

ALDI UK AND IRELAND MODERN SLAVERY STATEMENT 2020

CONTENTS

Modern Slavery Statement	2
Introduction	2
Organisation Structure and Supply Chains	2
Partnerships	3-5
Policies in Relation to Slavery and Human Trafficking	6
Due Diligence Processes	7
Risk Assessment and Management	8
Key Performance Indicators to Measure Effectiveness of Steps Being Taken	8
Training on Modern Slavery and Trafficking	9-13
Covid-19	13
Looking Forward	14



MODERN SLAVERY STATEMENT

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 2020 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.

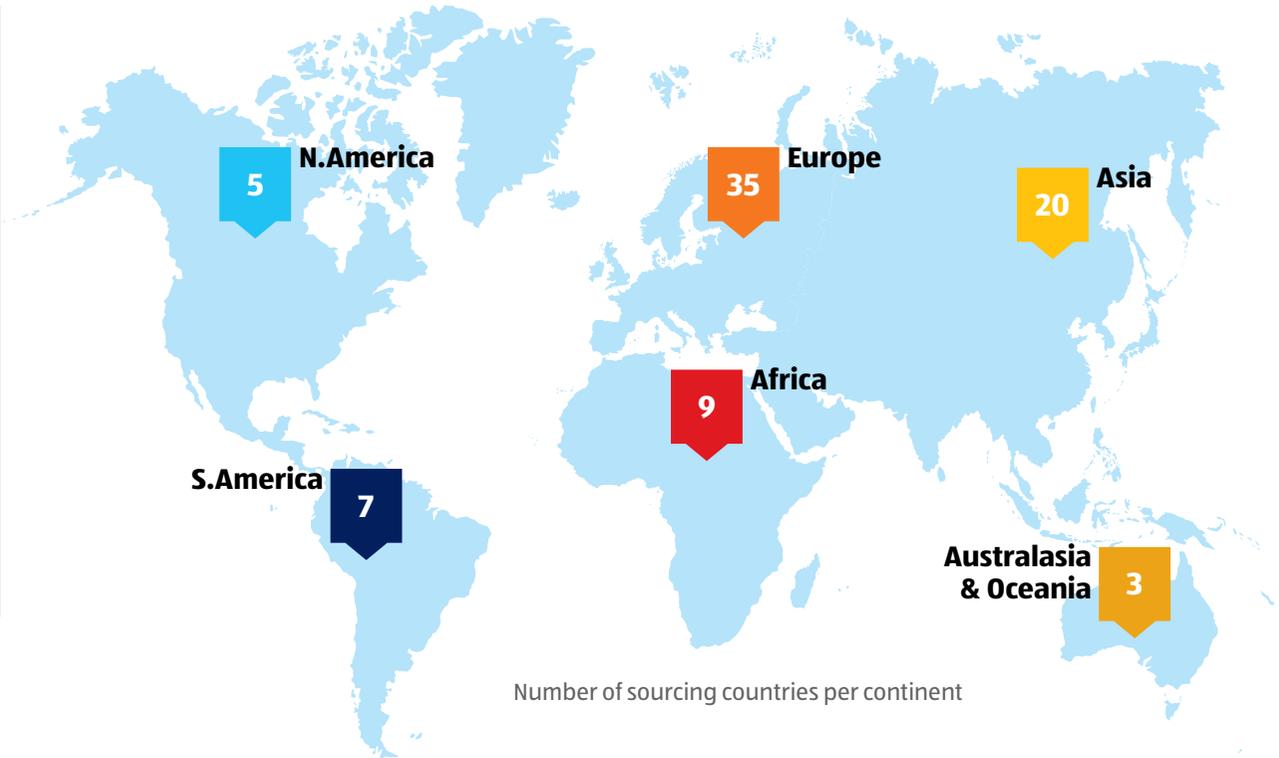
INTRODUCTION:

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.

The COVID-19 pandemic has highlighted how vital the food industry and its supply chain is to the global economy and, as a core sector, we have a duty to lead the fight against inequality and poor working conditions.

Modern slavery is a global problem that continues to impact every economy, industry and sector. The UN's International Labour Organisation estimates that more than 40 million people are trapped in modern slavery, including almost 25 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.



ORGANISATION STRUCTURE AND SUPPLY CHAINS

Aldi UK and Ireland are part of the Aldi South Group, an international supermarket chain that operates more than 6,700 stores across nine countries. We opened our first UK store in Birmingham in 1990 and have rapidly grown to become Britain's fifth-largest grocer by market share, with more than 900 stores in the UK and 150 in Ireland.

Our ethos today is exactly the same as it was when our first UK store opened three decades ago; we treat all customers, suppliers and employees fairly and with respect. This approach extends to our relationships with more than 2,500 suppliers across 79 countries. Although we do not own the companies or sites that we source from, we appreciate that Aldi and our suppliers have a shared responsibility to ensure working conditions in the supply chains from which we source meet our standards.

