

# **PROGRESS REPORT 2022**

# **CORPORATE RESPONSIBILITY PERFORMANCE**





# OUR APPROACH

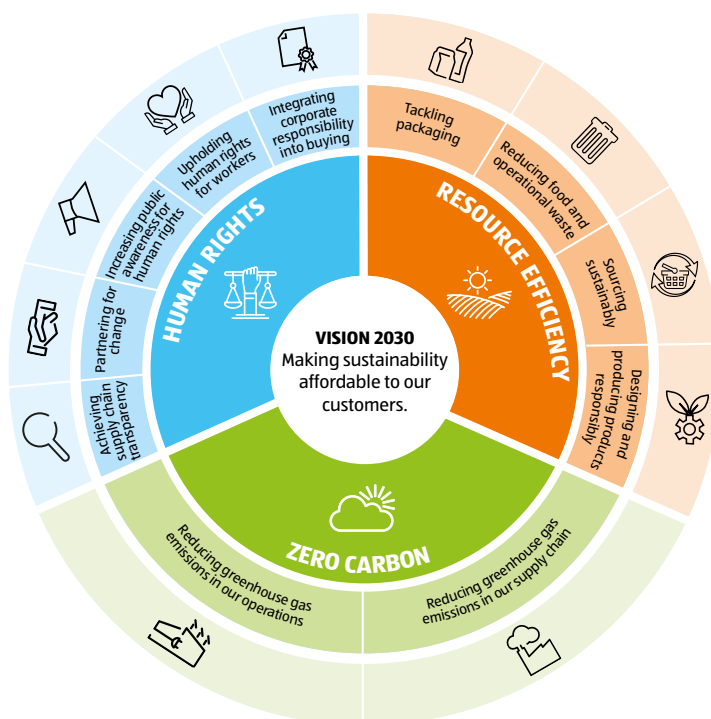
With our Vision 2030 of “Making sustainability affordable to our customers” developed in 2019, we paved the way to become a frontrunner in offering sustainable products at the best price. Sustainability must not be a luxury; we want to make sustainable products available at a discount price for all our customers around the world. Guided by this Vision, we externally communicated our first International Corporate Responsibility Strategy in the beginning of 2021 and published clearly defined Objectives, Actions, and Roadmaps for our day-to-day activities.

By measuring our strategic performance on a regular basis, we can validate the effectiveness of our actions and highlight the areas where we are already making strong progress and identify the areas where further action is still required. As a global retailer, we want to use our global buying power and market influence to create lasting change for a better future. We focus our activities on high-priority raw materials and commodity groups.

## REPORTING SCOPE:

- All reporting is based on our own-brand products only. Branded products are excluded.
- The ALDI SOUTH Group’s Corporate Responsibility (CR) performance in the area of Resource Efficiency is reported excluding some national operations due to a transition of IT systems.

Information on the performance of the ALDI SOUTH Group in the areas of “Giving all customers access to healthy products” and “Supporting local communities” can be found on the ALDI SOUTH Group [national websites](#).





## HUMAN RIGHTS

	STATUS	TARGET
<b>OBJECTIVES</b>		
<b>ACHIEVING SUPPLY CHAIN TRANSPARENCY</b>		
Increasing traceability of six supply chains		2025
Increasing transparency of six supply chains		2026
Conducting twelve human rights impact assessments (HRIA)		2025
<b>PARTNERING FOR CHANGE</b>		
Strengthening and establishing partnerships in our high-priority supply chains		2025
<b>INCREASING PUBLIC AWARENESS FOR HUMAN RIGHTS</b>		
Being an advocate for human rights		2025
<b>UPHOLDING HUMAN RIGHTS FOR WORKERS</b>		
Implementing capacity-building activities across our high-priority supply chains		2025
Aligning our CR requirements and processes with the UNGPs		2025
Providing workers in all high-priority supply chains access to a grievance mechanism (1) and remedy (2)		(1) 2025 (2) 2030
<b>INTEGRATING CORPORATE RESPONSIBILITY INTO BUYING</b>		
Presenting CR performance metrics for all high-priority supply chains in a Buyer's Scorecard		2026
Implementing responsible purchasing practices across selected high-priority supply chains		2030
Integrating all high-priority supply chains into our CR Supplier Evaluation (CRSE)		2027
Sourcing 80% of buying volume from responsible suppliers		2030

