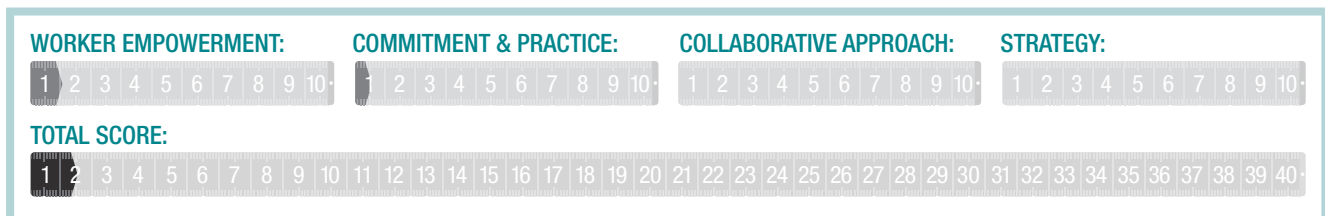


ALDI NORTH & ALDI SOUTH

Brands: Aldi

Please note: Aldi North and Aldi South responded separately to our survey. Their answers were, however, largely the same and these companies appear to do much joint work.



COMPANY POSITION ON THE LIVING WAGE:

“Our 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 provides some discretionary income. As this is often not the case we support change through BSCI [Business Social Compliance Initiative] 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.”

WHAT WE SAY:

Very little evidence was given by Aldi North or Aldi South of any work to address the problem of low pay. Their business model, to source 100% of their goods through agencies, outsources their engagement on human rights (such as the right to a living wage) but does not take away the responsibility to ensure that rights are upheld.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

Aldi North and Aldi South say: “This right [freedom of association and the right to collective bargaining] is clearly covered by the BSCI Code of Conduct, which must be displayed prominently in the factory.”

Aldi North and Aldi South also told us about 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.

Commitment and practices:

No living-wage benchmarks were provided.

Aldi North says: “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.” Aldi South provided the same quote, with its name replacing Aldi North’s.

Aldi North and Aldi South’s approach is to rely on auditing and the BSCI standard.

Collaborative approach:

Aldi North and Aldi South are members of the BSCI, but no engagement with work on wages was mentioned as being carried out as part of the BSCI.

Strategy:

Aldi North and Aldi South did not provide details of any strategies for ensuring workers in their factories are paid a living wage.

Production overview:

Number of suppliers: Neither Aldi North nor Aldi South disclosed this information.

Main production countries listed as: Neither Aldi North nor Aldi South disclosed this information.

Both companies state that they place 100% of orders through agencies or intermediaries.

Neither Aldi North nor Aldi South publishes a full public list of the names and addresses of their supplier factories.

COMMENTS:

Aldi North and 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, such as the right to a living wage, is fairly non-existent. This, however, does not remove their responsibility to engage. For us, due diligence on the right to a living wage is a lot more than an auditing model.

The Aldi Factory Advancement Project, which aims to encourage better dialogue between workers and factory management, is encouraging – if a bit unclear what it will achieve. We hope that they are able to involve independent trade unions in this work, and use this new dialogue to support the right to collective bargaining.

Both Aldi North and Aldi South say they support change through the BSCI’s work towards payment of a living wage. To us, it is not clear what work the BSCI is doing on this topic. Furthermore, no evidence was provided of Aldi’s engagement with this work. Both Aldi North and Aldi South need to start to take seriously their own responsibilities, to ensure that wages paid to the people who make their products meet their basic needs and that an appropriate strategy is adopted for paying the living wage in their own supplier factories.