



Animal Welfare Policy

Background

Allbirds believes all animals should be treated humanely and is committed to ensuring a high level of animal welfare within our supply chains. We are committed to using responsibly sourced raw materials including the use of products derived from animals.

This policy seeks to uphold our commitment to animal welfare principles for all wool products that we source. We are committed to working with our suppliers to raise awareness of animal welfare issues with the aim to achieve better conditions for all animals involved in and impacted by our supply chain. We also believe that a high level of animal welfare has a positive impact on farms, reinforcing their economic sustainability, performance, and competitiveness.

Scope

Wool is one of Allbirds' most important raw materials and is currently the only animal fiber Allbirds uses in its products. Allbirds requires all of our wool to be certified to the highest standards in animal welfare (e.g., ZQ Certification, Responsible Wool Standard (RWS)). Therefore, this policy aims to summarize the requirements of those standards. This policy covers Allbirds products that contain any wool fiber. The scope includes all main fabrics/textiles, linings, trims, and componentry.

Objectives

This policy is intended to:

- Outline principles and guidelines around the sourcing of wool fiber.
- Ensure that appropriate due diligence is undertaken with regards to the sourcing of wool products in relation to animal welfare.
- Outline a set of principles around the sourcing of wool fiber into products that must be adhered to by all Allbirds business units.
- Outline Allbirds commitment to only source wool from sheep that have not been mulesed.
- To ensure Allbirds can substantiate any marketing claims for wool products with sustainability claims.

Guiding Principles

While the Five Freedoms (freedom from hunger and thirst; freedom from discomfort; freedom from pain, injury, or disease; freedom to express normal behavior; freedom from fear and distress) have formed the basis of, and guided animal welfare standards for years, our approach to animal welfare has evolved.

The Five Domains¹; Nutrition; Environment; Health; Behavior; Mental State – in line with the latest scientific research, recognizes that animal welfare must go beyond meeting the basic needs of animals to ensuring that an animal's emotional or mental state is also considered. Allbirds will continue to work with our suppliers to commit to working towards adoption of the Five Domains for all animals in the supply chain.

In addition to the Five Domains, Allbirds recognizes the following principles in the responsible sourcing of wool: Animal Welfare, Land Management, Social Responsibility, and Traceability, as outlined below.

Animal Welfare

Growers must comply with all Regulatory Codes of Welfare and all applicable National, State and/or Regional Animal Welfare Legislation for the country in which the wool is produced. In the instance where the Allbirds program requirements are more stringent, Allbirds program requirements must be met.

In addition to adhering to the Five Domains of Animal Welfare, growers are held to the below principles in their Animal Welfare program:

- **Animal Health Treatments and Records:** Allbirds encourages the maintenance of good animal health, low levels of stress, and to minimize infection and disease risk. This is achieved through good husbandry practices and effective stock and pasture management. All growers should have a written Animal Health Plan for all farmed animals, which identifies animal health challenges, health procedures, and appropriate plans for any animals suffering from health problems.
- **Stock Management:** Animals should be monitored regularly for signs of weight loss, aggression, sickness, disease, mistreatment, exhaustion, and several other conditions that do not support the Five Domains of Animal Welfare.
- **Animal Husbandry:** Husbandry practices should be carried out in a manner that minimizes

¹ Mellor, D.J., Beausoleil, N.J., Littlewood, K.E., McLean, A.N., McGreevy, P.D., Jones, B., Wilkins, C. 2020. The 2020 Five Domains Model: Including human-animal interactions in assessments of animal welfare. *Animals* 10, no.10 : 1870.

pain and distress to the animal before, during and after these activities. Animal husbandry procedures are only carried out where necessary, as part of a considered Animal Health Plan.

- Breeding: A breeding strategy should be in place which considers suitable stock selection for the farm type and climate conditions.
- On-Farm Slaughter and Euthanasia Best Practice: *Humane Slaughter - Good practice guidelines for the on-farm slaughter of sheep* should be followed. Care should be taken to avoid the slaughter of sheep in view of other animals except where unavoidable. Severing or breaking of the spinal cord is prohibited.
- Prohibited Procedures: Mulesing is prohibited. Routine electroejaculation i.e., use of an electric probe to stimulate semen production, is prohibited as an artificial breeding procedure. Embryotomy i.e., the dissection and removal of a live lamb fetus which cannot be delivered naturally is prohibited.
- Live Export of Sheep: International live export of sheep for slaughter is not permitted. Knowingly selling sheep to traders or brokers who intend to export them offshore for slaughter is also prohibited.