We recognise our reach across the globe and how complex our supply chains are. Our produce category, for example, consists of more than 11,000 approved grower sites.

Our Corporate Responsibility (CR) Department is responsible for the design and implementation of our modern slavery strategy in the UK and Ireland, and reports to Mary Dunn, Managing Director of Corporate Responsibility. It works closely with our National Buying Department, Aldi South Group's International CR Department and our CR offices based in Bangladesh and Hong Kong. Aldi South Group's CEO of Global Sourcing and Corporate Responsibility is Christoph Schwaiger.



PARTNERSHIPS:

We continue to establish partnerships and collaborate with others to drive improvements in the labour standards of supply chains. Our partners include:



Accord on Fire and Building Safety on Bangladesh (Accord)

The Aldi South Group were one of the first signatories of both the original Accord in 2013 and the follow-on agreement in 2018. Through this agreement, we support measures to improve health and safety within garment factories in Bangladesh.



amfori Business Social Compliance Initiative (BSCI)

The Aldi South Group joined the BSCI in 2008 and, since then, we have dedicated time and effort to support the organisation in continuously improving to become one of the leading international social and environmental compliance systems. Aldi South Group's Managing Director for Corporate Responsibility was elected to BSCI's board of directors in 2019.

The Aldi South Group is also an active member of the amfori Project Group 'Social Issues in Food' that unites retailer and producer members of amfori to tackle shared social and environmental issues in the food sector.

Barry Callebaut and Cocoa Horizons Foundation

The Aldi South Group has joined forces with chocolate producer, Barry Callebaut, and the Cocoa Horizons Foundation to support Ghanaian cocoa farmers to generate alternative income sources to cocoa. The two-year project is co-funded by the Belgian initiative 'Beyond Chocolate'.



Better Cotton Initiative

In 2017, the Aldi South Group became a partner of The Better Cotton Initiative (BCI) which seeks to improve cotton farming globally. The initiative's aim is to reduce the negative impacts of cotton production on people and the planet.

The basic principles of the BCI include training farmers on the elimination of harmful pesticides, the efficient use of water, and the preservation of soil fertility, as well as the compliance with minimum social criteria and the prohibition of child and forced or bonded labour.



British Retail Consortium (BRC)

Aldi UK is a member of the BRC and several working groups. This has included the Ethical Labour Working Group, which brings the retail industry together to collaboratively tackle unethical practices in supply chains. It developed and published a 'Retailer Protocol for Handling Reported Cases of Modern Slavery' to drive consistent application of good

practice in the processes used by retailers to handle reported cases of forced labour, human trafficking, debt bondage and other forms of modern slavery in their UK supply chain. The Group has called on the government to strengthen enforcement of labour practices to safeguard workers in high-risk sectors.

City Hearts – Donation for women's safe houses – Safe House family space renovation

In 2020, Aldi made a donation to City Hearts to support the vital work the charity does helping female survivors of modern slavery rebuild their lives. The donation was used to renovate the family space in one of the charity's safe houses.

The safe house provides a place for rest and recovery, something that can be difficult for these women at their family home, where they often have young dependents who they prioritise over their own recovery. The investment from Aldi has created a new child-friendly communal space where parents can relax while their children play safely. It will accelerate family recovery, enable the children to develop through socialising and help to address the isolation felt by many women affected by modern slavery.

"At City Hearts we exist to see lives fully restored and the spaces and environments in which this happens are vital to helping people on the journey to recovery. With help from Aldi this family space will offer a safe haven for children to play and for parents to socialise, creating meaningful community which is crucial for long-term recovery." Phillip Clayton – Head of Fundraising and Development.

The family space has room for around 15 adults and seven children. The safe house has survivors of all genders, age ranges, and a number of types of exploitation including forced labour and sexual abuse.



Cotton Made in Africa

The Aldi South Group has been a partner of Cotton Made in Africa since 2016. Following the principle of 'helping others to help themselves', Cotton Made in Africa provides smallholders with training in modern, efficient, and environmentally-friendly cultivation methods.

Pre-financing measures, the protection of natural conservation areas and the ban of genetically-modified cottonseed are just as much a part of the CmiA standard as compliance with the ILO core labour standards and the promotion of women's equal rights.



Ethical Trade Initiative (ETI)

In line with our responsible sourcing strategy to mitigate adverse human rights impacts of our business activity, the Aldi South Group was accepted as a Foundation Stage member of the ETI in 2019.

ETI is a global alliance of companies, trade unions and NGOs that promotes respect for workers' rights. Our Social Standards in Production are aligned with the ETI Base Code.



ETI Italy Working Group

Aldi South Group joined the ETI Italy Working Group. Similar to the Spanish Ethical Trade Forums, the aim is to establish supplier-led activities bringing together suppliers, retailers, NGOs and unions to discuss challenges in the regions most affected by human rights violations. The long-term aim is to create a 'safe space' to build trust among industry peers where they can openly discuss issues they are having with sourcing labour from legitimate sources and to come up with tools to assist growers in improving conditions for workers.

