



Aldi UK and Ireland Modern Slavery Statement 2023

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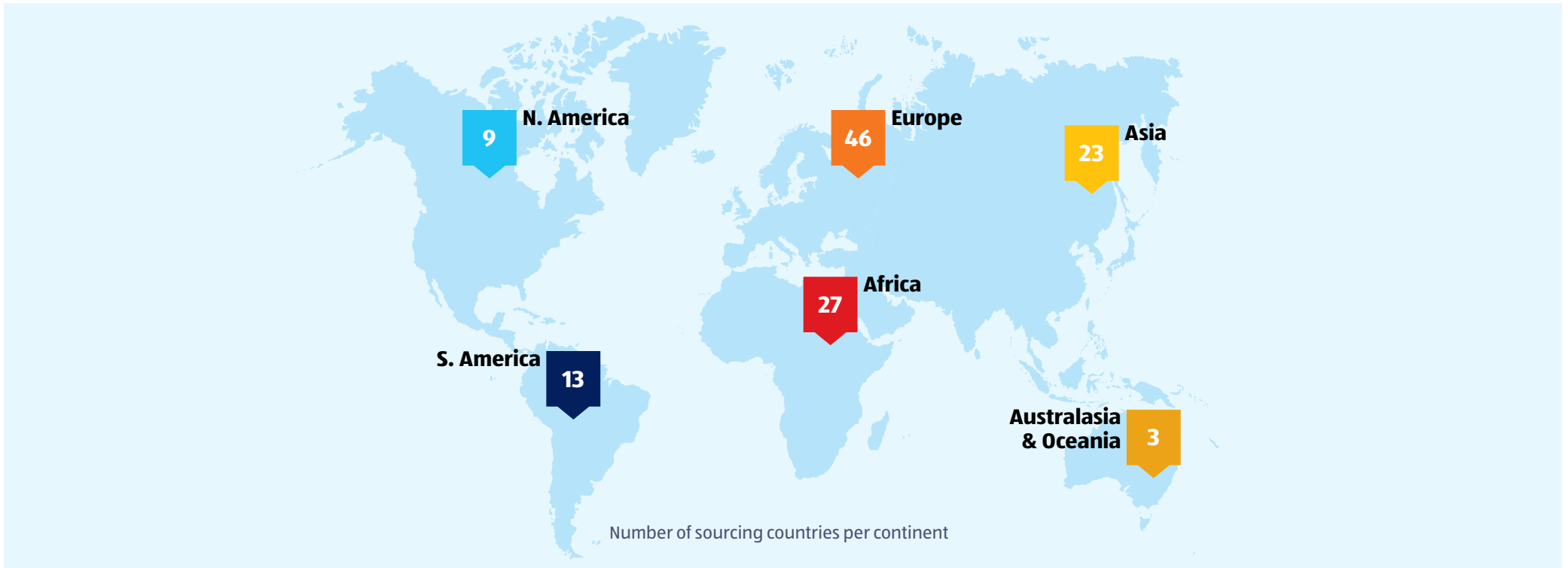


This statement is published in accordance with Section 54 of the UK Modern Slavery Act 2015*. It explains the steps taken by Aldi UK and Ireland and other relevant group companies during the year ending 31st December 2023 to prevent modern slavery in our business and supply chain.

Human trafficking, forced labour and the exploitation of vulnerable workers are abuses of basic human rights that have no place in our business or supply chain. Preventing these abuses from happening is a global, complex issue that Aldi, its partners, and suppliers, are committed to addressing.

*While there is no equivalent legislation in Ireland, Aldi follows the principles of this Act in Ireland as best practice.





INTRODUCTION

Aldi operates with honesty and integrity wherever we do business around the world. We are committed to human rights and fair labour practices and expect all the people in our supply chains who grow, make and supply our products to be treated with fairness, respect and dignity.

Modern slavery is a global problem that continues to impact every economy, industry and sector. As of September 2022, an estimated [49.6 million people](#) were trapped in modern slavery, including nearly 28 million in forced labour.

Our approach to tackling modern slavery is to understand how and where it can occur in our global supply chains and to implement processes and measures to prevent it. This involves working in partnership with our suppliers, their business partners and cross-industry with third parties to make a difference together.

ORGANISATION STRUCTURE AND SUPPLY CHAINS

Aldi UK and Ireland is part of the Aldi South Group, an international supermarket chain that operates more than 7,300 stores across 11 countries (Germany, Austria, Switzerland, Slovenia, Hungary, Italy, USA, UK, Ireland, Australia and China).

Aldi is the fourth-largest grocer in the UK by market share with more than 1,020 UK stores and over 160 in Ireland.

In 2023, Aldi UK and Ireland had 2,922 direct suppliers in 34 different countries and sourced from 11,769 production facilities across 89 countries (excluding produce suppliers). In addition, as of September 2023, we had 176 fresh produce suppliers across 9 countries using 427 approved packhouses in 16 countries supplied by 20,775 grower sites from 84 countries.

Although we do not own the companies or sites that we source from, we strongly believe in collaboration as key to succeeding

and work with suppliers to ensure working conditions meet our standards. Our global reach makes this an ongoing and complex process, but it's one we're committed to getting right.

Our National Sustainability Department is accountable for delivering our modern slavery strategy in the UK and Ireland, and is headed up by Liz Fox, National Sustainability Director. Liz and her team work closely with our National Buying Department, Aldi South Group's International Sustainability Department and our offices based in Bangladesh and Hong Kong.

Aldi South Group's CEO of Global Sourcing and International Sustainability is Christoph Schwaiger.



KEY PROGRESS IN 2023

Aldi UK and Ireland has a targeted, risk-based approach to modern slavery. We focus on the areas of our business and our supply chain where the level of risk is highest – including logistics, produce and flowers, recruitment and construction.

