

## Investor Briefing: EU Consultation on Animal Welfare Legislation Revision

### Introduction

On 10 September 2025, BBFAW, alongside its partners FOUR PAWS and Compassion in World Farming (CIWF), hosted a dedicated investor briefing on the ongoing European Commission (EC) 'consultation initiative' called 'On-farm animal welfare for certain animals: modernisation of EU legislation'.

The consultation represents the most significant opportunity in decades to revise EU farm animal welfare laws, with potentially far-reaching implications for food companies, farmers, consumers, and investors.

The webinar covered:

- The background to the consultation and what happens next
- The implications of a transition to cage-free farming
- Opportunities for investors to contribute to the process

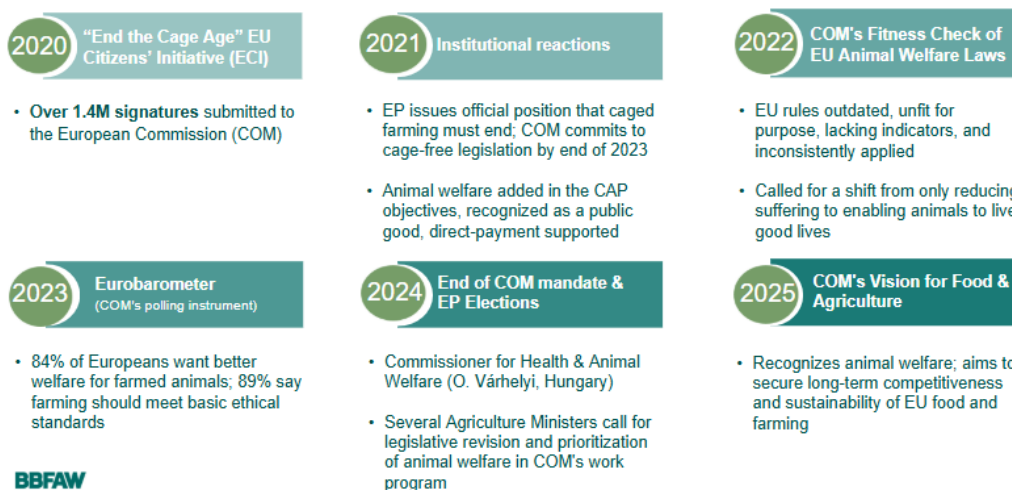
Speakers included:

- Robert Black – Head of Responsible Investment, Chronos Sustainability
- Georgia Diamantopoulou – Head of EU Policy, FOUR PAWS
- Amélie Legrand – Head of Research (Food Business), Compassion in World Farming

This document summarises the content of the webinar and provides some additional detail for investors.

### Context for the Consultation

For the first time in many years, a consultation on the EU's animal welfare legislation is underway – a significant milestone. Several shifts and key policy moments have led to this point:



A major trigger was the “End the Cage Age” European Citizen’s Initiative; this collected nearly 1.4 million signatures calling for the abolition of cages in farming. In response, the European Parliament adopted a position in 2021 in support of ending the use of cages, and the Commission committed to propose cage-free legislation by the end of 2023. Animal welfare was also made an objective of the Common Agricultural Policy, with direct payments for supportive farmers.

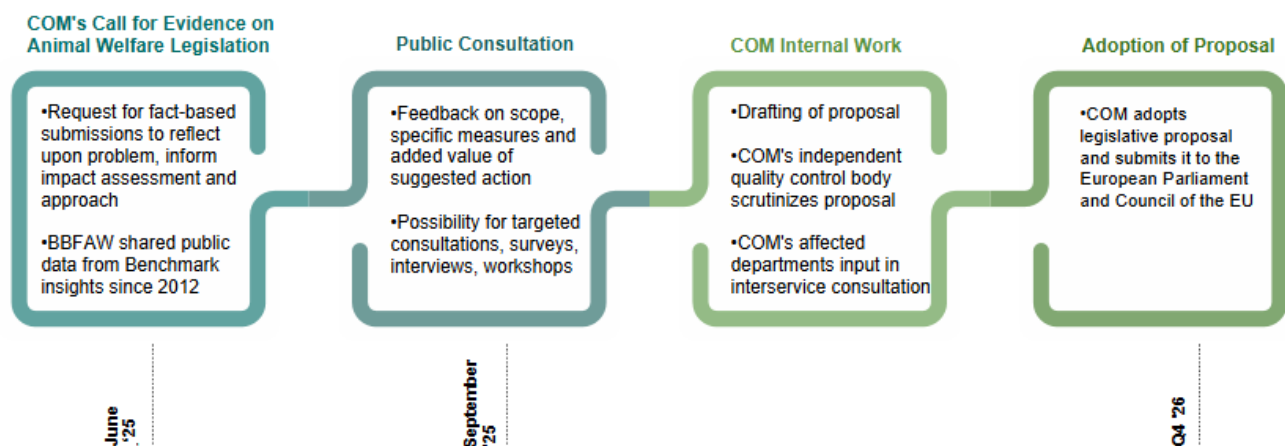
The Commission’s 2022 ‘Fitness Check’ in 2022 found current laws to be outdated, inconsistent, and lacking clear indicators. Importantly, it urged a shift from simply reducing suffering to enabling animals to have positive experiences and good lives.

