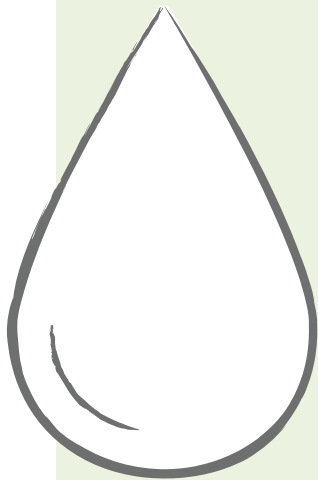


REWE GROUP  
DETOX PROGRAM

# Detox Progress Report 2018



We are dedicated  
to eliminating harmful  
chemicals in the  
production and supply  
chain of private  
label apparel,  
home textiles  
and shoes.



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### List of Abbreviations

<b>APEOs</b>	Alkylphenol ethoxylates
<b>APs</b>	Alkylphenols
<b>BMZ</b>	German Federal Ministry for Economic Cooperation and Development
<b>CmiA</b>	Cotton made in Africa
<b>DMF</b>	Nitrosamines and dimethylformamide
<b>GIZ</b>	Gesellschaft für Internationale Zusammenarbeit (German Corporation for International Cooperation)
<b>GOTS</b>	Global Organic Textile Standard
<b>IPE</b>	Institute for Public and Environmental Affairs
<b>MDSL</b>	Manufacturing Restricted Substance List
<b>PFCs</b>	Polyfluorinated and perfluorinated compounds
<b>RSL</b>	Restricted Substance List
<b>STeP</b>	Sustainable Textile Production

## I. FOREWORD

Dear Ladies and Gentlemen,

As a trade company, REWE Group is committed to providing its customers with products and services which not only meet the strictest standards in terms of quality, but also satisfy social and ecological sustainability requirements. Being aware of our responsibility towards people and the environment, we have developed the “Green Products 2030 Strategy” last year as part of our overarching sustainability strategy. With this approach, we identify impacts systematically and bundle suitable measures to improve ecological and social conditions in the sometimes very complex supply chains of our products. The values contained in the [Guideline for Sustainable Business Practices](#) form the basis for the business relationships with our suppliers. The [Guideline for More Sustainable Textiles](#) developed last year also describes our precise requirements, measures and targets for suppliers in the risk commodity group of textiles.



The protection of water as a resource is a central concern of REWE Group and an essential component of our strategy. Water bodies are becoming increasingly polluted, with textile production being one of the most important causes. This is why we joined Greenpeace's Detox Campaign in 2014 and, building on this, set up a program for apparel, shoes and home textiles of REWE Group's private labels. Our Detox Program is designed to reduce the negative impact of business activities on people and the environment and to ensure the production of textiles without the use of chemicals that are harmful to the environment or health.

Close exchange with partners and suppliers is the basis for the successful implementation of our Detox Program. We are convinced that ecological conditions in textile production can only be systematically improved in the long term if all players work together. For this reason, REWE Group works with its suppliers as well as with companies, organisations, universities and participates in initiatives and alliances to create the framework conditions for the elimination of hazardous chemicals from textile production. As part of an alliance initiative, which was joined by three other companies last year, we set ourselves the goal of holding joint training courses this year to improve chemicals management and to provide an institutional framework for the training courses. This cooperation will enable us to pool our expertise and exploit synergies – for less environmentally harmful textile production.

This report provides comprehensive information on our activities, goals and progress within the framework of the REWE Group's Detox Program. We outline what we have achieved in the past year, what challenges we are facing and in which areas there is an increased need for action in order to sustainably improve chemicals management.

We wish you an informative and insightful read and look forward to a constructive exchange.



**Dr Daniela Büchel**  
Board Member German  
food retail business –  
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**Torsten Stau**  
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## II. OBJECTIVE AND APPROACH

Since 2014, REWE Group has been committed to systematically banning hazardous chemicals from textile production as part of its Detox Program because they have negative impacts on people and the environment. The aim is to reduce water pollution and damage to health caused by chemicals. With this program, REWE Group supports Greenpeace's Detox Campaign and pursues the goal of eliminating all harmful chemicals from the production and supply chain of apparel, home textiles and shoes of its private labels by 2020.

The approach of the Detox Program comprises the four elements “Chemicals Management”, “Supplier Development”, “Cooperation and Dialogue” as well as “Closed Loop”:

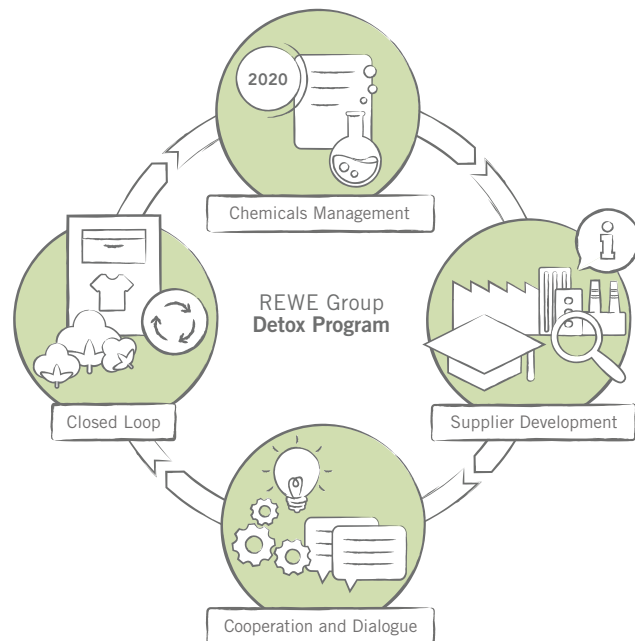


Figure 1: Graphical representation of the REWE Group Detox Program

### Chemicals Management

In the Manufacturing Restricted Substances List (MRSL), REWE Group defines chemical-related requirements for its suppliers. As in previous years, the MRSL was also updated in 2018 as part of an extensive screening process. In addition, we have continued our phase-out strategy, which provides for the gradual elimination of hazardous chemicals and defines the corresponding timelines.

