Closed
Sustainability Report
Year: 2018/2019
DEAR READERS,

Sustainability has formed a central role in Closed’s mission since the outset. Since 1978. We now present our first sustainability report with a brief retrospective glance. In the seventies, the concept “sustainability” was by no means as omnipresent or as prevalent as nowadays and was subject to varying interpretations at that time. To us at Closed, sustainability has always embodied respect for and fair perception of not only the environment, but also for everyone and everything we work with. Our stated objective was, and remains, long-term relationships with all business associates, which is why we sought out partners who share our values and in whom we could place our trust. Today, we take immense pride in looking back on decades of mutual cooperation with the majority of our associates, most of whom are located in Europe where 80 per cent of our products are made.

This successful history of the long-established and close partnerships we nurtured paved the ground for key foundations for the high quality of Closed fashions – our number one priority. The secret to the quality of our garments and accessories lies in how we understand the concept of sustainability, now more than ever. We are convinced that a crucial aspect of sustainability is lower, but better consumption. It is our goal to produce carefully made, thoughtfully designed favourites for our customers to happily wear again and again, instead of constantly buying new fast fashion items.
Needless to say, sustainability is far more than just this – first
and foremost, it involves making use of our planet’s resources
as responsibly as possible. As a fashion company with a
strong focus on denim, the first logical step was for us con-
centrate on turning out our jeans with greater environmental
awareness, by reducing water and electricity consumption
and virtually eliminating chemicals. In 2018, we launched our
own eco-friendly denim line A BETTER BLUE together with our
Italian denim partners. The Everest laundry and Candiani, the
so-called greenest mill in the blue world, are pioneers in pro-
ducing sustainable denim and constantly devising innovative
eco-friendly fabrics and new low-impact dyeing and washing
processes. We are extremely pleased that our partners
share their great expertise with us in order to support our am-
bitious goal: making our A BETTER BLUE jeans an eco-friendly
product from the fabric down to the last stitch, while sustain-
ing the same high quality, look and feel character of typical
Closed jeans. It is a great achievement that we have managed
to do this. With eco-friendly dyeing processes and low-impact
washing methods, we saved at least 2,793,213 litres of water
(almost 20,000 bathtubs), 265,424 kWh of electricity and
31,576 kg of chemicals in comparison to our conventionally
produced jeans since A BETTER BLUE was rolled out. So far,
we have recorded 91,526 A BETTER BLUE products.

In 2019, the line was extended by other sustainable materials
like organic cotton and recycled elastane to further cut back
on even more water and electricity and further limit the use of
pesticides and fertilisers. Shortly after its launch, A BETTER
BLUE raised the benchmark for production of sustainable
products in the international denim industry. But we do not
intend to stop here: our aim is to extend the range of A BETTER
BLUE products for men and women every season – like in
autumn/winter 2020 with two thirds of our men’s jeans being
part of our eco-friendly line. We are also increasing the volume
of sustainable materials in the rest of our collection, e.g. all
men’s jackets in autumn/winter 2020 are made completely
of recycled fabrics.

Step by step towards a greener future: we are committed to
sustainability. Closed is constantly on the move, and in this
report, we wish to share with you some of the recent steps
we have taken towards becoming an even more environmen-
tally conscious company while never compromising on qual-
ity or design. Be this the introduction of recycled cashmere
or relocation of footwear production to Italy and offsetting
our carbon emissions. This report documents the relevant
facts and figures to illustrate our sustainability policy, right
from our production partners through to our Closed head-
quarters.

Speaking of facts and figures, most of the numbers mentioned
in this report concern the year 2018 – the year A BETTER BLUE
was born – when we began offsetting our carbon emissions
by way of donations to eco-friendly initiatives. However, we
also take a look at 2019 and provide a preview of exciting
news coming in 2020.

In future, we will publish a sustainability report annually as
well as continue to post information regularly in the new
sustainability section on our homepage (closed.com/about). Documenting and comparing all the facts and numbers in
this report will help us foster improvements towards sustain-
ability at Closed and boost awareness for this significant top-
ic within our organisation, among our partners and with our
customers. To show you that we care.

sustainability@closed.com –
We’d love to hear your ideas, questions or suggestions!

