

INNOVATION



ENVIRONMENT



PEOPLE



DATA



**südwolle**group

ECOBALANCE 2024

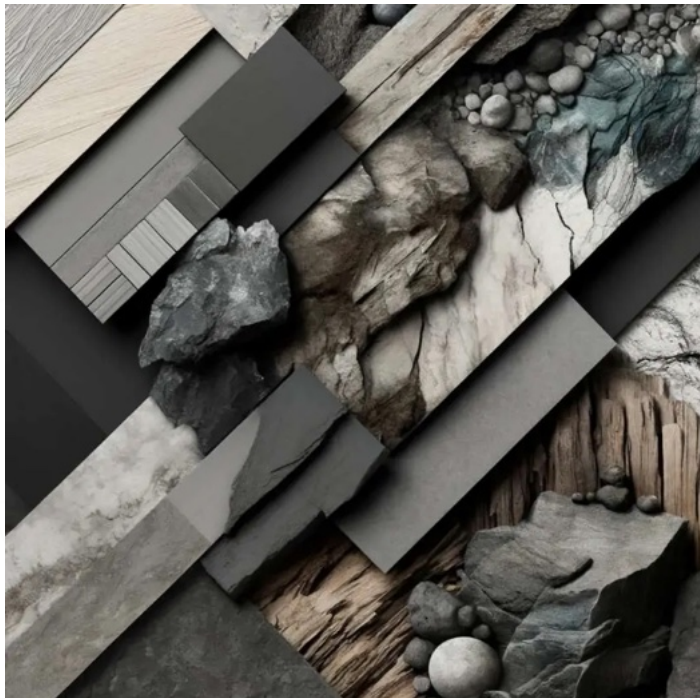
A blueprint for tomorrow

## Unveiling our sustainability strategy

As part of our unwavering commitment to sustainability, we are excited to present a comprehensive preview of our upcoming Sustainability Strategy. This strategy outlines our initial goals and developments, setting a robust foundation for the eco-conscious evolution of our operations.

### *Comprehensive CSRD reporting*

Starting in 2025, we will implement CSRD (Corporate Sustainability Reporting Directive) reporting at the ERWO level. This initiative will include specific strategies and KPIs for our holding ERWO, along with tailored metrics for Südvolle Group and our sister company Hoftex Group, ensuring transparency and targeted improvements across all levels of our operations.



### *Focused environmental initiatives*

Our strategy emphasizes significant environmental stewardship within the wool industry:

- **Water management:** Recognising the substantial water usage in dyeing and treatment processes, we are investing in technology to minimize water consumption and wastewater production. A testament to this commitment is our new dye house in Vietnam, equipped with the latest technology.
- **Energy efficiency:** We are upgrading our energy supplies to reduce emissions and enhance efficiency across our operations.
- **Environmental impact assessments:** We are refining our methods for measuring the climate impacts of wool production, aligning with standards like PEF and HIGG. Collaborations with industry bodies such as IWTO and Textile Exchange will support these efforts.
- **Biodiversity and sustainable sourcing:** Our partnerships with wool growers aim to promote regenerative wool practices, with a focus on enhancing biodiversity at the source.





## *Innovations in waste management and circularity*

- **Reducing waste:** We are overhauling our production processes to decrease waste and exploring innovative uses for recycled materials in our KARMA Project.
- **Circularity and packaging:** Initial pilots are testing multi-use packaging solutions, and we are investigating alternative materials and technologies to further our circular economy goals

## *Social and governance dimensions*

- **Social impact:** Our strategy will incorporate social KPIs developed from CSRD work, ensuring that our corporate actions positively impact our communities.
- **Governance practices:** Robust governance KPIs will guide our compliance and ethical practices, enhancing overall corporate integrity.

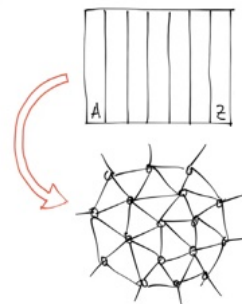
## *Strategic goals for 2030*

We are currently in the final steps of defining our strategic goals for 2030, which include initiatives in water reduction, carbon footprint reduction, sustainable product development, and innovative recycling concepts. These goals reflect our commitment to environmental responsibility and our role in the sustainable transformation of the textile industry.