Fairtrade Flowers Gender Empowerment Project

It's important to support the countries around the world where our products are produced, addressing equality challenges and creating fair and supportive working environments. One way we're doing this is through our partnership with Fairtrade, which aims to empower and protect women.

More than 75% of Aldi UK and Ireland's Fairtrade flowers are sourced from Herburg Flowers in Ethiopia, where approximately three quarters of workers in the flower-growing industry are women.

We are investing £200,000 over four years, which started in 2019, to support the [Fairtrade Flowers Gender Empowerment Project](#), an initiative that provides education programmes and mentorship to women working in the Ethiopian flower industry.

The programme offers education and support so that women have the tools they need to take on leadership roles on farms.

Despite the challenges of COVID-19, Fairtrade Africa were able to adapt the programme

delivery, turning training modules into virtual sessions. Furthermore, the project responded to the immediate needs faced by the most vulnerable workers in the context of the pandemic, including provision of face masks and sanitiser. With restrictions now lifted, the project team are conducting (with appropriate precautions) in-person training, farm visits and continue to conduct scenario planning and prioritisation exercises so that they can respond to any further or ongoing challenges resulting from COVID-19.

With regards to broader support for the Fairtrade flower sector in Ethiopia, Fairtrade introduced premium flexibility – this has played a critical role in helping flower workers and their communities meet their health, food and financial needs. In addition, Fairtrade COVID-relief funds supported the provision of PPE for workers across all the Fairtrade flower farms in Ethiopia (including Herburg Flowers).

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 have worked with the GLAA for many years to help identify and protect workers at risk of exploitation in its supply chain. In 2020 we have worked to strengthen Aldi UK's relationship with the GLAA.



Responsible Recruitment Toolkit

We are a founding sponsor of the Responsible

Recruitment Toolkit (RRT), an online hub designed to drive ethical and professional standards in labour supply. In 2020, the RRT was relaunched, opening up membership to our UK and Irish suppliers for free to increase the reach of the toolkit and allow suppliers to embed these critical standards into their businesses. There are now more than 1,400 subscriptions to the toolkit, spanning 50 countries. During 2020, there have been over 800 downloads of RRT's Practical Guide to Responsible Recruitment, with guidance and tools available in English and now Spanish, and contextualised guidance developed for the UK, US and Malaysia.



Seafood Ethics Common Language Group

Participating in this group, which was set up by Seafish, 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 is a multi-stakeholder initiative seeking to address illegal, unreported and unregulated (IUU) fishing; and, in turn, tackles human rights issues and marine conservation problems, which are believed to be closely interlinked.





Spain Ethical Trade Forums

These forums address a range of specific concerns associated with the sourcing of produce from key growing regions in Spain. We have joined these forums as the Aldi South Group.



Stronger Together

Aldi UK is a project sponsor of the Stronger Together (S2G) initiative, a business-led, multi-stakeholder collaboration that supports organisations to tackle modern slavery within their businesses and supply chains. Through its website (stronger2gether.org) S2G provides clear guidance, practical resources and training to support employers and labour providers in at-

risk sectors to deter, detect and deal appropriately with forced labour, labour trafficking and other hidden labour exploitation.



Supplier Ethical Data Exchange (Sedex)

Sedex is one of the world's leading ethical trade service providers, striving to improve working conditions in global supply chains. Sedex provides practical tools, services and a community network to help companies improve their responsible and sustainable business practices and source sustainably. The Aldi South Group are members of Sedex and Aldi UK were represented on the Sedex Board in 2020.



Unseen

Unseen is a charity working towards a world without slavery, by supporting survivors,

equipping stakeholders through the provision of training and by influencing systematic change in society.

In 2020, Unseen's Modern Slavery Helpline received almost 8,000 calls and written reports relating to modern slavery or labour exploitation, enabling Unseen to identify and support almost 3,500 victims. Since Aldi joined the portal in October 2020, we have been able to access 8 modern slavery and 13 labour abuse reports, and review a total of 205 individual cases.

"We are delighted to welcome Aldi as a valued member of Unseen's Helpline Business Portal. Their dedication and determination to fight the scourge of modern slavery and exploitation is great to see and through our collaboration we can ensure that more workers are protected from exploitation." – Justine Currell, Executive Director, Unseen



Aldi's Support of the Unseen Modern Slavery Helpline – Business Portal

Unseen's Modern Slavery Helpline Business Portal is a unique subscription service that Aldi joined in 2020, giving us access to relevant reports of modern slavery or labour abuse, anonymised reports from the public of modern slavery or labour abuse within operations and supply chains.

We benefit from Unseen's subject matter expertise and victim-focused approach to remediation that strives to achieve the best possible result for potential victims, suppliers and our business. The portal allows for collaboration with other retailers in our shared fight against exploitation, offering unique and highly detailed trend analysis. Our partnership supports continued operation of the independent Modern Slavery Helpline, which provides expert guidance to the public and frontline workers and a vital lifeline to those with nowhere else to turn.



POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

Aldi's Human Rights Policy:

We have developed an approach that will help us to fulfil our responsibility to respect human rights. In addition to our existing policies, processes and measures, we want to use our influence more effectively in the future in areas where there is potential for a negative impact on human rights. We have already identified raw materials and products in our food and non-food supply chains that pose a high risk of adverse human rights impacts. In the future, we intend to increase our focus on preventing, mitigating and remedying negative impacts on human rights for those raw materials and products.

The measures we are already implementing in the food and non-food area include the formulation of minimum standards for production, traceability and supply chain mapping, social auditing and certification, integration of CR criteria into the buying process, participation in multi-stakeholder initiatives, and “beyond audit” approaches such as capacity building and projects on the ground.

We consider providing access to remedies to be an important part of our responsibility to respect human rights. Grievance mechanisms provide a suitable means of identifying adverse impacts at an early stage. For this reason, we have created grievance mechanism processes for our own employees and business partners. We acknowledge that effective grievance mechanisms are complex to establish and we aim to collaborate, where possible, with other stakeholders to create the most effective process for collating and remediating grievances.



We commit to ensuring that workers in at least three high-priority supply chains have access to a grievance mechanism and remedy as per the UN Guiding Principles definition. We will work to implement a pilot in one of our high-priority supply chains and will use the lessons learned to scale up the access to grievance mechanisms and remedy to three commodity groups over the coming years. We will link remediation activities to the grievances identified and will work with our suppliers on corrective actions.

We expect our business partners to comply with our human rights and environmental standards and policies. Many human rights issues are of a systemic nature and therefore we collaborate with other stakeholders to increase our leverage and align approaches on human rights due diligence.

Aldi's Social Standards in Production:

Aldi's Social Standards in Production form part of our standard terms and conditions for all suppliers and are based on the following international standards:

- The UN Universal Declaration of Human Rights
- The UN Convention on the Rights of the Child
- The UN Convention on the Elimination of All Forms of Discrimination against Women
- The International Labour (ILO) Conventions
- The OECD Guidelines for Multinational Enterprises

They define our commitment to human rights and fair labour practices and set out the minimum standards that we expect from our suppliers. These include:

- No use of forced or bonded labour
- No use of child labour
- Payment of legal minimum wages
- A maximum length for a working week
- Freedom from discrimination in the workplace

Aldi will not tolerate inaction by suppliers on any human rights issues, including forced labour or child labour.

All suppliers are required to adhere to the Social Standards in Production and apply them across

their own supply chain, including to any approved sub-contractors that work for them. Suppliers and sub-contractors are expected to communicate the standards to workers, so they are aware of their rights. We check suppliers' compliance with our standards through our Ethical Trade Programme, which we refer to as our Social Monitoring Programme (SMP) internationally.

Child Labour Policy

Our Child Labour Policy explains our understanding of child labour in accordance with international standards. The policy states Aldi's expectations of our business partners to ensure that child labour does not occur at production sites used for our products.

Setting a Europe-wide Agenda

The Aldi South Group and the Aldi North Group joined 45 other organisations including NGOs, trade unions, multi-stakeholder initiatives and companies, in sending a letter to the European Commission urging the European Union to put pressure on labour reform in Thailand.



DUE DILIGENCE PROCESSES

Our [Ethical Trade Programme](#) aims to improve working conditions at sites that we source Aldi products from, particularly those in high-risk countries or product categories.

All suppliers in the Ethical Trade Programme must be a member of a supply chain management platform, either the Supplier Ethical Data Exchange (Sedex) or the amfori Business Social Compliance Initiative (BSCI).

To show that they can meet our ethical standards and requirements, suppliers must

also arrange for one of the following independent third-party ethical audits or certifications of their production sites in high-risk countries (defined by amfori BSCI), which have been approved by Aldi:

- amfori BSCI (Business Social Compliance Initiative) ethical audit
- SMETA (Sedex Members Ethical Trade Audit)
- ICTI (International Council of Toy Industries) ethical audit
- SA8000 (Social Accountability International standard)

- Responsible Business Alliance (RBA) audit, formerly Electronic Industry Citizenship Coalition (EICC)
- Fair Wear Foundation certification (textiles only)

We expect our suppliers to take responsibility for monitoring and improving working conditions at all sites in their supply chains. We also expect them to adopt an approach to ethical trade that goes beyond compliance.

However, we know from experience that third-party audits may not always provide a true picture of working conditions at a supplier site. For this reason, we also carry out our own ethical audits and site visits through our Aldi Social Assessment programme.

We have reviewed more than 30,000 food and non-food contracts across UK and Ireland through our Ethical Trade Programme. Over 99% were compliant with our requirements. On the small number of occasions where our standards were not met, we have addressed the issue with the supplier and have requested that an action plan for remediation is enacted, which includes the retraining of Aldi's requirements down the supply chain.

During 2020, we increased our range of certified products, including Rainforest Alliance, UTZ and Fairtrade and Organic. We currently offer more than 400 products that fall into these categories.

