

ANIMAL WELFARE

Background

Over 800 million broiler chickens¹ and 9.4 million pigs² are reared in the UK every year and there are around 34 million hens involved in egg production³. To meet this level of production, most modern farms operate intensive systems. A growing number of people are concerned about such production methods and seek to support products that guarantee higher standards of animal welfare.

Testing of cosmetic products or ingredients on animals ended in the UK in 1998. In the European Union, the Seventh Amendment of the Cosmetics Directive banned animal testing of cosmetic products and ingredients from 2009, and introduced a marketing ban on the sale and import of virtually all cosmetics tested on animals. However, the practice continues elsewhere in the world, and the sale of animal-tested products in the UK will not be fully phased out until 2013.

Materiality and strategy

As a major food retailer, The Co-operative has a significant impact on animal welfare standards through the products it sells. In the Food Ethical Policy consultation, animal welfare was identified as the second most important ethical issue for members. Animal welfare is a major part of the Ethical Operating Plan (page 13), and customer-mandated ethical policies for the banking and investments business both identify animal testing, the fur trade, intensive farming and blood sports as issues of concern.

Around 850 own-brand fresh, and 80 own-brand frozen⁴, meat and poultry lines are sold in Food stores. The Co-operative seeks to improve baseline production standards for the most intensively farmed animals – such as pigs and poultry – through the development of its own-brand Elmwood higher welfare range and sales of RSPCA welfare standard Freedom Foods. The acquisition of Somerfield has brought higher welfare products to a wider customer base; for example, prior to 2009, free-range eggs were not widely available across former Somerfield stores.

Targets 2010	Progress	Targets 2011
Indicator: Standards and assurance of food production		
		Ensure primary own-brand suppliers install CCTV in abattoirs during 2011.
Indicator: Range and sales of products from animals reared to higher welfare standards (Performance recognition page 33)		
Further extend the range of chicken products accredited to Elmwood standards.	✓ Standards extended to cooked 'ready to eat' chicken products (page 34).	EOP Continue to ensure that shoppers operating on a variety of budgets have the opportunity to support higher baseline animal welfare standards, and that all shell eggs and egg ingredients in own-brand products are at least free-range.
Extend the range of turkey products accredited to the Elmwood standard.	✓ Standards extended to all non-seasonal fresh and frozen products, eg turkey fillets (page 34).	
Implement Elmwood standards across own-brand fresh and frozen pork and sausage ranges.	✓ Standards developed during 2010 and launched in April 2011 (page 35).	EOP Extend higher baseline standards, Elmwood, from chicken and turkey to pork in 2011.
		EOP Improve the animal welfare standards for dairy cows, together with environmental impacts, by developing a dedicated supply chain for milk.
Indicator: Sales of accredited toiletry and household products		
		EOP Continue to take a lead on the issue of animal testing of cosmetic and household products.

Social responsibility

Ecological sustainability

Delivering value

Assurance

Performance recognition

In 2010, The Co-operative received the RSPCA's 'People's Choice Supermarket Award' for the second year running, as voted for by the UK general public.



Standards and assurance of food production



In the main, basic animal welfare is assured via farm assurance standards⁵, which are sometimes signified by a Red Tractor Mark or Quality Standard Mark⁶.

The Co-operative has developed additional standards in relation to live animal transport and slaughter, which apply to all own-brand products. Livestock can only be transported for a maximum of six hours – thought to be the lowest maximum transportation time allowed by any major national food retailer. All livestock reared for own-brand products must be pre-stunned prior to slaughter, in accordance with the Humane Slaughter Association species codes of practice. During 2011, primary own-brand suppliers will be required to install CCTV in all abattoirs.

Independent third-party auditors are used to check compliance with the requirements of various industry-led standards⁷. The Co-operative Technical Team undertakes additional meat and poultry inspections – some 158 in 2010 (2009: 151). Although these focus primarily on product quality, safety and legality, where appropriate, animal welfare matters are considered. In addition, a further 33 farm visits were undertaken in 2010 specifically to cover animal welfare matters (2009: 23). The online database that records key animal welfare indicators, currently in place on Elmwood chicken supplier farms, will be extended to Elmwood turkey and pig supplier farms in 2011.