Gordon Giers  
Til Nadler  
Hans Redlefsen
What sustainability means to us

• Doing everything we do in the most environmentally conscious and responsible way possible, while never compromising on our high quality and aesthetic approach.
• Fair and respectful behaviour towards everyone and everything we work with: employees, partners, animals and the environment.
• Underscoring longevity by making carefully thought-out designs and high-quality products made to last.
• Producing close to our main markets: 80 per cent of our products are made in Europe.
• Fostering long-term partnerships instead of hunting for cheap producers every season: we have been cooperating with most of our production partners for decades.
• Incorporating eco-friendly (e.g. recycled and organic) fabrics and low-impact techniques to the greatest extent possible.
• Pushing forward the boundaries of eco-friendly innovations, e.g. with our own eco-line A BETTER BLUE.
• Staying animal-friendly: no fur, no angora, no down – and high ethical standards for cashmere, wool (mulesing-free) and mohair. Our leather and lambskin are by-products from the food industry.
• Minimising our carbon footprint as far as possible (transport on land rather than by air; consuming green electricity).
• Restricting waste as far as possible.
• Blacklisting disposal of unsold Closed products. We have been donating unsold items to a Chilean charity organisation supporting a music school for children in need for many years.
Sustainability is one of our key values. Here are some of our latest sustainable accomplishments at a glance — and a preview about the next eco-friendly steps we have planned at Closed.
Sustainability at Closed: status quo

- **Our eco-friendly line.** A BETTER BLUE cuts back water and electricity consumption and reduces emissions and the amount of chemicals added. The goal to produce thoroughly sustainable jeans from the initial idea involves both innovative, recycled and organic materials and low-impact washing methods and dyeing techniques. Every season sees a rise in the volume of A BETTER BLUE products for men and women that we produce.

- **Sustainable materials.** We also incorporate an increasing amount of organic cotton and eco-friendly materials (e.g. lyocell) in the rest of our collections.

- **Local fabrics.** To avoid air transport wherever possible and minimise our carbon footprint by keeping transport routes between suppliers short, the majority of our partners select local fabrics. Our Italian denim is being sewn together and washed in Italy, while most of our shirts and blouses are made from Portuguese cotton in Portugal. Our Asian partners have the expertise to handle Japanese qualities or technical Chinese fabrics.

- **Code of Conduct.** Closed’s Code of Conduct adhered to by all of our production partners enables us to rely on an official document that guarantees: no child labour, fair and statutory wages, paid overtime, safe and hygienic working conditions, fixed working hours and a maximum 48-hour working week. Every partner signs the Code of Conduct twice annually.

- **Green energy.** We consume green energy from renewable energy sources in our offices, warehouses and shops.

- **Eco-friendly shipment.** Online shop orders in 100 per cent recyclable boxes made of 100 per cent recycled materials, they are transported in an environmentally friendly way with DHL Green within Germany.

- **Recycled paper.** Most of our printed material is now produced from recycled paper, including for our HARD COPY magazine – which will be a carbon-neutral product from now on. Our new shopping bags are made of 60 per cent FSC-certified paper and 40 per cent recycled paper. Our online shop now offers an eco-packaging option (made of 100 per cent recycled material). We are pleased that many of our customers already take advantage of it.

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Where we produce our collections:

- 80% Europe
- 20% Asia
Sustainability at Closed: coming soon

- All of our efforts are geared towards sourcing more sustainable fabrics. For instance, the complete range of men’s jackets in our autumn/winter 2020 collection will be made of recycled materials.
- With effect from spring/summer 2020, all our footwear will be made in Italy instead of Hungary. This decision was reached as most of the leather and additional materials for our shoes come from Italy. Italian production enables us to minimise distances between suppliers and cut back on emissions, but still guarantees the highest quality and comfort of our footwear.
- Starting with our autumn/winter 2020 collection, our most popular stretch denim quality, including our best-selling Pedal Pusher, Oxford shirts and more essentials for men and women, will be produced from organic cotton.
- In addition, autumn/winter 2020 will see the introduction of recycled cashmere for men’s and women’s garments.
- By offsetting our carbon emissions by making donations to eco-initiatives in 2020 we are making our headquarters and Hamburg warehouses climate-neutral.
- At present, we are in the process of determining the appropriate audits & certificates for our production sites in 2020. Even though we have our own Code of Conduct for our very high standards, our objective is to give substance to this by obtaining an independent and official document to verify our production partners as being most qualified and socially responsible.
- Currently, we are collaborating with a foundation for fair fashion about joining them in 2020, to further enhance our strong focus on working conditions at our production facilities.
- We will be portraying at least three more of our production partners with images, interviews and additional information in the sustainability section at Closed.com before the end of the year.
Closed in numbers

To give you a break from all those words – get to know us by having a look at our numbers instead!

