
ALDI NORTH AND SOUTH SUBMISSION



Clean Clothes Campaign Wage Survey

Response ID:103; Data

1. Login/Password Action

2. Introduction

1. Company name:

ALDI Einkauf GmbH & Co. oHG

2. Brands owned by company:

Not Applicable

3. Main contact person:

Name: : Erik Hollmann

Contact phone number: : +49-2075893 0

3. The living wage standard

4. 1.1 What is your company's position on payment of the living wage to workers in your supply chain?

ALDI NORD is a participant of the Business Social Compliance Initiative. We implement the BSCI Code of Conduct in our international supply chain. This Code prescribes the payment of the legal minimum wage. This legal minimum wage should be at a level that covers workers basic needs as well as provide some discretionary income. As this is often not the case we support through BSCI work towards the payment of a living wage. We believe it is essential to emphasize the importance of a holistic approach towards the issue of fair remuneration for workers. In this context, it is important to address the quantitative aspects of wages as well as qualitative aspects. Focusing on the quantitative level of the wage earned by workers alone is not enough.

In accordance with its cooperation in ILO's Fair Wage Network. BSCI stresses the importance of including qualitative aspects such as way of payment, timely and formal payments of wages, reflecting skills and education of workers in the level of wages, and equal treatment of full-time employees, part-time, and piece rates workers.

5. 1.2 Please give the link to the code of conduct which is used when monitoring conditions in your supplier factories. If it isn't publicly available, please upload a copy using the option below.

<http://bsci-intl.org/our-work/bsci-code-conduct>

Upload option.

6. 1.3 Does your company agree with the definition of a living wage as given [here](#)?

No, our definition differs from the definition given.

If no, please provide details of how your definition of a living wage is different and give justification.

The payment of the living wage to all workers is a desirable achievement, although it even cannot be assured

for all industrialized countries yet

4. Respect for freedom of association and collective bargaining, a precondition for a living wage

7. 2.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to workers in your supplier factories and subcontractors?

Information about rights and freedoms of workers is a requirement of the BSCI CoC. As stated in the terms of implementation, the Code must be translated into local language and displayed prominently in a factory in order to be BSCI-compliant.

Percentage of supplier factories and subcontractors reached by these measures:

9999%

Please supply an example of materials used:

8. 2.2 Do you support or facilitate training for workers to ensure they are aware of their right to freely associate, in conjunction with local independent trade unions or workers' rights organisations? Please supply details:

Due information and training of factory workers is the responsibility of factory management, the honoring of which is a requirement for BSCI Code of Conduct compliance. The exact percentage of compliance with this requirement is only available on the overall level of all BSCI participating companies, not on an individual level. Moreover we are in progress to enforce the factories to establish a continuous dialog by setting up a pilot project involving actively multiple stakeholder with focus on social compliance including freedom of association. Training to the workers and management is the major topic. the aim of the project is to provide the participants with the ability to apply methods, communication and conflict management techniques in order to solve social problems in their production facilities.

Percentage of supplier factories reached by these measures: : 99999

9. 2.3 Do you provide training for management of your supplier factories and subcontractors on the right to freedom of association?

Regular trainings on freedom of association are organised by BSCI. The exact percentage of suppliers that join these trainings can not be calculated at this stage.

Percentage of supplier factories and subcontractors reached by these measures:

10. 2.4 Have your supplier factories and subcontractors issued the Right to Organise Guarantee to workers in any of your production units?

	Country:	Number of suppliers:	Details:
1:			ALDI SOUTH does not maintain direct business relations with supplier factories. All our European importers for textiles are BSCI members. This right is clearly covered by the BSCI Code of Conduct, which must be displayed prominently in the factory
2:			
3:			
4:			

Please provide a sample of materials used in specific countries:

11. 2.5 Do you require supplier factories and subcontractors to sign Union Access Agreements? If yes, please supply details.

No

Number of supplier factories with agreements:

Please provide a sample of agreements signed:

12. 2.6 Does your company have an accessible, actionable and safe means by which workers can file and follow up on complaints about violations of freedom of association and collective bargaining rights? How do you monitor that this can be accessed freely by workers?:

No. The BSCI Code of Conduct requires factories to establish appropriate channels allowing workers to raise complaints.

13. 2.7 Have you done any work to limit the use of short term contracts in your supplier factories and subcontractors?

Please provide details of your policy and its impacts in relevant countries: : Our business model does not allow for short term orders but calls for long lead times. The use of short-term labour or other forms of contracting in order to avoid legally owned benefits to the workers are prohibited by the BSCI Code of Conduct. In B.4.2, the BSCI Questionnaire asks for there satisfactory evidence that workers (including those paid based on productivity) are paid benefits at least in conformity with the national law and/or industry standards. Auditors pay special attention to verify that the company does not use labour-only contracting arrangements, consecutive short-term contracts, and/or false apprenticeship schemes to avoid fulfilling its obligations to personnel under applicable laws pertaining to labour and social security legislation and regulations.

14. 2.8 Is there anything else you would like to tell us about work you have done so far, or work you are planning, to promote the right to freedom of association in your supply chain?

