



Human Rights Impact Assessment Report:

Wild Catch Fish & Seafood with Focus on Tuna

EXECUTIVE SUMMARY

This report presents the findings of the Human Rights Impact Assessment (HRIA) for the ALDI Nord Group of Companies (hereafter ALDI) on the wild catch fish and seafood supply chains, with a specific focus on tuna, conducted by Ergon Associates. The report supports the implementation of ALDI's Human Rights Policy and all related goals.

This HRIA was conducted using Ergon's HRIA methodology, which is based on the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines on Multinational Enterprises. The methodology is designed to systematically identify potential positive and negative human rights impacts arising from specific business activities and relationships and qualify them according to salience to develop an action plan to address the most salient impacts. The assessment included an extensive desk-based analysis of existing human rights issues, value chain context and international regulatory framework of the fish and seafood supply chains, internal and external stakeholder engagement, an impact assessment and the development of recommendations to mitigate, prevent and/or remedy identified impacts.

The HRIA considered the different perspectives of all rightsholders identified as potentially or actually impacted by ALDI's fish and seafood supply chain activities. Commercial supply chain stakeholders engaged included: ALDI's international corporate responsibility and buying teams and a selection of its current fish and seafood suppliers. External stakeholders were consulted to ensure better understanding and integration of rightsholders' perspectives into the HRIA findings. These stakeholders included: international trade unions, standards / certifications organisations, seafood sustainability initiatives and multi-stakeholder organisations, United Nations specialised institutions, national and international civil society organisations and experts working closely with fishers.

Focus on canned tuna

The research began with a broad risk review across the entire wild catch fish and seafood sector before narrowing its scope to focus on ALDI's own-branded canned tuna products, which represent the most materially significant wild caught fish and seafood product for ALDI by value and volume. It was further found during the initial scoping stages that canned tuna:

- Contains the most variation in terms of suppliers and supply chain structures as a product, and
- is where the many of most salient known sectoral human rights risks are found.

As such, canned tuna not only presented a material and salient supply chain in its own right, but it also represented an indicative supply chain for the wider wild catch fish category, meaning that mitigation actions developed in relation to tuna can have wider application within the broader category.

Key points on ALDI's wild catch fish and seafood supply chains

- ALDI has well-established, often long-term, relationships with its suppliers for fish and seafood products, including for canned tuna.
- Owing to the nature of seafood production, ALDI's sourcing footprint of tuna (and other fish and seafood products) is global, with key fishing areas including the West Pacific and Indian Ocean, and key primary processing locations including the Philippines, Papua New Guinea and Ecuador. Secondary processing most often takes place within the EU (Germany, Poland, Netherlands, Portugal).
- Wild catch fishing (particularly in the high seas) is unique as a workplace in that it is isolated by nature, requires all crew members to both work and live onboard the vessel for weeks or months at a time, exists outside national jurisdictions and is therefore extremely challenging both to regulate as well as to inspect or assess. It is therefore an environment which is highly susceptible to labour exploitation and abuse, as well as unsafe working conditions.

Key human rights issues and root causes in the supply chain

- Although there have been significant efforts in recent years to improve regulation and enforcement in the wild catch fishing sector, particularly with regards to illegal, unreported and unregulated (IUU) fishing, salient social and environmental issues reportedly remain widespread, including forced labour and severe labour exploitation on fishing vessels in certain fisheries, as well as overfishing.
- ALDI is working with a number of seafood sustainability initiatives to better understand the human rights risks in its own seafood supply chains, to increase the visibility of its sourcing practices down to raw material sourcing (wild catch fishing) and to improve its leverage. However, certification does not address the top labour and social risks or root causes sufficiently. Existing sustainability standards for wild catch seafood either only minimally cover human rights issues or, where they do address human rights more fully, are at an early stage of development and not yet widely used across the sector.
- Finding and keeping reliably responsible suppliers and fishing companies is challenging. The market can limit choices available for suppliers in terms of fisheries to source from. There are significant pressures exerted on the fishing industry. These pressures are linked to the inherent unpredictability of wild catch fishing, exacerbated by environmental challenges such as stock depletion. As a result, price volatility for wild catch fish and seafood raw material is the norm – ALDI's suppliers may, in times of higher port prices, find they cannot afford to source from the same companies.

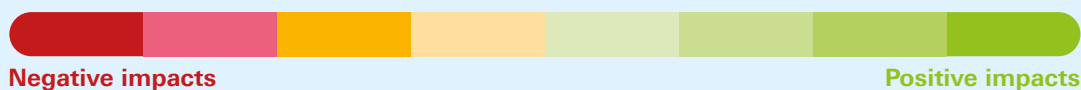
Women in wild catch fish and seafood

The assessment identified a significant gendered division of labour in the global fish and seafood supply chain. In particular, the following characteristics were identified:

- Women are generally concentrated in lower-status and lower-paid roles, primarily in seafood processing – both in primary and secondary processing.
- Women are minimally represented among workers on fishing vessels, or in shipping and road transportation and, as a result, face heightened risks of discrimination, harassment or abuse when part of the workforce.

Summary of impacts

The table below summarises the most salient human rights issues identified. These are presented according to the associated supply chain activities where the impact has been identified. Each box represents an impact finding in relation to the supply chain activity (columns) and the rights category (rows). Positive impacts appear green, negative impacts appear orange or red. The most negative scores (red) reflect the most salient impacts identified by this study.



Rights category:	Rights issue:	Wild catch fishing	Primary processing	Sea freight transport	Secondary processing	Warehousing/ Road transport
Labour rights	Working conditions	Red	Red	Orange		Yellow
	Freedom of association and collective bargaining	Yellow	Red			
	Forced labour	Red	Orange	Yellow	Yellow	
	Child labour	Yellow	Yellow			
	Non-discrimination and equal opportunities	Yellow	Red	Yellow	Orange	Yellow
Economic, social and cultural rights	Adequate standard of living (livelihoods, housing, food, water)	Orange	Orange			
	Right to property	Yellow				
	Right to health	Orange	Orange	Yellow		Yellow
Civil & political rights	Right to life, liberty & security	Red		Yellow		
	Right to privacy		Yellow			
	Right to citizenship	Yellow		Yellow		
Cross-categorical rights	Right to an effective remedy	Red	Yellow	Yellow		
	Rights of indigenous people	Orange				

These impacts are due to a variety of causes. Some are due to contextual factors, such as the isolated location of fishing vessels, or to legal factors, such as the lack of regulatory oversight for vessels operating at sea or a lack of enforcement of legal frameworks, but also to economic factors and the structure of the industry. ALDI is one of many retailers here and has no direct contractual or investment relationships in the deeper supply chain where the most significant human rights impacts occur.

In this regard, the study identified three ways in which ALDI can influence key human rights impacts and their causes insofar as they are related to business drivers. These are:

- **Supplier selection:** The criteria by which ALDI selects its suppliers, as well as the decision factors related to how it awards contracts – and the requirements contained therein – can play an important role in shaping the conditions that exist within ALDI’s supply chains.
- **Purchasing practices:** The frequency, volume specification and timings of orders may influence working conditions at processing facilities and packing plants, including in relation to hours, overtime and safety, as well as wages paid to workers. More indirectly, they can also affect the choices available to suppliers in terms of where they source raw material. Where ALDI is linked to impacts through its purchasing practices, there will often be an opportunity to create more predictability and stability in a relationship with suppliers.
- **Prices paid to suppliers:** Prices paid by ALDI are both based on, but also in turn influence, market pricing of canned tuna.

The proposed action plan focuses on these business activities within ALDI, as well as other actions ALDI can take on a collaborative basis with other actors.

Mitigation action plan

Based on the recommendations of this HRIA study, ALDI has developed a Human Rights Action Plan. ALDI focuses on those areas, where it has potential linkage and leverage to address negative human rights impacts. Its commitment to take action is reflected in the following main objectives:

- Consolidate supply chain around fewer key, capable suppliers
- Improve the quality of supply chain data, increase transparency and strengthen risk assessment framework
- Strengthen ALDI’s purchasing practices to better support human rights objectives
- Collaborate with peers and external organisations towards shared solutions

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BACKGROUND TO THE STUDY

Following a Human Rights Risk Assessment (HRRA) conducted on ALDI food supply chains in 2018, fish and seafood products were identified as one of ALDI's high priority raw materials on which to conduct an in-depth human rights study, both in terms of materiality to ALDI, and the sector's significant risks of severe human rights impacts.

Due to the differing nature of production between wild catch and aquaculture and the resulting significant differences in human rights risks, this Human Rights Impact Assessment (HRIA) focused only on wild catch fish and seafood. Further, fishing practices differ significantly between wild catch fishing in marine waters – i.e., fishing in coastal waters, Exclusive Economic Zones (EEZ) and the high seas – as opposed to freshwater fishing. The HRIA focused on wild catch in marine waters (referred to as 'wild catch' from now on throughout the report) as this is the most significant source of wild catch products for ALDI and includes the most salient human rights risks and impacts.

This HRIA differs from other single product and single country-of-origin HRIAs in that it initially adopted a broad focus across all wild catch seafood products in ALDI's supply chain, with the purpose of developing recommendations applicable to ALDI's full range of wild catch fish and seafood products. This is owing to wild catch seafood being an inherently transnational and disparate supply chain thus creating a need for a broader geographic scope. Following a value chain analysis of these products, complemented by an initial assessment of key risks and impacts across the sector, the saliency assessment – leading to the impact findings and recommendations – focused predominantly on globally sourced tuna.

The impact findings in this report therefore focus on tuna, while integrating broader sector findings into recommendations for mitigation actions.

