



# National Animal Welfare Purchasing Policy



## Our commitment

ALDI<sup>1</sup> is convinced that economic success entails the assumption of responsibility for people and the environment. By means of our actions, we intend to contribute to a sustainable positive development wherever we are able to make a difference.

Sustainable purchasing policies are of vital importance in this respect. Consequently, we also publically face our responsibility as large retailers throughout our global supply chains and for the resources used for the production of our merchandise. We consider environmental and social criteria, including animal welfare, throughout our entire supply chains – from raw material procurement to final production.

We articulate our requirements and objectives clearly to all our business partners. In the event that our binding objectives are not fulfilled, we rigorously monitor their future implementation and develop concrete measures for improving production processes in cooperation with our business partners. We only cooperate with business partners who conduct their business in accordance with our corporate purchasing policies. For certain cases, we reserve the right to impose sanctions – up to the termination of the relevant business relationship.

### **Our common goal:**

to make sustainable products the standard for retailers and consumers alike.

<sup>1</sup> 'ALDI' refers to the ALDI North Group (hereinafter also referred to as 'ALDI North') and the ALDI SOUTH Group (hereinafter also referred to as 'ALDI SOUTH'). These two groups are separate legal groups of companies carrying out their retail business under the ALDI brand.

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This National Animal Welfare Purchasing Policy is available in German and English.  
In case of deviations between both versions, the German document will prevail.

For the sake of improved readability, we use the singular they in this document, meaning that all terms such as 'business partner', always refer to both male and female persons.

# 1. Background

ALDI's commitment to animal welfare is based on our understanding of quality and responsibility as well as the fact that we offer a large number of animal-based raw materials and products containing processed animal-based raw materials. For this reason, we aim to promote more humane and sustainable husbandry conditions in livestock farming at a large scale. Our overall objective is to additionally offer our customers such products in all of our stores.

In order to specify our International Animal Welfare Purchasing Policies in greater detail, we have developed the present National Animal Welfare Purchasing Policy for Germany which constitutes a binding framework for us and our business partners.

Our Animal Welfare Purchasing Policy applies to all our relevant food and non-food private label products containing animal-based raw materials. With regard to our food commodity groups, it especially applies to meat products manufactured from all animal species, eggs and products containing processed eggs, as well as milk and dairy products. With regard to our non-food commodity groups, our Animal Welfare Purchasing Policy mainly applies to textiles, small leather goods, footwear, health and beauty products, as well as detergents and cleaners. For our range of fish and seafood products offered, we have defined specialised Purchasing Policies for Fish and Seafood (for ALDI North [\[→\]](#) and ALDI SOUTH [\[→\]](#)).

Our Animal Welfare Purchasing Policy outlines our commitment so far and defines objectives regarding the five key areas of product range selection geared to animal welfare, transparency and traceability, inspections and audits, contribution to animal welfare, and proactive dialogue.

We define our requirements 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.

Our animal welfare teams established within our Corporate Responsibility departments, control the implementation of these requirements and objectives within the scope of our daily business operations in coordination with our Buying and Quality Assurance departments and our business partners. Moreover, we closely interact with the foreign ALDI companies in all our countries of operation.

This Animal Welfare Purchasing Policy is reviewed and adjusted as necessary on an annual basis. The managements and other persons of responsibility are given regular status updates on the implementation and goal achievement with regard to this Animal Welfare Purchasing Policy.

ALDI North and ALDI SOUTH have published their International and National Animal Welfare Purchasing Policies and further information on this subject on their websites ALDI North [\[→\]](#) and ALDI SOUTH [\[→\]](#).

## 2. Product range selections geared to animal welfare

It is our general principle to consider animal welfare and sustainability-related aspects when developing our product ranges.

### 2.1. General requirements and objectives for food/non-food products

- We continuously review our product ranges with regard to relevant animal welfare-related aspects in order to develop our product ranges based on the latest **scientific findings and experiences**. Wherever possible, we consider the recommendations made by external experts and the expectations of relevant stakeholder groups.
- In addition to conventional and ecological animal-based products, we also offer our customers products of our **'Fair & Gut' (fair and good) animal welfare private label** [→]. This 'Fair & Gut' private label combines the requirements of various animal welfare standards which exceed the statutory requirements, meaning that the relevant products are produced under improved animal welfare-related conditions. At the same time, we use this private label and the related long-term contracts concluded as a means of support for farmers who are required to put in additional effort, for example for erecting new or larger stables/pens, providing their animals with additional outside areas for roaming, or feeding their animals GMO-free animal feed.
- In all relevant food product groups where animal-based raw materials are used, we also offer **organic products** [→]. We ensure that these products are clearly recognisable due to the EU organic seal displayed on the packaging, in our stores, as well as in our advertising materials and the fact that these products are mainly offered under our 'GutBio' (ALDI North) and 'Bio' (ALDI SOUTH) private labels. In addition to improved environmental protection, organic products also comprise requirements for the animals to be provided with additional opportunities to exhibit appropriate behaviour, for example by offering them additional space. We are continuously extending our range of organic products. In the sales areas of ALDI North and ALDI SOUTH in Germany, we occupied the positions of no. 1 organic food product retailers in 2017.
- We are committed to reducing the use of **antibiotics in livestock farming** beyond the therapeutically necessary doses in order to prevent that microorganisms develop a resistance to antibiotics. Animals should only be treated with antibiotics following written approval by a veterinarian as a reaction to a certain threat to the health of the animal concerned and the treatment should be administered by a person who is qualified accordingly. Prevention and hygiene are among the most effective measures available for avoiding bacterial infections. Wherever possible, the application of reserve antibiotics used in human medicine should be avoided. As stipulated by law, we prohibit the use of **growth hormones** throughout our supply chains.