Public opinion reinforced this direction. A 2023 Eurobarometer survey showed that most Europeans wanted stronger protections for farmed animals and believed farming should meet basic ethical standards (see detail below).

While political dynamics shifted after the 2024 elections, animal welfare remained a priority, with a Commissioner for Health & Animal Welfare appointed and several Member States pressing for change.

## Legislative Process & Timeline

The European Commission’s webpage giving an overview of the consultation process can be found [here](#)



In June the European Commission began its consultation, launching a Call for Evidence on animal welfare legislation. This Call for Evidence invited citizens, businesses, NGOs and other interested parties to give their fact-based input on the revision of the EU’s animal welfare legislation. Over 750 unique submissions were received. The largest body of responses came from EU Citizens (57% of submissions). Sixty-eight were submitted by businesses, of which 25 were positive responses (13 were negative, and the rest mixed). Chronos Sustainability, in its capacity as the BBFAW Secretariat, submitted a case study on the Business Benchmark on Animal Welfare (BBFAW), highlighting public data on company progress and investor interest since 2012.

The Call for Evidence will be complemented by forthcoming intelligence gathering and consultations. The next critical window is a public consultation in the autumn, where stakeholders can comment on the scope of the revision and proposed measures. Further input may come through targeted surveys, interviews, and workshops.

Following the stakeholder consultation process in 2025 the legislative drafting process begins, with impact assessments, internal reviews, and consultations across the Commission's departments. The Commission has publicly stated that it will adopt and present its first cage-free legislative proposal to the European Parliament and Council by the end of 2026.

## Key Issues in the Consultation

The European commission has highlighted four key content areas that the consultation will focus on:

Topic	Phasing out of cages	Killing of day-old male chicks	Import requirements	Indicators and digitalisation
<b>Focus</b>	The Commission is considering appropriate phase out periods and technical requirements for cages.	The Commission is exploring the phase out of this practice, along with transition periods and possible derogations.	The Commission is exploring whether and to what extent animal welfare standards should be imposed on animals and animal products imported to the EU.	The Commission is exploring which welfare indicators to use and how to measure them. Explore integrating digital tools for effective, transparent monitoring and less administrative burden.
<b>Considerations</b>	<p>Around 300 million animals in the EU are still kept in cages, including 38% of hens, 94% of rabbits, 96% of sows, and 90% of ducks.</p> <p>Cages prevent natural behaviours and fundamentally limit welfare potential.</p> <p>Cages for laying hens are already banned in Austria and are being phased out in Germany, Belgium and Czech Republic</p>	<p>Day old male chicks are frequently killed in the laying hen (egg) industry. This happens because they cannot lay eggs themselves, and do not grow at the same rate as chickens bred for meat (broilers).</p> <p>Alternatives exist, such as the use of dual-purpose breeds and in-ovo sexing. Some member states have already banned this (<a href="#">link to briefing below</a>).</p>	<p>Setting minimum standards for welfare (such as phasing out cages) risks being undermined if import requirements do not match this.</p> <p>Importing lower welfare goods from abroad could undercut European farmers and mislead consumers.</p>	<p>Welfare indicators can be an important part of understanding what level of welfare is achieved for an animal in a given system.</p> <p>Robust monitoring of welfare should be considered alongside how to avoid over-burdening farmers.</p>

The revision aims to tackle:

- **Restrictive cages** that prevent natural behaviours in hens, sows, rabbits, ducks, and calves.
- **Killing of day-old male chicks** in the egg industry.
- **Outdated, vague rules** that lag behind science and societal expectations.
- **Inconsistent enforcement** across Member States.
- **Market distortions**, where higher-welfare producers are undercut by lower-welfare systems.
- **Lack of welfare indicators and monitoring**, limiting accountability.

The revision aims to achieve:

- **Uniform, science-based welfare standards** across the EU.
- **Harmonized rules and enforcement**, reducing administrative complexity.
- **Financial support for farmers**, including aid and transition measures.
- **WTO-compliant import standards** to ensure fair competition.
- **Greater transparency and consumer trust**, through clearer rules and labelling.
- A **shift towards positive welfare**, enabling animals to live "good lives," not just lives free from suffering.

The European Commission's four-page 'Call for Evidence' summary provides further commentary on the rationale for the consultation and its content. It can be found [here](#)

More information on the issue of male chick culling, and its alternatives, can be found in Compassion in World Farming's briefing document [here](#).