To support our suppliers, we also launched new pilot projects in the year under review: A root-cause analysis will be conducted to support selected suppliers in the systematic determination of the causes of violations detected within the framework of the wastewater test. We also worked on a case study to eliminate alkylphenol ethoxylates (APEOs).

### Supplier Development

In order to achieve our goal, we need the support of our suppliers – we want to help them implement our Detox Program through steady business relationships and at the same time commit them to pass on our requirements to their upstream suppliers. This is intended for upstream wet process factories that carry out production steps requiring particularly high amounts of water and chemicals, such as dyeing, bleaching or finishing. In the 2018 reporting year, REWE Group successfully completed pilot training courses for 20 wet process factories under a training program to assist them in switching to less harmful alternatives. For a cooperation in the Partnership Initiative for Chemicals and Environmental Management of the Partnership for Sustainable Textiles, we will provide the training concept developed with Tchibo and the Gesellschaft für Internationale Zusammenarbeit (German Corporation for International Cooperation - GIZ) in order to conduct training together with other companies. In the reporting year, we also maintained an exchange with our strategic suppliers at meetings and events.














### Cooperation and Dialogue













In close exchange with competitors, non-governmental organisations, test institutes, service providers and universities, we develop structures and instruments for a sustainable chemicals management. As a member of the Partnership for Sustainable Textiles, REWE Group works together with other companies to achieve social and ecological improvements along the textile supply chain. Within the framework of the associated partnership initiative for strengthening chemicals and environmental management, we were involved, for example, in piloting a concept for one-day basic trainings in addition to the training courses described above. We are also working on standardising the Detox requirements and advocating joint implementation in the production countries. In addition, we regularly exchange information with various companies and support the development of standards.

### Closed Loop

The approach of a closed material cycle (closed loop) takes into account the entire life cycle of textiles and focuses on the careful use of resources and sustainable consumption: Used goods are collected, processed and resold in the form of new products - they are thus kept in a cycle. In 2017, REWE Group set up the first clothes donation banks as part of a take-back system for used clothing and is now able to report for the first time on the quantities and uses collected.

## III. OVERVIEW OF PROGRESS 2018

Topic	Activities	Extent to which targets are achieved
<b>Chemicals Management</b>		
Manufacturing Restricted Substances List (MRSL)	<ul style="list-style-type: none"> <li>Publication of MRSL 4.0</li> </ul>	
Elimination of hazardous chemicals	<ul style="list-style-type: none"> <li>Ban of phthalates, organostannic compounds, DMF, nitrosamines Chemicals</li> <li>Phase-out of dyes and other chemicals [2-ethoxyethyl acetate and chromium(III)]</li> </ul>	 
Wastewater tests	<ul style="list-style-type: none"> <li>Analysis of the wastewater tests 2018</li> <li>Cooperation with test institutes</li> </ul>	 
<b>Supplier Development</b>		
Transparency	<ul style="list-style-type: none"> <li>Wet process facilities are made transparent for every order</li> </ul>	
Information and support	<ul style="list-style-type: none"> <li>Publication of 3 chemicals fact sheets</li> <li>Supplier discussions</li> </ul>	 
Training	<ul style="list-style-type: none"> <li>Training of 20 wet process facilities</li> <li>Trainings on root-cause analysis</li> <li>APEO substitution project</li> </ul>	  
Clean Factory Approach	<ul style="list-style-type: none"> <li>Clean Factory Approach communicated to suppliers</li> <li>Establishment of a pool of wet process factories</li> </ul>	 

Topic	Activities	Extent to which Targets are achieved
Cooperation and Dialogue		
Industry initiatives	<ul style="list-style-type: none"> <li>Membership in the Partnership for Sustainable Textiles and the Partnership Initiative for Chemicals and Environmental Management</li> </ul>	
Dialogue	<ul style="list-style-type: none"> <li>Exchange with the relevant stakeholders</li> <li>Supplier Summit of REWE Far East</li> </ul>	 
Communication and raising awareness	<ul style="list-style-type: none"> <li>Report on the 2018 wastewater test results</li> <li>Publication of the wastewater test results on the IPE platform</li> <li>Video clip on the REWE Group Detox Program</li> <li>Publication of the Guideline for More Sustainable Textiles</li> </ul>	   
Closed Loop		
Closed Loop Approach	<ul style="list-style-type: none"> <li>Workshop on circular economy within the framework of the Supplier Summit</li> </ul>	
Collection system for textiles	<ul style="list-style-type: none"> <li>Placing of clothes donation banks</li> <li>Reporting on purposes of use</li> </ul>	 
Structuring of the product range	<ul style="list-style-type: none"> <li>Products made from recycled fibres in the product range</li> <li>CmiA-certified workwear at REWE and toom Baumarkt DIY stores</li> </ul>	 

Key:  Commenced  Undergoing implementation  Complete  Ongoing process

## IV. ACTIONS AND PROGRESS IN DETAIL

As part of our activities in the fields of chemicals management, supplier management, cooperation and dialogue as well as closed loop, we implement comprehensive measures every year and present our developments annually in this progress report:

### 4.1 Chemicals Management

The objective of our chemicals management is to identify hazardous chemicals used in textile production and to develop substitution strategies to eliminate them from the production process. By complying with the precautionary principle, REWE Group ensures that chemicals with potentially hazardous properties are not used in production as a precaution and are instead replaced, even if their harmful properties have not yet been clearly proven.