- We require all of our German suppliers of fresh meat products to be a system partner of the **QS inspection scheme** [→]. Wherever possible, we also extend this requirement to our foreign suppliers. Moreover, this requirement will also be extended to include our cold cuts and deep frozen meat commodity groups. The QS inspection scheme defines compulsory requirements for each stage of the food supply chain which in part exceed the applicable legal standards – from animal feed producers, agricultural farms, slaughterhouses, and meat processors right up to the food retail sector. Only those food products which were manufactured and marketed in accordance with the requirements of the QS inspection scheme may carry the QS seal. Therefore, the QS seal guarantees controlled animal feed, controlled animal welfare aspects, needs-based feeding, proven traceability, and strict monitoring of hygienic measures.
- In Germany, we label food products which were deliberately produced without GMO with the '**Ohne GenTechnik**' (no genetic engineering) seal awarded by the food association 'Verband Lebensmittel ohne Gentechnik e. V. ' (VLOG – Industry Association Food without Genetic Engineering) [→]. Consequently, consumers can be assured that all products of animal origin, which carry this seal, such as milk, meat, or eggs, originate from animals which were not fed with GM (genetically modified) animal feed and/or that the prescribed feeding times for each species prior to food production were complied with.
- We sell fresh meat and products, which contain meat, and originate from Germany only from those animals that were **effectively stunned before slaughter**, as stipulated by law.
- We require our supplier to comply with the legal regulations on **transport duration** (max. 8 hours). Moreover, we explicitly promote a ban on the **export of live animals to third countries**.
- As a result of monocultures, the use of pesticides, and insufficient habitat, a large portion of the wild bee species living in Germany is endangered. We are committed to reducing the use of **substances toxic to bees** throughout our supply chains for fresh fruits and vegetables, flowers and plants. For example, we have banned the direct use of 8 active substances (chlorpyrifos, clothianidin, cypermethrin, deltamethrin, fipronil, imidacloprid, sulfoxaflor, and thiamethoxam) in the cultivation of fruits, vegetables, potatoes, as well as cut flowers and ornamental plants in Germany. Furthermore, we also do not offer any pesticides or insecticides, which contain substances toxic to bees.
- Moreover, ALDI SOUTH fosters the '**BienenBlütenReich**' (**bee blossoms realm**) project for the creation of habitats for blossom pollinating insects and the '**Blüte, Biene, Nützling**' (**blossom bee beneficial insect**) project for the promotion of beneficial insects on agricultural cultivation areas in collaboration with 'Netzwerk Blühende Landschaft' (network for flourishing landscape), a German NGO.

- All of the animal feed offered under our private labels has been developed without **animal testing**. We strive for all of our relevant suppliers to be listed in the exclusion list maintained by the NGO PETA [→].
- We deliberately abstain from offering animal-based raw-materials and/or products specified in our **negative list**:
  - foie gras
  - meat of rabbits
  - meat of genetically modified and/or cloned animals or their offspring
  - quails and quail eggs
  - products containing real fur
  - angora wool
  - mohair
  - animal-based raw materials of exotic or endangered species (e.g. kangaroos).

#### We have committed to the following objectives:

- We continue to expand the proportion of **organic animal products** in our ranges of products, depending on demand and availability.
- We will extend our ranges of **'Fair & Gut'** products manufactured under improved animal welfare-related conditions.
- We will define **minimum requirements** for products containing relevant animal-based raw materials, for example with regard to husbandry, animal feed, transport, slaughter, and the application of antibiotics and to make these **minimum requirements** components of the contracts concluded with our suppliers.
- We commit to excluding the performance of **painful surgical practices** on animals, for example cauterisation of the horn buds of calves, without effective pre-stunning and/or sedation.



