



2023 ALDI Modern Slavery Statement





The artwork above is called 'Tracking' and was commissioned by ALDI and created by First Nations artist Amy Kilby, a proud Wiradjuri woman from the Riverina region in NSW.

Acknowledgement of Country

ALDI Australia acknowledges and respects Australia's First Nations peoples (Aboriginal and Torres Strait Islander peoples) as the Traditional Custodians of the Land upon which we operate our stores, distribution centres, regional offices, and the national office. We also extend our respect to First Nations ALDI team members, contractors, business partners and customers.

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A word from our CEO

Millions of people continue to be victims of modern slavery and they are often hidden away in factories, farms and homes. The International Labour Organization estimates there are [close to 50 million people](#) in modern slavery conditions worldwide, with Walk Free* estimating up to [41,000 people](#) in Australia.

As a leading retailer in Australia, we acknowledge our wide reaching impact on all those who have a hand, whether by stitching, washing, packing or picking, in bringing exceptional products to our shelves.



We do not shy away from or ignore human exploitation and instead stand against modern slavery with conviction.

Our actions in 2023, evidenced in this Modern Slavery Statement, demonstrate that we thoroughly investigate any indications of possible modern slavery and do not hesitate to take action if we identify instances or risks that aren't promptly addressed in our supply chain. In 2023, we undertook the following initiatives:

- Reviewed third party social audits for 108 sites as part of our Fresh Produce Social Monitoring Program identifying 65 risks that required further investigation. All cases were reviewed and where required, remediated as soon as possible.
- Held a modern slavery awareness session for 80 employees across our corporate team. Slave-Free Alliance presented on how to identify modern slavery, how businesses are affected, and how ALDI is fighting modern slavery.

ALDI SOUTH Group

- Commenced two Human Rights Impact Assessments looking into household textiles from India and coffee sourced from Vietnam.
- Expanded the scope of the Corporate Responsibility Supplier Evaluation Program to encompass household textiles and fish and seafood (fresh, chilled and frozen) commodity groups.

- Conducted 106 ALDI Sustainability Assessments detecting 57 sites that required further investigation. All cases were reviewed and where required, remediated as soon as possible.
- Finalised the Global Sustainability Strategy to define our long term aspirations and specific actions across six dimensions, of which one is “Strengthening Human Rights”.
- Updated our Business Partner Sustainability Standards and our Human Rights and Environmental Due Diligence Policy to ensure they are fit for purpose today.
- Signed the new Pakistan Accord for Health and Safety in the Textile and Garment Industry as part of our commitment to increase transparency and promote workplace safety in our supply chains.
- Signed the UN Women’s Empowerment Principles as part of our continuous drive to ensure equal opportunities for women in all areas of our business and supply chain.

We are steadfast in our commitment to doing the right thing and expect all those we work with to do the same. When customers buy our products, they can be assured that ALDI takes all necessary precautions to mitigate and combat modern slavery risks to ensure there’s no hidden human cost.

Anna McGrath

Chief Executive Officer
ALDI Stores Australia



* Walk Free is an international human rights group focused on the eradication of modern slavery and is the creator of the Global Slavery Index.

Our business structure, operations and supply chains

ALDI Australia

This Statement was prepared by ALDI Stores (A Limited Partnership) ABN 90 196 565 019 and covers the reporting period of January to December 2023.

ALDI Australia is a grocery retailer which offers approximately 1,800 everyday food and household products. We offer twice weekly 'Special Buys' which range from home and garden appliances to clothing and outdoor equipment.

 **590**
stores*

 **16,729**
employees*

ALDI Australia is part of the ALDI SOUTH Group. Although part of a global organisation, ALDI Australia operates its business locally in order to cater to consumer tastes and market expectations. ALDI Australia does not own or control any subsidiaries.



Australia first buying approach



Reducing plastic packaging by 25% by 2025



Operations powered by 100% renewable electricity



Raised and donated more than \$6 million for Camp Quality since 2020



Donated the equivalent of over 11 million meals to food rescue organisations in 2023

ALDI SOUTH Group

The ALDI SOUTH Group is an international discount retailer that operates 7,396 stores across 11 countries*.

The ALDI SOUTH Group consists of international operations in Austria, national operations in Austria, Switzerland, Slovenia, Hungary, and Italy (collectively referred to as HOFER S/E), and further national operations in Germany, the USA, UK and Ireland, China, and Australia. As part of the ALDI SOUTH Group, we collaborate, support, and align our activities globally.

It is with this international approach that we operate with shared purpose, as we support and work together to shape and drive ALDI's sustainability goals and outcomes.

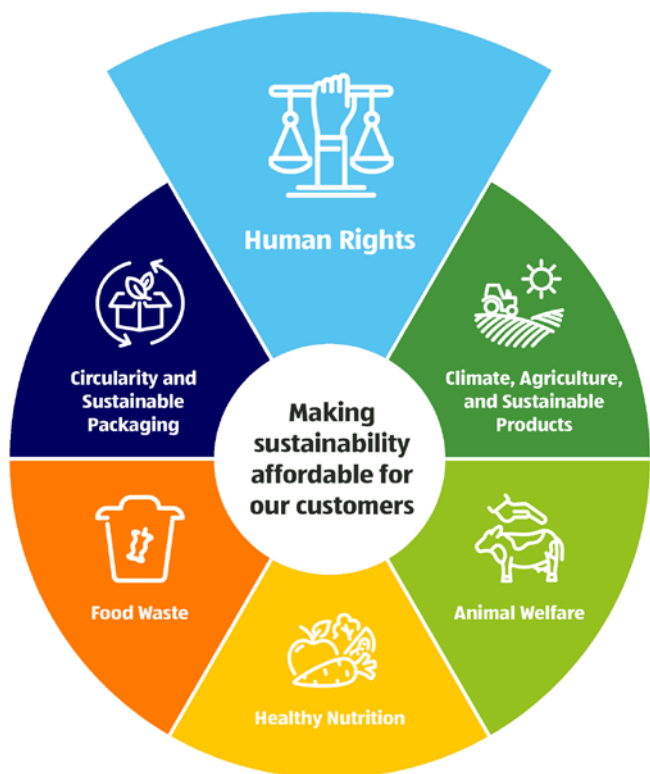
In addition to our international and national operations, the ALDI SOUTH Group (in a joint venture with ALDI Nord) also has Corporate Responsibility (CR) Units in Hong Kong and Dhaka, Bangladesh which support the implementation of sustainability goals and activities across key sourcing countries. For more information relating to the international activities of the ALDI SOUTH Group, please visit our international [website](#).

