



Guaranteeing ethical farming

Context

Throughout the world every year, 70 billion animals are reared to feed humans with meat, milk or eggs⁽¹⁾. Without a fundamental change in our food patterns, global demand will increase by 25% between 2015 and 2030, driven by population growth, rising disposable incomes and increased daily caloric intakes in developing countries. The response to this growing demand is mainly provided by intensive livestock farming. In recent years, intensive livestock production has grown twice as fast as traditional mixed farming systems, and six times as fast as pasture-based production⁽¹⁾. Intensive animal husbandry now accounts for 70% of world livestock production⁽²⁾.

In this context, respect for animals and their sensitivity is a growing concern of civil society, supported by NGOs in particular. Among the variety of views expressed, many people are critical of certain farming and slaughter methods because of their failure to factor in animal welfare needs. According to the United Nations Food and Agriculture Organisation, (FAO), animal welfare is a common good that forms an integral part of the livestock sector's sustainable development. It is linked to food safety and quality, human and animal health, and rural development. Ensuring animal welfare can therefore benefit producers, their animals and society more widely.

In several countries, consumer expectations are changing, especially in Europe where environmental expectations are growing. New trends are emerging, such as reducing the quantity of meat consumed, choosing to replace meat with plant proteins or turning to products made using more animal-friendly farming methods that are more in line with sustainable farming methods. These changes in purchasing behaviour are happening fast. This means that changes need to be made to the way in which professionals do things.

(1)Recognising the sentience of farm animals, CIWF Summary report.

(2)FAO. 1996 World livestock production systems: current status, issues and trends. FAO Animal Production and Health Paper No. 127 Rome.

Our aim

For several years, Carrefour has been developing a programme to improve animal welfare throughout its supply chains. This is based on the “Five Fundamental Freedoms” of animal welfare, adapted to different livestock farming methods:

- physiological freedom: absence of hunger, thirst or malnutrition. Animals must have access to fresh water and adequate food so as to maintain their good health and vigour;
- environmental freedom: adapted housing, absence of climatic or physical stress. Animals must have an appropriate environment including comfortable shelter and resting places;
- health-related freedom: absence of pain, injury or disease. Animals must benefit from prevention, and have access to rapid diagnosis and appropriate treatment;
- behavioural freedom: possibility to exhibit normal, species-specific behaviour. Animals must be provided with enough space, an environment appropriate to their needs, and be in contact with other animals;
- psychological freedom: absence of fear or anxiety. Farming conditions and practices must not induce psychological suffering in the animals.

In order to get the Group and its suppliers of own-brand products involved in meeting targeted guidelines and objectives, and to encourage each stakeholder to adopt a progress approach, the Carrefour Group defined an animal welfare policy in 2019. As part of an approach that involves co-developing initiatives, the Carrefour Group has set itself ten priority objectives for its animal product lines. These are detailed in its animal welfare policy. The ten priority objectives are as follows:

- 1 combating antibiotic resistance and banning antibiotic growth promoters and growth hormones.
- 2 banning cloning and genetically modified animals and researching biodiversity.
- 3 transforming cage rearing and keeping animal confinement to a minimum.
- 4 keeping stress during transport and slaughter to a minimum.
- 5 limiting controversial practices (castration, tail docking, beak trimming, etc.) and systematically optimising pain management.
- 6 requesting proper nutrition.
- 7 requiring health monitoring.
- 8 banning animal testing (cosmetics, drugs and cleaning products).
- 9 banning materials of animal origin not derived from livestock whose primary purpose is to produce food.
- 10 improving comfort through living environment.

Through this animal welfare policy, the Carrefour group is seeking to respond as effectively as possible to society’s expectations in relation to animal product lines. This improvement process is delivered through continuous improvement in partnership with all stakeholders involved in these issues.

Our objectives and performance

Summary of objectives:

- Implementation of an animal welfare plan covering the ten areas on which the Carrefour Group's policy focuses in all countries by 2020.
- **100%** of the eggs sold under Carrefour brands will come from farms which do not use cage-rearing methods, and this approach will be extended to the entire section in collaboration with suppliers and consumers :
 - Carrefour own-brand : Carrefour already achieved its objective for its own-brand products in France, Belgium, Italy and Poland. By 2025, all Carrefour own-brand products sold by the Group will come from cage-free breedings.
 - National brands : this approach will be extended to the entire section by 2025 in Europe and in Taiwan, and by 2028 in Argentina and in Brazil.
- Organic farming: 4.8 billion euros in sales of organic products by 2022.
- Carrefour Quality Lines: 10% Carrefour Quality Lines products within Fresh Products by 2022; all Carrefour Quality Lines to carry an agro-ecological claim by 2022.

