



## ANIMAL WELFARE UPDATE

Our animal welfare policy forms one of the three pillars of our *Sustainable Sourcing Policy*, established in 2016, which can be viewed in its entirety on our [Sustainable Sourcing webpage](#). The following update of our animal welfare policy is provided as an opportunity for us to share additional details on our animal welfare efforts and progress to date.

### OUR APPROACH TO ANIMAL WELFARE

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We fundamentally understand that animal welfare is not a singular issue for a single species, but rather, a set of holistic and comprehensive principles for all animals throughout their lifecycles. As a part of our *Sustainable Sourcing Policy*, we are currently working towards a number of animal welfare goals, which we plan to achieve fully by 2025 (unless an earlier date is otherwise noted). Our animal welfare goals seek to promote quality as well as the humane and ethical treatment of animals in our supply chain. When our goals are achieved, we will source broiler chickens, pigs, beef cattle, dairy cows, and laying hens only from suppliers who are committed to the “five freedoms” of animal welfare, which include:

- Freedom from hunger and thirst
- Freedom from living in discomfort
- Freedom from pain
- Freedom to express normal species behavior
- Freedom from fear and distress

In order to ensure these basic freedoms will be provided, we are partnering with our suppliers and animal welfare experts, such as World Animal Protection (WAP), to implement specific standards, goals, and guidance related to the advancement of animal welfare through our supply chain.

### Scope of Our Animal Welfare Commitments

Our animal welfare policy and related goals apply to our company-owned and operated restaurants and bakeries. As a popular and expanding restaurant company, we plan that any future concepts or businesses acquired and operated by us after January 1<sup>st</sup>, 2018, will comply with our animal welfare policy and the requirements of our *Sustainability Sourcing Policy* and the *Sustainability Code of Conduct* under the original timeline of eight years from date of full acquisition and operation.

## HIGHLIGHTS AND KEY SUCCESSES FROM 2018 & 2019

We are proud to highlight several key successes from the last reporting cycle, including:

- We developed species-specific key performance indicators (KPI's) to standardize and enhance our internal and external reporting related to animal welfare.
- We created species-specific *Supplier Implementation Guides*, which detail our animal welfare requirements and provide supporting resources for how ingredients and products are to be raised, transported, and harvested by our suppliers.
- We facilitated detailed supplier reporting and disclosure programs for pigs, beef cattle, dairy cows, broiler chickens, and laying hens.
- We initiated several projects with the Monterey Bay Aquarium Seafood Watch Program to reduce antibiotic and chemical usage for aquaculture seafood products.
- We extended our *Sustainable Sourcing Policy* and animal welfare commitments to Canada, with our newly opened company-owned restaurant in Toronto.

“It’s exciting to see The Cheesecake Factory extending its strong commitment to animal welfare to include their new company owned restaurant in Toronto, Canada. We were proud to support them in developing one the industry’s most comprehensive and holistic animal welfare policies. The meaningful commitments made by this iconic brand show the positive changes happening for animals across the industry. With this expansion, The Cheesecake Factory will ensure all animals are sourced to the same high standards set at its locations in the U.S.”