In our Manufacturing Restricted Substances List (MRSL), we document all chemicals that we have classified as hazardous and may therefore not be used in our supply chains. In addition to the eleven chemical groups defined and prioritised in the Detox Commitment, the MRSL also contains five further groups of substances which must be eliminated from production. The MRSL defines test methods and limit values that apply to the use of the listed chemicals and their presence in wastewater and sewage sludge. The Restricted Substances List (RSL), which is included in the MRSL, also defines limit values for chemical residues in our finished products.

The MRSL also contains specific information for all chemicals as to when elimination is to take place and is updated annually.

Table 1: Progress made by the REWE Group

### MRSL Update

In 2018, the previous MRSL 3.0 was updated according to the defined, systematic [MRSL Update Method of the REWE Group](#). The existing limit values were reviewed in collaboration with testing institutes and, where necessary, were changed in line with the best available technology. At the same time, an analysis was carried out to determine whether other chemicals should be classified as hazardous.

As a result, the substance bisphenol A (BPA) was added to the MRSL, a synthetically produced substance that can cause changes in the hormone system and should therefore no longer be used in production. The updated [MRSL 4.0](#) has been available to interested stakeholders on the REWE Group website since mid-December 2018.

### Continuation of the Phase-Out Strategy

In order to enable a gradual elimination of hazardous chemicals in the supply chain, we have defined individual timelines for each chemical in our MRSL. These provide our suppliers with information as to when they have to eliminate the substances from production. They are based on REWE Group's phase-out strategy, which was continued in the reporting year:

Since the beginning of 2018, certain flame retardants, in particular brominated and chlorinated flame retardants, may no longer be used. Since then, the use of chlorophenols and the individual substance chromium(VI) has also been banned from the production of apparel, home textiles and shoes, just like the use of short-chain chlorinated paraffins in apparel production.

The use of phthalates and organotin compounds, which belong to the priority chemical groups, has been banned since 1 January 2019. Nitrosamines and dimethylformamide (DMF) may

also no longer be used since this date. In 2019, in addition to the two chemicals 2-ethoxyethylacetate and chromium(III), the group of amines which includes various carcinogenic dyes, will go into phase-out and will be banned by 31 December 2019.

Our suppliers received information on the timelines of the new phase-outs at the beginning of 2019. This gives them sufficient time to prepare for the ban.

### Pilot Projects

Various pilot projects enable REWE Group to gain insights into the implementation of the Detox Program and into possible challenges, problems and solutions. Six pilot projects focusing on improving chemicals management within the factories in various production countries have already been completed. The procedure as well as the results can be viewed in [case studies on the REWE Group website](#).

We are currently carrying out a pilot project for root cause analysis in ten factories in India, Pakistan and Turkey. The aim here is to systematically determine the causes of non-compliance with wastewater requirements. The results of the wastewater tests are then used to help suppliers improve their processes and implement corrective measures.



Microscopic analysis within the framework of the training program.



### Case Study - Elimination of APEOs

Together with a wet process facility in China, we are conducting a pilot project to identify and subsequently eliminate sources of APEOs. REWE Group was able to identify possible causes for the presence of APEOs as already sourced raw fabrics, chemicals used for printing and contract work with the raw materials and auxiliaries supplied. Discussions with the suppliers of the raw fabrics revealed that a degreasing cleaning agent is being used. This can be a source of APEOs and is therefore no longer to be used with immediate effect. The chemicals used in the printing process are currently being tested in more detail. The factory has decided not to carry out contract work anymore. This way, the use of chemicals in the factory can be better controlled in the future.

## Case Studies:

Pilot Project	Duration
Pilot project with an apparel manufacturer, Bangladesh ( <a href="#">Download</a> )	February to June 2015
Pilot project for PFC substitution, Bangladesh ( <a href="#">Download</a> )	March to June 2016
Pilot project for STeP certification by OEKO-TEX, China ( <a href="#">Download</a> )	February 2015 to November 2016
Pilot project to optimise bleaching processes, Bangladesh ( <a href="#">Download</a> )	June to November 2016
Pilot project for chemicals management, China ( <a href="#">Download</a> )	May 2015 to December 2016
Pilot project for the elimination of APEOs, China	since July 2017

Table 2: Pilot projects of the REWE Group



### Wastewater Quality Data

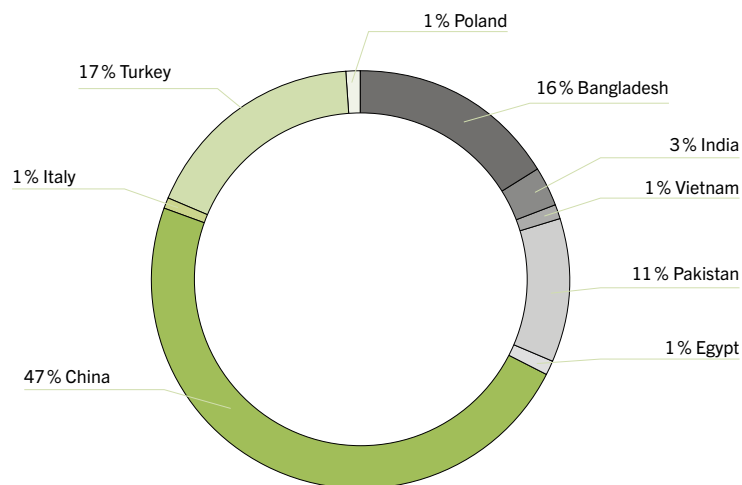
In order to ensure compliance with the Detox requirements, REWE Group requires its suppliers to submit a valid wastewater test. In addition to publication in the Detox Progress Report, the data is made available on the platform of the [Institute for Public and Environmental Affairs \(IPE\)](#).

