

National Animal Welfare Purchasing Policy



Version: July 2016

To concretize the International Animal Welfare Purchasing Policy, ALDI Nord has developed a National Animal Welfare Purchasing Policy which illustrates the current commitment and defines the measures and targets of ALDI Nord with regard to the five areas of focus: product range selection geared to animal welfare, transparency and traceability, inspections and audits, contribution to animal welfare and proactive dialogue.

The National Animal Welfare Purchasing Policy applies to all products from our own food and non-food brands containing animal-based raw materials.

Product range selection geared to animal welfare

We strictly design our product range while taking animal welfare matters into account. The following measures have already been implemented:

- We sell organic products with the Organic Logo of the EU in food groups with animal-based raw materials under our own organic brand. Besides better protection of the environment, organic products indicate that the animals have more opportunity for species-appropriate behaviour.
- We have contractually agreed that no meat and no down or feathers from force-feeding and live plucking are supplied to us or processed in our products. Here, we are guided, among other things, by the 'Positive List of Geese Producers' from the animal protection association Four Paws.
- We contractually exclude the practice of mulesing in sheep.
- We offer fresh meat originating exclusively from animals that were effectively stunned before slaughter.
- We offer cheese i. a. made from meadow-grazed milk. Furthermore, we offer regional meadow-grazed milk in our stores in Schleswig-Holstein. The milk for both products is sourced exclusively from grazing with the cows pastured for at least six hours a day for a period of 120 days per year. In the scope of our special-buy products ('ALDI aktuell' articles), we offer fresh meat from Irish grazing cattle.

- We will oppose the application of antibiotics in livestock farming exceeding a medically necessary level in order to prevent resistance against pathogens in humans and animals. Prevention and hygiene are the most effective means to prevent bacterial diseases. The application of reserve antibiotics used in human medicine is to be abandoned in livestock farming as far as practicable.
- We offer products containing animal-based raw materials with certification, e.g.:
 - We sell fish and seafood that bear the MSC and ASC seals, which ensure sustainability throughout the entire supply chain for fish and seafood from wild-caught stocks and aquaculture (e.g. use of environmentally-friendly methods of catching wild fish, responsible handling of fish stocks). Also, we only sell preserved tuna that bears the 'Dolphin Safe' label. We have developed a Fish Purchasing Policy for our range of fish and seafood.
 - We help our customers to follow a vegetarian or vegan diet by offering them corresponding products bearing the 'V-Label' from the registered association Vegetarierbund Deutschland e.V.. The label informs customers whether a product is vegetarian or vegan. Moreover, we have introduced our own brand 'Mein Veggie Tag' for vegetarian and vegan products in our range.
 - We only sell eggs from barn, free-range and organic farming with certification for the alternative hen-rearing systems (KAT certification). ALDI Nord stopped selling eggs from hens reared in battery cages and small-group housing systems for reasons of animal welfare in 2004 – the first company within German food retail to do so. Eggs processed in products with a significant egg content are almost exclusively from barn farming. For our commitment in the product range 'eggs', we were awarded with the 'Good Egg Award 2016' by the NGO 'Compassion in World Farming.'
 - In the scope of our special-buy products ('ALDI aktuell' articles), we offer a range of certified natural cosmetics (e.g. with BDIH certification).
 - We require that all our German suppliers of fresh meat are system partners in the QS inspection system. Moreover, since June 2016, the scope of this requirement is being extended to include the commodity group of cold cuts. The QS inspection system defines binding requirements that go beyond the legal regulations for every stage in the food chain – starting with the animal feed industry and farming, slaughter and processing through to food retail. Only foods that have been produced and marketed in line with QS requirements bear the QS certification mark. The QS certification mark thus stands for controlled animal feed, controlled animal welfare matters, needs-based feeding, verifiable traceability and the strict monitoring of hygiene measures.
 - In Germany, we use the 'Ohne GenTechnik' seal (ohne Gentechnik = no genetic engineering) from the 'Verband Lebensmittel ohne Gentechnik' (VLOG – Industry Association Food without Genetic Engineering) for food which has been deliberately produced without the application of genetic engineering. This labelling gives consumers assurance that when they purchase products like milk, meat or eggs, they are not buying products originating from animals that have been fed with feedstock made from genetically modified organisms, or that the prescribed feeding times relevant to the species of animal have been complied with before the manufacture of food.

