

Introduction

Seed to store

About this report

Welcome!

A warm welcome to our 2022 Sustainability Report for Aldi Ireland. This Sustainability Report is intended for everyone who knows the Aldi brand – our customers who shop at Aldi, our colleagues, our suppliers, and Non-Governmental Organisations (NGOs) and charities who are our partners. It offers an insight into the work we are doing that contributes to society and the planet, while maintaining our commitment to quality and affordability.



Go online for more

Find out more about the sustainability performance of the Aldi South Group here **⊙**

The latest information on sustainability developments in Ireland, and our progress, can be found here **⋄**

The report has been developed with reference to the Global Reporting Initiative (GRI) Standards, an international independent organisation that provides sustainability reporting guidance, to help organisations measure and report on sustainability topics such as climate change, human rights and governance. We also use the United Nations' Sustainable Development Goals (SDGs) as a guide for our sustainability programmes across environmental and social impact.

Who we are

Aldi is a discount retailer with a global presence that started from humble roots, as a tiny shop in Essen, Germany in 1946. Today, we have 7,000 stores across 11 countries and employ over 180,000 people around the world. In Ireland, we have more than 4,650 employees and operate over 155 stores, with a presence in every county in the Republic of Ireland. Aldi Ireland is part of the Aldi South Group.

What makes us different

Our presence and growth is coupled with a greater responsibility to our customers, employees, business partners, communities and the environment. We have grown with a simple business model that offers our customers great quality products at the best price. Today, this approach is aligned to the principles of sustainability to fulfil our vision to make sustainability affordable. As a family-owned business, we can invest and plan for the long term without any constraints from shareholders to make short-term decisions. It's what truly makes us different when it comes to sustainability and our vision to make sustainability affordable.

Inside this report

Our work in sustainability has been ongoing for many years. However, this report focuses on our work in 2022 (the calendar year) as well as some of our upcoming plans for 2023. It is divided into the following sections:

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The turbulence of the past few years has led many of us to reassess our lives and what's most important to us.

With frequent, extreme weather events, global conflicts and global supply chain disruption, it's never been more apparent how interconnected we are. The impact of the actions taken by companies, governments and individuals has been felt by every household across Ireland like never before.

People's attitudes are changing, with higher expectations that businesses will act responsibly. At the same time, the pressure on household incomes has changed shopping habits.

We now have a huge opportunity to make sustainability affordable for all. We will use our influence and the strategic relationships with our supplier base to encourage greater levels of sustainability, and show customers that doing the right thing, while offering market-leading prices, can go hand in hand.

As a discount retailer, Aldi is committed to always offering top quality products at the lowest possible prices. Our core promise to customers is that when they shop at Aldi, they won't have to sacrifice value or quality. This means we must continue to do business in the right way: supporting our suppliers so that they have the security to invest, create jobs, and improve sustainability; working with government and NGOs to contribute to setting standards for responsible practice across our sector; and acting to lower the environmental impact of our own operations as well as throughout our supply chain.

Many of the decisions we make consider not just cost and value, but also the impact on people and planet. These range from using renewable energy to power our stores and regional distribution centres, to reducing food waste and packaging.

There is much we can do, and are doing, to ensure we are making the best decisions for our customers, the business and the planet. As part of the Aldi South Group, we can use our global scale to have a much bigger positive impact.

"We still have a long way to go, but, working together, we can make sustainability affordable for all and provide a Better Everyday for future generations."

Niall O'Connor, Group Managing Director, Aldi Ireland



This report offers a snapshot of just some of the initiatives taking place around the business, thanks to the hard work and dedication of our 4,560 Irish colleagues, the international business, suppliers and other partners.

We still have a long way to go, but, working together, we can make sustainability affordable for all and provide a Better Everyday for future generations, by being greener, healthier and fairer in all that we do.

Malloleons,

Niall O'Connor Group Managing Director, Aldi Ireland

Making sustainability affordable

We believe that customers should have access to affordable food that's great quality and sustainable. For many, this may sound too challenging to achieve – yet we're making it doable at Aldi. We have always created value for our customers by being efficient and streamlined across our operations, and sticking to our principles of simplicity, consistency and responsibility.





That's why customers will see that we do things differently than other supermarkets, like a carefully selected range of products, multiple barcodes on the side of packaging, or store colleagues who are multi-taskers who can work at the till or restock, if needed. These activities often go unnoticed by our customers – 'it's just the Aldi way' – but these seemingly small actions add up to big savings in efficiency and costs, which we can pass on to our customers through lower prices.

It makes Aldi a reassuring presence in the community at a time when we know that many of our customers are struggling with rising costs. Our lean business model means that customers pay less for a basket of goods. But we're about more than low prices – we make sustainability affordable.



How we do it

Our sustainability principles show through in the way we partner with our suppliers, the healthy choices offered for customers, and how we look after our colleagues and support our communities

Across our stores, offices and regional distribution centres (RDCs), we use renewable energy and energy-efficient lighting and refrigeration

We collaborate with our suppliers so we can buy more certified, sustainable products, and work with them to improve their own sustainability, without compromising on quality

Where we can, we share tips with customers on how being more sustainable can save money, such as suggestions on how to be more energy efficient or recipes to make food go further

We go to great lengths to avoid food waste. There's no 'buy one get one free' for customers at Aldi. Instead, customers buy what is needed, at the best price, with fewer wasted products

Materiality

Focusing on what matters most

A materiality assessment is an important part of prioritising what to focus on in sustainability There are two elements to it. We look at how the outside world affects our business. We also look at what impacts we cause externally – in other words, how we affect the outside world and our stakeholders, in either a positive or a negative way. It's called a 'double materiality' assessment.

From there, we identify the most important sustainability topics on which to act.

Our materiality process

The materiality assessment was conducted in 2023 in five stages:















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Stage one

We identified the potential material issues relevant to Aldi (and our sector)

Stage two

We identified our most relevant stakeholders: these were our customers, local communities (around our stores and in our supply chains), employees, the environment, leadership within Aldi and suppliers

Stage three

We engaged with stakeholders through interviews and surveys, and analysed their views on the potential material topics

Stage four

We ranked the initial list of material issues and grouped them by themes of interest for each stakeholder group. In all, 17 topics were identified, scored and prioritised based on their impact and likelihood, determined using a scoring process and stakeholder input

Stage five

We identified our five top material issues from the final validated list and these were shared at our National Sustainability Committee for UK and Ireland

Our top five material issues

You can see our full list of material topics <u>here</u>







Sustainable agriculture

Agricultural practices that focus on delivering positive outcomes in terms of nourishing the soil, increasing farm biodiversity, improving water quality and dimate resilience, capturing carbon, and restoring and regenerating the land



Emissions across our value chain

Reducing and preventing emissions that are caused by activities outside of our direct operations, such as in our agricultural supply chains, and how our customers use and dispose of our products



Healthy options

Helping customers get the right balance of nutrients from their food



Affordability

Ensuring we offer value to our customers



Human rights in supply chain

Incorporating social criteria into procurement decisions and ensuring materials, goods and services are sourced in ethical and sustainable ways

Linking everything together

Aldi was first established to provide access to affordable, healthy food. For more than seven decades, we have never wavered from this mission. Today, this is underpinned by our sustainability strategy: to be greener, fairer and healthier.

We delve deeper into these three pillars throughout the Sustainability Report. But first, some explanation:



Greener

covers our commitment to minimise our impacts on the environment.

It's about reducing our carbon emissions and minimising all forms of waste across our business, including the emissions in our supply chain. This means working on areas such as sustainable agriculture, introducing more sustainable packaging options and reducing food waste. It's about fulfilling our responsible sourcing commitments as well as reducing the environmental impact of stores, RDCs and offices through energy and water management.

Read more on pages 8 to 11 and 16 to 27 >





means acting responsibly in all that we do.

It's about backing Irish farmers, tackling modern slavery and ensuring animal welfare behind the products that we sell. Our human rights principles set out the high standards that we meet. Being fairer is also about looking out for those who are close to us: our Aldi colleagues and the communities where we operate. We raise money for amazing charities – and redistribute food that might be wasted, to those who need it most.

Read more on pages 12 to 15, 25 and 31 to 42 >

Healthier

means supporting our customers to live healthier every day.

We do this by providing the quality and value that customers expect from Aldi. That includes selling fresh fruit and veg at low prices and improving the nutritional value of our products to support healthy shopping. We're doing a lot of work with primary school children through our Aldi Play Rugby schools programme, in partnership with the Irish Rugby Football Union (IRFU). By 2025, we've committed to having 70% of our food sales coming from healthier products.

Read more on pages 29 and 30 >

Highlights

Fairer

Bord Bia 50% fresh fruit and veg certified

from Irish suppliers

Bestpaying

supermarket1

Greener

1 million native trees

committed to be planted by 2025

>2,100 tonnes

virgin plastic removed from stores

2.6 million meals

donated since 2014 with FoodCloud

Awarded

'Green Retailer' at the 2022 Green Awards



12% reduction

in plastic packaging since 2020

100% renewable energy

in stores, RDCs and offices

Awarded best

supporter of local suppliers

at the 2022 National Grocery Retail Awards

€1 million raised

for all fresh meat, poultry

and shell eggs

for Barnardos in 2022



100% sourced from Ireland

for fresh everyday range of meat, poultry, milk and shell eags

Healthier



products are categorised as healthy



Aldi in action

2022 was a busy year for us. Here's a snapshot of the actions we've taken to be greener, fairer and healthier.



We successfully trialled a partnership with the food surplus app that sells unsold food at a lower price – known as 'surprise bags'. The trial is in preparation for a nationwide roll-out in 2023!



Origin Green

Aldi is part of Bord Bia's Origin Green programme, bringing national Government, food producers and retailers together to improve the sustainability of Ireland's food production system. Aldi Ireland is a supporter of the All-Ireland Pollinator Plan created by the National Biodiversity Data Centre. The Plan aims to create an environment where pollinators can survive and thrive.





Sensoryfriendly hours

We trialled sensoryfriendly hours in our Ireland stores. Measures are now introduced across our entire store network of 155 stores.



Getting kids active with the Irish Rugby Football Union

We've partnered with the IRFU to provide substantial investment in Aldi Play Rugby, a non-contact schools rugby programme.

Aldi Ireland's pledge to support the planting of 1 million native Irish woodland trees by 2025 is part of its long-term commitment towards protecting the environment.

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Aldi's goal is to be the best we can be, for our customers and for the environment. But the proof, as they say, is in the pudding – or, in our case, in the ingredients and materials that make up the products on our shelves, and how we work with our suppliers and farmers to source what we sell.

We meet with expert groups, including NGOs, to look at areas we can address and where we can support others. We're also on top of evolving regulations and standards. This includes taking part in discussions, or working groups, on topics such as sustainable agriculture, animal welfare or evolving regulation.

In this section, we explain what we're doing to look after the farmers and producers in our supply chain and how we're improving our ingredient sourcing. It covers our work in the following areas:

• Sustainable agriculture

Read more on pages 9 to 11 >

Responsible sourcing

Read more on pages 12 and 13 >

• Human rights in the supply chain

Read more on pages 14 and 15 >



Sustainable agriculture







Responsible farming

Our work in sustainable agriculture means building strong relationships with suppliers and farmers, fostering more sustainable farming practices and ensuring that our animal welfare policies are met. That's why we work with producers and farmers who share our values.

Food production is also a major source of greenhouse gas (GHG) emissions. Therefore, we are working to reduce the emissions from agriculture and capture more carbon data at the farm level through our farm partnerships and work with suppliers.

See Our environmental impact section for more detail >

Strong relationships with farmers

Whether local to Ireland or across the globe, maintaining strong relationships with farmers and suppliers builds resilience into our agricultural supply chains and helps us to maintain a steady supply of quality products to our stores.

Supporting local Irish suppliers

In 2022, Aldi spent €1.1 billion supporting our Irish suppliers, while adding a total of 15 new local producers to our 330-strong Irish supply base.

Core to this progress is our Grow with Aldi supplier development programme, which entered its fifth year in 2022. It provides an opportunity for small Irish food and drink companies to gain a listing across Aldi's entire store network.

By the end of 2022, we had invested more than €5.5 million in the programme, with five producers gaining long-term contracts with Aldi in 2022. We also committed to sell products from Irish suppliers across a variety of goods, including fresh produce such as potatoes from Kilkenny-based supplier Iverk Produce, and strawberries from Sunglow Nurseries in Dublin.





Celebrating young handlers

Aldi is the main sponsor of the Irish Angus Young Stockperson of the Year Competition in association with the Irish Angus Cattle Society (IACS) and ABP Food Group, a long-standing beef supplier that has worked with Aldi since 2004.

Finalists compete to be the most prestigious young handler in Europe. The competition is open to young male and female handlers between 13 and 17 years old, who are judged on disciplines including sustainability, knowledge of the breed, stock judging, animal preparation for showing and ring showmanship.

