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FOREWORD FROM THE CEO

VAUDE – working to make (y)our world a better place

Dear Colleagues, Business Partners, and Customers!

Do you ever have that feeling that you just have to get outdoors – to breath some fresh air – to let your eyes focus on a distance landscape and let your soul wander freely? The longing to feel the sun on your back and the wind in your face, to see the sparkle of the water and the colors of the mountain flowers? To treasure the silence of a mountain peak?

We do. It’s what drives us each and every day. We know the strength we draw from nature and we know just how much we need it.

Our challenge is to produce the best products we can to enjoy our limited time in nature to the fullest extent possible. At the same time, protecting the environment from ourselves takes our full commitment: through smart behavior on the way there, but mainly by the choice of the right materials and manufacturing processes for our products.

We accept this challenge, because we know that our responsibility – especially as an outdoor company – is great. Our products offer technical features such as water resistance and breathability; they should be light and packable, always meet the highest standards and be truly durable. Therefore, many of our products are made from synthetic fibers derived from petroleum. Their technical functionality is often achieved with the help of chemical substances.

With our product philosophy “Performance Meets Ecology”, we are constantly working to further reduce the environmental footprint of our products. Many of our products are produced in China and Vietnam. As a member of the Fair Wear Foundation we and our suppliers follow strict international rules for fair working conditions.

We want to become Europe’s most sustainable outdoor company by 2015, objectively and measurably. We have already covered quite a distance along the way, for example:

• 78 % of our Apparel Collection meets the VAUDE GREEN SHAPE criteria.

• The entire corporate location at our company headquarter in Tettnang is climate neutral.

Nevertheless, our view goes far beyond 2015, and we are still a long way from our target. We welcome competition to more and more sustainability. Competition inspires all to better performance, and both humans and the environment profit from any form of activism.

Committed to making (y)our world a better place – that is our promise. My goal is to lead the VAUDE team toward economic, social and ecological balance.

I hope you enjoy reading this sustainability report. We welcome all forms of open dialog. If you have any comments or feedback, please don’t hesitate to contact us.

Kind regards,

Antje von Dewitz

CEO
We have set ourselves the goal of becoming Europe’s most sustainable outdoor supplier by the year 2015. Not just subjectively, but clearly and objectively understood by all.

To achieve this visionary goal, we are putting the entire company and its products under an "eco-microscope". Objectively measurable goals for each area guide us: For example, climate neutrality of the entire company.

We regularly undergo monitoring by independent experts in all of our business segments. This helps us make sure that we are on the right track.

[fau 'de:] – is the German pronunciation of the company founder’s last name, Albrecht von Dewitz, who founded the company in 1974 in an old “hops barn”. The company is 100% family owned and operated, now in the second generation of the von Dewitz family.

VAUDE Sport GmbH & Co. KG designs, produces and markets outdoor recreational products such as clothing, backpacks, sleeping bags, tents, shoes, alpine equipment and accessories.

With its products, VAUDE stands for mountain sports excellence, innovation and social and environmental responsibility.
2.1. VAUDE:
Obereisenbach and Worldwide

VAUDE’s headquarters are located in Obereisenbach, a village in southern Germany close to the bordering countries of Austria and Switzerland. With a view of the Alps and Lake Constance, about 476 highly motivated VAUDE employees work for the “Spirit of Mountain Sports”.

VAUDE has its own sales subsidiaries in the Netherlands and in Spain, an office in Shanghai as well as two company owned production facilities (Obereisenbach and China.) One of our most important suppliers is VAUDE Vietnam. This production facility was acquired in 2008 by VAUDE founder Albrecht von Dewitz and completely modernized.

About one third of our products are made in those three production facilities. The other products are manufactured on behalf of VAUDE in Europe and Far East.

VAUDE supplies (specialized) retailers and does not directly sell its products to end-users. In addition to a team of salaried sales representatives in Germany, VAUDE has distributors almost everywhere in the world. VAUDE products are produced in Obereisenbach, Europe and the Far East.

The entire Collection Development process takes place at our headquarters in Obereisenbach: from the initial product conception, material testing in our own on-site test laboratory, prototyping, down to the final engineering.

VAUDE’s Administrative Offices are located in Obereisenbach: Along with the executive managing board, you will also find the departments for Accounting, Human Resources, Marketing, IT, and, naturally, Environmental Affairs. VAUDE’s central Logistics Department is directed from Obereisenbach.

You will find our Customer Service Department here as well, where we recondition used products for consumers in our extensive repair shop.

The central Logistics Department is also located in Obereisenbach. In a state-of-the-art warehouse, all products destined for Europe arrive here, are checked, stored, packed and then distributed to retailers. Products destined for North America and Asia are delivered directly from the production facilities to our distribution partners in each country.

All facilities at our Obereisenbach location are environmentally certified by EMAS and ISO 14001. Naturally, this goes for the bluesign® certified production of our waterproof bike bags, Packs ‘n Bags and backpacks in Obereisenbach as well. Our Obereisenbach site is located in a regional planning mixed area.

And last but not least, the VAUDE Kinderhaus Childcare Center and the public swimming pool, both located in Obereisenbach. The center celebrated its 10th anniversary in 2011 and 31 children are currently enrolled. VAUDE, together with the Badleverein (a local open-air swimming pool association) saved the public swimming facilities from closing down and since then has leased the pool.

www.VAUDE-kinderhaus.de
www.freibad-obereisenbach.de

Breakdown of VAUDE employees in Obereisenbach: 476 employees in total (equals 350 full time positions)

- 65% women
- 33% women in executive positions
- 46% part-time employees
- 2% on parental leave
- 18 trainees

In 2001 and 2004 VAUDE was awarded the Zertifikat Audit Beruf und Familie® (a career and family award).
2.2. Company History: Sustainability Milestones

Sustainably successful – an accurate description of VAUDE ever since the company was founded. In the following section, milestones associated with ecological or social commitment are listed. The many awards that our products have won can be found in our milestone list on our website.

1974
Albrecht von Dewitz founds the VAUDE Company

1991
As one of China’s first foreign companies, VAUDE establishes the independent production facility, Huade, where the hardware product palette is produced.

1994
The Ecolog Recycling Network is set up; high tech performance clothing can be 100% recycled for the first time.

1994
VAUDE becomes an official partner and sponsor of the German Alpine Club (DAV) for the Nature and Environmental Protection Divisions.

1994
VAUDE establishes an on-site company childcare center, and receives the “Freedom and Responsibility” award from the German Federal President, Johannes Rau, for social commitment.

2001
VAUDE is the first outdoor gear manufacturer to produce a percentage of their collection in compliance with the stringent bluesign® Standard, guaranteeing maximal freedom from harmful substances throughout the entire production process.

2005
VAUDE receives the seal of quality “Certificate Career and Family” for its family friendly measures from the Federal Minister of Family Affairs, Renate Schmidt, and the Federal Minister of Economics, Wolfgang Clement.

2005
VAUDE is honored as one of the 35 most family friendly companies in Germany in the national competition “Erfolgsfaktor Familie 2005” (Success Factor Family 2005) by the German Chancellor, Gerhard Schröder.

2006
VAUDE saves the open-air swimming pool in Oberreisenbach from closing down and takes over the facilities as leaseholder.

2008
VAUDE is the first European Outdoor company to attain EMAS and ISO 14001 certification. Minister President Gunther Oettinger personally presents the award at the OutDoor trade show.

2008
VAUDE is the first European Outdoor company to attain EMAS and ISO 14001 certification. Minister President Gunther Oettinger personally presents the award at the OutDoor trade show.
2009
Antje von Dewitz takes over the company management from her father, Albrecht von Dewitz.

VAUDE receives the OutDoor Industry Award in Gold: Category Sustainability: ecological sleeping bag Blue Beech with bluesign® certification.

Baden-Württemberg’s Minister of Economic Affairs and Caritas awards VAUDE the title “Social commitment 2009” at the LEA mid-size businesses prize.

Second place for human resource management at VAUDE. 84 mid-sized businesses (including VAUDE) in southern Germany took part in a study of “sustainable human resource management.” The results: VAUDE employees rated the situation in the company (voluntarily and anonymously) as very positive and VAUDE was honored with second place!

2010
VAUDE and Sympatex Technologies press ahead with the further development of ecological textiles at the highest performance levels.

VAUDE is the first European company to part in the EU Business and Biodiversity Campaign, and is implementing strategic measures for supporting biodiversity.

VAUDE is honored with the Public’s Choice Utopia Award as the most sustainable company in Germany.

VAUDE underscores its Corporate Social Responsibility goals of fair working conditions and transparency with membership in the Fair Wear Foundation. The FWF is an independent non-profit organization working internationally as a multi-stakeholder initiative for the improvement and supervision of socially acceptable working conditions in the textile industry.

VAUDE’s production facilities in Obereisenbach, Germany and in Vietnam pass the bluesign® environmental standard’s strict screening process.

2011
The WWF Germany and VAUDE seal a far-reaching cooperation for environmental protection. 1% of all revenues from Green Shape products will flow into WWF Germany environmental protection projects for children and youth.

VAUDE is honored as the most sustainable company at the sporting goods trade fair ISPO in Munich with the Eco Responsibility Award. In addition, the environmentally friendly Blue One Tent is awarded.

VAUDE Vietnam is environmentally certified for ISO 14001.

VAUDE is honored with the German Sustainability Award, Category TOP 3 German’s most sustainable Future Strategies (KMU).

2012
VAUDE wins the VFS Ethikpreis.

VAUDE signs on as one of the first companies in the Deutschen Nachhaltigkeitikodes (German Sustainability Code), and is now a player in the premier league of sustainable enterprises.

VAUDE enters into cooperation with FairWertung: responsible collection of used textile products for non-profit organizations.

For the third time, VAUDE reaches the finals for the company competition “Success Factor Family” of the Federal Ministry for Family Affairs, and may thus continue to belong to the family-friendliest companies in Germany.

Dr. Antje von Dewitz is awarded the B.A.U.M. Environmental Award and is received by President Joachim Gauck in Schloss Bellevue.

The VAUDE company headquarters and all products manufactured here are now climate neutral.

VAUDE is honored as Outdoor Brand of the Year by the trade magazine “outdoor.markt”.

VAUDE among the Top Three in the FamilyNET Award, which the state of Baden-Württemberg gives to especially family-friendly companies.

VAUDE is nominated for the German Federal Government’s CSR Award. Design Award Focus Open, ISPO Gold Award and Red Dot Award for the climate neutral “Made in Germany” Alpin backpack Bulin.
CHAPTER 3
Social and Environmental Responsibility / Environmental Policy
Company Values: What we stand for

VAUDE stands for respect in all its interaction with others and the nature around us. We have set our sight on becoming Europe’s most sustainable outdoor brand, so that sportsmen and women of today, and those to come can enjoy nature to the fullest. We are pioneers in this way, challenging convention and pushing the limits of the possible. VAUDE’s roots are in mountain sports. The passion we experience on the ascent and the peace we find at the top are what drive us. The mountains are our symbol for the high demands we place on our products, and for the passion we hold for nature.

Our Mission

VAUDE has set its sights on becoming Europe’s most sustainable outdoor brand. And not just on paper, but also in objective comparisons that are understandable to the average consumer.

For our fellow humans, for the environment and for the generations to come – with “best available technology” from an ecological perspective.

The strength of our brand and the value of our products is our most valuable resource. Therefore, we at VAUDE focus our defined values across the board – and not on short-term profit maximization.

In order to freely follow this path in the long term, we are focused on remaining financially independent. Therefore, it is important that we distribute our resources intelligently and optimize what we have – rather than engage in constant modernization.

We want be the first to take this path, staying ahead of the crowd and leaving behind a sustainable trail.

The Vaude Environmental Policy

VAUDE has an equal obligation to both economic and environmental responsibility. As a mountain sports supplier, we believe that it is vital to protect the “playing field” of our customers and our employees – the great outdoors.

We are committed to the long-term, sustainable use of nature and to active environmental protection.

At our company facilities
- by means of resource conserving economic activity in our administrative department and production
- by using renewable energy and investing in the preservation of biodiversity

With our products and suppliers
- by using innovative, environmentally friendly materials and by recycling
- by means of environmentally friendly production techniques

In the Outdoor branch and in society at large
- by means of active environmental policies in professional associations and collaborative environmental protection projects
- by collaborating with environmental associations, universities and public projects such as the Deutschen Nachhaltigkeitskodex, for example

Our environmental activism reaches far beyond basic legal requirements. We are constantly expanding our environmental commitment. Environmental management is a top priority at VAUDE.
CHAPTER 4

“Green Business” / Environmental Management at VAUDE

Photo: B. Morell
Doing good is a fine thing, but regular inspections by independent experts is even better. Through annual inspections by an independent environmental consultant, we guarantee that the “guard rails” of our commercial activities are keeping us on track. Thanks to EMAS and ISO 14001, all environmentally relevant processes at VAUDE as well as the continuous improvement of our environmental performance are anchored firmly within the company.

The company’s CSR strategy “VAUDE ecosystem” (see next chapter) as the base for the Environmental Management System, the quality management and the innovation management operate like cogs in a wheel and create an integrated system.

Working to make (y)our world a better place – holistically and systematically.

Sustainability is complex. It is more than the sum of individual measures. The VAUDE ecosystem is our holistic sustainability strategy. It is based on our mission and our corporate values. It shows how we perceive our social and environmental responsibilities.

