

Policy on farm animal welfare

March 2021

Since its foundation, the Avril Group has been driven by an original model: a sector-based organization, from farming upstream to processed products downstream, where each activity creates value for all links in the chain. By being present in the food, animal nutrition, chemical and energy sectors at the same time, our Group has built strong connections between its animal and plant activities based on its historical proximity to the agricultural community.

Attentive to demands from society on the subject of animal welfare, Avril has equipped itself with a dedicated policy that covers the following sectors in France: pigs, laying hens, poultry (for meat production), rabbits and ruminants.

This document establishes the reference framework for our employees in the Group and also applies to breeding farms included in our scope of responsibility.

Our ambition

For us, suitable conditions for the housing, transport and slaughter of animals, and disseminating a culture of consideration towards them, are crucial points that demand our attention. Avril's conviction is that we must act to promote animal welfare; this is both an ethical requirement and a key aspect of the quality of our products. Animal welfare forms an integral part of SPRING, our CSR strategy¹.

Our policy is thus based on two main pillars that set our ambition:

- **To identify and remove unacceptable situations** in farms. By "unacceptable" we mean: proven non-compliance with the regulatory framework and the basics of animal farming (sufficient access to water and feed, absence of suffering animals, good management practices for dead animals on farms).
- **To improve practices** through progress-making approach regarding the protection and welfare of animals, by working with different sectoral actors.

Our scope of responsibility

Avril is an important player in different livestock sectors, working with about 26,000 livestock farmers. It has a responsibility to commit to ensuring animal welfare, while listening to the demands of consumers and standing by the farmers to address such demands.

Our scope of responsibility² for animal welfare covers our own operations and approximately 1,400 farms³ that have a business relationship with the Group that goes beyond customer-supplier relationship. Namely, this scope includes farms in a contractual arrangement with the Group, farms engaged in specific value chains, farms owned by the Group, farms in which the Group has a stake. In such situations, we can formulate precise requirements for farmers who, because they are directly responsible for the welfare of their animals, must take them into account. Farmers whose practices are not aligned with our requirements will be encouraged to comply. If no improvements are observed, the Group shall cease all commercial relations with the livestock farms concerned.

Our approach

In line with European and French regulations, Avril bases its policy on a globally-recognized definition of animal welfare made by the OIE⁴, the **"Five Freedoms"** (freedom from hunger and thirst; freedom from discomfort; freedom from pain, injury or disease; freedom to express normal behavior; freedom from fear and distress⁵).

Avril has a pragmatic and operational approach. This is based on the consideration of all actors towards animals – echoing the first fundamental value of the Group, which is respect – as well as on the implementation of actions to prevent unnecessary pain or stress.

¹ <https://www.groupeavril.com/en/sustainable-development>

² Detailed in the appendix

³ Indicative value: the number of farms within this perimeter varies slightly each year.

⁴ World Organisation for Animal Health

⁵ Detailed in the appendix

Our four guiding principles

Animal welfare is dependent on numerous factors. We have chosen to organize them around **four guiding principles**.

1 – Nutrition – Feeding animals properly



Feeding helps to cover the animals' needs for essential nutrients and to express natural and species-specific behaviors. By participating in physiological functioning, nutrition is an essential factor in the well-being of animals. Thus, feeding strategies contribute to the good growth of the animal, its digestive comfort, the maintenance of its immune balance, the management of parasites, and the management of its stresses, whether chronic or occasional.

Nutrition – Animal nutrition is our core business and the Group's primary lever for contributing to the well-being of animals. Avril is able to provide feed solutions adapted to each species, each physiological stage and each production method. In addition, our expert companies develop nutritional and biocontrol solutions (premixes, additives, nutritional specialties) and services to improve dietary balance and animal well-being.

2 – Health – Acting to ensure the health of farmed livestock



A key factor in the economic performance of livestock units, health is also a condition that is necessary to the welfare of animals, as underlined by the OIE. Animal health is a key skill within the Group, requiring different types of expertise which, since 2009, have been grouped under our Sustainable Animal Health Management (SAHM)⁶ approach. This approach aims to prefer preventive solutions (livestock management, biosecurity, feeds, vaccination, biocontrol, etc.) rather than curative interventions. Antibiotics can, however, be used (subject to prescription rules) to treat sick and suffering animals.

Biosecurity & Biocontrol – The health status of livestock units is essential to guaranteeing optimal living conditions for animals. Biosecurity covers all preventive hygiene methods that can limit the introduction and spread of diseases in livestock farms. Several companies in the Avril Group develop and market innovative products to improve the health status of animals.

