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# SUSTAINABILITY REPORT 2021

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The MÜLLER TEXTIL GROUP informs their stakeholders about the Corporate Social Responsibility (CSR) in the group of companies by the present sustainability report. The report gives an overview of our strategies, objectives, and performances. It shows focus areas and progresses in our fields of activity regarding sustainability.

1. Preface of the management
2. Short profile of the company
3. Stakeholder dialogue
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5. Products and innovations
6. Environment and quality
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# 1. PREFACE OF THE MANAGEMENT

Dear Ladies and Sirs,

The present sustainability report proves once more which influence we as a company have on our environment. Just in these extraordinary times in which enormous changes shape our world it can be a very big chance. Even if we sometimes only improve minor details – together they will lead to a great impact.

Each business decision always touches the environment and/or social aspects. To treat that in a responsible way is very important to us. For that reason, we signed a “Code of Conduct” together with the Managing Directors of our international locations in which we manifested highest behaviour and ethical standards as common objectives.

With this sustainability report we would like to give you an insight into the three areas of activity with which we actively approach issues of sustainability: products and innovation, environment and quality as well as employees and society.

To grow profitably and to create values that are sustainable at the same time is not only compatible with each other – it must be the aim of business activity.

Best regards,

Management of the MÜLLER TEXTIL Group

“We act with integrity and honesty.”



Management from left to right:

Dipl.-Ing. Stefan Müller,

Dipl.-Kfm. Frank Müller,

Dipl.-Wirt.-Ing. (FH) Alexander Jones

## 2. SHORT PROFILE OF THE COMPANY

### MÜLLER TEXTIL briefly

As owner managed and globally positioned family business, we look back on a company history of more than 115 years. Today the MÜLLER TEXTIL Group is run by the managing partners Frank and Stefan Müller together with the manager Alexander Jones in the fourth generation.

We are proud to be the market leader in 3D textiles and the global leading specialised manufacturer of spacer fabrics. This success has enabled us to expand our international production sites, to maintain their state-of-the-art knowledge, and to open sales offices throughout the world.



### Branch

Manufacturer of Technical Textiles

### Management

Dipl.-Kfm. Frank Müller

Dipl.-Ing. Stefan Müller

Dipl.-Wirt.-Ing. (FH) Alexander Jones

### Employees

About 800 employees world-wide

### Certifications

IATF 16949

DIN ISO 14001

STANDARD 100 by OEKO-TEX®

STANDARD 100 recycled by OEKO-TEX®

# 3. STAKEHOLDER DIALOGUE

MÜLLER TEXTIL continuously stands in exchange and intensive dialogue with different stakeholder groups. All who are influenced by the decisions or the acting of MÜLLER TEXTIL or who can influence decisions by themselves belong to the group of company-related stakeholders.

Therefore, primary stakeholders are employees, customers, shareholders as well as suppliers. Moreover, we maintain contacts with media, associations and organisations, science, politics and authorities as well as with the society.

Mutual appreciation and a trusting and transparent relation between the company group and its stakeholders grant a respectful interaction with each other – and that world-wide. MÜLLER TEXTIL seeks exchanges with external stakeholders in a focussed and proactive way in order to share views and experiences. A responsible management includes the consideration of the effects of the own business activity on the stakeholders in essential decisions.

## PRIMARY

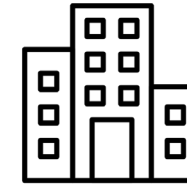
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Employees



Suppliers and  
service providers



Customers



Shareholders

## SECONDARY

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Politics and  
authorities



Media



Associations  
and  
organisations



Science



Society

## 4. AREAS OF ACTIVITY REGARDING SUSTAINABILITY

For a long-term business success, we do not include only the efficiency but also the sustainability for the entrepreneurial responsibility. At the same time, we observe apart from economical also ecological and social aspects and are in dialogue with our stakeholders.

The key aspects with a high impact on the sustainable business activity of the MÜLLER TEXTIL Group are:

- Products and innovations
- Environment and quality
- Employees and society

“Sustainability means to assume responsibility for employees, environment, and society.”



