



years

# Remei

**We are the solution  
for organic cotton textiles**

1983-2023

Remei 2022/23  
Annual Report



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Chairman's editorial

## Dear Readers,

Given the volatile global economic outlook, planning in the conventional textile business in our target markets is anything but easy. Very few companies currently seem to be ready to invest the capital required for improving purchasing practices in the long run and securing the supply of raw materials. Textile producers continue to be under increasing pressure from purchasing prices. Unfortunately, smallholders wishing to supply responsibly produced organic cotton are still waiting to be the focal point of a forward-looking debate. As a result, the situation remains fragile for smallholders and suppliers. In this context, durable alliances continue to be essential.

Despite the challenging business environment, Remei concluded the 2022/23 financial year in a stable and successful manner. The company's solid financial structure remains strong and constitutes an important pillar for the years to come in what will be a demanding business environment.

The past financial year was marked by co-operation and alignment with our partners with a view to coping with challenges in the supply chain and achieving our goals.

Results were particularly gratifying in the field of finished textiles, where efforts launched in 2020 to develop new B2B partnerships have shown to be successful.

In the face of increasing regulation in Europe and rising requirements with regard to transparency across the supply chain, Remei's traceability tool as an integral part of our organic-cotton products has created benefits in the market.

Dear Shareholders, Clients and Suppliers, dear Employees, I would like to thank you very cordially for your loyalty and support in the year under review.

Beat Bernet,  
Chairman of the Board of Directors



## A stable financial performance in an increasingly challenging environment

**In the 2022/23 financial year, Remei managed to confirm its stable development and achieve a satisfactory result. In finished textiles, a field particularly important for Remei, we reported an increase in turnover versus the previous year and continued to successfully implement our strategy with various B2B partners.**

The company's solid financial structure remains strong and constitutes an important foundation for the years to come in a challenging business environment.

### **The opportunity of relationships**

Due to the purchase guarantee Remei promises to farmers in advance, we had to buy up the crop in Tanzania at the highest raw-material price of all time in the past financial year. The additional income and the obvious advantage for smallholders in Tanzania, who also benefit from our payment of premiums, make for a conflict of interests in our holistic supply chain given the

continued price pressure finished textiles made of the same raw material are subject to in B2B sales. This is one of many conflicts among targets that Remei has to resolve and considers part of our business model. High raw-materials prices will be with us again in the new business year even though stock-market prices for anonymously traded cotton have decreased. The premiums Remei has reliably paid to smallholders in India and Tanzania for many decades are as much an important pillar of our all-holder-value approach as is the purchase guarantee.

We are very happy with the result we achieved in the field of finished textiles in the past financial year. It has successfully confirmed the efforts we launched in 2020 with a view to extending our B2B partnerships.

## Outlook

### Durable alliances to become more essential still

**The 2022/23 financial year was marked by co-operation and alignment with a view to championing the challenges and achieving our goals together with our partners along the supply chain.**

We benefited from reliable planning and partnerships, and are aware of the extraordinary

significance alliances will have in future. In an industry whose sustainability efforts met with a great deal of criticism for greenwashing particularly in the past year, and in which major uncertainty was caused by controversial and inconsistent models of organic-cotton farming, alliances with retail partners jointly committed to real action will be essential for Remei.

## Outlook

### **Muted consumption and investment due to uncertainty in the industry**

The current global situation and economic prospects are making it almost impossible to properly plan for our target markets in conventional textile retail. After the COVID-19 pandemic, political instability caused by war in Europe, the ensuing energy crisis and increased cost of production in the supply chain as well as high inflation and looming or beginning economic recession for consumers, uncertainty in the industry remains high. Although it is obvious and well-known that fast-fashion models in the supply chain cannot possibly ensure livelihood and constitute a massive burden on the environment, the share of responsibly produced textiles continues to account for a very low single-digit percentage of aggregate global retail volumes. Many measures taken in the industry continue to be focused on defining future goals rather than consistently implementing future-proof improvements. Given the tightening economic situation, only few businesses seem to be deploying the necessary capital for investment in long-term improvement of purchasing practices and securing the supply of raw materials. Textile producers are still experiencing rising pressure on purchasing prices. Organic-cotton smallholders aiming to secure the supply of responsibly produced raw material for the industry continue to be outside the focus of major decision-makers, which is why smallholders and suppliers are stuck in a fragile situation. There is an urgent need for durable alliances.

### **The highest potential of available solutions lies in a collaborative environment**

For decades, Remei's business model has been focused on an impact-driven approach aimed at giving a positive spin to conditions in the supply chain, from fibre to finished pieces of textile. The idea is to drive the necessary transformation by smallholders, partners in industrial production, retail businesses and Remei working together on goals. To this end, Remei needs, and will continue to need, partners focused on the big picture even in challenging periods of time and aware of the time required to ensure the sustainability and stabilisation of positive effects. Currently, this is happening in markets and an industry in which 30 years of fast fashion have shown that severe and long-term negative effects for humans, nature and the planet are caused and, unfortunately, connived. It is our wish for real solutions available to be given a chance to develop their potential and to receive considerably more attention on a larger scale.