The pilot project is to be done in order to expand measures and conclusions to other parts of the supply chain, if the project is successful

5. Dialogue and negotiation with labour rights organisations

15. 3.1 Please provide details of any active collaborative work undertaken with independent trade unions or labour rights organisations in your sourcing countries:

BSCI organises numerous round tables in sourcing countries to address critical issues in social compliance that include all stakeholders, including trade unions. See <http://www.bscliintl.org/search/node/round%20table>

16. 3.2 Have any of your collaborations resulted in unions or bargaining processes starting within your supplier factories?

As the pilot project will start soon no results are available yet.

6. 4. Benchmarks for a minimum living wage

17. 4.1 Does your company have internal figures that it uses to benchmark living wages for each sourcing country or region?

No

If yes, please provide details of how these were developed and how they are used:

The calculation of the local living wage forms part of the BSCI Audit and is calculated according to the SA 8000 methodology. They are used for the gap analysis and in the Corrective Action Plans that are issued to the factories after each BSCI audit, indication steps to be taken in order to arrive at the level of the living wage.

18. 4.2 Please provide information about the figures you are using to benchmark a living wage in your 3 main production countries or regions.

	Country/region	Living wage benchmark
1.		
2.		
3.		

19. 4.3 Please give details of the number of your supplier factories in Asia that are currently paying the Asia Floor Wage.

	Country/region	Number of supplier factories paying Asia Floor Wage
1.	this information is not available	
2.		
3.		
4.		
5.		

7. Purchasing practices that make living wages possible

20. 5.1 Is your company doing work to limit the use of subcontractors in your supply chain and/or consolidate your supplier factory list? Please provide details:

Yes. Orders for ALDI NORD must exclusively be completed in the production facilities specified in the contract. ALDI NORD must immediately be informed about any plans for changes or additional production facilities. Unauthorized subcontracting is prohibited under any circumstances and will be sanctioned.

21. 5.2 Does your company operate a policy of buyers favouring supplier factories that consistently meet a high wage standard? How?

Social compliance including wages is one criteria of product quality. Our buying decisions are done upon the highest product quality.

22.

23. 5.3 Does your company break down and calculate whether FOB prices per piece are sufficient to allow for compliance with the wage standard your company has set out in its code of conduct?

No

24. 5.4 Does your company operate a policy of buyers favouring supplier factories that support the establishment and functioning of genuine trade unions, and those with collective bargaining agreements?

Collective bargaining is one chapter of the BSCI Code of Conduct and consequently assessed in every BSCI factory audit. In our buying processes, we will favour BSCI audited factories over factories not being BSCI audited.

25. 5.5 Please provide information about any other work your company has done / is planning to do on improving your purchasing practices, in relation to wages.

8. Living wage projects

26. Please provide details of any projects here. Please note you can cut and paste long pieces of text into these small boxes if necessary:

	Project 1	Project 2	Project 3	Project 4
Location:				
Number of factories and workers involved:				
Living wage benchmark used:				
Partnerships:				
Wage increase achieved:				
Details of process:				

27. Please upload any useful supporting documentation here:

9. New Page

28. 7.1 Have you publicly supported calls from civil society and unions to increase the minimum wage to a living wage standard in your production countries? Have you made this position clear towards governments and employers associations?

no

29. 7.2 As part of this work, have you issued a public statement assuring country governments that you will not relocate production as a result of minimum wage legislation that ensures a living wage?

no

10. Transparency

30. 8.1 Does your company publish a full public list of supplier factories, and sub contractors, their locations and products?

No, due to global competition aspects ALDI does not publish a list of suppliers nor factories

Do you have plans to publish a full list in the future?

31. 8.2 Does your company publish impact reports on projects related to wages?

no

11. Collaborative working

32. 9.1 Please provide details of your involvement with any multi-stakeholder initiative projects

working to improve wages:

We are working with the BSCI on a range of social topics. In this context we are also working on the payment of fair wages

33. 9.2 Please provide details of any work you have initiated outside an MSI, directly with other companies which has improved wages:

Please see above mentioned pilot project

34. Supporting documents:

12. 10. A clear route map for implementing a living wage for all workers

35. 10.1 Has your company developed a strategy for delivering a living wage in your supply chain? Is this a public commitment?

No

36. 10.2 Does this strategy have a time scale? If yes, please state.

Not applicable

37. 10.3 What consultation have you carried out on this strategy, both within and outside your company?

Not applicable

38. 10.4 How will you ensure that vulnerable workers, such as homeworkers or migrant workers are also included in efforts to increase wages?

Not applicable

39. 10.5 Is there anything else you would like to tell us about your work on the living wage that hasn't been covered in this survey?

13. Further questions about your supply base

40. 1. What are your main production countries? Please state percentage of total production per country and the number of supplier factories.

	Country	Percentage of production	Number of suppliers
1	N/a		
2			
3			
4			
5			
6			
7			
8			
9			

41. 2. What kind of trade partners are part of the sourcing structure? Please indicate an approximate % of volume share of your production:

Production at factories owned by your company: : %
 Orders placed directly to supplier factories: : %
 Orders placed through agencies or intermediates: : 100%
 Other: : 0%

42. If other, please specify.

43. 3. What is the length of time that you have been working with your current suppliers?