Sinead Flanagan was named as the 2022 Aldi Irish Angus Young Stockperson of the Year and awarded the prize money of €1,000 at the Iverk Agricultural show in Kilkenny.

Aldi Ireland was awarded 'Ireland's Best Supporter of Local Suppliers' at the 2022 National Grocery Retail Awards

Sustainable agriculture continued

Protecting against deforestation

Many of our products, from books to chocolate to washing up liquid, use materials that are derived from trees and plants. The need to protect and responsibly manage the world's forests is essential for climate change mitigation, preserving vital biodiversity and protecting indigenous communities. As part of the Aldi South Group, we have committed to eliminate deforestation and conversion of natural ecosystems from our high-priority supply chains by 31 December 2025.

We are currently in the process of formalising near-term and long-term targets that align with the Science Based Targets initiative (SBTi), including Forest Land and Agriculture (FLAG) sector requirements. These targets require the elimination of deforestation from our supply chain by the end of 2025.

See Our environmental impacts section >





Collaboration to end deforestation

We have identified commodities that are high-risk for deforestation – such as soy and palm oil – and have policies to ensure that we remove deforestation from our supply chain by the end of 2025 in those commodities. Each policy is specific to the commodity and strives to support farmers and limit habitat destruction.

We are also involved in many collaborative efforts with the aim of eliminating deforestation and forest conversion in our supply chain. This enables us to share best-practice experiences and ideas, and work to resolve industry-wide challenges. Our policies on deforestation and fair trading are clearly stated in our sustainability requirements and accessible to all our suppliers. More information can be found in our International Position Statement on Supply Chains free from Deforestation and Conversion.

3 Calculation is based on datasets and certified documentation of the UK's Woodland Carbon Code

Planting 1 million native Irish trees

Aldi Ireland's pledge to support the planting of 1 million native Irish woodland trees by 2025 is part of its long-term commitment towards protecting the environment. Aldi is the first retailer in Ireland to commit to this level of partnership with Greenbelt as well the Department of Agriculture's Woodland Environment Fund (WEF), an initiative where Irish businesses can partner with landowners and the Department to help create new native woodlands in Ireland.

It provides additional incentives to plant new native woodlands and supports the Government's target to plant 22 million new trees a year until 2040.

Planting 1 million native trees will remove more than 160,000 tonnes of carbon over a 100-year period.³ To put this in context, this equates to roughly 640 million km driven by an average passenger vehicle (or the emissions from about 400 cars each year), 68 million litres of petrol consumed, or 20 billion smartphones charged, enough to charge all of Ireland's smartphones almost 47 times each year.

From 2023 onwards, we will increase our annual afforestation rates to 8,000 hectares each year.



Sustainable agriculture continued

Soy production

It is estimated that 75% of soy produced globally is used to feed animals, 4 so it is a vital ingredient in producing our meat, poultry, dairy and eggs. We used around 25,718 tonnes of soy in 2022. However, soy is now the second largest agricultural driver of deforestation and we're working with our suppliers to limit any deforestation caused through the creation of our products.



Collaborating for responsible soy production

Aldi has signed the Statement of Support to the <u>Cerrado Manifesto</u>. We agree to work with local and international supply chain actors to support the development of soy production in a way that avoids deforestation and native vegetation loss.

Palm oil

Palm oil is used as a raw material in many food products and non-food products like cosmetics and cleaning products. Its rising demand has led to the destruction of rainforest to make way for palm oil plantations. Aldi engages with a range of industry groups, such as the Retailer Palm Oil Group, to ensure the responsible use of palm oil in our supply chain.

<u>Our policy</u> for palm oil sourcing applies to all Aldi own-label food and non-food products within the UK and Ireland. It stipulates that straight palm oil (the oil derived from the palm fruit) must be Roundtable on Sustainable Palm Oil (RSPO) certified, to segregated level⁵ as a minimum, while palm kernel oil and derivatives and fractions must be RSPO certified to mass balance⁶ as a minimum. RSPO is an internationally recognised certification standard for sustainable palm oil. Its assurance indicates to individuals that its members have committed to and complied with sustainability requirements.

In 2022, 98.73% of palm oil in own-label products sold at Aldi was RSPO certified. From 2022, we aim to source all new products containing straight palm oil to be certified to segregated as a minimum. RSPO certification ensures that the palm oil in our products can be reliably traced back to responsible sources.



- 5 Segregated sourcing means the ingredients purchased from a certified farm are physically separated from non-certified ingredients throughout the entire supply chain.
- 6 Mass balance is a sourcing method that allows for certified and non-certified ingredients to become mixed during the shipping and manufacturing processes. All major international sustainability initiatives use mass balance in one form or another.

Responsible sourcing



We have a duty to ensure that our products come from fair and sustainable sources. Our complex and global retail supply chain spans multiple product categories, so to avoid the risks of unethical practices along the way, our supply chain needs to be properly managed.

This means having a robust approach to sustainable sourcing, Fairtrade partnerships, product certifications and a way of reducing chemicals in production. Any supplier we work with must comply with our policies, which are based on international standards and legislation. We also incorporate social impact criteria into procurement decisions to effectively manage these in a sustainable and ethical way.

What's clear here is that collaboration is key. To achieve sustainable development across our supply chain, we engage with our stakeholders and work with external partners to build greater awareness on current and future challenges across our global supply chain.

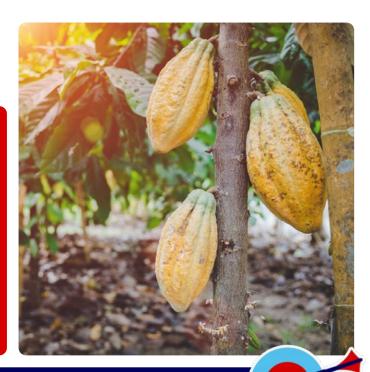


- 7 Accepted certifications are Fairtrade, Rainforest Alliance and Cocoa Horizons. % is dependent on product.
- 8 78% Rainforest Alliance and 20% Fairtrade.
- 9 Accepted certifications are Fairtrade and Rainforest Alliance. % is dependent on product. 10 7.1% Fairtrade and 71.4% Rainforest Alliance.
- 11 Accepted certifications are Fairtrade and Rainforest Alliance. % is dependent on product.
- 12 Accepted standards are Fairtrade, Global Organic Textile Standard (GOTS), Organic Content Standard (OCS) 100/blended, Cotton made in Africa (CmiA) and Better Cotton Initiative (BCI).

More sustainable ingredients

We want the products we sell to be produced in a sustainable way. This means looking at the detail of our products – whether that's the ingredients in food or the materials in home goods – to see if they meet recognised environmental and social standards. This is supported by Aldi policies and standards that our suppliers know about.

We encourage the responsible production of palm oil, soy, paper and sustainable textiles, which links to our policy to end deforestation. We also have Fairtrade policies and targets that cover coffee, cocoa, pineapples and bananas – and we're working to increase certification in other products, such as flowers and tea. Our progress so far includes the following:



Our targets and performance



of cocoa certified by 2025⁷

Performance: **99.23**%

of all products containing >1% cocoa certified to either Fairtrade or Rainforest Alliance in 2022*

2 <u>Target:</u> 750/

certified sustainable coffee by 2025°

Performance: **70.59**%

of all products containing >95% coffee contain certified coffee in 2022¹⁰

3 <u>Target:</u>

certified sustainable bananas and pineapples by 2025¹¹ Performance: 100%

certified sustainable bananas and pineapples

4 Target:

sustainable cotton for our Aldi-exclusive garments and household textiles by 2025¹²

Performance:

To be reported in next year's Sustainability Report





Responsible sourcing continued

Certifications

The certification of key products means that an independent organisation has approved the item as being responsibly sourced. It's often visible to customers as a symbol or stamp on the product and helps to build trust and guide customer decision-making. Certification can range from supporting Irish farmers to ensuring high standards of animal welfare.

Here's a snapshot of some of the certifications you can find on our products in store:



Animal welfare

Aldi is committed to high standards of welfare for animals and has a dedicated team who work with specialist veterinary consultants on animal welfare and with our suppliers. This helps to inform and update our animal welfare policies.

Aldi publicly reports on the welfare of animals within its supply chain through our annual animal welfare update report (Animal Welfare IE). Animal welfare data allows us to monitor welfare outcomes for animals in our supply chain and manage this with our suppliers. We regularly engage with NGOs in this area and are a part of industry working groups.



All of our fresh everyday range of meat, poultry, milk and shell eggs is sourced from Ireland all year round. 100% of our fresh meat and poultry and shell eggs is certified by Bord Bia Quality Assurance, meeting minimum welfare and environmental outcomes.

We have a cage-free shell egg goal by 2025 and monitor progress towards our cage-free shell egg goal annually. In Ireland, we are at 44% in 2022, with our sustainability and buying teams working together to accelerate progress toward the 2025 target.

Our contracts with suppliers stipulate that animal welfare compliance and certification requirements are in place on certain products. If there's any breach in standards, we work with our supplier and the relevant assurance scheme. Bord Bia. to investigate and correct this.

See Responsible sourcing and Simple, consistent and responsible ethics sections >



Leading a sea change in technology

Aldi was the first retailer in Ireland to successfully test blockchain technology to validate our corporate buying policy for organic and sustainably produced Irish seafood. Aldi and Verifish are participating in a pilot project with Bord Iascaigh Mhara (BIM), Ireland's seafood development agency. This project is funded under the European Maritime and Fisheries Fund.

The blockchain captures all information from fish catch through to the retail shelves. The goal of the project is to increase visibility in the supply chain. This has led to introducing the system to our Irish organic salmon, wild Irish hake products, haddock and whiting. We currently stock 100% Irish-caught, independently verified, fresh wild hake nationwide. 13

13 All our fish and seafood must be either Marine Stewardship Council (MSC), GLOBAL G.A.P., Aquaculture Stewardship Council (ASC), or Best Aquaculture Practices (BAP) verified, organic, or registered under a Fishery Improvement Project (FIP).



Human rights in the supply chain





Protecting human rights in our supply chain

It is critical to protect, value and respect people who may be impacted by our operations, throughout the supply chain. The Aldi South Group was one of the first discount retailers to join the United Nations Global Compact in 2017, committing to its 10 principles across human rights, labour, environment and anti-corruption.

Our process

We work on identifying the impact our business activities have on human rights in the following ways:

We have <u>due diligence processes</u> aligned to the United Nations' Guiding Principles on Business and Human Rights (UNGPs) and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

We report on our <u>Modern Slavery Act compliance in Aldi UK</u> and Ireland's 2022 <u>Modern Slavery Statement</u>.



Identifying and understanding impacts

Our human rights impact assessments (HRIAs) follow a stringent methodology that helps us to identify, understand and assess the potential and actual adverse impacts of our business activities on rights-holders, such as community members or farmers. Aldi South Group has conducted HRIAs for avocados, Brazil nuts and coffee.

Sharing results

Our buying practices are continually adjusted to address adverse impacts on human rights and HRIAs are considered during our buying tender process. We share the results of our HRIAs with business partners and work with them to improve performance.

Monitoring how things are done

Our Corporate Responsibility Supplier Evaluation (CRSE) reviews the social and environmental compliance of our business partners, including their production facilities' sustainability performance. We work with our suppliers to ensure safe and fair working conditions.

See Simple, consistent and responsible ethics section >

Feedback systems

Grievance mechanism processes are in place for colleagues and business partners, as defined by the UNGPs. We are working on extending the scope of where the grievance mechanisms are offered.

See our Modern Slavery Statement and the Simple, consistent and responsible ethics section >



Remediation of negative impacts

We aim to prevent and mitigate any negative impact on affected rights-holders. If negative impacts occur, we act upon findings and work with business partners to remedy any impacts directly linked to our operations and products.

High-priority raw materials and products

We focus on high-priority raw materials and products that are identified as high risk in the countries of origin. Different measures are in place to prevent adverse impacts, such as on-site visits, a Social Monitoring Programme (SMP) and employee and business partner training. We review audits when making buying decisions and have increased our traceability and supply chain mapping.

Putting in place corrective action plans

A corrective action plan (CAP) is put in place if adverse risks and impacts are identified. This includes timelines for improvement and remediation of issues, closely monitored by Aldi. Business relationships may be terminated (temporarily or permanently) if the business partner is unwilling to implement improvement and remediation measures.

Child labour remediation programme

The Aldi South Group has a rapid response system to react immediately and appropriately if child labour is found in our supply chains. We partner with The Centre for Child Rights and Business to implement the process. The Group's approach to addressing child labour is extending to food commodity groups, including providing training materials for suppliers.

