

IMPACT REPORT

2023

WE THINK AND ACT IN CYCLES.

FOREWORD



Dear Reader

FREITAG has been taking the idea of upcycling out into the world since 1993, and last year – our anniversary – we were able to look back on 30 years of redefining used materials. Today, our work focuses increasingly on the circular economy, and our purpose – «intelligent design for a circular future» – guides our actions. Against this backdrop, we pay increased attention to the end of our bags’ lives. We have also developed guidelines for circular design and made sustainability an integral part of our corporate strategy.

Our products have always been perceived as one-offs, designed for long, active lives and easy to repair. While we have long been upcycling pioneers with our bags and accessories made from truck tarps, we are increasingly approaching our products with a view to their recyclability. It is a logical step in the history of FREITAG, because an eternal cyclical existence is even better than living as long as possible. And the work is bearing fruit: For example, the Mono[PA6] Backpack—the first recyclable FREITAG backpack—went into production during the year under review, and progress was also made with the circular tarp. And the F385 CIRC-CASE, our circular smartphone sleeve, won numerous sustainability and design awards. All these projects have been jointly developed with various partners because no single player can bring about the circular economy alone. The stories behind them were told at the Milan Design Week and Zurich Design Weeks exhibitions and proved an inspiration from various perspectives, from design to the take-back process.

However, circularity involves much more than recyclability: the aim is to develop products in such a way that they can be used for as long as possible, with as little waste as possible. We encourage con-

sumers to share rather than own items, to repair and pass them on instead of throwing them away. We have therefore created a new position for the expansion of circular services and positioned it in a strategic focus area. The Circular Service Driver’s role is to gradually transform the ambitions mentioned above into concrete offerings. During the year under review we also drew up the FREITAG Circular Design Guideline to ensure that, in the interests of holistic product development all factors relevant to circularity are considered. This will ensure that our concepts and designs incorporate life-extending measures and, where possible, the recyclability of the products right from the start.

We are also taking even greater responsibility for the climate and working conditions along the entire value chain. Here, the solid foundation of trust we have with our producers is ideal. Several of them have installed solar power systems, for example, thus reducing our CO₂ footprint in Scope 3. We have also found a buyer for our tarp remnants. We have likewise invested heavily in improving the accuracy of our data. Although this does not have a direct positive impact on our CO₂ balance, it will help us to identify further potential for reductions. A further challenge lies in the fact that FREITAG still manufactures over 99% of its products in Europe, but sells almost half of them in Asia. Shipping routes to Asia are highly unreliable and we have not yet been able to switch back completely to sea freight in the wake of the pandemic, as a result of which our logistics emissions are too high. Production in Europe and our commitment to Zurich as a location also pose economic challenges arising from such factors as the strength of the Swiss franc and the rise in energy costs.

We still have a lot to do regarding the circular economy and are resolved to push on with our strategy and make further progress. We don't have to be perfect, but we have to point out the shortcomings

in our efforts as transparently as possible. In this report for 2023, we explain how we responded to the challenges mentioned and others, together with the goals and successes we achieved. But we also point out where we still fall short and areas for improvement. We hope the FREITAG Impact Report proves to be a source of inspiration and encourages us to work together to realize the vision of a better and more circular world.

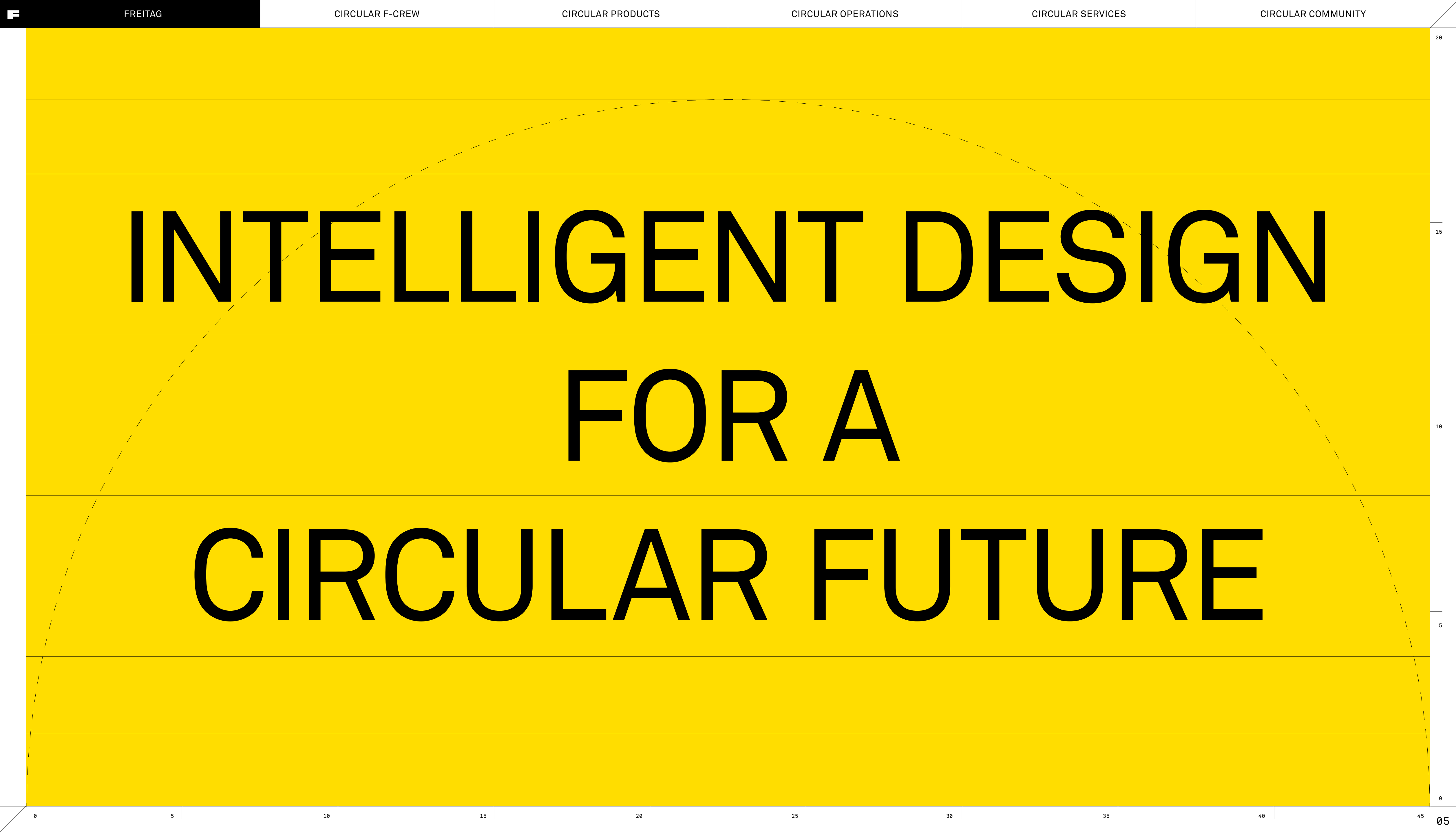
Zurich, fall 2024

Bigna Salzmann, Sustainability & Compliance Officer
Anna Kerschbaumer, Jean-Gérôme Carrey, Nora Kato, Peter Alge and Tanita Bohny*, Company Leaders



PHOTO CREDIT: SIMON HABEGGER
* TANITA BOHNY WAS ABSENT WHEN THE PHOTO WAS TAKEN

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ABOUT THE REPORT													
FREITAG is a values-based company that focuses on people and the planet. Our stated purpose – «Intelligent design for a circular future» – also promises conscious, future-oriented action all the way along our supply chain. As a company, we are aware of our responsibilities and take them seriously. With our Impact Report, which we are releasing voluntarily for the third year in succession, we give a transparent account of challenges and failures, but also celebrate our successes together. We firmly believe that only together can we make a difference. To this end, we must enter into a transparent dialogue that allows us to learn and benefit from one another. This Impact Report is structured in accordance with the five main strategic directions of the FREITAG Circularity Roadmap: Circular F-Crew, Circular Products, Circular Operations, Circular Services and Circular Community. Each of these strategic directions includes a formulated circular ambition together with long-term goals and performance indicators through to 2030, which we use to measure and evaluate our progress. Every year, to help us gradually achieve these objectives, we draw up specific measures and projects in the form of sub-targets. The outstanding annual achievements and challenges (FACTS & HIGHLIGHTS) as well as the measures already identified for the coming year (OUTLOOK) are shared in this Impact Report. In 2024, we will carry out a first revision of the target formulations of the Circularity Roadmap. In November 2023, an important strategic development took place that will be implemented for the following year. The aim was to make our sustainability strategy a fully integral part of our corporate strategy, thus creating more clarity and giving the sustainability strategy more weight. However, this report covering the year 2023 is still based on the previous strategy.					The report covers the FREITAG Group, i.e. FREITAG lab. ag, headquartered in Zurich, and its national companies in Germany, Austria, the USA, Japan, Italy, Korea, China, Great Britain and the Netherlands. [↗ FREITAG - p.9] The content of the FREITAG Impact Report is compiled with reference to selected <u>GRI</u> Standards. The report is not audited by an external body but is approved by the Board of Directors as the highest supervisory body. Contact for questions about the report: IMPACT@FREITAG.CH								15
					CONCEPT: Bigna Salzmann and Julia Müller (FREITAG), NEW STANDARD.S LAYOUT: Johannes Ammler (FREITAG), NEW STANDARD.S, Christoph Ohanian PROJECT MANAGEMENT AND EDITORIAL: Julia Müller (FREITAG) TEXT: David Huber, Bigna Salzmann and Julia Müller (FREITAG) Special thanks go to all FREITAG employees, whose daily efforts make such a valuable contribution to our transformation towards a circular economy.								10
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INTELLIGENT DESIGN FOR A CIRCULAR FUTURE

THINKING AND ACTING IN CYCLES SINCE 1993



1993

In search of a functional, water-repellent and robust bag, brothers Daniel and Markus Freitag develop the original version of the iconic F13 TOP CAT messenger bag from used truck tarp, discarded bicycle inner tubes and car safety belts.



1999

The first FREITAG Store (F-Store) is opened in Davos. In Zurich, FREITAG moves into the industrial hall on the Maag site.



2000

FREITAG opens up to the global market with an Online Store.



2003

The F13 TOP CAT model is included in the design collection of the Museum of Modern Art in New York (MoMA).



2006

The FREITAG Flagship Store is erected next to the Hardbrücke in Zurich. The tower, built from 19 used freight containers, symbolizes the company's philosophy.



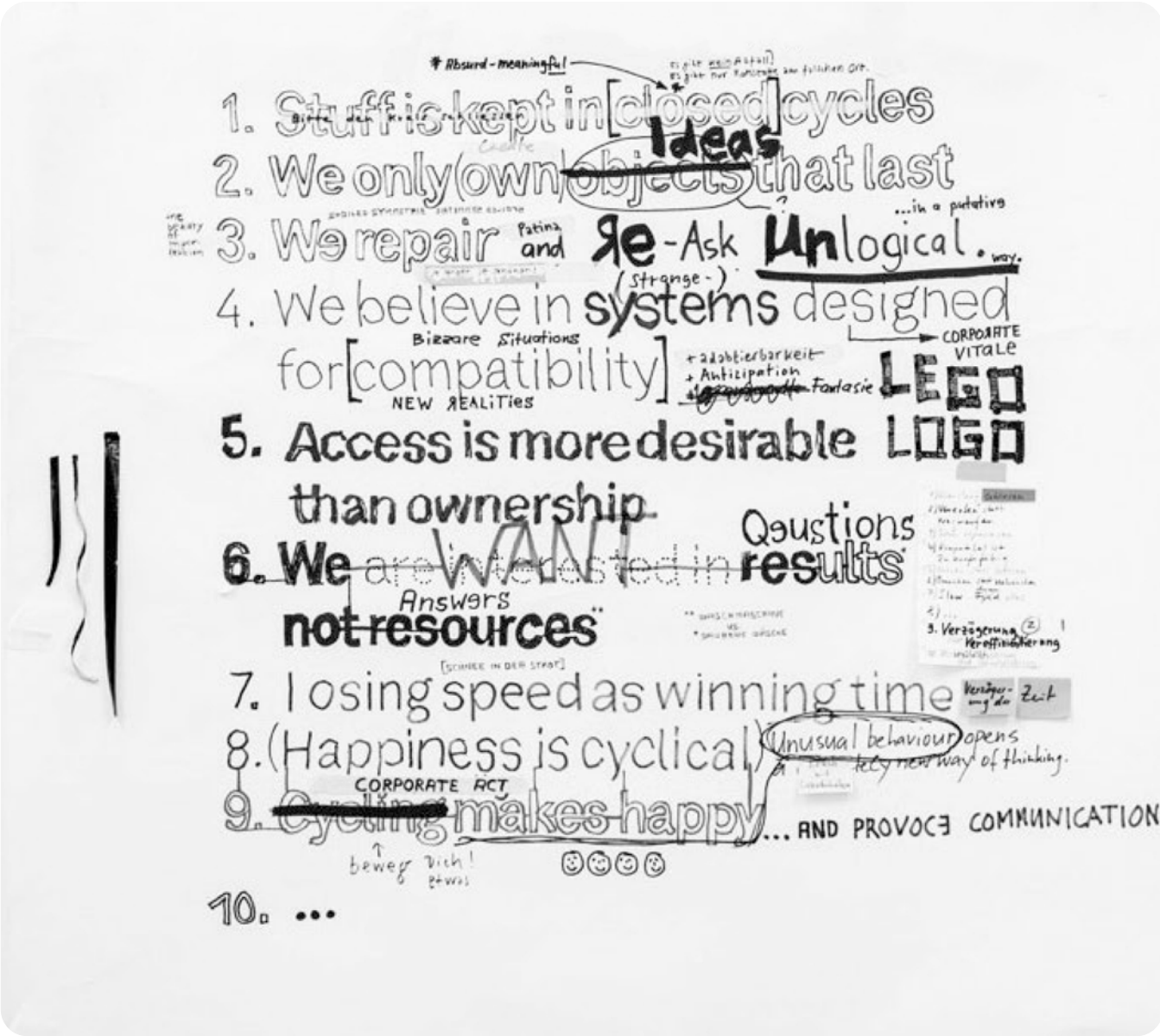
2011

Following the demolition of the Maag hall, FREITAG initiates a commercial building for creative and production companies in Zurich-Oerlikon and moves into the so-called «Noerd» as prime tenant.



2014

With the F-ABRIC clothing line, FREITAG develops a first completely circular material. The biodegradable textiles made of hemp, linen and modal are developed in-house from scratch. They are produced using minimal resources within a radius of 2,500 kilometers from headquarters in Zurich.



2015

The Manifesto is created on the occasion of the «FREITAG ad Absurdum» exhibition at the «mudac» design museum in Lausanne. As a plea for conscious, meaningful production and consumption, and in a slightly adapted version, it remains the guideline by which FREITAG thinks and acts to this day. → [FREITAG.CH/MANIFESTO](https://www.freitag.ch/manifesto)



2016

After exploring various types of organization and with a growing desire for self-organization, FREITAG abolishes the traditional hierarchical model and introduces holacracy as a new organizational form covering all 170 employees.



2019

With Tarp on PET, FREITAG launches a new line of products that combines discarded truck tarps with a lightweight fabric made from recycled PET bottles. In addition to the new material, FREITAG introduces an online exchange platform named S.W.A.P. (Shopping Without Any Payment), where bag owners can exchange their one-of-a-kind items within the community.



2020

FREITAG gets political. During a municipal referendum, an installation at the FREITAG Flagship Store in Zurich underscores the brand's strong affiliations with cycling and its call for more safe bike routes in Zurich.



2022

FREITAG tests the first prototypes of a circular, PVC-free tarp so that in the future, truck tarps will not only enjoy a second life as FREITAG bags but an eternal one.



2023

FREITAG launches Reflected Bags, a product family with a forward-thinking, repair-friendly design. The bags made from used truck tarps, the reflectors attached to them and a textile made from recycled PET bottles can be easily taken apart and are therefore easier to repair.



PURPOSE

FREITAG is a values-based company that focuses on people and the planet. «Intelligent design for a circular future» is our purpose, the sense and rationale behind our company. It is the foundation of our overarching strategic goals, our projects and, ultimately, our day-to-day work.

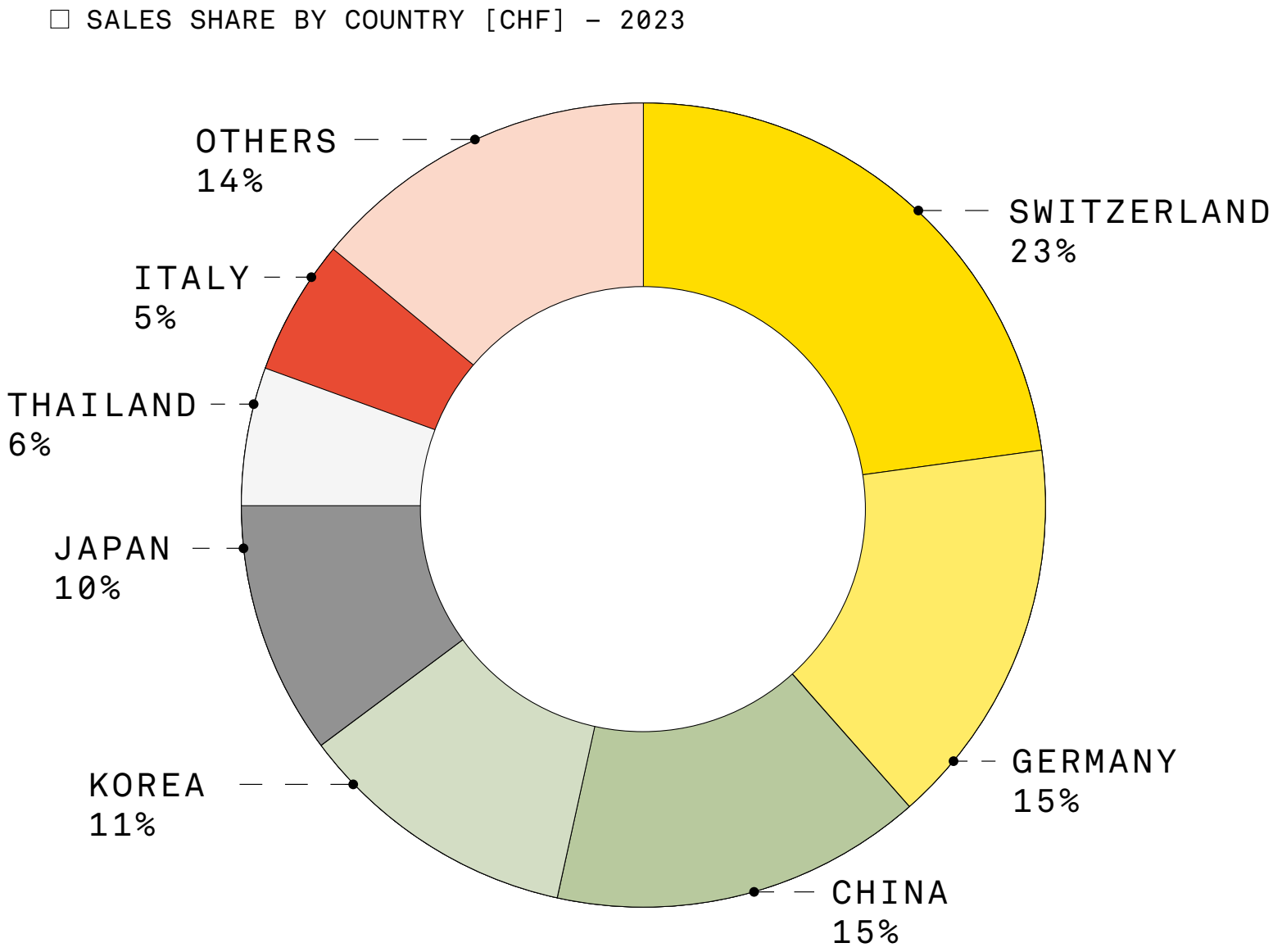


BUSINESS MODEL

Our business model follows our purpose and takes its lead from the circular economy:

- FREITAG develops, produces and sells around 500,000 bags and accessories made from used truck tarps, unused, B-stock car seat belts, used PET bottles, discarded ski boots and other recycled or upcycled materials every year. Each product is a one-off. FREITAG currently generates over 95% of sales with its 42 bags and 35 accessories.
- We also offer product-related services such as repair, take-back, customization and a complimentary bag exchange to keep products designed for durability in circulation even longer.
- FREITAG also sells its own 100%-compostable clothing line, F-ABRIC. However, as we are currently focusing on closing the technical cycles in our core bag business, we will no longer be producing F-ABRIC garments in the future and distribution of the clothing line will be discontinued.

- In 2022, in a move designed to facilitate the impartial testing of circular business models, we founded F.L.O.P., the FREITAG Laboratory of Progress. It is part of FREITAG lab. ag and functions as a center of innovation independently of the operating business reporting directly to the Board of Directors.
 - FREITAG products are manufactured by a network of companies in Europe (Bulgaria, Portugal, Czech Republic, Romania, Switzerland). The only exception is the Mono[PA6] Backpack (launched in 2024), which is manufactured by a new Vietnamese production partner.
 - In terms of procurement costs, 67.2% of purchased fabrics and accessories are manufactured in Europe and 32.8% in Asia.
 - 99.6% of used truck tarps (by weight) are procured and dismantled by agents and suppliers in Europe. The remaining 0.4% is purchased in Turkey.
 - FREITAG distributes the products from its headquarters to a total of 30 FREITAG Stores worldwide at the following locations: six each in Switzerland and Germany, four in Japan, three each in South Korea and Thailand, two in the Netherlands, two in Shanghai and one each in Vienna, Milan, Taipei and Melbourne. Twenty stores are legally part of the FREITAG Group, ten stores are operated by local franchise partners under the name of «F-Store by». In addition, FREITAG has 220 retail partners in 23 countries as well as an online store based in Zurich Oerlikon (including international distribution) and a local online store in Shanghai
- FREITAG.CH/STORE-LOCATOR



MATERIALITY ASSESSMENT

Two of the central instruments of sustainability reporting and strategy development are materiality assessment and the definition of fields of action. They are used to identify and prioritize the topics that are most important to our company and stakeholders, which in turn helps us to set priorities in our reporting. As part of the FREITAG materiality analysis (2022), we addressed the expectations of our stakeholders as well as the social, environmental and economic impacts along our supply chain.

→ Based on the stakeholder analysis, a benchmark for the industry, together with an analysis of established ESG guides and industry studies, we identified 18 relevant topics for FREITAG and our industry.

→ Subsequently, we performed an internal prioritization. This is based on an internal online survey with eleven selected strategic and professional roles. The survey queried the materiality of the topics from the company's point of view, i.e. how important they are in terms of impact and image as a company with circular ambitions.

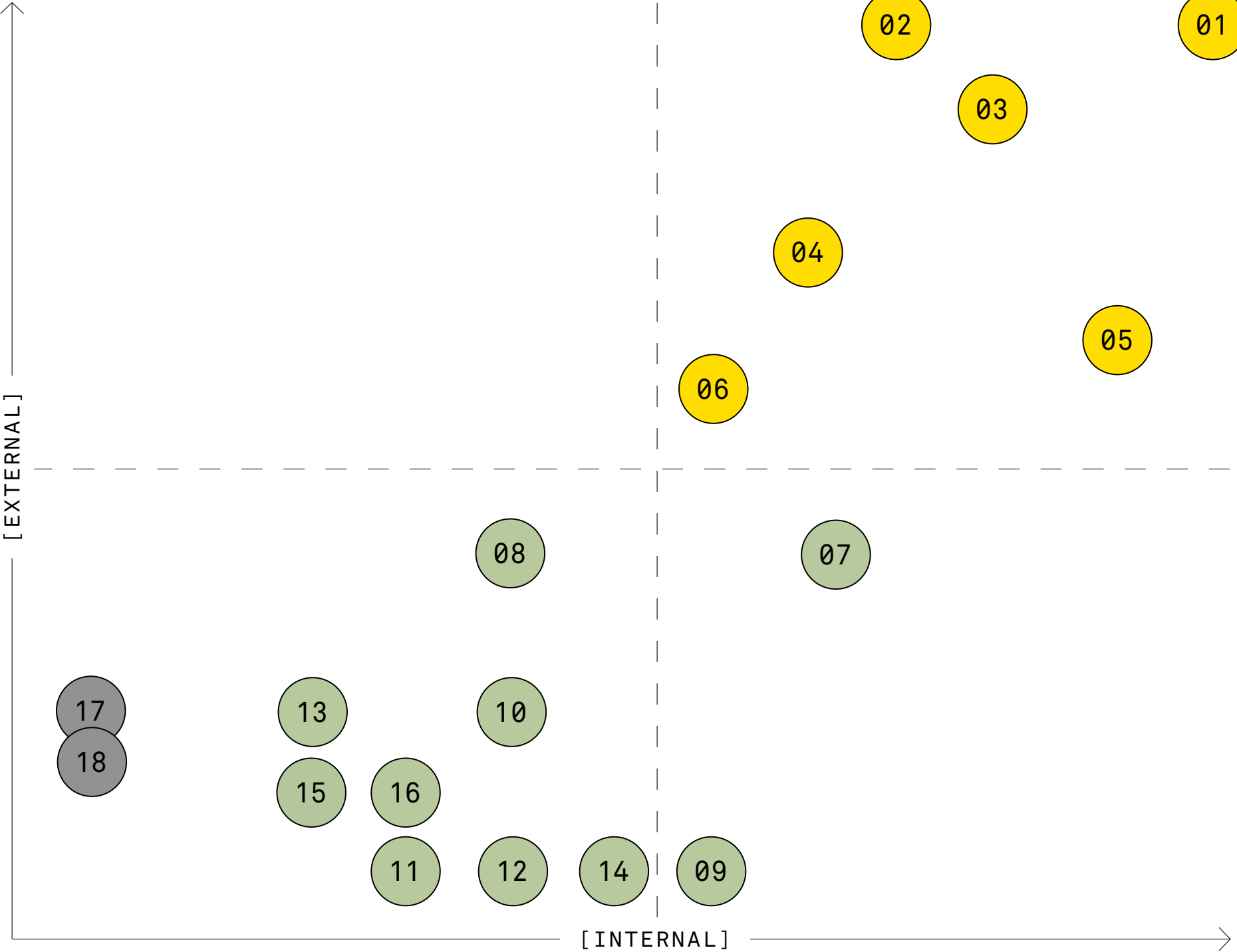
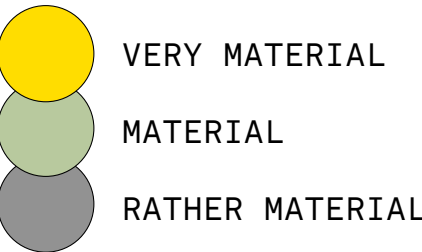
→ The external prioritization is based on interviews with two external circular economy experts on the one hand, and publicly available industry documents and a competitor analysis on the other.

→ We have summarized the findings in the materiality matrix.

→ The material (i.e. essential) topics identified were ultimately incorporated into the development of the Circularity Roadmap.



