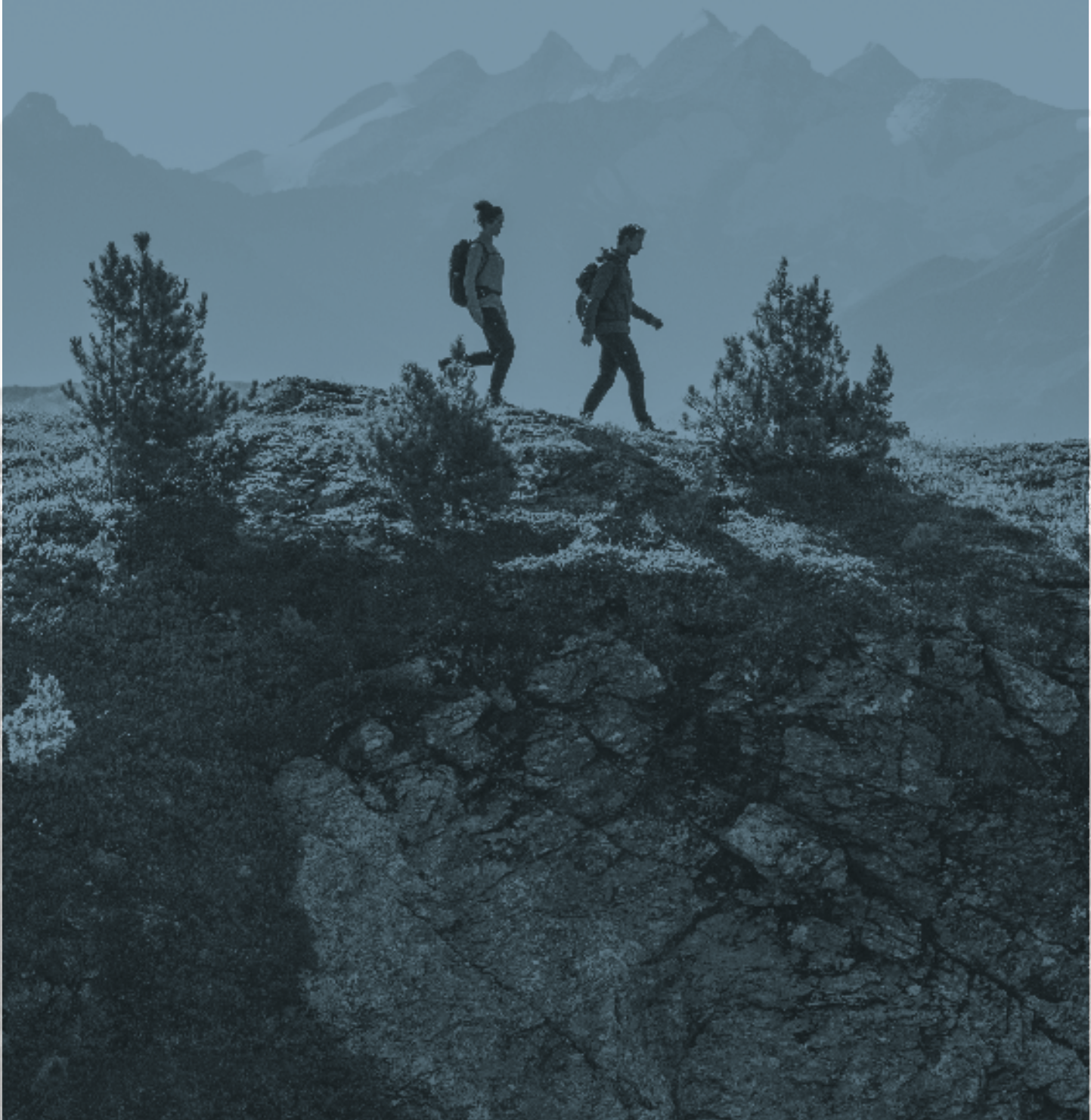




SUSTAINABILITY REPORT 2021





WE ACT WITH PASSION, CARE
AND RESPECT – FOR YOU AND
OUR PLANET.



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FOREWORD

Dear Reader,

Last year we produced 1.36 million items of clothing, and the trend is rising. The manufacture of functional textiles is a burden on the environment. But by the same token, these products allow people to enjoy memorable times in the great outdoors.

As a company that is directly linked with nature, we are aware that we are part of the problem – and we are doing our best to be part of the solution. As we travel this path, we are guided by the principle that "Whatever we do or don't do today will come back to us at some point". It also drives us to consider any and every corporate decision from the perspective of sustainability.

We also want to inspire our customers to be more sustainable in their actions and more mindful in their consumption. For instance, by helping them to make the most of the long service lives of our exclusive products by using the professional care or repair services of our Service Factory.

Schöffel's strategy consists of the four areas of Product, Social, the Environment, and Sustainable Service. Our endeavours are becoming more comprehensive every year, and every goal we achieve is followed by a new one. At the moment, we are closely addressing the topics of a recycling economy and our strategy for avoiding CO₂.

We want to make our path transparent. The annual Sustainability Report provides a comprehensive insight into the full extent of our strategy, projects, achievements and obstacles. Thank you for being with us on this path.

With best wishes,

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; President and Owner 7th Generation Peter Schöffel 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

Since 2018 / 2019

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

Production volume:

Europe 7,88 %

Asia 90,90 %

Afrika 1,22 %



1,36

million items produced in 2021
(brand and Professional Wear
without Schöffel PRO)



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

183

employees at head-
quarters: including
trainees and students on
internships: 4

 **SERVICE FACTORY** 

**In-house tailoring:
Production of prototypes
and repair service for
customers**

**Commitment to CSR and sustain-
ability: Member of the Fair Wear since
2011, leader status since 2014; blue-
sign® system partner;
German Partnership for Sustainable
Textiles and climate neutral at the
company's headquarters**



37

Schöffel-LOWA
Stores



President and Owner 7th Generation:
Peter Schöffel
CEO Schöffel SPORT: Stefan Merkt
Schöffel Group CFO und CEO Schöffel
PROFESSIONAL: Felix Geiger
Senior Vice Presidents: Georg Kaiser,
Hiltrun Brendler, Reiner Gerstner,
Albrecht Habsburg, Peter Sontheimer



Sales in 22
countries
(Europe & Asia)

40 %

export sales



Georg Kaiser



Stefan Merkt

SUSTAINABILITY AT THE HEART OF SCHÖFFEL'S PHILOSOPHY

Stefan Merkt is CEO of Schöffel Sport and Georg Kaiser is part of Schöffel's management team and responsible for the Operations division, which includes the topics of sustainability and purchasing. The connection between these two topics may seem contrary, but Schöffel has clear values and goals when it comes to sustainability and has firmly anchored them in the company philosophy.

Stefan, you're the CEO of Schöffel Sport. You keep a very close eye on the future of the brand. Sustainability is something that affects every single industry today. How is it does Schöffel handle it?

Stefan: Sustainability is the buzzword of our time. However, dealing consciously with people and nature has always shaped the corporate core at Schöffel, not only at the head office in Schwabmünchen, but all over the world. For us sustainability is not a trend that needs to be served, but something that is deeply anchored in our philosophy. Our comprehensive strategy includes measures and commitments in four areas: Product, Social, Sustainable services, and Environment. And it's nothing new. We have been a member of the Fair Wear Foundation for over ten years now, and have achieved Leader Status in the last seven years. We have been a bluesign® system partner for almost as long. Every goal we achieve is followed by a new one, because we are living sustainability as a company in the seventh generation, as a continuous improvement process.

Georg, you're responsible for Operations in the company management. How will the topic of sustainability continue to be incorporated in the products?

Georg: We adhere to our basic conviction that the maximum wear time of a product is the most effective way of protecting the environment. This means that quality and repairability form the basis of every product. At the same time, we are consistently developing our product offer with the environment in mind. For instance, we are successively increasing the processing of recyclable or renewable raw materials, and plan to have changed over

half the collection by 2025. The animal fibres that we process have long met strict requirements for increased animal welfare conditions. Down products are RDS-certified, wool comes from guaranteed mulesing-free husbandry. And the finish of every item in the collection is 100% PFC-free.

Stefan: As Georg has already mentioned, we focus on durable clothing for the sake of the environment, and associated with that is the extension of the wear time. So for instance, during product development we ensure that all the models can be repaired, and we offer an exceptional repair service with our own in-house Service Factory. Schöffel customers can have their worn clothing reconditioned, altered or repaired. Every year we repair or professionally impregnate several thousand products at our Schwabmünchen site. It's a simple fact that one jacket that can be repaired and lasts ten years is always going to be more sustainable than two jackets that last for five.

So sustainability goes beyond the manufacture of the products. What lies behind the "environment" section of Schöffel's strategy?

Georg: This is a broad field, and in it we are currently addressing a number of topics intensively. For instance, there is the "circular economy", which encompasses the strategic topics of product and environment in equal measure and is an important component in reducing CO₂. The question is how can we prevent outdoor clothing from ending up in the rubbish or being burnt. Instead, our goal is to recycle the clothing in a high-quality way and use it to make new products. For the Summer 2023

collection, we have developed a very exciting pants concept that meets all the requirements for a circular economy. The next thing then is to extend this principle to other products in the collection.

Stefan: Another essential topic is the permanent reduction of CO₂ emissions. We have been following this for some time now with optimised transportation routes. We have always tried to keep the air freight portion of our deliveries to the absolute minimum. Since rail transport from Asia to Europe has been possible, we have been using it more and more to keep our CO₂ emissions as low as possible. We now want to take the next step and reduce emissions in the entire manufacturing process of our products as much as possible, taking into account the use of climate-friendly materials and dyeing processes. We shall compensate for CO₂ emissions that cannot be reduced by investing in recognised climate protection projects. We have been climate-neutral at the location since 2021, and we want to achieve climate neutrality for the entire company and the entire supply chain in all products by the end of 2025. Much more important, though, is our claim to reduce emissions by 50% by 2030.

Sustainability is firmly rooted in Schöffel's philosophy. By what means will attempts be made to convey this environmentally-conscious attitude to the outside?

Stefan: Sustainability and social commitment are firmly rooted at Schöffel, and we are constantly promoting it. It is important to us that sustainability is lived as an attitude by every single member of staff. But we also want to pass this attitude on to our consumers and communicate it more strongly to the outside world. With "echo", our new sustainability label and the associated idea: "Whatever we do or don't to today will come back to us at some point." (More on this on page 70). I am convinced that we can successfully live our attitude together and share it. Because sustainability can only be tackled and mastered as a team.





SUSTAINABILITY IS NOT A HOBBY – IT IS AN APPROACH TO LIFE AND A QUESTION OF ATTITUDE

Schöffel always focuses on two things – the individuals and their environment. That’s the basis of the company’s CR strategy. Schöffel represents quality, functionality and sustainability, and we do not see this as a trend, but as a commitment we implement in practice.



We are well aware of our responsibility for every impact our actions have on society and the environment. We conduct ourselves accordingly – and have done so for a long time. That’s why Schöffel focuses on essential aspects:

These are product, social, environmental and sustainable services. All are important. Strictly speaking, the effects of our actions in each area must be continuously reviewed and to ask ourselves: Where can we change the most?

This is certainly not always the easiest way, but it is the best in terms of the environment. And even if Schöffel as a medium-sized company often reaches its limits, we are always committed to shifting them in the interests of people and nature. The focus is always on people. This is not only lived out in Schwabmünchen, but also applies to the employees in our production facilities. As a family-owned company, it entails a great responsibility for customers as well as for employees.

In addition to all internal efforts, we also fulfil our duty of transparency towards the customer and offer support so that our products can be worn for as long as possible: The Schöffel Service Factory repairs, impregnates and alters garments to extend their service life.

Schöffel is pursuing the mission of enabling people to participate in many unique and moving outdoor experiences. This includes acting sustainably and in a socially responsible manner. This is an absolute prerequisite for the confident, relaxed **Ich bin raus** feeling in every situation. So stay relaxed and experience nature in your own way, without compulsion or pressure – together with Schöffel.

„I see the careful and sparing use of resources as a central key to sustainable business. With a view to the next generations, I see companies as having a responsibility. As a family business, Schöffel supplies high-quality products and takes on this task. That is what connects us as partners.“

Schöffel Athlete Benni Raich
2x Olympic champion, 3x World champion



SCHÖFFEL HONOURS PORTUGUESE PARTNER AGAIN WITH CSR AWARD

In 2016, Schöffel developed the producer assessment system "Garment Supplier Evaluation". This measures the performance of the production partners in the areas of cooperation, delivery reliability, quality of the products, pricing, product development and social standards. The system also shows the potential for improvement in the individual factories. The assessment system was revised again in 2020. Corporate Social Responsibility has the strongest influence on the overall rating in comparison and thus this rating is also an important factor for our producers and partners to develop further.

The producer who achieves the best results in CR receives the CSR Award. Among other things, the following are considered performance in terms of audit results, CAP and complaint follow-up as well as CSR documentation, transparency, communication and cooperation. In 2021, Silsa Confecções, S.A., a Portuguese business partner with its production site in Portugal, was awarded for the second year in a row. In Portugal, received the CSR Award for the 2nd year in a row.



Caption: The Portuguese partner receives the CSR Award 2021 for good performance in CR.



Schöffel has been a committed member of the Fair Wear 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.

RALF DUJMOVITS: NO TIME OUTSIDE WITHOUT SUSTAINABILITY

Ice, rocks and thin air – none of these can stop Ralf Dujmovits from climbing the highest mountains. He lives for them, and pursues his tremendous passion as a professional mountaineer. Arriving at a high point and being able to look into the far distance – that is exactly what Ralf loves. In 2009, he became the first German person to conquer all the planet's 8000-metre mountains. And today, there's isn't a mountain that is safe from him. Nature gives him positive and optimistic energy, and that is why it is important to Ralf to protect the environment and to be responsible towards it. Ralf's attitude to life also reflects Schöffel's philosophy.



Being outdoors and the associated passion for nature has continued to shape his life to this day. Even as a child, Ralf spent a lot of time outside. As a professional mountaineer, he pursues his profession in nature with tremendous passion. Being outdoors has a special meaning for him, and it's something that is restructured after every mountain trip. "I feel the mental effects of being outdoors on my mind more and more clearly: thinking becomes clearer, and conversations with a partner on the trip while walking through the fresh air are usually more profound. When I'm on my own, though, the opposite can occur. After a short time, I can switch off completely, let my mind calm, and enjoy the fresh air or the lovely views at peace with myself. When I get back down to the valley, I may have worked hard physically, but I am mentally refreshed. I go into the next day with positivity and optimism, and I take all the lovely moments of being out and about with me into every life."

Nature has changed Ralf's lifestyle, and sustainability is becoming increasingly important to him. "Our house has large windows, and so I'm effectively always surrounded by nature. We have a pellet heating system in the basement, solar panels on the roof, and I'm involved in a number of citizen schemes for alternative energy generation at home. This allows me to at least compensate for a good part of the rest of my carbon footprint. Instead of flying as much as I used to, I now usually travel in our camper van, and I spend much more time in the places we visit. Of course, over the years I have also realised that the best moments can be found right on your own doorstep, and so I almost always start my mountain bike trips or mountain runs straight from home. A long time ago I decided to make sure that all the equipment I use for training and for my mountain tours is manufactured by companies who treat the people at the production facilities fairly and that the production is sustainable."

Ralf is aware of the consequences of flying, and so he travels to various places in his camper van. This is a good start to reducing his carbon footprint. The expression "flight shame" is being heard more and more, and everyone is concerned with protecting the climate. We see the pictures

of crowds of people on Mount Everest that clearly show a discrepancy in terms of CO₂ reduction and sustainability. Ralf also has a clear opinion on this. "Outdoor sports and our associated mobility are indeed a major problem. A few years ago, I decided to only board an aircraft once a year to go mountaineering. In my lectures, I always speak about our impact on the environment, and I tell people that we don't necessarily have to combine lovely experiences and adventures with long-distance travel. Less is usually more, and there are almost always so many wonderful things to discover in our immediate surroundings."

Nonetheless, the question usually arises as to whether high-altitude mountaineering can be combined with sustainability. "Of course, the same criteria should apply as here in the Alps, and even stricter ones would be desirable. Whether in Alaska or Antarctica, the same rule applies: everything that is taken in is taken out again – even if it has already been consumed. In Nepal we have to pay high deposits that we only get back at the end of the expedition when the liaison officer confirms that we have complied with all the environmental requirements. A lot has improved in recent years; now it is up to us to adopt the appropriate behaviour and consistently implement these rules and transfer them to other mountaineering regions."

