



SUSTAINABILITY REPORT 2020





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



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FOREWORD

Dear Reader,

In 2011 we launched our collaboration with the independent Fair Wear Foundation. We decided at the time that we wanted to achieve one clear aim with this step: Schöffel was to use its influence and its resources to optimise production conditions for employees in the production countries, and thereby initiate a real change. Today, we can look back on 10 years of cooperation with Fair Wear – which in my opinion have been 10 very successful and above all constructive years. During this time, Schöffel achieved Fair Wear Leader Status no fewer than six times in a row, which testifies to our very special social commitment. But this is only the proof of some very hard work that has profoundly changed our company: we are constantly working on deepening the partnerships with our production plants and improving local working conditions.

Schöffel has always been synonymous with quality, but high product quality doesn't only apply to fit and comfort; it starts much earlier. The demand on our products starts with the production process, and continues beyond sales to the topics of repair, care and disposal. In addition to

the social aspect, our sustainability strategy includes the areas of product, environment and sustainable services – our aim in all four areas is to constantly keep developing. We have covered a good section of this journey over the past 10 years with the Fair Wear Foundation, and that is something I am extremely grateful for.

The current issue of our annual Sustainability Report shows you what we have achieved in the past year – and thus despite the global coronavirus pandemic. I am delighted to be able to give you a comprehensive insight into our sustainability efforts, and perhaps even some suggestions for sustainability.

I hope you enjoy reading it.

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

185

employees at head-quarters: including trainees and students on internships: 9

36

Schöffel-LOWA
Stores



President and Owner 7th Generation:
Peter Schöffel
Managing Director: Felix Geiger
Executive Vice President: Georg Kaiser
Senior Vice Presidents: Hildrun Brendler,
Reiner Gerstner, Albrecht Habsburg,
Stefan Merkt, Peter Sontheimer.

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 8,46 %

Asia 89,52 %

Africa 2,02 %



1,36

million items produced
in 2020 (brand and
Professional Wear)

△ Schöffel
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; German Partnership for Sustainable Textiles and VerPlaPos practice partner



Sales in 22
countries
(Europe & Asia)

37 %

export sales

We stand for high quality, not for fast fashion, and that's an entirely conscious decision."



SUSTAINABILITY AS ECONOMIC ADDED VALUE



Georg Kaiser is part of Schöffel's management and responsible for the operations division, which includes sustainability and purchasing. Yet combining profitability in purchasing on the one hand while continuously improving sustainability in the supply chain on the other is a major point that initially appears contradictory. However, Schöffel pursues clear values and goals here that play an even stronger and more significant role in these times of Corona.

Georg, after a year of Corona: how important is social responsibility in the supply chain today?

The issue has become much more important, both with regard to the regular exchanges with our producers on the one hand, and with the Fair Wear Foundation on the other. The aim is to ensure the health of employees in the production plants – in addition, of course, to the existing initiatives in favour of social working conditions.

What challenges have you faced over the past year? What was suddenly different?

In addition to the health aspects, organising the logistics took on a new quality. However, the countries in South-East Asia responded very quickly and got a grip on the situation. The problem today is that countries outside Asia are still struggling with the pandemic, which has made it difficult to transport goods between the continents. This in turn has a significant impact on the development of shipping prices.

What are your learning effects?

We have moved even closer to our producers, and are also working together with other brands that also have their items produced locally. Together we can get a good picture of the situation in the companies. Fair Wear has also supported us and given us some important guidelines. However, we have also seen how quickly and successfully most Asian countries have responded to the pandemic – Taiwan, for instance, has had fewer than 1000 cases in total throughout the pandemic. And it has never gone into lockdown! The biggest challenges we faced were with our models that are made in Italy.

How are you now ensuring sustainability in the supply chain? After all, Schöffel is also in favour of a supply chain law.

The intensive exchange with the producers, which we nurtured even more closely during the pandemic, is the essential point, and one that we will continue to maintain. Ultimately, this is in line with our commitment to fair and social working conditions. This is also one of the reasons why we are in favour of a supply chain law. We have been complying with the standards for years, but generally binding requirements would lead to global change and equal competition.

Let's look ahead five years: what will "supply chain" mean then ... ?

The topic of time to market – i.e. the time between the development of a product and it going on sale – is becoming more and more important. Retailers want a shorter advance time when ordering their goods in order to reduce their risk of sale. That's why we're working on becoming even more agile. The fact is, though, that speed can only be illustrated to a limited extent with our quality standards, the complexity of our products and with Fair Wear standards. We stand for high quality, not for fast fashion, and that's an entirely conscious decision.

Does working with Fair Wear change the way you work?

I've been with Schöffel for eight years, and I've learnt that the long-term, trusting cooperation with producers pays off for everyone involved at the end of the day. Because you work at making life better for the local people and at the same time increasing efficiency in the companies. So I can tell my sons with conviction: Things are all right where I work. And that's important to me.



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 think that today, it is more important than ever to stand up for one's convictions, to act more fairly and to constantly improve working conditions and social standards – all of which we can only do together."



WHY IS GOOD CORPORATE RESPONSIBILITY MANAGEMENT SO ESSENTIAL?

The topic of sustainability is becoming increasingly important, and is an integral part of the textile industry. 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. In order to be able to work on these four areas comprehensively, Johanna Winterhalder, who is responsible for environmental and Hazardous substance management (p. 64), is also involved in the realisation of CR topics in addition to Adele Kolos.



Adele Kolos has been Senior Corporate Responsibility Manager at Schöffel since 2017, and works tirelessly to comply with and advance the family company's sustainability strategy: "For the strategy to be successfully implemented, there must be a basic understanding of it throughout the company. As a staff unit, we are directly subordinated to the company management, and so we can contribute far more quickly to decisions and define recommendations for action, and do so across all departments. So our consulting also has a direct and strategic influence on topics such as product, supply chain management, CO₂ reduction, and the early identification of new opportunities and risks." Adele Kolos focuses on controlling and improving social standards. "In the course of our collaboration with Fair Wear, these are based on the eight Code of Labour Practices", explains the Senior CR Manager: "In addition to the Corona pandemic, the focus is currently on the issues of living wages, freedom of association and the right to collective bargaining as well as gender-based rights. The basis for improvements and awareness is a fundament of trust in partnership with the producer, mutual understanding and accommodation as well as transparency. The fact that we were awarded Fair Wear Leader Status for the sixth year in a row in 2020 confirms that we are on the right track. Especially since the requirements are constantly increasing." Personal exchanges in particular were and are complicated by the Corona pandemic this year, yet they must not be ignored and in fact remain a focus of Adele Kolos: "We will probably not be able to fully

grasp the effects of the Corona pandemic until the end of 2021. Although it affects every single one of us, we have already seen just how much it impacts people who are already more financially challenged. Since most sewing work is done by women, they are really at a disadvantage. This makes it all the more important, especially in this situation, that we ensure that social standards are controlled by every means currently possible, even if this is at a tremendous additional cost. Fortunately, we are in very close, regular contact with our producers, and we are not alone as a CR team as we have the support of the various departments, local technicians, Fair Wear, other brands, the German Partnership for Sustainable Textiles, NGOs and associations. The awareness that I can have a direct influence with my work and contribute to the benefit of workers spurs me on every day anew. I think that today, it is more important than ever to stand up for one's convictions, to act more fairly and to constantly improve working conditions and social standards – all of which we can only do together."

„I don't just share a partnership with Schöffel: we also share similar values. This includes the importance of various generations working together in the family company, delivering high-quality products and keeping jobs. All this can only be possible if resources are used with care and managed sustainably.“

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



SCHÖFFEL HONORS PORTUGUESE PARTNER WITH CSR AWARD

In 2016, Schöffel developed the producer rating system “Garment Supplier Evaluation”. It measures the performances by its production partners in the areas of cooperation, delivery reliability, product quality, pricing, product development, and social standards. The system also reveals any potential for improvement in the various works. The rating system was again revised in 2020. The rating is now more detailed and stricter in the scoring system, and there is more focus on the Corporate Social Responsibility part in particular. Corporate Responsibility now has the strongest influence on the overall classification with the highest weighting. This means that the work on CSR topics now has a considerable influence on producers' performance rating.

The producer who achieves the best results for a particular year receives Schöffel's “Supplier of the Year Award”. Additionally, a separate “CSR Award” acknowledges the performance with regard to audit results, CAP and complaints follow-up as well as CSR documentation, trans-

parency, communication, and cooperation. In 2020, Silsa Confecções, S.A., a Portuguese business partner with its production site in Portugal, received the “CSR Award”.



The Portuguese partner receiving the CSR Award 2020 for good performances in CR: Francisco Aires, Fernanda Monteiro, Rita Figueiredo



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. “High-quality products are not just about fabric and the art of manufacturing; high-quality also includes fairness, and for that I, as the owner, am happy to accept any journey, should circumstances allow,” says Peter Schöffel.

SCHÖFFEL DUE DILIGENCE IN TIMES OF THE PANDEMIC

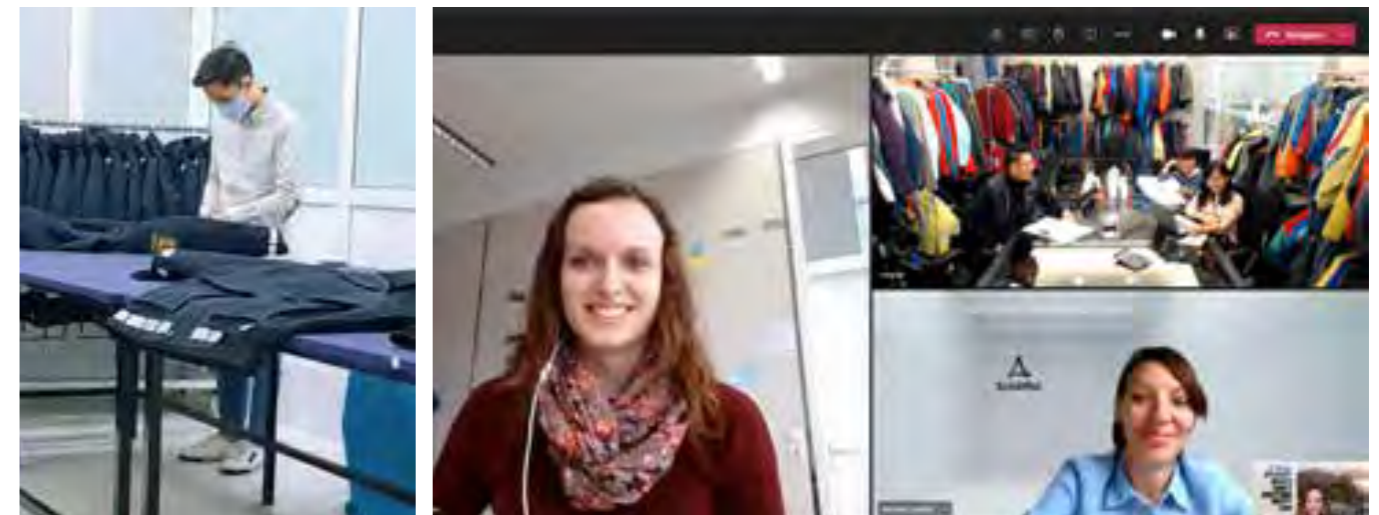
Quality and sustainability are two essential pillars of Schöffel's corporate philosophy. Close co-operations with production partners and intensive exchanges are essential. In order to strengthen this dialogue and to be able to intervene quickly when necessary, Schöffel has had a representative office 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.

