

Animal Welfare Policy



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 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.

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 workers (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 followed.

We expect all milk producers to comply with recognized standards for the care and handling of dairy cattle. Producer compliance with industry standards/Codes of Practice must be validated by an independent 3rd party 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 cattle care and handling practices. Compliance with such requirements validates that dairy farms that supply Saputo with milk are addressing key dairy cattle 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 cattle** must be eliminated.
- The use of **pain control when dehorning or disbudding cattle** must become a minimum industry standard.

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 handlers** using a recognized low-energy animal handling training program that includes care of non-ambulatory and compromised cattle is key to ensuring that dairy cattle 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 will support training initiatives and workshops in low-energy ('quiet') cattle handling training for producers in partnership with recognized experts in the field of cattle 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.

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 until the allegations have been appropriately investigated by 3rd party investigators.
- Saputo will further suspend milk receiving if the investigation concludes that there has been willful mistreatment and/or neglect of animals.

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 workers found to have engaged in willful mistreatment or neglect of animals.
- An on-farm audit by an independent 3rd party auditor has been conducted to evaluate producer compliance with recognized standards/Codes of Practice for care and handling of cattle (e.g. Australian and Argentinian independent auditors, FARM program, proAction[®] animal care assessment program).
- A Corrective Action Plan has been created by an independent 3rd party auditor and accepted by the producer that identifies animal care deficiencies and outlines 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 workers on proper handling of cattle using a recognized low-energy cattle handling training program (e.g. Dairy Stockmanship[®], Cowsignals[®], Dairy Australia ProHand).
- Failure to implement the actions identified in the Corrective Action Plan to address animal care deficiencies may result in further suspension and/or permanent termination of milk receiving by Saputo.

Industry Standards and Codes of Practice

Producer compliance with industry standards/Codes of Practice must be validated by an independent 3rd party auditor in order to meet expectations of industry, customers and consumers.

In jurisdictions where Saputo does not have a direct milk supply contract with the producer (e.g. milk cooperatives, marketing boards), Saputo will be engaged with the appropriate authorities to update recognized standards/Codes of Practice and have them become a fundamental industry minimum standard.

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 (under development)
- Australia: Australian Animal Welfare Standards and Guidelines for Cattle — Ministerial endorsement pending
- Canada: National Farm Animal Care Council (NFACC) Code of Practice for the Care and Handling of Dairy Cattle
- United States of America: National Milk Producers Federation — Farmers Assuring Responsible Management (FARM) Program

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 and Australian Veterinary Association all oppose the routine tail docking of cattle.

Alternative management practices to avoid 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 cattle must become a minimum industry standard.

Cattle without horns cause fewer injuries to other animals and humans than horned animals. The practice of dehorning cattle 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 sire selection is currently very limited. Where genetic selection for polled stock is not an option, calves 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.

Animal Care Awareness and Training

An animal care Code of Conduct provides everyone on a farm or company with an understanding of company 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 workers 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 handlers using a recognized low-energy animal handling training program that includes care of non-ambulatory and compromised cattle is key to ensuring that dairy cattle receive the best care possible.

Dairy cattle must always be handled with care in a calm, easy manner following a consistent routine. Low-energy 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 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. Suppliers must establish procedures to address the care of non-ambulatory and compromised cattle.

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

- I. Australia: Dairy Australia ProHand
- II. Canada: Dairy Stockmanship®, Cowsignals®
- III. USA: Dairy Stockmanship®, Cowsignals®

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

References:

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