

Objectives, Actions  
and Performance

# FOREST PROTECTION FACTSHEET 2025



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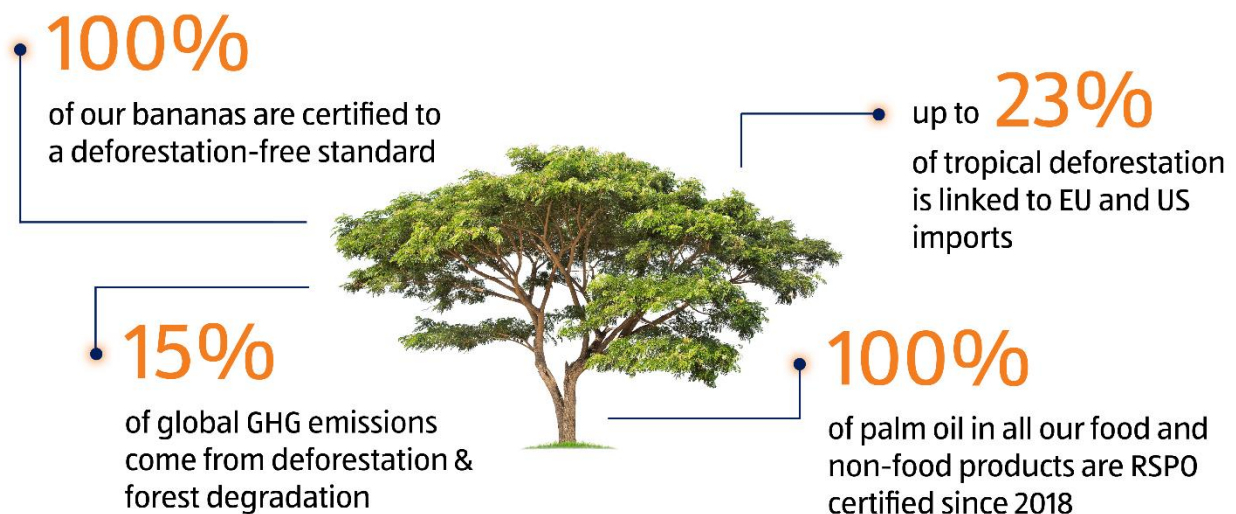
# 1 | INTRODUCTION

As a global retailer, the ALDI SOUTH Group has a key responsibility to ensure that our products do not contribute to the destruction of forests. Forests are diverse and complex ecosystems that provide habitats for plants, animals, and people. They also provide resources for local communities, including livelihoods, food, and medicine. This is particularly true for tropical forests, which are home to more than 50% of the world's plant and animal biodiversity on land and contain significant amounts of the planet's freshwater resources.<sup>1</sup>

Deforestation is a major threat to ecosystems worldwide. Protecting the world's forests is crucial for mitigating climate change. The conversion and degradation of natural forests and other natural ecosystems to create agricultural land is a key driver for global habitat loss and accounts for [15% of global CO<sub>2</sub> emissions](#).

Unsustainable forest management during wood harvesting also contributes to this problem and can lead to forest conversion. Land use change affects not only forests but also other natural ecosystems, such as peatlands and savannahs. The conversion of these ecosystems also leads to the release of greenhouse gases into the atmosphere, loss of biodiversity, and degradation of ecosystem services. Non-Governmental Organisations (NGOs) have developed the concepts of High Conservation Value (HCV) and High Carbon Stock (HCS) to identify and promote the protection of environmental sites. Certification schemes that address deforestation and conversion risks widely refer to these concepts.

# 2 | FACTS & FIGURES



<sup>1</sup> Source: <https://www.nationalgeographic.com/environment/topic/perpetual-planet>



## 3 | FOREST PROTECTION STRATEGY

The ALDI SOUTH Group's efforts to tackle deforestation commenced by addressing significant issues related to palm oil, timber, paper products, and wood-based packaging. Since then, we have broadened our efforts to include other commodities that contribute to deforestation and ecosystem conversion after identifying deforestation as a human rights and environmental risk salient to our diverse supply chains, as per the ALDI SOUTH Group's [Human Rights and Environmental Due Diligence Policy](#). This factsheet outlines our approach to addressing deforestation and conversion risks across a wide range of commodities in our supply chains as part of our Global Sustainability Strategy.

