



Aldi UK and Ireland Modern Slavery Statement 2022

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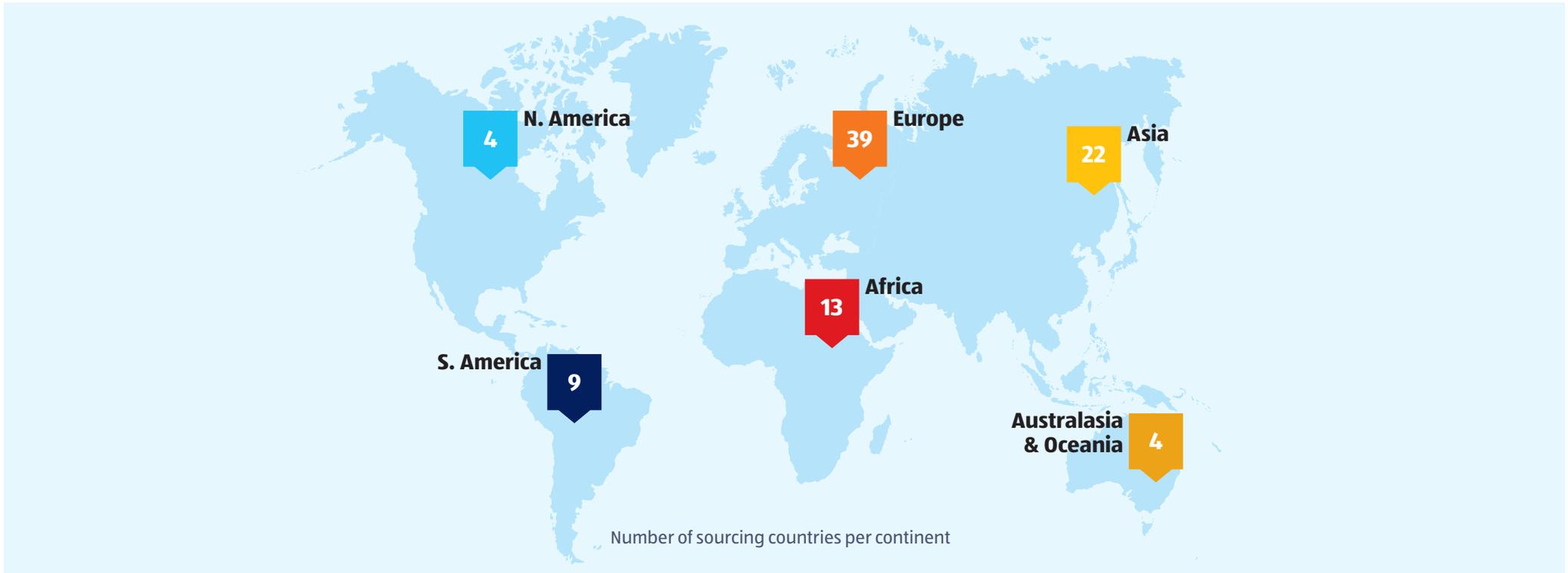
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This statement is published in accordance with Section 54 of the Modern Slavery Act 2015. It explains the steps taken by Aldi UK and Ireland and other relevant group companies during the year ending 31st December 2022 to prevent modern slavery in its 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.





INTRODUCTION

Aldi operates with honesty and integrity wherever it does business around the world. We respect human rights and treat the people in our supply chain who make, grow and supply our products, fairly.

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

Our approach to tackling these problems is to understand how and where modern slavery occurs and to continually improve the processes we have in place 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 over 7,000 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, and there are currently more than 990 Aldi stores in Great Britain and over 150 in Ireland.

In 2022, Aldi UK and Ireland had more than 3,000 direct suppliers in 35 different countries and sourced from over 10,000 production facilities across 91 countries.

Although we do not own the companies or sites that we source from, we know there is a shared responsibility with our 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 tackling head-on.

Our Sustainability Department is accountable for delivering our modern slavery strategy in the UK and Ireland, and reports to Liz Fox, 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 Sustainability is Christoph Schwaiger.



KEY PROGRESS IN 2022

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. This includes 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 of this statement). We also often work collaboratively with other retailers when an issue is flagged with a supplier we mutually source from.

We work closely with any suppliers involved in the case 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 2022.

Seasonal Workers Scheme Taskforce

More than 50 industry trade bodies, retailers, growers, recruiters and non-profit organisations have come together to establish the Seasonal Workers Scheme (SWS) Taskforce to safeguard the rights of workers who come to the UK through the government's Seasonal Workers Scheme.

The Taskforce focuses on implementing practical actions to improve the responsible recruitment and employment of migrant workers into UK farms, and to work with government departments on the operation of the scheme.

Previously, there have been concerns that some migrant workers on seasonal worker visas risk exploitation during their recruitment and employment. In autumn 2022, a series of multi-stakeholder roundtables were held, which focused on developing practical solutions to respond to these risks.

As a result of the roundtables, a number of working groups were established and a series of projects were funded by UK supermarkets, including Aldi. This included regional grower

good practice roadshows and the creation of a toolkit, a new common assessment of Scheme Operators, and a multi-language worker-information app, which Scheme Operators have also helped to fund.

The Taskforce is continually working to improve the Seasonal Workers Scheme. It is making it easier for workers to access information and speak up if they feel they need to. The Taskforce is also helping recruiters instill better practices, addressing the recruitment fees that some workers are made to pay and fighting for higher wages.

