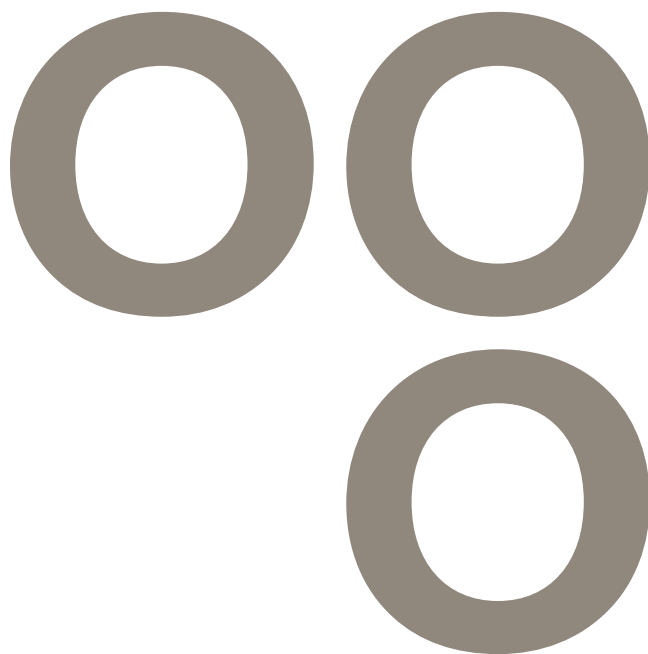

Animal Welfare Policy



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1 Our responsibility

As one of the three missions of the Bell Food Group, sustainability is an essential principle of corporate activity. The company embraces its responsibility with regard to animal welfare as a key component of sustainability, with the Bell Food Group setting itself clear goals and ambitions along the entire value chain. This animal welfare policy serves to determine company values within the Bell Food Group regarding the issue of animal welfare.

We expect all our business partners to both respect and esteem the welfare of animals. They should orient themselves on our basic principles regarding the issue of animal welfare and consistently observe these. The Bell Food Group provides the assistance and support necessary to enhance animal welfare in the entire value chain. The animal welfare policy is subject to regular further development, and animal welfare progress is documented and communicated in the context of sustainability goal achievement.

2 Scope

The animal welfare policy applies to all companies in the Bell Food Group in the context of integrated poultry production, the procurement of animal raw materials, the Group's own slaughtering operations and production. The following product groups are, in particular, affected by this policy:

- Meat and meat products
- Fish and seafood
- Eggs and egg products
- Dairy products

The animal welfare policy applies to the entire value chain, from breeding, rearing and fattening to transportation and slaughtering. The Bell Food Group also adopts a clear position regarding environmental issues relating to the production of animal raw materials. The attitude of the Bell Food Group to human rights issues is laid out in the declaration of principles on human rights¹.

3 Definition of animal welfare

According to the World Organisation for Animal Health (WOAH), animal welfare is defined through the «Five Freedoms»²:

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

Animal welfare means animal husbandry that addresses the physical and mental state of an animal in relation to the conditions in which it lives and dies and the biological characteristics and needs of each animal species. We have adopted this definition to shape our understanding of what animal welfare means in the Bell Food Group.

¹ www.bellfoodgroup.com/en/downloadfile/declaration-of-human-rights

² <https://www.woah.org/en/what-we-do/animal-health-and-welfare/animal-welfare/>

4 Our principles

- We demand that the health and well-being of animals be assured from breeding, rearing and fattening to transportation and slaughtering and, if possible, this should exceed that which is required by legislation.
- We expect our partners to at least observe the animal welfare and environmental protection laws in force in each respective country.
- Throughout our entire product range, we reject products from endangered species, those not kept in an appropriate manner or those obtained from animals in an inhumane and cruel manner.
- We promote products that meet higher animal welfare standards throughout the entire range.
- We support flagship projects for the promotion of positive market change that leads to improved livestock husbandry in the value chain.
- When it comes to the animal raw materials used, we strive to achieve complete transparency and traceability along the supply chain.
- We expect everybody working with animals (e.g. farmers, carriers and abattoir employees) to have successfully completed appropriate professional training and to undergo further specialist training at regular intervals.
- We promote the building and expansion of deforestation-free and conversion-free supply chains and strive to use animal feed, particularly soy and palm oil, obtained from responsible sources. We pursue a zero deforestation strategy and adhere to the core principles of the Accountability Framework Initiative.

