

# Environmental, Social and Ethical Risk



NatWest  
Group

## Animal Welfare

## Risk Acceptance Criteria



# Animal Welfare

We recognise that the activities of our customers can have environmental, social and ethical (ESE) impacts – including polluting activities and the potential for human rights infringements. ESE risk forms part of NatWest Group’s overall Reputational Risk Policy and requires enhanced due diligence to be performed for certain customer relationships, transactions, activities and projects. To manage these risks, we have developed Risk Acceptance Criteria for sectors which present heightened ESE risk and define the level of ESE risk the bank is prepared to accept.

The ESE Risk Framework supports our long-term, ongoing work for our appetites and practices to be informed and guided by the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

## Scope

The ESE Risk Framework applies to all legal entities within the Group for the onboarding of non-personal customers for the purposes of providing lending or loan underwriting services and applies to the management of ESE risk throughout these customers lifecycles.

## Context

The Animal Welfare ESE Risk Acceptance Criteria deals with companies involved in animal testing (directly or through contractors), breeders and transporters of laboratory animals and those companies who are responsible for the welfare of animals in their day-to-day operations (for customers in the agribusiness sector, please also review the ESE Forestry, Fisheries & Agribusiness Risk Acceptance Criteria). Note that the policy does not apply to scientific or zoological research about animals or captivity of animals e.g. in zoos.

Where material concerns relating to human rights violations <sup>[1]</sup> are identified, including with respect to the salient human rights issues <sup>[2]</sup> identified by NatWest Group, we will engage with the customer to understand the actions they have taken to cease and remediate and prevent future violations.

This document summarises our ESE Risk Acceptance Criteria for the Animal Welfare sector.

## Prohibited

- Evidence <sup>[3]</sup> of human rights violations <sup>[1]</sup> where the customer is unable to demonstrate that it has taken any action to cease, remediate, prevent and/or mitigate, as appropriate, the relevant violation.
- Testing on Great Apes (Chimpanzees, Bonobos, Gorillas and Orangutans).
- Testing on Critically Endangered, Endangered and Vulnerable Species (International Union for Conservation of Nature (IUCN) Red List of threatened species).
- Testing of cosmetic products on animals except where required by regulatory authorities for human safety purposes and the company can demonstrate it is actively supporting the use of alternatives to animal testing.
- Testing tobacco products on animals except where required by regulatory authorities for human safety purposes and the company can demonstrate it is actively supporting the use of alternatives to animal testing.

- Use of unwanted pets or strays for animal research.
- Using animals for testing of products without a licence where a licence is required.
- No evidence that 3R Principles (Replacement, Reduction, Refinement) <sup>[4]</sup> are being applied within a company.
- Evidence of significant or repeat non-compliance of the 3Rs (see below).
- Animal testing contracting companies with gaps in the 3R requirements and /or material adverse press.
- Fur traders and fur retailers where it is their primary product line.
- Direct involvement in fur farming (for example, foxes, seals, minks, cats and dogs).
- Direct involvement in Angora (wool and fur) production.
- Illegal wildlife trade e.g. ivory and rhino horn.
- Game reserves used for trophy killing.
- Import of hunting for trophies to the UK.
- Companies who cannot meet the standards set out by the [Five Animal Freedoms](#).
- Companies or individuals who use animals for entertainment purposes which could cause suffering or death for the amusements and pleasure of onlookers. E.g. fighting (this excludes the use of animals in entertainment for educational or informative purposes, or where the appropriate licence has been obtained).

## Restricted

- Evidence <sup>[3]</sup> of human rights violations <sup>[1]</sup> where the customer is able to demonstrate that it has taken action to cease, remediate, prevent and/or mitigate, as appropriate, the relevant violation within a timeframe which is acceptable to the bank.
- Use of wild caught monkeys (e.g. marmosets, macaques) on the basis of scientific justification to the effect that the purpose of the procedure cannot be achieved by the use of an animal which has been bred for use in procedures.
- Lack of an internal ethical committee to review research/testing methodology and animal welfare, but there is sufficient evidence that 3R Principles are being applied.
- Issues identified that give cause for concern e.g. major targeted NGO campaign against a company.
- Companies involved in the international transport of research animals with inadequate documented policies and procedures to demonstrate appropriate welfare standards.
- Animal testing contracting companies with clear policies and procedures, demonstrating a commitment and compliance to the 3R Principles (Note Prohibition above).

## Normal

- No evidence <sup>[3]</sup> of human rights violations <sup>[1]</sup>.
- Companies/organisations involved in animal research should be able to evidence clear policies and procedures for the care, welfare, treatment, sourcing, breeding and transport of animals which include commitment and compliance to the 3R Principles of replacement, reduction and refinement.
- Companies/organisations that contract animal testing to third parties should be able to evidence that the third party has clear policies and procedures for the care, welfare, treatment, sourcing,

breeding and transport of animals which include commitment and compliance to the 3R Principles of replacement, reduction and refinement.

- Companies/organisations abide by all national laws/regulations where they operate (in UK evidence of the three Home Office licences is required).

## Glossary

Item	Definition
1. Human rights violation	A violation of any right which is inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion or any other status.
2. Salient human rights issues	The United Nations Guiding Principles Reporting Framework defines salient human rights issues as those rights that are at risk of the most severe negative impact through a company’s activities or business relationships. NatWest Group’s ‘Salient Human Rights Issues’ can be found at <a href="https://www.natwestgroup.com/sustainability/governance-and-responsible-business/human-rights-and-modern-slavery.html">https://www.natwestgroup.com/sustainability/governance-and-responsible-business/human-rights-and-modern-slavery.html</a>
3. Evidence	A finding of a human rights violation by a government (including a government agency), supervisory authority, national or international court or multinational development agency.
4. The 3Rs	<p>The principles of the 3Rs (<b>R</b>eplacement, <b>R</b>eduction and <b>R</b>efinement) are a framework for performing more humane animal research. They have been embedded in national and international legislation and regulations on the use of animals in scientific procedures, as well as in the policies of organisations that fund or conduct animal research.</p> <p>Meeting the requirements of the 3Rs</p> <p>Policies and Procedures</p> <ul style="list-style-type: none"> <li>• Open and transparent policies about the company’s use of animal research.</li> <li>• Demonstratable evidence the company follows the 3R principles (Replace, Reduce, Refine).</li> <li>• Evidence that the company considers how to minimise pain and distress caused to animals.</li> </ul> <p>Supply Chain/Contractors</p> <ul style="list-style-type: none"> <li>• Awareness of animal testing within the company’s supply chain including reviews and audits of contractors and 3<sup>rd</sup> party suppliers.</li> </ul> <p>Care and Treatment of Animals</p> <ul style="list-style-type: none"> <li>• Staff conducting animal research are appropriately trained.</li> <li>• Good treatment of the animals, with appropriate access to food, water and housing, and access to veterinary care.</li> <li>• Breeding is conducted as close to research centres as possible to minimise transport time.</li> </ul> <p>Ethics</p> <ul style="list-style-type: none"> <li>• The company/organisation has an internal ethical committee to review animal welfare (in the UK it is</li> </ul>

	<p>compulsory for all companies to have an Ethical Review Board).</p> <p>External Accreditation</p> <ul style="list-style-type: none"><li>• Where possible, independently accredited by the Association for Assessment and Accreditation of Laboratory Animal Care International (AAALAC-I).</li></ul>
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