

# RESPONSIBLE SOURCING



## How to develop an animal welfare policy

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**The welfare of animals farmed for food and fibre is an increasing priority for organisations involved in or purchasing from animal production industries.**

With growing community expectations of transparency around how organisations operate and their impact on the world around them, recognising the importance of animal welfare, is key to maintaining an organisation's social license to operate and a sustainable business that is fit for the future. Key to this is the development of a formal and publicly available animal welfare policy.

## What are the benefits for your organisation?

Taking ownership, accountability and implementing management practices to oversee improvements to animal welfare in supply chains can be instrumental to your organisation's future acceptance by consumers, investors and the wider community. Without this, opportunities for improved relationships across a plethora of stakeholders are lost, reputational risks heightened, and social license damaged.

Aside from improving your brand reputation in an increasingly conscious world, there are other benefits to your organisation's operations that can flow on from addressing animal welfare issues. Benefits such as improved food supply, new market opportunities, efficiencies in supply chains, supplier/client relationship foundations, and operational longevity.

Finally, and importantly, the benefit is knowing that you are contributing to improving the welfare of animals raised for the production of food, fibre and other animal-based products and helping to provide these animals with a good life.

*"Business that address or enhance animal welfare are likely to win or retain a competitive advantage in the global marketplace by:*

- *Reducing costs due to improved human-animal relationships and other welfare benefits, which can lead to increased productivity;*
- *Realising growing market opportunities for food produced in animal welfare-credentialed systems; and/or*
- *Becoming the producer of choice for retailers and consumers concerned with animal health and welfare, food safety and quality, human health, and the environment."*

**Good Practice Note: Improving Animal Welfare in Livestock Operations – International Finance Corporation, 2014**

*"In Australia today, 95% of people view farm animal welfare to be a concern and 91% of people want at least some reform to address this."*

**Australia's Shifting Mindset on Farm Animal Welfare – Futureye, 2018**

*"Strong animal welfare credentials are becoming a way for businesses to differentiate themselves in terms of the product they provide, which can translate into sustainable returns."*

**AMP Capital – Dr Ian Woods, 2019**

## Why should your organisation have a formal policy?

Regardless of an organisation's role in the supply chain, all sectors who source animal-derived ingredients must be accountable for their products and operations and the impact their business has on animal welfare. There are several recurring themes within animal welfare policies that can lead to the delivery of better animal welfare outcomes across industries.

### **1. Showing compliance with and recognition of relevant farm animal welfare legislation**

In Australia, each state/territory has their own animal welfare laws, all of which seek to prohibit animal cruelty and promote animal welfare within the respective jurisdiction. While the fundamental objectives of the different state and territory laws are largely the same, the way each piece of legislation seeks to implement these objectives may vary. A clear understanding of what is required in relation to compliance with animal welfare legislation should be reflected in your organisation's animal welfare policy and is crucial in maintaining consumer trust in the organisation.

### **2. Integrating animal welfare into ESG objectives**

Animal welfare is recognised globally as a key corporate responsibility issue and should form an integral part of an organisation's ESG (environment, social, governance) strategy. Australians have growing expectations that companies will commit to improving animal welfare and avoid practices that do not meet their expectations, just as they expect practices that are environmentally and socially responsible.

### **3. Managing reputation and mitigating risks**

An organisation that takes responsibility for the development, assessment and monitoring of animal welfare standards through their operations may identify potential risks and has the opportunity to mitigate these in a timely manner.

### **4. Ensuring business longevity**

Identifying the importance of animal welfare in a business model allows organisations to plan accordingly, with short, medium and long-term goals, and implement a sustainable business plan that supports related production or capital investment costs.

### **5. Continuity of supply**

Regularly engaging with suppliers on animal welfare matters promotes transparency and allows forward planning by all sectors. By communicating an organisation's vision to improve animal welfare, suppliers will be able to plan accordingly and implement changes that help make this vision a reality.

### **6. Market opportunities**

Through the implementation of better oversight, management and public commitments in relation to animal welfare, organisations may identify new business opportunities. These may include showcasing animal welfare commitments to customers and gaining greater brand trust as a result, exploring new market opportunities or securing new corporate relationships. Seeking accreditation to verify higher welfare practices through participation in the RSPCA Approved Farming Scheme is one of these avenues.

## Key components of an animal welfare policy

- 1 Scope** – Explicit definition of products, species, geographies and brands the policy relates to.
- 2 Internal governance and management** – The roles and responsibilities within an organisation in relation to the implementation, management and conformance of an animal welfare policy.
- 3 Supplier/client engagement** – Actions undertaken by the organisation to communicate its animal welfare policy to suppliers and clients.
- 4 Objectives and commitments** – Objectives and commitments in relation to species-specific issues, cross-species issues, and desired outcomes.
- 5 Ongoing analysis, KPIs and public performance reporting** – Continuous analysis and assessment of supply chains and products. Regular public performance reporting on progression of commitments and policy.

## Steps to developing your animal welfare policy

### Step 1 - Scoping

Perform a supply chain analysis to understand the production method of animal-based products currently sourced. Supply chain analyses should include country of origin, type of product, animal welfare practices and production system, compliance with certification schemes, the producer and chain of custody.



### Step 2 - Assessment and identification of issues

Investigate and form an understanding of the species-specific animal welfare issues, the relevant market, available higher welfare farming practices, and animal welfare outcome measures. Then make assessments on the current level of animal welfare standards for the product(s) scoped.



### Step 3 - Animal welfare issues and community expectations

Engage with relevant stakeholders such as animal welfare groups, peak industry bodies, and clients/suppliers that have knowledge of community expectations and key animal welfare issues to assist in prioritising areas of focus and develop short and long-term goals. Ensure your animal welfare policy is publicly available!



**For further information to assist your organisation's plan to improve animal welfare, get in touch with [RSPCA Australia](#).**