

RESPONSIBILITY FOR THE NEXT GENERATIONS

CSR Report 2021



SCHWALBE AT A GLANCE 2021



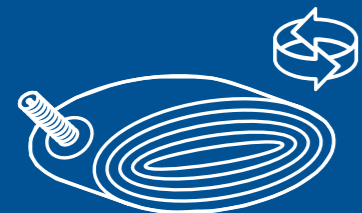
260
employees



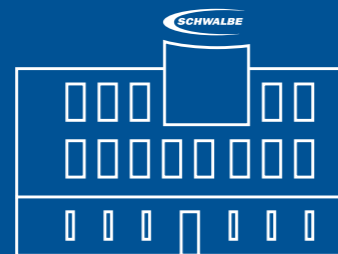
273 €
million turnover



70
countries with brand appearance



1.1 million
recycled bicycle inner tubes



98 %
of materials recyclable at
headquarter Reichshof



100 %
renewable
electricity at HQ



311 t CO₂e
savings through
effective energy management





CSR VISION We are leading in the development of environmentally friendly products, pioneering in the circular economy, and taking responsibility for future generations.

PURPOSE Schwalbe, for every cyclist the right tire with the highest quality and maximum durability.
(Ralf Bohle, 1973)


MISSION The four pillars of Schwalbe's responsibility: products, company, supply chain, social action.


CONTENT CSR REPORT SCHWALBE 2021


 **OUR INSPIRATION**
06 Preface by the management
07 interview with Frank Bohle
10 Interview with Holger Jahn

 **COMPANY PORTRAIT**
14 High-quality innovative products
16 Value-oriented family business
19 Out of Bergneustadt


 **CSR MANAGEMENT AND CSR GOALS**
22 The four pillars of Schwalbe Responsibility
26 Fourteen assessed topics
28 Interview with CSR management
30 Compliance
31 Stakeholder engagement and dialogue
32 Supply chain responsibility

 **INNOVATION AND TECHNOLOGY**
36 Innovations for the bicycle industry
37 The Schwalbe Recycling System
46 Material optimisation
48 Thinking in cycles – Cradle-to-Cradle
50 The new company headquarters in Reichshof

 **PEOPLE – PERSPECTIVE AND MOTIVATION**
54 Opportunities and diversity
56 Outlook and further development
58 Recognising talent, promoting potential
60 Mobility transition for our employees

 **REDUKTION OF EMISSIONS AND RESOURCE CONSUMPTION**
64 Energy and emissions – greenhouse gas balance
69 Resource consumption and waste
70 Recycling data

 **SOCIAL COMMITMENT**
74 Creating opportunities for children from the start
76 Schwalbe Arena – a home for culture and sports
78 More bicycle mobility for our climate
80 Borneo Orangutan Survival Foundation

 **FURTHER INFORMATION**
84 CSR program
86 Contribution to the SDGs
88 GRI Content Index
96 About this report
98 Glossary
99 Imprint



TAKING RESPONSIBILITY GOES WITHOUT SAYING

As a family business, our entrepreneurial activities have always been closely linked to responsibility.

Through our Corporate Social Responsibility (CSR), ecological and social aspects are integrated into responsible corporate action.

Our inspiration is the Cradle-to-Cradle design, which involves thinking in cycles. From the design approach, products are constructed so that all materials can be recycled after use. This is taken into account from the development and production stage.

We have already achieved a lot, but the path to more social and ecological responsibility is far from over. That is why we have set ourselves further goals for our CSR. We would like to create more transparency in our supply chain and further expand our recycling systems throughout Europe. Rather than standing still, we will expand our CSR commitment into more areas.



Our goal is to create a better world for the next generation.

DEAR READERS,

We at Ralf Bohle GmbH love bicycles because they bring people together and connect them with nature. To us, bicycles are the intelligent answer to the global climate and energy crisis as well as a means to furthering the transition towards sustainable mobility. My family has had a business relationship with bicycles for over 100 years: Through our brand Schwalbe and our great enthusiasm, we are contributing as leading specialists for bicycle tires and inner tubes.

We acknowledge that we can only be economically successful in the long term if we also act in an ecologically and socially sensible way. In doing so, we are tackling the areas with the greatest impact first. We address the important issues of creating transparency in the supply chain and reducing emissions in our value chain as persistently as the research and development of new products and processes like our recycling.

With our first CSR report, we are not only setting goals, but also officially establishing our social and environmental responsibility throughout the company. It not only provides information for our employees and the industry as a whole, but also serves as an inspiration to the sector to further develop its responsibility – for the people and for our planet.

As an employer, as a business partner, and with all its products and services, Ralf Bohle GmbH is part of the global community. We take responsibility with the goal of creating a better world for the next generation. This is what we are working on.

Thank you for your interest.

Yours sincerely

Frank Bohle
Managing Partner
and Spokesman of the Management Board



Environmental protection has long been an essential part of our philosophy.

WE HOLD THE FUTURE IN OUR HANDS

The son of the company's founder Ralf Bohle and today's CEO, Frank Bohle has been closely familiar with the Schwalbe company since childhood. It was he who, together with Professor Dr. Michael Braungart, introduced the important topic of sustainability to Schwalbe.

The family-owned company Schwalbe has dealt with bikes for 100 years now. What does the future hold?

In the spirit of my father, the founder of the Schwalbe brand, we want to continue contributing to the mobility transition through innovation and quality.

To us, corporate success means attaining business goals with lower resource consumption and less environmental impact in the future. To achieve this, we aim to inspire and involve as many partners as possible. Only together can we overcome these challenges.

The pandemic has clearly shown us how closely the entire world is interconnected. As a family entrepreneur, this encourages me in my unbroken enthusiasm to expedite the issue of sustainability in all its dimensions. This gives us the opportunity not only to make our company even more ecologically and socially responsible, but also to secure our economic success in the long term.

FRANK BOHLE
In the company since 1990
CEO since 2000





Hung-A and Schwalbe: one of the oldest existing relationships between Germany and Korea.

How important is the topic of responsibility in your corporate self-image?

It is quite important! Companies that offer products for climate-friendly mobility should also act in a sustainable manner. That is what we aspire to in our own corporate responsibility. Otherwise, we will not be considered reliable in the mid and long term. For us, taking responsibility is not an option, but a natural part of our business. We do this on multiple levels, e.g. by creating secure jobs for our employees and their families. Also, our cooperation with suppliers and trading partners is based on respect and appreciation.

Acting in a meaningful way is important to us and we are happy to take on social responsibility by supporting organisations such as Children for a better World e. V. and CHANCENWERK e. V. and thereby also making a contribution for future generations.

Last but not least, we see it as our responsibility to promote the global mobility transition through political commitment.

In Germany, family entrepreneurship is often a challenge. What measures have you initiated to find a continuous cross-generational arrangement?

Our top priority is trust, which was already my father's management style. Handing over responsibility to the new generation at an early stage is a well-trying system for us. Fairness, honesty, and integrity are indispensable. Long-standing employees are rewarded for their loyalty. Not only does this create a good reputation as an employer, it also contributes significantly to a beneficial team atmosphere.

The topic of sustainability is also a very good instrument for creating loyalty and demonstrating to the young generations the purpose of their work.



How important is environmental protection for you?

Environmental protection has long been an essential part of our philosophy. It is a path that we follow with passion and that gives us strength. We started in 1993 with the downcycling of bicycle tires into floor mats, then we developed a recycling process for the inner tubes and now our tires are also 100 percent recyclable.

The Cradle-to-Cradle design developed by Professor Dr. Michael Braungart, PhD, was the initial spark for the new company building, which acts as a repository for recyclable materials. It is a kind of proof to our employees and the world that we love and live what we do. This passion allows us to remain down-to-earth and legitimate on the one hand and persistently consistent on the other. We each create value at our own level, but we are heading for the same goal. We are also aware that we can only ensure economic success in the long term if we continue to develop Schwalbe's entrepreneurial orientation with a view to ecological and social aspects.



Are established partnerships and long-standing relationships the key to long-term success?

They are the foundation of everything, our greatest asset. Our close partnership with the Korean family-owned company Hung-A, which will soon be 50 years old, gives us great potential for action. We are proud to share deeply rooted values, now in the fourth generation, which gives us a blind understanding for our common cooperation. This partnership is characterised by reliability, innovative strength, and a sense of quality and responsibility and leads to long-term employee loyalty.



What is the biggest corporate goal for your CSR activities in the next few years?

Specifically, we plan to disclose our strategic orientation in the area of sustainability, such as the 55 percent reduction target for CO₂ by 2030. We also want to contribute to making working conditions and environmental aspects in the supply chain transparent. In the medium term, we will also regulate our succession and long-term existence of the family business.

I firmly believe that it is possible to establish the bicycle as one of the most important modes of transportation in cities. Fortunately, the transformation process is already moving in this direction. If we manage to create more bicycle-friendly urban spaces with political support, then it will be possible to establish liveable cities for future generations.



Trust is our top priority.

THE ESSENTIAL THING IS TO KEEP MOVING

Schwalbe's COO is a team player who exemplifies his enthusiasm for technology and cycling to his team. In addition to his technical know-how, Holger Jahn has shown a passion for road cycling for over 35 years. The trusted relationship with Ralf Bohle and many years of close collaboration with Hung-A and partners in Asia form the foundation for these successful product developments.

Why do you place such high value on running a company according to the principles of sustainability?

We've only got one planet! That is why it is our duty to use resources efficiently. Fortunately, there is not need to reinvent the wheel. The idea of sustainability has been part of the Schwalbe philosophy from the outset. Our task now is to keep the bar high and, as ground-breaking pioneers, to continue to spark our inventive spirit. Problems, to us, are an invitation for seeking solutions. The essential thing is to keep moving.

Which sustainability processes have you initiated and how do you support your employees in this?

The establishment of the CSR department was certainly an important step. It was the only way to ingrain the extensive transformation process even more firmly in the company.

We are committed to offering our employees and their families security and to support them with social benefits. Open communication and flat hierarchies motivate and support our employees and promote team spirit.

When young people can contribute their ideas, it gives them a confidence bonus that ensures a smooth generational transition.

How does Schwalbe stand out from the competition?

The momentum of technical innovation, creativity, and responsible family entrepreneurship create a strong team spirit. The employees are proud of the company and see themselves as part of the whole unit. They are encouraged to take responsibility and frequently do so – cooperation at eye level is a decisive factor for our success. At Schwalbe, creative processes and new developments are given the time they need. Finally, the appeal of producing the best and most sustainable product on the market is a key factor.

When did the idea first arise that product development must also be oriented towards future generations?

The company's founder, Ralf Bohle, already made a habit of listening to cyclists and developing products that the market needed. We create visionary, long-term solutions for future generations. The bicycle is a means for a mobility transition; it is emission-free, efficient, and beneficial to everyone's health. We aim to close the production cycles and use resources as efficiently as possible. To us, the bicycle is an important element for overcoming the global climate and energy crisis.



Our pioneering spirit drives us to find new sustainable solutions.

As a midsize company, how did you manage to be the first in developing marketable tire recycling ?

Throwing things away is not part of our core nature. At the same time, we are driven by the fascination of developing something new. The decisive factor here is the change of perspective – we don't see old tires as waste, but as a valuable resource. Our core principles are openness to new things coupled with the willingness to give young people with ideas a chance and, at the same time, to revel in competition. Striving for innovative methods is part of our company history and we are persistent when it comes to turning our vision into reality. Of course, success also requires the right team that works on the project diligently and purposefully, as well as a measure of luck.

What drives you?

What are your next sustainability goals?

A hundred years of experience give us a solid foundation and a good sense for the market. At the same time, our pioneering spirit drives us to find new sustainable solutions. Major tasks for us are to promote the recycling of products, but also to further develop topics such as transparency in the supply chain. In this, our CSR reporting will provide the structure. We are driven by our ambitious goals in the areas of research and development of new products and processes. In addition to innovation and product quality, environmental and social issues are the things which are most important to us.

I would like every employee to think about their responsibility towards people and the planet for half an hour once a day. After all, we want to continue to be pioneers of sustainability. In this respect, our employees are our greatest asset.

HOLGER JAHN
In the company since 1987
COO since 2000



ONE HUNDRED YEARS OLD, BUT NOWHERE NEAR DONE

FIRST BUSINESS CONTACTS WITH ASIA

Contact with Asia has played a fundamental role since the foundation of the company.

1973

BIRTH OF THE SCHWALBE BRAND

It was the result of the friendship between two family businesses that would last for decades.

1983

FIRST MARATHON TIRE

After intensive practical tests with world traveller Wolfgang Reiche, the first Marathon rides from Kathmandu to Bergneustadt (Germany).

1993

SCHWALBE FLOOR MATS

The first step towards recycling was the processing of old tires into floor mats.

2013

RECYCLABLE BICYCLE TUBES

Through the collaboration with EPEA, the circularity potential of inner tubes was researched.

2015

INNER TUBE RECYCLING

The world's first bicycle tube recycling system launches in Germany.

2020

GERMAN SUSTAINABILITY AWARD

The inner tube recycling project receives the most prestigious prize for sustainability in Germany.

2021

TIRE RECYCLING

With the world's first bicycle tire recycling system, we have come full circle.

COMPANY PORTRAIT

As a bicycle tire manufacturer, we aim to be leaders in the field of CSR. We have been working towards this goal for decades. Starting with recycled floor mats made from used tires, to bicycle inner tubes, to tire recycling – we have always maintained our pioneering spirit, humanity and perseverance.

14 High-quality innovative products
16 Value-oriented family business
19 Out of Bergneustadt

HIGH-QUALITY, INNOVATIVE PRODUCTS

When no one thought of bike tires as a quality component, we were already firmly convinced that durable products had great potential.

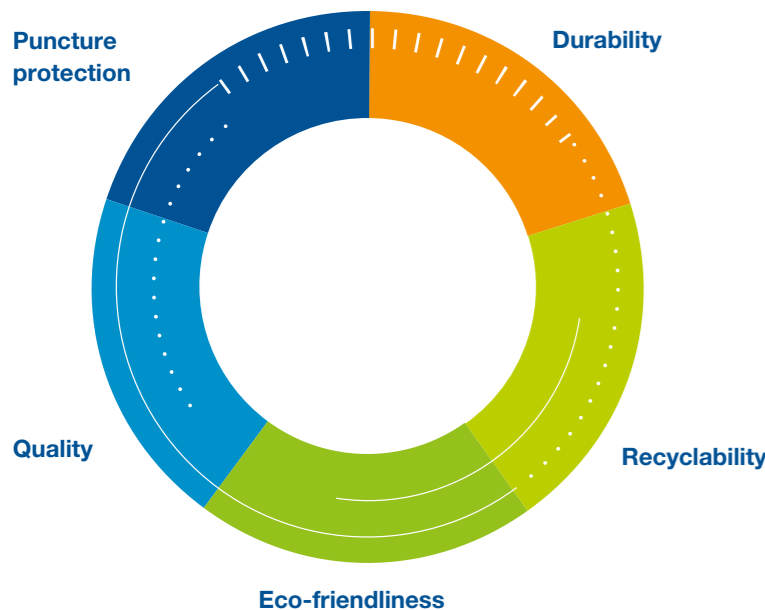
We develop, manufacture, and distribute high-quality innovative products for all cyclists. Ralf Bohle listened carefully to cyclists and created what they really wanted: durability, puncture protection, and suitability for everyday use. With this idea, he was a pioneer throughout Europe. This has not changed to this day and is deeply anchored in our corporate DNA.

The foresight of our company founder, Ralf Bohle, to specialize in bicycle tires and inner tubes formed the basis for what was initially a small family business in a small German town. The Schwalbe brand was born.

The company's founder had the right knack for finding the best people for every task and for challenging and inspiring them. That is how the European-Asian cooperation with Schwalbe's production partner Hung-A in Korea was established. It has been built on respect and trust since the beginning.

