

CASE STUDY

Opening cages

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ABOUT ALIANIMA

Alianima is a non-profit organization in the field of animal and environmental protection, working towards a synergy between both causes by the implementation of farm animal welfare policies in Brazil.

Through educational actions and projects we aim to increase civil society's knowledge about ethical consumption that respects all sentient beings and provides environmental balance.

Through a cooperative and continuous relationship with food industry leaders, we aim to understand the main difficulties faced by different sectors. We develop partnerships and provide free consultancy and technical support to those companies that understand the importance of implementing farm animal welfare policies in their operations.

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ABOUT ANIMAL WATCH (OBSERVATÓRIO ANIMAL)

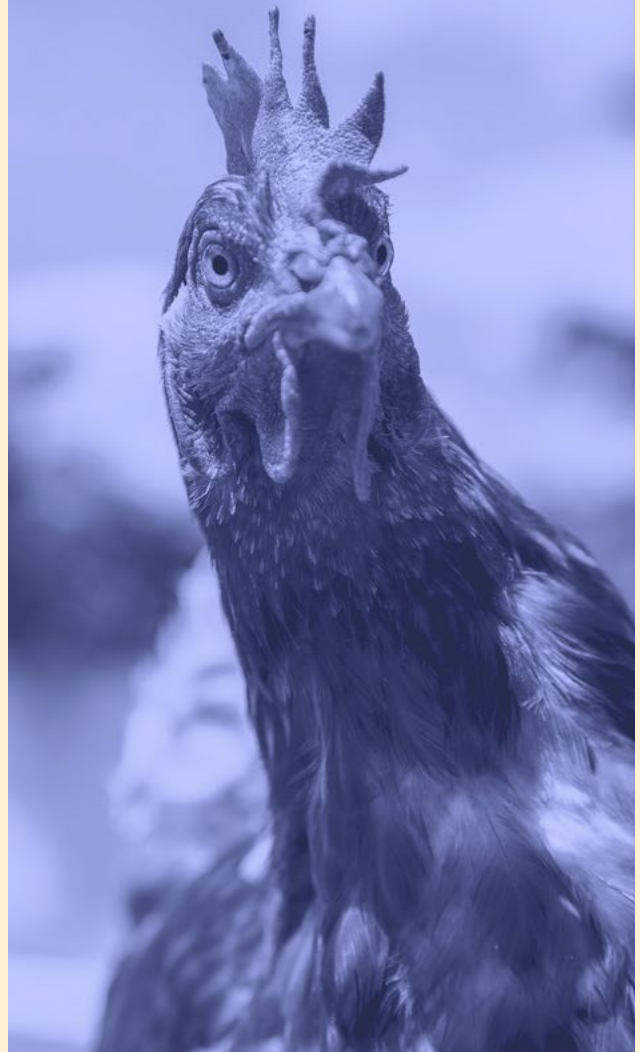


OBSERVATÓRIO
ANIMAL

Over the last years, technological advances in information access and growing concerns about health, climate change and animal abuse have driven the search towards the source of our food and ethical and sustainable values applied in the industry.

Public commitments to animal welfare by more than 140 companies in the food and hospitality sectors in Brazil have resulted in significant changes across the entire supply chain, especially due to the strict implementation deadlines.

Animal Watch is an online platform created by Alianima in order to give visibility to farm animal welfare public commitments (currently for laying hens and pigs). The platform aims to facilitate the monitoring of the transition process by civil society, stimulating fulfillment of the commitments.



In addition, the site offers content and news on the topic of farmed animals in order to inform people about the reality of animal agriculture. It also shows how the industry is capable of promoting significant changes in the treatment of animals and encourages a more critical and conscious consumption.

INTRODUCTION

Transition evolution: The cage-free scenario in Brazil

Implementing effective animal welfare policies is a major challenge for the industry. It is a process that not only demands efficient management, but also involves a complex production chain that includes producers, equipment companies, logistics, among other important actors.

Since 2016, the proposal to ban battery cages in the egg production chain has been gaining prominence in the discussion on animal welfare in Brazil. This change is mainly due to the work of several organizations promoting an animal welfare agenda and the positive change in consumer behavior.