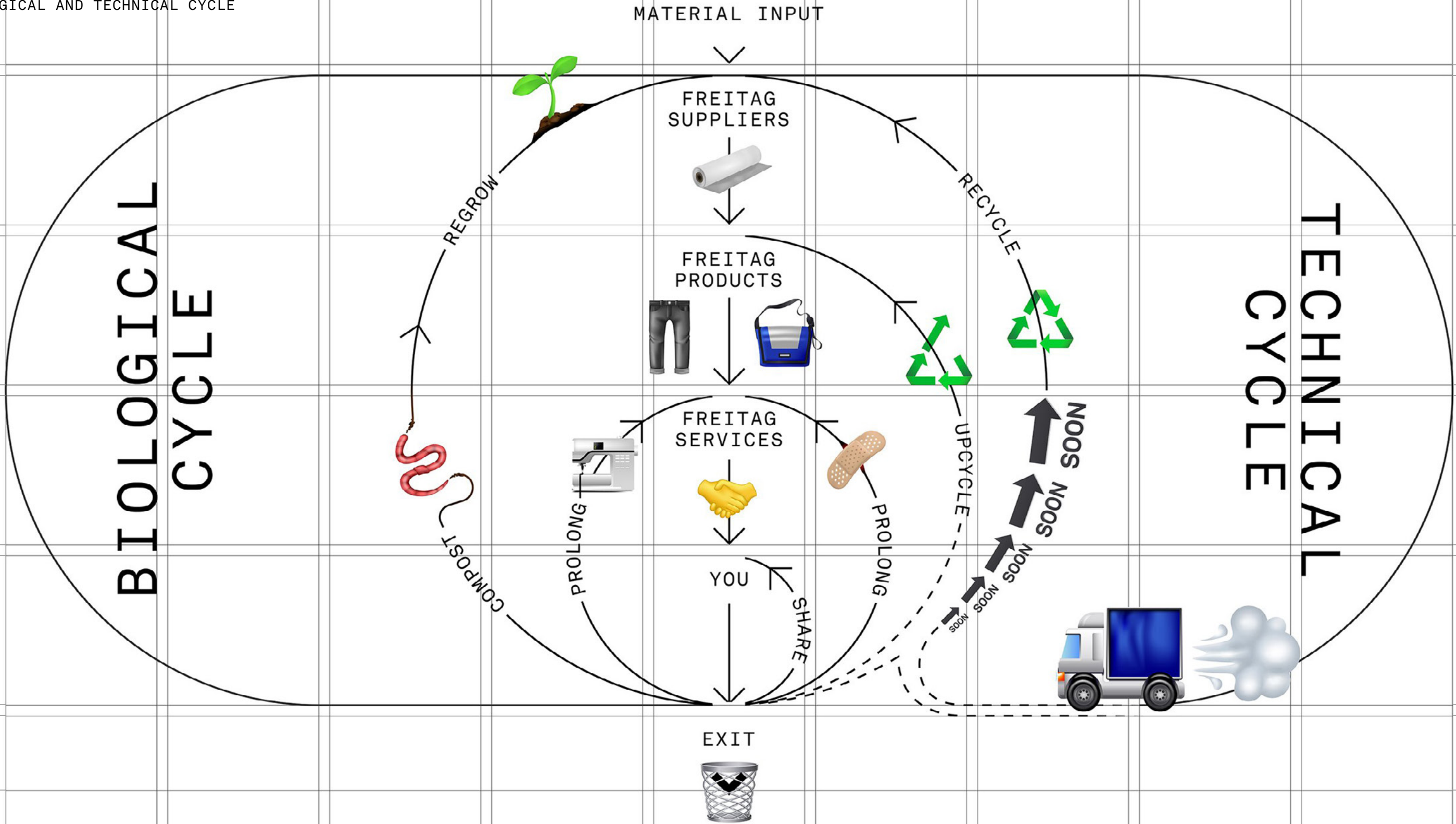
AREAS OF ACTION	MANAGEMENT APPROACH
01 FAIR PRODUCTION	CIRCULAR OPERATIONS
02 CIRCULAR MATERIALS	CIRCULAR PRODUCTS
03 CIRCULAR DESIGN	CIRCULAR PRODUCTS
04 CO ₂ FOOTPRINT & WASTE	CIRCULAR OPERATIONS
05 TRANSPARENCY	CIRCULAR COMMUNITY
06 UPCYCLED MATERIALS	CIRCULAR PRODUCTS
07 LIFE-EXTENDING SERVICES	CIRCULAR SERVICES
08 BRAND PERFORMANCE	CIRCULAR COMMUNITY
09 HEALTH AND OCCUPATIONAL SAFETY	CIRCULAR F-CREW
10 END-OF-LIFE SOLUTIONS	CIRCULAR SERVICES, CIRCULAR OPERATIONS
11 ECONOMIC PERFORMANCE	NOT PUBLIC
12 COMPLIANCE	CIRCULAR OPERATIONS
13 DIVERSITY AND INCLUSION	CIRCULAR F-CREW
14 <u>CIRCULAR ECONOMY</u> EXPERTISE	CIRCULAR F-CREW
15 TRANSPORT	CIRCULAR OPERATIONS
16 PACKAGING	CIRCULAR OPERATIONS
17 ACCESS OVER OWNERSHIP	CIRCULAR SERVICES
18 PARTNERSHIPS	CIRCULAR COMMUNITY



FREITAG		CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY																		
CIRCULARITY ROADMAP «We think and act in cycles». For 30 years, this has been the FREITAG corporate philosophy. Today, our main focus is on keeping products and materials in circulation for as long as possible and working out how we can leave the linear economy behind us once and for all. Life-extending measures we have already implemented, such as <u>upcycling</u>, <u>one-time-recycling</u> or repair, do not satisfy this goal. Instead, we are attempting to close our material cycles and become a fully <u>circular</u> organization, actively shaping and driving the circular economy in a pioneering role. In 2021, we developed our sustainability strategy: the FREITAG Circularity Roadmap. Based on our purpose, our corporate values, and a materiality assessment, it will help us set the right priorities and identify the levers needed to have the greatest impact in our progress towards the circular economy. In 2023, the Circularity Roadmap was integrated into our corporate strategy, making it even more significant. The Circularity Roadmap involves five separate strategic directions: Circular F-Crew, Circular Products, Circular Services, Circular Operations, und Circular Community. Each of these strategic directions is accompanied by a circular ambition: our vision regarding the topic in question. The strategic directions with their respective ambitions and a target date in 2030 together form the guidelines within which FREITAG intends to transform itself into a circular organization. This FREITAG Impact Report is structured according to these five main directions. ↗ CIRCULARITY MATURITY - p.13 Since we want to measure and evaluate our progress, we have developed long-term targets and performance indicators until 2030 for each of the five directions. To get closer to these long-term tar-			CIRCULARITY ROADMAP AND KEY TOPICS <table><tr><th>STRATEGIC DIRECTIONS AND AMBITIONS</th><th colspan="2">MATERIAL TOPICS ADDRESSED</th></tr><tr><td>CIRCULAR F-CREW: We foster a values-based culture and circularity expertise.</td><td>09 Health and Occupational Safety</td><td>13 Diversity and inclusion 14 Circular economy expertise</td></tr><tr><td>CIRCULAR PRODUCTS: We create products with their end in mind.</td><td>02 Circular materials 03 Circular design</td><td>06 Upcycled materials</td></tr><tr><td>CIRCULAR OPERATIONS: We reduce our footprint and ensure a fair supply chain.</td><td>01 Fair production 04 Carbon footprint and waste</td><td>15 Transportation 16 Packaging</td></tr><tr><td>CIRCULAR SERVICES: We provide services to prolong and close cycles.</td><td>07 Life-extending services 10 End-of-life solutions</td><td>17 Access over Ownership</td></tr><tr><td>CIRCULAR COMMUNITY: We connect to inspire and be inspired.</td><td>05 Transparency 08 Brand performance 11 Economic performance</td><td>12 Compliance 18 Partnerships</td></tr></table> gets step by step, we formulate concrete measures and projects on an annual basis in terms of sub-goals. The most important annual achievements and challenges are transparently shared in the Impact Report (FACTS & HIGHLIGHTS), as are the measures already identified for the coming year (OUTLOOK). The Circularity Roadmap should also be understood as a dynamic instrument. It will be further developed and updated on an ongoing basis. In 2024, we will carry out a first revision of the target formulations of the Circularity Roadmap. Because global developments, political framework conditions as well as material and technology innovation influence the measures to achieve the goals. We believe perfection should not be the ultimate goal on this challenging journey towards a circular organization. Instead, we are committed to progress, experimentation and transparency.				STRATEGIC DIRECTIONS AND AMBITIONS	MATERIAL TOPICS ADDRESSED		CIRCULAR F-CREW: We foster a values-based culture and circularity expertise.	09 Health and Occupational Safety	13 Diversity and inclusion 14 Circular economy expertise	CIRCULAR PRODUCTS: We create products with their end in mind.	02 Circular materials 03 Circular design	06 Upcycled materials	CIRCULAR OPERATIONS: We reduce our footprint and ensure a fair supply chain.	01 Fair production 04 Carbon footprint and waste	15 Transportation 16 Packaging	CIRCULAR SERVICES: We provide services to prolong and close cycles.	07 Life-extending services 10 End-of-life solutions	17 Access over Ownership	CIRCULAR COMMUNITY: We connect to inspire and be inspired.	05 Transparency 08 Brand performance 11 Economic performance	12 Compliance 18 Partnerships
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FREITAG	CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY
CYCLES CIRCULAR ECONOMY A circular economy is a comprehensive approach that considers the entire material and product cycle: from the extraction of raw materials, intelligent design, sustainable production and extended service life through to multiple <u>recycling</u>. The circular economy aims to replace the linear production processes that are still widespread. In a linear economic system, raw materials are depleted, and products are manufactured, sold, consumed and discarded. In a circular economy, on the other hand, products and materials are kept in circulation. Thus, compared with a linear economic system, significantly fewer raw materials are used and less waste produced. The circular economy distinguishes between biological and technical cycles. In the former, materials of biological or organic origin should be utilized materially or fermented as far as possible after use and thus flow back into nature as nutrients. In the technical cycle, the useful life of products is increased by allowing them to be shared, reused, repaired, and reprocessed in ways that maintain their quality over multiple life cycles. To preserve material integrity as far as possible, products are only sent for recycling when they can no longer be used. But recycling is an energy-intensive process, involves the occasional use of additives and diminishes the quality of the original material. For these reasons, prolonging the product life is generally preferable to recycling.		FREITAG CYCLES In 2014, the development of F-ABRIC, our fully compostable clothing line, marked the first time we had succeeded in closing a material cycle. However, we are no longer continuing this FREITAG product line, which is part of the biological cycle, because we currently want to concentrate fully on closing the technical cycles in our core business. When it comes to the technical cycle in which we move with our bags and accessories, we're not quite there yet. Certainly, we use upcycling		to give our main material, used truck tarps, a second life and try to prolong their lives as far as possible with circular services such as exchange and repairs. However, at the end of their life cycles, most FREITAG products, with the exception of the circular smartphone cases already available, still become waste. That is why our main focus is on further circular developments. These include our first circular backpack, for example, which will be launched in 2024, or the circular truck tarp we are developing together with industry partners. [↗ CIRCULAR PRODUCTS - p.30]	

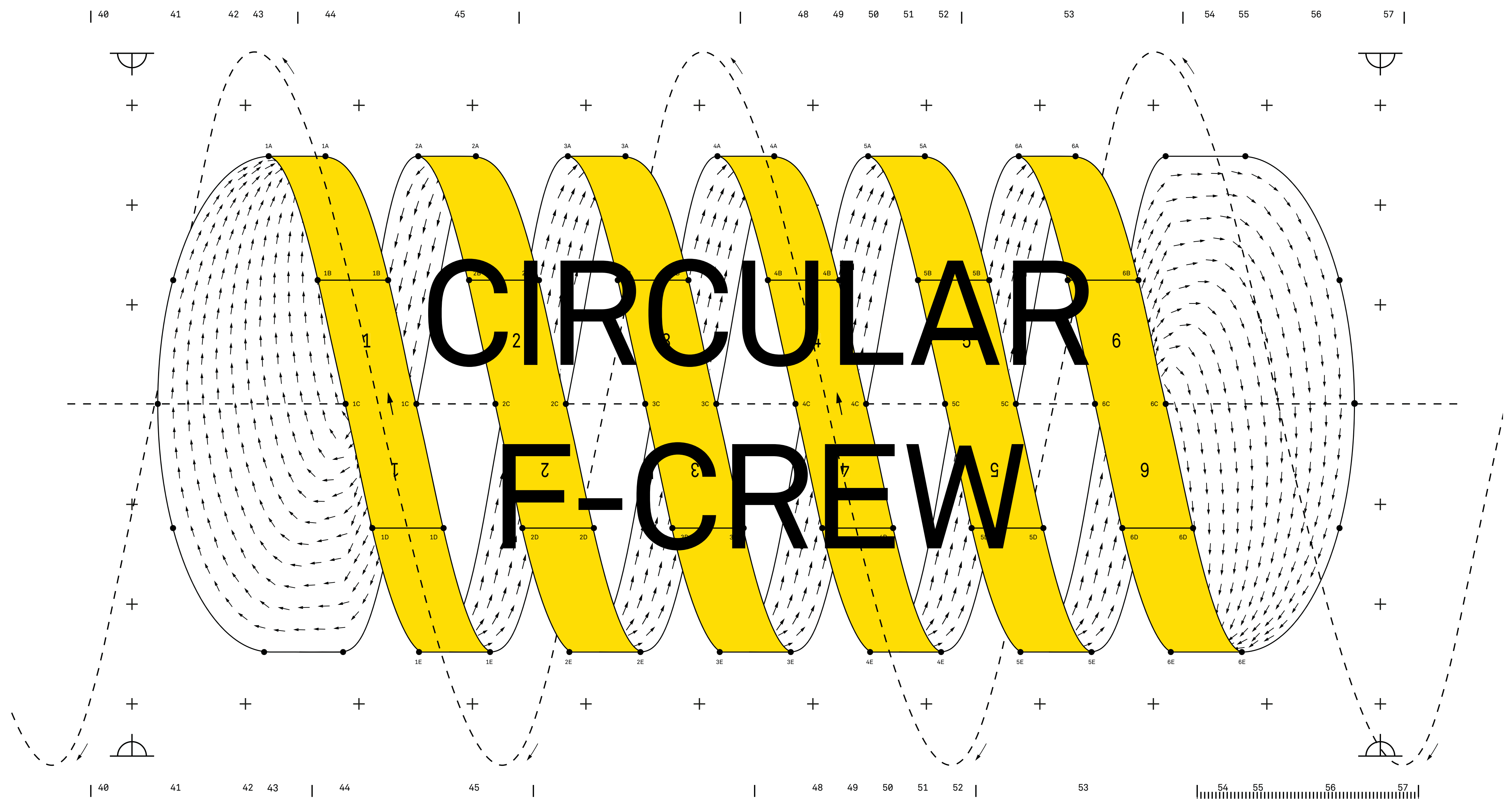
□ BIOLOGICAL AND TECHNICAL CYCLE



FREITAG		CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY
⏴ CIRCULAR MATURITY The maturity approach used by the Circular Globe label provides an overarching and overall assessment of where we stand in our quest for circularity. Circular Globe evaluates the activities of companies moving toward a circular economy. FREITAG was the first company to take part in a pilot assessment in 2021. Since then, we have reviewed our circular maturity level annually through a surveillance assessment. This helps us to plan, implement and measure our progress. The next comprehensive assessment will take place in 2025. According to the final report of the 2022 assessment, FREITAG scored 600 out of 1000 points and thus achieved the «Advanced» rating, the second of three possible maturity levels. We passed the surveillance assessment in 2023. The assessment identifies our strengths in three distinct areas: business model, leadership, and implementation. Our greatest potential lies in dialogue with stakeholders and in the areas of measurement and evaluation.	CIRCULAR GLOBE		□ AMBITION WE ARE A FULLY CIRCULAR ORGANIZATION.			
			□ TARGET 2030 >800 POINTS: «CIRCULAR GLOBE LEADER»			
⏴ THE CIRCULAR GLOBE MODEL The Circular Globe Model was jointly developed by the Swiss Association for Quality and Management Systems (SQS) and Quality Austria. It is based on a maturity level approach with 239 assessment criteria and a systematic measurement method for the circular economy and reflects the current state of science by taking into account international standards such as the Paris Agreement and the UN Sustainable Development Goals. → CIRCULAR-GLOBE.COM/ASSESSMENT-MODELL			□ CIRCULAR GLOBE INDEX 2022 600/1000^⑦ 2021: 505 POINTS: «ADVANCED»			
						13

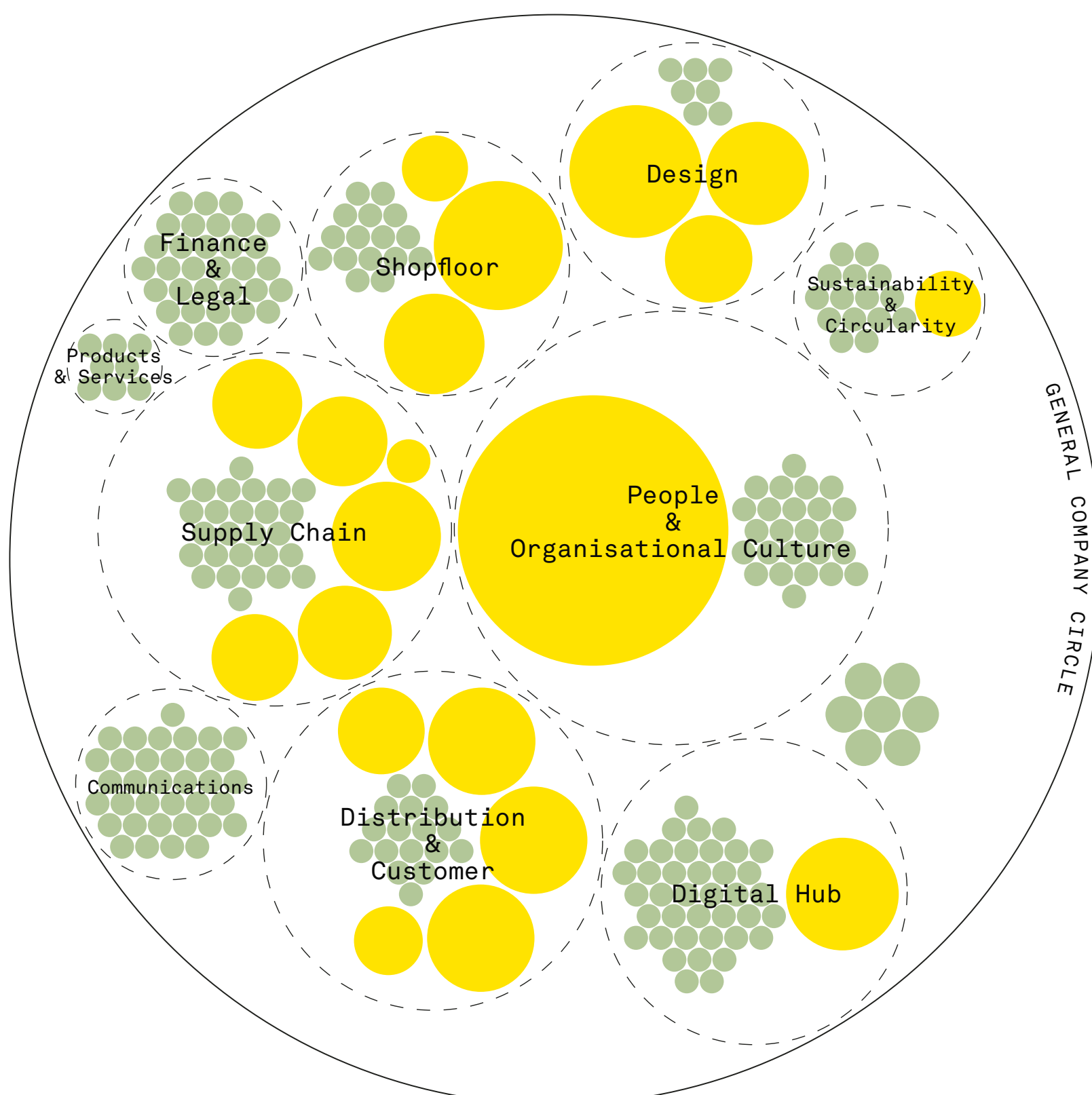
FREITAG		CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY
SUSTAINABLE DEVELOPMENT GOALS In 2015, the United Nations (UN) General Assembly listed its 17 UN Sustainable Development Goals (SDGs). Together with their 169 targets, they form the core of the 2030 Agenda for Sustainable Development. They consider the economic, social and environmental dimensions of sustainable development in a balanced way and, for the first time, bring together poverty reduction and sustainable development in a single agenda. Businesses play a central role in implementing the 17 SDGs. For this reason, we have aligned the 2030 FREITAG Circularity Roadmap with the UN’s Sustainable Development Goals. In the context of our value creation, we see the greatest potential for making a relevant contribution to positive change in the following six SDGs. → SDGS.UN.ORG/GOALS			4 QUALITY EDUCATION FREITAG places an emphasis on communicating circularity knowledge, both internally through the steady expansion of circularity expertise and externally through values-based communication initiatives, factory tours, public appearances and presentations. [↗ CIRCULAR F-CREW – p.19, CIRCULAR COMMUNITY – pp.67–73]	12 RESPONSIBLE CONSUMPTION AND PRODUCTION FREITAG conducts transparent reports on its material consumption and pursues a business model and product development strategy compliant with the principles of the circular economy. Waste is avoided through upcycling, recycling and optimized production processes, and the life cycles of products are extended through circular services such as repair. Ensuring tarp quality and developing circular materials addresses other aspects of this goal. [↗ CIRCULAR PRODUCTS – pp.27–29, CIRCULAR OPERATIONS – pp.46–48, CIRCULAR SERVICES – pp.54–56]		
			5 GENDER EQUALITY FREITAG promotes participation and leadership in its own company regardless of gender and deliberately offers flexible working conditions that guarantee compatibility between professional and private life. [↗ CIRCULAR F-CREW – p.21]	13 CLIMATE ACTION FREITAG has its greenhouse gas emissions surveyed annually in compliance with the Greenhouse Gas Protocol. The company has committed to emissions reductions in line with scientifically based 1.5°C and net-zero targets and has drawn up a roadmap to achieve them. [↗ CIRCULAR OPERATIONS – pp.42–45]		
			8 DECENT WORK AND ECONOMIC GROWTH FREITAG takes care to ensure that resources are used efficiently in its own production at the Noerd headquarters and pursues an ambitious sustainability strategy to reduce its own footprint. FREITAG offers numerous options to promote the physical and mental well-being of its employees and has a safety concept to protect them from avoidable accidents. To create fair and safe working conditions along the entire supply chain, FREITAG has a multi-stage process in its procurement to increase transparency. [↗ CIRCULAR OPERATIONS – p.40, CIRCULAR F-CREW – p.23]	17 PARTNERSHIPS FOR THE GOALS FREITAG engages in cross-industry collaboration through numerous initiatives, memberships and partnerships designed to promote the issues of sustainability and the circular economy. [↗ CIRCULAR COMMUNITY – pp.69–72]		

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WE FOSTER A VALUES-BASED CULTURE AND CIRCULARITY EXPERTISE.

FREITAG		CIRCULAR F-CREW		CIRCULAR PRODUCTS		CIRCULAR OPERATIONS		CIRCULAR SERVICES		CIRCULAR COMMUNITY										
■ INTRO	INTRO					◻ AMBITION					20									
	↳ FREITAG sees its purpose as fostering «intelligent design for a circular future». To help us achieve that, we nurture a values-based culture and promote circular economy-related know-how and competency at every level in our organization.					WE FOSTER A VALUES-BASED CULTURE AND CIRCULARITY EXPERTISE.														
						◻ TARGET 2030														
					SATISFIED AND EMPOWERED F-CREW					15										
⌵ FREITAG is a company that prioritizes striking a balance between people, the planet, and economic success and follows a common purpose. This meaningful corporate objective shows us the way forward. Our culture and expertise allow us to go that way. We trust in the individual strengths of our employees, promote self-responsibility and build on respectful and inclusive cooperation. These are the core values of our company's culture: they not only lead to more productive collaboration but also to an environment that promotes expertise and mutual appreciation. Our FREITAG Culture Code reflects this: The Code of Conduct, jointly developed in spring 2022, sets out in six		easily remembered principles how we as the F-Crew (all FREITAG employees) want to treat each other. The FREITAG Culture Code aims to promote trust, appreciation, and respect and establish an open and constructive feedback culture.		◻ METRICS 2022*			10													
				4.7 / 7 2020: 4.9 / 7 EMPLOYEE SATISFACTION			9 2022: 9 INTERNAL CIRCULARITY-RELATED EVENTS													
							23 2022: 19 EMPLOYEES WITH EXTERNAL TRAINING				5									
							*USED DATA FROM THE 2022 AND 2020 SURVEY, AS THIS IS ONLY CONDUCTED EVERY 2-3 YEARS.				0									
0		5		10		15		20		25		30		35		40		45		16

FREITAG		CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY
SELF-ORGANIZED WITH COLLECTIVE LEADERSHIP For about seven years, FREITAG has pursued an approach based on the principles of self-organization. Our self-organizing corporate form simplifies decision-making processes and encourages both transparency and innovation by sharing responsibility across the company rather than handing it to a classic management team, as is the case with conventional organizational forms. However, this does not mean that self-organization has no hierarchies. On the contrary: Self-organization is hierarchical but consistently determined by professional roles. As a company, we are organized in professional circles with related roles that can be continuously adapted to current needs. The leadership of a circle is divided between the Lead Link role, which conveys information and the overarching strategy to the circle, and the role of Representative Link, which projects the needs of the circle outwardly. In addition to defined responsibilities, the circles and roles each have a purpose based on our company's overarching purpose. Our purpose «Intelligent design for a circular future» is therefore not only the principal ideal but also the paramount form. As to be expected, then, there is hardly any role at FREITAG whose area of expertise does not include the topic of circular economy and sustainability. The self-organizing structure also helps us attract the right kind of talent: Individuals who do not see the classic career ladder as an end in itself, but rather identify with the values of a company and a sustainable economy.			As a logical consequence of our understanding of participation, we promote entrepreneurial thinking and acting and give our employees a share in the company's success. As soon as EBIT exceeds a specific threshold, FREITAG employees receive a pre-defined portion in the form of profit-sharing. We were in a financial position to pay out the profit share in 2023.		The long-term corporate strategy developed by the strategist collective in 2022 was reviewed and updated in November 2023, and new annual targets for 2024 were formulated. The five strategic directions defined in the Circularity Roadmap and the attendant ambitions were integrated into the overarching corporate strategy and thus became even more significant.	
			A VISUAL REPRESENTATION OF THE FREITAG STRUCTURES WITH CIRCLES, SUB-CIRCLES AND ROLES 			

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FACTS & HIGHLIGHTS 2023



PHOTO CREDIT: SIMON HABEGGER

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CIRCULARITY EXPERTISE

The Sustainability & Circularity circle has been the center of excellence for the Circular Economy at FREITAG since 2021. The circle is responsible for implementing the Circularity Roadmap and has key roles such as «Circular Technologist», «Sustainability & Compliance Officer», «Sustainability Data Specialist» and, since this year, «Material Technologist». The role of «Sustainability & Circularity Ambassador» ensures that relevant interfaces in the circle are firmly anchored within the organization. At the end of 2023, it was staffed by eight employees from various specialist areas who contributed to raising awareness and sharing knowledge about the circular economy in their respective main circle. The newly created «Sustainability & Circularity Data Validator role» was responsible for validating the sustainability key performance indicators.

This transfer of knowledge from the «Sustainability & Circularity» circle to the entire company is a central mechanism for promoting collective understanding of our purpose. In addition to the «Sustainability & Circularity Ambassadors», we also make use of other formats. Apart from an input on circularity at the FREITAG Economic Forum, we also held three internal roundtables on specific topics: two on the FREITAG Impact Report and one on the theoretical discussion of an internal CO₂ tax. Apart from the knowledge transfer, these formats enabled us to share experiences between individual circles, report needs and address challenges transparently.

Furthermore, we regularly shared inputs on sustainability and the circular economy at our company-wide bimonthly meetings, the so-called F-Crew Meetings. A Sustainability & Circularity intranet site also brings together all relevant information and makes it easily accessible to all employees worldwide at any time.



FREITAG		CIRCULAR F-CREW		CIRCULAR PRODUCTS		CIRCULAR OPERATIONS		CIRCULAR SERVICES		CIRCULAR COMMUNITY		
FACTS & HIGHLIGHTS 2023	⌵ STRUCTURAL SIMPLIFICATION OF SELF-ORGANIZATION «We make our self-organized approach less complex to generate greater clarity and focus.» This was the wording of our annual goal, which in 2023 aimed to simplify the structure of the F-Crew. This applied in particular to the complexity of the roles to be found in some circles. By making specific changes to the wording of the purpose and responsibilities of individual roles, the aim was to make it easier for the entire F-Crew to understand and categorize them. At the end of 2023, as a result of simplifying and reducing the number of roles, most circles could look back on a positive development. Simplifying the structure also involved clarification of the «Lead Link» role and its responsibilities. This meant ensuring that everyone in the company had the same understanding of the role, which now also includes explicitly anchored leadership qualities. Accordingly, the role was renamed from «Lead Link» to «Circle Lead». The «Representative Link» role has also been sharpened and renamed «Circle Rep». These content-related changes resulted in an adjustment to the Holacracy Constitution.									⌵ EMPLOYEE SATISFACTION The last company-wide employee satisfaction survey was conducted anonymously by an external expert in 2022. The survey’s aim was to obtain a systematic record of our employees’ subjective experience of the workplace. It is carried out every two or three years, so no new findings are available for 2023. Just under 62% of the F-Crew took part in the survey in 2022. Their overall satisfaction had decreased compared with 2020: They rated their overall job satisfaction at 4.7 on a seven-point scale (2020: 4.9). A total of 59% stated that they were satisfied to very satisfied with their work situation (2020: 67%). Three factors played a key role in rating satisfaction: the working atmosphere; the chance to use skills and expertise; and salary. Compared with 2020, all three criteria were down slightly. Satisfaction with the infrastructure in the working		

FREITAG		CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY
FACTS & HIGHLIGHTS 2023	environment and internal communications had also decreased somewhat compared with the last survey. The most positive aspects were the flexible working hours and the learning opportunities. Specific measures have been developed for 2023 to improve both the working atmosphere and the opportunity to use skills and knowledge. Various team development workshops were held under the supervision of an external cultural and organizational developer. The People & Culture circle has initiated a number of measures to improve the aforementioned areas. These include the creation and filling of the «Culture Enabler» role, a new appointee in the «People Developer» role, additional internal training opportunities and the creation of additional formats. To offset inflation pressure, all salaries at FREITAG were increased as of January 2023. Regardless of their role, all employees were awarded the same amount (calculated on the basis of full-time employment). ↗ CIRCULAR F-CREW – p.17]		⌵ BASIC AND FURTHER TRAINING FREITAG promotes the professional basic and advanced training of all employees. If further training is deemed necessary, the company will cover 100% of the fees and any training and exam time on weekdays counts as paid work time. If the further training is supplementary, FREITAG will pay 75% of the examination fee and up to 75% of the training costs. In addition, employees may take up to five working days per calendar year as training days. In 2023, the company supported 23 employees in their further training, including German courses. In addition to support for external training, FREITAG also regularly offers free further training modules through the internal F-Academy. These take place during working hours and can be used by all employees. In 2023, FREITAG held courses on non-violent communication by Marshall Rosenberg, various leadership training courses and several health-related presentations and workshops.		⌵ DIVERSITY & INCLUSION The FREITAG employee regulations – the F-Rules – not only set out the rights and duties but also social and ethical principles that apply to employees around the world. These include protection against discrimination, equality and equal pay, and reconciling professional requirements with private needs. In 2022, the F-Rules were revised with the aim of making them easier to understand and therefore more inclusive. Modifications were also made to the salary regulations and home office rules. All three amended statutes came into force on January 1, 2023. According to an internal survey of 127 participants, the F-Crew worked from home on an average of 19% of working days in 2023 (previous year: 26%). Structural changes were made to the office premises in Zurich Oerlikon. Most employees now no longer have fixed workstations, but we have set up additional meeting rooms and installed more standing desks. As its name suggests, The Chang(c)emaker Diversity & Inclusion role promotes diversity and inclusion, creates visibility, and is accountable for an inclusive work environment that supports differing perspectives and values the contributions of all employees regardless of gender, origin, or sexual orientation. The focus is primarily on creating the framework for achieving and living in an atmosphere of mutual understanding. This entails an inclusive culture, supported by orientation and self- and external guidance. Diversity and inclusion are therefore also part of leadership and cultural topics and formats. To raise awareness, articles were also published regularly on the intranet, for example on panel discussions, International Women's Day and the Zurich Pride Festival.	
	□ EMPLOYEE SATISFACTION [2022: n = 159 / 2020: n = 167] WITH COMPARISON OF 2020) NO DETAILS 2% PROPORTION DISSATISFIED – FAIRLY DISSATISFIED (1–3) 23% PROPORTION SO SO (4–6) 16% PROPORTION SATISFIED – VERY SATISFIED (5–7) 59% 4.7 / 7²⁰²²		1% 14% 18% 67% 4.9 / 7²⁰²⁰			

FREITAG		CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY
FACTS & HIGHLIGHTS 2023	In 2023, FREITAG employed 50.6% women, 49.0% men and 0.4% diverse. In terms of equal opportunity, the situation regarding the highest salary level* is positive, with 55.0% women and 45.0% men. FREITAG pays the same wage for work of equal value, regardless of gender. This was verified in 2022 in Switzerland, and thus for the production facility at headquarters, using an equal pay analysis conducted externally in accordance with the methods adopted by the Swiss Federal Statistical Office. In the interests of an inclusive working environment, the cost of German courses at various external institutions for non-German-speaking employees were covered in 2022. Wherever possible, FREITAG also considers integration aspects when filling positions: For temporary positions, we work with Job Shop, a Zurich-based contact point for teenagers and young adults who need help finding work.		EMPLOYEES BY AGE AND GENDER, HIGHEST WAGE LEVEL* BY GENDER – 2023 EMPLOYEES BY AGE <45 YEARS86.5% >45 YEARS13.5% EMPLOYEES BY GENDER WOMEN50.6% MEN49.0% DIVERSE0,4% EMPLOYEES ON TOP SALARY SCALE OF WHOM MEN55.0% OF WHOM WOMEN45.0% OF WHOM DIVERSE0,0% * SINCE A HOLACRATIC ORGANIZATION HAS NO MANAGEMENT IN THE CLASSICAL SENSE, THE HIGHEST WAGE LEVEL (TOP OF SALARY SCALE) IS USED AS A REFERENCE VALUE.			