# 5. PRODUCTS AND INNOVATIONS

Whether for automobiles, mattresses, or filters: MÜLLER TEXTIL develops and produces spacer fabric of best quality and always on the pulse of the times. With more than 115 years of experience and great innovative power we daily advocate for fulfilling the individual wishes of our customers. Besides completely individual properties being expected by our 3mesh® spacer fabric and delivered by us our clients increasingly demand sustainable solutions. We meet this challenge on different levels: we offer sustainable products to our customers as well as solutions in the area of the circular economy.



„We focus on the development of sustainable solutions.“

### RESEARCH AND DEVELOPMENT

As innovative manufacturer of an product which can be applied in many different branches and living areas we work together with our customers on sustainable solutions. The share of development projects concentrating on sustainability increased by 29% in the year 2021.

### AREAS OF APPLICATION WITH FOCUS ON SUSTAINABILITY

The trend towards sustainable acting is also reflected in the applications of 3mesh®. For example, our product is deployed in the first 100% circular mattress and serves as carrier material for vertical planting in air purification. We can fulfil the constantly rising requirements of the automobile industry by recycled and recyclable raw material for the 3mesh® spacer fabric.

### RECYCLING AND CIRCULAR ECONOMY

Highest quality demands to our organisation, supplier parts, production processes, and logistics represent a minimum of rejections. Nevertheless, waste that cannot be avoided, is considered as resource at MÜLLER TEXTIL because it can be recycled and be utilised once again. As our 3mesh® spacer fabric is single-origin production waste can be recycled by 100% and again led back into the production process. If desired by the customer, we also offer our 3mesh® made of recycled yarn.



## OEKO-TEX® ON YARNS AND 3MESH®

The STANDARD 100 by OEKO-TEX® is a world-wide unified, independent testing and certification system for textile raw, intermediate, and end products of all stages of processing as well as for used accessories. We at MÜLLER TEXTIL do not only have dedicated ourselves to observe the highest standard of the product class 1 but also all our yarn suppliers. Our 3mesh® spacer fabric can be used for articles for babies as well. OEKO-TEX® confirms in its certificate „STANDARD 100 by OEKO-TEX“ for MÜLLER TEXTIL the accordance of our products with the REACH Regulation.



Furthermore, our 3mesh® spacer fabric made of recycled polyesters was awarded with the certificate polyesters „STANDARD 100 recycled by OEKO-TEX®“.



## DURABILITY OF THE PRODUCTS

An important aspect in the framework of sustainability is the durability of products. Three-dimensional spacer fabrics offer the best requirements with their excellent properties:

- 3mesh® is robust and washable,
- does not deform by heat or moisture
- and offers constant products features even after a long period of use.

Those characteristics represent the decisive advantage in contrast to other materials, for example, in the use as filter material in extractor hoods.



„We are continuously looking for the best way.“

## LOGISTICS

In order to keep the transport routes as short as possible we prefer local suppliers as well as transport service providers and pool our transports in in-house goods transportation.

## PACKAGING

We are constantly working on the avoidance of waste in packaging and try to act sustainably. In that way, we utilise recycled film packaging, send back coils to the suppliers, wind our 3mesh® on cardboard sleeves instead of metal ones and strive to use the packing material possibly several times.

## DELIVERY CHAIN

The responsible procurement of raw material is a core objective of our purchase activities. The “Supplier Code of Conduct” is compulsory for all providers. Moreover, all contractors have to be certified according to ISO 9001 and, if possible, to ISO 14001 or IATF 16949.



## 6. ENVIRONMENT AND QUALITY

The sustainability in development and production as well as the claim to excellent quality form the basis of our entrepreneurial behaviour. This was manifested in internal agreements by the management and the managers of the international locations:

### **ENVIRONMENT POLICY**

As globally acting family company social responsibility, sustainability in production and development are irrevocable values of our business. Our mission is characterised by a high environmental claim considering a possibly comprehensive lifecycle assessment of our products with regard to their properties and production processes.

### **QUALITY POLICY**

As innovation leader we strive for a complete customer satisfaction by continuous improvement of the quality and the conduct of all our business activities. Therefore, all employees are responsible in their respective region of activity and see themselves as part of the complete process chain.

