













# Aldi UK & Ireland Modern Slavery Statement 2024













This statement is published in accordance with Section 54 of the UK Modern Slavery Act 2015<sup>\*</sup>. It explains the steps taken by Aldi UK and Ireland and other relevant group companies during the year ending 31<sup>st</sup> December 2024 to prevent modern slavery in our business and supply chain.

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

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





Partnerships

Policies

Due Diligence ) ( Risk Assessment ) ( Training ) ( Key Progress )

## Aldi operates with honesty and integrity wherever we do business around the world.

We are committed to human rights and fair labour practices and expect all the people in our supply chains who grow, make and supply our products to be treated with fairness, respect and dignity.

Modern slavery is a global problem that continues to impact every economy, industry and sector. As of September 2022, an estimated <u>49.6 million people</u> were trapped in modern slavery, including nearly 28 million in forced labour.

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

Significant progress was made in 2024 which is evidenced throughout this year's statement. We are committed to strengthening our approach to addressing modern slavery and have comprehensive plans in place to make further progress in 2025 and beyond.

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, government 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 it if it were to occur.

This statement was approved by the National Board on Friday 27th June 2025 and is signed on its behalf by:



**Giles Hurley** Chief Executive Officer, Aldi UK and Ireland

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# Key Progress in 2024

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

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

If there were to be a reported incident of modern slavery, we would work closely with any suppliers involved and have an honest and open dialogue with them. We would ensure any issues found were remediated and put measures in place to mitigate potential future problems, always following up after a case was resolved to ensure these were implemented correctly.

In last year's <u>statement</u>, we identified several areas that we wanted to focus on in 2024 and have successfully progressed with these:

- We have broadened our scope regarding the use of our third-party Grievance Mechanism, the Unseen Modern Slavery Helpline, adding Goods Not For Resale suppliers and service providers to the supplier list that we share with Unseen
- We successfully conducted our first modern slavery risk assessments at Aldi construction sites, including both our Stores and Distribution Centres



- We remain a funding member of the Seasonal Workers Scheme (SWS) Taskforce that is working to improve the experience of workers within the scheme
- We have successfully expanded our modern slavery
  awareness training to more colleagues across the business
- We have increased our funding support to key charity partners including Causeway in the UK
- As a national Aldi UK and Ireland Team, we have supported our International Sustainability Team (ISUST) in implementing best practices across all of the Aldi South Group (see Organisation Structure)



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Training

**Key Progress** 

Looking Forward

# **Organisation Structure and Supply Chains**

Aldi UK and Ireland is part of the Aldi South Group, an international supermarket chain that operates approximately 7,600 stores across 11 countries (Germany, Austria, Switzerland, Slovenia, Hungary, Italy, USA, UK, Ireland, Australia and China). It also has international departments located in Salzburg, Austria, and Mülheim an der Ruhr, Germany. Alongside sustainability, procurement and supply chain services, these departments provide IT, audit, finance and administration services to all Aldi South Group companies.

Aldi is the fourth-largest supermarket in the UK by market share with more than 1,050 stores and 163 in Ireland.

In 2024, Aldi UK and Ireland had 3,123 direct suppliers in 35 different countries and sourced from 11,650 production facilities across 88 countries (excluding produce suppliers). In addition, as of September 2024, our fresh produce suppliers across 13 countries used 405 approved packhouses and were supplied by 10,126 grower sites from 67 countries. We also had 4,945 Goods Not For Resale suppliers.

Although we do not own the companies or sites that we source from, we strongly believe that collaboration is key to our success and work with suppliers to ensure working conditions meet our standards. Our global reach makes this an ongoing and complex process, but it's one we're committed to getting right.

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

### Number of sourcing countries per continent





ies ) ( Due Diligence ) ( Risk Assessment

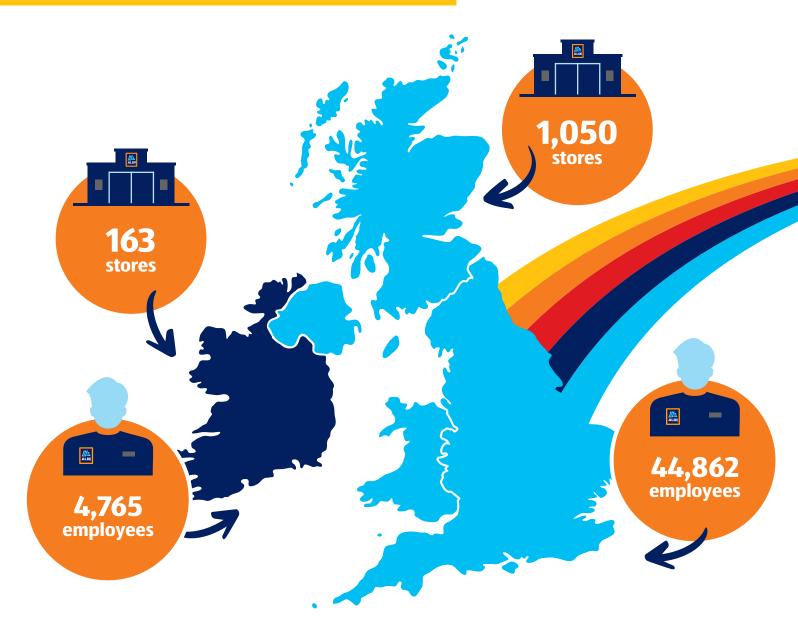
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# **Organisation Structure and Supply Chains**

In 2024, Aldi South Group's International Chief Commercial Officer (ICCO) of Global Sourcing and International Sustainability was Christoph Schwaiger.

