

# GUIDELINE ON MORE SUSTAINABLE Textiles



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# I. UNDERSTANDING, SCOPE AND COMMUNICATION

As a leading international trade and tourism company, the REWE Group is aware of its special role as an intermediary between manufacturers, service providers and consumers. The REWE Group's customers expect and should be able to trust that the REWE Group, as a trade company, is aware of its responsibility in the supply chains of its private labels and addresses the social and ecological effects. In its Guideline on Sustainable Business Practices, the REWE Group acknowledges this responsibility. The values described therein form the foundation for the responsible actions of the company. The REWE Group has specified this foundation in the Approach for More Sustainable Supply Chains in order to identify, evaluate and process the social and ecological effects. In addition, in its Code of Conduct (CoC), the REWE Group obliges all suppliers of its private labels to comply with their corporate due diligence. This also takes into account the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG). The REWE Group's policy statement shows the company's strategy for respecting human rights and environmental issues in its own business activities and in the supply and value chains. In its Guideline on Fairness, the REWE Group commits itself to strengthening human rights, improving working conditions and promoting fair trade, in particular within the supply chains of all private labels of REWE, PENNY and toom Baumarkt DIY stores. The REWE Group defines further requirements, standards, measures and goals, which also promote a more sustainable textile industry, for the field of action "People" in its Guideline on Living Wages and Incomes, Guideline on the Prevention of Child Labour as well as the Guideline on Women in the Supply Chain, for the field of action "Environment" in the Guideline on Climate Protection in the Supply Chain, Guideline on Circular Economy and Guideline on Water Protection in the Supply Chain.



#### Goal and Scope of the Guideline

According to the company's risk analysis (see chapter IV. Strategic Approach), textiles and cotton are considered critical raw materials. In the textile industry, the company is therefore pursuing the goal of complying with social and ecological challenges as well as those of business integrity. The present guideline defines binding requirements. New requirements, measures or goals are agreed as required.

In addition, the REWE Group wants to raise awareness among its employees and other stakeholders of more sustainable textile production and inform them about the commitment and goals of the REWE Group.

The scope of the guideline covers textiles such as clothing, home textiles and shoes of the REWE Group's private labels, which are sold in Germany by REWE, PENNY and toom Baumarkt DIY stores. The guideline is regularly updated on the basis of current trends and developments.

#### Communication

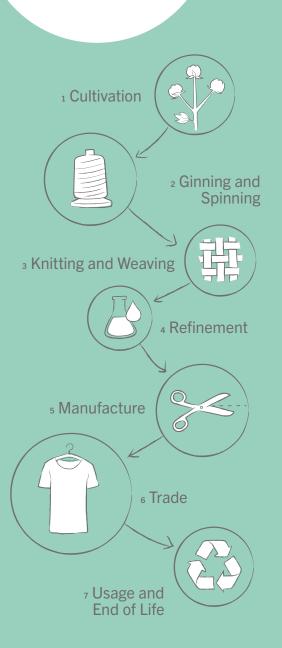
The REWE Group reports regularly and publicly on progress in implementing the measures and achieving the targets outlined. This is done through press releases, via the REWE Group website or via the Group's sustainability report. The REWE Group also runs communication campaigns for its customers in order to raise their awareness of more sustainable textile production.

# **II. CHALLENGES**

The production processes in the textile industry are organised on an international division of labour basis and take place to a large extent in developing and emerging countries. This opens up opportunities for economic development in these countries and the prospect of improving incomes and living conditions for many people, while at the same time creating a multitude of social and ecological challenges, as well as those of operational integrity, along the value chain of textiles. Accidents such as the collapse of the textile factory Rana Plaza in Bangladesh in 2013 have tragically brought this to our attention.

