



ALDI Nord
SUSTAINABILITY REPORT 2021





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FOREWORD

GRI 102-11, -14

DEAR READERS,

We are confronted with historic events which have impact on all of us and cause global supply chains to disrupt. Current political and global events are further exacerbating the situation: Supply bottlenecks, raw material shortages and rising prices are having significant social consequences. As a company, we are part of global society and we are particularly in demand at this critical time. Our sense of responsibility as a food retailer is greater than ever before because customers rely on us to provide them with most essential food products – today and tomorrow. Making our supply chains resilient and fit for the future is therefore extremely important at this time. Sustainability aspects are central to this – our aspiration to make sustainable shopping affordable for everyone endures, especially in these difficult times.

Even though recent developments are at the forefront of public debates, the climate crisis remains one of the greatest challenges of our time. We have therefore defined the goal of reducing our greenhouse gas emissions by 55 per cent across the entire ALDI Nord Group of Companies by 2030 compared to 2020 (Scopes 1 & 2). In May 2022, the target was approved by the Science Based Targets initiative (SBTi) – we were one of the first discounters to join this initiative in 2020.

We are aware that climate change can only be contained in cooperation with strong partners. That is why we believe it is crucial for us to involve our key suppliers in our climate protection efforts. They have therefore been requested to set their own climate targets in accordance with the SBTi by 2024. Our joint leverage is particularly high because emissions generated in the supply chain (Scope 3) account for a significant share of our total emissions.

However, we are not simply taking responsibility in climate and environmental protection – we have also been working for years to ensure that universal human rights are protected in our global supply chains. In the reporting period, we further sharpened our position on important human rights aspects. In May 2021, we published our 'International Position Paper on Living Wages and Living Incomes' to underline our commitment to decent living standards in global supply chains. The paper was followed by our 'International Policy on Gender Equality along ALDI's Supply Chains' and the 'Gender Equality Action Plan' in November 2021. This highlights our ambition to improve working conditions for women along our global supply chains. The action plan includes time-bound targets and concrete measures – these range from raising internal awareness among our employees to combating violence and harassment at the production sites.

The solid foundation of our sustainability work is provided by the ten principles of the Global Compact (UNGC) and the 17 Sustainable Development Goals (SDGs) of the United Nations. However, our principles also encompass critically questioning our actions again and again, and adapting them to new findings and developments. This is the roadmap for continuous improvement. Accordingly, we are constantly honing our sustainability strategy. In our current sustainability report, you can read about our achievements so far – and our plans for the coming years.

At the same time, I encourage you: Write to us! We can only make good decisions to meet the challenges of our time if we are open to different perspectives, engage in dialogue, and share our knowledge.



Timo Dietz

Managing Director
Corporate Responsibility Quality
Assurance (CRQA) International
ALDI Einkauf SE & Co. oHG



MANAGEMENT

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 without a bad conscience. The selection of focus topics and our Corporate

Responsibility Programmes set us a clear path. To meet the current challenges, we are working intensively on specific initiatives and alliances with major stakeholders.

AROUND **82%** OF COTTON
USED IN OWN-BRAND PRODUCTS
WAS SUSTAINABLY CERTIFIED.
**AN INCREASE OF 17.9 PERCENTAGE POINTS
COMPARED TO 2020.**

MORE THAN **1,370** PRODUCTS
WITH THE EU ORGANIC LOGO
WERE AVAILABLE IN OUR STORES IN 2021.

872 PRODUCTS
WERE LABELLED EITHER VEGETARIAN
AND/OR VEGAN.
**THAT IS AN INCREASE OF 27.5%
COMPARED TO 2020.**

WE ACHIEVED AN **89%** INCREASE
OF THE PHOTOVOLTAIC AREA ON THE ROOFS OF
THE ALDI NORD GROUP OF COMPANIES
COMPARED TO 2020.



12.2, 12.5



16.5



17.16



SUSTAINABILITY APPROACH

GRI 102-2, -4, -6, -7, -11, -14 The ALDI companies are internationally successful discount retailers which offer high-quality products at the lowest possible price in nine European countries. Shopping at ALDI Nord should be simple: with stores within our customers' reach and high-quality products at the lowest possible price. As customer expectations change ever faster, we are constantly evolving to best meet our customers' demands. However, we never change how we do business: simply, reliably, and responsibly. This means we offer value-for-money products that customers can buy without a bad conscience.

The heart of the product ranges are our own-brand products, which make up 80 per cent of the merchandise sold. Selected branded goods complete the ranges. Our stores offer an average of around 2,000 products from 70 product groups. The standard ranges are supplemented by alternating promotional products, which we offer up to four times a week. These include items such as textiles and footwear, electronics, household items, DIY and garden products, but also foodstuffs and innovative products from start-ups. Online services, including a travel agency, photo services, online games and e-books, music or mobile communication services are available under the ALDI brand in selected countries. Delivery service for non-food products has been available in Germany since 2019.

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, acting sustainable as a discounter is not simply an option, but also a strategic approach.

ALDI is the inventor of discount retailing and this business model already follows sustainable principles: working efficiently, conserving resources, and focusing on essential products. On a corporate level, we focus on highly relevant issues for the main stakeholders in the ALDI countries, on those matters closest to our core business and on areas where ALDI Nord can exert the greatest influence on sustainability. A sense of responsibility

shapes all our actions, from long-term and cooperative partnerships with our suppliers and producers, to our focus on customer satisfaction and well-being, through to our collaborations with local and international community groups and charities.

GRI 102-7 TOTAL NET SALES OF THE ALDI COMPANIES

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



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)

	2019		2020		2021	
	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	1,479	95.1	1,594	90.0	1,652	89.2
Denmark	1,741	61.9	1,624	65.3	1,700	65.4
France	1,562	93.1	1,775	88.4	2,165	87.7
Germany	1,739	85.4	1,579	79.4	1,728	79.0
Netherlands	2,075	92.3	1,947	90.5	1,957	90.6
Poland	2,326	67.8	1,991	48.7	1,898	56.2
Portugal	1,908	84.8	2,016	84.4	2,144	82.4
Spain	2,624	86.1	2,472	85.8	2,806	83.4
ALDI Nord	1,932	82.8	1,875	79.1	2,006	79.7

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').



OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

GRI 102-11, -12, -16 We support the Sustainable Development Goals (SDGs) of the United Nations and do our part to achieve them. We concentrate on promoting responsible consumption, the sustainable development of our own-brand ranges along our entire value chain, and the efficient use of resources across all our business processes. This is why we offer our customers a growing range of sustainable products, reduce the packaging of our own-brand products, highlight the circular economy and use modern technology to reduce energy consumption in our stores. We also make it easier for our customers to eat more healthily – for example, with products containing less sugar, salt, and additives. The SDG goals of particular importance to us can be found on each introductory page of the following four sections and in our SDG index.

In 2017, we underscored the fact that sustainability is at the heart of our business by joining the United Nations Global Compact.

HOW WE ORGANISE CR

GRI 102-4, -7, -18 The ALDI companies are represented in nine European countries, with 63 companies trading as legally independent companies. See also 'Report profile'. In Germany, ALDI Nord operates locally through legally independent regional companies, which together form a horizontally organised group of equal companies ('Gleichordnungskonzern'). ALDI Einkauf SE & Co. oHG (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 ALDI companies operating in the ALDI countries. These arrangements ensure a uniform market profile.

The CRQA International department is part of ALDI Einkauf in Germany and is responsible for overarching topics such as the International Policy on Gender Equality. The responsibility for sustainability lies with one of the managing directors of ALDI Einkauf. In addition, there are national CRQA structures in each ALDI country. National and international CRQA directors meet every three months to discuss the direction of their work. All CRQA employees are in close contact across national borders, for example within the framework of the Expert Working Groups, which aim to intensify the collaboration on specific sustainability topics. 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. A total of almost 200 ALDI employees is involved in CRQA.

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

	2019			2020			2021		
	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	456	7,319	5,083	456	7,589 ²	5,406	458	8,109	5,784
Denmark	182	2,689	1,456	184	2,594	1,195	189	2,920	1,389
France	870	10,070	6,290	885	10,158	6,628	1,309	16,428	10,337
Germany	2,206	37,788	25,297	2,210	38,860	26,517	2,223	37,899	25,411
Netherlands	492	11,086	6,444	493	10,104	5,994	487	9,013	5,282
Poland	138	2,694	2,206	157	3,509	2,812	201	3,655	2,985
Portugal	73	1,633	1,094	83	2,239	1,544	105	2,422	1,611
Spain	308	4,357	2,870	328	5,457 ²	3,466	357	5,939	3,808
ALDI Nord	4,725	77,636	50,740	4,796	80,510	53,562	5,329	86,385	56,607

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 2020 was corrected compared to the information published in the previous year's report.



THE ACCOUNTABILITY MODEL – CR IN APPLICATION


We developed the Accountability Model in 2021 in order to harmonise our CR requirements for raw materials across all ALDI companies. This methodology allows us to standardise CR requirements internationally while at the same time facilitating adaptation to national market conditions. A separate model was developed for selected raw materials, with up to three levels. These build on each other and each contains specific CR standards and requirements. The individual levels are Basic, Advanced, and Leading. The Basic level is a minimum requirement that must be fulfilled, for example, 100 per cent certified sustainable cocoa in selected products. For the Advanced level, the scope and requirements are expanded, for example, 100 per cent sustainable cocoa. The Leading level denotes a best-practice example within the Group of Companies, for example, 100 per cent certified sustainable cocoa and increased volume of Fairtrade cocoa by the end of 2025. The ALDI companies select the appropriate level for their tenders, depending on market conditions. The development creates transparency and traceability for our suppliers, reducing administrative workload. It also ensures continuity and a long-term perspective in the development of market-driven CR requirements.

OUR INTERNATIONAL CRQA STRATEGY

GRI 102-11, -14, -16 What do customers expect from us – and what will they demand tomorrow? How can we further increase our contribution towards reaching the SDGs? These questions guided the initial development of our international Corporate Responsibility Quality Assurance (CRQA) Strategy in 2019.

Our international CRQA Strategy standardises the overall goals of the ALDI companies 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 Sustainable procurement and comprehensive transparency along our value chains allow us to safeguard 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 promote a healthy diet, which includes responsible handling of food. Our focus topics are highlighted in the report with this symbol .

We are currently conducting a strategy review of our international CRQA strategy. We have revised our CR Programme and defined our international and national targets. This approach enables us to ensure that our targets remain meaningful and ambitious in relation to our overarching CRQA strategy. The activities of our competitors and the market trends flow into various analyses and complete them. The review encompasses all ALDI companies and is scheduled for completion by the end of 2022.



CLEAR AND QUANTIFIABLE: OUR GOALS

The CR Programme links operational goals and measures with the requirements of our sustainability strategy. We review the fulfilment of goals and communicate our progress within the framework of the sustainability report. This approach allows us to focus on reporting the topics that are currently particularly important

to us and our stakeholders. As part of our CR Programme, we set clear and SMART goals for all areas, including focus topics.

The group-wide targets and country-specific targets are available as a [separate PDF](#) and on the Sustainability Report [website](#).

In 2021, the CR Programme was comprehensively revised. Internal requirements were developed for goals to be included in the CR Programme. Some goals that could not meet these requirements (for example, 'SMART criteria') were deleted and others were adjusted. We are aiming for all goals to meet the internal requirements in the upcoming

comprehensive Sustainability Report 2023. ALDI Denmark has no national CR programme and only the international CR Programme applies here.

CR PROGRAMME INTERNATIONAL 2021

CUSTOMER & PRODUCT

Description of goals & scope	Status 2021 & next steps	SDGs
20% less virgin plastic in own-brand packaging by 2025	2025 Project ongoing. We continuously work on packaging optimisations to reduce virgin plastic. In Germany alone, we saved around 4,775 tonnes of plastic in the packaging of our own-brand products in 2021, compared to 2020.	 12.2 12.5
30% recycled content in own-brand plastic packaging by 2025	2025 Project ongoing. We continuously work on packaging optimisation to increase the amount of recyclate in plastic packaging. For example, in Germany, we are converting our own-brand mineral water one-litre size to 100% recycled content.	 12.2 12.5
100% sustainably certified and/or recycled materials for all product packaging by end of 2020	2020 Project ongoing. Since the beginning of 2021, this is a requirement for our suppliers in the context of tenders. However, due to current supply bottlenecks, this requirement cannot be met 100%.	 12.2 12.5 15.2
100% reusable, recyclable or compostable packaging by end of 2025	2025 Project ongoing. We have published an international recyclability guideline and are continuously working on optimising our packaging to increase recyclability. In Belgium, for example, our non-recyclable cocoa powder packaging was replaced by 100% recyclable plastic packaging in March 2021.	 12.2 12.5













Process Key

New In progress Goal achieved Ongoing



CR PROGRAMME INTERNATIONAL 2021 (CONTINUED)

CUSTOMER & PRODUCT

Description of goals & scope		Status 2021 & next steps		SDGs
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).		Project ongoing. Development of alternative materials to reduce packaging – taking into account food losses and product quality and safety. For example, in France, rigid plastic lids were removed from all chilled ready-to-eat salads. This reduced the total weight of the packaging by an average of 37%, saving 120 tonnes of plastic each year.	 12.2 12.5
Reusable nets for fruit and vegetables	Rollout of reusable nets for fruit and vegetables in all stores of the ALDI companies.		Project ongoing. The nets are already available in Germany, Denmark, Portugal, and Spain. The remaining countries are working on implementation.	 12.2 12.5
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.		Project ongoing. Due to supply problems of paper and reusable bags, this goal could not be achieved in all countries. We are working to achieve the goal as soon as possible.	 12.2 12.5
100% unpackaged organic fruit and vegetables or in environmentally friendly packaging by end of 2023	100% of our organic products (organic fruit and 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, i.e., packaging material only to be used to the extent necessary to ensure product quality, safety, and handling.		Project ongoing. We are continuously working on packaging optimisation to reduce packaging material with a focus on plastic and to achieve higher recyclability. In Spain, for example, we have already achieved 83.3% packaging optimisation and in the Netherlands 50%.	 12.2 12.5
Expansion of unpackaged articles in the fruit and vegetable sector to at least 40% by end of 2025	At least 40% of fruit and vegetables 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.		Project ongoing. Already achieved in Portugal and Poland. We are continuously working on packaging optimisation to reduce packaging material with a focus on high unpacking rates – taking into account food losses, safety, and handling. In Germany the share is 30%.	 12.2 12.5
No plastic interlayers in crates by end of 2021	100% of all plastic interlayers in crates for fruit and vegetables in all ALDI companies will be removed by end of 2021.		Goal achieved. In all ALDI countries, plastic interlayers are no longer used for fruit and vegetable crates.	 12.2 12.5















Process Key

 New  In progress  Goal achieved  Ongoing



CR PROGRAMME INTERNATIONAL 2021 (CONTINUED)

CUSTOMER & PRODUCT

Description of goals & scope		Status 2021 & next steps		SDGs
Optimise composition of 100% of ALDI own-brand food products for children by end of 2024*,**	ALDI own-brand standard assortment that are kids' products according to the ALDI Nord definition. Optimisation is conducted based on defined internal ALDI criteria that includes the WHO nutrient profile model.	 2024	Goal partly achieved. Implementation is ongoing though in all countries. A holistic reorganisation of the kids product strategy is planned by end of 2022.	
Avoid marketing of unhealthy choices for children 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 by end of 2021 except special offers, e.g., Christmas.	 2021	Goal under revision. A holistic reorganisation of the kids product strategy is planned by end of 2022. Goal update will be communicated accordingly in the next report.	 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	Goal under revision. A holistic reorganisation of the kids product strategy is planned by end of 2022. Goal update will be communicated accordingly in the next report.	
Cooperate with at least 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	Goal partly achieved. Cooperation with partner partly established. Please see examples of cooperation on national level for e.g. in the <u>Netherlands and Portugal</u> . A holistic reorganisation of the kids product strategy is planned by end of 2022.	 17.6
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	Project ongoing.	 2.2
Register 100% of ALDI own-brands by end of 2024 for the Nutri-Score labelling*,**	All food own-brands. Out of scope: Justified internally defined exceptions. The definition of the exceptions relies on customer expectations.	 2024	Project ongoing. Implementation is ongoing in all countries. <u>Status of brand registration</u> .	 2.2  12.8
Improve labelling and communicate sustainable added values	Improve labelling and communicate sustainable added values, such as animal welfare, vegan, organic, improved nutritional labelling and social projects in all ALDI companies.	 ∞	Project ongoing. Covered under the labelling goals for local food, vegetarian and vegan products, and Nutri-Score.	 12.8
Expand organic assortment	Identify the gaps in the organic assortments in each ALDI country and each product group and listing of missing products in the assortments.	 ∞	Project ongoing.	

* The phrasing of the goal was adapted according to the requirements.

** The target year of the goal was adjusted.

Process Key

 New  In progress  Goal achieved  Ongoing



CR PROGRAMME INTERNATIONAL 2021 (CONTINUED)

Description of goals & scope		Status 2021 & next steps		SDGs
Expand vegetarian and vegan assortment	Expansion of the ranges of vegetarian and vegan products, including certification (e.g., V-Label) in all ALDI companies.		Project ongoing.	
Label 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 cosmetics, personal care, health & beauty, starting in 2021.		Goal achieved. We established an ongoing process to label newly listed vegetarian and vegan products in scope.	12.8
Integrate 100% of all stores in a partnership to reduce food waste by end of 2021	Integrate 100% of all ALDI stores in collaborations with NGOs to reduce food waste by 2021 (e.g., Tafel, Too Good To Go, ReFood). The goal is reached as soon as every store is working regularly with one or more defined potential partners. Regularly means enabling the redistribution of food surplus as often as possible from both sides.		Project ongoing. The goal was achieved in Portugal, Denmark, Poland and Germany. In the remaining countries, the goal was not achieved due to national challenges (including infrastructure, expansion, companies' strategic priorities). These countries will continue to work on this goal and communicate the updates in the next report.	17.6
Offer products from food surplus by end of 2021	Develop products made from food surplus and introduction of at least one product in defined product groups by end of 2021 at ALDI Nord.		Goal achieved. ALDI Nord Germany offered 'Wetteräpfel' (apples with damage caused by weather) and 'Knödelkult' (dumplings made from surplus bread). ALDI Portugal offered bread beer in August 2021 made from surplus bread from own stores and ALDI Spain offered a tomato sauce and a jam from food surpluses.	
Label 100% of all national products for all new products/purchases by end of 2021	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 and vegetables, dairy, fresh meat and fish.		Goal achieved. The requirement has been integrated in the buying conditions since 2021. It requires all national products to be labelled according to the newly set up <u>ALDI Guideline for Local Food</u> .	12.8
Develop regional product ranges in each ALDI country by end of 2021	Development of regional product ranges in each ALDI country by end of 2021. Scope: fruit and vegetables, dairy, fresh meat and fish.		Goal partly achieved. The implementation will be ongoing according to the newly defined <u>ALDI Guideline for Local Food</u> which provides a clear definition for regional, national products and further sub-forms.	
By the end of 2024, offer 100% vegetarian and vegan soy-based dairy, meat, fish & egg alternatives (labelled with V-Label/Green Heart) with European and/or certified soy*, **	Products are soy-based if soy is a primary and/or valuable ingredient. Textured soy protein (TSP) is also included in the scope. Accepted certifications and standards are RTRS, Pro Terra, ISCC+, SFAP Non-Conversion, CRS, BFA, Danube/Europe Soy, Cargill Triple S, ADM Responsible Soy Standard, Bunge Pro S.		Goal partly achieved. The requirement is integrated in the buying conditions. All vegan and vegetarian soy-based products in scope must have European and/or certified soy.	
Compensation of all CO ₂ e emissions for internationally purchased vegan meat, fish and dairy alternatives (with V-Label) at ALDI Nord until end of 2023	Vegan meat, fish and dairy alternatives labelled with the V-Label purchased by International Buying. The scope also includes vegetarian varieties if those are part of a mixed box in which vegan products are offered.		New goal. First carbon neutral products are expected to be launched in the first quarter of 2023.	12.2

* The phrasing of the goal was adapted according to the requirements.












** The target year of the goal was adjusted.

Process Key

New
 In progress
 Goal achieved
 Ongoing



CR PROGRAMME INTERNATIONAL 2021 (CONTINUED)

Description of goals & scope		Status 2021 & next steps	SDGs
Pursue the goal of 100% certified flowers and plants**	Continuously monitor share of certified sustainable plants and flowers (e.g., GLOBALG.A.P. in combination with GRASP or alternative standards) in all ALDI companies.	 Project ongoing. In a next step, we will focus on harmonising the monitoring approach in all countries to obtain more reliable data that will allow a clear statement on the status of the goal.	 12.2
Social evaluation of 100% of producers for fruit and vegetables by end of 2023*, **	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.	 Project ongoing. The certification of fruit and vegetables is an internal requirement for our suppliers for medium and high-risk countries. We accept, e.g., GRASP, Rainforest Alliance, Fairtrade. Next steps focus on monitoring and verifying the requirement. To do this, we are developing a monitoring system by end of 2023.	
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. In 2021, we published an update of our International Animal Welfare Policy.	
100% sustainable cotton by end of 2025	Use of sustainable cotton (e.g., GOTS, OCS 100/blended, Fairtrade, recycled cotton, BCI, or CmiA) for all clothing and home textiles in all ALDI companies by end of 2025.	 Project ongoing. 82.0% in 2021; +18 percentage points compared to the previous year. The buying department will further increase the sourcing of sustainable cotton.	 12.2
Further implementation of Corporate Responsibility Supplier Evaluations	Rollout of Corporate Responsibility Supplier Evaluations (CRSE) in all high-risk supply chains by 2027.	 Project ongoing. In 2021, the CRSE concept was revised, which resulted in CRSE 2.0, ensuring comparability along different commodity groups. First audits at farm level, for bananas and pineapples, have been embedded in the CRSE assessment and a pilot project with fish and seafood has been started (canned tuna suppliers). Furthermore, we started a pilot CRSE for DIY suppliers. The next steps are to finalise the assessments of the CRSE 2.0 pilots, and adapt the tools as needed.	 8.8
Commitment to eliminate deforestation and conversion of natural ecosystems from our high-priority supply chains by 31 December 2030	Including up to ten supply chains that are related to deforestation. Starting with timber, palm oil, soy, sugar, bananas, beef, and others to follow.	 New goal. Starting with the introduction of requirements for sugar and beef.	 6.6
By end of 2022, commitment to publish the names and addresses of the first-tier suppliers of our high-risk food supply chains	The scope covers all relevant high-risk food supply chains based on a risk assessment.	 New goal. Starting with the publication of supplier list.	

* The phrasing of the goal was adapted according to the requirements.

** The target year of the goal was adjusted.

Process Key






















 New
  In progress
  Goal achieved
  Ongoing



CR PROGRAMME INTERNATIONAL 2021 (CONTINUED)

SUPPLY CHAIN & RESOURCES

CLIMATE & ENVIRONMENT

Description of goals & scope		Status 2021 & next steps		SDGs	
Identify impacts on human rights and implement transparent reporting according to our due diligence strategy	We aim to conduct and publish up to 12 HRIA by end of 2025, at least one in every high-risk supply chain.		2025	New goal. First steps are to publish outstanding HRIAs in 2022 and to decide on next topics based on annual risk assessment.	 8.8
	Establishment of grievance mechanisms that meet the requirements of the UNGPs in our high-risk supply chains by 2025 *, **		2025	Project ongoing. We are currently working with other stakeholders to establish and strengthen grievance mechanisms. This commitment includes participating in amfori's Speak for Change Pilot and in the grievance mechanism of the International Accord for Health and Safety in the Garment and Textile Industry. We will report on our initial findings by end of 2022.	 8.8
	100% transparency on all input chemicals used in all wet-production facilities used for ALDI production by 2024 *, **		2024	Project ongoing. The compliance with ZDHC MRSL is monitored in wastewater and sludge on an annual basis. Chemical inventories only requested on spot-check basis, hence no systematic transparency. New requirement was communicated to suppliers in February 2022.	 3.9  6.3  12.4
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	Goal achieved. In 2021, greenhouse gas emissions in all ALDI companies were reduced by 48.3%, compared to the reference year 2015.	 7.2  7.3 13.3
Increase the ratio of ALDI stores equipped with photovoltaic systems through continuous expansion*	All new stores will be equipped with PV panels. Systems will be fitted in every store where it is technically possible and economically feasible.		∞	Project ongoing. 863 solar panels by end of 2021. +11% compared to the previous year.	 7.2  9.4
Introduction of LED lighting in all new ALDI stores by end of 2019	Introduction of LED lighting in all new ALDI stores (interior and outdoor lighting) by end of 2019.		2021	Goal achieved for indoor and outdoor lighting for all new ALDI stores.	 8.4  9.4
ALDI Nord Group of Companies commits to 75% of its suppliers by emissions covering Purchased Goods and Services setting science-based targets by 2024	Committing our suppliers who represent at least 75% of Purchased Goods and Services emissions to set their own science-based reduction targets by 2024.		2024	Project ongoing. In 2021, we achieved the target by 27%.	
55% reduction in greenhouse gas emissions by end of 2030 (baseline 2020)	55% absolute reduction in greenhouse gas emissions in all ALDI companies by end of 2030, compared to the reference year 2020 (science-based target).		2030	New goal. Project ongoing. 25.4% reduction in greenhouse gas emissions in 2021, compared to the reference year 2020. The focus was on increasing efficiency and on green power/greening.	 7.2  7.3 13.3

* The phrasing of the goal was adapted according to the requirements.

** The target year of the goal was adjusted.

Process Key

 New
  In progress
  Goal achieved
  Ongoing



MATERIALITY

If we are to set the right focal points for our everyday work and sustainability reporting, we need to understand the concerns of our stakeholders and where our impact is most significant. We draw on the findings obtained from our materiality process to aid our understanding.

METHODOLOGY

GRI 102-46, -49 Since 2015, we have conducted comprehensive materiality analyses to identify the issues that are most important to us. Our materiality approach underwent a comprehensive revision and optimisation in 2019. In line with this, we surveyed our stakeholders in the ALDI countries using online questionnaires during the course of the reporting year. Once again, we reached out to around 8,000 customers and potential customers in eight countries where the ALDI companies operate with professional online customer panels. We also conducted an internal survey in various national and international business units, for example in the fields of purchasing, category, and real estate management. Bringing in external expert voices, we conducted online surveys of non-governmental organisations (NGOs), initiatives and associations, alongside business partners and suppliers.

We undertook desk research to gain insights from additional stakeholders. Competitors and NGOs from the ALDI countries were reviewed, along with current and upcoming European regulations

and United Nations guidelines. The link between the sub-targets of the Sustainable Development Goals (SDGs) and our topics was a further area of desk research (for topics, see next sub-section). Consequently, the study design does not differ from the previous process. The results of the desk research and the online surveys were combined. The resulting materiality matrix is provided below.

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. We identified the following groups as our key stakeholders:

- Customers and potential customers
- NGOs, initiatives and associations
- Employees
- 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. For further details on the method, see [Sustainability Report 2017](#).

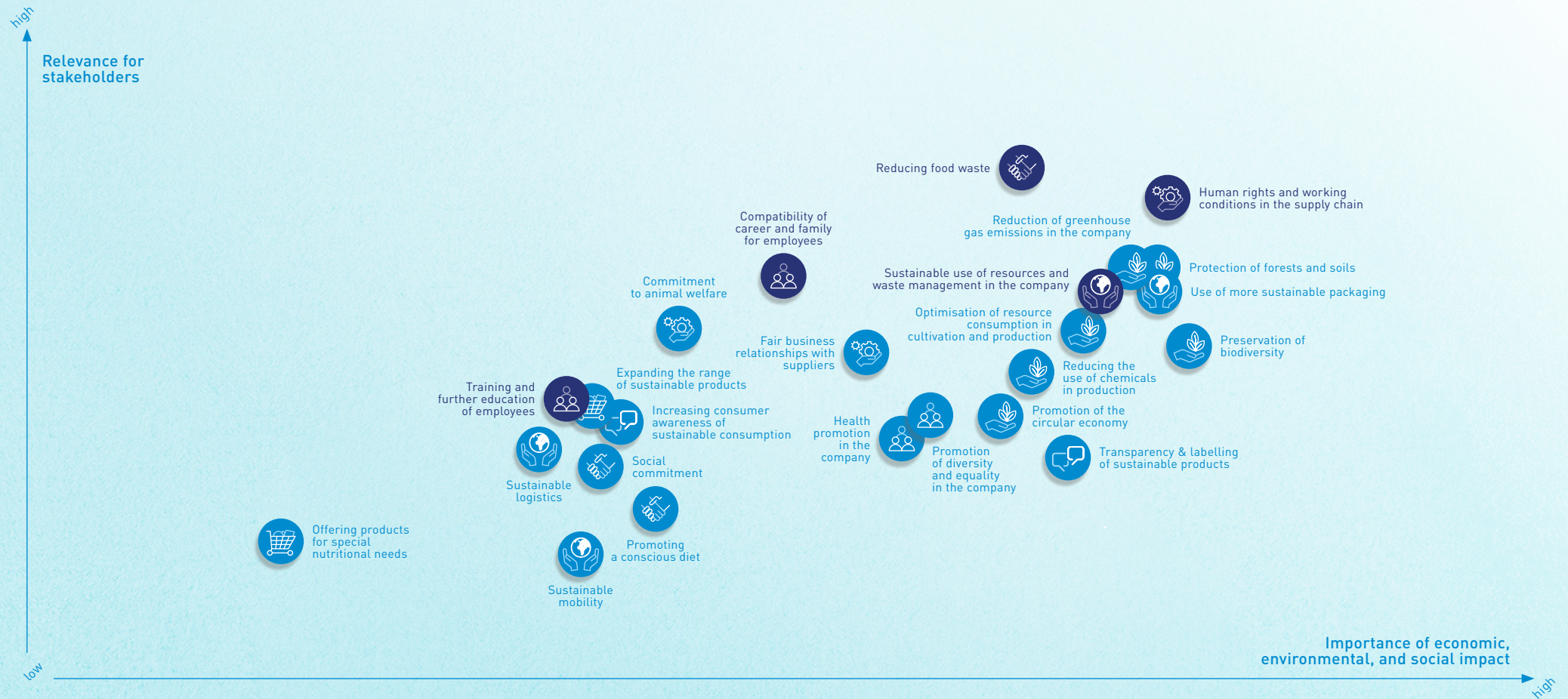
List of topics and evaluation of relevance

GRI 102-46, -47, -49 Respondents evaluated 24 topics from seven sustainability areas (see matrix). The topics were selected in internal processes. The topic list coincides with the list from the last materiality process and this results in excellent comparability.

In addition to the 24 topics mentioned above, the sustainability report covers 14 other basic topics. These topics were not evaluated in the materiality analysis but are relevant to the ALDI companies and therefore included in the report. They include topics such as 'Dialogue with NGOs, customers and the public' or 'Sustainability in corporate governance'.

The perspectives, expectations and requirements potentially affecting our operations at ALDI Nord were evaluated by asking key stakeholders to rate the relevance of various sustainability issues in an online survey. All stakeholders ranked the relative importance of the material topics. The relevance of each item was determined with the help of the Maximum Difference Scaling (MaxDiff) method. In this exercise, respondents must choose the most and least important topic out of (partly) different sets of items multiple times. The outcome is essentially a definitive hierarchy of topics. Key advantages of this approach are the ability to differentiate, the ability to overcome scaling bias, ratio data, and differences between values and easy handling for respondents. As in 2019, sustainability experts from NGOs, initiatives, and associations were included in the process to

enhance initial assessments. They evaluated for each key topic the impact of ALDI Nord operations on the economy, the environment and society at large.



MATERIALITY MATRIX

GRI 102-46, -47 The findings derived 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 the relevance of the topics 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 topics in relation to economy, environment, and society in the view of the surveyed sustainability experts (the further 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 believe it is 'significantly relevant' to business success.





KEY FINDINGS OF OUR MATERIALITY ANALYSIS

GRI 102-46 Since the topic list did not change compared to the previous process, the comparability of the results is given. The topics cover a spectrum from 'rather low' to 'very relevant'. Topics from 'environmental responsibility in the supply chain' are rated as 'very relevant' on both axes. Once again, safeguarding the protection of 'human rights and working conditions in the supply chain' is the most important single topic. The rating of other individual topics remains fairly constant, although a few shifts occurred. For example, the topic 'Reducing food waste' gains even more relevance but the 'Use of more sustainable packaging' loses relevance.

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

IMPACT ON REPORTING

GRI 102-44 The sections of this report describe how we manage our material topics and the progress we have made. The sections often 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 section entitled 'Climate and environmental protection'. We also determined the appropriate GRI standards for our material topics. The description of our management approach is based on GRI 103: Management Approach.

STAKEHOLDERS & NETWORKS

In its Agenda 2030, the United Nations (UN) emphasised the importance of close cooperation between various stakeholders to achieve the ambitious Sustainable Development Goals. The effects of the issues concerning us today are being felt globally. We are currently facing challenges such as the impact of climate change, increasing amounts of waste, environmental degradation, and the need for improved living conditions in the countries where our products are farmed or produced. We meet these challenges and make a difference by collaborating with initiatives and building alliances with major stakeholders to promote sustainability. Our goal is to expand and facilitate dialogue with these groups and enact lasting change. All our stakeholders are invited to contact us at any time on topics related to sustainability at ALDI Nord. Please send us an email to the address given in the section 'Imprint & contact'.

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 ALDI employees, followed by non-governmental organisations (NGOs), initiatives and associations, suppliers and business partners. We learn a great deal from our direct and open dialogue with these groups. Furthermore, we maintain regular contact with other groups, such as local residents, members of the media and politicians.

Overview of stakeholder inclusion

Over the course of the past few years, we have updated our traditional **customer** communication through marketing campaigns, in our stores and on the websites, and shifted our focus to customer dialogue. We increasingly use social media channels, customer hotlines such as ALDI Contigo in Spain, and surveys conducted by our international market research departments to better understand our customers.

Communication with ALDI **employees** continues to improve and is conducted through various channels. We increasingly rely on workshops and direct dialogue. Some ALDI countries have already introduced regular employee satisfaction surveys and others will follow suit. The response shows that CR topics play a growing role in communication with employees. A large number of countries have concentrated on the mission to reduce packaging in their sustainability communication to employees.