Simon Hohmann in the Tanzanian ginning plant

40 years of Remei – 40 years of pioneering work

## Co-operation across the board

### Driving the transformation together with our retail partners

In the year under review, we continued to work on implementation of our solutions for traceable organic-cotton textiles for our retail partners.

For Coop naturaline, our Swiss customer, we expanded the basic range in the past financial year, developing in close co-operation a genderless collection made from organic cotton traded on fair terms. The striped and unicoloured pieces with excellent wearing properties come without conventional girls' and boys' features and can be combined randomly.

The traceable range produced in our transparent supply chain for private label WÖHRL, a German fashion business, also experienced growth in the past financial year.

For WE ARE ZRCL, a successful Swiss street-wear brand we have been working and sharing the same approach to sustainability with ever since it was established, we continued to expand production in the 2022/23 financial year.

Opting for traceable organic-cotton textiles made by Remei, our retail customers join us in taking responsibility for trading raw materials with smallholders on fair terms, thus not only securing availability of raw materials and full traceability of their collections, but also getting access to product ranges directly linked to farmers in India and Tanzania.

### Empowerment and direct co-operation with farmers in India and Tanzania

A new board game presented last year as a form of learning met with curiosity and pleasure among farmers at our sites in India and Tanzania. It serves to communicate knowledge and methods of organic farming both as an installed life-size game and a workshop format.

We coach Remei contract farmers in India and Tanzania by means of our local extension teams, beginning with distribution of seeds during the entire cotton season and providing support of organic farming methods.



Styles and new identity of WÖHRL's sustainable private label

40 years of Remei – 40 years of pioneering work

## Remei celebrating its 40<sup>th</sup> anniversary



**Our anniversary is a celebration not only of Remei's 40-year history and strong partnerships with retail businesses and the entire supply chain but also and primarily of our unique and trail-blazing solution for traceable organic-cotton textiles.**

Remei was established as a conventional trader of yarn in 1983. As early as the following decade, the organic-cotton businesses in India and Tanzania were set up, marking the beginning of direct and participatory co-operation with local organic-cotton farmers based on the principles of trading on fair terms. Since 2008, Remei has been trading products made from organic cotton only, and all pieces of textiles from Remei's supply chain have been traceable back to their origins since 2013, when we launched a digital tracking tool.

Today, Remei and Remei India Ltd. and Remei Tanzania Ltd., its subsidiaries, work with some 5,000 independent smallholders to secure the supply of cotton as a raw material. As an innovative textile trader, we produce an annual volume of up to 1mio of traceable pieces of organic-cotton textile in a fully transparent supply chain, working with 31 reliable partners from seeds to finished pieces of textile for international retailers and brands.

In view of our 40<sup>th</sup> anniversary, we have launched a campaign with 40 motifs representing our attitude, our commitment and our solutions for responsible production of textiles.



Examples of Remei's anniversary campaign



# 40 years of Remei – 40 years of pioneering work

### How it all began

In the 1980s, Patrick Hahnemann – founder of Remei – made a game-changing discovery. As a yarn and cotton trader, he talked to an Indian cotton farmer and asked how to do it the natural way. Hahnemann learned that the collection of cotton cost more than to buy expensive pesticides. That is what would bring it.

Or, as company founder Hahnemann puts it: "It cannot be that an Indian farmer is subsidizing me 300%."






### For us, organic cotton is more than just a commodity

It's a transparent supply chain for traceable organic cotton textiles – from the farmers who sustain the cotton in soils and towards to the customers who choose a garment from the shelves.

Since the 1990s, we have been working directly with approximately 6,000 independent, registered organic cotton farmers following fair trading principles. This strengthens both the organic cotton farmers and organic farming.

Would you let us join in accelerating this systemic change?








### Direct to farm: Organic cotton farming is a matter of the heart

We believe in fair conditions and fair cooperation. That is why we offer farmers a five-year purchase guarantee, an additional premium payment on top of the local market price and regular training. In other words, commitment.

We work directly with cotton farmers in both Africa and India, without intermediaries. They are the starting point of our supply chain for traceable textile collections made from fair traded organic cotton, which we are systematically trading for customers in the retail trade.






### Strengthening organic farming and farmers with textile collections made from organic cotton

Currently, the share of organic cotton in global cotton production is less than 1% - we believe that's 90% too little.

That's why, together with our retail customers, we contribute to the preservation and promotion of organic farming systems, ecosystems, and people through the production of organic cotton textile collections and fair trading relationships with our cotton farmers.