A large number of people can benefit from improved environmental and social conditions: More than 60 million people worldwide work in the textile and clothing industry, most of them in developing and emerging countries (BMZ, n.d.). Around 80 per cent are women (Partnership for Sustainable Textiles, 2020). They are particularly affected by the risk of discrimination or gender-specific violence and by gender-specific risks in relation to safety and health at work (Femnet, n.d.). Children, migrants and migrant workers, home workers and people with disabilities are also at high risk of human rights violations. This also applies to the production of cotton, a raw material that is important for the textile industry and whose production involves around 100 million families in 70 countries worldwide (UN, 2021). The global harvest for the 2021/22 season was around 116 million bales of cotton. India, China and the USA are among the largest producers in terms of volume and area (USDA, 2022).

# The life cycle of a piece of clothing



A major obstacle to improvements in the textile industry is the fragmented and confusing structure of the production steps. For example, after the raw fibres have been extracted, natural fibres are cleaned and some are chemically treated; synthetic fibres are also processed in places. In the next step, the fibres are spun into yarns in different mixing ratios (e.g. cotton with synthetic fibres) and woven or knitted into fabrics. These are then bleached, dyed and printed in the finishing process. In the manufacturing departments, the textile pre-products are cut to size and then sewn into clothing, home textiles or shoes and prepared for transport. They are then put on the market before they are used by the consumer and finally disposed of and possibly recycled. All of these work steps are usually carried out in a wide range of independently acting companies in different countries. It is therefore often difficult to understand the path taken by a product and the conditions under which it was manufactured.

The following sections examine in more detail the greatest challenges for the textile industry according to the Organization for Economic Cooperation and Development (OECD). They also apply to the textile supply chains of the REWE Group:

## 2.1. Human Rights and Social Risks

#### **Child and Forced Labour**

In textile production, child labour<sup>1</sup> can occur at all stages of the supply chain (Partnership for Sustainable Textiles, n.d.). Cotton, for example, is one of the most common goods produced in at least 18 countries with child labour and forced labour (ILO & FAO, 2022). **100 million children are estimated to be affected (UNICEF 2020).** 

According to the Global Slavery Index, clothing is one of the product groups with the highest risk of forced labour<sup>2</sup> in the supply chain. It is anticipated that at least 80,000 members of the Uyghur ethnic minority in the Chinese province of Xinjiang – which produces 80 per cent of China's cotton – work in factories without the freedom to leave the factory or refuse to work (Südwind, 2020).

#### Discrimination, Sexual Harassment and Gender-Specific Violence

Young women in particular, who make up the majority of workers in this industry, are usually discriminated against in multiple ways. They are often paid less for the same job and have fewer career opportunities. For example, women in Pakistan receive 48 per cent and in India 39 per cent less pay than men (German Institute of Development and Sustainability, 2019). Sexual harassment is prohibited in India, Bangladesh, Cambodia and other producing countries. Nevertheless, this form of discrimination, especially by superiors due to their position of power, is documented many times. Complaint bodies and control instances could provide remedy, but they are often lacking (ILO 2019). In addition, there may also be intimidation and threats of violence. In Indonesia, for example, 85 per cent of textile workers

<sup>1</sup>According to the definition of the International Labour Organization (ILO), child labour is any type of work performed by persons under the age of 15 that is mentally, physically, socially or morally dangerous and harmful to children; and/or interferes with their schooling.

<sup>2</sup>Forced labour is not limited to certain age groups. According to the ILO, this includes all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.

were concerned about sexual harassment (ILO 2019); in Bangladesh over 60 per cent reported having been victims of genderspecific violence (Fair Wear Foundation 2018).

#### **Working Hours**

Despite legal working hours, which vary depending on the country of production, seven-day weeks and overtime with 16 to 18 hours/day are common in the value chain of the clothing and footwear industry (BMZ, n.d.). In Bangladesh, for example, excessive overtime was found in 97 per cent of 36 garment factories between 2012 and 2015. Two extra hours per day and 60-hour weeks were common (Common Objective, n.d.).

