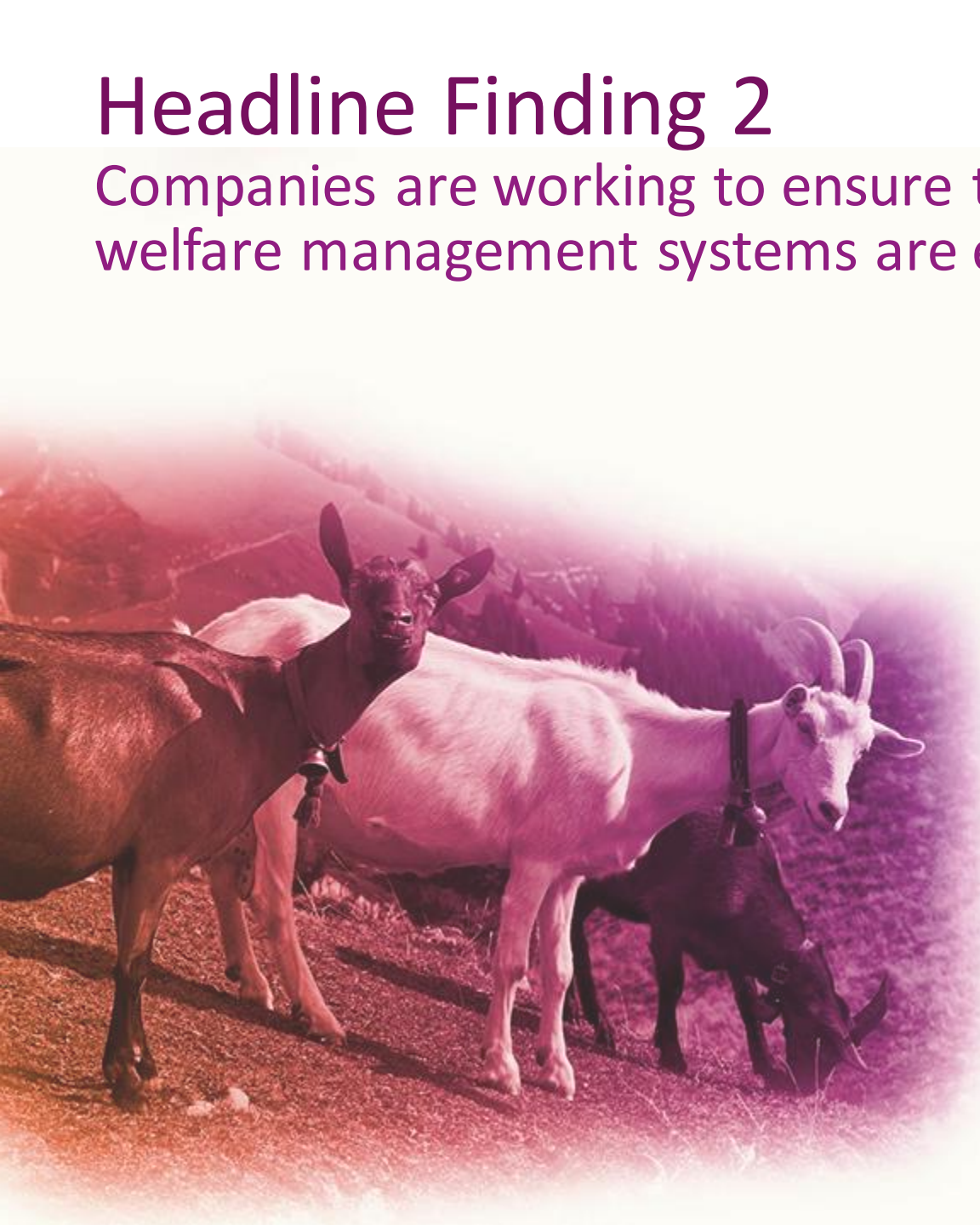
**112 companies**

75% have now set farm animal welfare-related objectives and targets (vs 71% in 2018)



**94 companies**

63% describe how they monitor and audit the farm animal welfare performance of their suppliers