89% of Brazilian consumers consider it important that livestock is treated well.

Source: “Attitudes Toward Farmed Animals In The BRIC Countries” 2018, survey with 1027 participants.

Since then, more than 140 companies in various sectors, such as retail, food manufacturers and restaurant chains, have already committed to not use or sell eggs and/or their byproducts coming from laying hens kept in cages.

The vast majority of these public commitments has 2025 as the deadline for the transition period. As this is a process that involves different sectors of the food supply chain, the change may be gradual, but consistent and transparent.

With that in mind, Alianima launched the **Case Study “Opening cages”**, a project that presents the strategies and challenges of committed food company leaders that have successfully advanced or completed their transition to a 100% cage-free egg supply chain. We aim to value the efforts of these companies to improve the lives of laying hens, while encouraging corporations that have not yet achieved their goals, and the ones which are not committed to join the cage-free movement.

METHODOLOGY

Many companies that are committed to cage-free policies have faced difficulties and lack of guidance to an effective implementation. Thus, Alianima interviewed three market leaders that have successfully advanced and/or completed the transition to a cage-free egg supply chain.

Interviews were conducted with representatives of the following companies:

- **Barilla**
The first pasta manufacturer with a 100% transition completed in Brazil;
- **AB Brasil**
The first egg processor to adopt a cage-free policy in the country;
- **GPA**
The largest food retailer in Brazil.

We asked these companies about the strategies adopted and the obstacles they overcame, including the planning and engagement of their commitment, regional challenges, communication with consumers and product adaptation.

CASE STUDY #1



Good for you, good for the planet and good for the animals: how Barilla pioneered in achieving a 100% transition to cage-free eggs ahead of schedule



About Barilla

Barilla is a family-run multinational food company founded in Italy in 1877. Today, the brand is recognized as the largest pasta manufacturer in the world with a presence in over 120 countries. In addition to pasta, Barilla owns several brands of baked goods, sauces and condiments. In Brazil it sells products imported from Italy and produces its famous egg-based pasta.

Leading Barilla's cage-free egg project in Brazil are Eldren Paixão, Head of Purchasing, and Fabiana Araújo, Head of Marketing. Both of them have more than seven years in the company and shared their insights on the commitment and successful transition.

Adopting the commitment: team and internal engagement

The growing trend of more conscious consumers searching for products that value farm animal welfare has directly contributed to Barilla adopting a global commitment to transition to cage-free eggs in its manufacturing process.

According to Eldren, Barilla follows the motto “good for you, good for the planet”, which means offering its customers a product that provides pleasure, is healthy and is also part of a sustainable supply chain. In other words, Barilla’s business model seeks to offer benefits to consumers and the environment by promoting conscious consumption and developing sustainable supply chains that value the planet’s natural resources. Another important point mentioned is transparency when reporting the objectives, goals and results. “We have a global sustainability report on Barilla Group’s website that shows the social and environmental commitments, both for employees, suppliers, consumers and business partners, facilitating communication among all stakeholders,” said Eldren.

Barilla has been working on the transition to cage-free eggs since 2012, when the group started the process in its European operations. In 2016, they adopted a global commitment aiming to complete the implementation by 2020 in all countries where the company operates. In 2018, Barilla introduced a digital system called eggs.barilla.com in order to track the

source of the eggs used in their supply chains in France and Italy. In these two countries the volume of eggs used represents 98% of the total purchase of the feedstock. Afterwards, the transition was extended to the Americas. Communication with the Brazil office followed with a clear and objective internal organization for Barilla to become the first pasta manufacturer in the country to become cage-free.

“I remember that at a management meeting we defined the project leader and from there we started to take the first steps. Shortly after we received a visit from NGOs that helped us to find egg suppliers that were also engaged in this movement, and everything started to move forward,” remembers Eldren.

