



**ALDI Stores**  
(A Limited Partnership)

# Modern Slavery Statement

FY2019



# A word from our CEO



**Our policies aimed at the eradication of modern slavery apply throughout our supply chain at all times and during the event of any crisis, including COVID-19.**

ALDI has three core values that guide everything we do: simplicity, consistency, and responsibility. We are committed to operating responsibly and providing value without cutting corners or compromising the way we do business.

Forced labour and the exploitation of vulnerable workers are abuses of basic human rights and have no place in our business or supply chain. Preventing these from happening is a global, complex issue. As an international company with global supply chains, we embrace our responsibility to work to understand the guises of labour exploitation, to detect and address it effectively. The ALDI SOUTH Group, to which ALDI Australia belongs, is certain that long-term business success can only be ensured if human rights are acknowledged, respected, protected and fulfilled.

In collaboration with our business partners, ALDI Australia is committed to act against modern slavery and conduct business with honesty and integrity. Our commitment encompasses any adverse impact on human rights we might cause or that we contribute to directly or indirectly.

Many countries have enshrined the responsibilities of business with respect to efforts to combat modern slavery through legislation. In Australia, the Modern Slavery Act 2018 came into effect on 1 January, 2019. ALDI Australia welcomes and supports the introduction of this legislation.

This statement reports the steps taken by ALDI Australia during the financial year ending 31st December 2019 to combat modern slavery in its operations and supply chain, in compliance with the Australian Modern Slavery Act 2018.

At the time of compiling this report, the world has been in the midst of dealing with the COVID-19 pandemic. While we are not yet certain of the future implications of the virus on our supply chain, we are continually monitoring the situation as it unfolds. As detailed in this report, our policies aimed at the eradication of modern slavery apply throughout our supply chain at all times and during the event of any crisis, including COVID-19.

**Tom Daunt,**  
CEO, ALDI Australia

This Statement was approved by Tom Daunt, on behalf of the Board of Directors of ALDI Foods Pty Ltd on 1 July 2020



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# Reporting Entity

ALDI Australia is part of the ALDI SOUTH Group, an international supermarket chain that operates more than 6,500 stores across eleven countries. ALDI Australia does not own or control any subsidiaries. When ALDI entered the Australian market 19 years ago, we introduced a new business model for selling groceries. Starting with two stores in 2001 at Bankstown Airport and Marrickville in New South Wales, we began our business offering just 600 grocery products supplied by 174 business partners.

**Today, ALDI operates more than 550 stores in six states and territories, directly employing more than 13,000 people. Of our tightly focused range of 1,800 everyday products, more than 500 are award-winning.**

## ALDI SOUTH Group



**6,500**  
Stores



**11**  
Countries



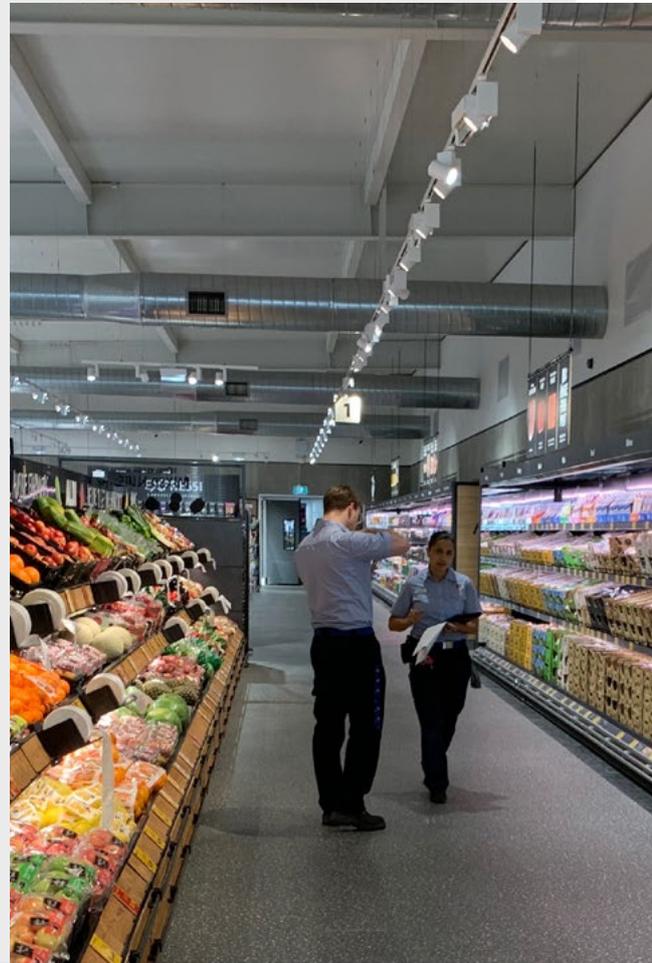
# ALDI Australia Operations

Since opening in 2001, ALDI has contributed an estimated \$23 billion to Australia's gross domestic product.

