



Aldi UK and Ireland Modern Slavery Statement 2021

CONTENTS

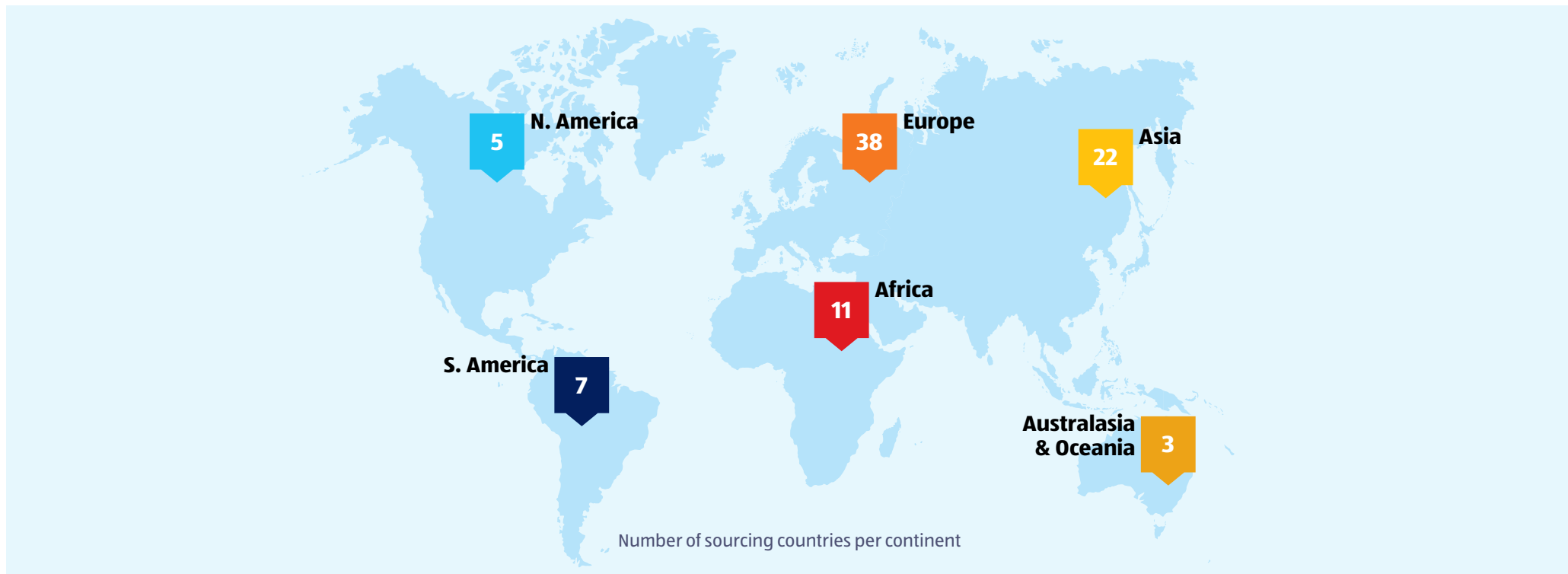
Modern Slavery Statement	3
Introduction	4
Organisation Structure and Supply Chains	4
Key Progress in 2021	5
Partnerships	6
Long-standing and Continuing Partnerships	7-9
Slavery and Human Trafficking Policies	10
Our Approach to Due Diligence	11-12
Risk Assessment and Management	13
Key Performance Indicators to Measure Effectiveness of Steps Being Taken	13
Modern Slavery Training	14
Progress Against 2021 Objectives	15-16
Looking Forward	17



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 2021 to prevent modern slavery in our business and supply chains.

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 chains. Preventing these abuses from happening is a global, complex issue that Aldi, our partners, and suppliers are committed to addressing.





INTRODUCTION

Aldi operates with honesty and integrity wherever we do 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 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 that 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 over 6,900 stores across 11 countries (Germany, Austria, Switzerland, Slovenia, Hungary, Italy, USA, UK, Ireland, Australia and China).

We are the fifth-largest grocer in both the UK and Ireland by market share and there are currently more than 960 Aldi stores in the UK and 150 in Ireland.

In 2021, Aldi UK and Aldi Ireland had 3,240 direct suppliers in 37 different countries and sourced from 10,057 production facilities across 86 countries.

Although we do not own the companies or sites that we source from, we appreciate 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. For example, our fresh produce division alone includes more than 11,000 approved grower sites worldwide.

