



**Scandi Standard**

# **A Holistic View On Animal Welfare**



**Our vision**

**Better Chicken for a Better Life**



# Welcome to an exciting world of holistic animal welfare!

**This document describes the many aspects of animal welfare and how we at Scandi Standard define and work with it. We'll explain the main components influencing animal welfare, what we've been doing to maintain and improve it, and briefly, how we view the future.**

At Scandi Standard, we're passionate about chicken. They're the foundation of our business and the core of our sustainability commitment. Being passionate about chicken, for us, results in being passionate about the welfare of the chickens. Our focus on animal welfare isn't only based on ethics but also because it's directly linked to quality, resource efficiency, and profitability. Good animal welfare leads to healthy chickens with the ability and potential to grow well and become good and healthy food.

## Sustainability at Scandi Standard – People, Chickens, Planet

[www.scandistandard.com/sustainability](http://www.scandistandard.com/sustainability)



At Scandi, sustainable development is about responsible value creation over time for our consumers, customers, owners, and other stakeholders. In line with our motto, "Better Chicken for a Better Life," our goal is to be the industry leader in animal welfare with climate-smart, healthy chicken products. We're also committed to taking full responsibility for our business' impact on people and the environment throughout the value chain. Our sustainability framework, The Scandi Way, describes our approach and the focus areas categorized by three perspectives: People, Chickens, Planet. Our systematic work towards enhancing chicken health and welfare has significantly impacted on our product quality and our climate footprint.

# Animal welfare - A part of healthy, sustainable chicken products

We want to inspire people to eat Better Chicken. Compared with red meat, chicken meat is proven to be a healthier choice, and it's resource-efficient to produce.

When examining the entire value chain for Scandi, it's clear that both significant resource usage and value creation are connected with producing feed and growing chickens. Our focus is to provide chickens with good animal welfare and optimal conditions to grow. The results are not only resource efficient, but also lead us to the right resources. We use mainly biofuel-based heating energy and gas on our farms, have as many locally-produced feed raw materials as possible, and reduce the use of chemical fertilizers with the responsible use of high-quality chicken manure to grow healthy crops.

Chickens have good ability to convert chicken feed into meat. This is measured by the feed conversion rate – FCR. At Scandi, we work to continuously improve feed efficiency by optimizing processes linked directly to animal health, welfare, and feed quality. Good feed efficiency is the most critical factor in saving natural resources and reducing costs throughout the supply chain. For starters, we need less cultivated land, less transportation, less energy consumption for producing feed, and less water consumption throughout the value chain. Efficient resource utilization together with healthy animals makes the Better Chicken truly sustainable.

## - The Scandi Way -

**The way we work every day to make a difference, promoting health and wellbeing for people, the chickens and our planet.**



### People

Safe, healthy products that contribute and inspire to a sustainable lifestyle

Attractive and healthy workplace

Responsible supplier relations and business ethics



### Chickens

High quality farmers

Healthy chickens

Feed quality and feed efficiency



### Planet

Climate smart and resource efficient operations

Sustainable packaging

Reduced food waste

Animal welfare from parent birds to slaughter

Animal welfare is the result of human action and behavior. To facilitate progress, we maintain sound, long-term relations with farmers who are contracted to grow only our chickens. Our starting point is that all chickens are well taken care of, reared in a comfortable environment, provided with high-quality, nutritious feed and clean drinking water from hatching to slaughter. The Scandi Way to achieving healthy chickens starts with healthy parent birds from specialized breeder farms laying good quality eggs. The broiler chicks hatch from these selected eggs.

After the growing period on the broiler farms, specialized and environmentally controlled transport vehicles transport the birds to our plants, on average, an hour and a half away.

Our leading position and continuous improvement

We're committed to keeping our promise on good animal welfare, firstly to the chickens but also to all our stakeholders. Being the market leader in several of our markets, we want to inspire and contribute to better animal welfare for the whole industry. While the results are good, we acknowledge that there's always room for improvement. Continuous improvement is at the core of The Scandi Way.

Antibiotics aren't needed when chickens are well cared for

The use of antibiotics illustrates our approach to animal welfare well. Worldwide antibiotics are commonly used in animal production. This has caused serious concerns regarding antibiotic-resistant bacteria, both in animals and humans. This condition is not sustainable. The Scandi Way has demonstrated that antibiotic treatment is not needed when chickens are well cared for. In this case, good animal welfare leads to better human health and a better future.