### Are you looking for a platform to implement new solutions in the textile supply chain?

We see supply chain development not just as a cost block, but as a shared market potential for continuous innovation.

With our organic cotton textile supply chain, we offer retailers and brands a platform to develop and drive jointly initiated solutions.






### # I grow your cotton

With our campaign "# I grow your cotton," we put the focus on organic cotton producers and address the issue of responsibility for the raw material.

This highlights what transparency means to us: organic cotton from the field to the finished textile, from fibre to fashion, genuine relationships along the value chain and reliable collaboration with all stakeholders.

The transparency and direct collaboration with organic cotton farmers shows us every day how important these connections are so that all parties can develop together and ultimately benefit from it.









### Clean. Organic. Fair. Detox Fashion.

In 2020, Remei became the first company to introduce lower alcohol levels in its organic cotton for brands and retailers that need consumers' and Detox labels.

We demonstrate that clean production on a global scale is achievable. And we are not taking it.

Discover more about our Detox Fashion work from our GAO organic cotton for retailers and brands.






### From Fibre to Fashion. From Farmer to Consumer.

With our integrated and fully transparent production – from fibre to finished textile – we can actively counteract imbalances in globally organized and highly fragmented supply chains.

Remei's solutions not only cooperate the market, but also the needs of partners in the textile supply chain. With a purchase guarantee, Remei creates continuity for the weakest market participants, the farmers and their families. For their raw material, they receive an additional organic premium from Remei above the regional market price.





# 40 years of Remei – 40 years of pioneering work

**All-Holder-Value instead of Shareholder Value**

Our ambition goes far beyond meeting standards; we aim to set new benchmarks together with our partners.


That is why we are realizing the vision of a company that involves all participants in the value chain in the value creation. It's about responsibility and the knowledge that we can only solve the big problems of our world together.




**Innovative solutions arise only through cooperation and on an equal footing**

Involving everyone in the value chain, including partners in cultivation, production, and trade, is at the core of our „All-Holder-Value“ philosophy.

This enables us not only to transform the supply chain for traceable organic cotton textiles, but also to implement innovative solutions. Are you with us?




**T-shirts with a connection to the cotton farmers? Yes that's possible!**

All the garments we produce for our trading partners in the Remei supply chain are made from organic cotton from smallholder farmers with whom we have been working directly and collaboratively since the 1990s.

Our digital tracking tool my-trace by Remei takes you all the way back to the organic cotton farmers in India and Tanzania.




**Are you looking for a platform to implement new solutions in the textile supply chain?**

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**Value creation for all with textiles made from organic cotton**

By opting for traceable organic cotton textiles from Remei, our customers in trade join us in taking responsibility for fair trading raw material with around 5,000 small farmers.

This not only ensures the availability of raw material and the full traceability of their collections from a transparent supply chain, but also gives them access to a wide range of products with a direct link to farmers in India and Tanzania.




**Every textile from Remei is traceable to its origin**

Do your customers care about the origin of the organic cotton used in their T-shirt? Where does T-shirt come from and the production journey it took to reach the shelf?

Our digital tool my-trace by Remei accompanies you all the way back to the organic cotton farmers in India and Tanzania. Simply enter the code seen into your T-shirt!

We control the production of textiles from our supply chain with a systematic trace flow control from the floor to the finished textile.




**Insetting: We think in cycles**

We offer the best climate-responsible produced organic cotton textiles. To offer eco-responsible answers, we have found a solution within our own textile supply chain.

By finishing the production of biogas plants in India and ethanol in Tanzania, we reduce the consumption of biomass and directly compensate for the resulting CO2 emissions at the organic cotton farmers.

Thanks to our resisters flow of goods, we are able to deliver to our customers the CO2 footprint of this collection that we produce on their behalf.




**Would you like to completely outsource the development of a traceable textile collection made from organic cotton?**

With the establishment of sustainable and demand-driven supply chains and a reliable network of 29 long-standing production partners, Remei has the highest expertise in the production of traceable collections from fair-traded organic cotton for retailers and brands.



## 40 years of Remei – 40 years of pioneering work

### Direct cooperation with organic farmers

	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Remei India Ltd.</b>					
Farmers enrolled (incl. satellite project)	2'994	3'300	3'047	3'261	<b>3'010</b>
Output of seed cotton (t)	967	338	838	690	<b>536</b>
<b>Remei Tanzania Ltd.</b>					
Farmers enrolled (incl. satellite project)	1'906	1'792	1'792	1'866	<b>2'206</b>
Output of seed cotton (t)	6'418	5'375	5'337	5'237	<b>4'180</b>
<b>Total number</b>					
Farmers enrolled (incl. satellite project)	4'900	5'092	4'839	5'127	<b>5'216</b>
Output of seed cotton (t)	7'385	5'713	6'175	5'927	<b>4'716</b>

