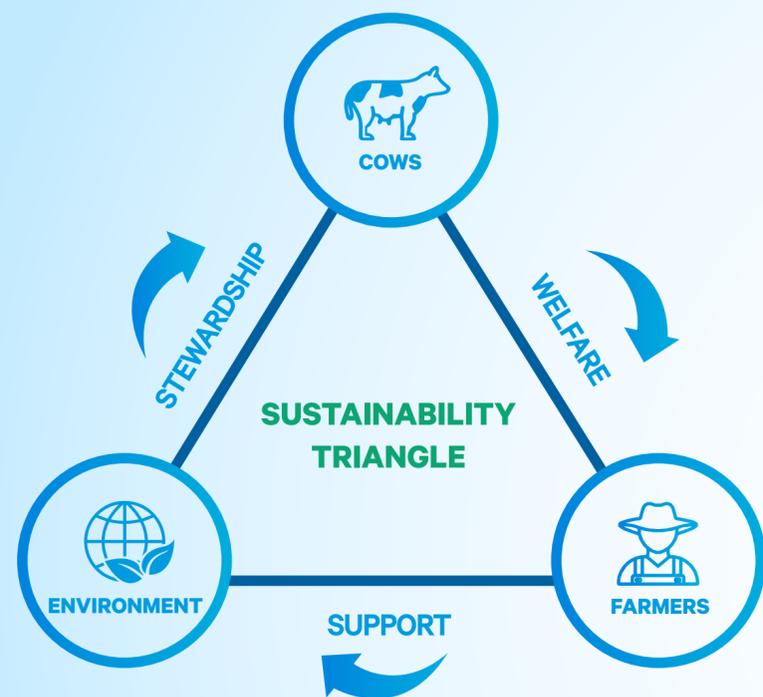




fa!rlife[®]

**OUR COMMITMENT TO ANIMAL
WELFARE AND SUSTAINABILITY**



What We Believe

Our aim is to provide everyone with high-quality nutrition. Concentrating the nutritional power of dairy, fairlife develops and distributes a wide range of great tasting, better for you products for all life stages and occasions. However, we know that our nutrition-rich products are only one piece of a much larger purpose—to responsibly nourish the world while helping to care for people, animals, and the planet in the process. It all starts on the dairy farms that supply our milk and how they treat their dairy cows, that’s why our robust fairlife dairy farm standards work to promote proper animal care, environmentally responsible practices and support for our supplying farmers and their farm employees.

We believe a sustainable supply chain stems from prioritizing care for animals, people, and the environment.



Our Commitment to Animal Care

Our commitment to animal welfare is foundational to our values. Animal care is a key pillar of socially responsible, sustainable dairy production and as such we are committed to working in partnership with our supplying farmers to achieve industry leading welfare standards.

Scientific and industry understanding of animal welfare is evolving to recognize the importance of providing animals with positive experiences alongside the more established avoidance of negative experiences – such as pain and stress.

The cows and calves our supplying farmers care for are living, breathing sentient beings with needs and interests of their own. That means, through our standards and in partnership with our supplying farmers we go beyond providing our dairy cows and calves with just the things they need to be healthy, such as food and water, to providing things that improve the quality of their lives. To help set forth our goals comprehensively, we frame our animal welfare standards through a focus on by the 5 Domain Model illustrated below.

We recognize that people are core to delivering good care such that we specify that farmers and farm employees have access to training and continuous development of knowledge and skills to safely perform their duties and fulfil their responsibilities for cattle health and welfare.



Our Supplying Farms

SHARED VALUES

As a dairy processor, fairlife does not own farms or cows and partners with supplying farms that share our values. We currently partner with a small and select group of farms (currently less than 50) that share our values and commitment to caring for animals, workers and the environment. Great tasting, quality products start with these strong farm relationships.

