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[Schedule to ESG Policy]

ADM Capital Europe LLP Animal Welfare Policy

(This policy applies to investments and proposed investments of funds advised by ADM Capital Europe LLP ('ADMCEU'). This policy is strictly private and confidential. This policy is not exhaustive, supersedes any earlier policy or procedures, is current as of the above date and may be varied or amended by management from time to time as circumstances dictate.)

1.0 Introduction

This policy defines ADMCEU's commitment to a responsible food system approach with regard to livestock production, aquaculture and insects in intensive and extensive systems. The policy also covers both investments in direct animal production and investments in those industries supporting animal production.

ADMCEU uses the The World Organization for Animal Health ('OIE') definition for animal welfare:

The World Organization for Animal Health defines animal welfare as how an animal is coping with the conditions in which it lives. An animal is in a good state of welfare if it is healthy, comfortable, well nourished, safe, able to express innate behaviour 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 and nutrition, humane handling and humane slaughter or 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 treatment.

2.0 Investment Approach

ADMCEU seeks to reduce the potential negative impacts and increase the positive outcomes of its investment activities by supporting a sustainable agriculture and food system with respect for the animal world.

ADMCEU recognises the value of the animal world as a facet of natural capital. We are committed to advancing animal welfare, respect for animals and enabling access to environments within which they can exhibit their natural behaviours.

Our investment approach makes considerations for livestock production, aquaculture, and insect welfare.

2.1 Livestock Production

Livestock animals are commonly defined as those used for labour purposes or reared to produce commodities such as eggs, meat, fur, leather, wool, etc. Livestock production approaches range from intensive to extensive (also variously referred to as sustainable, regenerative and/or organic) farming. Intensive¹ and semi-intensive farming is designed to maximise production, whilst minimising costs. To achieve these dual aims, certain processes and procedures are adopted which may result in negative externalities which have shown to increase the risk of diseases, decrease biodiversity, degrade and deplete soil health, create polluted run-off and compromise animal welfare. ADMCEU believes there is a place in the future of a healthy food supply system, which recognises animal husbandry and environmental challenges while supporting a regenerative, sustainable system of livestock production thus reducing the externalities associated with intensive farming.

Funds advised by ADMCEU will not invest in companies that:

- Directly operate in the production of intensively farmed or reared livestock;
- Operate in the supply chain of intensively farmed or reared livestock with products and services designed to actively result in poor welfare standards (e.g., specific transport vehicles, infrastructure, slaughtering or equipment); and
- Are involved in the use, production and/or sale of prophylactic antibiotics.

ADMCEU will positively screen for companies that enhance the welfare of livestock production. These business areas include but are not limited to:

- Invest in positive impact technological innovation (e.g., breeding and health technologies, improvements or reduced losses in productivity, disease control, nutrition, farm emissions mitigation and low-impact feeds and production systems);
- Focus beyond production and farming (e.g., reducing water pollution, disease prevention, biodiversity, soil health and environmental protection); and
- Encourage organic and extensive production with clear animal welfare policies.

2.2 Aquaculture²

Wild caught fish globally amounts to 96.4 tpa, according to the FAO³, 43% is used to feed humans and 34% used to produce fish meal, which in turn is used to feed aquaculture-raised fish, chickens and pigs. Consumption of fish is growing at a rate of 2.4-2.9% pa, so any excess demand is provided through growth of aquaculture, thought to be growing at 5.3% pa. Industrial fishing for live catch poses an existential threat to global fish stocks, ocean health, habitats, coastal communities and endangered species and ultimately, human welfare. ADMCEU encourages sustainable fishing which respect marine ecosystems and ensures the rate of reproduction to maintain the balance and survival of all species.

¹ Intensive farming is defined here as a specialized system of breeding animals where the livestock are kept indoors and fed on concentrated foodstuffs, with frequent use of drugs to control diseases which are a constant threat under these conditions. (Collin, P. H., Dictionary of ecology and the environment - 3rd edition, 1995, Peter Collin Publishing, Teddington)

² Our approach to aquaculture is separated from livestock production as it covers a more unique criterion.

³ FAO, The State of World Fisheries and Aquaculture 2020, 2020

ADMCEU will not invest in companies that:

- Directly own and operate offshore⁴ aquaculture systems without sufficient measures to mitigate pollution, fish escapes and diseases. (Sufficient measures are inclusive of, but not limited to: high feed conversion efficiency of the species, high flushing rate, operation size limits, high quality cages and monitoring equipment (e.g., drones, aqua robotics, sensors, and AI) and/or precision aquaculture methods);
- Directly conduct and control the operation of the following controversial fishing techniques – driftnets, shark-finning, cyanide, dynamite, ghost fishing; and
- Operate in the supply chain for offshore aquaculture and the listed controversial fishing techniques above with products and services designed to actively enable poor fish welfare (e.g., infrastructure, slaughtering or equipment) or do not comply with international standards and agreements.

ADMCEU will positively screen for companies that support sustainable fishing and the growth of a sustainable aquaculture industry. These business areas include:

- Investing in technological innovation (e.g., breeding technologies, disease control, nutrition, and low-impact feed and production systems (e.g., recirculating aquaculture systems));
- Focusing beyond production and farming (e.g., reducing water pollution, fish disease prevention, spatial planning and zoning to protect the ecosystem’s carrying capacity);
- Leveraging information technology (e.g., fish mapping, satellite imaging, ecological modelling, and planning systems); and
- Lowering trophic fish production (i.e., minimal wild fish feed production, diets and shifting consumer demand).

2.3 Insect (micro stock)

Farmed insects are used for animal feed, pet and human foods and other purposes such as fertilisers, honey and silk. Insect farming over livestock production provides significant sustainable advantages, including:

- High feed conversion efficiencies;
- Lower land and water demand;
- Lower greenhouse gas emissions;
- Use as alternative animal or fish feeds; and
- The ability to transform low value by-products into high-quality feeds or human foods.

There remains scientific debate over the existence and degree of pain in invertebrates, including insects. However, overexploitation, habitat changes and environmental contamination threatens the resource insects provide us with. Therefore, the sustainable

⁴ Offshore aquaculture is defined by the FAO as “taking place in the open sea with significant exposure to wind and wave action, and where there is a requirement for equipment and servicing vessels to survive and operate in severe sea conditions from time to time. The issue of distance from the coast or from a safe harbour or shore base is often but not always a factor”



farming practices of harvesting and utilising these insects is important and needs to continue to be encouraged, developed and implemented.

ADMCEU will positively screen for companies involved in micro stock that support insect welfare through best practice in operations management of:

- Disease/ health;
- Humidity;
- Temperature;
- Space; and
- Nutrition.

3.0 Animal Welfare Management

During the investment life cycle, ADMCEU will engage with and monitor those companies with direct and indirect involvement in animal welfare.

Due Diligence

- Ensure animal welfare needs have been or will be identified and prioritised;
- Ensure the company clearly articulates the specific nature of their animal welfare-related activities/ services/ production and the expected impacts on animal welfare;
- Identification of any incidents of actual or suspected animal suffering; and
- Identify staff competency and training required with relation to animal welfare.

Onboarding and Monitoring

In the formation of the Environmental and Social Action Plan for each investee company, ensure the inclusion (if not existing) of:

- Animal welfare risk management procedures and policies; and
- Staff training and knowledge building on animal welfare.

KPIs

- Implement, if appropriate, the collection of company-specific animal welfare, health, and nutrition KPIs