

**HUMAN RIGHTS IMPACT
ASSESSMENT ACTION PLAN**

**BRAZIL NUTS
FROM BOLIVIA**





HUMAN RIGHTS IMPACT ASSESSMENT

BRAZIL NUTS FROM BOLIVIA

The human rights risks relating to Brazil nuts are considered significantly higher than those related to other nuts. This is due to social and economic circumstances in their countries of origin and their “wild” collection process. In 2020, we decided to conduct a Human Rights Impact Assessment (HRIA) on Brazil nuts from Bolivia, where the ALDI SOUTH Group purchases most of the product.

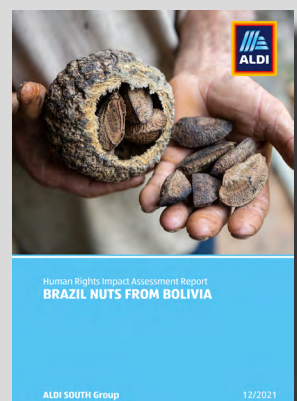
Human Rights Impact Assessments (HRIAs) identify existing issues alongside potential risks in our supply chains. They help us understand the impact our company activities and business relationships have on workers and their communities. This study engaged with people directly affected by ALDI’s Brazil nut supply chain (e.g. farmers, processing factories, traders), as well as external stakeholders (e.g. trade unions, government, civil society organisations, and NGOs). The goal was to generate awareness of human rights impacts and gain insights into the organisation and structure of the Brazil nut sector in Bolivia.

KEY FINDING AS A RETAIL COMPANY

Through this project, we gained in-depth knowledge of the Bolivian Brazil nuts sector and supply chain. We identified impacts with potential linkage to our business activities and learned where ALDI can initiate change. These findings help us to strengthen our ALDI standards and due diligence.

- The most negative impacts are during harvest operations and processing at factory level.
- Variations in supply and demand, as well as price pressures along the supply chain can contribute to low wages and little predictability in incomes.
- Limited use of certification, low social standards, and little monitoring means limited pressure for processing factories to establish good practices.
- There is a lack of labour law enforcement, which contributes to negative impacts e.g., low health and safety standards, discrimination and gender-based disadvantages.
- Smallholders were identified as highly vulnerable due to their position in the export value chain with limited leverage to negotiate prices.

Deep dive: Methodology and impact assessment





HUMAN RIGHTS ACTION PLAN

OUR ACTIONS TO DRIVE CHANGE

Based on the recommendations of this study, ALDI has developed a Human Rights Action Plan specifically for our Brazil nut supply chain. It focuses on areas where we have potential leverage to address negative and enhance positive impacts for rightsholders.

- **Continuing and intensifying stakeholder engagement:**
The HRIA key findings and Action Plan were translated to Spanish. After reviewing the results collaboratively, the action plan was reviewed and refined with selected stakeholders.
- **Decreasing complexity and strengthening ALDI's supply chain:**
The number of intermediaries in the supply chain reduces visibility and direct control over standards. Supply chain length is ultimately determined by ALDI's direct supplier selection and the terms and conditions it places when sourcing from those suppliers.
- **Strengthening social audits at processing level:**
Currently, social audits in Bolivian processing facilities are rare. To target the limited social standards and hence the human rights risks linked to processing, ALDI Sustainability Assessments are conducted in selected processing facilities.




OBJECTIVE: Continuing and intensifying stakeholder engagement

Key measures	ALDI remark	Timeline	Status
<ul style="list-style-type: none"> • Translation of HRIA key findings and Action Plan to Spanish and share the results with involved stakeholders. 		2022	
<ul style="list-style-type: none"> • Collaborative review and refinement of action plan with selected stakeholders. 		2022	
<ul style="list-style-type: none"> • Verifying in-person field trips to sourcing regions (selected focus-groups and rightsholder interviews on processor and collector-level). 	<ul style="list-style-type: none"> • A field trip was conducted to Bolivia in March 2023 to visit processing facilities and harvesting communities. ALDI engaged with worker representatives and unions, in addition to engaging with local NGOs and local industry representatives. 	2022 Date of completion: 2023	

