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### The guide to humane washing

### What is humane washing and what are the risks?

This guide was created to support financial institutions in assessing the public facing policies of companies that they are considering investing in or financing. Companies failing to properly address animal welfare can have material risk and return implications for both the companies themselves and the financial institutions that finance them.

Greenwashing is the misstatement, misrepresentation, and false or misleading practices often in relation to environmental, social and governance credentials.<sup>1</sup>

Humane washing is a form of greenwashing; it gives a false or misleading impression about a company's animal welfare policies and practices. This includes labels, websites, formalized sustainability reporting and representations aimed at consumers or any interested parties including investors, partners, regulators and/or the community at large.

As defined by the <u>World Organization for</u>
<u>Animal Health (WOAH)</u>, animal welfare is the "physical and mental state of animals in relation to the conditions in which [they live] and die."<sup>2</sup>

Animal welfare is an essential environmental, social and governance (ESG) topic.

Therefore, it should be meaningfully addressed through detailed policies and commitments by companies that produce or procure animal-related products and goods.

Improving animal welfare is essential for companies wishing to limit risk and remain competitive in their respective markets.

Companies recognize that animal welfare is an increasingly relevant issue due to changing consumer and customer preferences, regulatory requirements, and global improvements in animal welfare standards and practices.

To capitalize on the changing market, some companies engage in humane washing to intentionally mislead stakeholders about their animal welfare practices. On the other hand, some companies humane wash unintentionally.

Unfortunately, either scenario can result in material risk-and-return implications for financial institutions. Moreover, humane washing has the power to slow or inhibit the wider adoption of meaningful changes to reduce animal suffering and improve farm animals' quality of life; it does this by advertising basic practices as special attributes and occupying the same market space as producers that go above and beyond to provide a higher level of animal welfare. Interested parties may have every intention of being part of the solution but unwittingly become part of the problem.

Humane washing can destroy value, harm brand reputation and, ultimately, contribute to animal suffering. The following pages include some of the most common humane washing tactics, misdirection and techniques that companies use.

### Only mentioning the Five Freedoms, the Five Domains, or simply referencing animal welfare

#### **Basic animal welfare**

A general mention of animal welfare in public-facing policies is not meaningful if unaccompanied by specific commitments and quidelines. Companies often reference animal welfare because they recognize its importance for customers and shareholders. However, just as referencing sustainability doesn't guarantee the application of the concept, simply mentioning animal welfare doesn't provide customers, financiers and other parties the information to determine the validity of the systems and practices adopted, nor the welfare commitments and progress toward those commitments. An example is a standalone statement like "animal welfare is an important part of our supply chain."

#### The Five Freedoms or the Five Domains

The Five Freedoms and the Five Domains are well-recognized frameworks, but are not self-executing or sufficiently precise, and therefore ineffective without specific guidelines. Many animal producers and food companies reference the Five Freedoms or the Five Domains on their websites or in sustainability reports, but a closer look often reveals weak or no specific policies on animal welfare housing, management, transport or slaughter.

For example, one of the five basic freedoms is "freedom from discomfort," which includes a comfortable resting area. However, globally, most laying hens kept for egg production are crowded together in small wire cages, and most mother pigs are confined to individual crates barely larger than their own bodies for most (if not all) their productive life.

Therefore, by definition, a company cannot meet the Five Freedoms or the Five Domains if it is keeping animals or sourcing animal products in or from intensive confinement-based pork or egg production systems. Confinement-based systems prevent most natural animal behavior and inhibit animals from performing basic activities, such as turning around, comfortably lying down or socializing with peers.

Referencing frameworks such as the Five Freedoms or the Five Domains is a good indication of some degree of animal welfare only when the statements are accompanied by meaningful commitments and policies that detail which higher animal welfare practices have been or will be implemented, and how and when the company did that or plans to do so. Progress toward implementation should always be publicly reported and updated at least annually.

