



Approved by the Board of AUGA group, AB on November 22, 2019

ANIMAL WELFARE POLICY

INTRODUCTION

AUGA group, AB (Company) with its subsidiaries (Group), which are established in Lithuania, are among the largest vertically integrated organic food companies in Europe.

In the process of developing its organic food production chain, the Group pays considerable attention to the welfare of farm animals.

Our priorities in the development of a sustainable agricultural business include not only the high quality, taste and freshness of our products. As we create sustainable relationships with our partners, customers, investors and communities, we also have set for ourselves the objective to act responsibly with the animals kept in farms.

The animal keeping and the assurance of their welfare are integral parts of the business model of the Group. Animal husbandry is a constituent part of our closed-cycle model, and the Group therefore pays particular attention to farm animals and the improvement of their keeping conditions.

All the farms of the Group adhere to the EU organic farming requirements, which, among other things, regulate animal keeping. In the process of implementing its Animal Welfare Policy, the Group seeks to not only satisfy the binding legal requirements but also to contribute to the creation of the good practices of organic farming and food production chain and serve as an example for other companies of the sector.

PURPOSE

The purpose of this policy is to lay down the guidelines and principles on the assurance of animal welfare of the Group and the adherence to certain guiding principles.

GUIDING PRINCIPLES

The Group recognises the following animal freedom principles of the World Organisation for Animal Health:

- Freedom from hunger, malnutrition and thirst;
- Freedom from heat stress or physical discomfort;
- Freedom from pain, injury and disease;
- Freedom to express normal patterns of behaviour; and
- Freedom from fear and distress.

These guiding animal welfare principles are implemented using the measures described below.

OUR PRINCIPLES



Cattle¹ and poultry² shall be kept at the Group's farms while ensuring their freedom of movement.

The Group has set the objective to provide animals with the amount of freedom so that their keeping conditions comply with their normal patterns of behaviour to the maximum extent possible. Open air grazing areas in the warm season shall be provided both to cattle and poultry.

As a result, animals do not experience discomfort or distress, feel safe and express their normal patterns of behaviour.

The Group does not use any growth-promoting hormones or antibiotics for its cattle and poultry. The growth or productivity of animals is not promoted by any medicines, growth regulators or other chemicals. Preventive vaccination is not used at the farms, and medicines are only used to treat animal diseases.

The good health and physical condition of animals are ensured by adapting high quality and highly nutritional organic feeds and by providing animals with appropriate living conditions.

The preventive vaccination at the Group's farms is substituted with natural preventive measures such as the assurance of the best possible tidiness and the feeding with appropriate, balanced feeds.

ONGOING IMPROVEMENT OF CONDITIONS

The Group is looking for ways to improve the animal keeping conditions on an ongoing basis. For this purpose, we cooperate with leading animal keeping equipment manufacturers and research institutions and analyse the latest animal welfare trends.

LIABILITY OF STAFF

Qualified professionals take care of animals and poultry at our farms.

In order to ensure that all divisions of the Group adhere to the animal welfare standards, both the management and all staff are familiarised on a regular basis with the principles of animal welfare of the Group, amendments to applicable rules and particularities of application of the principles and rules. The Group organises trainings for responsible staff on a regular basis.

We seek to ensure that our staff learn the latest animal welfare trends and practices to implement them. The Group hires qualified animal and poultry keeping technology, feed production and veterinary experts.

Each employee of the Group is responsible for the unconditional adherence to the principles of animal welfare.

LIABILITY OF PARTNERS

The Group carefully and responsibly chooses partners whose attitude to animal welfare coincides with the principles outlined in this document. Animal welfare is one of the principles of the Supplier Code of Conduct of the Group.

¹ The conditions of cattle keeping are described in Annex 1 to the Animal Welfare Policy.

² The conditions of poultry keeping are described in Annex 2 to the Animal Welfare Policy.



