

## FOE Consulting

<u>Team Member Names</u>	<u>Year</u>	<u>Major</u>
Kaya Trifunovic	Senior	Marketing
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Noah Robertson	Senior	Finance

**Advisor(s):** Professor Jeffrey Thies

**Topic:** Improving Fairlife’s ethical standards of sourcing dairy from partnered farms

**Audience:** Fairlife founders and board of directors

### Sustainable Development Goal

SDG #12: Ensure sustainable consumption and production patterns.

SDG #15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

SDG #17: Strengthen the means of implementation and revitalize the Global partnership for Sustainable Development.

### Executive Summary

Fairlife has faced significant ethical controversies and challenges following multiple investigations that exposed severe animal abuse and neglect on many of the farms that supply their dairy products. The Animal Recovery Mission revealed instances in 2019 of physical abuse, medical neglect, and inhumane living conditions for the cows living at the farms that fair life uses as suppliers for their dairy products. Although responding stating they cut ties with the implicated farms and are going to be implementing stricter monitoring policies, in 2023, another ARM investigation uncovered continued abuse from the same farms that they had promised to cut ties with.

The controversy is a huge ethical issue as it shows Fairlife’s failure in terms of protecting the welfare of the cows, treating them merely as means to an end rather than respecting their basic rights to humane treatment. The unethical practices that Fairlife allowed violated the rights of the animals, undermined consumer trust, and tarnished their own reputation as a responsible company.

In order to restore consumer confidence, improve ethical standards, and set a benchmark for ethical dairy production, Fairlife should fully transition to an ethical, vertically integrated, dairy supply chain. This would be achieved by exclusively sourcing from verified ethical dairy farms that fully adhere to a newly established “Gold Standard” of humane treatment. The Gold Standard would require numerous things that farms would have to follow, such as pasture-based farming, strict and frequent welfare checks, and full compliance with the Fairlife Gold Standard Code of Ethics. They should take money to invest in these farms in order to better the condition of the cows and achieve this standard. Additionally, implementing a live stream platform allowing supervision to observe the conditions of the cows. This would of course ensure ethical treatment, accountability, and sustainability.