8
Production countries (Italy, Portugal, Turkey, Romania, Hungary, China, India, Morocco)

28 years
Longest partnership Paul S.p.A., Italy, that sews our jeans

1,516,235
Closed products made in 2018

91,526
Pairs of A BETTER BLUE jeans produced since 2018

116,4676 t
Tons of eco-friendly materials used in 2018 (7.8% of all materials)

425,574
Pairs of jeans produced in 2018

1,200
Closed wholesale partners

240,000
Photos produced in our studio per year

22
Denim pieces for our iconic Pedal Pusher jeans

31
Number of steps it takes to produce every pair of Closed denims

Closed shops:
50

Germany: 39
Netherlands: 4
Belgium: 3
Austria: 2
Switzerland: 1
Spain: 1
EMPLOYER BENEFITS

We are a family business – and we care about our employees. Always have, always will. And not only because they are our greatest asset. One objective in our sustainable corporate mission is to invest in our employees’ health and well-being. To do this, we provide certain benefits:

- Bicycle leasing at a discounted rate for all staff at headquarters and warehouse facilities (Jobrad)
- Complimentary yoga classes on a regular basis at the headquarters (dynamic and restorative options)
- Workshops and further training
- Flextime (headquarters)
Timeless design means: perfection from the outset. We search the globe for partners commanding absolute expertise in their sphere and regard quality as their top priority. Most of our associates are located in Europe where almost 80 per cent of our products are made, enabling us to cut back delivery channels and raise ecological standards. This also applies to our suppliers in China and India, who champion eco-friendly and fair practices as much as their colleagues in Europe. Most partners chiefly work with local fabrics. To optimise our carbon footprint, we avoid transporting materials and semi-finished items by air around the globe. Closed maintains loyal partnerships: many of our associate manufacturers have been cooperating with us for decades, and we see them as part of the family. These relationships are built on trust and form the basis for everything we do.
Sustainability also means ensuring uniform working conditions for all employees

Our managers, designers and clothing engineers visit our production sites at regular intervals and are in constant dialogue with our suppliers. These long-standing partnerships have resulted in a Code of Conduct for ecological and social guidelines. It is signed twice annually by all partners to guarantee fair, statutory wages, fixed working hours, safe and hygienic working conditions and no child labour. These are natural underlying principles for us and our partners; we consider it imperative to have an official document to serve as an additional basis for trustworthy cooperation with our partners. Our Code of Conduct complies with the Confederation of the German Textile and Fashion Industry. It is available in German, English and in the languages of all our production partners. Click here: Closed.com.
ITALY – 38%
Italian denim experts have been making our jeans by hand since 1978. The country is home to the best weaving mills, manufacturers and laundries, resulting in high-quality jeans with a great degree of detail. Virtually all of our jeans are entirely handmade in Italy, from the fabric through to the last stitch. Candiani, our weaving mill, closely cooperates with our laundry, Everest, and the Paul sewing shop – we refer to them as our denim triangle. They all combine traditional and innovative spirit and are the ideal partners for our eco-denim line A BETTER BLUE.

PORTUGAL – 18%
Our cotton specialists are located in Portugal, one with expertise in cotton blouses and shirts, the other in jersey. The cotton qualities processed are mainly Portuguese – to ensure premium quality and short transport routes. Our leather bags are also crafted by a traditional Portuguese family business. Most finishing steps are completed by hand to guarantee the high quality and longevity that is so important to us.

TURKEY – 17%
Our T-shirts and sweatshirts are produced from premium cottons by Turkish jersey experts – their speciality is sporty styles like the Closed hoodies. Another partner in Turkey is an absolute expert in leather and lambskin. These luxurious materials require special skills, which we are happy to have found in Istanbul.