### Process and Methodology

Together with selected testing institutes, REWE Group regularly checks the wastewater of the wet process facilities in the textile supply chain of its private labels for hazardous chemicals. A valid wastewater test from an accredited laboratory must be submitted for every order. The following analysis includes all wastewater reports that took place in 2018 in the wet process facilities with which we have supplier relations. REWE Group analyses all wastewater tests for the eleven priority chemical groups in order to evaluate the progress made in implementing the Detox Commitment. At the same time, the tests allow conclusions to be drawn about the chemicals management of the respective factories. On the basis of these findings, we can work together with the production facilities on improvement measures and substitution possibilities with the aim of continuously reducing wastewater contamination.

The wastewater from production facilities in nine countries (Bangladesh, China, Egypt, India, Pakistan, Spain, Poland, Turkey, and Vietnam) was tested for hazardous substances. The majority of the wet process facilities of REWE Group suppliers are located in China. In the reporting year, 47 per cent of the wastewater tests were carried out at Chinese production facilities.

31 per cent of the test results come from factories in South and Southeast Asia and 20 per cent from production facilities in Europe, Egypt and Turkey (Figure 2).



**Figure 2:** Geographic distribution of investigated wet process facilities

### Year-on-Year Comparison of the Test Results

The phase-out timelines and bans from the MRSL apply to the wastewater tests. APs/APEOs and PFCs, flame retardants, chlorophenols, chromium(VI) and short-chain chlorinated paraffins were already banned in the reporting year. Phthalates and organotin compounds are currently being phased-out and may not be used any longer as of 1 January 2019.

### APs/APEOs and PFCs

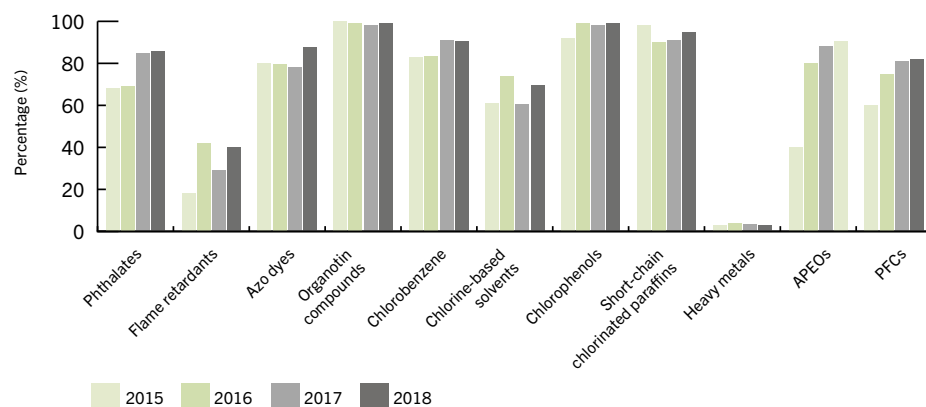
Even though APs/APEOs and PFCs have been banned since 2017 according to our MRSL, the substances have still been detected in the wastewater tests. If violations are detected, a plan of action is drawn up together with the supplier and a new wastewater test is carried out after a reasonable period of time. Since the start of the phase-out in early 2016, the factories have made increased efforts to eliminate the substances from their production. The 2018 wastewater tests show an improvement. The proportion of production facilities that complied with the APs/APEOs limits increased from 86 per cent in 2017 to 91 per cent in 2018. Compliance with the PFC limits increased slightly from 83 per cent to 84 per cent (Figure 3). Despite continuing progress, these substances have not yet been completely removed from wastewater, even though they were no longer found in our end products. Within the scope of supplier development, REWE Group is continuously working towards substituting APs/APEOs and PFCs in the production processes and improving wastewater quality.

### Flame Retardants, Short-Chain Chlorinated Paraffins, Chlorophenols and Chromium(VI).

According to the wastewater tests, the wastewater load could be reduced for the substances that have been banned since 2018. Compliance with the limit values for short-chain chlorinated paraffins (SCCPs) increased from 93 per cent in 2017 to 96 per cent in 2018. Chlorophenols could not be detected in 99 per cent of the cases. The proportion of production facilities that comply with the limit values for flame retardants rose to 40 per cent (2017: 29 per cent). The individual substance chromium(VI) has already been completely eliminated in 2017.

### Phthalates, Chlorobenzenes and Organotin Compounds

Phthalates, chlorobenzenes and organotin compounds have been in phase-out since early 2018. The proportion of production facilities that complied with the limit values for phthalates in the reporting year increased slightly from 86 per cent to 87 per cent compared as against 2017. For organotin compounds, 99 per cent of the wastewater reports meet the limits. Both substances may not be used any longer as of 1 January 2019. Last year, 91 per cent of the factories complied with the limit values for chlorobenzenes (Figure 3). In principle, it should be noted that the information provided does not refer to the same population of wet process facilities, since suppliers may change their upstream suppliers.

