



GLOBAL COALITION FOR ANIMAL WELFARE PROSPECTUS

OCTOBER 2018 EDITION

OVERVIEW

The Global Coalition for Animal Welfare (GCAW) is an initiative initially proposed by Sodexo. This prospectus describes the Coalition's Vision, Mission, Scope and Purpose, its organising structure and stakeholder responsibilities, and its work streams and other activities.

As a minimum three-year project, it is proposed that:

- Year 1 (commencing early 2018) be structured as a scoping project, involving a core group of founder members¹ as well as other companies, who work together to define the mission, purpose and objectives for the initiative, including the identification of key work streams and research priorities. Founder members and the Secretariat will endeavour to increase the reach and influence of the coalition in Year 1 (and subsequent years) through approaching other potential members. Year 1 will also include the design of an institutional structure for the initiative that

¹ The founder members are: Aramark, Compass Group, Elior Group, IKEA Food Services, Nestlé, Sodexo and Unilever.
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can deliver on the agreed objectives and meet the needs and expectations of the members.

- Years 2 and 3 be structured around the delivery of objectives through work streams and drawing on research commissioned by the Coalition members.
- Year 3 be used to decide on the future of the Coalition and, as appropriate, to develop proposals on funding and institutional structures to deliver the longer-term objectives of the Coalition and the needs and expectations of the members.

MISSION AND PURPOSE

The Global Coalition for Animal Welfare is a targeted, action-oriented, multi-stakeholder platform for the advancement of farm animal welfare globally. That is, it is a platform to realize the implementation of animal welfare commitments in global food value chains.

Its vision, mission, scope and objectives have been informed by inputs from the founder members, and are presented in Box 1.

Box 1: Vision, mission, scope and objectives for Global Coalition for Animal Welfare

This global platform and collaboration initiative unites major companies and animal welfare experts in improving standards for animals at scale and meeting consumer demand for higher welfare food products. The aim is to collectively address systemic barriers to improving animal welfare, accelerate the development of standards and drive progress on key welfare issues.

Vision

An animal protein value chain that ensures animal welfare globally, to the benefit of humans and farm animals everywhere.

Mission

Develop and implement an action plan on priority animal welfare issues in global food production and increase the availability of high animal welfare products.

Scope

Applicable to all livestock food products. The main types of animal protein are poultry (e.g. broiler chicken, turkey, geese, duck), beef, pork, veal, rabbit, fish, egg and dairy products.

Objectives

Providing a platform for food companies to work more closely with farm animal welfare experts to identify common objectives and drive improvements;

Prioritizing welfare issues and developing roadmaps for industry change while supporting producers in implementing strong animal welfare practices.

Advancing animal welfare knowledge globally through industry insights, bespoke research and partnerships for action.

The GCAW is a multi-stakeholder initiative that sees stakeholders working together to deliver substantive improvements in farm animal welfare. The focus is on substantial and substantive change, as opposed to being process-oriented (e.g. where the focus is on information sharing or capacity-building).

The Coalition has the following desired outcomes:

- Collective action on specific issues to drive beneficial industry-wide change.
- Prioritization of animal welfare issues with regards to species, region and production type.
- Better dialogue with NGOs on animal welfare issues and forecasting of 'hot topics'.
- A clear road map of animal welfare improvements to better support change management.

The GCAW will define its objectives in performance terms (e.g. the proportion of animals that are free from close confinement, typical or maximum journey times). The GCAW members and wider stakeholders will contribute to and identify priority areas for developing performance objectives. Following the development of these objectives, the GCAW members will have the option of extending their role in the Coalition by committing to defined objectives with clear deliverables (e.g. a commitment to improve

disclosure, a commitment to achieve a specified performance target, a commitment to quantify improvements in terms of the number of animals impacted by a performance improvement). This is likely to be part of the process that organizations go through when deciding on whether to support the Coalition beyond Year 3.

