



Position paper on Human Rights Due Diligence Legislation



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INTRODUCTION

As international groups of companies with global supply chains, ALDI¹ is aware of our responsibility to respect human rights: these rights are non-negotiable and apply equally to each one of us. Human rights issues are complex and we are convinced that the best way to create change is for business, governments, and society to be committed to working together to find a better way.

Our experience shows that the time has come to take the next step and strive for mandatory human rights due diligence legislation that creates a level playing field and drives change.



¹ALDI¹ refers to the ALDI SOUTH Group (hereinafter also referred to as 'ALDI SOUTH') and ALDI Nord (hereinafter also referred to as 'ALDI Nord'). Both businesses are legally independent groups of retail companies trading under the ALDI brand. The 'Position Paper on Human Rights Due Diligence Legislation' is published on the websites of ALDI SOUTH and ALDI Nord.

OUR POSITION

We believe the introduction of corporate mandatory due diligence into legislation is an important building block for the realisation of human rights along international supply chains. Mandatory legislation creates a level playing field and makes human rights along supply chains non-negotiable. We see great potential in legislation encouraging many stakeholders to join the sustainability movement and be strongly engaged in collaborative approaches.

01

Let us engage in real collaboration

Human rights due diligence legislation can only be truly effective if it is embedded into a combination of mandatory, voluntary, national, and international measures in both production countries and market places. Therefore, the involvement of all relevant stakeholders is necessary. Voluntary business initiatives, multi-stakeholder initiatives and cooperation with political stakeholders are important complementary elements to mandatory corporate human rights due diligence. States should have effective regulations and measures in place in order to fulfil their duty to protect. These conditions are essential if companies are to meet their due diligence obligations.

The UNGP recognise that not all impacts can be tackled at the same time and that priority setting is necessary. Companies should be allowed to prioritise impacts, supply chains, and tiers based on their human rights risk and impact analyses.

We agree with this approach and it is critical that the scope of any measures should be based on the following three factors: the severity of the impact, the level of involvement by the company in posing a risk to human rights and their ability to prevent or address the impact. There are different layers of responsibilities. Companies can be involved in adverse human rights impacts due to 'cause', 'contribution' and 'directly linked'. Any legislation should take into account these elements and clearly define the terms of involvement and, differentiate between the levels of responsibility.

02

Let us align the scope with the United Nations Guiding Principles

According to the United Nations Guiding Principles (UNGP), companies are required to identify actual and potential impacts on human rights, prevent and mitigate adverse impacts, control the effectiveness of measures and to ensure remediation. Depending on the size, sector and operational context of a company, the responsibility to respect human rights may vary for each business.



OUR POSITION

03

Let us ensure practicality

No supply chain is entirely issue-free and the realisation of human rights is the result of a complex interplay of many stakeholders. Due to the complexity of human rights infringements along supply chains, companies should not be made solely responsible for guaranteeing issue-free supply chains. Mandatory human rights due diligence should establish an obligation of effort and not an obligation of result. We support legislation that clearly defines corporate due diligence and encourages companies to continually improve their human rights due diligence process.

Mandatory human rights due diligence legislation should create a positive impact and long-term improvements in production countries. Legislation should build on already existing initiatives, partnerships, standards, and programmes that have proven to be effective in the past. New obligations and reporting requirements should be harmonised with established structures, initiatives and tools.

04

Let us strive for an international approach to legislation

We support European mandatory human rights due diligence legislation as an important means for an international solution. We call for European legislation that harmonise diverse due diligence standards in order to prevent fragmentation of national legislations and create legal certainty.

European legislation should align reporting requirements and reduce the bureaucratic burden for international companies. The legislation should cover all businesses regardless of their size, business model, or place of residency. Only legislation considering all businesses operating and offering products or services within the EU can create a level playing field within the European Union's market. We are aware that due diligence duties must consider organizational capacities of bound companies.

We believe that a global level playing field can only be ensured if we strive towards international due diligence legislation in the long term.

05

Conclusion

We offer our knowledge, experience and most importantly our commitment as a global business to enable the development of mandatory legislation that delivers impact focused due diligence. We are convinced that legislation can only effectively contribute to realising human rights, if we:

- engage in real collaboration,
- align the scope of due diligence with the UNGP,
- ensure practicality, and
- strive for an international legislation.