As a state-qualified mountain and ski guide, Ralf is a role model for his participants. He is aware of this position, and he shares his direct experiences and is happy to pass on tips on the subject of environmental protection. "I'm not someone who stands there and tells people what they should be doing. Above all, I would like to influence by good example, and I talk to the participants about all the possible aspects from my direct experience. For instance, don't accept palm oil in any of your food. Once you've seen been climbing in the hinterlands of Thailand or Indonesia and seen these vast palm oil monocultures, and you realise just how much is being destroyed for them, you'll never want to eat that chocolate cream with palm oil again. I also suggest that people occasionally read the small print on the label of their chocolate cream, and then perhaps give it a miss. There are endless other examples."



Billy Vu



Nicky Dang

SCHÖFFEL DUE DILIGENCE IN TIMES OF THE PANDEMIC

Quality and sustainability are two essential pillars of Schöffel's corporate philosophy. Close co-operations with production partners and intensive exchanges are essential. In order to strengthen this dialogue and to be able to intervene quickly when necessary, Schöffel has had a representative office in the Vietnamese capital Hanoi since 2018. Two clothing technicians – Billy Vu and Nicky Dang – work here as direct on-site contacts to act on behalf of the family company. The Corona pandemic has shown how important and essential it can be to have a local representative office.

Having its own representative office in Vietnam means that Schöffel is able to cooperate even more closely with companies and have a more direct influence on quality in production and on the improvement of working conditions. This is invaluable, especially during the Corona pandemic. Throughout the year, Billy and Nicky have ensured the quality control of the products and the guidelines for fair working conditions locally in line with Schöffel's CR strategy. "This wasn't always easy because of the hygiene guidelines," says Nicky. "And yet, despite the challenges posed by Covid-19, it was essential for us to check the working conditions, which are so important to us, in the production facilities, and so ensure the quality and sustainability standards that are required by Schöffel."

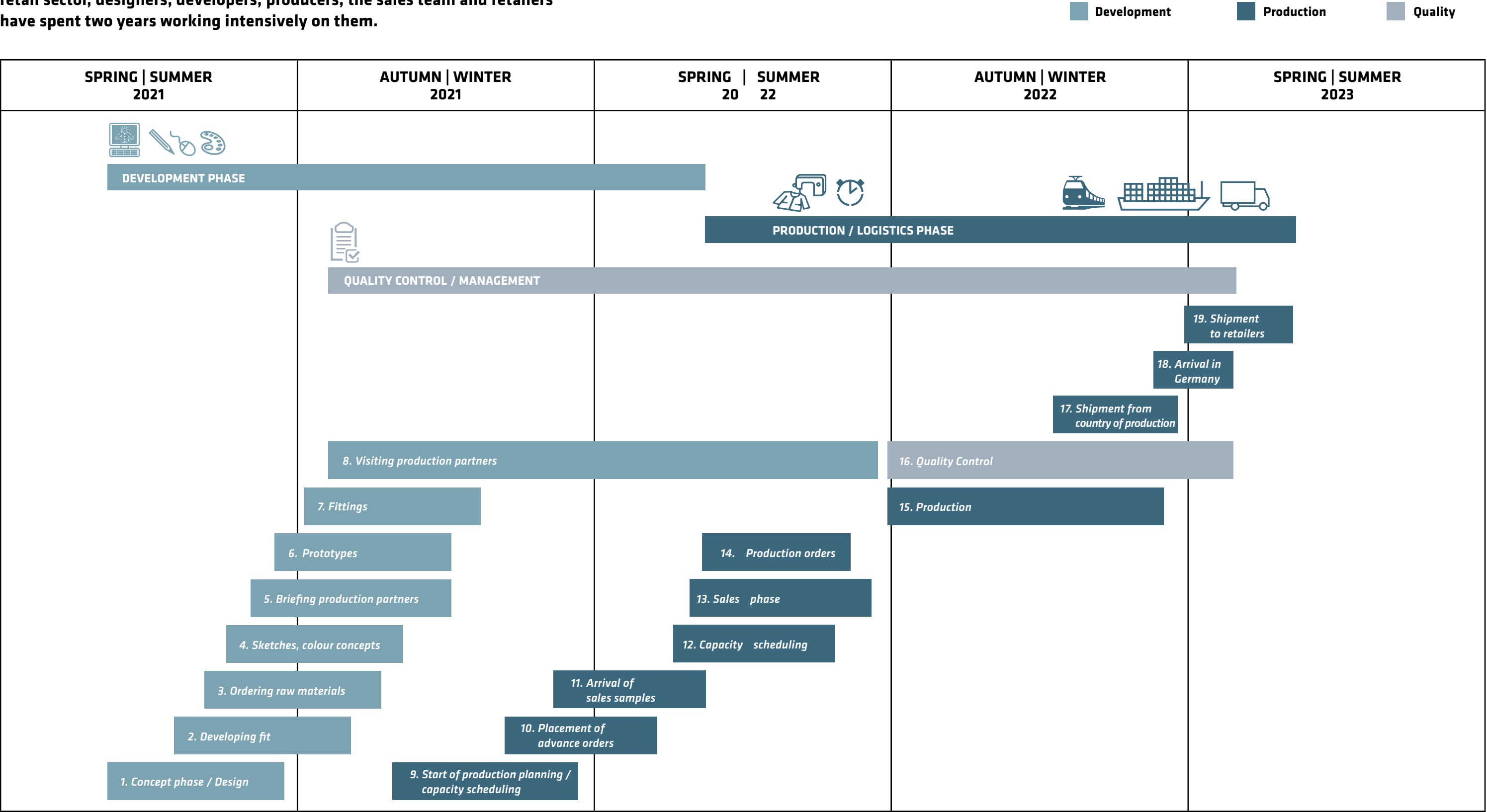
Like last year, Covid-19 caused restrictions for the clothing technicians when contacting workers in the factories or on their travels. At the same time, the factories made sure the work was carried out exclusively in control rooms, and that every single path travelled was meticulously recorded.

Despite all the difficulties, it was extremely important that the two Schöffel employees should be on site. Billy can confirm this. "Basically, everyone was aware of what a tremendous challenge it was. However, our approach and our presence helped to further strengthen the relationship of trust between the production partners and employees, and the Schöffel brand. We were also always extremely careful, and naturally adhered closely to all the relevant rules. So we were largely able to support our partners and ensure that production continued." Marco Tenace, Director of Quality & CR, also knows how important it is to have the two from Schöffel on site. "As we were unable to travel ourselves because of the situation and so could not be in the factories in person as usual, it was essential for us to have an extended arm in order to check the working conditions on-site. Thanks to our local clothing technicians in Vietnam and Myanmar as well as our external partners, we were able to gain a real insight into the situation in the individual countries and factories and, where necessary, counteract or support them."

PRODUCTION CYCLE

SUMMER 2023 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.





CR STRATEGY: DURABILITY CENTRAL TOPIC AT SCHÖFFEL

When considering the aspect of durability with regard to Schöffel products, it always goes hand in hand with quality. They are central themes in the family company's sustainability strategy. That is why at Schöffel, durability is a process that is firmly anchored in every area of product development. From the choice of materials to quality assurance and the design of the product to the repairs in the in-house Service Factory. The close interplay between these departments is essential because prolonged wear of the clothing can effectively reduce the ecological footprint of the products that are complex to produce. To make this possible, the outdoor expert has developed a process that includes the entire product development team. First of

all, the sourcing team selects only the very highest quality materials when sourcing the fabrics. Then the quality assurance team continuously checks, under strict conditions, the quality of the materials and carries out random checks on the finished products. These are created by the design department in combination with technical development not only for the specific users, but also with regard to repairability. The Service Factory closes the cycle of durability with its care and repair service. The people in charge explain exactly what all this looks like.



Gesa van Kerkhoff

Sourcing:

"We always aim to increase the proportion of sustainable materials. However, the sustainable materials must also convince in terms of quality, as a short service life does not protect the environment. Mixed materials are currently also often viewed critically because they cannot be recycled. If a mixed fabric stands out in terms of quality and function over a recycled one, we will use it and sensitise more to the subject of care and repair. At the same time, we will always keep an eye on ecologically important building blocks. That is why the water-repellent finish on all Schöffel products is PFC-free."



Marco Tenace

Quality assurance:

"No matter which materials are selected for Schöffel clothing, whether sustainable or not, the quality has to be right. Before fabrics or other items can be used in the collection, they must meet Schöffel's high requirements. For this, we not only analyse our suppliers' test reports, but we also examine all the materials ourselves. The materials go through a complex testing process that takes into account the future use, so that the best material is chosen for a particular product. Likewise, important physical and chemical analyses are already carried out during the development process in order to ensure the highest possible safety. From laboratory tests to wear tests, everything is done to ensure that our customers enjoy their Schöffel products for a long time."



Irmgard Beck

Design:

"Our garments are designed on the highest level and using state-of-the-art techniques to create perfect functionality for the consumer. By choosing the fabrics with the greatest possible care, we have already taken a big step towards durability. In addition, we also take into account the sustainable use of spare and wear parts such as zips in our product design, so that they are available as spare parts in the Service Factory for the sake of resources and economy. We don't just change our concept every season, but we try to find good solutions for the long term. During the design process, we then address the appropriate issues based on our observations. These findings are analysed by the design team and the results incorporated in the new concepts and developments. The most effective repair processes can then be drawn up together with product management and the technical developers."



Ludwig Schuster

Service Factory:

"The Service Factory is the historic heart of Schöffel. It's where we were already creating innovations for hikers and mountaineers more than 50 years ago. Then as now, the core of sustainability is to use a product for as long as possible, and to have it repaired when it has worn or is damaged rather than buying a new one. Over the years, our jackets become favourite items for many customers, and they are reluctant to replace them. They can do many small repairs, such as replacing a slider, themselves. We provide them with original parts and instructions that guide them step by step through the repair. We undertake more complicated adjustments or repairs and weld waterproof seams in Schwabmünchen. Thus our repair service is an effective contribution towards prolonging durability."



IN THE SPIRIT OF SUSTAINABLE SERVICE: FOR LONG-LASTING SCHÖFFEL PRODUCTS

Schöffel is a traditional company with a history that goes back over 200 years, and the Service Factory plays an important role in it. Sustainability is not just anchored in production and quality assurance, but it is equally important that customers have their Schöffel clothing repaired at the Service Factory instead of rushing out to buy a new product.

Jackets often become true favorites, and we don't like replacing them. Customers can carry out very small repairs – such as replacing a slider – themselves at home. We send out original parts with step-by-step instructions for this purpose. Other adjustments or repairs are carried out on-site in Schwabmünchen.

In order to enjoy your Schöffel outdoor clothing for as long as possible, it is also important to handle it properly with regard to washing, drying and impregnation. If you follow the appropriate care methods as provided in the washing instructions, you will prolong the service life of the product which, apart from all the other benefits, is sustainable. Especially with PFC-free products by Schöffel, it is important to use PFC-free impregnation. But what is the right way to wash Schöffel clothing? What needs to be observed, and which kind of impregnation is the right one?

Find the answers to these questions and lots of other information at:



 **SERVICE FACTORY** 

CHECKLIST: WHAT DO YOU NEED TO REMEMBER BEFORE YOU WASH YOUR FUNCTIONAL CLOTHING?

☐ **Check the care label**

Read the care label carefully before you start washing your Schöffel clothing. It provides information on the approved treatment method to protect the materials.

☐ **Empty the pockets**

Make sure you haven't missed anything. Metal items such as keys or coins, for instance, could damage your product.

☐ **All done up?**

Zips, Velcro fastenings and snap closures should all be done up before washing in order to prevent damage to the product.

☐ **Loosen drawstrings**

Make sure that the elastic drawstrings are loosened to prevent stretching.

☐ **Turn the product inside out**

This will protect the outside of your Schöffel product against mechanical abrasion.

☐ **Do not use fabric softener**

Fabric softeners may interfere with the function of your clothing.

☐ **Sort by color**

Wash similar colors together in order to prevent discoloration.

☐ **Pre-treat stains**

Stubborn stains should be pre-treated before washing, as this increases the chances of success.

☐ **Use a wash bag**

We recommend you use a wash bag for delicate items such as underwear. This is kinder to the materials.



SERVICE FACTORY DID YOU KNOW...

3700 Repairs carried out at the Service Factory in 2021. In 2019 there were just under 5000. This contributes to the longevity of the high-quality products.



35 YEARS
the age of the oldest jacket we've ever repaired at the Service Factory.



Between 350 and 450 metres of yarn are used in the production of a Schöffel rain jacket. That figure increases to 750 metres for a Schöffel ski jacket, and up to 1000 metres for a down jacket.



300
The number of personal thank-you emails we've received from our customers for our repair service.

5 DAYS

That's how long it will take you to get your repaired and fully functional Schöffel product back from the Service Factory.



123 different pieces are required for the production of a Schöffel jacket. 17 different materials (outer fabric, lining etc.) and 106 different additions (zips, snap closures, cords etc.).



We have a hot air welding machine at the Service Factory, which makes us one of the few companies in Germany to be able to make your Schöffel products completely waterproof again.



SCHÖFFEL FAVOURITE: 25-YEAR-OLD SKI JACKET IS A LOYAL COMPANION

Quality has always been an important factor at Schöffel – and for good reason. High-quality products are used for a long time, which helps to save the environment and sends out a clear message against today's widespread fast fashion culture.

The Schöffel Service Factory regularly maintains true "favourites" that have been in use for decades. They are restored, repaired, impregnated and generally made fit again for numerous further **Ich bin raus** moments before being returned to their owners. This is also the case with the now 25-year-old ski jacket that belongs to Michael, a very keen amateur skier. This retro jacket found its way to the Schöffel Service Factory. It made us want to know more about the garment that dates back to 96/97 – so we asked Michael what his personal story was.

Thank you so much for taking the time to answer our questions. This jacket from the 96/97 Snow Power collection instantly caught our colleagues' attention. Can you remember when and where you bought it?

Well, I'd like it to last a little longer! I inherited my passion for skiing from my father, who used to be a DSV skier. I used to belong to the Zweibrücken ski club, and we've been a great team on the slopes since then and regularly go on skiing holidays together. I always like to use these occasions as an opportunity to buy new clothes. There isn't really much choice in terms of functional ski clothing in my home in Schwalmatal. I was 20 when I bought this Schöffel jacket in Austria with my father just before the turn of the millennium. The matching ski pants were also available.

Incidentally, the model is called Mackenzie. So where has your favourite item been with you?

The outfit has been on every skiing holiday with me to this day, and I still wear it with pride today. Over the more than 20 years since I bought it, it has been to very many skiing regions, such as Kaprun and the Kleinwalsertal. Not only do I share my father's passion for skiing, but I also have his enthusiasm for the Schöffel brand.

Has there been a particular experience on the ski slopes that you now associate permanently with the ski outfit?

I remember being in Austria on one occasion and realising that the mountain rescue services and other ski staff were all wearing exactly the same outfit. That was when I knew for sure that I had bought a high-quality outfit if it could cope with their requirements as well. It's still going strong today, well over 20 years later, with no change in any of its functions.

So in other words, you're pleased with the quality?

Yes, definitely. And I'm delighted that, thanks to the minor repair to the buckle, I shall be able to wear it on the slopes for many years to come. The jacket is great to wear, and it keeps me really warm on the slopes on cool days. Which is exactly what I expect of a ski jacket. I'd definitely go for the same brand again when the time comes. And if my wife or children want to learn to ski, they will undoubtedly also want to wear Schöffel too.

Have you got any plans yet for the jacket when you get it back from the Service Factory?

Yes; in March I'd like to ski the slopes in the Kaunertal with my father. That's why I'm all the more pleased that Schöffel's Service Factory is repairing the jacket so quickly. It really is a great service. I hadn't known about it before, but I'll be continuing to use it in the future.