Our Corporate Responsibility (CR) Department is accountable for the design and implementation of our modern slavery strategy in the UK and Ireland, and reports to Liz Fox, Corporate Responsibility Director. 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.

KEY PROGRESS IN 2021

Aldi UK and Ireland has a targeted, risk-based approach to modern slavery, focusing 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.

In 2021, we continued training Aldi colleagues on modern slavery, equipping them to spot the signs of modern slavery and report any concerns. We also rolled out modern slavery online training for our suppliers and continued with key partnerships which, for Aldi UK, included working with Unseen who run the UK

Modern Slavery Helpline, and collaborating with Slave-Free Alliance, Stronger Together and the Wilberforce Institute to further strengthen our overall approach to addressing modern slavery issues.

In 2021, we commissioned Stronger Together to conduct a review of the construction management companies Aldi UK work with to continue raising awareness and mitigate the risk of modern slavery in our construction supply chain. This included a self-assessment questionnaire and interviews with senior management. The review identified specific gaps and areas for improvement which are the basis of our 2022-2023 plan for engagement

with construction management companies.

The Wilberforce Institute undertook further research on our behalf into the management practices of call centres in the Philippines, South Africa and the UK. Three virtual risk assessments took place with the directors and human resources teams in each participating country to review how they dealt with the risk of discrimination, long working hours and potential reports of labour exploitation.

“In 2021, we worked with Aldi to improve the due diligence process and to better understand the risks to workers’ rights before problems happen. We have seen excellent analytical

data from the research conducted during the tendering process for recruitment agencies and call centres. This has helped us anticipate pitfalls with suppliers and provide up-to-date guidance and advice on what risks businesses need to be actively addressing going forward.”

Cristina Talens, Director of Modern Slavery Risk Assessment Service, Wilberforce Institute for the Study of Slavery and Emancipation.



UNIVERSITY
OF HULL

WILBERFORCE
INSTITUTE



PARTNERSHIPS

We have continued our work with a wide variety of key partners across the globe and in 2021 built new relationships with important groups, alongside embarking on new initiatives with some of our longstanding partners.

NEW PARTNERSHIP INITIATIVES IN 2021



Partnership for Sustainable Textiles and the Living Wage Lab

The Aldi South Group is an active member of the Partnership Initiative on living wages. Within this initiative, we have been working on improving our purchasing practices.

As a first step, we conducted self-assessments on Aldi purchasing practices. This process included our International Buying Department and Design and Quality departments, as well as direct and indirect business partners. The anonymous feedback on Aldi's purchasing practices allowed us to create a gap analysis and develop a comprehensive roadmap with concrete measures aimed to further improve our purchasing practices.

While continuously working on improvements, in September 2021, the Aldi South Group also joined the Partnership for Sustainable Textiles' 'Living Wage Lab'. Together with 16 other members, including brands, retailers, trade unions and civil society organisations, we work towards fairer wages for garment-textile workers by piloting new approaches.



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, Aldi is upholding workers' human rights and actively contributing to better working conditions.

This project creates a trustworthy mechanism for workers in Aldi's food and non-food supply chains to speak up and voice concerns and complaints. We are also committed to investigating and resolving potential complaints together with our business partners.

This non-state based grievance mechanism follows the rules of the United Nations Guiding Principles on Business and Human Rights (UNGP) 'effectiveness criteria' for grievance mechanisms, as well as the Organisation for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct.

The project started with an individual onboarding and soft launch for a limited number of factories, before being rolled out for all amfori BSCI (Business Social Compliance Initiative) certified factories in Vietnam in September 2021.



Issara Institute: Pilot Grievance Mechanism and Strategic Partner Programme in Thailand

In 2021, The Aldi South Group partnered with the Issara Institute to work on grievance mechanism pilots in production facilities in Thailand to strengthen the voice of workers, ultimately improving their working conditions.

We will continue working with the Issara Institute in 2022 and will onboard further production facilities in Thailand. We will focus more on the topic of recruitment fees and will roll out the Issara Worker Voice Program to further Aldi South Food and Non-Food Production Facilities.



Global Tuna Alliance

In May 2021, Aldi South Group partnered with the Global Tuna Alliance, 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 which aims to help reduce the living income gap of coffee farmers by improving market access and coffee quality.