We engage in dialogue throughout all ALDI countries with **NGOs** and other organisations either on a personal level or through **sector and multi-stakeholder initiatives**. The Netherlands is one example where we have started talks with the farmers' organisation LTO to share experiences and viewpoints in sectors such as dairy, fruit and vegetables, meat, and floriculture in order to better understand the value chain and strengthen collaboration for a future-proof agricultural sector. In 2021, we joined new multi-stakeholder initiatives in Portugal (United Against Food Waste Movement, Smart Waste Portugal Association and

the Portuguese Plastic Pact) and continued our dialogue and collaboration with MSC Portugal.

Buyers, CRQA managers, and specialists are in constant contact with our suppliers. Joint (sustainability) projects such as improving our packaging are increasingly in focus. ALDI Nord in Germany, for example, aims to make products from **suppliers** that take animal welfare seriously as the standard option. The suppliers of their fresh meat range (beef, pork, chicken, and turkey, excluding international specialities and frozen products) are being converted to sustainable farming methods (Tier 3 and 4) by 2030. ALDI Nord Germany already stocks meat produced according to the stipulations of the top two tiers (Tier 3 and Tier 4). Completing the change by 2030 involves working intensively and hand in hand with our long-standing suppliers of fresh meat. For further details, see also the section 'Responsible product ranges'.



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 we are involved in and the related obligations. Further information can be found in the following sections, especially in 'Supply chain & resources'.

International

2021

- International Accord on Health and Safety in the Textile and Garment Industry (Previously the Bangladesh Accord on Fire and Building Safety)
- Donau Soja

2020

- Tony's Open Chain (Tony Chocolonely)
- Retail Soy Group (RSG)
- Round Table on Responsible Soy Association (RTRS)
- Zero Discharge of Hazardous Chemicals (ZDHC)

2019

- Better Cotton Initiative (BCI)
- IDH – The Sustainable Trade Initiative: active participation on the steering committee in the Netherlands

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

2021

- UNICEF Belgium
- Reduction of Plastic Retail Industry
- French initiative for sustainable cocoa
- Klub Gaja Foundation
- Proveg Polska
- Crossed Grain Trademark (AOECS)
- Associação Smart Waste Portugal (Association Smart Waste Portugal)
- Pacto Português para os Plásticos (Portuguese Plastic Pact)
- Movimento Unidos Contra o Desperdício (United Against Food Waste Movement)

2020

- Denmark against Food Waste
- Department of Environment Flanders: Flemish Green Deals
- Dialogforum Groß- und Einzelhandel zur Reduzierung der Lebensmittelverschwendung (Dialogue Forum for the Reduction of Food Waste in Wholesale and Retail)
- European Chicken Commitment
- Danish Alliance for Sustainable Soy
- Danish Alliance for Responsible Palm Oil



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
- 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 (Netherlands)
- Floriculture Sustainability Initiative (FSI)
- The shift (Belgian sustainability network)
- Danish Climate Panel
- The Danish Plastics Federation network on sustainable packaging
- BEE FRIENDLY
- Superpartner of 'het Nationaal Schoolontbijt' (the National School Breakfast): a three-year partnership to enhance the importance of a healthy breakfast. (2019–2021)

2018

- Beyond Chocolate, partnership for sustainable Belgian chocolate: commitment
- Initiativkreis Tierschutzstandards Aquakultur (Initiative Group Animal Welfare Standards Aquaculture)
- Spanish Federation of Coeliac Associations (FACE)
- Spanish Federation of Food Banks (FESBAL)
- Danish CSR network
- Jongeren Op Gezond Gewicht (Youth on Healthy Weight Foundation – JOGG): three-year partnership to combating childhood obesity
- Spanish Association of Management and People Development (AEDIPE)
- Spanish Association for the Advancement of Management (APD)

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®)

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 (Forum Nachhaltiger Kakao): 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, etc.
- 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 Simplicity, Responsibility, and Reliability are the values that guide our actions. They are an integral part of our 'Simply ALDI' mission statement. The mission statement provides around 86,500 ALDI employees with a clear sense of direction. We are committed to always acting in accordance with our corporate values, and never risking compliance violations. We also expect all ALDI employees and business partners to act responsibly and reliably, adhering to all rules, policies, and agreements. Most ALDI companies have developed 'Compliance Goals' in which these requirements are stipulated.

OUR APPROACH

GRI 205/103-2/3, 206/103-2/3 Our mission statement and the Compliance Management System (CMS) provide ALDI employees with clear guidelines for ensuring ethically correct and compliant behaviour. 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 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.

Well-structured 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.

As a part of the CMS, whistleblowing systems have been created to receive information on compliance violations within ALDI Nord. Any violations of applicable law and internal rules can be reported through these channels either under a specific name or anonymously. Examples of reportable violations include corruption, unfair competition, unethical behaviour, and non-compliance with environmental standards. 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 websites of every country for internal and external parties at all times. In some countries, such as the Netherlands, there are also grievance systems and other channels in place that ALDI employees can use in cases of sexual harassment, bullying, discrimination, aggression, or violence. At ALDI Spain, incidents of this kind can also be reported using a whistleblowing system.

In addition, all national compliance officers use an internal case management tool for their documentation. In the event of an investigation, results, measures, and actions can be tracked and reported to their managing directors.

In future, we aim to introduce a Business Partner Compliance Management tool. This will be an international tool used for initial and ongoing screening of all business partners for financial or compliance risks. We will implement this tool to get a better overview of our partners. It may also form part of the implementation of the Act on Corporate Due Diligence Obligations in Supply Chains. This law is already in place in Germany, while legislation on a European level is being developed and will come into force at a later date.

Compliance as an integral part of ALDI Nord

GRI 205/103-2/3, 206/103-2/3 We provide various kinds of training to raise the awareness of all ALDI employees to the importance of compliance. New employees receive training on the key policies of ALDI Nord when they start working for us. In Germany and in the Netherlands, authorised signatories and managing directors in all departments of ALDI Einkauf also regularly complete training sessions, covering a wide range of critical topics such as antitrust law, unfair competition, protection of company secrets and avoidance of corruption, as well as data protection and information security. Since September 2019, these topics have been part of compulsory attendance training at the ALDI

Academy. Owing to the COVID-19 pandemic, we converted face-to-face events into online offerings in the reporting year. Similar training takes place every two to three years at the ALDI companies in every country. We expanded communication about compliance on the websites of all countries and participated in industry events, such as the 'Bundeskongress Compliance' (Federal Compliance Congress) in Germany.

RELIABLE DATA PROTECTION AS A BASIC REQUIREMENT

GRI 418 We see reliable data protection as an essential prerequisite for all our activities. The policies of the ALDI companies on the general principles, goals and responsibilities are designed to ensure holistic information security and legally compliant data protection across all business processes. ALDI employees receive regular training on information security and data protection issues. Data protection courses geared to specific target groups are also held, for example on how to handle employee or customer data or how to recognise phishing.



COUNTRIES

FROM THE RUHR VALLEY TO EUROPE

GRI 102-4, -6 The ALDI brand is an unrivalled hallmark for the success of the discount principle.

Our story starts in the Schonnebeck neighbourhood of the city of Essen in Germany. Over the past decades, a small food store has grown into the ALDI Nord Group of Companies, which is represented in a total of nine European countries with more than 62 equally independent regional companies. All of them aim to set benchmarks for price and quality while also meeting our stakeholders' expectations when it comes to sustainability. The Corporate Responsibility (CR) Policy and the CR Programme apply throughout ALDI Nord. The ALDI companies in each country select different focal points. [Click on the map or the menu to learn more about our national CR activities and flagship projects.](#)

Countries

Belgium

Denmark

France

Germany

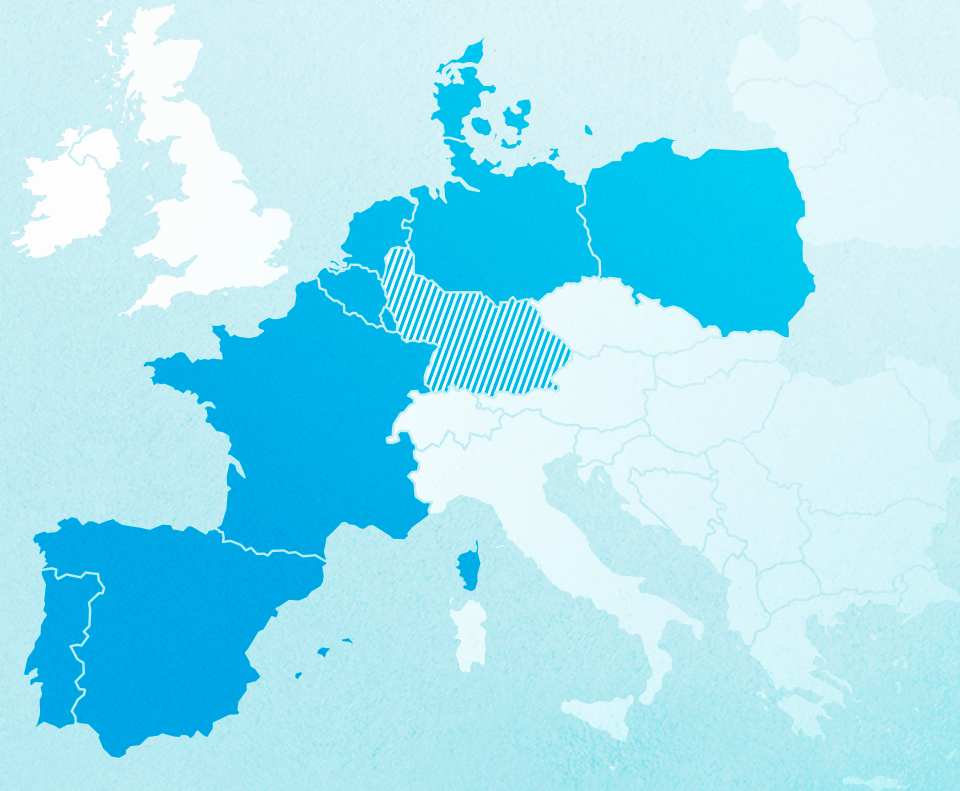
Luxembourg

Netherlands

Poland

Portugal

Spain





Optimising packaging and energy efficiency – ALDI Belgium and ALDI Luxembourg

ALDI Belgium and ALDI Luxembourg take a holistic view of sustainability, from sustainable packaging to food waste, and from renewable energy strategies to promoting healthy nutrition.

118 PHOTOVOLTAIC SYSTEMS

111 photovoltaic systems on the roofs of our stores and our 7 distribution centres. In total we generated around 9,149 MWh in 2021, equal to the annual energy consumption of around 4,970 households.



98% OF OUR OWN-BRAND PACKAGING IS RECYCLABLE

Optimising various packaging materials enabled us to reduce the amount of plastic by 260 tonnes and cardboard by 24 tonnes in 2021.

ALDI Belgium in profile

Regional companies	7
Stores	441
Total ALDI employees	7,927
Year of market entry	1976
Website	www.aldi.be

Progress on national goals 2021 →

ALDI Luxembourg in profile

Regional companies	1
Stores	17
Total ALDI employees	182
Year of market entry	1991
Website	www.aldi.lu

Progress on national goals 2021 →

The sustainability focus in Belgium and Luxembourg is based on the CR strategic topics identified by the international materiality analysis. In the year under review, these included reduction of food waste, introduction of the Nutri-Score label and more sustainable packaging, installation of solar panels to protect the climate, and improvement of animal welfare conditions during the production of our products.

In 2021, 302 stores donated food surpluses to charitable associations, underscoring our commitment to tackling food waste.

We focus on optimising our packaging, reducing plastic (260 tonnes) and cardboard (24 tonnes) wherever possible, and increasing the availability of unpacked fruit and vegetables.

We also expanded our sustainable product ranges, for example, by introducing MSC certified canned tuna. Our seasonal chocolate products now have the FSI Fairtrade label, which certifies certain ingredients, such as cocoa, as Fairtrade. We also launched the CHOCEUR Choco Changer, a sustainable chocolate bar based on Tony's open chain principles. We now label almost 300 of our products with the Nutri-Score so as to aid our customers in making healthier choices.

Our climate-protection efforts have ensured that 111 stores and 7 distribution centres are fitted with solar panels on their roofs. 97.5 per cent of our stores have energy-efficient LED lighting, 44 stores have a climate-friendly CO₂ cooling system, and 46 stores have vegetative roofs.



In the year under review, we also updated our National Animal Welfare Policy. We participated in the Better Chicken Commitment that involves us in joining forces with other retailers in order to improve husbandry conditions for all chickens used in fresh and frozen products by the end of 2026.



From food waste to deforestation – ALDI Denmark is committed to improving sustainability



ALDI Denmark's commitment to sustainability results in 100 per cent of stores having food waste partners, improved animal welfare, and sector partnerships to fight deforestation.



100% OF STORES WORK WITH FOOD-WASTE PARTNERS

All our stores work with Too Good To Go (TGTG) and sell Lucky Bags with fruit and vegetables, and with bake-off goods. 28% of our stores currently have a donation partner.

100% COMPENSATION FOR OUR INDIRECT SOY USE

We are an active member of DIEH (Danish Initiative for Ethical Trade), which works across sectors to prevent deforestation as a result of soy and palm oil. In 2021, we compensated for 100% of our indirect soy use through credits.

ALDI Denmark focuses on combating food waste and works with various partners to achieve this goal. All Danish stores have sold Lucky Bags with fruit and vegetables in collaboration with Too Good To Go since 2020. As the bake-off category often generates a lot of food waste, we worked with Too Good to Go to test Lucky Bags on this range. After the successful test phase had been carried out in 23 stores throughout 2021, when we sold over 1,800 Lucky Bags, we introduced this concept in all stores from February 2022.

We also reduced food waste by donating leftovers to groups in need as we collaborate with charities such as 'stop waste locally' (Stop Spild Lokalt) and the Ringgaard association (Foreningen Ringgaard).



We are continuously expanding our range of responsible products labelled according to national standards such as the Keyhole, the Whole Grain Initiative, organic labels, and the official government label Better Animal Welfare (Bedre Dyrevelfærd). In 2021, we launched our own-brand

product line, Vegan Time, with 18 different products so as to offer our customers plant-based dairy and meat alternatives. All fresh chicken products in Denmark were switched to the slow-growing Ranger Gold chicken breed in 2020, which ensures better husbandry conditions. All products are labelled with the Danish animal welfare label.

Since 2018, ALDI Denmark has worked closely with the Danish chapter of Save the Children. As a main sponsor in 2021, we and our customers donated more than 173,000 euros. ALDI Denmark donated money and goods for Save the Children summer camps and the Save the Children cycling team.

ALDI Denmark in profile

Regional companies	0
Stores	189
Total ALDI employees	2,930
Year of market entry	1977
Website	www.aldi.dk

Progress on national goals 2021 →



A growing company with strong sustainability goals: ALDI France

The rapid growth of ALDI France did not slow the pace of sustainability initiatives, such as the introduction of fair local agreements to promote the French agricultural sector and producers

134 PHOTOVOLTAIC SYSTEMS ON OUR STORES (12,798 KWP INSTALLED)

The number of photovoltaic panels on our stores increased in 2021 to reach a total capacity of 12,798 kWp. The next step is implementation of 270 additional PV by the end of 2024.

100% OF OUR OWN-BRAND MILK PROVIDES FAIR REMUNERATION FOR FARMERS

through the agreement signed in 2022 for our organic own-brand milk.



ALDI France is growing. The acquisition of Leader Price increased the number of our stores by 440, reaching a total of 1,309 stores. We added three new distribution centres and welcomed over 6,000 new employees to ALDI France in 2021.



Our focus in 2021 was to promote the French agricultural sector and producers. Our representatives signed the first tripartite contract with French suppliers, aiming to offer our customers non-GMO own-brand milk produced and collected in France, and for which the producers are fairly remunerated.

In September 2021, we also signed an agreement on Limousin cattle meat that guarantees fair remuneration for producers and local quality meat, along with respect for the environment through High Natural Value (HNV) certified farms. Our plan is to expand with other sectors.

We also support broadly responsible sourcing through several initiatives – for instance, we made a commitment to the [French Initiative for sustainable cocoa](#).

Despite its rapid growth, ALDI France is redoubling its efforts to reduce greenhouse gas emissions by introducing measures in all new stores. 85 per cent of new stores have switched to energy-efficient LED lighting and 69 per cent have climate-friendly cooling systems. ALDI France is also pursuing implementation of its ambitious photovoltaic system, with a goal of 270 additional PV by the end of 2024. Since March 2022, ALDI France has made a commitment through the voluntary FRET21 programme to reduce its emissions in downstream transport by seven per cent between 2021 and 2024.

ALDI France in profile

Regional companies	13
Stores	1,309
Total ALDI employees	16,428
Year of market entry	1988
Website	www.aldi.fr

Progress on national goals 2021 →



Animal welfare is top of the agenda for ALDI Nord Germany

Significant improvements in animal welfare and an expansion of the vegan food range in response to customer demands for more sustainable products were achieved.



END TO THE CULLING OF MALE CHICKS FOR 100% OF OUR SHELL EGGS

The culling of male chicks after hatching can be prevented by raising them or determining the sex before hatching. We accept both options from our suppliers.

9 OWN-BRANDS REGISTERED FOR NUTRI-SCORE IN 2021

The Nutri-Score enables customers to easily identify the nutritional value and live healthier. In 2022, we also registered our GUT bio brand for the Nutri-Score.

Animal welfare is an important concern for ALDI Nord Germany and German citizens. As part of our initiatives to increase animal welfare, especially for livestock such as pigs, broilers, turkeys and cattle, we called for a change in husbandry practices ('Haltungswechsel'): By 2030 we will consistently convert our fresh meat and drinking milk (fresh and UHT) to the more animal-friendly husbandry levels 3 and 4 (fresh air and organic farming). We started by changing our fresh pork from husbandry level 1 to husbandry level 2 (except fillets), and further extended the welfare labelling system ('Haltungsform') from fresh meat to cold cuts and other processed meat products in 2021. From the beginning of 2022, we also labelled dairy products with the welfare labelling system. Responding to the concerns of farmers and customers, ALDI Nord Germany committed to converting the entire supply chain for fresh pork to 5D. This means that the entire supply chain is in Germany: from birth to slaughter and processing. Even before new legislation came into place, we halted the culling of male chicks for all our shell eggs.

For the third year in a row in 2021, ALDI Nord Germany won the Vegan Food Award by Peta in the category Best Vegan Barbecue product for our 'Wonder Grill- und Flammenspieße' (BBQ skewers).



Since August 2021, we have required all our suppliers of fresh meat, frozen and chilled meat products, and shell eggs to use exclusively deforestation-free soy for ALDI Nord products. An interim solution with Book&Claim will be accepted for suppliers who are not aware of the use of soy in their supply chain or

who cannot use certified deforestation-free soy. By 2025, we aim to have at least 50 per cent physically certified soy in the supply chains for the commodity groups meat (fresh, frozen, processed) and shell eggs.

ALDI Nord Germany in profile

Regional companies	28
Stores	2,223
Total ALDI employees	37,899
Year of market entry	1961
Website	www.aldi-nord.de

Progress on national goals 2021 →



ALDI Netherlands puts healthy, affordable nutrition at centre

ALDI Netherlands focuses on healthy, sustainable, and affordable nutrition and is reducing the impact of farming on the environment.



12 DAIRY ARTICLES 'ON THE WAY TO PLANETPROOF'

By adding 2 cheese articles to our certified dairy assortment, we take another step in making our dairy assortment more sustainable by supporting farmers to take extra care of their cows and the environment.

750 KIDS TOOK PART IN VEGGIE BOXES PILOT PROGRAMME

The pilot led to increased consumption of vegetables in kids aged 1–4 years, according to the University of Maastricht. The actual project will be rolled out in 2022.

The public debate around healthy nutrition comes with high expectations in the Netherlands. One of the most challenging issues in society is that half of the Dutch population over 20 years of age is overweight or obese. Our commitment to promoting healthy nutrition is underlined by our extension of the partnership with JOGG until 2023. This is a partnership to promote a healthy lifestyle among children.

We are running a pilot project for the implementation of Nutri-Score in the dairy category. Nutri-Score enables our customers to make healthier decisions by comparing the nutritional information of products at a glance. The first products with Nutri-Score were introduced in late 2021.

Another topic at the centre of public discussions is the position of farmers and the impact of food production on our environment. For effective change to happen, there must be a lively exchange of ideas between ALDI Netherlands and the farmers. Communication like this was challenging under the conditions of the COVID-19 pandemic. We are in close discussions with suppliers, primary producers, and farmer representatives focused on how to be involved in value-adding cooperation with all our chain partners. Our website and magazine introduced customers to our primary producers and farmers.



Providing our customers with fresh, high-quality products is important to us. We cooperate with strategic suppliers and primary producers to improve the quality of fruit and vegetables, bread, meat, and our dairy assortment. We have, for example, expanded our bread range made with Dutch wheat and worked with our cold-cut supplier to switch to meat of Dutch origin.

ALDI Netherlands in profile

Regional companies	7
Stores	487
Total ALDI employees	9,013
Year of market entry	1973
Website	www.aldi.nl

Progress on national goals 2021 →



Development of a sustainable product range and awareness raising: ALDI Poland

Responding to increasing public demand, ALDI Poland expands its sustainability activities, including working to reduce food waste and to protect bees.



SECOND FOOD WASTE PREVENTION CAMPAIGN

Every autumn, we conduct a campaign on how people can reduce food waste. The campaign includes information in store, on social media, and in a special CR magazine focused on food waste.

96% OF OUR STORES DONATE FOOD TO CHARITIES

Our goal is to minimise wasted food by donating products to public benefit organisations. Wherever possible, we aim to achieve cooperation on food-waste prevention for all our stores.

Recent studies confirm that consumer awareness of sustainability is steadily growing in Poland. Consequently, we are continually developing our sustainable product range to raise customer awareness further and provide comprehensive information about our CR activities.

We published two CR magazines in 2021, available at our stores or online, and we inform our customers how they can protect the environment in their daily lives by making sustainable decisions. Reducing food waste is an important issue for us in Poland and this is reflected in a campaign we ran in November 2021. Together with the Polish influencer Sylwia Majcher, we published a special magazine to inform our customers about food waste and the zero-waste concept. We also published our first CR magazine for children to raise their environmental consciousness.



In 2021, we continued our cooperation with charities and donated food, with Caritas Polska as our biggest recipient. We aim to extend our donations to small local charities in the near future. Our cooperation continued with Klub Gaja in 2021.

The work focused on bee protection and we set up an educational apiary together. Children are able to use the apiary to learn about bees and their lives. We also planted three flower meadows in the neighbourhood of some of our stores to attract insects and increase biodiversity. In 2021, we continued to implement environmental solutions for our stores, such as solar panels, LED lightning and green roofs.

ALDI Poland in profile

Regional companies	1
Stores	201
Total ALDI employees	3,466
Year of market entry	2008
Website	www.aldi.pl

Progress on national goals 2021 →



ALDI Portugal: Working to reduce food waste and enabling healthier choices

The promotion of healthy eating and the reduction of food waste – just two priorities of ALDI Portugal.

114 CERTIFIED VEGAN & VEGETARIAN ARTICLES

114 products carried the V-Label or the vegan flower in 2021 at ALDI Portugal, marking vegetarian products and products that are guaranteed not to contain any ingredients originating from animals.



49.5% OF SUSTAINABLE CERTIFIED FISH & SEAFOOD

We systematically switch our product ranges to sustainable fish products.

49.5 per cent of all own-brand articles are certified, 68 per cent of them are MSC certified.

ALDI Portugal supports vulnerable people at many locations by means of food and non-food donations. In 2021, ALDI Portugal joined the United Against Food Waste Movement. This multi-stakeholder platform unites those with a common vision to share best practices, unite, and raise public awareness about the importance of avoiding food waste. We also joined the Smart Waste Portugal Association and the Portuguese Plastics Pact to strengthen our commitment to sustainability packaging and promotion of the Circular Economy.

We are committed to healthy nutrition and we constantly expand and improve our product range to offer products for special nutritional needs and a healthy diet. This approach includes introduction of the Nutri-Score, a simplified nutrition labelling scheme that helps consumers quickly assess the overall nutritional composition of food products and effectively promotes a more balanced diet.

In 2021, ALDI Portugal launched the implementation of the Nutri-Score in its own brands. Our commitment to a plant-based diet was rewarded in 2021 when we were voted 'Portugal's most vegan-friendly discounter' by the Portuguese Vegetarian Association (Associação Vegetariana Portuguesa). Our partnership with the Portuguese Association for Combating Childhood Obesity (APCOI – Associação Portuguesa de Combate à Obesidade Infantil) empowered us to promote healthy eating among children. In 2021, we expanded the range of local products Made in Portugal and continued promoting a sustainable range of fish and seafood products. Fish and seafood are particularly important in Portugal since the country has Europe's highest per-capita consumption.



ALDI Portugal in profile

Regional companies	1
Stores	105
Total ALDI employees	2,422
Year of market entry	2006
Website	www.aldi.pt

Progress on national goals 2021 →



ALDI Spain – a focus on sustainability during an expansion period

During the expansion of ALDI Spain into new regions, sustainability remains a key focus, with initiatives to improve animal welfare and promote energy conservation.



101 PHOTOVOLTAIC SYSTEMS
(6,310 KWP INSTALLED)

The policy of implementing renewable energy in stores and logistic centres was strongly reinforced in 2021. The increase in the installed photovoltaic capacity was almost doubled compared to the previous year.

100%
GREEN ELECTRICITY

As in the previous two years, we purchased 100 per cent green energy in 2021.

In 2021, we continued our expansion in Spain. Over the past three years, we opened almost 80 new ALDI stores. By the end of 2022, we plan to open an additional 50 new stores, 12 of them on the Canary Islands. We will create

more than 200 jobs in this region.

The distribution centre – currently under construction in Gran Canaria – will be built according to BREEAM criteria.



In Spain, all our fresh chicken, turkey, rabbit, Iberian and white pork, organic beef, milk, and eggs have

certification for animal welfare. By the end of 2021, 86 per cent of fresh meat was animal welfare certified and we aim to reach 100 per cent by the end of 2022. In December 2021, we published our National Animal Welfare Policy.

We increased the usage of renewable energy in our stores and distribution centres. In 2021, photovoltaic systems were installed in 48 stores (2,880 kWp with generation of 4,074 MWh). Wherever possible, photovoltaic systems are being installed in all new stores and in several existing stores. Installation may be restricted, for example, by the pitch of the roof, building regulations, or ownership. We had a total of 101 photovoltaic systems (6,310 kWp) on the roofs of our stores and distribution centres in 2021 with an annual output of 5,632 MWh, and generation of 96 per cent of the electricity being consumed by our stores. Furthermore, we plan to install photovoltaic systems in almost 70 additional stores by the end of 2022. At our distribution centres, photovoltaic systems are installed on new centres and on existing centres undergoing expansion.

ALDI Spain in profile

Regional companies	4
Stores	357
Total ALDI employees	5,939
Year of market entry	2002
Website	www.aldi.es

Progress on national goals 2021 →



CUSTOMER & PRODUCT

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.

THREE QUESTIONS TO LAURA RODRIGUEZ ZUGASTI

How does the cooperation between MSC and ALDI Portugal and ALDI Spain promote sustainability?

To promote global sustainable fisheries, we need partners who demand sustainable seafood and incentivise organisations to certify. ALDI Spain and ALDI Portugal are key partners in supporting certified fisheries since the opening of the MSC Iberian office in 2011. The commitment of ALDI is important and has motivated new suppliers to join the MSC Programme.

What was your personal highlight in 2021?

At the 'Mares Para Siempre' (Seas Forever) Awards, ALDI Spain received the 'Private Brand MSC Award' for the company's progress in the share of blue label seafood in its own brands. Our work with ALDI Portugal on 'IV Encontro Juntos Melhor' (Better Together Annual Event) substantially strengthened the national sustainable seafood movement. Over 50 per cent of ALDI Portugal own-brand seafood bears the MSC label. Since 2021, all codfish has been 100 per cent MSC certified.

What are your next steps?

To make progress in sourcing sustainable seafood, we work closely with the sustainability, purchasing and communications departments to understand expectations and priorities. In Portugal, we welcome the goal of 100 per cent MSC on hake by 2022. In Spain, we have collaboration plans to introduce certified redfish and increase the share of MSC-certified products in own brands. The development of canned goods, for example tuna, in both countries is planned.



LAURA RODRIGUEZ ZUGASTI
MSC Spain/Portugal, Programme Director Spain and Portugal



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 Sustainability plays an increasingly important role in the buying habits of modern customers. As internationally active retailers, we reach millions of people of all ages, social classes, and educational backgrounds. ALDI Nord aims to leverage this potential to make a positive contribution to sustainability and enable all customers to consume responsibly and without a bad conscience at affordable prices. We are constantly expanding our sustainable product ranges to prevent food waste, reduce our packaging, and use fewer resources, with a focus on the circular economy. Food products have immense potential to positively impact health and the environment, as addressed in the EU's Farm to Fork strategy, which recognises the self-evident link between healthy people, healthy societies, and a healthy planet. Our development of responsible product ranges empowers us to contribute to the UN Sustainable Development Goal 12 – 'Responsible consumption and production: ensure sustainable consumption and production patterns'. Enabling our customers to consume responsibly is part of our Corporate Responsibility Quality Assurance (CRQA) strategy, assisted by a growing selection of vegan, vegetarian, and organic foods, alongside some products for special dietary needs.

OUR APPROACH

GRI 301/103-1/2, 306/103-1/2, 416/103-2 In order to offer our customers only high-quality products, we have established comprehensive quality assurance and management processes throughout our value chains. Our own-brand products are subject to strict quality standards developed in cooperation with our suppliers and buying departments. The aim of ALDI Nord is always to go beyond legal requirements and meet our customers' needs and wishes. Independent quality and sustainability labels by consumer organisations or NGOs regularly confirm the excellent quality of our own-brand products.

GRI 102-2, 204/103-1/2, 306-1, 417/103-1/2 Waste prevention and promotion of the circular economy are key pillars of sustainable development. At ALDI Nord, one primary focus is the development of measures to reduce food waste and provide more sustainable packaging.

Circular packaging

As plastic preserves the quality of goods and can be used in a variety of different ways, we regard it as a valuable resource. However, ALDI Nord joins the public, governments, and other companies in becoming increasingly concerned about the growing volume of plastic waste. Our goal is to use minimum packaging material while always safeguarding product safety and quality.

Our international packaging strategy, launched in 2020, follows the circular-economy principle and focuses on four key areas:

- 1 Material efficiency
- 2 Recyclability
- 3 Usage of recycled content
- 4 Weight reduction

We have defined international goals in these areas and they can be found in our CR Programme. In addition, the ALDI companies also pursue national targets set out in our plastics and packaging strategies.

Against food waste

Food waste is a global challenge that we are determined to address continuously. Our focus lies on areas where we have the greatest impact: the reduction of food loss in our supply chains and food waste in our stores. The materiality analysis underlines the importance of food waste reduction for us and our stakeholders.

We strive to improve ordering processes and our food product handling to avoid surplus food wherever possible. This includes optimising our food loss and waste monitoring to assess the consumption of products better and prevent food waste.

Even with the best intentions, food waste cannot be avoided entirely but our mission is to deal with waste as sustainably as possible. For further details on our measures, see sub-section 'Reduction of food loss: our goals' below.

Healthy and sustainable nutrition

Besides waste reduction, the ALDI countries focus on the key consumer needs in food, nutrition, and health. In light of the worrying increase in overweight people in the EU population and the growing customer awareness of conscious eating in the face of climate change, we are convinced that healthy and sustainable eating should be possible and accessible for everyone. We make this possible by continuously optimising our products' nutritional values and expanding our labelled range of plant-based, regional, national and organic products. Using the latest technology and ingredients, we work within the framework of responsible food handling and the best possible product quality in close cooperation with our suppliers.



ORGANISATION & GUIDELINES

GRI 204/103-2, 301/103-1/2, 417/103-2 The organisation of purchasing processes at ALDI Nord is carried out by the International Buying (IB) department and the relevant national Category Management departments (CM). IB handles the purchasing of products where synergy effects within the supply chain exist due to international bundling. CM is in charge of purchasing at national level for products with low international bundling potential. CRQA International bears responsibility for the assurance of quality and CR standards of the products purchased by IB, while CRQA National as part of the respective CM departments ensures that specific national considerations – such as food law requirements – are fulfilled for all products offered in the respective countries.

Our Purchasing Policies set and determine targets for the sustainable use of resources.

ALDI Nord is represented in nine countries and the question of what is recyclable in each market is not always easy to answer. National standards often differ and there are no standards available in some of our marketplaces. In spring 2022, we therefore published our ALDI International Recyclability Guideline in cooperation with the Institute cyclos-HTP (CHI). In addition to information on the sorting and recycling infrastructures of individual materials, this guideline contains detailed information on the optimisation of different packaging types in terms of their recyclability. The guideline is addressed

to all ALDI buying departments and our suppliers, and it is framed as a global recommendation. The objective is to provide support in deciding which materials are advantageous in terms of recycling and how packaging can most effectively be designed to promote the circular economy. For further details on the German Guide for more sustainable packaging, see Interim Report 2020.

Regulations

GRI 301/103-2/3, 306/103-2/3, 306-1, -2, 416/103-2 Rather than waiting for legislation to be passed, we aim to identify possible issues and upcoming political developments and wherever possible implement changes ahead of time. CRQA and the Public Affairs department monitor regulatory developments, such as product and packaging requirements and taxes, to provide advice for the relevant departments. In March 2020, we presented our ALDI Nord focus topics of 'packaging' and 'modern nutrition' in time for the launch of the EU Farm to Fork Strategy covering the topics of circular packaging, reduction of food waste and loss, regionality, balanced nutrition, plant-based and organic products. This commitment to the EU Farm to Fork strategy is intended to accelerate the transition to a fairer, healthier, and more environmentally friendly food system.

Regulations for product packaging and waste prevention

Every year, a wide range of regulatory developments affects our product packaging. We keep the goals of the European (EU) Plastics Strategy and EU Green Deal in focus. In July 2021, EU single-use plastic legislation came into force at the national level, aiming to eliminate single-use plastic products, counteract contamination of the environment with microplastics, and promote the use of recycled plastics for single-use plastic beverage bottles. Other national regulations also tackle waste avoidance. In France, a national law on waste prevention and the circular economy has been in place since 2020, ahead of EU regulation. Within this framework, plastic packaging for fruit and vegetables weighing less than 1.5 kilograms was banned in 2022.