Land Management

Allbirds recognizes the importance of protecting the environment in which our growers farm. Growers should develop systems that result in the production of high-quality wool fiber while minimizing their impact on the environment. This includes, but is not limited to:

- Planning and Awareness: Growers are encouraged to address environmental issues through regular and ongoing planning
- Healthy Soil: Growers should understand the importance of soil health, the ability of soils to sustain plant growth and methods for the reversal of soil erosion and on-going protection of topsoils.
- Biodiversity: Growers should understand what factors may have an impact on their land and have plans in place to mitigate risks.
- Healthy Waterways and Water Bodies: Growers should understand the potential impacts of the biodiversity of their land and have strategies in place to minimize damage to aquatic ecosystems and waterways, actively encouraging conservation.
- Nutrient Management: Growers should understand and comply with all legislative requirements with respect to nutrient management and responsible application.
- Responsible Management of Hazardous Substances and Waste: Growers should understand that hazardous substances and waste are to be disposed of responsibly and in accordance with legal requirements.

- Greenhouse Gas Emissions Management: Growers should understand and comply with all legislative requirements with respect to Greenhouse Gas (GHG) emissions management.

Traceability

ZQ and RWS-Certified wool is traceable back to its farms, who must maintain certification through audits by third-party Certification and Assessment Bodies.

Allbirds maintains traceability of ZQ wool through the following guardrails:

- ZQ farms only sell to preferred manufacturing partners.
- Allbirds requests a ZQ Certificate of Authenticity from ZQ to show wool purchases on an annual cadence.

RWS follows Textile Exchange's Content Claim Standard (CCS), which includes, but is not limited to:

- Verifying that chain of custody principles are followed at each stage of production.
- Tracking the passage of raw materials from source to final product, addressing the product journey, documentation, volume reconciliations, and segregation of materials and products.

Social Responsibility for Growers

Allbirds seeks to support and respect the protection of internationally proclaimed human rights and make sure there is no complicity in human rights abuses of workers at the sheep farms. The program seeks to:

- Uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Eliminate all forms of forced and compulsory labor.
- Abolition of child labor.
- Elimination of discrimination in respect of employment and occupation.

Regenerative Agriculture and ZQRX Wool

Like all animals, sheep emit methane, a potent greenhouse gas, as they live and breathe. Sheep also come with a lot of land, and if we use that land right, it offers an important tool in the fight against climate change. We believe that with proper agricultural management, wool can be low-carbon or carbon-negative, where soil and vegetation can sequester more carbon emissions than the sheep produce. This is why regenerative agriculture is an essential part of Allbirds' animal welfare program.

Our goal is to source 100% of wool from regenerative sources by 2025. To help realize this potential, we've partnered with New Zealand Merino to launch the ZQRX framework, a scientific index to help growers continuously improve environmental and human outcomes. Together, we've brought on 499 farms.

In addition to adhering to ZQ Certification principles, the following principles must be met to source ZQRX wool:

- ZQRX growers must first be ZQ certified.
- ZQRX growers are committed to continuous improvement beyond sustainability.
- ZQRX growers are measured against the RX framework for growers to track progress over time across the whole farm system: environment, animals, and people.
- ZQRX growers receive support to measure and manage carbon emissions.
- ZQRX growers receive support to implement regenerative land management principles.

Implementation

This Policy is managed by the Allbirds Sustainability team in partnership with other key functions. The Oversight of the Animal Welfare Policy and its implementation is managed by the Allbirds Sustainability team. The Allbirds Material team is responsible for sourcing animal fibers that align with this Policy and ensuring material suppliers have the appropriate documentation to meet our Traceability requirements. The Sustainability team reports into the Chief Operating Officer and the Material team reports into the Chief Brand and Product Officer.

Allbirds Sourcing Commitments: 2025 Targets

- Allbirds will source 100% of wool from regenerative sources.
- Allbirds will reduce or sequester 100% of annual CO₂e emissions from wool.
- Allbirds will continue to work with our suppliers to enhance traceability at all levels of the supply chain.
- Allbirds will closely monitor animal welfare textiles certifications to ensure continuous improvement and will work collaboratively with our suppliers to strengthen the effectiveness of the standards.
- Allbirds commits to an annual review of objectives and targets and commits to reporting publicly on progress and challenges.
- Allbirds commits to reviewing this policy with external stakeholders regularly to ensure that the policy remains appropriate and current.
- Allbirds commits to join multi-stakeholder initiatives to keep up to date with industry advances in animal welfare and help to drive industry solutions.

If you have any questions about this policy, please contact: sustainability@allbirds.com.

____ *Joe Vernachio* _____

Authorized Representative of Allbirds, Inc.

____ COO _____

Title of Representative of Allbirds, Inc.

____ 3/2/23 _____

Date