CHINA – 17%
Our Chinese partners specialise in innovative materials and delicate fabrics like silk. Both the Japanese fabrics we select (mostly for our chinos) are made up here as are our technical Chinese fabrics, for instance outerwear garments. All this results in reduced transportation routes.

ROMANIA – 7%
Our skilled tailor for jackets, coats and other on-trend, ready-to-wear garments is based in Romania. We were able to locate a partner here with extensive expertise who shares our passion for every tiny detail. The company has even developed ironing presses specially for our Closed articles.

HUNGARY – 2%
Closed footwear is also crafted here by a local manufacturer under the expert guidance of our Italian specialists. From 2020, all our footwear is being produced in Italy instead of Hungary. All leathers and other materials for our footwear comes from Italy. It was our stated aim to reduce our transport routes to curb emissions while guaranteeing premium quality.

INDIA – <1%
Our associates here specialise in the finest details, such as embroidery on blouses and shawls.

MOROCCO – <1%
Our men’s suits are tailored by a first-rate partner we cooperate with in Morocco who possesses the consummate expertise in high-quality menswear.

(Figures refer to our spring/summer 2019 and autumn/winter 2019 collections)
A closer look at our production partners. Meet our top 10 suppliers!
Paul S.p.A., Italy  
*Partner for 28 years*

- Expertise: denim (sewing workshop)
- Location: Ancona, Italy
- Established: 1983
- Employees: 60
- Closed partner since: 1992

The longest-standing partner of all. Closed has been cooperating hand in hand with Paul since the beginning – since the launch of our Pedal Pusher jeans. A number of years ago, we teamed up with experts here to design features still typical signatures of Closed today. Like the X-Pockets and the fly label.

Candiani, Italy  
*Partner for 14 years*

- Expertise: denim (weaving mill)
- Location: Robechetto, Italy
- Established: 1938
- Employees: 650
- Closed partner since: 2006

Truly green blue jeans: the Candiani family business, located in a nature reserve near Milan, looks back on 80 years of denim experience and extremely high standards of competency. Not only in quality and production, but also in environmental protection. By applying state-of-the-state technology, Candiani is able to consume 15 per cent less water and energy and is consequently referred to as the greenest denim factory in Europe on account of its sustainable and innovative inventions. The perfect partner for Closed – for virtually all our jeans and our environmentally friendly denim line A BETTER BLUE.
Everest, Italy
Partner for 13 years

- Expertise: denim (laundry)
- Location: Piombino Dese, Italy
- Established: 1976
- Employees: 85
- Closed partner since: 2007

A pronounced passion for denim is just one characteristic we share with the Everest laundry. The company in Piombino Dese, a small town near Venice, has accompanied us on our path since 2007. With considerable years of expertise, it attends to special washes for Closed jeans to lend them far more attributes than just an exceptionally attractive blue. Like Closed, Everest also attaches prime importance to environmentally friendly processes and pushes forward with new standards for jeans to make them as sustainable as possible.

Founded in 1976, the company applies denim-washing processes for A BETTER BLUE requiring virtually no water or none at all and no chemicals at all. Some techniques are performed entirely by hand. Everest has been cooperating with Candiani, our denim producer and A BETTER BLUE partner, for over ten years. Together, we develop the jeans of the future.

Texdata S.r.l., Romania
Partner for 9 years

- Expertise: blazers, coats
- Location: Focsani, Romania
- Established: 2002
- Employees: 120
- Closed partner since: 2011

Texdata manufactures our ready-to-wear garments, primarily coats, jackets and men’s and women’s blazers. The company has even developed its own ironing press specifically for Closed blazers. Texdata collaborates with local partners in Romania to minimise transport distances, for instance a laundry employing lasers to achieve washing effects by means of environmentally friendly methods.
Union Apparel
International Ltd., China
*Partner for 19 years*

- Expertise: chinos, sportswear
- Location: Hong Kong, China
- Founded: 1998
- Employees: 635
- Closed partner since: 2001

Union Apparel has been a partner for almost 20 years. Philip Law, the managing director who founded the company, which boasts two production facilities, has been a good friend for many years. The cooperation with him and his employees is not only very congenial, but also runs very smoothly – Union Apparel understands exactly which details are particularly important to us.

