

Objectives, Actions  
and Performance

**TEXTILE &**

**SHOES**

**FACTSHEET**

**2024**



ALDI SOUTH Group

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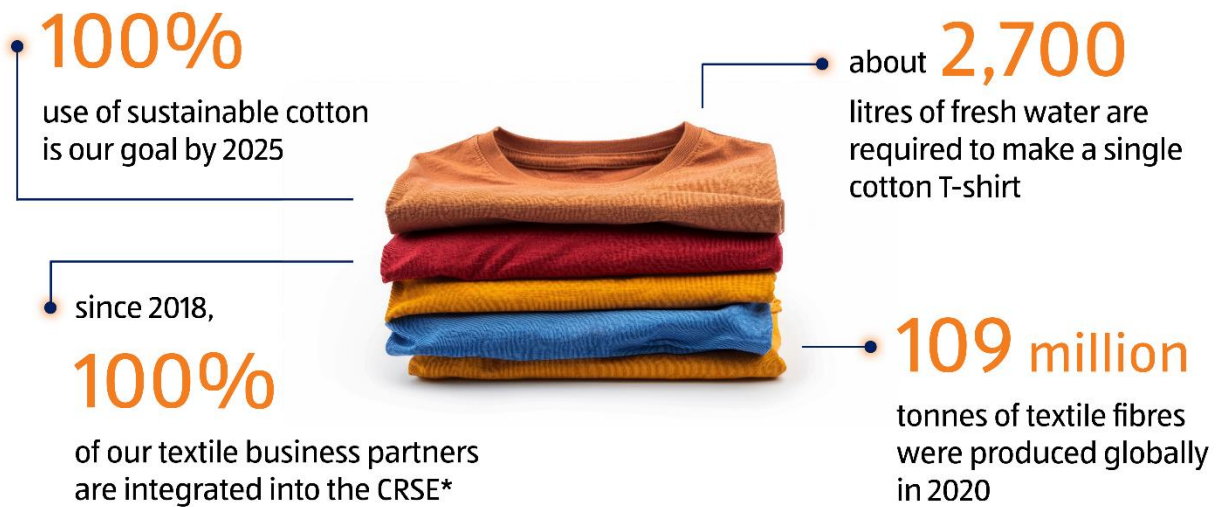
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# 1 | INTRODUCTION

Our aim is to ensure that the garments, shoes, and household textiles that are regularly featured in our weekly special buys are produced in an environmentally and socially responsible way. Our goal is the expansion of our range of sustainable textiles and the increase of transparency in ALDI SOUTH Group's supply chain.

The majority of our textile products are manufactured in Asian production facilities. Our International Sustainability team collaborates closely with our textile business partners to support them in implementing our sustainability standards. In addition, our colleagues in Hong Kong and Bangladesh frequently visit production facilities to assess conditions on the ground. While we strive to improve working conditions in our production facilities, we also look at other stages of our supply chain, from design to production to garment dyeing and finishing.

# 2 | FACTS & FIGURES



\* CRSE = Corporate Responsibility Supplier Evaluation

### 3 | TRANSPARENCY & TRACEABILITY

We place significant importance on sustainable production conditions in the manufacture of food and non-food products. Ensuring transparency in our supply chain is the foundation of our sustainability measures. We cannot ensure compliance with our requirements, analyse risks, monitor or implement projects without knowledge of the origin of our products. We collaborate with our business partners to increase the transparency of our supply chains so that we can better understand the origin of each product we sell, and the raw materials used.

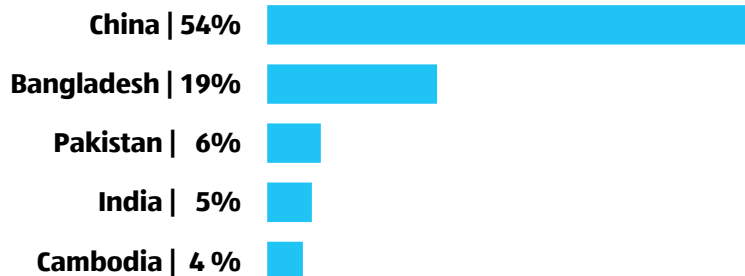
To provide our customers with greater transparency, we are publishing the addresses and number of employees of all our main production facilities used for the manufacturing of garment textiles, household textiles and shoes purchased by ALDI SOUTH Group.

