ProtACT Sustainability Report 2024

PLANET REPORT





Christian Schneidermeier, CEO ORTOVOX

The Planet Report 2024 marks the con-Therefore, you will find a new section in clusion of our ProtACT 2024 sustainabilour Planet Report: sharing. We have, for ity strategy, which we initiated seven years instance, created a comprehensive toolbox ago. Thus, on the following pages you will specifically for monitoring the complex supexperience two seasons at once: we are ply chain – and we have made it available harvesting, and we are sowing at the same for any other business. It will greatly simtime. We are presenting the fruits of our plify processes for them and thus ensures work - but, of course, we are also examina faster progress. However, we are also ing the past to better understand how we sharing our learnings. And of course, we can move forward even more effectively. examine our commitment to the topics of environmental and climate protection and slowing down the consumption cycle.

A lot has happened over the years. So far, we were driven by our own motivation and determination, setting our own way and seeking collaborations. Today, however, we have entered a shifting landscape of sustainability. Legal regulations have been established and they demand significant preparation, time, and effort. We have accomplished a lot over the years – and we have acquired a great deal of experience and expertise. One of the key learnings is that we need to collaborate to bring about change.

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Navigating through times of transformation
is challenging. Yet, the Planet Report also
shows how productive and rewarding it can
be. We are still committed to driving change,
to strengthen collaborations and encourage
a new form of sustainable growth.

We hope our Planet Report 2024 holds many insights for you!

CHRISTIAN SCHNEIDERMEIER

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Our 2024 Sustainability Report – the Planet Report – provides an insight into the wide range of environmental and climate protection measures we are taking to achieve our vision. This supplements our <u>People Report</u>, in which we report on our commitment to better working conditions.

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Long(er)-lasting collection cycle	
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THE COMPANY

We are ORTOVOX

Value-added chain



<u>Content</u>

THE COMPANY





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WE ARE ORTOVOX

Since the company was founded in 1980 in the south of Munich, ORTOVOX has stood for the highest possible protection during alpine activities. As a pioneer in the avalanche safety field, ORTOVOX has played a key role in the development of emergency equipment for mountain sports. Mountain sports apparel from and with wool has been enhancing the ORTOVOX product range since 1988.



ORTOVOX PROTECTS

As our number one brand value, protection is the central focus of all ORTOVOX activities. Protection does not only mean that provided by our products, but also the protection of mankind, the environment and animals. Sustainable economic management, fair working conditions and high standards of animal welfare are key values to which every employee is committed. Passion for the mountains goes hand in hand with an awareness that sustainable action is necessary in our work as well as in our private lives. Only then can we really claim to have achieved sustainable, entrepreneurial success. The working practices of ORTOVOX and its partners are shaped by the ethical and moral values of the company and its employees. D



ORTOVOX IN NUMBERS

OUR CARBON FOOTPRINT IN 2023:

Scope 1: 42.78 tons of CO_2 Scope 2: 41.45 tons of CO_2 Scope 3 : 13,703.98 tons of CO_2

ENERGY CONSUMPTION 2023 AT THE TAUFKIRCHEN SITE:

Gas (district heating): 166,615 kwh Electricity consumption: 126,961 kwh

WATER CONSUMPTION IN 2023 AT THE TAUFKIRCHEN SITE:

701 m³





ORGANIC WASTE 2023 AT THE TAUFKIRCHEN SITE:

300 kg of leftover food, processed in a biogas plant

MOBILITY AND BUSINESS TRAVEL:

19,352 km train rides

EMPLOYEES:

Number of employees: **\68** Emissions per employee: **82 tons of CO**2

TOTAL NUMBER OF SHEEP ON THE FARMS:

175.000 sheep on13 OWP farms



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WE TAKE RESPONSIBILITY

The unit CSR - Corporate Social Responsibility - complements the five corporate departments People & Transformation, Supply Chain & Operations, Sales & Marketing, Finance & Governance and Product. These areas are overseen by a six-member Executive Board, which assists Managing Director Christian Schneidermeier. The direct link between the CSR unit and the management firmly anchors sustainability in the company and gives it greater strength and presence.

The CSR department is responsible for the strategic and operational coordination and implementation of sustainability in all areas of the company. The five-person team ensures that future-oriented sustainability guidelines are defined and adhered to – focusing on the supply chain and products in particular.

The significance of sustainability is also reflected in the commitment to our CSR goals as an integral component of the ORTOVOX strategic corporate objectives.

To do this, the team is in a constant dialogue with all departmental managers. Meetings are held with the specialist departments to pass on in-depth knowledge of the latest industry developments. Employees also learn about the company's sustainability efforts during the onboarding process and as part of regular informative events.⊳



\equiv <u>CONTENT</u>

OUR OBJECTIVES AND HOW WE MONITOR THEM

As a company, we developed the ProtAct2024 sustainability strategy, which reflects our commitment to taking full responsibility for mankind and nature in all corporate activities. ProtAct2024 is ORTOVOX's next step toward more sustainability. The following focus areas were selected:

OUR FOCUS AREAS:

- Animal Welfare
- Climate Protection
- Social Responsibility
- Environmental Protection
- Supply Chain
- Durability

A project brief was created for each focus area, defining milestones and integrated performance indicators, and also outlining responsibilities within the company.

The key figures are regularly recorded in internal audit processes, and the planned and implemented measures are reassessed in order to ensure targets are achieved.

a difference.

Our review of ProtAct2024

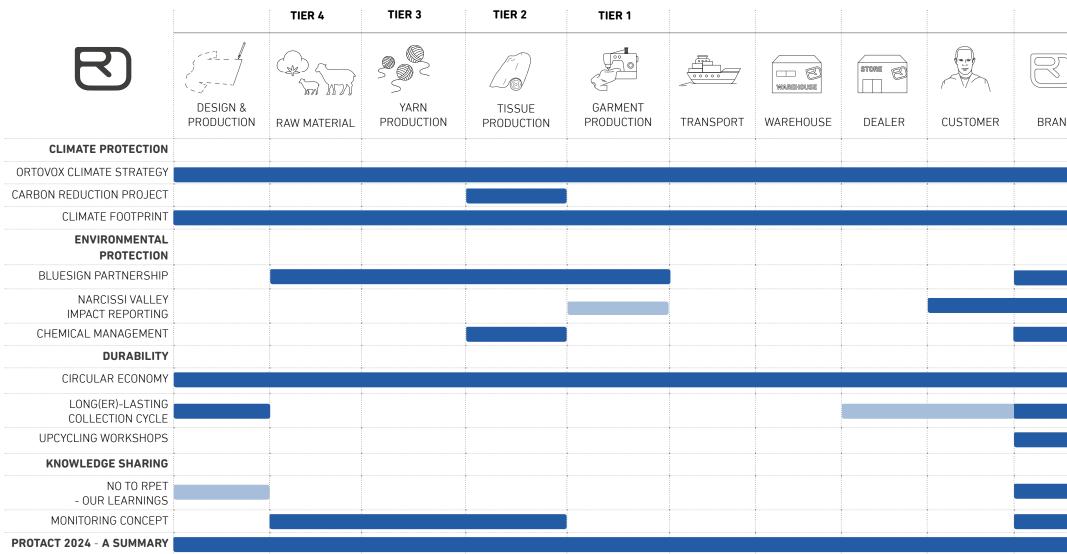
starting on page 44 summarizes our progress and successes. We are already working on enhancing our sustainability strategy, which we will unveil in the next report.

Our goal is to be better than that which is required by law. We aim to be pioneers. To make

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VALUE-ADDED CHAIN



OUR PARTNERS / INITIATIVES





ClimatePartner



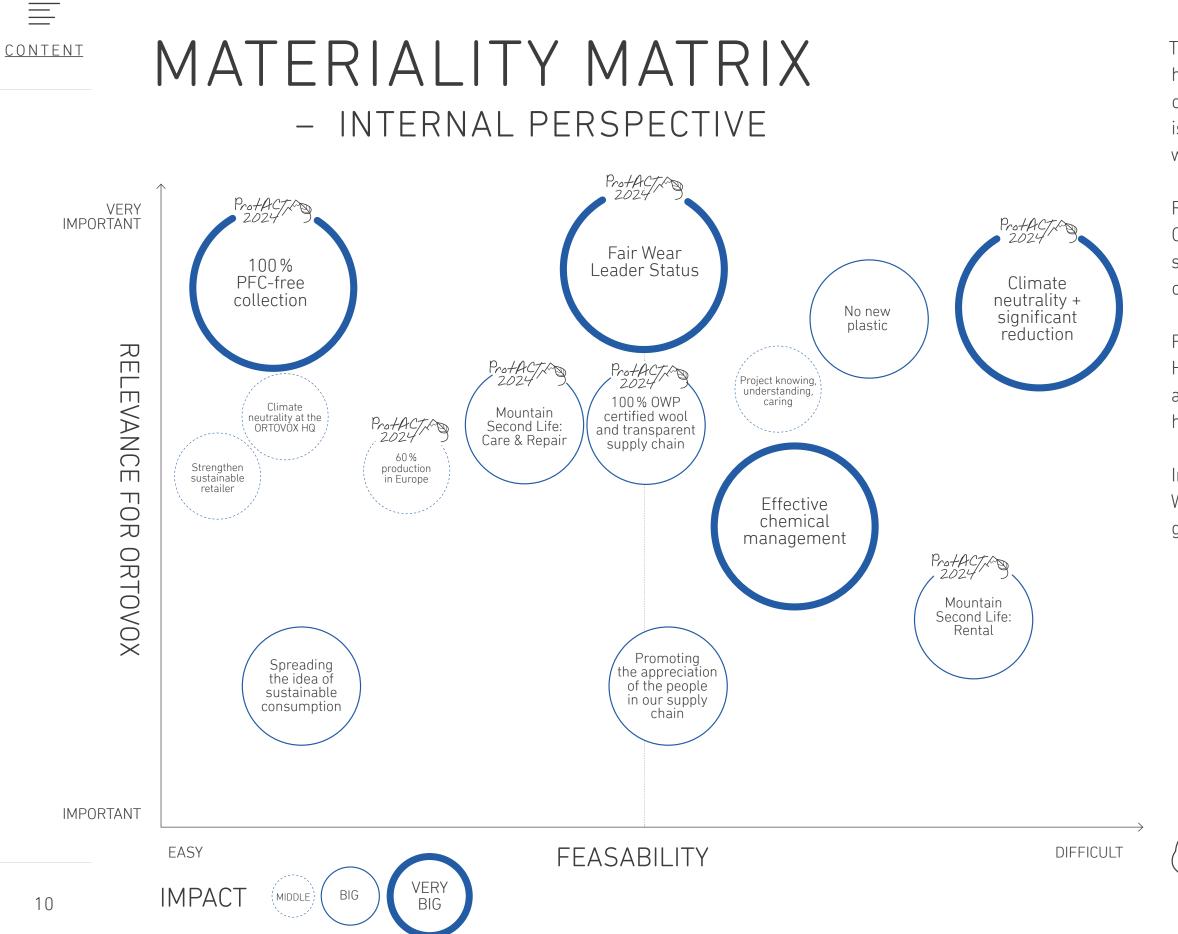
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BRAND

All of our sustainability activities and commitments listed in this report have direct and indirect impacts on various stakeholders. The aim of this overview is to show the stages that the measures affect along the value-added chain. The diagram also shows that we distribute our resources and capacities across all phases.



