Objectives, Actions and Performance

ANIMAL WELFARE FACTSHEET 2025



ALDI SOUTH Group

CONTENTS

1 INTRODUCTION	3
2 ANIMAL WELFARE AT ALDI SOUTH GROUP	4
2.1 Global Sustainability Strategy	4
2.2 Our Approach	4
2.3 Governance And Responsibilities	5
2.4 Addressing Key Challenges	6
3 INTERNATIONAL ACHIEVEMENTS AND COMMITMENTS	7
4 NATIONAL ACHIEVEMENTS	7
5 FISH WELFARE	7
Contact Info	8

1 | INTRODUCTION

As a leading global retailer, we are dedicated to continually enhancing animal welfare standards across all our supply chains. Meat, dairy and eggs make up a significant portion of the ALDI SOUTH Group's product range, accounting for one-third of our private label products. This is why we are firmly committed to ensuring better animal welfare standards. Recognising the challenges posed by intensive and industrialised farming, the ALDI SOUTH Group is proactively addressing these issues and is taking significant steps to improve conditions. These measures vary across each ALDI SOUTH Group country, depending on national market conditions.

Our commitment to animal welfare is reflected in continuous efforts to raise standards across national markets, with the aim of creating a more species-appropriate and sustainable farming system. This not only improves our products but also aligns with the growing expectations of our customers, who value ethical and responsible sourcing.

There is a growing movement towards more sustainable and ethical farming practices that benefit the environment and human health. Across the globe, many farmers are adopting methods that prioritise animal welfare, reduce environmental impact, and promote biodiversity. For example, our suppliers from ALDI Germany, UK and Ireland and HOFER Austria are leading the way by monitoring and significantly reducing the use of antibiotics, ensuring they are only used when absolutely necessary for animal health, and never to promote growth or for routine prophylaxis.

NGOs worldwide are also aligning their efforts to push for higher standards in farming, and these pressures are driving real change in the industry. The movement towards sustainable agriculture is gaining momentum, and promising a future where farming practices are in harmony with nature, contribute to the reduction of greenhouse gas emissions, protect our water resources, and preserve biodiversity.

Positive developments have been noted in the markets where we are present. In Germany, ALDI is already a frontrunner with its groundbreaking approach to transitioning its fresh meat and liquid milk assortment, as well as its chilled meat and sausage products, entirely towards better welfare husbandry systems by the end of 2030.¹ Similarly, in Austria, HOFER has set a clear goal to offer only fresh meat from animal welfare-improved husbandry systems by the end of 2030.

While these advancements are promising, we acknowledge that there are still many challenges associated with raising animal welfare standards in our supply chains that need to be addressed. Nevertheless, our commitment to improving animal welfare remains unwavering, and we are dedicated to overcoming these challenges to ensure better conditions for animals across our markets.





¹ Based on sales for ALDI SOUTH in Germany with a) fresh meat from the largest livestock groups beef, pork, chicken and turkey; excluding (international) specialities and frozen products; b) own-brand drinking milk; c) our own brands of chilled meat, sausage and ham products as well as meatballs from the largest livestock groups beef, pork, chicken and turkey; excluding international specialities as well as convenience and ready meals.

2 | ANIMAL WELFARE AT ALDI SOUTH GROUP

2.1 | GLOBAL SUSTAINABILITY STRATEGY

<u>The ALDI SOUTH Group's Global Sustainability Strategy</u> with its six strategic dimensions has been designed to embed sustainability into the whole business. Animal welfare is one of the key dimensions.

Our focus on specific animal welfare issues depends on scientific evidence, the perception of animal welfare, and legal requirements within each of our national markets.

