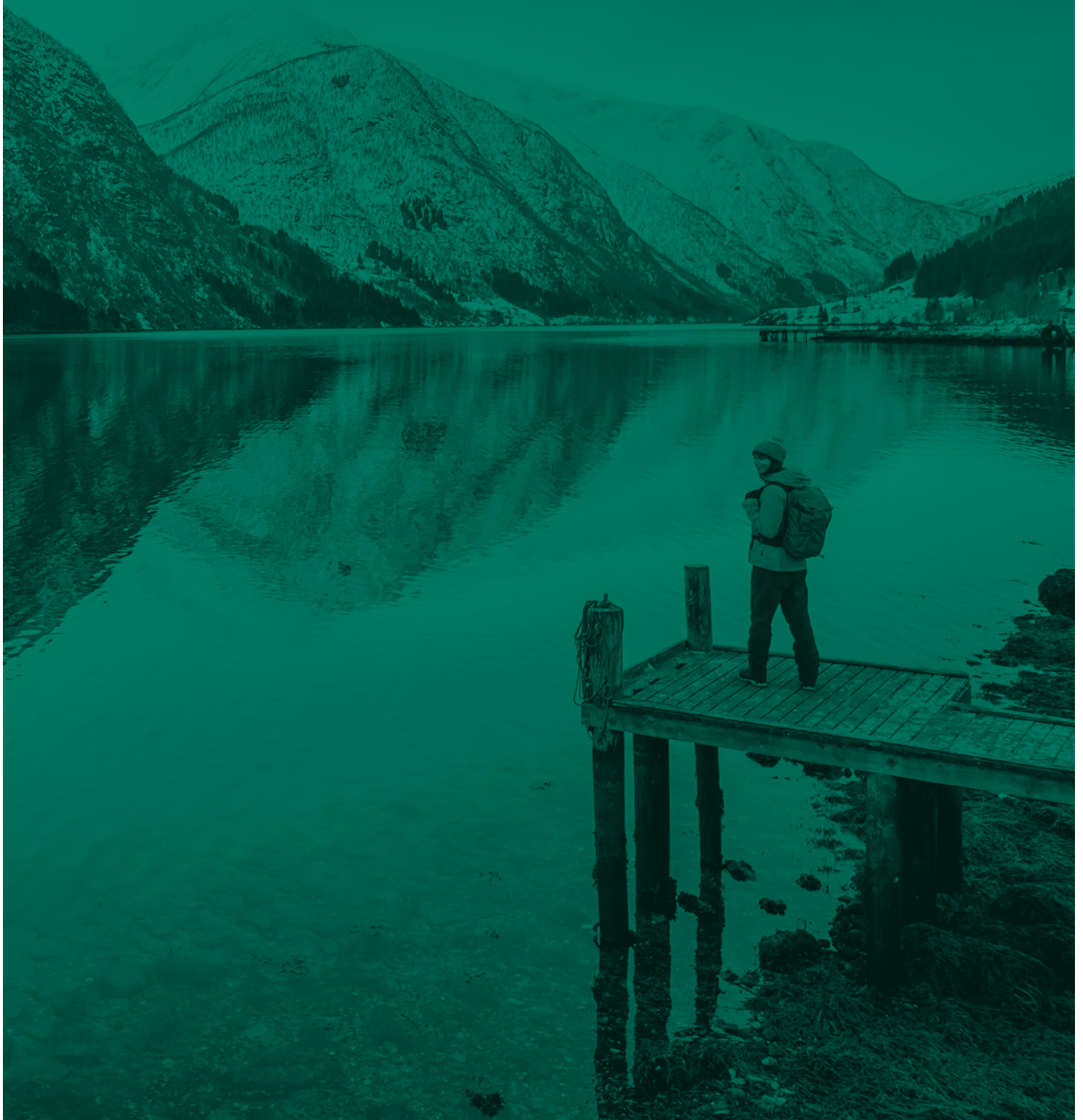




# SUSTAINABILITY REPORT 2018







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## FOREWORD

### Dear Readers!

The history of Schöffel goes back to the year 1804. More than 50 years ago, my father recognised the growing concept of leisure time and put plenty of passion into turning the company into a pioneer for the outdoor sector. Our promise to supply our customers with the best products continues to drive our employees as much as ever. As the seventh generation of my family to own and manage the company, I see it as my duty not only to prepare the company for a strong future, but also to continue to improve the actions we take to protect the environment and future generations.

We develop high-quality, technical products for wearing in the great outdoors and our industry is linked with the environment like no other. At the same time, providing optimum protection against the weather and functional support for physical performance also requires the use of chemicals. Just as complex as our products, therefore, is our sustainability strategy, which is built on four main pillars with many sub-topics: Product, Social Standards, Environment and Sustainable Services. Every Schöffel employee is responsible

for building on these four pillars. As well as all the efforts made internally, we also take responsibility for transparency towards our customers and offer them support so that our products can be worn for as long as possible: the Schöffel Service Factory repairs, waterproofs and alters items of clothing, thereby extending their service life.

This Sustainability Report provides an insight into our comprehensive commitments towards nature, our customers, our local employees and those in our production facilities. And I promise you that we shall actively and resolutely continue our sustainability work over the year to come.

We look forward to enjoying the great outdoors with you and to protecting it together!

Yours,  
Peter Schöffel



# SCHÖFFEL SPORTBEKLEIDUNG GMBH

## Facts and Figures

1804

Establishment of the family company by the Bavarian sock merchant, Georg Schöffel. As a travelling salesman, he sold knitted socks, nightcaps and Swabian pointed hats

The company today: Schöffel Sportbekleidung GmbH; Managing Director, Peter Schöffel, 7th generation of the family to own the business at its headquarters in Schwabmünchen in the traditional textile region of Augsburg



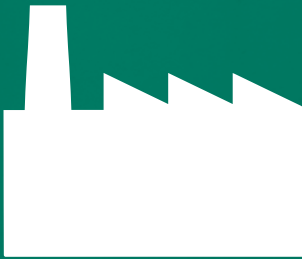
Since  
2009

Official supplier to the Austria Ski Team (ÖSV) with race and leisurewear

2018/2019

Official supplier to the ski cross, mogul and aerial athletes of Swiss-Ski

Production volume:  
Europe 9,78 %  
Asia 89,95 %  
Africa 0,27 %



1,5

million items produced in  
2018 (brand and  
Professional Wear)



The Schöffel brand has been making functional, high-quality ski and outdoor clothing for more than 50 years.

The Professional Wear sector for corporate customers offers customised clothing solutions for industry, service providers and authorities

186

employees at head-  
quarters: including  
trainees and students  
on internships: 8

Schöffel  
SERVICE FACTORY

In-house tailoring: Pro-  
duction of prototypes  
and repair service for  
customers

Commitment to CSR and sustainability: Member of the Fair Wear Foundation since 2011, leader status since 2014; bluesign® system partner; member of the German Partnership for Sustainable Textiles; Textile Mission & VerPlaPos practice partner



35

Schöffel-LOWA  
Stores



Management: Peter Schöffel (CEO),  
Felix Geiger (CFO)  
Members of the management board:  
Hiltrun Brendler, Albrecht Habsburg,  
Günther Herrmann, Jan-Marcus Hülbig,  
Georg Kaiser



Sales in 29  
countries  
(Europe & Asia)

37 %

export sales





# THE FOUR PILLARS OF SCHÖFFEL'S CORPORATE RESPONSIBILITY (CR) STRATEGY



Sustainability and social commitment are firmly anchored in Schöffel's philosophy and are implemented as a continuous process. This means that it is not the achievements that come first, but the efforts to constantly improve.

**The sustainability strategy today comprises four pillars: product, environment, social standards and sustainable services.** Since 2011, the outdoor and ski expert is a dedicated member of the Fair Wear Foundation (FWF)

and has consistently pursued the goal of ensuring that its partners guarantee fair production conditions. In 2018, the company achieved FWF Leader status for the fourth time in a row, confirming its above-average commitment to social standards in production. Since 2013, Schöffel has also been a Bluesign® system partner. Bluesign® is committed to the sustainable production of textiles to protect people, the environment and resources.





Adele Kolos and Johanna Winterhalder, CR-Manager

# SUSTAINABILITY

## A COMPANY-WIDE MISSION

**If you visit Adele Kolos and Johanna Winterhalder, Schöffel's Corporate Responsibility Managers, at their desks, you will soon realise how diversified their role is. Numerous coloured post-it notes are stuck to a large wall, indicating the current projects in the extensive CR strategy. When a note is thrown away on completion, two more often take its place. But Ms Kolos and Ms Winterhalder are not aiming to finish off working their way through this wall. Quite the opposite in fact: as a company, Schöffel is constantly developing its sustainability efforts and is always broadening its own requirements – so that it can constantly improve.**

**Ms Kolos, you have been Corporate Responsibility Manager at Schöffel since 2017. Ms Winterhalder, you joined the team in October 2018. What areas are the two of you working on at Schöffel?**

Adele Kolos: There are two main themes that define the Corporate Responsibility department: complying with and improving social standards in the supply chain and environmental management. These produce some complex

tasks, which have an effect on people's working and living conditions and on the conservation of nature and resources. Ms Winterhalder concentrates mainly on the area of environmental management and also supports me with social standards. Together we are responsible for the entire CR strategy and we are the point of contact for all sustainability issues, both for our colleagues in house and for external enquiries.

**Ms Kolos, ensuring social standards are maintained in production facilities worldwide sounds like it's no easy task. What is your everyday working life like?**

Adele Kolos: Schöffel is a member of the independent, international Fair Wear Foundation, or FWF. So one of our goals is to comply with working standards according to ILO (International Labour Organisation) criteria. It is my job to ensure that FWF specifications are complied with in all the decisions made within the supply chain – so by our producers. This means that I am in contact with various departments to ensure they are aware of our sustainability targets. I am also responsible for handling the FWF system in the company.

**The FWF system sounds really technical. What exactly is it all about?**

Adele Kolos: The tasks are both varied and demanding. They involve, for example, carrying out regular on site audits at production facilities or processing corrective action plans so that we can work together with our producers on the continuous improvement of any deficiencies established during the audits. We also coordinate with competitors sharing the same production partners, to ensure that changes are implemented at those production facilities. Other tasks include planning management training sessions, training the workers in our production facilities on social standards and the complaints procedure and handling any complaints in production facilities and finding a solution for these. Also, the requirements of the FWF, the Partnership for Sustainable Textiles and of society in general increase from one year to the next, which means that all of us – our colleagues and our production partners – must continuously improve. This does not just apply to social standards, but to environmental management as well.

**Ms Winterhalder, you joined the company relatively recently, but you no doubt already have a good overview and have developed your first ideas for the future. What is your role like?**

Johanna Winterhalder: Schöffel is a specialist in outdoor and ski clothing, developing and producing technical products in these areas. The majority of the functional textiles come from Asia, since that's where the necessary expertise has developed over the past few decades. Our hazardous substance management system guarantees that our pro-

ducts are harmless – not just the manufactured products but the entire manufacturing process in our production countries as well. And of course we also ensure that we protect the environment.

**But isn't that also regulated by law?**

Johanna Winterhalder: The thresholds for chemicals are regulated by EU law through the REACH regulations. However, our efforts go beyond these regulations: Schöffel is also a Bluesign system partner, which is an independent system for sustainable textile production. Bluesign sets out stricter specifications for the management of hazardous chemicals than those imposed at an administrative level. This means that we can be sure that we exceed the legal requirements.

**What are your current plans – and for the next few months or even years?**

Johanna Winterhalder: I always keep an eye on changes and developments in legislation and ensure that any changes are implemented. This takes place, for example, through regular adjustments and updates for employees and producers. Over the next few months, I'll also be dealing with developing Schöffel's environmental management system. So I'll be setting myself and my colleagues certain challenges, such as developing more sustainable solutions for packaging, increasing our use of recycled materials or additional measures in the area of climate protection.

**These sound like real challenges. Are they achievable for the two of you?**

Adele Kolos: Corporate Responsibility is everyone's business at Schöffel – and each employee is encouraged to act in a sustainable way in their own department. We are there to raise awareness, give advice and recommendations and demand the maintenance of certain standards. The CR strategy covers the product, social standards, environment and sustainable services divisions. Each of these cover a wide variety of different sub-topics, which are always assigned to a team made up of colleagues from the departments concerned, which is responsible for the appropriate implementation of the strategy. To give all our colleagues an overview of our responsibilities as a sustainable company and to increase awareness in-house, I have also organised a CR week with lectures on all the different areas.





Johanna Winterhalder: One thing we must not forget are all our projects together with external organisations or competitors. We are working alongside two other outdoor companies on a Living Wage project at a shared producer in Vietnam. This is a great example of how competitors can work side by side to achieve shared CR goals. We are also involved in two research projects on the subjects of plastics and microplastics. We are a partner in the Textile Mission initiative, which is researching the issue of “microplastics in washing processes”. We are also an active member of the VerPlaPos consortium, which is researching consumer shopping behaviour with regards to plastic and looking into opportunities for avoiding plastic at the point of sale.

**This means that plenty of new knowledge is also being generated in the area of sustainability.**

Adele Kolos: Yes, that's right. We see sustainability as a continuous process, in which we are constantly setting our goals higher. As a result, we gain valuable knowledge, which goes into the development of our products – and which we also use to inform our customers about sustainability and raise their awareness of this subject. This takes place through our channels of communication and we also hold retailer training sessions and are actively represented at external conferences. There are some well-informed customers, but there also still too many of them who have no knowledge of supply chains, production facilities, fair wages and the challenges involved in producing a technical jacket as sustainable as possible.

**In general, what would be of most benefit to the area of sustainability today?**

Adele Kolos: If politics, business and consumers could be even more committed to sustainability and have a genuine desire for change. Sustainability is often a requirement, but at the same time there is a reluctance to invest more money in it. Each one of us can make improvements – as a company and as consumers. This should be our aim for every one of us. After all, sustainability is not an abstract term, it has a direct effect on human beings and the environment.



## SCHÖFFEL OPENS REPRESENTATIVE OFFICE IN VIETNAM

**A dedicated team for better working conditions and a high level of quality**

Schöffel attaches great importance to quality and sustainability in the production of its clothing – for the benefit of its customers, as well as its employees in production. The expert in ski and outdoor clothing has opened a representative office in the Vietnamese capital, Hanoi, in 2018. This will help Schöffel to pursue its goal of continuing to develop its cooperation with producers in Vietnam. Until now, managers and employees from various departments of the company have been visiting the facilities in Vietnam and other countries throughout the year, thereby maintaining an ongoing dialogue.

The majority of Schöffel's collections are produced in Vietnam and the company works with most of its production partners in the country. The new representative office means that Schöffel will be able to work even more closely with its manufacturing facilities and have a more direct

influence on production quality and the promotion of socially acceptable working conditions. To achieve this, the company's local team of technicians, which regularly visits production facilities in Vietnam and in future also Myanmar, has also been expanded.

