



RESPONSIBILITY FUTURE

SUSTAINABILITY REPORT



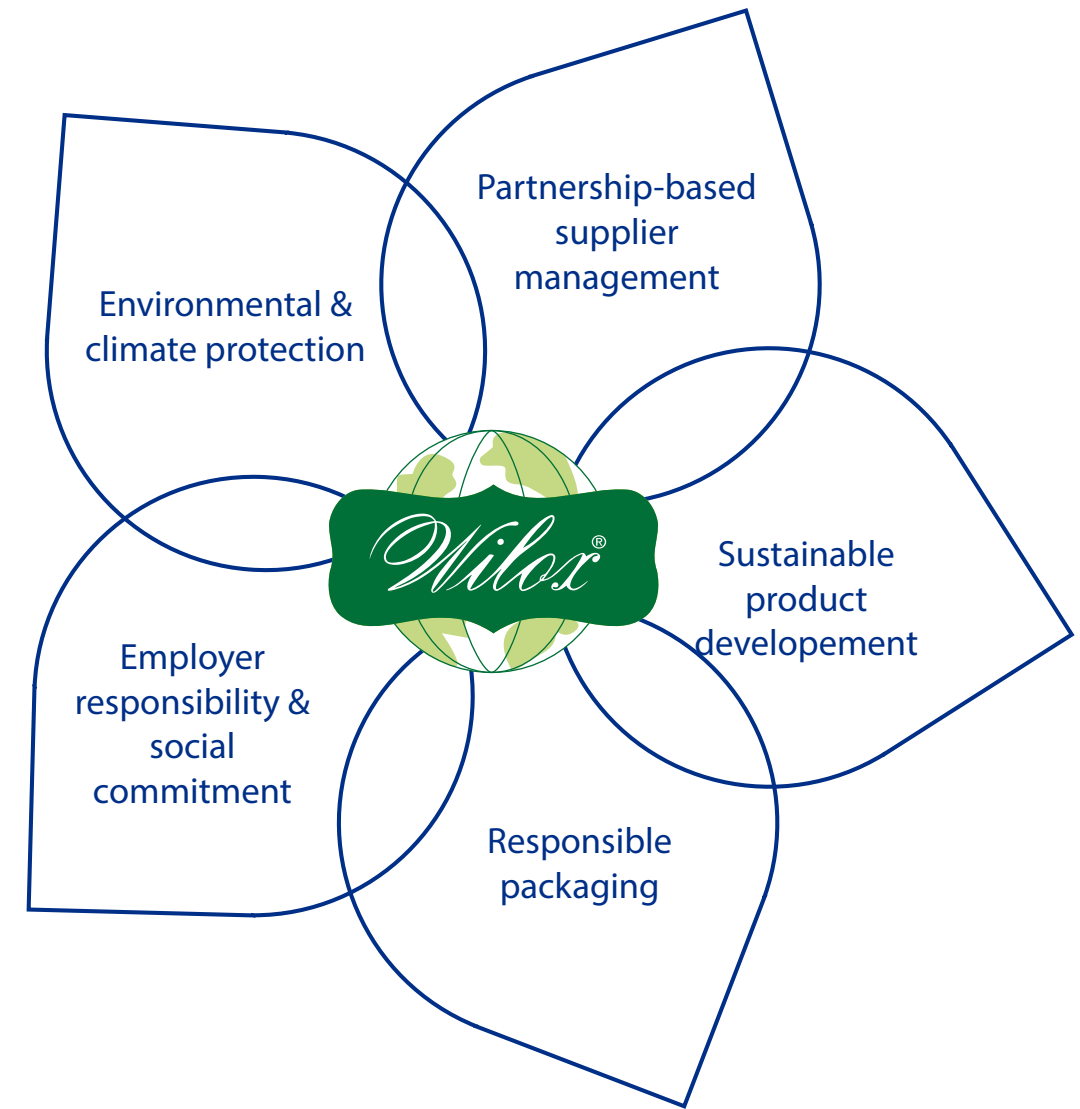
THE WILOX PROMISE

The company **Wilox Strumpfwaren GmbH** has been a competent and reliable partner for retail and private labels in **the hosiery segment** since 1963. We know that, through our actions, we not only influence our own **living conditions**, but also those of **future generations**. We are, therefore, prepared to take responsibility in terms of delivering sustainability and creating a socially equitable society. Both goals have been firmly anchored in our corporate philosophy from the very beginning. Our promise applies **"We embrace responsibility"**.