### Organic premium payment to organic farmers in India and Tanzania

	2018/19	2019/20	2020/21	2021/22	2022/23
Payments to organic farmers (CHF)	499'372	417'876	431'928	418'820	<b>329'475</b>

### Beyond economic cooperation, Remei is also engaged in the communities

	2018/19	2019/20	2020/21	2021/22	2022/23
Royalty fee to the bioRe Foundation (CHF)*	99'626	100'000	100'000	100'000	<b>100'000</b>
Donations to the bioRe Foundation (CHF)	-	32'447	2'778	43'107	<b>15'667</b>
CO <sub>2</sub> contribution to the bioRe Foundation (CHF)	47'721	46'481	36'041	23'621	<b>22'198</b>

\* New from 2018: royalty fee to the bioRe Foundation

### Employees Remei AG

	2018/19	2019/20	2020/21	2021/22	2022/23
Number of staff Switzerland	17	17	17	16	<b>16</b>
Full-time equivalent	14.6	14.6	14.2	14.6	<b>14.5</b>
Number of women	14	14	14	12	<b>12</b>
Number of men	3	3	3	4	<b>4</b>
Average age	40.6	41.8	42.3	42.2	<b>43.2</b>
Average years of service	8.4	9.2	10.8	10.3	<b>11.3</b>

### Employees Remei subsidiaries

	2018/19	2019/20	2020/21	2021/22*	2022/23
<b>Remei India Ltd.</b>					
Number of employees India	37	26	26	35	<b>36</b>
Number of women	-	-	-	2	<b>1</b>
Number of men	-	-	-	33	<b>35</b>
Average age	-	-	-	44	<b>43</b>
Average years of service	-	-	-	11.5	<b>10.6</b>
<b>Remei Tanzania Ltd.</b>					
Number of employees Tanzania	85	79	79	82	<b>80</b>
Number of women	-	-	-	22	<b>22</b>
Number of men	-	-	-	60	<b>58</b>
Average age	-	-	-	35	<b>36</b>
Average years of service	-	-	-	8	<b>9</b>

\* In the process of rebranding into the Remei Group, employee figures are reported for the first time in 2021/22

40 years of Remei – 40 years of pioneering work

## **A philosophical discourse: in conversation with Patrick Hohmann, Remei's founder**

**In the 1990s, what prompted you to enter what was completely uncharted territory at the time and to become involved in farming organic cotton in India and Tanzania?**

I talked to the farmers and realised that they couldn't make ends meet and were getting all the poorer the more pesticides and artificial fertilizers they were using. The spiral of use of artificial fertilizers and pesticides pushed them into indebtedness. As early as then, I was convinced of 'organic', looking for ways to make organic farming possible for the farmers and to support them financially so as to promote their development.

**Could you please comment on Remei's milestone in 2008, i.e. full conversion of the offer to organic products.**

In 2008, we decided to focus exclusively on 'organic', as we realised we were cannibalising our efforts in organic-yarn trading with the conventional yarn in our offer. We had to force ourselves to sell 'organic' only. It was the only way for 'organic' to stand a chance.

**What does it mean to Remei to have launched a digital traceability tool as early as 2013?**

That was very easy. From the very beginning, we had aimed at knowing exactly what was produced in our supply chain and where. So we were able to make sure by full transparency that we were walking the talk. Those who speak the truth have nothing to worry about transparency.

The my-trace by Remei traceability tool discloses the transparency available for each piece of textile.

**How did Remei's philosophy of all-holder value come about?**

I developed the all-holder philosophy over the years. As I was dealing with the social issues of our time, I arrived at a conclusion offering a bit of a counterpoint to the wide-spread concept of



Remei founder Partrick Hohmann today and in the early 1990s with Niranjana Pattni at Remei Tanzania Ltd.

shareholder value and creating value for everyone along the supply chain. The world today is profit-driven. We lack a willingness to bear social responsibility.

**In your mind, what does an integrated supply chain mean to the farmers and production partners involved?**

In modern-day business, we are no longer willing to commit to relationships. Relationships among humans are being impoverished. People can't find meaning in work anymore as we can be replaced very swiftly. We tend to forget that



## 40 years of Remei – 40 years of pioneering work

humans produce for humans. Humans want to have tasks to do, they want to produce to meet needs.

It makes a big difference if you tell a farmer that the T-shirt you're wearing was made from cotton they grew. And if you can give them a T-shirt made from their cotton, you will have come full circle. For consumers, it is just as much of an experience to wear a T-shirt produced especially for them. It's an aha moment as humans have produced for them. This goes far beyond the price of the piece.

Against this background, an integrated supply chain is the result of deeper relationships. It creates meaning and fulfilment for everyone involved in the supply chain.