We record and fully investigate all modern slavery reports, collaborating with expert partners including Slave-Free Alliance, Unseen and the Wilberforce Institute (see Partnership section). We also often work collaboratively with other retailers when an issue is flagged with a supplier that we source from.

Where there are reports, we work closely with any suppliers involved and have an honest and open dialogue with them. We ensure any issues

found are remediated and measures are put in place to mitigate future problems, always following up after the case has been resolved to ensure the measures continue to be implemented properly.

Here are some of our key pieces of work from 2023:

Seasonal Workers Scheme Taskforce

Industry trade bodies, retailers, growers, recruiters and non-profit-making organisations came together in March 2023 to establish the UK's Seasonal Workers Scheme (SWS) Taskforce. The Taskforce's mission is to work collaboratively to develop and implement tangible actions to help safeguard and ensure access to workers' rights in the UK Seasonal Workers Scheme (SWS) and wider UK horticulture.

In 2023, Aldi UK joined SWS Taskforce Workstream 4, which aims to make tangible progress on improving the financial health of workers in the existing SWS. This includes working to eliminate worker-paid recruitment fees and related costs, maximising their overall retained earnings and having a rights-compatible clear process. There will also be defined responsibility for recruitment fee remediation, including root-cause analysis to avoid reoccurrence and abuse.

Grower Roadshows

As part of the SWS Taskforce, which Aldi UK are a member of, seven free regional in-person training sessions took place as part of grower roadshows and three online grower good practice training sessions.

The roadshows reached more than 380 delegates from 150 different growers. All our suppliers were encouraged to attend these sessions and we were pleased to see that we had the second-highest attendance from our suppliers compared with other retailers. This is a testament to their commitment to drive positive changes within the sector.



MODERN SLAVERY ESCALATION PROCESS

This year we finalised and implemented our Modern Slavery Escalation Process with the help of our partner Slave-Free Alliance (SFA). As part of this we have also continued our work with Unseen through our subscription to their Business Portal, providing them with a full list of the suppliers and farms within our supply chain. This ensures that anything reported to the Modern Slavery and Exploitation Helpline from a supplier or farm in our supply chains is shared with the Ethical Team to investigate thoroughly.

If an issue arises, we take a collaborative approach with other retailers who source from the same supplier or farm to ensure the matter is thoroughly investigated. We ensure any identified issues are resolved and take the necessary measures to prevent future problems from occurring, maintaining clear and open communication with the suppliers involved throughout the process.

After the issue has been resolved, we follow up with the suppliers to ensure the suggested measures have been implemented. This helps us to develop a better understanding of our suppliers and their processes, and that any potential issues are addressed effectively.

Construction Management Companies

Construction is a high-risk area for potential incidents of modern slavery and labour abuse in the UK, according to the reported cases that have come through the National Referral Mechanism (NRM).

To address this risk, we actively work in this area with partner organisations, for example continuing our work with Stronger Together.

We have also pursued our work with the construction management companies (CMCs) that help us to build our ever-growing number of stores around the UK by providing them with refresher sessions updating them on any new risks of modern slavery and labour abuse in the Construction Sector and reviewing their implementation of the Modern Slavery Resource Pack for Aldi UK's CMCs, which we developed to help them mitigate against these risks. This included a range of practical tools and templates for risk assessment and risk mitigation. The Resource Pack sets out the standards expected by Aldi for CMCs, and provides guidance, tools, and templates, plus links to further resources where appropriate. Aldi strongly encouraged CMCs to embed the contents of this Resource Pack into any existing processes and ways of working to help ensure a consistent approach to tackling modern slavery across Aldi's construction-related projects, including refurbishments. The feedback received from the CMCs in 2023 was positive, with many agreeing the Resource Pack was helpful to them when analysing their own supply chains and identifying areas of high risk they can focus on.



PARTNERSHIPS

Partnerships play a key role in preventing and addressing modern slavery. This is why we have continued our important work with a wide variety of key partners across the globe and, in 2023, we built a number of vital new relationships and embarked on new initiatives with some of our longstanding partners.

NEW PARTNERSHIP INITIATIVES IN 2023

German Retailers Working Group for Living Income in Coffee

Aldi South are a member of the German Retailers Working Group for Living Income in Coffee. Members of the group are currently collaborating on a project to improve the income and living conditions of producers in their coffee supply chain. The pilot project is scheduled to start in Honduras and Peru at the end of 2024. It is hoped the project will enable long-term and broad-scale changes across the entire sector impacting not only the living income component but also, through project activities, mitigate other pressing issues such as modern slavery or poor working conditions and reduce the workload for supply chain partners.



Olam Food Ingredients – living income gap

The Living Income Gap programme is a four-year collaborative project between the Aldi South Group and Olam Farm Ingredients. The project has segmented and evaluated 1,000 coffee farmers in Honduras, conducting surveys across the supply chain and delivering interventions to narrow the living income gap.

This has included the delivery of 390 technical training sessions in pruning, weeding and harvesting, the supply of 327 pieces of basic equipment to improve yields and the installation of 31 solar dryers.

LONG-STANDING AND CONTINUING PARTNERSHIPS



amfori Business Social Compliance Initiative (BSCI)

The Aldi South Group joined amfori in 2008 and since then has been holding various governance roles in the organisation to support its projects and strategy. As the leading business association for sustainable trade, amfori enables companies to operate successful and responsible businesses, by helping them improve the Environmental, Social and Governance (ESG) performance of their value chains through robust due diligence. Since 2021, Aldi South and North have been active members of amfori's Supply Chain Grievance Mechanism Group. With their expertise, they have contributed to the launch and subsequent scale up of amfori's Speak for Change Programme which is designed to receive complaints from workers, communities and their representatives who believe they have been negatively impacted by amfori members and their business partners. Aldi South has also been a longstanding member of the amfori Sustainability Policy Working group since 2020: the group discusses policy and regulatory developments on due diligence and develops positions accordingly.