The two companies are now linked not only by a friendship that has lasted almost 50 years and is unique in the industry, but also by a joint venture. Millions of tires are manufactured jointly every year, and rising. Schwalbe believes in exclusivity in production: No tire or inner tube is bought in from other production sites, all Schwalbe products are entirely produced by Hung-A.

Requirements for Schwalbe products



VALUE-ORIENTED FAMILY BUSINESS

Ralf Bohle GmbH looks back on a nearly 100-year tradition. Our values are deeply rooted and we carry them forward as a self-image in the fourth generation.



Our values show the attitude we put forth every day. They form the foundation of our family business and reflect the ideals of the Schwalbe brand.



Family business

What makes Schwalbe special is the family-like togetherness. We are #schwalbeunited and achieve our goals together. The flat hierarchies are characterised by fairness, honesty, integrity, and respect.



Cross-cultural

We consider ourselves lucky to have been regionally anchored and internationally active at the same time for decades. The close teamwork across continents enriches us enormously. Cross-cultural partnerships are not only the core of our success story, but also a guarantor for the future.



Innovative

When we think innovation, it does not only apply to our tires, but also to concepts, materials, processes, and services. The fast decision-making processes and short development cycles enable us to start running initial laboratory and practical tests from the start-up phase.



Responsibility

As a globally active family business, we bear great responsibility towards society and nature. The worldwide, permanent exchange with our stakeholders paves the way for our international success.

European market leader in bicycle tires

With its Schwalbe brand, Ralf Bohle GmbH is Europe's market leader for bicycle tires. In the reporting year 2021, we employed 188 people at the recently completed headquarters in Reichshof, Germany, where around 98 percent of all construction material used is recyclable. In addition, we have 72 employees in five subsidiaries throughout Europe and North America.

Our subsidiaries have emanated from decades of cooperation with our importers. They play a particularly important role because we benefit from the accumulated know-how.

Our Korean partner Hung-A is responsible for rubber compounds and production at the plants near Jakarta (Indonesia) and Ho Chi-Minh City (Vietnam). All production steps take place under one roof, the distances are short, and the dependency on suppliers is low. Product development, sales, marketing, logistics, quality management, and administration are located at the headquarters of Ralf Bohle GmbH in Germany.

In 2021, we achieved a turnover of 273 million euros. This amounts to a growth of around 20 percent compared to the previous year (228 million euros) – a new record turnover. One of the key success factors for the significant increase is the e-bike boom. We were able to win customers over with our broad and high-quality product range, including the flagship Marathon E-Plus with the unplattbar® (“flat-less”) technology.

Since we see the bicycle as one of the key players in the future of mobility, the expansion of our production capacities is running at full speed. At the same time, we are continuing to address the key issue of corporate responsibility. In the reporting year, for example, we were able to expand the successful inner tube recycling programme to Switzerland. It is now available in five European countries.



Our fortitude lies with our employees

188
at the
Schwalbe headquarters

72
at
Schwalbe International

11
years average
length of employment

14
nationalities

INTERNATIONAL COLLABORATION

Lasting transnational and transcultural partnerships are not only the core of our success story, but also a guarantor for the future.



- SCHWALBE HEADQUARTERS**
Reichshof
- SCHWALBE NETHERLAND B.V.**
Hoofddorp
- SCHWALBE FRANCE SARL**
Morestel
- SCHWALBE ITALIA S.L.R.**
Agrate Brianza (MB)
- SCHWALBE TireS UK LTD.**
Telford
- SCHWALBE NORTH AMERICA**
Victoria, Canada
- PT HUNG-A INDONESIA**
Cikarang, Indonesien
- H.A TIRE VINA**
Trảng Bàng, Vietnam

- Subsidiaries
- Headquarters
- Production sites

OUT OF BERGNEUSTADT

What started as a small family business in rural Germany has grown into an international network.

The brothers Eugen and Willy Bohle founded the company in the German town of Bergneustadt in 1922. Their main business at that time was exporting bicycle parts to Asia. In 1955, at the age of 20, Ralf Bohle joined the company of his father Eugen, who died shortly thereafter. The early years were difficult. The world was changing quite rapidly in the 1960s. While colonies became independent states, target regions for imports turned into exporting nations. Bicycle parts from Germany struggled to compete. From 1970 onwards, Ralf Bohle used his outstanding expertise in Asia to start importing parts for German bicycle manufacturers. From 1973 on, Ralf Bohle specialized exclusively in bicycle tires – the Schwalbe brand was born. Bohle found a strong partner in the Korean family-owned business Hung-A and successfully developed from an exporter to an importer of bicycle parts. What prevails, is the consistently high quality.

After only two years, in 1975, the company's set goal of 3 million Schwalbe tires was achieved. In 1989, the first international sales company was founded. Production started in Indonesia in 1994. In 1995, the new company headquarters near the original building were inaugurated, housing the departments of product development, sales, marketing, logistics, and administration. Five years later, the next generation entered the management of the company: Frank Bohle, Holger Jahn and Andreas Grothe. In 2012, we successfully made the leap across the Atlantic. Bohle took the assignment in North America into his own hands by establishing an in-house sales company. In 2014, the new Schwalbe production facility in Vietnam, in partnership with Hung-A, went into operation. In 2021, we moved the main office into the new Schwalbe annex at the headquarters. The building stands for growth, innovation, technical dynamics, creativity, and responsible use of resources.



CORPORATE SOCIAL RESPONSIBILITY – STEP BY STEP

CSR MANAGEMENT AND GOALS

The Cradle-to-Cradle design is our inspiration. Our goal is a closed-loop economy in which we only manufacture products that have an almost infinite life span.

- 22 The four pillars of Schwalbe responsibility
- 26 Fourteen assessed topics
- 28 Interview with CSR management
- 30 Compliance
- 31 Stakeholder engagement and dialogue
- 32 Supply chain responsibility

THE FOUR PILLARS OF THE SCHWALBE RESPONSIBILITY

Corporate Social Responsibility as a holistic task.

Integration of ecology and social aspects

Corporate Social Responsibility (CSR) stands for responsible entrepreneurial action integrating ecological and social aspects. To us, it means creating lasting social, ecological, and economic added value.

The holistic CSR approach applies to all stakeholders

Our stakeholders are notably consumers, employees, business partners, retailers, and society as a whole. Through our innovative products and our commitment, we want to make cycling even more sustainable and future-proof. The pioneering spirit of the Schwalbe recycling systems and the longevity of our business relationships prove that we are on the right track. We understand our ecological responsibility to not only include sustainable products and materials. We also base our actions on the Cradle-to-Cradle design because we are convinced that further development of the circular economy and new recycling solutions will make a significant contribution toward conserving valuable resources.

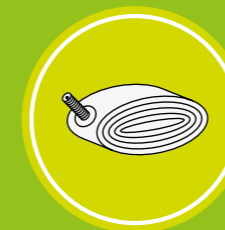
Our CSR approach goes beyond our own products and production sites; it increasingly includes the upstream and downstream value chain. We not only aim to minimise negative impact, but also to make a genuine positive contribution. Just as we are constantly refining the development of our products to improve them, we also question the status quo of sustainable processes to be able to act as responsibly as possible in the long term. We are leading in the development of environmentally friendly products, pioneering in the circular economy, and taking responsibility for future generations.

The four pillars of the Schwalbe responsibility

We see our CSR as an ongoing process of transformation. Sustainability issues are an integral part of our actions. Doing business responsibly is a prerequisite to staying on track for success in the long term and creates added value for all our stakeholders.

As pioneers at the product and CSR level, we have set ourselves ambitious goals and defined four strategic fields of action in which we want to achieve them: products, business, supply chain and social action.

We see these four pillars as our mission. They allow us to take a holistic view of our multi-layered and multi-faceted entrepreneurial activities and reflect the character of our responsibility to act more sustainably and consciously. Examples such as our inner tube recycling, the Green Compound, the use of Fair Rubber, and the new company building demonstrate the variety of our sustainability activities and thus illustrate the overall picture of the Schwalbe CSR. Read more about the individual projects on the following pages.



PRODUCT

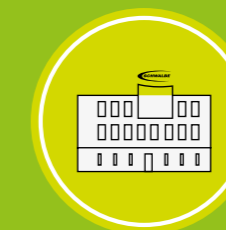
CLOSED CIRCULAR ECONOMY
 – Tire recycling
 – Tube recycling

50 YEARS OF QUALITY
 – Long-lasting quality products
 – Marathon quality:
 From Kathmandu to Bergneustadt on one Marathon tire (world traveler Wolfgang Reiche)

MATERIAL OPTIMIZATION
 – Material Screening in accordance with C2C (ingredients, renewable ingredients, detoxing)

PRODUCT INNOVATION
 – Aerothan (TPU-material, sustainable high-end product)
 – Green Guard (first puncture protection, made of one third recycled material)
 – Green Compound (rubber compound exclusively made of renewable materials)

WASTE MINIMIZATION
 – Ressource-efficient packaging
 – 100 % recyclable packaging



COMPANY

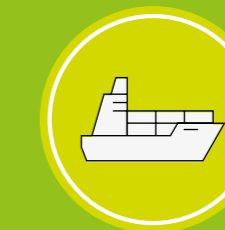
EMPLOYEES
 – Comprehensive support and assistance
 – Long-term employment (further education, cycle to work scheme etc.)

NEW HEADQUARTERS
 – 70 % of materials used are circular

ENERGY CONCEPT
 – Electricity from 100 % renewable energy sources (HQ – 311 t CO₂e savings/year)

MOBILITY CONCEPT
 – Sustainable mobility (cycle friendly employer, switch to e-mobility)

SUSTAINABLE PROCUREMENT
 – Highest standards for purchasing (e. g. office supplies)



SUPPLY CHAIN

IMPROVE LIVING STANDARDS
 – Fair trade natural rubber (Fair Rubber e. V.)
 – Higher wages and better work conditions

GLOBAL ENERGY CONCEPT
 – Use of organic waste instead of coal

SUSTAINABLE LOGISTICS
 – Selection of providers based on sustainability criteria



SOCIAL COMMITMENT

SOCIAL OUTREACH
 – Promotion of the wheelchair division (extensive portfolio for everyday activities and sports)
 – Sponsoring of parasports

CHARITY PROJECTS
 – Chancenwerk
 – World Bicycle Relief
 – Children for a better world

PROMOTION OF SPORTS
 – Sponsoring athletes
 – Regional support (VfL Gummersbach, TTC Bergneustadt)

BIODIVERSITY PROTECTION
 – Borneo OrangUtan Survival Foundation
 – Greening of headquarters for greater biodiversity
 – Rooftop garden (herbs and vegetables for the canteen)

”
 As a global bicycle tire manufacturer, we strive to be leading in Corporate Social Responsibility.

FUTURE UNDERTAKINGS – OUR CSR MARATHON

As one of the first companies in the bicycle industry, we have set ambitious CSR goals in our four pillars of responsibility.



PRODUCT

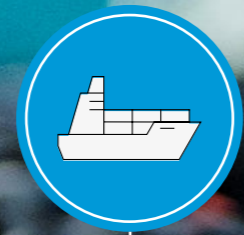
- 2022**
Presentation and start of tire recycling
- 2023**
Presentation of first product with 100% RCB (Recovered Carbon Black)
- 2025**
Life Cycle Assessment (LCA) for all core products

CONEBI/CIE Sustainable packaging commitment
Working with supply chain partners to ensure that all packaging in the supply chain is reusable, recyclable, or compostable
- 2026**
14 million recycled tires
13 million recycled inner tubes



COMPANY

- 2022**
Offset for all non-avoidable flight emissions (business travel)
- 2023**
Sustainable mobility for HQ complete, holistic onboarding programme
- 2025**
Energy transition: 100% use of renewable energies in Germany
- 2030**
Internal climate goal: reduce scope 1 & 2 emissions by at least 55%; expand the inclusion of scope 3 emissions



SUPPLY CHAIN

- 2022**
Membership in Responsible Sports Initiative (RSI) to launch supply chain transparency project
Expansion Fair Rubber: +739% Membership growth
- 2023**
Audits of the JV factories in IN and VN
- 2024**
Application of code of conduct for the entire group of suppliers/sub-suppliers and accessories suppliers
- 2025**
Additional external auditing of the code of conduct
- 2027**
Energy transition: expansion of renewable energies at the production sites



SOCIAL COMMITMENT

- 2022**
Children's project: establishment of a separate children's advisory council (consisting of children of employees' families)
- 2023**
Beginn of support for social projects in the production countries and for people in the resource extraction process
- 2030**
Share of cycling mobility in commuting 25%

2030 AGENDA

Our contribution to the Sustainable Development Goals of the United Nations.

Among other factors, our CSR is guided by the United Nations' 2030 Agenda for Global Sustainability. At the core of this agenda stands a catalogue of 17 goals for sustainable development – the Sustainable Development Goals (SDG).

The 17 SDG take into account all three dimensions of CSR – social, environmental, and economic.

To achieve the goals of the 2030 Agenda, we all need to commit to the SDG. Within the framework of our four pillars of responsibility, we contribute to the achievement of the Sustainable Development Goals. Many of our CSR goals are directly or indirectly related to the SDG.

In the quest to find out which of the 17 SDGs Schwalbe can best support, we have concluded to focus on issues that we can truly influence as a company.

We therefore focus primarily on the SDG 7, 8, 9, 12, 13 and 15.



FOURTEEN ASSESSED TOPICS

We have created a materiality matrix to identify the content of this report. Of these topics, innovation and R&D are given the highest priority.

In our analysis, we examined two perspectives:

Inside-out:

Which positive and negative impact does Schwalbe's business have on the economy, the environment, and society?

Outside-in:

To what extent do sustainability issues affect Schwalbe's business performance, outcome, and the company's situation?

To determine the relevant topics, we conducted a materiality analysis for our CSR report with the participation of external experts. The basis for this was a compilation of potentially significant topics, supplemented by new and more important aspects of CSR in our industry in the future. The assessment was carried out in accordance with the GRI's materiality definition.

In addition to the existing strategic fields of action and basic principles, other potentially significant sustainability topics and trends were also analysed. In total, we identified and evaluated 14 topics. The analysis consisted of two components: a document analysis and an SDG impact assessment.

In the document analysis, we identified the main impact areas of key sustainability trends for Schwalbe. As part of the SDG impact assessment, we evaluated the contribution of Schwalbe's business activities to the United Nations Sustainable Development Goals (SDGs).