Human rights in the supply chain continued

Aldi and the Wilberforce Institute in Morocco – working towards a fruitful future





In Morocco, Aldi's blueberry and raspberry growers are based in the regions of Larache, Laoumraa and Kenitra. Since 2014, there's been a five-fold increase in production, leading to increased competition locally and a fall in market prices. Often intermediaries recruit for pickers on the berry farms in peak season, carrying the risk of modern slavery. Aldi teamed up with the Wilberforce Institute in late 2022, to conduct a series of risk assessments at Aldi's blueberry and raspberry growers in Morocco.

Suppliers are using the resulting recommendations to put measures in place to reduce future risk. This includes paying increased overtime premiums; ensuring working standards are enforced, such as legal limits on the hours of work and minimum age requirements, reducing the risk of gangmasters, labour exploitation and loans. Transporters and recruiters need to be trained and make sure that growers conduct checks on the recruitment practices of intermediaries.



Fostering better livelihoods in our supply chain

In Latin America, the Aldi South Group jointly piloted an innovative living wage verification process on three banana farms that indirectly supply to us. The goal of the pilot is to ensure that everyone in our supply chain receives a fair wage. The project aims to train and guide workers and local trade unions to improve the wage verification process where, often, average wage data provided masks seasonal wage fluctuations. Participants in the pilot included suppliers, traders, farm workers, trade unions and the NGO Banana Link.





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Our environmental impacts

We're working hard to reduce environmental impacts across our operations, from emissions to energy and water use. We're tackling emissions by focusing on the energy used to power our stores and distribution centres, and looking at our supply chain, particularly our agricultural emissions.

We track our emissions by commodity and supplier to identify the sources of major emissions within our supply chain and work together to reduce them. Our dialogue with customers also plays a key role: we help customers save money while encouraging them to use products in a more climate-friendly way – for example, by offering energy-saving tips.

In this section, we explain how we are working to reduce our environmental impact throughout our entire operations.

• Climate change

Read more on pages 17 and 18 >

• Our energy use

Read more on pages 19 and 20 >

 Environmental impact of stores, RDCs and offices

Read more on pages 21 and 22 >

• Water management

Read more on page 23 >



Climate change



Tackling climate change

Aldi has a responsibility as a large retailer to ensure the emissions that we directly produce through our own operations and the energy that we buy (we refer to these as Scope 1 and 2) are reduced, and that we reduce our indirect (Scope 3) emissions – these are emissions produced by activities outside of our own operations across our value chain.

Read more in the appendix >

Due to our complex, global supply chains and our millions of customers in Ireland, Europe and the UK, our indirect (Scope 3) emissions make up the biggest part of our carbon footprint and hold the greatest opportunity for us to reduce our climate impacts.

Our targets



- 1 Aldi Ireland is committed to reach net zero emissions across our supply chain by 2050
- 2 Aldi South Group has committed that the top 75% of its suppliers by emissions, covering purchased goods, will have science-based targets by 2024¹⁵

To keep up with the latest science and expectations on businesses to curb emissions, our international sustainability team are assessing our existing targets (for Scopes 1, 2 and 3). We are also in the process of formalising near-term and long-term reduction targets focused on supplier engagement and absolute emissions reductions against a 2022 baseline. These new targets take into account SBTi's FLAG sector requirements.

In Ireland, we are also a signatory of the Low Carbon Pledge, where companies commit to setting science-based carbon emissions reduction targets by 2024, across Scopes 1, 2 and 3, aligned to the Paris Agreement and the latest IPCC findings.

Our Scope 3 emissions explained

gas use for storage and

preparation

Aldi's Scope 3 emissions are primarily created in our supply chain activity and goods that we purchase for resale. Aldi has grouped our Scope 3 supply chain emissions into the following key categories, aligned to the Greenhouse Gas Protocol (GHGP) Corporate Value Chain (Scope 3) Accounting and Reporting Standard, following an initial screening of our business activity:



Our Scope 3 emissions¹⁴ 0.44% **1.25**% **Capital goods End of life treatment** Long-life assets (i.e. office Customer waste and furniture, IT infrastructure) how it's treated 0.10% **Upstream** 97.60% transportation and distribution **Purchased** Logistics from final 0.39%products production facilities/ platforms to Aldi RDCs **Use of sold products** and services Customer electricity and Agriculture, deforestation,

14 Our Scope 3 emissions breakdown (which can be found in the data table in the appendix on page 51) reflects the total for the UK and Ireland using standard guidelines (GHG Corporate Standard Protocol). We have identified Category 4 emissions as strategically important, in line with our international net zero strategy. We anticipate that our Upstream transportation and distribution (Category 4) will increase in our upcoming reporting years, to surpass Fuel-related emissions (Category 3) as a result of improved data acquisition. We therefore consider Upstream transportation and distribution (Category 4) to be more strategically relevant.

manufacturing and logistics

15 Aldi South Group has also committed that 75% of its suppliers by emissions covering purchased goods will have science-based targets by 2024. The target boundary includes biogenic emissions an removals from bioenergy feedstocks.

Climate change continued

Tackling emissions outside our operations

Our suppliers – and the sources of their emissions – are wideranging, from the farmers who produce the food, to transport and logistics companies, and those who construct our stores and distribution centres. Our colleagues also play a part through their journeys to work, and our customers can support carbon reduction by using and disposing of our products responsibly.

To take effective action, we need a detailed and accurate understanding of our Scope 3 data. In the coming year, we are undertaking projects to improve data quality as well as targeting carbon reduction projects in our key supply chains.

Emissions from agriculture

In 2022, we worked with suppliers to understand our carbon footprint from agriculture, which will help us to better quantify the contribution and impact of farming on our emissions. We will focus on the most carbon-intensive areas of our business alongside supporting farmers to reduce on-farm emissions.

We source 50% of our fruit and veg, and 100% of our everyday fresh meat, poultry, milk and shell eggs from Irish suppliers – reducing our transport emissions when compared with shipping from international producers.

See Sustainable agriculture section >



100% of our everyday fresh meat, poultry, shell eggs and milk sourced from Irish suppliers

Bringing customers with us to fight climate change

We're increasingly working to support customers to make more climate-friendly choices. Sources of emissions from customers relate to the products we sell that are plugged in – like toasters or kettles – or products that use energy or water at their homes (from washing clothing to cooking food). Food waste and packaging is also a major source of emissions from our customers.

We believe it is our responsibility to offer customers products and choices that reduce their emissions, such as reducing our packaging and the emissions footprints of the products we sell. However, on top of doing our bit, we want to help our customers to reduce their emissions by offering energy-saving tips in our customer leaflets, and online buying checklists that offer healthy, money-saving ideas to avoid waste. We are in the process of developing more customer engagement projects around climate change.





Aldi Ireland doubled its electric vehicle charging points to encourage customers to visit our stores in electric vehicles. By the end of 2022, a total of 79 electric vehicle charging points were made available across 19 Aldi stores in Wexford, Galway, Louth, Dublin, Meath, Kerry, Cork and Mayo.

Our energy use





In addition to tackling the emissions produced outside of our operations (Scope 3), we are working to reduce emissions across our own operations (Scope 1) and through the energy we purchase (Scope 2). We're always looking out for ways to be more efficient across every Aldi store, RDC and office.

Our Scope 1 and 2 emissions footprint

The Company Carbon Footprint (CCF) is the calculation of all carbon emissions generated through Aldi's UK and Ireland direct operations - from gas consumption, transport, and refrigerant gases. It tracks our progress towards our target to achieve net zero for operational emissions by 2035, and is supported by our energy policy statement for Aldi UK and Ireland.

In Ireland, our GHG emissions increased by 1.1%, which is linked to the increase in carbon intensity of the Irish electricity grid.

See our detailed emissions data here >

Our targets and performance

Target:

reduction of absolute Scope 1 and 2 GHG emissions by 2025, from a 2016 baseline (SBTi approved)¹⁶ for Aldi South Group

Performance:

14%

reduction (location based)17

80/0

increase (market based)18

Target:

For Aldi UK and Ireland, we are also committed to achieve:

net zero to be achieved for Scope 1 emissions by 2035

net

to be achieved for Scope 2 emissions by 2030

Performance:

80/0

increase in Scope 1

net zero

has been achieved by Aldi for Scope 2 emissions, following the continued procurement of green electricity, since 2016 (market based)

28%

reduction in Scope 2 emissions (location based)

Target:

2%

reduction in electricity in 2022 across the UK and Ireland in line with ISO 50001 and our Greener Everyday colleague engagement programme

Performance:

reduction achieved in 2022 across our stores

Our Scope 1 market-based emissions have increased since 2016, driven by the expansions of our operations across the UK and Ireland during this time. By the end of 2022, we had 40% more stores and 30% more RDCs than in 2016. Consequently, the total distances travelled by our fleet HGVs has gone up by around 15% over this time, although our total HGV fleet has decreased. We are working hard to find ways to minimise our emissions footprint while continuing to fulfil the demands of our customers across the UK and Ireland.

¹⁶ Aldi South Group has committed to reduce absolute Scope 1 and 2 GHG emissions by 26% by 2025 17 Emissions are calculated based on the average carbon intensity of the UK or Ireland electricity grid from a 2016 base year. This target is in line with the SBTi well below 2°C pathway and has been validated by SBTi

⁻ see Scope 2 Guidance | GHG Protocol for more information.

¹⁸ Emissions are calculated based on the renewable electricity that Aldi procures -

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Our energy use continued

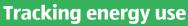
Saving energy across our sites

Our stores, RDCs, offices and owned transport are accredited to the energy management standard ISO 50001 across Aldi UK and Ireland. Our main energy consumption comes from five areas: refrigeration, lighting, heating, fleet diesel and electrical appliances.

We've been directly purchasing 100% renewable energy across our stores, RDCs and offices since 2015. We've also improved refrigeration, installed heat recovery systems and improved control systems. New fridge doors in refurbished and new stores save the equivalent of up to 20% of store energy consumption per year. We consider energy performance in all our design activities and operations – such as in the way we set up our stores, offices and RDCs. Since 2021, we have been rolling out our electronic shelf labels in store that replace traditional paper price labels.



100% renewable electricity has powered all of our stores, offices and RDCs



Every Aldi store in the UK and Ireland has an Energy Management System (EnMS), using energy-saving technology and employee awareness to help achieve the most efficient energy consumption. We track progress against our energy targets, including electricity, gas and fuel use, and review these targets annually. Stores also have an Energy Policy Pack to guide employees to think responsibly about energy consumption.

Environmental impact of stores, RDCs and offices





We're working to reduce our overall environmental impact, on top of reducing our emissions and the energy we use. This includes reducing vehicle pollution, limiting our impact on local habitats and protecting biodiversity around our locations.

Our approach

Every site is different, so we ensure to align with local regulations and authorities when building and running our locations.

We also have specific targets such as aiming to transition to natural refrigerants by the end of 2029 (all stores with hydrofluorocarbon refrigerants to be converted to CO₂).

During the construction of Aldi stores and distribution centres, we work to the Building Research Establishment Environmental Assessment Method (BREEAM) accreditation when required. BREEAM rates the sustainability of buildings. We also manage local habitats in line with both the council and national planning policy, and environmental best practice – for example, to be aware of any protected species in the locality, such as bats or badgers.



Efficient transportation for stores and RDCs¹⁹

We are working to reduce transport emissions by transitioning to electric company cars and installation of electric vehicle charging points at new and refurbished stores.

9 Aldi Energy Policy statement online.

Environmental impact of stores, RDCs and offices continued



Energy efficiency among colleagues

Aldi colleagues take action to be more energy, fuel and water efficient within their roles. Our 'Greener Everyday' programme engages all colleagues to look at practical actions we can take to support our net zero goals.

See Everyday sustainability section >

Around 30,000 colleagues were engaged in the programme across Aldi Ireland and in the UK in 2022.

Within the programme, we regularly communicate to colleagues on sustainability measures, such as how to do heating checks for the winter months or showcasing biodiversity measures at our RDCs. We also run campaigns – during the festive period in 2022. we encouraged our stores, offices and RDCs to switch off over the Christmas and New Year bank holiday.

20 Cost avoidance calculated by comparing forecasted vs. actual electricity consumption since programme launch in 2019

Colleague engagement and collaboration

The Colleague Engagement Programme is an initiative with guidance and training on the simple actions that colleagues can take to reduce energy and waste, and recycle in day-to-day activities. To date, we've achieved:

- A reduction in energy consumption which led to more than €2.4 million savings across Aldi UK and Ireland²⁰ – that was enough energy savings to power 15 stores for a full year!
- Over 45 Aldi colleagues as 'Environmental Champions'

• The sharing of ideas and best practice between markets to identify environmental actions at work, such as signposts displayed by all printers





Aldi Ireland is a supporter of the All-Ireland Pollinator Plan created by the National Biodiversity Data Centre. The Plan aims to create an environment where pollinators can survive and thrive.

