

Animal Welfare Policy

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1. Introduction

About our Company

Boni Holding is Bulgaria's largest pork producer and a key player in the food industry, supplying 30% of the country's fresh pork. The company primarily focuses on pig breeding and meat processing, complemented by its feed production operations, which support its breeding activities.

We operate seven pig farms for raising our livestock and have three feed production facilities dedicated to our animals. Our main meat processing center is situated in Lovech, featuring an industrial cutting house, a factory for production of salami and delicacies, and a factory for production of meat preparations (meat cuts, minced meats, raw sausages and semi-manufactured products; ready to eat/cook products). The close proximity of these three enterprises creates a highly efficient production complex.

Additionally, we have a unique facility for raw-cured products in Karlovo, known for its specialized microenvironment that imparts a distinctive flavor to our offerings. In 2021, we enhanced our business model by launching Bulgaria's most technologically advanced pig slaughterhouse in Targovishte, which plays a vital role in ensuring the high quality of our livestock throughout the meat processing chain.

Through our feed mills, pig farms, and meat production facilities, we ensure that our products meet the highest quality standards while contributing positively to the Bulgarian economy and society. Our mission is to provide Bulgarians with responsibly produced meat, ensuring care for people, animals, and the environment. To achieve this, we have set four strategic goals to shape the Company's development in the coming years and beyond:

- Increase of the share of Bulgarian-produced pork in the overall consumption of Bulgarians (currently, two-thirds of the pork consumed comes from Europe).
- Strengthening our leadership position and becoming the leading innovators in the meat production industry.
- Meeting the needs of our customers by leveraging our scale and ability to control more stages of production.
- Maintaining the image of meat as an essential food and directing efforts towards promoting its importance.

2. Purpose of the Policy

The purpose of the Animal Welfare Policy is to ensure the humane treatment of animals within our processes, aligning with the regulatory standards of animal welfare as mandated by EU and national legislation. This policy aims to enhance the well-being of animals, improve the quality of our products, and meet the ethical expectations of our stakeholders, including consumers, employees, and regulatory bodies. Additionally, it supports our long-lasting commitment to sustainability and transparency.

3. Scope of the Policy

This policy applies to all divisions and enterprises within the structure of Boni Holding:

Pig Farming Division:

- Boni Farm Brestak AD
- Boni Farm Krumovo Gradishte AD
- Boni Farm Zimen AD
- Boni Farm Nikola Kozlevo AD
- Boni Farm Shumen AD
- Boni Farm Levski AD
- Boni Farm Pleven AD
- Boni Fodders Pordim EOOD

Meat Processing Division

- Boni Mesokombinat Lovech AD
- Boni Mesokombinat Karlovo AD
- Boni Mesokombinat Ruse AD

- Boni Marketing EOOD

This policy also applies to all aspects of our pig rearing and meat production operations, including:

- **Breeding and Rearing:** ensuring sustainable growth and healthy animals.
- **Farm Management:** Implementing best practices for the care and handling of animals, including proper housing, nutrition, and veterinary care.
- **Transportation:** Minimizing stress and discomfort during the transportation of animals by following EU regulations and industry best practices.
- **Slaughtering Processes:** Ensuring humane slaughtering methods that comply with EU legislation to minimize pain and distress.
- **Employee Training:** Providing regular training for all employees involved in animal handling to ensure they understand and implement animal welfare practices.
- **Monitoring and Reporting:** Regularly monitoring animal welfare practices and reporting on compliance as part of the mandatory sustainability reporting.
- **Sourcing and Procurement:** Ensuring that all suppliers adhere to EU animal welfare standards and our internal guidelines.

