

Environmental Social and Governance Report 2023



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Leave a clean and healthy environment for the next generation.

Message from our CEO

Dear Readers,

Since its founding, sustainability has been part of Schoeller Textil AG's DNA. For decades, Schoeller has positioned itself as an industry leader in innovation and sustainability, focusing on high-quality products with an emphasis on longevity. Schoeller was instrumental as a co-founder of bluesign® and sees itself as a pioneer in other areas of environmentally-friendly production as well. The publication of our first Sustainability Report marks yet another milestone in our company's history and highlights our long-standing commitment to responsible action.

The year 2023 has been challenging in many different ways and it is now even more important that we advance our innovations, which increasingly focus on the use of recycled materials and, whenever possible, on material purity (e.g., yarn and membranes made from a single material). In terms of sustainability, we have comprehensively calculated our carbon footprint for the first time as a company and through SBTi, we have committed to significantly reducing our Scope 1 and 2 emissions by 2030. Internally, structural changes have been advanced, including creating new positions for quality and sustainability manager.

Another milestone was the first risk analysis of our direct suppliers to get more transparency of our supply chain in regards to child labor. This is a crucial step to ensure that our supply chain meets the highest standards of sustainability and ethics.

As far as our product development is concerned, the transition to PFAS-free, sustainable alternatives is a very large project that is well advanced but still requires significant focus to ensure our performance segment can be PFAS-free by 2025. Internally, we will continue to optimize our production processes to reduce energy intensity, which will in turn reduce our GHG emissions. We will also continue to foster a company culture that is characterized by an awareness of waste prevention.

This report aims to provide you with a comprehensive, concise, and easily understandable overview of the developments and achievements of Schoeller Textil AG in 2023. Together, we will continue to advance and achieve our vision of a sustainable future.


Joachim Kath

CEO, Schoeller Textil AG



About this report

The reporting period is based on Schoeller Textil AG's financial year 2023/24: 01.04.2023 – 31.03.2024. Publication date of the Sustainability Report is the 31st of August 2024. The next publication date is scheduled for August 2025.

Schoeller Textil AG reports in reference to the GRI Standard Reporting system. This enables the organization to report information about its activities and business relationships and the most significant impacts on the environment, social, and governance, including human rights. Schoeller Textil AG follows the GRI guidelines as far as available information can be provided for selected indicators of the general management, as well as environmental and social disclosure indicators.

The aim is to report in accordance with the GRI Reporting Standard starting from 2025/26 onwards subject to GRI's approval of the Sustainability Report 2024/25.

All GRI disclosures and indicators are included. A reason of omission is provided for all indicators where no information can be provided.

This is the first Sustainability Report that Schoeller Textil AG has released, and therefore there are no restatements available.

Eschler Textil AG is not included in the report.

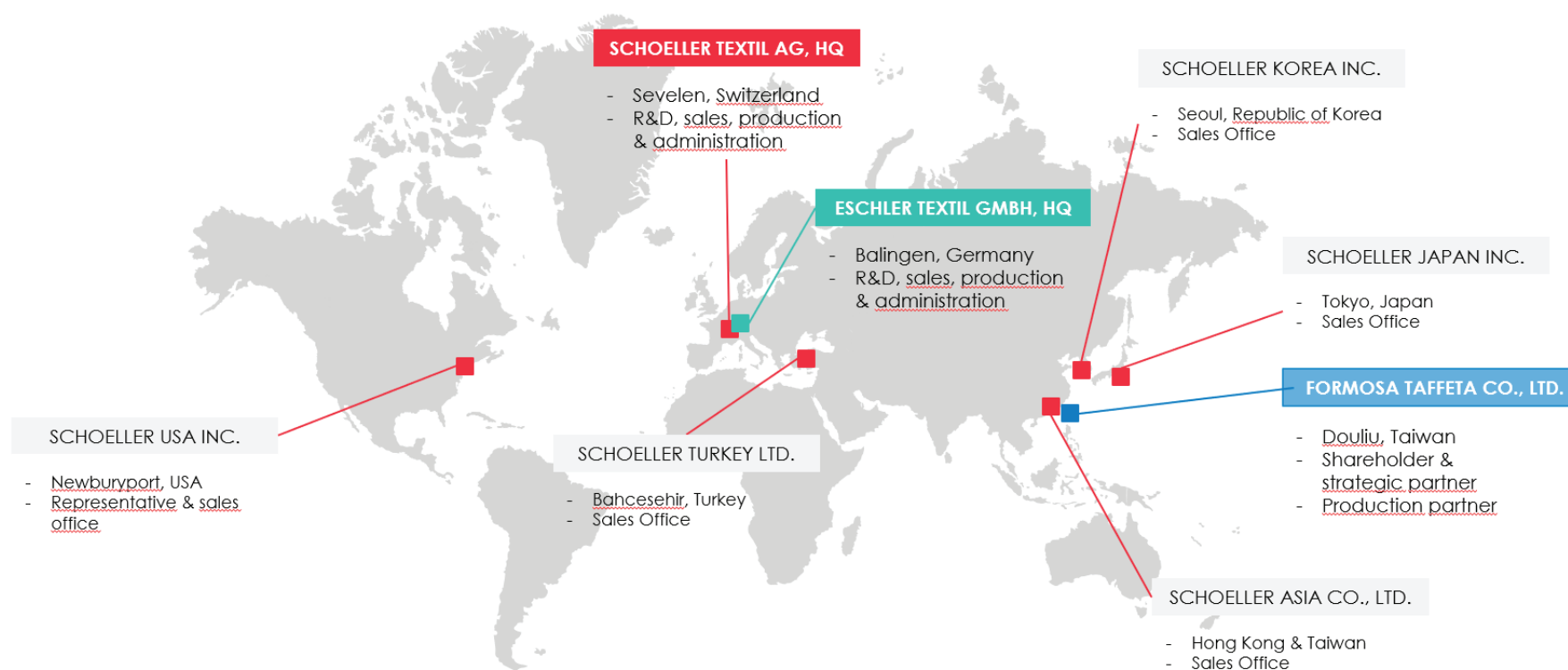
In case of any questions or feedback related to this report, please reach out to Sustainability@schoeller-textiles.com.



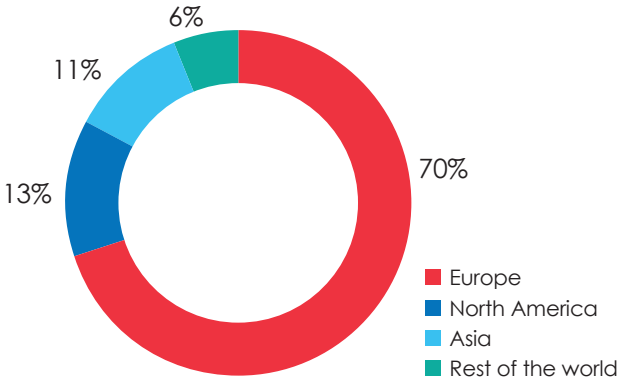
Schoeller Textil AG

Schoeller Textil AG is a textile manufacturer with its headquarters in Sevelen, Switzerland. The globally-operating company specializes in the sustainable development and production of innovative textiles and textile technologies, which are leaders in niche markets worldwide. Schoeller Textil AG is jointly owned by the Albers Group, Switzerland, and Formosa Taffeta Co., Ltd, Taiwan. In 2012 Schoeller Textil AG aquired Eschler Textil GmbH (Germany), a producer of innovative high-quality warp-knitted textiles for technical applications.

For more information about Eschler Textil GmbH regarding its sustainability approaches and achievements, please visit the Eschler [website](#).

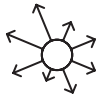


Schoeller Textil AG net sales per region. With a 70% share Europe is the most important and mature market.



1

Headquarters
(Switzerland)



8

Sales offices
(USA, UK, Korea,
Switzerland,
Germany,
Turkey, Japan,
Hong Kong)



1

Owned
production
sites
(Switzerland)



65

Operating
countries

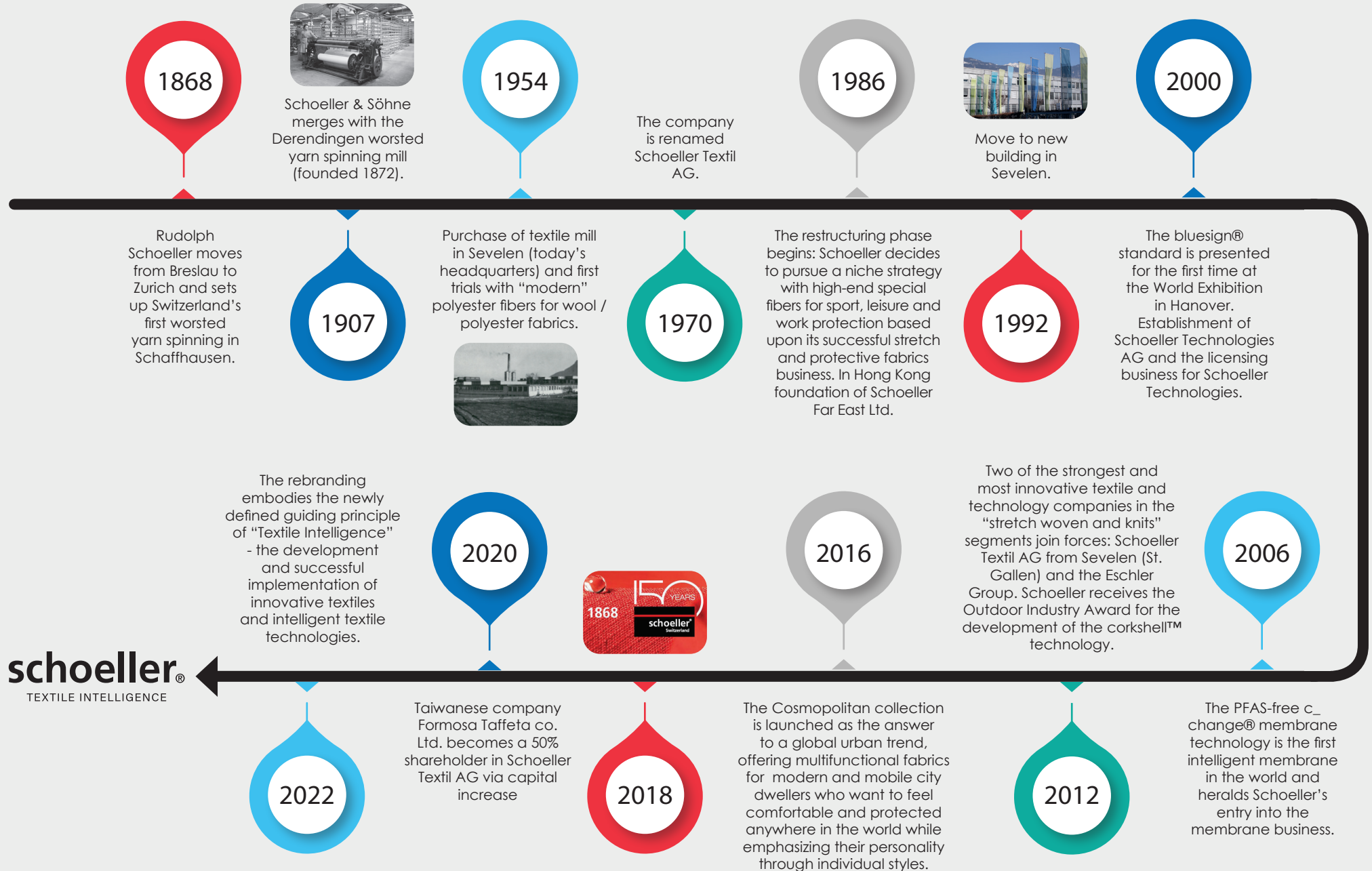


194

Employees
(as of
December
2023)



Schoeller History & Milestones



Vision and Mission

At Schoeller we consistently strive for innovation and performance, always with our Swiss heritage and sustainability promise in mind.