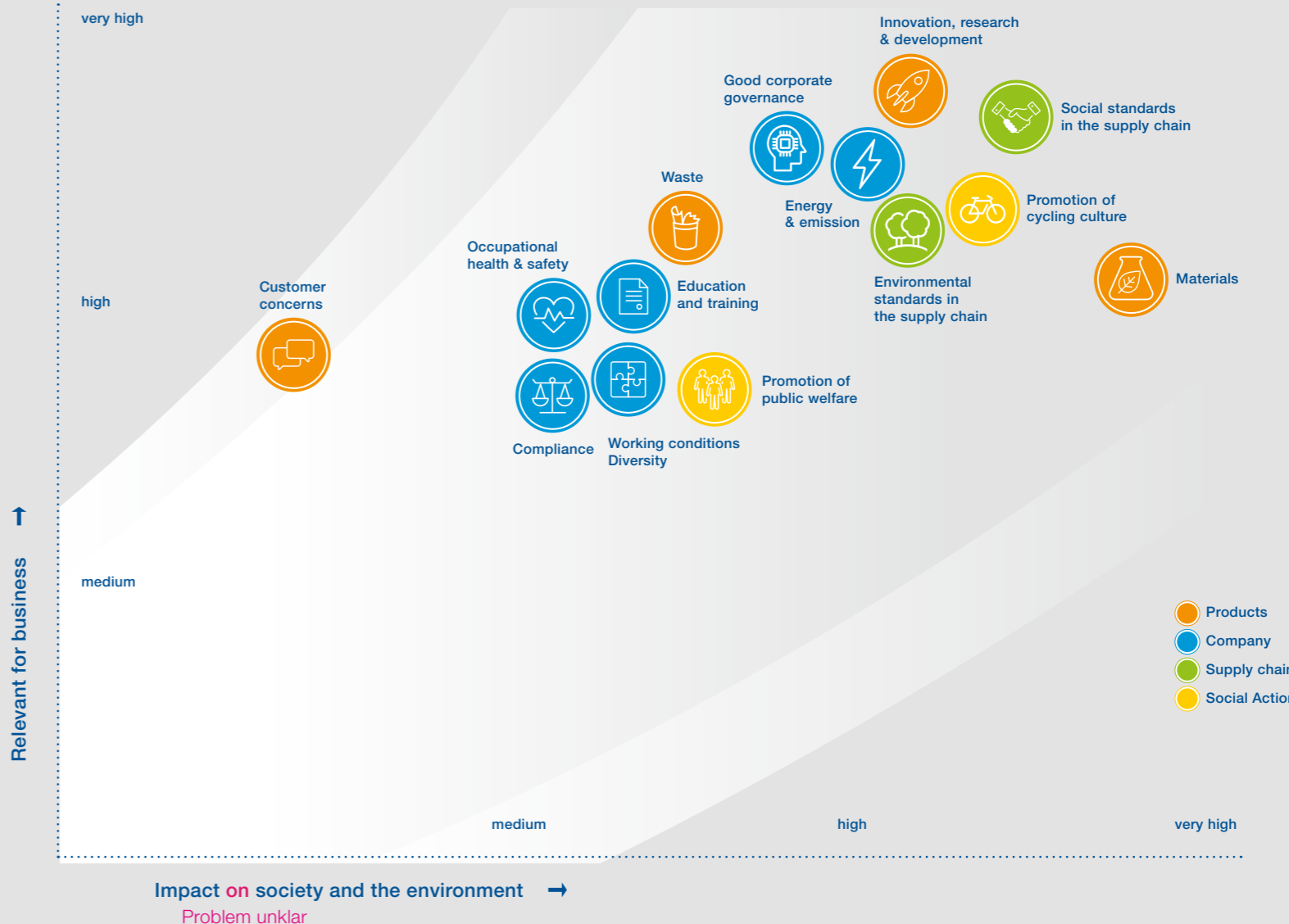
The results are an important foundation for the further development of the strategic fields of action. After final evaluation of the 14 topics, we summarised them in a materiality matrix. Innovation, research, and development received the highest rating. The topic of a sustainable supply chain was also rated very highly. The materiality analysis confirmed the relevance of our strategic fields of action.

The materiality analysis confirmed the relevance of our strategic areas of fields of action.

List of essential issues

Pillar of CSR responsibility	Essential topic
Product	Materials
	Innovation, R&D
	Customer concerns
	Waste
Company	Good corporate governance
	Compliance
	Education and training
	Working conditions and diversity
	Occupational health and safety
	Energy and emissions
Supply Chain	Social standards in the supply chain
	Environmental standards in the supply chain
Social Action	Promotion of cycling culture
	Promotion of public welfare

MATERIALITY MATRIX





CSR MANAGEMENT – CONSERVING RESOURCES IS A MUST

In the reporting year, we bundled the responsibilities for the numerous CSR topics. The newly established CSR department coordinates CSR activities at the corporate level.

The department manages CSR reporting and CSR projects, such as measuring carbon footprints and the mobility concept. It develops and manages the recycling systems and attends to the ecological aspect of the sustainability and safety of the products. The integration of sustain-ability criteria for all essential decision-making processes and the integration of sustainability into IT are just two of its many goals.

We asked the new head of the CSR department, Felix Jahn, about his goals and plans.

Why is the promotion of CSR so important to you?

I see it as our duty to position our company as well as possible in CSR so that we can act better and operate successfully in the future.

When it comes to social and ecological responsibility, we as a company have moved well beyond the world of bicycle tires. We are not only concerned with fantastic products – our scope for action is much greater. The social aspect is imperative to us. We commit ourselves by being strongly involved in political organisations and standing up for public welfare. We aim to inspire other companies to act ecologically and socially, to position themselves better by moving away from a throw-away economy towards a circular economy. If our passion is carried forward, our goal is achieved.

from right to left
FELIX JAHN, CSR-Manager
MARCUS LAMBERTZ,
Product Safety and Environment

Was there a particular event that was pivotal for your entry into the business?

I grew up with the company and its employees. My grandfather shaped my childhood with his humane and inspiring character, so I was able to identify with the company from an early age. As a young teenager, I cycled the Camino de Santiago with my father and brother and developed a great passion for cycling. I had the desire to discover the world by bike. The strong emotional connection to Schwalbe, which I already had anyway, now extended to the bike itself. That is when I started seeing myself taking on an important role in the company.

What are your personal goals at Schwalbe and in the industry?

I have been given the unique opportunity to carve out my own path in the role of CSR manager. I am very proud of that, but at the same time, I have a great deal of respect for this newly created position. My goal is to transfer the self-image of innovative and high-quality products, which we live so strongly, into our social and ecological responsibility in hopes that we will be able to convince as many people as possible of our journey both within and outside our "bubble".

Which CSR topics have the highest priority if you want to align the company holistically with CSR?

We must act in a resource-conserving way; that is what drives us strongly. The ambition for a holistic circular economy has kept us busy for decades. Now, we hope that through our recycling, other companies will also find ways to close their cycles. Transparency is also important to us. That is why our commitment to the Fair Rubber project is so important to us – it gives us a special, personal connection to the people at the start of our value chain.

We are pleased with our good corporate carbon footprint. Nevertheless, we are aware that 80 to 90 percent of emissions occur in production and the supply chain. These are extreme obstacles. We want to have products that are free of harmful substances, increase the proportion of renewable and recyclable materials, and design the production processes in such a way that they are particularly climate friendly. It is a very important step, but the road to holistic sustainable action is still very long.

Which values would you like to carry forward for your future development?

The most important values are our pioneering spirit, our humanity, and the focus we work with to make things happen. Our ambition is to always be a little bit better. We create trends and then go a step further, even if the experts tell us: "That's not possible." Sometimes this is exhausting, but we always ask ourselves how processes can be improved. There is no final result, only an endless ladder that we climb together.

We focus first and foremost on the needs of cyclists. This means that the important decisions in our company are basically made by the cyclists. We never stop developing, even if it takes years. The people at Schwalbe have the freedom to act as they consider reasonable. In most cases, this has been the right decision. I find motivation in our spirit to think globally, to build cultural bridges, and at the same time to keep our regional roots. This is reflected, for example, in our way to treat everyone like family. We are #schwalbeunited! You immediately feel welcome here.



The important decisions at Schwalbe are made by cyclists.



**COMPLIANCE –
DEEPLY ROOTED IN THE VALUE
SYSTEM OF OUR FAMILY BUSINESS**

Due to changing environmental, economic, and social requirements, companies must constantly review their current business models. This also includes compliance – the observance of legal regulations as well as of internal guidelines by organisations and their employees.

As a family business under third-generation management, our values are deeply rooted. We act across cultures, see innovation as one of our greatest strengths, and try hard to act sustainably and responsibly.

That is why we encourage behaviour that is in line with the values and principles of Schwalbe. We are committed to building trusting relationships with everyone – employees, customers, business partners, etc. – who places their trust in Schwalbe as a legally compliant partner.

Our internal and external codes of conduct form the basis for this. We are planning to sign the Supplier Code of Conduct with all relevant accessory and upstream suppliers by 2024. The first audits are to be initiated as early as 2023. The CSR department will focus on the individual steps in this complex process. Our complaints office can be reached at compliance@schwalbe.com.

STAKEHOLDER ENGAGEMENT AND DIALOGUE

As a global family enterprise, we foster extensive relationships with our stakeholders.

We maintain active dialogue with stakeholders who have a strong influence on the economic, social, or ecological performance of the company or on the necessary regulatory framework. In addition, we engage with stakeholders who are significantly affected by the economic, social, or environmental contributions and impacts of

the company. Dialogue takes place through direct communication, for example via rolling meetings, cover letters, trade fairs, and events. Unfortunately, many trade fairs could not take place in 2021 due to the Covid 19 pandemic; some professional meetings were held online.

Stakeholder group	Dialogue form	Topics
Customers	Personal approach and contact at trade fairs, sports events, functions, workshops, dialogue via service centre, customer hotline, and plant tours	Products, new materials, technical advice, customer concerns and suggestions, sustainability, and recycling system
Employees	Annual appraisals, staff magazine, open-door culture, joint events	Working conditions, training, occupational safety, plans and projects, sustainability programme, recycling system
Specialized trade	Personal interaction at annual product presentation and various specialist conferences and trade fairs, specialist trade magazines, hotline, and support	Products and product innovations, recycling system, customer innovations
Supplier	Supplier discussions and audits for new product developments and innovations	Production conditions and product quality, transport routes, sustainability requirements, contract conditions, plans and projects
Neighbourhood on location	Personal talks, personal contact within the framework of sponsoring and promotional measures, open house day	Regional economic development, bicycle mobility, social and sporting engagement, education
Politics and organisations	Personal conversations and written correspondence, Participation in events and consultations	Environmental protection, circular economy, promotion of cycling culture
Science	Research fellowships with Cologne Technical University, studies (Fraunhofer Institute)	Recycling system and material optimisation
Media	Addressing the media through corporate communications & marketing, interviews, podcasts/videos, press conferences, and press releases	Schwalbe Recycling System, products, social commitment, training
Non-profit organisations and NGOs	Personal talks, participation in events, and consultations	Support for social projects, education, sports promotion, biodiversity

SUPPLY CHAIN RESPONSIBILITY

Compliance with ecological and social standards within the supply chain is an essential issue for us. We, like all companies, are called upon to analyse our value chain.

Code of Conduct

Of course, we cannot solve all problems alone. But it is our responsibility to help in shaping change, as the examples in this report show. We pursue this responsibility throughout the entire value chain and strive to create trust and build resilient partnerships.

We work towards a transparent and traceable supply chain to protect all stakeholders and meet our high standards. Our long-standing business relationships with our partners and our code of conduct provide us with a guiding framework.

Cooperation with Fair Rubber e.V.

In cooperation with Fair Rubber e.V. we are committed to the fair trade of natural rubber and thus actively support the improvement of the living and working conditions of rubber tappers. Even though 70 percent of the natural rubber traded worldwide is used in the tire industry, we are so far the first and only tire manufacturer to join Fair Rubber e. V. and to address the issue holistically.

Fair Rubber e.V. has a premium concept that is unique in the world. The world market price for natural rubber is so low that it is almost impossible for many small farmers to sell their rubber at reasonable prices. In 2021, the number of members in the Fair-Rubber cooperative increased from 274 to 900. By the end of 2022, we plan to have 2,300 members, an increase of 739 %.

Fair-trade premium

As part of the cooperation, Schwalbe pays an additional fair-trade premium of 0.50 euros on every kilo of rubber (dry goods). In concrete terms, this supports a specially founded cooperative of currently 900 members (small farmers and tappers) not far from the Schwalbe factory on Java in Indonesia.

739%

We plan to increase the number of Fair Rubber members by 739 % by 2022.



PARTNERSHIP SINCE 1973

A partnership between two family-owned companies has developed into a long-standing friendship.

Our cooperation with the Korean family-owned company Hung-A dates back to 1973 and goes beyond the conventional notion of a business relationship.

Similar to a family, the relationship is close, trusting, and characterised by constant exchange. This is how we master challenges together and continue to work on innovative solutions for our customers. Hung-A is also a joint venture partner. Together with Hung-A, we aim to ensure transparency across our entire value chain. Here, too, our long-standing partnership is of great advantage.





**WE REINVENT THE TIRE
AGAIN AND AGAIN**

INNOVATION AND TECHNOLOGY

We are taking unconventional paths and searching for new technical possibilities with persistency and endurance. It is our goal to offer the most environmentally friendly products on the market.

- 36 Innovations for the bicycle industry
- 37 The Schwalbe Recycling System
- 46 Material optimisation
- 48 Thinking in cycles – Cradle-to-Cradle
- 50 The new company headquarters in Reichshof



INNOVATIONS FOR THE BICYCLE INDUSTRY

In the area of innovation, research, and development, we pursue the goal of offering the best product for each cycling segment – from racing to everyday use.

"The right tire for every bike." This was the motto of Ralf Bohle, the "father" of Schwalbe. To achieve this, we focus solely on bicycle tires and inner tubes and search for alternative materials that offer top performance and are durable and, at best, recyclable.

At our headquarters, we work on brainstorming, design, development, and the execution of laboratory and practical testing. Our partner company Hung-A, on the other hand, is responsible for the procurement of resources, chemical processes, and production.

In order to work in a result-oriented manner and to be able to deliver results quickly, we have divided the product management teams according to segments (Touring, MTB, Road Bike/Gravel, Tube, Wheelchair, and non-rubber, e.g. Aerothan). Interdisciplinary project teams work holistically and create additional synergies. All teams are centrally managed by our COO Holger Jahn.

THE SCHWALBE RECYCLING SYSTEM

We are the first bicycle tire manufacturer in the world to initiate the transition to a circular economy for our products.

We have been doing pioneering work in this field, as recycling processes and systems for our products did not previously exist. Back when sustainability was still a vague concept for the majority of companies, we launched one of the first ever tire take-back initiatives. Old tires contain softeners and other toxic substances that may harm people and the environment if they are disposed of illegally or burned. Moreover, linear economy leads to a steadily growing and irreversible loss of resources.

During the long and complex development period of our recycling systems, we were motivated by the idea that our recycling process does not create waste and that all valuable materials in the products used can be recycled. In addition, we aim to use as much recycled content in our products as possible. We were also the first to use a rubber compound (Green Compound) and puncture protection (GreenGuard) made exclusively from recycled and renewable polymers.

Recycling is one of the most important elements in the transformation from the currently prevailing linear economy towards a sustainable circular economy (Cradle-to-Cradle). Through the development of innovative technologies, we manage to be less dependent on global supply chains. At the same time, we minimise the ecological impact of our own economic activities by:

1. significantly cutting down on fossil resources through the use of secondary resources,
2. reducing the carbon footprint using secondary resources compared to the production of new material,
3. minimising CO₂ emissions through our recycling activities by preventing incineration,
4. avoiding waste that is generated e. g. during disposal.

Finally, the introduction of our recycling systems has a signalling effect. By voluntarily taking back EoL (End of Life) products, we offer all cyclists the opportunity to proactively contribute to the success of climate protection. Particularly in the bicycle industry, which currently only offers few recyclable solutions, we are sending out a strong sign.

828
tonnes recycled bicycle inner tubes from 2015 to 2021

“
For us, innovation is the desire to constantly improve, which is deeply rooted in the Schwalbe DNA.”



ONE HUNDRED PERCENT RECYCLING RATE OF OLD INNER TUBES

TUBE RECYCLING – AN EXCEPTIONAL TAKE-BACK SYSTEM

Since 2015, we have been the first company to offer a take-back and recycling system for old inner tubes in the bicycle trade. This means that used inner tubes do not end up in the incinerator but are used 100 percent for the production of new Schwalbe inner tubes without creating any waste. The system is available in five countries so far, is rising in popularity, and is free of charge for bike retailers and end customers.

The tube recycling system is a shining example of the synergies that arise when we remain true to our corporate values and work across cultures and disciplines. The system is the result of cooperation with our joint venture production partner Hung-A and the Hamburg-based environmental institute EPEA.

In December 2020, we received the German Sustainability Award "as a pioneer" in the category "Design", which was awarded for the first time, for our recycling process.



TUBE RECYCLING SAVES 80 PERCENT ENERGY

For decades, we have been committed to finding solutions for the circular economy. We started with tube recycling.