04

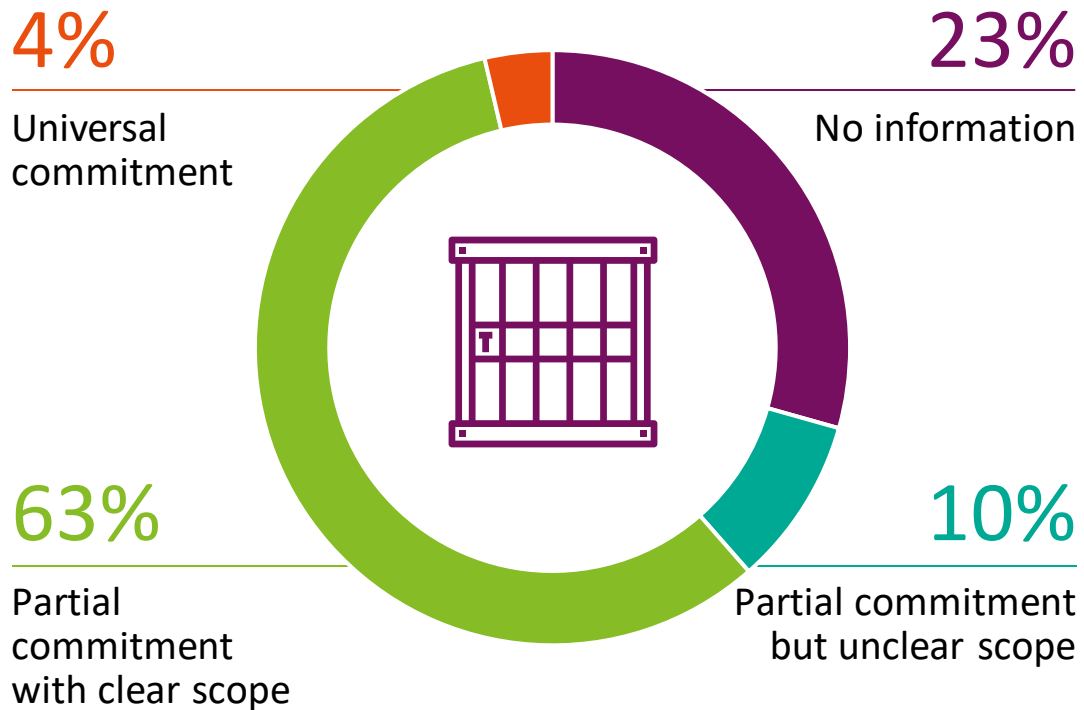
# From Management Systems and Processes to Performance