OUR VISION

At Schoeller, our vision is to create a better way of life, tangible added value and a more sustainable future through innovation - for people and nature.

OUR MISSION

The pioneering spirit anchored in Schoeller's origins - highest quality standards and attention to detail allows us to continuously outgrow ourselves in order to enable innovations.

OUR VALUES

INTEGRITY – RESPONSIBILITY – EFFICIENCY –
QUALITY – SUSTAINABILITY

OUR GOALS

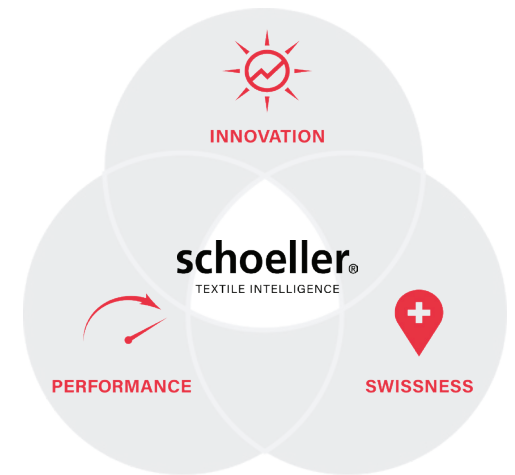
Our business plan envisages a double-digit annual growth.





Core Values

Our Brand DNA was redefined in 2022 with three key-pillars: Performance, Innovation and Swissness. They unite our core competency, the future direction of the brand and origin, and are represented in the claim "TEXTILE INTELLIGENCE." Together, this encompasses a holistic approach to what defines Schoeller: The Schoeller Pioneering Spirit.



Our textiles guarantee maximum comfort for personal peak performance in any situation.



Our aspiration is to create genuine product innovations that offer added value for our customers and for nature - optimized, sustainable, and versatile.



For our daily work, our Swiss roots mean absolute precision, resource-saving manufacturing processes, and a deep connection with nature.

Sustainability Journey

At Schoeller Textil AG, our commitment to sustainability has been a key part of our journey over the years. It all started in 1999 when we achieved the **Oeko-tex® 100 certification**, ensuring our textiles met rigorous safety standards and fulfilled the requirements for human ecology. By 2001, we adopted the **bluesign®** system, focusing on sustainable production, and in 2008, we were proud to become the first textile company to be bluesign® certified, receiving the inaugural bluesign® Award.

In 2004, we joined the Energy Agency of Economy (**EnAW**), to gain external support to maximize the efficiency of energy and resources. In 2017, we achieved the **ISO 9001:2015** certification, underscoring our dedication to quality management. The installation of solar panels on our own production facility in 2019 marked a significant step towards our use of renewable energy. In 2021, we aligned with the **Nativa** and Responsible Wool Standard (**RWS**) for ethical wool sourcing and implemented the Higg Facility Environmental Module (**FEM**) to assess our environmental performance.

The opening of the Schoeller **webstore** in 2022 allowed us to showcase our sustainable products directly to consumers. Most recently, in 2023, we set Science Based Targets Initiative (**SBTi**) goals, reinforcing our dedication to reducing greenhouse gas emissions and combatting climate change.

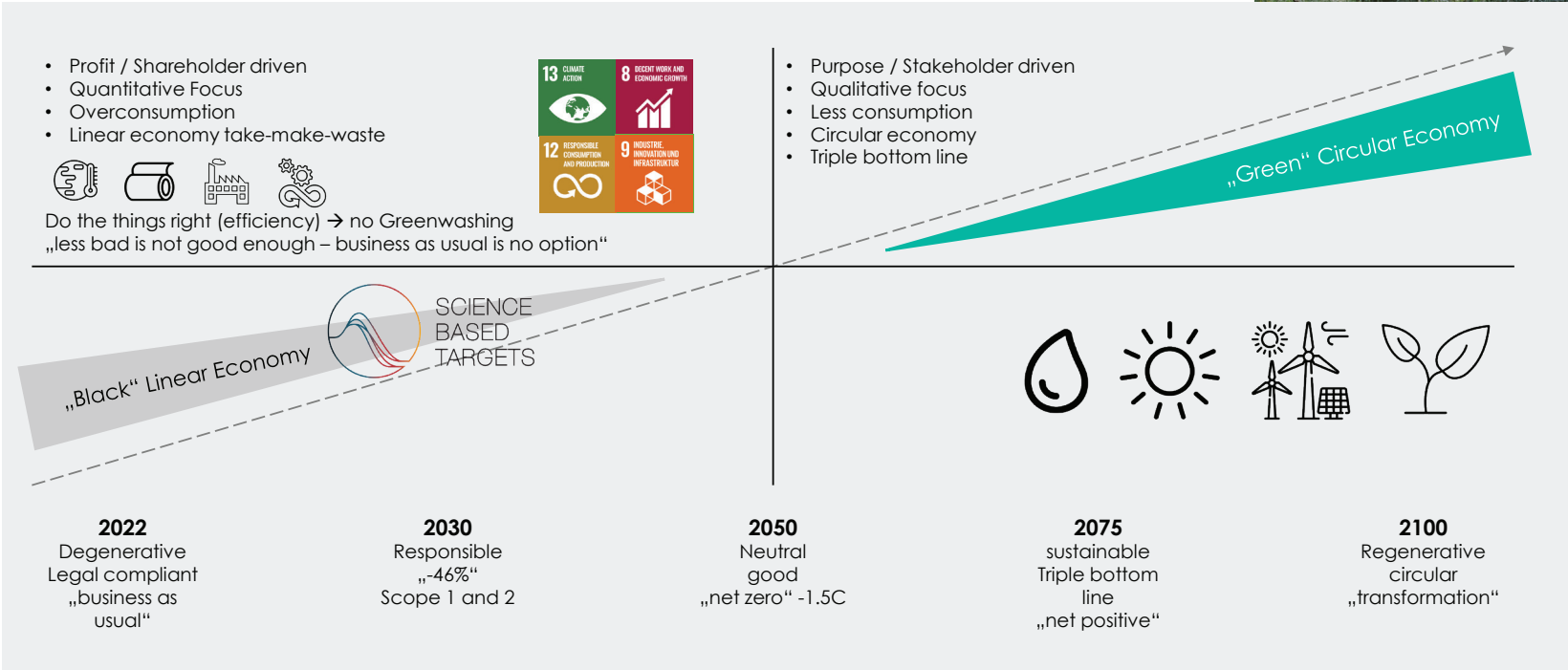
For 2024 we joined forces with the ESG platform **worldfavor** to mitigate supply chain risks, comply with legal requirements, and accelerate positive impact. Our journey reflects our unwavering commitment to a more sustainable future.



Sustainability Approach

Schoeller Textil AG's sustainability strategy is guided by the **UN Sustainable Development Goals** (SDGs). Although we contribute to all SDGs in some way, there are four that are particularly relevant to our business. By concentrating on these focus areas, we believe we can have the largest impact and create the most sustainable value for our employees, customers, and the broader society.

The timeline below outlines Schoeller Textil AG's high-level sustainability strategy, highlighting our commitment to transitioning from a "Black" Linear Economy to a "Green" Circular Economy. The linear economy, characterized by profit-driven motives, overconsumption, and a take-make-waste approach, is recognized as unsustainable and focused on short-term efficiency. Schoeller's strategy emphasises moving away from this model towards a purpose-driven, stakeholder-focused approach that minimizes consumption and embraces circular economy principles, aiming for a **triple bottom line** of social, environmental, and economic benefits.



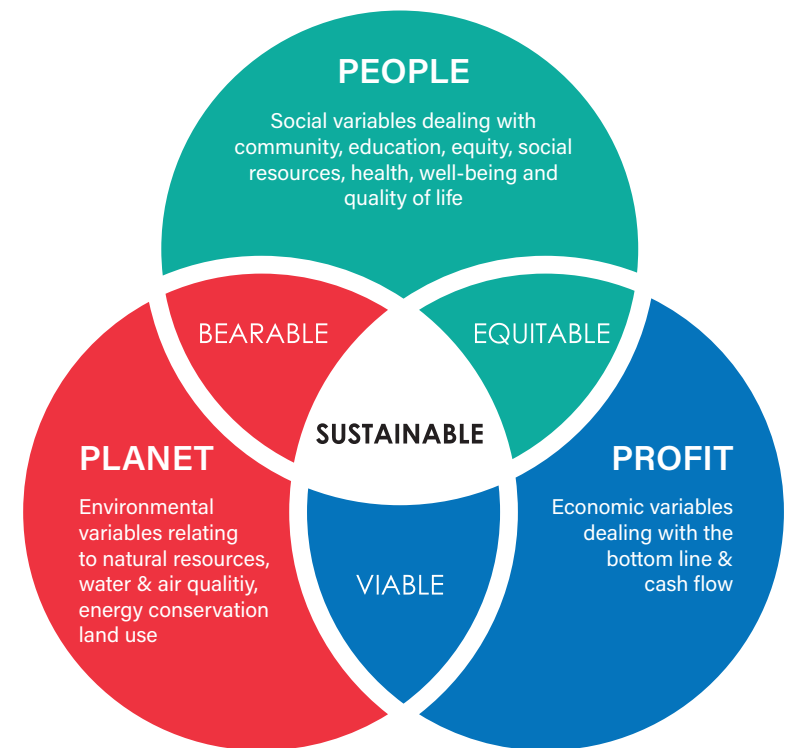


Triple Bottom Line

By integrating the Triple Bottom Line approach, which evaluates a company's success based on three pillars:

- economic performance
- social responsibility
- and environmental stewardship

Schoeller Textil AG will achieve a balanced and sustainable growth trajectory. This strategy not only benefits the company economically but also positively impacts society and the environment, ensuring a holistic and enduring commitment to sustainability.