We have an Australia first buying policy and these partnerships represent the most significant component of our contribution to the Australian economy. Our unique promise of high-quality products at permanently low prices has made us one of Australia's favourite supermarkets.

We have been repeatedly named Australia's Most Trusted Brand and Supermarket of the Year by Roy Morgan and in 2019, received Canstar Blue's Most Satisfied Customers award, for the fifth time in six years. Our tightly focused range of 1,800 every day grocery items features more than 500 award-winning products. In 2018, we saved customers an estimated \$2.2 billion by shopping at ALDI over other major supermarkets.\*

As a major Australian retailer, we have far-reaching influence and positively impact the wider community through our actions. In 2019, we shared commitments to reducing our reliance on plastics, including cutting 25% of all plastic packaging by 2025. These commitments follow many existing actions to reduce environmental impact, including being the only supermarket to never offer single use plastic shopping bags, the first and only supermarket to offer a national battery-recycling scheme, the first supermarket to eliminate phosphate from our entire laundry range, and the first to eliminate microbeads storewide.



## ALDI Australia Operations



**1,000+**  
Business partners



**1,800**  
Every day  
grocery items



**500+**  
Award-winning  
products



**550+**  
Stores



**13,000+**  
directly employees



**\$2.2Bn**  
Customers *saved* when  
shopping at ALDI over 18  
years shopping at ALDI

\* Making a Good Difference: how ALDI contributes to the Australian Economy, prepared in partnership with PwC, 2019



# Our Leadership

**ALDI Australia's Corporate Responsibility (CR) department develops the strategy and implementation of our modern slavery policies and guidance.**

The CR department introduces policies and guidelines to our business, working closely with the Buying department and training business partners to facilitate cohesion. To ensure our policies are observed in potential high-risk areas, ALDI Australia is supported by specialist ethical audit teams in Bangladesh and Hong Kong.



## **Daniel Baker**

Corporate Responsibility Director Australia

“As head of ALDI’s Corporate Responsibility (CR) department, I am involved in a wide range of topics that focus on people and planet, including sustainable sourcing, environment, health and our communities. As part of sustainable sourcing and human rights standards, modern slavery is an important element. In addition to engagement with our Buying and Procurement teams, our business partners, NGOs and government, the CR department plays an essential role in overseeing the governance of this issue and ensuring ALDI’s responsibility for human rights and modern slavery within our supply chains is upheld.”



## **Varun Raheja**

Buying Director, Coffee, Tea, and Cocoa

“Sustainability, including human rights, within the ALDI supply chain is our utmost priority. It is important to us that ALDI sources tea, coffee and cocoa commodities from certified supply chains to secure a sustainable future for the industry and to ensure fair trading terms with our business partners. While ALDI’s products are known for quality and value, this never comes at the expense of anyone in our supply chain.”

# Our Leadership



## **Kerry Fowler**

Buying Director, Textiles

“We have an important role to play when it comes to standards of sourcing. The way we source continues to evolve, taking human rights into consideration within the textiles supply chain. One such way we have evolved is with increased traceability from final production through to the spinning mill. We have also introduced policies against the use of cotton from Uzbekistan and Turkmenistan due to human rights violations in these countries. These policies and steps toward greater visibility ensure that high standards within the supply chain are upheld.”



## **S. M. Nurul Azam**

Corporate Responsibility Director, Bangladesh

“Our team of professionals are dedicated to improving the standards of working conditions in our supply chains. Our ALDI Social Assessments allow us to evaluate a realistic picture of the social standards in the facilities and allow us to work with suppliers, factory workers and management to drive continuous improvement. ALDI’s Factory Advancement (AFA) Project seeks to develop communication between workers and factory management. Through our close work within the supply chain, we have been able to initiate the AFA PLUS project which supports the establishment functional child care for workers with children within facilities in Bangladesh. Another important part of our work is with the Bangladesh Accord for Fire and Building Safety. We have been a driven participant in the Accord since the beginning in 2013.”



# Risk Identification

## Identifying Risk

ALDI identifies and assesses potential risk of modern slavery in its operations and supply chain by reviewing country and industry risk indicators provided by expert organisations such as the Ethical Trade Initiative (ETI), the Global Slavery Index (GSI) and the International Labour Organisation (ILO) among others. Particularly, the amfori BSCI country risk rating is used as a tool to assess country risk, however additional countries are included for some commodities including fresh produce where localised risks are present.

Below we have outlined the areas of risk for our operations and supply chains.

