

POLICY

HUMAN RIGHTS & ENVIRONMENTAL DUE DILIGENCE

ALDI SÜD Group

2026

COMMITMENT

As an international business with global supply chains, the ALDI SÜD Group ("ALDI") is committed to respecting human rights and the environment in our own activities and throughout our supply chains, in line with the international standards laid out in the Annex of this policy. ALDI believes that long-term business success can only be ensured if responsibilities towards human rights and the environment are acknowledged and respected.

This Human Rights and Environmental Due Diligence Policy lays out our due diligence approach governing all further policies, requirements, and processes affecting human rights and the environment in our supply chains and own operations.

SYSTEMATIC DUE DILIGENCE APPROACH

SCOPE

ALDI's due diligence approach aims to ensure that our commitments towards human rights and the environment are met. ALDI's commitment covers all adverse impacts caused by and contributed to, as well as directly linked to our own business operations, and those of our business partners. This includes all enterprises that have a business relationship with ALDI by supplying services or goods. We expect ALDI staff and our direct and indirect business partners throughout our supply chains to respect human rights, and environmental standards, and to ensure that all business activities comply with our commitment.

While our goal is to prevent and mitigate any risks, we commit to taking remedial measures where ALDI's actions have caused rights to be violated, and to ensure remedial measures are provided in the case of violations caused by and/or contributed to by ALDI business partners.

SUSTAINABILITY REQUIREMENTS

We commit and contractually require our business partners to comply with all applicable laws in the countries and regions in which they operate.



The **ALDI Supplier Code of Conduct** lays out the key contractual environmental and social expectations towards all business partners.

These are supplemented by supply chain specific agreements around sustainability and responsible sourcing with our business partners.

→ **ALDI Supplier Code of Conduct**

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 and our business partners are to adhere to 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.

We strongly believe in collaboration as key to succeeding and expect that our business partners pass our requirements on to their business partners throughout ALDI's supply chains. We monitor this through our further due diligence measures.

RISK ASSESSMENTS AND IMPACT ASSESSMENTS

We continually assess the actual and potential impact of our actions with regard to human rights and environmental aspects along our diverse supply chains. This process includes annually reviewed global risk assessments for ALDI supply chains as a whole, ad hoc risk analyses where needed, as well as human rights impact assessments relevant to individual high-risk supply chains. These high-risk supply chains are identified through considerations of risks indicators, country and sector risk information, stakeholder insights and business context.

RISK ASSESSMENTS

ALDI's Global Human Rights and Environmental Risk Assessment evaluates ALDI supply chains based on human rights and environmental risk and serves as the basis for our risk management process. This evaluation identifies strategic salient risks for our business based on severity and likelihood and assigns response levels to individual supply chains. Supply chain risk is calculated based on factors such as the country of production and raw material origin, and industrial and agricultural processes involved in manufacturing. The risk scores are derived from publicly available indices, complemented with desk-based research and internal records of findings and complaints. The Risk Assessment is reviewed yearly.

Our past risk assessments have identified the following **human rights and environmental risks as especially salient to our diverse supply chains**, and we have accordingly integrated them into our wider policies and management systems.

- Discrimination
- Freedom of Association
- Forced Labour
- Child Labour
- Occupational Health and Safety
- Wages and Income
- Deforestation and Land Rights
- Water Availability and Pollution
- Biodiversity Loss and Soil Depletion

Any specific response measures to these human rights and environmental risk topics are in addition to our commitments and actions in the area of climate, wherein we seek to minimise the ecological footprint of our business activities by lowering greenhouse gas (GHG) emissions both for own operations and business partners.

IMPACT ASSESSMENT

Human Rights Impact Assessments focus on specific supply chains and geographical areas. They provide insights into the realities and challenges of workers and communities. We conduct these studies in high-risk supply chains to understand the areas where we can make a difference for rightsholders.

We actively involve and consult with affected stakeholders wherever feasible and appropriate. In the context of our impact assessments, we acknowledge that specific groups, such as minorities, children and youth, women, migrant workers, and indigenous peoples, are potentially more vulnerable to having their fundamental human rights violated, and to suffering negative consequences from environmental impact. Where possible, we seek engagement with these vulnerable groups and their civil society representatives when planning and reviewing measures to mitigate and remediate our impacts.

PREVENTION AND MITIGATION — RISK MANAGEMENT

Based on our risk assessments, we implement measures to address identified risks and to prevent and mitigate potential adverse impacts, prioritising the most salient ones. They are reviewed on an annual and ad hoc basis.

