

ASX Corporate Governance Council

Re: Principles and Recommendations 5th Edition Consultation 2024

30 April 2024

Dear ASX Corporate Governance Council

RSPCA Australia appreciates the responsibility to comment on the draft fifth edition of the Corporate Governance Principles and Recommendations.

The RSPCA is one of Australia's most loved, trusted and recognised charities. Our mission is to prevent animal cruelty by actively promoting animal care and protection, and our vision is that all animals have a good life. We are an evidence-based organisation that rigorously applies contemporary animal welfare science to inform all RSPCA advocacy initiatives, education programs and policies. The RSPCA works with industry, governments and the community to advance animal welfare in Australia and raise awareness of the importance of animal welfare in our society.

Given our specific remit with regards to animal welfare we have chosen to restrict our commentary only to the request to include animal welfare in the definition of social risk to give entities more assistance in identifying animal welfare as a relevant risk.

As the council is seeking to enhance the quality of existing reporting of material risks to an entity's business model and strategy, this appears to be an ideal opportunity to make an adjustment to the definition of social risks to help achieve this aim. We propose that an edit is made to the definition of 'social risks' to include animal welfare as an example of and part of social risks to a listed entity.

Animal welfare is a mostly state regulated obligation of many organisations that are directly responsible for the care of animals and is also a reputational risk for organisations that may be related to animals or sourcing animal products. Poor animal welfare practices can have long and enduring consequences for organisations where practices are deemed to be substandard and/or not meeting community expectations, reflected by the fact that many key organisations in Australia now focus on animal welfare where it may be directly relevant to their organisation (e.g. supermarket sourcing and investment options).

Australians care about animals and are increasingly concerned about animal welfare. Community concern for animal welfare has increased since 2018 and independent research on consumer sentiment shows a very high proportion (98%) of Australians consider animal welfare important. Animal welfare is also a crucial factor for industry sustainability and social license to operate, Australian trade and international reputation. Australia's animal use industries are broad –spanning aquaculture, agriculture, companion animals, recreation and sport, entertainment, healthcare, research and education, and tourism– and collectively contribute billions of dollars to the nation's economy and employment.

Given the significant economic reliance on animals in Australia's corporate community and the potential risks that poor animal welfare practices may create, it would be a significant oversight not to acknowledge animal welfare in the ASX Corporate Governance Principles review.

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If there are any questions regarding our proposal, we would welcome the opportunity to further discuss, please contact Suzie Fowler, Chief Science Officer with any queries (sfowler@rspca.org.au)

Sincerely,

A handwritten signature in black ink, appearing to read "R. Mussell". The signature is fluid and cursive, with a distinct dot at the end.

Mr Richard Mussell
Chief Executive Officer
RSPCA Australia