### 3.1 | FOREST PROTECTION COMMITMENT

The ALDI SOUTH Group is committed to eliminate deforestation and conversion of natural ecosystems across our high deforestation-risk supply chains by 31 December 2025.

### 3.2 | HIGH-PRIORITY SUPPLY CHAINS



**Palm oil**



**Timber & paper products**



**Wood-based packaging**



**Soy**



**Beef**



**Cocoa**



**Coffee**

Our 2020 deforestation risk assessment analysed over 25 commodities based on their global deforestation risk and relevance to our supply chains. The purpose of this assessment was to identify any negative impacts that the ALDI SOUTH Group may have on forests, and the aim was to gain insights into our actual impacts and understand the most effective ways to minimise risks. The assessment identified seven supply chains within our business that present the highest risk of deforestation.

We have defined specific milestones for each commodity that lead up to 2025 for our high priorities. We plan to update the risk assessment regularly and report on our progress annually. This will also help us to comply with upcoming EU legislation and to key sustainability commitments such as the Science Based Targets initiative (SBTi).

### 3.3 | FOREST PROTECTION APPROACH

Our approach to eliminate deforestation and conversion from our high deforestation risk supply chains is built on three pillars: Standards, Transparency, and Collaboration. It was developed in conjunction with experts and environmental organisations and is based on the Accountability Framework initiative (AFi) guidelines. AFi members strive for a consistent approach to ethical supply chains, making responsible and deforestation-free value chains the standard. Our key goals are:

- We aim to prevent deforestation and the conversion of natural ecosystems, while also protecting human rights in our high-priority supply chains.
- Identify our priorities based on data-driven risk assessments conducted by expert partners.
- Require compliance with certification schemes that protect forests and natural ecosystems from illegal and legal conversion in high-risk countries, but also go beyond these schemes.
- Collaborate with other committed companies and NGOs in multi-stakeholder initiatives to drive global, industry-wide solutions for sustainable production systems and engage in sourcing countries to promote sustainable production of commodities and support local farmers.

As the latest accepted cut-off date (a cut-off date specifies the last point in time when deforestation or the conversion of natural land to create agricultural land can take place) for any commodity, we specify the 31<sup>st</sup> December 2020. Earlier cut-off dates are implemented for most commodities, including through sustainability certification.

We adhere to legal requirements for forests and forest protection in the countries of origin and the European Union. However, we acknowledge that legal deforestation still occurs, and we do not support it. Therefore, we also use certification schemes that go beyond minimum legal requirements and exclude legal deforestation and the conversion of HCV and HCS areas in deforestation-risk countries in our supply chain.

We observe the definitions provided by the [Accountability Framework Initiative](#):

- Deforestation: Loss of natural forest as a result of conversion to agriculture or other non-forest land use, conversion to a plantation, or severe or sustained degradation
- Degradation: Changes within a natural ecosystem that significantly and negatively affect its species composition, structure, and/or function and reduce the ecosystem's capacity to supply products, support biodiversity, and/or deliver ecosystem services
- Conversion: Change of a natural ecosystem to another land use or profound change in the natural ecosystem's species composition, structure, or function

We observe definitions by the [High Conservation Value \(HCV\) Network](#) and [High Carbon Stock \(HCS\) Foundation](#):

- High Conservation Value (HCV) areas: Areas of critical importance at the local level or with outstanding significance at the national, regional, or global level. The HCV approach includes a set of criteria that focuses on the six categories of high conservation value: species diversity, landscape level ecosystems, ecosystems and habitats, ecosystem services, community needs, and cultural values.
- High Carbon Stock (HCS): The amount of carbon and biodiversity stored within an area of land varies according to the type of vegetative cover. The HCS approach distinguishes forest areas for protection from degraded lands that may be developed by assessing the vegetation using satellite data and ground survey measurements. The approach also respects local community rights, community land use and livelihoods through Free Prior and Informed Consent (FPIC) procedures.

### 3.3.1 | Standards & certification

Independent third-party certification schemes are crucial for retailers to verify the implementation of sustainability requirements on the ground. This is particularly significant in cases where local environmental protection legislation and/or law enforcement in sourcing countries are insufficient to guarantee the protection of forests and natural ecosystems.