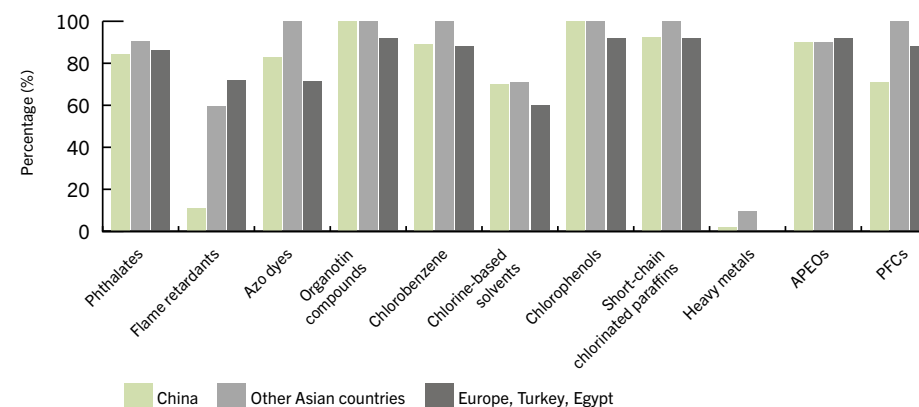


**Figure 3:** Compliance with the limit values for eleven priority chemical groups as a percentage of wet process facilities (year-on-year comparison)

### Test Results in Country Comparison

The production facilities in South and Southeast Asia have been able to completely eliminate PFCs from their production processes. More than 70 per cent of the Chinese production facilities comply with the limit values for PFCs. Factories in South and Southeast Asia were also able to completely eliminate short-chain chlorinated paraffins last year. In China, 94 per cent of the factories complied with the limit values, in Europe (including Egypt and Turkey), the rate was 93 per cent. Chlorophenols were completely eliminated both in China and in the production facilities investigated in South and Southeast Asia. In Europe (including Egypt and Turkey), no chlorophenols were detected in 93 per cent of the tests. For flame retardants, which have been banned since 2018, the divergence was especially pronounced. Only 12 per cent of the wastewater tests conducted at Chinese production facilities revealed a complete absence of flame retardants. In Europe (including Egypt and Turkey), the proportion was already over 70 per cent (Figure 4).

Despite noticeable improvements, elimination of hazardous chemicals is least advanced in China. This is why REWE Group's training program for suppliers and their wet process facilities focusses on China.



**Figure 4:** Compliance with the limit values for eleven priority chemical groups as a percentage of wet process facilities in 2018 (country comparison)

### Challenges

The results of the 2018 wastewater tests showed that there have been noticeable improvements. The elimination of chemicals from the entire factory is particularly challenging because other companies apart from REWE Group have their textiles produced there, which often do not have the same chemicals management standards. In addition, there is an increased need for action for certain chemicals. Elimination of flame retardants (especially boron and antimony) is particularly complex. Antimony exposition often results from upstream polyester production. In addition, flame retardants are often contained in detergents where conversion is difficult. There is some improvement in most cases but it is still too small. In China in particular, complementary measures are required. The presence of APs/APEOs and PFCs remains a problem in chemicals management. Although they have already been banned since 2017, they are still being detected, albeit to a minor extent.

**100 %**  
of our suppliers are monitored  
for compliance with detox  
requirements.

The elimination of heavy metals is also particularly complicated, because in many cases the inlet water used for production



Discussion about chemical storage during a factory visit in China.

is already polluted by these substances. REWE Group will continue to carry out some educational work in this area and help the wet process facilities develop a comprehensive chemicals management system.

### 4.2 Supplier Development

Chemicals are generally not used by the direct business partners of REWE Group, but by their upstream suppliers. For this reason, the entire supply chain must be taken into account to ensure the success of the Detox Program. The aim of supplier management is therefore to maintain close relationships with our suppliers and raise their awareness for the Detox Program. 100% of our suppliers are monitored for compliance with Detox requirements.

#### Information and Support

We notify our suppliers in good time about any changes in requirements and the timelines in order to provide them with optimum support in the substitution of hazardous chemicals. For instance, we notified our suppliers in writing about the MRSL update at the beginning of the 2018 reporting year. We also actively support our suppliers in the implementation of the Detox targets. This includes, for example, intensive support in compiling chemical inventories for which we make a template available to our suppliers. A supplier manual provides the business partners with the most important information and requirements.



Explanation of the dyeing process as part of a tour of a production facility in Bangladesh

### Training

A capacity building program was developed for the wet process facilities which will enable them to prepare themselves for changes in their chemicals management systems and conversion to less hazardous alternatives. Master trainers of our partner [Sustainable Textile Solutions](#) have trained experts from local organisations to be trainers. These trainers then instruct the relevant employees in the factories. As part of this, they regularly visit wet process facilities, advise the employees and conduct workshops. Our partner is available to provide advice. With this „train the trainer“ approach, we want to ensure that competencies are developed locally and within the production facilities. In addition to the work at the production facilities, we anchor the training concept at local universities and training institutions in order to further strengthen local solution competence in the longer term. To this end, we work together with the Gesellschaft für Internationale Zusammenarbeit (GIZ,

German Corporation for International Cooperation) within the scope of the develoPPP.de program initiated by the German Federal Ministry for Economic Cooperation and Development (BMZ) and Tchibo.

