

MAJID AL FUTTAIM – RETAIL

FARMED ANIMAL HEALTH AND WELFARE POLICY

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1. Purpose:

- Majid Al Futtaim Retail provides its customers with products that comply with the highest quality and safety standards and that have been produced by socially and environmentally responsible means.
- As a result, our customers expect us to ensure high standards of animal health and welfare. We are committed to working responsibly in this area and will continue to make progress by supporting best practice in our supply chains; this document is the first Farmed Animal Health and Welfare Policy to state overarching business commitments and positions on key welfare standards.

2. Scope:

Operational scope

- All Majid Al Futtaim Retail operations in all countries, including International Sourcing Offices and food production units.

Brand scope

- The focus is on Private Label (PL) branded products and exclusive phantom branded products influenced and developed by us, globally and locally purchased and sold by Majid Al Futtaim Retail.
- National brands; we will work with other national brand suppliers, industry partners and other stakeholders on systematic changes towards higher animal health and welfare standards in the respective markets.

Product scope

- All fresh meat products with initial focus on beef, mutton & poultry.
- Chicken eggs.

3. Responsibility:

- **Drafting of rules:** The Corporate's quality department is responsible for drafting the rules under the responsibility of the international merchandise & sustainability department.
- **Implementation:** The country merchandise teams are responsible for the proper execution of these rules. In each country, they define a deployment plan adapted to the local context and monitor its implementation. The quality department provides the expertise and coordination needed to deploy the objectives.
- **Control:** The country quality departments ensure the day-to-day execution of purchasing rules by verifying product compliance with the PL brands.
- **Reporting and consolidation:** The country sustainability departments are responsible for coordinating reporting in their country, with the contribution of the merchandise, quality and management control departments. The Corporate's sustainability department is responsible for consolidation at Corporate level.

4. Definition:

Fresh Meat: Meat that has not undergone any preserving process other than chilling, freezing or quick freezing, including meat with vacuum or controlled / modified atmosphere.

5. Policy Framework:

5.1 Freedoms Principles for Animal Welfare

Majid Al Futtaim Retail is committed to operating in a sustainable, responsible manner and driving up animal welfare standards within the business and among our suppliers. We base our approach to animal welfare on the Five Freedoms as defined by the Farm Animal Welfare Council. And, acknowledging that farm animals are sentient beings, we have also included a sixth Freedom recognising that good mental wellbeing and the ability to express species-specific behaviour must be accounted for;

- **Freedom from hunger & thirst** - by ready access to fresh water and a diet to maintain health and vigor.
- **Freedom from discomfort** - by providing an appropriate environment including shelter and a comfortable resting area.
- **Freedom from pain, disease and injury** - by prevention or rapid diagnosis and treatment.
- **Freedom to display normal behaviour** - by providing sufficient space, proper facilities and company of the animal's own kind.
- **Freedom from fear and distress** - by ensuring conditions and treatment which avoid mental suffering.
- **Freedom to undergo positive experiences** - by providing appropriate conditions to experience positive emotions and encourage natural behaviour.

This policy will evolve in future iterations to expand in scope and expectation. With the evolution of this policy, Majid Al Futtaim Retail expects suppliers to benchmark their farms against industry standards for production, health and welfare and refine business management to not only actively improve animal welfare but also ensure business viability and sustainability.

5.2 Cloning

Animal cloning is the process of replicating animals from the best gene pool to produce meat or eggs from the best livestock. However, scientific opinions (e.g., of the European Food Safety Agency) have been published indicating that cloning entails serious health and welfare problems for the animals.

Moreover, we respect that our consumers usually do not accept meat derived from cloned animals for ethical reasons. Therefore, at Majid Al Futtaim Retail, cloned animals are banned to be used in our private label products in the scope of the policy.

Our target: Ensure that 100% of our private label products come from non-cloned animals by the end of 2023.

5.3 Genetically engineered organisms

The use of genetically engineered organisms in foods, known as green genetic engineering, is a complex and controversial topic. For some it represents an important step into the future, while others see it as a threat to nature, biodiversity, and the health and welfare of animals.

The overall purpose of genetically engineering farm animals is to boost yield by enhancing growth rates or improving disease resistance, which is in conflict of interest with increasing the welfare and health of farm animals. Instead, aiming for less intensive farming systems is the preferred response for addressing this issue

At Majid Al Futtaim Retail, genetically modified animals are banned to be used for our private label products in the scope of the policy.

First, the focus will be on private label products; meanwhile, will be engaging with our non-private label suppliers to follow suit and increase transparency within the value chain in accordance with their level of responsibility.

Our target: Ensure that 100% of our private label products come from non-genetically modified animals by the end of 2023.

5.4 Antibiotics and growth promoters

In recent years, the potential link between antibiotic usage in food animals and resistance in humans has been highly discussed by relevant experts on all levels – national, regional and global.