Old becomes new – without loss of quality

The recovery process of old tubes is very simple: In the first step of the recycling process, retailers in Germany, the Netherlands, Great Britain, Belgium, and Switzerland collect old tubes of all brands and manufacturers. We then transport them in bundles to our recycling plant in Indonesia, which is located right next to our production facilities. Hung-A has developed its own devulcanisation process to recover butyl rubber from the used tubes.

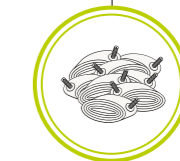
In the reporting year, we succeeded in creating a uniform framework that will allow us to connect more countries to the system in the future. A further rollout is planned, and recycling volumes are to be increased significantly.

To date, we have recycled more than 6,950,000 inner tubes of all brands, repurposing every part of them. Today, every Schwalbe standard inner tube consists of 20 percent recycled content. We are constantly working on further increasing the proportion of recycled material without adversely affecting the quality of the new tube.

The energy balance of the recycling process, including all transport routes, is extremely positive: Compared to the production of the same amount of new material, energy consumption is reduced by 80 percent.



100% recyclable
We use the recycled butyl rubber in the production of new tubes without loss of quality.



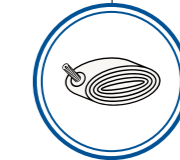
Output material
In Germany, the Netherlands, Switzerland, Belgium and Great Britain, we take back used inner tubes of all brands from dealers and consumers free of charge.



Devulcanisation
To reclaim the butyl rubber, Hung-A has developed a special devulcanisation process.



80% less energy consumption
Our energy balance comprising all transport routes is positive. Only one fifth of the energy is consumed compared to the production of the same amount of new butyl.



A new inner tube
Recycled materials make up around 20 percent of every new standard Schwalbe tube. We are continuously working on increasing the share of recycled materials.

TIRE RECYCLING: "LANDFILLS ARE NO PLACE FOR USED TIRES".

Schwalbe was the first manufacturer in the world to develop a complete bicycle tire recycling process. In 2022, we will introduce the Schwalbe Recycling System® to the public as an EU-wide registered wordmark.

Parallel to the development of the tube recycling system, we have been working at full speed on another challenging goal: the recycling of tires.

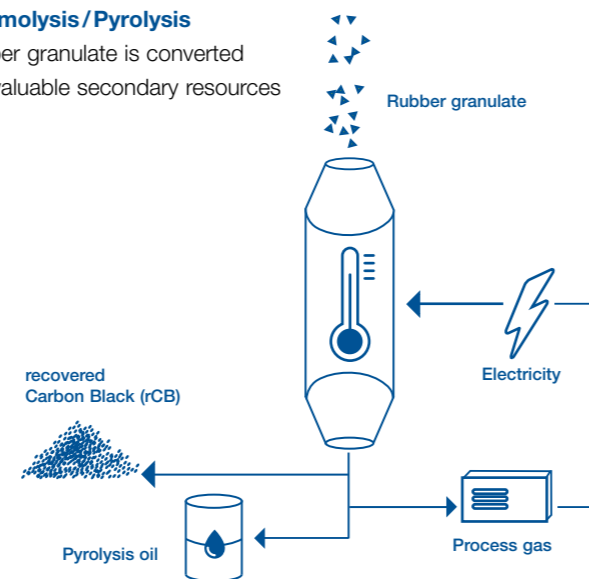
With this world debut, we are pursuing the goal of preserving the output materials of used tires and establishing a circular economy according to Cradle-to-Cradle. The valuable secondary output materials, which we extract through a complex thermochemical process (pyrolysis), are then used in the manufacturing of new products.

Our first steps in tire recycling date back to the 1990s, when we started to mechanically process used tires and turn them into floor mats.

In 2019, the research association founded specifically for this purpose (see p. 45) finally succeeded in carrying out the first successful laboratory tests. This was accomplished by implementing mechanical processing, which has in the past been a deal breaker for the process, and separating old bicycle tires into the three material fractions: rubber granulate, steel, and fabric. Thus, the first major hurdle was cleared. The rubber granulate is then added to a pyrolysis process by our partner Pyrum Innovations AG.

Thermolysis/Pyrolysis

Rubber granulate is converted into valuable secondary resources



Professor Katrakova-Krüger, PhD, and Professor Malek, PhD, from the Technical University of Cologne have developed the Schwalbe Recycling System in a research team with us and Pyrum Innovations AG.





COLLECTION CONTAINERS STAND AT THE BEGINNING OF OUR RECYCLING PROCESS

TURNING USED INTO NEW

Schwalbe is the first manufacturer in the world to recycle bicycle tires, saving 80 Percent of emissions.

Pioneer in bicycle tire recycling

As the first bicycle tire manufacturer world-wide, we concern ourselves with the take-back and recycling of used bicycle tires of all brands.

Retailers – our most important partners

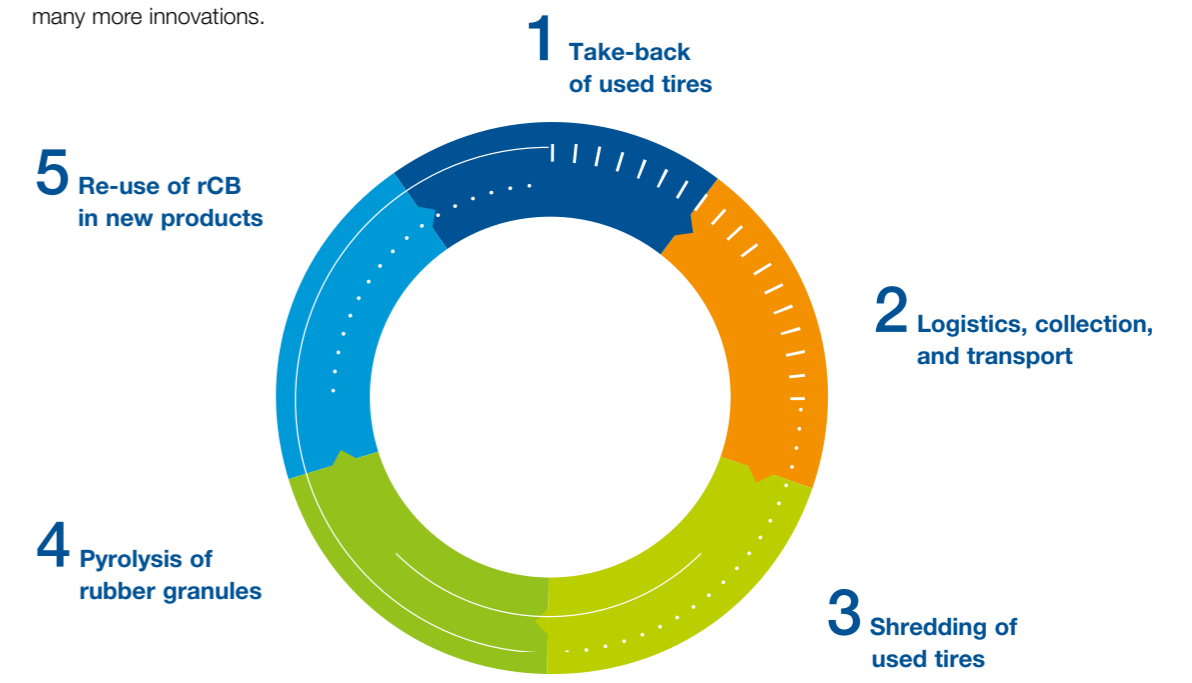
Before the recycling process can begin, the used tires must first be collected. We've designed our collection system similar to our inner tube recycling system (see chart). In this way, customers and retailers can actively contribute to the processing of used tires of all brands into valuable output materials. Together, we are setting a strong example as an environmentally conscious bicycle company.

Saving resources

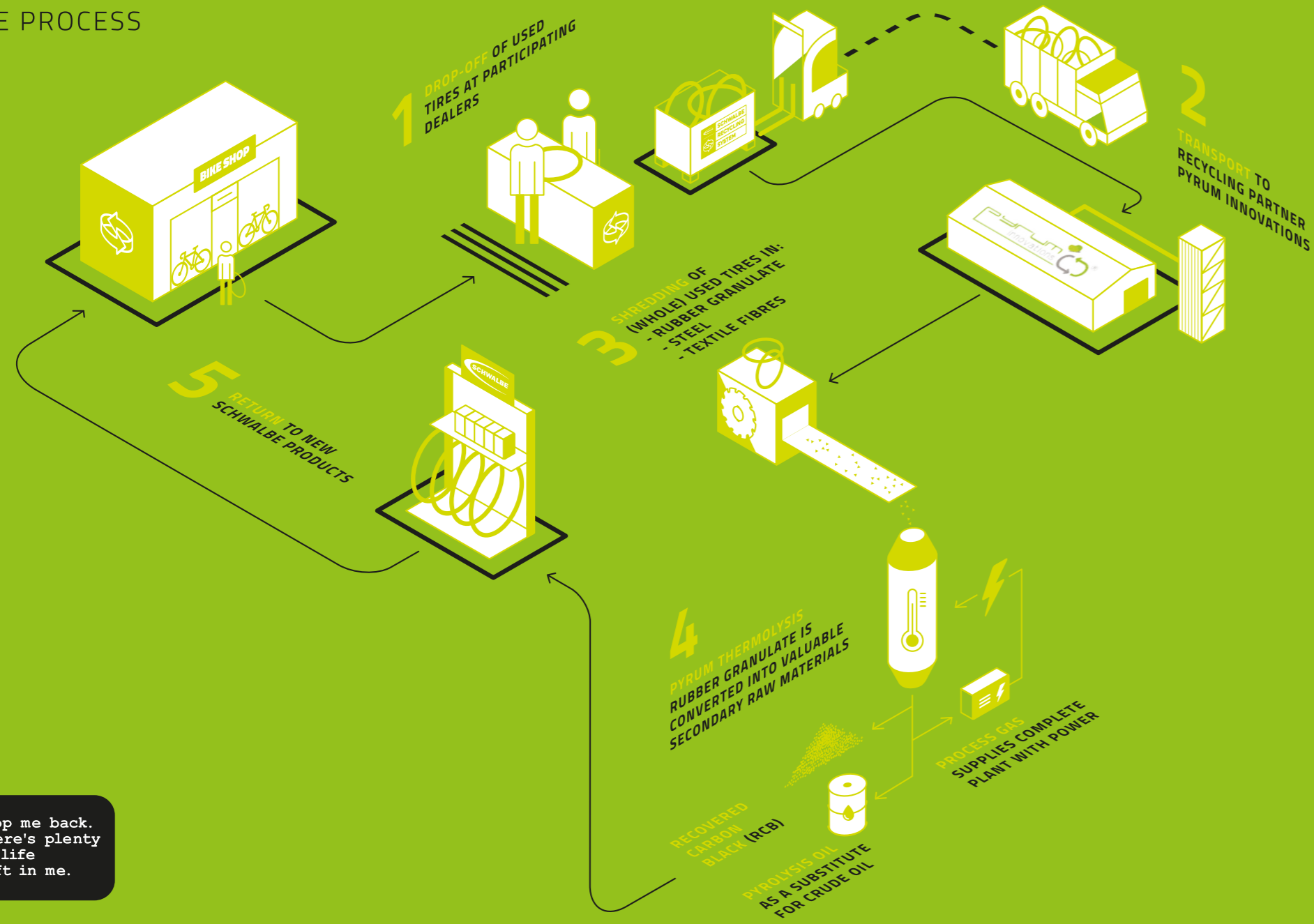
With our tire recycling project, we are well on the way to making our products even more environmentally friendly in the coming years as we avoid the burning and loss of valuable resources. At the same time, we know from experience that this is only the beginning of a long journey and "only" the initial spark for many more innovations.

Saving energy

Schwalbe is the first manufacturer in the world to recycle bicycle tires. The fully closed loop system proactively contributes to energy and resource conservation and saves 80 percent CO₂e.



SCHWALBE RECYCLING SYSTEM THE PROCESS



Drop me back. There's plenty of life left in me.

TRUST IN THE YOUNG GENERATION

Sebastian Bogdahn is member of our CSR team and our Recycling Manager. He is responsible for the Schwalbe recycling systems.

It all started with his request for support in his master's thesis in energy and resource management. The conviction that used tires and inner tubes are not waste but valuable output materials became even clearer at Schwalbe through Sebastian's ideas. When both sides realised the subject's potential, the project was a done deal.

Schwalbe developed the Schwalbe Recycling System in cooperation with the partner Pyrum Innovations AG and the Cologne Technical University under the leadership of Professor Dr. Malek, and Professor Dr. Katrakova-Krüger, as a research community.

The success of this project motivates us to continue to put our trust in young people and to give them the chance to realise new ideas together.

In addition to finishing his PhD, Sebastian Bogdahn is now proactively working with us on the development of the bicycle tire recycling process in order to produce high-quality rCB (recovered carbon black, pyrolysis coke) from the rubber granulate of used tires by means of pyrolysis. In 2023, the first Schwalbe product made of 100 percent rCB instead of industrial carbon black will be introduced.





MATERIAL OPTIMISATION

We are constantly researching modern and sustainable materials and recycling solutions.

MATERIAL SCREENING WITH EPEA

Our goal of producing a sustainable product design from development to disposal starts with the output materials.

Modern, sustainable materials

We are continuously researching modern and future-proof materials and recycling options. The so-called material screening in which we examine and analyse all the ingredients of our products together with EPEA is not common because it is not mandatory by law. The material health of products is difficult to market and motivation in the industry to disclose it has been unfortunately low. However, we have been doing so since 2013 with the aim of offering better and more environmentally friendly products. Considering the indirect environmental impact of our products and their value chain is important to us and we are planning a complete life cycle assessment by 2025.

GreenGuard puncture protection

We have been producing the GreenGuard puncture protection belt from recycled latex products since 2010. For this purpose, we have created our own processing technology: In our plants, used natural rubber products are shredded and processed so that the basic material can be used for the production of our innovative puncture protection. Since no synthetic polymers are used, we manage to save a considerable amount of CO₂. One third of GreenGuard is recycled content.

Green Compound running surfaces

Similar to the puncture protection, no fossil resources are used in producing the first tread rubber made from renewable and recycled output materials. Green Compound, which we have been producing since 2017, consists partly of natural rubber and partly of recycled rubber materials, for example from door seals or rubber gloves.

Aerothan inner tube

In cooperation with the German chemical company BASF, we spent more than five years developing the special arothane plastic material combination which completely dispenses with rubber and the use of carbon black. Even the valve is made of 100 percent thermoplastic polyurethane, which further simplifies recycling.

In order to reconcile the apparent contradictions of minimal weight, depending on the size of the tube, and maximum puncture resistance, we have forged innovative paths. The new type of inner tube has been on the market since 2020 and sets pathbreaking standards for performance and lightness.



Aerothan tubes are around 40 Percent lighter than a comparable Schwalbe Extralight tube made of butyl.



Even the valve is made of 100 Percent thermoplastic polyurethane, which further simplifies recycling.

THINKING IN CYCLES – CRADLE-TO-CRADLE



The cooperation with EPEA enables us to

- identify problematic substances,
- scientifically supervise the replacement of problematic substances,
- research modern and future materials and recycling options,
- create better networking along the entire supply chain.

Advantages through cooperation with EPEA

- material optimisation
- butyl tubes are 100 percent recyclable
- take-back system with increasing recycling rate introduced
- advantages through cooperation with EPEA
- development of full cycle capacity

In the 21st century, our greatest inspiration is the circular economy according to the C2C design. Products and processes are designed from the outset so that all materials can be recycled after use. By creating a circulation of materials, we produce less waste.

We manufacture high-quality, durable products that have a long service life, and we firmly believe that a company is as environmentally friendly as possible when it acts in the most resource-conserving way.

For our sustainable product design according to C2C design, we have partnered with the world-renowned research and consulting institute EPEA from Hamburg. Thanks to this cooperation, which began in 2013, we have been successively converting our products and processes to be environmentally friendly – from tube recycling to the trade fair booth to our new company building.

