Modernization and expansion

PROFIL:

of Schwalbe factory

A benchmark for quality, fairness and responsibility

SCHWALBE WARNS AGAINST FAKESHOPS

> New measures to protect consumers Page 3

CIRCULAR ECONOMY

SCHWALBE

Tube recycling starts in the US

Page 2



With the Schwalbe tube recycling, old tubes of all brands will be recycled and used for the production of new tubes. Every dealer in the United States can participate free of charge.

Schwalbe tube recycling starts in the US

Since Schwalbe established its tube recycling system in Germany in 2015 and steadily expanded it to other countries, the company has recycled nearly seven million tubes. In July, the system – to date the only one on the global market – is starting up in the USA.

It is a true system of circular economy: the German family-owned company Schwalbe developed a system through which old tubes of all brands flow completely into the production of new tubes without leaving any waste. The recycled butyl rubber is used in the production of new tubes without any loss of quality – and each new standard tube consists of 20 percent recycled raw material. Compared to producing the same amount of new butyl, 80 percent energy is saved.

"In the US, we started a small pilot program in May with a few key retailers. From July 1st, we will start to phase in additional dealers throughout the country and hope to service 250 US Dealers by the end of 2023", announces Sean Cochran, Marketing Manager Schwalbe North America. "From July, we will have a custom, freestanding collection system retailers can set up in their stores to promote the project. We will provide a Recycling Dealer starter kit with door stickers, posters and small information pamphlets."



Schwalbe North America is excited to offer a true cradle to cradle tube recycling solution, creating new tubes from used tubes, and reduce the nearly 10 million tubes that end up in the landfills annually.

> SEAN COCHRAN, MARKETING MANAGER SCHWALBE NORTH AMERICA.

The procedure is easy: Schwalbe has partnered with UPS to operate the system. Once registered for the program, retailers will simply go to a custom UPS website to enter information about the package, select a pick-up date and UPS will pick-up the box of used tubes (all brands) to be returned to the Schwalbe facilities on the date they selected. The system will be free of charge to specialty bicycle dealers.

"Schwalbe North America is excited to offer a true cradle to cradle tube recycling solution, creating new tubes from used tubes, and reduce the nearly 10 million tubes that end up in the landfills annually. This is no small task, but one that is much needed, and we believe will be wildly popular in the specialty bicycle market", states Sean Cochran. For more information please contact Schwalbe North America: contact@schwalbetires.com 888.700.5860 Schwalbetires.com

Schwalbe warns against fakeshops

Schwalbe warns against online stores that falsely refer to the Schwalbe brand without actually offering Schwalbe products. In recent months, several cases have occurred in which e-commerce sites make reference to Schwalbe in prominent places: with the logo, product photos or even entire item descriptions. This suggests that it is an official Schwalbe store. These deceptively genuine-looking fake-shops are used to defraud buyers, who pay money but never receive any goods.

To protect its clientele from fraud, Schwalbe has taken various measures. Firstly, a permanent domain monitoring program is underway, which searches the Internet for sites that make reference to Schwalbe and thus create the impression that they have a business relationship with the brand. At the same time, the family-owned company in Germany (photo) takes legal action against all fakeshops. Several cases have already been successfully concluded in this way and the sites are no longer accessible. Schwalbe's official website can be found at www.schwalbe.com. In Europe, products from the tire manufacturer can only be purchased through wholesalers and retailers. In North America, Schwalbe tires and tubes can be purchased additionally over the official Domain www.schwalbetires.com.

What to look out for in suspicious stores online:

- Checking the payment methods. Be careful if only prepayment is possible
- Testcall in case of doubts. Fakeshop numbers often go nowhere
- Checking commercial register numbers



Aerothan: Winner in TPU tube test

The Schwalbe Aerothan has won the TPU tube test of ROADBIKE magazine (Germany), April 2023. With 82 points, it achieved the overall rating "Very Good" and the test victory Allround. Tubes from a total of six manufacturers were tested. Result: "Assembly and rolling resistance are top." In addition to the two categories rated as outstanding, puncture protec-



tion was also rated as good. The Aerothan is made of thermoplastic polyurethane and is 100 percent recyclable. It is produced at Schwalbe's corporate headquarters in Reichshof, Germany. Available in 14 sizes for road bikes, MTB and trekking bikes.



Dear Schwalbe partner,

since 1973, we have strong ties with the Korean tire manufacturer Hung-A. Right from the beginning, every Schwalbe brand tire originates from the Schwalbe plant of our long-time production and joint venture partner, which is also a family-run company. No products are purchased elsewhere, and there is no outsourcing or production for other suppliers. Recently, the Schwalbe factories in Asia underwent complete modernization – to become the benchmark for modern bicycle tire manufacturing worldwide.