Accord

The International Accord is an independent, legally binding agreement between brands and trade

unions that promotes a safe and healthy textile and garment industry. It has a long-established workplace safety programme in Bangladesh and, from January 2023, a new workplace safety programme in Pakistan. Aldi South Group was one of the first signatories of the Accord on Fire and Building Safety in Bangladesh in 2013. Our continued support and commitment to the Accord is demonstrated by our signing of the International Accord for Health and Safety in the Garment and Textile Industry in 2021 and 2023.



Business in the Community Ireland (BITCI)

Aldi Ireland has been a member of Business in the Community Ireland (BITCI) since 2018. BITCI is a movement for sustainable change that aims to inspire and enable businesses to bring about a sustainable, low-carbon economy and a more inclusive society. BITCI supports companies to integrate sustainability into the core of the business strategy and the culture of the organisation. Aldi achieved The Business Working Responsibly Mark in 2020 and was recertified to the Mark in 2023. The Mark has assisted Aldi with the integration of various aspects of EESG such as food waste, plastics and packaging, and energy efficiency.



British Retail Consortium (BRC)

Aldi UK is a member of the BRC and sits on its working groups, which bring the retail industry together to collaboratively improve standards and share best practices.





Causeway

Causeway is a national charity in the UK that exists to support marginalised and vulnerable people to recover from trauma, protect them from further harm, and help them develop independent and fulfilling lives. This includes survivors of modern slavery and those caught in cycles of exploitation and crime.

In 2023, Aldi UK supported Causeway's LifeLink and LifeSupply projects. These two projects address the needs of survivors of modern slavery in the period when they are adapting to their new-found freedom. LifeLink addresses their well-being and educational needs and supports them to build new social networks in places where they often have no prior connection. LifeSupply provides material support such as clothes, bedding and toiletries to help survivors settle into their new lives since they often arrive with nothing but the clothes they are wearing. It also provides ongoing support with things like toys and clothes for their children, baby items and additional clothing and toiletries as required.



Foundation stage member

Ethical Trading Initiative (ETI)

We're proud to be a member of the Ethical Trading Initiative (ETI), a leading alliance of trade unions, NGOs and businesses, working together to advance human rights in global supply chains.

As an ETI member we commit to the ETI Base Code, and are supported by ETI to continuously improve our approach to tackling human rights issues in our supply chains, taking collective action on systemic issues and creating

an enabling environment for workers. Full members are required to meet the ETI Corporate Transparency Framework requirements which set out what we report on publicly in relation to our supply chains.



Just Good Work

Aldi UK supports Just Good Work, which is a free interactive mobile app giving jobseekers and workers critical information and advice for everything needed on the journey to finding work - from recruitment and employment to what life will be like in a new destination and what to do when returning home.



The Mekong Club

The Mekong Club is a non-profit membership-based organisation that works with companies towards eliminating forced labour and modern slavery in their networks and supply chains. Their mission is to inspire and engage the private sector to work together towards creating a slave-free world.



Partnership for Sustainable Textiles and the Living Wage Lab

Aldi became a member of the German Partnership for Sustainable Textiles in 2015. This multi-stakeholder initiative is committed to improving social and environmental conditions in the global textile production. Since 2019, we have been working on the improvement of our purchasing practices as these can have a large

impact on the working conditions and wage payments in production facilities used for Aldi production. Since 2023 we have been working together with other brands in the context of the Closed Loop Pilot project. The two major goals within the project are to develop a circular design guideline for apparel products and to pilot and test a digital product passport.

Living Wage Lab

In September 2021, the "Partnership Initiative on Living Wages" of the German Partnership for Sustainable Textiles entered a new phase and launched the "Living Wage Lab" to support member brands and retailers to implement pilot projects. Together with 16 other members of the partnership, including brands and retailers, trade unions, civil society and the Federal Government, the Aldi South Group continued to progress its work on living wages.



Responsible Recruitment Toolkit (RRT)

We are a founding sponsor of the RRT, a comprehensive online tool and suite of training, supporting businesses to ensure that all workers are recruited in a transparent manner that respects and protects their rights throughout recruitment, work and post-termination. Through our sponsorship, our UK and Irish suppliers have free access to training and the RRT's online self-assessment tool to embed responsible recruitment standards into their business processes.



SEA Alliance

Aldi UK is an active member of the Seafood Ethics Action Alliance (SEA Alliance), a pre-competitive collaboration of retailers and seafood businesses aiming to strengthen human rights due diligence carried out in the global seafood supply chain, and ensure respect for human rights.



Issara Institute

Aldi South Group is a strategic partner for the Issara Worker Voice Programme, providing workers in Thailand with access to grievance mechanisms. The programme is a pre-competitive collaboration of retailers and seafood businesses aiming to strengthen human rights due diligence carried out in the global seafood supply chain.



Spain Ethical Trade Forum

The Ethical Trade Forum is a collaborative initiative that was established in 2015 to promote better working conditions within the Spanish agri-food sector as well as the sustainability sector. As labour and human rights are shared challenges, collaboration is key within the management of the Forums.





Fairtrade Foundation.
Photographed: Flower farm worker Abonesh Kebede.



Stronger Together

Aldi UK is a project sponsor of the Stronger Together (S2G) initiative, an impact-driven not-for-profit working towards a vision of a world where all workers are recruited responsibly and have fair work free from exploitation. In this sector-specific programme, Aldi suppliers are supported in taking action to mitigate modern slavery within their own operations, with their labour providers and throughout their supply chains.