„We fulfil high demands towards our technical textiles worldwide – that secures our success.“

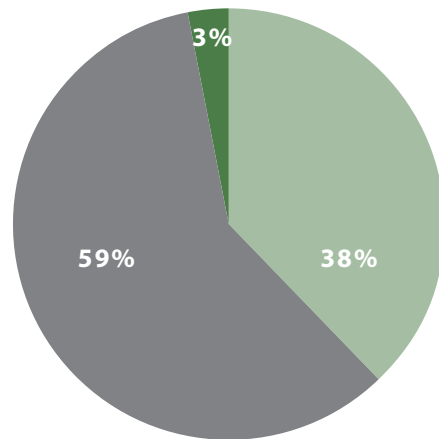


## ENERGY CONSUMPTION

The reduction of the energy consumption is one of our most important sustainability objectives. For that reason, factors as climate protection and secure availability play a role apart from cost aspects in the purchasing process. For this purpose, we did not only decide to buy "green electricity" but also to install own solar plants.

### Energy sources proportionally to the total demand

(Actual 2021)



- self-generated electricity
- green-bought-in electricity
- fossil-bought-in electricity

„The use of green energy is one of our most important objectives within the focus on sustainability.“

## SELF-GENERATED ELECTRICITY

Therefore, our production site in Myslina has put into operation a photovoltaic plant in 2021 as one of the first companies in Slovakia.



## HARMLESS SUBSTANCES AND CONFLICT MINERALS

The EU requirements for Chemical Substances (REACH), ((EU) No. 1907/2006) stands for Registration, Evaluation, Authorisation, and Restriction of chemicals. According to the REACH Regulation MÜLLER TEXTIL is classified as "Downstream User". We appreciate responsible management of chemicals and renounce dangerous and environmentally hazardous substances in our manufacture processes and products. That is regularly checked by the independent Hohenstein Textile Testing Institute and was confirmed by the award of the certificate „STANDARD 100 by OEKO-TEX® “ product class 4. Furthermore, we transfer die REACH requirement to our suppliers as well as the requests according to the „STANDARD 100 by OEKO-TEX® “.

MÜLLER TEXTIL avoids the application of materials respectively resources whose production or mining is not environmental and socially acceptable or is performed under violations against basic human rights. Our respective actual report with regard to the use of conflict minerals is published on the internet platform „iPoint Conflict Minerals Compliance“.





### **WATER AND WASTE WATER**

Water is a natural source being important for society and industry which we would like to protect. To produce non-refined 3mesh®spacer fabric water is not necessary. Therefore, we only use water for the sanitary facilities and in our kitchens. In that way, our sewage does not have to be filtered or purified additionally.

### **DIGITALISATION / PAPERLESS OFFICE**

Due to the increasing application of digital media for communication and archiving the consumption of paper is continuously decreasing. We use the possibility of digital invoice processing and introduced the digital signature. So, we do not only save paper but also have become faster in many processes. There, where it is necessary, we use 100% recycled paper.

### **WASTE**

All our processes are continuously checked for further possibilities of waste reduction respectively waste avoidance.

One of our very important aspects is the recycling of our production waste and the optimisation of packaging. Furthermore, we strive together with our customers for the development and production of products which are optimally tuned to the consumption at our clients to avoid waste there right from the beginning.

### **BUILDING INSTALLATIONS**

Every new construction and each modernisation of our production facilities is performed according to the recent environmental standards.

Building insulation, glazing, and heating of the headquarters in Germany were renewed according to the actual standard regarding their energy efficiency. Moreover, the energy consumption was significantly decreased by the application of energy-saving lamps and the control by motion detectors.



# 7. EMPLOYEES AND SOCIETY

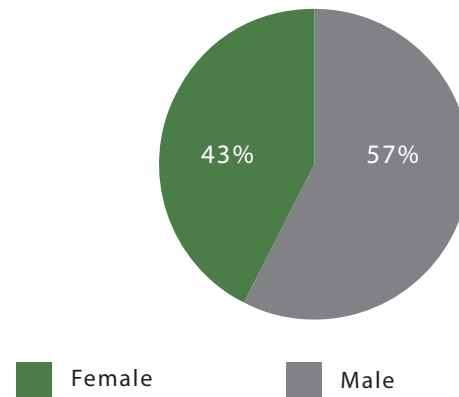
Basis of our competitiveness is a distinctive company-wide innovation culture. With the help of our systematic and targeted development work we regularly establish new applications on the market. Motivation and competence paired with endurance as well as the thinking out of the box mentality led us to the top. Furthermore, we transnationally work on the common objectives of our company strategy.