There are many ways to increase sustainability, all of which have their merits. And yet for us as a company, we have to objectively analyze, evaluate and prioritize the numerous issues and activities. We do this with our materiality matrix, which covers three dimensions

Relevance for ORTOVOX

Clearly, none of the issues are unimportant. We therefore sort from "important" to "very important", always keeping our six defined focus areas in mind.

Feasibility

How easy or difficult is it for us to achieve the objectives of a measure? What capacities and resources are needed; how much time does a project require?

Impact

What effects do our projects have? Where do we have the greatest impact? How can we really make a difference?

ProtAC

We have identified the topics marked with the ProtAct2024 logo as core areas for us and anchored them in our sustainability strategy.

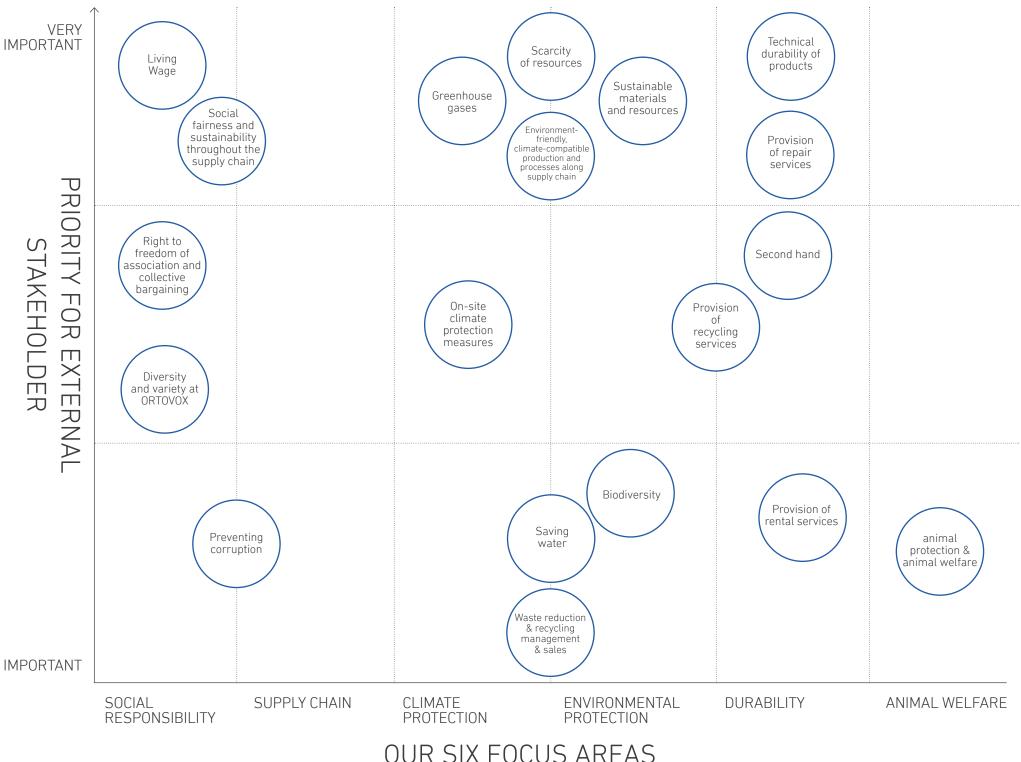


- EXTERNAL PERSPECTIVE

Although the matrix on the previous page is correct and important, it only shows our internal view. As a modern, customer-oriented company, it is also vital that we incorporate the external perspective when further developing our sustainability strategy.

With this in mind, we asked a total of 118 customers, dealers, suppliers, journalists and partner organizations for their opinions on a range of topics: What are the biggest challenges that the global population faces today and in the future? Which areas should we focus upon at ORTOVOX? What are the requirements for our products?

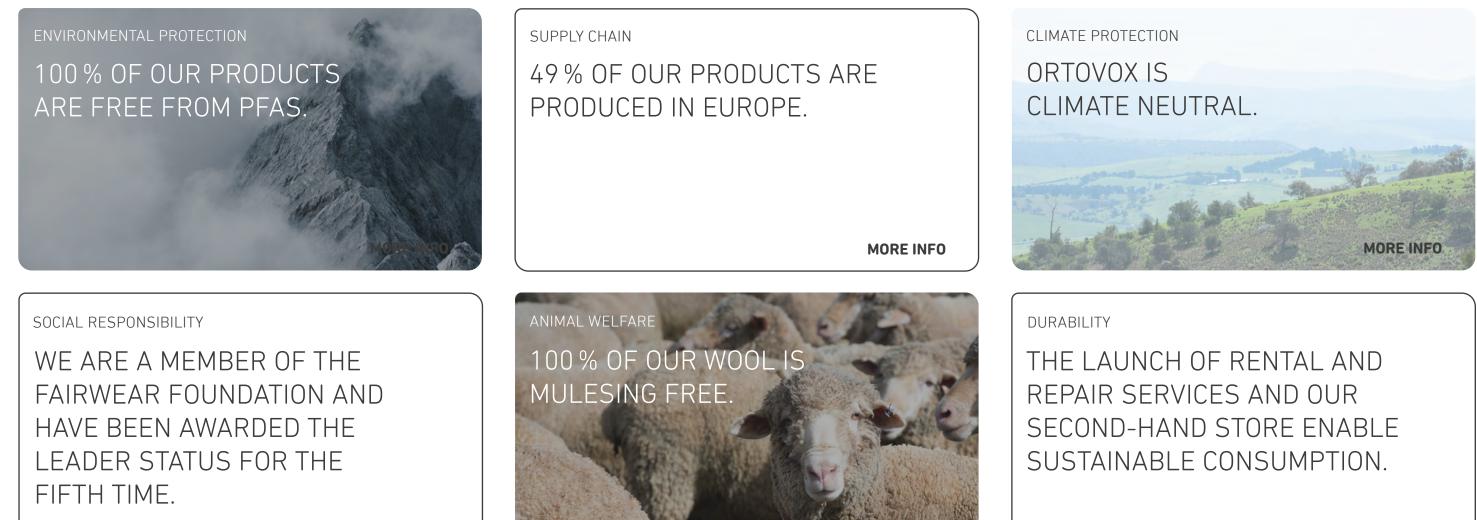
In addition to valuable feedback, we also gained interesting insights into the respondents' opinions. The initial findings are set out on the grid opposite. The next stage involves a comprehensive analysis, comparing the internal and external perspectives in order to identify commonalities and differences. On the basis of this information, we are working on an updated set of targets that will ultimately be included in the revised sustainability strategy and established as overriding corporate objectives.





OUR PROGRESS

C ustainability is complex, and the ways to achieve it $oldsymbol{O}$ are diverse and unique. In order to work in a focused way and make real progress, we defined six core areas for our sustainability goals in 2019 with ProtAct2024. Many subgoals have already been achieved, but we are not resting on our laurels. We work continuously to further minimize our negative impact in order to protect our planet. **D**



MORE INFO

MORE INFO



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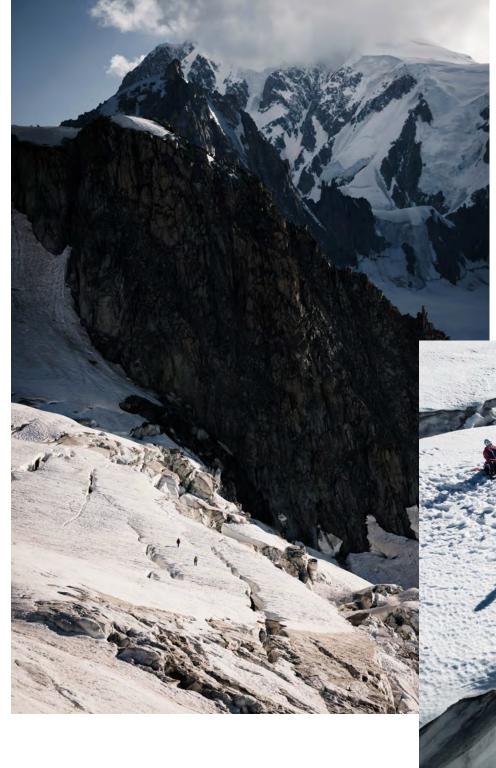
MORE INFO

PLANET REPORT 2024

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CLIMATE PROTECTION



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REDUCING CO2

THE ORTOVOX CLIMATE STRATEGY

As a commercially active company, we naturally strive for healthy, sustainable growth. However, we still wish to see a decline in our emissions – in other words, we want to cut them or eliminate them entirely. It is our responsibility to work towards the 1.5°C target and do our bit to help the climate in order to protect what we love: snow-covered mountains!

