

OECD guidelines on responsible business conduct - For the first time ever, the Guidelines address corporate responsibility around animal welfare.

A long-awaited success that animal welfare has finally been included in the GLs, in line with societal expectations, legislation and some companies' policies.

We are delighted the text recognises that good animal welfare is predicated on positive behaviours/ experiences in line with the 5 domains and moves from the more negative 5 freedoms.

We welcome that where companies do not meet at the very least the WOAHA standards that animal welfare civil society will now be able to hold them to account through the national contact points.

We look forward to the next round of updates that recognise that animal welfare issues go beyond environmental risks but also broader cover broader due diligence questions like public health.

Background:

- The OECD Guidelines for Multinational Enterprises are the leading international standards for Responsible Business Conduct (RBC). They have a big influence on the CSR policies adopted by companies around the world.
- The update of the Guidelines is particularly timely as it comes at a key moment in the development of mandatory due diligence legislation, in Europe i.e. NL and the EU and globally. Civil society can use many of the updated standards in the Guidelines as grounds for seeking stronger provisions in national and regional corporate accountability initiatives.
- In the last round of updates - 2011 - there was no mention of Animal Welfare in the general guidelines. This omission resulted in significant fragmentation in the understanding of animal welfare across regions and sectors and makes it more complicated for Multinational Enterprises (MNEs) to fulfil their responsibilities towards animal welfare along the entire supply chain.
- Each year, billions of animals are used in industries including farming, textiles, pharmacy and cosmetics, and tourism, with support by the finance sector. Irresponsible business conduct by businesses in animal-based industries has led to serious impacts on animals, people and the environment. See **Why animal welfare should be in RBC**
- The new additions make clear that respecting animal welfare is part of due diligence and necessary to ensure RBC. The text now allows civil society to file complaints to NCPs and engage directly with enterprises regarding their failure to ensure, through due diligence, good animal welfare for animals in their value chains.

The text

the updated Environment chapter calls on enterprises to "

should respect animal welfare standards that are generally consistent with the World Organisation for Animal Health (WOAH) Terrestrial Code. An animal experiences good welfare if the animal is healthy, comfortable, well nourished, safe, is not suffering from unpleasant states such as pain, fear and distress, and is able to express behaviours that are important for its physical and mental state. Good animal welfare requires disease prevention and appropriate veterinary care, shelter, management and nutrition, a stimulating and safe environment, humane handling and humane slaughter or killing. In addition, enterprises should adhere to guidance for the transport of live animals developed by relevant international organisations."

Good: parties have accepted our wording that is in line with the five domains for example to ability to express natural behaviours and that they can enjoy a stimulating and safe environment. It is good that it cover handling slaughter and transport not just keeping. Welcome it includes a definition of animal welfare.

Bad: The text refer to standards of the World Organisation for Animal Health (formally OIE), whereas we pushed for higher i.e. FARMs for farm animals. These standards are based on the consensus of 181 countries, and therefore represent the lowest common denominator on animal welfare rather than best practice. In fact, many multinational enterprises (MNEs) already adopt practices that far surpass those set out by WOA. H.

Bad: we suggested wording ' Animal testing, fur farming and other practices or industries that profit from animal suffering should be avoided where cruelty-free alternatives exist.' Obviously it wasn't accepted.

Bad it is disappointing that the OECD has not recognised AW as a cross cutting issue and have included it in the environment chapter only. Advancing RBC requires companies to work holistically across several issues, and to understand how they are linked - for instance, animal welfare is intimately tied to public health (seen with COVID-19 and antimicrobial resistance) environmental issues (e.g. climate change and biodiversity loss) and social conditions (poor health and safety, labour abuses). The Guidelines should make this clear in the next round, to avoid MNES taking a piecemeal or siloed approach to RBC.

Why animal welfare should be in RBC

More and more OECD states recognise animal sentience and the link between irresponsible MNE conduct on animals and its adverse impacts on animals, people, and the planet. Many MNEs are also already taking action to address low animal welfare.

- **Severe neglect of animals' needs:** Animals are sentient beings, meaning they have the neurophysiological system that enables them to experience emotions such as joy, pleasure, pain and frustration. Many companies and/or their supply chains involve animal testing, intensive confinement and practices that are scientifically identified as causing severe pain and long-lasting frustration for the animals.
- **Negative public health and safety effects:** High-density animal keeping and increased interaction between animals and humans increases the risk of the emergence of zoonotic diseases (e.g. COVID-19, SARS, Ebola, Avian Flu), with severe impacts on human health, economic growth and social equity. Preventing the spill-over of pathogens to humans' costs substantially less than responding to these pathogens once they emerge.ⁱ Low animal welfare and subsequent overuse of antibiotics is also driving up antimicrobial resistance, which is projected to kill 10 million people annually by 2050 unless action is taken to address it.ⁱⁱ
- **Deforestation and loss of biodiversity:** Intensive livestock farming and the related production of feed for farm animals (e.g. soy) have had a massive impact on the degradation and destruction of key biomes such as the Brazilian Amazon and Cerrado, resulting in a severe loss of habitats for flora and fauna, which in turn results in a disastrous loss of biodiversity.ⁱⁱⁱ
- **Environmental pollution:** Intensive livestock farming and the production of animal-derived materials are linked to soil, water, and air pollution due to the use of fertilizers, chemicals and pharmaceuticals, and the waste this industry generates.^{iv} This pollution can threaten human health, biodiversity and the ecosystems that underpin our economies.

- **Climate change:** According to FAO, livestock contribute approximately 14.5% of the total annual anthropogenic GHG emissions globally.^v Livestock influence climate through land use change, feed production, animal production, manure, and processing and transport.^{vi}

ⁱ A. P. Dobson, et al, “Ecology and economics for pandemic prevention”, Science, 369(6502), 2020, p. 379-381.

ⁱⁱ J. O’Neill, “Review on Antimicrobial Resistance,” 2014, http://www.jpiamr.eu/wp-content/uploads/2014/12/AMR-Review-Paper-Tackling-a-crisis-for-the-health-and-wealth-of-nations_1-2.pdf.

ⁱⁱⁱ Fair Finance Guide, “Funding destruction of the Amazon and the Cerrado savannah. A Fair Finance Guide Netherlands case study on deforestation risks in soy and beef supply chains”, 27 August 2020, <https://fairfinanceguide.org/ff-international/case-studies/2020/funding-destruction-of-the-amazon-and-cerrado-savannah/>.

^{iv} E. Muñoz, “Environmental Impact of Livestock Production,” Agricultural Research & Technology Open Access Journal, 2017, <https://juniperpublishers.com/artoaj/pdf/ARTOAJ.MS.ID.555745.pdf>.

^v P.J. Gerber, et al, “Tackling climate change through livestock: A global assessment of emissions and mitigation opportunities,” FAO (Rome, 2013). N.B. This figure doesn’t include carbon sequestration in a scenario in which diets would be more plant-based (which would free up more land to reforest). Therefore, the true climate impact of livestock is even larger than this figure. See: <http://www.chompingclimatechange.org/publications/articles/>.

^{vi} M. M. Rojas-Downing, et al, “Climate change and livestock: Impacts, adaptation, and mitigation,” Climate Risk Management, 16, 2017, p. 145-163.