### **Do you think there's a future for organic cotton?**

Absolutely. 'Greening' is a very hot topic. It is about how we deal with the resources available in our world without depleting them. We must learn not only to use what we are given but to contribute to regenerating the richness of our planet and, indeed, to boost it. To this end, we need to strengthen and support all the forces contributing to it. Biodiversity is a wealth promoted by organic farming. Organic cotton is good for both humans and the environment.

### **What will be important for the future?**

I believe it will be about being aware of the zeitgeist, which cannot be driven by material values only. It will have to consider social aspects as well. Every person has to find meaning in their work and be given a chance to develop and contribute to shaping the world.



Simon Hohmann and Marion Röttges having an exchange with farmers and the local team in Tanzania

The Coop naturaline–Remei–bioRe Foundation alliance

## A strong partnership making a big difference

**The long-standing reliable partnership among Remei, Coop naturaline and the bioRe Foundation harbours great potential for achieving shared goals.**

For 25 years, we have had the privilege of closely co-operating with slow-fashion brand Coop naturaline in developing traceable organic-cotton collections and consistently building up a network of international production partners meeting high ecological and social standards. We control textile production on behalf of naturaline from fibre to finished pieces, securing availability of the raw material for Coop by means of relationships with organic-cotton farmers in India and Tanzania based on fair terms. The farmers co-operate with our local subsidiaries on a participatory basis involving purchase guarantees and organic premiums.

Through co-operation with Remei, Coop has joined us in taking on responsibility for fair terms in trading raw material with some 5,000 smallholders. This is how our partner secures not

only availability of the raw material but also full traceability of Remei's chain of supply.

The digital traceability tool, my-trace by Remei, builds on Remei's transparent processes. It enables consumers, at just a few clicks, to get access to information on the path of textile production and to establish a direct link to the cotton farmers in India and Tanzania.

Apart from textile collections from organic cotton, Remei and Coop specifically care for the people and farming communities in the cotton-growing regions in India and Tanzania. For more than 25 years, both companies have been important pillars of the bioRe Foundation. Through the bioRe Association in India and the bioRe Foundation in Tanzania, its partner organisations, the Foundation effectively promotes social and ecological projects and supports organic and biodynamic farming with the aim of sustainably improving the living conditions of the local families of farmers.



Current identity of slow-fashion brand naturaline in Coop City department stores

Our activities in the bioRe Foundation

## We promote agroforestry in Tanzania

**As a significant sponsor of the bioRe Foundation, Remei provides long-term reliable support for the implementation of social and ecological projects in the regions of India and Tanzania where organic cotton is grown.**

For example, some of the support we provided in the past year was allocated to education and implementation of an agroforestry project in Tanzania. We disseminated the first fruit and medicinal-plant seeds that have produced small trees in the meantime. In the long run, they are going to help improve soil quality, provide the shade required for other plants, and contribute to food supply for families. Next year, the project is planned to disseminate further seeds and spread agroforestry knowledge. The demand among families to be included in the project goes beyond the scope planned for originally.

In addition, Remei Tanzania Ltd. made available to the bioRe Foundation land for seeds and papaw cultivation on its premises. Owing to its

central location, this land is particularly suitable for demonstration purposes and training for farmers.



First agroforestry fruits.  
Photo: the bioRe Foundation

From fibre to fashion: supply-chain management

## Optimisation of the my-trace by Remei tracking tool

**Against the background of increasing regulation in Europe and rising requirements for the transparency of supply chains, there is increasing demand among our customers for our traceability tool as an integral part of Remei's products.**

In the past year, we continued to invest in developing the tool to further align it with the needs of our retail partners and their customers. Last

year, we enabled users to directly scan the QR code attached to each piece of textile rather than entering a tracking number to digitally trace the origin of their piece of textile. Moreover, we continued to optimise the recording of the flow of goods for our own purposes and to fine-tune adjustment to interfaces.



## Expansion of production & Detox fashion from India

**In the past financial year, Remei had the privilege of relying on a stable global supply chain producing approximately one million finished pieces of textile. The resilience of our supply chain is one the success factors of Remei’s business model.**

Expanding tiers 1 and 2 of our supply chain, we continued to drive ahead relocation to India of our capacities for the production of finished goods. We managed to significantly increase the shares of textile production by our partners in India and to further intensify co-operation. In addition, we effectively created new synergies for the benefit of retailers and brands we are producing for in supply chains in India.



my-trace by Remei: QR code taking you to the tool’s home page

Beginning in the past year, we have also been able to offer Detox-compliant collections made in India. We are one of the first companies to have developed, together with our production partner, dyeing processes in India meeting the requirements of Greenpeace’s DETOX procurement standard.

In Europe, we are working with a partner to build up a new supply chain. In the 2022/23 financial year, we began to successfully produce traceable organic-cotton textiles in Bulgaria.