	% of suppliers
More than 5 years:	999
2-5 years:	x
Less than 2 years:	999

44. 4. How many sites did you use to produce your goods in 2012?

First tier suppliers: : n/a
 Sub contracted suppliers: : n/a

45. 5. How many supplier factories do you trade with where you have a regular production share of more than 25%?

Number of suppliers: : n/a
 Please list suppliers, country and % of product share at the factory: : n/a

Response Location

Country:	United Kingdom
Region:	B7
City:	Bristol
Postal Code:	
Long & Lat:	Lat: 51.450001, Long:-2.5833

Clean Clothes Campaign Wage Survey

Response ID:102; Data

1. Login/Password Action

2. Introduction

1. Company name:

ALDI Einkauf GmbH & Co. oHG

2. Brands owned by company:

Not Applicable

3. Main contact person:

Name: : Dr. Julia Adou

Contact phone number: : +49-208-9927 0

3. The living wage standard

4. 1.1 What is your company's position on payment of the living wage to workers in your supply chain?

The position of ALDI South is reflected in our CR Policy ("ALDI Social Standards in the Production"), the BSCI Code of Conduct and the BSCI's position on wages. Shortly summarized it states that we require the payment of the legal minimum wage plus overtime compensation and the payment of the industry standard when it exists and in case it is higher than the legal wage. We support the idea that workers should earn enough to be able to cover basic needs (food, rent) and to have at least some discretionary income. ALDI SUD is a participant of the Business Social Compliance Initiative. We implement the BSCI Code of Conduct in our international supply chain.

ALDI SUD is a participant of the Business Social compliance Initiative. We implement the BSCI Code of Conduct in our international supply chain. This Code prescribes the payment of the legal minimum wage. This legal minimum wage should be at a level that covers workers basic needs as well as provide some discretionary income. As this is often not the case we support through BSCI work towards the payment of a living wage. We believe it is essential to emphasize the importance of a holistic approach towards the issue of fair remuneration for workers. In this context, it is important to address the quantitative aspects of wages as well as qualitative aspects. Focusing on the quantitative level of the wage earned by workers alone is not enough. In accordance with its cooperation in ILO's Fair Wage Network. BSCI stresses the importance of including qualitative aspects such as way of payment, timely and formal payments of wages, reflecting skills and education of workers in the level of wages, and equal treatment of full-time employees, part-time, and piece-rates workers.

Please also take into consideration our attached information letter for all following questions of this survey.

5. 1.2 Please give the link to the code of conduct which is used when monitoring conditions in your supplier factories. If it isn't publicly available, please upload a copy using the option below.

ADLI Sozialstandards in der Produktion: <http://unternehmen.aldi-sued.de/de/verantwortung/lieferanten/>

Upload option.

6. 1.3 Does your company agree with the definition of a living wage as given [here](#)?

No, our definition differs from the definition given.

If no, please provide details of how your definition of a living wage is different and give justification.

The payment of the living wage to all workers is a desirable achievement, although it even cannot be assured for all industrialized countries yet

4. Respect for freedom of association and collective bargaining, a precondition for a living wage

7. 2.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to workers in your supplier factories and subcontractors?

Our suppliers are requested to disseminate the BSCI Code of Conduct in their supply chain to inform the employees. Information about rights and freedoms of workers is a requirement of the BSCI CoC. As stated in the terms of implementation, the Code must be translated into local language and displayed prominently in a factory in order to be BSCI-compliant.

Percentage of supplier factories and subcontractors reached by these measures:

9999999%

Please supply an example of materials used:

8. 2.2 Do you support or facilitate training for workers to ensure they are aware of their right to freely associate, in conjunction with local independent trade unions or workers' rights organisations? Please supply details:

We will start a pilot of the ALDI Factory Advancement (AFA) project in September 2013 which will deal with the freedom of association among other topics. The project will be set up in conjunction with the following organisations: Sustainability Agents, Awaj Foundation, MSD Global Compliance, OSHE Foundation oder Phulki. It is a dialogue programme that involves workers and factory management. The aim of the project is to provide the participants with the ability to apply methods, communication and conflict management techniques in order to solve social problems in their production facilities.

Information about rights and freedoms of workers is a requirement of the BSCI CoC. As stated in the terms of implementation, the Code must be translated into local language and displayed prominently in a factory in order to be BSCI-compliant.

Percentage of supplier factories reached by these measures: : %

9. 2.3 Do you provide training for management of your supplier factories and subcontractors on the right to freedom of association?

Regular trainings on freedom of association are organised by BSCI. The exact percentage of suppliers that join these trainings is difficult to calculate.

Percentage of supplier factories and subcontractors reached by these measures:

10. 2.4 Have your supplier factories and subcontractors issued the Right to Organise Guarantee to workers in any of your production units?

Number

	Country:	of suppliers:	Details:
1:			ALDI SOUTH does not maintain direct business relations with supplier factories. All our European importers for textiles are BSCI members. This right is clearly covered by the BSCI Code of Conduct, which must be displayed prominently in the factory.
2:			
3:			
4:			

Please provide a sample of materials used in specific countries:

11. 2.5 Do you require supplier factories and subcontractors to sign Union Access Agreements? If yes, please supply details.

