

CONTRIBUTE

OBERALP GROUP
SUSTAINABILITY REPORT 2018



**THE PASSION FOR MOUNTAINS IS
WHAT DRIVES US DAY AFTER DAY.**

**WE BELIEVE THAT ENTHUSIASM
AND RESPONSIBILITY ARE
KEY FACTORS FOR THE
COMPANY'S DEVELOPMENT.**





“

What really counts at the end of our lives, are the relationships with people and how much good we could do.

People are at the centre of what we do. But caring for people means we need to take responsibility for the environment we all live in – more urgently than ever before. I believe our immediate duty today is to ensure a fair and equal industry, while sustaining a world worth living in for generations to come.

”

Heiner Oberrauch, President

“

Companies will increasingly be measured by the contribution they are able to provide to society.

Sales, profitability, growth and investment will continue to be important but the most defining measure will be how relevant a company is to the community it serves.

The Oberalp Group is committed to behaving and acting mindfully to the best of its ability. We do what we do, because we know why we do it - and we have clear ideas about how it should be done. We talk about it transparently and honestly. We say what has been achieved and what still has to be achieved.

”



Christoph Engl, CEO



THE OBERALP GROUP

ABOUT US

We own 4 mountaineering brands distributed in 65 countries

We employ 650 people

We produce in 20 different countries

We have 216 monobrand stores worldwide

We partner with 5,600 dealers to increase our reach

We distribute 8 active sports brands



The Oberalp Group is a family-owned company.

The Oberrauch Family has been working in the textile industry for six generations. Anton Oberrauch founded the family business back in 1846 when he started to import quality textile products to the Italian market. In 1981, the Oberalp Group was founded and started distributing clothing and other sports products in Italy.

37 years later, we have around 650 employees. And we're known for building great brands that make the highest quality technical mountaineering products. Today, we're active in the product design, development, production and distribution of our four brands: SALEWA, DYNAFIT, POMOCA and WILD COUNTRY.

We also use our management and distribution experience to help our partner brands in the sports sector, including Under Armour, Speedo, Fischer and more.

But while we've grown as a company, we're still a family. And no matter how much we will continue to grow, our people will always come first.

OUR PRINCIPLES

1. Passion

We have unlimited enthusiasm for sport and mountains. For six generations this love for sport drives us to develop high quality and technically advanced products and brands. We do this in a reliable and responsible way.

2. People

Positive attracts positive. Our core asset is our team of talented, open, and culturally diverse people who operate effectively, driven by clear goals and shared values.

3. Courage

We are courageous in the ways we explore our curiosity, seek new paths, and then take responsibility for our decisions and actions.

4. Responsibility

We use resources carefully with an acute awareness of our impact and a deep desire to preserve the environment today and for future generations.

5. Ethic

We are a management driven family company and operate our business in a fair and responsible manner. We strive to create meaningful relationships with our international partners.

6. Sweat Together

Sweating together is one of the virtues of sport and we live it also at work. Even good things can be improved. We are brand developers, focusing on constant improvement - always with the objective to lead.

7. Innovation

Our brands live from ideas. Through the continuous innovation of processes, products and ways of thinking and the cooperation with qualified partners we achieve new standards of excellence.

8. Future

Think long-term but act fast and execute well. Financial success is the consequence and ensures our independence.

OUR JOURNEY

SOME OF OUR MOST IMPORTANT MILESTONES SO FAR

1981 Form the Oberalp Group

1990 Take over SALEWA

2003 Acquire DYNAFIT

2005 Enter the footwear industry

2007 Partner with Speedo

2011 Acquire ski skins specialist brand POMOCA

2012 Acquire British climbing brand, Wild Country

2016 Partner with Under Armour

2018 Christoph Engl starts as a new CEO of the Oberalp Group

Open new headquarters in the heart of the Italian Dolomites. South Tyrol is the home of the Oberrauch family and its business.

Oberalp decides to invest in a new Dynafit headquarters and office for Central Europe in Kiefersfelden.



BRAND HOUSE

WHY WE EXIST	We believe in sports & outdoor activities as a mindful use of leisure time											
EXPRESSION OF OUR MISSION	MOUNTAINS EXPERIENCE We inspire and encourage people by and for mountains				SPORTS EXPERIENCE We provide best-in-class sports brands for ambitious retailers							
MINDSET WE ADDRESS	Mountain Values	Mountain Performance	Mountain Technology	Mountain Safety	Winter competence solution provider	+	Summer competence solution provider					
CONSUMERS' DREAMS FULFILLED BY OUR BRANDS												
	Our own mountain sports brands: We're the only brand house in the world that specialises in a single theme – mountaineering – with our brands, SALEWA, DYNAFIT, POMOCA and WILD COUNTRY. We're passionate about mountain sports, which means we're the main customers for our products. It's what drives us. Many athletes also use our products, working with us to test and develop them in the mountains.				Our partner brands: We help a select group of international sports brands with communication, sales and branding in Europe. We specialise in the Italian market, but have built a reputation throughout Europe by partnering with eight premium sports brands. However, we're not a classic sales partner and distributor. Instead, we're a solutions provider, offering the retail market a single contact for brands that share our values.							

OUR BRANDS

SALEWA

Pure Mountain



SALEWA is a brand with the clarity and aesthetics for the progressive mountain enthusiast. Those who wear SALEWA commit themselves to modern thinking and the mountain experience. It's not about conquering the mountain and the summit – it's about a relationship with the mountain.

Regardless of the level of difficulty on the mountain, SALEWA delivers equipment that blends the highest functionality with the best aesthetics. Its inspiration is from the most beautiful mountains in the world: the Dolomites in northern Italy on the south side of the Alps. Salewa has been committed to the mountain experience throughout its 80-year history, since developing the first backpack for an Andean expedition in the 1950s.

Salewa offers a complete, sustainable product range – from tents to ice axes, wool to Polartec. Its head office is in Bolzano.

[SALEWA.com](https://www.salewa.com)

DYNAFIT

#SPEEDUP



DYNAFIT develops its products into a performance system – by mountain athletes, for mountain athletes. It's all about endurance and determination. The highest level of performance and speed on the mountain is only achieved when products are as light, reliable, and efficient as possible. DYNAFIT's products are mostly made in Europe, with materials and technology that work in all seasons.

DYNAFIT is used by top athletes in international competitions, as well as the toughest terrains on the world's highest peaks. This helps DYNAFIT develop new products and systems that value performance and speed in the mountains. The product range focuses on ski touring, but also has a high-performance summer range – from trail running shoes to technical clothing.

The company is based in Munich and will soon open a new headquarters in Kiefersfelden at the northern entrance to the Alps (planned for 2022).

[DYNAFIT.com](https://www.dynafit.com)

OUR BRANDS

POMOCA

Empowering freedom of movement in the mountains



POMOCA is the world market leader for ski touring climbing skins, developed and produced in Switzerland. It's also a centre of excellence for mountain and trail running outsoles. The brand has been producing exclusively in Switzerland since 1933, growing from being the sole supplier for the Swiss Army to a specialist in the development of technologies that enhance mountaineering equipment with adhesion, friction and gliding properties.

POMOCA's products are among the series winners in the world's ski touring skin tests, winning over 80% of the medals in international races. Athletes consider pink POMOCA racing skins to be the standard. In addition to its function as a product brand, POMOCA also acts as an ingredient brand for many established ski mountaineering brands – including those within the Oberalp Group. POMOCA's headquarters are in the French-speaking part of Switzerland in Denges, near Lausanne.

POMOCA.com

Wild Country *Pure Climbing*



Wild Country is the brainchild of UK-based climber Mark Vallance. It was set up to manufacture what's become the most famous piece of rock climbing gear of all time: the Friend. Even today, Wild Country offers customers the greatest possible freedom in their vertical activities with its technical climbing products. It uses technology to reduce the risk of climbing to the lowest possible level – exceeding safety standards and setting them even higher.

Wild Country inspired a new era for rock climbing in the 1970s with the invention of the Friend. Since then, it's kept developing new possibilities for climbing through pioneering technologies. With the Revo safety device, the brand has set a new standard in the industry. Like a seatbelt in a vehicle, the Revo automatically cushions a possible rope fall without any additional intervention by the rope partner.

Wild Country exports its products from Bolzano, Italy across the world through its own online distribution.

wildcountry.com

OUR PRODUCT DIVISIONS

Our four product divisions are responsible for transforming our brand visions into product strategies. They develop and propose the seasonal product matrix by following the brands' briefing, contributing to the product line development.

Each division is responsible for the complete product development process, industrialisation and control of the manufacturing process: project management, product design, product development, sourcing and purchasing, production planning and quality control of all products.

They also identify new technical solutions and push product innovation (in collaboration with the innovation team) to meet the brands' objectives, quality and compliance requirements, and financial goals.



Apparel

All our brands' clothing and textile accessories.



Footwear & Technical Equipment

All our brands' footwear, backpacks, tents, sleeping bags, and all technical hardware (climbing equipment and other accessories).



Bindings

The bindings division is underneath the brand DYNAFIT, the only one of our brands developing these products.



Ski Skins

The skins division is underneath the brand POMOCA, as it is our only brand producing these articles.

OUR CENTRAL FUNCTIONS

Administration & Controlling, Business Development, Sustainability, HR, IT, Legal, Logistics, Procurement, Process Management, Research & Innovation – work across all divisions and brands. They're based at our headquarters in Bolzano, Italy.

OUR RESEARCH & INNOVATION

In 2018 we launched our group wide Research & Innovation team, a team of experts working on long-term product and system innovations. Investing in innovation means investing in the future, something the company is strongly committed to. The team's role is to support our brands and product divisions by sharing technical know-how and expertise around innovations and technologies.

The team will work closely with the Sustainability team, as the outputs of both teams should tie together.



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In Oberalp's Research & Innovation team we aim to vision the future of our products and services in 5, 10 or 25 years. To evaluate ideas we have three main parameters: Does it help the brand's positioning? Does it help sales growth? Does it have a positive impact in terms of sustainability? The winning ideas are the ones fulfilling the 3 requests.

Josep Castellet
Head of the Research
& Innovation Team

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WE DISTRIBUTE BRANDS THAT WE BELIEVE IN



Under Armour is a leading US innovator, marketer and distributor of branded performance athletic apparel, footwear and accessories.

In 2016, we started working with Under Armour to help it expand in Italy. We have now opened 7 Under Armour shops in Italy.



Julbo are experts in sun protection for high-risk environments, developing technical lenses and frames that meet everyone's needs. We've been distributing Julbo in Italy since 2013.



Based in Austria, Fischer has been developing, marketing and distributing first-class Alpine and Nordic skiing equipment since 1924. We've been distributing Fischer in Italy since 2013.



Speedo is the world's leading swimwear and swimming accessories brand.

We started working with Speedo in 2007. Now, we distribute Speedo in seven countries – Italy, Austria, Czech Republic, Germany, Hungary, Poland and Slovakia. Together, we've learned and achieved a lot – and we hope to help them go even further in our territories.



Barts is an Amsterdam-based brand, specialising in a wide range of hats, scarves and bags for winter and summer seasons. We've been distributing Barts in Italy since 2005.



Since 1998, X-BIONIC® and X-SOCKS® have been the leader in technical sportswear. They've unified Swiss engineering and Italian production, redefining the world of functional sportswear. The two brands take inspiration from nature, using technical solutions to transform sweat into energy. We start their distribution in Italy in 2018 and Austria from 2019.



Smith makes innovative, durable and superior eyewear and goggles for a wide range of sports – biking, motocross, skiing, snowboarding, surfing, skateboarding, and wakeboarding. We've been distributing Smith in Italy since 2009.



Spyder is a US-based manufacturer of high-end specialised skiing apparel. It's also the official supplier for the US Olympic Ski Team. We've been distributing Spyder in Italy since 2015.

OUR PRESENCE WORLDWIDE

SOUTH TYROL
GROUP
HEADQUARTERS



10 OFFICES ACROSS
EUROPE AND
THE USA

5,600 DEALERS IN OVER
65 COUNTRIES
WORLDWIDE

30 MONOBRAND
OWNED
STORES

21 MONOBRAND
FRANCHISED
STORES

165 MONOBRAND STORES
WITH OUR LICENSEE
PARTNERS

OFFICES

South Tyrol in Italy is our home.

It is where our headquarters is based and most of our employees work. It is the home of the brand SALEWA and where WILD COUNTRY is based, as well as all our central functions. Part of our sales and marketing teams is also based here.

Munich/Aschheim is our second headquarters. It is the home of our brand DYNAFIT and the competence center for the engineering of our DYNAFIT bindings. It is also the head office of our biggest commercial unit, the Central Europe Region (Germany, Austria, Switzerland). Denges in Switzerland is the home of our brand POMOCA. The production of our ski touring skins is based here .

Totally we have 10 offices across Europe and the USA, so we can stay close to our consumers and partners and meet their specific needs.

Italy (2 offices), Germany, Austria, Switzerland, Spain, France, USA, Poland and Czech Republic.

DEALERS

Our dealers are retailers that sell our products internationally. Through these strong partnerships, we strengthen our brands' awareness around the world.

We have over 5,600 dealers in over 65 countries worldwide.

Our distributors help us reach all the markets where we don't have a direct presence. These operations are managed by our export team, located at our Bolzano headquarters.

STORES

Our monobrand stores are a vital part of our business. They're our main contact point with end consumers - the place where we meet our users face-to-face, understand their needs and introduce them to our identity and values.

We have 216 stores worldwide.

30 monobrand owned stores
17 Italy, 7 Germany, 3 Austria,
2 Spain, 1 Switzerland

21 monobrand franchised stores
10 Italy, 5 Poland, 3 Austria,
1 Germany, 1 Spain, 1 Switzerland

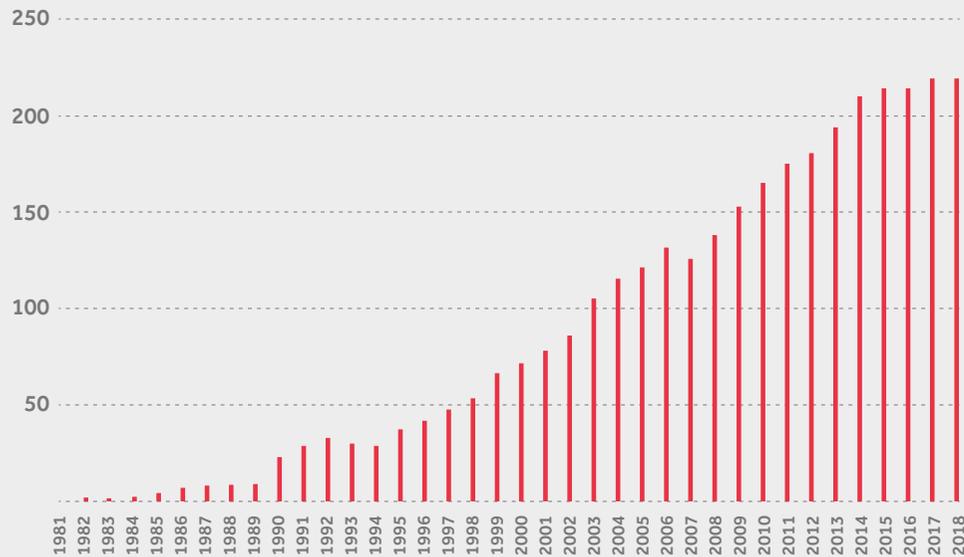
165 monobrand stores with
our licensee partners
160 South Korea, 5 China

WE'RE GROWING EVERY YEAR

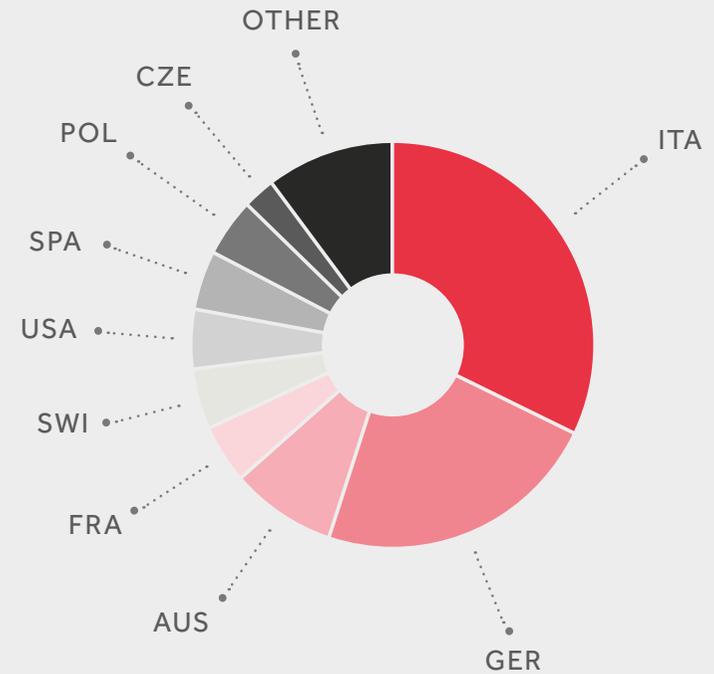
Our turnover's growing every year – and as it grows, our responsibility grows, too. We believe economic, social and environmental sustainability go hand in hand. Excessively rapid growth and tactical action

for short-term flare-ups are not the right components for our company's success. In 2018, our turnover was €220 million.