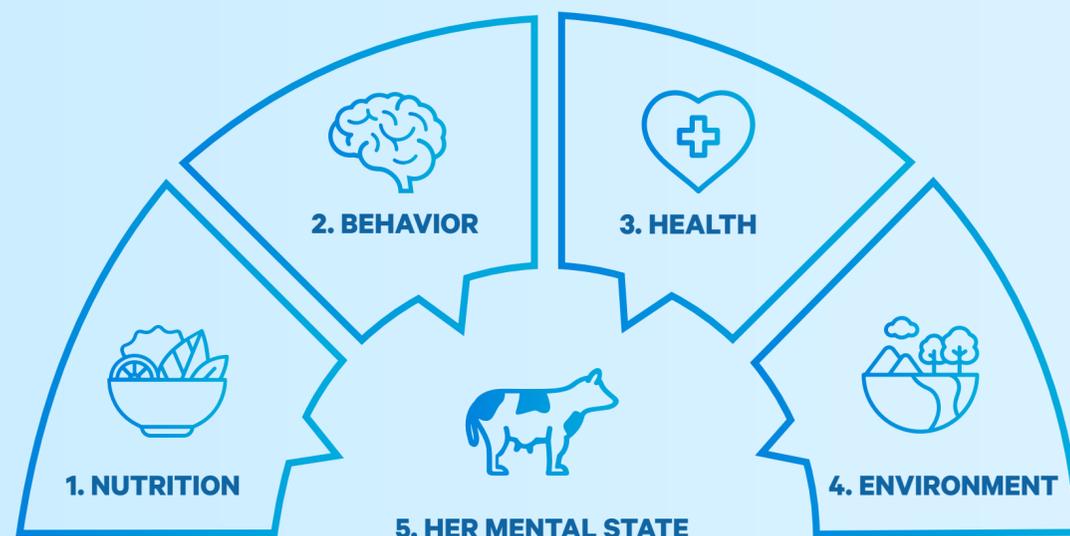
ROBUST MONITORING SYSTEM

All farms that supply milk to fairlife agree to unannounced, quarterly audits by an independent, 3rd party auditor authorized by fairlife. Our standards require that when and if issues are identified during audits, our supplying farmers act promptly to correct all issues identified. Our farms follow the corrective action requirements set out by the FARM 4.0 program, which has defined very specifically enforcement mechanisms such as “IAP (Immediate Corrective Action Plan), “MAP (mandatory corrective action plan, and “CIP” (continuous improvement plan). In addition, our farms undergo Validus Animal Welfare Certification. These frequent on-farm inspections act as an independent verification that supplying farms are meeting or exceeding fairlife’s animal welfare standards.

We believe that in addition to our robust animal care standards and frequent audits, working closely with our farm partners is an essential part of our operations and helps strengthen our confidence that we’re working towards the same goals. Fairlife only works with farmers who are as passionate as we are about the welfare of the animals they care for. With our guidance, our supplying farms are consistently improving and implementing procedures and approaches for the proper care and well-being of their animals every day.



COWS MENTAL STATE 5 DOMAIN MODEL



Our Guiding Principles for Animal Welfare

The “5 Domains” framework emphasizes promotion of positive experiences and recognizes animals’ emotional needs. The model highlights how physical conditions related to nutrition, environment, health, and behavior influence the mental state, and ultimately the overall welfare, of an animal.

The diagram below shows how the areas covered within the animal care section of our standards are framed by the 5 Domains. Each domain influences the overall welfare of our dairy animals.

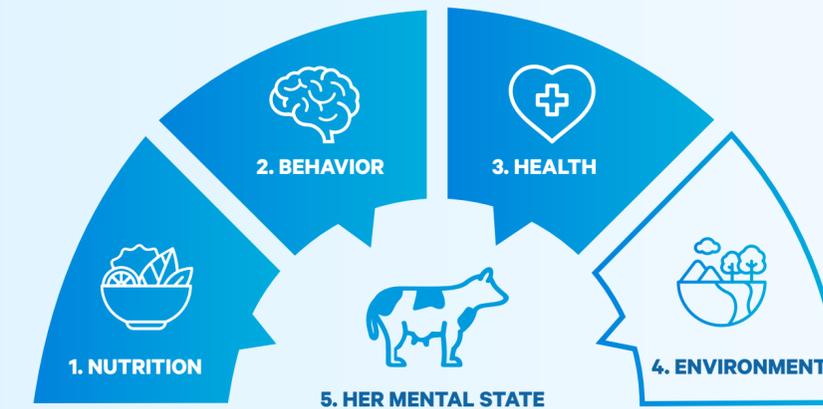


Healthy Herds

To seek a good quality of life for the animals, the starting point for each farm is the proactive implementation of a comprehensive herd health program developed in conjunction with the farm veterinarian. Health plans help to promote well-being via disease prevention, rapid diagnoses and effective treatment as well as providing an opportunity to set health targets. Promotion of good health also means that animals are comfortable and have freedom to express natural behaviors. This in turn helps support positive social interactions that dairy cows and calves need for their mental well-being.