4. Legal compliance

The Company adheres to all EU and national regulatory requirements concerning animal welfare as a minimum standard, and implements voluntary measures regarding animal welfare including:

- *Council Directive 2008/120/EC of 18 December 2008 laying down minimum standards for the protection of pigs*
- *Council Directive 98/58/EC of 20 July 1998 concerning the protection of animals kept for farming purposes*
- *Commission Implementing Regulation (EU) 2021/520 of 24 March 2021 laying down rules for the application of Regulation (EU) 2016/429 of the European Parliament and of the Council with regard to the traceability of certain kept terrestrial animals*
- *Veterinary Practices Act*
- *Agricultural Producers Support Act*
- *Ordinance No. 21 of 14.12.2005 on the minimum requirements for the protection and humane treatment in the rearing of pigs*
- *Ordinance No. 44 of 2006 on the veterinary medical requirements for livestock facilities.*
- *Implementation of a state aid scheme for farmers engaged in primary agricultural production to voluntarily undertake commitments for animal welfare in the pig rearing sector.*
- *National Program for Prevention, Surveillance, Control, and Eradication of Animal Diseases, including Zoonoses, in the Republic of Bulgaria for the period 2022 – 2024*
- *Regulation (EC) No 1099/2009 on the protection of animals at the time of killing.*

5. Policy Statement and Welfare Practices

At Boni Holding we recognize that animals are sentient beings deserving of respect and care. Our commitment to animal welfare is at the core of our operations, guiding every decision we make in meat production and in all parts of our value chain.

We pledge to uphold high welfare standards. We will continue to adhere to and exceed EU and national regulations on animal welfare, ensuring that all animals are treated humanely throughout their lives. We will continue to provide clear information about our animal welfare practices, allowing consumers to make informed choices. We are dedicated to implementing farming practices that not only prioritize animal welfare but also contribute to environmental sustainability.

By committing to these principles, we aim to lead the way in responsible meat production, ensuring that animal welfare remains a priority in everything we do.

A happy animal is the most beneficial from an economic perspective.

This statement highlights the idea that ensuring the well-being of animals can lead to better economic outcomes. Happy and healthy animals tend to be more productive, which can improve the quality of meat and other animal products, reduce veterinary costs, and enhance overall efficiency in production.

We strive to improve every stage of our animals' life cycle, ensuring the most appropriate measures are taken in terms of requirements for nutrition, husbandry and environmental conditions.

5.1. Breeding and rearing

A key aspect of our business is ensuring the continuity of the production process, which relies on strict consistency and rhythm. We have meticulously calculated the capacity of our facilities and the duration of stay for different physiological groups of animals. The formation of production groups is predetermined for each farm, and the timing between the removal of one group and the entry of the next is carefully planned. This allows sufficient time for mandatory veterinary preventive measures, ensuring the premises are ready for the next group of animals. Adhering to this principle is essential for organizing highly efficient production.

At Boni Holding, we differentiate pig breeding by physiological and age groups. We have established seven pig farms where we raise our animals. Some of the farms are technologically connected, divided into a mother farm, a fattening farm, and a nucleus farm where processes related to animal genetics are managed. We have implemented breeding programs that prioritize animal health and welfare, avoiding genetic traits that could lead to suffering. We source purebred animals from nucleus herds in Denmark and collaborate with reputable breeding companies.

We ensure that sows are provided with comfortable farrowing environments where they can move freely. We are committed to offering each sow 2.48 square meters of space, which is 10% more than the standard requirement. On the 110th day of pregnancy, the sows are transferred to farrowing units that have been thoroughly cleaned, disinfected, and prepared to welcome the new piglets. Each mother is housed in a separate pen that includes a designated resting area with non-slip flooring and a heated space for the piglets.

It is essential for us to create the right conditions and microclimate for both the piglets and their mothers. We aim to maintain a temperature of no more than 24-25 degrees Celsius for the sows, while the piglets require 30-32 degrees at birth, which is why we use infrared lamps for localized heating. Separate nipple drinkers are provided for both the mother and the piglets at varying heights and sizes, along with designated feeding areas and types of feeders.