To ensure effective use of certification schemes, we adhere to the following principles:

- We assess the standards we use to reduce the risk of deforestation and conversion in our supply chains carefully. We evaluate them against several criteria, including certification credibility, cut-off date definition, independent audits, and control mechanisms.
- We aim to use physical supply chain options, which mean our suppliers purchase volumes from certified farms. This allows us to use our buying volume as an incentive to increase certified production. We strive for higher traceability by preferring segregated (SG) or identity preserved (IP) supply chain systems wherever possible.
- For certain commodity groups, such as soy in animal feed and derivatives and fractions in our non-food products that contain palm oil, we accept credits as a transitional solution. We only acknowledge the impact of credits to minimise deforestation as a first step. This helps to take up volumes where physical supply chains are still limited or unavailable.
- We appreciate external stakeholders' critical review of our standards and recognise the need for periodic reviews. We engage in public and direct exchanges with standards organisations to encourage improvements.

Certification schemes are a valuable tool for improving both food and non-food supply chains and are one of many measures we will use to achieve our goal of deforestation and conversion-free production. While we recognise that certifications alone are not sufficient for achieving sustainability in all high-priority commodities, we will also implement custom complementary measures tailored to the need of each supply chain.

### 3.3.2 | Transparency & traceability

It is necessary to map the supply chain of raw materials to ensure transparency and compliance with our requirements, analyse risks, and implement projects with a direct impact on our supply chains and beyond. Supply chains for commodities with high deforestation impact, such as palm oil and soy, are particularly complex. A relatively small number of raw material traders have a much higher leverage than retailers or manufacturers. Regular assessments of raw material supply chains, whether performed individually or collectively, will help us achieve transparency at the trader level in the coming years.

### 3.3.3 | Collaboration across the industry

Collaboration between stakeholders is essential for market transition and alignment in complex supply chains. We collaborate with:

- Standards bodies to strengthen certification criteria
- Our direct suppliers and traders to ensure the implementation of our requirements in our own supply chains
- Industry groups across the sector, including the [Palm Oil Transparency Coalition \(POTC\)](#), the [Consumer Goods Forum \(CGF\)](#), and the [Retail Soy Group \(RSG\)](#)

We engage in capacity building by tracing the origins of the raw materials used in our products. This allows us to have a direct impact, promote sustainable production, and support local farmers. We collaborate with partners on the ground to support projects or landscape approaches that have the most impact and minimise deforestation and conversion.

To successfully address systematic challenges throughout complex supply chains, we want to go one step further. Our longstanding commitment and cooperation with various stakeholders have demonstrated that joint initiatives and partnerships are the most effective means of minimising deforestation within complex supply chains. Collaboration among all relevant political, economic, and social stakeholders is urgently needed to create maximum leverage in a timely manner. We work with other companies and organisations to support advocacy initiatives. This includes public letters or statements of support, clarifying our position and expressing shared interest in sector-wide solutions for responsible markets and agricultural systems.

Legislative action is crucial in the fight against deforestation. It creates a level playing field and drives sector-wide change. It can also significantly contribute to preventing deforestation, mitigating climate change, and protecting the planet's biodiversity. The ALDI SOUTH Group supports the introduction of a robust legislative framework in the countries where we operate, such as the EU Deforestation Regulation, to halt import-driven deforestation and regulate deforestation-free products.

## 4 | COMMODITY APPROACHES

To prevent deforestation and conversion in our high-priority supply chains, we apply the three pillars of our forest protection approach to each identified high-risk commodity.

### 4.1 | PALM (KERNEL) OIL

#### 4.1.1. | Objective

All palm (kernel) oil and palm (kernel) oil-based derivatives and fractions used in our own-brand products are certified.

#### 4.1.2. | Standards & Certification

To prevent deforestation, we certify the palm (kernel) oil used in our own-brand products according to the Roundtable on Sustainable Palm Oil (RSPO) chain of custody standard. The ALDI SOUTH Group has significantly increased its share of certified palm (kernel) oil, from 69% in 2016 to 100% since 2018.