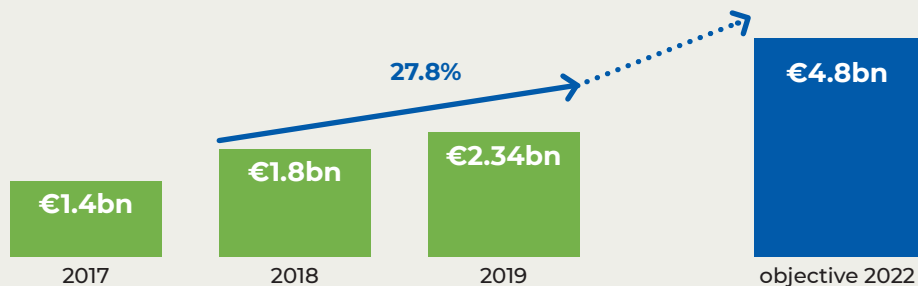
FRANCE (metropolitan):

- **100%** of cage-free eggs in controlled products by 2025 (eggs as ingredient).
- **100%** of products containing more than 50% chicken sold under Carrefour brands will meet the European Chicken Commitment criteria by 2026.
- **100%** of slaughterhouses for Carrefour brand products audited in accordance with animal welfare criteria.
- **100%** of slaughterhouses for Carrefour brand products requested to use video surveillance.
- **100%** of quail eggs sold under Carrefour brands will be produced using non-cage-rearing methods by the end of 2020.
- **100%** of rabbits sold under Carrefour will be produced using non-cage-rearing methods by the end of 2023.

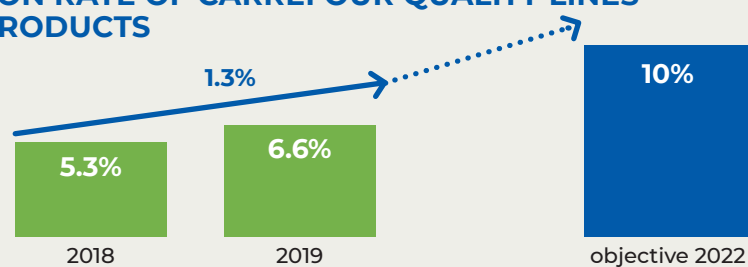
BRAZIL:

- **100%** of Carrefour brand products come from pig farms that will have stopped live castration of male piglets by 2025.

NET SALES OF ORGANIC PRODUCTS⁽¹⁾



PENETRATION RATE OF CARREFOUR QUALITY LINES IN FRESH PRODUCTS



(1) Sales in the food, drug, perfume and hygiene sections.

KPI	2017	2018	2019	Change (2018/2019)	Target objective
Deployment of animal welfare policy					
Countries with an animal welfare progress plan	-	New	0/9	-	9/9 by the end of 2020
Business Benchmark on Farm Animal Welfare (BBFAW) ranking (external assessment of companies' performance in relation to animal welfare)	4	4	4	Making progress	
Non-cage-produced eggs					
Eggs in shells - Share of turnover generated by controlled and national brand products laid by hens reared using non-cage farming methods (in %)	-	New	45.1	-	100% (target date between 2020 and 2028)
Eggs in shells - Share of turnover generated by controlled and national brand products laid by free-range chickens (in %)	-	New	32.2	-	-
Eggs in shells - Share of turnover generated by controlled products laid by hens reared using non-cage farming methods (in %)	-	New	39.6	-	100% (target date between 2020 and 2025)
Eggs in shells - Share of turnover generated by controlled products laid by free-range chickens (in %)	-	New	32.9	-	-
Organic farming					
Number of Carrefour own-brand organic products	-	800	1,000	+25%	
Net sales of organic products (in billions of euros) ⁽¹⁾	1.4	1.8	2.3	+27.8%	4.8 en 2022
Carrefour Quality Lines					
Penetration rate of Carrefour Quality Lines in fresh products (in %)	-	5.3	6.6	+1.3%	10% en 2022
FRANCE : Audit of Carrefour's supplier slaughterhouses					
Percentage of Carrefour's slaughterhouse suppliers in France audited in accordance with animal welfare standards (in %)	-	-	77.3	-	100%
Number of slaughterhouses supplying Carrefour in France	-	-	84		

(1) Sales in the food, drug, perfume and hygiene sections.

