

ALDI Nord
Sustainability Report 2019





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FOREWORD

GRI 102-11, -14

DEAR READERS,

This past year saw a significant shift in the way the world views sustainability. School children, students and scientists came together to remind the global community that no one is unaffected by environmental changes. Scientists predict that by the year 2050, we will have more plastic than fish in our seas. This explains why sustainability is now a part of our daily activities, both in our private and our professional lives.

While we cannot currently eliminate packaging in our stores, this challenge motivates us to make changes wherever possible, in keeping with our business model as a discounter. We have the responsibility and the opportunity to use our position as one of the leading retailers in Europe to make bold changes that will have a lasting impact.

In 2019, we set out a clear path for progress, including climate and environmental protection, responsible consumption and sustainable sourcing. We defined two focus topics for the coming years: Packaging and Modern Nutrition.

In the year under review, the German Packaging Mission was expanded to ALDI companies in other countries and set targets for packaging reduction. In Modern Nutrition, we have worked to reduce fat, salt and sugar across the own-brand product ranges, and to expand the selection of regional specialties and vegetarian and vegan products. One example of sustainable sourcing is the complete conversion of our clothing and home textiles to sustainable cotton by 2025.

In addition to our focus on customer-centric topics, we will intensify our efforts in climate protection and our human rights responsibilities, as part of our ongoing commitment to upholding the ten principles of the United Nations Global Compact. As we had anticipated when we set our Climate Protection Policy 2018, there is more work to be done in terms of climate protection. For this reason, we will concentrate more intensively with science-based targets in the future. As with all targets dealing with the topic of climate change, this will be a substantial challenge.

In our efforts to comply with human rights due diligence obligations in the supply chain, we joined forces with other stakeholders. Together with other representatives of the German retail sector, we signed a voluntary agreement at the beginning of 2020 aiming to enable farmers in the global supply chain to earn a living wage. Declarations of intent, while a sign of cooperation, are only a first step. We are taking actions in many other areas, from monitoring of suppliers to cooperations in the countries of production. We are confident that these measures have set us on course for lasting change. However, much more remains to be done.

We wish to open the debate and promote honest and forward-thinking communication between all our stakeholders. I hope you enjoy reading this report.

Rolf Buyle

Managing Director
International Buying
ALDI Einkauf GmbH & Co. oHG



STRUCTURING AND DIRECTING SUSTAINABILITY

Our commitment to sustainability is based on clear strategies, ethically correct and compliant behaviour and efficient organisations.

We aim to enable safe and responsible consumption with a clear conscience.

The selection of focus topics and our Corporate Responsibility Programme set us a clear path. To meet the current challenges, we are working intensively on specific initiatives and alliances with major stakeholders.



9 COUNTRIES, **71**
LEGALLY INDEPENDENT
REGIONAL COMPANIES

77,661
ALDI EMPLOYEES

OVER **8,600**
STAKEHOLDERS ACROSS
THE ALDI COMPANIES
SURVEYED ABOUT THEIR OPINIONS
ON SUSTAINABILITY

6
SDGS THAT ARE
OF INCREASED RELEVANCE
TO US AS RETAILERS



12.2, 12.5



16.5



17.16



SUSTAINABILITY APPROACH

GRI 102-4, -6, -11, -16 The ALDI companies are internationally successful discounters which sell high-quality products at consistently affordable prices in nine European countries. As customer expectations change every year, we never stop evolving but our traditional values remain unchanged: ALDI Nord is simple, reliable, responsible. These values guide our actions and have been codified in our 'Simply ALDI' mission statement.

Our daily decisions impact our entire value chain. In view of the challenges of climate change, limited natural resources and a growing and constantly

changing demand for groceries, sustainable business leadership is not only an option, but rather a strategic approach.

Long-term thinking and responsible actions have always been a part of our traditional values, and they remain the foundation of the economic success of ALDI Nord. That is why it is second nature for us to take responsibility for our business activities (Corporate Responsibility – CR). The business model of the discounter, as understood and lived by ALDI Nord, already follows sustainable principles at heart. ALDI Nord focuses on issues that are highly relevant to the main stakeholders in all ALDI

countries and that are closely linked to the core business, as this is where the ALDI companies have the most influence on sustainability. ALDI Nord is able to operate efficiently and save resources thanks to the principle of simplicity, focusing on the essentials and consistently bundling quantities in procurement. These principles, alongside a strong commitment to quality, enable ALDI Nord to make safe and high-quality products available to a broad section of the population. We count on long-term and cooperative partnerships with suppliers and producers in order to successfully operate our core business today and in the future.



GRI 102-7

TOTAL NET SALES OF THE ALDI COMPANIES

Total net sales in the business year
(in billion euros)

ALWAYS IN FOCUS: OUR CUSTOMERS

GRI 102-11, -16 As food retailers, with daily contact with millions of customers, the ALDI companies bear significant responsibility. It is our claim to enable all customers to consume safely and with a clear conscience. This is why we offer our customers a growing range of sustainable products, reduce the packaging of our own-brand products and use modern technology to reduce the energy consumption in our stores. We also make it easier for our customers to eat more consciously – for example with products containing less sugar, salt and additives.

GRI 102-2, -6, -7 The heart of the product ranges are the own-brand products, which make up 83 per cent of the merchandise sold. Selected branded goods round off the range.

GRI 102-4, -7

STORES AND ALDI EMPLOYEES

Total number of stores and total number of ALDI employees (headcount) by gender and region on the reference date 31 December

| | 2017 | | | 2018 | | | 2019 | | |
|---------------------------------|------------------|---------------------|----------------|------------------|---------------------|----------------|------------------|---------------------|----------------|
| | Number of stores | Number of employees | thereof female | Number of stores | Number of employees | thereof female | Number of stores | Number of employees | thereof female |
| Belgium/Luxembourg ¹ | 459 | 6,727 | 4,804 | 461 | 7,234 | 5,160 | 456 | 7,344 | 5,083 |
| Denmark | 188 | 2,277 | 1,099 | 183 | 2,367 | 1,220 | 182 | 2,689 | 1,456 |
| France | 888 | 9,218 | 5,592 | 872 | 9,526 | 5,974 | 870 | 10,070 | 6,290 |
| Germany | 2,249 | 35,836 | 25,511 | 2,219 | 36,312 | 25,415 | 2,206 | 37,788 | 25,297 |
| Netherlands | 494 | 8,654 | 5,099 | 496 | 10,933 | 6,287 | 492 | 11,086 | 6,444 |
| Poland | 124 | 1,906 | 1,706 | 132 | 2,142 | 1,845 | 138 | 2,694 | 2,206 |
| Portugal | 57 | 1,178 | 768 | 65 | 1,496 | 987 | 73 | 1,633 | 1,094 |
| Spain | 272 | 3,571 | 2,263 | 294 | 3,924 | 2,560 | 308 | 4,357 | 2,870 |
| ALDI Nord | 4,731 | 69,367 | 46,842 | 4,722 | 73,934 | 49,448 | 4,725 | 77,661 | 50,740 |

¹ The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').



GRI 102-7

PRODUCTS AND OWN BRANDS IN THE PRODUCT RANGES

Number of products and proportion of own-brand products in the standard product ranges (in per cent)

| | 2017 | | 2018 | | 2019 | |
|---------------------------------|--------------------|--------------------------------|--------------------|--------------------------------|--------------------|--------------------------------|
| | Number of products | Proportion of own brand (in %) | Number of products | Proportion of own brand (in %) | Number of products | Proportion of own brand (in %) |
| Belgium/Luxembourg ¹ | 1,465 | 96.1 | 1,459 | 95.5 | 1,479 | 95.1 |
| Denmark | 1,826 | 75.5 | 1,876 | 70.8 | 1,741 | 61.9 |
| France | 1,452 | 90.9 | 1,546 | 93.7 | 1,562 | 93.1 |
| Germany | 1,432 | 91.1 | 1,649 | 86.9 | 1,739 | 85.4 |
| Netherlands | 1,737 | 93.5 | 2,007 | 92.5 | 2,075 | 92.3 |
| Poland | 2,101 | 73.6 | 2,259 | 70.1 | 2,326 | 67.8 |
| Portugal | 1,639 | 85.8 | 1,746 | 84.5 | 1,908 | 84.8 |
| Spain | 1,842 | 89.6 | 2,311 | 84.0 | 2,624 | 86.1 |
| ALDI Nord | 1,687 | 86.2 | 1,857 | 83.9 | 1,932 | 82.8 |

¹ The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').

OUR CONTRIBUTION TO THE WORLDWIDE SUSTAINABILITY GOALS

GRI 102-11, -12, -16 We support the Sustainable Development Goals (SDGs) of the United Nations and do our part to achieve them. In particular, we focus on promoting responsible consumption, the sustainable development of our own-brand ranges along our entire value chain, alongside the efficient use of resources across all our business processes.

By joining the United Nations Global Compact in 2017, we also underscored that sustainability is at the heart of our corporate value system.

OUR CRQA STRATEGY

GRI 112-11, -14, -16 How can we further increase our contribution to achievement of the SDGs? What expectations do our customers have of us – and what demands will they make tomorrow? These questions guided the development of our Corporate Responsibility Quality Assurance (CRQA) Strategy in 2019. Our materiality analysis, alongside other surveys and further research, helped us identify the wishes and demands of our customers. But the starting point is always our CR Policy, published in 2015.

Our stores offer on average around 1,900 products from 70 product groups, which represents an increase of four per cent compared with 2018. The standard ranges are supplemented by alternating promotional products, which we offer up to three times a week. These include items such as textiles and footwear, electronics, household items, DIY and garden products, but also foodstuffs. Online services, including travel agency, photo services, online games and e-books, music or mobile communication services are available under the ALDI brand in selected countries. A delivery service has been available in Germany since 2019.

Our CRQA Strategy standardises the overall goals of the ALDI companies. It clearly focuses on our customers and is built on three pillars.

- 1 By making social and environmental standards an integral part of our business processes, we contribute to the future success of ALDI Nord.
- 2 With sustainable procurement and comprehensive transparency along our value chain, we can secure our supply chains and protect our reputation.
- 3 Our clear customer focus in all CRQA measures opens up new market opportunities and sets us apart from our competitors.












With this CRQA Strategy in mind, we defined two focus topics: Packaging and Modern Nutrition. The aim of Modern Nutrition is to enable a healthy diet, which includes responsible handling of food. Our focus topics are highlighted in the report with this symbol



CLEAR AND MEASURABLE: OUR GOALS

As part of our CR Programme¹, we set clear goals for all areas, including focus topics:

CUSTOMER & PRODUCT
















| Description of goals & scope | | Status 2019 & next steps | SDGs |
|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 100% sustainably certified and/or recycled materials for all product packaging by end of 2020 | Transition of newly purchased product packaging to sustainably certified materials (FSC®, PEFC™, EU Ecolabel or comparable standards) or consisting of more than 70% recycled materials at ALDI Nord, depending on availability by the end of 2020. The requirement refers to all own-brand products within the standard product ranges, seasonal products and food specials. |  2020 Project ongoing. See Responsible product ranges . |   12.2 12.5 15.2 |
| 100% recyclable, compostable or reusable packaging by end of 2025 | 100% of own-brand packaging at ALDI Nord to be recyclable, compostable or reusable by end of 2025 |  2025 New goal. See Responsible product ranges . |  12.5 12.2 |
| 15% less packaging by end of 2025 | Reduction of the total weight of own-brand packaging material at ALDI Nord (excluding fruit and vegetables) by 15% – proportional to sales – by end of 2025 (base year 2020) |  2025 New goal. See Responsible product ranges . |  12.5 12.2 |
| Reusable nets for fruit and vegetables | Rollout of reusable nets for fruit and vegetables in all stores of the ALDI companies |  ∞ Project ongoing. Pilot project and rollout in Germany in 2019. See also Responsible product ranges . |  12.5 12.2 |
| No more disposable plastic carrier bags (except knot bags) by end of 2021 | No more disposable plastic carrier bags (except knot bags) by end of 2021: To achieve this goal, the assortment of multiple-use carrier bags is to be expanded. These bags should be repairable and/or washable and should be recognisable as reusable, taking into account haptics and carrying comfort. Bags that do not meet these requirements are not covered by this goal. Paper bags are considered separately. |  2021 New goal. |  12.5 12.2 |
| Ban of single-use plastic products by end of 2020 | End the sale of single-use plastic products such as plates, cutlery, cups, straws, stirrers and cotton buds in all ALDI companies by end of 2020. Indispensable articles should be replaced by more environmentally-friendly alternatives or reusable variants. |  2020 Project ongoing. Cotton buds have been replaced with a sustainable alternative. See also Responsible product ranges . |  12.5 12.2 |

¹ Each ALDI company can set individual targets which may go beyond the standard set by ALDI Nord. Should national legal requirements in one of the ALDI countries set higher requirements than the targets published here, these requirements will be met in the respective country.

Process Key

 New  In Progress  Target achieved  Ongoing



| | Description of goals & scope | Status 2019 & next steps | SDGs |
|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| 100% unpackaged organic fruit and vegetable articles or in environmentally friendly packaging by end of 2023 | 100% of our organic products (organic fruit & vegetables) will be unpackaged or use environmentally friendly packaging in all ALDI companies by end of 2023. The use of plastic is to be reduced to a minimum – taking into account product quality and food losses. |  2023 New goal. |  12.5 12.2 |
| Expansion of unpackaged articles in the fruit and vegetable sector to at least 40% by end of 2025 | At least 40% of fruit and vegetable products will be unpackaged in the stores of all ALDI companies by end of 2025. For products which require packaging, only sustainable and environmentally friendly packaging will be used. |  2025 New goal. |  12.5 12.2 |
| No plastic interlayers in crates by end of 2021 | 100% of all plastic interlayers in crates for fruit & vegetables in all ALDI companies will be removed by end of 2021. |  2021 New goal. |  12.5 12.2 |
| Optimise composition of 100% of products for children by end of 2021 | Standardise the criteria for products for children at ALDI Nord according to national guidelines while striving to comply with the WHO recommendation. Products for children that do not comply will be delisted or relabelled by the end of 2021. Optimise all products for children, regardless of product group. |  2021 New goal. In 2017, ALDI Belgium signed the Belgian Pledge, a commitment to ban advertisements for unhealthy products aimed at children younger than 12 years. ALDI Netherlands created new guidelines for product packaging aimed at children to ensure adherence with upcoming regulations. See Transparency & communication . |  12.2 12.5 |
| Avoid marketing for children of unhealthy choices and promote healthier products by end of 2021 | Avoid marketing unhealthy products for children and advertise and promote healthy products (including fruit and vegetables) in all ALDI companies end of 2021 except special offers e.g. christmas |  2021 New goal. |  2.2 |
| Launch own brands for products for children by end of 2021 | Launch and campaign a new ALDI children's brand by end of 2021 |  2021 New goal. | |
| Cooperate at least with one partner on national or international level on product range for children by end of 2021 | Cooperation with suppliers, organisations and experts for improving current product ranges for children and for working on innovations for all ALDI companies by end of 2021 |  2021 New goal. |  17.16 |
| Improved nutrient composition in 100% of the defined product groups by end of 2022 | Upgrade products through optimised nutritional composition (e.g. reduce salt, sugar or fat, or increase fibres) and offer reliable product ranges for customers with special dietary needs in the product groups Breakfast, Dairy, Chilled Convenience, Freezer and Non-Alcoholic Beverages in all ALDI companies by end of 2022 |  2022 New goal. See Responsible product ranges . |  2.2 |

Process Key

 New
  In Progress
  Target achieved
  Ongoing



| | Description of goals & scope | | Status 2019 & next steps | SDGs | |
|--------------------|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| CUSTOMER & PRODUCT | Extend nutritional labelling | Introduction of nutritional label (e.g. Nutri-Score, The Keyhole) in all ALDI countries for own-brand products | | Project ongoing. ALDI France will label the first products in 2020. ALDI Belgium will also start using the Nutri-Score in 2020. ALDI Netherlands will begin with the introduction after mid-2021. See Transparency & communication . | 2.2 12.8 |
| | Improve labelling and communicate sustainable added values | Improve labelling and communicate sustainable added values, such as animal welfare, vegan, improved nutritional labelling and social projects in all ALDI companies | | Project ongoing. | 12.8 |
| | Expanding organic assortment | Identify the gaps in the organic assortment in each ALDI country and each product group, and listing of missing products in the assortment | | New goal. 1,178 products in 2019; +15% compared to the previous year. See Responsible product ranges . | |
| | Expanding vegetarian and vegan assortment | Expansion of the ranges of vegetarian and vegan products, including certification (e.g. V-Label) in all ALDI companies | | New goal. 494 products in 2019; +82% compared to the previous year. See Responsible product ranges . | |
| | Introduction of own brand for vegetarian and vegan products for all new products/purchases end of 2021 | Introduction of an own brand for vegetarian and vegan products for all newly purchased/newly listed products in all ALDI countries end of 2021 | | New goal. | |
| | Labelling 100% of vegetarian and vegan products for all new products/purchases starting in 2021 | 100% labelling of all vegetarian and vegan products (V-label/vegan flower) for all newly purchased/newly listed products in all ALDI companies, with a focus on non-food articles, starting in 2021 | | New goal. | |
| | Extension of meat products with ATC | Increase in the number of meat products and products containing meat with the ALDI Transparency Code (ATC) in all ALDI companies | | Goal achieved. The ATC was placed on 100% of the fresh meat at ALDI Belgium, ALDI Nord Germany, ALDI Netherlands and ALDI Luxembourg within the standard product ranges. It is also used on meat products of ALDI France, ALDI Poland, ALDI Portugal and ALDI Spain. | |
| | Guideline for dealing with food loss by end of 2020 | Introduction of a guideline for dealing with food that is no longer saleable in the ALDI stores by end of 2020 (formerly 2017) | | Goal not achieved. It was planned to publish an international food loss reduction guideline at the end of 2017. Due to various underlying requirements of the respective ALDI countries the project has been postponed until further notice. However, the issue remains important for us. This is why the goal has been replaced by the following goals. | |

Process Key

New
 In Progress
 Target achieved
 Ongoing



CUSTOMER & PRODUCT

SUPPLY CHAIN & RESOURCES

| | Description of goals & scope | | Status 2019 & next steps | SDGs |
|--------------------------|----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| CUSTOMER & PRODUCT | Integrating 100% of all stores in a partnership to reduce food waste by end of 2021 | <p>Integrate 100% of all ALDI stores in cooperations with NGOs to reduce food waste by 2021 (e.g. Tafel, Too Good To Go, ReFood)</p> <p>The goal is reached if every store works regularly* with one or more defined potential partners.</p> <p>*Regularly means donating as often as possible from both sides.</p> | <p>New goal. 81% stores donated unsaleable food in 2019; +4 percentage points compared to the previous year.</p> | |
| | Offer products from food waste by end of 2021 | <p>Develop products made from food leftovers and introduction of at least one product in defined product groups by end of 2021 at ALDI Nord</p> | <p>New goal.</p> | |
| | 100% labelling of all national products for all new products/purchases by end of 2021 | <p>100% labelling of all national products e.g. with national flag by end of 2021 for all newly purchased/newly listed products in all ALDI companies. Scope: Fruit & Vegetable, Dairy, Fresh Meat & Fish.</p> | <p>New goal.</p> | <p>12.8</p> |
| | Develop regional product ranges in each ALDI country by end of 2021 | <p>Development of regional product ranges in each ALDI country by end of 2021. Scope: Fruit & Vegetable, Dairy, Fresh Meat & Fish.</p> | <p>New goal. In Germany the new own brand EINFACH REGIONAL (Simply Regional) was introduced in 2019. See Transparency & communication.</p> | |
| SUPPLY CHAIN & RESOURCES | 100% vegetarian and vegan soy-based products with sustainable soy by end of 2021 | <p>Conversion of 100% of vegetarian and vegan own-brand soy-based products to soy of European origin or certified soy, and support of soy alternatives, e.g. pea-based products, by end of 2021 at ALDI Nord</p> | <p>New goal.</p> | |
| | 100% RSP0-certified palm oil by end of 2019 | <p>Transition to physically RSP0-certified palm oil for all own-brand products containing palm oil (Roundtable on Sustainable Palm Oil – RSP0) by end of 2019 (formerly 2018) at ALDI Nord</p> | <p>Goal not achieved. 98.6% in 2019.</p> | <p>12.2 15.2</p> |
| | Extension of certified sustainable coffee by end of 2020 | <p>Transition to certified sustainable coffee (UTZ/Rainforest Alliance, Fairtrade, organic) for defined own-brand products by end of 2020 at ALDI Nord</p> | <p>Project ongoing. 53% in 2019; +2 percentage points compared to the previous year.</p> | <p>12.2</p> |
| | 40% certified sustainable resources of herbal tea and fruit infusions by end of 2020 | <p>Increase the share of certified sustainable resources (UEBT/UTZ, EU organic logo, Fairtrade or UTZ/Rainforest Alliance Certified™ label) of herbal tea and fruit infusions in own-brand products to 40 per cent by end of 2020 at ALDI Nord</p> | <p>Project ongoing. 37% in 2019.</p> | <p>12.2</p> |
| | 100% sustainably certified wood by end of 2020 | <p>Transition of all wood and wood-based products to sustainably certified materials (FSC®, PEFC™, EU Ecolabel or comparable standards) by end of 2020 at ALDI Nord</p> | <p>Project ongoing. 88% in 2019; + 11 percentage points compared to the previous year.</p> | <p>12.2 15.2</p> |

Process Key

New
 In Progress
 Target achieved
 Ongoing



| | Description of goals & scope | | Status 2019 & next steps | SDGs | |
|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------------|
| 100% sustainable cotton by end of 2025 | Use of sustainable cotton (e.g. GOTS, OCS 100/blended, Fairtrade, recycled cotton, BCI, CmiA) for all clothing and home textiles in all ALDI companies by end of 2025 | | Project ongoing. Publication of International Cotton Purchasing Policy in 2020; 36% in 2019; +3 percentage points compared to the previous year. | | 12.2 |
| 100% certified flowers and plants | Continuously increase share of certified sustainable plants and flowers (e.g. GLOBALG.A.P. in combination with GRASP or alternative standards) in all ALDI companies (target date removed) | | Project ongoing. See Social responsibility in the supply chain . | | 12.2 |
| Social evaluation of all producers of fruit and vegetables | Continuously increase the share of certified sustainable fruit and vegetables (e.g. GLOBALG.A.P. in combination with GRASP or alternative standards) in all ALDI companies (target date removed) | | Project ongoing. See Social responsibility in the supply chain . | | |
| Extension of animal welfare criteria | Ongoing expansion of test and certification systems and own standards in all ALDI companies that go beyond the statutory requirements and include animal welfare aspects | | Project ongoing. Intensive efforts were made to further raise the level of animal welfare on a broad scale in 2019. | | |
| Ban on all defined chemical substances in 2020 | Ban on specific groups of chemical substances in the manufacture of own-brand products, in the product groups clothing, home textiles and footwear, by end of 2020 (ALDI Detox Commitment) and ongoing in all ALDI countries | | Project ongoing. It became apparent that the industry will not meet its obligations under the Detox Commitment in 2020. Following the adopted roadmap several Detox progress reports and the final report were published. However, the challenges are significant, so the work with partners in the supply chain will be continued to improve chemicals management in the coming years and to pursue the defined goals. After the end of the ALDI Detox Commitment, a continuous improvement process will be pursued to make further progress towards gradually eliminating hazardous chemicals within the supply chains. For this purpose, the processes to adjust these efforts towards more effective and risk-based measures will be evaluated to better align the activities within the industry. | | 3.9 6.3 12.4 |
| Participation in sector initiatives | Expansion of dialogue with major stakeholder groups, especially through participation in sector initiatives in all ALDI countries | | Project ongoing. See Stakeholders & networks and Social responsibility in the supply chain . | | 17.16 |

Process Key

New
 In Progress
 Target achieved
 Ongoing



| | Description of goals & scope | | Status 2019 & next steps | SDGs |
|-----------------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| CLIMATE & ENVIRONMENT | 40% reduction in greenhouse gas emissions by end of 2021 | 40% reduction in greenhouse gas emissions in all ALDI companies by end of 2021, compared to the reference year 2015 | 2021 Project ongoing. 15.5% reduction in <u>greenhouse gas emissions</u> in 2019, compared to the reference year 2015. The focus was on increasing efficiency. In the next step, further efficiency measures will be planned and implemented with an increased focus on green power/greening. | 7.2 7.3 13.3 |
| | Installation of photovoltaic systems in stores | Increasing the ratio of ALDI stores equipped with photovoltaic systems through continuous expansion | ∞ Project ongoing. 581 of the stores equipped with <u>photovoltaic systems</u> ; + 39% compared to the previous year. | 7.2 9.4 |
| | LED lighting in all new stores by end of 2019 | Introduction of LED lighting in all new ALDI stores (interior and outdoor lighting) by end of 2019 | ∞ Goal partially achieved. <u>LED lighting technology</u> has been installed at new stores in all countries since 2016. We are continuing the conversion progress for outdoor lighting. | 8.4 9.4 |
| | LED lighting in existing stores | Review of conversion of existing ALDI stores in the portfolio to LED lighting | ∞ Project ongoing. The conversion progress will be continued: ALDI Belgium and ALDI Portugal are close to completing this goal. ALDI Denmark has already converted the <u>lightning in all stores</u> to LED. | 8.4 9.4 |
| | LED lighting in distribution centres | Review of conversion of ALDI distribution centres to LED lighting | ∞ Project ongoing. The <u>changeover</u> is already complete in Belgium, Denmark and Spain. The switch to LEDs is planned in distribution centres in Germany, Poland and the Netherlands. | 8.4 9.4 |
| EMPLOYEES & COMMUNITY | Management training programme by end of 2020 | Development of a training programme concept for enhancing managers' skills in all ALDI countries by end of 2020 | 2019 Goal achieved. The ALDI Academy was founded in 2019 to build a number of training programmes in Germany, and will be adopted by the other countries. | 4.4 |
| | Increase in employee communication by end of 2020 | Establishment of further channels for engaging and involving ALDI employees in all ALDI companies, alongside other methods, by end of 2020 | 2019 Goal achieved. Focus on <u>workshops</u> and events, alongside ALDI employee magazines, CR Newsletter, posters and brochures. | |

The common targets, and the country-specific targets, are available as a [separate PDF](#) on the Sustainability Report [website](#). In 2020, we will reassess our CR Policy and CR Programme. We will update our targets to reflect our strategies, the new focus topics and current challenges.

Process Key

New In Progress Target achieved Ongoing

HOW WE ORGANISE CR

GRI 102-4, -7, -18 The ALDI companies are represented in nine European countries with 80 companies which trade as independent legal companies. See also 'Report profile'. In Germany, ALDI Nord operates through legally independent regional companies which together form a horizontally organised group of equal companies ('Gleichordnungskonzern'). ALDI Einkauf is engaged by these regional companies to provide various services in the retail sector. This company is also the licensor of the ALDI brand for the legally independent foreign ALDI companies operating in the ALDI countries. These arrangements ensure a uniform market profile.

CRQA International is part of ALDI Einkauf in Germany. The department is responsible for overarching topics such as the ALDI Nord Climate Protection Policy. Responsibility for sustainability lies with one of the managing directors of ALDI Einkauf. There are national CRQA structures in each ALDI country. National and international directors meet every three months to discuss the directions of their work. All CRQA employees are in close contact across national borders. In their respective companies, they coordinate with colleagues from buying, communication and other departments. The two CR departments of ALDI CR Support Asia Ltd. in Hong Kong and Bangladesh provide local support in establishing CR standards in the supply chain. In total, more than 100 ALDI employees are involved in CRQA.

MATERIALITY

To set the right focal points for our everyday work and for sustainability reporting, it is important that we understand the concerns of our stakeholders and where our impact is most significant. To help us with this, we draw on the findings obtained from our materiality process.

FURTHER IMPROVEMENTS OF THE MATERIALITY PROCESS IN 2019

GRI 102-49 Since our first materiality process in 2015, we have continued to make strides in our materiality assessment. In 2019, we used online questionnaires to survey over 8,600 stakeholders (2017: 3,200) across the ALDI countries. We also introduced desk research to gain insights from additional stakeholders.

Methodology

GRI 102-46 In order to broaden our knowledge, we expanded the scope and reach of our overall survey. For the first time, we surveyed 8,000 customers and potential customers in eight countries where the ALDI companies operate, using professional online customer panels. As in 2017, we conducted an internal survey in various business units. In Belgium, Germany and the Netherlands work councils of regional companies had the opportunity to take part in the online survey. Bringing in external voices, we conducted online surveys of non-governmental organisations (NGOs), initiatives and associations, alongside business partners and suppliers.

In a departure from previous processes, we carried out desk research. Competitors and NGOs from the ALDI countries were examined, as were current and upcoming European regulations and United Nations guidelines. Another area of desk research was the link between the sub-targets of the Sustainable Development Goals (SDGs) and our topics (for topics, see next section). The results of the desk research and the online surveys were combined. The resulting materiality matrix is shown below.

List of topics

GRI 102-47, -49 Respondents evaluated 24 topics from seven sustainability areas (see matrix). We revised the list of topics in the reporting year in order to account for current developments in retail and the area of sustainability. For this reason, comparability with the findings from 2017 is limited.

In addition to the 24 topics mentioned above, the report covers 14 other basic topics. These topics were not evaluated in the materiality analysis, but are so relevant to ALDI companies that they are also part of the report. They include, for example, topics such as 'Dialogue with NGOs, customers and the public' or 'Sustainability in corporate governance'.

Selection of stakeholders

GRI 102-40, -42 As before, our survey was intended to focus on key stakeholders. The selected

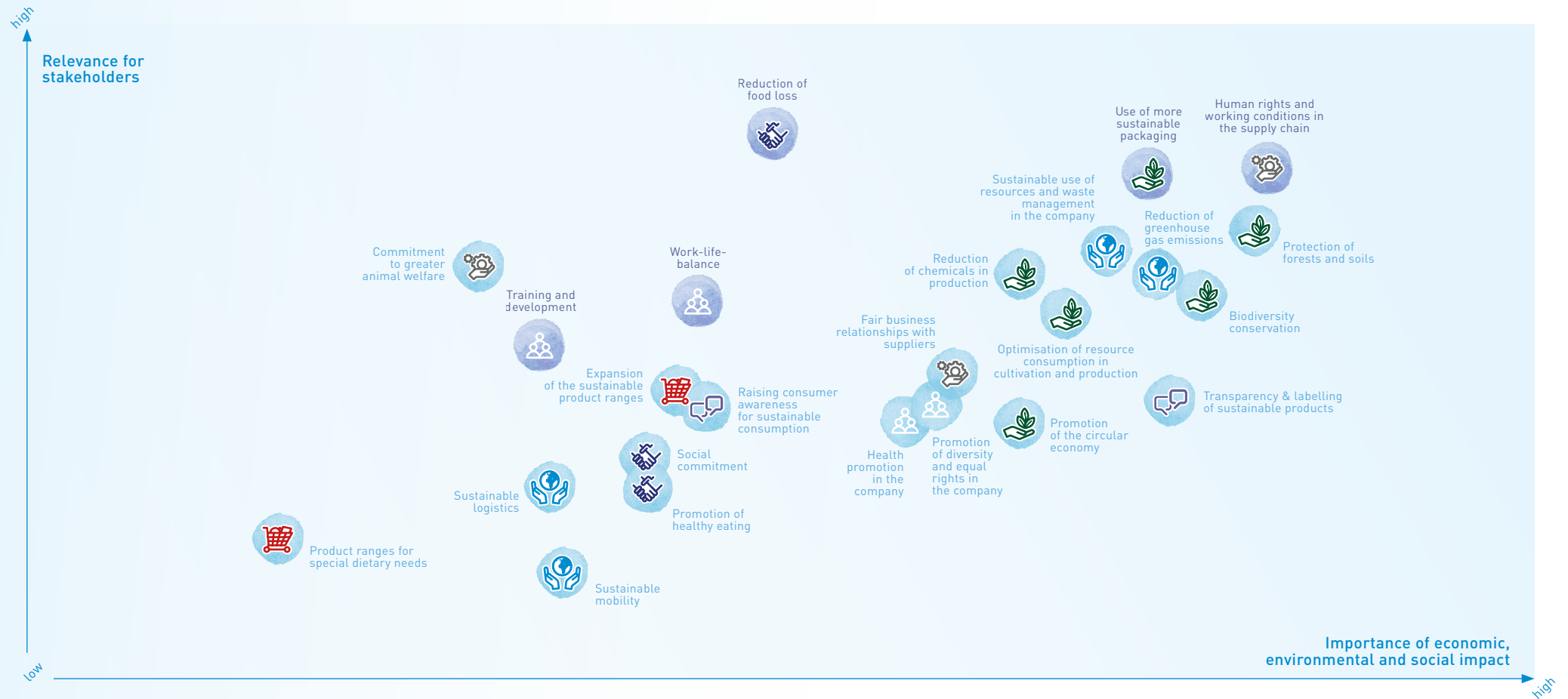
stakeholders were divided and rated into groups based on their relevance to ALDI Nord (see 2017 report for the method). We identified the following groups as our key stakeholders:

- Customers and potential customers
- NGOs, initiatives and associations
- Employees
- Works councils
- Business partners and suppliers

While other stakeholder groups, such as political figures and members of the media, are taken into account in day-to-day operations, they were not actively surveyed within the scope of the materiality analysis.