Within the Aldi South Group, the International Sustainability Committee – chaired by the ICCO – consists of International Commercial Officers (ICOs) and National Chief Commercial Officers (NCCOs) from across the business. They're responsible for making the final decision on standards that all Aldi countries must comply with, approving national ambitions and actions within its strategy scope, and monitoring progress.

At a national level, the National Sustainability Committee implements international decisions, defines national ambitions and roadmaps, coordinates the implementation of national actions, and tracks progress and KPIs.



Training

**Key Progress** 

Looking Forward



Partnerships

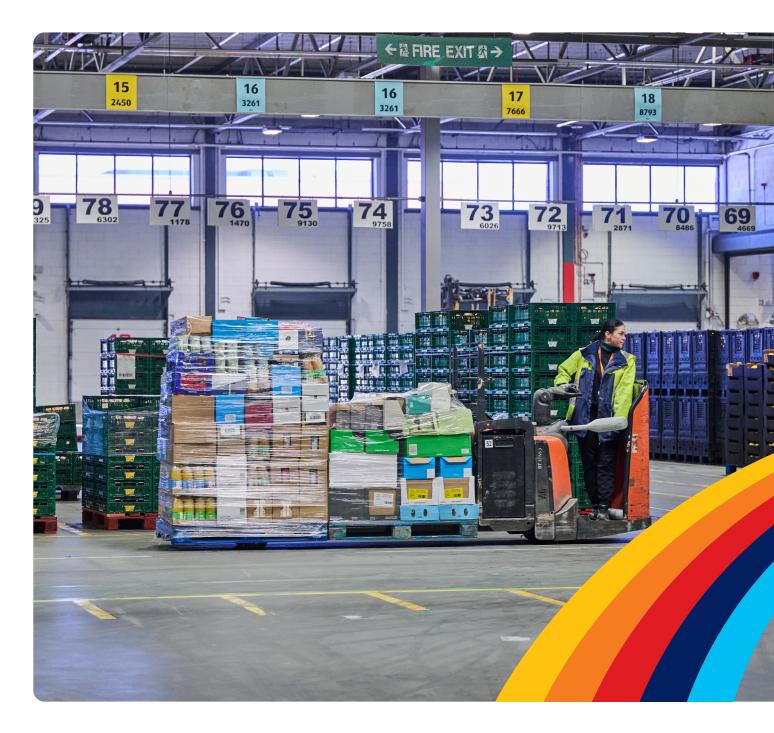
### Partnerships play a key role in preventing and addressing modern slavery.

This is why we have continued our important work with a wide variety of key partners across the globe and, in 2024, we built several new relationships and embarked on new initiatives with some of our longstanding partners.

### **Bright Future Co-Operative**

In 2024, Aldi UK became members of the Bright Future Co-operative, a fast-tracked, supported employment programme for survivors of modern slavery, offering a safe and accessible pathway to help them return to stable employment. They provide one-on-one guidance to support these individuals and collaborate with us to ensure the transition back into work is as smooth as possible.

To achieve this, the programme offers a four-week placement, which provides candidates with the opportunity to experience the role and ensure they are comfortable with the job at hand. After this stage, if they wish to continue, the candidates will be offered a full-time role within the business. We are currently trialling the programme in one of our Regional Distribution Centres (RDCs) in the UK, with the aim of rolling out to other RDCs in the coming years.



**Partnerships** 

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Due Diligence

### Accord

Amfori



The International Accord is an independent, legally binding framework agreement between brands and trade unions that promotes health and safety in the textile and garment industry. It has had a long-established workplace safety programme in Bangladesh since 2013 and has been implementing a workplace safety programme in Pakistan since January 2023.

A global business association driving sustainable trade due diligence

efforts to improve the Environmental, Social, and Governance (ESG)

Organisation

Introduction

### Trade with purpose We are a member of amfori We act for a more sustainable supply chain

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### British Retail Consortium

performance of our supply chain.

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



### Causeway

A national charity in the UK that exists to support marginalised and vulnerable people to recover from trauma, protect them from further harm, and help them develop independent and fulfilling lives.

### Ethical Trading Initiative

### **Ethical Trading Initiative (ETI)**

The Ethical Trading Initiative is a leading alliance of trade unions, Non-Governance Organisations (NGOs) and businesses, working together to advance human rights in global supply chains.