Supplier Ethical Data Exchange (Sedex)

Sedex continues to invest in improving its data-led platform, assessment tools and professional services to support businesses with driving more sustainable practices through global supply chains. This includes its Community events, with sessions to facilitate knowledge-sharing, insights, feedback and discussions on challenges and solutions between businesses. In 2023 Sedex revised its Self-Assessment Questionnaire (SAQ) to make this easier for suppliers to complete accurately while producing more focused insights; revised its SMETA audit methodology to improve critical issue detection (to be released in 2024); brought 600+ experts and business representatives together at its Xplore Sustainability conference; and held over 30 other Community events for its members.



Unseen

Unseen is a charity working towards a world without slavery. They provide safehouses and support in the community for survivors of trafficking and modern slavery. They also run the UK's 24/7 Modern Slavery & Exploitation Helpline, which has received over 60,000 contacts in its seven years of operation. Unseen also works with many different businesses, governments, other charities, and statutory agencies to bring about positive and transformational change. Additionally, Unseen has a Business Services team which work with businesses of all sizes and across all sectors, supporting them with strategies to tackle forced labour in their own operations and their supply chains. As an associate member of Unseen's business hub, Aldi UK has exclusive access to Unseen's business network and expert webinars on related issues. Aldi UK is also a member of Unseen's Helpline Business Portal, which provides access to real-time reports of cases within our sector, and relevant to our supply chain.

During 2023/24, Unseen took over 8,300 incoming helpline calls, over 3,200 web reports and 100 submissions via an app, indicating more than 5,800 potential victims of modern slavery.



Wilberforce Institute

Since 2019, the Wilberforce Institute, a slavery research division at the University of Hull, has worked with Aldi UK and Ireland to identify modern slavery hotspots in supply chains through desk reviews and on-site risk assessments. The Institute has undertaken various site risk assessments in Ireland, Morocco, Spain, and the UK and produced reports on modern slavery risks affecting companies in sectors including logistics, manufacturing, and recruitment. Findings from these assessments have led us to develop bespoke modern slavery awareness training for high-risk areas.



Fairtrade Foundation.
Photographed: Flower farm worker Beredu Sitea.



RISK ASSESSMENT AND MANAGEMENT

To identify the risks in our supply chains, Aldi UK and Ireland regularly conduct human rights risk assessments, audits and supplier assessments, alongside participating in a number of multi-stakeholder initiatives and information-gathering exercises.

In 2023, we continued to carry out a number of on-site modern slavery risk assessments in high-risk categories, including produce.

This has helped us to identify where weak legislation or lack of local compliance increases the risk of modern slavery and has led us to introduce additional requirements to ensure suppliers meet our standards.

The Aldi South Group also conducts Human Rights Impact Assessments in selected high risk supply chains to identify, understand and evaluate potential adverse impacts on workers and other affected rightsholders. For more information see: [Aldi South Group Human Rights Factsheet](#)

SLAVE-FREE ALLIANCE ASSESSMENTS

In 2023, we partnered with Slave-Free Alliance (SFA) to carry out several assessments in business areas which were higher risk on modern slavery. Our focus was on recruitment and logistics supply chains, along with waste management and cleaning services.

We conducted a total of 13 risk assessments on suppliers and sites, providing all suppliers involved with a comprehensive report after the assessment concluded. These included recommendations on how to enhance their due diligence and which areas could be improved to mitigate the risks of modern slavery and labour abuse within their business.

We also returned to several logistics suppliers we had previously conducted assessments at in 2022. We were pleased to learn that they had taken the advice provided in the final reports seriously and we welcomed the feedback they gave on our assessment process. Multiple suppliers have now implemented worker committees, which have facilitated better communication between management and staff, enabling employees to voice their concerns freely.

Working with the Wilberforce Institute to support tomato growers in Southern Spain

In October 2023, the Wilberforce Institute conducted risk assessments of Aldi's tomato growers across the region of Almeria, in Spain. The farming sector in the region is highly dependent on migrant workers from Eastern Europe and Africa. Other previous risk assessments carried out in the area had found many irregular migrant workers from sub-

Saharan Africa living and working in extremely exploitative conditions.

In 2020, researchers found that the Almeria region had more than 92 slum areas housing as many as 7,000-10,000 people, without access to electricity, running water and sanitation. 'Without the proper Right To Work (RTW) documentation, many workers, especially those identifying as refugees, were extremely vulnerable to exploitation.

During our risk assessments in 2023, we found the situation to have

improved for these workers due to increased public awareness on labour exploitation in the agricultural sector, an increase in minimum wage rates and new labour legislation being introduced aiming to prevent harassment in the workplace. All companies are now required to have a harassment prevention programme in place with worker committees and confidential communication channels for workers to raise concerns.

Risks Identified:

- In Spain, companies are obliged by law to recruit from a pool of permanent seasonal workers on a yearly basis.

This means they must guarantee first refusal of seasonal work to the same workers year after year. We found that some companies were checking workers' Right to Work when first hiring them, but not consistently updating records the following year. This meant that some workers with International Refugee Status had papers that had expired and Right to Work had lapsed.

- No proper recording of working hours and overtime.

This made it difficult to know how much overtime was being worked on the site and whether hours were being properly recorded and paid for.

- No clear terms and conditions communicated to workers.

Although contracts were in place, these stipulate that workers are paid according to the Collective Bargaining Agreement, without specifically saying how much that would be. This meant that workers were unable to articulate what their minimum hourly wage was.

Actions:

- While it is positive that employers continue to support workers, more must be done. Individuals' Right to Work validity must be checked before the end of the season and they should be informed if their RTW status is due to end before the start of the next season.