Evaluation of topic relevance

GRI 102-46 To evaluate the perspectives, expectations and requirements that may affect our operations at ALDI Nord, key stakeholders were asked to rate the relevance of various sustainability issues in an online survey. The managing directors of the legally independent ALDI companies rated the relevance of issues by completing a two-step ranking and assessed the extent to which the topics impact business success. Customers and other stakeholders sorted the relative importance of the material topics in a ranking exercise. As in 2017, sustainability experts from NGOs, initiatives and associations were included in the process to enhance initial assessments. They evaluated the impact of ALDI Nord operations on the economy, the environment and society for each key topic.



MATERIALITY MATRIX

GRI 102-46, -47 The findings from the survey have been compiled in a materiality matrix in accordance with the standards of the Global Reporting Initiative (GRI). The y-axis reveals how important the topics are from our stakeholders' perspective (the higher a topic is positioned, the more important it is). The x-axis indicates the extent of ALDI Nord's impact on the economy, the environment and society, with regard to the topics, according to the sustainability experts we surveyed (the farther a topic is positioned to the right, the more important it is). A darker shade of blue for a particular topic indicates that the managing directors or senior decision-makers believe it is 'significantly relevant' to business success.





KEY FINDINGS OF OUR MATERIALITY ANALYSIS

GRI 102-46 Due to the revised list of topics, a possible comparison with last year's process is limited. The topics cover a spectrum from 'quite low' to 'highly relevant'. Topics from the area 'Environmental responsibility in the supply chain' are rated 'highly relevant' on both axes. Ensuring the protection of 'Human rights and working conditions in the supply chain' and the 'Use of more sustainable packaging' are the most important individual issue.

While topics centred on 'Attractive employer' and 'Transparency & communication' do not share the same intensive focus as other vital topics, they are of medium importance to our respondents. 'Products for special dietary needs', 'Mobility' and 'Logistics' were rated as being less relevant than other key topics.

IMPACT ON REPORTING

GRI 102-44 The chapters of this report describe how we manage our material topics and the progress we have made. Often the chapters combine more than one material topic. For example, 'Reduction of greenhouse gas emissions' and 'Sustainable use of resources and waste management' are combined in the chapter titled 'Climate and environmental protection'. We also determined to which GRI standards our material topics correspond. The description of our management approach is guided by GRI 103: Management Approach.

STAKEHOLDERS & NETWORKS

In its Agenda 2030, the United Nations (UN) emphasised the importance of close cooperation between various stakeholders in order to achieve the ambitious Sustainable Development Goals. The effects of the issues concerning us today are felt globally. We face challenges such as limiting climate change or improving the living conditions in some of the countries where our products are farmed or produced. To meet these challenges, we need more than impetus and the exchange of ideas. We need concrete initiatives and alliances with major stakeholders in the fight for sustainability. Our goal is to expand and facilitate dialogue with these groups and enact lasting change.

OUR STAKEHOLDERS AND THEIR TOPICS

GRI 102-40, -42, -43, -44 As part of our materiality process, we regularly review which stakeholder groups are especially relevant to us. The key stakeholders are our customers, alongside the ALDI employees, followed by non-governmental organisations (NGOs), initiatives and associations, suppliers and business partners, and members of works councils and unions. We are learning a great deal from our direct and open dialogue with these groups. We also maintain regular contact with other groups, such as local residents, in addition to members of the media and politicians.

Overview of stakeholder inclusion

GRI 102-43, -44 In the past years, we updated our traditional **customer** communication through marketing campaigns, in our stores and on the websites, and have now shifted our focus to customer dialogue. We increasingly use social media channels, customer hotlines such as ALDI Contigo in Spain, charity events such as Weltkindertag in Deutschland (World Children's Day) and surveys conducted by our international market research departments to better understand our customers. Our Corporate Responsibility Quality Assurance (CRQA) Strategy is also based on the results of a comprehensive CR customer survey that was undertaken for ALDI in 2018.

Communication with ALDI **employees** also continues to improve and takes place via various channels. We increasingly rely on workshops and direct dialogue. Some ALDI countries have already introduced regular employee satisfaction surveys and others will follow. CR topics play a growing role in communications with employees. In their sustainability communication to employees, numerous countries have concentrated on the mission to reduce packaging.

We are engaged in dialogue in all ALDI countries with **NGOs** and other organisations either personally or through **sector and multi-stakeholder initiatives**. In Spain, for example, there is a constant dialogue with certifiers (for example MSC, ASC, GLOBALG.A.P.), research

institutions (for example IRTA) and universities on topics such as animal welfare, plastic reduction or sustainability. In Denmark, talks with Organic Denmark and the Danish Vegetarian Organisation centre primarily on suggestions for improving the product ranges. The overriding topic of human rights, in particular living income and the living wage, was at the centre of many discussions and working groups in 2019 in different ALDI countries, and these issues will continue to play an important role in our work.

Buyers, CRQA managers and specialists are in constant contact with our **suppliers**. Joint (sustainability) projects such as the improvement of our packaging are increasingly in focus. In the year under review, ALDI organised the first ALDI organic supplier strategy day in Germany. The aim of this event was to create a platform for an open and collaborative exchange with ALDI organic suppliers.

To **prepare this report**, we specifically engaged in dialogue with customers or potential customers (by way of a panel survey), NGOs, ALDI employees and directors, works councils and suppliers (through an online survey).



PARTNERSHIPS, NETWORKS & CHARTERS

GRI 102-12, -13 ALDI Nord is engaged in national and international dialogue with various organisations, initiatives and alliances. Our efforts vary according to the issue, ranging from basic membership to playing an active management role. Below is a list of the initiatives in which we are involved and the related obligations. Further information can be found in the following chapters, especially in 'Supply chain & resources'.

International

2019

- Better Cotton Initiative (BCI)

2018

- Cotton made in Africa (CmiA): partner of organisation

2017

- United Nations Global Compact (UN GC): commitment to the ten principles of the UN Global Compact
- amfori Business Environmental Performance Initiative (amfori BEPI)
- Juice CSR Platform
- World Banana Forum
- Global Dialogue on Seafood Traceability

2016

- Leather Working Group – Animal Welfare Subgroup (LWG AWG)

2015

- Support for the Greenpeace Detox campaign: adoption of the Detox Commitment and ongoing support (Detox beyond 2020)
- Leather Working Group (LWG): exclusive use of leather from LWG-certified tanneries for articles made of leather or leather components from 1 January 2017
- Fur Free Retailer Program: fur-free declaration
- Roundtable on Sustainable Palm Oil (RSPO)

PRE-2015

- The Supply Chain Initiative, since 2014
- Accord on Fire and Building Safety in Bangladesh, since 2013, and follow-up accord
- Global Coffee Platform (GCP), 2009-2019
- amfori Business Social Compliance Initiative (BSCI), since 2008: amfori BSCI Code of Conduct
- amfori, since 2008

National

2019

- German Retail Trade Working Group on Living Wages and Income: joint declaration of intent 2020
- QUEB (Quality Employer Branding – Deutscher Bundesverband für Employer Branding, Personalmarketing und Recruiting)
- CSCP Club Nachhaltige Plastikverpackungen (Club Sustainable Plastic Packaging); Consumer Insight Action Panel
- IDH – The Sustainable Trade Initiative: active participation in the steering committee in the Netherlands
- Plastic Pact NL: commitment to the goal of 20 per cent less plastic in 2025 and more recycling and sustainable alternatives
- Alliantie Kinderarmoede (Alliance Child Poverty): partner of the organisation
- Floriculture Sustainability Initiative (FSI)
- The shift (Belgian sustainability network)
- Danish Climate Panel
- The Danish Plastics Federation network on sustainable packaging
- BEE FRIENDLY

**2018**

- Beyond Chocolate, partnership for sustainable Belgian chocolate: commitment
- Initiativkreis Tierschutzstandards Aquakultur (Initiative Group Animal Welfare Standards Aquaculture)
- Spanish Federation of Celiac Associations (FACE)
- Spanish Federation of Food Banks (FESBAL)
- Danish CSR network

2017

- Dansk Initiativ for Etisk Handel (Danish Ethical Trading Initiative – DIEH): agreement on the action plan of Danish Alliance for Sustainable Soy (2019)
- The Danish Chamber of Commerce (environment and resource network)
- Eiweißforum Deutschland (Forum on Sustainable Protein Feed): position paper on the use and promotion of sustainable protein feed
- Runder Tisch Fisch & Sozialstandards (Roundtable on Fish and Social Standards of the German Federal Ministry of Food and Agriculture)
- Lactose Intolerance Spanish Association (ADILAC)
- Spanish Association of Manufacturers and Distributors (AECOC)
- Forest Stewardship Council® France (FSC®)
- Jongeren Op Gezond Gewicht (Youth on Healthy Weight Foundation – JOGG): three-year partnership to combating childhood obesity

2016

- Stichting Beter Leven keurmerk (Foundation for Better Living Labelling, Netherlands)
- VLOG (Verband Lebensmittel ohne Gentechnik)

2015

- Animal Welfare Initiative: financing of the initiative for animal welfare measures
- Verein für kontrollierte alternative Tierhaltungsformen (Association for Controlled Alternative Animal Husbandry – KAT)
- Verband der Fleischwirtschaft (German Meat Association – VDF): Code of Conduct
- German Initiative on Sustainable Cocoa: active member in working groups
- Partnership for Sustainable Textiles: commitment to the partnership's goals
- Bundesdeutscher Arbeitskreis für Umweltbewusstes Management (German Environmental Management Association – B.A.U.M.): B.A.U.M. Code of Conduct

PRE-2015

- QS advisory board for fruit and vegetables; poultry
- German Working Group of International Featured Standards (IFS)
- Nanomaterials working group of Lebensmittelchemische Gesellschaft (Food Chemical Society – LChG), specialist group of the Gesellschaft Deutscher Chemiker (German Chemical Society – GDCh)

INDUSTRY ASSOCIATIONS

- Comeos (Association for Trade and Services in Belgium)
- Fédération du Commerce et de la Distribution (French Association for Commerce and Distribution – FCD)
- Centraal Bureau Levensmiddelenhandel (Dutch Food Retail Association – CBL): sectoral agreements on the use of green electricity, among other things
- Bundesverband des Deutschen Lebensmittelhandels (Federal Association of the German Grocery Retail Trade – BVLH)
- Handelsverband Deutschland (German Retail Federation – HDE): Klimaschutzklärung
- Associação Portuguesa de Empresas de Distribuição (Portuguese Retail Association – APED)



COMPLIANCE

GRI 205/103-1/2, 206/103-1/2 Compliance – the fulfilment of and adherence to legal requirements and internal guidelines – is the foundation of the actions of the ALDI companies (see glossary 2017 'Compliance' for the definition). The 'Simply ALDI' mission statement affirms 'We keep our word'. This is who we are. We are reliable – as employers, as business partners and for our customers. We are committed to always acting in accordance with our corporate values, and to never take risks due to compliance violations. ALDI Nord expects all ALDI employees and business partners to act with responsibility and reliability, adhering to all rules, policies and agreements. Most ALDI countries have developed Compliance Goals in which these requirements are stipulated.

OUR APPROACH

GRI 205/103-2/3, 206/103-2/3 Our corporate mission statement and the Compliance Management System (CMS) provide ALDI employees with clear guidelines for ensuring ethical and compliant behaviour. For more information about the implementation see section 'The benefits of an established Compliance Management System'. In 2019, ALDI France developed an Anti-corruption Code of Conduct. Currently, a Code of Conduct is being developed for ALDI Nord, which will include all compliance topics.

The General Terms and Conditions of Purchasing define clear rules that govern the relationship between suppliers and the ALDI companies. Anti-competitive conduct by suppliers and manufacturers is prohibited. Sanctions are in place for potential violations such as late delivery or failure of delivery. To ensure that ALDI Nord maintains the same standards across all of its operations, the General Terms and Conditions of Purchasing also specify compliance requirements for contractual partners.

If there are reliable indications of a violation of the rules – whether by a supplier or an ALDI employee – the Compliance officers will undertake a comprehensive investigation. At the end of the reporting year, ALDI Nord Germany introduced a workflow application to handle and document compliance cases.

The benefits of an established Compliance Management System

GRI 205/103-2/3, 206/103-2/3 The CMS is designed to help ALDI employees live up to our ALDI core values at all times. Above all else, the CMS aims to ensure and promote ALDI Nord's long-term success and avoid or mitigate any damage or risk. The CMS is internationally available to all ALDI companies but has yet to be introduced and implemented in some countries, such as ALDI Belgium and ALDI France. Each ALDI company has a person responsible for country-specific adjustments. As a part of the CMS, whistleblowing systems that serve to receive information on compliance violations within

ALDI Nord have been created. Any violations of applicable law and internal rules can be reported through these channels under a specific name or anonymously. Examples of violations include corruption, unfair competition and unethical behaviour, as well as non-compliance with environmental standards. In Germany non-compliance with social standards such as human rights and work safety regulations may also be reported in this way. The whistleblowing systems are available on the French, German and Spanish websites for internal and external parties at all times. ALDI Poland, ALDI Belgium, ALDI Portugal and ALDI Denmark will follow in 2020.

There are also grievance systems and other channels in place, for example at ALDI Netherlands, which ALDI employees have been able to use in cases of sexual harassment, bullying, discrimination, aggression and violence.

Compliance as an integral part of the ALDI companies

GRI 205/103-2/3, 206/103-2/3 To ensure that compliance forms an integral part of ALDI Nord, a variety of training courses are conducted to raise awareness among the ALDI employees. New employees receive training on the key policies of ALDI Nord. In Germany, authorised signatories and managing directors of ALDI Einkauf in all departments also regularly complete training, covering a wide range of critical topics such as antitrust law, unfair competition, protection of company secrets, avoidance of corruption as well

as data protection and information security. Since September 2019, this has been part of compulsory attendance training at the ALDI Academy. Similar training also takes place at the ALDI companies in Belgium, France, the Netherlands, Portugal and Spain every two to three years. In Spain, this training was completed in 2019 by both managers and non-executives so that the knowledge is passed down through the team. In Denmark, the training will be completed in 2020.

We are also expanding communication regarding compliance on the websites and take part in industry events, such as the Bundeskongress Compliance (Federal Compliance Congress) in Germany.

RELIABLE DATA PROTECTION AS A BASIC REQUIREMENT

GRI 418 The ALDI companies initiated guidelines for information security and data protection in their countries in 2019. These guidelines set out the general principles, goals and responsibilities required to ensure holistic information security and legally compliant data protection across all business processes. The handling of personal data is specified in a separate guideline. Each company has data protection managers who provide country-specific advice. ALDI employees receive regular training on information security and data protection issues. Target-group-orientated data protection courses are also held, for example, on how to handle employee or customer data.



FROM THE RUHR VALLEY TO EUROPE

GRI 102-4, -6 The ALDI brand is an unrivalled hallmark for the success of the discounter concept. Our story begins in the Schonnebeck neighbourhood of the German city of Essen. Over the decades, a small grocery store grew into the ALDI Nord Group, which is now present in nine European countries with more than 70 legally independent regional companies. All of these companies aim to set benchmarks in terms of price and quality while also meeting our customers' expectations, for example, when it comes to sustainability. The Corporate Responsibility (CR) Policy and the CR Programme apply throughout ALDI Nord. The ALDI companies choose different focal points in each individual country.

[Click on the map or the menu to find out more about our national CR activities and flagship projects.](#)

Countries

Belgium

Denmark

France

Germany

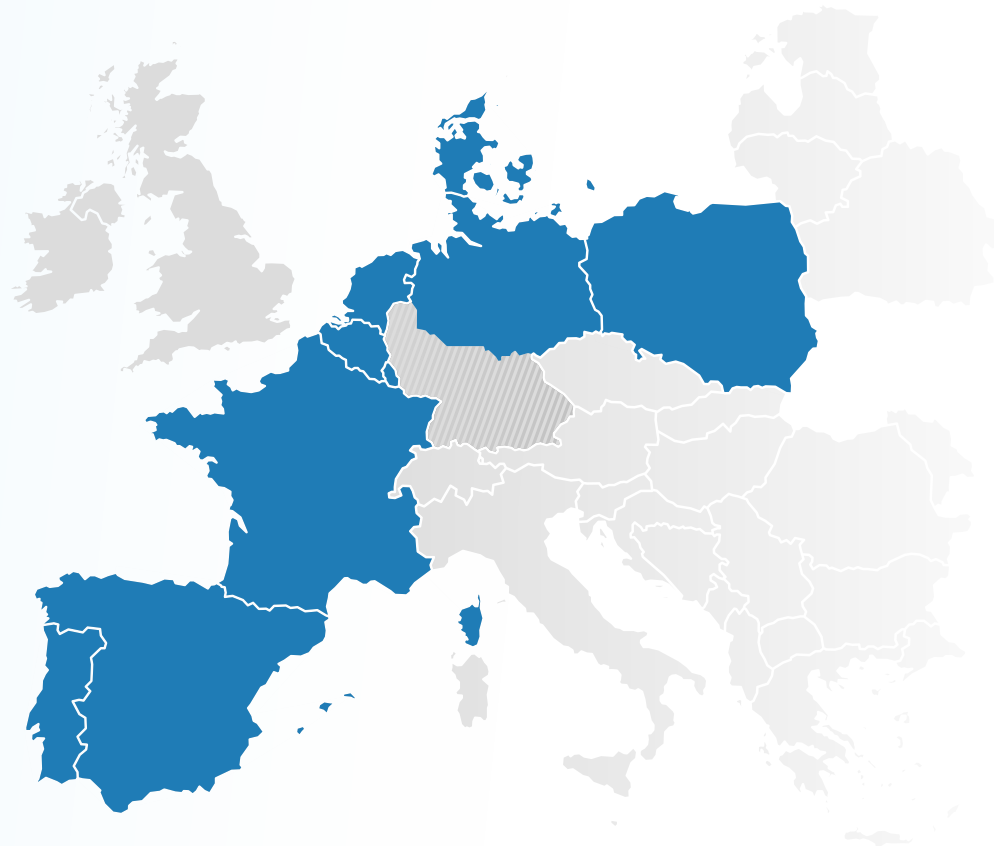
Luxembourg

Netherlands

Poland

Portugal

Spain





OPTIMISING PACKAGING AND LOGISTICS – ALDI BELGIUM AND ALDI LUXEMBOURG

From the supplier to the shelves of the stores, ALDI Belgium and ALDI Luxembourg meet customer expectations with more sustainable packaging, reduction of food waste and energy-efficient logistics.

The sustainability focus in Belgium and Luxembourg is currently on reducing food waste and improving the sustainability of packaging. We provide our customers with sustainable products, while transforming our stores and distribution centres to be more energy-efficient and climate-friendly.

ALDI Belgium in profile

| | |
|----------------------|----------------------------------------------|
| Regional companies | 7 |
| Stores | 440 |
| Total ALDI employees | 7,194 |
| Year of market entry | 1976 |
| Website | www.aldi.be |

Progress on national goals 2019 →

ALDI Luxembourg in profile

| | |
|----------------------|----------------------------------------------|
| Regional companies | 1 |
| Stores | 16 |
| Total ALDI employees | 150 |
| Year of market entry | 1991 |
| Website | www.aldi.lu |

Progress on national goals 2019 →



have taken initiatives to reduce single use plastics such as cotton ear buds and carrier bags.

Our products make a stop at our distribution centres before being distributed to individual stores. To reduce our carbon footprint, we have retrofitted all our distribution centres with energy-efficient LED lighting and solar panels. The new centre in Turnhout meets the latest sustainable building standards, for which it has received a BREEAM outstanding certification as the most sustainable distribution centre in Belgium. In 2019, we started working with a hub for suppliers, which enables us to reduce the amount of driven kilometres saving CO₂ emissions.

OUR HIGHLIGHTS

387 TONNES
LESS SINGLE-USE PLASTICS
EACH YEAR

ALDI Belgium saved 387 tonnes of plastic yearly by switching to reusable carrier bags, metal drinking straws and cotton ear buds made from sustainable cardboard instead of plastic.

+30% INCREASE
OF VEGETARIAN/VEGAN
ARTICLES

By reaching this goal by the end of 2020, we will meet customer requirements.

In 2019, we had 37 vegetarian/vegan articles.



SATISFIED CUSTOMERS THROUGH SUSTAINABILITY – ALDI DENMARK

With a customer-led focus on sustainability, ALDI Denmark concentrated the efforts on the well-being of children, animal welfare and the reduction of deforestation and plastic pollution.

Danish consumers are increasingly concerned about the consequences of plastic pollution. Therefore, ALDI Denmark decided in 2019 to phase out non-reusable plastic bags, replacing them with reusable bags in the future. Our goal is to make all packaging recyclable by 2025.

To support the sustainable lifestyle of the Danes, we continually improve our products, with an emphasis in 2019 on eggs from cage-free farms and sustainable soy. As animal welfare is a crucial topic for Danish customers, we phased out all battery eggs from the entire product range, including as an ingredient in our own-brand products. Another measure taken in 2019 was the joining of the Danish Alliance for Sustainable Soy to support the production and import of more sustainable soy to prevent deforestation.

Social responsibility is another important topic. We partnered with Save the Children Denmark to support vulnerable Danish children. When returning bottles to an ALDI store, customers can choose to donate the cash deposit to Save the Children Denmark instead of having it refunded. ALDI Denmark also boosts Save the Children Denmark with the sponsoring of summer camps



or the sale of trolley coins, where proceeds of the sale go to the charity.

Additionally, we have joined the partnership Smoke-free Future, which aims to drastically reduce smoking by children and adolescents by 2030. We placed all tobacco in the stores in cabinets – out of sight for the customers. For this initiative, ALDI Denmark and four other retailers were honoured by Cancer DK.

ALDI Denmark in profile

| | |
|----------------------|----------------------------------------------|
| Regional companies | 3 |
| Stores | 182 |
| Total ALDI employees | 2,689 |
| Year of market entry | 1977 |
| Website | www.aldi.dk |

Progress on national goals 2019 →

OUR HIGHLIGHTS

95,000 EUROS
TO SAVE
THE CHILDREN

In the past year, we supported many activities of Save the Children Denmark. We raised money through campaigns and installed a donation button on our returnable bottle machines.

The total donation came to 95,000 euros.

29% INCREASE
IN STORES WITH
FOOD DONATION

Reduction of food waste is an important topic, from both a social and an environmental perspective. We are proud that 73 per cent of our stores have donated food to charities that was no longer saleable but still fit for consumption.



SUSTAINABLE DELIGHTS FOR TRUE GOURMETS – ALDI FRANCE

In the land of gourmets, ALDI France stocks the shelves with a growing number of sustainable and regional products, with an emphasis on high quality at affordable ALDI prices.

ALDI France is growing, the stores are undergoing extensive modernisation, and we are raising interest in our products by improving customer relationship management and social media management. We have boosted brand awareness among younger customers, increased social media followers and expanded our offline communication.

We demand particularly strict standards from our suppliers and aim to go beyond the legal requirements. As part of our commitment to protecting the environment, we support organisations such as BEE FRIENDLY. This alliance promotes agricultural practices designed to protect bees and their ecosystem. In 2019, we participated again in Think Fish Week (Semaine de la pêche responsable), which was spearheaded by the Marine Stewardship Council (MSC) and the Aquaculture Stewardship Council (ASC). We expanded our organic product ranges from 151 to 223 items in 2019. Under the own brand BON & VÉG, we offer vegetarian and vegan products.

Regional products play an even more significant role in France, with 99 per cent of our fresh and frozen meat already sourced from French farms;



in other words, the meat comes from animals born, raised and slaughtered in France. In addition, the Pays Gourmand own brand denotes products made according to traditional French recipes, produced in the region where the recipe originated, with the main ingredients sourced in France. In further efforts to provide transparency on nutritional value to customers, we will introduce the first products with Nutri-Score labelling in 2020. We are also extending the ALDI Transparency Code (ATC), for own-brand products in France that contain at least three per cent meat.

ALDI France in profile

| | |
|----------------------|----------------------------------------------|
| Regional companies | 13 |
| Stores | 870 |
| Total ALDI employees | 10,070 |
| Year of market entry | 1988 |
| Website | www.aldi.fr |

Progress on national goals 2019 →

OUR HIGHLIGHTS

100% BEE FRIENDLY PRODUCTS

By the end of 2021, we plan to have switched to 100% BEE FRIENDLY-certified European apples and pears and are working on the introduction of further products.

0 BATTERY EGGS

With our National Animal Welfare Purchasing Policy, we underline our goal of the prohibition of battery eggs by 2020 for processed products, and by 2025 for fresh eggs.



WORKING TOGETHER ON SUSTAINABILITY – ALDI NORD GERMANY

Sustainability through partnerships – developing environmentally friendly packaging to promote circular economy and improving animal welfare with farmers.

ALDI Nord Germany is working intensively on increasing the sustainability impact throughout the country. In 2018 ALDI developed and published the Packaging Mission for the own brands: the 'ALDI Verpackungsmission'. Since then, we have continued to work intensively with partners, such as suppliers and startups, to identify and optimise ideas for sustainable packaging and product solutions. Our goals are to make 100 per cent of our packaging recyclable by the end of 2022, and to reduce 30 per cent of our packaging material by the end of 2025, in relation to sales. In 2020, we will introduce the 'ALDI waste sorting symbol' for all own-brand product packaging to inform customers of the correct recycling methods.

A further important concern for German citizens, and for the ALDI companies, is animal welfare. Our aim is to provide customers with a broad choice of products with additional animal welfare benefits. In 2018, ALDI launched the animal welfare own brand Fair & Gut – which provides customers a third choice next to conventional and organic products. Over 240 farmers now produce fresh meat, sausage, eggs and dairy products for Fair & Gut. To offer our customers more transparency, we adopted the nationwide animal



welfare labelling system 'Haltungsform', which denotes how animals are reared.

In addition to our individual efforts, we work on industry-wide initiatives such as the Initiative Tierwohl (Animal Welfare Initiative) and the Partnership for Sustainable Textiles. Since early 2020, our customers have been able to find textiles with the 'Grüner Knopf' (Green Button), as a further orientation aid for more sustainable textiles, on our shelves.

OUR HIGHLIGHTS

177 TONNES
LESS PLASTIC EACH YEAR

Throughout Germany, we save 177 tonnes of plastic every year by selling plastic-free cotton buds with plastic-free packaging – one of many measures that have led to a saving of more than 11,000 tonnes of plastic packaging weight for our own-brand products since 2015.

1ST PLACE
VEGAN-FRIENDLY

In 2019, ALDI Nord Germany was awarded the title of most vegan-friendly discounter by the Albert Schweitzer Foundation. The foundation highlighted the large proportion of vegan products, the expanded labelling of beverages, and our 'Vegan Discovery Week'.

ALDI Nord Germany in profile

| | |
|----------------------|--------------------------------------------------------|
| Regional companies | 32 |
| Stores | 2,206 |
| Total ALDI employees | 37,788 |
| Year of market entry | 1961 |
| Website | www.aldi-nord.de |

Progress on national goals 2019 →



HEALTH AND SUSTAINABILITY GO HAND IN HAND – ALDI NETHERLANDS

ALDI Netherlands went the extra mile in 2019 to support customers on the road to a healthy and sustainable lifestyle. In a country with more bicycles than people, protecting the environment and the climate also plays an important role.

In the Netherlands, we aim to support our customers in making healthier choices. Alongside projects to improve our products with less sugar and salt, we worked on the healthy nutrition partnership with the foundation JOGG and the super partnership with the National School Ontbijt.

We strive to make sustainable grocery shopping accessible for everyone, by offering products with sustainability certifications such as Beter Leven for animal welfare and PlanetProof for fruits, vegetables and dairy products, at affordable ALDI prices. We also support our customers with the ALDI Transparency Code (ATC), which creates transparency regarding the origins of poultry, beef and pork. In addition, we provide information on shopping responsibly through our sustainability awareness campaign and sustainability labels.

When it comes to preventing food waste, we work closely with Voedselbanken Nederland. Following the elimination of disposable shopping bags in 2017, we turned our attention to our fruit and vegetable bags. They will no longer be freely available, but instead sold for a symbolic amount of one cent. We plan the introduction of these



bags in 2020. We have also signed the Plastic Pact NL, which aims for 100 per cent recyclability, 20 per cent plastic reduction and 35 per cent use of recycled plastic (in packaging) by 2025.

ALDI Netherlands has a particular interest in working to protect the climate – after all, one third of the country lies below sea level. That is why we work hard to reduce CO₂ emissions. Newly opened stores have an energy rating of A+++ or higher. ALDI Netherlands has been powered by exclusively green energy since 2015.

OUR HIGHLIGHTS

30,000,000 LITRES
OF MILK CERTIFIED

ALDI Netherlands supports dairy farmers who take extra measures on animal welfare and the environment. We have already converted more than 30,000,000 litres of Dutch dairy products to certified sustainable goods (for example PlanetProof).

2,750
SCHOOLS

ALDI Netherlands works hard to encourage healthy nutrition for children. During the week of the National School Ontbijt, an initiative focussing on healthy breakfasts for primary school children, we reached around 2,750 schools.

ALDI Netherlands in profile

| | |
|----------------------|----------------------------------------------|
| Regional companies | 9 |
| Stores | 492 |
| Total ALDI employees | 11,086 |
| Year of market entry | 1973 |
| Website | www.aldi.nl |

Progress on national goals 2019 →



REGIONAL PRODUCTS FOR SUSTAINABILITY – ALDI POLAND

ALDI Poland provides customers with a constantly growing selection of sustainable and regional products, following our motto – RAZ ALDI, ZAWSZE ALDI (once ALDI, always ALDI).

Recent studies confirm that consumer awareness of sustainability is steadily growing in Poland. Accordingly, we are continually developing our sustainable product range to further raise customer awareness and provide our customers with comprehensive information about our CR activities. Every three months we publish a CR magazine, available at our stores or online. We inform our customers how they can protect the environment in their daily lives, by making sustainable decisions such as the safe disposal of batteries, waste recycling and prevention of food waste. To honour the importance of regionality in Poland, we held eight weekly events highlighting typical products from various Polish regions.

