

**Sustainability Report
2021**



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Foreword

The issue of sustainability is an important component of the DELIUS Group's corporate strategy and, as a continuous development process, is indispensable for our joint actions.

As a family business in the 10th generation of the Bielefeld Delius family, we consistently pursue the path of sustainable action. Moreover, when it comes to dealing responsibly with our environment and its natural resources, we not only want to meet the standards but also go beyond them. In doing so, the focus is on people with their individual ideas, needs and goals. Ultimately, each and every one of us, with our attitudes, decides whether we will succeed in sustainably protecting the environment and climate and positively shaping our future together.

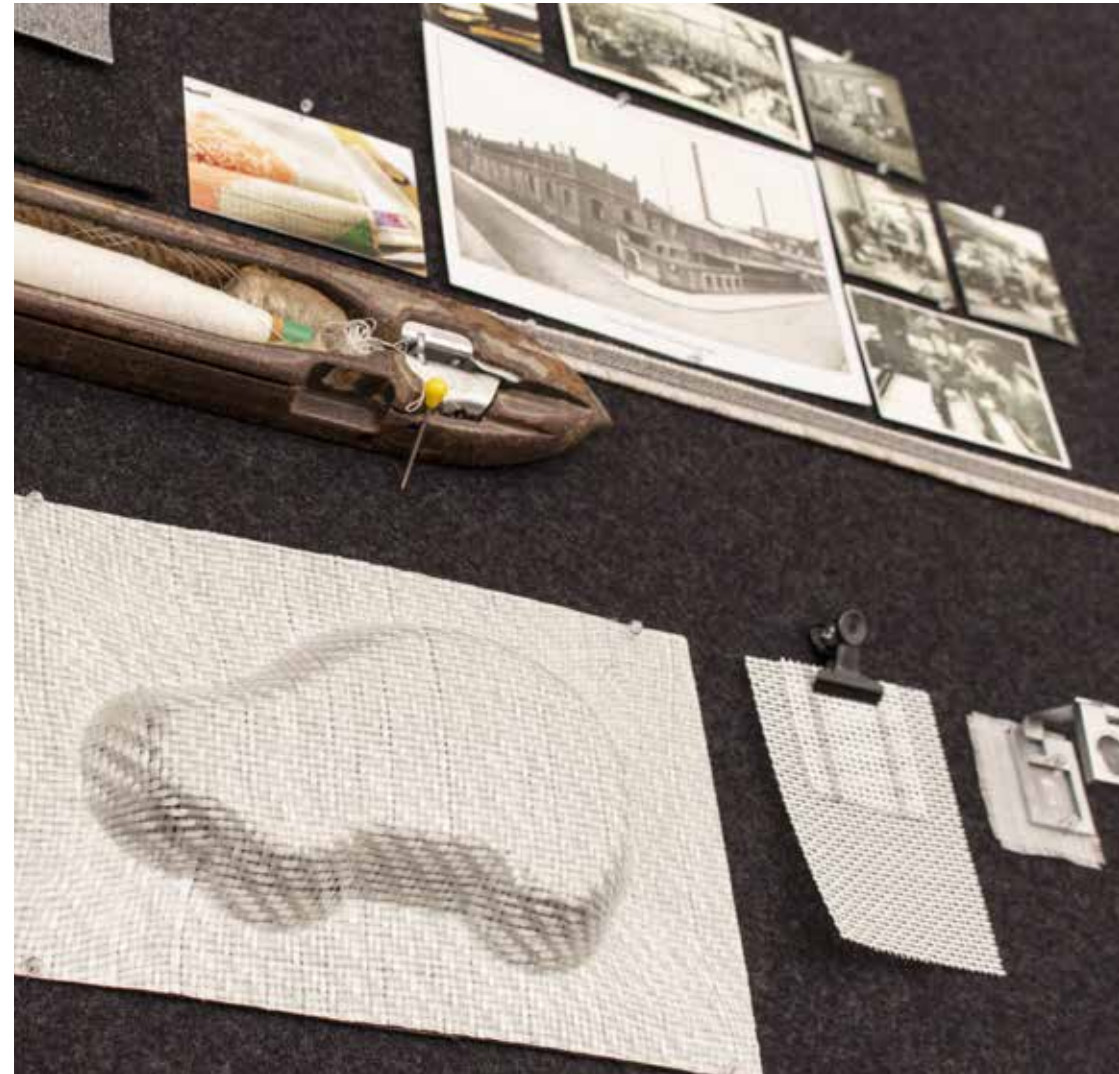
For us, tradition means being committed to the future, sustainably, with passion and a focus on success.

Bielefeld, 31.03.2022

Dr. Marc Schmidt



Kai Hofmeister



GROWING FROM STRONG ROOTS

In 1722, Johann Casper DELIUS laid the foundation for today's company by founding a linen business in Bielefeld. The following 300 years were characterised by continuous development and adaptation to ever new challenges. A fundamental orientation towards values, a passion for textiles and the ability to see change as an opportunity as an opportunity are the best prerequisites for this success story. Today, as a globally active textile manufacturer, DELIUS stands for quality, reliability, innovation and consistency in equal measure. Committed teams, a clear vision, entrepreneurial responsibility and strong roots form the basis for your future.

#startup_1722



300
YEARS
TEXTILE EXPERIENCE

1. An Overview of the DELIUS Group

Company Profile

Our company history shows that we, as a family-run business, have now been successfully active in the textile industry for over 300 years. Since the company was founded in Bielefeld in 1722, DELIUS has repeatedly demonstrated its flexibility in the context of changes in global markets.