Stay tuned for more detailed updates in our upcoming CSRD Reporting as we continue to work towards a sustainable future for our company and the planet. This approach will allow us to make necessary adjustments and improvements as we go.

## From silo to network

You don't know how to start a supply chain?



By joining our network you gain access to a wealth of experience in the industry so we can guide your first steps into starting your own enterprise. Our textile engineers will help bring your ideas to life by supporting your supply chain creation and collaborating with your project when you need a helping hand. From sourcing raw materials to entering the industry's network, we're here to shed light on all you need to know and provide a dash of inspiration.

## Embracing sustainable commutes

# Our colleagues opt for bikes

In Germany, a group of 30 colleagues from our company has made a significant commitment to sustainability by choosing bicycles as their primary mode of commuting. This decision aligns with our corporate goals to reduce our carbon footprint and promote eco-friendly practices.

- **Progress and participation:** Expanding from 25 colleagues last year who cycled a total of 13,600 km, the group has grown and covered 17,600 km this year.
- **CO2 savings:** This shift from cars to bicycles resulted in saving approximately 3,696 kg of CO2, according to calculations based on the European Cyclists' Federation's CO2 savings estimator.

### *Supporting initiatives*

The initiative's popularity spurred additional support from the company, including the installation of secure bike storage and the provision of workplace showers, encouraging even more colleagues to join.

### *Broader impact*

The collective effort of our colleagues not only supports our internal sustainability targets but also serves as an inspiring example within the community, demonstrating that individual choices can lead to substantial environmental benefits.

This initiative highlights how integrating simple, sustainable practices into daily routines can significantly contribute to a healthier and more sustainable future.



On the catwalk

## Highlights from Beijing Fashion Week

Spring/Summer 2024 at Beijing Fashion Week was a spectacle of innovation, focusing on the forward-thinking use of sustainable materials in fashion.



### *Sponsored collaboration*

- Partners: Südwolle Group and PLAYTOP
- Focus: Emphasis on sport and outdoor knitwear crafted from natural fibres



### *Achievements*

- Brand amplification: PLAYTOP gained significant attention, enhancing its market presence.
- Sustainability at the forefront: Aligning with global trends, the focus on natural fibres highlighted our commitment to environmental stewardship.



### *Future Directions*

- This event not only showcased the latest in fashion but also set the stage for future collaborations, underscoring our leadership in sustainable textile innovation. With our ongoing commitment to quality and eco-friendliness, we continue to inspire and engage consumers in the fashion industry.



## Interested in a collaboration?

If you're not sure where to start, we can connect you with one of our supply chain managers to find the right innovation for your business.



## Warm beds and clothing

# Zhangjiagang Yangtse Spinning social responsibility initiatives



### *Warm beds for Liangshan children*

In June 2023, responding to a heartfelt request from the children of Lizi Love School in impoverished Liangshan, Sichuan Province, ZYS took swift action to improve their living conditions.

- **Background:** The children previously had to nap on desks, lacking proper sleeping arrangements.
- **Action taken:** ZYS donated 300 wooden beds, ensuring each child received their own bed to support healthier living conditions.
- **Impact:** This gesture not only provided comfort but also a significant boost to the children's health and well-being.

### *Clothing donation to Zhangjiagang welfare institution*

ZYS's commitment to social responsibility continued with a thoughtful donation to the local welfare institution to support children in need.

- **Donation details:** 64 wool sweaters and 128 pairs of wool socks, all made from ZYS spun yarn, were given to enhance the children's warmth through the winter.
- **Additional activities:** During the donation event, ZYS team members engaged creatively with the children, painting stories on blank canvas bags.



## Conclusion

Through these initiatives, ZYS (Zhangjiagang Yangtse Spinning Co. Ltd.) not only addresses immediate physical needs but also enriches the lives of these children with creative interaction, emphasizing their commitment to nurturing a more compassionate and supportive community.