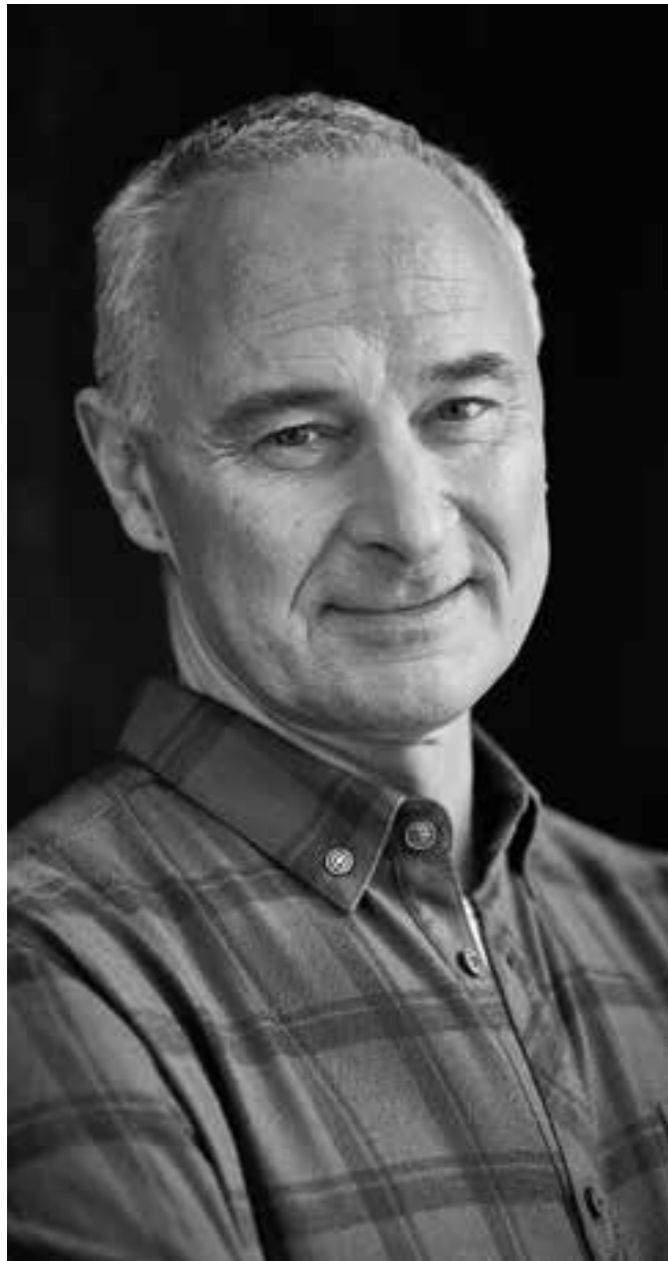
Billy Vu and Nicky Dang



By having its own representative office, Schöffel can cooperate even more closely with companies and have a more direct influence on the quality in production and on the improvement of working conditions. This is something that is worth gold, 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 in line with Schöffel's CR strategy. But, as Billy reports, it wasn't always easy: "Because of the social distancing rules, I wasn't allowed to walk the rows of seamstresses in order to avoid contact and spreading SARS-Cov2. So I could quality check the garments anyway, I was given private offices to use in the factories." Even though it took some effort and there were very strict legal requirements for the travelling technicians, such as having their own taxi driver, working exclusively in the checking room and the meticulous documentation of any paths that were covered, it was unbelievably important to have the two Schöffel members of staff on site. Nicky can confirm this. "The top priority was not to be infected by SARS-Cov2 while at the same time maintaining Schöffel's high standards and quality requirements. Everyone was fully aware of this. So it was also a low-risk working environment in the various production facilities, since everyone automatically followed the guidelines issued by the Ministry of Health without having to be asked, wore masks and observed the social distancing rules. Furthermore, having our local representative office gave the seamstresses a certain level of safety, and helped to build trust in the brand."

As we were unable to travel 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 travelling 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, reports Adele Kolos – Senior CR Manager. In addition to the close exchanges between the CR team and the local presences, regular exchanges with the producers in digital meetings were and are indispensable. In order to always be up-to-date, a COVID questionnaire was developed, based on the Fair Wear dossier, for producers and the travelling technicians, and is regularly completed; a set of internal guidelines was also produced. There was also support from the family company's purchasing and logistics departments as well as Fair Wear, NGOs, other brands, the German Partnership for Sustainable Textiles and associations. All of the information for each country as well as the questionnaires for the factories and the clothing technicians were entered in a table to keep always a clear overview of the whole. In order to accommodate our producers as much as possible and relieve them, the decision was made not to cancel orders and to increase warehouse capacities instead, to accept late delivery dates and to reduce the new collection.





Peter Schöffel



Alexander Kohnstamm

SCHÖFFEL: 10 YEARS OF FAIR WEAR MEMBERSHIP THIS IS WHY SUSTAINABLE COOPERATION IS SO ESSENTIAL

Fairness and equal opportunities are fundamental values in the world of sport. As an outfitter and outdoor expert, Schöffel shares, honours and lives these values – even though it is not always easy. Together with the Fair Wear Foundation, the family company has already achieved many improvements in working conditions in the global supply chain over the past ten years.

Fair Wear's requirements increase every year anew, and Schöffel works tirelessly to meet them. It is not without reason that the family company achieved Leader status with Fair Wear for the sixth time in succession in 2020, as Peter Schöffel (managing owner, seventh generation) reveals: "Leader status can only be achieved by steadily increasing from year to year. This requires a lot of work and commitment, especially by our CR department, which pays very close attention to the implementation of Fair Wear's requirements. I'm proud of that." Alexander Kohnstamm (Executive Director, Fair Wear) agrees: "Further development is essential in terms of sustainability. Companies can start with a rudimentary system, but they need to increase step by step. Our Brand Performance Check states quite clearly what is required of the companies and that they cannot rest on their laurels, because you'll never become a Leader if you keep doing the same things." With success: thanks to its commitment over the past six years, Schöffel is ranked in Fair Wear's best category – Leader. This confirms a particular commitment to improving working conditions and social standards.

Fair Wear membership not only illuminates working conditions and social aspects, but also the entire supply chain. Here, too, Schöffel has taken some steps forward in the ten years of its Fair Wear membership. For instance, the family company uses significantly fewer suppliers, dispenses with subcontracting, reduces overtime and puts a tremendous amount into occupational safety. The aspects of occupational safety and living wage are highligh-

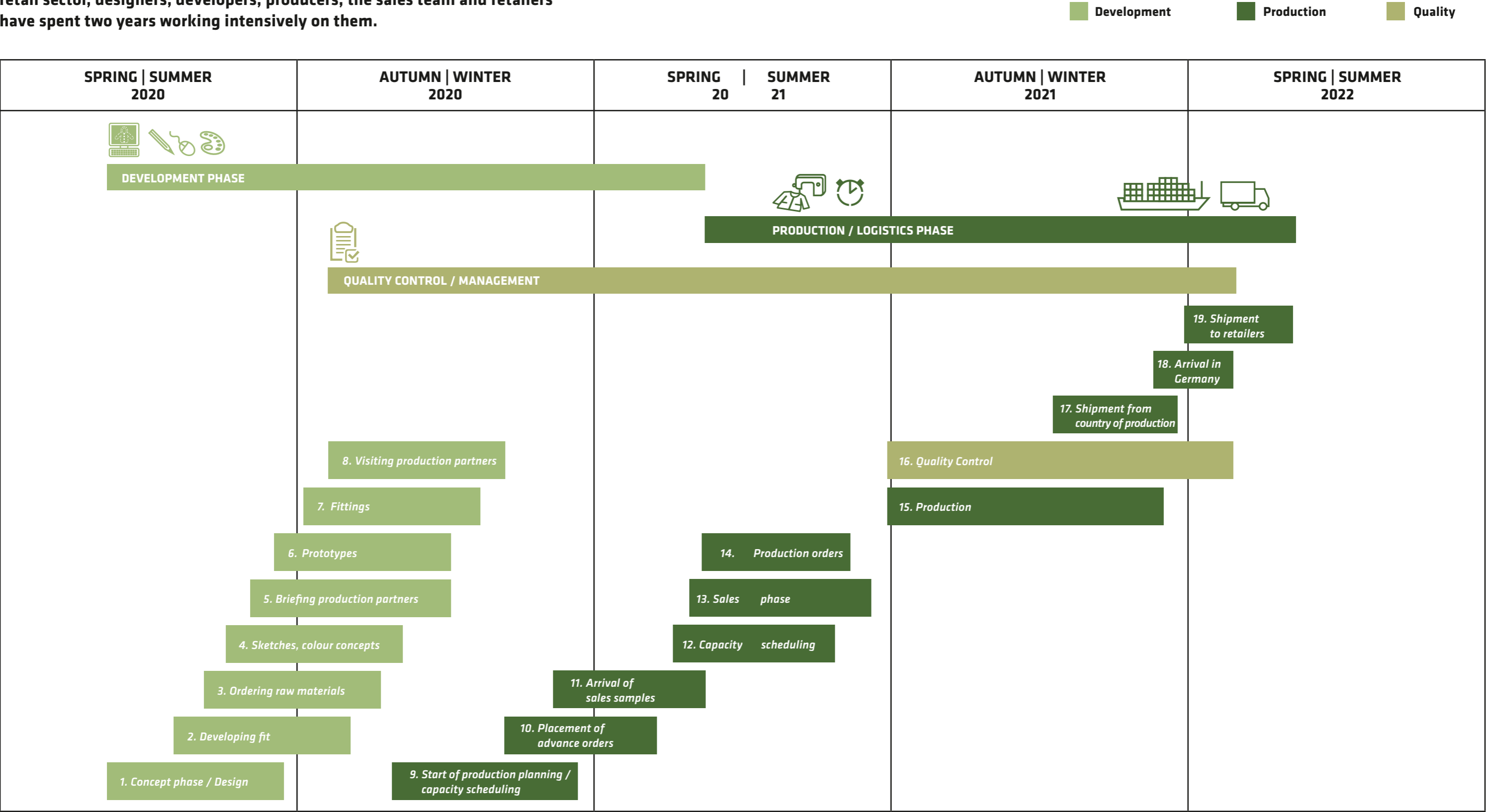
ted here. They are subject to Fair Wear's strict regulations that help them to plan ahead better in order to address problems constructively. Fair Wear CEO Alexander Kohnstamm also acknowledges that Schöffel's efforts are paying off in this regard: "Schöffel has achieved Leader status six times in a row. That is a tremendous achievement. In my opinion, this excellent success came about because the active decision for sustainability is supported by the head of the family company." Even though Schöffel is not about higher, further, faster, the company does not want to rest on its Leader status, says Peter Schöffel: "Our clear aim is to continue to meet Fair Wear's high requirements. Of course, we also want to achieve Leader status for the seventh time. Even though the current situation is tremendously challenging, I stand by the issue of sustainability. I am committed to this together with Schöffel."