#### Production Facilities

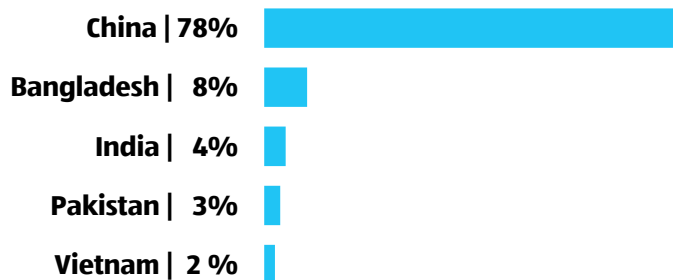
The production facilities are classified by product groups or country, and this information is updated bi-annually. The following list details the main production facilities used to manufacture products sold in ALDI SOUTH Group stores between January 2024 and November 2024. We are also an official contributor to the [Open Supply Hub \(OSH\)](#).

Download the list of production facilities as an Excel file [here](#).

#### Where do our garment textile products come from?



#### Where do our shoe products come from?



Countries of final production facilities where our garment textiles and shoe products are manufactured, based on the total number of Production Facilities in 2023/2024.

## 4 | CERTIFICATION & STANDARDS

To provide our customers with the highest quality at the best possible price, we use certification systems that have been proven to be reliable and suitable for market-wide implementation. For example, we use independent third-party certification schemes when buying cotton to promote social and environmental standards in cultivation and processing of this crop.

### 4.1 | GLOBAL ORGANIC TEXTILE STANDARD (GOTS)

[The Global Organic Textile Standard \(GOTS\)](#) defines globally consistent and rigorous criteria for the processing of textiles made from certified organic natural fibres throughout the entire supply chain. These criteria include controlled organic fibre cultivation, environmentally and socially responsible production and consistent product labelling. Compliance with the guidelines is verified throughout the supply chain regarding the use of chemical additives and adherence to the core labour standards of the International Labour Organisation (ILO). Only textile products, which contain at least 70% organically cultivated natural fibres may receive GOTS certification. This certification needs to be issued by an independent testing institute. The ALDI SOUTH Group also accepts the [GOTS “organic – in conversion” status](#), which supports farmers in their transitioning period from conventional cotton to organic cotton farming.

### 4.2 | ORGANIC CONTENT STANDARD (OCS)

The [Organic Content Standard \(OCS\)](#) allows for the precise measurement of the proportion of environmentally friendly materials contained in a product. The OCS tracks the use of certified, organically produced natural fibres, from the creation of the individual fibres to the finished product. Depending on the percentage of organically produced fibres, the certified product displays either the “OCS blended” logo (if it contains at least 5%) or the “OCS 100” logo (if it contains 95-100%). The ALDI SOUTH Group requires that cotton in OCS blended labelled products be 100% organic and only allows blending with non-cotton materials.

### 4.3 | COTTON MADE IN AFRICA (CmiA)

Following the principle of “helping others to help themselves,” [Cotton made in Africa](#) provides smallholders with training in modern, efficient, and environmentally friendly cultivation methods. Additionally, it teaches the basics of business and economics. The CmiA includes pre-financing measures, protection of natural conservation areas, and a ban on genetically modified cottonseed, as well as compliance with the ILO core labour standards and the promotion of women's equal rights.

### 4.4 | BETTER COTTON

Since 2017, the ALDI SOUTH Group has partnered with [Better Cotton](#) to improve cotton farming globally. Better Cotton aims to reduce the negative impacts of cotton production on people and the planet. Its basic principles include training farmers to eliminate harmful pesticides and use water efficiently, preserve soil fertility, comply with minimum social criteria, and prohibit child and forced/bonded labour. Better Cotton is sourced via a [mass balance](#) system.