For the first time in 2019, the report 'Responsible Business in Poland 2018: Good Practices' named ALDI Poland a socially conscious company in the country's most extensive review of CSR measures. The report described twelve ALDI measures, including international purchasing policies, the ALDI Nord Instore Concept, our Climate Protection Policy and the Social Compliance Programme. In 2018, MSC Poland recognised ALDI Poland for its exceptional commitment to



sustainable fishing and the expansion of the MSC programme in Poland.

We published an online declaration in 2019, to renounce cage eggs in processed own-brand products by the end of 2025. It is our first national commitment that goes beyond international purchasing policies, making us the third retail chain in Poland to eliminate both fresh and processed caged eggs by 2025.

ALDI Poland in profile

| | |
|----------------------|----------------------------------------------|
| Regional companies | 1 |
| Stores | 138 |
| Total ALDI employees | 2,694 |
| Year of market entry | 2008 |
| Website | www.aldi.pl |

Progress on national goals 2019 →

OUR HIGHLIGHTS

73 VEGAN AND VEGETARIAN PRODUCTS

73 products carried the V-Label in 2019 at ALDI Poland, marking vegan products, which are guaranteed not to contain any ingredients originating from animals, as well as vegetarian products.

31 TIMES PRODUKT POLSKI

In addition to our eight regional weeks, we wanted to help our customers identify local Polish products. Besides the PRODUKT POLSKI logo, we use Dziejstwo Kulinarne (Culinary Heritage) or Jakość Tradycja (Quality Tradition) for local products.



LOCAL SUSTAINABILITY ACROSS THE COUNTRY – ALDI PORTUGAL

From the Algarve to the northern reaches of the country, ALDI Portugal places the community needs and customer wishes at the forefront of our sustainability and environmental measures.

ALDI Portugal supports the needy at many locations through food and non-food donations. For this purpose, we work together with more than 40 local charitable organisations. This regional approach is especially important to us. It underscores the connection between ALDI Portugal, the employees and the local population.

We are constantly adapting the shopping experience to suit our customers. In 2019, we intensified our engagement in several quality and awareness awards. We participated in the Sabor do Ano (Taste of the Year) award, demonstrating our commitment to high-quality produce at affordable ALDI prices. 27 products received awards. Via the new website, social media channels, such as YouTube and LinkedIn, and in our customer magazine, we provided customers with information on a variety of sustainable topics. One example of this was ALDI Portugal's packaging mission, 'Compromisso ALDI', launched in 2019, which is based on the principle 'Reduce. Reuse. Recycle'. It aims to avoid packaging whenever possible, and also introduced new waste sorting symbols on all our own-brand products.



Our stores received a fresh look, in the latest ANIKO design, to make shopping more fun for customers. This redesign also integrated energy-saving measures such as the generation of electricity on our store roofs using photovoltaic systems and the installation of chillers using CO₂ as a natural refrigerant. In February 2020, we signed the commitment 'Lisbon European Green Capital 2020 – Climate Action 2030' to implement a wide range of environmental measures in all ALDI stores in the Lisbon Region.

ALDI Portugal in profile

| | |
|----------------------|----------------------------------------------|
| Regional companies | 1 |
| Stores | 73 |
| Total ALDI employees | 1,633 |
| Year of market entry | 2006 |
| Website | www.aldi.pt |

Progress on national goals 2019 →

OUR HIGHLIGHTS

100%
OF ALDI STORES DONATE

That's a hundred per cent of our stores: We donate food that is still edible, but which can no longer be sold, to over 40 local and regional organisations to help people in need all over the country.

100%
COD WITH MSC CERTIFICATION

We now offer our customers traditional Portuguese dried cod products with MSC certification. Our commitment to sustainable fishing is ongoing, and we are systematically switching our product ranges to sustainable fish products.



CLEAR WORDS WHEN IT COMES TO SUSTAINABILITY – ALDI SPAIN

With modern customer communication methods, ALDI Spain can both respond to the changing sustainability and environmental concerns of its customers and raise awareness of these issues.

Communications through our ALDI Contigo and our social media channels signalled a rising awareness of animal welfare issues and environmental concerns. Therefore, we concentrated our efforts on animal welfare, healthy food choices and the reduction of plastic pollution.

Since 2019, we have offered products with the Welfair™ certification (non-processed chicken, eggs and milk), which goes beyond the legal requirements and takes all phases of production into account. This certification follows the four principles of Good Feeding, Good Housing, Good Health and Appropriate Behaviour. It is based on the Welfare Quality Standards and AWIN.

Customer demand for lactose-free and gluten-free products led us to clearly designate these items with external labels. Our buyers are working on the progressive reduction of sugar, salt and fats according to the NAOS Strategy from the Spanish Ministry of Health.

In 2019, we set out a clear path for reducing plastic in our stores, following impulses from both our customers and non-governmental



organisations such as Greenpeace. We set out multiple measures to reach our 2025 targets of reduction of plastic in our packaging and our products by 20 per cent. We also want to guarantee that 100 per cent of our packaging is recyclable, compostable or reusable. Together with a technology centre, we are conducting a study to analyse the initial situation and evaluate sustainable alternatives to the current packaging in fruit and vegetables. The goal of this project is to reduce plastic, improve recyclability and find innovative solutions.

ALDI Spain in profile

| | |
|----------------------|----------------------------------------------|
| Regional companies | 4 |
| Stores | 308 |
| Total ALDI employees | 4,357 |
| Year of market entry | 2002 |
| Website | www.aldi.es |

Progress on national goals 2019 →

OUR HIGHLIGHTS

34 PRODUCTS
WITH WELFAIR™ CERTIFICATE

We achieved certification on animal welfare for all non-processed chicken and standard milk (fresh and long-life), and for the majority of eggs (all but organic). For fresh milk, we also have a pasture-fed certificate.

1,100 TONNES
OF PLASTIC SAVED

In 2019, we saved more than 1,100 tonnes of virgin plastic and nearly one tonne of aluminium by banning single-use plastic products, by using recycled plastic in bottles, rubbish and carrier bags, by redesigning products and packaging, for example cotton buds, refill solutions for cleaning and hygiene products.



MAKING SUSTAINABILITY VISIBLE

Safe and responsible consumption means providing product ranges that the customers can trust. In addition to product quality and safety, customers increasingly wish to make conscious purchasing decisions that benefit their own health, fellow human beings and the environment. We are working on improving products and packaging and on making these innovations visible to our customers.

1,178 PRODUCTS
WITH EU ORGANIC LOGO
AVAILABLE –
AN INCREASE OF 15%

265 FAIRTRADE CERTIFIED
OWN-BRAND PRODUCTS
IN OUR RANGES –
AN INCREASE OF 190%

ALL OUR PACKAGING
TO BE RECYCLABLE BY 2025

-396 TONNES OF PLASTIC
IN 2019 BY SWITCHING
COTTON BUDS TO
A SUSTAINABLE ALTERNATIVE



8.4



12.2, 12.3, 12.4, 12.5, 12.8



2.1, 2.2, 2.3, 2.5



3.4



14.1



15.2



RESPONSIBLE PRODUCT RANGES

GRI 102-16, 301/103-1, 416/103-1, 417/103-1 Internal surveys show that several reasons come into play when consumers are choosing where and what to buy. For younger customers in particular, sustainability plays an important role. Our customers have multiple reasons for selecting sustainable products. They see many of these products as the healthier option. They also appreciate that with their purchase, they are supporting their local community or smallholder farmers. Our customers also recognize that sustainable products are beneficial for the environment as, for example, less packaging is used. Offering best quality products and empowering our customers to take a responsible, affordable and healthy approach to consumption is part of our Corporate Responsibility Quality Assurance (CRQA) Strategy.

OUR APPROACH

GRI 416/103-2 To offer our customers only the best products, we have established comprehensive quality assurance and management processes at all levels of our value chain. Our own brands are subject to strict quality standards that we develop in cooperation with our suppliers. The aim is always to go beyond legal requirements and meet our customers' needs and wishes. Independent tests by consumer organisations regularly confirm the excellent quality of the own-brand products.

GRI 102-2, 204/103-1/2, 417/103-1/2 We consistently align our products and services with the demands and expectations of our customers, which is why we are continually expanding our ranges of sustainable products. At the same time, we are improving our ranges by adjusting ingredients, changing raw materials and promoting high environmental and social standards in the food and non-food supply chains.

GRI 301-1/103-1/2, 306/103-1 We are continuously working to meet the rising demand for more sustainable product packaging and to avoid food and packaging waste. Avoiding waste is a key pillar of sustainable development. Packaging waste accounts for a significant part of the total waste volume at ALDI Nord. In 2018, we launched the Packaging Mission 'ALDI Verpackungsmission' for our own-brand product packaging in Germany. Our goal is that 100 per cent of our own-brand product packaging is recyclable by 2022. We

also aim to reduce the total weight of our own-brand product packaging by 30 per cent by 2025 in relation to sales (database 2015). We followed up with the launch of packaging missions and strategies in Belgium, Denmark, Luxembourg, Portugal and Spain in 2019, where we set specific national goals and/or measures. The next step will be to extend the mission to all ALDI companies and to establish international goals. For more information, see the section 'Use of more sustainable packaging'.

ORGANISATION & GUIDELINES

GRI 204/103-2, 417/103-2 The International Buying (IB) division organises the buying process at ALDI Nord, while the respective national Category Management (CM) provides services regarding the national assortments. Responsibility for the assurance of the quality and CR standards lies with CRQA International. CRQA National, as part of the respective Category Management, ensures that specific national considerations – for example, legal food requirements – are taken into account. In our purchasing policies, we document the status quo and set targets for the transition of raw materials to certified resources and we state which products (for example in animal welfare or fish farming) have to be delisted.

Regulations

GRI 301/103-2/3, 416/103-2 We aim not to wait for legislation to be passed, but to identify possible issues and upcoming political developments and implement changes ahead of time, wherever possible. CRQA monitors regulatory developments and advises buyers and category managers regarding implementation by our suppliers. Every year, there is a wide range of regulatory developments that affect our products. The topic of healthy nutrition, for example, has been in focus for more than ten years at a European level and we have therefore been continuously improving the composition of our products since 2014. In Spain, regional statutory regulations aiming at reducing the sugar content of drinks were announced in 2017.

We also keep the goals of the European (EU) Plastics Strategy in focus. Our national plastic and packaging strategies are ahead of EU targets, highlighting our commitment to sustainable packaging. On the topic of food waste, there is already legislation in place in various countries. In countries such as France and Poland, food surplus donations are a legal requirement. However, our engagement is not restricted to these countries. We donate food that is no longer marketable but still edible in all ALDI countries.



PROGRESS & MEASURES 2019

GRI 204/103-2, 301-1/103-2, 417/103-2, 417-1

Use of more sustainable packaging: expanding our Packaging Mission



Our top priorities are to significantly reduce packaging and to increase its recyclability. To achieve this, we rely on the principle 'Reduce. Reuse. Recycling.' and clear national goals. We set these goals in our national plastic and packaging strategies such as 'ALDI Verpackungsmission' and in industry initiative commitments, for instance in the Netherlands. Our packaging missions and strategies have been in place at the national level in Germany since 2018, with Belgium, Denmark, Luxembourg, Portugal and Spain following in 2019. Together with the Dutch government, recyclers, packaging producers and other retailers, ALDI Netherlands signed the Plastic Pact, a national pledge to reduce the use of plastics and make plastic packaging more sustainable: the collective goal is to reach 20 per cent plastic reduction, 100 per cent recyclability of plastic packaging and products, and an average of 35 per cent of recycled plastic use by 2025.

ALDI supports young startups with the development of innovative ideas for more sustainable packaging solutions and plastic reduction. In cooperation with the start-up accelerator programme 'TechFounders', we identified potential startups for a 20-week sponsored programme. The focus is not only on financial support of the startups. ALDI also

serves as a driving force and mentor for the participants within the scope of the partnership. Initially, three startups – Cyclic Design, OGATA, and WiseFood – won the support of ALDI in June 2019 with their ideas for sustainable packaging and product solutions. During the TechFounders Demo Day in Munich in October 2019, the three startups presented their final results to cooperation partners and TechFounders. All products will be available in ALDI stores at least once.

In a cooperation with the Reclay Group, ALDI published a guide for more sustainable packaging to enable closer cooperation with our buying departments and suppliers on finding sustainable solutions. The guide creates a shared understanding of optimisation potential and serves as an orientation aid for recyclable packaging design.

Thanks to multiple-use systems for our transport and outer packaging as well as multiple-use boxes for our fruit and vegetable products, we already save millions of non-returnable cardboard boxes and tonnes of CO₂ per year in the ALDI countries. In 2019, there were more than 115 million reusable plastic crates in circulation. Where non-returnable packaging is unavoidable to protect our goods sufficiently during transport, we use foils and cardboard boxes made of recyclable materials that can again be recycled entirely. Moreover, some non-returnable cardboard boxes used

in many ALDI companies already consist of recycled and/or certified material.

By simply replacing the plastic packaging with a banderole on our organic Fairtrade bananas, we save over 136 tonnes of plastic every year in Germany, the Netherlands and Spain. We have been switching our cotton buds to a sustainable alternative in all ALDI countries: this improved product has an FSC®-certified paper shaft and cotton heads from controlled organic cultivation. The product packaging is also entirely plastic-free. By dispensing with the plastic shaft, we saved around 396 tonnes of plastic in 2019. We reduce the packaging content of textiles as much as possible. In various cases, we have already eliminated the plastic bag and used an FSC®-certified paper sleeve instead. Additionally, we have reduced some plastic labels and switched to cotton labels.

We converted all carrier bags to multiple-use, and non-reusable plastic bags were removed from the stores throughout Belgium, France, Germany, Luxembourg, the Netherlands and Poland. ALDI Denmark will no longer issue plastic bags for single use after the end of 2020, while ALDI France conducted a trial in two regional companies to switch completely to FSC® MIX-certified paper bags. In Spain and Portugal, plastic carrier bags (single-use) are being replaced by carrier bags made of 100 per cent recycled plastic, and in early 2020 we introduced an FSC® MIX-certified paper bag in

Portugal. Learn more about the [Number of bags sold/given away in 2019 online](#).

Since summer 2019, we have gradually been replacing the fruit and vegetable bags with a more sustainable alternative in all German stores. The new bags consist mainly of renewable raw materials (residual materials from sugar cane production). When disposed of correctly, they are 100 per cent recyclable. The new fruit and vegetable bags are sold for a symbolic price of one cent. We have also been gradually introducing reusable nets in the ALDI stores in Germany since autumn 2019. Nets are more environmentally friendly than conventional fruit and vegetable bags, are washable and can be reused. Appropriate alternatives will also soon be available in other countries such as Denmark, the Netherlands, Portugal and Spain. ALDI Belgium has been using FSC®-certified paper bags for loose fruit and vegetables since March 2020. In France, we already converted all fruit and vegetable bags to biosourced plastic in 2017.

Reducing the amount of plastic released into the environment is also part of our Packaging Mission and our National Water Protection Policy in Germany: We have been reducing the proportion of microplastics in our cosmetic and personal care products and our detergents and cleaning agents in Germany since 2015. 100 per cent of our products are now free of solid microplastic (microbeads). In addition,



60 per cent of our products are free of liquid synthetic polymers. We are working to remove synthetic polymers from the formulations of the remaining 40 per cent of products, wherever this is possible without loss of product performance. In countries such as France, we have already completely banned solid microbeads in certain products in line with legal requirements.

Reduction of food loss: less is more

Our goal is an optimal supply of each product on the shelves while minimising food losses. In addition to ethical responsibility, we have an economic interest in avoiding food waste. For many years ALDI Nord has used numerous measures to minimise food waste in all areas. Daily ordering ensures that our goods are not only always fresh and sufficiently available, but also that less is thrown away. Store managers use an intelligent order proposal system that automatically records the exact goods required and orders them accordingly. Various departments, such as logistics and buying, provide additional information to the stores to ensure that the system makes reliable suggestions. If it becomes apparent that, despite careful planning, products are not selling, we reduce the price of some goods. We monitor the effects of packaging optimisation carefully and initiate corrective measures throughout the supply chain, should these changes lead to food loss.


Potential surpluses are donated whenever this is possible. For example, every single store in Belgium, Luxembourg and Portugal donates food. The ALDI companies have been working with local food banks, in some regions already for many years. We are also working on expanding and improving cooperations with competent partners, as well as on creating new solutions. ALDI Belgium for example strengthened its collaboration with foodbanks in 2019 by freezing food surpluses prior to donation so that the best-before date is no longer an issue. In Denmark, we tested the food waste solution 'Too Good To Go'. Customers can use an app to buy a mixed bag of fruit and vegetables, which may otherwise have been discarded, at a reduced price. We are continually extending this cooperation. In the period under review, 81 per cent of all stores donated surplus food that was no longer marketable but still edible (2018: 77.3 per cent). In Spain, the share has decreased in the last year as a result of the introduction of a discount on products close to their expiry date.

In Germany, we joined the EU initiative REFRESH (Resource Efficient Food and dRink for the Entire Supply cHain) from 2017 until the end of the project in mid-2019. This project focused on reducing and reusing food waste throughout the supply chain. ALDI France and ALDI Netherlands joined this initiative in 2017 and 2018. ALDI Netherlands carried out two projects with Wageningen University. Against

GRI 306-2 FOOD DONATIONS

Number of stores that donate unsaleable yet still edible food to charitable institutions as a proportion of the total number of stores (in per cent)

In general, we manage goods in such a manner as to prevent losses to the greatest extent possible. Wherever possible, any surpluses should be donated. However, not all locations have access to partners that accept food donations.

| | 2017 | 2018 | 2019  |
|---------------------------------|-------------|-------------|------------------------------------------------------------------------------------------|
| Belgium/Luxembourg ¹ | 100.0 | 100.0 | 100.0 |
| Denmark | 18.1 | 56.3 | 72.9 |
| France ² | 23.4 | 23.9 | 36.8 |
| Germany | 99.0 | 98.9 | 99.1 |
| Netherlands | 74.2 | 76.2 | 81.9 |
| Poland | 38.7 | 30.3 | 41.3 |
| Portugal | 31.6 | 100.0 | 100.0 |
| Spain | 76.1 | 68.4 | 64.0 |
| ALDI Nord | 75.4 | 77.3 | 81.0 |

¹ The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').

² All French stores are covered under a national convention with the Restos du Coeur.

this backdrop, we are looking across the entire supply chain for solutions to reduce food waste.

Expansion of the sustainable product ranges: organic, fair and vegan

GRI FP Animal welfare 103-3 In most countries, the number of organic, vegetarian/vegan and Fairtrade products in the product ranges is continuously increasing. In the year under review, ALDI organised the first ALDI Organic Supplier Strategy Day. The event aimed to create a platform for an open and partnership-based exchange with suppliers. The ideas and expertise gathered was fed into the optimisation and expansion of the ALDI organic product ranges.

In addition to the EU organic logo, other labels and own brands are used to mark organic products, such as the Ø label of the Danish state. It is held in high regard by the people of Denmark and is very well known and trusted by the Danish consumers. In Denmark, the own brand Økolivet is growing rapidly both in numbers of products and in sales. The product range is easily recognisable, with redesigned, modern Nordic-style packaging. In cooperation with Organic Denmark, we reviewed the assortment in 2018, and these changes were implemented in 2019.



GRI FP2

ORGANIC AND FAIRTRADE PRODUCTS

Number of own-brand products with EU organic logo
and number of procured own-brand products with Fairtrade certification
in the standard and special-buy product ranges¹

| | 2017 | | 2018 | | 2019 | |
|---------------------------------|------------------|--------------------|------------------|--------------------|------------------|--------------------|
| | Organic products | Fairtrade products | Organic products | Fairtrade products | Organic products | Fairtrade products |
| Belgium/Luxembourg ² | 101 | 16 | 113 | 16 | 121 | 41 |
| Denmark | 150 | 19 | 213 | 22 | 169 | 75 |
| France | 103 | 14 | 151 | 15 | 223 | 42 |
| Germany | 188 | 30 | 258 | 42 | 305 | 160 |
| Netherlands | 112 | 29 | 114 | 34 | 128 | 82 |
| Poland | 45 | 6 | 105 | 17 | 134 | 87 |
| Portugal | 76 | 19 | 165 | 22 | 244 | 97 |
| Spain | 225 | 4 | 345 | 7 | 322 | 64 |
| ALDI Nord | 803 | 73 | 1,024 | 90 | 1,178 | 265 |

¹ Because certain products are purchased jointly for several countries, the total number of procured products may be lower than the total of the breakdowns by country.

² The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').

We are also expanding the proportion of Fairtrade products throughout most of the ALDI companies. In 2019, our ranges featured 265 Fairtrade-certified products – an increase of 190 per cent compared with 2018. ALDI Belgium remains the only retailer in Belgium to offer 100 per cent Fairtrade roses. ALDI Poland and ALDI France added Fairtrade items to its standard and special-buy product ranges for the first time in 2017. Since then, as in most other countries, these ranges have been growing steadily.

In many countries, we have seen a rise in demand for products for special nutritional requirements in recent years and are expanding our range of vegetarian and/or vegan products accordingly. In Belgium as well as Luxembourg, for example, the respective national goal is a total of 30 per cent increase of vegetarian products over the previous year by the end of 2020. The V-Label helps customers identify vegetarian and vegan products. Some 500 products in all ALDI countries bore the V-Label or similar labelling in 2019, compared to 270 items in 2018.

LABELLED VEGETARIAN AND VEGAN PRODUCTS

Number of listed food
and non-food own-brand products
labelled as vegetarian and/or vegan
from the standard
and special-buy product ranges¹

In addition to the labelled products,
ALDI Nord offers wide ranges of non-labelled
vegetarian and/or vegan items.

| | 2017 | 2018 | 2019 |
|---------------------------------|------------|------------|------------|
| Belgium/Luxembourg ² | 14 | 36 | 37 |
| Denmark | 14 | 15 | 68 |
| France | 4 | 8 | 23 |
| Germany | 129 | 169 | 246 |
| Netherlands | 13 | 16 | 27 |
| Poland | 19 | 9 | 73 |
| Portugal | 21 | 17 | 54 |
| Spain | 24 | 37 | 66 |
| ALDI Nord | 185 | 271 | 497 |

¹ Because of the so-called Common Buying of certain products for several countries, the total number of procured products may be lower than the total of the breakdowns by country.

² The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').

In 2019, ALDI Nord in Germany was awarded the title of most vegan-friendly discounter by the Albert Schweitzer Foundation, after taking third place in 2017. The foundation highlighted the large proportion of vegan products, the expanded labelling of beverages, and our campaign 'Die vegane Entdeckerwoche', which encouraged people to try more plant-based products. For the first time, PETA Germany presented the 'Vegan Food Award' and commended our vegan fish fingers. ALDI Netherlands is a partner of the 'Nationale Week Zonder Vlees', a national campaign to encourage all Dutch citizens to give up meat or fish for a week. Our contributions included expanding the range of vegetarian and vegan products, highlighting vegetarian recipes and sharing inspiration on social media.

Healthy lifestyle: improved combinations



We are continually adapting the recipes of our own-brand products to meet changing customer demands, or new regulatory requirements, while retaining consistent product quality. In Germany, we have gradually reduced the sugar content of soft drinks, muesli, preserved fruits and other products since 2015. We also contributed to the German reduction and innovation strategy for sugar, fats and salt in ready-to-eat meals of the Federal Ministry of Food and Agriculture (BMEL) through a close follow-up with the retail association (BVLH) in the reporting year.



ALDI Netherlands is taking part in a sector initiative which is committed to developing improved product combinations. As a result, we have been gradually adapting the recipes of various product groups since 2014. A new standard was defined based on the average salt/sugar/fat content in a product group (independent of the market volume of the individual products). The agreement sets out the maximum standard. All products in the product category that do not meet this standard must be adjusted, which resulted in a lowering of the average salt/sugar/fat contents. In the year under review, we focused on reducing salt in dried savoury snacks (7 to 15 per cent reduction relative to average Dutch retail level¹), fresh meat products (10 to 15 per cent reduction¹), savoury bread rolls (4 to 12 per cent reduction¹) and reducing salt and fat content in ready-to-eat meals (10 per cent reduction¹).

In 2016, ALDI Belgium signed the Balanced Food Covenant (Convenant Evenwichtige Voeding/Convention Alimentation Équilibrée), which has been endorsed by Belgian food companies, retailers, restaurant chains, catering companies and the government. The Covenant aims to reduce the amount of sugar, salt and saturated fatty acids and increase the fibre content in specific product groups. In 2017, ALDI Belgium made adjustments to the product groups soft drinks, dairy products, breakfast cereals,

biscuits, chocolate, and soya and vegetable drinks. For the period from 2018 to 2020, the scope of the project was expanded to include cold sauces, processed meat products and prepared dishes. Other product groups, for example bread and ice cream, have been added on a voluntary basis. In the past three years, over 100 recipes have already been adjusted.

In Spain, we started reducing the amount of sugar in soft drinks in 2017, in part to comply with regulatory requirements. Several recipes have already been improved, reducing the sugar content. Moreover, the formulas in other product groups (dairy products, biscuits, etc.) have been adapted, reducing the amount of sugar, salt and fats according to the 'Estrategia NAOS' (Strategy for nutrition, physical activity and obesity prevention), defined by the Spanish agency for food safety and nutrition (AESAN, an autonomous agency attached to the Ministry of Health, Consumption and Social Welfare).

ALDI Denmark's goal is the reduction of salt, sugar and fat, and the increase of whole grain in the products. This is in accordance with the national labels 'The Nordic Keyhole' and 'Whole Grain Stamp' that set clear guidelines for the different nutrients. To date, 23 products have the Whole Grain Stamp and 84 products have the Nordic Keyhole across different product groups. ALDI France is adapting some recipes as part of the Nutri-Score launch, which will take place during 2020 for the first products.

Healthy lifestyle: campaigns and fresh offers

Our customers not only want products with reduced salt, sugar and fat content, they also want a more healthy and balanced diet in general. We addressed this trend in Germany with the 'Einfach besser leben' (Simply live better) campaign. We showed how inexpensive and straightforward a healthy diet and conscious lifestyle can be – without having to forego enjoyment. Products with reduced salt and sugar, as well as fresh fruit and vegetables, were the particular focus of this campaign.

In the Netherlands, we continued working with the Jongeren Op Gezond Gewicht (JOGG) foundation to raise awareness of healthy nutrition among children and adolescents. We also promoted a campaign on healthy diet in our magazine and on our website in February: we informed our customers about the Schijf van Vijf (The Wheel of Five), which explains what kind of products are healthy and why they are healthy. During this campaign, selected products were offered at a discount. In addition, we focused on a healthy breakfast for children in 2019. You can find out about our 'breakfast' initiative in the chapter 'Social Commitment'.

We continue to expand the selection of fresh products at our stores and have promoted these with fresh weekly specials in Germany and the Netherlands. The fresh product ranges of particular significance to ALDI Nord are fruit and vegetables, which consist of 116 different items (on average). ALDI Belgium has supported Snack & Chill, an initiative aimed at increasing the consumption of fruit and vegetables among secondary school students since 2019.

Since 2017, ALDI Spain has been a member of the EU project PREVENTOMICS (Empowering consumers to PREVENT diet-related diseases through OMICS sciences), which is funded by the European Union's Horizon 2020 research and innovation programme. The project creates a new way of thinking in preventive personalised nutrition based on individual characteristics

FRUIT AND VEGETABLE ITEMS

Average number
of fruit and vegetable items
in the product ranges

| | 2017 | 2018 | 2019 |
|---------------------------------|-----------|------------|------------|
| Belgium/Luxembourg ¹ | 95 | 105 | 106 |
| Denmark | 107 | 110 | 107 |
| France | 75 | 100 | 105 |
| Germany | 97 | 102 | 110 |
| Netherlands | 104 | 122 | 124 |
| Poland | 109 | 123 | 115 |
| Portugal | 93 | 104 | 111 |
| Spain | 111 | 140 | 150 |
| ALDI Nord (average) | 99 | 113 | 116 |

¹ The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').

¹ These targeted reductions are dependent on the subcategory; calculated as the reduction of the average content in the market compared to the current figure.



TARGETS & STATUS

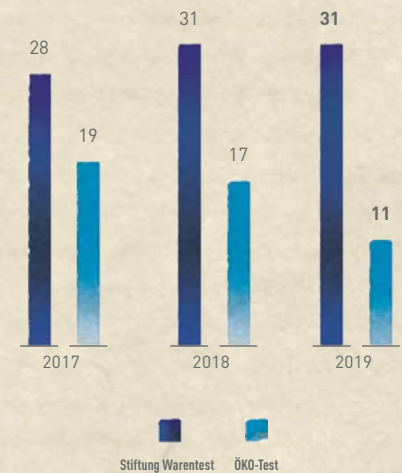
such as physical and behavioural traits, lifestyle, genotype, preferences and physical condition. PREVENTOMICS will deliver personalised nutrition tools accessible to everyone that promote changes in current habits and achieve improvement to personal health in a sustained and lasting manner. It will be validated in three different case scenarios, to demonstrate its potential for personalisation of nutrition at three levels of the food value chain: point of sale, food delivery, home. To do this, there will be intervention studies with both healthy volunteers and volunteers with abdominal obesity. In this context, a pilot project with ALDI products in Spain is being developed and is planned to start around mid-2020.

GRI 204/103-2/3, 416/103-2/3, 417/103-2/3 We are reviewing the development of our sustainable product ranges on the basis of the targets defined in the purchasing policies and strategies. To monitor progress of these policies and strategies, we conduct supplier surveys and audits, for example, in [animal welfare](#). Our quality promises are evidenced by international test results by organisations such as Spain's Organización de Consumidores y Usuarios (OCU), Portuguese Consumer Defence Association (Associação de Defesa do Consumidor – DECO) or Germany's Stiftung Warentest and ÖKO-TEST, as well as our own market research and external awards. In Belgium, such tests are performed by Test-Aankoop or by Test Achats.

Learn more about our targets in the [CR Programme](#).

PRODUCTS PROMOTED WITH STIFTUNG WARENTEST OR ÖKO-TEST

Number of articles promoted with test results from consumer association Stiftung Warentest or consumer magazine ÖKO-TEST¹



¹ It is only possible to label products with test results in Germany; the data therefore only relates to Germany.

PUBLIC PRODUCT RECALLS

The number of publicly recalled products, broken down into food and non-food products

| | 2017 | | | 2018 | | | 2019 | | |
|---------------------------------|-----------|--------------|------------------|-----------|--------------|------------------|-----------|--------------|------------------|
| | Total | Recalls Food | Recalls Non-Food | Total | Recalls Food | Recalls Non-Food | Total | Recalls Food | Recalls Non-Food |
| Belgium/Luxembourg ¹ | 4 | 4 | – | 9 | 8 | 1 | 9 | 7 | 2 |
| Denmark | 3 | 3 | – | 4 | 3 | 1 | 11 | 9 | 2 |
| France | 11 | 10 | 1 | 13 | 13 | – | 9 | 8 | 1 |
| Germany | 9 | 8 | 1 | 10 | 8 | 2 | 18 | 16 | 2 |
| Netherlands | 4 | 4 | – | 2 | 1 | 1 | 8 | 6 | 2 |
| Poland | 1 | 1 | – | 1 | – | 1 | 4 | 3 | 1 |
| Portugal | 1 | 1 | – | – | – | – | 1 | 1 | – |
| Spain | 5 | 2 | 3 | 7 | 6 | 1 | 8 | 7 | 1 |
| ALDI Nord | 38 | 33 | 5 | 46 | 39 | 7 | 68 | 57 | 11 |

¹ The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to [Report profile](#)).



TRANSPARENCY & COMMUNICATION

GRI 417/103-1 How can we create effective incentives for more sustainable consumption? Governments and organisations worldwide are searching for answers to this question. In its 2030 Agenda, the United Nations defined the Sustainable Development Goal (SDG) of promoting responsible patterns of consumption (SDG 12). This topic is a particular concern for us as a leading discounter, as we provide our customers with products that meet their daily needs. Every year, consumers make 1.3 billion purchases at our stores. Our goal is to promote a healthy, sustainable lifestyle – and to enable a broad section of society to consume in an affordable and responsible way.

