



Animal Welfare Statement

Striking a CSR balance in financial decisions
2009

1.	Rationale	2
1.1.	Our general approach towards integrating sustainability in our daily business	2
1.2.	Objective of the Animal Welfare Statement	2
1.3.	Framework of the Animal Welfare Statement	3
1.4.	Focus Animal Welfare Statement	3
2.	Principles welfare for animals	4
2.1.	Protection of farmed animals (including household pet industry)	4
2.2.	Protection of animals used for experimental purposes	6
2.3.	Sponsoring of cultural events (shows/circus)	7
2.4.	Wildlife protection and conservation	7

1. Rationale

This document explains the position of animal welfare within the Rabobank Group CSR policy, throughout the definition of the objective and the relationship with the applied internal and external guidelines.

1.1. Our general approach towards integrating sustainability in our daily business

The Rabobank Group's CSR policy places crucial importance on integrating corporate social responsibility and behaviour into the mind set and daily practice of our financial operations and services. Corporate Social Responsibility (CSR) has, since February 2007, accordingly been included as a structural part of the Credit Risk Management (CRM) Credit Manual¹.

The core section in the CSR paragraph in the Credit Manual contains guidelines for assessing client and credit applications according to ten CSR issues (see list below). Assessing a client or credit application, regardless of the sector in which the client is active, on the basis of these ten CSR issues consequently constitutes a fixed component of the standard assessment process and the ultimate credit assessment. One or more of these CSR issues can play a role in these sectors and it is vital that relationship managers and credit analysts remain aware of this at all times.

Ten key CSR issues :

1. corruption and/or bribery
2. poor labour condition
3. forced labour
4. child labour
5. discrimination
6. pollution
7. depletion of scarce natural resources
8. cruelty to animals
9. poor treatment of indigenous people
10. products/services impose health or safety risk to consumers

These ten CSR issues and the related assessment guidelines are based on internal policies, international guidelines and codes that have been endorsed by Rabobank Group. Although these guidelines have been established, it remains necessary to have detailed policy documents, to assess sector-specific environmental and social issues.

1.2. Objective of the Animal Welfare Statement

The purpose of this Animal Welfare Statement is to elaborate the view of Rabobank on animal welfare behind the key CSR aspect "cruelty to animals". This Statement will be used as a guide for assessments and decisions.

¹ While the scope of the CRM Credit Manual is group-wide, there may be differences in its execution by the individual entities due to the nature of the financial services provided.

We will encourage clients to become compliant with our principles. Where necessary, we will support clients with advice for alternative suitable solutions (engagement-approach). In case a client is not willing to change its practice, the ultimate consequence might be that the client is no longer acceptable for Rabobank.

1.3. Framework of the Animal Welfare Statement

A number of external directives have been used as the foundation for this document. These include: (1) the Terrestrial Animal Health Code of the World Organisation of Animal Health (OIE), (2) the European Convention for the Protection of Animals, (3) the animal welfare directives of the European Union and (4) the Good Practice Note Animal Welfare in Livestock Operations by the International Finance Corporation (IFC).

This Animal Welfare Statement is also based on the Five Animal Freedoms as defined by FAWC². Although these freedoms define ideal states, they provide a comprehensive framework for the assessment of animal welfare on farm, in transit and at the place of slaughter, as well as present in an important element of farm assurance requirements.

Five Animal Freedoms	
1. <u>Freedom from hunger and thirst</u>	: by ready access to fresh water and a diet to maintain full health and vigour
2. <u>Freedom from discomfort</u>	: by providing an appropriate environment including shelter and a comfortable resting area
3. <u>Freedom from pain, injury or disease</u>	: by prevention or rapid diagnosis and treatment
4. <u>Freedom to express normal behavior</u>	: by providing sufficient space, proper facilities and company of the animal's own kind
5. <u>Freedom from fear and distress</u>	: by ensuring conditions and care which avoid mental suffering

1.4. Focus Animal Welfare Statement

This statement applies to animals (including fish, reptiles and amphibians) reared or kept for the production of food, wool, skin or fur or for other farming purposes, household pet industry and to experimental/laboratory animals and to wildlife. It also applies to animals intended for use in sporting or cultural events (shows).

² Source: Report on the Welfare Implication of Assurance Schemes, Farm Animal Welfare Council (FAWC), 2005 United Kingdom

2. Principles welfare for animals

This Animal Welfare Statement clarifies Rabobank's expectations concerning customer conduct (=customer's responsibility) with regard to animal welfare issues.

This chapter gives an overview of the principles that at Rabobank Group in its financial services will apply to (1) farmed animals³, (2) animals used for experimental purposes, (3) use of (wild) animals in entertainment shows and circuses and (4) wildlife conservation.

Although Rabobank recognises that, given the internationally highly divergent social views, circumstances and legislation, the starting points will differ from country to country, the principles in this statement apply to all clients worldwide. In translating the principles in more detailed criteria, the local differences within the framework of this statement will be respected.

A social view on the desired level of animal welfare companies will be given time to implement new standards, taking account of the investment rhythms.

2.1. Protection of farmed animals (including household pet industry)

Rabobank will encourage clients to comply with the 'accepted good practice' as published by the IFC guidelines in the "Good Practices Note Animal Welfare in livestock Operations".

The accepted good practices are grouped into 8 topics. Below is a specification of the Rabobank principles on these topics.

2.1.1. Proper housing systems

Definition of concept

This topic relates to the accommodation, the design of the accommodation, such as functional areas and environmental enrichment, stocking densities, air quality, feeding, watering systems and protection.