Aldi Social Assessments (ASA):

From our experience, we know that on-site presence can lead to greater transparency and fosters strong partnership with business partners and production facilities. Since 2011,

we have been supplementing third-party audits with our own on-site visits for certain high-risk commodity groups.

These [Aldi Social Assessments \(ASAs\)](#) are assessments of main production facilities that are carried out by Aldi employees, together with external auditors and business partner representatives. This local expertise means we can directly monitor and address issues on the ground in high-risk sourcing countries.

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. In 2020, we carried out 303 ASAs.

They also focus on building cooperation and gaining increased transparency from suppliers so that we can work with them to improve conditions for workers in all sites that produce our products.

While the pandemic has made proactive site visits more challenging, we have focused our attention on responding to specific reports of potential exploitative practices, to ensure we are not putting our suppliers and their workers at unnecessary risk from site visits, but are still ensuring we are responding to serious issues when needed.

Due to COVID-19, we were unable to progress further with our intended on-site due diligence visits focusing on modern slavery risk; however, this activity is still planned as part of our three-year modern slavery strategy.



RISK ASSESSMENT AND MANAGEMENT

We source our products from 79 different countries around the world and recognise the need to monitor and mitigate the risk of modern slavery in all parts of the supply chain; from where the product is made or grown through its journey to our stores.

We have a comprehensive system of checks and controls in place to identify high-risk areas in our supply chain and wider business, including third-party ethical audits. The size of our supply chain means we need to focus our resources on the areas with the most risk and where we can have the greatest impact.

Wilberforce Institute

In 2019, Aldi UK and Ireland partnered with the Wilberforce Institute (WI) to conduct a series of desktop risk assessments across our produce, horticulture and logistics supply chains. We conducted desktop reviews, looking at more than 70 of Aldi's produce lines, from across 76

countries and over 11,000 sites worldwide. This was alongside a number of ad hoc site visits based on alerts from colleagues who had received modern slavery awareness training in 2019. As a result of these visits, we identified a number of risk areas specifically relating to the sourcing of temporary labour and have worked with suppliers to remediate these issues.

In 2020, we continued our work with the Wilberforce Institute, carrying out awareness training for colleagues in our buying teams and built future risk assessment plans for logistics supply chains. Thanks to the training and the awareness of modern slavery that our work with the Wilberforce Institute has achieved, we have seen a significant increase in whistleblowers coming forward to report allegations of poor worker welfare and labour practices.

KEY PERFORMANCE INDICATORS TO MEASURE EFFECTIVENESS OF STEPS BEING TAKEN

Since our last Modern Slavery Statement was published in 2020, we have continued to improve our processes and those of our suppliers, working with a wide variety of partners and creating new initiatives to promote and ensure good working conditions in our supply chain.

Expanding our Ethical Trade Programme

In 2018, Aldi carried out an expansive and comprehensive human rights risk assessment of our supply chain, working with specialist corporate responsibility consultancy, Carnstone. The result of this was a significant expansion in 2020 of our Ethical Trade Programme, an initiative through which we help to improve working conditions at sites that we source Aldi products from.

The programme has now been extended to a number of new commodity groups, identified

as high risk, including produce, fish and seafood, oils and condiments, processed produce and canned meats.

Thomson Reuters Foundation Stop Slavery Enterprise Award

In February 2020, Aldi UK won the Thomson Reuters Foundation Stop Slavery Enterprise Award in the goods and services category for our efforts in tackling modern slavery and taking positive steps to protect human rights in the supply chain. Judges commended Aldi UK's leadership and for requiring suppliers to be trained in modern slavery awareness and legislation.





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

Slave-Free Alliance

The Slave-Free Alliance (SFA) is a social enterprise and membership initiative launched and wholly owned by anti-slavery charity, Hope for Justice. It provides specialist services, including gap analysis of businesses, modern slavery site assessments, crisis response, proactive investigations and training. The organisation was instrumental in the largest modern slavery prosecution case in European history, known as Operation Fort, which uncovered a criminal gang running a slavery network of more than 400 victims in the Birmingham area.

Aldi joined the SFA in 2020 and commissioned the organisation to conduct a gap analysis of our internal operations, to identify areas where we are exposed to the risk of modern slavery. This marked the beginning of a three-year membership, where the SFA will help us to implement recommendations on how to future proof and mitigate risk. The charity's modern slavery experts carried out interviews in various areas of the business, including Corporate Responsibility (CR), Logistics, Construction, HR, Procurement and Buying.