Esvap Konfeksiyon
San. Dış Tic. Ltd. Şti., Turkey
*Partner for 7 years*

- Expertise: knitwear
- Location: Istanbul, Turkey
- Established: 1987
- Employees: 420
- Closed partner since: 2013

Esvap in Istanbul has been producing knitwear for us since 2013. In conjunction with our designers, a new knitting machine file is developed for every jumper or cardigan – no easy task with patterned garments in particular. The machine-knitted items are stitched together by hand and finished with great attention to detail.
Stil-Tre S.r.l., Italy
*Expertise: leather footwear*
*Location: San Giovanni Ilarione, Italy*
*Founded: 1998*
*Employees: 16*
*Closed partner since: 2007*

Our leather footwear is specially developed at Stil-Tre whose specialists are meticulous about every small characteristic. Stil-Tre trains our footwear manufacturers using the finished samples in every size. Starting with the 2020 collections, all Hungarian production will move to Italy to minimise transport distances as the leather for our shoes also comes from Italy.

Mundicorte, Portugal
*Expertise: shirts, blouses*
*Location: São Martinho do Campo, Portugal*
*Established: 1988*
*Employees: 187*
*Closed partner since: 2008*

Most of our shirts and blouses are produced in tranquil São Martinho do Campo, where small-scale manufacture of men’s shirts gradually evolved to include women’s clothing. Today, Mundicorte is a flourishing family business employing sons, nephews and cousins in various positions alongside the highly skilled workforce in bright, modern workshops.
China Red Textiles Ltd., China
*Partner for 11 years*

- Expertise: blouses and dresses
- Location: Shenzhen, China
- Founded: 2006
- Employees: 490
- Closed partner since: 2009

China Red produces our delicate items made of flowing fabrics like silk dresses and blouses. The employees at the plant are well familiar with the complex tasks involved when processing delicate materials.

Caifai, Portugal
*Partner for 12 years*

- Expertise: jersey
- Location: Barcelos, Portugal
- Founded: 1987
- Employees: 100
- Closed partner since: 2008

Caifai produces tops and T-shirts for Closed. The family business was founded in 1987 by married couple Conceição and David Simões. At Caifai, our designs are implemented with the help of state-of-the-art CAD/CAM software, which guarantees particularly precise planning, keeping material waste to a minimum.
CERTIFICATES AND AUDITS
We are committed to fair working conditions, fair wages, environmental compatibility and responsible treatment of both animals and resources. Closed has been collaborating with the majority of partners now for decades and visits them on a regular basis to personally monitor working conditions on site. All partners sign our Code of Conduct twice per year in addition to any certifications from other fashion labels whose collections they produce.

Above and beyond this, our current objective is to define an additional method of officially documenting our trust and observations. We are currently seeking a partner who is able to map the international requirements for certificates and audits covering all aspects to which we attach importance and also complies with our Code of Conduct. The Code of Conduct expresses our own high standards. In some cases, certificates and audits can display a lack of transparency and may not promote constructive impetus. However, we are certain a suitable opportunity to fulfil our requirements will materialise in the near future.

ANIMALS
At Closed, we condemn animal abuse and are committed to sustainable production and animal welfare. We work with high-quality fabrics and yarns from suppliers who assure us that the animal fibres used for Closed articles come solely from farms complying with international production guidelines. These define species-appropriate treatment of animals which excludes cruel practices, e.g. mulesing.