We consider our supply chain to be more than a cost factor; to us, our network from fibre to finished pieces of textile is a comprehensive innovation platform capable of addressing future issues related to organic cotton in the textile industry.

### Consistent development of the supply chain

All production sites from fibre to finished pieces of textile are certified according to GOTS (Global Organic Textiles Standard) and subject to our control system with regard to input management and mass-flow control.

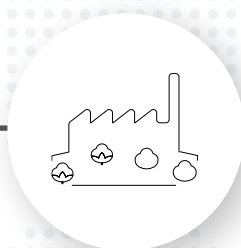
	2018/19	2019/20	2020/21	2021/22	2022/23
Number of production sites in the control system	38	36	29	29	<b>31</b>
Production in SA8000-certified sewing works (% of sales)	100%	100%	100%	100%	<b>98%</b>
Production in BSCI-audited sewing works (% of sales)	0%	0%	0%	0%	<b>2%</b>
Production in SA8000-certified dyeworks (% of sales)	53%	56%	70%	83%	<b>29%</b>
Production in BSCI-audited dyeworks (% of sales)	21%	35%	30%	17%	<b>69%</b>
Production in SA8000-certified knitting/weaving mills (% of sales)	59%	65%	70%	69%	<b>73%</b>
Production in BSCI-audited knitting/weaving (% of sales)	21%	35%	30%	17%	<b>25%</b>
Spinning mills with SA8000 certificate (% of production)	91%	72%	45%	70%	<b>74%</b>
Spinning mills with BSCI audit (% of production)	9%	8%	25%	10%	<b>18%</b>
Ginning with SA8000 certificate (% of production)	11%	6%	12%	11%	<b>10%</b>
Quality-assurance expenditure (lab, inspection, audits, cost of local farming inspection ) (CHF)	78'379	59'705	74'644	75'546	<b>65'025</b>
Total quality-assurance expenditure as a percentage of total sales	0.42%	0.33%	0.53%	0.42%	<b>0.40%</b>

## Mass flow in the 2022/23 financial year

Each year, our supply-chain and product management discloses the origins of the raw materials of each end product.



**4,716 t**  
organic cotton



**1,804 t**  
lint

- 854 t lint sold
- 51 t from stocks
- = 899 t lint own production



**597 t**  
yarn

- 410 t yarn sold
- + 42 t yarn from stocks

### Farming

Raw cotton is grown by contract farmers co-operating with our organic-cotton farming businesses. Both Remei India Ltd. and Remei Tanzania Ltd. are certified for organic farming according to EU directive 834/2007 and subject to regular audits.

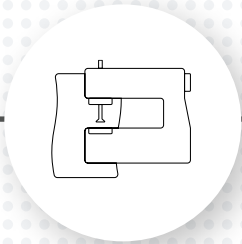
### Ginning

Raw cotton is processed into fibres in two ginning plants, i.e. Remei India Ltd. and Bibiti Gineries. Both plants are certified for organic farming according to EU directive 834/2007 and GOTS, and subject to regular audits.

### Spinning

Fibres are spun into yarn in six spinning mills: RSWM Group (2 mills), Maral Overseas, BLP Super Spinners, Sunflag, and Tearfil. In the 2022/23 financial year, 74% and 18% of production were covered by SA8000-certified and amfori/BSCI-audited businesses respectively.

## From fibre to fashion: supply-chain management



**228 t**  
yarn for own textile  
production



**918,663 pieces**  
finished textile

### Textile production

Our production partners meet demanding social standards and apply strict chemicals management. As a general rule, all production sites we use for manufacturing textiles are certified according to GOTS (Global Organic Textiles Standard) and subject to our control system with regard to input management and mass-flow control.