**Peter Schöffel, Managing Director of Schöffel Sportbekleidung GmbH: “Quality and sustainability are two important cornerstones of our corporate philosophy. We have been working very closely with our production partners for many years now and we maintain an intensive exchange with them. We now want to further strengthen this exchange by maintaining a permanent presence in the country with our new office and providing direct contact people in Vietnam. This will ensure that we can work together even more successfully towards achieving our goal of offering our customers the perfect product.”**

A training concept and handbook on social standards in the Schöffel supply chain have been developed to support technicians. The latter was produced especially as a guide for Vietnamese technicians, including background information on the implementation of CR activities at production sites. It gives a short overview of the work of the Fair Wear Foundation, the eight FWF labour standards and a detailed explanation of the methods of the FWF. Schöffel's strategy for monitoring social standards and the onboarding process for new producers are also explained and specific information for Vietnam is provided. The handbook also includes a code of conduct for factory visits and various theoretical exercises on different topics, such as health and safety issues. The first steps have already been implemented from the training concept.



# PRODUCTION CYCLE

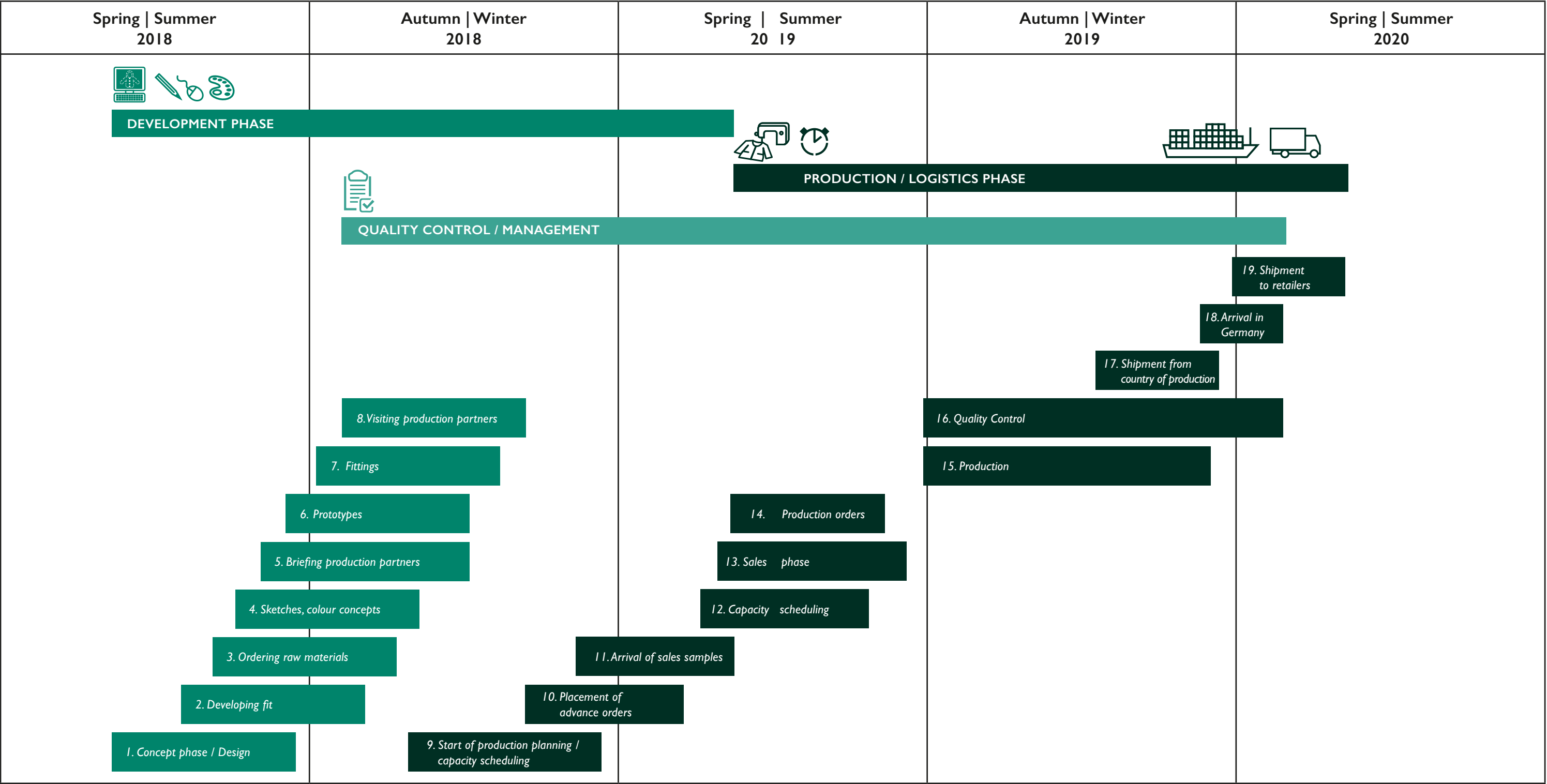
## SUMMER 2020 COLLECTION

The development and production of functional outdoor and ski clothing is time-consuming and complex. By the time the finished products reach the retail sector, designers, developers, producers, the sales team and retailers have spent two years working intensively on them.

DEVELOPMENT

PRODUCTION

QUALITY







The background noise at Ludwig Schuster's desk is as varied as his role. The industrious clattering of the sewing machines blends in with his consultations with the Service staff. As Head of the Schöffel Service Factory, the 28-year old is responsible for customer support at the traditional company and knows that there is no such thing as "good enough" in this area.

**Schöffel has been making outdoor clothing for more than 50 years. Mr Schuster, as Head of the Schöffel Service Factory, what do you think is important when it comes to taking the traditional company's core expertise into the future?**

The interesting thing about my role is the combination of the traditional with the modern. Technical expertise has been a firm part of the company for decades and continues to grow with new developments and technologies. We want to offer our customers and retailers the best possible service and, with this in mind, we look into how future requirements are likely to develop. My role is to preserve old values and combine these with desires for the future. It's exciting and challenging at the same time. Today, our extensive expertise in processing goes directly into the repair service. Customers using this service can rest assured that their item of clothing has been repaired using the very latest techniques and to the highest quality so that top performance can be guaran-

teed once more. The work on functional clothing is complex and goes well beyond standard stitching. It may include, for example, bonding waterproof seams. As the manufacturer, we can offer an exceptional service in this respect.

**The customer is at the heart of most of the decisions made at Schöffel. The Service Factory is the first point of contact for end consumers.**

Yes that's right. The Service Factory is where everything comes together. Highly experienced customer advisers are on site, who know the Schöffel product range down to the last detail and look for the most suitable solutions for each case. Their close proximity to the sewing team is fully intentional, since direct communication means they can discuss any issues quickly and minimise the time it takes to process individual complaints. This is very important to us, since we want to be able to offer our customers fast as well as competent repairs. Specifically, this means that the product is only kept for a maximum of five

days and is ready for use again as quickly as possible. Contact with end users is very important to us, as it provides us with direct feedback on our products. The Service Factory is our main point of contact with end consumers. And this is very important to us, as it provides us with direct feedback about our products. All feedback is valuable to us and it goes directly into the further development of our products – supporting our drive to make constant improvements.

**In addition to the repair service, Schöffel also offers a waterproofing service.**

Yes, that's right. We work with experts to ensure that waterproofing is more effective and long-lasting than it is possible for the customer to achieve at home. High-performance, effective waterproofing is vital to ensure the performance and durability of the products. In general, the subject of care is very important. After all, the complaints we receive reveal time and again that the products have not been looked after properly. Our customer service team also offers advice in this area and we are increasingly providing information via our channels, including the Schöffel website. People who look after their Schöffel product properly will be able to enjoy it for a long time and that also makes it sustainable of course.

**Which other services can customers benefit from?**

A special service we offer to add value for the customer, which is often overlooked, is the possibility of customised alterations. For example, we can lengthen the sleeves of technical ski jackets or shorten the length of ski pants. Our sewing team has the expertise and technical skills to carry out high-quality alterations, ensuring unrestricted performance for the adjusted product. In future, we shall be offering more services. After all, satisfied, enthusiastic customers are the reason behind Schöffel's long-term success. The Service Factory complements high-quality products with a full range of services and extends the service life of our products until the time comes for a new favourite item from Schöffel.

**And that also helps to protect the environment.**

Yes of course. Schöffel products are very high quality and have been designed to be used for many years and this should be exploited to the full. We strongly urge our customers to have their products repaired instead of being in too much of a hurry to get rid of them. This alternative is all too often overlooked in today's throw-away society. Repairs extend the service life of a product, protecting important resources and minimising the negative impact on the environment. It sounds like a really simple thing but it is very effective.

#### REPAIR SERVICE



Items of clothing are repaired using the very latest techniques and to the highest quality so that top performance can be restored. Complex work on functional clothing going well beyond standard stitching, such as impermeability testing or bonding waterproof seams, is also carried out at the Service Factory.

#### ALTERATION SERVICE



A special service offering the individual adjustment of items of clothing. For example, we can lengthen the sleeves of technical ski jackets or shorten the length of ski pants. Our sewing team has the expertise and technical skills to carry out high-quality alterations, ensuring unrestricted performance for the adjusted product.

#### CLEANING SERVICE



The professional cleaning of clothing is the ideal preparation for the waterproofing of performance fabrics and is also available from the Service Factory.

#### WATERPROOFING SERVICE



We work with experts to ensure that waterproofing is more effective and long-lasting than it is possible for the customer to achieve at home. High-performance, effective waterproofing is vital to ensure the performance and durability of the products.

#### ADDRESS



Schöffel Sportbekleidung GmbH  
Service Factory  
Ludwig-Schöffel-Straße 15  
86830 Schwabmünchen  
Phone: +49 (0) 82 32 / 5 00 6 - 1200  
Fax: +49 (0) 82 32 / 5 00 6 - 2499  
Email: [Service-factory@schoeffel.de](mailto:Service-factory@schoeffel.de)  
Mon – Thurs 8.00 – 17.00, Fri 8.00 – 14.00 Uhr





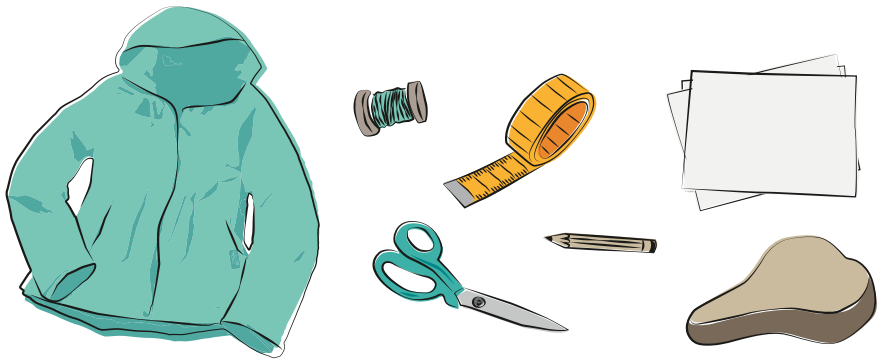
# UPCYCLING IDEA: HOW TO TURN AN EASY JACKET INTO A RAIN COVER FOR YOUR BIKE SADDLE

Degree of difficulty: Moderate sewing skills <

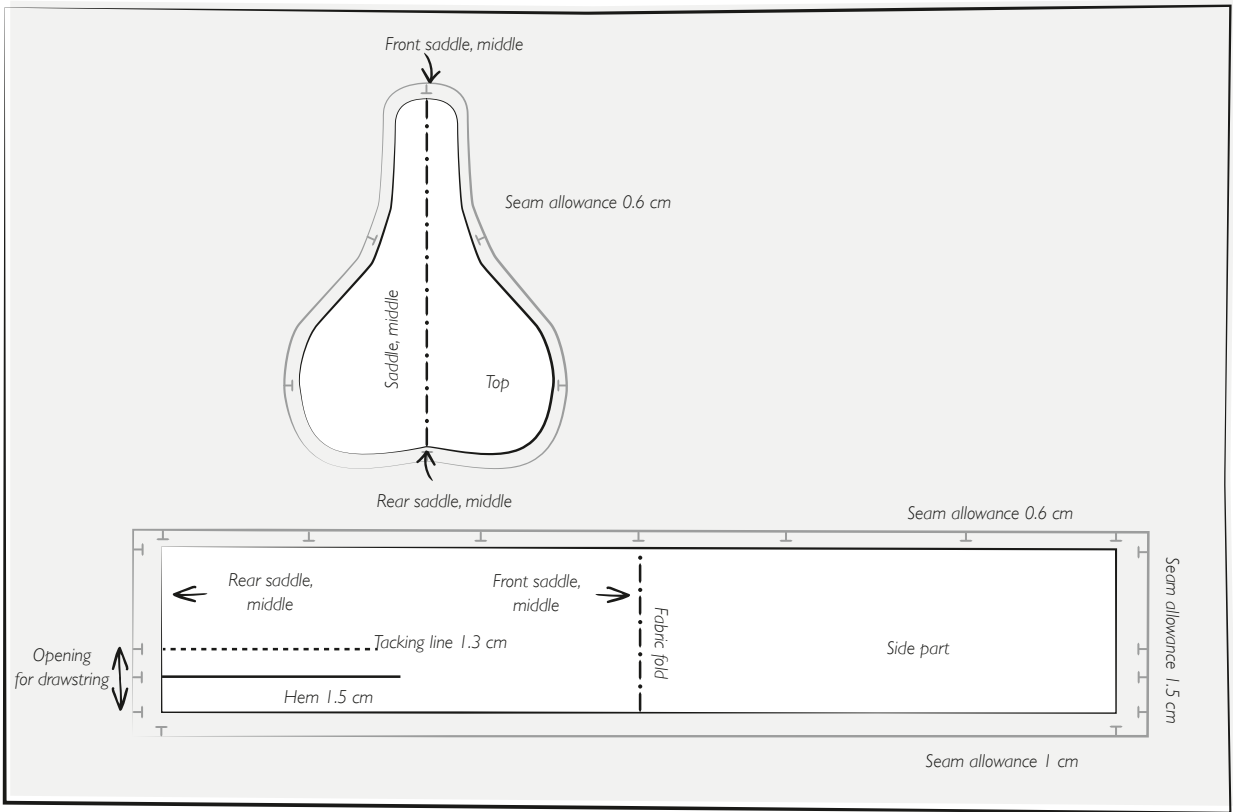
After scaling numerous heights, battling countless weather fronts, and witnessing the consumption of quite a few snacks, even a high-quality classic such as the Easy Jacket has done its duty and is not even worth repairing any more. But just throwing away the well-loved jacket that is linked to so many memories is often hard – and not absolutely necessary. With a bit of skill, people blessed with dexterity and creativity can give their Easy a new lease of life. Evi Kuchenbauer from the Schöffel Service Factory has drafted a clever upcycling idea: The second life bike saddle cover.