**Risk Assessment** 

Training





### **Food Network for Ethical Trade**

Key Progress

Aldi are a retailer member of the Food Network for Ethical Trade (FNET). FNET is a collaborative network of more than 75 food companies working to improve livelihoods and working conditions of people within, and communities affected by, members' operations and supply chains. Aldi participate actively in retailer alignment and Working Group meetings, working to develop common approaches to ethical trade and responsible recruitment.

Looking Forward

### Issara Institute

Issara Institute is an independent non-governmental organisation, tackling issues related to human trafficking and forced labour through worker voice, partnership, and innovation.

### Just Good Work

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

Due Diligence **Risk Assessment** 

# **Long-Standing and Continuing Partnerships**

Policies

MEKONG CLUB

Partnership for Sustainable **Textiles** 

Sedev

SLAVE-FREE

ALLIANCE

Working Towards a Slave-free Supply Cha

**SEA Alliance** 

**Mekong Club** 

forced labour in supply chains.

**Partnership for Sustainable Textiles** 

The Alliance is made up of collaborative retailers and seafood businesses committed to strengthening human rights due diligence in the global seafood supply chain. The Alliance works to promote respect for human rights and drive meaningful improvements across the industry.

The Mekong Club collaborates with the private sector to promote sustainable

practices and address modern slavery across the globe. Aldi works with the

Aldi became a member of the German Partnership for Sustainable Textiles

in 2015. This multi-stakeholder initiative is committed to improving social

and environmental conditions in the global textile production.

Mekong Club to develop strategies for preventing, mitigating, and remedying

### **SEDEX**

Sedex is a global leader in supply chain sustainability solutions, dedicated to making global supply chains more socially and environmentally sustainable.

### **Slave-Free Alliance**

Slave-Free Alliance is a critical friend to organisations, helping them safeguard their operations, supply chains, and people from modern slavery and labour exploitation. Since 2020, it has been proud to support Aldi in identifying, mitigating, and addressing the risks associated with these serious issues.



stronger

together

□ □ □ unseen

of HULL Wilberforce

### **Spanish Ethical Trade Forums**

Key Progress

Collaborative initiative working to improve the social, economic and environmental sustainability of the Spanish agri-food sector, through the promotion of better working conditions and implementation of best practices.

Looking Forward

### **Stronger Together**

Training

Aldi UK sponsors Stronger Together's Consumer Goods programme, a sector-specific programme that empowers companies to take decisive action to tackle forced labour and mitigate modern slavery. As a sponsor, Aldi and our suppliers gain access to free interactive training workshops, resources and tools to support tackling hidden labour exploitation in operations and supply chains.

### Unseen

A UK charity dedicated to creating a world free from slavery. They do this by directly supporting survivors of modern slavery through safehouses and outreach services, as well as working with different businesses, governments, other charities, and statutory agencies to bring about positive and transformational change.

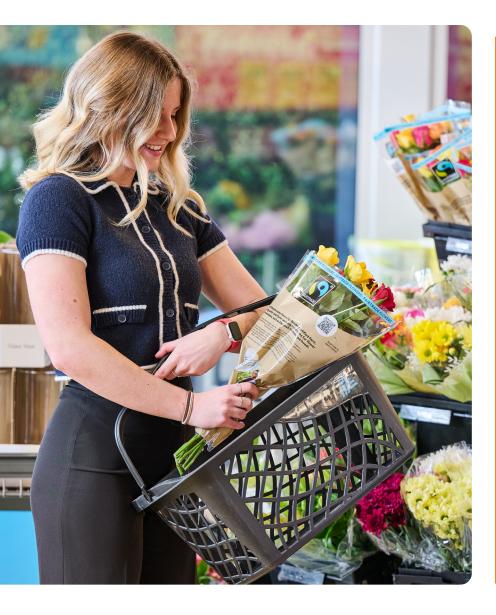
### The Wilberforce Institute

The Wilberforce Institute at the University of Hull specialises in identifying labour and human rights risks in business supply chains.

# Long-Standing and Continuing Partnerships continued

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### **Case Study**

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Aldi UK proudly stands as the largest supplier of Ethiopian roses among UK retailers.

Since 2019, we have invested £400,000 into the flowers sector and funded two programmes in Ethiopia working with Fairtrade. The current programme, Improved Workers' Rights in Ethiopian Flowers (IWREF) 2022-2025, builds on the previous programmatic efforts and targets three outcome areas, to improve working conditions, collective bargaining, and inclusion across six flower farms in Ethiopia. The programme receives match-funding from the Ministry of Foreign Affairs (MFA) Finland who have amplified the programme's impact. Working alongside the producer organisations, Fairtrade, and the MFA Finland, we've made some really impactful changes within the industry.

This year, we have supported 3,078 workers (2,099 women and 979 men) through the programme, including training on employment rights, conflict management, gender, and inclusion. The training is designed to enhance workers' understanding of their rights and provide them with the tools to raise any concerns they may have, ensuring that their voices are heard and acted upon. Furthermore, we have also been able to dispatch 191 assistive devices to workers with disabilities across the six farms. These devices range from glasses to elbow crutches. This initiative has not only enhanced the independence, quality of life and working conditions for these workers. but has also positively impacted their lives going forward within and outside of the workplace. The initiative has also challenged the perception of disabilities and as a result. the Producer organisations have employed increasing numbers of persons with disabilities. Sher Ethiopia have employed 12 PWDs (people with disabilities) and Herburg has employed three PWDs.

