



THE INDIVIDUAL IN FOCUS

2nd Report by SALEWA Group



PREFACE by the President



**„WE UNDERSTAND SUSTAINABILITY AS IMPLICIT
CONDITION TO BE SUSTAINABLE.“**

Heiner Oberrauch

Ensuring long product lifecycles is one of the fundamental tenets of sustainability. This is one of the first lessons about the „simple life“ that I learnt growing up in a mountaineering family. For almost 80 years, SALEWA has crafted highly functional, durable products that have allowed mountain athletes to safely pursue their sporting activities. Product quality plays a key role here as the carbon footprint left by all products is not inconsiderable. I had the privilege to take over the company, with its rich tradition, in 1990. This gave me the chance to turn my passion for mountain sports into a career.

Right from the start, I made it a priority to conserve resources and keep our environmental impact to a minimum. We consider sustainability both a tradition that our family is committed to upholding, as well as an absolute necessity in securing our future. Companies are not in an 'either or' situation regarding growth and sustainability. We can only grow by investing in sustainable production and innovative products.

As a family-run company we think in terms of generations rather than quarterly results. Our focus is on people, and for me as an employer this means two things. Firstly, I want to create an envi-

ronment where people enjoy working. Secondly, I want to make products for mountain athletes that are a joy to use. To achieve our sustainability goals, we need our rope team pull in the right direction and to be receptive to contributions from our partners, employees and target groups. It is this ongoing exchange and dialogue that helps us to learn and develop.

Sustainability is a topic on which everyone has something to say. What I actually prefer to talk about is a holistic concept of corporate responsibility. It's even more important to take action to make our corporate responsibility something real, tangible and transparent. Key to this is having a culture of sustainable responsibility that makes itself felt right throughout the company rather than just in individual departments. Open-minded mountain athletes are not just interested in technically sophisticated products: they want to know how they were developed, who was behind them and if the company's values match their own. In this second sustainability report, we want to provide some answers to these questions, let you know about our endeavours over the past two years and update you on what we have achieved.

Yours,

Heiner Oberrauch, President



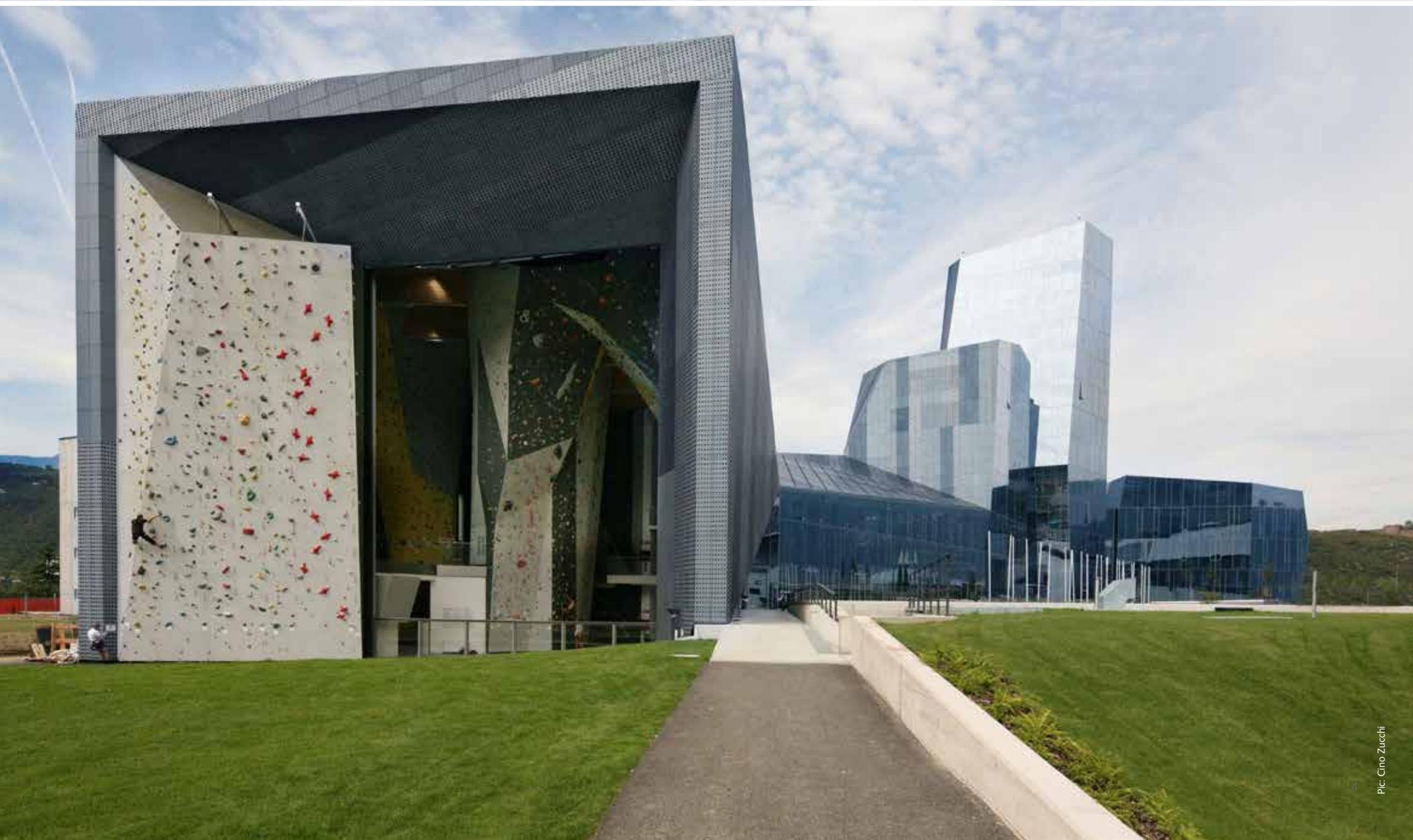
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THE INDIVIDUAL IN FOCUS

2nd Report by SALEWA Group

1.0 Company profile





1.0 Company profile

1.1. THE OBERALP GROUP

The Oberalp Group, Headquartered in Bolzano, South Tyrol, is a leading company in the sporting goods industry. With its 519 employees, the Group recorded sales of €180 million in the 2012 financial year. With its own brands SALEWA, DYNAFIT, POMOCA and Wild Country the company is one of the major manufacturers in the mountain sports sector. The Oberalp Group, founded in 1981 as an importer to establish international, high-quality sport brands in the Italian market, unites 14 sport brands under one roof, managed by the Group's own brand experts. Spread across the Active Sport, Emerging Sport and Swim segments, these brands are now also distributed in Austria (Briko, Speedo), France (Briko) and Germany (Speedo, Silva). President and owner Heiner Oberrauch and the entire Management are wholeheartedly committed to the Group's guiding principle „Respect & Sustainability“.



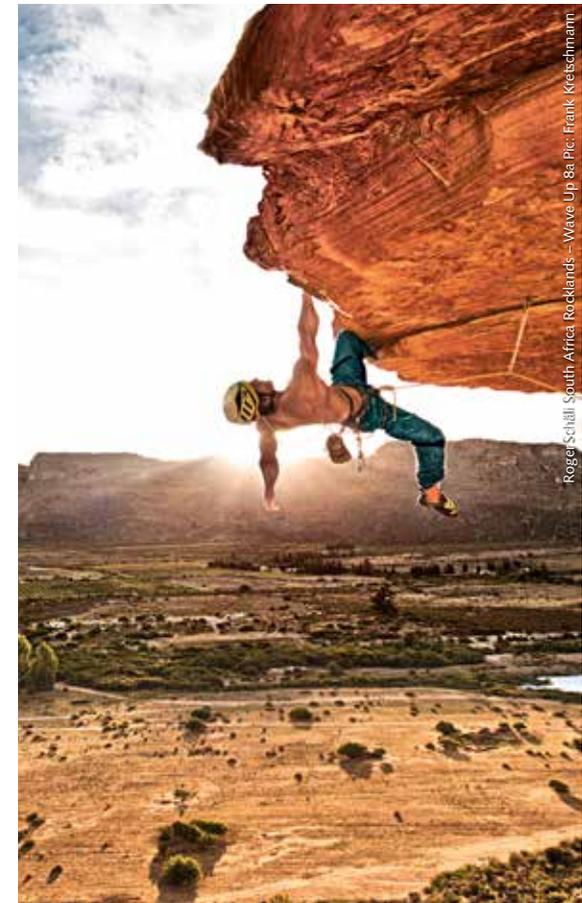
1.1.1 OUR BRANDS

SALEWA Group

With its own brands, the company is a key player in the global outdoor market. Passion for mountain sports while embracing a basic principle of saving resources and leaving as negligible an amount of traces behind as possible is a code that unites all the Group's brands.

SALEWA

The name SALEWA originally stood for SAttler and LEderWAren („saddler and leather wares“) and the company was founded in 1935 in Munich. Today, this family-owned company is independently managed has its Headquarters in Bolzano and employs 450 staff worldwide. The alpine expertise of this mountain sports specialist is based on many years' experience on expeditions and on the vertical. For generations now, SALEWA has worked with athletes and mountain guides in order to develop innovative, high-functioning quality products for passionate mountain athletes. The main reason behind the brand's major success is its market positioning as a multi-specialist, covering all ranges from hardware to footwear through to textiles. In addition, SALEWA's staff represent huge potential for the company, with their outstanding active passion for alpine sports. www.salewa.com



Roger Schall | South Africa Rocklands – Wave Up 8a Pic: Frank Kreisemann



1.0 Company profile

DYNAFIT

DYNAFIT has been part of the SALEWA Group since 2003 and is a specialist for ambitious athletes looking to hit the uphill and downhill routes at speed. As a leading ski touring equipment manufacturer, DYNAFIT views its mission as creating a channelled and sustainable ski touring infrastructure as well as lowering the bar to entry into the sport for ski touring athletes. This sense of obligation lies right at the heart of the brand. Inspired by the Himalayas' resident snow leopards, adopted as DYNAFIT's trademark, the brand's core values are lightness, speed, performance and technology. DYNAFIT is actively committed to protecting the snow leopards, who are under threat of extinction.

The brand's objective is to exceed customers' expectations through its high-tech products and major innovations. This claim is reflected in the clear design of the brand's products. As such, employees, designers and developer, athletes and dealers are crucial to the success of the young brand.

www.dynafit.com



Golden BC, plc: Garrett Grove

POMOCA

The Swiss family-owned company, founded in 1931, boasts a rich history that attests to its tradition and passion for ski touring sport. The Du-four family has developed innovative skins and accessories for ski touring now for three generations. Since 2011 the brand has belonged to the SALEWA Group.

www.pomoca.com



WILD COUNTRY

Since January 2012 Wild Country has been part of the SALEWA Group, making it the youngest member in the Group portfolio. A partnership that promises success as the mountain sports brand from Bolzano and the climbing specialist from Tideswell share a deep passion for climbing and are both wholeheartedly committed to the Clean Climbing philosophy. Behind the Wild Country label are a group of passionate climbers who design high-quality products for rock use. The product range covers equipment for every climbing discipline – trad climbing, sport climbing, bouldering, indoor climbing as well as classic alpine mountaineering. With the invention of 'friends' in the 1970s, Wild Country made its name as an innovative pioneer in rock-based safety and performance.

The Wild Country company Headquarters is also close to the mountains – at the heart of the Peak District, one of the UK's most famous rock climbing locations, near Manchester.

www.wildcountry.co.uk/



© Alex Ekirts



1.0 Company profile

1.1.2 IMPORT LINES

As mentioned above, alongside managing its own brands the Oberalp Group also imports other well-known brands from the sporting goods industry. Under the auspices of its brand experts, Oberalp operates a seasoned multinational team that expertly incorporates international brands into domestic market environments. These brands stand out, not just through their high quality and success-based strategy, but mainly due to their corporate cultures which fit in with the values espoused by the Oberalp Group. This is the only way to create long-term partnerships. It should also come as no surprise that many of the brands in this portfolio also boast long traditions as family-owned enterprises. The following overview indicates some of the most important brands and provides a breakdown of which brands are distributed in which markets.

www.oberalp.it



Speedo

83 years of Speedo - that's 83 years of swimming. Like no other brand, Speedo has time and again etched its name into the history of this sport thanks to its revolutionary products - across all levels of performance. As the world's leading brand for swimwear and swimming accessories, Speedo is passionate about life in and around water and continually attracts great attention with its revolutionary technologies, designs and innovations.

Speedo promotes the sport of swimming at all ability levels, from beginners to elite swimmers such as superstar Michael Phelps.

www.speedo.com

Fischer

Since its foundation in 1924 the Austrian company has stood for the innovation, development, production, marketing and distribution of first-class skiing equipment and the latest technologies. Fischer Sports GmbH is a single-source supplier for Alpine and Nordic skiing equipment. Fischer Sports is the global market leader in Nordic skiing and one of the world's largest ski manufacturers. Its production sites are in Ried im Innkreis (Austria), which also hosts the company's Headquarters, and in Mukacheve (Ukraine).

Innovation, product leadership and development expertise in core areas form the basis of the company's long-lasting success. As an independent company under family ownership ever since it was founded, Fischer is a reliable partner for its customers, its top athletes and its employees.

www.fischersports.com

Halti

Halti was founded in 1976 and has gone on to become the leading designer and manufacturer of outdoor sports and recreation equipment in Finland. The company Halti, named after Finland's highest peak, has been synonymous with quality and technical innovation in the field of sporting equipment for over 30 years.

Halti products have been tested in extreme conditions by tough outdoor professionals. Halti sponsors and supplies equipment to, amongst others, some of the top names in Finnish sports including Kalle Palander and Tanja Poutiainen, International Ski Federation (FIS) athletes. Products are continuously fine-tuned and improved according to the feedback from these athletes and sports professionals.

The company currently has over 1400 points of sale in more than 15 countries. Its key markets are Finland and Central European Alpine countries. Since 2005, Halti has created a strong basis for accelerating export sales through significant investments in international sponsoring and marketing. The brand has received a wealth of international visibility and credibility e.g. being the chosen clothing partner for the most highly regarded winter sports events (in 2013 Halti was the main sponsor of the Skiing World Championships in Schladming).

<http://www.halti.com>



1.0 Company profile

Import lines				
ITALY		GERMANY	AUSTRIA	FRANCE
Speedo	JP	Speedo	Speedo	Briko
Halti	Ripcurl	Silva	Briko	
Löffler	Flow	Briko	Whitedot	
Fischer	ION			
Barts	Alpler			
Armada	Roeckl			
Gaastra	Aeron			

Löffler

The company Headquarters of LÖFFLER is located in Ried im Innkreis, directly in the Innviertel region of Upper Austria. A pioneer in highly functional sportswear and outstanding comfort, since 1973 LÖFFLER has been a byword for all fans of active pursuits who also place great value on having the perfect sports clothing.

Premium sportswear from LÖFFLER is in demand all over Europe. Around 60 per cent of production is exported, mainly to Germany, Switzerland and Italy. Especially in winter, LÖFFLER also occupies a significant position in the Scandinavian market as well as the large market of Russia. Increasing numbers of customers in the Netherlands, Spain, Norway, Slovenia and the Czech Republic also set great store in the sportswear from Austria.

Top-level sport and LÖFFLER have been a successful team now for over 30 years. The company's collaboration with the world's most successful ski associations sets the highest quality standards and is a driving force for continual innovations, to the benefit of every Löffler customer. The result is the unique premium sportswear by LÖFFLER, satisfying even the highest demands.

www.loeffler.at

Barts

Bart Koene, born in Holland, started his company in 1986 when he sold his homemade beach clothing on the beaches of Saint-Tropez. This success laid the foundation for his company: in 1992 in Holland Bart introduced first his summer collection of bandanas, and then his debut winter collection of hats. From this developed a successful company whose prime focus today is on hand-knitted hats, scarves and other winter accessories. All of Bart's collections are designed and developed in Amsterdam, and are now well known all around the globe.

www.barts.eu/#/collection/

Rip Curl

Wishing to add something to the rapidly developing, experimental surfing world Doug Warbrick and Brian Singer decided to set up their own company. That company was Ripcurl, now an internationally known brand, still renowned for its surfer-style inspired pieces. Though it initially only produced surfboards, quickly followed by wetsuits, the brand quickly evolved to create all sorts of different clothes and accessories, essential to the surfer lifestyle. Epitomizing a certain relaxed, beach-style feel, Ripcurl clothes are comfortable, practical and exude that classic surfer cool. Still actively involved in various aspects of the surfing world, Ripcurl is also attuned to the latest trends and styles, ensuring that the clothes are not only well-made but also fashionable.

www.ripcurl.com





1.0 Company profile

1.2 COMPANY STRUCTURE

This CSR Report will primarily focus on our own brands SALEWA, DY-NAFIT, Wild Country and Pomoca. With Wild Country only belonging to the SALEWA Group since 2012, it has several processes that are still to be put in place. The report therefore contains sections which do not give specific details on Wild Country.

Any reference made to employees, our commitment to Work & Life Balance, the company philosophy, etc. naturally pertains to the entire company. However, for many topics covered in this report, for example product stewardship or supplier relationships, we are only able to refer to our own brands.

It has been two years since we published our first sustainability report. The company has done a lot in these two years – not least in the area of sustainability. One major change was our move to our new Headquarters. The entire Group's international activities have been orchestrated from our European Headquarters in Bolzano since October 2011. The entire flow of goods is organised centrally from here and bundled in our new logistics centre. Central functions such as purchasing, quality management, sales, human resources, marketing, visual merchandising and accounting are located here. In the following chapters, we take a more detailed look at the new changes and benefits, plus the inevitable challenges that are involved.

As a family-owned company with a long history, a sustainable business approach and careful use of resources are not new to us. Sustainability is actually an integral part of our corporate culture. Before we turn to the progress and lessons learned, our vision and activities in all things sustainable, we would first like to give some insight into our company structure and show which changes and developments the business side of the company has experienced these last two years.



Opening of the new Headquarter

1.2.1 SITES AND MARKETS

Through the SALEWA Group brands, we are represented via our own offices in the following countries:

- Italy
- Germany
- Austria
- Switzerland
- France

- Spain
- Poland
- USA
- Asia (Hong Kong)
- China
- New since April 2012: Czech Republic

Each of these branches is headed by a managing director at nation-



1.0 Company profile

al level and employs its own team for marketing, sales and customer service.