You need:

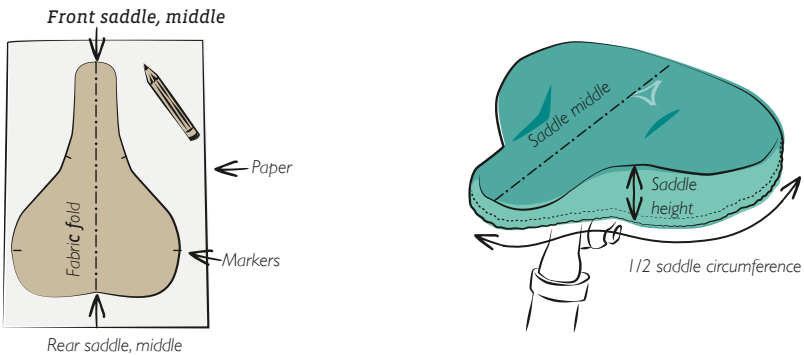
- Bike saddle
- Cutting patterns:
- 1x top
- 1x side part
- Worn Easy Jacket
- Sewing thread
- Fabric scissors
- Scissors
- Measuring tape or ruler
- Tailor's chalk
- Tracing paper



Overview of parts



Making a pattern for a customised bike saddle cover:



Top:

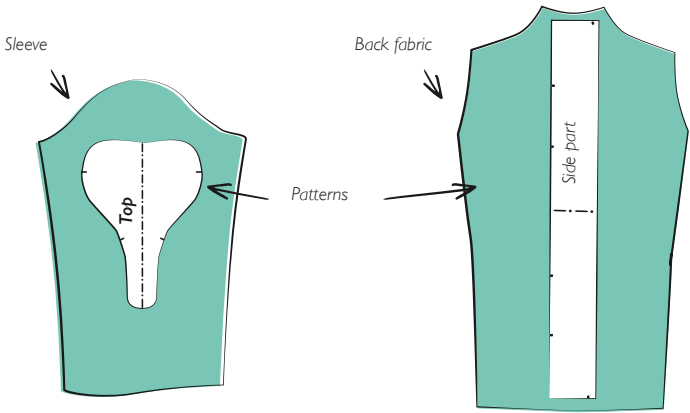
- | Draw a line to mark the middle of the saddle
- | Lay the saddle so that the middle line matches the vertical line and draw around one half of the saddle
- | Lay the saddle aside, fold the pattern over at the crease and cut out the second half
- | Draw markers

Side part:

- | To determine the length of the side part, use a tape measure to measure half the circumference of the saddle and double it
- | To determine the height of the side part, measure the thickest point of the saddle and add 1.5 cm for the drawstring tunnel

**TIP:**  
We recommend setting additional markers on the top and side part to make it easier to sew the parts together

Cut the fabric:

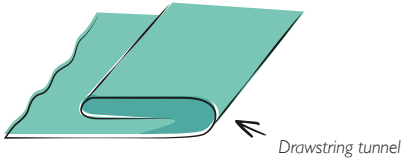


**TIP:**  
Depending on the size of the saddle, you may need to join more than one piece of fabric to make the side part.

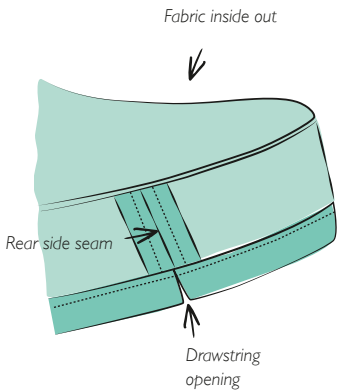
- | Cut your Easy Jacket into larger individual parts
- | Place the patterns on the fabric parts and trace around them, adding the seam allowance
- | Cut out the pieces

Sew:

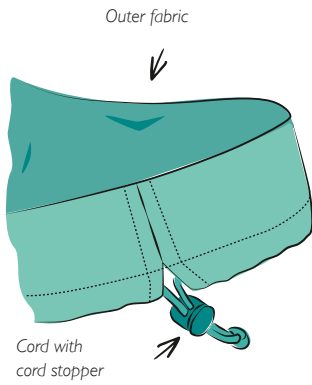
**TIP:**  
We recommend using a Teflon foot. The inside of the fabric is coated with a membrane, which makes it hard to move the fabric along.



- | Use an iron to press the drawstring tunnel into 1 cm and 1.5cm folds
- | Close the rear seam of the side part, leaving an opening for the drawstring
- | Open the seam and iron it flat before stitching along



- both sides (width of the foot)
- | Stitch the drawstring tunnel
- | With right sides facing, join the rear seam of the side part to the back of the saddle top, in the middle, and stitch. Cut slits into the seam allowance, if necessary.



- | Remove the drawstring from the old Easy Jacket and thread it through the opening
- | Attach the stoppers (that you already have) and knot the ends of the cord





Manfred G. and his favourite item are travelling

## SCHÖFFEL'S FAVOURITE ITEM „SERADA“ – 20 YEARS OF PRICE- LESS MEMORIES

Every day in the Schöffel Service Factory, at the headquarters in Schwabmünchen, outdoor and ski clothing is professionally repaired and then fully functional, shipped back to the owners. True to the motto "Wear it longer – enjoy more adventures". Often real "favourite items" reach the factory – including jackets that have been worn for several decades. These favourite items confirm Schöffel's claim to produce the best products for valuable "Ich bin raus." moments – and a product worn for a long time is above all, sustainable. Manfred G. from Kempten, sent us a 20-year old model: a Serada jacket from the year 1999. He then went to the company headquarters and happily reported just how many adventures he had had with his favourite jacket.

**Mr G., your jacket is now 20 years old. Do you remember where you bought it?**

No, I don't remember that, but very well remember why I bought it – it was for a trip to Canada. A friend told me at the time, that it can be hot or cold and wet on Mount Whistle and that I should therefore choose a very versatile jacket. He also advised me that I should choose a striking colour because of the bears there and so this is how I came to choose this model.

**And I guess the jacket has not only accompanied you to Canada?**

That's right! It became my favourite travel companion for many years, and since I travel a lot, it has as experienced as many adventures as I have. Because it's lightweight and able to be folded to a small size, it was perfect for air travel and even went with me on my trip to Vietnam last year.

**That sounds exciting. Where has the Serada been on its travels?**

Well, it's been with me on two world trips. The first was a 61-day trip that my wife and I took. This took us to New York, San Francisco and then by ship to New Zealand. We travelled south around New Zealand and then to Sydney and via Hong Kong to Munich. The second trip was purely

a 101-day sea voyage that went from January to March. At that time, we also explored South America and especially in Chile, the jacket served me well because the country has many different weather zones.

**Is there a very special experience that you associate with your jacket?**

In the National Park Torres Del Paine, it started to rain cats and dogs and the wind drove the rain horizontally. In spite of the unpleasant weather we had, today I'm still fascinated by the unique impressions of nature we got – and of course, thanks also to the water repellent jacket.

**You can't tell that the jacket is 20 years old and has been worn a lot.**

That's right – and shows that it was manufactured to a high standard. When I look at my jacket I actually see a lot more. For me, it brings back so many memories and that's why I'll keep it even though I recently bought a brand new Schöffel model. My old favourite jacket has experienced so many adventures, the new one is only starting off with me. I'm afraid I can't promise that the new one gets to enjoy two world trips. (Laughs)

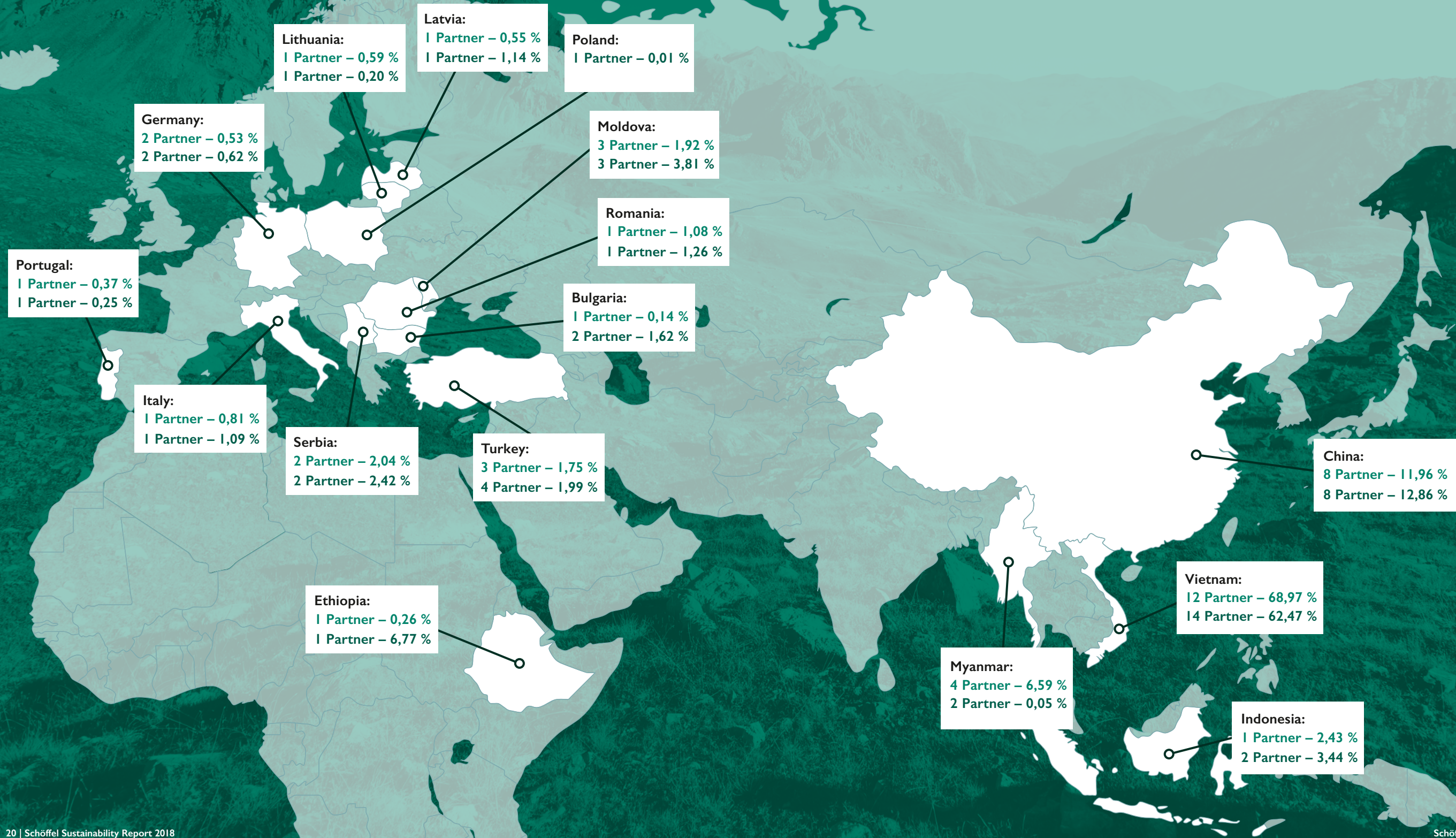
**We wish you both that it can! Many thanks for sharing your "Ich bin raus." moments!**



# GLOBAL PRODUCTION FACILITIES

○ Production volume 2018

○ Production volume 2017





# OVERVIEW OF PRODUCTION PARTNERS 2018

Continent	Factory name	Location	FWF (Fair Wear Foundation) : low risk	Collaboration in years	FWF questionnaire
Europe	Walter Stöhr GmbH	Germany	yes	21	yes
	P.A.C. GmbH	Germany	yes	2	yes
	Stamperia Alicese S.R.L.	Italy	yes	11	yes
	Silva Confecções, S.A.	Portugal	yes	3	yes
	Spectre Latvia Rezekne	Latvia	yes	9	yes
	Satrija AB	Lithuania	yes	4	yes
	DMD Fiore doo	Serbia	no	8	yes
	Kadinjaca AD	Serbia	no	23	yes
	Trend Fashion Textil (Rakovski)	Bulgaria	no	21	yes
	ICS Extravie S.R.L.	Moldova	no	5	yes
	ICS Extravie (Subunternahmen I)	Moldova	no	4	yes
	ICS Extravie (Subunternahmen II)	Moldova	no	3	yes
	ICS Extravie (Subunternahmen III)	Romania	no	3	yes
	Enra Tekstil Konf. San,Ve Tic Ltd. Sti	Turkey	no	2	yes
	Marma Tekstil Konf. Imz. San. ve. Tic.	Turkey	no	5	yes
	Version Tekstil Tur. San, ve Dis Tic.A.S.	Turkey	no	5	yes
Asia	Asian Sourcing International Mfg. Co. Ltd.	China	no	12	yes
	Weijie Garment Co. Ltd.	China	no	2	yes
	Hakers Enterprise Co. Ltd.	China	no	2	yes
	Nordsun Outdoor Products Co. Ltd.	China	no	5	yes
	Chaohu Youniya Garments Co., Ltd.	China	no	1	yes
	Liwaco Outdoor Sporting Goods Co. Ltd.	China	no	20	yes
	Silk Trend Garments Co. Ltd.	China	no	5	yes
	Pingyang Buyreal Leather Products Co. Ltd.	China	no	4	yes
	DongTien Joint Stock Company	Vietnam	no	3	yes
	Kido Hanoi Co. Ltd.	Vietnam	no	12	yes
	Magictex Co. Ltd.	Vietnam	no	2	yes
	PS Vina	Vietnam	no	12	yes
	Poongshin Vina Co. Ltd.	Vietnam	no	12	yes
	Prex Vinh Co. Ltd.	Vietnam	no	7	yes
	Shirts TM Co. Ltd. (Quoc Khan)	Vietnam	no	7	yes
	Shirts-BVT Co. Ltd.	Vietnam	no	12	yes
	Spectre Garment Technologies Co. Ltd.	Vietnam	no	3	yes
	Gatexco X20 Binh Minh Gmt. Factory 6	Vietnam	no	5	yes
	Gatexco X20 Gmt. Factory 3	Vietnam	no	5	yes
	Gatexco X20 C	Vietnam	no	2	yes
	PT.Kido Jaya, Factory 1	Indonesia	no	12	yes
	North Shore Global Ltd. (NSGI)	Myanmar	no	2	yes
	Ceres Enterprises Ltd (NSGI)	Myanmar	no	2	yes
	Eslite Garment Co.	Myanmar	no	2	yes
	Kido Yangon Co. Ltd.	Myanmar	no	1	yes
Africa	Shirts ETP Garment P.L.C.	Ethiopia	no	4	yes
Total				ø 6,79	100 %

% purchasing volume	Factory visits 2018	Audit	CAP (Corrective Action Plan) Status	FWF training
0,50	no	n.a.	n.a.	n.a.
0,03	no	n.a.	n.a.	n.a.
0,81	no	n.a.	n.a.	n.a.
0,37	yes	SA8000 2017	n.a.	n.a.
0,55	no	SA8000 2018	n.a.	n.a.
0,59	yes	n.a.	n.a.	n.a.
1,13	yes	January 2015 SUMATIONS	completed	n.a.
0,91	yes	June 2016 SUMATIONS	completed	n.a.
0,14	no	May 2017	completed	n.a.
0,27	no	August 2018	almost completed	n.a.
0,81	no	November 2015	completed	n.a.
0,84	no	October 2016	completed	n.a.
1,08	no	November 2016	completed	n.a.
0,02	no	July 2016	completed	no
0,33	yes	August 2016	completed	no
1,40	yes	October 2017	almost completed	October 2018
0,01	yes	October 2017	almost completed	June 2017
0,58	yes	June 2018 SUMATIONS	partially open	no
0,71	no	January 2018	partially open	no
6,21	yes	December 2018	partially open	March 2016
0,21	yes	no	n.a.	no
0,82	yes	July 2018	partially open	June 2018
3,37	yes	July 2017	almost completed	no
0,05	yes	no	n.a.	no
3,17	yes	August 2018 SUMATIONS	partially open	no
4,57	yes	August 2017 SUMATIONS	completed	October 2018
1,83	yes	September 2017	completed	no
9,92	yes	November 2016	completed	December 2018
11,03	yes	October 2017	completed	December 2018
1,67	yes	December 2016	completed	October 2018
0,88	yes	August 2017 SUMATIONS	completed	December 2018
17,98	yes	May 2017	completed	December 2018
11,23	yes	December 2017	completed	October 2017
4,96	yes	October 2017	partially open	no
1,01	yes	October 2017	partially open	no
0,72	no	May 2018	partially open	no
2,43	no	November 2017	completed	no
2,02	yes	November 2018	partially open	no
2,22	yes	March 2018	partially open	April 2018
0,02	no	July 2018	partially open	no
2,33	yes	December 2018	open	no
0,26	yes	October 2015	completed	no
100 %				



# THE SCHÖFFEL STAKEHOLDER DIALOGUE

## Continuous discussions for new momentum

Sustainability means dialogue. After all, it is only by maintaining a dialogue with our direct stakeholders that we can conduct our business responsibly and therefore sustainable. Our stakeholders are the people who are directly involved with Schöffel, including the Schöffel family and our employees, as well as our retailers, suppliers and customers. We use various channels of communication to maintain a dialogue with our stakeholders, so that we can keep them informed or get feedback from them on the way we do business. What we are looking for above all is discussion, as

well as personal advice and support. These communications are supported by digital media and product information. In addition, we also produce an annual Sustainability Report, which provides our indirect stakeholders such as society in general, non-governmental organisations (NGOs), politics and competitors with extensive information on our activities and the progress we are making in terms of sustainability. It is only by including all interest groups that we can continue to develop and enjoy long-term success. We stay in touch!