Contribution to the SDGs

In September 2015, all 193 Member States of the United Nations adopted a plan for achieving a better future for all. At the heart of “Agenda 2030” are the 17 Sustainable Development Goals (SDGs). They recognize that ending poverty must go together with strategies that improve health and education, reduce inequality, and foster economic growth – “while at the same time tackling climate change and working to preserve our oceans and forests.”

In 2023, Schoeller Textil AG developed Schoeller Textil AG’s first sustainability matrix in partnership with an external consultant “[Synbelle® GmbH](#)”, identifying major sustainability topics linked to Schoeller Textil AG’s business operations and their relevance for Schoeller Textil AG and its stakeholders. This matrix also reflects the direct and indirect impacts on the various Sustainable Development Goals (SDGs).

Schoeller Textil AG identified four main goals and seven sub-goals on which direct or indirect influence can be taken to reduce possible negative effects caused by business operations. Goals were identified based on impact severity and likelihood relating to Schoeller Textil AG’s main relevant business operations.



Sustainability Matrix

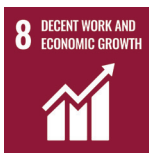
The sustainability matrix below shows the relevance of ESG Topics for stakeholders and Schoeller Textil AG. This is not just a framework to help us to set the right ambitions, but a strategic lever to turn potential risks into opportunities. They serve us as a compass to continuously identify the next steps in our journey towards more innovative products, less impactful operations, and achieving sustainable value creation for our stakeholders along the value chain.

	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Steady procurement				•				•••	••	•		••	••			•	••
Safe and sustainable locations			••	•		••		•••	•••		••	•••	•••	•	•	•	••
Energy efficiency & emissions							•••	••	•••		•	•••	•••				
Water & wastewater						•••	•••	•	•••		•	•••	•••	•			
Motivated employees and strong performing team			•••	•••	•••			•••	••	•••							
Sustainable product portfolio						••		•	•••			•••	•				
Business-driven innovations				•				••	•••			•					
Customer & supplier relationship								••		•		••	••				•••
SDG			••	••	••	••	••	•••	•••	••	•	•••	•••			•	••

• limited impact •• indirect impact ••• direct impact

Sustainability Focus 2024

We identified the following four SDGs where we can have the biggest direct impact and formulated goals with immediate focus on these for 2024.



Goal: take immediate and effective measures to end forced labor, child labor and sexual harassment.

Focus 2024: create more supply chain transparency by engaging an external ESG platform.



Goal: build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Focus 2024: digital manufacturing strategy to be implemented by 2025 to contribute to a more sustainable operation.



Goal: create transparency to ensure sustainable purchasing decisions.

Focus 2024: widen sustainable practices and implement public procurement practices in accordance with national policies and priorities.



Goal: Greenhouse Gas emissions reductions by 46% by 2030 and to net zero by 2050.

Focus 2024: measure GHG emissions and identify areas for reduction.



An aerial photograph of a dense forest. The canopy is thick with trees showing various shades of green and some yellow, suggesting autumn. The text is overlaid on the top left portion of the image.

ENVIRONMENT

SOCIAL

GOVERNANCE



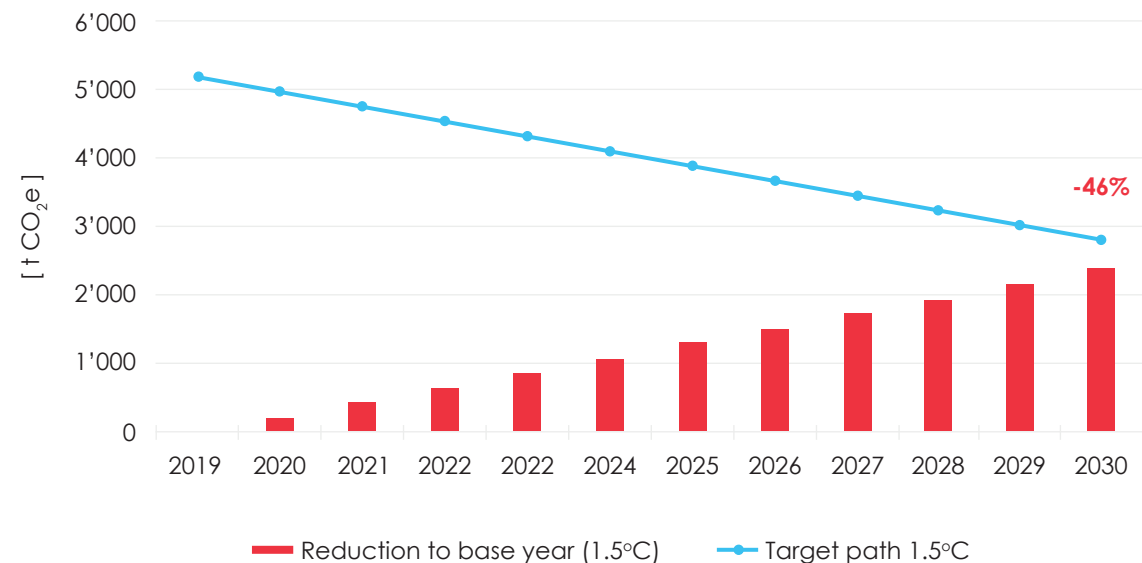
Corporate Carbon Footprint (CCF)

In 2023 Schoeller Textil AG measured its carbon emissions for the first time, starting with the base year 2019. This year was selected to set a realistic baseline due to 2020-2022 being heavily biased by the impacts of Covid.

The reason for a backdated measurement was to enable Schoeller Textil AG to commit to **Science-based targets** (SBTi). SBTi provides a clearly-defined pathway for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement - limiting global warming to 1.5°C above pre-industrial levels.

For Schoeller Textil AG, the reduction plan requires a 46% decrease of Scope 1 and 2 emissions by 2030. This means a reduction of 2'371 t CO₂, from 5'154 t CO₂ to 2'783 t CO₂. Data for 2023 is currently being collected and our CCF 2023 is due to be released at the end of October 2024.

SBTi Scope 1+2 target path and necessary reduction



Methodology

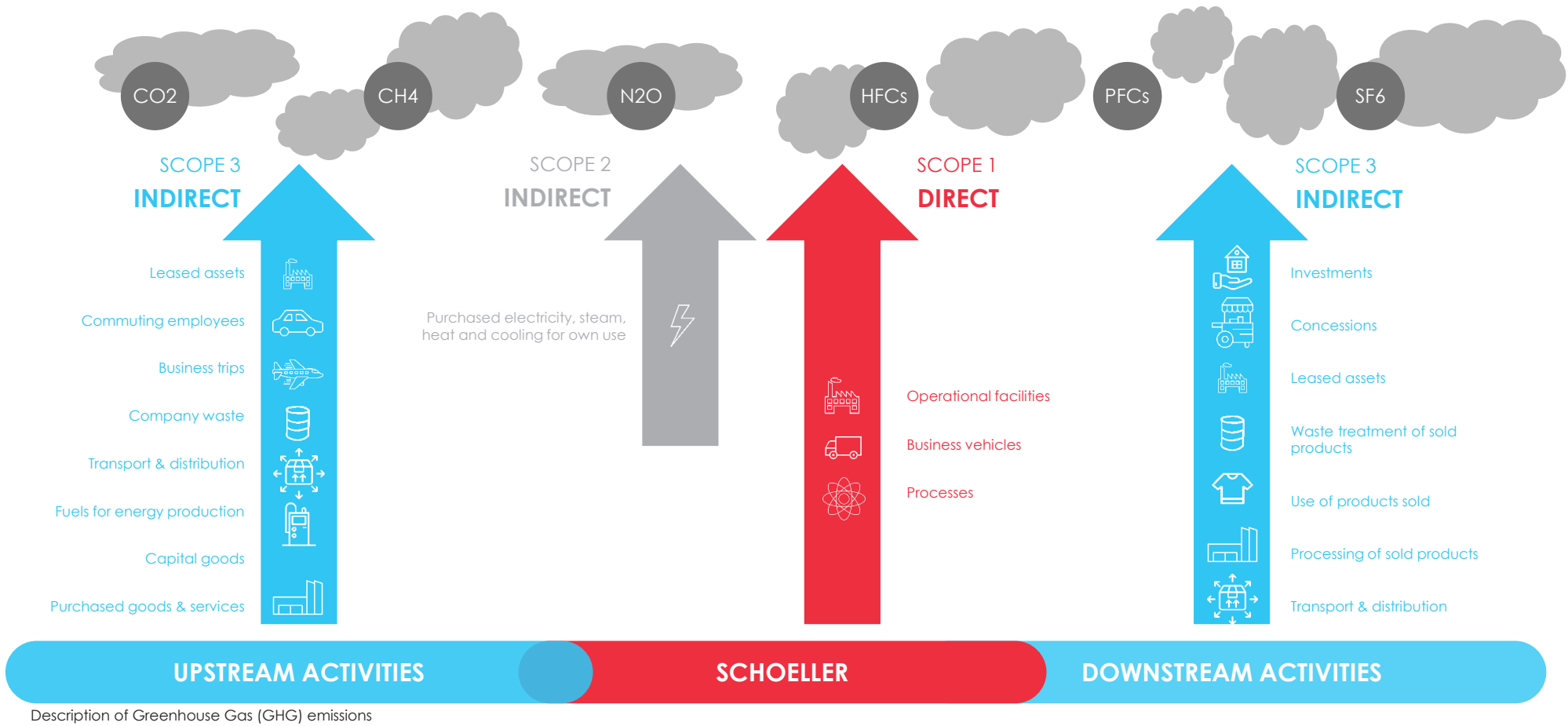
Data was assessed in accordance with the Greenhouse Gas (GHG) Protocol Corporate Standard. The protocol classifies a company's GHG emissions into three categories or 'scopes'.

- Scope 1

covers all direct emissions from company-owned or controlled sources, for example emissions from combustion in company owned and controlled boilers, furnaces, vehicles etc.
- Scope 2

covers indirect emissions from the generation of purchased electricity, steam, heating or cooling energy consumed by the company.
- Scope 3

covers all indirect emissions that occur in the value chain of the reporting company, meaning that the emissions are out of the company's immediate operational control, including both upstream and downstream emissions.