## Implications of a Cage Free Future

The potential phase out of cages is a key part of the ongoing consultation. It is both an ethical issue and a business one: significant numbers of animals are still kept in cages, but there is strong support – from scientists, citizens and progressive companies – to set a timeline for transition.

### The scale of the shift:

Around 300 million animals in the EU are still kept in cages, including:

- 38% of the laying hen flock (149 million hens)
- 94% of farmed rabbits (72 million rabbits)
- 96% of breeding sows kept in sow stalls (up to 4 weeks after insemination) and farrowing crates (10 million sows)
- 90% of ducks farmed for foie gras (30 million ducks)
- Tens of millions of other farm animals are kept in cages in the EU for at least a proportion of their lives

### The welfare issues presented by cages

Cages are barren, restrictive environments, often uncomfortable, and either overcrowded or lacking social opportunities. Animals are unable to move freely express even their most basic behaviours, leading to:

- *Poor mental wellbeing*: Frustration, distress, chronic stress
- *Behavioural issues*: Stereotypic, abnormal, aggressive behaviours
- *Poor physical wellbeing*: Wounding/injuries, musculoskeletal weakness, compromised immune function

### **Stakeholder support for change**

A wealth of scientific evidence strongly supports the urgent need to eliminate caged systems. EFSA, the EU's food safety authority, recommends ending cages for multiple species, including laying hens, ducks, geese and quail, breeding sows and calves, in their most recent scientific opinions.

Citizens also strongly support reform: in addition to the 1.4 million EU citizens who supported the End The Cage Age ECI, the latest poll results from the Eurobarometer and the European Bureau of Consumers show overwhelming support for better welfare in Europe:

- 9 in 10 believe animal welfare must be better protected, including through a cage ban.
- 89% of EU citizens don't want animals to be kept in individual cages.
- 76% want imports held to the same standards.
- 7 in 10 would pay more for higher-welfare products.

### **The transition has already begun among food businesses**

Many leading food companies are already taking significant steps to eliminate cages from their supply chains, demonstrating the commercial viability of the shift.

#### **Laying hens/Eggs**

Most traction has been seen in the egg sector; there are over 1,400 cage-free commitments for laying hens across Europe to date, with 900 of them already fulfilled. Companies including Barilla, Carrefour, Unilever, Nestlé, Ferrero, Mars, Danone, Lidl, REWE, Kaufland, Auchan, Netto, KFC Europe and Subway Europe have all made significant cage-free commitments.

Driven by consumer demand, the voluntary transition of these industry leaders has led to a substantial rise in cage-free egg production across the EU in recent years:

- EU: from 47% cage-free hens in 2017 to 62% at the end of 2024.
- UK: from 52% cage-free eggs in the UK in 2017 to 82% in Q2 2025.

#### **Pigs**

While progress on other caged species is not as advanced, leading EU companies have made commitments to eliminate sow stalls and farrowing crates for sows. Eighty-six companies have been recognized through Compassion in World Farming's Good Pig Awards for their commitments to improve the welfare of pigs and/or sows - benefitting over 3 million pigs annually). This voluntary transition is especially notable in Italy, where leading pig producers have committed to phase out cages for sows, driven by export opportunities to UK retailers such as Waitrose who have cage-free commitments for their continental meat.

Companies such as Fumagalli (Italy), The Compleat Food Group, Zonvarken (Netherlands), IKEA Italy and Domino's Pizza Europe are among those taking action.

#### **Rabbits**

Momentum is growing for rabbits reared for meat too, especially in France. Since the launch of Compassion's Good Rabbit Award in 2015, 29 companies have been recognized for their commitments to use cage-free systems for meat rabbits in their supply chain, set to benefit over 9 million rabbits annually. In France, leading producers have been investing in innovative higher welfare cage-free pen systems, resulting in an estimated increase in cage-free rabbit production from 1% to 11% of the total production between 2015 and 2022.

Kaufland Germany, BreFood, Lapin & Bien (France), ADM (France), and Carrefour France are among those pioneering cage-free rabbit production systems.

### Legislative advocacy by companies

Not only are companies voluntarily leading the transition, they are also actively calling for a legislative reform. For example, 18 companies (shown below) recently signed a statement sent to the European Commission outlining their own commitment to cage-free eggs, and stating their belief that 'prohibiting the use of cages in European legislation will enable a level playing field amongst competitors as well as demonstrating European leadership in getting hens out of cages'.



Compassion in World Farming's report, 'Food Businesses paving the way for a cage-free Europe', provides case studies and more detail on actions already taken by leading companies. You can read it [here](#)

## What is Needed for a Successful Cage-Free Transition

Transitioning from cages to cage-free is a significant investment, which will tie producers to a system for the next 10-15 years. It is therefore crucial that investments are future-proof.