Some of the pollinator-friendly actions are to maintain the wildflower meadows at the RDCs in Cork and Kildare. Both meadows contain a native wildflower mix, providing a habitat for endangered species, along with bird and insect boxes.

We continued with the goal of planting 1 million native trees across Ireland by 2025. These will create a wildlife corridor for native species and enable grassland to revert to more natural vegetation, further enhancing biodiversity in the area.

The Mitchelstown RDC's walkway around its pond was replanted with native pollinators. Pesticide use has also been reduced and grass cuttings reduced with short- and long-flowering cuts in place.

In June 2022, we sold high-pollinator plants in store at our Garden Madness Bee Happy Event, with all plants approved by the Pollinator Plan.

Water management

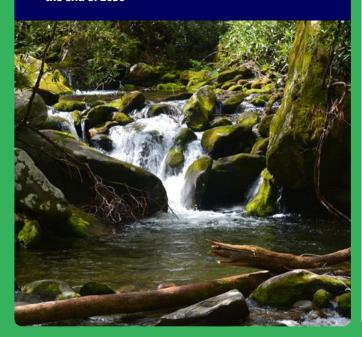


The UN estimates one-third of the global population currently live in water-stressed regions and nations. At Aldi, efficient water management is most important in our packaging and supply chain activities.

Our targets



- 10% relative reduction in operational water use by 2030 (against a 2020 baseline)
- The Aldi South Group has a water goal for all high-priority supply chain products with high water scarcity, pollution or other water stewardship risks to be produced according to good water stewardship practices by the end of 2030



Ensuring good water stewardship practices

Our International team used the World Wide Fund for Nature (WWF) Water Risk Filter to risk assess our globally-sourced products, starting with fresh produce as the highest-risk category, which had informed the priority supply chains in our international goal.

We have a comprehensive chemical management system across all tiers in the supply chain to reduce waste water. Our Detox policy, which ran to 2020, was based on our commitment to Greenpeace's Detox Initiative in 2015 that recognised the urgent need for eliminating industrial releases of all hazardous chemicals. This led to improved wastewater and sludge testing results, along with an increased treatment of factory wastewater in our production facilities.

From sour to sweet improving water use in our citrus supply chains

Aldi South Group is a sponsor of WRAP's Water Stewardship project on sustainable water management in Southern Spain, which aims to tackle water challenges in citrus supply chains. The programme brings together businesses, growers and other relevant stakeholders to take forward collective action at the catchment or river basin level. This will involve a range of interventions, farmer engagement and knowledge sharing, working with certification bodies and joint advocacy to improve water governance.

The programme aims to reduce the incidences of illegal water use, dramatically reducing waterrelated risks in the main fruit and vegetable production areas, specifically Andalusia, Murcia and, in future, Valencia,



Where we're heading

We are currently conducting a water-related risk assessment for our supply chain as part of further developing our water strategy. More details to come in our 2023 Sustainability Report.

Tackling waste





Achieving our food waste goals

- Aldi Ireland participates in the Retail Action Group, an industry-wide programme that guides businesses to measure and act upon food waste
- We are committed to the UN Sustainable Development Goal 12.3 to halve per capita global food waste by 2030, from a 2017 baseline year

12%

reduction in food waste since 2017²²

0.80%

We have reduced our waste intensity from 0.98% in 2017, to 0.80% in 2022



wastage.

We've introduced price reductions of 75%, 50% and 30% to fresh produce. bakery and chilled products that are near the end of their shelf life, to reduce



Waste is an urgent environmental and social issue. Given the scale and urgency of the problem, we're working with global, national and local organisations to help us to reduce waste across all of our operations. We're also working with suppliers on where we can reduce excess packaging of our products.

Across Ireland, there was an estimated 753,000 tonnes of food waste in 2021.²¹ When it comes to surplus food, we don't want to waste an opportunity. As a fast-growing supermarket, we have a responsibility to tackle this major issue and to help fight food poverty and minimise environmental impact.

We're constantly learning how to better monitor our food waste. This involves engaging with our suppliers and our teams across the business to identify waste hotspots from 'farm to fork'; trialling additional food surplus redistribution routes and helping customers to reduce waste at home.



Using labelling to reduce food waste

We know that avoiding waste matters to our customers – from the time it takes to do a shop, to the food they put in their fridge and cupboards. That's why we give customers the important information they need before they buy.

See Customers and communities section >

Improving data accuracy

In 2022, we invested in improving the accuracy of our food waste tonnage and intensity data for years' 2017-2021. We have a Food Waste Reduction Working Group within Aldi and have our food waste data audited on a quarterly basis.²³ Aldi has also developed an automated food waste report using a new reporting platform, which breaks down food wastage in granular detail to help target food waste reduction activities and initiatives.

- 22 Please see our full reporting methodology for years pertaining to 2017-2021 here and 2022 here.
- 23 Deloitte LLP. Aldi received limited assurance on historical food waste data (up to and including 2022's food waste data for the UK and Ireland). This is available at https://www.aldi.ie/food-waste.

Tackling waste Successfully partnering to reduce food waste

Since 2017, Aldi Ireland has reduced food waste tonnage by over 12%. We have been closely monitoring our food waste and identifying waste hotspots and where we can take action. Our stores are donating to a range of good causes in their local areas, from soup kitchens to children's breakfast clubs.





We've been working in partnership with not-for-profit social enterprise FoodCloud since 2014 to redistribute large volumes, and a great variety, of surplus food to charities through our stores. This is a platform that helps businesses make a positive impact in their communities by donating volunteer time, money and surplus products, all in one place.

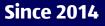
We've expanded our redistribution programme with FoodCloud to include weekends to donate even more food to local charities and community groups. By the end of 2022, Aldi donated 2.6 million meals (2,609,526) to people in need with FoodCloud, saving 3,507 tonnes of CO₂e.²⁴

Each year, Aldi Ireland launches its 'Food for Good' campaign where Aldi shoppers can buy and donate non-perishable food items at a customer donation point across Aldi's stores nationwide. All donations are distributed to FoodCloud and its network of charities.



Too Good To Go

We trialled a partnership with the food surplus app that sells unsold food at a lower price – known as 'surprise bags'. We're the first Irish supermarket to donate food to this real-time cause. The trial was in preparation for a nationwide roll-out, which went live across all Aldi stores in 2023. Details of the initiative will be included in our 2023 Sustainability Report.



through our partnership with FoodCloud

2.6 million+ meals

donated to local charities and community groups, after school clubs, foodbanks and more in 2021 and 2022

350 charities and community groups supported

 $\textbf{3,507}_{\text{tonnes CO}_2\text{e reduced}^{24}}$



STOP Food Waste programme

To help our customers reduce food waste, we promote the STOP Food Waste programme, funded under the EPA National Waste Prevention Programme (NWPP) in stores, on our social media channels and in our in-store leaflets, and suggest food waste saving tips to our customers.

24 CO₂ tonnage was provided by FoodCloud based on WRAP's redistribution calculation.

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Tackling waste Taking action on packaging

The role of packaging is important to protect products from damage, ensure they can be transported easily and to help reduce waste by preserving food for longer. However, excessive packaging has negative impacts on the environment. We have ambitious targets across our business and supply chain for reusing and recycling packaging.

We communicate with our customers and colleagues about sustainable packaging, and encourage suppliers to use sustainable packaging options.

Tracking the effectiveness of our packaging efforts

We adopt our principles of simplicity and efficiency to effect change and track progress. In 2022, we worked on data capture to align with Extended Producer Responsibility (EPR) requirements. We now have access to an online portal which provides real-time data and progress on our targets for packaging.

Tackling packaging

We're working hard to reduce and recycle packaging – by 2025. we will have 30% recycled content in our own-brand plastic packaging. We're also achieved some big shifts – for example, we became the first major retailer to offer fully recyclable ownlabel handwash packaging - resulting in 30 tonnes of packaging material a year becoming more easily recycled.

Over the past two years, we've been working with Irish suppliers to introduce new, sustainable packaging solutions, leading to more than 2,150 tonnes of virgin plastic being removed from our store network. Plus we've replaced over 930 tonnes of non-recyclable packaging materials with recyclable alternatives since 2019 and removed all black plastic from our core food ranges.

Aldi's fresh meat range has moved from cardboard shelf-ready packaging (SRPs) to reusable crates, saving 2,200 tonnes of packaging each year.

Our targets and performance

Aldi's packaging targets are far-reaching. We have eliminated problematic plastic packaging (such as black plastic, PVC and expanded polystyrene) from the primary packaging of our core food range. We also use 100% pulp-based packaging across primary packaging in our core range – that is FSC or PEFC-certified or made from at least 70% recycled content. Aldi's internal plastics and packaging targets are farreaching, but we're always working to do more.



Target:

reduction in plastic (primary) packaging in relation to sales by 15% by 2025, from a 2020 baseline

Performance:

120/n

reduction at end of 2022

Target:

reduction in all packaging (primary, secondary and tertiary) in relation to sales by 40% by 2025, from a 2020 baseline

Performance:

20%

reduction at end of 2022

3 **Target:**

of all plastic (primary) packaging is made of recycled content by 2025 **Performance:**

18%

at end of 2022

Target:

of own-label (primary) packaging to be reusable, recyclable or home compostable by end of 2025

Performance:

980/0

achieved of the target at end of 2022

Tackling waste Initiatives and achievements

Providing solutions to problem packaging

It's amazing what a touch of innovative thinking – and design – can achieve to reduce plastic waste. Here are just some of our successes we're proud to share:

- We've transitioned our soft drink cans from plastic shrink-wrap to 100% recyclable card wrap, removing over 2.7 tonnes of nonrecyclable plastic
- Our entire one litre milk carton range moved to fully renewable plant-based materials. This move affects 13.7 million cartons
- We've removed 43 tonnes of virgin plastic across our three litre milk range by reducing the thickness of the carton
- Our reusable produce bags are now made from 100% recycled water bottles, encouraging customers to use these or bring their own reusable bags for loose produce





Battery recycling

Aldi Ireland was the largest retail battery collector in Ireland as of 2022. Aldi customers have returned over 615,734kg of waste batteries. This is equivalent to 30,786,700 AA batteries being returned to our stores!

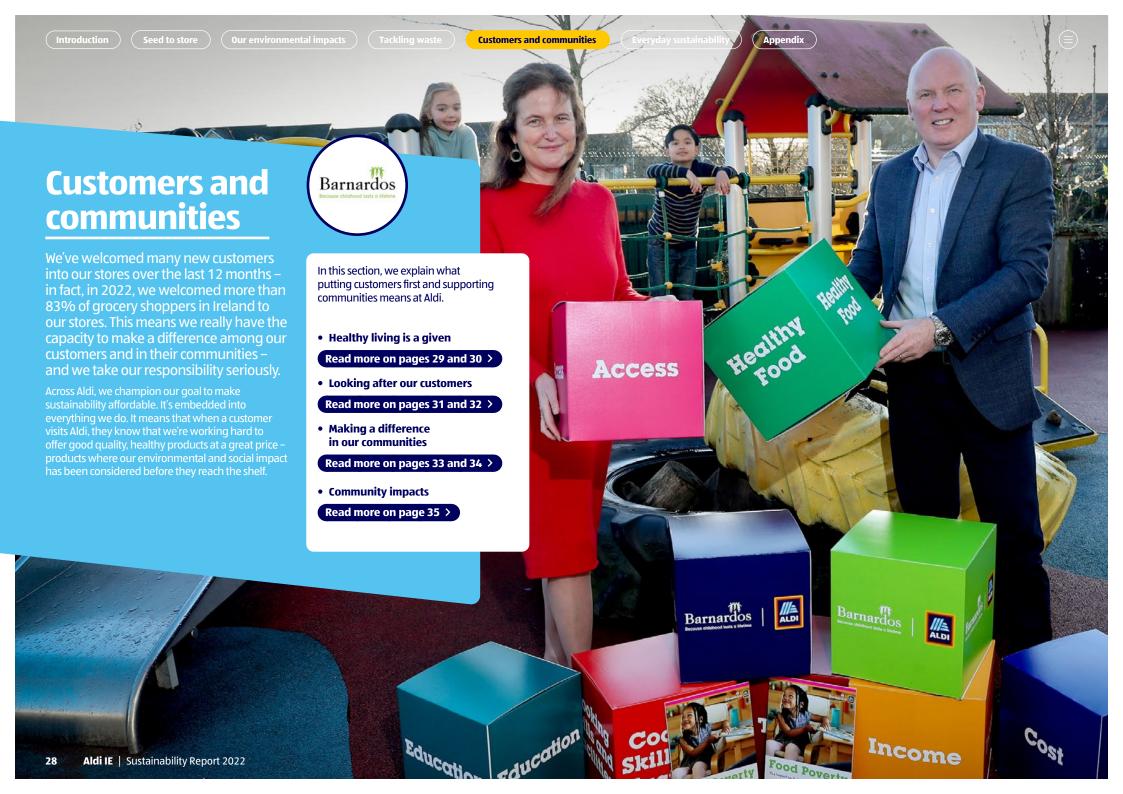
ALDI Ireland's deposit return scheme with proceeds for Barnardos



In February 2022, Aldi introduced its first reverse vending machine trial in Ireland at its Mitchelstown store in Co. Cork, resulting in a €1,000 donation to Barnardos each month. Throughout the trial, customers were encouraged to return PET plastic bottles (up to three litres) and aluminium drinks cans to the reverse vending machine.

