



Gall & Gall
SINCE 1884

Social Compliance

January 2024

Introduction

Our commitment to do what is right is based on our collective belief that all people should be treated with dignity and respect. We respect the human rights of each of the associates, customers, communities and the people who work throughout our supply chains.

Our [Standards of Engagement](#) define the minimum human rights protections that we expect our suppliers to support and implement.

We recognize the value of external standards to help us further define and engage on human rights topics. In our social compliance policy, we have specific certification and audit requirements for all production locations in specific-risk countries that supply own-brand products.

As a reflection of our purpose and considering the upcoming European due diligence legislation (CSDD)*, we are taking next steps on the requirements we set for social compliance. In this document you will find relevant information on our current policy and our new requirements.



2 *More information on European due diligence legislation:
https://ec.europa.eu/commission/presscorner/detail/en/IP_22_1145

Original Social Compliance policy

Social audits

Our [Standards of Engagement](#) require that all suppliers observe all applicable laws and regulations and observe and conform to the [amfori](#) Business Social Compliance Initiative (BSCI) Code of Conduct. Our social compliance policy follows the Ahold Delhaize global policy, and we focus on our own-brand suppliers.

Social audits are an important tool to monitor working conditions in complex, global supply chains. We require an amfori BSCI audit report – or audit reports or certificates that are [equivalent to amfori BSCI](#) – from our own brand suppliers with production locations in high-risk countries. Please find our [non-high-risk countries list here](#).

Audit reports must be made available in the designated supplier database via [ImpactBuying](#).

Last stage of production

Our social compliance policy targets the “last stage of production”. For social compliance, that means that we look

beyond our first-tier suppliers and focus our requirements on the stage that involves labor to produce or process the final product. For unprocessed fruit and vegetables, the last stage of production is at the farm and packing station levels. The last stage of production excludes (re-)packing in a non-risk country.

Dealbreakers

If a social compliance audit identifies a serious compliance issue such as child labor, forced or bonded labor, or life-threatening health and safety situations, we consider these dealbreakers.

When a serious compliance issue arises, we will initially contact our supplier and work with the supplier to get the violation or adverse impact remediated. If a supplier is unable or unwilling to remediate this serious compliance issue within a reasonable timeframe, we will ultimately terminate our relationship with that supplier.

New: medium risk countries

Globalization has had a profound impact on migration. In the meantime, there is a growing concern about the vulnerability of migrant workers to human rights abuses or inadequate social protection in global supply chains.

Therefore, we have decided to introduce social audits for production locations in medium-risk countries in addition to our current policy on high-risk countries. In these medium-risk countries migrant workers make up a relatively larger proportion of the labor force and we believe it is important to safeguard migrant workers more effectively.

By the end of 2024, we require all our own brand suppliers to have an amfori BSCI audit (or equivalent*) in place for production locations in medium-risk countries.

ImpactBuying will start monitoring from 2023 on social audit reports or certificates from our own brand production locations with “last stage of production”** in medium risk countries.

What are medium risk countries?

Antigua and Barbuda	Macao
Barbados	Malaysia
Botswana	Malta
Brunei	Namibia
Costa Rica	Poland
Croatia	Portugal
Cyprus	Qatar
Dominica	Saint Kitts and Nevis
Georgia	Seychelles
Greece	Slovenia
Hong Kong	Spain
Israel	The Bahamas
Italy	United Arab Emirates
Latvia	United States

New: improved performance levels

Improving working conditions

The amfori BSCI approach focuses on improving working conditions in supply chains through continuous improvement. Their improvement system is an important tool to enable gradually improving working conditions and addressing human rights impacts. Other equivalent certification standards have similar systems in place.

Improved performance levels

To encourage improvement among our suppliers we ask our suppliers to address the crucial, critical and/or major non-compliances from their audit reports. To monitor these non-compliances, we use the performance levels built into certain certification standards. This means we require own brand suppliers to reach specific performance levels:

- **amfori BSCI – level B**
- **ETI/Smeta – level Green in the Sedex database***
- **SIZA – level Gold**

By the end of 2024, we require all our own brand suppliers to have an amfori BSCI audit (or equivalent) report, without critical, crucial and/or major non-compliances, in place for production locations in medium- and high-risk countries.

The monitoring process takes place through [ImpactBuying](#), they will request your audit reports.

What can you do?

- Review the critical, crucial or major non-compliances in your audit report(s).
- Contact your local certification support office for guidance on how to reach the improved performance level.
- Develop a Corrective Action Plan (CAP).



For any questions regarding our policy, please contact sustainablesupplier@ah.nl

Albert Heijn, Etos, Gall & Gall
Provincialeweg 11
1506 MA Zaandam
ah.nl, etos.nl, gall.nl