KEY CONSIDERATIONS

Key considerations for the Coalition are divided into five parts:

1. Proposed Work Phases and Streams
2. Structure, Governance and Responsibilities
3. Timeline
4. Schedule of Fees
5. Initial Meetings

1. PROPOSED PHASES AND WORK STREAMS

It is suggested that the Coalition has three main phases:

1.1 Phase I: Development of long-term objectives (a 'road map') for the Coalition

This is likely to involve:

- Identifying a number of priority areas for farm animal welfare. (Potential areas include: transportation; slaughter and pre-slaughter management; handling of animals by humans; culling of animals that are unhealthy/of low commercial use; keeping animals under conditions for which they are not genetically suited; antibiotic use; growth hormone use; mutilations such as dehorning and tail docking.) These priority areas are likely to be specific to species and/or geographies.
- Identifying, for each of these priority areas, prevalent practices in terms of supplier and corporate practice and corporate commitments.
- Consulting with key stakeholders (industry, NGOs, governments, academics) on their expectations of companies and the feasibility of corporate action (e.g. key barriers to progress).
- Proposing a trajectory on the rate at which the specific practices could be reduced or eliminated, including discussion of how these might translate into specific corporate commitments.
- Identifying gaps in knowledge, understanding or application that might benefit from expert guidance, training or research and development.
- Finalizing the road maps.

1.2 Phase II: Topic-specific work streams covering five issues

It is recognized that, in the first two to three years, the Coalition needs to do more than simply commit to developing new or more specific objectives. It is therefore suggested that certain work programs are established with focus on a few specific areas. The GCAW members have identified five initial priority work streams.

These focus on: Cage-Free Policies, Improved Broiler Chicken Welfare, Farmed Fish Welfare, Antimicrobial Resistance, and Global Standards for Transportation & Slaughter.

The GCAW members have selected the initial focus areas based on three broad considerations:

- Areas where there currently are substantial issues as well as barriers to change.
- Areas where animal welfare issues substantially influence the business of member companies.

- Areas where, through collaboration and through their combined influence, the member companies are able to achieve more to advance improvements and overcome obstacles to high welfare standards.

Actions could involve:

- Developing a high-level overview of current (publicly announced) corporate commitments. [Note. This action could build on analysis that is already under development by academics, industry bodies or animal welfare organizations.]
- Identifying, through structured interviews with the food industry and other stakeholders, the key barriers and challenges to delivering on these commitments. This work would identify those areas where the barriers lend themselves to a collaborative or collective response.
- Preparing an action plan to address these barriers.
- Commencing the implementation of this action plan.

1.3 Phase III: Coalition governance, structure and operating processes

There are a series of important questions that need to be addressed about the Coalition itself. However, many of these questions cannot be fully answered until the longer-term objectives for the Coalition are agreed, which, in turn, will define how the Coalition needs to be organized and funded.

It is proposed that for the first three years, the Coalition be run as a standard consulting project (i.e. where a Secretariat is commissioned by the founding members to deliver an agreed work program). One of the Secretariat's tasks will be to develop, in consultation with the members, a full specification for the longer-term structure of the Coalition. This is likely to cover:

- Governance processes
- Roles and responsibilities of founding signatories, the Secretariat, etc
- Expectations of member companies (e.g. are member companies expected to make formal commitments on farm animal welfare)
- Ownership of branding, logos, etc, as well as intellectual property
- Legal structures
- Sign off processes for reports.

This will be an iterative process informed both by the engagement of the Coalition members and by the results of Work Streams I and II.

2. STRUCTURE, GOVERNANCE AND RESPONSIBILITIES

2.1 Structure

It has been agreed by the founder members that in the first three years, the Coalition will be positioned as a project that is convened and managed by an independent Secretariat.

This will offer several advantages:

- It will allow for a relatively quick commencement of the work (as formal new structures will not be needed).
- The structure should be administratively straightforward (as all of the participating organizations will have processes for commissioning and paying consulting firms).
- It will allow participating organizations to use their standard risk management tools (e.g. confidentiality agreements).

2.2 Membership

In the first three years, membership of the Coalition will comprise the seven founder members², comprising consumer-facing companies and suppliers (e.g. producers, manufacturing companies), as well as other companies invited by the members to join the Coalition.