The aim of the HRIA was to:

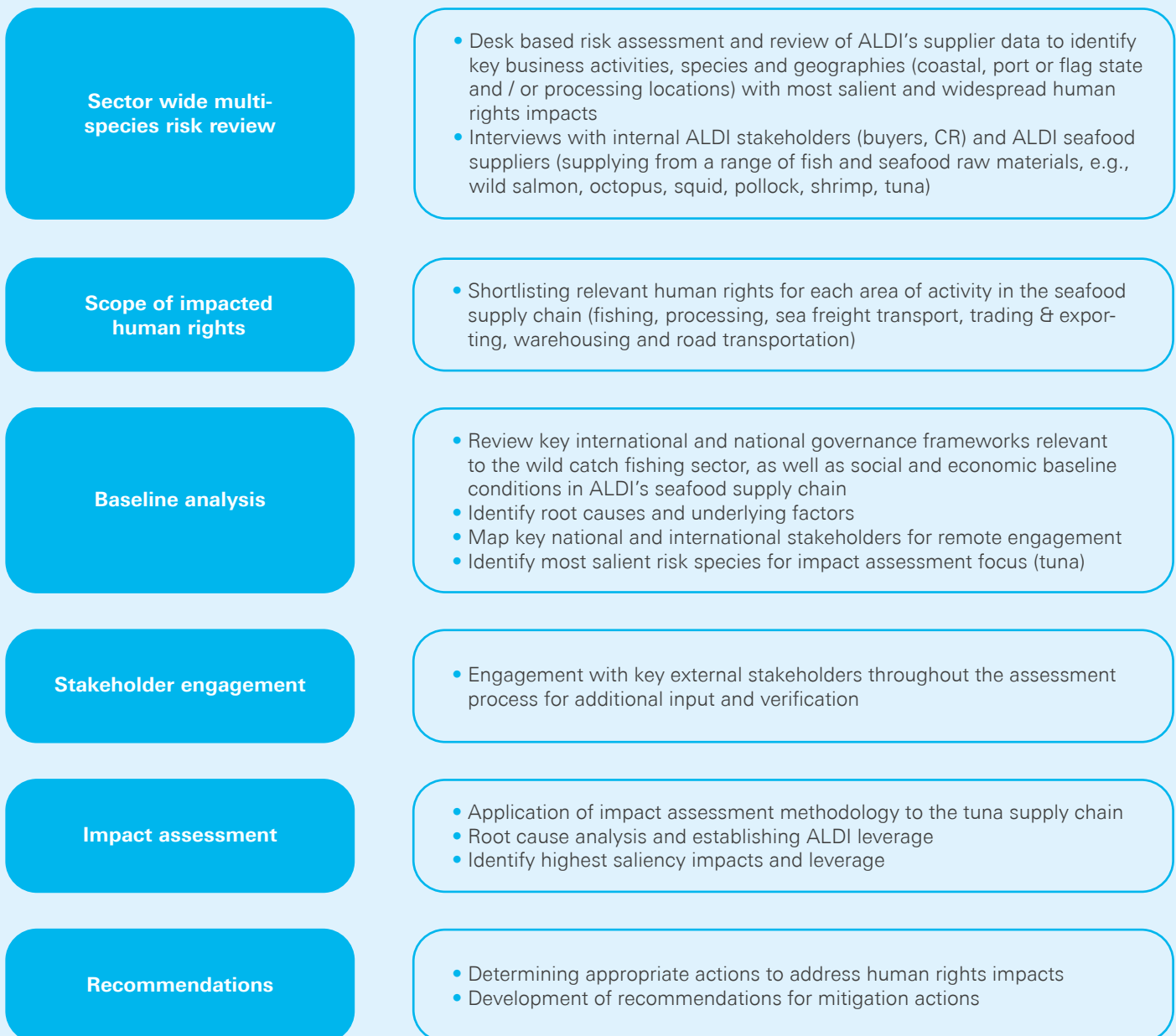
- Provide an understanding of where and how specific supply chain relationships and activities have the potential to impact internationally recognised human rights
- Expand understanding of key risks in the wild catch fish and seafood sector, focused on species with most salient risks such as tuna, including root causes
- Engage with relevant rightsholders and representatives to understand and incorporate their views related to actual or potential impacts as well as mitigation actions
- Identify actions to mitigate, prevent and / or remedy identified adverse impacts, as well as to potentially generate positive impacts

METHODOLOGY

ALDI engaged Ergon Associates, a specialist consultancy in labour and human rights to conduct this HRIA on fish and seafood. Ergon has extensive experience in carrying out human rights impact assessments on complex international supply chains. In many cases, this has involved extensive engagement with workers and communities around the world.

Human Rights Impact Assessments (HRIA) are specialist studies designed to support an organisation’s due diligence efforts in relation to international standards and frameworks, including the UN Guiding Principles on Business and Human Rights and the OECD Guidelines on Multinational Enterprises. The methodology used is designed to systematically identify actual and potential human rights impacts arising from specific business activities and relationships and rank them according to salience. Based on rightsholder feedback and a review of ALDI’s functions and capacities, appropriate mitigation or remediation actions have been developed.

The HRIA was based on the following steps:



Sector wide multi-species risk review

A desk review of ALDI's global sourcing data was conducted as a first step to both identify the relative materiality of specific species within ALDI's fish and seafood products as well as to build an initial picture of existing human rights risk across the different fisheries known to make up ALDI's supply chains. This step was further important to define key sourcing locations where human rights risks and impacts were reported. Following this review, an initial selection was made related to 10 fish species.

This review was followed by significant engagement with several key ALDI seafood suppliers to verify the findings from this initial review, to better understand similarities and variations in sourcing practices across ALDI's fish and seafood as well as to understand where these products originate from. These interviews covered suppliers across the range of wild catch fish and seafood products identified in the table above.

Focus on ALDI's private label canned tuna products

Following the initial global multi-species risk assessment, it was decided to focus the detailed impact assessment and mitigation strategy on ALDI's own-branded canned tuna products, as these were identified as:

- Representing the most materially significant wild caught fish and seafood product for ALDI by value and volume,
- containing the most variation in terms of suppliers and supply chain structures compared to other ALDI wild catch fish and seafood products, and
- exhibiting many of the most significant known human rights risks and impacts.

Canned tuna therefore not only presented a material and salient supply chain in its own right, but it also represented an indicative supply chain for the wider wild catch fish category, meaning that mitigation actions developed in relation to tuna could have wider application within the category.

Review of business activities

The exercise involved a close review and appraisal of ALDI's policies, CR requirements/governance documents and procedures related to procurement and supply chain management. This included human rights standards and due diligence processes along with information and plans related specifically to fish and seafood. During this phase, Ergon also engaged with internal ALDI stakeholders including fish and seafood buyers and the ALDI CR team to further understand ALDI's purchasing practices for fish and seafood.

Scoping potentially impacted rights and rightsholders

Rights likely to be affected by each supply chain activity were identified to produce a practical shortlist of rights to focus on both for the baseline and impact analysis. As a starting point Ergon used all the rights contained in the International Conventions on Civil and Political Rights and on Economic, Social and Cultural Rights as well as the ILO Core Conventions. The final shortlist included all human rights with a potential to be affected by business activities within the wild-catch fish and seafood industry.

Rights were identified to be in scope when:

- Sufficient evidence was found during initial desk-based research that the rights were impacted in the global seafood supply chain
- Knowledge of production conditions, of sector activities or specific geographic contexts indicated potentially impacted rights

Key rightsholders were also identified to be present in or affected by the economic activities in scope in ALDI's fish and seafood supply chain. These were:



Fishers and port workers



Communities: coastal and fishing dependent



Vulnerable groups (women migrants, minorities)



Transport workers



Factory workers and worker households



Indigenous groups



ALDI and suppliers' direct employees



Shipping workers

It is important to note that few categories of rightsholders are fully distinct; a person may be represented under more than one category of rightsholders simultaneously. In addition, impacts can be intersectional, meaning that they affect different rightsholders (as well as different individuals and groups within the categories of rightsholders) in different ways, depending for example on their gender identity, sexual orientation, ethnicity, age and/or class.

Integration of gender considerations in HRIA methodology

Women have been included as distinct rightsholders throughout the HRIA process. Early research identified sufficient evidence of differentiated rights impacts on women in the sector. The most salient impacts are predominantly in seafood processing, where women are generally overrepresented within the workforce compared to wild catch fishing or transport, where women are underrepresented. Where possible and relevant, engagement with stakeholders sought to clearly identify differentiated impacts for women compared to men.

Integration of migrant workers in the HRIA methodology

Migrant workers were included as specific rightsholders throughout the HRIA process, given the distinct impacts they experience in the fish and seafood sector. The most salient impacts are predominantly in wild catch fishing and in primary processing, two supply chain activities which rely significantly on low-cost labour for low-skilled labour-intensive positions, where migrants are typically overrepresented. Where possible and relevant, engagement with stakeholders sought to clearly identify how migrant workers were distinctly impacted in the sector.

Stakeholder engagement

External stakeholder outreach is a key element of the HRIA methodology and is designed to:

- Collect the views of potentially impacted workers and communities on the likelihood or potential severity of impacts, as well as their views on potential mitigation actions.
- Identify any stakeholders to follow up with for collaboration to address impacts or to monitor the implementation of certain mitigation measures.

Key external stakeholders were identified and prioritised through desk research, as well as through inputs from other stakeholders throughout the engagement process. The methodology prioritised engagement with representative stakeholder organisations of the identified rightsholders, such as civil society or research organisations, trade unions, multi-stakeholder platforms or other relevant organisations with extensive experience and knowledge of human rights issues at various stages of wild catch fish and seafood production.

The engagement focused on both organisations which were active and understood the seafood sector from a global perspective, as well as organisations' who understood the production and human rights context from a national or regional perspective for the key geographies identified to be relevant to ALDI's supply chain. This stakeholder engagement took place throughout the assessment to validate findings and receive additional input.

External stakeholders engaged:

- ALDI suppliers (5 suppliers, covering the majority of ALDI's wild catch fish and seafood products)
- 3 national and international trade unions
- 1 standards / certifications organisation
- 4 seafood sustainability initiatives and multi-stakeholder organisations
- 1 UN institution
- 5 national & international civil society organisations
- 3 national & international experts working closely with fishers

More than 15 additional stakeholders were contacted to take part in the assessment, such as national trade unions and international civil society groups for key ALDI sourcing locations identified. These did not respond to or declined the interview requests.

Due to ongoing COVID-19 restrictions during this assessment, as well as inherent challenges in wild catch fishing, in person field engagement could not be conducted. This limited the extent to which rightsholders' direct views could be incorporated into the study. Direct engagement with rightsholder groups in ALDI's key supply locations will be conducted by ALDI as soon as the travel situation related to COVID-19 allows for it. Engagement was instead focused on international and national organisations that represent and work closely with the rightsholder groups identified for this assessment.

Ensuring meaningful engagement

Topics for consultation and the resulting interview questions were customised for each stakeholder. Some questions were posed to all to gain a variety of perspectives, including broader questions relating to the positive and negative impacts of the sector, and recommendations for positive change.

Measures were taken to ensure stakeholders could comfortably express their views. This included:

- The confidentiality of the engagement process was communicated to all participating stakeholders. Participants were told that the HRIA was commissioned by ALDI and that their views would not be communicated either to ALDI or publicly on a named or identifiable basis.

- All interviews consisted of a basic explanation of ALDI's sourcing practices, current approaches and understanding of current risks – stakeholders were asked to input on which risks were greatest and where they are most likely to occur. Most interviews with international stakeholders were global in scope, looking to understand risks across ALDI's global sourcing locations. However, follow-up conversations or interviews targeted at understanding risks in specific origin locations (e.g. Philippines, Mexico, Ecuador) were also held.
- Most stakeholder conversations included a portion wherein stakeholders were asked to provide feedback on interim findings or advise on key resources or materials to input into the study. Civil society, experts and multi-stakeholder organizations were able to provide direct input and advise on where there were strengths and weaknesses in ALDI's current approach to sourcing tuna and many advised on concrete actions ALDI and peers could take to address key risks.
- ALDI Interviewees were consulted with a view to identifying opportunities for further collaboration or information sharing on human rights concerns. Stakeholders consulted for this study will expect further follow-up and engagement by ALDI.
- The external consultant (Ergon Associates) conducted the engagement independently of ALDI, to guarantee neutrality and confidentiality.

