

Identified gap in the OECD Guidelines: animal welfare

Outcome sought: Broad and comprehensive stocktaking of the OECD Guidelines for Multinational Enterprises (Guidelines) that addresses gaps on animal welfare.

Problem: The OECD Guidelines do not address animal welfare despite clear links between responsible business conduct on animal welfare and impacts to animals, people, and the planet

The OECD Guidelines do not make reference to animal welfare at all, despite the fact that animal welfare is increasingly acknowledged as an issue relevant to responsible business conduct (RBC) and a consumer concern. Low animal welfare not only generates significant impacts for animals as sentient beings that experience stress and pain, but also presents serious risks to humans and the environment. Each year, billions of animals are used in industries including farming, textiles, pharmacy and cosmetics, tourism and finance. Irresponsible business conduct by businesses in animal-based industries has led to serious impacts on animals, people and the environment, including (but not limited to) the following:

- **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.¹ 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.²
- **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 Amazon and Cerrado, resulting in a severe loss of habitats for flora and fauna, which in turn results in a disastrous loss of biodiversity.³
- **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.⁴ 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.⁵ Livestock influence climate through land use change, feed production, animal production, manure, and processing and transport.⁶
- **Crime and labour exploitation:** (Il)legal wildlife trade involves major transnational organised crime, and legal and illegal trade routes are often intertwined. Wildlife crime groups operate as global networks, and are often linked to the drugs and weapons trade, human trafficking and money laundering.⁷ Unsustainable fishing has increased forced labour; the pressure to maintain and increase fish supplies at the same time as fishstocks are falling has resulted in endemic labour exploitation in an under-regulated industry.⁸

Impact of the problem: Lack of clear standards for MNEs and remedy for impacted parties

The total lack of reference to animal welfare in the OECD Guidelines has two consequences:

- 1) Lack of coherent, comprehensive RBC standards for MNEs on this important subject; and
- 2) Total lack of access to remedy via the National Contact Point (NCP) grievance mechanism for civil society and other interested parties seeking to address the corporate role in improving animal welfare and preventing the harmful impacts described above.

Parallel laws and standards



Outside the OECD, a proliferation of standards on animal welfare demonstrate the development of new social and business norms regarding animal welfare. The following could be useful guides in considering gaps in the OECD Guidelines:

- International standards, such as the FARMS Initiative Responsible Minimum Standards, which set specific criteria for how farm animals should be raised, transported, and slaughtered and are being used by global financial institutions;
- EU laws such as Directive 2010/63/EU covering the protection of animals used for scientific purposes;
- National laws and policies that increasingly acknowledge animal sentience and demand more humane treatment towards them;
- International guidance, such as the OECD-FAO Guidance for Responsible Agricultural Supply Chains, that calls upon enterprises to assess the likely impact on animal welfare when undertaking environmental, social, and human rights impact assessments;
- Frameworks such as the 'One Health, One Welfare' approach that promote key global objectives such as supporting food security, sustainability and agricultural productivity through a better understanding of the broader impacts of high animal welfare standards; and
- Guiding principles, such as the Five Domains model, that explore how an animal's nutrition, environment, health, and behaviour can all impact its mental state.

None of these laws, conventions, or standards cover the full range of animal species used for food, dairy, medicine, tourism, clothing production, labour, entertainment, companionship or environmental services. This has led to significant fragmentation in the understanding of animal welfare – and MNEs' responsibilities towards animal welfare – across regions and sectors. A consolidated standard is needed on animal welfare and RBC.

Why ensuring a comprehensive stocktaking on gaps is important

The OECD Guidelines, originally drafted in 1976, have not been revised since 2011 and are out of date in many ways. Ten years of implementation of the current text of the Guidelines have revealed numerous gaps in the text that cause both a serious lack of clarity and coherence in international norms on key elements of responsible business conduct, and diminish victims' chances for remedy and accountability via the NCPs. Meanwhile, recent developments in RBC standards made beyond the OECD Investment Committee are threatening to make the OECD Guidelines comparatively less useful or even obsolete. The OECD Investment Committee's Working Party on Responsible Business Conduct (WPRBC), responsible for the OECD Guidelines, has begun a stocktaking to identify what gaps exist in the Guidelines and assess whether steps are needed to address them. A comprehensive stocktaking that addresses all the gaps identified by civil society and other stakeholders is essential to evaluate whether the Guidelines are still fit for purpose.

Who needs to act?

OECD Watch urges governments to show commitment to keeping the OECD Guidelines up to date with evolving issues in the field of business and human rights – and acknowledge civil society's concerns regarding the current limitations in the Guidelines' standards and the NCP complaint system – by ensuring that the stocktaking studies all the issues of concern to civil society. OECD Watch also urges that states ensure the final stocktaking report responds to each concern raised by civil society. OECD Watch welcomes the stocktaking and stands ready to support the review process and any further steps taken to address gaps identified.

About OECD Watch



OECD Watch is a global network with over 130 member organisations in more than 50 countries. Founded in 2003, OECD Watch's primary aim is to help support CSO activities related to the OECD Guidelines and the work of the OECD's Investment Committee. Membership consists of a diverse range of civil society organisations – from human rights to environmental and development organisations, from grassroots groups to large, international NGOs – bound together by their commitment to ensuring that business activity contributes to sustainable development and poverty eradication, and that corporations are held accountable for their adverse impacts around the globe. For more information, please visit www.oecdwatch.org.

OECD Watch Secretariat (c/o SOMO)
Sarphatistraat 30
1018 GL Amsterdam
The Netherlands
Ph: +31 20 6391291
info@oecdwatch.org, www.oecdwatch.org

Marian Ingrams, Esq., Coordinator & Researcher,
m.ingrams@oecdwatch.org

Dr. Joseph Wilde-Ramsing, Senior Researcher and
Coordinator, j.wilde@oecdwatch.org

¹ A. P. Dobson, et al, "Ecology and economics for pandemic prevention", *Science*, 369(6502), 2020, p. 379-381.

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

³ 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/>.

⁴ E. Muñoz, "Environmental Impact of Livestock Production," *Agricultural Research & Technology Open Access Journal*, 2017, <https://juniperpublishers.com/artoaj/pdf/ARTOAJ.MS.ID.555745.pdf>.

⁵ 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/>.

⁶ M. M. Rojas-Downing, et al, "Climate change and livestock: Impacts, adaptation, and mitigation," *Climate Risk Management*, 16, 2017, p. 145-163.

⁷ The London Illegal Wildlife Trade Conference (2018) Declaration, Art. 4, <https://www.gov.uk/government/publications/declaration-london-conference-on-the-illegal-wildlife-trade-2018/london-conference-on-the-illegal-wildlife-trade-october-2018-declaration>.

⁸ Tickler, D., Meeuwig, J.J., Bryant, K. *et al.* Modern slavery and the race to fish. *Nat Commun* 9, 4643 (2018), available at: <https://doi.org/10.1038/s41467-018-07118-9>. See also: Global Slavery Index, 'Fishing' (2018) available at: <https://www.globalslaveryindex.org/2018/findings/importing-risk/fishing/#footnote:10>