ALDI SOUTH does not maintain direct business relations with supplier factories. Further this is not feasible in some countries, where due to legal or political circumstances such an action might be unlawful or otherwise unfeasible.

Number of supplier factories with agreements:

Please provide a sample of agreements signed:

12. 2.6 Does your company have an accessible, actionable and safe means by which workers can file and follow up on complaints about violations of freedom of association and collective bargaining rights? How do you monitor that this can be accessed freely by workers?:

No. The BSCI Code of Conduct requires factories to establish appropriate channels allowing workers to raise complaints.

13. 2.7 Have you done any work to limit the use of short term contracts in your supplier factories and subcontractors?

Please provide details of your policy and its impacts in relevant countries: : Our business model does not allow for short term orders but calls for long lead times. The use of short-term labour or other forms of contracting in order to avoid legally owned benefits to the workers are prohibited by the BSCI Code of Conduct. In B.4.2, the BSCI Questionnaire asks for there satisfactory evidence that workers (including those paid based on productivity) are paid benefits at least in conformity with the national law and/or industry standards. Auditors pay special attention to verify that the company does not use labour-only contracting arrangements, consecutive short-term contracts, and/or false apprenticeship schemes to avoid fulfilling its obligations to personnel under applicable laws pertaining to labour and social security legislation and regulations.

14. 2.8 Is there anything else you would like to tell us about work you have done so far, or work you are planning, to promote the right to freedom of association in your supply chain?

The decision to potentially expand the AFA project will depend on the success of the pilot project

5. Dialogue and negotiation with labour rights organisations

15. 3.1 Please provide details of any active collaborative work undertaken with independent trade unions or labour rights organisations in your sourcing countries:

Bangladesh AFA Pilot Project (see above)

Further the BSCI organises numerous round tables in sourcing countries to address critical issues in social compliance that include all stakeholders, including trade unions. See <http://www.bsci->

16. 3.2 Have any of your collaborations resulted in unions or bargaining processes starting within your supplier factories?

As the AFA pilot project starts in September 2013 no results are available yet.

6. 4. Benchmarks for a minimum living wage

17. 4.1 Does your company have internal figures that it uses to benchmark living wages for each sourcing country or region?

No

If yes, please provide details of how these were developed and how they are used:

The calculation of the local living wage forms part of the BSCI Audit and is calculated according to the SA 8000 methodology. They are used for the gap analysis and in the Corrective Action Plans that are issued to the factories after each BSCI audit, indication steps to be taken in order to arrive at the level of the living wage.

18. 4.2 Please provide information about the figures you are using to benchmark a living wage in your 3 main production countries or regions.

	Country/region	Living wage benchmark
1.		
2.		
3.		

19. 4.3 Please give details of the number of your supplier factories in Asia that are currently paying the [Asia Floor Wage](#).

	Country/region	Number of supplier factories paying Asia Floor Wage
1.	this information is not available	
2.		
3.		
4.		
5.		

7. Purchasing practices that make living wages possible

20. 5.1 Is your company doing work to limit the use of subcontractors in your supply chain and/or consolidate your supplier factory list? Please provide details:

Yes. Orders for ALDI SOUTH must exclusively be completed in the production facilities specified in the contract. ALDI SOUTH must immediately be informed about any plans for changes or additional production facilities. Unauthorized subcontracting is prohibited under any circumstances and will be sanctioned.

21. 5.2 Does your company operate a policy of buyers favouring supplier factories that consistently meet a [high wage standard](#)? How?

Social Compliance is one criteria in our buying process for textiles comparable to product quality or price

22.

23. 5.3 Does your company break down and calculate whether FOB prices per piece are sufficient to allow for compliance with the wage standard your company has set out in its code of conduct?

No

24. 5.4 Does your company operate a policy of buyers favouring supplier factories that support the establishment and functioning of genuine trade unions, and those with collective bargaining agreements?

Collective bargaining is one chapter of the BSCI Code of Conduct and consequently assessed in every BSCI factory audit. In our buying processes, we will favour BSCI audited factories over factories not being BSCI audited.

25. 5.5 Please provide information about any other work your company has done / is planning to do on improving your purchasing practices, in relation to wages.

8. Living wage projects

26. Please provide details of any projects here. Please note you can cut and paste long pieces of text into these small boxes if necessary:

	Project 1	Project 2	Project 3	Project 4
Location:				
Number of factories and workers involved:				
Living wage benchmark used:				
Partnerships:				
Wage increase achieved:				
Details of process:				

27. Please upload any useful supporting documentation here:

9. New Page

28. 7.1 Have you publicly supported calls from civil society and unions to increase the minimum wage to a living wage standard in your production countries? Have you made this position clear towards governments and employers associations?

No

29. 7.2 As part of this work, have you issued a public statement assuring country governments that you will not relocate production as a result of minimum wage legislation that ensures a living wage?

No

10. Transparency

30. 8.1 Does your company publish a full public list of supplier factories, and sub contractors, their

locations and products?