PHOTO CREDIT: JOËL TETTAMANTI



HEALTH AND OCCUPATIONAL SAFETY

The company’s existing physical health offering was also maintained and expanded in 2023. FREITAG is particularly supportive of employees’ sports activities, encouraging daily physical exercise, for example, or free fitness training and yoga classes in Zurich, as well as contributing financially to gym subscriptions and offering a massage service at head office. As always, employees were able to enjoy healthy, regional and seasonal lunches in the Noerd canteen at the Zurich headquarters, which consciously serves only vegetarian dishes one day a week. FREITAG employees receive a 50% discount, which goes up to 75% for employees who do not have the possibility to work from home.

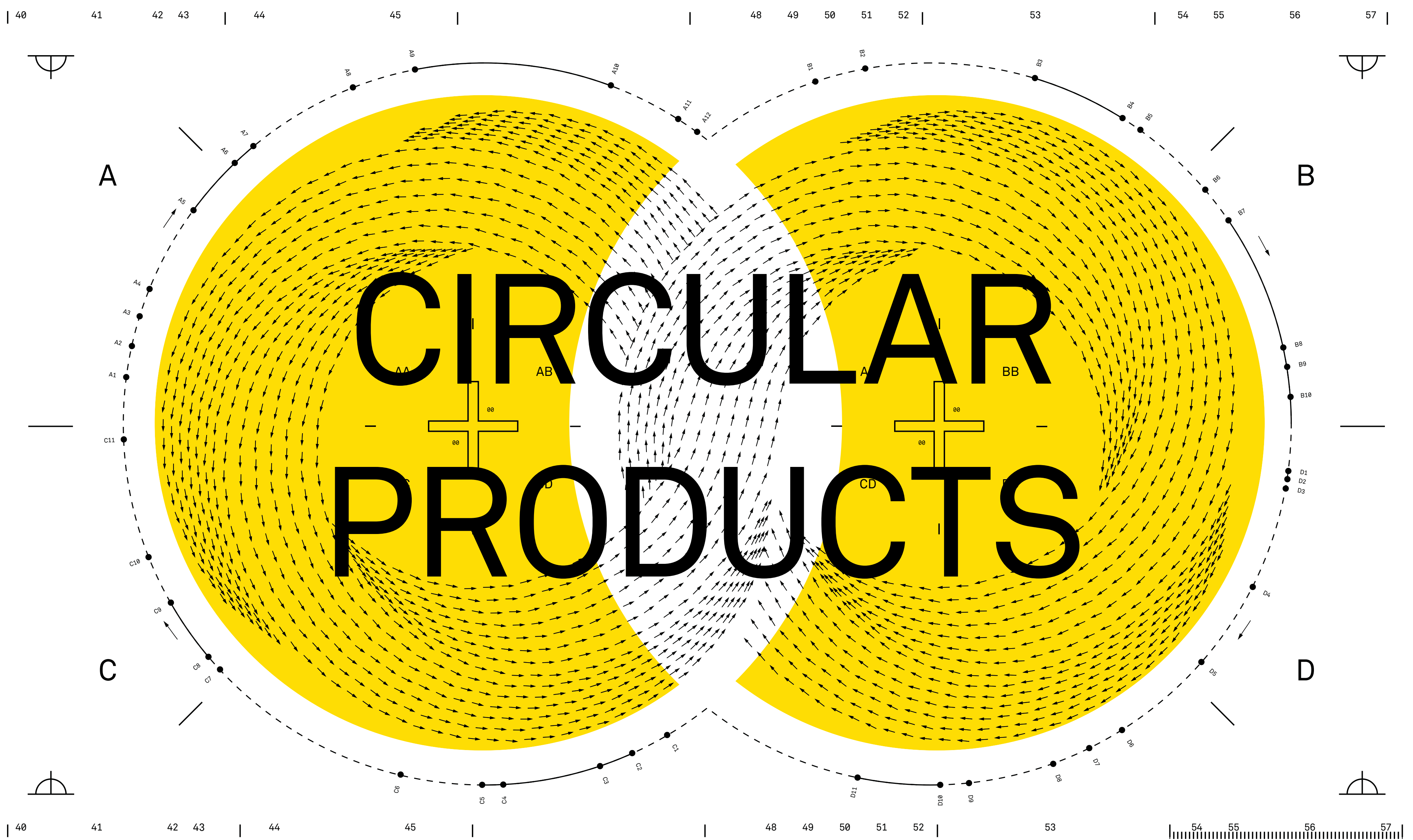
→ [NOERDKANTINE.CH](#)

The range of mental health services was also expanded. All employees now benefit from a maximum contribution of CHF 1500 to personal coaching sessions that foster resilience and personal development and help give them greater satisfaction with their lives in general. SYBEK, our external social counseling center, is available to the entire F-Crew at any time for free and anonymous counseling in the event of difficult personal situations.

→ [SYBEK.CH](#)

A new ventilation system was installed in the production hall this year to optimize the air quality. The measures introduced in 2022 in accordance with the revised safety guidelines continue to apply. They range from optimizing signage and the training of company paramedics to defining individual protective equipment for each role. The protective measures are regularly reviewed and, where necessary, optimized in collaboration with the relevant roles or external companies.

	FREITAG	CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY	
ACHIEVEMENT OF TARGETS 2023 + OUTLOOK 2024	ACHIEVEMENT OF TARGETS 2023				OUTLOOK 2024		20
		PLANNED MEASURES	STATUS	MEASURES IMPLEMENTED		PLANNED MEASURES	
	01	To promote employee satisfaction by increasing their resilience, all employees will be offered personality coaching at the company's expense. The newly created role of Culture Enabler also addresses the communication and further development of the Culture Code and its associated empowerment of the F-Crew. → FIELD OF ACTION: 09 HEALTH AND OCCUPATIONAL SAFETY	ACHIEVED	↗ SOCIAL & CULTURE p.20 ↗ EMPLOYEE SATISFACTION p.20 ↗ HEALTH AND OCCUPATIONAL SAFETY p.23	01	In order to strengthen our <u>circular economy</u> expertise, we are developing a communication concept in the Sustainability & Circularity circle. We are also integrating sustainability aspects into processes, strategies and decisions even more systematically between individual circles. → FIELD OF ACTION: 14 <u>CIRCULAR ECONOMY</u> EXPERTISE	15
	02	In terms of organizational structure, we have set ourselves the goal of making it less complex and creating a greater sense of orientation. In addition to governance adjustments to simplify the holacratic circle and role structures, there are plans for accompanying workshops on topics such as leadership and consent decision-making. → NO SPECIFIC FIELD OF ACTION	PARTIALLY ACHIEVED, TO BE CONTINUED IN 2024	↗ SIMPLIFICATION OF SELF-ORGANIZATION STRUCTURES p.20	02	In order to strengthen our self-organization and do justice to our understanding of leadership, we are looking at so-called inner-work competencies such as self-reflection, empathy, communication, and conflict resolution and introducing the corresponding competence levels for employees. → FIELD OF ACTION: 13 DIVERSITY & INCLUSION	
	03	To promote the physical health of employees in production, we introduce a sports program during working hours designed to counteract the negative effects of repetitive physical work. For office workers, the workstations and meeting rooms at FREITAG headquarters will be adapted to meet the new needs of hybrid and more flexible working structures. → FIELD OF ACTION: 09 HEALTH AND OCCUPATIONAL SAFETY	ACHIEVED	↗ HEALTH AND OCCUPATIONAL SAFETY p.23	03	Our previous employee qualification interviews, known as Role Fit, are to be replaced by a review process in which employee feedback plays a more important role. In future, inner-work competencies will also be part of the growth review process. → NO SPECIFIC FIELD OF ACTION	10
	04	In 2023, in order to strengthen our <u>circular economy</u> expertise, the Sustainability & Circularity group will focus on the internal transfer of circularity knowledge. In addition, the workload of the key role «Material Technologist» is to be increased. → FIELD OF ACTION: 14 <u>CIRCULAR ECONOMY</u> EXPERTISE	PARTIALLY ACHIEVED, TO BE CONTINUED IN 2024	↗ CIRCULAR ECONOMY EXPERTISE p.19			5
							0
							24



WE CREATE PRODUCTS WITH THEIR END IN MIND.

	FREITAG	CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY	
■ INTRO	INTRO ↳ By taking a circular approach to material development and product design, FREITAG wants to show and pioneer ways from a linear to a circular economy. To achieve this, we develop our products with their end of life in mind, in line with our values based on the principles of the circular economy.			□ AMBITION WE CREATE PRODUCTS WITH THEIR END IN MIND.			20
				□ TARGET 2030 99% CIRCULAR PRODUCTS			15
	⌕ The upcycling of used materials, the focus on quality and durability, and the unique character of each individual product have characterized FREITAG for 30 years. We aspire to ensure that FREITAG products are not only theoretically durable but also that our customers enjoy using them for years to come. The product design and choice of materials play a crucial role in the transition to a <u>circular economy</u> and can reduce the product's environmental footprint by up to 80%. Our product development strategy is therefore based on the use of upcycled, re- cycled and preferably recyclable materials as well as circular design principles that ensure durability and reparability and take the end of the product life cycle into account. We develop appropriate circular services so that the products and the materials used can actually develop the full potential of their service life. [↗ CIRCULAR SERVICES - p.52] In addition, we work continuously to minimize material waste: for example, when cutting tarps to size in the production process.[↗ CIRCULAR OPERATIONS - p.40]			□ METRICS 2023 [MATERIAL INPUT] RECYCLED 6.4% ⌚ 2022: 3.5% B-STOCK 9.8% ⌚ 2022: 9.0% NEW 16.0% ⌚ 2022: 11.6% UPCYCLING (USED TRUCK TARP) 67.8% ⌚ 2022: 75.8%			10
	0 5 10 15 20			25 30 35 40 45			0
							26

PRODUCT DEVELOPMENT STRATEGY

To meet our circular ambitions for future products, our product development strategy is guided by the following four strategic points:



PHOTO CREDIT: ROLAND TÄNNLER



DESIGN FOR DURABILITY

We give our products a long life by selecting robust materials and a time-less design that increases the product's emotional value the older it gets.



DESIGN FOR DISASSEMBLY

We rely on modular design and reversible material connection, which simplify repairs, replacement, remanufacturing, and recycling of the product. We enhance this by keeping the number of material groups to a minimum.



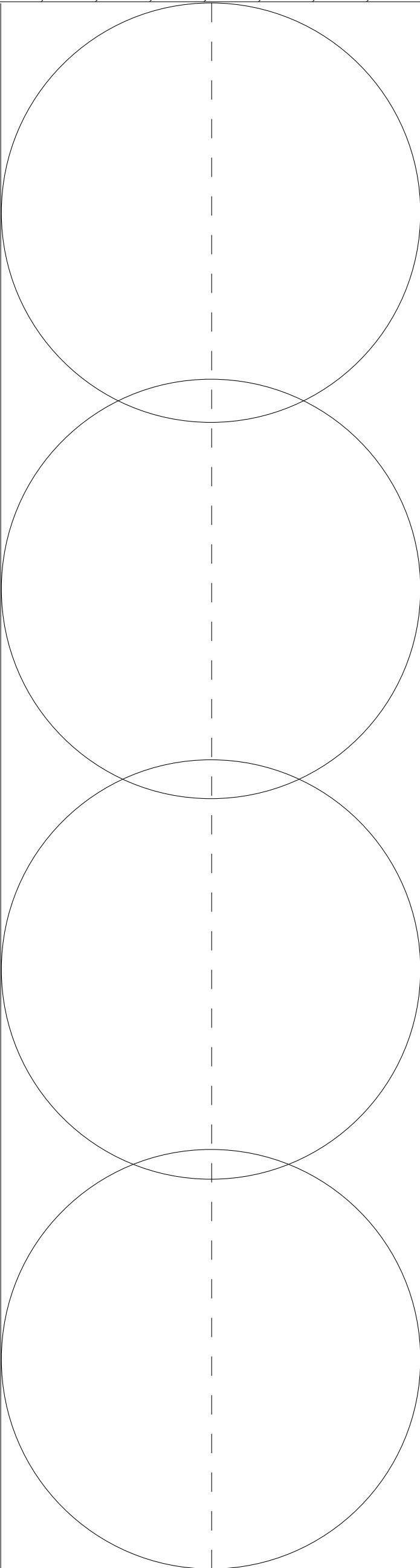
CHOOSE PURPOSEFUL MATERIALS

We select our materials in line with strict criteria. We rely on circular, re-cycled materials produced using environment-friendly methods, avoiding any that do not comply with our Restricted Substance List (RSL).



VALUE THE MATERIALS

We develop products that can be produced with minimal material waste, emphasize the unique character of products made from used truck tarps and declare the materials used on the products.



MATERIALS

USED TRUCK TARPS

Truck tarps are robust and long-lasting, and even when used are still a good raw material for our kind of bags. The processing that is part of the FREITAG upcycling approach is designed to extend the life of this durable material. After spending an average of six years on the road, the tarp assumes a new role and survives for many more years as a bag or accessory. External calculations have shown that using old truck tarps instead of new material reduces our CO₂ emissions by 22%.

To ensure the safety of our products, we test incoming truck tarps for unwanted constituents and remove any tarps that are unsuitable. Before transforming the tested tarps into bags and accessories, we also wash and disinfect them. This way, we can be sure we also eliminate bacteria and mold. Since 2022, in addition to the tarps themselves, we have also been collecting and reusing the reflectors stuck to the tarps. They are eye-catching highlights on our new Reflected Bags and ensure higher visibility.

[↗ CIRCULAR PRODUCTS – p.33, CIRCULAR OPERATIONS – p.48]



PHOTO CREDIT: ROLAND TÄNNLER

F	FREITAG	CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY
	DISCARDED PET BOTTLES The purchased fabrics made from <u>recycled PET (R-PET)</u>, which we use for the inner lining of our products or as the primary material for some models, are dyed using spinneret technology. In this process, the yarn is dyed during the actual spinning rather than as a finished fabric. The method is much more environment-friendly than traditional dyeing because it requires 75% less water, 30-40% less energy and 90% fewer chemicals. FREITAG is aware that materials made from recycled <u>PET</u> bottles can only be an interim solution as long as the R-PET is sourced from its functional closed cycle. We are therefore looking for better solutions at the same time. WORN SKI BOOTS To make our smartphone protective cases recyclable despite the rapidly changing sizes of device from one generation to the next, FREITAG uses recycled thermoplastic polyurethane (R-TPU) made from worn-out ski boots. This mono-material is recyclable up to seven times. It's flexible, robust and shock-absorbent, and therefore ideal for making custom-fit smartphone cases from it repeatedly. One special thing about R-TPU material is not only the take-back system but also the very short distances in the <u>supply chain</u>. The entire production process from raw material procurement to preparation and processing to the product takes place in Switzerland within a radius of 150 km from Zurich.				NATURAL FIBERS With the F-ABRIC clothing line launched in 2014, FREITAG presented its first completely circular material. The biodegradable textiles made from true hemp, linen and modal were developed in-house from the ground up. The raw materials were all cultivated in Europe by producers who pay attention to the maintenance of soil quality and the efficient use of water, as well as avoiding the use of pesticides. At the end of their life, F-ABRIC garments can simply be thrown into the compost, where they become a breeding ground for new raw materials. However, as we are currently concentrating on closing the technical cycles in our core business, bags and accessories ^[↗ CIRCULAR PRODUCTS – pp. 30-33], we will no longer be producing garments and will discontinue the distribution of F-ABRIC. A simple system with reduced prices was introduced at the end of 2023 for the sale of the remaining items.	
			B-STOCK B-stock goods, i.e. second choice goods, are materials or articles that do not make it into conventional retail channels. This may be due to their not meeting the quality standards for the intended purpose or having minor visual defects. Provided this does not impair their quality for our purposes, we give such B-stock goods from other industries a new lease of life. We are currently processing B-stock material from bike inner tubes and seat belts into new products. NEW MATERIALS We use new materials in two cases. First, in items for which we have not yet found a recycled alternative that meets our quality requirements. These include zippers, buckles and snap fasteners, which have to be particularly resilient. Second, we also fall back on new goods in situations where, for a number of reasons, the sourcing of recycled materials has not been feasible to date. This applies to the Mono[PA6] Backpack, for example, which went into production in 2023. Although the first circular backpack from FREITAG can be recycled at the end of its life cycle, it is currently still made largely of new polyamide 6.			

FACTS & HIGHLIGHTS 2023

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START OF PRODUCTION FOR THE FIRST CIRCULAR FREITAG BACKPACK

After two years of development and a final test phase, its time had come in spring 2023: at Milan Design Week, we presented a proto-type of our first circular backpack. The FREITAG Mono[PA6] Back-pack is made exclusively from polyamide 6, better known as nylon, and thanks to its mono-materiality can be recycled as a whole at the end of its life and transformed into new things. Following external confirmation of the mechanical recyclability of the backpack, we commissioned the production of the first 1500 units. A milestone in the FREITAG product portfolio because it contains no tarp, it is to be launched next spring. At the same time, we are working on the asso-ciated circular services: a customized repair concept and an interna-tional take-back service.

→ FREITAG.CH/MONOPA6



PHOTO CREDIT: ELIAS BÖTTICHER



NEXT STEPS TOWARDS THE CIRCULAR TARP

The aim was to ensure that, after a long life, our bags made of up-cycled truck tarps would end up back in the cycle again instead of being thrown in the trash. So, with this in mind, we embarked on the development of a circular truck tarp. Apart from meeting the technical demands of a truck tarp, the circular tarp would also have to comply with the EPEA's Cradle to Cradle® requirements as far as possible. Our aim is to close the cycle of a material that is so important for FREITAG and to replace the conventional PVC truck tarp as our main material. Like a conventional tarp, the new circular tarp will probably also be made of a robust fabric with a water and dirt-repellent coating. It needs to withstand several years of road use and then be dismantled into its basic constituents. In the course of the project, various parallel development approaches emerged with different combinations of fabric and coatings.

MILESTONES IN MATERIAL DEVELOPMENT

Two tarp prototypes have been undergoing road testing on a vehicle since 2022. In the first prototype from Rivertex, the fabric and coating are made of polypropylene (PP), so it can be recycled at the end of its life cycle without the need for time-consuming separation of the components. The second prototype consists of a polyester (PES) fabric with a thermoplastic polyurethane (TPU) coating. We are receiving assistance with its development from our TPU partner Covestro, and tarp manufacturer Heytex. We are currently working with Covestro and DePoly to develop recycling processes for TPU/PES tarps.

THE GOAL: A FLEET OF TRUCKS

Our aim this year was to put several vehicles in circulation with these two prototype tarps so as to gain a better idea of how the material stands up to the demands of everyday life on the road. It also enables us to get vital insights into the individual processing steps necessary throughout the entire product life cycle. Each tarp has its own digital product passport in the form of an RFID chip. This contains important information about the material's composition, production, and origin, and ensures that the tarp remains clearly recognizable. Although the 2023 fleet has not yet hit the road, we have taken major steps towards its realization and have gained new partners for our project.

BIO-BASED TARPS RESEARCH PROJECT

In addition to the progress outlined above, we are also closely following the development of a bio-based tarp. Two companies, Heytex and Linotech, are currently working with the FILK research institute on a project on this topic, which is being funded by the German Central Innovation Program for SMEs (ZIM). → [FREITAG.CH/CIRCULARTARP](https://freitag.ch/circulartarp)

☐ FRÉDÉRIC ZEMP, MATERIAL TECHNOLOGIST AT FREITAG

«THE TRUCK TEST FLEET SHOWS US HOW THE MATERIALS BEHAVE UNDER REAL ROAD CONDITIONS, WHICH GIVES US IMPORTANT INSIGHTS FOR THE FURTHER DEVELOPMENT OF THE CIRCULAR TARP.»

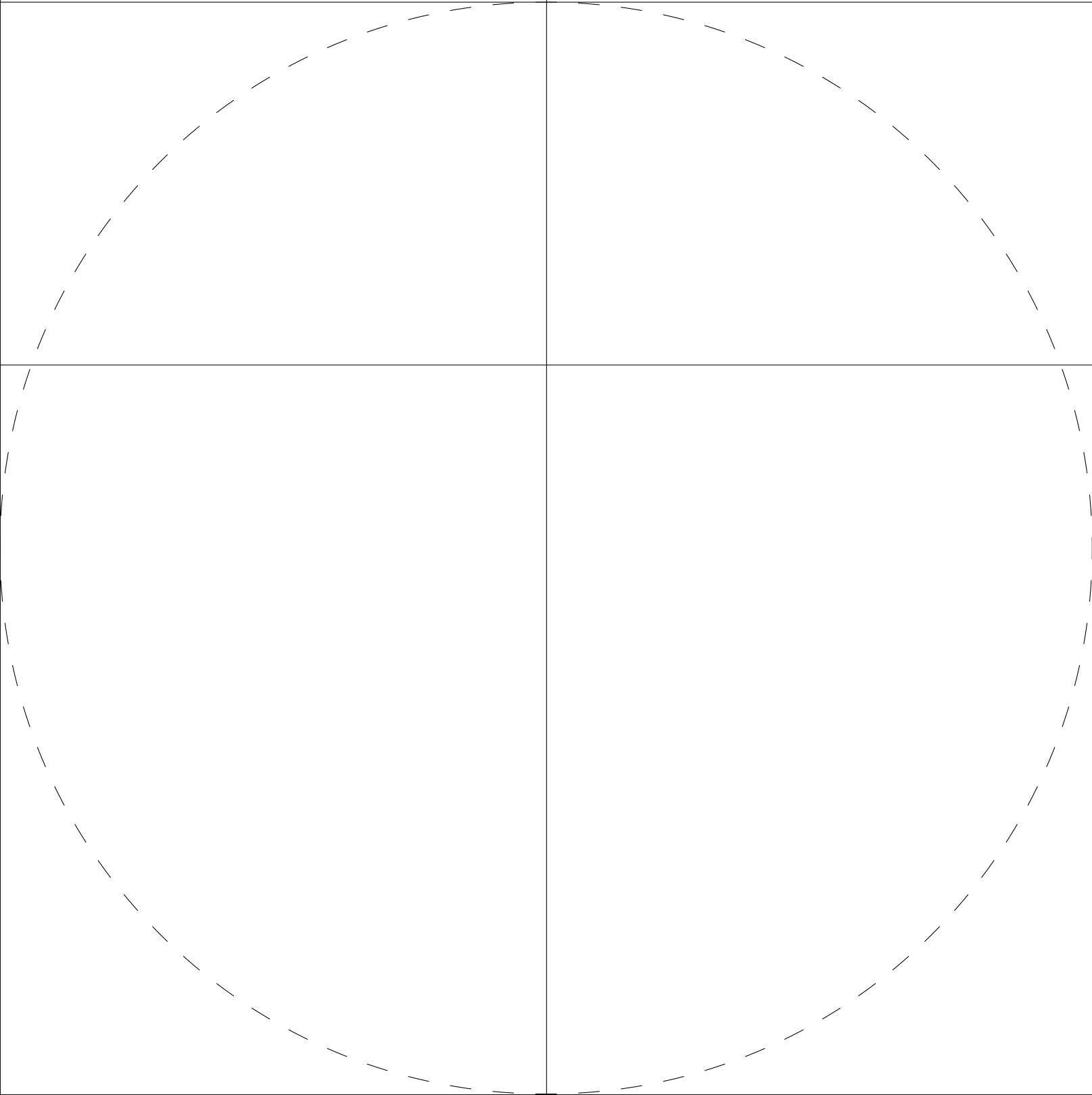




PHOTO CREDITS: ELIAS BÖTTICHER



PHOTO CREDITS: ELIAS BÖTTICHER

FORMULATING THE «FREITAG CIRCULAR DESIGN GUIDELINE»

To ensure that all the issues relevant to circularity can be considered even more holistically in our future product development, we invested a lot of time during the year under review formulating the «FREITAG Circular Design Guideline». These are intended to provide us with assistance and instructions for the holistic development of circular products and associated services: from the concept, through material sourcing and use, to closing the circle at the end of the product's life (recycling). In addition, the new guideline, which we will finalize in 2024, will allow us to take an even more systematic approach to determining the level of circularity in our current product portfolio in the future.

REFLECTED BAGS: THE NEW FREITAG
EVERYDAY AND ALL-NIGHT BAGS

Three new products have been added to the FREITAG range since October 2023: the medium-sized F670 WARREN crossbody bag, the F680 ANDERSON tote bag with roll or folding top and the F690 COSTON backpack. Together with the F655 DIXON, they form the new Reflected Bags line, which features a special mix of materials: the bags are manufactured from a fabric made of recycled PET bottles and fitted with discarded truck tarps and reflectors. The latter ensure higher visibility and safety in road traffic at night. The Reflected Bags have also been designed to ensure that they are particularly easy to repair in the future. The launch of the Reflected Bags marks an important intermediate step towards our ambition to make products increasingly modular: this will make them easier to repair and, if the material allows, to take them apart for recycling. Although the latter does not yet apply to the Reflected Bags, the experience we have gained with this product line regarding its modularity will be invaluable for the future development of our portfolio towards circularity.



PHOTO CREDIT: ELIAS BÖTTICHER

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MATERIAL INPUT FOR THE PRODUCTION OF FREITAG PRODUCTS 2023

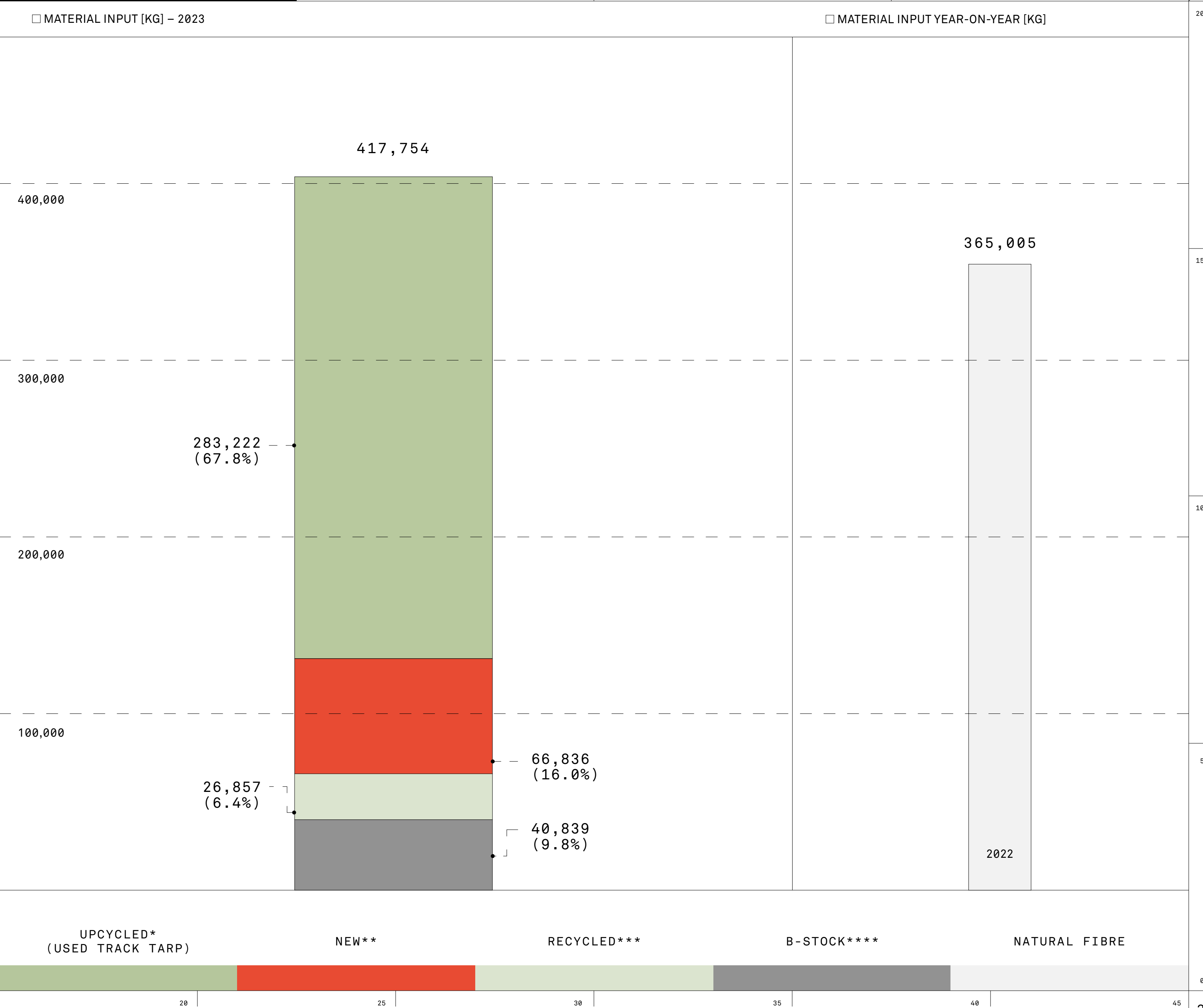
In 2023, material consumption rose by 14.5% year-on-year to 417,754 kilograms, as the overall production volume increased. At 67.8% (previous year: 75.8%), upcycled truck tarps continue to account for most of the material processed. However, as our portfolio is expanding to include more products with a lower tarp content, the proportion of other materials such as R-PET increased in 2023. At 9.8% (previous year: 9.0%), the proportion of B-stock items rose only slightly. The proportion of new goods such as buckles, straps and zippers as well as new proportions in materials increased accordingly to 16.0% (previous year: 11.6%). The proportion of recycled materials, such as accessories and outer fabrics (R-PET), which contain both new and recycled materials, was 6.4% (previous year: 3.5%). The recyclable CIRC-CASE smartphone sleeve, launched in 2022, has only a minimal impact in this category due to its low weight. No more materials were produced for the F-ABRIC line during its discontinuation phase in 2023, which is why the statistics for this year also show no more biodegradable materials. [↗ CIRCULAR PRODUCTS – p.29]

* USABLE MATERIAL (EXCL. WASTE, QUALITY PROBLEMS, ETC.)