Through the interview process, the SFA developed an in-depth understanding of Aldi's business processes and was able to identify gaps in our efforts to prevent modern slavery. The experts made a series of recommendations to further improve our policies and procedures, including seven areas of focus for the years ahead - which we have used to develop the goals outlined under the 'Looking Forward' section at the end of this Statement:

1. Create a specific modern slavery strategy and three-year action plan to structure our approach to tackling modern slavery and involve key stakeholders from across the business
2. Formalise an escalation process for flagging suspected modern slavery cases to ensure everyone involved can respond quickly and ensure effective safeguarding of victims
3. Improve channels available to whistleblowers, both in our business and externally, so that employees and suppliers feel confident raising concerns of modern slavery or labour exploitation
4. Create a consistent approach to modern slavery prevention across the business by adapting existing CR ancillary documents and processes
5. Extend risk assessment programmes in high-risk areas of the business: Construction, Recruitment, goods not for resale (GNFR) and Logistics. Although work in these areas has started already, we plan to roll this out more extensively over the course of 2021 and beyond
6. Expand awareness raising and training programmes, including specific training for Buying and HR. So far, we have introduced purchasing practices training in collaboration with the Wilberforce Institute, a CIPS Ethical Training module for buyers, Stronger Together workshops for Construction and Logistics teams and rolled out the Responsible Recruitment Toolkit (RRT) to our entire supplier base
7. Establish modern slavery KPIs to publicly demonstrate our commitments and hold ourselves to account on our progress

TRAINING ON MODERN SLAVERY AND TRAFFICKING

Throughout 2020 we delivered extensive training on modern slavery to both our own employees and our suppliers. This included partnering with the [Slave Free Alliance](#) to create a modern slavery e-learning module for all our suppliers outlining our ethical requirements, and delivering labour exploitation risk assessment training for our produce buying teams.

We collaborated with a number of other retailers, suppliers, performance management

platform nGaje, the Food Network for Ethical Trade (FNET) and the Association of Labour Providers (ALP) to deliver a webinar series to educate the food, horticulture and agriculture industries on how to better manage the risks associated with the COVID-19 pandemic. Further information regarding this can be found [here](#). We also updated all of our induction training for office-based colleagues to heavily focus on modern slavery awareness.

Training for employees

In 2020, Aldi UK and Slave-Free Alliance jointly developed modern slavery e-Learning modules to raise awareness of the issue of modern slavery and how to report it, including case study examples from Aldi's supply chain. The training was developed for Aldi employees and has been rolled out to all UK office and operational staff down to hiring managers.

Due to COVID-19, we were unable to roll the training out to store level staff, but recognise

the importance of this and will aim to do so even more widely in the course of our three-year modern slavery strategy.

We have also developed a version of this training for our suppliers, which is currently being delivered to all our direct supply chain including GNFR.

All Aldi Buying Directors and managers are trained by the Corporate Responsibility Department when they join the business on Aldi's expectations and how to work with

suppliers to uphold the ethical standards that we set. They work closely with our CR departments to monitor suppliers' performance and intervene if any issues are found. We have also carried out the following activities:

- All new employees with buying responsibility receive one-to-one training from the CR team as part of their induction to ensure they have a thorough understanding of ethical trade issues, including modern slavery and labour exploitation
- In 2020, Aldi adapted our general CR Training day presentation, which is open to all office employees, to include a specific modern slavery section on 'How to spot the signs'
- External consultancy, [Stronger Together \(S2G\)](#), carried out in-house training sessions for our Logistics department on how to spot the signs of modern slavery in 2019
- S2G carried out in-house training sessions for our UK and Irish Construction contractors in 2019
- S2G carried out in-house training sessions on purchasing practices for our UK meat and produce Buying Teams in 2019
- Enlisted the help of the Wilberforce Institute to provide UK produce Buying Directors and Managers with an overview of slavery and exploitation issues prevalent in the produce sector, linking to live case studies from our supply chain and provided a list of key questions Buying can ask whilst conducting visits

Training for Suppliers

In 2020, Aldi established a set of ethical requirements for high-risk food commodity groups and conducted training for suppliers on what they need to do to adhere to them.

As sponsors of S2G, all of Aldi's direct suppliers receive a free place on one of S2G's 'Tackling Modern Slavery in UK Business' courses. These include:

- Know what modern slavery, forced labour and hidden labour exploitation is
- Understand the potential risk and impacts of modern slavery and the business case for tackling it
- Know how to recognise the signs that someone may be being exploited and how to respond
- Be confident in your next steps to deter, detect and deal with it in their business and have the tools needed to implement what has been learnt

In 2020, access to training resources in the [Responsible Recruitment Toolkit \(RRT\)](#) were made free to all of our suppliers. Suppliers of Aldi can also access a free place on RRT webinars and will gain the following from completing the course:

- Introduction to Responsible Recruitment
- Understand what responsible recruitment is, the business case and principles
- Be confident in next steps to embed responsible recruitment in their business and supply chains

Suppliers will also have access to a number of other courses held for free by the RRT team.