Can two family-run companies exist in a global economy dominated by corporations? Yes, as joint venture partners, we make decisions quickly and independently. This promotes innovation. To this day, we foster trust in our relationship, which has long turned into friendship, and it is the basis for our actions and the secret of our success. These unique business ties have already been holding strong for four generations.

We have made daring investments and expansions, which will show their full capacity only in a few years. No doubt, we are currently experiencing a lot of insecurity. But we can be sure: Bicycles as means of environmentally sound, independent and athletic transportation have a great future ahead! We wish you a successful cycling season 2023!

Best regards,

and Solle

Frank Bohle

Schwalbe as a benchma

for quality, fairness and

Inseparable like the two sides of a coin: This is how the family-run companies Schwalbe (Germany) and the tire manufacturer Hung A (Korea) describe their 50-year-long partnership and unique friendship. Recently, the Schwalbe factories in Indonesia and Vietnam underwent complete modernization – to become the benchmark for modern bicycle tire manufacturing.

Just before the 50th anniversary of the Schwalbe brand this year, the company set the course for future growth. The modernized factories have become the benchmark for highest quality as well as fairness and responsibility. Thus, fairly traded rubber contents increase steadily while the use of fossil fuel energy is reduced. Rubber mixtures are continuously switched to non-hazardous recipes. "In the past, Hung-A has invested massively into both locations and prepared them for long-term growth", says Felix Jahn, manager of corporate social responsibility at Schwalbe in Germany. "Both production sites are state of the art in bicycle tire manufacturing technology."

The site in Indonesia received a complete overhaul. Most recently, the factory in Jakarta, opened by Hung-A in 1992, was modernized ten years ago. Approximately 2,000 people are working here, most of them have been employed here for many years. The laboratory and main hall, situated in an area the size of eleven soccer fields, have been gutted entirely and redone with the best facilities available for tire manufacturing. "A flagship factory", says Felix Jahn. "From high-precision mixing operations in clinically clean spaces to ensure consistently high quality, to assembly, packaging and quality assurance performed by highly trained staff, we have redeveloped all processes." This also includes energy management: To produce heat and steam, fossil fuels are no longer required. Instead, energy derived from biological waste products is used. At the same time, Schwalbe is in the process of modifying recipes to less harmful ingredients and to continuously increase the number of recycled tubes and tires.

ark

| responsibility

"Everything has been redesigned and redone": Schwalbe's factories in Vietnam (photo) and Indonesia are among the most advanced manufacturing facilities worldwide. They are designed for long-term growth.



Its fourth-generation partnership is the foundation of the Schwalbe brand (from left to right): Sung Won Jung, President Director Hung-A Co. Ltd., Yong-Wan Jung, President Director PT. Hung-A Indonesia, Frank Bohle, CEO Schwalbe – Ralf Bohle GmbH in Germany, Holger Jahn, COO and Nico Simons, CSO.

Capacities were also increased significantly at the factory in Vietnam near Ho Chi Minh City, which started operations in 2014. Instead of two, there are now four factory halls with just under 2,000 employees and a new machine park of the same high standards as the one in Indonesia. This ensures the same level of high quality.

FAIR RUBBER: NUMBER OF SMALL FARMERS INCREASED FROM 270 TO 2,400

Rubber is sourced mostly from plantations and jungle rubber on Java, Sumatra and Borneo. In these locations, Schwalbe benefits from short distances to

transport raw materials. For decades, Eastern and Southeast Asia have been the main hub for the global bicycle industry. This is where most bicycles and bicycle components are made. This is where tires are required for a large part of the global market share. And this is where the rubber for the production of tires and tubes originates from.

Situated on Java, Indonesia, near the Schwalbe factory, is a cooperative of small farmers and rubber tappers who have joined the non-



More and more rubber tappers belong to the Fair Rubber Cooperative, here a mother and her son in Indonesia.

governmental organization (NGO) Fair Rubber. Fair Rubber is an internationally renowned fair trade label for the rubber market. The NGO with headquarters in Bonn (Germany) is the only fair trade organization for rubber worldwide that pays out premiums to small farming cooperatives who may then use the funds as they see fit. Since Schwalbe joined the organisation in 2020, the number of participating small farmers on Java has risen from 270 to approximately 2,400. Since then, five schools have been modernized thanks to Fair Rubber premiums. "We are working on increasing the content of fair rubber even more. Structures must remain 100 percent accountable, which is why only slow increases at a time instead of great leaps are possible", says Felix Jahn. Schwalbe already uses fair rubber for Marathon E-Plus, Marathon Plus Wheelchair and Pick-Up. And just in time for Eurobike

2023, a new tire made of fair trade rubber will be introduced as another milestone!