Under a pilot project, we successfully completed a training course for a total of 20 wet process facilities in China and Bangladesh in 2018. The training courses each consisted of three on-site visits and a five-day workshop. During the visits and workshops, the trainers, who had already received intensive training in chemicals management and their soft skills in the previous year, were accompanied by an experienced trainer to further deepen their knowledge. The factories worked on improvements in the five areas of chemicals management, management systems, process optimisation, wastewater and waste management as well as water consumption with the help of management action plans. The requirements for the factories in the areas of management systems and chemicals management were the most complex. This is where the training program comes in to further develop the factories. The impact was determined at the end of the program by a scorecard which includes a differentiated catalogue of criteria that reflects the five areas. Through their participation, the production facilities were able to increase their performance in the five areas by an average of 27 per cent. The greatest impact was achieved in the areas of chemicals management, management systems and water consumption.

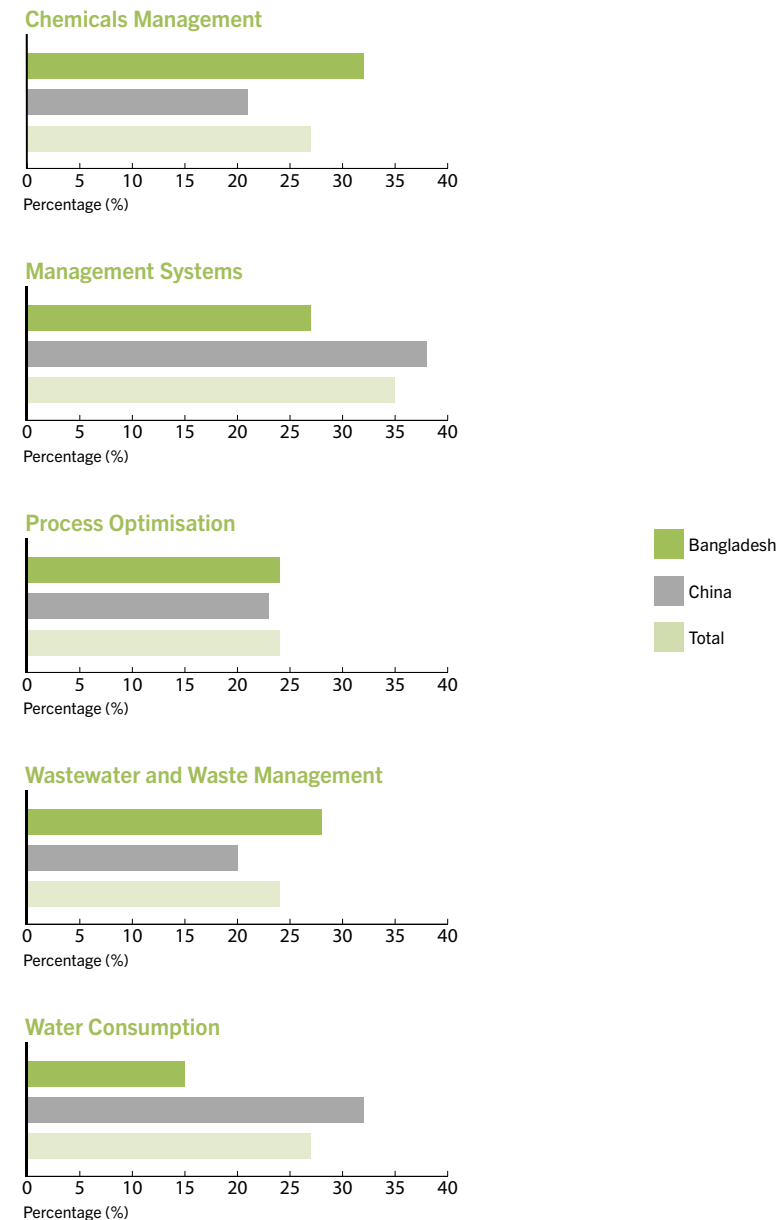
Training of the production facilities improved chemicals management by

27 %.

Detailed results regarding the performance of the factories are shown in Figure 5. In Bangladesh, production facilities were aware of the need for substantial change in most cases, as was demonstrated by their willingness to cooperate and their active participation in the workshops. By carrying out a basic measurement at the production facilities, we were able to ascertain that the first foundations had already been laid. This opened up the way for work on more complex issues within the framework of the program and advanced issues such as waste management and the substitution of harmful chemicals. The average improvement rate in Bangladesh was 25 per cent.

In China, intensive involvement of all participants was necessary especially at the beginning of the project to create awareness of the added value of the program among the production facilities. We then worked with the trainers to improve the management systems and chemicals management at the production facilities and support them in process optimisation. Significant improvements were also achieved in water consumption, due to the stricter requirements imposed by the Chinese government. This has enabled the Chinese factories to make greater overall progress compared to the Bangladeshi factories. Their average improvement is 27 per cent. However, the willingness to cooperate was generally higher in Bangladesh.

Even after completion of the pilot phase, we encourage the factories to continue their development through management action plans.



