



SUSTAINABILITY REPORT 2022





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

*"We are an important generation
that can still make a difference."*

Schöffel athlete
Roman Rohrmoser
MTB Guide & Freerider
Bike Explorer, photo and video artist



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FOREWORD

Dear Reader,

Ever since we produced our first pair of hiking pants over 50 years ago, as a brand we have pursued the aim of ensuring our end consumers have an unforgettable outdoor experience. We see man and nature as a unit, and as a family company are we aware that we must preserve what we love for future generations. Understanding that everything we do or don't do today will eventually come back to us, we have embedded sustainability in our corporate philosophy.

Let's be honest: Schöffel is not a company whose products offer any immediate changes in the field of sustainability. But we can make sure we produce our offer more sustainably. And we can sensitise our customers to conscious consumption as well as to handling nature with care.

Today, our sustainability strategy comprises four areas: product; the environment; sustainable services, and social. We dedicate ourselves to each topic with the same urgency.

Twelve years ago, we decided to become a member of the Fair Wear Foundation. Since then, we have achieved Leader status eight years in a row. In this area, we put our trust in long partnerships and a high degree of transparency. With this in mind, we publish this Sustainability Report every year, which provides a comprehensive insight into what we do.

Thank you for joining us on the journey!

With best wishes,

A handwritten signature in black ink, appearing to read 'Peter Schöffel'.

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



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

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 11,6 %

Asia 82,67 %

Afrika 5,72 %



1,75

million items produced in 2022 (brand and Professional Wear without Schöffel PRO)

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

Commitment to CSR and sustainability: Member of the Fair Wear since 2011, leader status since 2014; bluesign® system partner; member of German Partnership for Sustainable Textiles and climate neutral at the company's headquarters



37

Schöffel-LOWA
Stores



Managing Partner: Peter Schöffel
CEO SPORT: Stefan Merkt
CEO PRO: Thomas Bräutigam



Sales in 20
countries
(Europe & Asia)

43 %

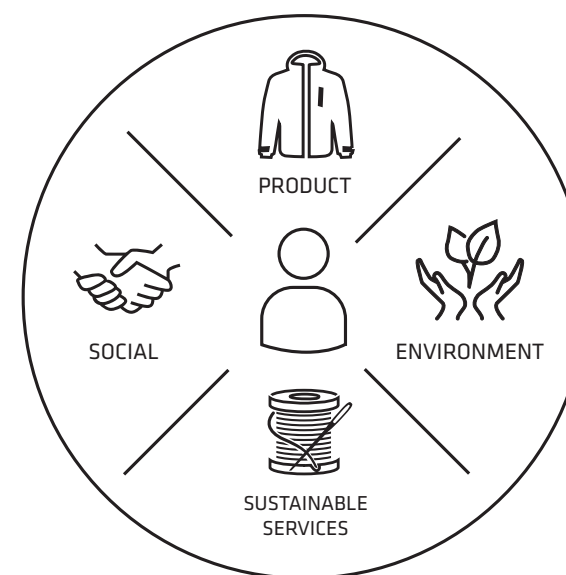
export sales

"I see the careful and considerate use of resources as a central key to sustainable management. I believe companies have a responsibility to the next generations. As a family company, Schöffel supplies high-quality products and faces up to this challenge. This connects us as partners."

*Schöffel athlete
Benni Raich
2x Olympic Champion, 3x World Champion*

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.

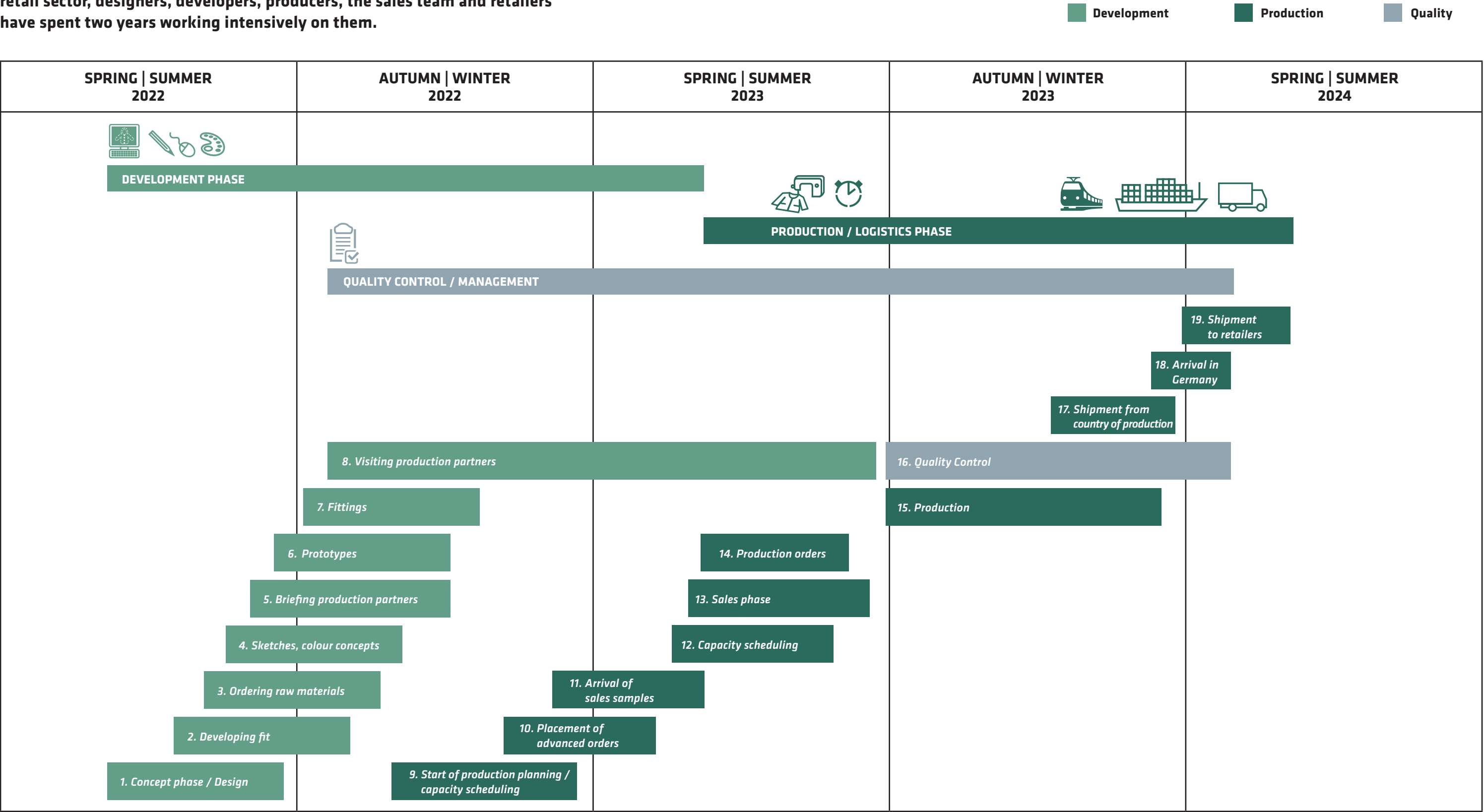
In addition to all internal efforts, we also fulfil our duty of transparency towards the customer and offer support so that our products can be worn for as long as possible: The Schöffel Service Factory repairs, impregnates and alters garments to extend their service life.

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.

PRODUCTION CYCLE

SUMMER 2024 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.





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:



 **SCHÖFFEL**
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...

4221 Repairs carried out at the Service Factory in 2022. 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.



252
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.



RESPONSIBLE PROCUREMENT AT SCHÖFFEL

Responsible procurement is the basis for the successful implementation of environmental and social standards along the entire supply chain. Schöffel works together with production partners who manufacture the company's high quality products. Schöffel's focus here is on long-term, partnership-based cooperations – the key to socially responsible production.

Schöffel works together with its producers to improve working conditions in production and provides the necessary framework. Schöffel, for instance, works in close contact with its production partners from the planning stage in order to avoid excessive overtime resulting from inadequate coordination.