It all began with two talers with which Caspar August Delius acquired a trade licence in Bielefeld on the 11th of September 1722, thus laying the foundation stone for the family business. Originally founded as a trader in linen, the company has survived the turmoil of revolutions, world wars and economic crises over three centuries. Today's company has successfully focused on the international contract market with its DELIUS brand, developing and producing functional textiles for high-quality interiors, for example in hotels, cruise ships, offices, clinics or retirement homes.

Since 1722, the name DELIUS has stood for premium textiles from East Westphalia for the world market. This tradition is a daily incentive for us to meet the growing demands of our customers at home and abroad, to continuously improve and to reinvent ourselves again and again. We achieve this through a sustainable and holistic corporate policy that places the highest value on team spirit, social responsibility and environmentally friendly production methods in addition to the constant modernisation of production technology and the use of the tools available for digitalisation.

For many years, we have specialised in the development, production and distribution of high-quality contract textiles and highly complex technical textiles. The diversity of our customers and their individual requirements is reflected in our product variety. With competence and creativity, we at DELIUS develop fabrics for the property sector with

special functional properties that represent added value for our customers in terms of resilience, comfort and design. With our know-how and modern technology, we at DELCOTEX are able to develop and manufacture any type of technical textile for our customers.

We never stand still and do not rest on our laurels. On the contrary, we continuously develop ourselves and our textiles. We create individual designs and new, high-quality fabrics, and we work to constantly optimise qualities and production processes. And our standard is not only perfection in development and production. In our accredited test laboratory D-LAB, we subject our finished products to extensive testing. This is how we ensure that our product quality is safeguarded and continuously improved. Our quality management is certified in accordance with DIN EN ISO 9001:2015 and our energy management is certified in accordance with DIN ISO 50001, forming the basis for our responsible use of resources.

2. Introduction

About this Report

This is the first DELIUS sustainability report to be published and will be updated regularly. With the publication of our sustainability report, we give an account of how we live our corporate responsibility. In this way, we take a position on the impact of our activities on the environment and society and describe this on the basis of key figures, the goals we have achieved to date and future measures for managing sustainability activities.

The reporting period is the 2021 financial year (equal to the calendar year), comparative data for previous years are also provided.

For reasons of better readability, gender-specific formulations and formal display of gender identities are dispensed with. The chosen form stands for all genders (m/f/d).

Corporate Sustainability Reporting Directive (CSRD)

The importance of CSR reporting is growing. The requirements for sustainability reporting by companies will change profoundly. This is due to the new Corporate Sustainability Reporting Directive (CSRD). After the European Commission published its proposal for a Directive in April 2021, the negotiators from the Commission, Council and European Parliament agreed on a compromise on the 21st of June 2022. After the Council, the European Parliament still has to formally agree. Certain public interest entities have been required to report on their sustainability for several years. This is regulated by the Non-Financial Reporting Directive (NFRD), which has been in force since 2014. In this way, stakeholders should be able to better assess the contribution of companies to sustainability.

This reporting obligation is now to be considerably extended. According to estimates, this will increase the number of companies subject to reporting requirements from 11,600 to 49,000 across the EU. Corporations and commercial partnerships with exclusively limited liability companies only are affected.

The reporting requirements of the CSRD will initially apply to a limited group of companies for financial years beginning on the 1st of January 2024 and will then be successively expanded:

- For fiscal years beginning January the 1st, 2024: Public-interest companies with more than 500 employees.
- For fiscal years beginning January the 1st, 2025: All other large companies.
- For fiscal years beginning January the 1st, 2026: Capital market-oriented SMEs, provided they do not make use of the option of deferring until 2028.

The DELIUS Group is therefore not yet affected by the reporting obligation. As a supplier company, however, we are part of the supply chain of some of our major customers and are therefore indirectly involved. We take this into account with this sustainability report.



EU Taxonomy

With the decision of the Green Deal in 2019, the European Union (EU) set the course for more sustainability in investments, for example, in areas such as renewable energies, biodiversity or the circular economy. The goal is to be climate neutral in the EU by 2050, with a reduction of 55% already achieved by 2030. To achieve these climate goals, the Green Deal includes an investment plan of 1 trillion Euros over the next 10 years. Despite this huge investment, the EU is reliant on the support of the private sector to achieve the Paris Agreement climate targets.

In order to ensure a level playing field and legal certainty for all companies operating within the EU, the „EU Taxonomy Regulation and the Sustainable Finance Disclosure Regulation (SFDR)“ have been enacted. Both laws follow the objective of the Green Deal and build on the following cornerstones:

- 1) Reorientation of capital flows with a focus on sustainable investments.
- 2) Establishing sustainability as a component of risk management.
- 3) Promoting / encouraging long-term investment and successful economic activity.

The sustainability of the entire business activity of each company must be reported annually from the end of 2021, usually as part of the sustainability report or annual report. This applies to all companies that sell financial products in the EU and also to large companies (>500 employees) that fall under the Non-financial Reporting Directive (NFRD). In each case, the EU taxonomy-compliant share of turnover,