C2C allows us to fully reuse all materials. Just like in nature, every material forms the basis for something new in an endless cycle. For example, we use palm kernel shells – a waste product of palm oil production – in our production instead of coal. To produce healthy and recyclable C2C products, all substances are thoroughly chemically analysed and the entire process chain is checked.

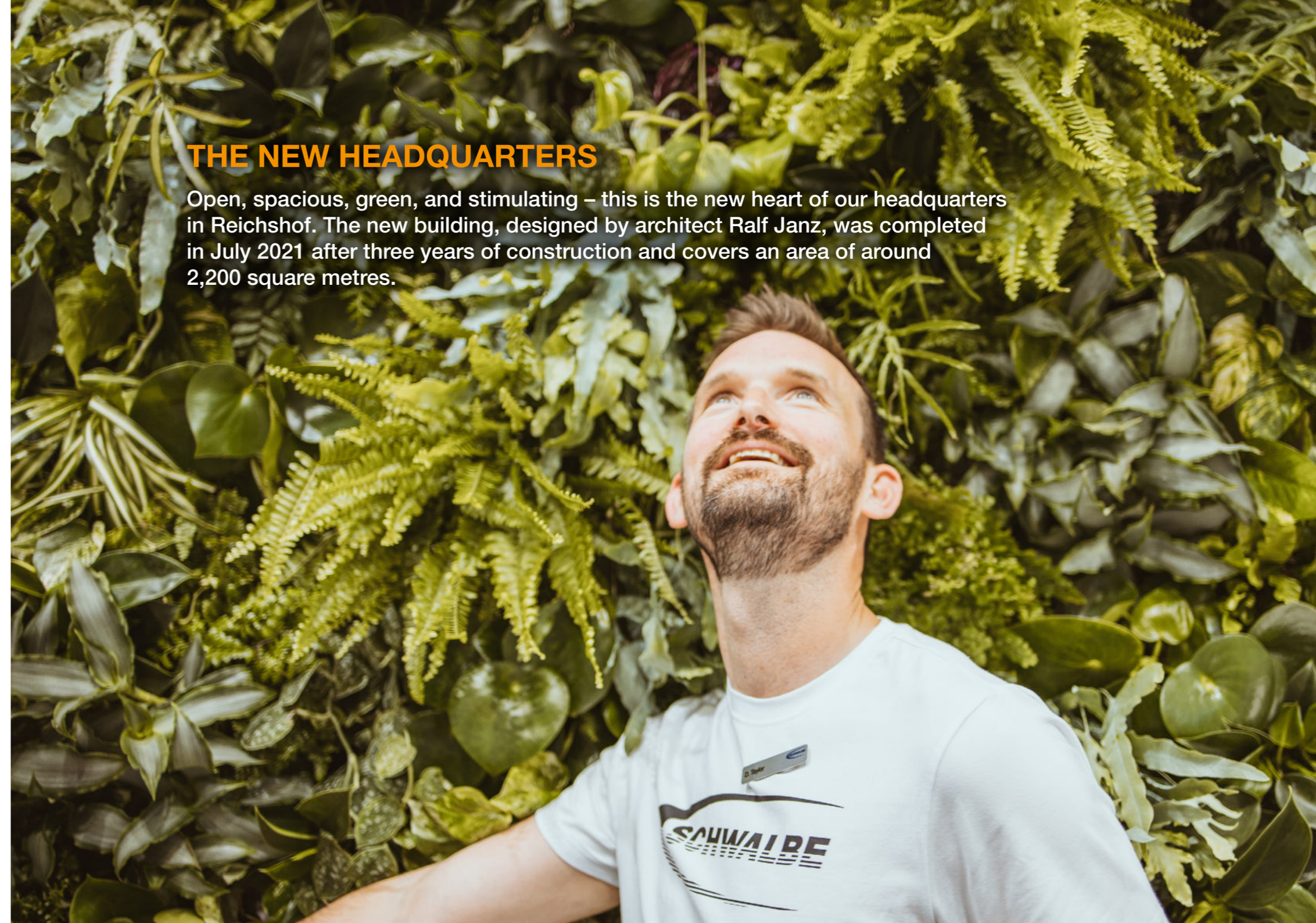
Circular in every detail

Closed cycles are not only important to us in our products – our office equipment, which is produced by the company Steelcase, has been converted according to the C2C principle. This also applies to all cleaning materials. We only use FSC-C2C paper for printing. The next projects concerning recycling, facility management, energy, and marketing are already under way.

In addition, the consistent circular economy allows us to use significantly fewer resources and at the same time greatly reduce our carbon footprint, as recycling tends to be much less energy-intensive than the production of new materials for bicycle tires and inner tubes.

THE NEW HEADQUARTERS

Open, spacious, green, and stimulating – this is the new heart of our headquarters in Reichshof. The new building, designed by architect Ralf Janz, was completed in July 2021 after three years of construction and covers an area of around 2,200 square metres.





THE NEW COMPANY HEADQUARTERS IN REICHSHOF

The new building reflects our future-oriented commitment to people and society down to the last detail.

While a functional exterior prevails, the inside gives room to an extraordinary, trendsetting, working environment in which we enjoy working. Inside, the office building looks like a campus – open, spacious, green, lively. Glass facades and spacious atriums open the view, for example from the laboratory to the product management department, from Aerothan production to marketing. The atmosphere is conducive to creative thinking, experimentation, and ever new possibilities. Assigned seating has been largely eliminated, so that new constellations are forming. Some employees sit at a different work station every day.

Built according to the C2C principle, we have used 70 percent materials that can be recycled at the end of their utilisation. Another 28 percent can be down-cycled. Part of this concept is the material passport for all components used, so that even decades later, used materials can be determined. In this way, the elements can be neatly sorted and separated when they are dismantled.

Regenerative energy is not only consumed in the building, but also generated through solar collectors and heat pumps. Between May and October 2021, more than 53,550 MWh of electricity were produced. The use of water also follows the circulation principle instead of linear consumption, whenever possible. Rainwater is collected in cisterns and used for toilet flushing and irrigation. The vegetation has a cooling effect, regulates humidity, increases biodiversity, and improves air quality with a positive effect on the (micro)climate.

Down-to-earth and preferably local

Because we are proud of our roots, we have chosen to work mainly with local planners, builders, and craftsmen. Where possible, we have also used local materials. The 1,000-square-metre roof garden, where employees and guests can stroll and relax, is also part of our down-to-earth mentality. In addition, vegetables, fruit, and herbs for the canteen are grown here and insect hotels have been set up.



INNOVATIVE WORKING SPACES FOR OUR EMPLOYEES



#SCHWALBEUNITED

PEOPLE – PERSPECTIVE AND MOTIVATION

Our employees are our biggest asset. With them we will continue to be leading in Corporate Social Responsibility.

- 54 Opportunities and diversity
- 56 Outlook and further development
- 58 Recognising talent, promoting potential
- 60 Mobility transition for our employees



OPPORTUNITIES AND DIVERSITY

Our employees are the driving force and most important asset of the company.

Creativity and motivation

Ever since the founding of the company, we have attached great importance to a communicative and motivating working environment that also promotes creativity. Our vision and core values are shaped and supported by the employees through flat hierarchies and direct dialogue. Young colleagues like to compare the atmosphere to that of a university campus, while others speak of an open-door policy.

In this way, we create a respectful and appreciative working culture, promote equality, and pay fair wages for work of equal value. We regard cultural diversity and international networks as a gift and draw new inspiration from a wide range of life experiences, skills, and cultural customs. Schwalbe employees enrich the company through their manifold life experiences and competencies. As a responsible family business, it goes without saying that we treat all people with respect and tolerance.

We do not accept any form of discrimination and are convinced that plurality, cultural diversity and inclusion render our company future-proof and also make us attractive as an employer.

We place great value on loyalty

Long-term employment is another one of our traditions. We reward this through financial incentives and are building up a remuneration system for special payments and employee development. Many employees have worked in our company for decades, even since their apprenticeship, and some of them are with us in the second generation.

Our employee events, such as the annual summer party, provide a good balance – the joint bicycle tours or sports opportunities at TTC Bergneustadt create an even stronger bond and help us stay fit. This is also the goal of our company's health management in cooperation with AOK health insurance and the Cologne Sports University.

The company's pension scheme with employer subsidy and the company-funded accident insurance for all are further examples of benefits that make us a popular employer.



Employees in Germany in 2021

188
employees

6
apprentices and students

3.4 %
staff turnover rate

22
new hires



OUTLOOK AND FURTHER DEVELOPMENT

We take every opportunity to support our employees in their development.

In the digital unit, which was founded in 2021, we create incentives and perspectives for internal development. In order to better train our employees internally, we are planning to set up a Schwalbe training campus. A complete, holistic onboarding program will be launched by 2023.

Training concepts for new employees in the Schwalbe ERP system are being well received. The so-called Schwalbe Wiki – a basic webinar on product knowledge including a final test – is already considered standard. In addition, employees are given the opportunity of completing first aid training as part of the company's health management.

We offer apprenticeships, student traineeships, and internships and have a dedicated contact person for recruiting student trainees at the universities. Additionally, we hold a close cooperation with the Cologne Chamber of Industry and Commerce within the framework of training and supervision of our trainees.

Schwalbe is a member company of OK Ausbildung e. V., a regional training coordination institution.

Women and men in leadership positions

	2019	2020	2021
Women in management	3	3	3
Men in management	8	8	10

apprentices / students

	2019	2020	2021
Apprentices	3	3	3
Student trainees	-	0	0
Working students	-	3	3

Age structure

	2019	2020	2021
under 30 years	15	19	29
30 - 50 years	120	143	155
over 50 years	60	76	76

Staff turnover

	2019	2020	2021
	4.43 %	1.17 %	3.4 %



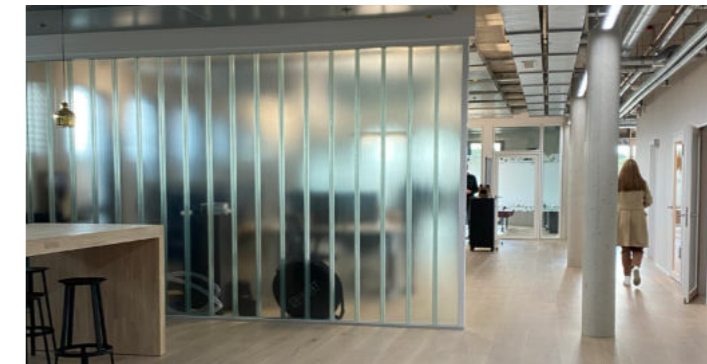
We care about health and safety at Schwalbe

As a responsible company, the well-being of our employees is our top priority. At Schwalbe, occupational health and safety precautions are part of the management process and support our organisation and strategy.

While our safety management complies with the legal requirements, we actively strive to go beyond them. It is a matter of concern to us to involve our employees in the work processes and to promptly implement suggestions for improvement.

Occupational health management

Together with the safety solutions provider DEKRA, we have developed an individual risk assessment for each department. In addition, we cooperate with the regional company medical centre and offer a wide range of travel vaccinations, regular eye examinations for VDU workstations, etc. Occupational safety training courses are held regularly in our warehouse and in production. After their first aid training, listed first aiders are offered frequent opportunities to refresh their knowledge.



Cooperation with AOK and the Cologne Sports University

In 2019, in cooperation with the German health insurance company AOK and the German Sports University Cologne, we launched an occupational health management and organised mindfulness days for our employees. Due to the Corona pandemic, we were forced to suspend these programmes, but we are planning to take them up again.

Flexible workplace design

For us, health in the workplace also means designing ergonomic and user-friendly workstations. In the new company headquarters, workstations are equipped with uniform IT to allow flexible workplace choices. Since the Covid pandemic, we enable working from home wherever the occupation permits it. To ensure the safety of our teams, it goes without saying that we offer vaccinations, testing facilities, and masks. All technical prerequisites were created in a short time so that all employees from the administration could work from home. In these challenging times, it has once again been proven that fast and regular communication within the company is an essential foundation.

RECOGNISING TALENT, PROMOTING POTENTIAL

Now in our fourth generation, we have always attached importance to recognising talent, promoting potential, and enabling people to acquire future-oriented skills. We are happy to provide targeted support for developing individual skills and we advocate the culture of lifelong learning.

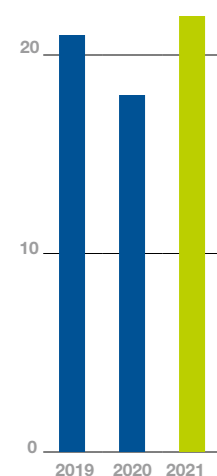
Undergoing further vocational training increases people's chances on the labour market. Therefore, further training is in the interest and responsibility of both Schwalbe and its employees. Our staff can request time off work for internal or external professional development if certain conditions are met. On request, Schwalbe makes a partial or full contribution to the costs of further training.

We work in close cooperation with the Cologne Chamber of Industry and Commerce within the framework of training and supervision of our trainees. Finally, we work together with the Technical University of Cologne (TH Köln) to recruit new talent.

Structure of the workforce

	2020	2021
Total employees at Schwalbe	238	260
thereof men	179	193
thereof women	59	67
thereof in Germany	173	188
thereof in UK	17	16
thereof in France	3	3
thereof in the Netherlands	30	34
thereof in Italy	3	3
thereof in the USA	12	16
thereof full-time	205	223
thereof part-time	33	37
thereof temporary	3	3
thereof unlimited	235	257
thereof new hires	18	22

Number of new employees





MOBILITY TRANSITION FOR OUR EMPLOYEES

Our incentives for employees who cycle to work.

Our goal is to encourage employees to use their bike to get to work.

We offer bike leasing to all of our employees (80+ bikes are already leased) and contribute monthly toward the costs for the leased bikes. Since the expansion of the new headquarters, all company, private, and test bikes can also be serviced and maintained in the company's own bike workshop which is available to employees free of charge.

In addition to the bicycle workshop, the new bicycle garage is another novelty. Here, employees can charge their e-bike batteries, park their bikes, or clean them at the bike wash station.

Adverse weather conditions should not stand in the way of cycling to work. With the building of the new company headquarters, changing and shower facilities were created that offer the possibility to get ready for the office after the commute. Here, we create another motivational aspect: The employees get ready during work time, which begins on their way to the locker room.

We want to further expand sustainable mobility for our bicycle commuters by 2023. In addition, we are preparing the infrastructure for the EU and ADFC (German Cyclist's Association) certification as a bicycle-friendly employer.

As part of our mobility programme, 30 charging stations for electric cars are planned at the headquarters site in 2022. Also, by 2025, we want to change our vehicle fleet over to electromobility.