As part of ALDI's preparation for the human rights action plan (HRAP), the HRIA findings were communicated and reviewed with involved stakeholders.

Impact Assessment

A systematic assessment process was used to identify and rank salient impacts on specific rights categories across each of the supply chain activities in scope. This process took into account factors such as the likelihood of an impact occurring in relation to a given activity, whether the impact was positive or negative, and its severity/significance and scale.

Limitations

The methodology followed for this HRIA is considered to provide an effective means for identifying ALDI's main impacts in the fish and seafood supply chain and developing recommendations for an HRAP. However, there were some limitations:

- Remote nature of engagement for this assessment did not allow for interviews or discussion groups to be convened with directly impacted workers or communities.
- Although key geographies for wild catch fish and seafood were scoped based on ALDI's supplier data, some extrapolation was required.
- Although for the most part extensive, the quality of initial risk information on human rights varied, based on the species and geographies.
- Information on risks and impacts for shipping, road transportation and warehousing was predominantly based on desk research rather than engaging directly with rightsholders impacted by these supply chain activities. ALDI's direct leverage and influence over road transportation and shipping is severely limited, and therefore it is unlikely that priority actions emerging from this HRIA would be focused on transportation and shipping.

FISH AND SEAFOOD VALUE CHAIN – FOCUS ON TUNA

Key facts and figures: Tuna

Geography

- Tuna is a global industry, fished in over 95 countries and across all oceans (UN 2021).
- The majority of fishing vessels supplying catch to the canned tuna trade are owned and operated out of Taiwan, Indonesia, Philippines, Republic of Korea, Papua New Guinea, Ecuador, Mexico and Maldives (PCT 2020).
- The Western and Central Pacific region (FAO fishing area no. 71) is the largest source of tuna produced in the world. Around 52% of the global tuna catch (around 2.4 million MT) was caught in 2020 within the region (ISSF 2021).

Catch methods

- Globally, 65.7% of all tuna is caught by industrial purse seine vessels. 58% of yellowfin and 79% of skipjack is caught by vessels equipped with purse-seine nets (ISSF 2021). Although used to a lesser extent, longline, pole-and-line, gillnet and handline catch methods have been used on vessels known to have caught tuna for ALDI between 2019 and 2021.

Value addition

- Once caught, most (over 75%) wild-harvest tuna is canned (PCT 2020).
- Thailand, Ecuador and the Philippines are key canned tuna processors globally.
- ALDI mainly sells skipjack tuna within its canned tuna lines.

Social importance

- In 2018, an estimated 39 million people worldwide were employed in fisheries (FAO 2020c). In relation to tuna alone, fishing vessels and processing industries are estimated to provide employment and earning opportunities for more than 6 million people in the Asia-Pacific and many more around the world (MSC 2020).
- In Ecuador – a key ALDI sourcing location for tuna – around 25,000 people are estimated to be employed in the tuna sector (Seafish 2020).
- In addition to the livelihoods it supports, canned tuna is an important household staple the world over as an inexpensive and shelf-stable protein.

Economic importance

- Tuna is considered among the most economically valuable fish in the ocean. Earnings from coastal tuna fishing and offshore licensing provide an important source of foreign exchange earnings for many countries, including vitally, smaller, Pacific Island countries.
- In 2018 (latest year for which global data is available), the dock value – the amount paid to fishers and fishing companies was US\$11.7 billion for catching 5.2 million metric tons (PCT 2020). This translated into an end value of US\$40.8 billion (amount sold by retailers).
- The capital investment in the canned tuna industry alone is estimated at US\$15 billion (Blaha 2015).
- The most important factors influencing the global pricing of tuna are: catch size, different fishing gears used, certification, and in what product form it can be sold (canned, fresh, combined with other ingredients, from certain origins etc.).

Environmental importance

- According to the International Seafood Sustainability Foundation, 87.7% of the commercial tuna catches worldwide continue to be sourced from stocks at “healthy” levels. However, 9.6% came from overfished stocks (ISSF 2021).
- Tuna are a key predator as well as food source in the marine food chain and help to maintain an ecological balance by keeping certain populations of marine life in check and ensuring a strong food web.
- Tuna also have a role to play in producing oxygen and capturing carbon dioxide, transporting nutrients to the sea surface, which then sustains plankton populations.

Overview of activities and stages within ALDI's canned tuna supply chains

This section provides an overview of the canned tuna supply chains and the key activities and rightsholders affected or involved. The tuna supply chains are complex, making it difficult to generalise. While not all tuna entering or processed within ALDI's supply chains may follow the exact pathways indicated below, the most relevant supply chain actors for ALDI are listed below:



Category	Overview of role
Fishing (Vessels and vessel fleets)	<ul style="list-style-type: none"> Tuna is caught by industrial scale purse-seine fishing vessels which can be organized into commercial fleets, or which operate independently or form part of a cooperative. Industrial tuna production is largely undertaken by distant water fishing fleets operating either in international waters or in coastal waters under license by the relevant country or Regional Fisheries Management Organization (RFMOs). ISSF estimates that there are over 1,855 industrial purse-seine vessels targeting tuna as their primary catch (ISSF 2021a). Most of these are in the Eastern Pacific and Western and Central Pacific fishing regions. These vessels represent around 1/3 of the total capital investment in the tuna trade (US\$15 billion). Vessels are typically large (over 45 metres) and many vessels within ALDI's supply chain are equipped with their own short-range helicopters to identify tuna schools. A typical catch weighs from around 500 MT to 2,000 MT. The catch from these vessels is either bulk frozen or frozen in brine within the 'hold' of the boat until it is either 'landed' directly at port or transhipped at sea or at port onto refrigerated cargo ('reefer') vessels which then transport the catch to ports where they are offloaded and usually taken immediately for primary processing. Although industrial fishing vessels are responsible for the vast majority (about 80%) of the catch by volume (MSC 2020), in many cases, large vessels operate alongside smaller boats in coastal fishing areas utilizing traditional fishing methods. This is especially true for the Latin America and Pacific Island countries in ALDI's supply chain. Crew sizes vary from around 10 to 50 workers (Blaha 2015), the majority of which are 'deck hands' (general workers). Crew on fishing vessels are normally employed based on a work agreement or contract entitling them to a share of the catch and affording certain guarantees such as food and quarter onboard the vessel. However, the terms provided to workers vary in terms of the level of protection they afford, and their enforceability. Many of these workers are migrants, nationals of neither the country in which the vessel is based nor the country whose flag is flown by the vessel. Their contracts can last anywhere from a few weeks to several years. The vessels themselves can stay at sea anywhere from a few days to 2-3 months. Because of the intricate processes involved with catch, the presence of either heavy machinery or sharp objects and limited space on a fishing vessel, most of the work of handling tuna is hazardous and physically demanding. Most workers on board fishing vessels are male.
Primary processing	<ul style="list-style-type: none"> The tuna catch from vessels is either sold to a first buyer or processor via a trader or shipping agent, or it is processed by the company which owns the vessel or has a direct contract with the fleet which caught the fish or transported it to shore, the latter being the most common arrangement found within ALDI's supply chain. The offloaded fish are transported to processing facilities where they are cleaned and 'loined'. Most often, then, the loins will be vacuum packed, frozen and then exported to customers (usually canning facilities, where not part of the same facility). The main primary processing locations for ALDI are Philippines, Ecuador, Mexico and Papua New Guinea. Facilities in these locations employ a mix of migrant and domestic workers, the majority of whom are women.
Trading	<ul style="list-style-type: none"> Most commonly, fishing companies work through traders to get their catch to market. Traders offer a one stop shop for procurement, logistics and marketing. Within ALDI's supply chain, traders are usually intermediaries between the fishing company and processor or direct supplier. In several cases, however, the trader will also have processing capabilities and will be direct suppliers to ALDI themselves. Typically, traders conclude ad-hoc supply agreements with fishing companies to supply a set volume of raw material at a given specification within a limited timeframe, defined in order to meet the requirements of an order which has been issued by a retailer like ALDI. These are one-off sale transactions taking place under a framework agreement which are usually 1 year or less. Companies supplying the most tuna to ALDI in terms of volume seek to obtain supply from producers through direct contracts (rather than through auctions, traders or agents).

Category	Overview of role
Sea freight transport	<ul style="list-style-type: none"> Fish in ALDI's supply chain is typically shipped in refrigerated containers by sea using major international freight hauliers. Key destination ports include Portugal (Lisbon), Germany (Hamburg) and Rotterdam (Netherlands). Key rightsholders in this category include seafarers and port workers.
Secondary processing (canning and packaging)	<ul style="list-style-type: none"> Over 75% of the global tuna catch is canned each year (estimated at 4 million MT in 2018) (PCT 2020). This involves packaging of pre-processed and pre-cooked fish into shelf stable cans in a sterile, food grade plant. Food handling, safety and import requirements differ from country to country. Most often, ALDI's first-tier supplier is responsible for canning. The supplier will seek processors and packagers that have capacity to meet ALDI's order volume requirements and specifications. The supplier then concludes a one-off agreement with these companies to guarantee availability of the product at a certain price for a specific period. Most of these canning/processing operations are based in Europe (Germany, the Netherlands and Portugal). However, some canning facilities are based closer to the landing port (e.g., Mauritius). Some suppliers import products through a trader or separate subsidiary import company and then manufacture or contract a manufacturer at eligible European processing plants (IFS and BSCI certified). Canned tuna products are then labelled and packaged, itemised into orders and shipped to warehouses supplying a regional concentration of ALDI stores.
Warehousing/Road transport	<ul style="list-style-type: none"> Transportation involves road shipment to warehouses and processing facilities and from warehouses to retail stores by trucks using public roads and highways.

Top raw tuna sourcing locations for ALDI

Wild catch fishing is dynamic, and sourcing is global and also responsive to migratory shifts in tuna population. ALDI's suppliers therefore source tuna from a variety of geographies and these supply patterns vary year-on-year. This means that there is high variability from one year to the next in terms of sourcing volumes and most significant suppliers. Geographic origin may also vary year-on-year.

The supply analysis and mapping conducted for this exercise was based predominantly on data held by ALDI for the period of 1 January 2020 to 31 December 2020.

