

SHAPING THE FUTURE OF THE CLOTHING INDUSTRY

FOCUS ON CUSTOMER PROXIMITY

In an increasingly dynamic clothing market, it is essential to gear product features more and more specifically to changing application. For Freudenberg Performance Materials Apparel, the flexibility to respond to customer requirements in terms of quality, functionality, price performance and delivery reliability continues to be top priority. With its investment in extended production and logistics capacities at the Sant'Omero, Italy, location, the company adds another milestone for more customer proximity in Europe.



The new Apparel Competence Center at the Sant'Omero location in Italy – the core market for fashion clothing – manufactures premium quality for European customers.

EXTENDED LOCATION TO PROVIDE EXTENDED SERVICES

Individual advice on products and expertise on their application, transparency and reliability along the entire supply chain ensure innovations which are in line with the market. By extending its facilities at the Sant'Omero location to create the Apparel Competence Center for the coating and finishing of all interlinings made of nonwovens, wovens and wefts, Freudenberg completed an important step. This means more customer proximity, not only in the company's core market in Italy but also in its markets all over Europe.



Standardized quality inspection of all production processes is the prerequisite for common success.

The redesign of the company's logistics facilities is also covering the needs of the market: An additional warehouse in Italy supplies customers located in Southern and Eastern Europe while the warehouse in Germany continues to supply customers in Northern Europe. "With the new Apparel Competence Center in Italy our customers benefit now from an even higher flexibility in manufacture and a faster delivery," explains Dr. Hannah Koeppen, General Manager of Freudenberg Performance Materials Apparel Europe.



Know-how transfer completed – production is in full swing and supplies European customers with interlinings for all kinds of clothing.

APPAREL COMPETENCE CENTER – INAUGURATION ON 26 MAY 2023

The Freudenberg location in Italy's Abruzzi region features more than 35 years of expertise in the manufacture of premium-quality interlinings for menswear. After the extension of the location and the completion of the construction works for the new production hall, the transfer and the installation of production, finishing and coating facilities began. An intensive transfer of competence and know-how ensures the production of basic materials as well as their coating and finishing processes which are meanwhile in full swing. This makes the new Apparel Competence Center perfectly prepared for the extensive and diversified Freudenberg product portfolio covering all segments of menswear, ladieswear and children's wear as well as the production of shirts.



Opening ceremony of the Apparel Competence Center in Sant'Omero with local politicians and Freudenberg representatives on 26 May 2023.

At Freudenberg's Weinheim location, the focus continues to be on research and development as well as the manufacture of basic materials for all kinds of interlinings.

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CLOSE TO CUSTOMERS – THE KEY TO SHARED SUCCESS

In the run-up to the official opening of the Freudenberg Performance Materials competence center in Sant'Omero, Italy, Senior Vice President and General Manager Apparel Division Jonathan Oh, met up with trade journalist Yvonne Heinen-Foudeh. They talked about customer orientation, challenges and expertise.

Yvonne Heinen-Foudeh: Exciting times for Freudenberg Performance Materials Apparel: the final countdown for the opening of a new competence center in Europe has begun, with the official ceremony to be held in Sant'Omero in Italy's Abruzzo region on May 26. The new competence center complex includes a production facility for apparel coating and finishing. What is the thinking behind Freudenberg's competence center strategy?

Jonathan Oh: For us, customer orientation plays the key role. Being close to our customers, and that also means being close to our markets, enables us to serve them to the very best of our ability and respond swiftly to their requirements at all times. That's what is behind our strategy to build competence centers at locations we have chosen on the basis of a very careful analysis.

Y.H-F.: What issues and factors led to the decision to build this competence center for apparel interlinings at the site in Italy?

J.O.: During the evaluation process, Italy clearly emerged as the optimal location for a stronger presence on the part of Freudenberg Performance Materials Apparel. Italy is the center of fashion, and that also applies to manufacturing quality. With its huge and extremely efficient apparel industry, Italy even outranks Turkey, and is the largest market for our apparel business. The country has a high level of quality as well as technical know-how.

Y.H-F.: ...and why Sant'Omero?

J.O.: Sant'Omero has a very good strategic position. From there, we can serve Eastern and Western Europe as well as Africa. Not only that, the site has more than a decade of expertise in manufacturing high-quality interlinings for menswear.

Y.H-F.: What is the scale of expansion work for the new site?

J.O.: The competence and production center in Sant'Omero is more than one and a half times the size of the old manufacturing facility. That allows us to manufacture all interlining articles for the menswear, womenswear and childrenswear segments as well as for shirts at a single location.

Y.H-F.: Can you give us an idea of the biggest challenges involved in relocating and installing production machinery and equipment – what was your approach to handling this successfully?