NB: Not all companies will be involved as members. For example, some companies may be invited by the members to participate in issue- or species-specific work streams or in ad hoc discussions as part of these work streams.

Other stakeholders (e.g. academics, intergovernmental organizations and NGOs) will be invited to contribute to the Coalition's work in their capacity as Expert Advisors (see 'Expert Advisors').

The members shall intend to commit to an initial three-year period and will fund the Coalition for an initial one-year period prior to committing additional funding. It is acknowledged that additional funding will be subject to each member company's budget review process. Members must give 90 days' written notice if they intend to leave the initiative (although Members will not be entitled to any refund of fees already paid in the event they leave the Coalition). All members will be invited to commit to the Coalition beyond the initial three years.

Member companies will each be responsible for:

- Appointing two company representatives to actively participate in the Coalition.

² The founder members are: Aramark, Compass Group, Elior, IKEA Food Services, Nestlé, Sodexo and Unilever.

- Participating in two face-to-face half-day meetings (one in Europe and one in North America) and two virtual meetings per year, and investing adequate time to prepare for these meetings.
- Attending work program meetings, briefings, member events and training sessions as appropriate.
- Hosting member meetings or events through offering venues and event coordination.
- Meeting costs relating to attendance of meetings and related travel and management time involved in selected work programs.
- Leading on or participating in selected work programs. [Note: Members who join species- or issue- specific working groups may have a larger time commitment based on the needs of individual groups.]
- Independently deciding on whether to publish company-specific commitments linked to GCAW priority areas and key programs.
- Submitting information as required, using standard pro forma, to enable the Secretariat to prepare interim and annual communications on progress (outlining key developments, investments, processes and performance outcomes). Such information shall not include confidential and/or commercially sensitive information.
- Seeking and nominating additional members to join the Coalition.
- Inviting producers, manufacturers and processors, as appropriate, to input into discussions.
- Contributing knowledge and sharing best practices, while avoiding any references to confidential and/or commercially sensitive information.
- Supporting external communications on the Coalition, e.g.:
 - Contributing content or reference sources.
 - Scoping out and reviewing materials.
 - Signing off report drafts and briefing papers.

Members should ideally nominate two Group-level company representatives (allowing for the fact that a single representative may not always be available), who have the authority to make decisions and commit resources and budget on behalf of the organization. These company representatives should attend and participate in all meetings, in order to ensure consistency and continuity.

If a company representative is unable to fulfil their role in the Coalition, they may appoint a substitute representative on a permanent or temporary basis. The substitute representative must meet the above requirements and be approved by the members.

Members can propose the involvement of additional company representatives to participate in specific work stream projects. These additional company representatives must be approved by the members.

Competition Law Compliance: Any knowledge and/or best practices shared shall be directly related and strictly limited to the scope of the Coalition. At no stage shall the Members, Expert Advisors and/or Coalition Partners (as described below) discuss and/or

exchange any confidential or commercially sensitive information. This obligation extends to any discussion and/or exchange before, during or after the duration of the Coalition, or in any associated call, discussion or information exchange. Commercially sensitive information includes, but is not limited to, information relating to projects (current/future), prices, production, current and future business strategy, proprietary technical development of participants, costs and revenues, identity of trading partners, trading terms and conditions with third parties, purchasing strategy, terms of supply and supply strategy, trade programs, or distribution strategy.

All Members, Expert Advisors and/or Coalition Partners shall make themselves familiar with the Coalition Competition Law Checklist and send written acknowledgment of the same to the Secretariat.

2.3 Member Expectations

Longer term, we anticipate that participants will make commitments relating to their own company's performance on farm animal welfare; these commitments will be important to the longer-term credibility of the Coalition. However, such commitments may be less important in the first three years (especially if the first three years' work is directed at defining what the collective objectives of the Coalition should be).

If a member independently determines that it should commit to certain levels of performance for its own company, the following criteria may be helpful in formulating such commitments:

- Action on improving animal welfare across their operations.
- Reporting company progress against the Coalition's objectives and work programs.
- Participating in the spirit of Coalition.