No, we do not publish such a list as we maintain a trustworthy collaboration with our partners (importers)

Do you have plans to publish a full list in the future?

31. 8.2 Does your company publish impact reports on projects related to wages?

No

11. Collaborative working

32. 9.1 Please provide details of your involvement with any multi-stakeholder initiative projects working to improve wages:

We are working with the BSCI on a range of social topics. In this contract we are also working on the payment of fair wages.

33. 9.2 Please provide details of any work you have initiated outside an MSI, directly with other companies which has improved wages:

The AFA project has this aim. It start in September 2013

34. Supporting documents:

12. 10. A clear route map for implementing a living wage for all workers

35. 10.1 Has your company developed a strategy for delivering a living wage in your supply chain? Is this a public commitment?

No

36. 10.2 Does this strategy have a time scale? If yes, please state.

Not applicable

37. 10.3 What consultation have you carried out on this strategy, both within and outside your company?

Not applicable

38. 10.4 How will you ensure that vulnerable workers, such as homeworkers or migrant workers are also included in efforts to increase wages?

Not applicable

39. 10.5 Is there anything else you would like to tell us about your work on the living wage that hasn't been covered in this survey?

13. Further questions about your supply base

40. 1. What are your main production countries? Please state percentage of total production per country and the number of supplier factories.

	Country	Percentage of production	Number of suppliers
1	N/a		

2			
3			
4			
5			
6			
7			
8			
9			
10			

41. 2. What kind of trade partners are part of the sourcing structure? Please indicate an approximate % of volume share of your production:

Production at factories owned by your company: : %
 Orders placed directly to supplier factories: : %
 Orders placed through agencies or intermediates: : 100%
 Other: : 0%

42. If other, please specify.

43. 3. What is the length of time that you have been working with your current suppliers?

	% of suppliers
More than 5 years:	999
2-5 years:	x
Less than 2 years:	999

44. 4. How many sites did you use to produce your goods in 2012?

First tier suppliers: : n/a
 Sub contracted suppliers: : n/a

45. 5. How many supplier factories do you trade with where you have a regular production share of more than 25%?

Number of suppliers: : n/a
 Please list suppliers, country and % of product share at the factory: : n/a

Response Location

Country:	United Kingdom
Region:	B7
City:	Bristol
Postal Code:	
Long & Lat:	Lat: 51.450001, Long:-2.5833

From : Qualitätswesen / Corporate Responsibility <qw-cr@aldi-nord.de>
To : <anna@labourbehindthelabel.org>
Cc : <gisela.burckhardt@femnet-ev.de>
Subject : CCC Living Wage
Date : Thu, 30 Jan 2014 16:53:56 +0000

Dear Mrs. Mc Mullen,

We hereby confirm the receipt of the email from Dr. Gisela Burkhardt dated 12th January 2014, the letter from Dr. Bettina Musiolek dated 14th January 2014 and of the attached draft of our company's profile as of well as the draft of the submitted survey.

Unfortunately, we have to rectify some statements in the draft profile as they are incorrect.

We took part in the survey and provided a formal response to Dr. Burkhardt as prior agreed on 23rd September 2013.

Hereinafter please find our comments on factual inaccuracies. We kindly ask you to correct them prior to the publication of the profile.

Profile:

“What we say:

Aldi North have shown no commitment to the living wage. Their business model, to source 100% of their goods through agencies, outsources their engagement on human rights, but does not take away their responsibility. Sadly very lacking in evidence of any efforts to improve conditions for workers who desperately need it.“

ALDI: This statement is not accurate. You have conducted a survey on the company's position regarding living wage and not on the general issues of “*engagement on human rights*” or “*efforts to improve conditions for workers*”. Therefore, your statement cannot be deduced from the survey and is not based on facts. Due to our engagement numerous working conditions has been improved within our supply chain. We herewith ask you to rephrase your statement.

“Worker empowerment:

Aldi North say: “*ALDI NORTH does not maintain direct business relations with supplier factories. All our European importers for textiles are BSCI members. This right [to freedom of association and collective bargaining] is clearly covered by the BSCI Code of Conduct, which must be displayed prominently in the factory.*”

Aldi South also mentioned a pilot project which is “a dialogue programme that involves workers and factory management. The aim of the project is to provide the participants with the ability to apply methods, communication and conflict management techniques in order to solve social problems in their production facilities.” The project started in September 2013.”

ALDI: The given answer is taken out of the context. Please erase: “*ALDI NORTH does not maintain direct business relations with supplier factories.*”

Please change *Aldi South* to ALDI NORTH

„Commitment and practices:

No living wage benchmarks were provided. Work on improving purchasing practices was also entirely absent. Aldi North's approach is to rely on auditing and the BSCI standard.”

ALDI: Your statement is not accurate. You have conducted a survey on the company's position regarding living wage and not on the issue of “*purchasing practices*”. We believe long-term and fair business relations are integral factors in partnering with our suppliers. In this context ALDI NORTH supports its suppliers by providing clear guidelines and instructions. Suppliers are required to fulfill a comprehensive obligation of transparency towards all contracts with ALDI NORTH, thus ensuring that the improvement of conditions at the production facilities can be actively driven and monitored. For example: In case we identify issues along with an ongoing lack of progress in a production facility, we reserve the right to exclude any production facility or importer from our tendering.