Schöffel in discussions with production partner







Peter Schöffel, Jakob Schöffel and Georg Kaiser on a visit at a Vietnamese producer

## WHEN THE JOURNEY IS THE DESTINATION STRONG PARTNERSHIPS FOR FAIR PRODUCTION

In November 2018, Peter Schöffel and Georg Kaiser travelled to Asia together, as they do every year, to visit local production partners. For the first time, both were accompanied by Jakob Schöffel, the Managing Director's 21-year old son, since responsibility for the family company does not end at its own subsidiary.

The majority of technical, functional clothing and its components now comes from Asia. Over the past few decades, this is where technical expertise in high-quality textile processing has converged and production takes place under economically viable conditions. Profitable business is vital for the success of a company and therefore also for its employees. The significance of this extends further still: after all, only economically successful companies will have enough room to manoeuvre to turn traditional values and sustainable goals into reality. Schöffel is active in Asia with 25 sites in four

countries and works alongside its local production partners. At Schöffel, the task of ensuring fair working conditions at production sites is a matter for the boss. The Managing Director has at least two trips in his diary every year to visit partners. But it's not just Peter Schöffel who makes on site visits. Schöffel employees from the purchasing department and from the QA/CR team are also on site time and again. In November 2018, Managing Director Peter Schöffel, his son Jakob Schöffel and Georg Kaiser, a member of the Executive Committee and Head of Procurement and Logistics,

travelled to Vietnam to visit some important partners on site. "Our presence on site helps us to support the work of the employees. Good personal interaction is important for transparency and for maintaining our principles, which we also pursue as a member of the FairWear Foundation. Even though these visits are time-consuming and exhausting, they are an important part of our communications strategy with our producers," says Peter Schöffel, explaining the reasoning behind it. He goes on to say: "We have a responsibility not only towards our employees in Schwabmünchen, but also towards those working in our production facilities. It was important to me to show my son Jakob what it means for us as a traditional company to set ourselves this task. And even though he is currently still studying and hasn't yet started working for the company, the subject of sustainability is close to his heart."

As a member of the FairWear Foundation, Schöffel expects the guidelines for fair working conditions to be fulfilled (see p. 32). Problems revealed by audits are the first step towards starting open communications with the production partner and working together to find a solution. "Our aim is for lasting partnerships. Only by working together with our producers can we achieve our social goals and this is

what we want," explains Georg Kaiser. "We are not interested in simply ending a partnership if sustainable objectives have not been fulfilled. For us, it's much more a question of encouraging the development of operations in a sustainable direction and supporting them as they achieve this. That's the only way of changing things."

Schöffel has been a committed member of the FairWear Foundation since 2011 and, since then, has consistently pursued its goal of guaranteeing fair production conditions at its partners. For example, in the main production country, Vietnam, two employees are dedicated to supporting compliance with guidelines on site all year round. "High-quality products are not just about materials and craftsmanship, high quality also means fair and that's why, as the owner, I am always happy to accept every trip," Peter Schöffel concludes.



### SCHÖFFEL HONOURS ITS DANISH PARTNER WITH THE CSR AWARD

In 2016, Schöffel developed the "Garment Supplier Evaluation" producer assessment system. This assesses the performance of production partners in terms of cooperation, reliable delivery, product quality, pricing and product development. The system also reveals the potential for making improvements in the individual facilities.

The producer with the best results for the year receives the "Supplier of the year award" from Schöffel. In addition, a special "CSR AWARD" honours performance with regard to audit results, following up CAP complaints and CSR documentation, as well as transparency, communication and cooperation.

In 2018, a Danish business partner called Spectre, which has production facilities in Latvia and Vietnam, was presented with the "CSR Award". This was the third time in succession that the company had received the award. Schöffel rated the partner's active involvement in the continuous improvement of working conditions in its own factories as outstanding.



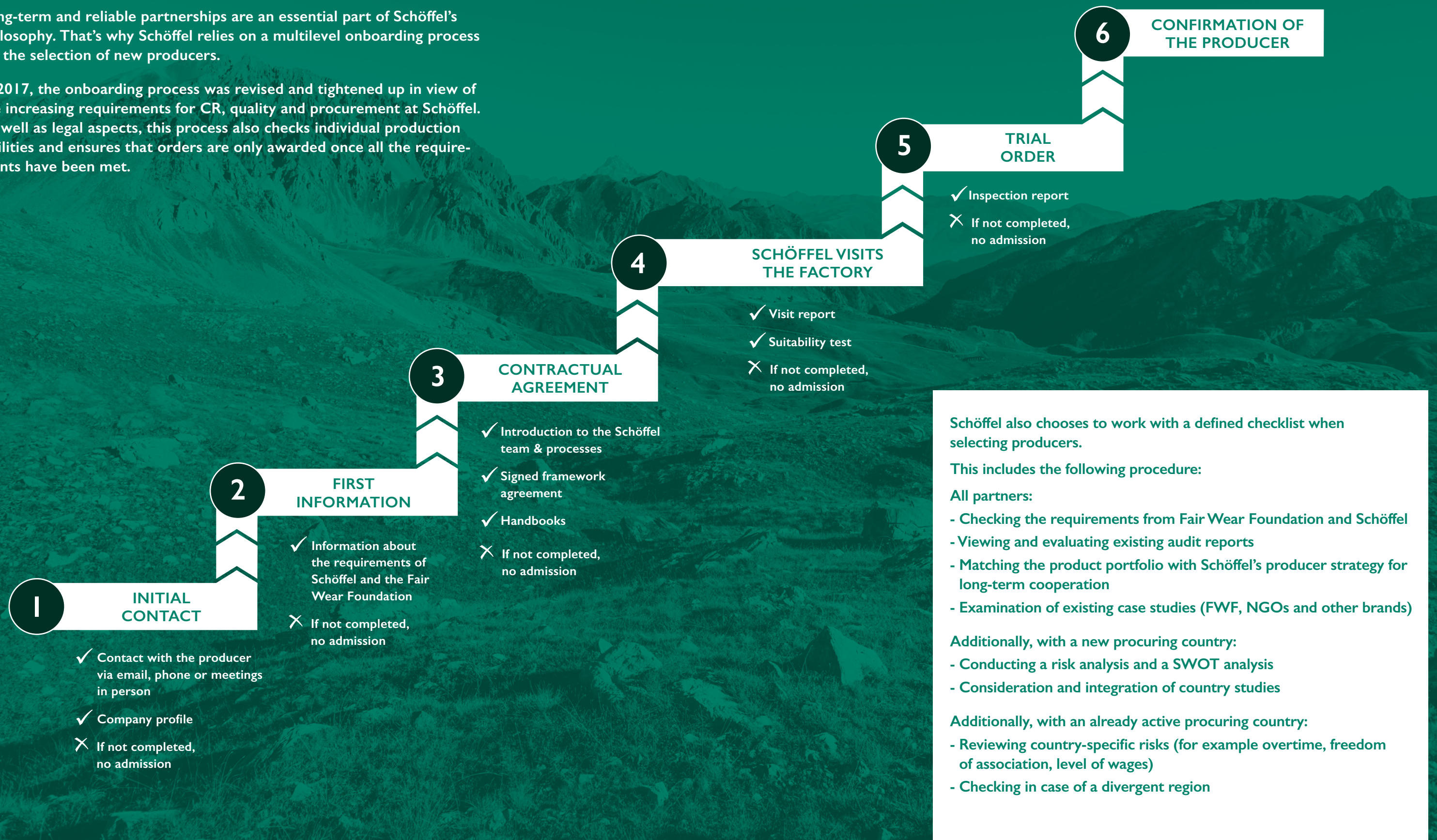
The Danish partner 'Spectre' receives the CSR award 2018 for outstanding achievements: Hanne Meldgaard (Spectre), Jacob Klausen (Spectre), Georg Kaiser (Schöffel), Martina Beckmann (Schöffel), Jesper Klausen (Spectre), Yolanda Waitassek (Schöffel).



# ONBOARDING PROCESS FOR NEW PRODUCERS

Long-term and reliable partnerships are an essential part of Schöffel's philosophy. That's why Schöffel relies on a multilevel onboarding process for the selection of new producers.

In 2017, the onboarding process was revised and tightened up in view of the increasing requirements for CR, quality and procurement at Schöffel. As well as legal aspects, this process also checks individual production facilities and ensures that orders are only awarded once all the requirements have been met.





# RESPONSIBLE PRODUCTION IN MYANMAR

Over the past few years, Myanmar has developed into a production country offering many advantages for the clothing industry. This development was supported by the end of the military dictatorship and the formation of a new government in 2011. A legal minimum wage was introduced in 2015 and increased in March 2018 as the result of increased union activity. Due to the still “young” democracy in Myanmar and the ongoing development of essential social framework conditions, the Fair Wear Foundation (FWF) sets out stricter production requirements for this country. Schöffel has been producing in Myanmar since the end of 2017, currently through four production facilities. The company considers the FWF’s specifications for the country to be reasonable and has undertaken a number of measures in order to fulfil them. This includes:

## A ban on working with factories, which have a direct link with the military.

The partners, with whom Schöffel works, are owned by investors from Taiwan and South Korea.

## Publication of the names and addresses of factories

See page 22: Overview of production partners and publication via the FWF.

## Reasons for production in Myanmar stated in advance to the FWF

Schöffel decided to start production in Myanmar only after in-depth considerations and discussions with the FWF, for economic and strategic reasons and with the help of its own onboarding process.

## Information on the consequences of starting production in Myanmar for the awarding of contracts in other countries

Schöffel's purchasing volume in Myanmar is 6,59 % for all factories. Starting production in Myanmar offered an effective solution to the capacity restrictions at the two existing producers in Vietnam and was also initiated with a view to the sustainable management of overtime hours.

## Driving forward the social dialogue in the production facilities to strengthen existing associations and employee representatives

In 2018, Schöffel organized a Workplace Education Program (WEP) training at North Shore NSGI carried out by FWF. The Workplace Education Program trains workers and management on the eight labour standards, such as freedom of association and the right to collective bargaining and the FWF complaint system.

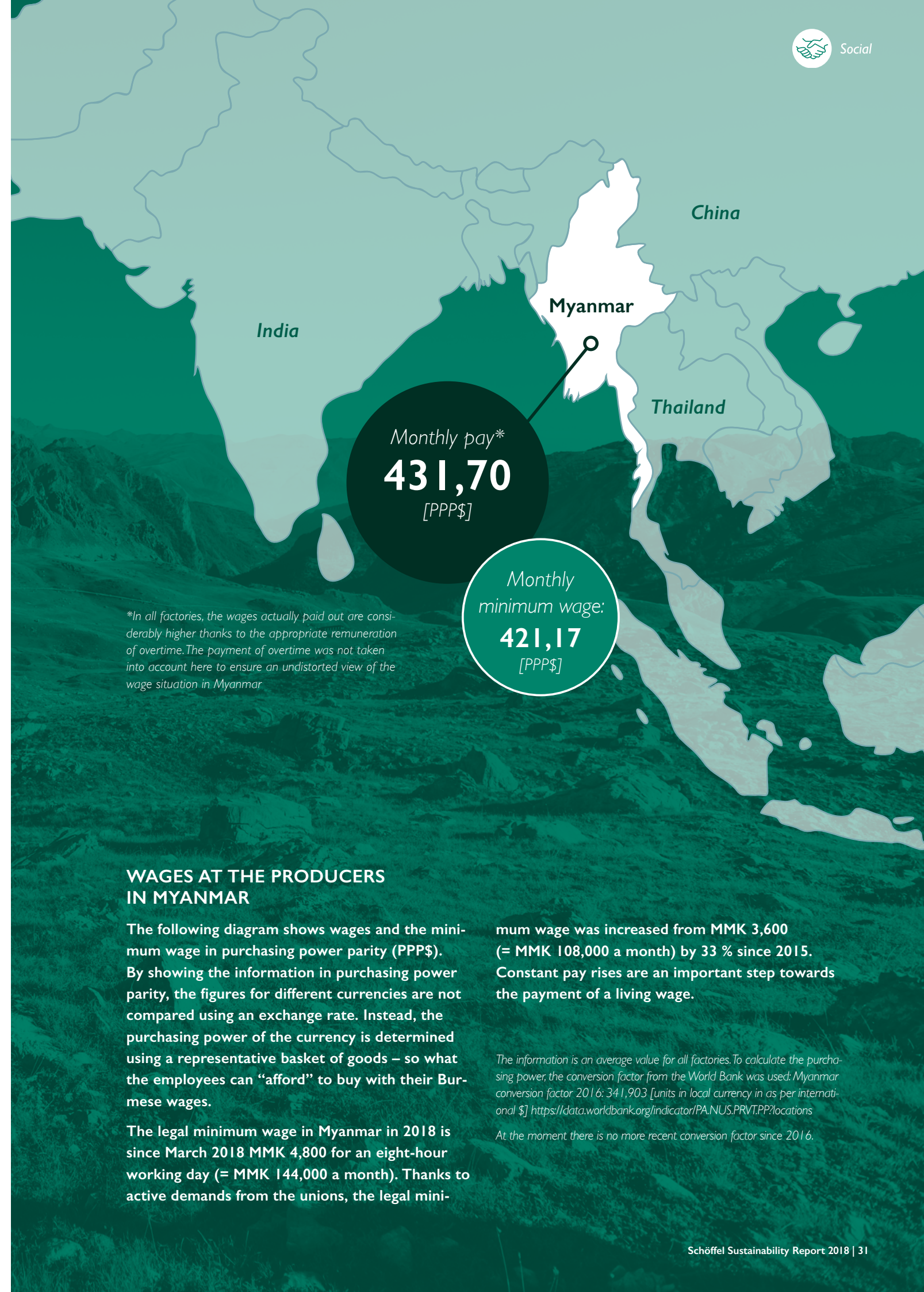
## Implementation of definitive measures for improving the eight labour standards

Training sessions and regular personal visits and audits carried out by Schöffel continuously assess and improve the eight FWF labour standards. Since the opening of the own office in Hanoi in 2018, Schöffel is training the own local staff on CR topics. Schöffel plans to appoint Vietnamese technicians in the surrounding countries as well, including in Myanmar. This means that a local contact person will be able to support the factories with social concerns and issues.