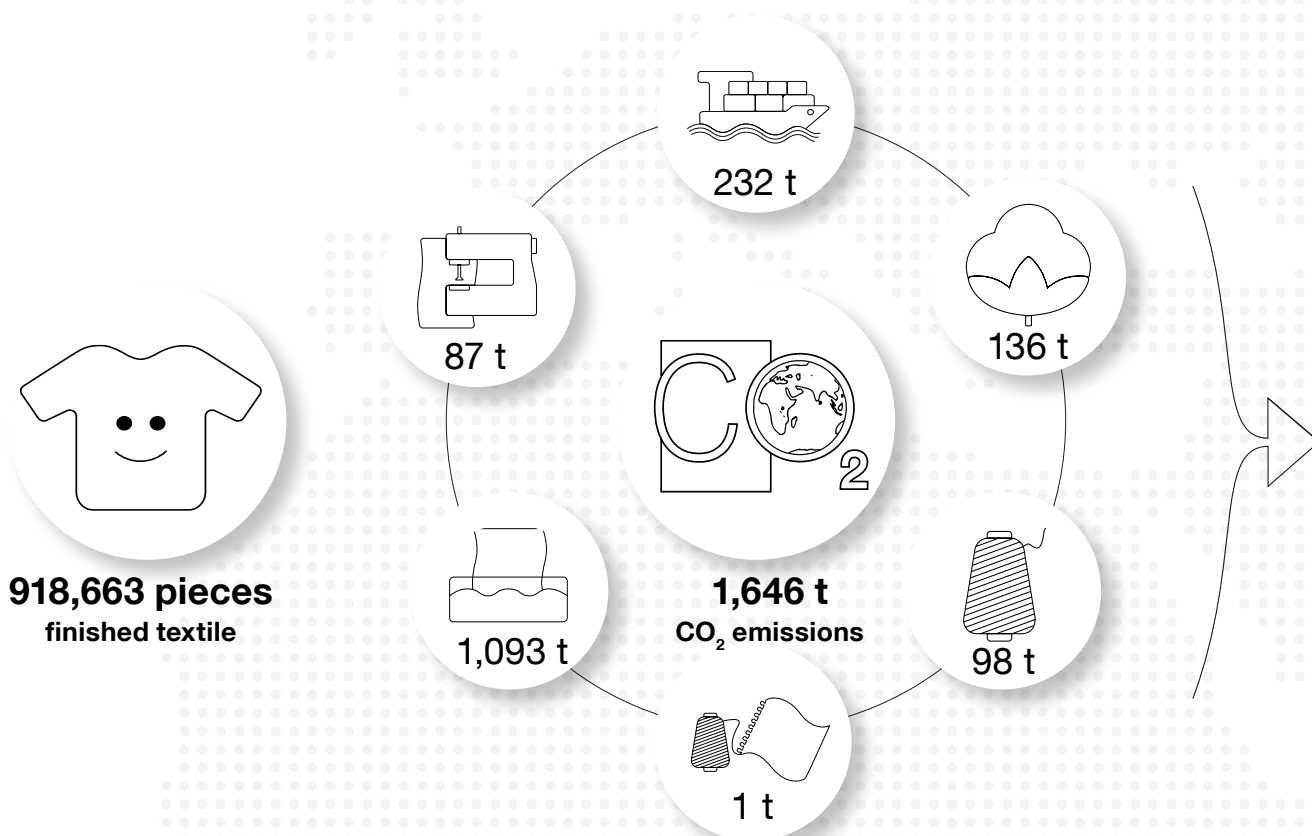
### Trading

98% of our ready-to-wear garments are produced in SA8000-certified sewing works. 29% of total turnover from finished pieces of textile in the 2022/23 financial year was covered by dyeworks production in SA8000-certified businesses. In the 2022/23 financial year, 73% of our production originated from SA8000-certified knitting and weaving businesses. We work with main suppliers Century Apparels Pvt Ltd., Wellknit Industries, and Kaytee Corporation Pvt Ltd. in India as well as Utenos Trikotazas in Lithuania and Viomoda Eood in Bulgaria.



From fibre to fashion: supply-chain management

## CO<sub>2</sub> emissions caused in the 2022/23 financial year



Since 2021, Remei India Ltd. has drawn power under I-REC certificates (International Renewable Energy Certificates) from India's first Independent Power Project (IPP) for private-market hydropower. This has helped improve the power mix in our own supply chain. We have made use of this new possibility. Compared to power from non-renewable sources, it reduces our CO<sub>2</sub> footprint by more than 50%.

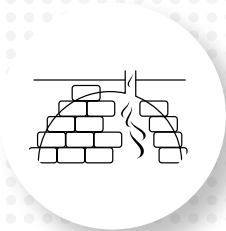
In the past business year, Remei produced 918,663 finished pieces of textile in its supply chains, causing a total of 1,646 t of CO<sub>2</sub> emissions.

### CO<sub>2</sub> emissions generated by each step:

136 t	cotton & ginning
98 t	spinning
1 t	fabric production
1'093 t	dyeing
87 t	ready-to-wear production
232 t	logistics
<b>1,646 t</b>	<b>aggregate total</b>

From fibre to fashion: supply-chain management

## **Insetting: offsetting emissions from our supply chain**

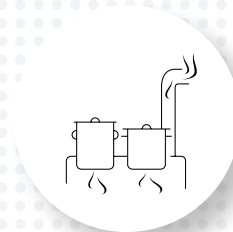


### **564 biogas plants**

offset 767 t CO<sub>2</sub> in the organic-cotton farming regions in India



### **Farmers' communities**



### **726 efficient stoves**

offset 880 t CO<sub>2</sub> in the organic-cotton farming regions in Tanzania

Within our own textile supply chain, we have identified a solution to offset unavoidable emissions. By funding the construction of biogas plants and efficient stoves in India and Tanzania respectively, we reduce the consumption of firewood and offset actual CO<sub>2</sub> emissions directly with the organic-cotton farmers.