Our national plastic and packaging strategies are ahead of EU targets, highlighting our commitment to circular packaging. Our missions and strategies for packaging have been in place at national level in Germany since 2018, with Belgium, Denmark, Luxembourg, Portugal, and Spain following in 2019. National Plastic Pacts have been signed by ALDI companies in Denmark and Portugal (2021), and the Netherlands (2019).

Regulation on the topic of food waste

National legislation is in place in various ALDI countries to deal with the topic of food waste. For instance, food surplus donations are a legal requirement in France and Poland. However, our engagement is not restricted to these countries, as we donate food that is no longer marketable but still edible in all ALDI countries. For a harmonised approach in all countries, we published the ALDI Nord Guideline for the prevention of food losses and food waste that details our commitment. This guideline applies to all food products sold by ALDI Nord. It regulates the handling of surplus food and is binding for the ALDI companies and their business partners.

The guideline is structured according to the ALDI Nord Food Waste Hierarchy and specifies measures through the levels of prevention, donation, recycling, recovery, and disposal.



PROGRESS & MEASURES 2021

GRI 204/103-2, 301-1/103-2, 306-1, -2, 416-1, 417/103-2, 417-1

Beyond our Packaging Mission: the goal of a circular economy



At ALDI Nord, we avoid plastic packaging wherever product protection and quality requirements allow. In doing so, we work systematically with our suppliers and are guided by the principles of the circular economy: 'Reduce. Reuse. Recycle.' In 2021, we published the following two new international goals to reduce plastic consumption and promote the circular economy:

- 1 20 per cent less virgin plastic in own-brand packaging by the end of 2025 (minimum target, with baseline 2020, in relation to sales)
- 2 30 per cent recycled content in own-brand plastic packaging by the end of 2025 (minimum and on average)

In November 2021, we started offering a workshop – the Packaging Lab – for purchasing

departments to improve our own-brand packaging systematically. In this workshop, we analyse problematic packaging types in relation to recyclability within an ALDI Nord commodity group category and identify optimisation potential. In addition to optimising the recyclability of our packaging, we have focused on the reduction of plastic in our own-brand packaging. In Germany alone, we saved around 4,775 tonnes of plastic in the packaging of our own-brand products in 2021 compared to 2020, and 17,408 tonnes in 2021 compared to 2015. Countrywide savings from 2020 to 2021 amounted to 28,805 tonnes of packaging material and from 2015 to 2021 a total of 66,854 tonnes. We reduced the amount of plastic used in Belgium in 2021 by 260 tonnes, and cardboard used by 24 tonnes, on the back of

optimisation for different packaging by changing materials or types of packaging. In 2021, ALDI France banned the use of plastic lids on chilled convenience salads, which saves 121 tonnes of plastic each year.

Improvement of recyclability

With a view to the circular economy, we strive to improve the recyclability of our packaging and products. In 2021, we checked recyclability in the Netherlands for our plastic, paper and cardboard packaging in the standard range against the KIDV Recyclecheck (version: 2021) to identify the potential for optimisation. Based on this survey, it is estimated that 78 per cent of primary and secondary packaging in the Netherlands (including glass and metal) could be classified as having 'good recyclability'

according to the KIDV Recyclecheck. In Belgium, 98.75 per cent of the packaging was recyclable in 2021. To increase the recyclability of our packaging in Belgium and Portugal, we no longer sell our fresh meat articles in black or coloured packaging. ALDI Belgium switched 20 products from black trays to transparent trays in 2020.

Increased use of recycled materials

In addition to our efforts on recyclability, we are continuously increasing the use of recycled materials wherever possible. We use up to 50 per cent recycled PET in all ALDI countries for fruit juices in 0.33-litre bottles and our own-brand cola. Water bottles are made of 100 per cent recycled PET, depending on the country. In Belgium, all our poultry trays are made of 100 per cent rPET (PE tray lid not included), which are 100 per cent recyclable.

Customer information on correct disposal of packaging

Our responsibility for packaging does not end with the sale of our products, since we inform the end consumer about the correct disposal of packaging materials. As part of the German ALDI Packaging Mission ('Verpackungsmission') in 2020, we printed information about the proper disposal of packaging materials on almost all own-brand products in Germany. In Portugal, ALDI waste sorting and recycling instructions are printed on all packaging for own-brand

ALDI Einkauf SE & Co. oHG

"Recyclability is an essential challenge of our packaging strategy. With the ALDI Recyclability Guideline, we create transparency and support suppliers as well as purchasing departments in the cross-national evaluation of packaging recyclability."

ANIKA ROß

Manager Corporate Responsibility Quality Assurance International





products. In Poland, ALDI waste sorting and recycling instructions are increasingly printed on the packaging of own-brand products. Similar national labelling systems are used in some countries, such as the Netherlands or Spain. By 2022, ALDI Netherlands aims to label 100 per cent of its own brands with the national disposal logo ('Weggooiwijzer') to meet an industry-wide commitment.

Focus: increased packaging-free fruit and vegetables

The product range of fruit and vegetables is one of the priorities in our efforts to reduce the use of packaging. By the end of 2025, at least 40 per cent of the fruit and vegetable products of all ALDI companies are to be sold without packaging. However, some products require packaging for quality and safety reasons, such as delicate berry fruits.

Thanks to reusable systems for our transport and packaging, as well as reusable boxes for our fruit and vegetable products, we have already saved millions of single-use cardboard boxes and tonnes of CO₂ within the ALDI countries. In 2021, there were about 120 million reusable plastic containers in circulation. We are working continuously with our suppliers to reduce packaging for fruit and vegetables by using less plastic and/or replacing it with certified paper, cardboard packaging, grass paper, or other sustainable materials.

In Portugal, for example, we have started to replace plastic trays with cardboard trays for our own-brand packaged fruit and vegetables, which reduces the amount of plastic in each package by an average of 70 per cent. Since 2021, ALDI Portugal, ALDI Netherlands, and ALDI Belgium no longer use plastic interlayers in loose fruit and vegetable boxes. ALDI Portugal also increased the share of unpackaged items in the fruit and vegetable sector to at least 50 per cent by the end of 2021. In the Netherlands, we introduced unpacked

pears and apples in our fruit and vegetable range. Additionally, we changed the lid on the packaging of all our mushroom varieties to a lighter top seal, reducing 8-12 per cent of plastic per package and saving more than 10 tonnes of plastic every year. In Denmark, avocados and mangos are sold in cardboard trays. ALDI France also switched to cardboard trays for organic products like avocados, tomatoes, courgettes, and apples which amounts to 42 tonnes of saved plastic a year. We replaced plastic bags with banderoles when

packaging bananas in Denmark, Belgium, and France. This enabled us to save three tonnes of plastic each year in Denmark, 17 tonnes of plastic each year in Belgium, and 34 tonnes of plastic in France.

Sustainable carrier bags and pouches

At all our ALDI stores, we are introducing more and more sustainable alternatives such as carrier bags and pouches for our products and replacing single-use plastic bags. In Spain, we introduced PEFC-certified paper bags in

BAGS SOLD/GIVEN AWAY

Number of bags sold/given away by type
(in thousands)

	2019			2020			2021		
	Total	Short-life bags ¹	Long-life bags ²	Total	Short-life bags ¹	Long-life bags ²	Total	Short-life bags ¹	Long-life bags ²
Belgium/Luxembourg ³	6,251	6	6,245	5,220	–	5,220	4,088	–	4,088
Denmark	5,438	5,177	261	3,845	2,329	1,516	2,532	7	2,525
France	16,763	12,707	4,056	15,982	11,998	3,984	18,537	10,737	7,800
Germany	21,473	–	21,473	20,860	–	20,860	22,286	–	22,286
Netherlands	5,439	51	5,388	4,958	1	4,957	5,045	1	5,044
Poland	7,638	1,156	6,482	7,479	7,154 ⁵	3,255	9,575	9,181	394
Portugal	5,538	4,961	577	6,239	5,535	704	7,124	6,218	906
Spain	17,909	16,822	1,087	25,541	24,391	1,150	28,722	27,707	1,015
ALDI Nord	86,449	40,881	45,568	90,124	51,408	38,716	97,909⁴	53,851	44,058

¹ Short-life bags: These include the paper and plastic carrier bag (incl. loop-handle carrier bag).

² Long-life bags: These include the cotton bag, jute bag, reusable bag, coloured carrier bag, permanent bag, cooling bag and plastic box. From 2020 onwards, this also includes reusable loop handle carrier bag and OGATA backpack.

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').

⁴ Totals may deviate due to rounding.

⁵ The value for 2020 was corrected compared to the information published in the previous year's report.



all stores by the end of 2021. In France, FSC® MIX certified paper bags were introduced at all ALDI stores in early 2021 and in Portugal in 2020. These bags are currently being introduced in Poland. Additionally, 2021 saw a reusable carrier backpack made of recyclable material being developed by the start-up OGATA in cooperation with CRQA and sold in Danish, Dutch, French, German, Portuguese, and Spanish ALDI stores. Due to supply problems with paper and reusable bags, we could not switch completely to reusable carrier bags in all countries as intended. We are working to achieve this goal as soon as possible. For further information, see [CR Programme](#).

Nets for fruit and vegetables are more environmentally friendly than traditional bags since they are washable and can be reused. In 2019, reusable nets for fruit and vegetables were introduced at the ALDI stores in Germany and they are now also available in Spain, Portugal, and Denmark. ALDI Belgium has been using FSC®-certified paper bags for loose fruit and vegetables since March 2020. In addition to reusable bags for fruit and vegetables, ALDI Nord Germany introduced a reusable bread bag made of cotton and recycled polyester in April 2021. ALDI Portugal introduced this bag in the first quarter of 2022, and ALDI Poland and ALDI Belgium will follow suit during the course of 2022.

Reduction of food loss: our goals



As part of the [Farm to Fork strategy](#), the EU sees tackling food loss and waste as a key to greater sustainability. Our goal is to ensure optimal availability of all products on our shelves while avoiding food loss and waste – both in our own operations and throughout the supply chain, all the way to our customers. The ALDI companies have already implemented numerous measures over the years to minimise food losses and waste in all areas. One of these measures concerns products with a short expiry date. Such products are sold at a 30 per cent discount in the 'sustainability boxes' available at our stores in Belgium, Germany, and Portugal, or the products are displayed on the shelves marked with a discount sticker.

Although they do not have a long shelf life, these products are still of impeccable quality. However, when food waste cannot be avoided, recycling and reuse are a high priority.

Reduction of food waste through cooperation

We also cooperate with partners to reduce food waste. Our goal is to have all ALDI stores working with a food waste reduction partner. These include food banks and organisations like Too Good To Go. At the beginning of 2022, ALDI Denmark extended their cooperation with Too Good To Go to their bake-off category, as this category has often generated a lot of food waste.

ALDI Belgium had already expanded its cooperation with food banks in 2019. Surplus food is frozen before donation so that the expiry date

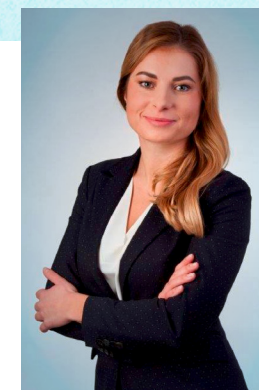
is no longer an issue. In the Netherlands, we are constantly working to increase cooperation for food donations to local food banks and we are committed to optimising our cold chain to avoid surplus food in the first place. Unsold bread from all Dutch ALDI stores is recycled into animal feed. ALDI Denmark also donates leftover food from its stores to vulnerable groups and is currently looking to expand its cooperation with charitable organisations such as 'Stop Spild Lokalt' (stop waste local) and 'Foreningen Ringgaard' (Ringgaard association). An additional measure is the training of staff to increase awareness internally. As part of this effort, CRQA Spain works in close cooperation with the sales and HR departments to train and support the teams on food waste. In addition to donating our retail products, ALDI Spain also

ALDI Sp. z o.o.

“To help reduce food waste in Poland, we donate products with short expiry dates to charities for distribution to people in need. Our goal is to promote rational management of food products and to increase customer knowledge and awareness.”

KATARZYNA BAWOŁ

Quality & Corporate Responsibility Director • Corporate Responsibility / Quality Assurance (CRQA)





works with social organisations to donate old computers and monitors, or surplus products from tasting events and trade samples.

Products from surplus food

Despite all our efforts, food surpluses cannot always be avoided but surplus food can sometimes be used to create new products. We have achieved our internationally defined goal of including products from surplus food production (food recycling) in the ALDI product ranges in 2021.

ALDI Portugal, for example, uses surplus bread from its stores to brew bread beer in cooperation with a local craft-beer brewery. The bread beer was launched in August 2021 and around 1,600 litres of ALDI bread beer were produced in 2021. Our intention with the accompanying campaign was also to raise customers' awareness for the importance of reducing food waste.

In our Spanish stores, tomato jam and an assortment of preserves under the brand es imperfect® (from the non-profit Espigoladors Foundation, which tackles food waste while providing employment for people at risk of social exclusion) were available as special-buy products in October 2021.

ALDI stores in Germany offered dumplings (Knödelkult) made from surplus bread as special-buy products in October 2021.

FOOD DONATIONS

Share 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.

	2019	2020	2021
Belgium/Luxembourg ¹	50.1	61.0	65.9
Denmark	72.9	61.2	28.4 ²
France	36.8	55.7	50.0
Germany	99.1	97.6	97.4
Netherlands	81.9	86.4	78.7
Poland	41.3	92.7	96.2
Portugal	100.0	100.0	100.0
Spain	64.0	56.1	66.7
ALDI Nord	76.2	80.9	76.7

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').

² At the moment, 28.4% of stores in Denmark are donating (due to a drastic decrease of donation partners). However, 100% of stores in Denmark have a partnership with Too Good To Go to prevent food waste.

Meeting customer demands for sustainable products



GRI FP Animal welfare 103-3 In most countries, products in the organic, vegan and vegetarian, regional, national, and Fairtrade ranges are continually expanding or are being optimised to offer customers exactly what they want.

Organic products

Consumer demands for organic products continue to rise. Organic products play a central role in the development of a sustainable food system for the EU. Customers recognise the value of high-quality food with a lower environmental impact. While the Farm to Fork Strategy of the EU Commission promotes increased organic farming, we are seeing a corresponding organic market growth in the EU of 15.1 per cent in 2020. The ALDI companies offer a total of 1,378 own-brand products that are labelled with the EU organic logo, an increase of around 7 per cent compared to 2020. In addition to the EU organic logo, other labels and own brands are used to identify organic products, such as the Ø-label in Denmark.

Vegetarian and vegan products

We are also seeing a shift in dietary needs and habits, and a trend towards a plant-based and more climate-friendly diet. ALDI Nord is therefore aiming to expand the vegetarian and vegan product ranges. At the same time, we are constantly working on optimising the sustainability of our products. One goal is for the soy in our soy-based vegan and vegetarian

products to be 100 per cent certified and/or of European origin. For further details on the procurement and cultivation of soy, see [here](#).

We promoted the consumption of vegan products by engaging in the TechFounders accelerator programme as a corporate partner and we have also funded two start-ups in the plant-based food sector. One successful project with start-up BettaFish was the development of a vegan tuna alternative. In October 2021, we launched three variations of a vegan tuna sandwich in ALDI Nord Germany. During Veganuary 2022, we also launched a pizza with the vegan tuna alternative by BettaFish, a vegan parmesan alternative, and a bacon alternative by Terra Vegane. In Spain, we developed vegan own-brand products in 2021. For example, we offer a vegan pizza margarita from our own-brand Flete and a vegan chocolate lava cake from our own-brand Special. In Denmark, we introduced our own vegan product range called Vegan Time which includes plant-based alternatives to dairy and meat.

Regionality and local products

Customers are yearning to find familiarity and authenticity in their food while at the same time wanting to act sustainably. This leads to many consumers preferring products that originate from their own region or country. Our focus on regional and national food contributes to product ranges which fulfil customers' desire to



buy fresh and local products. In early 2022, we published our [ALDI Nord Guideline for Local Food](#) to provide a clearer understanding of the different characteristics of local products. You can find more information about the Local Food Guide [here](#).

Fairtrade products

As outlined above, the origin of products plays an increasing role for environmental concerns and for the social conditions of production in the countries of origin. That is why we are expanding the proportion of Fairtrade products throughout most ALDI companies. In 2021, our ranges

featured 294 Fairtrade-certified products – an increase of 9 per cent compared with 2020. ALDI Belgium remains the only retailer in Belgium to offer 100 per cent Fairtrade roses all year round and introduced a Fairtrade carrier bag in 2021. ALDI Poland and ALDI France added Fairtrade items to their standard and special-buy product ranges for the first time in 2017.

Easter and Christmas products represent the largest share of Fairtrade products in the ALDI countries. Due to the COVID-19 pandemic, fewer seasonal products were sold and this led to a reduction in the provision of Fairtrade products.

How small changes to our product recipes help customers eat healthier



We are continually adapting the recipes of our own-brand products to meet new regulatory requirements and changing customer demands, while maintaining the same product quality and excellent taste. The introduction of the [Nutri-Score](#) in almost all ALDI countries is an additional opportunity for us to review and optimise the recipes of our products to make them healthier. For instance, ALDI France adapted recipes as part of the Nutri-Score launch in 2020. As part of a pilot on the dairy range, ALDI Netherlands improved the recipes of several dairy products in 2021, resulting in a better Nutri-Score. For example, our fresh

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.

	2019	2020	2021
Belgium/Luxembourg ²	37	57	70
Denmark	68	58	62
France	23	35	25
Germany	246	385	421
Netherlands	27	76 ³	115
Poland	73	96	84
Portugal	54	126	114
Spain	66	139	202
ALDI Nord	497	684	872

¹ Because certain products are purchased jointly for several countries, the total number of insourced 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').

³ The value for 2020 was corrected compared to the information published in the previous year's report.

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

	2019		2020		2021	
	Organic products	Fairtrade products	Organic products	Fairtrade products	Organic products	Fairtrade products
Belgium/Luxembourg ²	121	41	112	27	189	32
Denmark	169	75	234	61	243	41
France	223	42	256 ³	40	221	31
Germany	305	160	379	174	371	201
Netherlands	128	82	106	75	83	69
Poland	134	87	84	86	32	70
Portugal	244	97	271	92	228	80
Spain	322	64	314	69	295	65
ALDI Nord	1,178	265	1,290	269	1,378	294

¹ Because certain products are purchased jointly for several countries, the total number of insourced 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').

³ The value for 2020 was corrected compared to the information published in the previous year's report.



semi-skimmed milk and soy alternative for yoghurt are both Nutri-Score A due to the reduction of fat and sugar respectively. In Denmark, the Nordic Keyhole is already an established programme, with 132 products currently labelled with the Nordic Keyhole across different product groups. Furthermore, ALDI Denmark is a part of the Whole Grain Partnership which increases the availability of whole-grain products and increases awareness of the beneficial effects of whole grain. The partnership encourages Danes to eat more whole grains in order to improve public health. 30 products currently carry the Danish nutrition label 'Whole Grain Stamp'. ALDI Denmark is continuously working to reduce salt, sugar, and fat and aims to increase the proportion of whole grain in their products.

Standards for healthier food formulations

In recent years, several national initiatives and agreements have additionally been established in the ALDI countries to set standards for more healthy food formulations. Many efforts to create healthier food formulations are directed towards reducing the salt, sugar and fat content or increasing the fibre content of products. One example at ALDI Netherlands involves products that exceed the levels set in the national approach for product improvement (NAPV) to enhance the health of the Dutch population and they need to be adjusted accordingly. During the year under review, ALDI Netherlands focused on

reducing salt content in cheese spreads (between 5.4 and 6.5 per cent reduction relative to the average Dutch retail level), reducing the sugar content in iced tea, syrups, and fruit drinks (10 per cent reduction), and reducing the sugar content in dairy desserts (between 5 and 18 per cent reduction). In 2019, ALDI Nord Germany joined a federal government strategy to reduce sugar, fats, and salt in ready-to-eat meals. Since 2017, ALDI Spain began improving several product recipes to reduce the amount of sugar, salt, and fats, following a strategy developed by a government agency. In Portugal, the national Integrated Strategy for the Promotion of Healthy Eating (EIPAS) has been ongoing since 2017 to track the reduction of salt, sugar, and trans fatty acids in selected food categories and to promote healthy eating. In 2016, ALDI Belgium signed the 'Covenant Evenwichte Voeding' (balanced nutrition covenant) that aims to reduce the amount of sugar, salt, and saturated fatty acids and increase the fibre content in specific product groups. For further details on the national initiatives to improve food formulations, see the [Sustainability Report 2019](#).

How ALDI Nord promotes healthy lifestyles with campaigns and activities

One contribution we can make is the reformulation of products but we also actively promote healthy eating in various campaigns and actions. Our customers not only want products with lower salt, sugar, and fat content but also a healthier and more balanced diet in general. This encompasses issues like the expansion of fresh products in our stores and the promotion of healthy nutrition for children.

Personalised healthy diet

Since 2018, 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. More information can be found in the Sustainability Report 2019. In this context, a pilot project was developed with ALDI products in Spain in 2021. Over an intervention of four months, participants were informed about the most beneficial products for inclusion in their shopping and received personalised advice to promote a sustained improvement in health. We measured changes in adherence to the Mediterranean diet and observed a significant increase of MEDAS (Mediterranean Diet Adherence Score), showing a positive impact in shifting volunteers' habits towards healthier choices.

Promoting healthy eating for children

In 2021, ALDI Portugal extended its cooperation with the Portuguese Association Against Child Obesity (APCOI) as part of the [Heróis da Fruta®](#) project to launch two new kids' products. They represented a contribution to a project combating malnutrition among Portuguese children.

In the Netherlands, we continued working with JOGG (Young People at a Healthy Weight) to raise awareness of healthy nutrition among children and adolescents.

In 2021, we focused on promotion of 'Groenteboxjes' (vegetable boxes) in child-care centres. You can find out more about the 'Groenteboxjes' in the section [Social Commitment](#). In 2020, ALDI Netherlands launched a healthy children's range in partnership with Disney. The aim was to encourage parents and children to choose healthier products. The range included ten items that meet the criteria of the [Dutch Wheel of Five](#) – the national nutritional guidelines developed by the Netherlands Nutrition Centre – to highlight examples of healthy eating patterns.

Supporting the Spanish Paralympics team and promoting healthy eating in esports athletes

As part of this commitment, ALDI Spain reached a sponsorship agreement in 2020 with the Spanish Paralympic Committee through the Support to Paralympic Sport Plan (ADOP – Apoyo al Deporte Objetivo Paralímpico), linked



Commitment to greater animal welfare: meeting customer expectations for more ethical products

to nutrition. The goal of ALDI Spain is to support the values of self-improvement, teamwork, and effort that Paralympic athletes represent and which ALDI Nord shares. Under the slogan 'Devour your goals', nutritional experts worked with ALDI Spain to support Spanish Paralympic athletes with personalised monitoring of their nutrition. At the same time, ALDI Spain has been collaborating with the Spanish Academy of Nutrition and Dietetics (AEND) since 2020 to develop and disseminate content that promotes healthy eating habits through nutrition and exercise. ALDI France signed an esports partnership in 2021. This was focused on the importance of nutrition in esports, supporting athletes and encouraging them to be positive role models for their fans.

GRI 103-1/2/3, Animal welfare FP10 A key topic of public debate is the welfare of farm animals in food supply chains and animals from the non-food supply chains used for products such as leather or cosmetics. Many own-brand products contain animal-based resources. Over recent years, we have worked with suppliers to implement 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 has provided a binding framework for our activities since 2016. In June 2021, we published a revised version. Aspects such as stunning before slaughter, transport time, the use of hormone growth promoters, and antibiotics as

growth stimulants are now clearly regulated. The negative list has also been extended to include some raw materials such as alpaca wool. This policy applies 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.

Our international policy also stipulates a ban on fresh battery eggs and battery eggs used 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, Denmark, Germany, Luxembourg, the Netherlands, and Spain. ALDI Portugal achieved this in early 2020 and ALDI France at the beginning of 2021. We are going a step

SHELL EGGS FROM CAGE-FREE FARMING

Share of cage-free shell eggs as a proportion of the total number of procured shell eggs (in per cent)^{1,2}

	2019	2020	2021
Belgium/Luxembourg ³	100.0	100.0	100.0
Denmark	100.0	100.0	100.0
France	25.3	54.6	100.0 ⁴
Germany	100.0	100.0	100.0
Netherlands	100.0	100.0	100.0
Poland	36.8	36.8	100.0
Portugal	100.0	100.0	100.0
Spain	100.0	100.0	100.0
ALDI Nord	96.0	96.1	100.0

¹ Data was collected for the first time in 2020, as well as retrospectively for 2019 if available.

² KAT-certification is not reported separately anymore, as 100% KAT-certification was achieved in all countries.

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').

⁴ From March 2021, ALDI France has totally stopped selling caged shell eggs and has thereby achieved a goal which was set to be achieved in 2025.

ALDI Einkauf SE & Co. oHG

"The development of the last few years shows that the demand for animal welfare products is growing steadily. With the change of husbandry, we are creating planning security on the market side to achieve a wider transition to improved animal welfare."

DR ALEXANDER LAUER

Authorised Representative of the Administrative Board





CAGE-FREE OWN-BRAND PRODUCTS CONTAINING EGGS

Amount of sold cage-free own-brand products containing eggs as a proportion of the total number of sold own-brand products containing egg from the standard and special-buy product ranges (in per cent)¹

	2020	2021
Belgium/Luxembourg ²	99.7 ³	100.0
Denmark	100.0	100.0
France	79.3	93.4
Germany	99.5	99.9
Netherlands	100.0	100.0
Poland	49.7	40.8
Portugal	62.9	43.0
Spain	64.4	56.0
ALDI Nord	80.1	79.1

¹ Data was collected for the first time in 2020. Data collection method in 2021 changed compared to previous year, therefore, comparison with previous year data is limited.

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 data only refers to companies of ALDI Belgium. An expansion to companies of ALDI Luxembourg will follow in the upcoming years.

further by increasingly eliminating the use of battery eggs for processed own-brand products in many countries. This is underscored by our participation in the Egg Track Report 2021 from Compassion in World Farming (CIWF). For example, ALDI Netherlands already banned eggs sourced from battery hens in egg products in 2016. In Germany, this step was completed in 2018, with Denmark following suit in 2019. In Belgium, 100 per cent of our own-brand products are made without battery eggs and in

France 94.3 per cent. 100 per cent cage-free eggs in own-brand products are also planned in ALDI Poland, ALDI Portugal and ALDI Spain by 2025.

In early 2022, ALDI Belgium published an update of its National Animal Welfare Purchasing Policy. This states that ALDI Belgium will completely replace the meat in fresh and frozen chicken products with meat from suppliers that comply with the Better Chicken Commitment (BCC) criteria by 2026. These chickens belong to a slower-growing breed, they have 40 per cent more room to move, and benefit from daylight in the chicken coop. Perches and straw bales further stimulate the natural behaviour of the chickens. Since September 2021, the standard range of ALDI Belgium includes a roast chicken that meets the BCC criteria. In 2020, ALDI France, ALDI Nord Germany, and ALDI Spain had already committed to the standards of the BCC until 2026. ALDI France has also committed to 20 per cent free-range for all own-brand products with more than 50 per cent chicken-meat content by 2026.

ALDI Luxembourg and ALDI Spain have also published their first National Animal Welfare Purchasing Policies. ALDI Poland plans to introduce a similar policy by the end of 2022.

ALDI Nord Germany aims to define the standard option as products sourced from suppliers taking animal welfare seriously. The suppliers of their own-brand range of fresh meat (beef, pork, chicken, and turkey, excluding international specialities and frozen products) and their own-brand drinking milk range (fresh and UHT) are being converted to husbandry systems that place more emphasis on animal welfare. ALDI Nord Germany already stocks meat and dairy products that have been produced according to the specifications of the two highest husbandry levels. In husbandry level 3, the animals have access to fresh air and additional space, while the premium level husbandry level 4 enables animals to spend time outdoors and provides even more space.

We are working intensively with their long-standing suppliers to complete the change by 2030. Since the end of 2021, all shell eggs in ALDI Nord Germany have been converted so that the killing of male chicks is no longer part of our supply chains.

The step to slower growing chickens in ALDI Netherlands was made in 2016 and we decided on further measures in 2021. A significant part of ALDI Netherlands' activities is related to the 'Beter Leven' quality label of the Dutch animal protection agency 'Dierenbescherming'. Since 2019, all fresh eggs offered by ALDI in the Netherlands have been certified according to the 1, 2, or 3 star 'Beter Leven' standard. From 2023, all fresh chicken meat sold in stores must have at least 1 star from 'Beter Leven' farms. This means even more space and a fenced



ALDI Netherlands

100%
BETER LEVEN

Since the end of 2021, all our chicken cold cuts and seasonal chicken products in the Netherlands have been certified with 1 star Beter Leven. The initiative campaigns for better animal welfare in production farms and provides a rating between one and three stars. 1 star Beter Leven means that more animal welfare criteria are fulfilled, such as an outdoor area, more space per animal, as well as materials to stimulate the natural behaviour of the chickens.



outdoor area for the chickens. Since the end of 2021, this has already applied to chicken cold cuts and all seasonal chicken products. Around 90 per cent of the pork in fresh meat and cold cuts is already 1 star 'Beter Leven' certified. Fresh dairy articles have been certified On the Way to PlanetProof since 2019. This standard includes animal welfare criteria, such as cow brushes and plenty of space to eat and lay down in the cowshed, and a minimum of 120 days in pasture. In November 2021, the first cheese products were also certified as On the Way to PlanetProof. For further details, see Dutch National Animal Welfare Purchasing Policy.

In Spain, ALDI has been using the certification Welfair™ on their products, based on the Welfare Quality Standards and AWIN, since March 2019. We reached our goal to implement Welfair™ certification for all eggs and milk, so that all eggs have been certified since March 2021 and all milk since the end of 2021. Most fresh meat has also been certified with the Welfair™ or Interporc animal welfare certificate since 2021. For further details, see the Sustainability Report 2019.

In ALDI Denmark, we have products labelled with 'Animal Protection Denmark' (Anbefalet af Dyrenes Beskyttelse) and the official government label 'Better Animal Welfare' (Bedre Dyrevelfærd). During 2021, we increased the number of products of both labels.

Currently, all our fresh chicken products and fresh milk are labelled 'Better Animal Welfare'. In 2021, we had 37 products in our product range labelled with an animal welfare certification scheme. In 2020, we switched all fresh chicken products in Denmark to the slow-growing Ranger Gold chicken breed. We have been able to do this without affecting the price.

TARGETS & STATUS

GRI 204/103-2/3, 416/103-2/3, 417/103-2/3 We are reviewing the development of our sustainable product ranges based on the targets defined in the Purchasing Policies and strategies. Monitoring the progress of these policies and strategies is carried out by conducting supplier surveys and audits, for example, product optimisation in terms of nutritional values such as salt, sugar, fat, but also sodium and the proportion of fruit, vegetables, and fibre.

Our quality promises are evidenced by international test results produced by organisations such as Spain's consumer organisation (OCU – Organización de Consumidores y Usuarios), Portuguese Consumer Defence Association (DECO Associação de Defesa do Consumidor), French Federal Consumers' Union (UFC Que Choisir) or Germany's consumer test magazines 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 Acharts. ALDI Poland was placed third in the sustainable shell egg ranking of the Polish branch of Anima International – Otwarze Klatki (Open Cages). In 2021, ALDI Poland also generated a 15 per cent increase in sales of shell eggs from alternative farming systems, such as barn, free-range, and organic labelled. For the third time, PETA Germany

presented the 'Vegan Food Award' in 2021 and commended The Wonder BBQ Skewers. In addition, we were nominated for the German Sustainability Award 2021 in the design category with the German sorting symbol 'ALDI Trennhinweis'.

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

PUBLIC PRODUCT RECALLS

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

	2019			2020			2021		
	Total	Recalls food	Recalls non-food	Total	Recalls food	Recalls non-food	Total	Recalls food	Recalls non-food
Belgium/Luxembourg ¹	9	7	2	8	8	–	20	18	2
Denmark	11	9	2	3	2	1	12	10	2
France	9	8	1	18	15	3	55	51 ²	4
Germany	18	16	2	13	12	1	8	6	2
Netherlands	8	6	2	5	5	–	6	5	1
Poland	4	3	1	11	10	1	1	1	–
Portugal	1	1	–	1	1	–	4	2	2
Spain	8	7	1	9	7	2	14	11	3
ALDI Nord	68	57	11	68	60	8	120	104	16

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 number of public recalls has increased in 2021 due to the ethylene oxide contamination crisis (33 recalls) that has affected the food retailer sector.



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 leading food retailers, since we provide our customers with products that meet their daily needs. Every year, consumers make 1.2 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. Communication and transparency are key to achieving this objective.

OUR APPROACH

GRI 417/103-2 We use self-explanatory product labelling with recognised sustainability standards and labels to create transparency. Following on from the established Nordic Keyhole label in Denmark, the introduction of Nutri-Score in almost all ALDI countries represented a significant step towards more transparency. Our customers can rely on the intuitive and easy-to-read nutrition label in order to help them make healthier choices. A further goal is the transparent labelling of all relevant vegan and vegetarian food products with the V-Label and all relevant non-food products with the Vegan Trademark to help

our customers identify these products directly. More than 870 products in all ALDI countries bore the V-Label or similar labelling in 2021, compared to around 680 items in 2020.

Moreover, national use of specific own brands raises the profile of our vegan, vegetarian, regional and national products, along with our organic and Fairtrade ranges. For further details on the specific national brands, see the Sustainability Report 2019.

Besides our product labels and policies, we use various channels and formats to inform our customers about the social and environmental aspects of our products. For example, customer magazines, weekly leaflets, and advertising campaigns on our social media channels often focus on our certified sustainable products. Our ALDI Nord experts regularly participate in specialist events, panel discussions, and roundtables to discuss sustainability topics, for example the ProVeg Incubator, Anuga and the Danube Soy association.

ALDI Portugal, for instance, participated in a DECO webinar on 'Sustainable Consumption – How to influence consumers to change behaviours on the Road to Zero Pollution' and also took part in the fourth MSC Meeting 'Better together' (IV Encontro Juntos Melhor) in Lisbon.

Internal communication also plays an essential role in raising sustainability awareness among ALDI employees.

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 this now plays an important role in our Corporate Responsibility Quality Assurance (CRQA) Strategy within our focus topics. CRQA bears responsibility for the quality and CR standards of purchased goods internationally, and is instrumental in driving our sustainability activities, in close cooperation with national CRQA colleagues, and the Communications and International Buying departments. CRQA national ensures that all products comply with legal requirements, such as country-specific consumer protection laws as well as non-legislative initiatives, consumer trends, and developments. CRQA cooperates closely with Category Management, Marketing, and Sales departments on a national level. For further details, see also 'CR organisation'.