At 28 days of age, the piglets are weaned from their mothers and moved to facilities for growing animals. This transition can be quite stressful for them, so we strive to create conditions that cater to their developmental needs. The rooms are heated to 28 degrees Celsius, with a gradual decrease in temperature over time. They are equipped with plastic

slats that are warm, soft, and comfortable to walk on, as well as suitable feeding areas and drinkers with appropriate height and flow rates.

5.2. Housing and Environment

All farms of Boni Holding are built in compliance with the requirements of modern construction and environmental protection. In terms of technology, the main principles and elements of industrial production methods in pig farming are advocated.

The principles of complete emptying and thorough cleaning are applied, with facilities being repopulated only after thorough washing, meticulous disinfection, and drying.

All animals are raised in buildings constructed and equipped according to the requirements of their respective categories. All buildings have slatted floors that allow for natural hoof wear and a normal gait, under which the manure produced by the animals is collected. It is covered with a thin layer of water, preventing the release of ammonia and harmful gases into the animals' living environment.

We have voluntarily committed to providing all our animals with 10% more space than required by law. We have extended the daylight hours to 11, exceeding the legally required 8 hours. This initiative aims to enhance the feeding activity of fattening pigs, resulting in better health and improved welfare. Additionally, for sows, increased physical activity contributes to their overall health improvement.

Some of the buildings have roofs made of thermal insulating panels, and those that are heated (for growing pigs) have insulated walls. All buildings are equipped with ventilation systems designed to maintain specific requirements for temperature, humidity, and minimum ventilation, according to the category of the animals.

To improve the conditions for breeding sows and boars, some rooms are equipped with cooling systems that are used during the hot summer months.

5.3. Nutrition and Health Care

Boni Holding is committed to ensuring that pigs have access to a balanced diet that meets their nutritional needs at all life stages.

All of our farms are situated in grain-producing regions of Bulgaria, allowing for efficient feed supply with low transportation costs for raw materials. The production of feed for animal nutrition occurs in our own three feed mills, where we produce and supply 10 different types of feed tailored to the needs of various age and physiological categories of animals, as well as the feeding method—dry or wet. We use only certified additives with proven origins from verified suppliers. All grains are assessed upon entry into our storage facilities for the presence of live infections, molds, mycotoxins, moisture, and protein content. Our state-of-the-art equipment ensures accurate determination of the quality parameters of grains, meals, and finished feed mixtures.

Our animals receive their feed and water ad libitum, meaning their diet is available at all times. This feeding management approach ensures that animals can eat as much as they want whenever they want, with feed always available through highly-effective automated processes. This not only prevents hunger and thirst but also helps avoid potential conflicts.

We provide all animals with clean water through nipple drinkers that release water only when pressed, preventing spillage and contamination. The quality of the water is regularly monitored to ensure it meets the standards for use in animal husbandry. The drinkers in our facilities are strategically positioned at various heights and locations to ensure easy accessibility for all animals.

Throughout their lives, all pigs receive high quality veterinary oversight. We provide exceptional care for the animals through regular health checks and prompt veterinary care by our highly qualified veterinarians and technicians. They are responsible for monitoring the health and condition of the animals, administering treatment when necessary, and conducting preventive care and vaccinations to prevent and treat illnesses and injuries.

Each pig farm has at least one veterinarian or a team of veterinary technicians.

5.4. Handling and Transportation

Boni Holding ensures that its staff is highly trained in humane handling techniques to minimize stress and injury to the animals. We support our employees with regular training sessions and provide them with best practices data to continuously enhance their understanding and knowledge of animal welfare.

How animals are transported is critical to their welfare, as the animals are handled and placed in unfamiliar settings. We have strict guidelines to minimize the stress animals experience and to ensure animal welfare.

The transportation of livestock to the slaughterhouse is conducted using specialized vehicles equipped with ventilation systems. This ensures that the animals are kept in a comfortable environment throughout the journey. Each pig requires a minimum space of 45 cm during transport to prevent overcrowding and stress. Another key aspect with regard to transport is the transport distance. Boni Holding is committed to ensuring that all animals are transported over the shortest possible distances to minimize stress and promote their well-being.