### **The Five Freedoms**

- 1. Freedom from hunger and thirst
- 2. Freedom from discomfort
- 3. Freedom from pain, injury and disease
- 4. Freedom to express normal behavior
- 5. Freedom from fear and distress

## **Confinement:** a key issue

Globally, most laying hens kept for egg production are crowded together in small wire cages, and most mother pigs are confined to individual crates barely larger than their own bodies for most (if not all) their productive life.

### **Battery cages for egg-laying hens**



**Cage-free aviary - an alternative to cages** 



**Gestation crates for mother pigs** 



Pre-implantation group housing - an alternative to gestation crates





## Highlighting different issues or sustainability topics not directly related to animal welfare

Companies sometimes highlight other issues or popular taglines to divert attention away from animal welfare.

Examples of this include policies or highlights on:

- Agroecology.
- Antibiotics/antibiotic use.
- Climate-smart agriculture.
- Conservation.
- Extensive systems.
- Family farming.
- Precision farming.

While these topics can be important on their own, they are not directly tied to animal welfare.

For example, low antibiotic use can mean that animal welfare is higher, because a low-stress environment improves animal immune capacity and resilience; however, reducing or ending antibiotic use can be pursued independently of any improvement in animal welfare standards.

Some companies get certifications showing adherence to these other agriculture-related topics, distracting from animal welfare.

Whether the company references one of these topics or not, the presence of these terms does not replace a meaningful animal welfare policy.



## Highlighting basic animal husbandry as examples of higher welfare practices

Companies may highlight common, necessary or basic husbandry practices as examples of higher animal welfare policies.

These may be baseline requirements for keeping farm animals alive in production, or they may be industry standards or norms; there's no guarantee that they meaningfully improve welfare above conventional farming practices. This misleads customers, financiers and other parties who may not have in-depth knowledge about animal production or key animal welfare risks.

Some of the basic husbandry practices often highlighted include:

- Providing quality nutrition and free access to water.
- Having an animal welfare officer.
- Having technical assistance or veterinary care available.
- Training employees on animal welfare.
- Complying with legal requirements related to animal welfare.
- Providing specific lighting programs and ventilation.
- Having a biosecurity plan.
- Focusing on high technology or equipment.
- Focusing on the integrated 3F concept

The examples above fail to address core farm animal welfare needs and do not meaningfully address animal welfare as stand-alone statements.

## Highlighting certifications attained that are scientifically meaningless for improving animal welfare

### Meaningless or misleading

Companies or animal producers may mislead investors and consumers by flaunting certification schemes that claim to validate their excellence in animal welfare.

Unfortunately, there is little to no regulation for animal welfare certifications or seals, and many certification schemes have low standards that fail to address critical animal welfare issues or that allow farms to be certified by meeting only a proportion of the requirements, therefore allowing harmful practices to continue. Some certification schemes are even run by industry associations. On the surface, these schemes may appear consequential and important, but many are simply industry schemes created to give that appearance. In other cases, producers may point to certifications that do not include any animal welfare standards but are focused on, for example, product quality, environmental sustainability or food safety, which are not synonyms or mutually inclusive to meaningful animal welfare practices. Some certification schemes only address one part of production, such as slaughter.

#### Meaningful and science-based programs

While there are many inadequate schemes, there are also some comprehensive, meaningful certifications that help to provide a higher level of welfare during the animal's life and death.

A good certification program must address key welfare aspects from birth to slaughter and trace animals and products from farms to the final point of sale.

These standards must be publicly available, and each requirement must be met to earn the certification. In addition, the standards must be administered by an independent nonprofit organization aimed at improving animal welfare, as opposed to a for-profit entity that might be promoting industry interests or seeking a financial gain.

Humane World for Animals recommends the FARMS Initiative's <u>Responsible Minimum</u>
<u>Standards (RMS)</u> as a baseline for assessing the validity of a certification. You can find certifications recommended by the FARMS Initiative here.



JTA/Getty Images.

### Using vague language about which operations, locations or entities have earned certification

Aside from citing scientifically meaningless animal welfare certification schemes, companies may list a variety of certification standards or logos on their website and fail to disclose that those standards or certification may only apply to a portion of their production or procurement (specific facilities or geographic locations are not identified).