Factors contributing to animal welfare

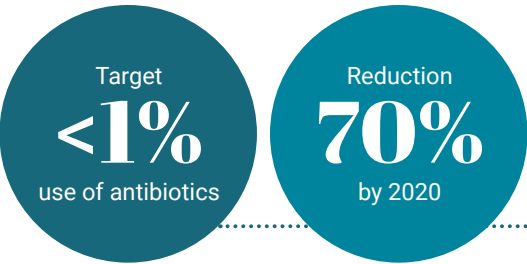
Animal welfare refers to an animal's overall state of wellbeing. The World Organization for Animal Health (OIE) defines animal welfare as "the physical and mental state of an animal in relation to the conditions in which it lives and dies."

The OIE considers that good animal welfare requires disease prevention and access to veterinary treatment, appropriate shelter, management, nutrition, humane handling, and humane slaughter/killing. The Food and Agriculture Organization (FAO) further adds that good welfare means that the animal should also be healthy, comfortable, well-nourished, and safe.

way of keeping animals according to our best ability, always trying to improve, and focus on the root causes of matters. This philosophy is backed up by animal husbandry and animal protection legislation renowned for being among the strictest in the world.

Scandi has defined eight key factors that work together for even better animal welfare. The concept of animal welfare is both complex and evolving. We base our approach on the Nordic

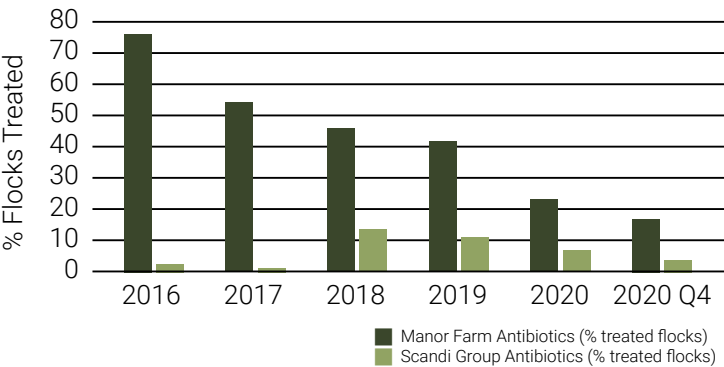
In Scandi, animal welfare is self-evident and built into our culture. It means that chickens should be well taken care of, treated with respect, reared in a healthy environment, and kept comfortable from the time of hatching right through to the time of slaughter.



Successful reduction of antibiotics in Irish operations

When Irish Manor Farm was included in Scandi Standard in 2017, antibiotic use was around 70 percent. Through a purposeful process, this usage has been reduced 70 % by 2020. This trend is continuing in the right direction and levels should be on a par with Nordic levels within the next few years.

Antibiotics use in Scandi 2016-2020



Scandi Standard's target is for the share of flocks treated to be lower than 1 percent in all countries. This goal has been achieved by a good margin for the Nordic countries over recent years. The work on reducing antibiotic use in our Irish operations has been successful over the period 2018-2020, with the numbers being more than halved. The difference with other countries in the Group is still substantial, but the ambition is to achieve the goal within a few more years.

A holistic approach

At Scandi Standard, our approach to animal welfare begins with the healthy parent bird and the quality of the embryo inside the hatching egg, and it ends at the stunning of the bird in the slaughterhouse. It is both holistic and continuous. It is the product of a committed mindset, skilled people, understanding, disciplined processes, and a sound strategy.

To enable us to achieve our goals, we've established a set of eight essential factors constituting and driving animal welfare. These factors are continuously being developed to work seamlessly together to realize our vision – Better Chicken for a Better Life. None of them provide results on their own - none of them is alone *the solution*. This mindset has brought us good results, and we're committed to learning more as we move forward.





# Holistic animal welfare – the 8 key factors to success



## SUCCESS FACTOR 1

### Grower Skills & Attitude

Farmers are the key contributors to the successful implementation of improved animal welfare standards. Growing chicken is an intricate process. A sound understanding of how to best meet the chickens' daily needs consistently and continuously is imperative.