## Publication of wages at all factories

Comprehensive information on the wage structures at all factories can be found below.

Regular audits take place in the factories in Myanmar, followed up by improvement measures. Audits took place in all production facilities in 2018. North Shore NSGI was audited in March, Eslite Garments was audited in July, whilst the audit at North Shore NSG II followed at the end of November and the audit at Kido Yangon in December. As a next step, the necessary improvement measures were outlined together with the producers and set out in a corrective action plan. The Schöffel CR team supports their implementation as part of intensive discussions with the relevant factory management.



## WAGES AT THE PRODUCERS IN MYANMAR

The following diagram shows wages and the minimum wage in purchasing power parity (PPP\$). By showing the information in purchasing power parity, the figures for different currencies are not compared using an exchange rate. Instead, the purchasing power of the currency is determined using a representative basket of goods – so what the employees can “afford” to buy with their Burmese wages.

The legal minimum wage in Myanmar in 2018 is since March 2018 MMK 4,800 for an eight-hour working day (= MMK 144,000 a month). Thanks to active demands from the unions, the legal mini-

mum wage was increased from MMK 3,600 (= MMK 108,000 a month) by 33 % since 2015. Constant pay rises are an important step towards the payment of a living wage.

*The information is an average value for all factories. To calculate the purchasing power, the conversion factor from the World Bank was used: Myanmar conversion factor 2016: 341,903 [units in local currency in as per international \$] <https://data.worldbank.org/indicator/PANUS.PRVTPP?locations>*

*At the moment there is no more recent conversion factor since 2016.*



# CODE OF ETHICS

## CODE OF LABOUR PRACTICE

**Guidelines for fair working conditions – the partnership between the company and the Fair Wear Foundation based on the “Code of Labour Practices”. These eight social standards are derived from the ILO Convention and the UN Declaration on Human Rights. The FWF Code of Labour Practice is therefore based on internationally recognised standards discussed at tripartite meetings.**



On visible display: CoLP posted in production



### The employment relationship must be voluntary

Forced labour, including bonded labour or prison labour, is not permitted. (ILO Conventions 29 and 105)



### No discrimination in the employment relationship

Recruitment, wages policy, access to further training, rules on promotion, termination of employment relationships, retirement and all other aspects of an employment relationship must be based on the principle of equal opportunity, regardless of race, colour of skin, gender, religion, political persuasion, membership of trade unions, nationality, social origin, weaknesses or disabilities. (ILO Conventions 100 and 111)



### No exploitation of child labour

Child labour is strictly forbidden. The minimum age of recruitment for gainful employment must not be below the national age for compulsory schooling and in general not below the age of 15. (ILO Convention 138)

There must be no form of slavery or similar circumstances such as for sale and trading in children, bonded labour, servitude or forced labour. Children (between 15 and 18) may not carry out any work “the nature of which or the circumstances under which it is performed might have a potentially damaging effect on the health, safety or morals of children.” (ILO Convention 182)



### Freedom of association and the right to collective wage negotiations

The employer recognises the right of all employees to establish and join trade unions, as well as to conduct wage negotiations on a collective basis. (ILO Conventions 87 and 98)

In those cases in which the freedom to join a trade union and the right to collective wage negotiations are restricted by law, the company will encourage all employees to seek alternatives for independent and free organisations and negotiations. There must be no discrimination against the employee representatives and they must be given access to all places of work in the performance of their duties as representatives. (ILO Convention 135 and Recommendation 143)



### Payment of a “living wage”

Wages and allowances for a normal working week must equate at least to the statutory minimum or minimum standard for the sector and must always be sufficient to meet the basic needs of the employees and their families, as well as for them to have an additional specific level of disposable income. (ILO Conventions 26 and 131)

Deductions from wages as a disciplinary measure are not permitted. It is also not permitted to make wage deductions which are not based on national legislation. The total deductions may not result in the employee receiving less than the statutory minimum wage. All employees shall receive appropriate and accurate information on the components of their wages, including the rate of pay and period for which the wage is paid.



### No excessive working hours

The working hours must comply with the statutory provisions and normal standards for the sector. The regular working time must not exceed 48 hours per week. One free day must be granted within a period of seven days. Overtime must be worked on a voluntary basis, must not exceed 12 hours per week nor be regularly demanded. Compensation for overtime must be paid in the form of an overtime allowance in addition to the wages. (ILO Convention 1)



### Health and safety at the workplace

The working environment must be clean and safe. The employer gives an undertaking to promote optimum health and safety at work based on current knowledge relating to potential risks and hazards. Special attention must be paid to the specific risks of working in this sector. Rules aimed at providing the maximum possible prevention of accidents and minimisation of risks to health must be implemented. (In line with the ILO Convention 155)

Physical abuse, threat of physical abuse, excessive penalties or disciplinary measures, sexual and other forms of harassment, including threats by the employer, are forbidden.



### Legally binding employment relationship

The obligations to the employees as well as the labour and social laws and the regulations arising from the standard employment relationship may not be circumvented by the use of agency work arrangements or training programmes which are not aimed at providing skills or regular employment. Younger employees must be given the opportunity to take part in education and training programmes.



Secure workplace: cut-resistant gloves for cutting





# IMPLEMENTING AND CONTROLLING SOCIAL STANDARDS (COLP)



The strategy for implementing and controlling social standards (CoLP) at Schöffel is based on three main pillars:

## COMMUNICATIONS AND STAKEHOLDER DIALOGUES

- FWF membership, reference to country analyses
- Regular exchange with stakeholders (round tables, multi-stakeholder meetings)
- Regular exchange within the trade association and in working groups
- Regular exchange with suppliers

## TRAINING, MONITORING, IMPROVEMENT MEASURES

- Regular risk assessment
- Onboarding of all production facilities
- Audits (FWF teams, certified auditors)
- On site visits by our travelling technicians
- Implementation of corrective measures
- Training programmes

## TRANSPARENCY AND VERIFICATION

- Completion of questionnaires
- Annual reporting procedure
- Annual Brand Performance Check by FWF
- FWF verification audits
- Publication of complaints



# SCHÖFFEL

## AUDIT RESULTS 2018

Each member of the Fair Wear Foundation (FWF) is required to have all producers, except “tail end” factories, assessed at least once every three years by an independent FWF audit. “Tail end” refers to factories, which make up less than 2% of the total production costs or where Schöffel takes up less than 10% of the production capacity. In 2018, 12 Schöffel producers carried out these social audits.

### WHAT IS AN AUDIT?

Audits check the status of universal labour standards and their application in production facilities. To achieve this, the Fair Wear Foundation regularly sends several auditors to the relevant production facilities to inspect them with regards to the eight social standards. The auditors check all the relevant documents, such as staff contracts and overtime records, aim to talk with employees – including outside the company premises – and check the safety measures on site. The results are then recorded in an audit report, which is passed on to Schöffel. These are then discussed with the factory, with continuous cooperation to work on solutions and improvements.

#### Huai An Yuan Tong Headwear MFG Co. Ltd.

Huai An Yuan Tong Headwear MFG Co. Ltd. is a factory owned by Asian Sourcing, which has been producing accessories for Schöffel for more than ten years now. The partnership with this factory began in 2017. The auditors mainly found grounds for complaint in this factory in the areas of appropriate working hours and pay, as well as freedom of association and the management system. Critical points concerning communication were improved thanks to a training session on the FWF Code of Labour Practice. Shortcomings in the areas of safe and healthy working conditions and ergonomic equipment at workstations have already been fully rectified.

#### Liwaco Outdoor Sporting Goods Co. Ltd.

Schöffel has been working with Liwaco Outdoor Sporting Goods Co. Ltd. since 1999. A follow-up audit took place in July 2018 to check previously established shortcomings. This revealed that some points – particularly in the area of communication – had since been optimised. Other improvement measures in the areas of management system and working hours and pay had already been introduced. Outstanding tasks consisted of correcting a few shortcomings in the areas of freedom of association and legally-binding employment relationship. A few deficiencies were also found in fire protection measures and personal protective equipment.

#### Nordsun Outdoor Products Co. Ltd. – I3163

Nordsun Outdoor Products Co. Ltd. is another Northsky factory. Schöffel has been working with Nordsun since 2014. An audit in December 2018 revealed shortcomings above all in safe and healthy working conditions, fire protection and safety at work and ergonomic equipment at workstations. There is also potential for improvement at the factory when it comes to appropriate working hours and pay and com-

munication between factory management and workers. The internal complaints procedure and the system for informing workers about the FWF code of conduct also need to be strengthened.

#### Weijie Garment Co. Ltd./ ASI headwear (Shanghai)

Weijie Garment Co. Ltd. belongs to Schöffel's long-term partner Asian Sourcing and has been producing accessories for Schöffel since 2017. Only a few shortcomings were detected in the 2018 audit. There is potential for improvement in the areas of management practice, freedom of association and safe and healthy working conditions. Most of the critical points have already been rectified or are being processed. Just two shortcomings in the areas of management practice and freedom of association still need to be addressed by the factory.

### MOLDOVA

#### ICS Extravie S.R.L

ICS Extravie S.R.L has been making t-shirts for Schöffel since 2016. During the autumn 2018 audit, various shortcomings were established in the following areas: procurement practices, monitoring and management system, communication, discrimination, freedom of association, appropriate pay, health and safety at work and legally-binding employment relationship. The factory management is very cooperative and committed and so more than half of the established shortcomings have already been improved, particularly in the areas of discrimination and health and safety at work. Critical points in the areas of monitoring and management system, freedom of association and procurement practices still need to be improved.

### MYANMAR

#### Ceres Enterprises Ltd. (NSGI)

Ceres Enterprises Ltd. is another factory owned by the producer North Shore, which makes fleece jackets for Schöffel. Schöffel has been working with this producer since 2018 and has already visited the site twice to get a more accurate picture of working conditions. The Fair Wear Foundation established many areas for improvement during its March 2018 audit. A review is required in the areas of communication, discrimination, child labour, appropriate working hours and pay and health and safety at work, amongst others. In the area of health and safety at work, 19 shortcomings were detected, most of which have since been improved. One of the points in the area of “employment is freely chosen” was based on a misunderstanding, which has already been cleared up. The factory management is very cooperative and committed to working on all the points that were raised. During the audit, it became apparent that one employee had used her adult sister's ID when she was first taken on by the company in 2017, when she was actually only 16 years old at the time. Since the factory had been made aware of this case, it had ensured the respect of reasonable working hours for this employee, in accordance with youth protection legislation. The employee has since come of age. No other worker at the site is subject to the youth protection law.

#### Eslite Garment Co.

The producer Eslite Garment Co. has been making pants and jackets for Schöffel since 2017 and is still in its test phase. Following on from the 2017 audit, the verification audit carried out by the Fair Wear Foundation in July 2018 established that improvements were still needed in many areas, particularly when it comes to communication, discrimination, child



# CORRECTIVE ACTION PLAN AND TRAINING SESSIONS

labour and appropriate working hours and pay. A young-looking employee was not able to show any ID during the audit and could not be found in the staff records under the name she gave. As a result, the factory provided further training for employees in the HR department and workers on the correct procedure for age verification. The points arising from the previous audit have already been processed or are currently being processed. In the area of health and safety at work, 21 out of the 30 points have since been improved. In addition, shortcomings detected in the management system and in the legally-binding employment relationship have already been improved.

## Kido Yangon Co. Ltd.

Kido Yangon C. Ltd. is a new factory owned by long-term production partner Kido. The factory has been producing pants and jackets for Schöffel since 2018 and has already been visited by Schöffel twice. Since the audit did not take place until the end of December 2018, the factory is still actively working on dealing with the individual critical points. The auditors noticed shortcomings, particularly in the area of health and safety at work: fire protection measures, chemicals management and general working conditions still need to be improved. Improvements are also required in the areas of appropriate pay and working hours for employees and communication about, for example, freedom of association and the FWF code of labour practice. A FWF verification audit is planned for 2019.

## North Shore Global Ltd. (NSGII / Pathein)

North Shore produces fleece jackets for Schöffel. The partnership began in 2017. Despite the short duration of this partnership, Schöffel has already visited the site four times (twice in 2017 and twice in 2018) to get a comprehensive overview of the working conditions there. During the verification audit at the end of 2018, the auditors found additional shortcomings in the areas of communication, discrimination and appropriate working hours and pay. Critical points in the area of health and safety at work were also detected. These

included fire protection measures, a lack of safety measures at the machines and chemical safety. The factory management is very cooperative and committed to working on all the critical points and has already been able to correct some of the shortcomings. Schöffel plans to offer a Workplace Education Programme (WEP) training course in 2019 to support the factory with these measures.

## VIETNAM

### Dong Tien Joint Stock Company

Dong Tien Joint Stock Company is another factory owned by Kido, one of Schöffel's long-standing production partners. Mainly pants and jackets are manufactured here. Since the factory already has a high standard of working conditions, there were scarcely any complaints. The improvement measures from previous audits have been consistently executed. Shortcomings detected during the autumn 2018 audit have already been addressed. Some points have already been fully implemented, whilst others have been partly addressed. Accordingly, just a few points in the areas of communication, freedom of association and appropriate pay and working hours still need to be processed. A FWF WEP training course is planned for 2019.

### Gatexco X20C

Gatexco X20C is a factory operated by long-term partner Poong Shin, which has been producing jackets, pants and ski clothing for Schöffel here since 2017. The auditors found grounds for complaint in this factory, above all in the respect of appropriate working hours and pay, as well as freedom of association and the legally-binding employment relationship. There were also twelve shortcomings in health and safety provisions. These included a lack of fire protection measures, a lack of safety measures at the machines and safety training that had not been carried out. The factory has already improved some of the complaints and supplied proof that the rest of the shortcomings are being resolved, which will be closely monitored.

## WHAT IS A CORRECTIVE ACTION PLAN (CAP)?

A CAP, or Corrective Action Plan, is a component of every audit report. It is a table showing a clear overview of the results, each of which is categorised under one of the eight FWF social standards (p. 32). The CAP also includes realistic, effective and measurable suggestions and guidelines for improvements, including a fixed time schedule. For example, if attention has been brought to the unusual number of overtime hours in a company, the CAP will record these under the “appropriate

working hours” criterion, with a detailed description of the problem and corrective measures. The CAP is submitted to the producer for processing. The next step is for the producer to integrate implemented or planned improvement measures and photos, which are then checked by Schöffel and discussed together where necessary. The CAP therefore provides the definitive basis on which to work, as well as a progress record for improvement measures.



## WHAT HAPPENS DURING A TRAINING SESSION?

One of Schöffel's long-term goals is to implement a respectful culture of communication in the factories. After all, an open dialogue between employees and the factory management forms the basis for working together on constantly improving working conditions. To ensure that a good communication culture exists, employees need to be kept informed of their rights and the factory management needs to fulfil procedures for processing complaints. These basic requirements are conveyed during the Workplace Education Program (WEP) training, which at least 10 % of the workforce must attend to ensure lasting success. Since these training sessions are an important and above all effective tool for strengthening existing improvements and encouraging further ones, Schöffel makes it possible for its producers to take part. 2018 a total of nine producers attended the workshops. In addition to these training sessions, various providers (SMART Myanmar, FWF) also offer seminars on specific topics. In 2018 Schöffel's Burmese producers attended a supplier / stakeholder seminar in Yangon. The majority of the Vietnamese producers participated in a living wage seminar organized by the FWF.