Sustainability Strategy

In 2023, the ALDI SOUTH Group finalised its Global Sustainability Strategy (GSS). The Strategy defines our long term aspirations and specific actions across six dimensions. The long term aspiration for the “Human Rights” dimension is that human and environmental rights are non negotiable and embedded into the core of our business.



Each national operation, including ALDI Australia, supports the delivery of the Strategy through activities implemented at international level as well as further initiatives that are specific to Australia.



Our approach to sustainability governance

We recognise that strong governance is essential for managing modern slavery risk and delivering effective performance. Throughout 2023, some of our governance was updated.

Sustainability Committees

Within the ALDI SOUTH Group, there are two levels of Sustainability Committees; the International Sustainability Committee, and the National Sustainability Committee.

The International Sustainability Committee (ISC) is chaired by the CEO of Global Sourcing and International Sustainability and consists of Group Managing Directors from across the business. The ISC makes the final decision on Sustainability standards that all ALDI countries must comply with, approves international ambitions and actions within the scope of the Global Sustainability Strategy, and monitors progress.

At a national level, the National Sustainability Committee (NSC) is responsible for the implementation of global standards set by the ISC and where required, defines additional specific country ambitions and actions relevant to each Strategy dimension, including human rights. The NSC coordinates the implementation of these activities, and tracks progress. For ALDI Australia, the NSC is chaired by the Group Managing Director and includes representatives from all business and support units.

Working groups

To support the delivery of our global strategy, working groups have been established for each of the six dimensions. The working groups consist of representatives from both international and national sustainability departments.



ALDI Australia participates in the Human Rights working group which is responsible for delivering key activities that ensure ALDI upholds the highest standards of human rights.

In 2023, the Human Rights working group oversaw the review and update of key policies, including the Business Partner Sustainability Standards and the Human Rights and Environmental Due Diligence Policy. More information on these updated policies can be found in the table on [page 12](#). Additionally, the working group provided guidance and approval on training, responsible purchasing practices, and case management.



Our supply chains

Our product range is diverse, from high quality groceries to unique Special Buys in varied product categories. Our supply chain consists of:

- ALDI exclusive brand products;
- Vendor branded products (food and non food);
- Goods not for resale (including goods and services needed to support ALDI’s operations).

Throughout this Statement you will see the work ALDI Australia is taking to identify, address, and mitigate modern slavery risks within each of these supply chains.



52
sourcing
countries



1,400+
business
partners

The following map details the inherent risk ratings of our sourcing countries as well as the risks that may occur within these regions.

China

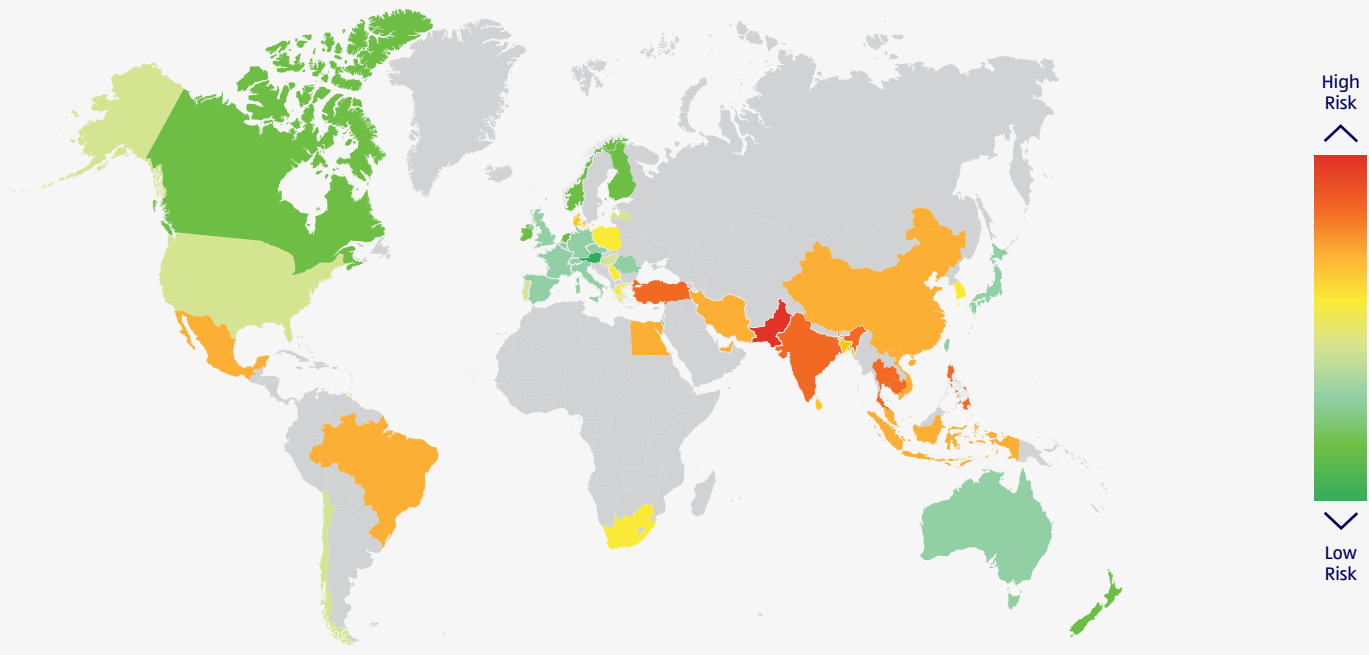
- Forced labour
- Freedom of association
- Wages
- Health and safety

Bangladesh

- Gender inequality
- Freedom of association
- Working hours
- Health and safety

Côte d’Ivoire

- Child labour
- Gender inequality
- Health and safety



Brazil

- Workers rights
- Freedom of association
- Child labour
- Health and safety

Thailand

- Gender inequality
- Forced labour
- Migrant workers
- Health and safety

Australia

- Migrant workers
- Gender inequality
- Freedom of association

Identifying our modern slavery risks and their impact

According to the United Nations Guiding Principles on Business and Human Rights (UNGPs), companies are required to identify actual and potential impacts on human rights, prevent and mitigate adverse impacts, control the effectiveness of measures, and ensure active engagement in remediation.