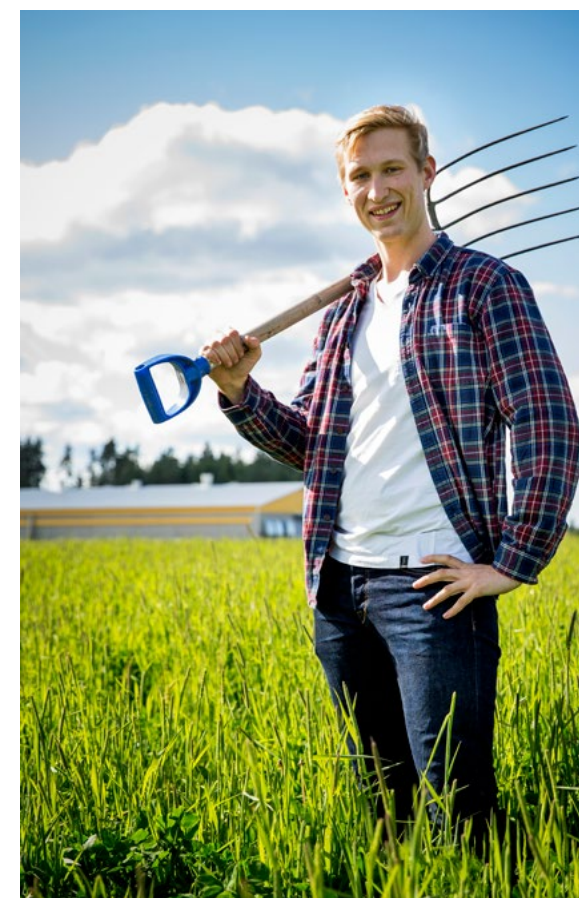
#### Background – The farmer's knowledge is irreplaceable

Farmers have a level of respect, knowledge, and understanding for their chickens. Regardless of all the modern technology available to make processes efficient and profitable, the human know-how of growing chicken is irreplaceable. The matters that a farmer must face involve everything from the details around the well-being of the chickens, to macro-operational processes and business implications. The farmer's responsibilities cover various issues, such as how to house chickens for optimum comfort and daily tasks like ensuring processes are synchronized to the smallest detail in a chicken house of thousands of chickens every hour of every day. Ultimately, farmers have to make sure that the processes they establish run like clockwork and in a concerted manner. First to provide optimum animal comfort and welfare, and secondly, to reach optimum operational productivity.

#### The Scandi Way – Cooperation with farmers on animal welfare

We work with contracted farmers that we've built long-term relationships with over the years. An essential criterion in farmer selection is their dedication. For these partners, farming is a way of life, and a deep passion drives them in what they do and for their chickens' welfare. Our farmers are dedicated to growing chicken. They keep honing their skills and evolving their business as they provide the right environment for their chickens to thrive – and thereby achieving good results.

Scandi advisors and veterinarians constantly work with our contract farmers on best practices – such as temperature profile, feeding management, or setting up the chicken house. At Scandi, we continuously and systematically measure animal welfare with several overlapping indicators. Our contract farmers are getting feedback on their animal welfare performance, which then influences their economic compensation. One of the key performance indicators here is the condition of the chickens' feet after the growing period. The health of the chickens' feet is directly linked to the litter and house conditions during the growing period.



**“It's essential that all the birds' needs are fulfilled, maintained, and controlled. The circumstances around the wellbeing and health of the birds need to be perfect - controlled temperature, free availability of high-quality feed and water, good air quality, and the freedom to express their natural behavior, like dustbathing in the peat bedding.”**

**Kustaa Siikarla**

Contract broiler farmer. Siikarla farm, Finland



SUCCESS FACTOR 2

Day-old chick quality

The quality of a day-old chick directly impacts the quality and welfare of the chicken it will grow to be. A healthy chick has the potential to feel and grow well, without welfare issues. A chick generally weighs between 33-50 grams. It is very susceptible to adverse conditions like suboptimal temperatures – let alone talking about the tiny embryo before it hatches from the egg.

Background – The crucial incubation period

The quality of the day-old chick is largely pre-determined in its embryonic state inside the egg. Numerous factors directly impact chick quality, like the handling of the fertilized egg, quality of the incubation process, and transportation of the chicks to the grower. Many things happen in the 21-day long incubation period, which are crucial for the bird's health later in its life. The incubation process is truly remarkable, from liquid to a breathing, seeing, hearing, walking chick in 21 days. This process has a significant impact on the bird's welfare, and it sets the baseline for the bird's further development.

The Scandi Way – From carefully planned hatching to comfortable chicken houses

At Scandi, the quality of the day-old chick starts by selecting hatching eggs of similar size and quality at the hatchery. Eggs and chicks from young parent hens differ from those from older parent hens – not

only in size, but they also require different temperatures. Careful planning is the foundation to achieve good animal welfare from an embryo and later on the farm. This planning results in chicks of similar size with the same prerequisites and requirements for healthy living. The chicks hatch mainly at the hatchery and are then transported a short distance to the farm in special environmentally-controlled vehicles. They arrive at a prepared and clean chicken house with fresh wood shavings or peat on the floor, the correct floor and air temperature, and immediate access to fresh water and feed.