Bike leasing for employees (80+ bikes already leased)

Bicycle garage with charging stations for e-bikes and bike wash station

Company-owned bicycle workshop for all employees (maintenance and repair)

Target for 2022: Certification by the EU and ADFC as cycling-friendly employer

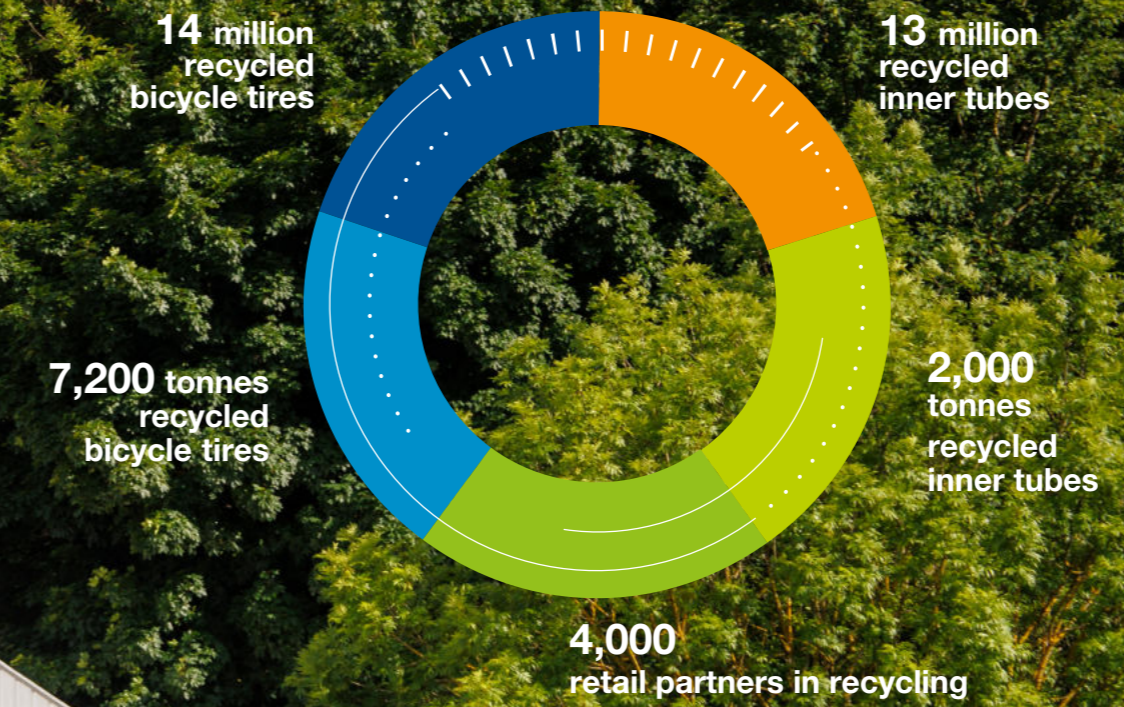
Target for 2023: Further expansion of sustainable mobility for commuting to work

Support for the target of a 25 percent share of cycling in commuting by 2030

EVERY TIME I SEE AN ADULT ON A BICYCLE,
I NO LONGER DESPAIR FOR THE FUTURE OF
THE HUMAN RACE.

H. G. Wells

Our recycling targets by 2026



REDUCTION OF EMISSIONS AND RESOURCE CONSUMPTION

No more burnt tires.
With this mission, we aim to actively contribute toward the reduction of the CO₂ footprint for bicycle mobility. In doing so, we conserve valuable resources.

64 Energy and emissions – greenhouse gas balance
69 Resource consumption and waste
70 Recycling data

ENERGY AND EMISSIONS – GREENHOUSE GAS BALANCE

With the detailed greenhouse gas balance, we document the success of our measures to reduce emissions.

Impact on climate and nature

Since the early 1990s, we at Schwalbe have been questioning the impact of our actions on nature and the climate and reviewing our business activities for environmental compatibility, efficiency, and safety.

Our experts regularly exchange information on current environmental topics and measures. In the future, our newly established CSR team will coordinate environmental data collection and reporting on environmental issues.

As a leader in the industry, we support the international community's goal of limiting global warming to well below 2°C in accordance with the Paris Climate Agreement. We already obtain 100 percent of our green electricity from renewable energies and photovoltaics.

We are currently developing a holistic concept to optimise our energy management. Biogas is used for this purpose on a transitional basis. From 2025 onwards, we will completely dispense with fossil energy sources. A principal point of this is the conversion toward 100 percent renewable energies – not only at our headquarters in Reichshof, but also in all our factories in Vietnam and Indonesia. This will increase our energy efficiency and make an important contribution toward the conservation of resources.

Emissions reduction target: at least 55 percent by 2030

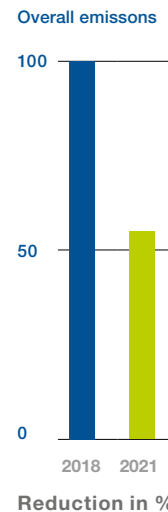
Our current emissions reduction target is at least 55 percent by 2030 compared to the base year 2018. To achieve this, we aim to significantly reduce greenhouse gas emissions that occur at our own sites, through business trips by employees, or through the manufacture of our products. In addition, we shall reserve the right to compensate for emissions that we cannot avoid.

Greenhouse gas balance

The greenhouse gas balance for 2021 shows emissions of 1,351.84 t of CO₂e. Commuting contributes as the largest factor with around 35 percent. Compared to the base year 2018, this means a reduction of greenhouse gas emissions by 1,103.85 t CO₂e. Reductions in materials (381.70 t CO₂e), mobility (377.27 t CO₂e), and energy (273.72 t CO₂e) contributed significantly to this success.

45 %

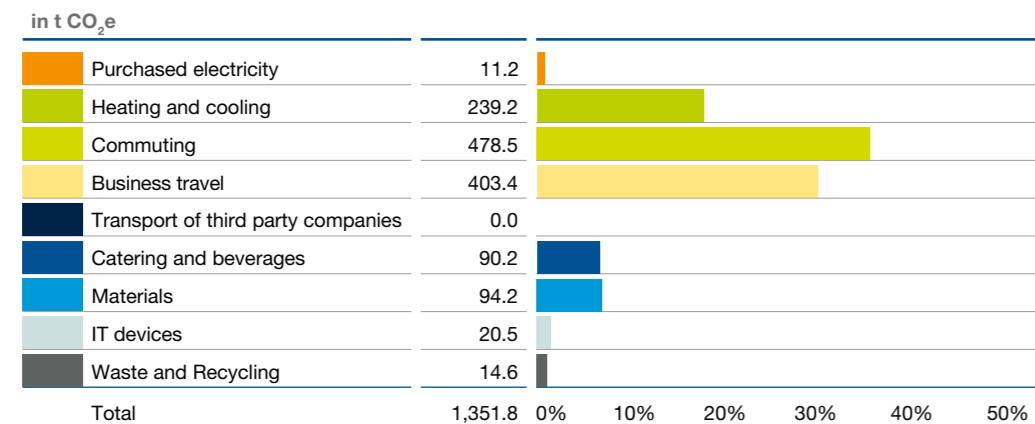
CO₂e reduction since 2018



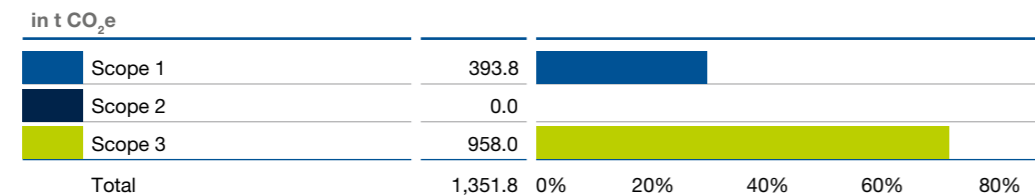
OUR GREENHOUSE GAS BALANCE FOR 2021

The greenhouse gas balance of Ralf Bohle GmbH is based on the internationally recognised standard 'The GHG Protocol: A Corporate Accounting and Reporting Standard' and includes the climate-relevant greenhouse gases that fall in the 'operational control' of the company. The data basis for these calculations was provided by ecoinvent 2.2 and the IPCC2007 assessment method (GWP100a).

Greenhouse gas emissions by category, all values in metric tonnes of CO₂ equivalents



Greenhouse gas emissions in total according to the GHG Protocol standard



We already obtain 100 percent green electricity.

Three scopes of greenhouse gas emissions

Greenhouse gas emissions are categorised into scopes according to where they occur in a value chain. The distinction is made according to whether the emissions are produced at the company itself or in upstream or downstream processes for the production and transport of goods. The definition of the scopes is as follows:

Scope 1: All direct emissions from local or controlled sources, such as business trips with company-owned vehicles or on-site combustion of fuels for heat generation.

Scope 2: All indirect emissions from the production of purchased energy used by the company, for example from the combustion of coal for electricity production. If, for example, renewable energies are used for electricity production, no emissions are reported here.

Scope 3: All other indirect emissions arising from the production of raw materials, products, or services used by the company and from business trips in vehicles not owned by the company.

In 2021, scope 1, 2 and 3 were allocated 29 percent, 0 percent and 71 percent of total greenhouse gas emissions respectively.

The reported scope 3 figure does not include freight transport and production emissions.

Another important lever in Schwalbe's environmental policy is our concept for sustainable mobility and logistics. Our recycling projects also make a significant contribution toward reducing emissions.

In 2021, our company consumed 760,000 kWh of electricity. Of this, 53,550 kWh were self-generated electricity from renewable energies. A further 706,450 kWh from renewable energies were purchased externally.

The headquarters used 836,000 kWh of non-renewable energy for heating in 2021. In addition, 77,991 litres of fuel were consumed at this location.

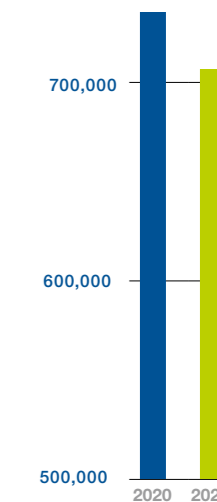
Total greenhouse gas emissions

in t CO ₂ e / cat	2018	2019	2020	2021
Scope 1, 2, 3	2,455.69	2,143.70	2,432.86	1,351.84

Total greenhouse gas emissions Scope 1, 2, 3

in t CO ₂ e total	2018	2019	2020	2021
Scope 1	417.65	448.34	368.62	393.80
Scope 2	239.43	0.00	0.00	0.00
Scope 3	1,798.62	1,695.36	2,065.24	958.04

Third-party electricity from renewable energies



Absolute energy consumption in kWh

DETAILS FOR THE GREENHOUSE GAS BALANCE

The greenhouse gas balance is structured into the categories Transport, Mobility, Waste and Recycling, Energy, Materials, and Catering

Greenhouse gas emissions Transport

in t CO ₂ e/cat	2018	2019	2020	2021
Fuel consumption vehicles	358.84	384.24	295.43	299.37
Transport	358.84	384.24	295.43	299.37

Greenhouse gas emissions Mobility

in t CO ₂ e/cat	2018	2019	2020	2021
Business transaction, overnight stays	598.51	595.61	490.04	104.07
Business travel	361.32	368.72	431.12	478.49
Commuting	959.83	964.32	921.16	582.56

Greenhouse gas emissions Waste and recycling

in t CO ₂ e/cat	2018	2019	2020	2021
Waste	25.93	35.68	27.79	11.62
Recycling waste	0.04	0.20	0.42	2.55
Waste water	0.00	0.00	0.00	0.42
Disposal	0.00	0.00	0.00	0.00
Waste and Recycling	25.97	35.88	28.21	14.58

Greenhouse gas emissions Energy

in t CO ₂ e/cat	2018	2019	2020	2021
Heating and cooling	218.79	236.46	211.42	239.17
Power	305.29	8.12	11.61	11.19
Energy	524.08	244.58	223.02	250.36

Greenhouse gas emissions Food and beverages

in t CO ₂ e/cat	2018	2019	2020	2021
Beverages	32.59	36.99	31.19	18.07
Snacks and meals	57.94	60.82	64.77	72.16
Catering and beverages	90.53	97.81	95.97	90.23

Greenhouse gas emissions Materials

in t CO ₂ e/cat	2018	2019	2020	2021
Office supplies	5.58	4.43	4.29	50.14
Tap water	0.28	0.54	0.30	0.35
Printed materials	476.17	362.60	855.05	43.71
IT devices	14.41	49.31	9.43	20.54
Materials	496.43	416.88	869.08	114.73

RESOURCE CONSUMPTION AND WASTE

Cardboard boxes made from recycled packaging materials.

For our after-market products, we use cardboard as packaging instead of plastic materials that are difficult to recycle. We avoid unnecessary waste and use as little packaging material as possible. When we do use packaging, it is 100 percent recyclable. We have digitised additional components such as operating manuals wherever this was possible. Therefore, joining the commitment launched by the Confederation of the European Bicycle Industry (CONEBI) and Cycling Industries Europe (CIE) in 2022 will be a mere formality for us. Their aim is to bring together organisations that want to reduce plastic packaging and eliminate unnecessary packaging in the supply chain across the industry. In the year under review, a total of 25.36 tonnes of waste were generated at the Reichshof site.

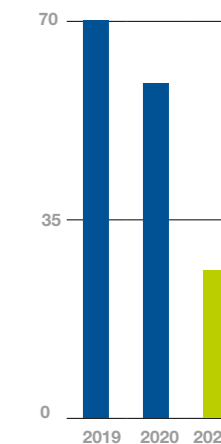
Also, 32 tonnes of electrical waste were recycled. At Reichshof, we cooperate with a disposal company and recycling provider, resulting in a recycling rate of 56 percent.

In 2021, water withdrawal at the headquarters totalled around 1,025 cubic metres. In future CSR reports, we plan to provide a more comprehensive insight into our water use. The biowaste produced in Reichshof is used to generate renewable energy. A pilot project for waste optimisation has already been launched.

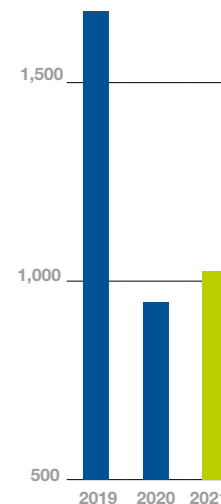
Waste by type

in t	2019	2020	2021
Industry/commercial bulky goods	-	8.78	-
Plastics	1.83	5.32	5.26
Paper/cardboard	50.41	29.69	-
Hazardous waste	-	-	0.29
Electrical	0.18	0.35	2.64
Remainder	17.58	14.74	17.15

Waste total in tonnes



Water withdrawal at the Reichshof site in m³



7^M
recycled
bicycle inner tubes

164^t
recycled
bicycle inner tubes

150^t
recycled
bicycle tires

5
countries participating
in the recycling system

RECYCLING DATA

The recycled volumes realised to date illustrate our commitment to the responsible use of resources.

Recycling lead project

We have been placing great value in the holistic circular economy for a very long time, which is why we have made recycling our flagship project. The next important steps in this direction will be the further expansion of the European rollout of tube recycling and the start of tire recycling.

The preservation of an intact ecological environment is our incentive to constantly improve our products and processes, to use resources sparingly, to eliminate waste, and to minimise emissions.

Therefore, as an organisation, we uncompromisingly support compliance with all applicable laws and regulations. The Schwalbe CSR team ensures that environmentally relevant activities are carried out systematically, purposefully, and effectively.

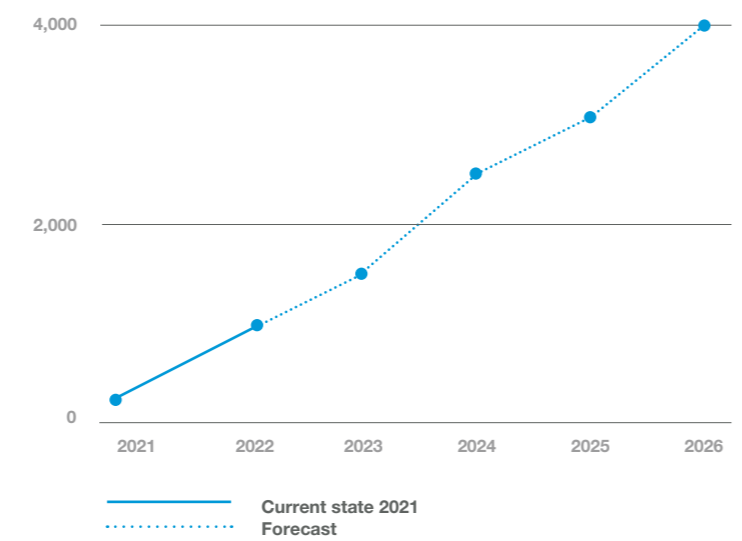
Since 2015, we have recycled more than seven million or 164 tonnes of bicycle inner tubes through our tube recycling system. In the pilot project phase of tire recycling in 2021, 150 tonnes of bicycle tires, including those from other brands, were also recycled.

Five countries are currently part of the project: We started in Germany in 2015; the Netherlands and Belgium joined in 2019. In the UK, the system was launched in 2020 and in Switzerland in 2021.