## 2.2. Requirements and objectives for poultry

### Chicken and turkey

- Since 1 January 2015, we have been paying a set amount of money (initially, EUR ct 4, since 2018, EUR ct 6.25) to the '**Initiative Tierwohl**' (**animal welfare initiative**) [→] for each kilogram of poultry meat and cold cuts sold. The relevant funds are used to support farmers who implement defined animal welfare-related criteria (e.g. examinations of barn climate and water used in troughs, provision of additional manipulable materials, reduced livestock density). At the beginning of 2018, we transparently label poultry meat from farms that implement the criteria of the animal welfare initiative.
- Our ranges of '**Fair & Gut**' **animal welfare products** include fresh poultry products carrying the 'Für Mehr Tierschutz' (for more animal welfare) label issued by the NGO Deutscher Tierschutzbund (german animal welfare federation) [→]. These 'Fair & Gut' poultry products comply with strict requirements for animal husbandry, such as increased space, more time for growing up, and a more varied living environment with manipulable materials, perches, and access to outdoor areas.
- We nearly exclusively offer fresh chicken and turkey products made from animals which have been **effectively stunned using carbon dioxide** prior to slaughter. Moreover, we require our suppliers of fresh meat to abstain from rearing the chickens and turkeys or their parent animals in cages and to exclude the use of multi-level systems.

### Laying hens

- We only sell **eggs from barn, free-range and organic farming** which are **certified by the Germany-based Association for Controlled Alternative Animal Husbandry** ('Verein für kontrollierte alternative Tierhaltungsformen e.V.', KAT) [→]. In 2004, ALDI North was the first German food retailer to exclude the sale of eggs derived from cage/small group rearing for animal welfare-related reasons.
- In some of our regional business companies, we offer **eggs carrying the premium variant of the 'Für Mehr Tierschutz' animal welfare label** issued by the German Animal Welfare Federation under our 'Fair & Gut' animal welfare private label.
- Since April 2018, we have been offering only eggs originating from laying hens with **intact beaks**. We support the incorporation of corresponding requirements for improved husbandry conditions within the KAT standard. For example, we intend to improve the husbandry conditions of laying hens with intact beaks with regard to animal welfare by providing them with stones for picking, bales of straw, or perches, for the purpose of preventing feather pecking and cannibalism in animal husbandry.
- We are committed to implementing suitable alternatives (in-ovo sex determination) in order to enable us to abandon the **practice of killing male chicks**. Since August 2017, several of our regional business companies have been offering a product called 'Henne

& Hahn!' (chicken and rooster). The relevant eggs are obtained from chickens whose male siblings have been raised as fattening roosters.

### Products containing processed eggs

- For the manufacture of our private label products, we prohibit the use of cage eggs (including small group rearing and so-called enriched cages). Our products contain only **eggs from barn, free-range and organic farming**. We transparently communicate the specific husbandry system used for each product by means of a footnote below the list of ingredients and provide this information on all our products with an egg content of 1% or higher.
- In 2016, the NGO Compassion in World Farming (CIWF) [→] awarded ALDI North **'Good Egg Award'** for its commitment in the area of eggs.

### Goose and duck

- Due to the lack of applicable legal requirements, we have developed measures for **improving the husbandry conditions** of **geese** used for our (frozen) goose meat products. This includes the provision of water sources, access to outdoor areas during the day throughout the entire year, and the omission of any routine surgical procedures, such as wing clipping.
- For our goose and duck products, we contractually prohibit both **live-plucking and force-feeding**. We only accept goods from producers which regularly undergo independent audits in order to prove compliance with our requirements. In this context, we use, for example, the 'Positive List of Geese Producers' maintained by the 'VIER PFOTEN' (four paws) animal welfare organisation as a guideline [→].
- With regard to **Muscovy duck**, our producers are contractually obliged to implement certain measures for **improving husbandry conditions**, such as the provision of bathing opportunities, deep water troughs, and manipulable materials.

### We have committed to the following objectives:

- We will process and offer the **meat of male chicks** produced within the scope of our 'Henne & Hahn!' projects.
- We will extend the measures taken in order to **improve the husbandry conditions** of **geese** used for our frozen goose products to include products containing fresh goose meat.
- We will develop suitable measures for **improving the husbandry conditions** of **Peking ducks**.

