



Version: 3
Approved by the Board of
AUGA Group, AB August 31st
2023

ANIMAL WELFARE POLICY

1. GENERAL PROVISIONS

- 1.1. This Animal Welfare Policy (**the Policy**) of AUGA group, AB (**the Company**) shall apply in the Company together with its subsidiaries (**the Group**) and in the farms of AUGA Community (**the Community**).
- 1.2. The purpose of the Policy is to lay down the guidelines and principles of assurance of animal welfare in the Group and the guiding principles adhered to in the Group and in the Community.
- 1.3. In the process of implementing its strategy and developing its sustainable food production chain, the Group pays considerable attention to animal welfare. In the process of developing sustainable relationships with its partners, customers, investors and the Community, the Group has set the goal to ensure responsible behaviour with animals. Animal keeping and the assurance of Animal welfare are integral parts of the business model and strategy of the Group and the Community. Animal husbandry and Poultry husbandry are constituent parts of our closed-loop model.
- 1.4. The Policy was prepared according to requirements of national and European Union organic farming rules, which regulate the keeping of Farm animals, and according to recommendations and guiding animal freedom principles of the World Organisation for Animal Health.
- 1.5. The terms used in the Policy shall have the following meanings:
 - (a) **Animal husbandry** means the industry that covers the growing and use of farm animals (cattle, pigs, horses, sheep, goats), poultry, fur animals, bees and fish.
 - (b) **Animal welfare** means the optimal satisfaction of physiological and ethological needs of animals.
 - (c) **Calf** means the young of the cow up to six months of age.
 - (d) **Calf shed** means a shed for keeping Calves.
 - (e) **Cruelty to animals** means human actions by reasons of which an animal experiences pain, suffering, is mutilated or killed in violation of laws or other legal acts.
 - (f) **Ethological needs** mean the necessity to assure certain animal behaviour patterns that are typical in their natural living conditions.
 - (g) **Farmyard** means an outdoor enclosure/fencing intended for keeping animals.
 - (h) **Farm animal** means an animal that is kept or bred to obtain food, fur, medicines and other products and for other farming purposes.
 - (i) **Poultry husbandry** means the industry that covers the growing and use of poultry (hens, ducks, turkeys, geese)

2. GUIDING PRINCIPLES

- 2.1. The Company and the Community recognises and in its animal husbandry activities adheres to the following animal freedom principles of the World Organisation for Animal Health:
 - Freedom from hunger and thirst;
 - Freedom from discomfort;

- Freedom from pain, injury and disease;
- Freedom to express normal behaviour; and
- Freedom from fear and distress.

3. IMPLEMENTATION OF ANIMAL WELFARE PRINCIPLES

- 3.1. Cruelty to animals and animal abuse, any direct or indirect promotion or encouragement of Cruelty to animals, animal abuse, and violence to animals shall be strictly prohibited.
- 3.2. Each Farm animal must be kept and taken care of in conditions complying with the type, age, physiology and behaviour patterns of the animal and according to requirements of legal acts regulating animal keeping, while assuring that the animal's freedom of movement is not restricted, and the animal is not experiencing inconvenience, pain or suffering. All Farm animals shall be kept at the farms while assuring their freedom of movement.
- 3.3. The aim is to provide animals with the amount of freedom so that their keeping conditions comply with their normal behaviour to the maximum extent possible. Open air grazing areas in the warm season shall be provided to cattle. As a result, Farm animals do not experience discomfort or distress, feel safe and express their normal behaviour.
- 3.4. Any growth-promoting hormones shall not be used for cattle and poultry. The growth or productivity of animals shall not be promoted by any medicines, growth regulators or other substances prohibited by the farming regulations. The good health and physical condition of farm animals shall be ensured by adapting high quality and highly nutritional feeds and by providing animals with appropriate living conditions.
- 3.5. Farm animals shall only be transported in such a manner as to ensure they are not injured and do not experience distress during transportation and that their safety is assured. The containers used to transport animals shall be of sufficient area and height, with consideration of the animal species and size and the nature of transportation.
- 3.6. This section outlines the general principles of animal welfare that shall be applicable at all farms of the Group and The Community. Annex I (animal welfare principles applicable to animal husbandry) and Annex II (animal welfare principles applicable to poultry husbandry) shall constitute integral parts of this Policy.