Another team is also based at our Bolzano Headquarters to look after our export business to all countries where our company is not represented by an office. In 2012, the ten most important sales markets were as follows (in order of sales):

- Russia
- Norway
- Sweden
- Netherlands
- Slovenia
- UK
- Bulgaria
- Panama
- Croatia

Among the major structural changes carried out over the last two years were the opening of an office in the Czech Republic as well as the restructuring in Germany and Austria. The German subsidiary SALEWA Sportgeräte GmbH was restructured in early April 2013. Oberalp Deutschland GmbH will in future encompass the house brands SALEWA, DYNAFIT, POMOCA, Wild Country as well as the Swedish brand Silva while new additions are Briko and swimming specialists Speedo. One aim behind this change to our business structure is in future to acquire distribution licences for the German market. The new Oberalp Deutschland GmbH will be led by a team of two managing directors going forward, both of whom have held this senior position in the company in the past.

At the same time, the Austrian subsidiary has been renamed Oberalp Austria and has been assigned to establish Speedo on the Austrian market.

We were particularly delighted to welcome Wild Country into our portfolio in January 2012. In doing so, we are now part of a winning alliance

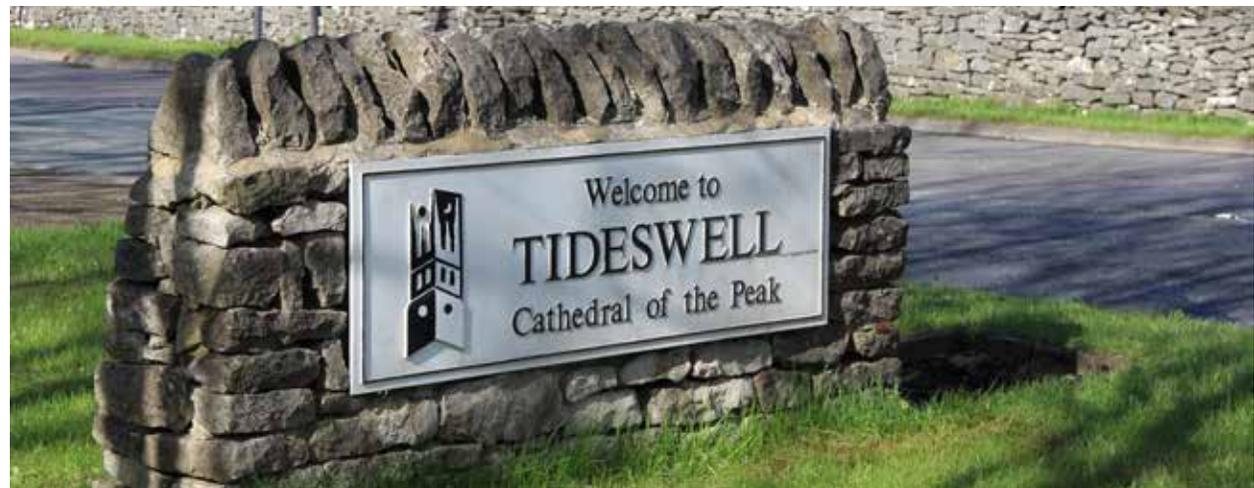
of rock climbing expertise that twins us, mountain sports specialist from the South Tyrol, with the UK's leading manufacturer of rock-climbing equipment. We have included a brief brand profile of Wild Country in the Company Profile above (see section 1.1.1).

Asia

We would first just like to dedicate a few lines to our activities on the Asian market as this is now one of our most important growth markets. For this reason we have an office in Hong Kong which focuses on developing the SALEWA brands as well as DYNAFIT, POMOCA and, going forward, WILD COUNTRY. We are present in these particular countries:

- Korea
- China
- Japan

In Korea we have been working for many years with one partner who holds a licence to market our products here. In Japan – a mature outdoor market – we collaborate with a distribution partner. Currently playing the most prominent role for our company is the Chinese market. We see huge development potential here for the outdoor sector. This year we have formed a joint venture with Inspiration Outdoor Trading Ltd. We view this strong player on the local Chinese market as the ideal partner to promote SALEWA's brand positioning and expansion in China. SALEWA Asia holds 60% of the shares, while 40% are held by Inspiration Outdoor Trading Ltd.



Welcom of the village Tideswell, base of Wild Country office



1.0 Company profile

1.2.2 DIVISIONS

Alongside the central organisational units at our Headquarters in Bolzano and the international offices and distribution channels, our corporate structure is split into so-called divisions which form different centres of excellence for our business segments. These break down as follows:

Apparel Division

The Apparel Division is responsible for the following task areas for the clothing and textile accessories segment (gloves, hats, underwear, etc.): market analysis, design, product development, purchasing, production and quality control.

Around 50 staff from 11 countries work in this division (Italy, Austria, Germany, Spain, Canada, Columbia, China, Hong Kong, Vietnam, Belgium, Bangladesh) in three locations (Bolzano, Montebelluna, Hong Kong).

Annual production stands at approximately 2.5 million pieces (2011), produced in around 50 factories in 14 countries (Indonesia, China, Vietnam, Bangladesh, Myanmar (Burma), Turkey, Greece, Bulgaria, Italy, Germany, Portugal, Mauritius, Madagascar, Lithuania).

Equipment Division

SALEWA's Equipment Division is based at the Aschheim site near Munich. Fifteen employees design and develop new products here, ranging from sleeping bags and tents to backpacks and accessories such as chalk bags. This creative hub for the SALEWA Equipment range is responsible for product development, product management, product marketing, purchasing and product quality – with a firm focus on customer requirements at all times. The development and production work here encompasses the following phases: product design, sourcing, development, benchmarking, purchasing, production and quality assurance.

The products are manufactured in Italy, Germany, Austria, Taiwan, Czech Republic, Netherlands, China, Vietnam and Korea.

Footwear Division

The Footwear Division was formed on 1st June 2005 in Montebelluna (40 km north of Venice) as a centre of excellence for developing innovative, technical footwear. This business division now has 25 staff.

The Footwear Division is responsible for all Group operations regarding footwear, i.e. market research, product management, development, procurement, production and marketing and collaborates closely with Headquarters in Bolzano in areas such as logistics and administration.

The Footwear Division has been set up as a matrix organisation with 3 product lines (soft, hard, snowshoes) and 4 main function areas (product management, R&D, procurement and production, distribution and marketing), plus administration and quality assurance.

Our Footwear Division also works with Fischer footwear, a division in the Austrian firm Fischer, a leading supplier in the Alpine and X-country equipment sector. The collaboration handles the development of ski boots for these sectors.

Technical Hardware Division

As this is about making products that provide safety in the mountains, further development in this area is something we personally take very seriously. Therefore as part of the move to our new Bolzano Headquarters, we formed a Technical Hardware business unit at the site. Technical Hardware was previously part of the Equipment business unit. The goal for the new team of 5 staff in Bolzano is to develop innovative products for what is a strategically vital product area for Salewa.

In cooperation with the Equipment business unit in Aschheim, the Technical Hardware division handles market research, product management, development, procurement, production, quality management and marketing and is continually expanding collaboration with Wild Country.





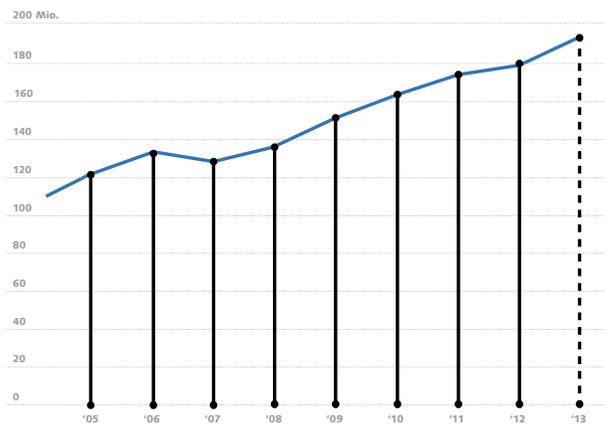
1.0 Company profile

1.2.3 SALES TREND

Since 2006, the Oberalp Group has posted steady growth catalysed by the initiative of our employees and divisions. This continual and solid growth enables the company structure and culture to grow at the same rate and allows staff to systematically further their own development. We are convinced that sustainable growth is not produced through a purely economic focus but must also be accompanied by social, cultural and personal growth.

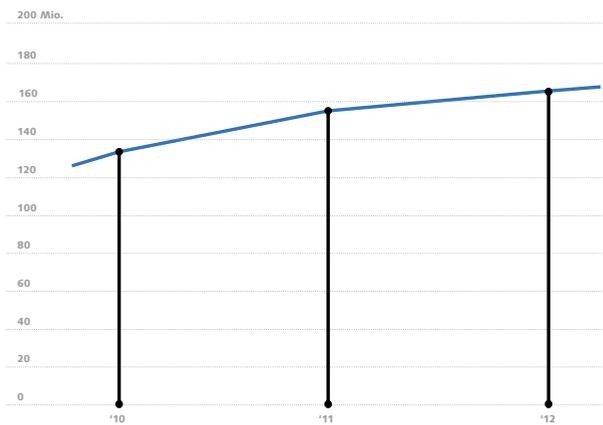
The sales trend for the Oberalp Group can be seen in graphic 1. This overview presents the growth of the entire Oberalp Group, i.e. includes sales for the Group's own brands SALEWA, DYNAFIT, POMOCA and WILD COUNTRY, as well as figures for the imported ranges (see section 1.1.2)

Turnover trend Oberalp Group



Through our own brands we achieved close to 15% growth worldwide in 2011 while 2012 saw us achieve a rise of 5.7%. When considering Pomoca's relatively low percentage share in overall sales it should be noted that Pomoca has only been part of the SALEWA Group since January 2011. The Wild Country brand on the other hand became part of the Group in January 2012 (See section 1.1.1).

Turnover trend SALEWA Group (only own brands, no import lines)

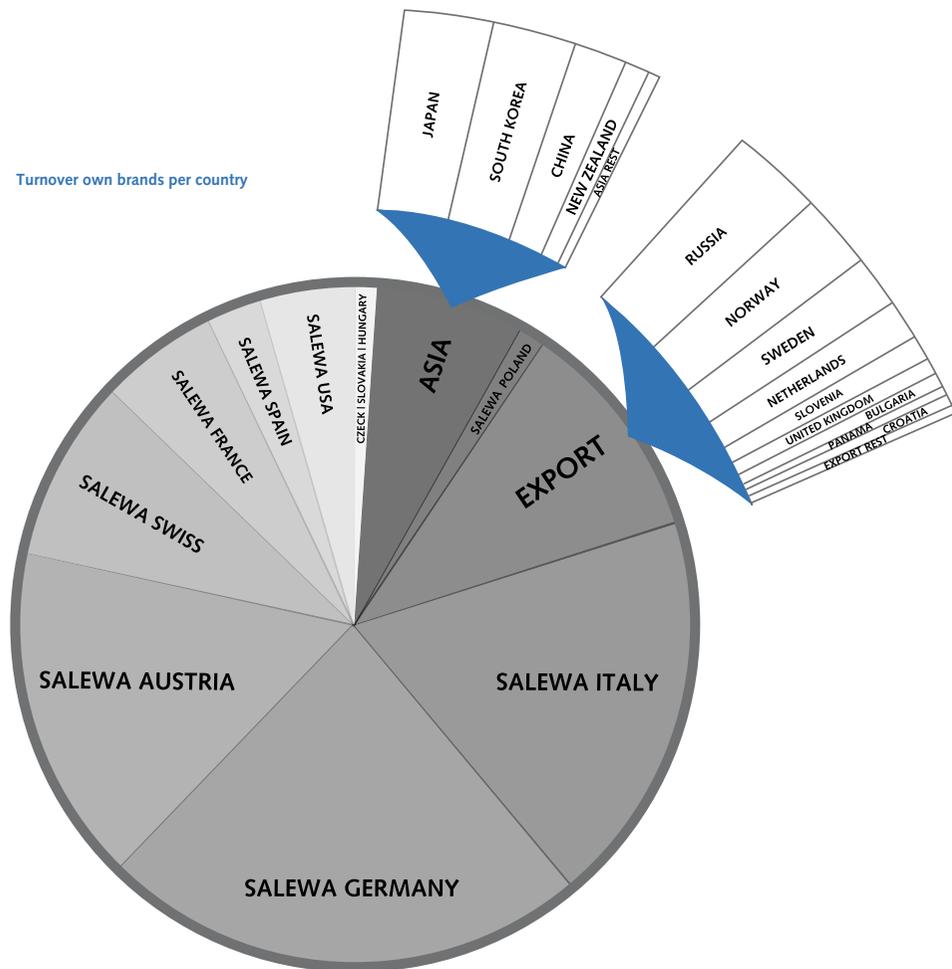


Pic: Sinigaglia



1.0 Company profile

Turnover own brands per country



The entire SALEWA Group lives and breathes mountain sports. As a result, all our brands are synonymous with the best in alpine expertise, technology and innovation for mountaineering, climbing and ski touring. This is underlined by the sales markets, the largest being the Alpine region. Germany and Italy lead the way, followed by Austria and Switzerland.

„Export“ posted the sharpest rise in growth over the past few years with a jump of 46.9%. Most European countries have posted stable returns in the past few years. Growth has been mainly recorded in France and Poland, where sales have historically been weaker. In the United States, we achieved growth of around 25.6% in 2012.

*Figures represent totals for the brands SALEWA, DYNAFIT, POMOCA and WILD COUNTRY in the respective countries.

*List of all countries that posted sales (total of all brands) of over €100,000



1.0 Company profile

Illustrates which company brands are represented in which countries.

EUROPE

ITALY				
GERMANY				
AUSTRIA				
SWISS				
FRANCE				
SPAIN				
CZ SK HU				
POLAND				

ASIA

JAPAN				
SOUTH KOREA				
NEW ZEALAND				
ASIA REST				

AMERICA

USA				
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EXPORT COUNTRIES

RUSSIA				
NORWAY				
SWEDEN				
NETHERLANDS				
SLOVENIA				
GREAT BRITAIN				
BULGARIA				
PANAMA				
HR-CROATIA				
EXPORT REST				



1.0 Company profile



1.2.4 RETAIL CONCEPT

Our own points of sale make up another important business area for us. Back in the year 2000, the desire arose to establish the SALEWA brand in the retail sector. Using a retail channel thus creating a direct contact point to the end customer was nothing new for the company. In fact it represented the continuation of a long tradition. The Group's history clearly shows it has distributed a host of different product ranges throughout many decades, from sport equipment to high-quality designer fashions. Therefore, close proximity to the end consumer has been part of the Group's corporate culture down the decades and, via its shop-in-shop concepts, SALEWA has experience in this field. The increased presence of the SALEWA brand in the direct retail sales environment enables us to meet customers face to face, get to know them, understand their needs and demands and directly introduce them to SALEWA's brand identity.

In 2002 SALEWA finally opened its own first store in Italy, the SALEWA Mountainshop in Finale Ligure. During subsequent years the Group introduced further stores in Italy and in the German-speaking countries. One basic principle underpinning this approach was to establish a network with local dealers, and the success of the past decade has more than justified our strategy. SALEWA's top priority is to open stores in joint collaboration with a local partner.

The company's store concept aims to create a retail space that fits in with the community. Mountain sports aficionados can thus share their passion and world with SALEWA and like-minded customers. The basic store layout concept is designed to stimulate all the senses. This idea applies across the board, from product presentation to furnishings and décor. Authentic, natural materials such as wood and stone make the

brand come alive.

As of March 2013, the company operates [40 retail stores throughout Europe](#). Most of these points of sale are in Italy, Austria, German and Switzerland. These countries also represent SALEWA's most important Central European sales markets. In addition, the brand is increasing its presence in the Asian region, predominantly in South Korea and China. Thanks to the sizeable and rapid growth in these markets, the company now possesses [120 stores in Asia](#). South Korea has a long-standing tradition in mountain sports and SALEWA has operated stores here for over 15 years.



1.0 Company profile



1.2.5 COMPANY PRINCIPLES

Our company principles apply throughout the entire Oberalp Group and reflect our values and goals and shape our corporate culture.

When each new employee starts to work for us, they are given a copy of our principles and these are discussed with the employee in a personal discussion with the company management.

These company principles consist of 8 short, clear statements and are to be interpreted as underlying principles which guide our day-to-day work. They provide a purpose and clear direction to our actions. In the next chapter we take a closer look at the principles we espouse regarding sustainability.

1. Mission

We have unlimited enthusiasm for sport and mountains. During four generations this love of the mountains has driven us to develop products that are of increasingly high quality and ever more technically advanced.

2. People

Positive attracts positive. Our main strength is our team of successful people. Our joint efforts are characterised by clear and shared values which are the foundations upon which we set and achieve our goals.

3. Courage

We are people with the courage to explore new avenues and take decisions for which we are accountable.

4. Ethic

We are a management driven, family company and operate our business in a fair and responsible manner. We strive to ensure continuous development and develop creative relationships with our strategic partners.

5. Resources

We use our resources carefully and feel responsible for the stewardship of the environment in which we live.

6. Target

Even good things can be improved and we are working consistently towards brand and market leadership.

7. Innovation

Through the continuous innovation of products, processes and ways of thinking and the cooperation with the most qualified partners we will achieve new standards of excellence.

8. Future

Economic success is the result of our actions. This maintains our independence and security and ensures our long term, qualitative development.

2.0 Sustainability as a Company Goal





2.0 Sustainability as a Company Goal



„THE RESULT OF ALL THESE ACTIONS AND DEVELOPMENTS IS THAT SUSTAINABILITY IS BECOMING A LIVING CULTURE THAT IS EMBODIED ACROSS OUR ENTIRE COMPANY.“

Massimo Baratto

Sustainability and responsible handling of resources are nothing new to us. Mountain sport is our business and so we are constantly aware of our natural surroundings as we do our day-to-day work. We know what opportunities it offers, its behaviour but also how far it lets you go. In developing, producing and distributing high-quality mountain sports products, we see it as a given that we have a duty to be responsible – for the safety of mountain athletes but also for the protection of the mountain environment. Corporate responsibility for me means adopting a sustainable business approach right along the value added chain but equally fostering transparent communication with all relevant groups of people plus recognising that we can all learn something and improve every day.