Our Group* turnover (Million) year on year



Our Group* turnover (%) by country



*this data includes the turnover of our 4 brands, our distribution brands and licensee business

HOW WE DO THINGS

As a family business, we choose how we do things. We're not only interested in quarterly results. We think long term. We think about the world we're leaving behind for our grandchildren, and their grandchildren.

Sustainability is a choice we invest in, because we believe in it. It's a crucial part of our company values and daily business.

Back in 2010, we made our commitment to sustainability official by creating a Sustainability Working Group. Then, in 2012, we installed a Sustainability Department, today led by the Sustainability Manager Alexandra Letts. We've created a sustainability roadmap to keep us on track. Our team works to integrate sustainability into every department and brand of the Oberalp Group and reports directly to our ownership and our CEO.

We believe sustainability is not some distant goal, but a mindset, reflected in our immediate daily actions and choices. It's about how everyone of us chooses to do things. Every day.

Our sustainability strategy is divided into five focus areas.

In this report you can easily find out what we did in each area and navigate to the topics that engage you most.

EMPOWER PEOPLE CHANGE COMES WHEN PEOPLE COME FIRST



1.
We're committed to our team

We support our employees' wellbeing and professional growth to ensure a strong, motivated workforce



2.
We promote fair factories

We ensure safe and fair working conditions by empowering workers and creating solid relationships with our partners



3.
We share our passion & give back

We share our passion for alpine sports and lifestyle, giving back to the communities where we work and live

ENGINEER GEAR MINDFUL PRODUCTS FOR PASSIONATE PEOPLE



4.
We make leading products

We provide sustainable and innovative products, and guarantee the highest quality, safety and durability



5.
We produce mindfully

We're working towards circularity, efficiency and traceability – with minimal impact on people and the planet

WHY AM I READING THIS?

We're constantly improving the way we do sustainability based on conversations with our stakeholders.

If you're reading this, that means you!

We're always trying to get better. And we think the best way to do that is to be transparent: to talk about what we're doing and share the results. That's what this document is for.

We want to celebrate how far we've come and the progress we've made. But we also want you to tell us how we can improve.



A MISSION THAT EVERYONE BELIEVES IN

We make products for mountain lovers, by mountain lovers.

But our mission doesn't just belong to us. It belongs to our consumers, athletes, owners and employees, too.

To set a mission that really matters to those who matter to us, we must find out their opinions.

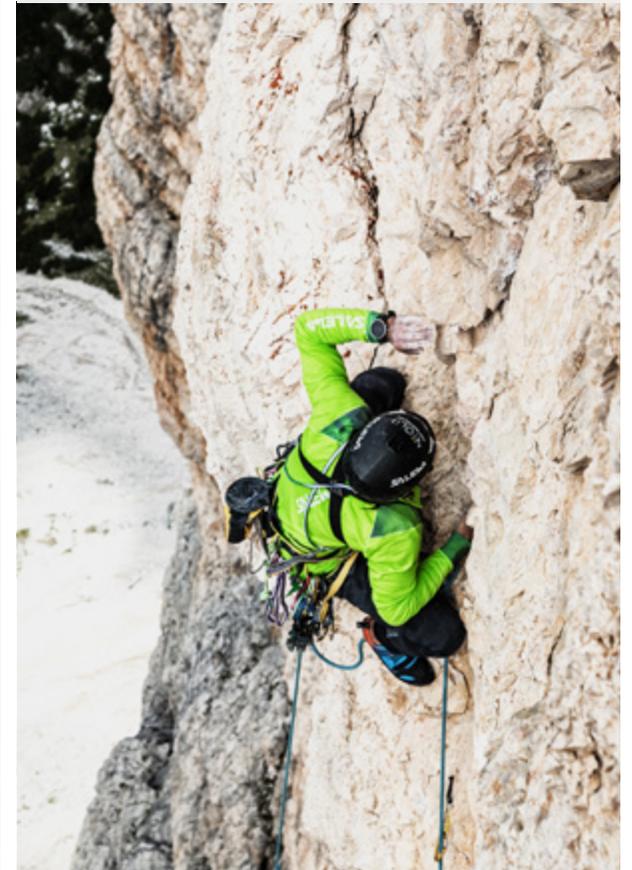
CONSUMERS

In 2017 we sent surveys to DYNAFIT, SALEWA and Wild Country's consumers. We wanted to know which aspects of sustainability they think are most important for our brands.



ATHLETES

We're constantly talking with athletes about how to make our products better. Because if they don't work for our athletes, we've missed the mark. Their feedback shows us where to go next.



OWNERS

We held a workshop with our owners, the Oberrauch family. We wanted to find out how they see our sustainability efforts evolving, and where they think we can make the biggest impact.



EMPLOYEES

To create a truly sustainable business, we need everyone at Oberalp to believe in our mission. So we sent our employees a survey to see what they think our priorities should be over the next few years.



We are also constantly exchanging ideas and results with:

NGOS

Sustainable Apparel Coalition, FWF, Greenpeace, etc.

INDUSTRY ASSOCIATIONS

Outdoor Industry Association, European Outdoor Group, etc.

LOCAL COMMUNITIES

OTHER BRANDS

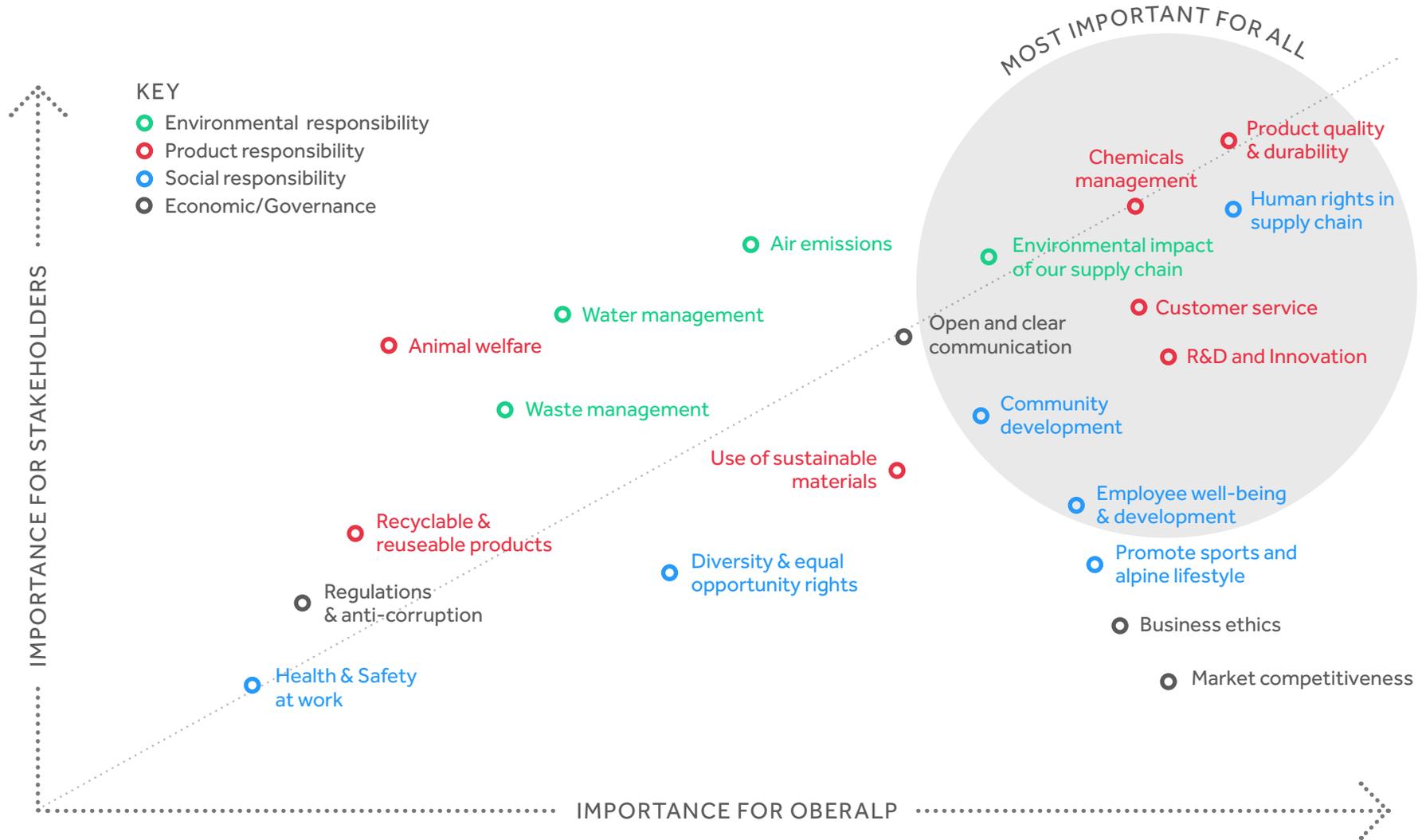
MEDIA

AUTHORITIES

SUSTAINABILITY PROFESSIONALS & EXPERTS

WHAT WE ALL CARE ABOUT

The feedback from these different stakeholders helped us make our first materiality matrix: it's an overview where we rank different sustainability topics according to how important they are to us as a company, and to our stakeholders.



1. WE'RE COMMITTED TO OUR TEAM

A big team's a big responsibility. We have 650 employees working in 10 countries worldwide.

We want all our employees to help us bring about positive change. And we believe the best way to achieve that is to empower them, making them responsible for their actions.

Because, at the end of the day, we're all passionate about the same thing: the mountains and sports. And that won't change.

We grew 9% in 2018. Now, we're a team of

650 PEOPLE

Each year we give our staff

5 OBERALP AWARDS

We believe positive change goes hand in hand with motivation

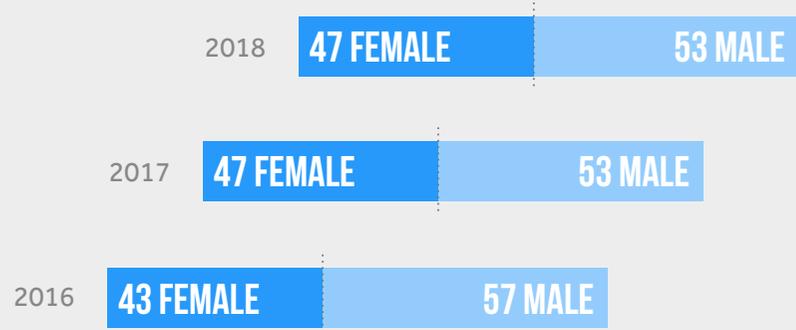


We believe a good

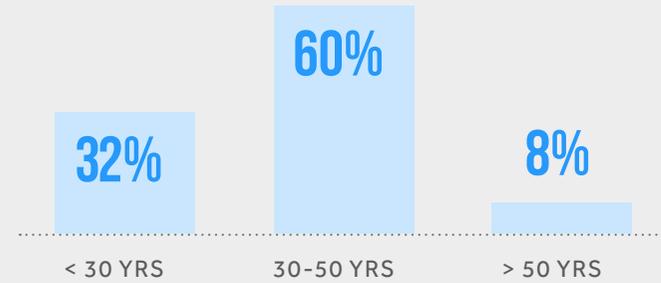
WORK-LIFE BALANCE

is essential and we have different perks to support it

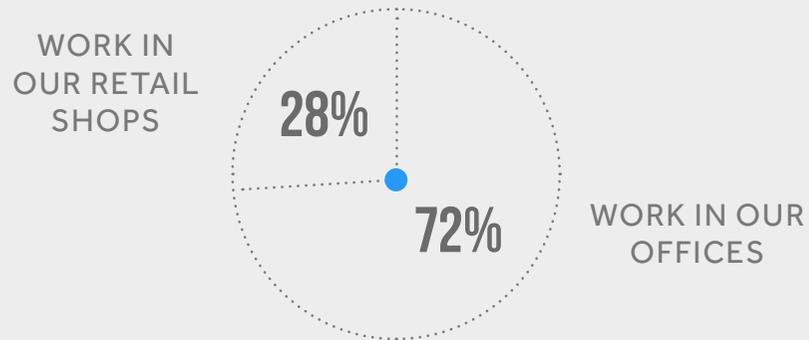
HOW WE SHAPE UP ACROSS THE GROUP IN 2018



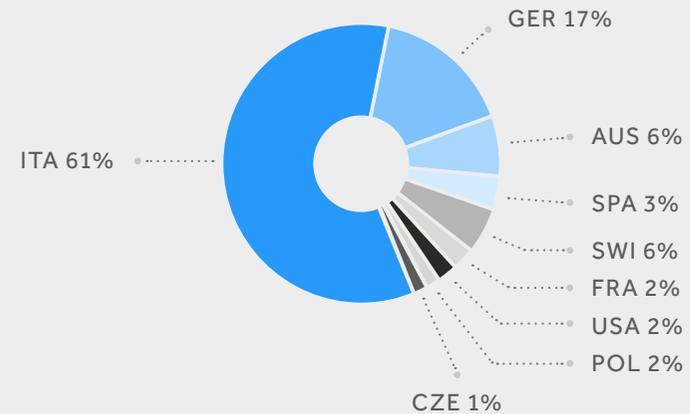
A gender diverse work environment



The age group of our employees in 2018



Most of our staff are office based



98% staff based in Europe

MORE THAN WORK

We are a team of passionate mountain brand builders and developers of technical and active sports brands.

What makes our team unique is the passion and motivation we all share. We have the privilege of making our passion our daily work. This is what makes us a strong, motivated, ambitious and hard-working team.

People are at the heart of everything we do.

“

I love being in a company that thinks long term and has sound values that transpire in all senses, whether it be towards the environment or towards the employees. I enjoy working in an environment where work and passion are combined and spending my days around a bunch of healthy people.