Veterinary follow-up – Our technical teams collaborate with the veterinarians attached to livestock units and we also have an internal team of 20 veterinarians who works with groups of livestock farmers. The veterinarians elaborate and follow preventive health plans specific to each species and implement SAHM guidelines.

3 – Housing – Ensuring good living conditions for animals



As a central element of any farm, livestock housing has a direct effect on both the living conditions of animals and the working conditions and safety of livestock farmers.

Farm management – Through monitoring and recommendations, our 233 technical advisors can provide support on a daily basis to ensure the control of environmental conditions that are essential to the good health of animals (air quality, temperature, moisture levels, etc.).

Gradual improvements to housing – Avril supports its partner livestock farmers through technical advice, trials of alternative housing systems or possibly financial support, in order to facilitate the modernization of existing buildings. Thus, some broiler producers have benefited from financial support to integrate windows in their buildings or lay concrete floors (a key factor in reducing inflammation affecting the feet of poultry – i.e. pododermatitis).

⁶ See our page dedicated to SAHM – <http://www.sanders.fr/fr/demarche-gestion-sanitaire-durable>

4 – Integrity – Nurturing a culture of consideration for animals



Research – Avril has an innovation and research farm located in Sourches (France). Trials are conducted there each year so as to better understand the needs of the animals. A trial consists of comparing different feeds, housing conditions or husbandry practices in order to assess their effects on the animals' growth, behavior, well-being or environmental emissions. In return, the data collected allows us to improve the diet and living conditions of farm animals in France and abroad.

In order to improve its practices, the Sourches farm has set up an approach to ensure the everyday dissemination of a culture of consideration towards animals and improvements to practices. Thus, the staff of Sourches, researchers, and engineers are regularly trained in animal welfare and experimentation. They observe the animals on a daily basis and are able to assess possible situations of stress or suffering. An "animal welfare" working group reviews tests and practices several times a year to identify areas for progress (training, investment, etc.). This work is conducted in collaboration with an external veterinarian to improve the health and comfort of animals and to advance the human-animal relationship.

The majority of the trials carried out at Sourches farm are focused on the feed. In this case, simple weighing, consumption records and animal observations are sufficient for the comparison of the studied feeds. The animals are then raised in conditions similar to those of a conventional farm. More than 95% of the milk, meat or eggs of the animals raised in Sourches farm enter the usual marketing channels and are used for human consumption.

The rest of the tests is examined and validated beforehand by the regional Ethics Committee for Animal Experimentation (Région Pays de la Loire) and the ministry in charge of Research because it falls within the scope of animal experimentation as defined by regulations (Decree 2013/118 and orders). At the Sourches farm, this mainly concerns tests to assess the digestibility of raw materials (ruminant, pig, poultry, rabbit). These studies are essential for the design of feeds which cover the needs of the animals and ensure their good health, while reducing their environment footprint. In accordance with regulations, the research center has a license to operate.

In Sourches farm, all projects are guided by the "3 R's" rule:

- **Replace:** *in vivo* tests are replaced as much as possible by alternative methods (computer models, prediction of the nutritional quality of feeds by NIR⁷ spectroscopy, *in vitro* models). We are involved in two public-private partnerships on these aspects. In addition, we have allocated substantial internal resources and RID⁸ efforts to develop alternative methods. First results are expected by 2022. To date, animal tests are still necessary to produce reference data and validate other methods.
- **Reduce:** A team of biostatisticians is involved in the construction of the test protocols and proposes experimental designs aimed at optimizing the experimental devices (farm buildings, number of animals) while guaranteeing the relevance and statistical reliability of the responses. By challenging the question posed upstream of a test, by invalidating certain leads, this approach allows us to define relevant tests and avoid unnecessary repetition. In addition, based on the history of our test data, we develop new response models.
- **Refine:** Beforehand the trial, refining consists of improving housing conditions, working to enrich environments, avoiding and limiting stress in the animal by implementing non-invasive methods, and developing the human-animal relationship. In addition, each of our test protocols defines well-being criteria through precise and measurable indicators. Daily observation of the animals allows us to react, adjust and improve certain practices in order to maintain the level of animal welfare.

On farms– The livestock farmers with whom we work take care of their animals on a daily basis in order to provide them with optimum conditions for their growth. All their actions are designed to prevent situations that might affect the well-being of their livestock. Thus, interventions on animals (e.g. tail docking or tooth clipping in piglets, beak trimming in laying hens) are sometimes necessary to prevent certain risks of injury.