Significant ports, processing sites and flag states in ALDI's canned tuna supply chains

Country	FAO region(s)	Link in ALDI supply chain
Ecuador	FAO 87	Processing, Landing port, flag state
Philippines	FAO 71	Processing, Landing port, flag state
Papua New Guinea	FAO 71	Processing, Landing port, flag state
Vietnam	FAO 71	Processing, Landing port, flag state
Ghana	FAO 34	Processing, flag state
Panama	FAO 77, FAO 31	Flag state
Maldives	FAO 51	Processing, Landing port, flag state
Kiribati	FAO 71	Landing port, flag state
South Korea	FAO 61	Landing port, flag state
Thailand	FAO 57, FAO 71	Flag state*
Indonesia	FAO 57, FAO 71	Flag state
Mexico	FAO 77	Landing port, flag state
Mauritius	FAO 51	Processing, flag state

* Note that while Thailand is the world's largest producer of canned tuna, it is a rare and minor sourcing location for ALDI.

Top fisheries within ALDI's tuna supply chain

FAO 71: Pacific, Western Central	Maldives EEZ	FAO 51: Indian Ocean, Western	Eastern Arabian Sea
FAO 61: Pacific, Northwest	Papua New Guinea EEZ	American Samoa EEZ	Solomon Islands
FAO 77: Pacific, Eastern Central	Mexico EEZ	FAO 87: Pacific, Southeast	FAO 81: Pacific, Southwest

International standards regulating wild catch fishing

There are various important international instruments which regulate aspects of wild catch fishing, including tuna. They promote responsible management of fisheries, preventing and addressing IUU fishing activities, protection of labour rights of workers in fisheries and socio-economic rights of fishing communities.

ILO, Work in Fishing Convention, No. 188 – 2007 (C188)

- The [ILO Convention No. 188](#) sets basic standards for coastal states in relation to decent work conditions in the commercial fishing industry, including provisions related to wages and working hours, minimum age, medical examination requirements, work or employment agreements, food and accommodation, recruitment agencies, medical provisions and occupational health and safety prevention.

FAO, Port State Measures Agreement to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing (PSMA) (2009)

- The [Port State Measures Agreement \(PSMA\)](#) is a binding inter-governmental (coastal state) agreement focused on establishing specific controls in coastal states to prevent illegal, unreported or unregulated (IUU) caught fish from being accepted into port and entering the global market. PSMA applies to fishing vessels seeking entry into a port other than those of the flag State of the vessel.

IMO, Cape Town Agreement (2012)

- The [2012 Cape Town Agreement](#) is an internationally-binding agreement applicable to flag states and coastal states that outlines safety standards for commercial fishing vessels and details regulations that countries party to the agreement must adopt to protect fishing crews and their observers.

IMO, Convention on Standards of Training, Certification, and Watch-keeping for Fishing Vessel Personnel (STCW-F) (1995)

- The [STCW-F](#) is a binding treaty aimed at flag and coastal states that sets minimum training and certification requirements for crew members of marine fishing vessels. STCW-F applies primarily to deck personnel, skippers and officers of vessels of 24 meters or longer or to engineers working on fishing vessels powered by 750 kw propulsion or more.

FAO Code of Conduct on Responsible Fishing (1995)

- The [Code of Conduct for Responsible Fishing](#) is a voluntary code aimed at national regulatory agencies which sets out international principles and standards of conduct relating to responsible fishing practices with the objective to ensure effective conservation, management and development of living aquatic resources.

EU IUU Regulation (No. 1005/2008)

- The [EU IUU legislation](#) aims to deter the occurrence of IUU fishing by limiting entry to the EU market to exporting countries, fisheries and vessels complying with international obligations against IUU fishing.

Key issues facing the tuna and broader wild catch seafood industry: the supplier view

As part of the assessment, ALDI suppliers were interviewed to understand their views in relation to the current situation for major actors in the tuna marketplace. Key reported issues include:

- **Supply availability:** Overall stock of several tuna species have diminished and – in response – there have been several regulatory developments which have emerged to prevent overfishing (e.g., preventing certain types of catching methods such as Fish Aggregating Devices – FADs)
- **Global demand for tuna:** Demand for raw tuna destined for the canning industry outstrips supply. Fishers’ catch will nearly always find a market.
- **Price volatility:** Because of the relative scarcity of tuna, prices have a high amplitude and are sensitive to even the smallest changes in supply availability, which also fluctuates significantly. This makes it difficult for suppliers to base pricing on historical data. Further, basing wholesale pricing on historical data when dock prices are so volatile means that suppliers are absorbing higher risks.
- **Sustainability of tuna fisheries:** Around 10% of tuna entering the global marketplace still comes from overfished stocks (ISSF 2021). This is linked in large part to the overcapacity of fishing fleets.
- **Transport costs:** Suppliers report that they have seen around a 2% increase in import freight rates year on year in 2020.
- **Fuel prices:** At the vessel level, fuel is the most significant cost of production. The industry is therefore highly sensitive to fluctuations global petrol and diesel prices.
- **Cost of compliance:** Suppliers report an increasing volume of administration required to meet standards specifications from their buyers (e.g., import requirements, tariff regimes, social, quality, food safety and environmental standards) and changing consumer preferences. They report that these come with additional costs, which aren’t clearly distributed in the supply chain and are therefore often borne by them.
- **COVID-19:** (see page 30).

How ALDI buys fish and seafood

Buying practices

Selecting and working with business partners

- ALDI worked with 17 main direct suppliers of tuna products in 2021, most of whom are wholesalers based in the European Union. However, 80% of retail units sold were supplied by just four main suppliers.
- At tendering, suppliers are expected to forecast the volumes which they expect to be able to supply based on their saleable reserve stock and predicted performance of local fishing fleets operated by producers. ALDI has a preference to work with suppliers who have a track record of delivering on time and in accordance with ALDI’s quality, sustainability and ethical trade commitments set out in ALDI’s Fish Purchasing Policy and International Catalogue of Requirements (ICOR) for fish and seafood, which requires adherence to international human rights and other standards frameworks.
- ALDI prioritizes long-term buying relationships and prefers to offer a supply contract to a company with which it has previously conducted successful business.
- When it comes to contract awards, price and reliability are the most significant factors as quality, sustainability and other factors are pre-specified.
- Prices offered in tenders can vary by up to 20% from the most expensive to least expensive quotes. Outside of this range, – particularly very low – offers are treated with suspicion because this raises the question of whether critical corners have been cut.

Product specification

- Canned tuna comprises a range of products consisting of cooked tuna in water, sometimes in oil (olive, sunflower) and in some cases containing herbs and spices.
- ALDI suppliers must look to acquire raw material from fisheries which meet quality standards and satisfy western import requirements.
- Orders must also conform to the specifications set out in ALDI’s Fish Purchasing Policy and International Catalogue of Requirements (ICOR), a binding set of sustainability criteria which is included in the contracts ALDI holds with its suppliers.

Contractual arrangements with suppliers

- Tenders are put out to short list of suppliers approximately every year. Contracts for tuna supply are short term (avg. 1-year contracts) with a maximum price fixed for the duration.
- Suppliers are responsible for maintaining connections between producers, importers (in some cases) and processors to ensure that orders can be fulfilled in a timely manner.

Volumes

- Contracts with key seafood suppliers (supplying tuna and other products) do not include fixed volume (neither minimum nor maximum volume is indicated in the contract). The supplier can be asked to supply variable volumes throughout the year.
- Under current arrangements with suppliers, it is responsibility of the supplier to forecast market demand and possible volume that they will need to supply to ALDI.
- Where at the end of a contract a supplier holds excess stock, ALDI, in practice, has extended the contract to allow for the stock to be exhausted.

Pricing

- Contracts specify the maximum fixed price for the length of a contract and the tender is awarded in accordance with the price offered and quality specified.
- Because order volumes are not specified in the supply contracts agreed, it is the length of the relationships which allow suppliers to determine whether this is possible and ALDI factors this in when deciding to whom supply contracts are to be awarded.
- Raw material availability tends to be the key reported factor that influences pricing year-on-year. Catch volumes can vary significantly and prices are highly sensitive to variable catch volumes, variations of between 10 and 20% on a given starting price (dock price) for skipjack and yellowfin tuna products in a single sales year are not uncommon.
- Certification and other standards usually command a premium on the market compared to conventionally produced goods. However, as this is a key specification for ALDI, this does not translate into much price differentiation across different tenders received.

Visibility down the supply chains

Transparency and traceability requirements

- ALDI has good awareness of the geographic origin of the tuna it sources and is working to build a complete data base for vessels, ports and factories the product passes through. EU food safety standards require that ALDI request detailed information on harvest practices and obtain catch certificates linked to every unit of tuna product sold.
- ALDI suppliers need to be able to specify the time of catching, the vessel and the port of landing for all tuna products. The supplier must also be able to retrace the entire supply chain based on the item specification (batch number in connection with the relevant best-before date) indicating all entities which have handled the catch.
- Beginning from 2022 suppliers are required to input data into the Sustainable Fisheries Partnership (SFP) metrics system. SFP then collates and provides ALDI a compilation of the available traceability data provided by its suppliers. The input data requirements will be aligned with the Global Dialogue on Seafood Traceability 1.0.
- Research for this HRIA found that challenges nevertheless exist in data collection that currently impede a better understanding of supply chain linkages. Data collection remains a challenge - also in relation to specific regions.

Business relationships along the value chain

- Fishing firms that supply wild caught tuna to ALDI's private label suppliers and wholesalers are geographically dispersed across the world, with owners, processors, traders and wholesalers often located in different jurisdictions than those that the vessels operate in. As discussed in the value chain overview (3 above), there are many different possible configurations of business relationships and trade deals leading to an often complex web of transactions needed to get tuna to market. This is business as usual in the canned tuna industry and ALDI has little ability to influence this on its own.
- Several of ALDI's largest suppliers (in 2019 and 2020) report that their business models depend on making long term agreements with fishing companies to develop a reliable security of supply. While these longer-term arrangements can support stronger, more predictable linkages in the supply chain, which are desirable to improve supply chain visibility, it also carries a higher financial risk for wholesaling suppliers who must intermediate between producers, traders, processors and brands such as ALDI. Suppliers who maintain closer and longer-term linkages with their production base say they have an ongoing, implicit obligation to their suppliers (e.g., to purchase raw product even when a buyer is not lined up) and because raw material scarcity/lack of supply is a key issue, this carries some financial risk for them as these suppliers cannot afford to lose the supply connections which underpin their trading strategies.

