

Coffee Buying Policy

ALDI SUISSE



1 Introduction

Through our Corporate Responsibility Principles, we define our understanding of responsible conduct towards our customers and the environment. Sustainable sourcing practices and the fulfilment of ecological and social criteria play a pivotal role in the management of our resources.

Coffee is one of the most important commodities worldwide, and the key players in the producing countries have to face both ecological and social-economic challenges. For instance, small farming structures and the impacts of climate change lead to lower crop yields. Due to the lack of agricultural know-how, coffee is often grown in mono-culture, negatively affecting the harvest quality in the long-term.

In order to effectively address the challenges in the coffee production, we wish to contribute to the further improvement of working conditions in coffee plantations, in line with recognised social and ecological standards. In so doing, we aim to contribute to enhancing the living conditions of small farmers.

Hence, in cooperation with our commercial partners, we intend to promote responsible sourcing of coffee along our whole delivery chain, focusing on well-established certification standards.

Our Coffee Buying Policy serves as a guideline for the implementation of responsible sourcing practices.

In selected stores, coffee vending machines are available to our customers. These coffee vending machines offer coffee which is certified to the organic and Fairtrade scheme.

2 Scope of Application

This Coffee Buying Policy applies to all private label products belonging to the commodity group "Coffee", including roasted coffee, soluble coffee and cappuccino products.

3 Goals and Challenges

In order to increase the amount of certified coffee, we have set the following goal:

- By the **end of 2018, 100% of raw coffee volume** should originate from certified sources.

Within the scope of our buying process, we refer to our 'ALDI Social Standards in Production' which have been defined as part of our CR Principles. These standards reflect our minimum requirements which we strive to exceed wherever possible. We expect all our business partners and suppliers to meet these standards throughout the entire supply chain and to ensure that all of their sub-suppliers and production processes also comply with these requirements. Our 'Social Standards in Production' are based on:

- the ILO (International Labour Organization) standards,
- the UN Universal Declaration of Human Rights,
- the UN Conventions on the Rights of the Child,
- the UN Convention on the Elimination of All Forms of Discrimination against Women, and
- the OECD Guidelines for Multinational Enterprises.

Furthermore, the ALDI SOUTH Group and, thus, ALDI SUISSE AG as well, joined the amfori Business Social Compliance Initiative (BSCI) in 2008. amfori BSCI participants are committed to improving the working conditions throughout their supply chains, to compliance with environmental guidelines, and to the creation of structures for ensuring social standards in production.



4 Active Implementation

The implementation of these sustainability requirements at ALDI SUISSE is carried out in close cooperation with our suppliers.

Currently, most of our coffee products already come from certified sources. We accept following certification standards:

- FAIRTRADE
- UTZ
- Rainforest Alliance

Upon agreement with the competent Buying Director, our suppliers have to provide certified raw coffee from one of the aforementioned certification systems. Our suppliers are responsible for the validity of the certification. The compliance with the relevant standards is an integral part of our contracts.

Product labelling using logos ensures transparency towards customers.

In the event that our binding objectives are not fulfilled, we rigorously monitor their future implementation and develop specific measures for improving production processes in cooperation with our business partners. In certain cases of non-compliance, we also reserve the right to terminate business relations. Our common aim: To make more sustainable products the common standard for retailers and consumers alike.

Once we have reached our goals, we will review the present Corporate Buying Policy for Coffee in order to define further steps towards the sustainable procurement of coffee products.