### For animals

Cage-free systems must deliver real welfare improvements, not just remove cages. Animals need:

- **Space to move naturally** (perching, rooting, hopping, wing-flapping).
- **Enrichment** such as nesting materials, straw, perches, or dust-bathing areas.
- **Comfortable housing** with good flooring, bedding, lighting, and ventilation.
- **Positive social environments** that allow natural interaction and reduce aggression.
- **Choice and variety**, ideally including outdoor or veranda access where conditions allow.
- **Good management** to ensure welfare benefits are realized in practice.

Note that some systems, even though they may be marketed as "cage-free", are lacking some of those essential design features - such as the so called "combination" systems for laying hens or "temporary crating systems" for sows – so this is something to watch out for.

### For companies

Food businesses need clear and harmonized EU legislation so they can plan ahead confidently. They need:

- **To ensure legal compliance:** by having clear laws from the EU so they can align supply chains with forthcoming legal standards.
- **Gradual, well-managed transitions** that avoid sudden supply shocks or cost spikes.
- **Supply chain stability** supported by coordinated implementation, which allows for long-term supplier partnerships.
- The ability to meet growing **consumer demand** for cage-free products, while balancing affordability and access.
- Transparent rules that provide assurance to investors and consumers alike, reducing reputational risks.
- A **level playing field** so companies committed to higher welfare are not undercut by lower-welfare competitors within the EU or through imports.

A level playing field, secured by a ban rather than a voluntary transition, is of central importance. Without standards applying to imports, European producers could be undercut by lower-welfare imports. Trade considerations also need to factor in the evolving legislative landscape in some of the EU's main trade partners like the UK, which already has a ban on sow stalls and is considering a wider ban on cages in line with the EU provisions. The recent Sanitary and Phytosanitary (SPS) agreement between the EU and the UK includes a "dynamic alignment" clause, requiring the UK to automatically adopt relevant new EU laws, including the announced revision of the EU's animal welfare legislation and the ban on cages.

#### **For farmers**

Farmers are central to the transition and must be supported through:

- **Clarity on future expectations**, enabling long-term investments in infrastructure and housing systems.
- **Financial support**, such as CAP funding, grants, or low-interest loans, to offset the upfront costs of converting systems.
- **Fair sharing of costs** across the value chain, so farmers are not left to absorb transition expenses alone.
- **Technical training and knowledge transfer** to support adoption of new systems and best practices.
- **Market stability and protection** from unfair competition, particularly low-welfare imports that do not meet EU standards.
- Recognition of the **social and economic role of farmers**, ensuring they remain viable while improving welfare outcomes.

In addition, cage-free systems should also maintain farmer safety and provide good working conditions.

## Investor Perspective & Opportunities

This consultation presents a pivotal opportunity for investors to enhance animal welfare standards in Europe.

Strong, harmonized EU legislation would:

- Prevent progressive companies from being undercut by competitors using lower-welfare systems.
- Provide consistent rules across Member States, reducing compliance complexity.
- Encourage innovation and transparency, which are increasingly demanded by consumers.
- Mitigate systemic risks linked to poor welfare practices, such as antimicrobial resistance.



- Give confidence to farmers and food businesses to make long-term investments, which can help to reduce market volatility.

The investor perspective is underutilised and can be an influential voice in this process. **We encourage investors to engage by:**

- Signing the joint investor letter to the European Commission (building on the 2023 letter, which received an official reply and raised the profile of investor concerns). This letter reinforces support for ambitious legislation and highlights the importance of a level playing field.
- Participating in the public consultation to ensure investor voices are part of the legislative process; joining direct engagement opportunities with EC representatives, consultants, and multi-stakeholder workshops.
- Amplifying resources and awareness within investor networks, highlighting the commercial rationale for strong welfare legislation.

The BBFAW Secretariat will provide support, briefing materials, and coordination to make engagement straightforward and impactful, without requiring specialist animal welfare expertise.

## Next Steps

**Draft investor letter to the European Commission** to be reviewed, and sign-on confirmed. The letter has been circulated for review; if you have not yet received a copy and would like to, please email [secretariat@bbfaw.com](mailto:secretariat@bbfaw.com)

**BBFAW will support further engagement opportunities** with the European Commission and other stakeholders. Depending on how the legislative process develops, there may be consultations, technical workshops, and direct input opportunities where investor voices can carry influence. The BBFAW's Partners and Secretariat (Chronos Sustainability) will help identify these moments and facilitate investor involvement. If you would be interested in this type of engagement, please contact [secretariat@bbfaw.com](mailto:secretariat@bbfaw.com)

**Ongoing updates and resources** will be provided via the BBFAW investor mailing list. To sign-up, email [secretariat@bbfaw.com](mailto:secretariat@bbfaw.com). If you would like to watch a recording of the webinar, we can send this directly to you.