OUR APPROACH

GRI 417/103-2 We create transparency through clear product labelling by using recognised sustainability standards and labels such as the V-label. Moreover, the national use of specific own brands lends visibility to our vegetarian and vegan products, our organic and Fairtrade ranges, alongside our regional used own-brand products. These include Mein Veggie Tag for vegetarian and vegan items and EINFACH REGIONAL in Germany, Meat Free Days and Streekproduct Noaber in the Netherlands and BON & VÉG in France and also FAIR for Fairtrade. We label products with our Clean Label (see also 2015 report) in most of the ALDI countries to indicate that we have deliberately refrained from using specific additives such as taste enhancers, flavourings, colouring agents and preservatives. Additionally, the ALDI Transparency Code (ATC) has enabled our customers to trace the origins of various products since 2015.

To communicate regularly about our sustainability engagements, and to raise awareness of specific sustainability requirements, we carry out individual campaigns and projects. The ALDI employees also receive comprehensive information about the sustainability aspects of our products, initiatives and projects. We use various tools to inform our customers about the social and environmental aspects of our products: our customer magazine and our advertising campaigns often focus on our certified sustainable products. In our stores, we draw our customers'

attention to such products through the appropriate labelling on shelves and posters.

ORGANISATION & GUIDELINES

GRI 417/103-2 The promotion of sustainable consumption has always been anchored in our Corporate Responsibility (CR) Policy and our CR Programme and is now an important part of our Corporate Responsibility Quality Assurance (CRQA) Strategy within our focus topics. The international CRQA department plays an instrumental role in driving our activities forward in close cooperation with divisions such as Communications and International Buying. On a national level, CRQA works within the Category Management department and cooperates closely with departments such as Marketing and Sales; see also 'CR organisation'.

Regulations

GRI 204/103-2, 417/103-2 The European Union (EU) already regulates a large number of areas and sets strict requirements for products and their certification. The welfare and protection of consumers are a major focus of these regulations. The EU has mandatory country of origin labelling for certain agricultural products, such as fruit and vegetables. The laws were recently tightened in some European countries. In France, a national regulation requiring country of origin labelling for

dairy and meat in pre-packaged, processed food came into force in early 2017. Under this law, the origin of products in France containing at least eight per cent of meat must be clearly stated.

In 2017, ALDI Belgium signed the Belgian Pledge, a commitment endorsed by the Belgian food industry to ban advertisements for unhealthy products, aimed at children younger than 12 years. Advertising for this target group is only allowed for products that comply with the nutritional criteria as described in the Pledge. The goal of ALDI Belgium is to make sure that all products aimed at children abide by these criteria. ALDI Netherlands created guidelines for product packaging aimed at children, to ensure adherence with the introduced regulation for licensed characters, which is effective from July 2020. We have already identified unhealthy products in the standard ranges with packaging that is directed towards children. Most of these products have been adjusted or delisted.



PROGRESS & MEASURES 2019

Labelling of products: straightforward nutritional labels to aid customer decisions

The food label Nutri-Score is designed to inform consumers at a glance about the nutritional composition of a product. We support the adoption of the Nutri-Score to make decisions as easy as possible for our customers. As soon as the legal requirements are met in Germany, the detailed implementation will be initiated, and we will apply this labelling to all relevant own-brand products. ALDI France will label the first products in 2020. ALDI Belgium will also start using the Nutri-Score in 2020. In the Netherlands, introduction will begin after mid-2021. In other countries customers are already familiar with similar labels. ALDI Denmark will continue to use the well-established label 'The Keyhole'.

Transparent production: giving customers the ability to trace products with ATC and labels

Thanks to the ALDI Transparency Code (ATC), our customers can trace the origin of numerous products online at any time. As a result, we go beyond the statutory regulations in this area. We continue to expand this labelling to additional countries and products, starting in Germany. The ATC is in place for 100 per cent of the fresh meat at ALDI Belgium, ALDI Nord Germany, ALDI Netherlands and ALDI Luxembourg within the standard product ranges. It is also used for meat products in France, Poland, Portugal and Spain. The ATC is generally displayed on products containing more than five percent meat. In France and Belgium, we require ATC on every product

GRI 417-1 PRODUCTS WITH ALDI TRANSPARENCY CODE IN GERMANY

Proportion of meat or meat-containing own-brand products from the standard and special-buy product ranges in Germany labelled with the ALDI Transparency Code (ATC) (percentage)

The scope of data is to be expanded and internationalised in the years ahead due to the introduction of the ATC for additional product groups and in additional countries.



that contains more than three per cent meat. In Germany, customers can trace products from fresh shell eggs, fish and products containing fish products, and textiles, back to their origin. Further information on tracking textiles with the help of the ATC can be found in the chapter 'Social responsibility in the supply chain'.

Regionality: local products and supply chain



GRI 417-1 Regionality of products and the purchase of goods from the surrounding area play an important role in all ALDI countries. One focus is on strengthening and supporting regional producers, alongside actions such as favouring shorter transport routes, which has an impact on the environment. It is important to us that customers can quickly and easily understand the added value of knowing that the product comes from their region – particularly as 'regional' is not a legally defined term. For ALDI Nord Germany, regional means the entire supply chain comes from the specified area – not just one of the final processing steps. In Germany, we introduced the own brand EINFACH REGIONAL (Simply Regional) in 2019. We have also been using the independent Regionalfenster Deutschland (Regional Window Germany) label since 2016. This label can also be found on all products of the EINFACH REGIONAL ranges.

In all ALDI countries, nationally used product labelling is equally important. At ALDI Belgium, we focus on Belgian origin for agricultural products. We have developed a new label, Belgian Origin, for fresh meat, eggs, dairy, fruit and vegetables. We use the own label Pays Gourmand in France and the PRODUKT POLSKI seal in Poland. In Denmark, we mark Danish products with a Danish flag – both on the products and in our weekly magazine. Regionality is of great importance in Denmark. In 2019, one of our stores won the prize for the 'best discount supermarket' for dairy products by cooperating with a local dairy, and marketing an exclusive range of these products.

Raising consumer awareness: honest communication regarding sustainable consumption

GRI 204/103-2, 417/103-2 Through a number of campaigns and partnerships, we informed our customers about certified sustainable products, in our ranges and in special offers, in our customer magazine as well as on our website. In 2017, the German website received a comprehensive overhaul. In the meantime, we expanded all other sites in the countries, giving them a modern appearance. Several countries also use social media channels such as Instagram, Facebook or YouTube.



Customer magazines are an important part of our transparency communication. In 2019, ALDI Belgium won the magazine of the year award from BD myShopi, for the second year in a row. In Poland, we revised our customer magazine and gave it an online presence and a new name: RAZ ALDI, ZAWSZE ALDI (ONCE ALDI, ALWAYS ALDI). ALDI Poland also published four CR quarterly magazines in 2019, which are available online and were displayed in the stores. We use these magazines to educate customers about sustainability and our responsibility. Each edition had a specific focus. In 2019 these were: organic and fair trade; animal welfare, vegetarian and vegan produce, and sustainable fishing; non-food, including sustainability in textiles; and raw material purchasing policies for food products. In Denmark, we have started to optimise the distribution of our weekly leaflet. We worked to make a PDF version of the brochure available online to meet growing demand and save valuable resources. In addition, we have also used other data to optimise the distribution of our leaflets geographically, so that they are available where they are needed.

Campaigns are another essential communication channel to inform our customers about sustainable consumption. Over the years, ALDI Belgium, ALDI Denmark, ALDI France and ALDI Netherlands have participated in 'Think Fish Week' organised by the Marine Stewardship Council (MSC). ALDI Poland was honoured by

MSC 2018 for its exceptional commitment to sustainable fishing and the expansion of the MSC programme in Poland. Other campaigns specific to the Netherlands are the twice-yearly Fairtrade and Organic weeks, Beter Leven week, and a Week zonder Vlees (Week without Meat) in which ALDI Netherlands participates yearly. In 2019, ALDI Belgium organised a campaign 'we gaan elke dag voor 100%' (every day we aim for 100%), in which we communicated about a variety of our CR topics and goals. The non-profit organisation 'Veganuary', and the corresponding campaign, inspires and supports consumers to try vegan for January – and beyond. In 2020, we took part in this campaign and have made vegan products for our German customers more visible and accessible through our customer magazine, special-buy items, recipe suggestions for plant-based food and nutrition tips.

Grüner Knopf: a green button for safe and responsible textile trading

In our International Purchasing Policy for Cotton, we regulated the purchase of own-brand articles made of cotton or with a cotton content in the clothing and home textiles sector. As one of the largest textile retailers in Germany, ALDI Nord Germany bears particular responsibility. We are therefore expanding our engagement in the area of sustainability and are even more committed to fair and ecological production conditions in the textile industry. In the future,

especially sustainable products will receive the 'Grüner Knopf' (Green Button) national stamp of the German Federal Ministry for Economic Cooperation and Development. The Grüner Knopf comprises a strict catalogue of requirements. Products must demonstrably fulfil 26 social and ecological criteria, and the company as a whole must also prove that it has fulfilled its due diligence obligations based on 20 further criteria.

The Grüner Knopf provides our customers with additional orientation when shopping. In 2019, 13 products qualified, and for the first half of 2020, 63 items are planned with more to follow in the second half of the year.

TARGETS & STATUS

Customer perception is an important benchmark that we use to measure our success. We assess this via surveys or with the help of our marketing research departments. In Germany, for example, we have the highest customer reach in the region of Germany where ALDI Nord Germany operates. Statistics back this up: the nationwide weekly magazine Focus Money and Deutschland Test examined customer's shopping habits and where they preferred to shop in 2019. In the overall category 'Discounter', ALDI Nord received 70.5 points and was awarded the rating 'Very Good'. In the category 'Branches', with an emphasis on performance and service, ALDI Nord was again awarded 'Very Good' with 73.8 points (see study).

Together with the introduction of a customer service, ALDI Spain defined key performance indicators for customer satisfaction in 2017, which it monitors on an ongoing basis. The latest findings reveal that 78 per cent of those making enquiries have an 'excellent opinion' of the customer service. In 2019, there were more than 126,000 enquiries, 87 per cent of which were made by customers.

Learn more about our targets in the CR Programme.



OUR APPROACH TO PRODUCT SOURCING

Our responsibility neither begins nor ends in our stores. We are working to improve sustainability throughout our supply chains, for example, in working conditions during production and in protecting forests, soil and biodiversity. Our goal is to provide our customers with transparent evidence of sustainable product sourcing so that they can shop with a clear conscience.



8.4, 8.5, 8.7, 8.8



12.2, 12.4, 12.5, 12.8



14.4



15.2, 15.3, 15.5



2.3, 2.4

100%
SUSTAINABLE COTTON
BY 2025

57% OF SEAFOOD
MEETS OUR WILD-CAUGHT
AND AQUACULTURE
SUSTAINABILITY COMMITMENTS

MORE THAN **340**
ALDI SOCIAL ASSESSMENTS WERE
CARRIED OUT –
AN INCREASE OF 6%

100% –
THAT WAS THE AUDIT RATE FOR
PRODUCTION FACILITIES
OF NON-FOOD PRODUCT GROUPS
IN RISK COUNTRIES IN 2019



ENVIRONMENTAL RESPONSIBILITY IN THE SUPPLY CHAIN

GRI 204/103-1, 304/103-1, 304-2, 308/103-1 With over 1,900 products, we offer our customers well-defined ranges of products, most of them food products (see glossary 'food and non-food'). Our responsibility for these and our non-food products extends from the warehouse to the checkout line and beyond. We also share responsibility for the more sustainable production of raw materials throughout the entire value chain.

We are aware that the increasing burden on ecosystems may have consequences for the availability of raw materials needed for our products. According to scientists, one of the greatest challenges of our time is the worldwide decline in biodiversity. The Federation of German Food Retailers agreed, noting that "The worldwide decline in biodiversity ... caused by climate change, intensive agriculture, overfishing and deforestation, is a social challenge of global proportions and ultimately threatens our entire existence" (BVLH sector paper 2019).

The global community addressed these issues, among others, with the creation of the Sustainable Development Goals (SDGs) in the United Nations' 2030 Agenda. To continue our long-term goal of offering our customers high-quality goods at ALDI prices, we must work with suppliers, the production facilities where they place orders

and with farmers, to improve the sustainability of our production methods. With this, we aim to make our contribution to the SDGs, particularly in improving life on land (SDG 15) and sustainably using oceans, seas and marine resources (SDG 14).

Simultaneously, we observe a growing awareness among our customers of the challenges and complexity of the supply chain and a desire to reduce the environmental impact by purchasing more sustainable products. Our aim is to meet this expectation.

OUR APPROACH

GRI 102-11, 204/103-2, 304/103-2, 308/103-1/2 Our food and non-food product ranges are made up primarily of own-brand products that we carefully design with our suppliers for our customers. We define purchasing policies for specific raw materials, internal purchasing guidelines and (International) catalogues of CR requirements for our suppliers. We work closely with our suppliers and are in constant contact to support them in implementing our sustainability requirements and improving sustainable production.

In 2018, we started a systematic and comprehensive analysis of human rights risks along our food supply chains to identify areas where we have the most influence and can affect the most immediate improvements.

A particular focus lay on raw materials and production. Environmental threats such as climate vulnerability, deforestation, water scarcity, and industrial pollution were also part of the analysis, as these can affect human rights. As a result of this analysis, we are initially concentrating on high-risk resources such as coffee, tropical fruits, dressings, fish and seafood.

GRI 308-2 Compliance with environmental standards is a prerequisite for our products to obtain one of the many sustainability labels, seals or certificates such as those of the Forest Stewardship Council® (FSC®). Current audits by ALDI Nord or a third party are also looking at environmental issues such as the correct handling of waste in non-food production facilities at existing and new suppliers. However, we realise that some sustainability standards place a high financial and administrative burden on suppliers and producers. Our aim, therefore, is a long-term cooperation with suppliers and producers, to intensify the exchange of knowledge and to support them with individual projects on site (see 'Progress & measures' for details). We also participate in cross-sector and multi-stakeholder initiatives on a variety of topics, such as tropical and subtropical fruits.

ORGANISATION & GUIDELINES

GRI 204/103-2, 304/103-2, 308/103-2 The international Corporate Responsibility Quality Assurance (CRQA) department establishes standardised raw materials purchasing policies in consultation with the buying departments and the countries. The CRQA department also coordinates the implementation of the provisions defined in these policies and monitors compliance. The ALDI countries may develop national purchasing policies to meet country-specific requirements. Before we adopt new sustainability requirements, we check the feasibility with selected suppliers. The requirements developed in this way become a fixed element in our purchasing processes and contracts.

Purchasing policies

GRI 204/103-2/3, 304/103-2/3, 308/103-2/3 Our existing set of resource-specific purchasing policies includes tea, cocoa, coffee, palm oil, animal welfare and fish (national only). In the non-food section, we have published buying policies for flowers and plants; wood, cardboard and paper. Our new International Cotton Purchasing Policy was published in January 2020. In 2019 we developed an International catalogue of requirements (ICOR) for fruits and vegetables sourced by the International Buying department of ALDI Einkauf, standardising mandatory CR requirements for suppliers and producers. For more information on the implementation of requirements and monitoring, see [2015 report](#).



PROGRESS & MEASURES 2019

GRI 204/103-2/3, 308/103-2

Biodiversity conservation: improving agricultural practices and fisheries

GRI 304/103-2, 304-2 Fruit and vegetables are amongst the most relevant product categories throughout ALDI Nord. Depending on the country and season, we offer our customers on average 116 different types of fruit and vegetables. The ranges have grown by more than 45 per cent since 2015. We face diverse issues in this product group. Each crop has individual needs and impacts, from extensive water requirements during cultivation to specific pest protection. In the cultivation of fruits and vegetables, flowers and plants, the consequences of climate change and the reduction of pesticide and toxins that are harmful to humans and all other living creatures is a global ecological challenge.

ALDI Nord Germany has been selling bee-friendly perennial and annual plants for several years now. Since 2016, for example, we banned the use of eight active ingredients in the cultivation of German fruit, vegetables and potatoes because they were suspected of being harmful to flying insects like bees, butterflies and hoverflies. ALDI France started selling apples and pears with the BEE FRIENDLY label in 2019. BEE FRIENDLY is a label which was created by beekeepers and guarantees good agricultural practices, in respect of pollinating insects. From the end of 2019, all fresh fruit and vegetables grown and sold in

the Netherlands have been produced according to the environmental quality label PlanetProof, issued by SMK (Foundation Milieukeur). The label highlights merchandise from conventional fruit and vegetable producers who implement sustainability improvements, such as in the use of pesticides, water protection, land management or energy conservation.

Many natural fish stocks are under threat as a result of overfishing, illegal fishing methods and environmental conditions. To protect stocks and meet the demand for fish as a long-term food source, both wild fishing and fish farming must change. We want to ensure a more sustainable approach to fish and seafood, as well as the entire supply and production chain for our own-brand products. In 2019, the proportion of certified resources in conformity with the Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC), GLOBALG.A.P. or EU organic logo was nearly 57 per cent throughout the ALDI companies (2018: 54 per cent). For more about the cooperations we have founded with various partners to continuously assess and improve our approach to sustainability in fishing, see 2017 report. The National Fish Purchasing Policies of, among others, ALDI Nord Germany and ALDI Belgium contain a 'red list' of fish species not to be sold throughout these countries.

GRI FP2

CERTIFIED SUSTAINABLE FISH PRODUCTS

Number of own-brand products which are MSC-, ASC-, GLOBALG.A.P.- or EU organic-certified, as a proportion of the total number of fish products, broken down by certification standard online (in per cent)¹

In 2019, around 57 per cent of our own-brand fish products were certified with one of the following sustainability standards: the largest portion was attributable to the MSC certification standard (around 66 per cent), followed by ASC certification (around 27 per cent), GLOBALG.A.P. certification (around nine per cent) and products with the EU organic logo (around one per cent).

| | 2017 | 2018 | 2019 ² |
|---------------------------------|-------------|-------------|-------------------|
| Belgium/Luxembourg ³ | 51.8 | 72.8 | 76.9 |
| Denmark | 75.4 | 77.4 | 86.8 |
| France | 36.9 | 43.9 | 49.1 |
| Germany | 71.1 | 78.0 | 80.5 |
| Netherlands | 61.5 | 76.4 | 82.7 |
| Poland | 42.3 | 44.8 | 46.6 |
| Portugal | 27.6 | 40.2 | 51.8 |
| Spain | 12.9 | 19.3 | 28.2 |
| ALDI Nord | 39.5 | 53.9 | 56.5 |

¹ Products which are certified with several labels are listed in the breakdown under all the affected categories, but only as one product in the total number. The total sum of all the breakdowns may therefore exceed 100 per cent..

² The survey method and data basis have changed compared to the previous year.

³ The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').

Protection of forests and soils: wood and sustainable palm oil production

GRI 204/103-2/3, 304/103-2, 304-2 Forests are essential ecosystems which provide a habitat for humans, animals and flora. They also act as a vital reservoir of drinking water and have a moderating effect on the climate. The greatest challenges in the supply chain are currently a lack of transparency, the exploitation of protected forests, illegal timber production and the use of protected tropical species.

We often use **wood** or wood-based resources in the products we sell, such as furniture, toilet tissue or packaging. Sustainable forestry and the sustainable processing and recovery of wood and wood-based products and packaging are necessary to protect and preserve forests. Our ALDI Nord International Timber Purchasing Policy defines precise requirements for products and packaging with constituent elements made of wood, paper and cardboard, bamboo, cellulose-based viscose and non-woven fabric. We have pledged to replace our wood and wood-based products with certified sustainable materials by the end of 2020, and reached 88 per cent in 2019. The standards we accept are FSC®, PEFC™ and the EU Ecolabel.



GRI FP2

FSC®- OR PEFC™-CERTIFIED PRODUCTS

Number of own-brand products which are FSC®- or PEFC™-certified resources, as a proportion of the total number of own-brand products from the standard and special-buy product ranges with elements made of wood, board, paper, and cellulose-based viscose and non-woven fabric, as well as bamboo, broken down by certification standard online (in per cent)¹

FSC® 100%, FSC® MIX and PEFC™ are considered to be certification standards. In 2019, the largest portion was attributable to FSC® MIX certification (around 43 per cent), followed by FSC® 100% certification (around 34 per cent) and PEFC™ certification (around 22 per cent).

| | 2017 | 2018 | 2019 |
|---------------------------------|-------------|-------------|-------------|
| Belgium/Luxembourg ¹ | 52.1 | 79.3 | 97.8 |
| Denmark | 93.2 | 93.1 | 94.5 |
| France | 65.7 | 85.2 | 91.2 |
| Germany | 88.2 | 92.5 | 95.3 |
| Netherlands | 68.5 | 83.1 | 89.8 |
| Poland | 65.4 | 75.7 | 71.4 |
| Portugal | 86.3 | 92.3 | 94.5 |
| Spain | 74.5 | 76.3 | 93.0 |
| ALDI Nord | 62.8 | 76.4 | 87.9 |

¹ The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').

Charcoal production is particularly affected by the challenges mentioned above. In 2019, ALDI initiated a project to combine the purchase of FSC®-certified charcoal with other ecological and social benefits. In Namibia, more than 30 per cent of the entire country is covered by thorny bushes, which displaces original animal and fauna and drastically reduces the groundwater levels. The controlled removal of the bushes and processing them into charcoal directly in Namibia is beneficial on several levels. This project creates jobs in Namibia, and prevents a mixing with charcoal from endangered tropical forests. Our long-term goal is to source charcoal for ALDI from this project to an increasing extent.

Palm oil is a versatile resource that is used in a wide range of products, from cake icing to detergents. The oil palm is the most productive oil fruit worldwide, making palm oil hard to replace, but it comes with negative impacts such as deforestation. Throughout ALDI Nord, we have committed to finding more sustainable and environmentally-friendly cultivation methods through our International Palm Oil Purchasing Policy. We were able to convert 99 per cent of our food and non-food own-brand products to physical RSPO-certified palm oil. Derivatives and fractions not available on the market in physical certified quality are covered by RSPO Book & Claim certificates. This means that even in 2019, we have not yet fully achieved the goal of converting all palm oil volumes.

GRI GRI 414-2 In addition to purchasing certified palm oil, ALDI Nord has supported a small farming project in the Ivory Coast in cooperation with the non-governmental organisation (NGO) Solidaridad International since 2017. The project aims to increase implementation of good agricultural practices by smallholders, a set of agronomic, environmental and social practices which take into account the (future) needs of people and the planet. This two-year project is financed by ALDI and was developed in collaboration with Solidaridad. The project expands on a project supported by the RSPO Smallholder Support Fund, which supports up to 5,000 independent smallholders and aims to enable up to 3,200 smallholders to conserve forests, areas of High Conservation Value and use cultivation methods which protect both the environment and the health of palm oil farmers.

GRI FP2

CERTIFIED PALM OIL

Proportion of the total volume of palm oil used to manufacture our food and non-food products from the standard and special-buy product ranges which was certified in conformity with a physical RSPO supply chain system (in per cent)¹

| | 2017 | | | 2018 | | | 2019 | | |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Total | Food | Non-Food | Total | Food | Non-Food | Total | Food | Non-Food |
| Belgium/Luxembourg ² | 92.8 | 99.8 | 20.1 | 91.9 | 99.7 | 41.2 | 99.8 | 99.8 | 99.3 |
| Denmark | 96.1 | 99.4 | 46.0 | 94.0 | 100.0 | 78.0 | 96.2 | 99.9 | 81.8 |
| France | 87.4 | 100.0 | 26.8 | 87.5 | 100.0 | 43.2 | 100.0 | 100.0 | 100.0 |
| Germany | 91.9 | 100.0 | 46.8 | 92.9 | 99.9 | 65.6 | 99.1 | 99.9 | 94.4 |
| Netherlands | 85.4 | 91.3 | 15.2 | 85.1 | 90.5 | 37.4 | 98.6 | 99.6 | 89.4 |
| Poland | 75.1 | 76.5 | 53.0 | 79.2 | 79.5 | 76.4 | 78.0 | 93.9 | 38.1 |
| Portugal | 80.5 | 90.9 | 20.2 | 90.1 | 93.7 | 86.9 | 97.4 | 99.0 | 83.9 |
| Spain | 63.2 | 72.2 | 36.3 | 76.8 | 95.8 | 20.7 | 85.6 | 97.6 | 33.8 |
| ALDI Nord | 89.2 | 97.4 | 35.8 | 90.0 | 97.9 | 55.1 | 98.6 | 99.7 | 92.5 |

¹ Some of the data are based on extrapolations.

² The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').



As with palm oil, we have been working on **sustainable soy and feed** for some time. ALDI Denmark has taken a lead by joining the Danish Alliance for Responsible Soy, and will focus on working with suppliers to ensure zero deforestation for soy in the future. The goal is 100 per cent sustainable soy both directly and indirectly used in the own-brand products in the categories fresh meat, dairy products including egg, and frozen and chilled products containing meat. As a first step, ALDI Denmark will offset the amount of soy used in 2020 by buying credits of Round Table on Responsible Soy (RTRS). In the future we will continue to strengthen our goals and action plans and cooperate with the members of the alliance to increase the amount of deforestation free soy. Since 2016, ALDI Netherlands has only bought fresh chicken and pork meat, as well as fresh dairy products, from animals which have been fed with RTRS or an equivalent certified feed.

Farming and production: sustainability improvements in cotton and water

GRI 204/103-2/3 In addition to the National Cotton Purchasing Policy published in Germany in 2017, we published an International Cotton Purchasing Policy in early 2020. Our stated goal is the conversion to 100 per cent sustainable cotton for own-brand clothing and household textile products made from or containing cotton by the end of 2025. As the majority of our garment and household textiles are made of cotton, this is a significant step. We must take advantage of our positions as major textile retailers to improve the textile supply chain in a sustainable manner. In 2019, we already sold 36 per cent certified cotton. At present, we use the requirements of the Global Organic Textile Standard (GOTS), the Organic Content Standard (OCS), Fairtrade, cotton from the initiatives Cotton made in Africa (CmiA) and Better Cotton Initiative (BCI) as well as recycled cotton. With our greenline products, we promote the use of technologies that preserve resources in the production process of textiles. For further information on the so-called Dope-Dyed method, see [2017 report](#).

From 2018 to April 2020, we supported a project in Central Asia to provide small farmers access to GMO-free cotton seeds. The project is a cooperation with Fairtrade Germany and the German Association for International Cooperation (Gesellschaft für Internationale Zusammenarbeit – GIZ). The aim is twofold: increase production volume of GMO-free cotton

GRI FP2 SUSTAINABLE COTTON

Amount of sustainable cotton, as a proportion of the total volume of cotton in the product groups of clothing and home textiles from the standard and special-buy product ranges, broken down by certification standard online (in per cent)

| | 2017 | 2018 | 2019 |
|---------------------------------|------------------|-------------|-------------|
| Belgium/Luxembourg ¹ | 9.6 | 33.8 | 54.7 |
| Denmark | 19.1 | 32.9 | 37.8 |
| France | 19.0 | 24.5 | 24.9 |
| Germany | 22.8 | 35.5 | 35.3 |
| Netherlands | n/a ² | 21.0 | 25.3 |
| Poland | 11.3 | 30.9 | 37.1 |
| Portugal | 19.6 | 37.7 | 38.6 |
| Spain | 17.2 | 32.6 | 42.6 |
| ALDI Nord | 20.6 | 33.2 | 36.2 |

¹ The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').

² No data on the tonnage of cotton sold is available (n/a = not available) for ALDI Netherlands for 2017

and provide small farmers with various training programmes to improve the quality of GMO-free cotton. This would also enable farmers to increase their incomes.

As international retailers, we acknowledge that many products sold in our stores can cause water-related risks in the countries of production. This particularly applies to agricultural products, where production accounts for roughly 70 per cent of the global water use. In addition, we are aware of the fact that the refining process for textiles and shoes is also a risk area. More than 80 per cent of water consumption in the global value chain is caused by the production of raw materials, especially in the agricultural production of cotton. Approximately one-tenth is attributable to textile production.¹ To live up to our responsibility, we have defined ambitious targets in our National German Water Protection Policy 2019, defining binding measures for the responsible handling of water in food and textile supply chains, as well as targets for the reduction of microplastic entering the environment.

¹ Jungmichel, Norbert, Christina Schampel and Daniel Weiss (2017): Atlas on Environmental Impacts – Supply Chains – Environmental Impacts and Hot Spots in the Supply Chain. Berlin/Hamburg: adelphi/Systain.



Reduction of chemicals in production: chemical management cooperation

GRI 308-2 Coordinated action by all players in the industry is essential to achieving positive change in the supply chain. We must work with the right partners to implement the requirements laid out in the ALDI Detox Commitment. It was for this reason that we joined the amfori Business Environmental Performance Initiative (BEPI) in early 2017. amfori BEPI aims to promote environmental protection in supply chains during chemical-intensive production processes. amfori BEPI is a platform for collaboration between ALDI Nord and our business partners. Since July 2017, all of our suppliers' production facilities for garments, home textiles and footwear have been required to complete an amfori BEPI Self-Assessment (in total 2019: 1,753 BEPI SA). This disclosure provides a starting point for environmental management improvement measures. Participants receive essential information on the practical implementation of these measures via a wide range of learning opportunities, either online or in different regions.

In the field of chemical management, amfori BEPI works for example with the Zero Discharge of Hazardous Chemicals (ZDHC) group, whose standards are widely accepted in the industry. The partnership gives participating production facilities access to the ZDHC's training

programmes. Since 2018, we have introduced mandatory Chemical Management Audits (CMA) for high-risk production sites and all newly registered wet production sites (in total 2019: 58 CMA). The corrective action plans (CAPs) drawn up as part of the CMAs help producers with the proper storage of chemicals. In 2020, the results of the CMA mentioned above will be followed up and improvement measures implemented. Currently, we are mainly concerned with complying with the limit values in wastewater and sludge analysis as well as in the final product.

We have been supporting the objectives of Greenpeace's Detox campaign through a voluntary commitment (ALDI Detox Commitment) since 2015. This Commitment ended on 1 January 2020. After the presentation of the final report, the ALDI companies will form a detailed roadmap 'Detox beyond 2020' and inform the business partners accordingly.

Promotion of a circular economy: recycling and the supply chain

GRI 301/103-3 The manufacture of our products has an impact on the environment. We try to reduce this impact as much as possible, and this includes using and reusing resources as efficiently as possible. We are closely following the development of the action plan for circular economy at European level, as well as national

efforts such as the duty of care for products in Germany. With our textile articles, in particular, we are constantly reviewing possible closed-loop projects to keep the textiles in closed cycles.

From 2017 to 2019, we supported the EU-funded project European Clothing Action Plan (ECAP), an initial project to explore and reduce the negative environmental impact of the textile industry. Our focus during that project was the reduction of our fibre footprint, mainly the water fibre footprint. For example, we were able to reduce our water fibre footprint by 18 per cent from 2016 to 2018, due mainly to an increase in the volumes of organic cotton used within our garment and home textiles.

ALDI created a first pilot project in 2019 together with one of our suppliers in the footwear product group and an external service provider. The aim of this project was the material evaluation of a selected product (an ethylene vinyl acetate copolymer mono substance shoe) with regard to product recyclability. For the coming year, we will use the experience gained to determine further steps to optimise recycling. In particular, this will include a further evaluation on how to design and source future products, and to ensure ease of recycling.

