

Animal Welfare Policy of Scandi Standard

It is noted that Scandi Standard AB's (publ) (556921-0627) ("Company") shares are listed on NASDAQ Stockholm. This instruction has been adopted in order to align with the directions given by the shareholders at the Annual General Meeting, the Board of Directors with appointed committees as well as other applicable Swedish and foreign laws, regulations and requirements. This instruction is in addition to said laws, regulations and requirements although certain provisions of such laws and regulations are included in this instruction in order to facilitate their application.

Thus, in addition to what is provided for in the above-mentioned laws, regulations and requirements, this document shall apply during the time period until the next review. References herein to the "Company" shall, unless otherwise clear from the context include not only Scandi Standard AB (publ) but also the group in which Scandi Standard AB (publ) is the parent company.

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1 Introduction

Animal Welfare is, and has for decades, been an integral part of the Nordic way of keeping animals. Animal Welfare is a key area for Scandi Standard in which we, together with our contract farmers, aim to be among the industry leaders.

OIE (World Organisation for Animal Health) defines Animal Welfare as “the physical and mental state of an animal in relation to the conditions in which it lives and dies”. Scandi Standard recognize the internationally accepted Five Freedoms for Animal Welfare, and strive to fulfil these in our supply chain:

1. Freedom from hunger, malnutrition and thirst;
2. Freedom from fear and distress;
3. Freedom from physical and thermal discomfort;
4. Freedom from pain, injury and disease; and
5. Freedom to express normal patterns of behaviour.

Animal Welfare consists of several different components which both individually and all together affects the outcome. For the chickens, the process of achieving Animal Welfare starts with the quality of the embryo inside the hatching egg and ends at the stunning of the bird in the slaughterhouse. The biggest contributor to Animal Welfare is the human factor, for example the farmer's skills and capabilities, and how well all the needs of the chicken are met during its lifetime. Our systematic program for Animal Welfare focus on the key components and methods with the most important and scientifically proven effects on the life of a chicken flock.

We, together with our contract farmers, *shall* be good stewards of the chickens entrusted in our care and treat them with respect at all times. Animal Welfare is part of our Sustainability platform, The Scandi Way, and when based on best practice and science, it is a contributing factor for effective usage of resources and limits the antibiotics usage to close to zero.

1.1 Purpose

- Align the organisation's definition and perception of animal welfare
- Create a common way of working with animal welfare in the organisation
- Outlining animal welfare organisational structure, roles and authorities

1.2 Scope

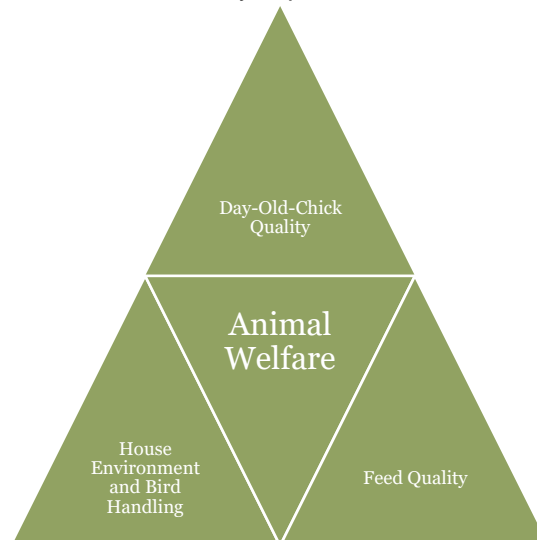
This document applies to all entities and supply chains within Scandi Standard. Scandi Standard entities must comply with all applicable laws and regulations.

2 Animal Welfare

2.1 Animal Welfare program

Our systematic animal welfare program is based on three key areas, and several governing KPIs and follow-up systems in order to achieve excellent Animal Welfare. These areas have

been defined by our long experience, expertise – both internal and external, and where science has proven to have major effect on Animal Welfare. Our approach is outcome based, constantly evaluated and continuously improved.