Methodology

Data was collected from headquarters and the production site in Switzerland, the production site in Germany, and six sales offices.

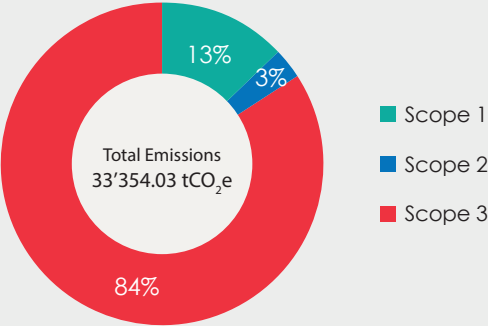
The approach is based on internationally recognized standards (ISO 14064, GHG Protocol, CDP, GRI) and covers all climate-affecting greenhouse gases.

Reporting Period	01/01/2019 - 31/12/2019
Base Year	2019
GHG emissions boundaries	Scopes 1, 2 and 3
Organizational boundaries	Schoeller Textil AG: headquarters & production site in Sevelen, Switzerland, production site Eschler Textil GmbH in Balingen, Germany, and six sales offices
Number of employees, vs 2019 (2023)	235 (260)
Consolidation	Operational control
Scope 2	Market-based
Environmental indicator	IPCC 2013 GWP 100a
Standards	GHG Protocol: Corporate Standard, Scope 2 Guidance, Scope 3 Guidance, Corporate Value Chain (Scope 3) Accounting and Reporting Standard
Databases	ecoinvent 3.6
Contact	myclimate foundation

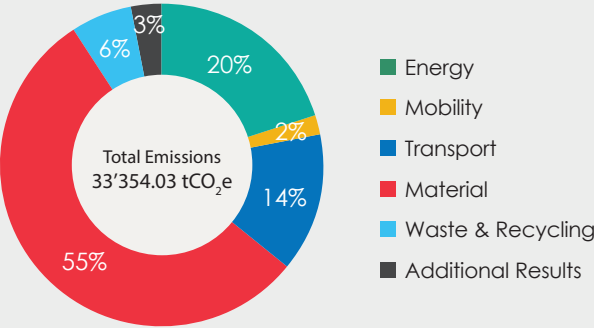
In 2019, Schoeller Textil AG generated 33.4K tCO₂ emissions. With 84%, Scope 3 accounts for the biggest share of the total emissions. While we have a reduction path for Scope 1 and 2 through SBTi, we are also focusing on Scope 3 emissions because we see a big reduction potential in our selection of materials which make up about 55% of total emissions as well as a focus on minimizing overproduction and optimizing processes to limit wastage.

We are currently assessing Scope 1 and 2 emissions to identify further potential reductions of GHG emissions and a detailed plan will be published in the 2025 Sustainability report.

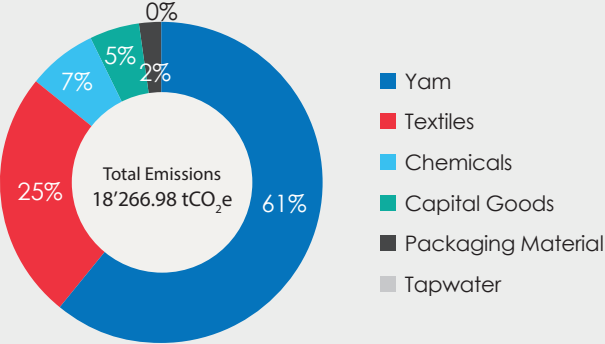
CO2 emissions per Scope



Share of CO2 emissions per category



Total materials emissions (split by category)



Sustainable Materials

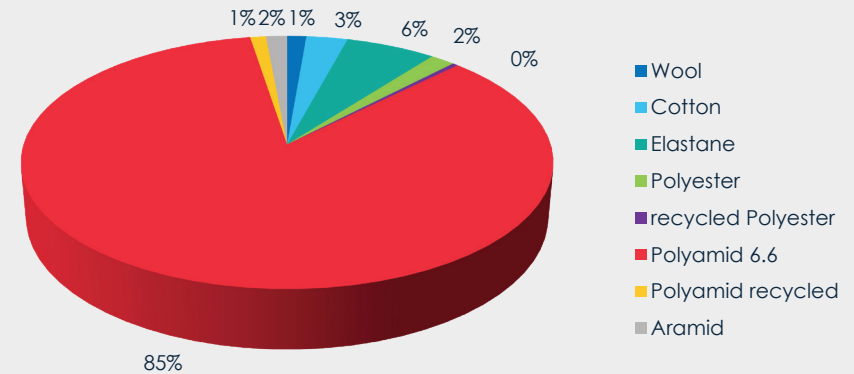
Schoeller Textil AG is known for its high-performance textiles, with Polyamide (commonly known as nylon) being one of the primary materials in our product line. Polyamide is favored for several reasons: it is exceptionally durable, resistant to wear and tear, and has excellent elasticity, making it ideal for applications requiring long-lasting, flexible, and comfortable fabrics. Additionally, Polyamide has a high moisture absorption capacity, which contributes to the comfort of garments, especially in activewear and outdoor clothing.

Sourcing recycled Polyamide however is particularly challenging. The primary issue is the complex chemical structure of Polyamide, which makes it difficult to recycle compared to other materials like polyester. Additionally, the process of separating Polyamide from blended fabrics, which are common in textiles, adds another layer of difficulty. The availability of post-consumer Polyamide waste is also limited, further complicating efforts to produce recycled Polyamide at scale.

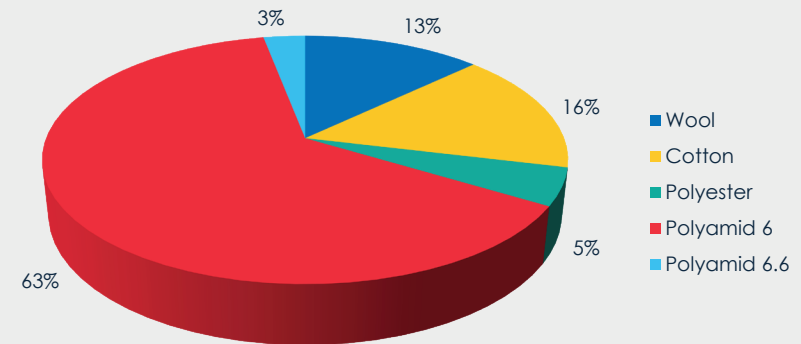
Despite these challenges, our goal is to incorporate recycled materials in 30% of our product range by 2030, underscoring our commitment to sustainability.

Furthermore we are working on monomaterial solutions, aiming to create fabrics from a single type of material. However, achieving the same performance and comfort levels with monomaterials is difficult, as these factors are often compromised in the pursuit of simpler, recyclable fabrics.

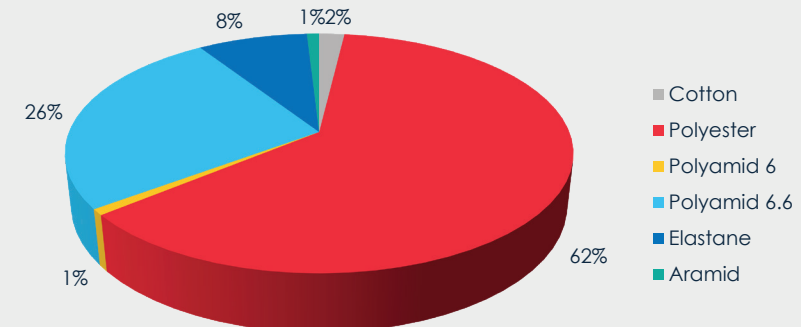
Yarn: Share of materials



Weaving: Share of materials



Knitting: Share of materials



Chemical Management

Schoeller Textil AG's range of products incorporates both new and innovative, as well as established materials, which undergo rigorous testing against international standards to ensure compliance with legal requirements and mitigate health and safety hazards. Currently 95% of our products are Oeko-tex® Standard 100 certified, and 85% are bluesign® certified.

These certification percentages are expected to rise as Schoeller intensifies its efforts to phase out perfluorinated compounds (PFAS) from its Performance category by the end of 2024. PFAS, commonly used for their water-repellent and stain-resistant properties, are increasingly being regulated due to environmental and health concerns. New regulations are pushing for the elimination of these chemicals.

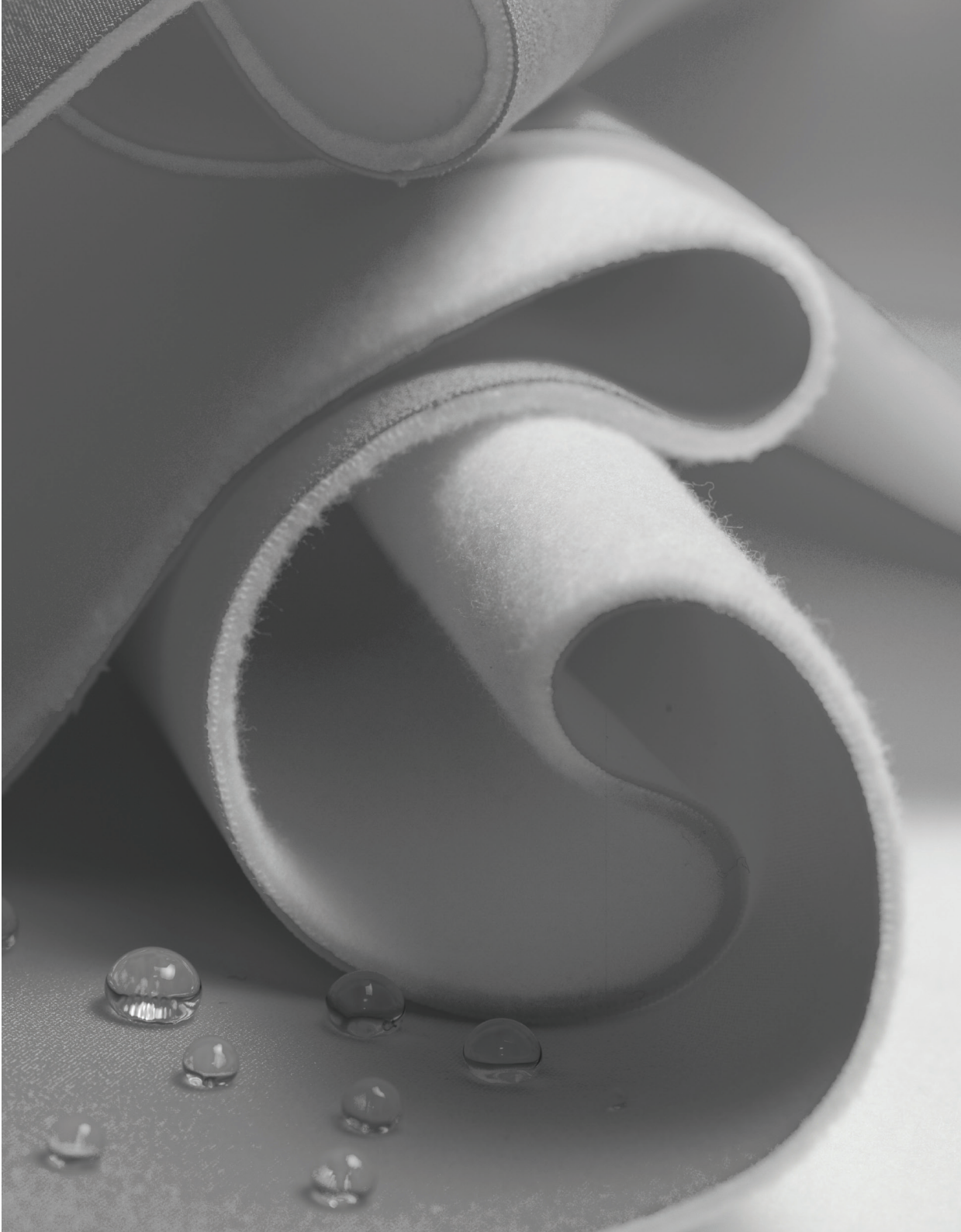
Schoeller Textil AG has been offering PFAS-free solutions since early 2000 and we are committed to removing PFAS from our Performance category completely. However, as long as there are no safe and effective alternatives available for our Protection category, we will continue to include some products that use PFAS and fall under the exemptions list by ECHA. This transition underscores our dedication to sustainability while ensuring that our products continue to meet the highest standards of performance and safety.