A key role of the Taskforce is also to engage directly with government and enforcement agencies on potential changes to Scheme rules, regulation, oversight and enforcement.



SEAFOOD ETHICS ACTION (SEA) ALLIANCE

We are an active member of the [SEA Alliance](#), a global network of retailers and seafood businesses working to strengthen human rights in the industry.

In 2022, the SEA Alliance carried out the following activities:

- Finalised the SEA Alliance Fishery Risk Toolkit, which now supports more than 400 fisheries around the world to identify modern slavery risks.
- Developed a series of six webinars in partnership with FishWise, the Global Tuna Alliance and World Benchmarking Alliance, to educate member companies on how to carry out human rights due diligence in seafood supply chains.
- Urged over 40 governments in countries we source from to ratify and implement the Cape Town Agreement on the Safety of Fishing Vessels.
- Launched the SEA Alliance Change on the Water Fund, with support provided to projects in Thailand, the Maldives and the UK.
- Developed and launched an advocacy strategy to support the SEA Alliance and its members to call for improved regulation and enforcement of labour standards in the global seafood sector.
- Secured new funding to work with members and non-member companies to develop a set of leading commitments to accelerate progress in safeguarding human rights in global seafood supply chains.

Supply chain-specific grievance mechanisms

Grievance mechanisms are processes that enable workers who feel they are being exploited to raise the alarm so that potential modern slavery issues can be addressed.

In 2022, we completed pilots of two new grievance mechanisms, the Issara Institute Worker Voice Program for food supply chains, and amfori Speak for Change Programme for non-food supply chains.

1. Issara Institute - Worker Voice Program

In 2021, we became a strategic partner of the Issara Institute, an NGO that aims to give victims of human trafficking a voice, to provide workers in Thailand with a channel to have their concerns raised and remediated.

Working with Issara, we have gained a deeper understanding of the recruitment process for migrant workers in Thailand and the surrounding countries, and the costs workers incur to find employment or renew contracts to work in the country. This has helped us to revise our policies around recruitment and renewal fees to better ensure workers in our supply chain aren't being financially exploited.

This better understanding has also helped us to identify and address barriers to accessing grievance mechanisms, especially for women. You can read more about this work [here](#).

2. Amfori BSCI Speak for Change Programme

After an initial pilot phase in Vietnam, [Speak for Change](#) is now a fully-fledged grievance mechanism and all amfori BSCI-certified production sites in the country have been onboarded.

In 2023, the roll-out will take place in Turkey, followed by Bangladesh and then India.



PARTNERSHIPS

We have continued our important work with a wide variety of key partners across the globe and, in 2022, we built a number of vital new relationships and embarked on new initiatives with some of our longstanding partners.

NEW PARTNERSHIP INITIATIVES IN 2022

Seasonal Workers Scheme (SWS) Taskforce

The [Seasonal Workers Scheme Taskforce](#) was established to safeguard workers' rights in the UK Seasonal Workers Scheme. The Taskforce promotes responsible recruitment and employment of migrant workers into UK farms and works with government departments on the operation of the scheme.



Seafood Ethics Action (SEA) Alliance and the Issara Institute Grievance Mechanism in Thailand

Aldi became 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.



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.

LONG-STANDING AND CONTINUING PARTNERSHIPS



Ocean Disclosure Project (ODP)

We have participated in the [Ocean Disclosure Project \(ODP\)](#) since 2019. Established in 2015 by the Sustainable Fisheries Partnership, the ODP is a global platform for voluntary disclosure of seafood sourcing.

The ODP provides a common template through which companies can report the fisheries and fish farms they source from, alongside information on the sustainability of those sources, including certification and improvement projects, ratings, and environmental impacts.



Partnership for Sustainable Textiles and the Living Wage Lab

Aldi South joined the [Alliance for Sustainable Textiles](#) in 2015 and contributes to their work improving social and environmental conditions

in the textile supply chain. As part of our partnership, we are a member of the alliance's Living Wage Lab, which works with trade unions, representatives of civil society and governments to develop strategies for achieving living wages.

Two significant projects took off in 2022. We collaborated with the Fair Wage Network to assess wage management systems in selected factories in China and Sri Lanka. We also started a pilot project on open costing in the textile and shoe supply chains aimed at ringfencing labour costs in price negotiations.



