

POLICY

FORCED LABOUR





INTRODUCTION

As international groups of companies with global supply chains, ALDI¹ is aware of its responsibility to respect human rights within its supply chains, in accordance with the UN Guiding Principles, and as laid out in ALDI's Human Rights Policy Statement and our Social Standards in Production. This includes the right to freedom from slavery and forced labour, meaning that ALDI does not tolerate any form of servitude or slavery, or forced, bonded, indentured, trafficked or non-voluntary labour.

ALDI has developed this Policy in alignment with the following key standards:

- [Universal Declaration of Human Rights](#)
- [International Covenant on Civil and Political Rights](#)
- [ILO Forced Labour Convention, 1930](#)
- [ILO Abolition of Forced Labour convention, 1957](#)
- [United Nations Guiding Principles on Business and Human Rights \(UNGPs\)](#)
- [OECD Guidelines for Multinational Enterprises](#)
- [ETI Base Code](#)
- [amfori BSCI Code of Conduct](#)
- [UK Modern Slavery Act 2015](#)
- [Australian Commonwealth Modern Slavery Act 2018](#)
- [California Transparency in Supply Chains Act](#)
- [Dhaka Principles for Migration with Dignity](#)



¹ ALDI¹ refers to the ALDI SOUTH Group (hereinafter also referred to as 'ALDI SOUTH') and ALDI Nord Group (hereinafter also referred to as 'ALDI Nord'). Both are legally independent groups of companies trading under the ALDI brand. The 'International Policy on Forced Labour' is published on the websites of the ALDI companies.



OUR APPROACH

SCOPE

For purposes of this document, the term ‘forced labour’ covers all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered themselves voluntarily. It aligns with international definitions of modern slavery in business, and includes any form of slavery, servitude, trafficked labour, debt bondage, and other forms of labour exploitation.

Forced labour is not limited to situations where the worker has been coerced by violence or intimidation, it also includes more subtle means of control, including deception and fraud, debt manipulation, retention of pay or identity papers, threats of denunciation to government authorities, or exploitation of vulnerability or power imbalances. Private individuals, business, or state authority can impose forced labour, and it can occur in any industry (formal or informal).

All forms of forced labour are strictly prohibited in ALDI’s supply chains. ALDI commits to implement measures, which respect and fulfil the principles laid out in this Forced Labour Policy, and all ALDI business partners and other suppliers should do the same. ‘Other suppliers’ include all sub-suppliers, production facilities and production sites including factories, farms and fishing vessels, service providers, contractors and subcontractors relevant to ALDI’s supply chains and business processes. The principles outlined in this document apply to the business processes of ALDI business partners and other suppliers in their entirety, and are not limited to production processes or services directly connected to ALDI products.

The principles apply equally to regularly employed workers, informal workers, seasonal and temporary workers, contracted and subcontracted workers, migrant workers, and homeworkers.

There must be no discrimination in application of these norms on the basis of sex, gender and gender identity, ethnicity, nationality, race, colour, social origin, religion, faith, age, legal status, political opinion, disability, sexual orientation, pregnancy, or trade union membership or activity.

PRINCIPLES

Legal Requirements

ALDI commits, and requires all business partners, to be fully aware of, and compliant with, all local, regional and international laws and regulations on labour protection, as applicable in sourcing countries and importing countries, and any other countries where business operations take place. Where there is a conflict between ALDI requirements, local laws, and/or international standards, whichever principle provides the highest protection to workers shall apply.

Freedom of Employment

All workers shall have the right to choose their employment voluntarily and freely, free of deception and without the threat of a penalty. The employer must not exact work or service from any person under the threat of any negative consequences. Work must not be exacted on the basis of debt. Workers must be free from the threat of physical, psychological, sexual or gender-based violence or harassment.

All employer-worker relationships must be agreed to on the principle of free and informed consent. Each worker must receive and agree to a legally binding written contract prior to starting work, or making any other irreversible commitments such as terminating a previous job, or departing their current residence to move to the country or region of employment. The terms of the contract must be clear and transparent, in a language that the worker is fluent in, and accurately describe the job, location, employer, working conditions, living conditions, wages and benefits, length of contract, legal status of the worker upon arrival, and other factors salient to the worker’s employment.



Any subsequent changes to the above conditions relative to the original contract must be recorded and freely agreed to by all affected parties, and must not be to the detriment of the worker. Where necessary, e.g. due to poor literacy, the terms of the contract must be explained verbally in a clear manner by a third party, in a language that the worker is fluent in. Where employment contracts exist in multiple versions, e.g. due to being translated, the content of these versions must match.