Increase in Elmwood and Freedom Food sales

157% increase in sales of Elmwood and Freedom Food higher welfare products since 2008

Range and sales of products from animals reared to higher welfare standards

In 2010, sales of higher welfare products totalled £204m, with 235 lines available in Food stores⁸. Support for higher welfare is predominantly provided through own-brand Elmwood standards and RSPCA Freedom Food accreditation. In 2010, sales of Elmwood products were almost double that of the previous year, and Freedom Food sales continued to grow. Growth was driven by the introduction of higher welfare standard products across former Somerfield stores. The number of Freedom Food products available decreased in 2010, due to range consolidation and a greater focus on the Elmwood range. Free-range, organic production and traditional breed production are also supported.

Higher welfare standards are detailed online, along with further explanations of individual product requirements.

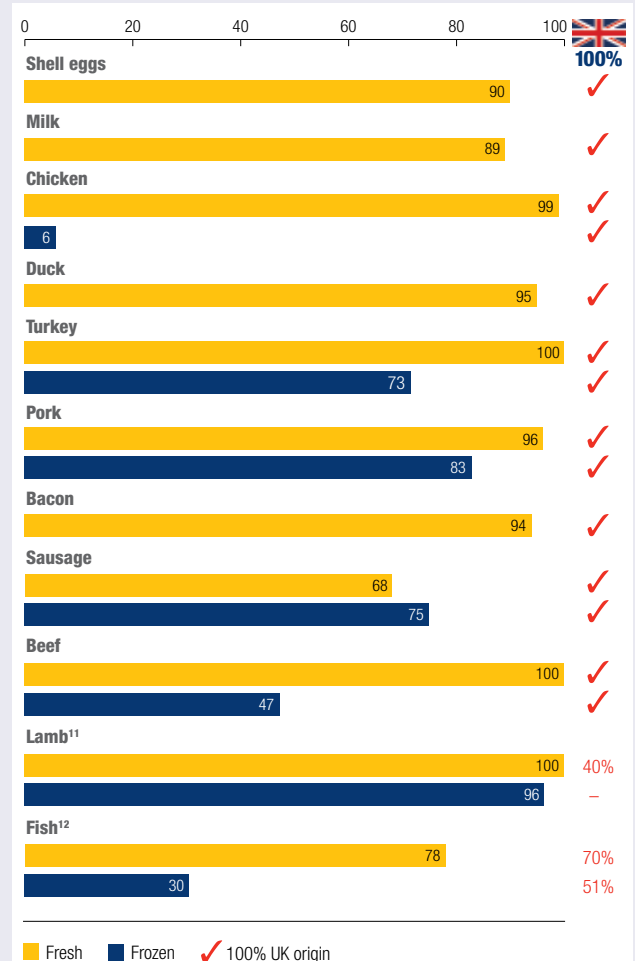
Elmwood sales

	Number of lines	Total sales (£m)
2008	66	38
2009	108	57
2010	140	111

Freedom Food sales

	Number of lines	Total sales ⁹ (£m)
2006	49	17
2007	90	28
2008	109	51
2009	107	54
2010	73	63

Own-brand sales 2010, as a proportion of total sales¹⁰ (%)



Community investment

International development and human rights

Animal welfare

Diet and health

Ethical finance

Social inclusion

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UK sourced 2010

100%

shell eggs, milk, fresh and frozen poultry, beef and pig meat sourced from the UK

Eggs and milk production

Since 2008, all shell eggs sold have been free-range, and all own-brand eggs are either Freedom Food (c.90%) or organic (c.10%) accredited. Freedom Food accreditation stipulates lower outdoor stocking densities than conventional free-range outdoor standards. Organic standards offer enhanced animal welfare provision, including the prohibition of mutilations, such as beak trimming. Free-range eggs are used as ingredients in all own-brand product lines (eg quiche).