**Figure 5:** Average percentage improvements of facilities achieved through training in the context of the pilot project

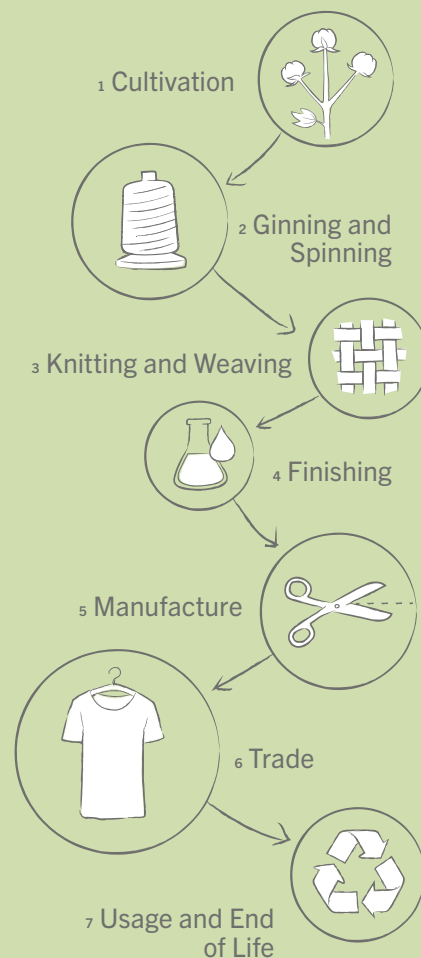


With the trainings, we make a contribution to our Clean Factory Approach: We are working to build a pool of factories that meet our Detox requirements. As part of a Memorandum of Understanding with the Partnership Initiative for Chemicals and Environmental Management of the Partnership for Sustainable Textiles, we have set ourselves the goal of conducting joint training sessions based on our concept in the coming year. In this way, synergies can be exploited and existing structures can be shared. In 2019, at least ten more REWE Group factories are to be trained in this way.

#### Transparency and Communication

To ensure the implementation of our Detox program on site, both at our direct business partners and at our wet process facilities, we regularly discuss requirements, challenges and measures with purchasers in Germany and in Asia. Creating transparency and supporting the elimination of hazardous chemicals and the conversion to alternatives is particularly important here. For each order, we collect information about the wet process facilities and require them to publish their data on the wastewater tests carried out on the platform of the [Institute for Public and Environmental Affairs \(IPE\)](#).

## The Life Cycle of a Piece of Clothing



### Clean Factory Approach

With the Clean Factory Approach, we ensure that the factory dispenses with hazardous chemicals completely – and not only for the products ordered by REWE Group. The goal is to build a pool of wet process facilities that meet basic environmental standards and convert their processes to non-hazardous chemicals. REWE Group is working towards purchasing textile products only from this pool in future.

### 4.3 Cooperation and Dialogue

The implementation of pilot projects, experience on site as well as discussions and cooperation with our suppliers provide us with valuable insights into the implementation of the requirements and the challenges that arise. Against this background, we contribute to the development of tools and standards and engage in industry-wide exchange. Cooperation in initiatives and alliances is particularly conducive to exploiting synergies, sharing experience, developing uniform requirements and thus jointly improving conditions in the textile supply chain.



Participants of the basic trainings in Pakistan

### Industry Initiatives

As a member of the Partnership for Sustainable Textiles, we work together with many other companies to improve social and ecological standards along the textile supply chains. Within the Partnership, we are active in the Partnership Initiative for Environmental and Chemicals Management. After completion of the pilot phase, we will jointly conduct advanced trainings in wet process facilities to improve their chemicals management (cf. [Training](#)). We also participated in piloting a concept for basic training with two factories in Pakistan. A one-day workshop will convey and promote basic knowledge of sustainable chemicals management in textile supply chains. In addition, we contribute both in terms of content and funding to the conception and production of training videos in various languages, which will provide factory employees with further multimedia support for improving their chemicals management. As a member of the Partnership, we set ourselves ambitious goals every year and commit ourselves to reporting on progress – including on chemicals management – on a regular basis. This roadmap is published annually on the [Partnership for Sustainable Textiles](#) website.

In addition to the Partnership for Sustainable Textiles, REWE Group is also a member of the “Chemicals in Textile and Shoes” working group of amfori’s Business Environmental Performance Initiative (BEPI).

### Partnership for More Sustainable Textiles



As part of the multi-stakeholder initiative, around 130 representatives from companies, associations, non-governmental organisations, trade unions and politics have committed themselves to achieving sustainable improvements of the ecological, social and economic conditions in textile supply chains. Within the framework of an individual action plan, each member sets itself binding and verifiable targets and is obliged to report target achievement every year. The progress made is monitored. In addition, the members are active in working groups on measures and solutions to specific problems, support each other and can leverage synergies.

### Dialogue

We are in continuous dialogue with our stakeholders about requirements and challenges during the conversion to zero discharge. Dialogue is not only helpful with our suppliers and business partners but also, and in particular, with other companies, who are also working to remove harmful chemicals from their supply chains. Together, we continue to develop standards and a sustainable chemicals management. In addition, the exchange with service providers, test institutes and research institutes is important.

### Communicating and Raising Awareness

We communicate our developments, processes and measures regarding our Detox Program in our annual Progress Report. In addition, the REWE Group Sustainability Report, which is also published annually, contains further information on the Detox Program. In June 2018, REWE Group published its “[Guideline for More Sustainable Textiles](#)”, which outlines our approach to more sustainable textiles and serves to raise awareness of suppliers and partners in the supply chain to sustainable textile production and to present requirements and targets in a transparent manner. To help our suppliers to meet our



requirements for chemicals management in textile production we provide them with a supplier handbook containing important information. In the reporting year we also published factsheets on other chemical groups, which provide background information, illustrate risks and outline possible alternatives. We also organise events on a regular basis: Under the motto “Together into a Sustainable Future”, around 200 of our suppliers took part in workshops in Shanghai on topics such as “Green Production” or “Reduce, Reuse and Recycle”. This has raised our partners’ awareness of more sustainable business practices. The event also honoured the most sustainable supplier who, among other activities, participated in the Detox training program.