OBJECTIVE: Decreasing complexity and strengthening ALDI's supply chain

Key measures	ALDI remark	Timeline	Status
<ul style="list-style-type: none"> • Strengthen and expand supplier requirements to increase transparency and traceability of Brazil nut supply chain as well as prioritising suppliers with full visibility of the involved processors in country-of-origin. 	<ul style="list-style-type: none"> • The supply chain was consolidated and rationalised to improve oversight, monitoring and stability through closer collaboration. 	2022	
<ul style="list-style-type: none"> • Communicate changes to standards among all suppliers and ALDI buying teams to raise awareness of identified risks and upcoming changes and requirements. 	<ul style="list-style-type: none"> • ALDI communicates transparency and traceability expectations and requirements to Brazil nut suppliers through an in-depth onboarding process. 	2022 New deadline: 2024	
<ul style="list-style-type: none"> • Work towards long-term relationships with selected, committed suppliers to strengthen social standards, leverage and impact throughout the value chain collaboratively. 	<ul style="list-style-type: none"> • ALDI is continuing to develop long-term relationships with suppliers in a step-wise approach. 	2023 New deadline: 2025	



Completed






In progress





Completed and Ongoing


OBJECTIVE: Strengthening supplier dialogue and evaluation during tendering and contract delivery

Key measures	ALDI remark	Timeline	Status
<ul style="list-style-type: none"> Share findings of HRIA with direct suppliers and strengthen regular dialogue with business partners on issues and impacts pertaining to the sector raised in the HRIA. 		2022	
<ul style="list-style-type: none"> Adapting our Corporate Responsibility Supplier Evaluation (CRSE) to assess Brazil nut suppliers with a focus on salient issues highlighted in this HRIA and support sourcing from high performing suppliers. 	<ul style="list-style-type: none"> ALDI identified performance criteria for ALDI business partners. ALDI selected committed suppliers accordingly and is setting up long-term collaboration with them on continuous improvement process. 	2025	
<ul style="list-style-type: none"> Support suppliers and processors to improve and build capacity through awareness raising and targeted on-boarding sessions with the CRSE to ensure implementation and monitoring of ALDI standards and expectations. 		2025	

OBJECTIVE: Strengthening social audits at processing level

Key measures	ALDI remark	Timeline	Status
<ul style="list-style-type: none"> Drive the transition of suppliers and their processors in meeting ALDI-approved social audits (e.g. amfori BSCI, SMETA or SA8000), as audits in Bolivia are currently limited. 	<ul style="list-style-type: none"> ALDI is planning yearly visits to selected processing facilities in the ALDI Brazil nut supply chain to drive continuous improvement. 	Start: 2022	
<ul style="list-style-type: none"> Explore establishing monitoring process to ensure validity and visibility of social audit results. 	<ul style="list-style-type: none"> ALDI is planning yearly visits to selected processing facilities in the ALDI Brazil nut supply chain to drive continuous improvement. 	Start: 2022	



Completed



In progress



Completed and Ongoing


OBJECTIVE: Evaluating certification programmes

Key measures	ALDI remark	Timeline	Status
<ul style="list-style-type: none"> Initiate discussions with certifiers to understand possibilities and challenges for purchasing certified Brazil nuts and investigate the possibility of scaling up certification. 		Start: 2022	
<ul style="list-style-type: none"> Develop a group-wide, long-term commitment to certification target for nuts, consisting of an implementation plan for the coming years and ensuring its incorporation into existing standard requirements. 	<ul style="list-style-type: none"> Due to the particular sourcing context, ALDI is investigating the enablers for widespread improvements and the applicability of certifications. 	2023 New start: 2024	

OBJECTIVE: Strengthening gender equality activities

Key measures	ALDI remark	Timeline	Status
<ul style="list-style-type: none"> Publish a gender policy for supply chains, specifically on expectations regarding gender equality, non-discrimination and gender-based violence and harassment. 	<ul style="list-style-type: none"> ALDI's International Policy on Gender Equality published online. 	2021	
<ul style="list-style-type: none"> Use the International Policy on Gender Equality in ALDI's Supply Chains to raise awareness among suppliers on gender issues, including the Brazil nut supply chain. 		2022	

OBJECTIVE: Tackling systemic issues through multi-stakeholder collaboration

Key measures	ALDI remark	Timeline	Status
<ul style="list-style-type: none"> Utilise HRIA findings to raise awareness among other supply chain actors and peers and investigate opportunities for collaborative action to tackle major sectoral and contextual challenges. 	<ul style="list-style-type: none"> ALDI has presented measures derived from the HRIA to members in the Sustainable Nut Initiative as well as continuously informs processing facilities via a local export agency of changes to sustainability requirements. 	2022 New deadline: 2024	
<ul style="list-style-type: none"> Identify options for initialising a working group within existing platforms that are active in nut supply chains, addressing sectoral root causes. 	<ul style="list-style-type: none"> ALDI is a member of the Sustainable Nut Initiative, which currently focuses on cashews. Other options to cover other types of nuts are being evaluated. 	Start: 2022	



Completed



In progress



Completed and Ongoing



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