Started
 In progress
 Achieved
 Ongoing


















## HUMAN RIGHTS

	2020	2021	2022	STATUS	TARGET
PERFORMANCE					
<b>Social Monitoring Programme (SMP):</b> Monitor compliance with social standards	Since 2018, integration of all high-priority non-food supply chains				All high-priority supply chains
	Since 2020, integration of all high-priority food supply chains				
<b>Human Rights Impact Assessments:</b> Food and Non-food high priority supply chains	-	3	2		12 by 2025
<b>ALDI Social Assessments:</b> Evaluation of Non-food production facilities	304	263	284		-
<b>ALDI Producer Assessments:</b> Audits of food farms and plantations	20	62	125		-
<b>Corporate Responsibility Supplier Evaluation (CRSE):</b> Integration of non-food business partners	<ul style="list-style-type: none"><li>• Garment textiles</li><li>• Shoes</li></ul>	<ul style="list-style-type: none"><li>• Garment textiles</li><li>• Shoes</li><li>• Household textiles</li></ul>	<ul style="list-style-type: none"><li>• Garment textiles</li><li>• Shoes</li><li>• Household textiles</li></ul>		All high-priority supply chains
<b>Corporate Responsibility Supplier Evaluation (CRSE):</b> Integration of food business partners	<ul style="list-style-type: none"><li>• Bananas</li><li>• Pine-apples</li></ul>	<ul style="list-style-type: none"><li>• Bananas</li><li>• Pine-apples</li></ul>	<ul style="list-style-type: none"><li>• Bananas</li><li>• Pine-apples</li><li>• Fresh produce</li><li>• Fish &amp; Seafood (pilot)</li></ul>		
<div><div><div></div><div></div><div></div></div> Started</div> <div><div><div></div><div></div><div></div></div> In progress</div> <div><div><div></div><div></div><div></div></div> Achieved</div> <div><div><div></div><div></div><div></div></div> Ongoing</div>					

Started
 In progress
 Achieved
 Ongoing



## RESOURCE EFFICIENCY

	STATUS	TARGET
<b>OBJECTIVES</b>		
 <b>TACKLING PACKAGING</b>		
Reducing own-brand packaging weight by 15%		2025
Making all own-brand packaging reusable, recyclable or compostable		2025
Increasing the recycled content used in our plastic product packaging to 30%		2025
Reducing the amount of virgin plastic in our-own brand packaging by 40% (international products only)		2025
 <b>REDUCING FOOD AND OPERATIONAL WASTE</b>		
Diverting 90% of food and operational waste from landfill or incineration		2030
 <b>SOURCING SUSTAINABLY</b>		
Increasing the number of sustainable products by an additional 10%		2025
Ensuring good water stewardship practices		2030
Eliminating overfishing, bycatch and ecosystem damage in our fish and seafood supply chains		2030
Eliminating deforestation and conversion of natural ecosystems from our high-priority supply chains		2030
 <b>DESIGNING AND PRODUCING PRODUCTS RESPONSIBLY</b>		
Verifying the chemical management performance of all strategic production facilities for garment, home textile and shoes		2025
Introducing closed-loop products into product ranges		2030