Mekong Club

The Mekong Club is an anti-slavery not-for-profit organisation working to harness the power of the private sector to put an end to slavery. The Club promotes best practice

sharing among its business association members, and offers expert training, tools and resources to help us tackle modern slavery issues in our supply chains.



LONG-STANDING AND CONTINUING PARTNERSHIPS



Accord on Fire and Building Safety in Bangladesh (Accord)

The International Accord is an independent, legally binding agreement between brands and trade unions which continues commitments to ensure a safe and healthy Ready-Made Garment industry in Bangladesh. The Aldi South Group was one of the first signatories of both the original Accord in 2013 and the follow-on agreement in 2018.



amfori Business Social Compliance Initiative (BSCI)

The Aldi South Group joined the BSCI in 2008 and since then has dedicated time and effort to supporting the organisation 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 joined forces with chocolate producer, Barry Callebaut, and the Cocoa Horizons Foundation in 2020 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'.



BITCI

Aldi has been a member of Business in the Community Ireland (BITCI) since 2018. BITCI is a movement for sustainable change whose purpose is to inspire and enable businesses to bring about a sustainable, low carbon economy and a more inclusive society where everyone thrives. BITCI act as trusted advisers in sustainability and Corporate Responsibility. They provide access to best practice and support businesses with practical management and monitoring systems.



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 several of its

working groups which bring the retail industry together to collaboratively improve standards and share best practices.



City Hearts

The City Hearts charity supports over 700 vulnerable and exploited men, women and families rescued from modern slavery all over the UK. They offer a range of services, from crisis safe houses to long-term support, helping survivors integrate back into society and live independently and in freedom.

Following our £15,000 donation to City Hearts' safe house for modern slavery survivors in 2020, Aldi donated a further £5,000 in 2021 to the new Restoration Hub set up and maintained by the charity. The Hub serves as a storehouse from which the charity can provide essential and comforting items, which give people back their dignity and help them feel cared for.



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. Pre-financing measures, the protection of nature conservation areas and the ban of genetically-modified cottonseed are just as much a part of the Cotton made in Africa standard as is compliance with the International

Labour Organisation core labour standards and the promotion of women's equal rights.



Ethical Trading Initiative (ETI)

ETI is an alliance of companies, trade unions, and NGOs that promotes respect for workers' rights. The Aldi South Group is a member of the ETI and we participate in working groups including the ETI Italy Working Group that aims to use the collective leverage of working group members to improve the human rights impact of their Italian supply chains. This is done by engaging local suppliers to strengthen due diligence, establishing new worker voice mechanisms and by supporting local growers to adopt more robust labour practices.



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 the supply chain.



Responsible Recruitment Toolkit

Aldi UK are a founding Sponsor of the Responsible Recruitment Toolkit (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, 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 linked.



Spain Ethical Trade Forums

The Spain Ethical Trade Forums is a multi-stakeholder collaborative initiative established in 2015 in response to a recognised need to

promote better working conditions within the Spanish horticultural sector. By creating a safe space to share learnings and best practices, the aim is to drive improvement in working conditions and labour rights throughout the sector.



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. S2G's website (stronger2gether.org) provides clear guidance, practical resources and training to support employers and labour providers in at-risk sectors, helping them to deter, detect and deal appropriately with forced labour, labour trafficking and other forms of hidden exploitation.



Supplier Ethical Data Exchange (Sedex)

One of the world's leading ethical trade 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, we use their platform to monitor supply chain assessment data.



Unseen is a charity working towards a world without slavery, by supporting survivors and equipping stakeholders through training and campaigning for systematic change in society. In 2021, Unseen's Modern Slavery Helpline received 8,488 contacts (a 6.4% increase on the total contacts received during 2020), enabling Unseen to identify and support 3,019 potential victims, 6.4% of whom were children.

Through our subscription to Unseen's Business Portal, we have collaborated with other retailers on several occasions to investigate potential cases of modern slavery and labour exploitation and leverage our influence to improve working conditions.





FAIRTRADE FLOWERS GENDER EMPOWERMENT PROJECT

The Fairtrade Flowers Gender Empowerment Project is an initiative that provides education programmes and mentorship to women working in the Ethiopian flower industry.

We invested £200,000 in the project from 2019 to 2022, which ran across six Fairtrade certified flower farms in Ethiopia with the goals of improving labour relations among workers, employers, and labour unions, empowering workers, and ensuring a sustainable livelihood for workers in the sector.