Herd health plans must cover several key areas including:

- Newborns and calves – maternity cow management, ensuring colostrum intake, etc.
- Requirements for monitoring animals frequently throughout the day, and for providing preventative care, and timely treatment when required
- Lameness – prompt recognition and treatment
- Pain management – for all painful procedures
- Transport – fitness for travel
- Euthanasia – utilizing techniques that comply with the American Veterinary Medical Association Euthanasia Guidelines



While the following pages contain great detail, additional information is available in the appendix linked at the end of this document.



ANIMAL NUTRITION

All farms that supply to fairlife must provide their dairy cows with daily access to quantities of high-quality feed and continuous access to water sufficient for them to thrive at every stage of life, and to avoid unpleasant states such as prolonged hunger, thirst, or frustration.

HOUSING

All farms that supply to fairlife must provide cows and calves with housing environments that are designed to keep the animals clean, dry, and comfortable. Farms are also responsible for safely transporting cows both on and off their farms. Our standards cover several key areas including:

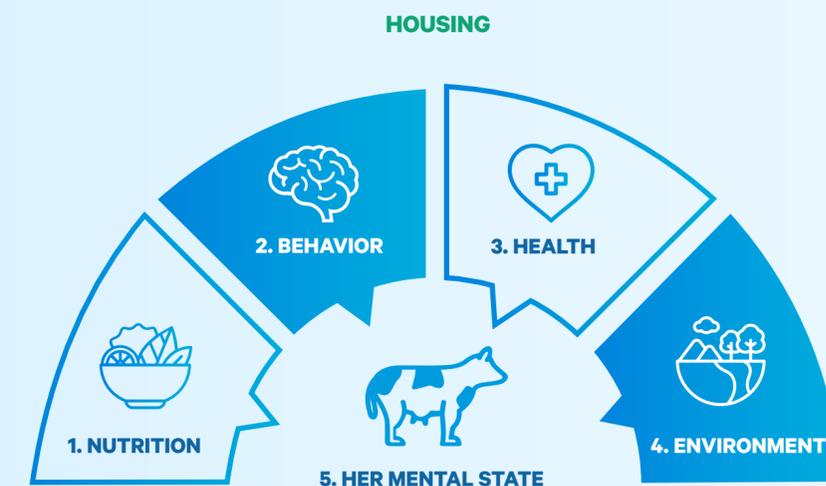
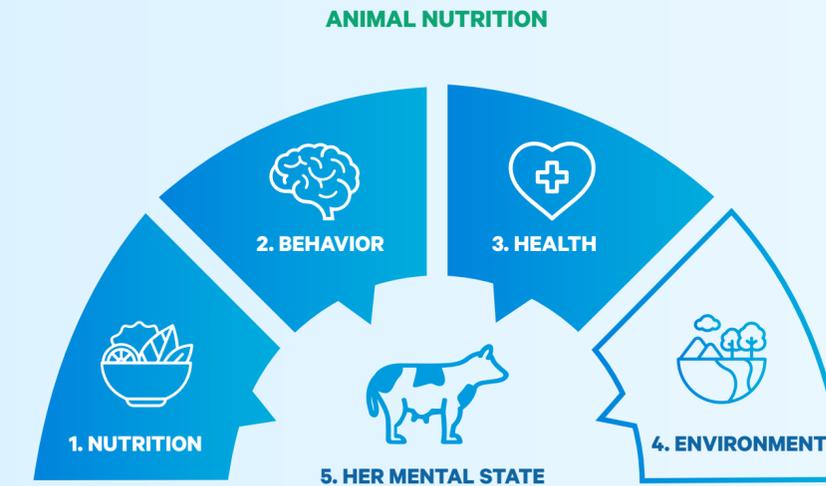
Temperature regulation

The high metabolic rates of high producing dairy cows makes them susceptible to heat stress. Cows have greater resistance to cold temperatures but may suffer negative effects when low temperatures are combined with blowing wind. Farms are required to provide protection from extreme weather conditions. Heat stress abatement strategies incorporate shade, fans, and misters, depending on the climate. Cold stress abatement includes wind blocks or barn curtains, thick bedding, and jackets for calves. Cattle should be routinely monitored for signs of thermal distress, such as observing respiration rates in times of heat stress.