Aldi's machines can collect and store up to 3,000 plastic bottles or 12,000 cans at any given time. This is the first time such a scheme had a direct fundraising link to an Irish charity. The trial launched ahead of a national Deposit Return Scheme roll-out, scheduled to go live in early 2024.







Healthy living is a given



We believe that everyone should be able to enjoy affordable, tasty produce. High-quality products at the lowest possible price shouldn't come at the cost of healthy choices for customers.

Our targets

Target: of our own-brand food and drink sales (excluding alcohol) 70% will come from healthier items by 2025

Performance:

63.5%

was reached in 2022, so we're well on the way to achieving this





Veggies for all!

We're making vegetables more attractive to customers by placing them in higher footfall areas with plenty of space for display, so customers see them as soon as they come in store. Our monthly advertising campaigns promote veg in meals, and we're upping the number of vegetables and vegan choices in our leaflets and online. We also offer great deals on fruit and veg every week through our Super 6 items.

We continue to offer an amazing range of food options for those with coeliac disease, which affects 1 in every 100 people in Ireland.



Nutritional labelling, promoting public health and tackling childhood obesity

We know that shoppers like easy-to-see, front of pack labels that use colour coding. At Aldi, we not only fulfil the minimum mandatory nutrition information that must appear on prepacked food – showing the amount of energy, fat, saturated fat, carbohydrate, sugars, protein and salt – we go even further.

Our traffic light labelling displays – with the percentage reference intake added - make it easier for customers to understand the nutritional composition of a product and to compare different items. We also label all fruit and veg (including processed ones) with the '5 a day' logo. Plus, we've removed cartoon characters from packaging on those products which contribute most to children's sugar intake, but we've kept them on our children's fruit and vegetable lines to promote healthier choices.

We're working to improve the nutritional profile of all our products and are in the process of creating the baseline so that we can track our progress on the following:

- Over and above the Irish legislation requirements, we are working to restrict the use of Southampton 6 colours – sometimes called 'E numbers' – flavour enhancers. MSG and trans fats
- In Ireland, we are currently working on targets related to the Food Safety Authority Ireland (FSAI)²⁵

25 Salt reduction: 10% by 2025. Sugar reduction: 20% by 2025. Calories reduction: 20% by 2025. Saturated fats reduction: 10% by 2025.

Healthy living is a given continued



Getting kids active with the Irish Rugby Football Union

Aldi has partnered with the IRFU since 2016, providing substantial investment in Aldi Play Rugby, a non-contact schools rugby programme for both boys and girls. Children take part in regular exercise and learn to eat healthily. Participation in the programme has increased by almost 50% since Aldi began its sponsorship. In 2022, more than 117,000 children across 1,000 schools took part.

We are the IRFU's Official Fresh Food Partner to both the men's and women's teams, so the IRFU logo appears on Aldi everyday fresh produce lines to help identify healthy food choices. This is predominantly across our fresh 100% Irish meat range and fruit and vegetable offering, to help identify healthy food choices.

The Foodie

Market Popcorn – less sharing and healthier!

What's movie night without popcorn? The challenge was that bags for sharing were high in saturated fat, salt and sugar. Therefore, Aldi introduced single-serve Foodie Market Popcorn bags into stores. These have less salt and sugar and contain more fibre, which means they meet healthier standards than the existing legislation. They're also gluten free - and tasty!

We now have a goal to have 70% of sales come from healthy products by 2025. We use the nutrient profile model to define a 'healthy' product and continue to reformulate products to help us progress towards this goal.



Highlights

63.5%

of our own-brand sales were from healthy products in 2022.²⁶ We will achieve our target through our reformulation programme by making more of our products fall under this 'healthy' definition, and marketing techniques to encourage customers to purchase healthier items.

In 2022, Aldi Ireland received top honours at the FreeFrom Food Awards, picking up 46 accolades, including 12 Gold awards and scooping the highly esteemed title of Retailer of the Year!



Where we're heading

We'll keep working with specialist service providers to help our suppliers with product reformulation. This will help Aldi, and our suppliers, meet our salt, sugar and calories targets, and go further by improving products with added beneficial elements like fibre and protein, and removing/reducing unhealthy elements, such as saturated fat or MSG.

Looking after our customers





Our goal is to be the nation's favourite place to shop

We strive to make Aldi a good shopping experience. Before we build any new store, we get to know the community and the needs of customers in that area, and build the shopping experience on our '7 Moments That Matter' – making sure our stores are friendly and clean, and that people can easily find what they're looking for and check out quickly. The seven moments cover friendliness, cleanliness, availability, quality, clear aisles, till queues and scanning at Aldi stores.

Customer satisfaction – how we perform

In 2022, we achieved a satisfaction score of 89.23/100 across the UK and Ireland. To gain even more feedback, from January 2023 we began contacting 15,000 customers each month, asking them to complete a customer satisfaction survey.



The 7 Moments That Matter

We've put ourselves in the shoes of our customers to devise our seven moments. When we set up a store, we use the following checklist:

1 Is it friendly?

Colleagues are in store to help customers find and reach things, assist at the self-checkouts or chat at the till if that's what someone wants (or not if they don't)!

2 Is it clean?

Everything has to be clean – the floors, the smudge-free chiller, even the air – with only the best fresh produce on display

Can I find what I'm looking for?

There's clear, easy-to-read signage on the fridges, shelves and aisles

4 Is it good price and quality?

It's what our business is built on

Can I get into store and up and down the aisles easily?

We're thinking of everyone – from providing store car park spaces for disabled people to parent and child spaces. Our till system is both visual and audio, guiding customers to available tills

6 How long is the queue?

If you're in store, you will hear the words: "We're opening till two for you"

7 Can I check out quickly?

Big barcodes allow Aldi colleagues to scan products quickly and accurately



Looking after our customers continued



Top quality produce

There are a few steps we take to keep our produce in ship-shape quality in store: we make sure all produce is free of quality issues, with a particular focus on loose products.

We're open to all customers

We work hard to be an inclusive retailer and have really positive relationships with our customers. We offer customers ways to tell us what they think, and when customers tell us what they want – or don't want – we act on it. We also monitor customer insights to make sure we're meeting needs and gauging how people feel about our prices.



We asked customers to tell us the truth...

Customer feedback has driven direct change in our stores. In the past we have used our 'Tell Aldi' system, where customers use a link on their receipt to provide feedback, with the chance of winning Aldi vouchers. From a practical standpoint, sometimes people missed this at the bottom of the receipt and – to be good to the environment – we're trying to reduce the use of paper receipts in our stores.

That's why, in 2022, we trialled a feedback system to hear what our customers had to say. It's a system that asks the customer one question, from a random selection, while at the card payment terminal. It gave us much more spontaneous and genuine feedback.

Making a difference in our communities





At Aldi, we really have the capacity to make a difference. It's because we have more than 155 stores and over 4,650 employees in Ireland who are a part of, and want to support, their local communities. As a company, we want to give something back to the communities where we're present.

That's why we're proud to be partnered with Barnardos in Ireland. Over the years, we have raised over €1 million for Barnardos in Ireland – and we're not stopping here!

But that's not all. We also respond to large-scale emergencies as the Aldi South Group, like donating money for the Ukrainian refugee crisis, along with a host of other smaller donations raised for a broad range of charities.





Aldi Ireland is a proud partner of Barnardos

We were committed to supporting a partner charity in Ireland that had been significantly impacted by Covid-19. After a selection process, we embarked on a two-year partnership with Barnardos Ireland, starting in 2020.

This partnership touches on three key issues for us: health and nutrition, mental health, and food poverty. We help vulnerable families by contributing to the Early Years and Family Support Programmes, After School Clubs and Breakfast Clubs, where, among practical and emotional supports, Barnardos ensures children have a nutritious meal and a safe space to do their homework in a supportive environment.





"With Aldi's support, we have been able to provide over 10,000 meals for children; we can support over 1,000 children to be school-ready and start life in the most positive way; and we have supported 100 families with specialised counselling, intensive parenting support and practical advice to ensure they can build resilience to live a hopeful life."

> Suzanne Connolly. CEO, Barnardos

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Inspired employee fundraising for Barnardos

We're extremely proud of our amazing colleagues, customers and partners who have already raised €1 million for Barnardos since 2020.

Other fundraising opportunities and donations included supporting children and families with Aldi gift cards to be school-ready and onpack donations at Christmas across various products, such as Kevin the Carrot and Friends plush toy and Luxury Christmas cards. All funds raised go directly towards supporting families through Barnardos. In 2022, Aldi pledged to raise an additional €1 million and extended the partnership for a further two years.

Child Food Poverty

In February 2022, <u>Barnardos and Aldi Ireland</u> launched research that explored both the prevalence and impact of food poverty in Ireland on vulnerable children and families. The study, conducted by Amárach Research, found that 9% of parents feel "close" to food poverty. We also co-hosted a forum on child food poverty, offering an educational platform to help raise awareness of the prevalence and impact of food insecurity on children and families in Ireland. The findings were widely referenced by political and Government stakeholders, creating a national conversation around the issue.

Barnardos Big Active campaign

<u>Barnardos Big Active</u> campaign launched in April 2022, supported by Aldi. This school-focused campaign is designed to help students of all ages and abilities to be resilient in dealing with stress and anxiety, and take care of their physical and mental wellbeing. Schools across Ireland register to take part and raise funds for vulnerable children across Ireland.

Where we're heading

By the end of 2024, four years into the partnership, Aldi aims to have achieved the following:

- Supported over 200 families with specialised counselling, intensive parenting and practical advice
- Ensured that 2,000 children received the best chance of an early education to ensure a positive future
- Provided 20,000 meals to children in Barnardos services
- Continue to support food poverty research and drive for change







Community impacts



In 2022, Aldi supported the following charities and causes

Community Grants Programme

Aldi's Community Grants Programme provides each Aldi store, office and RDC with the opportunity to nominate a charity or community group in its local area to receive a €500 donation from Aldi. This programme helps support charities and organisations that contribute vital work and services locally.

In 2022, Aldi distributed more than 160 €500 bursary grants, totalling to over €80,000 worth of funding for Irish causes. Beneficiaries of Aldi's 2022 community grants included Galway Hospice Foundation, CUAN Cancer Support Cavan, Cobh Community Hospital, Dogs Trust, Blue Dolphins Special Olympic Club and BUMBLEance.

Since 2016, more than €535,000 has been donated to over 1,000 local charity branches and community groups across Ireland.



International Red Cross for Ukraine

Aldi South Group – including Aldi UK and Ireland – donated €5 million to the International Red Cross for Ukraine.



Nappy donations to Irish maternity hospitals

Since November 2020, Aldi has donated nappies from its awardwinning Mamia range to hospitals across Ireland. In 2022, Aldi celebrated the donation of 200,000 Mamia nappies to maternity hospitals nationwide. The milestone was marked at the Rotunda Hospital in Dublin, which was the first hospital to partner with us on this initiative.