5 Explanation of principles

5.1 Prohibition on endangered animal species and production methods

Prohibited products and production methods are outlined in the so-called DON'Ts list³ of the Bell Food Group.

It encompasses products from critically endangered species (pursuant to the red list of the International Union for Conservation of Nature and the Convention on International Trade in Endangered Species of Wild Fauna and Flora), from inhumane or inappropriate husbandry or which have been obtained in an inhumane or cruel manner. It is prohibited to trade in or process such products anywhere in the Bell Food Group or for them to become the property of the Bell Food Group. These include goose or duck foie gras and horse meat from North and South America.

In cooperation with the WWF Seafood Group,⁴ our range of fish and seafood is regularly evaluated on the basis of their stocks and the origins of fish. Fish and seafood rated by the WWF as heavily overfished, from unsuitable stocks or farmed through environmentally damaging practices are prohibited in the Bell Food Group.

5.2 Labels and minimum standards

On a European level, the Bell Food Group is among the leading processors of meat with higher animal welfare standards. We are committed to increasing the proportion of animal raw materials with animal welfare labels. This involves defining which labels are recognised as animal welfare labels by the Bell Food Group. These include organic labels and labels guaranteeing that animals have at least a single avenue of access to fresh outdoor air. Preference is given to standards and certifications with regular independent inspections. We want to promote cooperation with a variety of organisations such as the Mutterkuh Schweiz⁵ association (with the Natura-Beef and Natura-Veal labels).

Our birds in integrated poultry production⁶ in Switzerland, Austria and Germany are certified 100 percent to a standard that exceeds respective national legislation. Moreover, we also want to increase the proportion of animal welfare labels (organic labels, free-range farming and programs with access to an outdoor area)⁷.

In the case of eggs and egg products, the Bell Food Group strives to use products that are 100 percent from a source with a certified minimum standard that exceeds respective national legislation.

With fish and seafood, our intention is to further increase the proportion of these with labels such as ASC (Aquaculture Stewardship Council), MSC (Marine Stewardship Council) and organic labels. As a member of the WWF Seafood Group, the Bell Food Group gives preference to fish and seafood evaluated as sustainable by the WWF.

3 www.bellfoodgroup.com/en/downloadfile/bell-food-group-prohibited-products-and-production-methods-donts

4 <https://www.wwf.ch/de/partner/partnerschaft-bell-2019>

5 <https://www.mutterkuh.ch/de/mutterkuh-schweiz/verein>

6 In addition to the flow of goods and cash flow (based on an agreement or contract), integrated contracted production also encompasses consulting (animal welfare, etc.), planning (housing planning, etc.) and economic security (contractually regulated purchase quantity, price). There is direct contact between producers and the Bell Food Group and, in most cases, a long-term business relationship.

7 See the Bell Food Group Sustainability Report: <https://www.bellfoodgroup.com/en/corporate-responsibility>

5.3 Breeding and rearing

Animal welfare begins with breeding and rearing. Breeding and rearing should be organised to produce healthy animals. The Bell Food Group prohibits torture breeding in all cases. Torture breeding is the toleration or promotion of extreme characteristics in the breeding of animals that entail pain, suffering, damage or behavioural disorders for animals. We also reject any cloned or genetically modified animals throughout the entire Bell Food Group.

When it comes to integrated poultry meat production, the Bell Food Group promotes optimisation measures for the greater fitness and health of the birds. Maximised performance through hybrid fattening of chickens that leads to health problems among the birds is not the prime concern here. In integrated poultry production within the Bell Food Group, both female and male chicks are used in the production of poultry meat.

The Bell Food Group promotes dual-purpose breeds in beef cattle husbandry. This sees the involvement of the Bell Food Group in the «Simmentaler Original»⁸ association for the preservation and expansion of Simmental (or Swiss Fleckvieh) cattle in Switzerland. The Simmental breed has valuable qualities that include a strong, well-proportioned build, resilience and adaptability. It is perfectly adapted to the Alps and conditions in Swiss agriculture.