Additionally, when moving animals from one building to another or to trucks, methods that do not cause stress to the animals are employed. The use of electric prods or forceful methods for moving the animals is strictly prohibited as a measure of humane treatment.

5.5. Slaughtering Practices

We are dedicated to upholding humane slaughter practices and continuously implementing best practices to minimize pain and distress. Additionally, we strictly adhere to all relevant EU regulations and guidelines regarding humane slaughter.

Animals are held for a maximum of 12 hours prior to slaughter. During this time, they have access to drinking water and a misting system with cool water to ensure their comfort. When it is time for slaughter, the animals are moved into the stunning box, where they are rendered unconscious using the most humane methods currently available.

The stunning process is conducted using a gondola system that leads to a high-concentration carbon dioxide area. Once stunned, they are transported to the slaughter line. Every effort is made to prevent stress throughout this process, ensuring that the animals are treated with the utmost care and respect.

5.6. Monitoring and Reporting

Boni Holding is dedicated to conducting regular internal checks and audits of our animal welfare practices. This commitment ensures that we comply with both our internal policies and external regulations. We will continue to transparently report on our animal welfare initiatives and improvements as part of our sustainability reporting, doing so voluntarily and in accordance with all relevant regulatory requirements.

6. Roles and Responsibilities

Boni Holding has appointed farm managers whose roles are to oversee animal welfare practices across all operations as well as manage day-to-day operations on the farms.

Their responsibilities include, but are not limited to:

- Ensuring compliance with animal welfare regulations.
- Conduct regular audits and assessments of animal treatment.
- Provide training for staff on humane handling and care.
- Maintain proper living conditions and nutrition for animals.
- Ensure veterinary oversight.

By clearly defining these roles and responsibilities, the company can ensure that its commitment to animal welfare is effectively implemented and maintained. This structure not only enhances animal welfare but also builds trust with consumers and stakeholders.

7. Monitoring and Controlling

All production information is recorded in software systems. Each farm inputs detailed data for every sow, including identification, origin, date of birth, date of entry into the herd, locations, insemination dates, farrowing dates, number of live and stillborn piglets, information on weaning etc. This software is updated daily, providing comprehensive insights and detailed information on production trends and metrics.

For the past two years, Boni Holding has been developing and gradually implementing an ERP system across all its farms. This system captures both production and accounting information on a daily basis, enhancing operational efficiency and data management.

8. Supply Chain Management

Involving suppliers in our animal welfare policy is essential for maintaining consistent standards throughout the supply chain.

We source part of our meat from international suppliers with proven track records. We expect our suppliers to adhere to generally accepted animal welfare standards and practices, as well as comply with all regulatory requirements as a minimum.

To formalize this commitment, we include compliance with the animal welfare policy as a contractual obligation in our supplier agreements. This ensures that all parties are held accountable and understand the importance of these standards.

We also prioritize open communication with our suppliers to discuss animal welfare issues and identify areas for improvement.

9. Reviews, Updates and Continuous Improvement

We are dedicated to the continuous improvement of our animal welfare practices. Our Animal Welfare Policy is designed to evolve, reflecting our commitment to implementing best practices and enhancing the well-being of the animals in our care. We recognize that ongoing assessment and adaptation are essential for achieving our animal welfare goals. Through this policy, we aim to foster a culture of respect and care for animals, ensuring their welfare remains a top priority across all our operations.

Our targets for the next 5 years include:

- To ensure we remain at the forefront of animal care
- Staying updated with the latest scientific research and legislative changes
- Not only to comply with but to exceed the minimum requirements set by EU and national legislation.

- Close engagement with veterinarians and animal welfare organizations to enhance our practices
- Continuous improvement driven by feedback and new research, allowing us to adapt and refine our approaches effectively, implementing best practices in the sector
- Complete implementation of software systems across all processes, enhancing operational efficiency and data management
- Excelling the competences and skills of our employees regarding animal welfare

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