In order to define targets and develop specific measures to cut greenhouse gas emissions, we first had to identify where and how many emissions are generated in the first place. To this end, we conducted a baseline calculation for 2022, which we presented in last year's Planet Report. The result: a total of **21,833 TONS OF CO**, were emitted in 2022. The subsequent data analysis showed that we have a total CO budget of **130,138 TONS** by 2030. No more than this. There's no leeway or hidden buffer. No ifs, no buts. D

2022 baseline.

The baseline is the initial survey of all climate-damaging emissions caused on site, during travel and, above all, along the supply chain in a defined period. The result serves as a starting, reference point for later assessing the efficacy of measures taken.

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Our goal: ORTOVOX is committed to reducing 42% of its Scope 1, 2 and 3 emissions by 2030 compared to the

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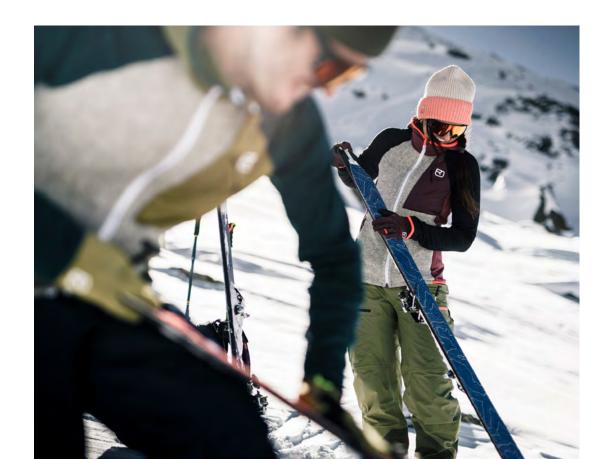
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 \gg We must step up our reduction efforts so that we can lead by example and truly protect the climate. Only then can we remain relevant in the target group and thus achieve economic success. This means far-reaching changes in our operational, strategic work when compared to previous years. ≪

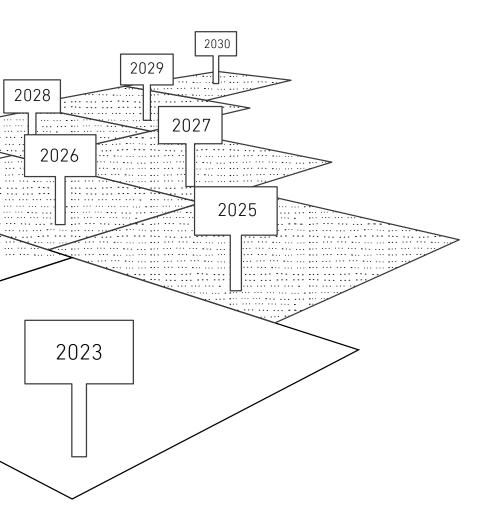


Christian Schneidermeier, CEO ORTOVOX



2024

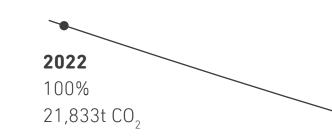
ORTOVOX CARBON BUDGET



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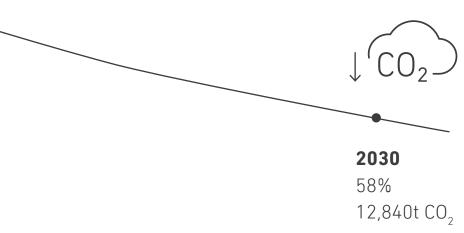
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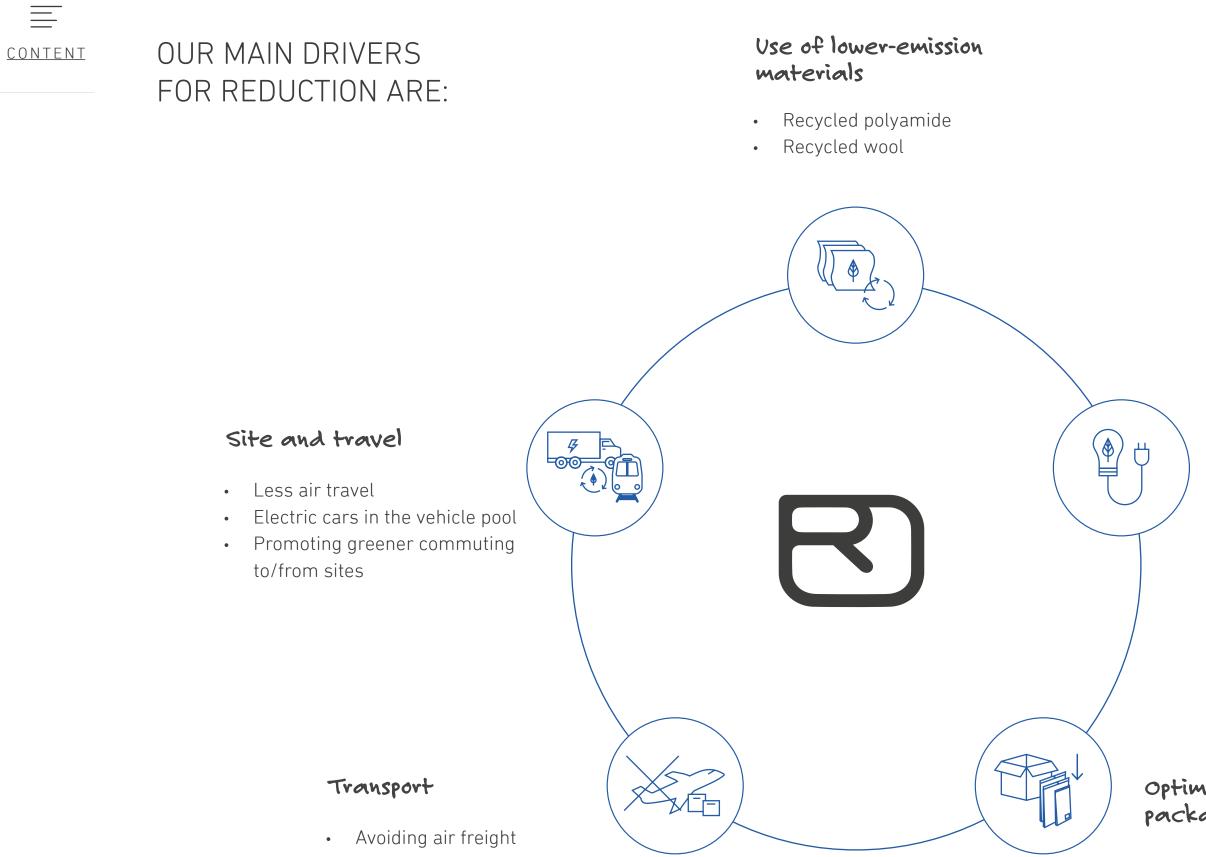


THE TARGET SET IS...

- necessary without question, because there is no alternative!
- a big task, for which clear responsib ties and cooperation between all dep ments are required.
- achievable, as the defined reduction measures can be implemented in cor crete terms, and they offer sufficient potential.



е	To ensure successful implementation, we
0	have assembled the "CARBON ACTION
bili-	CIRCLE ", a dedicated team to coordinate the
part-	necessary steps, continuously monitor the
	process and measure the annual progress
	of the reduction. We are optimistic and are
)n-	approaching the task with motivation and a
t	hands-on mentality! D



Renewable energy in the supply chain

- Switching to green electricity in Tier 1 to Tier 3
- Switching to renewable heating energy in Tier 2

Optimizing and reducing packaging

ORTOVOX CARBON JOURNEY

2018	Adoption of the first climate goal as part of ProtAct2024
2018	Calculation of Swisswool Collection WS18/19
2019	Calculation of Company Carbon Footprint 2018 DE, AT
2021	Calculation of reference products WS 21/22
2021	Calculation of reference products SS22 climbing collection
2021	Offsetting emissions for reference products WS21/22 & SS22
2022	Calculation of Company Carbon Footprint 2021 DE, AT, CAN, FRA
2021	Offsetting emissions for reference products WS21/22 & SS22
2022	Calculation of total PCF WS22/23, SS23 based on the main materials
2023	Calculation of Company Carbon Footprint 2022 DE, AT, CAN, FRA, IT
2023	Baseline PCF WS22/23, SS23 CCF 2022
2023	Baseline offsetting of emissions
2023	Calculation of total PCF WS23/24, SS24 based on all nominated materials
2023	Adoption of 1.5°C target
2024	Calculation of Company Carbon Footprint 2023 DE, AT, CAN, FRA, IT
2024	Offsetting emissions CCF 2023 & PCF WS23/24, SS24
2024	Adoption of climate strategy
2024	Climate-neutral label removed on WS24/25 and replaced with Climate Partner Certified



Climate Protection

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POOLING RESOURCES

EOG CARBON REDUCTION PROJECT

The fashion industry is demonstrably responsible for 2% of greenhouse gas emissions each year. Fabric production, dyeing and finishing require a great deal of energy. However, this also means that there is immense potential for savings in these processing stages. A great deal can be achieved by gradually phasing out fossil fuels and investing in clean energy in the supply chains. But in order to achieve the globally agreed climate protection goals by 2030 and 2050, considerable changes and progress are already necessary. Since the end of 2021, ORTOVOX has been involved in a joint initiative of the European Outdoor Group (EOG), the Carbon Reduction Project, together with nine other outdoor brands. The aim is to reduce greenhouse gas emissions and promote the expansion of renewable energies in the production facilities. We already reported on the project, then still called the "Supply Chain Decarbonization Project", in the <u>2022 Planet</u> <u>Report</u>.

A great deal has happened since then! For example, a comprehensive study showed that over **12**% of the production sites used by the project participants produce for two or more of these brands. There is even **ONE FACTORY THAT SUPPLIES ALL TEN** **BRANDS**! A total of 16 suppliers were audited and their CO_2 emissions calculated. As expected, the largest source of emissions was **COAL** at 45.7%, followed by purchased **ELECTRICITY** (non-renewable) at 27.3%. The complete study can be viewed on the EOG website. \triangleright



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After the comprehensive data evaluation and potential-analysis, the ten project participants now have a clearer understanding of the scale of the challenge ahead, but also of the measures that can be taken to achieve significant, long-term effects on emissions. Two thirds of the reduction potential is accounted for by PHASING OUT **FOSSIL FUELS** and switching to electricity from renewable sources. While technical solutions are generally available for the latter, it is often more difficult and much more complex to find and implement alternatives for energy from coal, oil, etc. In addition, the local energy markets differ considerably in terms of availability and costs for the use of renewable energy sources.