The UNGPs recognise that not all impacts can be tackled at the same time and that priority setting is necessary. Companies should prioritise impacts, supply chains, and tiers based on their human rights risk and impact analyses.

To align with this approach, ALDI recognises it is critical that the scope of any measures be based on the following three factors:



The severity of the impact;



The level of involvement by the company in posing a risk to human rights, and;



The ability of the company to prevent or address the impact.

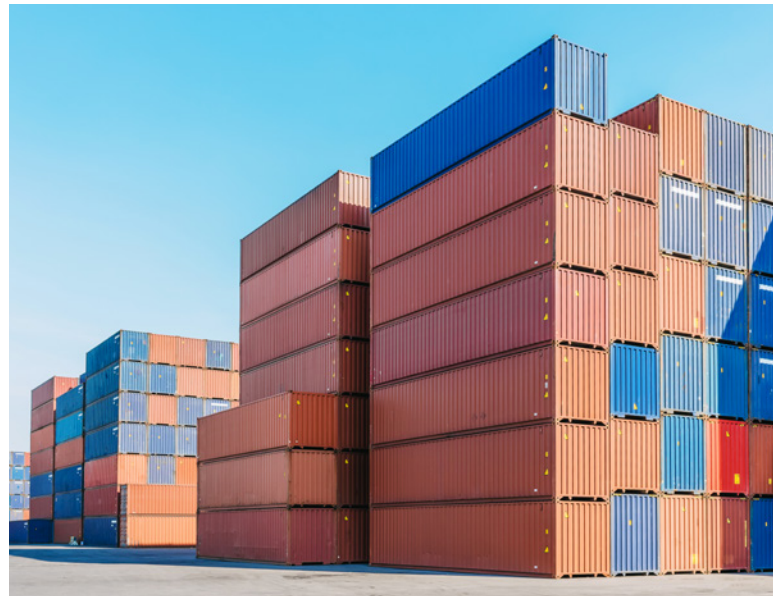
There are different layers of responsibilities. A company's involvement in adverse human rights impacts can be distinguished into three categories: **'cause'**, **'contribute to'** and **'directly linked'**.

| | Cause | Contribute | Directly linked |
|---|--|---|---|
| | A business can cause adverse human rights impact where its actions or omissions directly result in the impact occurring. | A business can contribute to adverse human rights impact where its actions or omissions have contributed to facilitate or incentivise the impact occurring. | A business can be directly linked to adverse human rights impact through its relationships in operations, products, or services, such as through its extended supply chain. |
| Risk area | | | |
| Our own employees | Potential to cause adverse impact | | |
| Sourcing products in our merchandise categories (food and non food) | | Potential to contribute to or be directly linked to adverse impacts | |
| Fresh Produce in Australia | | Potential to contribute to or be directly linked to adverse impacts | |
| Services and Goods not for Resale | | Potential to contribute to or be directly linked to adverse impacts | |

ALDI Australia operations

We respect the rights of our people and are committed to being an inclusive and fair workplace. When evaluating our local operations in ALDI Australia, we consider the level of risk of modern slavery for our employees as low due to aspects such as adherence to the *Fair Work Act (2009)* which ensures fair pay and entitlements at Award level and good working conditions.

Inherently, Australia is deemed low risk in the global context of human rights. This is in part due to a strong government response to addressing modern slavery, including the implementation of the *Modern Slavery Act (2018)* and mandatory company reporting on efforts to address and tackle modern slavery.



Our supply chain

As an international business with global supply chains, ALDI is committed to respecting human rights and the environment in its own activities and throughout its supply chains, in line with international standards. ALDI believes long term business success can only be ensured if responsibilities towards human rights and the environment are acknowledged and respected.






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

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



We continually assess the actual and potential human rights and environmental impact of our business actions throughout our diverse supply chains.

This process includes regular sustainability risk analyses, including both human rights and environmental risks, for ALDI supply chains as a whole. It also includes ad hoc risk analyses where needed and assessments relevant to specific products and components coming from select origins. These assessments provide a deeper understanding of the specific impacts and risks related to the various stages of production in individual supply chains.

-  Discrimination
-  Freedom of association
-  Forced labour
-  Child labour
-  Occupational health and safety
-  Wages and income
-  Deforestation and land rights
-  Water availability and pollution
-  Biodiversity loss and soil depletion

Human Rights Impact Assessments

The ALDI SOUTH Group has committed to carry out detailed Human Rights Impact Assessments (HRIAs) that follow a stringent methodological approach, including extensive background research and engagement with rightsholders, such as community members, smallholder farmers and women.

Through these studies, ALDI SOUTH Group strives to identify, understand, and assess the potential and actual adverse impacts of our business activities on workers and other affected rightsholders.

In 2021, the ALDI SOUTH Group published the results of three HRIAs in selected high priority raw materials: Avocado, Brazil nuts and Coffee. These reports are available on our international [website](#). In 2023, the ALDI SOUTH Group commenced a further two HRIAs looking into household textiles from India and coffee sourced from Vietnam.



Ocean Disclosure Project

We are continuously working on making ALDI's fish and seafood supply chains more sustainable. ALDI Australia is the first Australian retailer to voluntarily disclose seafood sourcing on the Sustainable Fisheries Partnership's [Ocean Disclosure Project \(ODP\)](#). Established in 2015, the ODP is a global platform and reporting framework dedicated to increasing transparency in global seafood supply chains by encouraging companies to publicly disclose their wild caught seafood sources. Along with ALDI in the United Kingdom, Ireland and the United States, ALDI Australia discloses a list of all the fisheries, catch method, and environmental impacts of wild caught seafood. You can find ALDI Australia's profile [here](#).

Pakistan Accord for Health and Safety in the Textile and Garment Industry

As part of our commitment to increase transparency and promote workplace safety in our supply chains, the ALDI SOUTH Group signed the new Pakistan Accord for Health and Safety in the Textile and Garment Industry on 27 January 2023. The Pakistan Accord is a legally binding agreement between brands and retailers, and global trade unions. It promotes safe workplaces through independent safety inspections, training programs and a complaints mechanism to safeguard workers against occupational health and safety risks. The Pakistan Accord covers all Cut Make Trim (CMT) facilities, namely all Ready Made Garment (RMG), home textile, fabric and knit accessories suppliers, that produce products for the signatories. Read more on our commitment [here](#).

