



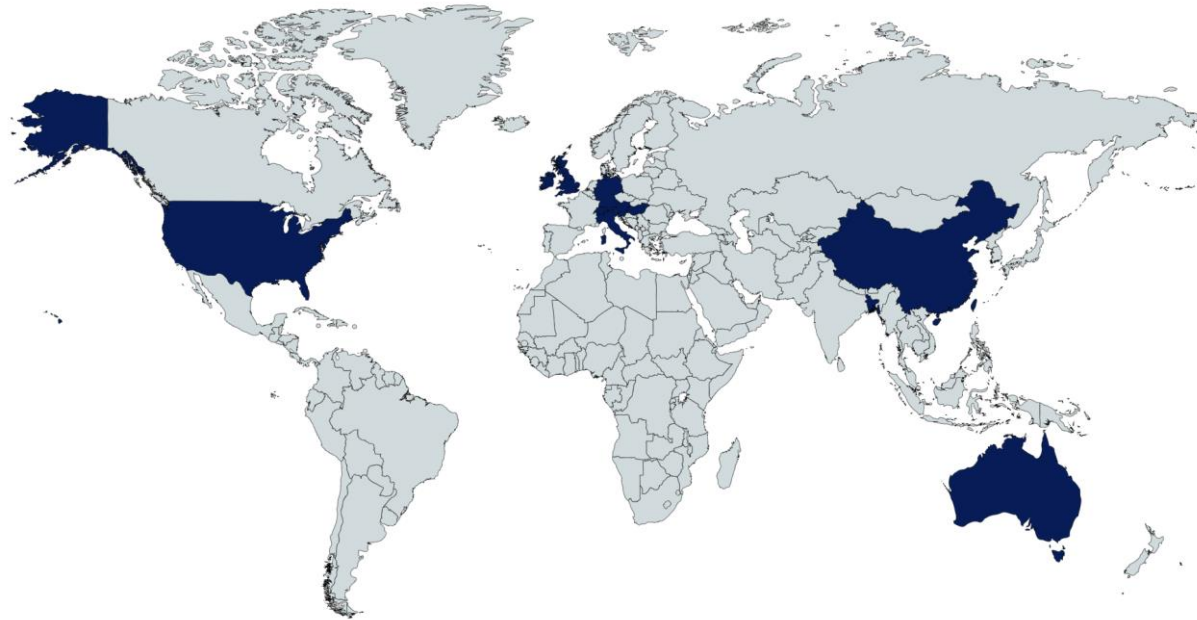
# Human Rights and Environmental Due Diligence

June 2022



# Introducing the ALDI SOUTH Group

11 countries, 6.400 stores, 185.000 employees



- **Discount principle** with our core values simplicity, consistency and responsibility
- **Core food product range** and weekly non-food special buys
- International Management Holding (HQ) in Salzburg, Austria
- **International Corporate Responsibility (CR) department** established in 2010
- Additionally, **national teams of CR experts** are established in our country business and in our CR units in **Hong Kong and Bangladesh.**



# ALDI's Human Rights and Environmental Due Diligence Process

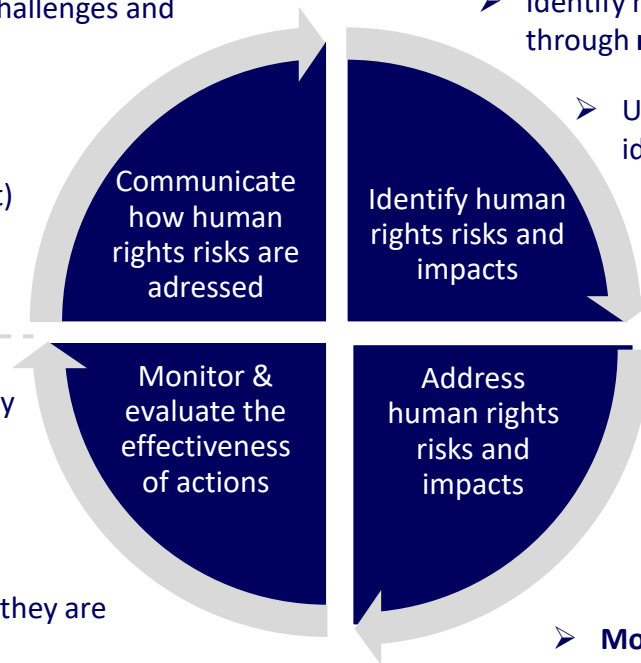
## How we conduct our human rights and environmental due diligence?

➤ **Annual reporting** about activities, challenges and impact

➤ **Ad-hoc reporting** on policies and project outcomes (e.g. results of impact assessment)

➤ **Regular review of our processes** to ensure they are effective and impact oriented

➤ **Regularly review of internal and external requirements and developments** to ensure they are reflected in our processes



➤ Identify human rights risks in our own operations and supply chains through **regular risk assessment (every 3 years)**

➤ Understand how ALDI causes, contributes or is linked to the risks identified through **Human Rights Impact Assessments**

➤ **Prioritize those risks** where we have most leverage on and **map critical stakeholders** (e.g. Human Resources, Buying Teams, Suppliers, Production Team)

➤ **Create awareness in the company about the risks and hold people accountable** (e.g. KPI and goal setting) to address them

➤ **Change processes that contribute to the risks** (e.g. update contractual terms, strengthen supplier relationships, increase transparency in the supply chain)

➤ **Monitor** (e.g. audits, grievance mechanisms) and **remediate risks** (e.g. capacity building, termination of business relationships)

**Integration of the Human Rights Due Diligence Process into the business strategy is key!**



## How have we started preparing for the law?

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**Ensure Top Management Commitment to drive changes through the organization**



**Conducting a gap assessment** to analyse where processes are already in place, which gaps need to be closed (e.g., establish Human Rights Officer, change to annual annual risk assessments)



**Engaging with all relevant** departments at an early stage to define roles and responsibilities and to ensure buy-in



**Establish a clear governance structure with clear decision-making processes** within the company (i.e., introduction of an international Sustainability Committee)



**Engage with external stakeholders and policy makers** to develop a common understanding of the upcoming requirements.



## Challenges

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Create common understanding in the company



Create transparency about the risks in the supply chain



Drive impact vs. tick the box approach



Right allocation of time, resources and budget

## Opportunities

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Improving lives and livelihoods of stakeholders and customers



Drive supply chain resilience



Access to critical resources and maintain license to operate



Access to capital



Access to new talent and employee retention



Brand image and perception

We believe that the introduction of EU mandatory due diligence legislation is a great opportunity to create a level playing field, harmonise diverse national standards and ensure legal certainty for companies.