General facilities

Injuries to cows can be caused by poor quality facilities, so we have a range of measures in place to mitigate this. For instance:

- Poor quality flooring is known to be a key cause of injuries to cows, so we require our supplying farms to maintain flooring to prevent animal injury.
- We also recognize the importance of good air quality and so our supplying farmers have protocols in place to minimize odors, dust and/or noxious gases.



The importance of lying down

Studies show that cows are strongly motivated to lie down - housed cattle have been measured lying for approximately 12 hours a day. We also know that cows that can't lie down are more likely to become lame, so our standards include that farms provide cows with comfortable, dry resting areas to lie in. Bedding is provided to further meet the cows comfort needs.

Providing enough space

In confined environments animals often cannot engage in many of the behaviors that they are highly motivated to perform, and they may also experience discomfort and unpleasant social interactions (such as aggression) due to the lack of space. Studies also show that cows are more content when there is enough space and resources for them to synchronize their behavior, and they don't have to compete for resources. So, we require that our supplying farms provide their animals with the space they need.

Enrichment

Cows have preferences and motivation to perform important behaviors that are necessary for their comfort, health, and overall well-being. Amongst the most basic of these is the need to keep their bodies clean and free from pests through grooming. Providing the right environment to allow them to fulfil this need is important to us. That is why we encourage all our supplying farms to provide grooming brushes.

We also recognize that interactions between cows and caretakers can be socially enriching. Therefore, we support training workers to interact with cows and calves in a positive and gentle manner. Examples of these types of interactions include handling quietly and working with them at their own pace in a way that does not cause fear and distress. This requires an understanding of a cows natural flight zone (or zone of comfort) that most cows prefer when interacting with humans.



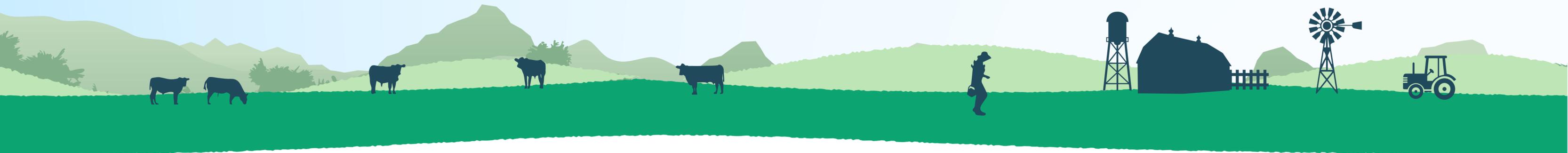
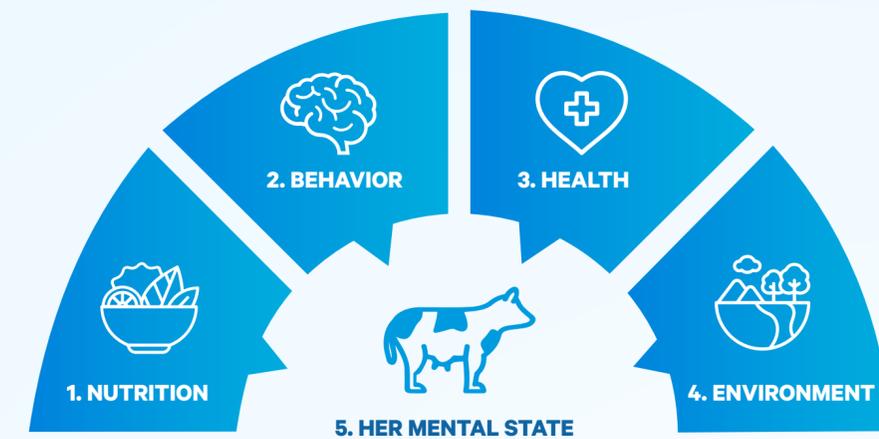
BEHAVIORAL INTERACTIONS (TRAINING) AND COW BEHAVIOR

One of our core principals is that care for animals starts with people. On our supplying farms, our goal is that everyone who interacts with cows and calves shares a common commitment to maintain a culture for humane and compassionate animal care. It is important that they also have the tools needed to assure this commitment.