ALDI Netherlands worked for example on an rPET women's clothing collection in 2019. This fashion line was made from recycled polyester, with a substantial proportion from PET bottles, in collaboration with the Trashcode label. A total of 536,914 bottles were recycled for this fashion collection. This method of production uses 70 per cent less energy, 75 per cent less CO₂ and 86 per cent less water compared to traditional polyester. In Germany, duvets and pillows made of rPET have been on sale for some time.

TARGETS & STATUS

GRI 204/103-2/3, 308/103-2/3 Each purchasing policy contains common or country-specific targets, some of which we monitor annually using supplier surveys. We publish policy updates in the context of our Sustainability Report and on the websites, making our progress transparent and easy to understand. We also took part in sector comparisons such as Textile Exchange's 'Corporate Fiber and Materials Benchmark' on textile fibres for the fourth time in 2019. The ranking was carried out by the NGO Textile Exchange. Among the largest traders of organic cotton, ALDI ranked fourth ('Top Volume of Organic & Organic Fair Trade Cotton').

Learn more about our targets in the [CR Programme](#).



SOCIAL RESPONSIBILITY IN THE SUPPLY CHAIN

GRI 102-9/11, 204/103-1, 412/103-1, 414/103-1 Social responsibility in the supply chain refers to the procurement of products and raw materials in a manner that protects the environment and respect human rights. The retail industry has the potential to contribute in a positive way by empowering communities and conserving natural resources. The aim is to improve working conditions throughout the entire supply chain and enable fair cooperation between retailers, suppliers and upstream industries. This is our driving force. Our customers deserve to shop with a clear conscience. We want to make their shopping experience as safe and simple as possible. We also want to future-proof our business with a secure supply chain and do our part towards reaching the Sustainable Development Goals (SDGs) related to human rights.

OUR APPROACH

GRI 204/103-2, 308/103-2, 407/103-1/2/3, 412/103-2, 414/103-2 Sustainability in the supply chain is one of our top priorities. This is reflected by the assessments of our managing directors, who ranked responsible supply chain practices (especially the material topic 'Human rights and working conditions') as one of the biggest challenges facing our future sustainability performances. Human rights violations are a global, systemic problem that affects every area of the economy. We are aware that there are certain human rights issues that are of increased relevance to us as retailers. We see the greatest potential for change in our own-brand food and non-food product ranges. This is where we can exert the most significant influence on our suppliers and supply chains for positive change, and where we can most effectively monitor performance.

Extending sustainability requirements into supply chains can, however, be difficult because of the scale and complexity. We are dealing with very diverse supply chains. The production process of non-food articles often requires production steps in multiple countries. In this, we rely heavily on our suppliers (importers), as this example of a baby bodysuit shows. With regard to food products, the supply chain depends on the degree of processing and the country of origin. Potatoes from Germany have a short distance to travel between farm and German shelves. Bananas have additional interim stages and a long transport route before they land in our stores, as we noted in our previous report.

Despite these differences, there are a number of topics that are particularly relevant for us as food and non-food retailers as these are strongly influenced by our actions. These include: health and safety issues, freedom of assembly, living wages and working hours, as well as the fight against discrimination and child and forced labour. Specific groups, such as minorities and women, are potentially more vulnerable to violations of their human rights and thus must be afforded particular consideration.

To deal with these challenges, we need a variety of tools. In our purchasing policies we define our raw material requirements, such as cotton and cocoa. We also rely on sustainability standards and labels. Human rights due diligence needs written requirements for suppliers and production facilities in individual policies, commitments and Codes of Conduct. We build long-term, fair and reliable business relationships with suppliers who share our understanding of quality and responsibility. To monitor adherence to our policies, we carry out internal and external audits and assessments. As we are aware that many systemic challenges can only be handled in cooperation with other partners, we participate in numerous multi-stakeholder initiatives and support individual projects on site.

Our actions are generally based on risk analysis. In the non-food sector in particular, our cooperation with the amfori Business Social Compliance Initiative (BSCI) helps us to identify risks at an early stage and deal with these issues as part of an existing process. Within the food sector, we started a systematic and comprehensive analysis of social and environmental human rights risks throughout our food supply chains in 2018.

We concentrate our efforts in countries in which we are particularly active, and which are deemed high-risk by BSCI. In the future, we will increase our focus on the identified high-risk supply chains and implement targeted measures as part of international strategies for responsible sourcing. In addition, we are planning a standardisation of our Human Rights Impact Assessments (HRIAs). From May 2020, we will work with experienced local partners to undertake HRIAs in various food risk supply chains. Our initial goal is to understand the direct and indirect impact of our activities on workers and other affected stakeholders. A particular focus will be the specific human rights risks for women and smallholder farmers. We aim to publish the initial results and the resulting measures by the end of 2021.



Policy statement and international frameworks

GRI 204/103-2, 412/103-2, 414/103-2 In our Human Rights Policy Statement 2018, we commit to the United Nations Guiding Principles on Business and Human Rights (UNGP) as our central framework. By joining the amfori BSCI in 2008, we have committed to complying with the amfori BSCI Code of Conduct (CoC) (see glossary 2017 'amfori BSCI CoC'). At the same time, the amfori BSCI CoC is part of our terms and conditions and is therefore contractually binding for all of our business partners.

Our Policy Statement and the Code of Conduct are based on numerous international agreements, including:

- the core conventions of the International Labour Organization (ILO),
- the Universal Declaration of Human Rights by the United Nations (UN),
- the Convention on the Rights of the Child (CRC),
- the UN Convention on the Elimination of All Forms of Discrimination Against Women,
- the OECD Guidelines for Multinational Enterprises of the Organisation for Economic Co-Operation and Development (OECD).

We are currently working on a roadmap for the implementation of the UNGP within ALDI Nord. This roadmap lays out international objectives and a review of current measures, including a gap analysis. After completion of this process, and further discussions with stakeholders, we will revise and amend the Policy Statement.

Audit scheme and assessment

GRI 102-10, 308-2, 407-1, 412-1, 414-1, -2 Compliance with the amfori BSCI Code of Conduct continues to be an important step towards meeting our human rights commitments. We monitor and evaluate this compliance in on-site inspections (third-party audits). Every year, around 7,000 to 8,000 third-party audit reports of production facilities are reviewed by Corporate Responsibility Quality Assurance (CRQA) International as part of the purchasing process. All production facilities commissioned by our suppliers, and based in risk countries (as classified by amfori), must present a valid amfori BSCI audit, an SA8000 certification or a comparable valid social audit such as a Sedex Members Ethical Trade Audit (SMETA). We expect all suppliers to correct any deficiencies as quickly as possible, according to the agreed corrective action plans, and to continuously improve the working and social conditions in the production facilities. The procedure in the event of violations of our requirements is defined contractually. Potential consequences range from written warnings to termination of business relationships. In 2019, no business relationships had to be terminated. However, there were some minor incidents, such as the monetary sanction of a supplier due to unauthorised subcontracting in the Netherlands. For more information on the audit process, see also [2017 report](#) and [2015 report](#).

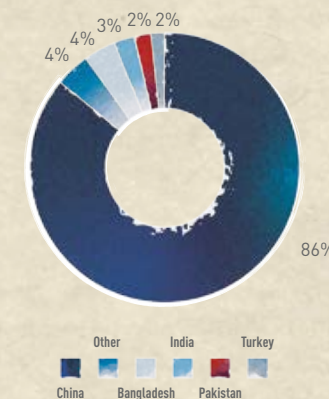
Beyond auditing: CR performance and multi-stakeholder initiatives

Third-party social audits are an initial important step in ensuring compliance with social standards at the production sites of our products, but we are aware that more must be done. Additional actions such as site visits, direct communication and training with suppliers and producers, participation in multi-stakeholder initiatives and local projects are needed to ensure lasting improvements in working conditions; see also 'Human Rights of ALDI Nord' on the [websites](#).

GRI 414-1/2 Therefore, in the Corporate Responsibility Supplier Evaluation (CRSE), we also monitor the ability of our suppliers to select and continually improve suitable production facilities. Since 2017, we have been compiling data from our supplier assessment to compare suppliers' sustainability performance. Giving our suppliers long-term planning outlook enables them to take further steps towards a sustainable supply chain. In 2019, we finalised our international supplier pool for clothing textiles for ALDI Nord. We will continue the process of comprehensive CR evaluation of suppliers and production facilities in combination with strategic meetings in the coming years. Furthermore, the process was expanded to the footwear product group at the beginning of 2020.

NON-FOOD PRODUCT GROUP PRODUCTION FACILITIES BY COUNTRY

Share of non-food production facilities used by producing country in 2019 (in per cent)



With regard to food supply chains, the CRSE format was piloted in 2019 to evaluate the CR setup of banana suppliers. ALDI developed a format for conducting producer audits in fruit and vegetable supply chains to identify non-compliances and develop strategies for improvement. We evaluate various factors, for example how suppliers monitor working conditions on site and whether they support programs that provide additional assistance to workers and their families. Together with an external service provider, we have completed initial social and ecological audits of selected fruit and vegetable suppliers in the reporting year. These activities will be continued in 2020.



GRI 412/103-2 Systemic violations of human rights cannot be prevented by individual companies or organisations. For this reason, we participated in numerous multi-stakeholder initiatives and are continuing to work on multiple projects with various partners. One of these initiatives is the active involvement in the working group on living wages and living income, coordinated by the German Association for International Cooperation (Gesellschaft für Internationale Zusammenarbeit – GIZ). For further information on this voluntary commitment, see section ‘Human rights and working conditions: providing working families with a living income and wage’.

We are continuing the dialogue at national and international level through memberships in initiatives such as the World Banana Forum and the Juice CSR Platform. We remain in close dialogue with standard-setting institutions and non-governmental organisations (NGOs). For example, together with Fairtrade and Rainforest Alliance, we continued to develop certified sustainable product ranges in Germany. In Denmark, we worked with the Danish Initiative for Ethical Trade to improve working conditions for farmers and workers in various supply chains.

In 2017, ALDI Nord signed the Transition Accord, a follow-up agreement to the Accord on Fire and Building Safety in Bangladesh. We believe that the Accord remains a critical tool for continuously improving the safety of workers in the textile industry in Bangladesh – including in its future form as RMG Sustainability Council (RSC). In addition, we have been a member of the German

Partnership for Sustainable Textiles (Bündnis für nachhaltige Textilien) since 2015. We actively contribute to achieving the partnership’s goals and support the ‘Chemical and Environmental Management’ as well as the ‘Living Wage’ partnership initiative. As part of the ‘Living Wage’ initiative, we examined our purchasing practices and are participating in the country module in Cambodia. For an overview of all memberships and commitments, see ‘Stakeholders & networks’.

ORGANISATION

GRI 204/103-2, 308/103-2, 412/103-2, 414/103-2 The international CRQA department coordinates the human rights due diligence processes as well as social standards and is in close contact with suppliers and buyers. The primary task of the CR departments of ALDI CR Support Asia Ltd. in Hong Kong and Bangladesh is to monitor suppliers and production facilities. The CR units are also responsible for capacity-building of suppliers and production facilities, as well as stakeholder management in Asia.

PROGRESS & MEASURES 2019

Numerous steps have already been taken to reduce human rights risks in our food and non-food supply chains. These include, among others, the training of production facilities for apparel textiles in the high-risk country Bangladesh, in the scope of the ALDI Factory Advancement (AFA) Project, and the integration of established auditing and certification standards into the buying process.

Human rights and working conditions: providing working families with a living income and wage

GRI 412/103-2 In January 2020, ALDI Nord signed a voluntary commitment, pledging to work towards the realisation of living income and living wages for farmers and workers in our own-brand supply chains. The voluntary commitment was developed within the framework of the German Working Group on Living Income and Living Wages, coordinated by the GIZ and supported by the Federal Ministry for Economic Cooperation and Development (BMZ) as well as the Initiative for Sustainable Agricultural Supply Chains (INA). To meet the complex challenges of global agricultural supply chains, the signatories commit to further increase traceability and transparency. In this context, we will continuously identify supply chains with an increased risk of low incomes for producers, as we have done initially in our human rights risk analysis. In addition, we will provide training for buyers and suppliers on responsible purchasing practices. For more information, see Sustainable Agricultural Supply Chains Initiative (INA).

Human rights and working conditions: monitoring compliance with our requirements

GRI 308-2, 407-1, 412-1, 414-1/2 To monitor production facilities that work on their behalf, our suppliers collaborate with ALDI employees on site to prepare ALDI Social Assessments (ASAs). An ASA covers an inspection of the production facility to audit working and social standards, interviews with workers and also discussions with management. Compensation is a particular focus, as ALDI Nord defines the regular payment of wages below minimum wage, along with late payment, as high risk. In the event of deficiencies, we work with

ALDI SOCIAL ASSESSMENTS (ASAS)

| | 2017 | 2018 | 2019 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------------|------------|
| Number of countries in which ASAs were carried out | 8 | 6 | 9 |
| Number of ASAs, thereof China | 199 135 | 327 240 | 348 242 |
| Proportion of non-food production facilities in risk countries in which social risks were detected, relating to the total number of ASAs effected (in per cent) | 12.6 | 30.6 ¹ | 22.4 |

¹ Due to a difference in calculation methods, the value for 2018 has been corrected compared to the information published in the previous year’s report.



GRI FP2

CERTIFIED SUSTAINABLE COCOA PRODUCTS

Number of own-brand products from the standard and special-buy ranges with certified sustainable cocoa, as a proportion of the total number of procured products containing cocoa, broken down by certification standard online (in per cent)

In 2019, roughly 97 per cent of the own-brand products containing cocoa used certified sustainable cocoa. The biggest proportion here was attributable to the UTZ/Rainforest Alliance certification standard (around 90 per cent), followed by Fairtrade (around 8 per cent, including 1 per cent attributable to items with Fairtrade certification and the EU organic logo) and the EU organic logo (around 0.5 per cent).

| | 2017 | 2018 | 2019 |
|---------------------------------|-------------|-------------|-------------|
| Belgium/Luxembourg ¹ | 98.2 | 99.4 | 100.0 |
| Denmark | 82.6 | 99.0 | 98.6 |
| France | 88.0 | 87.8 | 94.0 |
| Germany | 93.8 | 97.3 | 95.4 |
| Netherlands | 95.3 | 97.1 | 97.9 |
| Poland | 80.0 | 95.7 | 94.1 |
| Portugal | 88.5 | 98.4 | 96.8 |
| Spain | 88.9 | 96.3 | 97.4 |
| ALDI Nord | 87.6 | 94.9 | 97.1 |

¹ The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').

suppliers and production facilities to draw up corrective action plans aimed at achieving lasting improvements as quickly as possible and review their implementation. In the year under review, we performed 348 ASAs in nine countries, most of them in China (70 per cent). There were deficiencies at roughly 22 per cent of the production facilities in 2019 within areas such as occupational health and safety. Such deficiencies are often the result of structural challenges in the production countries. We also work to address these kinds of findings through cross-sector initiatives.

Human rights and working conditions: establishing a grievance mechanism

GRI 412/103-2/3, 414/103-2/3 Grievance procedures are an effective mechanism to identify adverse outcomes at an early stage. In future, we want to develop concepts that improve access to grievance procedures for relevant supply chains, taking into account UNGP criteria. Together with other retailers, we are active in a working group within the German Partnership for Sustainable Textiles to set up an alliance initiative on grievance mechanisms. Within this working group, we are currently working on an approach with the Fair Wear Foundation (FWF). In addition, production facilities used for ALDI goods are covered by the grievance mechanism of the Accord on Fire and Building Safety.

Human rights and working conditions: a commitment to transparency and disclosure

GRI 102-9 In addition to internal monitoring, it is also critical to enable our customers and NGOs to trace the origin of our textiles and shoes. Publishing the names of the main production sites, including the address and approximate number of employees, is an essential first step towards traceability of our supply chain. We publish the names of our textile and shoe suppliers for ALDI Nord yearly to comply with the Transparency Pledge, formulated by an alliance of nine human rights groups and trade unions. In February 2020, ALDI Netherlands additionally published the production locations of their sources for the first time, and will update this information twice a year.

We go even further with our ALDI Transparency Code (ATC) for textiles and shoes in Germany: not only do we show our customers a list of all main production facilities used by ALDI Nord suppliers, we also show them the entire supply chain for specific products. We provide extensive information about the product, production steps, and further background about sustainable use such as washing instructions and recycling options, and respective sustainability initiatives. In 2019, the ATC was available for about 64 per cent of certified cotton items in Germany.

Fair business relations: AFA and capacity building

GRI 414-2 We continued to develop the ALDI Factory Advancement (AFA) Project in the period under review – but with a new direction. In 2019, we launched the next phase of the AFA Project with several AFA Project production facilities

and business partners. Using the experience of the past six years, we developed a programme to make factories independent of external AFA Project trainer support. Selected employees and managers took over the roles of external AFA Project trainers to lead the promotion of dialogue and cooperation in their factories. These facilitators will be empowered to help other workers and managers determine the best way to address workplace issues and find sustainable solutions. Our cooperation with an NGO from Bangladesh on the AFA Project PLUS is winding down. Currently, six factories are involved in this project to improve factory-internal childcare facilities.

Fair business relations: empowering local farmers, fair trade and projects

We work on improving the living conditions for workers through a variety of approaches, ranging from increasing the share of certified sustainable resources (such as Fairtrade or UTZ/Rainforest Alliance), to supporting projects in sourcing countries.

Smallholders and certified sustainable resources

Most cocoa is cultivated by smallholder farmers and their families in West Africa before being sold to cooperatives. Since the end of 2017, all confectionery, cereals, ice cream and other own-brand products with significant cocoa content contain sustainably sourced resources, certified in accordance with Fairtrade, Fairtrade Cocoa Program or UTZ/Rainforest Alliance.



GRI FP2

CERTIFIED SUSTAINABLE COFFEE

Amount of certified sustainable coffee, as a proportion of total weight of procured own-brand coffee in standard and special-buy product ranges, broken down by certification standard online (in per cent)

In 2019, around 53 per cent of the procured own-brand coffee was certified in accordance with one of the following sustainability standards: Fairtrade, UTZ/Rainforest Alliance and the EU organic logo. The largest portion was attributable to UTZ/Rainforest Alliance certification (around 88 per cent), followed by a share of around 12 per cent with Fairtrade certification and with the EU organic logo.

| | 2017 | 2018 | 2019 |
|---------------------------------|-------------|-------------------------|-------------|
| Belgium/Luxembourg ¹ | 44.1 | 54.2 | 54.4 |
| Denmark | 49.0 | 81.7 | 54.8 |
| France | 43.9 | 58.3 | 58.1 |
| Germany | 50.0 | 43.1 | 47.0 |
| Netherlands | 44.8 | 57.5 | 60.2 |
| Poland | 43.5 | 46.6 | 58.2 |
| Portugal | 60.6 | 62.6 | 66.0 |
| Spain | 61.6 | 67.3 | 73.4 |
| ALDI Nord | 47.8 | 50.1² | 52.5 |

1 The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').

2 The value for 2018 has been corrected compared to the information published in the previous year's report.

GRI 414-2

In addition to the above-mentioned measures, we have been a partner of the Fairtrade Cocoa Program since 2018, enabling us to increase the share of certified cocoa in our own-brand products. In contrast to the traditional Fairtrade mark, the Cocoa Program focuses on fair resource purchasing rather than the composition and certification of individual products. Moreover, ALDI Belgium joined the Beyond Chocolate initiative at the end of 2018. The initiative aims at making chocolate more sustainable, with specific targets to eliminate child labour, stop deforestation and enable the local cocoa producers to gain a living income. As a member of the German Initiative on Sustainable Cocoa (Forum Nachhaltiger Kakao), we have supported the PRO-PLANTEURS project, aiming at improving the working and living conditions of cocoa farmers in Ivory Coast since 2015. We will continue to support PRO-PLANTEURS in the second project phase from 2020 until 2025.

The cultivation of coffee provides a livelihood for around 25 million smallholder farmers from Africa, Asia and Latin America. Numerous work processes involved in production present social, environmental and economic challenges. Since 2016, our International Coffee Purchasing Policy has stipulated a continuous increase in the share of certified coffee in our own-brand products. At the end of 2019, 53 per cent of all certified coffee used in own-brand products throughout all ALDI companies featured the EU organic, Fairtrade or UTZ/Rainforest Alliance Certified™ label (2018: 50 per cent).

GRI 414-2

In 2017, we initiated a project with the Hanns R. Neumann Stiftung to promote more sustainable coffee production in selected regions in Colombia. A total of 800 smallholder farmers received active support over a period of two years through training and workshops on sustainable cultivation methods, improved coffee processing methods, professional farm management and business planning. In April 2019, coffee from the project was sold in stores of ALDI Nord Germany. Based to the success of the project and the cooperation on site, the project will be continued for another two years.

Around the world, 200 million people work on tea plantations. The main sustainability challenges are issues such as rural depopulation, harsh working conditions and the use of pesticides. Our International Tea Purchasing Policy regulates the purchasing of all raw tea volumes for the ALDI Nord product categories of black, green, herbal and fruit tea (bags and loose tea). By the end of 2019, around 60 per cent of the black and green tea volumes used in own-brand products throughout all ALDI companies had been certified as sustainable (EU organic logo, Fairtrade or UTZ/Rainforest Alliance Certified™ label). We aim to increase the share of certified sustainable resources of herbal tea and fruit infusions in own-brand products to 40 per cent by the end of 2020 (UEBT/UTZ, EU organic logo, Fairtrade or UTZ/Rainforest Alliance Certified™ label).

GRI FP2

CERTIFIED SUSTAINABLE TEA

Amount of certified sustainable tea, as a proportion of the total weight of procured own-brand tea products from the standard and special-buy ranges, broken down by certification standard online (in per cent)¹

In 2019, around 63 per cent of our own-brand tea products were certified with one of the following sustainability standards: Fairtrade, UTZ/Rainforest Alliance, EU organic, Ethical Tea Partnership (ETP). The largest portion was attributable to UTZ/Rainforest Alliance (around 79 per cent), followed by EU organic (around 18 per cent).

| | 2017 | 2018 | 2019 |
|---------------------------------|-------------|-------------|-------------|
| Belgium/Luxembourg ² | 38.9 | 65.3 | 67.2 |
| Denmark | 49.8 | 64.9 | 40.4 |
| France | 50.6 | 82.7 | 71.6 |
| Germany | 55.4 | 61.6 | 61.9 |
| Netherlands | 44.0 | 70.4 | 74.1 |
| Poland | 48.4 | 46.7 | 52.4 |
| Portugal | 53.3 | 49.4 | 49.3 |
| Spain | 56.8 | 49.1 | 50.5 |
| ALDI Nord | 52.9 | 62.7 | 62.7 |

1 The scope of data takes into account own-brand products containing tea (items that contain products from the tea plant, such as black and green tea) as well as own-brand products containing tea infusions (such as herbal and fruit tea).

2 The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').



GLOBALG.A.P Risk Assessment on Social Practice

For fruit and vegetables, as well as flowers and plants, we require a valid GLOBALG.A.P.-IFA certification in combination with a social evaluation, such as GRASP (GLOBALG.A.P Risk Assessment on Social Practice) or an equal or higher social standard. GRASP is an add-on module complementing the GLOBALG.A.P.-IFA certification with the evaluation of social practices in agricultural production companies. It covers various aspects of social responsibility, assessing social practices on farm level and addressing specific aspects of workers' health, safety and welfare.

Since 2017, we have purchased only organic Fairtrade and/or Rainforest Alliance Certified™ bananas for all ALDI countries and Rainforest Alliance Certified™ pineapples in Belgium, Germany, Luxembourg, the Netherlands and Spain. In Denmark, all ginger and sweet potatoes are organic. In Belgium, all roses are exclusively Fairtrade-certified. In the context of our International Flowers and Plants Purchasing Policy, we are continuously increasing the share of certified sustainable flowers and plants sold by the ALDI companies.

Commitment to greater animal welfare: meeting customer expectations for cruelty-free products

GRI FP 103-1/2/3, Animal welfare FP10 The welfare of farm animals is the focus of extensive debate. Many of the own-brand products contain animal-based resources. Over recent years, together with suppliers, we have implemented various measures throughout ALDI Nord that go beyond statutory requirements, including bans on specific animal products such as angora wool or real fur.

Our International Animal Welfare Purchasing Policy provides a binding framework for our activities since 2016. This policy has applied to all products of the ALDI Nord food and non-food own brands containing animal-based resources. On a national level, most countries have adopted National Animal Welfare Purchasing Policies. Spain will follow suit in 2020, with Poland planning to introduce a similar policy by the end of the year. Belgium, Denmark, Germany, France, Luxembourg and the Netherlands published an update in 2019 for further improvements (see 'Download' section for measures taken therein).

KAT-CERTIFIED SHELL EGGS

Amount of KAT-certified shell eggs as a proportion of the total number of procured shell eggs from the standard and special-buy product ranges (in per cent)¹

| | 2017 | 2018 | 2019 |
|---------------------------------|-------------|-------------|-------------|
| Belgium/Luxembourg ² | 84.9 | 89.3 | 94.9 |
| Germany | 100.0 | 100.0 | 100.0 |
| Netherlands | 100.0 | 100.0 | 100.0 |
| Poland | 26.9 | 34.7 | 35.5 |
| Total | 96.9 | 97.6 | 98.1 |

¹ KAT certification is not used in all countries. In some countries there are equivalent certifications, which are included here.

² The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').

Our international policy stipulates a ban on fresh battery eggs and battery eggs in processed own-brand products no later than 2025 in all ALDI countries. Fresh eggs from caged hens have not been sold for several years in Belgium, Germany, Luxembourg, the Netherlands and Spain. ALDI Denmark and ALDI Portugal achieved this in 2019 and early 2020 respectively. We are going a step further by increasingly eliminating the use of battery eggs in processed own-brand products in many countries. In Germany, for example, this step was completed in 2018, with Denmark following suit in 2019. In Belgium 99 per cent of our own-brand products are made without battery hens. ALDI France will ban battery eggs in egg products by the end of 2020 and ALDI Poland, ALDI Portugal and ALDI Spain will follow suit by 2025.

Intensive efforts were made to further raise the level of animal welfare on a broad scale in 2019. Measures taken in Germany included the expansion of the Fair & Gut own brand. Over 240 farmers supply produce for Fair & Gut. The product ranges include fresh meat (pork and chicken), sausage, eggs and dairy products. For further details, see German National Purchasing Policy. We have also committed to reorganise the supply chains of our barn, free-range and organic eggs in Germany, so that male chicks are no longer killed. While doing this, we are focusing on partnerships and innovative technical solutions. In the Netherlands, we focused our activities on the



TARGETS & STATUS

Beter Leven quality label of the Dutch animal protection agency Dierenbescherming. In 2019, we continued to expand our meat products with the Beter Leven label and slower growing chicken breed products. We already offered our customers fresh eggs with two or three Beter Leven stars. From September 2019 onwards we have increased the minimum level of our barn eggs to one Beter Leven star. This means a better life for an additional 500,000 chickens. For further details, see [Dutch National Purchasing Policy](#). In Spain, we have been using the certification Welfair™ on our products, based on the Welfare Quality Standards and AWIN, since March 2019. Our goal is the implementation of Welfair™ certification for all eggs and milk alongside other meat products by 2020. ALDI Denmark uses the official government label Bedre Dyrevelfærd (Better Animal Welfare). For products bearing this label, the animals have more space to move about and cultivate social ties, among other measures. At present, four meat products in the product ranges have been awarded this label. We plan to expand this in 2020, when the label is extended to include beef and veal as well. We will also use the label on our organic dairy products.

[GRI 204/103-2/3, 412/103-2/3, 414/103-2/3, Animal Welfare 103-1/2](#)

As part of our voluntary commitment and purchasing policies, we have set a number of ambitious targets. We report transparently on our progress, for example through our [roadmap](#) within the German Partnership for Sustainable Textiles. Awards and rankings give us good indications of our performance and opportunities for improvement. These include the critical supermarket checks of Oxfam and our third place in the ranking of [Business Benchmark on Farm Animal Welfare \(BBFAW\)](#) 2019.

[GRI 412-2](#) Implementing due diligence on human rights is a continuous development process. We constantly analyse our processes and tools. ALDI Netherlands, for example, participates in the yearly monitoring of our due diligence policy within a national covenant, in which the Dutch Food Retail association, supermarkets and suppliers work together with unions, NGOs and ministries. Beyond that, we are currently planning training sessions on human rights policies and procedures for ALDI Nord.

Learn more about our targets in the [CR Programme](#).



HOW WE OPTIMISE OUR PROCESSES

From stores to distribution centres and administrative offices, wherever we operate, we aim to steadily reduce the amount of energy and resources we consume. Our focus is on the reduction of CO₂ emissions. This is most apparent in the ALDI Nord Climate Protection Policy.

MORE THAN **52,400** MWH
OF ELECTRICITY PRODUCED
ON THE ROOFS OUR STORES –
SUFFICIENT TO SUPPLY
13,000 HOUSEHOLDS WITH
ELECTRICITY FOR ONE YEAR*

169
NEW PHOTOVOLTAIC SYSTEMS
ON OUR ROOFS

40% REDUCTION IN
GREENHOUSE GAS EMISSIONS
BY 2021

AROUND **13,900** TONNES
OF CO₂ COULD BE AVOIDED
BY USING ELECTRICITY GENERATED
BY OUR OWN SYSTEMS

* An average annual consumption of 4,000 kWh per household in Europe was used as the basis for calculation.



7,2,7,3

8,4

12,2, 12,4, 12,5

13,3

6,4



CLIMATE & ENVIRONMENTAL PROTECTION

GRI 301/103-1, 302/103-1/2, 303/103-1/2, 305/103-1/2, 306/103-1/2

To provide our customers with more sustainable products, we continuously monitor our entire value chains and our work processes. Climate and environmental protection at our sites play a significant role in these considerations. It is in our genes as discounter to focus on efficient use of resources. We are responding to consumer demands for change by adopting modern efficiency management systems alongside systemic return and recycling management. This is our contribution to the future security of ALDI Nord and our approach to resilient risk management.

OUR APPROACH

GRI 102-11, 302/103-2/3, 305/103-2/3

We use all resources in our business environment as efficiently as possible. Our policies, goals, management systems and measures for handling energy, waste and water were developed to meet this demand. As climate protection is one of the greatest societal challenges of our time, we place a particular focus on energy and carbon emissions.

A first step to cut emissions is to gain transparency about them. The carbon footprint that was determined in 2018 for ALDI Nord breaks down our greenhouse gas emissions by emission source. It is determined in accordance with the internationally recognised standard set by the Greenhouse Gas (GHG) Protocol and independently audited by a certified auditor. Our most significant emission sources are:

- **Stores:** Most energy in our stores is used for refrigerating food, lighting the retail space and heating, which is typical in the retail industry. Cooling our products can lead to refrigerant-related greenhouse gas emissions in addition to energy-related ones.
- **Logistics:** Around one eighth of our greenhouse gas emissions are due to diesel consumption by trucks.
- **Distribution centres:** Besides refrigeration, lighting is responsible for a significant portion of the electricity consumed at the distribution centres.

To ensure that climate protection efforts are made consistently across operations, climate protection must become a business variable, which is why ALDI Nord has set a clear climate target: we undertake to reduce our greenhouse gas emissions throughout ALDI Nord by 40 per cent by 2021 compared with our 2015 levels. This target applies to all emissions that we cause in the course of our business activities (Scope 1 and Scope 2 emissions). The current status is available under 'Targets and status'. With our International Climate Protection Policy 2018, we demonstrate the importance of climate protection across all ALDI companies and provide the framework for appropriate measures at relevant emission sources. Our Policy has two key focal points:

- We seek to save energy, refrigerants and fuel through efficiency measures, starting with those areas where consumption is highest.
- We aim to use more renewable energy by generating our own electricity on the roofs of our facilities and purchasing green energy.