PFAS-free product offering timeline:

	Performance*	Protection*
December 2023	78%	35%
December 2024	100%	80%**

* average sales volume split performance / protection = 50% / 50%

**due to existing customer agreements that run over several years we are not able to phase out PFAS immediately



Higg Facility Environmental Module (FEM)

We use the Higg Facility Environmental Module (FEM) to gain a comprehensive understanding of the environmental impact of our operations. By adopting this globally recognized tool, we ensure that our sustainability efforts are both measurable and transparent, allowing us to identify areas for improvement and make informed decisions.

Our goal in using the Higg FEM is not only to monitor and reduce our environmental footprint but also to foster a deeper level of collaboration with our brand partners. By sharing our Higg FEM data within the Higg environment, we provide our partners with clear insights into our sustainability practices, enabling them to make more conscious and aligned decisions regarding their supply chain.

The Higg FEM assesses several critical areas of our facility's operations, including:

- **Energy:** Evaluation of our energy consumption and efficiency.
- **Water:** Monitoring our water usage and conservation efforts.
- **Waste:** Tracking the generation and management of waste.
- **Wastewater:** Managing the treatment and discharge of wastewater.
- **Air Emissions:** Measuring our impact on air quality.
- **Chemicals Management:** Ensuring the safe and responsible use of chemicals.

Verification of the FEM self-assessment is conducted by a third party **Cascale**-approved verifier.





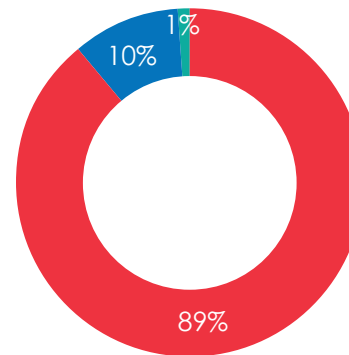
Energy

Since 2004, Schoeller Textil AG participates in a program of the Energie Agentur der Wirtschaft (**EnAW**) which helps its members to actively reduce carbon emissions and optimize energy efficiency. It also ensures that the members comply with the Swiss energy laws.

Self-generated energy from 2'538 solar panels covers 8-10% of our total electricity consumption, and we are able to use 85-90% of the self-generated electricity production for ourselves. The unused energy that is generated when the production lines are not running gets supplied back into the grid.

Up to 50% of our energy consumption is used for water heating, which plays a significant role in the dyeing and finishing processes. Significant waste heat recovery processes have also been implemented to improve energy efficiency, including heat recovery from post-dyeing, stentering frames waste air, steam boilers and steam condensation residual heat.

Share of self-generated energy (rounded)



- Energy purchased
- Self-generated energy
- Energy sold

Water

The wastewater generated through the dyeing and finishing process at Schoeller Textil AG contains so few chemicals or solids that it can be fed into the municipal wastewater system. This is treated in exactly the same way as normal wastewater from Swiss households.

To further improve our governance on water, from 2024 onwards, the untreated wastewater will be tested by the **Hohenstein Institute** focusing on Alkylphenols (AP's) / Alkylphenolethoxylates(APEO's) and heavy metals and their compounds. Substance and substance group designations, as well as the reporting limits and limit values are used in accordance with the OEKO-TEX® SteP Standard Edition 01.2024.

Ground water is used for cooling processes and returned to the ground water in the same quality through our seepage reservoir.

Other

Schoeller Re-fabric

Globally, over \$120 billion worth of excess fabrics are currently stored in warehouses, often destined to be burned or buried, exacerbating environmental problems.

In 2022, we introduced **Schoeller Re-fabric**, an online platform that offers "discontinued" or "remnant" fabrics from Schoeller's surplus inventory. This platform provides creatives, designers, and startups with access to premium fabrics that would otherwise be discarded. Our goal with this initiative is to create an efficient online marketplace to reduce waste and extend the life cycle of these materials.

With each meter of fabric sold through Schoeller Re-fabric, up to 146 liters of water and 18.4 kg of CO₂ can be saved. The establishment of Schoeller Re-fabric helps save water and reduce CO₂ emissions by repurposing existing fabrics that would otherwise be destroyed. Producing new textiles consumes large amounts of water





and energy. By using fabrics that are already made, the need for new production is reduced, which in turn conserves resources and minimizes the environmental impact. This approach not only prevents waste but also supports a more sustainable and circular fashion industry.

Mono.Looped.Poly

In 2023 Schoeller Textil AG joined the **Mono.Looped.Poly** project. The project is developing a 'textile-to-textile' material cycle for monomaterial polyester products and defining standards for it. Schoeller Textil AG is supporting the project with fabric development and know-how.

Polyester is the most widely used textile fiber globally, and demand is increasing every year. Polyester is non-renewable and a major contributor to climate change. Today, hardly any polyester is recycled 'textile-to-textile': 99% of recycled polyester comes from PET bottles - so the material is mostly lost when it enters the textile cycle. One of the central obstacles in textile-to-textile recycling is the material mix in textiles.

The goal of the InnoSuisse Mono.Looped.Poly project is to substitute virgin polyester in the sportswear industry through a circular use of the material.

The project aims to develop integrated solutions in three innovation fields to achieve this goal.

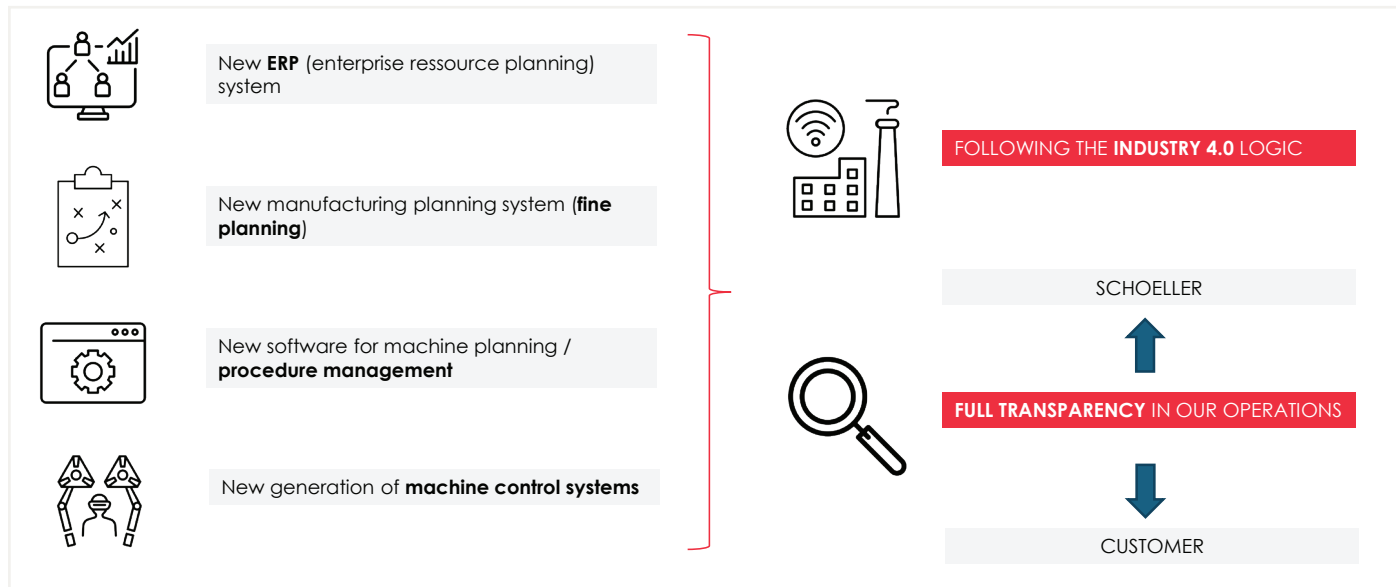
1. 'textile-to-textile' material cycle
2. Monomaterial Design Library
3. Monomaterial back injection moulding on textiles.

The project takes into account upcoming EU regulations concerning recyclability requirements and minimum recycled content for textiles.

Digital manufacturing strategy

Schoeller Textil AG is currently undergoing a digital transformation, implementing a fully integrated and digitized manufacturing process that will lead to:

- Innovative services
- Better quality
- Reduced re-work
- Supply Chain optimization
- Accurate planning
- On time production
- Increased customer satisfaction



A digital manufacturing strategy is crucial for sustainability because it optimizes production processes in ways that significantly reduce environmental impact. By digitizing manufacturing, Schoeller Textil AG can minimize waste, lower energy consumption, and reduce the need for re-work, all of which contribute to a more sustainable operation. Furthermore, digital tools enable more accurate planning and supply chain optimization, ensuring that resources are used efficiently and that production is more closely aligned with demand, reducing excess inventory and waste. The digital transformation is set to go live in 2025.