#### Wages and Benefits

Wages paid in the textile industry vary depending on the country of production, its wage level and the minimum wages stipulated by local legislation. However, these are often on average two to five times below the subsistence level<sup>3</sup> (Clean Clothes Campaign, 2019). Apparel workers are paid just 0.6 per cent of the price of a standard T-shirt (Global Living Wage Coalition, n.d.). As a result of the losses during the pandemic, 77 per cent of 400 workers in the textile industry from nine countries reported that they suffered from hunger, and 75 per cent encumbered themselves with debts in order to buy groceries (Clean Clothes Campaign, 2021).

Social benefits are intended to protect employees in the event of illness or pregnancy and after accidents at work. Although legal regulations exist in some production countries, these are often circumvented in order to save costs (Partnership for Sustainable Textiles, n.d.). For example, pregnant workers are fired and employees who are injured at work often receive no compensation (German Institute for Human Rights, 2018).

#### **Occupational Health and Safety**

In 2016, 1.9 million people died in the textile, clothing, leather and shoe industry worldwide due to work-related illnesses and injuries. The number of non-fatal accidents at work is estimated at 360 million (ILO, 2021). The main risks in the supply chains of the textile industry are:

- fire hazard, e.g. due to unsafe wiring or outdated electrical systems
- exposure to hazardous chemicals

<sup>3</sup>A living wage is recognised as a human right according to the United Nations (Universal Declaration of Human Rights) and should enable a decent standard of living for employees and their families.

- ergonomic risks, e.g. due to monotonous movements or unfavourable working positions
- contact with moving parts of machines or tools without protection
- exposure to high temperatures and loud noises
- risk of falling, slipping and stumbling
- psychosocial risks, such as high workloads or pressure from tight production deadlines.

Accidents result to a greater extent from overtime and late shifts and from lack of management systems, preventive and protective measures, proper labelling of chemicals, fire detection and alarm systems or fire escapes and emergency exits (ILO, 2021 b).

## 2.2. Ecological Risks

#### Chemical Use and Waste Water

The textile industry is one of the world's largest sources of pollutants and chemicals such as perfluoroalkyl and polyfluoroalkyl substances, which are not degradable. In wetprocessing factories that bleach, print or dye fabrics, around 0.6 kilograms of chemicals are used per kilogram of fabric produced (UNEP, 2022). This means that textile production is responsible for around 20 per cent of the global pollution of clean water by dyeing and finishing products (European Parliament, 2022).

As cotton is susceptible to pests in conventional farming, four per cent of all pesticides worldwide and ten per cent of all insecticides are used in the sector. (Common Objective, n.d. b).



#### **Environmental Protection, Use of Resources and Fibres**

When washing synthetic textiles, around 0.5 million tonnes of microfibres are released into the sea every year – that is around 35 per cent of the primary micro plastics that end up in the environment (European Parliament, 2022).

Furthermore, the fashion industry uses around 93 billion cubic metres of water per year. That is four per cent of the total freshwater withdrawal worldwide. A cotton T-shirt requires around 2,700 litres of fresh water, which corresponds to the drinking water needs of one person for 2.5 years (European Parliament, 2022). In addition, up to 20,000 litres of water are used per kilogram of raw cotton in cultivation (Common Objective, n.d. c).

In addition to water, resources required in the textile industry also include energy, space and fibres. Global fibre consumption is expected to reach 145 million tonnes by 2025 (Ellen McArthur Foundation, 2017). On average, 60 new pieces of clothing are bought per person per year in Germany, and the growing share of online purchases is reinforcing this trend. Every fifth piece of clothing is hardly ever worn. And worldwide, less than one per cent of the material used for textile production is reused in the manufacture of clothing. Around 80 per cent of the old clothes produced worldwide are incinerated or end up in landfills, and approx. 20 per cent are used to make cleaning cloths or insulating materials as part of downcycling processes (BMUV, 2022).