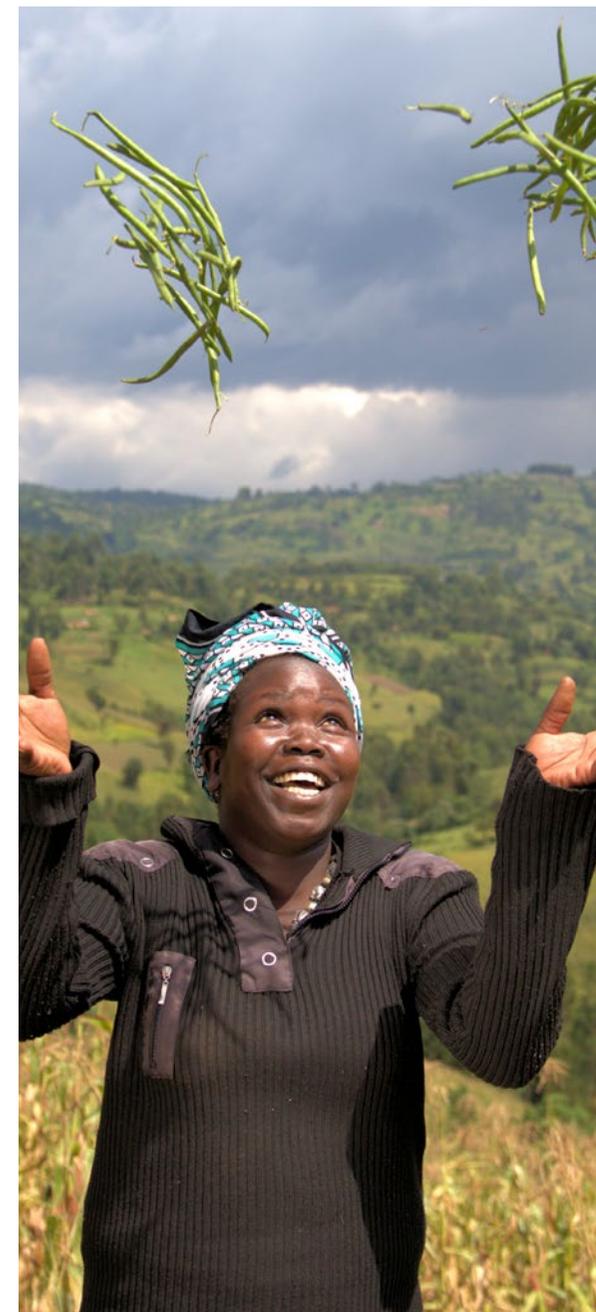
amfori Speak for Change Supply Chain Grievance Mechanism Programme

The Aldi South Group is partnering with [amfori](#) to roll out their "Speak for Change" grievance mechanism in Vietnam. By providing workers with access to a safe way to flag issues in the workplace, we are upholding workers' human rights and actively contributing to better working conditions.



Global Tuna Alliance

The [Global Tuna Alliance](#) is an independent group of retailers and supply-chain companies working to ensure that tuna ultimately meets the highest standards of environmental performance and social responsibility, including progressing work on human rights in tuna fisheries.



Living Income Coffee Project

In July 2021, Aldi South Group began a four-year project in Honduras to help [reduce the living income gap of coffee farmers](#), by improving market access and coffee quality. To date, we have registered 1,000 farmers and delivered several interventions and training programmes.



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.



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. The Aldi South Group was one of the first signatories of both the original Accord in 2013 and the subsequent agreements in 2018, 2021 and planned for 2023.



amfori Business Social Compliance Initiative (BSCI)

The Aldi South Group joined [amfori](#) in 2008 and since then has dedicated time and effort to supporting the organisation's projects and strategy. amfori is the leading business association for sustainable trade, enabling companies across the globe 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.

Aldi South Group's Managing Director for Sustainability was elected as a member of the amfori Board of Directors in 2019.



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.



Better Cotton Initiative

Since 2017, the Aldi South Group has partnered with [Better Cotton](#), the largest cotton sustainability programme in the world, to reduce the negative impacts of cotton production on people and the planet and promote decent working conditions for cotton farmers.



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 UK charity that supports marginalised and vulnerable people back into society. They have two key areas of focus, supporting survivors of modern slavery, and those leaving the criminal justice system. The charity supports around 3,000 survivors of modern slavery, providing safehouses, outreach provision and light-touch support through their LifeLine and LifeLink projects.

We donated £15,000 to Causeway's safehouse for modern slavery survivors in 2020 and Aldi UK donated a further £5,000 in 2021 to LifeSupply. It serves as a storehouse from which the charity can provide essential and comforting items. More recently, Aldi UK donated £5,000 for its Sofa To Summit campaign, with colleagues hiking the Yorkshire Three Peaks to raise money.



Cotton Made in Africa

The Aldi South Group has been a partner of [Cotton Made in Africa](#) since 2016. The organisation provides smallholders with training in modern, efficient and environmentally friendly cultivation methods.



Foundation stage member

Ethical Trading Initiative (ETI)

ETI is an alliance of companies, trade unions, and NGOs that promote respect for workers' rights. We participate in working groups, including the ETI Italy Working Group, that aims to use the

collective leverage of members to improve the human rights impact of their Italian supply chains.



Gangmasters & Labour Abuse Authority

Gangmasters and Labour Abuse Authority (GLAA)

The GLAA operates a licensing scheme that regulates businesses providing workers to the fresh produce supply chain and horticulture industry, making sure they meet the employment standards required by law. Aldi UK has worked with the GLAA for many years to help identify and protect workers at risk of exploitation in its supply chain.



Responsible Recruitment Toolkit (RRT)

We are a founding sponsor of the [RRT](#), an online hub designed to drive ethical and professional standards in labour supply. Through our sponsorship, our UK and Irish suppliers have free access to training and RRT's online self-assessment tool to embed responsible recruitment standards into their business processes.



Seafood Ethics Common Language Group

Participating in this group, which was set up by Seafish in 2014, allows the Aldi South Group to collaborate with other retailers, food service organisations, and suppliers to improve our understanding of the ethical issues impacting the seafood supply chain. It also enables us to contribute to collaborative efforts to improve ethical standards in the sector.