Our action plans

In all the areas in which work is being done on the animal welfare policy, Carrefour regularly sets up working groups with stakeholders, NGOs, customers and suppliers to share its animal welfare vision and action plans. In collaboration with its stakeholders and NGOs with expertise in animal welfare, Carrefour defines its requirements and determines how they should be deployed in its specifications. Progress plans and monitoring mechanisms are also put in place to support changes in production methods.

The action plans adapted for each species, the aims being to:

- 1 stop controversial or unacceptable practices before regulations are brought in:** For all of its product lines, Carrefour wants to go further by eradicating mistreatment, inhumane slaughter conditions, inhumane transport conditions, caging (in egg, rabbit and quail lines) and painful mutilation (as with pig castration), for example.
- 2 improve factory farming practices:** Carrefour encourages its suppliers to implement more ethical factory farming practices. Habitat transformation is a major lever for improvement, in particular ensuring well-being through habitat (winter garden, natural light, reinforced outdoor access, lower densities) and a better environment (installation of features allowing animals to behave in a natural manner).
- 3 products that are the most symbolic for each product line in terms of animal welfare on our shelves:** to encourage innovation and the emergence of disruptive models, Carrefour wishes to promote exemplary products to its customers. Examples include the Reflets de France pork made from pigs reared in the open air and the first Carrefour Quality Line eggs in France that are sexed in ovo using spectrophotometry, which does not involve the elimination of male chicks.

This approach has made it possible to implement action plans concerning the objectives of the Group's policy:

1. COMBAT ANTIBIOTIC RESISTANCE AND BAN ANTIBIOTIC GROWTH PROMOTERS AND GROWTH HORMONES.

Carrefour has long been committed to tackling the use of antibiotics. For 30 years, the Group has been working in partnership with its suppliers to create and deploy lines of products made from «animals reared without antibiotics» in all of its nine integrated countries. For example, Carrefour has prohibited the use of growth hormones in livestock production since introducing the Carrefour Quality Lines in 1992. As well as banning the use of growth hormones, Carrefour also encourages its producers to rear livestock without the use of antibiotics for a part or all of the animals' lives. For the last five years, Carrefour has been gradually applying this policy to all classes and all uses of antibiotics, and for all of the animal species it sells – pork, salmon, prawns, poultry, etc. In France, Carrefour has developed products made from chicken «reared without antibiotics», pork «reared without antibiotics from weaning onwards» and eggs from «hens reared without antibiotics during the laying period». Carrefour is already offering Carrefour Quality Line pork reared without antibiotics from weaning onwards in Brazil and Poland.

To go further, Carrefour is supporting its commercial partners in all integrated countries in implementing pilot projects in order to sell an increasingly complete range of products made from «animals reared without antibiotics» by 2022.


2. TRANSFORM CAGE REARING AND KEEP ANIMAL CONFINEMENT TO A MINIMUM


The Group has launched a global transformation project, in liaison with its suppliers, to ensure that all of its own-brand eggs are sourced from alternative cage-free farms. This commitment is already effective in Italy and Belgium. It will then take effect in 2020 in France, and in 2025 for Brazil, Argentina, Taiwan, Poland, Spain and Romania. This commitment will then be extended to all eggs sold in Carrefour stores – both own brands and national brands. Carrefour France has also committed to phasing out the purchase of quail eggs from farms that use cage-rearing methods for its Carrefour brand by the end of 2021.

Moreover, by 2026, fresh and frozen chicken, and all products containing more than 50% chicken meat, marketed under Carrefour brands in France (including economy price items), will comply with the European Chicken Commitment, i.e., a set of commitments designed to improve the quality of life of animals and their environment (lower density, natural light, perches, substrates for pecking), more humane slaughter (controlled atmosphere stunning), external compliance audits and publication of annual reports that track progress. At least 20% of volumes will be sourced from producers that offer free-range facilities or access to an outdoor shelter.

