

## COSTCO WHOLESALE STATEMENT REGARDING BROILER WELFARE

Costco Wholesale is committed to the welfare of animals in its supply chains. This includes broilers, which are chickens raised for meat (as opposed to eggs). Although these chickens have a life cycle of less than 45 days, their welfare is as important as that of animals that have longer life cycles.

Most of our poultry needs are met by our complex in Nebraska (Lincoln Premium Poultry or LPP) and two other facilities in the Southeast, which are owned by third parties. One of these producers is certified organic, which brings with it animal-welfare requirements prescribed by the United States Department of Agriculture. These three facilities are our primary suppliers (which we call dedicated suppliers).

With respect to our dedicated suppliers: all broilers are raised uncaged, in barns where they are free to move about without restriction. The minimum standards followed in these barns are based on those developed by the National Chicken Council. They can be found here.

[https://www.nationalchickencouncil.org/wp-content/uploads/2021/02/NCC-Animal-Welfare-Guidelines\\_Broilers\\_Sept2020.pdf](https://www.nationalchickencouncil.org/wp-content/uploads/2021/02/NCC-Animal-Welfare-Guidelines_Broilers_Sept2020.pdf). The National Chicken Council represents companies that account for approximately 95 percent of broiler chicken production in the United States. For our dedicated suppliers, compliance with the NCC standards is tested by third-party auditors, who are independent of Costco and the producers and are certified by the Professional Animal Auditor Certification Organization. More about PAACO can be found here.

<https://animalauditor.org/>.

An important element of broiler welfare is how the animals are prepared for production. LPP and our dedicated organic supplier use a technique called Controlled Atmosphere Stunning (CAS). That technique is recognized as a superior method for slaughter, using methods that are calming for the animals and conducive to the welfare of employees who monitor the process. We are currently exploring the potential for transition to CAS at other facilities.

Our broiler welfare efforts are currently most highly focused on LPP, which raises over 100 million birds per year. In addition to CAS, LPP has adopted or is focusing on other key elements of welfare:

**Density:** LPP growers currently operate under a target of .83 square feet per bird. In evaluating this density, it is important to keep in mind that the broilers at LPP are raised to an average weight of 6.10 pounds. That has been reduced from 6.25 pounds, and is smaller than industry average. When applying density standards that are expressed in weight per area, it is also important to remember that birds are under the maximum weight for the vast majority of their lives. LPP is exploring a reduced density standard of .93 square feet per bird, about which more will be known in the next calendar year.

**Catching and Transport.** LPP uses what is regarded as state of the art equipment for gathering of birds when they are ready to leave the barns. This highly automated system reduces

opportunities for human mistakes that can occur with manual processes. In addition, the transportation of broilers occurs with covering and ventilation options that are adaptable to the wide range of weather conditions found in Nebraska.

Breeding. Some parties have advocated that Costco and others change to breeds that grow more slowly. We have carefully analyzed the science that has been invoked for that position. We do not believe that the conclusions, which thus far are not the product of the rigorous peer-review process associated with scientific papers, warrant a change in our practices at this time. Because of the density we prescribe for our broilers and the fact that our broilers are grown to a smaller size than is common in the industry, we believe that the incidence of adverse welfare impacts associated with larger fast growing broilers under more crowded conditions is lower at LPP. At a time when Costco Wholesale is intensely focused on reducing its carbon footprint, we also have concerns that slower-growing breeds increase environmental impacts (greater feed demands, more energy usage, higher waste output), which should not be incurred absent meaningful gains in broiler welfare. As we increase engagement with our suppliers over reducing emissions in the production of goods for us, it is important that we set a good example in our own operations. While we are not currently focused on breeding that reduces the pace of growth, we are engaged in communications with our breeding stock suppliers about selection that could over time enhance the leg strength of broilers, in an effort to reduce mobility problems and other issues. The nature of selective breeding means that this process occurs slowly.

Barn Enrichment. Some in the industry have experimented with features believed to enrich the experience of broilers in their barns. LPP has been monitoring studies that examine whether these enrichments actually improve outcomes or benefit farmworkers who work with the broilers. In addition, over the next calendar year LPP will experiment with enrichments in a small number of barns, to evaluate whether wider deployment is warranted.

While we have achieved significant progress in our broiler welfare programs, we recognize that there is always room for improvement. LPP has engaged a full-time animal welfare officer (in addition to the veterinarian on staff) and enhanced the training requirements for auditors that work in barns that supply it. Early in 2021 we engaged the services of Dr. Temple Grandin, an independent and prominent animal welfare expert, to examine the practices at LPP and make recommendations for enhancements. <https://www.grandin.com/>. Dr. Grandin has provided her recommendations, which are now in various stages of implementation. Among other things, they entail enhanced education for farmers raising broilers, improvement of hatchery procedures, improved security for barns, and reduced stocking density. She will return in 2022 for further evaluation.

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