Individual targets and concrete steps were defined accordingly together with the audited factories. The current task is to implement these action plans, measure their impact and take corrective measures where necessary. \Box >> The collaboration between the different brands towards a common goal is truly unique. The results illustrate the extent of CO2 emissions in the deeper supply chain and form the basis for concrete measures that have already been initiated to reduce emissions. <<



Andreas Wolf, CSR Manager – Environment



The European Outdoor Group (EOG) was founded in 2003 by 19 of the world's largest outdoor companies, all of which recognized the need for a unified, cross-border approach to representing the Outdoor sector. In a world of increasing internationalization, legislation, environment, trade and the media are all now multinational issues. The combined strength of the EOG's 110 members gives the group tremendous power to represent the European outdoor industry in a positive, constructive way. CONTENT

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2023 CLIMATE FOOTPRINT

OUR CO₂ EMISSIONS AT A GLANCE

Cards on the table! We use our annual climate footprint to compare emissions with the previous year and assess the effectiveness of the measures we have implemented. The result in a nutshell:

CO₂ EMISSIONS IN 2023 ARE SIGNIFICANTLY LOWER THAN IN 2022.

A total of 13,788.21 tons of CO_2 were emitted. This is an **ABSOLUTE REDUCTION OF 37.38**% compared to 2022 (22,019.77 tons of CO_2). In addition to the various reduction measures we have implemented, the main reason for this is the lower production volume during the two collection periods under review.* Therefore, it is more meaningful to calculate emissions **IN RELATION TO TURNOVER**. This results in an impressive **CO₂ SAVING OF 24.46**%. ▷

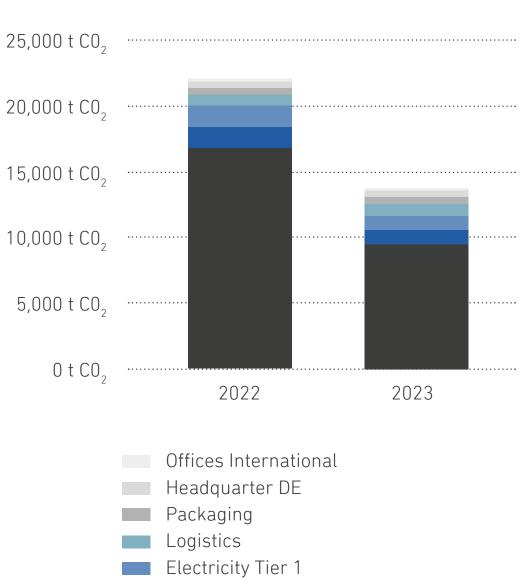
> For comparison: ORTOVOX's total emissions in 2023 correspond to the carbon footprint of 1,768 Europeans. Every person in Europe produces an average of 7.8 tons of CO₂ per year.



* To calculate the 2023 climate footprint, we looked at the emissions for the calendar year, the products in the 2023/24 winter collection and those in the 2024 summer collection. **Climate Protection**



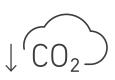
DEVELOPMENT OF OUR EMISSIONS IN VARIOUS AREAS AND OVERALL



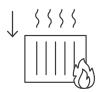
- Hardgoods
- Materials and Trims Softgoods

OUR FOUR KEY TAKEAWAYS

- We have cut our CO₂ emissions by
 24.46% compared to 2022 (*based on kg CO₂ per € in turnover)
- 2. We emitted **41.51**% more emissions in our logistics, partly due to more air freight. The reasons for this are unforeseen challenges and the resulting bottlenecks in production deadlines
- 3. A revised heating concept for our Taufkirchen site reduced our purchased heat by almost 50%. In 2023, we only consumed **166,615 kWh**
- 4. A 44% reduction in our materials and trims shows that the first switch to green electricity in the supply chain and the use of recycled polyamide are having a positive impact on our climate footprint









CONTENT OVERVIEW OF OUR EMISSIONS BY SCOPE

2022

Total emissions 22,019.77 t CO_2

SCOPE 1 65.16t CO₂

SCOPE 2 62.91t CO₂

SCOPE 3 21,891.70t CO₂



2023



Total emissions 13,788.21 t CO₂

SCOPE 1 42.78t CO₂

SCOPE 2 41.45t CO₂

SCOPE 3 13,703.98t CO₂ SCOPE 1DIRECT EMISSIONSVehicle fleet

SCOPE 2

INDIRECT EMISSIONS FROM PURCHASED ENERGY

- Purchased electricity
- Purchased heating

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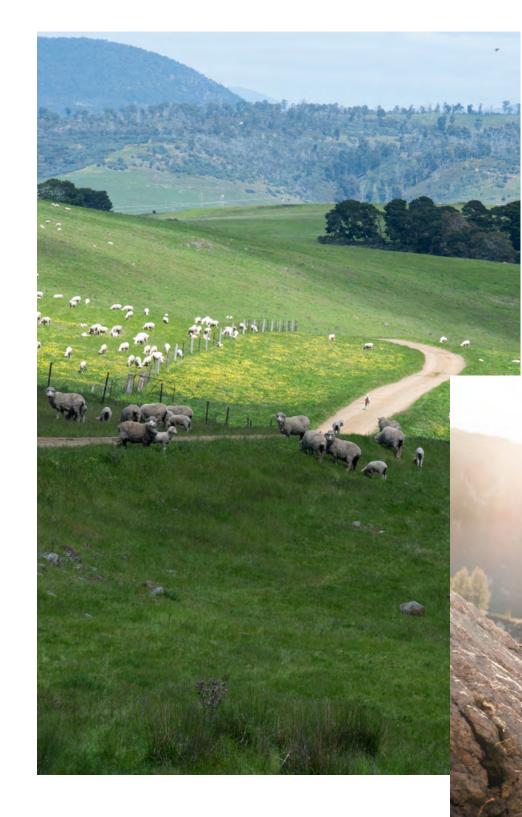
SCOPE 3

INDIRECT EMISSIONS WITHIN THE VALUE-ADDED CHAIN

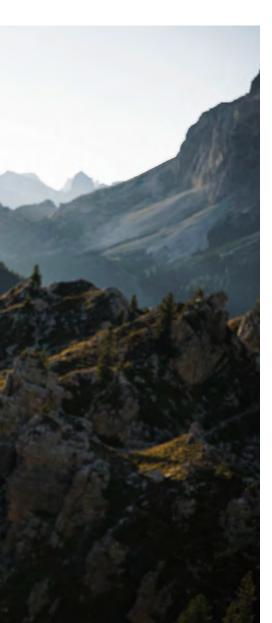
- Employees; travel and home office
- Purchased goods and services such as printed products, electronic equipment, packaging materials
- International locations
- Products: Materials, logistics, packaging, electricity Tier 1

PLANET REPORT 2024

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ENVIRONMENTAL PROTECTION



IT'S (ANOTHER) SIGN!

PARTNERSHIP WITH BLUESIGN® TO ENSURE MORE SUSTAINABLE PRODUCTION

We have been striving to improve our chemical management in the supply chain for several years now. We have already successfully mastered the challenge we set ourselves of exclusively offering **100**% **PFAS-FREE** products. And by developing our "Guide for Chemical Compliance", we have set out clear guidelines for making the development of our products more environmentally friendly. Another important step in this regard is the **PARTNERSHIP** concluded in August 2023 with **BLUESIGN® TECHNOLOGIES AG**. The Swiss company shares our vision of a more sustainable future and focuses on safe, clean and responsible textile production.

The cooperation is pivotal to the development of innovative solutions to reduce harmful substances in the environment and our products. As a bluesign® System Partner, we especially benefit from the immense bluesign® expertise in supply chain management – from chemical suppliers to textile finishers. ⊳

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<u>CONTENT</u>



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bluesign[®] SYSTEM

The Swiss company bluesign® technologies AG takes a holistic, collaborative approach to the safe use of chemicals along the supply chain in order to minimize the environmental impact, and to ensure products meet strict criteria.

In addition to low-pollution materials, bluesign® also addresses resource conservation, transparency, waste disposal and safety in the workplace. However, the standard does not simply ban environmentally harmful substances, but also promotes the use of sustainable alternatives. The bluesign® seal signals to consumers that products are manufactured in a safe, sustainable and environment-friendly, manner. A particular focus is upon **INPUT STREAM MANAGEMENT**, which prioritizes the sourcing and use of clean raw materials. This creates the essential foundations for producing a more environment-friendly end product.

A positive side effect is that by only using tested materials, the costs of checking finished articles are reduced. Ultimately, consumers benefit from cleaner, cheaper products. We are still in the early stages of our collaboration. As a first step, we have committed ourselves to a thorough brand evaluation. In addition, we are focusing upon continuously **ANALYZING OUR SUPPLY CHAIN** to identify where blue sign materials can be sourced. Our next step is to define binding milestones and targets for implementation. However, due to our forward-looking production planning and our long-term, collaborative purchasing strategy, it will take a few collection cycles for the partnership to be discernible to end consumers.

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THE MOST BEAUTIFUL RETURN ON INVESTMENT

20% MORE NARCISSI AFTER TWO YEARS

We believe in protecting nature locally along our entire supply chain. Promoting biodiversity and combating climate change is a great cause. And simultaneously supporting the local communities around our production sites is even better!