ALDI's ethical trade and social commitments

Standards for fisheries

- ALDI and many of its peers have made commitments to sustainable sourcing and the conservation of marine ecosystems as the high demand for tuna has threatened the populations of several species making the need for sustainably managing tuna fisheries of critical importance.
- ALDI has preferentially sourced Marine Stewardship Council (MSC) certified product since 2016 and from 2022, will increase the volume of tuna sourced from MSC projects. The MSC standard itself is focused largely on conservation and does not explicitly target social or labour rights but following a global consultation, MSC has introduced new requirements to provide transparency of labour practices at sea. All MSC certified fisheries and at-sea supply chains are now required to report publicly on the measures they are taking to address forced and child labour. While the MSC Fisheries Standard does not purport to impact directly on labour rights, some benefits, particularly in relation to oversight of activities within certified fisheries, have been observed by researchers and certified fisheries users.
- ALDI's social and environmental standards are contained in its Fish Purchasing Policy and International Catalogue of Requirements (ICOR). Chiefly, in relation to tuna, ALDI preferences products which are MSC certified when tendering – 50% of tuna production globally is engaged in the MSC programme as of 2021. If MSC certification is not possible, then the supplier or processing company, respectively should satisfy at least one of the following requirements:
 - The fishery is low risk as defined in ALDI's International Catalogue of Requirements and Fish Purchasing Policy
 - The supplier is a member of ISSF (International Seafood Sustainability Foundation)
 - The vessel is registered with the Proactive Vessel Register (PVR)
 - The fishery verifiably supports a Fishery Improvement Project (FIP) that is registered on FIPs and thus meets the requirements of the Sustainable Fisheries Partnership (SFP)
- Further, the supplier ensures that either the supplier itself or the processor is an ISSA participant and/or the fishing vessel is registered on the Proactive Vessel Register (PVR).

Risk rating system

- As alternative to certification, a supplier must check the [FishSource](#) (Sustainable Fisheries Partnership) scores prior to the tender to ensure that the fishery scores meet ALDI's requirements defined for fish and seafood products. During the tender, the supplier must provide information on the relevant fishery scores and a link to the relevant fisheries the firm would be procuring from. Low risk fisheries are defined as all fishsource.org category scores equal to or greater than 8.

Involvement in initiatives and collaborations

- ALDI joined the Foreign Trade Association (FTA) in 2008 and, as a participant of the Business Social Compliance Initiative (BSCI), committed to act in accordance with the BSCI Code of Conduct. The BSCI Code of Conduct is a binding part of ALDI's General Terms and Conditions. Compliance with the Code is therefore an obligation imposed on all ALDI suppliers and their production facilities.
- ALDI has joined the Global Tuna Alliance (GTA), a group of retailers and companies trading in tuna working collaboratively to find industry-wide solutions to traceability, social responsibility, conservation and human rights.
- ALDI supports the Global Dialogue for Sustainable Tuna (GDST) 1.0 standards for measuring and reporting on progress towards sustainable tuna production.
- ALDI has also worked with FishWise for the development of a Corporate Responsibility Supplier Evaluation (CRSE) for Fish and Seafood which uses a self-assessment questionnaire to inform a supplier performance rating. This is currently in use for tuna and is awaiting further rollout in 2022.

Processing and production sites

- In relation to processing and downstream production sites, ALDI requires IFS certification and BSCI certification for each production site.
- Where ALDI receives information about critical non-compliances from production sites (such as child labour or forced labour), ALDI's policy is to have a follow up (audit, corrective action planning, remediation) and to reaudit. Termination of supply agreements is a final option when all other measures have not worked. If this should happen, ALDI has a responsible exit strategy in place.

IMPACT FINDINGS

This section sets out the key impact findings arising from the study, based on the baseline assessment and stakeholder engagement. The impact findings are separated into sections relating to each supply chain activity in scope. As further discussed in section 5.2, many of the impacts identified have been compounded by the COVID-19 pandemic.

The impacts identified below are predominantly focused on tuna but also reflect the findings from the initial risk assessment on ALDI's key fish and seafood species (see section 2 for the list of species).







The impact rating is based on a saliency assessment for each impact. This takes into account whether the impact is positive or negative, whether it is directly attributable to the activity in question, its duration, its likelihood, and its magnitude.








Summary of impacts

The table below summarises the most salient human rights issues identified in relation to tuna. These are presented according to the associated supply chain activities where the impact has been identified. The most negative impacts (deepest red) reflect the most salient impacts identified by this study.

Wild catch fishing



Key geographies for this supply chain activity: Western Pacific Ocean, Indian Ocean, Mid-Eastern Atlantic Ocean. In addition, there are enhanced risks of salient impacts whenever flags of convenience (FOC) are used.

Rights issue	Rightholder(s)	Impact	Impact Rating
Working conditions	Migrant fishers & port workers	<ul style="list-style-type: none"> OHS: Working conditions in wild catch fishing are inherently hazardous and lead to severe OHS risks, including: injuries and death, physical or psychological trauma following common hazard exposures Employment terms: Written employment contracts are uncommon; workers on fishing vessels are reported to work long and irregular hours, including work at night (up to 18-20h per day without rest) High incidence of working poverty due to wages often being determined based on catch volume; this can result in underpayment or withholding of wages 	
Forced labour	Migrant fishers & port workers	<ul style="list-style-type: none"> Recruitment of foreign migrant workers through labour intermediaries is reported to include significantly exploitative recruitment practices (e.g., passport confiscation, excessive recruitment fees and other costs, misinformation / misleading migrants from understanding their rights and employment terms). Migrant workers are significantly susceptible to indebtedness, informality and potentially to criminal activities linked to IUU fishing 	
Right to life, liberty & security	Migrant fishers & port workers, fishing dependent communities, observers	<ul style="list-style-type: none"> Dangerous working conditions leading to occupational fatalities; reports of possible deaths and disappearances of fishers and observers; limited investigations and many missing persons investigations unresolved 	
Right to an effective remedy	Fishers & port workers, observers	<ul style="list-style-type: none"> Fishers have limited and rare access to grievance resolution channels, in addition to the absence of worker representation to voice individual or collective grievances. In addition, workers are reported to fear retaliation by employers and sometimes other workers and are therefore likely to underreport issues 	
Adequate standard of living (livelihoods, housing, food, water)	Fishers & port workers, fishing dependent communities	<ul style="list-style-type: none"> Artisanal fishing access to marine resources is limited by (illegal) commercial scale fishing in coastal areas, which has led to stock depletion and ecological disruption Artisanal fishers have no insurance or safeguarding against poor catch or against significant raw material price volatility Poor accommodation and weak health & safety standards onboard vessels for fishing crew, as well as limited to no access to health services 	
Right to health	Fishers & port workers	<ul style="list-style-type: none"> Limited to no access to health services for fishing workers, lack of adequate food or water provisions onboard fishing vessels Lack of protective equipment provision which lead to clear health impacts due to inherent hazardous employment conditions 	

Rights issue	Rightholder(s)	Impact	Impact Rating
Rights of indigenous peoples	Indigenous peoples, fishing dependent communities	<ul style="list-style-type: none"> Artisanal and indigenous fishing communities are not provided adequate access provisions, which are minimally enforced when extended. Commercial level activities are often favoured and continue to take place in coastal or community access-only waters. In addition, commercial level stock depletion severely limits access to fishing for small-scale artisanal fishers. This risk is higher in countries with significant coastal resident indigenous population. 	
Freedom of association and collective bargaining	Migrant fishers & port workers	<ul style="list-style-type: none"> Inherent barriers to unionization exist for fishers, including legal restrictions or barriers against migrant workers to form or participate in trade unions (Thailand, Malaysia) Suppression of union activities by employers, workers blacklisted when taking part in union forming or worker representation activities (Ghana) 	
Child labour	Fishers & port workers	<ul style="list-style-type: none"> Weak labour governance and limited enforcement leads to the potential for adolescent hazardous child labour Hazardous child labour can lead to lasting harm to physical and mental development of a child 	
Non-discrimination and equal opportunities (labour)	Women and migrant fishers & port workers	<ul style="list-style-type: none"> Structural challenges to women participating in fishing activities, due primarily to long standing gender norms which favour male workers Fishers commonly engage low-cost migrant workers, who are typically overrepresented in non-managerial or supervisory positions. In addition, in several countries studied, migrants do not enjoy the same labour protections as local workers 	
Right to property	Fishing dependent communities	<ul style="list-style-type: none"> Special access provisions for artisanal and indigenous fishing communities are frequently inadequate and minimally enforced. Commercial level activities are often favoured and continue to take place in coastal or community access-only waters. In addition, commercial level stock depletion severely limits access to fishing for small-scale artisanal fishers. This risk is higher in countries with significant coastal resident indigenous population 	
Right to citizenship	Fishers & port workers	<ul style="list-style-type: none"> Fishing crew can be abandoned in international waters or foreign ports, with limited to no access to legal protections, and therefore no legal access to owed wages or repatriation measures. 	
Gender (non-discrimination and GBVH)	Fishers & port workers, observers, women	<ul style="list-style-type: none"> Reports of women and children trafficked in service of tuna fishing fleets in Kiribati and Marshall Islands. 	

Primary processing

Key geographies for this supply chain activity: China, Southeast Asia, Papua New Guinea, Ghana and South Africa.

Rights issue	Rightholder(s)	Impact	Impact Rating
Working conditions	Processing workers, women	<ul style="list-style-type: none"> Several salient impacts related to working conditions are reported among fish processing workers, including low pay and high incidence of working poverty, as well as severe occupational injuries 	
Freedom of association and collective bargaining	Processing workers, women	<ul style="list-style-type: none"> Anti-union tactics – including death threats – by employers are frequently reported by worker representatives; this can have significantly lasting effects on workers' efforts to organise 	

Rights issue	Rightholder(s)	Impact	Impact Rating
Non-discrimination and equal opportunities (labour)	Processing workers, women	<ul style="list-style-type: none"> Women are typically overrepresented amongst the lowest paid job categories, while management roles are primarily filled by men Significant reports of discrimination, sexual harassment and gender-based violence by factory management 	●
Forced labour	Processing workers, women	<ul style="list-style-type: none"> Reports of forced labour – particularly involving migrant workers – in processing factories (e.g., Philippines, Papua New Guinea), including due to the use of third-party labour agencies and contractors 	●
Adequate standard of living (livelihoods, housing, food, water)	Processing workers, women	<ul style="list-style-type: none"> Frequent reports of substandard worker accommodation for workers in seafood processing 	●
Right to health	Processing workers, women	<ul style="list-style-type: none"> Employment conditions are inherently hazardous, with frequent lack of or inadequate OHS measures, which can lead to occupational injuries (e.g., soft tissue, skeletal fractures, infections, development of illnesses) 	●
Child labour	Processing workers	<ul style="list-style-type: none"> Risks of underage labour, particularly where there is higher workplace informality. In addition, there are important age verification challenges in key migrant sending countries (e.g., Indonesia, Myanmar, Philippines, Cambodia, Lao) 	●
Right to privacy	Processing workers, women	<ul style="list-style-type: none"> Potential risks related to employee data protection and safeguarding, where workplace surveillance is common and conducted where not necessary or proportionate to the business operations 	●
Right to an effective remedy	Processing workers, women	<ul style="list-style-type: none"> Fish and seafood processing workers have limited and rare access to grievance mechanisms, in addition to adequate worker representation challenges to voice individual or collective grievances Workers also report fear of retaliation by employers and sometimes other workers and are therefore likely to underreport issues 	●

Sea freight transport

Key geographies for this supply chain activity: Western Pacific Ocean, Indian Ocean, Mid-Eastern Atlantic Ocean. In addition, there are enhanced risks of salient impacts whenever flags of convenience (FOC) are used.