#### 4.1.3. | Collaboration

The ALDI SOUTH Group is not only focused on certification, but also on promoting transparency and including smallholders in the palm oil sector. As a founding member of the Palm Oil Transparency Coalition and a member of the Retailers' Palm Oil Group, we have developed an approach in 2016 to better integrate smallholders into our value chain. In addition to being a member of the Roundtable on Sustainable Palm Oil and purchasing Independent Smallholder Credits, we also supported smallholder farmers on the ground through our [smallholder project in Côte d'Ivoire](#), in collaboration with ALDI Nord and our partner Solidaridad.

#### **Palm Oil Transparency Coalition (POTC) (since 2017)**

We are a founding member of the [Palm Oil Transparency Coalition \(POTC\)](#). POTC is a group of businesses working together in a pre-competitive coalition to remove deforestation and exploitation from the palm oil sector. We engage and review the major international palm oil importers to assess their progress towards tackling deforestation and exploitation in their supply chains. Our approach promotes transparency and encourages progress that goes beyond certification.

#### **Retailers' Palm Oil Group (RPOG) (since 2012)**

Since 2012, the ALDI SOUTH Group has been a member of the [Retailers' Palm Oil Group \(RPOG\)](#), a non-competitive coalition of retailers with the common aim of promoting the use of sustainable palm oil as the norm across all relevant supply chains.

#### **Roundtable on Sustainable Palm Oil (RSPO) (since 2011)**

In 2011, the ALDI SOUTH Group joined the [Roundtable on Sustainable Palm Oil](#) (RSPO), a non-profit organisation that brings together stakeholders from the palm oil industry to establish and implement global standards for sustainable palm oil. The RSPO has over 4,800 members worldwide representing all links in the palm oil supply chain that have committed to producing, sourcing and/or using sustainable palm oil certified by the RSPO. We confirm the implementation of the RSPO Shared Responsibility requirements in our palm oil-related operations to achieve RSPO's vision to make sustainable palm oil the norm.



#### 4.1.4. | **Smallholder Approach**

##### **Working together**

Around 40% of the palm oil traded globally is produced by smallholders. Certification requirements can be a barrier for smallholders to participate in global supply chains due to administrative burden and costs. Based on this knowledge, we have developed an approach to include smallholder farmers in our commitment.

We purchase and accept RSPO Independent Smallholder Credits to support their work directly. Trading RSPO Credits provides smallholders with direct access to the RSPO premium for growing sustainable palm oil. Independent Smallholder Credits are the only possibility for smallholders to benefit from an RSPO premium for growing certified palm oil, as they do not always have access to a certified mill.

Since 2019, the ALDI SOUTH Group has been the sole retail representative of the [RSPO Smallholder Standing Committee \(SHSC\)](#). The SHSC is responsible for overseeing the execution of the RSPO Smallholder Strategy and making decisions throughout its implementation.

Find out more about our smallholder engagement: [Palm oil smallholder project in Côte d'Ivoire](#)

## 4.2 | **SOY**

### 4.2.1. | **Objective**

By the end of 2025, we aim to solely use soy that is certified as deforestation-free, or that originates from deforestation-free sources in our direct soy and animal feed supply chains. Therefore, we give preference to European and US soy within their respective markets.

### 4.2.2. | **Standards & Certification**

To ensure our soy supply chains are deforestation-free, they must originate from regions outside of South America, such as Europe or the US. Alternatively, they can be sourced from South America if they are physically certified by an accredited standard and adhere to the supply chain options of Area Mass Balance (AMB), Mass Balance (MB), Segregated (SG), or Identity Preserved (IP). We accept international standards, including RTRS, ProTerra, ISCC, SFAP, and Cefetera, as well as various trader standards. Acknowledging the complexity of global soy supply chains, we request that all South American soy used in animal feed be offset with credits by an accepted standard.

### 4.2.3. | **Transparency & Traceability**

Globally, and particularly in South America, soy is a major driver of deforestation. The majority of soy production is used for animal feed, making supply chain transparency and traceability challenging. Our aim is to ensure that the cultivation of soy in our supply chains does not harm natural ecosystems, such as forests, or violate human rights. To increase the sustainability of our soy supply chains, we assess our soy footprint annually. We appreciate the transparency requirements for soy imports introduced by the [EU Deforestation Regulation](#) in our European markets.