The Narcissi Valley near the Ukrainian town of Khust is not far from one of our factories. In July 2021, we began working with EOCA to restore the valley to its natural state. For every order purchased and not returned, ORTOVOX donated €3 to the local "Rescue the Narcissi Valley" initiative. This generated over €23,000 in donations. The aim was to restore the **WATER LEVEL** in the area, which is afflicted by droughts, in order to conserve the biodiversity of the valley's meadows. It was also necessary to ensure **MOWING AND GRAZING** in order to prevent the narcissi from becoming overgrown. The reintroduction of livestock farming and the expansion of tourism services should enable future sources of income in order to ensure stable financing and, thus, the long-term continuation of the necessary measures.▷





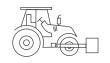
AFTER TWO CHALLENGING BUT VERY SUCCESSFUL YEARS, THE RESULTS HAVE BEEN IMPRESSIVE:



83 hectares have been mulched to protect against aridness and wind erosion



Purchase of mowers and equipment for ongoing management



300 hectares have been mowed and are now being grazed



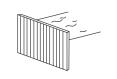
Stables built for buffaloes in order to reintroduce livestock farming



23 hectares have been cleared of bushes to curb uncontrolled growth



Buffalo milk and buffalo mozzarella sales to generate additional income



13 dams and 1 spillway have been built to raise the water level for the narcissi



Ensuring tourism services to generate additional income





20% MORE NARCISSI GROWTH COMPARED TO 2021 The work of the "Rescue the Narcissi Valley" initiative is now coming to an end. However, the resulting effects will have a long-term impact. From now on, its future is in the hands of the project sponsors of the Carpathian Biosphere Reserve and the Danube-Carpathian Program. However, they are sure to receive support from the local population: The residents are proud of what they have achieved and are enthusiastic about continuing the positive development of the Narcissi Valley. □



PROFESSIONAL CHEMICAL MANAGEMENT WITH RESPONSIBILITY

FOUR QUESTIONS FOR ANNA MACK, CHEMICAL MANAGER

Functional clothing cannot be produced without chemicals, and it would be wrong and immoral to say that there are no negative effects. Therefore, we take great care to ensure that the resources used, which entail certain risks, are used in a controlled, safe manner. Our Chemical Manager Anna Mack provides insights in this interview.

WHAT DOES A CHEMICAL MANAGER DO AT ORTOVOX? WHAT ARE YOUR RESPONSIBILITIES?

My work involves ensuring that no harmful chemicals are released into the environment within our textile supply chain. Protecting workers is also a key issue. This extends right through to the finished products, which MUST NOT CONTAIN HARMFUL RESIDUES. The main focus here is upon monitoring Tier 2 suppliers, as this is where most chemicals are used.



Anna Mack. Chemical Manager

My expertise means I am also responsible in various working groups for everything to do with chemicals. I also support our internal teams, such as my colleagues in material selection and procurement.

WHEN WE HEAR THE WORD "CHEMICALS", IT TENDS TO BRING UP NEGATIVE CONNOTATIONS. ARE ALL CHEM-ICALS USED IN THE TEXTILE INDUSTRY HARMFUL OR ARE THERE ALSO GOOD SUBSTANCES?

You can't really generalize like that. It depends heavily upon the risks that the chemical product entails and where exactly it is used. Therefore, it is essential to **UNDERSTAND THE POTENTIAL IMPACT OF CHEMICALS** and ensure they are used responsibly. We aim to maximize their positive effects and minimize their negative properties. If the risks of certain chemicals are very high or difficult to control and assess, we generally restrict their use within our supply chain, for example in the group of PFAS chemicals. This reduces risks and minimizes the negative impact on workers, our products and, ultimately, on the environment. ▷

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WHAT ARE SPOT CHECKS? HOW DO YOU SUPPORT ORTOVOX'S PROFESSIONAL CHEMICAL MANAGEMENT?

SPOT CHECKS involve testing selected textile materials and trims for possible harmful residues. This enables us to check that our suppliers are complying with the defined requirements in terms of chemical management. The tests are carried out in the laboratory so that even the smallest quantities can be detected. We differentiate between the legally prescribed guidelines and our own RSL standard, which has even stricter limits.

The spot checks are carried out as early as possible in the production process so that we can clarify the situation in good time. If the materials do not pass the test or if irregularities are identified, we immediately initiate further investigations and start **PREDEFINED PRO-CESSES TO FIND A SOLUTION**.

WHAT ARE YOUR CURRENT AND FUTURE CHALLENGES IN TERMS OF CHEMICAL MANAGEMENT FOR ORTOVOX?

As a brand, we are at the end of a complex supply chain, and the production sites in which chemicals are used are spread over a wide area. Thus, we can't be on site in the factories all the time. It's not easy to keep track of everything. And yet we still have to fulfill our **OBLIGA**-**TION** to provide consumers with professional chemical management. After all, it is us they buy from, not from the factories. We are aware of our responsibility and are constantly working to create transparency and ensure safety. That's why we have introduced these processes and are in constant dialog with producers.

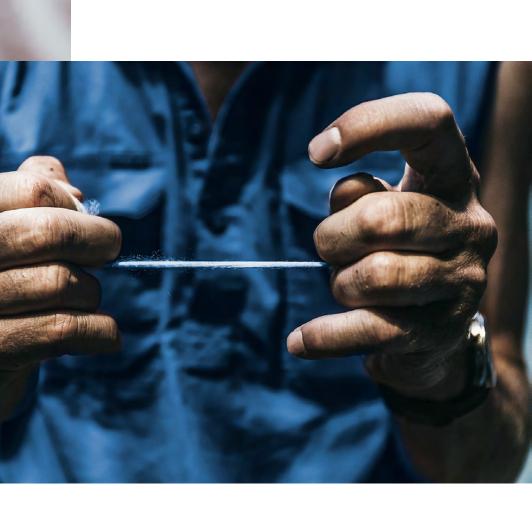
And in future, there will be even stricter requirements from the authorities when it comes to handling chemicals. For example, there is a great deal afoot in Europe at the moment, and also in the USA. I am looking forward to taking on this responsibility and to helping implement these requirements at ORTOVOX. \Box



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<u>Content</u>

DURABILITY





TURNING A STRAIGHT LINE

THE CIRCULAR ECONOMY AT ORTOVOX

Creating the best product that optimally protects and supports users in their endeavors, is durable, is produced sustainably and also looks good – these are the principles under which we at ORTOVOX have been developing and producing for many years. Now we are adding to this the question "How do we make our products COMPATI-BLE WITH THE CIRCULAR ECONOMY?" Or to put it simply: How do we turn a jacket into a new jacket? We also need to comply with the EU's "Circular Economy Action Plan". This aims to encourage the conservation of resources in the economy and to promote the transition from a throwaway society to more re-use, repair and recycling.

But a circular economy cannot be achieved overnight. Our products are highly functional and of outstanding quality. In this context, we do not want to lower our sights. And the fabrics we use are often "mixed" materials. We cannot simply throw these into a shredder and then re-use them. Instead, we have to use complex processes to break them down into their individual components in order to recover the raw materials. To do this, we need **INNOVATIVE TECHNICAL SOLUTIONS**. ▷

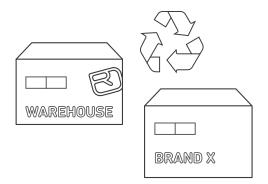
The idea of the circular economy is to repair, share, re-use and recycle products in order to extend their life cycle, minimize waste, protect the environment and make optimum use of resources.



future.



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CLOSE THE LOOP: RECYCLABILITY

as rental models or the SECOND LIFE store. we already offer suitable starting points, and we want to expand these further in the

On the other hand, by recovering products, using recycling techniques, **RE-USING ALL MATERIALS** and, finally, using recyclable and recycled materials, we aim to turn used products into new ones – in the same high quality! As a company, we share responsibility for this with the rest of the industry. *D*



Moving FROM A LINEAR SYSTEM TO A CIR-

CULAR ECONOMY is an intensive transformation process. In order to make efficient, effective progress, we have divided our undertaking into smaller sections and are working on a project basis. This is the only way we can meet this challenge. The good news is that we have a plan and have already achieved a great deal! \Box

MEASURES THAT WE HAVE ALREADY INITIATED AND OFFER OUR CUSTOMERS:

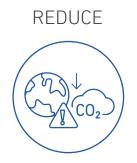
RETHINK



- Design & development
 - Longer-lasting aesthetics (colours and cuts)
- Material development

- Durable, high quality materials and technologies

- Utilisation of recycled materials



- Reduce overconsumption
- Reduce use of virgin materials - Utilise leftovers
- Reduce negative environmental impacts

REPAIR & CARE



- Repair service
- Wash and care instructions
- DIY instructions

RECYCLE



- Projects together with recycling companies
- Research projects on recyclability

REUSE



- Second Life Shop
- Rental offers
- Upcycling workshops



WHY NEW COLLECTIONS ARE ONLY NEEDED EVERY TWO YEARS

Full closets, changing seasons, rapid innovations and even faster trends as well as high sales pressure in retail: There are a variety of factors creating a tense situation in the market. We need a rethink! But what can we as manufacturers do to best serve the needs of customers and retailers while simultaneously operating more sustainably? We asked Andrej Zwer. As Head of Product Management, he knows why ORTOVOX's TWO-YEAR **CYCLE** is in sync with the times.

WHAT ARE THE REASONS FOR ORTOVOX USING A TWO-YEAR CYCLE?

Our sustainability claim means we strive to distance ourselves as far as possible from any kind of fast fashion and create more durable, more sustainable collections. Our products boast absolute premium guality and can be used **FOR SEVERAL SEASONS**. Therefore, the two-year cycle for our clothing is a logical consequence and has been standard for several years, and even longer for safety items.

We see the current market situation as confirmation that we are on the right track. The market is currently shaped by the aftermath of the coronavirus boom and full warehouses at retailers, climate change with several mild winters in a row and the general zeitgeist towards sustainability. ▷

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<u>CONTENT</u>





Andrej Zwer, Head of Product Management \equiv

<u>CONTENT</u>

PLANET REPORT 2024



WHAT DOES THIS MEAN FOR PRODUCT DEVELOPMENT?

This means that strategic, long-term planning of new collections and their launch dates is more important than ever. A two-year cycle means that the products must feature genuine, reliable and consistently functional innovations. In addition, we focus upon **DESIGN AND COLOR TRENDS AS WELL AS FITS** that last well beyond one season.

HOW DO RETAILERS OR EVEN END CUSTOMERS BENEFIT FROM THIS?