** NEW GOODS SUCH AS BUCKLES, ZIPPERS, ETC. BUT ALSO SHARE OF NEW
GOODS IN RECYCLED MATERIALS

*** RECYCLED CONTENT IN RECYCLED MATERIALS (EXCL. TARP)

***** AIRBAGS, BICYCLE INNER TUBES AND SEAT BELTS



FREITAG STORE DESIGN

Intelligent design and sparing use of resources: this principle, central to the manufacture of FREITAG bags and accessories, also applies to its stores. Construction work on FREITAG Stores therefore follows the strict design principles FREITAG has developed for its retail spaces. The focus is on resource-saving functionality, timeless design, and modular, durable shelving and lighting systems. We use modular shelving systems, designed in-house and produced in Switzerland. They are made of durable, hard-wearing materials like recyclable plastics (combined with cardboard) or steel. The parts can be configured as individual shelving units, assembled, dismantled, and reused. And because they are so space-saving, they can be delivered worldwide. There are no purely decorative elements such as covers or finishes with lacquer and paint, the only exception being highlighted accents in our corporate colors: industrial green and signal yellow.

The basic idea behind FREITAG bags was to give used materials a new life, in other words to repurpose them in a different context. The same principle, going beyond the actual products, is particularly in evidence at the FREITAG Flagship Store in Zurich, where rusty old freight containers have been reinvented as a retail outlet. The container tower has come to symbolize the brand. But our other stores also offer surprising examples of repurposing.

→ [FREITAG.CH/STORE-LOCATOR](https://www.freitag.ch/store-locator)



PHOTO CREDIT: ROLAND TÄNNLER



PHOTO CREDIT: ADISORN RUANGSIRIDECHA

⌵

NEW FREITAG STORE IN SHANGHAI,
RENOVATION IN VIENNA

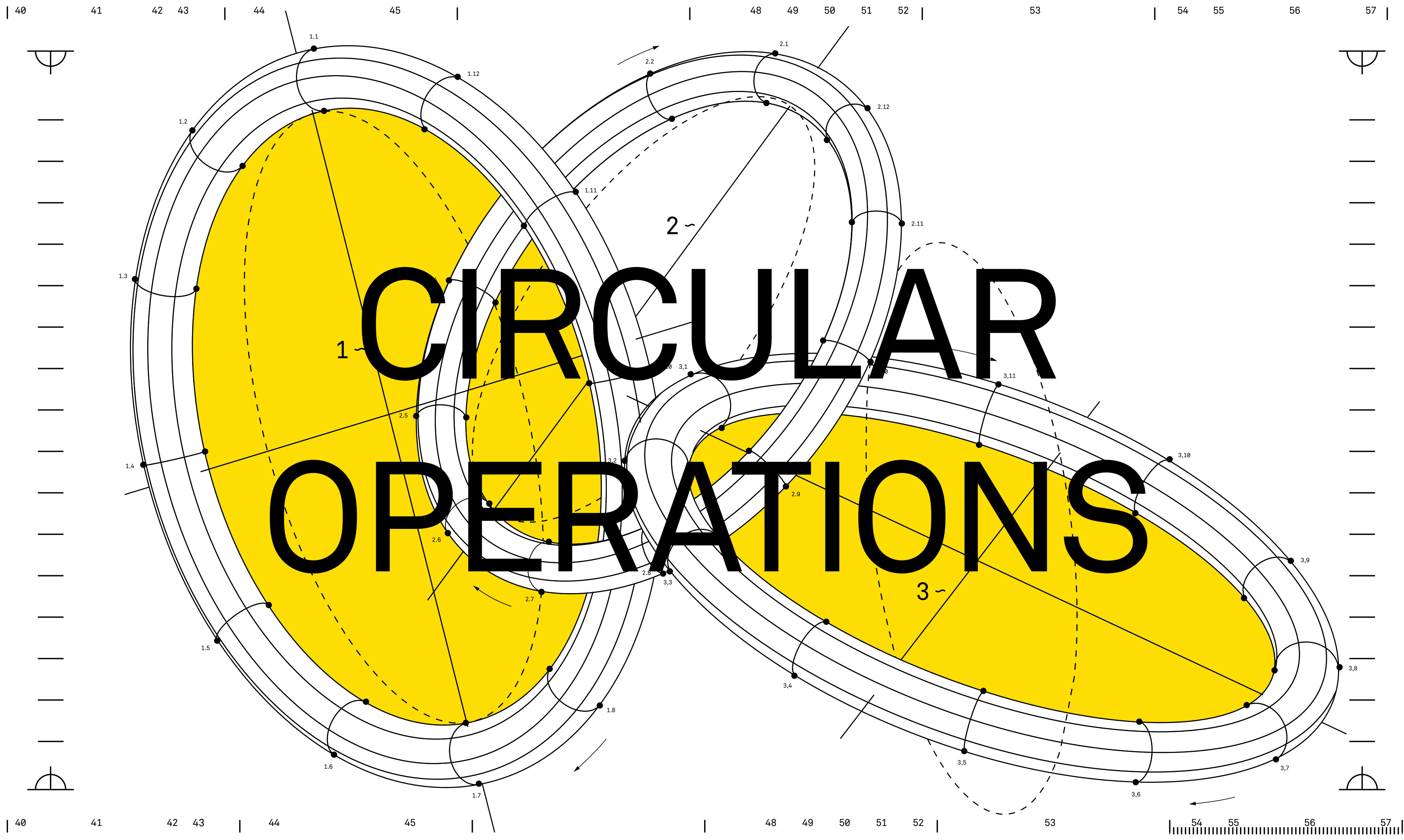
The new FREITAG Store in Shanghai opened on March 25, 2023. For two years, we worked closely with local architects, landscape gardeners, engineers, designers and the on-site team to create a visually striking store with minimal CO₂ emissions and enormous social relevance for the neighborhood. As with our bags, the reuse of existing discarded materials also played a central role in the store design. For example, the original building was dismantled so carefully that it was possible to reuse the old bricks for new walls, while the hoarding panels used during reconstruction now serve as a characteristic facade. The organic garden on the roof is open to the local community as a meeting place. The focus of the entire conversion was on minimizing CO₂ emissions, and the various measures adopted for the new FREITAG Store Shanghai reduced them by around 144 t CO₂ eq (approx. 45%). These figures are for the production, construction, and dismantling and disposal phases.

The FREITAG Store Vienna, which opened in 2011 in the picturesque Neubau district, has had a fresh new look since late fall 2023. We were able to renovate the ageing store on Neubaugasse in line with our own ideas, with the central focus on energy efficiency. The energy-intensive industrial lighting has been replaced by an LED lighting system, the old radiators have given way to underfloor heating, and the building’s insulation has been upgraded.



PHOTO CREDIT: STUDIO FANG

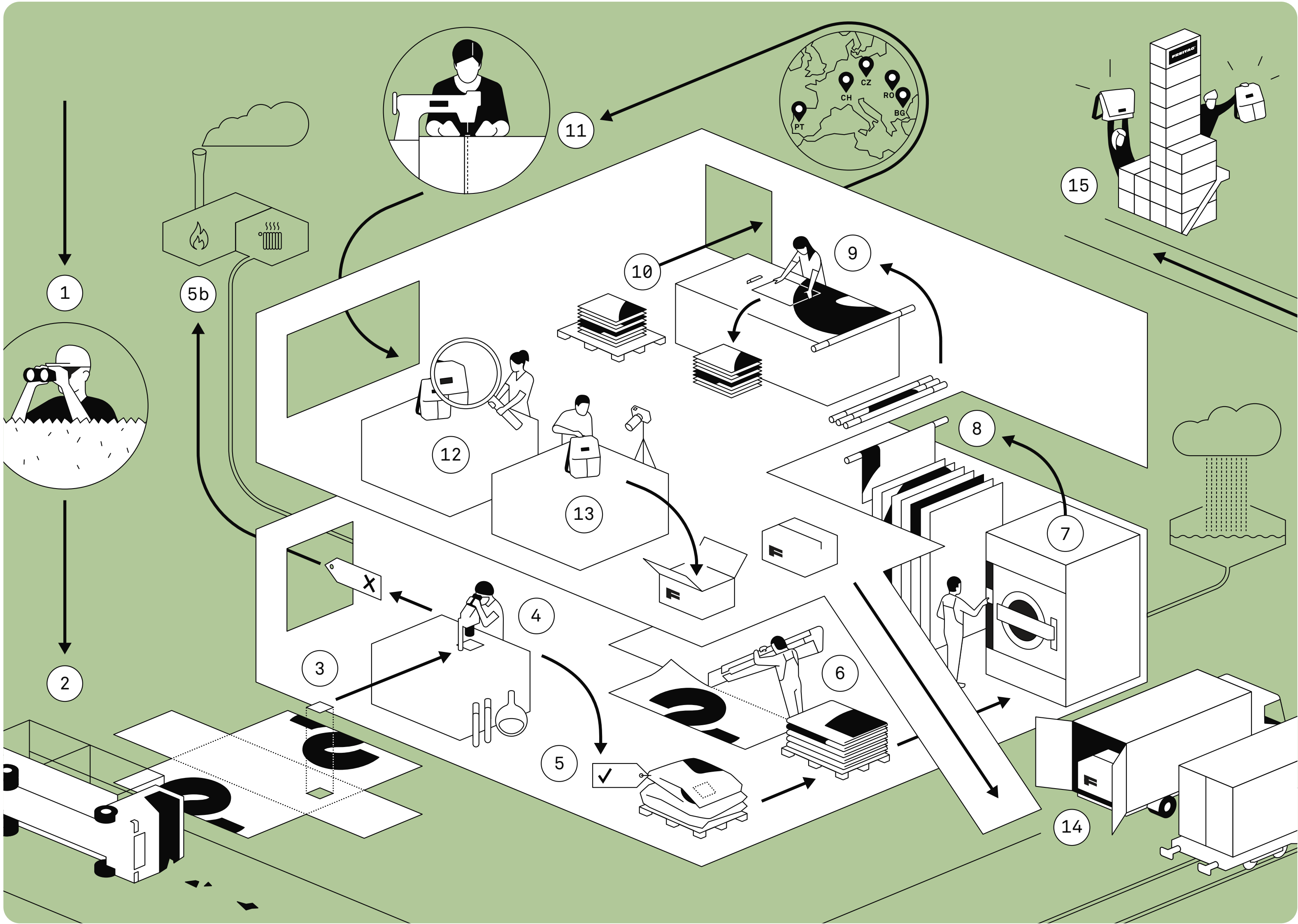
FREITAG		CIRCULAR F-CREW		CIRCULAR PRODUCTS		CIRCULAR OPERATIONS		CIRCULAR SERVICES		CIRCULAR COMMUNITY	
ACHIEVEMENT OF TARGETS 2023						OUTLOOK 2024					
	PLANNED MEASURES			STATUS	MEASURES IMPLEMENTED			PLANNED MEASURES			
01	Together with partner companies, we continue the development of a circular truck tarp. Following experience with the first prototypes, we are putting an entire test fleet on the road for this purpose. Parallel to this, discussions on suitable circular business models and processes are being intensified. → FIELD OF ACTION: 02 CIRCULAR MATERIALS			PARTIALLY ACHIEVED, TO BE CONTINUED IN 2024	➤ NEXT STEPS TOWARDS THE CIRCULAR TARP p.31 ➤ CIRCULAR COMMUNITY FACTS & HIGHLIGHTS 2023 p.67 ➤ ROUNDTABLE OF PARTNERS IN THE CIRCULAR TARP PROJECT p.69		01	Together with our partners, we are pressing ahead with our innovation project for circular tarps and will be putting a test fleet on the road in 2024. At the same time, discussions regarding suitable circular business models and processes are ongoing. → FIELD OF ACTION: 02 CIRCULAR MATERIALS			
02	The product portfolio will be expanded to include a family of new products with a repair-friendly design, while existing products will be optimized and refreshed to reduce waste and increase their uniqueness. → FIELD OF ACTION: 03 CIRCULAR DESIGN			YES	➤ REFLECTED BAGS: THE NEW FREITAG EVERYDAY AND ALL-NIGHT BAGS p.33		02	We will finalize and introduce the «FREITAG Circular Design Guideline». The Guideline specifies the objectives and principles of a circular form of FREITAG product development. We will also define the indicators that measure the circularity of our products. On the basis of the Guideline and an analysis of the current material range, we are creating a new material strategy for FREITAG. → FIELD OF ACTION: 02 CIRCULAR MATERIALS, 03 CIRCULAR DESIGN, 14 CIRCULAR ECONOMY EXPERTISE			
03	We are defining the underlying goals and principles of a circular material development at FREITAG: We are pinpointing key performance indicators for the circularity of our products, drawing up concrete Circular Design Guidelines to help people better understand the concept of circularity, and developing a circular material library based on this. → FIELD OF ACTION: 03 CIRCULAR DESIGN 14 CIRCULAR ECONOMY EXPERTISE			PARTIALLY ACHIEVED, TO BE CONTINUED IN 2024	➤ FORMULATING THE FREITAG CIRCULAR DESIGN GUIDELINE p.33		03	Following a long development period, our product portfolio is being expanded to include a circular, mono-material backpack that can be recycled as a whole. In addition to this innovation, we are launching other products: two new bags made from salvaged airbags and used tension belts, and other products in the Reflected Bags line made from recycled PET and used reflectors, among other things. We are also adding new functions and models to our circular smartphone case range. → FIELD OF ACTION 02 CIRCULAR MATERIALS, 03 CIRCULAR DESIGN			



WE REDUCE OUR FOOTPRINT AND ENSURE A FAIR SUPPLY CHAIN.

FREITAG		CIRCULAR F-CREW		CIRCULAR PRODUCTS		CIRCULAR OPERATIONS		CIRCULAR SERVICES		CIRCULAR COMMUNITY											
INTRO	↳ FREITAG aims to strike a balance between ecological and social responsibility and economic success all the way along its supply chain. That's why we want to substantially reduce our footprint and make the supply chain even fairer.					□ AMBITION WE REDUCE OUR FOOTPRINT AND ENSURE A FAIR SUPPLY CHAIN.															
						□ TARGET 2030 -50% CO₂ TOTAL			100% APPLIED CODE OF CONDUCT												
	⌵ FREITAG produces where it makes the most sense ecologically and economically and where safe, healthy, and fair working conditions are guaranteed. We have made a conscious decision to remain at our headquarters in Zurich and maintain long-standing partnerships on an equal footing with our mainly European producers. We sustain an ongoing dialogue with them to increase transparency throughout the supply chain.						□ METRICS 2023 4176 t CO₂eq TOTAL 2022: 3204 SCOPE 3 3880.4 SCOPE 2 286.2 SCOPE 1 9.5			100% PRODUCERS, 2022: 100% 100% AGENTS AND 72% SUPPLIERS WITH SIGNED CODE OF CONDUCT 2022: 38%											
0		5		10		15		20		25		30		35		40		45		39	

PRODUCTION STAGES FOR TARP PRODUCTS



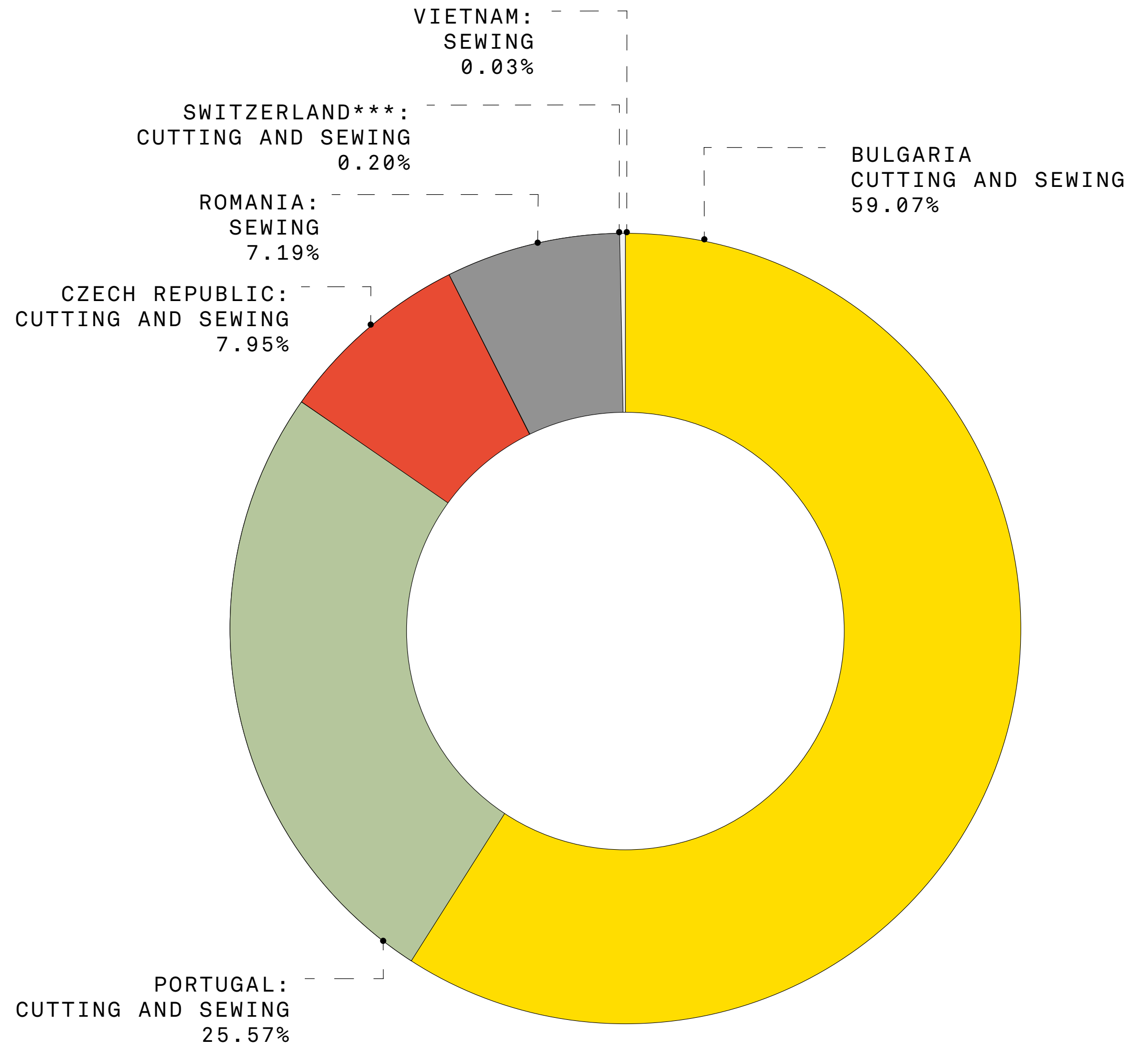
Our production, from truck tarp to delivery of the finished bag: an example illustrating our upcycled, individual products:

- | | | | |
|---|-------------------------|----|-----------------------------|
| 1 | TRUCKSPOTTING | 9 | BAG DESIGN |
| 2 | TRUCK TARP REMOVAL | 10 | SHIPPING TO SEWING PARTNERS |
| 3 | EXTRACTING TEST SAMPLES | 11 | SEWING |
| 4 | TESTING CONSTITUENTS | 12 | QUALITY CONTROL |
| 5 | CONFIRMING TARP SAFETY | 13 | PHOTOGRAPHY |
| 6 | DISMANTLING | 14 | SHIPPING |
| 7 | WASHING | 15 | SALE |
| 8 | DRYING | | |

In 2023, our FREITAG tarp buyers (truck spotters) purchased around 280 metric tons of used truck tarps for us. Around 85% are provided by external «tarp agents», as they are known, within a radius of 2500 kilometers. They send us samples in advance, so that we can have the material tested for safety. [↗ CIRCULAR OPERATIONS – p.48] Tarps suitable for bag production are dismantled by the agents and then delivered to us in Zurich Oerlikon. A further 7.9% of the tarps purchased come from direct suppliers in Germany, whose tarps are dismantled by a local partner. The remaining tarps come from direct suppliers, such as haulage companies. We test them and dismantle them ourselves at our Zurich production facility. Resource-saving methods are then used to wash and dry all the pieces of tarp in Zurich. At the next stage, our one-off products are cut from the tarps, some by hand with a cutter knife and template, others by machine. Around two-thirds of the one-off cuts are made at the production facility in Zurich. The cut pieces of tarp are then sent to our long-standing production partners in Portugal, the Czech Republic, Romania, and Bulgaria, and to a community integration program in the city of Zurich. Here, they are sewn together with additional materials (other fabrics and miscellaneous parts) to make bags and accessories. The finished one-off items are checked and photographed. This job is carried out partly by producers, but mainly at the headquarters in Zurich Oerlikon. From there, all bags and accessories are sent to the various sales channels.

→ FREITAG.CH/PRODUCTION

□ DISTRIBUTION OF EXTERNAL PRODUCTION COSTS FOR FINISHED PRODUCTS - 2023



** DIRECT: FREITAG IS RESPONSIBLE FOR THE PURCHASE OF USED TARP GROSS GOODS AND, UNLESS OTHERWISE STATED, DISMANTLING THESE TRUCK TARPS DIRECTLY AT HEADQUARTERS. EXCEPTION IN THE CASE OF GERMANY: HERE THE TARPS ARE SOURCED BY FREITAG BUT DISMANTLED IN GERMANY.

*** THE PRODUCTION WORK IN SWITZERLAND LISTED HERE APPLIES TO THE SMALL SERIES MANUFACTURED FOR US BY «NÄHWERK», A ZURICH WORK INTEGRATION SERVICE. THE PRODUCTION COSTS INCURRED AT FREITAG HEADQUARTERS ARE NOT TAKEN INTO ACCOUNT HERE.

In 2023, we calculated our greenhouse gas emissions in accordance with the **GREENHOUSE GAS PROTOCOL** for the fifth time. The audit was carried out by Swiss Climate and shows our emissions along the entire supply chain across **SCOPE 1, 2 AND 3**. This year, our emissions increased by 30.3% compared with the previous year to 4175.1 t CO₂ eq (previous year: 3204.3 t CO₂ eq). Around two-thirds of this increase is due to the fact that emissions not included the previous year were integrated, and data accuracy was optimized. Just under a third is based on actual increases in emissions, which are due in particular to the increase in purchased accessories and materials. Looking at emissions in relation to products sold, this figure also increased compared with the previous year from 6.2 kg CO₂ eq to 7.9 kg CO₂ eq per unit sold. [⁷ ANNEX - p.91] → GHGPROTOCOL.ORG

☐ IN YEAR-ON-YEAR COMPARISON

The **GREENHOUSE GAS PROTOCOL** (GHG Protocol) is a private transnational series of standards for the auditing of greenhouse gas emissions. The GHG Protocol is the most widely accepted standard for auditing greenhouse gases.

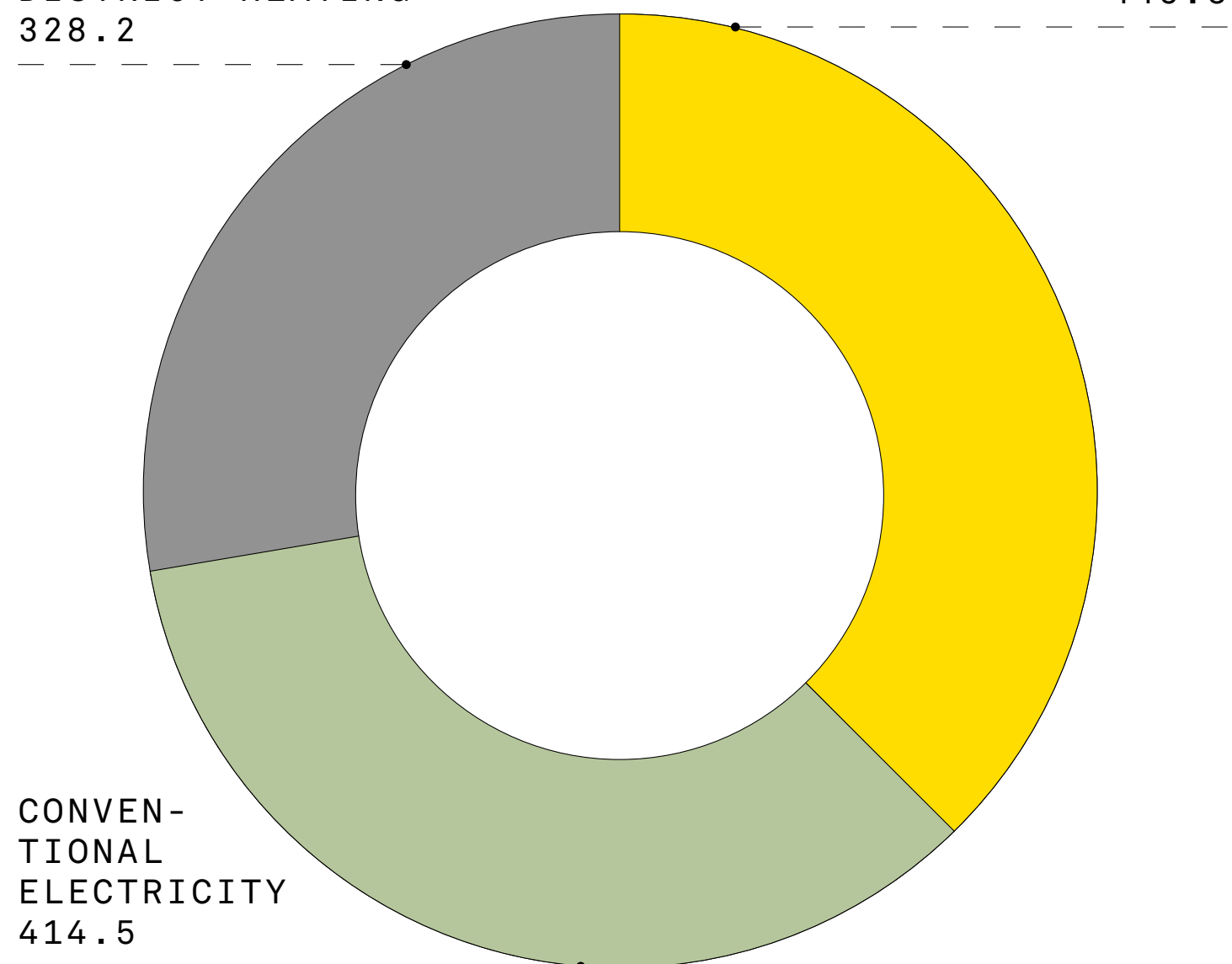


EMISSIONS IN SCOPE 1

EMISSIONS IN SCOPE 2

At 37.5%, renewable energies accounted for the largest share of indirect energy consumption (previous year 37.4%). District heating accounted for 27.6% of energy consumption, which fell to 328.2 MWh (-29.5%, previous year: 465.4 MWh). In order to further reduce energy consumption in FREITAG Stores, conversion of the lighting to LED lamps is now a mandatory feature in the regular store redesigns. In the year under review, two more stores were equipped with LED lamps, meaning that a total of 14 of 19 self-operated FREITAG Stores meet this internal requirement. The remaining five stores should also have been converted by 2027.