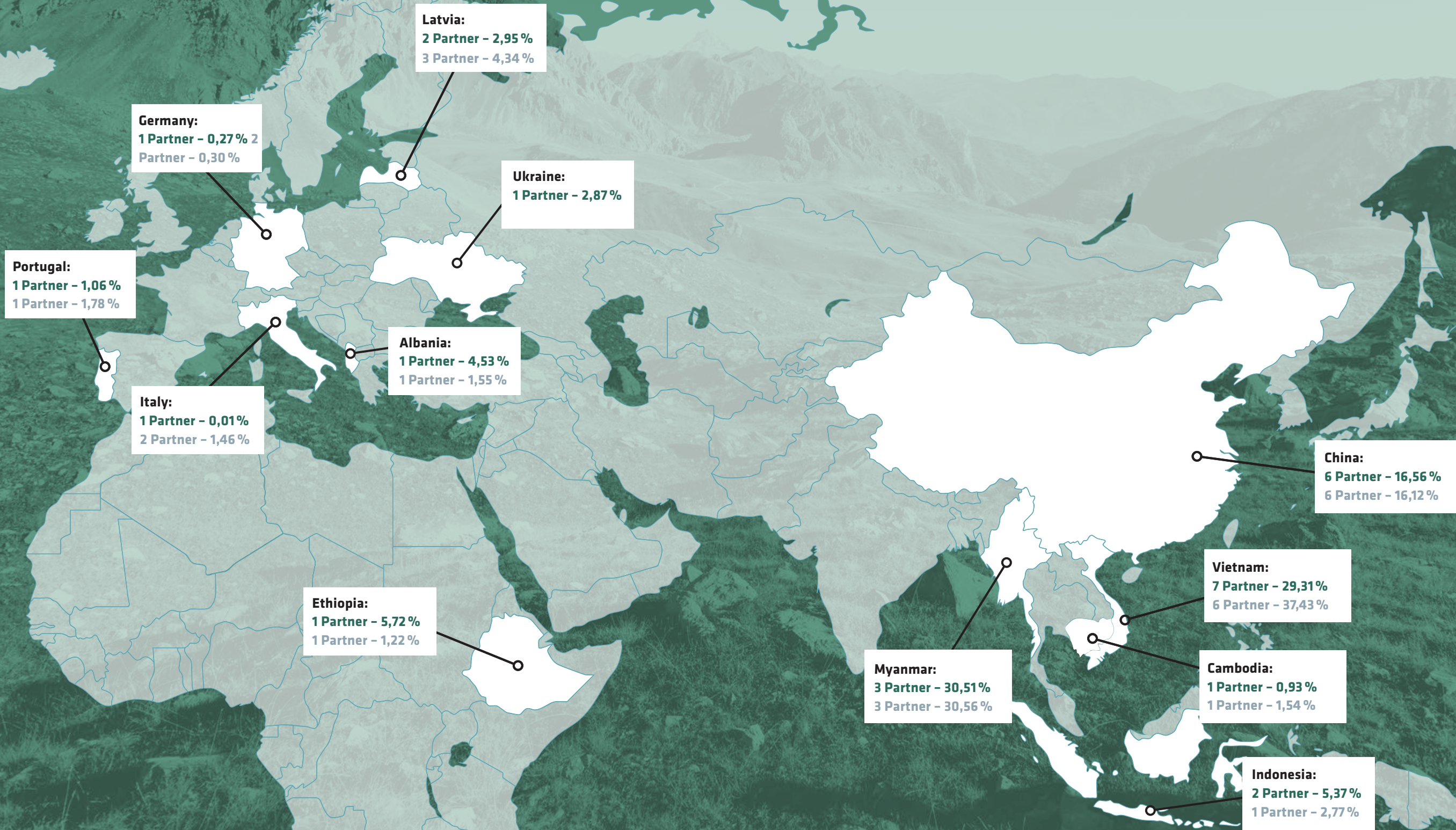
From time to time, new production sites, possibly also in new sourcing countries, may be added for strategic reasons. It is also possible that the cooperation with a particular factory or producer is terminated. Here, too, the reasons could be of a strategic nature on Schöffel's or the producer's part, but by the same token could also be down to a lack of willingness on the part of the producer, or specifically of the factory, to improve social standards. As a matter of course, Schöffel follows a responsible approach when terminating a business relationship. The basis for decisions in the context of procurement is an in-depth risk analysis and risk assessment.

In 2022, Schöffel worked with 16 partners in a total of 27 factories. The greatest proportion of its manufacturing took place in Asia, followed by Europe and Africa. Cooperations with two new production facilities also began in 2022. The new production facilities were expanded with a partner of long standing as the result of an increase in demand. In January 2022, Ukraine was added as a new procurement country. The planned long-term production arrangement with a partner factory of Schöffel's producer in Indonesia had to be abandoned. Due to a lack of capacity for Schöffel products in the future, there was a one-off production there in 2022.

GLOBAL PRODUCTION FACILITIES

● Production volume 2022


● Production volume 2021



OVERVIEW OF PRODUCTION PARTNERS 2022

Continent	Factory name	Location	FW low risk	Collaboration in years	FWF questionnaire
Europe	Walter Stöhr GmbH	Germany	yes	25	yes
	Silsa Confeções, S.A.	Portugal	yes	7	yes
	Spectre Latvia Rezekne	Latvia	yes	13	yes
	Spectre Latvia Aizkraukle	Latvia	yes	4	yes
	Stamperia Alice S.R.L	Italy	no	15	yes
	PJSC Chernihiv Clothes Factory (Elegant)	Ukraine	no	1	yes
	Albaconf shpk	Albania	no	2	yes
Asia	Weijie Garment Co. Ltd. / ASI headwear (Shanghai)	China	no	6	yes
	Nordsun Outdoor Products Co. Ltd.	China	no	9	yes
	Chaohu Youniya Garments Co., Ltd.	China	no	5	yes
	Liwaco Outdoor Sporting Goods Co. Ltd.	China	no	24	yes
	Shicheng Hairun Garments Co., Ltd	China	no	3	yes
	Silk Trend Garments Co. Ltd. (Ningbo)	China	no	9	yes
	Magictex Co. Ltd.	Vietnam	no	6	yes
	PS Vina	Vietnam	no	16	yes
	Kido Vinh	Vietnam	no	11	yes
	Shints TM Co. Ltd. (Quoc Khan)	Vietnam	no	11	yes
	Shints-BVT Co. Ltd.	Vietnam	no	16	yes
	Spectre Garment Technologies Co. Ltd.	Vietnam	no	7	yes
	Spectre Garment Technologies Vietnam - Thai Binh	Vietnam	no	1	yes
	North Shore Group Co. Ltd (NSGII)	Myanmar	no hr	6	yes
	Ceres Enterprises Ltd (NSGI)	Myanmar	no hr	6	yes
	Kido Yangon Co. Ltd.	Myanmar	no hr	5	yes
	Sheico (Phnom Penh) Co., Ltd.	Cambodia	no	4	yes
	PT Anggun Kreasi Garmen	Indonesia	no	3	yes
	PT Pinnacle Apparels	Indonesia	no	1	yes
	Shints ETP Garment P.L.C.	Ethiopia	no	8	yes
Summe				8,11	100 %

% purchasing volume	Factory visits 2022	Audit	CAP Status	Training
0,27	no	n.v.	n.v.	n.a.
1,06	no	n.v.	n.v.	n.a.
1,60	no	n.v.	n.v.	n.a.
1,35	no	n.v.	n.v.	n.a.
0,01	no	December 21	almost completed	n.a.
2,78	no	n.v.	n.v	n.a.
4,53	no	November 21	almost completed	no
0,26	no	December 21	almost completed	Jul 21
9,41	no	November 21	open	Dec 22
0,79	no	June 19	completed	Oct 20
3,29	no	March 22	open	Oct 21
0,01	no	September 20	completed	Dec 21
2,80	no	October 20	partially open	Oct 19
3,23	yes	November 22	partially open	Dec 22
5,25	yes	March 22	partially open	Dec 19
4,70	yes	March 22	completed	Oct 22
0,11	yes	June 22	partially open	Nov 20
12,12	yes	October 20	partially open	Dec 19
2,36	yes	October 22	partially open	Jun 20
1,55	yes	August 22	partially open	n.a.
4,25	yes	July 22	partially open	Oct 22
7,19	yes	July 22	partially open	Nov 22
19,07	yes	July 22	partially open	Dec 22
0,93	yes	December 20	partially open	Jan 20
4,10	yes	October 21	partially open	Dec 20
1,27	no	n.v.	n.v.	n.a.
5,72	no	September 19	completed	n.a.
100 %				



STATEMENT ON OUR STRATEGIC APPROACH TO PRODUCTION IN UKRAINE

We have been shaken to the core by the Russian attack on Ukraine and the dramatic consequences for the civilian population. We condemn President Vladimir Putin's unprovoked war of aggression in the strongest possible terms. Unable to influence the further political and military conflict, we feel all the more obliged as a value-oriented family business to contribute to the ecological and social development of the economy and society as well as to respectful cooperation. We extend our deepest sympathy and solidarity to the people of Ukraine. We feel a special responsibility to the 350 seamstresses who supply products to our partner Spectre in the city of Chernihiv in northern Ukraine.