GLOBAL PRODUCTION FACILITIES

● Production volume 2021

● Production volume 2020



OVERVIEW OF PRODUCTION PARTNERS 2021

Kontinent	Factory Name	Fabrik Standort	Standort mit geringem Risiko nach FWF	Zusammenarbeit seit	FWF-Fragebogen
Europe	Walter Stöhr GmbH	Germany	yes	24	yes
	Hero-Textil AG	Germany	yes	2	yes
	Silva Confecções, S.A.	Portugal	yes	6	yes
	Spectre Latvia Rezekne	Latvia	yes	12	yes
	Spectre Latvia Kalnciems	Latvia	yes	3	yes
	Spectre Latvia Aizkraukle	Latvia	yes	3	yes
	Stamperia Alice S.R.L	Italy	no	14	yes
	Trerè Innovation srl Unipersonale	Italy	no	2	yes
	Albaconf shpk	Albania	no	1	yes
Asia	Weijie Garment Co. Ltd. / ASI headwear (Shanghai)	China	no	5	yes
	Nordsun Outdoor Products Co. Ltd.	China	no	8	yes
	Chaohu Youniya Garments Co., Ltd.	China	no	4	yes
	Liwaco Outdoor Sporting Goods Co. Ltd.	China	no	23	yes
	Shicheng Hairun Garments Co., Ltd	China	no	2	yes
	Silk Trend Garments Co. Ltd. (Ningbo)	China	no	8	yes
	Magictex Co. Ltd.	Vietnam	no	5	yes
	PS Vina	Vietnam	no	15	yes
	Kido Vinh	Vietnam	no	10	yes
	Shints TM Co. Ltd. (Quoc Khan)	Vietnam	no	10	yes
	Shints-BVT Co. Ltd.	Vietnam	no	15	yes
	Spectre Garment Technologies Co. Ltd.	Vietnam	no	6	yes
	North Shore Global Ltd. (NSGII)	Myanmar	no hr	5	yes
	Ceres Enterprises Ltd (NSGI)	Myanmar	no hr	5	yes
	Kido Yangon Co. Ltd.	Myanmar	no hr	4	yes
	Sheico (Phnom Penh) Co., Ltd.	Cambodia	no	3	yes
	SYSG Garment Company Limited	Cambodia	no	1	yes
	PT Anggun Kreasi Garmen	Indonesia	no	2	yes
Afrika	Shints ETP Garment P.L.C.	Ethiopia	no	7	yes
Summe				87,43	100 %

% Anteil Einkaufs-volumen	Besuche Fabrik 2021	Audit	CAP Status	Training
0,27	no	n.v.	n.v.	n.v
0,03	no	n.v.	n.v.	n.v
1,78	yes	SA8000 2020 - 2023	n.v.	n.v.
2,32	yes	SA8000 2020 - 2023	n.v.	n.v
	yes	SA8000 2020 - 2023	n.v.	n.v
2,02	no	SA8000 2020 - 2023	n.v.	n.v
1,37	no	December 21	in Progress	n.v
0,09	yes	Exit 2021	n.v	nein
1,55	yes	November 21	open	nein
0,28	yes	December 2021	open	Jul 21
6,87	yes	November 21	open	Jun 19
1,30	no	June 19	almost completed	October 2020
1,45	yes	June 19	completed	Okt 21
0,02	yes	September 20	almost completed	December 2021
6,20	yes	October 20	partially open	October 2019
2,83	yes	July 19	almost completed	Nov 20
5,99	yes	November 2019	partially open	Dez 19
5,88	yes	March 201 (Sumations)	completed	Dez 21
2,40	yes	Mai 19	almost completed	Nov 20
18,08	yes	Ocrober 20	partially open	Dez 21
3,08	yes	July 20	almost completed	Jun 20
5,39	yes	November 18	completed	Sep 19
8,50	yes	December 19	completed	Jun 18
16,67	yes	December 19	partially open	Okt 21
0,11	no	December 20	partially open	Jan 20
1,43	yes	n.v.	n.v	n.v
2,77	no	September 18	completed	Dez 20
1,22	no	September 2019 SUMATIONS	completed	n.v.
100 %				

For 2021 there were more audits, trainings and visits planned initially, unfortunatley due to the Corona-pandemic these couldn't be conducted.

THE SCHÖFFEL STAKEHOLDER DIALOGUE

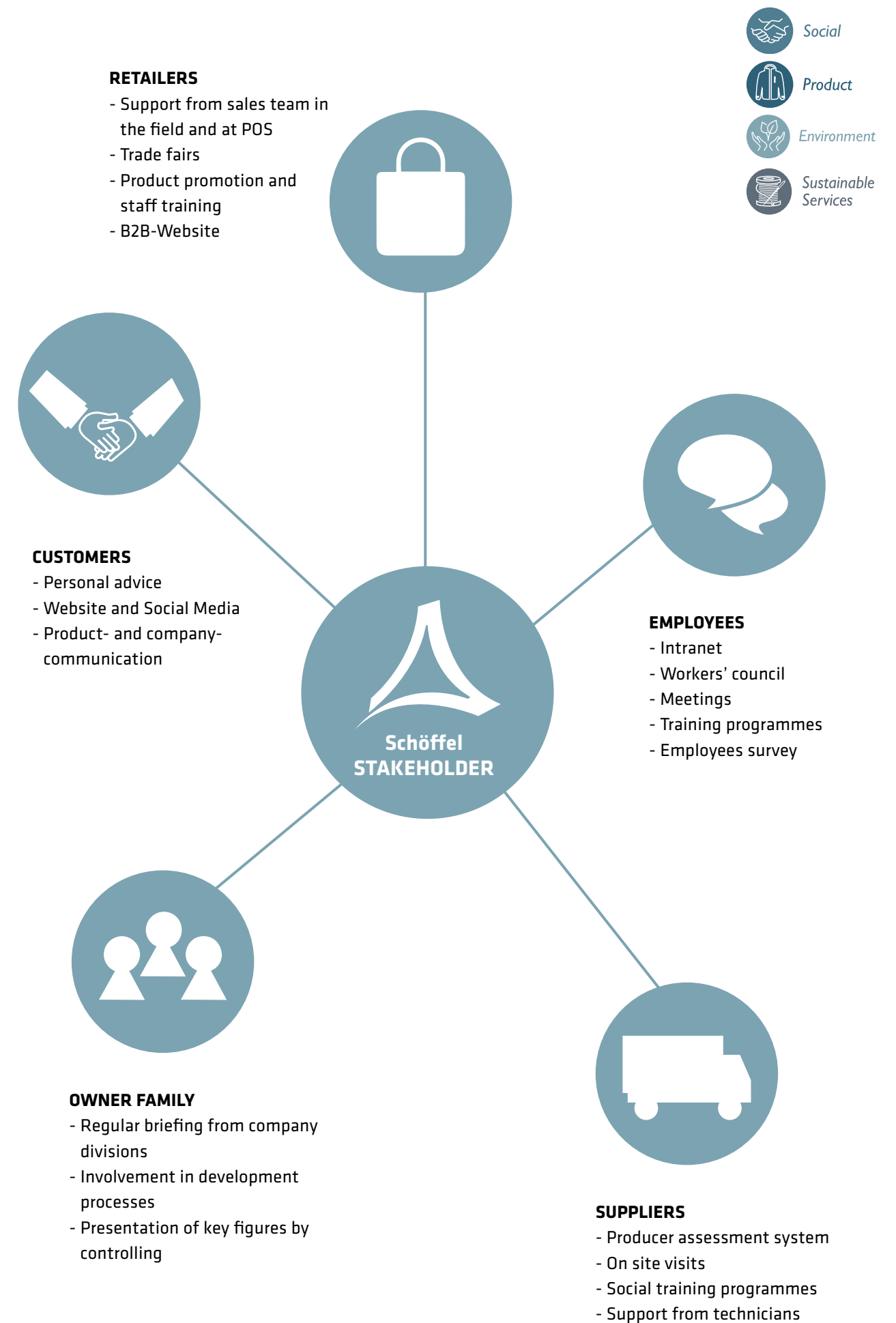
Continuous discussions for new momentum. Sustainability means dialogue. After all, it is only by main-taining a dialogue with direct stakeholders that Schöffel can conduct its business responsibly and therefore sustainable.

Stakeholders are the people who are directly involved with Schöffel, including the Schöffel family and employees, as well as retailers, suppliers and customers. The company use various channels of communication to maintain a dialogue with its stakeholders, so that Schöffel can keep them informed or get feedback from them on the way they do business. What they 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, Schöffel also produces an annual Sustainability Report, which provides its indirect stakeholders such as society in general, non-governmental organisations (NGOs), politics and competitors with extensive information on their activities and the progress they are making in terms of sustainability. It is only by including all interest groups that Schöffel can continue to develop and enjoy long-term success. Dialogue is what matters!



Schöffel in discussions with production partner



CORRECTIVE ACTION PLAN AND TRAINING SESSIONS

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 FW social standards (p. 47). 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.



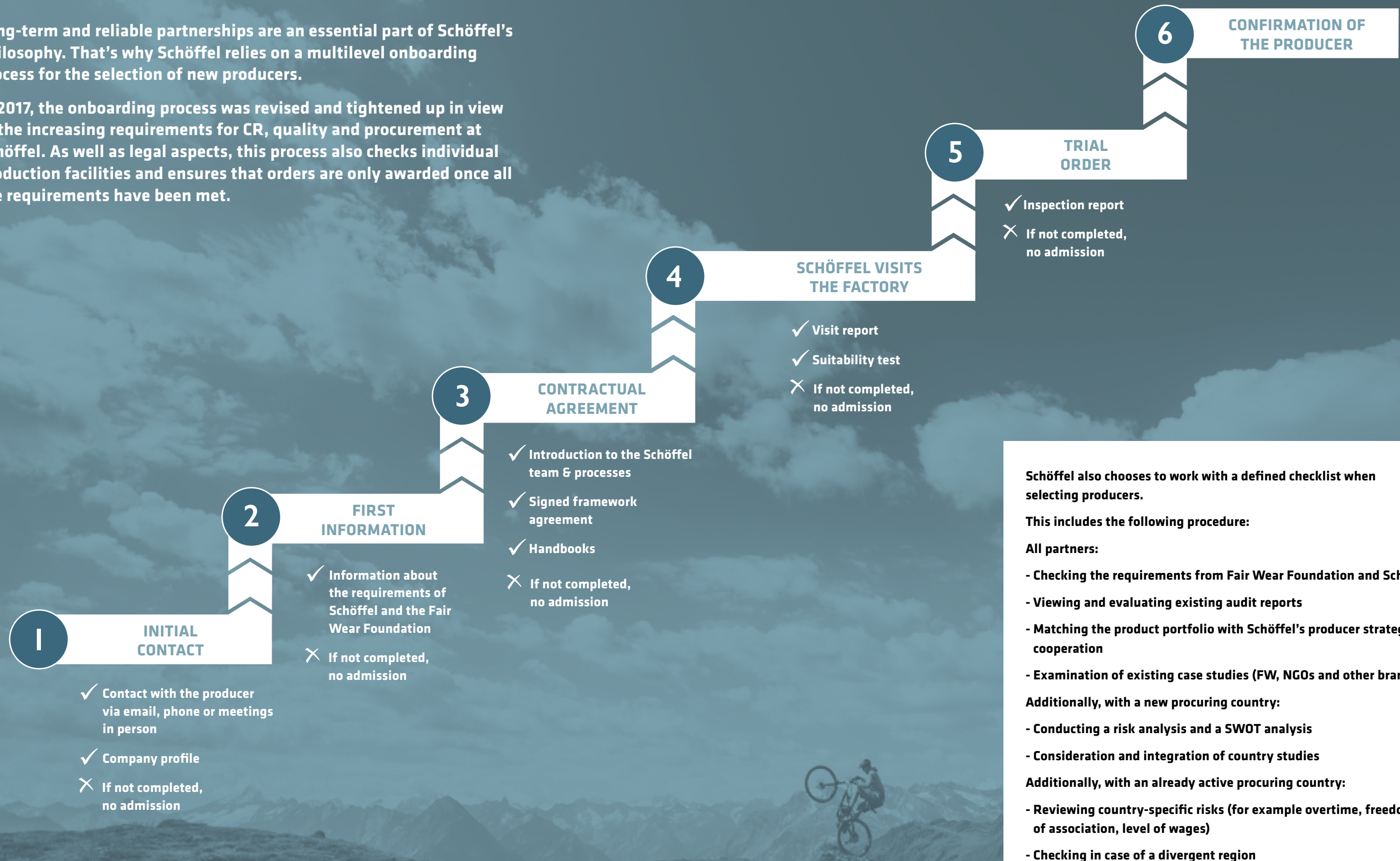
WHAT HAPPENS DURING A TRAINING SESSION?

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) FW-training, which at least 10 % of the workforce must attend to ensure lasting success. As the training courses are an important and, above all, efficient tool for strengthening existing improvements and initiating further ones, Schöffel enables its producers to take part in them. In addition, various providers (SMART Myanmar; FW) offer seminars on specific topics. Schöffel had planned various trainings for some producers in 2021. Due to the COVID 19 pandemic and the existing travel restrictions, not all training measures could be carried out by Fair Wear as planned. Despite the difficulties, four producers nevertheless took part in training.

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.



Schöffel also chooses to work with a defined checklist when selecting producers.

This includes the following procedure:

All partners:

- Checking the requirements from Fair Wear Foundation and Schöffel
- Viewing and evaluating existing audit reports
- Matching the product portfolio with Schöffel's producer strategy for long-term cooperation
- Examination of existing case studies (FW, NGOs and other brands)

Additionally, with a new procuring country:

- Conducting a risk analysis and a SWOT analysis
- Consideration and integration of country studies

Additionally, with an already active procuring country:

- Reviewing country-specific risks (for example overtime, freedom of association, level of wages)
- Checking in case of a divergent region

RESPONSIBLE PRODUCTION IN MYANMAR

Myanmar has become an important production country for the clothing industry in recent years.

A statutory minimum wage was introduced in 2015 and increased in March 2018 following an increase in trade union activity. As the result of the changed political conditions in the country, since February 2021 the Fair Wear Foundation (FWF) has stipulated stricter production requirements for the social framework. Schöffel has been producing in Myanmar since the end of 2017, currently at three different locations. The company supports the FW's requirements for the country, and has taken numerous measures to comply with it in full. They include:

Ban on cooperating with factories directly related to the military.

The factories that Schöffel works with are not associated with the military at all, as they are 100% owned by investors from Taiwan and South Korea.

Publication of the names and addresses of the factories

See p. 32: overview of production partners and publication on FW.

Presentation of the reasons for production in Myanmar to FW in advance

Schöffel only decided on Myanmar as a production country after intensive consideration and dialogue with FW for economic and strategic reasons and with the help of its own onboarding process.

Information on the impact of the production start-up in Myanmar on procurement in other countries

Schöffel's purchasing volume in Myanmar for all the factories is 30.56%. The start of production in Myanmar is effective against capacity bottlenecks with two current producers in Vietnam, and was also undertaken with a view to sustainable overtime management.

Promoting social dialogue in production facilities to strengthen existing trade unions and employee representatives

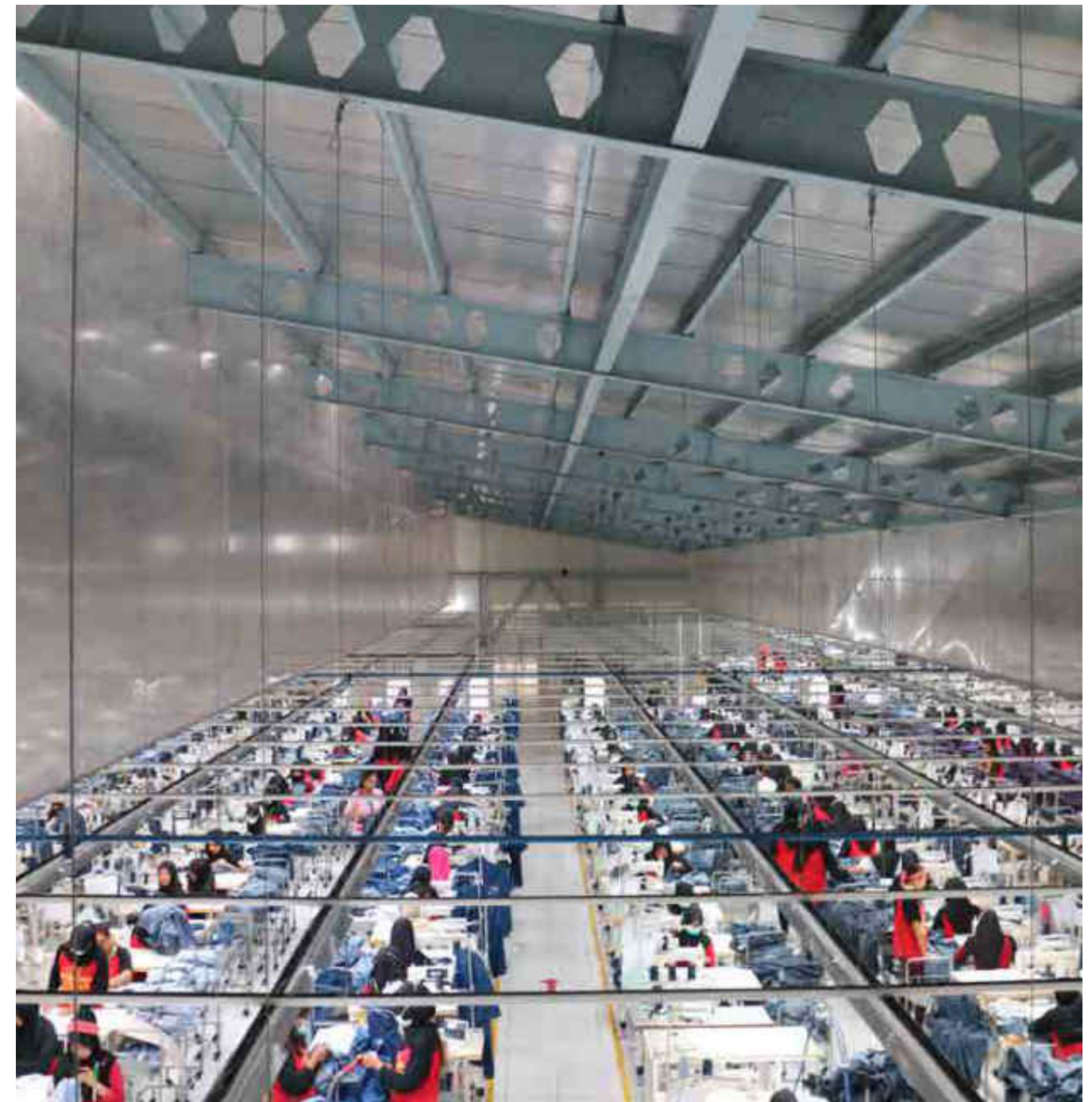
In 2019, Schöffel organised a Workplace Education Program (WEP) Basic Training by FW at North Shore NSG II. In a WEP, workers and management are asked about the eight labour standards, such as the freedom of association, and the FW complaints system. WEP Communication Training started at Kido Yangon in 2019. This training focuses on improving communications between management and the workforce through the advancement of communication skills, and runs for one year. Further training sessions were also planned for 2020 and 2021, although Fair Wear was unable to run them because of the COVID-19 pandemic and the current travel restrictions.