In order to inform our customers about our commitment to more sustainable textile production, we use our own channels such as flyers, Facebook or the in-store radio. For instance, we published reports on the Partnership for Sustainable Textiles and our Detox targets. In addition, the focus in 2018

was on customer information on GOTS and Cotton Made in Africa-certified textiles, as REWE Group aims to only purchase textiles made from more sustainable cotton by 2025. The [video explaining the Detox Program](#), which was completed in the reporting year, also illustrates the problems of hazardous chemicals in textiles and presents REWE Group’s solutions.

## 4.4 Closed Loop

Keeping materials in circulation and thus conserving resources and promoting sustainable consumption – this is the goal pursued by the Closed Loop Approach. To this end, REWE Group wants to offer more

sustainable products and contribute to the recycling of discarded textiles. In 2018, we held a workshop with our suppliers in Shanghai on this topic in order to raise awareness of circular economy.

In addition, further clothes donation banks for returning textiles were set up in the reporting year. For the first time, reporting provides information not only on the number of donation banks, but also on purpose of use.

### Returning Textiles

REWE Group already set up a return system for textiles in 2016 and, together with a service provider, set up the first donation banks at locations of our sales line PENNY in 2017. In this way, we want to help ensure that textiles are recycled and not disposed of. Last year we placed further donation banks, so that at the end of 2018 a total of 629 collection containers were available for returning textiles. The collected textiles find use as second-hand clothes or are recycled in the industry or as input material in textile production. Textiles that can no longer be recycled are professionally disposed of. The rental income goes into social projects, such as the PENNY Förderkorb, with which PENNY supports local, social commitment. In 2018, our cooperation partner reported for the first time on the collected quantities and intended uses. This data will be compiled annually in the future.

Use	in %
Reuse	58
Recycling	31
Other recovery	10
Thermal utilization (foreign material)	1
Total	100

Table 3: Overview of fractions of the clothes donation banks



Clothes donation bank

The proportion of textiles made from more sustainable cotton was increased to

**85%**  
in 2018.

### Structuring of the Product Range

As a way of using textiles longer, our range includes textile products made from recycled fibres, such as socks made from 65 per cent recycled cotton that meet the OEKO-TEX Standard 100. REWE Group is striving to expand its range of more sustainable cotton textiles: By 2025, we want to increase the proportion of textiles made from more sustainable cotton at REWE and PENNY in Germany to 100 per cent. In 2018, REWE Group was able to increase its share to over 85 per cent. We continue to focus on Cotton made in Africa

(CmiA), the Global Organic Textile Standard (GOTS) and recycled cotton. Our employees in the REWE stores and in all toom DIY stores will in future only be wearing workwear that has been certified by CmiA. A study conducted in 2018 on life-cycle assessment came to the conclusion that the use of cotton according to GOTS and CmiA standards is more environmentally friendly in many aspects than the use of conventional cotton. This result has encouraged us to continue to use these certifications and to consistently pursue our goal for more sustainable cotton.

### Textile Standards

Labels and certifications in the textile industry help to promote a sustainable supply chain. The Global Organic Textile Standard (GOTS) focuses on socially and ecologically responsible textile production. Labour and environmental standards are regularly checked throughout the entire supply chain. One of the main criteria for awarding the certificate is the use of chemicals during production. In addition, only natural fibres from organic farming are used. Cotton made in Africa (CmiA) stands for ecological and social cotton cultivation and thus starts with the production of raw materials. The initiative focuses in particular on supporting African smallholders.



## V. OUTLOOK AND NEXT STEPS

REWE Group will continue to work towards eliminating hazardous chemicals from textile supply chains and achieving the ambitious targets of our Detox Program next year. In 2019, the focus will be on the following measures:

- We will conduct **trainings for wet process facilities** as part of our involvement in the **Partnership Initiative** to strengthen sustainable chemicals and environmental management in the textile sector initiated by the Partnership for Sustainable Textiles. The plan is already in place for at least ten factories of REWE Group to participate in the training program with on-site visits and workshops. We will also work on developing a joint **training structure** to enable industry-wide cooperation in the organisation of training courses.
- The **wastewater test results will also be evaluated in 2019 and published in the 2019 Progress Report**. The aim is to document our progress towards a reduction in hazardous chemicals and document which chemicals are still present.
- We will review our **Detox process** next year, with the aim of examining how we can make existing processes even more effective and efficient. We will evaluate our measures to further increase their effectiveness. On the basis of these findings, we will derive new objectives and determine the structure of our Detox Program for the coming years.
- In this context, we will also evaluate further **cooperation opportunities with initiatives and partnerships** to jointly promote the elimination of chemicals in the textile supply chain. These include Zero Discharge of Hazardous Chemicals (ZDHC), the Partnership for Sustainable Textiles and the amfori Business Environmental Performance Initiative (BEPI).
- The **pilot project for root cause analysis** of ten factories in India, Pakistan and Turkey will be completed in 2019.
- We will publish the **case study on APEO substitution**.
- The **training video**, which we support within the framework of the Partnership for Sustainable Textiles, is to be completed next year and made available to our suppliers and factories.

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The dialogue on the Detox Program is of great importance to us. Please contact us with suggestions and questions at: [nachhaltigkeit@rewe-group.com](mailto:nachhaltigkeit@rewe-group.com)

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