One of the roles played by CRQA international is the development of international guidelines together with CRQA national. These guidelines represent a shared understanding of specific topics among all ALDI countries. This collective, in-depth understanding of a topic is the prerequisite for transparent communication with our customers.

In addition to publishing these guidelines on our websites, the content is also used in our communication and product labelling. One example is our Guideline for Local Food, published in 2022 that defines and differentiates our understanding of local products and serves as the foundation for local food communication and labelling.

Furthermore, as stated in our international goals, we aim to avoid marketing unhealthy products to children and promote healthy products (excluding seasonal offers such as Christmas and Easter). To this end, we have agreed on a common understanding and precise definition of what is considered a 'children's product'. We have established guidelines on optimising children's products, such as adapting recipes to closely align with the WHO Nutrient Profile Model.



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 use of the EU organic logo, for example, is subject to strict criteria and may only be used on products that have been certified as organic by an approved inspection body or institution. This means that they meet strict production, processing, transport, and storage conditions.

As part of the Farm to Fork strategy, the EU Commission is revising Food Information to Consumers (FIC) and is aiming for a mandatory harmonised nutrition labelling on the front of packaging. The label will cover the nutritional, climatic, environmental, and social aspects of food, extend mandatory origin and provenance information for certain products, and monitor adaptations of the ‘use by’ and ‘best before’ dates. The phase of public consultation ended in March 2022.

An EU-wide mandatory country-of-origin labelling system is already in force for certain agricultural products, such as fruit and vegetables, and this will be expanded when the revised FIC comes into force. In Poland, for instance, it is mandatory to indicate the country of origin on potato packaging. Since 2018, the origin of milk and dairy products must be clearly labelled in Spain and since 2020 the country of origin of honey must be stated.

PROGRESS & MEASURES 2021

Labelling of products: introduction of Nutri-Score label to aid customer decisions

The EU Farm to Fork strategy aims to provide consumers with clear information that makes it easier for them to choose a healthy and sustainable diet that benefits their health and quality of life, as well as reducing health-care costs. One of the simplest ways to do this is with a front-of-pack label that displays nutritional information in an easy-to-read way. Nutri-Score food labelling is one of the most widely used nutrition labels in the EU. The front-of-pack label clearly shows the product’s nutritional composition with a five-level colour and letter score denoting the nutritional value of the product. This enables customers to make a quick and easy assessment of the product and carry out a comparison with similar items in the same product group.

ALDI Nord supports the introduction of the Nutri-Score label to empower our customers to make informed, healthier, and more sustainable food choices. The Nutri-Score label is placed on the packaging of certain own-brand products, depending on the legal requirements in each country. Customers in other countries are already familiar with similar labels. ALDI Denmark will continue to use the well-known label ‘The Keyhole’.

INTRODUCTION OF NUTRI-SCORE

Country	Year of introduction	Status and goals
France	2021	Goal of 100 per cent of own-brand products labelled with the Nutri-Score by the end of 2023. At the end of 2021, 108 own brands were registered.
Belgium	2021	Aim to have all own brands labelled with the Nutri-Score by 2024. In 2021, 300 products were labelled.
Germany	2021	Nine own brands registered for the Nutri-Score in 2021 and GUT bio in 2022. First products labelled in 2021, including frozen vegetables, pizza, and pantry articles.
Spain	2021	Four own brands registered in 2021 and first products introduced in the categories of juices, cereals, chilled ready meals, and vegan products by the middle of the year.
Portugal	2021	16 own brands registered in the product categories of juices, dairy, cereals, chilled ready meals, frozen products, snacking, canned vegetables & pulses, and vegan products.
Netherlands	2022	In a dairy pilot, 79 products from seven own brands introduced, representing more than half of all products included in the pilot.
Poland	2022	Currently being introduced for the products of All Seasons own brand.

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. The ATC is in place for 100 per cent of the fresh meat at ALDI Netherlands, ALDI Luxembourg, ALDI Belgium, ALDI Portugal and ALDI Nord Germany, within the standard product ranges. ALDI France aims to label 100 per cent of meat products with the ATC

by the end of 2022. In 2021, 95 per cent of meat products in the standard product ranges and 53 per cent of meat special-buy products were certified. In the Netherlands, the ATC was expanded to 24 out of 57 articles of meat cold cuts in the standard ranges in 2021. In Germany, fish products, fresh eggs, and textiles made from sustainable cotton can also be traced to their origin using the ATC. Further information on tracking textiles with the help of the ATC can be found in the section ‘Social responsibility in the supply chain’.

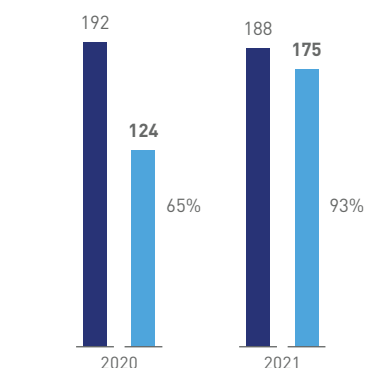


GRI 417-1

PRODUCTS WITH ALDI TRANSPARENCY CODE (FISH AND SEAFOOD IN GERMANY)

Number and proportion of own-brand fish and seafood products and own-brand products containing fish and seafood in Germany that are labelled with the ALDI Transparency Code (ATC)

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.



■ Number of own-brand fish and seafood products or fish and seafood-containing products

■ Number of own-brand fish and seafood products or fish and seafood-containing products with ATC code

GRI 417-1

PRODUCTS WITH ALDI TRANSPARENCY CODE (MEAT)

Number and share of own-brand meat products and own-brand products containing meat that are labelled with the ALDI Transparency Code (ATC)¹

	2020			2021		
	Total	ATC Products	ATC Proportion (in %)	Total	ATC Products	ATC Proportion (in %)
Belgium/Luxembourg ²	389	324	83.3	415	371	89.4
Denmark	n/a	n/a	n/a	n/a	n/a	n/a
France	606	368	60.7	645	490	76.0
Germany	781	717	91.8	918	863	94.0
Netherlands	466	113	24.2	541	121	22.4
Poland	381	19	5.0	110	20	18.2
Portugal	286	72	25.2	261	92	35.2
Spain	265	8	3.0	399	7	1.8
ALDI Nord	3,174	1,621	51.1	3,289	1,964	59.7

¹ In 2020, data was collected internationally for the first time, except Denmark.

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').

National labels for responsible and sustainable products

Our International Cotton Purchasing Policy regulates the purchase of own-brand articles made of cotton or with a cotton content in clothing and home textiles. Particularly sustainable products are certified in Germany with the national Green Button seal of the Federal Ministry for Economic Cooperation and Development. In 2021, 127 products were certified (2020: 133 items). For further details, see the [Sustainability Report 2019](#).

The established Nordic Swan Ecolabel is of considerable importance for personal care, hygiene, cleaning and detergent products, and baby-care products in Denmark. The label sets strict environmental requirements at all stages of a product's life cycle and makes it easy for consumers to choose the most environmentally friendly products. The Nordic Asthma Allergy label is also widely regarded in Denmark. This guarantees that the product does not contain perfume. Our Danish own brand 'Ideel' carries

the Nordic Swan Ecolabel and the Asthma Allergy Nordic Label. The product range includes hygiene and body-care products.

At ALDI Belgium, the logo Today for Tomorrow (vandaag voor morgen) is used to communicate the sustainable character of products or initiatives. For example, we communicate about items with a sustainable Purchasing Policy or products with modified, healthier composition. Additionally, we inform customers about initiatives such as reducing disposable plastic, making packaging more environmentally friendly, or efforts to make our stores climate-friendly. In 2021, we began labelling packaging in France with sustainability statements such as 'reduction of plastic by 20 per cent', 'packaging with 30 per cent recycled content', or 'elimination of the plastic lid'.

Regionality: defining local products in the Guideline for Local Food



GRI 417-1 At ALDI Nord, we recognise our customers' increasing demand for local food. Even though a majority of consumers state that they are willing to pay a higher price for local products, according to [Think local, Act local!](#), 47 per cent refrain from buying those products because the price is too high. This is where ALDI Nord can make a difference – by offering the best quality, fresh local food at the lowest possible price.



However, there is no clear definition of what is meant by 'local food'. The term is sometimes used to describe products from a specific country, the wider region, or even the farm around the corner. We first needed to define what we mean by 'local' so as to meet our goal of communicating transparently and credibly with our customers.

We published an overarching international Guideline for Local Food in early 2022. The guideline differentiates the term 'local food' as follows:

- regional products
- national products
- local specialities
- local brands
- local dishes and recipes

The guideline provides definitions and guidance for ALDI companies, business partners, and customers.

Raising consumer awareness: honest communication about sustainable consumption

GRI 204/103-2, 417/103-2 Across the ALDI countries, we use various communication tools to inform our customers about certified sustainable products in our product ranges and special offers in our customer magazines, weekly leaflets, on our websites, and through social media.

In our customer magazines published by ALDI France, ALDI Spain, ALDI Poland, ALDI Belgium,

and ALDI Netherlands, we communicate about food waste, environmental protection, and product origin. ALDI Spain and ALDI France use TV and radio campaigns to provide information about Fairtrade certified products, and information about Bee-Friendly products specifically in France.

We provide background information on our websites about sustainability-related topics. The ALDI Netherlands webpage has posted information about local producers and interviews with farmers since 2021. The 'Haltungswechsel' campaign in Germany was used to inform consumers on social media, TV and radio, and in newspapers and display advertisements about our long-term animal welfare goal and relevant milestones on the journey.

Companies in several countries, including ALDI Denmark, ALDI Netherlands, ALDI Poland, and ALDI Portugal support national campaigns highlighting healthy nutrition and promoting a vegan or vegetarian diet. For example, ALDI Denmark participated in a national campaign 'The Official Dietary Guidelines – good for health and climate – All about nutrition' (De officielle Kostråd – godt for sundhed og klima – Alt om kost) in early 2021. ALDI Nord participates in several Marine Stewardship Council (MSC) campaigns to protect marine resources and promote certified sustainable fishing and ALDI Portugal, ALDI Spain, ALDI Belgium, ALDI France, and ALDI Netherlands regularly take part.

TARGETS & STATUS

GRI 102-43, -44 Customer perception is an important benchmark for measuring our success. We use surveys to assess this or enlist the help of our market-research departments.

Our ALDI Customer Compass survey regularly provides facts and figures on how our customers perceive ALDI Nord in all operating countries. The results are published in a report for ALDI Nord and in eight separate country reports. In the survey, we ask customers how the stores perform, for example, in terms of accessibility and product variety. In 2021, the results of the ALDI Customer Compass in Spain revealed that 68 per cent of customers perceive ALDI Spain as a responsible discounter, which was a better scoring than the average of competitors. Since 2017, ALDI Spain has been monitoring customer satisfaction on an ongoing basis. In 2021, 79 per cent of those making enquiries had an 'excellent opinion' of customer service. In 2021, there were more than 122,000 enquiries, 80 per cent of which were made by customers.

In 2021, ALDI France won the golden prize for customer satisfaction in the retail sector created by WizVille based on Google ratings for ALDI stores in France.

Customer satisfaction with ALDI Portugal was reflected in RankingVeg 2021, where ALDI Portugal was named the discounter with the best vegan range and came third in the ranking of all food retailers, including hypermarkets and food retailers.

Learn more about our targets in the CR Programme.



SUPPLY CHAIN & RESOURCES

OUR APPROACH TO PRODUCT SOURCING

Our responsibility neither begins nor ends in our stores. Together with our suppliers 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 without a bad conscience.



THREE QUESTIONS TO S M NURUL AZAM

What is your work at ALDI CR Support in Bangladesh about and how does it promote sustainability?

My core responsibility is to lead and supervise the activities of the CR department in the Bangladesh office (one of the regional offices), covering Bangladesh, India, Pakistan, Sri Lanka, Turkey, Egypt, and other countries. We implement programmes that directly contribute to sustainability in the supply chain, such as supply chain monitoring, supplier evaluation, safety standards monitoring and guidance, and capacity building of suppliers and production facilities. Additionally, we help develop policies and procedures, implement various supply chain topics, and communicate with multiple stakeholders and supply chain partners.

What was your personal highlight in 2021?

Despite the COVID-19 pandemic, we kept up the team morale and continued to monitor and build capacity in the supply chain: The ALDI Social Assessment (ASA) was moved to online assessment and monitoring, with the local team on site as often as possible. We also extended the CR Supplier Evaluation (CRSE) to monitor the food sector, from frozen fish to hard goods.

What are your next steps?

We aim to gradually extend and implement supply chain traceability, monitoring, capacity building, and sustainability programmes in the high-risk commodity groups based on risk assessments, make ALDI Nord CR activities more sustainable, and use existing resources efficiently and effectively.



S M NURUL AZAM

ALDI CR Support Asia Ltd., CR Director for the CR department in Bangladesh





ENVIRONMENTAL RESPONSIBILITY IN THE SUPPLY CHAIN

GRI 102-9, 204/103-1, 304/103-1, 304-2, 308/103-1

As internationally active retailers, we are responsible for our products along the entire value chain, from the cultivation of the raw materials to the final recycling and disposal of the product. Since many of our more than 2,000 products come from agriculture, we are aware that increasing pressure on ecosystems impacts the availability of raw materials needed for our products. In view of limited resources, climate change, and the massive extinction of species, we have a special responsibility as retailers to make the production of our products as sustainable as possible. We want to continue to offer our customers high-quality products at the lowest possible price. This can only be achieved by working together with our suppliers, contracting production facilities, and farmers on the sustainability of our procurement and production methods, and minimising the consumption of natural materials. As part of this approach, we have joined the United Nations' call to ensure prosperity for all people, combat climate change and protect our oceans and forests. We are committed to the Sustainable Development Goals (SDGs), and contribute to the improvement of life on land (SDG 15) and the sustainable use of oceans, seas and marine resources, and life under water (SDG 14). In accordance with the results of our materiality analysis in the reporting year, our initiatives are reflected in the highly ranked topics: 'Preservation of biodiversity', 'Protection of forests

and soils', 'Optimisation of resource consumption in cultivation and production', as well as 'Reducing the use of chemicals in production'.

OUR APPROACH

GRI 102-9/11, 204/103-2, 304/103-2, 308/103-1/2

One of our top priorities is the responsible procurement of raw materials and sustainable production along the supply chains to minimise harm to the environment and society. Our guiding principles are formulated in our national and international purchasing policies (see "Purchasing policies"), which are continuously refined and improved.

In 2021, we launched a systematic and holistic sustainability risk analysis, including human, environmental and risks related to animal welfare. The analysis covers the supply chains of all assortments, and focuses on all risks brought about by our corporate activity. The final report of the analysis was completed in May 2022.

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 EU organic logo or Forest Stewardship Council® (FSC® N001589). Current audits by ALDI Nord or third parties are looking at environmental issues such as the correct handling of waste in non-food production facilities. However, we are aware that some

sustainability standards place a financial and administrative burden on suppliers and producers. Our aim is therefore long-term cooperation with suppliers and producers, to enhance 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 various topics, such as cotton production, tropical and subtropical fruit farming, as well as flowers and plants.

ORGANISATION & GUIDELINES

GRI 102-9, 204/103-2, 304/103-2, 308/103-2, 407-1

The department Corporate Responsibility and Quality Assurance International (CRQAI) establishes standardised raw-materials purchasing policies and requirements for production in consultation with the buying departments, the national CRQA departments, and the CR departments in Bangladesh and Hong Kong.

The CRQAI department also coordinates the implementation of the provisions defined in these policies and monitors compliance with the requirements. The ALDI countries may develop national purchasing policies to meet country-specific requirements. Before adopting new sustainability requirements, we check feasibility with selected suppliers. After this check is completed, the requirements become an integral part of our purchasing processes and contracts.

Purchasing policies

GRI 204/103-2/3, 304/103-2/3, 308/103-2/3

ALDI Nord has established purchasing policies for certain raw materials as a binding framework for action both internally and for our business partners. International purchasing policies are sometimes supplemented by national purchasing guidelines, for instance, in circumstances where the topic is important in that country and there are no applicable international policies.

ALDI Denmark updated its sustainable palm oil policy in 2021 for the Alliance on Sustainable Palm Oil. The policy is still in accordance with our international palm oil policy but has been revised. In the revised version, we encourage our suppliers to increase the amount of identity-preserved and segregated palm oil in all products. ALDI Portugal updated its national fish and seafood policy in 2021.

Our current international resource-specific purchasing policies cover tea, cocoa, coffee, palm oil, flowers and plants, timber, and cotton. An International Purchasing Policy for fish and seafood is currently under development.

We set binding CR requirements for fruit and vegetables covering suppliers that are compliant with national regulations. The requirements are part of our purchase contracts with suppliers and are not disclosed in the public domain.



PROGRESS & MEASURES 2021

GRI 102-9, 204/103-2/3, 308/103-2

Biodiversity conservation: how we work to improve agricultural practices and fisheries

GRI 304/103-1/2, 304-2

Sustainable fruit and vegetables

Fruit and vegetables are among the most relevant product categories throughout ALDI Nord. Depending on the country and season, we offer our customers on average 102 different types of fruit and vegetable. The ranges have grown by 27.5 per cent since 2015. In this product group, we face multiple challenges. Each crop has individual needs and impacts, ranging from extensive water requirements during cultivation to specific pest protection. The availability of the products depends on the local weather conditions and the resulting harvest. Sustainable cultivation is crucial to ensuring long-term availability of our diverse fruit and vegetable assortments.

Bees play a vital role in maintaining our ecosystems and biodiversity. A majority of crops and cultivated plants depend on pollination by bees. That is why we support projects to protect bees in different countries:

- ALDI Poland contributes to the protection of bees following the creation of flower meadows near three stores in 2021. These provide the insects not only with nutritious pollen and nectar but also with habitat and reproduction opportunities for various species, as well as shelter in winter. We joined forces with the Klub Gaja Foundation to set up an educational bee station to raise awareness of the essential role of bees in the ecosystem.

- ALDI France has contributed to the protection of bees by selling apples and pears with the BEE FRIENDLY label since 2019. BEE FRIENDLY is a label created by beekeepers to guarantee good agricultural practices for pollinating insects.
- ALDI Nord Germany has been selling bee-friendly perennial and annual plants for several years. In 2016, the company banned certain ingredients used to cultivate German fruits and vegetables because they were suspected of being harmful to flying insects like bees, butterflies, and hoverflies.

Protecting fish and seafood stocks

Many natural fish stocks are threatened by overfishing, illegal fishing methods, and poor environmental conditions. Wild fishing and fish farming need to change in order to protect stocks and meet the demand for fish as a long-term food source. For this reason, we strive to make the fish and seafood supply and production chains more sustainable. Our internal guidelines prohibit the sale of fish and seafood from the IUCN Red List, which are classified as endangered and above or from the CITES appendices I and II. In addition, the sale of shark and ray species as well as bluefin tuna and bigeye tuna is prohibited.

In 2020, due to the lack of political agreement on a binding catch quota for certain fish stocks in the North Atlantic, herring and mackerel lost their MSC certification. Products containing these fish bought before the loss of the MSC certification are still sold at ALDI Nord. Since the loss of MSC certification, we source herring from the Fishery Improvement Project (FIP) implemented by the North Atlantic Pelagic Advocacy Group (NAPA).

As a member of NAPA and the Global Tuna Alliance (GTA) we advocate for the protection of mackerel, herring and tuna stocks. We sent letters to member countries of Regional Fisheries Management Organisations (RFMO) calling, for example, for: the lowering of catch quotas, development of comprehensive harvest strategies, and implementation of the Port State Measure Agreement. As part of an industry-led initiative with various retailers and suppliers from Europe, we signed another letter, sent to EU decision-makers in October 2021, calling for robust fisheries control mechanisms, including a digital approach to traceability of fish and seafood supply chains.



ALDI France

57%

OF EUROPEAN APPLES AND PEARS WITH BEE FRIENDLY CERTIFICATION

ALDI France has continued its collaboration with BEE FRIENDLY in 2021.

This label was created by beekeepers and guarantees good agricultural practices, in respect of pollinating insects. At the end of 2021, 57 per cent of the European apples and pears offered in the French stores were certified BEE FRIENDLY.

Thanks to this partnership, ALDI France has contributed to the preservation of biodiversity.



GRI FP2

CERTIFIED SUSTAINABLE FISH AND SEAFOOD PRODUCTS

Share of own-brand products certified with the MSC, ASC, GLOBALG.A.P. or EU organic logo as a proportion of the total number of fish and seafood products, broken down by certification standard only online (in per cent)¹

In 2021, around 60 per cent of our own-brand fish and seafood products were certified with one of the following sustainability standards: the largest portion was attributable to the MSC certification standard (around 61 per cent), followed by ASC certification (around 31 per cent), GLOBALG.A.P. certification (around 10 per cent) and products with the EU organic logo (around 3 per cent).

	2019	2020	2021
Belgium/Luxembourg ²	76.9	74.3	76.8
Denmark	86.8	88.9	71.6
France	49.1	54.1	57.2
Germany	80.5	85.8	83.9
Netherlands	82.7	80.6	73.7
Poland	46.6	42.2	73.5
Portugal	51.8	51.0	49.5
Spain	28.2	37.8	29.9
ALDI Nord	56.5	60.0	59.8

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 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 the summer 2022, we are starting to work with the Sustainable Fisheries Partnership (SFP) Metrics 2.0 IT tool. This tool enables us to collect data from our suppliers and assess the sustainability of the sourced fish and seafood. We are also a member of the Global Dialogue on Seafood traceability (GDST) to increase the

traceability of fish and seafood products. For further details, see [Sustainability Report 2017](#).

For fish and seafood certification, we mainly focus on the Aquaculture Stewardship Council (ASC), GLOBALG.A.P. and the EU organic logo for aquaculture fish, and on the Marine Stewardship Council (MSC) for wild fish. In 2021, the proportion of certified resources according to the Marine Stewardship Council (MSC), the Aquaculture Stewardship Council (ASC), GLOBALG.A.P. or the EU organic logo was nearly 60 per cent throughout the ALDI companies (2020: 60 per cent).

Working towards sustainable cotton

GRI 204/103-2/3 Our stated goal is conversion to 100 per cent sustainable cotton for own-brand garment and household textile products made from or containing cotton by the end of 2025. In 2020, we underlined this goal by joining the '2025 Sustainable Cotton Challenge' programme of the global non-profit organisation Textile Exchange. In 2021, we already sold around 82 per cent certified cotton.

In addition to recycled cotton, we use the following cotton standards:

- Global Organic Textile Standard (GOTS)
- Organic Content Standard (OCS) 100 / blended
- Fairtrade
- Cotton made in Africa (CmiA)
- Better Cotton Initiative (BCI)

GRI FP2

SUSTAINABLE COTTON

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

	2019	2020	2021
Belgium/Luxembourg ¹	54.7	74.7	88.9
Denmark	37.8	63.7	88.9
France	24.9	52.1	71.9
Germany	35.3	64.9	85.1
Netherlands	25.3	49.5	69.3
Poland	37.1	64.8	89.3
Portugal	38.6	76.4	89.4
Spain	42.6	68.7	65.0
ALDI Nord	36.2	64.1	82.0

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').

In cooperation with the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (German Corporation for International Cooperation, GIZ) on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ), we launched the three-year cotton project 'Organic in conversion' in India in 2021. The project supports approximately 1,000 smallholder farmers in the Maharashtra region in the transition from conventional to organic cotton farming. During the three years of transition, the farmers are not yet able to sell their cotton as organic and cannot therefore receive a premium for organic products. It

follows that without support, almost 50 per cent of the smallholder farmers would return to using conventional farming methods. Our project ensures that the farmers receive training in organic production, consulting services, for example in soil fertility, and inputs such as high-quality seeds. Additionally, the cotton producers receive a premium to compensate for harvest losses during the transition phase. Every project year, textile articles with cotton from the project will be available in our ALDI stores. From the second year onwards, the products will be labelled GOTS 'Organic in conversion', making the 'Organic cotton in conversion' project visible to our customers. The project improves the livelihoods of smallholder cotton farmers in India, while at the same time increasing the global production of organic cotton.

Protection of forests and soils through sustainable procurement

GRI 204/103-2/3, 304/103-2, 304-2 Forests are essential ecosystems that 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. Forest stocks are threatened by the cultivation of soy and palm oil, as well as livestock production, illegal timber production, and the exploitation of protected forests.



Our experience has shown that joint initiatives are most effective for conserving worldwide forest stocks. Due to the urgent need for effective forest protection measures, cooperation between all relevant stakeholders from politics, business and society is crucial. For this reason, we support the introduction of a robust and impact-oriented European legislative framework to combat global deforestation.

In May 2022, ALDI published a [position statement on deforestation and ecosystem conversion](#). The document highlights how we have developed our approach as part of our International Corporate Responsibility Strategy and how we intend to address deforestation and conversion risks across a wide range of commodities in our supply chains. We are committed to procuring high-risk raw materials without deforestation by 2030. This relates to palm oil, timber, wood-based products, cocoa, coffee, soy, and beef. With a view to achieving the overarching goal, the statement includes goals and measures on standards, and an increase in transparency and collaboration for each of the stated commodities. We will continue to share our progress towards deforestation and conversion-free supply chains on our international websites.

Our goal of achieving 100 per cent deforestation-free soy

The soy demand for feed and food products is high but soy cultivation often negatively affects forests and ecosystems, as stated above. To combat these challenges, we have been working on sustainable soy and feed for some time. As part of the Retail Soy Group (RSG) collaboration, which developed a common strategy to support the transformation to deforestation-free supply chains, we signed an open letter in 2021, together with 40 other international companies and organisations, calling on the Brazilian government to vote against a change in law and protect the Amazon.

Furthermore, we joined the Danube Soy Association, which promotes sustainable soy cultivation in Europe, in January 2022.

Our long-term goal is 100 per cent sustainable soy used directly and indirectly in own-brand products in the categories fresh, frozen, and processed meat, dairy, eggs, and farmed fish. The goal for our soy-based vegan and vegetarian products is to include 100 per cent certified soy and/or soy from European origin. By 2022, the initial goal of ALDI Nord Germany is to achieve at least 60 per cent deforestation-free soy. Collaboration with our suppliers is necessary to reach this goal. We therefore developed requirements which we sent out to relevant suppliers in mid-2021.

Since soy is often used as animal feed, it is not easy for food retailers to trace which products indirectly contain soy. This makes monitoring soy quantities and the use of certified soy a major challenge. In the reporting year, we worked towards establishing an international soy strategy. We calculated our global ALDI Nord soy footprint for the first time at the beginning of 2021. We also participated in Collective Soy Reporting for the first time in 2021, to improve the transparency of soy used in our supply chain.

Collaborations have also been established at the national level. ALDI Denmark underlined the national engagement towards deforestation by co-founding the Danish Alliance for Responsible Soy in 2019. It is also working with suppliers to ensure zero deforestation for soy.

ALDI Nord Germany has participated in the Forum of Sustainable Protein Feed (Nachhaltigere Eiweißfuttermittel – FONEI) and has been taking part in dialogues along the supply chain since the beginning of 2021, which are intended to lead to more sustainable soy in animal feed.

Protecting biodiversity with more sustainable sugar

Sugar extracted from sugar cane is a high-risk commodity due to deforestation and the loss of biodiversity in the countries where it is produced, especially in the main production countries, Brazil and India. In the reporting year, we determined the sugar footprint of all our own-brand products for the ALDI countries. We determined that across the ALDI Nord Group of Companies, an average of less than 7 per cent of the sugar used directly or indirectly in our products is obtained from sugar cane and 93 per cent comes from beet sugar. Based on these results, we developed an [accountability model](#).

The requirements derived from this will be communicated to our suppliers at the beginning of 2023. As a first step, we only accept sugar from sugar beet, cane sugar from a proven low-risk country, or certified cane sugar according to the following standards:

- Fairtrade
- Fairtrade Organic
- Fairtrade Sourced Ingredient (FSI)
- Bonsucro (physical certification or credits)
- EU organic logo
- Rainforest Alliance/UTZ
- Proterra
- IBD Bio/IBD Fairtrade



GRI FP2

FSC®- OR PEFC™-CERTIFIED PRODUCTS

Share of own-brand products certified according to FSC® or PEFC™ 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, cellulose-based viscose and non-woven fabric, as well as bamboo, broken down by certification standard [only online](#) (in per cent)

FSC® 100%, FSC® MIX and PEFC™ are considered to be certification standards. In 2021, the largest portion was attributable to FSC® MIX (around 46 per cent), followed by FSC® 100% (around 44 per cent) and PEFC™ (around 11 per cent).

	2019	2020	2021
Belgium/Luxembourg ¹	97.8	97.2	94.3
Denmark	94.5	95.0	92.5
France	91.2	92.6	87.9
Germany	95.3	95.2	94.2
Netherlands	89.8	90.7	86.3
Poland	71.4	89.8	94.0
Portugal	94.5	96.7	95.2
Spain	93.0	97.5	97.9
ALDI Nord	87.9	93.2	92.6

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').

Socially and environmentally friendly charcoal

In 2021, ALDI Nord extended a project initiated in 2019 to combine the purchase of FSC®-certified charcoal with other environmental and social benefits. The project creates jobs in Namibia and prevents the mixing of charcoal from endangered tropical forests. As part of the

project, we support 16 communal small-scale charcoal producers (subject to the issuance of harvesting permits by the Forestry Department) and five private farmers producing charcoal to become certified. The certified charcoal purchased from the project is expected to cover the entire demand of ALDI Nord for at least five years, from August 2022 at the latest. This corresponds to a supply of 7,100 tonnes of certified charcoal each year. Charcoal and barbecue charcoal briquettes from the project are available at ALDI Nord Germany, with the charcoal being available at ALDI Belgium, and the barbecue charcoal briquettes at ALDI Portugal.

Goal achieved: certified wood for sustainable furniture and paper products

We often use wood or wood-based resources in the products we sell, such as furniture, paper products, 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 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 and reached around 93 per cent by the end of 2021. We consider our goal to have been

achieved with this result. While exceptional cases cannot be completely avoided, they are examined, and suppliers are contacted to demand compliance with our stipulated standards. The standards we accept are FSC®, PEFC™ and the EU Ecolabel.

Protecting the environment with sustainable cultivation of palm oil

Palm oil is a versatile resource used in a wide range of products, from cake icing to detergents. The palm is one of the most productive oil fruits worldwide, making palm oil hard to replace. But it comes with negative impacts such as deforestation. Throughout ALDI Nord, we have committed to establishing more sustainable and environmentally friendly cultivation methods on the back of our

GRI FP2

CERTIFIED PALM OIL

Proportion of total volume of palm oil used in the production of our food and non-food items in the standard and special-buy product ranges certified in accordance with a physical RSPO supply chain system (in per cent)¹

	2019	2020	2021		
	Total	Total	Total	Food	Non-Food
Belgium/Luxembourg ²	99.8	100.0	100.0	100.0	99.9
Denmark	96.2	90.1	99.9	99.9	100.0
France	100.0	99.9	99.2	99.9	97.5
Germany	99.1	100.0	99.7	100.0	98.6
Netherlands	98.6	100.0	100.0	100.0	100.0
Poland	78.0	99.5	99.5	99.5	99.5
Portugal	97.4	99.7	92.1	99.7	24.7
Spain	85.6	87.6	77.2	98.5	27.6
ALDI Nord	98.6	99.3	98.1	99.3	92.1

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').



International Palm Oil Purchasing Policy. We converted all our own-brand products in the food and non-food segments to sustainable palm oil or palm kernel oil. Derivatives and fractions that are not yet widely available in physically certified quality are covered by RSPO Book and Claim certificates.

GRI 414-2 In addition to purchasing certified palm oil, ALDI Nord completed a four-year palm oil smallholder project in Côte d'Ivoire, in cooperation with civil society organisation (CSO) the Solidaridad Network in 2021. As part of the project, 2,611 smallholder palm oil producers were trained to use cultivation methods that protect both the environment and the health of palm oil farmers. Over 17,000 tree seedlings were distributed to farmers to be planted in schools, forests, and nature reserves, resulting in around 250 hectares of restored forestland.

How we promote the responsible use of water along our supply chains

GRI 308-2 As international retailers, we acknowledge that many products sold in our stores may cause water-related risks in production countries. This applies to agricultural products in particular. In addition, we are aware that the refining process for textiles and shoes is also a risk area. More than 80 per cent of water consumption in global value chains is caused by the production of

raw materials, especially in the agricultural production of cotton. Approximately one-tenth is attributable to textile production.¹

On World Water Day 2021, we announced new requirements for water management along our supply chains. From July 2022, we are implementing GLOBALG.A.P. SPRING (Sustainable Program for Irrigation and Groundwater use) for 15 fruits and vegetables, an add-on to the overarching GLOBALG.A.P. IFA (Integrated Farm Assurance) to improve water efficiency and water quality along the supply chains in Germany, Belgium, Luxembourg, the Netherlands, Denmark, and Portugal. This will first be implemented in Spain for strawberries and blueberries followed by the remaining 13 fruits and vegetables from January. To ensure water efficiency, the auditor will check whether the irrigation systems have been designed to optimise water consumption. The irrigation systems must suit the climatic conditions and the physical soil properties. The actual soil moisture is measured to check the ability of the soil to retain enough water to provide nutrients for the plants. This indicates whether the soil and the plants need additional irrigation. The audits improve water quality by identifying

wastewater sources and listing them in a management plan, which identifies measures to prevent wastewater from the individual sources. Minimising actual water pollution also counts as a measure. The standard further requires that wastewater from buildings used for worker accommodation must be pre-treated before it is discharged. The standard will be carried out for our 15 best-selling fruits and vegetables sourced from critical water regions, identified using the WWF digital water risk filter. Illegal water sources, in countries such as Spain, are not uncommon. The standard will ensure the legality of water sources such as wells.

In addition, we updated the National Water Protection Policy of ALDI Nord Germany in the reporting year, which defines binding measures for the responsible handling of water in food and textile supply chains, as well as targets to prevent water contamination with microplastics by reducing packaging material and single-use plastic products.

Prevention of chemical pollution in production

GRI 308-2 Wastewater testing, and verification of compliance with guideline values is crucial to reduce chemical pollution in supply chains. During the production of our textiles and footwear, we check compliance with the limit values in wastewater and sludge analyses. Samples are taken from the effluent and sludge

at the level of production facility in line with the Zero Discharge of Hazardous Chemicals (ZDHC) wastewater guidelines, as well as from the final product.