ENVIRONMENT SOCIAL GOVERNANCE



Employees

Our employees are our most valued assets. Schoeller Textil AG's people strategy focuses on creating a supportive and inclusive work environment that values fair compensation, local talent and high working standards.

Schoeller Textil AG employs 194 employees, of which 67.5% are men and 32.5% are women. Most employees are in the over 50 age group and 88% work full-time. The average length of service amounted to 11.75 years in 2023.

Benefits and Offers

- Take your child to work day
- Trial days for apprentices
- Free parking
- Free charging station for electric cars
- Flexible working hours (depending on department)
- Home office
- Part-time
- Parental leave

Development

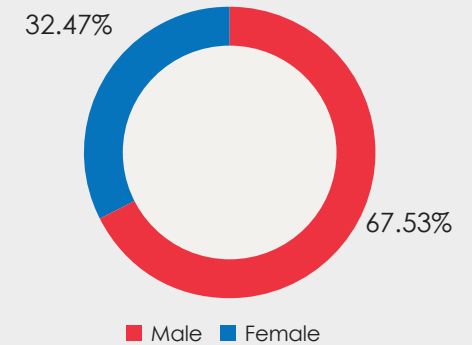
Schoeller Textil AG is dedicated to the training and promotion of young people and offers the following apprenticeships at HQ:

- Textile Technology Federal Qualification Certificate (EFZ), Processing
- Textile Technology Federal Qualification Certificate (EFZ), Finishing
- Commercial Apprenticeship Profile E

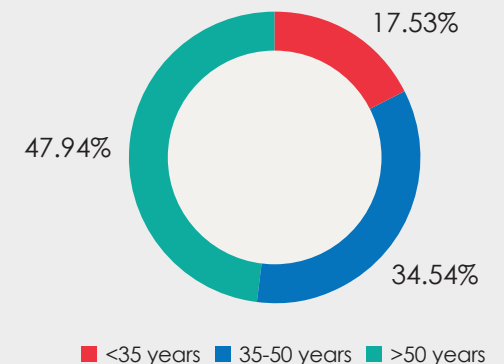
The apprenticeships run for three to four years, and in 2023 there were four apprentices employed by Schoeller Textil AG.

Several Bachelor and Master theses have been supported over the years, and employees are also encouraged to enroll in further education and short courses to develop further and broaden their skillset.

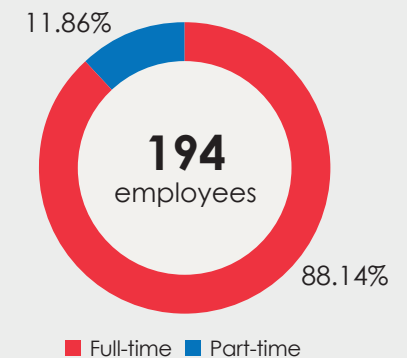
Gender distribution in %



Age distribution in %



Employment in %



Health and Safety

Schoeller Textil AG has a dedicated Health and Safety manager who plays a crucial role in ensuring safety and well-being of employees in the workplace. The primary responsibilities include developing, implementing, and maintaining health and safety policies and procedures to prevent accidents, injuries, and illnesses.

Each department has its own safety documents that are maintained by Human Resources, and every new production employee gets trained to properly use and handle machinery, chemicals and waste during their induction. There is also a yearly safety training that is conducted by each head of department to ensure the safety and well-being of each employee.

The production facility is audited yearly by **SUVA** (Swiss Institute for Accident Insurance). This is a voluntary audit that Schoeller Textil AG undergoes to ensure the facility meets the highest standards in terms of health and safety.

We have a First Aid team of five employees that volunteered to go through a professional paramedic training course, which must be renewed every 2 years. In case of an accident, an internal emergency number (666) can be called for immediate help and gets directed to the dedicated first aid team.

In 2023, nine work-related injuries were reported with zero fatalities. Furthermore, no cases of discrimination were reported.



External engagement

In 2023, Schoeller Textil AG demonstrated a strong commitment to supporting local communities and international humanitarian efforts. Through a series of carefully selected projects, the company showcased its dedication to social responsibility and community engagement.

Support for Local Sports Clubs

Schoeller Textil AG understands the importance of fostering community spirit and promoting healthy lifestyles. In 2023, we supported a few local sports clubs. These contributions not only provided financial aid but also helped in the maintenance and development of sports facilities, ensuring that community members of all ages could enjoy and benefit from these recreational activities.

Donations to Ukraine

In response to the ongoing crisis in Ukraine, Schoeller Textil AG made significant donations to support humanitarian efforts in the region. This initiative underscored Schoeller Textil AG's commitment to global solidarity and its responsiveness to international emergencies. The donations aimed to alleviate some of the suffering faced by the Ukrainian people and to contribute to broader humanitarian efforts.

Support for Familienzentrum Solemio

Locally, Schoeller Textil AG also focused on family welfare by supporting the **Familienzentrum Solemio**. This family center offers a range of services aimed at supporting families, including childcare, educational programs, and counseling services.





ENVIRONMENT
SOCIAL
GOVERNANCE

Governance Structure

Effective corporate leadership is essential for achieving our objectives and embodying our company's vision, which is to create a better way of life, tangible added value and a more sustainable future through innovation - for people and nature.

The textile industry is facing new and complex challenges due to an increased emphasis on sustainability. This shift has resulted in higher operational costs, such as those related to IT infrastructure, renewable energy adoption, transportation, and the development of systems for managing CO₂ emissions and water resources. Additionally, there are growing demands from national and international laws and regulations, requiring full transparency across the supply chain, implementation of circular economy practices, and comprehensive Environmental, Social, and Governance (ESG) monitoring throughout the entire value chain.

At Schoeller Textil AG, our governance structure is organized into five key management categories:

1. Board of Directors:

The highest level of oversight, responsible for guiding the company's strategic direction.

2. Operational Leadership Team (OLT):

Focuses on the execution of the company's operational strategies.

3. Extended Leadership Team (ELT):

Supports the OLT with additional expertise and leadership across different functions.

4. Heads of Departments:

Manage specific areas within the company, ensuring that each department meets its goals in line with overall company objectives.

5. Direct Reports to Heads of Departments:

Assist the heads of departments in day-to-day operations, helping to implement departmental strategies effectively.

This governance framework ensures that we maintain a strong leadership presence at all levels of the organization, enabling us to tackle industry challenges head-on and continue shaping the future of textiles.



OLT from left to right: Marco Betsch (CFO), Joachim Kath (CEO), Antonio Gatti Balsarri (CCO) and Martin Hämmerle (CPO)

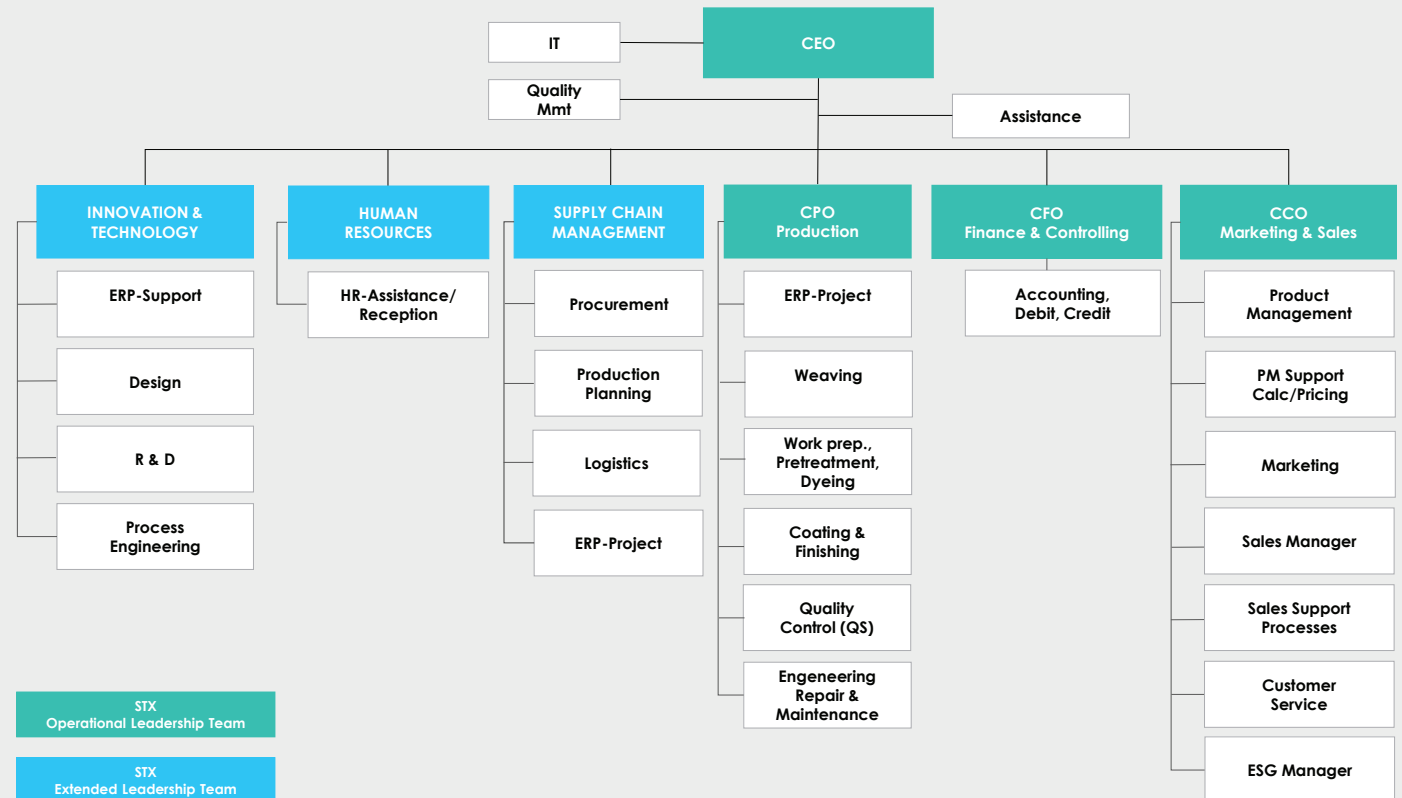
Organizational Structure

In 2023 Schoeller Textil AG created a part-time position for an ESG (Environmental, Social and Governance) Manager for the first time. The ESG Manager reports to the Chief Commercial Officer. The ESG Manager works with all the departments on different topics with main focus on:

- CO₂ reduction
- SDG goals
- Compliance with existing or upcoming regulations

A bi-annual sustainability meeting is held with all relevant stakeholders in the business with progress updates, strategy alignment and setting of future priorities.