Rising demands across the world and increased customer awareness of quality, responsibility and transparency are the benchmarks that shape the sustainable management of a company that today includes 5 brands. Our approach and our goal is to tread the path of continual improvement. We are as a result in the process of establishing a strategic sustainability concept right throughout all levels of our company. In doing so we cannot just rely on the guiding principles of our company culture or the commitment of our employees. We must also count on the support of our external part-

ners. The result of all these actions and developments is that sustainability is becoming a living culture that is embodied across our entire company.

Massimo Baratto, CEO Oberalp Group



2.0 Sustainability as a Company Goal



„AS A FAMILY-OWNED COMPANY THAT THINKS IN TERMS OF FUTURE GENERATIONS, WE FOCUS FIRST AND FOREMOST ON THE SOCIAL DIMENSION. WE DO THIS BY MAKING PEOPLE OUR TOP PRIORITY.“

Ruth Oberrauch - CSR Manager

2.1 UNDERSTANDING & BACKGROUND

HOW WE INTERPRET CSR

Time and again the term „people-driven business“ is used to express the vital role that people play in our day-to-day business life and how employees and interpersonal relationships are valued in any business that relies on service for success. This philosophy is borne out repeatedly through various approaches and initiatives undertaken right across the entire Group (such as our own company nursery to a company trip lasting several days), and is part of who we are as a company.

In line with this principle we also place people at the heart of our CSR approach.

Today responsible and sustainable behaviour by companies is mostly known by the abbreviations CSR, standing for Corporate Social Responsibility or also Corporate Sustainability and Responsibility.

Corporate responsibility is generally based on three pillars: ‚social‘, ‚environmental‘ and ‚economic‘ considerations. All three areas form the foundations for sustainable responsibility and long-

term solutions, and so we have set many benchmarks which we will delve into a bit deeper later on.

As a family-owned company that thinks in terms of future generations, we focus first and foremost on the social dimension. We do this by making people our top priority. In this, we pay particular attention to our own employees but also to those with whom we come into contact on a day-to-day basis, i.e. our suppliers, partners, dealers and customers. We give special consideration to those people who are directly involved in manufacturing our products. In the past year, we have put in place several measures aimed at improving working conditions and standards for everybody and we seek collaboration with suppliers (see section 3.6)

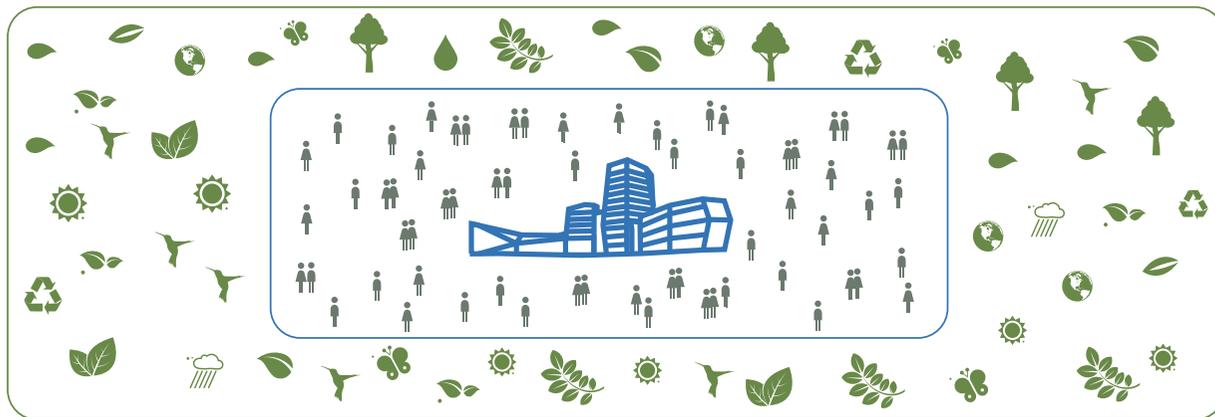
Of course it is far easier to implement things within our own company than in our partners' businesses. Nevertheless, we want to increase our efforts to also bring our influence to bear here. We have developed a monitoring process to use regarding our partners and are endeavouring to seek workable solutions in conjunction with this.



2.0 Sustainability as a Company Goal

2.1.1 SUSTAINABILITY AND RESPONSIBILITY IN THE COMPANY

Embedding of the company in society and environment



„Our responsibility is to provide passionate mountaineers and nature enthusiasts with equipment that guarantees them an unforgettable outdoor experience. We are well aware that this involves a great responsibility to supply products that are innovative and safe as well as fairly produced and ecologically sound. They also have to meet the highest quality standards to guarantee that the development of mountain sports follows a sustainable path. We perform all our research & development work in line with this principle. We want to supply outstanding technologies and excellent service that play their part in protecting nature and the environment as well as the people who develop, produce and use our products – now and in the future. “

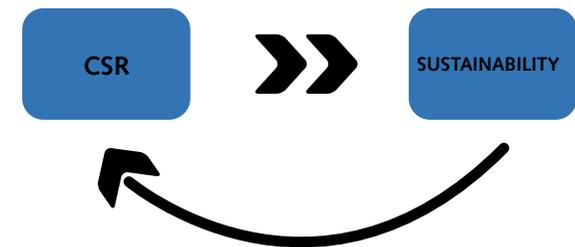
This statement underlines, and it could even be said drives our efforts to care for the environment in which we live, work, move around and

which provides us with such natural beauty to enjoy. In return, our duty is to act responsibly and in particular to take care in how we use resources and interact with the environment.

As a company whose business is in mountain sports but primarily as passionate mountaineers, climbers, winter sports athletes, hikers, ski tourists and also nature enthusiasts, this responsibility is incumbent on us all. This includes the company’s own commitment alongside that of each and every employee.

If the well-being of the individual is our fundamental concern then we need to ensure that each individual feels as happy and secure as possible in their environment. The health of the people as well as that of the natural world in and from which they exist are of vital importance.

Interplay between social involvement and sustainability at Oberalp Group



Vallemaggia (CH) Pic: Michael Müller (KME-Studios)

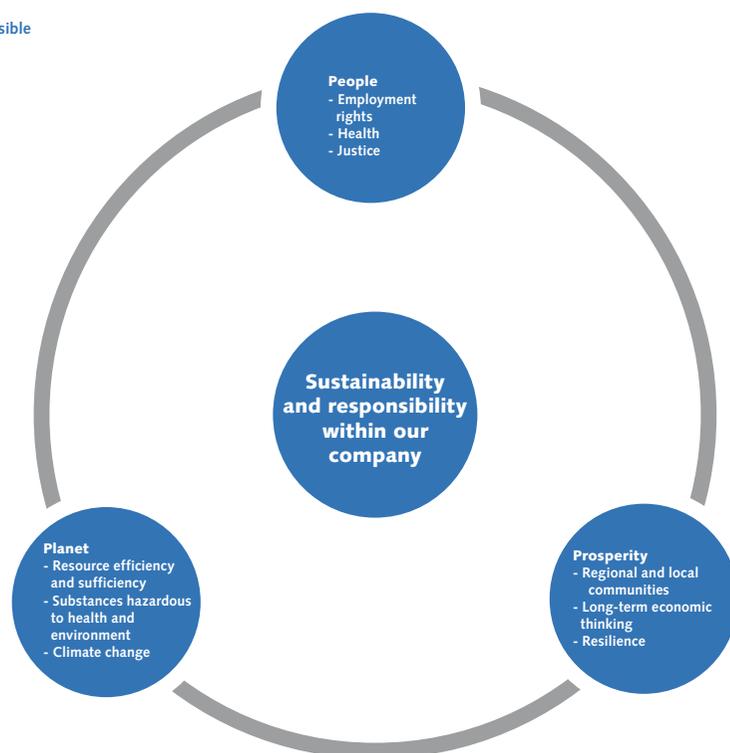


2.0 Sustainability as a Company Goal

2.1.2 SCOPE: ECONOMIC, SOCIAL AND ECOLOGICAL DEVELOPMENTS

(Terra Institut Brixen, Sonja Gantioler)

Ability to act responsibly



A company is part of a society which in turn is part of the system known as the environment. As such it is influenced on the one hand by major trends characterising these two systems, while also itself impacting larger-scale societal and ecological developments through its own activities. So a brief look is required here to place goals and measures in an overall context as set by the company and then to describe these in greater detail in the following chapters.

Recent years have seen the world confronted with a host of economic, social and ecological developments and crises that have shed increasing doubt on the sustainability of the market economy model. This ranges from topics such as fair distribution of wealth and income, rising youth unemployment in Europe to issues of resource efficiency and sufficiency well as the consequences of climate change.

Wide-reaching trade relationships and supply chains have made the world into a 'smaller place' extending the global reach of companies while at the same time increasing complexity and challenges especially in procurement processes. The legal frameworks governing employment and ecological standards also vary greatly from one country to the next. A host of required resources as well as large areas of production often originate from countries whose working conditions and environmental standards are vastly inferior to those in the European Union. Child and forced labour, excessive working hours, shortcomings in the implementation of health and safety standards as well as low wages, sometimes not enough to survive on, are critical issues here. According to recent findings by the International Labour Organisation (ILO)¹ progress has been made in fighting poverty, strongly influenced by China's economic development which has dragged many workers up from the poverty line. However, other Asian regions have seen figures for workers living in 'borderline poverty' rise. How the Salewa Group took up the baton of responsibility in relation to all this is explained in chapter 3.2.

Alongside existing problem areas in developing countries, the world's industrial economies have been fighting massive hikes in youth unemployment since the financial crisis began. According to ILO¹, no signs of recovery are in sight here, with the youth unemployment figure in the eurozone now standing at 24% and over 50% in countries such as Greece and Spain². Weak em-

¹ ILO Global Employment Trends 2013 – Recovering from a second jobs dip. International Labour Office, Geneva http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_202326.pdf

² Harmonised unemployment figures - for ages 15-24 (Eurostat 2013)



2.0 Sustainability as a Company Goal



Photo: Hansi Heckmair

employment contracts and increased recourse to temporary work are exacerbating the situation. Accompanying this is a rising general perception of inequality in income and wealth distribution. According to OECD (Organisation for Economic Cooperation and Development)³ inequality in income in the 'core states' such as Germany has risen sharply. This is mainly due to the fact that the top ten percent has reaped the main share of income growth. All these factors also stoke fears of social unrest, as illustrated in a survey conducted by consultancy firm PWC on the major concerns of chief executives of major companies worldwide⁴. Crucial measures for the Salewa Group in this context are presented in chapter 3.1 and chapter 3.4.

While often born out of necessity, shifts to alternative economic models are also driven by fresh visions for the future. 'Use' rather than 'consume'⁵, 'Recycle not throw away', 'Closed-loop production' are paradigms that translate into models such as the 'shared economy' or 'collaborative consumption' as well as the 'circular economy'⁶. Central to the latter system (circular economy) is the competition for ever scarcer natural resources and raw materials. Global bio-capacities i.e. the planet's capacity to provide renewable resources stood at 12 billion gha or 1.8 gha per person in 2008. The ecological footprint figure however stood at 18.2 billion gha or 2.7 gha per person⁷. This figure includes, among other things, land use through soil sealing, forestry for wood production, the share of land used for livestock farming as well as existing forests that reel in CO² emission levels. The latter accounts for an ever greater proportion of the ecological footprint mainly due to the loss of or damage caused to forest habitats. In addition to the effect on biodiversity and the loss of numerous species, the planet's capacity to capture increasing quantities of carbon-dioxide emissions (CO²) is being just as dramatically reduced. This gas and other greenhouse gases are the reason behind the continually rise in the planet's average temperature and the related climate change. The chief cause is the consistently steady rise in demand for energy, largely covered by fossil fuels such as oil and coal. The contribution attributable to passenger and

goods transportation here is also substantial⁸. Chapter 3.5 lists measures already implemented by the SALEWA Group as well as those slated for the future.

Every crisis harbours an opportunity, in particular to seek out new methods and models that ensure we pass on a world to our grandchildren that is worth living in. Observing as well as reacting to ecological, social and economic developments must take into account the long-term nature of economic thinking and ultimately the capability of a company to react to disturbances and secure its future sustainability.

3 Bonesmo Fredriksen, K. (2012), "Income Inequality in the European Union", OECD Economics Department Working Papers, No. 952, OECD Publishing.
4 PWC (2013). 16th Annual Global CEO Survey: Dealing with disruption. Adapting to survive and thrive.
5 The Economist. All eyes on the sharing economy. Mar 9th 2013 <http://www.economist.com/news/technology-quarterly/21572914-collaborative-consumption-technology-makes-it-easier-people-rent-items>
6 <http://www.ellenmacarthurfoundation.org/circular-economy/circular-economy>
7 WWF Living Planet Report 2012
8 EEA, 2011. The European environment — state and outlook 2010: assessment of global megatrends. European Environment Agency, Copenhagen.



2.0 Sustainability as a Company Goal

2.2 COMPANY SUSTAINABILITY – ORGANISATION AND MANAGEMENT

To be able to handle and promote the multitude and complexity of topics and tasks related to sustainability and social responsibility, we have put a clear structure in place. An international Group-wide CSR team regularly meets to deal with the various focal points regarding the Group's sustainability. In creating a new CSR Manager position, we have someone in place to lead the CSR team and regularly report directly to the CEO, who is chairman of the team, plus to senior managers on the work and progress of the CSR team.



2.2.1 STRUCTURE AND RESPONSIBILITY

September 2012 saw us launch a new era with our CSR Team. We realised that a new structure was called for in order to effectively push the topic of sustainability forward, and instead of leaving the responsibility to a small nucleus of committed individual employees to fully integrate into our corporate culture.

We therefore decided to strengthen the original group by getting more colleagues on board and moving forward with renewed impetus.

The core team (hereafter 'CSR team') now consists of 16 staff members drawn from a wide range of departments and business areas, collectively responsible for strategic decision-making and implementation of defined objectives. They are also members of working groups set up to focus on individual priorities and which form part of the broader CSR team. These working groups discuss, draw up new solutions and regularly swap information on the following subjects:

- **SUSTAINABLE PRODUCT SOLUTIONS** – Our goal is to develop technical products for mountain use which respect the environment and also offer the highest level of safety. In this working group, we set environmental guidelines that must be adhered to in the manufacturing of every single product made by all our partners. We engage in a never-ending search for innovative solutions and new product designs that will help limit the potential social or ecological impact of our actions as well as closing more loops along the way.
- **SUPPLY CHAIN MANAGEMENT** – Every single person working for us matters. This applies to direct employees and just as equally for all those involved right along our production chain. In order to ensure that these people, who make a substantial contribution to the manufacturing of our goods, are treated fairly and properly, this working group focuses on social standards including labour rights as well as health protection and production-site safety that actually exceed legal requirements.
- **ENGAGEMENT AND DIALOGUE** – This working group strives to engage all employees in order to widen the interactive dialogue with other stakeholders about CSR. This working group consequently focuses on: commitment, interaction, cooperation and information regarding CSR within the Oberalp Group and beyond it
- **ENVIRONMENTAL MANAGEMENT** – We want, via the projects undertaken by this working group, to show that overall as a company and also as individuals we wish to directly reduce our impact on the

environment. This starts with energy efficiency and renewable energies and continues via a sustainable procurement policy for our offices, recycling and paper usage right through to business trips and transport with overarching goals such as reducing our company CO² footprint.

Our international, Group-wide CSR team, coordinated by our CSR Manager Ruth Oberrauch, contains representatives from the following:

- various functional areas. i.e.: product development, design, purchasing, human resources, logistics, marketing & PR, organisational development, etc.
- brands: SALEWA; DYNAFIT and POMOCA. The next step is to better integrate Wild Country
- from all company divisions: Apparel, Footwear, Equipment and Technical Hardware

The various company departments and units all have one common goal here: to establish CSR on a solid footing within the company and then to take it a level further.

During this indeed very extensive and complex endeavour and structural change the CSR team was supported by an external partner. Since autumn 2012, we have closely collaborated with the Terra Institute (see Chapter 4), who have advised us throughout the various phases (see section 2.2.2). In conjunction with the Terra Institute we devoted intensive efforts to sustainability last year, in order to promote and firmly establish this topic within the Oberalp Group.



2.0 Sustainability as a Company Goal

2.2.2 OUR GOALS, OUR APPROACH

Our new start kicked off by us first taking a step back. We critically analysed everything we had done regarding CSR up to that point and from that derived our new objectives.

To this end our CSR team started with a detailed analysis of the status quo and important social developments. Through brain storming sessions, discussions, workshops, interviews and research projects, a document was produced which outlined the basis for our subsequent action. This analysis report - highlighting the strengths and weaknesses as well as pointing out certain gaps and presenting what had been achieved in line with social and ecological requirements - characterized the first phase of the re-launch of our CSR team.

Alongside this initial step we carried out a survey among our stakeholders (see section 2.3) in order to understand the concerns, ideas and opinions prevalent within our most important target groups. These results as well as the Analysis Report findings were also incorporated into our SWOT analysis.

In this second step we focused in our team on opportunities and risks, from which we derived operative and strategic focal points for our work which



we then discussed and defined in each department, and which shaped our report.

Alongside drafting our sustainability vision and mission, these working group meetings produced a roadmap defining our way forward in relation to CSR themes for the next 4 to 5 years.

This roadmap is divided into 3 phases. The first phase outlines goals we wish to achieve in 2013 while phases 2 and 3 bring together the objectives we aim to meet by 2015 or 2017/18.

5 general goals have emerged out of this process for which a whole range of different measures have been defined

- „Evaluate and substantially decrease potentially negative health and environmental impacts of the Group's products throughout their life-cycle“

Covers measures such as:

- Comprehensive test procedures for our products related to our -Restricted Substance List (see section 3.3.3)
 - Usage or creation of tools to evaluate individual products with respect to sustainability
 - Development and implementation of design briefing on closing loops in order to avoid impact on the environment by using a checklist, the 6Rs (see section 3.3.3) and by recycling materials.
- “Address potentially negative social impacts across the Group's supply chain and actively promote cooperation & support“
- By this we mainly mean:
- Extend our database in order to receive supplier and individual production site information faster and more simply and to increase transparency.
 - Extension and strict implementation of our internal CSR Supplier



Audits (see section 3.2.2.2)

- Become a member of the Fair Wear Foundation (FWF)
- Upgrading of a Corrective Action Plan on implementation of measures at our suppliers

- „Significantly increase internally the awareness and knowledge on CSR issues and the external visibility of the activities carried out, ensuring the highest transparency“.

