

Anfrage vom Business & Human Rights Resource Centre

Thema Bitter Oranges – An Unjust Citrus Supply Chain

Dear Ms. Barbos,

Thank you for your query which we gladly answer on behalf of the ALDI Nord Group and the ALDI SOUTH Group.

ALDI has defined clear requirements on working conditions and social standards along countries producing our goods. Our suppliers - as direct business partners - as well as their producers are strictly required to comply with social standards, prevailing laws and requirements. Those rules do not only apply to our German markets, but also to other countries where ALDI is operating, as well as to all countries of origin. Our *Corporate Responsibility Principles*, the *CR Policy* and the *Social Standards in Production* are binding components of all contracts with our suppliers. In these components we define obligatory criteria for e.g. fair treatment of employees and occupational health and safety measures.

Besides, our *International Catalogue of Requirements (ICOR)* contains detailed guidelines our suppliers and producers must comply with before supplying to ALDI. For fruits and vegetable commodities we ask for social evaluations at farm level in accordance with e.g. the GLOBALG.A.P. add-on module GRASP (GLOBALG.A.P. Risk Assessment Social Practice) or a standard comparably classified.

To us, a continuous development and improvement of standards is of utmost importance. Therefore, we closely exchange with standard giving organizations such as Fairtrade, Rainforest Alliance or GLOBALG.A.P. We have been represented in GLOBALG.A.P.'s GRASP Technical Committee for several years. Together with other retailers, suppliers, and producer groups, we actively promote the development, tightening and improvement of the add-on module.

We are aware of the challenges in the cultivation of fruits and vegetables. We are also aware of the limitations of third-party audits. This is the reason why ALDI developed its own farm level approach to conduct CR assessments in high-risk supply chains together with external service providers. With these assessments we want to ensure the producers' as well as suppliers' compliance with our requirements. Moreover, our approach is focused on the sustainability progress on farm level. If we identify non-compliances or risks, we immediately work on their remediation via Corrective Action Plans (CAPs). Together with our service provider, we closely monitor the implementation of these plans.

We continuously work on measures avoiding and reducing the negative impact of our business on human rights. Our Human Rights Impact Assessments (HRIAs) serve as a detailed insight to assess our highest risks when sourcing various raw materials along the globe. We already identified citrus as well as avocados as high risk requiring focused measures. We aim to thoroughly identify, understand, and assess the potential and actual adverse impacts of our operations on workers and other rights holders, such as residents of growing areas, smallholders, and women. When possible, we transfer our findings to other fruit and vegetable products. Despite the ongoing challenges posed by the global pandemic, we plan to publish the findings of our HRIAs by the end of 2021.

With the aim of optimizing purchasing processes sustainably, ALDI developed a supplier assessment tool for food suppliers in 2019: CR criteria reflecting the sustainability performance of suppliers beyond certifications are being considered even more strongly for purchasing decisions. These criteria include e.g. the monitoring of working conditions or measures for farms in the event of human rights

violations. Since 2021, we have also integrated the results of our own CR assessments at farm level in the supplier evaluation. Within the next years, we want to expand our supplier assessment scope from bananas and pineapples to additional high-risk supply chains. High-risk supply chains are monitored with particular priority at ALDI.

We believe that protecting human rights and the environment is best achieved through joint initiatives and partnerships. For this reason, we are involved in various multi-stakeholder initiatives and projects. Right from the start, we have been a member of the German working group on living wages and incomes. We are also represented on the IDH Living Wage Steering Committee and are a member of the World Banana Forum.

More information on our approach to respecting human rights along our supply chains and our general engagement can be found on our websites:

[Human Rights | ALDI SOUTH Group \(aldisouthgroup.com\)](https://cr.aldisouthgroup.com/de/verantwortung/unsere-schwerpunkte/menschenrechte)

(<https://cr.aldisouthgroup.com/de/verantwortung/unsere-schwerpunkte/menschenrechte>)

[Human Rights | ALDI Nord Group of Companies](https://www.aldi-nord.de/unternehmen/verantwortung/unser-verstaendnis/human-rights.html)

(<https://www.aldi-nord.de/unternehmen/verantwortung/unser-verstaendnis/human-rights.html>)

On our websites you can find the declaration of principles on respect for human rights of the ¹[ALDI SOUTH Group](#) and the ²[ALDI Nord Group](#) which emphasizes our due diligence process anchored in our management.

¹ (https://unternehmen.aldi-sued.de/fileadmin/fm-dam/company_photos/US_Verantwortung/Downloads/2018_DE_Unternehmensgruppe_ALDI_SUED_Grundsatzerklaerung_Menschenrechte.pdf)

² (https://www.aldi-nord.de/content/dam/aldi/germany/verantwortung/20200728_HR-Policy_englisch-SE.pdf.res/1617014693325/20200728_HR-Policy_englisch-SE.pdf)