### Operations:

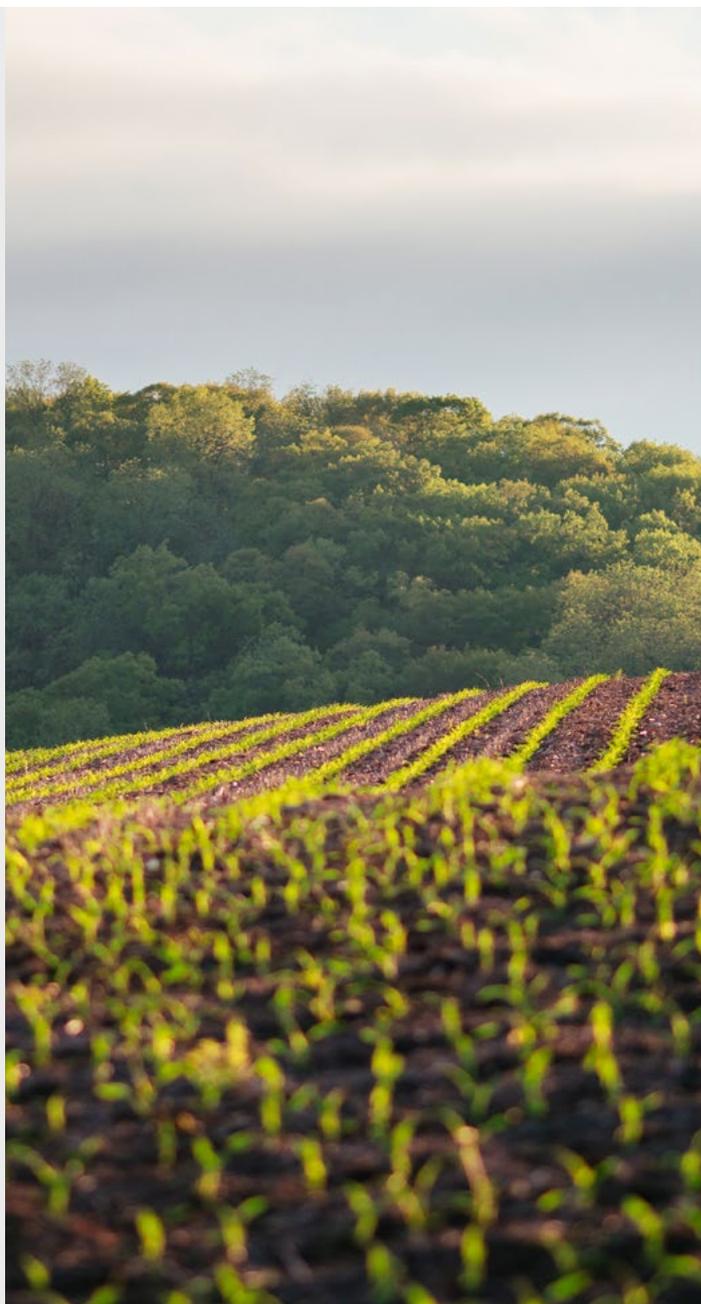
Our operations are located in Australia. Domestically we have assessed modern slavery risk based on workforce profile; the type of labour involved in the delivery of services or production of goods, particularly when there is informal, seasonal or temporary work; and industry prevalence. ALDI Australia has identified operational risk to exist in the use of labour intensive contractor services, such as trolley collectors (workforce profile) and cleaning services (GSI indicated high risk sector).

### Supply Chain:

Within Australia our fresh produce supply chain, including meat processing, has been identified as an area of risk as per the GSI.

For our international supply chains we have identified non-food goods produced in high risk countries, including textiles, shoes, housewares, electronics, and toys among others, as presenting modern slavery risk. High risk food products include seafood, nuts, cocoa, coffee, and tea.

We continue to review and assess risks in our operations and supply chains. This will include a Human Rights Risk Assessment on our Australian operations in order to go beyond modern slavery risk and understand human rights risks and opportunities.



We believe modern slavery is a symptom of wider human rights vulnerabilities and we therefore take a holistic approach to the work we do to alleviate adverse impacts. For instance, in 2019 we published our [ALDI Child Labour Policy](#). Further to the publication of the policy we will provide our business partners with e-learning modules on international laws and standards in regards to child labour. Our approach to human rights is based upon understanding the complexities of the issues and continually improving the processes that we have in place to prevent negative impacts.

## Human Rights Risk Assessment

A human rights risk assessment was conducted in 2018 for the whole of ALDI SOUTH Group across food and agriculture supply chains. We published information of this assessment and the activities we are undertaking as a result of this, you can read further information regarding this [here](#).

# Risk Identification

## Supply Chain

We have an Australia first buying policy. However, if we can't find the quality and value we are looking for we will source products from other countries. By outsourcing production to business partners, we recognise there is a risk of modern slavery in these supply chains.