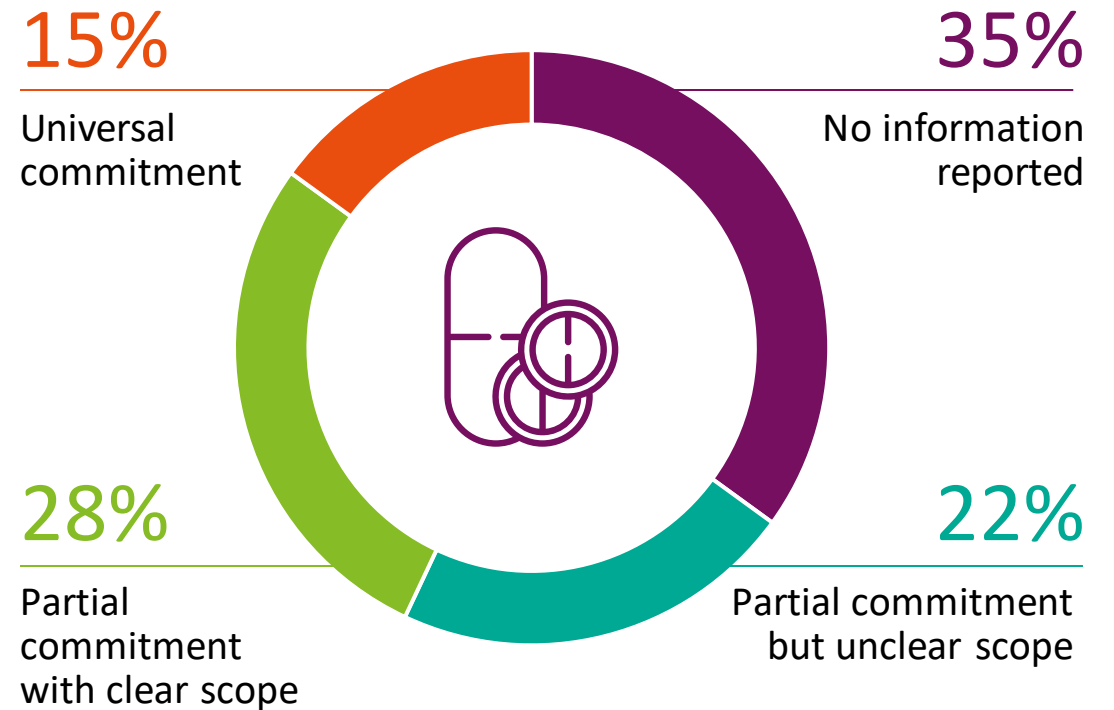
# Headline Finding 3a

Companies are prioritising action on close confinement and non-therapeutic antibiotic use

### Commitment to avoidance of close confinement



### Commitment to avoidance of routine antibiotics



# Headline Finding 3b

Companies are responding to calls for increased disclosure on their farm animal welfare performance



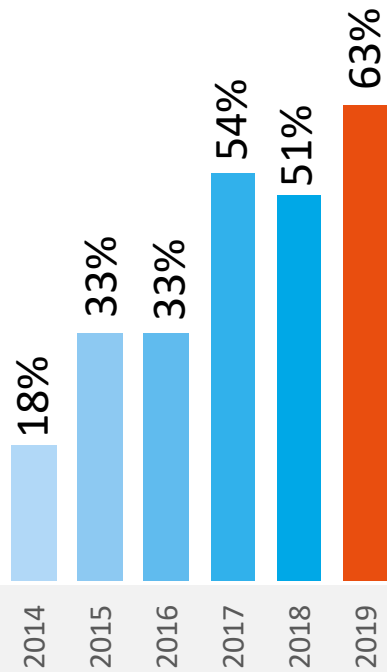
In 2019, **104 companies (69%)** now report at least some performance data.

This is an improvement on the 62% of companies reporting performance in 2018 and 59% of companies in 2017.

