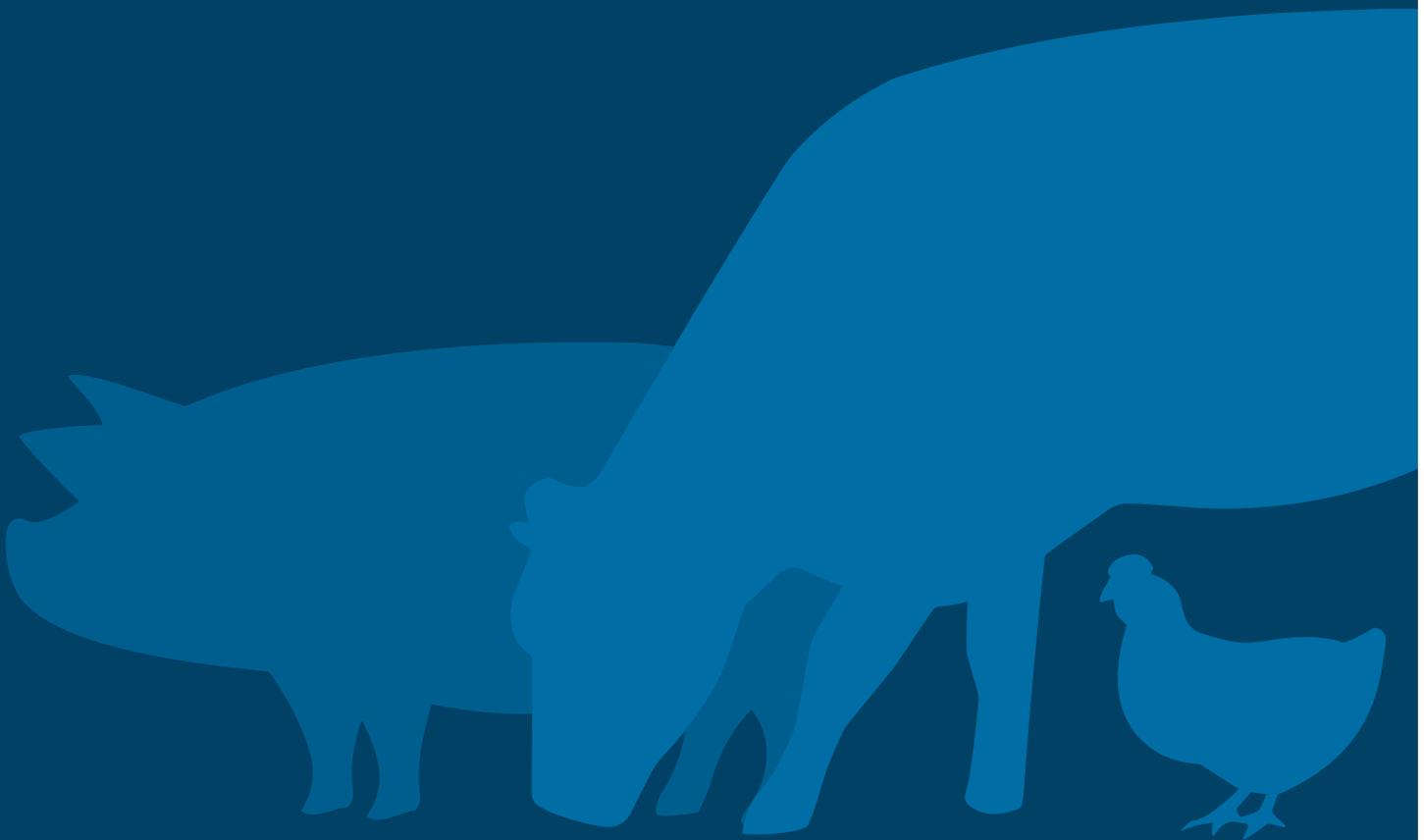




International Animal Welfare **Purchasing** **Policy**



June 2021

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The International Animal Welfare Purchasing Policy is available in German, English and further languages. In case of deviations between the versions, the English document will prevail.