For example, a company could have 99% of its supply chain certified to a meaningless animal welfare certification scheme, and only 1% certified to a meaningful standard, but if both are equally displayed without details, customers, financiers and other interested parties do not have the information they need to assess the company's operations.

A company that operates with multiple labels can choose to certify only one niche or premium brand but display that logo without further details on a website or report. Another common practice is to promote certifications granted only to specific portions or the productive cycle, such as humane slaughter audited exclusively at processing plants. It is crucial to understand where the certification is applied.

Please note that irrespective of the certification earned, certifications do not cover every animal welfare issue and auditors are not continuously present to monitor farms.

## Using photos and pictures that depict an ideal welfare system, which differs from actual operations and standards

Photos and marketing content can be misleading. Some companies will depict animals on pasture, but in reality, the animals are confined in cages throughout the entire supply chain. Others will choose pictures of piglets, chicks or calves to divert attention from the reality of all other life stages. Similarly, companies with poor welfare practices may use drawings or cartoon depictions of animals, instead of providing actual images from their farms or suppliers. These representations do not reflect the company's current production or procurement practices, and therefore can be misleading.





Note: These images were not taken from a specific company's website; they are used for illustrative purposes.

# Failing to make specific, regional, time-bound, public-facing animal welfare commitments and policies as well as provide meaningful progress and updates

Setting time-bound goals and providing meaningful progress updates are essential value-creating activities for companies. This is common in many business-related categories (such as financial goals or expansion goals), as well as in many ESG-related categories (such as environmental or social inclusion targets).

Improving animal welfare aligns with both business- and ESG-related goals. It's essential that public-facing policies and commitments meaningfully address primary animal welfare risks.

Look for policies, procedures and practices that directly address these primary risks to animal welfare and provide specifics regarding each risk. Examples include setting a maximum stocking density for each species, setting time limits on animal transport or providing pain relief for castration. See <u>Table 1</u> for specific examples of what public-facing animal welfare commitments and policies should address.

Additional examples of primary welfare risks that companies should address can be found in the FARMS Initiative's <u>Responsible Minimum Standards (RMS)</u>, which are available for six species (dairy cattle, beef cattle, pigs, laying hens, chickens raised for meat, and farmed fish).

Furthermore, it is concerning when companies do not include animal welfare as a material ESG consideration or address it alongside other important ESG topics.

Sector-specific standards from the Global Reporting Initiative (GRI)<sup>3</sup> and the Sustainability Accounting Standards Board (SASB)<sup>4</sup> include animal welfare as a potentially material topic and recommend that companies disclose the use of confinement-based production/procurement. Companies seeking to align with these standards should be reporting on meaningful animal welfare policies and practices.

### **The primary farm animal welfare risks**

- · Space limitations and overcrowding
- Barren and unsuitable environments
- · Inappropriate diets
- · Painful procedures
- · Breeding and genetics
- Early weaning
- Transport
- Slaughter



# Failing to include integrated/contract producers, external suppliers, franchisees and other sourced products within animal welfare policies and procedures

Ensuring strong animal welfare standards that apply to all brands under a company's name and throughout the entire supply chain is important and should be reflected in policies, public commitments, goals and updates. For example, a policy should require the company to uphold higher welfare standards for all animals within its operations, including any animals sourced from third parties.

A company should ensure compliance with its animal welfare policy in both its own stores and all stores under its brand or management. Responsible sourcing is a key element of corporate social responsibility, and as such, animal welfare policies should extend across the entire supply chain.

Please reach out to Humane World for Animals with any additional questions or comments that you may have. We work collaboratively with financial institutions around the world. farmanimals@humaneworld.org