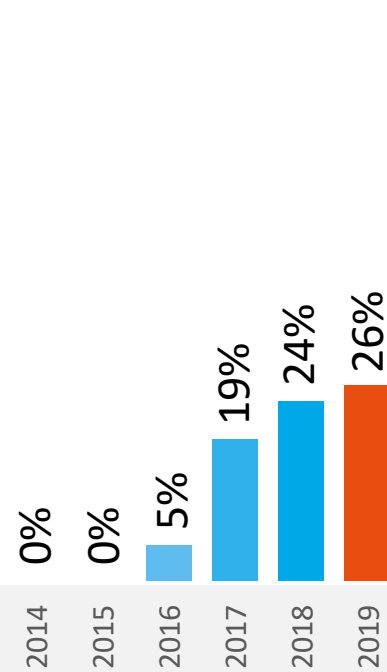


# Welfare impact reporting

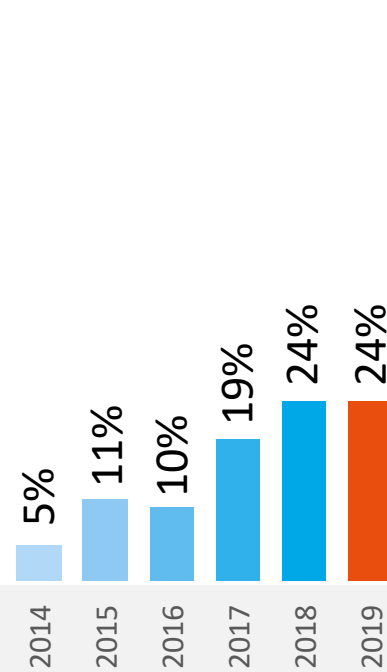
% animals free from close confinement



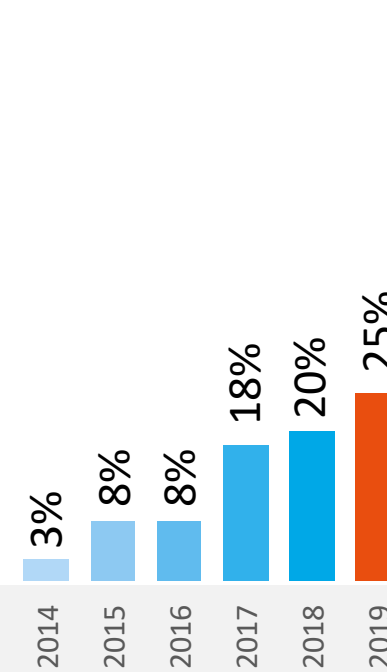
% animals free from routine mutilations



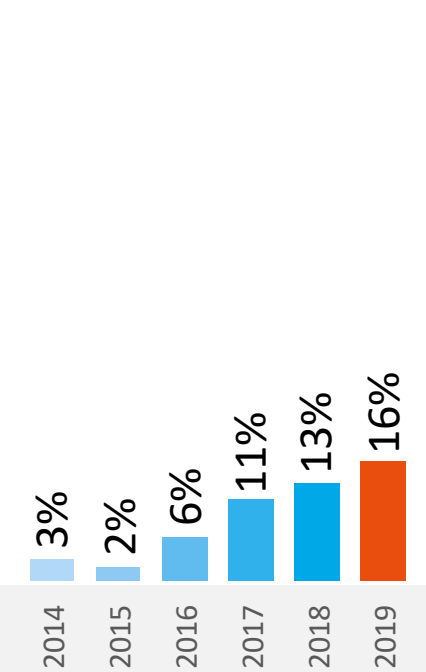
% animals pre-slaughter stunned



% animals transported in <8hours



% companies reporting welfare outcome measures



Note: Performance reporting questions have been introduced from 2014, with additional questions introduced in 2016, 2018 and 2019.

# 4

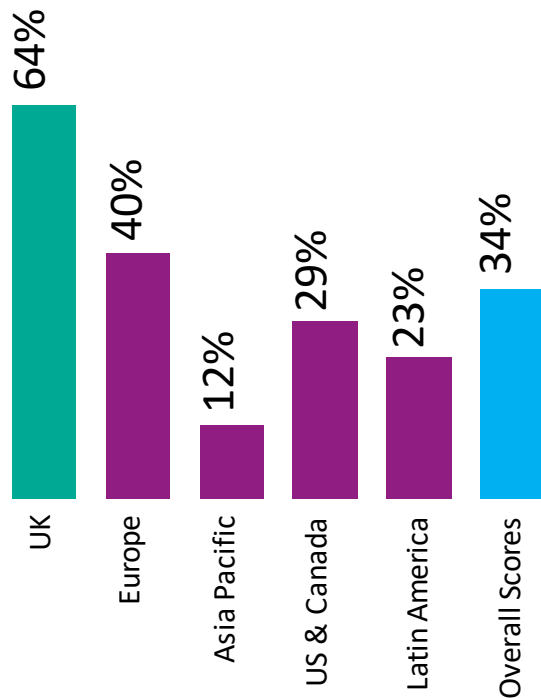
## Regional and Sectoral Variations



# Headline Finding 5

The UK has a clear leadership position

## Overall average score - Regions



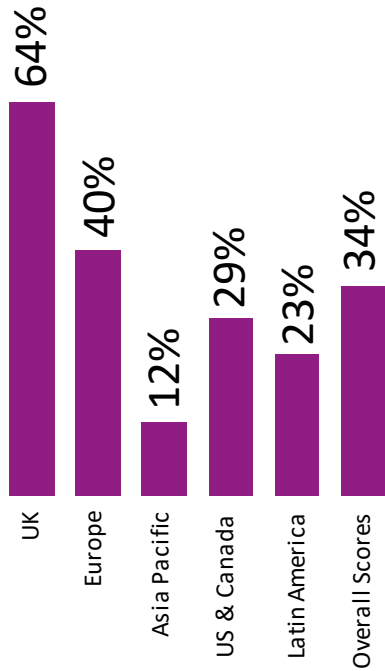
- UK Retailers achieved the highest overall average scores on Governance and Management (87%) and on Performance Reporting and Impact (61%).
- UK Restaurants and Bars achieved the highest overall average scores on Management Commitment and Policy (91%) indicating a strong focus on clarifying commitments on key welfare issues.