In all of our business decisions at our company headquarters and throughout the life cycle of VAUDE products: from the selection of environmentally-friendly materials to the most environmentally-friendly production technologies, during the product’s service life for customers – whether in the mountains, on bike or when out shopping – to their re-use when the original owners no longer want them.

Our Green Shape products can be experienced by all – your VAUDE guarantee for environmentally friendly products made from sustainable materials and with resource-conserving production.

We take on responsibility for:

- Green materials and technologies
- Clean production
- Environmentally friendly use and maintenance
- Product end of life
- Renewable energy
- Business & biodiversity
- Environmentally responsible work in sales, marketing, logistics
- Collaboration with ecological partners & networks
- Fair working conditions

The entire VAUDE ecosystem is integrated into the VAUDE Environmental Management. It is certified annually by an independent expert in accordance with EMAS and ISO14001.

Read more about EMAS here:

www.EMAS.eu
**“Sustainability” or “CSR”?**

For years we at VAUDE have referred to our commitment for people and nature with the word “Sustainability”. This term accurately describes what we mean, but is unfortunately somewhat “bulky” and also overused. We have therefore decided to give our commitment a new name, without changing what we’re referring to: CSR or Corporate Social Responsibility.

CSR at VAUDE is directly anchored in the Company Management

The **Environmental Management Representative** is organizationally responsible for all “green” content and therefore also for EMAS and ISO 14001. He/she reports directly to the company’s management and is a member of the interdisciplinary VAUDE CSR Team.

The VAUDE **CSR Team** is a non-bureaucratic point of contact for all employees and business partners; it sets priorities and coordinates projects. The team members are well connected with professional associations and working groups within and outside of the Outdoor Industry, with experts and academia. Team members act as sustainability ambassadors in their field. Frequent and regular team meetings guarantee close coordination and timely implementation within the company both “upward” and “downward”.

The VAUDE CSR Team has representatives from the following company divisions:

- Management
- Environmental Management
- Quality Management
- Material Development
- Product Development
- Production
- Sales
- Business Development & Reporting
- Communications

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**Jan Lorch / Member and Sustainability Representative from the board, International Sales Officer:**

“Under CSR, we understand our corporate responsibility for people, society and nature, with which we want to establish a healthy balance between our economic, environmental and social objectives. We are convinced that environmental protection always serves people. In the long run, humans will only be able to survive in a healthy, intact environment.”
The involvement of all VAUDE colleagues in the continual environmental improvement process runs over three channels:

1. Direct contact with the CSR team: CSR team members are often spoken to directly or notified of an issue by email. They always have an open ear for concerns about sustainability.

2. The employee’s own team: The VAUDE company is structured into teams; each person at VAUDE is integrated within a specialized team. At least once a year, one of the regularly scheduled team meetings is dedicated to the issue of sustainability. In these meetings, colleagues can directly express their ideas for ongoing improvements to their environmental management representative.

3. The VAUDE internal company suggestion plan – “innovation@vaude”: All eco-ideas, large or small, are viewed with an open mind. Many of these are implemented – with a bonus for the contributor. Our transition to 100% fair trade, organic coffee in the administration building in Oberreisenbach was a successful innovation@vaude idea!

Additional Environmental Management System components at VAUDE:

- The environmental policy – defined by the company management and unchanged since the initiation of the Environmental Management System in 2008
- The environmental program with annual environmental goals
- The environmental handbook – includes which environmental issues are regulated at VAUDE, how and what will be documented and which documenting procedures apply
- An annual review of compliance with current environmental law
CHAPTER 5

The reason behind it all / Challenges / Environmental Issues
Why should a company that manufactures outdoor products be committed to environmental protection? What exactly is “the problem” and what are the challenges we face? Do we have any real influence on possible solutions or at least improvements?

Our position is clear: any company that “earns its livelihood” through its customers enjoying the outdoors needs to be dedicated to its conservation and protection. In the face of the world’s rapidly advancing climate change, the dramatic loss of biodiversity, and the glaring inequality in the distribution of prosperity and education on this earth, it quickly becomes clear that humanity faces enormous challenges if we wish to live in any way responsibly, sustainably and in peace with one another.

And yet, we do not actually have a choice whether we “want to” or not. Every one of us – and above all every company – must recognize and actively assume its responsibility as quickly as possible. The goal must be to help shape a cleaner, healthier and more just world. We not only owe this to our outdoor “playground”, but to our children as well.

Our challenges are to develop more sustainable products alongside our dedication to achieving sustainability throughout the entire company and in all business operations and decisions.

Our business activities at our Obereisenbach site have direct, measurable environmental impacts. These depend to a large extent on how VAUDE continues to develop at this location – for example, how many additional employees will be hired, how much merchandise is produced, stored or dispatched from this location, how many company vehicles are operated.

The indirect environmental impacts have an even greater significance for VAUDE. They either do not arise at the Obereisenbach site and/or we have no direct influence on them. For example, the millions of products that we manufacture and sell each year have an enormous environmental impact in their life cycle. Therefore, our focus within the VAUDE ecosystem is on all VAUDE products and their production worldwide. Consequently we are setting international standards with the VAUDE Green Shape Collection, and are pioneers for “best practice” in the outdoor industry.

Our VAUDE ecosystem and the EMAS and ISO 14001 certification help us to holistically and systematically recognize which environmental aspects result from our business operations, to assess how relevant they are and what influence can we have on them, and then ultimately to decide how to address these challenges.
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<th>Environmental Issue</th>
<th>Measured in</th>
<th>See Chapter</th>
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<tr>
<td>Emissions Obereisenbach location</td>
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<td>Mobility</td>
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<td>Material Processing</td>
<td>• material efficiency (%)</td>
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<td>• tons CO₂e</td>
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<td>Energy</td>
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<tr>
<td></td>
<td>• KWh per employee</td>
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<tr>
<td></td>
<td>• KWh per number of picks (logistics)</td>
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<td></td>
<td>• KWh per tons Products-Output Obereisenbach</td>
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<tr>
<td></td>
<td>• tons CO₂e</td>
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<tr>
<td>Waste</td>
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<td></td>
<td>• tons waste per employee</td>
<td></td>
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<tr>
<td></td>
<td>• tons waste per ton of production output Obereisenbach</td>
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<tr>
<td></td>
<td>• tons CO₂e</td>
<td></td>
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<tr>
<td>Water</td>
<td>• cubic meter used</td>
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<td></td>
<td>• liter per employee and workday</td>
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<td></td>
<td>• tons CO₂e</td>
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<td></td>
<td>• square meters of sealed surface per employee</td>
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<td>exercises implemented</td>
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<th>VAUDE’s impact level</th>
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<tr>
<td>End of Product Life</td>
<td>Middle</td>
<td>Low</td>
<td>8.5</td>
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CHAPTER 6

Emissions / VAUDE is “Climate Neutral”

Photo: M. Attenberger
Since 2012, the entire VAUDE corporate site in Obereisenbach and all products manufactured there have been climate neutral. With this Sustainability Report, we are publishing our comprehensive climate balance for the Obereisenbach corporate location.

After five years of environmental management, our database is comprehensive. We have identified our most important parameters and achieved some major emission reductions by implementing a variety of projects, both large and small. The remaining, unavoidable emissions have been offset by a compensatory payment to a Gold Standard certified carbon offset project by the non-profit “myclimate” organization.

Greenhouse gases such as CO₂ are generated at VAUDE by electrical, gas and other fuel energy consumption, by the use of materials for the production of waterproof bags and backpacks, and also from paper consumption, office supplies, data processing and packing materials. Also included are all wastes generated on site, all business trips, the daily commutes of our employees and all logistics including the transportation of all materials and products in production in Tettnang and from there to all retail and distribution partners.

Based on this data, a team of experts from myclimate calculate the corporate climate footprint for VAUDE Obereisenbach. The standard units used to measure emissions are called CO₂e: carbon dioxide equivalents. For these units, not only all upstream processes are calculated, but also all other climate damaging gases such as methane are translated into CO₂.

VAUDE compensates for all greenhouse gas emissions created at the corporate location in Obereisenbach, including the Administration Division with 476 employees, Production, Maintenance, the Child Care Center, the entire material and product logistics for production on site, as well as all emissions created by employee mobility.

Dr. Antje von Dewitz / CEO:

"Climate neutrality is an important component in our overall sustainability commitment. With the help of this climate balance, we can identify our biggest challenges and the parameters which will require even more work over the next years in order to reduce our greenhouse gas emissions further.”

VAUDE compensates for all greenhouse gas emissions created at the corporate location in Obereisenbach, including the Administration Division with 476 employees, Production, Maintenance, the Child Care Center, the entire material and product logistics for production on site, as well as all emissions created by employee mobility.

How carbon compensation works: Unavoidable emissions are offset elsewhere by projects that reduce emissions. The balance of emissions is therefore neutral.

http://www.myclimate.org/nc/de/kompensation/prinzip.html
Our long-term goal is to systematically expand the climate neutrality of the company to our other production facilities as well.

The amount VAUDE pays to offset its emissions is invested in a myclimate Gold Standard climate protection project in China which helps to reduce greenhouse emissions. The project involves replacing coal consumption from traditional coal burning stoves with improved clean biomass (from corn waste) burning semi-gasifier stoves in rural households within Shanxi Province in China. While cleaner-burning petroleum-based fuels are increasingly common in wealthier areas, at least 50% of all households still depend on solid fuels like wood or coal as an important household fuel. A practice resulting in pollution exposures that the World Health Organization estimates to be annually responsible for over 420,000 premature deaths in China alone. By substituting coal fuel with biomass, it is possible to not only reduce CO₂ emissions, but also improve indoor air quality, directly benefiting the health of the families.

Further information about the project:

http://www.myclimate.org/de/klimaschutzprojekte/projekte-international/detail/mycproject/117/carbon-offset-projects.html

Stefan Baumeister / Managing director myclimate Germany:

"Compared to the previous year, VAUDE decreased its overall greenhouse gas emissions by 23%. We congratulate VAUDE for this great achievement and we hope that many other companies will follow suit."
The following graphic clearly identifies our largest sources of emissions in Obereisenbach. In the following chapters, the most significant contributors will be explained.

**VAUDE Obereisenbach Greenhouse Gas Emissions 2012 (t CO$_2$e)**

Overall greenhouse emissions including employee commuting 2012: 2.852 t CO$_2$e (2011: 3.198 t CO$_2$e)

**VAUDE – Total GHG Emissions (t CO$_2$e) 2011-2012**

- 2011: 3.703.60 t CO$_2$e
- 2012: 2.852.30 t CO$_2$e
The full, detailed Climate Balance from myclimate for the VAUDE corporate location in Obereisenbach is available to download at the VAUDE homepage:

6.1. Mobility: Corporate Travel and Commuting

Corporate travel and commuting combined are responsible for somewhat more than half of all emissions. 24% is related to our employees’ daily commutes. This shows how important a company mobility management plan is.

The VAUDE Mobility Concept is made up of six components:

- **Bike to work**
  - The VAUDE Bike Commute Program includes not only a repair shop with a bike tube vending machine, a covered and lighted space to park bikes, biking technology and repair courses, and showers, but also eight loaner eBikes that employees can borrow at no cost. Employee’s private eBikes may, of course, be “refueled” for free on the company grounds.
  - We want to encourage more people to leave their cars at home make an ecofriendly and healthy bike commute work. VAUDE’s CEO, Antje von Dewitz, is setting a good example!

- **Carpooling**
  - Carpooling has the highest degree of potential for CO₂ reductions in our hilly and challenging – even for hardcore cyclists – region. Therefore, we have created a partnership with the “social mobility network” [www.flinc.org](http://www.flinc.org). In our own VAUDE group at [www.flinc.org](http://www.flinc.org), our employees can quickly and easily offer rides to work or look for rides, all at no cost to the employee.
  - We have created another group at flinc for carpooling to the various VAUDE events and suggest to participants that they should organize their travel using flinc.

- **VAUDE Minibus Pooling**
  - Employees took the initiative to form two larger carpooling routes, for which VAUDE provides a vehicle. The employees not only save money and take up fewer parking spaces, they also contribute to reducing CO₂ emissions.
Local Public Transport

Obereisenbach is difficult to reach by public transport – aside from a school bus for the local primary school, there is no public transport.

We could not come to terms with these conditions. At the initiative of VAUDE, the regional Transport Association Bodensee-Upper Swabia (bodo), together with the support of the Bodenseekreis District and a local bus company will establish a commuter line that connects Obereisenbach to the nearest train station as well as to Tettnang’s urban transport grid.

Travel Policy for Corporate Travel

By revising the VAUDE Travel Policy, we want to reduce business travel, making it as environmentally-friendly as possible, e.g. by the preference of rail travel over air travel.

Due to the poor accessibility of Obereisenbach and most of our employees’ places of residence to public transport along with our (otherwise beautiful) remote location within Germany, the right balance of ecology, time needed and cost for business travel is a particular challenge.

Nevertheless, we were able to reduce emissions for flights by 6% in comparison with 2011.

Our goal:
Reduce emissions for corporate travel by 2015 by 20% based on 2011 figures.

Fleet Management

Since 2011, the entire vehicle fleet has been replaced by low-emission vehicles. In combination with driver training, this has led to an increase in diesel consumption of only 3%, despite the fact that we have 11% more vehicles. (see also Energy Chapter).

Our goal:
Reduce fuel consumption for the company vehicles according to manufacturing specifications by 5% based on 2008 figures by 2015.

The VAUDE Mobility Lottery

The best-written mobility concept doesn’t save emissions – it has to be lived out and implemented. VAUDE has therefore introduced a Mobility Lottery to motivate as many employees as possible to leave their cars at home.