## Strengthening our company culture

# The Five Magic Words initiative

In our continuous journey to foster a thriving workplace environment, we recently launched an internal campaign centered around “Five Magic Words” to bolster our company culture. This initiative was rolled out through our internal SharePoint and supplemented by dedicated workshops across various teams, aiming to embed these core values deeply within our day-to-day interactions.

### Trust

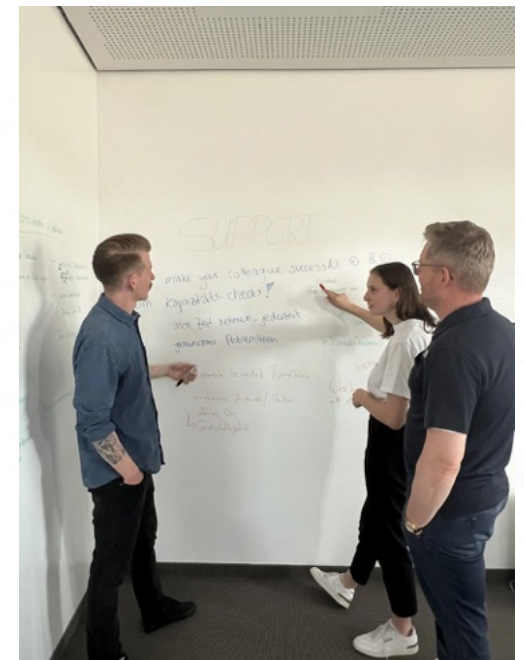
- **Core idea:** Start from a place of trust with every interaction, believing in each other’s intentions and abilities.
- **Impact:** This creates an atmosphere where employees feel secure and valued, leading to increased openness and collaboration.

### Respect

- **Core idea:** Maintain a demeanor of respect towards everyone, regardless of their role or background.
- **Impact:** Fostering respect ensures an inclusive environment where every individual can thrive and contribute their best.

### Active listening

- **Core idea:** Prioritize truly listening to others, being fully present in conversations.
- **Impact:** Enhances communication and understanding across teams, ensuring all voices are heard and considered.



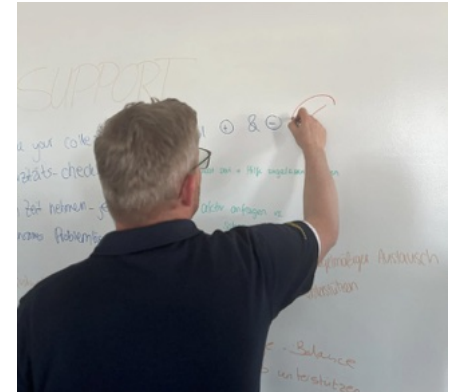
## Care

- **Core idea:** Treat both resources and relationships with high regard and thoughtfulness.
- **Impact:** Leads to more sustainable practices and stronger, more meaningful professional relationships.

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## Support

- **Core idea:** Embrace teamwork and the diverse perspectives it brings.
- **Impact:** Recognizes and harnesses the strength in diversity, promoting a collaborative and supportive workspace.



## Campaign implementation and engagement

Through SharePoint announcements and interactive workshops, we encouraged our teams to integrate these principles into their daily work life. The workshops provided a platform for employees to discuss and explore these values, creating a shared understanding and commitment to these ideals.

## Measuring success and moving forward

The success of this campaign is measured not just by the enthusiasm during the workshops but by the tangible changes in our workplace dynamics. We've seen enhanced collaboration, increased job satisfaction, and a stronger alignment with our company's mission and values.