ORGANISATION & GUIDELINES

GRI 302/103-2/3, 305/103-2/3

International Corporate Responsibility Quality Assurance (CRQA) has overarching responsibility for climate protection policy and other strategic concepts. However, close cooperation between relevant departments, divisions and expert teams is essential. Evidently, climate protection also requires the collaboration and expertise of various specialist departments. On both the international level and within the countries, the CRQA, Supply Chain Management and Real Estate & Expansion departments work closely together. This provides a dual approach: an agile response to new technological advancements such as storage or cooling technologies, and the systematic monitoring of stakeholder and legal developments.

The Real Estate & Expansion departments also handle operational water management. The logistics manager for waste disposal at ALDI Einkauf in Germany coordinates with managers in ALDI countries and external service providers to further optimise the flow of materials. Experience gained from waste and water management in each country can then be used for improvements throughout the ALDI companies.



Regulations

GRI 302/103-2/3, 303/103-2/3, 306/103-2/3 It is part of our approach to regularly monitor EU legislative proposals and respond in advance to likely or upcoming directives, such as the regulation on fluorinated greenhouse gas emissions. This regulation aims to cut emissions across the EU by 2030. This is very relevant to us, as we use

refrigerants in our cooling systems to provide fresh and safe produce to our customers. Similarly, the implementation of the EU Energy Performance of Buildings Directive in 2020 plays a role in decisions concerning the planning and building of new stores, for example the mandatory construction of charging points for

electric vehicles. We monitored these proposals from an early stage and adapted our processes. For example, anticipating the EU Waste Framework Directive, we created the position of logistic manager for disposal.

PROGRESS & MEASURES 2019

GRI 302/103-1/2, 303/103-1/2, 305/103-1/2

In 2019, a climate monitoring survey conducted in all ALDI countries provided a status report on the degree of implementation of the agreed measures derived from our International Climate Protection Policy. This progress is explained in detail below.

GRI 302-1

DIRECT ENERGY CONSUMPTION

Direct energy consumption
in buildings and
logistics by country (in MWh)¹

| | 2017 | 2018 | 2019 |
|---------------------------------|----------------------|----------------|----------------|
| Belgium/Luxembourg ² | 111,286 | 110,758 | 112,820 |
| Denmark | 19,766 | 19,658 | 19,471 |
| France | 147,787 | 143,871 | 143,908 |
| Germany | 397,381 ³ | 394,921 | 391,645 |
| Netherlands | 80,058 | 79,812 | 80,503 |
| Poland | 16,639 | 18,949 | 21,373 |
| Portugal | 1,206 | 1,427 | 1,560 |
| Spain | 4,731 | 5,081 | 5,314 |
| ALDI Nord | 778,854 | 774,478 | 776,593 |

GRI 302-1

DIRECT ENERGY CONSUMPTION BY SOURCE

Direct energy consumption
in buildings and logistics
by energy source (in MWh)¹

| | 2017 | 2018 | 2019 |
|----------------------------------|----------------------|---------|---------|
| Natural gas | 418,921 | 399,292 | 398,953 |
| Heating oil | 25,509 | 26,925 | 28,889 |
| Biogas | 67 | 116 | 131 |
| Diesel (incl. diesel generators) | 333,871 ³ | 347,637 | 347,894 |
| Petrol | 18 | 11 | 338 |
| Liquid gas | 466 | 498 | 389 |

GRI 302-1

INDIRECT ENERGY CONSUMPTION

Electricity and district heating consumption (in MWh)¹

Electricity consumption at nearly 1,067 GWh is responsible for the most significant share of energy demand at our locations. It increased by around two per cent. The increase is due to several factors, including longer opening hours and the installation of additional chillers and ovens at stores.

| | 2017 | | | 2018 | | | 2019 | | |
|---------------------------------|------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Total | Electricity | District heating | Total | Electricity | District heating | Total | Electricity | District heating |
| Belgium/Luxembourg ² | 101,354 | 101,354 | – | 96,325 | 96,325 | – | 103,691 | 103,691 | – |
| Denmark | 50,470 | 39,855 | 10,615 | 47,769 | 36,545 | 11,224 | 49,875 | 37,921 | 11,954 |
| France | 180,752 | 180,752 | – | 199,372 | 195,753 | 3,619 | 201,323 | 196,093 | 5,230 |
| Germany | 472,279 | 454,553 | 17,726 | 495,474 | 476,032 | 19,442 | 502,003 | 482,154 | 19,849 |
| Netherlands | 84,669 | 83,716 | 953 | 90,922 | 89,947 | 975 | 106,734 | 105,810 | 924 |
| Poland | 25,334 | 22,173 | 3,162 | 28,588 | 25,027 | 3,561 | 32,993 | 29,106 | 3,887 |
| Portugal | 17,720 | 17,720 | – | 21,621 | 21,621 | – | 24,183 | 24,183 | – |
| Spain | 89,029 | 89,029 | – | 108,441 | 108,441 | – | 87,274 | 87,274 | – |
| ALDI Nord | 1,021,608 | 989,151 | 32,456 | 1,088,512 | 1,049,691 | 38,821 | 1,108,076 | 1,066,232 | 41,844 |

¹ The data is partly based on estimates and extrapolations.

² The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').

³ The value for 2017 was corrected compared to the information published in the previous year's report.



GRI 305-1/2

GREENHOUSE GAS EMISSIONS SCOPE 1 AND 2

Greenhouse gas emissions Scope 1 and 2 (in tonnes of CO₂ equivalents)

Greenhouse gas emissions were calculated on the basis of energy and fuel consumption and refrigerant losses. The calculation is carried out in accordance with the requirements of the Greenhouse Gas (GHG) Protocol using the DEFRA emission factors or GEMIS for emissions from the sourcing of district heating. In accordance with the GHG Protocol, Scope 2 emissions from electricity consumption have been calculated separately by location-based and market-based emission factors. While the location-based method uses the factors for a specific geographical region (such as a country), a company's individual electricity mix is used – wherever possible – for the market-based factors by way of the emissions actually generated by the energy producer. The calculation of location-based greenhouse gas emissions is based on the factors specified by the International Energy Agency (IEA).

| | 2017 ¹ | | | 2018 ¹ | | | 2019 | | |
|---------------------------------|----------------------|----------------------------------------|--------------------------------------|----------------------|----------------------------------------|--------------------------------------|----------------------|----------------------------------------|--------------------------------------|
| | Scope 1 ² | Scope 2 ³ location-based | Scope 2 ³ market-based | Scope 1 ² | Scope 2 ³ location-based | Scope 2 ³ market-based | Scope 1 ² | Scope 2 ³ location-based | Scope 2 ³ market-based |
| Belgium/Luxembourg ⁴ | 38,653 | 22,674 | 14,859 | 37,445 | 16,200 | 22,312 | 34,338 | 17,093 | 17,136 |
| Denmark | 14,942 | 8,119 | 18,585 | 9,297 | 8,784 | 15,472 | 8,849 | 7,153 | 16,208 |
| France | 67,101 | 8,364 | 6,756 | 67,738 | 10,948 | 10,499 | 65,975 | 14,305 | 10,620 |
| Germany | 108,179 | 203,918 | 223,790 | 114,111 | 209,197 | 196,088 | 108,556 | 195,328 | 203,684 |
| Netherlands | 28,147 | 40,984 | 124 | 25,961 | 41,730 | 126 | 28,867 | 45,964 | 120 |
| Poland | 6,931 | 17,295 | 18,441 | 8,727 | 19,253 | 18,558 | 7,138 | 22,986 | 24,603 |
| Portugal | 5,728 | 5,695 | 5,080 | 3,455 | 5,674 | 5,711 | 2,858 | 7,675 | 5,316 |
| Spain | 10,980 | 25,718 | 29,854 | 8,376 | 26,202 | 169 | 11,295 | 24,102 | 44 |
| ALDI Nord | 280,662 | 332,767 | 317,490 | 275,110 | 337,988 | 268,935 | 267,876 | 334,605 | 277,731 |

¹ Due to subsequent data deliveries, the values for 2017 and 2018 were corrected compared to the information published in the previous year's report.

² Scope 1: Emissions from direct energy consumption in buildings, fuel consumption for logistics and refrigerant losses.

³ Scope 2: Emissions from the consumption of electricity and district heating, broken down by location- and market-based emissions.

⁴ The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').

Stores: innovative technology lowers emissions and energy consumption

Lighting the retail space accounts for around one quarter of a store's electricity consumption, which is why LED lighting technology has been installed at new stores in all countries since 2016. The exact measures and advantages of LED lighting can be found in the [Sustainability Report 2017](#). We are working towards our goal of testing and implementing LED lighting for existing stores in all countries: ALDI France, ALDI Netherlands, ALDI Poland and ALDI Spain are continuing the conversion progress; ALDI Belgium and ALDI Portugal are close to completing this goal. In Denmark, lighting in all stores has already been converted to LED.

Refrigeration is another aspect for more significant climate protection efforts at our stores. We have started replacing the refrigerants used to date with climate-friendlier alternatives. ALDI Belgium, ALDI Nord Germany, ALDI Luxemburg and ALDI Netherlands are gradually switching over all existing fridges and freezers to the natural refrigerant propane (R290), which has very low global warming potential. All newly installed cooling systems already use CO₂ as a natural refrigerant. This has been carried out in Belgium, Denmark, France, Germany, Luxembourg, the Netherlands, Portugal and Spain.

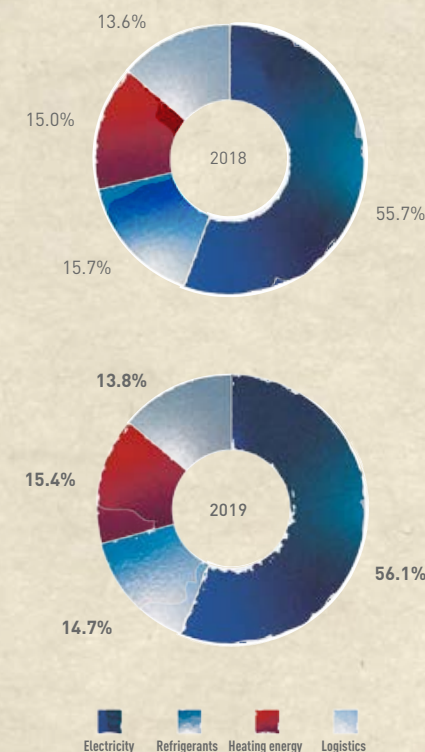
In Belgium, Germany and the Netherlands, the integrated systems in new buildings are also used for heating. These systems recover the heat from the refrigeration process, in addition to the heat from the exhaust air. In 2019, we started to roll out combined refrigeration and heating systems in other countries as well. This process is ongoing.

Between 2018 and 2019, we reduced emissions resulting from refrigerant losses by eight per cent to around 85,000 tonnes of CO₂ equivalents. This reduction was a result of the switch of refrigerants alongside the rollout of digital leakage monitoring systems that are in use at our locations in Germany. ALDI Poland and

GRI 305-1/2

GREENHOUSE GAS EMISSIONS SCOPE 1 AND 2 BY SOURCES

Total amount of greenhouse gas emissions for Scope 1 and 2 proportionately by source in 2019 (in per cent, location-based emissions)





ALDI Netherlands are currently working on the nationwide rollout of the system in new stores. In Belgium and Luxembourg, the rollout is planned for both new and existing stores for 2020. ALDI France has also been using a digital monitoring system in all new stores since 2018. Additionally, we use comprehensive energy data management systems for all our stores and distribution centres in Germany, which provides daily data on energy consumption. In Spain it is already in operation in a third of the stores (80 stores). ALDI Portugal and ALDI Poland are also planning energy management systems. In the Netherlands, we worked on the ISO 50001 certification of our energy management system as a pilot, but decided not to continue with a full rollout.

Distribution centres: sustainable building and efficient logistics

We expect to save up to 3,000 tonnes of CO₂ emissions in total every year if we switch to LEDs in the distribution centres. The changeover is already complete in Belgium, Denmark and Spain. The switch to LEDs is planned in our distribution centres in Germany, Poland and the Netherlands.

In 2019, ALDI Belgium completed the construction of a new distribution centre in Turnhout. This building has attained BREEAM (Building Research Establishment Environmental Assessment Methodology) certification with an outstanding rating and

was awarded 'Logistics Building of the Year' in 2019. It is currently the most sustainable industrial building in Belgium. In Germany, we also plan to implement further measures in the logistics centres. These include, for example, heat recovery, cold-heat compound systems and the expansion of solar power systems. A large solar plant was brought into operation in 2019 with a capacity of 750 kWp. In the Netherlands, construction will begin on a new distribution centre in 2020. Electricity will replace natural gas, with solar panels supplying some of the power. The modern, transparent building will benefit from natural lighting.

We transport 30 million euro-pallet spaces between our 75 distribution centres and more than 4,720 stores. This is a huge movement of goods, which is why we constantly work to make processes more efficient. Keeping our rising turnovers in mind, we approach this issue from three angles: technology, efficiency and competence. Modern logistics concepts help us pool the flow of goods and choose optimum transport routes, thereby shortening transport routes and reducing emissions. Low-rolling-resistance tyres and roof spoilers help reduce fuel consumption. In addition, we make sure that the trucks only leave our distribution

centres with full payloads. We also offer training modules to educate ALDI truck drivers in Belgium and the Netherlands on how to drive more fuel-efficiently. All of these measures are designed to reduce greenhouse gas emissions.

Renewable energy: more green electricity by 2021

The roofs of many stores and distribution centres are equipped with photovoltaic systems. In Belgium, for example, all distribution centres have solar panels (seven in total). In 2019, our systems already had an installed capacity of

VEHICLES

Number of vehicles
on reference date 31 December
by type of vehicle

| | 2017 | | | 2018 | | | 2019 | | |
|---------------------------------|------------------|----------------|-----------------------------|------------------|----------------|-----------------------------|------------------|----------------|-------------------------------|
| | Number of trucks | Number of cars | other vehicles ¹ | Number of trucks | Number of cars | other vehicles ¹ | Number of trucks | Number of cars | Recalls Non-Food ¹ |
| Belgium/Luxembourg ² | 223 | 226 | 7 | 226 | 236 | 8 | 230 | 259 | 8 |
| Denmark | 52 | 100 | 4 | 52 | 128 | 5 | 48 | 140 | 5 |
| France | 227 | 349 | 22 | 223 | 392 | 18 | 225 | 438 | 20 |
| Germany | 736 | 1,125 | 74 | 710 | 1,104 | 72 | 690 | 1,197 | 71 |
| Netherlands | 173 | 211 | 8 | 165 | 238 | 8 | 166 | 276 | 9 |
| Poland | – | 76 | 2 | – | 91 | 2 | – | 165 | 2 |
| Portugal | – | 55 | 1 | – | 66 | 1 | – | 61 | 1 |
| Spain | – | 165 | 2 | – | 204 | 5 | – | 203 | 5 |
| ALDI Nord | 1,411 | 2,307 | 120 | 1,376 | 2,459 | 119 | 1,359 | 2,739 | 121 |

¹ These include industrial trucks (forklift trucks) and vehicles with LPG drives.

² The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').



GRI 302-1 FUEL CONSUMPTION

Fuel consumption
of trucks, cars
and other vehicles
(in litres or
kilograms of LPG)

| | 2017 | | | 2018 | | | 2019 | | |
|---------------------------------|-------------------------|--------------|---------------|-------------------------|--------------|---------------|-------------------------|---------------|---------------|
| | Diesel ¹ (l) | Petrol (l) | LPG (kg) | Diesel ¹ (l) | Petrol (l) | LPG (kg) | Diesel ¹ (l) | Petrol (l) | LPG (kg) |
| Belgium/Luxembourg ² | 4,407,171 | – | – | 4,520,097 | – | – | 4,570,082 | – | – |
| Denmark | 1,412,919 | 339 | 66 | 1,418,630 | 1,068 | 63 | 1,446,716 | 3,901 | 45 |
| France | 5,913,078 | – | 10,116 | 6,427,933 | – | 11,058 | 6,600,170 | – | 9,955 |
| Germany | 17,419,921 | 1,698 | 20,655 | 17,735,451 | 107 | 24,030 | 17,442,870 | 572 | 17,584 |
| Netherlands | 3,526,601 | – | – | 3,823,673 | – | – | 3,740,935 | 19,068 | – |
| Poland | 180,340 | – | 1,331 | 227,094 | – | 1,188 | 287,321 | 13,895 | – |
| Portugal | 120,112 | – | 300 | 142,393 | – | 66 | 156,477 | – | 66 |
| Spain | 423,613 | – | 4,059 | 450,342 | – | 2,560 | 485,950 | – | 2,778 |
| ALDI Nord | 33,403,755 | 2,037 | 36,527 | 34,745,613 | 1,175 | 38,965 | 34,730,521 | 37,436 | 30,428 |

¹ Including consumption of heating oil for operation of cooling motors (outside Germany).

² The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').

more than 68,500 kWp and produced more than 52,000 MWh of electricity. For example, another 21 systems had joined the 44 already installed at ALDI Belgium. At the end of 2019, ALDI Portugal already had 24 solar installations in place. As a result, we saved around 13,900 tonnes of CO₂ emissions. Learn more about the Installed capacity of photovoltaic systems in 2019 and the In-house electricity production in 2019 online.

Compared to 2017, we intend to install an additional nominal capacity of more than 50,000 kWp through more systems by 2021. We will pursue this goal in all ALDI countries. In France alone, 120 plants are to be added. In Portugal 5,000 kWp of additional capacity by 2021 is planned.

Across ALDI Nord, we currently use approximately 74 per cent of the solar-generated electricity ourselves; the remainder is fed into

the power grid. To increase the amount of energy for our own use, we are testing the effectiveness of storage technology that would enable us to use the generated electricity at a later time. ALDI Nord Germany has already equipped five pilot stores with an innovative ice storage system as part of the ESyCool green project.

Despite additional photovoltaic systems, we will still draw most of our electricity from the grid in the years ahead. To meet our climate target, we are therefore currently planning to purchase more green power by 2021. ALDI Netherlands began fully sourcing its electricity from green sources back in 2015. In 2019, electricity for ALDI Netherlands was drawn entirely from wind power from within Europe, and as a result we saved more than 45,000 tonnes of CO₂ equivalents in 2019. In Spain, we have also been purchasing 100 per cent green electricity since 2018. ALDI Belgium is switching completely to

green power from 2020 onwards. ALDI Denmark and ALDI Nord Germany plan to reach 100 per cent by 2021. For the other countries, we are currently developing strict criteria for the purchase of green electricity wherever feasible.

Waste and water in our operating processes

GRI 303/103-2/3, 306/103-2 In waste management, we follow the five-step waste hierarchy: prevention, reuse, recycling, other recovery, and disposal. We avoid waste by using multiple-use systems in logistics, such as reusable transport boxes for fruits and vegetables. We determine which materials can be reused and promote the recycling of cardboard and foil. Materials that cannot be recycled are disposed of in waste incineration plants.

Learn more about the Paper used for the customer magazine 2019 online.

Managing water consumption in our operating processes is a vital part of our environmental protection measures. In our [National Water Protection Policy](#), published for Germany in March 2019, we stipulated binding measures for the responsible handling of water in [food and textile supply chains](#) and targets for corporate water management. Further objectives specify the reduction of microplastics entering the environment. With regard to the other countries, we are drawing up approaches and measures.

In corporate water management in Germany, we have decided to establish a monitoring system for operational water consumption. In addition, we will promote the construction of sustainable stores in accordance with DGNB (German Sustainable Building Council) standards, to preserve natural water cycles.

The operation of an ALDI store generally requires less water per year than an average four-person household. In 2019, we used approximately 822,000 cubic metres of water throughout ALDI Nord; 683,000 cubic metres of this amount were used in our stores. We use efficient engineering to save water. For example, self-cleaning ovens (bake-off) are used in most countries as they can be cleaned without using water. We also use water-saving cleaning equipment fitted with efficient dispensing technology and biodegradable cleaning agents to reduce wastewater contamination. Our landscaped areas at the facilities in Spain are cultivated with plants adapted to the climate to reduce the water needed for irrigation.



GRI 306-2

AMOUNT OF WASTE IN GERMANY

Amount of waste by type (in tonnes)¹

The amount of waste in Germany increased slightly compared with 2018. The most significant proportion of the waste generated was attributable to packaging. Hazardous waste, amounting to 382 tonnes, only made up 0.1 per cent of the total waste volume. This includes used oil, oil filters, vehicle batteries and fluorescent tubes containing mercury. To date, it has only been possible to record the amount of waste for our German locations. International recording efforts are planned for the years ahead.

| | 2017 | 2018 | 2019 |
|---------------------------------------------------------------|---------|---------------------|---------|
| Hazardous waste | 420 | 448 | 382 |
| Paper/cardboard/carton | 400 | 6,032 | 10,452 |
| Urban waste ² | 24,550 | 38,591 ³ | 47,692 |
| Waste from the production and processing of food ⁴ | 11,343 | 34,464 | 38,530 |
| Packaging waste | 164,001 | 168,074 | 165,489 |
| thereof foil/plastic | 3,432 | 2,852 | 1,804 |
| thereof cardboard/paper | 128,549 | 133,264 | 134,249 |
| thereof PET | 31,864 | 31,522 | 31,864 |
| thereof other packaging waste ⁵ | 155 | 436 | 492 |
| Used appliances | 52 | 858 | 63 |
| Total amount of waste | 200,765 | 248,467 | 262,608 |

¹ The data is partly based on estimates and extrapolations.

² Industrial waste. This includes 'residual waste', packed food, bulky waste, wood and metal scrap.

³ The calculation method has changed compared to the previous year.

⁴ This includes waste from canteen operation and bake-off goods.

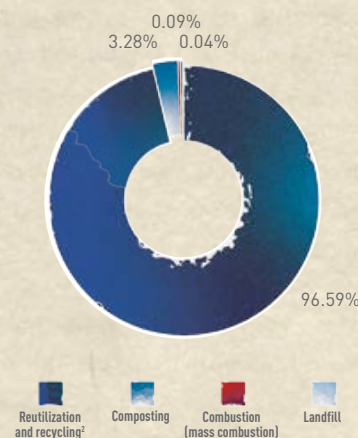
⁵ This includes other packaging waste, such as flowerpots or plant bowls.

GRI 306-2

WASTE BY METHODS OF DISPOSAL

Amounts of waste in Germany proportionately by type of disposal (in per cent)¹

At roughly 97 per cent, most non-hazardous waste was recovered or recycled (including composting) in 2019.



¹ Allocation to types of disposal is based partly on estimates.

² Including incineration for energy recovery

WATER CONSUMPTION

Water consumption (in cubic meters)¹

The increased consumption across countries in 2019 was mainly due to the very hot summer, when the heat made it necessary to irrigate cooling units/external coolers to prevent breakdowns, and to fill and maintain sprinkler systems.

| | 2017 | 2018 | 2019 |
|---------------------------------|----------------|----------------|----------------|
| Belgium/Luxembourg ² | 47,995 | 50,419 | 51,048 |
| Denmark | 16,310 | 12,031 | 14,726 |
| France | 151,269 | 151,072 | 179,848 |
| Germany | 232,644 | 260,258 | 264,138 |
| Netherlands | 38,472 | 51,504 | 62,527 |
| Poland | 23,532 | 24,295 | 25,578 |
| Portugal | 60,649 | 54,381 | 87,838 |
| Spain | 87,619 | 127,306 | 136,858 |
| ALDI Nord | 658,490 | 731,267 | 822,561 |

¹ The data is partly based on estimates and extrapolations.

² The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').

TARGETS & STATUS

GRI 302/103-2/3, 303/103-2/3, 305/103-2/3, 306/103-2/3 In our Climate Protection Policy, we have set the goal of reducing our greenhouse gas emissions by 40 per cent by 2021 compared to our 2015 levels. We regularly report to internal and external stakeholders on where we stand as ALDI Nord in our efforts to reach our climate target. We compile frequent updates on the progress of projects and emission data. International CRQA then assesses this information and analyses it together with the relevant specialist

departments. By the end of 2019, we had reduced our emissions by 15.5 per cent despite continuing expansion. To meet our climate target, we are therefore currently planning to purchase more green electricity by 2021 and continue to pursue initiated measures.

When the climate target expires at the end of 2021, we will renew our efforts. We will also set a sub-target for Scope 3 which covers indirect emissions from the upstream and

downstream value chain, such as emissions from suppliers, ALDI employees and customers. In the retail sector about 95 per cent of total emissions arise within the supply chain – a challenge we aim to meet with an extensive set of measures targeting logistics and resource efficiency. We are also currently discussing the setting of a science-based target, for which the recording and reduction of Scope 3 emissions is mandatory under scientifically approved and recognized standards.

Learn more about our targets in the [CR Programme](#).



SUCCESS BASED ON MUTUAL RESPECT

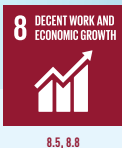
The performance and commitment of ALDI employees are at the heart of our success. To show appreciation of this engagement, the ALDI companies provide secure working conditions, attractive benefits and long-term career development prospects. The modernisation of the HR processes is a significant part of the goals of motivating and supporting the hard-working teams.

5%
MORE FILLED JOBS – THAT IS OVER
77,660 ALDI EMPLOYEES IN 2019

AROUND **32%**
WOMEN IN MANAGEMENT POSITIONS

78%
OF THE EMPLOYMENT CONTRACTS
OFFERED BY THE ALDI COMPANIES
ARE PERMANENT

2,280 APPRENTICES
AND TWIN-TRACK DEGREE STUDENTS
WERE EMPLOYED
BY ALDI COMPANIES LOCATED
IN FOUR COUNTRIES IN 2019





ATTRACTIVE EMPLOYER

GRI 404/103-1, 405/103-1 ALDI Nord faces the challenges of fast-growing companies, significant increases in employees in a competitive employment market and constantly changing customer expectations and demands. Our customers expect to be served by well-trained staff, but with dynamic demographic trends and career opportunities, employees today regularly change jobs rather than spending their entire career with just one employer. Businesses need to be able to recruit new talent and to retain and develop current employees. Meeting these challenges requires a modern, agile and open workforce and a continuous investment in Human Resources (HR).

The HR teams and ALDI employees can make significant contributions to the strategic developments of ALDI Nord. Because the ALDI companies are customer-oriented, the wishes and demands of our customers directly affect the ALDI employees. For example, the Freshness Initiative, focusing on improving the supply of fresh fruit and vegetables, requires changes to the daily processes and an awareness of how to offer the highest quality to our customers. Employees need to be brought on board with changes, engaged and empowered to be able to fulfil their tasks in the long term.

2019 was a year of important decisions. ALDI Nord is changing, and as mentioned above, so is our workforce. The hard work of the past year has laid the foundation for the future of ALDI Nord. The ALDI core values – simple, responsible, reliable –

are our guiding principles. Our pragmatic, hands-on mentality and our unrelenting focus on the wishes of our customers enable us, and the ALDI employees, to adapt to these changes and move forward together.

OUR APPROACH

GRI 102-7, 102-16, 404/103-2, 405/103-2 'We make a sustainable contribution to the development of our organisations with sufficiently well-qualified and motivated employees, embedded in a positive corporate and leadership culture, in which they can operate successfully.' These are the HR standards. Over 77,000 ALDI employees have always been one of the pillars of successes for the ALDI companies. The HR principles and the so-called employer brand builds on this foundation

with a holistic approach encompassing all areas of HR, from hire to retire.

The current investments in HR include rethinking, rebuilding, digitising and harmonising our processes, beginning with recruitment of the best candidates. Further improvements include comprehensive onboarding programmes, training and development of employees, through to succession planning and transfer of knowledge to colleagues.

Our basic principles

The Mission Statement remains the foundation for the HR works, alongside the HR standards as well as the Leadership Principles 'Genuine Retailers'. With the new HR strategies, the ALDI companies wish to connect to our core values

while integrating the modern ALDI Nord world to best serve the ALDI employees, and ultimately our customers.

GRI 405/103-2 Through wide ranges of job profiles, entry-level and advancement opportunities and working hours schemes, the ALDI companies promote equal opportunities and consolidate their position as a so-called attractive employer. They reject all forms of discrimination. In all countries, all ALDI employees have the same opportunities irrespective of gender, age, religion or belief, sexual orientation, origin or physical disability. Work-life balance is an essential topic of the future for the ALDI companies, the significance of which was again underscored in the 2019 materiality survey. The ALDI companies already offer some 52,000 opportunities for part-time jobs. But there is still more work to do.

GRI 405-1 EMPLOYEES BY JOB CATEGORY

Number of ALDI employees
by field of work and
gender on the reference date
31 December (headcount)

| | 2017 | | 2018 | | 2019 | |
|--------------------|---------------|----------------|---------------|----------------|---------------|----------------|
| | ALDI Nord | thereof female | ALDI Nord | thereof female | ALDI Nord | thereof female |
| Sales | 55,901 | 42,495 | 59,620 | 44,891 | 61,970 | 45,561 |
| Warehouse | 5,466 | 1,288 | 5,903 | 1,359 | 6,251 | 1,414 |
| Vehicle fleet | 2,722 | 54 | 2,796 | 58 | 2,867 | 63 |
| Office | 2,704 | 2,419 | 2,829 | 2,483 | 3,379 | 2,848 |
| Upper management | 631 | 155 | 646 | 165 | 732 | 198 |
| Lower management | 1,322 | 403 | 1,360 | 420 | 1,693 | 595 |
| Other ¹ | 621 | 28 | 780 | 72 | 769 | 61 |
| Total | 69,367 | 46,842 | 73,934 | 49,448 | 77,661 | 50,740 |

¹ This category also includes employees released for the works council and maintenance staff.



GRI 102-8

EMPLOYEES BY EMPLOYMENT TYPE

Number of ALDI
employees
by employment type
and gender
on the reference date
31 December
(headcount)

| | 2017 | | | | 2018 | | | | 2019 | | | |
|---------------------------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|
| | Full-time | thereof female | Part-time | thereof female | Full-time | thereof female | Part-time | thereof female | Full-time | thereof female | Part-time | thereof female |
| Belgium/Luxembourg ¹ | 2,325 | 1,099 | 4,402 | 3,705 | 2,649 | 1,168 | 4,585 | 3,992 | 2,735 | 1,152 | 4,609 | 3,931 |
| Denmark | 1,098 | 413 | 1,179 | 686 | 1,093 | 438 | 1,274 | 782 | 1,145 | 489 | 1,544 | 967 |
| France | 5,993 | 2,794 | 3,225 | 2,798 | 6,156 | 3,054 | 3,370 | 2,920 | 6,278 | 3,161 | 3,792 | 3,129 |
| Germany | 7,370 | 2,994 | 28,466 | 22,517 | 7,375 | 3,015 | 28,937 | 22,400 | 8,093 | 3,062 | 29,695 | 22,235 |
| Netherlands | 1,775 | 363 | 6,879 | 4,736 | 2,004 | 383 | 8,929 | 5,904 | 2,120 | 462 | 8,966 | 5,982 |
| Poland | 1,334 | 1,134 | 572 | 572 | 1,640 | 1,346 | 502 | 499 | 2,210 | 1,769 | 484 | 437 |
| Portugal | 333 | 157 | 845 | 611 | 432 | 230 | 1,064 | 757 | 475 | 241 | 1,158 | 853 |
| Spain | 1,427 | 708 | 2,144 | 1,555 | 1,590 | 770 | 2,334 | 1,790 | 1,878 | 977 | 2,479 | 1,893 |
| ALDI Nord | 21,655 | 9,662 | 47,712 | 37,180 | 22,939 | 10,404 | 50,995 | 39,044 | 24,934 | 11,313 | 52,727 | 39,427 |

¹ The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').

ORGANISATION

GRI 403/103-2, 404/103-2, 405/103-2 Responsibility for HR is organised locally, enabling a location-specific approach to provide the best possible support for regional issues. The investments in HR since 2019 have been aimed at expanding and strengthening the HR teams in the ALDI companies.