BSCI participants commit to improving working conditions within the supply chain, to compliance with environmental guidelines and to the inclusion of the Initiative's principles in the company's core business. We as a member of the BSCI are committed and actively involved in further developing the BSCI system as well as in strengthening the various systems in place for auditing and monitoring the supply chain.

Therefore your statement cannot be deduced from the survey and is not based on facts. We herewith ask you to rephrase your statement.

“Comments:

Aldi North, like Aldi South, state that they have no direct business relationships with any supplier factories. This means their leverage to improve the rights of the people who make their clothes is fairly non-existent. This however does not remove their responsibility to engage. For us, due diligence is a lot more than an auditing model.”

The project which aims to encourage better worker - factory management dialogue is encouraging if a bit unclear. We hope that they are able to involve independent trade unions in this work.

ALDI: Your statement is not accurate. You have conducted a survey on the company's position regarding living wage and not on the general issue of “*leverage to improve the rights*”. Therefore your statement cannot be deduced from the survey and is not based on facts. Hence, we herewith ask you to rephrase your statement.

In 2013, the ALDI Factory Advancement (AFA) Project was launched. This training project takes a proven dialogue approach to improving the working conditions of garment producers in Bangladesh by enabling workers and managers to identify problems in their working life and to develop appropriate solutions that fit their needs.

The core principle of the AFA Project is the joint involvement of workers and managers alike in the dialogue and decision-making processes in the factories. Workers and managers learn the skills and tools to engage in communication and cooperation, and to establish organisational structures in their own factories that ensure sustainability. Some of the topics covered during training activities are related to the establishment of effective communication structures, fire safety, overtime, wages and private financial planning.

During the pilot phase, 20 producers (divided into two groups) participate in the two-year training programme that is led by a team of local and international trainers. A mix of activities ensures that the specific needs of individual factories are addressed, while also providing the opportunity for exchange and peer-learning between factories.

Survey:

6.1.3. *No, our definition differs from the definition given.*

ALDI: No answer was given.

7.2.1. *Percentage of supplier factories and subcontractors reached by these measures*

ALDI: No answer was given.

7.2.1. *Please supply an example of material used:*

ALDI: Please find attached the BSCI Code of Conduct (Attachment 1)

8.2.2.

AN: Please correct the spelling

- ... to establish a continuous dialog ~~be~~ by setting up a pilot project...
- ~~the~~ The aim of the project is to...

8.2.2. *Percentage of the supplier factories reached by these measure:*

AN: No answer was given.

9.2.3. *Do you provide training for management of your supplier factories and subcontractors on the right to freedom of association?*

In 2013, the ALDI Factory Advancement (AFA) Project was launched. This training project takes a proven dialogue approach to improving the working conditions of garment producers in Bangladesh by enabling workers and managers to identify problems in their working life and to develop appropriate solutions that fit their needs.

The core principle of the AFA Project is the joint involvement of workers and managers alike in the dialogue and decision-making processes in the factories. Workers and managers learn the skills and tools to engage in communication and cooperation, and to establish organisational structures in their own factories that ensure sustainability. Some of the topics covered during training activities are related to the establishment of effective communication structures, fire safety, overtime, wages and private financial planning.

During the pilot phase, 20 producers (divided into two groups) participate in the two-year training programme that is led by a team of local and international trainers. A mix of activities ensures that the specific needs of individual factories are addressed, while also providing the opportunity for exchange and peer-learning between factories.

10.2.4.

ALDI: Please change *ALDI SOUTH* to ALDI NORTH

17.4.1.

ALDI: The answer "No" was given. Please make sure our supporting statement, which is printed under "Yes", will be displayed.

18.4.2.

ALDI: BSCI follows the SA8000 methodology for calculating the level of living wages

43.3 *What is the length of time you have been working with your current suppliers?*

ALDI: Please change 2-5 years to more than 5 years

Please correct the above mentioned factual inaccuracies and add the further information we provided above.

Further, in your email you informed us that the company profile is subject to change prior to publication. However, we like to point out that we expect you to publish our company profile only in the version you placed at our disposal.

A copy of this letter was sent to Dr. Gisela Burkhardt.

Yours sincerely,

ALDI Einkauf GmbH & Co. oHG

ppa. Mende

i.V. Hollmann

ALDI Einkauf GmbH & Co. oHG, Eckenbergstraße 16, 45307 Essen, Offene Handelsgesellschaft Sitz Essen, Amtsgericht Essen HRA 4688, persönlich haftende Gesellschafterinnen: die zur Geschäftsführung berechnigte ALDI Einkauf GmbH, Sitz Herten, Amtsgericht Recklinghausen, HRB 848, Geschäftsführer Rainer Kämpgen, Rolf Buyle, weitere ALDI GmbH & Co. Kommanditgesellschaften und Markus Kaffee GmbH & Co. Kommanditgesellschaften.

