

### **Sustainable Development Goals**

On 1 January 2016, the United Nations 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs) came into force. These goals include the elimination of poverty and hunger, the achievement of gender equality and empowerment of women and girls to lead self-determined lives, the creation of peaceful, fair, and just societies, and the promotion of environmental protection and the sustainable use of natural resources. All member states of the United Nations have committed to achieving these and other goals by 2030.

Companies are requested to contribute to the implementation of these global goals. We at ALDI SOUTH are aware of our responsibility as one of the world's most successful retailers. Our international structure, our market position, our decades of experience, and the daily commitment shown by our more than 130,000 employees (as of 2017) provide us with the potential to make important contributions to increasing sustainability.

We consider the Sustainable Development Goals within the scope of defining our goals and have incorporated them within our selection of sustainability-related topics for our materiality analysis 2017.

We promote the achievement of these global goals by participating in initiatives and implementing a range of sustainability policies. Please find some examples for our commitment below.

# Examples of ALDI SOUTH's contribution to the Sustainable Development Goals



### Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture

We offer our customers a select range of everyday, high-quality products at best-possible prices. As a discount retailer, we wish to enable all of our customers to afford high-quality products and maintain a healthy and varied diet with our food products.

CR Report 2017: Customers

We support people in need of food donations by forwarding merchandise which was removed from sale but is still fit for consumption to charitable organisations.

CR Report 2017: Community

We strive to increase the sustainable use of resources. Regarding a number of product groups and resources, we have defined binding requirements to be fulfilled for our private label products, which both our Buying teams and suppliers are obliged to adhere to. We closely collaborate with our suppliers and continuously further develop our standards in order to implement these requirements. Moreover, we cooperate with nongovernmental organisations in order to increase sustainability throughout our supply chains – for fair living conditions in our countries of production, sustainable cultivation of resources, and the protection of the environment.

CR Report 2017: Resources



### Goal 3: Ensure healthy lives and promote well-being for all at all ages

We want to make it as simple as possible for our customers to lead a healthy and active lifestyle. For this reason, we have an international strategy on the topic of health and well-being in place, which was subsequently adapted to national market requirements by the individual national business operations of the ALDI SOUTH Group and is now successively implemented worldwide.

CR Report 2017: Customers

In each of our countries of operation, we support initiatives which offer effective and sustainable community services. We commit to long-term partnerships with selected charitable organisations, which are primarily active within the areas of education, health, nutrition, social affairs, and environment.

CR Report 2017: Community



### Goal 5: Achieve gender equality and empower all women and girls

We do not tolerate any form of discrimination as these contradict the honest and respectful manner of interacting with each other that we perceive as a central element of our corporate culture. As a matter of principle, in all national business operations of the ALDI SOUTH Group, men and women in identical positions receive equal pay. Moreover, all of our national business operations have established independent complaints mechanisms which employees may use if they feel discriminated against or in the event of other breaches of regulations.

### **CR Principles**

With the ALDI Factory Advancement (AFA) Project PLUS, we support production facilities in Bangladesh towards improving their internal childcare offers to enable in particular women to pursue a career.

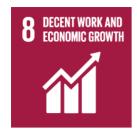
**ALDI Factory Advancement Project** 



### Goal 6: Ensure availability and sustainable management of water and sanitation for all

By pledging our voluntary commitment, we support the goals of the Greenpeace Detox campaign. We aim to eliminate certain chemicals from the production of textiles and footwear by 2020. Among other things, this measure is to prevent the discharge of harmful substances into water bodies in our countries of production. By means of increased ecological requirements to be fulfilled by textile production, we strive to improve environmental protection and the safety of workers on-site.

**Detox Commitment** 



## Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

ALDI SOUTH is a family-owned business with a long tradition. Ever since the company's beginnings, large parts of the profits generated have been invested into maintaining and further developing our business operations and, thereby, providing secure jobs for our employees.

### **CR Principles**

The ALDI 'Social Standards in Production' define our commitment to human rights and fair labour standards. We expect all of our suppliers and business partners to adhere to these standards as well as to other specific requirements, which go beyond these standards, and form binding parts of our contractual relationship.