Our company culture is characterised by traditional values and the international cooperation where respect and mutual support are natural. Within flat hierarchies employees can shape their tasks independently and with a high degree of creative freedom. They assume responsibility, are competent and estimated contacts within flat hierarchies.

The employee satisfaction is measured by the long-standing period of employment, staff surveys, and the cooperation between colleagues which can also be felt in our national and international company celebrations.

### International gender distribution

(State October 2021)



„Common values are our success basis.“

Our company values are not only considered as promises to our customers but also as basis for the cooperation in our company. Thereupon, we, in the management, are committed to observe common guiding principles.

INNOVATOR

**Always on the look-out for the best solution.**

PERFORMER

**Embodying leadership in competence.**

PIONEER

**Boldly thinking beyond barriers.**

ENABLER

**Shaping the future with outstanding products.**

## HUMAN RIGHTS DUE DILIGENCE

Especially vulnerable employee groups such as adolescents, expectant mothers, and severely disabled people of course enjoy a special occupational safety.

We respect human rights of all persons working for us – including part-time employees and temporary workers. Every co-worker is treated with respect and dignity. We do not tolerate neither harassment nor modern slavery (that means, slavery, servitude, and forced or work carried out under pressure, and human trafficking).

We commit ourselves to equal opportunity and do not tolerate discrimination, especially, due to ethnic origin, culture, religion, age, disability, race, sexual identity, ideology, or gender. At the same time, we do not tolerate (sexual) harassment or other personal attacks.

Every kind of child labour is not tolerated – neither in our own business activities nor at our suppliers and business partners.

These principles are also specified in our Code of Conduct. A summary of this document which is very important for us can be seen on the last page of this sustainability report.



The remuneration politics of all world-wide locations include a reasonable compensation of the performance with social benefits taking into consideration the relevant legal standards.

The compliance of the occupational safety standards is critically observed several times a year and preventive measures as well as staff training is performed to keep the accident rate low.

Apart from the offer of routine medical check-ups for our employees a fast, professional medical emergency supply is guaranteed.

## QUALIFICATION, APPRENTICESHIP AND IN-SERVICE TRAINING

Qualification and further training belong to the personnel work at all locations of the of MÜLLER TEXTIL Group to fulfil the high-quality standards and to support the employees in their personal development. A structured orientation period as well as a qualification for the workplaces accompanied by feedback meetings with the employees are performed company wide. Moreover, the possibility of individual training is offered being evaluated in the scope of the annual talks. In China employees convey their knowledge to colleagues which they have previously received during their trainings.

To promote the international communication further English lessons are provided in Mexico, China, and Slovakia so that employees below management level can enter into dialogue with the global locations. Our employees are company-wide supported to be able to create their tasks in a professional and independent way. A constructive and appreciative feedback culture is a part of the management task.

## HEALTH AND SECURITY AT THE WORKPLACE

As part of our industrial safety measures we act according to the laws, regulations and directives of the occupational safety to guarantee and protect the security and health of our employees. Workplaces and their environment are conditioned to be safe and efficiency-enhancing for the employees.

That includes the ergonomics of the workplace as well as the evaluation of possibly psychological stress at the workplace apart from the personal protective equipment and the machine safety. Annual appraisal interviews, recurring workplace examinations as well as the preparation and regular revisions of risk assessments are performed as preventive measures against work-related health problems and occupational diseases. In Mexico we have nurses for the medical acute treatment.

The employees of all locations have the possibility to take part in preventive health services being offered for the sensitisation of health maintenance and prevention of diseases. Medical examinations are provided company wide. Moreover, further health offers which are locally different, for example, additional payment for workplace

glasses, health days, external psychological consulting services, the offer of free drinks and fruit at the workplace as well as fresh prepared lunch are available.