Setting requirements through policies



We set our requirements for our people and business partners through transparent policies. We acknowledge it is necessary to regularly evaluate how to improve and strengthen our approach to addressing human rights and environmental issues, which includes conducting periodical reviews of our standards and policies.

In 2023, we reviewed and updated several policies and standards that manage human rights risks and performance.

ALDI requires business partners to comply with all applicable laws in the countries and regions in which they operate. The ALDI Business Partner Sustainability Standards lay out the key sustainability expectations of all our business partners. We also integrate supply chain specific requirements around sustainability and responsible sourcing into contractual agreements with our business partners.

Where applicable laws and/or ALDI requirements set a different standard of protection to international standards, such as applicable United Nations (UN) treaties and International Labour Organization (ILO) Conventions, ALDI and our business partners are to abide by the principles that provide the highest protection to potentially affected rightsholders such as workers and communities, and to the environment, to the extent permitted by applicable law.



We strongly believe that collaboration is key to succeeding in mitigating human rights impacts and expect that our business partners pass our requirements on to their own business partners.

For ALDI Australia, the operational responsibility for execution of our sustainability policies sits within our National Sustainability Department, relevant business units, and our senior management. Collectively, we are all responsible for upholding our standards and requirements in our business including within our supply chain.



Our standards, policies, and position statements

| Title | Description and importance | Communication |
|--|---|--|
| Sustainability Principles | <p>In all we do, we assume responsibility towards our customers, business partners, employees, the community, and the environment. Our Sustainability Principles summarise our commitments to people and planet. They guide us in our day to day actions.</p> | <p>The Sustainability Principles are available internally for all employees and are embedded within our Code of Conduct. The Sustainability Principles are available externally via our website.</p> |
| ALDI Business Partner Sustainability Standards | <p>The ALDI Business Partner Sustainability Standards (formerly the ALDI Social Standards in Production) represent our minimum requirements for our business partners' due diligence across their supply chains. They reflect ALDI's commitment to human rights and the environment and include the requirement for business partners to abide by such standards as the right to freedom of association, payment of minimum wages, and non tolerance for discrimination, child labour and forced labour.</p> <p>In 2023, ALDI conducted a review and update of the Social Standards in Production, renaming them as our Business Partner Sustainability Standards. This revision brings the Standards in line with global legislative developments in human and environmental rights due diligence and clearly defines the scope of the application as all direct and indirect business partners.</p> | <p>The ALDI Business Partner Sustainability Standards are available to all employees internally and available externally on our website.</p> <p>For ALDI Australia, these Standards are included in Terms & Conditions for our national business partners.</p> |
| ALDI Human Rights and Environmental Due Diligence Policy | <p>As an international business with global supply chains, we are committed to respecting human rights and the environment in our own activities and throughout our supply chains. ALDI believes that long term business success can only be ensured if responsibilities towards human rights and the environment are acknowledged and respected.</p> <p>In 2023, this policy was updated in consultation with all ALDI SOUTH Group countries. The policy focuses on our activities towards addressing salient risks identified in our supply chains including risk analyses and impact assessments, risk management, grievance mechanisms and remedial actions.</p> | <p>The ALDI Human Rights and Environmental Due Diligence Policy is available externally via the ALDI SOUTH Group website.</p> |

| Title | Description and importance | Communication |
|---|--|--|
| ALDI Child Labour Policy | <p>We are committed to contributing to the prevention, identification, and remediation of child labour in all areas of our operations, including our supply chains.</p> <p>Our Child Labour Policy explains our understanding of child labour in accordance with international standards. The policy states ALDI's expectations of our business partners to ensure that child labour does not occur at production sites used for our products. It describes the actions ALDI, together with local expert organisations and our business partners, will take if a child is found at a production site and steps we take to prevent child labour occurring at any of our production sites.</p> | <p>The ALDI Child Labour Policy is available externally via the ALDI SOUTH Group website.</p> |
| International Policy on Forced Labour | <p>Our International Policy on Forced Labour expands on ALDI's existing commitments to human rights and underlines our stance that any forms of servitude or slavery, or forced, bonded, indentured, trafficked, or non voluntary labour are unacceptable throughout ALDI's supply chains. This concerns all relevant stakeholders including all business partners, production facilities, service providers and contractors.</p> | <p>The International Policy on Forced Labour is available externally via the ALDI SOUTH Group website.</p> |
| International Policy on Gender Equality in ALDI's Supply Chains | <p>ALDI believes that all workers should be treated fairly. We do not tolerate any form of discrimination and strive for gender equality within supply chains.</p> <p>Our International Policy on Gender Equality in ALDI's Supply Chains focuses specifically on women in our supply chains, as a particularly vulnerable group who have traditionally been overlooked. We believe that by addressing the challenges women face in our supply chains and supporting gender equality, we can promote greater diversity overall and support safer and more inclusive supply chains.</p> | <p>The International Policy on Gender Equality in ALDI's Supply Chains is available externally via the ALDI SOUTH Group website.</p> |
| International Position Statement on Living Wages and Living Incomes | <p>ALDI believes that everybody has the right to afford a decent standard of living. We do our part to ensure a decent standard of living for people within our food and non food supply chains, especially for vulnerable groups such as migrant workers or women. In global supply chains, low wages and incomes often coincide with other human rights related issues such as discrimination, gender inequality, excessive overtime, child labour or forced labour. Addressing poverty is a complex and systemic challenge that requires intense collaboration between multiple stakeholders.</p> <p>Our International Position Statement on Living Wages and Living Incomes demonstrates how we are committed to working towards living wages and living incomes in our supply chains.</p> | <p>The International Position Statement on Living Wages and Living Incomes is available externally via the ALDI SOUTH Group website.</p> |

Due diligence



ALDI's due diligence approach is implemented to ensure that its commitments towards human rights and the environment are met.

This commitment covers all adverse impacts that may be caused by, contributed to, or directly linked to our own business operations, as well as our business partners.