Among other things this includes:

- Extensive employee survey with a particular emphasis on the topics Work & Life Balance topics as well as their understanding of CSR (see page xxx). Survey to be repeated after two years.
 - CSR training for all employees
 - Continual promotion of dialogue with different stakeholder groups.
- „Take due care of our employees across the entire Group by fostering respect, diversity, culture of open doors and engagement.“



2.0 Sustainability as a Company Goal

-This approach mainly involves us analysing the work-life balance in all our offices with the aim of undertaking a second step to define standards and benefits that are adapted to respective requirements.

- „Analyse and substantially reduce the Group’s Co2 emission footprint throughout its entire value chain, from resource extraction to manufacturing and direct site emissions.“
e.g. determine Co2 emission levels of transport & logistics

2.2.3 INITIAL RESULTS – A SUMMARY

In the working groups mentioned above we have worked on various themes over the past year and wish to briefly outline these here.

Goals achieved and next steps

WORKING GROUP	IMPLEMENTED	IN PROGRESS
Supply Chain Management	CODE OF CONDUCT Revision of our COC Application of our COC across the whole Group Translated into all languages of countries where we have production	
	CSR Supplier Audit Creation of a cross-divisional process to monitor our suppliers Creation of the documents for our internal CSR Supplier Audit Creation of a screening sheet	Standardised and ongoing implementation of the audit Utilisation of screening sheets and collection of data in all 4 divisions
	DATABASE Analysis of collected data and corresponding programming of our information management system	Data collection from all 4 divisions' websites
		Creation of a Working Plan for the FWF to become a member
Sustainable Product Development	RESTRICTED SUBSTANCE LIST Creating a RSL for SALEWA and Dynafit, mainly for the Apparel, Equipment areas	Integration of substances in Footwear and THW
	BLUESIGN First products with bluesign-approved fabrics bluesign® training for product management employees	bluesign® Products in Development for Collection Summer 15
	6Rs Introduction of checklist for our design teams	Training and workshops on using these check lists
	Sustainable working group EOG Participation in a EOG working group on the topic of durable water repellency (DWR) and PFCs	
Environmental Management	Office Consumption First-time collection of data from all offices worldwide	Definition of goals for individual offices
	Pilot Project Transport Calculation of our CO ² emissions in logistics with our most important partner	Analysis of evaluations over several financial quarters
Engagement & Dialog	CSR Newsletter Quarterly for all employees	
	Internal training sessions in form of international meetings and within individual teams	Creation of an external training plan for 2014
	Stakeholder dialogue Analysis of most important stakeholders and survey of their assessment and judgement in CSR matters	
	Employee Survey	Evaluation of Employees Survey and analysis as well as presentation of results



2.0 Sustainability as a Company Goal

2.3 STAKEHOLDERS

2.3.1 SALEWA GROUP AND OUR STAKEHOLDER GROUPS

Through its activities the company bears a responsibility towards society and the environment and on the other hand is itself influenced by social and ecological developments. As a part of our social responsibility the Oberalp Group is also linked here to various stakeholder groups. According to the ISO 26000 standard⁹ stakeholder groups as well as individuals form a common group of people who have an interest in the decisions or activities of an organisation due to the possible resulting reciprocal effects. This includes for example groups such as employees, suppliers, environmental and social associations or consumers.

Our CSR actions as a Group, in addition to the analysis of relevant themes and areas of activity, also included more precisely identifying our stakeholder groups. For our 2011 Sustainability Report, we compiled an initial profile of the most important stakeholder groups for the SALEWA Group. The company initiated a survey in order to identify the key players based on their possible degree of influence and get initial feedback on the Group's sustainability activities. A central role here was played by employees in the various offices, key suppliers, SALEWA product dealers and consumers as well as NGOs from the environmental sector.

Since the last survey, we have increasingly focused on expanding dialogue with stakeholder groups. The underlying reasons for this approach are mainly to increase understanding of the possible impact of our own activities, to gain help in identifying suitable measures to implement, to guarantee transparent communication as well as to acquire potentially different perspectives. To reinforce this dialogue we started a new survey for the publication of the 2nd Report.

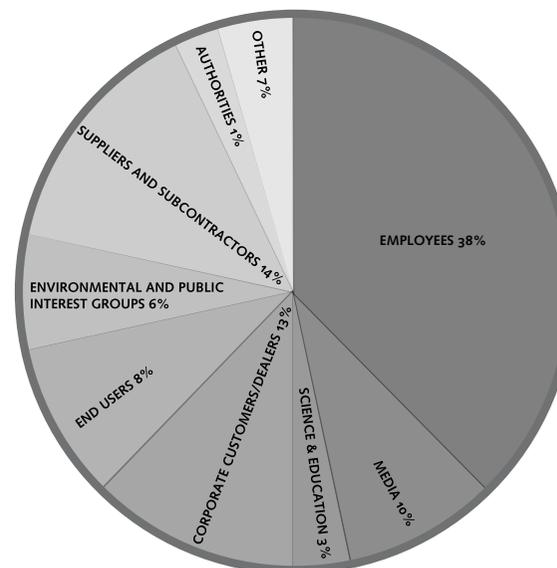
2.3.2 SURVEY RESULTS

The aim of the 2nd survey was chiefly to capture the concerns and expectations of the most important stakeholder groups in relation to sustainability as well as to sound out opportunities regarding which specific themes and with which methods dialogue can be developed further. Over 70 representatives gave their voice via a web-based short questionnaire.



Dealer at our clinic - one of our most important stakeholder group

Stakeholder groups participation share in survey



Strongly represented in the survey were predominantly our own employees from our various offices, followed by suppliers and subcontractors, corporate customers/dealers as well as the media across many different countries. The analysis of further questions therefore centred on these groups, enabling closer examination of any differences between our own employees and other stakeholder groups, so that we could reflect on our own self-perception and our external image.

Topics relating to the SALEWA Group and sustainability that were of particular importance to the stakeholder groups were chiefly the long-term alignment and focus of the company, long product life-cycles as well as an ethical business approach. Suppliers/subcontractors, corporate customers/dealers and the media once again focused keenly on the avoidance of environmental pollution. Unlike the employees, they also stressed the prime importance of resource efficiency and sufficiency.

⁹ ISO (International Organisation for Standardization) standard for social responsibility of businesses and organisations; <http://www.iso.org/iso/home/standards/iso26000.htm>



2.0 Sustainability as a Company Goal

The different stakeholder groups expressed a desire for increased dialogue mainly in relation to using more eco-friendly or recycled materials, renewable energies and the subject of climate change as well as ecological standards for suppliers. Environmental topics were very much to the fore. The first two topics were particularly important for the consumers, while suppliers/subcontractors strongly emphasised environmental standards. For corporate customers/dealers and the media, particularly strong interest was shown in a desire to discuss responsible marketing (see following figure). For environmental groups and public interest groups, prime importance was attached to social standards in relation to suppliers and human and labour rights.

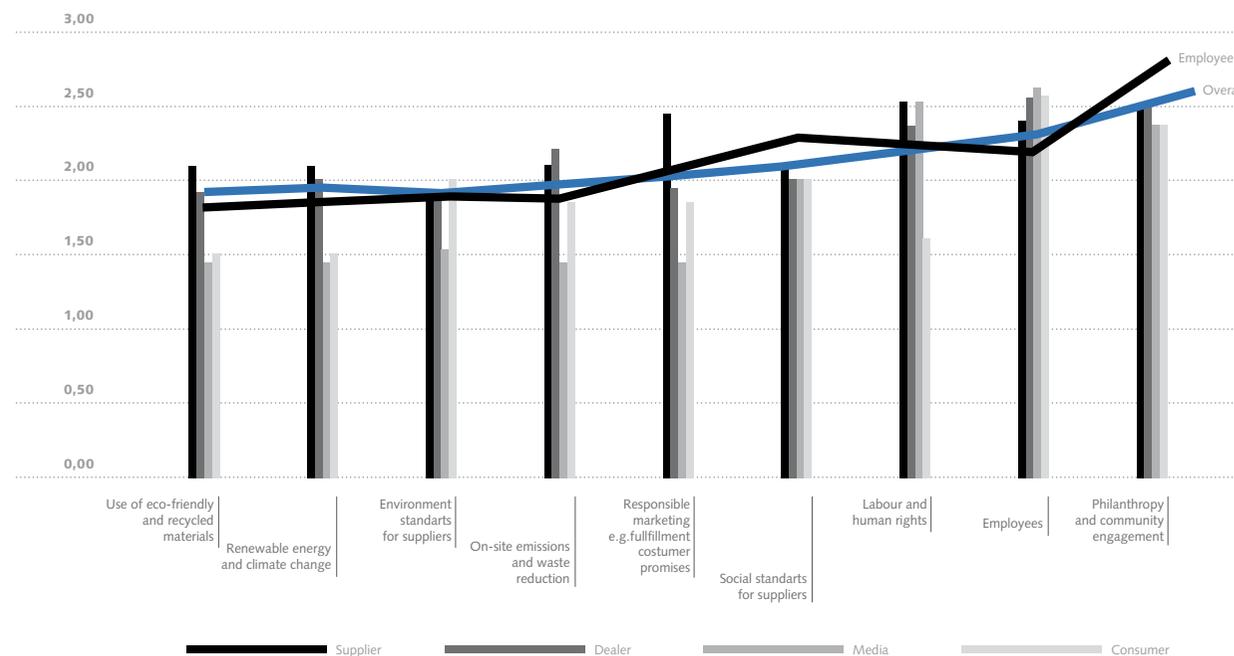
With respect to possible forms that dialogue could take, preferred options included involvement in specific projects, topic-related workshops as well as surveys tailored to specific stakeholder groups. Suppliers and subcontractors voiced a strong preference for the first option mentioned above while employees were more in favour of the latter approach.

This group expressed reasonable satisfaction with the quality of information on sustainability/CSR and the SALEWA Group transmitted to the stakeholder groups via different forms of communication. Less satisfied on this score were mainly corporate customers and dealers, whereas in contrast suppliers/subcontractors and the media were very satisfied. Receiving most praise was mainly oral communication and the press material, while reaction to the quality of information in the previous sustainability report got less support.

Out of this we have distilled the most important tasks ahead for us, which we have also integrated into our CSR Roadmap:

- Extension of dialogue with all stakeholder groups mainly on environmental topics, very specifically relating to suppliers and environmental standards.

In which of the following areas would you like to have an increased dialog with the SALEWA Group? (1= strong interest bis 5= no interest)



- Enhanced dialogue with corporate customers/dealers in relation to responsible marketing, first and foremost however this is about communicating information (for example, CSR training in the context of training for our dealers)

- Improve quality of information on our own website and in the sustainability report e.g. in particular by providing quantitative information.

A description of the dialogue and measures we have already put into practice can be found in chapter 3.

3.1 Employees





3.1 Employees and Commitment

THE INDIVIDUAL IN FOCUS

As a family-owned company we believe in the values that underpin all our business activities. The following values are ones we live, breathe and protect: fairness, trust and cooperation. We seek to create a dependable working environment in which every single employee has sufficient space to grow and fully develop. This requires an individual employee development and qualification system that takes account of the strengths and weaknesses of the employee. We do not work to a time clock; instead, we operate according to the principle of trust-based working hours. For this we require only a small number of rules, albeit clear and binding ones. Employees must feel comfortable in their day-to-day workspace in order to achieve good results and to motivate and develop themselves and also others. A solid, well-coordinated team is needed to get to the top, and so we strive for the best performance guided by the following motto: „positivity attracts positivity“.

3.1.1 EMPLOYEES - OVERVIEW

Around 519 people work in the Oberalp Group (As of: December 2012). That is around 30% more than 2011's figure of 406 employees. These figures include all employees, both full-time and part-time, with permanent or temporary employment contracts (for own brands and import lines). Excluded here are seasonal workers or interns.

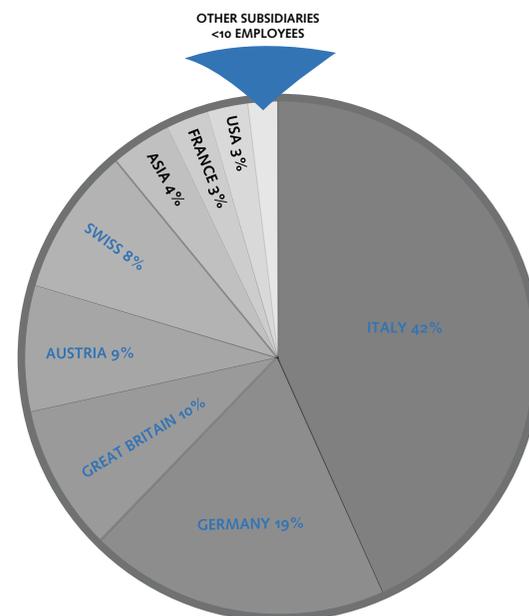
This growth is mainly the result of the developments laid out in Chapter 1 – the integration of the Wild Country brand into the Group as well as changes at Pomoca and the new office in the Czech Republic. Also, new import ranges in the portfolio have triggered an increased staff requirement. 2012 saw a total of 101 new employees taken on under contract (41 male and 60 female employees).

The length of employee service currently at the Oberalp Group stood on

average at 5.4 years in 2012 (= average seniority). 12% of our employees have already been with the company for 10 years (applies to companies within the corporate group that have been in existence for at least 10 years). The percentage of employees who left the company in 2012 was 8.6% (= employee turnover; expired temporary contracts are not factored in here).

The majority of our company's employees are based in Europe, mainly in Italy and Germany (see figure 1).

Employees worldwide split by country



3.1.2 WHAT WE TAKE TO HEART

The following paragraphs describe in greater detail the measures carried out and still to be implemented in areas that are important to us in order to achieve the objectives explained above. This outline is supported by a host of data and facts designed to reflect our achievements.

Unless specified otherwise, measures described apply to the entire Oberalp Group.

DIVERSITY, EQUAL OPPORTUNITY AND FLEXIBILITY ARE IMPORTANT TO US

The range of diversity provides an insight into human relationships that provides a base for any company to drive forward its development. Equal opportunity is a vital factor in being able to guarantee diversity. We are obliged to ensure equal opportunity and prevent discrimination at all levels and covering different business processes (e.g. applications, promotion, payment), in conjunction with skin colour, sex, age, ethnic background, religious beliefs and other aspects.



Team POMOCA



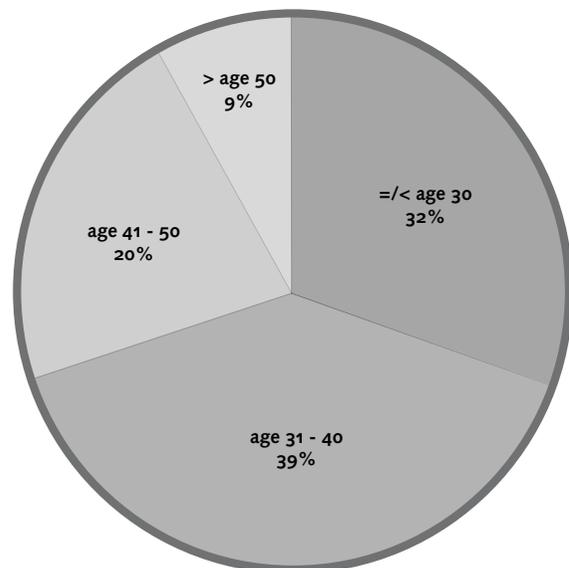
3.1 Employees

With 53% male and 47% female staff, our group enjoys an almost equal balance according to gender. The proportion of women in management positions is 32%. We define management here as follows: every employee responsible for other staff and also those who coordinate other employees outside of a predefined management role.

Women are still significantly under-represented at general management level. We therefore view this as an area to work on moving forward.

Employees of various age groups contribute to the diversity and varying points of reference, thus adding to the dynamic nature of a team. The average age of employees within the Oberalp Group is 35,6 years. (see Figure 2).

Employees worldwide split by period of employment



The flexible working time models we offer our employees brings a dynamic dimension to our company enabling our employees to combine professional and private life in the best way possible (for more on this topic, see section 'Combining work and family life'. In addition to these individually tailored agreements, part-time positions or 'working from home' arrangements have proven to be effective solution.

In 2012, around 21% of our employees had part-time contracts, 27% of these men, 63% women. In Italy, 22 employees currently enjoy the benefits of working from home part of the time.

ONGOING TRAINING – EQUIPPING US ALL FOR THE FUTURE

As a family-owned company, we think in terms of generations rather than quarterly business figures. Our employees are our strongest currency. To ensure we remain a sustainable operation, we also need employees who have their thinking tuned to the future. Honing new skills is the key to achieving more! This applies just as equally to individuals as to the company as a whole. In early 2013 we kicked off an all-embracing training offensive in Italy. In addition to the training opportunities already in place there, an internal training programme was started in which almost 60% of our employees, spanning all levels of the company hierarchy, will partake. A wide-ranging further training plan covering various focal areas such as marketing, sales and project management, health and safety at work, were developed in cooperation with external partners. We are also in the fortunate position of receiving financial support for our training efforts via the province of Bolzano and from the ESF (European Social Fund).

We support our employees in selecting and implementing training initiatives tailored to their specific needs, as fresh thinking and new areas of knowledge are only possible if built on a cooperative approach. This also

applies for the area of sustainability. Ever since sustainability and environmental protection have formed part of our corporate strategy, these topics have also been featured in our training offer alongside those previously mentioned. Our objective is to educate employees in ecological and social sustainability for both their professional as well as their private day-to-day lives. Vital information channels are our CSR newsletter, staff meetings, internal training sessions and our company intranet platform. We are currently working to establish our intranet as a fixed information and communication tool at all our sites and we want to incorporate CSR as a standard component in our training schedule for 2014/15. To this end we will also be offering training courses on technical subjects such as chemical substances and innovative production processes.

In 2012 our employees received an average of 13,5 hours of training, both via internal training measures as well as external courses.