Especially with the start of the Corona pandemic hygiene concepts were created at an early stage and sufficient protection equipment was provided for the employees. We exchanged our best practise measures in an international dialogue and supported each other in cases of supply bottlenecks of protective equipment. The access to an early possibility of vaccination was organised by the locations and offered to the employees. The solidarity and the compassion among the employees as well as the care for the staff characterise the atmosphere of the MÜLLER TEXTIL Group.

„Qualified and motivated employees are the pillar of our success.“





## SOCIAL BENEFITS AND STAFF RETENTION

The MÜLLER TEXTIL Group abides by the collective agreements as amended and passes the agreed benefits to its employees. Furthermore, there are locally different additional services for pension schemes and rent subsidies as well as social fundings and medical treatments. There are also compensation components above the general pay scale based on the performance.

At all locations maternity leave is granted and there are partly holidays for fathers, too. Since May 2021 corporate childcare for infants from the age of three months to three years is offered in Germany which facilitates the reconcilability of family and working life.



„Our common corporate values characterise the company culture worldwide.“

Various country-specific social benefits are granted to tie up the staff. Furthermore, it is attractive for our employees to work in an international company where the employees are involved in the global cooperation by projects. The particular of the MÜLLER TEXTIL Group is the working atmosphere at all locations as well as the team spirit going beyond the borders. That stands for a special comfort factor of the employees which is honoured with loyalty to the company by the staff. The company culture is characterised by corporate values and the team spirit is strengthened by regular corporate events such as Christmas celebrations, turn of the year festivities, summer parties and group events.

## SOCIAL ENGAGEMENT

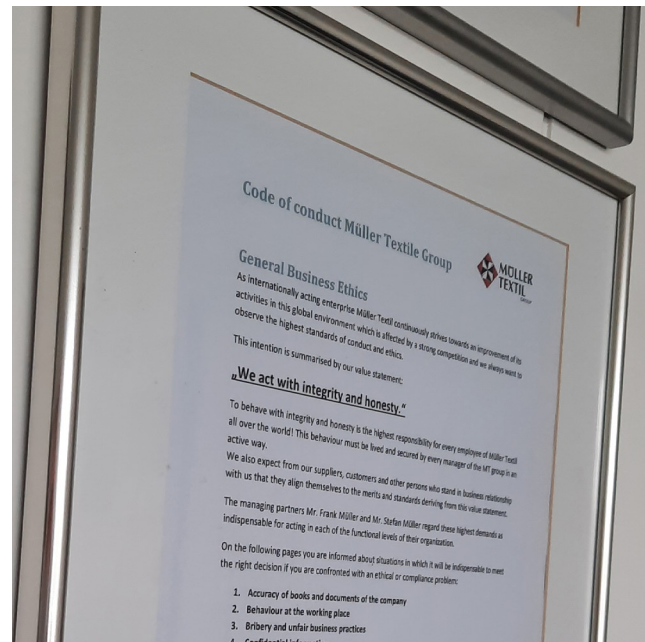
MÜLLER TEXTIL assumes social responsibility and supports regional projects with social background. We promote the football and the swimming club as well as foundations and schools in the region around Hummene/Slovakia. In Tianjin/China students are sponsored during their studies. In Wiehl/Germany the football as well as the ice hockey club and social institutions like the Johannis-Hospiz (hospice), the association Helfende Hände (Helping Hands), Lebensfarben (Colours of Life), and the Wiehler Tafel (a food bank) received donations in the last two years.



## 8. SUMMARY OF THE „CODE OF CONDUCT“

The Managers and the Managing Directors of the MÜLLER TEXTIL Group agreed upon a common and worldwide valid Code of Conduct a few years ago. It applies to the management as well as to the employees and includes binding ethical principles of conduct which are compulsory for all and influence our daily behaviour in a positive way.

As this Code of Conduct is an important pillar of our sustainability strategy you find a summary here.



### PRINCIPAL BEHAVIOUR

Compliance and observance of laws, regulations, and legal standards is natural. All employees adhere to the Code of Conduct of the MÜLLER TEXTIL Group as well as to legal regulations. In case of a breach disciplinary measure will follow independent from the sanctions prescribed by the law but also because of the violation of the contractual obligation. Every employee should act according to the Code of Conduct to avoid misconduct which could harm the MÜLLER TEXTIL Group in any respect. The MÜLLER TEXTIL Group should be represented adequately. We are reliable partners and only make promises which we can comply with. Our social interaction is characterised by respect, honesty, and fairness. Everyone is respected and we all work face-to-face. Nobody is discriminated or disadvantaged, in no way.