### 2.3. Requirements and objectives for pork

- Since 1 January 2015, we have been paying a set amount of money for each kilogram of pork and cold cuts sold (initially, EUR ct 4, since 2018, EUR ct 6.25) to the **'Initiative Tierwohl'** (animal welfare initiative). The relevant funds are used to support farmers who implement defined animal welfare criteria (e.g. additional manipulable materials and 10 percent more space per animal).
- Since 1 January 2017, we have phased out fresh pork products manufactured from castrated animals (with the exception of organic and 'Fair & Gut' products). Alternatives that are currently available, such as **boar fattening or vaccination to temporarily suppress the boar smell**, are accepted. We are striving for a well-balanced relation of uncastrated male and female animals. We accept the alternatives also for our processed products, wherever these do not affect quality.
- Under our **'Fair & Gut' animal welfare private label**, we also offer products which are certified according to the NEULAND standard [→] or audited in compliance with the FAIRFARM standard. For example, NEULAND-certified farms provide their pigs with twice the legally stipulated space per animal, access to outdoor areas, straw as additional animal feed and manipulable material, and feed them only regional, GMO-free animal feed. Among other things, pigs on FAIRFARM-audited farms are also provided twice the space as stipulated by law, additional animal feed and manipulable material, such as straw, and access to fresh air by means of open stables or access to outdoor areas.

#### We have committed to the following objectives:

- In our dialogue with relevant stakeholders, we are seeking for opportunities to improve the conditions in **sow keeping** with regard to gestation crates.
- We consider possibilities to substitute **Pregnant Mare Serum Gonadotropin (PMSG)** from non-European countries for PMSG of European origin or for synthetically obtained hormones.
- We will develop the **FAIRFARM criteria** in collaboration with our business partners in the areas of agriculture and meat processing.

## 2.4. Requirements and objectives for cattle

### Beef

- As stipulated by law, we do not procure any fresh beef produced from cattle slaughtered towards the end of their gestation period (third trimester), unless the animal concerned was slaughtered for medical reasons. In such cases, we require that a corresponding certificate issued by the responsible veterinarian be submitted to the slaughterhouse without delay. Furthermore, we request that our suppliers continuously improve their measures for the identification of **pregnant cows** in all trimesters and also that they proactively display their commitment, for example within the scope of research projects.
- In addition, our system partner **QS** has been requesting that all **pregnant cows be registered** towards the end of their gestation period (third trimester) since January 2015. In the case of pregnant cows, the slaughterhouse will inform the party providing the relevant cow (and/or the responsible farmer) accordingly.
- Within the scope of our weekly specials promotions, we offer fresh meat produced from **Irish pasture-raised cattle**, which graze on pastures for a minimum of 6 hours per day on at least 120 days of the year.

### Milk and dairy products

- In all of our stores, we offer **drinking milk carrying the basic variant** of the animal welfare label 'Für Mehr Tierschutz' (for more animal welfare) awarded by the NGO Deutscher Tierschutzbund (German animal welfare federation). In the case of ALDI North, the relevant milk is called 'Meierkamp Frische Alpenmilch' (Meierkamp fresh alpine milk) and in the case of ALDI SOUTH 'Landmilch' (countryside milk) and 'Bayerische Bauernmilch' (Bavarian farmers' milk), which is sold in all stores located in Bavaria. Among other requirements, the 'Für Mehr Tierschutz' animal welfare label specifies that the animals must be able to move freely by consequently refraining from implementing tethering practices throughout the entire year, that the animal-feeding place ratio must be 1.2:1, that the animal-resting space ratio must be 1:1, that hoof care must be exercised annually, and that the relevant product must be completely traceable from the farms to the chiller cabinets.
- We offer milk and dairy products derived from **pasture-raised milk**. Since May 2018 ALDI North and ALDI SOUTH offer the article 'Meierkamp Weidemilch' (Meierkamp pasture-raised milk) which has been carrying the premium variant of the animal welfare label 'Für Mehr Tierschutz' (for more animal welfare) awarded by the NGO Deutscher Tierschutzbund (German animal welfare federation) in all stores. Moreover ALDI North offers in all of its stores the article 'Noordholland Premiumkäse' (Noordholland premium cheese) made from pasture-raised milk. The milk for these products is produced by cows which verifiably graze on pastures for a minimum of 6 hours per day on at least 120 days per year.

- We are committed to continuously reducing the share of cows which are subject to **tethering practices** (throughout the entire year). Wherever possible, cows are to be kept in loose housing conditions as a minimum. We request our suppliers to actively consider this topic and expect them to develop measures for improving animal welfare in existing barns where tethering practices are used. Moreover, we monitor the development of tethering practices which are used either throughout the entire year or during individual seasons by means of regular supplier surveys.
- For our **buffalo mozzarella**, we adhere to the minimum requirements defined by the animal welfare organisation FOUR PAWS in order to improve the husbandry conditions for buffalo and their calves. Furthermore, our suppliers comply with the requirements of the 'Mama Buffalo' standard, which demands, for example, the provision of waterholes and sufficient freedom of movement.

