



Introduction

We are pleased to publish our 2022 Gender Pay Gap report. In this report we'll talk to you about our approach to diversity and inclusion, what gender pay means and why it matters, and we'll share with you our first set of gender pay gap results and actions.

At ALDI, we are a company built on merit and opportunity. Our growth means that we can provide career opportunities for everyone, whatever their background and wherever they work in our business.

We truly value our people. Without them we wouldn't be who we are today. We know that in an inclusive environment, there's space for our great people to do great things. We have and will continue to build a **diverse, inclusive, and supportive workplace** for everyone, and we are making positive changes to the way we attract, recruit and support our people.

A core element of diversity and inclusion, and something we are committed to addressing through our diversity and inclusion **Embrace Strategy**, is looking at the progression of women into senior roles and understanding what we need to do better. This aligns with the recent Gender Pay Gap legislation introduced by the Irish government this year, that highlights the progression of women in the workforce and requires us to report on our gender pay gap every year starting from 2022.

We are fully committed to supporting the progression of women in ALDI as part of our ongoing work to ensure our culture and workplace is inclusive, respectful and equal for all.

Embrace at ALDI

In 2021, we launched our **Embrace Strategy** to help us on our diversity and inclusion journey. Embrace means creating positive change from the inside out so that ALDI lives diversity and inclusion. There are five key pillars: *Employee Engagement and Support, Employee Insights and Data, Partnerships and External Engagement, Employer Branding (Attraction and Selection) and Learning, Development and Awareness Raising*. Under each of these pillars we have initiatives and trainings to ensure we are working towards making the workplace more inclusive, diverse, and equal for our people.

To learn more about diversity and inclusion at ALDI, and our Embrace Strategy, visit ALDIREcruitment.ie/diversity-inclusion

What's the Gender Pay Gap all about?

In 2021, the Irish government introduced a new Gender Pay Gap legislation which means that employers with more than 250 employees in Ireland are required to report their gender pay gap on an annual basis, starting in 2022.

We are required to take a snapshot of our data at a date in June 2022 and publish our results by the same date in December 2022.

Why?

The aim of this legislation is to highlight the progression of women in the workforce into better paid roles and holds employers responsible and accountable to address the issue. It follows similar legislation already in place in the UK and across the globe.

So, what is Gender Pay?

When looking at gender pay, it's important to be very clear about what it means and what it doesn't mean. Gender pay is not the same as equal pay and it's important to distinguish between them as the two can often be confused.

Gender Pay measures the difference between the average pay of all men in the workforce and the average pay of all women in the workforce, regardless of type or level of role. It's a group comparison that highlights any differences in the distribution of men and women across the workforce.

Equal pay measures the difference in the pay of men and women doing the same role, similar role or work

of equal value. It's an individual comparison that highlights if there are any differences in pay related specifically to gender.

At ALDI, our colleagues' pay depends solely on their job and how long they have worked for us. As no other factors are taken into account when determining pay, we have equal pay at ALDI.

While a company can deliver equal pay to individual men and women, it can still have a gender pay gap. This is due to a range of factors that have historically impacted the progression of women in the workplace. The most recent average pay gap in the EU is 13.0%.

In this report, we will focus on gender pay.

Measuring Gender Pay

As part of the new legislation, we are required to report on a number of statistics when measuring gender pay. These are:

The **median and mean** hourly pay gap

The bonus pay gap

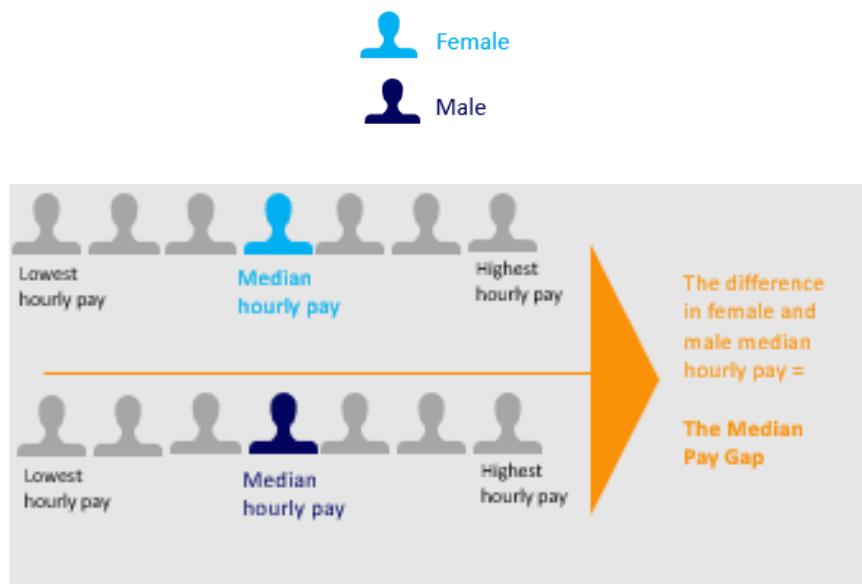
% of employees receiving bonus

% of employees receiving BIK (benefit in kind)

Our pay quartiles

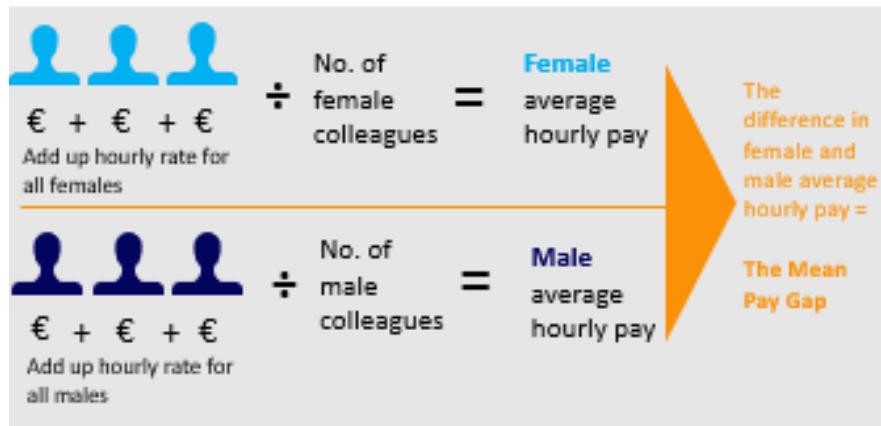
What is the Median Pay Gap?

The median pay gap finds the woman who earns more than half the other women in the company, and less than the other half – the one right in the middle – and compares her earnings to the man in the same position.



What is the Mean Pay Gap?

The mean pay gap is the difference between the average hourly rate of pay for women, compared to the average hourly rate of pay for men.



Our 2022 Gender Pay results

Measuring our Pay Gap

Median Pay Gap

All employees 2.2%

Part time employees 1.6%

Temporary employees -1.1%

We are delighted to report our low median pay gap of just 2.2%. This result reflects that most of our roles are store roles, and our practice of determining pay based solely on job type and tenure in the role.

Mean Pay Gap

All employees 13.2%

Part-time employees 1.6%

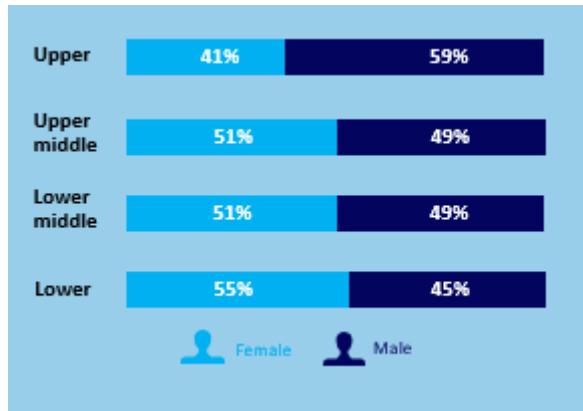
Temporary employees -7.6%

Our mean pay gap is 13.2%, which means the average hourly pay for females is 13.2% lower than that of males. This compares to the most recent EU average of 13%. So, while we are in line with organisations across Europe, we know, like others, we have work to do.

