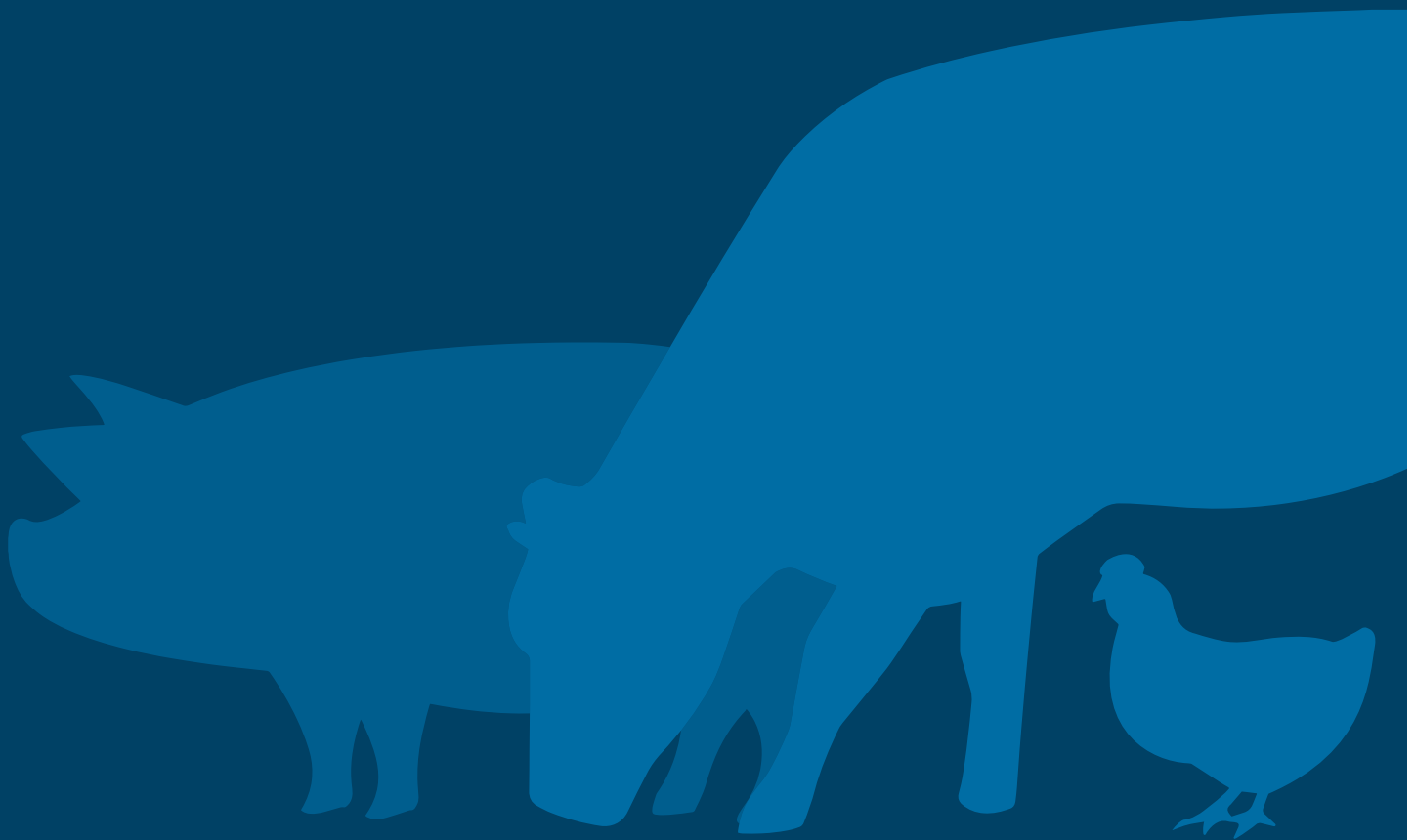




National Animal Welfare Purchasing Policy



December 2021

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1. OUR ANIMAL WELFARE COMMITMENT

With the aim of specifying the International Animal Welfare Purchasing Policy, ALDI Spain has developed a National Animal Welfare Purchasing Policy, which illustrates our commitment and defines the measures and targets regarding the following five areas of focus:

- **Product range selection**
- **Transparency and traceability**
- **Inspections and audits**
- **Contribution to animal welfare**
- **Proactive dialogue**

The National Animal Welfare Purchasing Policy applies to all products of our food and non-food own brands with animal raw materials. It applies in particular to the following product groups:

- **Food products:** meat products, eggs, products with processed eggs, milk, dairy products, fish and seafood
- **Non-food products:** cosmetics, detergents as well as textiles, small leather goods and shoes

The respective latest version is a binding operational framework for us and our business partners.