Implementation of concrete measures to improve the eight labour standards

We constantly check and improve FW's eight labour standards with training and regular personal visits and audits by Schöffel. Since we opened our own office in Hanoi in 2018, Schöffel has trained its own local staff in CR topics. Schöffel has appointed its own local technician in Myanmar for this purpose. This means that there is a local contact to provide assistance with social matters and concerns.

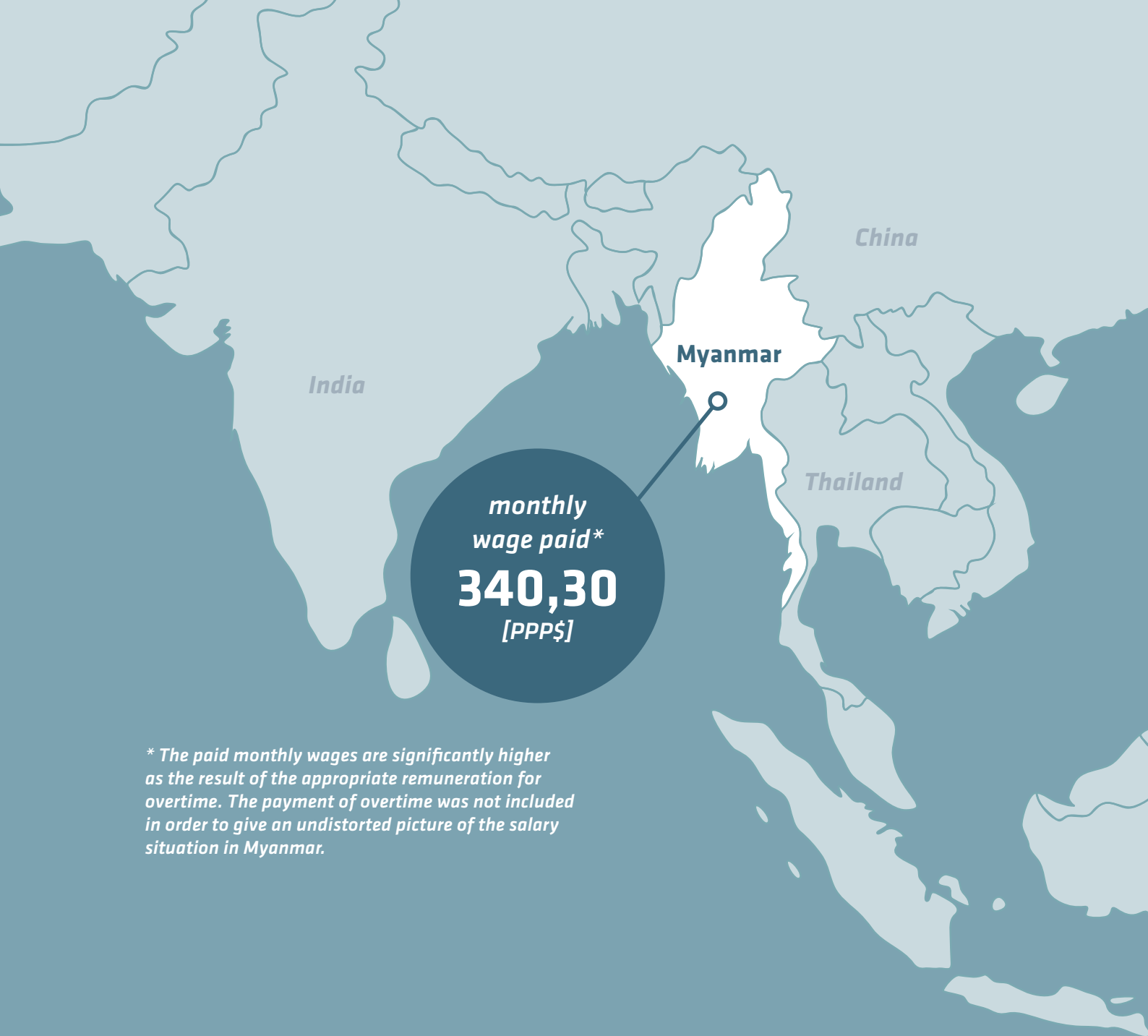
Publication of the salaries at all factories

Detailed information on the salary structures at the factories can be found below.



There are regular audits in the factories in Myanmar with subsequent improvement measures. In 2019 there were audits in all the production facilities: North Shore NSG II, North Shore (Ceres) NSG I and Kido Yangon. In the next step, the necessary measures for improvement are identified together with the producers and recorded in a correction plan. The CR team and the local Schöffel technician will support its implementation in the course of an intensive exchange with the respective factory management. Due to the COVID-19 pandemic, the current travel restrictions and the military coup, the audits planned for 2020 and 2021 could not be carried out by Fair Wear or other third parties. Our local technician visits the factories and carries out regular health and occupational safety checks. She also regularly informs Schöffel of the current situation in the factories and in the country. The local technicians play a significant part in ensuring the implementation of the duty of care in the production facilities as they are regularly in the factories, speak the local language, and know and understand the local conditions. This meant that due diligence was implemented locally and the appropriate measures were taken during COVID-19 despite the travel restrictions. The technicians are our extended arm on the spot.

The military coup of 1 February 2021 in Myanmar destroyed the democratic and economic progress and achievements of recent years in many areas. The production companies in the country have tremendous experience and expertise in production, and have proven themselves to be reliable partners to the industry. So Schöffel is following the further political events in Myanmar with great concern. From the economic point of view, Schöffel is being challenged by the massive restrictions in its ability to plan and, with that, by the noticeable effects on its profitability. At the same time, Schöffel is aware of its responsibilities as an employer. An immediate withdrawal with the aim of reducing the risk to the company would not be in the interest of the workers, who are hoping for a secure future both politically and economically. So Schöffel is guided by current statements from the Fair Wear Foundation. Schöffel is in in-depth and regular contact with its production partners in Myanmar, and we ensure that our activities do not violate human rights in any way and are not linked to the military. Our principles and values also include freedom of expression, the freedom of association and the right to strike, as well as the permanent improvement of working and production conditions for people. In addition to the regular COVID-19 queries, the situation is discussed on-site in regular online meetings with the production partners. So far there have been no complaints in connection with the political situation on the affected production sites. Details of the complaints that were reported and processed and have largely been resolved this year can be found on page 54 .



** The paid monthly wages are significantly higher as the result of the appropriate remuneration for overtime. The payment of overtime was not included in order to give an undistorted picture of the salary situation in Myanmar.*

WAGES AT THE PRODUCERS IN MYANMAR

The following figures show the average salary of a worker in purchasing power parity (PPP\$). When expressed in purchasing power parity, the key figures of different currencies are not compared by an exchange rate. Instead, the purchasing power of the currency is determined on the basis of a representative shopping basket – in other words, what employees can “afford” on their Burmese salaries. Since March 2018, the legal minimum wage in Myanmar has been 4,800 MMK for an eight-hour working day (= 144,000 MMK / 331.25 PPP\$ a month). Following active demands by the trade unions, a 33 % increase was given in 2015. This increase has further reduced the gap to the living wage. A steady increase in wages is an important step

towards closing the gap to living wages. Due to the COVID-19 pandemic and the current situation, efforts to raise the minimum wage again have been postponed until further notice. This data is from 2019, and is based on the average in all the factories. More up-to-date figures should be collected in the next audits, probably in 2022, as it was not possible for Fair Wear or other third parties to carry out any audits in 2020 and 2021 due to travel restrictions.

The conversion factor of the World Bank was used to calculate the purchasing power: Myanmar conversion factor 2019: 434,714 [units in local currency per international \$] <https://data.worldbank.org/indicator/PA.NUS.PRVT.PP?end=2019&locations=MM&start=2019&view=map>

EIGHT GUIDELINES FOR FAIR WORKING CONDITIONS CODE OF LABOUR PRACTICES

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 United Nations Declaration on Human Rights. The FW Code of Labour Practice is therefore based on internationally recognised standards discussed at tripartite meetings.



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, colour of skin, gender, religion, political persuasion, membership of trade unions, nationality, social origin, weaknesses or disabilities. (ILO Conventions 100 and 111)



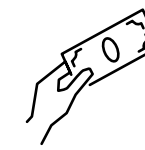
No exploitation of child labour

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)



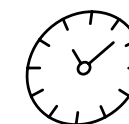
Freedom of association and the right to collective wage negotiations

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

- FW 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 (FW teams, certified auditors)
- On site visits by our clothing technicians
- Implementation of corrective measures
- Training programmes

TRANSPARENCY AND VERIFICATION

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



SCHÖFFEL AUDIT RESULTS 2021

Schöffel manufactures its products in a number of countries all over the world. All of the producers with which the family company cooperates are required to observe Fair Wear's eight labour standards: Employment is freely chosen; there is no discrimination in employment; no exploitation of child labour; freedom of association and the right to collective bargaining; payment of a living wage; reasonable hours of work; safe and healthy working conditions, and a legally binding employment relationship. These eight social standards were derived from the ILO Convention and the UN's declaration on Human Rights. This means they are based on internationally recognized standards discussed in a Tripartite round table. The basic prerequisite for a cooperation with our partners is the payment of the statutory minimum wage (if applicable). This is considered the basis for working for a living wage.

WHAT ACTUALLY IS AN AUDIT?

Every member of Fair Wear (FW) is obliged to have all producers who do not belong to the "tail end" checked by independent FW audits at least once over a period of three years. "Tail end" means factories that account for less than 2% of total production costs or where Schöffel accounts for less than 10% of the production capacity. In 2021, five Schöffel producers underwent these social audits. Audits check the importance of universal labour standards and their implementation in production plants. To this end, Fair Wear regularly dispatches several auditors to examine the respective production plant on the basis of eight social standards. The auditors check all the relevant work documents such as personnel contracts or evidence of overtime, seek to talk to employees – including outside the company – and check the on-site safety measures.

The results are then recorded in an audit report and forwarded to Schöffel. They are then discussed with the factory, and the two parties work together continuously on solutions and improvements.

WHY DOES SCHÖFFEL MANUFACTURE ITS ITEMS IN ASIA?

Schöffel produces its items in Asia because over the past decades that is where the specialist textile expertise has been concentrated. The local production plants also have the machinery required for the manufacture of functional clothing. Furthermore, a majority of the functional fabrics is made in Asia, which means that transportation distances between the individual production sites are also shorter.



Nordsun Outdoor Products Co. Ltd. – 13163

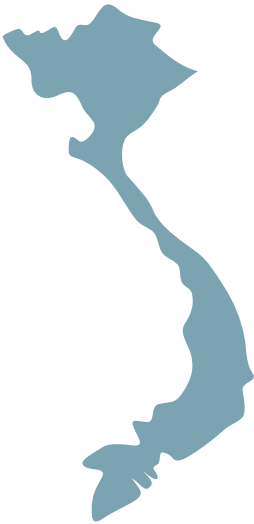
Nordsun Outdoor Products Co. Ltd. is one of the factories of our long-term partner Northsky, which Schöffel has been working with since 2014. The audit by Global Services took place in November 2021. It found faults in the area of occupational health and safety, in particular concerning fire protection and personal protective equipment. There are also other measures for improvement at this factory in terms of appropriate remuneration and working hours, communication and one measure concerning the management system. It also needs to increase the employees' understanding of the eight labour standards. The appropriate training is to be provided in 2022.

CHINA

China is the world's largest exporter of clothing, and is constantly striving to improve working conditions. The main challenges include working hours and pay. This is due, among other things, to the industry's traditionally short lead times and the fact that workers are paid by the unit wage system. One of the problems this can cause is that overtime is not recorded properly, and therefore not paid properly. As there is only one trade union, there may be obstacles to freedom of association. This is why in discussions with the producers, Schöffel constantly reiterates that a democratically elected works council is extremely helpful in solving problems at factory level. The area of health and occupational safety also challenges the producers, which Schöffel constantly checks. When working for living wages, the payment of the minimum wage is regarded as the basis, which is a basic requirement for the cooperation with the producers. Another area that needs to be looked at is the issue of forced labour, especially in the Xinjiang region. Schöffel prohibits any and all kinds of forced labour, as is confirmed by the producers in our Code of Labour Practices during the onboarding process. In addition, all producers and suppliers of Schöffel for the Xinjiang region are prohibited from using any materials, including cotton, that are manufactured or processed, as well as any other products and services.

Weijie Garment Co. Ltd. / ASI headwear (Shanghai) - 10787

Weijie Garment Co. Ltd. belongs to our producer Asian Sourcing International. The business association has existed since 2017. The audit was carried out in December 2021, and it was found that wages had not yet reached the level suggested by Asia Floor Wage. There is an internal complaints mechanism for this, and there are no violations of the work time regulations. Although no violations were found in the areas of health and safety, the factory does have to improve its management with regard to protection equipment and fire protection.



VIETNAM

Vietnam is an important player in the global clothing industry, and especially in the outdoor, sports and footwear sectors. The textile and clothing industry is now the country's second largest industry, and so makes a large contribution to its positive economic development. The clothing industry is expected to grow further as the result of the new free trade agreement between the European Union and Vietnam. As a result, Vietnam is working on improvements in social labour standards, especially in the area of freedom of association, which is one of the biggest challenges. The reason for this lies in the fact that there is only one state trade union. This makes it difficult for the workers to organise themselves and to improve working conditions. Overtime is also a major issue in many Vietnamese textile factories. There are also challenges concerning

incorrectly implemented dismissal guidelines, incomplete employment contracts, and a low awareness of workers' rights and obligations. There is also some room for improvement in occupational health and safety, especially in the areas of safety and the handling of chemicals. Schöffel has sent all producers the chemicals videos of the Textiles Alliance in order to support them in the establishment or improvement of the proper and environmentally sound management of the company. In addition to the FW audits, most of the Schöffel producers have already participated in various FW training sessions. These courses focus on raising awareness about employee rights and communication within the factory.

Kido Vinh - 5309

Schöffel has collaborated with Kido, a production partner of long standing, for many years. Kido Vinh is a Kido factory and has been manufacturing pants and jackets for Schöffel since 2012. During the audit in 2021, the auditors found most of the complaints concerned management practice and the area of occupational health and safety; for instance, safety data sheets did not comply with international requirements. There were also several improvement measures in the areas of wages and discrimination, where the evaluation criteria for determining the qualification levels of employees and the evaluation process needed to be made more transparent. The factory has already implemented all 10 of the defects or optimisation measures found. The improvements will be reviewed in the next audit.



ALBANIA

Albania has a long tradition in the production of textiles and shoes, which are among the most important industrial products exported. The country has agreed a Stabilisation and Association Pact with the EU. The main challenges are freedom of association and discrimination. The latter is particularly evident in the area of gender pay gap, with men earning up to twenty-seven percent more than women. All Schöffel producers confirm their compliance with the eight labour standards, and are regularly checked in personal visits, visits by third parties, and audits. The factory was taken on this year as support for one of our production partners for capacity reasons. As this is the first producer in Albania, both a SWOT analysis and a risk analysis were carried out as part of our onboarding process.

Albaconf shpk - 33873

Albaconf shpk belongs to Stamperia, the company's long-standing partner in Italy, and was first taken on as a producer by Schöffel in 2021. The audit was carried out early in November 2021. The auditors suggested a total of fifteen measures for improvement. Most of the complaints concerned the areas of occupational health and safety and management practice. There were also challenges concerning the proper recording of working hours, including overtime and absences, to provide a better overview of wages. The factory management is making a tremendous effort to address the comments and remedy the various points. As the audit was only carried out in November, only some of the measures have been implemented as yet. Training in the eight labour standards and the FW complaints system is planned for next year as further support for the factory.