These interventions are non-systematic and regulated. They require the prior agreement of the veterinarian. Research is carried out to find effective alternatives⁹.

⁷ Near-infrared spectroscopy

⁸ Research Innovation Development

⁹ See table 1 on page 5

Transport of animals – Avril strives to be vigilant regarding transport, whether this is in the context of direct involvement (own fleet) or indirectly (subcontractors). Upstream, in order to prevent injuries to animals, Avril seeks to remind farmers about the fundamental principles and good practices governing the loading of livestock. In parallel, efforts are made to remind transporters of good practices with respect to animal welfare.

Animals in the abattoir – Avril is active in pig slaughtering and meat cutting operations. Our abattoir has an automated channeling system which enables a calm atmosphere for the animals as they move towards the stunning area. The pigs are stunned before slaughter and the technique used (CO₂) guarantees a definitive stunning.

Implementation

In line with our twofold ambition – to eliminate unacceptable situations and improve practices – we have focused our efforts on two priorities: the monitoring of farms in our scope of responsibility and the transition to "alternative" eggs¹⁰.

Monitoring of farms – In order to promote good working conditions for farmers and enable optimum living conditions for the animals, we have compiled internal standards that cover our different requirements relative to animal welfare, biosecurity and livestock management. These standards are gradually being deployed in all livestock units within the scope of Avril's responsibility. The objective is to have 100% of the farms audited according to the internal standard by 2021.

Conversion of the laying hen units – Avril is committed to adapt its egg branch to respond to demands from consumers and guarantee a long-term future for breeders. The target is that 100% of the eggs purchased by Avril will come from alternative laying hen units by 2025.

These two indicators are part of the 25 indicators of our SPRING CSR strategy, and as such they are included in Avril¹¹'s mandatory extra-financial reporting.

In addition, Sofiprotéol (investment and development company, subsidiary of the Avril Group) is committed to ensuring that animal welfare is taken into account in its investments and in the monitoring of its financial holdings. Sofiprotéol encourages the companies it finances to progress in this area.

Governance

This policy is supervised by Avril's Executive Committee, which defines its ambitions and major orientations. The management team of the Avril Livestock Sectors (AFE) business line is responsible for the operational implementation of the policy (such as audits in the farms, or the conversion plan for laying hen units). The management team of the Avril Animal Specialties (ASA) business line is in charge of steering the RID projects and providing nutritional solutions related to animal welfare.

The guiding principles set out in this policy apply throughout the Group. The AFE and ASA management teams are responsible for informing the other players in the sectors (breeders, transporters, slaughterhouses) with whom they interact. Finally, a working group including AFE, ASA, Sustainable Development and Communication teams has been set up to ensure cross-functional monitoring and coordination of animal welfare issues.

¹⁰ Alternative systems other than cages: laying barns (code 2), free-range (code 1), organic (code 0)

¹¹ Declaration of Extra-Financial Performance (DPEF) verified by external auditors. DPEF 2019 of Avril Group: https://www.groupeavril.com/sites/default/files/dpef_2019_groupe_avril_en.pdf

Our commitments for farms within our scope of responsibility¹²

Guidelines	Our commitments to support the farmers
 Nutrition	<ul style="list-style-type: none"> Multi-species - Increase our research and development efforts in nutrition on our main themes related to animal well-being: digestive comfort, stress management, immune balance, support for new breeding practices
 Health	<ul style="list-style-type: none"> Multi-species - Continue the implementation of our Sustainable Animal Health Management (SAHM) progress plan for the rational use of antibiotics
 Housing	<ul style="list-style-type: none"> Pig - Accompany farmers setting up freedom farrowing pens for sows Chicken - Conduct trials with intermediate growth strains Chicken - Actively promote natural light in chicken farms Rabbit - Develop the "welfare"¹³ housing in partnership with downstream customers and retailers Rabbit - Continue diagnostics of environmental comfort in the breeding farms
 Animal integrity	<ul style="list-style-type: none"> Multi-species - Continue to disseminate and apply the "3 R's: Replace, Reduce, Refine" in all of our research trials and develop alternative methods Multi-species - Work to ensure that all tests conducted by the Avril Group contribute to build sustainable farms and improve animal welfare Pig - Reduce the practice of surgical castration of males and participate in the development of entire male pig value chains Pig - Conduct nutrition and environmental enrichment trials to reduce tail docking and teeth grinding practices Laying hens - Conduct nutrition and environmental enrichment trials to reduce the practice of beak trimming of hens Rabbit - Conducting nutrition and environmental enrichment trials to favor natural behavior