2.2 OUR APPROACH

Our approach to animal welfare is guided by the globally recognised Five Freedoms proposed by the Farm Animal Welfare Council (FAWC):

- 1. **Freedom from hunger and thirst:** providing access to fresh water and a diet to maintain full health and vigour
- 2. **Freedom from discomfort:** providing a suitable environment that offers shelter and a comfortable resting area
- 3. Freedom from pain, injury or disease: prevention or rapid diagnosis and treatment
- 4. **Freedom to express normal behaviour:** providing sufficient space, proper facilities, and the company of the animal's own kind
- 5. Freedom from fear and distress: ensuring conditions and treatment that prevent mental suffering

Additionally, our approach to animal welfare is also informed by the Five Domains² since this model introduced the concept of animal emotions and positive experiences:

- 1. Nutrition: availability and quality of feed and water
- 2. Environment: atmospheric and environmental conditions
- 3. Health: presence or absence of disease and injury
- 4. Behaviour: restriction or expression of behaviour
- 5. Mental state: subjective feelings and experiences

In our opinion, both the Five Freedoms and the Five Domains models are essential for defining animal welfare in terms of how animals experience their environment.

We recognise all animals within our supply chains as sentient beings. This recognition underpins our national ALDI commitments and efforts towards improving animal welfare and reflects alignment across the ALDI SOUTH Group. Our national policies are binding for our suppliers and include specific commitments tailored to each national market. We are dedicated to continuous improvements in animal welfare, ensuring that our practices evolve over time.

² Mellor D, Beausoleil N. Extending the 'Five Domains' model for animal welfare assessment to incorporate positive welfare states. *Animal Welfare*. 2015;24(3):241-253

Our approach applies to all our private label food and non-food products within the following product groups:

Food products:

- Meat from all animal species
- Shell eggs and eggs as ingredients
- Milk and dairy products
- Fish and seafood products

Non-food products:

- Textiles and bedding
- Health and beauty products, cleaners, detergents

2.3 GOVERNANCE AND RESPONSIBILITIES

Our national buying policies are binding documents for our suppliers, forming an integral part of our contractual relationships. Our suppliers and business partners are expected to adhere to these standards, as well as any additional national requirements that exceed them. This international factsheet provides an overview of the ALDI SOUTH Group's position. These standards must also be applied to all sub-suppliers throughout the entire production process. When instances of non-compliance with our policies are detected, suppliers are required to provide corrective action plans that clearly demonstrate how the relevant issues will be resolved within a specified timeframe.

We work closely with our suppliers to implement our sustainability and animal welfare requirements. Over 90% of our product range consists of ALDI private label products, enabling us to precisely define the animal welfare requirements for the vast majority of what we sell and include them in contracts with all our private label suppliers.

Goals are defined at both national and international levels, and progress against them is evaluated annually. The Managing Directors of Buying at a national level are updated on progress and implementation of their respective national policies at least once a year.

Our suppliers must ensure that all personnel responsible for handling live animals are qualified to promote standards of animal welfare and effectively trained to carry out routine husbandry practices in a way that minimises pain and distress.

We require our suppliers to ensure that raw materials are traceable back to their source. They must be able to provide information on the entire value chain upon request.

In some ALDI SOUTH Group countries, we conduct our own audits and spot checks to ensure compliance with our policies. Third-party service providers or assurance schemes, such as Red Tractor and RSPCA³ Assured, may also carry out auditing at the farm or processor level.

The national animal welfare policies are assessed annually and adjusted as necessary to guarantee the longterm sustainable and responsible procurement of our animal-based food and non-food products. These policies are further developed by National Sustainability Departments in consultation with NGOs and/or national expert committees.

Furthermore, the Business Benchmark on Farm Animal Welfare (BBFAW) is an important reference for us in our efforts to enhance conditions in livestock farming and animal husbandry, addressing the key challenges within core animal species. The responsibility for implementing our standards during daily operations, as well as specific commitments, goals, and measures, lies with the respective National Buying Departments. This is supported and coordinated by the International Sustainability Department.