POLICIES AND PROCESSES

- Implementation of policies defining human rights and environmental standards, including fair recruitment processes and safeguards against forced and child labour, and procedures for employees to raise concerns

CONTRACTUAL

- Implementation of the ALDI Supplier Code of Conduct, and other contractual requirements related to social and environmental criteria for ALDI business partners
- Audit and other assessment requirements for our business partners in high-risk supply chains
- Product-specific certification requirements to support addressing salient human rights and environmental risks in countries of origin

RESPONSIBLE PURCHASING PRACTICES

- Continuous improvement of our purchasing practices for priority high-risk supply chains to proactively address adverse impacts on human rights and the environment during the tender process
- Development of goals and key performance indicators (KPIs) together with our buying departments to monitor progress and to identify further actions

CAPACITY BUILDING

- Provision of targeted trainings for our employees and business partners to strengthen general understanding of key salient risks

TRANSPARENCY AND TRACEABILITY

- Enhancement of traceability of main production sites and sourcing geographies
- Publication of supply chain information for priority high-risk supply chains such as bananas, pineapples, coffee, cocoa, nuts, fish & seafood, garment textiles, household textiles and shoes on the International Sustainability Website

MONITORING AND EVALUATION

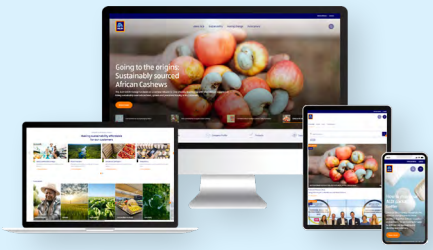
- Evaluation of our direct business partners' capability to manage social and environmental compliance in prioritised high-risk supply chains based on ALDI's sustainability requirements, and development of their capabilities through the Corporate Responsibility Supplier Evaluation
- Execution of own on-site audits for high-priority supply chains through our ALDI Sustainability Assessments
- Annual evaluation of the effectiveness of our actions, and adjustment of our strategy for future years

PROJECT AND PARTNERSHIPS

- Implementation of dedicated projects within origin countries, for example our ongoing efforts around livelihoods in agricultural supply chains, to support more sustainable sourcing and employment practices, and improve outcomes for workers, communities and the environment
- Participation in multi-stakeholder initiatives as joint efforts to contribute to industry-wide change

Please see the ALDI SÜD Group International Sustainability website for a **detailed overview of ALDI's activities** in preventing and mitigating sustainability related risks.

→ **International Sustainability Website of the ALDI SÜD Group**



GRIEVANCE MECHANISMS

Grievance mechanisms provide a suitable means of identifying adverse impacts and risks and ensure that affected people, groups and representatives can raise their concerns and have access to remedy. ALDI recognises the importance of establishing grievance channels that are consistent with the UN Guiding Principles.

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 Impartial Worker Occupational Safety and Health Complaints Mechanism (operated by RMG Sustainability Council, as part of International Accord), the Issara Worker Voice Programme, and Appellando. Via these channels, affected rightsholders can submit complaints, including grievances related to human rights and the environment in ALDI's supply chains.

In addition, the ALDI Reporting Line available for each ALDI country receives complaints and grievances from both internal and external parties.

Please see below for direct access to the respective **grievance channel**:

→ **ALDI Reporting Line**

ALDI supports and actively addresses the remediation of known grievances related to environmental and human rights violations. In addition to being addressed through appropriate remedial measures (see below), known grievances received related to human rights and environmental impacts are integrated into our risk analysis and inform the development of preventive measures including training programmes and business process improvements.

To ensure effectiveness, ALDI conducts an annual review of these grievance mechanisms. In the event of significant changes due to risk situations or indications of restrictions, ad hoc reviews are conducted.

REMEDIAL MEASURES

We take all instances and reports of adverse impacts seriously. If we identify that our business activities cause or contribute to human rights and environmental risks, we take appropriate remedial action. In situations where ALDI is indirectly linked to such risks and adverse impacts, we engage with our business partners to address and remediate identified adverse impacts.

We have defined a variety of remedial measures for these incidents, depending on the severity of the risk, including the following:

- Development of Corrective Action Plans (CAPs) with concrete timelines for business partners and production sites to address findings and remediate actual adverse impacts
- Operation of a rapid response system in collaboration with The Centre for Child Rights and Business to enable immediate and appropriate action if child labour is found in our supply chains
- Temporary suspension of indirect business partners from business with ALDI, with any new business being dependent on fulfilling the requirements of the CAP by implementing remedial actions
- As a last resort, where remediation or collaboration is not possible, the exclusion of direct and/or indirect business partners from doing business with ALDI
- Adaptation of ALDI internal processes, such as changes to purchasing practices, additional training, conducting audits, and other measures, as proportionate to the identified risk or impact

ALDI reviews the effectiveness of remedial measures on an annual and ad hoc basis. These reviews are conducted via measures such as audits and desk-based follow-ups, to assess the effective implementation of remedial measures. ALDI may involve external partners for additional guidance, particularly in sensitive cases such as those involving child labour.