OUR PROMISES:
• We do not and will not process fur, angora or down.
• Our wool is mulesing-free. At Closed, we condemn animal abuse and are committed to sustainable production and animal welfare. Our fabric and yarn suppliers assure us that the animal fibres used for Closed products come solely from farms complying with international production guidelines. These define species-appropriate treatment of animals that excludes such cruel practices, e.g. mulesing.
• We only work with mohair suppliers who belong to the Mohair South Africa association. This association is committed to a sustainable and ethical mohair industry in South Africa and globally. Mohair South Africa has established sustainability guidelines and cooperates with local farmers and animal welfare organisations. Should a member violate the guidelines, they are immediately excluded from the association and are no longer permitted to sell their mohair. Fortunately, the majority of South Africa’s 1,000 mohair farms take animal welfare very seriously. We have decided to continue using mohair for our products – the reason also being that the mohair trade provides a livelihood for around 30,000 people in South Africa.
• The leather and lambskin we utilise are exclusively by-products of the food industry.
We are constantly increasing the volume of eco-friendly materials to produce our collections with a far lower environmental impact. Our objective is to source materials of the best quality and style with a high degree of comfort, but which involve the least possible adverse effect on the environment.
We choose our materials carefully to achieve the highest possible quality in order to create items that remain our customers’ favourites for years to come. Most of our materials are of natural origin, e.g. cotton or wool. In some cases, we also decide in favour of innovative synthetic alternatives like 3M™ Thinsulate™ Insulation, which is a vegan down alternative made of recycled fibres.

Overview of sustainable materials in use:

CELLULOSE FIBRES:

Lyocell & TENCEL™: lyocell is a natural fibre produced from a natural renewable resource, i.e. wood from sustainable forests. Its production has a low ecological impact and the fibre is completely biodegradable. We primarily cooperate with Lenzing, the most well-known lyocell producer. The Austrian company has pioneered production of innovative, high-quality fibres derived from wood for decades. Its high-quality lyocell is marketed as TENCEL™. It is certified by the EU Ecolabel as being a product with a significantly lower environmental impact across its entire lifecycle. TENCEL™ is not only eco-friendly, it feels soft on the skin and is very pleasant to wear. It is utilised for our denims, dresses and blouses among other garments.

REFIBRA™: Lenzing produces TENCEL™ lyocell fibres with REFIBRA™ technology in a pioneering closed-loop process. This innovative technology contributes to the circular economy in the textile industry by upcycling a substantial proportion of cotton remnants, e.g. from textile production, which otherwise would be disposed of. Recycled cotton is mixed with wood pulp from sustainable forests to generate new virgin TENCEL™ lyocell fibres for fabrics and garments. Resources and energy are minimised substantially to ensure environmental protection and conservation of resources. As a result, TENCEL™ REFIBRA™ becomes the most sustainable fabric we use. We are proud to say that it is part of our A BETTER BLUE collection: made of 60 per cent TENCEL™ REFIBRA™, 20 per cent recycled cotton and 20 percent organic cotton, each pair of TENCEL™ REFIBRA™ jeans saves significant amounts of water, chemicals and electricity.
Recycled fibres: not only do we rely on recycled cotton, we also integrate recycled elastane in our A BETTER BLUE products. 2020 will herald the arrival of recycled cashmere in our men’s and women’s collections. Recycled fabrics are more eco-friendly than the production of fresh fabrics as fewer resources and carbon emissions are necessary.

Thinsulate™ Recycled Featherless by 3M™: since 2015 we have relied on the down substitute Thinsulate™ Featherless by 3M™ in our garments. Minnesota Mining and Manufacturing is a leading producer in the field of this technology and is based in St. Paul, Minnesota, in the United States. We were one of the first German companies to process the synthetic, animal-friendly material as insulating padding for our jackets and coats. Starting with our autumn/winter collection in 2019, we have been using 3M™ Thinsulate Recycled Featherless Insulation made with 75 per cent recycled loose-fill fibres. From autumn/winter 2020 onwards, it will be made of 100 per cent recycled fibres.

Organic cotton: the cultivation of organic cotton is more eco-friendly than conventional cotton as it consumes less water and requires fewer chemical additives in cultivation. As cotton is the most frequent material we process, we constantly consider increasing the volume of more eco-friendly cotton options, like recycled and organic cotton among others to curb the utilisation of water and chemicals. However, the quantities of organic cotton are currently limited. This is why we are progressing step by step instead of immediately switching to organic cotton completely. With effect from the autumn/winter 2020 collection, organic cotton will be selected for our most popular stretch denim quality (including our bestselling Pedal Pusher), Oxford shirts and more essentials for men and women.