Every week employees who do not commute alone by car are eligible for a prize drawing. Our employees can enjoy restaurant coupons, vegetarian cookbooks, bike accessories, electric measuring devices for home use, and the issue of “environmentally-friendly and cost saving commuting” continues to be a topic of conversation in our hallways.
6.2. Materials and Production

Our waterproof bike bags, Packs 'n Bags and now for the first time, “Made in Germany” Mountain backpacks are produced in Obereisenbach. Product components are die-cut from a variety of tarpaulin rolled goods. Logos are printed onto products, and small parts for buckles, attachment systems, etc. are prepared using a hot press. The die-cuts are welded together using an emissions-free, HF welding process for a waterproof bond. Hardback panels – a VAUDE innovation – are riveted on to stabilize the bags. The last step is a stringent, final quality control and the bags are then packaged.

The materials used for this production make up about 18% of the overall emissions in our Obereisenbach facilities and are therefore the 2nd largest cause of emissions at the corporate location after the company’s mobility. Compared to 2011, we have saved 200 tons of CO₂e. Aside from higher material efficiency, an important reason for this is that in 2012, a larger amount of smaller bags were manufactured.

Conventional canvas bags are made from PVC canvas. The problem with PVC is that it contains phthalate plasticizers that prevent the material from becoming brittle. Phthalates are suspected of being carcinogenic. There are strict limits on the use of PVC (REACH), although these standards are currently in effect for children’s products only.

Our “PVC-free” claim means that these products are manufactured with absolutely no PVC. They look like tarpaulin bags and are just as waterproof, but are made of a PU (polyurethane) coated fabric materials instead of PVC.

The overall production in Obereisenbach and all the products manufactured there are climate neutral.

Read more on PVC:
http://en.wikipedia.org/wiki/Polyvinylchloride

Because there has not been an optimal alternative to PVC to date for classic canvas-type bags, VAUDE continues to use PVC in its own products. This PVC complies with REACh and meets strict limits.

The transition to PVC-free materials is a huge challenge. Our previous target of becoming completely PVC-free by the year 2015, is likely unrealistic in light of the lack of alternative materials on the market today. So we are all the more proud of the enormous success of our PVC-free models; the Hot Couture Collection is completely PVC-free.
6.3. Consumables and Diverse Material Consumption

Consumables include packing materials for the shipment of products, such as cardboard and foils. "Diverse Material Consumption" includes all office paper, computers, lighting, etc.

Overall, consumable materials were responsible for 12% of VAUDE’s climate balance. All emissions were 100% offset by VAUDE.

Together with our partner, WWF Deutschland, we have set ourselves a voluntary goal for paper purchases. In addition, in 2011 VAUDE set a voluntary goal for the purchase of other office supplies and equipment. We want to use our influence as a buyer to assume responsibility for the environment and to support those companies, which – as VAUDE itself does – represent sustainability as a business philosophy. Therefore, we also buy office supplies, cleaning products, coffee, furniture, etc. that are as environmentally friendly as possible.

Why use recycled paper?
Germany is a world champion in paper recycling: about 80% of used paper is recycled. If you collect used paper, we believe you should make use of recycled paper products as well. Using recycled paper products rather than virgin pulp paper reduces emissions associated with paper manufacturing, reduces water consumption, reduces water consumption and wastewater and conserves forests. Recycled paper is also very low in pollutants.

Our goal:
Transition to 100 % recycling paper by 2015. Step by step, from toilet paper to copy paper, from our magazines to our hangtags/info cards, we are transitioning to recycled paper.

Source and more information: www.Blauer-Engel.de/en.
Blue Angel is the world’s first environmental label.
More info on Forest Stewardship Council (FSC): www.fsc.org
6.4. Energy

All energy consumed at our corporate location in Obereisenbach is compensated for by myclimate and is therefore climate neutral.

Electricity and heating together make up 9% of emissions in Obereisenbach. Fuels are also listed here, but for our carbon footprint they are included under mobility considerations.

<table>
<thead>
<tr>
<th>Energy consumption VAUDE Obereisenbach (See explanation on next page)</th>
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Energy Consumption

#1: Less solar power production due to fewer hours of sunshine in 2012

#2: Second expansion level of the photovoltaic installation on the company roof.

Figures for the II Installation:
- 3,100 square meters
- 450 kWp (= Kilowatt Peak, maximal output of all modules)
- Approx. 400,000 kWh annual electricity production

Installation II can provide approx. 80 households with electricity for 1 year.

Together, both of VAUDE’s photovoltaic installations can produce approx. 560,000 kWh of clean electricity. This equals almost the entire electricity consumption of our company at Obereisenbach. At least by the numbers: As per the German Renewable Energy Law (EEG), the electricity produced is fed into the local grid.

In 2014, it is planned that at least 40,000 kWh of solar electricity can be used directly on site.

#3: Electricity consumption overall (VAUDE Obereisenbach):
100 % green electricity.

The reduction of 4 % compared to 2011 and of 16% compared to the base year of 2008 shows that our energy management with its array of measures is working. Even the increase of electricity consumption of 16 % compared to 2008 has to be evaluated “positive”: Based on the growth of the company since 2008 (39 % more employees!) the electricity consumption has increased under proportional. Also see # 16 below.

#4: In 2011, VAUDE’s oil heat was replaced with an eco-friendlier and more energy efficient natural gas heating. During the temporary parallel operation of both heating systems in 2012, all leftover heating oil was used up. (Note on previously published data: the 2012 inventory has been corrected here).

#5: Natural gas consumption, of course, rose after the completed transition to natural gas heating.

#6 and #7: Total heating energy consumption consists of both oil and gas. A more meaningful figure is the weather-adjusted heating energy consumption (#7, according to Energie Agentur Ravensburg): the increased consumption of 10% compared to 2012 can at least be partially explained by the conversion of previously unheated rooms into offices. We will increasingly keep an eye on our heating needs and heat more efficiently with the help of technical measures as well as an employee-awareness campaign.

#8: Gas run forklifts will be increasingly replaced by electrically operated models.

#9: Fuel consumption of the company fleet increased only marginally over the previous year. The switch to low-emission vehicles and the economical driving methods explicitly supported by VAUDE are making a noticeable difference.

#10: Energy consumption has risen by 2% overall.
Energy Key Performance Indicators

### #11: The percentage of renewable energies in electricity consumption continues to be 100%. Since Germany has liberalized its energy market, individual households and businesses can choose which energy source they will use for their own power consumption. VAUDE has relied exclusively on renewable energy since 2009.

### #12: The percentage of renewable energies from our total energy consumption is 21%. For this calculation, in addition to our 100% renewable electricity supply, we also took a 5% bioethanol of all petrol consumed and 7% diesel into account.

### #13 and #14: The percentage of company produced solar electricity in relation to overall electricity consumption for 2012 was 28%. In 2013, the installation II will operate all year. The solar electricity percentage will increase accordingly, and should almost reach 100%.

### #15: In 2012, VAUDE had 2% fewer employees on average compared to 2011. Compared to the base year 2008, employee numbers have increased by 39%.

### #16: Energy consumption per employee dropped by 2%. As explained in #3 above: Although the absolute electricity consumption has increased compared to 2008, it has decreased relative to the number of employees which has increased by 29% since 2008.

### #17: Weather adjusted energy consumption overall per employee increased by 4% per employee, primarily due to the increased consumption of heating energy.

### #18: Heating energy consumption based on heated rooms also increased by 10% weather adjusted.

### #19, 20 and 21: The fuel consumption per 100 km driven decreased significantly. However, because the data collection for 2011 was incomplete, a reliable statement will only be possible starting in 2013.
6.5. Printed Materials

Printed Materials are our own print media such as order books, the customer newspaper “VAUDE Intern” and advertising brochures.

After using the Climate Balance 2012 to determine that printed materials caused high emissions, we worked on this area on two relevant points:

- First, we have reduced the amount of printed matter by a total of 200 tons.
- Second, we converted a large portion of the remaining printed materials to 100% recycled paper.

This reduction in printed materials has helped us achieve our biggest savings of emissions – over 80%!

6.6. Waste Management in Obereisenbach

Worthless waste or valuable secondary raw materials? "Waste" is a key environmental problem: For one thing, limited resources are wasted. For another, some wastes are a serious threat to life for wildlife, for example, plastic bags or synthetic micro particles that end up in the oceans. Last but not least, dangerous substances can be released into the environment when improperly disposed of.

Although waste is "only" responsible for 1% of emissions in Obereisenbach, waste management for the corporate location at Obereisenbach has a high degree of environmental relevance.

All emissions result from this waste is fully compensated for by VAUDE.

VAUDE separates the following waste categories:

- Paper Board
- Residual Waste
- Plastic Wrapping
- Office Paper
- Styrofoam
- Wood
- Building waste
- Organic Waste
- Glass
- Metal
- Electronic Waste
- Toner and data medium
- Batteries
- Packaging plastics
- Hazardous waste such as residual paint, dyes, oils
6.7. Water

At VAUDE, water is used exclusively for sanitary purposes and in the lab (waterproof tests and washing tests), and is drained into the community sewage system.

Rainwater is collected in two ponds on the premises that can be used as a source of water for extinguishing fires, as well as habitats for amphibians; they are gladly used as a rest area for employees and as a tadpole observation area for the children from our on-site childcare center.

Emissions from water consumption account for 1%. All emissions that are a product of our water consumption have been climate compensated for by VAUDE.

Water consumption increased by approx. 20% in 2012. Even though VAUDE, as a rule, does not water any lawns or other outdoor features, 500 square meters of newly planted flowering meadow had to be watered to meet the needs of our Biodiversity Management Program in 2012. This water consumption was only necessary one time and will no longer be necessary in future years.

The following three categories are particularly relevant:

- **PAPERBOARD** represents not only a valuable material that can be effectively put to further use, it also makes up the biggest category by far based on amounts created.

- **PLASTIC WRAPPING** is also a valuable secondary raw material.

- **RESIDUAL WASTE** is our “problem child”. At VAUDE it primarily consists of production waste that cannot currently be recycled.

In order to reduce these three waste categories in particular and ensure the most environmentally-friendly form of disposal, VAUDE has carried out a waste analysis by experts. The results of this analysis are now being gradually implemented.

Our goal remains:
Reduce residual waste by 10% based on 2010 in kg per employee by 2015.
CHAPTER 7

Biodiversity
VAUDE CEO Antje von Dewitz is member of the advisory board of the German Nature Capital Foundation (Naturkapital Deutschland) and ambassador for TEEB.

As a company whose products are made specifically for use in the outdoors, we take our responsibility for the preservation of biodiversity very seriously. VAUDE was one of the very first companies to undergo the EU Business & Biodiversity Campaign’s Biodiversity Check, with which we identified which impact of our business activities on biodiversity and how we as a company benefit from biodiversity.

We then created a biodiversity concept for our corporate location in Obereisenbach with the help of an expert agency and are gradually implementing its recommendations. This includes the planting of hedges and wildflower meadows, the restoration of a stream, the elimination of aggressive, non-native species such as Indian Balsam, adding nesting boxes, a green facade, etc.

It also includes raising the awareness of employees and business partners regarding biodiversity.

VAUDE’s commitment to biodiversity is integrated into our EMAS-certified environmental management, because we are convinced that many business sectors have a major impact on biodiversity, such as product development.

"Bio…. what ??" is a question we’re often asked when the VAUDE CSR Team talks about this issue. What is covered by this term, and why is biodiversity important for VAUDE?

The term biodiversity derives from the Greek word “bio” which mean “life”. “Diversity” means “variety” or “plurality”.

Biodiversity, short for biological diversity, includes

- **Species Diversity** – diversity within different plant and animal species
- **Ecosystem Diversity** – diversity of habitats or living environments
- **Genetic Diversity** – diversity within individual species that serves as a way for populations to adapt to changing environments making them more likely to survive

The loss of biodiversity is just as big of a threat to our planet as climate change. Everyday, approximately 100 species become extinct!

At the International Convention on Biological Diversity (www.cbd.int) many countries of the world have pledged to curb the rapid loss of biodiversity. As the international community hadn’t even come close to achieving their own goals by 2010, G8 countries, together with 5 major developing countries, initiated the TEEB study “The Economics of Ecosystems and Biodiversity”.

The TEEB study (www.teebweb.org) attempts to assign a market price to biodiversity and all the services that it provides to humanity (such as food, water, renewable raw materials). Thus, the actual value of biodiversity can be expressed in monetary terms and incorporated into economic decision-making processes, such as in business or in economic policy.

Our goal:
We will fully implement our Biodiversity Concept for our corporate location in Obereisenbach by 2015.
CHAPTER 8

Product Life Cycle
8.1. Green Materials & Technologies / Green Shape

8.1.1. Performance meets Ecology

Why is the development of outdoor products an environmental theme at all? The choice of materials and processing technologies are the first stage in the life cycle of a VAUDE product. We require the highest quality from our products and top functionality. They should offer reliable protection from the elements, improve athletic performance and be your favorite gear, day in and day out, for years to come: Performance meets Ecology.

In addition to technical design, the materials and technologies used to make the products play a key role in these criteria. At the same time, these technical materials and technologies also have a drastic direct and indirect impact on the environment.

It goes without saying that our product managers have to deal with key environmental challenges such as resource consumption, material efficiency, recycling and potentially hazardous chemical substances in products, and at production facilities, water and energy consumption, wastewater and residual waste.