- Sites must ensure that all workers sign in and out at the beginning and end of a shift either using an electronic fob or by physically signing a form. This is to ensure that workers are correctly paid for all the hours that they work.

- Clearly state what the hourly rate is in the contract at the start of each season or add a note to the contract stating what the minimum hourly wage is for different skillsets at the company.

- Ensure that workers understand their terms and conditions and their roles and responsibilities prior to the season's recruitment.

Following any risk assessment we commission, we ensure suppliers address any high-risk areas identified to help reduce the overall risk of modern slavery.

¹<https://www.theguardian.com/global-development/2020/sep/20/we-pick-your-food-migrant-workers-speak-out-from-spains-plastic-sea>





SLAVE-FREE ALLIANCE
Working Towards a Slave-free Supply Chain

SLAVE-FREE ALLIANCE

Slave-Free Alliance (SFA) is a not-for-profit business 100% owned by the anti-slavery charity, Hope for Justice. SFA partners with organisations to address the risk of modern slavery and labour exploitation within their operations and supply chain. Launched in April 2018, the organisation is now working with more than 110 businesses.

In 2023, Aldi worked with SFA to develop an escalation process that will enable us to respond effectively should any potential cases of modern slavery be identified within our operations or supply chain.

The SFA carried out a risk assessment at the head office of one of our cleaning suppliers and a site they operated at, after concerns were raised about the suppliers' practices. The assessment did not identify any concerns around modern slavery, although recommendations were given to the supplier on how to prevent worker-based issues. These recommendations have been taken on board and the supplier undertook immediate efforts to mitigate any potential risks.

IMPROVED WORKERS' RIGHTS IN ETHIOPIAN FLOWERS PROGRAMME

At Aldi we are the largest supplier of Ethiopian Roses compared to any other UK retailer. The Fairtrade Improved Workers' Rights in Ethiopian Flower Farms project is an initiative that enhances the representation of women in management structures and on worker committees. It is also designed to improve health and safety in the working environment and increase women's literacy through savings

schemes and better access to finance.

Key activities of the project include establishing working partnerships with trade union officials and the ILO, sharing learning and knowledge to promote workers' rights and collective bargaining agreements, and supporting enhanced inclusion of women, young adults and vulnerable persons at the workplace.

Aldi UK has invested £200,000 in phase 2 of the project, which will support seven Fairtrade-certified flower farms in Ethiopia between 2022 and 2025. In 2023, 3,502 workers participated in the programme and six flower farms now have effective grievance-handling mechanisms in place. During Q4 2023, 80 workers attended training on workers' rights and labour conditions, and 249 participated in training on the inclusion of women, youth, and people with disabilities.



Fairtrade Foundation.
Photographed: Flower farm worker Bonsa Guracho.

MODERN SLAVERY TRAINING

Training for colleagues

In 2023, we continued to roll out our modern slavery e-learning to colleagues across the business.

We also organised bespoke training for colleagues working in high-priority areas of our operations. More than 200 colleagues from our National Supply Chain Management (NSCM), Goods Not For Re-sale (GNFR), Human Resources (HR) and Buying departments attended courses on Modern Slavery Awareness run by Stronger Together, The Wilberforce Institute and Slave-Free Alliance.

Training for suppliers

Throughout 2023, we continued to encourage all our suppliers to attend the foundation or advanced Stronger Together workshops on Tackling Modern Slavery in UK Businesses. 285 delegates from 152 Aldi suppliers attended the foundation workshop in 2023, and a further 32 delegates from 24 Aldi suppliers attended the advanced course.

The training course supports suppliers to understand the imperatives for change, enabling action and practical steps to deter, detect and respond to the risks of modern slavery.

Our sponsorship of the Responsible Recruitment Toolkit (RRT) gives all our suppliers and their labour providers access to a comprehensive online tool and five training courses on fair and ethical recruitment.



SLAVERY AND HUMAN TRAFFICKING POLICIES

Tackling modern slavery is part of a broader commitment to respecting human rights and improving working conditions throughout our supply chains. We're using the influence we have as a global organisation to promote ethical employment by setting clear policies and expectations for our colleagues, suppliers and business partners – all while ensuring we have best-practice buying procedures in place.

We have a number of group-wide policies in place that guide our business processes. This encompasses how we source our products, recruitment and subcontracting as well as how we report concerns. Our policies always align with a relevant set of international standards and conventions, such as:

- Universal Declaration of Human Rights
- The International Labour Organization (ILO) Fundamental Conventions

- United Nations Guiding Principles on Business and Human Rights (UNGP)
- OECD Guidelines for Multinational Enterprises
- The Ethical Trading Initiative (ETI) Base Code

[Aldi's Business Partner Sustainability Standards](#) outline our minimum requirements for our business partners. These contractually binding standards prohibit human rights infringements including prohibition of forced labour, child labour and discrimination and cover workers' rights to freedom of association and collective bargaining.

[Aldi's Human Rights and Environmental Due Diligence Policy](#) provides an overview of Aldi's commitments to human rights and presents our approach to human rights and environmental due diligence. It acts as a master document for all of Aldi's policies and standards concerning human rights.

[Our Child Labour Policy](#) outlines our commitment and requirements concerning the prevention of child labour, as well as the remediation of any findings.

You can read our [International Policy on Forced Labour](#) here, underlining our stance that any form of servitude, slavery or forced, bonded, indentured, trafficked or non-voluntary labour is unacceptable.

The policy has been developed together with the Mekong Club and Stronger Together, two multi-stakeholder initiatives dedicated to tackling modern slavery in industrial supply chains. It aligns with internationally-accepted standards, including the ILO Forced Labour Conventions and the UN Guiding Principles on Business and Human Rights.

