

Animal Welfare Policy

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 dairy cattle and goat 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 milk receiving from the farm until it is satisfied that specific *Reinstatement Criteria* have been met.

We expect all milk producers to comply with recognized standards for the care and handling of dairy cattle and goats. Producer compliance with industry standards/ Codes of Practice must be validated by a third party animal welfare audit in order to meet expectations of industry, customers and consumers.

Industry Standards or Codes of Practice refer to either a regulatory requirement or an industry imposed expectation that outline acceptable dairy cattle and goat care and handling practices. Compliance with such requirements validates that dairy farms that supply Saputo with milk are addressing key dairy cattle and goat welfare issues.

Saputo seeks commitment from its suppliers to eliminate or modify routine *Management Practices* that are unnecessary or cause pain, specifically:

- The practice of **tail docking dairy cattle** must be eliminated.
- The use of **pain control when dehorning or disbudding cattle or goats** must become a minimum industry standard.

Saputo reinforces its commitment to bringing industry leaders and dairy farmers 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 animal care and appropriate dairy cattle and goat 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 and veterinary care are essential for the health and well-being of dairy cattle and goats.

We expect our suppliers 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 to assist producers in developing their own.
- **Appropriate training of all dairy cattle and goat handlers** using a recognized low-stress ('quiet') animal handling training program that includes care of non-ambulatory and compromised dairy cattle and goats is key to ensuring that animals receive the best care possible.

Saputo is committed to supporting initiatives and programs that promote communication, awareness and training opportunities for dairy production welfare issues.

Saputo supports training initiatives and workshops in low-stress ('quiet') dairy cattle and goat handling training for producers in partnership with recognized experts in the field of animal handling and welfare.

We will demonstrate leadership in pursuing the universal adoption of these animal welfare standards in all of the jurisdictions where we have operations.

Our efforts will be directed at all dairy industry stakeholders including milk cooperatives and marketing Boards. Immediate focus will be placed on achieving these objectives in the shortest time period possible.

Ensuring that these standards, which are based on sound scientific evidence, are met is a top priority for Saputo and we expect all of our suppliers to be industry leaders in this respect.

Industry Standards and Codes of Practice

Producer compliance with industry standards/Codes of Practice must be validated by third party auditors in order to meet expectations of industry, customers and consumers.

Industry Standards or Codes of Practice that are recognized by Saputo in countries where we have operations are:

- Argentina: Instituto Nacional De Tecnologia 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 Dairy Cattle
Canadian Agri-Food Research Council (CARC) Recommended code of practice for the care and handling of farm animals – Goats
- United States of America: National Milk Producers Federation – National Farmers Assuring Responsible Management (FARM) Program

Saputo is engaged with the appropriate authorities in all jurisdictions where the Company has operations to ensure recognized industry standards/Codes of Practice are updated, and to advocate for them to become minimum industry standards.

Reinstatement Criteria

Saputo will not reinstate milk receiving from the farm until it is satisfied that the following re-integration steps have been followed:

- Immediate action has been taken to appropriately address dairy cattle and goat handlers found to have engaged in mistreatment or neglect of animals.
- An on-farm welfare audit by a third party veterinary expert has been conducted to evaluate producer compliance with recognized standards/ Codes of Practice for care and handling of dairy cattle and goats.
- 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 would include a clear timeline to correct the deficiencies with follow up audits to re-evaluate the implementation of the corrective actions identified. This may include retraining of dairy cattle and goat handlers on proper animal handling using a recognized low-stress ('quiet') dairy cattle and goat 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 further suspension and/or permanent termination of milk receiving by Saputo.

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 milk receiving from a farm at which, based on the available facts and when viewed in light of surrounding circumstances, it reasonably believes an animal was abused or neglected.
- Saputo will continue to suspend milk receiving while the allegations are investigated and validated by the appropriate animal protection authorities and/or independent third party experts.
- Saputo will further suspend milk receiving if the investigation concludes that there has been mistreatment and/or neglect of animals, and will not resume it until the Reinstatement Criteria have been met.

Management Practices

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

The practice of tail docking cattle must be eliminated.

The practice of tail docking has been done based on the assumption that this procedure will decrease the risk of udder infections, contribute to cleaner cows and improve the working conditions of those handling dairy cows. Scientific evidence has not identified any differences in udder or leg hygiene, somatic cell count or prevalence of intramammary pathogens that could be attributed to tail docking. Tail docking causes pain or discomfort, and neuroma formation, risk of post-operative infections and loss of ability to control flies are welfare concerns associated with tail docking. 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.

Alternative management practices to avoid dairy cattle handler discomfort can be used such as:

- I. Tail switch trimming
- II. Building stalls and floors that contribute to cow cleanliness
- III. Cleaning stalls and floors frequently to ensure cow cleanliness

The use of pain control when dehorning or disbudding dairy cattle and goats must become a minimum industry standard.

Dairy cattle and goats without horns cause fewer injuries to other animals and humans than horned animals. The practice of dehorning 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 anesthesia and post-operative analgesia. The American Veterinary Medical Association, Canadian Veterinary Medical Association and Australian Veterinary Association recommend the use of pain control for disbudding and dehorning of dairy cattle and goats.

Animal Care Awareness and Training

An animal care Code of Conduct serves to provide an understanding of a company's policies and values. It also acts as a reminder from owner, to management, to staff, about the importance of appropriate animal care. It exists to protect the safety and welfare of handlers and animals. It is a company's and employees' commitment to doing the right thing. It outlines what needs to happen when things go wrong. Every person who handles or comes into contact with an animal must sign a Code of Conduct that clearly indicates the following elements:

- Employers/employees are required to support the core objectives of responsible care and handling.
- Responsible animal care and handling among employees and service providers is strictly enforced.
- When an incident involving possible mistreatment, illness or injury of an animal is reported to an employer, it will 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 dairy cattle and goat 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 dairy cattle and goats receive the best care possible.

Dairy cattle and goats must always be handled with care in a calm, easy manner following a consistent routine. Low-stress ('quiet') handling methods reduce fear, avoid injury, make observation and treatment easier and enhance animal well-being and productivity. Animal handlers must be familiar with cattle and goat behavior and quiet handling techniques. The use of electric cattle prods must only be used in extreme situations, such as when animal or human safety is at risk, and must never be used on the face, anus or reproductive organs of dairy cattle. Electric prods must never be used on goats. Suppliers must establish procedures to address the care of non-ambulatory and compromised dairy cattle and goats.

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™
- IV. USA: Cowsignals®, Merck Dairy Care365™

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

References:

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