Sustainably farmed cotton: 40 per cent of the cotton our Candiani weaving mill processes for our A BETTER BLUE denim comes from the Better Cotton Initiative (BCI), a global non-profit organisation which is the largest cotton sustainability programme in the world. BCI’s aim is to make global cotton production better for the people producing it, better for the environment it grows in and better for the sector’s future, mainly by providing training on more sustainable farming practices for more than two million cotton farmers in 21 countries.

Thermore® Ecodown®: some of our jackets come with a Thermore® Ecodown® filling, made of 100 per cent recycled PET bottles. Ecodown® is the only durable thermal insulation product on the market made from 100%, post-consumer plastic bottles. Every jacket insulated with Ecodown® replaces the recycling of up to 10 PET bottles, which would have otherwise ended their life as waste in a landfill. PET bottles instead of oil will also contribute to conserving energy reserves for future generations.

OTHER MATERIALS AS INPUT (PERCENTAGE OF OUR PRODUCTION VOLUMES IN 2018)

Cotton 54.1%; Closed jeans, chinos, blouses, shirts, T-shirts and sweatshirts are made of cotton or cotton mix qualities. All of our partners carefully select the best raw materials to create premium fabrics. As an example, our denim weaving mill, Candiani: the highest-quality cotton from Spain, Greece, Egypt and the US, organic cotton from India and cotton from the Better Cotton Initiative (BCI) from Africa and Brazil go into Candiani denim. Candiani also recycles cotton remnants from its own production.

Sustainable materials 17.8%; In order to produce our collections as environmentally consciously as possible, we continually increase the amount of sustainable materials throughout all product groups, like cellulose fibres (TENCEL, TENCEL X RE-FIBRA), recycled fibres (cotton, elastane, cashmere), organic cotton and sustainably farmed cotton. All new fibres are subjected to exact tests to ensure the same high quality levels as for our traditional fabrics.
Synthetic fibres 14.9%: High-quality polyester, mostly in cotton or wool mixes, lends certain fabrics specific properties. Polyester has many advantages: it boosts durability, lightness and stability. 3M™ Thinsulate™ Insulation and Thermore® Ecodown® are our synthetic fillings for coats and jackets. These are high-quality vegan down alternatives, entirely made of recycled fibres.

Wool (cashmere, merino, alpaca, mohair) 8.8%: Our wool sweaters and cardigans are intended to last for many winters. The finest fibres are selected to guarantee long-lasting quality: cashmere, alpaca and merino. The best yarns make the best knits, which is why we cooperate with the best European manufacturers. Our Italian yarn specialists lead the field of our associates and are highly regarded for their precise craftsmanship, elaborate technology and the highest-quality yarns.

Leather (cowhide, calfskin, goatskin) 2.7%: Closed selects only high-quality calfskin, cowhide and goatskin. The leathers for our footwear and accessories are sourced from first-rate Italian and Portuguese tanneries. Our shoes are made of Italian leather in Italy, while our leather bags are made in Portugal of Portuguese leather. We use vegetable-tanned leather whenever possible, so no chemicals are involved in the process. All our leathers are by-products of the meat industry.

Lambskin 1%: Closed deals with one of the leading tanneries, with La Doma in Catalonia near Barcelona, in Spain. This family-managed company stands for sustainable practices and decades of experience. Lambskin comes from merino lambs in Europe. La Doma traditionally tans leathers with the idea of environmental sustainability in mind: without bleach and minimising water consumption. Our first-class sheepskin also ticks all the boxes as regards durability – our lambskin coats and jackets can be handed down to other family members. Closed makes lambskin coats and jackets out of 100 per cent by-products of the meat industry.

Silk (e.g. crêpe de Chine) 0.6%: Closed’s crêpe de Chine, a high-quality silk, comes from the Hangzhou province in China. It is famous for its soft feel and unique colour intensity. Crêpe de Chine is a silk fabric woven with overtwisted weft threads. The result: a material that is subtly crinkled, yet shimmery and sleek on the outside, and velvety matt on the inside. Our crêpe de Chine is handled by our Chinese silk experts to reduce transport routes.
Traditional craftsmanship benefits with the latest expertise: we drive new technologies for sustainable and advanced production. We take particular pride in our eco-friendly denim line A BETTER BLUE. As traditional methods of producing denim leave ample room for improvement, chiefly regarding water and chemical consumption, we developed our own eco-friendly denim line in 2018: A BETTER BLUE.