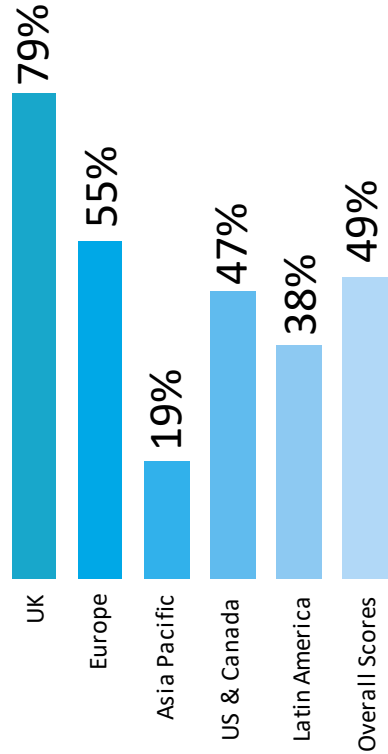
# Headline Finding 5

The UK has a clear leadership position

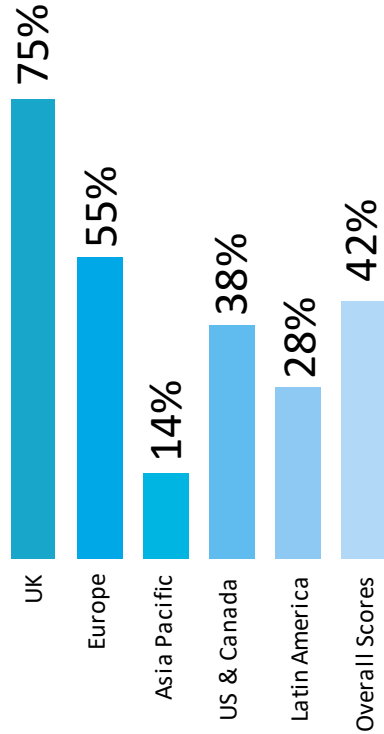
Overall score



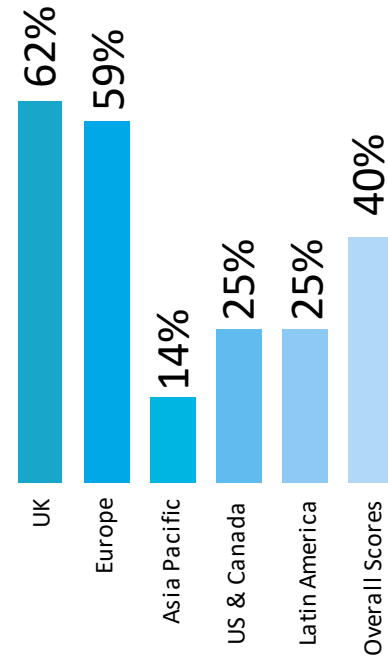
Management commitment



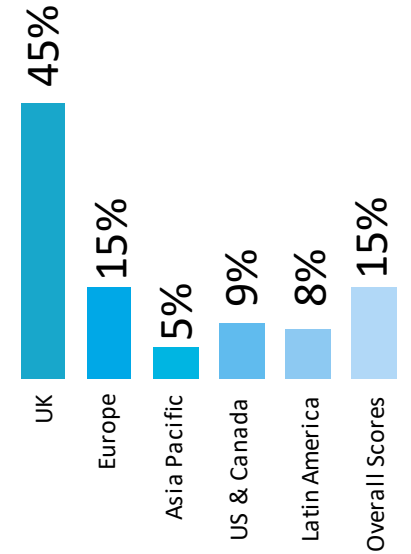
Governance and management



Innovation and leadership

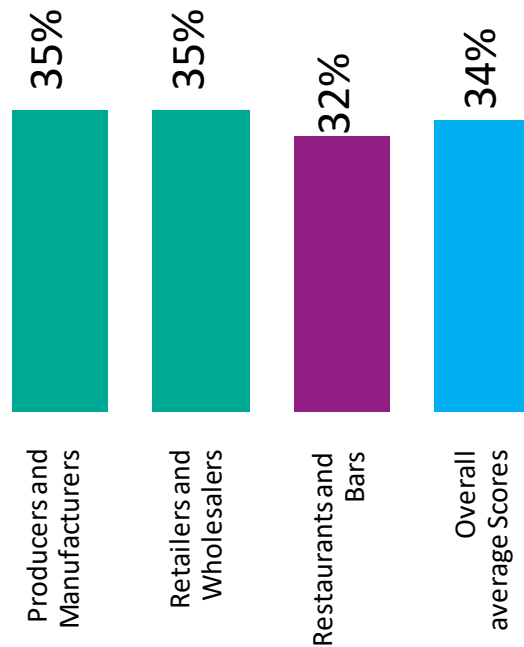


Performance reporting and impact