Our **specific measures**, in addition to **environmental and climate protection**, include partnership-based supplier management, sustainable product development (commodities management/materials management) and the use of responsibly produced packaging. We are also aware of our **responsibility as an employer** and are committed to ensuring social responsibility. The topics that are close to our heart were identified and defined as focus topics in our product and corporate management disciplines,

within the framework of a roadmap, in order to further expand and realise these step by step in the years to come. In order to **ensure progress** and integrate this as a holistic approach within the company, our quality management and sustainability team has been established as a **staff unit** with a direct line of **reporting to Executive Management**. Senior department heads from all relevant areas of the company organise themselves in time-defined intervals to secure and drive forward the progress of our sustainability measures.

Through a process of **constant exchange** with our customers, we know the needs and requirements of the market and, through **active dialogue**, we create transparency and trust in our economic activities. **Concrete knowledge transfer** with pioneers in sustainable textile development and globally recognised testing institutes such as "Hohenstein", as an international research and service centre, **expands our expertise** and lays the foundation for further sustainable development projects in the textile sector.



WE EMBRACE RESPONSIBILITY

SUSTAINABILITY IN NUMBERS

48

employees

12

from nations

6,4

years
is the average length
of service

21 tonnes

tonnes of plastic are saved every year through the use of

100% recycle

100%

electricity from
renewable energy sources*

*Standort Wolfertschwenden

9

certified product and
company standards

95%

of all sales packaging consists
of either paper from sustain-
able forestry (FSC) or recycled
paper

15%

annual increase
in the sustainable
product range*

*Berechnungsgrundlage der Jahre 2018 – 2020

15

production sites on

3

continents

PARTNERSHIP-BASED SUPPLIER-MANAGEMENT



Adopting a consistent approach throughout: partnership-based supplier management

A central factor in our success is the **high level of value** we place on our **long-standing partnerships**. We rely on trust and continuity in our collaborative efforts. We categorically exclude subcontracting – and thus the outsourcing of production steps to external suppliers – without prior agreement. This promotes **transparency in the supply chain** and has a positive impact on the working conditions of the employees of our local partner companies. Our **long-term partnership** with the manufacturing companies enables us to guarantee secure jobs both in Germany and around the world. This is ensured, among other things, by the annual BSCI audits, third-party audits of our customers and the constant presence of our personnel on site. Companies that are newly accepted into the production pool undergo an intensive review in terms of their social and ecological measures, as well as the quality of their products. In addition, **new partner companies must be BSCI-certified** and submit in advance all documents relating to fire protection and building safety, as well as inspection reports for pressurised boiler systems and elevators, and documents from employees on the safety training they have received. If a wet process stage is in place, the currently valid detox report must also be available.

At regular intervals, **the production sites** in the various countries **are visited** by our employees **on site** and checked for their **compliance with our specifications**. For this purpose, we also conduct staff interviews in the local language. During the visits, our business partners are sensitised to the issue of **responsible production**. It is important for us to discuss new, sustainable solutions and strategies in the process chain with our suppliers, and to offer training in this area. In future, we will concentrate on **pursuing cooperation with our existing suppliers** and intensify this.

Wilox has deployed a comprehensive **Code of Conduct (COC)** which all suppliers are expected to adhere to as a minimum standard. The Code of Conduct is guided by:

- the Business Social Compliance Initiative (BSCI)
- the conventions of the International Labour Organisation (ILO)
- the United Nations Universal Declaration of Human Rights

- the UN Conventions on the Rights of the Child and on the elimination of all forms of discrimination
- the principles of the UN Global Compact
- and the OECD Guidelines for Multinational Enterprises

In the Code of Conduct (COC), far-reaching agreements are made with suppliers on topics such as:

- Statutory operating requirements
- Prohibition of child and forced labour
- Regulations on working hours
- Rules on remuneration and rights of employee association
- The strict rejection of any kind of discrimination
- Protection of health and safety
- Environmental protection
- Prohibition of bribery and corruption
- Measures to monitor the implementation of the Code of Conduct
- Appropriate sanctions and remedial measures

Throughout this process, Wilox also has an **in-house complaints management function** in its worldwide production companies. In this way, we ensure that we are informed immediately of any violation of our COC and the guiding principles set out therein. Employees at the production sites we rely on can report any violations anonymously in their local language to the dedicated email address or by calling our country offices.