Species	<b>Baseline</b> Industry stands and norms*	<b>Critical</b> Critical elements to look for	Best practice  Best practices to look for	<b>Red flags</b> Causes for concern
All species	Compliance with legislation  Complying with baseline industry standards or guidelines  "Zero tolerance" policy for animal abuse  Having heating and cooling systems, water quality and quantity, nutritional levels and environmental control, humidity, ventilation, temperature, lighting and bedding quality monitored periodically  Pre-slaughter stunning  General comments about audits  For large animal producers, having a full-time veterinarian(s) on staff  Internal training about animal welfare	A policy in place that meaningfully addresses critical animal welfare risks or meaningful, public-facing, time-bound commitments to improve the level of farm animal welfare (commitments should address primary animal welfare risks)  Public-facing reporting and timely updates	Third-party auditing of meaningful commitments at the farm level  Certification to a meaningful science-based animal welfare standard  Land transport time limited to a maximum of eight hours (except for poultry)  A pain control protocol (including anesthetic and analgesic) for any invasive or harmful procedures  Guidelines for removing suppliers that do not comply with animal welfare policy	No mention of animal welfare, even at a basic level  No description practices/policies addressing critical welfare risks for the species category  Commitments without time-bound goals  Solely grouping animal welfare under biosecurity or quality assurance  Wrongly using production data (e.g., feed efficiency) as an animal welfare indicator  International long-distance transport and/or export/import of live animals by sea  The use of confinement-based production practices (or a vague mention, or no mention of housing system)  Use of wording that indicates a lack of proactive engagement and creates a loophole such as "if the market allows," "depending on market conditions/price" or "depending on availability" in relation to animal welfare policies  Antimicrobial commitments without separate, meaningful animal welfare commitments

Species	<b>Baseline</b> Industry stands and norms*	<b>Critical</b> Critical elements to look for	<b>Best practice</b> Best practices to look for	<b>Red flags</b> Causes for concern
Cattle raised for beef	Access to pasture is industry standard for cattle raised for beef, at least for the first 2/3 of life in most regions of the world	Transition away from indoor confinement systems and feedlots (cattle raised for beef should be reared and finished on grass or range area - "grass finished") within a reasonable deadline  Shelter/shade  Elimination of painful procedures such as face branding or hot-iron branding (unless required by law), or tail docking	Limit intake of highly concentrated diets to no more than 40% of the daily diet  Keeping polled cattle, who are naturally hornless, instead of disbudding and dehorning or only practicing disbudding and providing pain relief (analgesic and anesthetic), with the procedure complete by three weeks of age	Use of double-muscled breeds
Chickens raised for meat (broiler chickens)	Cage-free housing is industry standard for broiler chicken production in most regions of the world	No cages or multi-tiered systems for either broiler chickens or broiler breeding flocks  A maximum stocking density (30kg/m2 or less)  Adoption of slower-growing breeds with higher welfare outcomes**  A meaningful environmental enrichment program*** including perches and pecking substrate  Transition to the Better Chicken Commitment (or similar country-specific commitments)	Limit intake of highly concentrated diets to no more than 40% of the daily diet  Keeping polled cattle, who are naturally hornless, instead of disbudding and dehorning or only practicing disbudding and providing pain relief (analgesic and anesthetic), with the procedure complete by three weeks of age	No limits on stocking density  Using conventional broiler chicken strains, such as Ross 308 and Cobb 500 (or no mention of breeds)

Species	<b>Baseline</b> Industry stands and norms*	<b>Critical</b> Critical elements to look for	Best practice  Best practices to look for	<b>Red flags</b> Causes for concern
Cattle raised for dairy	Access to outdoors during the dry (non-milking) stage of production is industry standard for dairy cows in most regions of the world	No tethering systems or tie stalls  Access to vegetated pasture throughout the whole production cycle  No use of veal crates  Elimination of painful procedures such as face branding or hot-iron branding (unless required by law), or tail docking	Keeping polled cattle, who are naturally hornless, instead of disbudding and dehorning or only practicing disbudding and providing pain relief (analgesic and anesthetic), with the procedure complete by three weeks of age  Phase out calf hutches and transition to group or pair housing for calves with a deadline  Implementation of procedures to reduce lameless, mastitis and other production-related diseases	Use of recombinant bovine growth hormone (rBST)  Completely indoor systems
Egg-laying hens	Providing proper thermal environments suited to life stages and optimal lighting conditions for egg production is industry standard for laying hens	Cage-free production or transition to cage-free (aviary, barn, free-range) systems with a deadline	Adoption of a detailed environmental enrichment program*** that includes pecking substrate  Elimination of painful procedures, such as beak trimming  No culling of male chicks	No mention of "cage-free" production or commitments  Induced molting, force molting or managed molts