We require ALDI employees and our direct and indirect business partners throughout our supply chains to respect human rights and environmental standards, in line with our Human Rights and Environmental Due Diligence Policy and with any applicable laws, and to ensure that all business activities comply with our commitment.

While our goal is to prevent and mitigate any risks, we commit to taking remedial measures where ALDI's actions have caused rights to be violated, and to ensure remedial measures are provided in the case of violations caused by and/or contributed to by ALDI business partners.

Our approach to due diligence comprises the following actions:

- Desk based research of our supply chains, including conducting risk assessments;
- Maintaining, reviewing, and updating our standards and policies as needed;
- Governance through cross functional working groups;
- Consideration of data from audit programs, internal assessments, and onsite assessments as part of buying decisions;
- Stakeholder engagement including training of employees and business partners;
- Discussions and collaboration with expert partners.



Australian Fresh Produce Social Monitoring Program

We have an 'Australia First' sourcing approach for our fresh produce which means we aim to prioritise local growers unless stocks are not available in Australia. In the global context, Australia is a low risk country for modern slavery. However we acknowledge there is an increased risk of modern slavery in the fresh produce sector in Australia due to use of the of labour hire providers and the increased vulnerability of temporary, seasonal, and migrant workers.

We work with our business partners to monitor compliance through our Fresh Produce Social Monitoring Program (Fresh Produce SMP) and have a continuous improvement approach to social standards.

The scope of our Fresh Produce SMP covers all fresh produce from Australia excluding herbs, convenience including pre packaged salads and kits, and fresh flowers.

Our Fresh Produce SMP requires in scope fresh produce business partners to have third party social audits conducted on the final processing facilities. We accept both Fair Farms and Sedex Members Ethical Trade Audit (SMETA) social audits. The final processing facility is defined as the last facility at which produce goes through the majority of labour, which is often where produce is packed. For growers/packers, this is the farm site and for aggregators/packers, this is the packing house. A distribution only site is not considered a final processing facility unless the product is repacked into new packaging.

We review audit reports supplied by independent auditing bodies and work with our business partners to remediate audit findings. In 2023, we reviewed audits for 108 sites as part of our Fresh Produce SMP. Where a risk is identified in a social audit, we work closely with the business partner to validate the risk, and where confirmed we ensure satisfactory remediation, preventative measures, and continuous improvement. Corrective actions are verified by the same auditing body. If a risk is identified and not remediated to a satisfactory level or in a timely manner, we may block the site from supplying to us until satisfactory remediation is reached.

In 2023, there were 65 risks identified across 38 sites. Of these 65 risks, 17 findings (26 per cent) related to workplace health and safety at 14 sites. Through remediation with our business partners we improved fire safety at all 14 sites.

Issues relating to payments accounted for 25 per cent of the risks identified in 2023. All cases were investigated, and where substantiated we worked with our business partners to remediate and ensure that processes were implemented to address these types of issues moving forward to alleviate recurrence. In 2023, we blocked two sites due to payment findings and following remediation and satisfactory steps being taken to prevent a recurrence, have since recommenced working with those sites. We continue to work closely with those business partners to monitor and prevent the issue from occurring again. All cases were closed except for one, where we have blocked the site from supply until satisfactory remediation is complete.



Case study

We respond diligently to all anonymous claims and allegations through thorough investigation. In 2023, we received an anonymous letter alleging issues with misconduct in our fresh produce supply chain.



We immediately conducted due diligence on the business partner and the site, including a re-examination of the named site's historical social audit reports.

We also requested a new third party social audit be conducted to further investigate the matter. Our investigations identified that the misconduct issues were unsubstantiated however several workplace health and safety issues were found. We engaged with the business partner to effectively address and remediate these concerns.

This case highlights the importance of ensuring workers in our supply chain have the knowledge and ability to report matters anonymously. Moving forward, we are focusing on addressing the availability of grievance mechanisms with our fresh produce supply chains through audit assessments. We aim to continuously educate our business partners about the importance of ensuring workers in our fresh produce supply chains not only have access to grievance mechanisms, but are able to understand how to utilise available reporting channels. This focus emphasises our dedication to fostering a supportive environment within our supply chain.

Non transparency of records accounted for 12 per cent of risks identified in 2023. This is where the site fails to provide the auditor with the requested records during the audit. Over half of these cases involved labour hire providers (LHP). The use of LHP adds complexities to the supply chain and can limit visibility. LHP workers often face increased risk of exploitation, making record verification during audits crucial for proactive issue identification. Upon record availability, the same auditing body will audit the records, often conducted through an in person follow up audit. All 2023 cases have been closed off, except for one site which remains blocked from supplying to ALDI Australia until records are provided and verified.

When a site refuses to undergo a social audit, we actively engage with the business partner to explore possibilities for conducting one. However, if they do not comply, we block them from supply due to their failure to meet our social standard requirements. In 2023, we blocked six sites for this reason.



Through our Fresh Produce Social Monitoring Program and continuous improvement initiatives, we prioritise social compliance and ethical practices and are dedicated to remediation and collaboration with our business partners.

Case study

In 2023 we were advised of allegations of labour rights abuses within the supply chain of one of our fresh produce business partners. Upon receiving these allegations of exploitation of vulnerable workers, we took immediate action to investigate the claims and address any violations of labour rights.



We re-reviewed past audits, met with the business partner and had an independent auditor conduct an 'ALDI Stores Fair Work Audit Checklist' audit. This audit identified major non compliances with the *Fair Work Act (2009)*.

Our commitment to ethical sourcing and human rights compelled us to take immediate and decisive steps and we immediately blocked supply from the site until further investigation was conducted and satisfactory remediation was completed.

We worked closely with our business partner and held multiple remediation sessions, working alongside them in executing their action plan until satisfactory remediation was reached. Subsequently, we have resumed working with the site. Given the significance of the case the site is obligated to undergo annual third party social audits.

This case serves as a reminder of the ongoing challenges in our fresh produce supply chain in Australia and the importance of continual monitoring and proactive measures to safeguard human rights in our supply chain. We remain dedicated to our Fresh Produce SMP and upholding high standards of ethical sourcing.



Global Social Monitoring Program

As part of the ALDI SOUTH Group, ALDI Australia works to continuously improve workers' rights, pay, and conditions throughout our international supply chains. Like our Fresh Produce SMP locally, we monitor our business partners' main production facilities through third party social audits.