### DEALING WITH BUSINESS PARTNERS AND THIRD PARTIES

To achieve advantages by extortion, bribery, and corruption is strictly prohibited at the MÜLLER TEXTIL Group and will not be tolerated. Everybody is committed to comply with the rules of fair competition for clients and market shares. With reference to the Competition Law there are clear rules of conduct being inevitable obligations for all employees. The award of contracts is performed in a fair and unbiased way. Not any employee is allowed to use his position to reach personal advantages of third parties in connection with his business activity. In return, not any employee is allowed to provide advantages to third parties with his business activity.

### AVOIDANCE OF CONFLICTS OF INTEREST

To avoid conflicts of interests all employees should focus on their activities in favour of MÜLLER TEXTIL. This is secured by the non-competition as well as the approval of the management in case of taking up a secondary activity performed against remuneration.



# CONTINUATION SUMMARY OF THE “CODE OF CONDUCT”

## **TREATMENT OF INFORMATION/PROTECTION OF THE BUSINESS ASSETS**

Transparent and cooperative partnership requires the disclosure of information. We guarantee that all records and reports written as well as recorded in a system are correct, true, and complete. Duty of confidentiality about all business activities is applicable for all employees who gain knowledge of them during their activity at MÜLLER TEXTIL or in framework of it, even after their duties have ceased. The worldwide electronic information exchange, electronic business processing as well as personal data are subject of data protection. The employees are obliged to protect intellectual properties on which the economical success of MÜLLER TEXTIL bases against third parties. Whistleblowing or similar behaviour which bears such a risk must be neglected.

## **EMPLOYEES**

Working conditions, work environment, and working hours correspond to the relevant valid laws and regulations at the local locations to achieve social sustainability. The occupational safety management system serves for fulfilling the industrial safety measures and the occupational safety. The observance of these measures as well as the accident prevention regulations and the fire protection regulations are ensured by the management. The workplace equipment is aligned to ergonomic and technical requirements. All technical facilities are checked in regular intervals to secure the safety. With the help of the so-called complaint mechanism all employees can make complaints which are thoroughly examined and, if necessary, relevant measures will be taken.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Sustainability means to assume responsibility for employees, for the environment, and the society. We would like to utilize our environment and our resources carefully and sparingly and continuously rethink and optimise the sustainability in our actions. This is especially valid for the development and the use of new applications and manufacturing technologies.

## **IMPLEMENTATION**

The communication of the Code of Conduct and its implementation in the MÜLLER TEXTIL Group is promoted by the executive board and the management.

## **INTERNATIONAL AGREEMENTS AND RECOMMENDATION**

The MÜLLER TEXTIL Group of every location does not only consider the internally determined agreements but also the recommendations and expects that from its suppliers, customers, and business partners.

# 8. EXPLANATION AND IMPRINT

## KEY FIGURES

All data and information in this report are determined by the relevant specialist department with recognised methods. The presented values are rounded. Environmental indicators and workforce metrics were locally identified in a decentralised way and centrally consolidated at the headquarters in Wiehl. They are supported by management systems. Financial results are collected according to the German Commercial Law.

## OTHER

To enhance the readability the male form of personal names and personalised nouns is partly used in this document. For the purpose of equal treatment corresponding terms are valid for all genders. The shortened linguistic form has only editorial reasons and does not include an assessment.

## REPORTING PERIOD AND SCOPE

The reporting period corresponds to the data and information of the financial years 2020 and 2021. The sustainability report covers all locations of the MÜLLER TEXTIL Group. These include:

MÜLLER TEXTIL GmbH, Wiehl, DE

MULLER TEXTILES SLOVAKIA S.R.O., Humenné, SK

MULLER TEXTILES MÉXICO, S. DE R.L. DE C.V., Acuna, MX

MUELLER TEXTILES (TIANJIN) LTD., Tianjin, CN

In comparison to the previous year there no material changes in the period under review.

## IMPRINT

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## SUSTAINABILITY MANAGEMENT

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