But how do you decide whether a material, process or product is “environmentally-friendly”? Especially when there are no worldwide standards, no operating evaluation systems, and no international or uniform “certificates” to go by?

VAUDE is a pioneer in this field and has developed its own rating system: the Green Shape Mountain. The Green Shape Mountain combines the evaluation of eco-friendly materials and eco-friendly manufacturing processes in one schematic system.

Green Shape is VAUDE’s guarantee for environmentally friendly products – made from sustainable materials and resource-conserving manufacturing. Our goal is to provide the best there is to offer for people and for nature.

When is a product Green Shape:
- When it meets the conditions of a “bluesign® product”, or
- When it is dyed with VAUDE ecolour, or
- When it is made of at least 90% environmentally-friendly materials:
  - bluesign® approved fabric
  - organic cotton
  - recycled materials
  - a combination of those with at least 35% Tencel® or hemp
How we evaluate the Green Shape Collection:

The VAUDE Green Shape Mountain is our rating system. The closer a product is to the summit, the greater its benefit to the environment. Products with maximal resource efficiency and certified eco-quality are included in the top "Sustainability Summit" area – these are bluesign® products. Ideally, combined with environmentally friendly raw materials such as recycled polyester.

For the "Camp 2" stage, our product managers combine environmentally friendly materials with the bluesign® approved fabric certification.

The "Camp 1" stage is for products that are made from at least 90% environmentally friendly materials.

At the "Advanced Base Camp" stage, the product has some kind of eco-advantage, but it’s not enough to fulfill the criteria for Green Shape product. For example, a t-shirt made from 70% organic cotton: better, but not Green Shape.

At the "Base Camp" stage, we still have our work cut out for us. For many materials and components, there just are no environmentally friendly alternatives which provide the same functionality. Research and development is needed so that innovative materials and technologies will become available as soon as possible.

Who decides?

The VAUDE CSR team reviews the Green Shape criteria each season, seeking out the advice of independent experts and developing Green Shape targets for each product area.

The closer a product is to the summit, the greater its eco benefits. In each Collection, we evaluate the Green Shape Mountain using a data processing system. Based on these ratings, VAUDE, together with product managers, determines ambitious goals for the continued development of the Green Shape Collection.

Our goal was to increase the percentage of Green Shape products in the total Summer 2014 Collection to 44%. This goal was missed by a small margin.

Why? It was already foreseeable that we could not keep up the pace of development for more environmentally friendly products. Everything that was achievable up until now, such as the transition from conventional cotton to organic cotton. From here out, it becomes increasingly difficult to increase the percentage of environmentally friendly products, because our supply market for environmentally friendly materials and technologies and market-ready, eco-innovation continues to be low. This is especially true for hardware such as backpacks, tents, shoes and accessories.

So we are all the more proud of the fact that our Apparel Collection (Bike and Mountain) for Summer 2014 once again has a sensational Green Shape percentage of 78%.

<table>
<thead>
<tr>
<th>Collection</th>
<th>Winter-Collection</th>
<th>Summer-Collection</th>
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</thead>
<tbody>
<tr>
<td>Overall</td>
<td>40 %</td>
<td>46 %</td>
</tr>
<tr>
<td>Apparel</td>
<td>80 %</td>
<td>81 %</td>
</tr>
<tr>
<td>Hardware (Backpacks, Sleeping Bags, Tents, Shoes, Accessories)</td>
<td>10 %</td>
<td>17 %</td>
</tr>
</tbody>
</table>
8.1.2. Green Shape Eco Materials

Recycled Materials – why are they environmentally friendly?

Everybody is talking about recycling – but how do you make new outdoor products out of used “plastic”?

VAUDE makes use of a variety of recycled raw materials such as polyester and polyamide. Used PET bottles are also made into new products.

Used PET plastic bottles are collected, cleaned, ground and processed into granulate, which is then melted and spun into fiber. This creates high quality polyester that requires up to 50% less energy to make, and produces approx. 50% less CO₂ emissions. Absolutely no fossil fuel petroleum based raw materials are used.

Used textiles are generally recycled using a chemical process. First fabric is cut into small pieces. The shredded fabric is then granulated and formed into small pellets. The pellets are broken down, polymerized and turned into polyester chips. The chips are melted and spun into new filament fiber used to make new polyester fabrics. This not only reduces landfill waste, it also completely bypasses the need for petroleum in the reclamation of polymers.

VAUDE products that are made of at least 90% recycled materials bear the Green Shape label.

We use recycled materials in a great number of our products; however, unless they include at least 90% recycled materials, they do not fulfill our own strict criteria for a Green Shape product and therefore do not bear the label.

Why does VAUDE use organic cotton?

Conventional cotton production accounts for the use of 25% of all insecticides and 11% of all pesticides in the world, although it only covers 2.4% of the world’s cultivated land use (Source: Pestizids- Aktions- Netzwerk e.V. PAN). Conventional cotton is a relatively “dirty” affair – not least of all for the cotton farmers themselves and the residents who live near cotton plantations.

Organic cotton is cultivated following strict ecological standards. The use of pesticides and chemical fertilizers is eliminated. Also taboo: genetic engineering of the seed supply. Cultivating organic cotton uses significantly less water than conventional cotton cultivation and maintains natural soil fertility through crop rotation.

It increases the self-sufficiency of small farmers who are primarily organized into cooperatives, and allows them to set a higher price for their organic cotton, independent from the price set by raw material suppliers on the world market. By purchasing organic cotton, VAUDE contributes to the sustainable development of small farmers and incidentally, to the retention of species diversity in the growing areas.

VAUDE products that are made of at least 90% organic cotton bear the VAUDE Green Shape quality label. 10% of these products may include other fibers, such as elastane, which benefits product maintenance and increases the lifespan of the product.

VAUDE now uses only organic cotton – the only exception is for shirt materials that use a blend of materials in which the cotton percentage is low and are very difficult to obtain in organic quality on the market.
VAUDE ecolour is an environmentally friendly dye process in which the pigments are added during the spinning process. Unlike this new ecolour process, in conventional bath dyeing, yarn is first spun in its natural state and then colored in several rounds of dyeing and rinsing.

VAUDE’s ecolour process reduces CO₂ emissions of the dye process by 63%. In addition, up to 90% less water is used than in conventional dyeing processes, because the numerous rinsing processes are eliminated.

Of course, products dyed with the ecolour process bear the VAUDE Green Shape quality label.

Tencel® is available for a limited selection of colors and yarns. Therefore, we have used this dye technology to date for bags and backpacks, and bike apparel.

Environmental Dyes with VAUDE ecolour

Tencel® is a natural fiber made from wood pulp cellulose that conserves resources. It is extremely comfortable thanks to a silky smooth surface that transports moisture quickly away from the body and inhibits bacterial growth and odors.

Apparel produced with Tencel® does not require additional anti-odor chemicals to ensure the apparel’s high functionality.

Tencel® is produced in a closed production cycle in which emissions are reduced to a minimum. Solvents and water are recovered completely and reused in the process.

The raw material for Tencel® fibers is cellulose from eucalyptus trees harvested from sustainable forestry. Eucalyptus is a fast growing tree that requires no fertilizers or irrigation.

VAUDE products that are made from at least 35% Tencel® and a total of at least 90% from Eco Materials fibers bear the Green Shape label.
8.1.3. Better, but not Green Shape

VAUDE has many products in its collection that are “more environmentally friendly” than conventional versions, but that do not automatically fulfill our own strict Green Shape criteria:

- **PFC-free membranes and Repellency**

Poly-and perfluorinated chemicals (PFCs or fluorocarbons) have long been known as a critical issue in outdoor products (but not only in the outdoor sector, they’re also problematic for non-stick frying pans, protective clothing, fire fighting foam, etc.).

PFC belong to a group of fluoro-organic chemical compounds.

They are used in outdoor products in two areas:
- As an aid for the production of PTFE membranes
- For waterproofing, to make outer fabrics water and dirt repellent

What’s the problem with PTFE anyway?

Polytetrafluorethylene (PTFE) is a fluoropolymer that has been criticized increasingly in recent years: The fluorine compounds that are needed for producing PTFE, like the bio-accumulative, persistent and toxic Perfluorooctanoic Acid PFOA, are suspected to be carcinogenic.

These compounds do not naturally exist in nature, but have now been detected around the world, even the Antarctic. Traces of PFOA can also be found in finished products such as, for example, jackets.

In addition, when disposing of textiles with PTFE-membranes without elaborate special treatments, harmful fluoro-compounds can be released into the environment, typically hydrofluoric acids and perfluorocarbons.

As an environmentally-friendly outdoor brand, we use Sympatex and Ceplex membranes: 100% PTFE and PFC-free; unlike many other membranes used in the outdoor branch.

Source and further information:


VAUDE has been dealing with the issue of PFC for years and has always been open in its communication, for example here:


Years ago, we made a clear decision against the use of PTFE membranes in all products (the manufacture of which requires PFC’s) and use PTFE-free membrane exclusively.

- **Sympatex**

Made from polyetherester (PE). This hydrophilic, non-porous membrane is extremely flexible, very thin and extremely windproof and waterproof. It is 100% PTFE-free, made from recycled polyester such as PET bottles, and biodegrades without producing toxic wastes. The Sympatex membrane is bluesign® approved.

- **Ceplex**

Our well-proven, in-house polyurethane membrane is 100% fluorocarbon free.

A high performance eco-membrane alone does not automatically make a product Green Shape. It first earns this label when the outer material is also bluesign approved or made from recycled materials.
PFCs are used on the surface of outdoor clothing, sleeping bags, tents and footwear to cause water and dirt to bead up on these products. Without this surface treatment, water and dirt do not bead up, but rather soak into the fabric which leads to a clammy wet feeling for the wearer, despite the waterproof membrane.

For the user of outdoor products made with PFC, there are no risks based on current knowledge. However, the manufacturing process in the production countries, the subsequent washing of the finished product as well as in product disposal, PFC substances pose a risk to health and environment; they accumulate in the environment and in the human body through the food chain, and are not biodegradable.

As a bluesign system partner (see next chapter also) the bluesign Restricted Substance List applies to VAUDE products, which strongly regulates the use of PFCs. For substances that are not otherwise prohibited under bluesign, the standard sets strict limits for the final product.

VAUDE is working proactively on the full elimination of fluorocarbon use - and not just by eliminating the use of PTFE membranes. We are working diligently to find PFC-free DWR alternatives and gradually convert the entire Collection.

But:
Outdoor products are so popular precisely because of their water and dirt repellent properties. This functionality can currently only be achieved with the help of chemical substances.

Unfortunately, there are currently no PFC-free waterproofing of materials with the equivalent water-, oil- and dirt-repellent functionality. The expectations of our customers regarding product functionality are very high, especially for repellency properties. An awareness of the environmental and consumer protection problems that are associated with DWR containing PFC are thus far, not very pronounced.

The challenge for us as a manufacturer is to find the right balance between “performance” and “ecology”. And what can each of us do ourselves? Each customer must decide for himself how important the functionality of the outdoor product is: does it really have to be top-performance for “normal” hiking and biking?

More info at:

- Half of the VAUDE apparel collection Winter 2013/2014 is manufactured with PFOA-free DWR technology.
- In the apparel summer collection 2014, VAUDE is using PFOA-free DWR exclusively (new models and new colors).

Background information on fluorocarbons from the Federal Environmental Agency:
www.umweltdaten.de/publikationen/fpdf-l/3818.pdf
Other more eco-friendly VAUDE Products

- **Products with less than 90%**
  
  organic cotton, recycled materials, or fiber blends with hemp or Tencel®: better than nothing, but they do not qualify for Green Shape.

- **Cocona**
  
  Antibacterial performance thanks to activated carbon particles from coconut shells. This fiber does not require chemical finishing treatments (i.e. nano silver), however, the percentage of activated carbon particles spun into the polyester or polyamide fibers overall is too small (approx. 1%) for the fabric to be accepted as a Green Shape product.

- **PVC free**
  
  PVC (polyvinylchloride) is a very stable and long lasting material. However, it often contains phthalate plasticizers that are suspected of causing cancer. "PVC free" at VAUDE means that these products are made 100% without PVC. One example: our Hot Couture fashion bags. Just as waterproof, but with eco-friendlier materials. This all, of course, is good. But it’s not enough for the Green Shape criteria.

- **Made in Germany**
  
  Made in Germany: Produced in our own EMAS, ISO 14001 and blue-sign® certified production facilities in Obereisenbach. Nevertheless, a Made in Germany product must fulfill other Green Shape criteria before it is given the Green Shape label.
8.2. Clean Production / bluesign® Standard

The production of outdoor products has a very high environmental relevance. Why? Because valuable resources are consumed in the production of functional apparel and gear (i.e. materials, energy, water). Because the chemicals required have a negative effect on people and the environment. Because we are responsible for the production of "residual products", such as wastewater and air emissions.

The degree of influence that we have at our own three production facilities in Obereisenbach, China and Vietnam is much greater than at the many independent companies that manufacture VAUDE products in contract for us. At all locations, however, we depend on one independent authority to evaluate and optimize the production processes: the bluesign® standard. www.bluesign.com.

The bluesign® standard is the world’s most stringent environmental standard for textile products. Like an ecological “purity law”, only materials are accepted that present no harm to people and the environment.

Find out more at: www.bluesign.com

VAUDE produces high performance, top of the line products in accordance with the bluesign® standard for minimal environmental impact. We have been working together with bluesign® since 2001 and were the first outdoor supplier to launch a complete bluesign® certified base layer collection.