All of our business partners sourcing high-risk products from countries considered to be at higher risk of human rights violations must adhere to our Social Monitoring Program (SMP). Our Social Monitoring Program promotes continuous improvement of working conditions in all of our suppliers' facilities, and ensures our [Social Standards in Production](#) are upheld.

**To ensure credibility, we use third-party audits conducted by accredited specialists to verify that our social standards are met.**

We do this because we understand there are no quick-fixes or shortcuts; improvement will only come through regular monitoring, dialogue, and action. By coaching our suppliers, we can ensure we are working with businesses whose values align to our own. Due to particular risks within Myanmar and Bangladesh, we also have additional requirements for products sourced from these countries. We have dedicated teams in certain countries that regularly visit the facilities manufacturing the products we sell. These teams conduct comprehensive assessments when they visit supplier facilities, to allow us to understand and improve issues that exist in our supply chain.



# Risk Identification

## Policy and Governance



ALDI Australia has an integrated strategy for tackling modern slavery based on comprehensive policies and processes, detailed risk assessments, training, continuous review and dialogue with suppliers.

Our Corporate Responsibility (CR) Department works closely with our Corporate Buying Department, ALDI SOUTH Group's international CR department and our CR offices based in Bangladesh and Hong Kong.

## Human Rights Policy Statement

Our *Human Rights Policy Statement* outlines our commitment and processes to respect human rights across our business. The United Nations Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, the UN Convention on the Elimination of All Forms of Discrimination against Women, the ILO core labour standards, as well as the United Nations Guiding Principles and OECD Guidelines for Multinational Enterprises define the framework for our actions. The full policy statement can be found at the [ALDI International website](#).

## Corporate Responsibility Principles

ALDI SOUTH Group's International *CR Principles* defines our understanding of the responsibility we have towards our people and the planet, on a local and international scale. The principles guide our operations in Australia on a daily basis and are a strict requirement for our business partners. The International CR Principles guide our approach in five key areas of action: Customers, Supply Chain, People, Community and Environment. Across all of these areas human rights plays an important role.

## ALDI SOUTH Group Code of Conduct

The ALDI SOUTH Group's *Code of Conduct* defines ALDI Australia's expectation of integrity and legal compliance. The Code states our commitment to fair working conditions for everyone in our supply chain and safeguards the rights of our employees.

# Risk Identification

## United Nations Guiding Principles Gap Analysis

We are committed to conducting business in alignment with the United Nations Guiding Principles on Business and Human Rights (UNGPs). In 2019 we engaged internal stakeholders and an external consultant to help us conduct a gap analysis of our policies and management systems against the UNGPs.



### The four operating principles



**1**  
**Human Rights Policy Commitment**



**2**  
**Human Rights Due Diligence**



**3**  
**Grievance Mechanisms and Remediation**



**4**  
**Issues of Context**

Independent assessment found that:

- We have strong human rights policies in place
- We have consistent communication regarding human rights within identified high risk areas of the business
- We have the opportunity to broaden communication across the whole business
- We have grievance mechanisms for employees and suppliers in place, including mechanisms through the Accord for Fire and Building Safety in Bangladesh. We should extend this across other areas of the supply chain

Actions that will take place:

- We will appoint an external expert to conduct further human rights risk assessments specifically focused on Australian business operations
- Training for all employees in sourcing roles will be enhanced and expanded across the entire business
- We will improve access to grievance mechanisms in collaboration with stakeholders, to create an effective process for collating and remediating grievances

# Risk Management



The ALDI ***Social Standards in Production*** refers to our commitment to human rights and fair labour standards.



All business partners and sub-suppliers for both merchandise and non-merchandise products must comply to our *Terms and Conditions of Purchase*, which includes our *Social Standards in Production*.

Social compliance is integral to the quality of our products and we will never sacrifice one for the other. As part of contractual agreements, business partners must undergo on-boarding as part of the commitment to both the relationship and to labour and human rights standards.

## Pre-approval Processes

For business partners sourcing high-risk commodities, such as textiles, a 'supplier pool' has been established and no new suppliers or facilities can be used without pre-approval.

Pre-approval requires an ALDI Social Assessment and an intensive review of the social standards, capacity and setup of the business partner. Business partners supplying relevant products are also trained in additional environmental management requirements as part of our [Detox program](#).

## Social Monitoring

The Social Monitoring Program promotes continuous improvement of working conditions in all relevant production facilities and ensures our Social Standards in Production are upheld. We utilise third-party audits conducted by accredited specialists to verify that our social standards are met. These audits assess indicators for modern slavery as outlined by the Ethical Trade Initiative.

Training is conducted for all business partners within the SMP, covering all aspects of supply chain standards. The SMP standards reiterate the definition of our Severe Risks including forced/bonded labour, child labour, and non-transparency. This encompasses both branded and non-branded products.