Chemical Management Audits (CMA) are required to verify the overall chemical management performance of the production facility, such as their processes, proper chemical storage, personal protective equipment for workers, installation of first aid measures, etc. Since 2021, in addition to STeP certificates from OEKO-TEX® and bluesign® system partnerships, we have accepted verified Higg FEM and, in exceptional cases, other third-party CMAs as an alternative to amfori BEPI CMAs. In 2021, CMAs had to be carried out at high-risk and new production facilities.

Training is essential to teach safe handling of chemicals, including the correct use of chemicals, their storage and disposal, in order to prevent environmental harm and accidents. Three production facilities for ALDI in Bangladesh with high business relevance received Advanced Chemical Management Training (ACMT) over a period of ten months in 2021.

Incorrect and insufficient use of Effluent Treatment Plants (ETP) can lead to the discharge of contaminated wastewater with disastrous effects on local ecosystems, drinking water, and agriculture of local communities.

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.



ETPs are necessary to purify wastewater from production and comply with environmental agency laws and standards. Our pilot phase of auditing ETPs is expected to be completed in mid-2022. During this phase, information on the performance and continuous use of ETPs along our supply chain was assessed in Bangladesh, China, India, and Pakistan, and the usefulness of the audits was evaluated.

In 2021, we blocked 14 production facilities based on desktop verification due to the lack of valid wastewater and sludge analyses, non-compliant wastewater and sludge analyses, or missing chemical management audits. Six of these production facilities were able to rectify their omissions and are already unblocked. All of them remediated the non-compliances by submitting a new compliant wastewater and sludge analysis. Two additional production facilities were blocked due to unauthorised disposal and illegal dumping of chemicals, wastewater, or sludge. These were identified during ASAs.

From 2024, all wet production facilities in our textile and footwear supply chains must use the chemical inventory tools The BHive™ or BVE³. They will have to upload their chemical inventories during the entire production period. The chemical inventories will have to include all chemicals in their stock. All chemicals used for ALDI production must be compliant with

ZDHC Manufacturing Restricted Substance List (MRSL) [Management > Partnerships, networks & charters]. In March 2022, demonstration sessions for our supplier and production facilities took place. The BHive™ allows the production facilities to simply scan the chemical products with an app that automatically recognises the chemical and adds it to the chemical inventory.

On our way to a circular economy

GRI 301/103-3 In order to keep the resource consumption of our products as low as possible and the impact on the environment to a minimum, we strive to use resources as efficiently as possible, reuse them, and return them to the material cycles. We closely follow the development of the action plan for a circular economy at the European level and national efforts such as product responsibility in Germany. Since 2020, we have been part of the Expert Group on Circular Economy of the German Partnership for Sustainable Textiles (Bündnis für nachhaltige Textilien) and carrying out work on sustainable solutions.

The use of recycled materials offers us an excellent opportunity to develop new products in a resource-saving way. For example, in Spain, Portugal, and the Netherlands the ALDI companies sold the first CO₂-neutral sports shoes with an upper made of 80 per cent recycled PET bottles in 2021.

We increased the number of products using recycled cotton from WECYCLED® in 2021. For further details on our use of WECYCLED® threads see [Interim Report 2020](#).

TARGETS & STATUS

GRI 102-9, 204/103-2/3, 308/103-2/3 Our International and National Purchasing Policies contain global or country-specific goals, some of these 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 & Materials Benchmark on textile fibres for the sixth time in 2021. The NGO Textile Exchange carried out the ranking, and more than 190 companies participated in the benchmark. We successfully maintained fourth place in the 'Top 10 by Volume Organic Cotton', were ranked fourth (2020: fifth) in the 'Top 10 by Volume Recycled Cotton' and made it into the 'Top 10 by Volume Preferred Cotton' (ranked ninth) in the cotton index. In the 'Top 10 by Volume Preferred Down' for down products, we have successfully improved from rank nine in 2020 to fourth place in 2021.

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



SOCIAL RESPONSIBILITY IN THE SUPPLY CHAIN

GRI 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 respects human rights and protects the environment as a basis for livelihoods. Our goal is to create better working conditions and enable fair business relations between suppliers and further upstream tiers. We achieve this by focusing on measures central to our policies, guidance, and position papers, including issues surrounding the following topics: health and safety, freedom of association, wages, and working hours, as well as actions against discrimination, gender inequality, child labour and forced labour. Our goal is also to future-proof our business with a resilient supply chain and do our part towards reaching the Sustainable Development Goals (SDGs).

OUR APPROACH

GRI 102-9/11, 204/103-2, 308/103-2, 407/103-1/2/3, 412/103-2, 414/103-2 Fulfilling our social responsibility in the supply chain is one of our top priorities. This is in line with the assessments of our stakeholders, who ranked responsible supply-chain practices (especially the material topic 'Human rights and working conditions') as one of the major challenges facing our future sustainability performance. Our managing directors also named this issue as one of their top five priorities. In order to fulfil our social responsibility, we developed a Human Rights Due Diligence Process

in alignment with the 'United Nations Guiding Principles on Business and Human Rights' (UNGP).

Our Social Compliance Programme is embedded in this process and forms the foundation of our work on social sustainability for production facilities. This is where we set fixed requirements for our suppliers and their facilities producing goods for ALDI Nord.

The programme was launched in 2013 and has been on a journey of rolling development since then in terms of content and expansion to ever more product groups. It now covers all non-food product groups and industrially produced foods such as canned and frozen goods.

In our other food supply chains, we have also made great strides in implementing various programmes with a strong sustainability focus, as well as programmes for human rights. These are described and explained in more detail in the following sub-sections.

ORGANISATION & GUIDELINES

GRI 102-9, 204/103-2, 308/103-2, 412/103-2, 414/103-2 Our CRQA International department coordinates the overarching efforts of the ALDI Nord Group of Companies relating to social responsibility. It is in close contact with suppliers, buyers and the national CRQA departments. The local CR departments in the countries are involved as necessary. The CR departments in Hong Kong and Bangladesh support implementation and development of our programmes and projects and are responsible for monitoring suppliers and production facilities in Asia, as well as implementing targeted capacity-building measures.

Policy statement, position papers and international frameworks

GRI 204/103-2, 407/103-2/3, 412/103-2, 414/103-2 As internationally active retailers with complex global supply chains, our responsibility is to respect human rights. We are aware that specific human-rights issues have greater relevance for us as retailers. We therefore begin where our impact is greatest and human-rights risks have been assessed. Equally important for the identification of our priorities is the question of leverage. We can exert the most influence on our suppliers and supply chains with our own-brand food and non-food product ranges, where we can also monitor performance most effectively. We continuously assess human-rights risks and act to mitigate and remediate adverse impacts in our supply chains.

As a foundation, human-rights due diligence demands a written human-rights policy statement and clear 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 and initiatives which share our understanding of responsibility based on these agreements.

One such cooperation is amfori of which we have been a member since 2008. We accepted the amfori Business Social Compliance Initiative Code of Conduct (BSCI CoC) and endeavoured to implement it throughout our supply chains. The initiative aims to improve the performance of its members on social standards throughout their global value chains. amfori BSCI achieves this by providing a framework for independent third-party social auditing as well as room for collaboration between its members on specific projects and topics.

In our Human Rights Policy Statement published in 2018, ALDI Nord committed to complying with the 'United Nations Guiding Principles on Business and Human Rights' (UNGP). The policy defines our approach to respecting human rights in our supply chains and provides an overview of the major risks we face and are focusing on. The policy is regularly revised and the latest version was published in early 2022.



Our practical experience demonstrates the need to create fair conditions by establishing legal regulations on corporate human-rights due diligence. In September 2020, we published a [position paper](#) setting out our argument for European regulation of supply-chain responsibility. A law that defines binding criteria for due diligence is essential for establishing fair, competitive conditions and legislation will be a driving force for positive change at the international level.

We published a [policy on child labour](#) and a [policy on forced labour](#) in 2020 reflecting a clear commitment against child and forced labour, and emphasising the extremely critical and sensitive nature of these issues. These policies apply to our non-food supply chains as well as our food supply chains. These guidelines confirm that all forms of servitude or slavery, including forced, bonded, indentured, trafficked, non-voluntary, or child labour are unacceptable in ALDI companies and along our supply chains.

We released our [International Statement on Living Wages and Living Incomes](#) with company-wide validity and acceptance in May 2021. This highlighted our voluntary commitment on living wages and living incomes and clarified the approach of ALDI Nord in relation to this topic and other issues such as freedom of association.

In 2021, we published our [International Policy on Gender Equality](#) in ALDI's supply chains and the corresponding [Gender Equality Action Plan](#). See sub-section 'Progress & Measures 2021' below for more information.

Assessments on human rights and social compliance

[GRI 102-10, 308-2, 407-1, 412/103-2, 412-1, 414/103-3, 414-1/2](#)

As we cannot tackle all issues at the same time, we continuously carry out assessments to identify and prioritise potential risks in our supply chains. Based on these assessments, we subsequently focus on the identified high-risk resources and issues for the implementation of targeted measures.

Starting in 2018, we regularly conducted cross-resource group risk assessments related to human rights and environmental aspects in our supply chains. These are the Human Rights Risk Assessments (HRRAs). The analyses aim to make risks comparable. This in turn allows us to identify which product groups, resources, production countries, and cross-sectoral issues we need to address with high priority due to their risks and impacts.

Our Human Rights Impact Assessments (HRIAs) also help to identify (potential) infringements of human rights in our supply chains. These in-depth assessments enable us to respond

immediately and take corrective action. We aim to conduct up to twelve HRIAs – at least one assessment for each high-risk supply chain – and publish the results by the end of 2025. Our first report about the fish & seafood supply chain can be accessed in our [download sub-section](#).

Both assessment methods (HRRAs and HRIA) and the results provide the foundation for further strategic steps and show us where and how we need to concentrate our efforts. Other activities, such as further audits and assessments are described below.

Third-party audits

As part of our Social Compliance Programme (see above), we require our suppliers for all non-food production and selected food commodity groups manufactured in the 'risk countries' published by amfori to become a member of 'amfori BSCI' (Business Social Compliance Initiative) or similar initiatives. Suppliers also need to ensure that production facilities based in these countries undergo third-party social compliance audits in line with their chosen initiative. Accepted audits, certifications and standards include amfori BSCI, SA8000 certification, Sedex Members Ethical Trade Audit (SMETA), BAP SA, ICTI, RBA or the Fair Wear Foundation (FWF).

Every year, our CR department in Hong Kong reviews around 7,000 to 8,000 third-party social compliance audit reports from production facilities as part of our purchasing processes. Results of this check might, for example, be an expired certificate, an unsatisfactory audit result, potential red flags in the audit report or an incorrect audit scope. In addition, production facilities in Bangladesh need additional fire protection and building safety inspections in line with the International Accord. However, the outcome in the event of an infringement is always the same: no new orders for production until the necessary improvements have been made.

In addition, we also accept a number of third-party audits in the agricultural sector and at the farm level. For fruit and vegetables, these are – as with the production facilities – for example, amfori BSCI, SA8000 certification, Sedex Members Ethical Trade Audit (SMETA), along with audits according to SCS Sustainably Grown, GLOBALG.A.P. IFA, GLOBALG.A.P. GRASP or GLOBALG.A.P. SPRING. We also accept certifications such as Fairtrade or Rainforest Alliance. This applies to fruit and vegetables but also to other commodity groups such as coffee and tea.



SELECTED MILESTONES SOCIAL COMPLIANCE

2008

Introduction of amfori BSCI Code of Conduct as part of ALDI's general terms and conditions
Membership amfori BSCI

Second expansion SC Programme to canned food commodity groups
Foundation of CR department in Bangladesh

Introduction of GRASP (or equivalent standard) as a mandatory requirement for fresh fruit & vegetables
Introduction of ALDI Social Assessments (ASAs)

First expansion of SC Programme to all non-food commodity groups
Membership Partnership for Sustainable Textiles
Foundation of CR department in Hong Kong

Introduction of Social Compliance (SC) Programme

Signatory Bangladesh Accord on Fire and Building Safety

2017

2016

2015

2014

2013

ALDI Factory Advancement Project (AFAP) in Bangladesh

Third expansion SC Programme to further food commodity groups

Expansion of CRSE to DIY (pilot)

International Policy on Forced Labour

International Policy on Child Labour

Signatory United Nations 'Women's Empowerment Principles'

International Policy on Gender Equality in ALDI's Supply Chains

International Position Statement on Living Wages and Living Incomes

CHOCO CHANGER launch; Tony's Chocolonely & Fairtrade are project partners

Signatory International Accord for Health and Safety in the Textile and Garment Industry

Publication of first Human Rights Impact Assessment (HRIA)

Assortment change to only Fairtrade and Rainforest Alliance certified bananas

First Human Rights Risk Analysis (HRRA)

International Policy Statement for Human Rights

Signatory Transition Accord

Introduction of CR Supplier Evaluation (CRSE) for garment textiles

Introduction of German textile label 'Grüner Knopf'

Introduction of ALDI Producer Assessments (APAs)

Expansion of CRSE to selected food commodity groups (2019: pilot banana; 2020: roll out banana & pineapple; 2021: pilot tuna)

Commitment as part of The German Retailers Working Group on living wages for banana farmers (Cooperation with GIZ)

Expansion of CRSE to shoes

2018

2019

2020

2021

2022



Assessments conducted and monitored by ALDI Nord

Such third-party audits are a useful tool for gathering initial insights and ensuring that a large number of production sites – including factories and producers – undergo periodic checks on social compliance. However, these audits fail to go far enough. We also monitor and assess compliance with our requirements through our own on-site assessments.

We regularly evaluate the working conditions at production sites in risk countries through comprehensive social assessments, which are carried out by our CR departments in Hong Kong and Bangladesh. These are supported or indeed carried out by external service providers. Our ALDI Social Assessments (ASAs) have so far focused on the non-food and textile segments, but they are increasingly being extended to food production sites. Our ASAs often identify issues that go undetected (or undocumented) in third-party assessments, and they are therefore a valuable addition to our toolkit. They also allow us to analyse production processes in accordance with requirements specific to ALDI and enable us to identify specific high-risk areas to focus our efforts on.

On-site, we engage with stakeholders, including workers, to better identify and prevent potential negative human-rights impacts at an early stage. In the event of any non-compliance with our requirements being detected, the production facility and the respective supplier are engaged

to remediate these findings. If a severe non-compliance issue – as defined in our standards – is uncovered, a contractually defined process comes into effect. We expect all suppliers to remediate any deficiencies as quickly as possible in accordance with agreed corrective action plans. Should our requirements and processes not be adhered to, potential consequences can range from written warnings to termination of the business relationship. For further details on the assessment process, see also the [2017 report](#) and [2015 report](#).

We also offer a broad range of fresh agricultural articles such as bananas and pineapples produced in high-risk countries. Due to the high frequency of deliveries and multiple producers involved, we developed our own approach to assess and ensure compliance with our social and human-rights requirements at the farm level. The ALDI Producer Assessments (APAs) provide a vital insight into working conditions – including the harvest season – at our suppliers' production sites in high-risk countries in the food segment. These assessments are carried out in cooperation with external service providers and also serve as a strategic tool in our Corporate Responsibility Supplier Evaluation (CRSE) conducted annually. For more information on CRSE, see the following sub-section.

The ASAs and APAs referred to above will in future be merged under the name ALDI Sustainability Assessments (ASA) and they will then combine both approaches. We will report more about our progress on this front in the upcoming report.

Beyond auditing: CR performance and multi-stakeholder initiatives

GRI 412/103-2 While audits and similar measures provide valuable insights and help us to directly address immediate issues in our supply chains, they only constitute one approach to ensure social standards are being implemented. Additional actions, for example, on-site visits, direct communication and training with suppliers and producers, and participation in local projects are part of our portfolio to ensure lasting improvements in working conditions.

One of our strategic goals is to integrate sustainability more strongly into buying practices, reflecting our commitment to human rights in our purchasing practices and requiring a collaborative approach with our suppliers. So as to achieve this, we developed our annual Corporate Responsibility Supplier Evaluation (CRSE) for food and non-food suppliers. The aim of this evaluation is to incorporate the sustainability performance of suppliers into our buying practices beyond certifications and conducting audits.

Suppliers will be rated according to key factors such as their CR setup and compliance processes, their support for and relationship with production facilities or growers, and their human rights and environmental due diligence. The evaluated criteria include the suppliers' methods to monitor working conditions in the country of origin, their approach to supporting partners along the supply chains, but also the results of the ALDI Sustainability Assessments (ASAs) and their capacity to implement improvements where needed. We work closely with our suppliers during the entire CRSE process – from sending out the Self Assessment Questionnaire to concluding the final results transparently in collaborative meetings. The respective CRSE-rating is then used to develop plans and strategies to improve the social and environmental performance throughout the year.

Systemic infringements of internationally accepted social standards cannot be addressed by individual companies or organisations. For this reason, we participate in numerous multi-stakeholder initiatives. We continuously cooperate at the national and international level through memberships in initiatives and we remain in close dialogue with standard-setting institutions and non-governmental organisations (NGOs). Through stakeholder engagement and participation in organisations, working groups, etc., we promote projects that support our efforts and those of our



suppliers to improve social compliance in our supply chains.

For an overview of all memberships and commitments, see '[Stakeholders & networks](#)'.

PROGRESS & MEASURES 2021

Numerous steps have already been taken to reduce human-rights risks in our food and non-food supply chains and to improve adherence to social standards as described above.

In 2021, we continued many projects already underway and also expanded our endeavours. As for many other organisations, the COVID-19 pandemic also affected our work, resulting in the cancellation or delay of some undertakings while others had to be modified. You will find a brief update below on the main developments and new projects for social compliance in 2021.

Addressing gender equality

We are committed to eliminating discrimination and advocating equality within our sphere of influence. Signature of the United '[Women's Empowerment Principles](#)' in early 2021 sent a clear signal to fight discrimination and promote gender equality – along global supply chains and within our group of companies.

We have reaffirmed our support for the principles in two further publications at the latter end of 2021: the [International Policy on Gender Equality](#) in our supply chains and the corresponding [Gender Equality Action Plan](#). The Policy on Gender Equality focuses specifically on women in supply chains as a particularly vulnerable group which has traditionally been overlooked. We believe that by addressing the challenges women face in supply chains and supporting gender equality we can promote greater diversity overall and support safer and more inclusive supply chains.

In the policy and the action plan, ALDI underlines its ambition to further strengthen women's rights and contribute to improved working conditions for women across its global supply chains. As we recognise that many root causes of gender inequality are difficult to address as a single company, our objective is to strengthen our participation in multi-stakeholder initiatives and our dialogue with business partners, producers, trade unions, women's rights organisations, and political stakeholders. The policy applies to all ALDI companies and it will be regularly updated similar to the Gender Equality Action Plan.

Our commitment to living wages and living incomes

[GRI 407/103-2, 412/103-2](#) Living wages and living incomes are integral to human rights and essential to reducing inequality and eradicating poverty. We recognise that the income and wages earned by smallholder farmers and workers along global supply chains are often insufficient to enable an adequate living standard. Due to the political, economic, and social context, current minimum wage levels in global supply chains do not always ensure adequate remuneration to provide workers and their families with a decent standard of living. This can constitute an infringement of the human rights for affected workers, farmers, and their families. We are aware that this is a structural issue based on many other factors that we cannot change alone. There needs to be a general trend in the business community to facilitate long-lasting change. We therefore target enduring change in our global supply chains by strengthening our responsible sourcing practices, and by increasing the transparency and traceability in our supply chains.

Pilot projects such as the payment of premiums or income diversification projects will help ensure an adequate standard of living for workers and farmers, and their families. Once again, we understand that these changes will be most effective when implemented by companies across the world. We are participating in such projects to better

understand the action that needs to be taken and encouraging other organisations to join in as well. As we are aware, collective bargaining plays a vital role in setting adequate wages and closing wage gaps towards a living wage. Our support is behind adoption of statutory measures to promote collective bargaining between workers and employers.

In May 2021, we released our [International Statement on Living Wages and Living Incomes](#) with company-wide validity and acceptance in order to underline our voluntary commitment to living wages and living incomes and clarify the approach adopted by ALDI Nord.

Living wages for banana farmers

[GRI 204/103-2/3, 304/103-2/3, 308/103-2/3](#) Besides the ALDI Position Statement on Living Wages and Living Incomes, we are part of the German Retailers Working Group on this topic coordinated by GIZ because we strongly believe that an effective and lasting solution needs collaboration and level playing fields.

In this context, we signed a [voluntary commitment](#) in 2020 to promote living



incomes and living wages – not simply for the commodity group ‘bananas’. The steps agreed in the commitment also include calculation of income and wage gaps and implementation of sustainable purchasing practices in collaboration with buyers and suppliers.

In 2021, the working group focused intently on the goals set out in the commitment and agreed on tangible steps for a pilot project in the banana sector. This initiative aims at testing and implementing solutions for supporting and verifying the payment of living wages to banana workers.

The sourcing targets for Living Wage Bananas relating to Cavendish bananas sold in the

German market (excl. branded bananas) from 2023 onwards are as follows:

- By 2023, at least 7 per cent of the member’s total banana volumes are sourced as Living Wage Bananas from Ecuador; targeted volumes must include bananas in the entry-level price segment and may include other product lines.
- By 2025, each member aims at sourcing at least 50 per cent of the member’s total banana volumes as Living Wage Bananas; those volumes must be sourced from Ecuador and additional sourcing countries.
- By 2025, at least 90 per cent of volumes sourced from Ecuador must be sourced as Living Wage Bananas.

All three targets have been agreed by participating retailers of the GIZ working group as well as approved by the German Federal Cartel Office. This paves the way for payment of living wages in the banana sector and support for a level playing field in Germany.

In 2022, the target for all members is to analyse and validate wage gaps for farms in Ecuador and other countries of origin by collaborating with an external service provider. In addition, piloting activities with selected farms in and beyond Ecuador are intended to generate initial insights and lessons on effective solutions for implementing Living Wage Bananas.

Our strategy to establish grievance mechanisms

GRI 412/103-2/3, 414/103-2/3 Grievance procedures are crucial mechanisms for workers and communities to voice complaints anonymously and seek remediation. However, as one of the last links in a complex supply chain, ALDI Nord faces particular challenges in making effective mechanisms available for all those people involved in and affected by the production and distribution of our products. ALDI Nord sources products from many different countries, with supply chains spanning continents. This means that mechanisms need to be tailored specifically to each location. Moreover, if all companies were to establish their own grievance mechanisms, production facilities and entities further down the supply chain would be overwhelmed by individual procedures. Additionally, those affected may be reluctant to voice any grievances through a mechanism hosted by ALDI Nord since retailers are remote from workers, farmers, and communities. We are addressing these challenges initially by using Human Rights Impact Assessments (HRIAs) (see sub-section above ‘Assessments on Human Rights and Social Compliance’) to identify potential barriers that workers face in accessing grievance mechanisms and remedies, and by participating in pilot projects, for example, determining the best concepts to improve access to grievance mechanisms in relevant supply chains. In 2021, the pilot for amfori’s ‘Speak for Change’ grievance mechanism project started in Vietnam and

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

“Living wages are a key pillar of sustainable supply chains. This initiative combines responsible purchasing and stronger workers’ representation, and normalises living wages in the banana sector. We look forward to further collaboration.”

NINA KUPPETZ

Advisor on Living Wage & Living Income





ALDI Nord is taking part in this project. The programme enables workers, communities, and their representatives or whistleblowers to communicate complaints issues that are occurring or are perceived to occur in connection with amfori members or their business partners. The programme is intended as a second step, to be used when local operational grievance mechanisms (OGMs) have not resolved the issue.

The textile production facilities in Bangladesh where our products are manufactured are also subject to the grievance mechanism of the International Accord on Health and Safety in the Textile and Garment Industry. Moreover, we have joined forces with other retailers to participate in the working groups of the German Partnership for Sustainable Textiles on grievance mechanisms in order to collaborate on best-practice approaches.

We have defined a target in our strategy to establish grievance mechanisms that meet the requirements of the 'United Nations Guiding Principles on Business and Human Rights' (UNGPR) by 2025 in our high-risk supply chains. We are committed to reporting the findings of the projects we are undertaking with other retailers and partners in global supply chains as early as the end of 2022.

Our commitment to transparency and disclosure

GRI 102-9 Transparency is essential in order to fulfil our responsibility to respect human rights. We already share existing measures, for example, in our sustainability report or on our website. In future, we want to communicate more openly about human-rights risks, publish information about the challenges we face, the actions we are undertaking, and the ensuing results.

In addition to our own internal checks, we also want to enable our customers and NGOs to trace the origins of our products. Publication of our main production facilities for textiles and shoes is an initial first step. This includes information like addresses and the approximate number of employees. Such a step is necessary in the journey towards ensuring the traceability of our products and complying with the 'Transparency Pledge' formulated by an alliance of nine human-rights groups and trade unions.

The introduction of our ALDI Transparency Code (ATC) for several commodity groups in Germany, such as textiles or fresh meat, takes us even further. This provides our customers with a list of all primary production facilities used by ALDI Nord suppliers and discloses the entire supply chain for specific products. We provide extensive information about the product, production steps, and additional background information. This includes insights specifically for textiles on sustainable use, such as washing instructions,

recycling options, and sustainability initiatives. In 2021, the ATC was available for about 63 per cent of certified cotton items offered by ALDI Nord Germany. Further information on tracking fresh meat and fish & seafood with the help of the ATC can be found in the section 'Transparency & Communication'.

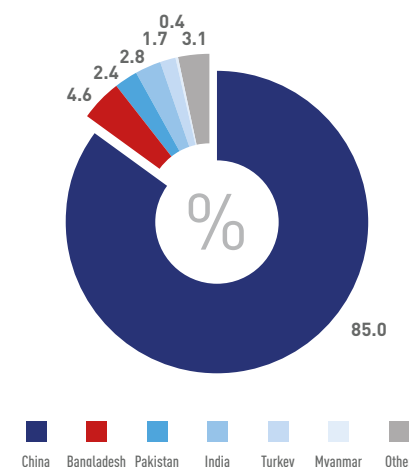
Monitoring social compliance in global production facilities

GRI 308-2, 407-1, 412-1, 414-1/2 In 2021, ALDI Nord performed 263 ASAs in ten countries, 55 per cent in China (2020: 307). In Myanmar, we conducted four ASAs in the first quarter of 2021. However, since February 2021, carrying out any business activities in the country has become unpredictable and implementing even our most basic human rights due diligence processes has proved increasingly difficult. After careful deliberations, a decision was therefore reached in September 2021 to stop placing orders in Myanmar for the foreseeable future.

At 70 of the production facilities audited, we identified critical deficiencies in areas such as occupational health and safety. Since the beginning of the COVID-19 pandemic, we have conducted the majority of the ASAs remotely. Staff from the CR departments in Bangladesh and Hong Kong conducted the assessments by video conference, while local service providers carried out the on-site checks. In total, 100

NON-FOOD PRODUCT GROUP PRODUCTION FACILITIES BY COUNTRY

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



per cent of the assessments conducted by the department in Hong Kong were done remotely, and 14.5 per cent in Bangladesh. Grouped together, this means 64 per cent of the assessments were carried out remotely.

In September 2021, ALDI Nord signed the International Accord on Health and Safety in the Textile and Garment Industry, a follow-up agreement to the Accord on Fire and Building Safety in Bangladesh. Inspections are carried out as part of our membership to ensure adequate fire protection and general building safety. See the sub-section above, 'Third-Party Audits'.



ALDI SOCIAL ASSESSMENTS (ASAs)

	2019	2020	2021
Number of countries in which ASAs were carried out	6	10	10
Number of ASAs effected,	348	307	263
thereof China	242	156	145
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)	22.4	19.2	26.6

We appreciate its new international orientation and believe that the Accord remains a critical tool for continuously improving the safety of workers in the textile industry – including in its future form as RMG [ready-made garment] Sustainability Council (RSC) in Bangladesh.

Fair business relations: How we empower local farmers and promote fair trade projects

GRI 102-9 We understand that smallholder farmers face numerous specific challenges. Due to many factors beyond farmers' control, such as climate change, unpredictable weather conditions, international energy prices affecting farm inputs, and lack of access to the market, production of a stable quantity of crops is challenging. Consequently, farmers are often

unable to earn a living wage. The critical role that we play in changing this situation is apparent. 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 Rainforest Alliance), to supporting projects in sourcing countries. We are currently involved in several projects and initiatives, for example, our coffee project in Columbia (promoted by SKN Caribecafé), the PRO-PLANTEURS project for sustainable cocoa or our memberships in the World Banana Forum, the Juice CSR Platform. A new involvement in 2021 was the Sustainable Nut Initiative. In the future, we will add further measures to continue our support and extend our commitment.

GRI 414-2 In 2020, we became the first discount retailer to join Tony's Open Chain, an initiative by Tony Chocolonely to work together and change standards in chocolate production. The cocoa beans for our Choceur CHOCO CHANGER chocolate are responsibly sourced through Tony's Open Chain. Since 2021, this chocolate has been sold in our companies in Belgium, Denmark, Germany, Luxembourg, the Netherlands, Portugal, and Spain. ALDI France added Choceur CHOCO CHANGER chocolate to their product range in 2022. By adhering to the five sourcing principles, we are part of a mission with the goal of completely eliminating slave labour from the production of chocolate

CERTIFIED SUSTAINABLE COCOA

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

In 2021, roughly 99 per cent of the weight of own-brand products containing cocoa were certified sustainable cocoa. The largest portion was attributable to UTZ/Rainforest Alliance certification (around 75 per cent, followed by Fairtrade (around 24 per cent, including 0.6 per cent attributable to items with Fairtrade certification and the EU organic logo) and the EU organic logo and UTZ/EU organic logo (each 0.1 per cent).

	2019	2020 ¹	2021
Belgium/Luxembourg ²	100.0	100.0	100.0
Denmark	98.6	97.5	96.6
France	94.0	93.5	97.7
Germany	95.4	99.9	99.1
Netherlands	97.9	98.4	99.5
Poland	94.1	99.2	98.5
Portugal	96.8	92.1	97.5
Spain	97.4	98.7	94.6
ALDI Nord	97.1	99.7	98.7

¹ The calculation basis in 2020 has changed compared to previous years (previous calculation basis: number of products). Therefore, comparability with previous years' data is limited.

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').

CERTIFIED SUSTAINABLE COFFEE

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

In 2021, around 58 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 89 per cent), followed by a share of around 11 per cent with Fairtrade certification and the EU organic logo.

	2019	2020	2021
Belgium/Luxembourg ¹	54.4	57.0	60.3
Denmark	54.8	85.7	85.1
France	58.1	57.7	60.2
Germany	47.0	49.5	51.6
Netherlands	60.2	63.6	65.4
Poland	58.2	46.5 ²	56.7
Portugal	66.0	69.4	77.6
Spain	73.4	71.2	70.6
ALDI Nord	52.5	54.8	57.5

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 2020 was corrected compared to the information published in the previous year's report.



GRI FP2

CERTIFIED SUSTAINABLE TEA

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

In 2021, around 72 per cent of our own-brand tea products were certified with one of the following sustainability standards: UTZ/Rainforest Alliance and EU organic. The largest portion was attributable to UTZ/Rainforest Alliance (around 90 per cent), followed by EU organic (around 7 per cent), and Fairtrade & EU organic (around 3 per cent).

	2019	2020	2021
Belgium/Luxembourg ²	67.2	70.1	83.0
Denmark	40.4 ³	78.9	60.8
France	71.6 ³	67.4	70.9
Germany	61.9	67.3	70.9
Netherlands	74.1 ³	73.9	88.3
Poland	52.4	62.8	75.1
Portugal	49.3	62.1	61.2
Spain	50.5	61.5	62.1
ALDI Nord	62.7	67.9	72.4

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').

³ The value for 2019 was corrected compared to the information published in the previous year's report.

products. Tony's Open Chain helps chocolate manufacturers to transform their cocoa supply chains and become pioneers in sustainability.

In addition to the measures mentioned above, as a member of the German Initiative on Sustainable Cocoa, we have been supporting the 'PRO-PLANTEURS' project which has been improving the working and living conditions of cocoa farmers in Côte d'Ivoire since 2015. We will continue to support PRO-PLANTEURS in the second project phase from 2020 to 2025.

The cultivation of coffee provides a livelihood for around 25 million smallholder farmers from Africa, Asia, and Latin America. The 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 2021, around 58 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 (2020: about 55 per cent).

GRI 414-2 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 2021, around 93 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).

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 the farm level and addressing specific aspects of workers' health, safety, and welfare.

At the end of 2021, the share of certified producers, producer groups and/or producer organisations was almost 100 per cent for all ALDI companies. We use the GLOBALG.A.P. Bookmarking System to capture the certification status and the traceability of our fruit and vegetables, with the goal of increasing transparency in the supply chain and obtaining more precise farm-level related data. Finally, we want to meet our human rights due diligence obligations in the fruit and vegetable sector and measure our impact. The system is already in place in most countries. ALDI Poland introduced a pilot project in early 2022, and from end-2022, the fruit and vegetable suppliers in all countries will use the bookmarking system.

You can find further information about GLOBALG.A.P. Risk Assessment in our [Sustainability Report 2019](#).



TARGETS & STATUS

GRI 204/103-2/3, 412/103-2/3, 414/103-2/3 As part of our responsibility to respect human rights, our commitments 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 reliable indications of our performance and opportunities for improvement. These include the critical supermarket checks of Oxfam.

GRI 412-2 Implementing due diligence on human rights is a continuous development process. In line with this, our Social Compliance Programme is broadened and deepened on an annual basis in accordance with our risk analyses. With the objective of further consolidating our approach, the extension of our CRSE (see above) was initiated in 2021 to include the commodity group 'Do it Yourself' (DIY), which will be fully implemented in 2022. We also started to roll out this programme for fish & seafood products (tuna). Moreover, we are planning a further roll-out to other high-risk food supply chains – citrus and avocado – by 2023 and we want to extend the supplier evaluation to all high-risk food supply chains by 2027.

On a country-level, ALDI Netherlands, for example, participates in the yearly monitoring of our due diligence policy as part of the national covenant in which the Dutch Food Retail Association, food retailers and suppliers work together with unions, NGOs, and ministries. Within this covenant, a joint Human Rights Impact Assessment report on Italian processed tomatoes was published in January 2022. It contained recommendations for government, NGOs, unions, and supermarkets, which formed the basis for individual and joint steps on national and international levels within the covenant. Beyond that, we are currently planning training sessions on human-rights policies and procedures throughout ALDI Nord.

