Objectives, Actions and Performance

HUMAN
RIGHTS
FACTSHEET
2025



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# 1 | INTRODUCTION

Human rights are inalienable and universal. As an international business with global supply chains, the ALDI SOUTH Group is committed to respecting human rights in its own activities and throughout its supply chains, as laid out in our "Human Rights and Environmental Due Diligence Policy".

Beyond our own commitments, we published our "<u>International Position Statement on Mandatory Human Rights Due Diligence Legislation</u>" to support the establishment of a legally binding level playing field within the industry.

## 1.1 KEY STANDARDS

Since 2010, the "ALDI Business Partner Sustainability Standards" represent ALDI's minimum requirements for our supply chains. They constitute our expectations for all enterprises that have a business relationship with ALDI by supplying services or goods, including both merchandise and goods not for resale, and whose requirements are to be further cascaded to all indirect business partners. The Business Partner Sustainability Standards are based on our commitment to respect human rights and the environment. We review these standards frequently and strive for continuous improvement.

We also have specific policies and position statements on topics of high priority to our business, which apply to both our own operations and our supply chains.

#### 1.1.1 | Child Labour

Our "Child Labour Policy" outlines our commitment and requirements concerning the prevention of child labour, as well as the remediation of any findings.

#### 1.1.2 | Forced Labour

Our "International Policy on Forced Labour" underlines ALDI's stance that any forms of servitude or slavery, or forced, bonded, indentured, trafficked, or non-voluntary labour are unacceptable.

### 1.1.3 | Gender Equality

Our "<u>International Policy on Gender Equality</u>" sets out ALDI's commitment to gender equality. Our "<u>Action Plan</u>" launched in 2021, describes our actions to address key issues, including gender-based violence and harassment, workplace health and safety, and women's representation. ALDI has committed to enhance gender diversity and inclusion through the "<u>Women's Empowerment Principles (WEPs)</u>".

#### 1.1.4 | Living Wages & Living Incomes

Our "International Position Statement on Living Wages and Living Incomes" outlines our approach to support a decent standard of living for all people.

# **2 | HUMAN RIGHTS DUE DILIGENCE PROCESS**

To implement our commitments, ALDI follows a due diligence approach that governs all policies, requirements, and processes related to human rights. This approach aligns with the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and relevant International Labour Organization (ILO) standards, and is described in our <a href="Human Rights and Environmental Due Diligence Policy">Human Rights and Environmental Due Diligence Policy</a>.

For information about our human rights activities at a national level, please refer to the relevant national sustainability websites of the ALDI SOUTH Group:

- ALDI SÜD Germany
- ALDI UK
- ALDI Ireland
- ALDI Australia
- ALDI US
- ALDI China
- HOFER Austria
- HOFER Slovenia
- ALDI Suisse
- ALDI Italy
- ALDI Hungary

## 2.1 | SUPPLY CHAIN TRACEABILITY

Ensuring traceability in our supply chain is the foundation of our sustainability measures. We cannot ensure compliance with our requirements, analyse risks, monitor, or implement projects without knowledge of the origin of our products. We collaborate with our business partners to increase the traceability of our supply chains so that we can better understand the origin of each product we sell, and the raw materials used.

You can find ALDI's supply chain reporting on our website's Supply Chain Transparency & Traceability page.

## 2.2 | IDENTIFICATION AND PRIORITISATION

#### 2.2.1 | Risk Identification

The ALDI SOUTH Group strives to address adverse impacts on human rights which our business operations might cause, contribute to, and to which they might be directly linked. We conduct risk analyses and human rights impact assessments to identify the actual and potential risks in our supply chains. Based on the results of our risk analyses, we identify key salient risk topics, product types, and sourcing countries that require prioritisation.

#### 2.2.2 Human Rights Impact Assessments

ALDI has committed to conducting twelve comprehensive human rights impact assessments (HRIAs) by 2025. These assessments will follow a stringent methodological approach that includes extensive background research and engagement with rightsholders. HRIAs help us identify, understand, and evaluate the potential and actual adverse impacts of our business activities on workers and other affected rightsholders, such as community members, smallholder farmers, and women. So far, we have published the results of three HRIAs in selected high-priority supply chains: Avocados from Peru, Brazil nuts from Bolivia, and Coffee from Brazil.