Through our **membership of various textile associations** and through our country offices, we are continuously kept up to speed about the human rights situation and any risks in our supply chain. This, in turn, serves as the basis for our risk analysis.

Friendly to people, animals and the environment: Our raw material management

We attach great importance to the **use of ecological raw materials**. Our focus is primarily on sustainable yarns. For this reason, we **regularly test our products** for harmful substances and physiological properties. The results are documented by reports from independent institutes such as "Hohenstein".

Our product range in the field of **ecologically and socially produced yarns** include a variety of different qualities. The spectrum starts with bio-based yarns according to **GOTS** and **OCS standard**. Furthermore, it incorporates **Lyocell** and **Seacell fibres**, through to **recycled** and **bio-degradable qualities**.

We have a **large and sustainable product range**, especially for recycled fibres. Polyester, polyamide and other synthetic fibres are given a second life in the production of classic cotton socks, as well as fine tights or functional sports articles.

When using all recycled yarns, including cotton, **water consumption is reduced by up to 85% and CO₂ emissions by up to 50%**.

When using wool and other animal fibres, it is particularly important to us to pay attention to the issue of animal welfare. We attach great importance to **animal welfare** and use so-called **"non-mulesing wool"**.

In the course of sourcing raw materials, we have set ourselves the goal of **increasing the proportion of organic cotton** in our products. In addition, the use of recycled materials is expected to increase by 25-30% annually. The further development of biodegradable articles and other sustainable solutions, such as the avoidance of microplastics, will also be stepped up.



OUR RAW MATERIAL MANAGEMENT

OUR CERTIFICATIONS

As a responsible company with production sites worldwide, it is important for us to pay close attention to social and environmental standards throughout our entire supply chain.

For this reason, we have our supply chain continuously checked for compliance with the highest international social, quality and environmental standards.

The following pages provide an overview of our various company and yarn certifications.



Trade with purpose

Member of amfori, the leading global business association for open and sustainable trade. We participate in amfori BSCI. For more information visit www.amfori.org

The **Business Social Compliance Initiative (BSCI)** is a non-profit organisation founded in 2003 at the initiative of the Foreign Trade Association (FTA). It builds on a platform of retailers and associations to develop European codes of conduct and monitoring systems, which eventually became the basis for a common monitoring system for social standards.



STRONG STANDARDS



OEKO-TEX® STANDARD 100 tests numerous regulated and non-regulated substances that could be harmful to human health. In many cases, the limit values set for STANDARD 100 exceed national and international specifications. The catalogue of criteria is regularly expanded to include scientific findings or legal requirements.



Certified by Ecocert Greenlife
Lic. 151872

With the **Organic Content Standard (OCS)**, we adhere to a standard for the traceability of the supply chain and the use of 100% certified organic fibres for textile products. OCS does not limit itself to cotton.



Certified by Ecocert Greenlife
Lic. 151872

The **Global Organic Textile Standard (GOTS)** certifies clothing made from organically produced natural fibres. The textile label is one of the few standards that defines environmental requirements and social criteria along the entire textile production chain.



STRONG PARTNERS



TENCEL™ ist eine Marke der Lenzing AG.

The origin of every Lenzing fibre is cellulose, the natural building block of the renewable raw material wood. The extraordinary properties of TENCEL™ fibres are immediately noticeable: skin-friendly, soft to the touch and with a high degree of breathability.