³ Royal Society for the Prevention of Cruelty to Animals

2.4 ADDRESSING KEY CHALLENGES

Despite the complexity of animal welfare considerations across products such as fresh meat, eggs, milk, dairy, textiles and cosmetics, and the diverse markets in which the ALDI SOUTH Group operates, we recognize the industry's need to address the key challenges that impact core animal species (laying hens, broiler chickens and turkeys, pigs, dairy cows, and beef cattle). Our goal is to enhance animal welfare standards our global supply chains, and we are actively working to tackle the challenges outlined below:

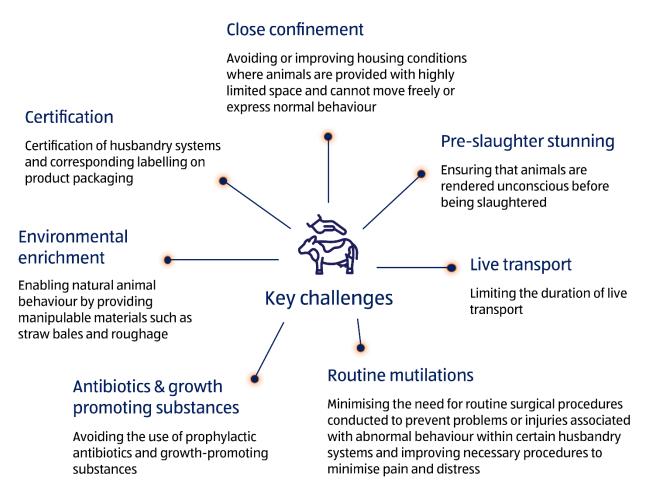


Figure 1: Key challenges to be addressed for improved animal welfare

We recognise that national market conditions significantly impact the relevance of specific issues for each ALDI SOUTH Group country, and that different animal species and husbandry systems necessitate tailored actions. Therefore, each ALDI country develops its national animal welfare policy in accordance with its unique market dynamics and priorities, while also aligning with our international commitment to continuously improve on the challenges listed above.

As we move forward, we aim to implement more specific requirements and targets at a national level, ensuring that our efforts lead to meaningful and lasting improvements in animal welfare across all ALDI SOUTH Group markets.

3 | INTERNATIONAL ACHIEVEMENTS AND COMMITMENTS

While our national animal welfare policies focus on specific market goals and measures, the following commitments have already been adopted at the international level:

- We do not use raw materials derived from exotic or endangered animal species in our products.
- Our products containing down, feathers, duck or goose meat are **guaranteed to be free from live**plucking and force feeding.
- We do not to produce or sell foie gras or meat from birds reared for foie gras.
- We do not offer any products containing angora wool, alpaca wool or real fur.
- Our suppliers are contractually **prohibited** from using the **mulesing method** for products made from **merino wool**.
- We **do not allow animal testing** for finished health and beauty products or for detergents and cleaners.
- We provide our customers vegetarian and vegan products as alternatives to animal-sourced products and regularly evaluate our related private label product lines. These products are clearly labelled to ensure that customers can easily identify them.
- We offer organic and higher animal welfare products for meat, poultry, eggs, milk, and dairy products.
 We ensure that these products are clearly labelled on our packaging, in our stores, and in our advertising materials.
- We are committed to sourcing 100% of our⁴ shell eggs from cage-free supply chains by the end of 2025.
- We require our suppliers of fresh meat and poultry to stun animals prior to slaughter.

4 | NATIONAL ACHIEVEMENTS

The requirements and conditions of the national markets within the individual countries of the ALDI SOUTH Group vary widely, as do the approaches taken to improve animal welfare standards throughout our global supply chains. For more information on the commitments and goals specific to each country, please refer to the animal welfare sections of our national websites:

ALDI Germany ALDI Australia ALDI US ALDI UK ALDI Ireland HOFER Austria ALDI Switzerland ALDI Italy HOFER Slovenia ALDI Hungary

5 | FISH WELFARE

The Fish & Seafood Factsheet provides information about the ALDI SOUTH Group for fish welfare benchmarking enquiries: Fish & Seafood Factsheet

⁴ The scope does not include USA, Hungary and China



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Please visit <u>sustainability.aldisouthgroup.com</u> for more information on our international corporate responsibility activities.