“Our daily decisions have an influence along the entire supply chain. The ALDI Nord Group of Companies is committed to safe and socially responsible working conditions as well as for the protection of the environment, its natural resources and animals.”

For this reason, ALDI Nord has developed this this Animal Welfare Purchasing Policy, which defines our animal welfare standards in all ALDI Nord countries.

The International Animal Welfare Purchasing Policy is published on our [website](#).

1. OUR ASPIRATION

We support the 17 United Nations Sustainable Development Goals (SDGs) and want to play our part in achieving them. As part of our strategic thinking and materiality processes, we continuously evaluate our work based on the SDGs. Through participation in initiatives and through targeted actions in our supply chain, we are contributing to the achievement of the SDGs on animal welfare. It is our goal to make positive contributions to the animal welfare development.

In the area of animal-based products, the SDGs call for measures that have a positive impact on the welfare of farm animals.

Our aspiration is for all our private label products being produced in a sustainable manner. We consider environmental and social criteria, including animal welfare, throughout our product supply chains – from raw materials to final production.



2. OUR APPROACH

The aim of ALDI Nord's animal welfare commitment is to further advance the level of animal welfare in the production of our goods in the defined area of application, beyond the legislative level. The health and well-being of the animals have a high priority. We would like to raise our customers and ALDI employees' awareness of animal welfare aspects through our assortments, transparency, activities, and proactive dialogue.

Our requirements are based on the „Five Provisions“ by David J. Mellor (2016):

- **Good nutrition:** provide ready access to fresh water and a diet to maintain full health and vigour.
- **Good environment:** provide shade/shelter or suitable housing, good air quality and comfortable resting areas.
- **Good health:** prevent or rapidly diagnose and treat disease and injury, and foster good muscle tone, posture and cardiorespiratory function.
- **Appropriate behaviour:** provide sufficient space, proper facilities, congenial company and appropriately varied conditions.
- **Positive mental experiences:** provide safe, congenial and species-appropriate opportunities to have pleasurable experiences.

3. SCOPE OF APPLICATION

This International Animal Welfare Purchasing Policy formulates our binding claim to our daily actions and our business partners. It is applicable in all ALDI Nord countries. The validity ends with the publication of an updated version.

The International Animal Welfare Purchasing Policy applies to all our food and non-food private label products with animal raw materials and related to animal welfare. It applies in particular to the following product groups:

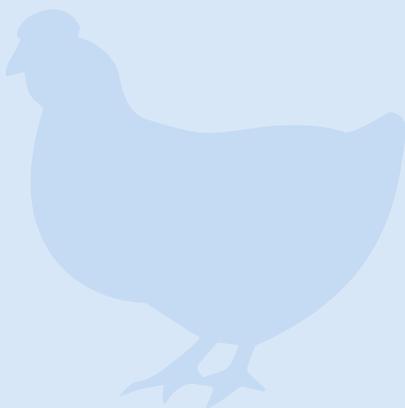
Food products:

- Meat and poultry products
- Eggs
- Products with processed eggs
- Milk and dairy products
- Products with coconut

Non-food products:

- Garment and home textiles, small leather goods and shoes
- Cosmetics and body care

Further commodity groups or products may be added to the scope of the International Animal Welfare Purchasing Policy at any time. For our ranges of fish and seafood products offered, we have defined specialized Purchasing Policies for Fish and Seafood.



4. RAISING THE BAR IN OUR ASSORTMENTS

As one of the largest retailers in the EU, we have a special responsibility to meet the challenges in the area of animal welfare. In this context, constant exchange with our suppliers and animal welfare-oriented stakeholders is a key element in order to keep an eye on current developments and to be able to respond to challenges.