On a global level, we recognise third party audits and certificates from the following standards:

- amfori BSCI;
- Sedex Members Ethical Trade Audit (SMETA);
- Ethical Supply Chain Program (formerly ICTI Ethical Toy Program);
- SA8000;
- Fair Wear;
- Responsible Business Alliance (RBA);
- Best Aquaculture Practices (BAP) Enhanced Social Accountability.

We work closely with the ALDI Corporate Responsibility Unit in Hong Kong who take responsibility for the Global Social Monitoring Program (Global SMP). This includes audit review, business partner communication, remediation activities, and reporting. When a risk is identified for a product in ALDI Australia's supply chain, our team in Hong Kong alert ALDI Australia's National Sustainability Department who coordinate communication with national stakeholders such as the relevant Buying representatives. This ensures effective and timely communication with our Buying teams.

The scope of our Global SMP includes main production facilities located in risk countries for the following categories:

- All non food products
- Food products sourced internationally in the categories:
 - i. Fish and seafood;
 - ii. Processed produce and canned meats, and;
 - iii. Oils and condiments.



ALDI Australia has recognised an increased risk for supply chain workers in Thailand.

As a result, we additionally require the below product types that are produced in Thailand to meet the same Global SMP requirements as those stated above.



Alcohol



Rice



Chips, snacks, and nuts



Dried fruits



Nut spreads



Coffee and cocoa beverage products



Pet food

ALDI Sustainability Assessments

ALDI Sustainability Assessments (ASA) are a key tool used to monitor production sites within our supply chain. Our teams in Hong Kong and Bangladesh, as well as select third party auditors trained on ALDI's requirements, can conduct assessments on an announced, semi announced, or unannounced basis. We invite business partners to attend announced ASAs so they understand any changes or remediation that needs to occur at the production site. Whilst our Global SMP provides insight into what is happening within our supply chain, ASAs provide us with further clarity and information as to what is happening on the ground at production sites.

ASAs are conducted to provide further investigation on a finding raised through the Global SMP, as a key component of the Corporate Responsibility Supplier Evaluation (CRSE) Program, or after receiving information via a third party such as Non-Government Organisations (NGOs), anonymous tips, or worker grievance channels.

In 2023, 106 ASAs were conducted. We detected risks at 57 sites and undertook remedial actions with relevant business partners.

Case study

In 2023, we identified a child labour case through an ASA involving a 15 year old working in a garment textiles facility in China. It was noted that the child was working during the local school holidays. According to an interview with the child, there were other children working in the facility on the same day. Additionally, it was alleged some children had their employment terminated a few days prior to the ASA due to 'insufficient' work performance.

As part of our risk management processes, the ALDI SOUTH Group blocked the production facility until sufficient remediation had been implemented. As per our Child Labour Policy and processes, we engaged our partner, The Centre for Child Rights and Business (The Centre), regarding this finding. The Centre conducted a rapid assessment and provided recommendations for remedial action.



In this case, The Centre provided child labour prevention and remediation training to the factory management. This included training on age verification and recruitment practices.

Further to this, the child's living expenses and education support has been provided by the business partner until the child turns the working age of 16. The Centre continues to monitor the child's attendance and progress at school to ensure the remediation is upheld and to ensure the child does not return to work in the factory.

Supplier evaluations

The Corporate Responsibility Supplier Evaluation (CRSE) Program focuses on working with business partners to help ALDI to assess, rate and raise our business partners' ability to manage the Corporate Responsibility (CR) component of ALDI supply chains based on the ALDI CR Requirements. Where relevant we explore the opportunity for improvements within their organisational structure, policies, monitoring, remediation, and capacity building programs.

The CRSE Program is managed internationally for the ALDI SOUTH Group and is comprised of five main components:



In 2023, the scope of the CRSE was expanded to household textiles and fresh, chilled, and frozen fish and seafood commodity groups.

With this expansion, the CRSE now encompasses the following commodity groups:



Garment textiles



ALDI store uniforms



Shoes



Household textiles



Fish and seafood (canned, frozen, fresh, and chilled)

We want to continue to use our influence to respect and support human rights. We are continuing to progress towards our commitment of sourcing 80 per cent of our buying volume from A and B rated business partners within the CRSE commodity groups. As the results of the CRSE Program are considered as part of the Buying process, we encourage business partners to continuously improve their sustainability performance.

Business partners who receive a C and D rating must improve their performance. If a D rating is received for two consecutive years, the business partner will be delisted. A delisted business partner will remain delisted for a minimum of 12 months before they are able to undergo the approval process again. They must receive a rating of A, B, or C to be able to be relisted. New business partners must meet the same criteria.

The CRSE Program will gradually extend to additional commodity groups in future. ALDI Australia has begun working towards a CRSE Program within our Australian Fresh Produce supply chain. A pilot CRSE Program within a Fresh Produce category will commence in 2024.

Remedial measures

We take all instances and allegations of non compliance seriously, whether reported by ALDI employees, workers at production sites, auditing partners, third party auditors, business partners, unions, civil society, media, or other stakeholders.



If we identify that our business activities cause or contribute to human rights and environmental risks, we will take appropriate remedial action.

Where ALDI is indirectly linked to risks and adverse impacts, ALDI will seek to engage with its business partners to address them.

We work closely with our business partners to remedy adverse impacts linked to our operations and products. We have defined a variety of measures for these incidents considering the severity of the risk, including the following:

- Development of Corrective Action Plans (CAP) with concrete timelines to address findings and remediate non compliances;
- Adaptation of internal processes, such as changes to purchasing practices, additional trainings and audits, and other measures proportionate to the identified risk or impact;
- A rapid response system in collaboration with The Centre for Child Rights and Business (The Centre) in order to be able to react immediately and appropriately if child labour is found in our supply chains;
- As a last resort, the exclusion of direct and indirect business partners from business with ALDI.

ALDI reviews the effectiveness of its remedial measures regularly and makes adjustments ongoing where needed.



Grievance mechanisms

Access to effective remedy is a core component of the UNGPs. We recognise the importance of establishing and participating in effective operational level grievance mechanisms for vulnerable individuals and communities who could be adversely impacted in global supply chains. The ALDI SOUTH Group continues to be involved in multiple grievance mechanisms for supply chain workers to voice their concerns.