Supporting the Irish Cancer Society

As part of our contribution to the community, employees chose the Irish Cancer Society (ICS) as a charity partner. The ICS is the national cancer charity in Ireland, providing care and support to cancer patients and their families. Aldi launched the partnership with the ICS in 2016, and Aldi colleagues and customers have raised €1.9 million for cancer services since then. In 2022, our Aldi colleagues, customers, and ICS supporters got involved to support the charity with the following:

Marathon in a Month Challenge 2022

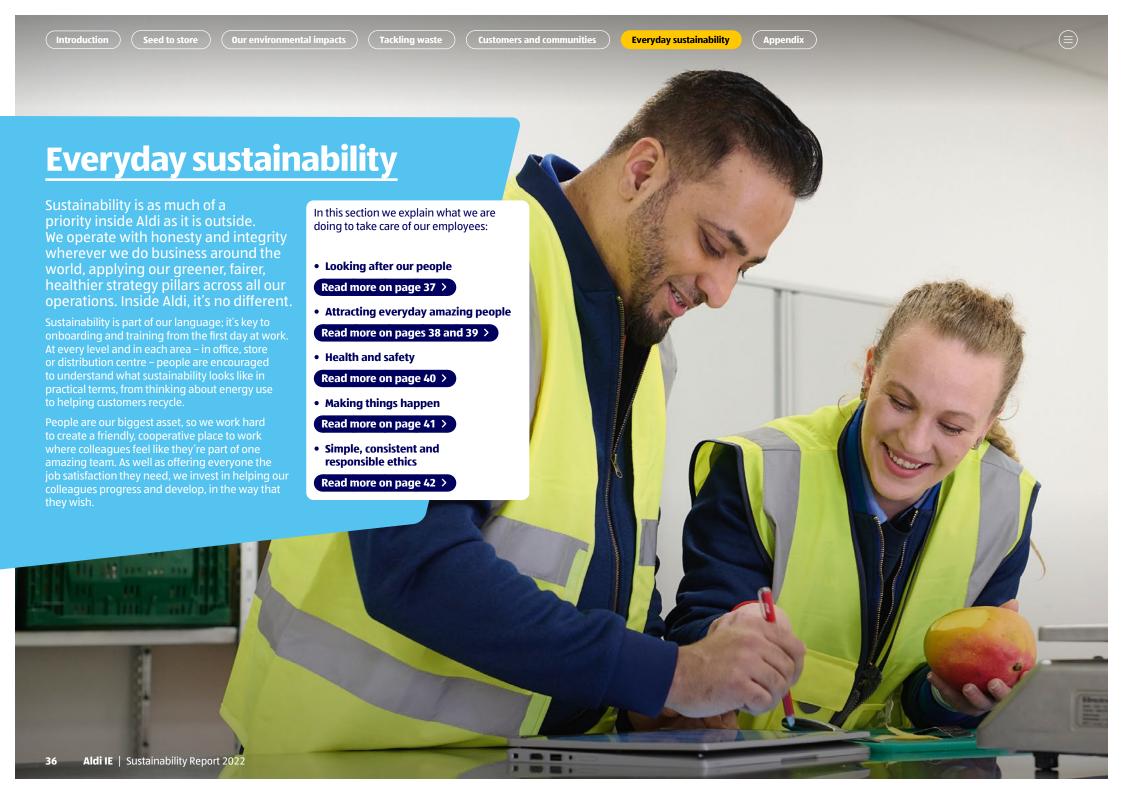
Participants across Ireland walked, jogged or ran the distance of a marathon over the course of the month of July, in order to raise much-needed funds to provide essential support to patients and families nationwide. Together, we raised over €116,000.

Bowel cancer on-pack information

In 2022, Aldi added the signs and symptoms of bowel cancer to all its packs of toilet roll. A first in Ireland, Aldi aims to raise awareness of the disease by including potentially life-saving information on its entire range of toilet rolls.

Daffodil Day

Volunteers across Ireland take to the streets to collect donations from the public. In March 2022, ICS volunteers were outside Aldi stores nationwide. Customers could pick up a Daffodil Day Bumper Bouquet for just €3.79, with €0.50 from each purchase donated directly to the ICS. In 2022, more than €14,000 was raised during Daffodil Day.





Looking after our people



Looking after our colleagues

Aldi prides itself on having an inclusive working environment. We are an inclusive employer where colleagues can bring their true selves to work, knowing they are welcome, valued and appreciated.

It doesn't stop there. We want our colleagues to feel happy and healthy, too, which is why we are committed to continually improving our Diversity and Inclusion (D&I) and wellbeing strategies. By offering well-rewarded, positive and inclusive employment, we can help our colleagues thrive, inside and outside of work.

To attract the best, we've got to be the best

Aldi colleagues tend to stay with us for years. That's because they believe in the values of the company. Being part of Aldi means feeling consistently and responsibly cared for, beyond day-to-day employment. We offer benefits that include a great holiday allowance, paid breaks, and parental leave and sabbatical opportunities. We also have a night premium for colleagues.

In some areas of the business, our colleagues are 'multi-taskers' and not confined to one job, hour after hour. For example, in-store colleagues are trained to work at the till, get involved in stock-checking or turn their hand to a bit of cleaning, where needed.



Fair play to fair pay, our annual pay review in 2022, confirmed Aldi as the UK and Ireland's best-paying supermarket.²⁷

Healthy colleagues

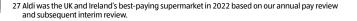
Health is an important part of colleague welfare. Our support ranges from a Bike to Work scheme to online health access, with all colleagues having access to our EAP portal, and a dedicated wellbeing portal for mental health support.

Our approach covers three layers of support for colleagues:

- Provide a safe working environment, with robust health and safety procedures, risk assessments, return to work support and more
- Tools and platforms such as MyWellness
- Help colleagues who face difficult times with free services such as trauma support

Financial boosts

At times, people need a little financial advice or support. We offer financial wellness support, financial health checks and an Employee Assistance Programme. We offer a fantastic MyBenefits platform where colleagues can access a whole range of discounts. Plus, there are long service awards and gestures for a new parent.





The MyALDI app is where colleagues share their stories and recognise each other for the amazing work they do. There's access to content and specialists in five areas of wellness: mental, nutritional, financial, physical and social.

A new Social Wellness hub offers access to resources and support on mental and physical health, nutrition and financial issues. There's also a dedicated menopause hub offering a safe space for colleagues to share their experiences and connect. Aldi held a menopause awareness webinar in 2022 to educate leaders on the topic to support their teams.

Attracting everyday amazing people



Across Ireland, more than 4,650 people work for Aldi. We recognise the importance of D&I and are working to better reflect the communities we serve, including providing more support to minority and under-represented groups. We've made progress, but we know there's a lot more we can do, and we're working with expert partners to help us





D&I: our Embrace strategy

Our growth means that we can provide career opportunities for everyone, regardless of background and where they work in our business. We're making positive changes to the way we attract, recruit and support our people. At the core of this is our Embrace strategy, which is built on five strategic pillars:

- 1 Employee engagement and support: We check that people feel they can be themselves at work and that they're being treated equally
- 2 Employee insights and data: When you listen, you learn. We do this through surveys and listening groups
- **Partnerships and external engagement:**We work with D&I specialists to inform our different programmes that support colleagues
- Employer branding, attraction and selection:

 Equal opportunities are offered throughout our selection process as we work to build a diverse talent pipeline for the future
- 5 Learning, development and awareness raising:
 We promote social mobility and D&I within career

starter programmes





Leaders receive Embrace training in their first year as a manager. This allows conversations around D&I and what it means for their respective teams. The training also supports leaders in improving their understanding, confidence and fluency when discussing D&I.

Attracting everyday amazing people continued

"There is a real community spirit at Aldi. It is a lovely feeling when so many people are invested in your success and the success of the company."

Ify Nziwu, Aldi Graduate Area Manager





Increasing gender diversity

Aldi is a company built on merit and opportunity. Our growth means that we can provide career opportunities for everyone, regardless of background and where they work in our business. We track gender representation at all levels of our business and have many longer-term initiatives, including our Women in Leadership programme, to help more women access senior roles at Aldi. We also have programmes to attract, retain and support women at Aldi. We are a signatory to the UN Women's Empowerment Principles to drive gender equality across our business.

Gender pay and equality programmes

In Ireland, our mean pay gap is 13.2%, and our median figure is 2.2%. This means the average hourly pay for females is 13.2% lower than that of males. This compares with the most recent EU average of 13%. So, while we are in line with organisations across Europe, we have work to do to close the gender pay gap. We track gender representation at all levels of our business, enabling us to identify where new initiatives will have the most impact. Using this intelligence, we are delivering many exciting programmes to attract, retain and support women at Aldi.

For example, all of our colleagues at Executive Manager level received dedicated diversity and inclusivity training in 2022 that will empower them to better identify and tackle important issues like unconscious bias. Our female mentoring programme has been underway since 2021 and is helping us to identify ways to improve female representation at senior levels, reducing our gender pay gap. We've introduced paid leave for women undergoing fertility treatment and have an ongoing programme of menopause awareness initiatives, including support guides, webinars and a menopause colleague hub.





Health and safety



Keeping colleagues healthy and safe



It's important that everyone who works at Aldi, including our contractors, gets home safely at the end of a day. A safe environment, without risking personal health or safety, should be the norm rather than a nice to have. This applies to our people, customers and those working within our global supply chain.

See Responsible sourcing section and Simple, consistent and responsible ethics section >

All Aldi colleagues must complete e-learning modules on their first day that highlight health and safety policies and procedures within the workplace. It's a mandatory course that requires 100% completion from colleagues. Store teams received training on how to deal with manual handling; slips, trips and falls; and chemical spillages.

We also support the request from the Ethical Trading Initiative (ETI) that the International Labour Organisation (ILO) and International Organisation of Employers (IOE) make occupational health and safety (OHS) a fundamental right in the workplace.



Rethinking safety – Everyday Safe, Everyday Amazing

In 2022, the Aldi Health and Safety team regrouped to think about what safety has meant to them and their colleagues in recent years. This included the emphasis on considering the safety of yourself and others – which gained such momentum during the pandemic – and how this could continue and help to positively influence the culture of safety in Aldi.

The result is the launch of Everyday Safe, Everyday Amazing, which aims to highlight the link between safety and the smooth delivery of our amazing retail operation – from picking stock in our warehouse, to scanning a bottle of milk through our tills. Keeping each other safe ultimately keeps us operating.

Safety in our operations

Our safety strategy is in alignment with Aldi's business strategy. This helps Aldi colleagues to think about safety as something that can propel our business forward.

This is supported in the following ways:

Safety performance reviews and challenges take place at monthly Managing Director catchups with Regional Safety Managers, and during Store Operations and Warehouse Operations Committees. This focuses on the things achieved, as well as the areas that need work, using the approach of '3 to Celebrate, 3 for Focus'

Our Operational teams work together to strategically steer efforts toward reducing risk and accidents

Where we're heading

Health and safety is an area that requires continuous improvement. We are working to reduce risk of harm and personal injury to our colleagues, customers and others, and reduce losses to the business due to safety. Our goal is to provide a hygienic and safe shopping experience.

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Making things happen





Aldi is a family-owned business that considers sustainability crucial to the future success of our business. To ensure we're delivering on our sustainability ambitions, our sustainability work and the development and implementation of our strategy is supported by national and global teams.

The National Sustainability teams in the UK and Ireland look after the day-to-day sustainability work and projects. Our National Sustainability Committee includes those on the National Sustainability team along with senior managers from other departments. They check that we're on track to deliver the sustainability strategy and goals. The Committee is chaired by a Group Managing Director.

Our International Sustainability team aligns with countries in the Aldi South Group on sustainability strategy and actions. Where needed, they set international guidelines on behalf of the Aldi South Group, such as climate targets. Finally, the International Sustainability Committee includes representatives of each National Sustainability Committee (at Group Managing Director level). They come together to discuss and approve international strategy.

We continually engage with our internal and external stakeholders, and the feedback we receive informs and drives our sustainability activities.

Leadership team effectiveness

Sustainability within a company needs to be driven by the leadership so that it's effective. That's exactly what we do at Aldi. We're committed to sustainability and affordability, from leadership level to our colleagues in stores and distribution centres.

Sustainable leadership: Greener Everyday and Embrace strategy

The leadership teams across Aldi need to be equipped with the right skills to effectively manage our work in sustainability. For example, we equip managers with D&I skills to ensure that colleagues understand this as a business priority and how to consider D&I in their decision-making.

Where relevant, leaders have the opportunity to undertake apprenticeship programmes which aim to help innovate and deliver on social and environmental change. We offer a programme for senior leaders which helps to increase their ability in developing a sustainability programme and promote an ethical, inclusive, innovative and supportive culture. Leaders receive Embrace training in their first year as a manager in both the UK and Ireland, focused on D&I.

Among our colleagues, we offer a sustainability training day to give an overview of our work across Aldi. A Greener Everyday e-learning module is also offered that aims to bring together all areas of Aldi's Greener Everyday programme. This is to make colleagues aware of Aldi's environmental objectives and how individuals can support them.

In addition, we annually release our Health, Safety and Energy Guidelines policy to remind colleagues across the business of the importance of seemingly small actions (such as turning off lights, computers and machinery when not in use) that can have a significant impact on energy consumption.



Helping colleagues understand and identify sustainability

It takes commitment to make sure that sustainability is a part of everyone's day-to-day role at Aldi. At the outset of employment, every employee must complete e-learning modules on our Code of Conduct and Conflicts of Interest.

See Simple, consistent and responsible ethics section >

From there, sustainability is a part of most roles, from those who are customer-facing to our colleagues who purchase our products. For example, in certain roles, teams use a project scoping tool to incorporate environmental considerations in our most influential projects.

Purchasing for sustainable options

Our buying department considers packaging at every step of the buying process, with the aim of making sustainability affordable for everyone. This includes the product sample stage through to final product. Plastics and packaging are part of our category reviews where teams update the business on our current progress, areas of focus and potential areas of opportunity to improve our commitments to reduce plastic.

