



International Timber Purchasing Policy

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This International Timber Purchasing Policy is available in German and English.
In cases of doubt, the German version shall prevail.

1. Scope of application

This International Timber Purchasing Policy regulates the sourcing of timber and wood-based products and packaging¹ for the ALDI North group. It applies to own brands² and items for internal company use³, ALDI photo products as well as press and advertising materials⁴ containing or made of the following materials:

- Wood (solid wood, derived timber products)
- Cellulose (paper, cardboard)
- Viscose and nonwoven fabric based on cellulose (hygiene products, detergents and household items)
- Bamboo⁵

The International Timber Purchasing Policy provides a binding framework for us and our business partners. It is subject to ongoing updates and rigorous examination. Furthermore, the requirements and provisions of the Quality Management division shall apply according to each individual case. Its validity ends with the publication of an updated version on [aldi-nord.de](https://www.aldi-nord.de).

Cooperation is carried out exclusively with business partners who work in harmony with our International Timber Purchasing Policy.

¹ Sales packaging, outer packaging and transport packaging defined by Directive 94/62/EC on Packaging and Packaging Waste of the European Parliament and Council of 20 December 1994. Adhesive labels and cellulose pads for foodstuffs (such as for fresh meat products) are not covered by the scope of application of the International Timber Purchasing Policy.

² Central, regional, seasonal, special-buy and test items in the product range

³ Items for internal company use refer to products for internal consumption within the company, such as copy paper, business paper, business cards, stationery (such as pencils, spiral note pads) and other wood-based products for internal company use (such as toilet paper, kitchen roll paper, paper towels).

⁴ Sales promotion (customer magazine 'ALDI aktuell', inserts), shop promotion (posters, price labels etc.), information brochures, flyers etc.

⁵ Exclusive apparel and home textiles as well as products made of bamboo fibres

2. Background

Forests as a resource are an eco-system deserving protection and form an essential living environment for humans, animals and plants. They represent an important reservoir of drinking water and play a crucial role as carbon neutralizer in the modern climate change. Conserving and maintaining the resource of forests in the long run not only requires sustainable management, but also a sustainable processing and recycling of timber and wood-based products as well as packaging. Moreover, it is pivotal to avoid the illegal deforestation and to protect endangered forests. In this respect, the protection of tropical forests is of particular importance to the ALDI North group. Responsibility must therefore be assumed in the value chain in order to protect and to conserve one of the most valuable resources of the earth on a long-term basis.

Together with other stakeholders, ALDI Nord implements sustainability standards in order to address the following challenges, amongst others:

Social⁶

- Complying with human rights and the ILO⁷ core labour standards
- Protecting and safeguarding indigenous tribes
- Preventing conflicts based on land rights and resources

Environmental

- Promotion of sustainable forest management
- Conservance and safeguard of forests as a resource and the biodiversity
- Counteract the progressing deforestation
- Fight against climate change and the associated consequences such as increasing droughts and pest infestations

Economic

- Increase yields by sustainable forest management
- Repression of corruption and organized crime
- Reduction of competition for land use with other resources

⁶ The BSCI Code of Conduct is an obligatory element of all our business relationships, committing our suppliers and their producers to assume social responsibility. Further information can be taken from the website: bsci-intl.org

⁷ International Labour Organization

3. Responsibility

The sustainable and conservative treatment of natural resources is an integral part of ALDI North's corporate responsibility. As an internationally operating retail company, ALDI North makes use of its leverage to set standards in the supply chain with tools such as product-specific purchasing policies. Through our Timber Purchasing Policy, we strive to promote measures to both protect and conserve forests as well as to achieve a sustainable value creation.

A summary of our goals:

- I. Promotion of sustainable forest management*
- II. International changeover to certified timber and wood-based products and packaging*
- III. Increase in recyclable and environmentally friendly products*
- IV. Transparency and traceability*
- V. Transparent communication and awareness-raising measures for stakeholders relating to the importance of sustainable forest management*

4. Goals and measures

ALDI North develops targets and measures for the sustainable sourcing of timber and wood-based products and packaging with close coordination between the business divisions of corporate responsibility, purchasing and quality control as well as with its business partners and relevant stakeholders.