Another essential point for the transition was the involvement of interna-



tional leaders. Eldren says they provided help in finding international suppliers, as well as sharing experiences of other Barilla units in the transition. This shows the importance of internal engagement and to what extent leadership can help in overcoming challenges along the way. “Headquarters helped us with their expertise, for example, in redeveloping the recipe of our egg-based pasta in order to reduce the financial impact of cage-free eggs. In the end, we were able to sign a commitment with egg suppliers in Brazil who were also involved in this project”, she said.

According to Eldren, Barilla works with very well-defined goals, giving them autonomy to work towards the established goals. This helps to speed up the completion of projects, which was not different for the egg supply. With everything planned, it was time to carry out the actions to kickstart the transition in the country. Thus, the team began to visit suppliers, participate in external events and meetings around the theme of “cage-free egg production,” as well as work on redeveloping products.

Of course there were challenges that

had to be overcome. Eldren recalls the biggest challenge during this period was the limited number of egg processors and the higher price of the product: “At the time, we already had cage-free egg suppliers, but processors were very limited, and especially the higher cost of the feedstock at the beginning of the project was challenging.”

Showing once more the importance of leadership engagement in a successful transition, Eldren shared that the project was headed by the company’s own leadership in Brazil. It was also placed in the employees’ Personal Development Plan (PDP), increasing their commitment to complete the project: “Above all, I believe that purpose kept us motivated and engaged, because we knew it was for animal welfare and this is part of our values, not only professionally, but also personally. Besides, putting this project as a goal in our PDPs also helped us to maintain it as a priority.”

According to Eldren, the Brazil team

worked in continuous collaboration among all departments so that the transition could take place in the best possible way. The project started with Marketing, Quality and Purchasing departments prospecting cage-free egg suppliers. In addition, the ongoing support of NGOs with technical events, lists of suppliers and visits to farms and processing plants proved to be very important for the initial understanding of the transition. Later on, other depart-

ments were involved, such as Finance, Product Development, among others. After each department understood its part in the process, it was time to start acting. “In the case of Purchasing, I carried out the bid, searching for the best price among suppliers. The Quality Department tested our redeveloped products, while Marketing worked on consumer communication and so on,” she recalls.



**Want to know more about how
Alianima is helping companies
to adopt and implement animal
welfare policies?
Contact us!**

Communicating the cage-free transition to consumers

Another equally important part of Barilla's transition to cage-free eggs was the publication of the commitment, for a clear and transparent communication with consumers and customers. Fabiana commented that the industry has an important role in consumer education, especially when the benefit of a product is easily perceived and understood by the public. In the case of cage-free eggs however, as it is a new concept, consumer adaptation was initially complex. Therefore, Marketing created strategies for consumers to understand the benefits of cage-free eggs and the contributions that Barilla had been making to a more ethical and sustainable supply chain. Fabiana adds: "By buying Barilla, the consumer is effectively contributing to animal welfare and to a less harmful supply chain. We needed a clear tool to show this. Thus, the animal welfare certification label was the first step in starting this conversation with the consumer."

Fabiana emphasizes that although the label was a good first step, it was not enough at the time, as it also required further explanation. It was then that the Communication Department organized several actions to promote cage-free eggs. "We first made the announcement on the package, then we updated the information on the gondola strip and disclosed it on social media. We made a quiz on our Instagram to increase engagement and this information was also taken to consumer-focused events. Whenever we talked about egg-based pasta or shared recipes, the information about cage-free eggs was included."

At the time, Barilla was holding the Masters of Pasta contest and this was another great opportunity to promote the topic. "The contest starts with the choice of ingredients, with the chef going out to the countryside, restoring the connection with the source of ingredients. Connecting the source of eggs with animal welfare was another way to bring this message to our audience," says Fabiana.

“Cage-free egg production systems generate welfare for the birds. Although such a model is still relatively new for some companies, fortunately this scenario is changing. Thanks to the demand of an increasingly conscious and demanding consumer, we can apply our experience to redesign the future and contribute to positive changes”.

