



"SFE is proud to join Compassion in World Farming's US Working Group for Broiler Welfare to make a positive impact on the welfare of chickens and poultry in our supply chain."

- Chef Monty Staggs, CEO SFE

Background: SFE & K-12 Purchasing Requirements

SFE partners with over 160 K-12 schools in 22 states across the United States.

FSMC Procurement in K-12 Schools

K-12 school districts outline procurement requirements as a part of their FSMC contract and select partners based on a variety of components, including price (cost), which is required to be the primary criteria. Pricing in K-12 schools is established in year one of the partnership and may or may not change for the length of the five-year partnership. Any change in price is reflective only of the annual CPI increase and cannot be a material change.

In addition to pricing, all foods used in K-12 schools must contain a Child Nutrition (CN) label, which is determined by the United States Department of Agriculture (USDA). Not all chicken producers supply CN label products.

Finally, SFE's supply chain is based upon USDA commodity availability. The USDA does not currently offer BCC compliant chicken as a part of their commodity program. SFE continues to work with manufacturers supplying USDA foods to schools to continue working towards this goal but are ultimately beholden to what is available through commodity vendors for our school districts. Commodity selection, including what type and quality of chicken is part of a district's program, is at the school district's discretion, not SFE.

Scope of SFE's Broiler Chicken Roadmap

We maintain our commitment to be 100% compliant with the Better Chicken Commitment (BCC). With the above context considered, the scope of this update includes all SFE purchased raw, whole chicken products. This represents 10% of our chicken meat procurement. It does not include product purchased by school districts, the United States Department of Agriculture or processed chicken products, which is the majority of chicken used in schools. We will provide updates annually on our total progress reaching our commitment.



"It's clear that Southwest Foodservice Excellence prioritizes the health of students and the planet with its robust injatives."

-<u>The HSUS Food</u>
Service Industry Protein
Sustainability Scorecard

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Egg & Broiler Chicken Policies

Egg Policy

SFE is committed to switching all of our liquid eggs to cage-free by the end of the 2023/24 school year. In 2022, we switched all shell eggs to cage free. We are targeting 2026 to have all eggs, including eggs used as ingredients, transitioned to cage-free. We continue to work with suppliers, who were greatly impacted by egg shortages in the last year, to identify opportunities to transition eggs used as ingredients to cage-free.



Chicken Policy

SFE is committed to working with our producers and partners, such as the Humane Society of the U.S. and Compassion in World Farming, to address welfare problems associated with the fast growth of broiler chickens. That is why we are committed to Version 2 of the Better Chicken Commitment for all of our fresh and frozen chicken purchases by December 31, 2028.

Progress Reporting Timeline

SFE will report annually, by August, on progress made towards achieving these targets via its website.

Progress Model

BCC Component	2022	2023	2024	2025	2026	2027	2028
Cage Free Eggs	100% Shell Eggs		100% Liquid Eggs		100% Ingredients		
Lighting		100%					
Friable Litter		100%					
Enrichments			50%	100%			
Stocking Density		33%	40%	50%	60%	80%	100%
CAS Processing		12%	20%	35%	50%	75%	100%
BCC Approved Breeds			10%	25%	50%	75%	100%
3rd Party Auditing			50%	100%			

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Progress Timeline

2023: 33% of poultry meets space-per-bird requirements and 100% meet natural light and friable litter requirements. 12% of birds processed with controlled atmosphere stunning.

2024: 40% of poultry to meet space-per-bird requirements. 10% of birds transitioned to BCC approved breeds. 20% of birds processed with controlled atmosphere stunning. 50% of birds complying with enrichment standards. 50% achievement in third party auditing process. 100% of liquid eggs transitioned to cage free.

2025: 50% of poultry meets space per bird requirements. 100% of birds complying with enrichment standards. 35% of birds processed with controlled atmosphere stunning. 25% birds transitioned to BCC approved breeds. 50% of birds meet enrichment requirements. Begin third party auditing.

2026: 60% of poultry meets space per bird requirements. 50% of birds processed with controlled atmosphere stunning. 50% of birds transitioned to BCC approved breeds. 100% of eggs used as ingredients transitioned to cage-free.

2027: 80% of poultry meets space per bird requirements. 75% of birds processed with controlled atmosphere stunning. 75% of birds transitioned to BCC approved breeds.

2028: Full compliance with Version 2 of the Better Chicken Commitment for all SFE purchased raw, whole chicken.



"Compassion in World Farming is excited to see Southwest Foodservice Excellence (SFE) become a leader for broiler chicken welfare. This roadmap demonstrates that SFE takes amimal welfare seriously and believes in a more humane world for all."

> -Julia Johnson, Head of Food Business Compassion in World Farming

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