*World Animal Protection Canada*

## COLLABORATION & INNOVATION

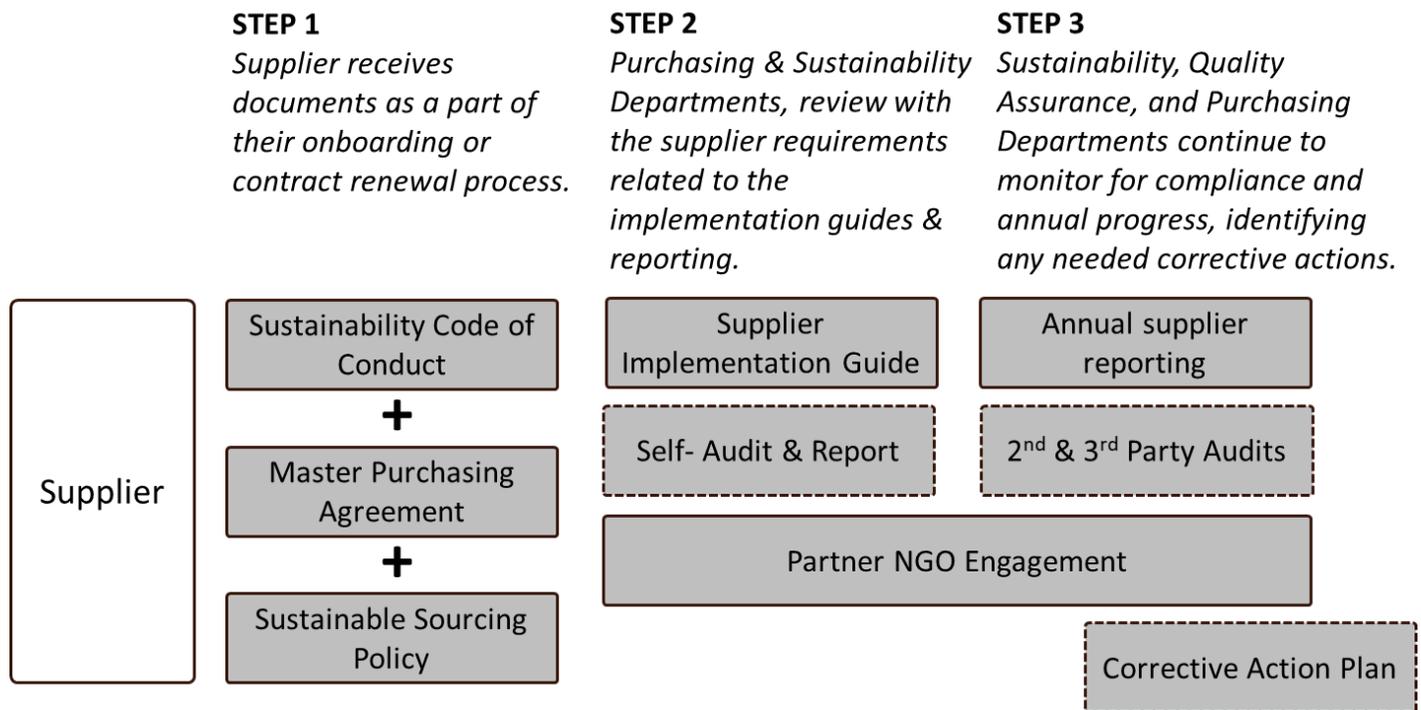
As a part of our efforts, we continue to work with a number of leading organizations, partners, industry groups, and stakeholders to implement and facilitate our animal welfare goals. This collaboration is important, as some of the animal welfare issues we would like our suppliers to address must happen at a broader industry level if our own goals are to be achieved. Additionally, given the multifaceted challenges of sustainable food production, it is important that in the pursuit of higher animal welfare standards, other significant tradeoffs such as environmental impacts do not occur. As such, we continue to collaborate with others across our industry, including:

- National Dairy Farm Program – Farmers Assuring Responsible Management (FARM)
- Certified Humane by Humane Farm Animal Care
- Global Animal Partnership
- National Pork Board
- National Restaurant Association – Sustainability Executive Session
- World Animal Protection
- Monterey Bay Aquarium – Seafood Watch
- Restaurant Roundtable for Sustainability

## TRAINING, AUDITING, AND NON-COMPLIANCE

We are continuing to source products from suppliers who adhere to industry programs such as the National Dairy Program – Farmers Assuring Responsible Management (FARM), Pork Quality Assurance Plus (PQA+), Beef Quality Assurance (BQA), National Chicken Council (NCC), United Egg Producers (UEP), Transport Quality Assurance (TQA), North American Meat Institute (NAMI), and others. We seek to continuously improve our approaches to animal welfare in our supply chain and have established a strong internal framework (shown in Figure 1 below) that allows us to leverage multiple direct touch points with our suppliers. Our Sustainability Department, which reports directly to the company President, plays the key role in supporting the day-to-day implementation of our animal welfare and sustainability policies, from working with animal welfare NGO’s, providing updates and direct reports to our senior management, to integrating animal welfare standards into supplier contracts with our Purchasing department or identifying suppliers at risk of non-compliance for additional animal welfare auditing and monitoring from our Quality Assurance department.

Figure 1 – Evaluation & Compliance Process



### Supplier Implementation Guides

In addition to providing our suppliers with clear information about our animal welfare policy commitments, our Supplier Implementation Guides detail specific management practices and supporting resources related to the animals under their care. These Supplier Implementation Guides (noted in step two above) contain several levels of requirements, which our suppliers are disclosing through self-audits, and we are tracking for compliance as part of our animal welfare policy.

Each *Supplier Implementation Guide* is species-specific and builds from leading resources such as Certified Humane by Humane Farm Animal Care, Global Animal Partnership, and best practices from industry groups such as the National Dairy Farm Program and others. The resources and practices described in the Supplier Implementation Guides were further developed and reviewed through a consultation process with World Animal Protection (WAP). The Supplier Implementation Guides focus on several key areas which we are working to achieve by 2025, including:

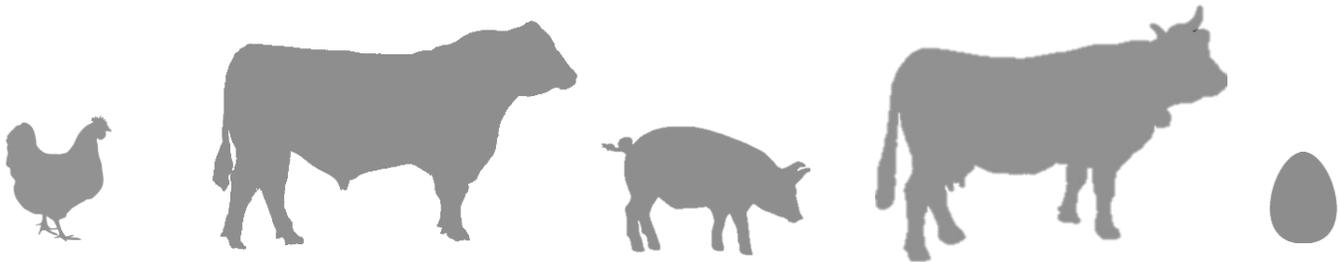
- ***Breed Selection*** – Breed selection can have multiple implications for the welfare of animals, operational management, and overall productivity; therefore, we are providing guidance to suppliers to ensure they are evaluating health and welfare and not just productivity when selecting breeds. The Supplier Implementation Guides require suppliers to source animals that have not been subject to genetic engineering or cloning.
- ***Feed, Water, Antibiotics, & Hormones*** – In order to promote positive health and welfare, the Supplier Implementation Guides require suppliers to provide a wholesome, holistic, and high-quality diet, free from hormones, growth promoters, and antibiotics. These guides also detail food and water withdrawal periods before loading, transport, and slaughter. While there are varying antibiotic standards, the Supplier Implementation Guides require our suppliers to adopt a no antibiotics ever program (NAE), whereby any animals receiving antibiotics will not enter our supply chain. It is important to note that we will never ask or support a producer withholding appropriate veterinary care from a sick or injured animal.
- ***Housing & Enrichments*** – We believe animals will show healthy growth, reduced rates of disease and lameness, and lower levels of aggressiveness when the housing types and environmental enrichments that are provided allow for greater freedom of movement and expression of natural behaviors, which in turn reduces the need for physical alterations. Accordingly, our Supplier Implementation Guides prohibit the use of production or confinement systems which do not meet certain specified animal welfare. Additionally, we are working to better understand and influence the future capital expenditures of suppliers related to housing types and design, so as to improve housing-related issues like air quality, freedom of movement, and access to natural light.
- ***Health & Management*** – A high degree of caring and responsible management is vital to ensure animal welfare. The Supplier Implementation Guides require that suppliers' management and key staff to be thoroughly trained and competent in animal husbandry and welfare and have a good working knowledge of their system and the animals under their care. Additionally, the Supplier Implementation Guides require suppliers and producers to have a written animal health plan, developed in consultation with a veterinarian that, depending on the species, includes monitoring and reporting on body condition scoring, rates of lameness, morbidity and mortality causes, euthanasia policies, stocking densities, foot pad dermatitis, vaccinations, and management strategies to minimize aggressiveness.
- ***Physical Alterations*** – Recent studies have demonstrated the need to perform physical alterations on animals can be greatly reduced or even eliminated by reducing overall stress, better managing housing densities, and providing environmental enrichments that allow animals to display natural behaviors. When physical alterations must be performed, the Supplier Implementation Guides require suppliers adhere to best practices related to the age of the animal, method used, provision of pain relief, and requiring express written permission from us for the practice to be performed.
- ***Handling & Transport*** – We believe animal handling and transport systems should be designed and implemented to minimize unnecessary distress or discomfort, and to provide adequate space and thermal comfort. Accordingly, the Supplier Implementation Guides require suppliers to keep the handling and transport of animals to an absolute minimum, and for personnel involved with handling and transport of animals to be thoroughly trained and competent to carry out the tasks required of them.
- ***Processing & Harvesting*** – The Supplier Implementation Guides require for animals to be slaughtered as soon as possible following arrival at a processing facility and to be slaughtered as close as possible to the point of rearing to minimize travel times. The guides require harvested animals to be stunned prior to processing, and we encourage the implementation of Controlled Atmosphere Stunning (CAS) and Video (CCTV) recording for processing facilities.

## 2025 ANIMAL WELFARE GOALS AND PERFORMANCE UPDATES

We realize the complexity of our supply chain requires us to work closely with our suppliers, vendors, and business partners to achieve our goals. As such, we recognize that our policy will be an ongoing journey - one where we are continually learning about the opportunities for and challenges to securing high quality, humane, and sustainable ingredients.

With this in mind, we would like to share an update on our progress related to our restaurants, the challenges we have encountered, and the future outlook for our efforts according to each species we currently source. For each animal welfare goal that is a part of our policy, we have detailed, by species: the current status (using the colored key at right), the specific goal language, our progress to date, and a snapshot of our future outlook. The presented information is based off of responses we have received from our suppliers this year as a part of our annual supplier reporting and auditing process. Please note that when our performance is denoted as a “percentage of supply” that this percentage is calculated based off of our annual volume for each specific category.