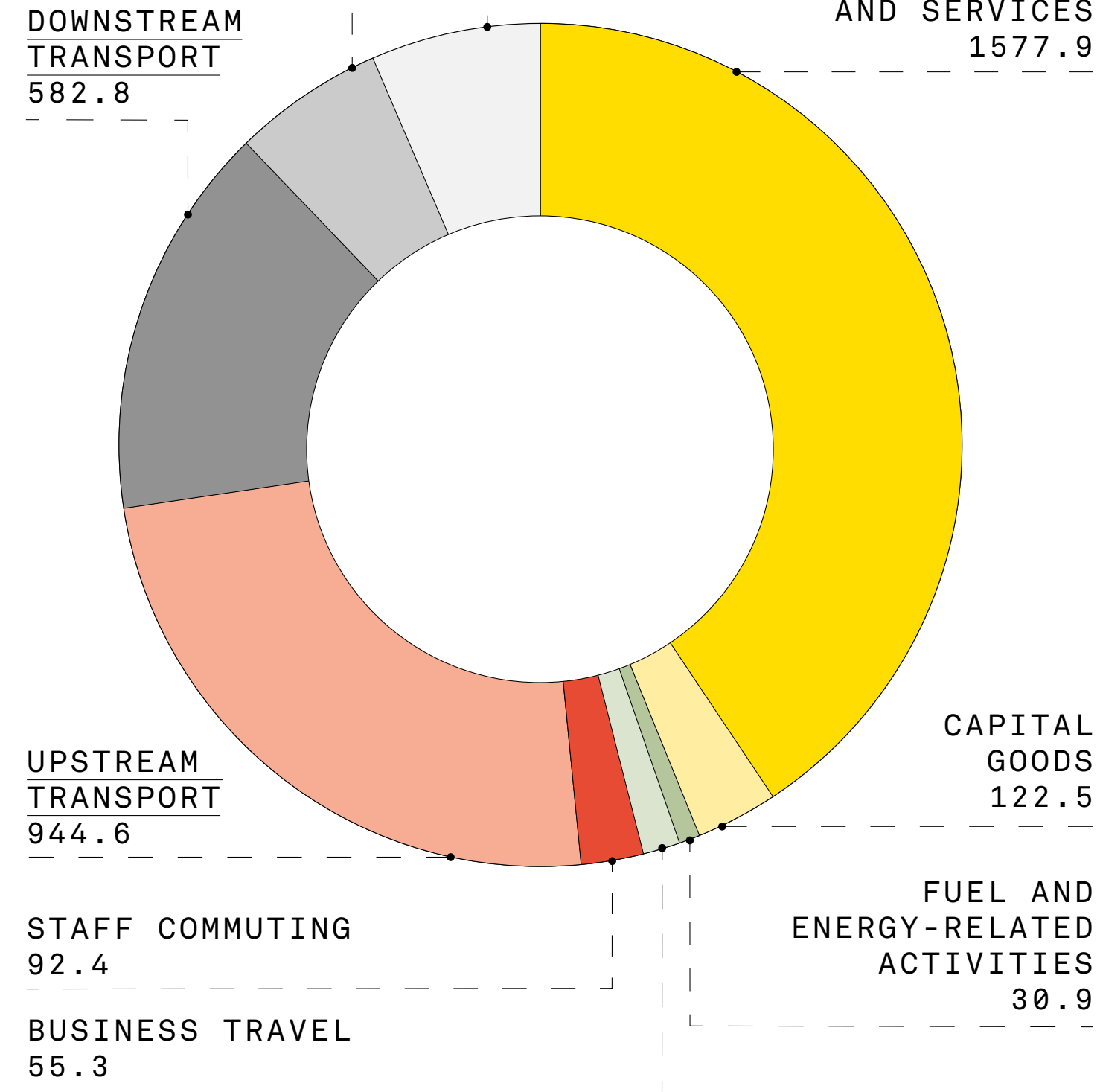
CONVEN-
TIONAL
ELECTRICITY
414.5



EMISSIONS IN SCOPE 3

At 92.9%, indirect emissions by third parties accounted for the largest share of total emissions. Of these, the sub-category «Purchased goods and services» is responsible for 40.7% of Scope 3 emissions at 1577.9 t CO₂ eq (previous year: 1264.9 t CO₂ eq / 39.5%) and therefore 37.8% of total emissions. This was due mainly to the fact that we purchased more material than in the previous year. The reasons for the increased demand were higher production in general, the increase in reserves in the warehouse, and the addition of new products with a lower proportion of truck tarps and thus more additional materials.

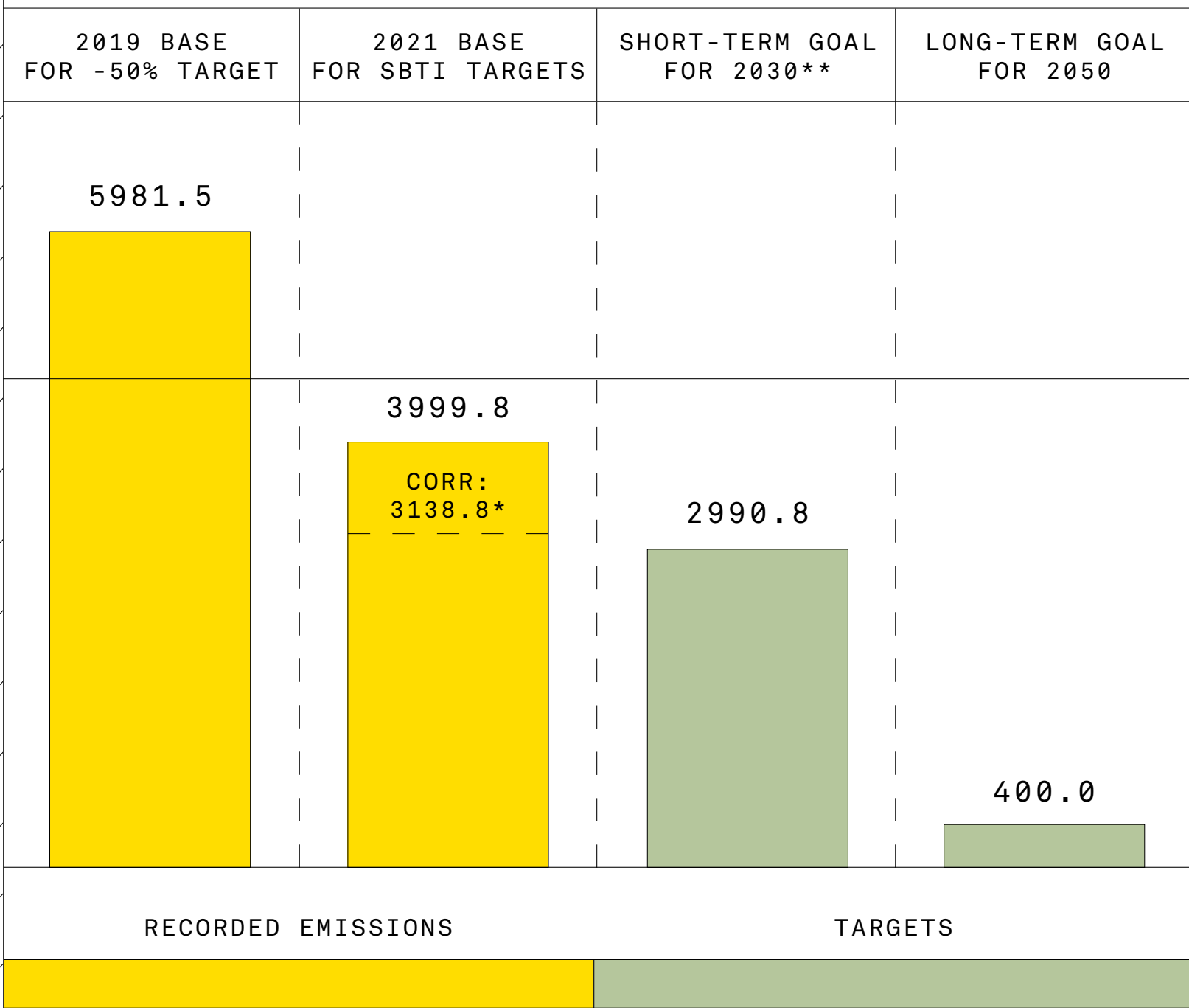
FUEL AND
ENERGY-RELATED
ACTIVITIES
30.9



Tarp waste at the agents and dismantling stations was also a factor. Apart from this, newly opened stores and renovations required new furniture and POS materials. On the other hand, our producers reduced their energy-related emissions by 50.2%: four producers have now installed solar systems and a large producer from Portugal is now also sourcing renewable energy.

ROADMAP TO NET-ZERO

FREITAG is aiming to reduce CO₂ emissions by a total of 50% by 2030 compared with 2019 ^[7 CIRCULAR OPERATIONS – p.39]. In 2022, given the importance and urgency of substantially reducing global emissions, FREITAG committed to company-wide emissions reductions in line with the scientifically based 1.5°C and net-zero targets defined by the **SCIENCE BASED TARGET INITIATIVE (SBTI)** and has developed a suitable roadmap.

☐ REDUCTION PATHWAY [t CO₂]

* ADJUSTED RETROACTIVELY [↗ CIRCULAR OPERATIONS - p. 38]

** TOTAL -50% COMPARED WITH 2019 BASE (IN LINE WITH CIRCULARITY ROADMAP) AND -42% SCOPES 1&2 COMPARED WITH 2021 BASE (IN LINE SBTI)

The FREITAG Roadmap to Net Zero consists of reduction targets by 2030 and 2050:

NEAR-TERM TARGET 2030

Our company commits to reducing absolute Scope 1 and Scope 2 GHG emissions 42% by 2030 from a 2021 base year, and to measuring and reducing its Scope 3 emissions. This emission target has been validated by the SBTi as 1.5-degree compliant. As SBTi only covers Scopes 1 and 2, we set ourselves the target of reducing total emissions (including Scope 3) by 50% back in 2019.

LONG-TERM TARGET 2050

Our company commits to reaching net zero by 2050. As part of this, it commits to reducing absolute Scopes 1, 2 and 3 GHG emissions 90% by 2050 from a 2021 base year.***

The factors with the greatest leverage here are reducing CO₂ in the distribution of products, the use of circular materials, and the reduction of tarp waste. The first concrete measures in this regard can be found in the outlook for 2024.

[⁷ CIRCULAR OPERATIONS – p.51] → SCIENCEBASEDTARGETS.ORG



***GENERALLY IT IS NOT YET POSSIBLE TO VERIFY LONG-TERM REDUCTION TARGETS FOR SMALL AND MEDIUM-SIZED ENTERPRISES (SMES) USING SBTI.

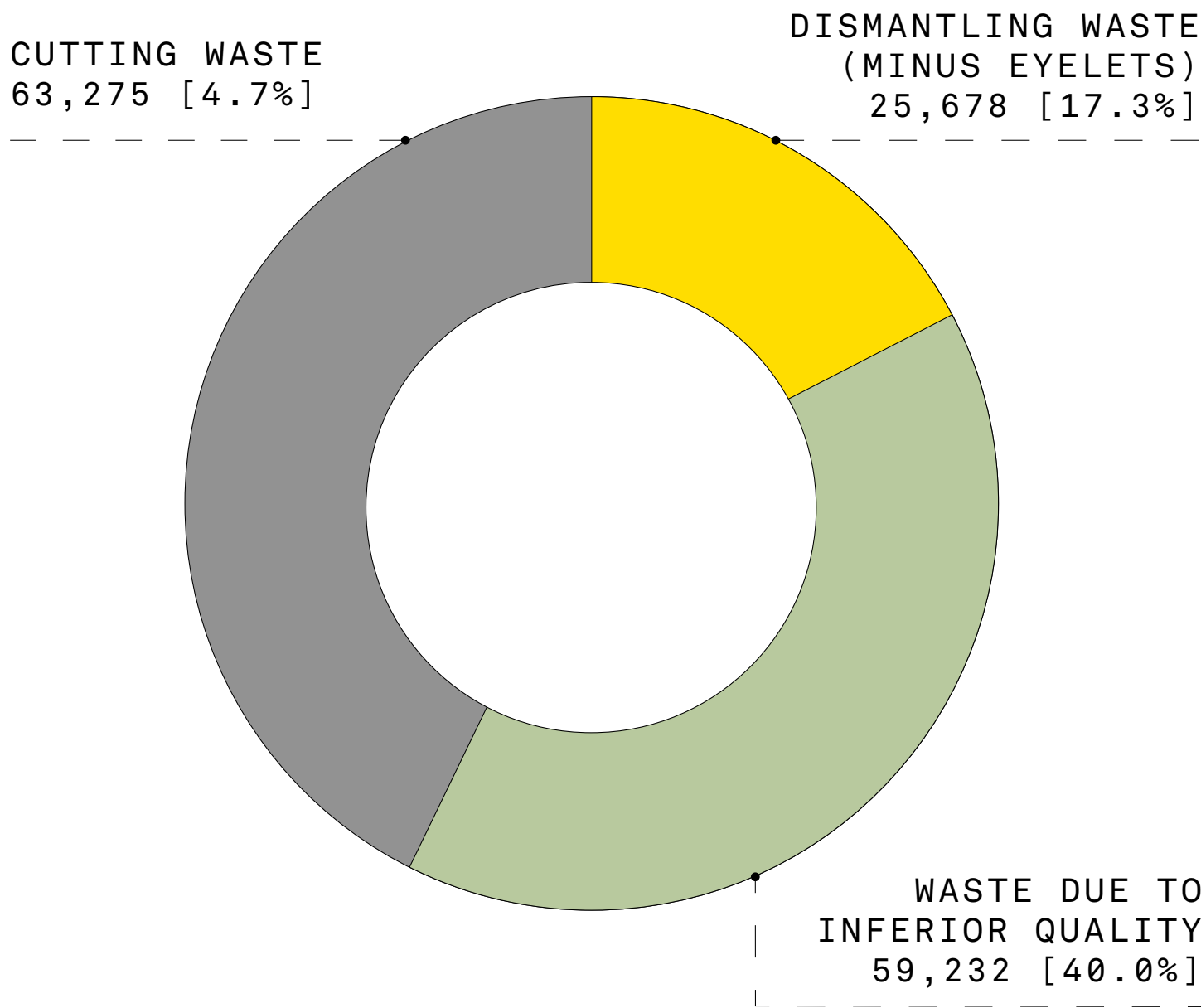
The **SCIENCE BASED TARGETS INITIATIVE (SBTI)** is a global body that enables companies to set ambitious emission reduction targets based on the latest climate science. The initiative aims for companies around the world to halve their emissions by 2030 and achieve net-zero emissions by 2050. The initiative is a collaboration between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).



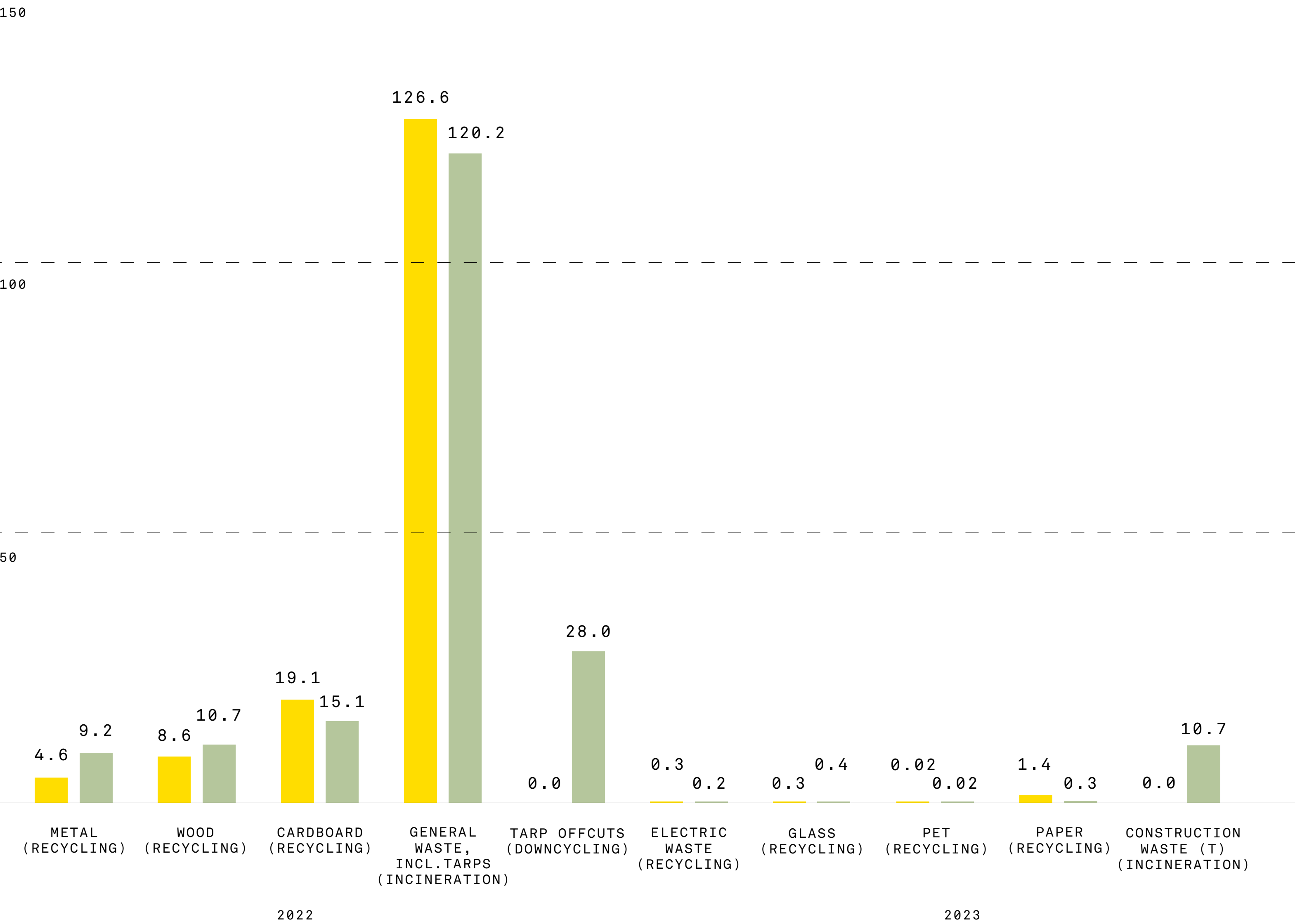
OPERATIONAL WASTE

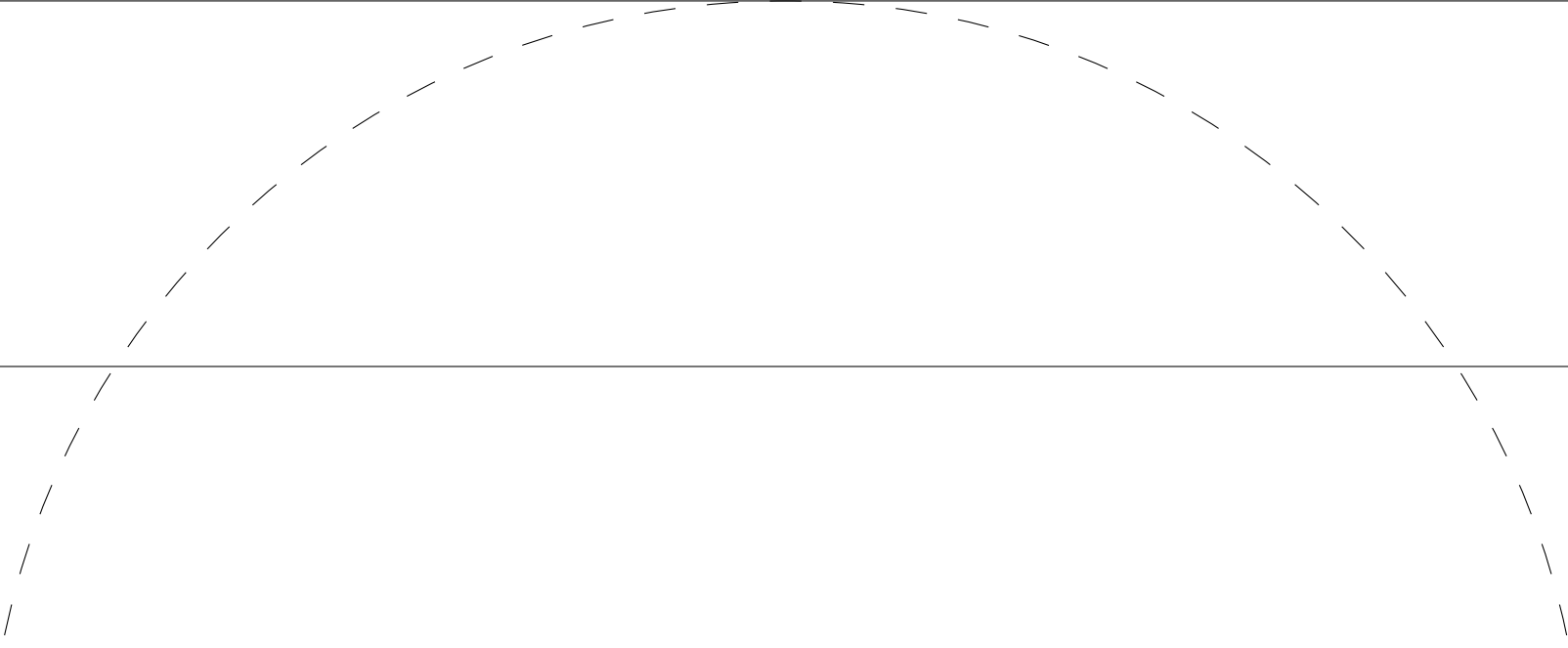
Operational waste at the Noerd production site in Zurich increased by 20.8% year-on-year to 194.4 metric tons in 2023 (previous year: 160.9 metric tons). This large increase is due to more tarp waste and building rubble resulting from renovation work at head office. At around 148 metric tons, truck tarps made up the largest proportion of our operational waste (around 75%), which goes through various steps from the initial cutting to the finished bag components.

□ TARP WASTE AT NØRD [KG] - 2023



☐ SCOPE 3 OPERATING AND PRODUCTION WASTE [T] YEAR ON YEAR



	FREITAG	CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY					
FACTS & HIGHLIGHTS 2023	The first step is to remove superfluous elements such as eyelets, buckles and straps from the tarps and, in the case of quality defects, unusable sections. At 25.7 metric tons, this upstream dismantling waste accounts for 17.3% of all tarp waste. Tarps deemed unsuitable for further processing after quality control account for 59.2 metric tons, or 40.0% of the total; cutting waste from <u>one-off</u> cutting accounts for 63.3 metric tons, or 42.7%. Since August 2023, we have been sending cutting waste to a recycling partner who uses it to produce flooring for horse boxes. ^[↗ CIRCULAR OPERATIONS – p.48]		⌵ WATER CONSUMPTION When the Noerd production site was built, the tarp washing section was designed to comply with ecological criteria. Before processing into bags, all tarps are washed here. Depending on the amount of rainfall, we can cover an average of 50% of our water needs in production with collected rainwater. Heat pumps extract the heat from the dirty water and transfer it to the clean rainwater. Some of the rainwater is used twice, and the washed tarps are then dried using energy-saving dehumidifiers in a separate room instead of a tumble dryer. Furthermore, we use an environmentally friendly detergent with the EU Eco Label and do not have to treat the wastewater afterwards. In 2023, total water consumption increased by 30.4% to 13,956 m³ compared with the previous year (previous year: 10,704 m³ *). This is due mainly to the fact that in Noerd we now use primary data taken directly from the utility charge statements. Our figures for other stores and offices are based on estimates that show a daily value of 100 liters per person per day. Despite increased rainfall and a corresponding increase in rainwater consumption, the amount of water from the public mains consumed in production at Noerd rose by 42% to 3886 m³ (previous year 2734 m³**), which is attributable to the rise in production volume.								
							PHOTO CREDIT: ROLAND TÄNNLER				
* FIGURE CORRECTED RETROACTIVELY ** THE FIGURE PUBLISHED IN THE IMPACT REPORT 2022 WAS CALCULATED ON THE BASIS OF THE NUMBER OF WASHING CYCLES AT 1892 M³. ACCORDING TO THE WATER METER, HOWEVER, THIS FIGURE WAS REVISED AND AMOUNTED TO 2734 M³.											
	0	5	10	15	20	25	30	35	40	45	47

TARP QUALITY CONTROL

Upcycling used truck tarps, i.e., reprocessing waste from another industry, is beneficial from a resource consumption standpoint. However, this usually means we can only conclusively assess the quality of used truck tarps after their delivery. As a result, tarps that are too brittle or damaged by fungus, for example, or tarps from direct suppliers that contain substances unsuitable for making bags and accessories, can only be separated out on site. To ensure the safety of our products, we test our PVC tarps for undesirable constituents, such as various plasticizers (phthalates) and heavy metals. We had this testing process certified by an independent body in 2023, and we also carry out regular internal audits.

Testing for unwanted plasticizers is carried out by our laboratory partner SQTs (Swiss Quality Testing Services). In our production facility at Zurich headquarters, we test tarps for heavy metal content (e.g. lead) using X-ray fluorescence (XRF) equipment.

As our agents supply by far the largest proportion of tarps (over 85%), they are directly involved in the testing process to ensure that they only deliver suitable tarps to Zurich. For this purpose, they send us test samples of the tarps in advance, which we can evaluate in the laboratory in a few days. Direct suppliers, on the other hand, deliver their tarps without prior testing.^{[[↗](#) CIRCULAR OPERATIONS – p.40]}

Twice a year, our external laboratory partner monitors further development of the REACH Regulation (EU), the Swiss ChemRRV and other chemical regulations in order to include additional constituents in our testing where necessary.



PHOTO CREDIT: DANIEL NIEDERMEIER & JAN STAIGER

FREITAG	CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY
SUSTAINABLE SUPPLY CHAIN Our producer selection process includes, among other things, criteria such as the responsible use of materials and energy, fair and social working conditions, and employee training programs. This process also specifies that before making any decision to cooperate with a partner, we have an internal agreement with the «Sustainability & Compliance Officer». The cooperation with our producers is largely based on long-standing partnerships. Over 80% of our products are produced by sewing factories we have been working with for over ten years. With the exception of the Mono[PA6] Backpack manufactured by a selected Vietnamese company, our products are currently made within a radius of 2500 kilometers from Zurich, which enables us to keep transport distances as short as possible. As an example of social commitment in the supply chain, we have a limited number of products (0.2%) produced by «Nähwerk», a work integration service organized by the city of Zurich for socially disadvantaged people. [↗ ANNEX – p.90] → STADT-ZUERICH.CH/NAEHWERK		 PHOTO CREDIT: JOËL TETTAMANTI □ IVAYLO GRAHOVSKI, SALES & MARKETING DIRECTOR AT PROLET, FREITAG PRODUCTION PARTNER, BULGARIA «WE’VE BEEN WORKING WITH FREITAG FOR A DECADE. WE SHARE THE SAME HIGH QUALITY STANDARDS REGARDING OUR WORK AND VALUES. THEY INCLUDE OUR CODE OF ETHICS, ENERGY-SAVING MEASURES, INVESTMENT IN SOLAR PANELS AND THE PROVISION OF INCLUSIVE WORKPLACES.»		 DUE DILIGENCE IN THE SUPPLY CHAIN In order to meet our requirements for sustainable sourcing and hold our suppliers accountable for compliance with social and environmental standards, we implement further measures in addition to the «FREITAG CODE OF CONDUCT». These include self-assessment and risk analysis together with audits and on-site visits. These measures help ensure that we comply with the legally required due diligence and transparency prescribed by the Swiss Code of Obligations (Art. 964j-964l).	
				The «FREITAG CODE OF CONDUCT» is our guideline for all business activities. It regulates working conditions as well as social and environmental compatibility. The articles of the Code of Conduct are based on the UN conventions and our values.	



→ [FREITAG.CH/CODEOFCONDUCT](https://freitag.ch/codeofconduct) [⁷ CIRCULAR OPERATIONS INFOBOX – p.49]

Since 2021, our producers have carried out an annual self-assessment check to ensure compliance with the «FREITAG Code of Conduct». They fill out a questionnaire that covers topics such as compliance with local and national law, the prohibition of forced and child labor, protection against harassment, abuse, and discrimination, and the right to freedom of association and collective bargaining. There follows an online interview with FREITAG, in which the results and potential for improvement are openly discussed individually with each producer. This fosters transparency and is an opportunity to decide on suitable measures. During the discussion, frank questions are asked regarding missing, inconsistent or incomprehensible data. No shortcomings were identified for 2023.

For the risk analysis, all producers and agents are classified in line with the UNICEF Children's Rights in the Workplace Index and with their country's risk of shortcomings regarding child* and forced labor, and corruption. Measured in terms of cost, 40.9% of FREITAG products are manufactured in Europe in countries classified as «Basic» by UNICEF. Child labor poses a low risk here. A further 59.07% is incurred in Bulgaria and 0.03% in Vietnam, both countries with an «Enhanced» risk. In terms of agents and tarp suppliers, only Turkey falls into the «Enhanced» category, but the country supplies only 0.7% of our tarps. All other agents and tarp suppliers are domiciled in «Basic» countries. Raw materials such as accessories and fabrics are classified according to their «made in» status. Measured in terms of their procurement cost, 68.2% are manufactured in low-risk countries. For 31.8% of the articles, the risk in the country of origin is «Enhanced» according to the Index. For countries with «Enhanced» status, we look into further measures such as audits, on-site visits, the selection of certified companies or, if necessary, changing suppliers.

In countries with a high risk of child labor*, production facilities are inspected and monitored to reduce the risk of negative social and environmental impacts. To this end, we organize audits and, where possible, on-site visits. In 2023, audits were carried out in Bulgaria and Vietnam. Further audits are planned to reduce the risk of child labor*. We are increasingly relying on certified suppliers.

* COUNTRIES ARE CONSIDERED TO HAVE A HIGH RISK OF CHILD LABOR IF THE UNICEF CHILDREN'S RIGHTS IN THE WORKPLACE INDEX GIVES THEM A SCORE OVER 3.