Final message

As a final message, Eldren highlights the importance of Barilla completing the transition: “In addition to being in line with our values, this project was so important to Barilla that we achieved a 100% cage-free egg supply chain in 2019, one year ahead of schedule. Barilla is a brand recognized for its quality, in addition to its animal and social welfare policies. The company was recently recognized by *Habit Tracker* as the 11th most reputable company in the world. In Brazil, the use of cage-free eggs is a great differential recognized by retailers, who insist on having Barilla in their stores. Today, Barilla is the best-selling and most recognized brand in the country. Although we did not do it for the recognition, we received the **Henry Spira Award** in 2019, an award of the *Humane Society of the United States* that recognizes companies’ leadership in relation to animal welfare.”

Fabiana adds why other companies in the sector should also make the transition to cage-free eggs: “I believe that the most fundamental reason is the humane issue. We are aware of the terrible conditions in which hens in cages are kept. I’ve heard many times that it’s always been this way and that it’s expensive to change. That brings me to the second reason: the more companies change, the more the demand will increase and the cheaper the product will become. This change takes time, but it also brings consumers closer to information, increasing their knowledge on animal welfare and sustainability issues. For instance, some years ago, consumers were not so concerned about issues such as recycling or food waste, but nowadays these causes receive more attention. I believe we are at a tipping point, at a point of evolution. It’s a one-way ticket, not only for cage-free eggs, but for other topics as well. It is an interconnected chain and there is no other way around it, this is the only way to go.”



**Want to see more?
Click here to watch
Barilla’s message!**

CASE STUDY #2



Vision of the future: how AB Brasil became the first egg processor to adopt a cage-free egg commitment



About AB Brasil

AB Brasil is the Brazilian branch of Associated British Foods (ABF) group, present in over 50 countries. The company owns brands in several sectors, from agriculture to clothing retail, but stands out in the bakery and confectionary segments. In Brazil, the company owns the famous brand Sohovos, which sells processed eggs to food companies, in addition to own-brand egg-based products.

Vitor Oliveira, Head of Egg Business at AB Brasil, is the leader of the cage-free egg project. Vitor has been working at AB Brasil for over 25 years and was the company's spokesperson in this case study, sharing insights about the transition.

The decision to adopt a cage-free commitment and the positive impact of being the first company in the sector to announce it

According to Vitor, the move to a cage-free egg supply chain is not recent. The company has been looking for new cage-free egg suppliers for its products since 2012. With this, a better understanding came of the global movement of companies trying to meet a growing demand of its customers. Realizing that everything was moving in the expected direction, the company decided to announce their commitment.

In May 2020, AB Brasil made an official public announcement of the cage-free commitment. This was the beginning of a process to change all their own-brand egg-based products by 2025 and the processed eggs sold to food companies (e.g. pasteurized eggs, eggwhite and egg yolk) by 2028, due to the large volume involved. This was a natural development, as ABF had already made a commitment in 2018 that all eggs used and sold in its operations in Europe, Australia and New Zealand would be cage-free by 2025.

Vitor says the history of AB and its brands has been characterized by entrepreneurship and innovation, regardless of whether or not they were the first company to announce the transition to cage-free eggs. The company believes in the importance of being aligned with society's aspirations and needs. "This is in fact a very important concern for everyone here, we have to be aware of this." According to Vitor, AB Brasil just continued what was already underway, discussing possibilities, aligning partnerships and improving market knowledge, to roll out the project that brought them to the current point.