We co-operate exclusively with those business partners who act in compliance with our International and National Animal Welfare Purchasing Policy. In case that our targets are not being met, we collaborate with our business partners to develop specific measures in order to improve the production processes.

The observance of the goals and the implementation of the measures on our day-to-day activities are controlled by the Corporate Responsibility Department, in close collaboration with the Quality and Purchasing Departments, as well as with our suppliers.

We closely cooperate with all the countries of the ALDI Nord Group (Germany, Belgium, Denmark, France, Luxembourg, The Netherlands, Poland and Portugal). We at the Corporate Responsibility Department inform periodically the directly involved departments about the state of the implementation.

The International and the National Animal Welfare Purchasing Policy are available at our website aldi.es, where additional information on the subject can also be found.

The National Animal Welfare Purchasing Policy is available in Spanish and English. In case of deviations, the Spanish version shall prevail.



2. PRODUCT RANGE SELECTION

In formulating our requirements, we are guided by the "Five Provisions" according to 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.

1. General measures and targets for food and non-food products

The following measures are already being implemented:

- We sell a wide range of organic products (more than 300), most of them under our own brand "GutBio", and all of them have the EU Organic logo. We offer organic products in food groups with animal-based raw materials (meat, milk, cheese and salmon, among others). Besides better protection of the environment, organic products indicate that the animals have more opportunities to perform species-appropriate behaviour.
- We do not sell products (food and non-food) that contain raw materials from exotic and/or endangered species as part of our commitment with animal welfare. For more details, see speci-

fic section for each product.

- We offer a wide range of vegan and vegetarian food products identified with the V-Label from the European Vegetarian Union. With this label, we want to inform our consumers if the product is suitable for vegans or vegetarians. Currently we have products like ready meals, ice-creams, soft drinks or wines with this label.
- We demand from our suppliers that the legal requirements for live animal transport duration are observed (maximum 8 hours). In this respect, we have established that for our non-processed fresh meat products live animal transport must not last more than 4 hours.
- We call on our suppliers to refrain from using monkeys in the harvesting of coconut-containing products.
- We do not accept the routinely, systematic and prophylactic use of antibiotics in animals.

We have set the following **targets** in this area:

- We will increase the range of organic products with the EU organic agriculture logo under our own "GutBio" brand. When possible, we will give priority to national raw materials.
- We will increase the range of own brand vegan and vegetarian products. Food products will be identified with the V-Label from the European Vegetarian Union and non-food products with the sunflower symbol from The Vegan Society.

2. Meat, derivatives, eggs and milk

The following measures are already being implemented:

- With the aim of minimizing unnecessary animal transport, 100 % of the fresh meat we offer in our stores comes from animals that were born, bred and slaughtered in Spain. Exceptions are accepted only when its origin gives an added value and a special characteristic, for example, Australian Angus beef burgers or Argentinian beef burgers.
- All animals used in the production of meat and poultry products must be stunned prior to slaughter. The stunning method used must ensure animals are unconscious and insensible to pain at the moment of slaughter.
- In our fixed assortment we offer organic and free-range fresh eggs. Even though our goal was to phase out eggs from caged hens in Spain by 2020, by the third quarter of 2018 this had already been achieved. Apart from that, all our fresh eggs are Welfair™ certified, a certification on animal welfare.
- We offer meat and dairy products with recognised animal welfare certifications. Moreover, we offer milk products from grazing dairy cows which are certified by independent and recognised organisations.
- We offer slower-growing chicken products, like our Premium chicken range. This type of rearing guarantees a 100 % plant-based feeding with a minimum of 65 % of cereal components and supplemented with vitamins and minerals, and they live a minimum of 56 days.
- Whenever possible, cattle will be kept without tethering.