#### Read more about our HRIAs here

For more information, you can find links to our Human Rights Impact Assessment Reports and Action Plans on the following webpages:



**Avocados from Peru** 



**Coffee from Brazil** 



**Brazil Nuts from Bolivia** 

## 2.3 | INTEGRATION AND ACTION

We take action to prevent, mitigate and remedy potential negative human rights impacts in our supply chain, prioritised based on our risk analyses and impact assessments. We prioritise the most salient risks and focus on our highest risk supply chains.

### 2.3.1 | Prevention and Mitigation of Negative Impacts

Measures to prevent and mitigate identified risks include, among other things, the following:

- Implementation of contractual requirements and capacity building on sustainability topics for ALDI's Buying departments and business partners
- Implementation of responsible purchasing practices to prevent and address adverse impacts on human rights
- Implementing audit and certification requirements for supply chains based on identified risk
- Verification and review of third-party social audits at production facilities through our Global Social Monitoring Programme (SMP). Accepted standards include amfori BSCI, Sedex/SMETA, SA8000, and other industry-specific standards
- Evaluation of our business partners' capability to comply with human rights and environmental standards, as identified in our risk assessments, through the Corporate Responsibility Supplier Evaluation (CRSE)
- Conducting on-site audits for high-priority products through our ALDI Sustainability Assessments (ASAs)

### **Corporate Responsibility Supplier Evaluation (CRSE)**

To ensure long-term relationships with business partners who have good sustainability performance, and to support continuous improvement, we conduct an annual Corporate Responsibility Supplier Evaluation. This approach goes beyond audits and uses indicators to assess our business partners' social and environmental compliance management systems, as well as the performance of their farms or production facilities. The results are verified through ASAs and based on our contractual sustainability requirements.

Our sustainability requirements rate business partners from A to D. We prioritise sourcing from A and B rated suppliers, while D rated suppliers are delisted if they consistently fail to improve.



#### **Our Goals:**

- 1. All suppliers of in-scope products must undergo an annual review process to evaluate their compliance with ALDI's sustainability requirements.
- 2. Improve our business partners' knowledge of sustainability and their ability to monitor it, empowering them to comply with our sustainability requirements throughout the supply chain.
- 3. Establish long-term relationships with strategic business partners who perform well regarding sustainability and increasingly source more from A and B rated business partners.

#### 2.3.2 | Grievance Mechanisms

Each ALDI country has an AlertLine or Counsel of Trust to which internal and external parties can address complaints and grievances regarding human rights issues. Please refer to the links below to access to the respective grievance channels:

- ALDI SÜD Holding
- ALDI SÜD Germany
- HOFER Austria
- ALDI Suisse
- ALDI Italy
- ALDI US
- ALDI UK
- ALDI Australia
- ALDI Ireland
- ALDI Hungary
- HOFER Slovenia
- ALDI Hong Kong SAR, China

In addition to contacting our Counsel of Trust, employees and business partners can also contact the internal Compliance department directly in the event of (potential) compliance violations: <a href="mailto:investigation@aldisued.com">investigation@aldisued.com</a>

In addition, we partner with civil society and industry stakeholders to support the creation and implementation of multi-stakeholder grievance mechanisms in producer countries, through projects such as the <a href="mailto:amfori SPEAK FOR CHANGE Programme">amfori SPEAK FOR CHANGE Programme</a>, the <a href="mailto:lmpartial Worker Occupational Safety and Health Complaints Mechanism">lmpartial Worker Occupational Safety and Health Complaints Mechanism</a> (operated by RMG Sustainability Council, as part of International Accord), the <a href="mailto:lssara Worker Voice Programme">lssara Worker Voice Programme</a>, and <a href="mailto:lssara Worker Voice">Appellando</a>.

Affected rightsholders can submit complaints through these channels, including grievances related to human rights violations caused by, contributed to, or directly linked to any action of ALDI or ALDI's direct and indirect business partners.

#### 2.3.3 | Remediation of Negative Impacts

We take all allegations and instances of adverse impacts seriously. If we identify that our business activities cause or contribute to adverse impacts related to human rights, we will take appropriate remedial action. Where ALDI is indirectly linked to risks and adverse impacts, we will seek to engage with our business partners to address identified adverse impacts.

Remediation measures include:

- Developing Corrective Action Plans (CAP) with specific timelines to address findings and remediate actual adverse impacts
- Working with remediation partners, multi-stakeholder initiatives and local organisations to mitigate adverse impacts and to implement long-term remediation
- Making adjustments to internal processes, such as changes to purchasing practices, additional training and audits, and other measures proportionate to the risk or impact identified
- Following a rapid response process, in collaboration with "The Centre for Child Rights and Business", to respond immediately and appropriately when child labour is identified in our supply chains
- Temporary suspension of direct and indirect business partners who violate our standards from doing business with ALDI

# **3 | STAKEHOLDER DIALOGUE**

To make significant impact, we collaborate with suppliers, manufacturers, retailers, governments, and NGOs to increase our leverage and align our approaches to human rights due diligence. Additionally, we acknowledge the crucial role of trade unions in protecting workers' rights. We understand the potential negative impact of restricted or eliminating trade union activity.