Ellen Ringstad
Group HR Director

”



**WE HIRED 192
NEW EMPLOYEES
AND GREW BY 9%**

**HIRING RATE* OF 30%
AND TURNOVER**
RATE OF 21%**

(IN 2017, THE HIRING RATE
WAS 29% AND OUR EMPLOYEE
TURNOVER RATE WAS 22%)

TWO REFUGEES JOINED US FOR TWO
MONTHS OF WORK EXPERIENCE IN OUR
WAREHOUSE. IT HELPED THEM INTEGRATE
AND GAIN PRACTICAL EXPERIENCE.

**17 HIGH
SCHOOL
STUDENTS**

JOINED US FOR
SUMMER WORK
EXPERIENCE IN 2018
(18 IN 2017, 21 IN 2016)

**WE WARMLY
WELCOMED
38 INTERNS**

10 OF WHICH WERE
HIRED AT THE END OF
THEIR INTERNSHIP
(17 IN 2017, 21 IN 2016)



Some of our current and former interns in Bolzano

* the number of employees that were hired during 2018 divided by the total number of employees as on 31.12.2018

** employees that left the organisation during 2018 divided by the total number of employees as on 31.12.2018

POSITIVE ATTRACTS POSITIVE

We have a 360-degree approach to human resources.

That means we think about every aspect of our employees' development: training, workforce planning, talent acquisition, onboarding and integration, performance management and talent review.

Our company is full of active people who love the sports our brands stand for and the mountains that we work in.

We trust our employees to be our biggest ambassadors.

If they help us hire someone, we reward them through our Recruiting Referral Policy.

We consider people's soft skills, as well as their technical ability, when we're hiring. Once they join, we make sure their start is as smooth as possible with comprehensive induction and training.

We help all our people grow by reviewing their performance annually. It's a chance for employees to think about what they've achieved – and where they want to go next.

We examine these annual reviews for trends. For example, we might see that we need to carry out specific training that'll benefit our employees. We also look for future priorities and needs.

WE TAKE INSPIRATION SERIOUSLY

We believe that positive attitudes bring change and innovation. That's why we reward employees every year – for their motivation, risk, exploration and challenge – with the Oberalp Awards.

Creativity & Innovation Award

Generate increased value and levels of performance through continual improvement and innovation.

2018 Winners: development of the new SALEWA Dryback System (backpack carrying system) and DYNAFIT's new HOJI ski boot

Risk Award

An award for the ability to take risks, by breaking barriers, opening new ways of development and generating new ideas. This award encompasses our culture of risk and entrepreneurialism.

2018 Winner: DYNAFIT's new Pintech race binding system



Sustainability Award

An award for innovative projects or activities that have a positive impact on economic, environmental and social conditions in the communities that we work in.

2018 Winner: POMOCA team for integrating sustainability into their brand strategy

Excellent Execution Award

Adding value for consumers by understanding, anticipating and fulfilling needs, exceeding expectations in execution and achieving outstanding results.

2018 Winners: new Order Campaign Monitoring system (OCM) and Dynafit apparel team for their continuous innovation

Process Improvement Award

An award for managing change within and beyond Oberalp – by developing capability, efficiency and reducing costs, as well as focusing on process implementation.

2018 Winner: Demand Planning & Sales Operations team for their high level of service and quality

KEEP CLIMBING

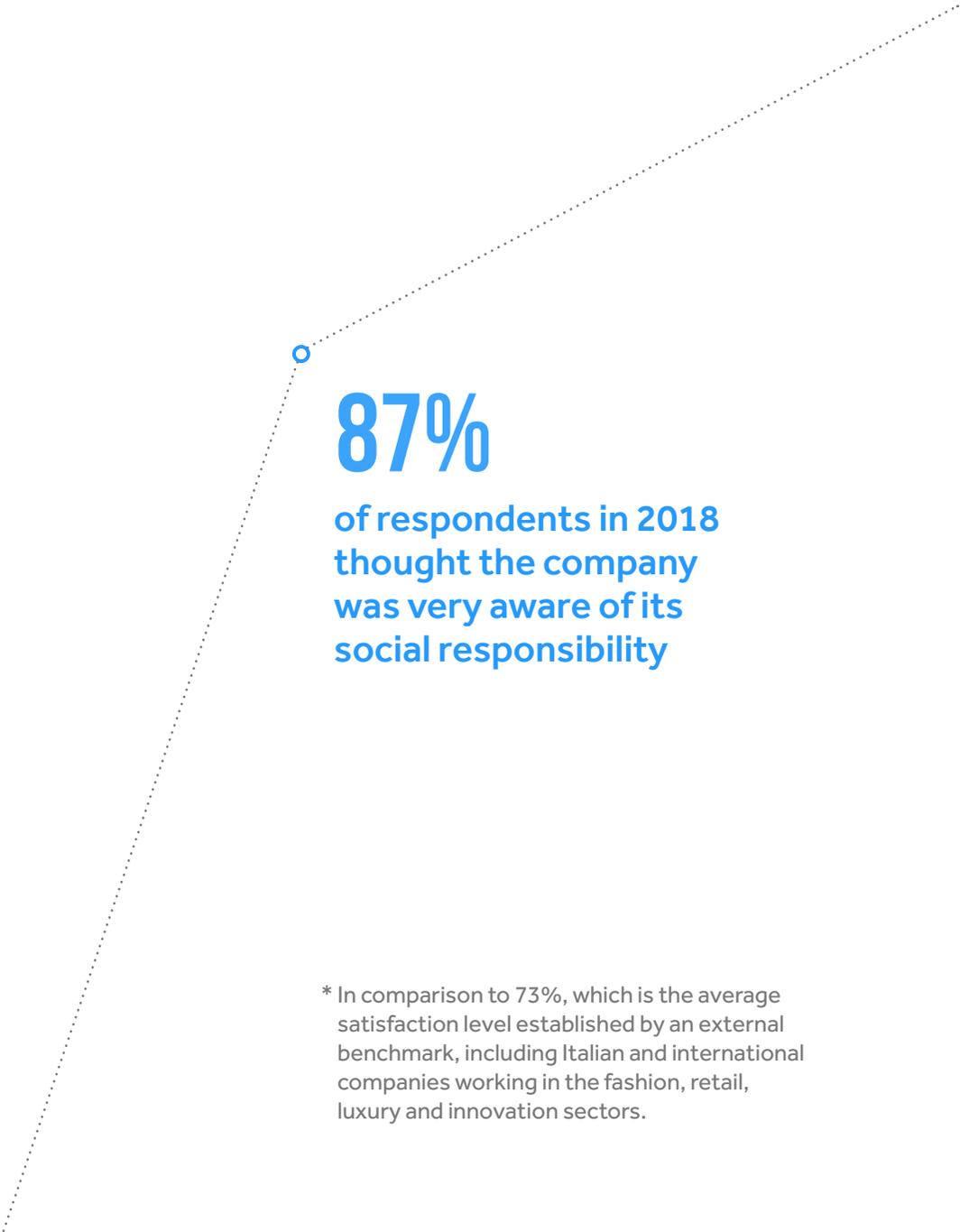
We think the simplest way to find out how we're doing is to ask our people – so every couple of years, we send our 'Climb Up!' survey to every employee in the company.

In 2018 we conducted a new survey. The results showed that our employees are generally satisfied – the overall general satisfaction rate is 81%*, up 2% from 2015. Employee participation in our survey was 78%, up 13% from 2015.

It also showed that employees believe in and share our company values. In terms of sustainability, 87% of respondents think the company is very aware of its social and environmental responsibility. Employees in Italy, Switzerland, Spain, North America and Poland are those that gave exceptionally high ratings to our sustainability efforts.

Other areas we look at in the survey include: employees' thoughts on management and leadership skills, quality of their work life, professional development, communication between management and staff, work organisation, diversity management and work-life balance.

The results of this survey helped us make an action plan for the coming years. Currently, we are focusing on sharing the results with teams to work on single areas of development. We are identifying possible solutions to address the points that received lower rankings, like work organisation and structure.



87%

**of respondents in 2018
thought the company
was very aware of its
social responsibility**

* In comparison to 73%, which is the average satisfaction level established by an external benchmark, including Italian and international companies working in the fashion, retail, luxury and innovation sectors.

GETTING THE WORK-LIFE BALANCE RIGHT

We give all our employees responsibility in their role. We have a goal-oriented management approach, meaning we trust our team as experts in their field and encourage everyone to bring new creative solutions to the table and think outside the box.

We also use a third party to evaluate how well we're doing at giving employees a good work-life balance. In 2012, we received the Familie und Beruf (Family and Work) certification from the South Tyrol regional government. Since then, they monitor and evaluate our efforts at our headquarters annually.



Parental leave



Our Italian employees can extend their parental leave from the national standard* up to the first birthday of their newborn (12 months).

Parents continue to receive 50% of their salary* throughout their parental leave.

In 2018, 27 employees took parental leave, and 11 of those took the extended parental leave

We look after around 15 children at the daycare centre at our headquarters

IN 2018, 21% OF OUR EMPLOYEES HAD A PART-TIME CONTRACT



Other employee benefits



Access to two holiday homes: one along the coast in Gargano in Southern Italy and another in the mountains of South Tyrol



Regular company activities: ski touring or sledding in the winter, trekking in the summer



Fresh, seasonal food at a discounted price with daily lunches at our larger offices



At our headquarters in Bolzano there's free access to a company gym and climbing hall, with sports classes (e.g. pilates, yoga) also available



Discounted rates at ski school and medical fitness centre



Big discounts on our equipment, as well as free test and rent

* Italian public system foresees 9 months in total, with 30% of salary paid after first five months of leave. We cover the extra salary for our employees to receive 50% of their salary throughout their leave.

TRAINING

If our employees are successful, then Oberalp's successful. That's why we're always trying to develop our people and our teams – investing in training and development so that we're ready for tomorrow's business challenges.

We work in an environment that's constantly changing. So it's crucial that we're continually updating our skills, abilities and knowledge.

We believe that empowering employees and making them feel responsible for their actions is the most effective way to bring positive change. In 2018, we conducted four main programmes.

People Development Training

In 2018 we invested in training our managers on how to effectively lead their teams. More than 90 colleagues from all our global offices took part in a two-day training course which was conducted in 3 languages and comprised of 8 working sessions.

Retail Academy

We gave store managers and retail assistants training on sales techniques, as well as company culture and brand identity. The training sessions were held in Italy and Central Europe (Germany/Austria/Switzerland).

Sustainability workshops

2018 was a big year for developing our sustainability strategy within the company. We held workshops with specific teams to understand how they can integrate social and environmental responsibility into their daily work. We also conducted Sustainability training in some key retail shops to increase employees' awareness and knowledge when interacting with clients.

We also support employees individually with training that's tailored to their needs – like language courses, excel courses, etc. – as well as educating them about sustainability.



CREATING A LEADING MOUNTAIN EDUCATION CENTRE

SALEWA's Alpine Campus lets employees attend training and workshops to develop their mountaineering skills. More importantly, it helps them understand the needs of SALEWA's consumers.

In 2018, we organised two Alpine Campus events – a summer and winter edition – with 50 employees participating overall. Employees had the chance to take a five-day trip and get professional training on different mountain sports.

By 2020, we plan to professionalise our training sessions, making them available for people outside the company. Our vision is to become the leading mountain education centre in the Alps, hosting mountain enthusiasts from around the world.



“

We live the mountains together. Personal engagement is very important to us – whether that be with our colleagues, end consumer, or the greater community locally and beyond. Beyond training and skill development, it is also a chance for participants to consider ways we can develop our apparel and equipment to better meet the needs of users.

Stefan Rainer
SALEWA General Manager

”



2. WE PROMOTE FAIR FACTORIES

A main priority at Oberalp is the health and wellbeing of everyone who makes our products – not just our own employees.

In recent years, we've dedicated a lot of effort and resources with the goal to make garment production more fair and equal.



97%

of our textile products came from monitored factories



We were awarded 'leader' status by Fair Wear Foundation



79%

of our production volume came from suppliers who have been our partners for more than 5 years

WHERE WE PRODUCE

Most of our production is outsourced, meaning we do not own any of our factories - apart from the POMOCA production site in Switzerland. This means we have to pick our production partners carefully and make sure we install fruitful and long-term partnerships.

We produce our bindings, skis, ski boots, skins and some of our technical hardware products - like via ferrata sets and ropes - in Europe. This is because the technical expertise and know-how is still based in Europe. We have also relocated part of our footwear production to Europe, now making up to 60% of the total. Producing close to home means we can monitor every step of production more easily, checking that it meets our safety and performance requirements.

Most of our apparel is produced in Asia. The center of global know-how and cutting and sewing expertise is currently located there, including some of the most efficient production partners. But this means many of our factories are far away from us, making it harder for us to monitor each step of the process. Achieving fair working conditions in these factories means we have to pick the best partners and work with them to help them reach our high standard of working conditions.

SHARING RESPONSIBILITIES

We do our planning, sourcing and purchasing work in different divisions. Each division has its own internal structure, strategies and partners. But they all integrate due diligence and social compliance in everything they do.

The Sustainability team, regularly exchanges information with our sourcing and costing managers about local living costs, potential hazards and geographical risks, and actual working conditions. This means they can make informed decisions.

OUR PRODUCTION BY VOLUME

We work with the best factories, in countries that have production expertise. In 2018, we worked with 103 factories across 20 countries.

We were able to concentrate our production and reduce our factories by 12% between 2017 and 2018. This makes it easier to improve our factory standards enabling us to focus our sustainability efforts and have a higher impact.



48% EUROPE

ITALY	ROMANIA	CZECH REPUBLIC
GERMANY	AUSTRIA	SLOVAKIA
MOLDOVA	LITHUANIA	SWITZERLAND
FRANCE	ALBANIA	
SLOVENIA		

52% ASIA

TURKEY	BANGLADESH
TAIWAN	CAMBODIA
VIETNAM	KOREA
CHINA	MYANMAR

HOW WE EVALUATE WORKING CONDITIONS IN FACTORIES

Our code of conduct tells the world how we work as a company and the standards we stand by. Every one of our suppliers has to sign and commit to it.

It borrows from relevant international human rights treaties – like the [International Labour Organisation \(ILO\) core conventions](#) – and it's in line with the [FWF Code of Labour Practices](#).

Essentially, it's about sustainability and social compliance. It's about behaving ethically towards all workers and the environment at every stage of the supply chain. And it's a tool for employees and suppliers to know their rights. The code of conduct is posted on the wall in every factory we produce in. A hotline is also available for workers to file a complaint when their rights are not being respected.

OBERALP CODE OF CONDUCT – KEY POINTS



We don't tolerate child labour, ever



Business should be free of corruption



All employees must be treated with respect and dignity



Hours of work should be reasonable and overtime must be paid



People must be employed based on their ability and never discriminated against



Working conditions must be decent and safe



The employment relationship must be formally established in a written contract



Employees must choose to work, not be forced to work



Environmental protection through the mindful use of resources and waste management systems



Employers must pay a living wage



Workers have the right to join unions

WHAT WE FOCUS ON

Our work on monitoring labour conditions focuses mainly on suppliers working on cutting and sewing.