Examples of specific commitments include:

- Achieving Tier 2 ranking in the BBAFAW (within an agreed timeframe).
- Submitting an annual communication on progress on farm animal welfare to the Secretariat.
- Publishing periodic updates (e.g. through the corporate website, through annual/CSR/sustainability reports) on animal welfare, setting out the company's aims and objectives covering specified topics, and a description of the company's role in the GCAW.
- Publishing public target(s) on animal welfare.

2.4 Expert Advisors and Coalition Partners

The Coalition recognizes the value in working with expert advisors and partners to strengthen its knowledge and technical know-how and to lend credible support to, or endorsement of, its work streams and outputs.

A panel of expert advisors and partnerships, including intergovernmental organizations, academics, preferred animal welfare NGOs and multi-stakeholder groups dedicated to animal welfare, will be established based on the recommendations of the members.

The Secretariat will conduct due diligence on proposed advisors to ensure that any association with them will be seen as beneficial and not detrimental to the Coalition.

Expert advisors may:

- Assume the role of 'technical advisors' to the Coalition.
- Not be required to pay a membership fee, although they could be expected to provide in-kind support to Coalition members (e.g. by attending meetings, forums and events, reviewing performance, providing technical input into reports and briefings) and to meet their own expenses relating to travel to meetings and events and any other contribution (e.g. in the form of issue experts from within their organizations).
- Be invited to participate in selected work programs.
- Be invited to form a formal partnership with the Coalition to help deliver a particular work stream
- Be asked to contribute knowledge and share best practices.
- Be asked to contribute content to and sign off on reports and technical briefings.
- Be asked to lead selected training sessions.
- Nominate issue experts to offer guidance to the Coalition as appropriate.
- Support the Coalition through the scoping out of expectations of companies on key welfare issues and practices, highlighting emerging trends and themes, and providing sound technical guidance and support.

Depending on the nature of their involvement, some expert advisors will be asked to provide a cost estimate based on their time (e.g. in the form of a stipend), or they may be asked to prepare a costed proposal in response to a research brief prepared by the Coalition.

The Coalition will acknowledge internally and publicly (unless expressly requested not to do so) any contributions made by the expert advisors.

2.5 Governance

In time, it may be decided that the Coalition could benefit from a Steering Committee or Technical Advisory Group. These options should be discussed and considered as part of the scoping of the future organizational structure (Work Stream III).

During the initial three years, the Coalition will be self-governed. As such, the Secretariat, in consultation with the members will be responsible for ensuring that the Coalition is well managed and that it conducts its affairs in an honest and professional manner.

As the project initiator, Sodexo has agreed to act as the convening body for the Coalition in the first three years. Responsibilities of the convening body include supporting the Secretariat with respect to:

- Agreeing membership fees.
- Determining the budget, drafting membership contracts, meeting agenda and minutes, contemplating work streams and other activities.
- Recruiting and approving (in consultation with other members) additional company members.
- Resolving member disputes or disputes involving the Coalition and other parties.

At the request of the founder members, Sodexo will Chair member meetings for the first two years. Thereafter, members will be able to nominate themselves for the role of Chair in Year 3.

Note: The quorum for meetings, stakeholder voting rights and decision-making processes have yet to be clarified and should be discussed and agreed by the members. The intention is not to make the Coalition onerous; much of the work will be conducted through email, webinars and telephone calls, with there being limited face-to-face meetings, at least in Year 1. However, participation in the work streams may require more frequent and direct dialogue.

2.6 Funding

The members will pay an annual membership fee to the Secretariat. The membership fee will cover the costs of the Secretariat, costs relating to work streams and associated research activities, as well as external communications and reports.

A summary of income and expenditure will be shared with the members on an annual or more frequent basis.

Funding will have at least a one-year forward view and will be reviewed every six months to reflect any changes to the funding stream as a result of members joining or leaving the Coalition (e.g. beyond the period for which they have currently funded).