Zeriye has been working on one of the farms involved in the program for ten years. She has participated in capacity-building training for gender committee members, focusing on leadership and governance. Zeriye shared,

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"I really liked the capacity building training sessions under the IWREF. It helped me understand governance and the significance of inclusion in the workplace. The training practically helped our gender committee's leadership skills and empowered women. It also gave us the confidence and skills to represent and empower women here."

She now applies the lessons she has learned to inspire her colleagues, making a meaningful difference in their lives.

### In 2024, the programme achieved the following results:

- By the end of 2024, all six participating operators (POs) had fully operational and transparent grievance mechanisms in place
- By the end of 2024, all six POs successfully integrated gender, youth, and disability inclusion policies into their overall management frameworks

# **Modern Slavery and Human Rights Policies**

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Tackling modern slavery is part of a broader commitment to respecting human rights and improving working conditions throughout our supply chains.

Introduction

We're using the influence we have as a global organisation to promote ethical employment by setting clear policies and expectations for our colleagues, suppliers and business partners – all while ensuring we have best-practice buying procedures in place.

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

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

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

Aldi's Human Rights and Environmental Due Diligence Policy provides an overview of Aldi's commitments to human rights and presents our approach to human rights and environmental due diligence. It acts as a master document for all of Aldi's policies and standards concerning human rights. **<u>Our Child Labour Policy</u>** outlines our commitment and requirements concerning the prevention of child labour.

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

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

Every Aldi colleague in the UK and Ireland receives a copy of our Modern Slavery Policy in the Employee Handbook given to them at the start of their employment with us. It covers the definition, forms and signs of modern slavery, and how to report a suspected case.



### **Further policies**

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

- International Position Statement on Mandatory Human Rights Due Diligence Legislation
- International Policy on Gender Equality
- International Position Statement on Living Wages and Living Incomes

We expect our business partners to comply with all our policies and social standards. As some 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.



Due Diligence (Risk Assessment

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# **Our Approach to Due Diligence**

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Most of our products are sourced from business partners who commission the manufacture of the products themselves, so establishing strategic, long-term relationships with them is essential to ensure they comply with our sustainability requirements.



We are continuously working to ensure that our standards and requirements are implemented beyond our first-tier suppliers and at the production level.

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

### **Our Goals**

**Key Progress** 

 All suppliers of in-scope products must undergo an annual review process to evaluate their compliance with Aldi's sustainability requirements

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- 2. Improve our business partners' knowledge of sustainability and their ability to monitor it, empowering them to comply with our sustainability requirements throughout the supply chain
- 3. Establish long-term relationships with strategic business partners who perform well regarding sustainability and increasingly source more from them
- In 2024, we included commodity groups such as fish and seafood, citrus, avocados, pineapples, bananas, men's, women's and unisex textiles, shoes and household textiles in the CRSE process.

### Human Rights Impact Assessments (HRIAs):

Aldi has committed to conducting twelve comprehensive human rights impact assessments (HRIAs) by the end of 2025. These assessments will follow a stringent methodological approach that includes extensive background research and engagement with rightsholders. They will help us identify, understand and evaluate the potential impacts of our business on workers, communities, farmers and women.

**So far, we have published the results of three <u>HRIAs</u> in high-priority supply chains including avocados from Peru, Brazil nuts from Bolivia and coffee from <u>Brazil</u>.** 

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# Key Performance Indicators to Measure the Effectiveness of Steps Being Taken

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### Aldi Sustainability Assessments (ASAs):

Aldi Sustainability Assessments are a crucial component in our evaluation of suppliers' ethical and sustainable performance throughout their production process.

Our internal teams conduct thorough on-site audits specifically for high-priority products. During these audits, we closely inspect manufacturing practices, engage with employees, and review documentation to ensure suppliers adhere to our high ethical and sustainability standards. This proactive approach not only helps us identify and address potential issues early on but also fosters long-term partnerships with our suppliers.

In 2024, Aldi performed ASAs in 26 countries.

Bangladesh, Brazil, Cambodia, Chile, China, Colombia, Costa Rica, Dominican Republic, Ecuador, Egypt, Guatemala, India, Indonesia, Italy, Ivory Coast, Kenya, Mexico, Morocco, Pakistan, Peru, South Africa, Spain, Thailand, Turkey, United States, Vietnam.



## Key Performance Indicators to Measure the Effectiveness of Steps Being Taken

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# **Case Study**

# Our work with JZ Flowers and the Wilberforce Institute

In 2024, the Wilberforce Institute conducted a review of our daffodil supply chains. We worked with them and our supplier, JZ Flowers, to assess a range of different farm sizes in both the UK and Ireland, ensuring we had a good understanding of the entire industry. During the assessments, growers reported that managing a large multilingual workforce proved to be a significant challenge, with those entering the UK under the Seasonal Workers Scheme (SWS) now coming from more different countries than before.