This is because:

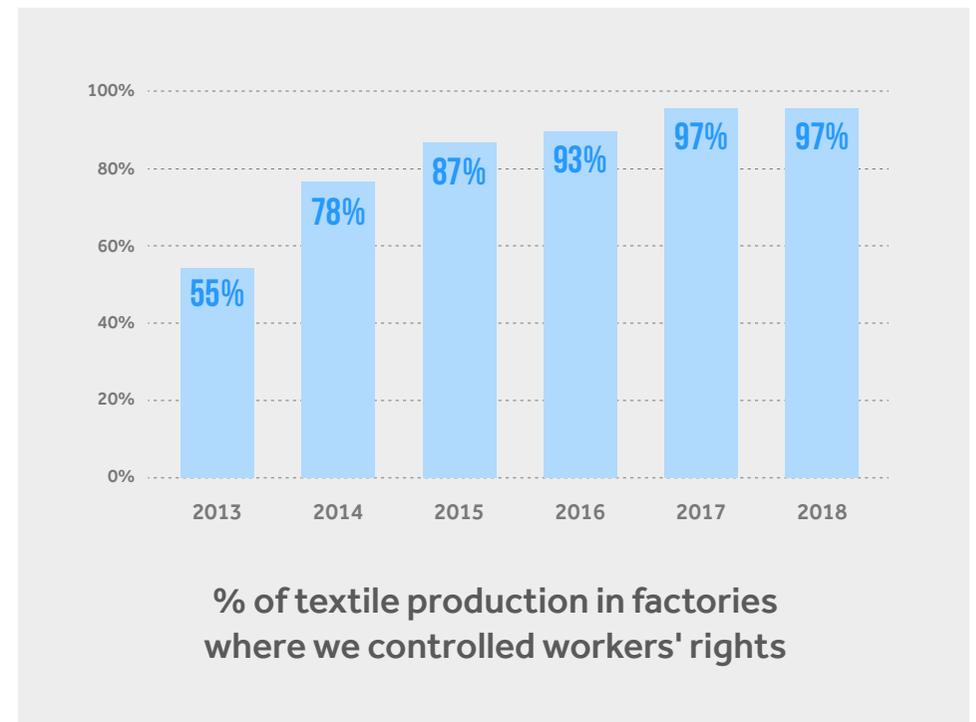
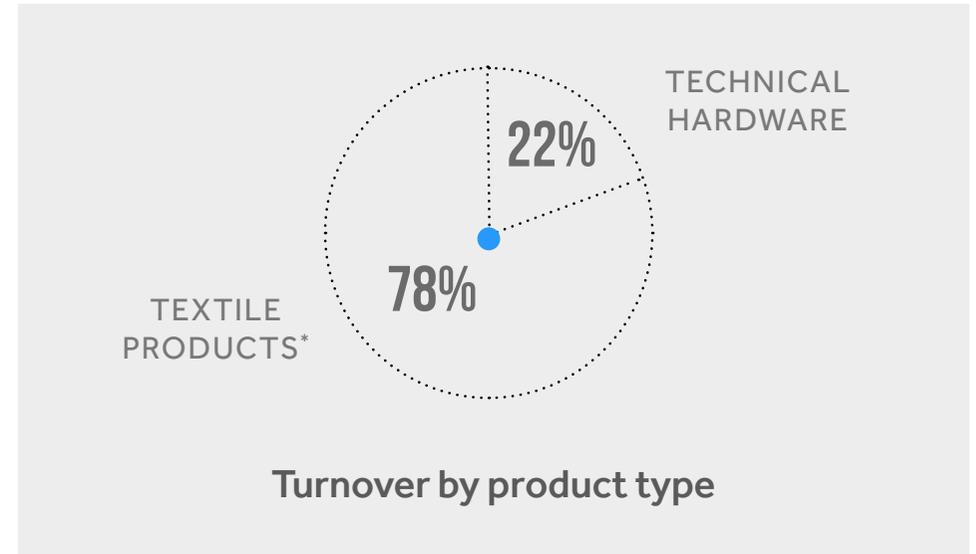
- 78% of our turnover is from textile products* (cut or sewn goods). Of these products, 64% were produced in Asia or the Middle East. These regions are those that have a higher risk of poor labour conditions.
- 22% of our turnover comes from technical hardware.** And of these products, 89% are made in Europe, where less monitoring for working conditions is necessary.

Most of our turnover comes from textile factories, and this is where most regard for working conditions is needed - it makes sense to monitor them more closely.

97% of our textile products in 2018 came from factories where we monitored the working conditions.

* Textile products include the following: APPAREL (menswear, women's wear, accessories). FOOTWEAR and TECHNICAL EQUIPMENT (shoes and boots, tents, backpacks and bags, sleeping bags, cords, ropes, slings).

** Non-textile technical hardware products include the following: skis, bindings, poles, shovels, probes, ice axes and screws, helmets, drinking bottles, climbing devices like belays, carabiners, quickdraw carabiners and quickdraws, "friends", rocks and nuts, pitons and rock anchors, and their accessories and spare parts.



MAKING BETTER TEXTILE FACTORIES WITH FAIR WEAR FOUNDATION



Back in 2013, we chose to partner with the most rigorous labour conditions expert in textiles that we know of: Fair Wear Foundation. This helps us ensure that we're always putting the wellbeing of our people first.

Fair Wear Foundation represents the ideas and principles of all parts of the industry – business, workers and civil society. This means it can take a holistic and systematic approach to improving working conditions. They don't just audit our factories – they also verify that we walk our talk through the yearly Brand Performance Check. The results are then published both on their website and our own website.

In 2017, Fair Wear Foundation gave us FWF Leader status. It's only given to brands who are "doing exceptionally well and operating at an advanced level" and "showing best-practices on complex issues". This tells us we're going in the right direction. FWF's requirements get higher every year, and we're continually being challenged to try harder. It's tough, but that's also what we like about them. Because in the end we all want to see a more fair and equal textile industry.

For more info visit www.fairwear.org

How Fair Wear Foundation works

Fair Wear Foundation (FWF) is an independent, non-profit organization that aims to improve labour conditions in the textile industry.

It performs and shares research on workplace-related issues, provides a platform for open exchange of information with other brands and stakeholders, and has available local teams who carry out worker trainings, seminars, and audits. After each factory audit, a corrective action plan (CAP) is made and shared with management, and a timeline for improvements is set. Another important part of FWF's work is to help us handle worker complaints.

Partnering with FWF is a big commitment. Every year, it reviews our work to see whether we're implementing our code of conduct in an effective way. It assesses our internal organization and processes, our approach and handling of the year's main events, worker complaints and audits, and gives us a rating in a report which is published on their website.

[Read the results in our latest Brand Performance Check](#)

“

Improving working conditions in this global economy is not just up to factory owners.

It is the shared responsibility of many parties, and requires trust, commitment, collaboration, and time. FWF understands this and has been a great partner along this way, by allowing, pushing and strengthening us to play our part and fostering cooperation with other brands to increase our positive impact.

Alexandra Letts
Sustainability Manager
(as of 2019)

”



Internal supplier evaluation system

In 2018 we designed an internal tool to evaluate our suppliers according to their compliance with our Code of Conduct. We are in the process of implementing and refining it internally, and then plan to use it as a tool for dialogue and improvement with the suppliers.

The tool will help us to monitor factories in terms of social compliance and tackle recurring issues in a systematic way.

By establishing a method to standardise audit findings, which measures the weight of findings or the urgency of tackling them, we will be able to rate suppliers, compare them with each other, analyse recurring issues and findings on a country or product-process basis and provide better support in tackling the problems that exist.

HOW WE MONITOR WORKING CONDITIONS

✓ First screening

All potential suppliers need to go through a human rights screening process and fulfil our basic criteria.

✓ Clear rules

All suppliers have to commit to our Code of Conduct.

✓ Audits

All suppliers have to agree to audits from third parties at least every three years. These are conducted in the local language by teams of three experts to carry out a comprehensive and in-depth evaluation: worker interviews, health and safety check and thorough document inspection (payrolls, safety certifications, time records). Afterwards, findings are shared with the factory and a report on the findings is shared with us.

✓ Worker interviews

We want to make sure that workers have a chance to tell us how they are doing. So as a part of audits, a team of independent local experts interviews workers about factory conditions. This is done away from the premises to avoid biased feedback or retaliation against the interviewees. Workers know that their commitments are anonymous so that they can speak freely.

✓ Corrective action plan

We turn the results from the audit into an action plan: a to-do list of specific findings of things that need to be improved, with concrete targets and a clear timeline. Things like a missing emergency exit sign over the entrance have to be corrected immediately, but problems of worker overtime related to production planning can be a longer-term goal. Together with our suppliers, we work out a plan on how to solve these problems and how we can support them.

✓ Regular factory visits

Our quality controllers regularly visit production sites. They're experts on our social compliance requirements – and the eyes on the ground, monitoring the working conditions in person.

✓ Factory training

Information is power. We set up training sessions in many of our factories that focus on labour rights, social dialogue between management and workers, or special issues like anti-harassment or age verification depending on the needs in a certain country or factory.

✓ Complaints mechanism

The Worker Information Sheet, listing workers' international rights, is posted in all our factories, has an anonymous hotline number or an email address. Workers can use these to report problems. It's managed by FWF and they forward the complaints to us so that we can solve them directly with the factory.

✓ Follow up

We continue checking in with each factory until an action plan is completed and problems have been solved.

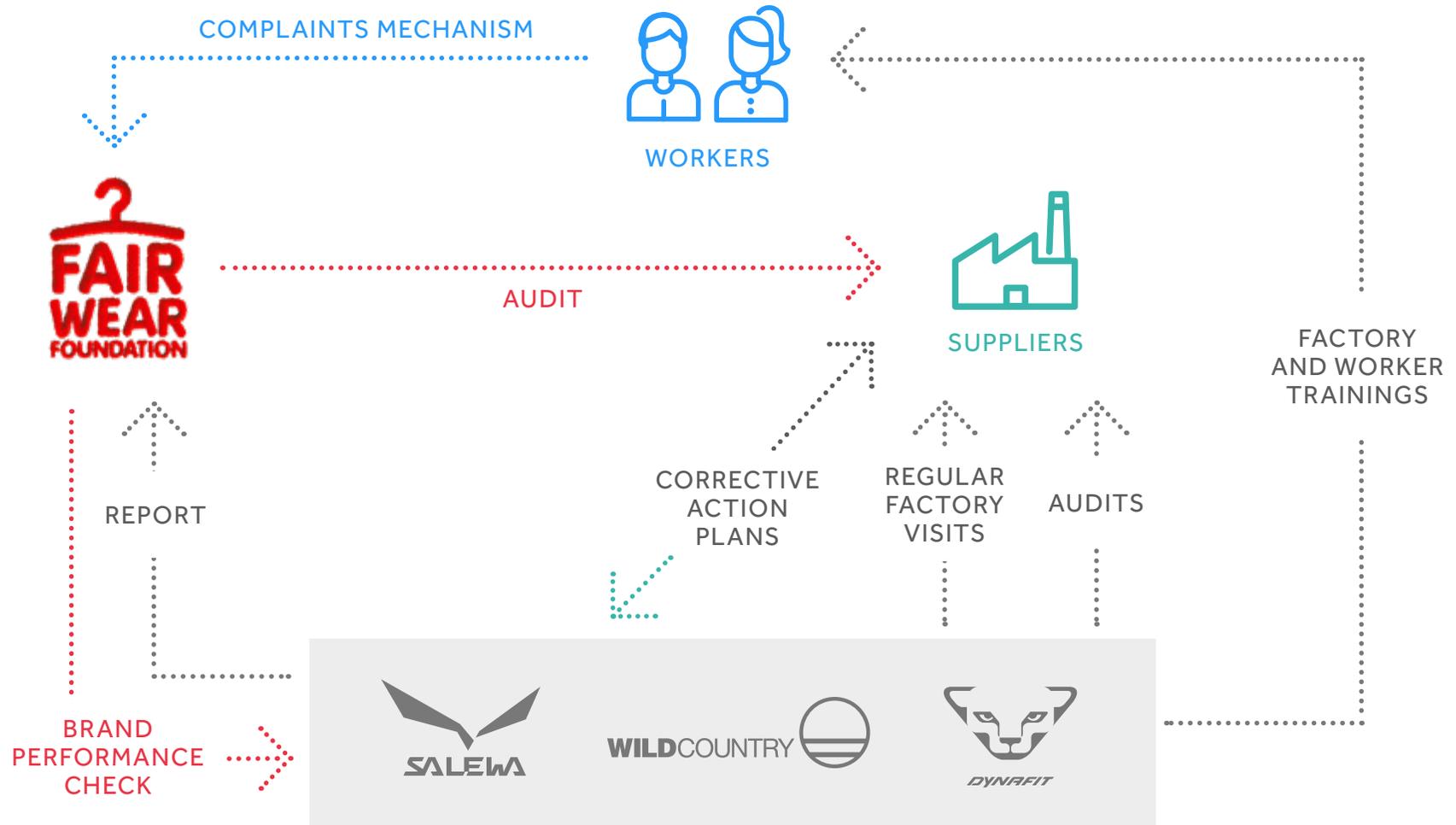
✓ Transparency

Every year, we publish a detailed report on what we've done to improve working conditions. [Here's our latest Social Report.](#)

✓ New audit

At the end of each three-year period, we conduct a new audit on our factories. This builds on our previous findings and confirms progress.

We have lots of procedures in place to keep our workers safe and satisfied. This diagram explains how we work with Fair Wear Foundation to do it.



SOME OF OUR SUCCESS BEHIND THE SCENES-2018

In China

Work which exceeds legal limits (overtime) is a recurring problem in Chinese factories. It may be due to poor planning from the factory, or bad timekeeping by the brands in defining products and order timelines. After many attempts to identify the real causes at one of our factories, we decided to carry out a pilot project with a comprehensive questionnaire of all the stages (from product development to bulk orders) to identify how our product management could have an impact on overtime. In that way we could adapt our processes to the needs of the factory for the following year. We also shared the project with other competitor brands sourcing at the factory so that it would have a greater impact.

In Vietnam

We made sure a child worker could study instead of working in a factory and guaranteed financial support to their family. We also received a firm commitment from the factory that they would stop hiring underage workers, and put an effective age-verification system in place.

For more information please read our [Social Report 2017](#)

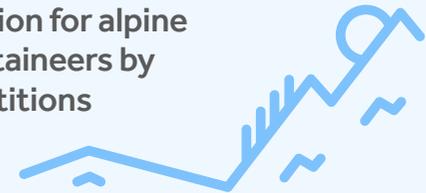


3. SHARE OUR PASSION & GIVE BACK

We want to give back to our community – people that love the mountains like we do. The mountains are a school of life. With our products we offer our customers the opportunity to identify with them and share this belief with us. Thus we form a community based on these values.

We do this by delivering high quality customer service, and giving people unique opportunities to explore the mountains and the sports we love.

We share our passion for alpine sports with mountaineers by organising competitions and sports events



We make sure we put our consumers at the centre,



by focusing on their needs and offering quality service

100% OF DYNAFIT BINDINGS

are assembled by differently-abled workers so that everyone can contribute



COMPETITION, EXPERIENCES AND MOUNTAIN LOVE

Sharing our passion for alpine sports with professional athletes, adventurers or people who simply enjoy moving in the mountains isn't just a good way to conduct first-hand product testing. It also allows us to experience the products we make and the lifestyle we promote alongside our most important stakeholders: the people that use them.

We host a number of competitions where consumers can win experiences that take them to the heart of the mountains.

GET VERTICAL



SALEWA's Get Vertical is an annual competition that enables participants to live a #PureMountain experience. It's a chance for us to share our love and passion for the mountains with our fellow mountain enthusiasts, and for them to experience the intensity and pure beauty of the Dolomites – the place we're fortunate enough to call home.

Each base camp experience hosts ten winners, who get to test their limits and push themselves even further. There are several opportunities each year to win a specialised multi-day mountain excursion with alpine guides, a free outfit and test gear – along with the chance to experience a night in a mountain hut, and another sleeping under the stars at high elevation.

The 2018 editions offered two summer alpine climbing experiences and two winter ski mountaineering experiences in San Martino di Castrozza and Obergurgl.



MOUNTOPIA



DYNAFIT's Mountopia is a twice a year competition that asks hundreds of mountain athletes to push their physical limits to win an unforgettable, once in a lifetime mountain dream.