At Scandi, we take animal welfare seriously and this is demonstrated with the fact, that in Scandi we don't need to use antibiotic treatments for our chicks. The use of antibiotics is a sign of compromised health and welfare and is usually directly linked to the quality of the day-old chick. Healthy chicks don't need special treatment to make efficient use of good feed, and they use all the goodness to help them grow.

SUCCESS FACTOR 3

Feed quality

An essential part of raising chickens is feeding. The science of feeding consists of nutrient content, quality of the diet, and the quantity of feed consumed. Feed must be carefully balanced to ensure the correct daily nutrient supply for raising good quality chicken and upholding animal welfare.

Background – Feed: a science of its own

Feed is a whole science of its own, featuring carefully balanced ingredients in precise amounts and proportions. Feed affects the integrity of the chicken and ultimately also the quality of the meat. Feed quality is defined as the quality of the raw materials, the digestibility of the feed, the balance of nutrients in the feed, its physical form (i.e., particle and pellet size), its consistency of all the beforementioned, and the correct type of feed at the right time. Feed requirements change over the course of a chick's growth span. On day one, the chick requires higher protein concentrations and different amino acids than later in life. Poor feed quality will cause stress, reduced animal welfare and growth, leading to other health concerns.

The Scandi Way – Feed designed by specialists

All Scandi birds consume feed designed by poultry nutrition specialists. They optimize matters like raw material selection, protein content, protein digestibility, and levels of amino acids and their balance. They look at energy content and its relationship to protein, calcium and phosphorus levels and their relevant proportions, overall digestibility, particle size, pellet size and durability, correct temperature treatment for maximum hygiene, and more.

To illustrate the impact of optimal feed particle size on animal welfare, our birds are provided with whole wheat kernels in the feed. Whole wheat has the correct particle size to help the gizzard function naturally as a grinder. It creates optimum conditions in the intestinal system, which in turn is beneficial for the health of the bird.



In Ireland, our feed mill and specialized chicken nutrition expertise ensure that the feed is top quality. This means that it's developed to fulfill the chicken's every nutritional need in every phase of its life. In all our other locations, we cooperate with external feed companies and our contract farmers to ensure that our chickens are provided with the best quality feed.



Hatching on farm, Manor Farm, Ireland

It's in the culture of Scandi Standard to continuously develop innovative solutions. That's why a project is underway at Manor Farm in Ireland to achieve hatching on farm at full scale, with a launch in 2021. The concept of hatching on farm has been successfully used on a small scale at our contract farms in Denmark and Norway. Manor Farm will be the first to go on a full-scale adoption of this new system.

“We started thinking about home hatching to improve the welfare of newly hatched chicks. Over the last two years, we carried out trials on home hatching using the NestBorn system and were impressed with the outcomes. We feel it's a better welfare outcome for the newly hatched chicken because they have immediate access to feed and water. Also, the stress of transport is avoided. All of this leads to a very calm and content chick.”

Tom Horan

Head of Agriculture, Manor farm





SUCCESS FACTOR 4

Housing and environment

Housing constitutes all the technical aspects of the chicken house, which create and ensure that the environment is comfortable for the chickens - keeping the birds in their comfort zone and promoting animal welfare.

Background – Complex system to get the perfect conditions

Several elements must be in place to establish comfortable and clean housing. It starts with a clean and thoroughly disinfected house. Then, the air, floor, and bedding temperatures, air humidity, and CO<sub>2</sub> levels must be correct. Other factors to be considered are ammonia levels, sufficient light, dry bedding material, and properly installed and working feeder and drinking systems.

If the conditions are not right and supportive for the birds, it will cause them stress and to use their

feed to compensate for the suboptimal conditions and maybe even get health issues. For example, if the temperature is too cold and varying, it could cause the birds to eat more to compensate for the cold temperature. It could also lead to poor bedding conditions and infected foot pads. Poor bedding conditions also affect natural behavior like dust bathing. Animal welfare is complex, and even basic things such as temperature monitoring can impact the chickens more than one way.