Forecast of recycling sizes

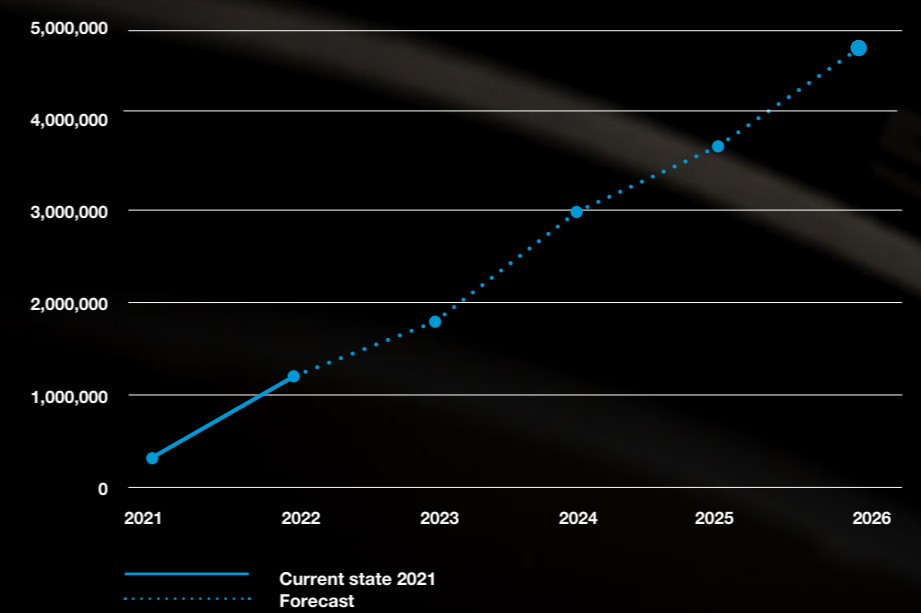
We started in 2015 with 250 retailers and about 90,000 recycled inner tubes. 2,150 retailers were already involved in 2021, and by 2026 this number is expected to rise to over 4,000. Based on these numbers, we assume that recycling volumes will increase significantly. According to our forecast, we will have recycled over 13 million bicycle inner tubes and over 14 million bicycle tires by 2026.

Forecast number of specialised retailers for tire recycling

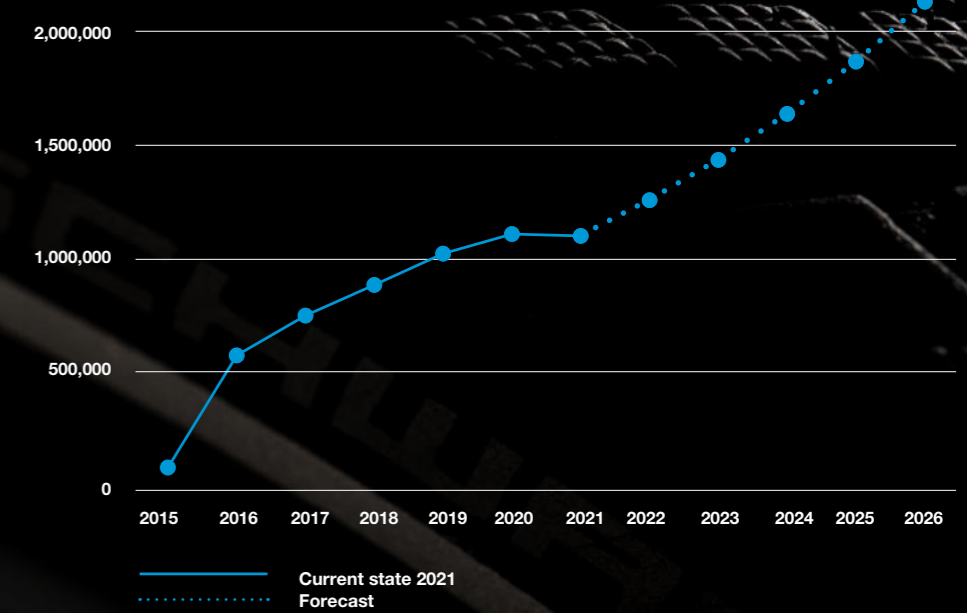


PREDICTED GROWTH OF THE RECYCLING SYSTEMS

Recycled tires (units / per year) (starting 2022 with forecast data)



Recycled inner tubes (units / per year) (starting 2022 with forecast data)



**MAKING THE WORLD
A BETTER PLACE**



SOCIAL COMMITMENT

Supporting social projects is part of our corporate responsibility. We are involved in over 50 charitable projects.

- 74 Creating opportunities for children from the start
- 76 Schwalbe Arena – a home for culture and sports
- 78 More bicycle mobility for our climate
- 80 Borneo Orangutan Survival Foundation

CREATING OPPORTUNITIES FOR CHILDREN FROM THE START

Schwalbe's CSR activities are multi-layered and multi-faceted. The sponsorship of children and young people worldwide matters greatly to us.

Chancenwerk – helping children learn

Firmly rooted in our region, we are delighted to be creating a regional responsibility network and supporting local organisations. This includes, for example, the non-profit organisation Chancenwerk e. V., which we support financially. We strive to help pupils from the region learn and gain more self-confidence through Chancenwerk. The social entrepreneurial approach of the project greatly appeals to us. What convinced us was the fact that younger and older children learn together and benefit from mutual contact.



CHANCENWERK



CHANCENakademie

World Bicycle Relief – 60,000 bicycles for social mobility

We are driven by our long-standing international relationships and partnerships. Schwalbe has been committed to World Bicycle Relief (WBR), an international aid organisation that provides robust and locally mountable bicycles in 21 countries, since 2014. They are intended for people in rural developing regions to afford them greater mobility. With these bicycles, school children, for example, can attend classes more regularly. Through this project, we also help health workers reach more people and thereby facilitate a higher level of care.



In 2021 alone, well over 60,000 bicycles were delivered. In the year under review, we as a family business once again supported a Christmas campaign and doubled every incoming donation for WBR from 15 euros up to a total amount of 15,000 euros.

Children for a better World – better opportunities from the start

One of our latest long-term support initiatives is the project with the donation-funded children's aid organisation Children for a better World, which was founded in 1994 by 30 individuals from business, culture, and politics and has since been awarded many prizes.

Children for a better World aims to actively combat child poverty in Germany. We believe that all children and young people in Germany should be able to start a self-determined life with the same opportunities and possibilities. We work together to make children strong and help young people recognise their potential, seize opportunities, and become active for their own interests as well as for the interests of others.

Our goal for 2022 is to create our own children's advisory council, made up of children from employees' families, to initiate and promote our own projects.





SCHWALBE ARENA – A HOME FOR CULTURE AND SPORTS

By sponsoring athletes and clubs, we invest in regional sports projects and enable cultural events in the region.

The traditional club VfL Gummersbach plays a leading role in German handball. For years, professionals and junior teams alike had to play in a sports hall that was no longer meeting international standards for sporting events. We wanted to change that. We also knew how much the people of our region identify with their clubs and wished to actively promote and support their commitment.

In 2013, the Schwalbe Arena was inaugurated by the state of North Rhine-Westphalia, the city of Gummersbach, the VfL Gummersbach, and with the support of Ralf Bohle GmbH and other companies. It is a state-of-the-art sports and event location where top-class sports can be played at the highest international level, but which is also used by the public for amateur and school sports.

We also share a long-standing tradition with the table tennis club TTC Schwalbe Bergneustadt, which played in the Schwalbe Arena for a long time. Ralf Bohle joined the club in 1948 when he was only 13 years old, held the role of chairman until his death in 2010, and had a very strong influence on the club. Many of the former top players are now employees of our company.



Wheelchair basketball – we support inclusion

We are a premium partner of German wheelchair basketball and support the national teams. There world's top wheelchair basketball players are so alike in skill that nuances in equipment can make all the difference. We stay in close contact with the athletes – this is the only way to succeed in further optimising their technical requirements.

In addition, we are currently developing a new tire that is perfectly adapted to the requirements of wheelchair basketball. Here, our expertise in the areas of wheelchair tire product development and racing tires pays off. The wheelchair sector is not new to us – high-quality wheelchair tires have been part of our portfolio for over 20 years.



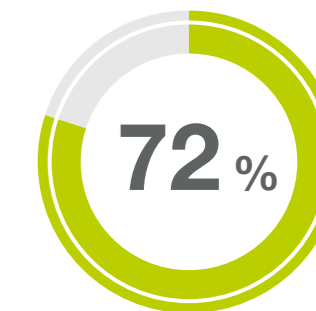
VfL Gummersbach – the Pride of the 'Bergisches Land'

The Schwalbe company and VfL Gummersbach have been linked by a special partnership for many years. If nothing else, the Schwalbe arena being the VfL Gummersbach's home ground, the brand "Schwalbe" and the sports club are firmly linked. Schwalbe's support has made it possible for the club to once again have planning security despite the difficult situation caused by the Covid pandemic, and thus to continue to stand for sporting diversity in the region.



Longstanding tradition with the TTC Bergneustadt

The TTC Bergneustadt has existed for 75 years. The club was founded in 1946 and Ralf Bohle became a member two years later. Since then, the club has been closely associated with Schwalbe. Schwalbe supports the TTC Bergneustadt, which contributes significantly to the sport of table tennis. Table tennis is a sport for young and old: The youngest member is eight years old, the oldest is 86.



The catchment area of the Schwalbe Arena comprises 1.3 million people. That is approx. 72 Percent of the population of the region 'Bergisches Land'

MORE BICYCLE MOBILITY FOR OUR CLIMATE

For us, cycling is part of everyday culture. We enthusiastically support the most environmentally friendly and health-promoting form of mobility.

More than ever, individual mobility is proving to be an intelligent and future-oriented solution. The bicycle decongests cities, protects the climate, relieves the energy crisis, and promotes health at the same time.

Fortunately, more and more cities are rediscovering cycling and actively promoting it. To us, there are still far too few of them, but the growing awareness for bicycle-friendly living spaces is a development in the right direction.

We work with many initiatives, organisations, NGOs, universities, and associations because we believe that in this dynamic process it is extremely important to have committed advocates. The aim is to show a strong presence – both on the political stage and in social life.

We would like to act as a role model ourselves and show what can be done within an organisation to promote the cycling culture, to see ourselves as drivers and co-creators of the mobility revolution. Even before we moved into the new Schwalbe headquarters, it was important to give employees the opportunity to cycle to work even in sub-optimal weather conditions.



We have already initiated many projects (see chapter People), but we are certainly not content yet. Instead, we aim to receive the EU-initiated Gold Certification as a bicycle-friendly employer, awarded by the German Cyclists Association (ADFC). Furthermore, we want to create more motivation to reduce emissions by offering internal incentive schemes such as our planned cycling reward system. We also plan to provide funding to the Bikepark Winterberg, where we want to support cycling facilities, as well as the further expansion of footpaths and cycle paths in our region. Schwalbe is a member of a total of 12 different organisations and cycling culture projects.

Organisations we are involved with:

Allgemeiner Deutscher Fahrrad-Club (German Cyclists Association)

Bikebrainpool

Cycling Industries Europe

Confederation of the European Bicycle Industry

European Tire and Rim Technical Organisation

Innovation Hub Bergisches Rheinland

Shift Cycling Culture

VeloLab

Verbund Service und Fahrrad g.e.V.

vivavelo Kongress

World Federation of the Sporting Goods Industry

Zweirad Industrie Verband (Bicycle Industry Association)





**ANIMAL PROTECTION IS
EDUCATION TO HUMANITY**

Arthur Schnitzler

BORNEO ORANGUTAN SURVIVAL FONDATION

Our existing partnerships in Southeast Asia give us the opportunity to see the urgent environmental problems of our planet through different eyes and make them even more tangible. It has always been clear to us that we need to provide help on site – the challenge was finding the right project for us.

However, the Borneo Orangutan Survival Foundation (BOS) convinced us. It is based in Indonesia, the country in which we have been producing our tires since 1993. The organisation rescues homeless or orphaned orangutans and campaigns against the destruction of their habitat.

There are many reasons for the special passion that BOS brings to this problem: On the one hand, biodiversity and the preservation of species diversity are integral aspects of ecological responsibility. On the other hand, there are immense benefits in the protection of the endangered great apes: In preserving their habitat – the rainforest – we help not only the animals, but also the people in the region and the climate.

In the coming years, BOS aims to further expand protected areas. Ways must be found for local people to benefit from sustainable species conservation and they need to be taught effective new methods for using the rainforests. Instead of destroying this habitat, locals learn how to earn a living through sustainable and nature-oriented forest management. To this end, the foundation not only runs development projects, but also grants micro-credits to promote rattan and rubber production, fish farming, or sustainable agriculture. This holistic approach, which connects people, animals, and local and national authorities, makes BOS successful in the long term.



Our self-image is to comprehensively fulfil our responsibility to people and nature.



WE HAVE COME FULL CIRCLE



FURTHER INFORMATION

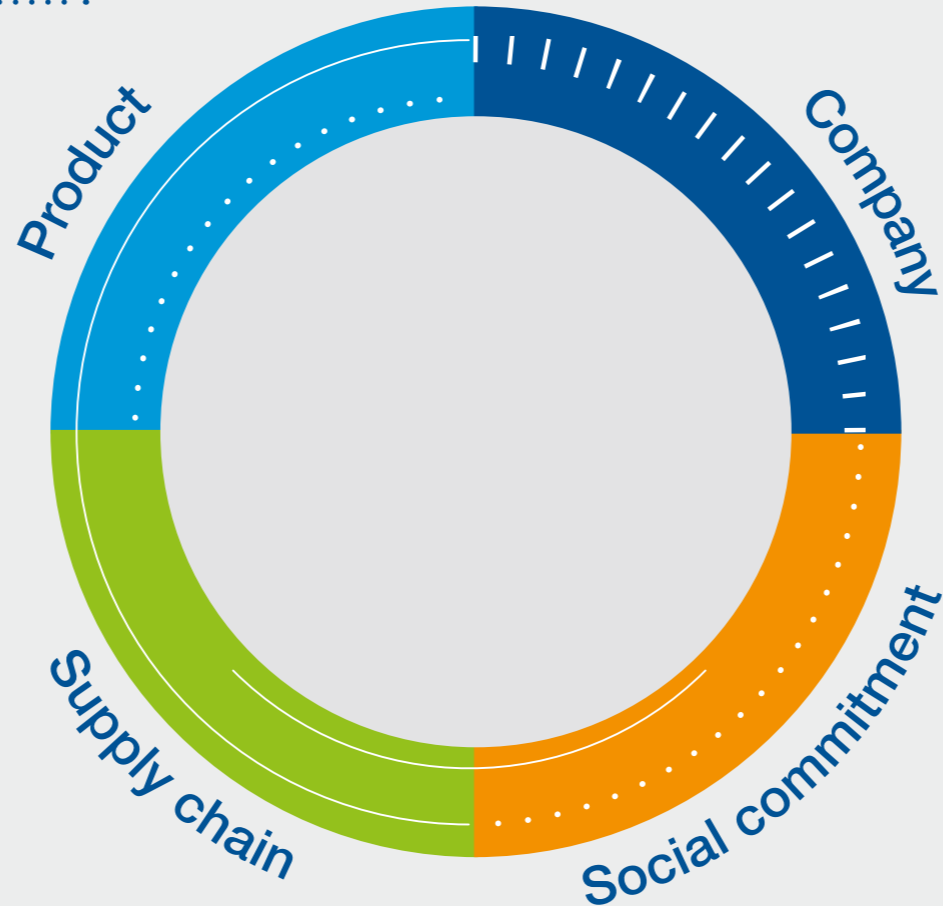
- 84 CSR program
- 86 Contribution to the SDG
- 88 GRI Index
- 96 About this report
- 97 Glossary
- 99 Imprint

CSR PROGRAM

Priorities and measures

Circular economy	Schwalbe Recycling System Tube recycling, European rollout of tire recycling, pilot project	○ ○
Customer orientation	Durable quality products e. g. marathon quality	○
Material optimisation	Material screening according to C2C (Ingredients, renewable materials, detoxing)	○
Product innovations	Aerothan (TPU material, sustainable high-end product)	○
	GreenGuard (first puncture protection, 1/3 recycled material)	○
	Green Compound (rubber compound made from exclusively renewable materials)	○
Minimising waste Packaging	Conserving resources 100 % Recyclable packaging	○
Fair trade	Partnership with Fair Rubber e. V. for fairly traded natural rubber, higher wages and better working conditions	○
Sustainable energy use	Use of organic waste instead of coal	○
Sustainable logistics	Selection according to sustainability criteria, elimination of air freight	○

○ = Just started
○ = Will be further expanded
○ = Will be implemented
according to plan

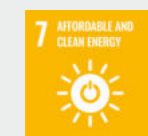


Employees	Multifaceted support & promotion (further training, bike leasing, etc.)	○
Corporate headquarters Energy	Reconstruction HQ materials 70 % complete recyclable +28 % downcyclable 100 % electricity from renewable energies (HQ – 311 t CO ₂ e savings/year)	○ ○
Mobility	Sustainable mobility (bicycle-friendly employer, conversion to e-mobility)	○
Sustainable procurement	Highest standards in purchasing	○
Organisational anchoring of CSR	Schwalbe CSR team	○
	Schwalbe CSR reporting	○
Sociale Action	Promotion of the wheelchair division (extensive portfolio for everyday life, sports)	○
Commitment Social projects	Sponsoring in paralympic	○
	Chancenwerk	○
	World Bicycle Relief Children for a better world	○ ○
Sports promotion	Promotion of amateur sports	○
	Sponsoring athletes	○
	Regional commitment	○
Protection of the biodiversity	Borneo Orangutan Survival Foundation	○
	Greening of the company headquarters for higher biodiversity	○

○ = Just started
○ = Will be further expanded
○ = Will be implemented
according to plan

CONTRIBUTION TO THE SDG

The following overview shows how we contribute to Sustainable Development Goals 7, 8, 9, 12, 13 and 15 through our four pillars of responsibility.