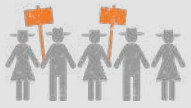
Key activities of the project included the Women's School of Leadership for flower workers, which delivered training in subjects such as workers' rights and gender equality and has worked with trade unions to advocate for fairer wages. Workers and management also received training on labour laws, collective bargaining skills, occupational health and safety, social dialogue, conflict resolution strategies, disability inclusiveness, environmental protection, and advocacy for registration on Fairtrade premium committees.

Over the past four years, more than 19,000 workers across six farms have been reached through the programme, which has established gender committees, developed gender and inclusion policies, and introduced grievance handling procedures at each of the participating farms.



KEY OUTCOMES OF THE PROJECT

- **19,000** workers benefitted
- **All 6** farms adopted grievance handling procedures
- **82%** of participants satisfied with resolution of a reported issue
- **168** people given workers' rights, gender and conflict management training
- **67%** of participants satisfied with their work because the farm improved workers' rights

INCOME AND SUSTAINABLE LIVELIHOODS	GENDER	HEALTH AND SAFETY	DISABILITY AND INCLUSION	WORKERS' RIGHTS & TRADE UNIONS
 <p>40% worker satisfaction (+32% vs. baseline).</p> <p>73% reported improved household economic situation.</p> <p>↑ Average wages since 2018.</p>	 <p>90% workers state they are benefitting from Women's School of Leadership.</p> <p>Two Women's School of Leadership cohorts with training cascaded to 1,152 workers and their communities.</p> <p>100% of farms now have functional gender committees and a draft gender policy in place.</p>	 <p>108 technical persons and occupational health and safety committee members trained.</p> <p>93% of those sampled received training before starting their work.</p>	 <p>All farms have developed disability inclusion policies.</p> <p>156 workers with disabilities were identified.</p> <p>Assistive devices provided to 77 persons with disabilities.</p>	 <p>100% of farms now have a grievance handling mechanism.</p> <p>100% workers reported involvement in collective bargaining negotiations.</p> <p>67% of workers report they are satisfied with the improvements around workers' rights.</p>

SLAVERY AND HUMAN TRAFFICKING POLICIES

Tackling modern slavery is part of a broader commitment to respecting human rights and further 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, to ensure we have best-practice buying procedures and policies in place.

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

- Universal Declaration of Human Rights
- The International Labour Organization (ILO) Fundamental Conventions
- United Nations Guiding Principles on Business and Human Rights (UNGP)
- OECD Guidelines for Multinational Enterprises
- The Ethical Trading Initiative (ETI) Base Code

[Aldi's 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 for 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. Concerns can be raised confidentially through the Aldi AlertLine and the Modern Slavery Helpline by Aldi employees and suppliers.

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.

In February 2021, we published our first [International Policy on Forced Labour](#), 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. It aligns with internationally accepted standards, including the ILO Forced Labour Conventions and the UN Guiding Principles on Business and Human Rights.

Other policies and position statements published by the Aldi South Group in 2021 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

Our Social Monitoring Programme aims to monitor compliance and improve working conditions at sites that we source Aldi products from, particularly those in high risk countries or product categories. All suppliers in the scope of the Programme must be a member of a supply chain management platform; either the Supplier Ethical Data Exchange (Sedex) or the amfori BSCI.

Our business partners are assessed for supply chain risk, based on country and commodity group, and integrated into this programme.

Independent audits, carried out by an expert, are a key component of the programme and all main production facilities in high-risk areas used for Aldi products must have a valid third-party audit.

When necessary, audit findings can lead to a Corrective Action Plan (CAP) being developed. Our CR department closely monitors our suppliers to ensure that they implement the measures set out in the plan and work with on-site management to address any issues.

The following food categories, identified as high risk, are included in Aldi's Social Monitoring Programme (SMP):

- Dressings, oils and sauces
- Fish and seafood (including frozen, chilled and fresh)
- Herbs and spices
- Canned food (including fish, fruit, vegetables and meat)
- Potato products (processed and frozen)
- Frozen fruit and vegetables



All non-food categories are also part of the Social Monitoring Programme.