#### We have committed to the following objectives:

- We will assess the option to exclude the procurement of **fresh meat from pregnant cows**, irrespective of the gestation period (all trimesters), unless the relevant cow was slaughtered due to medical reasons. We expect our suppliers to proactively develop relevant concepts and measures concerning this topic.
- We will assess the option to extend our '**Fair & Gut**' animal welfare private label to also include fresh **beef** products.
- We will assess the option to extend our product ranges to include additional products containing **pasture-raised milk as an ingredient**.
- In collaboration with our suppliers, we assess the possibility for **additional products to carry the 'Für Mehr Tierschutz' animal welfare** label awarded by the NGO Deutscher Tierschutzbund (german animal welfare federation).
- We expect our suppliers to impose clear requirements for the husbandry conditions upon their farmers and to conduct relevant audits as well as to provide corresponding supporting measures. Therefore, we assess to which extent the milk delivered to our stores already complies with the requirements of the accredited '**QM-Milch**' milk quality programme [→].

## 2.5. Requirements and objectives for vegetarian/vegan products

- We offer our customers **vegetarian and vegan products as alternatives** to animal-based products.
- We support our customers who follow a vegetarian or vegan diet when doing their shopping by offering relevant products which carry the **V-label** issued by ProVeg Deutschland e.V. (formerly Vegetarierbund Deutschland e.V.) [→]. A large selection of our products which do not contain meat or are free from animal-based ingredients, such as meat and cold cuts substitutes, ready-made meals, spreads, as well as wine, juices, and many other products, carry the V-label.
- Due to our commitment to extending our range of vegan products, the Albert Schweitzer Foundation for Our Contemporaries awarded ALDI SOUTH the title of **'Veganfreundlichster Discounter' (most vegan-friendly discount retailer)** in 2017.
- Additionally, ALDI North and ALDI SOUTH introduced the **'Mein Veggie Tag'** (my veggie day) and **'Vegetarisch Lecker'** (tasty and vegetarian) private labels for vegetarian and vegan products, respectively.
- We demand that our suppliers abstain from using avoidable **minimum quantities of animal-based ingredients** for the production of our products as in the following example:
  - During cheese production, a mixture of enzymes – the so-called **rennet** – is used in order to coagulate the milk. Rennet can be manufactured from animals or microbes. Wherever possible without compromising on flavour and consistency and provided that the product is not of protected geographical origin, we abstain from using animal-based rennet.
  - On the website, ALDI North regularly updates a list [→] specifying which cheese products are manufactured using microbial rennet or without rennet.
- Some wines and juices are cloudy by nature. In order to clarify our **vegan wines and juices**, we substitute gelatin and only use non-animal-based processing substances. Moreover, these wines and juices carry the V-label.

### We have committed to the following objectives:

- We continue to extend our **range of vegetarian and vegan products** in accordance with our customers' demand. Moreover, we will increase the number of our products, which carry the V-label.
- We will further raise our customers' awareness of alternatives to animal-based products by means of **targeted promotions**.

## 2.6. Requirements and objectives concerning non-food products

### Textiles

- In 2015, we signed the 'Fur Free Declaration' issued by the **Fur Free Retailer Program** [→] and, thus, also publicly committed to abstain from offering products containing real fur.
- 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.
- For our products containing sheep wool (e.g. merino wool), we exclude the use of **mulesing practices**. Moreover, ALDI SOUTH also offers products made from GOTS-certified wool [→].
- In our product ranges, we regularly offer products made of **alternatives to genuine leather** (e.g. footwear, trousers, bags).

### Cosmetics, personal hygiene, washing agents and detergents

- Our end products in the ranges of cosmetics, personal hygiene, washing agents and detergents are free from animal testing, as regulated by law. In the production of finished cosmetic products and ingredients, **animal testing** has been banned by law already since 2004 and 2009, respectively.
- We offer vegan products in our ranges of cosmetics and personal hygiene with the logo '**Vegan Trademark**' of the Vegan Society [→]. Moreover, in the scope of our special-buy ranges, we offer certified **natural cosmetics**.
- We do not offer cosmetics containing **mink oil**.

#### We have committed to the following objectives:

- We gradually transition our ranges of products containing down and/or feathers (e.g. textiles or bedding) to merchandise which is certified according to the **Responsible Down Standard (RDS)** [→], the **Global Traceable Down Standard (Global TDS)** [→] or the **Downpass 2017** [→] in 2018.
- We will assess the option of transitioning our ranges of products containing sheep wool to merchandise which is certified according to the **Responsible Wool Standard (RWS)** [→].
- We continue to extend our ranges of vegan products carrying the '**Vegan Trademark**' issued by the Vegan Society.