We recognise the threat from improper use of antibiotics in livestock supply chains. It is for this reason that Majid Al Futtaim Retail aspires to achieve responsible and prudent usage of antibiotics in the food animal supply chain and to reduce the usage of antibiotics in the production of our private label products, without compromising animal health. The following measures are aimed at achieving that goal:

- We require our producers to optimise welfare, health, hygiene, husbandry and biosecurity of animals in order to reduce the need to use antibiotic treatment. When required, animals should receive appropriate treatment, using of antibiotics only under the supervision of a veterinarian as the key expert on the farm level.
- Our suppliers should implement a tracking and reporting system to create transparency and allow us to understand the pattern in our supply chain in order to optimise and reduce the usage of antibiotics.
- No usage of antibiotics or growth hormones as growth promoters for the food animals in our Private Label brands in the meat supply chain across any of our businesses or geographies.
- No preventive administration of antibiotics; these should only be used as a last resort when they are considered necessary for ensuring animal health based on a farm veterinarian's treatment plan.
- Eliminating the usage of antibiotics is defined by World Health Organization (WHO) as Critically Important Antibiotics (CIAs) for human medicine in food-producing animals without compromising animal welfare.

To continuously improve and reduce antibiotic usage, we consider the views of the WHO, and other international organisations and update our Antibiotic Stewardship Policy.

Our target: Ensure 100% exclusion of preventive antibiotics and growth promoters in our private label products by the end of 2023.

5.5 CCTV

Majid Al Futtaim Retail is working closely with the suppliers and producers to ensure a full implementation of CCTV for key animal handling processing areas to provide a retainable recording of all handling activity that takes place in the course of the ordinary operation of the facility to ensure that animal welfare standards are not compromised.

Initial update on the CCTV coverage in our private label producing facilities / abattoirs will be provided by the end of 2023.

5.6 Transportation

Majid Al Futtaim Retail aims to reduce livestock transportation times between farms to slaughterhouses by working with local and regional suppliers as much as possible. All suppliers must be compliant to the local regulation of the hygiene and welfare of animals during transportation.

Suppliers / producers should put procedures in place to ensure that animal welfare is managed during periods of transportation and the vehicle complies with rules such as the separation of animals of different species, the floor space (if too small, it affects well-being; if too large, it can lead to a fall), the atmosphere (appropriate temperature, ventilation and brightness).

Care must be taken to ensure animal welfare during unloading. It is forbidden to hit or kick the animals, to apply pressure to sensitive parts of the body, to use mechanical gear, to use driving aids with pointed ends or sharp edges and to use electrical driving aids. It is forbidden to pull an animal's head, ears, horns, legs, tail or coat.

Transportation of livestock should be kept to a minimum and not exceed 8 hours. Vehicles used must maintain the health and welfare of the stock being transported.

5.7 Mutilation

Stress is one of the main causes of certain types of animal mutilation, such as teeth-biting or feather and vent pecking in laying hens and is usually the result of inadequate husbandry conditions and poor management practices.

Majid Al Futtaim Retail aims to limit controversial practices (castration, trimming, molesting etc.) and optimise systematic pain management.

Together with our suppliers, we strive to increase animal welfare and health on the farm level for products in the scope of the policy and strive to exclude the routine mutilation of farm animals. We keep mutilation

practices such as beak trimming and tipping to a minimum. If used, these practices are only undertaken under veterinary advice on the farm level. The aim is to prevent all mutilation practices in the future.

5.8 Animal Testing

For our entire Private Label range, we do not commission or carry out testing on animals for pharmaceutical, cosmetic or household products. Where animal testing is required by law for food safety purposes, we require that these are carried out in line with applicable regulation.

5.9 Specific Farm Animal Welfare Policies

5.9.1 Laying Hens

Majid Al Futtaim Retail strives to go beyond what legislation prescribes and contributes to further improvements in farming conditions for laying hens at a global scale by promoting alternative and more sustainable housing systems, such as: cage-free, outdoor access systems (free range, organic).

In our markets, the sourcing of cage-free eggs is currently challenging, so we are working with the industry, government and business partners to help transform the market.

We will work with our suppliers to increase our offerings of cage-free shell eggs in private label assortment, working toward a 100% cage-free shell eggs private label assortment across all our markets by 2030, and all national brands by 2032. The cage-free shell egg range including cage-free or organic production systems, cage-free systems vary and include barn-raised and free-range raised hens.

We will annually review and disclose our progress as we move forward so that we remain transparent regarding both the challenges we face and the progress we are able to make.

6. Governance

At the Retail Executive Committee level, our Chief Commercial Officer has ultimate responsibility over our Responsible Sourcing agenda, of which animal welfare is a key part. The day-to-day governance and implementation of our animal welfare policy is overseen by our Head of Private Label Quality and Head of Merchandise (FMCG) at both corporate head office and country levels. Animal welfare forms part of ongoing discussions with suppliers on sourcing standards and requirements, with a view to continuously identify potential to drive improvement.

We will review this policy every two (2) years at a minimum, or when deemed necessary.