Rights issue	Rightholder(s)	Impact	Impact Rating
Working conditions	Seafarers	<ul style="list-style-type: none"> Frequent reporting of risks related to hazardous working conditions, occupational injuries and fatalities related to working on ships. Although modern ships tend to have comfortable quarters and leisure facilities, working time can be long, irregular and with many physical and mental health and safety risks owing to working at sea for extended periods of time. This has worsened as a result of the Covid-19 pandemic, with large numbers of seafarers stranded at sea beyond their normal contract periods. 	●
Forced labour	Seafarers	<ul style="list-style-type: none"> Risks of significant exploitative recruitment practices where migrant seafarers are recruited by labour intermediaries which may lead to indebtedness 	●
Non-discrimination and equal opportunities (labour)	Women seafarers	<ul style="list-style-type: none"> Structural challenges to women participating in maritime transport activities, due primarily to long standing gender norms which favoured male workers As a result, women seafarers face significant risks of harassment and abuse on shipping vessels, both due to the isolated nature of shipping vessels as a workplace and the predominance of male workers 	●

Rights issue	Rightholder(s)	Impact	Impact Rating
Right to health	Seafarers	<ul style="list-style-type: none"> Pollution from ships and lack of effective OHS measures or adequate PPE provision can lead to significant negative health impacts on workers Inherent challenges in accessing clean water and adequate food provisions, as well significant risks of poor health and hygiene standards onboard vessels 	●
Right to life, liberty & security	Seafarers	<ul style="list-style-type: none"> Risk of seafarer abandonment in foreign ports with limited to no access to legal protections, and therefore no legal access to owed wages or repatriation measures 	●
Right to citizenship	Seafarers	<ul style="list-style-type: none"> Risk of seafarer abandonment in foreign ports with limited to no access to legal protections 	●
Right to an effective remedy	Seafarers	<ul style="list-style-type: none"> Absence of reliable or effective means of grievance resolution, especially at operation level (with high potential social consequence due to isolation of seafarers) 	●
Freedom of association and collective bargaining	Seafarers	<ul style="list-style-type: none"> Limited reports of shipping companies operating in or establishing bases in ports reported by unions to use anti-union tactics 	●

Secondary processing

Key geographies for this supply chain activity: Germany, Poland, Netherlands.

Rights issue	Rightholder(s)	Impact	Impact Rating
Non-discrimination and equal opportunities (labour)	Processing workers, women	<ul style="list-style-type: none"> Women are typically overrepresented amongst the lowest paid job categories, while management roles primarily filled by men Some reports of discrimination and sexual harassment by factory management 	●
Forced labour	Processing workers, women	<ul style="list-style-type: none"> Limited reports of forced labour – particularly involving migrant workers – in processing factories, including due to the use of third-party labour agencies and contractors (mainly in the European Union) 	●
Working conditions	Processing workers, women	<ul style="list-style-type: none"> Impacts related to working conditions may include low pay, irregular or long working hours, limited or irregular entitlement provisions (e.g., rest, leave, allowances) 	●
Freedom of association and collective bargaining	Processing workers, women	<ul style="list-style-type: none"> Some barriers to unionisation for processing workers, including due to the use labour intermediaries, and reported government and employer resistance to trade unions 	●
Right to health	Processing workers, women	<ul style="list-style-type: none"> Limited risk of occupational injuries in processing factories 	●
Right to privacy	Processing workers, women	<ul style="list-style-type: none"> Potential risks related to employee data protection and safeguarding, where workplace surveillance is common 	●

Warehousing and road transport

Key geographies for this supply chain activity: European Union.

Rights issue	Rightholder(s)	Impact	Impact Rating
Working conditions	Transport workers	<ul style="list-style-type: none"> Several inherent health & safety risks, including due to road safety challenges and long working hours Some reports of negative health impacts due to inadequate OHS policies & procedures in warehouses 	●

Rights issue	Rightholder(s)	Impact	Impact Rating
Non-discrimination and equal opportunities (labour)	Women transport workers	<ul style="list-style-type: none"> • Significant demand for low-cost migrant workers, who are typically overrepresented in non-managerial or supervisory positions. This leads to important risks of discrimination in treatment of migrant workers • Structural challenges to women participating in truck driving, a male dominated industry which is generally perceived as a male occupation • As a result, women truck drivers face significant risks of discrimination in hiring as well as possible harassment and abuses by male co-workers during training and onboarding 	●
Right to health	Transport workers	<ul style="list-style-type: none"> • Risks of exposure to pollution - constant presence on the road and no requirements to prevent or minimise potential health impacts of pollution 	●
Forced labour	Transport workers	<ul style="list-style-type: none"> • Road transportation is a globally high-risk sector for forced labour. The risk is lower compared to other impact areas but may be underreported 	●
Freedom of association and collective bargaining	Transport workers	<ul style="list-style-type: none"> • Challenges to unionization due to the inherently isolated nature of work • Significant demand for low-cost migrant labour may create additional challenges to collaboration and organisation between workers 	●
Right to property	Transport workers	<ul style="list-style-type: none"> • Risks of collision in road transportation, especially where regulation is weakest may lead to damage to private vehicles or structures with limited access to remedy 	●

Impacts relating to gender

Impacts on women in the sector were identified to be primarily related to non-discrimination and equal opportunity and GBVH in the workplace. The gender-specific impacts identified per key supply chain activity are:

Rights issue	Rightholder(s)	Impact	Impact Rating
Wild catch fishing			
Non-discrimination and equal opportunities (labour)	Women and migrant fishers & port workers	<ul style="list-style-type: none"> • Structural challenges to women participating in fishing activities, due primarily to long standing gender norms which favour male workers 	●
Gender (non-discrimination and GBVH)	Fishers & port workers, observers, women	<ul style="list-style-type: none"> • Reports of women and children trafficked in service of tuna fishing fleets in Kiribati and Marshall Islands 	●
Primary processing			
Non-discrimination and equal opportunities (labour)	Women, processing workers	<ul style="list-style-type: none"> • Women are typically overrepresented amongst the lowest paid job categories, while management roles primarily filled by men • Significant reports of discrimination, sexual harassment and gender-based violence by factory management 	●
Sea freight transport			
Non-discrimination and equal opportunities (labour)	Women seafarers	<ul style="list-style-type: none"> • Structural challenges to women participating in maritime transport activities, due primarily to long standing gender norms which favoured male workers • As a result, women seafarers face significant risks of harassment and abuse on shipping vessels, both due to the isolated nature of shipping vessels as a workplace and the predominance of male workers 	●
Secondary processing			
Non-discrimination and equal opportunities (labour)	Women, processing workers	<ul style="list-style-type: none"> • Women are typically overrepresented amongst the lowest paid job categories, while management roles primarily filled by men • Although less likely in European geographies, some reports of discrimination and sexual harassment by factory management 	●

Rights issue	Rightholder(s)	Impact	Impact Rating
Road transport / warehousing			
Non-discrimination and equal opportunities (labour)	Women transport workers	<ul style="list-style-type: none"> Structural challenges to women participating in road haulage industry, a male dominated industry which is generally perceived as a male occupation As a result, women truck drivers face significant risks of discrimination in hiring as well as possible harassment and abuses by male co-workers during training and onboarding 	●


It is important to note that impacts can be intersectional, meaning they affect different rightsholders (as well as different individuals and groups within the categories of rightsholders) in different ways. This means that the identified gender-specific impacts may affect individuals and groups within the broad category 'women' differently, depending on their sexual orientation, ethnicity, age, class, migration background etc.

Additionally, due to the highly feminised workforce in processing factory operations, the identified impacts on rights in primary and secondary processing should also be understood to apply to women. This means for example that negative impacts on working conditions, forced labour and adequate standard of living affect women processing workers as well as men. However, as these individual impacts are not distinctly different for women and male processing workers, they are not characterised as gender-specific impacts.

Impacts relating to migrant workers in the fishing industry

Impacts on migrants in the sector were identified to be primarily related to the issues of forced labour, working conditions, freedom of association and collective bargaining, and the right to health. In addition, migrant workers are especially vulnerable to discrimination in wild catch fishing, where they frequently do not receive the same legal protections as local workers, an issue of greater salience in fishing due to lack of jurisdictional clarity and weak labour governance frameworks related to work in coastal waters and the high seas. Migrant-specific impacts identified per key supply chain activity are:

Rights issue	Rightholder(s)	Impact	Impact Rating
Wild catch fishing			
Working conditions	Migrant fishers	<ul style="list-style-type: none"> Migrant fishers are significantly vulnerable to increased hazardous employment conditions, as well as to labour exploitation, long working hours and low pay due to their status and present in the lowest-paid lowest-skilled positions 	●
Forced labour	Migrant fishers	<ul style="list-style-type: none"> Foreign migrant workers are recruited through labour intermediaries, which is reported to include significantly exploitative recruitment practices (e.g., passport confiscation, excessive recruitment fees and other costs, misinformation / misleading migrants from understanding their rights and employment terms) Migrant workers are severely susceptible to indebtedness, informality and potentially to criminal activities linked to IUU fishing 	●
Freedom of association and collective bargaining	Migrant fishers	<ul style="list-style-type: none"> Several reported legal restrictions or barriers against migrant workers to form or participate in trade unions (Thailand, Malaysia) 	●
Non-discrimination and equal opportunities (labour)	Migrant fishers	<ul style="list-style-type: none"> Significant preferencing of low-cost migrant workers, who are typically overrepresented in non-managerial or supervisory positions. In addition, in several countries studied, migrants do not enjoy the same labour protections as local workers 	●

Rights issue	Rightholder(s)	Impact	Impact Rating
Road transport / warehousing			
Non-discrimination and equal opportunities (labour)	Migrant transport workers	<ul style="list-style-type: none"> Significant demand for low-cost migrant workers, who are typically overrepresented in non-managerial or supervisory positions. This leads to important risks of discrimination in treatment of migrant workers 	

In addition to the impacts specifically related to migrant workers, most of the wider impacts in wild catch fishing and in primary processing also relate to migrants, as they form a significant part – if not the majority – of the workforce in these supply chain activities. All impacts in these supply chain activities should therefore be understood to apply to migrants.

UNDERSTANDING ROOT CAUSES, LINKAGE AND SCOPE FOR ACTION

Identifying drivers and root causes

To further understand how human rights impacts are driven, a root cause analysis was also undertaken. Root causes are the underlying structural or contextual factors which are considered by experts and ALDI's stakeholders to drive human rights impacts and affect the enjoyment of human rights by rights-holders. The root cause analysis is important for the development of appropriate actions to mitigate or remedy impacts, as well as to prevent further impacts.