KEY	
	Completed
	In-Progress
	Delayed





## DAIRY COWS

STATUS	2025 GOAL	CURRENT PERFORMANCE TO GOAL	INSIGHTS & CHALLENGES
●	<p>Sourcing antibiotic-free dairy, defined as no-antibiotics ever (NAE). We will not support a supplier withholding appropriate veterinary care from a sick or injured animal, but once treated with antibiotics, these animals may not enter our supply chain.</p>	<ul style="list-style-type: none"> <li>▪ When antibiotics are to be provided due to ill health, then strict withdrawal periods must be met to ensure no traces of the medicine remain in the milk.</li> <li>▪ While our dairy suppliers have committed to responsible use of antibiotics with veterinary oversight, we are continuing to work with our suppliers to source no antibiotics ever (NAE).</li> </ul>	<ul style="list-style-type: none"> <li>▪ The majority of the food service and restaurant industry antibiotic goals are focused on eliminating antibiotics medically important to human use. The group of companies committed to NAE is significantly smaller. As such, we face challenges as our collective purchasing power is not yet large enough to sway larger producers and suppliers to pursue NAE if they are not already doing so. To address this, we are actively partnering with our producers and suppliers to build a phased approach around their commitments to phase out medically important antibiotics and actively establish a pathway to NAE production in alignment with our goals.</li> </ul>
●	<p>Phasing out physical alterations as a preventive measure, including for dairy cows: tail docking, dehorning, disbudding, and ear notching. When physical alterations are undertaken, pain management must be administered and/or best practices implemented.</p>	<ul style="list-style-type: none"> <li>▪ Tail Docking                             <ul style="list-style-type: none"> <li>▫ &gt;95% of our supply is free from tail docking.</li> </ul> </li> <li>▪ Dehorning &amp; Disbudding                             <ul style="list-style-type: none"> <li>▫ &lt;1% of our supply is free from dehorning or disbudding.</li> <li>▫ While the majority of our supply is subject to dehorning or disbudding, 76% of our supply is provided pain relief during the procedure.</li> </ul> </li> <li>▪ Ear Notching                             <ul style="list-style-type: none"> <li>▫ 72% of our supply is free from ear notching.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ We are working in tandem with our suppliers and animal welfare partners to better understand current and emerging best practices related to physical alterations.</li> </ul>
●	<p>Ensuring our dairy comes from suppliers who utilize a wholesome, quality, and holistic feed with no animal by-products.</p>	<ul style="list-style-type: none"> <li>▪ At present, approximately 72% of our supply meets this standard.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Given a wide range of feed practices from our suppliers, based on local conditions and product specifications, we are continuing to work with our suppliers to ensure their specific feed formulations and standards utilize high quality and holistic feed, and are working to verify the specific feed types being provided.</li> </ul>



## DAIRY COWS (CONTINUED)

STATUS	2025 GOAL	CURRENT PERFORMANCE TO GOAL	INSIGHTS & CHALLENGES
	<p>Sourcing dairy and dairy products free from rBST/rBGH.</p>	<ul style="list-style-type: none"> <li>▪ 76% of our supply is produced without the use of rBST/rBGH.</li> </ul>	<ul style="list-style-type: none"> <li>▪ We are continuing to work with our suppliers who may not be in direct control of their own dairy sourcing to increase the percentage of rBST/rBGH free dairy.</li> </ul>
	<p>Ensuring dairy cows have adequate space to move freely and eliminating the practice of tethering of cattle (except during milking or veterinary care).</p>	<ul style="list-style-type: none"> <li>▪ The majority of our sourced dairy products come from suppliers who adhere to the National Dairy Program – Farmers Assuring Responsible Management (FARM) program, helping to ensure that throughout their life, dairy cows are able to stand up, lie down, adopt normal resting postures and have visual contact with other animals, without risk of injury.</li> <li>▪ 23% of our supply comes from cows not tethered (except during milking or veterinary care).</li> </ul>	<ul style="list-style-type: none"> <li>▪ We are continuing to partner with our suppliers to develop strategies for further implementing improved animal welfare practices related to space requirements and tethering.</li> </ul>