TENCEL™

TENCEL™ is the premium textile brand of Lenzing AG, based in Austria, for a wide range of special applications.



www.LYCRA.com

LYCRA

The LYCRA Company develops and manufactures fibre and technology solutions for the global apparel and personal care industries. Our portfolio of world-renowned brands is valued by customers

and consumers alike for their high quality and lasting performance benefits. From underwear to outerwear and everything in between, our products help make life more comfortable.

südwollgroup

The **Südwolle Group**, headquartered in Schwaig near Nuremberg, is an international manufacturer and finisher of worsted yarns for various sectors of the textile market. In the individual segments, worsted yarns are made of 100% wool and wool blends for woven fabrics, flat and circular knitted products. Transparent production processes and the highest ecological and ethical standards are the cornerstones of the company's philosophy.

schoeller

the spinning group

An Indorama Ventures Company

Schoeller

Innovations for the environment. We adhere to strict ecological guidelines across all stages of production and sourcing. In addition, Schoeller also offers yarns with GOTS certification and they are the first worsted spinning mill in the world to be awarded the most comprehensive environmental certificate: "bluesign".

*Be the change that you want
to see in the world.*

Mahatma Gandhi



As low in plastic as possible

We see **sustainability as a holistic approach**. For this reason, we not only manufacture our products sustainably, but our packaging should also meet our quality promise and simultaneously be produced in an environmentally friendly way. Our commitment in the area of packaging lies, on the one hand, in the reduction of plastic and, on the other hand, in the use of alternative materials made of paper or recycled material.

Together with our partners, we were able to achieve a level of performance, in addition to our in-house products, **95% of all sales packaging is either FSC certified or recycled paper**. Accordingly, our labels also have a recycled content of at least 80%.

At present, all plastic hooks that come with the sales packaging are being successively replaced with **alternative paper hooks**. Furthermore, the plasticisation of labels and the use of plastic pins – as far as this is feasible and without a loss of quality – is dispensed with. Instead, the products are fixed to the label with a cotton thread. But this is just the beginning, because our forward-looking goal is to expand the use of paper hooks to all packaging produ-

ced by Wilox. We are also working on the **innovative development of sustainable packaging**, to further reduce the use of plastic packaging. And: Our goods are shipped exclusively in cardboard boxes made of at least 60 - 70 % recycled paper.

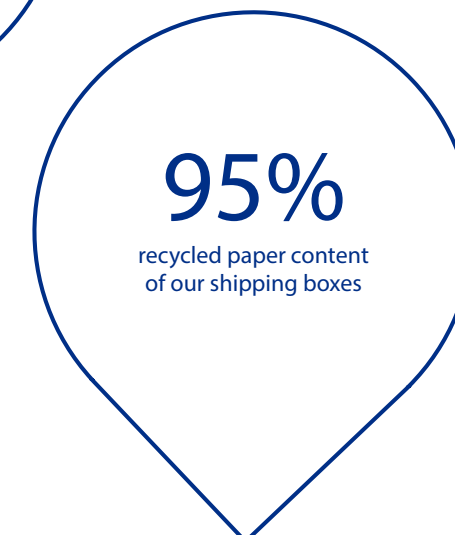
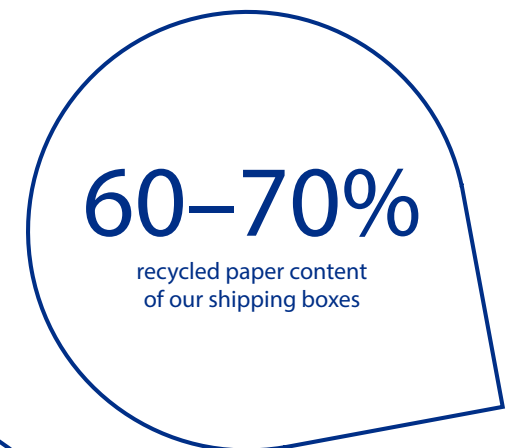
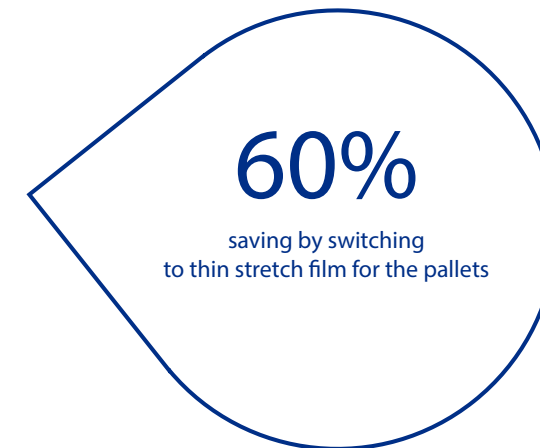
Our **shipping polybags** also consist of **100% recycled material**. This saves approximately 18 tonnes of new plastics per year. In addition, by switching to 100% recycle, we are saving around 23% of CO2 emissions and, therefore, around 36 tonnes of CO2e in our footprint each year.