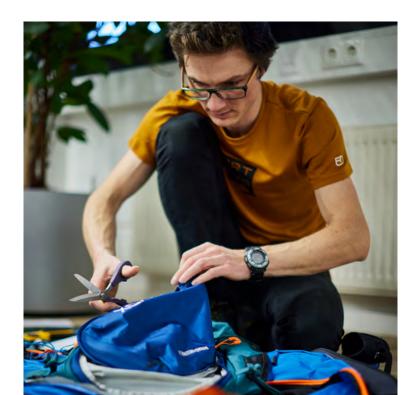
As all collection items **FIT TOGETHER PERFECTLY** over several seasons thanks to the long-term design language and colorways, users can expand their head-totoe outfits as required or replace individual products more easily. With no fear of clashing styles! Longevity and stability make planning much easier for retailers. In addition, stores do not have to offer products as discontinued, discounted models after one season. This significantly lowers the financial risk. □



TURNING OLD

THE ORTOVOX TEAM GETS CREATIVE IN UPCYCLING WORKSHOPS

Leftover fabrics and non-repairable products that have proven their worth in over 1,001 adventures, do not have to go straight into the trash. With a little creativity, these materials can be given a second life, thereby reducing textile waste. After all, nothing is more sustainable than the material we already own.



As part of our Christmas party last year, all employees were given the opportunity to **CREATE** their own **NEW PRODUCTS**. The team got their creative juices flowing in three steps: they selected their materials and colors, put them together in their own custom design and cut the fabrics to size. We left the sewing to the professionals at Wendelstein Werkstätten, so that we could be sure that the newly designed products would truly last and provide years of enjoyment. The end results included stylish cushion covers, cool fleece pullovers for kids and colorful hip bags. \Box WE TURNED ...

80 backpacks



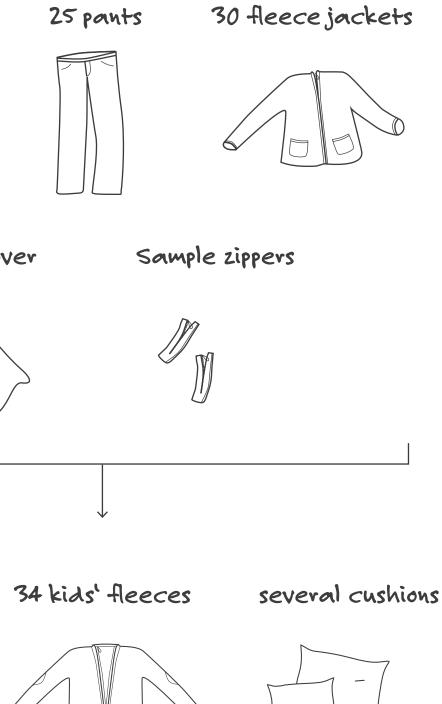
20m leftover fabric



INTO ...

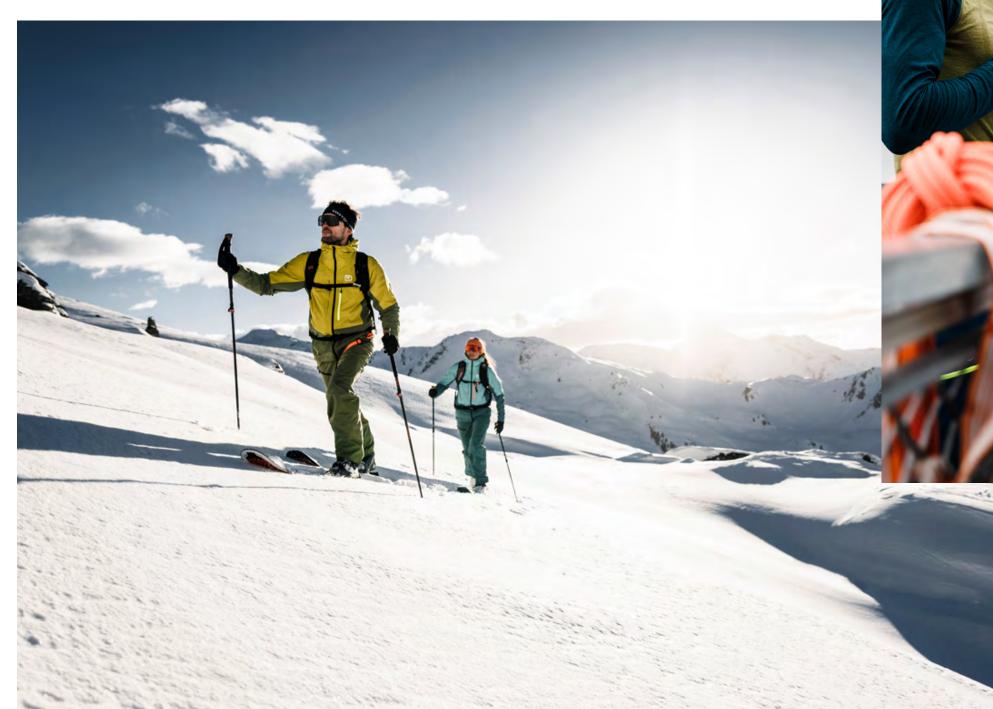
80 hip bags







KNOWLEDGE SHARING



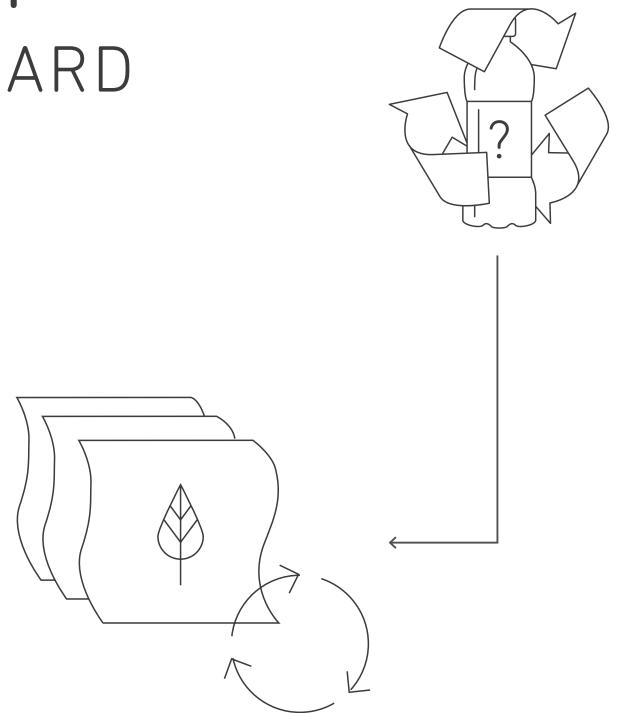




LEADING THE WAY WITH EVERYONE ON BOARD

WHAT WE HAVE LEARNED ALONG OUR OWN TRANSFORMATION PROCESS

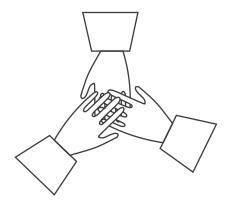
In last year's Planet Report, we told of how ORTOVOX now intends to stop using polyester recycled from plastic bottles. We will instead be focusing upon alternative raw materials and **MATERIALS DERIVED FROM THE TEXTILE CYCLE**. We want to take responsibility and be pioneers, reusing the products that we and the apparel industry put into circulation ourselves. This decision was often seen as visionary by other market players and various stakeholders. But there were also critical voices, not least from within our own ranks. We have learned from this. We are listening to the feedback and valuable input we receive, questioning ourselves critically and using this experience **TO DEVELOP FURTHER AS AN ORGANIZATION**. Because only when the entire team is on board and working together to manage the effects can we achieve a targeted implementation. D



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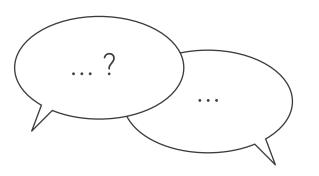
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OUR TOP THREE TIPS FOR SUCCESSFULLY IMPLEMENTING FAR-REACHING CHANGES:



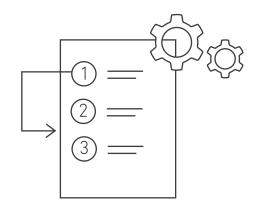
STAND BEHIND IT UNITED.

Yes, big decisions like these are made by the company management. But to **TURN** THE VISION INTO A SHARED MISSION requires the buy-in and long-term commitment of all employees. And that requires transparency and honesty. It is essential to explain the starting point and motivations in detail, openly address the upcoming challenges and formulate clear goals. It is also important to analyze the impact on all parts of the company at an early stage in order to prevent potential doubts and concerns.



DIALOG INSTEAD OF DIKTAT.

The internal communication of such a far-reaching decision needs to be well prepared and implemented. An email is not enough. There needs to be an opportunity for **DIRECT**, **PERSONAL DIALOG**, questions, and an exchange of ideas – even after the project has commenced.



DO NOT UNDERESTIMATE THE EFFECTS.

Decisions like these are not routine business. This is about a far-reaching transformation that is not implemented lightly. Priorities have to be shifted, **CAPACITIES CREATED** and resources made available.

ALL EYES ON THE DEEPER SUPPLY CHAIN

A MONITORING CONCEPT TO BENEFIT EVERYONE

We already set out the expansion of our monitoring as a focus topic in the last People Report. The concept announced at the time efficiently and effectively monitoring our suppliers has now been successfully completed. In the following interview, CSR Manager Andreas Wolf explains the process, where we stand at the moment, and what the next steps are. WHY DID WE SET UP THIS CONCEPT AND WHAT EXACTLY DOES IT INVOLVE?

Due to the Supply Chain Act (LkSG), we are also obliged to **MONITOR OUR DEEPER SUPPLY CHAIN** in future. Initially, this concerns our Tier 2 partners, for example our material manufacturers.

With this in mind, we have drawn up a concept that creates an evaluation framework for new and existing suppliers. The minimum requirements it contains are based
upon the new ORTOVOX Supplier Code of Conduct and focus on the environment, social affairs and chemical
management.