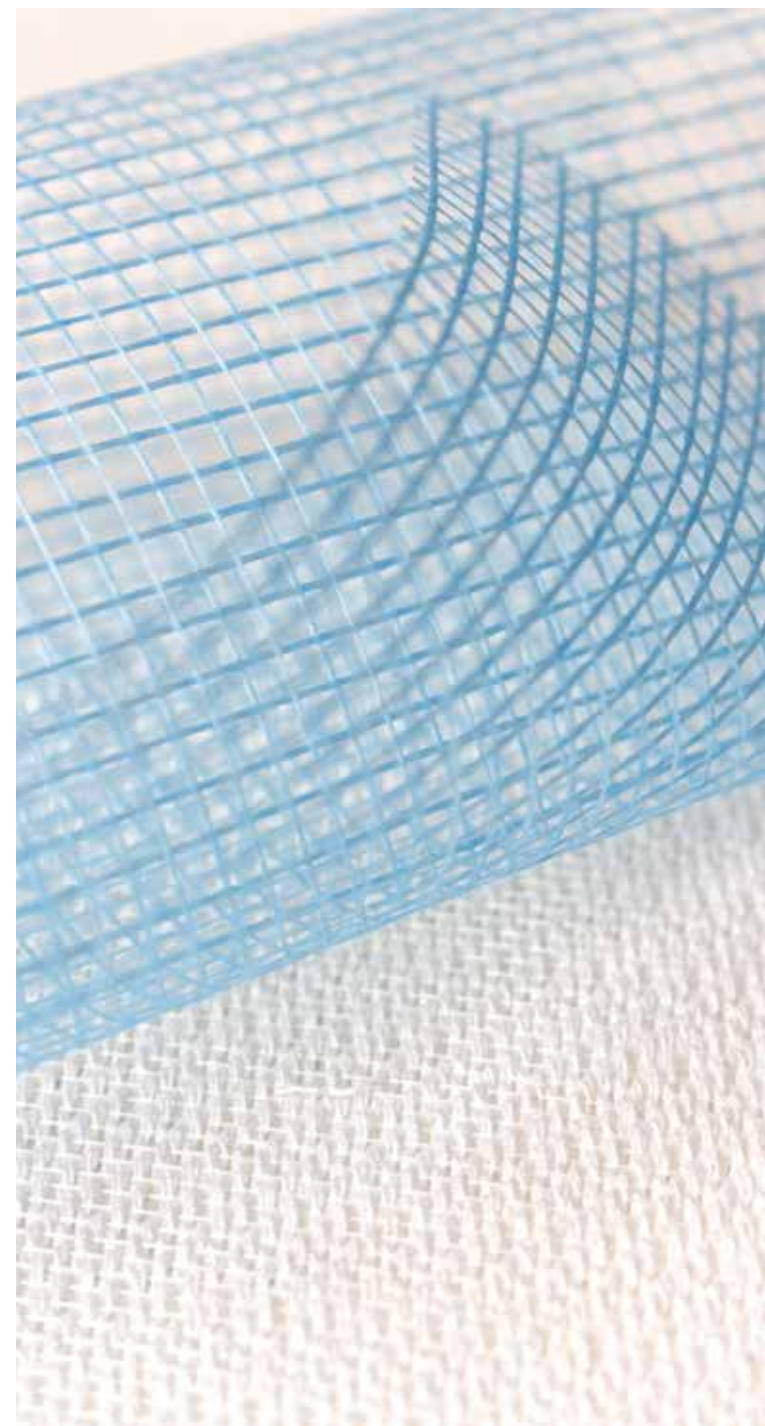
capital expenditure (CapEx) and operating expenditure (OpEx) for the company must be reported. It is expected that the number of affected companies will increase significantly in the future.

Sustainability reporting in relation to the EU Taxonomy Regulation will already become mandatory at the end of 2021. The EU is taking a pioneering role here and other countries such as Canada and China are developing their own taxonomy. Addressing this issue early on and focusing on sustainability could prove to be a competitive advantage in all markets in the future.

ESG – Environmental Social Governance

ESG describes the key factors used to measure the sustainability and ethical impact of an investment, organisation or company. The corporate governance approach of ESG originated in the field of Socially Responsible Investment and describes the ecological and social areas of corporate governance that are not covered by financial indicators.

Practice already shows today that banks see ESG parameters as an essential part of their ratings.



¹ See here: <https://eu-taxonomy.info/de/> (Status: September 2022)

Our Values, Our Actions

Together with employees, managers and shareholders, we have reviewed and partially revised our values within the framework of the strategy development process for 2027, sustainability in particular is of fundamental importance for the long-term development of the group of companies.



Photovoltaic system on new DELCOTEX hall in Jöllenbeck



For the DELIUS Group, sustainability means taking responsibility: for our employees, for our region and especially for our environment and the climate. Because climate protection also means leaving a liveable environment for the next generation which is particularly close to our hearts as a family-run manufacturing company. The Corona pandemic has not left us unscathed and has once again made it clear to us that a company must not build on short-term success, but rather on long-term and solid business practices with stable customer and supplier relationships.

We therefore set a good example in the area of sustainable production sites and have already implemented a large number of measures that contribute to environmentally friendly and more energy-efficient production. For example, we have equipped the entire roof area of the new Hall 4 at Delcotex with a photovoltaic system and can thus cover about 4 % of our electricity needs at Delcotex ourselves.

Already for the second year in a row, we calculate our company-specific carbon footprint in cooperation with the Textile Association, Münster, (based on the „ecocockpit“ of the Energy Efficiency Agency of North Rhine-Westphalia). Based on these results, it is our firm intention to become climate-neutral by 2035 by steadily reducing our emissions of climate-damaging greenhouse gases (GHGs). Equally important to us is the impact of our actions and deeds on society. We use the 17 Sustainable Development Goals (SDGs) of the United Nations to illustrate our impact on the common good. We are aware of the fact that all our business activities have an impact on our entire environment.

3. Sustainable and Responsible Corporate Governance

Tradition, quality, sustainability and social responsibility shape our entrepreneurial actions and form the basis of our success.