Focusing on the raw materials and products that we know present the highest human rights risks is a key part of targeting our modern slavery programme effectively. We continue to develop specific activities for preventing and mitigating human rights risks, including:

- Conducting our own on-site visits for certain high-risk commodity groups through the Aldi Sustainability Assessments (ASAs)
- Integrating high priority products into our Social Monitoring Programme (SMP)
- Training employees and business partners
- Developing Corrective Action Plans (CAP) and, if required, excluding business partners, growers or producers as a last resort

- Evaluating social and environmental compliance management systems through our Corporate Responsibility Supplier Evaluations (CRSE)
- Consideration of auditing and certification schemes when making buying decisions and the definition of goals
- Adjusting our buying processes to consider adverse impacts on human rights during the tender process
- Developing goals and KPIs with our buying department to monitor supplier progress and identify further actions
- Increasing traceability and supply chain mapping

Child labour remediation programme

The Aldi South Group has set up a rapid response system to react immediately if child labour is found in our supply chains. We will always identify a solution that is in the best interests of the child and their family, working with local expert organisations and our business partners to achieve the right outcome. If a child is found working in a production facility, the child is transferred to a remediation programme. We have worked with [The Centre for Child Rights and Corporate Social Responsibility](#) on implementing this process since 2017.



Grievance mechanisms

Grievance mechanisms are complex to establish and we aim to collaborate, wherever possible, with other stakeholders to create the most effective systems.

As a member of the International Accord for Health and Safety in the Textile and Garment Industry, Aldi actively supports investigation and remediation where grievances have been raised by workers through the Accord grievance mechanism.

We are using the experience gained from the Accord system to introduce grievance processes across the high-priority areas of our supply chains in partnership with civil society and multi-stakeholder organisations such as amfori and the Issara Institute.

Aldi Sustainability 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.

Our on-the-ground teams based in Hong Kong and Bangladesh conducted 263 ASAs in 2021, 215 of which were conducted in production facilities that make textiles and shoes. In 2022, we have another 143 ASAs planned across the Aldi South Group's produce supply chain.

Due to Covid-19, we could only conduct a very limited number of assessments in our fish supply chain but will be working hard to drive progress in this area in 2022 and beyond.

In 2021, we piloted a new Corporate Responsibility Supplier Evaluation (CRSE) process for our canned tuna supply chain, which will be rolled out to further high priority supply chains.

Assessing Modern Slavery Risks in Recruitment

'The food sector is highly reliant on agency workers, particularly at peak times. Without the right processes, systems, and training in place, businesses are at risk of infiltration by less scrupulous intermediaries, leaving workers open to exploitation. The service we offer at the Wilberforce Institute enables us to have a business conversation with companies to ensure that they are able to protect themselves, and their supply chains, from illegal practices that could be hugely damaging for their business and workers' human rights.'

Professor Trevor Burnard, Director of the Wilberforce Institute.

As part of the due diligence process following the UK's departure from the European Union, Aldi UK's Human Resources and CR departments worked with the Wilberforce Institute to review practices across Aldi UK's recruitment supply chain. A total of 87 national recruitment agencies completed a detailed questionnaire about their business operations and management practices. They also fed back on what they thought the biggest threats to their business models were in terms of labour exploitation and modern slavery.

The data gathered allowed us to review risks linked to existing and potential labour suppliers and enabled our human resources team to review protocols recruiters had in place to manage labour shortages, such as those caused by Covid-19, in the future.

This intelligence enables us to spot 'pain points' in workforce availability around the world that could lead to modern slavery. It means Aldi, and our suppliers, can work together to put contingencies in place before issues arise.





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 several multi-stakeholder initiatives and information-gathering exercises.

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

Some supply chains require a much deeper understanding to effectively prevent, mitigate, and remedy modern slavery risks. In 2021, the Aldi South Group commissioned our first three Human Rights Impact Assessments (HRIAs), which examined three Latin American supply chains: Brazilian Coffee, Peruvian Avocados, and Bolivian Brazil nuts.

The selection was based on an analysis of our high-priority supply chains, the relevance of each individual sourcing country, and the potential added value that could be generated through these assessments. The HRIA projects highlighted the need to address specific root causes of issues such as gender inequality and to support smallholders in becoming more resilient.

The findings will help strengthen our standards and due diligence and have allowed us to develop a supply chain-specific [Human Rights Action Plan \(HRAP\)](#).

In total, we aim to carry out 12 HRIAs in high-priority supply chains by the end of December 2025.