ALDI "Social Standards in Production"

We monitor working conditions and social standards at the production facilities throughout our supply chain as part of our social compliance activities and the Social Monitoring Programmes. Moreover, we supplement external audits with internal reviews and cooperate with our partners in order to continuously improve social and environmental standards in production.

CR Report 2017: Suppliers

We strive to improve our employees' health and well-being. This involves not only the prevention of workplace accidents but also various measures and initiatives concerning the protection and promotion of overall health.

CR Report 2017: People



#### Goal 12: Ensure sustainable consumption and production patterns

Our aspiration is that all our products be made in a sustainable way. We consider environmental and social criteria, including animal welfare, throughout our product supply chains – from raw materials to final production.

**CR Principles** 

By offering certified organic and local products as well as products certified by organisations such as Fairtrade and Rainforest Alliance, we enable our customers to purchase sustainable products at discount prices.

CR Report 2017: Customers

A special focus is on those resources which are most relevant for our product range at international level and are characterised by a high need for action. At present, these include wood, palm oil and palm kernel oil, coffee, cocoa, fish and seafood, and cotton, as well as the topic of animal welfare.

CR Report 2017: Resources

On a regular basis, we assess the potential risks related to social and environmental standards connected to the production of goods in certain regions. Based on the results, we then prioritise our planned measures accordingly. By means of suitable monitoring approaches, audits, and training measures, we strive to ensure that our suppliers are able to fulfil our requirements. For several years now, a major focus of our efforts has been on the production of textiles and footwear in Bangladesh, China, and other countries in Asia.

CR Report 2017: Suppliers

Wherever possible, we employ energy-efficient modern technologies, such as state-of-the-art refrigeration systems and LED lighting. In several of our countries of operation, we already use green electricity, which is produced without any carbon emissions, only. We focus on conserving fuel within the scope of our logistics operations by optimising the capacity utilisation of our logistics vehicles, developing new logistics concepts, and operating a modern fleet of vehicles. We increasingly use more environmentally friendly refrigerants for our chest freezers and chiller cabinets, and we focus on modern, energy-efficient heating technology.

CR Report 2017: Environment

In each of our countries of operation, we support initiatives which offer effective and sustainable community services. We commit to long-term partnerships with selected charitable organisations, which are primarily active in the areas of education, health, nutrition, social affairs, and environment. In addition to monetary donations, we also donate products. For example, we hold sales campaigns where we donate parts or the entirety of the sales proceeds of a selected product. This way, we not only generate donations on behalf of our cooperation partners but at the same time enable them to raise awareness of their visions and activities among millions of customers.

CR Report 2017: Community



### Goal 13: Take urgent action to combat climate change and its impacts

Our climate protection goal is to reduce our greenhouse gas emissions – measured in carbon equivalents per square metre of sales floor – by at least 30% by 2020, compared to the base year 2012. For this purpose, we calculate our Company Carbon Footprint (CCF) on a regular basis. The CCF was last calculated for the year 2016 and will be calculated on a yearly basis as of 2018.

### Company Carbon Footprint

With regard to the implementation of our climate protection strategy, we are making solid progress. The operations of the ALDI SOUTH Group in Germany, Austria, Switzerland, and Slovenia are already climate-neutral. This was achieved through modernisations, the use of electricity from renewable sources, and the compensation of unavoidable emissions by supporting various climate protection projects.

CR Report 2017: Environment



### Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Across all national business operations of the ALDI SOUTH Group, we have increased the sustainability of our range of fish and seafood products. All national business operations have defined Corporate Buying Policies at national level, which are binding for both our suppliers and our Buying teams. We regularly review our range of fish and seafood products on the basis of external expertise – provided, among others, by representatives of Greenpeace and the Sustainable Fisheries Partnership (SFP) – taking into account aspects, such as species, catchment area, and catchment methods. Over the last few years, we have continuously increased the percentage of certified products included in our product range.

CR Report 2017: Resources



# Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

We perceive our participation in relevant networks, committees, and multi-stakeholder initiatives as an opportunity to take an active role in facilitating change, further developing standards, and exchanging experience across sectors.

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**UN Global Compact** 

Moreover, we are an active member of various organisations, such as the Roundtable on Sustainable Palm Oil (RSPO), the Roundtable on Responsible Soy, and the amfori business association, which aims to increase sustainability throughout the participating companies' supply chains.