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From : ze-qw@aldi-sued.de
To : <anna@labourbehindthelabel.org>, <gisela.burckhardt@femnet-ev.de>
Subject : ALDI profile & Clean Clothes Campaign Wage survey 2013
Date : Thu, 30 Jan 2014 15:52:14 +0000
Attachments : smime.p7s

Dear Mrs. McMullen,
dear Dr. Burckhardt,

we hereby confirm the receipt of the email from Dr. Gisela Burckhardt dated January 11th, 2014 and the letter from Dr. Bettina Musiolek dated January 14th, 2014 which included the draft of our company's profile as well as the draft of our submitted survey.

Unfortunately, we have to rectify some statements in the draft profile as they are incorrect. We took part in the survey and provided a formal response to Dr. Burckhardt as prior agreed on 23rd September 2013. Hereinafter please find our comments on factual inaccuracies. We kindly ask you to correct them prior to the publication of the profile.

Profile:

“What we say:

ALDI SOUTH says that wages should be enough to cover basic needs, but in practice applies the legal minimum wage or industry benchmark. This rhetoric is empty unless followed up with practice, which is sadly lacking. Their business model, to source 100% of their goods through agencies, outsources their engagement on human rights, but does not take away their responsibility. ALDI SOUTH needs to re-engage.”

ALDI SOUTH: This statement is not accurate. You have conducted a survey on the company's position regarding living wage and not on the general issue of *“engagement on human rights”*. Hence, your statement cannot be deduced from the survey and is not based on the facts. Due to our engagement we were able to implement improvement processes within our supply chain.

Therefore, we herewith ask you to rephrase your statement.

Further, we would like to give you some background information on our special engagement in Bangladesh:

Accord on Fire and Building Safety in Bangladesh

The ALDI SOUTH group is actively involved in the international Accord on Fire and Building Safety in Bangladesh. The aim of the Accord is to ensure safe working conditions for staff at garment factories through inspections conducted by independent experts. As a member of the implementation team, ALDI SOUTH has also been actively involved in developing initial steps towards the implementation of the Accord. In addition to retailers, NGOs, local and international associations and labour unions have also joined the Accord.

ALDI Minimum Requirements in Bangladesh

Following the tragic building collapse in Bangladesh in April 2013, ALDI SOUTH once again underlined the fact that its defined working and social standards are binding for all suppliers.

Furthermore, we introduced minimum requirements for fire and building safety in textile factories in Bangladesh and

communicated these to our suppliers. Among other things, these requirements include comprehensive fire protection systems, a valid building permit and compliance with building regulations. For suppliers, they also include the requirement to closely monitor the social performance of the contracted production facilities (ideally on a daily basis) and the prohibition of undisclosed subcontracting. By having our own staff conduct regular inspections locally in Asia, we are able to verify whether and to what extent contracted production facilities adhere to our minimum requirements.

“Worker empowerment:

ALDI SOUTH say: *“ALDI SOUTH does not maintain direct business relations with supplier factories. All our European importers for textiles are BSCI members. This right [to freedom of association and collective bargaining] is clearly covered by the BSCI Code of Conduct, which must be displayed prominently in the factory.*

ALDI SOUTH also mentioned a project called the ALDI Factory Advancement project which is “a dialogue programme that involves workers and factory management. The aim of the project is to provide the participants with the ability to apply methods, communication and conflict management techniques in order to solve social problems in their production facilities.” The project started in September 2013.”

ALDI SOUTH: The given answer is taken out of the context. The ALDI SOUTH group sources the majority of its products via importers and generally does not maintain direct business relations with production facilities. As part of our business relationships with suppliers, we attach great importance to fairness and reliability, also with respect to establishing sustainability in production.

Please erase: *“ALDI SOUTH does not maintain direct business relations with supplier factories.”*

“Commitment and practices:

No living wage benchmarks were provided. Work on improving purchasing practices was also entirely absent. ALDI SOUTH’s approach is to rely on auditing and the BSCI standard.”

ALDI SOUTH: Your statement is not accurate. You have conducted a survey on the company’s position regarding living wage and not on the issue of *“purchasing practices”*.

We believe long-term and fair business relations are integral factors in partnering with our suppliers. In this context, ALDI SOUTH supports its suppliers by providing clear guidelines and instructions. Suppliers are required to fulfil a comprehensive obligation of transparency towards ALDI SOUTH, thus ensuring that the improvement of conditions at the production facilities can be actively driven and monitored. Where we identify severe issues (especially in the event of a severe violation of working, safety or social standards) or an ongoing lack of progress, we reserve the right to exclude any production facility from tendering for the manufacture of products for the ALDI SOUTH group or to terminate existing business relationships with suppliers (importers). In the case of more minor irregularities, ALDI SOUTH stipulates that the supplier implements and monitors the necessary corrective measures, depending on the respective audit result.

Further, we like to give more detailed information about our Social Monitoring Programme (SMP):

In all ALDI countries, a social monitoring programme has been implemented for relevant high risk commodity groups. The objective of the Social Monitoring Programme (SMP) is to establish structures in order to improve social standards at production facilities located in risk countries. An increasing level of transparency and knowledge throughout the supply chain should also be achieved. The overall ambition of the SMP is to improve working and social standards in production in the long term together with our suppliers.