4.1 General requirements for our private label articles

On the basis of this continuous dialogue, ALDI Nord has defined the following voluntary commitments and requirements that are essential to improving our animal welfare-based supply chains:

- We expect that animals used in the production of our meat and poultry products are stunned prior to slaughter. The stunning method used must ensure animals are unconscious and insensible to pain until death.
- The use of hormone growth promotants and antibiotics as growth stimulants, beyond the therapeutic level, is prohibited.
- For our fresh meat products, we demand that a maximum transport duration of 8 hours for mammals and 12 hours for poultry is binding.
- We call on our suppliers to refrain from using monkeys in the harvesting of coconut-containing products.
- We exclude the trade of certain products within the framework of our animal welfare-oriented product range. We therefore refrain from trading in animal raw materials or products listed in our negative list:
 - Meat from cloned or genetically modified animals and their offspring. Cloning is a process that produces genetically identical individuals without genetic modification.
 - Real fur products
 - Horse meat from outside the EU
 - Angora wool
 - Alpaca wool
 - Mohair
 - Raw materials of exotic (e.g. kangaroo, zebra, alligator) or endangered animal species (Information on conservation status can be obtained from CITES (Convention on the International Trade of Endangered Species) and the IUCN Red List)
- We are committed to sourcing 100% of our shell eggs and egg ingredients from cage free (including small group or enriched cages) supply chains by 2025 at the latest.
- We promote the sale of animal welfare and organic products in our assortments. These products are clearly labelled with the EU organic label or other animal welfare certifications, which are visible on the packaging, in our stores and in our advertising materials.

- We offer and continuously expand our range of vegetarian and vegan products as alternatives to animal-based products at affordable prices. We support our customers, shopping with a focus on vegetarian and vegan products, by labelling corresponding products with the appropriate certification. It is our goal to introduce a private label for vegetarian and vegan products in all ALDI countries. Furthermore, all newly sourced/ listed vegetarian and vegan products will be labelled with the V-label or the vegan flower in all ALDI companies, from 2021 onwards. More information about our activities regarding vegetarian and vegan nutrition and our development in this area can be found in our [sustainability report](#).
- We take animal welfare aspects into account when designing our product range.

4.2 Requirements for Non-Food Articles

4.2.1 Textiles

- ALDI Nord affirms its permanent commitment to animal welfare in the sourcing of non-food products, striving to achieve higher levels of welfare and product quality. Alongside this International Purchasing Policy, ALDI Nord promotes the purchase of articles with certified fibres from standards prioritizing animal welfare, as well as to support the use of sustainable alternatives over animal fibres. Our engagement to implement transparency measures aims to reduce the risk of animal mistreatment in our non-food supply chain.

- We signed the 'Fur Free Declaration' issued by the Fur Free Retailer Program.
- For our products containing sheep wool, we exclude the use of mulesing practices.
- We already use and promote the use of certified fibres according to the Responsible Wool Standard (RWS) and the GOTS, for our private products made of sheep wool.
- All our products containing downs and/or feathers (e.g. textiles, bed linen) are certified according to RDS, Global TDS, Downpass 2017.
- We exclude live-plucking and force-feeding for products containing down or feathers as components (e.g. garments and bedding). We only accept merchandise from producers which regularly undergo independent audits in order to prove compliance with our requirements.

4.2.2 Cosmetics and Body Care

- Our end products in the field of cosmetics and body care are not tested on animals.
- We do not trade cosmetic products containing mink oil.



5. TRANSPARENCY AND TRACEABILITY

- We create transparency along the supply chain, e.g. with the ALDI Transparency Code (ATC), and continuously engage to extend traceability in our supply chains. Our business partners must provide ALDI Nord with this information immediately upon request and have appropriate information systems in place for this purpose.
- We label products on their packaging, in our advertising material and in our sales outlets in a simple and clear manner, e.g. with a seal or certificate, for the optimal orientation of our customers.
- For articles made of leather or with leather components, we currently demand traceability back to the tannery through a valid LWG Certificate.
- We strive to achieve complete traceability for all types of leather in the long term.
- We regularly publish our progress in meeting the above challenges.