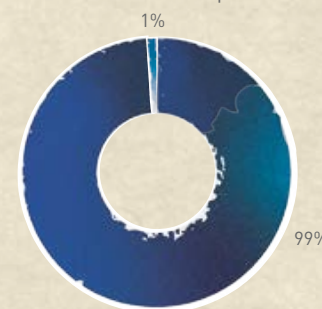
Regular international meetings ensure cross-company collaborations. Furthermore, the position of HR Business Partner will be generated in all regional companies to act as a change agent for the HR principles, to focus on the employees and to ensure high professional standards in the work of HR.

Employee representative organisation

GRI 405/103-2, 407/103-1/2/3 Freedom of association is comprehensively safeguarded at the locations of ALDI Nord. Since the 1970s, works councils have been in place at ALDI Nord Germany. Each of the 32 German regional companies was represented by their own works council in 2019. They also exist in Belgium, France and the Netherlands. In other countries, dialogue takes place directly with the relevant trade unions (see also 2015 report).

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

Proportion of ALDI employees covered by collective bargaining agreements on the reference date 31 December (in per cent)¹



■ Proportion of employees covered by collective bargaining agreements
■ Proportion of employees not covered by collective bargaining agreements

¹ The proportion of employees was calculated with the exclusion of Poland, because no collective bargaining agreements have been concluded there.

PROGRESS & MEASURES 2019

Recruitment and onboarding: empowering new employees from day one

GRI 403/103-2 New Candidate Management

Systems were introduced in 2019 to support the employee growth and to provide applicants a quick and easy access point to ALDI Nord. We attend various career and training fairs, as well as recruiting events to attract applicants to the ALDI companies. On most of the country career websites, prospective employees can find not only a wide range of open positions and information about career prospects, but also insights into the daily life of an ALDI employee alongside real-life stories from their prospective colleagues.

With onboarding programmes, the ALDI companies quickly introduce new employees in every business area. For example, in ALDI Einkauf this is done in the newly created ALDI POWER Days. All employees, regardless of their function, attend the POWER Days programme for one week, in which all areas of ALDI Einkauf are introduced, giving new colleagues a comprehensive overview of the structure and current topics. New colleagues can also make initial contacts and build up a network. Similar onboarding programmes, of various lengths and durations, are in place in almost all the ALDI countries. To promote cross-border cooperations, the POWER Camp will be set up in 2020 to share best practices of the various national themes and projects.



Engagement and communication: providing updates and motivation, receiving feedback

The expansion of internal communication helps ALDI employees to identify with ALDI Nord. ALDI Spain uses an internal public board called 'El Muro' (The Wall) to publish information about, for example, new colleagues, special HR events or sustainability. In Denmark, monthly letters go out to the ALDI employees to give updates on relevant initiatives. Further employee outreach methods in other countries include employee magazines, a CR Newsletter, posters and brochures, and workshops (see also [2017 report](#)).

Internal competitions and events are set up with the intention to motivate ALDI employees. This year a competition was held in Spain, 'Los cuentos de ALDI' (The Storytelling of ALDI), in which colleagues were invited to submit stories of their best experiences while working for ALDI Spain. Four of these stories were printed on the Christmas card sent out to all employees. To celebrate 30 Years of ALDI France, employees were asked to submit a video or a photo illustrating 'l'anniversaire déraisonnable' (the unreasonable birthday) with a prize for the best entry.

Professional development: the key to our success

GRI 404/103-2, 404-1 A key element to ensure the further success of ALDI Nord is the introduction of training and development programmes.

The ALDI Academy was founded in 2019 to initiate a number of training programmes in Germany, and will be adopted by the other countries. Nowadays, we provide leadership coaching and training on feedback culture, and programmes to promote situational leadership and active employee participations. These training courses help managers – and through them, the employees – to better adapt to customers' needs. The training opportunities for 2020 have been expanded to various employee levels, for example self-management, organisation and time management for store managers.

The 'ALDI Groei programma' (Growth Academy) in the Netherlands has provided various training courses and train-the-trainer classes since 2017. Over 300 store managers and almost 200 supervisors, for instance district sales managers and employees from logistics, have since received training. This represents 72 per cent of the relevant employee levels. All managers in ALDI Denmark participated in training activities in 2019. The training focused on areas where the managers themselves have the greatest impact. Managers have also been educated in [DiSC](#), a tool used for discussion of people's behavioural differences, and train-the-trainer elements.

Advanced training for executive personnel was also provided in Portugal in 2019. The main topics of these training courses were Leadership, Team Motivation, Communication and Time Management. ALDI Belgium focuses on training efforts to improve management skills and is currently building a training catalogue based on the needs of employees.

[ALDI Poland](#) met its 2019 goal of introducing a national training programme to increase competence. In the last year, 100 percent of the top management level participated in a management team development programme: over 80 people attended workshops and individual training sessions, in sales and practical training. In addition, we held training courses for district sales managers, employees of the regional companies and new colleagues. With the help of the ALDI Academy, ALDI Poland is initially planning to train all store managers, at least 50 per cent of deputy store managers, and 30 to 50 per cent of all ALDI store employees in 2020.

With all these different measures in the various countries, we have already achieved [the goal](#) of developing training programmes to enhance managers' skills in all ALDI countries.

Training: market-oriented apprenticeships and trainee programmes

GRI 404/103-2, 404-1 Alongside traditional training options in Denmark, Germany and France, the ALDI companies provide opportunities for twin-track work/study degrees and trainee programmes (see [2017 report](#)). ALDI Denmark started a graduate programme in 2019. The university graduate participants attend personal and professional development courses to become future managers at ALDI Nord. ALDI Denmark currently has seven graduates in sales, HR and procurement. Extensive branding campaigns, and participation in both nationwide and regional graduate career fairs, helped to shape the image as attractive employers. In Germany, the programmes and content for twin-track students in 2019 were harmonised across the different locations to align quality standards. New training programmes were also implemented in 2019 to respond optimally to the requirements in the distribution centres, including 'Warehouse Logistics Specialist' and 'Truck Driver' (in German: Berufskraftfahrer).

In 2019, the number of apprentices (for definition see indicator) throughout the ALDI companies stood at around 2,100, with around 1,700 of them in Germany. The regional companies in Germany remain one of the biggest training providers in the German retail trade. Of the apprentices who completed their training in 2019, 86 per cent were offered permanent employment.



GRI 404-1

APPRENTICES AND TWIN-TRACK DEGREE STUDENTS

Number of apprentices and twin-track degree students on the reference date 31 December

The vocational training model based on the German pattern is not used in all countries, and the data on the number of apprentices is therefore restricted to Denmark, Germany and France. The system used in the Netherlands and Spain is currently not included in recording the performance indicators because the vocational training models are not identical. In Germany, a twin-track work/study degree course with in-service training is also offered.

| | 2017 | | 2018 | | 2019 | |
|--------------|--------------|---------------------|--------------|---------------------|--------------|---------------------|
| | Apprentices | Twin-track students | Apprentices | Twin-track students | Apprentices | Twin-track students |
| Denmark | 59 | – | 46 | – | 48 | – |
| France | 189 | – | 221 | – | 241 | – |
| Germany | 2,084 | 123 | 1,684 | 143 | 1,759 | 179 |
| Netherlands | – | – | 54 | – | 53 | – |
| Total | 2,332 | 123 | 2,005 | 143 | 2,101 | 179 |

Services: promotion of performance, diversity and health

GRI 403/103-1, 405/103-2/3, 405-1 People from around the world work in the nine European countries in which ALDI companies operate. Today, to remain attractive employers, we must consider the effects of demographic change on our personnel policies, to help employees remain capable of working throughout their lives. Taking responsibility for the well-being of employees is part of the ethos of the ALDI companies. We focus on occupational health and safety measures, preventive health measures, fair pay and employment contract conditions, and equal opportunities for all employees. These measures have the added benefit of functioning as engagement and motivational tools for employees.

GRI 403/103-2/3, 403-1, -2, -6 Occupational health is particularly important in some areas, such as logistics and sales, where some 90 per cent of ALDI employees work, as there is an increased risk of accidents. The companies in the ALDI Nord Group carry out regular inspections at workplaces to identify potential hazards at an early stage. In retail stores and distribution centres, ALDI employees are provided with appropriate work clothes and technical equipment as part of our occupational health and safety measures (see also 2015 report). Training courses are held in most of the countries – monitored by the regional companies. ALDI Netherlands started a pilot in

GRI 403-9

LOST DAY RATE

Lost day rate (paid sick leave)
(in per cent)

| | 2017 | 2018 | 2019 |
|---------------------------------|------------|------------|------------|
| Belgium/Luxembourg ¹ | 4.2 | 4.2 | 4.1 |
| Denmark | 3.3 | 4.8 | 2.7 |
| France | 5.1 | 10.4 | 5.6 |
| Germany | 4.4 | 8.6 | 9.4 |
| Netherlands | 4.3 | 8.7 | 4.1 |
| Poland | 3.2 | 3.2 | 2.7 |
| Portugal ² | n/a | n/a | n/a |
| Spain | 3.2 | 3.3 | 3.6 |
| ALDI Nord | 4.0 | 7.2 | 8.1 |

¹ The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').

² No paid sick leave in Portugal (n/a = not available).

2019 alongside a new occupational health and safety service (Argo Advies) with case managers and 'fit for work' workshops. Seven of the regional companies already work with this service, with the other two companies following in May 2020.

GRI 403/103-2/3, 403-3, -5, -6, -7 In 2019, preventive health measures were accelerated by the companies of the ALDI Nord Group, for instance a discounted collective health insurance policy (ALDI Netherlands), eye tests and flu vaccinations (ALDI Nord Germany), free healthy fruit (ALDI Denmark), and partnership agreements with gyms or corporate runs (almost all countries).

The aim is long-term employment relationships with fair pay and employment conditions. Most employment contracts offered by the ALDI companies are permanent (almost 78 per cent in 2019). In comparison to the rest of the retail sector, ALDI Nord has always benefited from above-average employee loyalty. All ALDI employees are remunerated with fair pay in accordance with their performance.



GRI 405-1, 102-8

EMPLOYEES BY EMPLOYMENT CONTRACT

Proportion of ALDI employees by employment contract and gender on the reference date 31 December (in per cent)

| | 2017 | | | | 2018 | | | | 2019 | | | |
|---------------------------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|
| | Fixed term | thereof female | Perma-nent | thereof female | Fixed term | thereof female | Perma-nent | thereof female | Fixed term | thereof female | Perma-nent | thereof female |
| Belgium/Luxembourg ¹ | 11.7 | 64.5 | 88.3 | 74.3 | 14.9 | 66.1 | 85.1 | 74.3 | 10.5 | 62.7 | 89.5 | 67.0 |
| Denmark | 6.8 | 50.6 | 93.2 | 48.3 | 7.1 | 52.7 | 92.9 | 52.4 | 1.2 | 67.7 | 98.8 | 54.3 |
| France | 10.2 | 65.8 | 89.8 | 64.6 | 11.7 | 68.1 | 88.3 | 65.1 | 10.6 | 66.6 | 89.4 | 64.8 |
| Germany | 19.5 | 64.6 | 80.5 | 72.4 | 17.3 | 60.3 | 82.7 | 71.4 | 18.7 | 61.1 | 81.3 | 72.5 |
| Netherlands | 42.3 | 49.8 | 57.7 | 64.1 | 53.5 | 53.7 | 46.5 | 61.1 | 50.4 | 53.4 | 49.6 | 61.3 |
| Poland | 63.4 | 83.5 | 36.6 | 84.8 | 59.1 | 85.0 | 40.9 | 84.3 | 61.2 | 76.0 | 38.8 | 81.9 |
| Portugal | 66.2 | 66.4 | 33.8 | 70.1 | 53.0 | 64.4 | 47.0 | 57.3 | 58.6 | 64.5 | 41.4 | 70.6 |
| Spain | 4.5 | 53.6 | 95.5 | 65.1 | 7.0 | 57.2 | 93.0 | 65.2 | 4.6 | 69.2 | 95.4 | 65.2 |
| ALDI Nord | 21.3 | 62.6 | 78.7 | 69.5 | 22.9 | 61.0 | 77.1 | 68.8 | 22.5 | 60.9 | 77.5 | 68.7 |

¹ The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').

LENGTH OF SERVICE WITH THE COMPANIES

Average length of service with the companies (in years)

| | 2017 | 2018 | 2019 |
|---------------------------------|----------|----------|----------|
| Belgium/Luxembourg ¹ | 12 | 12 | 12 |
| Denmark | 4 | 4 | 4 |
| France | 5 | 6 | 6 |
| Germany | 10 | 10 | 10 |
| Netherlands | 8 | 7 | 6 |
| Poland | 3 | 2 | 2 |
| Portugal | 2 | 2 | 2 |
| Spain | 4 | 3 | 4 |
| ALDI Nord | 9 | 8 | 8 |

¹ The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').

In 2019, the proportion of women in the total workforce amounted to roughly 65 per cent (2018: 67 per cent). The proportion of female employees in management positions remained at 32 per cent, compared to 2018 (28 per cent), and women manage nearly half of our stores. We see this as confirmation of our philosophy of placing a clear focus on individual performance when filling management positions.

GRI 405-1

WOMEN IN MANAGEMENT POSITIONS

Proportion of female ALDI employees in management positions on the reference date 31 December (in per cent)

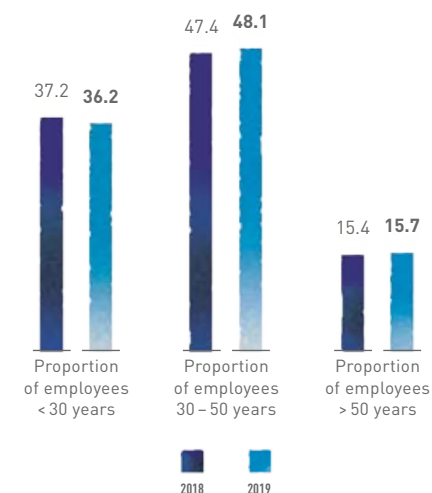
| | 2017 | 2018 | 2019 |
|---------------------------------|-------------|-------------|-------------|
| Belgium/Luxembourg ¹ | 29.5 | 31.1 | 33.1 |
| Denmark | 21.3 | 27.0 | 30.9 |
| France | 23.1 | 21.7 | 29.3 |
| Germany | 27.8 | 28.4 | 31.8 |
| Netherlands | 17.9 | 17.7 | 19.2 |
| Poland | 36.7 | 33.7 | 37.2 |
| Portugal | 48.0 | 50.0 | 41.8 |
| Spain | 34.0 | 36.3 | 42.0 |
| ALDI Nord | 27.3 | 28.0 | 31.7 |

¹ The information regarding the legally independent companies of ALDI Belgium and ALDI Luxembourg has been combined for the purposes of a simplified presentation (refer to 'Report profile').

GRI 405-1

EMPLOYEES BY AGE GROUP

Proportion of ALDI employees by age group on the reference date 31 December (in per cent)





Equal opportunities: improved grievance systems and data

GRI 405/103-2, 407/103-1/2/3 To live up to our commitments to offer equal opportunities for all and to prevent discrimination, we are working on complaint systems. At ALDI Netherlands, employees can report discrimination, bullying, intimidation or other undesirable behaviour to a confidential advisor. In Spain, a new complaints system (Whistleblowing line) has been active since July 2019, in addition to other methods for reporting discrimination issues. From this system, employees can access a protocol on prevention and management of abuse in the workplace. Training for using this protocol has been undertaken for senior management, while store employee training is already under way and training for office employees is planned. ALDI Nord Germany and ALDI France provide whistleblowing systems for addressing discrimination concerns. ALDI Poland, ALDI Belgium, ALDI Portugal and ALDI Denmark will follow in 2020.

ALDI Poland is planning the development and implementation of a policy against bullying and discrimination alongside dedicated training sessions. An Equality Committee and Equality Plans are being set up in all Spanish companies to deal with gender inequality.

TARGETS & STATUS

GRI 404/103-2/3 The goal is to become data-driven companies. Data should be available as a basis for decision-making and offer employees the best possible individual options. At the end of 2018, some ALDI companies already started tracking employee satisfaction. ALDI Denmark has undertaken an annual satisfaction survey for all employees since 2018, where we measure the employees' experience with ALDI Denmark as well as their job satisfaction. ALDI Netherlands undertakes surveys for ALDI employees every two years. In one of the first responses to the survey of 2019, in order to improve work circumstances, ergonomic office furniture was provided in all companies. In Poland, we plan to measure employee satisfaction in 2020 and will carry out extensive research on employee engagement.

As initially outlined, the work of HR in the ALDI countries is currently in a transitional phase. It will take some time until the changes implemented up to 2019 begin to show results and ALDI employees can benefit fully. We will use the data collected from employee satisfaction surveys to ensure that the improvements are setting us in the right direction.

Learn more about our targets in the [CR Programme](#).



SOCIAL COMMITMENT

The ALDI companies are more than just retailers, employers, business partners or competitors. We are also citizens and neighbours. We take responsibility in all these roles. We leverage our expertise and experience to contribute to finding solutions to societal problems above and beyond our core business. As part of our social commitment, we support a wide range of projects and initiatives.

OUR APPROACH

In all nine ALDI countries, we work with national initiatives and organisations to support local and overarching projects. With a strategic focus on Modern Nutrition, the ALDI companies have since 2019 been increasingly pursuing a variety of measures to promote healthy eating. Another focus continues our work on food and non-food donations. We also provide occasional support in the form of financial donations.

ORGANISATION & GUIDELINES

Social commitment is centrally anchored in our Corporate Responsibility (CR) Policy. Projects are selected and promoted independently in each ALDI country. The regional companies also manage their social commitment independently – with the support of the national or international services.

Some ALDI countries, such as Belgium, follow a national framework for social responsibility to manage engagement. This framework sets the parameters for social engagement, such as working at national, regional or local level, and the strategic themes such as food waste, packaging and promoting a healthy diet. ALDI Belgium also has a framework for participation in public debate.

PROGRESS & MEASURES 2019

In the reporting year 2019, ALDI companies demonstrated their commitment to society through partnerships, projects and donations.

Fighting child malnutrition: ALDI Spain

In 2019, ALDI Spain participated in the Challenge Interempresas, organised by hunger relief charity Acción contra el Hambre. The challenge consisted of a run, in which every kilometre run by an ALDI employee counted as donation to the charity. The races were held in Madrid, Barcelona, Navarra and Valencia, with 133 ALDI employees taking part. Together the colleagues ran 730.5 km, equivalent to 7,305 days of malnutrition treatment for children. With this event, ALDI Spain made a financial donation of 12,000 euros.

Promoting healthy eating and preventing child poverty: ALDI Netherlands

In the period under review, ALDI Netherlands advanced a variety of projects and partnerships, including a project dealing with healthy eating in cooperation with JOGG (Jongeren Op Gezond Gewicht), a foundation dedicated to combating childhood obesity. In 2019, we became a 'Superpartner' of Nationaal School Ontbijt, a Dutch initiative focusing on healthy breakfasts for primary school children. We invited a Council of Children to advise us on how the ALDI companies

can help everyone in the Netherlands to make healthy nutritional choices. The Council presented its advice, which we will implement in one of the pilot stores.

Sadly, keeping kids healthy sometimes starts with basic access to food. In early 2019, ALDI Netherlands signed the child poverty alliance Alliantie Kinderarmoede alongside many other organisations. This alliance is an initiative of the Missing Chapter Foundation, the Netherlands Center for Youth Health and the network Alles is Gezondheid. The goal of this alliance is, by 2030, to prevent child poverty and to help families avoid financial hardship. ALDI Netherlands supports this initiative by donating bread to schools for breakfast clubs. ALDI Netherlands also participates in charity runs. From 2016 to 2019, more than 100 employees a year competed in the KiKa Run, the proceeds of which went to help children with cancer.

Fighting cancer: ALDI Denmark

As part of a national campaign to fight breast cancer, ALDI Denmark donated a portion of proceeds from the sale of various products. This partnership has been operating since 2016 and, in the past year, ran several projects in cooperation with Cancer DK. Alongside the sale of branded bracelets and badges, ALDI Denmark took part in a ten-week campaign named 10-kampen. We presented a weekly challenge set by Cancer DK,



alongside relevant products, in our customer magazine, social media and newsletters, which aimed to help customers establish good habits for healthier living and prevent cancer. The campaign also distributed a recipe book filled with healthy food. The second main focus in Denmark in 2019 was the cooperation with Save the Children Denmark to support vulnerable Danish children. Learn more about our sponsoring and donations in the country profile [‘ALDI Denmark’](#).

Cleaning the environment: ALDI Portugal

More than 250 ALDI employees participated in the World Cleanup Day 2019 in Portugal. During this annual event, we cleaned up a forest and the employees participated in a short training session offered by the green dot organisation, Sociedade Ponto Verde, about the correct disposal of recyclable packaging. In 2019, ALDI Portugal entered into a number of local partnerships to help organise food donations of unsaleable but edible products. In addition, our customers donated food to regional food banks in more than 45 stores. We continued our project [Heróis da Fruta](#) (Fruit Heroes), to provide kindergartens and primary schools with healthy snacks.

Planting green spaces: ALDI Poland

Together with [Klub Gaja](#), ALDI Poland planted 2,800 trees, extended a multi-sensory garden in a school for special needs children, and built countless insect hotels. These projects proved popular with children and adults alike. ALDI Poland continued to support charitable causes by once again taking part in the Katowice Business Run and will continue the partnership with Klub Gaja in 2020.

Supporting aid work: ALDI France and ALDI Belgium

With product-related donations, ALDI France supported [Handicap International](#), an independent aid organisation working in situations of poverty and exclusion, conflict and disaster. In our Back-to-School ranges, we advertised book covers ([Kit Plio](#)). One euro from each sale was donated to [Handicap International](#).

During the reporting year, ALDI Belgium started a partnership with ‘Snack & Chill’, an initiative to increase the consumption of fruit and vegetables among secondary school students. The project runs until mid-2020. At the end of the year, ALDI Belgium sold Christmas cards. The revenue generated was used to donate prepared meals worth 50,000 euros to the less fortunate, in cooperation with foodbanks.

Supporting children’s rights: ALDI Nord Germany

‘Children have Rights’ was the theme of World Children’s Day 2019, which emphasised the demand that children be better informed of their rights, be taken more seriously and be more involved in shaping our society. ALDI Nord Germany was the main sponsor of this largest non-commercial children’s festival in Germany, in partnership with the children’s charity [Deutsches Kinderhilfswerk \(DKHW\)](#) and UNICEF Germany. 100,000 participants were able to try out physical and agility games provided by ALDI Nord Germany. For more information about the sponsorship see the [press release](#) (only German).

Climate education at schools: ongoing cooperation

In 2018, ALDI Nord Germany entered into a new cooperation in Germany with the climate protection organisation ‘atmosfair’ aiming at raising the awareness of children and adolescents for the issue of climate protection. atmosfair prompts children to investigate questions relevant to their daily lives, such as the size of their carbon footprint, how much CO₂ is generated when they travel by plane on holiday or even the size of the carbon footprint of the food they eat – from production to the supermarket shelf. ALDI Nord Germany supports this project with a total of 250,000 euros. Nationwide, an estimated number of 34,000 girls and boys are to take part. The project is scheduled to run until mid-2020, with a possible extension to 2021.

Food and plastic waste: current projects

As retailers, we have a responsibility to avoid food and plastic waste. Our efforts to address this issue combine waste management and social commitment. One aspect of our dedication to fighting food waste is to donate unsaleable, yet still edible food. In 2019, ALDI Denmark tested the food waste solution ‘Too Good To Go’. ALDI Netherlands is continuing a cooperation with its partner [Plastic Soup Foundation](#), and ALDI Nord Germany is continuing its cooperation with the social start-up [Plastic Bank](#), campaigning against the increase of plastic waste in the oceans.

TARGETS & STATUS

The local and project-related approach means that we define few overarching targets for social commitment. Individual projects are subject to evaluation.

Learn more about our targets in the [CR Programme](#).



AT A GLANCE: THE DETAILS

The report profile, the underlying standards and its indexes are all presented in a compact format in the appendix.
Online you will find an overview of all the ALDI Nord performance indicators.

REPORT PROFILE

INDEPENDENT ASSURANCE REPORT

GRI CONTENT INDEX

UN GLOBAL COMPACT COP

SUSTAINABLE DEVELOPMENT GOALS

IMPRINT & CONTACT





REPORT PROFILE

This is the third comprehensive ALDI Nord Sustainability Report. By publishing it, we are keeping our promise to provide our internal and external stakeholders with regular, transparent information about our material goals and measures. The report is directed in particular towards customers, employees, non-governmental organisations, suppliers and business partners, as well as interested parties in the public domain.

STRUCTURE AND CONTENT

In our Sustainability Report 2019, we wish to show our stakeholders why we are addressing and reporting on the selected topics from a sustainability perspective. The introductory pages of each chapter serve as the starting point for delving into the issues covered by the report. We give an account of where we stand with regard to sustainability and what we hope to achieve in the future. At the same time, we are shining an even bigger spotlight on the activities of the ALDI companies by way of separate country profiles. This year, the report is available exclusively as a compact PDF file [online](#). National sustainability communication on the countries' individual websites expand the report to make sustainability issues even more tangible.

REPORTING PERIOD AND PUBLICATION CYCLE

GRI 102-50, -52 The reporting period covers the time from 1 January to 31 December 2019. We have taken account of significant events up to the editorial deadline on 31 March 2020. ALDI Nord publishes a comprehensive Sustainability Report every two years. The next report is expected to be published in 2022. In the meantime, we will publish a sustainability update and will report on relevant statistics and progress on a yearly basis.

The report is available as a PDF document in English and further languages. In case of deviations between the versions, the English document will prevail. In the interest of readability, the legal structure of companies is not specified.

SCOPE OF THE REPORT AND PUBLISHER

GRI 102-54 We determined the topics covered by this report using our materiality analysis. The report has been prepared in accordance with the GRI Standards: Core option published by the Global Reporting Initiative (GRI). The [GRI content index](#) provides an overview at a glance.

GRI 102-1, -3, -5, -18 The editor of the report is ALDI Einkauf GmbH & Co. oHG, Essen (hereinafter referred to as ALDI Einkauf); the scope of this report is the ALDI Nord Group.

In Germany, the ALDI Nord Group is a group of legally independent regional companies with the legal structure of GmbH & Co. KGs (limited partnership with a limited liability company as general partner), horizontally organised as a so called group of equal companies ('Gleichordnungskonzern'). The legally independent foreign ALDI companies are licensees of the ALDI brand granted by ALDI Einkauf, and thus within the scope of this report part of the ALDI Nord Group.

Any deviations within individual key figures or contents are marked accordingly. The procurement of goods for ALDI Luxembourg is effected by the commissioned purchasing and logistics division of ALDI Belgium. ALDI Luxembourg and ALDI Belgium, however, are legally independent companies whose figures were regularly aggregated in the tables of this report for reasons of convenience. Online services such as travel, photo, music and mobile phone services, flower delivery, online games, e-books and ALDI delivery are not included in the Sustainability Report.

GRI 102-48, -56 Selected content and performance indicators for the year 2019 were the subject of an audit opinion by the independent audit firm Flottmeyer • Steghaus + Partner mbB. They are identified by the check mark . Retroactive changes to figures with respect to previous reports are noted accordingly.

ORGANISATIONAL CHANGES

GRI 102-10 At the end of 2019, business operations at the regional companies Schwelm and Langenwetzendorf in Germany were closed; the store business remained largely unaffected by the change as it was transferred to other ALDI companies. Most of the ALDI employees in administration and logistics were also transferred to other regional companies. Restructuring the local distribution and administration processes will ensure a better supply set-up for the stores and ultimately for customers. In the future, fewer truck transports will be necessary as a result of these efforts, in view of the better utilisation of their capacities. During the year under review, a number of stores were closed, modernised and re-opened (see key figures 'Stores and employees'). For changes to organisational structure, see the 'Organisation' section in each chapter.

Section verified



CERTIFICATE OF AN INDEPENDENT BUSINESS ADMINISTRATION AUDIT

TO ALDI EINKAUF GMBH & CO. OHG

As per engagement we conducted an independent business administration audit to obtain limited assurance with regard to selected disclosures and key figures in the sustainability report 2019 prepared by ALDI Einkauf GmbH & Co. oHG for the group ALDI Nord (hereinafter the "Company") for the reporting period 1 January 2019 to 31 December 2019. The selected disclosures and key figures in the scope of our business administration audit were marked with a symbol ☑ in the sustainability report.

Responsibility of the legal representatives

The management of the Company is responsible for the preparation of the sustainability report in line with the criteria stated in the reporting principles and standard disclosures of the Global Reporting Initiative (GRI) as well as with the internal guidelines.

This responsibility comprises, on the one hand, the selection and application of appropriate methods for the preparation of the sustainability report as well as the making of assumptions and making of estimates regarding individual sustainability disclosures, which are plausible under the given circumstances. On the other hand, the responsibility comprises the conception, implementation and upholding of systems, processes and internal controls, insofar as they are of significance for the preparation of the sustainability report in order to prepare a report, which is free of substantial, intentional or unintentional errors.

Independence and quality assurance of the auditing company

When executing the engagement we complied with the requirements from independence as well as the further professional code regulations, which are based on the fundamental principles of

integrity, objectivity, professional competence and reasonable care, confidentiality as well as on dignified professional conduct.

Our quality assurance system is based on the national statutory regulations and professional statements, in particular the professional statutes for auditors and certified accountants as well as the Joint Statements of the WPK (Competences of the German Chamber of Auditors) and the IDW (German Institute of Auditors): Requirements from the quality assurance in auditing practice (IDW QS 1).

Responsibility of the auditor

It is our task, on the basis of the activity performed by us, to give an assessment with limited assurance whether we have become aware of any facts, which give us reason to assume that

- the key figures marked with a tick ☑ in the report of the Company for the fiscal year 2019 have not been prepared in essential concerns in line with the criteria of the reporting principles and standard disclosures of the Global Reporting Initiative (GRI),
- the approaches marked with a tick ☑ and presented in the sustainability report in Chapter "Management" have not been determined in line with the requirements of the standard disclosure GRI 103: Management approach of the reporting and standard disclosures of the GRI Standards as well as
- the quantitative disclosures marked with a tick ☑ in the sustainability report of the Company for the fiscal year 2019 have not been created in essential concerns in line with the criteria of completeness, comparability, precision, clarity, actuality and reliability of the reporting principles and standard disclosures of the GRI.

The material audit of product-related or service-related disclosures in the sustainability report as well as references to external documentation sources or expert opinions as well as forward-looking statements were not the object of our engagement.

Type and scope of the business management audit

We carried out our business management audit by complying with the International Standard on Assurance Engagements (ISAE)

3000 (Revised) as well as the International Standard on Assurance Engagements (ISAE) 3410. According to this we have to comply with the professional obligations and to plan and conduct the engagement by complying with the principle of the materiality so that we can submit our opinion with a limited degree of assurance.

With a business management audit to obtain limited assurance the conducted audit acts are less extensive compared to a business management audit for obtaining sufficient assurance so that accordingly less certainty is gained.

The selection of the audit acts is at the dutiful discretion of the auditor.

Within the scope of our business administration audit we among others carried out the following activities with regard to the key figures marked with a tick ☑:

- Estimate of the conception and the implementation of systems and processes for the determination, processing and monitoring of the disclosures and results in the scope of audit
- Surveys of the employees of the CR department commissioned with the preparation of the report
- Commencement of the proceedings and inspection of the documentation of the systems and processes with regard to the collection of the sustainability information as well as their examination based on random samples
- Analytical assessment of the relevant disclosures as well as data, which were reported for the consolidation
- Estimate of the overall presentation of the selected disclosures and key figures for the sustainability performance, which fall under the object of our engagement
- Estimate of the local data collection, validation and reporting processes as well as the reliability of the reported data by a collection based on random samples at selected locations

Audit opinion

On the basis of our business administration audit to obtain limited assurance we have not become aware of any facts, which give us reason to assume that the key figures marked with a tick ☑ in the sustainability report of the Company for the fiscal year 2019 have not been created in essential concerns in line with the criteria

of completeness, comparability, precision, clarity, actuality and reliability of the GRI Standards of the reporting principles and standard disclosures.