## PIGS

STATUS	2025 GOAL	CURRENT PERFORMANCE TO GOAL	INSIGHTS & CHALLENGES
●	<p>Sourcing antibiotic-free pork, defined as no-antibiotics ever (NAE). We will not support a supplier withholding appropriate veterinary care from a sick or injured animal, but once treated with antibiotics, these animals may not enter our supply chain.</p>	<ul style="list-style-type: none"> <li>■ Our suppliers for pork are practicing responsible use of antibiotics with veterinary oversight.</li> <li>■ We are continuing to work with our suppliers to source no antibiotics ever (NAE).</li> </ul>	<ul style="list-style-type: none"> <li>■ The majority of the food service and restaurant industry antibiotic goals are focused on eliminating antibiotics medically important to human use. The group of companies committed to NAE is significantly smaller. As such, we face challenges as our collective purchasing power is not yet large enough to sway larger producers and suppliers to pursue NAE if they are not already doing so. To address this, we are actively partnering with our producers and suppliers to build a phased approach around their commitments to phase out medically important antibiotics and actively establish a pathway to NAE production in alignment with our goals.</li> </ul>
●	<p>Phasing out physical alterations as a preventive measure, including for pigs; tail docking, castration, teeth clipping, and ear notching. When physical alterations are undertaken, pain management must be administered and/or best practices implemented.</p>	<ul style="list-style-type: none"> <li>■ Tail Docking               <ul style="list-style-type: none"> <li>□ 11% of our supply is free from tail docking.</li> <li>□ 65% of our supply is subjected to tail docking at &lt;7 days of age.</li> <li>□ 49% of our supply that is subjected to tail docking is provided pain relief during the procedure.</li> </ul> </li> <li>■ Castration               <ul style="list-style-type: none"> <li>□ 29% of our supply is castrated at &lt; 3 days of age.</li> <li>□ 47% of our total supply is provided pain relief during the procedure.</li> </ul> </li> <li>■ Ear Notching &amp; Teeth Clipping               <ul style="list-style-type: none"> <li>□ &gt;95% of our supply is free from ear notching or teeth clipping.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ We are working in tandem with our suppliers and animal welfare partners to better understand current and emerging best practices, particularly around approved types of pain relief and proactive management strategies to help reduce or eliminate the need for physical alterations. This includes several pilot projects implemented by suppliers to test non-surgical castration of boars.</li> </ul>
●	<p>Sourcing pigs free from added growth hormones and growth promoters.</p>	<ul style="list-style-type: none"> <li>■ At present, 47% of our supply is raised without growth hormones and promoters.</li> </ul>	<ul style="list-style-type: none"> <li>■ We are continuing to work with our suppliers to better understand strategies and challenges to sourcing product free from growth hormones and promoters, particularly beta-agonists like ractopamine.</li> </ul>



## PIGS (CONTINUED)

STATUS	2025 GOAL	CURRENT PERFORMANCE TO GOAL	INSIGHTS & CHALLENGES
	<p>Eliminating pig gestation crates from our supply chain by 2020.</p>	<ul style="list-style-type: none"> <li>▪ 16% of our supply is raised without the use of gestation crates at all.</li> <li>▪ 9% of our supply is raised in gestation crates for &lt; 28 days.</li> <li>▪ 29% of our supply is raised in gestation crates for &lt;45 days.</li> </ul>	<ul style="list-style-type: none"> <li>▪ We are continuing to work with our suppliers to phase out gestation crates/stalls where they are still in use and are also working to learn more from our suppliers who have been able to successfully transition to no use (zero days) of gestation crates/stalls.</li> <li>▪ A challenge we continue to encounter is that there is not a commonly applied definition of gestation crate free in the industry or amongst our peers. While we believe gestation crate free to be zero days, some producers and peer companies define 30-60 days of sow confinement as “gestation crate free” or have switched to “group sow housing” with an undefined number of days of gestation crate use. Since this was not our intent, we are building from the currently recommended average of less than 28 days and are continuing to work with our suppliers towards zero days.</li> </ul>
	<p>Ensuring all pigs are housed in a group pen setting from birth as appropriate and are provided environmental enrichments.</p>	<ul style="list-style-type: none"> <li>▪ At present, the majority of our supplier’s house pigs in group housing.</li> <li>▪ Farrowing               <ul style="list-style-type: none"> <li>▫ 75% of our supply is housed in farrowing crates for on average 21 days.</li> <li>▫ 2% of our supply is housed in farrowing pens for on average 16 days.</li> </ul> </li> <li>▪ Environmental Enrichments               <ul style="list-style-type: none"> <li>▫ 5% of our supply is provided enrichments including hanging toys, ropes, chains, bar-mounts, movable objects, and straw.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ The continued uncertainty and challenges with the current trade climate is making a number of producers reluctant to invest in new infrastructure or improved housing, and as a result, changes to farrowing and gestation crates/stalls, or certain environmental enrichments are more difficult.</li> </ul>
	<p>Ensuring our pigs come from suppliers who utilize a wholesome, quality, and holistic feed with no animal by-products.</p>	<ul style="list-style-type: none"> <li>▪ At present, approximately 47% of our supply meets this standard.</li> </ul>	<ul style="list-style-type: none"> <li>▪ We are continuing to work with our suppliers to ensure high quality and holistic feed and are working to further understand and verify the specific feed types provided.</li> </ul>