The concept helps us to ensure that the minimum requirements are met in the production facilities and that meaningful data is also provided so that we can carry out an appropriate assessment. The short-term goal is to **GAIN MORE KNOWLEDGE ABOUT THE TIER 2**



Andreas Wolf, CSR Manager – Environment

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<u>CONTENT</u>

FACTORIES and to incorporate the current situation into the risk analysis for our partner relationships. In the long term, we wish to use the concept to improve standards in our supply chain.

This type of assessment system has many benefits that go beyond our own due diligence:

- Suppliers can strengthen their reputation as responsible employers
- Workers at the production facilities benefit from better working conditions
- End customers are enabled to consume more sustainably

This is a **WIN-WIN-WIN SITUATION** that we would like to extend with the concept download offer. ▷

HOW IS THE CONCEPT STRUCTURED?

There is a foundation that defines four basic requirements for future cooperation:

- Commitment to comply with our Supplier Code of Conduct
- Commitment to comply with our Chemical Compliance Guideline
- Appointment of a contact person for sustainability issues
- Provision of defined (sustainability) data in a usable format

We also check whether our suppliers' existing certifications, partnerships and audits meet the requirements we have defined in terms of social and environmental sustainability. The result is an important factor in the risk analysis. We differentiate between three levels into which a supplier can be classified: Basic, Medium and Progressive. The aim is to move all production sites up in this categorization system by working in partnership.

WHAT IS THE CURRENT STATUS AND WHAT STEPS WILL FOLLOW IN THE FUTURE?

After obtaining feedback and input from brand partners and suppliers, we entered the pilot phase. We carried out the entire concept process with three Tier 2 partners. The methodologies were then evaluated both by the partners and by us in order to further improve their feasibility in practice. We have also already completed this, so that we can now apply the concept on a broad basis. This means that over the coming months we will be working with existing Tier 2 partners to carefully review the defined requirements on an individual basis. For all new suppliers, **THE MINIMUM STANDARDS MUST BE DEMONSTRATED BEFORE A PARTNERSHIP IS COMMENCED**.

Sharing ist caring!

OUR CONCEPT TO DOWNLOAD

We know all too well that monitoring is a major challenge for many brands, especially for smaller companies.

- Where to start?
- What needs to be taken into account?
- How to present it in a way that suppliers can understand?

Our toolbox is designed to help answer these questions. We are convinced that the textile industry as a whole benefits from effective monitoring deeper down the supply chain.

<u>Download</u>

PROTACT 2024 A REVIEW



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<u>CONTENT</u>







PROTACT 2024 -SUCCESSES AND EXPERIENCES



WHAT WE HAVE ACHIEVED AND LEARNED

We started to develop our first ORTOVOX sustainability strategy back in 2016. After three years of intensive development, during which we held workshops with every team, grouped topics and defined final goals with the specialist departments, we adopted ProtAct 2024. The strategy comprised a mix of six sustainability, industry and brand-relevant goals. ProtAct 2024 is now coming to an end, so it is time for us to draw some conclusions. What went well? What can we learn from for the future? And what happens next?

Below is an insight into the six focus areas and their goals, the measures implemented and their impact. ▷

Animal welfare 🎡

DEFINED GOAL

Use of 100% OWP wool by 2024

SUCCESS

Our 13 partner farms in Tasmania supply us with 100% OWP wool

BACKGROUND AND LESSONS LEARNED

In 2017 we launched our own wool standard, the ORTOVOX Wool Promise (OWP), as the minimum requirements of the industry-wide Responsible Wool Standard (RWS) in the areas of shearing, transportation and slaughter were not strict enough for us. Based upon four pillars, the OWP promotes an end to lamb mutilation (mulesing), a focus upon sustainable agriculture, personal relationships with our farmers and transparency along the wool supply chain.

However, since then the RWS has become a pioneer in terms of wool standards. We think this is a good thing, so together with the farmers we decided to carry out RWS audits. This is also something they benefit from, because other brands are also asking for it!

However, the switch to RWS will not render OWP obsolete. In fact, it still remains an explicit brand promise for partnerships and animal welfare.

(☆) **OTHER HIGHLIGHTS**

- "Best in Class" award from the animal welfare organization "Four Paws"
- During the ProtAct 2024 project period, we were able to win a total of seven new farms as OWP suppliers
- Further development and promotion of regenerative agriculture and local climate protection projects in cooperation with the farms

PLANET REPORT 2024



Climate protection

DEFINED GOAL

Climate neutrality and reduction of emissions on site and along the supply chain by 2024

SUCCESS

ORTOVOX has been climate neutral since 2023 and has developed a roadmap for further reduction

BACKGROUND AND LESSONS LEARNED

By working on this target, we have learned a lot about our own CO₂ emissions and are now well positioned to work effectively on continuously reducing them in line with the 1.5°C target. To this end, we have continuously carried out emission calculations since 2018. These were initially based upon reference products, and then for the entire collection (Product Carbon Footprint) and for our location, vehicle fleet, travel, etc. (Company Carbon Footprint) in detail. These calculations enabled us to identify our potential for reducing our emissions. In



ProtAct 2024 – A summary

2022, we determined our baseline, which we then used to define effective measures with corresponding timing.

We continue to offset the emissions that are unavoidable by supporting certified climate protection projects - right down to the last milligram of CO₂. We are also continuing with this offsetting, as we believe in the positive impact of the projects and that this valuable work could not be carried out without financial support.

OTHER HIGHLIGHTS

Successful switch to 100% green electricity at our site in Germany

- Started switching to less emission-intensive fiber materials and material processing methods
- Development of a climate strategy based upon the baseline survey

Social responsibility

C DEFINED GOAL

Obtaining Fair Wear Foundation Leader Status

Successfully received Leader status five times since 2018

BACKGROUND AND LESSONS LEARNED

ORTOVOX has been a member of Fair Wear Foundation (FWF) since 2015. The independent organization specializes in improving working conditions, with a particular focus upon the textile industry. Every year, FWF conducts a "Brand Performance Check", in which it uses clearly defined, comprehensive criteria to evaluate the work and results of its members regarding compliance with the Code of Labour Practices – the code for working conditions along the supply chain. Thanks to long-standing business relationships and continuous, close communication with producers, ORTOVOX has been able to consistently play a leading role in this area. We have been awarded the highest distinction – Leader status – five times since 2018. FWF's constantly evolving requirements drive us to continuously focus on optimizing processes, purchasing practices and risk management.

- Stronger anchoring of social responsibility within all relevant departments, not just the CSR team
- Leader status proves that we continue to play a pioneering role as an outdoor brand in the areas of social responsibility and due diligence
- Our many years of working on this topic have prepared us perfectly for the requirements of the Supply Chain Act

Supply chain

DEFINED GOAL >60% production in Europe by 2024

49.33% of production in Europe in the 2022/23 financial year

BACKGROUND AND LESSONS LEARNED

In 2019, we looked at the prevailing situation, carried out a risk and potential assessment and then decided that we wanted to produce 60% of our items in Europe. We have been constantly moving closer to this goal, with 57% being our highest achievement.

However, changing conditions such as the sharp rise in wage and transportation costs in Europe, and the greater technical expertise and more innovative processing methods in Asia prompted us to critically question and reassess our goal. Looking back, we realize that the wording "60% production in Europe" was too narrow. Instead, the focus should have been on building and maintaining a value-oriented network of suppliers based upon partnerships.

- We do not see this development as a failure to achieve our goals, but rather as a conscious reorientation and the right step
- One of the biggest lessons for us is the realization that it is not the "Where?" that is decisive in production, but the "How?"
- We still cannot and do not want to abandon production in Europe

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ProtAct 2024 – A summary



PLANET REPORT 2024

Environmental protection

Ś **DEFINED GOAL**

The manufacture of our entire collection free from PFCs by 2024



100% PFC-free production and supply chain since summer 2023

BACKGROUND AND LESSONS LEARNED

PFC stands for "per- and polyfluorinated chemicals". This compound is water, grease and dirt repellent, and is chemically and thermally stable. PFCs are not biodegradable and spread guickly throughout the environment – in groundwater, plants, organisms and, therefore, in the food chain, too. Therefore, in 2019 we made it our goal to sell only PFC-free products by 2024.

The decision was discussed internally at length and intensively at the time, and the goal was not considered feasible. This was because alternatives were not yet well researched or sufficiently reliable. In addition, a conversion of each individual material was required. Regular spot checks (see page 30) are essential to ensure 100% compliance.

What we've learned: Sometimes you have to take the uncomfortable path into the unknown if you want to remain fit for the future. We did this together and do not want to take a step back.

(合) **OTHER HIGHLIGHTS**

- By consistently pursuing this goal, we have strengthened our competitiveness in the long term
- We are legally compliant for future regulations
- For example, with the DWR CO surface finish, there is now a reliable alternative that can be applied to all backpacks, jackets and pants



Longevity



Develop durable, repairable products

SUCCESS

Successful implementation of a repair service, maintenance instructions and SECOND LIFE store

BACKGROUND AND LESSONS LEARNED

With regard to longevity, our goal was initially rather vague. We didn't have a clearly defined plan, but it was precisely this approach that made us stronger. Our repair service, the SECOND LIFE store and Care & Repair videos made sustainability tangible for end customers.

(☆)

ProtAct 2024 – A summary

As we could not foresee in which direction we could go, whether and how far the dealers and end customers would come with us, no clear KPIs were defined. Therefore, evaluating success in figures is difficult. However, what we have achieved feels subjectively very good. The potential for further development was definitely visible and we are looking forward to the next steps.