### 3. Transparency and traceability

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

#### Food products

- We demand that the origin of our food products be **completely traceable** as this forms one of the key aspects in guaranteeing improved animal welfare. At all times, our suppliers must be able to provide information on the entire value chain for any product (lot and/or batch number in connection with the respective best-before-date).
- With regard to meat and fish products, as well as products containing meat or fish and shell eggs, we request information concerning the specific origins of the raw materials, which we communicate to our customers via our **ALDI traceability platforms** (ATC – 'ALDI Transparenz Code' in the case of ALDI North [→] and 'ALDI Herkunft' in the case of ALDI SOUTH [→]). By means of tracking and QR codes printed on the packaging of our products, our customers can access the relevant information. For our 'Fair & Gut' products, we offer additional traceability information on a specialised platform [→].
- In August 2018, we introduced information on the relevant husbandry conditions for all fresh pork, beef, turkey, and chicken products offered under our private label brands in order to fulfil our customers' request for increased transparency regarding animal husbandry and to enable them to consciously decide to buy products, which promote improved animal welfare. Our so-called '**ALDI Haltungs-Transparenz**' (ALDI transparency on animal husbandry) [→] is a 4-level model where each level indicates a certain form of husbandry:
  - Level 1 'Stallhaltung' (indoor husbandry): Animals are kept in accordance with the legal requirements.
  - Level 2 'Stallhaltung Plus' (indoor husbandry plus): Animals are offered more space than required by law and provided with additional manipulable materials.
  - Level 3 'Außenklima' (outdoor husbandry): Animals are kept in even larger facilities than necessary for level 2 with a varied living environment and access to the outdoor areas.
  - Level 4 'Bio' (organic): Husbandry in accordance with the legal requirements for organic meat.
- We also offer selected animal-based products from regional origin, for example meat, cold cuts, eggs, or milk. Some of these products carry the '**Regionalfenster**' (regional window) label issued by the German association 'Regionalfenster e. V.' [→] in order to voluntarily provide information on the regional origin and place of processing of relevant food products. The information provided on the 'Regionalfenster' label enables consumers to quickly recognise the federal state of Germany from where the product originates and where it was processed and/or packaged.



- For our products containing **fresh chicken and turkey originating from Germany**, all production stages must be located within Germany: the relevant animals as well as their parent animals must have been born and raised in Germany, fed with animal feed provided by German feed mills, as well as slaughtered and processed in Germany.
- We exclusively procure our fresh meat products originating from Brazil from slaughterhouses who are signatories to the so-called **Cattle Agreement**<sup>2</sup>. This enables us to exclude any and all connections of our products to deforestation measures taken in the Amazon region which is the habitat of innumerable animal species. Moreover, this agreement also includes social aspects, such as the exclusion of forced labour, the honouring of the rights of indigenous peoples, and the rejection of land grabbing.

### Non-food products

- Within the scope of the membership of the **Leather Working Group (LWG)** [→] ALDI North actively participates in the **Animal Welfare Sub Group (LWG AWG)**. This working group aims to increase the consideration of animal welfare-related aspects within the scope of leather production. As a first step, we particularly intend to improve the traceability of the leather used. For products made from leather and lambskin, we currently demand traceability back to the tannery.
- We request traceability concerning **cashmere, merino, alpaca**, and **lambswool** used in our products.

### We have committed to the following objectives:

- We will extend the use of **tracking and QR codes** to include additional product groups and to continuously strive to provide more information.
- We strive to achieve complete **traceability for leather and lambskin** in the long term.

<sup>2</sup> Minimum Criteria for Industrial Scale Cattle Operations in the Brazilian Amazon Biome

## 4. Inspections and audits

We inspect and audit our business partners to ensure our quality and responsibility commitments towards our customers, while doing so we follow a risk-oriented approach.

- We request that our business partners conduct **relevant inspections** and record the results. This applies to compliance with all applicable legal and contractually agreed requirements as well as relevant industry standards. Therefore, we expect our suppliers to be able to provide proof of the regular execution of such checks at any time.
- To ensure that our requirements are adhered to, we conduct risk-oriented assessments. In this context, we also carry out random unannounced **on-site audits** in order to review the available documents and verify compliance with the applicable legal and contractually agreed requirements as well as relevant industry standards. We commission auditors of independent, accredited certification bodies, such as QAL ('Gesellschaft für Qualitätssicherung in der Agrar- und Lebensmittelwirtschaft mbH') [→] to conduct the relevant audits. Among other aspects, such on-site audits include a review of the husbandry, feeding, accommodation (at the farm and slaughterhouse), transport, and stunning conditions, as well as other species-specific requirements. Our suppliers are obliged to provide insight both to ALDI or third parties commissioned by ALDI.

### We have committed to the following objectives:

- We will extend the use of **testing and certification schemes** as well as ALDI specific standards, which include animal welfare-related aspects and exceed the applicable legal requirements.
- We will conduct own audits or commission third parties to perform random audits in order to verify compliance with the requirements laid down in this Animal Welfare Purchasing Policy: excluding the use of caged eggs for processed food products, excluding the castration of piglets (boar fattening), excluding the slaughtering of pregnant cows, and excluding live-plucking and forced feeding practices for geese and ducks.