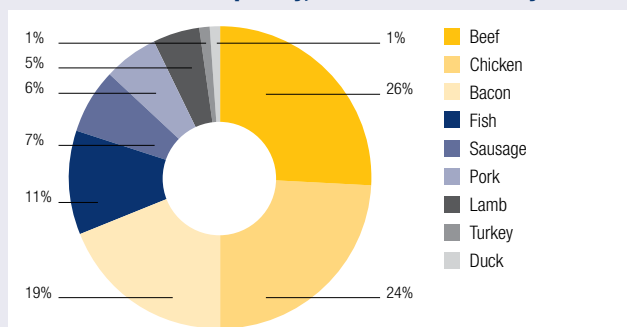


Virtually all (97%) own-brand fresh milk sold in 2010 was assured under the National Dairy Farm Assured Scheme, and is produced by dairy cattle with access to outdoor pasture. The remainder was certified as organic by the Soil Association.

In 2011, a dedicated dairy supply chain will be introduced that will stipulate basic animal welfare standards for dairy cows. Supplier farms will be required to monitor and report on key welfare indicators (eg lameness and mastitis), which will be used to identify where improvements are needed to meet agreed welfare standards.

Poultry, meat and fish production

Total own-brand fresh poultry, meat and fish sales by value



Poultry

All *standard*, own-brand fresh and frozen chicken (whole and portions) continues to be produced to Elmwood standards. Elmwood chicken and turkey standards (introduced in 2007 and 2009 respectively) exceed conventional farm assurance standards, by stipulating lower stocking densities, environmental enrichment and that birds are fed a high cereal vegetarian diet. They also stipulate, unlike RSPCA welfare standards, that birds are provided with natural light.

All *premium* fresh chicken (whole and pieces) is Freedom Food free-range accredited; and sourced from birds with daytime access to range outdoors for at least half their lifetime and a higher minimum slaughter age than conventional standards.

During 2010, the range of prepared products accredited to Elmwood standards was further extended to include cooked 'ready to eat' chicken. Approximately 25% of all prepared chicken, such as cooked meats and 'ready to eat' or 'food to go' products, is now produced using birds reared to Elmwood standards.

All own-brand fresh and frozen whole turkey and turkey crowns continue to be produced to Elmwood standards. During 2010, Elmwood turkey standards were extended to include all non-seasonal fresh and frozen products, eg turkey fillets, steaks and pieces.

As of 2011, 220 farms (2010: 151) were adapted to meet Elmwood poultry production standards.

All fresh duck continues to be Freedom Food accredited, which stipulates that ducks be given access to open water sources that provide the opportunity to engage in natural behaviours, such as preening and the reconditioning of feathers.

Premium-range fresh turkey products

At Christmas 2010, premium-range fresh turkey products were sourced from free-range traditional Bronze breed turkeys, reared on The Co-operative's Stoughton Estate farm, where the birds had access to open pasture

to forage. Free-range turkey standards stipulate stocking densities of approximately half those of conventional standards, a higher minimum slaughter age and environmental enrichment.



Own-brand poultry sales (%)

	2007	2008	2009	2010
Fresh chicken				
Base-level Farm Assurance Standard	90	11	-	-
Elmwood Farm Assurance	7	85	94	95
Freedom Food free-range	2	3	6	5
Organic	1	1	-	-
Fresh turkey				
Base-level Farm Assurance Standard	37	57	72	-
Elmwood Farm Assurance	-	-	27	99
Freedom Food free-range	63	-	-	-
Free range	-	43	1	1

Own-brand poultry sales (%) (cont)

	2007	2008	2009	2010
Fresh duck				
Freedom Food	100	100	100	100
Frozen chicken				
Base-level Farm Assurance Standard	–	95	–	–
Elmwood Farm Assurance	–	5	100	100
Frozen turkey				
Base-level Farm Assurance Standard	–	100	13	–
Elmwood Farm Assurance	–	–	80	98
Free-range	–	–	7	2

Pig meat



Ingredients for all fresh *premium* pig meat products are sourced from Freedom Food accredited, outdoor-reared, traditional Hampshire breed pigs. RSPCA welfare standards exceed conventional farm assurance standards and stipulate a higher minimum weaning age and higher minimum housing requirements.

🎯 In April 2011, Elmwood pig meat standards were introduced for fresh pork and sausages. These standards exceed conventional farm assurance standards, and are comparable in most respects to RSPCA welfare standards¹³. Working with suppliers, The Co-operative Food aims to develop Elmwood standards further and remove use of farrowing crates for indoor-reared pigs.