Suppliers of non-ALDI branded products can be assessed for exclusion from our programs. Brands are assessed on their due diligence approach to supply chain ethics and they must have monitoring standards equal or higher than our own. All exclusions must be reviewed by the CR department and approved by the CR Director.

# Risk Management

## Fresh Produce

Since early 2019, we have been working with Australian fresh produce suppliers to implement requirements at facilities to ensure the fair and ethical treatment of workers. Suppliers are required to join either Suppliers Ethical Data Exchange (Sedex) or the Fair Farms Initiative, a program developed by Growcom with funding support from the Fair Work Ombudsman and the Federal Department of Agriculture. These programs allow us access to tools to assess social standards, including risks of modern slavery, workplace safety and wage issues.

In addition, we require suppliers to disclose details of the labour service providers used at the processing facility, including any subcontracted labour. We require that all labour service providers contracted by suppliers are licensed in jurisdictions that have government licensing schemes and are approved and registered under the Seasonal Worker Program where necessary.

## ALDI Social Assessment

From our experience, we know that often audit reports do not fully reflect the situation at the production facilities. A continuous on-site presence can lead to greater transparency and fosters partnership with suppliers and production facilities. For this reason, since 2011 we have been supplementing third-party audits with our own regular on-site visits for certain high-risk commodity groups.

These ALDI Social Assessments (ASA) allow us to assess the social standards within production facilities and include focus areas such as modern slavery, child labour and non-transparency. ALDI Social Assessments are carried out by ALDI employees together with external auditors and supplier representatives, mainly in facilities in Bangladesh and China. Our teams are experienced social compliance experts, with a team of 12 in Bangladesh, and a team of 16 in Hong Kong.



Our *Terms and Conditions of Purchase* ensure ALDI has the ability to conduct announced and unannounced visits to facilities in our supply chain at any time, by means of an ASA.

**In 2019, we carried out a total of 473 ASAs with our most common finding being non-transparency of factory conditions.**

## Corporate Responsibility Supplier Evaluation

Since 2018, we have been annually evaluating the CR performance of all our international garment textiles business partners.

The Corporate Responsibility Supplier Evaluation (CRSE) is a comparative and transparent evaluation based on quantitative and qualitative indicators. The indicators focus on our business partners' social and environmental compliance management systems as well as their production facilities' CR performance. This evaluation is derived from our CR requirements which form part of every contract.

The results of this evaluation increasingly influence our buying decisions. The CRSE thereby supports long-term relationships with the business partners who demonstrate a strong CR record and provides incentives for continuous improvement. Furthermore, training and capacity building is being implemented to further develop our business partners based on the evaluation results.

The CRSE program has been approved to roll-out across further categories.

# Risk Management



## ALDI Factory Advancement Program

With the ALDI Factory Advancement (AFA) Project, the ALDI SOUTH Group, together with ALDI NORTH, has introduced an effective tool to deliver change in factories that produce our garments in Bangladesh.

**Launched in 2013, the AFA Project places factory workers and managers at the centre of its activities to find sustainable solutions for improved workplaces.**

The core principle of the AFA project is the promotion of dialogue and cooperation between workers and managers. Only with the commitment and the ownership of both parties can real long term change be achieved.

The key to the project's success has been the active involvement of the workers. To date, approximately 85,000 workers and their managers at 40 participating factories have benefitted from the project and experienced positive changes in their day-to-day working environment.

## Ethical Trade Program

The Ethical Trade Norway Program is working with our international cashew supply chains to focus on human rights risks, focussing on traceability from processor through to farm, and engaging in training programs to build capacity. This is an ongoing project for ALDI on an international level. To date, 120 farmers in six of the main cashew producing districts in the Binh Phuoc province of Vietnam have each been trained in good agricultural practices, labour standards, health and safety and environmental stewardship.

# Risk Management

## Non-Merchandise

For Labour Service Providers, such as trolley collectors or cleaners, suppliers must complete an independent audit checklist. This must be completed by a third party auditor in order to verify compliance to the Australian Fair Work Act 2009 and relevant workplace laws.

Our procurement and logistics teams are responsible for ensuring these standards are upheld with our many non-merchandise suppliers.

## Xinjiang Forced Labour Allegations

There has been widespread allegations by NGOs and media of the forced labour in Xinjiang of the Uighur people. As a preventative measure our teams on the ground conducting ALDI Social Audits assessments are working on integrating additional forced labour checklists for site visits in this region.

In addition, a pre-approval process for production facilities in Xinjiang has been introduced to ensure additional transparency.

## ALDI Alert Line

The ALDI Alert Line can be used by business partners and employees to raise concerns or report policy violations. It is an independent service staffed by multi-lingual call handlers and is available 24 hours a day, seven days a week in Australia. The Alert Line is promoted to our employees and suppliers and all reports to the line are confidential and fully investigated.