All environmental aspects of production are critically evaluated by bluesign® and optimized: energy and material use, water and air emissions, noise levels, wastes, as well as working conditions related to dangerous materials.

By analyzing all raw materials and chemical ingredients using an intelligent “Input Stream Management”, we can ensure that potentially hazardous substances are excluded from the production (rather than making random toxic substance tests on the finished end product).

By optimizing materials, as well as water and energy use, maximum resource productivity is achieved, and this throughout the entire production chain, from the chemical manufacturer, to the manufacturers of the fabrics, finishing treatments and garments and ending with the brand itself.
The bluesign® standard differentiates between two levels in its system:

At least 90% of the textile surface of the product must be bluesign® certified, especially inner and outer materials and all prints. The remaining 10% may not come into direct contact with the skin, and must fulfill the criteria and prescriptive limits of a bluesign® Restricted Substance List.

At least 95% of the textile surface of the product must be bluesign® certified, especially inner and outer materials and all prints. In addition, at least 30% of all other components must be bluesign® certified (zips, buttons, embroidery, etc). All other product components may not come into direct contact with skin and must fulfill the criteria and prescriptive limits of a bluesign® Restricted Substance List.

VAUDE Green Shape products are manufactured in both categories.

VAUDE Obereisenbach and our most important supplier VAUDE Vietnam are bluesign® audited and ISO14001 certified. bluesign® guarantees that no “substances of very high concern” (SVHC) as listed in the REACh- regulations (Registration, Evaluation and Authorisation of Chemicals) are included in our products. At bluesign®, many limits for hazardous materials are lower than the legal limits, and also lower than other common textile standards.

This goal continues to be a true challenge; bluesign® certified suppliers and materials are still just developing.

VAUDE Obereisenbach and our most important supplier VAUDE Vietnam are bluesign® audited and ISO14001 certified.

bluesign® guarantees that no “substances of very high concern” (SVHC) as listed in the REACh- regulations (Registration, Evaluation and Authorisation of Chemicals) are included in our products. At bluesign®, many limits for hazardous materials are lower than the legal limits, and also lower than other common textile standards.
8.3. Sales, Marketing and Logistics

8.3.1. Sales:
“Environmental Zones” in Retail

Our environmental activism is only truly sustainable when we are economically successful and can sell our products well. Above all, in sales it’s about raising customers’ awareness, because only an informed, aware customer is able and willing to take on responsibility with his/her purchases. The indirect environmental aspect “Sales” is an interface between retail and the customer. Therefore, it has a high degree of environmental relevance, and we have a high degree of influence over it.

As a pioneer in the branch, VAUDE was successful in making “Sustainability” a distinct theme in retail by giving it a separate sales area. Like the organic food aisle in a grocery store, “Sustainability” and our Green Shape Products are readily visible to pre-sensitized target groups as well as regular customers who had previously been indifferent.

VAUDE supports retailers with an extensive range of measures – first in line are naturally the Green Shape products themselves. But we also provide deco material, information brochures, posters, displays, etc.

Our own sales staff makes an invaluable contribution as opinion leaders to increasing the awareness of sustainability issues throughout the market and with our customers. It’s a win-win situation for everyone concerned: the market, retail, end customers and the environment.

8.3.2. Marketing:
Advertising without Greenwashing

"Do good and talk about it": VAUDE is clearly positioned as a sustainable company. This fact governs all of our company communications, both within the company and outwards. Their environmental relevance should not be underestimated, because we, as a company committed to environmentalism, have a role model and multiplicator effect on other companies, on our customers and on outdoor-loving people. In respect to all environmental aspects, we value these communications as a "means" to an end.

Our influence on this issue, and on the fact that categorically, no "greenwashing" is included in VAUDE marketing, is high. By this we mean that we do not find it necessary to make our brand image "greener" through special marketing efforts. We abstain from paying for highlighting individual sustainability activities or successes. Instead, we comply with the EMAS principals of being responsible, authentic, innovative and transparent, in our marketing practices as well.

So we are all the more pleased with the honors and awards that have come our way!
VAUDE works closely together with the “competition”, as well as with other “sustainable” sports and outdoor retailers. Together we design concepts for promoting products that are more eco-friendly and for promoting the overall theme of ecological and social responsibility in retail, for end-customers and in the media.

A comprehensive online marketing program is also included. On the VAUDE homepage, “Responsibility” is represented on an equal level with “Products”.

Issues related to sustainability are actively discussed on our VAUDE Facebook page.

The VAUDE Academy, our program for advanced training for employees and executives, offers a wide range of activities related to sustainability, including fuel-reduction training, climate neutrality, new eco-friendly materials in product development, and how VAUDE implements social responsibility in its manufacturing.

The News page of the VAUDE intranet is updated several times a week with news and tips. In the lobby of our headquarters in Obereisenbach, a monitor informs employees and visitors not only about the current data of the on-site photovoltaic installation (kWh current, kWh accumulated, CO₂-savings), but also about other sustainability issues at VAUDE.

8.3.3. Logistics:
Product Transport Routes

We live and work in a global world. Our products are transported long distances accounting for production of CO₂ before they end up at a customer’s doorstep. The majority of our products travel eco-friendly, primarily in container ships.

All logistics related to production in Obereisenbach is climate-neutral; this includes delivery of all materials, internal transport to the warehouse and shipping products to retailers.

The following three transport routes must be differentiated for in the transport of all VAUDE products:

Transport of Components and Materials to Manufacturers
We have a low level of influence on the transport of materials to our manufacturers. Nevertheless, we try to find production facilities that are as close as possible (and vice versa), and advocate environmentally friendly means of transportation.

Transport of Products from Manufacturers to VAUDE
About 95% of our products sold within Europe are transported by ship from the manufacturer to Hamburg, and from there by railway / truck to Obereisenbach. Transport via ship and train is ecological and makes the most sense. Custom laws and regulations permitting, goods are shipped directly from the manufacturer in Asia to the recipient country without passing through Obereisenbach; for example, within Asia.

Nevertheless, airfreight is sometimes necessary in order to deliver our products to our customers on time. Sometimes, organizational problems are a reason for this and we are constantly working on improvement in this area.

We are on our way, together with our logistics service providers, to reorganize our Supply Chain Management in terms of sustainability and management. In addition to transport, sales and packaging from a logistics standpoint are also included in this reorganization effort. Up until now, we have not put the influence we have on these environmental aspects to enough use.

Products from VAUDE to Customers
Our own warehouse in Obereisenbach provides us with a high degree of influence on this indirect environmental aspect. It has, however, already been largely optimized: shipping from the central warehouse Obereisenbach to our customers (retailers) includes volume optimization of box packaging and collection by truck.
8.4. Use Phase of our Products

VAUDE has limited influence on how customers use our products in the outdoors and on their way to the mountains, let alone how they wash their gear at home. However, the greatest percentage of a piece of outdoor apparel’s CO2 footprint (nearly 50%) originates during this usage phase! (see, for example, Exemplarische Bestandsaufnahme von THG-Emissionen in der textilen Prozesskette, Systain Consulting 2009)

We can, however, influence our customers by informing them and raising awareness of what they themselves can do. One way we can do this is through our website.

Product Guarantee and Durability

Products are the most sustainable when their quality is high enough to keep them functional to the longest extent possible before they need to be replaced by a new product.

VAUDE is traditionally well-known for its long-lasting products. This is sometimes jokingly referred to as a marketing disadvantage as our end consumers simply do not buy any new products as long as their old “favorite pieces” are still fully functional (even after 10 to 20 years). We use high quality materials and best production technologies. Quality, durability and design are the cornerstones of our product development. We make products that are enjoyed over a long time and that you can depend on. It’s a source of pride for us.

VAUDE apparel has a two-year guarantee, all other products and gear have a three-year guarantee. As a matter of course, with appropriate use and regular maintenance, our products hold up for much, much longer.

Product Maintenance and Repair

Outdoor products get sweaty and dirty – of course washing is necessary. We recommend an eco-friendly approach – at 30° C, with as little cleaning agent as possible and without using a dryer whenever possible. We recommend Nikwax products for cleaning and maintenance. They are environmentally friendly because they are water-based, solvent-free and fluorocarbon-free. Nikwax products do not need to be heated in a machine to develop their waterproofing values, saving energy and increasing the longevity and performance of your VAUDE products.

VAUDE is proud of its high quality and products. They are dependable, day-to-day companions, and are manufactured for intense use. We operate a large customer service and repair department at our Obereisenbach location. Retailers and end consumers can send in their products to be repaired.

Taking your rubbish along with you, leaving protected plants alone, keeping to designated trails and avoiding disturbing wildlife should be a given for every outdoor enthusiast.

Use in the Outdoors

Anyone who works or plays in the outdoors should be asking themselves what they can personally do to help protect the environment. We at VAUDE try to set a good example, by offering outdoor training courses, and by choosing partners that we can support to promote environmental accountability in the outdoors (such as the WWF Germany, the German Alpine Club and the Association of Nature and Forest Kindergartens).

Electronics and Batteries

These days, nobody wishes to do without their electronic gear, even in the mountains. GPS, mobile phones, and cameras are standards of modern outdoor equipment, not only for personal comfort, but for more safety in “the wild” as well. With VAUDE’s mobile solar chargers, you can recharge batteries using renewable sun energy. When they are used up, batteries should be disposed of with hazardous waste – they do not belong in the environment.

Mobility

Get outdoors – naturally! Your eco-friendliest option – by bike or train. Always asking yourself whether you can get something done without using the car – or by carpooling (such as with www.flinc.org) – pays. Of course, this goes for the daily commute to work as well. What VAUDE takes on itself to make the daily commute to more environmentally friendly is described in our Mobility Concept in chapter 6.1.
8.5. End of Product Life / FairWertung

Where does my product go when I'm finished with it?

The “Life End” of a product is a natural part of the product’s life cycle. What our customers do with their products when they are finished with them is an indirect environmental aspect over which VAUDE has almost no influence. In order to make meaningful re-use or recycling possible, VAUDE depends on premium quality and longevity in the design and selection of our materials.

Because of our awareness of this issue, and because we want to do the right thing when it comes to product end of life, VAUDE has been a pioneer in the “green movement”: we launched the “Ecolog Recycling Network” in 1994 as the first recycling system of its kind in the outdoor industry for pure sort polyester products. Ecolog products were technically designed so that they could be returned without difficulties into polyester fiber circulation and the Ecolog Recycling Network offered the necessary infrastructure to make it possible.

Because we did not receive enough used products to make the system sustainable, we had to discontinue the project. From a variety of studies, we know that you have to have sufficient amounts of collection goods to compensate for the logistical effort of recycling. And that individual brands with their own recycling systems can only ever fill a niche and make a small difference in the consumption of raw materials and the amount of products a customer returns.

Nevertheless, we as a manufacturer, intend to meet our responsibilities for the entire life cycle of a VAUDE product – including its “end of life.”

Therefore we are working together with the FairWertung Association. FairWertung is a German-wide network of over 100 nonprofit organizations. It has developed new standards for clothing collection and has been dedicated to more transparency and accountability in the collection and recycling of used textiles since 1994.

Through FairWertung, our products can have a second life as second-hand clothing or gear. What the non-profit organizations do not use themselves, they sell to textile recycling companies and use the revenues to finance social projects.

During the German Sustainability Action Week, VAUDE employees cleared out their closets and collect used clothing, sleeping bags, backpacks and shoes to benefit the FairWertung Organization.

At www.fairwertung.de you can find more information, including which FairWertung Organizations in various regions accept used products and where FairWertung containers are located.

In addition, VAUDE is actively working with the Sustainability Working Group of the European Outdoor Group (EOG) industry association to make our customers more aware of the issue of “End of Product Life”.

Andreas Voget / CEO FairWertung:

“We welcome VAUDE’s commitment to improving the sustainability of textile products. A conscientious handling of waste textiles is part of a sustainable lifestyle, has social uses, and conserves resources.”
CHAPTER 9

Social Responsibility
9.1. Get the Spirit:
VAUDE Obereisenbach

VAUDE is a family-owned business. This is expressed not only in the ownership by the family of Dewitz. Much more so, it’s the basis for one of our key corporate values:

“Family Company”

As a company, we see ourselves as a family; our employees and colleagues worldwide are considered as our relatives. With common values, a lively team spirit, and an open invitation for all outdoor enthusiasts to become a part of our happy family.

We work together and learn together in order to continue to develop ourselves and the VAUDE company. The basis for our cooperation is our positive view of human nature, that people are basically self-motivated. They enjoy the effort of putting their skills to use and are happy to take on responsibilities. We trust our employees and encourage them, support them and challenge them so that they both motivated and able to perform at their own personal best.

The VAUDE Academy offers all employees free training on various topics including communicating our vision and values, knowledge of the major players in the outdoor branch and the market, business-related content, organization and leadership, product expertise, quality management, environmental management, production and production sites. It also organizes mountain tours and bike tours, provides safety training as well as runs health promotion programs such as informal bike events, swim events, running events, bouldering and yoga.

On average, each VAUDE employee attends six hours of professional development training per year. We support our 18 interns with 11.5 hours of continuing education per year.

The goal of our human resource development is to credibly incorporate and live the VAUDE Spirit at all levels of the company. A company spirit arises only when it is lived. VAUDE’s senior management takes on personal responsibility for the VAUDE culture both inside and outside the company, ensuring that it is visible: We take on responsibility for people and nature.