In February 2022 we were obliged to halt production, which we had just started with our long-standing partner Spectre in the northern Ukrainian city of Chernihiv for safety reasons. This was primarily to avoid endangering the lives of the local employees. Since then, Schöffel has supported Spectre by all available means and has been in regular contact in order to remain informed of the current local situation. No orders were cancelled to avoid causing an additional financial burden. The regular participation in multi-stakeholder round tables with the Fair Wear Foundation enabled us to enter into the necessary and at the same time intensive exchanges with actors from civil society and the two FW members Mammut & Ortovox, who also have their clothing produced in Chernihiv.

We also considered the conditions under which production could be resumed and developed a holistic re-entry strategy with Spectre. The date for a new start in production came in July 2022: the factory was not damaged in the attacks, and all employees are well. The front line is far enough away, as fighting is currently concentrated in the east and south of Ukraine. Training was given for the event of an attack in order to ensure a rapid evacuation of the factory. We also ensured that quickly accessible shelters are available. All employees will continue to receive their salary, and there is no obligation to go to work.

For these reasons, Spectre has resumed production on a moderate level. This is the best support we can offer the workforce and the Ukrainian people – jobs and income to help families return to a more normal life as long as there is peace in the region.

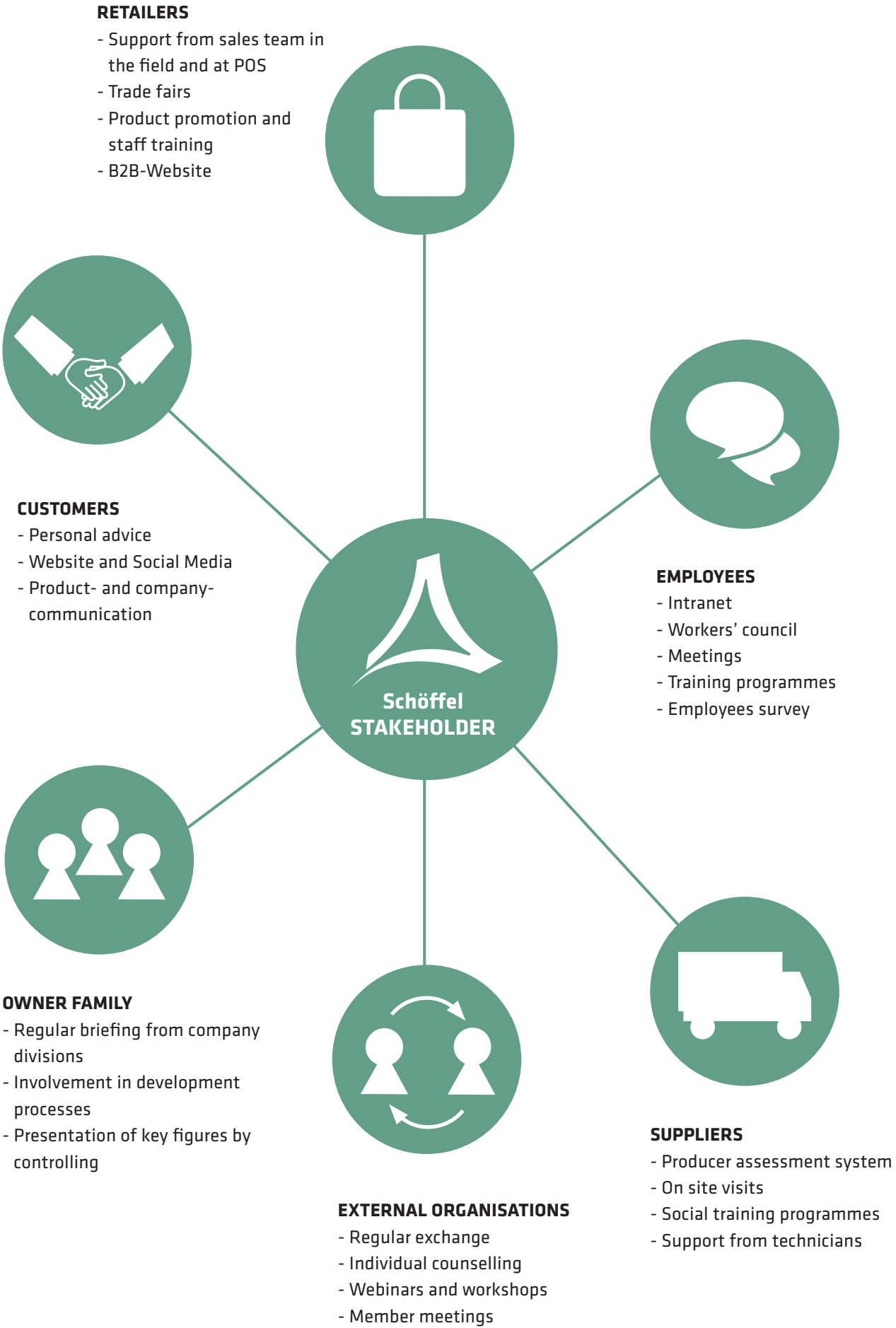
THE SCHÖFFEL STAKEHOLDER DIALOGUE

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.

Schöffel stakeholders are people and groups who are directly connected with the company, including the Schöffel family and employees, as well as dealers, suppliers and customers, and external organisations with which Schöffel works directly. 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



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."

*Schöffel athlete
Ralf Dujmovits
Professional mountaineer*



CORRECTIVE ACTION PLAN AND TRAINING SESSIONS

WHAT EXACTLY IS A CORRECTIVE ACTION PLAN (CAP)?

Every audit report includes what is known as a CAP, a Corrective Action Plan. This consists of a table with a clear overview of the results, each of which is assigned to one of FW's eight social standards (p. 34). At the same time, the CAP contains realistic, effective and measurable suggestions and targets for improvements within a fixed time frame. So if, for instance, the amount of overtime a particular company had worked was questionable, then the CAP would list it under the criterion "reasonable working hours" along with a

detailed description of the problem and the corrective measures. The CAP would be sent to the producer for processing. The producer would then integrate the implemented or planned measures for improvement and image credits, which Schöffel would then check and, if necessary, discuss with the producer. So the CAP is the concrete working basis as well as a protocol of the progress of the measures for improvement.



WHAT HAPPENS IN THE TRAINING?

One long-term goal is to implement an appreciative communication culture in the factories. An open dialogue between employees and factory management is the basis for the joint and continuous improvement of working conditions. For a good communication culture, employees must be informed of their rights on the one hand while the factory management must implement processes for dealing with complaints on the other. These principles are

part of the FW's Workplace Education Program (WEP), which must be attended by at least 10 % of the workforce for a sustainable reach. As these sessions are an important, and above all efficient tool for strengthening existing improvements and initiating further ones, Schöffel enables its producers to attend. In addition, a number of providers (SMART Myanmar; FW) also provide seminars on specific topics.