Team Wild Country



3.1 Employees

HEALTHY WORKING ENVIRONMENT

Cooperation is given high priority within the Oberalp Group. This is reflected in our 'open door' culture as well as in our flat organisational hierarchy. It should also be evident from the working environment in the company. We want our employees to enjoy working for us - and we want this feeling to come from somewhere other than simply having the technical means to do their job properly. Our area of business, the mountain sports sector, is for many people inherently linked to positive leisure time experiences, such as a sense of freedom and also taking responsibility for oneself, and we want to give employees a taste of these experiences in the workplace as well.

As we outlined at length in our last sustainability report, we offer our employees a host of unique benefits: holiday accommodation in Gargano, in southern Italy and in Tiers, South Tyrol, where our employees can holiday for free; also climbing courses for staff and, every five years, we organise a company trip to an outstanding location paid for by the company (in 2013 this consisted of a five-day trip to Albania).

A whole raft of other benefits such as special employee discounts free test material and equipment, etc. ensure that employees enjoy working for and feel connected to the company.

Some of these benefits are offered in all countries while others are restricted to certain ones. Figure 3 offers a summary here.

Not all offices can offer the same benefits. This is partly due to some offices in Asia and the USA being geographically too far apart from one another for example in order to make holiday properties available. Other reasons include the infrastructure available as well as the number of employees involved. For example, the spacious new building at our Bolzano Headquarters allows us to provide some things which would be impossible or at least difficult at other premises (e.g. an in-house staff restaurant, child daycare centre, gym, climbing centre).

Overview of employee benefits

OVERVIEW BENEFITS

Special purchase terms on our own brands (Dealer price -50% for personal use and dealer prices -10 % when buying for family members)	>90%
Special purchase terms on import ranges (Dealer price -10% for personal use and when buying for family members)	>50%
staff restaurant with meal prepared freshdaily	>50%
Kitchen for self-prepared meals	>90%
Free use of holiday properties in Rodi and Tiers	>50%
Tax declaration support from company tax advisor	>50%
Free use of test equipment (skis, ski boots, climbing equipment, sleeping bags, etc.)	>50%
Free or discounted use of climbing hall and fitness centre	<50%
Free use of company pool cars for special occasions such as moving house	>50%
Limited flexible working hours	>50%
Company's own daycare centre for children	<35%
Annual joint activities e.g. skiing tours, climbing expeditions, Christmas parties	>90%
Free participation in climbing or skiing tours organised every 1-2 years	>50%
Company trips (3-5 days)	>90%
Capital investment benefits (employees receive an extra €0 per month to invest after working for the company for one year)	<50%
Shower cubicles to use following sport activities	>50%

*Information only given for benefits that are available in more than one country and offered to a minimum of 50 employees

** Social payment contributions and insurance payments are excluded as legal parameters differ country to country.



3.1 Employees

3.1.3 BALANCING WORK AND FAMILY LIFE

A proper work-life balance is essential for employee well-being in today's world. This includes being able to successfully combine your professional and private life, as our family is a crucial source of our strength and energy. We may not be perfect in this area yet, but we are constantly working at improving the compatibility of work and family throughout the whole Group. In 2012, we were awarded certification for our Headquarters in Bolzano after a FamiglieundBeruf (Family and Work) audit conducted by the South Tyrol regional government and have therefore taken a decisive step towards expanding the family-oriented character of how we run our business. So far employees at our Headquarters benefit from the following:

- In-company daycare centre for children at Bolzano site. 15 children are cared for here daily by experienced staff while their mothers or fathers work in the same building.
- Extension of statutory parental leave period for mothers and fathers until child's first birthday with continued payment of 50% of salary (in Italy, after the first three months of the statutory maternity leave following the birth of the child, typically 6 more months optional parental leave available but only 30% of salary paid).

The FamiglieundBeruf audit is a clear continuation of the family-centric way we operate our business. We view the audit as an opportunity to learn. The evaluation and monitoring by an external party helps us to build on our existing activities in this area and to really make these a living reality, both internally and externally.



3.1.4 HEALTH AND WELL-BEING

As a company that constantly promotes nature and mountain sports, health and physical well-being are second nature for us. We have put together a wide-ranging package of benefits for our employees:

- Our SALEWA Cube climbing centre situated at the company's Headquarters enable employees to go climbing free of charge
- The company's own canteen at our Headquarters prepares seasonal products from the region. Its own chef cooks the meals every day and obtains fresh produce wherever possible from local farmers. To avoid disposing of food we have set up a preorder system for employees.
- The 6th floor of the Headquarters has a fitness centre, which is free of charge and available to employees during lunch hours or after work hours. It offers courses e.g. yoga or pilates, which have been founded by employees themselves.
- Employees are encouraged not to travel to work by car wherever possible. Special bonuses and company-owned bikes kept at Bolzano rail station provide extra incentive for Headquarters staff here.
- Regularly organised sports activities such as ski tours or tobogganing in winter and hiking trips in summer.

3.1.5 SCOPE FOR ACTION

A company thrives on ideas stemming from many sources and also on the success of each individual within it. SALEWA puts its name to a cooperative approach. We fundamentally believe that each and every employee, irrespective of which position they hold or which team they belong to, can deliver valuable ideas and input. Everyone wants to make their mark and so we created a platform to allow employees to put their own ideas on the table.



Fitnessroom SALEWA Headquarters



3.1 Employees

IDEA MANAGEMENT

For our two largest offices (in Italy and Germany) we have introduced the Idea Management system to collect ideas and suggestions from all employees.

Each suggestion is assessed for feasibility, usefulness, and cost consideration. If an idea is accepted, the employee who proposed it is rewarded with a bonus. The evaluation process itself as well as the criteria used to determine the bonus are made known to the employee.

In 2012 in Italy, 12 ideas were submitted with four of these being rewarded. Up to the end of May 2013, 11 ideas had already been submitted, 4 of which have been taken up and reaped a bonus for the proposer. Two more suggestions are currently being assessed.

In Germany on the other hand, 2012 saw a total of 16 proposals submitted, of which 8 were accepted.

One suggestion submitted led to all our printers being switched to automatically produce double-sided printed documents. This resulted in one whole palette less of paper being used in 2012 than in previous years, as well as delivering proof of a conscious resource use. For 2013 so far, 7 ideas have been sent in, 2 of which have earned submitters rewards while one remains under assessment.

INNOVATION AND RISK AWARD

Motivation starts with enthusiasm. This enthusiastic attitude then leads our employees to be proactive. With the Innovation and Risk Award we want to officially recognize this attitude:

One of our company values is courage. We want to be people who have the courage to tread new paths, to take on responsibility, take decisions and then be able to stand behind these decisions. It is important that right through the SALEWA Oberalp Group we do not simply talk about things but that we make the things we say a reality. As Erich

Kästner once said, "Good things don't just exist, they have to be done." With our Innovation Award we recognize individual people or entire teams who have demonstrated special commitment and diligence in developing innovations and making them a reality.

Alternatively our Risk Award is presented to employees or departments who displayed the courage to face a certain risk. And projects or actions can be rewarded here even if they didn't produce a 100% successful outcome. The company Management wants this Award to demonstrate how it appreciates employees who dare to take action, and that nobody should be afraid of making a mistake.

Both awards will be presented once a year by a board made up of top levels of management and heads of departments.



Announcement of the innovation- and risk award during kick off meeting

3.1.6 OUTLOOK – NEXT STEPS

EMPLOYEE SURVEY

We want to grow collectively and shape the future together. Therefore we see it as vital that we listen to our employees' opinions so that we are aware of their level of happiness, their points of criticism and their wishes. In line with this, in June 2013 we launched a global employee survey. The list of questions covered approximately 40 issues and contained themes such as work & life balance, views on personal development, information and communication, understanding of what is meant by sustainability and responsibility, etc.

In autumn 2013 we aim to complete the analysis and evaluation of the survey and publish the results. We will then use these results as a basis for implementation of further measures in the future. In two years we want to repeat the survey in order to evaluate and compare the outcomes of both surveys.



3.1 Employees

COMBINING WORK AND FAMILY LIFE

Up to now we have focused on putting in place specific measures regarding the balance between work and family life at our Headquarters in Bolzano. We now wish to start analysing projects and identifying those with potential for replication that can be implemented at other Group locations and sites as well, in order to bring added value to employees. Not everything will work or be feasible, but we want to make improvements and further develop this area through solutions tailored to local conditions regarding the compatibility of professional and family life.

These improvements, that we want to put in place in cooperation with the FamilieundBeruf audit, include the opportunity for parents to also take voluntary parental leave on a part-time basis, or bringing the workplace and family closer together by examining the option of working from home. It is important to strike a balance between private life and work life. One idea is to arrange free use of the fitness centre for partners.

Our aim is also to offer the services of the in-company daycare centre to as many employees as possible, so that they can have their children cared for in the same building while working.



Key social performance indicators

EMPLOYEE DETAILS		2011	2012
Employees, total ¹		406	519
Employees, overall total (in %)	Male	54%	53%
	Female	46%	47%
Managers (in %)	Male		68%
	Female		32%
Employee average age (in years)			35,6
Average length of service (in years)			5,4
Training time per employee (in hours)		11,5	13,5
Staff turnover (in %)		8,5%	8,6%
Temporary employment contract (in %)			12%
Part-time contracts (in %)		19%	21% ²
Work-related accidents		2	6
Absence from work (in %)		4,7%	5,2%

¹ Headcount (not FTE)

² Acc. to sex in 2012: Male 27%, Female 63%

3.2 Suppliers





3.2 Suppliers

3.2.1 SUPPLIERS AND PRODUCTION

3.2.1.1 DESCRIPTION OF SUPPLIER PORTFOLIOS

The following section contains a description of the portfolio of direct suppliers to the SALEWA Group.

To provide a good overall picture, the following information is presented broken down for each brand. In certain areas SALEWA and DYNAFIT as well as SALEWA and Wild Country work together with the same suppliers.

As a clothing company we think in terms of seasonal collection. Therefore the details presented below relate to the period from 1 May 2012 to 30 April 2013.

SALEWA

During this period SALEWA cooperated with 82 suppliers: the overview indicates how each division is structured.

Overview suppliers per Division - SALEWA

TOTAL NUMBER OF SUPPLIERS SALEWA	82
Apparel	38
Equipment	24
Footwear	6
Technical Hardware	16

A large number of SALEWA's suppliers come from Asia, with approx. 13% of purchasing volume (FOB value) produced in Europe during the period mentioned.

The three most important supplier countries outside Europe are China, Vietnam and Indonesia.

SALEWA's product range is made in 20 different countries. An overview of the respective production amounts per country (figures given in number of units) and their corresponding value (figures in euros – FOB price), as well as the overall volume, can be seen in a table as follows.



Pic: shutterstock.com

Origin of SALEWA products

BRAND	Category	Country of origin of product	Number of pieces in %	Value in Euro in % (FOB)		
Salewa	Apparel	BANGLADESH	0,49%	0,34%		
		CHINA	21,82%	26,32%		
		GERMANY	0,21%	0,05%		
		GREECE	0,83%	0,38%		
		INDONESIA	7,85%	4,96%		
		ITALY	4,41%	1,50%		
		LITHUANIA	0,23%	0,24%		
		MYANMAR	0,96%	1,31%		
		MAURITIUS	0,92%	0,30%		
		TURKEY	0,36%	0,29%		
		VIETNAM	2,70%	3,82%		
		Equipment	AUSTRIA	AUSTRIA	0,13%	0,15%
				CHINA	14,78%	8,50%
				CZECH REPUBLIC	0,66%	0,05%
GERMANY	2,10%			0,85%		
ITALY	1,02%			2,00%		
SOUTH KOREA	0,40%			0,07%		
NETHERLANDS	0,03%			0,01%		
TAIWAN	2,24%			0,20%		
VIETNAM	0,77%			0,49%		
Footwear	CHINA			CHINA	0,33%	0,35%
		ITALY	1,57%	0,32%		
		ROMANIA	1,26%	5,12%		
		VITNAM	20,18%	37,75%		
Tech. Hardware	FRANCE	FRANCE	0,05%	0,00%		
		AUSTRIA	0,17%	0,15%		
		CHINA	1,64%	0,96%		
		CZECH REPUBLIC	1,19%	0,18%		
		EU	0,70%	0,78%		
		ITALY	2,91%	1,48%		
		TAIWAN	7,00%	0,91%		
		USA	0,06%	0,16%		
		Total			100%	100%



3.2 Suppliers

DYNAFIT

The DYNAFIT brand has been part of the Oberalp Group since 2003. The initial focus was on binding and ski boot production. But over subsequent years DYNAFIT has expanded its range to ski touring skis and equipment. The ski touring specialist has now established itself in the clothing segment of the market.

Overview suppliers per Division - DYNAFIT

TOTAL NUMBER OF SUPPLIERS DYNAFIT	
Apparel	17
Equipment & Technical Hardware	13
Footwear	2

During the period under review DYNAFIT products were manufactured in 15 different countries. The main focus was on Europe. Almost 90 % of the total purchasing volume was made here – predominantly bindings and boots as well as skis, but also occasionally apparel and other accessories. In Asia, DYNAFIT mainly makes goods in China, producing much lower quantities in Indonesia and Vietnam.

Origin of DYNAFIT products

BRAND	Category	Country of origin of product	Number of pieces in %	Value in Euro in % (FOB)		
DynaFit	EQ + Tech. Hardware	AUSTRIA	6,89%	9,23%		
		SWITZERLAND	3,31%	2,44%		
		CHINA	4,21%	0,67%		
		GERMANY	34,88%	39,25%		
		EU	0,06%	0,00%		
		ITALY	0,37%	0,15%		
		VIETNAM	2,19%	0,27%		
		Apparel	CHINA	12,40%	6,32%	
			GERMANY	1,02%	0,23%	
			GREECE	0,86%	0,07%	
INDONESIA	2,57%		0,73%			
ITALY	2,19%		0,17%			
LITHUANIA	2,05%		0,76%			
Footwear		TURKEY	1,14%	0,14%		
		VIETNAM	0,64%	0,51%		
		FRANCE	0,46%	0,29%		
		CHINA	4,83%	1,88%		
		ITALY	19,04%	36,50%		
		ROMANIA	0,27%	0,02%		
		USA	0,55%	0,32%		
		UK	0,06%	0,04%		
		Totale			100%	100%

WILD COUNTRY

Wild Country produces goods in 6 different countries. 16% of the total volume (FOB price) is produced in Europe. Production outside Europe is mainly in Taiwan.

Origin of Wild Country products

BRAND	Country of origin of products	Number of pieces in %	Value in Euro in % (FOB)
WILD COUNTRY	UK	51,99%	36,89%
	TAIWAN	30,98%	27,51%
	CZECH REPUBLIC	4,85%	3,18%
	CHINA	3,10%	20,99%
	HONGKONG	8,71%	1,31%
	GERMANY	0,37%	10,12%
Totale		100%	100%



3.2 Suppliers

POMOCA

POMOCA differs from the other brands in the Oberalp Group. In contrast to SALEWA, DYNAFIT and WILD COUNTRY, POMOCA is also itself a manufacturer and global market leader producing ski touring skins.

POMOCA is set to produce 65,000 skin pairs for the year 2013 as well as related accessories. In 2011 and 2012, POMOCA produced around 49,000 and 52,500 skins respectively.

POMOCA's brand of ski skins, as well as products it makes for other brands, are manufactured at its own production facilities in Switzerland on Lake Geneva.

Origin of POMOCA products

BRAND	Country of Origin of products	Number of pieces in %	Value in Euro in % (FOB)
POMOCA	SWITZERLAND	100%	100%

However it does source some manufacturing equipment, raw materials and accessories from abroad. To get a full overall picture we considered it important to include details concerning POMOCA's suppliers in this report.

POMOCA operates closely with 19 main suppliers from Spain, France, Germany, Italy and Switzerland. Only small bags and selected accessories for storing skins are produced in China.

In addition to ski skins, for which POMOCA is a leading name, the market leader in this sector manufactures also manufactures products for the following brands as well: [DYNAFIT](#), [K2](#), [Fischer](#), [Dynastar](#) and [La Sportiva](#).

3.2.1.2 PROCUREMENT AND PRODUCTION ALLOCATION

The Oberalp Group has set itself the goal of establishing a stable and well-functioning supplier network that pursues common aims and engages in a continual collaborative exchange with its members. In addition to our long-standing partnerships we are constantly seeking out new and aspiring production companies.

In order to satisfy the demands of our suppliers, all present and future partners are being assessed in terms of their overall expertise and performance in all important areas for our company. The Oberalp Group places particular importance on the following: technical advancement, innovation, skills, organisation, production capacities and delivery figures as well as communication capabilities, competitiveness and, not least, relevant aspects regarding sustainability. This means for example partner guidelines, consideration of employee rights as well as adhering to environmental standards. Our long-term attention is also on how our price policy and delivery times exert influence on sustainability factors.

Regarding the decision on which suppliers to collaborate with, during each procurement and allocation process of every new season, potential partners are subjected to a detailed CSR analysis. For existing suppliers the CSR audits performed throughout the whole year are examined, the results collated, and if required corrections are applied. Future suppliers are evaluated in advance of any possible collaboration regarding their attitude to CSR issues and adherence to various criteria.



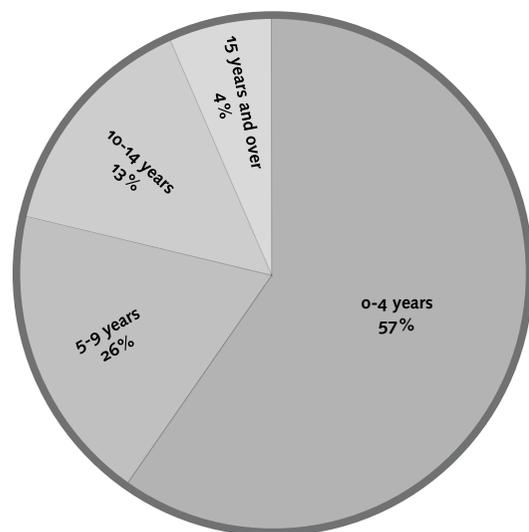


3.2 Suppliers

3.2.1.3 SUPPLIER RELATIONSHIP AND SUPPLIERS CONVENTION

The Oberalp Group has enjoyed very successful and lasting partnerships with many suppliers over the years. An overview of the collaboration is provided in the various graphics presented below. We attach particular importance to engaging in exchange with our partners, and this is a major contributing factor to joint success and progress. We can look back on a product-supplier relationship that stretches back at least five years with 43% our product suppliers (data for the overall Group).