# Sectoral variations

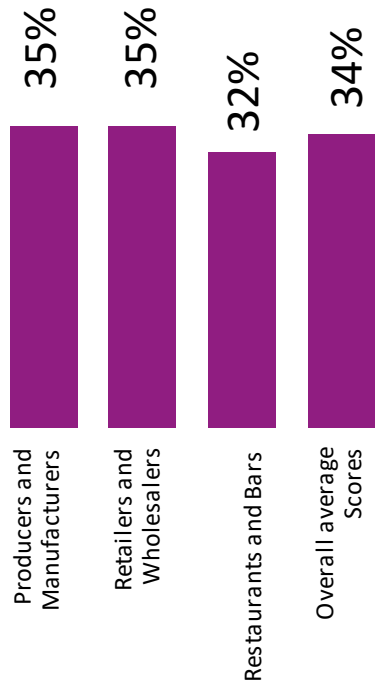
## Overall average score - Subsectors



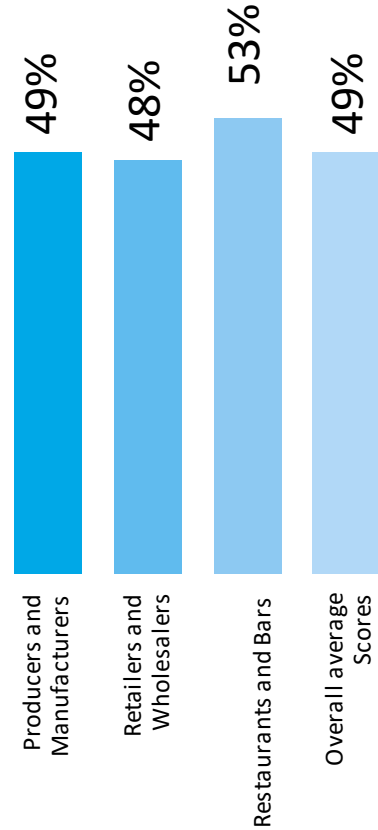
- The Retailer and the Producer and Manufacturer subsectors increased overall average scores to 35% in 2019 (from 32% and 31% respectively in 2018).
- The Restaurants and Bars sector's overall average score remained static at 32%.