Issara Institute Worker Voice Program

Since 2021, the ALDI SOUTH Group is a strategic partner of the Issara Institute, an independent NGO that tackles the issues of human trafficking and forced labour. We work in partnership to provide workers in Thailand with a channel to have their concerns voiced, acted upon, and remediated.

Thanks to Issara Institute's experience, presence on the ground and trust by workers, we have deepened our knowledge on issues such as recruitment fees and complexities around the recruitment of migrant workers in Thailand. Furthermore, we have been able to identify and address barriers to accessing grievance mechanisms. Our partnership with Issara will continue to further develop.



Ready Made Garment Sustainability Council (RSC) Occupational Safety and Health Complaints Mechanism

Workers and employees at RSC covered factories in Bangladesh, and their representatives, can raise safety and health concerns safely and confidentially through the Occupational Health and Safety Complaints Mechanism, supported by a team of RSC staff specialised in investigating and resolving complaints.

The RSC inherited the Occupational Safety and Health Complaint Mechanism from the Accord Bangladesh and since 1 June 2020, it has been operating independently by the RSC. Accord brand and union signatories are tasked with ensuring that this mechanism continues to provide workers with access to remedy, independently and autonomously.



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.





Awareness raising and training

Internal Awareness
Session on Modern Slavery



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

In October 2023, ALDI Australia hosted an internal awareness session on Modern Slavery on site in our national office in Sydney. Susan Banister, Account Director for Slave-Free Alliance presented to our employees on what modern slavery looks like in the world and Australia today, how are businesses affected, how ALDI is fighting modern slavery, and what we can all be doing in our everyday life to combat it.

Susan has hands on experience rescuing victims of forced labour and understands the devastating effect this crime has and how victims and businesses can find themselves exploited. Susan currently works with global businesses helping them assess their modern slavery and labour exploitation prevention strategies in their own organisations and their supply chains.

The session was attended by approximately 80 employees from various teams within ALDI Australia. It was an engaging session which included Q&A participation with attendees. We received positive feedback from our teams who recognised the importance of highlighting modern slavery in supply chains and raising the awareness of this topic at ALDI.

Collaboration and partnerships

Partnerships and collaborations with Non-Government Organisations (NGOs) and government bodies are vital in tackling human rights and modern slavery issues as well as improving the traceability of our supply chains. No one organisation can tackle these issues alone.

ALDI currently has established partnerships with the following organisations:



Member since 2008

Member of amfori, a leading global business association for sustainable trade, empowering companies across the globe to operate successful and sustainable businesses, helping us to improve the Environmental, Social and Governance performance of our supply chain. For more information, visit www.amfori.org



Partner since 2019

The Centre for Child Rights and Business (The Centre) is our expert partner in addressing child labour for the ALDI SOUTH Group. As part of this partnership, we have jointly defined a remediation process with clear roles and responsibilities for all stakeholders. We always put the child's interest first. The Centre can be called upon to support remediation of child labour found within our supply chains.



Partner since 2019

Ethical Trade Initiative (ETI) is a global alliance of companies, trade unions and NGOs that promote respect for workers' rights. In July 2022, ALDI SOUTH Group became the first global discount retailer to become a full member of the ETI. This full membership commits us to adopting and implementing the ETI Base Code of labour practice and to strengthen activities intended to promote workers' rights as well as achieve real improvements in working conditions within our business operations and supply chains.



Partner since 2019

The Fair Farms initiative works towards improving workplace compliance on Australian farms. The program consists of training and auditing of sites within Australia. We accept Fair Farms as part of our Fresh Produce SMP.



Partner since 2009

Fairtrade is committed to fighting the root causes of child labour and forced labour. This is done through robust Fairtrade Standards audited to farm level, verifying a Fairtrade Minimum Price is paid for raw materials, whilst ensuring the Fairtrade Premium goes toward the needs of the producers, as decided by themselves. We are proud to support by sourcing Fairtrade products and continue a commitment to ensure fair pay and decent working conditions for farmers and workers.



Partner since 2021

The Global Tuna Alliance is an independent group of retailers and industry who are committed to improving traceability and environmental sustainability, as well as progressing work on human rights in tuna fisheries.

Through this partnership, we continue to support the sustainable development of our supply chains and ensure that our tuna meets high standards of environmental performance and social responsibility.



Partner since 2021 (Previously under the Accord on Fire and Building Safety in Bangladesh since 2014)

ALDI SOUTH Group was one of the first signatories of the Accord on Fire and Building Safety in Bangladesh in 2013. Our continued support and commitment to the Accord can be seen by our signing of the new International Accord for Health and Safety in the Garment and Textile Industry in 2021 and 2023. With the new International Accord, we have seen the continued work in Bangladesh as well as an expansion of the Accord to Pakistan covering not only ready made garments but also home textiles and fabric mills.



Partner since 2021

Issara Institute is an independent NGO based in Thailand tackling issues of human trafficking and forced labour through worker voice, partnership, and innovation.

We are working together with the Issara Institute to empower workers to speak up if they have concerns about their working environment and recruitment, and to safely remediate issues that arise. Issara Institute's worker voice channels and independent grievance mechanism include a 24 hour multilingual helpline, social media messaging, and the "Golden Dreams" smartphone application.



Partner since 2020

Through our partnership with Mekong Club, we raise awareness of modern slavery and make modern slavery resources and tools available to our business partners.

Mekong Club provides us with valuable insight from other businesses, often in other sectors, and the opportunity to share good practice on tackling forced labour and exploitation challenges specific to the region.



Partner since 2017

Rainforest Alliance Certified products contribute to livelihoods and lifting rural people out of poverty and addressing human rights abuses like child and forced labour, low wages, poor working conditions and general inequality.

We proudly show our support by sourcing Rainforest Alliance Certified products.

Partner since 2014

Sedex is one of the world's leading supply chain sustainability service providers, striving to improve working conditions in global supply chains.

Sedex provides practical tools, services, and a community network to help companies improve their responsible and sustainable business practices, and source sustainably. We accept Sedex Members Ethical Trade Audit (SMETA) third party social audits as part of our Social Monitoring Programs.



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

Partner since 2020

We are a member of Slave-Free Alliance, a global social enterprise that supports businesses to protect their supply chains and operations from modern slavery.