The root cause analysis also demonstrated that human rights impacts are frequently driven by multiple factors or root causes, and these root causes often contribute to or drive multiple impacts. Where there are multiple factors driving these impacts, this may also compound or exacerbate specific impacts, such as the influence of the COVID-19 pandemic on the sector (see section 5.1 below). These are categorised under three main categories: sectoral and business drivers, legal and institutional framework and other contextual drivers.

Sectoral and business drivers

Root cause	Description
Monetary value	<ul style="list-style-type: none"> High potential earnings of (especially) tuna make the sector a target for fraud and illegal harvest and trading practices.
Downward market pressures to reduce costs	<ul style="list-style-type: none"> Workers on board vessels catching tuna are the ultimate receptors of market pressures transmitted down the supply chain. Fluctuations in dock price of tuna and increases in costs of operating vessels and vessel fleets in terms of fuel and regulatory compliance create an incentive on fishing companies and boat captains to seek other ways of controlling costs – labour costs tend to be the main aspect of commercial fishing costs which are within the control of fishing companies and can be adjusted.
Price volatility	<ul style="list-style-type: none"> At all stages of processing and packaging, commercial risks borne by suppliers can translate into either higher work intensity or irregularity, increased outsourcing of workers to third party agencies or lower pay and benefits for permanent staff. It can also drive longer working hours and less attention paid to health and safety. Price volatility can also limit the choice of fisheries ALDI's suppliers are able to source from. Higher risk fisheries will be able to offer better prices as suppliers for raw material.

Legal and institutional framework

Root cause	Description
Weak international labour governance	<ul style="list-style-type: none"> Fishing activities on the open ocean are predominantly out of the purview of national law and can easily escape national labour inspection systems. Further, fishing workers who work on vessels registered under known 'flags of convenience' (FOCs)¹ can be considered 'invisible' – in that they are not covered by established labour protections.
Extra-territorial nature of the work	<ul style="list-style-type: none"> National labour legislation does not always apply to fishers, and very few states have ratified important international conventions such as ILO C188, the IMO Cape Town Agreement and the FAO PSMA (see page 16) Lack of coordination between overlapping jurisdictions, such that limited regulations will apply to vessels that are registered in one country but operate in another's waters. This creates important enforcement challenges, whereby these vessels can effectively operate outside the jurisdiction of any authority. In addition, these vessels are often operated by migrant fishers who themselves may be informally employed or subject to a special work authorization status. While there are some examples of Regional Fisheries Management Organizations (RFMO) taking charge of enforcement of fishing practices², most RFMOs do not have the enforcement penetration necessary to enforce standards and for those that do, labour and social responsibility issues are rarely in scope.

Other contextual drivers

Root cause	Description
Isolated nature of wild catch fishing work	<ul style="list-style-type: none"> The longer a vessel remains at sea, the higher the risk fishers could face harsh or abusive working and living conditions. This is especially the case for drifting vessels, such as long-lines, which have minimal needs or requirements to dock at regular intervals. Even coastal fishing activities within more clearly delineated jurisdictions remain difficult to hold accountable due to the isolated nature of vessels as a workplace.
Informal, short-term employment	<ul style="list-style-type: none"> Workers on fishing vessels typically do not have formal, permanent positions. Rather, they are recruited for one (or a limited number) of voyages at a time, sharing many characteristics with labour in seasonal agriculture.
Absence of worker voice or representation	<ul style="list-style-type: none"> There are very limited levels of unionisation among fishing workers around the world. The short term and isolated nature of fishing work (separate root causes, above) restricts the ability of new unions to form or existing unions to organise. Where informal workers organisations do emerge, lack of experience with industrial relations or consolidated leadership can be a barrier to effective representation. Further, many workers are still not reached by grievance handling platforms operated by companies or private/non-profit organisations. Lack of access to grievance mechanisms is also compounded by the isolated nature of the work.
Labour migration & unethical recruitment	<ul style="list-style-type: none"> The nature of the work (separate root causes in this table, including difficult working conditions, lengthy periods at sea, unattractive salaries) makes the sector increasingly unattractive to nationals in many key seafood producing countries, which enhances the likelihood of using informal or unregulated recruitment channels to hire migrant workers. Fishing crews on high seas from a growing number of countries are hiring migrant workers, often through third party labour agencies that charge significant recruitment fees. These fees are generally disproportionate to workers' earnings and can lead these workers into significant debt to their employers or recruitment agencies.
Inherent danger and poor working conditions	<ul style="list-style-type: none"> Marine fishing is considered significantly hazardous employment: FAO estimates that around 32,000 people die from fishing activities annually globally, with numbers of occupational injuries standing significantly higher (FAO 2021). Where illegal, unreported or unregulated fishing activities are occurring, labour abuses are more likely to persist, including forced labour and labour trafficking, often of (undocumented) migrant workers.
Corruption	<ul style="list-style-type: none"> Briberies and fear of repercussions can further complicate efforts to identify and address labour rights or human rights violations: Workers may fear reporting instances of abuses, such as through complaint or grievance mechanisms, which leads to abuses likely being underreported.

¹ 'Flags of convenience' is the term used to describe jurisdictions where vessels register for purposes other than that it is the location from where they operate. These are jurisdictions where regulation and/or enforcement is generally considered laxer – examples include Bahamas, Panama, Bermuda, and Vanuatu. For a full list of FOCs, please see: <https://www.itfseafarers.org/en/focs/current-registries-listed-as-focs>.

² The [Parties to the Nauru Agreement \(PNA\)](#) is an important example that seeks to strengthen labour standards in registered vessels by harmonised minimum licencing requirements in the Pacific Islands, with a focus on labour management.

Root cause	Description
Economic vulnerability of fishing reliant workers and communities	<ul style="list-style-type: none"> • There is significant dependency around the world on the seafood sector, whether for primary consumption, as one's main mean of access to livelihoods, or as a main source of employment or income. • Households that depend on fishing rely every day on the catch volume that can be produced and the price it can be sold for, both of which are highly volatile. Further, there may be other contextual factors – culture, location, education – that may entrench the vulnerable position of communities and limit options available to them to diversify income sources and build resilience to economic shocks. • In commercial fishing, domestic and migrant workers rely on marine fishing and seafood processing as their main source of income. Although fishing has tended to absorb most of the available labour force in major production locations, labour shortages, particularly following COVID-19 are reported by observers and suppliers in most ports and fleets supplying ALDI. However, because of the danger, isolation and low pay, the fishing workforce still tends to pull from the vulnerable end of the wider labour force, despite the need for employers to actively attract and recruit workers.

Root causes of adverse human rights impacts on women

As part of the overarching root cause analysis, downward market pressures on costs as well as gender norms and perceptions were identified as the primary contributing causes to negative impacts related to non-discrimination and GBVH in fish and seafood supply chains.

Market pressures to minimise costs can occur both from buyers who seek to buy lower cost products, as well as from suppliers, where prices for raw fish are simultaneously increasing. These market pressures have been identified as encouraging suppliers to seek low-cost labour for labour-intensive activities, where more vulnerable workers, such as women and migrants, tend to be overrepresented. Women are particularly vulnerable to being concentrated in such roles, e.g., lower-status and lower-paid, in seafood processing factories.

Such gender disaggregation in roles can also arise from gender norms which attribute specific 'skills' or characteristic to all women, leading them often to work in highly labour-intensive roles. In addition, gender norms play a role in perceptions by both male and female colleagues of female workers, influencing how women workers are treated in the workplace, including enhancing women's vulnerabilities to harassment and abuse.

Root causes of adverse human rights impacts on migrant workers

As part of the overarching root cause analysis, downward market pressures on costs – combined with catch and price volatility –, the inherent hazardous and labour-intensive conditions of employment in fishing and processing and the lack of labour protections for migrant workers were identified as the primary contributing causes to negative impacts on migrants' rights.

In addition to market pressures, fishing vessel owners are often reliant on catch volume to be paid or receive a return on their investments (e.g., labour and equipment). These are additional market pressures which lead vessel owners not only to seek low-cost labour but also to transfer these market pressures onto workers by paying wages on a catch volume basis rather than fixed wages. Migrants are particularly vulnerable to being concentrated in these hazardous and insecure positions in wild catch fishing, as well as in similar lower-paid, lower-status roles in seafood processing factories.

Additional details on relevant root causes, including: the isolated nature of fishing work, weak international labour governance, extra-territorial nature of the work and the use of labour migration for fishing activities can be read on page 26.

Impact of the COVID-19 pandemic on the sector

- In addition to the root causes explained above, the COVID-19 pandemic has had numerous significant effects on the fish and seafood sector globally. The main effect on the sector has been an overall exacerbation of existing vulnerabilities, particular in isolated workplaces such as fishing or maritime transport vessels or for vulnerable categories of workers such as migrant and women workers (FAO 2020a, 2020b).
- Globally, women are disproportionately affected by delayed or reduced landings of small-scale fisheries, which in turn has reduced the availability and reliability of work in processing of seafood products.
- COVID-19 buying patterns have caused tuna sales to strongly increase, as consumers worldwide have stocked-up on the pantry staple, canned tuna (BHRRC 2021).
- Fishers have been facing longer periods at sea or the inability to return home due to international border closures and lockdowns.
- Fishers in certain geographies are reported to have continued to live and work in the same conditions as before the pandemic due to limited awareness of outbreak risks and no enforcement of special health and safety measures against COVID-19. Fishers have continued to live in close quarters aboard vessels.
- There are various stories of outbreaks affecting migrant workers in fishing and seafood processing, including for example in Thailand.
- Existing legal frameworks are estimated to be even less protective of workers in the fishing sector in the context of these additional challenges and impacts from the COVID-19 pandemic. The ILO has urged countries to take additional measures to address these adverse impacts.

Linkage to ALDI

The UN Guiding Principles envisage three ways a human rights impact can be attributed to a specific company: Causation, Contribution and Linkage.

As a retailer of tuna, ALDI has no direct contractual or investment relationships to the supply chain activities where the most critical human rights impacts occur. ALDI's relationship to these impacts is considered as one where there is, at most, a potential link. Like other single retailers, ALDI is a relatively minor actor within the broader sector, and its behaviour does not appear to vary significantly from others. However, ALDI can be linked to impacts and/or root causes identified in this HRIA in regards to specific areas of business activity. Understanding linkage and leverage helps ALDI to understand the best types of actions that can be deployed to bring about the strongest positive effects on rightsholders.