Finally, in Brazil, Carrefour has set up a differentiated production chain that is more respectful of animals for three-quarters of the pork sold in its stores.

CASE STUDY:

 **Animal welfare labelling in France:** in 2020, Carrefour will start sharing information about the level of animal welfare and the rearing methods for its chickens sold under the Carrefour, Carrefour BIO, Carrefour Quality Line, Reflets de France and PP brands, and will use blockchain technology to incorporate this information into its products. This animal welfare information will be provided for more than 20 million chickens. The first products to display this information are free-range Auvergne chickens sold under Carrefour Quality Lines, starting from 18 February 2020. Carrefour has helped introduce a new Animal Welfare label with other stakeholders across the Animal Welfare Label Association. This label provides information about both animal welfare and rearing methods. Carrefour's objective is to have all chickens labelled with the Animal Welfare label.

 **Improvement of pig rearing conditions in Brazil:** Carrefour is committed to ensuring the welfare of the pigs that supply three-quarters of the pork sold under its Sabor Qualidade brand. This is an unprecedented decision in Brazil. This initiative is in line with the Act for Food programme which sets out to promote the food transition, increasing consumer access to healthy, affordable foods produced in a socially and environmentally responsible manner, with quality controlled at the source. This commitment is the result of interaction with World Animal Protection, a non-governmental organisation focused on animal welfare which has been providing Carrefour with technical support since 2018. This partnership aims to achieve compliance with high animal welfare standards on farms and in slaughterhouses. This applies to Carrefour's fresh, own-brand products, which currently account for 74% of the pork sold by our butchers. The commitments are as follows:

- By December 2022, 100% of sows will transition to group pregnancy, meaning no more than 28 days in cages.
- By December 2022, ear notching identification will be abolished.
- Immuno-castration will replace surgical castration by December 2025.

3. KEEP STRESS DURING TRANSPORT AND SLAUGHTER TO A MINIMUM

In France, the Carrefour Quality Systems specifications also include obligations ensuring respect for animals during transport to the slaughter sites. As all of this meat is of French origin, the majority of animals have a journey of under eight hours to the abattoir. In Belgium, Carrefour Quality Line chickens and pigs have a journey of under two hours to the abattoir.

In 2019, Carrefour launched an independent audit across all the abattoirs supplying the Carrefour, Carrefour Bio, Reflets de France and Carrefour Quality Lines. The audit is based on the Animal Protection standard drawn up by specialist non-profit organisation *Œuvre d'assistance aux bêtes d'abattoirs* (OABA - Organisation for assistance to animals in abattoirs). To implement this project, Carrefour has signed an agreement with the OABA. Meat sold under the Carrefour Quality Line, Reflets de France and Carrefour BIO brands come from animals slaughtered after systematic stunning. Chickens, rabbits, turkeys and cows for the Carrefour Halal brand undergo reversible stunning or receive relief from unnecessary suffering.

In 2019, Carrefour stepped up its control system to ensure greater transparency with regard to animal conditions in abattoirs. Carrefour is the first retailer in France and Spain to ask all its suppliers to equip their slaughterhouses with cameras.

4. LIMIT CONTROVERSIAL PRACTICES (CASTRATION, TAIL DOCKING, BEAK TRIMMING, ETC.) AND SYSTEMATICALLY OPTIMISE PAIN MANAGEMENT

The Carrefour group wants to be a driving force in promoting good breeding practices. For example, Carrefour Italy worked with CIWF (Compassion in World Farming) on producing an animal welfare charter for Carrefour Quality Line pork, certified by the third-party organisation KIWA, which involves the systematic use of anaesthesia during castration, the prohibition of docking and teeth grinding. Carrefour encourages its suppliers to test different alternatives to surgical castration (intact males, immunocastration). Beak trimming is not practised on laying Carrefour Quality Line hens in Argentina, Spain, Belgium, Italy or Poland.