In collaboration with GORE® and PrimaLoft®, DYNAFIT offers winners a chance to win a fully-financed, multi-day guided mountain excursion – chosen by the winner.

In 2018, two editions of the competition took place. Both editions called on 600 passionate athletes to set their limits high and share their 'Mountopia' – a description of their ultimate mountain sports dream. Ten contestants are then selected to compete head-to-head.

We selected four athletes for the first edition of 2018. They won the chance to live out their dream and climb the three highest peaks in Germany and Austria – Zugspitze (2,962m), Grossglockner (3,798m), and Ortler (3,905m), the highest peak in South Tyrol.

We picked six athletes for the second edition of 2018. They had the chance to participate in the Trofeo Mezzalama, one of the most intense and highest alpine ski mountaineering competitions in the world, with 45 kilometres and 2,800 vertical metres.



OUR SHOPS

Our shops are a place for us to meet our consumers – to empower, engage, and inform. It’s also a place for consumers to develop their passion for mountain sports.

We organise a number of activities at our shops:

- Running test to try new shoes
- Excursions and hiking with shop clients
- Photography competition
- Evenings with brand athletes
- Book presentations (on mountains and outdoors)

Consumers need to know what’s behind the product they buy. It’s our job to communicate this information transparently. That’s why we’re focusing on telling them more about our sustainability efforts at our shops.

In 2018, we organised a sustainability training series at a selection of our stores. We believe that sustainability communications at our shops will play an increasingly important role over the coming years. From specialised products (like upcycled t-shirts in our outlet stores) to Sustainability-specific in-store communications and hangtags highlighting sustainable product attributes – we want to give consumers different opportunities to engage with the sustainability missions of our brands.



WE AIM FOR EXCEPTIONAL SERVICE

Caring for our consumers

We always focus on our consumers' needs, ensuring we deliver on the high standards of our products. Our services include providing product information, warranties and returns. We usually do this over the phone, avoiding transportation to one of our labs.

We have two customer support areas. Our B2B function handles our partners, who sell our products worldwide. Our B2C function handles consumer requests through our website and over the phone.

In our biggest markets, where we have more capacity, we make repairs internally. Like in Montebelluna and Aschein, where we have experienced tailors who repair various apparel items. For some other products, we use external licensed and approved partners who support us with our repairs and replacement services. In our smaller territories, we mainly work with external partners to ensure the best service.

In Central Europe, we have a Skin Service Centre where Skins (DYNAFIT and POMOCA) can be renewed and set up for the new season.



DYNAFIT & replacement parts

DYNAFIT believes that exceptional service should be part of the user experience. Bindings represent more than 25% of DYNAFIT's portfolio, and ski boots over 20% of the portfolio in 2018 (based on sales). To make these products last longer, DYNAFIT offers replacement parts for these two product categories.

Our dealers are equipped with these spare parts for the most common types of repairs. Service teams in each one of our offices are always available with help and advice for technical enquiries. When our dealers are not able to carry out repairs themselves, the products are sent to DYNAFIT for servicing.

WE CARE FOR OUR COMMUNITY

We believe that companies have a responsibility to do more.

Through our community projects, we help integrate young refugees, get disabled people into work, give young Nepalese women access to education, and protect endangered wildlife.



SALEWA GARDEN FOR REFUGEE INTEGRATION

First opened in March 2017, SALEWA Garden's a 3,000m² plot of land next to our headquarters in Bolzano, Italy, where we produce 40 different kinds of vegetables, fruit, leaves, berries and herbs.

The best thing? It's maintained by 15 young refugees from various refugee centres. We give them the opportunity to do meaningful work, learn how to cultivate organic fruit and vegetables from a professional horticulturist, and get in touch with the locals. Oberalp employees can also take home the produce on a weekly basis in exchange for a donation to the project.

CHRISTMAS GIVING

Each year, during our Christmas dinners, we organise a lottery to collect donations for charity organisations and projects around the world. In Italy, the total amount collected from our employees is then increased tenfold by the company.

In 2018, together we collectively donated €42,000, split between three projects:

- a charity that supports those with severe illnesses to fulfill one last dream
- financial support for the municipality of Feltre, which was damaged during the storms hitting Northern Italy in October
- the construction of a well in Kenya to give an entire community access to water for living and harvesting.

KEEPING THE COLD OUT

In 2018 we donated around 300 tent groundsheets to an NGO working to help homeless people in Berlin staying dry and safe.



SALEWA'S GREEN FRIDAY

On Black Friday in 2018, SALEWA launched a "Green is the new Black" campaign. Customers could buy our products at a discounted price and 10% of every online purchase was donated to the non-profit organisation Protect Our Winters (POW). POW focuses on raising awareness and fighting against climate change in the winter sports community. The campaign was a success, with SALEWA donating a total of €13,000.

FIGHTING THE STORMS

In October 2018, Italy was hit with severe rains and storms. Thousands of hectares of forest were completely razed to the ground, and landslides and floods damaged large parts of the country. In particular, the northern regions of Trentino and Veneto suffered a lot of damage. As one of our main offices is based in the heart of Veneto, we decided to support those affected by the natural hazards, helping to clean up and rebuild the damaged areas.

As a first step, we donated €11,000-worth of shoes to Montebelluna's civil defence organisation in support of the affected communities. We also collected €13,000 of donations during our Christmas dinner to support the Feltre municipality. They used the money to help families in need by rebuilding damaged buildings and cleaning up destroyed forests and hiking paths.

EVERYONE CONTRIBUTES

POMOCA

At POMOCA we've been working with manufacturing partners who support people with disabilities since 2013, and our work's grown exponentially in the last few years. People with mental disabilities contribute to the production on our ski skins, doing tasks like stitching, packing and labelling.

In 2016, we started a collaboration with social organisation, Polyval. Polyval started by doing some basic tasks, like assembling plastic parts and preparing our product bags. We have started to give more complicated tasks to their workers – engaging them in our business, making them feel valuable and keeping them motivated.



DYNAFIT

We started working with **Caritas** at DYNAFIT in 1999. It's an organisation that enables disabled people to enter the world of work by providing facilities that cater to their specific needs – so they get the independence, involvement and recognition that we believe they deserve. We are working together with Caritas on a unique project in one of its facilities in Germany, where a team of disabled workers assemble our ski bindings.

Thanks to the success of the partnership – and with our production needs on the rise – we started working with two similar organisations in 2016 and 2017: **Herzogsägemühle Werkstatt Peiting** and **Barmherzige Brüder Algasing**.

Both non-profit organisations enable disabled workers to gain practical experience and professional independence. Their workers are also involved in the production of our ski touring bindings.



Between the three groups, we have around 170 disabled workers working on our products – and, in 2018 we produced around 100,000 pairs of bindings and 50,000 spare parts with the help of these workers.

We're proud to say that 100% of our bindings are assembled by disabled workers at these organisations.



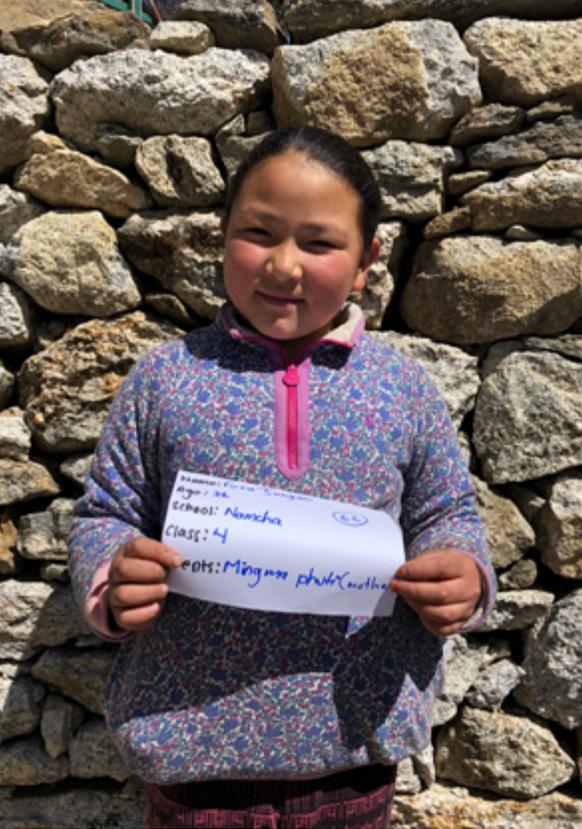
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We are proud to produce our bindings with disabled people nearby our offices in Munich. Even though this approach takes more effort and time it is motivating for all of us how these handicapped people have become a crucial part of the DYNAFIT family.

Benedikt Böhm
DYNAFIT General Manager

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SUPPORTING COMMUNITIES

SALEWA: Sherpa Girl

In 2018, we started a new project called Sherpa Girl, partnering with a small organisation that works to give young Nepalese girls from poor families access to education. In Nepal, many girls are not allowed to go to school, because their poor families need them to work in the household. The donations made go directly to the families, so that they can afford their girls not working. Education is a powerful way to help girls build a strong future for themselves and it is also key in helping developing economies prosper.

With the help of the local organisation we have identified 9 girls living across various small villages in the Nepalese mountains.

Salewa plans to support these nine girls over several years to help them complete their school education.

**€4.500 DONATED
TO SUPPORT NINE NEPALESE
GIRLS TO GO TO SCHOOL**

PROTECTING WILDLIFE

DYNAFIT: Snow Leopard Trust

The snow leopard is DYNAFIT's brand symbol and embodies its values and characteristics – a perfect combination of speed, endurance and dynamism.

Sadly, it's been in danger of extinction since 1972, with an estimated 4,000-6,500 cats remaining worldwide. DYNAFIT is helping to prevent the extinction of this species. Since 2007, we've supported the non-profit organisation Snow Leopard Trust, which works to protect this endangered cat through community-based conservation projects.

We organise the Snow Leopard Day each year, a public ski touring event held in several locations worldwide. Participants accumulate vertical meters – and for each vertical meter achieved, DYNAFIT donates one cent to the Snow Leopard Trust organisation.

This support enables the trust to aid 200 herders and their families with a financial contribution, helping to preserve the animals and deter locals from hunting leopards. Village inhabitants were also offered handicraft courses and other education to enable them to earn their livelihood without hunting the animals.



2018

1082 SKIERS

**1,096,234
VERTICAL
METERS GAINED**

**€11,000
DONATED**



POMOCA: Seal project with EOCA

Until the 1930s, climbing skins were manufactured from real seal skin.

As a tribute to this animal and a symbol for ski mountaineers, POMOCA launched a new project in 2016 to protect the Saimaa ringed seal in Finland. It's been estimated that there are only around 370-380 Saimaa seals remaining, all of which live in Finland's Lake Saimaa. We support a project managed by the Finnish Association of Nature Conservation, coordinated with the EOCA (European Outdoor Conservation Association).

Kaarina Tiainen, together with the Finnish Association of Nature Conservation, is fighting for the protection of the Saimaa ringed seal – the most threatened seal species in the world. She mainly works to raise awareness around the issue especially with the inhabitants of Lake Saimaa, where the species lives. This involves organising events to promote alternative fishing methods and appearing at festivals and in campaigns.



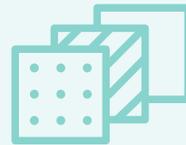
4. WE MAKE LEADING PRODUCTS

We produce technical mountain sports apparel and equipment for people that are passionate about the mountains. And our task is to make them responsibly.

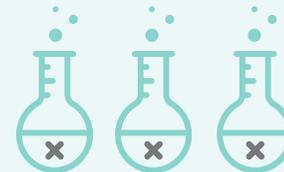
Our highest priority is durability - we want our community to consider our products as lasting companions. We're experts in creating products that embody the latest technology and material innovation. When making our products, we always try to leave as little trace as possible in the nature we love and enjoy – it's our greatest responsibility as product makers.

We select the most technical, safe and

RESPONSIBLE MATERIALS



We test our products against our list of



RESTRICTED SUBSTANCES

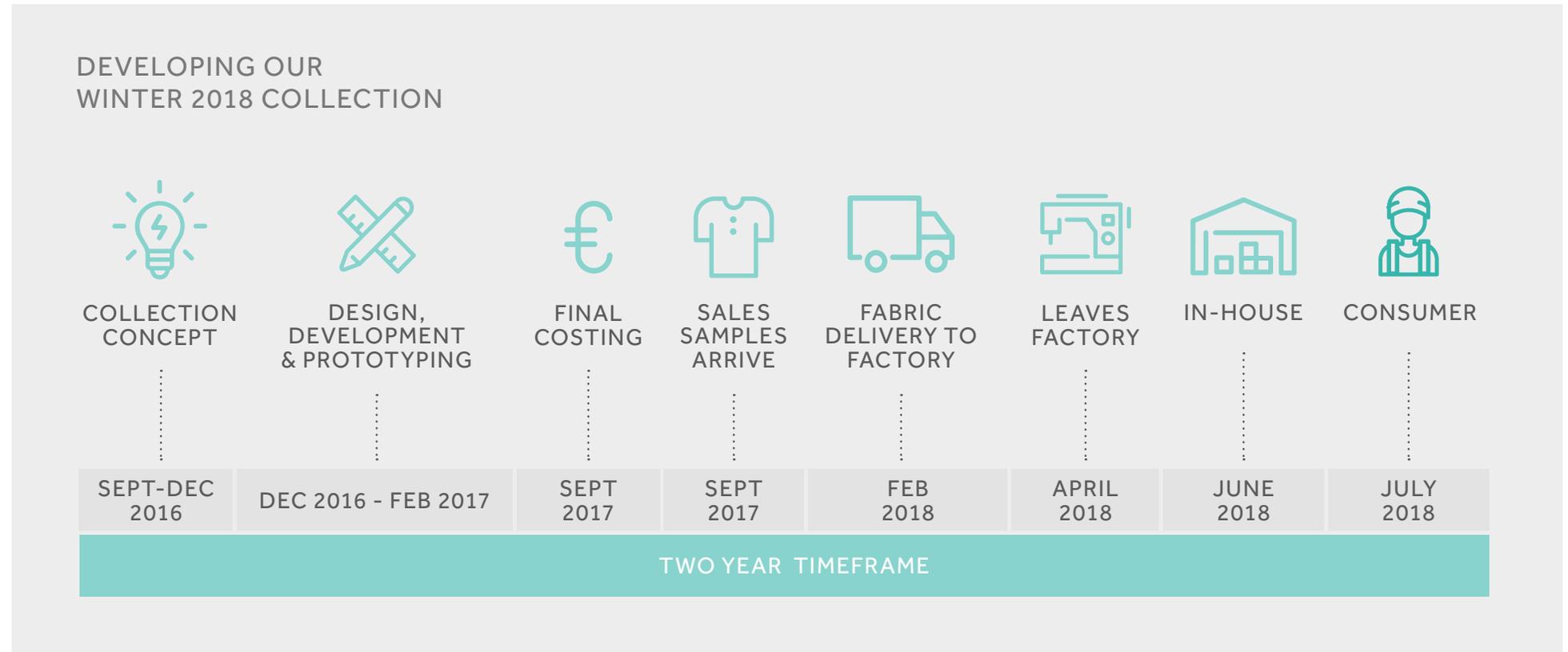
We're shifting away from the use of PFCs



FROM CONCEPT TO CONSUMER

The collection you'll find in our stores right now was actually developed two years ago. Because while you're out there enjoying our latest products, we're already working hard to develop innovations for your future adventures.

This also means that changes we make to be more sustainable are not immediately visible on the market and that the information on the current collection does not reflect current ambitions and achievements.