FREITAG		CIRCULAR F-CREW		CIRCULAR PRODUCTS		CIRCULAR OPERATIONS		CIRCULAR SERVICES		CIRCULAR COMMUNITY											
ACHIEVEMENT OF TARGETS 2023 + OUTLOOK 2024	ACHIEVEMENT OF TARGETS 2023						OUTLOOK 2024														
		PLANNED MEASURES			STATUS	MEASURES IMPLEMENTED			PLANNED MEASURES												
	01	We are realizing initial measures in the FREITAG Roadmap to Net-Zero. In 2023, we are re-implementing the recycling of tarp waste and embarking on an evaluation of CO ₂ reduction projects in logistics. With regard to material selection, the «FREITAG Circular Design Guideline» lays the foundations for a circular material library. [↗ CIRCULAR PRODUCTS – p.33] → FIELD OF ACTION: 04 CO ₂ FOOTPRINT & WASTE			PARTIALLY ACHIEVED, TO BE CONTINUED IN 2024	↗ OPERATING WASTE p.46 ↗ EMISSIONS SCOPE 3 p.43 ↗ CIRCULAR PRODUCTS p.25 ↗ FORMULATING THE FREITAG CIRCULAR DESIGN GUIDELINE p.33		01	We are improving due diligence in the supply chain. Once all producers, agents and 72% of suppliers have signed the «FREITAG Code of Conduct», all remaining suppliers will be obliged to do so by the end of 2024. We are also evaluating how we can inspect and audit production facilities more regularly in order to reduce the risk of negative social and environmental impacts. → FIELD OF ACTION: 01 FAIR PRODUCTION												
	02	In production, we are attempting to certify tarp quality control and improve the database on production waste generated by producers and agents. → FIELD OF ACTION: 04 CO ₂ FOOTPRINT & WASTE			ACHIEVED	↗ OPERATING WASTE p.46 ↗ TARP QUALITY CONTROL p.48		02	Work on the «FREITAG Roadmap to Net Zero» goes on: We continue to evaluate projects to reduce CO ₂ in logistics, focus increasingly on sea freight, and tackle the issue of material strategy. We also aim to reduce CO ₂ emissions at our site in Zurich by installing a solar power system and converting completely to LED lamps. → FIELD OF ACTION: 02 CIRCULAR MATERIALS, 04 CO ₂ FOOTPRINT & WASTE												
	03	Once all our producers, agents and major suppliers have signed the FREITAG Code of Conduct, we will approach all our smaller suppliers. In order to check whether the Code of Conduct is being properly used, we will carry out initial audits of social and environmental conditions at producers in countries where risks have been identified. → FIELD OF ACTION: 01 FAIR PRODUCTION			PARTIALLY ACHIEVED, TO BE CONTINUED IN 2024	↗ «FREITAG CODE OF CONDUCT» p.50 ↗ DUE DILIGENCE IN THE SUPPLY CHAIN p.49															
0		5		10		15		20		25		30		35		40		45		51	



FREITAG		CIRCULAR F-CREW		CIRCULAR PRODUCTS		CIRCULAR OPERATIONS		CIRCULAR SERVICES		CIRCULAR COMMUNITY		
■ INTRO	INTRO						□ AMBITION		WE PROVIDE SERVICES TO PROLONG AND CLOSE CYCLES.		20	
	↳ We create and offer innovative and inspiring services to ensure that the life cycles of FREITAG products last as long as possible and that in the future circular products are actually returned to the materials cycle at the end of their lives.						□ TARGET 2030		50%		15	
	⌵ Our commitment to the <u>circular economy</u> does not end with finalizing a product or its sale. We try to think of processes as a composite whole and to close cycles with well-considered services. It is even better if we can inspire others with our approach and the corresponding services and convince them that it is necessary and essential that we think and act this way. Our first goal is to extend the life cycles of FREITAG products, and to achieve this, we have various offers for repair, exchange and other uses. In a second step, we are further expanding our take-back system so that our first circular products can actually circulate in closed material loops.						□ METRICS 2023		2.0% 2022: 1.4%* CIRCULATING PRODUCTS (TOTAL PRODUCT-RELATED SERVICES USED RELATIVE TO PRODUCTS SOLD) 8732 2022: 7011 REPAIRED PRODUCTS		28 2022: 201 EXCHANGED BAGS 1504 2022: 0 BORROWED BAGS 70 2022: 0 RETURNED CIRC-CASES	
0 5 10 15 20						* FIGURE CORRECTED RETROACTIVELY				5		
0 5 10 15 20								25 30 35 40 45		0		
										53		

FREITAG	CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY
FREITAG SERVICES					
REPAIR SERVICE For almost as long as FREITAG bags have existed, we have offered a variety of repair services to prolong their lives: We replace defective Velcro fasteners and zippers, inner tubes, straps and labels, close open seams and can even repair tears, holes and worn areas in the used truck tarp. For newer products such as Reflected Bags, which are largely made from recycled <u>PET</u> textiles, we use a range of specific repair methods. For simple problems, spare parts such as screws, buckles, rubber keeper loops, and buttons, etc. can also be obtained free of charge online or in our stores so that bag owners can take care of repairs to their FREITAG products themselves, quickly and on the spot.		Defective products can be dropped off at all FREITAG Stores or registered for repair online and then sent in. The cost of a repair depends on the type of damage and the time and effort the repair entails. We do not make a profit on repairs, and charges are merely a contribution to the costs. → FREITAG.CH/REPAIR S.W.A.P. EXCHANGE SERVICE For anyone who no longer uses their FREITAG bag but would like another model, we've offered the non-commercial online bag exchange platform S.W.A.P. (Shopping Without Any Payment) since 2019. In just a few steps, owners can register their used bag and upload it to a Tinder-like platform where people hoping to swap can swipe through the bags of other bag owners instead of buying a new one. If there's a match, the users handle the actual exchange between themselves. → FREITAG.CH/SWAP			
□ MORENA EBERLE, REPAIR SPECIALIST AT FREITAG «WITH US, NOT ONLY THE TARPS GET A SECOND LIFE BUT ALSO THE BAGS.»		THE #GONEWITHFREITAG BAG LOAN			
Ensuring that our ecological aspirations are upheld despite this comprehensive range are the «FREITAG Repair Principles». These state, for example, that our aim is to carry out repairs as locally as possible to keep transportation routes as short as possible. In order to make the repair service accessible to many and at the same time keep our CO₂ footprint low, the work no longer takes place only at headquarters in Zurich but at various repair stations as well, preferably where our stores are located: in Japan, Korea, Singapore, China, Taiwan, Thailand, Australia, Germany and Italy. Our aim is to continue expanding the decentralized repair network in the future.		In line with a point in the FREITAG manifesto «We prefer access over ownership», the #gonewithfreitag temporary loan campaign has been running since 2016. FREITAG travel bags can be borrowed free of charge from FREITAG Stores and selected retail partners. Our main aim is to promote sharing as a sensible alternative to buying and owning consumer goods. The F-Crew also has a free bag library at headquarters with around 150 different models for any need.		 PHOTO CREDITS: PHILIP FROWEIN	

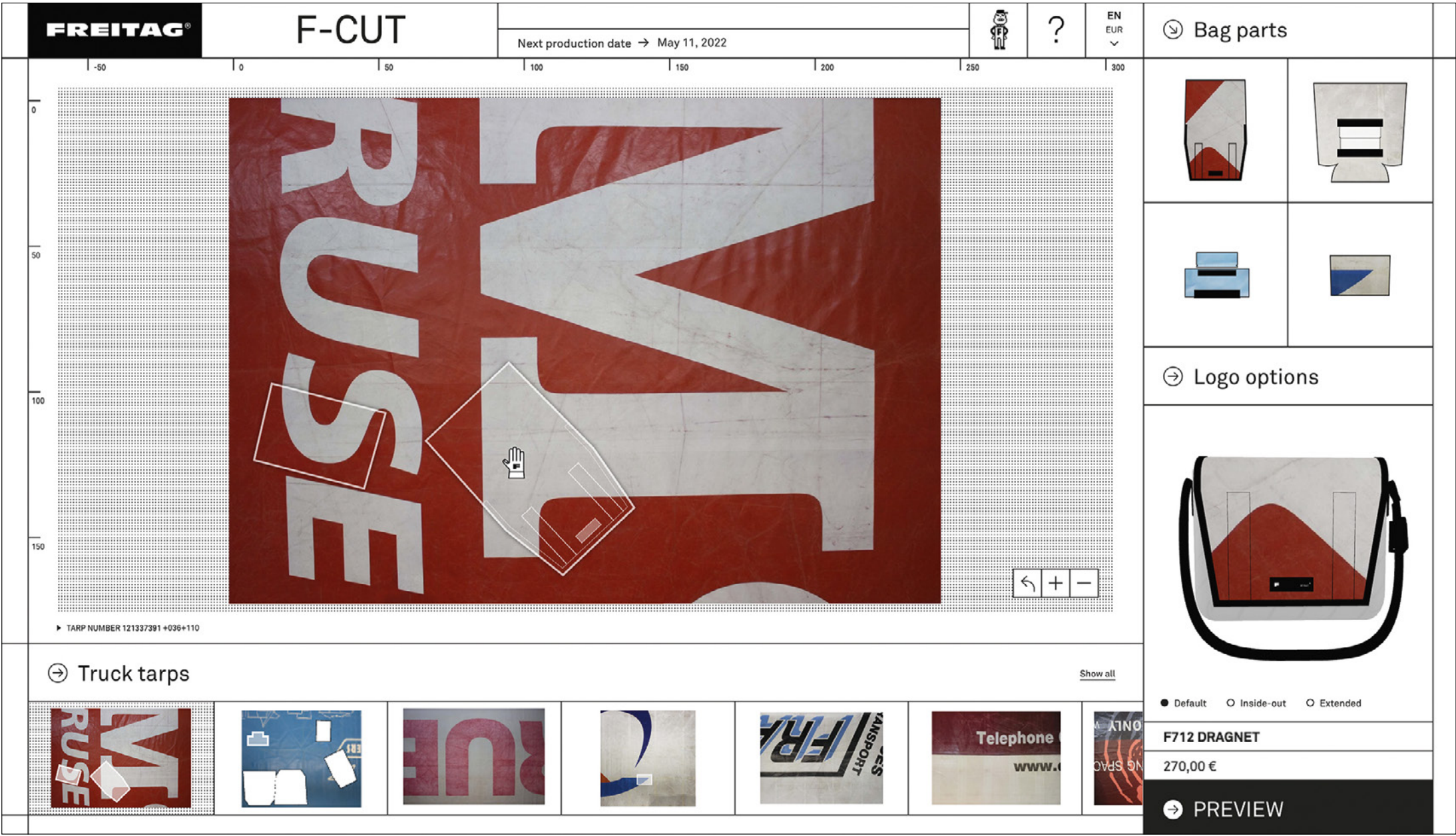
FREITAG	CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY
(CARGO) BIKE LOAN If you live in Zurich or Kyoto and need to transport something through the city, you don't have to own a cargo bike: you can simply borrow one from the FREITAG Store for a small fee. And if you don't feel like exploring the bike-friendly city of Amsterdam on foot, you can borrow a bike refurbished from old parts at the FREITAG Store there. FREITAG employees also have two Brompton folding bikes at their disposal at headquarters in Zurich Oerlikon. → FREITAG.CH/CARGO-BIKE TAKE-BACK-SERVICE Take-back systems are key to ensuring that circular products and materials actually remain in the cycle. FREITAG therefore takes back its recyclable products at all FREITAG Stores or by post and then has them recycled by dedicated partner companies before reusing them as a basic source material for new products. The ongoing transformation of our product portfolio towards <u>circularity</u> [↗ CIRCULAR PRODUCTS – p.27] will make our take-back service even more important in the future. → FREITAG.CH/TAKEBACK CUSTOMIZATION: FREITAG YOURSELF AND F-CUT The two FREITAG customization services, FREITAG Yourself and F-Cut, allow customers to put together selected products according to their own ideas. These offers illustrate the very special character-		istics of FREITAG bag production and let customers experience what a one-of-a-kind item is and how it is created. This can strengthen the emotional connection with the product, which ideally has a positive effect on the product's service life. These services are not included in the figures for circulating products, as we do not have any data on the increased service life of customized products. At the FREITAG Yourself Stations found in the four FREITAG Stores in Zurich Grüngasse, Bangkok, Kyoto and Munich, customers can use pre-cut pieces of tarp or semi-finished products to assemble and finish their own <u>one-off</u> truck tarp bags in line with their own ideas. Two new models were added in May 2023: F741 MIAMI VICE SY and F740 SONNY SY. → FREITAG.CH/CUSTOMIZATION		If you prefer to do things digitally, you can design your own bag on the F-Cut online customization platform (f-cut.ch) launched in 2022. Using a selection of various digitized truck tarps and virtual templates, you can put together the F712 DRAGNET Messenger Bags and, since March 2023, the F713 KNIGHT RIDER to suit your own taste. As with classic tarp cutting in FREITAG production, there comes a time with F-Cut when there is no more room for a template on the tarp. Since users of the F-Cut tool do not pay as much attention to obtaining maximum yield from the tarps as in-house FREITAG «Bag Designers», who normally cut the <u>one-off</u> items to size, tarp consumption is generally somewhat higher. But, as usual, the offcuts are then used to produce smaller products from the existing product portfolio. → F-CUT.CH	
		 SCREENSHOT F-CUT.CH			



PHOTO CREDIT: PHILIP FROWEIN

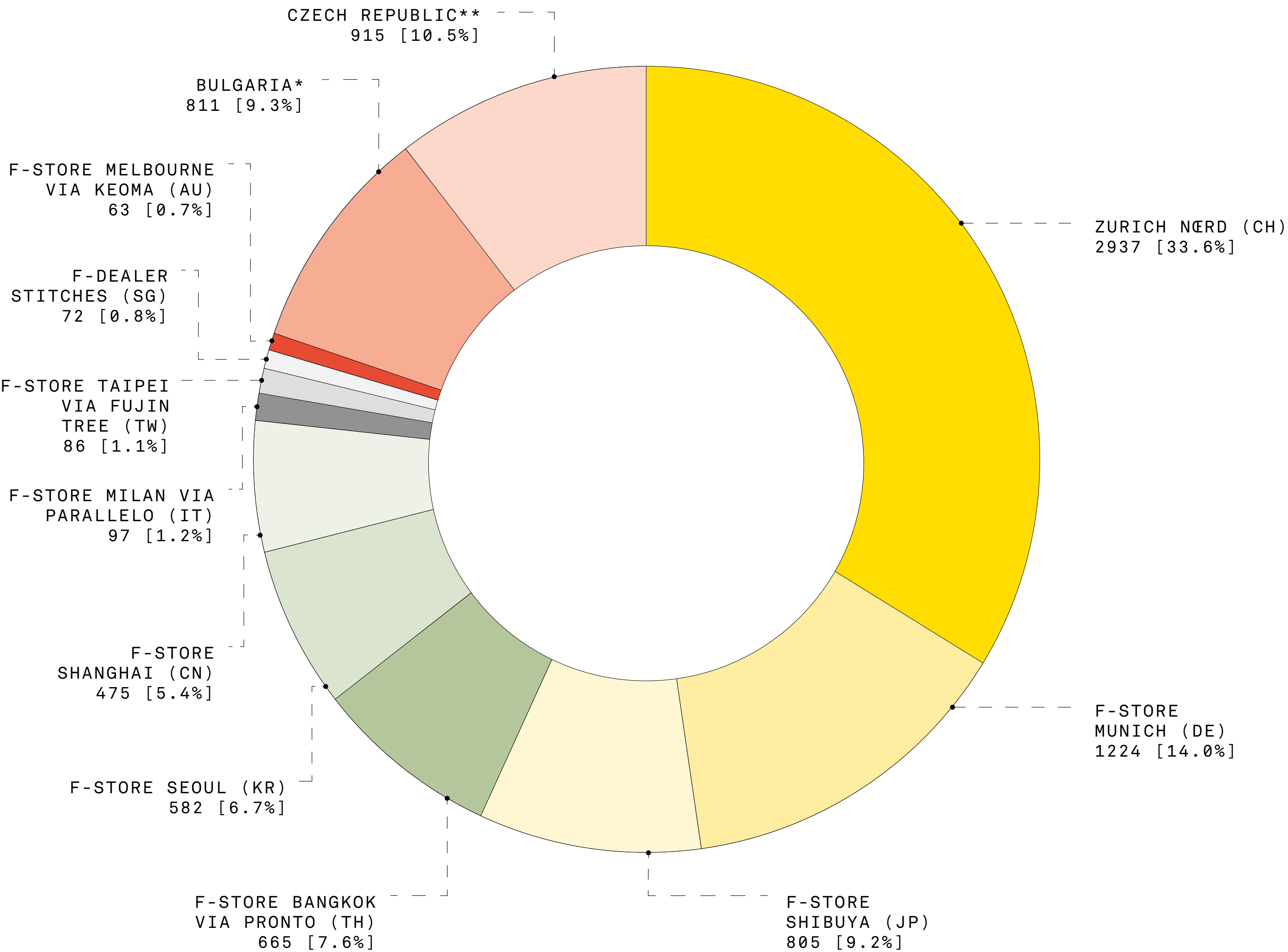
FACTS &
HIGHLIGHTS 2023

LOCAL REPAIRS

We are constantly expanding the repair network to consolidate our repair services and at the same time promote local added value with shorter transportation routes. In 2023, the addition of a new repair station at the FREITAG Store in Munich and the reopened external repair station in the integrative «Parallelo» social workshop in Milan, increased the number of local repair stations worldwide to ten. A total of 8732 bags were repaired at all repair stations in 2023 (previous year: 7011); this is 24.5% more than in the previous year. Around a third of all repairs were carried out at Noerd.

In 2023, a small proportion of our products were repaired by our production partners in Bulgaria (811 repairs) and the Czech Republic (915 repairs). These particular repairs, which are not dealt with by local repair stations, involve elaborate quality work on a single backpack zipper that has proven susceptible to defects. At the end of 2023, we dispatched the last items for repair to the Bulgarian partner along with the usual delivery of production goods. From 2024, the remaining zipper work will go primarily to our Czech production partner, who is much closer.

DISTRIBUTION OF REPAIRS CARRIED OUT BY LOCATION – 2023



* THE REPAIR PARTNERS IN THE CZECH REPUBLIC AND BULGARIA ARE NOT REPAIR STATIONS LINKED TO THE STORES, BUT REGULAR PRODUCTION PARTNERS WHOM WE HAVE COMMISSIONED TO CARRY OUT EXTENSIVE QUALITY WORK ON BACKPACK ZIPPERS THAT ARE SUSCEPTIBLE TO DEFECTS.

Since 2023, we have collected bags that have reached the end of their lives and can no longer be repaired so we can retrieve any well-preserved components and reuse them as spare parts as needed.

A small activation campaign was launched in FREITAG Stores at the beginning of the year to draw attention to the local repair services. The first few bags handed over to us were repaired free of charge as part of this campaign.

□ NUMBER OF REPAIRS YEAR ON YEAR

2022

2023

7011

8732

PHOTO CREDIT: FREITAG SHANGHAI STORE



	FREITAG	CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY					
■ FACTS & HIGHLIGHTS 2023			REPAIR SUMMIT In fall 2023, the internal FREITAG Repair Summit took place in Zurich. All FREITAG repair professionals, both employees and external repair partners, got together for a four-day workshop. Content-wise, the focus was on finding solutions for more complex problems affecting products, such as extensive damage to tarps, repairing digital print tarps, mending worn corners and much more. Participants also benefited from having plenty of opportunity for mutual knowledge transfer. Information events were also offered, for example by FREITAG employees from product design or the «Circular Service Driver» role. Also on the agenda as a source of inspiration, was a visit to the repair workshop run by Transa, the outdoor equipment specialists.				20				
	LOCAL REPAIR EVENTS FREITAG regularly organizes or contributes to local repair events. One example from 2023 is the «DO REPAIRS» event series, which takes place twice a year around Cat Street in Tokyo's Shibuya district. FREITAG is one of the initiators of the event series, which now involves six to twelve like-minded brands. For the two «DO REPAIRS» events in May and September 2023, FREITAG was joined by Patagonia, The North Face, Arc'teryx and Helly Hansen. Apart from offering specific repair services, it was also an opportunity for knowledge transfer and inspirational topics. In September 2023, FREITAG was also part of the «Repair Revolution!» exhibition at the Zurich Museum of Design, which took place during the Zurich Design Weeks. On September 9 and 10, FREITAG repair employees mended bags brought to the exhibition hall directly on site in a workshop set up for the purpose. In December, three repair sessions were held at the FREITAG Store Shanghai, where customers had the chance to learn more about the repair service in a workshop and a small exhibition with an accompanying display. Visitors were then able to apply their knowledge to their own bags. Repairs carried out at the events are not included in 2023’s key figures.					15					
					START FOR «CIRCULAR SERVICE DRIVER» For the first time, circular services now have their own focus as part of corporate strategy. We therefore created the role of «Circular Service Driver» as of August 1, 2023. The role designs the service portfolio, accompanies offerings from the initial idea through to implementation, and develops them on an ongoing basis. With the «Circular Service Driver», the systematic approach to this topic is now more clearly anchored in the FREITAG organization. It also includes the multi-year «Circular Service Roadmap», which manages and prioritizes all projects, pilot projects and planned launches of services. It translates our vision of long product life cycles and closed loops into a medium and long-term plan.		10				
							5				
							0				
	0	5	10	15	20	25	30	35	40	45	59

⌵

BAG EXCHANGE VIA S.W.A.P.

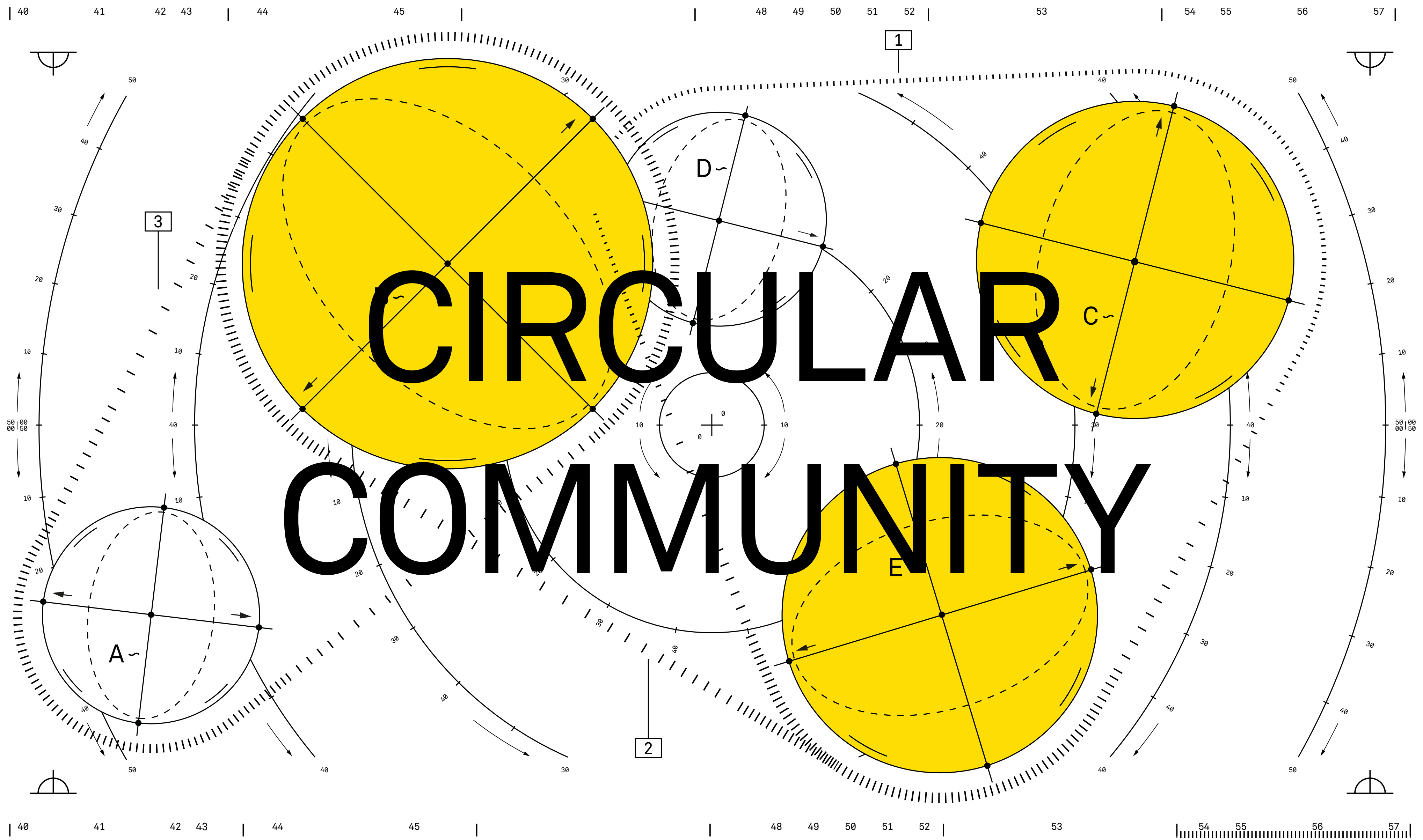
In 2023, around 2128 bags (previous year: 2651) were up for exchange on our digital bag exchange platform, S.W.A.P., and 6748 matches (previous year: 6784) between bag owners were registered. Since the actual exchange of bags is not handled by FREITAG but by the swappers themselves, we have no reliable data on their success (officially, only four bags were registered as «swapped»).

In addition to the digital platform, two local S.W.A.P. events were held in 2023. Under this arrangement, FREITAG customers meet in person on site and bring along the bags they would like to swap for another one-off item. The gatherings were enthusiastically received, with a total of 24 bags exchanged at the two events on November 11 in Shanghai and December 31 in Beijing.



	FREITAG	CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
FACTS & HIGHLIGHTS 2023	⌵ #GONEWITHFREITAG / BAG LOANS In summer 2023, over a period of eight weeks, customers were able to borrow FREITAG travel bags free of charge from FREITAG Stores and selected retail partners. On offer were the large F511 VOYAGER and the F512 SKIPPER travel backpacks. In order to qualify for the offer, people had to be registered members of the F-ederation ^[↗ F-FEDERATION – p.68], post a souvenir picture with the hashtag #gonewithfreitag on Instagram and return the bag after three weeks’ travel at the latest. A total of 44 FREITAG Stores and retail partners took part in the campaign and loaned 574 bags. People could also borrow FREITAG bags for free as part of our Anti-Black Friday Initiative, «Don't Buy. Just Borrow». The offer was used 421 times. In 2021, 124 F153 JAMIE Messenger Bags were loaned out free of charge as part of a similar campaign called #ridewithfreitag. ^[↗ NO BLACK FRIDAY – p.68]					⌵ TAKE-BACKS Our take-back service currently exists for the circular smartphone case F385 CIRC-CASE for iPhone®. Here, we take back cases that are no longer used so they can be returned to the material cycle. In 2023, 70 smartphone cases were declared as «take-back», although we assume that the actual number differs from this. We therefore intend to optimize the process for recording returns. A take-back system is also being developed for our first circular backpack, the Mono[PA6], which will be launched in 2024.	20																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
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			⌵ FREITAG RENT – THE POP-UP BAG HIRE SCHEME Founded in 2022, the FREITAG Laboratory of Progress, or F.L.O.P. for short, continued to work on sustainable ideas and circular business models in 2023. One question the F.L.O.P. addressed repeatedly was: «How much more flexible and sustainable would it be to stop buying a one-off FREITAG bag and simply rent it. And then to swap it for another model when you need a backpack instead of a hip bag?» No sooner said than done: with FREITAG RENT, we spent three months looking at how such a bag hire scheme could be set up. From May 17 to August 17, for a basic fee of 9 euros, you could choose from around 200 one-off items at the pop-up in Berlin’s Torstrasse 67. A total of 509 people made use of the offer, most of whom did not own a FREITAG bag at the time. In addition to bag rental, our innovation lab researched other possible services and product ideas outside the usual FREITAG spectrum. ^[↗ BUSINESS MODEL – p.8]																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									

	FREITAG	CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY
ACHIEVEMENT OF TARGETS 2023 + OUTLOOK 2024	ACHIEVEMENT OF TARGETS 2023				OUTLOOK 2024	
		PLANNED MEASURES	STATUS	MEASURES IMPLEMENTED		PLANNED MEASURES
	01	Our aim is to further promote the exchange of bags and increase the exchange rate. That's why we are expanding the digital S.W.A.P. exchange platform globally, with exchange events in numerous FREITAG Stores. → FIELD OF ACTION: 07 LIFE-EXTENDING SERVICES	PARTIALLY ACHIEVED	↗ BAG EXCHANGE VIA S.W.A.P. p.60	01	The S.W.A.P. exchange platform will also be redesigned and relaunched with the go-live of the new FREITAG website. Functionality and user-friendliness have been slightly improved. S.W.A.P. is also earmarked as a focus topic again for Black Friday 2024, both online and offline, with local events. → FIELD OF ACTION: 07 LIFE-EXTENDING SERVICES
	02	For the first time, we focus specifically on circular services as part of company strategy. To give the concept the force and impetus it needs, a Service Driver position will be created and filled in 2023 to complement Product Management. → FIELD OF ACTION: 07 LIFE-EXTENDING SERVICES, 10 END-OF-LIFE SOLUTION	ACHIEVED	↗ START CIRCULAR SERVICE DRIVER p.59	02	We are conducting a proof-of-concept for recycling the Mono[PA6] Backpack. The take-back process is also being developed and communicated in parallel with the launch. → FIELD OF ACTION: 10 END-OF-LIFE SOLUTION
	03	To make repairs even easier for us and our customers, we are looking at new ways of training our repair professionals and at measures to increase efficiency. We are also devoting a communications campaign on the topic of repair. → FIELD OF ACTION: 07 LIFE-EXTENDING SERVICES, 10 END-OF-LIFE SOLUTION	ACHIEVED	↗ LOCAL REPAIR EVENTS p.59 ↗ REPAIR SUMMIT p.59 ↗ LOCAL REPAIR STATIONS p.57	03	Our products need to be equipped with a digital identity. To achieve this, we are initiating a pilot project in 2024 with the aim of obtaining an initial proof of concept for the digital networking of our products. This way, we hope to increase transparency in our product communications and lay the foundation for the direct linking of our circular services (e.g. for professional recycling). → FIELD OF ACTION: 05 TRANSPARENCY, 10 END-OF-LIFE SOLUTION
	04	After the lack of personnel resources for a #gonewithfreitag campaign in 2022, the campaign will be resumed in 2023 and optimized so that it can be repeated every year in the future. F.L.O.P. is also implementing further test projects as part of our Access over Ownership approach. → FIELD OF ACTION: 07 LIFE-EXTENDING SERVICES	ACHIEVED	↗ BLACK FRIDAY p.68 ↗ FREITAG RENT – THE POP-UP BAG HIRE SCHEME p.61	04	We are examining various projects in the areas of bag resale and rental. As an example, a selection of used bags will be available for resale in a FREITAG Store in the future. → FIELD OF ACTION: 17 ACCESS OVER OWNERSHIP, 07 LIFE-EXTENDING SERVICES
					05	We are planning further local events for 2024 to continuously communicate and consolidate our life-extending repair services. → FIELD OF ACTION: 07 LIFE-EXTENDING SERVICES
	0	5	10	15	20	25
					30	35
					40	45
						62



WE CONNECT TO INSPIRE AND BE INSPIRED.