## PIGS (CONTINUED)

STATUS	2025 GOAL	CURRENT PERFORMANCE TO GOAL	INSIGHTS & CHALLENGES
●	Ensuring that during transport, pigs are handled by trained staff using low stress handling techniques and that there is adequate space and thermal comfort for animals. Any sick, or injured animals, or animals that may have difficulty withstanding transport may not be transported without veterinary treatment.	<ul style="list-style-type: none"> <li>▪ We understand live animal transport creates stress for the animals, and so we ask our suppliers to implement training and programs (<i>Pork Quality Assurance (PQA +)</i>, <i>Transport Quality Assurance (TQA)</i>, <i>Pork Avenue</i>, etc...). 78% of our supply is transported under these programs.</li> <li>▪ 36% of our supply is transported to slaughter in under 8 hours.</li> </ul>	<ul style="list-style-type: none"> <li>▪ We are continuing to partner with our suppliers to gain visibility into the transportation process, and to work with them on strategies and practices that lower stress levels and improve comfort for animals being transported to processing facilities.</li> </ul>
●	Ensuring humane practices, such as controlled atmosphere stunning (CAS) or controlled atmosphere killing (CAK), are utilized prior to harvest, and support tools such as live video monitoring to ensure humane processing.	<ul style="list-style-type: none"> <li>▪ Animals harvested by our suppliers and vendors are required to be rendered unconscious prior to slaughter in order for them to be insensible to pain and distress until death.</li> <li>▪ 34% of our supply comes from CAS (CO2 stunning) facilities, with &gt;99% under NAMI guidelines.</li> </ul>	<ul style="list-style-type: none"> <li>▪ We are continuing to encourage our suppliers to utilize and invest in controlled atmosphere stunning (CAS) and are encouraging the continued adoption and use of third-party remote video monitoring for both sow farms and processing facilities.</li> </ul>



## BEEF CATTLE

STATUS	2025 GOAL	CURRENT PERFORMANCE TO GOAL	INSIGHTS & CHALLENGES
	<p>Sourcing antibiotic-free cattle, defined as no-antibiotics ever (NAE). We will not support a supplier withholding appropriate veterinary care from a sick or injured animal, but once treated with antibiotics, these animals may not enter our supply chain.</p>	<ul style="list-style-type: none"> <li>▪ Our suppliers for cattle are practicing responsible use of antibiotics with veterinary oversight.</li> <li>▪ We are continuing to work with our suppliers to source no antibiotics ever (NAE).</li> </ul>	<ul style="list-style-type: none"> <li>▪ The majority of the food service and restaurant industry antibiotic goals are focused on eliminating antibiotics medically important to human use. The group of companies committed to NAE is significantly smaller. As such, we face challenges as our collective purchasing power is not yet large enough to sway larger producers and suppliers to pursue NAE if they are not already doing so. To address this, we are actively partnering with our producers and suppliers to build a phased approach around their commitments to phase out medically important antibiotics and actively establish a pathway to NAE production in alignment with our goals.</li> </ul>
	<p>Phasing out physical alterations as a preventive measure, including for beef cattle: dehorning, disbudding, ear notching, and castration. When physical alterations are undertaken, pain management must be administered and/or best practices implemented.</p>	<ul style="list-style-type: none"> <li>▪ Dehorning/Disbudding &amp; Castration                             <ul style="list-style-type: none"> <li>▫ &lt;1% of our supply that is subjected to dehorning, disbudding, or castration is provided pain relief during the procedure.</li> </ul> </li> <li>▪ Tail Docking and Ear Notching                             <ul style="list-style-type: none"> <li>▫ &gt;90% of our supply is free from tail docking or ear notching.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ We will continue to partner with our suppliers to develop strategies for further implementing improved welfare practices related to physical alternations.</li> </ul>
	<p>Sourcing beef cattle free from added growth hormones and growth promoters.</p>	<ul style="list-style-type: none"> <li>▪ &lt;1% of our supply is raised without use of growth hormones or promoters.</li> </ul>	<ul style="list-style-type: none"> <li>▪ We are continuing to learn from suppliers who are raising beef cattle without the use of growth hormones and promoters, so that we can bring their efforts to our other beef cattle suppliers.</li> </ul>