Stronger Together

Since its launch in October 2013, the Stronger Together initiative (S2G) has achieved significant traction in engaging businesses:

- Over 14,000 industry representatives have registered with [stronger2gether.org](#)
- Over 5,500 individuals, of which 1,400 supply to Aldi, have attended 'Tackling Modern Slavery in UK Business' training and have committed to taking action
- In 2020, more than 200 businesses publicly demonstrated their commitment to addressing modern slavery risks by registering as a S2G Business Partner – 25 of them are Aldi suppliers
- S2G launched a new series of free, international webinars in 2020 on key topics including the impact of the Modern Slavery Act 2015 on UK businesses and how to prioritise mitigating forced labour risks in the supply chain. To date over 1,200 individuals have watched the informative webinars
- Despite the COVID-19 pandemic, S2G also developed and launched two new training workshops - 'Advanced Tackling Modern Slavery in UK Businesses' and 'Taking your next steps: a follow-up workshop for Agri-Businesses in South Africa'. These advanced workshops are designed to support businesses looking to progress their existing risk management processes
- S2G launched a new resource pack to support UK businesses in appointing Modern Slavery Champions who will raise awareness throughout the organisation
- An Independent Impact Assessment (Oct 2013 - Sept 2017) measured the impact of the programme amongst UK consumer goods suppliers. It found that being involved in S2G:
 - Increased their knowledge and understanding of what modern slavery is (96%)
 - Helped them prepare and understand how





to manage potential situations of forced labour (87%)

- Resulted in senior management making a commitment to tackle modern slavery in their business and supply chain (72%)
- S2G launched the 'Stronger Together South Africa Programme' in 2017 to support the fruit growing and wine-producing industries in tackling forced labour and hidden labour exploitation by providing free training workshops and multi-language resources. The awareness raising video 'Eyes Wide Open' received a Gold World Medal at the New York Festivals TV & Film Awards 2018 for Instruction & Education

Stronger Together – South Africa:

Stronger Together South Africa (S2G SA) has delivered 99 workshops on detecting, deterring and dealing with forced labour in Agri-Businesses across eight provinces to 1,500 individuals from 890 SA agri-businesses and stakeholder organisations. Together they have pledged that an estimated 178,561 workers will hear the S2G message.

The free training workshops, business guidance toolkit and worker awareness materials, given to every participant, provide straightforward and practical guidance on detecting, deterring and dealing with forced labour. Over 97% of participants reported increased understanding of what modern slavery is, the risks and impacts to their business and what they can do to prevent it.

An impact assessment conducted in 2020 found that, following the workshops, attendees had taken the following actions:



S2G SA has delivered specialist training to 171 individuals from the South African provincial Human Trafficking Task Team, Rapid Response Team and civil society organisations across six provinces. Feedback from the workshops included:

- 100% of workshop attendees agreed that the workshop had been beneficial in building capacity and dialogue amongst the different role players involved in responding to potential victims of forced labour and human trafficking
- Over 98% agreed the workshop increased their knowledge and understanding of the different types of modern slavery, specifically around agriculture



Modern Slavery e-Learning Modules

In 2020, Aldi and the Slave-Free Alliance (SFA) jointly developed modern slavery e-Learning modules to raise awareness of the issue among our employees and help them understand how to 'spot the signs' and report it. The training has been rolled out to all office and operational staff (hiring manager and above) in the UK. COVID-19 made it difficult to roll out the programme more widely, but delivering the training to all colleagues is one of our aims over the course of our three-year modern slavery strategy.

We have also developed a version of this training for our suppliers, which is currently being delivered to all our direct supply chain.

The SFA's membership is made up of businesses of all sizes and industries, including others in the retail and supermarket sector, as well as those from the worlds of professional services, engineering, data analysis, IT, utilities, energy, environmental services, manufacturing, agriculture, insurance, legal, pharmaceutical, aviation, property, recruitment, transport and waste management.

All profits made by the SFA are reinvested into charitable anti-trafficking projects run by its parent organisation, Hope for Justice. Further detail on the work Hope for Justice is doing can be found [here](#).

Aldi Factory Advancement Project

The Aldi Factory Advancement (AFA) Project is an initiative we introduced to strengthen cooperative working relations between workers and managers at production facilities that produce our textile goods in Bangladesh.

The project brings together the workers, managers and owners of the relevant production facilities to address problems in their production facilities. The training covers topics such as establishing effective communication structures, health and safety in the workplace,

remuneration and private financial planning, data, quality management and productivity.

Launched in 2013, the AFA Project has resulted in approximately 85,000 workers and managers experiencing positive changes in their day-to-day working environment. The AFA Project was extended in February 2018 with the introduction of AFA Project PLUS, which aims to tackle the shortage of adequate childcare for working parents and their children in garment factories.

So far, the AFA Project PLUS has resulted in:

-  More professionally-trained caregivers, childcare centre supervisors and nurses
-  Health and safety improvements
-  Installation of designated breastfeeding areas
-  Provision of drinking water and nutritious snacks

-  Introduction of parent consultations
-  Development of child-friendly daily routines for workers
-  Monthly health checks of all children undertaken by the medical staff within the production facilities



AFA 2.0

In the second half of 2019, we launched the exciting next phase of the AFA Project – an innovative pilot with selected AFA Project factories and business partners. We have used our six years' experience of the first phase to develop a programme that will reduce factories' dependence on the support of AFA Project trainers.