We have set the following **targets** in this area:

- By the end of 2025 we will not sell processed

products containing eggs from caged hens as an ingredient. Some examples are ready-made omelette, pastries, egg pasta or mayonnaise.

- We will progressively increase the range of animal origin products with recognised animal welfare certifications with standardised, rigorous criteria endorsed under a scientific point of view in all production stages (rearing, feeding, transport and slaughter).
- We opt for reducing the use of antibiotics in livestock farming to only 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. Wherever possible, the application of reserve antibiotics used in human medicine should be avoided.
- We will promote the incorporation in our assortment of products with animal raw materials (meat, milk, cold cuts and eggs) where a responsible use of antibiotics has been performed, controlled through recognised certifications, where all the stages of the production chain are taken into consideration. At the same time, it will be positively valued when our suppliers are members of the Programas Reduce Antibióticos (Antibiotic reduction programs), voluntary agreements for the reduction of the use of antibiotics, defined by the PRAN 2019-2021 (Plan Nacional frente a la Resistencia a los Antibióticos – National Plan against Antibiotic Resistance), promoted by the Agencia Española de Medicamentos y Productos Sanitarios (AEMPS - Ministerio sanidad, consumo y bienestar social).
- We will evaluate the incorporation of specific measures that go beyond the standards defined by the aforementioned certifications, such as the installation of surveillance cameras in slaughterhouses or the in ovo determination of chickens.

3. Fish and seafood

The following measures are already being implemented:

- We offer certified products with animal raw materials. In particular, we offer fish and seafood with internationally recognisable certifications that guarantee sustainability all through the supply chain for wild fish (MSC) and aquaculture (ASC, EU organic farming, GLOBALG.A.P.).
- A “red list” has been defined for the whole ALDI Nord Group which determines the fish and seafood species that cannot be marketed in our stores. They are mainly fish species classified on the international lists of protected species as “endangered or protected” or “partially protected” or that do not comply with the requirements of our internal sustainability controls. Some examples are eel, red tuna, wild sturgeon or Peter’s Fish.
- According to ALDI’s internal specifications, animal feed used in aquaculture must be free from synthetic colourings.

Moreover, we campaign for compliance with the following criteria, among others:

For wild-caught fish:

- Avoid overfished stocks,
- Minimise the use of particularly critical fishing methods, such as bottom trawl nets or purse-seining with fish aggregation devices (FADs) for fish caught in the wild
- Minimise the quantity of by-catch.

For aquaculture:

- No use of growth stimulants and hormones,
- No breeding of genetically modified animals and no use of forage crops that were genetically modified or cultivated in association with tropical deforestation.

We have set the following **target** in this area:

- We will progressively increase the proportion of fish and seafood products with sustainability certifications in our assortment, both for wild fish (MSC) and for aquaculture (ASC, EU organic farming, GLOBALG.A.P.).

4. Non-food products

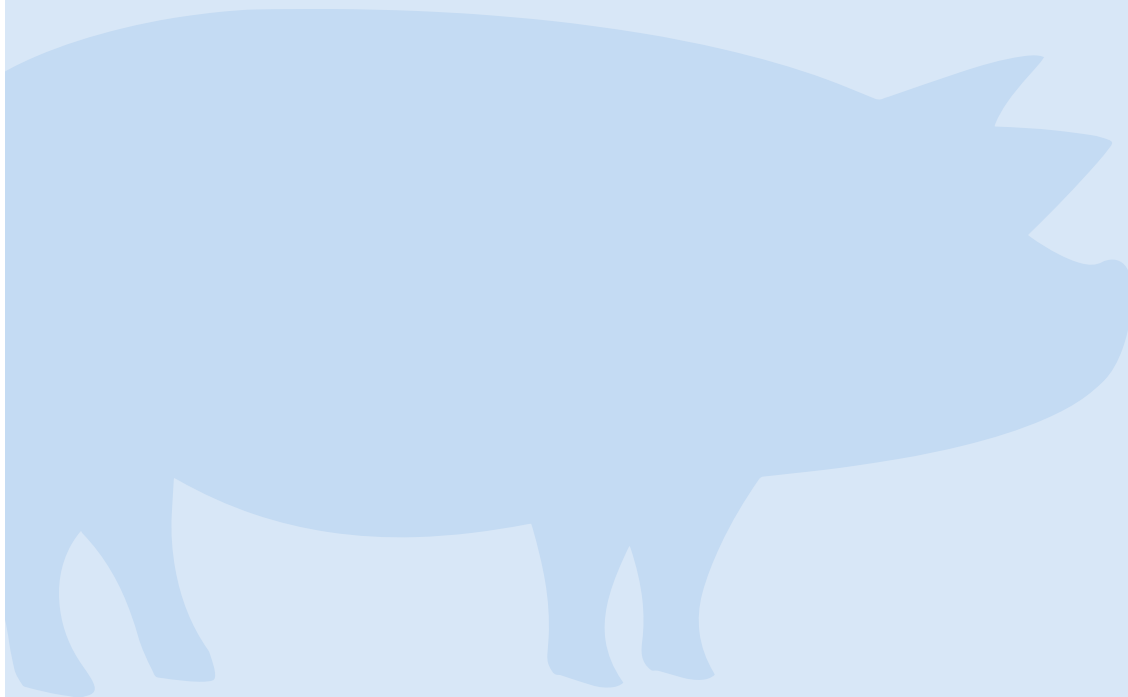
The following measures are already being implemented:

- We offer in our regular assortment and under our own brand “Biocura Cosmética Natural” a wide range of natural cosmetics products with NATRUE certification. Among others, we find products like hand creams, body lotions, facial creams, shampoos or conditioners.
- We do not sell specific raw materials as a part of our compromise with animal welfare:
 - We do not sell products made of angora wool since 2014.
 - We signed the “Fur Free Declaration” by the “Fur Free Retailer Program” in 2015 thus making a public commitment not to sell products made of real fur.
 - We do not sell products made of mohair wool since 2018.
 - We will not sell products made of alpaca wool from 2021.
 - We do not sell cosmetic products with mink oil as an ingredient.

- We ban in our contracts the practise of mulesing in sheep.
- We do not accept products with down and/or feathers from animals that have been plucked alive.
- Our cosmetic products comply with Regulation (EC) No 1223/2009, by which animal testing is prohibited for cosmetic purposes, as well as the sale of finished cosmetic products and ingredients that had been tested on animals.
- All articles made of or containing leather must have a valid Leather Working Group tannery certification.

We have set the following **targets** in this area:

- Progressively change our products containing down and/or feathers (like textiles or bed linen) to products with certifications like “Responsible Down Standard” (RDS), “Global Traceable Down Standard” (Global TDS) or “Downpass”.
- Promote the use of the sheep wool certified according to the Responsible Wool Standard (RWS).
- We will increase our assortment of vegan products in cosmetics, hygiene and personal care products and detergents and have them certified by “The Vegan Society”. This certification also confirms that animal testing has not been performed at any stage of the development and manufacture of the product.



3. TRANSPARENCY AND TRACEABILITY

We design our supply chain in a way that ensures transparency and complete traceability of our products.

- We expect traceability alongside the supply chain of all our products containing animal-based raw materials as such traceability is pivotal to ensuring increased animal welfare. Our suppliers must be able to make such information available, as well as information about animal welfare, to us at our request, and they must have established appropriate procedures to that respect.
- Our suppliers must be in possession of IFS, BRC or FSSC22000 certification. These norms include strict criteria related to traceability of products and raw materials.
- We are implementing the [ALDI Transparency Code \(ATC\)](#) on the packaging of meat and meat derivatives products. This is a QR code and an ATC code on the packaging which gives access to the ATC platform (accessible via our website or at transparencia.aldi.es), where our

customers find additional information about the product. For this, we request information about the origin of the raw material of every batch of meat product and product containing meat.

- For fish, seafood and products containing these ingredients and coming from wild fishing or aquaculture, we offer detailed information on the product labelling. If possible, besides the information required by law, the fishing gear, the date of catching and the aquaculture production method used will be also indicated.
- We clearly identify our certified products on the packaging, in our marketing actions and at our stores with the aim of keeping our clients informed.

We have set the following **targets** in this area:

- We strive to improve traceability of fish and seafood products.
- We strive to achieve traceability for leather and wool in the long term.

4. INSPECTIONS AND AUDITS

We work closely with our suppliers in order to assure the fulfilment of our quality requirements and our responsibility towards our clients.