Photo: Tommy Ellingsen



The Scandi Way - We demand high standard chicken houses for better animal welfare

In everything we do, we strive to improve the overall welfare of our chickens and eliminate factors that cause them stress. A well-constructed chicken house is demanded. Everything has to be correctly installed and functioning well – always. The Nordic way of constructing the houses with insulated concrete floors, insulated walls, indirect heating systems, computer-controlled ventilation & heating systems provides a good foundation for success. Indirect heating systems are used on all Scandi contract farms in the Nordics. They are key to success in our animal welfare KPI's. Our contracted farmers' chicken houses in the Nordics are expensive to construct. Still, they provide better animal welfare and better results – and this is what counts for the chickens, our farmers, and Scandi.

Scandi understands that every country is unique, with different circumstances, customer preferences, and available raw materials. That's why some details differ between our locations, customized to achieve excellence in its local context and local circumstances.

For example, peat is known to be ideal as bedding material for broilers because of its ability to absorb moisture and keep the bedding dryer, warm and antimicrobial. In Finland, our farmers use peat and have achieved excellent foot pad condition scores with an average of 1 point – truly world-class performance. Peat also becomes an excellent organic fertilizer for the chicken farmers' fields to grow crops.

Chicken are flock animals and should be kept together as a flock. Stocking densities in chicken production is a factor to consider regarding animal welfare. The used range is 21-42 kg/m<sup>2</sup>. The higher the stocking density used, the higher are the qualitative demands regarding all the factors affecting animal welfare. This trait is demonstrated in Finland, where we have the highest stocking density within Scandi, but at the same time the best scores for foot pad conditions. Again, speaking for a holistic approach to animal welfare.

SUCCESS FACTOR 5

Natural behavior

Natural behavior may be defined as behavior that chickens exhibit under natural conditions because these behaviors are pleasurable or needed to promote biological functioning.

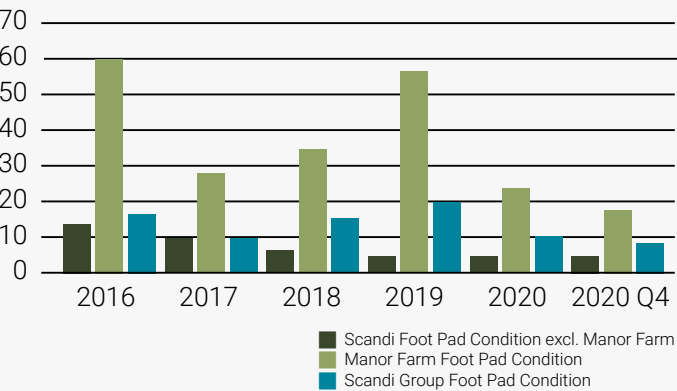
Background – Important for chickens to exercise natural behavior

Chickens don't only have physiological needs for food, water, and thermal comfort. The chicken also needs to exercise certain natural behaviors and be part of the flock to reach animal welfare. The kinds of behavior that are natural include, for example, moving around freely and exercise dust bathing.

The Scandi Way – Always evaluating new ways to promote natural behavior

At Scandi, all our birds are grown free in chicken houses – none of our chickens are kept in cages. Some of our chickens can also go outside, but it is always a risk due to the diseases and bacteria present in the outside environment and wild animals. We're constantly evaluating new ways to improve animal welfare also by enabling natural chicken behavior.

Foot Pad Condition Score in Scandi 2016-2020



Foot pad condition

Foot health is an important indicator of good animal welfare. The quality of the bedding and housing environment is checked by looking at the condition of the foot pads. This is monitored and registered for each house when the chickens arrive at the slaughterhouse. Foot health is measured with foot points, where samples of 100 feet per flock are checked after slaughter. A low score equates to good foot health, values below 15–20 are good in an international comparison. Irish Manor Farm is included in reported figures as of 2018. In order to compare with 2017, figures are also reported excluding Ireland.





## Natural behavior

### Active Farms, Den Stolte Hane, Norway

Den Stolte Hane was part of a research project in Norway initiated by the chicken industry to investigate the usage of environmental enrichments in chicken houses. The study sought to stimulate chicken through movement activities to improve their welfare.



Photo: Tommy Ellingsen

It was important that the enrichments used in the project met our demands, said Christin Schaumburg Bjønness, Quality director at Den Stolte Hane. These included the ability to satisfy the chicken's behavioral needs while being available to as many chickens as possible throughout their growing period. It was also important that the enrichments were convenient to the farmers and seamlessly fit into their daily routines and fulfill the biosecurity demands.

The research concluded that the enrichments through play and exploration increased positive behaviors and the perceived welfare of our chickens. The chickens dust bathe with peat to clean their feathers and have ramps and plateaus to satisfy their natural need to perch on elevated levels. "Their playfulness and innate sense of search and exploration are stimulated through bales of hay, and peat and wood-shavings," she said.