PRODUCTION CYCLE

SUMMER 2022 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 reparability. 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:



 **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...

4500 Repairs carried out at the Service Factory in 2020. In 2019 there were just under 5000. This contributes to the longevity of the high-quality products.



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.

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



290
The number of personal thank-you emails we've received from our customers for our repair service.

13,810 minutes
The time we spent repairing 290 ski school items and individually adjusting 121 products in 2020.



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.

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

"It has always been important to me to use durable products that last for years even in adverse conditions. In Schöffel, I have a partner who not only guarantees this with the highest quality clothing, but who also ensures that everything is made under fair working conditions and with a careful use of resources."

Schöffel Athlete Ralf Dujmovits
Professional mountain climber



GLOBAL PRODUCTION FACILITIES

● Production volume 2020

● Production volume 2019



OVERVIEW OF PRODUCTION PARTNERS 2020

Continent	Factory name	Location	FW: low risk"	Collaboration in years	FW questionnaire
Europe	Walter Stöhr GmbH	Germany	yes	23	yes
	Hero-Textil AG	Germany	yes	2	yes
	Stamperia Alicese S.R.L	Italy	yes	13	yes
	Trerè Innovation srl Unipersonale	Italy	yes	1	yes
	Silsa Confeções, S.A.	Portugal	yes	5	yes
	Spectre Latvia Rezekne	Latvia	yes	11	yes
	Spectre Latvia Kalnciems	Latvia	yes	2	yes
	Spectre Latvia Aizkraukle	Latvia	yes	2	yes
	Firat Tekstil Sanayi Ve Tic Ltd. Sir.	Turkey	no	2	yes
Asia	Asian Sourcing International Mfg. Co. Ltd.	China	no	14	yes
	Weijie Garment Co. Ltd.	China	no	4	yes
	Nordsun Outdoor Products Co. Ltd.	China	no	7	yes
	Chaohu Youniya Garments Co., Ltd.	China	no	3	yes
	Liwaco Outdoor Sporting Goods Co. Ltd.	China	no	22	yes
	Shicheng Hairun Garments Co., Ltd	China	no	1	yes
	Silk Trend Garments Co. Ltd.	China	no	7	yes
	Dong Tien Joint Stock Company	Vietnam	no	5	yes
	Kido Hanoi Co. Ltd.	Vietnam	no	14	yes
	Magictex Co. Ltd.	Vietnam	no	4	yes
	PS Vina	Vietnam	no	14	yes
	Kido Vinh	Vietnam	no	9	yes
	Shints TM Co. Ltd. (Quoc Khan)	Vietnam	no	9	yes
	Shints-BVT Co. Ltd.	Vietnam	no	14	yes
	Spectre Garment Technologies Co. Ltd.	Vietnam	no	5	yes
	Gatexco X20 C	Vietnam	no	4	yes
	North Shore Global Ltd. (NSGII)	Myanmar	no	4	yes
	Ceres Enterprises Ltd (NSGI)	Myanmar	no	4	yes
	Kido Yangon Co. Ltd.	Myanmar	no	3	yes
	Sheico (Phnom Penh) Co., Ltd.	Cambodia	no	2	yes
	PT Anggun Kreasi Garmen	Indonesia	no	1	yes
Africa	Shints ETP Garment P.L.C.	Ethiopia	no	6	yes
Summe				ø 7,00	100 %

For 2020 there were more audits, trainings and visits planned initially, unfortunatley due to the Corona-pandemic these couldn't be conducted.

"% purchasing volume"	Factory visits 2020	Audit	CAP Status	FW training
0,54	no	n.a.	n.a.	n.a.
0,12	no	n.a.	n.a.	n.a.
2,61	no	n.a.	n.a.	n.a.
0,22	no	n.a.	n.a.	n.a.
0,83	no	SA8000 2020 -2023	n.a.	n.a.
2,35	no	SA8000 2020 -2023	n.a.	n.a.
0,00	no	SA8000 2020 -2023	n.a.	n.a.
1,57	yes	SA8000 2020 -2023	n.a.	n.a.
0,22	no	November 2019	partially open	no
0,06	no	June 2020	completed	July 2020
0,31	no	June 2018	almost completed	no
9,42	no	December 2018	completed	June 2019
2,01	no	June 2019	almost completed	October 2020
0,96	no	June 2019	completed	June 2018
0,44	no	September 2020	almost completed	no
4,10	no	October 2020	partially open	October 2019
0,15	no	October 2019	almost completed	September 2019
0,80	yes	August 2017 SUMATIONS	completed	October 2019
2,34	yes	July 2019	almost completed	November 2020
11,83	yes	November 2019	partially open	December 2019
5,07	yes	March 2019 SUMATIONS	completed	December 2019
0,04	yes	May 2019	almost completed	November 2020
14,62	yes	Oxcober 2020	partially open	December 2019
5,26	yes	July 2020	almost completed	June 2020
0,37	yes	May 2018	completed	no
6,47	yes	November 2018	almost completed	September 2019
7,90	yes	March 2018	almost completed	June 2018
16,50	yes	December 2019	partially open	November 2019
0,40	no	August 2019 SUMATIONS	partially open	January 2020
0,47	no	September 2018	completed	April 2020 Better Work
2,02	yes	September 2019 SUMATIONS	completed	n.a.
100 %				

THE SCHÖFFEL STAKEHOLDER DIALOGUE

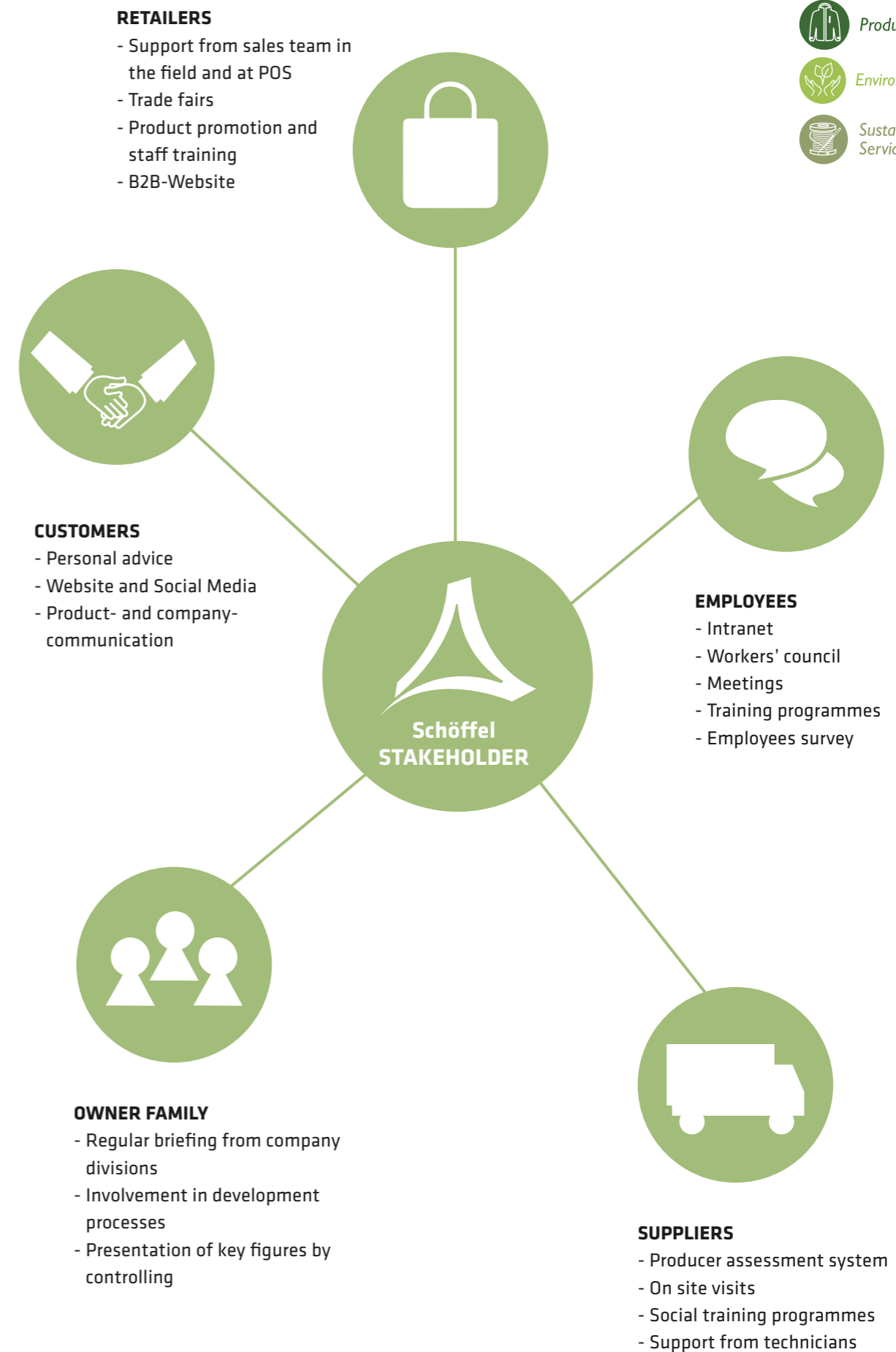
Continuous discussions for new momentum. Sustainability means dialogue. After all, it is only by main-taining a dialogue with direct stakeholders that Schöffel can conduct its business responsibly and therefore sustainable.

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. 40). 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 2020. Due to the COVID-19 pandemic and the existing travel restrictions, not all trainings could be carried out by Fair Wear as planned. Despite the difficulties, even seven producers took part in the 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

Over the past few years, Myanmar has developed into a production country offering many advantages for the clothing industry. This development was supported by the end of the military dictatorship and the formation of a new government in 2011.

A legal minimum wage was introduced in 2015 and increased in March 2018 as the result of increased union activity. Due to the still “young” democracy in Myanmar and the ongoing development of essential social framework conditions, the Fair Wear (FW) sets out stricter production requirements for this country. Schöffel has been producing in Myanmar since the end of 2017, currently through three production facilities. The company considers the FW’s specifications for the country to be reasonable and has undertaken a number of measures in order to fulfil them. This includes:

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

The factories, with whom Schöffel works have no connection to the military, because they are owned by investors from Taiwan and South Korea.

Publication of the names and addresses of factories

See page 30: Overview of production partners and publication via the FW.

Reasons for production in Myanmar stated in advance to the FW

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

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

Schöffel's purchasing volume in Myanmar is 30,87% for all factories. Starting production in Myanmar offered an effective solution to the capacity restrictions at the two existing producers in Vietnam and was also initiated with a view to the sustainable management of overtime hours.