I. Promotion of sustainable forestry

Together with our business partners, we are committed to promote the protection and responsible handling of the natural resource of forests as well as a sustainable value creation. The sourcing of endangered types of wood as well as wood from forests deserving particular protection (integral natural reserves, national parks, nature reserves, tropical forests, primary forests) is banned, except for natural resources from certified sustainable forestry. We request our business partners to fully implement any applicable legal provisions and due diligence stipulations of the EU Timber Trade Regulation. We request our business partners to fully implement any applicable legal provisions and due diligence stipulations of the EU Timber Trade Regulation.

The Forest Stewardship Council® (FSC® N001589), the Programme for the Endorsement of Forest Certification Schemes (PEFC) or the EU Ecolabel are recognised standards⁸ we apply in order to ensure responsible forest management or an environmentally sound processing of goods.

The FSC is a member of the **International Social and Environmental Accreditation and Labelling Alliance (ISEAL)** , contributing to the promotion, reliable representation and regular monitoring of social and environmental sustainability goals and standards in forestry.

II. International changeover from timber and wood-based products and packaging to recycled and/or certified materials

The ALDI North group is represented in nine European countries. ALDI North supplies a great variety of certified sustainable timber and wood-based products as well as packaging already at this stage. Our goal is to increase the proportion of more sustainable products and packaging made of or based on wood. Moreover, we strive to promote the use of recycled materials wherever possible.

⁸The use of standards may vary from country to country within the ALDI North group

Timber and wood-based products

Our international goal is to convert **100 percent** of the timber and wood-based products within our defined scope of application to certified sustainable qualities **by the end of 2020**. In this respect, we accept the standards of the **FSC**⁹ and **PEFC**¹⁰ as well as the **EU Ecolabel** or equivalent standards to promote sustainable forestry and the environmentally sound processing of goods, respectively.

With the tendering for 1 January 2018, we will accept any products made of or containing tropical woods and products from BSCI risk countries¹¹ only if they bear a valid certification according to the FSC¹² standards.

Packaging

Product packaging for standard range items and food special-buy items

With regard to any product packaging containing single component wood or paper/cardboard or multi-component cardboard-based materials for liquids (examples: TetraPak/beverage cartons, cardboard packages of cereals, chocolate bars or convenience products, sleeves for food cans, multi-component cardboard-based packaging used for tomato puree, cardboard hangtags, package inserts (not including adhesive labels and other compounds)), the supplier shall make sure that the final production facility of the relevant packaging used for goods delivered as from 1st January 2021 is certified in accordance with the standard of the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification Schemes (PEFC), or that the packaging verifiably consists of at least 70 per cent recycled material.

Printing of a sustainability label shall be effected upon individual agreement with the responsible Buying team. Verification and approval of the sustainability label on the packaging and/or the product shall be effected by the supplier in agreement with the responsible standard issuer (FSC, PEFC).

Product packaging for non-food special-buy items

Specific requirements for the certification of product packaging for non-food special-buy items according to the standards FSC or PEFC as well as a corresponding product label are defined by the responsible buying team

⁹ FSC 100%, FSC MIX and FSC RECYCLED

¹⁰ PEFC, PEFC recycled

¹¹ Further information is available at: bsci-intl.org

¹² FSC 100% and FSC MIX

III. Increase in recyclable and environmentally friendly products

Besides the sustainable quality of our products and packaging, we also strive for more sustainable procedures in their processing and recycling. We therefore assume responsibility beyond the utilization phase of our timber and wood-based products and packaging.

Print colours containing mineral oil

To improve the quality of used paper in the countries of the ALDI North group, we are campaigning against the use of print colours containing mineral oil as an ingredient. In close cooperation with our suppliers, we are therefore striving to enhance the use of print colours without the ingredient of mineral oil for the printing on our wood-based products and packaging materials. Thus, we can reduce the discharge of mineral oils into the recycling process and improve the quality of wood-based recycling materials.

Paper bleaching¹³

To achieve a more ecological process of paper bleaching, we recommend our business partners to utilize materials that were treated with less aggressive methods of bleaching. In order to reduce the environmental impacts of cellulose bleaching on the absorbing waters, we are campaigning for the application of TCF (totally chlorine-free) as the bleaching method for products and packaging.

