



## Results of wastewater and sludge reports

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Please note that this English version serves merely as a translation of the original German version. In the event of inconsistent or ambiguous content, the German original version shall prevail.

### Requirements for wet-processing facilities

Besides our existing quality guidelines, we have compiled the ALDI M-RSL/RSL (Manufacturing Restricted Substances List/ Restricted Substances List), which we also published on our websites in 2015, to enable our business partners to fulfil our standards. Based on the Detox requirements, this list specifies the permissible threshold values for hazardous chemicals in wastewater and sludge discharged from production facilities. The obligation to adhere to the threshold value is an integral part of all of our supplier contracts.

Since 2015, we have made it a requirement for wastewater and sludge analyses to be conducted at wet-processing facilities. The output requirement is assessed at least once per year at the production facilities. The samples are taken on site by an accredited testing institute specifically nominated by us for this purpose and tested for compliance with our M-RSL threshold values. The results of the analyses are then communicated to us, our suppliers, and to the production facilities.

All data is collected by ALDI, processed, and evaluated in order to conduct meta-studies and trend analyses, evaluate the development of risks and to identify efficient measures to take. The implementation of measures and the related impact is followed up in detail. The ongoing development of our internal IT systems supports the recording and analysis of supplier and production facility data.

The development of our internal monitoring, verification, and evaluation system allows us to identify the suppliers' progress, success, and potential for optimisation – and to communicate this information to them. Risk evaluation is a central component of the international supplier and production facility evaluations.

### Results of wastewater and sludge analyses per ALDI M-RSL chemical group

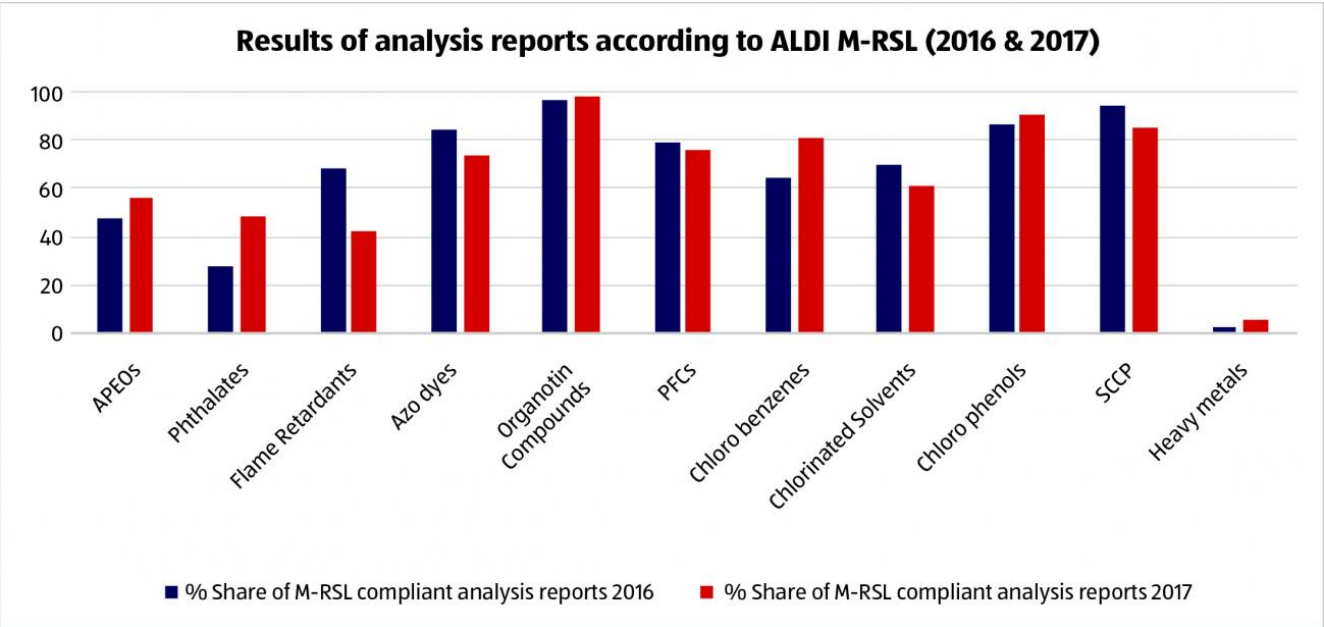
The results of the wastewater and sludge analyses serve as an indicator for monitoring the elimination of hazardous chemicals, such as PFCs or APEOs. In the event of any findings in one or several chemical groups, the suppliers and production facilities are encouraged to conduct a root-cause analysis to identify potential reasons or sources of contamination. PFCs (Perfluorinated Chemicals) and APEOs (Alkylphenol Ethoxylates) are chemical groups that are the focus of the Greenpeace Detox campaign because of their harmful environmental impact.

In 2016, at the time of the analysis, 78% of the production facilities contained no PFCs in the waste water or sludge testing results. At the time of the analysis, 47% of the wet-processing facilities used in 2016 were able to prove that no APEOs were contained in their wastewater or sludge discharge.