See Tackling waste section >

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Everyday sustainability



Simple, consistent and responsible ethics



At Aldi, we value our business ethics and understand the high standards of corporate responsibility that are expected of us. We take great pride in upholding our reputation, which has gained us the trust of our customers, business partners and colleagues.

Although the language and legislation around topics such as bribery, anti-corruption, food safety and labour rights is anything but simple, when it comes to compliance and ethics, we continue to apply our core values of simplicity, consistency and responsibility.

You can find more in-depth information on how we assume responsibility towards effective employment procedures, marketing, transparent reporting and more in our <u>UK and Ireland Code of Conduct</u>.

Code of Conduct

Each employee is required to complete e-learning modules that highlight the company policy surrounding a variety of topics, this list is not exhaustive: Code of Conduct, corporate responsibility, disability awareness for leaders, disability awareness for non-leaders, and competition law training.

Reporting compliance issues

Aldi operates an AlertLine system, which is independently managed by a third-party provider, allowing colleagues and suppliers to report serious compliance violations anonymously.

All reports received are triaged on receipt by the National Compliance Officer team before allocation for investigation and response. Any critical concerns will be escalated immediately to Top Management. Regular monthly and annual summary reporting is also provided.

Grievance process

The Employee Handbook highlights Aldi's commitment to dealing with grievances seriously. If anyone feels wrongly or unfairly treated, they can raise the matter with a senior manager, either individually or together with colleagues, and the grievance will be taken seriously. The grievance process is clearly outlined to all employees. The high frequency with which the employee will see their direct leader allows for ample opportunity to raise any concerns they may have.

Any employee who might be required to handle a grievance is given full training, has access to template documents and guidance, and will be given advice from human resources or our legal advisors if required. Any employee who wishes to give feedback regarding the process or documents provided can do so, with suggestions reviewed by human resources.

Human rights and social impact monitoring within the supply chain

Aldi has stringent policies and guidelines in place regarding human rights to ensure the same level of commitment from suppliers. All suppliers are made aware of our policies and commitments in the International Catalogue of Requirements for both Quality and Sustainability as part of Aldi's contractual agreement. During the tender process, our standard procurement questions for potential suppliers cover ethics and sustainability. Suppliers also receive a range of training to support them to comply with our sustainability requirements.

We have implemented a Social Monitoring Programme to enable monitoring of compliance regarding social impact standards at our suppliers' production facilities. Our suppliers are integrated into this programme according to an assessment and prioritisation of their respective supply chain risks. All those in high-risk areas who manufacture Aldi products must have a valid third-party audit of their main production facilities.



On-site audits performed by independent experts are a key component of the programme. Aldi recognises audits and certificates according to the standards, which include Amfori Business Social Compliance Initiative (BSCI), the Sedex Members Ethical Trade Audit (SMETA) and the International Council of Toy Industries (ICTI).

Workers in the supply chain have access to a grievance mechanism that enables them to raise issues and find remediation. One is the Worker Voice Programme from the <u>Issara Institute</u>. The other third-party grievance mechanism is the Amfori 'Speak 4 Change' programme, where workers in the supply chain have access to a mechanism that is country specific.

See Human rights in the supply chain section for more information >

Memberships

Aldi is an active member of Retail Ireland (Ibec), the leading voice of Irish retailers that works to represent the sector's interests to Government, media and all other stakeholders. Retail Ireland is a trade association which operates under the umbrella of Ibec, Ireland's largest lobby and business representative group.

We also have positive relationships with several NGOs, charities and certification bodies.

Appendix and indices

Our material topics

Following the completion of our materiality assessment, the following material topics were identified:

- 1. Sustainable agriculture
- 2. Emissions across our value chain
- 3. Healthy options
- 4. Human rights in the supply chain
- 5. Affordability
- 6. Energy management
- 7. Packaging
- 8. Looking after our customers
- 9. Attracting and retaining talent
- 10. Community impact of Aldi stores
- 11. Food waste
- 12. Responsible sourcing policies and commitments
- 13. Water management
- 14. Health and safety
- 15. Compliance and ethics
- 16. Leadership team effectiveness
- 17. Environmental impact of stores, RDCs and offices

Third-party certifications for our products and commodities

Fish and seafood

- In 2022, 56% of our wild fish was certified to Marine Stewardship Council (MSC) or other international recognised standards
- We also support Fishery Improvement Projects (FIPs). These projects have the end goal of the fisheries involved achieving MSC certification at the end of the five-year process. We only accept FIPs rated C and above
- We ensure that our Irish fish and seafood products are rated six and above according to the Sustainable Fisheries Partnership (SFP) scoring system

Timber, paper and pulp

All timber, paper and pulp in our products is either <u>FSC</u> or <u>PEFC</u> certified, or is made from 100% recycled
materials. For FSC or PEFC certified material, we have traceability through the supply chain from the forest
to the final product.

Soy

Every year we footprint the soy in our animal feed to understand origin and certification levels. Accepted soy standards for our products include:

- RTRS v. 2018
 - ProTerra 4.0 2019
- ISCC Plus v.3 2016
- SFAP Non-Conversion
- Cefetra CRS
- Belgian Feed Association BFA
- Cargill Triple S v.6.2 2018
- ADM Responsible Soy Standard
- Bunge Pro S v. 2015
- Bio Suisse

Palm oil

<u>Our policy</u> for palm oil sourcing applies to all Aldi own-label food and non-food products within the UK and Ireland. It stipulates that straight palm oil (the oil derived from the palm fruit) must be Roundtable on Sustainable Palm Oil (RSPO) certified, to segregated level²⁸ as a minimum, while palm kernel oil and derivatives and fractions²⁹ must be RSPO certified to mass balance as a minimum.

Cotton

Accepted standards are Fairtrade, Global Organic Textile Standard (GOTS), Organic Content Standard (OCS) 100/blended, Cotton made in Africa (CmiA), Better Cotton Initiative (BCI)

All our fresh everyday meat, poultry and shell eggs are certified to farm level, such as Bord Bia Quality Assurance

Meat, dairy and eggs

Schemes, or Organic.

Accepted certifications are Fairtrade, Rainforest Alliance and Cocoa Horizons.

Cocoa

Accepted certifications are Fairtrade and Rainforest Alliance.

Coffee

Bananas and

pineapples

Accepted certifications are Fairtrade and Rainforest Alliance.

²⁸ Segregated sourcing means the ingredients purchased from a certified farm are physically separated from non-certified ingredients throughout the entire supply chain.

²⁹ Mass balance is a sourcing method that allows for certified and non-certified ingredients to become mixed during the shipping and manufacturing processes. All major international sustainability initiatives use mass balance in one form or another.

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GRI content index

Statement of use GRI 1 used	Aldi has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022 with reference to the GRI Standards.				
GRI standard	Disclosure	Location Control of the Control of t			
GRI 2: General Disclosures 2021	2-1 Organizational details	Sustainability Report 2022, Chapter 'Appendix', Section 'GRI 2 General Disclosures', page 48			
	2-2 Entities included in the organization's sustainability reporting	Sustainability Report 2022, Chapter 'Appendix', Section 'GRI 2 General Disclosures', <u>page 48</u>			
	2-3 Reporting period, frequency and contact point	Sustainability Report 2022, Chapter 'Appendix', Section 'GRI 2 General Disclosures', page 48			
	2-4 Restatements of information	Sustainability Report 2022, Chapter 'Appendix', Section 'GRI 2 General Disclosures', page 49			
	2-5 External assurance	Sustainability Report 2022, Chapter 'Appendix', Section 'GRI 2 General Disclosures', <u>page 49</u> Food waste assurance statement can be found here: https://cdn.aldi-digital.co.uk/x5@oSuaMDVjsf7lhd1oSBafyWtU.pdf Our methodology for food waste assurance can be found here: https://cdn.aldi-digital.co.uk/IWXt1aYwg9zvfc0YFfUtas2ZVuM.pdf			
	2-6 Activities, value chain and other business relationships	Sustainability Report 2022, Chapter 'Appendix', Section 'GRI 2 General Disclosures', <u>page 49</u> Sustainability Report 2022, Chapter 'Seed to store', <u>pages 8 to 13</u> Sustainability Report 2022, Chapter 'Tackling waste', <u>pages 24 to 27</u> Sustainability Report 2022, Chapter 'Customers and communities', Section 'Making a difference in our communities', <u>pages 33 and 34</u>			
	2-9 Governance structure and composition	Sustainability Report 2022, Chapter 'Everyday Sustainability', Section 'Making things happen', page 41			
	2-22 Statement on sustainable development strategy	Sustainability Report 2022, Chapter 'Introduction', Section 'Reflections', <u>page 2</u>			
	2 Policy commitments	Aldi South Group's International Policy Statement for Human Rights: https://cr.aldisouthgroup.com/en/downloads/international-policy-statement-human-rights Aldi's Letter of commitment: https://cr.aldisouthgroup.com/en/downloads/letter-of-commitment-for-un-global-compact International Position Statement on Mandatory Human Rights Due Diligence Legislation: https://cr.aldisouthgroup.com/en/downloads/international-position-statement-mandatory-human-rights-due-diligence-legislation			

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GRI content index continued

GRI standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	Sustainability Report 2022, Chapter 'Everyday sustainability', Section 'Simple, consistent and responsible ethics', <u>page 42</u>
continued	2-25 Processes to remediate negative impacts	https://www.aldi.co.uk/corporate/corporate-responsibility/fairer/modern-slavery Sustainability Report 2022, Chapter 'Seed to store', Section 'Human rights in the supply chain', Sub-section 'Feedback systems', page 14 Sustainability Report 2022, Chapter 'Everyday sustainability', Section 'Simple, consistent and responsible ethics', Sub-section 'Grievance process', page 42 Sustainability Report 2022, Chapter 'Everyday sustainability', Section 'Simple, consistent and responsible ethics', Sub-section 'Human rights and social impact monitoring within the supply chain', page 42
	2-26 Mechanisms for seeking advice and raising concerns	Sustainability Report 2022, Chapter 'Everyday sustainability', Section 'Simple, consistent and responsible ethics', Sub-section 'Reporting compliance issues', page 42
	2-29 Approach to stakeholder engagement	Materiality: Sustainability Report 2022, Chapter 'Introduction', Section 'Materiality', <u>page 4</u> Customers: Sustainability Report 2022, Chapter 'Customers and communities', <u>pages 28 to 32</u> Colleagues: Sustainability Report 2022, Chapter 'Everyday sustainability', Section 'Looking after our people', <u>page 37</u> Supply chains: Sustainability Report 2022, Chapter 'Seed to store', <u>pages 8 to 15</u> Sustainability Report 2022, Chapter 'Everyday sustainability', Section 'Making things happen', <u>page 41</u>
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Report 2022, Chapter 'Introduction', Section 'Materiality', <u>page 4</u>
	3-2 List of material topics	Sustainability Report 2022, Chapter 'Appendix', Section 'Our material topics', page 43
	3-3 Management of material topics	Sustainability Report 2022, Chapter 'Introduction', Section 'Materiality', <u>page 4</u>
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Sustainability Report 2022, Chapter 'Appendix', Section 'Packaging data', page 52
	301-2 Recycled input materials used	Sustainability Report 2022, Chapter 'Appendix', Section 'Packaging data', page 52
	301-3 Reclaimed products and their packaging materials	Sustainability Report 2022, Chapter 'Our environmental impacts', Section 'Taking action on packaging', <u>page 26</u> Sustainability Report 2022, Chapter 'Appendix', Section 'Packaging data', <u>page 52</u>

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GRI content index continued

GRI standard	Disclosure	Location
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability Report 2022, Chapter 'Appendix', Section 'Emissions data', Emissions data table A, page 51
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Report 2022, Chapter 'Appendix', Section 'Emissions data', Emissions data table A, page 51
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability Report 2022, Chapter 'Appendix', Section 'Emissions data', Emissions data table B, page 51
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Sustainability Report 2022, Chapter 'Tackling waste', <u>pages 24 to 27</u>
	306-2 Management of significant waste-related impacts	Sustainability Report 2022, Chapter 'Tackling waste', <u>pages 24 to 27</u>
	306-3 Waste generated	Sustainability Report 2022, Chapter 'Appendix', Section 'Waste data', page 53
	306-4 Waste diverted from disposal	Sustainability Report 2022, Chapter 'Appendix', Section 'Waste data', pages 53 and 54
	306-5 Waste directed to disposal	Sustainability Report 2022, Chapter 'Appendix', Section 'Waste data', pages 54 and 55
Agriculture, aquaculture and fishing sector standard	13.9.1 Food security	Sustainability Report 2022, Chapter 'Seed to store', Section 'Responsible sourcing', <u>page 13</u> https://www.aldi.ie/supply-chain-resources
Material topic: Food waste	3-3 Management of material topics	Sustainability Report 2022, Chapter 'Tackling waste', <u>pages 24 and 25</u> https://www.aldi.ie/food-waste
Material topic: Healthy options	3-3 Management of material topics	Sustainability Report 2022, Chapter 'Customers and communities', Section 'Healthy living is a given', pages 29 and 30
Material topic: Human rights in the supply chain	3-3 Management of material topics	Sustainability Report 2022, Chapter 'Seed to store', Section 'Human rights in the supply chain', <u>pages 14 and 15</u>

