SUSTAINABILITY STANDARDS

BUSINESS PARTNERS



ALDI SÜD Group 2023

SCOPE AND APPLICATION

The “ALDI Business Partner Sustainability Standards” represent the ALDI SÜD Group’s (“ALDI”) minimum requirements for its 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 “ALDI Business Partner Sustainability Standards” are based on our commitment to respect human rights and the environment. ALDI reviews these standards frequently and strives for continuous improvement.

OUR REQUIREMENTS

ESTABLISHMENT OF DUE DILIGENCE MECHANISMS

In compliance with applicable legislation and to the level appropriate to the scale and nature of their business operations and identified salient risks, business partners must conduct human rights and environmental due diligence. This may include implementing any necessary management systems, policies, and processes to effectively further investigate, prevent, mitigate and remediate any human rights and environmental impacts, in line with established due diligence standards, legal requirements and international norms. They may be required to assist in and/or provide information relevant to ALDI’s due diligence efforts towards risk analysis, monitoring, prevention and remediation of its salient risks.

Business partners must proactively report to ALDI any confirmed or suspected instances of non-compliance in ALDI supply chains, along with any allegations, enquiries, or threats of legal action related to alleged noncompliances coming from affected stakeholders, media, NGOs, governments and other relevant third parties.

LEGAL COMPLIANCE

All business partners must comply with all applicable laws in the countries and regions in which they operate, along with all additional applicable ALDI contractual requirements around sustainability and corporate responsibility. Where applicable laws and/or ALDI requirements set a different standard of protection to international standards, such as applicable United Nations (UN) treaties and International Labour Organization (ILO) Conventions, ALDI business partners must abide by the principles that provide the highest protection to potentially affected rightsholders such as workers and communities, and to the environment, to the extent permitted by applicable law.

NO UNLAWFUL EMPLOYMENT

Work in ALDI supply chains must be performed based on a legally binding employment relationship in accordance with the applicable legislation. Obligations to employees from the regular employment relationship must not be avoided by using labour-only contracting, sub-contracting, or home-working arrangements. Where homeworkers and external contractors are used, the business partner is expected to ensure that these workers are granted standards of remuneration and working conditions that are at least equivalent to minimum standards applicable to direct employees.

All workers - whether or not they are direct employees - must be made fully aware of all relevant information concerning their rights, responsibilities and employment conditions, and give their informed consent, prior to the employment relationship becoming binding. Where necessary, any written documents must be translated to and/or explained in a language the worker understands.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

The workers' rights to freedom of association and collective bargaining in accordance with the applicable law must be respected. Workers' rights include the right to elect representatives or the right to form and join trade unions of their choice and to bargain collectively. Discriminating practices or retaliation against workers because of a trade union membership is not tolerated. Where the right to freedom of association and collective bargaining is restricted under law, the development of parallel means for independent and free association and bargaining in line with applicable law must not be hindered.

NON-TOLERANCE FOR HARASSMENT

Physical, verbal, sexual or psychological harassment, bullying, abuse, or threats are not tolerated in ALDI supply chains. Where such risks exist, business partners must implement policies and processes for preventing, investigating and remediating any forms of harassment that occur within, and in relation to, their operations.

Physical and corporal punishment is not permitted. All disciplinary procedures must follow applicable laws, be established in writing, and be explained to workers in clear and understandable terms. Business partners must ensure that no threats of punishment and no use of corporal punishment, mental or physical coercion, verbal abuse and other forms of domination or oppression occur in ALDI supply chains.

NON-TOLERANCE FOR DISCRIMINATION

Any form of discrimination based on characteristics such as, but not limited to, gender, sexual orientation, race, colour, nationality, genetic features, language, ethnic or national origin, religion or belief, disability, age, marriage and civil partnership, and pregnancy and parental leave is not tolerated. Terms of hiring, remuneration, access to training, promotion, termination, or retirement, and access to all rights and protections granted to workers, must be based on the principle of equal opportunity.

COMPLIANCE WITH MINIMUM WAGE LEGISLATION

Wages must be at least the minimum wage as laid down by the applicable legislation and regulations of the place of employment. Wages must meet or exceed industry standards approved on the basis of collective bargaining for workers included in a collective bargaining agreement.

Wages are to be paid in a timely manner, regularly, and fully in legal tender. The level of wages must reflect the skills and education of workers and shall be based on regular working hours. Overtime work must be paid at the premium rate mandated by applicable legislation.

ESTABLISHMENT OF OCCUPATIONAL HEALTH AND SAFETY

Business partners must establish and follow a clear set of standards and procedures regarding occupational health and safety. Employers must ensure the stability and safety of work equipment and buildings, as well as the protection of workers against any foreseeable emergency in accordance with applicable legislation. This includes personal protective equipment, appropriately equipped workplaces and workstations, and measures to prevent excessive physical and mental fatigue, including through excessive working hours and insufficient rest breaks.

Workers must be provided adequate training and instructions for using their equipment and must be made aware of all applicable health and safety requirements. Free access to safe drinking water and sanitary facilities in the workplace must be provided. Accommodation, where provided by the employer, must be clean and safe.

NON-TOLERANCE FOR CHILD LABOUR

Child labour as defined by ILO and United Nations Conventions and/or by national law is not tolerated in ALDI's business operations and supply chains.

