

These questions relate to the period since the COVID-19 outbreak. Please answer all questions and provide YES, NO or numerical answers where requested. We also welcome additional information and context.

Factory closures

BHRRC is collecting and publishing an aggregated list of closed factories in the supply chains of 50 global apparel brands.

1.a. Are you keeping a list of factories that have closed in your supply chain since March 2020, (including those that you stopped sourcing from during the pandemic) **Yes, all closed factory information are maintained by our Importers as we have the direct business with Importers who place orders at the factories. We are closely monitoring the situation of the factories used for the manufacture of ALDI products together with our local offices in Bangladesh and Hong Kong. ALDI maintains an active factory list on ALDI website.**

b. Is your company willing to share a list of closed factories, including names and addresses? (Please share list here or as an attachment) **No, but we have an active factory list on our website.**

c. Are you willing to provide BHRRC with updated lists in the future? **Yes, the list we are referring in question 1.b is regularly updated on our website.**

Worker wage and severance payments

2.a Have you received reports of non-payment of full salaries for workers in your supply chain? **Yes**

b. Is your company actively involved in resolving each of these payment disputes? **Yes**

3.a. When garment workers lose their jobs, are you monitoring if workers are receiving any outstanding wages, legally mandated severance, and unemployment benefits? **Yes**

b. Is your company actively involved in ensuring workers are paid outstanding wages, severance, and benefits? **Yes**

Discriminatory dismissals and human rights violations

4.a Have you implemented a pandemic-related policy with your suppliers to ensure vulnerable demographics of workers are not being disproportionately targeted for layoffs (e.g. union members & leaders, pregnant women, migrant workers)? **Yes, we have a COVID-19 responsible purchasing policy which gives the protection of business and income of factories and It's all workers.**

b. Are you tracking lay-offs and suspensions by demographic? **We do not check by demographic, but all workers are checked in our monitoring system.**

c. If Y can you provide a list of the categories being monitored?

d. If N, what steps are you taking to ensure discriminatory dismissals are not being carried out? **By ALDI assessment process including audits, visits and complaint mechanism through our membership in Textile Partnership.**

5.a Are there one or more factories supplying your company where advocates have alleged workers have been criminally charged or imprisoned in violation of their human rights (freedom of expression, freedom of assembly & association, collective bargaining etc.)? **Yes**

b. In all such cases, have all workers been released from custody with all charges dropped? **In some cases, we are still in progress of resolving. We usually discuss any case with other brands involved as well as country experts to work out a joint outcome together with the complainants.**

Purchasing practices

6. a. Have you implemented a policy specifying that your sourcing team must not ask for price reductions/discounts relative to comparable items from last season? **Yes. We have developed a document on ethical purchasing practices in times of COVID-19 for our buying department. The document summarises the recommendations of major international organisations. As a member of the German Partnership for Sustainable Textiles, we also participated in the development of a guideline, which contains recommendations for handling orders as well as health risks in production facilities.**

b. If yes, can you share this policy with BHRRC?

<https://www.textilbuendnis.com/en/download/leitsaetze-einkaufspraktiken-covid19/>

We are sharing our internal COVID-19 responsible purchasing policy with you with the condition that you will not share/publish the document at a 3rd party but only use for your internal research purpose.

c. If no, have you implemented any pandemic- related policy designed to ensure your sourcing staff do not pressure suppliers on price or production times and can you share this policy? **Y/N**

7. a. What were your payment times prior to the pandemic (in days)? **Because of our indirect buying model, ALDI has no direct business relationship with factories. Therefore, there is no direct payment to factories and our payment terms always regard the business relationship with our importers. The payment terms between the importers and the factories are regulated by individual contracts between them. We pay our importers within 30 days after receiving the invoice. Our payment terms with the importers have not changed during the pandemic.**

b. Have you extended these payment times for the current pandemic period? **No**

c. What are the maximum number of days from invoice date within which you pay your suppliers currently (e.g. 30, 60, 90, 180 days)? **As mentioned before, our payment terms do not relate to the factories, but to our importers. We pay our importers within 30 days after receiving the invoice.**

8. Have you committed to pay in full for all in-production and completed orders? **Yes**

9. Have you requested a discount for any orders? **No**

10. Are you supporting suppliers with access to local finance with a letter of credit or through other means? **Yes, as ALDI is committed under it's COVID-19 responsible purchasing policy, we have**

maintained stable business with approved factories through ALDI Importers. In this way, the factories can always get access to finance from their banks based on L/C they receive from the importers.