Suppliers are responsible for the implementation of the following rules of assurance of animal welfare:

- Appropriate conditions of animal transportation;
- Appropriate and effective animal loading and unloading during transportation;
- Professional and respectful treatment;
- Stress-free, silent transportation and slaughtering facilities minimising the possibility of injury.

IMPLEMENTATION OF PRINCIPLES

It is important for the Company to ensure that the animal welfare principles applied by the Group become the guiding principles for the agricultural market as a whole; therefore, information about the practices adopted in the Group is published.

The Group is convinced that publicity and transparency contribute considerably to the popularisation, development and encouragement of practical implementation of animal welfare ideas.

The responsible treatment of animals also encourages our competitors, partners, suppliers and customers to view this field with increased responsibility.

The Company provides conditions for notifying about violations of the Animal Welfare Policy and receiving information related to the implementation of the Animal Welfare Policy; for this purpose, an e-mail can be sent to gyvunugerove@auga.lt.

FINAL PROVISIONS

This policy shall be approved and, where needed, amended by the Board of the Company.

A person may notify the manager of the Livestock Division of the Company about the possible need to amend the policy and provide explanations of the need and related circumstances. The manager of the Livestock Division will examine the notice and, if the amendment is viewed as advisable, present the respective recommendation to the Executive Director (The Head of Production).

Executive Director of the Company shall, by the end of January, provide the Board with summarised information about any notices, inquiries and complaints received in connection with this policy over the past calendar year. Executive Director shall, based on the information collected in the course of the year and related to the implementation of this policy, prepare a report for the Board of the Company on the implementation of this policy and the need to adjust it.



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ANNEX I TO THE ANIMAL WELFARE POLICY

ANIMAL HUSBANDRY

At their animal farms, AUGA group, AB (Company) with its subsidiaries (Group) shall closely adhere to all the animal welfare and organic production standards and ensure the appropriate cattle density and the seasonal grazing in a natural environment without the use of substances to promote growth or production. We not only abide by all the animal welfare standards according to the organic livestock farming rules but also put additional effort to ensure the most favourable living conditions for the farm animals.

KEY LEGAL ACTS

Law on Animal Welfare and Protection of the Republic of Lithuania, 6 November 1997, No. VIII-500, Vilnius.

Commission Regulation (EC) No. 889/2008 of 5 September 2008 laying down detailed rules for the implementation of Council Regulation (EC) No. 834/2007 on organic production and labelling of organic products with regard to organic production, labelling and control.

The Requirements for Calf Welfare approved by Order No. B1-689 of 20 September 2019 of the Director of the State Food and Veterinary Service.

The Requirements for Farm Animal Welfare approved by Order No. B1-690 of 20 September 2019 of the Director of the State Food and Veterinary Service.

PRINCIPLES OF WELFARE

- When choosing breeds or species, their capacity to adapt to local conditions, their vitality and their resistance to disease shall be taken into account.
- It shall be ensured that livestock be taken care of by a sufficient number of staff having the appropriate qualifications, knowledge and professional skills.
- The freedom of movement of livestock, with consideration of their species, adopted practices and scientific knowledge, shall not be restricted.
- Insulation, heating and ventilation systems of the building shall ensure that air circulation, dust level, temperature, relative air humidity and gas concentration are kept within limits which are not harmful to the animals. The building shall permit plentiful natural ventilation and light to enter.
- The housing in which animals are kept and the devices for fencing animals shall be provided and maintained in such a manner as to ensure that there are no sharp edges that may cause injuries to animals.