Every Aldi colleague in the UK and Ireland receives a copy of our Modern Slavery Policy in the Employee Handbook given to them at the start of their employment with us. It covers the

definition, forms and signs of modern slavery, and how to report a suspected case.

Other relevant policy and position statements published by the Aldi South Group include:

- [International Policy Statement for Human rights](#)
- [International Policy on Gender Equality in Aldi's Supply Chains](#)
- [International Position Statement on Living Wages and Living Incomes](#)

We expect our business partners to comply with all our policies and social standards and we pay particular attention to production conditions in countries where adherence to these standards is not always a given. As many of our products are not sourced directly from producers, our business partners are key allies in improving working conditions in production facilities and farms across the globe.



OUR APPROACH TO DUE DILIGENCE

Most of our products are sourced from business partners who commission the manufacture of the products themselves, so establishing strategic, long-term relationships with them is essential to best-practice Sustainability performance. We are continuously working to ensure that our standards and requirements are implemented beyond our first-tier suppliers and at production level.

To ensure long-term relationships with business partners who have good sustainability performance, we conduct an annual Corporate Responsibility Supplier Evaluation (CRSE). This approach goes beyond audits and uses indicators to assess our business partners' social and environmental compliance management systems, as well as the performance of their farms or production facilities. The results are verified through Aldi Social Assessments (ASAs) and based on our contractual sustainability requirements. Our sustainability requirements rate business partners from A to D. We prioritise sourcing from A and B rated suppliers, while D rated suppliers are delisted if they consistently fail to improve.

Our Goals:

1. All suppliers of in-scope products must undergo an annual review process to evaluate their compliance with Aldi's sustainability requirements
2. Improve our business partners' knowledge of sustainability and their ability to monitor it, empowering them to comply with our sustainability requirements throughout the supply chain



3. Establish long-term relationships with strategic business partners who perform well regarding sustainability and increasingly source more from them

In 2023, we successfully integrated our mango supply chains into the CRSE evaluation process – it also included bananas, pineapples, avocados and citrus fruits. In addition, we started integrating household goods, fish and seafood suppliers into the CRSE process. We will provide them with their first CRSE scores in 2024. For non-food, our garment and shoe suppliers were evaluated in 2023. For full details on our Human Rights Due Diligence Process please see the [Aldi South Group Human Rights Factsheet](#).

Aldi Social Assessments (ASA)

[Aldi Social Assessments \(ASAs\)](#) are assessments of main production facilities that are carried out by Aldi colleagues together with external auditors and business partner representatives to check they meet our ethical standards and requirements.

In July 2023, during an ASA at a production facility in China, inconsistencies were found in the records of workers' attendance and pay. We ceased working with the production facility temporarily, communicating our findings to the supplier and providing them with a set of steps that were necessary to remediate the issue of non-transparency.

Our Corporate Responsibility Unit Asia (CRUA) team worked alongside the supplier to ensure that the production facility was maintaining the correct documentation of workers on-site and that electronic payments were set up for all workers. Once these were in place, an unannounced audit was conducted to check if the remediation had been correctly implemented at the production facility. The work of the CRUA team and the supplier meant we found no other issues and we lifted the block on the production facility in December 2023.

Key performance indicators to measure effectiveness of steps being taken

In 2023, Aldi performed ASAs in 26 countries:

Bangladesh, Brazil, Chile, China, Colombia, Costa Rica, Dominican Republic, Ecuador, Egypt, Ethiopia, Guatemala, India, Italy, Kenya, Mexico, Morocco, Pakistan, Peru, Philippines, South Africa, Spain, Sri Lanka, Thailand, Turkey, USA, Vietnam

Aldi Social Assessments in 2023



Aldi's partnership with Accord – number of suppliers vetted:

Through our work with The Accord and RMG Sustainability Council (RSC), we engaged over 150 separate facilities across Bangladesh and Pakistan.

RSC is the national body who took over Accord operations in Bangladesh in 2020.

Our work with Accord in Bangladesh and Pakistan

Bangladesh is the world's second-largest textile producer. There have been challenges associated with the rapid development of the industry in the country, including fires and accidents, low wages, limits to workers' freedom of association and long working hours.

Aldi South Group was one of the first signatories of the Bangladesh Accord on Fire and Building Safety, a legally-binding agreement between global trade unions and brands/retailers that was set up following the Rana Plaza disaster on 14 May 2013, which killed more than 1,120 workers and injured many more. The facility collapsed due to serious structural issues, highlighting the dangerous conditions many workers were subject to in Bangladesh.

In 2021, the Accord signatories reached a new phase in their partnership and established the International Accord for Health and Safety in the Textile & Garment Industry. The agreement continued the signatories' commitment to supporting the workplace safety programmes in Bangladesh.

Following this commitment, Aldi signed the new Pakistan Accord on 27 January 2023. The Pakistan Accord covers all Cut-Make-Trim (CMT) facilities, namely all Ready-Made Garment (RMG), home textile, fabric and knit accessories suppliers, producing products for the signatories.

In addition to the requirements of the Accord, we require suppliers sourcing from Bangladesh and Pakistan to adhere to a specific set of requirements. These more stringent standards mitigate the specific risks of sourcing from Bangladesh and Pakistan, such as fire, electrical and building safety in factories.

To verify whether a supplier is capable of complying with all our requirements, each must undergo an extensive evaluation prior to producing Aldi products, led by our International Sustainability Department. Following the initial approval, our local Sustainability department, along with supplier representatives, visit factories to monitor compliance and to support continuous improvement. Suppliers must also have qualified local representatives in Bangladesh and Pakistan to regularly monitor performance.