Species	<b>Baseline</b> Industry stands and norms*	<b>Critical</b> Critical elements to look for	<b>Best practice</b> Best practices to look for	<b>Red flags</b> Causes for concern
Pigs	Group housing for life stages of pigs other than gestating sows (weaned, growing or finisher pigs) is industry standard	Using a pre-implantation group housing system or transition to pre-implantation**** group housing systems with a reasonable deadline (note: ensuring all new facilities are pre-implantation could be part of a gradual transition for all facilities) [applicable to producers]  Transition to source/procure crate-free pork with a reasonable deadline	Elimination of painful procedures (surgical castration, tail docking, teeth clipping/grinding and ear notching)  Use of immunocastration or a pain control protocol (anesthetic and analgesic) for surgical castration  Remove farrowing crates or phase out farrowing crates with a reasonable deadline  Adoption of a detailed environmental enrichment program***	Phrasing that solely mentions group housing, collective gestation, specifies group housing "after pregnancy confirmation" or permits gestation crate confinement for seven days or longer [applicable to gestating sows]

<sup>\*</sup> These should be part of any company's baseline procedures and do not indicate a level of welfare beyond industry standard practices.

### A global approach

Please note that systems can vary around the world, as can animal welfare expectations, risks, legislation, etc. For example, farrowing crates are banned in some countries, such as Sweden, Norway and Switzerland, and are "critical" to commit to removing from the supply chain in the U.K., whereas phasing out farrowing crates will generally be further in the future for many emerging economies. This table attempts to take a global approach to critical animal welfare issues and set general parameters on what financial institutions should look for when assessing the public-facing policies of the companies they finance and/or invest in. Ideally, all companies would have a very high level of animal welfare with policies and standards that go beyond this table. Please see the FARMS Initiative's Responsible Minimum Standards for examples of ideal animal welfare practices.

<sup>\*\*</sup> Slower-growing chicken breeds = Breeds that meet the criteria of the <u>Royal Society for the Prevention of Cruelty to Animals Broiler Breed Welfare Assessment.</u>

<sup>\*\*\*</sup> Environmental enrichment as recommended by the FARMS Initiative's <u>Responsible Minimum Standards (RMS)</u>, Global Animal Partnership's <u>broiler chicken testing protocol</u> or <u>BBFAW's briefing on environmental enrichment for</u> farm animals.

<sup>\*\*\*\*</sup> Pre-implantation group housing systems = Group housing systems that confine the breeding females for as little time as possible, typically no more than seven days after breeding.

#### **Sources**

- Harvard Law School Forum on Corporate Governance. 2023. Greenwashing: Navigating the Risk. <a href="https://corpgov.law.harvard.edu/2023/07/24/greenwashing-navigating-the-risk">https://corpgov.law.harvard.edu/2023/07/24/greenwashing-navigating-the-risk</a>. Accessed July 23, 2024.
- 2. World Organisation for Animal Health. 2024. <u>Terrestrial Animal Health Code</u>, Chapter 7.1, Introduction to the Recommendations for Animal Welfare, Article 7.1.1.
- 3. "GRI13: Agriculture, Aquaculture and Fishing Sectors 2022." Global Reporting Initiative. Accessed July 23, 2024.
- 4. "Meat, Poultry and Dairy" and "Restaurants" <u>sector standards</u>. Sustainability Accounting Standards Board (SASB). Accessed July 23, 2024.

### **About us**

### Together, we tackle the root causes of animal cruelty to create permanent change.

with millions of supporters and work happening in over 50 countries, Humane World for Animals—formerly called the Humane Society of the United States—addresses the most deeply entrenched forms of animal cruelty and suffering. As the leading voice in the animal protection space, we work to end the cruelest practices, care for animals in crisis and build a stronger animal protection movement.

Driving toward the greatest global impact, we aim to achieve the vision behind our name: a more humane world for animals.

### humaneworld.org