Conscious and ethically correct behaviour towards employees, colleagues, business partners, society, the environment and towards the next generation are elementary components of the value system. The minimum in this respect is compliance with the law in all countries and markets in which we are represented. In the same way, each individual is required to behave responsibly, fairly and in accordance with the rules. As a partner of renowned manufacturers (for example, in the automotive sector), we are also subject to a wide range of legal regulations and high specific requirements of individual companies and associations. It is part of our self-image to comply with the existing requirements and to take responsibility for our actions. Environmental, climate and resource protection are also clear expectations we have of ourselves and our entire supply chain.

All these and other principles are laid down in the „Code of Conduct“ of the German Textile and Fashion Industry Association, to which we are clearly committed and thus live up to our responsibility towards all parties ([/www.textil-bekleidung.de/mitgliederbereich/muster-arbeitshilfen-informationen/umwelt-Sustainability-und-energie/code-of-conduct](http://www.textil-bekleidung.de/mitgliederbereich/muster-arbeitshilfen-informationen/umwelt-Sustainability-und-energie/code-of-conduct)). The Code of Conduct is based on the internationally recognised principles for the protection of human and labour rights as expressed in the United Nations Universal Declaration of Human Rights, the ILO Core Labour Standards, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. In addition, the Code is based on the relevant international agreements for the protection of the environment. As a company in the textile industry, we support the goal of asserting human rights and labour and social and ecological standards in economic value creation processes. By aligning our business activities with these principles of international law we can make a corresponding contribution to these efforts.

We are guided by the 17 Global Goals for Sustainable Development of the United Nations:



Global Goals for Sustainable Development der UN

We are guided by the **Code of Conduct of the Textile Association** which we apply with slightly modified specific variants at Delius and Delcotex and which we have agreed with all our suppliers. The Code of Conduct contains the following principles:

Fundamental Understanding

Socially responsible corporate governance is one of the basic and core principles of entrepreneurial action. In all entrepreneurial decisions, the consequences in economic, social and ecological terms must be considered and brought into an appropriate balance of interests. The principles of the UN Global Compact are always in the companies' sights. The companies contribute voluntarily, and within the scope of the individual's possibilities, to the well-being and sustainable development of global society at the locations where they operate. The same applies to business relationships within the textile chain. Business partners are to be treated fairly. Contracts are to be complied with unless the framework conditions change fundamentally. The generally applicable ethical values and principles are to be taken into account, in particular this shall apply to human dignity.

Scope of Application

This Code of Conduct applies to all the companies of the DELIUS Group.

Cornerstones of socially responsible corporate governance:

Compliance with the Laws

The company committing to the Code of Conduct (hereinafter referred to as „DELIUS Group“) shall comply with the laws and regulations of the countries in which it operates. For countries that do not have a satisfactory level of regulation, it carefully examines which corporate practices from Germany should be applied in a supportive manner for responsible corporate governance. The DELIUS Group pursues legally sound and recognised business practices and fair competition. In particular, it will not engage in collusion or conduct that is contrary to German or European antitrust law or the antitrust law of any other state in which the DELIUS Group is active. The DELIUS Group rejects corruption and bribery within the meaning of the UN Convention. It promotes transparency, acting with integrity and responsible management and control in the company in an appropriate manner. The interests of the DELIUS Group and private interests of employees shall be strictly separated.

Consumer Interests

The DELIUS Group takes the interests of customers and consumers into account in its actions. It ensures that its products are safe and harmless to health for the respective intended use. Statutory limit values shall be complied with and, if possible, undercut. The interests of consumers shall also be taken into account in an appropriate manner in information and operational measures.

Communication

The DELIUS Group communicates the Code of Conduct and its implementation to employees, business partners and other stakeholders, for example, by publishing it on its website. It is prepared to engage in dialogue about the contents of the Code of Conduct. Trade secrets and business information of third parties are treated sensitively and confidentially.

Human Rights

The DELIUS Group upholds and promotes human rights in accordance with the UN Human Rights Charter. The DELIUS Group pays particular attention to the following human rights:

Health and Safety

The DELIUS Group is committed to a healthy working environment within the framework of occupational health management (OHM), protects health and ensures occupational safety in order to prevent accidents and injuries.



DELICOTEX weaving mill in Jöllenbeck

Harassment

The DELIUS Group protects its employees from corporal punishment, from physical, sexual, psychological or verbal harassment and from intimidation or abuse.

Freedom of Speech

The right to freedom of opinion and speech is protected and guaranteed across all sites.

Working Conditions

The DELIUS Group complies with the eight core labour standards of the ILO. These are:

- The prohibition of child labour in accordance with the ILO Conventions No. 138 (Minimum Age) of 1973 and No. 182 (Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour) of 1999.
- The prohibition of forced labour in accordance with the ILO Conventions No. 29 (Forced Labour) of 1930 and No. 105 (Abolition of Forced Labour) of 1957.
- The promotion and, where possible, securing of equal pay for men and women for work of equal value in accordance with the ILO Convention No. 100 (Equal Pay) of 1951.
- The respect of workers' rights in accordance with ILO Conventions No. 87 (Freedom of Association and Protection of the Right to Organise) of 1948 and No. 98 (Right to Organise and Collective Bargaining) of 1949, to the extent legally permissible and possible in the respective country.
- The prohibition of discrimination under ILO Convention No. 111 (Discrimination in Employment and Occupation) of 1958. The prohibition refers in particular to discrimination against workers on the grounds of sex, race, disability, ethnic or cultural origin, religion or belief, or sexual orientation.
- Working hours: Unless the respective national regulation sets a lower maximum working time, the regular standard working time per week shall not exceed 40 hours.