Length of partnership with suppliers in years
(SALEWA, DYNAFIT, WILD COUNTRY, POMOCCA)



Suppliers Convention 2011 in Bolzano

Interaction with our suppliers is something we set particular store in – and this enables us to grow together. For this reason, in addition to regular contact and communication with our partners, we organise Supplier Conventions every 2-3 years in order to speak to suppliers about the future in the market. At this meeting, attended by 40-50 suppliers, the company would like to inform its partners about future developments of the individual brands, share long-term goals, discuss new products and projects, tackle challenges side by side and promote relationships at management level. This way we are able to smooth the path for the future together. CSR topics are also featured on the agenda of topics to be discussed.

The next Supplier Convention will be held in September 2013 in Guilin (China).

3.2.2 MEASURES – TURNING OUR SUSTAINABLE CONCEPTS INTO ACTION

As explained in Chapter 2, one of the four CSR project team's working groups is specially dedicated to our company's supply chain and looks into the options and implementation possibilities of sustainable. In this regard we place great emphasis on the social aspect, although primarily labour conditions and adherence to social and ecological standards. The working group is made up of 5 people whose interests and main concerns reflect those of the company's individual divisions and who can successfully bring the required background knowledge to bear in these endeavours.

TRANSPARENCY AND SUPPLIER INFORMATION

In order to aid our ability to make assessments and respond more rapidly it has become increasingly more important for us to have all information about our suppliers and also the individual factories available. Therefore the supply chain management working group also took on this difficult task.

While in the past it was predominantly information about our suppliers that was collected and administered, over recent months the company engaged more of its efforts in recording information on individual production sites and how they were managed in the company's information management system. In addition to this we have been working on producing corresponding data sheets that require completion by the production sites and are then transferred into the system. By doing this we can accelerate the exchange of information with individual production facilities in the future.

This process is currently being put in place in the Apparel Division. In this area a supplier often employs several factories, and products for SALEWA and DYNAFIT are often manufactured at different locations.



3.2 Suppliers

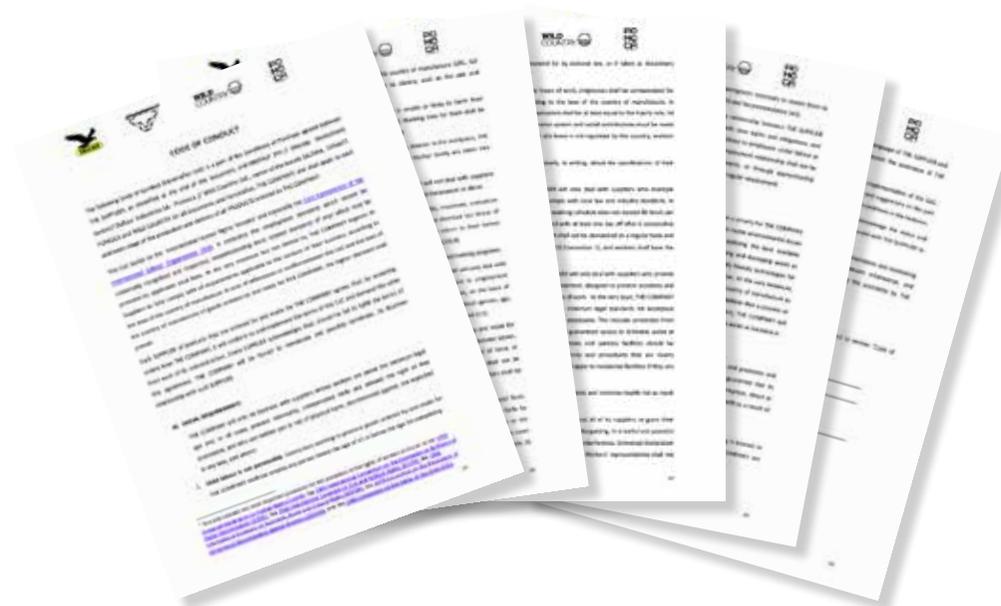
GROUP CODE OF CONDUCT

In early 2013 we updated our Code of Conduct (CoC) (www.csr.oberalp.com). The most important amendments include a better harmonization with the requirements of the International Labour Organisation¹ (ILO), as well as the specification of certain passages. The reworked CoC has been applied since March 2012 by all divisions and also by all brands within the Oberalp Group. The SALEWA and DYNAFIT brands already conformed to the CoC, and now the POMOCA and Wild Country are following suit. The CoC is not only available in German, English and Italian, our main company languages but also in versions translated into the languages of the countries most important to us in terms of production. This most effectively ensures proper application of the CoC in countries such as Vietnam, China or Bangladesh.

Signing the CoC is a prerequisite for suppliers who want to work with SALEWA, DYNAFIT, Wild Country and POMOCA. Every partner without exception is obliged, by signing our CoC, to respect and adhere to labour rights as stated in our CoC. This document contains all the rules and principles that are laid out in the most important human rights stipulations and requirements of the ILO (Core Conventions). Additionally all partners are obliged to allow our management and quality assurance employees to carry out regular thorough checks (see section 3.3.2.1).

The most essential parts of our CoC are divided into the three areas of social responsibility, the environment and corruption. Our company's attention focuses most closely on the first point here and includes the following: a ban on using child labour, respectful and fair treatment of all employees and a ban on discrimination towards any employees. Furthermore the CoC requires that employment relationships exist on a voluntary basis, that a living wage not just a minimum wage be paid, and prohibits excessive and unmonitored working hours and overtime practices. The health of all employees is extremely important for us and production facilities and sites must provide a safe and clean working

environment. To enable employees to defend their rights in the community, they must all be given the freedom of assembly and organization, and employer-employee relationships must be governed by formal rules and be laid down in a written contract.



¹ for more information: <http://www.ilo.org/global/lang-en/index.htm>
most important provisions for the protection of the rights of workers as found in the 1948 Universal Declaration on Human Rights (UDHR), the 1965 International Convention on the Elimination of All Forms of Racial Discrimination (ICERD), the 1966 International Covenant on Civil and Political Rights, (ICCPR), the 1966 International Covenant on Economic, Social and Cultural Rights (ICECSR), the 1979 Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), and the 1989 Convention on the Rights of the Child (CRC)



3.2 Suppliers

“CSR SUPPLIER AUDIT”

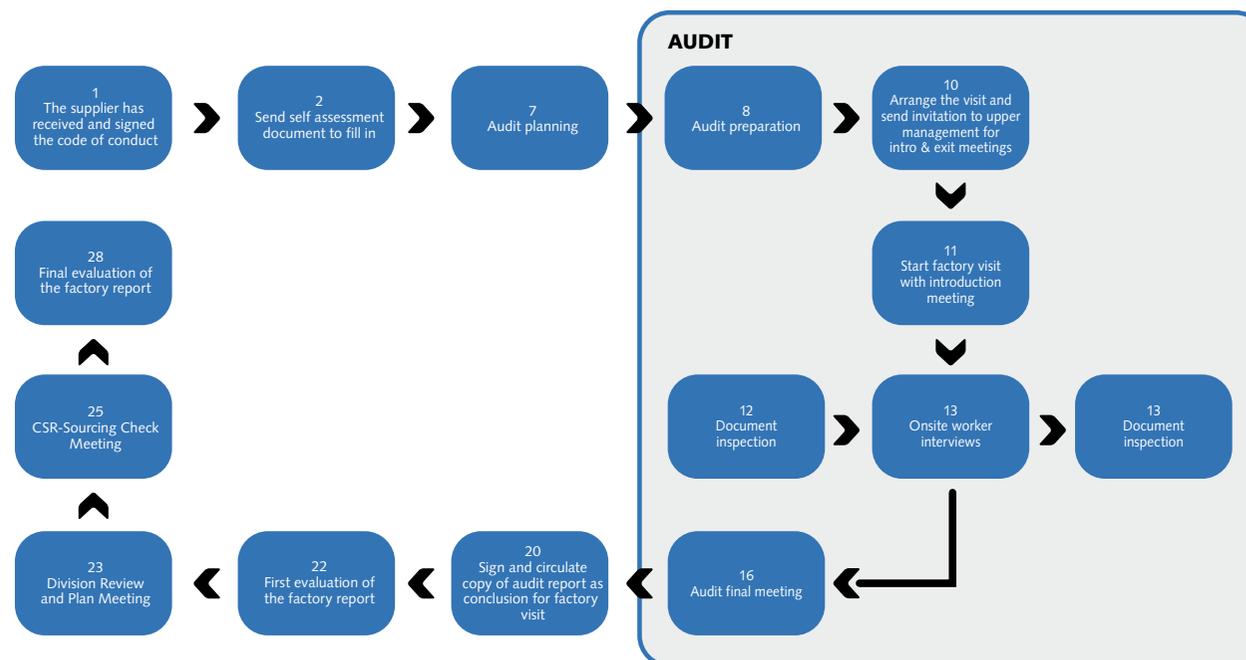
The Oberalp Group has set up a special process to enable us to monitor compliance with our CoC and assess the situation at production sites where our products are made. Our internal CSR supplier audit is a cross-division process allowing us to check our suppliers on a standardized and organized basis.

We carry this audit out using a Factory Assessment Form that allows us to prepare comparable analyses of suppliers and production sites taking into account all necessary aspects. Additionally, we can use the results to put together a document detailing corrective measures in cases where the audit reveals deviation from the required standards on site, thus enabling a swift response to rectify shortcomings.

To this end we have produced standardized guidelines that CSR auditors must use during a production facility inspection as well as adding their relevant comments where required. These guidelines also provide instruction on which documentation, receipts and evidence must be made available to auditors by individual suppliers, stipulate which sources can be approached by auditors if they require any additional important information and define the procedure for carrying out employee interviews.

The diagram below briefly outlines the CSR supplier audit process:

Overview “CSR supplier audit” process





3.2 Suppliers

On conclusion of the on-site audit, any discrepancies are documented in writing, and we provide initial feedback to the facility management. The objective here is to develop a subsequent Corrective Action Plan which, in cooperation with the site management, identifies measures that ensure compliance with required standards and which states a timeframe during which stipulated measures must be implemented. We still have a certain amount of work to do in terms of developing and implementing this Corrective Action Plan.

In the course of our initial period working with various different divisions in late 2012, we put a lot of effort into revising and adapting the plan. Since March 2013, we have had a finalised version to work with. Our goal for 2013 is now set: we will be carrying out and implementing the audit process. By April 2014 we want to have audited 60% of our production volume for 2013. In an initial stage, we will focus on auditing our suppliers located in Asia. In 2013, we will perform audits for our SALEWA and DYNAFIT brands. The Wild Country brand, the most recent new member of the Oberalp Group, has not yet been incorporated into this process since Wild Country is still in its integration phase. Apart from this, we are engaged in ongoing discussions with Wild Country's suppliers and are attempting to verify details of local working conditions with them. Our Quality Controller and Management are regularly present here in order to keep up to date with developments.

In future we want to also measure our performance against the three following key indicators: number of audits performed corresponding to the total number of planned audits, corrective measures undertaken compared to the number of discrepancies in the year ranked by priority and, lastly, successfully completed measures compared to the measures undertaken/identified discrepancies.



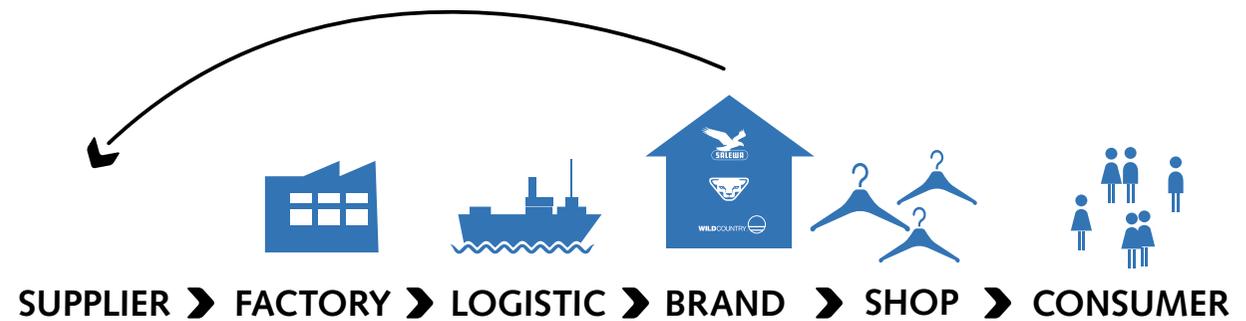


3.2 Suppliers

3.2.3 GOALS

Our goals concerning our company's supply chain for the coming years are summarised below:

- Further development of our database focusing on individual production sites, and the integration of data into our information management system
- Ongoing implementation and monitoring of adherence to our CoC
- Implementation of the CSR Supplier Audits as well as quantitative recording in key performance indicators
- Implementation of the screening sheet in all departments
- Internal audit of production sites with the aim of covering 60% of total production volume initially in Asia by early 2014
- Membership in FWF and implementation of the Working Plan
- Monitoring 60% of total production volume via FWF two years following membership entry, provisionally by 2015
- Continual development and implementation of the Corrective Action Plans



3.3 Our product responsibility





3.3 Our product responsibility

3.3.1 PRODUCT PORTFOLIO SALEWA GROUP

We make products for mountain sports, and as a multi-specialist we cover the entire spectrum of equipment needed for mountain-based activities. We want to provide the right equipment for people who pursue activities outdoors and in the mountains. We want them to enjoy unforgettable experiences, share pleasures and always feel safe wherever they are. In doing so we strive to keep a good balance between protecting both nature and also people's well-being.

In the SALEWA Group, sustainability features at every stage of the value added chain – from raw material use, via finishing and tailoring through to packaging and labelling.

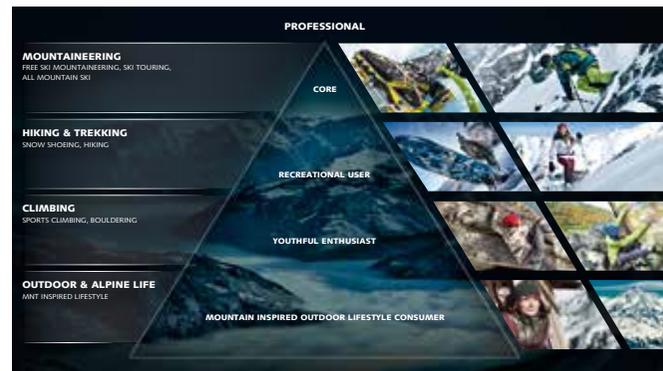
Our top priority here is to analyse the impact of our products on health and the environment and to substantially reduce this over their lifecycle. Innovation is a tradition within the SALEWA Group, and in order to best drive forward developments, we actively seek consultation with our most important target groups. In order to best meet the needs of mountain athletes and enthusiasts, we have set up our product categories according to activities. Consequently our own brands are structured as follows:

SALEWA

Multi-specialist embodying the attributes strong, light and safe. This brand's positioning is more focused on the climbing/mountaineering sector in summer and on free ski mountaineering during winter. We offer complete solutions for professional mountain athletes with the Pro Line. Ambitious alpinists can find everything they need for attacking the peaks in our Mountaineering range while all outdoor fans can get the right equipment in the Hiking & Trekking segment. The young climbing and bouldering generation can pull their graceful moves across the rock face and in the hall with our Climbing collection. In the course of positioning our brand we devised a pyramid structure that clearly illustrates our product portfolio:

From winter 2013, our portfolio will feature a brand-new range - Alpine Life. This range features outstanding items that deliver an entirely new angle on the alpine lifestyle concept. Tradition bred in South Tyrol, urban-inspired design, and technical functions are all fused together in original ways to form this collection. SALEWA's new Alpine Life clothing range bears all the hallmarks of the young designers from South Tyrol, who boast years of experience as mountain sport equipment suppliers, and also reflects the meticulous production style of the Oberrauch family's own manufactory. Inspiration for the names in the collection stemmed from well-known places, peaks and routes in the South Tyrol mountain landscape. So that even in your urban setting you can truly tap into the power of the alpine world from afar.

SALEWA branding pyramid





3.3 Our product responsibility

DYNAFIT

With its core values of speed, lightness, performance and technology, reflected first and foremost in its products, DYNAFIT has really made its mark in recent years on the ski touring market and through significant innovations has asserted its leadership in the market.

Since 2012 we have switched from focusing solely on winter ski tourers to also catering for the summer mountains sports ALPINE RUNNING & ALPINE BIKING. The ultralight product ranges cover functional apparel for men and women, alpine running shoes as well as backpacks, gloves and poles. Ingenuity plays its part in our hybrid range as products are designed for cross-discipline use, equally suitable for running as well as all-terrain biking.

And for the winter 13/14 collection we have even more innovative products lined up. At ISPO 2013 we showcased our brand-new binding concept, the BEAST 16. It's all in the name – our binding designers locked into descent mode and targeted ambitious freeriders looking for a binding that handles any discipline or terrain. The big new feature is the frameless system, combining increased stability and robustness up to DIN 16 with top ascent performance for a perfect downhill ride. DYNAFIT can be broken down into the following segments throughout the year:

DYNAFIT segments



Specific products to dominate these segments.