Internationally, across all ALDI countries, we intend to publish gender-specific data of three high-risk supply chains and data on the discrepancy between living wages and actual income. This data will be collected through the HRIAs and research planned with external service providers. Step by step, we aim to make our high-risk supply chains more transparent. In 2021, we published the countries of origin for all ALDI Nord's high-risk food supply chains. Publication of the names and addresses of the Tier 1 suppliers is planned by the end of 2022. By 2027, we aim to disclose all relevant value chain stages for six of our high-risk supply chains in the public domain. We will start with

one supply chain and extend transparency to the remaining supply chains in the coming years.

Our agenda for 2022 and the coming years also includes provision of capacity-building measures on topics related to our responsibility to respect human rights. To foster awareness and increase knowledge on crucial issues, we plan to provide access to internal and external training for our suppliers and their production facilities. We are therefore conducting a needs assessment, which will build on our upcoming capacity-building measures.

Further targets pertaining to social responsibility can be found in our [CR Programme](#).



CLIMATE & ENVIRONMENT

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 with our new climate targets.



THREE QUESTIONS TO DR NORA VERFÜRTH AND ALANA LORRÉ

What is the project on the new climate target about?

Dr Nora Verfürth: In 2020, ALDI Nord committed to the Science Based Targets initiative and set binding targets for reducing CO₂ emissions in our entire value chain. To achieve the targets, approved by the initiative in May 2022, we concentrate on reducing emissions in our operations, and committing strategic suppliers, responsible for over 75 per cent of supply chain emissions, to set science-based reductions targets by 2024.

What was your personal highlight in 2021?

Alana Lorré: The 100th solar panel system was installed in ALDI Belgium in July 2021. In three years, the number of PV systems increased from 44 to 101 in Belgium. In total, we generated 9,149 MWh in 2021 on store and distribution centre roofs coming from our own installations. This equals around 2,541 single-family houses based on an average consumption of 3,600 kWh per household in Belgium.

What are your next steps?

Alana Lorré: In 2022 alone, we are planning 40 new PV systems and charging stations for electric cars at all seven regional companies and, from 2023, also at our stores. Every new and renovated store in Belgium is already getting a sustainable CO₂ cooling system with updates planned in all stores in this country by 2030.

Dr Nora Verfürth: The approval of our new climate target was just the beginning of our journey. Aligning all activities, we will implement an international and cross-functional monitoring process to ensure that all measures stay on track and collaborate closely with our suppliers.



DR NORA VERFÜRTH
ALDI Einkauf SE & Co. oHG,
Director Corporate
Responsibility Quality
Assurance International



ALANA LORRÉ
ALDI Real Estate NV (Belgium),
Manager Business Partner
Energy & Sustainability



CLIMATE & ENVIRONMENTAL PROTECTION

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

Providing our customers with more sustainable products involves us in continuously monitoring our entire value chains and work processes. Climate and environmental protection at our sites and the production facilities of our suppliers play a significant role in these considerations. Part of our DNA as a discounter is to focus on efficient use of resources. We are responding to consumer demands for change by adopting modern efficiency management systems alongside systemic reverse (for example reusable plastic containers for fruit and vegetables) and recycling management. This is our contribution to the future sustainability 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, targets, management systems, and measures for handling energy, waste, and water were developed to meet this demand. Climate protection is one of the greatest societal challenges of our time. That is why we place particular focus on reducing our energy consumption and CO₂ emissions.

Our target to get a 40 per cent reduction in emissions by 2021 compared to the 2015 level was achieved in the reporting year. Public expectations for corporate climate protection are trending upwards. In light of current political developments, the importance of this issue for ALDI Nord is dramatically increasing. The Science Based Targets initiative (SBTi) has become the internationally recognised standard for defining corporate climate protection targets. As one of the first discounters, ALDI Nord joined the SBTi in July 2020 and has committed to setting scientifically verified and binding targets for the reduction of CO₂ emissions. Our new climate goal is to reduce our greenhouse gas emissions throughout the ALDI Nord Group of Companies by 55 per cent by 2030, compared to our 2020 levels. This target applies to all emissions that we cause in the course of our business activities (Scope 1 and Scope 2 emissions). The Scope 3 emissions will be covered by a supplier engagement target. We also commit that 75 per cent of our suppliers by emissions covering 'Purchased goods and

services' will have science-based targets by 2024. The targets were approved by the initiative in May 2022 and will be communicated as science-based targets on the 21 July 2022.

In 2020, our second carbon footprint was calculated. This also included Scope 3 emissions for the first time and represented the new base year for our SBT. The footprint broke down our greenhouse gas emissions by emission source and it was determined according to the internationally recognised standard of the Greenhouse Gas (GHG). Our main Scope 1 and 2 emission sources are:

- **Stores:** At about 54 per cent, store operations account for the largest share of our greenhouse gas emissions. Most energy is used for lighting the sales floor, heating, and refrigerating the food. For this reason, refrigerant-related greenhouse gas emissions account for 16 per cent of total greenhouse gas emissions.
- **Logistics & fleet:** Around 21 per cent of our greenhouse gas emissions are generated in logistics. The majority of them is due to the diesel consumption of trucks when delivering to our stores.
- **Distribution centres:** Besides refrigeration, lighting is responsible for a significant portion of the electricity consumed at the distribution centres. The total share of greenhouse gas emissions caused by our logistics centres is around 9 per cent.

You can find further information about emissions and the individual scopes, including information about Scope 3 emissions in the 'carbon footprint' sub-section.

ORGANISATION & GUIDELINES

GRI 302/103-2/3, 305/103-2/3, 306/103-2/3

The department Corporate Responsibility Quality Assurance International (CRQAI) has overarching responsibility for our Climate Protection Policies and other strategic concepts. However, close cooperation between relevant departments, divisions and expert teams is essential. Climate protection also requires the collaboration and expertise of various specialist departments. On the international level and within the countries, the CRQAI, Real Estate & Expansion, and Supply Chain Management 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.

Managers in the Reverse Logistics department are responsible for pooling solutions to implement reusable systems (for example, reusable plastic containers for fruit and vegetables) and waste management solutions for ALDI Nord. They coordinate with our operating units and external service providers



to further optimise the waste avoidance and recycling processes. Experience gained from waste and water management in each country can then be used for improvements throughout ALDI Nord.

We have further internationalised and merged our management operations. International Supply Chain Management together with the Reverse Logistics unit now has central coordination and control responsibility for company-wide waste management activities. Since the end of 2021, we are also establishing an international returns management system for the ALDI Nord Group of Companies designed to avoid the destruction of (unsold and returned) products that are still in good condition. We want to recover recyclable materials from these items and make them available in the recycling system.

Regulations

GRI 302/103-2/3, 303/103-2/3, 306/103-2/3 It is part of our approach to monitor EU legislative proposals regularly and to respond in advance to likely or upcoming legislation, 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 because we use refrigerants in our cooling systems to provide fresh and safe products to our customers. Similarly, implementation

of the EU Energy Performance of Buildings Directive in 2020 plays a role in decisions relating to 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 appropriately. For example, anticipating the EU Waste Framework Directive, we have established the Reverse Logistics department as part of International Supply Chain Management for ALDI Nord. All pooling (for example, reusable plastic containers) and waste-related issues are now controlled and managed centrally. In Germany, Portugal, and the Netherlands, there is a legal obligation to take back electrical and electronic equipment waste from the customer, regardless of where the customer originally purchased the item. ALDI Nord offers the same take-back of used electrical and electronic equipment in all countries, even though there is no legal obligation. ALDI Netherlands is obliged by law to provide information on all implemented energy-saving measures.

The EU Energy Performance of Buildings Directive stipulates energy parameters for the construction of new facilities. As ALDI Nord Germany has already built highly energy-efficient facilities, no adjustment of planning permission was required. New regulations from the EU on the implementation of electric vehicle (EV) charging stations required ALDI

Nord to provide at least one charging point on all new buildings where planning permission was approved after March 2021. Logistics and mobility are of particular interest in the Netherlands and several Green Deals have been established: public-private partnerships to reduce CO₂ emissions, for example the Green Deal Zero Emissions City Logistics. This initiative aims to achieve emission-free city centres by 2025. We expect to be affected by the restrictions drawn up in the initiative and will elaborate alternative supply options in the future. Sustainable mobility is of considerable interest in the Netherlands, with an increase in e-mobility, car sharing systems, and cycling infrastructure.

In addition, we are actively preparing for further regulations that will affect us in the future, including the EU Green Deal, which envisions a reduction of greenhouse gases in the EU of at least 55 per cent by 2030. Another upcoming package of measures is the 'Fit for 55', which includes new directives and regulations from the European Commission on climate policy. The aim is to help achieve the goals of the EU Green Deal.



PROGRESS & MEASURES 2021

Achieved climate goals

GRI 302/103-1/2/3 We set a target in 2018 to reduce emissions by a total of 40 per cent in 2021, compared to 2015. This goal was reached in the course of the reporting year. The biggest challenge we faced was that expansion in the individual companies of ALDI Nord led to the construction of new stores, and increased energy consumption as well as increased emissions. Savings have to be made in comparison to the base year 2015 and we also had to compensate for our business expansion. The key factor in achieving our target was the switch to green electricity. Further contributory measures were those introduced and implemented in stores, distribution centres, and logistics. Information on the measures undertaken can be found in our Climate Protection Policy and in the sub-section 'Measures to reach our goals' below.

It is self-evident that when our previous target has been reached we should set a new climate goal. This is a true reflection of our ethos. The demand also comes from policymakers, who set ambitious goals such as the Green Deal referred to above, the scientific community, and of course our customers. Our aim is for customers to be able to buy from us without a bad conscience. In order to bring all these stakeholders together, we design our products and services – in particular supply chains and processes – to have minimum emissions.

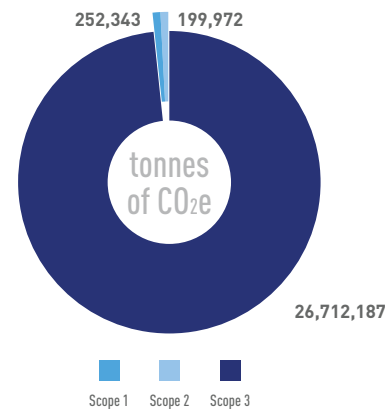
Our new climate targets

GRI 305/103-1/2/3, 305-5 In July 2020, ALDI Nord joined the 'Science Based Targets Initiative' (SBTi), a partnership between the Carbon Disclosure Project (CDP), the United Nations Global Compact (UNGC), the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). The initiative was established in 2015 to help companies of all sizes and from all sectors set emission-reduction targets in line with the current understanding of climate science, and the goals of the Paris Agreement. These targets aim to limit global warming to well below 2 degrees Celsius under pre-industrial levels and pursue efforts to limit warming to 1.5 degrees Celsius. More than 1,180 companies from over 60 countries have adopted science-based targets and had them validated by SBTi. The targets cover both direct and indirect emissions (Scope 1 and 2) and also the indirect emissions that arise in the supply chain (Scope 3), which account for the majority of the total emissions, as is common in the retail sector.

We undertook various steps in advance of setting a new climate goal for ALDI Nord. In 2020, we completed a comprehensive analysis of our emissions, including the first-time determination of Scope 3 emissions (see below). We also defined a new baseline that we will use as a benchmark to measure future progress. An international and interdisciplinary cooperation with various national and international ALDI Nord departments was necessary to determine

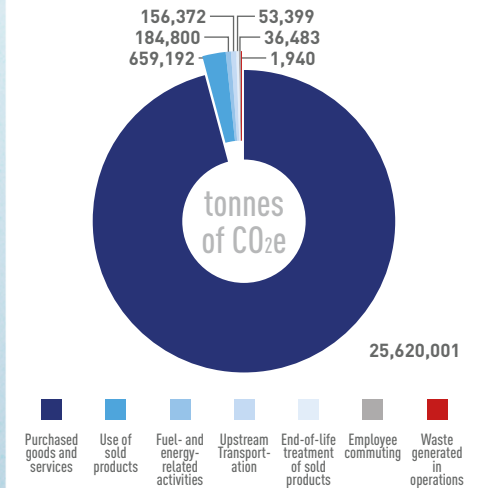
TOTAL EMISSIONS ALDI NORD 2020

Greenhouse gas emissions Scope 1, 2 and 3 in 2020
(in tonnes of CO₂ equivalents)



SCOPE 3 EMISSIONS IN 2020

Scope 3 emissions by category in 2020
(in tonnes of CO₂ equivalents)



a new climate target. We worked with colleagues from retail, central warehouses, logistics, and car fleet departments. During the process, we held workshops to identify the potential for emissions and energy savings and ascertain how these measures could be implemented in each country. We built on previous measures and explored new international potential measures. A significant challenge was presented by determination of the emissions forecast while taking into account expansion plans and the associated comparison with the minimum target according to SBTi. We plan to put in place continual monitoring in order to report annually on the current status and the progress made.

Our new goal is to reduce our greenhouse gas emissions (Scopes 1 & 2) throughout ALDI Nord by 55 per cent by 2030 compared with our 2020 levels in order to align with the SBTi 1.5-degree pathway. According to SBTi criteria, as soon as Scope 3 emissions account for at least 40 per cent of the company's total emissions (Scopes 1–3), the organisation must set a Scope 3 target. As the Scope 3 emissions amount to approximately 99 per cent of our total emissions, we identified and then analysed the seven most relevant categories. This revealed that the majority of the emissions – 96 per cent – were in Category 1, Purchased Goods and Services, as is common in the retail sector. These are emissions that are generated by the



suppliers of ALDI companies, where we can only exert limited influence. For this reason, we worked on a supplier engagement target, requiring suppliers to commit to setting their own science-based reduction target in line with SBTi resources. The target states that 75 per cent of our suppliers by emissions in the Scope 3 category 'Purchased goods and services' must set science-based targets by 2024. In 2021, we achieved the target by 27 per cent. A supplier meets our target criteria as soon as it has a validated science-based target, is currently already listed as committed on the SBTi homepage or sets its own science-based reduction target in line with SBTi resources.

We are in close dialogue with our most important partners and suppliers to reduce these CO₂ emissions. They have already been offered free webinars on the requirements for operational climate accounting and the definition of SBTs. ALDI Nord continuously reviews the status of implementation and the progress of climate commitment among suppliers.

Determination of our climate footprint

GRI 305-5 The carbon footprint is the foundation of our climate strategy because it shows where greenhouse gas emissions occur. To determine the footprint, we have been recording all energy and fuel consumption, and refrigerant losses for the entire ALDI Nord Group of Companies in all nine countries on an annual basis since

GRI 302-1

DIRECT ENERGY CONSUMPTION

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

	2019	2020	2021
Belgium/Luxembourg ²	112,820	108,069 ³	111,337
Denmark	19,471	18,828	20,480
France	138,007	134,064 ³	154,377
Germany	391,645	386,987 ³	392,307
Netherlands	80,503	77,286	78,543
Poland	21,373	23,649 ³	28,717
Portugal	1,560	2,015	2,730
Spain	5,314	5,267 ³	5,747
ALDI Nord	770,693	756,165	794,238

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 2020 was corrected compared to the information published in the previous year's report.

GRI 302-1

DIRECT ENERGY CONSUMPTION BY SOURCE

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

	2019	2020	2021
Natural gas	393,052	384,773 ²	424,155
Heating oil	28,889	25,425 ²	21,881
Biogas	131	799 ²	1,430
Diesel (incl. diesel generators)	347,894	344,053 ²	344,998
Petrol	338	713 ²	1,341
Liquid gas	389	402	433

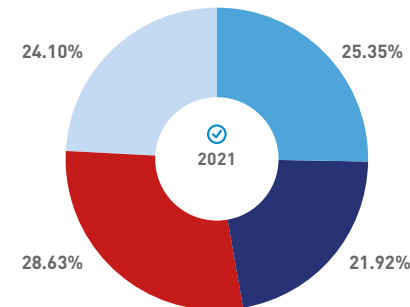
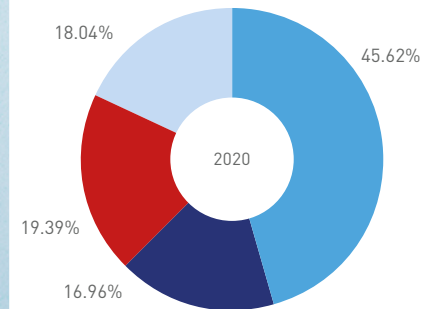
¹ The data is partly based on estimates and extrapolations.

² The value for 2020 was corrected compared to the information published in the previous year's report.

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 per cent, based on market-based emissions)



Electricity¹ Refrigerants¹ Heating energy¹ Logistics¹

¹ The value for 2020 was corrected compared to the information published in the previous year's report.

2014. We look at the operations of our stores and distribution centres, as well as our truck and passenger car fleet (see chart). According to the SBTi, the most recent year should be used when submitting the new goal. The baseline for the new climate goal is therefore the year 2020. Our carbon footprint is determined in accordance with the internationally recognised standard set by the Greenhouse Gas (GHG) Protocol, which provides a binding framework for performing the calculation. An external audit in line with the ISAE 3000 and ISAE 3410 assurance standards ensures high data quality for Scope 1 and 2 emissions.

The previous carbon footprint was based on Scope 1 and 2 emissions, as these were sufficient for past climate targets. The new science-based target also requires an analysis of the Scope 3 emissions.

A total of 27,164,502 tonnes of CO₂ were emitted in 2020 across all scopes (see chart). Since we have set independent targets for Scopes 1, 2, and 3, we use two separate carbon footprints as the baseline for 2020. We will measure our progress towards our goals in 2030 against this baseline. For Scopes 1 and 2, a total of 452,315 tonnes CO₂ was emitted in 2020.

Scope 3 emissions account for the largest share of the total carbon footprint, as is common in the food retail industry. The share of Scope 3 emissions of the ALDI Nord Group



GRI 302-1

INDIRECT ENERGY CONSUMPTION

Electricity and district heating consumption (in MWh)¹

Electricity consumption at nearly 1,239,527 MWh is responsible for the most significant share of energy demand at our locations. It increased by around 10 per cent. The increase is due to several factors, including the integration of Leader Price in France, opening of new stores, and building expansions.

	2019			2020			2021		
	Total	Electricity	District heating	Total	Electricity	District heating	Total ²	Electricity	District heating
Belgium/Luxembourg ³	103,691	103,691	–	103,126	103,126	–	102,674	102,674	–
Denmark	49,875	37,921	11,954	51,465	39,700	11,765	45,919	39,289	6,630
France	207,224	196,093	11,131	218,076	207,287	10,789	311,187	296,133	15,054
Germany	502,075	482,226	19,849	503,570	483,730	19,840	514,077	493,071	21,005
Netherlands	106,734	105,810	924	108,000	107,185	815	104,409	103,784	625
Poland	32,993	29,106	3,887	35,291	30,880	4,411	45,180	38,522	6,658
Portugal	24,183	24,183	–	23,577	23,577	–	30,989	30,989	–
Spain	113,353	113,353	–	123,203	123,203	–	135,066	135,066	–
ALDI Nord	1,140,128	1,092,383	47,745	1,166,308	1,118,688	47,620	1,289,500	1,239,527	49,973

¹ The data is partly based on estimates and extrapolations.

² Totals may deviate due to rounding.

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').



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 based on 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 since 2019 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).

	2019			2020			2021		
	Scope 1 ¹	Scope 2 ^{2,3} 'location-based'	Scope 2 ² 'market-based'	Scope 1 ¹	Scope 2 ^{2,3} 'location-based'	Scope 2 ² 'market-based'	Scope 1 ¹	Scope 2 ² 'location-based'	Scope 2 ² 'market-based'
Belgium/Luxembourg ⁴	34,338	17,230	17,136	35,606 ⁵	20,566	–	35,929	16,948	–
Denmark	8,849	7,184	16,208	7,434	8,164	16,243	9,161	4,627	15,660
France	59,316	15,422	11,658	50,257 ⁵	13,284	9,325	59,108	15,932	29,585
Germany	108,556	196,317	203,716	109,997 ⁵	199,211	140,970	100,281	176,089	5,338
Netherlands	28,867	46,153	120	26,248	44,888	106	27,878	38,419	81
Poland	7,138	23,088	24,603	6,756 ⁵	24,584	28,754	8,020	29,755	24,405
Portugal	2,857	7,718	5,316	2,398	7,000	4,576	3,596	7,357	6,188
Spain	11,295	31,774	57	13,647 ⁵	31,971	–	12,021	26,905	–
ALDI Nord	258,216	344,884	278,814	252,343	349,668	199,972	255,994	316,032	81,257

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

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

3 Emission factors for the calculation of emissions from electricity consumption have been updated from CO₂ to CO₂e

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').

5 The value for 2020 was corrected compared to the information published in the previous year's report.

RENEWABLE AND NON-RENEWABLE ENERGY CONSUMPTION (IN MWH)

	2020 ¹	2021 ¹
Total energy consumption	1,922,473	2,083,736
from renewable sources ²	392,185	904,056
from non-renewable sources	1,530,288	1,179,680
Electricity	1,118,688	1,239,527
from renewable-sources	391,386	902,626
external ³	333,514	834,877
consumption from own PV production	57,872	67,749
from non-renewable sources	727,303	336,902

1 Totals may deviate due to rounding.

2 Including Guarantees of Origin, green electricity contracts, PV in-house production, and biogas purchases.

3 Including Guarantees of Origin and green electricity contracts.

of Companies is around 99 per cent. Seven of fifteen categories were reviewed in 2020 – five upstream and two downstream emission categories. A total of 451,841 tonnes of CO₂ was reported. The largest category by far was 'Purchased Goods and Services', which includes all upstream emissions from the production of products purchased in 2020. Another category with a significant share of the total carbon footprint is 'Use of Sold Products'. This category includes emissions from the use of goods and services sold by us. Our Scope 3 emissions from the use of sold products are the Scope 1 and Scope 2 emissions of end-users. Any emissions not included in Scope 1 or Scope 2 but related to the production of fuels and energy purchased and consumed are accounted for in the category 'Fuel- and Energy-related Activities'. These are, for example, emissions generated in the refinery

during production of diesel for our truck fleets. Emissions from the transportation of purchased goods from suppliers in trucks that are not owned by ALDI Nord are accounted for in the following category 'Upstream Transportation'. The other categories listed below – 'Employee Commuting', 'End-of-life Treatment of Sold Products' and 'Waste Generated in Operations' – account for a relatively small share of Scope 3 emissions. For more information on the categories listed above and all others, see documentation of the GHG Protocol.

Measures to reach our goals

[GRI 302/103-1/2, 303/103-1/2, 305/103-1/2/3](#) As part of the development of goals for the SBTi, we incorporated various measures in our stores, distribution centres, and logistics as well as the purchase of renewable energies. Their use and

implementation vary in the individual countries. The following steps are deployed only in the countries where they can be used effectively:

Stores

- Installation of photovoltaic (PV) systems on store roofs
- Exchange of cooling systems with climate-friendly alternatives
- Plug-in freezers
- Equipping freezers and some refrigerators with glass doors
- Conversion to LED lighting inside and outside (car parks)
- Retrofitting of side rooms
- Introduction of energy management systems in stores

Distribution centres

- Installation of PV systems if possible
- Decreasing temperature levels to 16 °C/17 °C
- Insulation measures for cooling chambers, façade, and roof
- Heat recuperation from cooling systems (evaluation)
- Conversion to LED lighting and lighting on demand



Logistics & fleet

- Introduction of telematics systems and eco-intensive training programmes
- Optimisation of frequency and capacity relating to transport
- Introduction of tyre pressure control systems for trucks
- Fleet Technology Project to develop a strategy to create a climate-neutral fleet for delivery to stores by end of 2023
- Conversion to e-drive cars. In Germany, we plan to use only electric motorised vehicles in the car fleet from 2025.

Purchasing green electricity

This measure has the highest impact on reaching the SBT. All countries must convert to using green energy by 2030 at the latest. This is already the case in:

- Belgium
- Germany
- The Netherlands
- Spain

The following sub-sections describe some of the above measures in more detail.

Stores: innovative technology lowers emissions and energy consumption

GRI 305-5 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. In Germany, we also

completed the conversion of outdoor lighting to insect-friendly LEDs in 2020. The conversion is still underway in other countries. A description of the exact measures undertaken and the advantages of LED lighting can be found in the [Sustainability Report 2017](#).

The roofs of many stores and distribution centres are equipped with photovoltaic systems. In 2021, these systems already had an installed capacity of more than 123,800 kWp and produced in excess of 94,500 MWh of electricity. You can find additional information about the exact status for the individual countries in the sub-section 'Renewable energy'. Refrigeration is another key issue in our climate protection efforts. We have started replacing refrigerants with climate-friendlier alternatives. ALDI Belgium, ALDI Nord Germany, ALDI Luxembourg, and ALDI Netherlands are gradually switching over all existing freezers to the natural refrigerant propane (R290), which has very low global warming potential. In Portugal, the conversion to R290 was completed in 2021. All newly installed compound refrigeration systems already use CO₂ as a natural refrigerant. This has been carried out in Belgium, Denmark, Germany, Luxembourg, the Netherlands, Portugal, and Spain.

In Belgium, Germany, and the Netherlands, the integrated cooling systems in new buildings are also used for heating. These systems recover

heat from the refrigeration process. Where these systems cannot be used, other measures like heat recovery from exhaust air may be realised.

Between 2020 and 2021, we reduced emissions resulting from refrigerant losses by 5.5 per cent. This led to a reduction of around 4,100 tonnes of CO₂ equivalents. The reduction was a result of switching refrigerants alongside rollout of digital leakage monitoring systems in use at our stores in Belgium, Germany, France, Poland, and the Netherlands (for more information, see [Climate Protection Policy](#)).

Additionally, we are implementing comprehensive energy data management systems for all our stores and distribution centres, which provides daily data on energy consumption. The rollout is planned for

every country and it is well advanced in some countries. We are already using the system extensively in all stores and distribution centres in Germany. In other countries, for example Spain and Belgium, the process is ongoing or systems have already been partly implemented.

Distribution centres: sustainable building

GRI 305-5 Since we switched to LED lighting at our distribution centres, we have been able to save a total of up to 3,000 tonnes of CO₂ emissions each year. ALDI Belgium and ALDI Denmark have already switched to LED lighting. Since 2020, only LED lamps have been used for interior lighting in Germany. The conversion to LED is also planned or already being implemented at our distribution centres in France, the Netherlands, Poland, and Spain. In some cases, outdoor lighting at the central

SAVINGS ACHIEVED IN SPECIFIC GHG EMISSIONS

Savings achieved in sum of Scope 1 and 2 emissions as of 2021, compared to Scope 1 and 2 emissions in base year 2015 (in tonnes of CO₂ equivalents)

	2015		2021		%
	Scope 1	Scope 2 'market-based'	Scope 1	Scope 2 'market-based'	
ALDI Nord	297,137	355,522	255,994	81,257	-48.3



GRI 302-1

FUEL CONSUMPTION

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

	2019			2020			2021		
	Diesel ¹ (l)	Petrol (l)	LPG (kg)	Diesel ¹ (l)	Petrol (l)	LPG (kg)	Diesel ¹ (l)	Petrol (l)	LPG (kg)
Belgium/Luxembourg ²	4,570,082	–	–	4,483,859	–	–	4,540,886	–	–
Denmark	1,446,716	3,901	45	1,400,522	1,902	22	1,398,342	3,219	11
France	6,600,170	–	9,955	6,532,423 ³	3,906	9,844	6,667,713	12,133	11,933
Germany	17,442,870	572	17,584	17,348,437	43	19,209	16,655,913	1,035	19,194
Netherlands	3,740,935	19,068	–	3,559,980	57,633	–	3,552,829	123,880	–
Poland	287,321	13,895	–	337,123 ³	15,581 ³	–	415,431	8,261	–
Portugal	156,477	–	66	201,038	–	66	273,110	–	66
Spain	485,950	–	2,778	471,979	–	2,228	517,146	–	2,659
ALDI Nord	34,730,521	37,436	30,428	34,335,361	79,065	31,369	34,021,369	148,527	33,863

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').

3 The value for 2020 was corrected compared to the information published in the previous year's report.

warehouses has also been converted to LED, and demand-responsive lighting (light sources switched on by motion detectors) has been introduced. Construction on two new ALDI distribution centres in the Netherlands began in late 2020 and early 2021. The first centre replaced two existing centres and came into operation in February 2022. The second is expected to become operational in mid-2022 and will replace one other distribution centre. Natural gas was used in the previous buildings as a heating source, whereas the heating systems in both new buildings are fully electric and the distribution centres are additionally equipped with solar panels to generate electricity. The light and airy buildings also benefit from natural lighting.

Since 2020, all seven ALDI distribution centres in Belgium have been equipped with a solar system. The newest centre in Belgium was

built in 2019 and has a BREEAM Certificate of Excellence. It continues to remain the most sustainable industrial building in Belgium. In Poland, we installed photovoltaic systems on our distribution centre, which is also equipped with a new refrigeration system that has less energy consumption. In Denmark, the focus in 2021 was on saving electricity in lighting, for example, when there is no activity in certain sections of the warehouse the lights are automatically switched off and lights on the outside ramps are dimmed at night. This is still a work in progress and more will be done in all three warehouses during 2022. In Spain, the new ALDI logistics centre in the expansion region of Gran Canaria is being built according to sustainable building criteria, with targeting of an Excellence BREEAM certificate. Additionally, the two existing centres in Spain are being expanded in 2022, with energy efficiency measures incorporated into the design, for

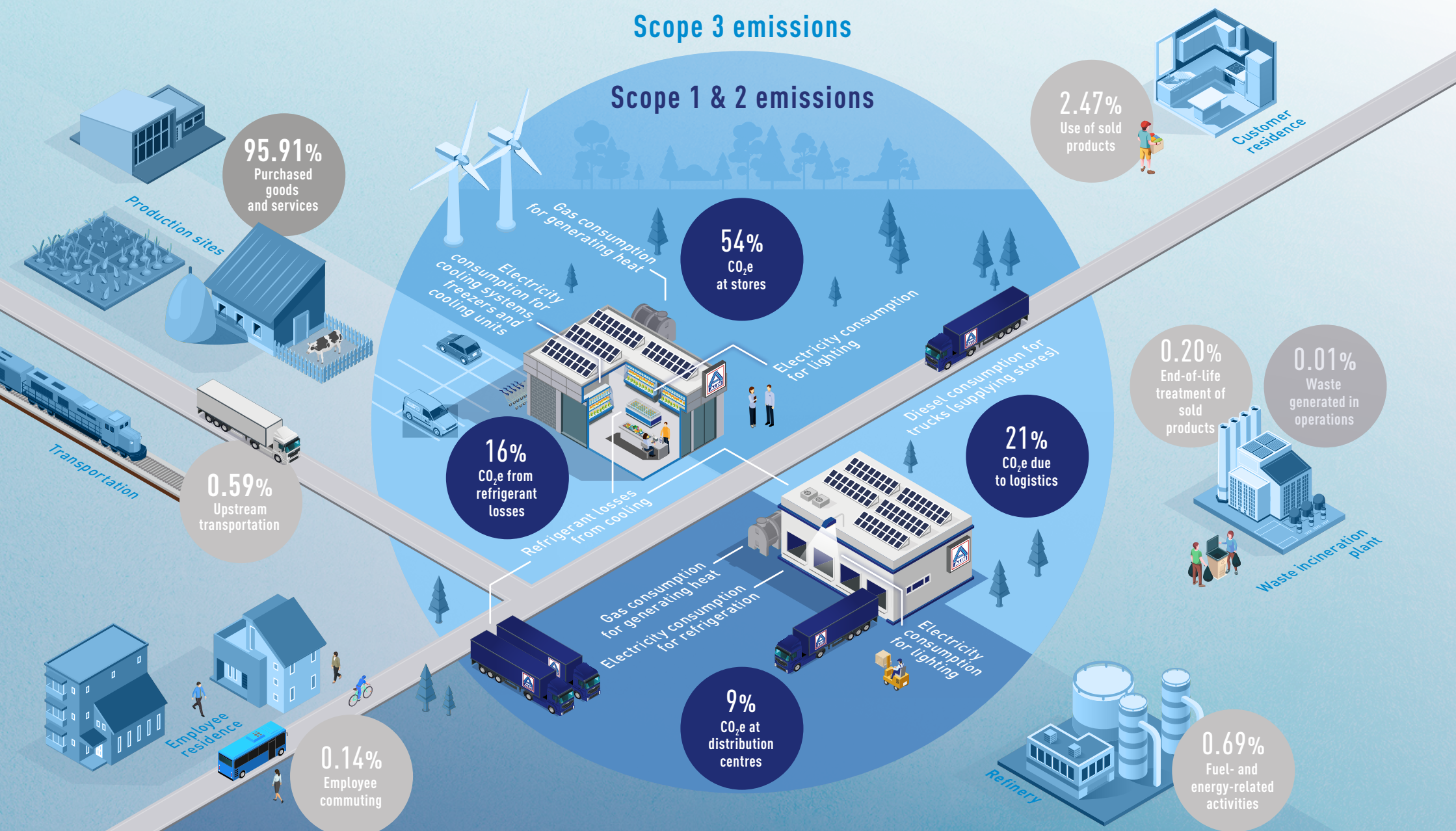
example natural lighting, LED lighting with motion sensors, a natural refrigerant, and of course renewable energy (photovoltaic panels).

The construction and infrastructure of the new ALDI distribution centre in Moita, Portugal, is expected to generate 30 per cent of energy consumption through the installed solar panels (1,000 kWp solar plant). The installation of a centralised energy management system is also expected to improve energy efficiency. With the aim of reducing the potential emissions of CO₂ in cold storage facilities, a system involving a combined cycle of NH₃ and CO₂ was installed to minimise the risks of a gas leak. In addition, we have logistics consolidation platforms in the ALDI Nord distribution centres to bundle small order sizes and optimise truck utilisation. Currently, 17 European platforms are offered to suppliers. However, these optimisations still fall under Scope 3 emissions.