Environmental Protection

The DELIUS Group complies with the valid regulations on environmental protection that apply to its operations at the respective site. It acts in an environmentally responsible manner. If the valid regulations do not achieve a level of protection that ensures sustainable business operations, the company shall take the economically justifiable measures to achieve a satisfactory level of protection. Furthermore, the company handles all resources responsibly in accordance with the principles of the Rio Declaration. Of course, our energy management is certified in accordance with DIN EN ISO 50001.

Civic Engagement

The Delius Group contributes to the social, cultural and economic development of the country and region in which it operates and, where necessary, promotes, among other things, the respective voluntary activities of its employees as well as the commitment to regional aid organisations.

Implementation and Enforcement

The DELIUS Group shall make all appropriate and reasonable efforts to continuously implement and apply the principles and values described in this Code of Conduct and to remedy any deficiencies as soon as possible. Contractual partners shall be informed of the essential measures upon request and on condition that this is done reciprocally. The contractual partners shall be able to verify that compliance with the Code of Conduct is always ensured. This shall not constitute a claim to the disclosure of trade and business secrets or information relating to competition or other information worthy of protection.





Environmental Management

The following applies for us:

- We take our responsibility for nature and the environment into account.
- We focus on our resource needs and our energy consumption.
- We are actively committed to climate protection - our goal is to avoid GHGs and thus achieve a CO₂-neutral DELIUS Group from 2035 onwards.
- Economic efficiency under conditions that are as environmentally and climate friendly as possible.
- We record all the possible effects of our activities on the environment and
- take them into account when making decisions and taking measures within the company.

Responsibility to Society

The United Nations (UN) 2030 Agenda is a global plan to promote sustainable peace and prosperity and protect our planet. Since 2016, countries and organisations have been working to implement this agenda with its 17 Sustainable Development Goals (SDGs). Our goal is to add measurable value and make a clearly recognisable contribution through our business activities.

No Poverty

The first aim for sustainable development is the eradication of all forms of poverty, everywhere in the world. The United Nations (UN) 2030 Agenda identifies the eradication of poverty in all its forms and dimensions as the greatest global challenge and an indispensable prerequisite for sustainable development. In Germany, the focus for this goal is on the constitutionally guaranteed minimum subsistence level for a dignified life. This is achieved through the principle of the welfare state. Furthermore, it is important to combat relative poverty, whereby social inequalities play a major role. In Germany, single parents and families with more than two children are particularly exposed to a higher risk of poverty. The DELIUS Group counteracts these inequalities by providing an adequate income and creates equal conditions for all employees through a fair gender-neutral company policy and an open culture of discussion. Specifically, the following points are worth mentioning:

- Wage levels clearly above the minimum wage.
- A 40-hour working week with overtime compensation.
- A company pension scheme.
- Bonus and special payments.
- Forward-looking working time planning with consideration of the compatibility of family and career.
- Home office workplaces for workforces wherever possible and not only in times of pandemic.

No Hunger

For Germany, the focus for the SDG 2 is primarily on the promotion of sustainable agriculture and, in addition, to enable all people to have access to a healthy and balanced diet. Here, it is not so much the lack of food that plays a role, but much more the measured use of food in order to avoid disease-causing excess. For the DELIUS Group, this means that employees have the opportunity to eat a healthy and balanced diet while at work. The DELIUS Group offers the following options:

- Provision of free, treated drinking water through water dispensers accessible at all times.
- Break rooms with cooking facilities.
- Due to the immediate vicinity of food retailers with a wide range of products, as well as local restaurants, employees have the opportunity to eat a varied, regional and fresh diet at any time.



Health and Well-being

The focus here is on prevention and education. The DELIUS Group attaches great importance to the well-being and health of its employees. This is achieved through a diverse range of different sporting activities and preventive measures that strengthen team spirit as well as physical fitness. The DELIUS Group provides the following services to its employees as part of its occupational health management (BGM) together with external partners (for example, Heimat-Krankenkasse, Physio Motivgesundheits and BG ETEM)

- Back training sessions with qualified physiotherapists.
- Gymnastics under the guidance of qualified physiotherapists for each department.
- Orthopaedic advice from qualified physiotherapists.
- Nutritional advice with metabolism measurement.
- Deli-Fit: Opportunity for extended health care (courses at ZAR (centre for outpatient rehabilitation), Bielefeld Bethel), Textile Academy.
- Company doctor.
- Open culture of discussion on stress in the workplace (including psychological counselling).
- BEM - Workplace Integration Management.
- Delirad - bicycle programme via deferred compensation
- Vaccination programmes (for example, flu vaccination).

High-quality Education

To achieve high-quality education, Germany focuses on equal and high-quality education across the entire spectrum of the educational process. From early childhood, through school education, to vocational and university education, as well as lifelong opportunities for further education. The DELIUS Group makes a concrete contribution to achieving this goal through the following measures:

- Training company in the commercial, industrial and textile-technical sectors.
- Internships for school pupils and students.
- Further training to become a master craftsman (IHK (Chamber of Commerce) training company, Textile Academy).
- Regular internal and external offers for further training.
- Dual study programme.
- Free German lessons for foreign employees.
- Free English lessons.





Gender Equality

The goal of gender equality is to eliminate all forms of discrimination and violence against women. For Germany, the focus is above all on equal participation of women in the labour market and the reconciliation of family and work, for both women and men, in order to enable a partnership-based sharing of family work. With Verena Pausder as a female member of the DELIUS Group Advisory Board, the 10th family generation is prominently represented in the company. This is a model of male and female equality. The approach runs through all departments. The DELIUS Group contributes to achieving this goal through the following measures:

- Female counsellor and heads of department.
- Collectively agreed pay for all (irrespective of gender).
- Opportunities for part-time work for better reconciliation of family and career.