The requirements for a proper housing system are especially applicable for housed livestock production (requirements for the building and the interior, air quality, use of artificial light) although some requirements are also applicable for animals kept outside in open fields (stocking density, feeding and watering systems, and protections from predators).

Rabobank principles

For the Rabobank it is important that the housing system used supports the behavioural needs of the animals regarding movement, functional areas, environmental enrichment, resting as well as social habits. The housing system must protect the animals from injury and distress.

The Rabobank supports companies' initiatives to improve housing systems.

³ See for provisions apply to aquaculture and fishery our Seafood Supply Chain Policy

2.1.2. Feed and water

Definition of concept

This topic relates to the diet of animals, their access to the feed and the use of medicated or enriched feed.

Rabobank principles

For the Rabobank it is important that all animals have access to sufficient feed and water to meet the physiological and behavioural requirements. Medicated or enriched food and water should only be used on professional advice or when it is not detrimental to animal health and welfare.

2.1.3. Husbandry practices

Definition of concept

This topic relates to the handling and restraining techniques, periodic inspections and the use of procedures like beak trimming and castration.

Rabobank principles

For the Rabobank it is important that the husbandry practices used minimize the distress and pain for animals and avoid injury. Painful husbandry procedures and mutilations must only be carried out when there is no other practical alternative.

2.1.4. Health and disease

Definition of concept

This topic relates to the procedures in place to maintain animals in good condition and the remedial actions to take in case of disease or injury.

Rabobank principles

For the Rabobank it is important that a preventative health program is established, that animals are periodically tested and that remedial action is taken when necessary.

2.1.5. Transport

Definition of concept

This topic relates to the procedures in place for loading, transporting and unloading of animals.

Rabobank principles

For the Rabobank it is important that animals are not transported over unnecessary long distances or during unnecessary long time. During long distance transports the animals shall be fed and watered. The practices used should minimize the distress and risk of injuries.

2.1.6. Slaughter

Definition of concept

This topic relates to the use of slaughtering techniques and the handling prior to the slaughter.

Rabobank principles

For Rabobank it is important that animals are handled in a distressing and most pain-free manner possible. Rabobank recognises that it is necessary to take account of requirements of certain religious rites, such as 'H reversible stunning should be practised if possible

ed and slaughtered in the least count of the particular slaughterhouses' ⁴. In this case

2.1.7. Genetics and breed selection

Definition of concept

This topic relates to the selection of breeds and

the breeding objectives set.

Rabobank principles

For the Rabobank it is important that the selection is not only based on maximum production and/or profit but that animal welfare topics are also taken into account.

of breeds and breeding objectives it but that animal welfare topics

2.1.8. Stockmanship

Definition of concept

This topic relates to the quality of management and

personnel.

Rabobank principles

For Rabobank it is vital that clients who are owner the welfare of their animals and see that they are suffering or in injury. Rabobank stresses the importance of training for the client's employees. And also appropriate management practices are implemented.

so keepers of animals look after not caused any unnecessary pain, ce and need of appropriate incentive to ensure good

2.2. Protection of animals used for experimental purposes

In the view of Rabobank Group experiments must only take place if there is no alternative method that does not entail the use of those with the lowest degree of neurophysiological sensitivity. This provision applies to the use of animals for the following purposes: to the development, manufacture and foodstuffs and other substances or products:

animals. Animals involved must be sensitive. This provision applies to the development, manufacture and foodstuffs and other substances or

- in treating diseases or health problems in man, animals or plants;
- in treating physiological conditions in man, animals or plants;
- for the protection of the natural environment in the interests of man or animal.

imals or plants; ls or plants; he interests of man or animal.

In the event that, after the experiments have finished, the well-being of the animal cannot be guaranteed, it must be killed by a humanitarian method as soon as possible.

hed, the well-being of the animal tarian method as soon as

Persons who carry out experiments or take part in them must be scientifically competent and have the appropriate education and training. Breeding, supplier and user establishments must be approved by the competent authorities.

hem must be scientifically aining. Breeding, supplier and nt authorities.

⁴ However, the religious authority on whose behalf slaughter is carried out shall be competent for the application and monitoring of the special provisions which apply to slaughter according to certain religious rites. That authority shall operate under the responsibility of the official veterinarian

Rabobank doesn't finance the use of endangered species or primates for experimental purposes. Financing of the use of such animals may only be permitted in specific cases:

- if the aim of the experiment/research in question is the preservation of the species concerned;
- if this species is patently the only one suitable for the biomedical purpose.

2.3. *Sponsoring of cultural events (shows/ circus)*

The viewpoint that is gaining increasing public support is that (wild) animals do not belong in entertainment shows in general and circuses in particular. The objections are primarily related to the fact that the animals are kept in small cages and an unnatural environment. As a result the animals:

- suffer physical and physiological discomfort;
- are unable to display their natural behaviour characteristic of their species;
- experience fear and chronic stress.

This could lead to a violation of primarily the animal's second, fourth and fifth rights of animal freedom (please refer to paragraph 1.3.).

The Rabobank will generally reject requests for the sponsoring of cultural events with wild animals. In exceptional cases where it is demonstrated that the five Animal Freedoms are respected, the Rabobank will decide on a case to case basis whether it is eligible for sponsoring.

2.4. *Wildlife protection and conservation*

Rabobank Group will not establish a commercial relationship with clients where evidence has been found of illegal trade in species listed in appendix I and II of CITES-Convention on International Trade in Endangered Species of Wild Fauna and Flora.

Contact persons for questions

For questions or a further explanation of the Animal Welfare Statement, please contact:

Richard Piechocki
Issue Manager
Rabobank Group
+31 30 216 6005
r.w.a.piechocki@rn.rabobank.nl