# THE FWF COMPLAINTS SYSTEM

**Additional reassurance that social standards are being maintained in production facilities.**

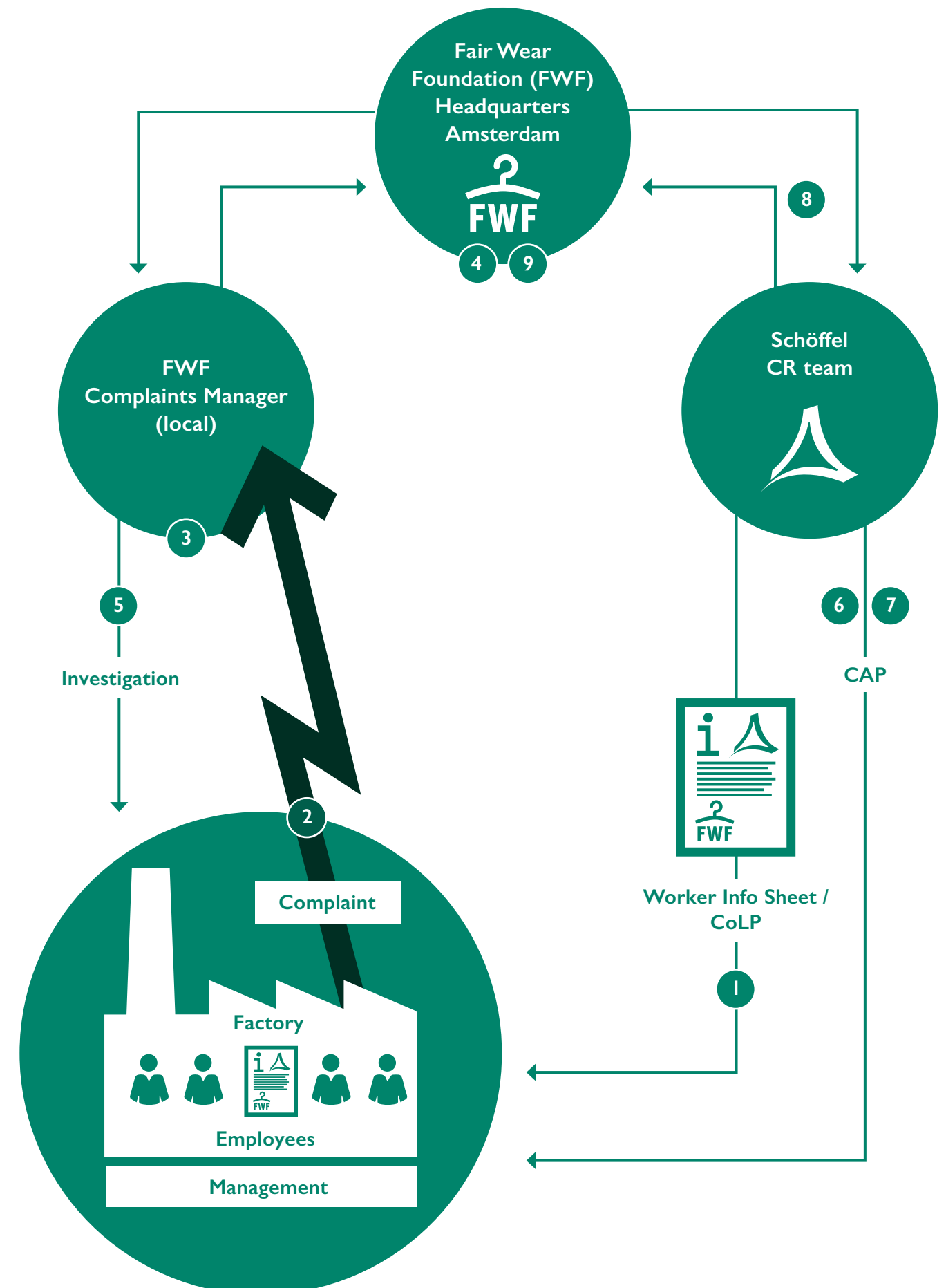
The FWF complaints system gives employees in production facilities the opportunity to make direct contact with an independent body in the event of problems. The contact data of the complaint's manager and the Code of Labour Practice (CoLP) are displayed on information boards in an easily accessible place in every company and people are informed about these during training sessions or interviews at social audits.

**FWF and Schöffel take complaints very seriously and are committed to improving the situation rapidly.**

Once the complaint has been checked, it is reported to the FWF head office in Amsterdam, as well as to Schöffel.

The circumstances are then investigated in detail. The Schöffel CR team then works out a corrective action plan along with the production partner and the complainant with a view to solving the problem.

The system is available not only to workers, but also to NGOs, associations and partner companies.





# COMPLAINTS FROM PRODUCTION STAFF 2018

The Fair Wear Foundation has strict specifications for social standards at the production facilities of its members and these are closely monitored. One important specification is giving employees at the individual sites the possibility of making complaints – anonymously so that they can express their criticisms freely. This is a basic requirement to enable working conditions on site to be improved in a sustainable way.

In 2018, the Fair Wear Foundation received 11 complaints from employees at our producers' facilities. This means that the number of complaints has increased compared with last year. This should be interpreted as a positive sign, because it shows that there is a change of attitude on site and employees are increasingly exercising their rights. Only if employees report their grievances can these be rectified. This was the case in the following production sites:

## FACTORY 10014

An employee from a company in Vietnam phoned the FWF hotline to report the following complaint: they were working overtime, with some hours not being logged in the evening, which led to problems with payment for overtime. The employees also had to work during their lunch breaks. Enquiries revealed that there was no work during lunch breaks in June and July 2018. On the other hand, there were documents to verify the overtime hours and the existence of two different salary statements, one for the normal working hours and one for overtime. The calculation of overtime had been carried out correctly, however. A plan of action was established with a different brand and discussed with the factory: to prevent the possibility of working during the lunch break, the lights in the production facilities are now be switched off during this time. The workers were also reminded that they should not work during the one-hour

lunch break. Since September 2018, there has only been one salary statement and a single bank transfer. Overtime hours continue to be discussed with the relevant brands and the factory as part of production planning. As an initial improvement measure, further orders have been turned down by the factory in order to counteract excessive overtime. During a joint personal meeting with other brands and the producer, further possible solutions were discussed. To check that improvements are being introduced, a FWF verification audit and a FWF training session for management and staff will take place in 2019.

## FACTORY 11340

In June 2018, the FWF received a complaint from a pregnant employee in Vietnam, whose fixed-term contract had been illegally terminated by the factory. The worker asked for help with getting her salary and maternity pay. Once the factory had been informed of this, they told Schöffel that the contract had been terminated due to mistakes in the worker's sewing and that the work performance had not improved even after repeated requests. Enquiries made by the FWF revealed that, according to two other employees, the employee had been forced to sign the resignation form. The investigation also revealed that contracts with pregnant women had never been extended at the production site. This does not comply with labour laws and is therefore illegal. The employee was not able to take part in a possible meeting with



Code of conduct, local complaints hotline and complaints box are highly visible to employees.

the factory and the FWF due to her pregnancy and a house move and she also turned down a proposal to delay the meeting under after the birth. The complaint was withdrawn by the employee, since she still had enough income from her final salary payment and her maternity allowance from social security. Moreover, she is not sure that she will return to the region and felt satisfied with the situation and was grateful for the support she had received.

## FACTORY 12399

An employee at a factory in Myanmar called the FWF hotline to report that the drinking water and plastic cups provided at the factory were dirty because the drinking water tank was not being serviced properly. In addition, employees were not allowed to take any bottles of water into the production hall and were therefore thirsty during their working hours. The FWF decided to investigate this problem during the March 2018 audit, which was due to start soon after the complaint was received. The investigation established that the factory carried out regular water analyses. No failings were detected in the quality of the water either. The FWF recommended to factory management that the water filtration system should be regularly serviced as a precautionary measure and this was included in the Corrective Action Plan (CAP). The employee was asked to inform the FWF if there was a recurrence of the problem. The complaint was therefore resolved.

## FACTORY 12399

At the same factory, there was another complaint about working conditions on button machines, which are at the end of each sewing line. The complainant wanted factory management to take measures to minimise the risk of accidents. This included, for example, increasing the number of button machines. Having discussed this with the factory management, various measures were taken, including an open meeting with all group leaders on the sewing line. The conclusion was that there had been no complaints about a lack of button machines and that there had also been no entries in the accident reports of the previous two months. Discussions with the workers' council revealed that they hadn't received any reports about this either. The FWF will now reconcile these statements with the complainant.

## FACTORY 12964

In December 2018, the following complaint was made to the FWF from a production site in Myanmar: the claimant reported that the sewing line manager was abusing her colleague and hitting her on the head. Other employees, as well as herself, had already resigned for these reasons. Nobody had told the workers' council about these incidents, since the employees believed that the council was powerless. The claimant wanted the FWF and the brands to talk to the factory about the alleged wrong-doing and to come up with a solution. Schöffel and another brand responded



immediately and made it clear that physical and psychological abuse will absolutely not be tolerated and that the person responsible must be brought to justice. An investigation was launched and the claimant was questioned. However, there was then another complaint about a similar incident with the sewing line manager. After the first complaint, the factory introduced an action plan, drew up codes of conduct with consequences for staff in the event of non-compliance and provided the relevant training for the management team and the sewing line manager. To reinforce the workers' council on site, the brands offered its members support in the form of a training session. The sewing line manager, who was the subject of the complaints, was initially suspended from her post for one week as a disciplinary measure, while all the details were clarified. However, the factory was not able to confirm the claims through an anonymous survey of workers on the sewing lines concerned. Since the FWF was no longer able to reach the claimant, the complaint was closed, even though two other workers were able to confirm the incidents. Schöffel will monitor this and follow it up with the factory. If there is another complaint, serious disciplinary measures will be introduced. A FWF verification audit is due to take place in 2019 to gain a better understanding of the complaints.

#### FACTORY 12964

In the same factory, there was another complaint soon afterwards. An employee criticised the significant amount of overtime on some Sundays on the important sewing lines. The factory stated that the overtime was voluntary. However, according to the employee, the supervisor used pressure to get people to work overtime. The employee asked to be informed about the Sunday work two to three days in advance and for the overtime hours not to be portrayed as compulsory. Upon consultation, the factory stated that there had been many deliveries in December, combined with unsatisfactory quality, which required further processing. It was agreed that the factory would immediately start giving due notice of Sunday work and that this would always be voluntary. In addition, the legally permitted overtime should be respected, the correct overtime rate should be paid and a day

off should be offered after the Sunday work. The complaint was therefore resolved. As a control measure, the working hours records for the following three months were checked together with another brand. The FWF is staying in contact with the employees, in order to ensure that the agreement is maintained. In addition, the factory was asked to report any delivery problems in good time so that solutions could be worked out together.

#### FACTORY 3916

In February 2018, the following complaint was made to the FWF at the production site in Vietnam: the claimant reported that the factory had not granted her resignation, even though the notice period of 45 days had been fulfilled. She had asked for the resignation form several times but had never received one. When Schöffel asked the factory about this, they said that this issue had already been resolved. In fact, the claimant had announced in April 2018 that she was entitled to terminate her contract. At the end of May, she had received both her social insurance record and her outstanding salary. The severance pay she was entitled to by law was paid to the claimant in July 2018. This complaint was therefore resolved.

#### FACTORY 3916

The FWF received another complaint from a former employee about the above-mentioned factory in Vietnam. This was about the incomplete payment of her remaining salary and severance pay, the calculation of unused holiday and her social insurance records, which she had not received. The former employee explained that the reason for this was that the factory considered her resignation to be unlawful. She said that the factory was demanding a fine because the employee was no longer turning up at work and the resignation form had not been completed. Only then will the factory pay the outstanding salary. As a result of enquiries made by the FWF, it was established that the employee had in fact respected the 45-day notice period and that the resignation form had been requested several times but had not been

issued. This means that the complaint was justified and was passed on to the relevant brands by the FWF. Following discussions between Schöffel and the factory, the resignation was accepted by both parties in April 2018, which meant that the former employee did not have to pay any more compensation. At the end of June 2018, the employee received the payments in full and her social security records. The complaint was therefore resolved to full satisfaction.

#### FACTORY 5305

In October 2018, an employee of a production company in China phoned the FWF hotline to report the following complaints: employees had to work overtime in excess of the amount permitted by law and also had to work during their lunch break. Also, the piecework rate had not been specified. When the factory management was asked about this and investigations were made, the complaints were verified and resolved, which was confirmed by the employee. Nevertheless, the FWF was informed by the employee that the factory had tried to identify the complainant. A meeting then took place with the factory management to ensure that they stopped looking for the complainant to protect his anonymity. The case was therefore resolved.

#### FACTORY 5305

Another complaint was reported via the FWF hotline about the above-mentioned production facilities in China. An employee stated that there was a considerable amount of overtime and incorrect wage payments and complained about the quality of the food in the canteen. During discussions with the FWF, the factory management acknowledged the overtime hours, particularly in high season. Nevertheless, they said that the factory was paying the correct amount for overtime, as had been confirmed by the latest FWF audit. The management also checks the quality of the food twice a week but they did admit that it is difficult to satisfy all the different tastes. As a result, the FWF recommended that the factory guarantees one day off a week for the workers and additional training on the wage structure and the calculation

of wages. To give them a better idea of the quality of the food, the FWF asked for photos and a breakdown of costs. As soon as they receive this information and proof from the factory, the complaint will be able to be resolved.

#### FACTORY 5838

In December 2018, the following complaint was made to the FWF from a Vietnamese production site: an employee reported that, since November, overtime had been worked after 5pm without being logged, which meant that no overtime payments had been made, and the workers also had to work during their lunch break. In addition, during these overtime hours, no medical staff or responsible technicians were on site in case there were any defects in the sewing machines. It was also reported that the meals were not good. Based on these reports, an action plan was drawn up with the factory and another brand. At the end of January 2019, the FWF received an update from the complainant, in which he reported that no more overtime was taking place after 5pm. They had also made it difficult for work to continue during the lunch break by turning off the lights in the production hall during this time. The factory also promised to improve the quality of the food and to satisfy the various tastes of the employees. A FWF verification audit will take place in 2019 for a follow-up check.

You can find full reports of each individual case at the following link:  
<https://www.fairwear.org/complaints/>





## PARTICIPATION IN THE LIVING WAGE PROJECT IN VIETNAM

A living wage project began in early 2017 at one of the largest suppliers in the Thai Binh region, Vietnam.