#### 4.2.3. | Collaboration

##### **Cerrado Statement of Support (SoS) Group (since 2020)**

In 2020, the ALDI SOUTH Group signed the [Statement of Support \(SoS\)](#) for the Cerrado Manifesto. We are collaborating with other companies in the SoS Group to engage local and international stakeholders in protecting the native vegetation in the Cerrado region of Brazil.

The Brazilian Cerrado is the second largest biome in South America, after the Amazon rainforest, and the world's most biodiverse savannah. Urgent protection is necessary due to high rates of deforestation and land conversion (even higher than in the Amazon), which have already caused the region to lose 50% of its original area, mainly due to soy production and cattle ranching.

##### **Collective Soy Reporting (CSR), Project Group**

We calculate our soy footprint regularly to minimise deforestation risks and negative impacts in our supply chains. In 2022, we calculated the soy footprint for the entire ALDI SOUTH Group. The results indicate that most of the soy in our supply chains is associated with a low risk of deforestation.

Since 2018, we have been participating in the Collective Soy Reporting initiative with a group of other retailers to:

- Quantify the amount of soymeal present in animal feed used annually.
- Identify where the soy was produced.
- Check if any of the soymeal has recognised deforestation-free certification.

In total, over 230 livestock producers, packers, and manufacturing suppliers contributed to the report. Using the results, we collaborate with relevant stakeholders to develop suitable measures that will increase the share of deforestation-free soy in our supply chain.

##### **Soy Footprint**

Our soy footprint has been calculated from 2017 onwards, providing a quantitative impact assessment of our supply chains. Since 2018, we have participated in the Collective Soy Reporting (CSR) initiative. The CSR quantifies and maps the use of soy on an individual company level and analyses the results in a sector-wide manner. The CSR states that 32.5% of the 2024-soy footprint for the ALDI SOUTH Group was either certified as deforestation-free or originated from deforestation-free sources.

##### **Donau Soja (since 2021)**

After founding member HOFER Austria, the entire ALDI SOUTH Group has now joined Donau Soja. This is a further step in our international approach to work with other ambitious stakeholders on industry-wide solutions for sustainable and deforestation-free soy production.

[Donau Soja](#) is a non-profit association that supports the sustainable development of European agriculture and promotes European soy cultivation. This includes soy cultivation in line with EU agricultural regulations, additional sustainability criteria, and research and innovation activities in the field of European soy production. Donau Soja has developed two certification schemes: Donau Soja (specifically for the Danube region) and Europe Soya. Both standards ensure sustainably grown, regional, and GM-free soy.

### **Retail Soy Group (RSG) (since 2017)**

The ALDI SOUTH Group joined the [Retail Soy Group \(RSG\)](#) in 2017. The RSG is an independent group of international retailers who collaborate pre-competitively to find industry-wide solutions for sustainable soy in their animal feed and food supply chains.

### **Round Table on Responsible Soy (RTRS) (since 2017)**

In 2017, the ALDI SOUTH Group became a member of the [Round Table on Responsible Soy \(RTRS\)](#), a global platform for multi-stakeholder dialogue that promotes responsible production, processing, and trading of soy worldwide. The RTRS aims to encourage soybean production that is certified and produced responsibly. The objective of this initiative is to reduce the social and environmental impacts of soy production while maintaining or improving the economic status of the producer.

### **Soy Transparency Coalition (STC) (since 2020)**

In 2020, we became a founding member of the [Soy Transparency Coalition \(STC\)](#). The STC is a pre-competitive coalition that aims to promote sustainable soy production system by working with major international soy traders to address deforestation and transparency challenges in soy supply chains.

## **4.3 | WOOD & PAPER PRODUCTS**

### **4.3.1. | Objective**

All our relevant wood-based products are made from recycled or certified raw materials.

### **4.3.2. | Standards & Certification**

We are committed to sourcing timber used in our own-brand products in a sustainable manner. To achieve this, we have implemented sourcing requirements across all our markets. These requirements ensure that we only use certified materials that meet the standards of the FSC, PEFC, Sustainable Forestry Initiative (SFI; only for the US market), Blue Angel standard, or are made from recycled materials since the end of 2021.