That is why we are committed to farmers and farm employees having access to training, and opportunities for continuous development of knowledge and skills to safely perform their duties and fulfill their responsibilities for cattle health and welfare. Our standards require all appropriate farm staff to have documented annual training on areas including:

- Calf care
- Stockmanship, humane handling, animal observation and other as signed animal care responsibilities.
- Non-ambulatory animal care
- Fitness for transport
- Euthanasia

In addition to our required annual training, we encourage farmers to have monitoring programs in place to validate that best practices are being executed and catch any errors or protocol drift in a timely manner. Our supplying farms must work to develop a team-based culture where every farm worker is accountable for animal well-being and works as a team to achieve those commitments.



Monitoring Welfare Outcomes

Welfare outcome measures are simple metrics that describe how an animal has experienced the environment in which it has lived. They include metrics that focus on attributes associated with good quality of animal life. As part of our farm standards program, supplying farmers report on the following outcome measures within their herds.

Milk quality

High-quality milk comes from well-cared for and healthy cows. Supplying farms continuously monitor milk quality parameters, as they are correlated to welfare outcomes such as overall health, management, and husbandry.

Hygiene, hock and knee abrasions and locomotion

Our supplying farmers measure and record things like cow cleanliness and hock and knee abrasions which provides an indication of the quality and comfort of their housing. The farmers also monitor cows daily for early detection of lameness with the goal of swift intervention. Lameness is associated with pain and it not only affects productivity, but also freedom of movement. It can also be an indicator of the suitability and condition of the housing environment.

Body Condition

Body condition is also scored. This provides an indication that cows are being provided with the correct nutrition to ensure that they have enough energy reserves and the diet they are being fed meets their requirement for good health.

Broken tails

Tails can get broken or damaged in normal social interactions with other cows (being stepped on) or through mechanical damage (from scrapers/doors/parlor) or inappropriate handling. Tail injury is painful as the cow uses its tail constantly – for communication and to displace insects and other pests. Routine tail docking is not permitted. Our farmers monitor tail condition routinely and routinely check equipment furthering cow safety in the facilities.

Mortality rates in Calves and Cows

Our supply farmers also measure mortality rates in calves and cows as this provides an indication of the care and conditions in which cattle are kept. Our standards require that all calves, including bull calves, receive colostrum within the first 6 hours of life to ensure a healthy start. Unlike humans, calves are born with a naive immune system and rely completely on colostrum for initial immunity.



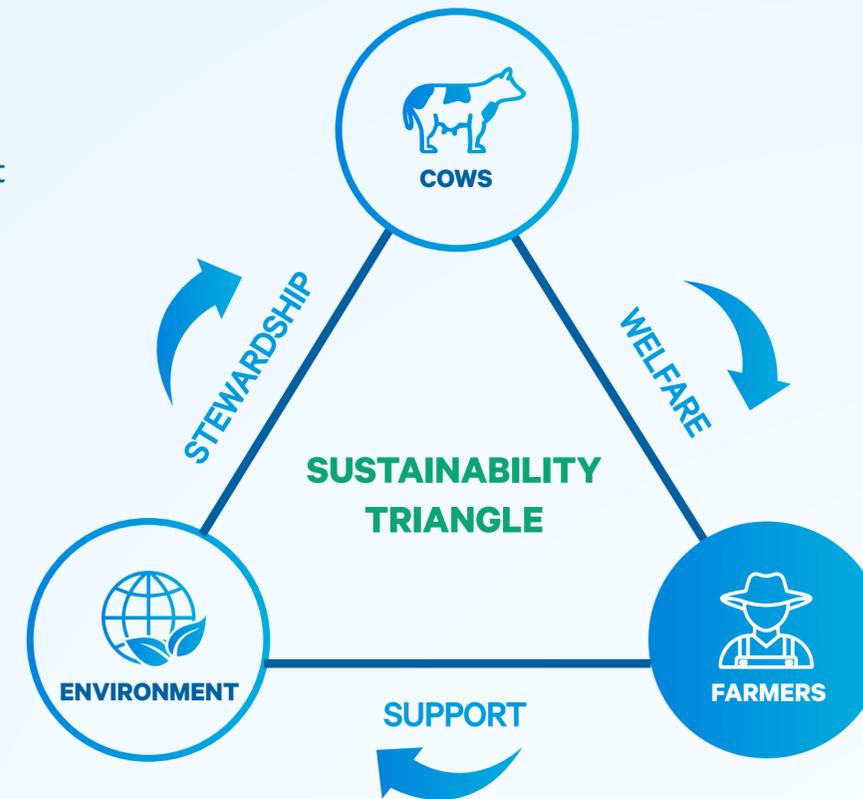
How we support our supplying farmers and farm workers...