KEY PERFORMANCE INDICATORS TO MEASURE EFFECTIVENESS OF STEPS BEING TAKEN

Since our last Modern Slavery Statement was published in 2021, we have continued to improve our processes and those of our suppliers, working with a wide variety of partners to promote and ensure good working conditions in our supply chain.

Aldi Factory Advancement Project

The Aldi Factory Advancement (AFA) Project was introduced in 2013 to promote dialogue and cooperation between workers and managers in production facilities producing our textile goods in Bangladesh. This programme engages directly with workers to find solutions to issues regarding working conditions.

The project has created a safe place for workers to discuss the challenges they face. This has helped workers, managers, and AFA project trainers to discuss a variety of topics such as establishing effective communication structures, health and safety, working hours, promotion systems, private financial planning, quality management and productivity.

Running from July 2019 to April 2021, Phase 2.0 of the project has upskilled two employees and two managers per participating factory to become facilitators of workplace cooperation. Trained facilitators have helped to address 130 workplace issues relating to pay and benefits, supporting up to 17,700 employees across six factories.

MODERN SLAVERY TRAINING

Training for employees

A key focus in 2021 was rolling out our newly created Modern Slavery E-learning to all colleagues.

This year, all office colleagues, up to Director level, and all store and regional distribution centre colleagues, from Store Manager level to Director level, have been required to complete the Modern Slavery E-Learning.

A total of 10,044 colleagues completed the module in 2021, which was developed with the Slave-Free Alliance.

Our Irish Buying Team, including Assistants, Managers and Buying Directors, attended an 'Introduction to Modern Slavery' 3-hour workshop facilitated by Stronger Together. Irish Buying Directors and Managers also attended a 'Tackling Modern Slavery through Purchasing Practices' 4-hour workshop facilitated by Stronger Together.

External in-depth training on ethical trade and human rights was provided to new starters in the UK Corporate Responsibility Team. The training covered the Ethical Trading Initiative Base Code, the United Nations Guiding Principles and how to identify human rights risks in our supply chain. We also ran modern slavery awareness training for our Logistics colleagues in April 2021.

Training for suppliers

In 2021, our international CR Department expanded our programme of E-Learning modules for non-food suppliers. This included sessions on management systems for children's rights and child labour prevention, identification and remediation. An E-Learning module on setting up a monitoring system was made available to suppliers to help them comply with Aldi's CR requirements.

36 key China-based suppliers attended a virtual workshop on child labour between December 2021 and January 2022.

In 2021, Aldi UK's Modern Slavery E-learning was made available to all our UK and Irish suppliers.

Throughout the year, we continued to encourage all our suppliers to attend the Stronger Together workshop on Tackling Modern Slavery in UK Businesses. 1,768 delegates from 616 of our suppliers have completed this interactive workshop, including 344 delegates who attended one of the 2021 workshop sessions.

Aldi's sponsorship of the Responsible Recruitment Toolkit (RRT) gives all our suppliers and their labour providers access to an online tool and five online training courses on fair and ethical recruitment. 167 of our suppliers have attended one or more of the RRT training courses and 278 individuals from 184 of our suppliers have used at least one of the RRT benefits.

Our funding has also enabled the development of a variety of new practical resources, including template policies and service level agreements for use in the labour supply chain, aligned to best-practice responsible recruitment standards.



PROGRESS AGAINST 2021 OBJECTIVES

In our last modern slavery statement, we set out some clear ambitions for 2021. Below is a breakdown of our progress against each of these key objectives.

Extend our risk assessment programme in high-risk areas in the UK: Construction, Recruitment, Goods Not For Resale (GNFR), and Logistics.

Within Construction we worked with Stronger Together to carry out a desktop modern slavery risk assessment of our construction management companies to identify any potential training and awareness raising opportunities.

For our Recruitment teams, we worked with the Wilberforce Institute to carry out a modern slavery risk assessment of all Recruitment Agencies as part of our recruitment services tendering process. This involved a review of information provided by the recruitment agencies, as well as interviews. The results were shared with Aldi UK's HR department and contractual requirements of recruitment providers are being strengthened as a result.

Virtual risk assessments took place at a selection of logistics service providers and the findings shared with our Logistics teams.

We carried out on-site modern slavery risk assessments in our produce and horticulture supply chains and our fresh meat supply chain. We also carried out a virtual modern slavery risk assessment of selected customer services providers during the tendering process.

Develop closer relationships with local police forces and GLAA to ensure an aligned approach to modern slavery investigations and intelligence sharing.