5.4 Husbandry methods

Animals should be able to live under conditions that avoid physical and mental suffering. The abode of animals should provide a suitable climate, lighting and protection against weather conditions. Animals should not be exposed to excessive noise for longer periods of time and must be guaranteed access to fresh water. Housing and enclosures for animals should be equipped with appropriate feeding, drinking, excretory and refuge areas and be protected against weather conditions.

Husbandry should give the animals the chance to behave in a manner that is natural and appropriate to their species. The promotion of specific animal behaviour is achieved through options that occupy the animals and rest areas in their housing. For example, an increased number of perches should be provided for poultry. The space requirement, herd sizes and fish populations in aquacultures should be selected to ensure that animals are as unrestricted as possible. Shed fittings should be designed to encourage animals to behave according to their herd instincts. Adequate social contact between the same species should be facilitated for animals.

The animal welfare requirements of the voluntary Swiss federal program for «Particularly Animal-Friendly Stabling Systems» (PAS) are higher than animal welfare legislation. PAS husbandry has been the minimum standard for years in Bell Switzerland integrated poultry production. Bell Switzerland began with the progressive introduction of PAS requirements at poultry production facilities outside Switzerland in 2013. The PAS standard also prescribes higher numbers of perches in the poultry coop and access to fresh air in an outdoor area (winter garden) that accounts for at least 20 percent of the size of the coop.

The objective of the Bell Food Group is to conduct systematic analyses of animal welfare parameters in all facilities and further expand individual consulting and support for facilities during their attempts to master the challenges with which they are faced. The producer is in regular contact with specialists of the Bell Food Group.

Livestock holders must have completed appropriate professional training to ensure that they handle animals correctly.

5.5 Feeding

Animal husbandry appropriate to each species includes provision of the correct feed. Feed, feeding and access to water play a key role in terms of the well-being, vitality and health of livestock, regardless of the species involved. Animals should be fed regularly and adequately and have easy access to water. Nutrients in and the properties of feed should suit the different stages of life of livestock, meet nutritional requirements and under no circumstances negatively impair the physiology of the animals.

Feed conversion should be optimised for the careful use of resources. The focus should be on feeding adapted to the location. By-products from the food industry (e.g. starch waste) should also be evaluated for feed. The Bell Food Group is also committed to the use of animal by-products from pigs and poultry being permitted again in livestock feeding to complete raw material cycles and further optimise the use of resources, provided that no animal proteins are fed to the same animal species and material flows are strictly separated.

Many agricultural areas are not suitable for the production of food crops for human consumption. Ruminants in these areas transform meadow forage unusable for human beings into food. There is, therefore, no competition in these areas between the cultivation of food and animal feed crops. Grassland provides the best feed for cows, goats and sheep. Roughage such as grass, hay or silage have priority when feeding ruminants. If feed is imported into Europe, it should meet specific requirements (see 5.9 Environment). Ecological aspects mean that feed production should occur as close as possible to the location it is consumed. For example, as a member of the Danube Soya Association,⁹ the Bell Food Group promotes the use of European soy.

⁸ <https://www.simmentaler-original.ch/de>

⁹ <https://www.donausoja.org>

Use of antimicrobial growth stimulants or growth enhancers and hormones has been prohibited in Switzerland since 1999¹⁰ and in Europe since 2006¹¹. Products originating outside Europe are subject to the Agricultural Declaration Ordinance (AgDO) in Switzerland.

The ASC label is promoted whenever possible for fish and seafood from aquacultures. The ASC label contains an ASC feed standard. Among other things, this regulates the use of marine ingredients. These must be obtained from sustainable fisheries (e.g. MSC certified). In the case of plant ingredients for feed, it must be ensured that they have been procured in a responsible manner¹².

5.6 Animal health

Those involved in livestock husbandry should ensure that animals are healthy for their entire lives. Correct management that includes optimum husbandry conditions, the avoidance of stress, good feeding, an optimum climate in animal housing, correct housing systems and hygiene are the basic requirements for animal health. Animals should be free of pain, injuries and illnesses. Consequently, the Bell Food Group takes a clear stand against the routine mutilation of livestock. Animals must be anaesthetised for castration or dehorning. The health of animals must be monitored. Illnesses and injuries of animals are prevented if possible or diagnosed quickly and treated through veterinary care. Sick or injured animals must be cared for and housed appropriately or, in severe cases, humanely killed (emergency slaughter). The mortality rate should, in general, be kept as low as possible. The use of medication and, in particular, antibiotics should be reduced to what is absolutely necessary and administered by a specialist. In this respect, we support an appropriate use of antibiotics according to the principle «as little as possible, but as much as necessary».