**Our Goods Not for Resale (GNFR) purchasing is under continuous review, with higher risk supply such as staff uniforms required to comply with our audit requirements in line with the SMP.**



# Training



**We build capacity amongst our employees through a range of training programs including indicators of modern slavery for relevant product categories. In 2020 we are engaging with an external provider to design and deliver tailored modern slavery training to all employees with buying and procurement responsibilities.**



# Measuring Effectiveness

**In 2020, we seek to develop targets to assess the effectiveness of our actions to manage modern slavery risk.**

Our current approach includes:

- The existing monitoring frameworks in place for risk management programs discussed within this statement
- Robust governance
- Assistance from external experts to assess our approach
- In relation to our capacity building activities, such as the ALDI Factory Advancement Project, regular evaluation takes place using quantitative (KPIs, databases) and qualitative (surveys, interviews, focus group discussions) methods. Measures are then revised on the basis of the results
- For online and onsite training for our business partners, pre and post knowledge assessments are conducted to measure impact
- Through our ALDI Social Assessments, our employees have direct exchange with both direct and indirect suppliers on the social conditions within the supply chain
- The respective standard providers for certified products conduct effectiveness measures
- Participation in Non-Government Organisation reports where requested. For example, the Ethical Fashion Report by Baptist World Aid



# ALDI Partnerships

**We believe that we can't eradicate modern slavery in isolation, industry must come together to have a greater impact. We have outlined below the many organisations and initiatives we have partnered with to increase our impact.**



## **Accord on Fire and Building Safety Bangladesh**

ALDI SOUTH was one of the first signatories of the Accord on Fire and Building Safety in Bangladesh in 2013 and 2017. By signing this independent, legally binding agreement we have committed to improve the safety of the Ready-Made Garment factories in our Bangladesh supply chain.

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



## **amfori BSCI**

For over 40 years, amfori has been the leading global business association for open and sustainable trade. Its mission is to support each of its members to enhance human rights, use natural resources responsibly and drive open trade globally. It brings together over 2,000 retailers, importers, brands and associations. amfori is run by Board of Directors representing the member's interests from different countries and businesses. In June 2019, Anke Ehlers, Managing Director for Corporate Responsibility International of the ALDI SOUTH Group, was elected to the Board of Directors of amfori to represent ALDI SOUTH internationally.

This shows the continuing dedication of ALDI to enhance sustainable development in our global supply chains.

The ALDI SOUTH Group is also an active member of the amfori Project Group 'Social Issues in Food' which unites retailer and producer members of amfori to tackle shared social and environmental issues in the food sector. A representative from ALDI SOUTH chairs the group.



## **Centre for Child Rights and Corporate Social Responsibility (CCR CSR)**

Children and young workers are vulnerable to modern slavery, which is one of the reasons why we have partnered with the Center for Child Rights & Corporate Social Responsibility (CCR CSR) in Asia. We have signed a Memorandum of Understanding with CCR CSR to use designated funds for child labour prevention and remediation services and to support migrant parent workers in our supply chain.

To date, CCR CSR has developed a child labour policy with us and conducted training of our Corporate Responsibility team on child labour prevention and remediation. CCR CSR also assisted the set up of three Child Friendly Spaces so that migrant parent workers have a free childcare solution during the summer school holiday, to ensure they do not need to resort to taking their children to work with them. Through this partnership, migrant parent workers have also taken part in CCR CSR's migrant parent training to strengthen their remote parenting skills.

Other activities that are currently under way or scheduled to take place later in 2020 include publishing a study on migrant parents and children, finalising an eLearning module on child labour and conducting child labour training for our business partners.

# ALDI Partnerships



For workers' rights. For better business.

## Ethical Trade Initiative (ETI)

In line with our responsible sourcing strategy to mitigate adverse human rights impacts of our business activity, the ALDI SOUTH Group was accepted as a Foundation stage member of the ETI in 2019. ETI is a global alliance of companies, trade unions and NGOs that promotes respect for workers' rights. Our Social Standards in Production are aligned with the ETI Base Code.



## Fair Farms Initiative

Fair Farms training is geared towards improving workplace compliance on farm so that the business meets the requirements of the Fair Farms Standard. We believe that businesses taking control of their workplace compliance and putting appropriate processes and controls in place will help to reduce the risk of modern slavery occurring within horticultural supply chains.