To enhance the transparency of our supply chain, The ALDI SOUTH Group uses Better Cotton's online tracking and tracing system, the [Better Cotton Platform \(BCP\)](#). The ALDI SOUTH Group verifies the amount of cotton sourced as Better Cotton using this platform, which covers the supply chain from the ginner to the store shelves.



## 4.5 | FAIRTRADE

Fairtrade provides cotton growers with the security of selling their cotton at a fixed minimum price that covers the costs associated with sustainable production. Moreover, smallholder cooperatives receive a Fairtrade premium, which is invested in community projects. The Fairtrade standards cover not only social and economic criteria, but also promote ecologically sustainable agriculture. The use of genetic engineering is prohibited, and the use of pesticides is regulated to ensure environmentally friendly cultivation practices.

# 5 | SUPPLY CHAIN

We expect our business partners to comply with all our social and environmental standards. We pay particular attention to production conditions in countries where adherence to these standards cannot yet be taken for granted. In these countries, we aim to contribute to the improvement of working conditions and the protection of the environment.

As we do not source all our products directly from producers, we consider our business partners to be crucial allies in improving working conditions in production facilities that produce goods sold in ALDI SOUTH Group stores. Therefore, we maintain continuous dialogue with our business partners, work together on projects (e.g., the ALDI Factory Advancement Project), and monitor their activities to ensure that our requirements are implemented and adhered to in all production facilities used for ALDI SOUTH Group items.

## 5.1 | SOCIAL MONITORING PROGRAMME (SMP)

To monitor compliance with our social and environmental standards and foster them with our business partners, we have developed and implemented our Social Monitoring Programme (SMP). On-site audits performed by independent experts are a key component of the Programme.

Since 2018, all high-risk non-food commodity groups, including garment and household textiles, have been integrated into ALDI SOUTH Group's Social Monitoring Programme.

## 5.2 | ALDI SUSTAINABILITY ASSESSMENT (ASA)

Since 2012, we have supplemented third-party audits with our own on-site visits for certain high-risk commodity groups. Our goal is to gain a better understanding of our supply chains and to foster stronger, and more open relationships with our business partners and production facilities. The ALDI Sustainability Assessments (ASAs) are audits of main production facilities that are carried out by ALDI SOUTH Group employees, external auditors, and representatives of business partners.

## 5.3 | CORPORATE RESPONSIBILITY SUPPLIER EVALUATION (CRSE)

From 2018 onwards, we have evaluated the corporate responsibility performance of all our international garment and textile business partners on an annual basis. The Corporate Responsibility Supplier Evaluation (CRSE) is a transparent and comparable assessment that uses both quantitative and qualitative indicators. These indicators focus on our business partners' management systems for social and environmental compliance, as well as their corporate responsibility performance in production facilities. ALDI SOUTH Group's corporate responsibility requirements, which are included in every contract, serve as the basis for these indicators.

The results of this evaluation are increasingly influencing our purchasing decisions. The CRSE fosters long-term relationships with business partners who demonstrate a strong corporate responsibility record and provides incentives for continuous improvement.

## 5.4 | CHEMICALS IN PRODUCTION

In 2015, the ALDI SOUTH Group joined 80 other international fashion retailers in committing to the goals of Greenpeace's Detox campaign. Since then, we have significantly reduced the negative impacts of chemical-based production processes in the textile and footwear industries on workers, local communities and the environment through substitution and elimination.

We have empowered our suppliers to work with their business partners to meet our requirements and verify their implementation as part of our sourcing activities. In 2020, ALDI published its Detox Report, summarising ALDI's five-year detox journey and providing comprehensive insight into the actions taken and the positive progress made over the past five years.

We will increase the scope of our work to address other environmental impacts, from strengthening our commitment to more sustainable sourcing of materials to raising awareness of opportunities to buy more sustainably. This includes strengthening our sustainable production processes and promoting sustainable products that enable our customers to consume sustainably.

## 5.5 | SUSTAINABLE FIBRES

We strive to increase the use of sustainable materials in ALDI SOUTH Group products and continuously seek for innovative ways to ensure responsible design and production.

