



POSITION PAPER

ANIMAL HEALTH AND WELFARE ISSUES

As a global leader in dairy processing, we place great importance in demonstrating good corporate citizenship in everything we do. This is at the heart of the Saputo Promise—and this commitment extends to our suppliers. Our position as a global leader in dairy processing comes with responsibility, and we use it to promote appropriate animal care and handling practices throughout our supply chain, which includes our dairy, egg and meat suppliers.

Our **Animal Welfare Policy** sets out our zero tolerance policy for any act of animal cruelty, and our expectations for suppliers to comply with recognized industry animal care and handling standards/codes of practice.

The following is our position on important animal health and welfare aspects of livestock production that are currently outside of the direct scope of our Animal Welfare Policy. For some of these issues, we have made significant progress in advancing these positions in certain countries and will consider incorporating them into further updates to our Policy.

1 USE OF ANTIMICROBIALS IN LIVESTOCK PRODUCTION

Animal health and welfare are important to Saputo. Appropriate housing, immunization, nutrition, biosecurity, herd health management and veterinary care are key elements to prevent disease in dairy animals. Judicious use of antimicrobial drugs can play an essential role in helping livestock producers keep animals in their care healthy.

Livestock producers who utilize antimicrobials to treat disease in animals must do so in compliance with applicable antimicrobial use and food safety regulations as required by the appropriate competent authority.

All countries where Saputo operates are members of the World Organization for Animal Health (OIE). Saputo supports the **OIE Strategy on Antimicrobial Resistance** and the **World Health Organization (WHO) Global Action Plan on Antimicrobial Resistance**.

Saputo's Dairy Division (UK) has developed an antibiotic use strategy that has been designed to help dairy producers meet all legal requirements as well as delivering best practices and continuous improvement, working in partnership on the responsible usage of veterinary medicines including antibiotics. This includes the MilkSure training program which is part of the **Saputo UK Milk Producers Agreement**.



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2 USE OF GENETICALLY MODIFIED ORGANISMS (GMOs) IN FOOD PRODUCTION

Saputo adheres to the highest standards of food safety and quality, and respects labelling regulations in every market where we operate.

Governments have confirmed the safety of food and animal feeds that contain genetically modified organisms (GMOs) and set national standards for voluntary food labelling based on sound science and extensive review.

The use of biotechnology, including GMOs, to produce more and better food by influencing or improving natural processes is an accepted and closely regulated agricultural practice in all countries where Saputo operates. Where individual jurisdictions restrict the use of GMOs, Saputo acknowledges this position and works with suppliers to ensure compliance with regional regulations.

All countries where Saputo operates are members of the **International Dairy Federation (IDF)**. Saputo supports the IDF position that feeding dairy animals GMO feed, or its conventional equivalent does not have an impact on milk composition. When the cow digests and assimilates the feed, the constituents of the feed are degraded, in particular the DNA and proteins. Thus, analyses can never result in finding genetically modified DNA in the milk of a cow fed with GMO feed.

Saputo recognizes that consumers have different preferences. To ensure we meet those needs, we produce and distribute a wide array of dairy products, including organic brands, so that consumers can choose the products they want. Consistent with applicable regulation and industry standards, our organic brands do not contain GMOs/bioengineered ingredients.

3 USE OF SYNTHETIC GROWTH HORMONE (RBST) IN MILK PRODUCTION

In every country where Saputo operates, we're committed to ensuring that our dairy products are of high quality and meet all government regulations and standards. We also want to ensure that we offer consumers and customers the products that best fit their needs and preferences.

Saputo depends on producers and suppliers we work with to provide high quality milk and require them to follow applicable laws and regulations when caring for their animals through the **Saputo Supplier Code of Conduct**, and our **Animal Welfare Policy**.

We recognize that some consumers/consumer groups are concerned about the use of synthetic recombinant bovine somatotropin (rBST -also called rBGH) in dairy production.

In an effort to offer consumers and customers the product that best fit their requirements, we only use milk and milk ingredients from cows not supplemented with rBST.

rBST is not permitted for sale in Canada, Australia, Argentina or the UK.

While rBST is approved for use in dairy cattle in the United States, Saputo requires that its suppliers do not use rBST.



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4 TRANSPORTATION OF ANIMALS

All countries where Saputo operates are members of the World Organization for Animal Health (OIE). Saputo supports the **OIE Transport of Animals Standards in the Terrestrial Animal Health Code (2019)**. In Canada, we have advocated for amendments to the federal humane transport Health of Animals regulations that reflect the latest research and alignment with international standards and provide strengthened requirements promoting health and well-being of animals during the transportation process.

5 SLAUGHTER PRACTICES OF ANIMALS FOR FOOD

While Saputo is a dairy company and milk is our primary ingredient, we also use meat products sourced from suppliers for our market segments which include beef, pork and poultry products. As such, we expect our meat suppliers to comply with applicable animal welfare regulations and national standards/Codes of practice for the care and handling of these animal species.

Saputo supports **national veterinary positions (Canadian, Australian, British)** that make clear that when farmed animals are killed for food, the methods employed must minimize fear, anxiety, pain, distress and suffering, and they must result in immediate and confirmed death or rapid loss of consciousness that persists until the time of death.

6 TETHERING OF DAIRY CATTLE

All countries where Saputo operates are members of the World Organization for Animal Health (OIE). We support the **OIE Terrestrial Animal Health Code (2019)** that states that cows kept in tie stall housing should be allowed sufficient untethered exercise to prevent welfare problems. Animal handlers should be aware of the higher risks of welfare problems where cattle are tethered.

In Argentina and Australia, dairy cattle are not kept in close confinement or tethered (tie stall housing).

In the UK, the Red Tractor Standards© set out conditions where tethering may be permitted. Producers must provide untethered exercise for cattle that are routinely tethered, and year-round tethering is not permitted. There are very few UK producers that tether dairy cattle, and there has been notification given of a national phase out of this practice by October 2023. None of Saputo's suppliers in the UK tether cattle.

In Canada, where tethering (tie stall) housing systems are more prevalent in certain regions, we're engaged through the Dairy Processors Association of Canada in the *Code of Practice for the Care and Handling of Dairy Cattle* review/revision process to address concerns around confinement and exercise for tethered cattle.



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7 MARKETING OF SURPLUS DAIRY CALVES

Dairy farms produce surplus dairy calves (male and non-replacement female), many of which are typically marketed to calf growers to be raised for meat production. Although marketing practices vary from country to country, there are common issues relating to fitness for transport of very young calves and co-mingling with animals from other farms that can pose risks to their health and welfare.

Saputo advocates for the appropriate modification of marketing systems for surplus dairy calves where there are risks to health and welfare when these animals are transported.

Saputo also advocates for breeding practices and herd management to be modified so as to eliminate the unnecessary euthanasia of healthy calves that are surplus to market.

In the UK, our own suppliers will be required to eliminate the practice of euthanizing healthy male calves as of October 2021.

8 BRANDING OF CATTLE

Hot-iron and freeze branding of cattle are an acutely painful procedure.

Saputo advocates for the elimination of the practice of routine branding for identification purposes using hot-iron or freeze-branding techniques.

If branding is required to meet regulatory requirements (e.g. USA state or federal regulations), it should be done only if appropriate pain control is provided.