**"The research findings led to Den Stolte Hane in 2017 becoming the first mover in Norway to implement environmental enrichments in all chicken houses. We call them Active Farms, whereby all our chickens now live in an environment that stimulates their natural behavioral needs."**

#### Christin Schaumburg Bjønness

Quality director at Den Stolte Hane

**"When the chickens are healthy and lively, the environmental factors in the chicken house are good, and there is high activity in all the enrichment elements, then I know that the chickens are well and that animal welfare is good."**

#### Sven Grødeland

Contracted chicken farmer for Den Stolte Hane

## SUCCESS FACTOR 6

### Breed characteristics

There are hundreds of different chicken breeds in the world, each with its specific characteristics. Chicken breeds can be differentiated by various traits, including feather color, feather cover, feet color, skin color, behavior, egg and/or meat production, growth rate, feed and water consumption, the thickness of eggshell, egg weights, egg hatchability, etc.

#### Background – Several factors affect the choice of breed

The choice of breed for meat production demands careful deliberation. Factors to be considered are the different qualitative and productive characteristics, like health, egg production, egg size, hatchability, feed conversion ratio, growth rate, meat production, etc. Other factors to bear in mind are the actual production results within the country, various market conditions steered by customers and end consumers, the need for differentiation, and market competition.

#### The Scandi Way – Both conventional and slow-growing breeds

Scandi Standard supply chains mainly use conventional broiler breeds, but also "slow-growing breeds"

in certain markets. The slow-growing chicken breed we use grows approximately 12-17 days longer than the conventional chicken and uses more feed and water per produced kilo of meat. We operate in different geographic markets where local conditions and production results steer the choice of breed in our supply chain.

Our principles remain - animal welfare is a priority regardless of the chicken breed and geographic location. A slower growth rate as such is not the primary factor defining animal welfare. However, breed characteristics are among the eight factors influencing it. Our approach to animal welfare is holistic, whereby sustainable, resource-efficient production, bird health, and welfare are of the highest strategic priority.



### Slow-growing chicken in Denmark

A broad consumer research conducted by Danpo in Denmark showed a clear demand for slow-growing chicken meat in the Danish market.

**"We chose to invest in slow-growing chicken because, it was a good choice in the Danish context. We have achieved better foot pad condition scores, as well as reduced overall mortality. Undoubtedly, the initial results show that slow-growing chickens have been a success in Denmark compared to the chickens we used to grow. In 2016 only a small percentage of the chickens at Danpo were slow growing. Now they represent more than 40 percent of all chickens produced."**

#### Anne Gitte Elbronn

Marketing and innovation manager at Danpo





SUCCESS FACTOR 7

Loading and Transport

Loading and transport must always be conducted with animal welfare in mind, even though it's only for a brief time. Everyone involved in the handling and transporting of chickens must accept the responsibility of humane handling and minimize stress to the chickens.

Background – Special skills and equipment needed

Once the birds are ready for the market, they're loaded into special transport crates and transported to the Scandi plant. This process calls for the right skills and the right equipment. At the farm, the birds are caught on the floor and placed into crates. This procedure is done either manually or using special chicken catching equipment.

The Scandi Way – Animal welfare in focus from catching to arrival

At Scandi, we only use specially contracted crews for catching and transportation. Once the birds are placed into the crates, the next step is to load them onto special trucks explicitly contracted for this purpose, with temperature monitoring and ventilation

in colder climates. On arrival, both authorities and Scandi personnel monitor the condition of the birds. Monitoring the crate filling rate is done continuously to ensure the correct number of birds per crate. Regular physical inspection is also carried out to evaluate the condition of the birds and the quality of the loading process i.e., the condition of the wings. All these factors are important to minimize stress and keep the birds in good condition.

A thoroughly planned catching and transportation schedule is in place to minimize time spent in transit. Transport times can be kept short since Scandi only works with long-term contracted growers relatively close to our plants. The average transport time from the farm to the Scandi locations is 90 minutes.

Innovative transport trucks, Sweden

As temperatures and weather conditions can vary drastically in the Nordics, we do our best to ensure that transportation vehicles are equipped to provide a controlled, low-stress environment for the birds.

A good example is Kronfågel in Sweden. Together with the transporter and specialists, we've developed an innovative chicken transport truck designed to adapt to varying weather conditions. The truck measures the internal temperature and automatically adjusts the ventilation to provide controlled environmental conditions for the birds. The truck is built with negative pressure ventilation for uniform airflow around the birds when in transit. The unique door mechanism provides shelter for rain and sun while loading the birds.