FREITAG		CIRCULAR F-CREW		CIRCULAR PRODUCTS		CIRCULAR OPERATIONS		CIRCULAR SERVICES		CIRCULAR COMMUNITY				
■ INTRO	INTRO					□ AMBITION					20			
	↳ FREITAG inspires and is inspired. That's why we maintain a values-based and transparent dialogue with our stakeholders. We want them to become a part of our cycles and for us to become part of theirs.					WE CONNECT TO INSPIRE AND BE INSPIRED.								
					□ TARGETS 2030					TRANSPARENCY AND INSPIRATION FOR CIRCULARITY		15		
⌵ The circular economy only works with partnerships. The bigger the circle, the more it can unfold its full potential. For this reason, we encourage an exchange with our stakeholders. In other words, we stand for transparency and share our expertise and the challenges we face so that we can learn from and inspire each other to find joint solutions. We see this dialogue as an integral part of our aim to develop cycles that are truly circular.					□ METRICS 2023					13 ⌵ 2022: 39 PUBLIC APPEARANCES AND PRESENTATIONS ON SUSTAINABILITY AND CIRCULARITY		10		
										2272 ⬆ 2022: 1902 PARTICIPANTS IN GUIDED TOURS OF THE FREITAG FACTORY		5		
										2.9 ⬆ 2022: 2.2 BILLION REACH OF VALUES-BASED COMMUNICATION		0		
0					5					10				
15					20					25				
30					35					40				
45					50					55				
60					65					70				
75					80					85				
90					95					100				
105					110					115				
120					125					130				
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915					920					925				
930					935					940				
945					950					955				
960					965					970				
975					980					985				
990					995					1000				

F	FREITAG	CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY
STAKEHOLDER At FREITAG, we consider stakeholders to be all the individuals or organizations that could influence the fulfillment of our purpose or are influenced by our actions. These include the company's internal stakeholders, such as employees, primary external stakeholders closely linked to us through the <u>supply chain</u> or ongoing projects, and secondary external stakeholders, where stakeholder interactions are more ad hoc. Together, they form the FREITAG fluid stakeholder network. In the <u>circular economy</u>, such networks are constantly in flux: our secondary external stakeholders can become partners relevant to specific projects, for example, or our customers can become fu-			ture material suppliers via circular take-back systems. We cultivate stakeholder relationships through our official communication and sales channels, factory tours, panel discussions and events, as well as personal exchanges. We aim to develop these relationships selectively.		employees were asked what they expect from FREITAG in terms of sustainability. In particular, they wanted a simple overview of everything we do as regards sustainability and to feel and experience our circular ambitions more intensely in our stores. In the year under review, a survey was also conducted among the members of our F-ederation loyalty program to find out more about our customers' perceptions of and commitment to sustainability.	
			STAKEHOLDER DIALOGUE		RISK & COMPLIANCE	
□ OVERVIEW OF FREITAG STAKEHOLDERS IN TERMS OF PROXIMITY TO COMPANY			Part of the dialogue with our stakeholders is based on the systematic stakeholder analysis carried out in 2022, which we regularly review and adapt as necessary. ^[↗ ANNEX – p.83] In order to set the right priorities in our dialogue with specific sets of stakeholders, we identified three fields of action with different forms of interaction based on recorded requirements.		Continuous monitoring and proactive relationship management are essential as ways of preventing conflicts with influential stakeholders or steering them into a constructive discourse. The risk monitoring process stipulates that the «Risk Scientist» and «Legalizer» roles, together with specialist roles from the areas of finance, communication and sustainability, prepare an assessment of business risks and submit it to the Board of Directors. ^[↗ FREITAG – p.9]	
			INNOVATION AND INSPIRATION		A detailed table with all stakeholders and measures enacted can be found in the appendix. ^[↗ ANNIX – pp.83–84]	
			CORPORATE RESPONSIBILITY			
			Fostering a direct dialogue with the stakeholders who are dependent on FREITAG or on whom FREITAG depends makes it possible to respond to their diverse and legitimate demands on us. These include the regular employee satisfaction survey ^[↗ CIRCULAR F-CREW – p.20] and the annual self-assessment with producers on environmental and social issues. ^[↗ CIRCULAR OPERATIONS – p.50] In 2023, new			

FACTS & HIGHLIGHTS 2023

30 YEARS OF FREITAG

In fall 2023, FREITAG turned 30 years old. The accompanying campaign was based on the tongue-in-cheek coinage that «You're only an original when you get copied». This all resulted in the DONNERSTAG bag edition (F13-D COPY CAT) being created as an «original copy of a rip-off», harking back to the copy of a FREITAG bag released by one of Switzerland's largest supermarket chains back in 1997.

Of the proceeds from the DONNERSTAG edition, 99% went to two selected projects from the Swiss retailer's social commitment. When making the allocation, the focus was placed on companies whose activities fit in thematically with those of FREITAG. A portion of the funds available went to Zurich-based realcycle GmbH, which is committed to the definitive, high-standard closure of plastic cycles in Switzerland. Support also went to the Vert le Futur (The Future is Green) association, which campaigns for a sustainable cultural and event industry.

F-EDERATION

mitted to the definitive, high-standard closure of plastic cycles in Switzerland. Support also went to the Vert le Futur (The Future is Green) association, which campaigns for a sustainable cultural and event industry.	F-ederation is the loyalty program for registered FREITAG customers. Members have access to exclusive products and services, can register their products, receive in-depth information about FREITAG as well as small and sometimes larger surprises. The platform publishes its own newsletter to keep in touch with members and inspire them with our values and circular services.
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						In February 2023, we conducted a survey to find out more about how F-ederation members perceive the sustainability and commitment shown by FREITAG. A total of 2,356 people completed the questionnaire in full, which corresponded to 2.8% of the 85,574 registered members at the time. The findings serve FREITAG as an important basis for the further development of offers. The following are the most important findings from the survey (figures rounded):
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- General: 29% associate FREITAG with the topic of upcycling, followed by fashion accessories/trend (25%) and the circular economy (18%). Respondents primarily use FREITAG products because they perceive them as robust and durable (25%), functional (24%), and sustainable (23%). The vast majority attach importance to offers to prolong product life and to knowing where and how FREITAG products are manufactured. Most of the people surveyed own several FREITAG products and use at least one of them every day.
- Social commitment: 75% of respondents stated that companies' social commitment is important to them. They consider upcycling (29%) and environmental protection (27%) to be the most important areas in which FREITAG can get involved.
- Services: 43% of respondents have already used at least one FREITAG service. Repair services account for the largest share at 22%.
- Renting and reselling: 54% of F-ederation members can imagine using rental offers for FREITAG products. The majority of respondents would also buy used bags or have already done so.

NONPROFIT INVESTMENT 2023

Projects were also supported in 2023 on the basis of the award criteria defined by the «Nonprofit Fund Guidelines». In order to ensure that the social investments have a long-term, sustainable impact, the same organizations were selected as in 2022. These are:

- Médecins Sans Frontières: The organization focuses on emergency medical aid. Our donation goes into the emergency fund of Médecins Sans Frontières Switzerland, which is always used where it is most needed.
- Libereco: This organization focuses on refugee aid and human rights in Belarus and Ukraine. It works closely with partner organizations in Ukraine that can provide help quickly and immediately on the ground.
- Velafrica: Velafrica collects and repairs old bicycles in Switzerland and exports them to Africa. The bicycles are distributed to children, for example, to help them get to school more easily. Young people can train as bicycle mechanics with Velafrica partners in Africa. In Switzerland, Velafrica works closely with social work integration companies and institutions in measure-enforcement.

The Nonprofit Investors again selected a handful of projects from which the F-Crew could choose their favorite. The winner was the «SCORING GIRLS* Iraq» project, which also received a donation in 2023. The projects offer girls and young women, regardless of their background, socio-economic status, or faith, the opportunity to discover their strengths and passions together and build self-confidence

Through team sports, school and homework help, careers advice and the involvement of strong female role models, the participants learn to treat each other with respect and to believe in themselves.

A challenge that once again proved central in 2023 was the enormous amount of knowledge and time for research required to ensure that the available funds are allocated responsibly. For example, we have hitherto been unable to identify suitable projects for long-term investment in the circular economy.



⬇️
NO BLACK FRIDAY

In our communications, we endeavor to make our values exciting and entertaining, and in this way, to encourage sustainable and sensible consumption. We celebrated our fifth «No Black Friday» on November 24. FREITAG stands for thinking and acting in cycles: it goes without saying that this corporate philosophy is incompatible with the over-the-top discounts offered on Black Friday.

On Black Friday, under the slogan «DON'T BUY. JUST BORROW.», we closed the Online Store as usual and, for the first time, the cash desks in all our physical stores. But anyone who still needed a bag on Black Friday could borrow a model free of charge for a maximum of two weeks from any FREITAG Store. We also wanted to signal that the future lies not only in resource-saving and durable products, but also in circular forms of consumption: borrowing instead of buying, using instead of owning. A total of 421 bags were loaned out worldwide in this way. ^[↗ CIRCULAR SERVICES – p.54] ^[↗ GONEWITHFREITAG – p.61]

A handful of like-minded brands joined the No to Black Friday movement: MUD Jeans, Ræburn, flamingos life and Brompton also used various measures to set an example for more conscious consumption.

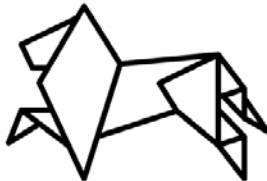
FREITAG		CIRCULAR F-CREW		CIRCULAR PRODUCTS		CIRCULAR OPERATIONS		CIRCULAR SERVICES		CIRCULAR COMMUNITY		
■ FACTS & HIGHLIGHTS 2023	⌵ DEVELOPMENT PARTNERSHIPS & COLLABORATIONS At material level, we tested the first prototypes of circular truck tarp with international industry partners and developed an innovative mono-material fabric for our first circular backpack. And in our stores, we promoted awareness of repair with local collaboration events. ^[↗ CIRCULAR SERVICES – p.57] COLLABORATIVE DEVELOPMENT OF THE FIRST CIRCULAR FREITAG BACKPACK As part of the development of our first recyclable backpack ^{[↗ MONO [PA6] – p.30]}, due for launch in 2024, we worked closely with Hermin Textile, an innovative Taiwanese partner in the textile industry, to create a triple-layer laminated fabric. To comply fully with the concept of mono-materiality, the lining, the waterproof membrane and the outer fabric must be made of the same material (polyamide 6). After many rounds of testing (with the engineering faculty of the Albstadt-Sigmaringen University of Applied Sciences, among others), the time had finally come: the FREITAG PA6 fabric passed tests for durability and water impermeability. Later, at KATZ Aarau, Switzerland's plastics technology platform, complete prototypes were first shredded in a granulator and then extruded into high-grade PA6 granulate. These tests confirmed that FREITAG Mono[PA6] Backpacks can be turned into something new.			ROUNDTABLE OF PARTNERS IN THE CIRCULAR TARP PROJECT In 2020, we initiated the development of a circular truck tarp as an alternative to conventional tarps made of <u>PVC</u>. The aim was to ensure that our bags made from upcycled truck tarps would end up in the cycle again after a long life instead of in the garbage. ^[↗ CIRCULAR PRODUCTS – p.31] In 2023, we invited all our active partners to Noerd and met in person for the first time. This had previously been impossible because the project started in the middle of the pandemic. Together we defined the next step for the project: the test fitting of a first fleet of trucks with the circular tarp. We also discussed possible business models that could turn the idea of recyclable tarps into a sustainable, financially viable, and marketable project. → FREITAG.CH/CIRCULARTARP						APPEARANCES → Exhibition and press conference on the development of the circular Mono[PA6] Backpack and the circular tarp at Milan Design Week (IT) → Exhibition and appearance at the Zurich Design Weeks on the topic of Design for Circularity (CH) → Keynote speech at the Swiss Textiles (CH) Circular Economy Forum → Panel discussion at the University of St. Gallen HSG as part of the Circular Lab Conference (CH) → Input presentation at the tsüri.ch circular economy event at the FREITAG factory (CH)		
				⌵ APPEARANCES AND AWARDS With our presence at relevant conferences, universities, trade fairs, and awards, we promote and deepen the exchange and cooperation with stakeholders, especially in areas like sustainability and design. In 2023, FREITAG employees were able to share our values and our commitment to the <u>circular economy</u> at 13 events (previous year: 39). This corresponds to only a third of the number of appearances the previous year, as we received fewer requests for suitable events and were unable to commit to certain performances due to a lack of personnel. On the other hand, we received various awards for sustainable design. Highlights from our point of view were:			AWARDS Prizes for the F385 CIRC-CASE → Green Product Award Fashion in the «Accessories» category → Swiss Plastics Expo Awards: 1st place in the «Sustainability» category → Core77 Design Awards: Runner-up in the «Sustainability» category Prizes for the circular Mono[PA6] Backpack → Hochparterre «Die Besten 2023»: Bronze rabbit in the «Design» category					

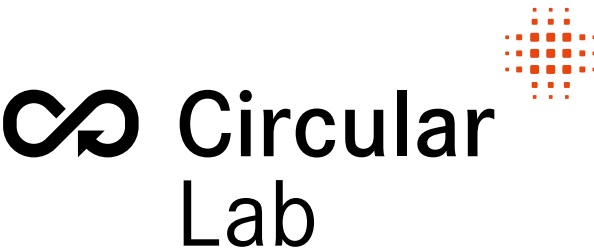


PHOTO CREDIT: T-SPACE STUDIO



PHOTO CREDIT: T-SPACE STUDIO

FREITAG		CIRCULAR F-CREW		CIRCULAR PRODUCTS		CIRCULAR OPERATIONS		CIRCULAR SERVICES		CIRCULAR COMMUNITY		
FACTS & HIGHLIGHTS 2023	⌵ MEMBERSHIPS AND AFFILIATIONS RELEVANT TO SUSTAINABILITY We can only achieve a circular economy and progress towards sustainability by working with others as a team. And for that reason, FREITAG is a member of various political and economic initiatives and associations. In a process involving exchange with other companies, we are thus committed to cross-sector and socially relevant initiatives.										20	
												15
					Collaboration with the sustainability working group of the Made in Zürich Initiative. This association, co-founded by FREITAG, aims to boost Zurich's visibility as a production location and strengthen urban production companies. → MADEINZUERICH.CH MADE IN  ZÜRICH				Collaboration with the Swiss Textiles association's sustainability task force. The association comprises around 250 internationally active Swiss SMEs (small and medium-sized enterprises) and aims to ensure that the textile industry remains internationally competitive. → SWISSTEXTILES.CH SWISS TEXTILES			
Member of the Swiss Cleantech economic association. The association advocates a climate-friendly economy. All its members have signed a nine-point charter that serves as the basis for a vision to make Switzerland CO₂-neutral by 2050 at the latest. → SWISSCLEANTECH.CH SWISS  CLEANTECH				Member of Circular Economy Switzerland. The network sees itself as a platform for coordination and exchange. It uses projects and events in pursuit of its goal to provide the impetus for a new, nationwide movement towards a circular economy in Switzerland. → CIRCULAR-ECONOMY-SWITZERLAND.CH  Circular Economy Switzerland				Member of the SBA 2030 Alliance (Swiss Boards for Agenda 2030). The alliance pursues the goal of anchoring sustainability, and in particular the UN's Sustainable Development Goals, as a priority in the administrative boards of Swiss companies. → SBA2030.CH SWISS BOARDS FOR AGENDA 2030  AN ALLIANCE FOR SUSTAINABILITY				5
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	FREITAG		CIRCULAR F-CREW		CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY		
■ FACTS & HIGHLIGHTS 2023					Part of the steering committee of the Sustainable Leaders Initiative. The Initiative aims to ensure that Swiss executives have the resources needed for a balanced ecological transition. → SUSTAINABLELEADERS.CH		Member of the Swiss Design Association. The organization is committed to the Swiss design industry and is the center of excellence for comprehensive knowledge transfer in the local design sector. Design plays a central role in the implementation of the Sustainable Development Goals, and SDA actively supports the 2030 Agenda. → SWISS-DESIGN-ASSOCIATION.CH		20	
									15	
	Voluntary target agreement on energy savings with the Energy Agency of the Swiss Private Sector. The association supports SMEs in implementing measures to increase energy efficiency and reduce CO ₂ emissions. → ENAW.CH					Member of öbu. With around 350 members, the Swiss Business Council for Sustainable Development promotes the perception of economic, ecological, and social responsibility in economic life in Switzerland. öbu also encourages Swiss companies and organizations to implement the United Nations Sustainable Development Goals (SDGs, Agenda 2030). → OEBU.CH				10
										
					Member of the Circular Lab, the leading platform for a sustainable circular economy in the Lake Constance region, which promotes the active exchange of knowledge with companies, NGOs and the general public in the textile, agricultural and food industries. → WISSENSCHAFTSVERBUND.ORG/LABS/CIRCULAR-LAB		Committed protagonist with Sustainable Textiles Switzerland 2030 (STS 2030), a multi-stakeholder program with a mission to make a significant contribution to achieving the Sustainable Development Goals (SDGs) in the Swiss textile and apparel sector along the entire value chain. → STS2030.CH		0	
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FACTORY TOURS

Regular factory tours give visitors an insight into FREITAG production and show school classes, associations, and other interested parties how truck tarps are turned into bags with due consideration for social and ecological issues. For this, FREITAG employees from all sectors regularly conduct tours through the production departments in the Noerd industrial complex. A small fee is charged for tours to partially offset our costs.

In 2023, 130 guided tours gave around 2300 participants an insight into the ways in which we think and act. This represents an increase of 19.5% compared with the previous year and also exceeds figures from before the coronavirus pandemic. We have also introduced an automated post-tour survey with the aim of using the feedback received to improve the service continuously in the future.

→ [FREITAG.CH/NOERD](https://freitag.ch/noerd)



PHOTO CREDIT: JOËL TETTAMANTI

■ ACHIEVEMENT OF TARGETS 2023 + OUTLOOK 2024	ACHIEVEMENT OF TARGETS 2023				OUTLOOK 2024	
		PLANNED MEASURES	STATUS	MEASURES IMPLEMENTED		PLANNED MEASURES
	01	A significant step in our efforts to inspire and encourage the transfer of expertise is a new focus on the FREITAG website regarding our mission and the Circularity Roadmap. We originally planned to do this as early as 2022, but its implementation was delayed due to a comprehensive website project. → FIELD OF ACTION: 05 TRANSPARENCY	NOT REACHED		01	In a joint project with the ECAL (École cantonale d'art de Lausanne), we are consolidating a point in our Manifesto: «WE PREFER ACCESS OVER OWNERSHIP». Students are working on various projects related to this topic, the results of which will be exhibited at Milan Design Week and at the Design Days in Lausanne. → FIELD OF ACTION: 17 ACCESS OVER OWNERSHIP
	02	To help us identify and respond to our customers' current needs and expectations, our customer loyalty program, the F-ederation, features a survey. The survey focuses on how FREITAG is perceived in terms of sustainability and circularity as well as the use of our products and services. → FIELD OF ACTION: 08 BRAND PERFORMANCE	ACHIEVED	↗ F-EDERATION p.67	02	A FREITAG exhibition on upcycling, circular design, and circular services will go on tour in China. It is intended to sensitize customers to the topic and highlight our activities in the circular economy. Further exhibition venues are to be scheduled. → FIELD OF ACTION: 05 TRANSPARENCY
	03	In order to further strengthen the spirit of cooperative partnership relating to the development of business models for the circular tarp project, a roundtable involving project partners from all over Europe is held at FREITAG headquarters. → FIELD OF ACTION: 02 CIRCULAR MATERIALS	ACHIEVED	↗ DEVELOPMENT PARTNER SHIPS & COLLABORATIONS p.69	03	We want to further expand our network and inspire and motivate others to pursue sustainable design. Public appearances and competitions on the topics of circularity, sustainability, and design are therefore also planned for 2024, including input presentations at the Zurich Design Weeks and at the tsüri.ch Pitch Night on the topic of the circular economy. → FIELD OF ACTION: 08 BRAND PERFORMANCE
	04	At Milan Design Week and Zurich Design Week, we share insights into ongoing development projects and seek an active dialogue with our design-interested community. → FIELD OF ACTION: 05 TRANSPARENCY	ACHIEVED	↗ APPEARANCES p.69	04	A significant step in our efforts to inspire and encourage the transfer of expertise is a new focus on the FREITAG website regarding our mission and the «Circularity Roadmap». We originally planned to do this as early as 2022, but its implementation was delayed due to a comprehensive website project. → FIELD OF ACTION: 05 TRANSPARENCY

F	FREITAG		CIRCULAR F-CREW		CIRCULAR PRODUCTS		CIRCULAR OPERATIONS		CIRCULAR SERVICES		CIRCULAR COMMUNITY		
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FREITAG

CIRCULAR F-CREW

CIRCULAR PRODUCTS

CIRCULAR OPERATIONS

CIRCULAR SERVICES

CIRCULAR COMMUNITY

20

ANNEX

ChemRRV

The Swiss Chemicals Risk Reduction Ordinance (ChemRRV) is part of Swiss chemicals legislation based on various laws and ordinances. Swiss chemicals law is essentially in sync with European Union regulations but is developed and applied autonomously. Its general provisions are set out in Federal Council ordinances, which include the ChemRRV.

Circularity

Materials, products, (eco)systems and organizations that satisfy circular economy principles are considered circular. To ensure that products have a maximum service life and can eventually be recycled, aspects of the circular economy must be considered at the design stage. For products to use a minimum of resources, last as long as possible, be modular and repairable, and dismantle easily, they must be designed and manufactured accordingly. The choice of materials is also crucial; the aim is to use separable, safe, and recyclable materials as far as possible. The use of chemicals harmful to the environment or health should be avoided throughout the entire process. Also central to the concept of a circular economy is renewable energy. Energy should also be used as efficiently and sparingly as possible. Apart from the choice of materials, product design, and processing, successful take-back and sustainable demand for recyclable materials are ultimately relevant to the issue of true circularity. See also recyclability.

Circular economy

A circular economy is a comprehensive approach that considers the entire material and product cycle: from the extraction of raw materials, intelligent design, sustainable production and extended service life through to multiple recycling. The circular economy aims to replace the linear production processes that are still widespread. In a linear economic system, raw materials are depleted, and products are manufactured, sold, consumed, and discarded. In a circular economy, on the other hand, products and materials are kept in circulation. Thus, compared with a linear

economic system, significantly fewer raw materials are used, and less waste is produced. The circular economy distinguishes between biological and technical cycles. In the former, materials of biological or organic origin should be utilized materially or fermented as far as possible after use and thus flow back into nature as nutrients. In the technical cycle, the useful life of products is increased by allowing them to be shared, reused, repaired, and reprocessed in ways that maintain their quality over multiple life cycles. To preserve material integrity as far as possible, products are only sent for recycling when they can no longer be used. However, recycling is an energy-intensive process, involves the occasional use of additives, and diminishes the quality of the original material. For these reasons, extending the product life is generally preferable to recycling.

Circular Service Roadmap

It translates our vision of long product life cycles and closed loops into a medium- and long-term plan. It therefore manages and prioritizes all projects, pilot projects, and the planned launches of offers.

Cradle-to-Cradle®

A play on the phrase "cradle to grave", Cradle to Cradle is an approach to product and system design that seeks to recreate nature's closed cycles in industry. Essentially, all the raw materials that go into a product should remain 100% in the cycle at the end of its service life and be reusable.

Cutting one-off items (bag design)

At FREITAG, design covers classical product design but also includes cutting and shaping the tarps: The Bag Designers create every single FREITAG bag individually by cutting beautiful motifs out of the tarp, partly by hand with a cutter knife and template, partly by machine.

→ FREITAG.CH/PRODUCTION

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FREITAG		CIRCULAR F-CREW		CIRCULAR PRODUCTS		CIRCULAR OPERATIONS		CIRCULAR SERVICES		CIRCULAR COMMUNITY		
■ ANNEX	Dismantling	In the process of becoming one-off FREITAG products, discarded truck tarps must first be stripped of eyelets, straps, belts, and anything else that cannot be used in a FREITAG bag. They are then cut to a standard size of 2.5 meters to fit into our industrial washing machines. → FREITAG.CH/PRODUCTION					This document refers to selected GRI Standards: see also GRI references in the GRI Index.					
	Downstream transportation	This emissions category includes emissions caused in the year under review by the transport and distribution of products sold in vehicles and through facilities that are not owned or controlled by the reporting company. They might, for example, include the transport of items from our on-line retail partners to FREITAG customers. This does not include outbound logistics purchased from third parties. See also Upstream transportation.					One-off / unique / patina	Every FREITAG product is a one-off, i.e., unique: no two items have the same tarp cut-out and character. After an average of six years on the road, discarded truck tarps show different signs of wear and have their own individual patina. After the washing cycle, our bag designers get to work cutting as many unique pieces as possible, each more beautiful than the next, from a single tarp. See also Cutting one-off items (bag design).				
	ESG	ESG (Environmental, Social, and Governance) stands for operational obligations in environmental, social, and responsible corporate governance.					PET	Abbreviation for polyethylene terephthalate, which is thermoplastic polyurethane. PET is used, among other things, to produce plastic bottles, films, and textile fibers.				
	FEF	Once a year, the FREITAG Economic Forum (FEF for short) brings employees from different countries together at headquarters in Zurich. A series of events over several days serves to strengthen cohesion and impart values and knowledge.					PVC	Abbreviation for polyvinyl chloride. PVC is a thermoplastic and is divided into rigid and flexible PVCs. Rigid PVC, for example, is used to make window frames, pipes, and vinyl records. Soft PVC contains plasticizers, which give materials a certain elasticity. It is used, for example, for cable sheathing, flooring and in today's truck tarps. PVC is highly robust and durable. However, some of the additives used, such as plasticizers and heavy metals, can have a harmful effect on human beings and the environment. For this reason, FREITAG has a testing and triage process for its tarps in place.				
	F-Crew Meeting	The so-called F-Crew Meetings (F stands for FREITAG) take place approximately every two months. This company-wide series of events takes place both on site and digitally and is an opportunity to share important project milestones and strategic directions. The events can also be used to impart knowledge about sustainability and the circular economy.					REACH Regulation	REACH is a European Union regulation enacted to give improved protection to human health and the environment from the risks that can be posed by chemicals while increasing the competitiveness of the EU chemical industry.				
	GRI	The GRI (Global Reporting Initiative) is an independent, international organization that helps companies and other organizations take responsibility for their ecological impact by providing them with a globally understood language to communicate that impact. GRI provides the world's most widely used sustainability reporting standards: the GRI Standards.										
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FREITAG		CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY
■ ANNEX	Recycling	Recycling describes the direct reuse of discarded products and the reuse of their constituents, i.e., the extraction of raw materials from waste. Material recycling means converting a product or component into its basic materials or substances and reprocessing it into new materials. These secondary raw materials are called recyclates or reclaims. After recycling, the secondary raw material is used again in the same product. It means that the quality of the recyclate must meet the quality requirements of the original product. Recycling is a central element of the circular economy. See also Circular economy/Circularity.			Upstream transportation	This emissions category includes the transport and distribution of purchased products between a company's Tier 1 suppliers and its own operations in vehicles that are not owned or operated by the reporting company. On the other hand, it includes third-party transport and distribution services purchased by the reporting company (either directly or through an intermediary), including inbound logistics, outbound logistics (e.g., products sold), transportation, and distribution by third parties between the company's own facilities. At FREITAG, this might include purchased outbound logistics for FREITAG products sold to our end-customers, i.e. international dispatch through UPS. See also Downstream transportation.
	Recyclability	Recyclability refers to the ease of recycling a material in practice and on a large scale. Increasing recyclability is a key element of the circular economy. See also Circular economy/Circularity.				
	RSL	A Restricted Substance List (RSL) is used to exclude or restrict specific chemical residues on (finished) products, i.e., chemicals with which consumers may come into contact when using an item. Restrictions may be based on government regulations, toxicological data, proprietary or brand-specific requirements, and industry initiatives. Restricted substance lists help companies comply with legislation and standards set by initiatives, regulate their supply chains, prevent recalls, and help protect consumers, workers, and the environment.				
	Supply chain	A supply chain is a multi-level network of companies involved in various processes and activities from the first stage of the value chain, i.e., the procurement of raw materials, through to the final product and on to the delivery of the product to the end customer.				
	Upcycling	Upcycling is the process of giving a discarded item a new lease of life. In this form of recycling or reuse, waste or seemingly useless materials are transformed into products that are like new. In contrast to downcycling, the material's value is increased.				