J.O.: Relocating production is a very complex logistical and operational task. It involves a great deal more than just disassembling heavy machinery in one place and reassembling it somewhere else. Normal operation had to continue throughout the entire relocation phase to ensure uninterrupted deliveries to customers.

We also increased our inventory capacity to make sure we could maintain deliveries to all companies at all times. But there are bound to be glitches in a project of this scale, despite the most detailed and meticulous planning. A logistics partner, for example, made the mistake of transporting base material from Weinheim by tarpaulin-covered trucks during a period when it doesn't normally rain in Italy. So, of course, the weather changed We learn from that, make adjustments and take precautions.

Our teams in Germany and Italy did an incredible job – they executed our plans, avoided any serious delays and made sure the relocation did not impact our customers' processes in any way.

Y.H-F.: It takes a great deal of expertise to manufacture apparel interlinings. The specifications for many applications are very varied. How did you ensure process and knowledge transfer from the Weinheim facility to Sant'Omero in line with Freudenberg's exacting standards?

J.O.: You have touched on a very important success factor – know-how. Successfully relocating plant and equipment certainly doesn't mean that everything will run perfectly. That is up to the specialists with their enormous wealth of knowledge about how to manufacture products exactly the way they need to be crafted. So before the machinery was installed in Italy, we sent the specialists from Sant'Omero to Weinheim for six months. Since the beginning of this year, Weinheim colleagues from the areas of production, quality, R&D, product management and technical product management, have been providing rolling support in Sant'Omero to support the production process and transfer knowledge.

Respectful collaboration is the key factor in successful knowledge transfer. We organized social activities to encourage team bonding. Language played an important role, too. We made sure there were native speakers of both languages in both teams and made a great effort to standardize the terminology that everyone used.

INTERVIEW

Y.H-F.: The production of key base materials stays at Freudenberg's headquarters in Weinheim. How do you integrate this step in the overall manufacturing process?

J.O.: Here, too, success is based on in-depth market knowledge. Thanks to our intensive customer relations we have insights into our customers' requirements. In addition, we have set up logistics centers to guarantee the smooth flow of goods, from base materials in Weinheim to the converted goods from Sant'Omero. We now have a logistics center in Germany that supplies customers in Northern Europe, and another one in Italy for Southern and Eastern Europe.

Y.H-F.: Did apparel brands and manufacturers express any reservations in the run-up to the realignment of Freudenberg Performance Materials' supply chain?

J.O.: With this kind of change-over, customers are always concerned about whether goods will be delivered punctually. And they are entitled to raise their concerns. Communication and transparency become more significant in such a situation. Our sales personnel undertook the important task of talking with every customer.

Apart from that, all market partners faced the challenges brought by Covid. We managed to keep step, even in those difficult circumstances. I am extremely proud of everything our employees have made possible.

Something that definitely stands us in good stead as far as Sant'Omero is concerned is that customers – especially our Italian customers – are delighted with our decision in favor of their country. It shows that Freudenberg believes in them and their economic prosperity,

both now and in the future. In this sense, the competence center in Sant'Omero is also a clear commitment to Europe and its markets.

Profile Jonathan Oh



Jonathan Oh is a member of the Global Management Team at Freudenberg Performance Materials and, in this capacity, sets the course for the leading manufacturer of innovative technical textiles. He joined Freudenberg Performance Materials in 2005, initially holding responsibility for global management of the ISCR (International Sales Customer Relations) function. He moved to Corporate Planning at Japan Vilene Company in Tokyo in 2010, subsequently taking charge of Medical Products Sales. Jonathan Oh was appointed General Manager Apparel for the Asia Region and Managing Director of Freudenberg & Vilene International (FVI) in Hong Kong in 2015. In this role, he grew the apparel business in Asia further and oversaw the relocation of the manufacturing facility in China to Nantong. In 2020, he became the Senior Vice President and General Manager of the Global Division Apparel at Freudenberg Performance Materials.

Jonathan Oh studied at John Hopkins University, Baltimore, USA and holds a Bachelor's and Master's Degree in International Economics and Asian Studies. He began his professional career with Bridgestone Corporation in Japan. He has worked in Asia since 1993.

About Freudenberg Performance Materials

Freudenberg Performance Materials is a leading global supplier of innovative technical textiles for a broad range of markets and applications such as apparel, automotive, building interiors, building materials, healthcare, energy, filter media, shoe and leather goods as well as specialties. In 2022, the company generated sales of some €1.6 billion, had 32 production sites in 14 countries around the world and had more than 5.000 employees. Freudenberg Performance Materials attaches great importance to social and ecological responsibility as the basis for its business success. For more information, please visit www.freudenberg-pm.com

In 2022, the Freudenberg Group employed more than 51,000 people in around 60 countries worldwide and generated sales of more than €11,7 billion. For more information, please visit www.freudenberg.com

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