“We’re quite happy with the new trucks - our KPI’s for transporting have improved to an excellent level, and the birds are calm and in good condition at arrival.”

Semmi Hagdal  
Animal welfare controller, Kronfågel

SUCCESS FACTOR 8

Lairage and stunning

From catching and transport to unloading into the lairage and later stunning, the entire process is planned to work as smoothly as possible. Rigid time plans and schedules are set to ensure that the process is seamless and that unplanned delays don't occur.

Background – About lairage and stunning

When the chickens arrive from the farm to the plant, the transportation crates are off-loaded and put into a short-term storage area called lairage. Stunning is the phase where the chickens are rendered unconscious before slaughter.

The Scandi Way – Stress minimizing throughout with veterinaries always present

At Scandi, we've invested in optimizing these processes to maintain animal welfare by minimizing stress and ensuring good and stable meat quality. At all Scandi plants, both our personnel and veterinary authorities oversee the arrival of the birds, lairage, stunning, and slaughter.

The chicken transport crates from the trucks are off-loaded into a calm lairage where the birds are kept for 0,5-3 hours before stunning. In the lairage,

the focus is on minimizing stress and discomfort for the birds. The most important factors for keeping animal welfare in this situation are rigid timing, temperature control, airflow, and dimming of lights. Success in these will also ensure good meat quality – since stress also has a negative influence on the meat quality.

Stunning takes place in the beginning of the slaughtering process whereby the birds are rendered unconscious. The stunning methods in use are Controlled Atmosphere Stunning (CAS) and electrical stunning. CAS stunning means that the birds are gradually rendered unconscious. CAS stunning provides advantages from animal welfare, operational and meat quality standpoints. In recent years, Scandi has invested approximately 170 million SEK in the CAS stunning system. Now, we have reached 80 percent of the plants practice this method, representing a direct investment in animal welfare and product quality.





# The building blocks for effective animal welfare at Scandi

## Performance measurement and ranking

The first step towards achieving continuous improvement in any program is the measurement of performance – facts. By measuring, we gather intelligence to help us develop effective plans for further improvement. For this purpose, a set of Key Performance Indicators (KPIs) are set and followed for each contract grower. The KPIs measure quality, animal welfare, and productivity – such as the foot pad condition score and feed conversion ratio we mentioned before. We regularly evaluate and rank our contract growers. The information derived from the KPIs enables both the contract farmers and us at Scandi to understand each contract farm's performance.

## Supplier Expansion Management

As the market for Scandi continues to grow, new broiler growing capacity is needed. Our policy for managing the process of expanding our chicken growing capacity is based on meritocracy. We choose to work with contract farmers who prove their attitude, skills, and abilities. Their consistent performance in quality, animal welfare, and productivity builds a mutually beneficial business relationship. The farmers who shine through in all these areas are the preferred choices when planning for new capacity and growth.

## Non-negotiable animal welfare and pricing

In dealing with independent contract growers, it's essential to measure performance and pay accordingly is a key success factor. This is also the case within animal welfare whereby Scandi is, and will be, steering its pricing policy by animal welfare and quality outcomes. Every flock of chicken gets thoroughly evaluated by animal welfare indicators, of which the chicken foot pad condition is indisputably a key element. The world-class performance levels achieved in key animal welfare indicators are proof that this approach is an effective tool within the general pricing policy.



## World-class advice and best practice - Scandi Centre of Excellence

Every local Scandi company has its own experienced advisors working to advise the contract growers through all the phases and aspects of chicken growing.

Scandi will further strengthen its know-how and best-practice sharing across the value chain by investing in establishing a Centre of Excellence (CoE) starting in 2021. A centre dedicated to providing world-class expertise ranging from feed, broiler breeders & hatching eggs to the hatchery, broiler growing, measurement and reporting systems, and quality programs. The CoE provides best-practice and know-how in all these critical areas and strengthens cooperation between our operating companies. We firmly believe advanced measurement systems, analysis, a structured approach, know-how, and benchmarking will evolve our supply chains to be even better in quality, animal welfare, productivity, and efficiency.

Some concrete examples are setting key broiler house technical specifications, establishing a structured and action-based quality program, and employing a team of specialists dedicated to serving our supply chains.

Our objective is always to support our contract farmers and suppliers with advice and know-how. However, every independent contract farmer or supplier is ultimately responsible for delivering the Scandi standard of quality and animal welfare acceptable to us.