Through this partnership we have developed Modern Slavery Training modules, conducted a Human Rights Risk Assessment and held an internal awareness session on modern slavery in 2023.



Partner since 2020

The ALDI SOUTH Group is an active member of the Sustainable Nut Initiative which is a collaboration platform that brings together key players of global nut supply chains, from processors to roasters to retailers. Through this partnership and active involvement, we have developed a risk based approach to tackle current and future sustainability issues on a sector level, as well as to develop scalable approaches for improving traceability and sustainable farming practices.





Partner since 2012

The Sustainable Fisheries Partnership (SFP) is a leading NGO with a focus on improving the sustainability of wild fisheries, as well as aquaculture. Through this partnership, we gain better insight into how to source more sustainable seafood products.

In support of

**WOMEN'S
EMPOWERMENT
PRINCIPLES**

Established by UN Women and the
UN Global Compact Office

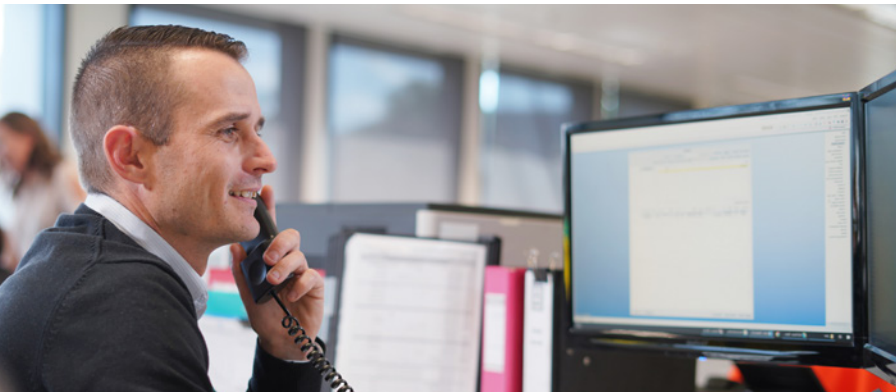
Since 2023

The ALDI SOUTH Group considers it our duty to treat all customers, employees, and partners fairly and without discrimination. Equality means that all human rights are considered fundamental values and that these are equally respected by our employees. These principles are also reflected in our global Diversity & Inclusion Policy.

In 2023, the ALDI SOUTH Group signed the UN Women's Empowerment Principles as part of our continuous drive to improve the workplace for all employees and highlight our commitment to treat all genders fairly and with equal opportunities at ALDI. By signing the principles in Germany, Austria, Switzerland, Hungary, Italy, Slovenia, United Kingdom and Ireland, Australia, China and Hong Kong, ALDI has publicly committed to promoting practices that empower women in all areas of our business and supply chain. Read more about this partnership [here](#).



Effectiveness



ALDI understands that measuring effectiveness is imperative to ensuring we continue to reduce risk, as well as prevent and remediate instances of modern slavery.

We are committed to improving our effectiveness by continuously reviewing and updating our systems, policies and procedures to identify, prevent, and mitigate instances of modern slavery in our supply chains and operations.

In our previous Modern Slavery Statements, we have identified the ways in which we measure effectiveness through our governance structures, awareness raising and training, capacity building activities, consultation with external partners, and taking learnings from instances of cases found through the monitoring of our supply chains.

External assessments



Chocolate Scorecard

In 2023, the ALDI SOUTH Group secured first place in the fourth edition of the Chocolate Scorecard by Be Slavery Free. The scorecard evaluates 29 retailers from all around the world based on their contribution towards driving positive change in the chocolate and cocoa industry. This recognition acknowledges ALDI's efforts to improve its cocoa supply chain in the areas of traceability and transparency, living income, child and forced labour, deforestation and climate, agroforestry, and agrichemical management. Find out more about how we ranked [here](#).

Global Child Forum Benchmark Report 2023

The ALDI SOUTH Group was assessed in the State of Children's Rights & Business 2023 receiving a company score level of Leader, as we did in the 2022 Benchmark. This score put the ALDI SOUTH Group in joint 31st position out of 1108 companies and 6th overall out of 75 food retailers.

2024 planned activities

ALDI Australia remains committed to tackling modern slavery and we will continue to develop and extend our approach to human rights across our operations and supply chains. We understand to effectively monitor and address risks, there is an ongoing need to reflect and review our approaches to further evolve and develop in effectively tackling modern slavery.

Our activities planned for the next year and ongoing include:



The ALDI SOUTH Group will finalise the Human Rights Impact Assessments looking into household textiles from India and coffee sourced from Vietnam.



The ALDI SOUTH Group, including ALDI Australia, will undertake a review cycle of select key salient risk strategies, policies, and documents.



ALDI Australia will introduce Human Rights reporting into the newly formed National Sustainability Committee.



ALDI Australia will commence a pilot Corporate Responsibility Supplier Evaluation program based on a Fresh Produce category.

Consultation

Throughout the development of this Modern Slavery Statement, the senior leadership of relevant business units were consulted. ALDI Australia's ongoing actions and commitment to address modern slavery are tabled and presented at the Managing Directors Meeting each June.

In addition, information is shared as relevant to the responsible business units throughout the year. Our Manager Director - Buying oversees the implementation of our commitments and policies to identify and mitigate human rights risks, including modern slavery within our supply chains.

We continue to provide training on modern slavery to new colleagues that join our business. This training is to help employees understand risks, identify signs of modern slavery, and take actions to address them. This includes relevant case studies and a compulsory assessment.



Approval



This Modern Slavery Statement was approved by the principle governing body of ALDI Stores (A Limited Partnership) ABN 90 196 565 019 as defined by the Modern Slavery Act 2018 (Cth) on 13 June 2024

Appendix

Mandatory reporting criteria

The following table indicates the page numbers of the statement that addressed each of the mandatory criteria in section 16 of the Modern Slavery Act.

| | | |
|----------|---|-------|
| A | Identify the reporting entity. | 4 |
| B | Describe the reporting entity's structure, operations, and supply chains. | 4-7 |
| C | Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls. | 8-10 |
| D | Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes. | 11-26 |
| E | Describe how the reporting entity assesses the effectiveness of these actions. | 27 |
| F | Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls. | 28 |
| G | Any other information that the reporting entity, or the entity giving the statement, considers relevant. | 29 |



Good Different

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