In addition, “family business” means that the balance between family and/or private life with a career has a very high priority at VAUDE. For VAUDE the personal lives of our colleagues are important as well. We strive to find common solutions to meet the needs of their private lives as well. VAUDE offers individualized working models, home offices and part-time jobs.

Especially in rural areas, reliable child care is a key factor in successfully combining work and family. The VAUDE Kinderhaus has provided exemplary childcare services since 2001. 31 children between six months and 10 years are cared for in a nursery and a mixed age group with after-school supervision.

By the way: The birthrate at VAUDE has tripled since the opening of the Kinderhaus Child Care Center and is now three times higher than the German national average!
9.2. Social Responsibility in Production Worldwide

VAUDE is proud of its “Made in Germany” products that are manufactured at our climate-neutral facilities in Obereisenbach, Germany.

A large percentage of our merchandise, however, is produced outside of Germany, much of it in Asia. VAUDE has a long tradition of partnerships, accountable and personal business relationships with our (primarily) longterm manufacturers.

VAUDE has been a member of the independent multi-stakeholder organization Fair Wear Foundation since 2010. This membership assures that fair working conditions in our production facilities are closely monitored. As a multi-stakeholder initiative, the Fair Wear Foundation verifies the progress that we, together with our foreign business partners, achieve for improved working conditions.

Two major rationales convinced us to join the Fair Wear Foundation: First, the monitoring of working conditions is not only based on selective audits, but on a comprehensive management system. This system gradually optimizes all operational procedures, timelines and responsibilities for the production at the company headquarters so that the company can plan long term. This allows us, for example, to avoid overtime in production due to late ordering by already integrating this aspect when planning the collection.

On the other hand, the Fair Wear Foundation system is based on the principle of shared responsibility between VAUDE and the management of production facilities, whose understanding of and active participation in improvement measures is imperative for success. Together with the Fair Wear Foundation and local management, we devise a corrective action plan for necessary improvements for each production operation, which we then implement together. The Fair Wear Foundation regularly verifies the progress made.

As a member of the Fair Wear Foundation, we have committed ourselves to strict standards based on the International Labour Organization (ILO) in all of our production facilities:

1. Employment is freely chosen
2. No discrimination in employment
3. No exploitation of child labour
4. Freedom of association and the right to collective bargaining
5. Payment of a living wage
6. No excessive working hours
7. Safe and healthy working conditions
8. Legally binding employment relationship

The full Code of Labour Practices from the Fair Wear Foundation can be downloaded from our website:

9.3. Good Partners:
Collaboration with Manufacturers

The VAUDE brand and its products stand for mountain sports expertise, innovation and social and environmental responsibility. We demand long-lasting durability, functionality and highest quality from our products. Our product development, choice of producers and product manufacturing must meet these standards as well.

We traditionally have a strong interest in building up long-term relationships with our manufacturers. Instead of a “hire and fire” policy, we build up over the years an in-depth joint understanding of common quality standards, as well as a durable mutual base of trust that is imperative for an open and constructive cooperation, allowing us to follow a common path. Occasionally, “the road may get bumpy” in every respect. Yet before we make any decisions to part ways with a producer, we try hard to improve cooperation. This applies to reliability, price policy and communications, as well as quality, environmental and social standards.

We have worked together for five or more years with almost 70% of our producers.
We have worked together for more than 10 years with nearly 30% of our apparel producers.

Environmental and social criteria play a critical role in the selection of new suppliers as well. VAUDE always works directly with all manufacturers, rather than hiring agencies.

All manufacturers must sign the Code of Labour Practices as well as the quality manual as parts of their contract. If a manufacturer already has other environmental or social certifications, these will be considered for the evaluation. Before a new manufacturer is contracted, the VAUDE production manager, who is also a member of the VAUDE CSR Team, visits the facilities.

We develop and produce two collections a year (Summer and Winter), except in the Packs ‘n Bags segment, which has four collections a year.

When collaborating with a manufacturer, the product technical arrangements as well as our planning process (forecasting) are important. Here we define early on model, color and size quantities to be produced. We require from our sales department an early, detailed and authoritative planning of pre-and re-order quantities. The purchasing department compares our planned quantities with the manufacturer’s capacities, and talks through with them whether and in what time these can be realized. The better our forecasts are, the better the production facility can plan, and the less unscheduled overtime is accumulated during production.

The prices are also set at an early stage in negotiations with the manufacturer.
9.4. Fair Work: Monitoring

Any system is only as good as it is also put into practice. As a member of the Fair Wear Foundation the principal of shared responsibility applies to VAUDE and its manufacturers: We support our manufacturers in the continuous improvement of working conditions. At the same time, we are working on our own processes, for example, to create the conditions necessary that our contractors can deliver on time without having to pay excessive overtime.

Our monitoring system meets the requirements of the Fair Wear Foundation. In an annual work plan and in collaboration with the Fair Wear Foundation, we determine which manufacturers will be audited in the following year.

During each audit, the social standards of the Code of Labour Practices and other aspects of the implementation of the monitoring are checked. The audit team consists of independent, local employees or agents of the Fair Wear Foundation.

After each audit, a binding action plan (Corrective Action Plan, CAP) is jointly agreed upon with the audit team and the management of each production facility. The implementation of the measures referred to therein is continuously supervised by VAUDE quality manager on site. This report is sent at regular intervals to the VAUDE production manager. When difficulties arise in implementing the plan, we always search for joint solutions.

During the year, each supplier is visited personally by VAUDE staff. During these visits, the implementation of the CAP is addressed and, if specified, further measures and the next audit date is determined, in addition to addressing the usual quality issues.

At their own discretion, the Fair Wear Foundation sets follow-up audits in which progress in the implementation of the CAPs is assessed and the CAP is updated.

All VAUDE manufacturers have the Code of Labour Practice posted in their own language for their employees. It includes the contact information for the complaints office of the Fair Wear Foundation:

When problems arise, each employee can contact a local trusted person who will examine the facts and forwards them to VAUDE and the Fair Wear Foundation. The employee remains anonymous to his employer. The clarification and correction of the problem by VAUDE and the suppliers is then carefully assessed by the Fair Wear Foundation.

In an annual Performance Check, the Fair Wear Foundation assesses how the monitoring system is integrated into the daily work processes at VAUDE.

The results are published at the Fair Wear Foundation website:

http://www.fairwear.org/506/resources/

### Audited Production Facilities in 2012

<table>
<thead>
<tr>
<th>Manufacturer</th>
<th>Country</th>
<th>Audit Date</th>
<th>Initial Audit / Renewal Audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>V1</td>
<td>Vietnam</td>
<td>Oct 12</td>
<td>Renewal Audit</td>
</tr>
<tr>
<td>V2</td>
<td>Vietnam</td>
<td>May 12</td>
<td>Initial Audit</td>
</tr>
<tr>
<td>V3</td>
<td>Vietnam</td>
<td>May 12</td>
<td>Initial Audit</td>
</tr>
<tr>
<td>V4</td>
<td>Vietnam</td>
<td>May 12</td>
<td>Initial Audit</td>
</tr>
<tr>
<td>V5</td>
<td>Vietnam</td>
<td>May 12</td>
<td>Initial Audit</td>
</tr>
<tr>
<td>V6</td>
<td>Vietnam</td>
<td>Dec 12</td>
<td>Initial Audit</td>
</tr>
<tr>
<td>C2</td>
<td>China</td>
<td>Aug 12</td>
<td>Initial Audit</td>
</tr>
<tr>
<td>C3</td>
<td>China</td>
<td>Nov 12</td>
<td>Initial Audit</td>
</tr>
<tr>
<td>C4</td>
<td>China</td>
<td>Nov 12</td>
<td>Initial Audit</td>
</tr>
</tbody>
</table>

Based on the work plan that we developed together with the Fair Wear Foundation for the year 2012, the focus of our work last year focused on the following issues:

#### 9.4.1. Renewal Audits

Following the initial audit of the production facilities VAUDE Vietnam and Huade in China by the Fair Wear Foundation in 2011, a renewal audit of our supplier VAUDE Vietnam was next in line. The first renewal audit for the VAUDE production facility Huade in China will take place in mid 2013. Both facilities produce for VAUDE exclusively and are responsible for a total of 93% (units) of the VAUDE backpacks.

Audit results are explained in chapter 9.5.
9.4.2. Initial Audits

In 2011 we concentrated on our backpack suppliers; in 2012 clothing suppliers only were audited.

In total, eight audits were held, five in Vietnam and three in China. The eight production facilities produced 37% of all VAUDE clothing.

We audited one of our production facilities in China together with four other outdoor brands which are also members of the Fair Wear Foundation. Of course, we are in direct competition in the market; but in monitoring working conditions in production, we’re all in the same boat. Close cooperation in this issue is therefore not only more efficient, but also makes more sense for the improvement of the situation on-site.

In 2013 another three initial audits will take place – three in Vietnam and five in China. The results will be published in the 2014 Sustainability Report.

9.4.3. Myanmar

Under the previous policy of the Fair Wear Foundation, VAUDE was obliged to stop production in Myanmar by the end of 2012.

With the election of the Myanmar Parliament in April 2012, however, the situation fundamentally changed. In response to this election, the European Union decided to suspend its Myanmar embargo for one year (weapons excepted). The goal is to strengthen the reform movement in the country.

In August 2012 after thorough research, the Fair Wear Foundation adopted the EU’s position.

Fair Wear’s policy paper can be downloaded at:


For VAUDE, this means an “exit” from the “exit” – at least for one year.

The production facility in Myanmar is one of our longest-standing Taiwanese contractors. In Myanmar itself, VAUDE products have been continuously manufactured since 2002. We appreciate the high quality standards there and assess the work situation of the 1,050 workers to be very stable. In 2010 the company was certified under the SA8000 standards. Also, to avoid jeopardizing jobs there we would like to maintain our collaboration with the company.

The final decision of the Fair Wear Foundation regarding their policy on Burma is expected in mid-2013 – following the EU’s decision. We will adhere to the Fair Wear Foundation’s Myanmar Policy.

9.4.4. Monitoring On-Site

To improve audit tracking and the systematization of action plan implementation, we have increased the involvement of our own employees on-site in China and Vietnam.

We have increased the teams with personnel and trained each quality manager in Vietnam and China extensively on CSR and social standards. All our staff in Asia are local people who are very familiar with culture and language as well as the national, regional and local regulations.

With these training measures, we offer our production facilities direct assistance in social standard implementation.

Action plan implementation is coordinated through our office in Shanghai. Audited facilities report to this office on all actions taken and receive support when problems arise.

9.4.5. Internal Procedures

In order to firmly establish the FWF’s monitoring system throughout the company and – in particular in all of our product development and production processes – we have conducted a series of internal briefings and training. To this purpose we use the intranet, the VAUDE Academy and our half-yearly Sales Meetings for the entire international sales department.
9.5. Audit Results: Vietnam

In 2012 six audits were conducted in Vietnam, including one renewal audit of VAUDE Vietnam and five initial audits. In the following section, we will explain the results based on the individual social standards of the Fair Wear Foundation.

(1) Employment is freely chosen:

To determine whether forced labour is taking place, the Fair Wear Foundation asks the following questions:

- How are workers recruited?
- Are legal regulations followed?
- Upon commencement of employment, do workers have to pay a security deposit or give their ID?
- In what intervals are salary payments made? Are there cases where salary payments haven’t been made yet?
- Are the employees allowed to move freely (take breaks for drinking, using the toilet, leaving the factory premises)?

The Fair Wear Foundation found no deficiencies in any of the audited facilities.

(2) No Discrimination:

Discussions with local stakeholders revealed that discrimination in the workplace is not a major issue in Vietnam. The Fair Wear Foundation found no deficiencies here.

(3) No exploitation of child labour:

No deficiencies.

(4) Freedom of Association and the Right to Collective Bargaining:

Workers in Vietnam are often not aware of their employee representative’s role nor of their own rights. In some cases, the representatives were not legitimately elected but rather determined by the management.

We are pleased that two of our audited facilities were designated with “Good Practices” by the Fair Wear Foundation.

Because of the fact that, in most facilities, VAUDE is only one client among many, our influence is at times limited. With education and support of the employees on their right to collective bargaining, we see an opportunity to give the workers the right tools at hand to improve their working conditions for themselves. Fair Wear Foundation has developed a “Workplace Education Program” (WEP). VAUDE supports the implementation of this program at our manufacturers. We will continuing to focus our work here.

In general, it has been established that for the clothing industry, the proportion of women in the factories amounts to 68% to 75%. VAUDE Vietnam plans to establish its own childcare center and is working on implementing this.
(5) Payment of a living wage:

Payment of a living wage is a long-term goal of the Fair Wear Foundation and represents one of its biggest challenges.

First, a universally accepted definition of what constitutes a "living wage" in each country – and sometimes even in each region – must be found. Currently, the Fair Wear Foundation draws upon the projections of the Asia Floor Wage (http://asiafloorwage.org).

However, in the development of the Asia Floor Wage, the varying living conditions in Vietnamese regions were not considered. Without a differentiated calculation for Vietnam, it is questionable whether the Asia Floor Wage accurately reflects the actual "living wages" for Vietnam.

With its membership in the Fear Wear Foundation, VAUDE has made a long-term commitment to the payment of a living wage. In order to put this challenge into practice, we – together with the EOG (European Outdoor Group) – have initiated a project with the Fair Wear Foundation. Along with several other European outdoor brands, we want to identify the wage situations in different production facilities and compare these with existing standards for a living wage. In addition, how an increase in production facility wages would affect the product prices for brands, retailers and end consumers should be clarified. We will report on the results of this project in our future Sustainability Reports and on our homepage.