Throughout 2021 we continued to work closely with the authorities on modern slavery investigations when needed.

Commit to the UN's Women's Empowerment Principles.

Aldi UK and Ireland has signed up to the United Nations Women's Empowerment Principles. These are a set of principles that promote gender equality and women's empowerment in the workplace and community.

We also encourage all of our suppliers to sign the UN Women Empowerment Principles and to join Aldi in working towards genuine gender equality.

Formalise terms and conditions for all recruitment businesses providing labour across the entire Aldi UK and Ireland estate.

In 2021 we reviewed the terms and conditions of recruitment businesses providing labour across the Aldi UK and Ireland estate. As a result of this review, we provided a number of suggestions on responsible recruitment.

To jointly (as 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.

Through successful collaboration between Aldi South and Aldi Nord, both the policy and statement were published by the Aldi South Group in 2021.

Share best practice and learnings on modern slavery across the Aldi South Group.

We share learnings within the Aldi South Group on modern slavery on an ongoing basis. This is done both formally through our International Corporate Responsibility Steering Committee and on an ad hoc



PROGRESS AGAINST 2021 OBJECTIVES CONTINUED

basis between National Corporate Responsibility departments.

Expand awareness raising and training programmes, collaborating with external modern slavery experts, for both colleagues and suppliers.

We reviewed the need for expanding awareness raising and training programmes, particularly in areas identified as high risk such as Construction, Recruitment, GNFR, and Logistics, and have now begun to implement this in 2022.

Develop a three-year modern slavery strategy, based on the recommendations from our Slave-Free Alliance gap analysis.

Work began on developing a comprehensive modern slavery strategy in 2021 following our work with Slave-Free Alliance and this remains a key priority for Aldi in 2022.

Create and implement a set of modern slavery KPIs to measure success and increase external transparency within the business for the first time.

This remains a key priority for Aldi and we intend to create and implement modern slavery KPIs alongside our overarching modern slavery strategy in 2022.

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.

Work began on this in 2021 through updates in our Employee Handbook and with our compliance

team. We will continue work on this in collaboration with the Slave-Free Alliance in 2022.

Develop an aligned approach in all processes and policies across Aldi UK and Ireland in the prevention and remediation of modern slavery.

We continued to ensure we adopted an aligned approach across Aldi UK and Ireland in all processes and policies relating to the prevention and remediation of modern slavery.

Gain better oversight of our GNFR supply chain, map risk and provide training to GNFR and property colleagues.