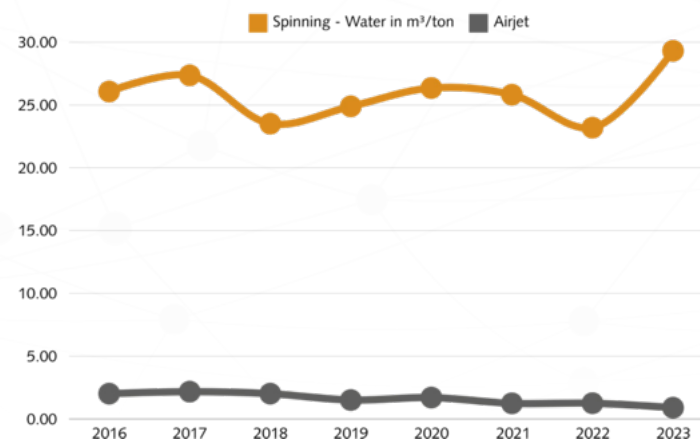
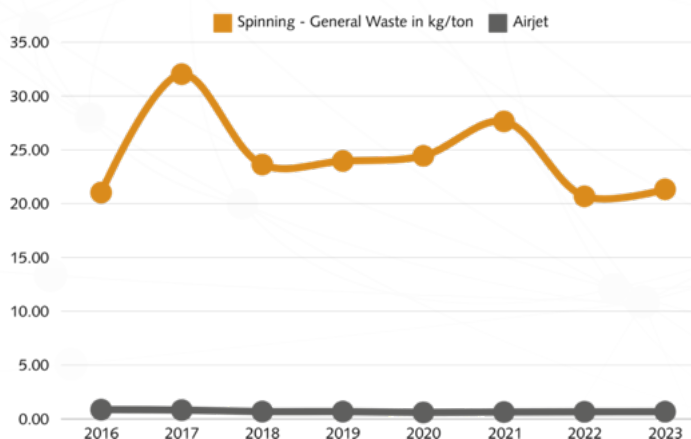
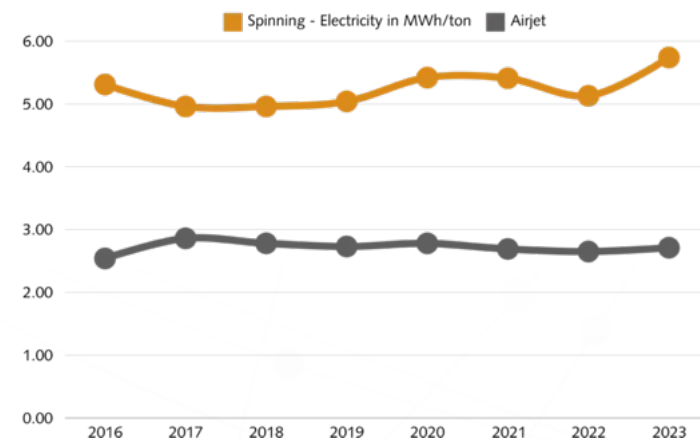
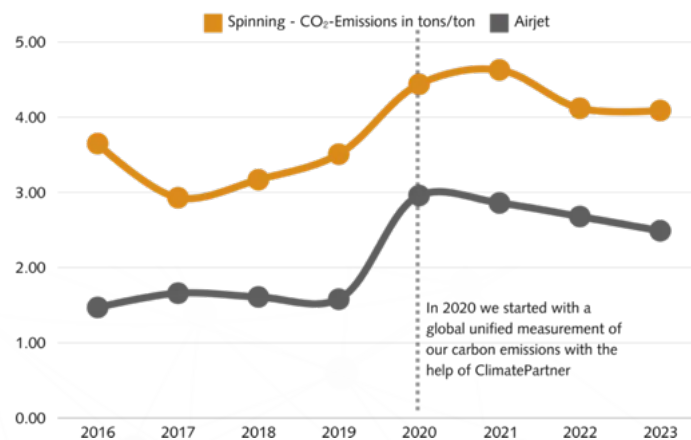
As we move forward, these five magic words—Trust, Respect, Active Listening, Care, and Support—will continue to guide us, shaping a resilient and adaptive company culture that is equipped to meet future challenges and opportunities head-on. This initiative is a cornerstone of our ongoing commitment to nurturing an environment where everyone can succeed and feel a part of something larger than themselves.



# Spinning

In our spinning mills, raw or top dyed wool tops are spun into yarn. For this process, mainly electricity is used, which is why we are increasing our investments in solar power to reduce our carbon footprint.