Sustainability is not the responsibility of one department, and different employees from different areas contribute to drive and implement the sustainability strategy.



Anti-Corruption, Anti-Bribery and Anti-Fraud

Schoeller Textil AG is committed to ethical business practices, exemplified by the anti-corruption, anti-bribery, and anti-fraud policies. These policies dictate that employees must refrain from soliciting or accepting gifts, commissions, or any form of advantage in connection with their professional duties without company knowledge. Moreover, any form of bribery, whether active or passive, is strictly prohibited, along with engaging in unfair competitive practices with third parties.

It is mandatory for every employee to sign an agreement acknowledging and adhering to these policies as part of their employment contract. No confirmed incidents of corruption were reported in 2023.

Code of conduct

Our requirements for labor practices are documented in our Code of Conduct. The standards are based on a template of Swiss Textiles, a federation that represents some 200 enterprises in the textile and garments industry which manufacture or trade textiles. The full Code of Conduct can be accessed on our [website](#).

Human rights



equality of rights and prohibition of discrimination



protection of privacy



the right to freedom of opinion and free expression of opinions



the right of employees to health and safety at the workplace





Working conditions

Complies with core working standards of the International Labor Organization (ILO):

- prohibition of forced labor;
- prohibition of child labor;
- compliance with local working and rest time regulations; the maximum weekly working time should not exceed 48 hours (excluding overtime. Overtime must be compensated;
- payment of a wage which is appropriate to the activity and place of employment with identical pay for identical work;
- compliance with local regulations on occupational safety and health protection;
- respect for the right of assembly and collective bargaining.

Environmental protection

The enterprise respects the environment in its activity at all its places of business. It takes economically viable measures to achieve a satisfactory level of protection. In particular, the enterprise safeguards the responsible handling of chemicals and continuously optimizes its use of water and energy or makes sure that the consumption of these resources is kept as low as possible in the long term.

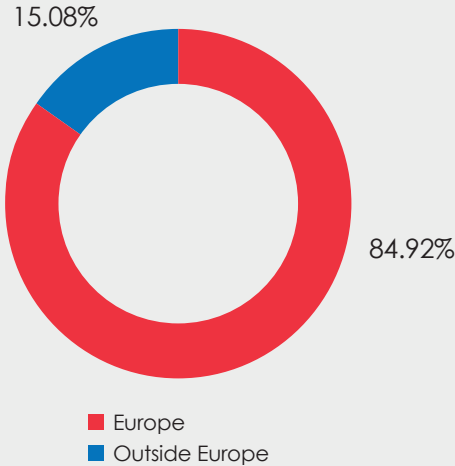
Sustainable supply chain

Sourcing & Procurement

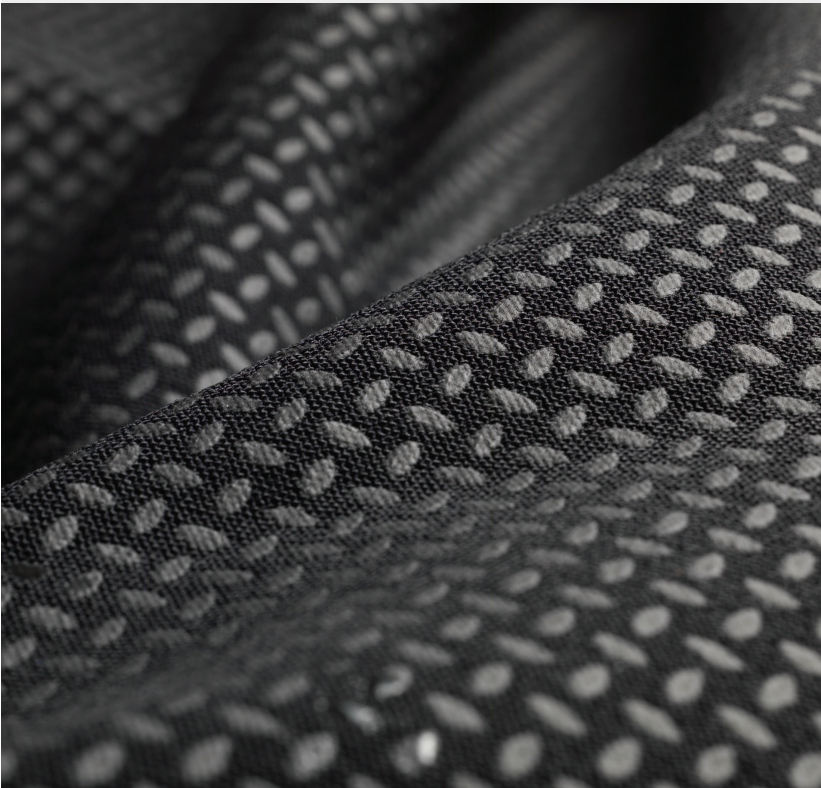
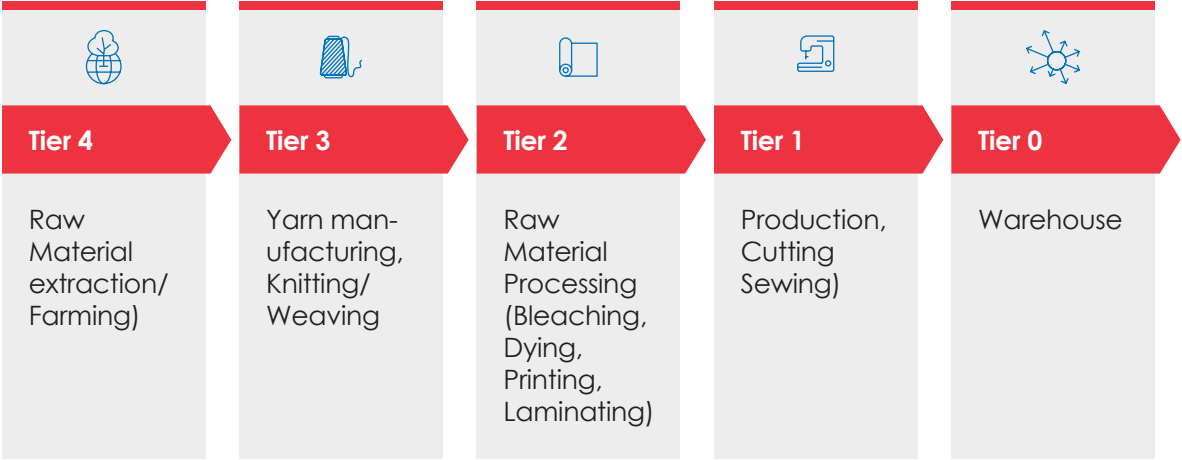
Schoeller Textil AG’s focus has always been on high-quality and long-lasting products. Products that can remain in use for longer and ultimately preserve the environment and save resources. Sustainability does not conflict with innovation, design, functionality, and quality and has always been part of our DNA.

Schoeller Textil AG sources most raw materials from Europe. In 2023, close to 85% of all raw materials were sourced from within Europe. Quality and short lead times play a major part in the sourcing strategy. Reducing transportation distances also minimizes the environmental footprint while ensuring consistent material standards.

Share of raw materials sourced from within Europe:



Supply chain Tier 1-4



Child labor

It is crucial that companies are aware of the existing social and environmental risks within their supply chain as legal requirements are tightening and stakeholders demand more transparency. In 2023, Schoeller Textil AG conducted a country risk assessment in regards to child labor for its Tier 1 suppliers for the first time. Tier 2 partners will be screened in 2024, and data will be available in the next sustainability report in June 2025.

Our Code of Conduct complies with the core working standards of the International Labor Organization (ILO), and we are committed to the prohibition of child labor. In 2023, we performed our first risk assessment on our direct suppliers in accordance with the following principles:

- Applicability
- Suspicion
- Obviousness

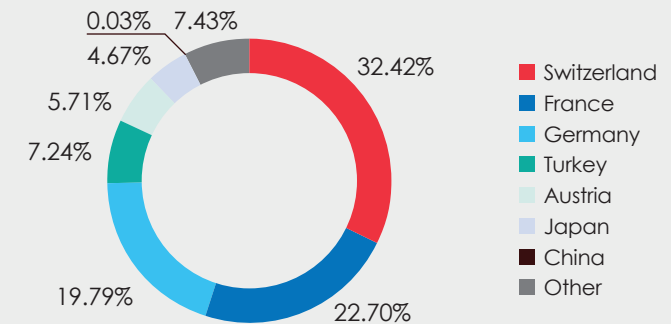
Using the UNICEF “**Children's Rights in the Workplace Index**”, we identified that over 89% of our purchasing is made in countries that are rated as “Basic.” This means they can be considered as low-risk undertakings and therefore can be excluded from further due diligence investigations.

An “Enhanced” risk level applies to Turkey, China and the United States of America. All suppliers from these countries have provided the following information:

- Certifications provided by the suppliers
- Code of Conduct or similar
- Self-assessment checklist provided by ILO*

Based on this information, a reasonable suspicion, or an evident case of child labor in our supply chain can be ruled out. However, for 2024 we have decided to partner with worldfavor, an ESG platform that will support us in collecting more specific data and help us to perform a broader risk analysis in regards to human rights.

Distribution of procurement spendings for raw materials (by country)



Tier 1 – Raw material procurement distribution in %

Country	Procurement Spendings in %	Index score	Due Diligence Response	Legal framework score	Enforcement score	Outcome score
Switzerland	32.42%	2.7	Basic	2.5	2.16	3.07
France	22.70%	1.1	Basic	1.27	1.75	0.74
Germany	19.79%	2.3	Basic	1.97	1.33	2.9
Turkey	7.24%	3.7	Enhanced	2.11	5.87	3.38
Austria	5.71%	2.3	Basic	1.31	2.61	2.69
Japan	4.67%	2.5	Basic	1.99	3.63	2.09
Taiwan	2.43%					
Netherlands	2.42%	2.4	Basic	1.21	1.59	3.47
Belgium	1.00%	2.3	Basic	1.92	2.46	2.34
Hong Kong	0.61%					
Italy	0.49%	2.4	Basic	1.55	5.17	1.42
Croatia	0.26%	2.2	Basic	1.43	3.02	2.1
United States	0.11%	4.4	Enhanced	5.1	5.57	3.41
Spain	0.10%	2.3	Basic	0.55	2.72	2.99
China	0.03%	5.6	Enhanced	3.78	6.53	6.03
Portugal	0.01%	2.6	Basic	1.67	2.77	3.01
Australia	0.00%	2.3	Basic	3.2	2.46	1.78

Data: Children's Rights in the Workplace Index

UNICEF Children's Rights in the Workplace Index

The UNICEF Children's Rights in the Workplace Index is a framework used to assess the presence and impact of child labor within a company's supply chain. It evaluates where and how children might be working, the conditions they face, and the overall impact on their well-being.

