

FERRERO'S POSITION ON ANIMAL WELFARE

At Ferrero, we are committed to high standards of ethical and responsible business practices, and this extends to our approach to animal welfare for dairy cows and laying hens. We are dedicated to ensuring the well-being of animals throughout our supply chain and operations.

All Ferrero suppliers are required to sign our Supplier Code, and as such acknowledge the animal welfare requirements specified in the document. In 2023 Ferrero introduced a Dairy Charter; this document outlines our requirements and ambitions for dairy sustainability, including animal welfare. Progress on the Charter will be reported in our Dairy Progress Report.

Principles of Animal Welfare:

1. Acknowledging Animal Sentience: Ferrero recognizes the intrinsic value of animals as sentient beings. We believe in treating animals with compassion and dignity, acknowledging their capacity to experience both physical and emotional states.

2. Adherence to the Five Freedoms: Ferrero is committed to upholding the Five Freedoms, a set of principles developed to ensure the welfare of animals. These freedoms include:

- Freedom from hunger and thirst
- Freedom from discomfort
- Freedom from pain, injury, or disease
- Freedom to express normal behaviour.
- Freedom from fear and distress

We strive to implement these freedoms across our supply chain, ensuring that animals under our care are provided with an environment that promotes their physical and psychological well-being.

3. Adoption of the Five Domains Model: As part of our endeavour to improving animal welfare, we are committed to working with our suppliers on embracing the Five Domains Model, an approach that considers not only the physical aspects of animal welfare but also the mental well-being of animals. The Five Domains include:

- Nutrition
- Environment
- Health
- Behaviour
- Mental State

By adopting each of these domains, we aim to create conditions that enable animals to lead fulfilling and content lives.

Actions and Commitments:

Supply Chain Transparency: Ferrero is committed to transparency in our supply chain; this is also a core Pillar of our Dairy Charter. We work closely with our suppliers to ensure that we have visibility of our supply chain and to ensure that they adhere to our animal welfare standards and that the sourcing of ingredients aligns with our commitment to ethical treatment of animals.

Continuous Improvement: We recognise that animal welfare is a dynamic, ever-evolving field and we are committed to continuously improving our practices. This includes staying informed about advancements in animal welfare science and technology and adapting our policies and procedures accordingly.

We promote and encourage suppliers to have policies in place to demonstrate awareness of the following animal welfare positions:

- **Working towards the reduction of routine mutilations and if they are required, to ensure they are followed with proper, and effective, pain management usage:**
 We are committed to working with suppliers to ensure that, where possible, routine mutilations are prohibited unless for safety or welfare reasons. Where required, routine mutilations should follow the proper use of pain management, such as anaesthesia and analgesia, appropriately and effectively implemented to ensure minimizing suffering and/or unnecessary interventions.
- **Working towards the reduction of close confinement or permanent tethering systems:**
 We are committed to working with suppliers to reduce, and where possible eliminate, close confinement and permanent tethering systems for all farm animals, including:

 - Removal of cages for laying hens
 - Reducing permanent tethering systems for dairy cows
 - Reducing individual hutches for veal calves
 *Whenever present, a phase out plan for any close confinement system used must be designed and implemented. Evidence of implementation and progress of transition to systems that allow for freedom of movement must be provided upon request.
- **Responsible Use of Antibiotics**
 We require all dairy suppliers to have a responsible use of antibiotics policy. As a minimum, policies should include:

 - Prohibit prophylactic use.
 - Drive the reduction/replacement/refinement of antibiotic use.
 - Ensure that HPClAs are not used, or if they are, it is only last resort by diagnostic testing.
- **Working towards continuous improvements in Humane Handling and Slaughter:**
 We are committed to working with suppliers towards progressing the implementation of humane handling practices during transport and slaughter. This includes striving to implement pre-slaughter stunning to ensure animals are unconscious before slaughter.
- **Access to Fresh Water and Nutritious Food:**
 We are committed to working with suppliers to ensure that all farm animals have continuous access to clean water and species-specific diets to maintain good health.
- **Provision of Environmental Enrichment:**
 We recognise the importance of enriched environments for all animals in our supply chains to promote natural behaviours and mental well-being. We are committed to collaborating with our suppliers to ensure all farm animals receive species-specific enrichment.
- **Working towards reducing the use of growth hormones and growth promoters:**
 We are committed to working with suppliers to reduce the use of growth hormones and growth promoters across the whole supply chain.
- **Bull calves welfare:**
 We require policies to be in place and provide clear commitments to improve the health and welfare of bull calves. Policies in place should include bull calves health and welfare assurance describing how adequate nutrition, suitable housing and low stress transport are guaranteed. We also require farms to have plans to lower the number of unwanted

bull calves, such as the use of sexed semen and rearing non-replacement calves and describing the measures in place to ensure no healthy bull calves are shot on farm.

Collaboration: Ferrero actively collaborates with industry experts and initiatives, and other stakeholders to collectively advance the cause of animal welfare. By engaging in dialogue and sharing best practices, we contribute to the broader effort to improve the lives of animals. We continue to develop strategic partnerships with key suppliers that enable us to further accelerate animal welfare and environmental improvements.

At Ferrero, we are dedicated to fostering a culture of compassion and responsibility towards animals. By embracing the principles of animal sentience, the Five Freedoms, and the Five Domains, and through supply chain due diligence and strategic supplier partnerships, we strive to make a positive impact on the welfare of animals within our supply chain.