5. IMPROVE COMFORT THROUGH LIVING ENVIRONMENT

In all of the nine integrated countries in which Carrefour operates, the Group sells products produced by animals reared out in the open under its own brand. For example, Carrefour now sells Pampa beef in Argentina and *Poulet d'Antan* chicken in Belgium. In addition, innovative projects are being implemented to improve the animals' habitat, such as the winter gardens for Carrefour laying hens in France. Carrefour Quality Line pigs in Brazil, for example, have bedding made of hay and wood shavings.

In France, in terms of our commitment to AEBEA, all our chickens sold under Carrefour brands are being reared in progressively more comfortable environments: addition of perches, anti-pecking devices, natural light and reduced density.

Our organisation



SCOPE

The ten bases underpinning the animal welfare policy involve all of the Group's nine integrated countries: each of them undertakes to take ownership of them and to define its own animal welfare plan by 2020 in accordance with the following scope of action:

- application to own or national brands;
- at a minimum, it will concern laying hens, pigs, table chickens and dairy cows;
- the sectors involved (food, textiles, hygiene, animal husbandry, etc.);
- the targeted product families (raw products, fresh products, frozen products, processed products, ingredients, etc.).



GOVERNANCE & PERFORMANCE ASSESSMENT

Governance of the Group's animal welfare policy is structured at various levels:

- Animal welfare action plans and performance are subject to a review by the **CSR Committee of the Board of Directors** at the time of presentation of the annual CSR results.
- A **Risks and Supplies Committee** has been set up and meets two-monthly. It analyses the risks associate with supplies to Carrefour and defines strategies to be implemented, including the animal welfare policy. It reports to the General Secretariat and involves the following departments: Risks and Audit, CSR, Own-brand, Goods, Fresh Produce, Legal, Quality. It defines and disseminates purchasing policies and rules across the company for application in every country. The various departments grouped together in the Risks and Supplies Committee are responsible for ensuring the application of these rules in the countries in which the Carrefour Group operates.

Animal welfare performance indicators are defined at Group level. Additional indicators are defined by the countries in order to support the implementation of progress plans.



JOINT INITIATIVES AND PARTNERSHIPS

- France: Carrefour has the slaughterhouses supplying its brands audited in accordance with the animal protection standards established by the specialist association, *Œuvre d'assistance aux bêtes d'abattoirs* (OABA). To implement this project, Carrefour has signed an agreement with the OABA.
- France: Carrefour has joined the **LIT Ouesterel** («Ouest territoires d'élevage» regional innovation laboratory). The association brings together more than forty stakeholders in the agricultural and agri-food sectors: research, teaching, chambers of agriculture, cooperatives and manufacturers, retailers, animal protection associations such as Welfarm, LFDA and OABA. LIT Ouesterel is supported by the regions of Brittany, Normandy and Pays de la Loire, and its work is spearheaded by the *Institut national de la recherche agronomique* (national institute of agronomic research), along with other specialised institutes.
- France: Carrefour has been working with **Welfarm associations CIWF, OABA and LFDA** to define and monitor policies and progress plans. In Brazil, Carrefour works with **World Animal Protection**. In Romania, Italy and Poland, Carrefour works with CIWF. In Taiwan, Carrefour works with NGO East. In Spain, Carrefour has worked with NGO **Equalia** to set up cameras in abattoirs.



FOR FURTHER INFORMATION

- Animal welfare policy: https://www.carrefour.com/sites/default/files/2020-07/politique_bea_groupe_carrefour.pdf
- Hens and chickens:
 - Better Chicken Commitment: <https://welfarecommitments.com/letters/europe/fr/>
 - In-ovo sexing: <https://www.carrefour.com/fr/actualite/carrefour-premier-distributeur-implanter-une-technique-pour-mettre-fin-l-elimination-des>
- Animal welfare labelling: <http://www.etiquettebienetreanimal.fr/>
- Pigs in Brazil: <https://www.carrefour.com/fr/newsroom/carrefour-sengage-pour-le-bien-etre-animal-dans-les-elevages-de-porcs>
- Organic farming, Carrefour Quality Lines and agricultural financing solutions offered by Carrefour: https://www.carrefour.com/sites/default/files/2020-07/Promouvoir%20et%20developper%20une%20agriculture%20durable_0.pdf
- Responsible fishing: <https://www.carrefour.com/sites/default/files/2020-08/Agir%20pour%20une%20p%C3%AAche%20et%20une%20aquaculture.pdf>