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

In 2019, Schöffel organized a Workplace Education Program (WEP) training at North Shore NSGII carried out by FW. The Workplace Education Program trains workers and management on the eight labour standards, such as freedom of

association and the right to collective bargaining and the FW complaint system. Also, a WEP Communication Training started 2019 at Kido Yangon. This training focusses on the improvement of the communication between management and workers by further developing communication skills and is spread over the course of one year. Additionally, further trainings were scheduled in the year 2020. Those trainings could not be conducted by FW due to the COVID-19 pandemic and existing travel restrictions.

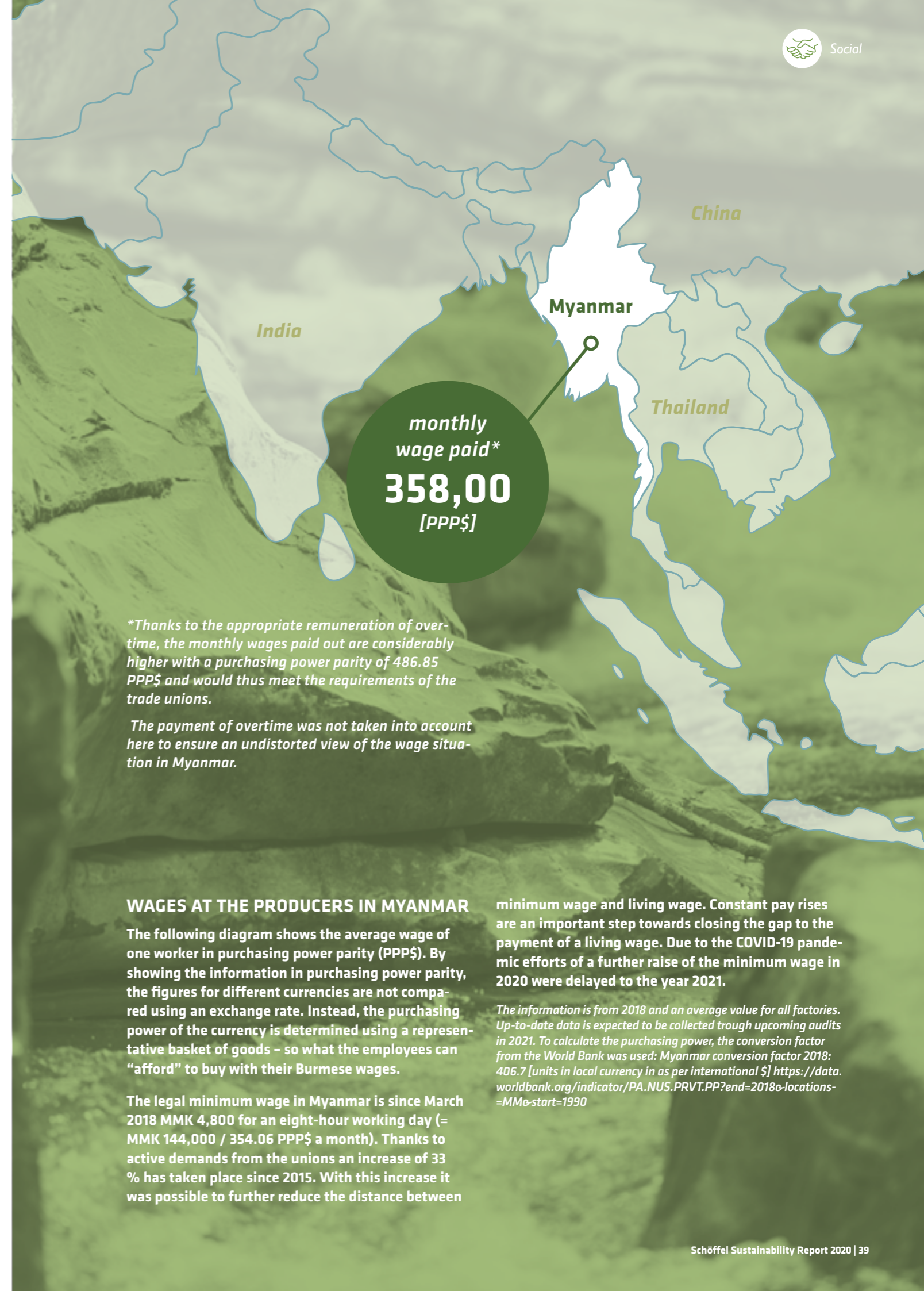
Implementation of definitive measures for improving the eight labour standards

Training sessions and regular personal visits and audits carried out by Schöffel continuously assess and improve the eight FW labour standards. Since the opening of the own office in Hanoi in 2018, Schöffel is training the own local staff on CR topics. Schöffel has its own local technician for Myanmar. This means that a local contact person will be able to support the factories with social concerns and issues.

Publication of wages at all factories

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

Regular audits take place in the factories in Myanmar, followed up by improvement measures. Audits took place in all production facilities in 2018: North Shore NSGII, North Shore (Ceres) NSGI and Kido Yangon. Additionally, there was a verification audit at Kido Yangon in December 2019. As a next step, the necessary improvement measures were outlined together with the producers and set out in a corrective action plan. The Schöffel CR team and the local technician support their implementation as part of intensive discussions with the relevant factory management.



WAGES AT THE PRODUCERS IN MYANMAR

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

The legal minimum wage in Myanmar is since March 2018 MMK 4,800 for an eight-hour working day (= MMK 144,000 / 354.06 PPP\$ a month). Thanks to active demands from the unions an increase of 33 % has taken place since 2015. With this increase it was possible to further reduce the distance between

minimum wage and living wage. Constant pay rises are an important step towards closing the gap to the payment of a living wage. Due to the COVID-19 pandemic efforts of a further raise of the minimum wage in 2020 were delayed to the year 2021.

The information is from 2018 and an average value for all factories. Up-to-date data is expected to be collected through upcoming audits in 2021. To calculate the purchasing power, the conversion factor from the World Bank was used: Myanmar conversion factor 2018: 406.7 [units in local currency in as per international \$] <https://data.worldbank.org/indicator/PA.NUS.PRVT.PP?end=2018&locations=MM&start=1990>

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



No exploitation of child labour

Child labour is strictly forbidden. The minimum age of recruitment for gainful employment must not be below the national age for compulsory schooling and in general not below the age of 15. (ILO Convention 138) There must be no form of slavery or similar circumstances such as for sale and trading in children, bonded labour, servitude or forced labour. Children (between 15 and 18) may not carry out any work “the nature of which or the circumstances under which it is performed might have a potentially damaging effect on the health, safety or morals of children.” (ILO Convention 182)



Freedom of association and the right to collective wage negotiations

The employer recognises the right of all employees to establish and join trade unions, as well as to conduct wage negotiations on a collective basis. (ILO Conventions 87 and 98) In those cases in which the freedom to join a trade union and the right to collective wage negotiations are restricted by law, the company will encourage all employees to seek alternatives for independent and free organisations and negotiations. There must be no discrimination against the employee representatives and they must be given access to all places of work in the performance of their duties as representatives. (ILO Convention 135 and Recommendation 143)



Payment of a “living wage”

Wages and allowances for a normal working week must equate at least to the statutory minimum or minimum standard for the sector and must always be sufficient to meet the basic needs of the employees and their families, as well as for them to have an additional specific level of disposable income. (ILO Conventions 26 and 131) Deductions from wages as a disciplinary measure are not permitted. It is also not permitted to make wage deductions which are not based on national legislation. The total deductions may not result in the employee receiving less than the statutory minimum wage. All employees shall receive appropriate and accurate information on the components of their wages, including the rate of pay and period for which the wage is paid.



No excessive working hours

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



Health and safety at the workplace

The working environment must be clean and safe. The employer gives an undertaking to promote optimum health and safety at work based on current knowledge relating to potential risks and hazards. Special attention must be paid to the specific risks of working in this sector. Rules aimed at providing the maximum possible prevention of accidents and minimisation of risks to health must be implemented. (In line with the ILO Convention 155) Physical abuse, threat of physical abuse, excessive penalties or disciplinary measures, sexual and other forms of harassment, including threats by the employer, are forbidden.



Legally binding employment relationship

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



Secure workplace: cut-resistant gloves for cutting



IMPLEMENTING AND CONTROLLING SOCIAL STANDARDS (COLP)



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

COMMUNICATIONS AND STAKEHOLDER DIALOGUES

- 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 2020

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 the eight labour standards of the FW: 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 seen as the basis for working for a living wage.

WHAT ACTUALLY IS AN AUDIT?

Every member of the Fair Wear Foundation (FWF) is obliged to have all producers who do not belong to the "tail end" checked by the independent audits of the FW 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 2020, 5 Schöffel producers underwent these social audits. Audits check the importance of universal labour standards and their implementation in production plants. To this end, the Fair Wear Foundation 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 premises – 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 and 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

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. This can also lead to overtime not being 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 is constantly reiterating that a democratically elected worker council is extremely helpful in solving problems at factory level. The area of health and occupational safety also challenges the producers, which Schöffel is constantly checking. 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.

Silk Trend Garments Co. Ltd. (Ningbo)

Silk Trend Garments Co. Ltd. has been manufacturing vests and thermal jackets for Schöffel since 2014. A Fair Wear audit was carried out in October 2020. The auditors found particular cause for complaint in the field of occupational health and safety: the lack of fire prevention measures, personal protective equipment and general working conditions need to be improved. There were also some optimization measures in the areas of working hours, remuneration and communication. The factory is currently in the process of implementing the individual improvement measures.

Shicheng Hairun Garments (David Garments)

Shicheng Hairun Garments was first recorded as a producer at Schöffel in 2020. The audit for this was carried out in September 2020. The result of the factory was that improvement measures need to be carried out, in particular in the fields of occupational health and safety, plus working hours, remuneration and communication. However, the factory management is very keen to respond to the comments, and has already addressed more than half of the above mentioned findings. Fire prevention measures, personal protection measures and the required health certifications have long since been implemented. To further support the factory, especially with regard to communication, Schöffel is planning to provide Workplace Education Program (WEP) conducted by FW Training in 2021.

Asian Sourcing International MFG.CO. LTD (Jiangsu)

Asian Sourcing has been producing accessories for Schöffel for 13 years. The factory already has a high standard of working conditions. All the improvement measures from the previous audit were carried out consistently. That is why there were only three complaints in the areas of communication, freedom of association, and occupational health and safety in the verification audit in 2020. The factory has now rectified the named defects, so the Corrective Action Plan has now been completed.



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 where one of the greatest challenges lies. The reason for this is that there is only one state trade union. This makes it difficult for workers to organize 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 the producers the chemicals videos of the Partnership for Sustainable Textiles 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.

Shints-BVT Co. Ltd.

Schöffel has been collaborating with Shin Textile Solution, the head office of Shints-BVT, for almost 15 years now. Shints-BVT manufactures mainly double jackets and trousers. In the 2020 audit, this producer was found to have the most deficiencies in occupational health and safety. Missing approvals documentation from the local fire brigade for some buildings and the failure to provide safety training were among the points raised. Other potential for improvement includes adequate working hours,



communication, and the right to freedom of association. It is necessary to instruct the workers in their rights to freedom of association and collective bargaining, and to conduct regular dialogue on the subject. The factory is currently in the process of implementing the individual improvement measures.