ITALY

Italy is one of the most important countries in the European textiles and clothing industry. There has been a steady increase in exports, in particular to China, the USA and Switzerland, in recent years. As well as fast fashion, Italy's production includes luxury products, which attracts various brands and markets. The biggest challenge in Italy in the clothing sector is due to the generally small factories in the key role of so-called subcontractors. These subcontracts are mainly awarded to Chinese subcontractors based in Italy, primarily in the regions Lombardy, Tuscany and Veneto. In particular, migrants who work for the subcontractors are affected by overtime and lower pay, among other things. There are also challenges concerning incomplete employment contracts and a low level of awareness among employees of their rights and obligations, and occupational health and safety. Another area that also needs to be watched is freedom of association, as low levels of union organisation prevail, especially at factories deeper in the supply chain. Schöffel has been cooperating with one small family business for 13 years and knows the company personally. The company is also regularly visited by Schöffel staff. Furthermore, Schöffel generally prohibits all partners / producers from subcontracting by contract.

Stamperia Alicese S.R.L - 3923

Stamperia Alicese S.R.L has been producing items including ski suits for Schöffel, and parts of the bike collection since 2020. As this factory in Italy already has a very high standard of working conditions, the audit that was carried out early in December 2021 found hardly any complaints. The few improvement measures that there were concerned the area of occupational health and safety. For instance, a small omission in terms of labelling was found (a cleaning bottle lacked a warning sign), but by the same token the factory has an effective system for handling chemicals. The factory has already implemented every item. A training session is planned for 2022.

THE FAIR WEAR COMPLAINTS SYSTEM

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

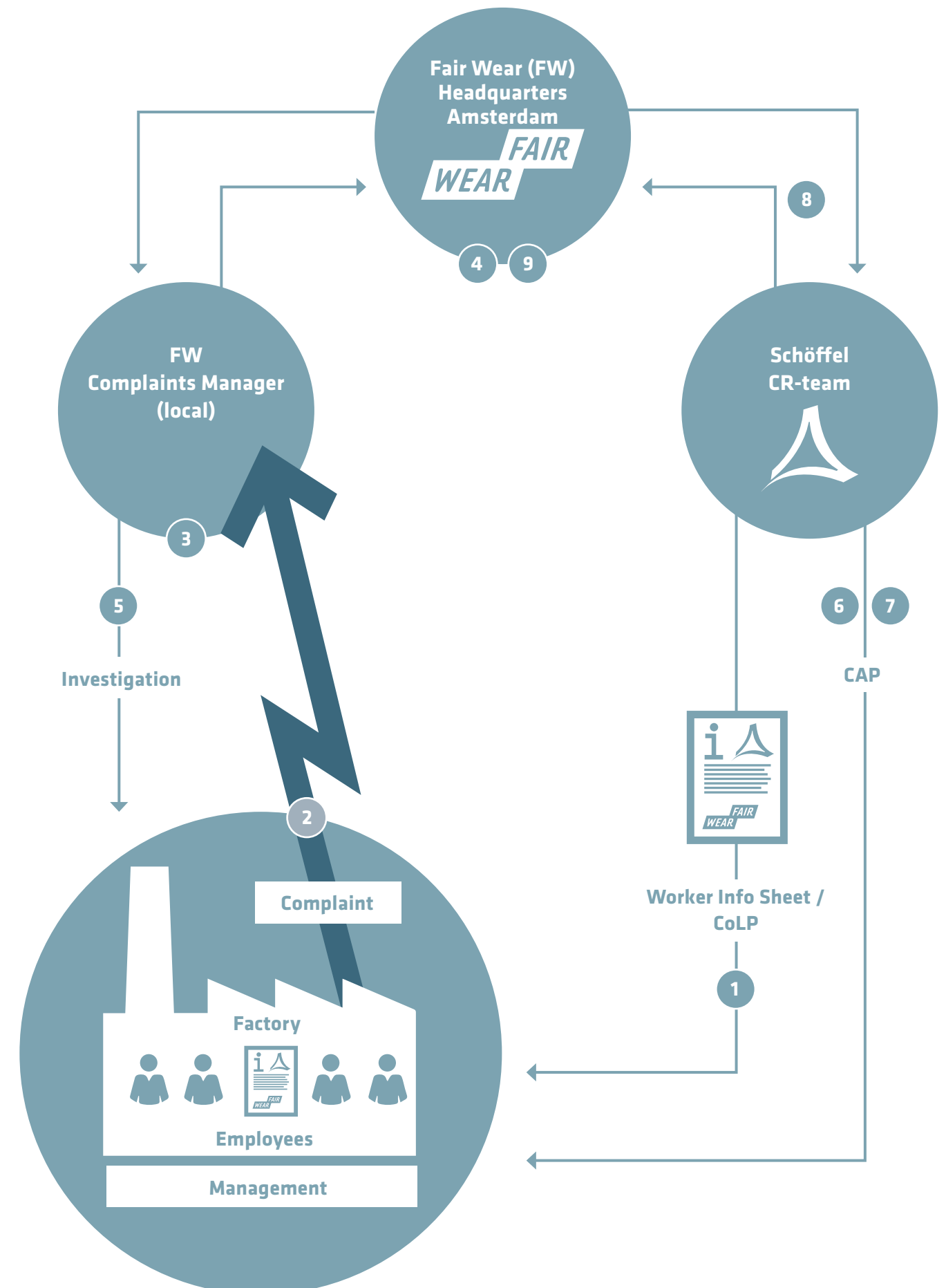
The FW complaints system gives employees in production facilities the opportunity to make direct contact with an independent body in the event of problems. The contact data of the complaint's manager and the Code of Labour Practice (CoLP) are displayed on information boards in an easily accessible place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

FW 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 FW 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 2021

Fair Wear (FW) requirements for social standards on the production sites of its member companies are strict and closely monitored. One essential requirement is to give employees in the various divisions the chance to complain anonymously, so that any criticisms can also be freely expressed. This is a prerequisite for improving local working conditions for the long term.

In 2021, Fair Wear received seven complaints from production staff. In addition, four complaints from 2020 were followed up in the year under review. The number of complaints is generally positive, as it shows that more and more employees are exercising their rights. Staff have to report any grievances if they are to be put right and a permanent improvement in working conditions implemented. This was the case at the following production sites.

Factory 10775 (North Shore Global Ltd. (NSGII):

At the end of January 2020, the following complaint was filed from a production site in Myanmar. The complainant reported that the responsible sewing line leader was often verbally abusive to the staff and that this was no longer tolerable. Furthermore, the line manager knew of the abuse but did not intervene. Schöffel responded instantly with another brand and asked the factory to comment. The factory management told them that a meeting had taken place with HR, the factory management and the CSR manager to discuss this matter. Furthermore, training was being organised for all staff at management level, including line managers and sewing line leaders, on the subject of communication in order to stop abusive behaviour in the workplace and to promote courteous interaction with each other. The internal complaints system for the workers was also to be further improved in order to effectively resolve such incidents internally in the future. The brands

asked the factory for the documentation for the training, guidelines and the complaints system so that Fair Wear could check the measures that are carried out. At the end of February, the complainant told Fair Wear that he had not yet noticed any changes in the behaviour of the sewing line leader. Fair Wear informed him of the measures that would be carried out by the factory management in the future. The brands pursued the measures further, and informed Fair Wear that a training course on communicating with line managers was held in June. Due to COVID-19, it was more difficult to review the adopted measures, especially the enquiries with the factory staff. As the appropriate measures had now been adopted by the factory management, Fair Wear closed this case.

Factory 3917 (PS Vina):

At the end of February 2020, three former employees of a Vietnamese company contacted the Fair Wear hotline with the following complaint. After termination, the employees had not received the compensation they were entitled to from the factory. Following Fair Wear's recommendation, the employees first asked the factory to check the situation. The severance allowance was refused without further reason. The Fair Wear brands informed the factory of these complaints, pointing out that severance payments were a legal requirement and therefore had to be paid by the factory. Based on interviews with



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

the complainants, Fair Wear confirmed that there had been several complaints regarding severance payments at the factory, and that four of eight members of staff had now received their severance payments. In the case of two members of staff, the factory management stated that the termination was not lawful, and that the factory therefore did not have to pay any compensation. The members of staff, on the other hand, claimed that they had given the legal termination. After a discussion between the Fair Wear brands and the factory, these two members of staff have now received the severance allowance and been given their social security books. The other two former workers had already resigned in 2017, and the factory management said they would not be receiving any severance pay because of the timing. As this complaint turned out to be a fundamental issue in the factory, the brands requested a list of all former employees who wanted a severance payment. All these complaints have now been dealt with. In February 2021, only two former members of staff had not yet collected their severance payments. The results of Fair Wear's review are currently awaited in order to finally close the matter.

Factory 3917 (PS Vina):

At the middle of August 2021, a former employee of a Vietnamese company contacted the Fair Wear hotline with the following complaint. The factory had not paid the

leader of the fire-fighting team the legal remuneration. The complainant had been the leader of the fire-fighting team for years in addition to performing her main activity, and by her own statement had never received the monthly remuneration for it. The complainant wanted the factory to pay her the statutory extra pay for the time that she had been working as the leader of the fire service. In addition to the complaint, this problem had also come to light during an audit in 2019. After an internal investigation, the factory confirmed that the complainant was still due to receive a part payment. The factory made this case a priority, and will check it with the Workers Committee – as soon as the rules for social distancing are no longer in place – in order to find the underlying cause. The factory management confirmed that the complainant had worked as the leader of the fire-fighting team from December 2015 until March 2021. The factory paid the statutory extra pay that was still outstanding. The complainant confirmed receipt of the payment, and thanked the brands and Fair Wear. The complaint was resolved to the fullest satisfaction of all.

Factory 10775 (North Shore Global Ltd. (NSGII):

In November 2020, the Fair Wear hotline received the following complaint concerning a production site in Myanmar. Workers felt pressured by the factory management to work on an upcoming public holiday. The complainant reported

that they had been informed of this by the factory management, and claimed they had also been told that any staff refusing to work could possibly be replaced and would lose their contracts of employment. Fair Wear was informed that this complaint had already been raised internally, but that the complainant had the feeling that the employee representation was having difficulties in resolving the problem. The applicant wanted the workers to be able to work overtime voluntarily and without pressure. As this complaint was received before the holiday, the brands asked the factory for an immediate response. The factory replied that due to the current situation (COVID-19) it was difficult to coordinate the fluctuating capacity on the production lines, and that some workers had volunteered to work overtime on the holiday. In addition, the factory management confirmed that the statutory wages would be paid for working on the holiday. As compensation for working on the public holiday, the workers would be offered an alternative day off within three days. The factory also confirmed that training in voluntary overtime and communication had been given to managers and line managers. The proposal from the brands and Fair Wear was to provide the same training for the workers as for the line managers, as well as training in pay calculation and complaint mechanisms. The factory reported that this training is carried out by sewing line. The complainant confirmed to Fair Wear that a number of sewing lines had already received the training, but that he had seen no changes. The applicant also mentioned that some members of the Workers' Committee had been nominated by the management, and so the workers had little confidence in passing their complaints on to the committee. This case is currently still open and being processed.

Factory 12964 (Kido Yangon Co. Ltd.):

In November 2020, an employee at a production company in Myanmar contacted the Fair Wear Complaints hotline. Here, too, workers felt pressured by the factory management to work on an upcoming public holiday. The workers feared that if they refused to work on the holiday, they could be transferred to another production line. The complainant also reported that working overtime on public holidays was often compulsory. The applicant wanted the workers not to feel pressured by their line managers when deciding whether or not to work on a public holiday. As this complaint was received before the holiday, the brands asked the factory for an immediate response. The factory then made it clear that workers had been informed about working on the upcoming holiday, and that this had been mentioned in several meetings of the Complaints Committee for Employees with the possibility to discuss it. The

factory also reported that the pressure on workers with regard to overtime was being further reduced by continuous training for managers and line managers. The factory management also confirmed that there were internal transfers between different production lines due to process changes. For instance, certain products were moved to another production line, and workers who had already sewn this model before were transferred to this production line to provide support. There had obviously been misunderstandings between the factory management and the workers here, since the workers thought this had been the result of their refusing to work overtime. The brands also asked the factory management whether the workers actually did have to work on the said holiday, and when and how the line managers, and the workers, had been told that working overtime was voluntary, and whether they had also been informed of the complaints mechanism. The factory explained that almost all of the workers had worked on this holiday and that they had given their consent to this in writing in advance. The factory management also spoke of the training for managers and line managers on the voluntary nature of overtime. The factory provided the brands with documents such as an attendance list, training content etc. The complaints box is regularly reviewed and the proposals and complaints dealt with in monthly meetings with the employee representatives. The workers will be informed of the results of the meetings. The brands provided the factory with some suggestions for improvements to the training programme, and asked whether the workers had also been informed of the complaints mechanism during training or on courses. This question was also quickly confirmed by the factory management and evidence provided. Fair Wear checked the respective documents of proof, and following the positive steps by the factory the matter was closed.

Factory 10775 (North Shore Global Ltd. (NSGII):

At the end of January 2021, a member of staff submitted the following complaint concerning a Burmese factory. The complainant reported that more than 50 so-called casual workers had been working in the factory since November. They are employed as trainees and are not paid like regular employees are although most of them are working as regular seamstresses. According to the statement by the complainant, these workers are not paid for overtime even on Saturdays although they work eight hours. Which means that the trainees are not paid as is required by the law. The factory pointed out that it had had to employ the people as trainees in order to minimise the costs caused by COVID-19. Plus the trainees had been informed that they would have the day of an audit off as it was not to become

known that they were working here. The complainant had also heard that the trainees' work time accounts and wage slips were kept separately from those of the regular workers so they did not have to be shown to the auditors. As far as the complainant is aware, there are no employment contracts, nor have the trainees been registered with the social insurance agency, which means that the workers are not insured through social insurance for illness or accidents. Schöffel responded instantly with another brand and asked the factory to comment.

Regarding the complaints at Factory 10775

Following the military coup in Myanmar, the overall situation in the factories has changed dramatically, and Fair Wear is no longer able to follow up complaints to the same extent. This also applies to the two incidents at Factory 10775. The matters will be taken up again as soon as this is possible and a certain amount of normality has returned to the factories in question. We will continue to monitor the situation closely until then. The Fair Wear Complaints Helpline will, of course, remain in operation in the meantime in order to receive complaints from employees.

Factory 4575 (Asian Sourcing International Mfg. Co. Ltd.):

In May 2021, a member of a production company in China contacted the Global Services hotline. The complainant reported that the factory management was giving work to relations outside the factory. According to the complainant, this meant there was less work for the workers in the factory, who were therefore only receiving the minimum wage. He/she also reported that the workers were not being paid for the overtime they were doing to check returned products/garments. The complainant explained that this matter was known internally, but that nothing had been done about it yet. The complainant wanted the work to stay in the factory and for the workers to be paid for doing these checks. Schöffel responded immediately along with the other brands and asked the factory to comment. The factory management stated that no orders were being outsourced. However, a number of machines had been replaced or repaired just before the high season. That had had an impact on production, and so a number of orders were carried out at another factory in the same group of companies. All of these products were sent back to the factory for the final check. The factory did admit that this had not been explained clearly to the workers, and that was what had led to this misunderstanding among them. Furthermore, the factory has changed its premium system to ensure that the workers receive an appropriate wage. The factory send the list of wages/sa-

laries for February 2021, March 2021 and April 2021. Global Services analysed these three months and found no significant changes resulting from the outsourced orders. Global Services passed this feedback on to the complainant and asked for the wage for April 2021 to be explained in order to verify the complaint. The complainant did not agree with the factory's feedback. The complainant believes that the factory management is passing knitting on to relations; no machines have been updated, and staff have not been informed. The complainant wants a thorough investigation by the factory management. However, he/she provided no information or proof to support the complaint, and so Global Services is unable to process it and is therefore closing the process.

Factory 12964 (Kido Yangon Co. Ltd.):

At the beginning of July 2021, the following complaint was filed from a production site in Myanmar. The complainant reported that one of the line managers frequently verbally abused staff and physically assaulted them. Nor was he able to take any holiday, because this was also refused by the line manager even in the event of illness. Furthermore, the factory management was aware of the abuse but did not intervene. Schöffel responded instantly with another brand and asked the factory to comment. The factory management stated that it was aware of the complaint and that the person in question had already been given a warning. The factory made it clear that all members of staff were able to take holiday when required. The factory management instigated a further appropriate investigation. The brands advised the factory to improve the internal complaints system for the workers so that complaints could in future be solved effectively internally. Due to COVID-19 and the lockdowns, both the internal review and the review of the measures taken, in particular talking to employees in the factory, was made more difficult. The factory carried out a survey in which over 40 employees stated that they had been verbally abused. Nine members of staff said they had had problems trying to take holiday. The factory management informed staff that anyone is allowed to take holiday when required without it leading to restrictions or penalties. The factory is also in the process of developing an application form for leave. Furthermore, the person in question was given training in communication in order to stop the verbal abuse in the workplace and to promote courteous interactions with each other. The complaint was closed after the review by Fair Wear.