PROGRESS AGAINST 2023 OBJECTIVES

Modern Slavery Escalation Process

Working alongside Slave-Free Alliance (SFA) we have designed a robust modern slavery escalation process that we have now implemented into our modern slavery report handling procedure. This has been communicated to colleagues through training and will be included in the Employee Handbook in 2024.

Modern Slavery KPIs

In 2023 we worked with SFA to develop Modern Slavery key performance indicators (KPIs) for Aldi UK and Ireland to measure success and increase external transparency within our business. These KPIs are as follows and we will report on them in 2024:

- Ensure all targeted* Aldi UK suppliers complete "Tackling Modern Slavery in UK Business" training by Stronger Together.
- Ensure all targeted* Aldi UK suppliers complete "Introduction to Responsible Recruitment" training by RRT.
- Ensure all relevant** colleagues in Aldi UK and Aldi Ireland complete Modern Slavery E-Learning.
- Fully investigate all potential modern slavery or labour abuse cases that come through whistleblowing services. (Goal for these 4 KPIs: 100%)
- Ensure modern slavery risk assessments take place in high-risk areas. (Goal: 10 risk assessments)

*All UK and IE based suppliers of High Priority Aldi Commodity Groups (as defined by the Aldi South Supplier Monitoring Program) and all UK and IE based fresh produce suppliers, which have not completed the Stronger Together and RRT courses in the previous 3 years.

** All colleagues up to Group Director level, excluding below Manager in Stores and Warehouses.

Modern Slavery Risk Assessment Programme

In 2023, we conducted modern slavery risk assessments in high-risk areas including Recruitment, Logistics, Waste Management and Cleaning Services, as well as UK produce.

All assessed suppliers received reports following the assessment with recommendations on how to improve their ways of working to mitigate the risk of modern slavery and labour abuse within their business and supply chains.

Modern Slavery Awareness Training

We continued to encourage our suppliers to attend and complete both the Responsible Recruitment Toolkit (RRT) training and the Stronger Together 'Tackling Modern Slavery in UK Business' training.

We provided bespoke training to Aldi UK's Construction Management Companies (CMCs) working on our sites, including senior management and site managers. The training covered potential modern slavery risks in the industry and the actions CMCs should take to mitigate these.

We worked with external experts to conduct training and webinars on modern slavery for colleagues working in high-priority areas of our operations. The training sessions were run in partnership with experts from Stronger Together, The Wilberforce Institute and Slave-Free Alliance. More than 200 colleagues from our National Supply Chain Management (NSCM), Goods Not For Re-sale (GNFR), Human Resources (HR) and Buying departments attended these courses in 2023.

Seasonal Workers Scheme Taskforce

Aldi UK continued to support the Seasonal Workers Scheme (SWS) Taskforce to help improve the experiences of migrant workers.

We worked collaboratively with other UK retailers through the Taskforce to roll out the first Scheme Operator Audit and promoted the use of the Just Good Work App, which aims to improve workers' access to vital information throughout their recruitment and employment.

In addition, we promoted the SWS Grower Roadshows to our suppliers to offer guidance to identify the potential risks that they might encounter when using labour from the SWS.



Working with our International Sustainability Team

Due to upcoming legislative changes within the EU, we have been working closely with Aldi's International Sustainability Team and have shared our learnings and best practices on modern slavery, helping to strengthen the Aldi South Group's overall approach.

Causeway

Aldi UK donated over 365 products to Causeway's LifeSupply programme in 2023, with an estimated value of £1,800. This programme supports survivors of modern slavery and labour abuse by providing essential products from bedding to furniture, which once donated is used to furnish their safehouses in the UK.

We have also supported the charity by donating £5,000 to their LifeLink programme, which provides a safe space where survivors regularly meet to socialise with peers in similar situations, take part in positive activities and develop new skills to support independent living.

Responsible Recruitment Toolkit (RRT) and Stronger Together Training

In 2023, 152 Aldi suppliers attended the foundation workshop for Stronger Together and 24 suppliers attended the advanced training course.

In addition, 111 individuals from 59 Aldi suppliers attended one or more of the RRT training courses and 55 new subscribers signed up to the RRT tool, taking the total number of Aldi supplier subscribers to 218 individual businesses.

Activities by Aldi South Group's International Sustainability team

In 2023, Aldi South Group began the rollout of its Global Sustainability Strategy to further grow our capacity when it comes to sustainability at both a strategic and implementation level.

In the area of human rights, Aldi follows the due diligence process mandated by the United Nations Guiding Principles on Business and Human Rights (UNGPs), including setting up a risk management approach,