Diversity

Diversity is more than a mere status description of social diversity, but also means for us:

- A human rights-based understanding of diversity that aims for equal rights and takes into account the diversity and complexity of people and their life situations.
- A change of perspective from a problem-centred to a resource-oriented understanding of target groups.
- An approach to organisational and human resource development that leads to greater efficiency and creativity in work processes, better customer orientation and more social justice.²

Affordable and Clean Energy

The availability of sufficient energy is the basic prerequisite for a humane society in which people can live in peace and prosperity. On the one hand, the supply of fossil fuel energy has been a major cause of the greenhouse effect, and on the other hand, it is finite. One of the greatest challenges of our time is therefore to convert the energy supply to regenerative resources in the foreseeable future. As a manufacturing company, the DELIUS Group attaches great importance to the topic of „regenerative energy sources“:

- Company's own photovoltaic system.
- Purchase of district heating.
- Participation in a wind power plant in the North Sea

Decent Work and Economic Growth

The aim is to promote lasting, broad-based and sustainable growth, full and productive employment and decent work for all. This means that economic growth on the one hand must not lead to inhumane working conditions on the other.

The DELIUS Group contributes to achieving this goal through the following measures:

- Compliance with the Code of Conduct.
- Corporate Social Responsibility as an integral part of management.
- Cooperation with almost exclusively regionally (East Westphalia and Germany) and European (EU) based partners and suppliers, for whom local laws apply and exclude child labour as well as inhumane employment conditions.
- Possibility of anonymous use of an analogue or digital suggestion box.



Photovoltaic system on new DELCOTEX hall in Jöllenbeck



Industry, Innovation und Infrastructure

The focus is on building a resilient infrastructure, promoting broad-based and sustainable industrialisation and supporting innovation. For the German Federal Government, this goal includes the incentive to enable companies to develop dynamically and sustainably through structural and industrial policy measures. To this end, cooperation with actors from municipalities, business, science and civil society is to be promoted.

The DELIUS Group works very innovatively and with the latest technology and the following measures are also implemented regularly:

- Cooperation with universities, colleges and industry partners and exchanges with start-ups.
- Design and development has a very high priority within the corporate culture.
- Production on state-of-the-art facilities.

Fewer Inequalities

Wealth and income are unequally distributed worldwide. In Germany, too, the gap between rich and poor has widened. Relative poverty and inequalities within a society harbour great potential for conflict. Therefore, the goal is to enable the fair distribution of wealth and income. The DELIUS Group counteracts this inequality by implementing the following measures (partial overlap with the measures for SDG 1):

- Pay according to collective agreements.
- Guarantee of special payments and bonuses.
- Non-discriminatory recruitment procedure (gender or origin and age do not play a role. We have people of all colours and backgrounds working together).
- Further qualification opportunities.
- Trustful cooperation with the works council.

Sustainable Cities and Communities

The aim is to make cities and communities safe, resilient and sustainable. Cities are the engines of the national economy, culture and innovation on the one hand, but on the other hand they are also the source of a large part of CO₂ emissions and social problems. The DELIUS Group is actively involved in social projects and local events. Examples are (financial and social) support to the following institutions and projects:

- Johanniter (St. John's Ambulance Association) in the framework of Ukraine support.
- Projects of the Economic and Development Corporation of the city of Bielefeld.
- Good connection of the company locations to the public cycle path network, covered bicycle parking for employees and the DeliRad project for the workforces.

Sustainable Consumption and Production

Sustainable consumption and production methods should be ensured. This means that consumption and production should be carried out in such a way that the needs of all generations (including future generations) can be met without exceeding the Earth's limits. Sustainability plays a major role for the DELIUS Group at all levels. Concrete measures are:

- Certification of the energy management system in accordance with ISO 50001.
- New products from own recycled production waste, for example, felts and fleeces (cooperation with the company Altex, Gronau).
- Research into products made from renewable raw materials (for example, hemp) as well as recycled products (for example, yarns made from PET bottles or recycled Delius fabrics).
- Cooperation with the Faserinstitut (Bremen) (Fibre Institute) to produce new PL yarns from recycled PL fabrics (based on the Delius take-back concept).
- Sustainable and resource-saving use of working materials through progressive conversion to digital processes (keyword „paperless office“).
- Home office and digital meetings wherever possible, for example, to avoid unnecessary travel.
- A take-back concept for used textiles is under development.
- Preparation of a sustainability report.

Climate Protection Measures

Immediate action must be taken to combat climate change and its impacts. SDG 13 is about protecting the global climate and is one of the greatest challenges of the 21st century. Rapid and ambitious action to reduce climate-damaging emissions is essential for global sustainable development. The DELIUS Group has already taken numerous measures to ensure climate protection (see SDG 7, 12). The measurable measures are:

- Calculation and disclosure of the CO₂ footprint (carbon footprints).
- Successive switch to renewable energy sources.
- Ambitious targets for the continual reduction of GHGs as well as the continual compensation of GHGs.

Life Under Water

The aim is to conserve and sustainably use oceans, seas and marine resources in the spirit of sustainable development. Ecologically intact marine ecosystems are of crucial importance for the stability of our climate. The DELIUS Group contributes to this goal through:

- Use of water-saving processes (see also SDG 6)
- No generation and discharge of water polluting substances through business operations
- Energetic recycling of all usable waste at certified disposal companies, if the non-usable waste is recycled, electricity, hydrogen and (district) heating are produced in the Bielefeld waste incineration plant during incineration.