Due to a lower utilisation of our machines in 2023 the base consumption of our spinning facilities had a greater impact on the overall resource consumption per ton produced.

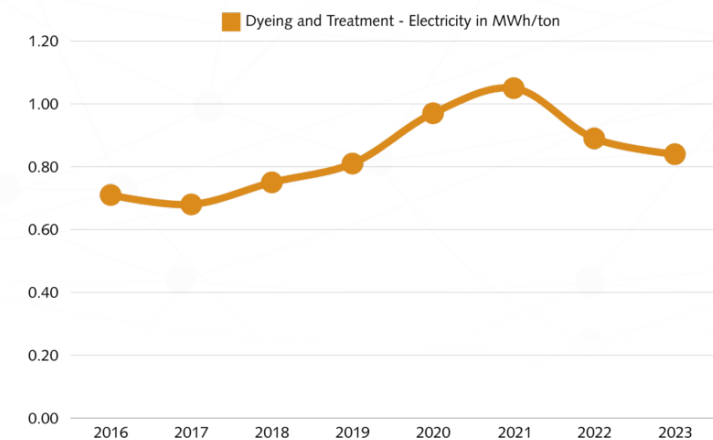
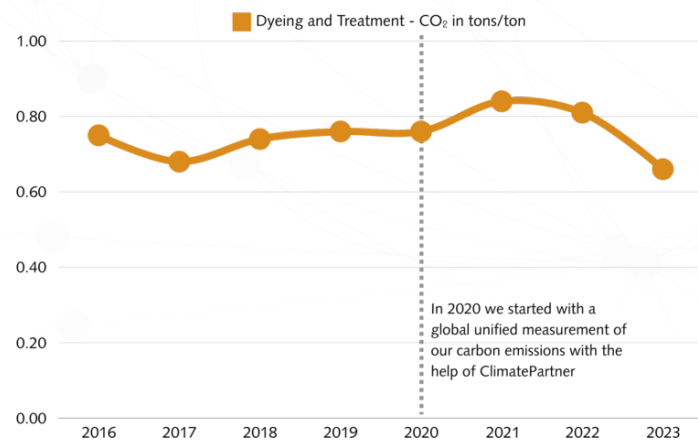
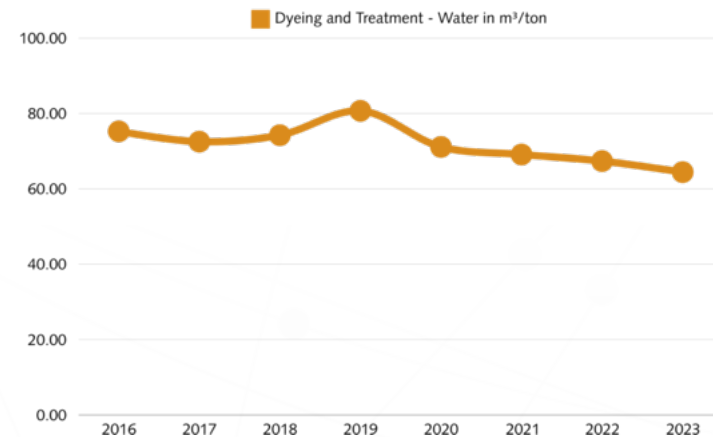
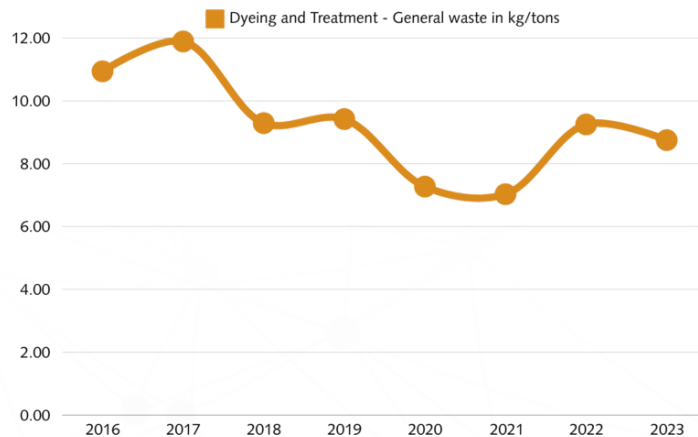