Affordable and clean energy

- Schwalbe products support resource-saving and energy-efficient mobility
- At our production sites: use and expansion of renewable energies
- Energy efficiency in our new headquarters



Humane work and economic growth

- Wide-ranging support in the training and development of our employees
- Diverse support for young people's first professional steps
- Long tenure and high employee motivation through diverse and attractive professional development opportunities and promotions
- Operational practice is characterised by the highest level of occupational safety and the best possible influence on the health of employees, e. g. during the COVID Pandemic
- Since the founding of the company, the promotion of equal opportunities and diversity has been an integral part of the company's practice
- Schwalbe is regionally rooted and makes significant contributions to the attractiveness of the region of Reichshof, including the creation of attractive new jobs for the local labour market
- The establishment of high labour standards in the supply chain takes place within the framework of Schwalbe's four pillars of responsibility.
- As a value-oriented family business, Schwalbe focuses on long-term economic growth with consideration for people, the region, customers, business partners, society, and the environment



Industry, innovation and infrastructure

- Schwalbe Recycling System / development of recyclable products
- As a component manufacturer in the bicycle industry, Schwalbe develops innovative solutions for the entire industrial value creation process, cooperating with science and industrial partners.
- Modern, environmentally friendly infrastructure and realisation of high, sustainable, innovative construction standards at the new headquarters building in Reichshof



Sustainable consumption and production

- Schwalbe offers durable, quality products for responsible consumption.
- Comprehensive product information with a focus on partnership with specialised trade for confident consumer decisions
- Raising awareness among specialist dealers and end consumers for resource-saving production as the basis for environmentally friendly mobility
- Schwalbe is a pioneer in the use of recyclable materials in the bicycle industry



Climate action

- The Schwalbe energy concept at the headquarters in Reichshof reduces harmful emissions; they will be further reduced by future measures such as the mobility concept
- Measures for employees, e. g. via the new mobility concept
- Ecological standards have been introduced in the supply chain and are being further expanded



Life on land

- Schwalbe supports the Borneo Orangutan Survival Foundation (BOS)
The BOS rescues homeless or orphaned orangutans
- Promotion of biodiversity at the HQ through greening of the roof garden and installation of insect hotels

GRI CONTENT INDEX

Assignment Essential topics and GRI indicators

Pillar of CSR Responsibility	Essential topic	GRI specification
Product	Materials	GRI 103, GRI 306
	Innovation, R & D	GRI 302, GRI 305, GRI 306
	Customer concerns	GRI 103, GRI 416
Company	Waste	GRI 306
	Good corporate governance	GRI 102-16, GRI 102-18, GRI 401, GRI 404
	Compliance	GRI 102-16
	Education and training	GRI 401, GRI 404
	Working conditions and diversity	GRI 401, GRI 405
	Occupational health and safety	GRI 403
	Energy and emissions	GRI 204, GRI 308, GRI 414
Supply chain	Social standards in the supply chain	GRI 204, GRI 308, GRI 414
	Environmental standards in the supply chain	GRI 302, GRI 305, GRI 306
Social action	Promotion of cycling culture	GRI 102-12, GRI 102-13
	Promotion of public welfare	GRI 102-12, 102-13, GRI 203

GRI Indicator	Disclosure	Comments, References	Pages
Universal standards			
GRI 101	Principles 2016		
GRI 102	General Disclosures 2016		
Organizational profile			
GRI 102-1	Name of organisation	Ralf Bohle GmbH	
GRI 102-2	Activities, brands, products, and services		14
GRI 102-3	Location of headquarters	Reichshof-Wehnrath	
GRI 102-4	Locations of operations		17, 18
GRI 102-5	Ownership and legal form	GmbH under German law	
GRI 102-6	Markets served		17
GRI 102-7	Scale of the organization		17
GRI 102-8	Information on employees and other workers		58
GRI 102-9	Supply chain		32, 33
GRI 102-10	Significant changes to the organization and its supply chain	No significant changes	
GRI 102-11	Precautionary Principle or approach		28
GRI 102-12	External initiatives		31
GRI 102-13	Membership of associations		78
Strategie			
GRI 102-14	Statement from senior decision-maker		5
GRI 102-15	Key impacts, risks, and opportunities		24, 26

GRI Indicator	Disclosure	Comments, References	Pages
Ethics and integrity			
GRI 102-16	Values, principles, standards, and norms of behavior		16
GRI 102-17	Mechanisms for advice and concerns about ethics		30
Governance			
GRI 102-18	Governance structure		19, 28
Stakeholder engagement			
GRI 102-40	List of stakeholder groups		31
GRI 102-41	Collective bargaining agreements		30, 54
GRI 102-42	Identifying and selecting stakeholders		30
GRI 102-43	Approach to stakeholder engagement		31
GRI 102-44	Key topics and concerns raised		31

GRI Indicator	Disclosure	Comments, References	Pages
Reporting practice			
GRI 102-45	Entities included in the consolidated financial statements		98
GRI 102-46	Defining report content and topic Boundaries		26
GRI 102-47	List of material topics		26
GRI 102-48	Restatements of information	Initial report	
GRI 102-49	Changes in reporting	Initial report	
GRI 102-50	Reporting period	Jan 1st, 2021, to Dec. 31st, 2021	
GRI 102-51	Date of most recent report	Initial report	
GRI 102-52	Reporting cycle	Annual	
GRI 102-53	Contact point for questions regarding the report		99
GRI 102-54	Claims of reporting in accordance with the GRI Standards		98
GRI 102-55	GRI content index		86
GRI 102-56	External assurance	The CSR report has not been externally audited.	

GRI Indicator	Disclosure	Comments, References	Pages
Essential topics			
GRI 200	Economy		
GRI 203	Indirect Economic Impacts 2016		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)		22
GRI 203-1	Infrastructure investments and services supported		74, 76
GRI 205	Anti- corruption 2016		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)		22
GRI 205-3	Confirmed incidents of corruption and actions taken	No known incidents	
GRI 300	Environment		
GRI 302	Energy 2016		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)		22
GRI 302-1	Energy consumption within the organization		67
GRI 302-4	Reduction of energy consumption		64, 67
GRI 303	Water and Effluents 2018		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)		22
GRI 303-3	Water withdrawal		69

GRI Indicator	Disclosure	Comments, References	Pages
Essential topics			
GRI 305	Emissions 2016		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)		22
GRI 305-1	Direct GHG emissions (Scope 1) GHG emissions		67
GRI 305-2	Energy indirect (Scope 2) GHG emissions		67
GRI 305-5	Reducing GHG emissions		64, 67, 68
GRI 306	Waste 2020		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)		22
GRI 306-1	Waste generation and significant waste-related impacts		69
GRI 306-2	Management of significant waste-related impacts		69
GRI 306-3	Waste generated		69
GRI 306-4	Waste diverted from disposal		69
GRI 308	Supplier Environmental Assessment 2016		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)		22
GRI 308-1	New suppliers that were screened using environmental criteria	None in the reporting year. New suppliers are audited on the basis of the Supplier Code of Conduct.	

GRI Indicator	Disclosure	Comments, References	Pages
Essential topics			
GRI 400	Social issues		
GRI 401	Employment 2016		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)		22, 54
GRI 401-1	New employee hires and employee turnover		56, 58
GRI 403	Occupational Health and Safety 2018		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)		
GRI 403-1	Occupational health and safety management system		57
GRI 403-2	Hazard identification, risk assessment, and incident investigation		57
GRI 403-3	Occupational health and services		57
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety		57
GRI 403-5	Worker training on occupational health and safety		57
GRI 403-6	Promotion of worker health		57
GRI 403-8	Workers covered by an occupational health and safety management system		57
GRI 403-9	Work-related injuries		
GRI 404	Training and Education 2016		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)		22, 58
GRI 404-2	Programs for upgrading employee skills and transition assistance programs		58

GRI Indicator	Disclosure	Comments, References	Pages
Essential topics			
GRI 405	Diversity and equality of opportunity 2016		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)		22, 54
GRI 405-1	Diversity in regulatory bodies and among employees		56, 58
GRI 406	Non-discrimination 2016		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)		22
GRI 406-1	Cases of discrimination and corrective actions taken	No incidents of discrimination became known in the reporting year.	
GRI 414	Social assessment of the suppliers 2016		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)		22
GRI 414-1	New suppliers who were assessed using social criteria	New suppliers are audited on the basis of the Supplier Code of Conduct.	
GRI 416	Customer health and safety		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)		22, 36
GRI 416-1	Assessment of the health and safety impacts of product and service categories		47

ABOUT THIS REPORT

This report is the first Schwalbe CSR report. It describes the corporate responsibility, the associated vision as well as the CSR goals and CSR activities of Ralf Bohle GmbH in 2021. Unless otherwise stated, all reported data and values refer to the German Schwalbe parent company, Ralf Bohle GmbH. These subsidiaries will be successively integrated in the next CSR reports. This CSR report was published in print in October 2022 and is available in digital form on the company website at <https://www.schwalbe.com/sustainability/csr-report-2021/>

The CSR Report 2021 is available in English and German.

The Schwalbe CSR Report 2021 follows the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards). This report has been prepared in accordance with the GRI Standards: Core Option. The relevant reporting topics were determined as part of the materiality analysis. An external audit of the disclosures was not performed for the reporting period from Jan. 1st, 2021, to Dec. 31st, 2021. The forward-looking statements in the CSR Report 2021 are based on the assumptions and plans valid at the editorial deadline; the actual results and developments may deviate from these.

GLOSSARY

CSR Corporate Social Responsibility

CSR is the responsibility of companies for the impact of their actions on society. This includes social, ecological, and economic aspects. The terms CSR and sustainability are commonly used interchangeably for companies.

SDG

The member states of the United Nations adopted the 2030 Agenda in 2015. At its core is a catalogue of 17 goals for sustainable development – the Sustainable Development Goals (SDG). The 17 SDGs take into account all three dimensions of sustainability – social, environmental, and economic. They are preceded by five core messages as guiding principles for action: People, Planet, Well-being, Peace, and Partnership.

Global Reporting Initiative

The Global Reporting Initiative develops guidelines for sustainability reports. The first draft was created more than 20 years ago. In 2016, GRI published the first Global Sustainability Reporting Standards. The aim of the GRI standards is to create better comparability and transparency in the CSR activities of companies. Participation is voluntary. The GRI guidelines are the most widely used framework for CSR reporting by companies worldwide.

Sustainability

In the most commonly referenced definition (Brundtland, 1987), a state in which the needs of the present are met without compromising the ability of future generations to meet their own needs. This includes, in particular, ecological, social, and economic aspects.

Scope 1/2/3 emissions

Categorisation of greenhouse gas emissions according to the place of origin in a value chain

Scope 1: Direct emissions from own or controlled sources, for example: emissions from combustion in own or controlled boilers, furnaces, vehicles, etc.

Scope 2: Indirect emissions from the generation of purchased electricity, heat, cooling, or compressed air. Scope 2 emissions physically occur at the facility where the energy is generated.

Scope 3: All indirect emissions (not included in scope 2) that occur in the value chain, including upstream and downstream emissions. Scope 3 emissions arise, for example, from the extraction and production of purchased materials, transport of purchased fuels, and the use of sold products and services.

Life-cycle assessment (LCA)

Life cycle assessment (LCA) is a process for evaluating the impact of a product on the environment throughout its life cycle, thereby increasing resource use efficiency and reducing liability. It can be used to examine the environmental impact of a product or the function that the product is intended to perform. LCA is commonly referred to as cradle-to-grave analysis. The key elements of LCA are: (1) identification and quantification of the environmental pressures involved, e. g. energy and raw materials consumed, emissions produced, and waste generated; (2) assessment of the potential environmental impacts of these pressures; and (3) assessment of the options available to reduce these environmental impacts.

Cradle-to-Cradle

Cradle-to-Cradle® (C2C) is a holistic design approach and school of thought developed in the 1990s by Professor Dr. Michael Braungart, PhD, William McDonough, and EPEA Hamburg. It describes the potentially infinite circulation of materials and nutrients in cycles. All ingredients are chemically harmless and recyclable. There is no longer any waste in the current sense of the "take-make-waste" model, only usable nutrients.

rCB recovered Carbon Black / Schwalbe Recycling System

First, the used tires are returned at participating retailers. The contents of the Schwalbe recycling boxes are collected and taken to Pyrum Innovations. There, the scrap tires are shredded into rubber granulate, steel, and fabric. Using the pyrolysis process, the rubber granulate is converted into valuable secondary raw materials at 700 degrees Celsius in the pyrolysis oven. The pyrolysis coke obtained in this process is processed into RCB (recovered carbon black) and reused in new Schwalbe products. The oil produced goes to the chemical company BASF and is used, for example, in textile fibres. The gas is used to supply the pyrolysis plant with electricity so that it supports independently.

IMPRINT

Ralf Bohle GmbH
Otto-Hahn-Str. 1
51580 Reichshof
GERMANY

Fon +49-2265-1090
Fax +49-2265-7022
info@schwalbe.com

MANAGEMENT

Frank Bohle
Holger Jahn
Andreas Grothe
Nico Simons

CSR MANAGER

Felix Jahn

CONCEPT AND DESIGN

Kirchhoff Consult AG

PHOTOS

Ralf Bohle GmbH
 p. 75 **World Bicycle Relief gGmbH**
 p. 76 **Klaus Stange**
 p. 77 **Gero Müller-Laschet, Imago Images, Sven Kubeile**
 p. 80 **BOS Deutschland e.V.**

**Life is like riding a bicycle.
To keep your balance,
you must keep moving.**

Albert Einstein



Ralf Bohle GmbH
51580 Reichshof
Germany
T +49-2265-1090
schwalbe.com

facebook.com/schwalbetires
[instagram.com](https://instagram.com/schwalbetires)