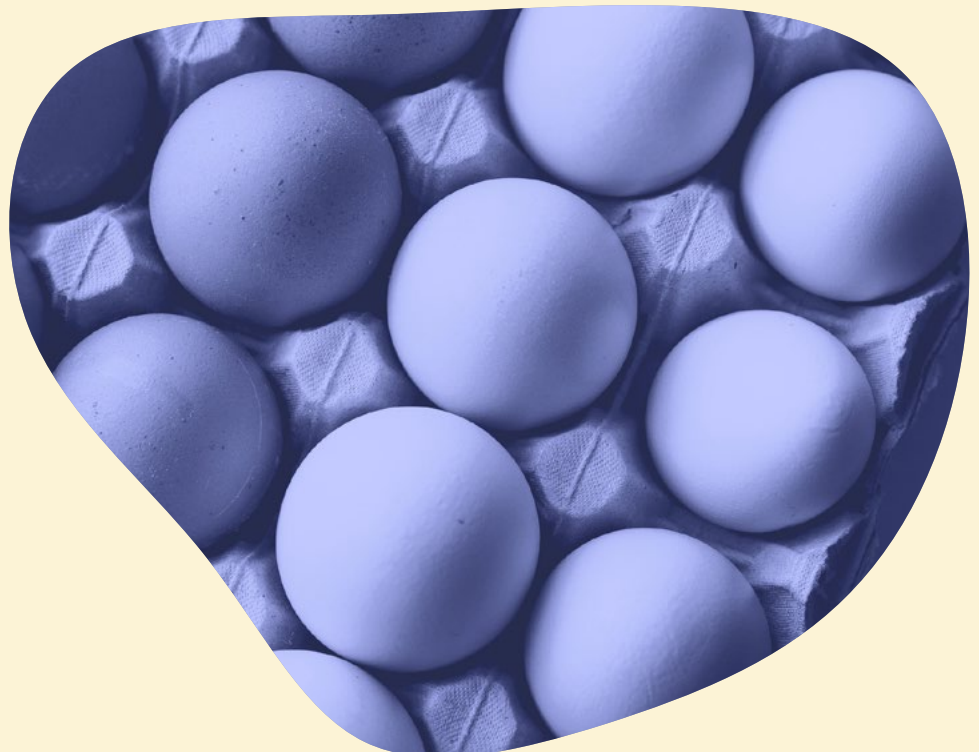
AB Brasil's cage-free egg commitment aims for a full transition by 2025 for all of its own-brand products. For processed-egg products, the transition will be completed by 2028.

Spreading the word about the commitment

A crucial part of adopting a sustainability and animal welfare commitment involves communicating it both internally and externally. It is essential for the company that its employees are aware of it and work together so that the policies are complied with. At the same time suppliers, customers, consumers and civil society must be informed about the changes that will take place.

Vitor says that the commitment was firstly shared internally and the news was very well received and praised by the employees: “We received a lot of positive feedback, even from some employees who did not fully understand it yet, which was very nice. Once again, they could see in practice what has always been in our DNA: respect to all forms of life. It was nice to feel that coming from them as well.”

Then it was time for the external announcement, by sending a press release to suppliers, customers, NGOs and the press, in addition to publishing it on the company’s official website. The idea was to inform everyone involved in the production chain and to directly collaborate to the expansion of the animal welfare theme across different scenarios.



Moving forward

Since then, AB has continued the work started in the past and made official in 2020. “We continue the work to strengthen our supply, support our customers, understand and follow the movement as a whole and as part of the chain. We need to be always connected on all points.”

According to Vitor, the implementation strategy is not yet 100% defined, but they keep advancing and studying all possibilities. AB’s processed cage-

free eggs are certified on animal welfare by a third-party certifier. This facilitates communication and transparency towards consumers and clients, in addition to ensuring that animals on the farms actually receive the minimum animal welfare requirements, such as nests to lay eggs, enough space to move around and stretch their wings, loose substrate on the ground, perches, among other things.

“We continue the work to strengthen our supply, support our customers, understand and follow the movement as a whole and as part of this chain.”

Final message

As part of the production chain, AB Brasil believes in collective work with all stakeholders so they can advance in synergy, understanding the changes and demands for a more sustainable and fair world. Vitor finishes by saying:

“We believe that the actions of each company must be aligned with its purposes and values. AB Brasil prioritizes those actions that emphasize the value of people, animals and the planet. We always need to think and act in order to make life better, especially because we are part of a chain with other important actors. We continue to follow the changes and understand society’s concerns.”

CASE STUDY #3



Retail as a transformation driver for animal welfare: GPA's path in implementing a cage-free policy



About GPA

GPA is one of the largest retailers in Brazil, with a presence in all regions of the country. The company belongs to the French Group Casino, which has operations in other countries in South America, such as Colombia, Uruguay and Argentina. Through a multi-format and multi-channel business model the Group's portfolio includes widely recognized retail brands such as *Compre Bem*, *Extra* and *Pão de Açúcar*, in addition to its own brands *Qualitá*, *Taeq*, *Club des Sommeliers* and *Finlandek*.