Beef

All own-brand fresh and frozen beef is assured to conventional farm assurance standards. It is either reared outdoors on grass pasture, with shelter provided for the animals during winter and inclement weather, or reared outdoors on grass pasture during summer and then in open-sided barns on silage during the winter. Ingredients for all fresh premium products are sourced from traditional Scottish Aberdeen Angus breed cattle.

Lamb



Own-brand fresh lamb is sourced on a seasonal basis to Assured British Meat and New Zealand Farm Assurance scheme standards. All fresh lamb is reared outdoors

on grass pasture, with the animals given shelter during the winter and inclement weather. Ingredients for all fresh premium-range products¹⁴ are sourced from Freedom Food lamb, reared in hefted flocks¹⁵. RSPCA welfare standards prohibit castration if the animals are intended for slaughter below the age of sexual maturity.

Own-brand meat sales (%)

	2007	2008	2009	2010
Fresh pork				
Base-level Farm Assurance Standard	92	94	93	93
Freedom Food	8	6	7 (OR)	7 (OR)
Fresh bacon				
Base-level Farm Assurance Standard	92	92	95	95
Freedom Food	8	8	5 (OR)	5 (OR)
Fresh sausage				
Base-level Farm Assurance Standard	67	59	56	58
Freedom Food	33	41	44 (OR)	42 (OR)
Fresh beef				
Base-level Farm Assurance Standard	100	100	100	100
Fresh lamb				
Base-level Farm Assurance Standard	100	98	95	99
Freedom Food	–	2	5	1
Frozen pork				
Base-level Farm Assurance Standard	–	100	100	100
Frozen sausage				
Base-level Farm Assurance Standard	–	90	98	100
Freedom Food	–	10	2	–
Frozen beef				
Base-level Farm Assurance Standard	–	100	100	100
Frozen lamb				
Base-level Farm Assurance Standard	–	100	100	100

OR = Outdoor reared

Fish

All premium-range fresh farmed salmon products are Freedom Food accredited. The Co-operative Food's Responsible Fish Sourcing Policy (page 82) stipulates that all farmed fish must be stunned using an approved method prior to slaughter.

Own-brand fish sales (%)

	2009	2010
Fresh fish		
Base-level Farm Assurance Standard	59	53
Farmed Freedom Food (salmon)	4	2
Farmed organic (trout)	<1	<1
Wild caught	37	45
Frozen fish		
Base-level Farm Assurance Standard	7	8
Farmed Freedom Food (salmon)	8	1
Wild caught	83	91

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Total sales of products not tested on animals 2010

£26.9m

BUAV-accredited toiletries and household product sales. 2009: **£18.2m**

Sales of accredited toiletry and household products

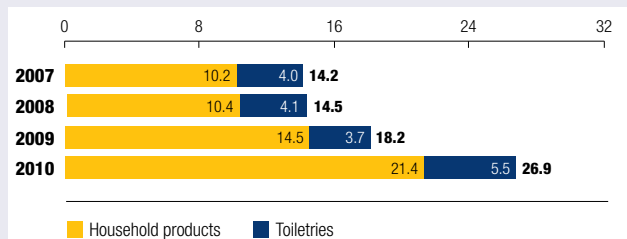


No own-brand toiletry or household products, or their ingredients, have been tested on animals since 1985 or 1997 respectively. All such own-brand products continue to carry the British Union for the Abolition of Vivisection's (BUAV) 'rabbit and stars' logo, providing consumers with independent assurance that products

have not been tested on animals. The near doubling in sales over two years of BUAV-accredited products is largely due to wider availability of own-brand products in Somerfield stores.

BUAV conducts audits every three years to ensure continued conformance with both standards; the most recent audits were carried out in April 2011.

Sales of BUAV-accredited products (£m)



Ethical finance

Bank screening of finance

During 2010, 69 finance opportunities (2009: 63) were referred to the Ethical Policy Unit in connection with animal welfare, of which six were declined (2009: four) at a cost of £168,000 in terms of estimated income foregone in 2010.