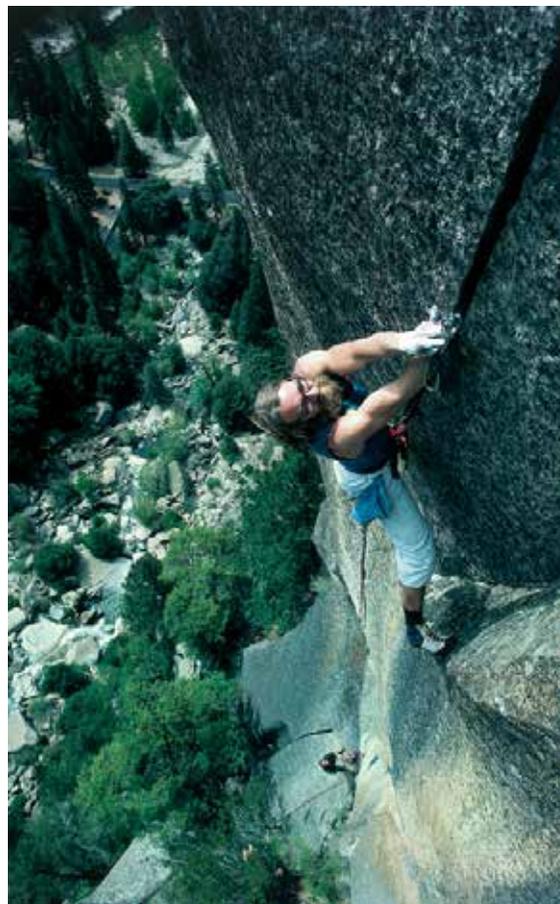
3.3 Our product responsibility

POMOCA

Ski skin specialist POMOCA from Switzerland has been making a name for itself for over 70 years thanks to its superb-quality products and technological innovations. POMOCA continually develops new products ranging from accessories to completely new designs all in the name of promoting easy handling and thus guaranteeing unlimited pleasure and satisfaction for touring fans.

The world's top athletes rely on the unmatched quality of POMOCA ski skins. Our skins guarantee winning performances!

- World Champions 2008, 2010, 2011 and 2013
- World Cup 2009, 2010, 2011 and 2013
- European Champion 2009
- Patrouille des Glaciers winner 2008, 2010
- Pierramenta winner 2008, 2009, 2010, 2011, 2012 and 2013
- Mezzalama winner 2009, 2011



WILD COUNTRY

Wild Country is a company which boasts an atypical story. Right from the outset, rock climbing formed the heart of its business. Its product range underlines this, offering the full spectrum of equipment essential to climbers on the rock face. The Wild Country team designs sophisticated technical products of the highest quality. The key words behind its product development are lightness, innovation, optimum performance and utmost safety.

3.3.2 LONG-TERM PRODUCT LIFECYCLE

A careful approach to handling natural resources is a priority for us that we have incorporated into our corporate policies (see Chapter 1). The majority of the resources that we use as a company end up in our products, and we consider it our prime responsibility to reduce consumption in this area. Product longevity and with it resource conservation is one of our major preoccupations in terms of our product stewardship approach.

So what do we actually do in this respect? We describe here the measures that we have put in place in order to reach our stated goal. Information on our materials is available in section 3.3.2.



3.3 Our product responsibility

3.3.2.1 QUALITY MANAGEMENT

Sustainable products stand out on the basis of their long-lasting lifecycle and due to the fact that they are easy to repair. One requirement here is flawless quality which makes itself apparent through our use of high-calibre materials and a meticulous production process. The SALEWA Group has a separate department dedicated to quality assurance and control. This department's work is based on a highly consumer-oriented approach. In addition to systematic quality control, customer complaints and requests are dealt with here and then communicated to product development staff. At the same time, quality defects are carefully analysed in an established procedure in order to rapidly and efficiently identify the source of any defects and subsequently rectify them. We then share these findings with our suppliers and we in turn expect them to follow the same approach should they discover any product irregularities. This is the only way to build up true relationships of trust that form the basis of long-term relationships that generate mutual benefits for both parties. The end result is long-lasting, superior products that match what customers want.

Our product safety standards

We manufacture products for the SALEWA, Wild Country and DYNAFIT brands which fall under the (Personal Protective Equipment PPE) category. To exclude all possible risks for our customers, products in this category are subject to regular inspection procedures. We also work together with recognized, independent institutions such as the International Mountaineering and Climbing Association (UIAA) and European Committee for Standardization (CEN) who regularly test and certify these products. If we find products in this category which do not meet the required standards, we have our product recall procedure which handles the situation efficiently through rapid and clear communication.

Product recall summary for period January 2012 to June 2013

Date	Product	Product type	Brand	safety-relevant
Januar 2012	Radical ST, Radical FT, Radical Speed, Radical Rental/Test	Ski touring binding	DYNAFIT	no
Juli 2012	Civetta II und Vertigo 400	Climbing harness	SALEWA	yes
November 2012	Ropeman 3	Safety device	WILD COUNTRY	yes
Dezember 2012	Helium	Carabiner and Express set	WILD COUNTRY	yes
Februar 2013	G4 Attac, G4 Classic, Cobra Attac	Via ferrata sets with rope brake	SALEWA	yes



Benedikt Böhm, Manaslu



Pic: Hansi Heckmair

Simon Gietl - Ergo Carabiner



3.3 Our product responsibility

3.3.2.2 REPAIR SERVICE

According to information from the European Outdoor Group (EOG), in Germany alone every year around 1,000,000 tons of used clothing is disposed of, 10% of which is burned as it is unsuitable for aid agencies or recycling. In Switzerland 3% of private refuse is made up of textiles, amounting to 167,000 tons, of which 40,000 tons are passed to aid agencies via sorting facilities. In Italy a more precise and better-functioning recycling system would enable 3-5 kg per head of textile waste to be collected and re-used. The current figure is just about 1.3 kg per head. These examples simply illustrate the huge amounts involved in textile waste on a yearly basis. To reduce these numbers, the SALEWA Group has adopted measures that prolong product lifecycles.

The SALEWA Group offers its customers a product repair service, even for items whose guarantee period has lapsed or where customers themselves have caused the damage. The products are repaired in house subject to a cost-recovery charge or are passed on to a specialist technician. On request, an advance cost estimate for the repair work can also be provided. Repair charges include a one-off amount to cover transport costs involved in returning goods to the customer.

For goods returned by customers we have laid down the following internal rules to ensure that products that cannot be returned to customers are not disposed of unnecessarily. With the exception of technical hardware products, which also fall into the PPE product category (which have to be destroyed and disposed of for safety reasons) the following steps have to be considered (listed in order of priority):

1. Retention of parts and accessories that can be used to repair other similar products
2. Forwarding to aid organisations (e.g. Caritas) or other social projects
3. Products or parts that cannot be reused must be disposed of properly in line with stipulations and sent to a recycling facility.

DYNAFIT replacement parts

DYNAFIT is high-tech brand that looks to use key innovations to exceed customer expectations. This claim is reflected in the quality and unmistakable design of the brand's products.

Top quality for us means also offering customers the best level of service. Which is why we attach particular importance to a service-oriented complaints process and our repair system.

Bindings represent over 20% (figure according to production quantities) of our entire DYNAFIT portfolio, with ski boots accounting for just under 15%. Both products consist of many large and small individual parts which are relatively easy to remove and replace. So we produced a line of replacement parts especially for these two product groups. [For bindings and boots alone we have a wide range of around 26,000 replacement parts ready and waiting. This eases the process of handling repairs and extends product lifecycles.](#)

With the aim of reducing the ecological impact of transportation and waiting times for end customers, our trade partners are pre-equipped with a free-of-charge basic replacement part range for the most vital types of repairs. Service teams in every one of our offices are always available with help and advice for technical enquiries.

When a dealer is unable to carry out repairs themselves, the defective products will be sent to DYNAFIT. After a thorough examination, a decision is made on whether an item can be repaired or if it should be replaced. Where professional repairs are needed, DYNAFIT and SALEWA service teams possess the special tools for the job. If products are beyond repair then recourse is made to the processes outlined previously.





3.3 Our product responsibility

Resoling SALEWA Pro and DYNAFIT Footwear

In the Footwear division we have established a process enabling special shoes to be resoled. Trekking and ski touring footwear suffer a high degree of wear and tear especially on the sole. Many models can be resoled easily by local shoemakers if they can order the right parts direct from our supplier Vibram. For the Pro boot range and DYNAFIT ski touring boots with their specially designed soles, resoling used to only be taken on by our own trained team which is located in Montebelluna. The time and costs involved were much higher than using the local alternative.

Over the past few months we have developed this service further, and in every country where SALEWA and DYNAFIT have their own offices,



we selected a specialist partner to supply with replacement parts and training. As of winter 2013 we will be offering this service for DYNAFIT and from summer 2014 also for SALEWA, enabling enquiries to be handled faster and more flexibly and transport routes eliminated.

3.3.2.3 BRING BACK ACTIVITY

Once the useful life of products comes to an end, owners are often unclear on how to dispose of them, which organisations to send them to or how they can be recycled. We gave this matter some thought and in March 2013 launched a 'Bring Back Activity' in our shops in partnership with our dealers aimed at collecting these old items of clothing and backpacks. We decide on a case-by-case basis in accordance with our partner FWS and depending on the condition of each product whether they could be used again or if professional disposal is required. Since the initiative has not been up and running long, we are as yet unable to provide any exact results but are confident the idea will succeed and will be issuing a progress report via our website.





3.3 Our product responsibility

3.3.3 SUSTAINABLE PRODUCT DEVELOPMENT

In addition to extending the lifecycle of our products, another central focus of ours is reducing their impact on the environment as well as any possible health hazards they may pose. This encompasses objectives and measures related to topics such as using sustainably produced natural materials, avoiding use of critical chemical substances through to product design, which all aim to incorporate factors such as longevity or ecological impact over the entire lifecycle of a product.

3.3.3.1 USE OF (SUSTAINABLE) MATERIALS

A vital role in sustainable product development is played by the materials used. We place an emphasis on product longevity and focus on using materials that comply with this aspect. A further focal point is the use of sustainably produced natural materials. Information relating to materials used are provided on the products themselves (hang tags, labels), in the sales documentation and on our website.

In the following overview we list which materials are found in products by SALEWA and DYNAFIT.

Product styles by collection- apparel

	S12	W12	S13	W13
GTX STYLES	10	17	10	12
PTX STYLES	35	106	9	69
DURASTRETCH STYLES	43	37	33	39
STORMWALL STYLES	33	64	15	35
DRYTON STYLES	112	24	110	9
DRYTON BAMBOO STYLES	10	5	13	2
COTTON STYLES	88	44	100	26
ORGANIC COTTON STYLES	12	7	12	0
PRIMALOFT STYLES	8	30	2	33
PRIMALOFT ECO STYLES	4	8	0	2
WOOL STYLES	0	4 ¹	0	8 ¹
POLARLITE STYLES	31	81	26	67
DOWN STYLES	5	33	2	31
POLYGIENE STYLES	29	12	25	19
Dryarn				8
MAIN FABRIC Bluesign®				14

¹ also contains wool/polyester blend

Product styles by collection - Equipment

	S12	W12	S13	W13
Cordura	12	10	6	8
Gore-Tex	1	1	1	1
Powertex	1	1	1	1
Tencel			1	1
Silverized Ecoloft	8	8	8	8
Silverized Down	13	13	13	13
Silverized	21	21	30	30

The following sections explain measures and principles created in areas related to materials which we consider important.

LONG-LASTING

In the course of our research and development work we developed materials specifically designed for use in the mountains that meet this requirement in terms of their function and quality. Materials such as Powertex, Durastretch and Cordura also particularly impress on account of their longevity, which in turn fits in with our product philosophy in terms of sustainability.





3.3 Our product responsibility

NATURAL MATERIALS

Wool and Loden

The natural quality and practical functions in terms of weather and heat protection make wool and loden our preferred materials when it comes our Heritage products in the Alpine Life range. For these particular items, we use wool and loden from Austria and have production carried out in our small-scale production facility in Vintl – in other words, quality made in South Tyrol.

Organic Cotton

Producing organic cotton does not mean that synthetic fertilizer and pesticides are simply swapped for organic alternatives. It has far more to do with organic cultivation methods contributing strongly to promoting an understanding of natural agricultural processes. A vital element of organic production is the careful selection of plant types which are adapted to local circumstances regarding climate, soil and resistance to pests and disease. Organic cotton thus makes an important contribution to ecological and social sustainability.

We particularly rely on the use of organic cotton in our Climbing range and have 12 styles made with organic cotton in our current summer collection. Our winter collection contains only a few products featuring cotton and therefore also none made from organic cotton.

ORGANIC COTTON

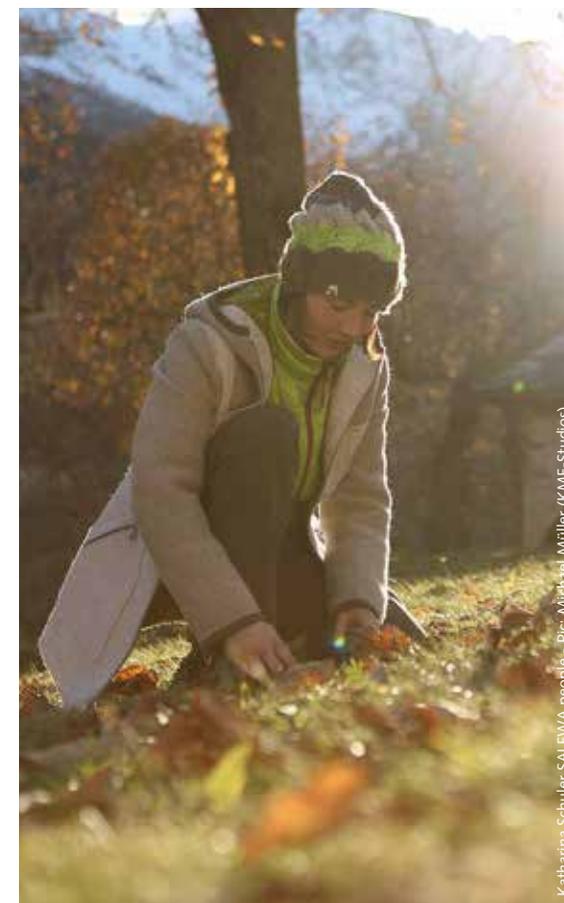


Bamboo

Bamboo is an environmentally friendly and renewable fibre. It grows rapidly and is cultivated without using pesticides or other chemicals harmful to the environment. Bamboo is also 100-percent biodegradable.

Bamboo is naturally antibacterial and a fungicide, probably due to a bacteriostatic substance in the bamboo plant called bamboo-kun, which also resists odours. The bamboo-kun in the bamboo fibres inhibits the growth of odour causing bacteria and their spread in bamboo-based clothing. This means these textiles are more hygienic and stay fresh longer. For this reason clothing items that contain bamboo can be washed less frequently.

As a result of these advantages we often turn to bamboo when creating our styles.

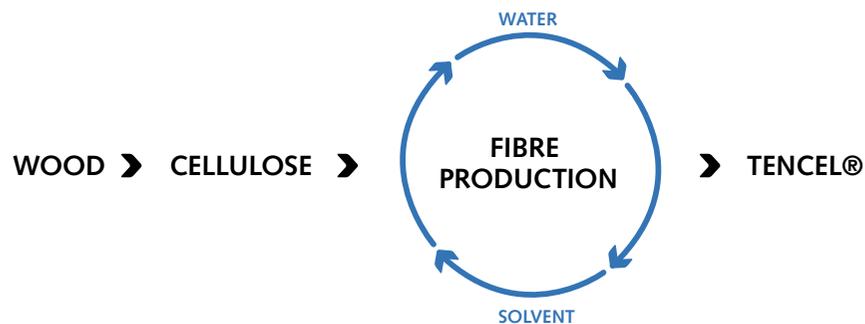


Katharina Schuler, SALEWA people - Pic: Michael Müller (KME-Studios)



3.3 Our product responsibility

QUELLE: LENZING:



TENCEL®

The production of TENCEL® is revolutionary. The production process is based on a solvent-spinning process and represents the greatest accomplishment in cellulosic fibre technology. TENCEL® is the functional fibre from nature. It is of botanic origin, since it is extracted from the raw material wood. Fibre production itself is extremely eco-friendly, due to a closed loop system. On the day that TENCEL® was invented, a new chapter was written in the history of fibres. Textiles of TENCEL® are more absorbent than cotton, softer than silk and cooler than linen. The unique closed loop system of TENCEL® makes it the fibre of the future par excellence, eco-friendly and economical. The production process received the European Award for the Environment from the EU.

DOWN

Down forms the fine feathers of water birds such as geese or ducks. And this pure product of nature boasts some astonishing qualities: it's as light as snow and protects birds against the cold while being extremely compressible. No other material around achieves the same level of thermal insulation in a lightweight material. Also, down products can fold right down thanks to their elasticity. All they need is a good shake and they quickly return to their original shape.

High-quality down thus possesses key advantages over synthetic products and for demanding applications it's simply unbeatable. At SALEWA, goose down is essential for large numbers of our mountain sports range, in both the Textiles and Equipment divisions.

In recent times, environmental and animal protection experts have increasingly discovered practices that are in direct violation of appropriate animal welfare. Animal welfare organisations mainly criticize so-called

live plucking, a process where feathers are plucked from animals before they are ready to moult.

The SALEWA Group is committed to fair and correct handling of all natural resources that are available to us. We ensure that our down jackets and sleeping bags are exclusively filled with high-quality down sourced solely by fair means. In order to guarantee that the down we use meets high quality and sustainability standards, we have put strict guidelines in place with our „Down and feather sourcing and production assurance standard“ (DFS). These quality requirements are included in the contract (Conditions of Purchase) that each supplier must sign prior to collaborating with us, and we check adherence to this via our quality management team. We categorically avoid using down acquired via live plucking or force-feeding for foie gras production processes. In addition, we exclusively source down from white geese because of the increased use of grey geese in force-feeding processes.

For our entire sleeping bag range we work with one single supplier which is regularly checked and monitored by the independent institute International Down and Feather Testing Laboratory (IDFL).





3.3 Our product responsibility

ODOUR-FREE

If one studies the life cycle of the average T-shirt the washing process accounts for 65% of the energy consumption of this shirt. But in only 7% of cases is the article of clothing really dirty. This means that clothing, in particular functional clothing, is mainly washed to remove odour. To reduce increased washing we rely on solutions that keep textiles fresher for longer. Use of energy, water and washing detergent is thus reduced. This applies for clothing as well as for textile-based accessories such as sleeping bags.

Polygiene

Polygiene is a highly effective antimicrobial technology used to stop the growth of odour-causing bacteria or fungi and permanently eliminate them from products. It does not however attack skin's natural bacteria. Active people therefore remain active and fresh for a long time and have an optimum means of removing unpleasant odours from their clothing. Polygiene is also produced from recycled active ingredients and thus uses no natural raw materials. The product is manufactured in the EU with minimal use of resources and in line with stringent environmental standards. The permanent Polygiene equipment range is the only resource of its kind to receive the Bluesign® certification.

