



ANIMAL WELFARE POLICY

Saputo reinforces its commitment to bringing industry leaders and dairy producers together to improve animal care on all dairy farms. The Company will continue to use its position as one of the leading dairy processors in the world to promote appropriate animal care and handling practices.

We are a dairy company and milk is our primary ingredient. We care deeply about the way the milk we source is produced. High-quality dairy products begin with high-quality milk from healthy and well-cared for animals. We hold that appropriate animal care and handling practices, housing, nutrition, biosecurity, herd health management and veterinary care are essential for the health and well-being of dairy animals (cattle, goats, sheep and buffalo) and other animals used in meat products sourced from suppliers for our market segments.

Saputo has zero tolerance for any act of animal cruelty. This includes, but is not limited to, willful mistreatment and neglect of animals and acts that maliciously cause pain, injury or suffering. We expect all animal handlers (employers and employees) to adopt and adhere to proper animal care and handling methods at all times.

The Company has established a **Protocol** to address situations when presented with credible evidence to support an allegation of animal cruelty. Saputo will not reinstate the receiving of milk/dairy ingredients/meat products from a producer or supplier until it is satisfied that specific **Reinstatement Criteria** have been met.

We expect all milk and livestock producers to comply with recognized standards for the care and handling of dairy animals (cattle, goats, sheep and buffalo) and other animals used for food production. Our expectation is that animal care assessment programs include a third-party validation component with the goal of providing assurance to the industry, customers and consumers that animal care standards/codes of practice are being observed.

Industry Standards or Codes of Practice refer to either a regulatory requirement or an industry-imposed expectation that outlines acceptable

animal care and handling practices. Compliance with such requirements validates that producers supplying Saputo are addressing key animal welfare issues related to all aspects of livestock production, including animal transport and humane slaughter.

Saputo seeks commitment from producers to eliminate or modify routine animal **Management Practices that are unnecessary, cause pain and/or fear, or are otherwise unacceptable, specifically:**

- The practice of **tail docking cattle** must be eliminated.
- The use of **pain control (analgesia and/or anesthesia) for routine management practices that are painful (e.g. disbudding, dehorning, supernumerary teat removal, castration)** must become a minimum industry standard.
- **Electric cattle prods must never be used for routine animal handling.** Electric prod use must be restricted to emergency situations, such as when animal safety is at risk. Electric prods must never be used on sensitive areas of cattle. Electric prods must never be used on sheep or goats.

We expect producers to implement appropriate **Animal Care Awareness and Training programs, including a mandatory animal care Code of Conduct that is reviewed annually.**

- **Animal care Code of Conduct** templates have been developed by industry groups to assist producers in developing their own.
- **Appropriate training of all animal handlers** using a recognized low-stress (“quiet”) animal handling training program that includes care of non-ambulatory and compromised livestock is key to ensuring that animals receive the best care possible.
The use of animal handling methods that are based on fear or pain must be eliminated.

Saputo is committed to supporting education, awareness and training initiatives and workshops that promote animal care best practices and low-stress (“quiet”) handling for dairy producers in partnership with recognized institutions and experts.

PROTOCOL

Saputo has established a protocol to address situations when presented with credible evidence to support an allegation of animal cruelty:

- Saputo will immediately suspend receiving milk/dairy ingredients/meat products from a producer or supplier at which, based on credible evidence, it reasonably believes an animal was abused or neglected.
- Saputo will continue to suspend receiving milk/dairy ingredients/meat products while the allegations are investigated and validated by the appropriate animal protection authorities and/or independent third-party experts.
- Saputo will further suspend receiving milk/dairy ingredients/meat products from a producer or supplier if the investigation concludes that there has been mistreatment and/or neglect of animals and will not resume such activity until the reinstatement criteria below have been met.