**Risk Assessment** 

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Through the investigation, the Wilberforce Institute identified increased risks associated with systematic failures.

These findings prompted Aldi to provide briefings to key buyers in flower categories, with the following recommendations advised for the sites:

**1.** Thoroughly check documentation for all workers

- 2. Maintain a record of working hours to ensure that no workers exceed 60 hours in a week, while also guaranteeing that they receive at least two days off in any 14-day period
- **3.** Ensure that all payments made to workers are processed directly

In response to the recommendations from the Wilberforce Institute's assessment, JZ Flowers worked closely with each farm to develop individual action plans tailored to their specific needs. The business also conducted follow up visits to all sites to review the implementation of site-specific changes. Following the assessments, we have been actively supporting producers by providing auditing toolkits and templates to help them assess their agencies effectively.

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The Wilberforce assessments also provided an opportunity to discuss Modern Slavery with producers in a more strategic way and further highlighted gaps in labour provider due diligence. To address this, we have been actively supporting producers by providing auditing toolkits and templates to help them assess their agencies more effectively. Additionally, we have developed a framework for conducting welfare interviews with seasonal workers to ensure worker wellbeing is consistently monitored and that any emerging risks are proactively addressed.



# **Risk Assessment and Management**

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## Amfori High-Risk Country Map

Introduction

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

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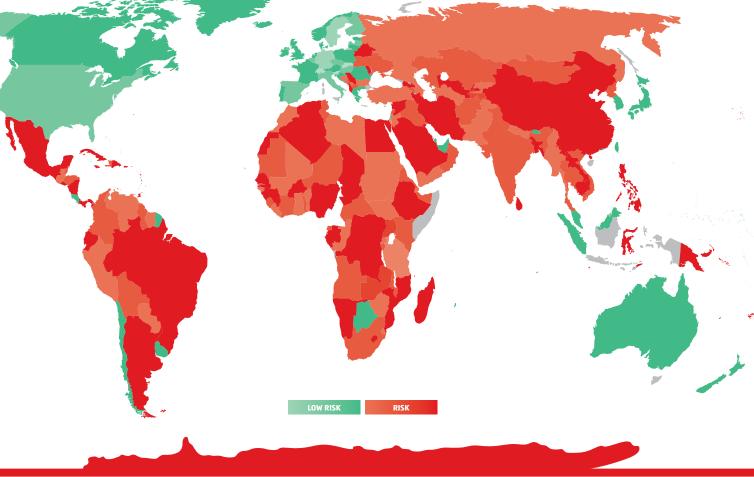
### **Main Salient Risks**

Our risk analyses have identified the following human rights and environmental risks as especially salient within our diverse supply chains, and we have accordingly integrated them into our wider policies and management:

#### • Discrimination

- Freedom of Association
- Forced labour
- Child labour
- Occupational Health and Safety
- Wages and Income

We collaborate with a variety of partners to analyse trends in cases that enter the National Referral Mechanism and other organisations which report issues. For example, our work with third-party Construction Management Companies (CMCs) came in part from reviewing insight from our Modern Slavery partners such as Unseen, where we noticed construction was a high-risk sector for modern slavery and labour abuse.



Risk Assessment (Training

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# Risk Assessment and Management continued

#### **Modern Slavery Risk Assessments**

Working alongside our partners including Slave-Free Alliance, the Wilberforce Institute, Stronger Together and The Reassurance Network (TRN), we conducted 11 risk assessments in 2024 in high-risk supply chains such as logistics, construction and at our Regional Distribution Centres (RDCs).

Through a targeted approach to assessing high-risk areas within the business, we ensure we have a better understanding of our suppliers and use the information gathered to address salient risks. All suppliers assessed were provided with reports with recommendations on how to improve ways of working to mitigate the risk of modern slavery and labour abuse within their business and supply chains. We also follow up with suppliers to ensure that any risks are addressed.

#### International Accord – Textiles in Bangladesh and Pakistan

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

Aldi South Group was one of the first signatories of the Bangladesh Accord on Fire and Building Safety, a legally binding agreement between global trade unions and brands/retailers that was set up following the Rana Plaza disaster on 14<sup>th</sup> May 2013, which killed more than 1,120 workers and injured many more. The facility collapsed due to serious structural issues, highlighting the dangerous conditions many workers were subject to in Bangladesh. In 2021, the Accord signatories reached a new phase in their partnership and established the International Accord for Health and Safety in the Textile & Garment Industry. The agreement continued the signatories' commitment to supporting the workplace safety programmes in Bangladesh.

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

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

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

# **Case Study**

Due Diligence

# Our work with Tony's and Choco Changer

We continually assess the actual and potential impact of our actions with respect to human rights and environmental aspects along our diverse supply chains. This process includes both regular sustainability risk analyses, ad hoc analyses where needed, and relevant impact assessments for specific products and components from selected origins.

Aldi's overall sustainability risk analysis, conducted and updated on a regular basis, accounts for all products and components. Risk is calculated based on factors such as the country of origin, industrial and agricultural processes involved in manufacturing, raw materials used, and Aldi's buying volumes. The country and product specific risk scores for human rights and environmental aspects are based on publicly available indices, audit data and grievances received as well as internal company data.