Factory 12964 (Kido Yangon Co. Ltd.):

In July 2021, the Fair Wear hotline received a complaint concerning a production plant in Myanmar. A union leader stated that the factory or the supervisors had the workers signs to say that four of the nine public holidays are unpaid days. Only a few of the workers did not sign the declaration of consent. The union leader checked the contracts, which clearly state that by law, workers are to be paid in full on public holidays. The workers are demanding the wages that they are entitled to by law. Schöffel responded instantly with another brand and asked the factory to comment. The payment of minimum wages is a basic prerequisite for a cooperation with Schöffel. The factory management replied that the responsible department had misunderstood this legal regulation and had informed the workers as they understood it. The factory management immediately revised the notice and informed all staff that they would be paid the statutory minimum wage for the four days. The brands checked with the factory that the staff had been informed of the amended notice. The factory management informed the workers with the help of the Workers' Committee, a meeting with the managers and a notice on the bulletin board. Both the submitted documents of proof, which Fair Wear reviewed, and the complainant's confirmation certified that the complaint had been resolved to the satisfaction of all members of staff. The complainant thanked the brands and Fair Wear for their support.

Factory 4575 (Asian Sourcing International Mfg. Co. Ltd.):

In August 2021, a member of staff at a Chinese production company contacted the Global Service Hotline and reported that the factory had adjusted their working hours in the previous month and that the workers now had to work overtime. The working hours had been from 08:00 until 12:00 and 13:00 until 17:00, and overtime was worked between 17:30 and 20:30 – although not every day. According to the complainant, the new working hours are now from 07:30 to 12:00 and 12:30 to 17:00, with mandatory overtime from 17:30 and 20:30 . The complainant explained that the current working hours are too long, and would like Global Services to report the problem at the factory and help to restore the original working hours. At the request of the brands, the factory management immediately examined the complaint together with the workers' representatives, but found no problem with regard to the working hours. The factory looked into the matter further, and immediately installed precautions. In order to prevent the possi-

bility of starting work at 07:30, the electricity is now not switched on until 07:45; this is necessary because of the lead time for the air conditioning. Furthermore, the internal audit team will keep an eye on the workers' overtime. And the factory manager's contact details were made public. Any worker can use this channel to complain anonymously, and the complaint will immediately be investigated and processed. The brands also required time recording data as well as evidence of the workers at the factory having been informed of the voluntary nature of overtime. The factory management responded immediately, and replied that the working hours from 08:00 to 12:00 and 13:00 to 17:00 are clearly posted for all staff to see. Overtime is voluntary, and the workers need to complete a specific form, which the factory sent along as a document of proof with signatures of workers. The factory management also provided the knitwear, quality control and shipping departments' attendance lists for July and August 2021 for further investigation of the complaint, as they had had the most overtime in the last audit. The investigation of these documents by Global Services showed that the working hours for the 151 employees of these departments are from 08:00 to 12:00 and 13:00 to 17:00, overtime from 17:30 to 20:30. These times do not correspond to the times indicated by the complainant. Global Services was no longer able to reach the complainant to reconcile the information. This complaint was therefore closed.

Factory 10013 (Spectre Garment Technology SGT Vietnam Co. Ltd.):

At the end of December 2021, the Fair Wear Hotline received the following complaint concerning a Vietnamese factory. Workers were putting in more than the legally prescribed overtime, and working until 20:30 every day. The supervisors and managers were also expected/ required to work overtime, although according to the complainant without remuneration. The complainant also reported that the factory had two different time sheets for overtime, one with the actual overtime worked for remuneration, and a second one with fewer overtime hours for audits. According to the complainant, there had already been several complaints in this issue, but the factory only improved matters for a short time before reverting to the original situation. Schöffel responded with another FW brand and asked the factory to comment. The case is currently still being processed and the parties are in exchanges with each other.



*"I have the greatest respect
for the Schöffel team."*



SUSTAINABLE HR MANAGEMENT AT SCHÖFFEL: IN DIFFICULT TIMES, TRUST AND COOPERATION ARE WHAT MATTER.

The Covid-19 pandemic presents us with unprecedented challenges every day anew. In times of crisis, it pays to have a consistently developed workplace culture. As a team, we have been able to reap the benefits of sustainable HR management and firmly anchored values together. We would like to celebrate these successes together, and to continue to improve and develop.

What was particularly challenging in this complex and rapidly changing time was the lack of experience and unclear rules for dealing with a pandemic. Only promptly moving together, being able to rely on each other, and the company's deeply-rooted values provided an anchor in these stormy times. Yesterday and today, trust, cohesion and a team spirit are at the heart of everything we do. Thanks to this stable foundation, Schöffel has succeeded in working together as a team to make the best of the situation, and to protect and support each other. I am incredibly proud of what we have achieved. Every single member of the Schöffel team overcame these challenges through their collegial interaction. We are still in the middle of the crisis, and overcoming it is at the heart of our tasks. Yet we remain confident and face the future with optimism, because we have managed to grow with the challenges and learn new things. For us, sustainability in HR in dealing with the crisis meant having a very individual and personal view of our colleagues' concerns, worries and needs. Parents found themselves with an even greater double burden. They were concerned about their own health as well as that of their closest family members, dealing with the illness in their group of colleagues, and hoping for an easy and successful recovery. And everyone is equally affected by the company's concerns due to the upheavals in retail, the procurement market and the slump in sales. Perseverance is now required more than ever, because the situation has been going on for quite some time. We believe that mutual respect and the acceptance of emotions are fundamental. It is important that we support each other and focus on the many positive things, opportunities and successes. This will enable us to draw strength and to emerge stronger from the crisis.

And this is why it is so important that we provide individual support and encouragement to every single member of staff. Sustainable HR management assumes an individual and personal perspective here. Understanding employees' personal needs means that they can be helped to cope with the emotional challenges, and development plans can be created to drive personnel development. This is achieved by encouraging and promoting, in many personal talks, and through feedback and annual interviews. A crisis is particularly challenging for managers. Reflecting together on what leadership means in this situation is a part of sustainable personnel management. Dealing flexibly with constantly changing rules and situations is part of the path we are all on. The new normal includes the "hybrid teams" on site and working from home, as well as colleagues dealing with double challenges in their family environment. Sustainability also means reflecting regularly in retrospect and being aware of the lessons learned. Thinking about what we have already learnt as a team – e.g. communicating faster, without hierarchy and in closer-knit networks. Facing the challenges in small groups and task forces, and making courageous decisions. We are learning more every day, and these new skills continue to grow. The aim is to honour what has been achieved, to highlight the potential and the treasures in the team and so to further develop and promote the empowerment of every individual. To show each other reliability and trust, further strengthen deeply rooted values, and to grow roots from within – sustainable HR management should continue to constantly pursue and support this development.

SCHÖFFEL INTERNAL: WHAT ARE YOU DOING TO CONTRIBUTE TO SUSTAINABILITY?



Verena Reitmayer

To avoid waste, I always have a basket or fabric shopping bag with me when I go shopping, and at home I drink tap water. To avoid microplastics, I rely on natural cosmetics brands without plastic particles for my skincare products. An exfoliating glove, for instance, has the same effect as a facial scrub, which can often be polluting. As I like making things in my spare time, I often collect things on a walk in the woods, such as pine cones, branches, dried flowers and so on, and use them to make wreaths and other decorative items. These items are natural and timeless, and don't cause any plastic waste

Sabrina Maier-Dietrich



My contribution to more sustainability is being more conscious with food. Buying organic products helps us to protect the environment and at the same time ensure that farmers are paid more fairly. Far fewer pesticides are used, which has a positive effect on species protection and our drinking water. But in addition to the organic seal, you should always take care to shop regionally and seasonally. This helps to prevent long transportation routes that unnecessarily increase the CO₂ balance. And best of all – organic is good for us as well as for the environment.



Anne-Kathrin Andraschko

In Germany, around twelve million tonnes of food are disposed of as waste along the food supply chain every year. This is particularly harmful to the climate, because less food waste means more climate protection. Food production not only consumes water and land, but also causes the emission of greenhouse gases. So when we throw food away, we are not only wasting it, but we are also wasting the greenhouse gases that were caused by its production. But if we use, distribute and reuse food better and so reduce overproduction, we can save quite a bit. So saving food is climate protection in action. That is why I am a part of Foodsharing, and what is known as a Foodsaver. This means I save food from being thrown away. Supermarkets, organic shops and even market stalls provide the food for Foodsharing, which would otherwise end up in the waste because its best-before date has expired or its shape does not correspond to the norm. The results are boxes of bread, vegetables, meat products, fruit and much more that is much too good for the bin. In this way, I am helping to waste less food and playing my small part in helping to protect the climate.

Ludwig Schuster

I firmly believe that everyone can and should do their bit. Of course, it's not always easy to make all the various areas of life sustainable, and I believe you should do it in stages. For my part, I've been vegetarian since my youth, and apart from cheese and about 20 eggs a year, pretty well vegan. This part of my life is very important to me, because a vegetarian diet is not only good for the climate, but for animal welfare in particular. I also like to carpool from Augsburg to Schwabmünchen, compensate for my annual commute, and use reusable nappies for my little girl.



Martin Schamböck

*In 2018 I really began to address the topic of sustainability. At the time I often commuted to Stuttgart by car, clocking up at least 500 km every week. So I decided to set up on my own in order to use my car less. Since then, I have looked for customers that are within cycling distance. In 2019 I started my job with Schöffel, and in April I started regularly cycling to Schwabmünchen. For 2021, I set myself the goal of cycling at least 84% of my commute over the year. By the end of the year, I had travelled 84% of the routes by bike. This means that every year I am not driving 22,250 in my car, which means I am saving around 3.6 tonnes of CO₂. And quite aside from protecting the environment, the three-quarters of an hour than I spend cycling to work and back are genuine **Ich bin raus** moments, all with their own big and small experiences and impressions.*



SCHÖFFEL DONATIONS FOR A GOOD CAUSE

Social and sustainable actions: Schöffel has been supporting humanitarian organisations for years with material donations to help people who have been affected by disasters and poverty. The traditional company sees this commitment as an important factor in its corporate policy, and equally so in its sustainability strategy. In 2021 the company collected a total of around 9,900 material donations which were passed on to various aid organisations for their work. The specialist for outdoor and ski clothing donated mainly garments that were not put on sale because they had minor flaws. These donations were carefully checked over in the Schöffel Service Factory and then handed over to the aid organisations not only to help, but also to make the best possible use of resources in the sense of sustainability. People in Zimbabwe passed their thanks on to Schöffel via the charity Internationaler Hilfsfonds e.V.:

"It is by no means a given that in these difficult times there is enough love and generosity for others. Which made us even happier when your container with clothing arrived. This aid means so much for our rural region."

Some of the other organisations that Schöffel supports are KENIAL e.V. Mongolia, Humedica, BRK Bergrettung Fuchsrain, Orheil Moldova, EOCA (Earth Day Fundraiser), and Internationaler Hilfsfonds e.V.



Peter Schöffel, managing owner in the seventh generation of Schöffel Sportbekleidung GmbH: "Social commitment is extremely important to us. As a family company with over 200 years of history, we are very clear in our responsibility, both for the employees in our company and those at our production sites, as well as towards people who are affected by poverty and disasters. I am delighted that we are able to contribute to the work of various aid organisations with our clothing and are thereby able to act sustainably. We shall be continuing this commitment over the coming years."



"Sustainability isn't a fast-paced undertaking. We are on a rocky road, and we need to conquer it together if we want to achieve a sustainable future."



PROTECTION OF THE ENVIRONMENT & STRATEGIC POLLUTANT MANAGEMENT

STEP BY STEP TO CLIMATE NEUTRALITY

The topic of sustainability has become an integral part of the textiles industry and is becoming increasingly important. At Schöffel, Corporate Responsibility (CR) covers four areas: Product, Social, the Environment, and Sustainable Service. The following applies at this family company above all else: the focus is always on the individual. CR Manager Philipp Bonaventura is responsible for environmental protection and strategic pollutant management, and works on the realisation of Schöffel's CR strategy.

Both topics are becoming increasingly important, as the CR manager reports. "The advancing climate change is exerting more and more pressure, not least on companies. So it is essential that Schöffel also continues to contribute to reducing its CO₂ emissions in order to help achieve the 1.5° agreed in Paris. We want to halve our CO₂ emissions by 2030, and at the same time we are aiming to achieve climate neutrality for the entire company, including our supply chain, by 2025." This is why Schöffel works with the climate protection consultancy ClimatePartner to produce an annual CO₂ balance sheet. This data is now being used to develop a climate protection strategy with specific measures, for instance for product development, transport and logistics, in order to achieve the desired goals over the coming years because, as the CR manager says, "Sustainability isn't a fast-paced undertaking. We are on a rocky road, and we need to conquer it together if we want to achieve a sustainable future." The focus is also on the EU Green Deal, which contains various strategies and action plans for a sustainable economy. Among other things, in 2020 the European Union adopted an EU chemicals strategy for sustainability. "We have been a bluesign®Systempartner since 2013, and are committed to complying with stricter regulations than the legal requirements for the use of chemicals. We take meticulous care to ensure no harmful substances are used, which helps to protect the safety of the product for the end user, production staff and nature. Every single step, no matter how small, towards environmental and climate protection counts, as we can only make our blue planet more sustainable together," reports Philipp Bonaventura.

SUSTAINABILITY BEGINS WITH ATTITUDE

"Whatever we do or don't do today will eventually come back to us." This idea is reflected in "echo", Schöffel's new sustainability label.

Founded in 1804, the family company "Schöffel Sportbekleidung GmbH" is now being run by the seventh generation under Peter Schöffel. The lived values are timeless, passed on from generation to generation and lived on every level. Sustainability, social responsibility and the high quality of the products are at the heart of Schöffel's philosophy. This awareness of nature has now existed for 218 years, and is important in every single one of the company's actions. Schöffel's new sustainability label "echo" will symbolise this on every product from summer 2023. Behind the four letters are the topics Environment, Community, Humanity and Opportunity – in other words, responsibility for the environment and climate; the power of a strong community; humanity, and the opportunity to make sustainable changes.

Nature should offer everyone some precious breaks, and with them opportunities to find themselves, to develop, and to experience unique **Ich bin raus** moments. It is essential that we assume responsibility for the environment and climate in order to ensure that future generations are also able to experience them. Schöffel pursues a comprehensive strategy in the field of sustainability that also includes environmental protection, durable products and sustainable services as well as social commitment.

Sustainability begins with attitude The "echo" label will soon be an inspiration for Schöffel customers, staff and retailers to preserve what Schöffel cares about – nature.



FINALIST IN THE GERMAN SUSTAINABILITY AWARD

Schöffel has made it through to the finals in the German Sustainability Award, and its contribution puts it among the top seven companies in the "Supply chain" transformation field. The German Sustainability finalists include companies that have made sustainable development the guiding principle of their economic activities.



Sustainability is the key word for 2021, and will remain so in the future. Topics such as climate protection, saving resources and the cohesion of societies are more important than ever. That is why we need role models to promote and boldly drive social, economic and ecological change – today and tomorrow. Companies play a crucial and central role during this time, as they have the power to actively drive and influence positive change. So sustainable business models pave the way to a future-proof society across generations. The German Sustainability Award (DNP) is presented to companies that make a particularly groundbreaking contribution and achieve an outstanding performance in the transformation process.

The DNP is Europe's largest award of its kind, and in 2021 is being presented for the fourteenth time. It is presented in cooperation with the Federal Government, business associations, civil society organisations and research institutions. The award is aimed at the goals of Agenda 2030, and thus at the five transformation fields of climate, biodiversity, resources, society, and supply chain. The DNP's team of experts nominated Schöffel for its contribution to improving social standards in global textile supply networks.

In 2011, Schöffel started working with the independent Fair Wear Foundation, and in the past ten years has already achieved numerous improvements in working conditions in its global supply chain. The company has also achieved Leader Status for the seventh time in succession, confirming an above-average commitment to improving working conditions and social standards. All of the producers all over the world with whom the family company cooperates are required to observe the eight labour standards of the FWF: Employment is freely chosen; no discrimination in employment; no exploitation of child labour; freedom of association and the right to collective bargaining; payment of a living wage; reasonable hours of work; health and safety at work, and a legally binding employment relationship.

Sustainability and social commitment are a continuous process for Schöffel. This means that we focus on constantly striving to improve rather than on what we have achieved. Schöffel is delighted to be one of the finalists in the German Sustainability Award and to play a central role in positive change. And there is one thing the company is certain of: groundbreaking change can and will be achieved with plenty of courage and sustainable action.