4. ONGOING IMPROVEMENT OF CONDITIONS

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

5. LIABILITY OF STAFF

- 5.1. Only qualified professionals shall take care of animals and poultry at our farms. The Group and the Community shall assure that farm animals are taken care of by the sufficient number of staff with the appropriate competencies, knowledge and professional skills.
- 5.2. In order to ensure that all companies of the Group and the Community adhere to the animal welfare standards, both the management and all staff shall be familiarised on a regular basis with the principles of animal welfare of the Group and the Community, amendments to applicable rules and particularities of application of the principles and rules. The Group shall organise training for responsible staff on a regular basis.
- 5.3. We seek to ensure that our staff learn the latest animal welfare trends and practices to implement them. The Group and the Community shall only hire qualified animal and poultry keeping technology, feed production and veterinary experts.
- 5.4. Each employee of the Group and the Community shall be responsible for the unconditional adherence to the principles of animal welfare laid down in this Policy.

6. LIABILITY OF PARTNERS

- 6.1. The Group and the Community (every member of the Community) shall carefully and

responsibly choose partners whose approach to animal welfare is aligned with the principles outlined in this document. Animal welfare is one of the principles of the Supplier Code of Conduct..

7. IMPLEMENTATION OF THE POLICY AND CONTROL OF THE IMPLEMENTATION

- 7.1. It is important to the Group that the applicable animal welfare standards become the guiding principles of the agricultural market as a whole, and for this reason this Policy shall be published on the website of the Group.
- 7.2. The managers of each structural unit and subsidiary of the Company shall ensure that their subordinate employees and accountable persons are familiarised with the Policy. The Community members are informed about Policy according to the procedure established in the AUGA Community Agreement.
- 7.3. The Group shall provide conditions for notifying violations of the Policy and receiving required information connected with implementation of the Policy by e-mailing to etika@auga.lt. The Group shall implement all measures to protect persons notifying violations of the Policy against any negative consequences: the e-mail address referred to above shall only be accessed by the Head of the HR Department of the Company, who shall assume the obligation to not disclose the identity of notifying persons to any employees or other third parties.
- 7.4. All notices about possible violations of the Policy must be appropriately examined by persons appointed by the Chief Operating Officer of the Company.
- 7.5. The Chief Operating Officer of the Company and the Chief Sustainability Officer of the Company shall collect summarised information about notices, inquiries and complaints received in the preceding calendar year according to this Policy and prepare a report to the Board of the Company on implementation of the Policy and the need to adjust it (if required) and provide it for consideration to the Board of the Company before the ordinary general meeting of shareholders of the Company of the respective year.

8. FINAL PROVISIONS

- 8.1. This Policy shall be approved and, where needed, amended by the Board of the Company.
- 8.2. A person may notify the manager of the respective livestock farms about the possible need to amend the Policy and provide explanations of the need and related circumstances. The manager will examine the notice and, if the amendment is viewed as advisable, present the respective recommendations to the Chief Operating Officer of the Company.
- 8.3. All current and new employees and members of the Community must familiarise themselves with the Policy and adhere to its requirements.
- 8.4. The Policy shall apply to the extent it is not in conflict with laws and/or other enforced legal acts of the Republic of Lithuania.

ANNEX I TO THE ANIMAL WELFARE POLICY. ANIMAL HUSBANDRY

1. GENERAL PROVISIONS

- 1.1. At their cattle farms, all companies of the Group and the Community shall closely adhere to all the animal welfare and 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. The Group shall not only abide by all the animal welfare standards according to the livestock farming rules but also put additional effort to ensure the most favourable living conditions for the Farm animals.
- 1.2. This annex shall constitute an integral part of the Policy, and the terms used herein shall have the respective meanings provided in the Policy.
- 1.3. This annex was prepared according to the following legislation:
 - (a) 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;
 - (b) The Law on Animal Welfare and Protection of the Republic of Lithuania, 6 November 1997, No. VIII-500, Vilnius;
 - (c) 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;
 - (d) 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.