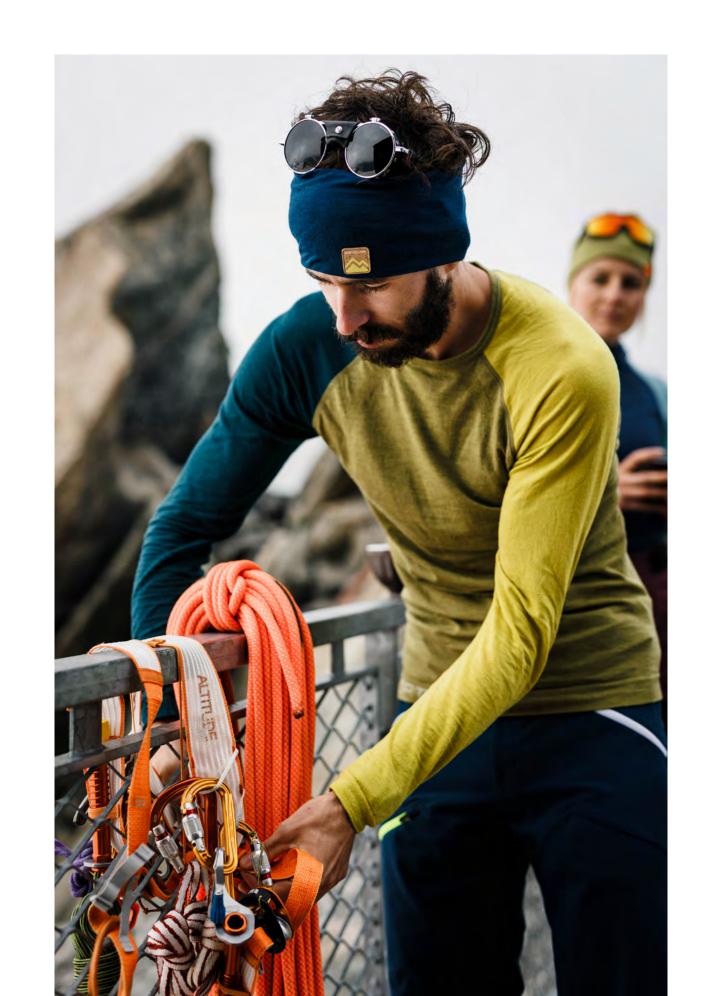
OTHER HIGHLIGHTS

• 470 products sold in the SECOND LIFE store

• Over 2,500 products have been repaired

• The expansion of the Service Hub makes it easier for our dealers to order various services, e.g. updating and checking avalanche transceivers

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CONCLUSION AND LESSONS LEARNED

ProtAct 2024 was an important step in ORTOVOX's company history. The strategy became part of the brand's DNA, set the direction for more sustainable development and served as a guide for employees.

We achieved and affected a great deal, and in some cases ended up in a completely different place than we had expected in 2019.

And that's okay. There are many reasons for this. A number of external challenges arose, such as the Covid-19 pandemic, the outbreak of the war in Ukraine and changing political conditions. And our own growth has also increased the complexity due to new processes, products and employees. During implementation, there was sometimes a lack of clear definition of responsibilities in day-to-day business, and we also felt that the goals sometimes contradicted each other.

5 For us as an organization, it is a wonderful learning experience that also lays important foundations for future development.

NEXT STEPS

Gone are the days when a sustainability strategy was a purely voluntary measure. Today, there are laws and obligations that define clear standards and requirements for companies, their activities and their reporting. We welcome this development and are happy to support it!

We are already working on a new strategy. This will be a future-oriented development of ProtAct 2024 that focuses upon clear sustainability goals but leaves sufficient room for agile working. We are already looking forward to presenting this to our end consumers, dealers, suppliers and other partners. \Box <u>CONTENT</u>



INDEXES



SDG-INDEX

To create globally sustainable structures, the United Nations member states set themselves 17 goals, which are enshrined in the 2030 Agenda for Sustainable Development: Sustainable Development Goals, or SDGs for short.

Our aim is to make a difference with our day-to-day actions. We are committed to the sustainability goals. Not every goal concerns ORTOVOX to the same extent. Nevertheless, we support all of the goals regarding our own economic activity and beyond.



506	Pages
1	**
2	**
3	**
4	7,15,16,29,33,34,37,39,40
5	**
6	*
7	*
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10	**
11	*
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17	9-11,19,20,25-28,34,37,39-42

** see People Report



* No explicit focus

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DNK-INDEX

DNK	Criteria	Pages
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2	Materiality	10,1,17
3	Objectives	8,12,16,44-48,50
4	Depth of the Value Chain	9
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6	Rules and Processes	7,8
7	Control	8,14,16,18,21,44-48
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9	Stakeholder Engagement	9-11,19,20,25,26,39-42
10	Innovation and Product Management	16,19,25,26,29-37,41,42
11	Usage of Naturla Resources	6,25-29,32-40
12	Resource Management	25-30,32-40

13 Climate-Relevant Emissions (THG-GHG) 14,16-23 ** 14 **Employee Rights** Equal Opportunities ** 15 Qualifications ** 16 ** Human Rights 17 ** Corporate Citizenship 18 ** Political Influence 19 **

*not yet reported here

Conduct that Complies with the Law and Policy 20

The German Sustainability Code (Deutscher Nachhaltigkeits-Kodex - DNK) was developed in 2010 by the German Council for Sustainable Development with representatives from politics, companies, the financial market and civil society organizations.

ORTOVOX reports voluntarily on the 20 DNK criteria in the 2024 Planet Report. Information on key areas is provided for here, and some performance indicators are recorded. Some of the DNK criteria focusing upon social areas were reported in last year's People Report or are planned for the next reporting period.

** see People Report



\equiv <u>CONTENT</u>

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GRI-INDEX

The GRI standards are published by the independent and internationally active Global Reporting Initiative. The standards support companies in taking responsibility for their impacts and facilitate non-financial reporting. In addition to economic issues, the focus is on numerous environmental and social topics.

The DNK has selected some of the GRI standards and adopted them for its reporting. They are listed in the table on the right. □

GRI SRS	Pages
GRI SRS-102-16	5
GRI SRS-102-35	*
GRI SRS-102-38	*
GRI SRS-102-44	9-11
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GRI SRS-301-1	*
GRI SRS-302-1	19-23
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GRI SRS-303-3	*
GRI SRS-306-2	*
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GRI SRS-404-1	**
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GRI SRS-205-1	**
GRI SRS-205-3	**
GRI SRS-419-1	**

*not yet reported here

** see <u>People Report</u>

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ARCHIVE

or several years now, ORTOVOX has been transparently reporting on all efforts and tangible actions concerning sustainability. The reports provide an insight into our motivations, introduce our goals and self-critically examine the implemented measures.

Below is an overview of the reports from previous years:

PLANET REPORT 2022

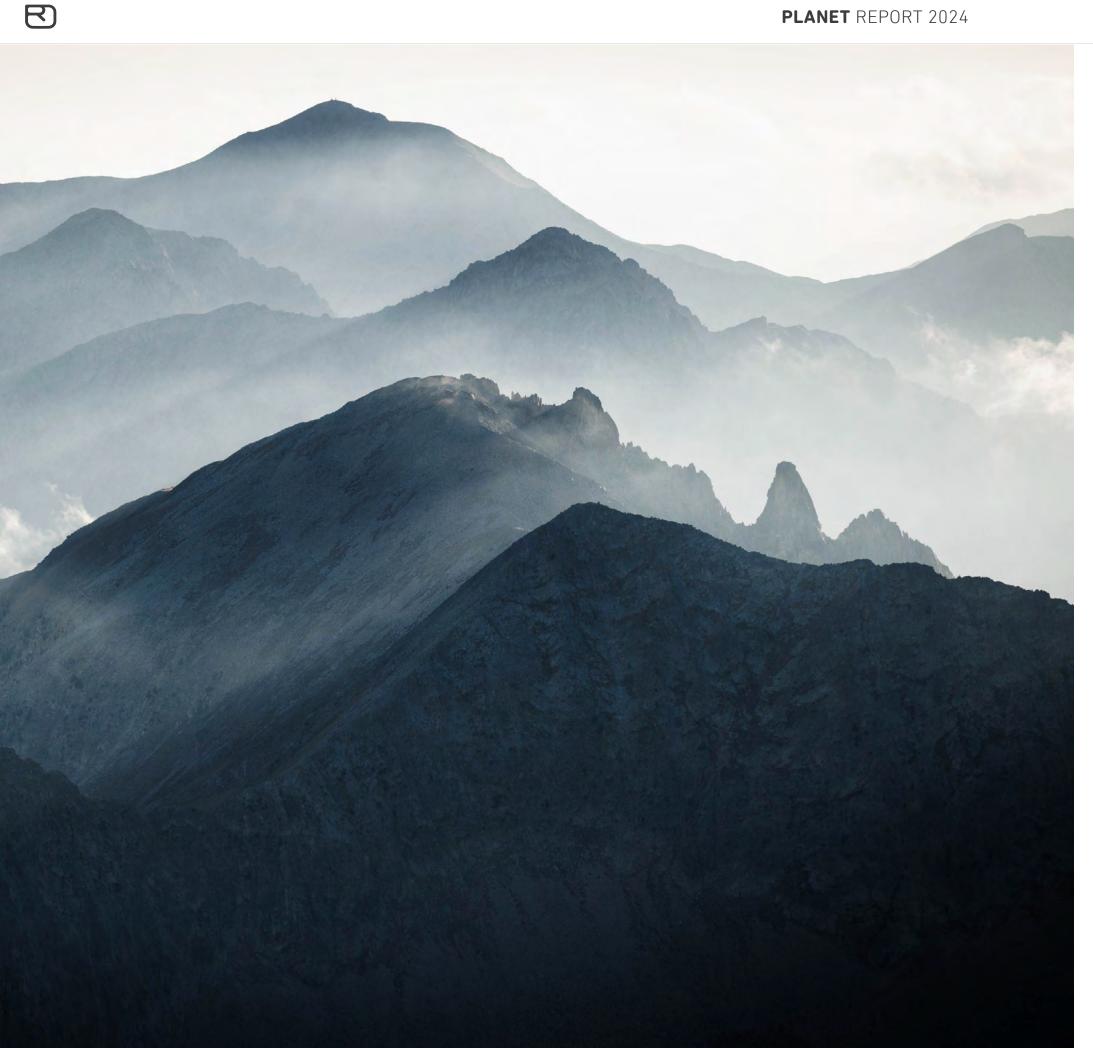
PEOPLE REPORT 2022

PLANET REPORT 2023

PEOPLE REPORT 2023



PLANET REPORT 2024



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