SUSTAINABLE TRAVEL: LEAVE NO TRACE BEHIND

Ana Zamorano Ruiz was born in the Basque Country and has been a world explorer on her bicycle ever since. Ana has explored the most remote corners of the world and made a name for herself as a filmmaker and photographer. Now the Schöffel brand ambassador reports on how to travel sustainably. How to respect nature on a bike tour and what you should pay special attention to.

Eddy Merckx said “ride as much or as little or as long or as short as you feel. But ride” I read these words a few years ago when traveling on two wheels through Southern Chile, the starting point of my bike travels. At that time what I only knew was that my first goal (Colombia) was quite a lot of kilometers away North. Also, a lot of experiences, landscapes and people were waiting for me on the way. One of the things that made me more excited about what I was doing was that I was traveling in a transport that does not need more fuel than some food for me such as quinoa or pasta, a few fresh vegetables, water and some sweets. And it is true that reaching places with your own effort makes them -even- more special as you become part of it in a quiet way; you sytonice with the flow of nature. The rhythm you have while cycling gives you the perfect feeling of armony to appreciate what it surrounds you, observing and thinking carefully about the place where we live in. Therefore I started feeling a deep connection with the Earth itself and accordingly to think about how, as individuals, we can contribute to conserving what we call ‘home’. “Leave no trace” made more sense than ever before: when free camping, when cooking, when going to the ‘bathroom’. When cycling long distances, home is where you pitch your tent and also where you are cycling through.

Here some tips I have learnt on the way:

- Bring a shovel to bury the human feces in nature.
- Camp at least 60m away from a river
- Pick every single plastic or food from the floor
- Take some spare bags with you to bring your rubbish with you until you will find a bin.
- Use white paper without perfume
- Buy at local shops and local products = 0 KM

Apart from these all, the most important thing for me is the water, as you cannot find it everywhere. In parts of the World like South America or Central Asia, you need to ‘plan’ an itinerary before starting a new track. Lands are much bigger than in Europe and I was in between 3000 and 5000 m where you not only have to carry your own water -just for cooking and drinking- for some days but also pay attention to find a river or a water source in a village to refill the bottles. Every drop counted. And this is not only for me as a bikepacker but also for quite a lot of locals I met on the way.

What I love the most about traveling on a bike is not only being “carbon free” but about creating a positive impact on some people. When you see someone traveling on a bike, you encourage and inspire others to do the same. I started bikepacking because I met a guy doing the same through Afrika and I know other people who do the same thing because of me and other cyclists! This is just amazing.

SCHÖFFEL'S CO₂ BALANCE – OUR JOURNEY TOWARDS CLIMATE PROTECTION

The effects of the climate catastrophe are becoming increasingly apparent. Extreme weather conditions such as tornadoes, heat waves, major storms and rainfall are now mentioned on the news almost daily. The likelihood of catastrophic floods with devastating consequences such as those experienced in the Ahr Valley in Germany is increasing. In order to prevent further catastrophes and limit the warming of the planet heating to 1.5 degrees, we must work together to significantly reduce CO₂ emissions.

As a sustainable family company, Schöffel wants to play its part in this, and has therefore embarked on the journey to climate neutrality. A successful journey requires excellent planning and a well thought-out packing list. This is also what Schöffel believes, and so the company has brought in a renowned partner for its path towards a climate protection strategy. With the help of the climate consultants ClimatePartner GmbH, Schöffel produces an annual CO₂ balance that breaks down all the CO₂ emissions that are caused directly (e.g. vehicle fleet) and indirectly (e.g. logistics & supply chain) by Schöffel, its supply chain and products.

The creation of Schöffel's CO₂ balance was the beginning of its journey to climate neutrality. Schöffel used it as the base for defining its climate protection strategy and targets for this year.

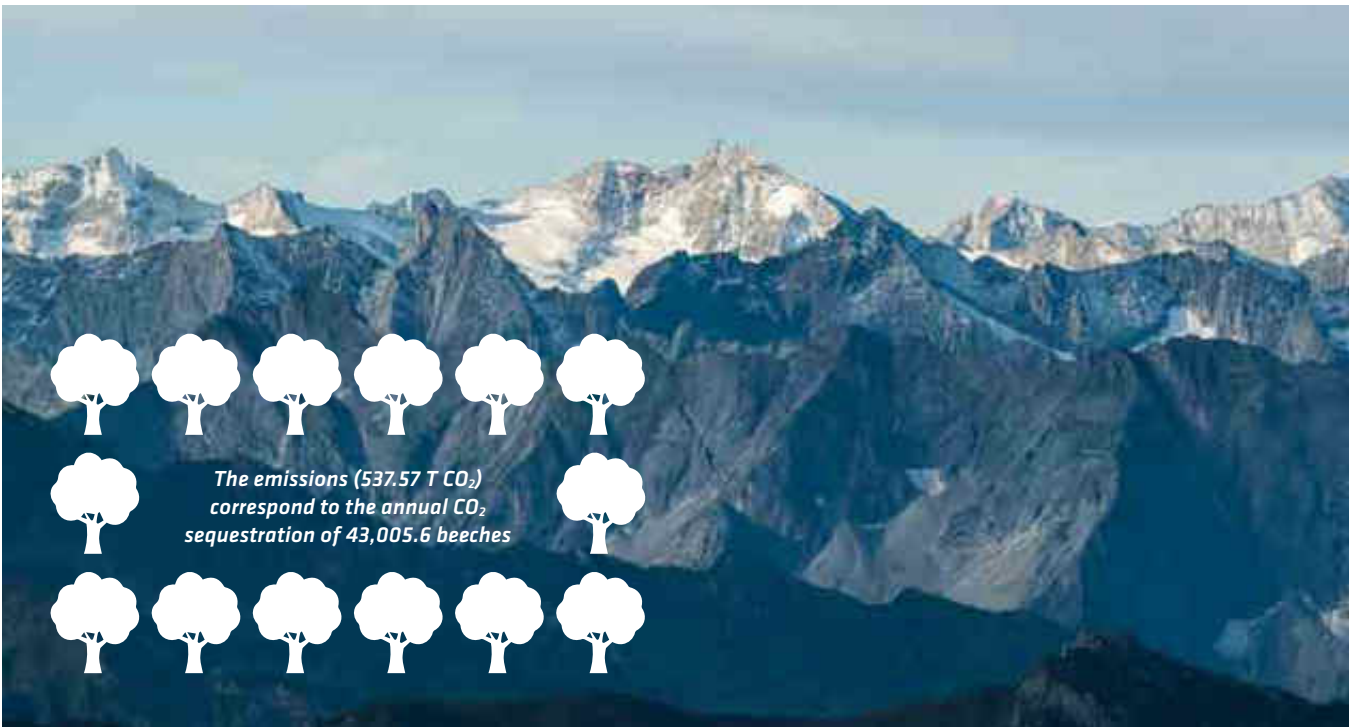
The climate protection strategy firmly integrates climate protection at the core of its corporate strategy. One of Schöffel's key measures is the reduction and avoidance of its own CO₂ emissions and those in its supply chain. The company is also carrying out various climate protection projects such as the development of a circular economy project for part of its 2023 summer collection. Schöffel sees cooperation with its stakeholders as another significant contribution in the fight against the climate crisis. Because the 1.5° target of the Paris Climate Agreement can only be achieved if we all work together.

All these efforts contribute to these corporate climate protection goals:

- 50% reduction in CO₂ emissions within the entire company including the supply chain by 2030
- Climate neutrality within the entire company including the supply chain from 2025 (through prevention, reduction & CO₂ offsetting)

In addition to these major goals, Schöffel has also defined other important sub-goals which are intended to help achieve the climate protection strategy. For instance, Schöffel will increase the proportion of sustainable models to 30% of the entire collection by 2023. Furthermore, numerous measures have been defined to reduce and avoid emissions in the use of materials, product design, packaging and logistics. Despite continued measures to reduce emissions, there will always be some CO₂ emissions that cannot be reduced. In order to become climate neutral, emissions that cannot be avoided can be offset elsewhere by means of recognised climate protection projects.

Schöffel already took a large first step on its way in 2021, and since early November 2021 has been more climate neutral at its headquarters in Schwabmünchen. The reduction of energy consumption on the one hand and the use of climate neutral gas for heating and 100% certified green electricity on the other have significantly contributed to this. Through the use of green electricity, the CO₂ emissions in the area of indirect emissions that would result from energy supply have fallen to 0% at Schwabmünchen.



In total the company's business activities at Schwabmünchen in 2020 generated emissions of around 600 t of CO₂. Of these approximately 600 t CO₂, 35% correspond to direct emissions resulting, among other things, from the vehicle fleet and heat generation. Schöffel has successfully and completely eliminated direct emissions from energy generation by purchasing green electricity. In addition to the indirect emissions over which the company has no direct control, Schöffel adds around 390 t of CO₂ (65%). The largest source of emissions here is the item "Employee commutes" at 42%.

Since heating is already purchased in a climate-neutral manner (climate-neutral gas), about 15% of the direct emissions from heat generation at Schwabmünchen are already eliminated for offsetting. This means that Schöffel only has to compensate for the CO₂ emissions at Schwab-

münchen, which amount to around 540 tonnes of CO₂, by supporting the following climate protection projects.

Schöffel is currently supporting a reforestation project on the Kama River in eastern Nicaragua and participating in a wind power project in the Indian province of Rajasthan. However, regional commitment is also given in Germany through a coupling project. A tree is planted in Germany as compensation for every tonne of CO₂ in the coupling project abroad.

Further information on the projects and compensation at Schwabmünchen is available under the following link: fpm.climatepartner.com/tracking/14830-2102-1001/de



The analysis of the emissions caused by Schöffel is based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). The GHG Protocol is an internationally recognised standard for the preparation of a corporate level emissions inventory. Five basic principles are to be observed when creating a Corporate Carbon Footprint: relevance, completeness, consistency, accuracy, and transparency. The annual accounting of corporate emissions enables Schöffel to collect valid figures and thus obtain transparency with regard to the various divisions as well as an overview of the difference from the previous year. The figures all refer to the previous calendar year. In addition to CO₂, the calculation also takes into account other climate-damaging gases such as methane. These are converted into the greenhouse gas potential of CO₂ and so form CO₂ equivalents (CO₂s). The system boundary is Schwabmünchen including various Scope 3 categories. Looking at the supply chain and the location, it is clear that most emissions are to be found in the upstream supply chain as well as in the associated production materials and consumables, i.e. Scope 3.

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 thresholds are complied with. In 2021, 25 models commissioned by Schöffel were assessed by Eurofins WKS. The outdoor and ski expert also informs and supports its producers with a comprehensive producers' manual on lawful and environmentally-friendly operations management. To support its producers and suppliers in the development or improvement of proper and environmentally sound operations, Schöffel sent them all a sample form for a chemicals inventory as well as training videos on chemical management. They were also all sent the guide "Avoiding hazardous chemicals in textiles supply chains" as accompanying information.

Schöffel is working tirelessly on improving. It is also doing this in cooperation with bluesign®, which has been supporting the company in the management of hazardous substances since the end of 2013. Because Schöffel wants to continue developing in the interests of man and nature. To this end, bluesign® visited Schöffel virtually in December 2021 to start a brand assessment. The brand assessment helps with the analysis of the current situation and the creation of a plan of measures. There is an on-site check, an assessment of the data that was prepared in advance, and a report. The plan of measures is produced by both parties and helps to increase the company's environmental performance and the effectiveness of the risk management in terms of the environment.



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 basically plans for 95% of its globally produced textiles to be sent to Germany by sea or rail. Due to the worldwide imbalance in supply chains caused by the COVID-19 pandemic, no significant reduction of CO² emissions could be achieved in 2021.



Schöffel uses 100 % recycable 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.

Since 2015, Schöffel has been supporting the multi-stakeholder initiative, German Partnership for Sustainable Textiles, 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



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.eocaconservation.org



TIME FOR EXPLANATIONS PFCS – AND HOW SCHÖFFEL USES THEM

There's so much talk about PFCs. But what exactly are they? And are these substances harmful to humans and the environment? How does Schöffel deal with these chemicals and where are our limits?

What are PFCs?

PFC is the abbreviation for per- and polyfluorinated chemicals, which comprise more than 3,000 different substances. They are not natural and are hardly biodegradable. This means that PFCs remain in the environment for a very long time. Some PFCs become enriched in nature and in organisms, and can be regarded as being of concern. They are therefore under strict observation, and in some cases banned. Yet PFCs are still being used because of their special properties. They are water-, grease-, and oil-repellent, and chemically and thermally stable. So they are used in a wide range of consumer goods such as cooking utensils, pizza boxes, sticky labels, and textiles.

Whenever PFCs are mentioned, the first point to clarify is exactly which group of these chemicals is being discussed. The outdoor clothing industry usually talks of fluoro-organic compounds, which are applied to textiles in various processes to make them water-, dirt-, and oil-repellent. Properties that are essential in the quality of hard-wearing, weatherproof outdoor products.

Schöffel's use of PFCs

As a medium-sized company, the production of high-quality, functional outdoor and ski clothing with a long lifetime and permanent quality is a natural commitment for Schöffel Sportbekleidung GmbH. It is particularly important to us to keep the use of chemicals as low as possible in the manufacture of our products.

The use of PFCs has hitherto been necessary in order to offer the end user permanent protection against the elements of nature. Schöffel spent many years working on alternatives – with success. Today, Schöffel has materials that eliminate the need for PFCs in its brand products. And do so with no loss in the customary high quality or performance of the clothing. For us as the Schöffel company, the topic of hazardous substance management is tremendously important.

We reach the limits with products that are made to particularly strict requirements for special customers, such as the police and motorcycle clothing. Certain requirements such as dirt-repellent fabrics and oil resistance are mandatory for these types of finishes. Schöffel is not yet able to dispense entirely with the use of selected PFCs. Keeping them to a minimum is naturally a prime concern, and the company notes and adheres scrupulously to the legal requirements. Schöffel is also working on keeping the extent of their use to the absolute minimum while still ensuring the functionality and protection of the emergency personnel. At the same time, the company is also working on seeking options for reducing the use of PFCs in these areas.

Since the summer collection 2020:

100 %

PFC-free

The Schöffel collections are
free from PFC.



"WE ARE AN IMPORTANT GENERATION THAT CAN STILL MAKE A CHANGE" – ROMAN ROHRMOSER TALKS ABOUT BEING OUTDOORS

Being outdoors is Roman Rohrmoser's great passion, whether mountain biking, freeriding or hunting. Respecting nature and protecting it is tremendously important to the Schöffel athlete. Together, he and Schöffel stand for sustainability in outdoor sports.

Ever since Roman Rohrmoser can remember, he has lived his life out of doors. He first stood on a pair of skis at the tender age of only two. Since then, it has been impossible to imagine the outdoor sport without him, first as a ski racer, and later on when his passion changed to freeriding. After a while he substituted photo and film shoots for the competitions. He is always accompanied and motivated by his attachment to nature and the joy of being outdoors. "I just like to be in the fresh air, whether I'm being active then or not. Outside I feel alive, whereas inside I quickly get bored and tired. It's how I was brought up – go out and explore the world." However, his parents also gave the freerider another approach to the great outdoors. "My grandfather was a beekeeper and hunter. I now look after the bees with my father – he's the boss, and he teaches me everything. It's the other way round with hunting. As I'm a conservation officer, I take my father with me. Both hunting and beekeeping are an integral part of my life. Watching the wildlife and becoming one with the forest helps me to really switch off." The freerider is aware of the responsibility when spending time on the go outdoors. "Anyone who is careless when in nature can do a lot of harm. Whether on foot, on a bike or on skis, moving indiscriminately through restricted areas and protection forests will disturb animals and nature. Now in particular, more and more people are going outdoors. I try to create awareness here and to make it clear that some areas need

to be, and should be avoided. Our wildlife already has too few retreats, and we should leave the ones that do remain to them." Roman Rohrmoser wants to see more mindfulness in our dealings with nature and its inhabitants, and says this: "Peace should prevail in the forest. Stay on the trails, take your rubbish home with you, and don't share your favourite places with everyone. Less is more – a secret spot can quickly become a new Instagram Hotspot, and before you know it, it has to be closed because of overcrowding." Everyone can play their part, whether large or small. "One of the reasons I came to Schöffel was because sustainability is so important to the outdoor clothing expert. It is important to me to know that the manufacturing, processing and production conditions match my values. Most importantly, the clothes last a long time and I don't have to buy new things every year. Durability is an important key to greater sustainability. That's why I also use the Service Factory." The Schöffel athlete is quite clear in himself and to others: "Ultimately, each of us has to decide for ourselves how we want to leave the planet for the next generation. Leaving the car behind from time to time, taking our rubbish home with us after being in the mountains, and wearing clothes for longer and repairing them instead of throwing them away – there's a lot we can do. I believe we are an important generation that can contribute to making a change. I'm not going to shirk this responsibility."