# Sectoral Variations

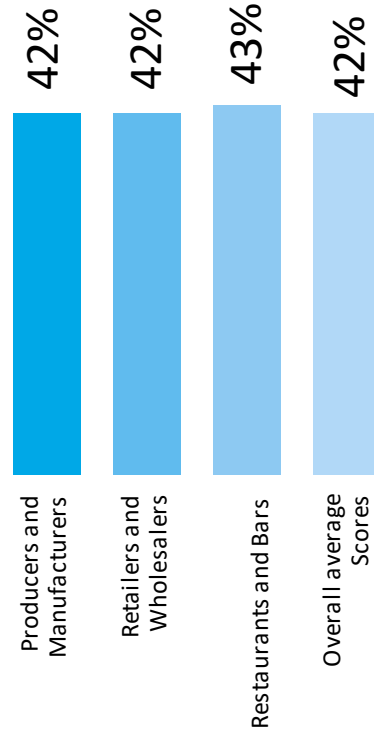
## Overall score



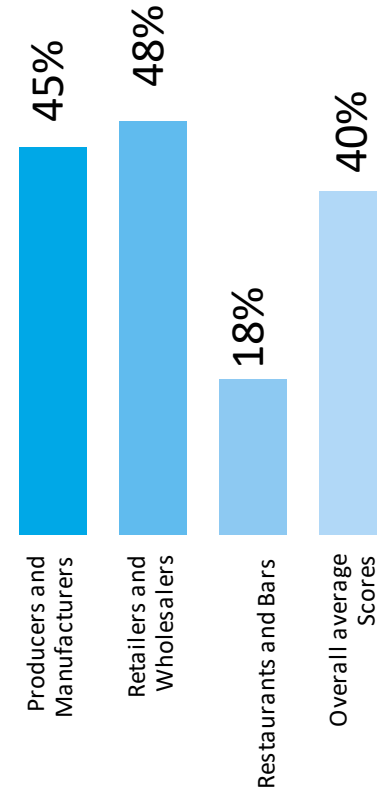
## Management commitment



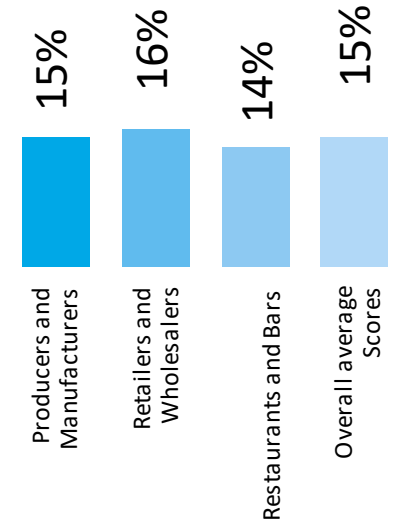
## Governance and management



## Innovation and leadership



## Performance reporting and impact



# Wider reflections

- 01 | The landscape of farm animal welfare is **changing dramatically** and **at a faster pace** than in previous years
- 02 | The BBFAW is a **key driver for change**
- 03 | There is a growing number of **leadership companies** in the Benchmark - across industry sub-sectors and geographies
- 04 | **Investor action** is helping to raise the profile of farm animal welfare and is creating pressure on companies to manage business risks and opportunities presented by farm animal welfare
- 05 | Farm animal welfare continues to be a **systemic risk** that many food companies are either not effectively managing or not properly reporting



05

# Conclusions and Looking Forward



# Key conclusions:



With 22 companies in Tiers 1 & 2, **peer pressure and peer leadership is driving change.**



**Consumer interest in animal welfare is the primary driver** for companies to focus on farm animal welfare, according to 79% of respondents to the BBFAW 2019 company survey



**BBFAW has helped to define core expectations** for companies, build investor and company consensus around these expectations and has catalyzed change within companies and in the investment community



**More to be done to institutionalize farm animal welfare** in the investment industry and to continue to drive standards of practice and performance in food companies

# How will BBFAW accelerate impact (2020-21)?



Strengthen the signals being sent by investors to food companies about the importance of farm animal welfare as a business issue



Raise investor awareness of the investment risks and opportunities associated with farm animal welfare



Engage with companies to improve their disclosure, management and performance reporting on farm animal welfare



Launch regional evaluations, starting with **BBFAW Nordic**



# Outlook: 2020-21



The number of companies will remain at 150



No substantive changes to the questions and no new questions



Scoring of four new questions in 2019 will be included in companies' overall scores



We may review balance of scoring across Performance Reporting & Impact questions, but overall weighting will remain at 35%





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Q&A





Thank you for participating!

For more information visit [www.bbfaw.com](http://www.bbfaw.com)

Or email [secretariat@bbfaw.com](mailto:secretariat@bbfaw.com)