Seafood Task Force

The [Seafood Task Force \(STF\)](#) is a global trade association with the goals of eliminating forced labour and illegal fishing in shrimp and tuna seafood supply chains by assisting the industry to increase transparency and oversight. STF focuses on improved traceability, audits, accountability, capacity building and remediation with its staff and partners in South East Asia.

The Task Force is also working with multiple government agencies and NGOs to highlight forced labour issues, provide appropriate standards and tools and direct training for fishing fleets, recruiters, and other supply chain members.



Spain Ethical Trade Forum

The [Spain Ethical Trade Forum](#) is a multi-stakeholder initiative established in 2015, in response to a recognised need to promote better working conditions in the Spanish horticultural sector. By creating a safe space to share learnings and best practices, the aim is to drive improvement in working conditions, labour rights and sustainability throughout the sector.



Stronger Together

Aldi UK is a project sponsor of the [Stronger Together \(S2G\)](#) initiative, a business-led, multi-

organisation group that supports businesses to tackle modern slavery. S2G's website (stronger2gether.org) provides clear guidance, practical resources and training to support employers and labour providers in at-risk sectors.



Supplier Ethical Data Exchange (Sedex)

One of the world's leading supply chain sustainability service providers, [Sedex](#) provides practical tools, services and a community network to help companies improve their responsible and sustainable business practices and source sustainably. As a member of Sedex, Aldi uses their platform to monitor supply chain assessment data.



Unseen

[Unseen](#) supports survivors of slavery and equips stakeholders through training and campaigning for systemic change in society. In 2022, Unseen received nearly 10,000 helpline calls, leading to 6,500 victims of modern slavery being identified. Through Aldi UK's subscription to Unseen's Business Portal, we have worked with other retailers on several occasions to investigate potential cases of modern slavery and labour exploitation and leverage our influence to improve working conditions.



UNIVERSITY OF HULL | WILBERFORCE INSTITUTE

Wilberforce Institute

Since 2019, the [Wilberforce Institute](#), a slavery research division at the University of Hull, has worked with Aldi to identify modern slavery

hotspots in supply chains through desk reviews and on-site risk assessments.

The Institute has undertaken various site visits in Spain and the UK and produced reports on modern slavery risks affecting companies in sectors including logistics, manufacturing, and recruitment.



Working with the Wilberforce Institute to Support Raspberry and Blueberry Growers in Morocco

In November 2022, the Wilberforce Institute conducted risk assessments of Aldi's blueberry and raspberry growers in Morocco across the regions of Larache, Laoumraa and Kenitra. These regions have seen a fivefold

increase in production since 2014, leading to increased competition locally and a marked fall in market prices.

At the time of the risk assessment, Aldi's growers reported that there was a local cost of living crisis, with more and more workers asking for loans and advances on wages. Growers were facing 10% inflation across the board. Petrol, fertiliser, and the costs for inputs, such as nitrogen, had doubled, whilst

wages had increased by almost 30% since 2019.

As a result, growers had increased picking rates on the farms in order to increase yields by 20%. There was overwhelming pressure on producers and a risk that farmers would start cutting corners to survive.

Risks identified:

- Dependence on intermediaries for workers in peak season.

During peak season, almost all of the pickers on the berry farms were recruited by informal intermediaries due to a shortage of local labour. There have been numerous cases of modern slavery associated with intermediaries, especially when workers received their wages from intermediaries or transporters, and not directly from their employer.

- No systems for tracking working hours and overtime.

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

- Loans being given to workers without formal policies to regulate the practice.

Farms were providing loans and advances to permanent and seasonal workers. The practice was unregulated and there were no agreements or policies in place to make sure workers did not fall into situations of debt bondage.

Recommendations:

- a) Develop awareness of workers' rights in the regions where they are recruited through radio outreach programmes to raise workers' awareness of basic legal requirements including:

- I. the legal minimum wage
- II. overtime premiums of 125% and 150%
- III. legal limits on the hours of work
- IV. minimum age requirements
- V. the risks of gangmasters, labour exploitation and loans. This is something that could be achieved through radio campaigns and in collaboration with the labour inspectorate.

- b) To ensure a cohesive approach, training should also be given to transporters and recruiters, so that they understand their roles and responsibilities and are able to provide clear Terms & Conditions to workers prior to recruitment.

- c) Ensure that growers conducted checks on the recruitment practices of intermediaries by asking workers: 'Did you pay any intermediary to access this work?', 'Do you owe your transporter/ recruiter any money for a loan or advance?' And provide them with a WhatsApp telephone number, where they can report any issues confidentially.

Suppliers then put measures in place after the assessments to mitigate/reduce the risk, based on the recommendations.



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 over 100 businesses.

In 2022, Aldi worked with SFA to develop an escalation process that will enable Aldi to respond effectively should any cases or potential cases of modern slavery be identified within our operations or supply chain.

FAIRTRADE FLOWERS GENDER EMPOWERMENT PROJECT

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 increases women's literacy through savings schemes and better access to finance.

Aldi UK has invested £200,000 in phase 2 of the project, which will help to support seven Fairtrade certified flower farms in Ethiopia between 2022 and 2025. Over the four years, more than 19,000 workers will participate in the programme.



SLAVERY AND HUMAN TRAFFICKING POLICIES

Tackling modern slavery is part of a broader commitment to respecting human rights and improving living and 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 and policies in place.

