



Compliance and risk management

In addition to the requirements defined by national and international law, the ALDI SOUTH Group is committed to upholding its own set of ethical values and standards. The Code of Conduct of the ALDI SOUTH Group, which defines our expectation of integrity and legal compliance, was approved in 2015. The Code of Conduct forms the basis for the national codes of conduct which provide guidance for our employees worldwide.

Comprehensive training

All employees receive regular training to keep them up to date on relevant legal topics. The frequency and scope of these training measures are aligned with the requirements of the different areas of responsibility. For example, the training measures provided for employees within our Buying departments cover areas such as competition law, while employees with HR responsibilities are trained in areas such as data protection. We also organise tailored individual training sessions on the adequate handling of customer data.

Alert lines

We have created independent points of contact within all national organisations of the ALDI SOUTH Group. Our employees and, in most countries, our third-party service providers and suppliers can contact these alert lines in order to report potential instances of non-compliance, discrimination, or other forms of misconduct. To ensure that incidents are in fact reported and the individuals remain anonymous, all information is anonymised and treated as confidential on request before being forwarded to the responsible parties within the ALDI SOUTH Group.

In line with the relevant national framework conditions, alert lines have been established in the United Kingdom, Ireland, the US, Australia, and China. In Germany, Austria, Slovenia, Switzerland, Hungary, and Italy, independent counsels of trust are available. These counsels of trust serve as a neutral point of contact. The process allows both the informant and the person(s) against whom a complaint has been made to state their view.

Internal structures for a zero-tolerance policy

The internal monitoring system of the ALDI SOUTH Group is supported by the International Internal Auditing department. This department performs regular audits in accordance with specific standards. We thoroughly investigate any irregularities detected and adhere to a zero-tolerance policy with respect to violations of our Code of Conduct. If a supplier or service provider is found to have committed a serious violation, we reserve the right to terminate the business

relationship. Serious misconduct by an employee may result in termination of the employment contract and claims for damages.

We monitor working conditions and social standards at the production facilities used throughout our supply chain as part of our Social Monitoring Programme. Moreover, we supplement external audits with internal reviews and work together with our business partners to continually improve social and environmental standards in production throughout the supply chain.

Data protection

Within the scope of its business operations, the ALDI SOUTH Group processes personal data. In individual cases, the national organisations of the ALDI SOUTH Group process personal customer data, mostly in order to follow up on complaints, but also in order to adjust our offers even better to the requirements of our customers. We strive to collect only data absolutely required for the specific purpose and treat all data confidentially in accordance with the applicable national laws. Within the scope of our online business operations in China and the United Kingdom as well as for the purpose of home deliveries in Germany and Austria, data is gathered, processed, and stored in accordance with each country's applicable legal requirements. Prior to releasing new systems, processes, and individual measures, the responsible data protection officers are consulted. In Germany, an external data protection officer can also be contacted in the event of questions concerning data collection and processing.

Risk management

To ensure our company's success and future operations, we have established appropriate risk management systems at both national and international level. We analyse existing risks, monitor future trends, and evaluate different scenarios to regularly identify, assess, and evaluate arising uncertainties. It is our aim to effectively mitigate and manage risks, and to ultimately prevent them wherever possible.

The risk management approach taken by the ALDI SOUTH Group is subject to continuous improvement. In 2014, we established an international Risk Management and Compliance department. At the same time, a risk management system based, among other things, on the internationally recognised COSO Enterprise Risk Management framework was also introduced.

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