Energy-efficient DELITHERM curtain fabrics from DELIUS

Life on Land

Without intact ecosystems, the basis of all life and economic activity is missing. The aim is to protect and restore terrestrial ecosystems and promote their sustainable use. Furthermore, forests are to be managed sustainably, desertification combated, soil degradation stopped and the loss of biodiversity put to an end. The DELIUS Group contributes to the achievement of these goals with the following measures:

- Green spaces around the company premises in Spenge and Jöllenbeck (here even with centuries-old deciduous trees) as well as a meadow orchard in Spenge which are permanently landscaped and maintained.
- Regular audits of our companies by the regional environmental authorities.

Peace, Justice and Strong Institutions

Peace and sustainable development are mutually dependent. Access to justice should be made possible for all people. In addition, efficient and accountable institutions should be established. The rule of law forms the basis for functioning democracies and the protection of human rights. Concrete contributions of the DELIUS Group are:

- Compliance with the Code of Conduct.
- Compliance and Data Protection Officer.
- Works Councils.
- A family business with long-term location perspective and clear value orientation.

Partnerships for Achieving the Goals

To strengthen the means of implementation and breathe new life into the global partnership for sustainable development. This goal is primarily about financing development programmes and cooperation between the states concerned and transnational institutions. The goal is thus predominantly at the political and global level. The DELIUS Group contributes to the achievement of the goal through:

- Support through membership in networks that promote national and international cooperation, for example, the Lions Club Bielefeld, Gildenhaus (Guild House) e.V. Bielefeld and the Pioneers Club Bielefeld.).
- Membership of associations: Textilverband Nordwest (Textile Association Northwest).



4. Production Responsibility

The obligations to avoid and recycle waste in industrial and commercial production.

LkSG – Supply Chain Act

The new Supply Chain Act requires adjustments to internal and external processes and in doing so opens up opportunities to improve corporate performance. Last year, the Supply Chain Duty of Care Act, better known as the Supply Chain Act, was passed. From 2023, large companies with at least 3,000 employees will be required by law to examine the extent to which their business activities violate aspects such as occupational health and safety, minimum wage, health and environmental standards. In the future, the scope of application is to be tightened even more: Within the framework of an EU directive currently being drafted, companies with 500 or more employees and an annual turnover of 150 million euros are to be required to identify human rights and environmental risks along their entire value-added chains.

The DELIUS Group is therefore not yet affected by the reporting obligation. As a supplier company, however, we are part of the supply chain of some of our major customers and are thus indirectly affected. We take this into account with this sustainability report.



Value-added Chain

At the DELIUS Group, yarns are turned into functional textiles. The focus is on the production consisting of warping, weaving, fabric inspection / full quality control and an accredited test laboratory at the Jöllenbeck site. Lutz Burghoff, Head of Technology at Delcotex, expresses our motto very aptly:

*„It is not enough to have the best technology.
You also need qualified employees who can work with it.“*

Lutz Burghoff, Head of Technology Delcotex

In order to be able to constantly ensure the highest quality, we rely on two things in the production of our textile surface products:

1. The best trained employees with sound specialist knowledge and extensive experience and using the most modern machines.
2. In our production halls, you will find modern and specialised machinery. This allows us to work quickly, efficiently and flexibly. In this area, too, we are never satisfied with the status quo: We are in continual exchange with machine manufacturers and are continuously working on the renewal and improvement of our equipment as well as the operational infrastructure.

In the warping department, a wide variety of yarns are prepared for the weaving process. Our state-of-the-art machines are capable of precisely combining up to



11,000 individual yarns into a common warp beam. Warping speeds of up to 800 metres per minute enable efficient order throughputs. Warps with lengths from 2000 to 100,000 metres can thus be produced “just-in-time”.

In the weaving department, we rely on the latest technology with pioneering machinery in order to meet the high product requirements of our customers at all times. Our continuously modernised equipment consists of rapier and air-jet weaving machines of various types and working widths, ultra-modern scrim systems, patented coating equipment and high-tech turbo compressors that generate the large quantities of compressed air required during operation in an energy-saving and highly efficient manner. All production machines and systems are connected to an industry-specific PDA system via the company’s internal network and are also networked with the ERP system for scheduling purposes. This means that both complicated fabric structures and large production batches can be produced easily and very quickly, but also that statistical evaluations and status queries can be run in real time. In addition, all relevant energy consumers in the company are recorded in an energy monitoring system which the certified energy management can use at any time to record and analyse electricity consumption in detail and derive measures for optimisation.

The raw materials processed are a wide variety of synthetic fibre yarns and various coating compounds. Both are mostly still produced conventionally from petroleum, but more sustainable sources are increasingly gaining in importance, in the yarn sector, for example, spun from recycled PET bottles. Preference is given where possible to regional yarn suppliers in order to cause as few emissions as possible during the transport of the goods.

Regionality is a top priority for the DELIUS Group and is also reflected in the choice of technical and commercial service providers.





In Dialogue with our Customers and Partner Companies

We assist our customers individually with each project from the first meeting to production readiness. Our creative solutions are specially adapted to the respective needs and requirements of each project. We develop the ideal fabric pattern for every customer request. Our development capability does not end with colours and patterns, but also extends to the composition of the fabrics and their areas of application. This know-how also enables us to do development work in the field of technical textiles and smart textiles. We maintain an open dialogue with our customers, using all common means of communication.

For us, development means the customised design of textile surfaces and the selection of the best possible yarns and fabric settings. In the process, the development department works hand in hand with the D-LAB testing laboratory which ensures the quality for the high customer requirements.