#### **Climate Protection and Greenhouse Gas Emissions**

The textile and clothing industry is responsible for about 10 per cent of global CO2 emissions – more than international flights and shipping combined. The purchase of textiles in the EU caused around 654 kg of CO2 emissions per person in 2017 (European Parliament, 2022).

#### **Animal Welfare**

If animal fibres or fabrics are used in textile production, animal welfare issues are relevant, especially with regard to species protection, husbandry and slaughter conditions and interventions on the animal. In Bangladesh, for example, the largest leather industry in the world, cows are often not slaughtered appropriately after long transport (Verbraucherzentrale NRW, 2022). Merino wool sheep, bred with wrinkled skin to increase wool yield, are prone to moisture in the skin folds and associated fly infestation. To prevent this, so-called mulesing involves removing skin folds without anesthesia (Albert Schweitzer Stiftung, 2017).



## 2.3. Risks Regarding Operational Integrity

#### Freedom of Association and Collective Bargaining

The right to freedom of association and collective bargaining are international labour standards. However, these rights are suppressed in many supplier countries of the fashion industry. In Bangladesh, for example, protests to improve wages in clothing factories in 2017 led, among other things, to the dismissal of around 1,500 workers (Common Objective, n.d. d). In Cambodia, a review of 464 textile factories by the International Labour Organization (ILO) in 2016 revealed that 155 of them disregarded freedom of association and the possibility of collective bargaining in a total of 243 cases (German Institute of Development and Sustainability, IDOS)

#### **Corruption and Bribery**

Corruption is a widespread problem in global fashion supply chains, with bribery and kickbacks being one of the most common forms at 75 to 85 per cent. For example, auditors can demand payment for positive results or bribes can be used to grant operating licenses. Extortion is also a risk (OECD, 2019). The consequences of this can be human rights violations and a lack of quality and sustainability standards.

# **III.** PRINCIPLES AND OBJECTIVES

In order to counter the sector risks mentioned and to fulfil its duty of care, the REWE Group follows the recommendations of the OECD for the textile industry. The company demands that its business partners comply with international standards and meet social, labour, environmental, animal protection and integrity requirements and sets transparency requirements that must be passed on to the supply chain.

In order not to contribute to adverse effects, the REWE Group also tackles the risks in the textile industry by anchoring responsible procurement and purchasing practices, as well as systematic supply chain management and a comprehensive complaints system. The REWE Group has laid down its fundamental values, which apply to all business relationships, in the Guideline on Sustainable Business Practices. This is based on the United Nations Universal Declaration of Human Rights, the conventions of the International Labour Organization (ILO), the United Nations Guiding Principles on Business and Human Rights (UNGP) and the UN Global Compact (UNGC). It includes respect for human rights, labour and social standards, environmental protection and animal welfare.

The <u>Code of Conduct (CoC)</u> of the REWE Group specifies the principles of the Guideline on Sustainable Business Practices. It outlines the minimum standards that suppliers must observe and comply with when doing business with companies in the REWE Group. They are obliged to comply with human rights and environmental obligations and to ensure this in their own business area. The companies of the REWE Group also expect that there will be no violations in the upstream supply chain of the suppliers, i.e. by their direct and indirect suppliers.

In order to actively reduce the negative effects of purchasing practice, the REWE Group follows its Detox Program based on the Manufacturing Restricted Substances List (MRSL) of the "Zero Discharge of Hazardous Chemicals" (ZDHC) initiative, an association of international companies and organisations aiming to eliminate hazardous chemicals from the textile industry. To make a binding contribution to protect the climate and resources, the REWE Group works in compliance with the requirements of the Science Based Targets initiative (SBTi), which offers companies a scientifically based methodology for setting CO<sub>2</sub> targets.

With the requirements described below, the REWE Group specifies the basic principles set out in the CoC for textile suppliers of private labels.

## 3.1. Principles

#### **Human Rights Obligations**

The REWE Group is committed to ensuring that the manufacture of the textile products in its range takes place with respect for human rights and in compliance with recognised labour and social standards. In doing so, the REWE Group records the production facilities of the direct and indirect suppliers up to and including Tier 2 (wet process facilities) in the textile supply chains of the private labels. Wherever it has not yet evolved, the REWE Group is increasing transparency along the supply chain.