In regards to modern slavery, the Fair Farms Standard requires:

- The business has policies and procedures in place to ensure all workers, including those provided through a Labour Hire Provider, have freely chosen the employment and are not forced, bonded or involuntary workers
- The business provides a workplace free from abuse, harassment and discrimination
- Correct wages and benefits are paid to all workers
- Working hours meet reasonable limits
- The business ensures that where it provides workers with accommodation, the accommodation is freely chosen, is safe and meets legal standards

An increased risk of modern slavery exists where workers are engaged via a third-party intermediary (labour hire). The Fair Farms Standard requires that a participating business has effective control mechanisms in place when hiring workers through a labour hire provider or/ subcontractor. These include entering into a written agreement which puts clear obligations on the provider to safeguard against modern slavery, undertaking due diligence up front and monitoring the provider's performance.



## Fairtrade International

Modern slavery exists on a continuum of exploitation and many consumers and companies may rely on forced labour and other forms of slavery without realising. Fairtrade's work addresses poverty, discrimination, exploitation, a lack of transparency and power imbalances - the root causes of modern slavery. For more than 30 years Fairtrade has been partnering with farmers and workers, industry and governments to reduce and eradicate child labour and forced labour. This is done through full traceability to farm level, verifying a Fairtrade Minimum Price is paid for raw materials, and ensuring the Fairtrade Premium goes toward the needs of the businesses and communities as decided by the producer. ALDI is proud to be the largest retailer of own-brand Fairtrade coffee and chocolate in Australia.

# ALDI Partnerships



## Leather Working Group (LWG)

The LWG is a multi-stakeholder initiative, which develops and maintains a protocol to assess the environmental compliance and performance capabilities of leather tanneries. It promotes sustainable and appropriate environmental business practices within the leather industry. We have been a member of the LWG since 2015. Our business partners are required to use only LWG-certified tanneries for leather-based main components. All production facilities are disclosed to us. This requirement applies to all textiles and shoe products.



## Mekong Club

The Mekong Club is an anti-slavery non-profit with a focus on business engagement. The vision of the Mekong Club is to harness the power of the private sector to change business practices in a way that will significantly reduce modern slavery. To ensure this result, Mekong Club work confidentially and collaboratively with companies from a broad range of industries with a positive, trustworthy approach. The Mekong Club is one of the few not-for-profit organisations of its kind to use a business-to-business approach to fight modern slavery. Its founders and current board members are representatives of the private sector who understand the key role companies can play in this fight. The Mekong Club association is now a 40-member strong platform that brings industry-specific working groups together. This model encourages like-minded companies to share their experiences and work together in a confidential environment. Members meet regularly to share best practices and learn about tools that provide practical and tangible actions to tackle modern slavery. They have been working exclusively on modern slavery projects since inception in 2012.



Part of the **RAINFOREST ALLIANCE**

## UTZ part of the Rainforest Alliance

For a company with an extensive agricultural supply chains like us, certification is a valuable tool to mitigate these risks. That is why we work with the Rainforest Alliance to source products from UTZ certified farms. The UTZ standard prohibits forced, bonded, trafficked or other involuntary labour at any stage of production and processing. UTZ certified agricultural producers cannot require workers to lodge deposits or identity papers; they cannot retain workers' salaries, benefits or property; and they must allow workers to leave employment after giving reasonable notice. Furthermore, the standard prohibits excessive working hours, excessive and involuntary overtime, sub-minimum wages, disciplinary deductions from wages, delayed payment, lack of written contracts, and abusive treatment of workers. Through the UTZ program, producers are educated on these requirements. They then undergo an independent third-party audit to assess compliance and are re-audited on a regular basis to ensure compliance is maintained. We have over 100 everyday products with certified quantities of UTZ certified cocoa, coffee, or tea.

# ALDI Partnerships



## Seafood Task Force (STF)

We are an active member of the STF. STF is an industry platform that was created by leading global retailers, processors and producers to address human rights issues in the Thai Seafood Industry. The STF scope of activities has since broadened to other countries. We are active members of sub-groups 7 (tuna oversight) and 9 (responsible recruitment oversight). STF members have been working with relevant stakeholders (including the Royal Thai Government, key Non-Government Organisations and certification schemes) to push for holistic solutions that range from fisheries reform, oversight of recruitment processes and improving traceability to enable full supply chain oversight, thereby working to eradicate all forms of modern slavery. More information can be found [here](#).



## Supplier Ethical Data Exchange (SEDEX)

Sedex is one of the world's largest collaborative platforms for sharing responsible sourcing data on supply chains, used by more than 60,000 members in over 180 countries. Sedex is one of the ethical trade organisations that we require our suppliers to be members of, as part our Social Monitoring Program requirements. The platform can be used by buyers, suppliers and auditors to quickly identify and share indicators of forced labour and modern slavery.



## Sustainable Fisheries

### Sustainable Fisheries Partnership (SFP)

This partnership enables us to improve the responsible sourcing of fish and seafood and to avoid illegal, unregulated and undocumented fishing. This contributes to a more transparent seafood supply chain.