Workers must be free to change their employer whenever they wish, subject only to the normal and/or legally mandated notice period. In case of resignation, there must be no threat, whether physical, psychological, financial, or legal, to the workers, to their families, or to other third parties. Resigning workers must be paid whatever outstanding wages and benefits are still owed in a timely manner, and in accordance with national or local law. Workers must not be made to resign against their will, whether through coercion, deception or other means, such as via forged or pre-signed resignation documents, or threatened with involuntary resignation as a means of coercion.

Retention of Personal Belongings and Documents

A worker's money and possessions, including passports and other personal documents, must be accessible to the worker at all times, and must not be withheld by the employer.

Wage Payments

Payment must at least correspond to the national or local legally mandated minimum wage, and workers must receive any additional benefits and social security that they are entitled to in accordance with laws and/or collective agreements. Wages and benefits must be paid on time, in accordance with a schedule determined by law, contract, and/or collective agreement. Employers must pay wages directly to the employee or an employee-controlled account. Payments must be documented in the form of payslips and issued in a language the worker understands. Documentation and payslips must accurately report regular and overtime hours worked, payment for regular and overtime work, and any incentives and deductions. Employers must not engage in or require illegal deductions, deposits, or disciplinary infractions.

Leave, Leisure and Overtime

Working hours, consecutive working days, statutory holidays, annual and parental leave must be compliant with national or local labour law, including where special provisions are made for workers on the basis of gender, age, disability or other status. Any overtime must be voluntary on the part of the worker and must be accurately recorded. Workers must not be mandated or coerced into working beyond their contractually agreed working hours, and must be free to reject overtime work without suffering any negative consequences. Overtime work must be compensated according to national or local law. Off-the-clock work is prohibited.

Workers must be free to spend any time outside of working hours at their own leisure, being free and enabled to move and travel outside their place of work and/or residence to the extent that is possible. Workers must be free from intimidation or negative consequences for making use of this right. In the case of remote and/or hard-to-access workplaces, the employer must provide freely available transportation to workers, free of charge or at a cost that aligns with the local market rate.

During working hours, reasonable accommodation must be made to allow workers rest breaks and to access sanitation facilities and potable water. Workers must be granted appropriate levels of privacy, both at their workplace and their place of residence.

Production Targets and Piece Rates

Any production and yield targets must be realistically calculated based on regular work schedules, and adjusted according to changing circumstances (e.g. reductions in workforce). Where workers are compensated by piece rate, e.g. in the case of homeworkers or contract workers, the payment they receive must be fair and proportional to the hours required for production, and at least correspond to the national or regional legally mandated minimum wage.



Migrant Workers, Refugees and Internally Displaced People

Aside from employers abiding by all the general principles listed above, migrant workers, refugees and internally displaced people must be granted the same rights to safe and decent working and living conditions as other workers, including direct and on-time payment and worker representation.

Debt Bondage

Any employment relationships founded on debts between the employee and the employer or recruiter (or any other relevant third party) are strictly prohibited in ALDI's supply chains.

Due to the risk of bondage and indenture arising from the use of recruitment fees, ALDI and all its business partners are to abide the 'Employer Pays Principle'. This means that no worker should pay for a job, and all costs related to recruitment must be borne by the employer. Employers must comply with the [ILO's 'General Principles and Operational Guidelines for Fair Recruitment and Definition of Recruitment Fees and Related Costs'](#). No recruitment fees or related costs (e.g. relating to training, equipment and medical examination) may be charged, directly or indirectly (e.g. via deduction of wages or benefits), in whole or in part, to any workers in ALDI's supply chains. Workers must not be allowed to incur debt with their employer or recruiter (or any other relevant third party) through other means, such as loans, fines or wage deductions. Any rent or other daily living expenses charged by the employer to an employee (e.g. in isolated workplaces) must align with the local market rate, and allow the employee to save money without entering into debt.

Only legally licenced recruitment agencies should be used for hiring workers, and any services from such agencies should only be procured via binding contracts. The employer should ensure that any agency they use does not extract fees from the worker, or engage in fraudulent or exploitative recruitment practices. Recruitment services should not be subcontracted beyond what is contractually agreed.

Wages and benefits must be paid in legal tender, cheque, or bank transfer, and must not take the form of vouchers or coupons. In-kind payments must not be used to create a state of dependency on the part of the worker.

State-imposed Forced Labour and Prison Labour

State-imposed forced labour refers to any labour forced upon an individual by a government, military, paramilitary, law enforcement, penal system or other public or publicly sponsored authority. As with other forms of forced labour, state-imposed forced labour, including prison labour, is prohibited in ALDI's supply chains.

Children and Youth

ALDI commits, and requires all business partners, to eliminate all forms of child labour, and to address any other risks related to the employment of children and youth in supply chains. For more information on this specific topic, please refer to [ALDI's Child Labour Policy](#).