Bell adheres to the concept of good manufacturing practice in Switzerland when it comes to integrated poultry production. This requires a dedicated health program that, for example, regulates the procedure in the event of health problems with the birds. In addition, agricultural producers in integrated poultry production are supported by measures to maintain the health of the birds and are encouraged to only administer antibiotics in as far as this is necessary. In the context of antibiotic monitoring systems, every application of antibiotics is recorded to monitor the therapeutic use of antibiotics and reduce this where possible. Alongside its direct involvement in the value chain, the Bell Food Group also participates in overarching initiatives aimed at reducing antibiotics. The Bell Food Group is among those players who have been committed to the appropriate use of antibiotics in livestock husbandry for many years. Since 2015, for example, it has numbered among the players in Switzerland who support the Swiss Antibiotic Resistance Strategy (StAR) under the direction of the Swiss Federal Office of Public Health (FOPH). The common goal is to curb the development of antibiotic resistance in bacteria and, consequently, ensure the long-term effectiveness of antibiotics. The use of antibiotics to promote growth or as preventive treatment is prohibited in the EU and Switzerland.

Good hygiene and production practices are also a prerequisite for the good health of animals. In addition to ensuring the high-quality production of food, they also promote animal welfare and protect animals against infection. The issue of hygiene when handling animals is the highest priority for those involved in animal husbandry and others coming into contact with animals (e.g. livestock dealers or carriers).

5.7 Animal transports

Animal transports should be conducted free of stress. It should be ensured that animals are handled calmly and in compliance with animal welfare regulations during the loading and unloading of vehicles. The transport should be undertaken using approved transportation vehicles conforming to animal welfare regulations. The transport distance and time must be kept as short as possible, and unnecessary stops and delays must be avoided. Statutory requirements must be observed with regard to the density of animals loaded. In the interest of animal health, animal transport vehicles and their equipment must be kept clean and in a technically flawless condition at all times, and cleaned and disinfected thoroughly after every transport.

Appropriate precautions must be taken for transports carried out during intense summer heat. Appropriate precautions include lower loading densities and ensuring the passage of a greater draught through the vehicle or providing air conditioning.

Fundamentally speaking, only transportable animals may be moved. Prior to transportation, each animal should be checked for injuries or illnesses by the livestock holder and the driver. In particular, the following transports should be avoided or, if absolutely necessary, realised while taking special precautions: transporting of heavily pregnant animals, transporting of animals born very recently, transporting of young animals dependent on their parents and transporting of weakened or injured animals.

Livestock holders must issue an accompanying document for cattle, sheep, goats and pigs. This should be carried with the animals and handed over to the abattoir for recording of animal data and, additionally, to the location veterinarian. The Bell Food Group strives to achieve unbroken transparency and traceability of animals for slaughter right back to farmers.

¹⁰ <https://fedlex.data.admin.ch/eli/cc/2003/738>

¹¹ https://ec.europa.eu/commission/presscorner/detail/en/IP_05_1687

¹² <https://asc-aqua.org/producers/farm-standards/feed-standard>

Commercial carriers must carry confirmation of the successful completion of specialised training independent of their occupations for livestock trade and animal transport personnel provided by a recognised training institution. Furthermore, only expert or adequately instructed persons may lead, drive, load or unload the animals.

5.8 Slaughtering

Slaughtering should be conducted carefully without suffering, pain or any delay. The waiting period in the abattoir between unloading the transport vehicle and slaughtering should be kept as short as possible. The animals should have adequate space in the waiting area, and each animal species should be provided with appropriately adjusted light. Herding of the animals should be as quiet as possible and avoid stressing or hurting the animal. The animals may only be stunned through approved methods of stunning. Exsanguination is only permitted after successful stunning. Unloading, herding and stunning should be monitored by video. Abattoirs are responsible for ensuring animal welfare from the moment they receive the animals to exsanguination. Abattoirs should be specialised to individual animal species, with the infrastructure optimised to suit the needs of the particular animal species.