INTERNAL STRUCTURE AND RESPONSIBILITIES

The ALDI SÜD Group's Chief Commercial Officer (GCCO) holds accountability for the implementation of our Sustainability Strategy, which includes our Human Rights and Environmental Due Diligence approach. The Sustainability function of the ALDI SÜD Group employs a team with expertise in human rights and environmental protection in supply chains. It also oversees the work conducted by internal Supply Chain Monitoring teams, based in Hong Kong SAR China, Austria, and Bangladesh, which monitor supplier and production site compliance with ALDI's sustainability standards.

The International Sustainability Officer reports regularly to the GCCO, ensuring that the senior leadership is closely engaged in our human rights and environmental due diligence efforts. This governance structure enables the GCCO to be informed of emerging developments, review progress, and approve key sustainability measures on an ongoing basis.

Key issues discussed and addressed include, but are not limited to:

- The human rights and environmental due diligence strategy for our global supply chains
- Support for and compliance with applicable and upcoming due diligence legislation
- Outcomes from human rights and environmental risk and impact assessments
- Projects and partnerships focused on addressing salient risks such as child labour and forced labour, as well as living wage and living income projects

In addition, International Commercial Officers (ICOs) and National Commercial Officers (NCCOs) of the ALDI SÜD Group are responsible for supervising the implementation of the Sustainability Strategy and compliance within their scope of competence. Further, Sustainability teams in all ALDI markets support the National Buying departments by implementing measures regarding human rights and environmental due diligence. Where legally required, individual ALDI countries may establish additional governance structures that extend or complement those described here.

FURTHER DEVELOPMENT

ALDI is aware that human rights and environmental due diligence is an ongoing process and is committed to the principle of continuous improvement. We regularly evaluate how to improve and strengthen our approach to addressing human rights and environmental issues, which includes conducting reviews of our standards and policies every two years, or as necessary on an ad hoc basis. All related processes and outcomes are documented and securely retained internally for a minimum of seven years to ensure transparency and traceability.

Updates and improvements will be communicated to relevant stakeholders, reinforcing ALDI's commitment to accountability and responsiveness.

On behalf of the ALDI SÜD Group:



Thomas Udesen

Group Chief Commercial Officer, ALDI SÜD Holding

ANNEX: INTERNATIONAL STANDARDS

ALDI's human rights and environmental company policies and standards have been developed in alignment with the following human rights and environmental standards.

For further reference, see also ALDI's Policy Library.

FUNDAMENTAL HUMAN RIGHTS CONVENTIONS

- Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- UN Convention on the Rights of the Child
- UN Convention on the Elimination of All Forms of Discrimination against Women

INTERNATIONAL ENVIRONMENTAL CONVENTIONS

- Paris Agreement under the United Nations Framework Convention on Climate Change
- Minamata Convention on Mercury
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal
- Stockholm Convention on Persistent Organic Pollutants

INTERNATIONAL LABOUR ORGANIZATION (ILO) STANDARDS

- ILO Declaration on Fundamental Principles and Rights at Work, 1998
- ILO Convention No. 29: Forced and Compulsory Labour
- Protocol of 11 June 2014 to ILO Convention No. 29
- ILO Convention No. 87: Freedom of Association
- ILO Convention No. 98: Right to Organise and to Bargain Collectively
- ILO Convention No. 100: Equal Remuneration for Men and Women Workers for Work of Equal Value
- ILO Convention No. 105: Abolition of Forced Labour
- ILO Convention No. 111: Discrimination in Respect of Employment and Occupation
- ILO Convention No. 131: Minimum Wage Fixing
- ILO Convention No. 138: Minimum Age for Admission to Employment
- ILO Convention No. 155: Occupational Safety and Health
- ILO Convention No. 156: Workers with Family Responsibilities
- ILO Convention No. 182: Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour
- ILO Convention No. 183: Maternity Protection
- ILO Convention No. 187: Promotional Framework for Occupational Safety and Health
- ILO Convention No. 190: Elimination of Violence and Harassment in the World of Work

INTERNATIONAL HUMAN RIGHTS AND ENVIRONMENTAL PRINCIPLES AND STANDARDS

- The United Nations Guiding Principles on Business and Human Rights (UNGP)
- The UN Guiding Principles Reporting Framework
- The Ten Principles of the UN Global Compact
- The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
- ILO-IOE Child Labour Guidance Tool for Business
- ETI Base Code
- Dhaka Principles for Migration with Dignity
- Children's Rights and Business Principles
- Accountability Framework for Deforestation and Conversion-free Supply Chains



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