 Started
  In progress
  Achieved
  Ongoing



## RESOURCE EFFICIENCY

	2020	2021	2022	STATUS	TARGET
<b>PERFORMANCE</b>					
<b>SUPPLY CHAINS</b>					
<b>Chemicals in production:</b> Wet production facilities used with compliant wastewater and sludge analysis	88%	97%	89%	∞	-
<b>Cocoa:</b> Products containing certified cocoa*	89%	99%	99%	■ ■ ■	100%
<b>Coffee:</b> Certified coffee products*	-	75	79%	■ ■ □	Steady increase
<b>Cotton:</b> Sustainable cotton tonnage	50%	63%	70%	■ ■ □	100% by 2025
<b>Eggs:</b> Shell eggs from cage-free supply chains**	44%	48%	59%	■ ■ □	100% by 2025
<b>Fairtrade:</b> Certified products (including Fairtrade-sourced ingredients)*	401	389	365	∞	-
<b>Fish &amp; seafood:</b> Responsibly sourced fish and seafood	95%	99%	90%	■ ■ ■	100%
<b>Palm (kernel) oil:</b> Certified palm (kernel) oil in products	100%	100%	99%	■ ■ ■	100%
<b>Soy:</b> Soy with a low risk of deforestation***	59%	41%	49%	∞	-
<b>Timber:</b> Certified/recycled wood-based own-brand products	84%	92%	95%	■ ■ □	100%
<b>Tropical fruit:</b> Certified bananas and pineapples sold in European and US stores	100%	100%	100%	∞	-
<b>PACKAGING</b>					
<b>Recyclability:</b> Reusable, recyclable or compostable own-brand packaging	60%	66%	66%	■ ■ □	100% by 2025
<b>Material reduction:</b> Own-brand product packaging material (in relation to sales)	-	-2.5%	-12%	■ ■ □	-15% by 2025
<b>Recycled plastics:</b> Recycled content in own-brand plastic packaging	-	13%****	15%	■ ■ □	30% by 2025
<b>Virgin plastic reduction:</b> Virgin plastic in own-brand plastic packaging	-	No data available	Data under verification	■ □ □	-40% by 2025
<b>WASTE</b>					
<b>Food waste</b> diverted from landfill or incineration	-	58%	60%	■ ■ □	90% by 2030
<b>Operational waste</b> diverted from landfill or incineration	-	88%	89%	■ ■ □	

\* excl. CN, HOFER, AU, \*\* excl. CN, AU

\*\*\* European countries only

\*\*\*\*Amendment to figure reported previously (18%) due to a verification in the calculation methodology

■ □ □ Started ■ ■ □ In progress ■ ■ ■ Achieved ∞ Ongoing



## ZERO CARBON

	STATUS	TARGET
<b>OBJECTIVES</b>		
<b>REDUCING GREENHOUSE GAS EMISSIONS IN OUR OPERATIONS</b>		
Reducing our operational GHG emissions by 26%	∞	2025
<b>REDUCING GREENHOUSE GAS EMISSIONS IN OUR SUPPLY CHAINS</b>		
Encouraging our suppliers to set science-based targets	■ ■ ■	2024
Implementing carbon reduction projects in selected supply chains	■ ■ ■	2025

	2020	2021	2022	STATUS	TARGET
<b>PERFORMANCE</b>					
<b>Company Carbon Footprint:</b> Reduction of operational greenhouse gas emissions	-31%	-38%	Reporting on performance at the end of the year	■ ■ ■	-26% by 2025 (baseline 2016)
<b>Carbon-neutrality</b> of ALDI SOUTH Group countries	7	7		■ ■ ■	Net Zero Carbon
<b>Electricity</b> from renewable energy sources	90%	95%		∞	-
<b>Refrigeration:</b> Stores using more environmentally-friendly refrigerants	87%	91%		■ ■ ■	100% by 2025

■ ■ ■ Started   ■ ■ ■ In progress   ■ ■ ■ Achieved   ∞ Ongoing



**ALDI SÜD KG**

International Sustainability

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Please see <https://sustainability.aldisouthgroup.com> for more information on our international corporate responsibility activities.