GPA's cage-free egg project leaders are Eduardo Finelli, Exclusive Brands Director, and Renata Amaral, Sustainability Manager. They were the company's spokespersons for this case study, telling us more about GPA's trajectory in adopting and implementing this policy.

Adopting the commitment: planning and decision

Renata begins by telling us about GPA's sustainability strategies, including being a mobilizing agent for change through social, environmental and governance agendas. According to her, the operations of the company are based on five pillars: 1) promoting diversity and inclusion; 2) social impact by the GPA Institute; 3) climate change control; 4) promoting responsible value chains for a more conscious consumption; and 5) commitment to ethics and transparency. In this way, the policy of selling exclusively cage-free eggs happened naturally, in partnership with its suppliers.

In 2017, GPA was the first Brazilian retailer to announce a commitment to sell exclusively cage-free eggs for all of its own-brand shell eggs by 2025. In 2020, the group extended the commitment to 100% of the eggs sold by 2028.

According to Eduardo, the company always seeks to understand its role as a link in the supply chain, identifying how it can support development as a whole, which also includes encouraging its consumers to make the best choice. "In this context, it's very important to point out that, in terms of Exclusive Brands, we were the first retailer to launch cage-free eggs as an option, and the first one to adopt a cage-free egg commitment." Eduardo also emphasizes that the commitment

expansion to all other brands came thanks to the lessons learned from the partial commitment, in a joint process with other actors involved.

A key requirement for GPA in adopting and implementing the cage-free commitment was the clear communication and continuous relationships with suppliers. Eduardo shares some of the strategies used: "Regarding the Exclusive Brands, we have developed the Quality Evolution Program (QEP), a tool that allow us to monitor the performance of each supplier through periodic audit cycles, project management and in-line product quality management. Over the years, in addition to the publication of our commitments, we have built a campaign through meetings and workshops on the cage-free subject. Along with that, we continue to address the concepts, models, technologies and benchmarks from other companies and other chains. During the communication with suppliers, we continuously try to make them understand and become aware of the topic, apart from focusing on the relationship with new suppliers."

Renata adds: “Suppliers are essential for these commitments to take effect and function. Not just regarding the egg supply chain, but for all chains, of all our themes. We have this agenda not only to evolve and build social and environmental criteria, but also to think about our products’ accessibility. We want to offer alternatives to our customers and, through our communication, help them find the best option for them.”

More specifically, for GPA’s animal welfare strategy, four major pillars were defined. The first pillar started in the transition preparation phase, focussing on supply and traceability. Renata shares that the work with stores and suppliers continues to be carried out to ensure the supply of cage-free eggs in 100% of the stores nationwide: “This also means working with the in-store team and explaining the eggs’ differences, so they can also explain it to the consumer.”

The second pillar is to ensure the engagement of the production chain,

which includes forums, meetings and events previously mentioned by Eduardo. According to Renata, this encourages a more competitive and sustainable production, especially in the development of new suppliers.

The third pillar is customer communication. Renata says that: “None of these strategies work if the customer arrives at the store and cannot understand the different types of eggs. So we developed a set of communication tools within the store, which is the first point of contact with our customers, explaining the different types of eggs. This was expanded to our other channels, including our podcast.

The fourth and final pillar includes advocacy and legislation. GPA works on an agenda with actors from the sector to strengthen legislation and production processes. According to Renata and Eduardo, it was due to these four well defined pillars that the transition could happen in a smooth and organized way.

In 2017, GPA was the first retailer to launch a commitment to sell only cage-free eggs for Exclusive Brands by 2025.

In 2020, the group extended the commitment to all other brands by 2028.

Supply chain engagement: the key to a successful transition

Engaging suppliers and establishing partnerships that recognize efforts in relation to animal welfare has been a successful strategy adopted by GPA. In addition to the previously mentioned QEP, in 2018 GPA developed the “Quality From The Origin” program, with the objective of guaranteeing and encouraging suppliers’ good practices linked to quality and traceability. Animal welfare is one of the criteria specifically for egg suppliers. Renata explains: “Our suppliers go through recurrent and periodic audit processes and are ranked. This information goes to our Commercial department so that when we are negotiating or choosing a supplier, we can value those who have a higher score”.