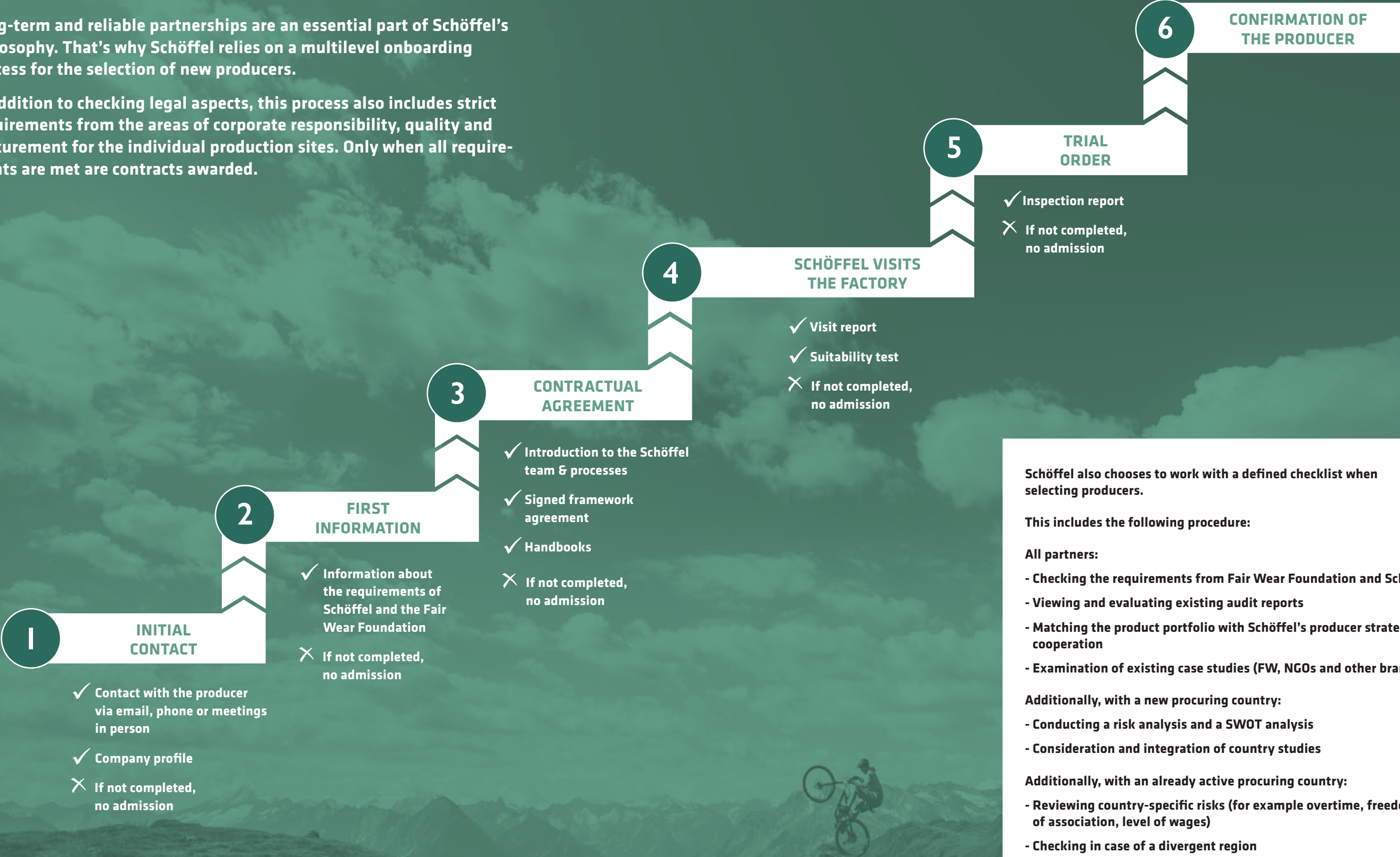
Schöffel had planned various training measures for several producers in 2022, but due to the COVID-19 pandemic and the existing travel restrictions, it was not possible to conduct all of them. Yet despite the difficulties, five producers did attend the training sessions and/or special workshops.

However, it is not just the training of our producers and their employees that is important to us – so too is the sensitisation of our staff here at Schöffel. That is why all Schöffel staff are regularly informed of social standards and FW requirements and new employees specifically introduced to the topics.

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 addition to checking legal aspects, this process also includes strict requirements from the areas of corporate responsibility, quality and procurement for the individual production sites. Only when all requirements are met are contracts awarded.



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

With the democratic progress in the 2010s, Myanmar has become an important manufacturing country for the garment industry. The production plants in the country have a great deal of experience and know-how in manufacturing and have proven themselves to be reliable partners for the industry. Schöffel has also been producing in Myanmar since the end of 2017.

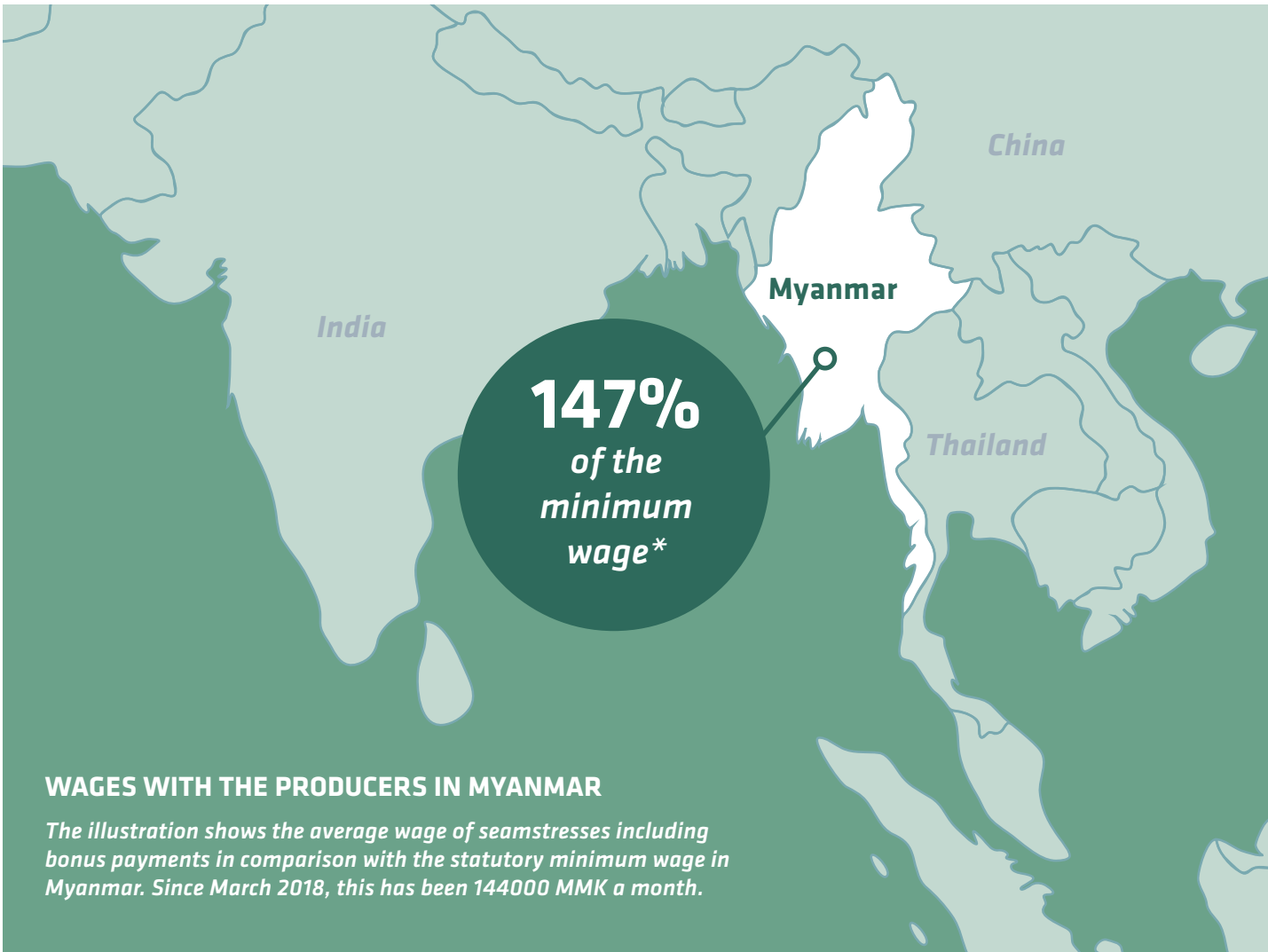
At the beginning of February 2021, the military coup destroyed much of the democratic and also economic progress and achievements of recent years and Schöffel is following the political events with great concern. At the same time, Schöffel is aware of his responsibility. From the company's point of view, an immediate withdrawal with the purpose of reducing its own risk would not be in the interest of the workers, who hope for a stable future in both political and economic terms.

For example, Schöffel has taken numerous measures since the beginning of the military coup in order to continue to fulfil its duty of care as best as possible despite the critical situation. Schöffel maintains an intensive and regular exchange with its production partners in Myanmar and ensures that its own activities do not contribute to human rights violations or have any connection with the military. The company's principles and values also include freedom of expression, freedom of association and the right to strike, as well as a permanent improvement in working and production conditions for workers.