Sustainability

Through the targeted collection of production waste and its material processing, we are increasingly succeeding in using valuable secondary raw materials which are to be processed into high-quality yarns in future in cooperation with the Fibre Institute (Bremen, Bremen Cotton Exchange).

By increasingly using yarns that can be spun from secondary raw materials, such as PET drink bottles, we are reducing the proportion of petroleum-based raw materials. In addition, we are working on single-variety solutions for the covering materials, thereby creating the possibility for reuse and making an important contribution towards the circular economy



5. CO₂-Footprints in Accordance with ecocockpit

ecocockpit
CERTIFICATE OF CORPORATE CARBON FOOTPRINT

485,40
t CO₂e

Company
Delius GmbH & Co. KG

Title of Balance
Greenhouse Gas Protocol Standard

Accounting period: 01.01.2021 bis 31.12.2021
 Accounting subject:

Emissions & Description of the Balance Room

SCOPE 1	SCOPE 2	SCOPE 3	TOTAL
291,19 t CO ₂ e	194,21 t CO ₂ e	k.A.	485,40 t CO ₂ e

Balance standard: The balance represents the sum of all direct and indirect greenhouse gas emissions of a company / location / process / product, expressed in CO₂ equivalents (CO₂e), depending on the system boundary you have chosen. The accounting is based on the requirements for quantitative determination and the reporting of greenhouse gas emissions in accordance with the current regulations and standards.

DELIOUS GmbH & Co. KG
 Goldstraße 16-18
 33602 Bielefeld

Bielefeld, 26.06.2023
 Place and Date

[Signature]
 Signature

ecocockpit
CERTIFICATE OF CORPORATE CARBON FOOTPRINT

7.380,09
t CO₂e

Company
Delcotex

Title of Balance
Greenhouse Gas Protocol Standard

Accounting period: 01.01.2021 bis 31.12.2021
 Accounting subject:

Emissions & Description of the Balance Room

SCOPE 1	SCOPE 2	SCOPE 3	TOTAL
600,48 t CO ₂ e	6.779,61 t CO ₂ e	k.A.	7.380,09 t CO ₂ e

Balance standard: The balance represents the sum of all direct and indirect greenhouse gas emissions of a company / location / process / product, expressed in CO₂ equivalents (CO₂e), depending on the system boundary you have chosen. The accounting is based on the requirements for quantitative determination and the reporting of greenhouse gas emissions in accordance with the current regulations and standards.

DELCOSEX GmbH & Co. KG
 Vörsenforst Str. 50
 33730 Bielefeld

Bielefeld-Jöllenbeck,
 01.06.2023
 Place and Date

[Signature]
 Signature

6. The Steps We Have Already Taken

- ISO 9001, ISO 50001, GRS, EcoVadis, TISAX, OEKO-TEX label certificates for almost the entire DELIUS collection.
- Construction of Hall 4 to reduce freight costs.
- Installation of a PV system on Hall 4.
- Procurement of energy-efficient looms.
- Conversion of the lighting to energy-saving LED light sources.
- Regular maintenance and optimisation of ventilation, heating and air conditioning systems.
- Procurement of electrical appliances with optimal energy efficiency classes.
- Procurement of modern energy-saving laptops instead of the usual PCs, also against the background of increased home office use.
- Focus on digital advertising (optimisation of Web presence) to reduce the use of paper for flyers and brochures.
- Increased use of hybrid models in the modernisation of the vehicle fleet.
- Cooperation with Altex (Gronau) for the recycling of our old goods (for example, to felt, fleece and insulation materials), start planned in 2023.
- ECOLINE items have been part of our collection since 2021. These fabrics are based on yarns made from recycled PET bottles.



EcoLine curtain fabrics made from recycled PET bottles

7. What We Are Working On

- Assessment of the portfolio of alternative energy sources to define interim targets on the way to the envisaged climate neutrality in 2035: Green electricity from wind power, biogas or PV. By 2024, we want to have achieved 10% climate neutrality.
- Cooperation with the Fibre Institute of the Bremen Cotton Exchange on the „circular economy“. New yarn is to be produced from production remnants, etc.
- Recycling of old goods (polyester) into polyester yarns from recyclates.
- More polyester articles that are biodegradable (target 2023).
- Further articles made from 100% recycled materials with a European country of origin. The goal is a 5% share of recycled materials in the whole portfolio of Delius articles (target 2030).
- Cooperation with local partners (electricity or electricity and heat from biogas).
- Cooperation with the Bielefeld municipal utilities on wind power issues.
- Cooperation with the Bielefeld municipal utilities on green electricity issues.
- Increased use of articles with shorter transport distances.
- Replacement of functionalities (such as, for example) blackout acrylate coatings with more environmentally friendly processes.



8. What We Are Thinking About

1) Additional PV:

1. Free spaces of the DELIUS Group.
2. Roof Hall 1.
3. PV with battery at the Goldstraße site for own electricity (for example, for the whole of IT).

2) Use of electric vehicles:

1. Pool vehicle for internal journeys.
2. Vehicles for our craftsmen.

3) E-charging infrastructure at the Bielefeld Goldstraße site:

1. Use for commercial tenants as well.

4) Social activities:

1. Supporting voluntary work.
2. Bee colony in the meadow orchard in Spenge.
3. Trainees building „insect hotels“ out of wooden packaging scraps.
4. Supporting forest activities in the Teuto region.



Legal Notice

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Delius Holding GmbH is represented by the Management Board with Herrn Dr. Marc Schmidt.