- Among other things, our suppliers must keep the written documentation of all inspections relating to compliance with legal regulations, industry standards and specific requirements from the ALDI Nord Group. We expect our suppliers to be able to provide evidence of regular inspections when requested so.
- We also undertake on-the-spot visits to inspect the available documentation and to comply with legal regulations as well as industry standards and specific requirements from the ALDI Nord Group.

We have set the following **targets** in this area:

- We will widen the application range of inspections' and certifications' systems in order to go beyond the strictly demanded by law and also to include animal welfare aspects. In particular, we will define follow-up and control audits in order to control the evaluated measures. This will be done on products with animal-based raw materials certified by prestigious organisations.
- We will carry out annual internal reports focused on animal welfare and sustainability in our assortment.

5. 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 cooperate with our business partners to achieve an improvement in animal welfare.
- We also expect our suppliers to be proactively involved in the development and continuous advancement of industry standards as well as being committed to initiatives, networks, research or their own projects on animal welfare matters.

We have set the following **targets** in this area:

- We will expand our active participation in relevant animal welfare initiatives and animal welfare groups in order to strengthen our commitment in this area and to be up to date with the news on the sector.
- We will expand our collaboration with our suppliers to improve animal welfare, for example, the use of antibiotics, beak trimming, etc.

6. PROACTIVE DIALOGUE

We engage in a proactive and transparent dialogue with our stakeholders and we want to be a reliable partner for our customers and suppliers. We inform our suppliers about our animal welfare purchasing policy and expect them to adhere to the standards mentioned above and to ensure compliance also from their suppliers along the entire supply chain. We enter into dialogue with our suppliers when we are considering new targets and when we want to move forward in a particular direction. We also offer our suppliers information and discussion.

- We increase awareness on animal welfare among our customers. We do that by showing our commitment to animal welfare on the packaging of our products, on our website, in our stores and in our advertising materials, for example, by means of recognised certifications or our own commitments.
- We conduct training on our Animal Welfare Purchasing Policy, which informs new relevant employees about the latest and most important issues in this area. In addition, we discuss current developments directly with the responsible colleagues who have direct contact with the topic.

- We engage proactively with relevant organisations and stakeholders with the aim of reinforcing our responsibility, knowledge and contact network.
- We keep in contact with the rest of the ALDI Nord Group countries and we exchange information and experiences about animal welfare matters.

We have set the following **targets** in this area:

- We will inform regularly and assess our employees about animal welfare matters.
- We will widen and encourage proactive and permanent dialog with relevant organisations and other stakeholders and to participate in significant working groups and initiatives from the industry.
- We will raise our customers' awareness of animal welfare by developing communication and marketing initiatives.

7. LINKS OF INTEREST

Interporc Animal Welfare Spain (IAWS)

Seal created by INTERPORC, the Spanish Inter-professional Agri-Food Organization for White Pork, which certifies good practices on animal welfare, health, biosecurity, animal handling y traceability in all the value chain.



EU Organic farming logo

This seal identifies food that has been grown or produced according to the European organic farming regulation, that consists on the production of food in a way that is friendly with the environment and the animals, minimizing in this way the impact on humans. The products that bear this seal have at least 95 % of their ingredients coming from organic farming.



European Vegetarian Union

The V-Label is an international seal which allows an easy identification of products and services suitable for vegan and vegetarian people. For products containing egg, hens must be from cage-free rearing.



The Vegan Society

The vegan sunflower seal identifies products which are free from animal origin ingredients. It assures that both manufacturing and developing of the product and its ingredients don't contain elements of animal origin, neither has been animal testing performed.



Welfair™

Independent certification officially approved by the Institute of Agrifood Research and Technology (Institut de Recerca i Tecnologia Agroalimentàries (IRTA)) in collaboration with the Basque Institute for Agricultural Research and Development (Instituto Vasco de Investigación y Desarrollo Agrario (Neiker)) based on the European projects Welfare Quality and AWIN®. It evaluates and controls the quality of animal welfare in farms, growing spaces and slaughterhouses for pigs, cows, sheep, hens, chicken, rabbits and turkeys.



For further information on our CR activities please visit our website www.aldi.es

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