LASTING QUALITY IS OUR PRIORITY

Society's biggest sustainability challenge right now is overconsumption. Our grandparents only had a few jackets over their entire lifespan – and we should learn from them. Instead of buying a new jacket every season, we should only buy products we love, maintain them for as long as possible and take pride in their history.

This is why our products are designed to provide security in extreme conditions and comfort that lasts. We keep this in mind from the first steps of product development.



Quality team

Our quality team has two quality managers and 14 quality controllers. The controllers work directly with production sites so they can inspect each production lot and work with suppliers to ensure our high level of quality.



Quality manual

We've created a quality manual that we share with our suppliers. It sets out the stringent requirements that we're aiming for, so that we're delivering best-practice in our sector.



Quality gate

We have a quality gate for every stage of our product development. Products have to fulfil certain requirements before they move onto the next stage of development, industrialisation or production.



Rigorous testing

Aside from the quality control during the development phases, we use two main forms of testing on our products – mechanical and chemical tests in labs and field tests by employees and athletes. Both give us crucial feedback on our products' performance before they go to market.



Listen and improve

Our after-sales service sends consumer feedback to our technical team so that we can keep getting better.

CHEMICAL SAFETY

One of our top priorities is making sure our materials and products are safe for both humans and the environment.

Along with our in-house chemical management expertise, we work with industry best-practice partners to ensure the highest chemical standards. Our goal is to control the entire lifecycle of our products – from raw material, through the production process, to the finished product.

“

It is extremely important to have a solid system to ensure product safety and supply-chain monitoring in order to protect our consumers and the environment.

A product that poses hazards to people or the environment is inherently unsustainable, no matter what other sustainable characteristics it has.

Patrizia de Paoli
Chemicals & Compliance Specialist

”



OUR CHEMICAL POLICY



We launched the new Oberalp Chemical Policy in 2018. It introduces a formal process to ban, or limit, the presence and use of hazardous substances in our products and production processes. This guarantees safety and compliance.

The policy includes our Restricted Substances List (RSL), a list of chemicals that are excluded or limited from all our products. Our ambition is a best-practice standard, and we update it every year to include the latest research. Our RSL has been used internally since 2014 – with our new policy, it's now updated and formalised.

All SALEWA, DYNAFIT, WILD COUNTRY and POMOCA branded products have to abide by the policy.

It's a central part of the Conditions of Purchase with our suppliers, and it's mandatory at every stage of the production and distribution process.

More than 90% of our suppliers have already committed to the Oberalp Chemical Policy.

PRODUCT TESTING AND CERTIFICATIONS

Another way we ensure our products are safe is by working with expert partners and third party certifications. Most of the textiles we use in our apparel are bluesign® or OEKO-TEX® certified – indicators of high standards in safety and quality.

In 2018, more than 70% of our textiles were certified by one of our partners. The remaining 30% were tested by independent chemical laboratories to check that they complied with our strict standards. **In 2018, we conducted more than 2,000 chemical tests on our products on over 3,000 chemical groups.**

- OEKO-TEX® guarantees that no hazardous chemicals are used in a material. Test criteria and limit values in many cases go far beyond applicable national and international standards.
- bluesign® takes it one step further: it guarantees that not only the final material, but the whole process of making it, is safe – ensuring safety for everyone involved in the production.



PERFLUORINATED CHEMICALS (PFCs)

Perfluorinated Chemicals (PFCs) are a type of chemical compound used to make everyday products resistant to water, grease and stains. We use them in some of our technical products to ensure water repellence and permeability.

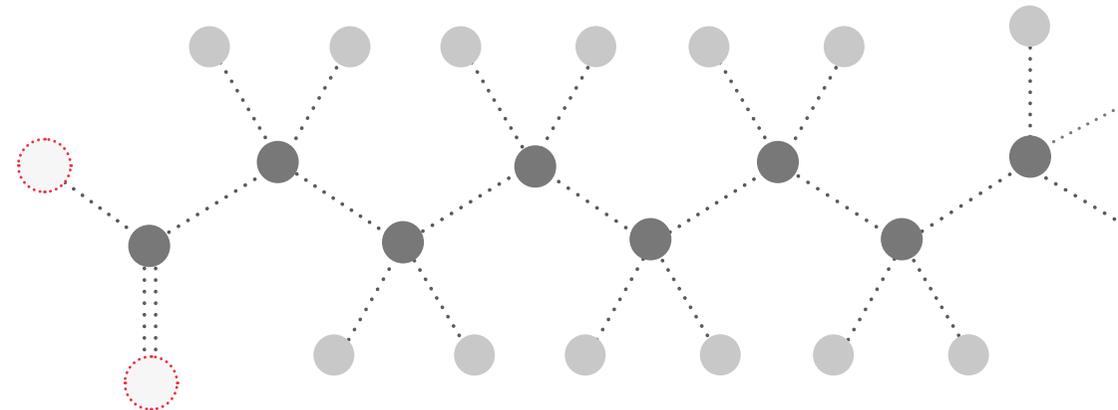
Using PFCs for performance

PFCs guarantee best-in-class performance for technical apparel that needs to be both water-repellent and still allow humidity to exit. These qualities are crucial for professional mountain expeditions – under extreme conditions, it can be the difference between life and death. Despite years of industry research, there's still no technology that replicates the performance of PFCs.

PFCs and the environment

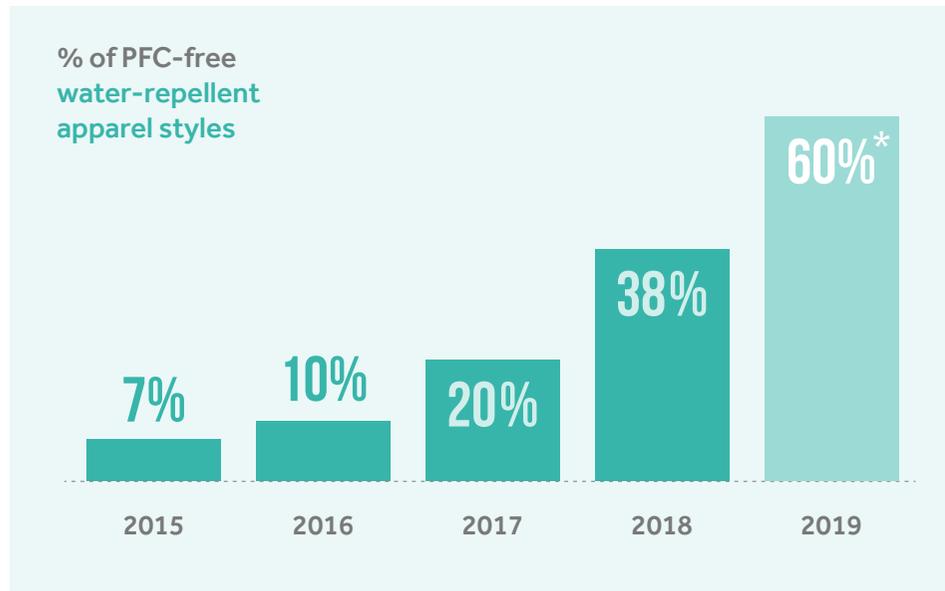
PFCs have been criticised because, in high concentrations, they've been linked to negative health effects in humans and wildlife. They're persistent, which means they don't easily degrade in nature. PFCs can also travel easily through water and wind. As they're easily absorbed in the fatty tissue of living organisms, they become more concentrated along the food chain.

PFCs look like a snake, with a head and a long tail. Different types of PFCs have different tail lengths – the longer the tail, the stronger their ability to repel water, but also the more dangerous they are. That's why we excluded all long-chain PFCs in 2014, as soon as we got to know of their negative effect.



OUR PROGRESS ON PFCs

We've made a big leap towards reducing our use of PFCs. The number of apparel items where we're using PFC water-repellent treatment was reduced by 22% last year.



* Orders and styles for 2019 were not finalized at the time of closing this report. Numbers may vary slightly.

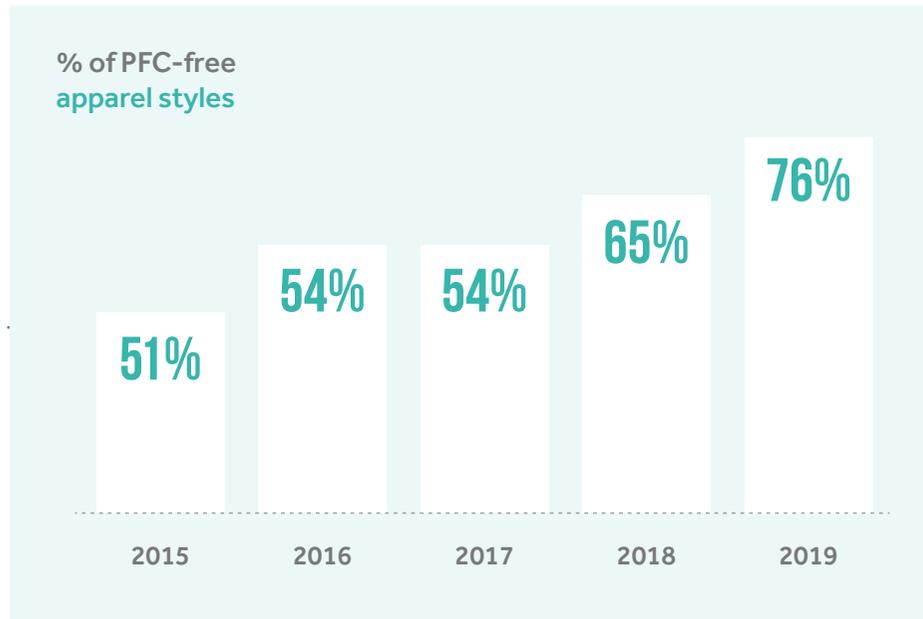
Our 5 point approach to reduction

We are constantly looking for alternatives to reduce our impact on the environment, while still protecting our users. The process we have put in place consists of 5 "Rs" :

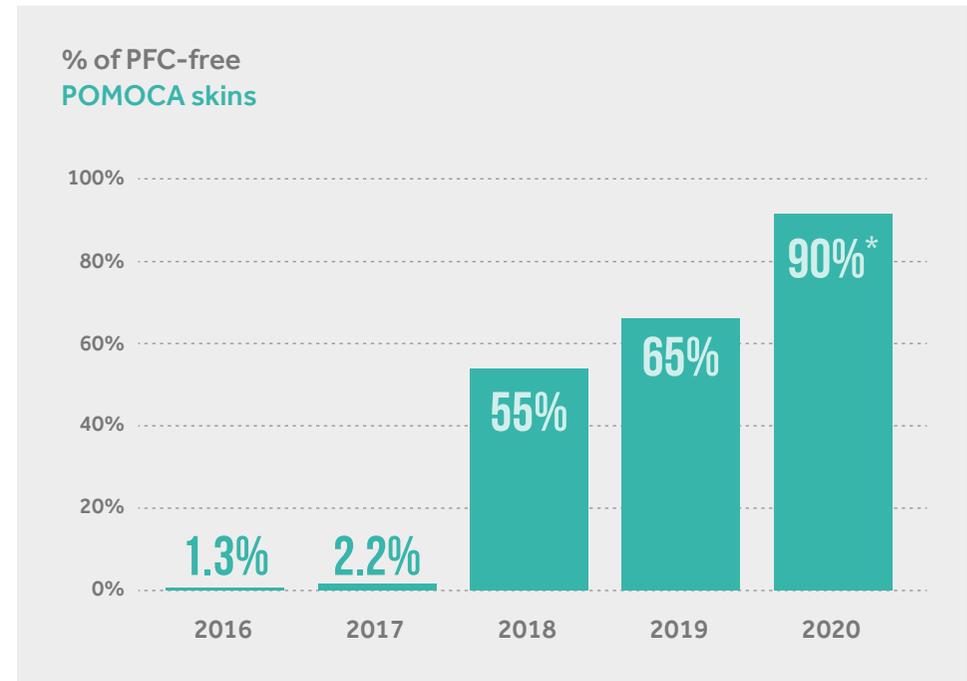
- 1 **Restricted** use of PFCs to short-chained (C6) ones, and eliminated long-chained (C8 and above) ones
- 2 **Rethink** the need for water repellency treatments
- 3 **Replace** where water repellency is needed, substitute C6 with PFC-free or best available alternatives
- 4 **Research** and invest in our partners to advance in the development of PFC-free water repellency treatments
- 5 **Reunite** and participate in industry and expert stakeholder initiatives and research projects to find joint solutions

POMOCA: PFC-FREE PIONEER

POMOCA became a world pioneer when we introduced the first completely PFC-free skins (including coating) to the market in 2016. It was the result of many stages of R&D and athlete field testing, starting back in 2014.



We continue to make great progress in the reduction across the board in PFCs. But in the lack of good alternatives and because we also have a responsibility to ensure the safety of mountaineers using our products, we continue to use PFCs in some of our products (only short-chain, C6)



* The remaining 10% are our five different RacePro 2.0 skins. They're PFC-free skins with an extra top coat of PFC treatment.

We're researching alternatives for this top coat but right now this is the only treatment available to reach our desired quality and outcome.

CHOOSING THE RIGHT MATERIALS

We choose materials that make your excursions the most comfortable and less impactful to the environment. We are constantly pushing to find innovative materials with high quality features. We want to find the perfect balance between natural resources and the latest technologies. We are always doing research to bring new sustainable materials to the table.

We are now focusing a lot on a resource coming straight from the heart of South Tyrol - wool.

Cruelty-free down and wool

We want to respect all living beings when making our products. Wool and down are the materials with animal origins that we use the most, and we take special care to ensure that the sheep, duck and geese are treated humanely.

All of our wool suppliers guarantee to avoid mulesing, a practice that causes the animals pain.

POLYESTER AND NYLON

The most common materials in our outdoor apparel and equipment are nylon and polyester, which are often blended with elastane or cotton. We use these materials because they have properties that are suitable for mountaineering activities. They're light, extremely durable and strong, dry quickly, have flexible colouring, and are easy to care for.

Increasingly, there are more sustainable versions of these materials on the market. Recycled nylon is still rare but recycled polyester has boomed.

Today, 12% of all the polyester we use as a company is recycled. We want to increase this amount substantially over the coming years, while keeping quality and durability at the centre of our material decisions.

WOOL

Wool's part of our DNA. The Oberrauch family has been closely linked to the material for more than 150 years. It also has a strong connection to the mountains and our home region, South Tyrol.



Using local wool for insulation

We can source wool locally, it's biodegradable, and it's packed with benefits – excellent insulation, breathability, thermal regulation and outstanding warmth. That's why we decided to focus on wool to find an innovative insulation technology for our products.

However, it's not simple. The texture of wool from the Alps is very rough, so it's not usually used in clothing. Instead, it's used as a filling in building construction or even thrown away. Either way, sheep still have to be shorn every year to stay healthy, so the wool's always there.

We wanted to see if we could do something useful with this local resource, both to upgrade the material and to support the local sheep herders. The goal? To refine this regional raw material that's been tried and tested over generations with a pioneering technology.

Peter Veider – director of the Tyrolean Mountain Rescue, who we've equipped with gear for many years – came up with the idea: "We wanted to equip mountain rescue teams with a natural fibre from Tyrol. The plan was to minimise environmental impact with shorter transport routes, while simultaneously supporting alpine sheep farmers – from the mountains, for the mountains. Some of the mountain rescue team own sheep themselves."

The result of our hard work and strong partnership with the Rescue team is a new insulation technology called TirolWool® Celliant®. It's a blend of Tyrolean wool and the thermoreflective mineralised yarn, Celliant®. Together, the minerals and the wool are excellent at keeping heat in and getting rid of dampness.

TIROLWOOL®



From the Mountains for the Mountains

Sourced from Tyrolean mountain sheep.