The Fair Wear Foundation has developed the "Wage Ladder" to represent wages. Two examples of wage ladders from recent audits are shown here. They include wages for each department: the yellow column shows the breadth of all wages paid in each department, and the red line shows the most widely paid wages.
Wage Ladder (V3): Wages for a regular working week of 48 hours

- **Asia Floor Wage 1)**
- **Minimum Wage 2)**
- **Basic Needs Wage 3)**

- **Sewing**: 211 workers (100% female)
- **Cutting**: 19 workers (42% female)
- **Ironing**: 24 workers (0% female)
- **QC**: 29 workers (55% female)
- **Storage**: 10 workers (70% female)
- **Packing**: 10 workers (70% female)

Amounts in Dong (VND), amounts are before tax, data per 17 May 2012.

1) Requirements of the Asia Floor Wage Campaign (February 2012)
2) Regional legal minimum wage (October 2011)
3) SAI calculation for local minimum wage (Basic Need Wage) (December 2010)
Wage Ladder (V5): wages for a regular working week of 48 hours

- **Asia Floor Wage 1)**
- **CBA 2)**
- **Minimum Wage 3)**

<table>
<thead>
<tr>
<th>Department</th>
<th>Workers</th>
<th>Gender Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewing</td>
<td>42</td>
<td>52% female</td>
</tr>
<tr>
<td>Cutting</td>
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<td>93% female</td>
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<td>Packing</td>
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<tr>
<td>QC</td>
<td>32</td>
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</tr>
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<td>Embroidery</td>
<td>17</td>
<td>68% female</td>
</tr>
</tbody>
</table>

Amounts in Dong (VND), amounts are before tax data per 17 May 2012.

1) Requirements of the Asia Floor Wage Campaign (Feb. 2012)
2) Collective negotiated wage V5 (May 2012)
3) Regional legal minimum wage (May 2012)
(6) No excessive working hours:

According to the Labour Law in Vietnam, there may be no more than 4 hours of overtime per day, 16 hours of overtime per week and 300 hours of overtime per year. The FWF has also set a limit of 60 working hours per week in its Code of Labour Practices. Employees do not work on Sundays to comply with the legal regulations of one day of rest day per week.

In one production facility, overtime limits were exceeded and there were instances of working on Sundays. The management justified this with customer orders made on short notice. Overtime is however not mandatory and is always announced one week in advance.

At the VAUDE Vietnam renewal audit, no major overtime hours or Sunday work occurred in 2012.

(7) Safe and healthy working environment:

An important point that has been criticized in almost all production facilities is the inadequate training of workers on occupational safety in the workplace. All workers must be trained on this subject before starting work. In addition, there should also be annual refresher training for all employees.

In one facility, it was found that not all employees wore the requisite protective equipment, such as dust masks for sewing and hearing protection in the embroidery room. Unfortunately, many workers are often not aware of how important it is to wear protective equipment for their own health, and therefore do not always adhere to guidelines. To better communicate this with employees, the aforementioned training programs should be used.

Protective equipment necessary for specific jobs must be provided free of charge to workers. There was one deficiency in this area on one production facility.

In order to determine what protective equipment is necessary for a particular workplace, the analysis of each work environment is important. Factors such as traffic noise, fumes and dust must be determined. The Fair Wear Foundation found fault with the method of analysis in one facility.

Often the necessary personnel structures were lacking to integrate safety issues within the facility and ensure the necessary contact partner. In almost all audited facilities there is room for improvement here.

The accurate documentation of work accidents is also important in order to convey the claims of the injured employee and reveal possible safety problems. The employee representative must be involved in internal investigation processes. There was one Fair Wear Foundation deficiency in one facility.

Fire safety is an extremely important issue in production worldwide. At VAUDE, we take fire safety – both in Germany and in foreign production facilities – very seriously. Sensibility for this issue has increased even more for this issue following the harrowing disasters in Bangladesh and Pakistan recently in the media.

In three production facilities there were no complaints at all on the issue of fire safety, including at VAUDE Vietnam. In one facility it was determined that some fire extinguishers were no longer operational.

Access to emergency exits for workers may not be blocked at any time by products or worktables. Minimum distance to the ceilings, electrical equipment and fire alarm call points must be adhered to. There were Fair Wear Foundation complaints in two facilities.

In one facility there were discrepancies in relation to the fire alarm system and the fire extinguishing system. Here, the local fire department found defects during an inspection. These had not been resolved by the time of the audit. Following the prompts of the Fair Wear Foundation, all demands from the fire departments were implemented by July 2012.

(8) Legally binding employment relationship:

No deficiencies.

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VAUDE does not operate in Bangladesh. Nevertheless, the procedures and measures the Fair Wear Foundation describes in this document are valid for VAUDE facilities as well.

The Fair Wear Foundation has developed a current paper on this issue: www.fairwear.org/ul/cms/fck-uploaded/documents/labourstandards/FWF-FireandBuildingSafetyMay2013.pdf
9.6. Audit Results: China

In 2012 three audits in China were conducted. All three audits were initial audits of clothing producers. One audit was conducted in collaboration with four of our competitors.

(1) No forced labour:

No deficiencies.

(2) No discrimination:

No deficiencies.

(3) No exploitation of child labour:

In one facility, four young workers between the ages of 16 and 18 years were employed. The minimum age required by the Chinese Youth Protection Act is 16 years. The employment of minors is dependent upon special conditions, such as additional health checks. These were not completely fulfilled in one facility.

(4) Freedom of association and the right to collective bargaining:

Freedom of association is severely restricted by legislation in China. Thus, all workers’ organizations need to be a member of the ACTU (All China Federation of Trade Union) which is largely influenced by government and employers.

In Chinese production facilities the situation is similar to that in Vietnam. Most workers do not know their rights, and existing associations are often controlled by management. Employee representatives were democratically elected by the workers in only one of the audited companies. The employee representatives said that this election took place as a result of a social audit. However, they reported that they were not able to actually negotiate with the management because they often felt intimidated by management.

VAUDE recognizes a need to help employees in acting on their rights, as explained above for Vietnam: “Help them help themselves” by providing information and employee training on their rights, with the help of the Fair Wear Foundation’s Workplace Education Program.

(5) Payment of a living wage:

The Fair Wear Foundation also uses the Asia Floor Wage for its standards in ensuring a living wage.

In talks with those involved on-site, the Fair Wear Foundation found that China has the highest gross domestic product (GDP) per person of all Southeast Asian countries. At the same time, it also has the broadest spectrum of paid wages, i.e. there is a high degree of social inequality.

Another problem is that income often only covers the family’s needs during the high season. During the off-season period, when less hours are worked, this is much more difficult to guarantee.

For two audited facilities, two Wage Ladders were made:

- Wage situation for a regular 40 hour week
- Work week including paid overtime

For the third audited facility, the Fair Wear Foundation did not make a Wage Ladder because the official wage conditions did not signify an official salary statement. In the audits, special note was made of this issue.
Wage Ladder (C3): wages for a regular working week of 40 hours

Cutting: 13 female, 6 male
Sewing: 172 female, 40 male
Ironing: 4 female, 8 male
Inspection: 48 female, 2 male
Packing: 10 female, 2 male

amounts in Chinese Yuan (CNY)

2244 Asia Floor Wage 1)
2049 Average Wage Migrants 2)
1050 Minimum Wage (Fuqing) 3)

1) Requirements of the der Asia Floor Wage Campaign (February 2012)
2) National average wage for an 8-hour work day for migrant workers (National Bureau of Statistics of China, May 2012)
3) Regional legal minimum wage (November 2012)
(6) No excessive working hours:

According to legal regulations in China, a maximum of three hours of overtime per day can be set in consultation with unions and workers in exceptional cases. No more than 16 overtime hours may be worked per week, and no more than 36 hours per month. The Fair Wear Foundation also stipulates in its Code of Labour Practices that the work week shall not comprise more than 60 hours.

On this issue, The Fair Wear Foundation audit team relies particularly on information that comes from workers interviewed outside the premises, where the workers can be assured of anonymity and express themselves freely.

In all three facilities, auditors found that, particularly in the high season, legal overtime standards were at times exceeded. Facility managers placed the blame for these violations on orders placed on short notice and a scheduled delivery period from customers that was too short. VAUDE therefore (in 2011) revised its forecast process and offers the facilities longer-term planning.

In an interview with local organizations, the Fair Wear Foundation was informed that in the apparel industry, infractions against overtime standards occur frequently. In many cases, however, the workers themselves want to work longer to improve their income.

(7) Safe and healthy working environment:

In two facilities, mandatory protective equipment was not worn. In one facility, mandatory training for the safe handling of chemicals was lacking. The management asserted that the deficiencies would be remedied within one month.

There were violations in two facilities regarding the storage of chemicals. The chemical storage in one facility was not equipped with the necessary fire extinguishing system. Sufficient fire extinguishers and a sprinkler system had to be installed immediately.

In two facilities there had been no occupational health management program at the time of the audit. The Fair Wear Foundation recommended that the production facilities introduce an ergonomic program including a gymnastics program for motion compensation.

In one facility a violation was found that the screen printing department had not conducted air quality tests. This test will be conducted once a year in the future to detect toxic and harmful fumes.

(8) Legally binding employment relationship:

In the garment industry in China written contracts are often neglected, which was also confirmed by local organization.

In some audited facilities, not all employees were provided with health insurance, in accordance with the legal provisions with sickness-, accident-, long term care-, pension- and unemployment-insurance.
9.7. Summary of Audit Results

We recognize VAUDE’s responsibility for the conditions under which our products are made. We want products that can be worn with satisfaction and a clear conscience.

The Fair Wear Foundation audits provide us with an independent, critical yet constructive monitoring system. From the CAPs, we can see that in several facilities, there is room for improvement. We are pleased about the progress that has been made in some facilities. Together with the owners and/or management of our production facilities, we are working to gradually improve social standards.

For the Fair Wear Foundation, in addition to the eight Code of Labour Practices standards, other aspects regarding organization, communication and the management process play an important role.

- **General VAUDE purchasing practices**
This category reviews the basis on which VAUDE collaborates with its suppliers. There were no objections made by the Fear Wear Foundation. However, the payment of a living wage continues to be a major challenge for the production facilities. As described above, VAUDE is working in a joint project of the Fair Wear Foundation with the European Outdoor Group intensively on this issue.

- **VAUDE Monitoring System**
The Fair Wear Foundation reviews the form and extent that a substantive exchange on the issue of social standards between VAUDE and the production facility has taken place. Data provided by the management and written documentation are used for this purpose.

In some action plans it was simply noted that this was an initial audit and that both parties should work jointly on the outcomes.

### Production Facility Management System
The Fair Wear Foundation monitors whether the production facility has a management approach to specifically guide the improvement of working conditions. This includes, for example, the correct written documentation of working hours and wages, which did not exist in all facilities.

### Communication
Internal communication within each production facility in regards to the Code of Labour Practices with it employees and the collaboration with the Fair Wear Foundation is observed in general. Labour standards and the content of audit reports were often not sufficiently distributed to employees.

To sum up, the 2012 audits show that our biggest challenge continues to include the issues of a living wage, overtime and employee safety. We will therefore place a special focus on these issues next year.

<table>
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<th>Corrective Action Plan:</th>
<th>Factory:</th>
<th>V1</th>
<th>V2</th>
<th>V3</th>
<th>V4</th>
<th>V5</th>
<th>V6</th>
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<th>C2</th>
<th>C3</th>
<th>C4</th>
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Employment is freely chosen
No discrimination in employment
No exploitation of child labour (p. 59)
Monitoring system of FWF affiliate
Legally binding employment relationship
Management system of factory
Sourcing practice of FWF affiliate
Freedom of association and the right to collective bargaining
Communication and consultation
Payment of a living wage
Reasonable hours of work
Safe and healthy working environment

Findings:

Factory:
Vietnam
China

Number of deficiencies per production facility and country

Number of deficiencies per Labor standard / Management aspect for all Audits 2012
(Self-)critical & constructive: Partner and References
VAUDE is committed to making (y)our world a better place. We want our work to be socially and environmentally sustainable as well as transparent. We are making use of opportunities to talk about our activities in order to find more supporters and raise awareness for our business partners and customers. We are reporting openly and honestly about our successes and the challenges we face in this Sustainability Report.

As a member of the Fair Wear Foundation, we attend the annual multi-stakeholder meeting and work with German members there, and with all members at the Members Day event. By continuing to put environmental protection and social responsibility on the agenda in our industry associations, we are working toward these issues becoming deeply rooted in the industry.

We take part in public debates and answer questions from critical audiences, such as the German Protestant Church Congress (Deutscher Evangelischer Kirchentag) 2013 in Hamburg:

At the “Schick und Fair” (Chic and Fair) podium discussion of the Youth Centre with over 1,500 participants, VAUDE CSR Manager Hilke Patzwall sought critical dialogue with the public and the Clean Clothes Campaign on the issue “Fair Working Conditions in Production”. A vivid exchange was continued in the foyer of the overfilled house.

During the Kirchentag event, VAUDE CEO Antje von Dewitz joined a panel discussion with Daimler and Eon board members to discuss the “Sense of Economic Management – Corporate Responsibility”.

Bernd Hinzmann / INKOTA-network, Clean Clothes Campaign:

“With its membership in the Fair Wear Foundation, VAUDE has made progress in terms of social standards. It is, however, aware of its responsibility. There is still a lot to improve in the global supply chain. As a civil society, we welcome the fact that VAUDE is seeking critical dialogue on human rights at work and on the question of a living wage – such as the German Protestant Church Congress in Hamburg 2013.”