- We do not sell certain animal-based raw materials as part of our product range selection geared to animal welfare:
 - We signed the 'Fur Free Declaration' by the Fur Free Retailer Program in 2015 and thus also make a public commitment to not selling real fur goods.
 - We do not sell any products made from angora wool.
 - We do not sell any rabbit meat.
 - We do not sell quail or their eggs.
 - We do not sell kangaroo meat.
 - We do not sell materials originating from exotic animal species.
 - We do not sell lobster, eel or shark (e.g. 'Schillerlocke', curled strips of smoked rock salmon). Furthermore, we do not sell any fish species that are categorised on international species protection lists as 'endangered and protected' or 'partially protected' or that do not fulfil the requirements of our internal sustainability inspection. Detailed information can be found in our Fish Purchasing Policy.
 - We do not source any meat from cattle delivered to the slaughterhouse in an advanced stadium of pregnancy (third trimester), unless the slaughter was effected on the basis of medical indication. In such a case, a respective certificate issued by the farm veterinarian in charge is to be presented to the slaughterhouse without delay.
 - We do not sell cosmetics containing mink oil.
 - We do not sell any products made from genetically modified and/or cloned animals and their descendants.

We set ourselves the following **objectives** in this area:

- We will increase the proportion of organic products in our product range.
- We will expand our range of fish products that are certified as sustainable.
- We will continue to expand our range of vegetarian and vegan products with the 'V-Label' certification from Vegetarierbund Deutschland e.V..
- We will require that our suppliers refrain from using avoidable small quantities of animal components in our products.
- From 2021 at the latest, we will refrain from using any eggs from hens reared in battery cages and small-group housing systems in 100% of our processed egg products with a significant content of eggs.
- In 2017, we will continuously cease the sale of eggs from laying hens with trimmed beaks.
- We consider extending the range of meadow-grazed milk to further regions in Germany in co-operation with our suppliers.

- From 2017, we will not sell any fresh pork (except for organic meat) from castrated animals as an alternative to piglet castration without anesthesia and thus commit ourselves to the practice of boar fattening.

- We consider excluding the sourcing of fresh meat from cattle in calf, irrespective of the stadium of pregnancy (all trimesters), unless the slaughter was effected on the basis of medical indication. We expect all our suppliers to take proactive measures on this issue.

- We will formulate minimum requirements for products with animal-based raw materials, among other things, in the fields of husbandry, feeding, transportation, slaughtering and the use of antibiotics and set down these minimum requirements in our supplier contracts.

Transparency and traceability

We make our supply chain transparent and ensure the complete traceability of our products.

- We expect the complete traceability of the origin of our products, as stipulated by law, as this is a key aspect of ensuring increased animal welfare. Beyond the level required by law, our business partners must provide ALDI Nord with this information and information about animal welfare matters immediately upon request and have established suitable procedures for this purpose.
- We request batch-specific origin data for raw materials from our suppliers for select meat and meat-containing products. For these products, our customers find a QR code and an ALDI Transparency Code (ATC) on the packaging which allow access to more detailed information about the selected product on the ATC platform. The ATC platform is available to our customers on our website.
- For fish, seafood and food containing fish and seafood from wild-caught stocks and aquaculture, we offer detailed information via our fish labelling on the respective product packaging. Where possible, in addition to the information required by law, the precise fishing equipment, the date of capture and the aquaculture method are stated.
- Our fresh chicken and turkey products are '5D-Ware' ('D' for Germany). This guarantees that all production stages take place in Germany. The animals and their parents must hatch and grow up in Germany, be fed with feed from German feed mills and be slaughtered and processed in Germany.
- We label products that bear a seal or certificate clearly on the packaging, in our advertising and in our retail outlets for the orientation of our customers.
- We only procure fresh meat from Brazil from slaughterhouses that have joined the 'Cattle Agreement'¹. We can thus rule out any association with the deforestation of the Amazon, where countless animal species live. Furthermore, social aspects such as the exclusion of forced labour, the respecting of the rights of indigenous people and the ban on land theft are taken into account.