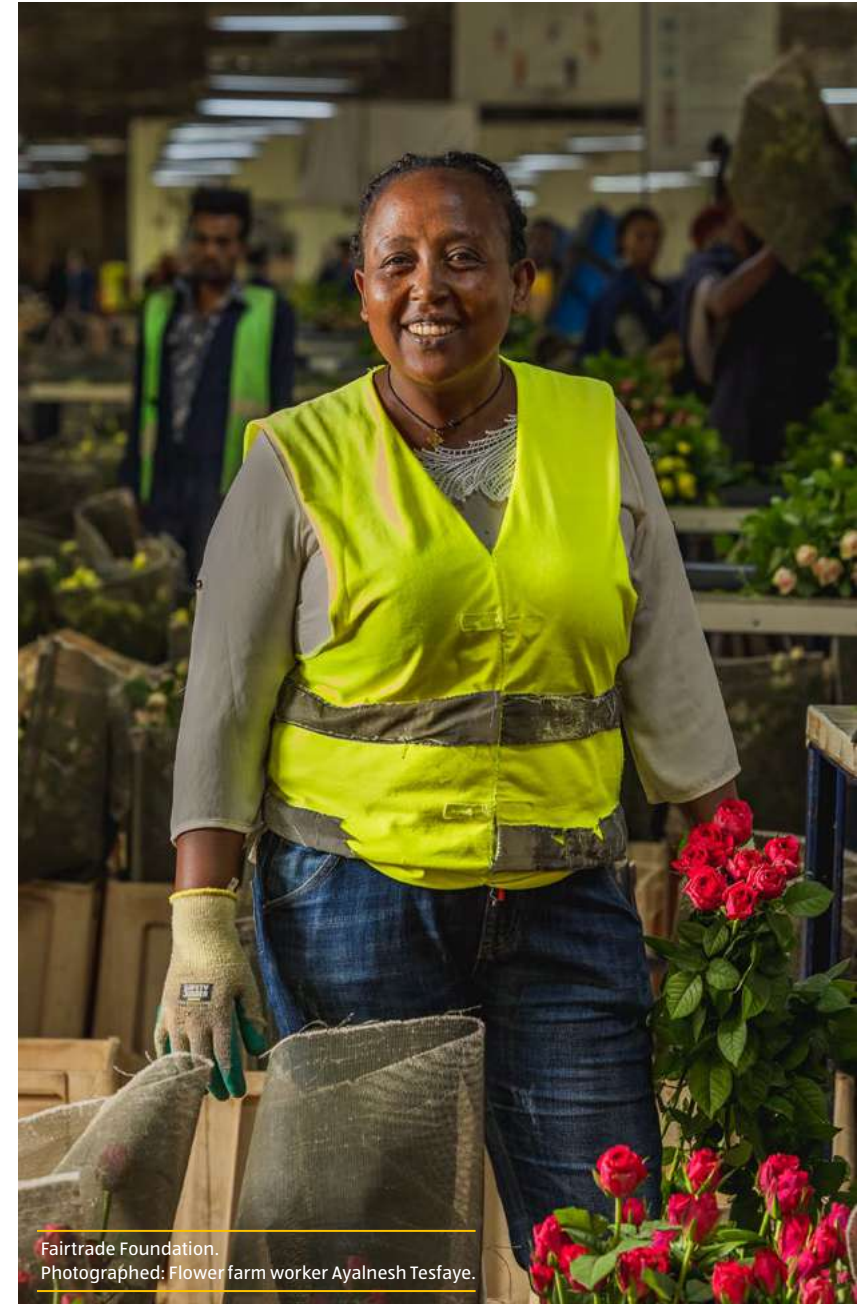
establishing clear commitments and policies, identifying human rights risks, and taking measures to prevent and mitigate these risks, remediating violations, monitoring progress and reporting on the due diligence process to continuously improve supply chain transparency.

In 2023, we revised our [Human Rights and Environmental Due Diligence Policy](#) (formerly Human Rights Policy Statement) and [Business Partner Sustainability Standards](#) (formerly Social Standards in Production), clarifying our commitment to human rights and our expectations to business partners.

When it comes to grievance and remedy, we have been working on strengthening our response mechanisms, collaborating with stakeholders to improve our approach. This includes providing access to grievance mechanisms such as the Issara Worker Voice Program and the amfori Speak for Change mechanism.

Access to effective remedy is a core component of the UNGPs. We recognise the importance of establishing and participating in effective operational-level grievance mechanisms for vulnerable individuals and communities who could be adversely impacted in global supply chains. The Aldi South Group continues to be involved in multiple grievance mechanisms for supply chain workers to voice their concerns. This includes Issara Institute's Worker Voice Program and amfori Speak for Change.

In addition, we've integrated more high-risk supply chains into the CR Supplier Evaluation (CRSE) process.



Fairtrade Foundation.
Photographed: Flower farm worker Ayalnesh Tesfaye.



LOOKING FORWARD

Great progress was made in 2023. We are committed to strengthening our approach to addressing modern slavery and have comprehensive plans in place to make further progress in 2024 and beyond.

Our priorities for the year ahead are to:

- Continue to ensure a robust Modern Slavery Escalation Process is in place for dealing with any modern slavery reports received and collaborate with experts as required for advice.
- Increase the number of suppliers we share with Unseen each year. We plan to include our Goods Not For Resale (GNFR) suppliers and service providers, such as logistics and recruitment companies, to ensure we are alerted to any potential modern slavery risks in these supply chains.
- Conduct modern slavery Construction Management Company risk assessments at construction sites, including for new stores and Regional Distribution Centres (RDCs) to ensure the best practices outlined in the Modern Slavery Resource Pack are being implemented.
- Continue to support the Seasonal Workers Scheme Taskforce in the UK to improve the experience of migrant workers through the scheme. In 2024, our focus will be on providing assistance with the Employer Pays Principle (EPP) feasibility check and supporting the Responsible Recruitment Progress Assessment (RRPA).
- Continue to collaborate with external modern slavery experts to expand the awareness-raising training programmes to our suppliers.

We will continue to provide supplier guidance for companies in high-risk areas such as construction and organise training where appropriate when rolling out new supplier guidance.

- Continue to ensure all relevant colleagues receive training on modern slavery awareness and human rights.
- Continue our partnership in the UK with Causeway to support survivors of modern slavery, including through donations.
- Work with the International Sustainability Team to strengthen the Aldi South Group's approach to modern slavery and forced labour, continuing to share best practice and learnings across the Group.

We recognise that preventing modern slavery in a global supply chain requires constant vigilance and we will continue to work collaboratively with other retailers, suppliers, NGOs, governments and industry partners to tackle this pervasive issue.

Modern slavery has no place in our business or supply chains, and we remain fully committed to eradicating modern slavery wherever it occurs.

This statement was approved by the Board on 28th June 2024 and is signed on its behalf by:



Giles Hurley
Chief Executive, Aldi UK and Ireland