### **4.3.3. | Collaboration:** Sustainable charcoal from Namibia

ALDI SOUTH Germany and HOFER S/E collaborated with the Forest Stewardship Council (FSC) in Namibia from 2019 to 2020 to increase the amount of sustainable and directly traded charcoal on the market. The project aimed to benefit local farmers directly. Following successful training and audits, the farmers now hold FSC Forest Management certification.

## 4.4 | WOOD-BASED PACKAGING

### 4.4.1. | Objectives

Product packaging is crucial for protecting our products, ensuring their quality, and preventing food waste. Our objective is to ensure that the packaging of our ALDI own-brand core range food and non-food products only contains wood and paper components made from certified or recycled materials.

The 2020 deforestation risk assessment identified wood-based packaging as one of the supply chains with the largest amounts of raw material used for the ALDI SOUTH Group. However, over 95% of the raw material originates from regions without a high risk of deforestation.

### 4.4.2. | Standards & Certifications

All primary wood and paper-based packaging must be certified by FSC, PEFC or SFI (relevant for the US market) or made from recycled material (>70% recycled content) to reduce the risk of deforestation.

## 4.5 | BEEF

### 4.5.1. | Objective

Our objective is to ensure that we only sell beef from origins that are free from deforestation.

### 4.5.2. | Transparency

Based on our deforestation risk assessment from 2020, less than 1% of ALDI's global beef supply originates from deforestation-risk regions in South America, such as Brazil and Argentina.

Beef is one of the main drivers of deforestation, especially in South America. The Brazilian beef supply chains are complex and difficult to monitor. Meatpackers and slaughterhouses are only permitted to purchase cattle from legally registered farms in the Amazon region. However, various stages of the cattle supply chain are often conducted on separate farms. The farms used for calving, rearing, and fattening are often hidden, and only the final step, the legally registered farm, can be verified. Cattle laundering, which involves transferring cattle from farms that have recently cleared rainforest for pastures to legally registered farms, is a significant challenge.

In contrast to most other high-priority supply chains, there is no third-party verified certification scheme in place for deforestation-free beef. Our leverage to drive more sustainable local production in South America is limited due to our low purchase volumes. Therefore, we prioritise beef from lower-risk regions, such as Uruguay, and withdraw from high-risk countries where there are no assurance mechanisms in place. We have developed an international framework to further reduce the risk of deforestation in our beef supply chains. Our focus is on promoting regional beef in our national markets.

## 4.6 | COCOA

### 4.6.1. | Objective

All cocoa used in our relevant own-brand products is sourced from certified sources.

### 4.6.2. | Standards & Certifications

Cocoa is sourced from smallholder farmers who may face difficult working and living conditions. Our products mainly use cocoa from Côte d'Ivoire and Ghana. Sourcing cocoa presents significant challenges, including human rights violations such as child labour and environmental risks like deforestation.

To address these challenges, we require the use of sustainability standards such as Rainforest Alliance, Fairtrade, Fair Trade USA, or organic certification (in combination with one of the former standards) when purchasing cocoa-containing products. Since 2021, we have already transitioned to using certified cocoa in all our own-brand products. At least 99% of our relevant cocoa products now come from certified sources.

The ALDI SOUTH Group also collaborates with certification organisations to enhance requirements and elevate sustainability standards at the farm level.

### 4.6.3. | Collaboration

#### Retailer Cocoa Collaboration (RCC)

In September 2019, the ALDI SOUTH Group joined the newly formed [Retailer Cocoa Collaboration \(RCC\)](#) to support the Cocoa and Forests Initiative. This initiative aims to protect and restore forests in Cote d'Ivoire, Ghana, and Colombia. The RCC will also map collective cocoa supply chains to gain a better understanding of the social and environmental risks present in production countries. The trader assessment conducted by RCC will also provide us with more transparency and insight into lower tiers of the supply chain.

#### Mission Ally of Tony's Open Chain (since 2020)

ALDI joined Tony's Open Chain in 2020, becoming the first discount retailer to do so. This initiative, created by Tony's Chocolonely, invites other chocolate brands to work together to change the norm in chocolate. By adopting the 5 Sourcing Principles for our new Choceur CHOCO CHANGER chocolate bar, ALDI has joined the mission to make chocolate 100% slave-free.