We designed this line with our Italian denim partners Candiani, the so-called greenest denim mill in the blue world, and the Everest laundry to set new standards. Innovative ecological washing and dyeing methods are the essence of A BETTER BLUE. 40 per cent of the cotton Candiani uses for the denim comes from the Better Cotton Initiative. Overall, 50 per cent less water, 25 per cent less energy, and 65 per cent less chemicals go into the production of A BETTER BLUE articles (compared to conventional methods).

So far, we have saved at least 2,793,213 litres of water, 265,424 kWh of electricity and 31,576 kg of chemicals since the launch of A BETTER BLUE.

Every season, we increase the proportion of A BETTER BLUE products in our collections. First came men’s and women’s jeans; meanwhile, it also encompasses jackets, shirts, dresses, skirts and accessories. Additionally, the autumn/winter 2019 collection introduced more sustainable materials to further decrease the consumption of water, chemicals and electricity, e.g. recycled cotton, recycled elastane and REFIBRA™. Quite a big step, but this is just the beginning.

HOW A BETTER BLUE GROWS

The aim of this report is to take a retrospective glance at our 2018/2019 figures. Sustainability, however, looks to the future – and these figures fill us with pride: we are delighted to be able to share them.

A BETTER BLUE 2018/2019
("first generation": winter 2018, summer and autumn 2019)
- 12,471 pairs of A BETTER BLUE jeans
- 218,592 pairs of conventional jeans
- 5.7 per cent A BETTER BLUE

A BETTER BLUE 2019/2020
("second generation": winter 2019, spring/summer 2020)
- 23,178 pairs of A BETTER BLUE jeans
- 227,111 pairs of conventional jeans
- 10.2 per cent A BETTER BLUE

A BETTER BLUE autumn/winter 2020:
- 55,877 pairs of A BETTER BLUE jeans
- 140,229 pairs of conventional jeans
- 39.8 per cent A BETTER BLUE
We have collated the data on waste, water, electricity and emissions to gain an overview of our status and to calculate the carbon footprint for our headquarters and main warehouse in Hamburg. This approach promotes possible ideas and thoughts on how to grow as a company and simultaneously restrict emissions. We take pride in the fact that 80 per cent of our products are made in Europe, close to our major markets, and are transported on land. We will always focus our sights on Europe – for quality and sustainability reasons. In the future, our intention is to:

- Increase the volume of A BETTER BLUE products to limit water, electricity and chemical consumption
- Integrate more organic and recycled materials in our collections to conserve resources
- Travel on business by rail instead by air if possible
- Offset the emissions of our flights with donations to climate projects
- Encourage our employees to cycle instead of drive by leasing bikes for them
- Lease only business cars with low emissions from now on
- Organise videoconferences instead of travelling to meetings if possible

Planned schedule towards becoming carbon-neutral in coming years:

- **Step 1:** carbon-neutral headquarters and Hamburg warehouse (209 employees). We calculated our carbon emissions for 2018: 488 tons. Compared to other companies of our size and in our industry, our emission value per employee (2.36 tons per person) is in the low range. Nevertheless, it is our goal to constantly decrease our emissions and offset the emissions we cannot yet avoid. For 2018, we offset 488 tons of carbon emissions by supporting the Bujagali Hydropower Project in the Republic of Uganda. The hydroelectric power station across the Victoria Nile harnesses the energy of the Bujagali Falls. It contributes to the fact that Uganda’s electricity grid is 90 per cent renewable, making the country one of the cleanest energy producers in the world. The project provides long-term support for the region and the whole country – and saves 858,173 tons of greenhouse emissions each year.

- **Step 2:** carbon-neutral production of our jeans
- **Step 3:** carbon-neutral production of our entire collections
- **Step 4/5:** carbon-neutral supply chain

Environmental Impact
Charity

No disposal of unsold goods: we would never throw away or destroy unsold Closed items. Products unsold by the end of the season are marked down for our sale periods. Remaining items have an additional chance to sell in our outlets. The next step after the outlets is our twice yearly factory sale. After this, unsold items have been donated to a Chilean charity organisation for many years. The clothes are sold in Chile and the total proceeds support a music school for children in need.