## BEEF CATTLE (CONTINUED)

STATUS	2025 GOAL	CURRENT PERFORMANCE TO GOAL	INSIGHTS & CHALLENGES
●	Ensuring our cattle come from suppliers who utilize a wholesome, quality, and holistic feed with no animal by-products.	<ul style="list-style-type: none"> <li>▪ At present, approximately 37% of our supply meets this standard.</li> </ul>	<ul style="list-style-type: none"> <li>▪ We are continuing to work with our suppliers to ensure high quality and holistic feed and are working to verify the specific feed types provided.</li> </ul>
●	Ensuring that during transport, animals are handled by trained staff using low stress handling techniques and there is adequate space and thermal comfort for animals. Any sick, or injured animals, or animals that may have difficulty withstanding transport may not be transported without veterinary treatment.	<ul style="list-style-type: none"> <li>▪ Over 50% of our beef suppliers adhere to North American Meat Institute (NAMI) as well as the Beef Quality Assurance (BQA) standards, National Cattlemen’s Beef Association (NCBA) certification program and others that train staff in handling, care, and transport.</li> <li>▪ 47% of our supply is transported to slaughter in under 8 hours.</li> </ul>	<ul style="list-style-type: none"> <li>▪ We are continuing to partner with our suppliers to gain visibility into the transportation process. Specifically, we are working to better understand the transportation and journey times to processing facilities, so as to better monitor and minimize pre-slaughter transport times, in line with expert animal welfare guidance.</li> </ul>
●	Ensuring humane practices, such as controlled atmosphere stunning (CAS) or controlled atmosphere killing (CAK), are utilized prior to harvest, and support tools such as live video monitoring to ensure humane processing.	<ul style="list-style-type: none"> <li>▪ Animals including both beef cattle and dairy cows harvested for us by our suppliers and vendors are required to be rendered unconscious prior to slaughter so that they are insensible to pain and distress before death.</li> <li>▪ The majority of our beef cattle are processed at facilities which include 3<sup>rd</sup> party remote video auditing (RVA) of animal welfare practices.</li> </ul>	<ul style="list-style-type: none"> <li>▪ We are working to better understand new research and best practices related to humane processing and are encouraging the continued adoption and use of third-party remote video auditing across the industry.</li> </ul>



## LAYING HENS

STATUS	2025 GOAL	CURRENT PERFORMANCE TO GOAL	INSIGHTS & CHALLENGES
●	Sourcing antibiotic-free eggs, defined as no-antibiotics ever (NAE). We will not support a supplier withholding appropriate veterinary care from a sick or injured animal, but once treated with antibiotics, these animals may not enter our supply chain.	<ul style="list-style-type: none"> <li>▪ At present, antibiotics are used only occasionally for disease prevention and treatment and when used, are used responsibly and with veterinary oversight.</li> <li>▪ Approximately 5% of our supply is confirmed to have never been administered antibiotics.</li> </ul>	<ul style="list-style-type: none"> <li>▪ While these current efforts are an important step, we are continuing to work with our suppliers to source no antibiotics ever (NAE) products.</li> </ul>
●	Phasing out physical alterations as a preventive measure, including for laying hens: beak trimming, dubbing, de-spurring, and de-toeing. When physical alterations are undertaken, pain management must be administered and/or best practices implemented.	<ul style="list-style-type: none"> <li>▪ At present all of our egg supply comes from hens that are beak trimmed, generally with infra-red at 1-day of age or precision trimming at 9 days.</li> </ul>	<ul style="list-style-type: none"> <li>▪ We are working with our suppliers to better inventory their current debeaking practices so as to develop strategies to identify and prevent incidences of feather pecking and cannibalism quickly.</li> </ul>
●	Sourcing 100% cage-free eggs for restaurant operations by 2020, and for bakery operations by 2025.	<ul style="list-style-type: none"> <li>▪ 41% of our supply of shell eggs are cage-free (19% restaurant and bakery wide), and we continue to work on our liquid supply for our restaurants and bakery.</li> <li>▪ Additionally, a number of suppliers have also switched to cage-free eggs for products where eggs are a sub-ingredient.</li> </ul>	<ul style="list-style-type: none"> <li>▪ We are on track to achieve 100% cage-free eggs by the end of 2020 for our restaurants and 2025 for our bakery and are working with our suppliers as contracts come up for renewal or signature to increase the percentage of cage-free eggs.</li> </ul>
●	Offering environmental enrichments (such as perches, litter, and pecking objects) for egg laying hens.	<ul style="list-style-type: none"> <li>▪ 18% of our supply is provided with enrichments, such as perches, litter, hanging alfalfa, and nest pads, all of which are provided at 1 day of age (except nest pads).</li> <li>▪ 7% of our supply is provided with natural light.</li> </ul>	<ul style="list-style-type: none"> <li>▪ We are continuing to work with our suppliers and partners to better determine the most effective enrichments as well as the best flock age to introduce enrichments.</li> </ul>
●	Ensuring our eggs from laying hens come from suppliers who utilize a wholesome, quality, and holistic feed with no animal by-products.	<ul style="list-style-type: none"> <li>▪ At present, approximately 79% of our supply meets this standard.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Our suppliers currently provide a nutritious diet specifically designed to meet each hen's age-related needs and we are further working with them to ensure high quality and holistic feed.</li> </ul>