#### German Initiative on Sustainable Cocoa (GISCO)

ALDI has been an active member of the [German Initiative on Sustainable Cocoa \(GISCO\)](#) since 2015. Together with other members, we work towards achieving the initiative's objectives. This multi-stakeholder initiative aims to improve the livelihoods of cocoa farmers and their families, promote a secure living, conserve and protect natural resources and biodiversity in cocoa-producing countries, and increase the cultivation and commercialisation of sustainably produced cocoa.

#### Working together

ALDI is actively engaged in the sustainability and PRO-PLANTEURS working groups, which focus on the implementation of GISCO's goals and monitoring the PRO-PLANTEURS project.



### **Swiss Platform for Sustainable Cocoa, ALDI SUISSE**

By establishing the [Swiss Platform for Sustainable Cocoa](#) in 2018, ALDI SUISSE became a member of the association for the promotion of sustainable cocoa (Verein zur Förderung von nachhaltigem Kakao). The multi-stakeholder initiative comprises actors from the Swiss cocoa and chocolate industry, the public sector, civil society, and research institutions. Their collaboration aims to improve the living conditions of cocoa farmers, preserve natural resources, and promote biodiversity in cocoa-producing countries. They are committed to coordinating a dialogue with authorities and organisations in cocoa-producing countries and promoting the demand and procurement of cocoa-based products with sustainable origins.

## **4.7 | COFFEE**

### **4.7.1. | Objective**

Our goal is to steadily increase the percentage of sustainable coffee products. By the end of 2025, we aim to source more than 75% of certified coffee products that meet deforestation-free standards and increase traceability to the country-of-origin level.

Coffee is among the world's most-traded raw materials and is mainly cultivated by smallholder farmers in sub-tropical regions. Sourcing coffee presents human rights and environmental challenges, including the risk of deforestation. The ALDI SOUTH Group is committed to promoting fair working conditions and environmentally friendly production in coffee cultivation.

### **4.7.2. | Standards & Certifications**

By sourcing from suppliers adhering to sustainability standards such as Fairtrade, Fair Trade USA, Rainforest Alliance, and organic certification, we can assure our customers that we support coffee growing communities, protect biodiversity, and prevent deforestation.




### **4.7.3. | Collaboration: Sustainable Coffee Challenge (SCC) (since 2020)**





In 2020, the ALDI SOUTH Group joined the [Sustainable Coffee Challenge \(SCC\)](#). We work with other retailers, traders, governments, NGOs, and research institutions to improve living and working conditions in the global coffee sector.

## 5 | MILESTONES TOWARDS ACHIEVING COMMITMENT

Our risk analysis shows that we have already significantly reduced the risk of deforestation in our supply chains for palm oil, timber and paper products, wood-based packaging, and cocoa. We achieved this by certifying relevant products with standards that contain robust forest protection criteria. Additionally, we invest in transparency and engage in sector-wide collaboration initiatives. For these supply chains, we will maintain our current actions and monitor their effectiveness to identify opportunities for improvement.

To meet our commitment to eliminate deforestation and conversion in our high-priority supply chains by 2025, we will strengthen our approach. This involves preparing our business to comply with the EU Deforestation Regulation, which covers commodities such as beef, palm oil, soy, coffee, cocoa, rubber, wood,