Spectre Garment Technologies Co. Ltd.

Spectre Garment Technologies is the Vietnamese factory of a Danish partner who has been producing e.g. fleece jackets for Schöffel since 2016. Fair Wear noted a need for improvement in some areas during the verification audit in July 2020. Especially in the area of working hours, the factory needs to work on transparency so that outsiders are better able to understand them. Other issues included the area of occupational health and safety, such as an expired first aid box, and that of freedom of association, where communication needs to be strengthened. The factory has already implemented almost all of the improvement measures, and is in the process of fixing the last open point. The improvements will be reviewed in the next audit.

Kido Hanoi

Kido Hanoi is a factory of Schöffel's long-standing production partner Kido. Schöffel had planned to audit the factory in 2020, but Fair Wear was unable to carry this out because of the COVID-19 pandemic and the current travel restrictions.

THE FW COMPLAINTS SYSTEM

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

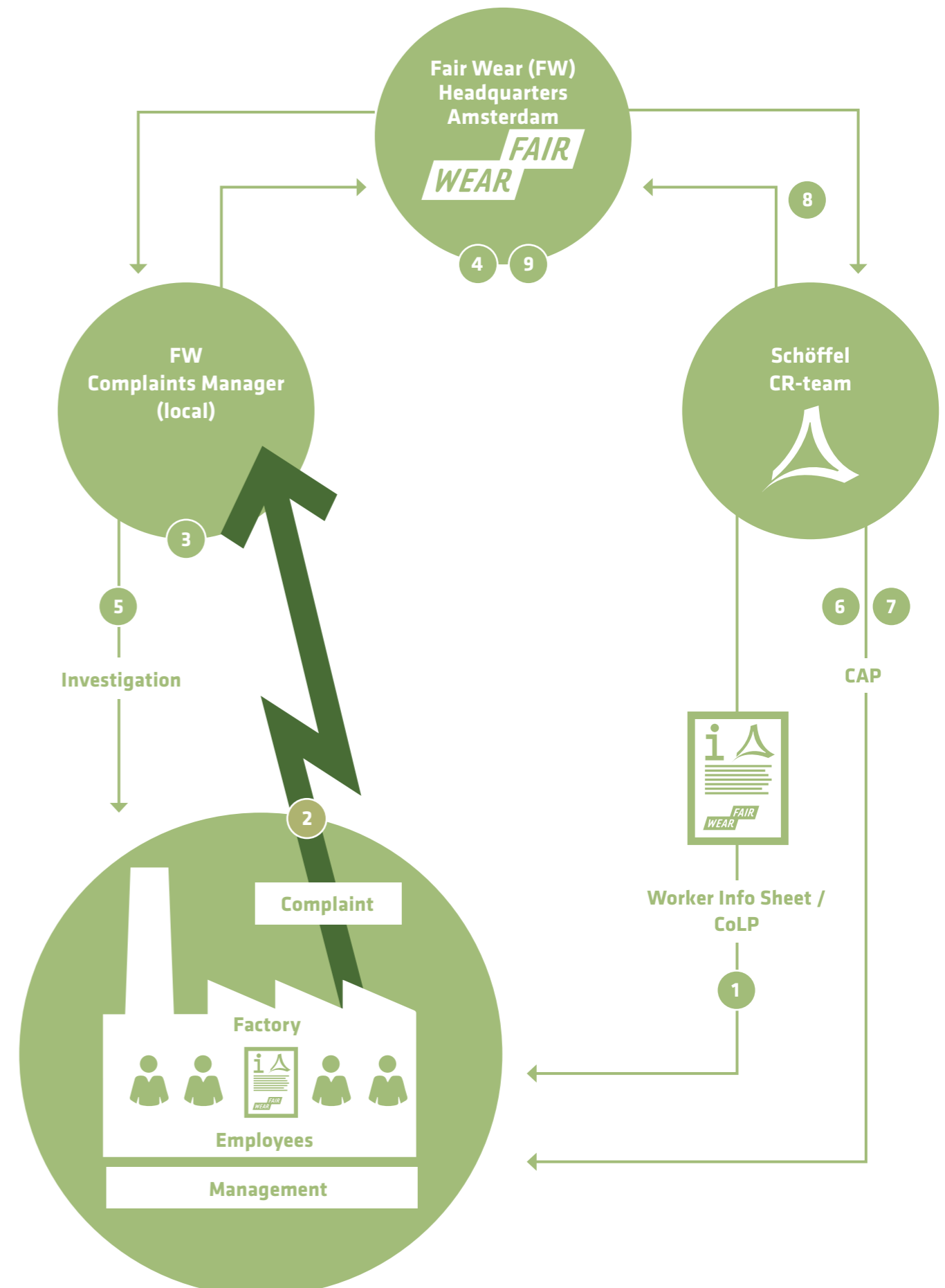
The FW complaints system gives employees in production facilities the opportunity to make direct contact with an independent body in the event of problems. The contact data of the complaint's manager and the Code of Labour Practice (CoLP) are displayed on information boards in an easily accessible place 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.



GERLINDE KALTENBRUNNER: ACTING SUSTAINABLY

Gerlinde Kaltenbrunner has been a Schöffel athlete for almost 20 years, and never loses sight of one thing: the dichotomy between sustainability and professional mountain sports. She is aware of her responsibilities, and works with Schöffel to find new ways of acting sustainably.

Gerlinde Kaltenbrunner was the first woman to climb all the eight-thousanders without bottled oxygen. She is passionate about mountain sports, but at the same time also wants to act sustainably. The 50-year-old is already familiar with the pioneering role, and also continues it in terms of sustainability: "I have a certain position as a role model, and it's one I am happy to perform. It is important to strike a balance between professional mountaineering and a sustainable lifestyle. Even if there is a big discrepancy in long-haul flights to expeditions, it is extremely important to me that I never leave my rubbish on the mountain. And I pay an emissions offset every year for climate protection, which not only includes my flights, but my car use as well." Gerlinde Kaltenbrunner pays close attention to the topic of sustainability, not only for her

expeditions but also with her choice of the right equipment: "For me, product quality goes far beyond the pure function. Where and how products are made is important to me, as well as the use of sustainable materials such as recycled PET bottles and how resources are handled in manufacture. The Fair Wear logo on products provides good guidance to anyone who wants to use items that are fairly produced. Schöffel achieved Fair Wear Leader Status for the sixth time in 2020, so consumers can rely on fair working conditions." The professional mountaineer also sees a good opportunity to act sustainably in daily life: "I also enjoy exploring my own region, visiting many destinations on my doorstep and, whenever possible, cycling or taking the train to my **Ich bin raus** adventures."



I have a certain position as a role model, and it's one I am happy to perform."

Schöffel Athlete
Gerlinde Kaltenbrunner
Professional mountain climber



COMPLAINTS FROM PRODUCTION STAFF 2020

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 be freely expressed. This is a prerequisite for improving local working conditions for the long term.

In 2020, Fair Wear received eleven complaints from production staff. 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 12964

In January 2020, the Fair Wear hotline received a complaint concerning a production plant in Myanmar. A member of staff stated that the factory does not provide workers with the statutory leave entitlement. The complainant has been working at the factory since it went into operation in 2018, and has not been given any leave since then. Even though the workers are registered under the Social Insurance Committee and pay the monthly contribution towards social security. The complainant wants staff who have been working there from the beginning to be compensated for the 2018 annual leave. When questioned by the Fair Wear Brands, the factory made it clear that in April 2020, the workers would be paid the annual compensation for the annual leave plus other leave as well sick pay for 2019. The workers have already been informed of this through training and official announcements. The factory also confirmed to the Brands that workers would be receiving the annual and other leave as well as sick leave/pay for 2020. The facto-

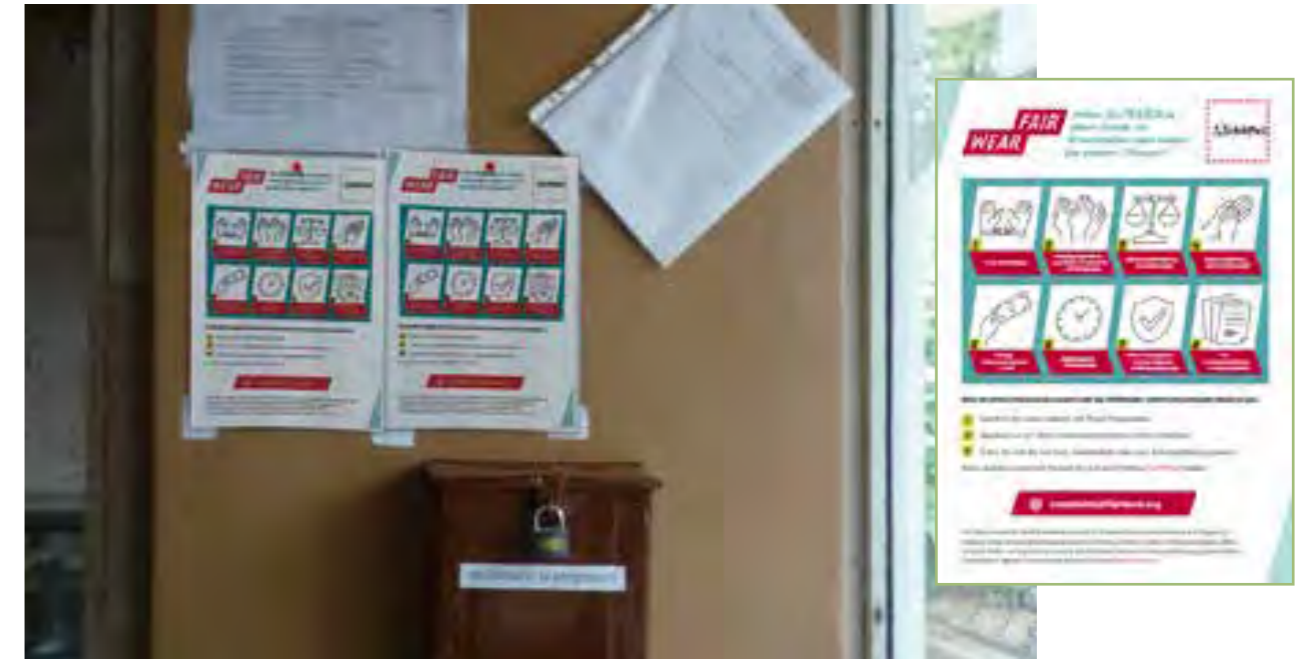
ry management is trying to hold regular meetings with employee representatives on various topics (complaints, new practices etc.). After submitting the registration certificate to the factory's Social Insurance Committee, Fair Wear concluded that employees are not entitled to compensation for the annual annual leave for 2018. As the factory was only opened in June 2018, this payment is not required by the legal regulations. The case was therefore closed by FW.