Renata points out that the results of the engagement strategies are positive: “When we analyze the increase in sales of cage-free eggs, in 2020, 31% of eggs sold by Exclusive Brands were cage-free. In the same year, 98% of stores were stocked with at least one type of egg that considers animal welfare. This is a great step forward”.

Eduardo adds two other important aspects that were part of this success: “The first is promoting existing products or even developing new products to differentiate and adapt to new consumption habits. For instance, we recently developed the 20-unit cage-free egg trays. The second aspect we see both as a success and as a remaining challenge, which is communication itself. We have created a strong communication strategy on various channels, whether in-store or in virtual channels, and I think this is very important to raise awareness on the topic and encourage consumers to choose products that address animal welfare”. He also emphasizes the importance of communication on the packaging to illustrate in a simple way the different types of eggs - as this is the first moment of contact between the consumer and the product.



**Cage-free eggs
are already on the
shelves of the group
stores all over Brazil.**

Next steps: challenges to overcome

Although the transition is proceeding as planned, there are still challenges to overcome. Eduardo explains: “As mentioned, the group has been working on the communication issue of the chain as a whole, whether for suppliers, our partners, the consumers or for the in-store teams. As we have a large number of stores and employees, we need everyone to understand the message so we can pass on the information clearly to consumers. Another challenge is the financial part, as cage-free eggs cost around 20-25% more than caged eggs, and there is also the issue with the supply. Due to our widespread network we need a broad availability of products and suppliers to ensure a stable supply, in addition to the large volume that is needed”.

Eduardo shares an example of the group overcoming challenges. In 2017,

GPA had no cage-free egg suppliers in the Northeast of Brazil, but with the continuous development of new suppliers, eventually it was possible to start offering the product in all stores in the region. “This makes us very confident, it’s an achievement that we also celebrate!”, he cheers.

Renata adds a final challenge: the non-existence of regulation and legislation around cage-free eggs in Brazil: “Currently we do not have an official standard for the production of the ‘cage-free’ egg category, which makes this a challenge during negotiations with suppliers and throughout our work in the production chain. As I mentioned, this is one pillar of our project, working with the sector and governmental entities to monitor this progress. However, I had to mention this issue as a challenge in this process”.

Final message

“As GPA is one of the largest national retailers, we carry a lot of responsibility being the link among thousands of suppliers and millions of customers who pass by our stores every day. Taking best care of products for consumers goes beyond offering good price and quality, as it also includes social and environmental aspects that encourage positive changes in consumption habits.”

Renata Amaral, GPA Sustainability Manager

“We have to walk together. Historically, successful initiatives only work when suppliers, retailers and consumers benefit together.”

Eduardo Finelli, GPA Exclusive Brands Director

CONCLUSION

It is notable that all the interviewed companies have a strong commitment to sustainability and farm animal welfare. All of them have solid structures, plans, goals and objectives around these themes, which proved to be a strong component of the successful transition to cage-free eggs. It is important that internal alignment and communication – both vertical and horizontal – are clear and transparent. As we could see, there is synergy and collaboration among all departments and areas of the companies, which should be taken as an example by other companies in the transition process, as well as by those that are still considering adopting a cage-free commitment.

Another important point to consider is the close and continuous relationship with suppliers and consumers.

The development of efficient communication strategies proved to be key for the engagement in the production and purchase of cage-free eggs, transforming the supply chain as a whole.

Thus, all connections in the chain have proved to be extremely important in advancing animal welfare issues, especially in respect to cage-free eggs. The role of NGOs has also been proven to be quite significant during the transition, offering relevant knowledge and information to assist throughout the entire process, as recognized by the interviewees.

Challenges will continue to exist, but with learning and planning it is possible to overcome them and build a more ethical and sustainable world for animals.

Do you want to know how Alianima can help your company too? Contact us!



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