In Practice – Tony's Open Chain Aldi is proud to be a sustainability frontrunner by enabling cocoa farmers to earn a living wage. As a Mission Ally of Tony's Open Chain, Aldi pays farmers a Living Income Premium for the Choceur Choco Changer chocolate bar based on the calculations of a living income by Fairtrade and Tony's Chocolonely. The product's premium price reflects the costs of living and costs of farming.

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Fairtrade and Tony's Chocolonely share the same vision and use the same model to calculate the cocoa price, enabling farmers to earn a living income. They have improved existing models, integrated widely accepted benchmarks and research, and shared their insights with the chocolate industry through the Living Income Reference Price for cocoa. The Premium is associated with responsible purchasing practices, such as long-term contracts and risk sharing. These practices enhance the resilience of smallholders, for instance, through insurance.

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# Risk Assessment and Management continued

### **Managing Risk**

We utilise a wide range of tools and processes to effectively manage risk within the business, allowing us to identify potential challenges early and implement measures to mitigate them.

Grievance mechanisms play a crucial role in our strategy, ensuring that we are aware of any issues within our supply chains. We also see the importance of working with consultants and modern slavery partners to gain valuable insights and expertise, enabling us to continuously improve our practices and uphold the integrity of our supply chain.

These partnerships not only enhance our risk management efforts but also reinforce our commitment to ethical sourcing, sustainability, and social responsibility. We believe that by working collaboratively, we can create a positive impact within our industry, ensuring that all stakeholders are aligned with our values and objectives.

#### Slave-Free Alliance (SFA) Site Assessments at Regional Distribution Centres

In August 2024, SFA carried out site assessments at two of our UK Regional Distributions Centres (RDCs). The assessments aimed to evaluate each site's effectiveness in mitigating the risks of modern slavery and labour exploitation. Alongside the review and assessment of policies, processes and the sites themselves, discussions were also conducted with management representatives and employees.

The assessments were positive overall, highlighting robust management practices and a workspace culture that was positive, open and friendly. Low risk areas for improvement were identified, with enhancements suggested in training and the availability of awareness-raising materials on modern slavery and confidential reporting pathways.

Several partners have helped us implement improvements following these assessments.

### AlertLine

Aldi has established a whistleblowing helpline called Aldi AlertLine, which allows both internal and external parties to voice complaints and grievances related to human rights and environmental issues. All suppliers and all areas of the business have been made aware of this helpline.

#### Unseen

Aldi is a member of Unseen's UK Modern Slavery & Exploitation Helpline and the Helpline Business Portal.

Through this, Unseen shares examples of potential risks that can occur in the supply chain – with Unseen facilitating next steps. This includes collaboration with other retailers, suppliers, labour providers and law enforcement to investigate potential issues collectively, ensuring that any cases raised are thoroughly investigated and any identified issues are remediated.

To support this process, Aldi has provided Unseen with information on all our UK suppliers and service providers in 2024.

#### Issara Institute

As an independent NGO based in Asia and the United States, the Issara Institute tackles issues relating to human trafficking and forced labour through worker voice, partnership and innovation. Aldi South Group has worked in partnership with the institute since April 2021 to develop and implement a worker voice and grievance mechanism initiative in Thailand called Inclusive Labour Monitoring. The programme provides an independent grievance mechanism to support workers and seeks to improve recruitment practices and working conditions in our supply chains to address any issues that may arise and their root causes.

Via these channels, affected rightsholders can submit complaints, including grievances related to human rights which were caused by, contributed to, or directly linked to any action of Aldi or Aldi's direct and indirect business partners.



Training

**Key Progress** 

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# Modern Slavery Training & Resource Pack



### **Modern Slavery Training**

#### **Training for Colleagues**

In 2023, Slave-Free Alliance collaborated with Aldi to develop a comprehensive Modern Slavery Escalation Process.

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This process was officially incorporated into the Aldi Employee Handbook in 2024 and subsequently communicated to all colleagues across our Offices, Stores and Warehouse operations in the UK and Ireland.

The Modern Slavery Escalation Process clearly delineates the necessary steps that colleagues should follow should they identify a potential instance of Modern Slavery, either within our operations or among our suppliers. We are committed to fostering a workplace environment that prioritises the wellbeing of all individuals and upholds our dedication to ethical business practices.

Also in 2024, we updated our own internal modern slavery e-learning to further deepen our colleagues' understandings of modern slavery. In total, 4,029 colleagues completed the online course in 2024, which included colleagues in our offices up to Group Director level, upper management in our warehouses and Area Managers upwards in our Store Teams. This training is also set to be mandatorily completed on an annual basis.

#### **Training for Suppliers**

Throughout the year, we have continued to encourage all our UK suppliers to attend the Stronger Together workshops on Tackling Modern Slavery in UK Businesses and its subsequent advanced version. In 2024, 518 delegates from 257 suppliers attended the foundation workshop, with a further 68 delegates from 57 suppliers attending the advanced course.