Animal welfare-related business declines 2010

	Estimated income foregone 2010
Pet retailer £3.3m lending for a business involved in the sale of pet dogs. Business failed to adequately respond to evidence of systematic failures of breeding suppliers to maintain basic animal welfare standards.	£130,000
Cosmetics manufacturer (two instances) £1.6m lending and banking facilities for businesses involved in the production of cosmetics that did not have a fixed cut-off date for animal-testing of products or ingredients.	£21,000
Abattoir £325,000 lending to an abattoir involved in the slaughter and supply of lamb. Animals were not stunned prior to slaughter.	£13,000

Animal welfare-related business declines 2010 (cont)

Food producer (two instances) Deposit-taking facilities for businesses involved in the intensive, indoor production of poultry and eggs.	£4,000
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The Co-operative Asset Management (TCAM) overseas shareholder resolutions

In 2010, TCAM was presented with 10 overseas shareholder resolutions relating to animal welfare, of which all were supported.

Company	Resolution	Vote registered
McDonald's Corp; Smithfield Foods Inc; Wal-Mart Stores; Wendy's/Arby's Group Inc; Safeway Inc	To ensure all poultry purchased is slaughtered using controlled atmosphere killing, considered a less cruel method of slaughter.	Supported
Bristol-Myers Squibb	To report on animal experiments conducted and efforts towards reducing and replacing animal experimentation.	Supported
Coach Inc	To cease the sale of animal fur products.	Supported
Hormel Foods Corp	To phase out use of gestation crates for pigs and implement animal welfare audits.	Supported
McDonald's Corp	To switch 5% of US egg purchases to 'cage-free' eggs by January 2011.	Supported
Tyson Foods Inc	To adopt a policy to phase out routine use of antibiotics in pig farming in its own operations and supply chain.	Supported

Accompanying notes

- www.ciwf.org.uk/includes/documents/cm_docs/2010/factsheet_meat_chickens.pdf (CIWF factsheet Meat Chickens March 10)
- Defra (2010) United Kingdom Slaughter Statistics www.defra.gov.uk/statistics/foodfarm/food/slaughter/
- www.rspca.org.uk/allaboutanimals/farm/poultry/layinghens/farming. According to the RSPCA, 50% of egg-laying hens are reared in caged systems. The proportion of hens reared in these systems has been decreasing over the last 10 years.
- Fresh and frozen meat and poultry is defined as meat and poultry that has been maintained in a chilled environment in its raw condition and which will require full cooking. Products classified as fresh and frozen meat and poultry include beef, lamb and pork joints; steaks, chops, mince, burgers, sausages, bacon and gammon; whole chickens, turkeys and ducks; and chicken, turkey and duck steaks, fillets and portions.
- Compliance with UK farm assurance standards, or national equivalents, is assured for all own-brand fresh and frozen meat and poultry products. Outside the UK, suppliers are required to ensure, through independent third-party audits, that non-UK producers apply equivalent standards.
- Quality Standard Marks are specifically applied to beef, lamb and pork products.
- Compliance with UK farm assurance standards or national equivalents was assured for all own-brand UK-sourced fresh shell eggs, milk, turkey, duck, beef, lamb, chicken, pork, pig meat for sausage and bacon, and farmed salmon and trout. Whilst compliance with farm assurance standards is similarly stipulated for other meat and poultry products (eg, non-UK cooked meals), and products that contain meat or poultry ingredients (eg, ready meals), evidence of application is much more difficult to secure.
- Includes sales of Elmwood, RSPCA Freedom Food, organic, free-range and traditional breed products. Details of these welfare standards are provided throughout the chapter with further information available online [▶](#). Figures include sales of prepared and 'ready to go' products.
- Egg sales account for approximately half of all Freedom Food sales (2010: 50%; 2009: 53%; 2008: 55%; 2007: 51%).
- Historical data with regard to country of origin of Co-operative products can be found in the 2009 Sustainability Report pages 30–35.
- All non-UK lamb is sourced from New Zealand.
- UK origin data is farmed fish only; non-UK farmed produce is sourced from Thailand and Indonesia. See page 82 for details of wild-caught fish and marine stewardship.
- Apart from higher post-weaning stocking densities and use of farrowing crates.
- With the exception of burgers.
- Sheep are born and reared on open hills throughout the year. There are no boundaries or fences to keep different farm flocks apart.