### 5.5.1 | Cotton

Cotton is the primary fibre used in ALDI SOUTH Group's garments and household textiles. While cotton is a renewable natural resource that is fully biodegradable, it is also associated with human rights and environmental risks in the countries where it is grown.

Together with our business partners, we are committed to achieving long-term, sustainable improvements in cotton cultivation. By 2025, we will ensure that 100% of the cotton used in our ALDI SOUTH Group-exclusive garments and household textiles is sustainable.

[Find out more about cotton.](#)

### 5.5.2 | Cellulosic Fibres

We frequently explore new sustainable fibre alternatives and recycled materials. To increase the use of sustainable materials, we collaborate with brands such as [Lenzing™](#), which produces cellulosic fibres from renewable resources like wood. Our goal is to source 100% of our man-made cellulosic fibres from sustainable sources and production by 2025. Furthermore, we are working on innovative cellulosic fibres that incorporate pre- and post-consumer clothing waste into new textile products.

## 6 | STAKEHOLDER DIALOGUE & CAPACITY BUILDING

We believe the most effective way to safeguard both people and the environment is through collaborative initiatives and partnerships. Therefore, we work closely with our suppliers and participate in a range of multi-stakeholder initiatives, as well as running our own projects on the ground.

### 6.1 | MULTI-STAKEHOLDER INITIATIVES

#### 6.1.1 | International Accord on Fire and Safety in the Textile and Garment Industry

The ALDI SOUTH Group was among the first to sign of the Accord on Fire and Building Safety in Bangladesh in 2013. By signing this independent legally binding agreement, we have committed to improving workplace safety in the Ready-Made Garments (RMG) factories in our Bangladesh supply chain.

In September 2021, the signatories entered a new phase of their partnership and established the International Accord for Health and Safety in the Textile & Garment Industry. The accord aims to improve safety conditions for workers in garment factories in Bangladesh.

In accordance with Articles 38 and 39, which require the work of the International Accord to be extended beyond Bangladesh, the signatories have established a comprehensive occupational health and safety programme in Pakistan. The Pakistan Accord covers not only all RMG factories but also home textiles factories and fabric mills. We are working continuously working to improve the transparency of our supply chains and to support our suppliers in meeting the highest safety standards.

#### 6.1.2 | German Partnership for Sustainable Textiles

ALDI joined the German Partnership for Sustainable Textiles ([Bündnis für nachhaltige Textilien](#)) in 2015. This initiative, which involves multiple stakeholders and aims to enhance social and environmental conditions in global textile production.

As part of our membership, we have been actively working on the issue of living wages as a member of the [Partnership Initiative on Living Wages](#). Since 2019, we have been improving our purchasing practices because they can significantly impact the working conditions and wage payments in production facilities used for ALDI SOUTH Group goods. As a first step, we conducted a self-assessment of our purchasing practices, involving our international buying, design, and quality departments. Based on this gap analysis, we developed a comprehensive roadmap outlining concrete measures aimed at responsible purchasing practices.

Additionally, we established a peer learning group with other brands to find solutions for challenges and share best practices. We have conducted another survey on ALDI SOUTH Group's purchasing practices with our direct and indirect business partners to continuously improve our decisions. The survey results will help us to tailor our buying processes more effectively to the needs of actors in our supply chains.

In September 2021, the Partnership Initiative on Living Wages entered a new phase and launched the [Living Wage Lab](#) to support member brands and retailers in implementing pilot projects. Alongside 16 other partnership members, including brands, retailers, trade unions, civil society, and the federal government, the ALDI SOUTH Group showcased its efforts towards promoting living wages.

Since 2023, we have collaborated with other brands who are members of the German Partnership for Sustainable Textiles on the Closed Loop Pilot project. The project aims to develop circular design guidelines for apparel products and to pilot and test a digital product passport.



### 6.1.3 | **Speak for Change grievance mechanism programme (amfori) (since 2021)**

Building on our existing relationship with amfori, the ALDI SOUTH Group is cooperating with the Speak for Change grievance mechanism in Vietnam.

Not all workers can speak up when something is wrong in their workplace but access to effective grievance mechanisms is essential to ensure a fair and safe working environment. The “Speak for Change” project creates a trustworthy mechanism for workers in ALDI SOUTH Group’s food and non-food supply chains to express their concerns and grievances, and to improve their working conditions.