Schöffel produces in three factories in Myanmar that are owned by long-term production partners (see overview on page 20). Prior to the start of the cooperation, a strict onboarding process specifically designed for Myanmar took place. The factories with which Schöffel cooperates have no connection with the military. All three factories are 100% owned by investors from

Taiwan and South Korea. Schöffel maintains particularly close cooperation with its production partners in Myanmar in view of the current situation. Schöffel supports its producers in the implementation of social standards and in making necessary improvements. To this end, Schöffel is involved in intensive exchanges with the management of its production partners and factories, and is also regularly present in the factories on site. In particular, the regular visits by the local Schöffel technician play an important role.

Through her knowledge of the local language and the local conditions, she contributes significantly to the implementation of due diligence in the production sites. Another important component of due diligence is a functioning complaints mechanism for workers (page 48). In addition to regular consultation with Fair Wear, Schöffel is in intensive exchange and close cooperation with other brands that also produce through partners in Myanmar.



RESULTS AUDITS IN MYANMAR

In 2022, external audits were carried out at all three production sites to check compliance with social standards. Based on the results of these audits, improvement measures were developed together with the production partners and their implementation was worked on. In this context, various specific trainings took place. The implementation of the improvement measures is closely monitored.

Schöffel strives to support the factories in optimising existing management systems in order to make processes more effective and to create a suitable documentation basis and functioning communication channels. By revising communication structures and communication methods, for example, incidents in the area of discrimination are to be prevented in the future and complaints mechanisms are to be strengthened. The promotion of employee representation is also a central element. Another focus is on the avoidance of excessive overtime and the observance of days off. Working overtime on a voluntary basis and respecting break times are central to this. Together with the producers, it has been worked out how health and safety standards can be expanded and how they can be improved.

initial measures have been implemented. In the course of an audit, it became apparent that one producer had there were isolated violations of the payment of minimum wages. This was immediately addressed and resolved. Likewise, there were discrepancies in contracts of workers:inside these producers after the probationary period, which were also dealt with.

Many improvement measures have already been successfully implemented. Together with other brands, Schöffel is continuously working on supporting its producers in the implementation of points that are still open.



ACTIVE AGAINST CHILD LABOUR

Schöffel pursues compliance with social standards with great due diligence. If, despite all efforts, a breach of the rules occurs, Schöffel acts quickly, consistently and transparently in cooperation with its partners. For example, during an assessment of labour standards at the end of September 2022, cases of child labour came to light at a production partner in Myanmar. The partner immediately informed Schöffel that children and young workers between the ages of 13 and 18 were unknowingly being employed in production, who had identified themselves with forged documents in the application process.

In cooperation with Fair Wear and other locally producing brands, and in close exchange with the producer, Schöffel immediately took all the necessary steps specified for this case: The children were taken directly out of the work area and handed over to their parents. The brands have jointly commissioned an

independent expert organisation to investigate the situation and, together with the producer, are ensuring that the children and their families receive long-term support in the specific cases. The young workers have also received special training explaining their rights in the workplace. Furthermore, measures were implemented to ensure compliance with the standards for young workers, which are now regularly monitored. In addition, processes and systems at the factory management level, such as the recruitment process and age verification, have been revised to ensure that child labour does not happen again there.

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.



Employment is freely chosen

There shall be no use of forced, including bonded or prison, labour. (ILO Conventions 29 and 105).



There is no discrimination in employment

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)



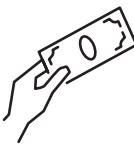
No exploitation of child labour

There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years." (ILO Convention 138) "There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Children [in the age of 15-18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals." (ILO Convention 182)



Freedom of association and the right to collective bargaining

The right of all workers to form and join trade unions and bargain collectively shall be recognised. (ILO Conventions 87 and 98) The company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions. (ILO Convention 135 and Recommendation 143)



Payment of a living wage

Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income. (ILO Conventions 26 and 131). Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.



No excessive working hours

Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate. (ILO Convention 1)



Safe and healthy working conditions

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimise health risks as much as possible (following ILO Convention 155). Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer is strictly prohibited.



Legally binding employment relationship

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programmes.



Secure workplace: cut-resistant gloves for cutting



HUMAN RIGHTS DUE DILIGENCE IN PRODUCTION AT SCHÖFFEL

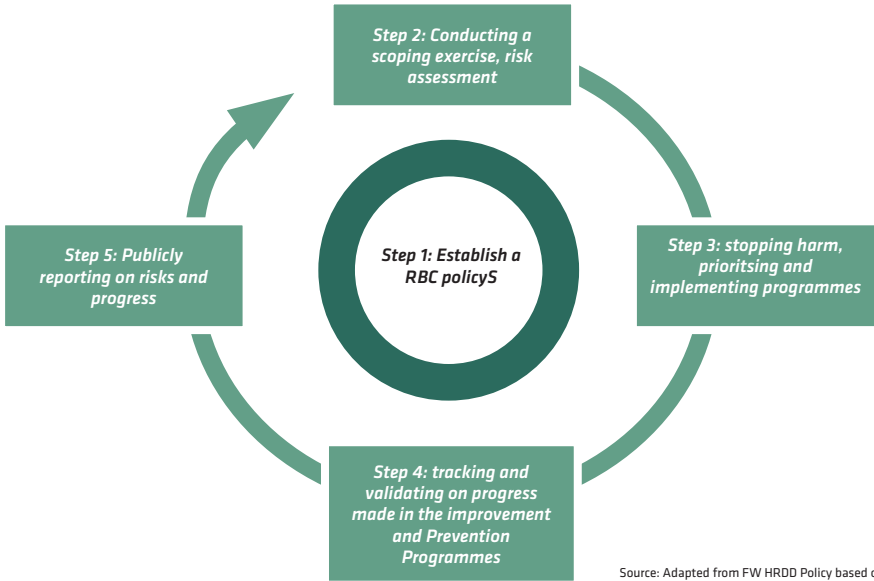
For Schöffel, social responsibility means fulfilling its own due diligence in the best possible way. In doing so, Schöffel is guided by the OECD (Organisation for Economic Co-operation and Development) due diligence cycle.

At Schöffel, the process surrounding compliance with due diligence consists of five core elements. At the centre is the anchoring of responsible business practices in what is known as a Responsible Business Conduct (RBC) policy. In it, Schöffel details its commitment to human rights due diligence and compliance with international standards and explains the implementation in the company. It also states its expectations of suppliers with regard to their compliance with social standards. This RBC Policy was developed in 2021.

As part of a comprehensive risk scoping including country studies and stakeholder information, Schöffel regularly identifies potential risks. The focus is on sectoral risks of the textile and clothing industry in the procurement countries. Potential risks that may arise from Schöffel's business and procurement model are also recorded. In addition, Schöffel identifies factory-specific risks and negative impacts on human rights, based on the results of third-party audits, factory visits by Schöffel staff, and dialogue with producers. Received complaints and other stakeholder

information are also included. The potential, general and factory-specific risks and the actual negative impacts are combined as part of a risk assessment at factory level. Although in the past the focus was on identifying potential risks in the procurement countries, in 2022 there was a greater focus on factory-specific risks.

Based on this assessment, the aim is to implement individual measures for improvement and to develop preventative measures. In the next steps, these programmes are to be based even more closely on the factories' individual requirements. These measures and activities are monitored and regularly reviewed by Schöffel staff or with the assistance of external partners. While Schöffel staff consistently follow-up on measures for improvement, there is also to be more dialogue on training in the future. For instance, in the context of this sustainability report, Schöffel reports publicly on existing risks and any possible negative impacts on human rights and on the progress achieved towards minimising them. This has been an integral part of Schöffel's communication for years.



Source: Adapted from FW HRDD Policy based on OECD due diligence cycle



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 STAKE- HOLDER DIALOGUES

- Active membership in industry initiatives such as FW
- Regular exchange with stakeholders (round tables, multi-stakeholder meetings)
- Partnership-based cooperation with suppliers
- Regular exchange with suppliers
- Cooperation with other brands

TRAINING, MONITORING, IM- PROVEMENT MEASURES

- Regular risk assessment
- Onboarding of all production facilities
- Audits (FW teams, certified auditors)
- Visits to the companies by Schöffel employees
- Implementation of corrective measures
- Training programmes

TRANSPARENCY AND VERIFICATION

- Completion of questionnaires
- Annual reporting in the sustainability report
- Annual Brand Performance Check by FW
- FW verification audits
- Publication of complaints
- Communication on social standards on the product, on the website and via social media



CORPORATE RESPONSIBILITY MANAGEMENT: AN ESSENTIAL COMPONENT AT SCHÖFFEL

The topic of sustainability is of essential importance, and in the textile and garment industry in particular has become a key consideration. For years, Schöffel has been running a Corporate Responsibility Management (CR) system in order to make sustainable and responsible decisions. This includes various areas such as Product, Social, the Environment, and Sustainable Services. In the following, we take a look at the work of Mirjam Krönert, Corporate Responsibility Manager for Social Affairs at Schöffel.