We have a number of group-wide policies that guide our business processes, including how we source our products, recruit, and subcontract, 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 Organisation (ILO) Fundamental Conventions

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

[Aldi's Social Standards in Production Policy](#) is our definitive standard for cooperation with business partners. These contractually-binding standards prohibit human rights infringements and underpin workers' rights to freedom of association and collective bargaining.

[Our Child Labour Policy](#) sets out our commitment to prevent, identify and remediate child labour in our operations and supply chains. It states the expectations we place on our business partners to ensure that child labour does not occur at production sites used to manufacture our products and sets out the action we will take if a child is found at a production site.

Every Aldi colleague 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.

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.

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 anywhere in our supply chains.

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.

Other policy papers 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](#)



OUR APPROACH TO DUE DILIGENCE

The majority 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.

We carry out an annual [Corporate Responsibility Supplier Evaluation \(CRSE\)](#) that goes beyond conducting audits. The CRSE is a comparable and transparent evaluation based on our business partners' social and environmental compliance management systems, as well as their farms' or production facilities' Sustainability performance.

Rating

Meeting our Sustainability requirements is a key criteria during price negotiations. Business partners are rated from A-D regarding key topics, such as their Sustainability set-up and compliance processes, support for, and relationship with, production facilities or growers, and their human rights and environmental due diligence.

Ratings focus on how production sites are being selected and on-boarded, whether our business partners conduct internal audits at production sites, how the implementation of corrective actions is ensured and how producers are supported with capacity building measures.

Business partners with a D rating are obligated to improve their Sustainability performance. They receive ongoing support from Aldi but will



be delisted if they do not demonstrate improvements over two consecutive years. Our target is for 80% of our buying volume in high-risk supply chains to come from A and B-rated business partners.

A self-assessment questionnaire forms the first part of our supplier evaluation and we ask our business partners to share proof, such as documentation, to underpin their responses.

We also carry out on-site assessments before a final grade is given.

Evaluation

To ensure transparency, we share the evaluation results including a comprehensive status quo analysis with business partners. This analysis is used by our business partners to develop plans and strategies to improve their social and environmental management

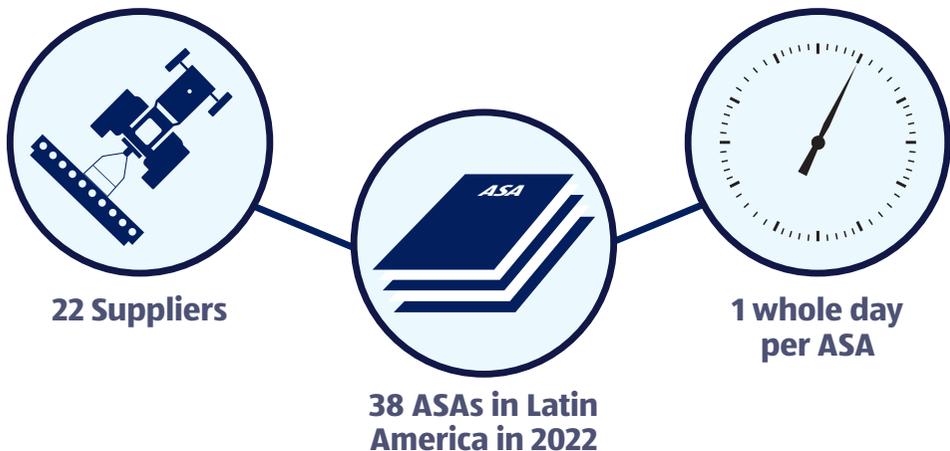
systems throughout the year. We then continue to work with our partners to implement these programmes of improvement and require high-performing (A-B) suppliers to demonstrate how they are maintaining standards. Those experiencing more challenges (C-D) must evidence incremental improvement.

Aldi Social Assessments (ASA)

Our teams regularly carry out announced, semi-announced, and unannounced site visits and assessments of supplier facilities to check they meet our ethical standards and requirements.

CRSE for avocados, citrus, pineapples, and bananas was rolled out in 2022 for the first time:

Fresh Produce Assessments in 2022



RISK ASSESSMENT AND MANAGEMENT

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

In 2022, 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 required us to introduce additional requirements to ensure suppliers meet our standards.

KEY PERFORMANCE INDICATORS TO MEASURE EFFECTIVENESS OF STEPS BEING TAKEN

In 2022, Aldi performed 284 ASAs in thirteen countries

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

Through our work with the Accord and RMG Sustainability Council (RSC), we engaged 242 factories, 418,890 workers and 18 suppliers.

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

Aldi Social Assessments in 2022



Aldi Factory Advancement Project

We introduced the [Aldi Factory Advancement \(AFA\) Project](#) because there are many different reasons why conflicts between workers and management can arise; examples include a lack of workplace safety or disagreements over wages and salaries.

We wanted to tackle these challenges head-on and improve the working environment in garment production facilities in Bangladesh, as well as promote dialogue and foster cooperation between workers and managers. Through the active involvement of workers, challenges were identified, critically examined, and joint solutions developed in collaboration with the management.

When the first phase of the AFA Project was successfully completed in the summer of 2019, 85,000 workers and their managers from across 40 factories had already benefitted from positive changes to their daily working environment. Starting in 2019, phase 2.0 focused on training workers and managers to become facilitators and independently drive further positive change without the need for our direct involvement. In August 2021, Aldi announced the successful completion of the AFA Project.