Factory 3917

In January 2020, a former employee of a Vietnamese company contacted the Fair Wear hotline with the following complaint. After lawful termination, she did not receive the severance allowance for a certain period of time, nor the special compensation for maternity leave from the factory. The employee had checked with the company beforehand, and the severance allowance was refused without further reason. Fair Wear Brands informed the factory of this complaint, pointing out that severance payments were a legal requirement and therefore had to be paid by the factory. The factory subsequently made this payment in accordance with legal regulations, and the employee received it at the beginning of February. The complaint was resolved to the fullest satisfaction of all.

Factory 10775

At the end of January 2020, the following complaint was filed from a production site in Myanmar. The complainant



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

reports that the responsible sewing line leader was often verbally abusive to the staff and that this was no longer acceptable. Furthermore, the line manager was aware of the abuse but did not intervene. Schöffel responded immediately along 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. Furthermore, training is 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 polite 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/she had not yet noticed any changes in the behaviour of the sewing line leader. Fair Wear provided information on the measures that were to be carried out by the factory management in the future. The Brands therefore followed 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.

Factory 3917

In February 2020, a similar complaint to the one of January was filed with Fair Wear by the production site in Vietnam. This employee had also not received her legal severance allowance for a specific period after her termination including her maternity leave. The factory made the required payment to the worker at the beginning of March. The complainant confirmed receipt of the payment, which was in line with the documents provided to Fair Wear Brands. The employee expressed her thanks for the support, and this case is now resolved.

Factory 3917

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 did not receive the compensation they were entitled to from the factory. Following Fair Wear's recommendation, the employees asked the factory to check the situation. The severance allowance was refused without further reason. 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 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 their notice according to the law. 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 members of staff 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 has 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 close these cases.

Factory 12399

In May 2020, the Fair Wear hotline received the following complaint from a member of staff at a production plant in Myanmar. The factory had classified the worker as "Departed" because he/she had not returned to work after the "Water Festival" holiday (10 to 19 April) and the COVID-19 outbreak in Myanmar. The factory informed all workers that if he/she did not show up at work until 5 May, he/she would be considered as "Departed employees" and dismissed without compensation. The government extended the lockdown until 15 May, which meant that there was no public transport. This meant that the workers were unable to return in time. During the semi-lockdown factories, including the one in this case, were able to resume their work under certain conditions. The worker was in constant contact with his/her line manager, but was unable to find a solution and so turned to Fair Wear. The worker was looking for a means of transport to get to the city, but also wanted to be sure that the factory would employ him/her again. Upon request of the Fair Wear Brands, the factory stated that after the announcement around 100 workers succeeded to coming back to work by May 5th. Consequently, the factory was concerned that it would be unfair to all those workers who had returned despite the difficulties if those members of staff who did not return in time continued to be employed. After a consultation with the complainant, Fair Wear suggested being lenient and reinstating the worker. The worker stated that if this were done, he/she would be willing to renounce the previous two years with the company. The factory announced that that position

was now occupied as the worker had not been present for over a month. However, the factory promised to stay in contact with the member of staff and to take him/her on again as soon as there were a vacancy. The complainant, who had now found another position in the city, confirmed to Fair Wear that the factory was now in contact with him/her, and that he/she was waiting to be contacted by the factory when there was a vacancy. This case is therefore closed.

Factory 3917

At the end of May 2020, Fair Wear received the following complaint from a production site in Vietnam. The applicant wanted to terminate his/her contract of employment and comply with the statutory period of notice of 45 days. The member of staff had requested the termination form several times since then, but had received nothing from the factory. The Complaints Office advised the employee to contact the factory manager again and ask for the termination form. The member of staff contacted the Fair Wear Complaints hotline again at the beginning of June, and stated that the termination form had not been provided and that the factory would not be accepting terminations between May and October 2020. Staff had been informed of this new ruling in a meeting half a month before it came into effect. The member of staff confirmed that he had unilaterally terminated the contract due to personal circumstances and had made the required payment for the event of non-compliance with the statutory period of notice. Following a discussion between Fair Wear Brands and the factory, the member of staff received his wages for the working days owed, along with his social insurance book. The complaint was resolved to the satisfaction of all. Together with the Fair Wear Brands, the factory was subsequently assisted in the preparation of an appropriate guideline for terminations.

Factory 3906

At the beginning of August 2020, a member of staff contacted Fair Wear with the information that there had been unlawful dismissals at a Vietnamese factory, but that he/she did not want to make an official complaint. On 31 July, around 100 members of staff were pushed to voluntarily terminate their employment contracts. The dismissals came into force on 1 August. The workers allegedly also included 30 expectant mothers, who were greatly unsettled by the factory's decision. Furthermore, the factory was said to have offered different jobs such as cleaners or gardeners to those workers who did not agree to the dismissal. Schöffel responded immediately with another Brand since, despite the difficulties caused by the CO-

VID-19 pandemic, the legal requirements for redundancies had to be met, and asked the factory for its comments. The factory management immediately replied that, due to the current situation resulting from COVID-19, some production lines would have to be reduced and the workers were offered redundancy. Those who voluntarily withdrew from their contracts of employment would receive a voluntary additional payment in addition to the statutory severance allowance. Those who wanted to continue to work would be given other tasks, although there had been no mention of cleaning or gardening. There had probably been a misunderstanding in communications between the factory management and the workforce. The factory also reported that workers on pregnancy or maternity leave were also asked if they wanted to leave voluntarily. However, they would be able to return to work after their leave. There was a chance, though, that they would be given other tasks. According to the factory, most of those asked agreed to leave voluntarily. The factory management is aware of the legal regulations and will review the complaints. Based on the factory's response, the brands asked the factory management to respond to further questions regarding this complaint. It was reiterated several times that the situation was extremely serious, particularly since it concerns a number of pregnant women or women who are on maternity leave. One of the requests by the brands was for a complete list of all members of staff who had been dismissed and identifying those workers who were on pregnancy or maternity leave. The brands also wanted to know about the selection process, and how communication between the management and the staff had been, and whether the social security and health insurance had been paid for the pregnant workers. The factory management replied to all the questions, and explained the decision-making process. The factory also explained what the additional severance allowance includes. The evidence provided is currently under review by Fair Wear.

Factory 12399

In September 2020, a worker filed a complaint via the Fair Wear hotline in Myanmar, saying that the factory was not properly following the prevention measures for COVID-19. As there have already been a number of cases of COVID-19 in the factory and other persons are in quarantine, the workers are concerned about their health. They want the factory to follow the instructions of the competent ministry and to report transparently on the current situation and what the factory had implemented since the beginning of the measures. Schöffel responded immediately

along with the other brands and asked the factory to comment. The brands also asked other questions, what the current status of the quarantined workers is, how the factory ensures compliance with the prescribed measures, and what further measures the factory could take against COVID-19. According to the complainant, it was initially difficult to verify the improvement in compliance with the measures, as only around 50 workers were coming to work and the measures for social distancing in the workplace, in the canteen and in the sanitary facilities were sufficient. As Myanmar imposed a complete lockdown from 23 September until 7 October, with all factories closed, the Fair Wear review was postponed until the end of October. Research by Fair Wear has shown that social distancing in the workplace and in the canteen has improved. The factory has divided the lunch break into three shifts to ensure that social distancing is maintained between the workers, and makes sure that there are enough soap and towels etc. in the sanitary facilities. Only the situation with the packed buses has not changed. As a result of this feedback, the company added another two to three buses to the same route in order to avoid full occupation. The factory also informed the workers that they must wear both a mask and a face shield on the bus and that eating and drinking on the bus are not permitted in order to prevent the spread of the virus. The complainant informed Fair Wear that the preventive measures were now being carried out properly and that the buses are no longer fully occupied. So the complaint was resolved to the worker's full satisfaction.

Factory 12964

In October 2020, the following complaint was filed from a production site in Myanmar. The complainant reported that she had been given notice due to her pregnancy. The member of staff was still in her probationary period, and was asked to sign a notice of termination. She signed it because she did not know what else to do. The conversation with Fair Wear revealed that she had not been offered a contract of employment. The complainant would like to work in the factory again until she goes on maternity leave. Schöffel responded immediately together with another brand and asked the factory to comment. The factory explained that it had not been aware of the pregnancy, and therefore that had not been the reason for the termination. The brands asked for further evidence, such as letters of dismissal and performance records from all workers who had been made redundant in the past three months. The factory explained that the worker had not been dismissed because of her pregnancy but because of

her efficiency and attitude in the workplace. The brands then asked for greater clarity with the probationary contracts, and informed the factory that this dismissal could be a mistake by the HR department, as it did not provide employment contracts for all workers. The factory offered to rehire the complainant as a probationary employee who would then go through an evaluation process in order to become a regular member of staff. Fair Wear suggested the brands ask the factory how to ensure the worker had a fair assessment without intimidation or retaliatory measures. According to the factory, the worker will work in various groups during this time so that different people are able to rate her skills, the quality of her work and her attitudes. The factory also followed the recommendations of the brands and of Fair Wear to organise a joint meeting with the line manager, the HR manager and the worker in order to ensure that there were no retaliatory measures and that the member of staff was able to continue working as usual. The complainant confirmed to Fair Wear that the factory management had reinstated her, and that the meeting with her line manager had taken place. She was also given a copy of her contract of employment. The worker thanked Fair Wear and the brands for their support. The complaint was resolved to the fullest satisfaction of all.

Factory 10775

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 made 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 there were workers who had volunteered to work overtime on the holiday. In addition, the factory management confirmed that the statutory wages for work were paid 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 management also confirmed that training on voluntary overtime and communication for managers and line managers had been given. 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/she 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. As Fair Wear's review is still pending, it is not yet known whether further action needs to be taken or whether the complaint can be closed.

Factory 12964

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 pressure from their line managers when choosing 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 in terms of overtime with regard to overtime is 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 sewed 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 they thought this had been as the result of refusing to work overtime. The brands also asked the factory management whether the workers should actually work on said holiday, and when and how the line managers, and the workers, had been informed that working overtime was voluntary, and also told of the complaints mechanism. The

factory explained that almost all of the workers worked on this holiday, and 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 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 are 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 were also informed of the complaints mechanism during training or courses. This question was also quickly confirmed by the factory management and evidence provided. The review of the respective evidence documents by Fair Wear, and thus the conclusion of this complaint, is still pending.

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





WORKING TOGETHER FOR LIVING WAGES

Better working conditions in the worldwide textile industry – that's what Fair Wear (FW) is fighting for. Schöffel supports this important aim. This includes working on living wages, which is one of the FW's eight labor standards.

“Everyone who works has the right to just and favorable remuneration ensuring for himself and his family an existence worthy of human dignity and supplemented, if necessary, by other means of social protection.” Universal Declaration of Human Rights, Article 23/3

The minimum requirement is payment of the respective statutory minimum wage to the workers in each production country. So what is the difference between the statutory minimum wage and a “living wage”?

The minimum wage is set by law, but in most countries it is too low to cover all the living expenses. What adds to the difficulty is that not every country has defined a minimum wage. A living wage is a remuneration that is based on the cost of living and covers the basic requirements of a working person and their family in order to provide them with an appropriate standard of living. The basic requirements include the costs for the following factors: Living, food, transport, health, clothing, education, and savings/reserves. A worker should be able to earn a living wage without having to work overtime.