The business partners are obliged to disclose the production sites where products are manufactured for the REWE Group. Subcontracting is contractually prohibited. Approval from the REWE Group can be obtained by the subcontractor if requirements, such as proof of a valid social audit, are met.

All business partners of the REWE Group are contractually obliged to comply with the minimum requirements of international and national laws, as well as the core labour standards of the ILO, and to commit to the Guideline on Sustainable Business Practices. The REWE Group's goal is to oblige all of its suppliers to comply with the CoC. Business partners with production facilities in high-risk countries are also contractually obliged to demonstrate compliance with these principles through valid social audits, such as the amfori BSCI standard or the SA8000 standard. If violations are detected in the social audits, the respective business partner is obliged to submit an action plan for rectification and to implement it at short notice.

Business partners of the REWE Group that supply clothing from the countries of the Accord agreement to improve fire protection and building security, like Bangladesh, are obliged to support the following activities:

- Inspections of production facilities to check building security and fire protection
- Implementation of the renovation and improvement measures set out in the action plans
- Training of employees in production facilities on fire protection measures
- Support for the Accord agreement's grievance mechanism.

The REWE Group also obliges all business partners to protect the health and safety of employees, for example by not using textile processing methods with health consequences such as denim sandblasting.

The REWE Group also calls on all production facilities to regularly take part in amfori BSCI workshops. Selected production facilities of strategic suppliers also take part in a multi-month programme with on-site training and implement improvements as part of this programme.

#### **Environmental Obligations**

The protection of natural resources and biodiversity is an important issue for the REWE Group. For this reason, the REWE Group is also committed to environmentally friendly and resource-preserving production conditions in its supply chains. For example, the company has set itself the goal of increasing the use of more sustainable materials through appropriate standards in the procurement of textiles. Along the entire supply chain, it is also important to avoid or continuously reduce the environmental impact of resource and energy consumption, emissions of greenhouse gases and air pollutants, water consumption, application to soil and water, and waste, to preserve biodiversity and promote a circular economy. This applies to both commodities and packaging.

The following textile-specific requirements apply to this:

The companies in the supply chain are contractually obliged to meet the minimum requirements of generally recognised environmental protection standards and internationally and nationally applicable laws within the individual production.

All business partners are contractually obliged to meet the requirements of the OEKO-TEX®-100 standard to prove that their products are free from harmful substances.

Business partners in the supply chain for the REWE Group private label textile products (clothing, home textiles, cotton bags, shoes) must disclose their wet production facilities as part of the REWE Group's Detox Program. For production, the Manufacturing Restricted Substances List (MRSL) of the ZDHC must be observed. In addition, the following evidence must be provided:

- valid waste water test according to ZDHC standard
- proof of a valid chemical inventory
- valid evidence of training or evidence of valid chemical management certification

PRO PLANET suppliers also undertake to use more sustainable cotton in accordance with the Global Organic Textile Standard (GOTS) or that of Cotton made in Africa (CmiA). This ensures the absence of genetic engineering and a reduction in water consumption through appropriate cultivation methods. The products are marked with the seal of the applicable standard

and also receive the PRO PLANET label. This is not only possible with more sustainable cotton, but also with products made from recycled plastic to promote the circular economy.

Suppliers of products with the Green Button label must prove compliance with the requirements for sustainable production by means of credible certificates such as GOTS, Made in Green or Global Recycled Standard (GRS). The requirements of the Green Button Standard 2.0 also apply to raw material extraction. In the case of natural fibres, for example, there is a ban on genetically modified cotton, synthetic fibres are generally only permitted if they are recycled or, in principle are recyclable, and in the case of fibres of animal origin these must originate from species-appropriate husbandry.