The project is managed by three FWF member brands: Kjús (LK International), Schöffel and Haglöfs. The aim is to analyse the wage structure, leading to the second step of continuously implementing living wages and strengthening employees' ability to negotiate. The factory consists of two sites employing a total of just under 3,000 workers. For Schöffel, they manufacture functional jackets and skiwear. The project so far has been a good learning process for Schöffel, since challenges arise and require solutions as the project progresses. Contributing factors to the complexity of the project are the large size of the factory, cultural challenges and limited leverage (even combined with other FWF member brands) at the mill. There is also the fact that all of this is a brand new experience on top of the day-to-day work at the mill. For the past two years, the project has led to several achievements: Studies have been conducted on a living wage benchmark, through consultation with local staff, relevant Vietnamese contact people and a selected number of workers to estimate living costs for the Thai Binh region. Consultation has taken place with the on site

VN workers' committee, as well as discussions with factory workers and the management team. During this process, the target wage levels have been re-evaluated, due to the new minimum wage in the region. After determining the expenses for workers in the region, a target wage has been set. In addition, a Beta-Costing-Sheet, provided by FWF, was completed for workers in both factories. This calculation points out which benefits may count towards a living wage (LW) and which benefits may not. With this exact calculation it was found that 6 % of workers are below the set LW target (but well above the minimum wage for the region) and 94 % already receive the set target LW or above. Meetings among brands are conducted every four to six weeks to discuss the next steps. The next steps and remaining challenges to overcome in this Living Wage Project include: The grading system of the wages, which are still below the set target LW, will be examined. Furthermore, the sourcing process needs to be evaluated to see how wage increases can be financed.





# UPSIDE DOWN

Hildrun Brendler manages the Human Resources (HR) department at Schöffel. She has been on the company's board of management since the end of 2018. In her capacity as HR Manager, she also tries to look at operational issues from the employees' point of view. When you meet her, the first thing you notice is her calm and attentive nature. Her knowledge, sound reasoning and empathy – a particularly important quality when dealing with people – are very convincing. With clear objectives and a structured way of implementing them, over the past few years she has set the course for some important changes to Schöffel's HR policy.

**Ms Brendler, you once said that, as a family company with a history going back over 200 years, Schöffel must continue to build on the tried and tested, whilst rapidly and flexibly forging a new path for itself. What does that actually mean?**

Our objective is to ensure the future success of the company. For the Human Resources department, this has essentially meant modernising processes, the way we cooperate and our understanding of leadership. In real terms, this means that we now work in networked teams so that we can make and implement decisions rapidly, flexibly and innovatively. This works by turning the standard idea behind leadership and cooperation upside down or, in other words, by turning the classic management pyramid on its head. At Schöffel, company management has the task of rendering a service to employees and teams – guaranteeing maximum benefits to our customers for our products and services.

**That sounds very idealistic! How do you put this into practice?**

It's more target-oriented than idealistic. We have developed a learning process that involves all our colleagues. At work meetings, workshops and feedback sessions, we learn to think and communicate in a connected and customer-oriented way. Above all, it's about working well as a team. And I'm realistic about that: it might all sound simple at first, but it's not. A sustainable learning process takes time and energy. Old habits have to be thrown overboard and day-to-day

operations change and have to be redefined. Learning means leaving comfort zones behind. Managers have the clear task of focussing on employees and their strengths and leading them to success. This requires the development of self-organisation skills, trust and self-confidence, as well as the active and targeted removal of any obstacles from the path to success.

**Of course, success is motivating. What's your advice for dealing with failures?**

The attitude people have towards failure is the crucial factor. Failure should be accepted as the result of our own actions and we need to take responsibility. However, taking responsibility does not mean looking for someone to blame. It's more about actively generating learning experiences, taking the time to reflect and immediately moving on to look for the next solution and do it better next time.

**On a completely different subject: in 2018, Schöffel carried out a satisfaction survey amongst its employees. What were the most remarkable positive and negative results to come out of this?**

Let's start with the criticism. Criticism provides us with a good starting point for making improvements – and we welcome that opportunity. It spurs us on. On the one hand, our employees made it clear that they want to be more involved in the decision-making process at management level. So, we asked our employees for their own problem-solving approach



Hildrun Brendler, Member of the Management Board and Head of Human Resources

ches and are putting these together with the proposals from the HR department. The main positive results of the survey included the close, friendly bonds between colleagues, excellent feedback on our highly flexible working hours model and the considerable scope for independent creative work in the individual departments. Overall, it was great for us to see that changes introduced deliberately over previous years have led to noticeable improvements for our employees. We will of course continue on this path.

**What does Schöffel as a company mean to you?**

The tradition of Schöffel, with its history going back over more than 200 years and the close bonds between the fa-

mily and the company, has a noticeable effect throughout the company. But that doesn't mean it's backward-looking; quite the opposite in fact. I feel that this tradition is combined with an enormous desire for something new. A desire to learn, meet challenges and work as a team. It's an exciting mix and something to be proud of. After all, as a medium-sized, family-run company, we don't function in the same way as a major corporation. Then there is the subject of sport, which is always linked with passion – and so there are plenty of topics here that we put our hearts into. All of this is reflected in our company.



# DISTINCTION FOR DESERVING MEMBERS OF STAFF

Schöffel celebrates with long-term employees



Many years of commitment to producing perfect clothing: once again, Schöffel has thanked deserving members of staff for their achievements and for their great loyalty to the company. The specialist in outdoor and ski clothing invited 21 people celebrating their anniversaries, including a few former employees, to attend a ceremony with company managers at Schöffel's headquarters in Schwabmünchen.

During the ceremony, Managing Director Peter Schöffel talked about the special merits of each individual and about their areas of activity. This meant that it soon became clear how the employees have developed over their many years at the company. Many of the 21 employees celebrating their anniversaries were honoured for their outstanding length of service at Schöffel: Claudia Spörl and Diana Schlicker were celebrating 30 years at the company, Christine Morhart 35 years and Margot Thiel 40 years.

**Peter Schöffel, Managing Director of Schöffel Sportbekleidung GmbH: "Thanking our long-term, well-deserving employees is an important tradition at Schöffel, which brings me great joy. Our employees ensure that we make perfect items of clothing for our customers, making a significant contribution to the success of our company. As a family company, we shall continue this wonderful tradition and are delighted with all our employees who have found their professional home at Schöffel."**

## KIDS-DAY: Young visitors get a look behind the scenes at Schöffel

What do Mummy and Daddy actually do all day? Young visitors could find out the answer to this question when they visited Schöffel with their working parents. Once again, the outdoor and ski clothing specialist invited all employees whose children have a day off school for the Day of Prayer and Repentance to the company's headquarters in Schwabmünchen for a special Kids-Day with a colourful and creative programme. Around 20 children took up the special invitation. An important part of the programme was of course visiting the children's own parents at their place of work. So the children were able to take a closer look at the various work areas at the company's headquarters. They then went on to visit the nearby workshop for people with disabilities run by the CAB (Caritas Augsburg Betriebsträger) charitable organisation, also known as "Ulrichswerkstätten". Here, the children not only visited the facilities, they were also able to get creative themselves in the art workshop, where they made cushions from old samples of Schöffel clothing. Schöffel has been organising the Kids-Day for five years now. It traditionally takes place on the Day of Prayer and Repentance, since Bavarian schools give the children the day off. The children are happy but the parents are always faced with the challenge of finding suitable childcare. At Schöffel, however, our young visitors are always very well looked after.



# SCHÖFFEL DONATED AROUND 2,400 ITEMS OF CLOTHING TO GOOD CAUSES IN 2018

Over the years, the specialist in outdoor and ski clothing has supported numerous charities with donations in kind

Social and sustainable actions: Schöffel has been supporting humanitarian organisations for years, making donations in kind to help people affected by poverty and disasters. The traditional company sees this commitment as an important part of its corporate philosophy – and of its sustainability strategy. In 2018, a total of 2,400 donations in kind were given to various charitable organisations.

The specialist in outdoor and ski clothing mainly donated items of clothing, which could not be sold due to small flaws. These donations in kind were carefully prepared at the Schöffel Service Factory before being handed over to the charitable organisations – helping them and also making the most of the used resources in a sustainable way. Over the past year, the various donations have been supported by student workers at Schöffel.

The clothing was sent to the German Multiple Sclerosis society, the Internationaler Hilfsfonds (international relief fund), St.

Gregor youth welfare, Orientshelfer (an organisation supporting refugees), Humedica and other initiatives. The donations benefited mainly people in Germany, Moldova, Romania, Lebanon and Zimbabwe.

**Peter Schöffel, Managing Director of Schöffel Sportbekleidung GmbH: "Social commitment is very important to us. As a family company with a history going back more than 200 years, we consider ourselves to have a clear responsibility – towards the people working in our company and at our production sites, as well as towards those that are affected by poverty and disasters. I am delighted that we are making a contribution to the work of various charitable organisations with our clothing and are therefore able to act sustainable. We shall continue with this commitment over the years to come."**





# THREE DECADES

## DIANA SCHLICKER CELEBRATES MANY YEARS OF SERVICE AT THE COMPANY

Almost every one of the nearly 190 employees at Schöffel's headquarters in Schwabmünchen knows Diana Schlicker. This is due partly to her open and talkative nature, but mainly to the fact that she has been at the company for so long.



Diana Schlicker, technical developer at Schöffel

**Ms Schlicker, this year you're celebrating your 30th anniversary as a Schöffel employee. It's surprising, because you don't seem old enough.**

Thank you for the compliment but I was young, only 15 years old, when I started my training to be a dressmaker at Schöffel.

**So that was on the sewing line, which today is the Schöffel Service Factory. How did you find working at Schöffel to begin with?**

To be honest, it was hard. My boss at the time was very strict, quality requirements were high and deadlines were ambitious. But I learned the craft from scratch and I'm really pleased about that. This knowledge helps me a lot in my current job as a developer.

**These days, you no longer work in the Service Factory, but in the Development Centre, where products are developed. How did that happen?**

After my training, I was given the opportunity to move from the sewing line to the model department and I was pleased to take it up. There I was responsible for cutting patterns and I optimised the use of material by ensuring there was as little waste as possible. It was exciting to be able to immerse myself in a different area.

**People often say that the sports industry is the best profession to be in. It makes many people think of great outdoor experiences, sporty people, more relaxed company etiquette or flat hierarchies. How do you see it, now and before?**

A lot has changed over the past thirty years. As far as I see it, there never used to be any difference between our industry and others. Using the familiar "Du" form of address has become the norm at Schöffel, whereas it used to be unthinkable. Company management was way beyond our reach, even though we were essentially more closely linked because there were fewer departments. Today, we all use the familiar form of address, company managers are much more approachable and the whole company is all about sport.

**What is that based on?**

Sports facilities for employees for example. We have a running and spinning group and an annual company ski weekend. I always try to keep the dates free because the atmosphere is really great and it's nice to spend some time relaxing with colleagues, talking about things other than work. And of course we experience together what we stand for: skiing.

**"Colleagues" is a good keyword. What role do they play for you and for your daily work?**

Colleagues are really important to me. And for thirty years, I have been lucky enough to always have a great team around me. Still today, there are quite a few faces from when I started at the company, who have stayed at Schöffel like I have. That shows how comfortable our employees feel at the company and probably also that the HR department chooses them well.

**Talking about the Human Resources department, what was important for your development at Schöffel and how did HR support you?**

It was of course important to me not to stand still, but to progress personally with some exciting projects. This has always been the case. So I now produce technical drawings and help with the development of special collections and products for ski schools. I also designed the first products for the Austrian Ski Federation – which of course makes me very proud. This was also possible thanks to being able to work part-time after the birth of my daughter. And sometimes it's the little things, such as a stable job as a part-time employee, which keep you satisfied.

**Many people also know you from your work at ISPO Munich and Outdoor, where you support the entire team as a trade fair hostess.**

Yes, that's a role I've been keen to take on for the past five years. You should know that I myself am a keen sports fan and I give classes as a qualified trainer. Trade fairs allow me to immerse myself in the world of sport and give me an insight into other areas. I also get to support many colleagues I rarely see in my everyday working life. Days spent at trade fairs are exhausting and refreshing in equal measure.

**If I may be so bold as to ask, how do you manage to turn up happily to work every day after 30 years?**

There must have been one or two days where that wasn't the case, it would be unrealistic of me to say otherwise. What I particularly appreciate at Schöffel is the open-mindedness and interaction between colleagues, regulated working hours and the freedom offered by flexitime. The sports facilities are the icing on the cake. However, it's the people that take centre stage and I have made some genuine friendships here. That's what makes the difference.





# HAZARDOUS SUBSTANCE MANAGEMENT

## Increased specifications for enhanced product safety

Sustainability is not just about maintaining social standards. Another equally important subject is the management of hazardous substances and chemicals in the value creation chain. Since the end of 2013, Schöffel has been working in partnership with Bluesign. Bluesign provides Schöffel with a comprehensive and well-founded system, which provides the basis for the continuous development of the company's hazardous substance management to meet the needs of people and nature. Bluesign stipulates very strict statutory thresholds, which Schöffel as a system partner also imposes on its producers and suppliers in its own Restricted Substances List (RSL). This list names all the banned substances, which should not be used in the production of items of clothing, as well as those that are restricted to a maximum value. The RSL list sets out higher requirements than the EU "REACH" regulations for chemical substances. By regularly carrying out independent sample testing, Schöffel ensures that the stipulated statutory thresholds are complied with. In 2018, 61 models commissioned by Schöffel were assessed by UL (Underwriters Laboratories). The outdoor and ski expert also informs and supports its producers

with a comprehensive producers' booklet on lawful and environmentally-friendly operations management. Schöffel also keeps its producers informed about various training schemes on the subject of chemicals management. Moreover, in 2018 Schöffel organised a training programme carried out by UL, for all its Vietnamese producers, focusing on restricted substances.

Schöffel has been a bluesign® system partner since 2013. Bluesign® is driving sustainable textile production to protect mankind, the environment and resources.

[www.bluesign.com](http://www.bluesign.com)



## ENVIRONMENTAL MANAGEMENT IN TRANSPORT



When selecting a logistics service provider in Germany, it was important for Schöffel to find a sustainable partner. All parcel shipment in Germany is climate neutral.



Schöffel uses 100 % recyclable or recycled packaging materials. Only RESY certified boxes are used. RESY guarantees complete waste management and recycling. Schöffel belongs to a dual system, guaranteeing a circular economy for poly bags. The majority of goods are supplied "flat packed", which saves hangers and currently cuts plastic packaging by 20 % compared with "hanging" transport. In addition, coat hangers are only used by customer request. These are made of recycled polystyrene.



Schöffel plans for 95 % of the textiles produced worldwide to reach Germany by ship. In 2018, the proportion of air to rail transport out of Asia was increased to 15 %, saving an additional 113 tonnes of CO2 emissions.



# ENVIRONMENTAL MANAGEMENT

## MICROPLASTICS / PLASTICS PROJECTS

Schöffel is a partner in the Textile Mission and VerPlaPos projects.



As a member of the German federation of the sports goods industry (Bundesverband der deutschen Sportartikelindustrie or BSI), Schöffel supports the **Textile Mission project**, which is researching the issue of “microplastics in washing processes”. Textile Mission aims to reduce the amount of microplastics entering the environment through domestic washing processes for synthetic sports and outdoor clothing. The project is making an important contribution to marine conservation by developing sustainable textiles and optimising the technology used at wastewater treatment plants. Various organisations from the sportswear industry, washing machine and detergent manufacturers, research and environmental protection are working together on this interdisciplinary project. (Source: <http://textilemission.bsi-sport.de/> )



The **VerPlaPos** project observes consumer reactions to plastic and is looking into the potential for avoiding plastic at the point of sale. The project is being coordinated by one of its partners, the German town of Straubing. Schöffel is also a partner in the project for the textile sector. Many everyday products are made of plastic or packed in plastic. When buying these products, consumers are therefore making a contribution to the increasing use of plastic in Germany. However, the complete avoidance of plastic in everyday life is either not possible or would involve a high level of restriction. Moreover, many consumers are simply not aware of how much plastic they are bringing into circulation or into the environment when purchasing a product. With this in mind, the project is researching to what extent the creation of plastic waste can be avoided through purchasing decisions at the point of sale. This is being examined using food packaging and clothing textiles as examples. (Source: <http://www.plastikvermeidung.de/> )

Schöffel is a member of the European Outdoor Conservation Association (EOCA). This European outdoor industry initiative is committed to protecting and preserving endangered areas, animals and plants.