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. All the same, Schöffel also sets high requirements for the selection of processed natural fibres.

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 was used to harvest cotton in Uzbekistan. This goes against Schöffel's basic principles.

Materials and products from the region Xinjiang, China

Due to recent reports of human rights violations in the Xinjiang region, there is a ban on the use of any material, including cotton, harvested, produced or processed in the region, as well as other products and services from the region.

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.

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

Shepp'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.



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 be RDS certified.

As a company, Schöffel attaches particular importance to animal welfare and now, by committing to RESPONSIBLE DOWN STANDARD (RDS) company certification, has taken a further step towards the responsible sourcing of down. This includes the supply chain, which means that only down from animal welfare-friendly farming is used for its products, starting with the animal farm and continuing all the way through to the actual processing of the down. The

certification process is carried out and constantly monitored by the Control Union test institute.

Consumers of RDS-certified Schöffel products can be sure that the down and feathers that their products contain are obtained from appropriately husbanded animals. All of the points in the product's supply chain comply with the RDS standard. Be it the breeding of the animals on the farm, their transportation or slaughter, only if 100% of the criteria and guidelines are fulfilled will the product receive the status of RDS certification.



INNOVATIVE MATERIALS

Polartec® Power Air™

Schöffel is always on the lookout for innovations. Polartec® Power Air™ technology is used to create a revolutionary knit construction. This high-performance knit construction consists of at least 50 percent recycled PET and appeals for the maximum thermal efficiency. With this insulating material, two different surfaces ensure that fibers are trapped between them in such a way that air pockets form. The resulting air inclusions store the body heat and thus ensure a pleasantly warm wear feeling. But this knit construction can do more. It also acts as a protective barrier that greatly reduces the migration of microfibers, making the fabric highly robust and preventing pilling. This means Polartec® Power Air™ is a fleece that reduces the negative environmental influences of microplastics as five times fewer fibers are lost compared to other midlayers.

LYOCELL

Schöffel uses lyocell as an especially ecological alternative to conventional man-made fibres and cotton. The environmentally-friendly, resource-saving production of this material is reflected in the outdoor products and thus is a further step towards sustainability.

What is lyocell?

Lyocell is a fibre that is made industrially from natural raw materials. It is often based on the raw material wood, such as eucalyptus, oak and birch that is obtained from sustainably managed forests. The main raw material for lyocell is therefore cellulose, and so it can be regarded as a recycled or regenerated fibre. These plants grow without artificial irrigation, and thus the farming saves resources and is kind to the environment. It also requires far less water than does the conventional production of cotton, for instance. The process is called the direct solvent process. The production process is considered far more eco-friendly than that for other regenerated fibres such as viscose due to the environmentally-friendly solvent and closed material cycle. Schöffel also uses lyocell fibres by Lenzing AG which bear the registered brand name TEN-CEL™, but also have the same characteristics.

S.CAFÉ®

As a move towards further progress in sustainability, Schöffel uses the environmentally-friendly S.Café® technology. Once treated as a waste material, coffee grounds are now used in the production of fabrics that form the base for precision-designed multifunctional sportswear. This innovation not only gives the coffee bean itself a longer lifespan, but also optimally supports athletes in their performance – however challenging the activities may be. As a result, the constantly renewable raw material naturally fulfils the high quality requirements for a textile component.

What is S.Café®?

S.Café® is a technical fibre composite made of polyester fibres. Coffee oil is obtained from coffee grounds, the waste product that is left over when coffee is prepared by the traditional method. This oil is then mixed with a granulate that is essentially the spinning nozzle liquid. The polyester is given the improved properties of this special technology, such as optimised odour neutralisation and the natural antibacterial effect. The S.Café yarn is then made from the spinning nozzle liquid and used to produce fabrics that form the base in the production of garments.



AIRMEM™

Progress – that's what Schöffel is all about. The company is also constantly working on further development in the field of sustainability. Schöffel uses the innovative membrane AIRMEM™ in conjunction with S.Café®. This also furthers the standard of textiles in terms of functionality and quality. With this membrane, the constantly renewable raw material coffee meets Schöffel's high quality requirements naturally and provides the optimum support for users in their activities – no matter how challenging.

What is AIRMEM™?

Like S.Café®, AIRMEM™ is based on coffee grounds, supposedly a waste product that is left over when coffee is made from beans. In the first step, coffee oil is obtained from this residue. This recycled resource can then be used not only as usual by the cosmetics industry, but is also the basis for the production of the lightweight membrane. And replaces 25% of the usual raw material, petroleum. AIRMEM™ combines advanced material technology with more environmentally-friendly manufacturing.

perPETual

Sustainability is an extremely important component at Schöffel, which is why the company greatly values ecological materials. With perPETual, the company has taken a step towards environmentally-friendly clothing and resource-friendly production in order to embark on the new generation of textiles.

What is perPETual?

perPETual is an environmentally-friendly recycling method in which PET bottles are converted 100% into a new textile material. Special filtration technologies are used to recycle old plastic bottles into high-quality, sustainable polymer components (ester). Standard polymerisation can then be used to turn this sustainability acquired ester into recycled polyester as the basis for all PET products including textile clothing. This resource-friendly method, which can be used to produce a wide range of yarn thicknesses, requires far less energy than other recycling methods. The amount of waste from plastic bottles is also reduced. And the water consumption is an amazing 86% lower than for new polyester.



"I am a Schöffel partner because it is important to me that resources are conserved in the production of my clothing. This includes the use of sustainable materials, the durability of the products and fair working conditions. For me, product quality therefore goes beyond pure function."

*Schöffel Athlete
Gerlinde Kaltenbrunner
Professional mountain climber*



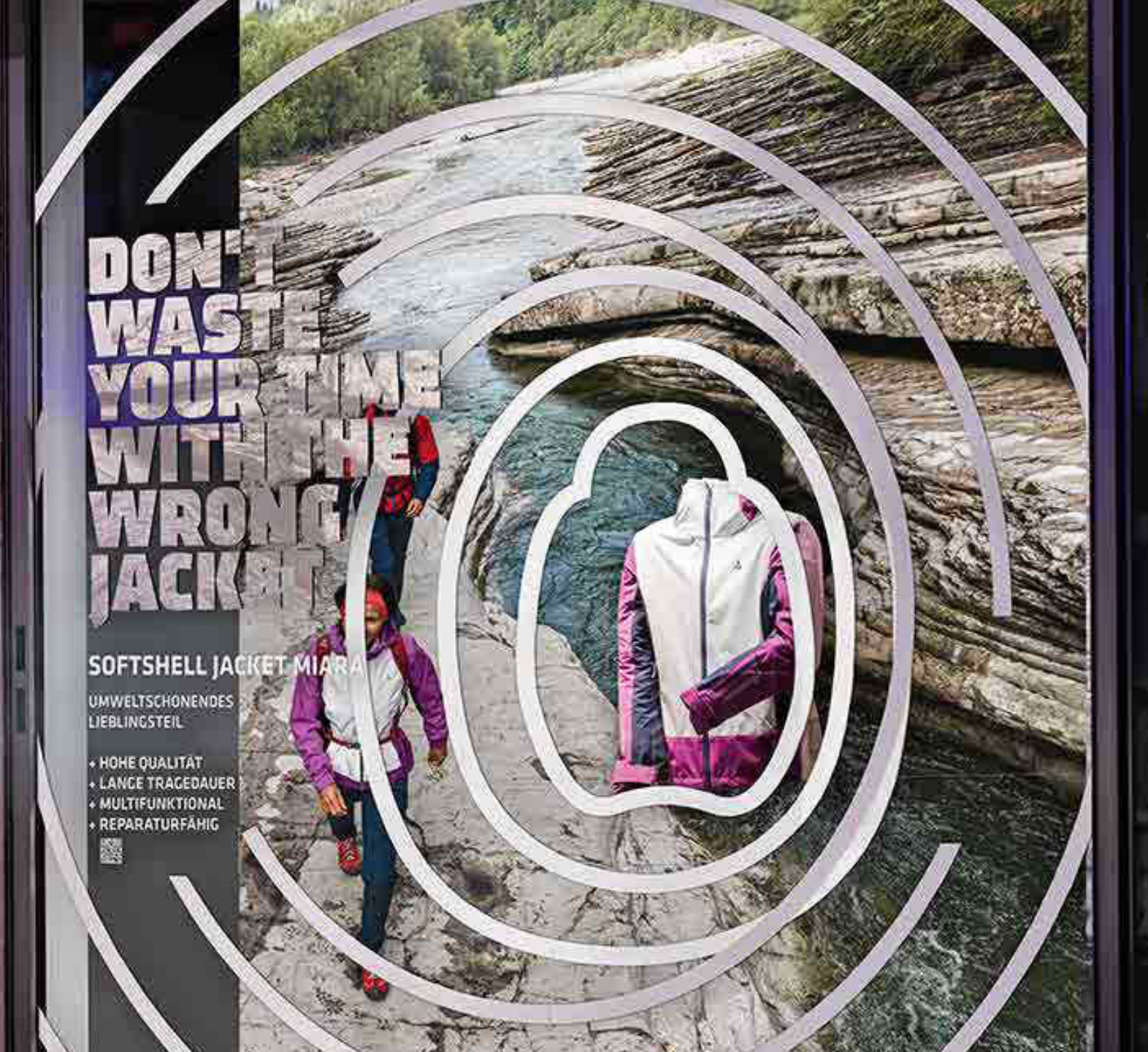
SUSTAINABILITY IN THE SHOP WINDOW

The family company, which is today run by Peter Schöffel in the seventh generation, stands for tradition and enduring values, but at the same time is also an innovative brand that is constantly evolving. This is significant, because Schöffel is in touch with all the latest trends and is committed to acting responsibly towards the environment. In this respect, the outdoor brand also wants to draw its customers into the spell of sustainability and to develop the point of sale into a point of experience. Sustainability is far from being a trend for Schöffel – it is a way of life and a question of attitude.

Schöffel has collaborated with DFROST, the lead agency for the point of sale, on the development of a sustainable shop window concept. DFROST is concerned with helping with changes in the retail industry and bringing the company a step closer to its desired goal. With this strategy, Schöffel conveys the inspiration, innovation and excellence of the brand at the point of sale as well. The brand's authenticity and sincerity is also communicated in the awareness of the vision of becoming the love brand and no. 1 for outdoor, ski & bike.

The shop window concept already received the VMM's Sustainability Label in the autumn of 2021. The focus is on the temporary staging of brands and products. Raw materials, country of origin, transport routes, processing, period of use, and disposal options are all evaluated. The overall package has to be right before the VMM Sustainability Label is awarded.

The sustainability strategy "from the store to the shop window" is a good start to communicating the environmentally-aware topic at the POS and being a role model for other brands. Furthermore, the strategy illustrates that product displays can also be implemented extremely well with environmentally-friendly materials that can be used in a variety of ways in the various seasons. The productions can also be designed to conserve resources. Every step that generates less CO₂, consumes fewer fossil resources and is less problematic to dispose of, is a step in the right direction.





USING ENERGY MORE WISELY ENVIRONMENTAL MANAGEMENT AT THE SCHWABMÜNCHEN SITE

Schöffel has been headquartered in Schwabmünchen since 1804. Its long history in the local area has made the company particularly conscious of its responsibility towards its immediate environment. That's why Schöffel attaches great importance to saving resources in its business operations.

The current headquarters on the outskirts of the city were moved into in 1980 and have been continuously expanded and remodeled since then. In 2011, the largest expansion to date of the production and work facilities took place. Schöffel has been purchasing 100% climate-neutral green gas for heating at the Schwabmünchen location since 2019. 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.



TARGETS THAT SCHÖFFEL ACHIEVED IN 2021

Schöffel has pursued and largely achieved the targets set for 2021 with tremendous commitment. One of the positive results is that more than 98,27 % of the production volume is made in factories that have undergone a social audit or are in low-risk regions.

TARGETS	MEASURES I IMPLEMENTATION
Maintain the high rate of 90% of the volume of production from factories that have undergone social audits within the past three years or are located in low-risk regions.	In 2021, Schöffel obtained 98,27 % of its production volume from factories that had been audited in a social audit within the past three years and so work with Schöffel on continuous improvement measures or are located in low-risk regions.
Continue the Living Wage project in Myanmar.	In 2020, Schöffel and another FW member brand launched another living wage project with a partner in Myanmar. Due to the corona pandemic and lockdown, the project had to be held back until the situation relaxed a little.
Create a CO ₂ balance for 2020.	<p>With the assistance of climate consultants ClimatePartner GmbH, Schöffel created a CO₂ balance for 2020 that includes all CO₂ emissions that Schöffel causes directly (e.g. fleet) and indirectly (e.g. logistics & supply chain).</p> <p>The Schwabmünchen location has been climate-neutral since the beginning of November 2021. All of the 537.57 tonnes of CO₂ emissions caused at Schwabmünchen have been compensated / offset with the support of the following climate protection projects:</p> <ul style="list-style-type: none"> • Reforesting, Rio Kama, Nicaragua • Regional projects, tree planting, Germany • Wind energy, Salodi, India
Create a climate protection strategy as well as a plan of action to reduce and compensate for carbon emissions.	The climate protection strategy, targets and the plan of measures to reduce the CO ₂ emissions caused was created in 2021. The measures will be implemented over the coming years.

TARGETS	MEASURES IMPLEMENTATION
Increased networking with the Schöffel office in Vietnam and support with processing the Corrective Action Plans by staff in Vietnam in order to further improve control in the local factories.	Compliance with social standards in the factories is being checked more during the regular visits by local Schöffel staff from the office in Vietnam. Furthermore, staff will continue to be trained in the processing of what are known as Corrective Action Plans in order to control the social standards in the factories more closely by supporting them during processing. Stronger links to the Schöffel office in Vietnam allowed us to gain a real insight into the respective situations at the factories, especially during the corona pandemic, and adopt the appropriate guidance or support measures when necessary.
Continued participation by producers in the Fair Wear Workplace Education Programme with the aim of facilitating employees' access to complaint mechanisms and improving communication between management and staff.	Schöffel had again planned a number of these training sessions in 2021, but due to the COVID-19 pandemic and travel restrictions, Fair Wear was unable to complete all of them.
Compare the existing country risk analyses with the "12 sector risks" of the Textile Alliance.	The existing country risk analyses were compared with the "12 sector risks" of the Textile Alliance. The country analysis of the producers' strategy was then supplemented accordingly with further social and ecological risks.
Further develop the producers' strategy by supplementing various key figures for social and ecological risks.	The producers' strategy was further adapted in 2021 and various figures for social and ecological risks added to it.
Continue the as-is recording / evaluation for the equal treatment of gender and increase in awareness among the producers.	Due to the Corona pandemic and lockdown, continuation of the evaluation had to be held back until the situation had relaxed a little. In 2021, the focus was on the individual producers' and countries' current situation. To that end, we developed a special COVID-19 questionnaire based on the Fair Wear dossier, which producers have regularly been completing since the beginning of the pandemic.
Continue the project Creation of a Supplier Portal for Suppliers.	The creation of the supplier portal continued; minor adjustments and preparations were programmed in the system and implemented. The project was delayed by the corona pandemic. The portal will be programmed in 2022 and the first partners connected.
Continue the regular queries and complete the COVID-19 overview in order to be informed on the current status of each producer and country and to be able to respond accordingly.	Regular (monthly) queries regarding the current situation in a particular country and factory were again issued in 2021. This meant that Schöffel was always up-to-date with regard to the current situation in a country and the producers, and was able to respond appropriately.



OBJECTIVES THAT SCHÖFFEL IS STRIVING FOR IN 2022

Sustainability and social commitment are a continuous process for Schöffel. This means that we focus on constantly striving to improve rather than on what we have achieved. Schöffel has long since set the next summits for 2022. Achieving its targets for 2022 continues to depend heavily on the further development of the impact of COVID-19.

Maintaining the high rate of 90% of the volume of production from factories that have undergone social audits within the past three years or are located in low-risk regions.

Continuation of the actual reception / evaluation for the equal treatment of gender and increase awareness among the producers.

Continued participation by producers in the Fair Wear Workplace Education Programme with the aim of facilitating employees' access to complaint mechanisms and improving communication between management and workers.

A stronger connection to the Schöffel office in Vietnam and handing over the processing of the Corrective Action Plans to local staff in order to further improve checks and the duty of care in the local factories, as they are regularly on site in person and communicate in the local language.

Creation of a CO2 balance for 2021.

Climate neutrality within the entire company including the supply chain from 2025 (through prevention, reduction & CO2 offsetting).

50% reduction in CO2 emissions within the entire company including the supply chain by 2030.

Performance of overtime and wage analyses with all producers (except low-risk).

Obtain chemical inventories from all active Tier 4 producers and Tier 2 suppliers.

Continuation of the Living Wage project.

Continuation of the regular queries and addition of the COVID-19 overview in order to be informed on the current status of each producer and country and to be able to respond accordingly.

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