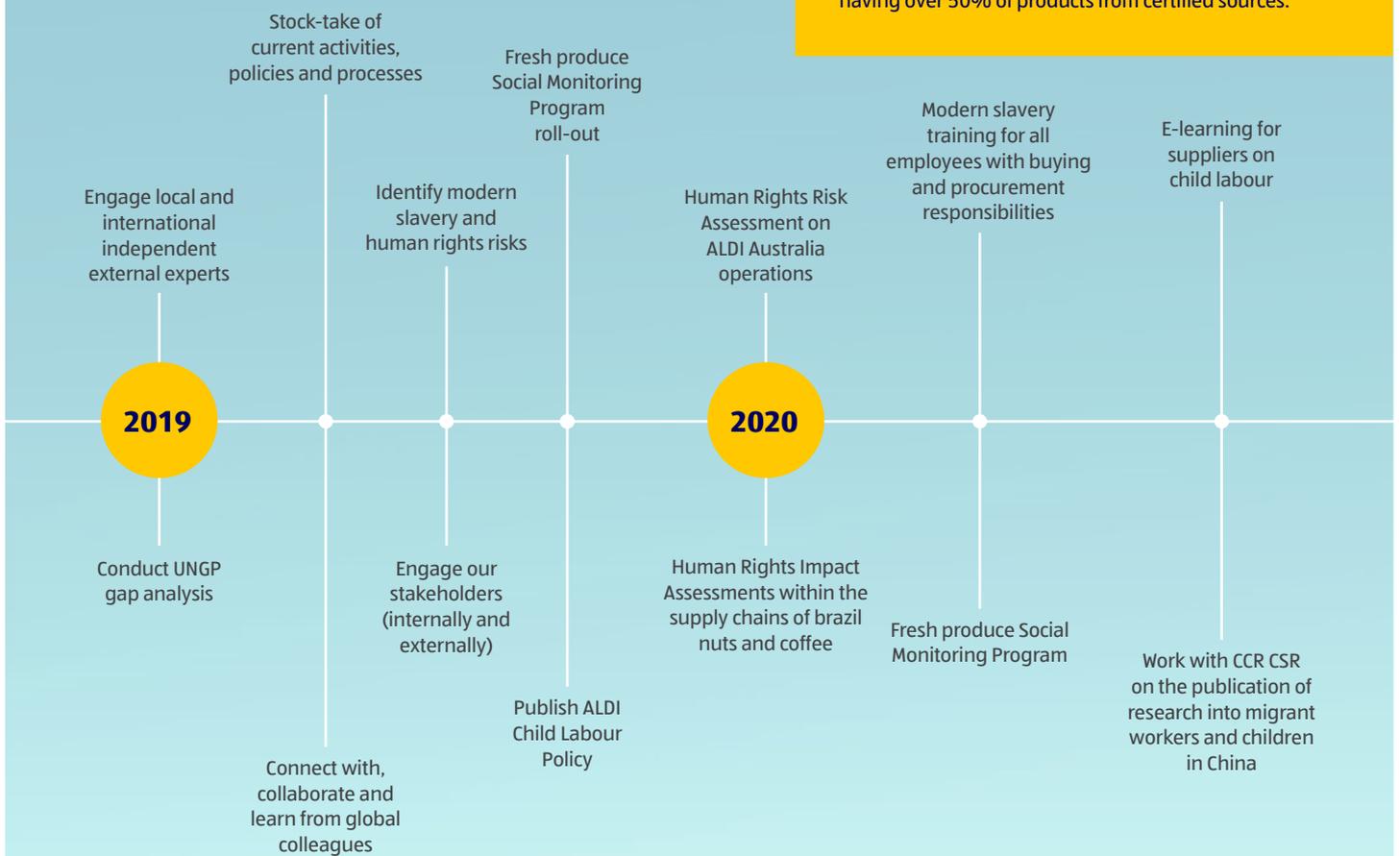


# Strategy and Key Activities

**We are committed to respecting human rights and we do this in the spirit of continuous improvement.**

We view our fight against modern slavery the same way and have agreed on the following strategy. While some policies were developed by the ALDI SOUTH Group through the CR International department, we have also adapted and developed our own policies on a national level.

**By the end of 2020**, we will have met our ethical sourcing goals for cocoa (100% sourced from certified supply chains), black, green and white tea (100% sourced from certified supply chains) and coffee (30% from certified supply chains). We are proud to share that for coffee sourcing, we have met the goal early, having over 50% of products from certified sources.



There is no place for modern slavery in our business or our extended supply chains. ALDI welcomes the Modern Slavery Act as it is set to play an important role in creating awareness of this issue, and more importantly, it will build the required accountability in the practices of Australian businesses.

For more information on our Corporate Responsibility principles and policies, please visit [our website](#).