REINSTATEMENT CRITERIA

Saputo will not reinstate receiving milk/dairy ingredients/meat products from a producer or supplier until it is satisfied that the following re-integration steps have been followed:

- Immediate action has been taken to appropriately address animal handlers found to have engaged in animal abuse or neglect.
- An on-farm welfare audit by a third-party veterinary/animal welfare expert has been conducted to evaluate producer compliance with recognized standards/codes of practice for animal care and handling.
- A Corrective Action Plan, acceptable to Saputo and agreed upon in writing by the producer, has been created, identifying animal care deficiencies and outlining the steps necessary to address the deficiencies. The plan must include a clear implementation timeline to correct the deficiencies with follow-up audits to re-evaluate the implementation of the



ANIMAL WELFARE POLICY

corrective actions identified. This may include retraining of animal handlers on proper animal handling techniques using a recognized low-stress (“quiet”) animal care and handling training program (e.g. Merck Dairy Care365™, CowSignals®, Dairy Australia ProHand®).

- Failure to implement the actions identified in the Corrective Action Plan to address animal care deficiencies in a timely manner may result in continued or further suspension as well as permanent termination of milk/dairy ingredients/meat products supplier relationships by Saputo when circumstances warrant.

INDUSTRY STANDARDS AND CODES OF PRACTICE

Saputo is engaged with the appropriate authorities in all jurisdictions where the Company has operations to pursue the universal adoption of recognized, evidence-based animal care and handling standards/codes of practice and implementation of animal care assessment programs to validate compliance.

Our expectation is that animal care assessment programs include a third-party validation component with the goal of providing assurance to industry, customers and consumers that animal care standards/codes of practice are being observed.

Dairy industry standards or codes of practice that are recognized by Saputo in countries where we have operations are:

- Argentina: Instituto Nacional de Tecnología Agropecuaria (INTA) animal care manual
- Australia: Australian Animal Welfare Standards and Guidelines for Cattle
- Canada: National Farm Animal Care Council (NFACC) Code of Practice for the Care and Handling of Farm Animals (Dairy Cattle, Sheep, Goats, Beef Cattle, Pigs, Chickens and Laying Hens).
- USA: National Milk Producers Federation – Farmers Assuring Responsible Management (FARM™) Animal Care Program
- United Kingdom: Department for Environment, Food & Rural Affairs (DEFRA) Code of Recommendations for the Welfare of Livestock, Red Tractor Standards®, Davidstow Farm Standards

MANAGEMENT PRACTICES

Saputo requires commitment from its suppliers to eliminate or modify routine management practices that are unnecessary or cause pain and/or fear, specifically:

1. **The practice of tail docking cattle must be eliminated.**

The practice of tail docking causes pain or discomfort and risk of neuroma formation and infection. There is no scientific evidence to show this procedure contributes to decreased udder infections, cleaner cows or improved working conditions of animal handlers. The American Veterinary Medical Association, Canadian Veterinary Medical Association, Australian Veterinary Association and the National Mastitis Council all oppose the routine tail docking of dairy cattle. It is not permitted within national animal care assessment programs in Canada (Dairy Farmers of Canada proAction® animal care module), the United Kingdom (Red Tractor Assurance Scheme®) and the United States (National Milk Producers Federation FARM™ Animal Care Program).

Tail docking of sheep may be necessary to enhance animal health and hygiene but it is a painful procedure. If done, it should be performed at the youngest age possible using appropriate techniques, including pain control.

2. The use of **pain control (analgesia and/or anesthesia) for routine management practices that are painful (e.g. disbudding, dehorning, supernumerary teat removal, castration)** must become a minimum industry standard.

- i. Dairy cattle and goats without horns cause fewer injuries to other animals and humans than horned animals. The practice of disbudding dairy cattle and goats may be necessary to enhance handling safety but is a painful procedure. The prevention of horn growth by genetic selection and breeding of polled stock is achievable but polled dairy cattle sire selection is currently very limited. Where genetic selection for polled stock is not an option, calves and kids should be disbudded in preference to dehorning, using appropriate anesthesia and postoperative analgesia. The American Veterinary Medical Association, Canadian Veterinary Medical Association, Australian Veterinary Association and British Veterinary Association recommend the use of pain control for disbudding. Pain control for disbudding calves is a mandatory

requirement within national animal care assessment programs in Canada (Dairy Farmers of Canada proAction® animal care module) and the United Kingdom (Red Tractor Assurance Scheme®).