At Schöffel, the focus is on the individual. This is not only lived in Schwabmünchen, but also applies to the staff in the factories run by Schöffel's production partners. Safe, fair and appropriate working conditions coupled with the will to develop further are basic prerequisites for Schöffel's cooperations with its producers. As Corporate Responsibility Manager, Mirjam Krönert has been in charge of the company's social responsibility in production area since September 2022. Her focus is on the cooperation with production partners and other stakeholders to ensure and continuously improve social standards in the plants. These standards apply to issues such as living wages, reasonable working hours, and safe and healthy working conditions (see FW Code of Labour Practices p. 34). Schöffel lays the foundations for this with its actions: "Our business and purchasing practices mean we have considerable influence on the extent to which social standards

can be implemented in production companies in the first place. This means it is important for us to act responsibly and so create the foundations for a high level of social standards." Mirjam's aim is to anchor the topic of responsible business practices even more firmly in the individual departments beyond the CR team and to continuously develop internal cooperations in this area. When it comes to working with the producers, she relies on cooperation. "Working together in partnership with our producers and having a certain basis of trust is key for me. Only then can Schöffel fulfil its social responsibility and support its production partners in making improvements." In addition, the cooperation with external stakeholders, such as other brands, initiatives like FW, local stakeholders, NGOs and associations is a central component of their work. "Given the multitude and variety of challenges facing the global textile and clothing industry, the only way to achieve effective solutions, for instance with regard to living wages, is by us all working together."



SCHÖFFEL

AUDIT RESULTS 2022

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 endorse 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.

SO WHAT EXACTLY IS AN AUDIT?

In 2022, nine Schöffel producers underwent these social audits. Audits check the implementation of labour standards in production plants. Schöffel carries out audits of producers via external partners, either through Fair Wear or through a company that specialises in social audits. The respective production plants are examined by auditors on the basis of eight social requirements. 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.



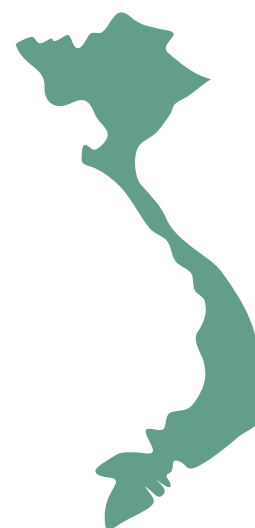
CHINA

According to a 2020 FW country study, China remains the world's largest exporter of clothing, although China's textile and clothing industry is changing. Some of the challenges in terms of social standards are, for example, working hours and remuneration. This is due, for instance, 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. Another challenge is freedom of association, which remains restricted. There is only one state trade union, and independent trade unions are not allowed. The area of health and occupational safety also challenges the producers, which Schöffel is constantly checking. The issue of forced labour is another that is calling for increased attention, especially in the Xinjiang region. Schöffel absolutely prohibits any and all forms of forced labour, as is confirmed by the producers in signing the Code of Labour Practices during the onboarding process. In addition, all Schöffel producers and suppliers are prohibited from using materials, including cotton, that were manufactured or processed in Xinjiang as well as other products or services from the region.



Liwaco Outdoor Sporting Goods Co. Ltd.

Liwaco has been producing clothing for Schöffel for over two decades and was audited again in 2022. The audit noted a number of improvements since the previous audit in 2019. In terms of wage payments and overtime management, there is still room for improvement at Liwaco. The reliable payment of pieceworkers in the event of a shortage of orders needs to be ensured, and excessive overtime needs to be minimised. Although there have been no violations of healthy and safety regulations, there is a need for improvement in the management of protective equipment for workers, fire safety, machine safety and ergonomics.



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 one of the country's largest industries, and so makes a large contribution to its positive economic development. Vietnam is working to improve social labour standards, especially in the field of collective bargaining and freedom of association. At present there is only one state trade union in the entire country, which makes it difficult for the workers to organise themselves and work collectively towards improving working conditions. In 2021 there was a lockdown in some parts of the country due to COVID-19, which in some cases resulted in the temporary closure of factories. Wages were not always paid regularly during this time, and in fact in some cases the support payments were below the

minimum wage. Another issue in the textile and clothing industry is excessive overtime. There are also challenges concerning partly incomplete employment contracts and a low awareness of rights and obligations among workers. Schöffel therefore organises training courses for the staff of its production partners that focus on raising awareness of these working standards.

Shints TM Co. Ltd. (Quoc Khan)

Schöffel has been working with Shints TM (Quoc Khan) for over a decade. The 2022 audit revealed that workers need better instruction in trade unions and how they work; in health and safety standards, and in the company's own policies and regulations with regard to sexual harassment and abuse. FW training is planned for 2023 to specifically inform workers of their rights and to instruct them in social standards. There is also a need for higher transparency between management and workers, and room for improvement with regard to days off and the amount of overtime that may be worked. The audit revealed that the amount of permitted overtime had in some cases been exceeded. Nor were workers given enough days off. However, there have been many improvements since the last audit, including the democratic election of a workforce committee.

Magictex Co. Ltd.

The 2022 audit revealed a number of positive changes since the previous one. In 2019, for instance, it was noted that new employees received no training in health and safety issues when they were taken on. One positive note in the latest audit was that all new workers are now being instructed in these topics. In addition, further training in the FW CoLP, grievance mechanisms and national legislation is needed for existing employees. There is also a need for renewal of the trade union executive committee through free elections. The basis for this is education of the workers in all the relevant processes as well as transparent exchanges between all participants. On the management side, there is a need to adapt disciplinary measures to legal requirements and for closer monitoring of working hours. In future, there needs to be a closer watch on when working hours are exceeded and assurance that days off are given so that every employee is compensated for their professional activities. The audit also showed that support payments for workers during a Corona-related lockdown in 2021 were below the minimum wage. Schöffel is in contact with the producer concerning this issue and all other points where there is a need for improvement.

Spectre Garment Technologies Co. Ltd.

Spectre has a number of production sites all over the world. The company produces items for Schöffel in Vietnam as well as elsewhere. After the last audit in 2020, the decision was made to audit the plant in Vietnam again in 2022. One positive finding was that all members of staff are familiar with the FW Code of Labour Practices and have been instructed in the subjects of occupational safety and complaint mechanisms. The management has a system for monitoring working conditions in place that includes the continuous improvement of compliance. In future, there will be a requirement for the union presidency for the plant to be filled exclusively by workers. In addition, all workers are to be instructed in the existing collective agreement (CBA) and its benefits. The audit also revealed that in two cases workers were not paid while absent due to accidents at work, although this was resolved following the audit in the form of additional payments by the factory. Spectre has also developed measures and is working to comply with legal regulations and limits regarding working hours and days off. The audit also revealed that in two cases workers were not paid while absent due to accidents at work, although this was resolved following the audit in the form of additional payments by the factory.



PS Vina

This factory was also audited in 2022. One positive finding was that this time there had been no excessive overtime during the period under consideration. Another positive aspect was the appointment of a compliance officer to monitor compliance with all the valid regulations in the factory. The audit found that one person on the management team is also part of on the union presidency, which restricts the independence of the union. With regard to working hours, arrangements for breaks need to be integrated in the factory's working regulations, as is required by law. Furthermore, comprehensive recording of working hours and payment of the time tariff during training is required. The FW CoLP are displayed in all workplaces. In the dialogue, the labour standards and complaints procedure of the FW have not yet been consolidated. The corrective action plan is still being followed.

Kido Vinh

So-called "blended monitoring", i.e. an audit in two parts, one online and one on-site, was carried out at Kido Vinh in 2021 and 2022. The virtual part of the audit took place in 2021, and the results were verified again in 2022 in an on-site visit. While improvement measures have been implemented for all the points noted in the virtual audit, it was found during the factory visit that there was no protective eyewear for staff to wear when using the sewing machines at high speeds, and that the protective functions on the punching machines had been switched off. The producer remedied these findings immediately after the audit. Over, Schöffel is very pleased with the results of the audit and the rapid improvement measures adopted by Kido.