Improvement of Work Processes

The project included peer-to-peer learning activities, where all factories came together to share information and learn from each other. AFA Project trainers, business partners and employees from our Sustainability Unit in Bangladesh and our International Sustainability department supported the project on an operational and strategic level.

Over the course of 450 AFA Project activities, workers and managers in each factory identified and addressed a variety of different workplace challenges, such as ensuring the use of personal protective equipment, improving the quality of canteen food, or setting up structures to prevent inappropriate behaviour by supervisors and middle management.

The AFA project has shown factory owners that employees

can make a significant contribution to improving factory work processes. Their creative ideas and keen observations led to solutions that improved cooperation in the workplace and more effective communication. We conducted six separate impact assessments that measured the success of the AFA Project, and it was found that the increased collaboration and communication in the workplace resulted in higher productivity and quality.

Training of Facilitators

Each factory selected two employees and two managers who were trained as facilitators for “cooperation in the workplace”. The selected employees attended Facilitation Academies and workshops where employees, managers and business partners received training on workplace cooperation and coaching in moderation techniques and soft skills.

Phase 2.0

For project phase 2.0, completed in 2021, our newly-trained facilitators supported colleagues, managers and other existing committees in addressing over 130 workplace issues relating to wages and benefits, production and productivity, combating harassment, workers’ rights, grievance mechanisms, COVID-19 measures and occupational health and safety.

Facilitators drove positive change in workplace cooperation by providing tools to deal with complex challenges. Each production site has now established a tailor-made strategy and roadmap to ensure improved cooperation in the workplace in the future.

A total of 85,000 employees benefitted from the Aldi Factory Advancement (AFA) Project.



MODERN SLAVERY TRAINING

Training for employees

In 2022, we continued to roll out our modern slavery e-learning to colleagues and, further to a request from Aldi Ireland in 2022, BITCI designed a modern slavery Mitigation Awareness-Raising & Training Session for Aldi Ireland buyers.

The 90-minute online session was delivered to 50 buyers and explained where labour exploitation can happen and updated them on new EU legislation requiring companies to disclose their due diligence processes.

It also helped Buyers understand their role in supporting our commitments to mitigate the risks of modern slavery, and what actions they can take to mitigate the risks in their categories.

One of the key focuses in 2022 was rolling out our newly-created Ethical Procurement and Supply e-learning to all Buying Directors with responsibility for Non-Food Specialbuys. The module, which covered Environmental Procurement, Human Rights, Fraud, Bribery, and Corruption, helped build understanding of how ethics apply to buying and procurement.

Training for suppliers

Throughout the year, we have continued to encourage all our suppliers to attend the Stronger Together workshop on Tackling Modern Slavery in UK Businesses and Advanced Tackling Modern Slavery in UK Businesses. 1,035 delegates from 572 of our suppliers have completed this interactive workshop in 2022.

Our funding has supported the development of an improved 'Tackling Modern Slavery in UK Businesses' training course which was relaunched in 2022. 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.

Aldi's sponsorship of the Responsible Recruitment Toolkit (RRT) gives all our suppliers and their labour providers access to a comprehensive online tool and five online training courses on fair and ethical recruitment. 104 individuals from Aldi's suppliers have attended one or more of the RRT training courses and 99 individuals from 53 of our suppliers have used at least one of the RRT benefits.

With our support, the Responsible Recruitment Toolkit has undergone significant improvements in 2022, with the Responsible Recruitment standards refreshed to make sure they align to international best practice, whilst ensuring the tool is also offering the best user journey for suppliers.

We also offer a modern slavery e-learning module that is accessible to all our colleagues. Over 1,500 Aldi colleagues completed this module in 2022.

We also introduced two new child labour e-learning modules for suppliers:

- Child labour e-learning is available for all national and international suppliers.
- Social Monitoring Programme (SMP) e-learning was available for all national and international suppliers.

In 2022, the SMP e-learning has been taken a total of 202 times.



Slave-Free Alliance and Resource Packs

We used the Slave-Free Alliance (SFA) gap analysis on our modern slavery approach to guide our work on modern slavery in 2022. Our focus has been on raising awareness of modern slavery within the business and in our supply chains, so people know how to spot the signs and how to report it.

We have also prioritised working with Slave-Free Alliance to develop an effective escalation procedure for dealing with

modern slavery cases. Another key focus in 2022 has been gaining a deeper understanding of modern slavery threats in higher risk areas of our business and supply chains (including produce, recruitment, construction, and logistics) through carrying out a range of on-site and virtual modern slavery risk assessments.

In 2022 we worked closely with Stronger Together to develop a Modern Slavery Resource Pack for Aldi UK's Construction Management Companies (CMCs). 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. We requested CMCs to embed the guidance in the Pack and send completed templates to the Aldi Ethical Trade Team for review.

PROGRESS AGAINST 2022 OBJECTIVES

In our last modern slavery statement, we set out some clear ambitions for 2022. Below is a breakdown of our progress against each of these key objectives.

Roll out a Responsible Purchasing Practices e-learning module for our Buying teams within high-priority, non-food product categories.

This e-learning module was successfully rolled out to relevant colleagues in 2022.

Roll out The Chartered Institute of Procurement & Supply (CIPS), Ethical Procurement and supply e-learning programmes for all Buying and Procurement Directors in Aldi UK.

Colleagues in Non-Food Specialbuys were requested to undertake CIPS e-learning training in 2022, and our International Sustainability Team are now running Responsible Purchasing Practices Training for all Aldi South Buying colleagues, which cover the same elements.