All employees of abattoirs who deal with living animals must undergo regular training or further qualification. This enables us to ensure that employees handle animals gently, care for them professionally and stun and bleed them correctly.

Healthy pregnant animals must be prevented from being sent for slaughter for ethical reasons and in the interest of animal welfare. The slaughtering of cattle and cows in the last third of a pregnancy has been prohibited in Germany since 2017. This is not regulated by legislation in Switzerland. With the industry organisation Proviande, Bell is therefore committed in Switzerland to introducing an expert recommendation throughout the industry to avoid the slaughter of healthy pregnant cattle and cows.¹³

Careful handling of animals in slaughterhouses is a top priority in our own abattoirs in Switzerland, Germany and Austria. We have set ourselves the goal of ensuring ethically correct slaughtering of the highest quality in our abattoirs. The infrastructure for herding, stunning and the slaughtering process is state of the art with regard to animal welfare. The abattoirs are audited regularly by independent inspection bodies.

5.9 Environment

When it comes to the production and procurement of animal raw materials, importance is attached to both animal welfare and the environment. Consequently, the Bell Food Group has adopted a clear position on a variety of environmental issues associated with animal raw materials.

The clearing of tropical forests and its impact on climate change is a central concern of our age. Forests play a decisive role in many ways as they secure livelihoods, guarantee food security and ensure the maintenance of ecosystem performance on a local and global level. The production of soy and palm oil is, among other things, responsible for the majority of global deforestation in tropical forests. Soy and palm oil are occasionally used as ingredients in feed for a variety of animal species. Soy and palm oil products used in the production of animal products should be obtained from responsible production. The Bell Food Group accepts the standard of Soy Network Switzerland (ProTerra, ProTerra Europe, RTRS Non-GMO [Round Table on Responsible Soy], Donau Soja, Europe Soya and Bio Suisse) as a sustainability standard. Preference is given to the RSPO IP (Roundtable on Sustainable Palm Oil – Identity Preserved) and RSPO SG (Roundtable on Sustainable Palm Oil – Segregated) sustainability standards for palm oil. There are moves to dispense with palm oil in integrated poultry production.

Efforts are also being made to establish deforestation-free and conversion-free supply chains for the procurement of meat. European meat production cannot cover the demand for meat, particularly in the case of beef. Consequently, cuts of meat are imported from places such as South America and Australia, and the origin of these alone is enough to associate them with an increased risk of deforestation. Solutions relating to the issues of deforestation and conversion are developed in a regular exchange with Bell Food Group suppliers to prevent the conversion of any forested areas into grazing land.

As the extraction of peat causes environmental damage relating to the climate and biodiversity, peat should not be used as litter in poultry farming.

In the context of the Bell Food Group sustainability strategy, we have set ourselves the goal of developing measures for the reduction of CO₂. In this respect, we strive to reduce the climate impact of animal products. In addition, when it comes to water, we are also committed to the reduction of the water footprint in water-critical regions.

¹³ <https://www.proviande.ch/de/vermeidung-der-schlachtung-traechtiger-rinder-und-kuehe>

The seas form an important eco-system and are central providers of food for human beings and animals. Current fishing practices mean that increasing numbers of fish stocks are threatened by overfishing, bycatching or habitat destruction. We strive to respect our responsibility in the procurement and production of products and to find environmentally compatible and sustainable solutions. A sustainable fishing practice means that fish stocks are of a healthy size, the marine habitat is preserved and effective management of fisheries is in place¹⁴. The minimising of bycatching is also part of an effective management strategy. Bycatch is other marine life that is caught unintentionally and/or unavoidably during fishing. This leads to additional stress on the eco-system. MSC-certified fisheries are committed to developing effective management strategies to minimise their bycatch¹⁵. ASC-certified fish farms must also prove that they actively reduce undesired effects on the environment and biodiversity¹⁶.

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¹⁴ <https://www.msc.org/de/ueber-uns/msc-zertifizierungskriterien>

¹⁵ <https://www.msc.org/de/ueber-uns/fragen-kritik-replik/d%C3%BCrfen-msc-zertifizierte-fischereien-beifang-haben>

¹⁶ <https://asc-aqua.org/producers/farm-standards>