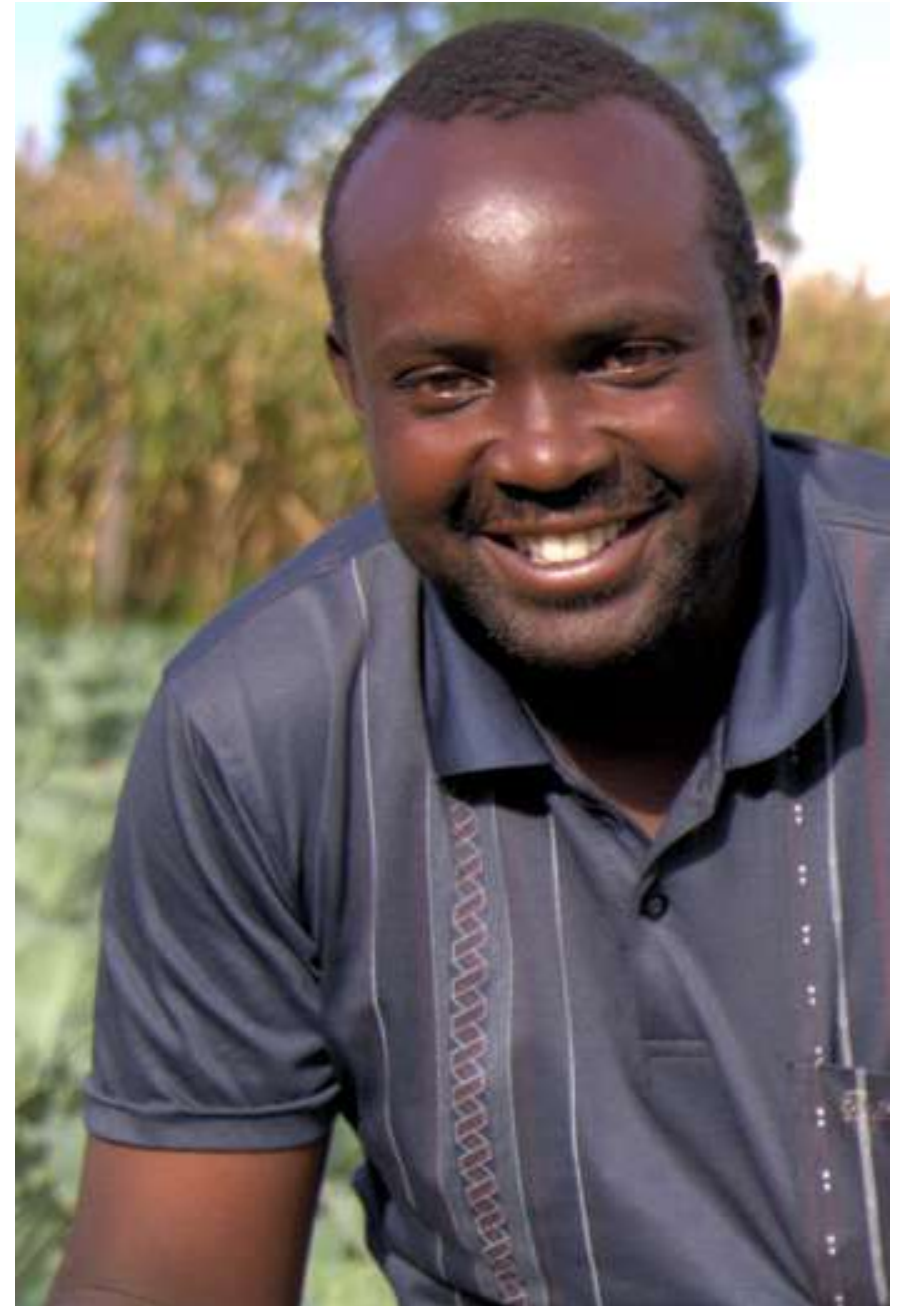
This remains a key priority for Aldi and we aim to undertake more work on this in 2022 and beyond through our risk assessment programmes.

Align strategic modern slavery activities and business relationships in Ireland, to address human rights risks where there is currently no formal legislation.

We worked closely with our colleagues in Ireland to align our strategic modern slavery activities and business relationships to address human rights risks.

Risk assess and monitor labour providers' progress and compliance through the use of the Responsible Recruitment Toolkit (RRT).

All 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. We were unable to assess progress and compliance of these tools in 2021 due to impact of the pandemic on our business. However, this remains a key priority for Aldi and we plan to make further progress on this in 2022.



LOOKING FORWARD

Great progress was made in 2021, despite a tough operating environment due to Covid-19. We are committed to strengthening our approach to addressing modern slavery and have comprehensive plans in place to achieve more in 2022 and beyond:

- Roll out a Responsible Purchasing Practices E-learning module for our Buying teams within high-priority, non-food product categories
- 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
- Implement a modern slavery strategy based on the recommendations from our Slave-Free Alliance gap analysis and align wherever possible with Aldi Ireland. This will identify priorities, objectives and milestones to focus our efforts, engage relevant stakeholders effectively and assess and measure progress
- Implement a set of modern slavery KPIs to measure success and increase external transparency within our business
- Support collaborative efforts to increase the number of effective worker representation committees in supply chains
- 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
- Extend our modern slavery risk assessment programme in high-risk areas in the UK, including Construction, Recruitment, GNFR

and Logistics. This will allow us to strengthen our requirements

- Collaborate with external modern slavery experts to expand awareness-raising and training programmes on modern slavery for colleagues and suppliers
- Formalise terms and conditions for all recruitment businesses providing labour across the Aldi UK and Ireland estate, holding them to account on our modern slavery expectations
- 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
- Work with the International CR 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

Our International CR Team plan to launch the below training in 2022 as part of our capacity-building activities:

- Child labour E-Learning for national suppliers
- Monitoring management systems for food suppliers within our Corporate Responsibility Supplier Evaluation (CRSE) Programme
- Aldi Social Monitoring Programme (SMP) E-Learning to launch to all suppliers in the scope of the Global Social Monitoring Programme

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 2022 and is signed on its behalf by:



Giles Hurley
Chief Executive, Aldi UK and Ireland