Implement a modern slavery strategy based on the recommendations from our Slave-Free Alliance gap analysis.

We have used the recommendations from our Slave-Free Alliance gap analysis to develop and implement a robust modern slavery strategy. A key part of our strategy is to raise awareness of modern slavery and upskill business partners and colleagues so they can spot the signs and take appropriate action.

Support collaborative efforts to increase the number of effective worker representation committees in supply chains.

In 2022 Aldi UK, alongside four other UK retailers and three supplier members of the Food Network for Ethical Trade (FNET), developed an initiative that aimed to increase the number of effective worker representation committees in UK and global food supply chains.

With an increasing focus on enabling active worker representation across the supply base as a vital part of supporting human rights in the workplace, the sponsors were aware that mechanisms were not always in place or working well in their supply chains. A training course was developed and run for managers and worker representatives, both online and in person. Four training sessions took place between May and August 2022, with 40 people trained in total.

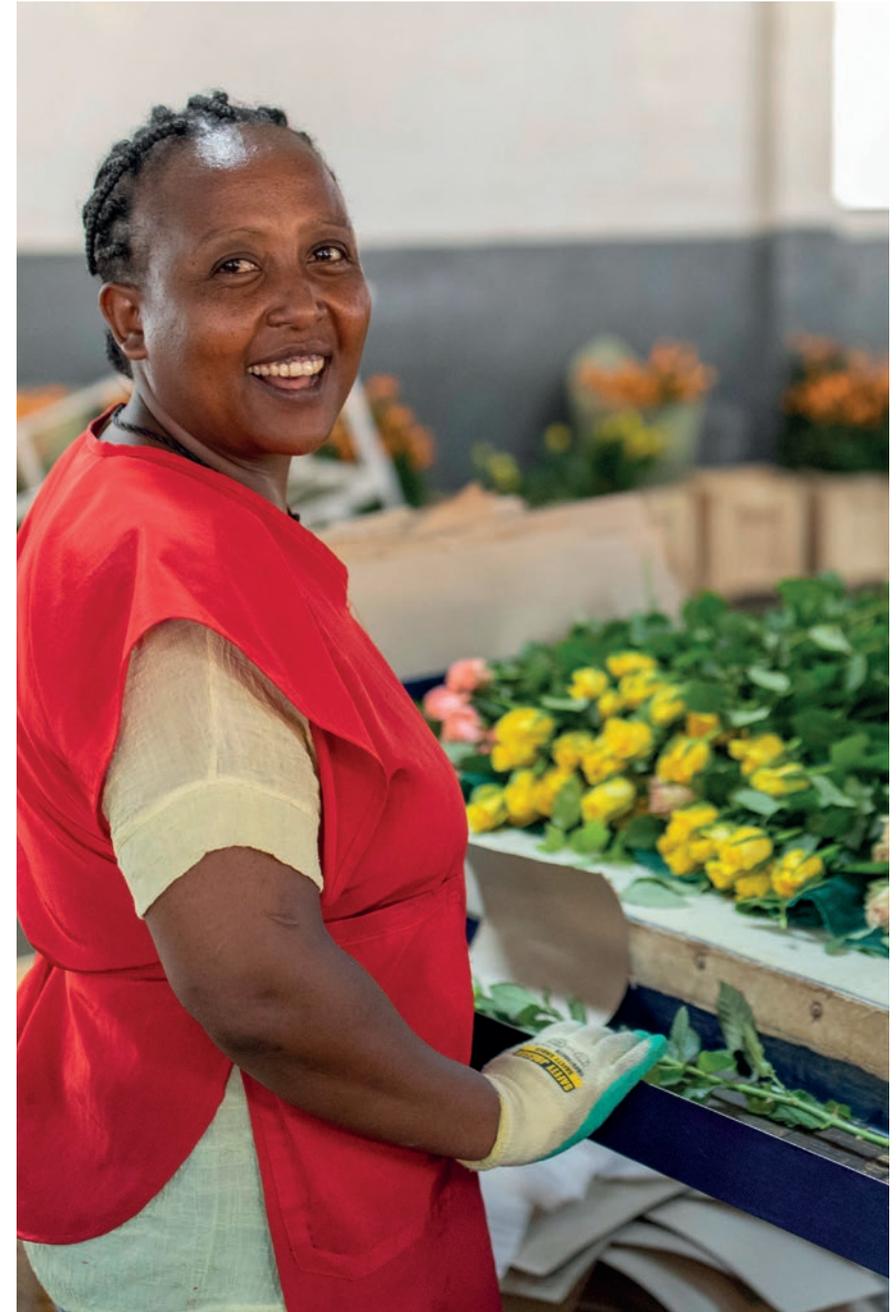
Implement a modern slavery escalation process to ensure those involved understand how to react and handle a case of modern slavery, ensuring effective safeguarding of the victim and whistleblowing mechanisms for internal and external stakeholders.

In 2022, we worked closely with Slave-Free Alliance to develop a modern slavery escalation process, which ensures anyone involved in handling a modern slavery case follows the correct process and ensures the effective safeguarding of victims.

Extend our modern slavery risk assessment programme in high-risk areas in the UK, including Construction, Recruitment, Goods Not For Resale (GNFR) and Logistics. This will allow us to strengthen our requirements.