The key contributing factor to this gap is a higher proportion of men in more senior higher paid roles. This challenge is not unique to ALDI and is a common issue within the retail sector. There is no quick fix; it will take time. But we as an organisation are absolutely committed to addressing this issue and closing our gender pay gap in the years ahead.

Our Pay Quartiles

We are also required to rank the pay of all employees from lowest to highest and split our workforce into four groups based on the hourly pay. We then show the proportion of male and female colleagues within each of the four pay quartiles.



Here you can see our upper quartile, and the highest paid employees within ALDI, is made up of 59% men and 41% women. We know, as previously mentioned, this is the key contributing factor to our mean gender pay gap.

Measuring our Bonus Gap

Median Bonus Gap 0%

We are delighted to share that we do not have a median bonus gap at ALDI. This reflects that, within the small portion of our salaried workforce that receive bonus, we offer the same bonus opportunities as we all contribute towards ALDI's business objectives.

Mean Bonus Gap -3%

There is a small difference in our mean bonus gap in favour of women. This reflects that in addition to our regular bonus arrangements, salaried employees can receive, for example, retention and referral payments and a slightly higher proportion of women received these.

The legislation also requires us to report on the % of employees receiving both a bonus and benefit in kind, which we have outlined below.

Under the regulations, benefit in kind is classified as a benefit with cash value. We offer our employees a number of benefits with cash value, most notably in offering gift vouchers and health insurance to qualifying employees. There is little difference in the proportions of males and females receiving benefit in kind, which we believe is predominantly driven by our recognition programme being open to all employees in ALDI.



Reducing our Gender Pay Gap

We know that we have a gender pay gap and we are committed to closing this. Read on to find out about the key initiatives we have in place to reduce our gap over the coming years.

Women in Leadership Mentorship programme

We are delighted to be in the process of developing a female Mentorship Programme with one of our long-standing training partners, 'Develop Potential'. It will be launched in 2023 and its objective is to support diversity and gender balance at senior management levels by ensuring female talent is more visible.



Employees who take part in the programme will have the opportunity to attend a series of workshops to grow their leadership skills as well as receive 1:1 external coaching. We look forward to rolling this out over 2023.

Flexible working

We have ways of working in place to support our colleagues towards more flexible working to suit their personal circumstances.

- Retail colleagues: We offer a number of different contracts to our employees, starting at 15 hours per week for our store staff. Colleagues can also request to flex their standard hours up or down to suit their personal circumstances.
- Store Managers: They can request a shorter working week and we will work with each colleague on an individual basis to assist with their personal circumstances.
- Office colleagues: We have a hybrid working policy where colleagues can work 2 days at home and 3 days in the office. They can also speak with their manager to request part-time working hours, and this is reviewed on a case-by-case basis.

Attraction and Selection

We remain committed to ensuring that equal opportunities are offered throughout our selection process.

And to further support the development of colleagues' careers, a transparent and objective career progression (succession planning) model was launched in 2017 and is still in place today.

Diversity and Inclusion Training

We provide Diversity and Inclusion training for Executive Managers and above, facilitated by Greenpark. This aims to promote a better understanding of diversity and inclusion and give managers the tools and language to have positive conversations about inclusion and equality

Employee Listening

In 2021, we set up confidential groups to help colleagues share their experiences. The groups provide colleagues' perceptions, views, and challenges, and give us a better understanding of the positive changes we can make to ensure ALDI lives diversity and inclusion.

We also launched an Embrace survey to all colleagues in 2021 to find out if people feel they can be themselves at work and that they're being treated equally. We will use these insights to continue to make positive changes at ALDI.

We plan to regularly review our progress and focus on the areas where we need to do better. We are committed to providing a diverse, inclusive and supportive workplace and clear and equal opportunities for all colleagues to progress their careers and continue to do great work at ALDI, regardless of their gender. We look forward to bringing you on our gender pay and diversity and inclusion journey at ALDI.