In the 2022/23 financial year, Remei offset in the organic-cotton farming communities in India and Tanzania 1,646 t CO<sub>2</sub> emissions generated by the production of organic-cotton textiles.

## Our purpose is clear

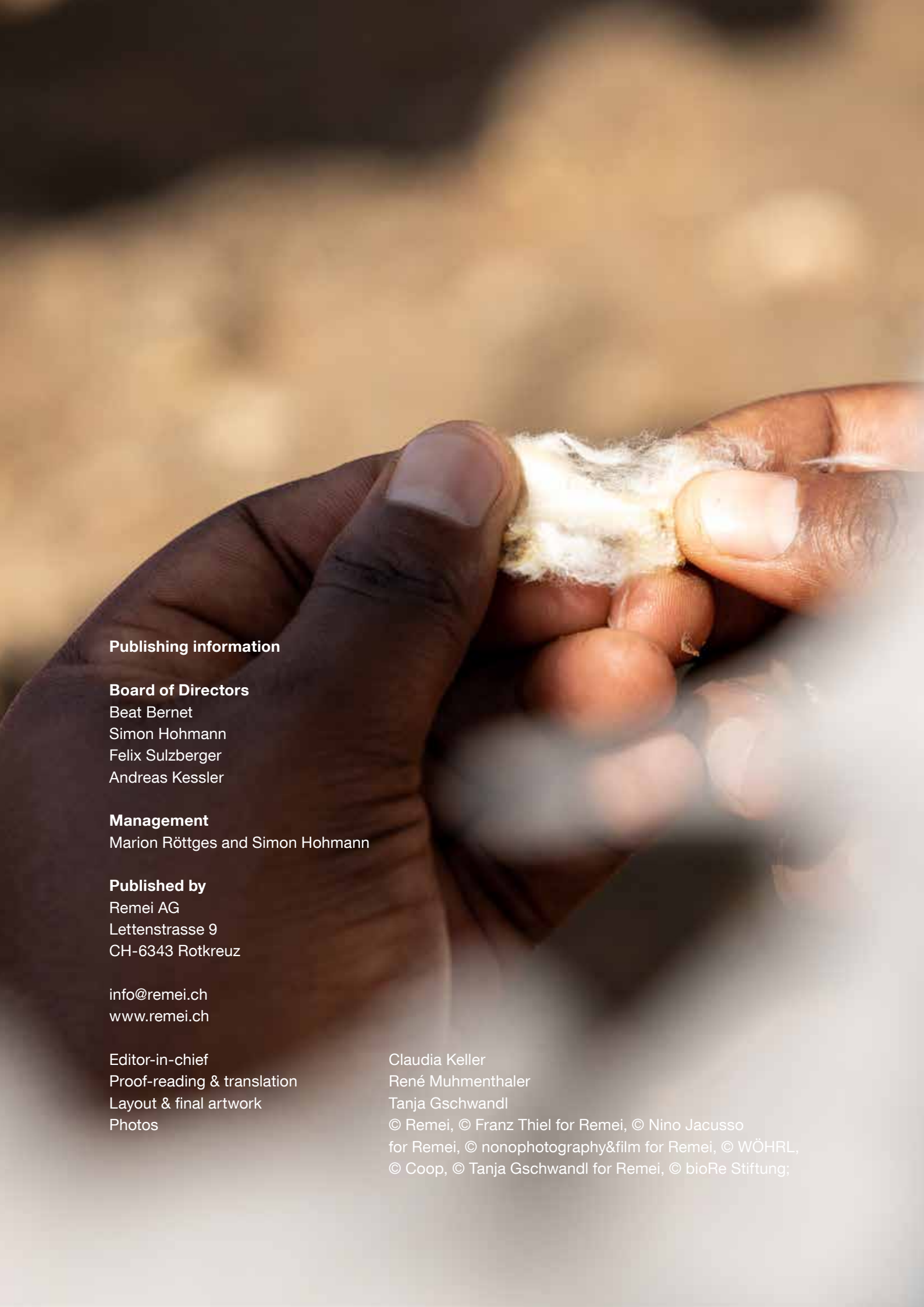
Our commitment is demonstrated through our fair and direct trading relationships with small-scale organic cotton farmers, which includes guaranteed purchase contracts and additional premium payments. We also prioritize building a transparent supply chain.

For 30 years, Remei has also supported social and environmental projects aimed at developing local farming communities in the cotton-growing regions of India and Tanzania.



In the 2022/23 financial year, Remei gave a purchase guarantee to **5,216 smallholders** in India and Tanzania and purchased **4,716 tonnes of organic cotton**. Remei paid the farmers **premiums** on market prices totalling **329,475 Swiss francs**. Our transparent supply chain delivered **597 tonnes of organic-cotton yarn** and **918,663 finished pieces of textile** to international retail companies and brands.





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