



International Policy Statement for Human Rights



December 2021

INTRODUCTION

As international Groups of Companies with global supply chains, ALDI¹ is aware of its responsibility to respect human rights throughout its supply chains in line with the UN Guiding Principles on Business and Human Rights (UNGPR). We are certain that long-term business success can only be ensured if human rights are acknowledged and respected.

We are committed to respecting all internationally recognised human rights. Our company policies and actions are developed in alignment to the following standards:

- [The United Nations Universal Declaration of Human Rights](#)
- [The International Covenant on Civil and Political Rights](#)
- [The International Covenant on Economic, Social and Cultural Rights](#)
- [The UN Convention on the Rights of the Child](#)
- [The UN Convention on the Elimination of All Forms of Discrimination against Women](#)
- [The International Labour Organization \(ILO\) Core Conventions](#)
- [The United Nations Guiding Principles on Business and Human Rights \(UNGPR\)](#)
- [The OECD Guidelines for Multinational Enterprises](#)
- [The UN Women's Empowerment Principles](#)

¹ "ALDI" refers to the ALDI Nord Group (hereinafter also referred to as "ALDI Nord") and the ALDI SOUTH Group (hereinafter referred to as "ALDI SOUTH"). Both are legally independent groups of companies trading under the ALDI brand. The "International Policy Statement for Human Rights" is published on the websites of the ALDI companies.

OUR APPROACH

Scope

Our commitment covers our own business operations and business relationships, and the impacts indirectly caused by our actions. We expect ALDI employees, managements, business partners and other suppliers² to respect human rights in line with this policy and to ensure that all business activities comply with our commitment to human rights.

ALDI Principles

These standards are also reflected in our own ALDI principles, which constitute frameworks for ALDI's employees and business partners and other suppliers.

- The **Corporate Responsibility Policy** defines our understanding of commitment towards people and planet.
- The **Principles in Company and Leadership Concepts** reflect our core values.
- The **Compliance Management System** is intended to help all employees to live up to our core values at all times.
- The **Additional Agreement on Social Standards** reflects our commitment to human rights and fair labour standards throughout our supply chains.

- The **amfori BSCI Code of Conduct** is a set of values and principles to improve working conditions in global supply chains.
- Code of Conduct for the observance of social standards in the provision of construction, works and services on behalf of ALDI Nord.

Global Goals

We also strive to actively contribute to the achievement of the global United Nations Sustainable Development Goals (SDGs) in the context of human rights. We consider the SDGs when defining our goals and promote their achievement by participating in initiatives.

To strengthen ALDI's commitment to human rights, the ALDI Nord Group and the ALDI SOUTH Group were the first discount retailers to join the United Nations Global Compact in 2017. By joining this initiative, we have committed to implement the UN Global Compact's ten principles in the areas of human rights, labour, environment, and anti-corruption as part of our corporate strategies and within the scope of our daily business operations.

² "Other suppliers" include all sub-suppliers, production facilities and production sites (factories, farms and fishing vessels), service providers, contractors and subcontractors relevant to ALDI's supply chains and business processes.

OUR IMPLEMENTATION

Assessment and Prioritisation

We continually assess the impact of our actions on human rights. Based on the assessment, we prioritise the most severe impacts and risks relating to human rights.

There are certain aspects of human rights that we consider salient as our actions could have a stronger impact on these. These relate, but are not limited to the following topics:

- Prohibition of child labour and forced labour
- Non-discrimination and equal treatment of all employees without distinction of sex, gender and gender identity, ethnicity, nationality, colour, social background, religion, faith, age, legal status, political opinion, disability, sexual orientation, cases of pregnancy, or trade union membership/ activity
- Health and safety at the workplace
- Freedom of association and collective bargaining
- Fostering living wages and living incomes
- Working hours in accordance with applicable standards
- Need for sustainable water supplies and drinking water
- Respecting the rights of indigenous peoples and local communities
- Not tolerating or contributing to threats, intimidation and attacks against human rights defenders
- Right to effective remedy

In this context, we acknowledge that specific groups, such as minorities, children, women, migrant workers and indigenous peoples, are potentially more vulnerable to having their fundamental human rights violated.

Prevention and mitigation

We implement measures to prevent and mitigate the adverse impacts and risks relating to human rights that we have identified and prioritised. This involves, among other things, aligning managements and buying practices with this goal,

raising awareness and providing training for employees, business partners, and suppliers in order to strengthen the general understanding. In cases where our potential influence to prevent and mitigate risks is low, we participate in industry-wide and multi-stakeholder initiatives to work jointly on solutions.

Transparency

We believe that transparency is a significant component of human rights due diligence. We have initiated efforts to provide greater insight into our supply chains and communicate openly about corresponding risks and the measures we take. We will continue to increase our transparency as part of our human rights efforts.

Climate Change & Environmental Aspects

We recognise that climate change and other environmental issues can also adversely impact human rights. We are committed to maintaining compliance with laws and standards related to the protection of the environment. We have implemented measures to reduce our operational emissions and increase material efficiency and circularity. Additionally, we have decreased the use of hazardous chemicals by implementing a comprehensive chemical management system at all stages of our supply chains for textiles and shoes.

Stakeholder engagement

Across our value chains, we engage with a wide variety of stakeholders including, but not limited to, suppliers, service providers, workers, and NGOs. We recognise that having effective dialogue with relevant external stakeholders is an integral element of due diligence so that we can share perspectives, knowledge and advance our commitments. We are committed to increasing exchange with stakeholders and their representatives who are potentially and affected in order to receive information that can help us to assess and further develop our approach to human rights.

Remediation & Grievance Mechanisms

ALDI takes all incidences and allegations seriously, whether reported by ALDI employees, workers, third-party auditors, business partners, civil society, media, or other stakeholders. We are committed to taking remediation action in accordance with international standards. We work closely with our business partners to remedy adverse impacts that are directly linked to our operations and products. We are committed to not precluding access to state-based judicial and non-judicial mechanisms.

ALDI recognises the need for workers to have access to grievance mechanisms consistent with the UN Guiding Principles. Grievance mechanisms provide a suitable means of identifying adverse impacts and risks. For this reason, we have created grievance mechanism processes for the ALDI employees and business partners. However, we have identified challenges with implementing a grievance mechanism in countries where the products we offer are manufactured. We intend to address this challenge by partnering with civil society and industry stakeholders to build up grievance mechanisms in our high-priority supply chains.

Structure & Responsibilities

The Managing Directors of the companies of the ALDI Nord Group of Companies are responsible for supervising the implementation of and compliance with the International Policy Statement for Human Rights respectively. ALDI Einkauf SE & Co. oHG maintains an international Corporate Responsibility and Quality Assurance (CRQAI) department, which includes a team of experts in human rights and supply chains. The CR/QA department is also responsible for the implementation of human rights due diligence within the framework of the UNGP and in this function regularly informs the management about the status of implementation. This ensures the management is involved in the approach to human rights due diligence, can closely monitor new

developments and regularly reviews and approves measures on key human rights issues. In addition, the CRQAI department works closely with the ALDI CR units located in Bangladesh and Hong Kong, which are assigned to review the conditions along our supply chains on site in Asia.

Furthermore, the Corporate Buying departments of the national businesses have local teams of Corporate Responsibility experts who are responsible for coordinating measures with consideration of human rights due diligence.

Further Development

We are aware that the implementation of human rights due diligence is an ongoing development process. Although there is more to do, we are on our way to achieving this goal and are committed to making continuous improvement. We regularly evaluate how to improve and strengthen our approach to addressing human rights, which includes conducting periodical reviews of our standards and policies.

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