To:

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February 6th, 2025

Dear Mr. Jgwani,

We are writing to follow up with IFC on the Alvoar project, a dairy project in Brazil.

In 2023, when the project was proposed, we raised concerns with you in a <u>letter</u> from April 26th, and we had a call with you on July 5th, 2023, to discuss these in more detail. Several of the concerns we raised were related to the ESAP. In addition, during our call we raised animal welfare concerns as we shared the findings of our on the <u>ground investigation</u> into Alvoar's practices. We made several proposals regarding demands that IFC could make to Alvoar to improve its practices.

The actions detailed in the ESAP should by now be all completed. In addition, the proposals made by Sinergia, listed in the Annex, all had deadlines by 2025. We would therefore like to take stock to see if/how these have been implemented.

Alvoar's <u>Sustainability Policy</u>, available on its website, was last reviewed on July 4th, 2024. While it has a number of guidelines, it does not have clear criteria, thresholds nor timelines.

As we could not find additional information on their website, and the company is not responsive to our communications, we kindly ask you to share with us an update on the progress of the implementation of the ESAP actions, and the proposals made by Sinergia.

In particular, we are keen to know if Alvoar developed a comprehensive supply chain management system, containing all the elements described in the ESAP, and if an independent auditor has been hired to verify the effectiveness of the supply chain risk screening platform and verification system after the first year of this investment.

We would also like to ask if Alvoar has included any animal welfare criteria in its supply chain

management system to address the issues we uncovered, and if it has adopted any of the other measures suggested by Sinergia Animal.

In addition, we kindly ask if you can clarify what are the minimum animal welfare requirements IFC has established for this project. IFC has stated that it requires Global GAP certification for all animal agriculture projects, but since Global Gap no longer certifies animal agriculture projects, we would like to confirm which system has been used to substitute it.

Kind regards,

Merel van der Mark Animal Welfare and Finance Program Sinergia Animal

Annex

Sinergia Animal proposals regarding Alvoar:

- By 2025, Alvoar will train all its suppliers and make it mandatory that non-ambulatory and other unfit animals must be promptly and humanely euthanized on-site. All veterinarian authorizations for euthanasia will be kept and checked during audits"
- Alvoar is committed to phasing out close confinement and permanent tethering systems for all farm animals, including crates or tie stalls. By 2030, our suppliers will only have free stall barns, group housing, yards or pens.
- By 2025, Alvoar will ensure newborn animals are not transported to be sold until they are sufficiently hardly, eg adequate body weights and a dry umbilicus
- By 2023, Alvoar will ensure newborns' dairy animals receive and adequate quantity of colostrum or, if this is not possible, an appropriate substitute. Calves should preferably be fed their first colostrum within one hour of birth
- By 2025, Alvoar will ensure that all its suppliers keep records of sales and donations of male calves. These records will be maintained, in order to stop illegal slaughter, identify risk factors and improve calf management
- By 2025, Alvoar will ensure no dehorning is carried out. Major efforts in genetic improvement will be done to achieve this goal. If it has to be done, anesthesia and pain killers must be used.
- In all slaughterhouses killing animals supplied by Alvoar supplier farms, animals will be handled, restrained, rendered unconscious until death, and slaughtered in the least distressing and most pain-free manner possible by trained and competent staff.