We know that skilled facilitators are key to creating sustainable solutions. It is the facilitators who provide the mindset and tools for dealing with complex challenges and who are driving positive change through workplace cooperation.

New Approach

- In AFA Project 1.0, AFA Project trainers guided the dialogue and cooperation between workers and managers
- In [AFA Project 2.0](#), selected workers and managers have taken over the role of project trainers. These workers and managers successfully facilitate dialogue and cooperation in their own factories
- Each factory has selected workers and managers are trained to be facilitators for



workplace cooperation. They assist other workers and managers in their factory to address workplace issues in a cooperative manner

- “I am so happy to see so many achievements through the AFA Project that were only possible because of the teamwork between workers and managers. I don't think of myself as the only owner of this factory, rather we all own it together.” – Golam, owner of a factory that participates in the AFA project

“Previously, I was very afraid to talk and did not have a chance to express my opinion. After being part of the AFA Project Team, I am confident and can share my opinions and ideas without fear. The management listens to me and they value my opinion. We have learned the Seven Steps solution finding process, through which we can solve any kind of problem in the factory. This learning has also greatly helped me in my family life and I was able to help my family to find solutions in times of need.” – Shahnaz, data entry operator from a factory that participates in the AFA project



COVID-19

2020 has been an extremely challenging year for our suppliers and colleagues and we would like to recognise the monumental efforts they have made to enable us to continue feeding the nation throughout the pandemic.

The COVID-19 pandemic has increased the risk of modern slavery and labour exploitation in the following ways:

- Restricted movement of workers, both domestically and cross-border, creating a shortage of labour supply
- Exploited workers from 'Home Industries', such as nail bars, car washes and the hospitality industry have been forced to move to food production, retail and warehouse operations, increasing the risk to our business and supply chains
- The use of excessive overtime, to compensate for the shortage of labour
- Restricted access to supplier sites, leading to a reduction in compliance checks from auditing and enforcement bodies

- Pressure on temporary workers to continue working when they should have been self-isolating due to a lack of financial provision
- Challenges around safe provision of accommodation and transportation for temporary workers, resulting in higher reported cases of COVID-19
- An increased demand for food has exacerbated all of the above

In response to the above, Aldi collaborated with retailers and external experts to produce a series of webinars to guide suppliers in mitigating the risks surrounding COVID-19. This included launching [foodfarmhelp.com](https://www.foodfarmhelp.com) which housed all of the webinar recordings, best practice guidance, documentation and practical case studies.

We have also been trialling virtual audits and worked with suppliers so that audit completion did not put undue pressure on their operations during the pandemic.

LOOKING FORWARD

We recognise that modern slavery is still a reality in global supply chains and we will continue working with other retailers, suppliers, NGOs, governments and industry partners to tackle this pervasive issue.

During 2021 and beyond, we are committed to maintaining and evolving our approach to addressing modern slavery and will take the following steps over the next 12 months:

- Develop a three-year modern slavery strategy, based on the recommendations from our Slave-Free Alliance gap analysis. This will identify priorities, objectives and milestones to focus our efforts, engage relevant stakeholders effectively and assess and measure progress
- Create and implement a set of modern slavery KPIs to measure success and increase external transparency within the business for the first time
- Formalise an escalation process to ensure those involved understand how to react and handle a case of modern slavery and effective safeguarding of the victim and develop effective whistleblowing mechanisms for both internal and external stakeholders
- Share best practice and learnings on modern slavery across the Aldi South Group
- Develop an aligned approach in all processes and policies across Aldi UK and Ireland in the prevention and remediation of modern slavery
- Extend our risk assessment programme in high-risk areas: Construction, Recruitment, GNFR and Logistics in the UK
- Develop closer relationships with local police forces and GLAA to ensure an aligned approach to modern slavery investigations and intelligence sharing
- Gain better oversight of our GNFR supply chain, map risk and provide training to GNFR and property colleagues

- Align strategic modern slavery activities and business relationships in Ireland, to address human rights risks where there is currently no formal legislation
- Expand awareness raising and training programmes, collaborating with external modern slavery experts, for both colleagues and suppliers
- Formalise terms and conditions for all recruitment businesses providing labour across the entire Aldi UK and Ireland estate. Risk assess and monitor labour providers' progress and compliance through the use of the Responsible Recruitment Toolkit (RRT)
- Commit to the UN's Women's Empowerment Principles
- To jointly (The Aldi South Group and the Aldi Nord Group) publish an [International Policy on Forced Labour](#), setting out a zero-tolerance approach to any forms of modern slavery, as well as a combined [International Position Statement on Mandatory Human Rights Due Diligence Legislation](#) to support the human rights of all workers in global supply chains

Modern slavery has no place in our business or supply chains and we remain fully committed to stamping it out wherever we discover it.

This statement was approved by the Board on 30th June 2021 and is signed on its behalf by:



Giles Hurley
Chief Executive, Aldi UK and Ireland