IV. Transparency and traceability

Transparency and traceability are essential criteria when it comes to our sourcing and marketing practices for sustainable timber and wood-based products and packaging. Our suppliers are therefore committed to provide a seamless traceability of all products and packaging, covered by the scope of application of this Timber Purchasing Policy. Any relevant information on the botanical and geographical origin as well as further evidence on the certification shall be provided by our suppliers upon request. Moreover, we commission independent testing institutes to analyse the type of wood as well as the origin of the products on a random basis.

¹³ Based on the Implementing Decision 2014/687/EU of the Commission dated 26 September 2014

V. Transparent communication and awareness-raising measures for stakeholders relating to the importance of sustainable forest management

Promotion of a sustainable forestry can be achieved only through the joint actions of all the stakeholders involved.

ALDI North therefore undertakes to inform its employees, customers and business partners comprehensively on the background and targets with regard to sustainable forestry and to raise awareness on the importance of this issue.

ALDI North achieves this, for instance, through:

- Internal newsletters, information flyers and the integration of this International Timber Purchasing Policy in the internal training programme
- The weekly customer magazine 'ALDI aktuell' and information brochures
- Its website on which consumers can find further information on the topics of sustainability and quality, as well as the internationally recognised certification standards for sustainable forestry
- The active promotion of certified timber and wood-based products from sustainable forestry

5. Responsibilities and controls

ALDI North undertakes regular reviews of its targets in the area of sustainable procurement of timber and wood-based products and packaging and may formulate additional targets and measures, where required. In doing so, we are in a constant dialogue with external partners such as NGOs, members of the academic professions and other relevant stakeholders.

For the purchasers of ALDI North, the International Timber Purchasing Policy and the goals expressed therein are binding in the implementation of tendering and procurement processes.

ALDI North has informed its suppliers of the content and goals of the International Timber Purchasing Policy. The suppliers of timber and wood-based products and packaging are contractually obliged to comply with these requirements upon receipt of orders. ALDI North expects its suppliers to develop appropriate guidelines for the sustainable sourcing of timber and wood-based products and packaging and to have a management system in place allowing for the continuous verification of standards. ALDI North reserves the right to employ independent institutions to carry out spot checks of its product specifications at the suppliers' premises.

To achieve its corporate goals, ALDI North has always relied on a close and trustful co-operation with its suppliers. With our business partners, we share the responsibility for the conservation of natural resources and therefore joined forces to achieve the targets defined in this Purchasing Policy. ALDI North welcomes its suppliers to promote individual sustainability projects and initiatives in the conservation of forests and to provide information on the approaches taken as well as on the current developments.

The management and other responsible staff of ALDI North are regularly informed on the current status of implementation.

6. Partners and standards



The mark of
responsible forestry

Forest Stewardship Council® (FSC®)

The FSC logo is a label for wood and paper products originating from responsible forestry according to globally unified environmental and social standards. The certification comprises ten principals of sustainability which the wood or paper product must comply with: comprehensive evidence is given for the chain of production of the wood, the wood does not originate from forests deserving protection or preserve areas, the rights of indigenous tribes are protected and the ecological balance of the forest area must be safeguarded on a long-term basis. The certificate is issued by independent third parties and is reviewed annually.

fsc.org



Promoting
Sustainable Forest
Management
www.pefc.org

Programme for the Endorsement of Forest Certification Schemes (PEFC)

The PEFC logo is a label for wood and paper products originating from responsible forestry. PEFC is the abbreviation of „Programme for the Endorsement of Forest Certification Schemes“; a transparent and independent scheme to ensure a sustainable forestry. The guidelines of PEFC comprise environmental, economic and social aspects that must be complied with as a precondition for the PEFC logo being granted. For example, the area of deforestation must not exceed the forest growing back and the forest shall remain a safe living space for animals and plants. Moreover, the rights of people living of the forest and/or being dependent on it shall be safeguarded. Compliance is monitored by independent organizations on a regular basis.

pefc.org



EU Ecolabel

The EU Ecolabel, was launched by the European Commission in 1992. It is a label for products and services that have less environmental impacts than comparable products.

ecolabel.eu



**Further information on our CR activities can be
taken from our website: [cr-aldinord.com](https://www.cr-aldinord.com)**

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