FREITAG	CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY
GRI CONTENT INDEX					
FREITAG lab. ag has reported the information cited in this GRI content index for the period 1. January 2023 until 31. December 2023 with reference to the GRI Standards. GRI 1 used GRI 1: Foundation 2021 Applicable GRI Sector Standard None					
GRI Standard Disclosure Page 1. The organization and its reporting practices GRI 2: General Disclosures 2021 2-1 Organizational details 04, 09 2-2 Entities included in the organization’s sustainability reporting 04 2-3 Reporting period, frequency and contact point 04 2-4 Restatements of information 04 2-5 External assurance 04 2. Activities and workers GRI 2: General Disclosures 2021 2-6 Activities, value chain and other business relationships 08, 09, 10, 41, 42 2-7 Employees 87 3. Governance GRI 2: General Disclosures 2021 2-9 Governance structure and composition 09 2-10 Nomination and selection of the highest governance body 09					
GRI Standard Disclosure Page 4. Strategy, policies and practices GRI 2: General Disclosures 2021 2-22 Statement on sustainable development strategy 03 2-23 Policy commitments 16, 49, 50 2-24 Embedding policy commitments 14, 50, 51, 65 2-28 Membership associations 71, 72 5. Stakeholder engagement GRI 2: General Disclosures 2021 2-29 Approach to stakeholder engagement 65, 83, 84, 85, 95, 96					

FREITAG		CIRCULAR F-CREW		CIRCULAR PRODUCTS		CIRCULAR OPERATIONS		CIRCULAR SERVICES		CIRCULAR COMMUNITY																																																																	
ANNEX	<table><tr><th colspan="2">GRI Standard</th><th colspan="2">Disclosure</th><th>Page</th></tr><tr><td colspan="4">MATERIAL TOPICS</td></tr><tr><td rowspan="2">GRI 3: Material Topics 2021</td><td>3-1</td><td>Process to determine material topics</td><td>10</td></tr><tr><td>3-2</td><td>List of material topics</td><td>10, 11</td></tr><tr><td colspan="4">Material topics in the area of Circular F-Crew</td></tr><tr><td colspan="4">09 HEALTH AND OCCUPATIONAL SAFETY</td></tr><tr><td>GRI 3: Material Topics 2021</td><td>3-3</td><td>Management of material topics</td><td>23, 24</td></tr><tr><td rowspan="2">GRI 403: Occupational Health and Safety 2018</td><td>403-6</td><td>Promotion of worker health</td><td>23, 24</td></tr><tr><td>403-9</td><td>Work-related injuries</td><td>88</td></tr><tr><td colspan="4">13 DIVERSITY AND INCLUSION</td></tr><tr><td>GRI 3: Material Topics 2021</td><td>3-3</td><td>Management of material topics</td><td>21, 22</td></tr><tr><td rowspan="2">GRI 405: Diversity and Equal Opportunity 2016</td><td>405-1</td><td>Diversity of governance bodies and employees</td><td>22, 87</td></tr><tr><td>405-2</td><td>Ratio of basic salary and remuneration of women to men</td><td>22</td></tr><tr><td colspan="4">14 CIRCULAR ECONOMY EXPERTISE</td></tr><tr><td>GRI 3: Material Topics 2021</td><td>3-3</td><td>Management of material topics</td><td>19, 21</td></tr><tr><td>GRI 404: Training and Education 2016</td><td>404-2</td><td>Programs for upgrading employee skills and transition assistance programs</td><td>21</td></tr></table>											GRI Standard		Disclosure		Page	MATERIAL TOPICS				GRI 3: Material Topics 2021	3-1	Process to determine material topics	10	3-2	List of material topics	10, 11	Material topics in the area of Circular F-Crew				09 HEALTH AND OCCUPATIONAL SAFETY				GRI 3: Material Topics 2021	3-3	Management of material topics	23, 24	GRI 403: Occupational Health and Safety 2018	403-6	Promotion of worker health	23, 24	403-9	Work-related injuries	88	13 DIVERSITY AND INCLUSION				GRI 3: Material Topics 2021	3-3	Management of material topics	21, 22	GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	22, 87	405-2	Ratio of basic salary and remuneration of women to men	22	14 CIRCULAR ECONOMY EXPERTISE				GRI 3: Material Topics 2021	3-3	Management of material topics	19, 21	GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	21		
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STAKEHOLDER ANALYSIS

At FREITAG, interaction with stakeholders is typically role-based and project-oriented but is not systematically recorded. A broadly based stakeholder analysis was carried out in 2022. It included an inventory of internal expertise and selected interviews with experts. In all, the analysis identified 32 stakeholders and listed typical representatives, characterization, forms of interaction, and expectations, as well as the added value of the existing exchange. Ultimately, comparing the internal inventory with external expert interviews showed that FREITAG had

built a comprehensive picture of its stakeholders and was aware of their expectations even without elaborate dialog formats. In the future, the aim will be to confirm these initial findings by selectively expanding the dialog.

□ IDENTIFIED STAKEHOLDERS AND EXPECTATIONS		
Main groups	Identified stakeholders	Identified expectations
Shareholders	Founders / Owners	Orientation towards circular economy, increase in company value, sustainable development, health and safety of employees, supply chain and consumers, positive impact on immediate environment, transparency, continuous improvement
Subsidiary groups	National subsidiaries	Stability, clear goals and communication, proper payroll processing, consultation on market-related issues, guidance and support
	Nørd Canteen	bring consuming employees to canteen, organizational support
Employees	Employees, Nørd	Secure workplace, fair pay, transparency, internal communication, consultation on important issues, physical and mental health, company reputation, sense of purpose, development opportunities, benefits, psychological safety, corporate culture, accessibility of meetings/content
	Employees, international	
Suppliers and production companies	Direct suppliers of tarp	Partnership with FREITAG, profit from sale of old tarpaulins, convenience of disposal
	Tarp agents	Long-term cooperation, sales, constant purchase quantities, fair prices, transparent information in the event of process changes, work safety-related support, training sessions for optimum quality
	Textile suppliers	Constant order quantities/orders, sales, fair prices and negotiation tactics, realistic deadlines, development of new sustainable materials with FREITAG as partner, communication flow and transparency, sustainable customer for portfolio
	Accessories suppliers	
	Producers / Sewing	Long-term cooperation, sales, guaranteed quantities/annual planning, punctual delivery and high quality of materials to be sewn, support in dealing with signs of use on tarpaulins, fair prices, punctual payments, safety at work, support in implementing the Code of Conduct

Main groups	Identified stakeholders	Identified expectations
Distribution partnerships	Distribution partners (wholesale)	Sales/margin, lead time for communication, provision of good products (color mix), information flow and transparency, attractive communication materials, personal advice/support from FREITAG, speed of deliveries, shared values
	Franchise partners (F-Store by)	
Project and business partnerships	Event partners	FREITAG brand as program content (keynotes), product sponsorship, Nørd production hall as event location
	Innovation partners Product/material development	Transparency and credibility, common goal/vision, marketable product, development of new customers/communities, sales, image transfer, positioning as a sustainable/circular company
	B2B product cooperation	Image transfer, interest in Swiss brand and sustainable design product
End customers	FREITAG customers	Products: Individuality, durability, ecological production, recycled material, wearing comfort, practical interior, fair price, harmlessness/safety of products // Brand: transparency, pioneer of sustainability, Swiss brand // Service and stores: assistance and personal advice, loyalty program, friendly staff without sales and time pressure (F-Stores), in-shop experience with sightseeing factor
	Young Conscious Urbanites*	Brand: high standard of environmental and social sustainability, complete transparency and credibility, evenly matched collaboration, inspiration and identification through shared values, being part of the solution, Purpose // Products: Intelligent design for a circular future
	Guurus**	Identification with and participation in the brand, information flow and transparency, simple and understandable communication, functioning work tools/website, support from Customer Relationship Circle, regular payment of voucher values
Society / General public	NGO	Compliance, transparency and credibility, willingness to talk about critical issues, collaborative approach/knowledge partnership, relevant content for campaigns or best practice examples
	Press	Transparent communication on projects and production, information, key figures and statements
	Universities, schools	Requests for presentations, talks, factory tours and support for student research projects
	Museums	Contents and loans for exhibitions
	Local population	Neighboring stores: Noise emission during events / tenants Nørd: Production-related noise and odor emissions

Main groups	Identified stakeholders	Identified expectations
Government	Authorities CH	Regulatory/legislative compliance, transparency, data protection, meeting deadlines, tax revenues, industry/SME feedback when drafting proposals
	International authorities	
	Municipality / City	Regulatory/legislative compliance, transparency, tax revenue, site enhancement/development, industrial and creative jobs, low emissions, commitment to local initiatives
Economic protagonists	Peers / Leading sustainable brands	Inspiration and knowledge sharing, collabs
	Trade associations	Requests for presentations, talks, Nørd-guided tours, insights on business case production location CH, design and sustainability, holacracy/new work, participation/membership, inspiration and knowledge exchange, brand image transfer
Service companies	Certifiers, external auditors	Transparency and credibility, compliance, information flow, data quality, adherence to deadlines, demand for continuous improvement
	Location renters	Attractiveness and visibility of the building, tenants with charisma/media presence, revitalization of the building through activities (association for more «Nørdability»)
	Insurances	Compliance, transparency, support and sparring
	Banks	Compliance, transparency, support and sparring

*YOUNG CONSCIOUS URBANITES: AN INSPIRATIONAL NETWORK THAT SHARES THE VISION AND VALUES OF FREITAG.

****GUURUS: LONG-TIME FREITAG CUSTOMERS WHO PROVIDE USERS OF THE FREITAG WEBSITE WITH PEER-TO-PEER SUPPORT.**

DATA TABLES

■ ANNEX

□ CIRCULAR GLOBE RESULTS*			
Dimension	Points		
	2021	2022	2021 > 2022
Preparedness	125	150	+20.0%
Direction	152	177	+16.4%
Execution	128	154	+20.3%
Results	100	119	+19.0%
Total	505	600	+18.8%
Level	Fundamental	Advanced	n.a.

□ CIRCULAR MATURITY BY CATEGORY*				
		2021	2022	2021 > 2022
A1	CE analysis	50%	60%	+20.0%
A2	Planning	50%	55%	+10.0%
A3	Implementation	55%	77%	+40.0%
A4	Monitoring & Measurement	25%	35%	+40.0%
A5	Leadership	65%	75%	+15.4%
A6	Collaboration	50%	55%	+10.0%
A7	Improvement & communication	55%	60%	+9.1%
B1	Systemic approach	60%	60%	0.0%
B2	Stakeholders	20%	40%	+100.0%
B3	Business model	70%	75%	+7.1%

* NO CIRCULAR GLOBE ASSESSMENT IN 2023

□ F-STORE LOCATIONS**			
	2022	2023	2022 > 2023
Switzerland	6	6	0.0%
Germany	5	6	+20.0%
Japan	4	4	0.0%
South Korea	4	3	-25.0%
Thailand	3	3	0.0%
Netherlands	2	2	0.0%
Austria	1	1	0.0%
Italy	1	1	0.0%
China	1	2	+100.0%
Taiwan	1	1	0.0%
Australia	1	1	0.0%
Total	29	30	+3.4%

** F-STORES ARE ALL STORES THAT LEGALLY BELONG TO THE FREITAG GROUP AND LOCAL FRANCHISE PARTNERS (KNOWN AS «F-STORE BY»).

□ EMPLOYEES			
	2022	2023	2022 > 2023
Total number of full-time employees	205	213	+3,9%
Number of employees [headcount]	257	245	-4.7%
women	129	124	-3.9%
men	128	120	-6.3%
diverse	n.a.	1	n.a.
Permanent contracts [headcount]	222	239	+7.7%
Average length of service in years	4,8	4,8	+0.0%
Number of apprentices and interns	12	10	-16.7%
Number of employees at top of salary scale*	39	40	+2.6%
women	18	22	+22.2%
men	21	18	-14.3%
of these diverse	n.a.	0	n.a.
Number of employees by role			
Company Leader	5	5	0.0%
women	3	3	0.0%
men	2	2	0.0%
of these diverse	n.a.	0	n.a.
Strategist	13	15	+15.4%
women	6	7	+16.7%
men	7	8	+14.3%
of these diverse	n.a.	0	n.a.

* SINCE A HOLACRATIC ORGANIZATION HAS NO MANAGEMENT IN THE CLASSICAL SENSE, THE HIGHEST WAGE LEVEL (TOP OF SALARY SCALE) IS USED AS A REFERENCE VALUE.

	2022	2023	2022 > 2023
Circle Lead	23	10	-56.5%
women	11	4	-63.6%
men	12	6	-50.0%
of these diverse	n.a.	0	n.a.
Rep Link	24	10	-58.3%
women	13	6	-53.8%
men	11	4	-63.6%
of these diverse	n.a.	0	n.a.
Number of new appointments	70	64	-8.6%
women	41	37	-9.6%
men	29	27	-6.9%
of these diverse	n.a.	0	n.a.
Number of resignations	58	48	-17.2%
women	32	25	-21.9%
men	26	23	-11.5%
of these diverse	n.a.	1	n.a.
Fluctuation rate in %	21%	19%	-9.2%
among women	25%	20%	-20.7%
among men	17%	19%	+12.6%
under diverse	n.a.	100%	n.a.
Average number of days training/further training per employee	n.a.	n.a.	n.a.

	2022	2023	2022 > 2023
Number of employees by country			
Switzerland	185	172	-7.0%
Germany	24	26	+8.3%
Japan	17	16	-5.9%
Netherlands	9	7	-22.2%
South Korea	7	6	-14.3%
Italy	6	5	-16.7%
Austria	4	4	0.0%
China	4	8	+100.0%
Singapore	1	1	0.0%

□ WORK AND HEALTH PROTECTION			
	2022	2023	2022 > 2023
Absence rate in days per employee	13.7	10.5	-23.1%
Number of serious accidents	0	0	n.a.
Accident rate (accidents per 100 employees)	1.8%	1.4%	-22.2%

□ EMPLOYEE SATISFACTION IN 2020 AND 2022*			
Skala 1-7	2020	2022	2020 > 2022
satisfied - very satisfied (5-7)	67%	59%	-11.9%
neutral (4-6)	18%	16%	-11.1%
dissatisfied - rather dissatisfied (1-3)	14%	23%	+64.3%
no indication	1%	2%	+100.0%
Average (1-7)	4.9	4.7	-4.1%

*THE EMPLOYEE SATISFACTION SURVEY IS CONDUCTED EVERY 2-3 YEARS.

□ MATERIAL CONSUMPTION [KG]			
Material Input	2022	2023	2022 > 2023
Natural fibers	0	0	0.0%
Recycled*	12,923	26,857	+107.8%
B-stock**	32,941	40,839	+24.0%
New***	42,427	66,836	+57.5%
Upcycling (used truck tarp)****	276,714	283,222	+2.4%
Total	365,005	417,754	+14.5%

* RECYCLED CONTENT IN RECYCLED MATERIALS (EXCL. TARP)

** AIRBAGS, BICYCLE INNER TUBES AND SEAT BELTS

*** NEW GOODS SUCH AS BUCKLES, ZIPPERS, ETC. BUT ALSO SHARE OF NEW GOODS IN RECYCLED MATERIALS.

**** USABLE MATERIAL (EXCL. WASTE, QUALITY PROBLEMS, ETC.) FROM 2021 ONLY THE TOTAL QUANTITY OF TARPS ACTUALLY PROCESSED IS STILL TAKEN INTO ACCOUNT, WHEREAS IN THE PREVIOUS YEARS THE TOTAL QUANTITY OF TARPS PURCHASED WAS RECORDED.

ANNEX

DISTRIBUTION OF EXTERNAL PRODUCTION COSTS FOR FINISHED PRODUCTS

	2022	2023	2022 > 2023
Bulgaria - cutting and sewing	66.59%	59.07%	-11.3%
Portugal - cutting and sewing	20.01%	25.57%	+27.8%
Czech Republic - cutting and sewing	8.95%	7.95%	-11.2%
Romania - sewing	4.00%	7.19%	+79.8%
Switzerland* - cutting and sewing	0.44%	0.20%	-54.5%
Vietnam - sewing	0.00%	0.03%	n.a.

* THE PRODUCTION WORK IN SWITZERLAND LISTED HERE APPLIES TO THE SMALL SERIES MANUFACTURED FOR US BY «NÄHWERK», A ZURICH WORK INTEGRATION SERVICE. THE PRODUCTION COSTS INCURRED AT FREITAG HEADQUARTERS ARE NOT TAKEN INTO ACCOUNT HERE.

SOURCING OF USED TRUCK TARPS BY COUNTRY AND WEIGHT

	2022	2023	2022 > 2023
Via agents**			
Great Britain - purchasing and cutting	22.2%	32.0%	+44.1%
Netherlands - purchasing and cutting	24.3%	17.6%	-27.6%
Denmark - purchasing and cutting	11.9%	15.2%	+27.5%
Spain - purchasing and cutting	10.0%	8.2%	-18.5%
Poland - purchasing and cutting	9.4%	7.2%	-23.8%
Portugal - purchasing and cutting	3.8%	4.3%	+13.9%
Turkey - purchasing	1.6%	0.7%	-55.6%
Direct***			
Germany - cutting	7.1%	6.9%	-2.3%
Switzerland - purchasing and cutting	9.8%	3.6%	-62.9%
Others (IT, AT, FR, RO, MK) - purchasing	n.a.	4.3%	n.a.

** VIA AGENTS: AGENTS COMMISSIONED BY FREITAG HANDLE THE PURCHASING AND MOSTLY THE CUTTING OF USED TRUCK TARPS ON SITE AND SEND THE SO-CALLED TARP NET GOODS TO FREITAG HEADQUARTERS. THE EXCEPTION IS TURKEY: HERE, THE AGENT BUYS THE TARPS AND CURRENTLY SENDS THEM TO SWITZERLAND FOR CUTTING.

*** DIRECT: FREITAG HANDLES THE PURCHASING OF USED TARP GROSS GOODS AND, WHERE NOT OTHERWISE INDICATED, THE CUTTING OF THESE TRUCK TARPS AT HEADQUARTERS. THE EXCEPTION IS GERMANY: HERE, THE TARPS ARE SOURCED BY FREITAG BUT CUT IN GERMANY.

PROCUREMENT COST OF ACCESSORIES AND MATERIALS IN ACCORDANCE WITH «MADE IN» INDICATION

	2022	2023	2022 > 2023
Taiwan	7.89%	18.24%	+131.1%
Italy	15.60%	16.80%	+7.7%
Portugal	16.25%	12.25%	-24.6%
China	14.82%	11.56%	-22.0%
Spain	9.06%	10.55%	+16.4%
Switzerland	11.19%	10.15%	-9.3%
Netherlands	15.55%	9.06%	-41.8%
Czech Republic	2.56%	3.46%	+35.0%
Great Britain	0.00%	3.39%	n.a.
Vietnam	3.31%	1.98%	-40.2%
Germany	1.32%	1.50%	+14.0%
Belgium	0.79%	0.85%	+8.3%
Austria	0.33%	0.14%	-57.6%
Korea	0.10%	0.07%	-28.1%
Japan	1.24%	0.00%	-100.0%

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□ EMISSIONS BY CATEGORY [tCO ₂ eq]			
	2022	2023	2022 > 2023
Scope 1: Direct energy use per primary source	13.4	9.5	-29.2%
Stationary plants	13.4	9.5	-29.2%
Mobile plants	0.0	0.0	n.a.
Scope 2: Indirect energy use per primary source	265.6	286.2	-7.8%
Power	205.3	264.8	+29.0%
Electricity (location-based)*	225.7	265.7	+17.7%
District heating and cooling	60.4	21.5	-64.4%
Scope 3: Other indirect emissions	2,925.3	3,880.4	+32.6%
Purchased goods and services	1,264.9	1,264.9	+24.8%
Capital goods	36.4	36.4	+236.5%
Fuel and energy-related activities	36.1	36.1	-14.4%
Business travel	31.4	31.4	+76.1%
Employee commuting	118.1	118.1	-21.8%
Upstream transport and distribution	948.3	948.3	-0.4%
Downstream transport and distribution	28.9	28.9	+1,916.6%
Operational waste	196.1	196.1	+12.7%
End-of-life treatment of sold products	265.2	265.2	-5.0%
Total	3,204.4	4,176.1	+30.3%

* NOT A SEPARATE CATEGORY, BUT AN ALTERNATIVE CALCULATION TYPE

□ ENERGY CONSUMPTION [MWH]			
	2022	2023	2022 > 2023
Scope 1 - Direct energy consumption (stationary combustion)	66.5	33.8	-49.2%
Gas heating as the only source	66.5	33.8	-49.2%
Scope 2 - Indirect energy consumption	1,344	1,189	-11.6%
thereof renewable electricity	502.90	445.80	-11.4%
thereof conventional electricity	375.50	414.50	+10.4%
thereof district heating	465.40	328.20	-29.5%
Total	1,410	1,222	-13.3%

□ UPSTREAM TRANSPORTATION AND PURCHASED OUTBOUND LOGISTICS - DISTRIBUTION [TKM]			
	2022	2023	2022 > 2023
Air freight	1,101,646	1,052,251	-4.5%
Road	1,855,606	1,767,578	-4.7%
Rail	2,000	9,400	+370.0%
Shipping freight	89,167	1,188,562	+1,233.0%
Total	3,048,418	4,017,791	+31.8%

■ ANNEX

☐ WASTE AND DISPOSAL [T]			
Type of waste (disposal method)	2022	2023	2022 > 2023
Metal (recycling)	4.6	9.2	+100.0%
Wood (recycling)	8.6	10.7	+25.1%
Cardboard (recycling)	19.1	15.1	-20.9%
General waste incl. tarp (incineration)	126.6	120.2	-5.1%
Tarp offcuts (downcycling)		28.0	n.a.
Electrical scrap (recycling)	0.3	0.2	-39.4%
Glass (recycling)	0.3	0.4	+32.1%
PET (recycling)	0.0	0.0	-25.0%
Paper (recycling)	1.4	0.3	-77.1%
Construction waste (t) (incineration)		10.7	n.a.
Total	160.9	194.8	+21.1%

☐ TOTAL TARP WASTE [T]			
	2022	2023	2022 > 2023
Noerd	120.0	120.0	+23.3%
Agents and disassembly partners	229.0	229.0	+21.0%
Producers	51.0	51.0	+19.4%
Total	401.5	401.5	+21.0%

☐ WATER CONSUMPTION [MEGALITER]			
	2022	2023	2022 > 2023
Public mains (Noerd - offices and stores)	n.a.	4.97	n.a.
Public mains (Noerd - washing)	2.73	3.89	+42.1%
Rainwater (Noerd - washing)	3.26	3.54	+8.6%
Public mains (stores and offices)	4.71	1.56	-66.9%
Total (excluding rainwater)	7.45	10.42	+39.9%
Total	10.70	13.96	+30.4%

■ ANNEX

□ USED SERVICES			
	2022	2023	2022 > 2023
Repair			
Repaired bags	7,011	8,732	+24.6%
S.W.A.P			
Active bags	2,651	2,128	-19.7%
Matches between bags	6,784	6,748	-0.5%
Bags exchanged online *	3	4	+33.3%
Bags exchanged event	198	24	-87.9%
Loans			
#gonewithfreitag / #ridewithfreitag	n.a.**	574	n.a.
Don't buy. Just borrow. / Black Friday	n.a.**	421	n.a.
F.L.O.P Rental Pop Up in Berlin	n.a.**	509	n.a.
Take-Back			
Returned products	0	70	n.a.
Total of services used	7,212	10,334	+43.3%
Product-related services used in relation to products sold	1.32%	1.83%	+38.6%

* FIGURES INCOMPLETE DUE TO EXCHANGES NOT BEING REPORTED BACK VIA THE PLATFORM

** NOT CARRIED OUT

□ DISTRIBUTION OF REPAIRS BY LOCATION			
	2022	2023	2022 > 2023
Local repairs			
Zürich NOERD (CH)	3,360	2,937	-12.6%
F-Store Munich (DE)	118	1224	+937.3%
F-Store Shibuya (JP)	764	805	+5.4%
F-Store Bangkok via Pronto (TH)	335	665	+98.5%
F-Store Seoul (KR)	49	582	1,087.8%
F-Store Shanghai (CN)	285	475	+66.7%
F-Store Milano via Parallelo (IT)	55	97	+76.4%
F-Store Taipei via Fujin Tree (TW)	na	86	na
F-Dealer Stitches (SG)	na	72	na
F-Store Melbourne via KEOMA (AU)	na	63	na
Small stations (amalgamated for 2022)	274	na	na
Repairs by producers			
Bulgaria***	933	811	-13.1%
Czech Republic***	838	915	+9.2%
Total repaired	7,011	8,732	24.5%
not repairable	50	43	-14.0%

*** THE REPAIR PARTNERS IN THE CZECH REPUBLIC AND BULGARIA ARE NOT REPAIR STATIONS LINKED TO THE STORES, BUT REGULAR PRODUCTION PARTNERS WHOM WE HAVE COMMISSIONED TO CARRY OUT EXTENSIVE QUALITY WORK ON BACKPACK ZIP-PERS, WHICH ARE SUSCEPTIBLE TO DEFECTS.

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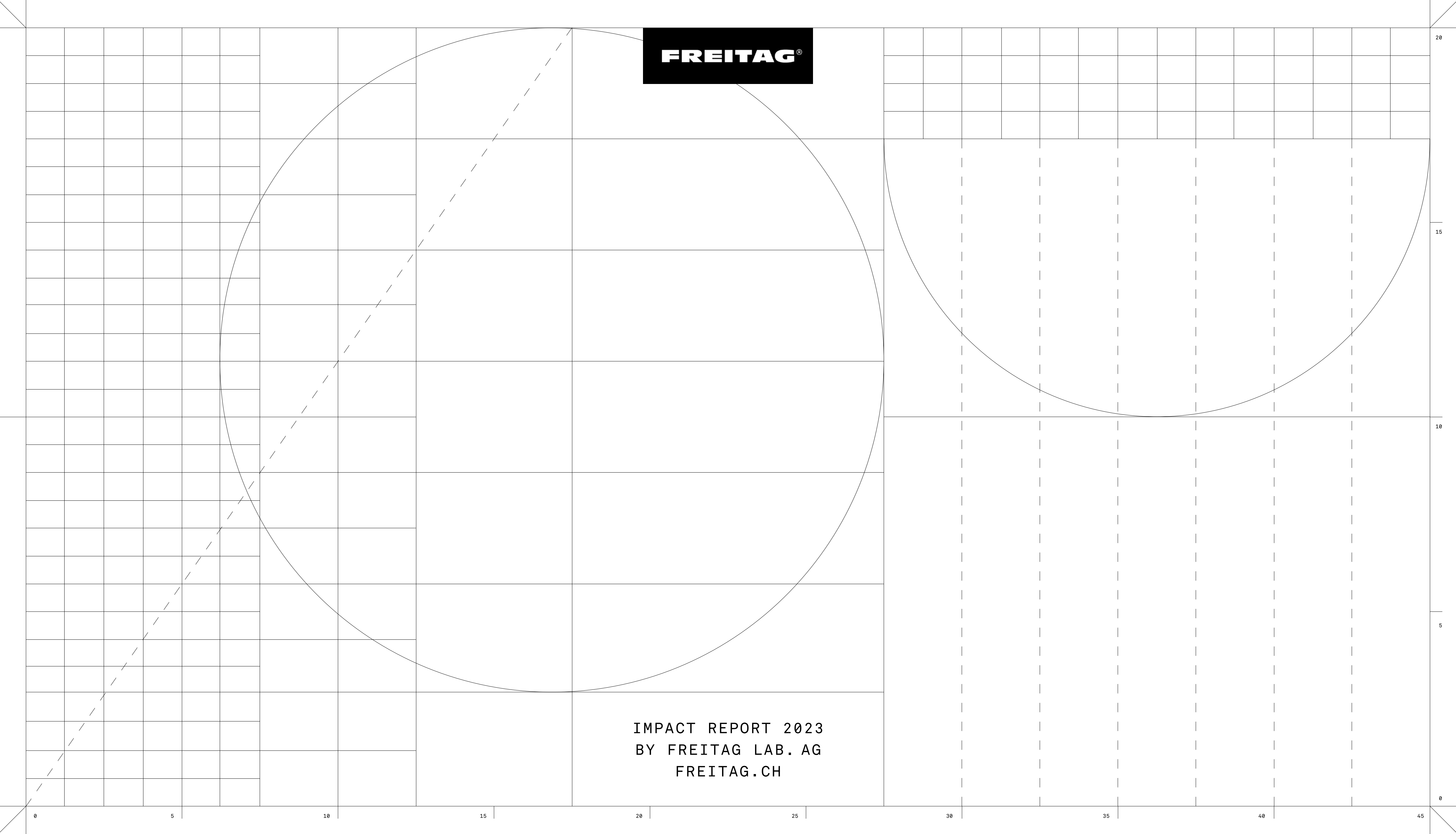
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□ STAKEHOLDER DIALOGUE: MEASURES 2023			
Strategic Focus	Risk mitigation through monitoring and relationship work	Corporate responsibility through dialogue and surveys	Innovation and inspiration through knowledge-sharing formats
Stakeholders	Owners Customers Young Conscious Urbanites NGO Press Authorities CH & International Municipality / City Trade associations Certifiers / external auditors	Owners National subsidiaries & Nørd canteen Employees Tarp agents Producers Franchise partners Customers NGO Press Authorities CH & International Municipality / City	National Subsidiaries Employees Distribution partners Franchise partners Event partners Innovation partners in product/material development Customers Young Conscious Urbanites Guurus Universities/schools Museums Peers/Leading sustainable brands Trade associations
Characterization	High power	High legitimacy	High interest & high diversity of perspectives

	FREITAG	CIRCULAR F-CREW	CIRCULAR PRODUCTS	CIRCULAR OPERATIONS	CIRCULAR SERVICES	CIRCULAR COMMUNITY
ANNEX	Strategic Focus	Risk mitigation through monitoring and relationship work	Corporate responsibility through dialogue and surveys	Innovation and inspiration through knowledge-sharing formats		
	Measures 2023	→ Ongoing monitoring and relationship management via Sustainability & Compliance Officer role → Half-yearly monitoring and risk classification by Risk Radar and Legalizer in Risk Radar	EMPLOYEES → Six F-Crew meetings for a general, company-wide exchange of ideas → <u>FREITAG Economic Forum (FEF)</u> to communicate the long-term strategy and Culture Code → Survey of new employees on their expectations and perception of FREITAG PRODUCERS → Dialogue with producers on environmental and social issues → Visits to several producers on site REPAIR PARTNER → Repair Summit CUSTOMERS → Survey of the F-ederation [↗ CIRCULAR COMMUNITY p.67] → Ongoing optimization of the loyalty program (F-ederation) and community relationship management DISTRIBUTION PARTNERS → new platform for sales and franchise partners to process orders more efficiently and enable a better flow of information	→ Support and participation in existing events [↗ CIRCULAR COMMUNITY p.69] → 13 appearances and presentations related to the circular economy [↗ CIRCULAR COMMUNITY p.69] → Numerous sustainability-related memberships and active participation in sustainability committees [↗ CIRCULAR COMMUNITY p.71] → Community events in stores on the topic of repair (Repair Collab Events) [↗ CIRCULAR COMMUNITY pp.67–68]		



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IMPACT REPORT 2023
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