#### **Animal Welfare**

The REWE Group aims to avoid, where possible, painful procedures carried out on livestock and rejects procedures and husbandry conditions that contradict generally accepted standards of animal welfare. It therefore stipulates husbandry conditions for its business partners and obliges them to refrain from problematic processes for the production of animal materials. The REWE Group completely precludes the use of the following materials of animal origin:

- real fur
- angora wool
- mohair
- cashmere
- down or feathers from live plucking. The obligation to provide evidence by means of a suitable certificate applies to this.
- Merino wool and therefore also the mulesing process. The Five Freedoms of the Farm Animal Welfare Council (FAWC) also apply to sheep farming
- components of exotic and protected animals such as crocodiles or snakes.

The REWE Group promotes the use of leather alternatives, provided that a switch is possible.



#### **Integrity-Related Obligations**

All business partners of the REWE Group must allow employees to exercise their right to freedom of association and collective agreements. In countries where free and democratic union activity is not permitted, employees shall be allowed to freely elect their own representatives with whom the company can engage in dialogue on workplace issues.

Any form of corruption, bribery or extortion is prohibited. The business partners of the REWE Group ensure that their activities, group structure and services are documented and disclosed.

### 3.2. Objectives

The REWE Group has set itself ambitious objectives for the implementation of the defined measures. These give the REWE Group's commitment a clear orientation and are subject to a continuous progress review. Across the board, the REWE Group is striving for certification in accordance with the Green Button 2.0 standard. Furthermore, the company intends to achieve the following objectives by implementing its measures.

#### **Human Rights and Social Objectives**

#### **Objective 1: Transparency**

The REWE Group will publish an annual list of the textile production countries and continuously increase the share of textiles that are certified according to a Chain of Custody standard. For this purpose, the REWE Group will rely on CmiA Inside, among other things.

#### **Objective 2: Social Improvement**

The REWE Group has set itself the objective of sourcing 100 per cent of all textiles from factories that have been tested as part of the Social Improvement Programme. In the event of a poor audit result, an action plan must be drawn up.

#### **Objective 3: Building Safety**

Under the Accord Agreement in Bangladesh and all subsequent agreements, all defects identified in the inspections regarding electrical safety, fire protection and building safety at active production sites must be remedied.

#### **Objective 4: Living Wages**

The REWE Group has set itself the goal of working towards living wages in dialogue with other companies and stakeholders. The company also aims to create a wage gap analysis for high-risk suppliers.

#### **Objective 5: Analysis of Purchasing Practices**

The REWE Group will continuously analyse whether its purchasing practices have a negative impact and will draw up an action plan.

#### **Ecological Objectives:**

#### **Objective 1: Detox Program**

The REWE Group has set itself the objective of sourcing 100 per cent of all textiles from wet process facilities that have been tested in the Detox Program.

#### **Objective 2: Self-Assessment for Production Facilities**

All production facilities should take part in an annual self-assessment with regard to ecological risks.

#### Objective 3: More Sustainable Cotton

The REWE Group aims to increase the proportion of textile products made from more sustainable cotton from 70 per cent in 2017 to 100 per cent by the end of 2025. More sustainable cotton includes cotton incl

Our aim is to increase the share of textiles made from more sustainable cotton to **100 per cent** 

by 2025.

# **IV.** STRATEGIC APPROACH AND IMPLEMENTATION

Through a clear strategic commitment and appropriate measures, the REWE Group aims to actively contribute to reducing and resolving social and ecological impacts in the textile supply chain.

Sustainability is firmly established in the REWE Group's corporate strategy. This means: The REWE Group promotes more sustainable product ranges and ensures fair treatment of partners and suppliers, is acting in an environmentally and climate-conscious manner, assuming responsibility for its employees and taking responsibility for contributing to a sustainable society. Within the sustainability strategy, the "Green Products" pillar bundles all activities aimed at making purchasing and production processes more sustainable and thus expanding more sustainable product ranges. The activities of the REWE Group are broken down into three fields of action:

- People
- Animals
- Environment

In order to identify, evaluate and process the effects of private labels on people, animals and the environment, the REWE Group follows a four-stage process in its climate strategy analogous to the Group's Approach for More The REWE Group is promoting more sustainable product ranges and ensuring fair treatment of partners and suppliers, acting in an environmentally and climate-conscious manner, assuming responsibility for its employees and taking responsibility for contributing to a sustainable society.