SUPPORTING OUR FARM PARTNERS

An important principle for our sustainability program is that all farmers and employees in our supply chain experience working conditions that uphold their human rights. We know that this will also have a positive impact on animal welfare on our supplying farms. Studies have shown that farms with high occupational well-being provide more positive animal welfare outcomes (and the reverse is true too). Ffairlife continues to invest in programs that help support and develop the farm workers at our supplying farms.

Worker Safety and Training

We require all supplying farms to provide annual training for their employees in the areas of animal care and handling, as well as on-farm safety. We require our supplying farms to have a robust set of worker care standards that cover safety areas unique to farms, such as power-take off (PTO), skid-steer operation and tractor safety training. Farms also adhere to Occupational Safety and Health Administration (OSHA) requirements.



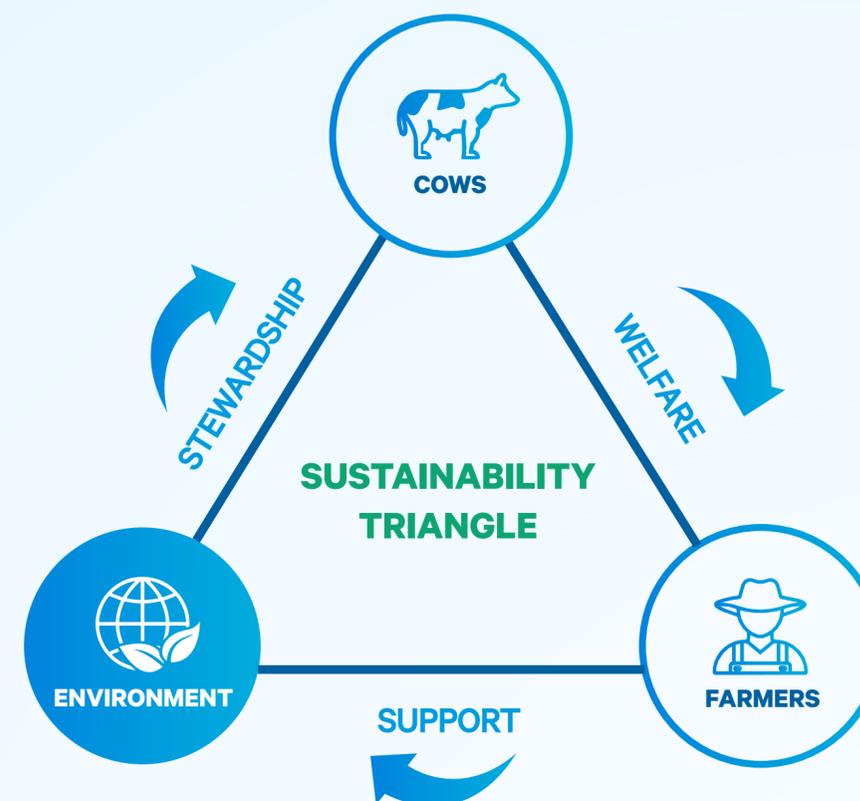
Caring for the environment

OUR COMMITMENT

As our planet faces the twin crises of climate change and biodiversity loss we know that having standards in place that help reduce the impact of food production, and where possible, facilitate positive environmental impacts, is important for both our and future generations. We have set in place significant policies to help us reduce the environmental impacts from the production and manufacturing of our dairy products.

For example:

- Committed to 100% recyclable packaging by 2025
- Across our business we are committed to a 25% absolute reduction in CO2 emissions by 2030 (from a 2015 baseline). In addition to this, we are developing a path forward to achieve NetZero by 2035
- We will continue to support the dairy industry’s effort of greenhouse gas neutrality or better by 2050. (NZI report)
- On dairy farms, manure from the cows can cause local pollution of land and waterways if not managed correctly. That is why we have requirements for all of our supplying farms for how they manage their manure in addition to following local and state regulations.





We Believe in Better

Believe in better is a common saying around fairlife. It's this belief that drives us to constantly test our processes and seek out ways to consistently improve. As we continue to work to achieve our mission of nourishing the world while caring for people, animals and the planet, we commit to always strive for better by investing in the capabilities, people and programs that bring us closer to this ambition.

Additional detail on our commitment to animal care and sustainability can be found:



<http://bitly.ws/ntSM>



<https://fairlife.com/>