Efficient logistics and fleet

GRI 302/103-1, 305/103-1 We transport more than 31 million euro-pallet spaces between our 64 distribution centres and more than 5,320 stores. This is a massive movement of goods and we therefore work constantly on making processes more efficient. In view of our rising turnovers, we approach this issue from three angles: technology, efficiency, and competence. Modern logistics concepts help us pool the flow of goods, optimise, and shorten transport routes. This reduces the number of journeys and leads to lower 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 are implementing a telematics system that enables us to continuously analyse and visualise our vehicles' fuel consumption with the objective of reducing the fuel consumption of the truck fleet. In addition, we are training our drivers more effectively to raise awareness for eco-driving and reduce diesel consumption. Tests in the Netherlands and Germany have shown this can yield a reduction in fuel consumption of around 7 per cent. A further initiative involves geo-fencing in defined areas to reduce noise pollution – for instance, in residential areas – where the cooling unit should be switched off or set to Silent Mode. We plan to introduce this in Denmark by mid-2022, and in the Netherlands and Germany by the end of the year. ALDI Belgium and ALDI France will follow suit in





early 2023. Telematics will also be introduced in Spain, Portugal, and Poland, albeit without any effect on diesel consumption as these countries lack an in-house vehicle fleet. The project should be completed in countries with their own dedicated fleet by the end of 2023.

In some ALDI countries, such as Denmark, environmental zones are becoming more common in the larger cities, and we follow the relevant regulations. We are also phasing out the last of our EURO Class 5 trucks and replacing them with EURO Class 6 trucks in 2022, which are more environmentally friendly and can drive in restricted environmental zones.

Since March 2022, ALDI France has been part of FRET21 ('fret' means 'freight'), a voluntary programme to reduce emissions in the transport sector managed by the French Agency for Ecological Transition (ADEME). The scope is downstream transport operated by our fleet in France and by carriers. This programme commits ALDI France to reducing its emissions by 7 per cent between 2021 and 2024, using measures such as the conversion of engine motorisation and the development of partnerships with certified 'Objectif CO₂' transporters.

ALDI Portugal is one of the first food retailers in Portugal to invest in distribution with an electric truck. Since early 2022, we have been delivering products daily in the greater Lisbon area

using a zero-emission electric truck. As one of the first 100 per cent electric heavy goods vehicles operating in Portugal, this truck is also the first in its category to be PIEK certified as generating noise below 60 decibels. This facilitates night-time unloading without causing noise disturbance in local and residential areas. The truck has a range of 180 km, a maximum capacity of 26 tonnes (approximately 18 standard pallets), and a 100 per cent electric refrigeration system.

Renewable energy: more green electricity to reach our goal

GRI 305-5 The roofs of many stores and distribution centres are equipped with photovoltaic systems. In 2021, these systems already had an installed capacity of more than 123,800 kWp and produced more than 94,500 MWh of electricity. Across the ALDI Nord Group of Companies, we saved around 17,840 tonnes of CO₂ emissions in 2021 by expanding photovoltaic systems. Learn more about the [Installed capacity of photovoltaic systems in 2021 and the In-house electricity production in 2021 online](#).

Across ALDI Nord, we currently use approximately 72 per cent of the solar-generated electricity ourselves; the remainder is fed into the power grid. We continue testing the effectiveness of storage technology that would enable us to use the generated electricity

later so that we can increase the amount of energy for our own use.

Despite additional photovoltaic systems, we will still draw most of our electricity from the grid in the years ahead. We achieved our climate target in the reporting year by purchasing more green electricity. ALDI Netherlands converted to completely renewable energy in 2015, and ALDI Spain followed suit in 2018. The switch in Belgium was completed in 2020 and in Germany in 2021. In other ALDI countries, we are developing strict criteria for purchasing green energy. As a result, we saved more than 252,900

tonnes of CO₂ in 2021 across the entire ALDI Nord Group of Companies.

The switch to renewable energy is the most important factor in reaching our SBT. By 2030, at the latest, all countries must use 100 per cent renewable energy. Where possible, new stores are all equipped with a photovoltaic (PV) plant, regardless of whether they are owned or rented stores. It is not always possible to install a PV system in every store, particularly when it is part of a larger complex, for example, a shopping centre.



ALDI Spain

+100%

CAPACITY OF PV SYSTEMS ALMOST DOUBLED

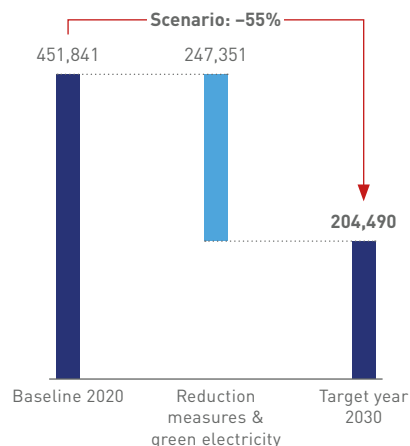
ALDI Spain's commitment to implementing renewable energies in stores and distribution centres was strengthened in 2021. With this renewed dedication, we almost doubled the installed photovoltaic capacity on Spanish store roofs compared to the previous year. New plants have been installed on 48 stores with a capacity of 2,880 kWp and a production of 4,074 MWh. At the end of 2021, this led to a total capacity of 6,262 kWp and an annual production of 8,839 MWh. 97 per cent of this energy production is consumed in our stores and distribution centres.



In Poland, we have two facilities equipped with a PV system, each with a capacity of 50 kWp. In 2022, we plan to build another 15 PV systems at our facilities, and at our central distribution centre. Our rented warehouse in Chorzów runs on 100 per cent renewable energy. ALDI Portugal already has 43 PV systems in place, with total production of around 5,460 MWh/year, saving 1,090 tonnes of CO₂ every year. Planned installations will see this rise further, with an additional 1,540 MWh of production, the equivalent of the consumption of 160 domestic homes. In Denmark, 14 new stores were equipped with PV systems in 2021, bringing the total number to 17 systems, with more planned in new stores in the future. ALDI Spain almost doubled the stores with PV systems from 52 installations in 2020 to 100 stores in 2021. For more information, see also the highlight box.

We consider our new climate target to be an ambitious one and are confident that by implementing the measures described above, it will be possible to achieve it as planned. Our forecast for 2030 can be seen in the image below. The cyan bar shows the possible savings through the implementation of our measures.

1.5°C-SBT REDUCTION PATHWAY OF ALDI NORD



Our future planning includes, for example, intensification of our discussions with suppliers to develop measures for the decarbonisation of the supply chain. In addition, we will continue internal discussions in the working group to develop measures that go beyond those required by the SBTi. These measures include, for example, projects to increase efficiency in our stores, or the establishment of an in-house electric truck fleet. We will report on our progress in subsequent publications.



WATER CONSUMPTION

Water consumption (in cubic metres)¹

The slightly increased consumption across countries in 2021 was due to several factors, including the opening of new stores, major leakages, water usage to comply with COVID-19 measures, and roof watering controlled by alarm sensors of the cooling system.

	2019	2020	2021
Belgium/Luxembourg ²	51,048	55,991	61,101
Denmark	14,726	15,418	16,729
France	166,618	186,900	282,930
Germany	264,138	271,369	253,060
Netherlands	62,527	65,601	59,287
Poland	25,578	33,478	27,886
Portugal	87,838	96,104	93,003
Spain	136,858	132,780	152,139
ALDI Nord	809,330	857,642	946,135

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').

AMOUNT OF WASTE

Amount of waste by type (in metric tonnes)¹

The most significant proportion of the waste generated was attributable to packaging waste. Hazardous waste, amounting to 1,582 metric tonnes, only made up 0.4 per cent of the total volume of waste. This includes used oil, oil filters, vehicle batteries and fluorescent tubes which contain mercury. From 2020 onwards, data was collected and reported internationally, including Poland from 2021. In previous years, data was only collected and reported for companies of ALDI Germany.

	2019	2020	2021 ²									
	Total	Total	Total amount of waste	Hazardous waste ³	Paper/board/carton	Urban waste ⁴	Organic waste	Electronic and electronic devices	Packaging waste Total	thereof plastic (e.g. foil, PET)	thereof board/paper	thereof other packaging waste ⁵
Belgium/Luxembourg ⁶	n/a	39,860	33,415	190	n/a	4,933	n/a	n/a	28,292	1,207	27,085	n/a
Denmark ⁷	n/a	8,918	8,797	n/a	n/a	4,241	n/a	n/a	4,556	n/a	4,556	n/a
Germany	n/a	35,744	47,048	68	10	6,914	1,047	13	38,995	1,660	37,335	n/a
France	262,608	239,237	215,096	1,246	344	62,380	864	96	150,167	26,702	123,033	431
Netherlands	n/a	38,179	39,084	54	10	13,219	n/a	33	25,768	2,107	23,660	n/a
Poland	n/a	n/a	13,753	16	52	6,026	100	12	7,548	486	6,408	654
Portugal	n/a	4,412	6,051	9	49	1,561	n/a	1	4,432	159	4,202	71
Spain	n/a	15,990	17,998	n/a	n/a	2,834	n/a	11	15,153	523	14,629	n/a
ALDI Nord	262,608	382,340	381,242	1,582	465	102,109	2,011	165	274,910	32,845	240,908	1,156

n/a = data not available

¹ The data is partly based on estimates and extrapolations.

² The allocation of waste is not always clearly defined, therefore, the quantities of the categories can fluctuate annually.

³ Excluding electrical and electronic devices.

⁴ Industrial waste. This includes 'residual waste', bulky waste, wood and metal scrap.

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

⁶ 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').

⁷ Data only includes stores and logistic, excluding administrative buildings.

Waste and water in our operating processes

GRI 303/103-2/3, 303-1, 306/103-2, 306-1/2 In waste management, we follow the five-step waste hierarchy: reduce, reuse, recycling, another recovery, and disposal. We avoid waste by using reusable systems in logistics, such as reusable plastic containers for fruit and vegetables, and in Germany, our own plastic half pallet ('Kunststoff Düsseldorf Palette' or KDP). We determine which materials can be reused and

promote the recycling of each waste stream collected separately at ALDI Nord, such as cardboard and foil. Materials that cannot be recycled are disposed of in waste incineration plants after being pre-treated.

We have a new rainwater harvesting system in newly built stores in Belgium and Luxembourg that uses recycled rainwater in toilets, which

saves around 40 per cent of water when flushing WCs.

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. The national policy was updated in 2021. We are drawing up approaches and measures for the other countries.

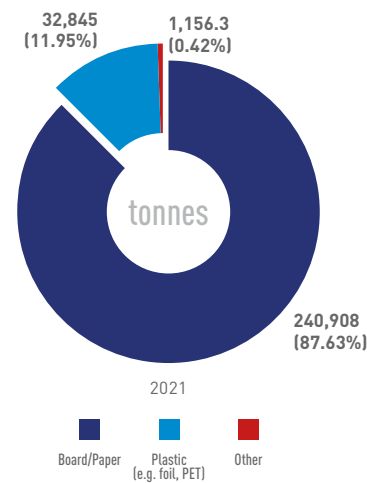


In relation to corporate water management in Germany, we have decided to establish a monitoring system for operational water consumption. In addition, we are going to promote the construction of sustainable stores in accordance with DGNB (German Sustainable Building Council) standards to preserve natural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

The operation of an ALDI store generally requires less water each year than an average four-person household. In 2021, we used approximately 946,135 cubic metres of water throughout ALDI Nord, with 810,398 cubic metres of this being used in our stores. We use efficient engineering to save water. For example, self-cleaning ovens (bake-off) are used in most ALDI countries as they can be cleaned without 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.

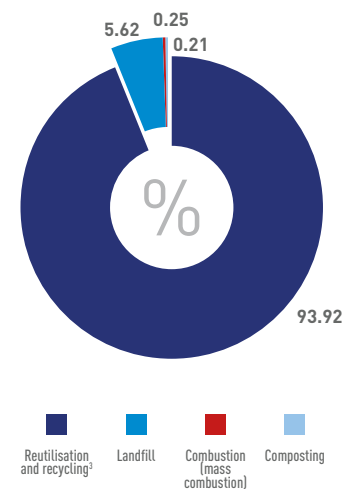
PACKAGING WASTE BY CATEGORY FOR ALDI NORD

Weight and shares of packaging waste by category (in tonnes and per cent)



AMOUNTS OF WASTE BY METHODS OF DISPOSAL

Amounts of waste in Germany proportionately by the type of disposal (in per cent)^{1,2}



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

² The scope of data is to be expanded and internationalised depending in availability in the years ahead.

³ Including incineration for energy recovery.



TARGETS & STATUS

GRI 302/103-2/3, 303/103-2/3, 305/103-2/3, 306/103-2/3

As mentioned above, after reaching our initial climate goal, we set an even more ambitious, science-based target. We regularly report to internal and external stakeholders about 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. CRQA International then assesses this information and analyses it together with the relevant specialist departments. By the end of 2021, we had reduced our emissions by 25.4 per cent in comparison to 2020 despite the continuing expansion.

In addition, we would like to further reduce our emissions in future using additional methodology and concepts. Enabling a greener future for this and the following generations requires a functioning circular economy. With this in mind, we joined forces with our partner Voltfang to launch a pilot project in July 2021 as part of the TechFounders Accelerator Programme. This project focuses on the storage of self-generated green energy from our Store in Gütersloh, Germany, using discarded car batteries from electric vehicles. In keeping with the concept of the circular economy, we use second-hand batteries instead of new ones to avoid ongoing depletion of finite raw

materials. Currently, there are no efficient and widespread recycling options for batteries from electric vehicles. Our second life use of electric-vehicle batteries enables us to reduce the environmental footprint. Discarded batteries usually have a residual capacity of over 80 per cent due to ageing. They are therefore ideally suited for further use in stationary storage systems, which are an essential component of the sustainable energy transition. This project carried out by Voltfang created an environmentally friendly solution to this issue.

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

Voltfang GmbH

“Our project to foster climate protection measures in an ALDI store showed that we can offer added value to established companies, installing a holistic product to use as much renewable energy as possible. We are happy to help ALDI Nord become more sustainable.”

DAVID OUDSANDJI
Co-Founder & CFO





EMPLOYEES & COMMUNITY

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.

THREE QUESTIONS TO PHILIPP ASCHMANN

What is your work at ALDI Nord about, and how does it promote sustainability?

My colleagues and I develop strategies, processes, and products to attract and recruit people and support their development as ALDI employees. This includes HR marketing measures, recruiting tools and processes, and development opportunities, for example, the new Employee Dialogue or various training programmes. To drive our business success, we need engaged and qualified employees. With our support throughout the entire employee life cycle, we make ALDI Nord more sustainable.

What was your personal highlight in 2021?

The sheer number of topics, processes, and projects we enabled or completed in 2021, to a high standard – in extremely dynamic times. ALDI Nord's current transformation affects all parts of the companies, and the HR topics mentioned help the business areas to achieve their project goals. We worked with many different departments to realise the 'people aspect' of many projects while also working on the HR strategies – this variety is my highlight of 2021.

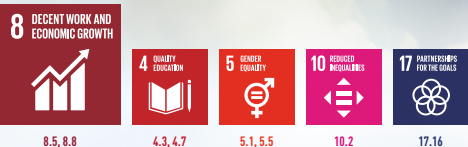
What are your next steps?

In 2021, we created a solid foundation of required HR tools. Our next steps will build on that foundation and focus on the people side of the ALDI Nord transformation. Always driven by business needs, we are currently shaping the future strategies. I look forward to seeing our vision come to life.



PHILIPP ASCHMANN

ALDI Einkauf SE & Co. oHG, Director Employee Lifecycle HR International





ATTRACTIVE EMPLOYER

GRI 404/103-1, 405/103-1 ALDI Nord faces challenges such as significant increases in employees within a competitive employment market, and constantly changing customer expectations and demands. The wishes and needs of our customers are our top priority and we want to support all ALDI employees in fulfilling their tasks with strong commitment. This requires a modern, motivated, and open-minded workforce, along with continuous investment in our people.

The focus of work by Human Resources (HR) in 2021 was on implementation of standard processes, such as employee dialogues and training, but also on digitalisation and automation of processes. Remote working places new demands on the management of employees. One of our priorities was therefore focused on developing an understanding of collaboration in times of mobile working at ALDI Nord. Widespread launch of HR functions and services was driven by introduction of a number of new processes, tools, and products in 2021. These improvements assist employees and managers in driving business success and they are described in more detail below. We are introducing some standard HR topics at ALDI Nord for the first time, with the aim of making them particularly effective and easy to apply.

OUR APPROACH

GRI 102-7, 102-16, 404/103-2, 405/103-2 Well-qualified, motivated, and engaged employees who have the support of a positive corporate and leadership culture represent a sustainable contribution to the development of our organisations. Our workforce of more than 86,000 ALDI employees has always been an essential pillar for the success of the ALDI companies. We take a holistic approach with our HR functions and products that encompasses all areas of HR and provides support throughout the entire employee lifecycle: from application and hiring through onboarding, performance management, and career development to retirement. This approach is being followed in all ALDI countries.

The current investment in HR involves rethinking, rebuilding, digitalising, and harmonising our processes. Recruitment of the best candidates is the starting point. Further improvements include comprehensive onboarding programmes, training and development of employees, succession planning, and transfer of knowledge to colleagues so as to further develop skills within the organisation. However, everything we do, we do discount-like. In 2021, we established this approach by agreeing on five guiding principles that we call Discount Principles: 'Change perspectives', 'Stick to essentials', 'Dare to be different', 'Make it happen' and 'Stay hungry'. In 2022, these five principles will be communicated in all ALDI countries. The principles are designed

to guide employees in their daily work routines, actions, and decisions. Managers should act on the basis of these principles and lead by example.

ORGANISATION

GRI 403/103-2, 404/103-2, 405/103-2 HR international aims to ensure a consistent approach throughout ALDI Nord in accordance with our Discount Principles and works closely with responsible leaders at national and regional level.

Regular international meetings ensure cross-country collaboration. In 2021, a new operating model for HR was introduced, which ensures

GRI 405-1 EMPLOYEES BY JOB CATEGORY

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

	2019		2020		2021	
	ALDI Nord	thereof female	ALDI Nord	thereof female	ALDI Nord	thereof female
Sales	61,970	45,561	63,733	47,659	68,638	50,330
Warehouse	6,251	1,414	6,521	1,530 ²	6,890	1,597
Vehicle fleet	2,867	63	2,845 ²	86	2,755	76
Office	3,379	2,848	4,361	3,249	5,072	3,518
Upper management	732	198	924	290	912	286
Lower management	1,693	595	2,002	721	1,947	736
Other ¹	744	61	124	27	171	64
ALDI Nord	77,636	50,740	80,510	53,562	86,385	56,607

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

² The value for 2020 was corrected compared to the information published in the previous year's report.



GRI 405-1, 102-8

EMPLOYEES BY EMPLOYMENT TYPE

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

	2019				2020				2021			
	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	2,710	1,152	4,609	3,931	3,551	2,101	4,505	3,772	3,280	1,710	4,829	4,072
Denmark	1,145	489	1,544	967	1,090	405	1,504	790	971	370	1,949	1,019
France	6,278	3,161	3,792	3,129	6,111	3,277	4,047	3,351	11,105	6,059	5,323	4,278
Germany	8,093	3,062	29,695	22,235	8,163	3,351	30,697	23,166	8,588	3,508	29,311	21,892
Netherlands	2,120	462	8,966	5,982	2,073	473	8,031	5,521	1,858	441	7,155	4,840
Poland	2,210	1,769	484	437	2,904	2,258	605	554	3,007	2,387	648	598
Portugal	457	241	1,158	853	634	341	1,605	1,203	761	402	1,661	1,209
Spain	1,878	977	2,479	1,893	2,238	1,148	3,225	2,318	2,485	1,276	3,454	2,532
ALDI Nord	24,909	11,313	52,727	39,427	26,764	13,354	54,219	40,675	32,055	16,153	54,330	40,440

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').

even closer integration of all HR functions along the employee lifecycle – at all levels. Since 2019, we have been investing in expanding and strengthening the HR teams at the ALDI companies. For example, the position of HR Business Partner was created at many of the regional companies to act as 'change agents' for implementing the common HR principles and ensuring that high HR standards are maintained. We continued this development in 2021.

Employee representative organisation

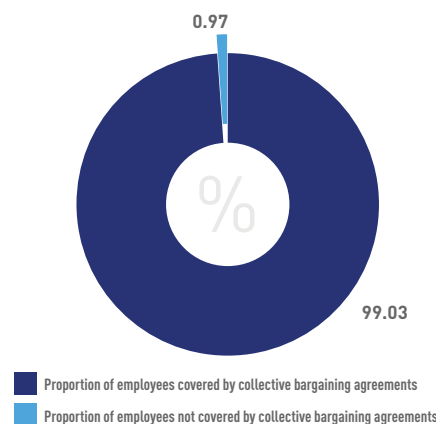
GRI 405/103-2, 407/103-1/2/3 Freedom of association is comprehensively safeguarded at the locations of ALDI Nord. Each of the 28 German regional companies was represented by their own works council in 2021. In France, all 13 regional companies are represented by works councils, as well as the three distribution centres and the administration office. These also exist in seven regional companies in Belgium and in eight

regional companies in the Netherlands. Moreover, a central works council was established in the Netherlands in 2021. All the ALDI companies in the Netherlands are represented in this works council.

In the ALDI countries, dialogue with employee representatives takes place either through works councils and/or directly with the relevant trade unions (see Sustainability Report 2015). In the Netherlands, there were many contacts with the regional works councils and the trade unions because of the establishment of four social plans in 2021. The exchange was very fruitful, and agreement was reached on all plans without major disagreements or strikes.

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



¹ The proportion of employees was calculated excluding ALDI Poland because no collective bargaining agreements have been concluded there.

PROGRESS & MEASURES 2021

Recruitment and onboarding: empowering new employees from day one

GRI 403/103-2 The new employer brand was rolled out from late 2020 through 2021 in almost all ALDI countries. This was accompanied by the launch of new HR communication channels and a significant expansion of recruitment marketing measures. Prospective employees can find information on digital channels, such as career websites and social media. This is about career perspectives and they can gain insights into the daily life of ALDI employees who share their experiences as brand ambassadors. ALDI Poland, for example, launched a LinkedIn channel focusing on career topics in 2021. The German Instagram channel @aldinord.karriere, launched in the summer of 2020, was awarded Best of Content Marketing Award 2021 for its authentic communication focused on specific target groups. The employer brand aims to give applicants realistic insights into working life at ALDI Nord and ensure the fit is right, both in terms of the applicant's skills and the corporate culture.

We introduced a new pre-selection tool 'Harver' to support the recruitment process and convey an authentic candidate experience. The tool provides applicants with insights into work at ALDI stores during the application process, using videos of employees and work situations. The tool uses a pre-selection based on skills only, making the application process fairer and more equitable. The Netherlands, Belgium, and Portugal already use 'Harver', and it will gradually be introduced in the other ALDI countries as well.



Getting new employees up to speed with professional onboarding

The ALDI companies use onboarding programmes to bring new employees up to speed quickly in every business area. Due to the COVID-19 pandemic, existing onboarding programmes were digitalised wherever possible, for example, remote onboarding for office-based work to support new employees working from home. In ALDI Einkauf, the event ALDI POWER Days was converted into learning videos so that all employees, regardless of their function, can now familiarise themselves with all areas of ALDI Einkauf. Similar onboarding programmes have been deployed in almost all ALDI countries. Furthermore, ALDI Nord launched an onboarding concept called Onboarding POWER to help executives onboard their new team members during the first six months at ALDI Nord. This concept aims to smooth the process and communicate essential skills and requirements transparently. Regular dialogue helps executives and employees get to know and understand each other and their expectations. Executives use a discussion guide to monitor the induction process over the initial months. The guide covers all relevant topics, such as tasks and areas of responsibility, targets, prioritisation of topics, and the employee's needs. The Onboarding POWER concept is aimed at all employees in ALDI Einkauf, as well as executives in the regional companies up to the level of district sales managers. The concept lays the groundwork for the annual employee dialogue, which was introduced in 2021 as a basis for structured feedback discussions at ALDI Nord. In

2022, the Onboarding POWER concept will also be introduced in other countries.

Networking for career development of young professionals

In 2020, ALDI Netherlands launched a young professionals' network called ALDI NEXT. This network is organised by and for young professionals under 36 years of age. It focuses on topics such as knowledge-sharing, networking, and job satisfaction, and aims to inspire, connect, and develop employees. In 2021, the network organised online training on topics such as 'working from home' or 'online marketing', and held online pub quizzes.

Engagement and communication: providing information and motivation, receiving feedback

Internal communication is the key to strengthening employees' identification with ALDI Nord and to sharing experiences. We use various formats for internal communication, including townhall meetings, newsletters, and the recently developed employee app.

Townhall meetings were introduced in 2021, serving as a dialogue and information platform primarily for ALDI employees in administrative offices. These meetings have been adapted by all ALDI countries at the national level. In Belgium and the Netherlands, for instance, a monthly townhall meeting informs colleagues about the

latest projects and updates. Regular newsletters inform managers in all ALDI countries about international and national projects, milestones, progress, and other relevant news. On a national level, the ALDI countries use their individual formats to inform their employees. For example, ALDI Spain uses an internal public board called El Muro (The Wall) to post information about new store openings, new products, special HR events or sustainability. In Portugal, monthly newsletters are sent to ALDI employees to inform them about relevant initiatives and in France, a monthly poster is printed and distributed to all stores and the head office to inform them about the most important issues at ALDI. ALDI France was awarded best HR for internal communication in January 2022 by the ACCE (Association of Employment Communication Consulting Agencies) for our monthly newsletter highlighting our achievements and profiling the career path of a successful ALDI France employee.

A new format was introduced in 2021 for all ALDI employees – the ALDI employee app. The app informs employees about changes and news that affect employees' lives. For example, HR or company updates, product tests, sustainability, and other news published about ALDI Nord. In Portugal, the monthly newsletter is also shared in the app. Furthermore, ALDI employees can share their own content and comment on updates. Introduction of the employee app was launched in 2021. The employee app will be available as a

country-specific version in all ALDI countries and it is already up and running in the Netherlands, Portugal, Spain, Germany, and Denmark.

Employee engagement initiatives, gamification, and staying connected during the pandemic

In the Netherlands, the internal competition BeOne was launched in 2021 to motivate employees in the regional companies, and to identify and implement process improvements.

Employees battled to submit the most tasks, with a ranking system across all ALDI companies. Afterwards, the results were shared in the Dutch internal newsletter. In 2021, an innovation competition was organised in Germany. Employees were invited to submit innovative project proposals developed by interdisciplinary teams. The innovation management then evaluated the projects and selected winners. In Belgium, we introduced employee engagement initiatives, such as 'Online Speed Dating', to help colleagues get to know each other while working from home.



Professional development: employee dialogues and learning opportunities

GRI 404/103-2, 404-1

Employee dialogues to foster performance, feedback, and development

In 2021, we rolled out a new international format for ALDI Nord – the employee dialogue, a structured process for employees and their supervisors to (self) evaluate, and discuss targets, performance, competencies, and/or development on a regular basis – at least once a year. The employee dialogue strengthens the feedback culture at ALDI Nord, as employees and executives discuss mutual feedback. Employee dialogues were conducted in 2021 for all office staff, and in the regional companies for executives up to the level of district sales manager, in all countries except France.

The results of the employee dialogues are also used to identify employees for nomination to Talent Pools, and depending on the countries' requirements and needs, for subsequent participation in Talent Programmes. On the basis of the structured employee dialogues, ALDI countries also gain a better overview of the competencies, development goals, and needs of their employees. This enables data-based decisions to be made on suitable development measures. Talent Pools were introduced nationally in Germany, Denmark, Poland, Portugal, and Spain in 2021. Talent Programmes are in place in Poland and Spain, with expansion planned in both countries for 2022. In addition, an international Talent Pool was introduced in 2021 to raise the profile of internationally mobile employees and to support their international career development.

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 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.

	2019		2020		2021	
	Apprentices	Twin-track students	Apprentices	Twin-track students	Apprentices	Twin-track students
Denmark	48	–	40	–	50	–
France	241	–	199	–	285	2
Germany	1,759	179	1,688	196	1,565	159
Netherlands	53	–	53	–	119	–
Spain ¹	–	–	16	1	10	1
Total	2,101	179	1,996	197	2,029	162

¹ The training periods in Spain differ across regions and their duration can be less than a regular school year. Therefore reporting the accumulated apprentices throughout the year is also relevant for Spain: 56 for 2020 and 31 for 2021.

Learning opportunities for employee career development

Systematic training and development are key elements for ensuring the continued success of ALDI Nord. We continue to provide leadership coaching and training on feedback culture and programmes to promote situational leadership and active employee participation. In Denmark, training for assistant store managers, store managers and district managers continued in 2021. All 614 supervisors and managers in the Netherlands completed management training, including the ALDI Leadership Model in 2021. Supervisors and managers were also trained in conducting employee dialogues. The Dutch retail collective bargaining agreement stipulates that employees have an individual personal development budget to promote sustainable employability. ALDI Netherlands employees can therefore carry out relevant training and development activities (only available for employees who are under the CLB (collective bargaining agreements). ALDI Portugal created the training programme Power to Lead for

store managers, district sales managers, sales directors, and managing directors in 2021, covering communication, leadership, cooperation, and motivation. It also set up executive coaching for Managing Directors. The ALDI Academy, founded in 2019, was established in most ALDI countries in 2021, and it will be rolled out in the remaining countries in 2022. The academy provides extensive learning opportunities, including classroom and online training courses, as well as e-learning modules. In Belgium, the platform was piloted in early 2021. The courses covered communication, leadership, personal skills, onboarding, and more.

The e-learning platform introduced in 2021 has been successfully rolled out in almost all ALDI countries for employees with company-owned devices. An authoring tool was also launched to enable the business units to create ALDI-specific digital learning tools (for example, videos) and share them with their colleagues on the platform.

This establishes an internal knowledge database by employees for employees. In the Netherlands, more than 100 e-learning modules were made available in 2021, for example, on competencies, healthy lifestyle, leadership, and Excel skills. In 2022, we want to expand this platform and provide all store employees with digital learning opportunities.

Vocational training: market-oriented apprenticeships and trainee programmes

GRI 404/103-2, 404-1 Traditional training options are provided in Denmark, Germany, France, and the Netherlands. In 2021, the number of apprentices (for definition, see indicator) throughout the ALDI companies stood at around 2,029, with about 1,565 in Germany. The regional companies in Germany remain one of the largest apprenticeship providers in the German retail trade. In the period from 2021 to 2022, ALDI France has advertised more than 200 apprenticeships, and a training programme



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)

	2019				2020				2021			
	Fixed term	thereof female	Permanent	thereof female	Fixed term	thereof female	Permanent	thereof female	Fixed term	thereof female	Permanent	thereof female
Belgium/Luxembourg ¹	10.5	62.7	89.5	67.0	14.7	62.3	85.3	65.2	11.1	59.0	88.9	72.9
Denmark	1.2	67.7	98.8	54.3	16.4	46.4	83.6	48.8	16.5	16.1	83.5	53.8
France	10.6	66.6	89.4	64.8	10.3	64.2	89.7	64.4	11.7	65.0	88.3	60.9
Germany	18.7	61.1	81.3	72.5	16.8	59.1	83.2	70.0	17.3	57.5	82.7	69.8
Netherlands	50.4	53.4	49.6	61.3	30.6	57.1	69.4	60.6	35.8	55.9	64.2	61.1
Poland	61.2	76.0	38.8	81.9	53.3	80.7	46.7	79.2	46.1	80.9	53.9	82.1
Portugal	58.6	64.5	41.4	70.6	58.2	67.2	41.8	67.6	44.3	63.3	55.7	69.1
Spain	4.6	69.2	95.4	65.2	16.9	20.6	83.1	65.2	14.8	24.4	85.2	65.0
ALDI Nord	22.5	60.9	77.5	68.7	21.4	61.5	78.6	67.1	19.4	57.7	80.6	66.9

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').

Services: promotion of performance, diversity and health

GRI 403/103-1, 405/103-2/3, 405-1 ALDI Nord promotes equal opportunities through a wide range of job profiles, development opportunities for entry-level and management-level employees, and attractive working-time models. We reject all forms of discrimination. Work-life balance is a key future issue for the ALDI companies, and the significance of this was again underscored in the 2021 materiality analysis. The ALDI companies already offer some 54,000 opportunities for part-time employment as well as mobile working. But there is still more work to do.

has been proposed to each ALDI employee responsible for supervising the apprentices. ALDI Nord Germany offers opportunities for twin-track degrees. In 2021, there were 159 twin-track students compared to 196 in 2020. ALDI Netherlands has launched a traineeship to become a Regional Sales Manager over a period of two years, aimed at career starters with a maximum of two years of work experience. New employees may be offered an apprenticeship at ALDI Netherlands, and we also offer in-house vocational training to current employees, leading to a degree in retail or logistics. In 2021, 122 employees embarked on this programme. For further details, see [Sustainability Report 2019](#).

Ensuring fair and equal working conditions for all ALDI employees

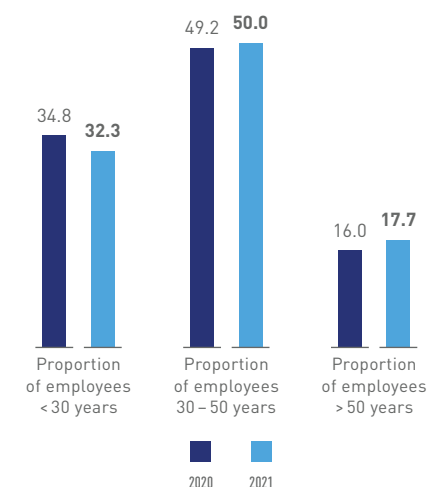
People from 133 nations work in the nine European countries where the ALDI companies operate. All ALDI employees have the same opportunities, irrespective of gender, age, religious affiliation or world view, gender identity and sexual orientation, origin, or physical impairment.

In 2021, women accounted for around 65 per cent of the total workforce (2020: 67 per cent). The proportion of female employees in management positions was 35 per cent in the reporting year (2020: 34 per cent), and women manage about half of our stores.

GRI 405-1

EMPLOYEES BY AGE GROUP

Proportion of ALDI employees by age group
on the reference date 31 December
(in per cent)¹



¹ The value for 2020 was corrected compared to the information published in the previous year's report.

By signing the United Nations Women's Empowerment Principles in March 2021, we publicly reaffirmed our commitment to greater gender equality in our group of companies and along our international supply chains. Throughout the ALDI Nord Group of Companies, we offer long-term employment relationships with fair pay and employment conditions. Most employment contracts offered by the ALDI companies are permanent (almost 81 per cent in 2021). All ALDI employees are remunerated with fair pay in accordance with their performance. Our values are also set out in the [ALDI Nord CR Policy](#).