Guidelines	Our Objectives
 Nutrition	<ul style="list-style-type: none"> Pig - Develop a specific feed range for entire male pigs (non-castrated pigs) Pig - Develop a specific feeding strategy for pigs with intact tails Poultry (for meat production) - Develop a specific feeding strategy to reduce pododermatitis Laying hen - Develop a specific feeding strategy for hens with untrimmed beaks Rabbit - Develop a specific feeding strategy for rabbits in alternative housing systems
 Health	<ul style="list-style-type: none"> Multi-species - Extend the monitoring of antibiotic consumption with Indic@Vet¹⁴ or other solutions Multi-species – Develop the use of biocontrol solutions
 Housing	<ul style="list-style-type: none"> Laying hen - Achieve 100% audited farms according to the internal standard of livestock management by 2021 (85% in 2020) Laying hen - Achieve 100% of eggs from alternative farms purchased by the Group¹⁵ in 2025 Laying hen - Have 100% of farms certified via our internal standard¹⁶ Chicken – Progress towards 100% of chicken farms with enrichment by 2025
 Animal integrity	<ul style="list-style-type: none"> Laying hen - Gradually implement egg ovosexing Chicken - Progress towards an average rate of pododermatitis¹⁷ of 30% for chickens in 2025

¹² Our scope of responsibility: our own operations and the farms in a contractual arrangement with the Group, farms engaged in specific value chains, farms owned by the Group, farms in which the Group has a stake.

¹³ Welfare-oriented housing: Collective parks or other "welfare" specifications, access to the outdoors, etc.

¹⁴ Indic@vet: internal tool to monitor medicinal products consumption

¹⁵ Eggs purchased by the companies Matines and Ovoteam. Alternative systems other than cages: laying barns (code 2), free-range (code 1), organic (code 0)

¹⁶ Internal standard (specific to laying hens) with 200 control points on animal welfare, biosecurity and livestock unit management

¹⁷ Inflammation affecting the feet of poultry

APPENDIX

Definition of animal welfare

This definition is internationally recognized by the World Organisation for Animal Health (OIE) and is based on the main principles of the *Farm Animal Welfare Council* (FAWC), known as the five fundamental freedoms:

1. **Freedom from hunger and thirst** by ready access to fresh water and diet to maintain health and vigor.
2. **Freedom from discomfort** by providing an appropriate environment including shelter and a comfortable resting area.
3. **Freedom from pain, injury or disease** by prevention or rapid diagnosis and treatment.
4. **Freedom to express normal behavior** by providing sufficient space, proper facilities and company of the animal's own kind.
5. **Freedom from fear and distress** by ensuring conditions and treatment which avoid mental suffering.

Avril's activities in different livestock sectors

A major player in the French agri-food landscape, the Avril Group is closely involved in animal production, with activities organized in two main business lines.

Avril Livestock Sectors (AFE) – AFE's core business is animal feed. The activities include the production and marketing of feed for farm animals, accompanied by consulting services for breeders. Downstream, AFE is also directly involved in the processing and marketing of livestock products in two major markets: pork (companies specialized in the slaughter, butchery and processing of pork) and eggs (companies specializing in the marketing of eggs and the production of egg products).

Avril Animal Specialties (ASA) – ASA's actions extend to all types of zootechnical expertise, the production and sale of nutritional specialties, and the development of products and services relative to the hygiene of both buildings and livestock. The expertise and products we offer play a central role in improving the living conditions and health of animals on farms.

The scope of our responsibility in livestock sectors

We intervene at different levels in livestock production sectors (see table on next page). At the animal-rearing stage, Avril's involvement varies as a function of the business relationship between the Group and the farmers. There are three main situations:

- Customer-supplier relationship: Avril sales feed to the farmer and provides advices on its use,
- Contractual relationship: Avril and the farmer are bound by a contract, or involved in a specific value chain
- Equity-based relationship: Avril, through a subsidiary, owns a minority or majority share in the farm (and in a few cases owns the farm).

If the Group is in a customer-supplier relationship, it may formulate recommendations for the attention of the farmers concerned.

In the cases of contractual or equity-based relationships, Avril is able to specify its requirements regarding the issue of animal welfare. This is applicable to about 1,400 farms, with the following (indicative) distribution by species: 25 % laying hens, 50 % broilers, 10 % pigs, 10 % rabbits.