Support local farmers

Farmers receive better money for their wool.



Increase Traceability

We know exactly where our wool comes from and how animals are kept.



Animal Welfare

Farmers shear sheep twice a year in a humane manner to keep the animals healthy.



Responsible Chemical Treatment

The wool is washed with Oxy-Wash; a patented oxygen washing technique that does not use chlorine.



TIROLWOOL CELLIANT

ENGINEERED IN THE
HEART OF THE DOLOMITES

In SALEWA's 2018 collections, we used TirolWool® Celliant® for over 60% of our apparel product insulations.

CELLIANT®



Made From Nature

Celliant® is a blend of 13 different natural thermo-reactive minerals.



Recycled Polyester

Celliant® is blended with recycled polyester fibres, produced from post-consumer bottles.



Recycled Heat

Keeps you warm and dry longer, reflecting your body heat back to you.



Better Performance

The insulation allows for faster recovery by improving local blood circulation and promoting oxygen in your bloodstream.



Long-Term Durability

Wear it for years, put it in the washing machine, get it wet; it will continue to keep you warm.

DOWN

Since autumn 2014, we've only used 100% Responsible Down Standard (RDS)-certified down in our apparel.

RDS is currently the most comprehensive animal welfare standard worldwide, guaranteeing that ducks and geese are treated well throughout their lives.

The standard is independent and is based on regular checks and inspections that are conducted without warning.

We use down in a number of different products. SALEWA chose it for 21% and Dynafit for 12% of its insulations in their 2018 apparel collections.

RDS-certified down means:

- No live plucking or force-feeding of ducks and geese
- Yes to the Five Freedoms for animals
- No slaughtering of animals only for down and feathers
- The entire supply chain is audited by a professional, third-party certification body
- Transparent procedures to protect the credibility of the standard



Monitoring

Each step of our supply chain is monitored and controlled:



SOURCED FEATHERS



PREPARED AT RDS CERTIFIED FACILITY



PRODUCTION OF STYLES



DELIVERY TO OUR WAREHOUSE



SOLD TO CONSUMERS

DYNAFIT DOWN JACKET



SALEWA recycled down sleeping bags

The most environmentally-friendly down is recycled. We developed our recycled down sleeping bags in 2015. They're filled with recycled down and the outer shell is made with recycled polyester fabric and bluesign® certified zippers. We started selling them in 2016, and we've since increased the production volume.

In our upcoming 2019 collection, all down used in sleeping bags will be recycled. The other sleeping bags use synthetic material.

% of recycled down in SALEWA down sleeping bags



ECO DOWN SLEEPING BAG

MICROFIBRES

What's the problem with microfibres?

Microfibres travel easily through air and water. They're a huge environmental threat, which scientists are still only starting to understand. Some microfibres come from our clothes during production and use. Because they're so tiny, washing machines and purification plants can't filter them all. When we wash our clothes, they end up in our ecosystems – and eventually in our food chains.

We want to be part of the solution

We've been involved in finding solutions to this problem ever since we heard about it, supporting three different research projects. Currently we're involved in the Microfibre Consortium, founded by the European Outdoor Group in early 2017, and the Textile Mission's project to find out how we can reduce our impact.

While we, as producers, have to turn these technical solutions into action, there are many things that you, as a consumer, can do to improve the situation.

What can you do to help stop microfibers?



1. Wash your clothes less often.

Each time you wash your clothes they break down a little and release microfibres, so wear them longer before you wash – and dare to be dirty.

2. Let your clothes drip dry.

Drying machines are torture for your clothes. They cause big microfibre release, which means your clothes are destroyed more quickly.

They're also one of the worst energy consumers. The crazy thing is that you don't even need one – your clothes dry fine without them, and your air quality and energy bill will be happier, too.

3. Always fill your washing machine.

The fewer items you have in your washing machine, the more they get hurt and release microfibres.

So fill it up!

MICROFIBERS VS. MICROPLASTIC?

Microfibers are textile fragments less than 10 micrometers. They can be either synthetic or natural. Microplastic refers to either synthetic textile microfibers from polyester or nylon or similar tiny plastic particles coming from other industries.

5. WE PRODUCE MINDFULLY

Environmental challenges affect all of us – businesses, people, nature and future generations. We're serious about reducing our impact across our entire supply chain.

Circularity and upcycling

We want to close the production loop, and every year we increase our efforts to reduce waste. Our various upcycling projects turn leftovers and wasted material into fun, useful products.

Reducing our carbon footprint

We're mountaineers and mountain sport specialists, spending most of our time working and living among nature and the mountains. That makes us feel particularly responsible to protect the environment.

We're optimising our skin production process and we

REDUCED MATERIAL WASTE



BY 6.5%

WE PRODUCED MORE ENERGY THAN WE CONSUMED

at our headquarters in 2018.



WE'RE TURNING WASTE INTO NEW PRODUCTS

in a number of new initiatives



GIVING PRODUCTS A LONGER LIFE

Probably the most important step in reducing the environmental impact of our industry is to go from the old "take, make and dispose" thinking to a circular business model. This means for example making production efficient and recycling materials for as long as possible. We are doing our best to go in the right direction. Here are a number of examples of things we do.



SALEWA is committed to using resources efficiently, producing its products with the lowest possible environmental impact. It's significantly reduced the number of styles in its collection, without compromising annual turnover, with the 2018 collection containing 18% fewer styles than 2017. This reduction makes the production line and material use much more sustainable.



Upcycling

We're creating products from production leftovers, reusing materials that would have otherwise gone to waste



Long-lasting design

In 2018, 40% of apparel styles, 60% of backpacks and 100% of sleeping bags were carried over from previous collections. This allows us to use materials efficiently and reduce leftovers.



Care & Repair

We offer repair services – like fixing, resoling and spare parts – so that products last longer. In 2018, we repaired 523 apparel items – a 10% increase compared to 2017



Recycling

We're starting to use more recycled fabrics – mostly recycled polyester and wool



Optimising production

We're finding ways to minimize waste during production

We're proud to say that in 2018, over 20% of our apparel styles contained at least one recycled material.

Along with the increasing use of recycled polyester, we've introduced recycled wool into our clothing collection.



“

In my family's business, the commitment to wool has a long history. Since generations wool has been used in our home region as a technical material.

We have the ambition to continue to further explore the use of locally sourced natural materials in our products.

Ruth Oberrauch
Head of Sustainability

”



RECYCLED WOOL, MADE IN ITALY

One of our bestselling flagship products, Sarnier, isn't just 100% made in Italy – its wool is also 100% recycled. Our partner in Prato, Italy, sorts discarded woollen goods, mechanically processes the wool, and transforms it into regenerated wool yarn.

The wool holds the Global Recycled Standard and Cardato Recycled certifications, which guarantee recycled content. These certifications also guarantee the highest standards of respect for the environment – specifically water, energy consumption and CO₂ emissions – and social impact.

Our supplier transforms the recycled wool yarn into high quality woollen fabrics. Together we developed these fabrics for our SALEWA Sarnier jacket. Thanks to the success of the product, we're introducing several new styles that feature recycled wool in upcoming SALEWA collections.



SARNIER 2L WOOL

100% MADE IN ITALY
MADE WITH 100% RECYCLED WOOL

POMOCA'S PIONEERING LIFE CYCLE ASSESSMENT ON SKINS



In 2017, as part of its commitment to reduce the impact of skin production, POMOCA decided to do a life cycle assessment (LCA) on its ski skins. The aim was to find the biggest impact through the lifecycle of the product and identify ways to improve.

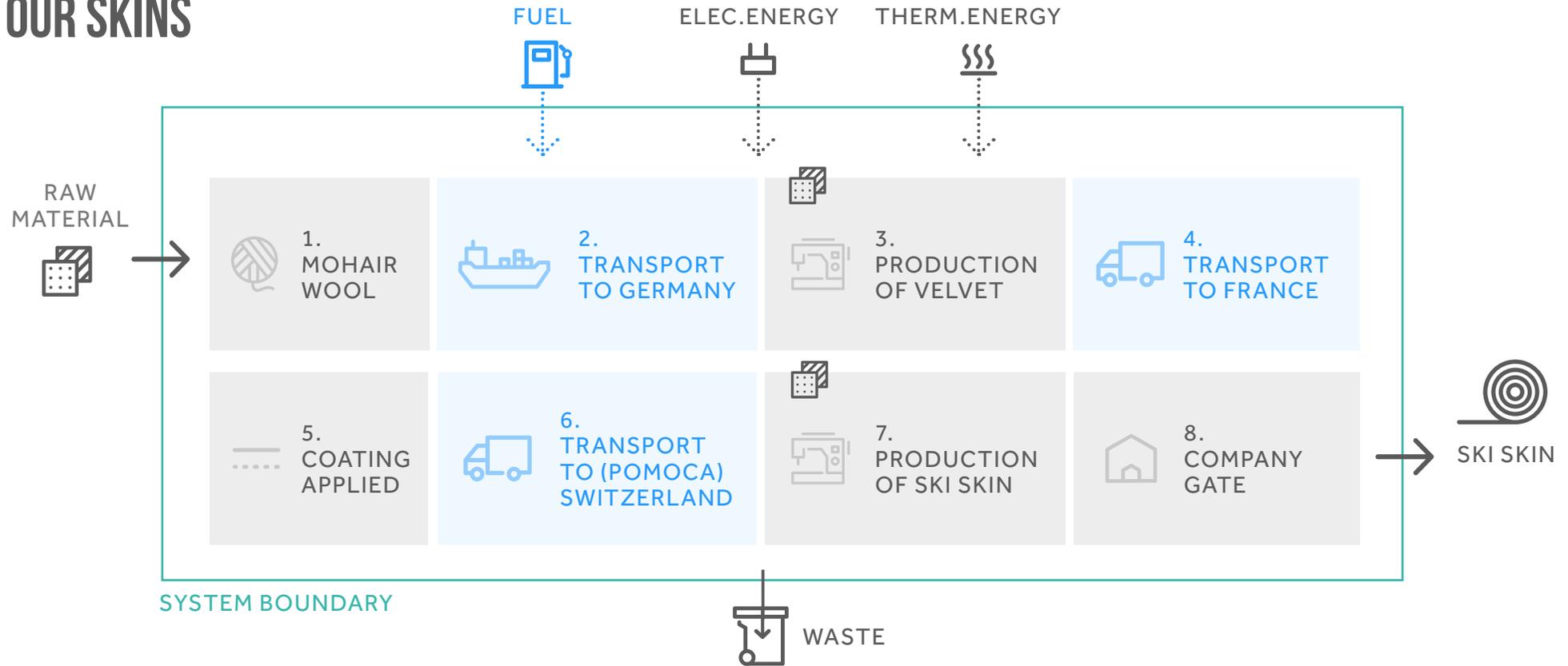
We did the analysis on our bestselling skin, which accounts for roughly 80% of our production. The LCA was completed by an independent partner for climate protection, myclimate, and has been verified by a third party.

The LCA mapped out our production chain, with all the inputs and outputs involved in creating the ski skin. This includes the type and quantities of raw materials used, transportation distances, energy consumption at the production facility, waste produced during production and amount of packaging used.

What is a life cycle assessment?

If you want to reduce the negative impacts related to a product, you have to know where to start. A life cycle assessment (LCA) is a method to assess the environmental impacts of a product - looking at the entire life of the product, from extracting the raw material, to the day when it becomes waste. And all the steps in between such as manufacture, transport and use. The results of an LCA let you understand which steps in the life cycle have the biggest impact. This way you know what to focus on.

THE PRODUCTION OF OUR SKINS



What we learned from the study

1. Velvet production accounts for 84% of the environmental impact
2. Transportation doesn't have a big impact
3. We can reduce waste during the production process by optimising our laser-cutting

Optimised production

We're now saving 5-8% more material by applying the laser cutting process for a range of skins – and we're planning to extend this to our entire product line by 2020.

UPCYCLING

POMOCA: new life for skin waste

In 2016, POMOCA decided to give a second life to its skin waste material by partnering with SkinAlp - a small company from Aosta Valley, Italy, that produces accessories from the waste of ski touring skins. With our production waste, SkinAlp has created belts, key chains and bags. A portion of the proceeds then go to a Nepalese non-profit that supports housing for children.

In 2018 POMOCA launched a new innovative upcycling project in partnership with up-and-coming Swiss company Baabuk. By combining leftovers of POMOCA's brightly coloured skins with BAABUK's natural felted wool we created a limited series of fun, stylish and durable slippers!



Wild Country: Curbar Jacket

Textile companies around the world have excess textiles lying around in warehouses destined to become waste. We think these materials should be put to use. So we decided to get creative with some of our leftover high-tech fabrics.

Engineered for climbing, the Curbar Jacket is made of high-performance leftover material from SALEWA's production. This collaboration between two of our brands means we're creating something new and avoiding waste at the same time.

The jacket's designed at the Wild Country base, in the heart of one of the UK's most famous climbing areas – the Peak District. Curbar offers robust and reliable weather protection, and outstanding mobility that moves with you – ensuring unrestricted arm-lift, even when the jacket's tucked under a harness.



.....○ CURBAR JACKET

SALEWA: turning waste into resource

Our designers studied the entire production process for a number of our products, and learned that they could use the offcuts – pieces of fabric that are left after a garment's been cut out – in other products.

In 2017, we launched our Sarner wool gloves, made of offcuts from the Sarner hoody and Bergrettung merino t-shirt.

In 2018, we launched our new smartphone insulator, made of leftover material from the production of other products. The insulator also has an integrated Recco® reflector to help quickly detect missing people. This year we also developed a beanie that uses leftover merino fabric from the production of our t-shirts.



Upcycling t-shirts

In the apparel industry, non-used fabrics often go to waste. That does not make sense to us. Together with one of our fabric suppliers, we decided to make t-shirts and fleeces from our leftover fabrics, and sell them in our outlets.

From banners to bags

We change our in-store marketing banners every year – but we don't want to see this material go to waste. Since 2016, we've collaborated with social organisation AKRAT to turn our marketing waste into useful products, like pillows and string backpacks.

From basic to unique

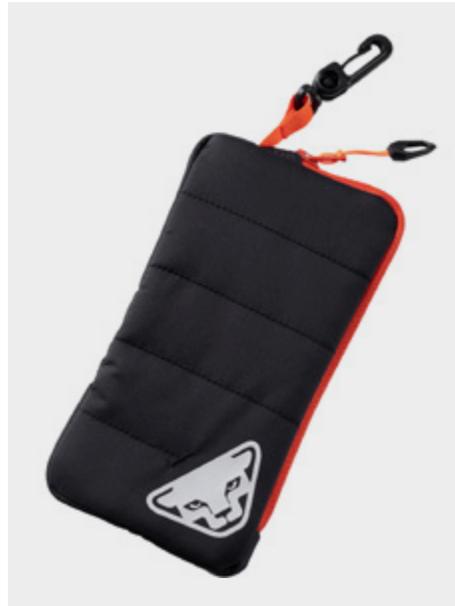
When SALEWA changed its logo a few years ago, we couldn't use old material like hangers anymore. Together with students from the University of Bolzano's design faculty, we transformed leftover hangers into design pieces. They'll soon be multiplied by AKRAT and sold in local shops.

DYNAFIT: may nothing go to waste

DYNAFIT has also been working on different projects to reduce their waste to a minimum. In 2018 several upcycling projects were launched.

