



Sonic's Animal Welfare Goals and Mission

Sonic believes that handling animals in a humane manner, and preventing neglect or abuse, is our corporate responsibility and quite simply, the right thing to do.

Although Sonic is a restaurant company, and as such, does not raise, handle, own, transport or process animals, Sonic strongly supports and believes that it is our obligation to ensure that each of our suppliers meets or exceeds established government regulations and recognized industry guidelines for the humane treatment and handling of farm production animals.

Sonic's Policies and Practices

The humane treatment of livestock results in a better quality product for our guests. We fully expect and require all of our suppliers to utilize the highest industry standards when dealing with livestock. We encourage programs and actions that facilitate continuous improvement over the long-term. Sonic believes that programs developed on an understanding of the issues, using science-based policies and standards, are typically more successful and sustainable in the long-term.

Sonic asks all suppliers to focus on two key areas so that they will have a successful animal welfare program: Training and auditing. The key elements to humane treatment of animals lie in effective education, employee awareness and ongoing verification of practices.

Proper training for employees is critical in maintaining an effective animal welfare program. Sonic suppliers that are directly responsible for the raising, handling or slaughter of farm production animals should be trained to understand humane animal-handling practices that are based on credible science and industry standards. As well, frequent re-training is necessary to keep employees up-to-date with scientific understanding and current industry standards.

Auditing, as a means to verify practices, should be validated by self or internal audits and independent third-party audits. Self-auditing of core criteria should

occur on a regular schedule. Different species have different criteria which are typically identified by their respective trade organizations and endorsed by subject matter experts, for example the American Meat Institute for beef or the National Chicken Council for chickens. It is vital to document the findings of the internal audits. Beginning January 2010, Sonic will require all suppliers to undergo third-party animal welfare audits which will be conducted by properly trained auditors from a recognized auditing firm. The third-party audits will be conducted at least annually. Audit results are reviewed by Sonic on an annual basis although all audits are available for review by Sonic at any time.

Animal Handling and Welfare Audit and Verification

The foundation of Sonic's animal welfare program is based on a comprehensive third-party audit system for beef, poultry, and pork processing plants. These systems are based on credible scientific animal behavior research and consist of specific technical standards for animal treatment including a detailed set of guidelines for measuring compliance.

In general, independent third-party audit company criteria for the beef and pork animal welfare audits are based on critical control point criteria and audit forms for humane slaughter and handling that Temple Grandin, Ph.D., of Colorado State University's animal science department, developed for the American Meat Institute. Dr. Grandin developed tools to verify housing, handling, transporting and termination guidelines for animal welfare and these programs have become the industry standard.

The poultry welfare audit used by the majority of independent third-party audit firms was developed in conjunction with James Marion, Ph.D. of Auburn University and the National Chicken Council.

Certified third-party auditors undergo extensive training in slaughter operations and standardized audit criteria, encompassing guidelines from leading retailers and associations.

In the event of non-compliance of Sonic's animal welfare audit program, which is based on industry/species-specific slaughter criteria, Sonic believes that suppliers should have an opportunity to improve. Sonic will continue to work with such suppliers if their performance does come into compliance with our animal welfare standards within a reasonable timeframe. Companies that continue to fail to meet Sonic's animal welfare guidelines will be excluded from its supply chain.

Current Priorities

Several major animal welfare issues are currently being addressed by the industry and Sonic.

- **Controlled-Atmosphere Stunning (CAS)** - CAS technology for the slaughter of chickens is currently unavailable in the United States and all Sonic chicken products are sourced from U.S. farms. Moving forward, Sonic will challenge its poultry suppliers to convert to an animal welfare-friendly controlled atmosphere killing system (CAS) provided such systems are economically viable, commercially scalable and meet all other Sonic product specifications, or Sonic will favor suppliers converting to CAS poultry systems. (**Note:** Animal welfare-friendly is defined as no dumping or shackling live birds and using inert gases or a multi-stage CO₂ system.)
- **Sow Housing** – The pork industry is moving away from the practice of confining sows in gestation crates to housing them in group pens and Sonic supports this change. At least 8% of Sonic's pork products come from suppliers who no longer confine breeding hogs in gestation crates. Sonic's five-year target is to double the current percentage sourced from suppliers who do not use gestation crates, increasing an average of 1.5% annually, to a minimum of 16% gestation crate-free pork by 2016 and continue to increase that usage over time. Sonic will favor suppliers that raise hogs in a gestation crate-free environment and that can provide audit and tracking reports for sourcing crate-free pork.
- **Laying Hens** – Sonic's animal welfare requirement for egg suppliers is to meet United Egg Producer (UEP) standards for housing and other poultry practices. Sonic does not support the withdrawal of food or water to facilitate molting or support improperly controlled and/or managed beak trimming. Beginning in 2010, more than one million *SuperSONIC*[®] Breakfast Burritos will be made with cage-free eggs as Sonic will source at least 1% cage-free eggs, and will increase 1% annually to achieve 5% cage-free eggs in 2015.

Continued Commitment

Sonic continues to work together with government and industry leaders to seek opportunities for continuous improvement and the enhancement of science-based humane animal handling standards. In addition, Sonic supports the

adoption of improvements in areas that result in more humane conditions for animals used for the production of food.

We continue to focus our efforts toward humane farm animal production practices, humane animal transport practices and humane slaughter practices.

Conclusion

Sonic has the opportunity and responsibility to ensure proper handling and treatment of the farm production animals we purchase. We take that responsibility very seriously which is why we monitor our suppliers on an ongoing basis. Sonic will only conduct business with supply partners who maintain high quality and food-safety standards, and suppliers that also share our commitment to animal welfare.