The study identified three ways in which ALDI's activities could link it to salient human rights impacts and their root causes where these have a business driver. These are:

- **Supplier selection:** The criteria by which ALDI selects its suppliers, as well as the decision factors related to how it awards contracts can play an important role in shaping the conditions that exist within ALDI's supply chains. The requirements – or lack of requirements – placed on selected suppliers (e.g., relating to supply chain transparency, human rights due diligence, social auditing, certification) can all potentially impact on rightsholders. Where linked to root causes and related impacts through its supplier selection, ALDI can drive improvements through enhancements to its purchasing policy.

- **Purchasing practices:** The frequency, volume specification and timings of orders may influence working conditions at processing facilities and packing plants, including in relation to hours, overtime and safety, as well as wages paid to workers. More indirectly, they can also affect the choices available to suppliers in terms of where they source raw material. Where ALDI is linked to impacts through its purchasing practices, there will often be an opportunity to create more predictability and stability in our relationship with suppliers.
- **Prices paid to suppliers:** Prices paid by ALDI are both based on, but also in turn influence, market pricing of canned tuna. The key issue in relation to the tuna supply chain is that the cost of sustainable and socially responsible production is currently not a fully integrated part of the market price. While certified product (e.g. MSC) can command a premium from the retail market, promoting good practices on mitigating labour abuses, building secure supply chain connections with dependably responsible fishing companies create additional costs and risks. Creating additional value to cover the costs of responsible tuna production is a responsibility that ALDI shares with both peers and supply chain partners.

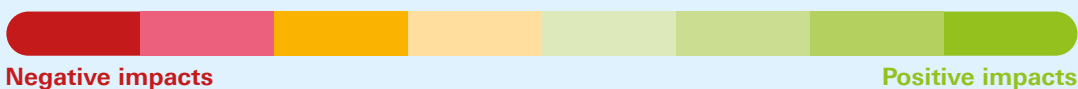
Linkage, leverage and scope for action

Linkage is closely tied to leverage, meaning the capabilities and constraints of a brand and buyer such as ALDI to be able to influence conditions in the supply chain. Understanding linkage and leverage helps ALDI to understand the best types of actions that can be deployed to bring about the strongest positive effects on rightsholders in the shortest timeframe.

However, linkage is not a prerequisite for action. ALDI is committed to acting not only in areas where linkages to its activities are clear, but also in areas where it can support positive change. These include working collaboratively with peers, experts and MSIs (multi-stakeholder initiatives) to address structural and/or systemic issues and developing new relationships as necessary for issues where a collaborative approach is more relevant.

Identified impacts with linkage

The table below shows the impacts and where they are deemed to be linked to the ALDI supply chains (marked with a cross).



Rights issue:	Wild catch fishing	Primary processing	Sea freight transport	Secondary processing	Warehousing/ Road transport
Working conditions	⊗	⊗	●	⊗	●
Freedom of association and collective bargaining	●	⊗	●	⊗	●
Forced labour	⊗	⊗	●	⊗	⊗
Child labour	⊗	●			
Non-discrimination and equal opportunities	●	●	●	⊗	⊗
Adequate standard of living (livelihoods, housing, food, water)	⊗	⊗			
Right to property	●				●
Right to health	⊗	⊗	●	⊗	●

Rights issue:	Wild catch fishing	Primary processing	Sea freight transport	Secondary processing	Warehousing/ Road transport
Right to life, liberty & security	⊗		●		
Right to privacy		⊗		⊗	
Right to citizenship	●		●		
Right to an effective remedy	⊗	⊗	●		
Rights of indigenous peoples	⊗				
Gender (non-discrimination and GBVH)	⊗				

SUMMARY AND CONCLUDING REMARKS

As a leading retail company, ALDI is committed to protecting human rights and preventing human rights violation. Our commitment encompasses our own operations, business operations and impacts indirectly caused by our actions. Based on this HRIA, ALDI was able to identify potential and actual impacts on human rights in the Fish & Seafood supply chains and gain sound knowledge of what the main impacts and the underlying causes are. This knowledge will enable ALDI to initiate change as part of its Human Rights Action Plan.

ALDI believes that long-term economic success is only possible if human rights are recognized and respected. The engagement aims to identify and address negative human rights impacts that can be influenced. As such, actions will be taken in areas where linkages are identified and are prioritised based on leverage, feasibility and severity of the potential and identified human rights risks.

The HRIA shows that ALDI has only limited leverage on many of the issues and root causes of human rights risks at the beginning of the supply chains. ALDI is nevertheless committed to taking action in areas where change can be initiated and we have identified several opportunities to do so. Developing a human rights action plan that includes time-bound, strategic actions to mitigate key impacts in the supply chains is critical, while recognizing the constraints posed by contextual and legal challenges.

HUMAN RIGHTS ACTION PLAN

Issues arising in ALDI's supply chains are common to many other companies and indeed across the marine fishing industry owing to shared root causes.

Building on the HRIA's pivotal insights, this section sets out concrete actions, recommended by Ergon and based on conversations with experts and stakeholders throughout the course of the HRIA. The actions were jointly developed with ALDI to mitigate and prevent the most significant negative impacts within the Fish and Seafood.

ALDI aims to embed the Fish & Seafood Human Rights Action Plan (HRAP) in its overarching CR strategy. The strategic goals which are connected to the objectives of the HRAP are:

- Increase transparency in our supply chains
- Integrate CR into buying practices
- Work collaboratively with partners to address systemic issues
- Advocate for human rights

While the recommendations derived specifically from the impact assessment of the tuna supply chain, they also apply across all products classed as marine-wild catch in the Fish and Seafood product category due to the shared root causes and similarity in ALDI's sourcing practices and supply chain arrangements.

For significant change, identified root causes should be addressed. The outlined objectives focus on tackling the root causes linked to ALDI activities, as this is where ALDI has the greatest leverage. Most of these actions are unilateral, in that they are steps ALDI can undertake alone. However, most steps envisage that in the medium to long term, ALDI would use its leverage and its strengthened approach to human rights due diligence in the fish and seafood category to work collaboratively with partners on systemic issues which are beyond ALDI's immediate ability to influence as a single company.

ALDI is committed to monitor the effectiveness of the measures included in the action plan. For this reason, individual measures may be adapted and/or enhanced if new insights become available.

Addressing root causes of gender discrimination

The assessment identified that women are generally concentrated in lower-status and lower-paid roles in seafood processing and that root causes of adverse human rights impacts on women are highly linked to deep-rooted and widespread gender norms.

ALDI already published a [Gender Equality Action Plan](#) to address these root causes of gender inequality where it identified potential positive influence. With its general measures towards more gender equality ALDI wants to do its part to overcome gender norms and structures which contributes to the discrimination of women.

Objective: Strengthen purchasing practices	
Root causes addressed:	Rights categories impacted:
<ul style="list-style-type: none"> • Weak international labour governance • Unethical labour recruitment of migrant workers • Corruption • Inherent danger and poor working conditions of at-sea fishing • Extra-territorial nature of work • Downward market pressures to reduce costs • Price and monetary value 	<ul style="list-style-type: none"> • All impacts related to wild catch fishing (through reducing the risk of exposure to IUU fishing) • Economic, social and cultural rights of coastal communities • All impacts related to wild catch fishing • All impacts related to primary and secondary processing • All impacts related to labour and working conditions
Key measures:	Timeline:
<ul style="list-style-type: none"> • Review responsible sourcing criteria ('preferentially buy'/'do not buy') to include more criteria to allow buying team to award tenders to companies with known stronger human rights records 	Ongoing
<ul style="list-style-type: none"> • Develop training, tools and guidance for internal departments on policies and revised selection criteria 	Ongoing
<ul style="list-style-type: none"> • Continue to preferentially source MSC to minimize the risk of IUU 	Ongoing
<ul style="list-style-type: none"> • Recalibrate supplier contracts and purchasing arrangements to identify potential for improvements and to strive to implement responsible purchasing practices (RPP) 	2023
Objective: Supplier selection	
Root causes addressed:	Rights categories impacted:
<ul style="list-style-type: none"> • Downward market pressures to reduce costs • Price and monetary value • Weak international labour governance • Extra-territorial nature of work • Unethical labour recruitment of migrant workers • Corruption • Inherent danger and poor working conditions of at-sea fishing 	<ul style="list-style-type: none"> • Impacts related to labour and working conditions in fishing and canning and primary processing facilities • All impacts related to wild catch fishing
Key measures:	Timeline:
<ul style="list-style-type: none"> • Consolidate supply chain and aim to work more closely with fewer, more capable suppliers over longer periods to create more leverage and enable better collaboration and better oversight by ALDI 	Ongoing
<ul style="list-style-type: none"> • Integrate fish and seafood supplier in ALDI's CR supplier evaluation to increase buying from best rated suppliers 	2023
<ul style="list-style-type: none"> • Provide support to key fish and seafood suppliers to help them to take steps towards improved human rights 	Ongoing
<ul style="list-style-type: none"> • Use stronger supplier relationships to build connections with production level actors 	2025
Objective: Increase transparency and traceability	
Root causes addressed:	Rights categories impacted:
<ul style="list-style-type: none"> • Extra-territorial nature of work • Unethical labour recruitment of migrant workers • Corruption • Inherent danger and poor working conditions of at-sea fishing 	<ul style="list-style-type: none"> • All impacts related to wild catch fishing • All impacts related to primary and secondary processing
Key measures:	Timeline:
<ul style="list-style-type: none"> • Improve data quality and traceability through collaboration with SFP (SFP Metrics) 	2023
<ul style="list-style-type: none"> • Further develop and improve the ALDI Transparency Code (ATC) to establish the ATC 2.0 	2023
<ul style="list-style-type: none"> • Integrate Fishwise SAQ into CR Supplier evaluation and strengthening the risk assessment framework by following up on the results 	2023
<ul style="list-style-type: none"> • Join Ocean Disclosure Project (ODP) and publish supply chain data 	2023
Objective: Tackling issues through collaboration	
Root causes addressed:	Rights categories impacted:
<ul style="list-style-type: none"> • Weak international labour governance (limiting scope for IUU fishing) • Unethical labour recruitment of migrant workers • Corruption (and general lack of transparency in the industry) • Inherent danger and poor working conditions of at-sea fishing • Isolated nature of wild catch fishing work • Informal, short-term employment • Absence of worker voice or representation 	<ul style="list-style-type: none"> • All impacts related to wild catch fishing (through reducing the risk of exposure to IUU fishing) • Economic, social and cultural rights of coastal communities • Right to an effective remedy (workers and coastal communities) • All rights related to labour and working conditions aboard fishing vessels and within processing facilities
Key measures:	Timeline:
<ul style="list-style-type: none"> • Continue engagement with Global Tuna Alliance (GTA) 	Ongoing
<ul style="list-style-type: none"> • Enter external partnerships (e. g. MSIs) to improve access to grievance and remedy in key high-risk fisheries, to support further implementation of international instruments and regulations and to identify potential industry partners towards closer collaboration on common needs and risks shared. 	2025

ANNEX

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