## 5. Contribution to animal welfare

By means of our activities undertaken in the area of animal welfare, we aim to raise the current animal welfare standards above the legally stipulated level. In this context we use the aspect of economic and scientific feasibility as a guiding principle.

- We are actively participating in various **animal welfare project groups** (e.g. KAT and QS).
- As a founding member, we are actively engaged in the implementation of the voluntary, cross-sector '**Initiative Tierwohl**' (animal welfare initiative) for pork and poultry manufacturers. In cooperation with other partners, we are committed to the continuous further development of the basic requirements and criteria. We support deliberations regarding the inclusion of additional animal species, such as cattle, in the scope of application of the initiative for animal welfare in order to also improve the relevant animal welfare standards across this area.
- We collaborate with our business partners in order to jointly achieve improvements in the area of animal welfare. We demand that our business partners **proactively participate** in the development of industry standards, as well as research and pilot projects, and that our business partners proactively conduct own projects in order to develop good-practice examples regarding improved animal welfare. For example, some of our suppliers are engaged in research and pilot projects concerning the issues of castration of piglets/boar fattening or the killing of male chicks.

### We have committed to the following objectives:

- We will extend our **active participation** in relevant animal welfare initiatives and animal welfare networks in order to further improve our commitment to animal welfare.
- We will extend our **collaboration with our suppliers** in order to jointly achieve improvements in the area of animal welfare, for example regarding the slaughtering of pregnant cows, dehorning of cattle, and tail docking of pigs.

## 6. Proactive dialogue

We are convinced that improvements within the area of animal welfare can only be achieved through joint and coordinated actions by all parties involved (farmers, processing companies, retailers, control bodies, authorities, government, the scientific community, and NGOs). Therefore, we engage in proactive and transparent dialogue with relevant stakeholder groups, and serve as a reliable contact in particular for our customers.

- We actively contribute to raising the awareness of our **customers** for the topic of animal welfare by providing a wide variety of information on our product packaging, at the point of sale at our stores, and also via a large number of other communication channels, such as the product leaflets or the websites. As a means of orientation for our customers, we unambiguously and transparently label the packaging, related advertising material, and the point of sale of products, which carry seals or certificates accordingly.
- In order to raise the awareness of the customers, ALDI SOUTH launched the '**7 Siegel (7 seals) campaign** [→] which involves children explaining 7 selected seals issued by renowned certification bodies in simple terms, among them the EU organic label and the V-label.
- Moreover, we continuously inform the **employees** about our commitment to animal welfare (e.g. by means of staff newspapers).
- The relevant **Buyers** receive training on our Animal Welfare Purchasing Policy and information on recent developments. In this context, we provide our Buying departments with counsel and support regarding all topics related to the area of animal welfare.
- We regularly hold constructive dialogue with **animal welfare organisations**, such as the Albert Schweitzer Foundation for Our Contemporaries, Compassion in World Farming (CIWF), the German Animal Welfare Federation, Greenpeace [→] or FOUR PAWS regarding various animal-welfare related topics.

### We have committed to the following objective:

- We will steadily increase our **communication on animal welfare-related aspects** in order to raise the awareness of this topic and promote sustainable consumption.

## 7. Commitment to social standards

As our business partners, our suppliers and their producers are obliged to comply with relevant social standards. The standards are based on the standards of the ILO (International Labour Organization) [→], and the UN Declaration of Human Rights as well as other supra-national, independent guidelines and covers the following issues, among others:

- Rejection 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 assembly as well as the right to collective bargaining

Since 2008, ALDI has been a member of amfori (formerly Foreign Trade Association, FTA) [→]. Amfori Business Social Compliance Initiative (BSCI) 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 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.

Moreover, our suppliers of meat and cold cuts products are contractually obliged to adhere to the code of conduct of the German meat industry association 'Fleischwirtschaft e.V.' (meat association). This code of conduct requires companies located in Germany and their business partners with whom they have concluded contracts for work and services to comply with social standards in particular regarding the accommodation of employees from other EU member states.

## 8. Partners and standards



### Organic [→]

The EU organic logo indicates food products, which have been grown/manufactured in compliance with the European organic farming legislation. Among other things, this means that organic products are GMO-free and not treated with synthetic pesticides, and that animals are provided more opportunities to exhibit species-appropriate behaviour. In the case of processed organic food products, only selected additives may be used. Moreover, all farms, which are certified according to the organic standard, are examined by independent auditors on an annual basis.



### 'Für Mehr Tierschutz' animal welfare label issued by the German Animal Welfare Federation [→]

Deutscher Tierschutzbund e.V. (German Animal Welfare Federation) has established the 'Für Mehr Tierschutz' (for more animal welfare) label in order to improve the husbandry conditions of farm animals. The 'Für Mehr Tierschutz' animal welfare label is available in two variants (basic and premium), both define certain animal welfare-related criteria which the relevant farms must comply with. This label is available for chickens for fattening, laying hens, fattening pigs, and dairy cows.