Influence on the wage level

In every audit, the FW checks the pay structure and wages in the production plants by checking documents and in interviews with the workers. The results are given in the audit report and provide an overview of a partner's wage level. Schöffel pays for its partners' products rather than the wages for the people in their production plants.

Fair adjustment of the product prices allows Schöffel to influence the wage level. What is significant is the cooperation with other brands and with the FW because the topic of “living wages” is best solved in a strong association. For this reason, in 2017 Schöffel started working with

two other FW member brands on a living wage project in two production plants in Vietnam. Schöffel was able to acquire a good amount of valuable experiences through this project, as it constantly brings new challenges for which new solutions had to be found. Schöffel analysed the wage structure with its local partners. The company investigated the living wage together with local staff and important contacts, and a number of selected workers with its partners on-site in order to establish the living costs in a particular region. There were consultations with the local works councils and discussions with the factory workers and management.

Wages significantly above the minimum

Schöffel and its partners then defined a living wage based on the information provided by workers in the region. For all members of staff both factories completed a wage calculation, provided by FW, these can be used to display the various salary components and bonus payments. It also explains which components may be included in a living wage and which may not (such as overtime). This accurate calculation showed that 94% of the workers received at least the established living wage target or more. The remaining workers received well above the minimum wage in the region. One important factor in the success of such a living wage project is regular exchanges between the brands to discuss further steps and carry out the corresponding measures.

In 2020, Schöffel and another FW member brand launched another living wage project with a partner in Myanmar. Due to the Corona pandemic and the lockdown, the project had to be held back until the situation relaxes a little.

SUSTAINABLE HR MANAGEMENT AT SCHÖFFEL: GREAT PLACE TO WORK

At Schöffel, sustainable HR management is reflected in the development of the workplace culture. This is clearly evident in the evaluation of last year's anonymous employee survey of the family-owned company, which Hildrun Brendler, Head of Human Resources (HR) and member of the management board, shows below. And exciting results were revealed: Schöffel – GREAT PLACE TO WORK.

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



The constant development of the workplace culture is the basis for entrepreneurial success, explains Hildrun Brendler: "In a crisis such as the one we experienced in 2020 in particular, culture counts as an important foundation for good and successful work. For us, the employee survey is an instrument that reflects a situational snapshot of our culture and then continues to work on it. This means it is a part of a larger goal, and part of our shared 'journey' as the Schöffel team. A great brand is always created from the inside out. And we want to create a terrific working and living space that has a positive effect on individuals and their families. It's not always sunny weather; there's also friction and real emotions. It needs a culture of controversy."

The survey considered five dimensions – credibility, respect, fairness, price, and team spirit. Comparison with the results of 2018 has revealed a significant further development in all areas, Hildrun Brendler reveals: "We have seen visible improvements across the board, and it is clear that we are a good team that works together on tasks and challenges. In concrete terms, we have improved our feedback and error culture, cross-departmental cooperation and communications – all of which are important aspects for the continuous development of Schöffel. In summary, 80% of staff confirm that Schöffel is a good place to work." In comparison with around 1000 other companies, we are proud to report that Schöffel is among the top 20% of attractive employers, and is to receive the "Great Place to Work" certificate. This recognition of the company's achievements is the delicious icing on the cake for Schöffel.

According to the HR management, the culture is based mainly on one point: "I have the greatest respect for the Schöffel team. In 2020 in particular, a year that demanded a lot of us and presented us with tremendous challenges, we were able to demonstrate an incredible power as a team in which everyone brought their strengths to bear in the company." However, the employee survey not only revealed strengths and development opportunities. The results of the Great-Place-to-Work audit provide us with pinpoint clues as to where we can improve. And we are working intensively on these points.

Here is an overview of the main aspects of the analysis

Strengths that speak for Schöffel:

- Optimum balance between load and relief
- Mutual basic trust in team member performance
- Focusing on employee strengths and competencies boosts motivation and identification with the company

Development successes that are being further developed:

- Further optimisation of information channels and expansion of feedback chats in daily working life
- Clarity and consistency come into play with the pursuit of common goals
- Involvement of every individual is rewarded with appreciation
- Networking the right people from different departments allows for a strong team

Schöffel's approach to improvement potential for 2021

- Further development of agile working for speedy, simple and pragmatic solutions
- Strengthening of transparency in terms of development opportunities and restructuring
- Intensification of cross-divisional communication and networking

We are delighted with the results of the employee survey, which verify the development and successes achieved in recent years. It is important to take advantage of the valuable learning provided by this positive milestone and to take the steps towards the next stage in development. And there's no lack of motivation and conviction to do so, as Hildrun Brendler summarises: "The results repeatedly show us that this family business is based on a strong foundation that is supported by its employees. In their spirit, I look forward to redefining our goals and consistently pursuing them until the next employee survey, because their professional development and satisfaction are our success."



MOVING MOUNTAINS TOGETHER SCHÖFFEL AND KENIAL E.V.

KENIAL e.V. works with athletes to support children's aid projects all over the world. It is important that the aid arrives where it is needed. A good local network is required to sustainably improve something. The creators know exactly why they are getting involved.

We are well aware how lucky we are in life. Born here in Europe, we are healthy, well educated, have constant medical care. We can afford to travel, to hike, to climb mountains. On every trip, we learn how enriching other countries and how beautiful the different landscapes are. And we see how poor many children are in large parts of the world. When we visit the Hindu Kush, the Himalayas, the Pamir Mountains, Mount Elbrus and so on, we often encounter a level of poverty that we are quite literally a stark contrast to.

In a nutshell, extremely well nourished, with fabulous equipment and perfectly prepared. Yet the children around us can't go to school because they have no shoes. No jacket. Or just don't have a backpack for books and pens. But walk 10 km and more to get to school. Which is why we provide them with what makes sense. What these kids need. We research our products very carefully. Find the right contacts in the countries. Organise cargo, customs and much more. Everything gets there. Our athletes take everything straight to the local children. All our projects are financed exclusively through donations.

Schöffel supports us enormously, and so we can regularly send high-quality and new clothing donations as well.

We always work directly with social workers, homes, schools etc. An on-site structure that is already well-functioning is important so we can continue to support children for years to come. Some of our athletes are met at the airport. We are always looking for travellers for current projects.



DONATE VAT TO THE ENVIRONMENT

30,000 trees planted

Life wouldn't be worth living without trees. They make sure that our air is purified and produce the oxygen we breathe every day. So trees are our lifesaver. But that's not all – they are also "climate savers" because they store carbon and provide a habitat for many animal and plant species. Forests are essential to our ecosystem. In addition to the important tasks that they perform for our Earth, they also offer us recreation spaces for fabulous **Ich bin raus** moments. That is why Schöffel has decided to support tree planting and the forest conversion of the Bavarian State Forestry. Last year, Schöffel customers were able to donate the 3 percentage point reduction in VAT when they

shopped in the online shop, and the Schöffel Foundation doubled this amount. The response of Schöffel customers to the campaign was extremely pleasing. The vast majority of people who shopped through the Schöffel website decided to donate the VAT reduction. The campaign ran from 1 July to 31 December 2020 and raised €48,000. The Schöffel Foundation doubled this amount to an amazing €96.000. This means that around 30,000 trees were planted. As part of this campaign, the Schöffel management also got to work and planted almost 700 trees in the mountains near Spitzingsee in one day.

A SMILE GOES AROUND THE WORLD – HELP THAT GETS THERE

Giving joy is something that is very close to Schöffel's heart. This is the reason why the family company has been participating in the "Geschenk mit Herz" ("Gift with a heart") campaign for years and doing important work with the charity humedica. The aim of "Geschenk mit Herz" is to connect children and their families in Germany with needy children worldwide who have lost a piece of their childhood as the result of poverty, war and injustice. At Christmas, Schöffel staff made up parcels independently to donate, and benefited 100,716 children all over the world. For many children it was the first Christmas present they had ever received, and it put a smile on lots of faces.

In addition to "Geschenk mit Herz", Schöffel also supports the charity humedica with clothing donations in summer and winter, providing affected individuals in crisis areas with winter jackets, trousers, rain jackets and other items. In 2020, the family company donated around 6,800 functional garments to humedica, helping very many people in need.

"Sustainability cannot be achieved from one moment to the next. For me, sustainability is a path we all follow in order to achieve a sustainable future together by means of various measures such as reducing CO₂ and compensation."



SCHÖFFEL AT THE SHARP END PROTECTION OF THE ENVIRONMENT & STRATEGIC HAZARDOUS SUBSTANCE MANAGEMENT

At Schöffel, sustainability does not end with the topics of social affairs and the product, but also encompasses the areas of protection of the environment and strategic Hazardous substance management. Corporate Responsibility (CR) Manager Johanna Winterhalder is in charge of this, and works together with Senior Corporate Responsibility Manager Adele Kolos on the implementation of Schöffel's CR strategy.

Johanna Winterhalder joined Schöffel's CR team in 2018. She is primarily responsible for strategic Hazardous substance management and the topic of the environment. Both issues are becoming increasingly important and are major components in the EU Green Deal, as the CR manager reports: "The EU Green Deal includes 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 pay the greatest possible attention to ensure no harmful substances are used, which helps to protect the safety of the product for the end user as well as the production staff and nature. Even the smallest step that helps to protect the environment and the climate counts, as achieving a more sustainable environment is something that we can only achieve if we all pull together." That is why in 2020, Schöffel also focused on the area of the environment. For the family company, this includes reducing CO₂-emissions. This is why Schöffel collaborated with the climate protection consultancy ClimatePartner to prepare an initial CO₂ footprint. This data can now be used to develop a strategy and a plan of action for the next few years, because "Sustainability cannot be achieved from

one moment to the next. For me, sustainability is a path we all follow in order to achieve a sustainable future together by means of various measures such as reducing CO₂-emissions and compensation," says the CR manager. Sustainability encompasses a vast field, which is why a wide variety of projects are supported in the field of protection of the environment. For example, Schöffel participates in the EOG Climate Action Programme. This not only provides comprehensive guidance in the form of instructions and information on the handling of various tools that can be used to collect data on a CO₂ balance sheet as well as to achieve an objective, but also the opportunity to exchange ideas with other brands on the subject of protection of the environment. The various companies therefore support each other on the road to a more sustainable future. "We are also a partner in the VerPlaPos plastics project, and support the studies with our knowledge. Among other things, this addresses the issue of packaging in the textiles supply chain. There are regular workshops and meetings that keep us up-to-date with all the latest research. At the same time, we also started the bluesign® Brand Assessment in 2019. We're working to ensure that Schöffel improves even further in environmental matters," reports Johanna Winterhalder.

SCHÖFFEL'S CO₂ FOOTPRINT OUR JOURNEY TOWARDS CLIMATE PROTECTION

A CO₂ inventory is an important building block in the development of a further climate protection strategy. Schöffel therefore decided to work with ClimatePartner to create Schöffel's Corporate Carbon Footprint for 2019. This is the beginning of our journey towards climate neutrality.