Dr. Antje von Dewitz, CEO:

“It has been now proven that mixed work teams are more creative and make more sustainable decisions. Nevertheless, women continue to be underrepresented in leadership positions. I think this is due to traditional, predominantly male-dominated corporate cultures. Women need different employment conditions in order to have the desire and/or ability to achieve their full potential.

VAUDE has been working for over ten years to create the occupational conditions necessary for women – and men – to pursue a work-life balance. These include, for example, our on-site childcare center as well as all varieties of part-time, job sharing and home office employment options.

But building and sustaining a family-friendly, equal-opportunity culture is a complex and costly process that few companies are willing to take on. Without pressure, things will not change. I therefore support a women’s quota. The time is ripe.”

Dr. Antje von Dewitz, CEO:
In addition to many events and networks on ethical and social issues, VAUDE is also active in the field of environmental protection far beyond their own organizational boundaries – often together with competent partners:

VAUDE is committed to conserving nature and protecting it for the outdoor experience, and has found the ideal partner to further this cause: the World Wide Fund for Nature (WWF). This association is one of Germany's largest independent environmental conservation organizations and also one of the most active.

1% of revenues generated from the VAUDE Green Shape Collection in Germany and Austria (approx. 60% of sales), Czechia, Slovenia, Slovakia flows directly into WWF environmental protection projects. This money is used to finance projects such as WWF youth projects, and projects in one of the most important biodiversity hotspots of the world – the Caucasus.

VAUDE outfits the WWF-Team with apparel and gear for use outdoors. In addition, as a partner, the WWF also serves as an expert advisor to VAUDE on key environmental issues. This, for example, has led to the development of a joint paper policy in which VAUDE has pledged to only use recycled paper or FSC certified paper.

VAUDE executive and leader of the VAUDE CSR team as well as Chief Sales Officer, Jan Lorch, works on the board of the European Outdoor Conservation Association (EOCA). EOCA is the European Outdoor Branch’s environmental protection organization. Each year, this association initiates a highly remunerated competition for environmental protection projects.

Several environmental protection projects supported by VAUDE have won this price, the money flowing 100 % into the projects:

- 2008 construction of a trans-border hiking trail in the Shebenik-Jablanica mountains in Albania / Macedonia by Euronatur
- 2009 Brown bear conservation project in the Cantabrian Mountains in Spain by Euronatur
- 2013 Mountain bike trail in Transylvania / Rumania by Adept

Reports on the VAUDE EOCA projects can be found online at:
www.vaude.com/en-GB/Responsibility/Environmental-Protection/EOCA-Projects

VAUDE has been an official outfitter of the German Alpine Club for years – the only sports association that is also officially recognized as an environmental protection association.

VAUDE employees taking part in the “DAV Forest Protection Initiative” are released to 50% from work in order to participate. During this activity that takes place every year, members and friends of the DAV plant hundreds of trees and bushes in the Alps to help prevent soil erosion and reduce avalanche danger, making an important contribution to the preservation of the sensitive alpine ecological balance and the diversity of species. In addition, they learn more about eco-friendly behavior and the expert use of outdoor products.

VAUDE is a partner of the Bundesverband der Natur- und Waldkindergärten (German National Association of Forest Kindergartens): committed to raising kids close to nature and the ongoing, hard-core testing of VAUDE products.

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VAUDE is both a founding member and active member of the board of directors of the Sustainability Working Group of the European Outdoor Group, the European branch association for the Outdoor Industry. In this group, the branch works together for solutions and "best practices". Hilke Patzwall, VAUDE’s CSR Manager, is a member of the Sustainability Working Group’s Management Team.

In addition to important issues such as international environmentally legal regulation and common recycling solutions, we have worked intensively on the development of the Higg Index, an instrument for evaluating the environmental friendliness of clothing and sports gear. At this time, manufacturers are using this instrument for voluntary internal evaluation of their products and it is in the process of intensive further development.

Read more about the Higg Index:
www.apparelcoalition.org

Jan Lorch (VAUDE Member and Sustainability Representative of the board, International Sales Officer) works as a member of the EOG Advisory Panel. This group advises the EOG board in all CSR issues.

Other major networks are the German working group for environmentally friendly management, BAUM e.V. and the Council for Sustainable Development, a federal government advisory board for sustainability issues. As one of the few mid-sized businesses to do so, VAUDE has supported the Council for Sustainable Development in the development of the German Sustainability Code, and in the spring of 2012 signed on as one of the first German companies to the declaration of compliance to this Code. This has ensured that VAUDE is playing in the premier league of companies committed to greater sustainability, and who make their commitment to mandatory criteria both transparent and public.

More Information:
www.deutscher-nachhaltigkeitskodex.de
CHAPTER 11

Social and Environmental Responsibility – our goals for 2015
Our top goal is to become Europe's most sustainable Outdoor brand by 2015. We are working continuously, systematically and holistically to achieve this.

We are working on this goal within the VAUDE ecosystem, the individual phases of the product life cycle, as well as the company itself.

We have defined our stakeholder groups and our important CSR fields of action for every stakeholder group.

We stipulate an ambitious CSR program annually with specific and measurable goals.

Each department at VAUDE is responsible for the fulfillment of these goals with the active support of the VAUDE CSR Team. In part, goal achievement is recognized with bonuses. In addition, goals are audited annually by an independent EMAS environmental consultant.

The results of our goals and substantiation from the last year are explained in the corresponding chapters of this Sustainability Report. With few exceptions we have met all of our goals. The following is a summary of our sustainability goals to 2015.

Becoming Europe’s most sustainable outdoor brand

RETAILERS
• Fair, long-term partnerships
• Regular training
• Collection, decor and information materials for ecological shop premises
• Collaborative awareness-raising for ecological and social issues

CUSTOMERS
• Performance meets ecology: VAUDE Green Shape Collection made from sustainable materials and resource-conserving manufacturing
• Tips for care and longevity of products
• Repair service
• Access to a recycling network
• Recommendations on environmental protection in collaboration with the WWF and DAV
• Advice and information on sustainability issues
• Transparent dialog on ecological and social issues
• Comprehensive quality management

EMPLOYEES
• Worklife Balance
• VAUDE Childcare Center
• Eco-friendly mobility
• Individualized training
• Team-based company culture

HEADQUARTERS & SURROUNDINGS
• Climate-neutral company headquarters
• Environmental management system
• Biodiversity management
• Independent monitoring and certification
• Use of recycled paper
• Production and use of green electricity
• Operation of the local outdoor swimming pool
• Collaboration with social institutions
• Social and ecological requirements for service providers

PRODUCERS
• Fair, long-term partnerships
• Monitoring of social standards as a member of the Fair Wear Foundation
• Strict management of harmful substances with the bluesign® Standard
VAUDE Climate Protection Goals:

**Mobility:**
- We will commute at least 45,000 km in 2013 by bike.
- We will reduce our emissions stemming from corporate travel by 20% based on 2011 by the year 2015.
- We will reduce fuel consumption for our company fleet according to manufacturing specifications by 5% based on 2008 figures by the year 2015.
- We will reduce emissions stemming from commuting by 10% by the year 2014, and compensate for all remaining emissions to make them climate neutral.

**Paper Consumption:**
- We will transition all remaining paper to 100% recycled paper by 2015.
- We will increase our use of online media to reduce the amount of printed advertising materials and the emissions stemming from them by another 20% (based on 2012).

**Energy:**
- With the help of our Energy Management Program, we will reduce our electricity consumption by another 20% by 2015 compared with 2011 data.
- We will completely transition to renewable heating gas by 2015.

**Waste:**
- We will reduce our residual waste by 10% in kg per employee based on 2010 data by the year 2015.

VAUDE Goals for Product Life Cycles:

- We will achieve a percentage of Green Shape Products of 55% in the Winter Collection 2014/2015 overall, 80% for Apparel and 10% for Hardware (backpacks, sleeping bags, tents, shoes and accessories).
- We will achieve a percentage of Green Shape Products of 46% in the Summer Collection 2015 overall, 81% in Apparel and 17% in Hardware.
- We will produce all VAUDE cotton products from 100% organic cotton by 2015.
- As soon as it is technologically possible, we will completely phase out of PFC technology. We will use C6 chemicals as a transitional substance only on the way to completely eliminating the use of PFCs.
- We will produce at least 80% of our apparel under the bluesign® Standard by 2015. As a bluesign® systempartner, it is our end goal to manufacture our entire textile Collection according to bluesign®.

VAUDE Biodiversity Goals:

- We will completely implement the Biodiversity Concept for our corporate location in Obereisenbach by 2015.

VAUDE Social Responsibility Goals:

- By 2014, we will have at least 90% of our manufacturers audited by the Fair Wear Foundation (Initial and renewal audits).
- We will implement improvement measures from the Corrective Action Plan together with our manufacturers.
- We will encourage our manufacturers to participate in the Workplace Education Program of the Fair Wear Foundation.

By 2015, on the basis of a sustainability report in accordance with the international standards of the Global Reporting Initiative (GRI), we will be even more transparent and measurable.
To the best of our knowledge, this report accurately reflects our activities for more sustainability. We are proud of it – it shows that we are working on the challenge of constant improvement. Credibility, transparency and authenticity – inside the company and out – are the recurring themes you will find at VAUDE. So we are pleased to be able to present the public with this sustainability report.

Obereisenbach, 03.06.2013

Antje von Dewitz, CEO

Hilke Patzwall, CSR Manager & Editor of this Sustainability Report

ppa. Jan Lorch, Member and Sustainability Representative from the board, International Sales Officer

Help us improve – drop us a line!

VAUDE Sport GmbH & Co. KG
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Email: CSR@vaude.com
www.vaude.com
<table>
<thead>
<tr>
<th>Core Indicators according to EMAS</th>
<th>2008</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Share of renewable energy in electricity consumption (%)</strong></td>
<td>42%</td>
<td>207,623 kWh</td>
<td>100%</td>
<td>613,365 kWh</td>
</tr>
<tr>
<td><strong>Share of renewable energy in total energy consumption (%)</strong></td>
<td>8%</td>
<td>207,623 kWh</td>
<td>23%</td>
<td>734,879 kWh</td>
</tr>
<tr>
<td><strong>Energy Efficiency: Electricity Consumption per ton output of finished goods Oberseisenbach (kWh/t)</strong></td>
<td>10.880</td>
<td>0</td>
<td>9.210</td>
<td>0</td>
</tr>
<tr>
<td><strong>Energy Consumption per ton output of finished goods Oberseisenbach (kWh/t)</strong></td>
<td>61.294</td>
<td>48.691</td>
<td>-21%</td>
<td>-25%</td>
</tr>
<tr>
<td><strong>Material Efficiency: Production OEB (input/output, %)</strong></td>
<td>105%</td>
<td>104%</td>
<td>-1%</td>
<td>-3%</td>
</tr>
<tr>
<td><strong>Water Consumption per ton output of finished goods OEB (m³/t)</strong></td>
<td>32,89</td>
<td>28,73</td>
<td>-13%</td>
<td>-23%</td>
</tr>
<tr>
<td><strong>Waste per ton output of finished goods OEB (t/t)</strong></td>
<td>5.44</td>
<td>5.24</td>
<td>-4%</td>
<td>-3%</td>
</tr>
<tr>
<td><strong>Hazardous Waste per ton output of finished goods OEB (kg/t)</strong></td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td><strong>Biodiversity (sealed area per ton output of finished goods OEB (m²/t))</strong></td>
<td>551</td>
<td>373</td>
<td>-32%</td>
<td>-25%</td>
</tr>
<tr>
<td><strong>Emissions per ton output of finished goods OEB (t CO₂ eq/t)</strong></td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
</tbody>
</table>
CHAPTER 14

Validation of the EMAS Environmental Statement
The next consolidated environmental statement will be submitted for validation no later than June 2014.

Commissioned as Environmental Verifier / Environmental Verification Organization:
Dr. Udo Ammon (Zulassungs-Nr. DE-V-0259)
Intechnica Cert GmbH (Zulassungs-Nr. DE-V-0279)
Ostendstr. 181
90482 Nürnberg

The following confirmation of validation refers to this whole sustainability report with the exception of the 9th chapter. Chapter 9 contains the Social Report, which VAUDE publishes as a member of the Fair Wear Foundation.

The undersigned, Dr. rer. nat. U. Ammon, EMAS-Environmental Verifier with the registration number DE-V-0259, accredited or authorized for the Bereiche 14, 32.3 (NACE-Code Rev. 2) confirms that he has examined the site and/or entire organization of VAUDE Sport GmbH & Co. KG as claimed in the current Environmental Report (with the registration number D-165-00067), all requirements of the Regulation (EG) Nr. 1221/2009 of the European Parliament and the Council of 25 November 2009 on the voluntary participation by organizations in a Community System for Eco-Management and Audit Scheme (EMAS).

By signing this statement, he confirms that the review and validation have been carried out in full compliance with the requirements of the regulation (EG) Nr. 1221/2009, the results of the review and the validation confirm that there is no evidence of non-compliance with the applicable environmental regulations, facts and figures of the Environmental Statement / the current Environmental Statement of the organization / of the company headquarters convey a reliable, credible and truthful picture all of the organization's/site's activities in the areas indicated by the Environmental Statement.

Nürnberg, 24. April 2013

Dr. Udo Ammon
Environmental Verifier