Sector	Feed	Type of relationship with the farm	Number of farms concerned ¹⁸	Transport	Slaughter	Other activities
	Feeds (AFE) Nutrition-Health (ASA)	Supplier	482*	-	-	Research (ASA – Sourches**)
		Contract / value chain	686			
	Feeds (AFE) Nutrition-Health (ASA)	Supplier	132*	-	-	Egg processing or packaging (AFE) Research (ASA -Sourches**)
		Contract / value chain	370			
		Holder of a share of capital	6			
	Feeds (AFE) Nutrition-Health (ASA)	Supplier	690	In-house fleet (AFE)	Slaughter (AFE)	Pork Cutting (AFE) Research (ASA – Sourches**)
		Contract / value chain	161			
		Holder of a share of capital	27			
	Feeds (AFE) Nutrition-Health (ASA)	Supplier	64	-	-	Research (ASA – Sourches**)
		Contract / value chain	135			
	Feeds (AFE) Nutrition-Health (ASA)	Supplier	14 000	-	-	Research (ASA – Sourches**)
		Contract / value chain	80			

* Farms buying at least 50 t of feed per year from the Group

**Sourches: Innovation and research farm based in Sourches

Our Research, Innovation and Development projects (RID)

Feeding contributes to the proper physiological functioning and therefore contributes to the health and well-being of the animals. Thus, our RID projects in nutrition contribute, through the development of products and services, to the improvement of animal welfare. Here is a non-exhaustive list of the themes that guide our RID programs.

RID Projects
Sustainable Animal Health Management
Development of feed to prevent the emergence of pathogens in the supply chains in order to reduce the use of antibiotics [Pig, Poultry, Aquaculture]: <ul style="list-style-type: none"> • Diarrhea in piglets at weaning • Risks colibacilli, clostridia, enterococci and salmonella in poultry • Vibriosis risks in aquaculture
Development of alternatives to chemical or ionophore coccidiostats [Poultry, Rabbit, Ruminant]
Development of solutions to reduce the impact on animals of biotoxins from raw materials [Pig, Poultry]
Development of biocontrol solutions in animal breeding to reduce the use of antibiotics and synthetic substances [Pig, Poultry, Aquaculture, Ruminant]
Indic@vet: tool to monitor the use of medicines in animal breeding [Multi-species]
Indic@ponte et Indic@vol: traceability tools to collect performance, animal welfare and medication indicators from poultry farms [Poultry]
Development of auditing tools for rearing practices, for example Aquascope: a diagnostic tool to improve the sanitary and bacteriological quality of water in animal breeding [Multi-species]
Animal Welfare
Tests on living conditions and enrichment of environments [Multi-species]
Study of the impact of dietary and hygiene solutions on tail-biting [Pig]

¹⁸ Indicative value: the number of farms within this perimeter varies slightly each year.

Feeding program adapted to entire (non-castrated) male pigs [Pig]
Study of the impact of feed form and composition on the behavior of chickens with untrimmed beak [Poultry]
Nutritional solutions and biocontrol to limit the appearance of pododermatitis in poultry [Poultry]
Development of feeds to mitigate the impact of summer or tropical conditions on poultry [Poultry]
Podoscope: development of tools for auditing rearing practices and measuring pododermatitis [Poultry]
« 3R » Replace – Reduce - Refine
Development of non-invasive measurement methods through imaging and fecal or salivary biomarkers [Pig, Ruminant, Rabbit]
Development of various methods to study <i>in vitro</i> the antimicrobial, antiparasitic, antiviral and antimycotoxin activities of natural active ingredients and their release in the gastrointestinal tract [Multi-species]
Development of <i>in vitro</i> methods for predicting the nutritional values of raw materials [Multi-species]
Development of methods for predicting the nutritional quality of feeds by NIR spectroscopy [Multi-species]

Complementary subjects

Growth promoters

In accordance with current regulations¹⁹, livestock farmers must not use growth promoters (hormones, antibiotics, growth factors).

The Group had anticipated these regulations, which came into force on 1st January 2006, by developing a variety of technical solutions for livestock farmers. Thus, since the early 2000s, this ban has applied to all livestock sectors with which the Avril Group works.

Genetically-modified animals

In line with European regulations, livestock farms must not produce cloned or genetically modified animals destined for the human food chain. This ban applies to all animal sectors with which the Avril Group works.

Prophylactic use of antibiotics

Since 2011, the Group has adopted a voluntary approach to Sustainable Animal Health Management which aims to implement different solutions (nutritional, biosecurity, biocontrol) so that antibiotics will no longer be used preventively. With this in mind, the Group supports these changes by offering adapted products and services to all animal sectors.

¹⁹ Regulation (EC) No 1831/2003 of the European Parliament and of the Council of 22 September 2003 on additives for use in animal nutrition