Carbon Footprint for 2019. This is the beginning of our journey towards climate neutrality.

A good journey requires excellent planning and a well thought-out packing list. This is also how Schöffel sees it, and so the company has brought in a renowned partner for its path towards a climate protection strategy. The climate protection consultancy ClimatePartner GmbH has created Schöffel's CO₂ footprint and broken it down into emissions related to the entire company. These can now be seen as a packing list that is processed item by item in order to get closer to the goal of climate neutrality. Schöffel's CO₂ footprint is the beginning of our journey towards climate neutrality. Now it is time to make the arduous and so important journey towards

the climate protection goals. In this respect, Schöffel already took the first big step in 2019 when it switched to climate-neutral eco gas for heating at its Schwabmünchen site. In addition, the family-owned company also uses 100 percent certified green electricity. This is the first item ticked on the packing list: 0% CO₂ in the area of indirect emissions at Schwabmünchen that would be generated by energy supply. Another item on the list is support in the reforestation of woodlands that are indispensable for precious **Ich bin raus** moments and for the storage of CO₂. As a result, in 2020 around 30,000 trees were planted in the forests of the Oberammergau and Schliersee forestry companies of the Bavarian State Forests (p. 62). These forests will make a significant contribution over the coming decades, with every tree binding some 10 kg of CO₂. This alone will amount to some 300 tonnes of CO₂ per year for the trees planted in this campaign. It now remains to find out which further steps need to be taken on the road to CO₂ avoidance and then to define the measures to reduce the emissions.

The analysis of Schöffel's Schwabmünchen site was 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. By accounting for corporate emissions, Schöffel was able to collect valid figures and thus obtain transparency with regard to the various divisions within the company. 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. In total, the company's business activities in 2019 at Schwabmünchen generated emissions of around 742 t of CO₂.

Of these, around 230 t of CO₂ (31%) are direct emissions resulting from, among other things, the fleet and heat generation. In the field of indirect emissions caused by the burning of fossil fuels during the production of electricity, heat, refrigeration and air conditioning, and steam by external energy suppliers, 0 t of CO₂ (0%) fall to Schöffel as the company sources 100 percent certified green electricity. In the third area, indirect emissions over which the company has no direct control, Schöffel produces around 511 t of CO₂ (68%). The largest source of emissions here is the item "Employee commute" at 29%.



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 2020, 35 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. Moreover, in 2018 Schöffel organised a training programme carried out by UL, for all its Vietnamese producers, focusing on restricted substances. 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 at the beginning of September 2019 to start its 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. In 2020, the proportion of rail transport increased by more than 40% on the previous year, which saved more than 150 tons of CO₂. Overall, over the past four years Schöffel has reduced the CO₂ emissions from transport by 40% per share.



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

ENVIRONMENTAL MANAGEMENT

MICROPLASTICS / PLASTICS PROJECTS

Schöffel is involved in the research project (Textile Mission) through the German federation of the sports goods industry (BSI) and is a practical partner in the VerPlaPos project.



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



The ‘**VerPlaPos**’ project looks at consumer reactions to plastics and at the possibilities for avoiding it at the point of sale (PoS). This is coordinated by the city of Straubing as one of the affiliated partners. Schöffel is a practical partner of the project in the textiles area. Very many of the products that we use on a daily basis are made of or wrapped in plastic. This means that when consumers purchase these products, they are contributing to the increase in the consumption of plastic in Germany.

The aim of the overall project is to investigate to what extent consumers can avoid the development of plastic waste through their purchasing decisions at the point of sale, and to what extent they can be helped e.g. with various avoidance strategies. In the project part "Textile", Schöffel and the other project partners not only deal with the occurrence of plastic packaging and the options for avoiding it at the PoS, but also examine the entire textile supply chain for prevention and recycling opportunities. A guide has been prepared for the systematic analysis of its supply chain with regard to the potential for avoiding plastic packaging. This should enable a standardised exchange regarding process steps and the packaging materials used between upstream and downstream players.

(Source: <http://www.plastikvermeidung.de/> & press kit)

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



Especially now, when we are having to rethink everything because of the Corona crisis, I think sustainability is more important than ever. At the end of the day, we want to pass a wonderful world on to our children and so on. For the environment, for the people – together with Schöffel

*Schöffel Athlete Roman Rohrmoser
MTB Guide and Free Ride Pro*



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. Selected products with GORE-TEX® have a PFC_{EC}-free (PFC environmental concern free) finish. Non-water-soluble, ecologically safe PFCs are also used for the membrane.

For us as the Schöffel company, the topic of hazardous substance management is tremendously important. That is why we have been working with the bluesign® system since 2013 and adhere to the limits, which are extremely strict and much more stringent than the legal requirements of the EU Chemicals Regulation REACH.

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. Selected products with
GORE-TEX® are free from ecologically
harmful PFCs, meaning they are
PFCEC-free.



Product



Environment



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.



Certified by CU 867643

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?

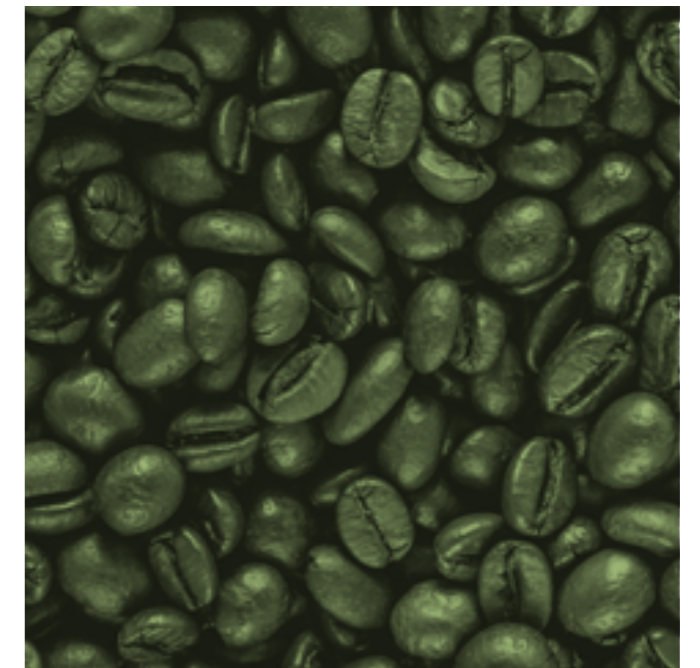
Lyocell is a fibre that is made industrially from natural raw materials. It is often based on the raw material wood, such as eucalyptus, oak and birch that is obtained from sustainably managed forests. The main raw material for lyocell is therefore cellulose, and so it can be regarded as a recycled or 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.

“The more kilometers I do on my bike, the more changes I have seen in the nature. This is why I have started to become more conscious of what I eat, the water I use and also the clothes I wear. Starting from the responsible production supporting the producers to the animal care and recycled products Schöffel uses for each collection.”

*Schöffel Athlete Ana Zamorano Ruiz
Bike explorer, photo & video artist*





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 2020

Schöffel has pursued and largely achieved the targets set for 2020 with tremendous commitment. One positive result is that 99,2% of the production volume is made in factories that have undergone a social audit or are in low-risk regions.

TARGETS	MEASURES I IMPLEMENTATION
Own stores to use 100% renewable energy	In 2020, the company's own stores, and the Schwabmünchen location, used 100% electricity from renewable energy.
Increased networking with the Schöffel office in Vietnam and more training sessions for local staff in social standards in order to further improve checks in the local factories.	Compliance with social standards in the factories is being checked more during the regular visits by Schöffel staff from the office in Vietnam. This year, staff attended Fair Wear training in order to better assess the situation on-site. In addition, staff will continue to be trained in the processing of Corrective Action Plans.
Continuation of the Living Wage project in Vietnam.	Schöffel continued to work on the Living Wage project in Vietnam in 2020. The company gained valuable experience through the project. 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 relaxes a little.
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.	In 2020, Schöffel obtained 99,2 % of the production volume from factories that had been checked in a social audit over the previous three years and therefore work with Schöffel on continuous improvement measures or are located in low-risk regions. The planned audit at the factory with 0.8% production volume could not be carried out in 2020 due to the Corona pandemic.
Communication of the ZDHC wastewater standard to suppliers.	The wastewater standard of the association "Zero Discharge of Hazardous Chemicals" (ZDHC) was communicated to all active suppliers.

TARGETS	MEASURES IMPLEMENTATION
<p>Increase the number of producers who attend FW's new pilot training (Workplace Education Programme Communication). This additional training is intended to improve the social dialogue between management and workers.</p>	<p>The Workplace Education Programme Communication lasts one year. Schöffel had again planned a number of these training sessions in 2020, but due to the COVID-19 pandemic and travel restrictions, Fair Wear was unable to carry them out. Despite the difficulties, one WEP Communication training was able to take place as well as six WEP Basic Training sessions.</p>
<p>Continuation of the actual reception / evaluation for the equal treatment of gender and increase awareness among producers.</p>	<p>Due to the Corona pandemic and the lockdown, continuation of the project had to be held back until the situation relaxes a little. In 2020, 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.</p>
<p>Further increase in rail transport in order to reduce air freight and thus CO₂ output.</p>	<p>In 2020, the share of rail transport increased by more than 40%, which also saved more than 150 t of CO₂.</p>
<p>Development of awareness in the management of hazardous substances / chemicals</p>	<p>In order 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.</p>
<p>Creation / introduction of a supplier portal for suppliers</p>	<p>Creation of the supplier portal has begun, but due to the Corona pandemic and the lockdown has not yet been fully completed.</p>
<p>Comparison of CO₂ consulting companies and a plan of measures to reduce and compensate for CO₂ emissions caused.</p>	<p>In 2020, Schöffel prepared its first-ever CO₂ report together with the consulting company ClimatePartner. The next task is to create a plan of measures to reduce and compensate for CO₂ emissions caused.</p>
<p>Also improve producer rating at factory level with strict points allocation in CR.</p>	<p>The producer rating system was again revised in 2020. The rating is now more detailed and stricter in the points allocation, and there is more focus on the Corporate Social Responsibility part in particular. CR now has the strongest influence on the overall classification with the highest weighting. This means that the producers' work on CR topics now has a considerable influence on their performance evaluation.</p>



TARGETS THAT SCHÖFFEL IS STRIVING FOR IN 2021

Sustainability and social commitment are a continuous process for Schöffel. This means that we focus on constantly striving to improve rather than the achievements themselves. Schöffel has already named the next “summits” for 2021. Achieving the statt its targets for 2021 also depends 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 Living Wage project in Myanmar.

Creation of a CO₂ balance for 2020.

Creation of a climate protection strategy as well as a plan of action to reduce and compensate for CO₂ emissions caused.

Increased networking with the Schöffel office in Vietnam and support with processing the Corrective Action Plans by staff in order to further improve control in the local factories.

Further 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.

Comparison of the existing country risk analyses with the "12 sector risks" of the German Partnership for Sustainable Textiles.

Further development of the producer strategy by supplementing various key figures for social and ecological risks.

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

Continuation of the project Creation of a Supplier Portal for Suppliers.

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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Spectre
Kido

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