The ALDI SOUTH Group is committed to working closely with business partners and stakeholders throughout our supply chains to tackle this issue. Our goal is to thoroughly investigate and address any potential complaints. If successful, the programme will be expanded to other sourcing countries.

## 6.2 | **PROJECTS ON THE GROUND**

### 6.2.1 | **ALDI Sustainability offices in Asia, International Organisation**



Each national organisations within the ALDI SOUTH Group sources products from Asia. To minimise risks related to working conditions and to ensure compliance with our high standards, the ALDI SOUTH Group, together with ALDI Nord, has operated its own Sustainability office in Hong Kong since 2012. In 2017, a second Sustainability office was established in Bangladesh.

The Sustainability offices focus on monitoring our business partners’ production facilities and their performance in terms of social compliance. To achieve this, the Sustainability offices conduct our own ALDI Social Assessments in the production facilities used for ALDI production and provide support to business partners on how to implement our sustainability requirements.

### 6.2.2 | **ALDI Factory Advancement (Afa) Project, Bangladesh**



ALDI is committed to promoting human rights in the garment industry. Through the ALDI Factory Advancement (AFA) Project, the ALDI SOUTH Group, in collaboration with ALDI Nord, has implemented a programme that brings about changes in the factories that produce our garments in Bangladesh.

The AFA Project ran from 2013 to 2020 and focused on improving workplaces by putting factory workers and managers at the centre of its activities. The project’s core principle was to promote dialogue and cooperation and around 85,000 workers and their managers from 40 participating factories have benefited from the project, experiencing positive changes in their day-to-day working environment.

### 6.2.3 | **AFA Project Plus For Child Care Services, Bangladesh**

Between 2016 and 2019, the AFA Project PLUS aimed to provide high-quality childcare for the children of working parents in factories that produce our textile goods in Bangladesh. ALDI supported selected factories participating in the AFA Project to improve their internal day-care services.

Due to financial constraints and limited alternative care options, many workers depend on these services. Together with a local non-governmental organisation, we provided training to caregivers, childcare centre supervisors, nurses, and parents working at the factory.

#### 6.2.4 | Focus on activities in Bangladesh



As Bangladesh is a crucial sourcing country for us, we have increased our regular ALDI Social Monitoring activities in this region to enhance cooperation with our business partners who source from there.

The Bangladesh Minimum Requirements (BMR) are specific requirements that apply to all non-food products sourced from the country. These requirements are part of the International Catalogue of Requirements (ICOR). Before submitting a tender, new suppliers and production facilities must be approved by the ALDI International

Sustainability department (ISUST).

The ALDI SOUTH Group fully supports the International Accord and country-specific safety programme in Bangladesh. We believe that this programme will help us to maintain fair and safe working conditions in the country. Additionally, it is mandatory for all suppliers who source garment textiles (CG 14-17) from Bangladesh to sign the Accord. We have also implemented the ALDI Factory Advancement (AFA) Project to promote positive change in Bangladesh factories producing our garments.

#### 6.2.5 | ALDI & CARE Support Female Garment Workers, Bangladesh and Myanmar

The COVID-19 pandemic has had a devastating impact on garment workers, particularly women, who make up the majority of the workforce in this sector. In 2020, CARE International and the ALDI SOUTH Group partnered to protect the rights and needs of women in the garment sector in Bangladesh and Myanmar during the pandemic. In Bangladesh, almost 5,000 female workers received hygiene kits, and 1,600 workers received household handwashing facilities. In Myanmar, we provided more than 76,000 factory workers with sanitisers and disinfectants, and distributed face masks to more than 28,000 workers.



## Contact Info

ALDI SÜD KG  
International Sustainability  
Alte Bundesstraße 10  
A-5071 Wals  
VAT Reg. No.: ATU24963706  
Commercial register: FN 26451z, Regional Court of Salzburg

Please visit [sustainability.aldisouthgroup.com](https://sustainability.aldisouthgroup.com) for more information on our international corporate responsibility activities.