6. PARTNER FOR CHANGE

- With our animal welfare activities, we pursue the goal of raising the level of animal welfare beyond the level required by law. In doing so, we are guided by what is economically and scientifically feasible. We are in dialogue with national and international organizations about what is necessary to enhance animal welfare in our production chains.
- We constantly follow the scientific and social progress and adapt our requirements accordingly.
- Wherever possible, we participate in the definition and continuous development of industry standards and are involved in relevant animal welfare initiatives and/or animal welfare networks. Thus, we promote constructive exchange to improve animal welfare.
- We do not only demand this from ourselves, but also expect a proactive animal welfare commitment of our business partners.
- We are in close dialogue with our suppliers about our animal welfare requirements and expect them to adhere to the standards mentioned above and to ensure compliance also from all sub-suppliers throughout the entire supply chain. When considering new targets and intending to move forward in a particular direction, we contact them to discuss options and offer further information.

7. PROACTIVE DIALOGUE

- We communicate proactively with our stakeholders and provide transparent information. After all, improving animal welfare can only be achieved through joint action by all stakeholders, such as farmers, processing companies, trade, inspection bodies, authorities, politicians, scientists, consumers and non-governmental organizations.
- In all ALDI countries we are open for dialogue with national NGOs and other organizations, e.g. Compassion in World Farming (CIWF), Animal Equality and local animal welfare organizations – either directly or through sector or multi-stakeholder initiatives.
- We are a reliable partner for our customers. Labels on our products as well as communication measures on our website, in our stores and advertising material increase our customers' awareness of the topic of animal welfare and support them in taking animal welfare aspects into account in their daily consumption choices.
- We conduct a training course on our International Animal Welfare Purchasing Policy and national policies, which informs new relevant ALDI employees in the purchasing and sustainability departments about the latest and most important issues in this area. In addition, we discuss current developments directly with the responsible colleagues in the buying departments (or other relevant departments).
- We continuously review the development of our sustainable product ranges based on the targets defined in our purchasing policies and position statements. In order to monitor progress, we carry out supplier surveys in addition to audits.

8. COMMITMENT TO SOCIAL STANDARDS

As business partners, our suppliers and their producers are obliged to comply with relevant social standards. These are based on the core standards of the ILO (International Labour Organization), and the UN Declaration of Human Rights as well as other transnational, independent guidelines and cover the following issues, among others:

- Avoidance of any kind of forced labour or child labour
- Rejection of discrimination at the workplace
- Guidelines on the regulation of wages and working hours corresponding to national or international legislation and standards
- Ensuring freedom of association as well as the right to collective bargaining

Since 2008, ALDI has been a member of amfori (formerly Foreign Trade Association, FTA). amfori participants commit to the improvement of working conditions in their respective supply chains, to compliance with environmental guidelines, and to the creation of structures for ensuring adherence to social standards in production. The amfori Business Social Compliance Initiative (BSCI) Code of Conduct in its most recent version serves as a minimum social standard and is a binding part of our General Terms and Conditions.

9. ENFORCEMENT

- All ALDI Nord suppliers of animal raw materials and products containing animal raw materials will be informed of the International Purchasing Policy taking effect. The suppliers contractually undertake to comply with these requirements when placing an order.
- We only work with business partners who act in accordance with our International Animal Welfare Purchasing Policy. It is an essential part of our suppliers' contract. In the event of non-compliance with our requirements, appropriate sanctions will be imposed. As an ultimate step, the business relationship may be terminated.
- The implementation of measures and targets in the daily business is coordinated by our animal welfare team established within the Corporate Responsibility department – involving the buying and quality assurance departments as well as our business partners.

- All CR departments in the ALDI Nord companies are in close contact with each other. The ALDI Nord countries can further develop and implement our general claim into specific requirements at their own discretion.

For further information on the specific commitments and goals defined by the individual ALDI Nord companies, please refer to our national Animal Welfare Policies and our national websites.

Our animal welfare principles are regularly reviewed and, if necessary, updated.

For further information on our CR activities please visit our website:

<https://www.aldi-nord.de/unternehmen/verantwortung.html>

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