- The housing shall be provided with a comfortable, clean and dry laying/rest area of sufficient size, consisting of a solid construction which is not slatted. Ample dry bedding strewn with litter material shall be provided in the rest area. The litter shall comprise straw or other suitable natural material.
- Livestock shall be fed on full-fledged, safe feeding stuffs suitable for their age and species, and the amount of the feeding stuffs shall satisfy the livestock's nutritional needs. All livestock shall receive feeding stuffs at the time intervals complying with their physiological needs. Herbivores shall be provided with an opportunity to graze outside whenever permitted by weather conditions.
- Rearing systems for herbivores are to be based on maximum use of grazing pasturage according to the availability of pastures in the different periods of the year. At least 60% of the dry matter in daily rations of herbivores shall consist of roughage, fresh or dried fodder, or silage. A reduction to 50% for animals in dairy production for a maximum period of three months in early lactation is allowed.
- All livestock shall regularly receive the amount of appropriate water complying with their physiological needs.
- Insulation, heating and ventilation systems of the calf shed shall ensure that air circulation, dust level, temperature, relative air humidity and gas concentration are kept within limits which are not harmful to the calves.
- The calf owner or responsible person shall inspect all the calves kept in the calf shed at least twice a day; the calves kept outside shall be inspected at least once a day. Any sick or injured calves shall be immediately and appropriately treated. Where required, sick or injured calves shall be treated in isolation and in suitable housing provided with dry, comfortable bedding.
- Calves shall be kept in such a manner as to ensure they can freely lie down, stand up, rest and satisfy their ethological needs.
- Each newborn calf shall receive cow beestings as soon as possible. In any case, a newborn calf shall receive cow beestings within the first two hours.
- All young mammals shall be fed on maternal milk in preference to natural milk, for a minimum period of three months.
- Calves shall be fed with consideration of their age, weight, behavioural and physiological needs to ensure they are healthy and feel good.
- It shall be prohibited to keep calves older than one week in separate pens.
- The preventive use of chemically synthesized allopathic medicinal products or antibiotics is prohibited.
- The use of substances to promote growth or production (including antibiotics, coccidiostatics and other artificial aids for growth promotion purposes) and the use of hormones or similar substances to control reproduction or for other purposes (e.g. induction or synchronisation of oestrus) is prohibited.



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ANNEX II TO THE ANIMAL WELFARE POLICY

POULTRY HUSBANDRY

At their poultry farms, AUGA group, AB (Company) with its subsidiaries (Group) shall closely adhere to all the organic poultry standards and ensure the appropriate poultry density and the seasonal pasturing in a natural environment without the use of substances to promote growth or excessive vaccination. We not only abide by all the animal welfare standards according to the organic poultry farming rules but also put additional effort to ensure the most favourable living conditions for the poultry.

KEY LEGAL ACTS

Law on Animal Welfare and Protection of the Republic of Lithuania, 6 November 1997, No. VIII-500, Vilnius.

Commission Regulation (EC) No. 889/2008 of 5 September 2008 laying down detailed rules for the implementation of Council Regulation (EC) No. 834/2007 on organic production and labelling of organic products with regard to organic production, labelling and control.

The Requirements for Farm Animal Welfare approved by Order No. B1-690 of 20 September 2019 of the Director of the State Food and Veterinary Service.

PRINCIPLES OF WELFARE

- We shall not keep poultry in cages. The freedom of movement of poultry shall be our key poultry farming principle.
- We shall ensure that one third of the floor area be natural soil covered with organic litter material such as straw, wood shavings, sand or turf.
- Farms shall be provided with perches of a number commensurate with the organic poultry keeping standards.
- All poultry houses shall have exit/entry pop-holes of a size adequate for the birds or even larger. Poultry houses shall be constructed in a manner allowing all birds easy access to open air area. Poultry shall have access to an open-air area for at least one third of their life.
- We shall monitor on an ongoing basis that open-air areas intended for poultry be provided with litter and be dry and that at least one half of the outdoor pasturing space be covered with vegetation.
- We shall ensure that one poultry house does not contain a greater number of birds than required by organic farming rules, i.e. 6 birds per square meter, and the outdoor territory for pasturing of 4 square metres per bird.



- The natural light through windows shall be ensured for a sufficient time at farms; natural light may be supplemented by artificial means with sunrise and sunset simulation functions. The light intensity shall be regulated in such as manner as to not stress the birds.
- The feeding and drinking lines shall be accessible throughout the day.
- The number of places for laying eggs shall be according to the Regulation or even higher.
- Poultry feed shall be balanced and come from the grains grown at the Group's farms.