This index is crucial for companies because it helps them fulfill their ethical responsibilities, maintain a positive reputation, comply with legal standards, and manage risks associated with child labor.

By using the index, companies can ensure their supply chains are transparent and free from exploitative practices, contributing to long-term sustainability and trust with consumers and stakeholders.

Due to no data being available for Taiwan and Hong Kong, we classified these two countries as "enhanced" as well.

Affiliations and memberships



The Responsible Wool Standard (RWS) requires all sites, from wool farmers to the final business-to-business transaction seller, be certified. RWS farmers and ranchers must meet animal welfare, land management, and social requirements.



OEKO-TEX Standard 100 is a globally recognized certification for textiles and fabrics. It ensures that the textile products have been tested for harmful substances and that they meet stringent human-ecological requirements. This certification provides confidence to consumers that the textiles they purchase are free from harmful substances and are safe for use. The testing criteria cover a wide range of substances, including legally-regulated substances, banned substances, harmful chemicals, and parameters for health care.



Nativa is a Merino wool label that guarantees 100% traceability of wool fibers across the value chain from the farms - where the sheep are bred and shorn - to the finished product or brand. The label guarantees that garments are authentic and made with natural fibers, respecting the environment and animal welfare.



Bluesign is a certification system established to address the environmental and human health impacts of the textile industry. It focuses on ensuring that textiles are manufactured with minimal impact on people and the environment throughout the entire production process. Bluesign works with textile manufacturers, brands, and chemical suppliers to evaluate and manage the use of chemicals, materials, and processes in textile production. The system emphasizes resource efficiency, consumer safety, and environmental protection. Textile products that carry the Bluesign certification have undergone rigorous assessment and meet strict criteria for sustainable and responsible production practices. This certification provides assurance to consumers that the textile products they purchase have been manufactured in an environmentally friendly and socially responsible manner.

Affiliations and memberships



The Science Based Target initiative (SBTi) is a global framework that helps companies set greenhouse gas (GHG) emissions reduction targets in line with climate science to limit global warming to well below 2°C, with efforts to stay within 1.5°C. It provides businesses with a clear path to reduce their carbon footprint by aligning their strategies with the goals of the Paris Agreement. SBTi rigorously evaluates and approves these targets, ensuring they are scientifically robust and credible. By adopting SBTi-approved targets, companies demonstrate their commitment to sustainable growth and climate action.



The Higg Facility Environmental Module (Higg FEM) is a comprehensive assessment tool used by companies in the apparel, footwear, and textile industries to measure their environmental performance. It evaluates facilities across various environmental impact areas, including energy use, water consumption, waste management, and chemical practices. By using Higg FEM, companies can identify opportunities for improvement, track progress over time, and work towards more sustainable and responsible production practices. This tool is part of the Higg Index, developed by Cascale, to promote industry-wide transparency and sustainability.



Swiss Textiles is a leading industry association representing the textile and clothing sector in Switzerland. It supports its members by promoting innovation, sustainability, and competitiveness within the industry, while also advocating for favorable business conditions at both national and international levels. The association provides resources, networking opportunities, and guidance on sustainable practices, helping companies in the sector to align with global sustainability standards. Through its initiatives, Swiss Textiles plays a key role in driving the industry's transition towards more responsible and eco-friendly production.

GRI content index

Disclosure	Indicator	Description	Notes	Reason for omission	Page
2: General disclosures	2-1 Organizational details				
	a.-d.	Name of the legal entity, legal form and locations and countries			5
	2-2 Entities included in the organization's sustainability reporting				
	a. - c	List of all entities included in its sustainability reporting, information about Annual Report data and possible differences given, consolidation approach			4
	2-3 Reporting period, frequency and contact point				
	a.-d.	Reporting period, publication date and contact point			4
	2-4 Restatements of information				
	a.	i.-ii.	Information about changes in comparison to previous year		4
	2-5 External assurance				
	a.	Description of policy and practices of external assurance			13
	b.	i.-iii.	Information about links or references, general information and relationship to assurance organizations		13
	2-6 Activities, value chain and other business relationships				
	a.	Active sectors			5
	b.	i.-iii.	Description of value chain		36
	c.	Relevant business relationships			36
	d.	Description in significant changes compared to previous reporting period	Not applicable	First report	
	2-7 Employees				
	a.	Total number of employees, breakdown gender / region			6,28
	b.	i.-v.	Permanent, temporary, full-time, part-time		28
	c. - e.	Methodologies and assumptions used to compile data, contextual data, information about employee fluctuation	Not available		
	2-8 Workers who are not employees				
			Information unavailable		
	2-9 Governance structure and composition				
	2-10 Nomination and selection of the highest governance body				
	2-11 Chair of the highest governance body				

	2-12 Role of the highest governance body in overseeing the management of impacts			32-33
	2-13 Delegation of responsibility for managing impacts			32-33
	2-14 Role of the highest governance body in sustainability reporting			32-33
	2-15 Conflicts of interest	Information not available		
	2-16 Communication of critical concerns	Information not available		
	2-22 Statement on sustainable development strategy			3
	2-23 Policy commitments			Code of Conduct, 11,13,34
	2-24 Embedding policy commitments			11,37
	2-26 Mechanisms for seeking advice and raising concerns	Information not available		
	2-27 Compliance with laws and regulations			17,21,23
	2-28 Membership associations	Information not available		39-40
	2-29 Approach to stakeholder engagement			39-40
	2-30 Collective bargaining agreements			
3: Material Topics 2021	3-1 Process to determine materials topics			13,14
	3-2 List of material topics			14
	3-3 Management of material topics			4,37
201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Information not available		
	201-2 Financial implications and other risks and opportunities due to climate change	Information not available		
	201-3 Defined benefit plan obligations and other retirement plans	Information not available		
	201-4 Financial assistance received from government	Information not available		
202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Information not available		
	202-2 Proportion of senior management hired from local communities	Information not available		
203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and service supported	Information not available		
	203-2 Significant indirect economic impacts	Information not available		
204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers			36
205: Anti-corruption	205-1 Operations assessed for risk related to corruption			34
	205-2 Communication and training about anti-corruption policies and procedures	Information not available		
	205-3 Confirmed incidents of corruption and actions taken			34
206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Information not available		
207: Tax 2019	207-1 Approach to tax	Information not available		
	207-2 Tax governance, control, and risk management	Information not available		
	207-3 Stakeholder engagement and management of concerns related to tax	Information not available		
	207-4 Country-by-country reporting	Information not available		

301: Materials 2016	301-1 Materials used by weight or volume			20
	301-2 Recycled input materials used			20
	301-3 Reclaimed products and their packaging materials	information unavailable		
302: Energy 2016	302-1 Energy consumption within the organization			23
	302-2 Energy consumption outside of the organization	Information unavailable		
	302-3 Energy intensity	Information unavailable		
	302-4 Reduction of energy consumption	Information unavailable		
	302-5 Reductions in energy requirements of products and services	Information unavailable		
303: Water and Effluents 2018	303-1 Interaction with water as a shared resource	Information unavailable		
	303-2 Management of water discharge-related impacts			24
	303-3 Water withdrawal	Information unavailable		
	303-4 Water discharge	Information unavailable		
	303-5 Water consumption	Information unavailable		
304: Biodiversity	304-1 Operation sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Information unavailable		
	304-2 Significant impacts of activities, products and services on biodiversity	Information unavailable		
	304-3 Habitats protected and restored	Information unavailable		
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Information unavailable		
305: Emissions 2016	305-1 Direct (Scope1) GHG emissions			17-19
	305-2 Energy indirect (Scope 2) GHG emissions			17-19
	305-3 Other indirect (Scope 3) GHG emissions			17-19
	305-4 GHG emission intensity			18
	305-5 Reduction of GHG emissions			17
	305-6 Emissions of ozone-depleting substances (ODS)	not applicable		
	305-7 Nitrogen oxides (Box), sulphur oxides (Sox), and other significant air emissions	not applicable		
306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Information unavailable		
	306-2 Management of significant waste-related impacts			24,26
	306-3 Waste generated	Information unavailable		
	306-4 Waste diverted from disposal	Information unavailable		
	306-5 Waste directed to disposal	Information unavailable		
308 Supplier Environmental Assessment	308-1 New supplier that were screened using environmental criteria	Information unavailable	No process in place for systematic screening	
	308-2 Negative environmental impacts in the supply chain and actions taken	Information unavailable	ESG assessment planned for 2024	
401: Employment 2016	401-1 New employee hires and employee	Information unavailable		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees			28
	401-3 Parental leave	Information unavailable		

403: Occupational Health and Safety 2018	403-1 Occupational health and safety management systems			29
	403-2 Hazard identification, risk assessment, and incident investigation			29,37
	403-3 Occupational health services			29
	403-4 Worker participation, consultation and communication on occupational health and safety			29
	403-5 Worker training on occupational health and safety			29
	403-6 Promotion of worker health	Not available		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Not available		
	403-8 Workers covered by an occupational health and safety management system	information unavailable		
	403-9 Work-related injuries			29
	403-10 Work-related ill health	information unavailable		
404: Training and Education 2016	404-1 Average hours of training per year per employee	information unavailable		
	404-2 Programs for upgrading employee skills and transition assistance programs	information unavailable		
	404-3 Percentage of employees receiving regular performance and career development reviews	information unavailable		
405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	information unavailable		
	405-2 Ratio of basic salary and remuneration of women and women	information unavailable		
406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Information unavailable		
407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right of freedom of association and collective bargaining may be at risk	Information unavailable		
408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour			37-38
409: Forced and Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Information unavailable		
410: Security Practices 2016	410-1 Security personnel trained in human right policies or procedures	Not applicable		
411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Not applicable		
413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs			30
	413-2 Operations with significant actual and potential negative impacts on local communities	Information unavailable		
414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Information unavailable		
	414-2 Negative social impacts in the supply chain and actions taken	Information unavailable		
415: Public Policy 2016	415-1 Political contributions	Information unavailable		

416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of products and service categories	Information unavailable		
	416-2 incidents of non-compliance concerning the health and safety impacts of products and services	Information unavailable		
417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Information unavailable		
	417-2 Incidents of non-compliance concerning product and service information and labelling	Information unavailable		
	417-3 Incidents of non-compliance concerning marketing communications	Information unavailable		
418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information unavailable		

schoeller®

TEXTILE INTELLIGENCE

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