The use of alternative materials is not always possible. Nevertheless, we try **to reduce the use of plastic as far as possible**.

Since February 2020, we have dispensed with the foil covers on full pallets. In total, this **saves approx. 6,300 m² of film**.

In addition, we at Wilox have been using a thinner stretch film for the pallets since February 2020 – while maintaining the same level of stability. This results in an additional film saving of approx. 60%.

OUR PACKAGING



RESPONSIBLE & FUTURE-ORIENTED

Future-oriented: Responsible company and attractive employer

As a responsible company, it is not only important to us to be as socially-oriented an employer as possible for our employees, but it is also very important to us to support environmental and climate protection. In addition, we are committed to pursuing socially important goals and support projects such as the

“Bunte Kreis”, a local social institution to help families in need.

We would like to describe our efforts to protect the environment and climate, as well as our social commitment as an employer, in more detail below.

Thoughtful and far-reaching: Climate protection at Wilox

At the beginning of 2018, the new modern **company building in Wolfertschwenden** – built to the highest energy and ecological standards – was opened. Together with our employees, we will face the challenges of the future, in order to ensure sustainable growth in the future.

We would like to reduce our **emissions even further in the coming years**. To this end, we plan to further expand our vehicle fleet with electric vehicles and e-bikes, limit international air travel, and offer a subsidy for the “Bahncard” to facilitate travel by rail. In addition, we want to work closely with our production partners and jointly develop solutions to further reduce emissions.

In order to be able to measure the status quo of our current climate protection efforts, we have created the **CO₂ footprint** for the Wolfertschwenden site and the products produced by Wilox. One positive aspect of our CO₂ footprint is that we already use geothermal heat pumps for heating at our main site in Wolfertschwenden, and air conditioning does not require a refrigeration unit. We get our electricity from 100% renewable energy. Thus, there are no CO₂ emissions in Scope 1 in the area of heat consumption and gas leakage, and in Scope 2 in electricity consumption. In addition, we plan to generate our own electricity using a PV system at our main location in the near future.

We also continue to optimise our logistics processes, in order to realise energy- and resource-saving transport routes. For example, we are striving for the optimal utilisation of transport capacities through **intelligent supply chain management**, and would like to handle more of our logistics by rail transport in the future. Ship and air transports are to be increasingly shifted to rail.





WILOX, AN ATTRACTIVE EMPLOYER

Our **employees** are the **decisive factor** for our success, be it today or tomorrow. Our motivation is, therefore, also to be an **attractive employer**.

Accordingly, we empower and motivate our employees to participate in **comprehensive training and further education programmes**, as well as specialised workshops. Various training opportunities also promote the next generation of specialists. This is another way by which we ensure that our specialist know-how is retained and passed on within the company. The aim is also to further expand our range of training courses within the key focus area of sustainability, in order to develop expertise and to raise awareness of this important topic among our employees, both professionally and privately.

Our goal is to implement a **culture of sustainability in the company** and to firmly anchor it among our employees.

In addition, we offer our employees a **wide range of benefits**:

- Christmas and holiday bonus
- Premium participation in the company result
- Capital-forming benefits
- Contributions to the pension scheme
- givve Card
- Teambuilding
- Flexible working hours
- Mobile working
- Employer Branding
- Training measures
- Health Management
- JobRad

In addition to these incentives, we have installed **state-of-the-art technology** in our new offices and thus also contributed to reduced electricity consumption. Furthermore, the health of our employees is very important to us, which is why our new offices are also equipped with height-adjustable desks.





RESPONSIBILITY FUTURE



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