In 2022, our modern slavery risk assessment programme was extended to cover: Construction, Recruitment, GNFR, and Logistics. Our approach within these areas involved upskilling our colleagues and business partners on modern slavery, carrying out risk assessments to gain a deeper understanding of risks and ensuring the necessary remediation is in place to mitigate risks.

Collaborate with external modern slavery experts to expand awareness-raising and training programmes on modern slavery for colleagues and suppliers.



In 2022, we ran a bespoke training session for Aldi UK's Construction Management Companies. We also ran a session on Modern Slavery for Aldi Ireland colleagues with BITCI, as well as continuing to roll out our Modern Slavery e-learning.

Formalise terms and conditions for all recruitment businesses providing labour across the Aldi UK estate, holding them to account on our modern slavery expectations.

In 2022, we worked with HR and our Legal team to formalise terms and conditions on modern slavery for all recruitment businesses providing labour to Aldi. We also developed Ethical Requirements for companies supplying recruitment services to Aldi UK, which include having a confidential whistle-blowing mechanism in place, attending Stronger Together training on Tackling Modern Slavery in UK Businesses and accessing the Responsible Recruitment Toolkit, which is available for free to all Aldi suppliers.

Work with UK retailers to support the rollout of the Just Good Work app within the Seasonal Workers Scheme, which aims to improve workers' access to vital information in their recruitment and employment, as well as enabling them to report issues.

Aldi UK worked alongside other UK supermarkets to support the rollout of the Just Good Work app within the Seasonal Workers Scheme and we will continue to support the rollout of this app in 2023.

Work with the International Sustainability Team to strengthen the Aldi South Group's approach to modern slavery and forced labour and continue to share best practices and learnings on modern slavery across the Aldi South Group.

We regularly share details of our approach, best practices and learnings on modern slavery to Aldi's International Sustainability Team and across the Aldi South Group. Last year, this helped our global team to introduce their own versions of our UK initiatives.

Activities by Aldi South Group's International Sustainability team:

1) Our International Sustainability Team launched a Child Labour e-learning training programme in 2022 as part of our capacity building activities.

- Child labour e-learning is available on Aldi's e-learning platform for all national and international suppliers.

2) Further development of the CR Supplier Evaluation (CRSE) Programme

- Rollout of [CRSE](#) for avocado and citrus (banana and pineapple had already been onboarded in 2021).
- A CRSE pilot was conducted for Housewares (non-electronic).
- A CRSE pilot was conducted for canned tuna (for all suppliers) and for frozen shrimp (for selected suppliers only).
- New CRSE introduction e-learning was developed and shared with both new and existing suppliers.

3) Grievance Mechanisms

- Aldi became a strategic partner for the Issara Worker Voice Programme; providing workers in Thailand access to grievance mechanisms.

4) Aldi Social Monitoring Programme (SMP) E-learning to launch to all suppliers in the scope of the Global Social Monitoring Programme

- SMP e-learning is available on Aldi's e-learning platform for all national and international suppliers.
- In 2022, the e-learning SMP programme was taken a total of 202 times (this includes a number of suppliers who took the e-learning multiple times). 74 of these responses are for UK and Irish suppliers.



LOOKING FORWARD

Great progress was made in 2022. We are committed to strengthening our approach to addressing modern slavery and have comprehensive plans in place to achieve more in 2023 and beyond.

Our priorities for the year ahead are to:

- Ensure a robust modern slavery escalation process is in place for dealing with any modern slavery reports we receive and collaborate with experts as required for advice, including Slave-Free Alliance and Unseen.
- Develop a set of modern slavery KPIs for Aldi UK and Ireland to measure success and increase external transparency within our business.
- Continue to ensure our modern slavery risk assessment programme covers high-risk areas, including Construction, Recruitment, GNFR, and Logistics and strengthen our requirements in these areas.
- Continue to collaborate with external modern slavery experts to expand awareness-raising and training programmes on modern slavery for colleagues and suppliers.
- Continue to support the Seasonal Workers Scheme Taskforce to improve the experience of migrant workers through the scheme. This includes working with UK retailers to support the rollout of the Just Good Work app within the Seasonal Workers Scheme, which aims to improve workers' access to vital information in their recruitment and employment, as well as enabling them to report issues.

- Work with the International Sustainability Team to strengthen the Aldi South Group's approach to modern slavery and forced labour and continue to share best practices and learnings on modern slavery across the Aldi South Group.
- Continue Aldi UK's partnership with Causeway to support survivors of modern slavery, including donating samples.
- Continue to promote the Responsible Recruitment Toolkit and Stronger Together to suppliers.

Our International Sustainability Team plans to conduct the following activities in 2023 and 2024:

- Expand and refine detection and remediation processes for recruitment fees in Aldi supply chains.
- Expand Aldi's approach to addressing child labour to food commodity groups and adapt capacity-building materials for suppliers to be more inclusive of these supply chains.
- Develop and implement a structured approach to identified salient human rights risks in the supply chain.
- Pilot further grievance mechanisms and extend the scope of countries/supply chains in which grievance mechanisms are offered.
- The CRSE will be rolled out in the following categories: Home Textiles, Fish and Seafood, and Mango. Pilots will be conducted in Coffee, Nuts, Tea and Cocoa.

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 we discover it.

This statement was approved by the Board on 30th June 2023 and is signed on its behalf by:



Giles Hurley
Chief Executive, Aldi UK and Ireland