IN 1973, THE SCHWALBE STORY BEGAN IN KOREA

Ties between the Bohle company (now "Schwalbe – Ralf Bohle GmbH") and Southeast Asia have existed for about 100 years. As early as in the 1920s, Bohle family members travelled to Asia to expand their business network and to export bicycle tires from Germany to Asia. A crucial business decision made by Ralf Bohle, father of today's executive

partner Frank Bohle, happened in 1973: He imported tires of the brand "Swallow" (German: "Schwalbe") made by Hung-A from Korea. This was the beginning of the Schwalbe story and the beginning of a unique friendship of two family-run companies. Every single

Company



models originates from the Schwalbe factories. No products are purchased elsewhere, and there is no outsourcing or production for other suppliers. All packages with a Schwalbe label contain one hundred percent Schwalbe products. Jahn: "This threefold exclusivity - own production, no additional purchases, no contract manufacturing - is exceptional and absolutely not the case for all tire manufacturers." Can two family-run companies exist in a global economy dominated by corporations? "This is precisely the secret of our success! As joint venture partners, we make decisions quickly and independently. This promotes innovation. We don't need to bend over backwards to suit other manufacturers. Our long-lasting cooperation based on trust builds confidence for all of our actions. We have already been living this unique business relationship for four generations", says Felix Jahn, who is part of the fourth generation himself - as grandchild of Ralf Bohle, son of Holger Jahn, who is the operational manager for Schwalbe, and as nephew

one of the more than 2,000 different tire and tube

Close cooperation and regular visits: Jakob Maßen from Product Management (left) and CSR-Manager Felix Jahn at the factory in Vietnam.

BICYCLES ARE THE NUMBER ONE MODE OF TRANSPORTATION OF THE FUTURE

Schwalbe has made daring leaps with massive investments and expansions, which will show their full capacity only in a few years. "No doubt, we are currently experiencing a lot of insecurity", says Felix Jahn. "But we know for sure: Bicycles are environmentally sound, independent, modern, athletic and fun. They are the number one mode of transportation of the future!"



of Frank Bohle.

At the slicer, I am responsible for cutting the tubes. I have been working for Hung-A for almost six years and hope to stay for a long time. The salary allows me to care for my family.



I work as an extrusion line operator. Here, rubber is shaped into long strips. The workplace allows me to care for my baby and myself. DU'O'NG THI GIANG, VIETNAM



At the building drum, I assemble the carcass and tread for the Greencase. I have been working at Schwalbe for the past seven years. It is a very good workplace.



Masthead // Editor Ralf Bohle GmbH / Otto-Hahn-Str. 1 / 51580 Reichshof-Wehnrath, Germany / Phone: +49 2265 1090, Fax: +49 2265 7022 www.schwalbe.com Publisher Vincentz Network GmbH & Co. KG Postfach 6247 / 30062 Hannover, Germany Staff Editor Claudia Müller (responsible) Layout Angelika Jungvogel Photo Niels Flemm for Schwalbe (1-7) Printing Lokay e. K. © Vincentz Network GmbH & Co. KG





MISSION 2050 ZERO EMISSIONS



Schwalbe supports the BOS

Frank is now four years old and has become quite independent. Although he still likes to be taken to forest school by his surrogate mothers, he immediately starts climbing and searching for natural food in the trees. Taste testing in the forest is an important part of the journey to independence for young orangutans. Frank lives in Indonesia, where Schwalbe has been producing its tires since 1993. He was found there in the jungle and has since been cared for by the Borneo Orangutan Survival Foundation (BOS). The foundation rescues homeless or orphaned orangutans and campaigns against the destruction of their habitat. Schwalbe has been supporting BOS for twelve years. Protecting the endangered apes and the rainforest not only helps the animals, but also the people in the region and the climate. (www.orangutan.or.id)

New classroom and a new roof

Education and the support of children are two cornerstones of Schwalbe's social commitment. For this reason, the company has decided to support two initiatives of the Bambus bicycle manufacturer my Boo as part of the "Yonso Project Model School" in Ghana. The school gives children in the rural Ashanti region access to affordable, high-quality education. On the one hand, Schwalbe provides so-called "classroom sponsorship" and finances a complete classroom for the school. Currently, just under 500 girls and boys are being taught there. The number of places is to be doubled in the coming years. Secondly, Schwalbe is helping to finance an urgently needed roof for the entire school. "We are very grateful that my Boo is so strongly committed to Ghana and are pleased that we can play a small part in ensuring that even more children from rural areas there have access to a good education", says Felix Jahn, Head of the CSR Department at Schwalbe.