The evaluation of the wastewater and sludge analyses conducted in 2017 showed an 8% decrease in the number of APEO findings made (share of APEO-free wet-processing facilities at the time of analysis: 55%), whereas PFC findings (share of PFC-free wet-processing facilities at the time of analysis: 75%) slightly increased by 3%. In total, 89% of all wet-processing facilities possessed valid wastewater and sludge analysis reports in 2017.

The next steps of our [elimination strategy](#) will be focused on prohibiting the deliberate use of APEOs and PFCs and, subsequently, the use of other selected chemical groups. For all remaining chemical groups, we will continue to pursue their elimination by 1 January 2020 as defined within our Detox Commitment. Some of the findings made indicated that the dyeing and finishing facilities deliberately used the substances prohibited by us for products intended for other markets. In particular the use of certain azo-dyes needs to be emphasised, which are regulated with regards to products e.g. based on EU norms and regulations and by the ALDI RSL. ALDI is committed to the 'clean factory' approach. The 'clean factory' approach aims to replace hazardous chemicals used with harmless alternatives throughout the entire production process. In a nutshell, 'clean factory' means that a certain production facility completely – not only for the production of products intended for ALDI – refrains from using hazardous chemicals.

The elimination of heavy metals from the production process presents a potential challenge to the entire industry, since these substances are inevitably contained in the soil and are therefore frequently detected in the fresh water used before production.

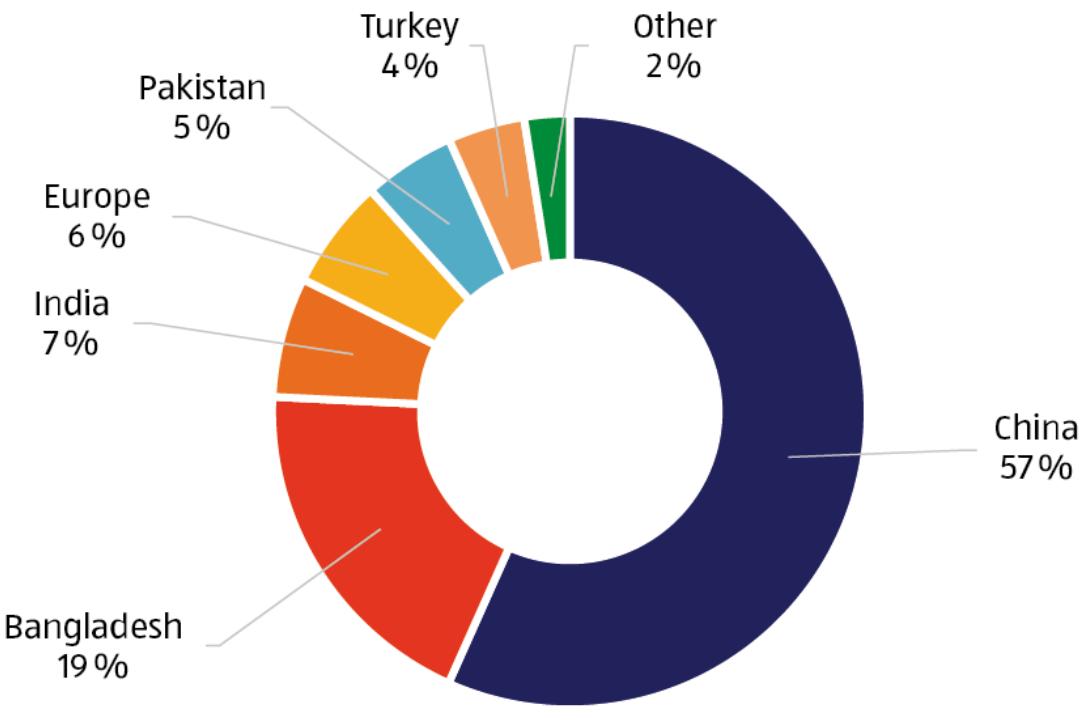


### Global location of wet-production facilities

In order to promote the Detox requirements, it is necessary to establish comprehensive transparency with regard to our supply chain partners and the local environmental conditions. The disclosure of all production facilities used for producing the main components of the textile and shoes has therefore been a permanent requirement since 2015. The subcontracting of orders to additional production facilities without our prior consent is not permitted by contract. We assume a supportive role within the industry to raise awareness about the more conscious use of input chemicals, and we

also define requirements for chemical management in the production facilities. By requesting valid wastewater and sludge analyses for wet-processing facilities, we ensure compliance with our requirements at an early stage of the production process.

## Global distribution of wet production facilities (proportionate)



### Methodology

In order to fulfil our Detox commitment, we have to gather comprehensive information. Using this data, we can identify challenges within the supply chain as well as identify potential for improvement at suppliers and production facilities.

By adapting our tender documents and contracts, we now receive all production facility data prior to delivery of the products and then perform a plausibility check. In 2016, the results of the wastewater and sludge analyses for 81 % of the wet-production facilities were made available to us. By taking a comprehensive data management approach we were able to better track the entire supply chain in 2016 and to increase this share to 89%.

Within the scope of the Detox campaign, Greenpeace has requested all companies to publish the results of wastewater and sludge analyses on the IPE (Institute of Public and Environmental Affairs) platform in accordance with the 'right to know' principle. We are happy to comply with this request and have been asking our suppliers since 2015 to publish the results on the IPE platform.