### FAIRFARM [→]

FAIRFARM is an alternative animal husbandry programme set up by our long-standing partner Tönnies, which focuses on species-appropriate husbandry of fattening pigs. In collaboration with ALDI, Tönnies has developed criteria for pig fattening, which ensure this species-appropriate animal husbandry. The participating farmers comply with these criteria and, consequently, improve animal welfare. For example, all pigs of farmers participating in the FAIRFARM programme are offered 100 percent more space than legally required, as well as open stables or access to outdoor areas.



### Initiative Tierwohl [→]

'Initiative Tierwohl' (animal welfare initiative) promotes improvements in the area of animal welfare within the scope of livestock farming and species-appropriate meat production by convincing as many farms and processing facilities as possible to adhere to standards which are more stringent than legally required. The initiative has defined concrete measures for increasing animal welfare in pig, chicken, and turkey husbandry in close collaboration with farmers, the meat processing industry, and food retailers. All participating farms and processing facilities must comply with a defined catalogue of basic requirements, which outlines measures for species-appropriate husbandry conditions, hygiene, and the health of the animals. Compliance with these animal welfare-related criteria is reviewed by independent certification bodies on a regular basis. The additional effort incurred by the relevant farmers is financed by all participating food retailers.



### KAT [→]

KAT (Association for Controlled Alternative Animal Rearing Systems) is considered to be the most important supervisory body ensuring verifiability and traceability of the origins of eggs from alternative laying hen husbandry systems in Germany and all other countries participating in the KAT. The comprehensive regulations defined by the KAT consider the requirements of the German hen keeping directive ('deutsche Hennenhaltungsverordnung') as well as animal welfare-related aspects regarding organic, free run, and free range animal husbandry systems. The criteria defined by the KAT exceed the legal requirements and compliance with these criteria is verified by accredited testing institutes on a regular basis. On the KAT website, consumers can use the nine or ten-digit alphanumeric code printed on the egg in order to access information on the relevant husbandry system, the country of origin, and the farm where the egg concerned was produced.



### NEULAND [→]

The NEULAND high-quality meat programme is based on particularly animal and environmentally friendly husbandry systems in compliance with stringent regulations. Pigs, cattle, and poultry are being raised in a species-appropriate way and provided the opportunity to exhibit natural behaviour on NEULAND-certified farms. For example, all animals have access to outdoor areas all year long, are provided with bright natural light and large quantities of straw bedding in their stables, and are only fed GMO-free food from regional origin. The tails and beaks of the animals remain intact and piglets are only castrated following pre-stunning and under painless conditions. By means of maximum livestock quantities, in particular small and medium-sized farms receive funding.



### **ProVeg [→]**

Since 1867, ProVeg Deutschland e.V. (formerly Vegetarierbund Deutschland e.V.) has been working to permanently reduce the consumption of meat and to establish a plant-based way of living as an attractive and healthy alternative. In Germany, 'ProVeg Deutschland' has become the leading counsel for all questions concerning a vegan or vegetarian lifestyle. In Germany, 'ProVeg Deutschland' is responsible for issuing the V-label which provides customers with information as to whether a product is vegetarian or vegan, as well as reliable assistance in making buying decisions.



### **Qualität und Sicherheit (QS) [→]**

The QS (quality and safety) seal indicates meat and meat products as well as fruits, vegetables, and potatoes whose quality has been thoroughly reviewed. All stages of the production process, from the producer right up to the point of sale must be completely traceable and undergo comprehensive verification. Since 2001, 'QS Qualität und Sicherheit GmbH', a collaboration between different associations and organisations, has been issuing the QS seal.



### **Verband Lebensmittel ohne Gentechnik [→]**

On behalf of the 'German Federal Ministry for Nutrition and Agriculture' (BMEL), the Verband Lebensmittel ohne Gentechnik e. V. (VLOG – Industry Association Food without Genetic Engineering) assumes responsibility for managing the usage licence of the 'Ohne GenTechnik' (no genetic engineering) seal and issuing it. This seal requires compliance with particularly stringent criteria regarding the use of GMO-free raw materials during production, manufacture, and processing.





### **ALDI Einkauf GmbH & Co. oHG**

Corporate Responsibility  
Huttropstr. 60  
45138 Essen

Further information regarding our CR activities  
can be found on our website:  
**[cr-aldinord.com](http://cr-aldinord.com)**

### **ALDI SÜD Dienstleistungs-GmbH & Co. oHG**

Corporate Responsibility  
Burgstraße 37  
45476 Mülheim an der Ruhr

Further information regarding our CR activities  
can be found on our website:  
**[aldi-sued.de/verantwortung](http://aldi-sued.de/verantwortung)**

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