We set ourselves the following **objectives** in this area:

- We will expand the use of QR and ATC codes to further products with animal-based raw materials (e.g. eggs, fish and seafood) in order to make these available on the ATC platform.
- We strive for the traceability of leather and lambskin from the tannery through to breeding.

¹ 'Minimum Criteria for Industrial Scale Cattle Operations in the Brazilian Amazon Biome'

Inspections and audits

We inspect and audit our business partners to ensure our quality and responsibility commitments towards our customers.

- Among other things, we obligate our business partners to maintain written documentation of inspections relating to compliance with legal regulations, industry standards and specific ALDI Nord requirements. We expect our suppliers to be able to provide us with evidence of the regular performance of inspections at any time.
- We also undertake unannounced on-the-spot visits on a random basis to inspect the available documentation and to comply with legal regulations as well as industry standards and specific ALDI Nord requirements. Where required, we commission external, qualified third parties. Such on-the-spot visits include the inspection of animal husbandry, feeding, housing (farm, slaughterhouse), transportation, stunning and other species-specific requirements.
- Besides the obligation to comply with the BSCI Code of Conduct, we have also bound our suppliers of meat and sausage products to comply with the code of conduct from the central association of the German meat industry (Verband der Fleischwirtschaft e.V.) in order to ensure appropriate social standards for any staff employed in that industry.

We set ourselves the following **objective** in this area:

- We will expand the application of inspection and certification systems as well as our own standards that go beyond the level required by law and cover animal welfare matters.

Contribution to animal welfare

With our animal welfare activities, we pursue the objective of increasing the animal welfare standard beyond the level required by law. In doing so, we act in accordance with what is economically and scientifically feasible.

- We are committed as one of the founding members in the voluntary and cross-industry animal welfare initiative ('Initiative Tierwohl') in the pork and poultry industry. The members of the initiative come from farming, the meat industry and the food retail business. The alliance avows itself to increased sustainability and responsibility in livestock farming and, together, expands market-wide standards that go beyond the law. We advocate the idea of including more animal species, such as cattle, to comprehensively improve the animal welfare standards in this area as well.
- We also expect our business partners to be proactively involved in development and continuous advancement of industry standards as well as being committed to initiatives and networks or their own projects on animal welfare matters.
- We work with our business partners to jointly achieve an improvement in animal welfare. For instance, some suppliers are actively involved in projects relating to beak trimming or piglet castration/boar fattening.

We set ourselves the following **objectives** in this area:

- We will expand our active participation in relevant animal welfare initiatives and animal welfare networks to strengthen our commitment to animal welfare.
- We will expand collaboration with suppliers to jointly achieve improvements in animal welfare, e.g. on the topic of slaughtering pregnant cattle, dehorning cattle and docking pigs' tails.

Proactive dialogue

We engage in a proactive and transparent dialogue with our stakeholders and, in particular, are a reliable point of contact for our customers.

- We boost awareness of animal welfare among our customers. We do this by indicating our animal welfare commitment (e.g. with seals and certifications) on our products, our website, in our retail outlets and in our advertising.
- We continuously inform our employees about our animal welfare commitment.

We set ourselves the following **objectives** in this area:

- We will regularly inform our employees about animal welfare matters.
- We will also continuously expand the dialogue with all other relevant stakeholders.