2. WELFARE PRINCIPLES

- 2.1. When choosing breeds or species of farms animals to be grown, their capacity to adapt to local conditions, their vitality and their resistance to disease shall be taken into account.
- 2.2. The insulation, heating and ventilation systems of the buildings in which farm animals are kept shall ensure that air circulation, dust level, temperature, relative air humidity and gas concentration are kept within limits that are not harmful to the animals. It shall be ensured that the buildings in which farm animals are kept shall permit plentiful natural ventilation and light to enter. The housing in which farm animals are kept shall be provided and maintained in such a manner as to ensure that there are no sharp edges that may cause injuries to animals.
- 2.3. The housing of farm animals 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 warm bedding strewn with litter material shall be provided in the rest area. The litter shall comprise straw or other suitable natural material.
- 2.4. Farm animals shall be fed on full-fledged, safe feedstuffs suitable for their age and species, and the amount of the feedstuffs shall satisfy the farm animals' nutritional needs. All Farm animals shall receive feeding stuffs at the time intervals complying with their physiological needs.
- 2.5. Herbivores shall be provided with an opportunity to graze outside whenever permitted by weather conditions. Rearing systems for herbivore farm animals shall 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.
- 2.6. All Farm animals shall regularly receive the amount of appropriate water complying with their physiological needs.

- 2.7. The 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 that are not harmful to the Calves. Calves shall be kept in such a manner as to ensure they can freely lie down, stand up, rest and satisfy their ethological needs.
- 2.8. The calves shall be inspected 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.
- 2.9. All farms seek that each newborn Calf receives cow beestings as soon as possible. In any case, a newborn Calf shall receive cow beestings within the first two hours. The Group and the Community shall seek that all Calf be fed on maternal milk for a minimum period of three months.
- 2.10. 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.
- 2.11. The preventative use of chemically synthesized allopathic medicinal products at the farms of the Group and the Community shall be prohibited. The use of substances to promote growth or production (including coccidiostats 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) at the farms of the Group and the Community shall be prohibited.

ANNEX II TO THE ANIMAL WELFARE POLICY. POULTRY HUSBANDRY

1. GENERAL PROVISIONS

- 1.1. At their poultry farms, all companies of the Group and members of the Community shall closely adhere to all the poultry husbandry 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.
- 1.2. This annex shall constitute an integral part of the Policy, and the terms used herein shall have the respective meanings provided in the Policy.
- 1.3. This annex was drafted according to the following legislation:
 - (a) 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;
 - (b) The Law on Animal Welfare and Protection of the Republic of Lithuania, 6 November 1997, No. VIII-500, Vilnius;
 - (c) 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.

2. WELFARE PRINCIPLES

- 2.1. Poultry shall not be kept in cages. The freedom of movement of poultry shall be the Group's and the Community key poultry farming principle.
- 2.2. It shall be ensured that at least one third of the floor area be natural soil covered with organic litter material such as straw, wood shavings, sand or turf.
- 2.3. All poultry farms of the Group and the Community shall install the number of perches corresponding to the number of birds.
- 2.4. 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 the farmyard. Poultry shall have access to Farmyards throughout their life in the poultry house, and access to the open air shall be ensured for at least one third of their life in the poultry house.
- 2.5. Shall be monitored on an ongoing basis that the Farmyards 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.
- 2.6. Shall be ensured that that one poultry house does not contain more than 6 birds per square meter, and the outdoor territory for pasturing of 4 square metres per bird shall be ensured.
- 2.7. 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.
- 2.8. The feeding and drinking lines shall be accessible throughout the day (24/7) at poultry farms. Poultry feed used at the farms shall be balanced and only come from the grains grown at the Group's and the Community farms.
- 2.9. More than 120 cm² of nesting (egg laying) space shall be provided to each laying hen.