2.7 The Secretariat (Chronos Sustainability Ltd)

The Secretariat has been commissioned by the members to facilitate the Coalition and to ensure that all members play an active role in contributing to the successful delivery of defined projects and outputs connected to the Coalition's aims and objectives.

Chronos Sustainability Ltd is a private company based in West Sussex, UK that brings more than 25 years' experience in managing and driving corporate sustainability strategies in leading global companies. The Company's co-founders – Dr Rory Sullivan and Nicky Amos – are recognized experts in responsible investment and corporate responsibility, and they were responsible for creating and managing the global Business

Benchmark on Farm Animal Welfare and its Secretariat. Nicky Amos will lead on this project, assuming the role of program coordinator and the primary point of contact for member companies.

Note: The Secretariat will be independent of the members and the Coalition will be managed to ensure that it is clear that it is independent of any other food industry or NGO initiative linked to farm animal welfare.

The Secretariat will be responsible for the successful delivery of the work program in a timely manner and for ensuring the coordination and execution of appropriate resources, advice and expertise. Specific responsibilities will include:

- Program management, including the delivery of objectives and targets within a defined budget and timeline.
- Facilitating meetings and work streams as appropriate (i.e. at the request of the members).
- Managing and coordinating research projects and expert briefings.
- Providing a platform to enable knowledge transfer and the exchange of best practices.
- Report writing, including the preparation and production of an annual report.
- Member services including supporting member recruitment, drafting membership agreements, agreeing and collecting membership fees, determining and managing the Coalition budget, managing relationships within and outside of the Coalition, meeting and project coordination, creating and managing work streams, and liaising with other stakeholders including expert advisors.
- Administration, including the coordination of meetings and stakeholder events, drafting meeting agendas and minutes, report preparation and drafting and budget planning.

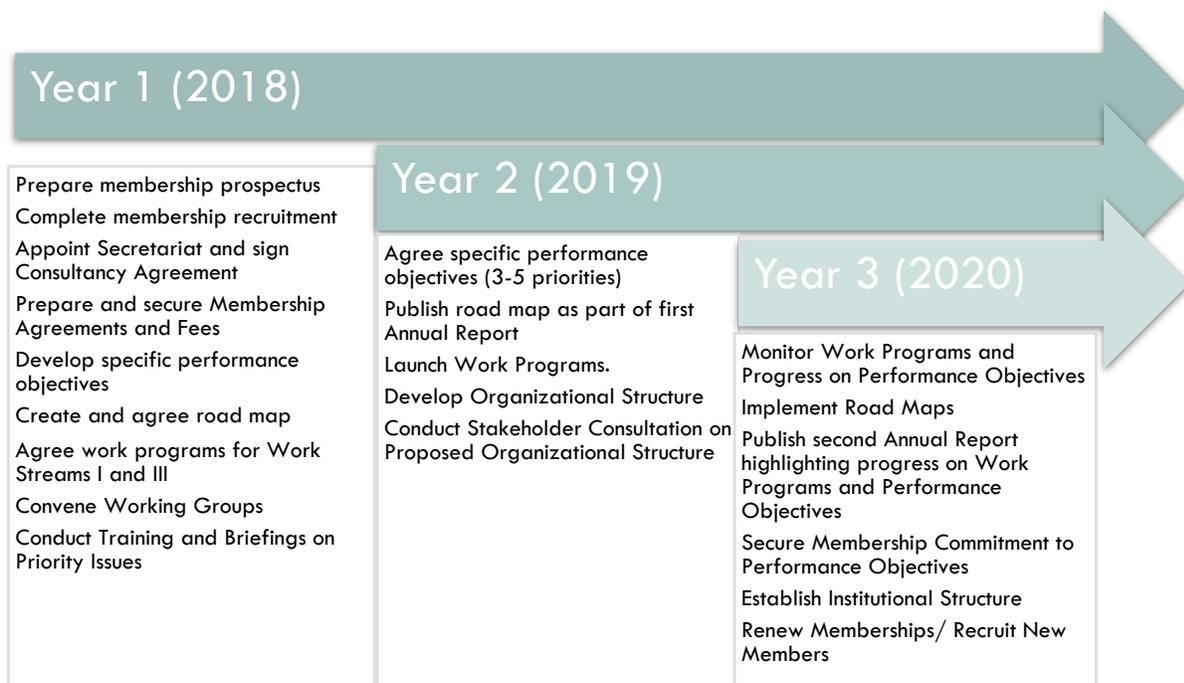
3. TIMELINE

The Coalition will run as a three-year initiative in the first instance. Within this, the initiative will be delivered in three phases:

The first phase (Year 1) will involve a scoping exercise to define the mission, purpose and aims of the Coalition, agree and initiate the Work Streams, and define the institutional structure for the Coalition. There will also be a focus on demonstrating impact, or potential impact, through the Coalition and its Work Streams.

The second phase (Year 2) will focus on the three Work Streams outlined above (i.e. develop roadmaps and objectives, design and implement a work program on chicken welfare, and to develop a full specification for the institutional structure for the Coalition from 2020 onwards).

The last 12 months will then be used to commence implementation of the road maps, to recruit new members and establish the institutional and other structures relevant to the future operation of the initiative.



Detailed breakdown

	Year 1	Year 2	Year 3
Road maps on priority issues for Coalition	Analysis	Consultation Finalization Implementation Annual review of progress	Implementation Annual review of progress
Institutional structure	Analysis	Analysis Consultation with participants and selected stakeholders Finalisation	Establish new institution
Education	Training Workshops	Training Workshops	Training Workshops
Publications	-	First annual report with roadmaps	
Events	Inaugural meeting Quarterly member meetings	Quarterly member meetings Conference/Report Launch	Quarterly member meetings Conference/Report Launch

4. FEE STRUCTURE

The annual fee cycle will run from 1st April to 31st March each year.

The current annual membership fee is Euro 15,000 excluding VAT.

5. INITIAL MEETINGS

During the initial meeting(s), members will focus on agreeing the following:

- The mission and scope.
- The value to members.
- Membership fees for the first three years.
- Potential actions for encouraging additional members to join.
- The roles and responsibilities of the Secretariat, members and expert advisors.
- The governance structure – reporting lines, roles and accountabilities, expert advisory group.
- The frequency and quorum of member meetings.
- Participant commitments and obligations.
- Joint definition on farm animal welfare.
- Organizational and collective priorities for farm animal welfare.
- External communications – as approved by members.

GLOSSARY

Animal welfare – A state used to describe how an animal is coping with the conditions in which it lives. An animal is in a good state of welfare if (as indicated by scientific evidence) it is healthy, comfortable, well nourished, safe, able to express innate behavior, and if it is not suffering from unpleasant states such as pain, fear, and distress. Good animal welfare requires disease prevention and veterinary treatment, appropriate shelter, management, nutrition, humane handling and humane slaughter/killing. Animal welfare refers to the state of the animal; the treatment that an animal receives is covered by other terms such as animal care, animal husbandry, and humane treatment³.

Coalition - The joining together of different parties or groups for a particular purpose, usually for a limited time. The noun coalition comes from the Latin word *coalitiō* meaning "to grow together." Often, the people and groups that form coalitions have different backgrounds but come together because they share a goal.

Founder Member – A company representative who has been involved in establishing the Coalition. Founder members are responsible for setting the Coalition’s vision, mission, governance framework, terms of reference, membership criteria and work programs. As such, founder members assume a leadership role in the Coalition and have decision-making responsibilities that exceed those of the Coalition members.

Member – An elected company representative who supports the Coalition’s mission and aims and is actively involved in contributing to the successful delivery of the Coalition’s objectives.

Secretariat – An independent organization appointed by the Founder Members of the Coalition to be responsible for the successful delivery of the work program in a timely manner and for ensuring the coordination and execution of appropriate resources, advice and expertise.

³Article 7.1.1. *Terrestrial Animal Health Code*. (World Organization for Animal Health (OIE))