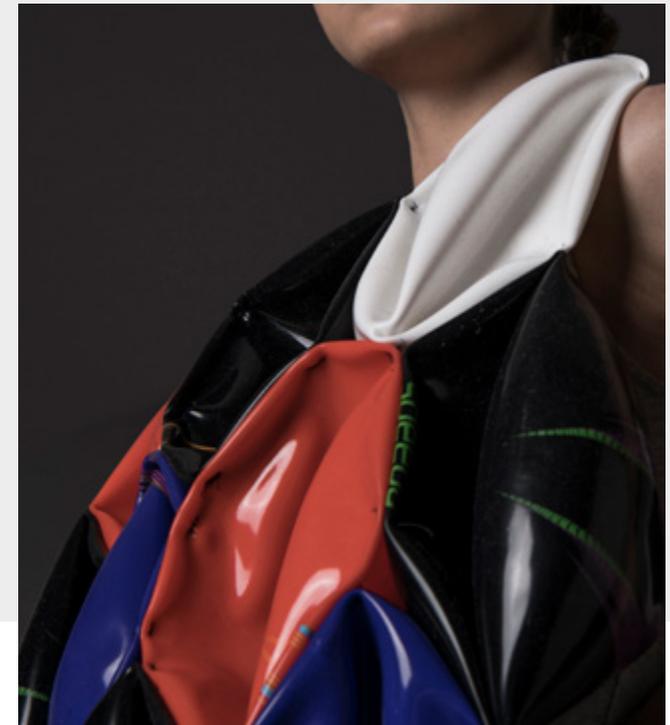
The Battery Life Saver is a phonecase designed to keep your smartphone warm during your most extreme excursions. The case has been produced using leftover fabrics from previous seasons, both for the internal and external layers. Same goes for the Removable Sweat Pad, designed and produced with residual fabrics.

Dynafit also decided to use leftover fabrics to create bags for athletes. These bags were then used for the 2018 edition of the annual ski touring race "Trofeo Mezzalama". Each athlete was given one of the bags.



Speedo: upcycling waste to fashion

In 2018, we proposed that Speedo sponsored a project from the IED design school, which reused flawed racing suits and accessories for a new fashion design concept. This project generated six innovative suits and outfits, giving these materials a second life and avoiding more waste. We also found a student to sponsor, who then completed the project.



REDUCING OUR CARBON FOOTPRINT

Back in 2015, we conducted a Corporate Carbon Footprint study on our entire company, to see where our biggest environmental impacts are. This was the outcome:



Our study showed that over 80% of our impact is actually related to our production. However, we don't own any of our production – it's all outsourced, except for our skins production in Switzerland. But this doesn't mean we will sit back and ignore the problem.

* Indirect impact refers to all our outsourced operations (production, transportation, etc). Because a company has no direct control over them, the responsibility is normally limited.

Some of what we've achieved so far:

- Our Code of Conduct, which all suppliers sign and agree upon, sets environmental protection as one of the standards.
- We're bluesign system partners and many of our partner factories are, too.
- A majority of our suppliers are committed to using the Higg Index** as a way to transparently share, benchmark and track the environmental performance of our supply chain.
- We encourage employees to organise car-sharing for their business travels.
- Our car-free to work competition rewards employees who opt out of commuting to and from work by car. In 2018, together we commuted car-free for a total of 47,918 km, resulting in an estimated saving of 11.02 tonnes of CO₂ emissions.
- LED lighting in shops: as of 2017, we only use LED lighting in all new or renovated shops.
- In 2018, our global electricity consumption across all our offices was 6646,45 GJ (1.846.235,06 kWh).
- We installed 9 video conference devices across the 4 countries, where we normally commute a lot between offices; to reduce the amount of business travel and increase our work and meeting efficiency.

** The Higg Index is a self-assessment and benchmarking tool for apparel and footwear industries for assessing environmental and social sustainability throughout the supply chain.

Our headquarters and energy reduction

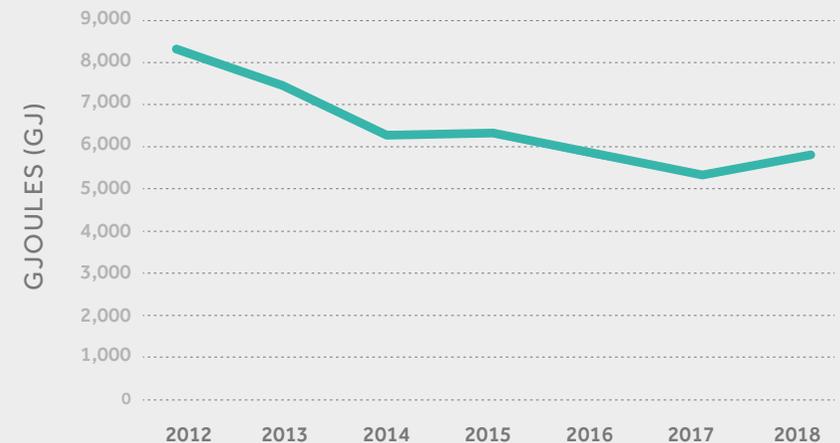
We opened the doors to Oberalp's new global headquarters in 2011. It's the heart and soul of our company. A warm, welcoming, ecological workplace for over 200 Oberalp employees. It's also a second home to local residents, consumers, alpinists and more – since the building offers a climbing gym, a centre for conferences and events, a SALEWA shop, and a café.

From the start, we designed the building to be as efficient as possible, minimising our impact on the environment:

- We have a photovoltaic system that produced 706.502,21 kWh of energy in 2018, which we fed into the public energy grid. The amount of solar energy we produced and fed to the grid in 2018 equalled to 132% of our energy consumption, helping us compensate for our emissions.
- We've also worked to minimise our energy consumption. Since 2012, despite the opening of 4 new office floors, we've decreased it by 32%.
- Our heating and cooling system is based on concrete core activation. Pipes run through the concrete walls and ceilings, acting as large thermal storage units and regulating the building temperature while saving energy.
- Next to our solar panels, we have a living green proof that provides natural insulation.
- We manage 75% of all warehouse operations through an automated central warehouse system, which features an energy recovery function through the braking system.



ENERGY CONSUMPTION
AT OUR HEADQUARTERS



Our overall energy consumption (electricity + heating/cooling) at our headquarters was 2% higher compared to 2017. This slight increase was due to a higher volume of merchandise handled in our central warehouse.

Logistics centre

Our central warehouse, opened in 2011 along with our offices, is built over four floors and is around 10,000 m². More than 70% of our orders are fulfilled through the automatic warehouse system, which handles around 30,000 pieces each day. The automatic system can't handle some items due to their size (e.g. skis) so they're dealt with by a manual warehouse system.

Sustainability and energy efficiency in our logistics centre has been the focus since day one.

- All cardboard boxes used both by us and our suppliers are 100% recycled carton. We compress all used cardboard boxes with our compressing machine before sending them to a recycling company.
- We monitor the time and energy consumption to start up our machines so that a maximum of four machines can start at the same time.
- We set the remaining machines in motion with a time lag, because acceleration requires the most amount of energy.
- We feed the energy generated during the braking phases back into the system via corresponding power feedback modules.



INBOUND TRANSPORTATION

	%
Air freight	2%
Sea freight	80%
Lorry/Van	18%

In 2018, we tracked the environmental impact of transporting our products. Overall, the majority of our products are shipped to us by sea freight.

We try to avoid air freight where possible and opt for sea freight, the more sustainable option.

REPORTING

We work with a wealth of different organisations to report on our sustainability efforts.

Why are there so many? Because we believe that being held accountable – and revealing how we're doing – is a vital part of our responsibility as a transparent organisation.

Memberships in external initiatives

- European Outdoor Group
- Outdoor Industry Association
- Fair Wear Foundation
- Bluesign
- Responsible Down Standard
- Economia Alto Adige
- EOCA
Only POMOCA
- SOS Kinderdörfer
Only in Germany, Austria, Switzerland
- Caritas Werkstätten
Only in Germany, Austria, Switzerland

Memberships of Association

- Assoimprenditori Alto Adige
- ASSOSPORT
- CVC
Chamber of Commerce of Vaud region
Only POMOCA
- International Ski Mountaineering Federation (ISMF)
Only POMOCA
- Thinksport
Sport lobby in Switzerland.
Only POMOCA
- Bundesverband der deutschen Sportartikelindustrie (BSI)

METHODOLOGY FOR CALCULATIONS

Our 2018 Sustainability Report is an important milestone in our journey towards a transparent and structured reporting process. It gives details on our sustainability performance and the industry's key indicators. And it provides information on issues that affect our stakeholders.

We prepared this document in accordance with the GRI Sustainability Reporting Standards issued in 2016 by the GRI – Global Reporting Initiative. The breadth and detail with which we cover issues in the Sustainability Report reflect the materiality analysis carried out according to the approach described in the paragraph 'Approaching sustainability'. This report has been prepared in accordance with the GRI Standards: Core option.

Scope of reporting

The reported information and data refer to 2018 (from 1 January 2018 to 31 December 2018), unless otherwise noted. Any data referring to previous years is presented for comparative purposes only, so as to allow an assessment of the evolution of our operations over time. Where the data comes from estimates, it is flagged accordingly. The performance indicators were collected on an annual basis and the reporting frequency will be annual.

Our headquarters are in:
Via Waltraud-Gebert-Deeg Str. 4, 39100, Bolzano, Italy.

Calculation criteria

Several of our operating departments were involved in the process of data gathering and report drafting, in order to shape this report. One of our ultimate objectives through the report is to strengthen our reporting system, and enhance the accuracy and reliability of the information and data we provide.

MATERIALITY TOPIC CORRELATION

The following table presents the correlation between the material topics (mapped in the materiality matrix on page 22) and the GRI Standard aspects, together with an explanation of the material topics and their boundaries.

Material topic	Definition	GRI Indicator	Boundary - where the impact occurs
Product responsibility			
Product quality and durability	Always strive to increase the quality of products, ensure maximum safety standards and design products to have a longer life-time	n.a.	Inside, Outside (Suppliers)
Chemicals management	Avoid the use of dangerous chemicals in our products, find alternatives to harmful chemicals and test products	n.a.	Inside, Outside (Suppliers)
Customer service	Always improve the efficiency of our consumer service to meet client needs, for example through product repair services	n.a.	Inside, Outside (Dealers)
R&D and innovation	Push for innovation and new technologies, participate in industry research projects, find new opportunities for brand differentiation and expansion	n.a.	Inside, Outside (science, education)

Material topic	Definition	GRI Indicator	Boundary - where the impact occurs
Environmental responsibility			
Environmental impact of our supply-chain	Work with our suppliers to ensure all factories respect environmental regulations and reduce land, water and air pollution	Supplier Environmental Assessment	Outside (Suppliers)

MATERIALITY TOPIC CORRELATION

Material topic	Definition	GRI Indicator	Boundary - where the impact occurs
Social responsibility			
Human rights in the supply chain	Make sure all factory workers are respected and face fair working conditions	Human Rights Assessment; Supplier Social Assessment	Outside (Suppliers)
Community development	Organise activities and initiatives, for example to support the local region, help refugee integration and support mountain communities	Local communities	Inside
Employee well-being & development	Support all our employees in their career development, periodically organise training and education programmes for skill development and capacity building	Employment; Training and Education	Inside

Material topic	Definition	GRI Indicator	Boundary - where the impact occurs
Economic/governance			
Open and clear communication	Make sure consumers and the general public have easy access to information about our activities, in particular on our sustainability work	Marketing and Labelling	Inside, Outside (Dealers, NGOs, Consumers, Media, Authorities & Regulations)

GRI CONTENT TABLE

The following table presents the GRI Disclosures covered by this. Report according to the option “In Accordance-core”, as prescribed by the GRI Sustainability Reporting Standards 2016 of the Global Reporting Initiative. For each Disclosure, a brief description is provided and the page/section in the Sustainability Report where the information can be found. A specific comment is provided for Disclosures that have not been covered, or have only been partially covered.

GRI Standard	Disclosure	Page ref:	Comments
GRI 102: General Disclosures			
GRI 102-1	Name of the organization	1	
GRI 102-2	Activities, brands, products and services	8-13	
GRI 102-3	Location of HQ	87	
GRI 102-4	Location of operations	14	
GRI 102-5	Ownership and legal form	6	
GRI 102-6	Markets served	14	
GRI 102-7	Scale of organisation	5	
GRI 102-8	Information on employees and other workers	24;26	
GRI 102-9	Supply chain	34-37	
GRI 102-10	Significant changes to the organisation and its supply chain	35	
GRI 102-11	Precautionary Principle or Approach	n.a.	Oberalp applies the Precautionary Principle to cope with possible risks and to protect the environment.
GRI 102-12	External initiatives	81	
GRI 102-13	Membership of Associations	81	
GRI 102-14	Statement from senior decision-maker	3;4	

GRI Standard	Disclosure	Page ref:	Comments
GRI 102: General Disclosures			
GRI 102-16	Values, principles, standards, and norms of behaviour	6	
GRI 102-18	Governance structure	n.a.	
GRI 102-40	List of stakeholder groups	20-21	
GRI 102-41	Collective bargaining agreements	n.a.	No employees are covered by collective bargaining agreements
GRI 102-42	Identifying and selecting stakeholders	17	
GRI 102-43	Approach to stakeholder engagement	20-22	
GRI 102-44	Key topics and concerns raised	22	
GRI 102-45	Entities included in the consolidated financial statements	n.a.	
GRI 102-46	Defining report content and topic	20-22	
GRI 102-47	List of material topics	22	
GRI 102-48	Restatements of information	n.a.	This is the first Report in accordance to the GRI Standards.
GRI 102-49	Changes in reporting	n.a.	This is the first Report in accordance to the GRI Standards.

GRI Standard	Disclosure	Page ref:	Comments
GRI 102: General Disclosures			
GRI 102-50	Reporting period	n.a.	The reported information and data refer to 2017 (from 1st of January 2017 to 31 December 2017). Any data referring to previous years is presented for comparative purposes only.
GRI 102-51	Date of most recent report	n.a.	This is the first Report in accordance to the GRI Standards. The previous reports were published for 2013 and 2015.
GRI 102-52	Reporting cycle	n.a.	Annual
GRI 102-53	Contact point for questions regarding report	n.a.	sustainability@oberalp.com
GRI 102-54	Claims of reporting in accordance with the GRI Standards	n.a.	This report has been prepared in accordance with the GRI Standards: Core option.
GRI 102-55	GRI Content index	85-87	
GRI 102-56	External assurance	n.a.	This report has not been externally assured.
GRI 200: Economic			
Economic Performance			
GRI 201-1	Direct economic value generated and distributed	16	
GRI 300: Environmental			
Materials			
GRI 301-2	Recycled input materials used	71-72	
Energy			
GRI 302-1	Energy consumption within the organisation	78-79	

GRI Standard	Disclosure	Page ref:	Comments
GRI 300: Environmental			
Supplier Environmental Assessment			
GRI 308-1	New suppliers that were screened using environmental criteria	40-41	
GRI 400: Social			
Employment			
GRI 401-1	New employee hires and turnover	24;26	
GRI 401-2	Employee benefits	30	
GRI 401-3	Parental leave	30	
Training and Education			
GRI 404-1	Average hours of training per year per employee	31	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	27	
Human Rights Assessment			
GRI 412-1	Operations that have been subject to human rights reviews of impact assessments	37-42	
Local Communities			
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	42;48-54	

GRI Standard	Disclosure	Page ref:	Comments
GRI 400: Social			
Supplier Social Assessment			
GRI 414-1	New suppliers that were screened using social criteria	40-41	
Marketing and Labelling			
GRI 417-2	Incidents of non-compliance concerning product and service information and labelling	n.a.	No incidents of non-compliance have been reported during 2017.
Socioeconomic Compliance			
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	n.a.	No incidents of non-compliance have been reported during 2017.

**GET IN TOUCH!
IF YOU HAVE ANY
QUESTIONS OR FEEDBACK**

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