# Dyeing & Treatment

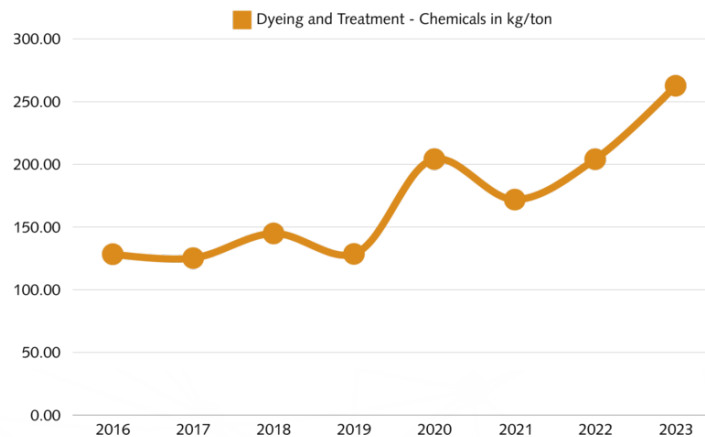
During treatment, the surface of the wool fibres are being altered to prevent shrinkage and therefore improve the washability of the final garment. Aside from electricity for the machines, mainly water and chemicals are being used during this process.

The dyeing process is a highly important step during yarn production. The dyeing can take place either before or after spinning.

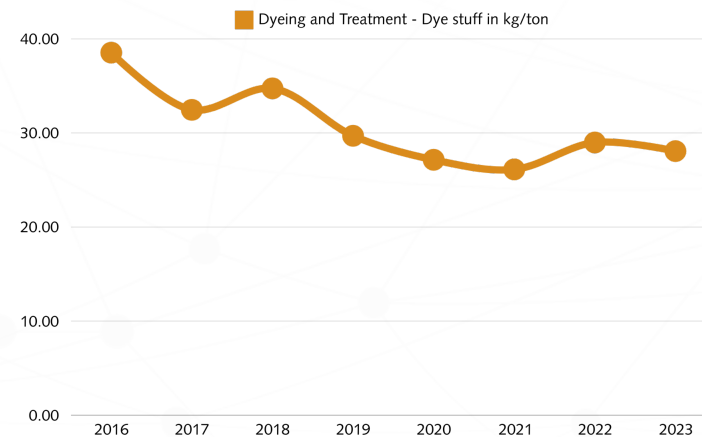
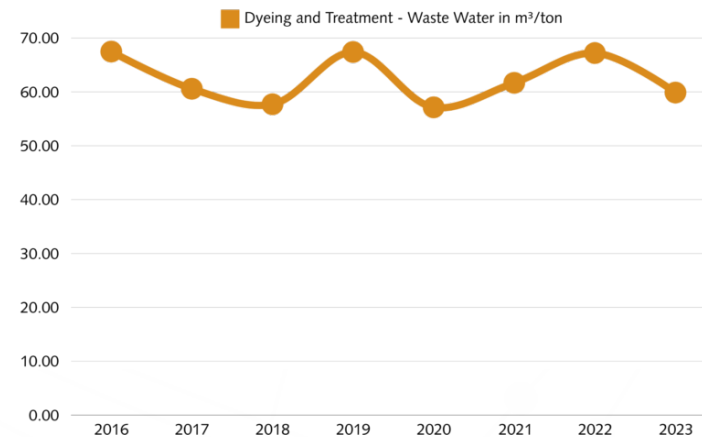
Through ongoing revision and improvement of processes as well as investing in new dyeing vessels, we were able to cut down on overall resource consumption.



# Dyeing & Treatment



The switch from an old to a newly build dyeing mill lead to production inefficiencies in 2023. Apart from that an increased amount of chemicals has been used to treat the waste water in another facility, contributing to an overall decrease in waste water.





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