## Right technology from farm to factory

Scandi directly operates some functions within the supply chain while also influencing the technology connected to animal welfare used elsewhere in the supply chain. The activities we operate ourselves in some markets include the incubation and hatching of day-old chicks, producing feed for the birds, catching the birds for transportation, transportation of the birds to our plants and stunning the birds. In planning of these processes animal welfare aspects are top priority.

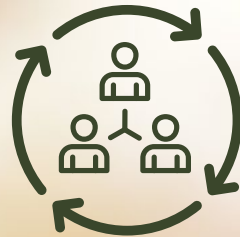
Scandi live-operations personnel also help design broiler houses and other and equipment for other contractors. Things like bird transport vehicles and incubation equipment to optimize the animal welfare and quality of day-old chicks.

**”Scandi will further strengthen its know-how and best-practice sharing across the value chain by investing in establishing of a Centre of Excellence.”**

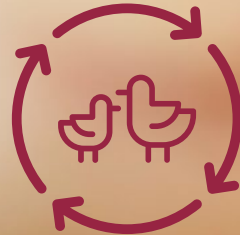




**The power of culture**



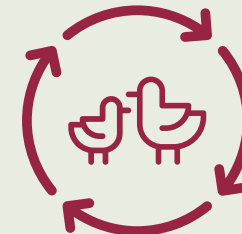
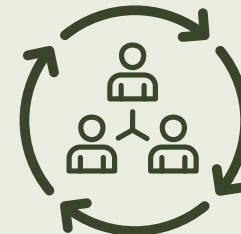
**A holistic approach**



**Precision towards perfection**



# The future of animal welfare – the Scandi Way



## The power of culture

We believe the future of animal welfare is influenced mainly by the culture of a company, its people, and its supply chain. We acknowledge our leading role and responsibility within the supply chain to influence animal welfare. Fundamentally, it comes down to the question: "Are we doing our best and do we respect the birds entrusted in our hands?"

The Scandi approach has the premise that there is always a logical and rational way to do things better. Ultimately it's a matter of just how close to perfection we are or how close we can practically get. We accept that there can and always will be room for improvement, especially when all the variables are considered, and we take into consideration the hundreds of people that all play a role in affecting the outcome.

Scandi is determined to stay focused and work tirelessly to improve animal welfare constantly. It's in our culture. We're also fully aware of the connection between good animal welfare and the quality of our products, productivity, and profitability. Focusing on animal welfare is truly sustainable.

## A holistic approach

The policies and decisions at Scandi are based on facts, performance indicators, and expertise, assessing various components and elements working together. The foundation of animal welfare is set long before the hatching and life of the actual chickens. This foundation consists of many things such as criteria tailored for animal welfare in the payment systems, planning processes, broiler housing guidelines, contractual relationships, etc. A holistic way of viewing animal welfare will be our way of working also in the future.

## Precision towards perfection

How can one take care of thousands of birds simultaneously and still look after the needs of each bird? We believe it boils down to precision. In every action and every step throughout the supply chain: from the quality of the embryo and incubation process, the quality of feed ingredients and feed design, quality of the broiler house design and management resulting in all birds in their comfort zone, and a host of other details and factors.

Ultimately, it's about reducing the variability involved in every process to care for the precise needs of every bird. Averages are simply not good enough if we don't take variations into account. Consider, for example, if you'd feel comfortable in your home if the temperature in your kitchen was 16°C and 28°C in the bedroom? This difference would mean the average temperature in your home was 22°C. Would that feel right to you?

**"The art of good animal welfare is the art of knowing what we are doing and always doing our best. It's about asking the right questions and asking endless questions to find solutions. Today's technological solutions, like applying online sensors in multiple areas and using computing power to connect the data points, greatly assist us on our journey towards perfection. Our Nordic heritage guides us and sets the base for our approach on animal welfare. At Scandi, we will always keep learning, asking questions, and finding better solutions, preparing us for the future."**

**"At Scandi, we will always keep learning, asking questions, and finding better solutions, preparing us for the future."**

**Tommi Saksala**

Live operations director at Scandi Standard

**Tommi Saksala**

Live operations director at Scandi Standard



# - The Scandi Way - Better Chicken for a Better Life

**Photography:**

Tommy Ellingsen, Adobe Stock

**Postal address:**

P.O. Box 30174, SE-104 25 Stockholm

**Scandi Standard:**

[press@scandistandard.com](mailto:press@scandistandard.com)

[www.scandistandard.com](http://www.scandistandard.com)

Produced by Scandi Standard  
June 7, 2021.

## Our brands



NAAPURIN MAALAIKANA



# Scandi Standard