[www.outdoorconservation.eu](http://www.outdoorconservation.eu)



Since 2015, Schöffel has been supporting this multi-stakeholder initiative to improve labour conditions in textile production by ensuring fair purchasing terms and conditions, secure jobs, working for a living wage and resource-efficient production.

[www.textilbuendnis.com](http://www.textilbuendnis.com)

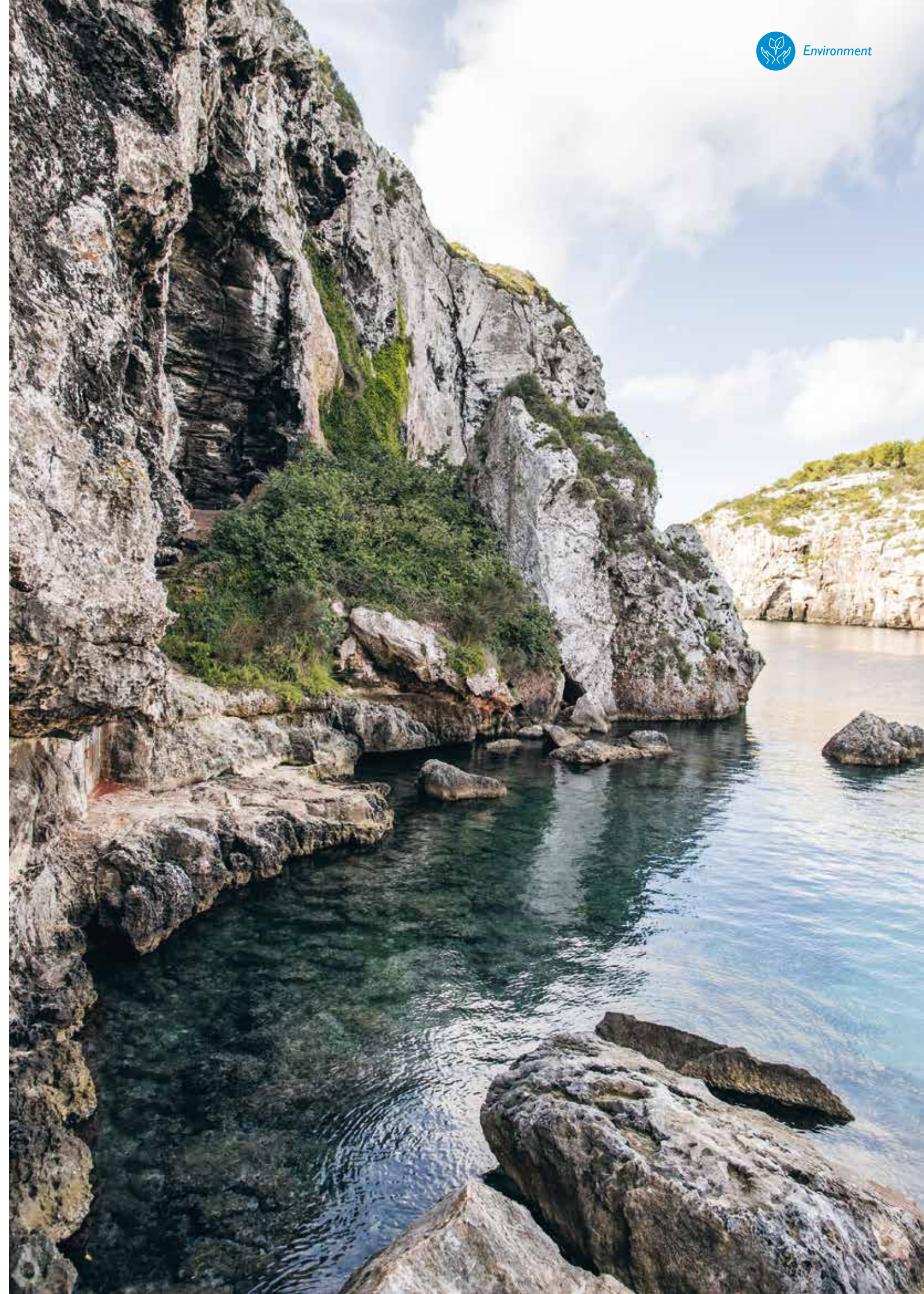


**PFC-free – Schöffel's environmental strategy.** By 2020, the collection will be free of per- and polyfluorinated (PFC) substances. Selected GORE-TEX products already have a PFC<sub>EC</sub>-free finish.

PFC-free

Summer collection 2019:

**100%**  
of the models  
are PFC-free!







# HIGH REQUIREMENTS FOR SUSTAINABLE AND INNOVATIVE MATERIALS

Ski and outdoor expert Schöffel has been producing technical, functional clothing, with a focus on quality and innovation, for more than 50 years.

## NATURAL FIBRES

Due to the specific functional requirements of materials, the use of natural fibres is minimal, making up just 3% of the fibres used in production. All the same, Schöffel also sets high requirements for the selection of processed natural fibres.

## ANIMAL FIBRES

When using animal fibres, the outdoor expert makes sure they are procured without causing the animals any pain. Schöffel respects the environment and supports animal protection. This means that only materials that come from sources

where responsible, species-appropriate animal welfare is guaranteed are used to make Schöffel products. All products must therefore be manufactured in accordance with the Five Freedoms for Animal Welfare developed by the Farm Animal Welfare Council (FAWC). These are:

- Freedom from hunger and thirst
- Freedom from physical and thermal discomfort
- Freedom from pain, injury and disease
- Freedom to express normal behaviour
- Freedom from fear and distress

## Down

The company obtains exclusively white and grey down and feathers from geese and ducks from certified sources. This ensures that the materials come from sources which do not involve any force feeding or live plucking. Down is a by-product of the food industry. All down and feathers used in Schöffel products must fulfil the RDS standard.

## Sheep's wool

Schöffel also strictly ensures that no wool is used from sheep, which have been subjected to the mulesing process. Mulesing is the removal of strips of skin from around the breech of a sheep to prevent flystrike. The procedure is usually performed without anaesthetic.

## Angora & Mohair

Schöffel does not use any mohair and angora fibres at all, since the species-appropriate welfare of angora rabbits and angora goats is often not guaranteed, and the removal of their hair takes place under painful conditions.

## Fur

The use of real fur is also not allowed; only synthetic furs, which do not contain any animal parts, are used for Schöffel products. Schöffel also belongs to the Fur Free Retailer Programme (<https://furfreeretailer.com/>).

## Leather

The leather used in production may only be a by-product or waste product of the food industry or artificial leather. Only skins from animal species that are not threatened or protected may be used.

## PLANT FIBRES

### Cotton

Another natural fibre used by Schöffel in its production facilities is cotton. The use of Uzbek cotton is prohibited, since child and forced labour is used to harvest cotton in Uzbekistan. This goes against Schöffel's basic principles.

## NATURAL MATERIALS

### Wood

Some items, such as buttons, can be made from the natural material wood. The wood used must not come from illegal timber harvests or HCVF forests (High Conservation Value Forests), such as rainforests.

## INNOVATIVE MATERIALS

### Tencel®

Tencel® is made from eucalyptus wood. The wood and pulp come from certified sources and sustainable forestry. The material keeps you cool in hot weather and warm in cold weather and can take in 50 % more moisture than standard cotton, giving the fabric a higher absorption capacity. The smooth fibre surface also makes it ideal for sensitive skin and easy care.



### Biopile®

Biopile® is the first fleece material with a fibre pile that has been processed to ensure it releases fewer dangerous microplastics, therefore protecting rivers, seas, oceans and other living organisms from this hazard. The brushed inside of the fabric is not made of polyester; like standard fleece, but of Tencel®, a 100 % wood cellulose fibre made by Lenzing. Schöffel is using this material for the first time in the winter 2019 season.



### S.Café®

S.Café® is a high-tech fibre made from a waste product: coffee grounds. It makes use of the natural properties of coffee grounds and has a natural odour-preventing effect.

### Manufacturing process:







## USING ENERGY MORE WISELY ENVIRONMENTAL MANAGEMENT AT THE SCHWABMÜNCHEN SITE

**Schöffel has been headquartered in Schwabmünchen since 1804 – and so it is no empty claim to say that the company is true to its roots. The company has occupied its current head office on the outskirts of the city since 1980 and the premises have continuously been expanded and renovated since then.**

In 2011, the largest expansion to date of the production and work facilities took place. An extension of almost 950 square metres uses a modern concrete core activation system for heating and cooling the building. This innovative method exploits the potential of the building's ceiling and walls to store thermal energy and therefore keep the interior at an

optimum ambient temperature. Part of the concept also applies to a water circuit: the concrete core activation draws water from a specifically created well into the company premises. This initially keeps the server room cool and is then fed – several degrees warmer – into the heating system. The water is then directed back to the well. This concept not

only saves on energy used for heating, it also replaces an air conditioning system and therefore saves additional energy. The key feature here is that the water is not used up but stays in the circuit.

At the same time as the extension work, the existing photovoltaic system, which produces about 31,000 kWh of electricity each year, was renewed.

Since 2016, the subsidiary in Schwabmünchen has exclusively been using electricity from regenerative hydropower from the regional energy supplier LEW from Augsburg. The Schöffel-LOWA own retail stores also use electricity supplied by LEW natural sources – a service from which franchise partners can also benefit.

In 2016, the new Development Centre was opened following extensive renovation work to the former warehouse.

Covering an area of more than 600 square metres, the centre includes 26 modern workstations at which the Product Management, Design and Technical Development departments work together on developing future collections. The Development Centre has an open-plan atmosphere with rooms flooded with natural light from large windows and skylights. Lounge corners known as “coffices” make it possible for employees to plug in their laptops and work in a relaxed atmosphere so that they can achieve the best results. Mountain scenes on the walls and a tree planted in the middle of the building ensure the outdoor theme is always present and add to the working atmosphere.



# GOALS

## ACHIEVED BY SCHÖFFEL IN 2018

Schöffel pursued its 2018 goals with a great deal of commitment and predominantly with success. One positive result is that more than 98 % of the production volume comes from factories, which have carried out a social audit or are in low risk regions.

GOALS	MEASURES   IMPLEMENTATION
Introduction of a new onboarding process for enhanced transparency in the supply chain.	The new onboarding process was successfully introduced for all producers in 2018. The resulting increase in transparency allows a more in-depth understanding of the supply chain and therefore ensures better control of social standards. The new process helps Schöffel to fulfil its duty of care in social and environmental areas.
Maintaining the high quota of 95 % of the production volume from factories, which have carried out social audits within the past three years or are situated in low risk regions.	In 2018, Schöffel procured more than 98 % of its production volume from factories, which had been assessed by social audits within the past three years and are therefore working with Schöffel on continuous improvement measures, or from those that are situated in low risk regions.
Development and implementation of preventative and corrective measures based on audits and complaints received.	In 2018, 31 factories were visited in person by Schöffel employees. In addition, continuous exchange with producers and the support of employees from the Schöffel office in Vietnam led to the efficient development and implementation of corrective and preventative measures. Seven training courses are currently planned for 2019 to optimise processes and working conditions.
Opening of a Schöffel office in Vietnam and creation of a training concept for Vietnamese technicians with regard to implementing social standards in the factories.	The Schöffel office in Hanoi, Vietnam, opened in 2018. Two Schöffel employees / technicians in this office monitor quality and social standards in the local factories. To support these employees, Schöffel has produced a training concept and an accompanying handbook on social standards in the supply chain. The first contents have already been implemented.
Intensified participation by producers in the FWF Workplace Education Programme.	The Workplace Educational Programme is offered by the FairWear Foundation to support businesses and factories in keeping workers informed of their rights. Four factories had taken part in a WEP training course the previous year and this number rose to nine factories in 2018. The majority of Vietnamese producers also attended a FWF seminar on living wages.

GOALS	MEASURES   IMPLEMENTATION
Regular internal training sessions and introduction of a CR week at the Schwabmünchen site for enhanced awareness of sustainability in all departments.	In 2018, Schöffel organised its first CR week at the Schwabmünchen site. The background for this was that sustainability does not just relate to a certain section of the company but has an effect on the way the entire company is run and therefore involves each individual. New Schöffel employees are therefore trained in sustainability and consisting employees are regularly kept informed about sustainability and the actions of the Corporate Responsibility department.
Participation in various CR projects and enhanced cooperation with competitors at shared producers.	Improvements in social and environmental standards within the supply chain can only be achieved if many clothing manufacturers adopt a consistent approach. That's why Schöffel has committed itself to various partnerships / associations (FairWear Foundation, German Partnership for Sustainable Textiles) and various projects. These include Schöffel's participation in the Living Wage Incubator run by the FairWear Foundation and the VerPlaPos and Textile Mission projects on plastics / microplastics (see page 56).
IT system integration of the new producer evaluation system.	The producer evaluation system has once again been improved. Producers are assessed by all the relevant departments at Schöffel, with particular importance given to the maintenance of social standards. After the conversion of the leading IT system, the first step is to integrate all the factories and all the relevant information from the onboarding process. The second stage involves integrating the new producer evaluation system.
Continuation of the Living Wage project in Vietnam.	In 2018, Schöffel took part in further successful meetings for the Living Wage project in Vietnam. The complexity and explosive nature of this project requires ongoing cooperation with the other two brands involved, as well as long-term commitment. This year, the project achieved several of its goals.





# GOALS SET BY SCHÖFFEL FOR 2019

Sustainability and social commitment are a continuous process for Schöffel. This means that our first priority is not the achievements themselves, but the efforts made to aim for continuous improvement. And so Schöffel has long since named its next “peaks” for 2019.

- Use of 100% biogas at the Schwabmünchen site.
- Stronger networking by the Schöffel office in Vietnam, allowing enhanced control of social standards in the factories by our own employees on site.
- Continuation of the Living Wage project in Vietnam (FWF Living Wage Incubator project).
- Maintaining the high quota of 90% of the production volume from factories, which have carried out social audits within the past three years or are situated in low risk regions.
- Regular internal training sessions at the Schwabmünchen site for enhanced awareness of sustainability in the individual departments. Participation in various CR projects and enhanced cooperation with competitors at shared production partners.
- Introduction of the onboarding process for new material suppliers for enhanced transparency in the supply chain.
- Communication of a waste water standard to producers.
- IT system integration of all producers and linked data.
- Intensified participation by producers in the FWF Workplace Education Programme, with the goal of making it easier for employees to gain access to the complaints procedure.
- Recording / evaluation of the status of gender equality in at least three factories in three different countries.



Schöffel Sportbekleidung GmbH  
Ludwig-Schöffel-Str. 15  
D-86830 Schwabmünchen  
phone: +49 (0) 8232-50060  
mail [@schoeffel.com](mailto:schoeffel.com)  
[www.schoeffel.com](http://www.schoeffel.com)

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photos:  
Michael Müller ([michaelmuellerfotografie.com](http://michaelmuellerfotografie.com))  
[www.werbefotografie-weiss.de](http://www.werbefotografie-weiss.de)  
Manuel Nagel  
Spectre  
Kido

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