OUR IMPLEMENTATION

MANAGEMENT SYSTEMS

In order to implement the principles listed above, starting at a pre-recruitment stage, ALDI commits to put in place systems and procedures to prevent forced labour in supply chains.

All business partners should address forced labour risks in their supply chains via a due diligence approach, and implement management systems relating to this topic. Appropriate measures include:

- employing staff with responsibilities and competencies related to addressing forced labour
- training all relevant staff on managing forced labour topics
- establishing clear policies and codes of conduct
- identifying at-risk regions and industries
- conducting thorough monitoring of production processes, both directly and via social audits
- maintaining formal processes for reporting and handling critical findings
- developing and implementing mechanisms for raising grievances and providing remedy for affected workers
- collaborating with industry peers and supporting business partners in anti-forced labour capacity building and monitoring

When establishing new business relationships or signing new contracts, any risks surrounding forced labour should be taken into account during the procurement process. All business partners should commit to a zero-tolerance stance on forced labour and any existing or potential impacts found should be actively addressed.

To prevent the risk of forced labour by subcontracted third parties, any further subcontracting by one of the business partners must meet all relevant standards and requirements and be explicitly approved in advance by ALDI. Subcontracting checks must be conducted as needed in the context of internal and third party audits.

ALDI PREVENTION AND MONITORING PROCESSES

In collaboration with external experts and civil society partners, ALDI conducts assessments of major human rights risks in its supply chains, particularly at a raw material and a production facility (including pre-production facility) level, and is developing strategies to address them, as laid out on the [Corporate Responsibility website of the ALDI SOUTH Group](#).²

ALDI's Corporate Responsibility standards are legally binding for all business partners. ALDI's business partners are evaluated based on their responsible business practices and their capacity to respect human rights in ALDI's supply chains. ALDI engages business partners to address any capacity gaps identified, and seeks to prioritise business to those business partners that demonstrate long-term commitment to addressing human rights risks.

Beyond binding requirements, ALDI publishes guidance papers and conducts E-learning, webinars, training and other capacity building activities to help business partners set up appropriate management systems. ALDI maintains partnerships with civil society organisations and multi-stakeholder initiatives and working groups to address risks around forced labour and other issues related to corporate responsibility.

In terms of monitoring, ALDI maintains an overview of production facilities in its supply chains via a combination of third party social audits and [ALDI Social Assessments \(ASAs\)](#), which are conducted by ALDI employees based in Bangladesh and Hong Kong SAR, China. ALDI maintains a checklist for assessing forced labour risks when interviewing workers in the context of ASAs. On farm level, ALDI conducts [ALDI Producer Assessments \(APAs\)](#) jointly with an external service provider to assess compliance with 'ALDI's Social Standards in Production' and to identify forced labour risks on farms supplying to ALDI.

² For specific information related to ALDI UK and ALDI Ireland on the topic of forced labour, please refer to the latest [Modern Slavery Statement for ALDI GB/IE](#); for specific information related to ALDI Australia, please refer to the latest [Modern Slavery Statement for ALDI Australia](#).



REMEDiation

ALDI takes all incidences and allegations of forced labour seriously, whether reported by ALDI employees, workers, third party auditors, business partners, civil society, media, or other stakeholders. ALDI's primary approach is one of remediation with business partners and production sites. ALDI may impose consequences (including temporarily or permanently terminating business relationships) where appropriate. Where necessary, the case may be referred to the appropriate authorities and/or NGO partners.

Beyond this, ALDI is committed to strengthen its processes for addressing forced labour findings and proactively preventing forced labour in its supply chains. This includes developing systems for grievance and remedy in synergy with civil society and other industry stakeholders. ALDI is also developing stronger processes specific to forced labour, to address any findings in such a manner that protects victims, respects their needs and wishes, restores and/or compensates damages that have taken place to the greatest extent possible, and prevents further abuses from taking place. Please refer to ALDI's International Corporate Responsibility Strategy for further information.

CONTINUOUS IMPROVEMENT

ALDI commits to the principle of continuous improvement. Any systems in place must be regularly evaluated and assessed on the basis of measurable effectiveness, in accordance with changing environments, and be adapted or expanded as required. ALDI will review and update this policy at regular intervals.

RESPONSIBILITIES

The ALDI SOUTH Group's CEO Global Sourcing and Corporate Responsibility International, oversees the implementation of the 'International Policy on Forced Labour'.

Internally, national CEOs and Group Managing Directors of the ALDI SOUTH Group are responsible for supervising the implementation of and compliance with the 'International Policy on Forced Labour'. The respective Managing Directors of all business areas assume operational responsibility for the implementation of and compliance with the declaration of the Policy.





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