Commitment within the scope of our BSCI membership:

BSCI participants commit to improving working conditions within their supply chain, compliance with environmental guidelines and the creation of structures to ensure compliance.

Furthermore, as a member of the BSCI Steering Committee and several working groups, ALDI SOUTH is also actively

involved in further developing the BSCI system as well as in strengthening the various systems in place for auditing and monitoring the different stages of the supply chain.

Therefore, your statement cannot be deduced from the survey and is not based on facts. Hence, we herewith ask you to rephrase your statement.

“Comments:

ALDI SOUTH states that they have no direct business relationships with any supplier factories. This means their leverage to improve the rights of the people who make their clothes is fairly non-existent. This however does not remove their responsibility to engage. If ALDI SOUTH's statements on wages meeting basic needs are to mean anything, they will have to engage more with suppliers. For us, due diligence is a lot more than an auditing model.

The project which aims to encourage better worker/ factory management dialogue is encouraging if a bit unclear. We hope that they are able to involve independent trade unions in this work.”

ALDI SOUTH: Your statement is not accurate. You have conducted a survey on the company's position regarding living wage and not on the general issue of “leverage to improve the rights”. Therefore, your statement cannot be deduced from the survey and is not based on facts. Hence, we herewith ask you to rephrase your statement.

Further we like to give you more detailed information about our ALDI Factory Advancement Project:

In 2013, the ALDI Factory Advancement (AFA) Project was launched. This training project takes a proven dialogue approach to improving the working conditions of garments producers in Bangladesh by enabling workers and managers to identify problems in their working life and to develop appropriate solutions that fit their needs. The core principle of the AFA Project is the joint involvement of workers and managers alike in the dialogue and decision-making processes in the factories. Workers and managers learn the skills and tools to engage in communication and cooperation, and to establish organisational structures in their own factories that ensure sustainability. Some of the topics covered during training activities are related to the establishment of effective communication structures, fire safety, overtime, wages and private financial planning.

During the pilot phase, 20 producers (divided into two groups) participate in the two-year training programme that is led by a team of local and international trainers. A mix of activities ensures that the specific needs of individual factories are addressed, while also providing the opportunity for exchange and peer-learning between factories.

Survey

5.1.2 Please give the link to the code of conduct.

ALDI SOUTH:

ALDI Sozialstandards in der Produktion: <http://unternehmen.aldi-sued.de/de/verantwortung/lieferanten>

BSCI Code of Conduct: www.bsci-intl.org/resources/code-of-conduct

6.1.3 No, our definition differs from the definition given.

ALDI SOUTH: We have neither chosen the answer “Yes” nor “No”. Therefore, please only display our answer as given: “The payment of the living wage to all workers is a desirable achievement, although it even cannot be assured for all industrialized countries yet.”

7.2.1 Percentage of supplier factories and subcontractors reached by these measures

ALDI SOUTH: No percentage was given. Therefore, please do not display a percentage rate.

17.4.1 Does your company have internal figures that it uses to benchmark living wages for each sourcing country or region?

ALDI SOUTH: The answer “No” was given. The supporting statement is printed under “Yes”. Therefore, please only display our answer as given: “No, the calculation of the local living wage forms a part of the BSCI Audit and is calculated according to the SA8000 methodology. They are used for the gap analysis and in the Corrective Action Plans that are issued to the factories after each BSCI audit, indication steps to be taken in order to arrive at the level of the living wage.”

18.4.2 Please provide information about the figures you are using to benchmark a living wage in your 3 main production countries or regions.

ALDI SOUTH: Please display our answer as originally given: “Not applicable. BSCI follows the SA8000 methodology for calculating the level of living wages.”

43.3 What is the length of time that you have been working with your current suppliers?

ALDI SOUTH: No percentage was given under “more than 5 years” and “less than 2 years”. Therefore, please erase the percentage rate for “more than 5 years” and “less than 2 years”.

Please correct the above-mentioned factual inaccuracies and add the further information we provided above.

Further, in your email you informed us that the company profile is subject to change prior to publication. However, we like to point out that we expect you to publish our company profile only in the version you placed at our disposal.

If you have further questions, please do not hesitate to contact us.

Yours sincerely,

i. A.

Annika Münzner
Qualitätswesen

i. V.

Dr. Julia Adou
Qualitätswesen

ALDI Einkauf GmbH & Co. oHG
Unternehmensgruppe ALDI SÜD

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ALDI Einkauf GmbH & Co. oHG - Burgstraße 37 - 45476 Mülheim an der Ruhr

Offene Handelsgesellschaft eingetragen Registergericht: Amtsgericht Duisburg - HRA 8577

Geschäftsführende Gesellschafterin: ALDI Einkauf GmbH, Duisburg - Registergericht: Amtsgericht Duisburg - HRB 2292

Geschäftsführer: Markus Balter, Ralf Borbet, Dr. David Godschalk, René Karczewski, Reiner Mischke, Oliver Pollhammer, Dr. Christian Terlinde, Martin Thesing, Jeannette Thull, Sven van den Boomen

Weitere Gesellschafter: Sämtliche ALDI GmbH & Co. Kommanditgesellschaften der Unternehmensgruppe ALDI SÜD