GRI 405-1

WOMEN IN MANAGEMENT POSITIONS

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

	2019	2020	2021
Belgium/Luxembourg ¹	28.4	37.4 ²	37.1
Denmark	27.6	35.3	32.9
France	29.3	37.3	35.6
Germany	31.8	30.3	30.8
Netherlands	19.2	24.5	28.1
Poland	36.5	34.4 ²	43.0
Portugal	36.1	37.4 ²	41.2
Spain	42.0	39.2	41.0
ALDI Nord	31.7	33.5	34.8

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').

² The value for 2020 was corrected compared to the information published in the previous year's report.

Extensive measures to improve the health & safety of our employees

GRI 403/103-2/3, 403-1, -2, -6 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. In 2021, preventive health measures were accelerated by the ALDI companies, for instance, a discounted collective health insurance policy (ALDI Netherlands, Portugal, and Spain), eye tests, and flu and COVID-19 vaccinations (ALDI Nord Germany), provision of fruit baskets as a healthy alternative to sugary snacks (ALDI Denmark and Belgium), and partnership agreements with gyms or corporate runs (almost all countries).

The ALDI companies carry out regular inspections at workplaces to identify potential hazards at an early stage. Occupational health is particularly important in areas such as logistics and sales, where around 91 per cent of ALDI employees work, as there is an increased risk of accidents. ALDI employees in retail stores and distribution centres are provided with appropriate work clothes and technical equipment as part of our occupational health and safety measures (see also Sustainability Report 2015). Training courses are held in most countries – monitored by the regional companies.

In addition, there are further measures in the ALDI countries to improve the health and well-being of our employees. In Denmark and the Netherlands, for example, members of the occupational health

and safety organisation must complete mandatory annual occupational health and safety training. In 2021, the employees in the logistics centres were trained in safe lifting techniques and ergonomics to counteract physical wear and tear. First-aid training (for example, to save people from heart attacks) is provided in France. The goal is for ten per cent of the French workforce to participate. In the reporting year, the headquarters of ALDI France moved into a new building that improved the work environment for our employees, with ergonomic working spaces, digital meeting rooms, a Place du Marché food hall, and extensive indoor and outdoor recreational spaces. ALDI Netherlands introduced 15 measures in 2021 to improve their employees' physical and mental well-being, for example, budget coaching, e-learning on physical workload, and information sessions on retirement. In addition, a pilot with periodic medical examinations (PMO) was launched in 2021 at one regional company to enable our employees to improve their health. In early 2022, we introduced a measure to help our employees quit smoking. We are committed to providing professional support to employees in the Netherlands, for example, after a traumatic incident, or the closure of a regional company. This might be provided through counselling and/or established methods of trauma therapy. In addition, Dutch employees can purchase bicycles and in 2021 devices such as laptops or desktop computers tax-free through the payroll system for a limited period of time.

GRI 403-9

LOST DAY RATE

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

	2019	2020	2021
Belgium/Luxembourg ¹	4.1	9.6	3.7
Denmark	2.7	3.2	2.7
France	5.6	7.0	7.0
Germany	4.8	4.8	5.0
Netherlands	4.1	4.8	6.0
Poland	2.7	5.0	8.0
Portugal ²	n/a	n/a	n/a
Spain	3.6	5.0	5.8
ALDI Nord	3.9	5.0	4.8

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').

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



Supporting our employees through the COVID-19 pandemic

GRI 403/103-2/3, 403-3, -5, -6, -7 In 2020 and 2021, we were particularly challenged by the COVID-19 pandemic. ALDI Nord responded early to the requirements and challenges arising from the global pandemic and took responsibility for the health of our employees and customers. As early as spring 2020, we provided technical support for working from home where possible, especially in administration. We also set up extensive protective measures for employees in areas with direct customer contact. These measures ensured uninterrupted work operations and guaranteed food supplies in all ALDI countries. In this way, ALDI Nord was able to fulfil its responsibility as an employer and food supplier during the pandemic. Furthermore, we recognised that leadership played a crucial role throughout the COVID-19 pandemic. The attention that leaders pay to the employees in their departments, stores and regions had a decisive impact on motivation.

Equal opportunities: improved grievance systems and data to deal with discrimination

GRI 405/103-2, 407/103-1/2/3 The obligatory introduction of grievance systems has laid the foundation for equal opportunities and prevention of discrimination. At ALDI Netherlands and ALDI Denmark, employees can confidentially report discrimination, bullying, intimidation, or other inappropriate behaviour to a counsellor.

All ALDI countries offer whistleblowing systems for discrimination cases. In 2021, ALDI Netherlands increased employee awareness of the whistleblower system using flyers with contact information. We also introduced e-learning to train supervisors in dealing with inappropriate behaviour. In 2021, the Department of Risk & Compliance at ALDI France introduced a procedure to initiate warnings. In addition, an e-learning module on 'Hiring without Discrimination' will be introduced for the 20 employees in the HR department. ALDI Poland developed and implemented an anti-bullying and anti-discrimination policy and training programme. An equality committee and equality plans are being set up in all Spanish companies to promote gender equality.

TARGETS & STATUS

GRI 404/103-2/3 In the reporting year, we developed a new overarching employee survey for all ALDI countries, the Engagement Survey. The goal is to identify the factors in the employee's work experience that influence their engagement and, on that basis, derive measures for improvement. The overarching approach enables comparability and allows us to make general statements of employees' identification with ALDI Nord and their willingness to get involved. The intention is to introduce the Engagement Survey in the ALDI countries to assess progress and review measures for effectiveness on a regular basis. In 2021, the survey was piloted in ALDI Einkauf but will be gradually implemented in the ALDI countries in 2022. At the national level, country-specific employee surveys were carried out in Belgium, Denmark, the Netherlands, Poland, and Spain in 2021.

Learn more about our goals 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 help find solutions to societal problems above and beyond our core business. Part of our social commitment is supporting a wide range of projects and initiatives.

ALDI Nord: Supporting Ukraine simply and quickly

The war in Ukraine is an exceptional situation. Our main goal as a basic provider in this situation is to make essential goods available to those in need quickly and efficiently. ALDI Nord provided an exceptional budget of 500,000 euros for the regional companies in all ALDI countries to support local aid organisations, for example, by providing food or clothes. The local aid organisations are supporting Ukrainian refugees or providing humanitarian aid in Ukraine.

Out of all ALDI countries, ALDI Poland is the closest to Ukraine and it is particularly affected. In order to make help simple and quick, ALDI Poland has reduced the prices of over 1,200 basic products such as food and clothing in several stores near the border. As is the case with other companies, some employees originally from Ukraine had to return to their home country, sometimes leaving their families behind. Others offered refuge to relatives or took in refugees.

ALDI Poland has set up an internal support programme for affected Ukrainian employees and developed a refugee assistance programme.

As part of its support for aid organisations, ALDI Nord Germany participated in a joint donation campaign with other retailers. The campaign donated a total of almost 400 boxes of food and other goods. The donations were forwarded to the Polish border with Ukraine and then transported directly to people in need in Ukraine.

In addition to basic foodstuffs, such as bread, milk, and pasta, baby food and other supplies are increasingly needed in Ukraine. ALDI Nord Germany gave rapid assistance to Ukraine by donating baby food and hygiene products worth 1 million euros to Caritas Essen. This aid was taken directly to Ukraine in an aid convoy in March 2022.

OUR APPROACH

In all nine ALDI countries, we are working with national initiatives and organisations to support local and overarching projects. With a strategic focus on Modern Nutrition, the ALDI companies have been pursuing a variety of measures to promote healthy eating since 2019. Another focus is our work on food and non-food donations. As a basic provider, we lend support wherever people lack elementary necessities or when assistance

is urgently needed, such as after environmental disasters. We also offer occasional assistance 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. Several 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 the 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. ALDI Netherlands and ALDI Spain are working on their individual national framework for social engagement. The Spanish CR department is currently developing a framework with the help of other departments to define criteria for social engagement, strategic topics aligned with the ALDI Nord CR Strategy, and transparent workflows and processes. We expect the framework to be finalised in mid-2022.

PROGRESS & MEASURES 2021

In the reporting year 2021, ALDI companies demonstrated their commitment to society through partnerships, projects, and donations.

Basic supply for everyone where it is needed: ALDI Nord Germany

In the reporting year, ALDI Nord Germany has refined our approach to social commitment: As a basic provider, we offer support wherever people lack basic necessities or services. Our focus is on promoting health, for example, in lifestyle, work, nutrition and working conditions, and supporting education and public infrastructure, such as in fire, disaster, and civil protection. Based on our Discount Principles, we offer simple, responsible, and reliable assistance.

ALDI Nord Germany supported the victims of the devastating floods in parts of Germany in mid-2021. As a result of heavy rainfalls, the affected regions experienced flash floods and massive flooding with catastrophic consequences. ALDI Nord Germany donated 500,000 euros for regional ALDI companies to support local aid organisations. The money provided those affected with the most urgently needed items such as food, drinks, textiles, and shopping vouchers. ALDI employees who were affected themselves received financial aid and additional compassionate leave. This leave was extended to other employees who opted to volunteer their time.



Targeted and effective social engagement: ALDI Spain

Social commitment at ALDI Spain is mainly focused on topics where we have the greatest impact, as shown by the following two examples: supporting people in critical and adverse situations. Other examples relating to food-waste minimisation or promotion of healthy lifestyles may also be found in this report.

ALDI Spain donated ten per cent of the Canary Islands product promotion sales to the victims of the volcanic eruption Cumbre Vieja on La Palma in November 2021. Working with the Food Bank of Tenerife, we paid for essential food and products for the affected people on La Palma.

We also work together with Cruz Roja (Spanish Red Cross) within the framework of the project ALDI Emplea (ALDI Employs) to provide apprenticeships for young people under 35, with a subsequent opportunity of taking up ongoing employment. Launched in Madrid in 2020, with eight young participants – one of whom is still part of our team – the programme is being extended to Seville, Barcelona, and Valencia in 2022. With the youth unemployment rate in Spain at 30 per cent, this project is an important commitment for ALDI Spain.

When help is needed: ALDI Belgium

Due to the hoarding behaviour of many consumers during COVID-19, we were unable to donate food surpluses to organisations like food banks in 2020. As a result, under the leadership of the retail sector organisation COMEOS, we joined other Belgian retailers to donate essential products to people in need: 233 tonnes of food (equivalent to 460,000 meals), detergents, nappies, and more. In addition, we sold medical face masks and donated the proceeds to Commerce Cares, an organisation that helps make jobs and society more accessible for people with disabilities. In 2021, parts of Belgium were also hit by unprecedented floods affecting thousands of people. ALDI Belgium donated 100,000 euros to the Red Cross and distributed goods such as water, hygiene products and pasta in the most affected areas. Our colleagues who suffered personal damage were also able to count on our support.

Daily vegetables for children and bread in schools: ALDI Netherlands

ALDI Netherlands supported several voluntary projects and partnerships, focusing on the promotion of a healthy lifestyle, reduction of food waste, and sustainable packaging. These efforts in 2021 included a healthy eating project in cooperation with JOGG (Young People at a Healthy Weight Foundation), a foundation dedicated to fighting childhood obesity. Promoting consumption of vegetables among children aged one to four was fostered by our participation in the 'Groenteboxjes' (vegetable boxes) pilot project at 26 day-care centres. The programme encourages children to eat vegetables on a daily basis by supporting them with entertaining, educational materials and rewarding them for trying out vegetables. A study carried out by Maastricht University showed that the intervention led to a significant increase in the consumption of vegetables among young children.

Since 2019, ALDI Netherlands has been a 'super partner' of Nationaal Schoolontbijt, a Dutch initiative focusing on providing a healthy breakfast for primary school children. In 2021, we donated bread for 2,250 schools participating in this breakfast week, which is equivalent to providing bread for almost 500,000 children. We also financed the delivery of breakfast packages to the participating schools. At the beginning of 2019, ALDI Netherlands became a partner in the Alliance against Child Poverty, which aims to prevent child poverty and help families avoid financial hardship by 2030. In the light of this Alliance, ALDI Netherlands began a pilot project in 2021 for a daily school breakfast in Zoetermeer. The project is running until July 2022.

Save the Children Denmark

“Far too many children are growing up in poverty in Denmark, with fewer smiles and more worries than other children. We are happy to be working with ALDI, who also wants to make a difference for children in vulnerable positions.”

JOHANNE SCHMIDT-NIELSEN
Generalsekretær / Secretary General





Food banks and Fruit Heroes: ALDI Portugal

ALDI Portugal's social commitment is founded on broadly based cooperation with several partners to combat food waste and support vulnerable people at various locations through food and non-food donations. In 2021, ALDI Portugal continued to enter into local partnerships with organisations that receive unsaleable but edible products (food surpluses) from our stores every day. Due to the COVID-19 pandemic, we also supported food donations to hospitals and people in need, cooperating with municipalities and charitable organisations. Another focus is the promotion of healthy eating among children. We successfully extended our project Heróis da Fruta (Fruit Heroes) by introducing two new products: mini-carrots and mini-water. Anyone who purchases miniature pears, apples, carrots, or water at

ALDI Portugal under the Heróis da Fruta brand automatically donates to the Missão 1 Quilo de Ajuda (Mission 1 Kilo of Aid) project, which aims to provide kindergartens and primary schools with healthy snacks. For further details on initiatives against food waste, see the section Responsible product ranges.

Intensive cooperation with Save the Children to help the most vulnerable: ALDI Denmark

Since 2018, ALDI Denmark has worked closely with the Danish chapter of Save the Children to build a better future for the most vulnerable children in Denmark and abroad. As a main sponsor, ALDI Denmark and our customers donated more than EUR 173,000 to Save the

Children in 2021. The funds were raised through various fundraising activities in our stores. Our fundraising has contributed, for example, to summer camps for vulnerable children and families. At these camps, children create good memories, make new friends, and enjoy activities and excursions.

We also donated food and beverages to the Save the Children cycling team in July 2021. The Save the Children team cycled around Denmark for one week to raise money. Before Christmas, we sold a special Save the Children teddy bear in our stores and donated the money to help vulnerable kids have a better Christmas.

Helping those most in need: ALDI France and ALDI Belgium

ALDI France participates in the annual food drive organised by the food banks and Restos du Coeur (The Restaurants of the Heart), which directly benefits people suffering from food insecurity. At the beginning of September 2021, ALDI Belgium sold snack tomatoes as part of a new charity campaign. For every bag of cherry tomatoes sold, ALDI Belgium donated an additional 0.50 euros to UNICEF. ALDI Belgium used this initiative to support children in need and contribute to the fight against child poverty. ALDI Belgium also organised an ALDI Challenge in which colleagues were challenged to walk, run or cycle over 10,000 km in three weeks. After the challenge was

completed, over 25,000 km were achieved, and a donation of 25,000 euros was handed to UNICEF. ALDI Belgium donated a total of 75,000 euros to UNICEF for both campaigns.

Bee-friendly for biodiversity: ALDI Poland

ALDI Poland participates actively in local cooperations, and works to inform customers about environmental projects. In 2021, ALDI Poland extended its collaboration with the Klub Gaja Foundation. For instance, an educational bee house, or apiary, was set up in a Klub Gaja Foundation Garden next to an ALDI Poland store. Klub Gaja organised educational workshops for children in this apiary, where they learnt about the role of bees in the ecosystem, in association with the city of Bielsko-Biała. Our commitment to bee protection was further underscored in 2021 by sowing three bee-friendly meadows in Radom, Bielsko-Biała and Legnica on green spaces of ALDI Poland stores. Additionally, we planted animal-friendly trees and shrubs and built numerous insect hotels. These projects proved to be popular with children and adults alike. Together with Klub Gaja, ALDI Poland planted over 6,000 trees in total.



ALDI Belgium

€ 75,000
FOR A GOOD CAUSE

Together with our customers and employees, we joined forces in the fight against child poverty. For a two-week period in September 2021, ALDI Belgium donated an additional € 0.50 per pack of snack tomatoes sold. We also organised an ALDI Challenge with the goal of running, walking, or cycling more than 10,000 km with our colleagues in three weeks while collecting donations.

Overall, we covered more than 25,000 km together. In total our charitable actions raised over € 75,000 in favour of UNICEF Belgium.



TARGETS & STATUS

In the reporting year, we developed a new overarching employee survey for all ALDI countries, the Engagement Survey. The goal is to identify the factors in the employee's work experience that influence their engagement and, on that basis, derive measures for improvement. The overarching approach enables comparability and allows us to make general statements about employee engagement at ALDI Nord. The intention is to introduce the Engagement Survey in the ALDI countries to assess progress and review measures for effectiveness on a regular basis. In 2021, the survey was piloted in ALDI Einkauf but will be gradually implemented in the ALDI countries in 2022. At the national level, country-specific employee surveys were carried out in Belgium, Denmark, the Netherlands, Poland, and Spain in 2021.

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



APPENDIX

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 fourth comprehensive ALDI Nord Sustainability Report. Publication of this report fulfils our promise to provide internal and external stakeholders with regular and 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 2021, 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 section serve as the starting point for diving into the issues covered by the report. We give an account of where we stand on 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 in separate country profiles. The report is available exclusively as a compact PDF file online. National sustainability communication on the countries' individual websites expands 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 2021. We have taken account of significant events up to the editorial deadline on 31 March 2022. ALDI Nord publishes a comprehensive sustainability report every two years. The next comprehensive sustainability report is expected to be published in 2024. In the meantime, we will publish a sustainability update and report on relevant statistics and progress annually.

The report is available as a PDF document in English and additional languages. If there are deviations between the different versions, the English document will take precedence. 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 SE & Co. oHG, Essen (hereinafter referred to as ALDI Einkauf). The scope of this report is the ALDI Nord Group of Companies.

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

Any deviations within individual key figures or contents are identified accordingly. The procurement of goods for ALDI Luxembourg is carried out by the commissioned purchasing and logistics division of ALDI Belgium. However, ALDI Luxembourg and ALDI Belgium are legally independent companies whose figures have been 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 2021 were the subject of an audit opinion by the independent audit firm Flottmeyer • Steghaus + Partner. They are identified by the tick . Retroactive changes to figures with respect to previous reports are noted accordingly.

ORGANISATIONAL CHANGES

GRI 102-10 In 2021, there were some structural changes in business operations. For example: Business operations at the German regional companies Horst, Bad Laasphe and Wittstock were closed; the store businesses remained largely unaffected by change as they were transferred to other German ALDI companies. 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' sub-section in each section.

Sub-section verified



CERTIFICATE OF AN INDEPENDENT BUSINESS ADMINISTRATION AUDIT

TO ALDI EINKAUF SE & 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 2021 prepared by ALDI Einkauf SE & Co. oHG for the group ALDI Nord (hereinafter the "Company") for the reporting period 1 January 2021 to 31 December 2021. The selected disclosures and key figures in the scope of our business administration audit were marked with a tick ☑ 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 of 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 2021 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 the "Management" section 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 2021 have not been created on the basis of 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.

In the case of 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 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 2021 have not been created on the basis of 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 SE & Co. oHG. The business administration audit to obtain limited assurance was conducted for purposes of ALDI Einkauf SE & Co. oHG and the certificate is only intended for the information of ALDI Einkauf SE & Co. oHG regarding the results of the business administration audit to obtain limited assurance.

Limitation of the liability

The certificate is not intended to enable third parties to make decisions based on it. Our responsibility exists solely towards ALDI Einkauf SE & Co. oHG. We do not assume any responsibility towards third parties.

Our engagement, in the fulfilment of which we have provided the services named above for the management of ALDI Einkauf SE & 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 they have acknowledged the regulations set forth therein, and recognise their validity in the relationship to us.

Hamm, dated

Flottmeyer · Steghaus + Partner
Wirtschaftsprüfungsgesellschaft · Steuerberatungsgesellschaft
(Auditing firm · tax consultancy firm)

Ruth Beerbaum
Public Auditor

Christian Bruun
Public 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 2021 were the subject of an audit opinion by the independent audit firm Flottmeyer • Steghaus + Partner mbB. They are identified by the tick

GRI 102: GENERAL DISCLOSURES 2016

GRI standard	Name	Reference & additional information
Organisational profile		
GRI 102-1	Name of the organisation	ALDI Einkauf SE & Co. oHG on behalf of ALDI Nord
GRI 102-2	Activities, brands, products and services	Sustainability approach Responsible product ranges – Our approach
GRI 102-3	Location	Any national bans on certain products or product components explicitly referred to in the sustainability report are mentioned individually in the text. Essen, Germany
GRI 102-4	Location of operations	Sustainability approach – How we organise CR Country profiles
GRI 102-5	Ownership and legal form	Report profile – Scope of the report and publisher
GRI 102-6	Markets served	Sustainability approach Country profiles
GRI 102-7	Scale of the organisation	Sustainability approach – How we organise CR Attractive employer – Our approach Omission: 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 – Employees by employment contract Employees by employment type Agency workers are employed to a limited extent only (1.9 per cent). 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 2021; 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	Social responsibility in the supply chain – Our approach Organisation & Guidelines Our commitment to transparency and disclosure Fair business relations: how we empower local farmers and promote fair trade projects Environmental responsibility in the supply chain – Introduction Our approach Organisation & guidelines Progress & measures 2021 Targets & status
GRI 102-10	Significant changes to the organisation and its supply chain	Report profile – Organisational changes
GRI 102-11	Precautionary principle or approach	Foreword Sustainability approach – Our contribution to the sustainable development goals Our international CRQA Strategy Environmental responsibility in the supply chain – Our approach Social responsibility in the supply chain – Our approach



GRI 102-12 External initiatives ✓

Sustainability approach – [Our contribution to the sustainable development goals](#)
Stakeholders & networks – [Partnerships, networks & charters](#)

GRI 102-13 Membership of associations

Stakeholders & networks – [Partnerships, networks & charters](#)

Strategy

GRI 102-14 Statements from senior decision-makers

Foreword
Sustainability approach – [Our international CRQA Strategy](#)

Ethics and integrity

GRI 102-16 Values, principles, standards and norms of behaviour

Sustainability approach – [Our contribution to the sustainable development goals](#) | [Our international CRQA Strategy](#)
[Responsible product ranges](#)
[Attractive employer – Our approach](#)

All companies are controlled and organised differently. More detailed information can be found in the sections 'Customer & product', 'Supply chain & resources', 'Climate & environment' and 'Employees & community' in the sub-sections on approach as well as guidelines.

Governance

GRI 102-18 Governance structure ✓

Sustainability approach – [Organisation of CR](#)
[Compliance](#)
[Report profile](#)

All companies are controlled and organised differently. More detailed information can be found in the sections 'Customer & product', 'Supply chain & resources', 'Climate & environment' and 'Employees & community' in the sub-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](#)
[Transparency and Communication – Targets & status](#)

GRI 102-44 Key topics and concerns raised ✓

Materiality – [Impact on reporting](#)
Stakeholders & networks – [Our stakeholders and their topics](#) | [Overview of stakeholder inclusion](#)
[Transparency and Communication – Targets & status](#)

Reporting practice

GRI 102-45 Preparation of financial statements

The publisher of the sustainability report is ALDI Einkauf SE & Co. oHG located in Essen, Germany. The legally independent companies of ALDI Nord prepare their own financial statements.

GRI 102-46 Defining report content and topic boundaries ✓

Materiality – [Methodology](#) | [List of topics and evaluation of relevance](#) | [Materiality matrix](#) | [Key findings of our materiality analysis](#)

GRI 102-47 List of material topics ✓

Materiality – [List of topics and evaluation of relevance](#) | [Materiality matrix](#)

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 – [Methodology](#) | [List of topics and evaluation of relevance](#)












GRI 102-50	Reporting period	Report profile – Reporting period and publication cycle
GRI 102-51	Date of most recent report	Sustainability Report 2019: July 2020 Interim Report 2020: July 2021
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 and seafood 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  	Responsible product ranges – Meeting customer demands for sustainable products Commitment to greater animal welfare: meeting customer expectations for more ethical products Targets & Status Environmental responsibility in the supply chain – Purchasing policies Country profile ALDI Denmark ALDI France ALDI Nord Germany ALDI Netherlands ALDI Spain
G4-FP10	Practices, by species and breed type, related to physical alterations and the use of anaesthetic	Responsible product ranges – Commitment to greater animal welfare: meeting customer expectations for more ethical products
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. Omission: Confidentiality constraints: For reasons of confidentiality and competition, no further information will be given.



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

GRI standard	Name	Reference & additional information
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	Omission: For reasons of confidentiality and competition, no further information will be given.
GRI 301: Materials 2016		
GRI 103-1/2/3	Management approach disclosures  	Responsible product ranges – Introduction Our approach Organisation & Guidelines Beyond our Packaging Mission: the goal of a circular economy Environmental responsibility in the supply chain – On our way to a circular economy Climate & environmental protection – Introduction The ALDI countries have set additional national targets and approaches in their respective packaging missions.
GRI 301-1	Materials used by weight or volume	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. The customer magazine directly results in the consumption of paper. Mainly since 2012, the customer magazine has been printed on FSC®-certified paper in all countries where the ALDI companies operate. In Germany, some of the paper is also certified with the Blue Angel label. Omission: 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 still being revised.
GRI 302: Energy 2016		
GRI 103-1/2/3	Management approach disclosures  	Climate & environmental protection
GRI 302-1	Energy consumption within the organisation 	Climate & environmental protection – Direct energy consumption Direct energy consumption by source Indirect energy consumption 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. The ALDI companies report energy consumption in megawatt-hours (MWh). One megawatt-hour is the equivalent of 3.6 gigajoules (GJ).
GRI 303: WATER AND EFFLUENTS 2018		
GRI 103-1/2/3	Management approach disclosures  	Climate & environmental protection
GRI 303-1	Interactions with water as a shared resource	Climate & environmental protection – Waste and water in our operating processes National Water Protection Policy
GRI 303-2	Management of water discharge-related impacts	Climate & environmental protection – Waste and water in our operating processes National Water Protection Policy





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

GRI standard	Name	Reference & additional information
GRI 304: Biodiversity 2016		
GRI 103-1/2/3	Management approach disclosures	Environmental responsibility in the supply chain Environmental responsibility in the supply chain – Introduction Biodiversity conservation: improving agricultural practices and fisheries Protection of forests and soils through sustainable procurement
GRI 304-2	Significant impacts of activities, products, and services on biodiversity	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.
GRI 305: Emissions 2016		
GRI 103-1/2/3	Management approach disclosures	Climate & environmental protection 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. Climate & environmental protection – Greenhouse gas emissions Scope 1 and 2 Greenhouse gas emissions Scope 1 and 2 by sources
GRI 305-1	Direct (Scope 1) GHG emissions	In accordance with the applied BEIS emissions factors, CH ₄ and N ₂ O were also included in the calculation alongside CO ₂ . 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). 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 BEIS 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 – Our new climate targets Determination of our climate footprint Stores: innovative technology lowers emissions and energy consumption Distribution centres: sustainable building Renewable energy: more green electricity to reach our goal Downloads
GRI 306: Waste 2020		
GRI 103-1/2/3	Management approach disclosures	Responsible product ranges – Our approach Regulations Climate & environmental protection
GRI 306-1	Waste generation and significant waste-related impacts	Responsible product ranges – Our approach Regulations Beyond our Packaging Mission: the goal of a circular economy Reduction of food loss: our goals Climate & environmental protection – Waste and water in our operating processes
GRI 306-2	Management of significant waste-related impacts	Responsible product ranges – Against food waste Regulation on the topic of food waste Beyond our Packaging Mission: the goal of a circular economy Reduction of food loss: our goals Climate & environmental protection – Waste and water in our operating processes
GRI 306-3	Waste generated	Responsible product ranges – Food donations Climate & environmental protection – Amount of waste by methods of disposal Packaging waste by category for ALDI Nord 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.





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

GRI standard	Name	Reference & additional information
GRI 308: Supplier environmental assessment 2016		
GRI 103-1/2/3	Management approach disclosures	<p>Environmental responsibility in the supply chain</p> <p>Social responsibility in the supply chain – Our approach Assessments on human rights and social compliance Monitoring social compliance in global production facilities</p> <p>Environmental responsibility in the supply chain – Our approach Prevention of chemical pollution in production How we promote the responsible use of water along our supply chains</p> <p>Social responsibility in the supply chain – Assessments on human rights and social compliance Monitoring social compliance in global production facilities</p>
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	<p>Omission: ALDI Nord did not specifically assess environmental impacts in the reporting year, although parts of the social audits focus on negative environmental effects. The audit rate provides information on how many production facilities are covered by audits in risk countries.</p> <p>Through contractual obligations such as certification, ALDI Nord ensures that suppliers comply with environmental standards. Suppliers are responsible for ensuring compliance. For all wet-processing facilities a valid wastewater and sludge analysis is required.</p> <p>In the first half of 2022, ALDI Nord conducted a comprehensive sustainability risk analysis with a strong focus on environmental risks in the supply chain. Based on the results of this risk analysis, high priorities have been identified for which a number of measures will be developed and implemented. In addition, ALDI Nord is currently conducting a Non-Food Environmental Compliance Strategy to be able to develop and implement further environmental requirements beyond textiles.</p>
GRI 403: Occupational health and safety 2018		
GRI 103-1/2/3	Management approach disclosures	<p>Attractive employer – Recruitment and onboarding: empowering new employees from day one Services: promotion of performance, diversity and health</p>
GRI 403-1	Occupational health and safety management system	<p>Omission: Information unavailable: this indicator is partially addressed. In Germany, for example, a new occupational safety concept was developed with DEKRA in 2021. 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.</p>
GRI 403-2	Hazard identification, risk assessment, and incident investigation	<p>Attractive employer – Services: promotion of performance, diversity and health</p> <p>Omission see GRI 403-1</p>
GRI 403-3	Occupational health services	<p>Attractive employer – Services: promotion of performance, diversity and health</p> <p>Omission: see GRI 403-1</p>
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	<p>Omission: see GRI 403-1</p>
GRI 403-5	Worker training on occupational health and safety	<p>Attractive employer – Services: promotion of performance, diversity and health</p> <p>Omission: see GRI 403-1</p>
GRI 403-6	Promotion of worker health	<p>Attractive employer – Services: promotion of performance, diversity and health</p> <p>Omission: see GRI 403-1</p>
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<p>Attractive employer – Services: promotion of performance, diversity and health</p> <p>Omission: see GRI 403-1</p>
GRI 403-9	Work-related injuries	<p>Attractive employer – Lost day rate</p> <p>Omission: Not applicable: ALDI Nord collects data on the number of lost days throughout the ALDI Nord Group of Companies for each reporting year. There are currently no plans to collect or analyse any more detailed data.</p>









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

GRI standard	Name	Reference & additional information
GRI 404: Training and education 2016		
GRI 103-1/2/3	Management approach disclosures	<u>Attractive employer</u> <u>Attractive employer – Professional development: employee dialogues</u> <u>Vocational training: market-oriented apprenticeships and trainee programmes</u> <u>Apprenticeships and trainee programmes</u>
GRI 404-1	Average hours of training per year per employee	Omission: 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	<u>Attractive employer</u> <u>Attractive employer – Services: promotion of performance, diversity and health</u> <u>Employees by job category</u> <u>Employees by employment contract</u> <u>Women in management positions</u> <u>Employees by age group</u>
GRI 405-1	Diversity of governance bodies and employees	31 managing directors were employed in various divisions at ALDI Einkauf in the reporting year, 7 of whom were female. Omission: 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	<u>Social responsibility in the supply chain – Our approach</u> <u>Organisation & guidelines</u> <u>Progress & measures 2021</u> <u>Attractive employer</u> <u>Social responsibility in the supply chain – Organisation & guidelines</u> <u>Policy statement, position papers and international frameworks</u> <u>Progress & measures 2021</u> <u>Attractive employer – Employee representative organisation</u>
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	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). 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.
GRI 412: Human rights assessment 2016		
GRI 103-1/2/3	Management approach disclosures	<u>Social responsibility in the supply chain</u> <u>Social responsibility in the supply chain – Assessments on human rights and social compliance</u> <u>Monitoring social compliance in global production facilities</u>
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	Number of ALDI Social Assessments (ASA) carried out per country in 2021: China (145), Bangladesh (75), Turkey (3), India (15), Vietnam (2), Myanmar (4), Pakistan (16), Egypt (1), Thailand (1), Cambodia (1)
GRI 412-2	Employee training on human rights policies or procedures	<u>Social responsibility in the supply chain – Targets & status</u> Omission: Information unavailable: ALDI Nord is currently planning training sessions on human rights policies and procedures.



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

GRI standard	Name	Reference & additional information
GRI 414: Supplier social assessment 2016		
GRI 103-1/2/3	Management approach disclosures 	<u>Social responsibility in the supply chain</u> Social responsibility in the supply chain – <u>Assessments on human rights and social compliance</u> <u>Monitoring social compliance in global production facilities</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 – Protecting the environment with sustainable cultivation of palm oil</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 2021</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. Omission: 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. This step has empowered us to enhance 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
Human rights	Foreword
	Sustainability approach
Principle 1: Support and respect the protection of human rights	Stakeholders & networks
	Compliance
Principle 2: No complicity in human rights abuses	Social responsibility in the supply chain
	Attractive employer
	Social commitment
	Human Rights Policy Statement in Download section (online)
<hr/>	
Labour	
Principle 3: Uphold the freedom of association	Social responsibility in the supply chain
Principle 4: Eliminate forced and compulsory labour	Attractive employer
Principle 5: Abolish child labour	Social commitment
Principle 6: Eliminate discrimination	
<hr/>	
Environment	
Principle 7: Support a precautionary approach to environmental challenges	Foreword
Principle 8: Promote greater environmental responsibility	Sustainability approach
Principle 9: Encourage the diffusion of environmentally friendly technologies	Compliance
	Responsible product ranges
	Transparency & communication
	Environmental responsibility in the supply chain
	Climate & environmental protection
	Social commitment
<hr/>	
Anti-corruption	
Principle 10: Work against corruption	Compliance
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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

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

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

SDG 12.5

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

SDG 12.8

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

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

- Responsible product ranges
- Social commitment

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

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

- 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

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

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

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



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](#)
- [Transparency & communication](#)



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



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](#)
- [Social commitment](#)



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



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



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

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](#)
- [Social commitment](#)

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



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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Language of the report

The report is available as a PDF document in English and additional languages. If there are deviations between the different versions, the English document will take precedence. In the interest of readability, the legal structure of companies is not specified.

The Sustainability Report 2021 (PDF) is available in the following languages: English, French, German, 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. ALDI Nord cannot therefore be held responsible for such statements.