## BROILER CHICKENS

STATUS	2025 GOAL	CURRENT PERFORMANCE TO GOAL	INSIGHTS & CHALLENGES
	<p>Sourcing antibiotic-free broiler chickens, defined as no-antibiotics ever (NAE). We will not support a supplier withholding appropriate veterinary care from a sick or injured animal, but once treated with antibiotics, these animals may not enter our supply chain.</p>	<ul style="list-style-type: none"> <li>▪ Our suppliers for broiler chickens are practicing responsible use of antibiotics with veterinary oversight.</li> <li>▪ We are continuing to work with our suppliers to source no antibiotics ever (NAE).</li> </ul>	<ul style="list-style-type: none"> <li>▪ The majority of the food service and restaurant industry antibiotic goals are focused on eliminating antibiotics medically important to human use. The group of companies committed to NAE is significantly smaller. As such, we face challenges as our collective purchasing power is not yet large enough to sway larger producers and suppliers to pursue NAE if they are not already doing so. To address this, we are actively partnering with our producers and suppliers to build a phased approach around their commitments to phase out medically important antibiotics and actively establish a pathway to NAE production in alignment with our goals.</li> </ul>
	<p>Phasing out physical alterations as a preventive measure including: beak trimming, dubbing, caponization, de-spurring, and de-toeing. When physical alterations are undertaken, pain management must be administered and/or best practices implemented.</p>	<ul style="list-style-type: none"> <li>▪ Beak Modifications                             <ul style="list-style-type: none"> <li>▫ 57% of our supply has no beak modifications performed.</li> <li>▫ 42% of our supply has their beaks trimmed using infra-red, with not more than 1/3 of the beak removed.</li> </ul> </li> <li>▪ No other physical alterations are performed on &gt;95% of our broiler chicken supply.</li> </ul>	<ul style="list-style-type: none"> <li>▪ We are working with our suppliers to better understand their use of physical alterations and to assess the potential implications from using slower growing breeds.</li> </ul>
	<p>Ensuring that during transport, animals are handled by trained staff using low stress handling techniques and there is adequate space and thermal comfort for animals. Any sick or injured animals or animals that may have difficulty withstanding transport may not be transported without veterinary treatment.</p>	<ul style="list-style-type: none"> <li>▪ We ask suppliers to ensure staff responsible for transportation and transport equipment be trained in the proper handling of birds when catching, loading, unloading, and while in transit. Additionally, several of our suppliers have implemented third-party remote video auditing (RVA) programs to help monitor live bird handling.</li> <li>▪ 57% of our supply is transported to slaughter in under 8 hours.</li> </ul>	<ul style="list-style-type: none"> <li>▪ We are continuing to partner with our suppliers to gain visibility into the transportation process.</li> </ul>



## BROILER CHICKENS (CONTINUED)

STATUS	2025 GOAL	CURRENT PERFORMANCE TO GOAL	INSIGHTS & CHALLENGES
●	Ensuring our broiler chickens come from suppliers who utilize a wholesome, quality, and holistic feed with no animal by-products.	<ul style="list-style-type: none"> <li>▪ At present, approximately 58% of our supply meets this standard.</li> </ul>	Our suppliers currently provide a nutritious diet specifically designed to meet each birds age-related needs and we are further working with them to ensure high quality and holistic feed.
<i>In alignment with Global Animal Partnership (GAP) 5-Step™ Animal Welfare Rating Standards for Chickens Raised for Meat v2.0, we are committed to:</i>			
●	Purchasing broiler chickens raised without the use of fast-growing practices or breeds.	<ul style="list-style-type: none"> <li>▪ Breeds               <ul style="list-style-type: none"> <li>▫ 35% of our supply comes from slower growth breeds and/or practices.</li> </ul> </li> <li>▪ Density               <ul style="list-style-type: none"> <li>▫ 35% of our supply is stocked at a density of ≤6 lbs. per sq. ft.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ We are currently working, as are many in the industry, to better identify and define slower growing breeds and practices.</li> </ul>
●	Lowering the maximum stocking density for broiler chickens to be equal to or less than 6 pounds per square foot within supplier’s operations.		
●	Offering environmental enrichments (such as lighting, perches, litter, and pecking objects) for broiler chickens.	<ul style="list-style-type: none"> <li>▪ 20% of our supply is provided with environmental enrichments, with these enrichments generally provided within the first week.</li> <li>▪ 20% of our supply is raised in production facilities with natural light.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Several of our suppliers are conducting pilot programs to better determine the most effective enrichments as well as the best flock age to introduce enrichments.</li> </ul>
●	Expanding humane slaughter practices of CAS/CAK to include the elimination of live shackling or live dumping.	<ul style="list-style-type: none"> <li>▪ Animals harvested by our suppliers and vendors are required to be rendered unconscious prior to slaughter in order for them to be insensible to pain and distress before death.</li> <li>▪ &lt;1% of our supply comes from CAS (CO2 stunning) facilities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ We are continuing to encourage our suppliers to utilize and invest in CAS, with several suppliers currently planning to transition to CAS by 2022.</li> </ul>

## VEAL CALVES

STATUS	2025 GOAL	CURRENT PERFORMANCE TO GOAL	INSIGHTS & CHALLENGES
●	Eliminating the use of confinement crates for veal calves by 2017.	<ul style="list-style-type: none"> <li>▪ At present, we do not source veal or veal products. However, we understand that as an innovative company, we are constantly updating and evolving our menu. Should we source veal or veal product in the future, we will source from producers that do not utilize confinement crates.</li> </ul>	