The courses support suppliers to understand modern slavery and labour exploitation risks within UK businesses and enable action by equipping them with practical step-by-step guidance to address forced labour, implement good practice and minimise risks. Aldi's sponsorship of the Responsible Recruitment Toolkit (RRT) facilitates our suppliers and their labour providers with access to a comprehensive online tool and five online training courses on fair and ethical recruitment.

In 2024, 186 individuals from 127 Aldi suppliers attended one or more of the RRT training courses and 56 new subscribers signed up to the RRT tool, taking the total number of Aldi supplier subscribers to 327 individuals, representing 265 businesses.

### **Modern Slavery Resource Pack**

The findings of Operation Cardinas, a 2019 police investigation that uncovered nearly 500 victims in the UK construction sector over a decade, highlighted significant issues within the industry. Although this was not related to Aldi, these findings inspired Aldi's Ethical Team to collaborate with Stronger Together to provide Modern Slavery Awareness training to third-party CMCs involved in building new stores and distribution centres in the UK.

The team also commissioned Stronger Together to conduct independent research into the exact policies and risk management processes that were in place within the CMCs. The findings from this were used to help develop the Aldi CMC Modern Slavery Resource Pack, which was distributed to UK CMCs in 2022.

Since then, Aldi, in partnership with Stronger Together, has provided refresher training for all UK CMCs on the implementation of the Resource Pack within their operations. Additionally, we have offered yearly training courses on recognising and preventing modern slavery for all Site Managers working on Aldi construction sites in the UK.

In November 2024, we worked with Stronger Together to conduct on-site assessments – or Resource Pack Implementation Audits (RPIAs) – to verify that CMCs were implementing the tool correctly. The first RPIA was conducted at a store construction site in the northeast of England, where it provided the CMC contracted on-site with a summary of its findings and suggested practical steps to the improve the way it implemented the Resource Pack process.

The Aldi Ethical Team also worked with Stronger Together to expand the Resource Pack project to other high-risk areas of Aldi's operations, starting with Aldi's national supply chain. It was subsequently rolled out to all of Aldi's UK logistics service providers.

Due Diligence ) ( Risk Assessment

Training

**Key Progress** 

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# Measuring Progress Against 2024 Objectives

Policies

#### **Modern Slavery Escalation Process**

We have established a robust Modern Slavery Escalation Process and successfully communicated this out to Aldi UK & Ireland colleagues, ensuring effective management of any reports of modern slavery. Our ongoing collaboration with experts, including the Slave-Free Alliance and Unseen, has provided valuable guidance and support.

#### **Mitigating Risk**

In line with our commitment to mitigate Modern Slavery risks in our supply chains, we have widened the scope of suppliers we share with Unseen on an annual basis. This now includes our Goods Not For Resale suppliers and service providers, such as logistics and recruitment companies, effectively enabling us to identify and address any potential modern slavery risks across our supply chains.

#### Construction Management Company (CMC) Risk Assessments

We successfully conducted our first modern slavery risk assessments at Aldi construction sites in the UK, including new store builds and our new Distribution Centre in Bardon. This ensured CMCs fully implemented best practices in the Modern Slavery Resource Pack, with identified risks being promptly communicated and mitigated.

### Seasonal Workers Scheme Taskforce

We continued our support for the Seasonal Workers Scheme Taskforce, enhancing the experience of migrant workers in the program. Our focused efforts included assisting with the Employer Pays Principle (EPP) feasibility study and supporting the continued development of the Responsible Recruitment Progress Assessment (RRPA).

### Supplier Training

We expanded modern slavery awareness training and guidance for suppliers in high-risk areas including construction and logistics and we actively encouraged our suppliers of Aldi branded products to attend Stronger Together's "Tackling Modern Slavery in UK Business" training course.

### Internal Training

In 2024 all relevant<sup>\*</sup> colleagues have received essential training on modern slavery awareness and human rights, with a total of 95% in the UK and 80% in Ireland completing Aldi's own internal Modern Slavery Awareness Training course, that was developed in collaboration with Slave-Free Alliance.

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

#### Causeway partnership

Our partnership with the UK based charity Causeway continues to thrive, delivering vital support for survivors of modern slavery, including sample donations to aid their recovery.

### Working with our International Sustainability Team

We have strengthened our collaboration with the International Sustainability Team to fortify Aldi South Group's approach to modern slavery and forced labour. As we move forward, we remain dedicated to sustaining these initiatives and fostering an environment free from modern slavery.