This section highlights important partnerships for addressing human rights issues across the group. For details on projects and partnerships related to specific supply chains, please refer to the relevant Supply Chain Factsheets.

## 3.1 | MEMBERSHIPS AND PARTNERSHIPS

### 3.1.1 Ethical Trading Initiative (ETI) (since 2019)

ETI is a leading alliance of trade unions, NGOs and companies working together to advance human rights in global supply chains. Its mission is to provide practical solutions to end human rights abuses in the workplace, improving the lives of workers and businesses.

ALDI SOUTH Group graduated to full membership in July 2022. In awarding full membership, ETI recognised ALDI's progress on human rights due diligence and commitment to upholding workers' rights in our supply chain.

ALDI's <u>Business Partner Sustainability Standards</u> are aligned with the ETI Base Code. Being part of this collective helps us address and promote better working and living conditions for workers and their families and supports our efforts to improve gender equality, tackle child labour and increase transparency across ALDI supply chains.

### 3.1.2 | amfori (since 2008)

amfori is a global business association for sustainable trade, supporting companies around the world to operate successfully and responsibly by improving the environmental, social and governance performance of our supply chains.

ALDI SOUTH Group has been a member of amfori since 2008. As part of this membership, we use amfori BSCI (Business Social Compliance Initiative) audits through the amfori Sustainability Platform. amfori BSCI enables us to perform ESG due diligence, increase transparency and address significant violations of working conditions within the international labour rights framework.

ALDI is also actively involved in a number of amfori projects focusing on different areas of the global supply chain. amfori <a href="Speak for Change">Speak for Change</a>, for example, is a supply chain grievance mechanism that helps us identify, address, and resolve social issues raised by workers and other stakeholders in our supply chain.

#### 3.1.3 | Sedex (since 2017)

Sedex is a global platform for supply chain sustainability solutions. Specialised in data, insights and professional services, it offers accessible tools, services, and a community network to support companies enhance responsible business practices and sustainable sourcing.

The ALDI SOUTH Group became a member in 2017. We use the Sedex Members Ethical Trade Audit (SMETA) as a standard for auditing production facilities in our Social Monitoring Programme. It helps us identify, assess and prioritise environmental and social risks and impacts more effectively across our supply chains.

#### 3.1.5 The Centre for Child Rights and Business (since 2018)

The Centre for Child Rights and Business helps companies understand and improve their direct and indirect impact on children. It provides practical solutions that enable companies to mitigate risks while delivering meaningful and lasting improvements for children, youth and families.

ALDI SOUTH Group has partnered with The Centre for Child Rights and Business (The Centre) since 2018 to develop and evaluate strategies to address, prevent and remediate child labour. Their services include preventing and remediating child labour, assessing child rights and human rights risks, connecting youth and other vulnerable groups to decent work and skills development opportunities, creating family-friendly workplaces in supply chains, and providing training for migrant parents.

#### 3.1.6 | Issara Institute (since 2021)

The Issara Institute is an independent non-governmental organisation based in Asia and the United States. It operates on the ground, working with workers and communities, partnering with civil society, businesses and governments to build ethical supply chains. It tackles issues related to human trafficking and forced labour through worker voice, partnership and innovation.

ALDI SOUTH Group has been a strategic partner since 2021 and participates in Issara's Inclusive Labor Monitoring. This worker voice- centred collaboration supports workers and improves working conditions in ALDI's food and non-food supply chains across Southeast Asia. It empowers workers to speak up when they have concerns about recruitment conditions or their working environment and to address their grievances. In line with the requirements of an effective grievance mechanism, it ensures that workers feel comfortable sharing their concerns, but also that companies respond to those concerns.

### 3.1.7 The Mekong Club (since 2020)

The Mekong Club collaborates with the private sector to promote sustainable practices and address modern slavery across the globe. ALDI works with the Mekong Club to develop strategies for preventing, mitigating, and remedying forced labour in supply chains.











# **Contact Info**

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Please visit <u>sustainability.aldisouthgroup.com</u> for more information on our international corporate responsibility activities.