Day-Old-Chick Quality

Achieving good Animal Welfare starts with the health and quality of the embryo. A healthy day-old chick is resilient towards bacteria and infections, has a stronger immune system and is better equipped to receive and retain nutrients. Managing the incubation process and securing the chicks are kept comfortable before they reach our contract farms is an essential part of our Animal Welfare program.

Feed Quality

Dispensing proper feed at each stage of the chickens' growth journey is an important factor affecting the chickens' quality of life. Wholesome and nutritious feed made from high-quality raw materials based on the bird's requirement improves resilience towards bacteria, inflammations and infections, improve the living conditions and counteract the development of bad behaviours such as pecking. The farmer and the feed mill follow and monitor the quality of the feed dispensed to the birds and adjust where and when needed.

Bird handling and house environment

The biggest contributing factor affecting animals is the skills, capabilities, and attitude of the farmer. With the proper care and knowledge, the farmer provides a good stable environment in which the chickens are given good conditions to grow. We measure several KPIs which all relates directly to the environment and handling of the birds on the farms.

Catching, transport and stunning

In addition to the three main components, the quality of catching, transport, lairage and stunning process is a part of our Animal Welfare program. Treating the chickens with care and respect not causing unnecessary stress is important for the overall quality of Animal Welfare. Because of our contract farming model, transport distance is controlled and only dedicated transport vehicles are used. Transports are subjected to inspection by independent veterinary authorities and our own personnel upon arrival at our sites. We measure and follow a number of KPIs for all transports.

Governance and follow-up

To track and ensure consistent and excellent Animal Welfare outcomes, we have several governing systems and tracking methods in place.

We measure and track several KPIs which in turn are connected to farmer payment. To receive premium payment for the delivered birds, the Animal Welfare outcomes need to be good. By connecting payment to the outcome of Animal Welfare, we ensure that the contract farmer adheres to our Animal Welfare program and the Five Freedoms for Animal Welfare. Our model with contract farms ensures long-term collaboration and the ability to influence their processes. We regularly perform audits and visits which are documented. If deviations are discovered, action plans with several steps are implemented to rectify the situation.

We are transparent in our reporting of the Animal Welfare outcomes Foot Pad Lesions and Antibiotics Usage. Both KPIs are strong indicators of the overall treatment and Animal Welfare of the chickens.

Our main KPIs for Animal Welfare are:

Animal Welfare Indicator	Description
Foot Pad Lesion Score	Conditions in the house
Antibiotics usage*	Health status of the birds
Mortality	General condition and health status of the flock
Wing damage	Handling of the birds
Dead On Arrival (DOA)	Loading and transport to slaughterhouse
Veterinary rejects at slaughterhouse	State controlled veterinarian inspection

*Regulated in Antibiotics Policy

Compliance to laws and regulations

As the final component of our Animal Welfare program, we are compliant with all legislation and regulations in each local country in which we operate.

3 Document Directives

3.1 Ownership

The Group/Company Management is responsible for ensuring that the Animal Welfare Policy is implemented and followed. The document is owned by Group Live Operations Director. On the local business unit level, the responsibility of implementing the Animal Welfare Policy lies on the local Live Operations Manager. In the processing plants a named Animal Welfare Coordinator is responsible for reporting outcomes.

3.2 Approval

This document is approved by the Board of Directors. Updates will be approved by General Management.

3.3 Maintenance & Updates

This document is approved by the Board of Directors. This document is reviewed and updated biannually. Updates made to the contents of this document is communicated to the organisation via the intranet.

3.4 Accessibility

This document is available on the company intranet and local channels for local farmers. The accessibility of this document is ensured by the document owner.

4 Document Breaches

4.1 Document Deviation

As soon as a deviation or breach of this document has been detected, it must immediately be brought up to the attention of the Local Live Operations Manager, the Country Manager and Group Live Operations Director. Scandi Standard may resolve to deviate from the document if special circumstances justify a deviation. Any derogations to policy must be justified and documented.

5 Version

Version No.	Author	Purpose/Change	Date of approval	Document Reference
1	Group Live Operations Director – Tommi Saksala	1 st issue of the policy	2020-12-14	Board of Directors Meeting Minutes