THE FAIR WEAR COMPLAINTS SYSTEM

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

Through the Fair Wear complaints system, employees have the opportunity to complain: employees in the production plants have the possibility to directly contact an independent body if a problem cannot be solved internally. 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 inter-

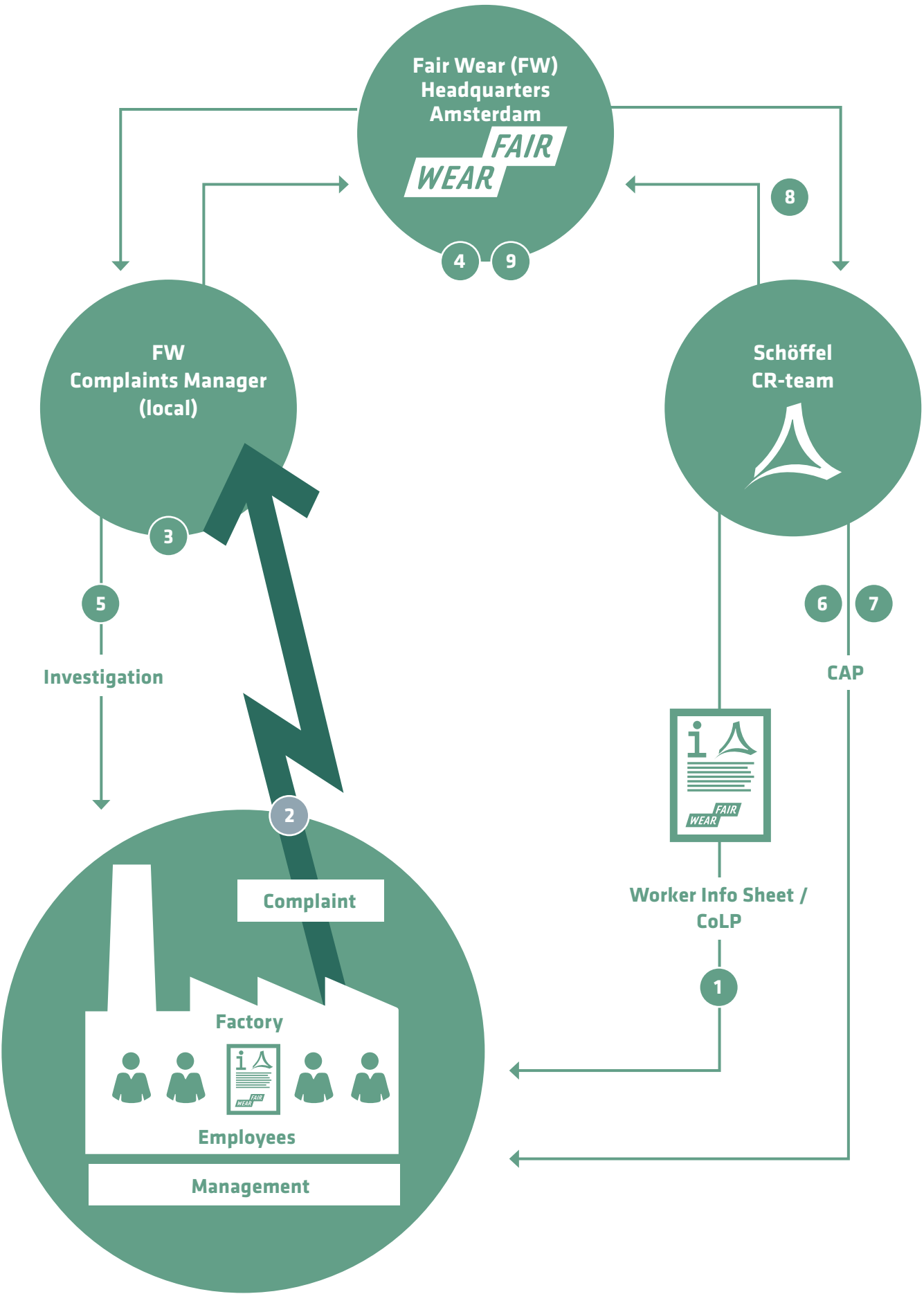
FW and Schöffel take complaints very seriously and are committed to improving the situation rapidly.

views at social audits.

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 2022

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 the employees in the individual companies and other stakeholders 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 2022, five complaints were received via the Fair Wear complaints system, one of which is still under investigation. In addition, one complaint from 2021 was followed up. The receipt of complaints is generally viewed positively, as it shows that more and more employees are exercising their rights. Grievances have to be reported before they can be put right and sustained improvements in working conditions implemented.

Complaints from Vietnam

At the end of 2021, we received complaint no. 1175 from a factory in Vietnam concerning wages and working hours. This complaint was further processed in 2022, and has now been marked "closed" by FW. You will find detailed information [here](#).

Complaints from Myanmar

On 07.02.2022, we received complaint no. 1190 concerning non-discrimination and occupational health and safety. This complaint has been resolved. You will find detailed information [here](#).

Complaint no. 1272 dated 05.08.2022 also concerned occupational health and safety. This complaint has been marked "closed" by FW. You will find detailed information [here](#).

Complaint #1289 was submitted to us on 02.10.2022 and concerns legally binding employment relationships, child labour, wages, and occupational health and safety. This complaint is still under review.

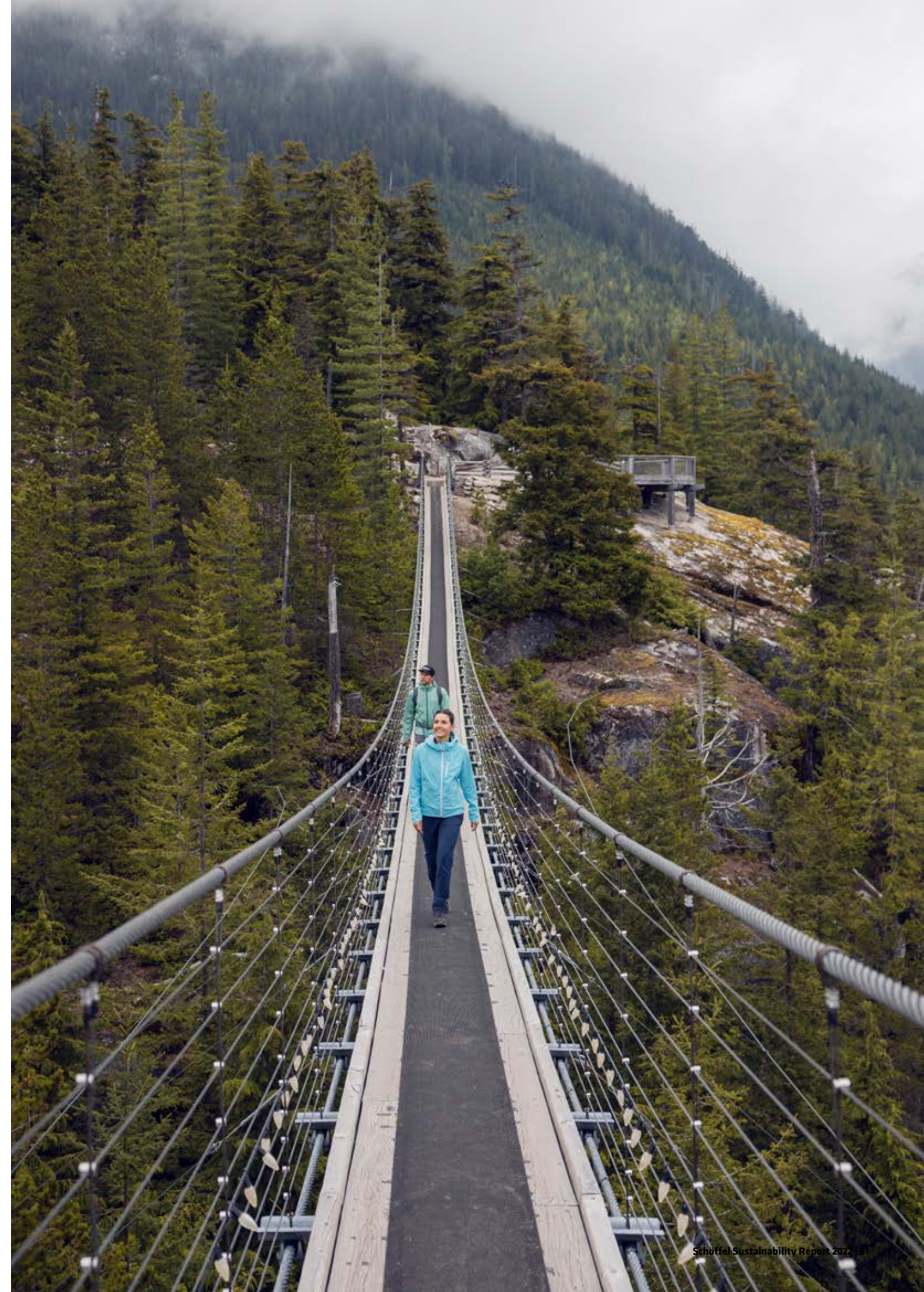
On 24.10.2022 we received complaint no. 1297 concerning the standards of freely chosen employment and wages. The situation was resolved successfully for the complainant. You will find detailed information [here](#).