| MILESTONE   | MEASURES <sup>2</sup>   | STATUS  |
|---|---|---|
| <b>PALM OIL:</b> 100% of palm oil in all food and non-food products RSPO certified (since 2018).  |   |    |
| Standards   | » RSPO (Identity Preserved (IP), Segregated (SG), Mass Balance (MB)).   | ●   |
|   | » Increase shares of segregated supply chain and physically certified derivatives and fractions in non-food products. | ●   |
| Transparency  | » Increase transparency to the trader level and on the amount of palm oil used in animal feed.                        | ●   |
|   | » Ensure segregated deforestation-free supply chains in European markets as of 2025                                   | ●   |
| Collaboration   | » Actively participate in multi-stakeholder groups (RSPO, POTC, RPOG).  | ●   |
|   | » Support of smallholder initiatives (e.g. Retailer representative in RSPO Smallholder Standing Committee).           | ●   |
|   | » Analyse further on the ground investments.  | ●   |
| <b>TIMBER AND PAPER PRODUCTS:</b> 100% of all relevant wood and paper-based products from recycled or certified raw materials (since 2021). |   |  |
| Standards   | » FSC, PEFC, Blauer Engel and Sustainable Forestry Initiative (SFI; only for the US).                                 | ●   |
| Transparency  | » Regular random checks of product specifications by independent third parties.                                       | ●   |
|   | » Ensure segregated deforestation-free supply chains in European markets as of 2025                                   | ●   |
| Collaboration   | » Engage in regular discussions with certification systems and stakeholders, such as FSC.                             | ●   |
| <b>WOOD-BASED PACKAGING:</b> 100% of core range product packaging from recycled or certified raw materials (since 2021).                    |   |  |
| Standards   | » FSC, PEFC and Sustainable Forestry Initiative (SFI; only for the US).   | ●   |
| Transparency  | » Regular monitoring of packaging amounts.  | ●   |
| Collaboration   | » Engage in regular discussions with certification systems and stakeholders, such as FSC.                             | ●   |

|   |   |   |
|---|---|---|
| <b>COCOA:</b> 100% of our relevant cocoa products from certified sources (since 2021).                                |   |    |
| <b>Standards</b>  | » Rainforest Alliance, Fairtrade and Fairtrade USA.   | ●   |
| <b>Transparency</b>   | » Segregated (SG) CoC standards used for cocoa in the Choceur CHOCO CHANGER.  | ●   |
|   | » For all other cocoa, Mass Balance (MB) CoC standards are used.  | ●   |
| <b>Collaboration</b>  | » Actively participate in multi-stakeholder initiatives (RCC, European Initiatives on Sustainable Cocoa (including GISCO, SWISSCO)).          | ●   |
|   | » Invest on the ground (Choceur CHOCO CHANGER, PRO-PLANTEURS).  | ●   |
| <b>SOY:</b> All soy certified to a deforestation-free standard or from deforestation-free origins by the end of 2025. |   |    |
| <b>Standards</b>  | » >50% of soy footprint certified to a deforestation-free standard or from deforestation-free origins in 2020.                                | ●   |
|   | » Increase share of sustainably certified soy.  | ●   |
| <b>Transparency</b>   | » Assess soy footprint in collaboration with other retailers in the Collective Soy Reporting Initiative and publicly share it on our website. | ●   |
|   | » Ensure segregated deforestation-free supply chains in European markets as of 2025   | ●   |
| <b>Collaboration</b>  | » Actively participate in multi-stakeholder initiatives (RTRS, RSG, STC) and support sector-wide solutions in national markets.               | ●   |
| <b>BEEF:</b> <1% of beef from deforestation-risk regions in South America in 2020.                                    |   |  |
| <b>Standards</b>  | » Support national beef supply chains in the countries where we operate.  | ●   |
|   | » Continuous screening for beef standards that address deforestation-risks.   | ●   |
| <b>Transparency</b>   | » Assessed deforestation-risk of beef in supply chains in 2020.   | ●   |
|   | » Ensure segregated deforestation-free supply chains in European markets as of 2025   | ●   |
|   | » Continuous monitoring of beef origin in our supply chain.   | ●   |
| <b>Collaboration</b>  | » Actively collaborate with suppliers to focus on sourcing national beef products.  | ●   |
| <b>COFFEE:</b> > 75% of coffee products certified by a deforestation-free standard by the end of 2025.                |   |  |
| <b>Standards</b>  | » Rainforest Alliance, Fairtrade, Fair Trade USA, Organic.  | ●   |
|   | » >50% of own-brand coffee products sustainably certified in 2020.  | ●   |
|   | » Increase share of sustainably certified coffee products.  | ●   |
| <b>Transparency</b>   | » Increase traceability to the country of origin level.   | ●   |
|   | » Ensure segregated deforestation-free supply chains in European markets as of 2025.  | ●   |
| <b>Collaboration</b>  | » Actively participate in multi-stakeholder initiative (Sustainable Coffee Challenge).  | ●   |
|   | » Invest on the ground (Living Income project with OFI – Olam Food Ingredients).  | ●   |



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