This includes the worst forms of child labour (covering any exposure of persons under the age of 18 to all forms of forced labour or modern slavery, to sexual exploitation, or to illicit activities), as well as any child employed under the minimum working age according to the applicable law of the place of employment, or under the age of 15 (unless the exceptions recognised by the ILO apply). Business partners must adhere to whichever standard is most stringent.

Business partners must ensure that juvenile workers above minimum age of employment but under the age of 18 do not work at night and are protected against conditions of work which are prejudicial to their health, safety, morals, and development. Juvenile workers must not be excluded from employment based solely on their age.

NON-TOLERANCE FOR FORCED LABOUR

The term 'forced labour' covers all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered themselves voluntarily. Any form of servitude, slavery, forced, bonded, indentured, trafficked or non-voluntary labour is not tolerated in ALDI supply chains.

Business partners must ensure that all workers have the right to choose their employment freely, without deception or threat of penalty. Workers must not be required to work overtime hours beyond the limits imposed by applicable legislation, and must have freedom of movement outside working hours and during contractually and legally mandated leave.

Employers may not retain workers' money (including wages owed) or possessions such as identity documents against the worker's will, with the intention of binding workers to the place of employment.

Work may not be exacted on the basis of debt. Business partners must abide by the Employer Pays Principle, meaning that workers must not pay for their employment in the form of recruitment fees and related costs (as defined by the ILO), and all costs related to employment and recruitment must be borne by the employer. Any rent or other daily living expenses charged by employers to employees must at maximum align with local market rates and applicable laws.

RECOGNITION OF RIGHTS OF INDIGENOUS PEOPLES AND COMMUNITIES

The rights of indigenous peoples and communities, including land rights of affected communities, should be recognised. Business partners must uphold any applicable legal standards and international norms regarding the prohibition of unlawful or illegitimate eviction and/or acquisition, development or other use of land, forests, and waters.

USE OF PRIVATE AND PUBLIC SECURITY FORCES

Business partners must conduct all necessary due diligence to ensure that private or public security forces used for the protection of the enterprise's projects respect applicable law and international principles, and do not violate the rights of workers and communities through acts such as torture; cruel, inhumane, or degrading treatment; or damage to life or limb. Security forces may not limit the right of workers to freedom of association.

ENVIRONMENTAL STEWARDSHIP

Business partners must ensure that their operations and supply chains do not violate the rights of people, communities and ecosystems through environmental damage and pollution. This may include and is not limited to: water pollution, excessive water consumption, illegal sourcing of water, air pollution, harmful noise emission, deforestation and conversion, harmful soil change, and destruction of vital ecosystems that significantly impacts the natural basis for the preservation of health, production of food, or access to safe and clean drinking water and sanitation.

MANAGEMENT OF HAZARDOUS SUBSTANCES AND POLLUTANTS

Procedures and standards for waste management, handling, and disposal of chemicals, including adequate use of agricultural inputs such as pesticides and other dangerous materials, emissions and effluent treatment must be compliant with the applicable legal requirements. All applicable local, national and international environmental regulations and standards must be met, and business partners must abide by the relevant provisions of ALDI's contractually binding sustainability requirements. ALDI in particular requires its business partners to abide by the following international principles:

- Prohibition of production, use, and/or disposal of mercury and mercury-added products in any manner contrary to the Minamata Convention on Mercury
- Prohibition of production and/or use of substances, and non-environmentally sound management of wastes, containing Persistent Organic Pollutants (POPs) in any manner contrary to the Stockholm Convention
- Prohibition of import and export of hazardous waste in any manner contrary to the Basel Convention

NON-TOLERANCE FOR CORRUPTION AND UNETHICAL BUSINESS PRACTICE

Any act of corruption, extortion, embezzlement, or bribery, including but not limited to the promising, offering, giving, or accepting of any improper monetary or other incentive, is not tolerated. Accurate records and information regarding business partners' activities, structure, and performance must be maintained and disclosed in accordance with applicable regulations and industry benchmark practices. Business partners must refrain from allowing situations to occur that may be perceived as ethically improper and/or a conflict of interest. All potential conflicts of interest must be disclosed to ALDI as soon as possible.

REPORTING MISCONDUCT

If any affected stakeholder, any civil society organisation, or any person, suspects a potential violation of applicable laws or regulations and/or ALDI's Business Partner Sustainability Standards, or unethical behaviour, they may report their concerns to ALDI by contacting the ALDI Reporting Line. It provides the opportunity to submit grievances with regard to non-compliances related to human rights and the environment, which were caused by, contributed to, or directly linked to any action of ALDI or ALDI's direct and indirect business partners. ALDI prohibits retribution or retaliation against any individual who reports concerns in good faith.

Please see the below for direct access to the respective grievance channel: ALDI Reporting Line



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Moserstraße 42
A-5020 Salzburg
VAT Reg. No.: ATU24963706
Commercial register: FN 26451z, Regional Court of Salzburg

First Edition (Social Standards in Production): 2010
Second Edition (Social Standards in Production): 07/2015
Third Edition (Business Partner Sustainability Standards): 12/2023

Contact:
sustainability@aldisuedgroup.com

Please visit sustainability.aldisuedgroup.com for more information on our international sustainability activities.