Intended use of the certificate

We prepare this certificate on the basis of the engagement concluded with ALDI Einkauf GmbH & Co. oHG. The business administration audit to obtain limited assurance was conducted for purposes of ALDI Einkauf GmbH & Co. oHG and the certificate is only intended for the information of ALDI Einkauf GmbH & Co. oHG regarding the results of the business administration audit to obtain limited assurance.

Limitation of the liability

The certificate is not intended so that third parties make decisions supported on this. Our responsibility exists solely towards ALDI Einkauf GmbH & Co. oHG. We do not assume any responsibility on the other hand towards third parties.

Our engagement, in the fulfilment of which we have provided the services named above for the management of ALDI Einkauf GmbH & Co. oHG, was based upon the General Engagement Terms for German Public Auditors and Public Audit Firms (Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften) in the version of 1 January 2017 (<https://www.fsp-hamm.de>). By the acknowledgement and use of the information contained in this report each recipient confirms that he has acknowledged the regulations set forth therein, and recognises their validity in the relationship to us.

Hamm, dated 22 July 2020

Flottmeyer + Steghaus + Partner mbB
Wirtschaftsprüfungsgesellschaft · Steuerberatungsgesellschaft
(Auditing Company · Tax Consulting Company)

Ruth Beerbaum
Certified Auditor

Christian Bruun
Certified Auditor



GRI CONTENT INDEX

GRI 102-54 This report has been prepared in accordance with the GRI Standards: Core option. The standard was published by the Global Reporting Initiative (GRI). The GRI content index provides an overview at a glance. Selected content and performance indicators for the year 2019 were the subject of an audit opinion by the independent audit firm Flottmeyer • Steghaus + Partner mbB. They are identified by the checkmark ✓.

GRI 102: GENERAL DISCLOSURES 2016

| GRI standard | Name | Reference & additional information |
|-------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Organisational profile | | |
| GRI 102-1 | Name of the organisation | ALDI Einkauf GmbH & Co. oHG on behalf of ALDI Nord |
| GRI 102-2 | Activities, brands, products and services ✓ | <u>Sustainability approach – Always in focus: our customers</u> <u>Responsible product ranges – Our approach</u> Any national bans on certain products or product components explicitly referred to in the Sustainability Report are mentioned individually in the text. |
| GRI 102-3 | Location | Essen, Germany |
| GRI 102-4 | Location of operations | <u>Sustainability approach Stores and employees</u> <u>Countries profiles</u> |
| GRI 102-5 | Ownership and legal form | <u>Report profile – Scope of the report and publisher</u> |
| GRI 102-6 | Markets served | <u>Country profiles</u> <u>Sustainability approach Always in focus: our customers</u> |
| GRI 102-7 | Scale of the organisation | <u>Sustainability approach – Stores and employees Total net sales of the ALDI companies Products and own brands in the product ranges</u> <u>Countries profiles</u> Omissions: Confidentiality constraints: Information on total capitalisation is treated confidentially. Therefore, no disclosures have been made beyond the statutory requirements. |
| GRI 102-8 | Information on employees and other workers | Attractive employer – <u>Employees by employment contract Employees by employment type</u> Agency workers are employed to a limited extent only (2.8 percent). ALDI Nord strives to achieve long-term employment relationships. There are no seasonal variations in employment. This information is based on a data request for the purposes of the Sustainability Report, which has been aggregated across all relevant ALDI companies at both national and international level. The data was valid as of 31 December 2019; some disclosures are stated as percentages. For any further details and potentially different calculation methods, please refer to the relevant table. Inclusion threshold: only companies with over 50 employees were included in the data request. |
| GRI 102-9 | Supply chain | <u>Social responsibility in the supply chain – Approach Human rights and working conditions: a commitment to transparency and disclosure</u> |
| GRI 102-10 | Significant changes to the organisation and its supply chain | <u>Report profile – Organisational changes</u> |
| GRI 102-11 | Precautionary principle or approach | <u>Foreword</u> <u>Sustainability approach – Always in focus: our customers Our contribution to the worldwide sustainability goals Our CRQA Strategy</u> <u>Environmental responsibility in the supply chain – Our approach</u> <u>Social responsibility in the supply chain – Our approach</u> <u>Climate & environmental protection – Our approach</u> |
| GRI 102-12 | External initiatives ✓ | <u>Sustainability approach – Our contribution to the worldwide sustainability goals Partnerships, networks & charters</u> |



GRI 102: GENERAL DISCLOSURES 2016












| GRI standard | Name | Reference & additional information |
|-------------------------------|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 102-13 | Membership of associations | Stakeholders & networks – Partnerships, networks & charters |
| Strategy | | |
| GRI 102-14 | Statements from senior decision-makers | Foreword Sustainability approach – Our CRQA Strategy |
| Ethics and integrity | | |
| GRI 102-16 | Values, principles, standards and norms of behaviour | Sustainability approach – Always in focus: our customers Our contribution to the worldwide sustainability goals Our CRQA Strategy Responsible product ranges All areas are controlled and organised differently. More detailed information can be found in the chapters 'Customer & product', 'Supply chain & resources', 'Climate & environment' and 'Employees & community' in the sections on approach as well as guidelines. |
| Governance | | |
| GRI 102-18 | Governance structure | Report profile Sustainability approach – Organisation of CR Compliance All areas are controlled and organised differently. More detailed information can be found in the chapters 'Customer & product', 'Supply chain & resources', 'Climate & environment' and 'Employees & community' in the sections on approach as well as guidelines. |
| Stakeholder engagement | | |
| GRI 102-40 | List of stakeholder groups ✓ | Materiality – Selection of stakeholders Stakeholders & networks – Our stakeholders and their topics |
| GRI 102-41 | Collective bargaining agreements | Attractive employer – Employees covered by collective bargaining agreements |
| GRI 102-42 | Identifying and selecting stakeholders ✓ | Materiality – Selection of stakeholders Stakeholders & networks – Our stakeholders and their topics |
| GRI 102-43 | Approach to stakeholder engagement ✓ | Stakeholders & networks – Our stakeholders and their topics Overview of stakeholder inclusion |
| GRI 102-44 | Key topics and concerns raised ✓ | Materiality – Impact on reporting Stakeholders & networks – Our stakeholders and their topics Overview of stakeholder inclusion |
| Reporting practice | | |
| GRI 102-45 | Preparation of financial statements | The publisher of the Sustainability Report is ALDI Einkauf GmbH & Co. oHG located in Essen, Germany. The legally independent companies of the ALDI Nord Group prepare their own financial statements. |
| GRI 102-46 | Defining report content and topic boundaries ✓ | Materiality – Methodology Evaluation of topic relevance Materiality matrix Key findings of our materiality analysis |
| GRI 102-47 | List of material topics ✓ | Materiality – Materiality matrix List of topics |
| GRI 102-48 | Restatements of information | Report profile Should information from previous reports be continued in a modified form, ALDI Nord will undertake to find a transparent formulation. These modifications can be found in the respective texts. |
| GRI 102-49 | Changes in reporting | Materiality – Further improvements of the materiality process in 2019 List of topics |
| GRI 102-50 | Reporting period | Report profile – Reporting period and publication cycle |
| GRI 102-51 | Date of most recent report | Sustainability Report 2017: July 2018 Interim Report 2018: July 2019 |



GRI 102: GENERAL DISCLOSURES 2016

| GRI standard | Name | Reference & additional information |
|-------------------|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| GRI 102-52 | Reporting cycle | Report profile – Reporting period and publication cycle |
| GRI 102-53 | Contact point for questions regarding the report | Imprint & Contact |
| GRI 102-54 | Claims of reporting in accordance with GRI Standards | Report profile – Scope of the report and publisher GRI content index |
| GRI 102-55 | GRI content index | GRI content index |
| GRI 102-56 | External assurance | Report profile – Scope of the report and publisher Independent Assurance Report |

KEY TOPICS GRI 200 ECONOMIC TOPICS, GRI 300 ENVIRONMENTAL TOPICS, GRI 400 SOCIAL TOPICS

| GRI standard | Name | Reference & additional information |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 204: Procurement practice 2016 | | |
| GRI 103-1/2/3 | Management approach disclosures   | Responsible product ranges Transparency & communication Environmental responsibility in the supply chain Social responsibility in the supply chain |
| FP 2 | Percentage of procurement volume certified according to recognised standards  (partly) | Responsible product ranges – Organic and Fairtrade products Environmental responsibility in the supply chain – Certified sustainable fish products FSC®- or PEFC™-certified products Certified palm oil Sustainable cotton Social responsibility in the supply chain – Certified sustainable cocoa products Certified sustainable coffee Certified sustainable tea |
| GRI FP: Animal welfare | | |
| GRI 103-1/2/3 | Management approach disclosures    | Social responsibility in the supply chain – Commitment to greater animal welfare: meeting customer expectations of cruelty-free products Targets & status Environmental responsibility in the supply chain – Purchasing policies Responsible product ranges – Expansion of the sustainable product ranges: organic, fair and vegan Country profile ALDI Denmark ALDI France ALDI Nord Germany ALDI Netherlands ALDI Spain |
| GRI 205: Anti-corruption 2016 | | |
| GRI 103-1/2/3 | Management approach disclosures   | Compliance |
| GRI 205-1 | Operations assessed for risks related to corruption | Operations are regularly assessed. Omissions: Confidentiality constraints: For reasons of confidentiality and competition, no further information will be given. |
| GRI 206: Anti-competitive behaviour 2016 | | |
| GRI 103-1/2/3 | Management approach disclosures    | Compliance |
| GRI 206-1 | Legal actions for anti-competitive behaviour, anti-trust and monopoly practices | We are not aware of any cases of anti-competitive behaviour or violations of anti-trust law committed by ALDI Nord. |



KEY TOPICS GRI 200 ECONOMIC TOPICS, GRI 300 ENVIRONMENTAL TOPICS, GRI 400 SOCIAL TOPICS

| GRI standard | Name | Reference & additional information |
|-----------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 301: Materials 2016 | | |
| GRI 103-1/2/3 | Management approach disclosures | <p>Responsible product ranges – Introduction Our approach Environmental responsibility in the supply chain – Introduction Promotion of a circular economy: recycling and the supply chain Climate & environmental protection – Introduction</p> <p>The ALDI countries have set additional national targets and approaches in their respective packaging missions.</p> |
| GRI 301-1 | Materials used by weight or volume | <p>Responsible product ranges – Our approach Use of more sustainable packaging: expanding our Packaging Mission Bags sold/given away Customer magazine tonnage</p> <p>ALDI companies operate in the retail sector. Goods are manufactured and packaged almost exclusively by suppliers. ALDI Nord is working with suppliers to make resource procurement more sustainable.</p> <p>The customer magazine directly results in the consumption of paper. Since 2012, the customer magazine has been printed on FSC®-certified paper in all countries where the ALDI companies operate. In Germany, the paper is also certified with the Blue Angel label.</p> <p>Omissions: The performance indicator 'Materials used for primary packaging' cannot be reported at the moment. A review has shown that the current presentation and collection of data on primary packaging is no longer up to date and is therefore currently being revised.</p> |
| GRI 302: Energy 2016 | | |
| GRI 103-1/2/3 | Management approach disclosures | <p>Climate & environmental protection</p> <p>Climate & environmental protection – Direct energy consumption Direct energy consumption by source Indirect energy consumption</p> |
| GRI 302-1 | Energy consumption within the organisation | <p>Energy consumption was calculated on the basis of the conversion factors for the performance of energy audits as recommended by the German Federal Office for Economic Affairs and Export Control.</p> <p>The ALDI companies report energy consumption in megawatt-hours (MWh). One megawatt-hour is the equivalent of 3.6 gigajoules (GJ).</p> |
| GRI 304: Biodiversity 2016 | | |
| GRI 103-1/2/3 | Management approach disclosures | <p>Environmental responsibility in the supply chain</p> <p>Environmental responsibility in the supply chain – Introduction Biodiversity conservation: improving agricultural practices and fisheries Protection of forests and soils: wood and sustainable palm oil production</p> |
| GRI 304-2 | Significant impacts of activities, products, and services on biodiversity | <p>The ALDI companies operate in the retail sector. Goods are almost exclusively produced by suppliers. ALDI Nord is working with suppliers to make the procurement of resources more sustainable. All suppliers and producers comply with the relevant contracts as well as European and national legal regulations, such as the EU regulation on invasive species.</p> |
| GRI 305: Emissions 2016 | | |
| GRI 103-1/2/3 | Management approach disclosures | <p>Climate & environmental protection</p> <p>In some ALDI countries, emissions from electricity consumption are already offset by the purchase of certificates. This is to be expanded in future or supplemented by the direct purchase of green electricity.</p> <p>Climate & environmental protection – Greenhouse gas emissions Scope 1 and 2 Greenhouse gas emissions Scope 1 and 2 by sources</p> |
| GRI 305-1 | Direct (Scope 1) GHG emissions | <p>In accordance with the applied DECC/DEFRA emissions factors, CH₄ and N₂O were also included in the calculation alongside CO₂. Emissions due to refrigerant losses were again calculated in accordance with the requirements of the EU Regulation on Fluorinated Greenhouse Gases for all refrigerants and in line with the Greenhouse Gas (GHG) Protocol Sector Guidance 1.0 (2005). The method chosen to calculate carbon emissions (operational control) is based on the globally recognised WRI/WBCSD Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (Revised Edition 2015).</p> |



KEY TOPICS GRI 200 ECONOMIC TOPICS, GRI 300 ENVIRONMENTAL TOPICS, GRI 400 SOCIAL TOPICS


| GRI standard | Name | Reference & additional information |
|--------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Climate & environmental protection – Greenhouse gas emissions Scope 1 and 2 Greenhouse gas emissions Scope 1 and 2 by sources |
| GRI 305-2 | Energy indirect (Scope 2) GHG emissions | This calculation is carried out in accordance with the requirements of the Greenhouse Gas (GHG) Protocol using the DEFRA emission factors or GEMIS for emissions from the sourcing of district heating. According to the GHG Protocol, scope 2 emissions from power consumption are calculated separately according to location-based and market-based emissions factors. Location-based methods are based on factors for certain geographic regions (such as a country), whereas market-based factors are – where possible – based on a company's individual electricity using information about the emissions actually generated by the energy producer. Location-based greenhouse gas emissions are calculated according to factors published by the International Energy Agency (IEA). See also GRI 305-1 |
| GRI 305-5 | Reduction of GHG emissions | Climate & environmental protection – <u>Distribution centres: sustainable building and efficient logistics</u> <u>Renewable energy: more green electricity by 2021</u> <u>Downloads</u> |
| GRI 306: Effluents and waste 2016 | | |
| GRI 103-1/2/3 | Management approach disclosures | Responsible product ranges – <u>Our approach</u> <u>Regulations</u> Climate & environmental protection |
| | | Responsible product ranges – <u>Food donations</u> Climate & environmental protection – <u>Amount of waste in Germany</u> <u>Amount of waste by methods of disposal</u> |
| GRI 306-2 | Waste by type and disposal method | Some of the disposal data was obtained directly from ALDI Nord, while some of the information came from disposal service providers. Residential waste is categorised by particular waste types on the basis of statistical data relating to the reuse of residential waste in Germany (Eurostat). The waste disposal methods of landfill and on-site storage are not used. |
| GRI 308: Supplier environmental assessment 2016 | | |
| GRI 103-1/2/3 | Management approach disclosures | Environmental responsibility in the supply chain Social responsibility in the supply chain – <u>Our approach</u> <u>Audit scheme & assessment</u> <u>Organisation</u> |
| | | Environmental responsibility in the supply chain – <u>Our approach</u> <u>Organisation & guidelines</u> <u>Reduction of chemicals in production: chemical management cooperation</u> Social responsibility in the supply chain – <u>Human rights and working conditions: monitoring compliance with our requirements</u> |
| GRI 308-2 | Negative environmental impacts in the supply chain and actions taken | Omissions: Information unavailable: ALDI Nord does not yet assess environmental impacts. Part of the current social audits focuses on negative environmental effects. The audit rate provides information on how many production facilities are covered by audits in risk countries. ALDI Nord ensures that suppliers comply with environmental standards through contractual obligations such as certification. Suppliers are responsible for ensuring compliance. For all wet-processing facilities a valid waste water and sludge analysis is required. Since July 2017 ALDI Nord has been required to complete an amfori BEPI Self-Assessment for all production facilities, which includes environmental performance indicators. |
| GRI 403: Occupational health and safety 2018 | | |
| GRI 103-1/2/3 | Management approach disclosures | <u>Attractive employer – Services: promotion of performance, diversity and health</u> |
| | | <u>Attractive employer – Services: promotion of performance, diversity and health</u> |
| GRI 403-1 | Occupational health and safety management system | Omissions: Information unavailable: this new indicator is partially addressed. An internal review is being carried out to determine whether ALDI Nord is in a position to report more comprehensively or whether this would be appropriate in respect of management. |
| GRI 403-2 | Hazard identification, risk assessment, and incident investigation | Attractive employer – <u>Organisation</u> <u>Services: promotion of performance, diversity and health</u> Omissions: see GRI 403-1 |
| GRI 403-3 | Occupational health services | <u>Attractive employer – Services: promotion of performance, diversity and health</u> Omissions: see GRI 403-1 |




KEY TOPICS GRI 200 ECONOMIC TOPICS, GRI 300 ENVIRONMENTAL TOPICS, GRI 400 SOCIAL TOPICS

| GRI standard | Name | Reference & additional information |
|---------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 403-4 | Worker participation, consultation, and communication on occupational health and safety | Omissions: see GRI 403-1 |
| GRI 403-5 | Worker training on occupational health and safety | Attractive employer – Services: promotion of performance, diversity and health Omissions: see GRI 403-1 |
| GRI 403-6 | Promotion of worker health | Attractive employer – Services: promotion of performance, diversity and health Omissions: see GRI 403-1 |
| GRI 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Attractive employer – Services: promotion of performance, diversity and health Omissions: see GRI 403-1 |
| GRI 403-9 | Work-related injuries | Attractive employer – Lost day rate Omissions: Not applicable: ALDI Nord collects data on the number of lost days throughout the ALDI Nord Group for each reporting year. There are currently no plans to collect or analyse any more detailed data. |


GRI 404: Training and education 2016

| | | |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 103-1/2/3 | Management approach disclosures  | Attractive employer Attractive employer – Professional development: the key to our success Training: market-oriented apprenticeships and trainee programmes Apprentices and twin-track degree students |
| GRI 404-1 | Average hours of training per year per employee | Omissions: Information unavailable: This figure is only available for ALDI Nord Germany. The information is currently not available for all ALDI countries due to differences in definitions and coverage. |

GRI 405: Diversity and equal opportunity 2016

| | | |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 103-1/2/3 | Management approach disclosures  | Attractive employer Attractive employer – Services: promotion of performance, diversity and health Employees by job category Employees by employment contract Women in management positions Employees by age group |
| GRI 405-1 | Diversity of governance bodies and employees | 20 managing directors were employed in various divisions at ALDI Einkauf in the reporting year, three of whom were female. 17 managing directors were between the ages of 30 and 50; three managing directors were over 50. Omissions: Not applicable: ALDI Nord collects data on the share of female employees by region, field of work (sales, warehouse, vehicle fleet, office, and upper and lower management) and management position. Data on age groups, nationalities and disabilities is not broken down any further or recorded as it is not considered to be constructive. |

GRI 407: Freedom of association and collective bargaining 2016

| | | |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 103-1/2/3 | Management approach disclosures  | Social responsibility in the supply chain – Our approach Progress & measures 2019 Attractive employer Collective bargaining agreements have been concluded at all company locations (with the exception of those in Poland, where collective bargaining agreements are generally not concluded). |
| GRI 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Non-food suppliers of ALDI Nord are contractually obliged to comply with the amfori BSCI Code of Conduct, which is based on the International Labour Organization's (ILO) core conventions and the United Nations' (UN) Universal Declaration of Human Rights. If, in the course of audits at individual production sites, irregularities or violations are identified, we work together with our suppliers to develop solutions to improve the situation. Depending on the severity of the deviations identified, we reserve the possibility of a contractual penalty for the supplier. This is in turn used to improve the situation on site. During the reporting period, no business activity and no significant supplier was considered to be in violation of the freedom of association and collective bargaining rights of its employees. |



KEY TOPICS GRI 200 ECONOMIC TOPICS, GRI 300 ENVIRONMENTAL TOPICS, GRI 400 SOCIAL TOPICS

| GRI standard | Name | Reference & additional information |
|-------------------------------------------------|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 412: Human rights assesment 2016 | | |
| GRI 103-1/2/3 | Management approach disclosures | <u>Social responsibility in the supply chain</u> |
| GRI 412-1 | Operations that have been subject to human rights reviews or impact assessments | <u>Social responsibility in the supply chain – Audit scheme & assessment</u> <u>Human rights and working conditions: monitoring compliance with our requirements</u> Omissions: Information unavailable: the information on the breakdown of evaluations by each country is currently not available. |
| GRI 412-2 | Employee training on human rights policies or procedures | <u>Social responsibility in the supply chain – Targets & status</u> Omissions: Information unavailable: ALDI Nord is currently planning training sessions on human rights policies and procedures. |
| GRI 414: Supplier social assesment 2016 | | |
| GRI 103-1/2/3 | Management approach disclosures | <u>Social responsibility in the supply chain</u> <u>Social responsibility in the supply chain – Audit scheme & assessment</u> <u>Beyond auditing: CR performance and multi-stakeholder initiatives</u> <u>Human rights and working conditions: monitoring compliance with our requirements</u> The resource-specific purchasing policies of ALDI Nord, the social standards in the supply chain and further binding regulations apply to new and existing suppliers alike. |
| GRI 414-1 | New suppliers that were screened using social criteria | By using recognised external certification systems, ALDI Nord creates the greatest possible transparency. Depending on the certification, the focal point may be reviewing and improving social practices or environmental components. In general, all factories are checked for compliance with social audits by involving third-party audits before placing an order. In addition, factories are visited directly by the CR departments of ALDI CR Support Asia Ltd. and checked against labour and social criteria using ASAs (ALDI Social Assessments). This means that new factories are also 100% checked according to social criteria. Example: The amfori BSCI Code of Conduct includes eleven central principles: the right of freedom of association and collective bargaining, no discrimination, fair remuneration, decent working hours, occupational health and safety, no child labour, special protection for young workers, no precarious employment, no bonded labour, protection of the environment and ethical business behaviour. |
| GRI 414-2 | Negative social impacts in the supply chain and actions taken | <u>Environmental responsibility in the supply chain – Protection of forests and soils: wood and sustainable palm oil production</u> <u>Social responsibility in the supply chain</u> See also additional information GRI 414-1 . |
| GRI 416: Customer health and safety 2016 | | |
| GRI 103-1/2/3 | Management approach disclosures | <u>Responsible product ranges</u> |
| GRI 416-1 | Assessment of the health and safety impacts of product and service categories | <u>Responsible product ranges – Progress & measures 2019</u> Each product is scrutinised multiple times throughout the entire supply chain. |
| GRI 417: Marketing and labeling 2016 | | |
| GRI 103-1/2/3 | Management approach disclosures | <u>Responsible product ranges</u> <u>Transparency & communication</u> |
| GRI 417-1 | Requirements for product and service information and labelling | <u>Responsible product ranges</u> <u>Transparency & communication</u> As retailers, we are obliged to comply with our duty of care with regard to the protection of consumers and employees. We also comply with the labelling of products. Going beyond legal requirements, we monitor the production facilities of suppliers of our own-brand food products. In the case of non-food products, ALDI Nord generally specifies the country of production, though this is also obligatory in some cases. We and our suppliers comply with statutory requirements on the listing of ingredients, and the safe use and disposal of food and non-food products. Additional requirements for suppliers can be found in our purchasing policies. Omissions: Information unavailable: quantitative information is currently not available. |



UN GLOBAL COMPACT COMMUNICATION ON PROGRESS (COP)

Sustainability is at the heart of our system of corporate values. That is why we became the first German discounter to join the United Nations' (UN) Global Compact in the summer of 2017. With this step, we have enhanced our commitment to the ten principles of more sustainable business.

This Sustainability Report also serves as a communication on progress (COP) for ALDI Nord within the framework of the UN Global Compact. The table refers to passages of text in which we provide information on our commitment to apply the Global Compact's ten principles.

| Principle | Reference |
|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Foreword Sustainability approach Stakeholders & networks Compliance Social responsibility in the supply chain Attractive employer Social commitment Human Rights Policy Statement in Download section (online) |
| Human rights | |
| Principle 1: Support and respect the protection of human rights | |
| Principle 2: No complicity in human rights abuses | |
| Labour | |
| Principle 3: Uphold the freedom of association | Social responsibility in the supply chain Attractive employer Social commitment |
| Principle 4: Eliminate forced and compulsory labour | |
| Principle 5: Abolish child labour | |
| Principle 6: Eliminate discrimination | |
| Environment | |
| Principle 7: Support a precautionary approach to environmental challenges | Foreword Sustainability approach Compliance Responsible product ranges Transparency & communication Environmental responsibility in the supply chain Climate & environmental protection Social commitment |
| Principle 8: Promote greater environmental responsibility | |
| Principle 9: Encourage the diffusion of environmentally friendly technologies | |
| Anti-corruption | |
| Principle 10: Work against corruption | Compliance |



SUSTAINABLE DEVELOPMENT GOALS

We support the 17 Sustainable Development Goals (SDGs) of the United Nations and wish to play our part in achieving them. In the course of our strategic considerations and our materiality processes, we continually evaluate our work on the basis of the SDGs. As retailers, we believe that our most significant leverage to reduce the impact of our actions and make positive contributions to development is the promotion of sustainable consumption and production patterns (SDG 12). Our activities are centred on ensuring that our ranges of own-brand products are sustainable along the entire value chain (SDG 8, 14, 15). In our operational processes, we see opportunities above all in even more efficient use of resources (SDG 7, 13). In total, we have identified 37 sub-goals, out of the 169 sub-goals, to which we can make a positive contribution.

SUSTAINABLE DEVELOPMENT GOALS



RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG 12.2

Sustainable management and use of natural resources

- Stakeholders & networks
- Responsible product ranges
- Environmental responsibility in the supply chain
- Social responsibility in the supply chain
- Climate & environmental protection

SDG 12.3

Halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses

- Responsible product ranges
- Social commitment

SDG 12.4

Environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

- Responsible product ranges
- Environmental responsibility in the supply chain
- Climate & environmental protection

SDG 12.5

Substantially reduce waste generation through prevention, reduction, recycling and reuse

- Stakeholders & networks
- Responsible product ranges
- Environmental responsibility in the supply chain
- Climate & environmental protection

SDG 12.8

Ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

- Responsible product ranges
- Transparency & communication
- Social responsibility in the supply chain
- Social commitment



DECENT WORK AND ECONOMIC GROWTH

SDG 8.4

Improve progressively global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead

- Responsible product ranges
- Environmental responsibility in the supply chain
- Climate & environmental protection

SDG 8.5

Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

- Compliance
- Social responsibility in the supply chain
- Attractive employer



DECENT WORK AND ECONOMIC GROWTH

SDG 8.7

Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and end child labour in all its forms

- [Environmental responsibility in the supply chain](#)
- [Social responsibility in the supply chain](#)

SDG 8.8

Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

- [Compliance](#)
- [Environmental responsibility in the supply chain](#)
- [Social responsibility in the supply chain](#)
- [Attractive employer](#)



AFFORDABLE AND CLEAN ENERGY

SDG 7.2

Increase substantially the share of renewable energy in the global energy mix

- [Climate & environmental protection](#)

SDG 7.3

Double the global rate of improvement in energy efficiency

- [Climate & environmental protection](#)



CLIMATE ACTION

SDG 13.3

Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

- [Climate & environmental protection](#)



LIFE BELOW WATER

SDG 14.1

Prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution

- [Responsible product ranges](#)
- [Social commitment](#)

SDG 14.4

Effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics

- [Environmental responsibility in the supply chain](#)



LIFE ON LAND

SDG 15.2

Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally

- [Responsible product ranges](#)
- [Environmental responsibility in the supply chain](#)
- [Social commitment](#)

SDG 15.3

Combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world

- [Environmental responsibility in the supply chain](#)

SDG 15.5

Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and protect and prevent the extinction of threatened species

- [Environmental responsibility in the supply chain](#)
- [Social commitment](#)



1 NO POVERTY

SDG 1.1

Eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day

- [Social responsibility in the supply chain](#)

SDG 1.3

Implement nationally appropriate social protection systems and measures for all, including floors, and achieve substantial coverage of the poor and the vulnerable

- [Social responsibility in the supply chain](#)

2 ZERO HUNGER

SDG 2.1

End hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round

- [Responsible product ranges](#)
- [Social commitment](#)

SDG 2.2

End all forms of malnutrition, including achieving the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older person

- [Responsible product ranges](#)
- [Social commitment](#)

SDG 2.3

Double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment

- [Responsible product ranges](#)
- [Transparency & communication](#)
- [Social responsibility in the supply chain](#)

SDG 2.4

Ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality

- [Environmental responsibility in the supply chain](#)
- [Social responsibility in the supply chain](#)

SDG 2.5

Maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed

- [Responsible product ranges](#)

3 GOOD HEALTH AND WELL-BEING

SDG 3.4

Reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and wellbeing

- [Responsible product ranges](#)
- [Transparency & communication](#)
- [Social commitment](#)

SDG 3.9

Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination

- [Climate & environmental protection](#)

4 QUALITY EDUCATION

SDG 4.3

Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

- [Attractive employer](#)

SDG 4.4

Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

- [Compliance](#)
- [Attractive employer](#)

SDG 4.7

Ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development

- [Transparency & communication](#)
- [Environmental responsibility in the supply chain](#)
- [Social responsibility in the supply chain](#)
- [Attractive employer](#)



GENDER EQUALITY

SDG 5.1

End all forms of discrimination against all women and girls everywhere

- [Social responsibility in the supply chain](#)
- [Attractive employer](#)

SDG 5.5

Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

- [Attractive employer](#)



CLEAN WATER AND SANITATION

SDG 6.3

Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

- [Responsible product ranges](#)
- [Environmental responsibility in the supply chain](#)

SDG 6.4

Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity

- [Environmental responsibility in the supply chain](#)
- [Climate & environmental protection](#)



INDUSTRY, INNOVATION AND INFRASTRUCTURE

SDG 9.4

Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

- [Responsible product ranges](#)
- [Climate & environmental protection](#)



REDUCED INEQUALITIES

SDG 10.2

Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

- [Attractive employer](#)



PEACE, JUSTICE AND STRONG INSTITUTIONS

SDG 16.5

Substantially reduce corruption and bribery in all their forms

- [Compliance](#)



PARTNERSHIP FOR THE GOALS

SDG 17.16

Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries

- [Stakeholders & networks](#)



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We would like to thank all colleagues, especially Julia Rose, and all parties involved who joined forces to develop this report.

Language of the report

The report is available as a PDF document in English and further languages. In case of deviations between the versions, the English document will prevail. In the interest of readability, the legal structure of companies is not specified.

The Sustainability Report 2019 (PDF) is available in the following languages: English, French, German, Polish, Portuguese, Spanish.

Disclaimer

This report contains statements relating to the future developments of ALDI Nord. These statements constitute assessments which were made on the basis of information that is currently available to ALDI Nord. Actual future developments may deviate from the current assessments. Therefore, ALDI Nord cannot be held responsible for such statements.