<u>Sustainable Supply Chains:</u> Assortment and risk analysis, derivation of focus topics, implementation of measures, monitoring and reporting. The implementation takes place on three different levels of cooperation:

#### **Internal Cooperation**

The aim is to further integrate sustainable procurement into the REWE Group's purchasing processes in order to take sustainability aspects into account in every purchasing decision. The company lays the foundation for concrete activities through strategic and organisational projects. For example, the REWE Group contributes to internal awareness by providing risk analyses and briefings, integrating sustainability criteria into target agreements for buyers and training on sustainability topics. Internal reporting enables the continuous further development within the individual sustainability topics. External communication creates transparency vis-à-vis stakeholders.

#### **Cooperation Within the Supply Chain**

Risks in the supply chain are allocated to the three fields of action: people, animals and the environment. The REWE Group addresses the sustainability risks that arise with regard to these fields of action in the supply chain in a targeted manner, through systematic supply chain management which is characterised by close cooperation with suppliers and commitment at the production site and raw material production level. As a first step, the REWE Group's supply management increases, where required, transparency along the supply chain for the private label products. This allows risks to be identified and avoided more easily or addressed directly.

In addition, the integration of sustainability is promoted as part of the supplier evaluation. By raising the awareness of the contractual partners and holding them accountable, concrete rules are created to implement sustainability throughout the supply chain. As far as this is laid down in the specifications, the obligations are also an integral part of the supplier contracts and are checked by the REWE Group's Sustainability Department in the purchasing process.

Audits and standards are intended to improve sustainability on a broad basis. If the requirements are not met, the further procedure is discussed and decided on the grounds of a recommendation by the Sustainability Department. The REWE Group reserves the right to impose sanctions in the event of deliberate gross non-compliance with the requirements. Grievance mechanisms enable those affected by violations of labour or human rights to raise their concerns. In principle, however, the REWE Group relies on individual measures and sustainability projects for supplier development.

For example, training programmes are aimed at reducing effects along the supply chain in a targeted manner. Existing systems are used in audits and, above all, in training courses in order to pool own strengths with other partners and to bring about joint improvements.

#### **Cooperation with Stakeholders**

The challenges for dealing with sustainability risks in the production of private labels are often rooted in global trading structures and influenced by political and social conditions. Good stakeholder management is therefore an important starting point for identifying the relevant topics and implementing the sustainability strategy. To this end, the REWE Group engages in a continuous exchange with stakeholders such as the Sustainability Advisory Board. The REWE Group also organises regular dialogue events. Other important elements include participation in external events, industry initiatives, partnerships, commitment to the further development of sustainability standards and monitoring relevant developments at political and regulatory level. In the textile industry, the REWE Group is involved in national and international initiatives and cooperates with various standards, which are briefly presented below:

- amfori BSCI and amfori BEPI
- The Bangladesh Accord on Fire and Building Safety and its follow-up agreements in Bangladesh and Pakistan
- Partnership for Sustainable Textiles
- Cotton made in Africa (CmiA)
- Detox Program
- Global Organic Textile Standard (GOTS)
- Green Button
- Global Recycling Standard (GRS)
- OEKO-TEX<sup>®</sup>
- PRO PLANET

More information on these standards is available in the current REWE Group <u>Sustainability Report</u> as well as <u>on the Group's website</u>.

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**Tel.:** +49 221 149-1791

The dialogue on the topic of textiles is of great importance to us. Please contact us with suggestions and questions at: nachhaltigkeit@rewe-group.com

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