### Activities by Aldi South Group's International Sustainability Team

Looking Forward

In 2024, Aldi South Group's International Sustainability Team continued to advance its Global Sustainability Strategy with a focus on supply chain transparency and responsible sourcing. Key activities included:

- Publication of Sourcing Data: As of December 2024, Aldi has published the top five production/sourcing countries for key commodity groups, including Bananas & Pineapples, Garments, Textiles & Shoes, Nuts, Fish & Seafood, and Coffee. This information is now accessible in the respective factsheets for each Commodity Group (CG) on the Aldi South website here, enhancing visibility and accountability in sourcing practices:
- 2. Expansion of CRSE: The Corporate Responsibility Supplier Evaluation (CRSE) process has been expanded in 2024 to include the Fresh, Frozen, and Chilled Sub-Commodity Group (SCG) for Fish & Seafood, further promoting responsible sourcing and compliance among suppliers
- **3.** Enhanced Grievance Mechanisms: Efforts to strengthen grievance and remedy mechanisms have been ongoing, with Aldi working closely with stakeholders to ensure that vulnerable workers in the supply chain have effective avenues to raise concerns, including participation in programs like the Issara Worker Voice Program and amfori Speak for Change

# ) Performance Against 2023 Objectives

Organisation

Partnerships

Policies

Due Diligence

In 2024 we made significant progress on the Modern Slavery key performance indicators (KPIs) for Aldi UK and Ireland that we developed in 2023 to measure success and increase external transparency within our business. The results of these KPIs are as follows:

Introduction

Ensure all targeted <sup>®</sup> Aldi UK suppliers complete "Tackling Modern Slavery in UK Business" training by Stronger Together		
Goal: 100%	Result: 57%	
Ensure all targeted <sup>®</sup> Aldi UK suppliers complete "Introduction to Responsible Recruitment" training by RRT		
Goal: 100%	Result: 70%	
Ensure all relevant" colleagues in Aldi UK and Ireland complete Modern Slavery E-Learning	Result: UK: 95%	
Goal: 100%	Result: IE: 80%	
Fully investigate all potential modern slavery or labour abuse cases that come through whistleblowing services		
Goal: 100%	Result: 100%	
Ensure modern slavery risk assessments take place in high-risk areas		
Goal: 10 risk assessments	Result: 10	

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

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



Training

Key Progress

Looking Forward

**Risk Assessment** 

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# **Looking Forward**

Introduction

### StrongerTogether

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In 2024, in partnership with Stronger Together, Aldi UK developed a new 'Logistics Modern Slavery Resource Pack' for our National Supply Chain partners. This resource pack was introduced to 60 Aldi Logistics providers in September 2024 through an online training webinar conducted by Stronger Together.

In 2025, we will follow up on the adherence of these providers to the Resource Pack, assessing compliance and delivering refresher training on modern slavery awareness.

Following five years of successful implementation of the Aldi Modern Slavery Resource Pack, Aldi's Ethical Team will conduct additional **Construction Management** Company (CMC) Resource Pack Implementation Assessments (RPIAs) in 2025. The findings from these assessments will be utilised to update the CMC Resource Pack. Furthermore, we will focus on engaging Maintenance Service Providers operating within approximately 1,000 Aldi stores across the UK and will introduce the Resource Pack to our CMCs and Logistics Service Providers operating in Ireland.



## **Priorities for 2025**

In 2025, we will remain dedicated to enhancing our approach to addressing modern slavery. We have established comprehensive plans to achieve significant advancements in this area. Our key priorities for the upcoming year include:

Training

**Key Progress** 

### **Modern Slavery Awareness Messaging**

In 2025, we will ensure that colleague-facing areas, including stores, offices, and RDCs, feature modern slavery awareness messaging

#### **Mitigating Modern Slavery Risks**

We aim to lower year-on-year modern slavery risks in Construction, Logistics, and our top Goods Not For Resale suppliers by utilising the Aldi Modern Slavery Resource Packs and conducting risk assessments. Our training in high-risk areas will continue, and we will track reports received and identify risks

### Drive Autonomy Internally on Human Rights and Modern Slavery

In 2025, we aim to increase modern slavery awareness training in Buying, National Procurement and Quality Assurance departments and ensure they report any concerns to the Ethical Team to investigate

### **Supplier Awareness and Training**

We will promote modern slavery awareness training run by Stronger Together to UK and Irish suppliers of Aldi own-brand products. Additionally, we will encourage UK suppliers in high-risk areas to display Unseen UK Modern Slavery Helpline posters

### Seasonal Workers Scheme Taskforce

We will continue to support the Seasonal Workers Scheme Taskforce to enhance the experience of workers in the Scheme

### Collaboration with Other Retailers

In 2025, we will align with other UK retailers to adopt a joint approach in addressing Collaborative Action Required (CARs) arising from the SMETA (Sedex Members Ethical Trade Audit) 7.0 update

### New KPIs for 2025

**Looking Forward** 

Through a process of continuous improvement, we have outlined these KPIs for 2025 and will report on them in 2026:

- Encourage all Aldi UK and Ireland based suppliers, that have not done the training in the three years previous to December 2024, to complete Stronger Together's "Tackling Modern Slavery in Business – UK & ROI" (Goal: 100%)
- Encourage all colleagues in Aldi UK and Ireland to complete Aldi's own in-house modern slavery e-learning module (Goal: 100%)
- Fully investigate all potential modern slavery or labour abuse cases that come through whistleblowing services (Goal: 100%)
- Ensure 10 modern slavery risk assessments take place in high-risk areas of Aldi UK and Ireland's own operations or supply chains (Goal: 100%)

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