Complaint no. 1312 dated 29.11.2022 concerned non-discrimination and occupational health and safety. The complaint required further investigation at the end of 2022, and was being processed further in 2023. You will find detailed information [here](#).

The full reports on the various cases can be found under "Complaints" at www.fairwear.org/programmes/complaints



Schöffel has been a committed member of the Fair Wear Foundation since 2011 and consistently pursues its goal of ensuring 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.





ENVIRONMENTAL PROTECTION & STRATEGIC POLLUTANT MANAGEMENT STEP BY STEP TO CLIMATE NEUTRALITY

The topic of sustainability has become an integral part of the textile and garments 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 sustainability 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 a problem for the world. 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 are taking an ambitious approach, and we want to reduce our CO2 emissions by 50% by 2030." For this reason, Schöffel works in a cooperation with the climate protection consultancy ClimatePartner to prepare an annual CO2 balance. This data is 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® System Partner 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 since 1804 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.



"Those of us who ski also have a considerable environmental impact. One more reason for me to accept responsibility and do my utmost to preserve nature for future generations."

Schöffel athlete
Felix Neureuther
5-time World Championship medallist



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 on an almost daily basis. The likelihood of catastrophic floods with devastating consequences, such as in the Ahr Valley in Germany, is increasing. In order to avoid further disasters and limit global warming to 1.5 degrees we must all of us, wherever we are, work together to reduce CO₂ emissions.

As a sustainable family company, Schöffel wants to play its part in this, and has therefore embarked on a journey to become a climate-friendly enterprise. A successful journey requires excellent planning and a well thought-out packing list. Schöffel has therefore brought a renowned partner on board to accompany it as it works towards achieving its climate protection strategy. With the help of the climate consultants Climate-Partner GmbH, Schöffel produces an annual CO₂ balance that breaks down all the CO₂ emissions that are caused directly (e.g. fleet vehicles) 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. Schöffel used it as the base for defining its climate protection strategy and targets last 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 future collections. Schöffel sees a further significant contribution in the fight against the climate crisis in the cooperation with its stakeholders. Because the 1.5° target of the Paris Climate Agreement can only be achieved if we all work together.

All these efforts include the following defined corporate climate protection goals:

- Reduction of CO₂ emissions within the entire company including the supply chain by 2030
- Climate neutrality of selected product lines

Along with these major goals, Schöffel has defined various other sub-goals to support the achievement of the climate protection strategy. For instance, Schöffel will increase the proportion of sustainable models to 40% of the entire collection by 2024. Furthermore, numerous measures have been defined to reduce and avoid emissions in the use of materials, product design, packaging and logistics. The reduction of energy consumption and the use of climate neutral gas for heating and 100% certified green electricity 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 2021 generated emissions of around 700 t of CO₂. Of these approximately 700 t of CO₂, 35% correspond to direct emissions resulting from, among other things, 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 450 t of CO₂ (65%). The largest source of emissions here is the item "Employee commutes" at 50%. Since heating is already purchased in a climate-neutral manner (climate-neutral gas), about 18% of the direct emissions from heat generation at Schwabmünchen are already accounted for offsetting. This means that Schöffel only compensates the CO₂ emissions at Schwabmünchen, which amount to around 700 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 for every tonne of CO₂ compensated 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, obtain transparency with regard to the various divisions and provide an overview of the difference to the previous year. The figures all refer to the previous calendar year. As well as 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 (CO₂e). 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 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. 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.



In principle, Schöffel plans for 95 % of its textiles produced worldwide to reach Germany by ship or rail by 2028.



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. They are used in a wide range of consumer products such as cookware, pizza boxes or textiles, and are also used in high technologies such as fuel cells and in the semiconductor industry.

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.



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

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.



RDS down,
certified by CU 867643

"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*





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 AND ACHIEVEMENTS IN 2022

Schöffel has pursued and largely achieved the targets set for 2022 with tremendous commitment.

TARGET	MEASURES 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.	COVID-19 has made it very difficult to conduct audits over the past three years. Nevertheless, in 2022 we managed to achieve 89.44% of our production volume in factories that have undergone social audits in the past three years or that are located in low-risk regions.
Continue the as-is recording / evaluation for the equal treatment of gender and increase in awareness among the producers.	After the 2021 as-is recording / evaluation was brought to a halt by the pandemic, in 2022 Schöffel focused on determining basic data in the production facilities.
Continued participation by producers in the FW Workplace Education Programme (WEP) with the aim of facilitating employees' access to complaint mechanisms and improving communication between management and workers.	In 2022, staff from five producers attended FW WEP training courses or training offered by other organisations. This reinforced the knowledge and understanding of social standards.
A stronger connection to the Schöffel office in Vietnam and the handing-over of the processing of the Corrective Action Plans (CAP) 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.	Once again, the cooperation with the local technicians on-site was greatly intensified. The technicians are now deeply involved in CR work as well as in quality control. Most of the CAP processing has now been handed over, and so can be followed up even more successfully on-site.
Climate neutrality within the entire company including the supply chain from 2025 (through prevention, reduction & CO ₂ offsetting).	For Schöffel, the focus is on avoiding and reducing the entire company's CO ₂ emissions, as this is considered the most effective measure for climate protection. Furthermore, the CO ₂ emissions of the Schwabmünchen site and selected product lines are already being offset.

TARGET	MEASURES IMPLEMENTATION
Creation of a CO ₂ balance for 2021.	<p>With the assistance of climate consultants ClimatePartner GmbH, Schöffel created a CO₂ balance for 2021 that includes all the CO₂ emissions that are caused directly (e.g. vehicle fleet) and indirectly (e.g. logistics and supply chain) by Schöffel. The Schwabmünchen location has been climate-neutral since 2021. All of the approximately 700 tonnes of CO₂ emissions caused directly at the Schwabmünchen site were offset by supporting 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
50% reduction in CO ₂ emissions within the entire company including the supply chain by 2030.	In 2022, further important steps were taken towards achieving this goal, for instance by increasing the share of sustainable models to 40% and by defining numerous measures to reduce and avoid emissions in the areas of material use, product design, packaging and logistics.
Performance of overtime and wage analyses with all producers (except low-risk).	Wage levels and any anomalies in overtime are identified in audits. These were analysed as part of the CAP follow-up, and measures for improvement resulting from any violations of the social standards were worked on with the producers.
Obtain chemical inventories from all active Tier 1 producers and Tier 2 suppliers.	The collection of chemical inventories from all active Tier 1 producers and Tier 2 suppliers started in 2022, and will continue in 2023.
Continuation of the Living Wage project.	Once again in 2022, Schöffel was involved in in-depth exchanges with its producers regarding the development towards living wages. The focus was on a particular producer in Myanmar, with whom the company was working on specific wage increases. This will be continued in 2023.
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.	The COVID-19 situation in the producing countries, and especially among the production partners, continued to be closely monitored, although there was a reduction in the frequency of queries following the declining impact of COVID-19.

I feel a deep connection to the earth and think about how we as individuals can contribute to preserving what we call "home". "Leave no trace" makes more sense to me now than ever before.

*Schöffel athlete
Ana Zamorano Ruiz
Bike Explorer, photo and video artist*

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 named the next peaks for 2023 and wants to and also wants to climb them.

- Further development of the social risk management.
- Integration of corporate responsibility as a fundamental component in the procurement strategy
- Creation of a CO2 balance for 2022
- Further development of the producers' strategy with new figures for social and ecological risks.
- Expansion of the CR strategy to the entire Schöffel group
- Successful completion of the review process by the Textiles Partnership
- Maintenance of the high social standards and requirements in production
- Increase the proportion of sustainable materials to 40% at Schöffel Sport
- Reduction of CO2 emissions in air freight
- Installation of solar systems at the Schwabmünchen site

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