- ii. Supernumerary (“extra”) teats are a congenital defect of the udder in some ruminants that can cause animal health issues including mastitis. If they are removed, it should be done at the youngest age possible using appropriate techniques including pain control.
 - iii. Castration of cattle, sheep and goats is a procedure performed to avoid unwanted pregnancy, reduce aggression toward humans and other animals and to improve meat quality. When castration is required, it should be done at the youngest age possible using appropriate techniques, including pain control.
3. **Electric cattle prods must never be used for routine animal handling.**

Electric prod use must be restricted to emergency situations, such as when animal safety is at risk. Electric prods must never be used on the sensitive areas of cattle. Electric prods must never be used on goats.

ADVANCEMENT OF ANIMAL CARE STANDARDS AND BEST PRACTICES

We will continue to seek every opportunity to advocate for the advancement of animal care standards and best practices, and for key animal care requirements to become minimum industry standards.

Some examples of our achievements:

- We have established funding partnerships with recognized animal welfare academic institutions to advance awareness, education and training in animal care and handling for producers, veterinary students and practitioners.
- In Argentina and Australia, we have collaborated with the veterinary, dairy farming and contract farm services communities on implementing pain management programs for disbudding dairy calves through advocacy, education and training.
- We have supported amendments to Canada’s federal humane transport regulations to promote the health and well-being of animals during the transportation process.



ANIMAL WELFARE POLICY

Some examples of our ongoing advocacy:

- We are advocating for the establishment of pain control as a minimum industry standard for disbudding calves and goats.
- We are seeking appropriate modification of male calf marketing systems to promote animal health and minimize risks to welfare during transport.

ANIMAL CARE AWARENESS AND TRAINING

An animal care Code of Conduct serves to provide an understanding of a producer's policies and values. It also acts as a reminder from the owner to management and staff of the importance of appropriate animal care. Its goal is to protect the safety and welfare of animal handlers and animals. It is the commitment of producers and employees towards doing the right thing. It outlines what needs to happen when things go wrong. Every person involved with handling animals must sign a Code of Conduct that clearly indicates the following:

- Employers/employees are required to support the core objectives of responsible animal care and handling.
- Responsible animal care and handling among employees and service providers must be strictly enforced.

- When an incident involving possible mistreatment, illness or injury of an animal is reported to an employer, it must be taken seriously.
- Employees are required to handle and treat animals with respect and in accordance with farm policies and rules, as well as federal/state/provincial and municipal regulations under which the farm operates.
- Any employee who observes or receives any information that alleges an animal on the farm property or in the farm's care is being mistreated or mishandled must report that information immediately to the employer and/or the appropriate authority.

Appropriate training of all animal handlers using a recognized low-stress ("quiet") animal handling training program that includes care of non-ambulatory and compromised animals is key to ensuring that they receive the best care possible.

Animals must always be handled with care in a calm, easy manner following a consistent routine. Low-stress ("quiet") handling methods reduce fear, help avoid injury, make observation and treatment easier and enhance animal well-being and productivity. Animal handlers must be familiar with animal behaviour and quiet handling techniques. Producers must establish procedures to address the care of non-ambulatory and compromised animals. The use of animal handling methods that are based on fear or pain must be eliminated.

Examples of recognized animal handling programs in countries where Saputo has operations include:

- I. Argentina: Merck Dairy Care365™
- II. Australia: Dairy Australia ProHand®, Merck Dairy Care365™
- III. Canada: CowSignals®, Merck Dairy Care365™, Iowa State University Dairy Goat Wellbeing Program
- IV. USA: CowSignals®, Merck Dairy Care365™, Iowa State University Dairy Goat Wellbeing Program
- V. United Kingdom: CowSignals®, Merck Dairy Care365™

Saputo expects its suppliers to implement appropriate animal handling awareness and training programs, including a mandatory animal care Code of Conduct that is reviewed annually.

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