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GRI content index continued

GRI standard	Disclosure	Location
Agriculture, aquaculture and fishing sector standard	13.13 Land and resource rights	Sustainability Report 2022, Chapter 'Seed to store', Section 'Sustainable agriculture', <u>page 10</u>
Material topic: Looking after our customers	3-3 Management of material topics	Sustainability Report 2022, Chapter 'Customers and communities', Section 'Looking after our customers', <u>pages 31 and 32</u>
Material topic: Packaging	3-3 Management of material topics	Sustainability Report 2022, Chapter 'Tackling waste', <u>pages 26 and 27</u>
Material topic: Responsible sourcing policies and commitments	3-3 Management of material topics	Sustainability Report 2022, Chapter 'Seed to store', Section 'Responsible sourcing', <u>pages 12 and 13</u>
Agriculture, aquaculture and fishing sector standard	13.23 Supply chain traceability	Sustainability Report 2022, Chapter 'Appendix', Section 'Third-party certifications for our products and commodities', page 43
Material topic: Emissions across our value chain	3-3 Management of material topics	Sustainability Report 2022, Chapter 'Our environmental impacts', Section 'Climate change', pages 17 and 18
Material topic: Sustainable agriculture	3-3 Management of material topics	Sustainability Report 2022, Chapter 'Seed to store', Section 'Sustainable agriculture', <u>pages 9 to 11</u>
Agriculture, aquaculture and fishing sector standard	13.3 Biodiversity	Sustainability Report 2022, Chapter 'Seed to store', Section 'Sustainable agriculture', <u>page 10</u> Sustainability Report 2022, Chapter 'Our environmental impacts', Section 'Environmental impacts of stores, RDCs and offices', <u>pages 21 and 22</u>
Agriculture, aquaculture and fishing sector standard	13.7 Water and effluents	Sustainability Report 2022, Chapter 'Our environmental impacts', Section 'Water management', <u>page 23</u>

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GRI general disclosures data

GRI 2 General Disclosures					
	1. The organization and its reporting practices				
GRI 2-1	GRI 2-1 Organizational details				
		Aldi Ireland			
	The organization shall:				
GRI 2-1-a	a. report its legal name	ALDI Stores (Ireland) Limited			
GRI 2-1-b	b. report its nature of ownership and legal form	Private limited company			
GRI 2-1-c	c. report the location of its headquarters	Ireland			
GRI 2-1-d	d. report its countries of operation	Ireland			
GRI 2-2	GRI 2-2 Entities included in the organization's sustainability reporting				
GRI 2-2- a	a. list all its entities included in its sustainability reporting	Aldi Ireland			
GRI 2-2-b	b. if the organization has audited consolidated financial statements or financial information filed on public record, specify the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting	N/A			
GRI 2-2-c	c. if the organization consists of multiple entities, explain the approach used for consolidating the information, including: i. whether the approach involves adjustments to information for minority interests;	No adjustments are made to the consolidated results. There are no minority interests/mergers/acquisitions/full or partial disposals.			
	ii. how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities;iii. whether and how the approach differs across the disclosures in this Standard and across material topics.				
GRI 2-3	GRI 2-3 Reporting period, frequency and contact point				
GRI 2-3- a	a. specify the reporting period for, and the frequency of, its sustainability reporting	1 January to 31 December, annually			
GRI 2-3-b	b. specify the reporting period for its financial reporting and, if it does not align with the period for its sustainability reporting, explain the reason for this	Calendar year			
GRI 2-3-c	c. report the publication date of the report or reported information	22 December 2023			
GRI 2-3-d	d. specify the contact point for questions about the report or reported information	aldicr@aldi.co.uk			

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GRI general disclosures data continued

GRI 2 General Disclosure	s		
GRI 2-4	GRI 2-4 Restatements of information		
GRI 2-4-a	a. report restatements of information made from previous reporting periods and explain:	No	
GRI 2-4-a(i)	i. the reasons for the restatements;	N/A	
GRI 2-4-a(ii)	ii. the effect of the restatements.	N/A	
GRI 2-5	GRI 2-5 External assurance		
GRI 2-5-a	a. describe its policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved;	Our financials are audited annually. We also assure our publicly reported food waste data. This is then presented to the CEO of Aldi UK and Ireland.	
GRI 2-5-b	b. if the organization's sustainability reporting has been externally assured:	No	
GRI 2-5-b(i)	i. provide a link or reference to the external assurance report(s) or assurance statement(s)	Assured annual financials posted at Companies House	
GRI 2-5-b(ii)	ii. describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;	Financials as per legal requirement	
GRI 2-5-b(iii)	iii. describe the relationship between the organization and the assurance provider.	The assurance provider is independent of Aldi.	
	2. Activities and workers		
GRI 2-6	GRI 2-6 Activities, value chain and other business relationships		
GRI 2-6-a	a. report the sector(s) in which it is active	Construction, recruitment, agriculture, aquaculture, and fishing, food and beverages, textiles and apparel, utilities, renewable energy, forestry, real estate, trading, distribution and logistics, packaging, retail	
	d. describe significant changes in 2-6-a, 2-6-b, and 2-6-c compared to the previous reporting period.	N/A	

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Pay gap data

GRI 405

GRI 405-2

Gender pay gap

Gender pay gap 2022			Gender pay gap 2021				
	Female	Male	% difference female v male	Female	Male	% difference female v male	Difference (2021 v 2022)
Mean	£12.19	£13.55	10.04%	£11.57	£12.83	9.82%	+0.22
Median	£10.80	£11.83	8.71%	£10.36	£11.08	6.5%	+2.21

Bonus pay gap

Bonus pay gap 2022			Bonus pay gap 2021				
	Female	Male	% difference female v male	Female	Male	% difference female v male	Difference (2021 v 2022)
Mean bonus	£365.91	£339.47	7.23%	£585.55	£585.55	36.78%	+0.22
Median bonus	£229.87	£229.87	0.00%	£434.21	£434.21	26.84%	+2.21
Received a bonus	14%	15%	-6.7%	91%	85%	7.1%	

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Emissions data

Ireland totals		
Emissions data table A: our direct emissions		2022
Emissions Scope		tCO ₂ e
Scope 1		7,895.49
Scope 2 (market-based)		0
UK and Ireland totals	2022	!
Emissions data table B: our indirect emissions	% (location-based)	% (market-based)
Emissions Scope and Scope 3 Category		
Scope 3 ³⁰	99.23%	99.61%
1. Purchased Goods and Services	96.80%	97.17%
2. Capital Goods	0.44%	0.44%
3. Fuel-related Emissions	0.20%	0.20%
4. Upstream Transportation and Distribution	0.10%	0.10%
5. Waste Generated in Operations	0.02%	0.02%
6. Business Travel	0.00%	0.00%
7. Employee Commuting	0.04%	0.04%
8. Upstream Leased Assets		
9. Downstream Transportation and Distribution		
10. Processing of Sold Products		
11. Use of Sold Products	0.39%	0.39%
12. End-of-life Treatment of Sold Products	1.245	1.24
13. Downstream Leased Assets		
14. Franchises		
15. Investments		
Total all Scopes	100%	100%

³⁰ Disclaimer: Aldi UK and Ireland are currently in the process of reviewing all our calculation methods and data quality for our Scope 3 emissions categories to ensure accuracy and completeness.

Our global parent business has established new and ambitious targets, supporting the transition to net zero. These require a thorough evaluation and realignment of our current supply chain emissions data, a process which our team are hard at work completing this year.

Packaging data

GRI 301

Materials data table A: materials used by weight

GRI 301-1-a(i)

Data point	2022 (tonnes)
Aluminium	771.02
Steel	2,775.98
Glass	11,890.3
Plastic	12,496.6
Other	61.01
Wood	4.22
Paper	8,359.48

Own-label primary packaging only. Other packaging includes materials such as cork, ceramic and rubber. Please note this list is not exhaustive.

Materials data table B: recycled input materials used

GRI 301-2

Data point	2022 (tonnes)
Total recycled input material used	18,532.84
Total input material used	36,358.61

Materials data table C: percentage of recycled input material used

GRI 301-2-a

Data point	2022 (tonnes)
Percentage of recycled input material used	51%

Own-label primary packaging only.

Materials data table D: reclaimed products and their packaging materials

GRI 301-3-b

Ireland

Data is collected from our business partners and uploaded into a data portal owned by our data compliance partner, Valpak. This information was compiled from the data reports from the Valpak portal.

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Waste data

GRI 306

GRI 306-3-a

Waste data table A: total waste

Data point	2022 (tonnes)
Total waste generated in metric tonnes, broken down by waste category:	22,529.41
Commercial/co-mingled waste	404.00
Hazardous waste	19.80
Metal	84.00
Paper, cardboard, corrugate	16,989.00
Plastic film	568.00
Other plastic	1.39
Waste Electrical and Electronic Equipment (WEEE)	34.53
Wood	163.82
Food waste	4,624.8731

³¹ Includes donated food and waste sent to anaerobic digestion

GRI 306-3-b

Please provide any contextual information, if necessary, in order to understand how the data has been compiled.

Each of Aldi's RDCs collates the data on a monthly basis for the majority of the waste streams based on invoices they are receiving from Aldi's waste providers, who collate the waste data. The exception to this is general waste, cardboard and plastic film, which are nationally managed contracts, and data is collated nationally and provided to us by the service provider. Food waste is calculated by adding weights into Aldi's systems against each product and multiplying by the number of units written off within stores and RDCs. Food waste does not include supplier QC rejections, as this is supplier owned stock.

GRI 306-4-a

Waste data table B: waste diverted from disposal

Data point	2022 (tonnes)
Total weight of waste diverted from disposal in metric tonnes, broken down by waste category:	22,888.28
Commercial/co-mingled waste	404.00
Hazardous waste	19.80
Metal	84.00
Paper, cardboard, corrugate	16,989.00
Plastic film	568.00
Other plastic	1.39
WEEE	33.40
Wood	163.82
Food surplus	4,624.87
Food waste	28,787

Waste data continued

GRI 306 continued

GRI 306-4-b

Waste data table C: hazardous waste diverted from disposal

Data point		2022 (tonnes)
Total weight of hazardous waste diverted from disposal in metric tonnes, and a breakdown of this total by the following recovery operations:	On site	Off site
i. Preparation for reuse		
ii. Recycling		15.70
iii. Other recovery operations (incinerated)		4.10
Total weight of hazardous waste diverted from disposal in metric tonnes	0.00	15.70

GRI 306-4-c

Waste data table D: non-hazardous waste diverted from disposal

Data point	2022 (tonnes)
Total weight of non-hazardous waste diverted from disposal in metric tonnes, and a breakdown of this total by the following recovery operations:	On site Off site
i. Preparation for reuse	137.73
ii. Recycling	22,323.35
iii. Other recovery operations (incinerated)	407.40

GRI 306-5-a

Waste data table E: waste directed to disposal

Data point	2022 (tonnes)
Total weight of waste directed to disposal in metric tonnes, and a breakdown of this total by composition of the waste:	1.13
WEEE	1.13

GRI 306-5-b

Waste data table F: hazardous waste directed to disposal

	2022 (tonnes)
On site	Off site
	4.10
	0.00
	0.00
	4.10
	15.70
	On site

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Waste data continued

GRI 306 continued

GRI 306-5-c

Waste data table G: non-hazardous waste diverted from disposal

Data point	2022 (tonnes)	
Total weight of non-hazardous waste diverted from disposal in metric tonnes, and a breakdown of this total by the following recovery operations:	On site Off site	
i. Incineration (with energy recovery)	407.40	
ii. Incineration (without energy recovery)		
iii. Landfilling	1.13	
iv. Other recovery operations (reuse)	137.73	
v. Other recovery operations (recycled)	22,323.35	

GRI 306-5-e

Please provide any contextual information, if necessary, in order to understand how the data has been compiled.

Each of Aldi's RDCs collates the data on a monthly basis for the majority of the waste streams based on invoices they are receiving from Aldi's waste providers, who collate the waste data. The exception to this is general waste, cardboard and plastic film, which are nationally managed contracts, and data is collated nationally. Food waste is calculated by adding weights into Aldi's systems against each product and multiplying by the number of units written off within stores and RDCs. Food waste does not include supplier QC rejections, as this is supplier owned stock.