Silverized

Prior to the application of this treatment, we consider and evaluate the environmental impact.

Clinical studies show that silver is effective against odour-forming bacteria. Silver ions destroy enzymes that are essential for keeping bacteria alive. Without these enzymes, bacteria would not survive. Thanks to this, unpleasant odours caused by bacteria are reduced. For SALEWA's sleeping bags we use Silverized technology for down fillings and synthetic fillings. We have a range of treatments to choose from: Silverized 100% Fresh, the feature we use on some products that are in direct contact with skin over a longer period of time and are thus exposed to the skin's moisture produced when we are asleep. Silverized

Down is the first anti-bacterial silver treatment for down filling. We developed it together with the Swiss company Schoeller Technologies. Silverized Ecoloft, the anti-bacterial equipped filling produced from recycled polyester fibres.



Polygiene®



RECYCLED MATERIALS

Careful use of resources is achieved by recycling materials. For our products, we look to use these type of materials which are made from recycled fabrics.

PrimaLoft® Eco

Is an eco-friendly insulation material that delivers top performance and outstanding comfort. The insulation technology from Eco is made from 50% recycled materials and 50% PrimaLoft® primary fibres, which form a soft, breathable and highly-efficient thermal insulation layer. PrimaLoft® Eco is ultra-light, water resistant and keeps you snug and warm.

Ecoloft

Ecoloft isn't only exclusively manufactured from recycled polyester fibres – it's also warmer than anything else on the market. Soft and highly compressible, it allows the effective use of available resources and minimizes negative environmental impact. Antibacterial silver treatment inhibits the growth of bacteria and unpleasant odours.





3.3 Our product responsibility

3.3.3.2 RESTRICTED SUBSTANCE LIST

We are committed to protecting the environment and all those who play a part in the manufacture of our products as well as those who use them. An important step in this process has been introducing the Restricted Substance List (RSL), which covers the minimum requirements that we demand both from our suppliers and from everyone else along the entire supply chain.

As a prerequisite for working with the SALEWA Group, our suppliers must firstly pledge to adhere to our legal requirements, which among other things feature our prohibited substances, and also the EU's REACH Regulation on chemicals, which entered into force on 1 June 2007. REACH stands for Registration, Evaluation, Authorisation and Restriction of Chemicals.

We would like to state that we strictly monitor the import of critical materials based on the REACH Regulation. This EU regulation determines which chemical materials must be registered. In order to comply with the REACH Regulation, we regularly check the relevant tests and certificates of our suppliers. In addition, we compel our suppliers to inform us about any substances which could be a cause for concern in order that we can then investigate the matter.

Our RSL also contains chemical substances that are not covered by the REACH Regulation and presents criteria prescribed by Oeko-Tex and bluesign®. The RSL applies across the spectrum for every single component and all stages along the production chain right up to the finished product for clothing, backpacks, sleeping bags, tents, textiles and accessories (e.g. water bottles). Right from the start of any collaboration, we try to get our suppliers on board regarding the RSL so that we can build up knowledge and raise awareness surrounding this topic.

Our RSL is currently being scrutinised to verify it is complete. Once these findings are available we will subsequently amend and revise the list as is necessary. From October 2013 we envisage being able to implement our list into operations.

We are also currently creating a Corrective Action Plan for non-compliance with the RSL right along the production chain.

Furthermore, we are currently developing a test matrix in order to make sure that any chemical inspections required for certain product components (e.g. natural and synthetic fibre differentiation, for DWR treatment, with coating, silicon or PU coating) are always performed in line with set methods and taking account of product qualities/component qualities.

Additionally we are working on a Decision Tree, aimed at making the testing procedure simpler and more efficient.





3.3 Our product responsibility

3.3.3.3 bluesign®

Producing mountain sports articles has a big impact on the environment because achieving the ‚functional‘ aspect of these products uses valuable resources such as energy, water and materials. Emissions and wastewater are also negative by-products of the process. We endeavour to minimize these negative consequences as far as possible and rely also on the significant expertise of external partners.

SALEWA and DYNAFIT have been an official bluesign® system partner since summer 2011. The bluesign® system follows the strictest environmental standards and is a global product quality seal for consumer and environmental protection. The system centres around the principle of environmental protection, health and safety in the workplace and consumer protection. This Switzerland-based independent service provider not only aligns itself with the strictest international ecological standards but also relies on its own comprehensive risk assessments. To produce sustainable products, both the materials and processes involved as well as the impact of production on the environment and end consumer must be scrutinised. To achieve this, the bluesign® system uses the Input Stream Management approach based on the five principles of resource productivity, air emissions, occupational health & safety, water emissions and consumer protection. The aim of the bluesign® system is to apply these five principles at all levels of the textile production chain.

For a certain number of products, SALEWA and DYNAFIT use fabrics and other materials manufactured using the bluesign® system, such as PrimaLoft®, which are fully compliant with bluesign® guidelines. In the upcoming 2013 winter season we will be offering 14 product styles featuring bluesign® certified materials in our clothing range.

With equipment, our Summer 14 collection will contain a total of 10

Application summary bluesign® approved fabric in apparel and equipment division

SEASON	W12	W13	S13	S14
TOTAL STYLES	590	544	620	631
TOTAL STYLES WITH BLUESIGN® APPROVED MATERIALS AS MAIN FABRIC OR FILLING	45	85	22	88
PERCENTAGE OF STYLES WITH BLUESIGN® APPROVED FABRICS OR FILLING	8%	16%	4%	14%

Notes: the data above include only styles with „bluesign® approved“ main materials, there are also other styles that include bluesign® approved fabric, that are not main component.

styles using bluesign®-approved fabric, and we are working hard to increase this figure.

www.bluesign.com





3.3 Our product responsibility

3.3.3.4 6RS - DESIGN BRIEFING

Sustainability related to products is not just about production processes and selecting the right materials, but starts back at the brainstorming stage.

In order to integrate sustainable thinking into the design process, we compiled a checklist for our designers and product managers to stimulate thoughts on the subject. The goal at the product design stage is to bear in mind concerns to do with the ecological impact of Salewa mountain sports products throughout their entire lifecycle.

Embedding aspects of sustainability as standard in a product briefing template raises the awareness of those involved in the product development process and provides added stimulus to consider the benefits of CSR. [The basis is formed here by the 6Rs of Sustainability – Rethink, Refuse, Reduce, Reuse, Repair and Recycle.](#) This product briefing template is especially to be integrated into the development of image products. On the one hand it is a clarification and communication tool to be used by different departments involved in the task, while alternatively it is also designed to specifically address themes such as sustainable product solutions, prompting thought to be given to how it may be possible to use this in a future product.

The revised product briefing template containing the 6Rs has already been presented to the team of designers and product developers. A workshop to explain this further and jointly work out possible approaches as well as making information material available is in the pipeline for the second half of the year.

The objective is a step-by-step course of action, from product improvements for individual product parts, redesigning existing products through to system innovation in the future.



Pic: Meraner Hauser

3.4 Our commitment to social causes and community service





3.4 Our commitment to social causes and community service

DOING BUSINESS IN A FAIR AND HONEST WAY

The SALEWA Group operates sites all over the world yet we counter-balance this global business approach by performing activities more synonymous with a local company. We feel a sense of obligation towards local companies, institutions and conditions and want to do business as an equal partner. Wherever we do business we regard fairness and transparency as a crucial part of our corporate responsibility and our obligation. *We do not tolerate corruption or anti-competitive behaviour. Every individual employee at all of our locations agrees to abide by these values when they sign their employment contract.*

Sustainability – act locally, think globally

It is part of our tradition to harness the power of our brands for social purposes. A main focus of the SALEWA Group's commitment is its dedication to people who share our passions. After all, mountain sports and the alpine environment represent more than just a job for us. In the previous sections (3.1 and 3.2), we have highlighted the people who support us day in and day out in turning our ideas, visions and goals into tangible and practical products and services. We are talking about our own employees of course, and also workers all the way along our chain of suppliers. However, we would like to also demonstrate our commitment to those people who are part of our community, who live in our neighbourhood and who share our ideals.

With the completion of our international European Headquarters in autumn 2011, we put the seal on a building that is much more than just a workplace. Right in the centre of Bolzano's industrial zone, a site rose up which successfully reconciles commercial use with the leisure facilities for employees, locals and guests. The 2,000 square-metre climbing centre is the final realisation of a concept to give something back to

the mountaineers, who are a vital community for the SALEWA Group. Within and around the multifunctional building social and health aspects are employed to full effect. The company's own day-care centre is available to children of SALEWA employees as well as parents working for other nearby businesses. Meanwhile, the surrounding green spaces, looked after by the company, provide the perfect spot for anyone who needs to take some time out.

We don't leave our corporate responsibility at the gates of our Headquarters. All over the world, we have launched initiatives where we have looked to make a contribution to bringing people – whether they are close by or half way around the world – a small measure of joy, making their day-to-day life easier or supporting them in specific pro-

jects. In this we also include projects that offer protection to animals as well as the environment. We would like to briefly describe the specific initiatives undertaken by the different company brands all under the auspices of the Group.



Pic.: Sinigaglia



3.4 Our commitment to social causes and community service

3.4.1 OUR COMMITMENT FOR MOUNTAIN INHABITANTS ACROSS THE WORLD

PROJECTS IN BOLIVIA

For over eight years now we have been working in Bolivia together with Caritas, trying to improve the general living conditions of people living in the high mountains in isolated villages.

With the help of Caritas Bolzano-Brixen and local partners, SALEWA has starting in 2005 developed and funded a five-year assistance plan in areas such as health, education, basic services and infrastructure for the remote Andean mountain village Elvira, 2,800 metres up. Building on this project's success, which was described in detail in our 2010 report, SALEWA decided in 2010 to launch a second project.

Laime is a neighbouring village seven kilometres from Elvira, also situated at 2,800 m altitude. Scattered all over this village there are 29 families living in difficult conditions. Just like the inhabitants of Elvira, the people here rely exclusively on agriculture and livestock farming. Their cultivation methods are very simple and the harvest only just reaches subsistence levels for each of the families. The inhabitants have only recently been able to get water from a communal facility. Up to now however Laime has had no electricity or sewer system. To get medical services the villagers had to embark on a 20 km trek to the small town of Quiroga. In the course of the „Elvira“ project in 2006, SALEWA, in collaboration with Caritas, built and jointly funded a medical centre now used by both villages. Our goal is to conclude the Laime Project in 2015.

The jointly created five-year plan mainly targets improved living standards in education, basic services as well as social and community structures.

Measures already carried out in 2011 and 2012 include:

Water supply network & wastewater system

22 households and the three most important public facilities: the school, teachers' accommodation and school toilet facilities are now all directly linked to a dedicated water supply. This ensures a direct supply of clean drinking water. In addition, five families from the Laime district were also hooked up to the drinking water supply. The newly installed wastewater system drains water from 30 households. Water blockages are now prevented and basic hygiene levels are in place.

Toilets, wash facilities and waste disposal facility

Using 16 prefabricated modules, a toilet and washing facilities were constructed for each family and the school to safeguard hygiene. A waste management and disposal facility was also built for the benefit of the families and the school.

Workshops

In a workshop run especially for the local indigenous people, they were given training on how to use and maintain the different facilities.

Communal meeting area and children's playground

In the interest of boosting the village's social structure the school playground was resurfaced to create a public space where locals can meet people from the neighbouring districts such as Elvira to talk and discuss. Laime's younger residents got a playground, constructed in order to give them somewhere safe to play.

And we're not stopping at that. This is the plan for 2013

A multi-purpose sports ground, set to be built this year, will really add to the lives of all the people living in and around Laime. It will enable the children to learn and really practice mini football, basketball and volleyball – all sports they do at school – on fields with regulation markings. The grounds can be used by older members of this community as well as other nearby communities, such as Elvira. Families in Laime are supplied with power via solar cells.

SALEWA invests 15,000 euros in both projects each year. Caritas Bolzano-Brixen invests 5,000 euros per year, funds go first to the project Elvira and after that to the project Laime.





3.4 Our commitment to social causes and community service

SALEWA AND SHERPA WOMEN: SEARCH FOR GARMENTS OF HOPE!

The South Tyrolean mountain sports specialist is particularly committed to standing shoulder to shoulder with people and cultures who share its passion for mountain sports – such as the mountain people known as the Sherpas.

During a 2011 visit to Nepal, SALEWA employees saw the situation first-hand and established contact with the local NGO „Empowering Women of Nepal“. This led to the creation of the joint aid project christened „Sherpa Women“. The name „Sherpa Women“ bears some symbolic significance since in Europe the word „Sherpa“ is generally accepted as a synonym for a porter and guide on trekking tours and expeditions. In fact, the project chiefly supports women in Western Nepal, who are not strictly speaking part of the small ethnic group of Sherpas who are mainly settled in the eastern part of the country. The aim of this project is to provide these women with specific training in the tourism and trekking trade so they can find work and earn their own living. This again forms the link to the typical domain of the Sherpas. The training programme is designed to run for two years. SALEWA is supporting the initiative by donating one euro per item of clothing sold from a designated range. SALEWA employee Christoph Pircher was on the spot at the start of the training with the selected participants in Jumla, a small location in the far west of Nepal and is impressed with what the meaningful impact the project is having: „The trekking guide training helps the women here to develop self-confidence and gives them the chance to improve their standard of life thanks to their own efforts. This results in a better situation not only for the individual women themselves but also the whole family. It sends positive signals out to the entire community for the long term.“ In the first year the project has received 10,000 euros in donations. So far we have collected another 20,000 euros that will be used for the implementation of the next steps.



Pic: Christoph Pircher

Summer 2013 has seen us extend the aid project and, under the title „Search for Garments of Hope“, we are undertaking a major campaign in retail outlets to collect outdoor clothing that people no longer need. Donated clothing will be sorted and, depending on its condi-

tion, will either be sent direct to someone who needs it or alternatively recycled, with all proceeds going to the campaign. Every contribution makes a difference.



3.4 Our commitment to social causes and community service

FINALE FOR NEPAL

Finale for Nepal is a non-profit organisation founded by a group of climbing enthusiasts from the Italian comune Finale. The organisation's objective is to support the Chepang tribe in Nepal. The Chepang are an almost forgotten people living in the gorges of the Mahabharat mountain range and are famous for their knowledge of the powerful effects of roots, fruits and herbs.

Since 2010, this initiative for Nepal has organised a boulder event in collaboration with SALEWA, the SALEWA Mountainshop in Finale (Liguria) and other partners. Competitions take place over two days in Senior, Junior and Kids categories. There are also climbing events and a trail run is held. The proceeds from registration fees, sale of T-shirts and Nepalese food are donated and invested directly in aid projects in Nepal. Every year it notches up donations totalling around 5,000 euros. In the first year this money was used to set up climbing walls, while in the second year the donations went to help the Chepang population build a school for the women of the Chepang.

2013 sees the event repeated once again, and SALEWA will be repeating its support by supplying T-shirts and a range of other gadgets (in 2012 the value was equal to 2.200 euros).

The organisation website: www.finalefornepal.org



Pic: Finale for Nepal, Carlo Mamberto



3.4 Our commitment to social causes and community service

DYNAFIT FRANCE SUPPORTS NAT'N'CO – A SKI-TOURING PROJECT FOR PEOPLE WITH DISABILITY

The story of Nathanaël Schaeffer could easily have been the biography of many mountaineers. One morning in May 2005 an avalanche accident in the French Massif des Écrins changed his life forever. Events that day left Nathanaël a paraplegic. However, his passion for the mountains hasn't waned one bit. Thanks to his endless optimism and also his friends, he continues to go on ski tours and ski himself - using the ski-bob, which was specially designed just for him

The Nat'N'Co organisation was set up in 2005 by his friends. Their mission is to organise ski-touring trips every winter so that disabled people can take to the mountains on skis. The goals are getting more ambitious as each year passes, and in 2012 Nathanaël, together with Nat'N'Co, realised a dream: he reached the top of the 4,061-metre Gran Paradiso. The touring groups are also growing in size meaning that Nat'N'Co, are now taking ever greater numbers of handicapped athletes ski touring way up in the mountains.

Dynafit has lent its support to the project since 2012 in the form of a competition and through providing equipment. In addition to carrying out PR work and a big personal commitment to the organisation, the ski touring specialist has donated around €1,000 so far.

For more information on the Nat'N'Co organisation:
Nat'N'Co: <http://natnco.org/>



Pic: Nat'N'Co



3.4 Our commitment to social causes and community service

3.4.2 OUR PARTNERSHIPS AND COLLABORATION WITH SOCIAL INSTITUTIONS

PARTNERSHIP BETWEEN SALEWA AND THE SOS CHILDREN'S VILLAGES INTERNATIONAL

Since early 2012, SALEWA in Germany has been partnering SOS Children's Villages International. In the course of two consecutive climbing days organised annually by SALEWA, money is donated to SOS Children's Villages International – specifically for the International SOS Holiday Village Caldonazzo. This amounts to an annual contribution of 7,000 euros. SALEWA also provides SOS Holiday Village Caldonazzo with products from the Equipment range, mainly hardware and shoes. The SOS Holiday Village on Lago di Caldonazzo in South Tyrol is highly outdoor orientated and located near to our brand's home spot in Bolzano. We are delighted to be able to supply financial and material support for the children here so that they can benefit from some holiday time in the village. With our products from the Equipment and Footwear divisions, we can play our part in assuring the safety of the children while they are on their way in the mountains and kit them out with high-quality products. It is a priority of ours to expand this collaboration over the long term, to continue supporting the SOS Holiday Village and to teach the children something about the mountains and mountain-based activities. For this reason, each year we offer a SALEWA trip giving about 20 children the chance to visit our Headquarters in Bolzano. The children have two days to get to know all there is to know about our Headquarters, the SALEWA company and about climbing itself of course. Thanks to our own climbing centre we can serve up an exciting programme of activities and raise their knowledge of climbing sports through contact with real professionals. We are very happy to be in a position to provide the children with some pleasure via our partnership and are committed to giving our support across a range of different levels.

[Info about SOS Holiday Village Caldonazzo:
http://www.sos-feriendorf.org/en/default.asp](http://www.sos-feriendorf.org/en/default.asp)

A trip is also planned for 2013, and in May products worth 6,000 euros were sent to the SOS Holiday Village. Among the delivery are tents, shoes and boots, climbing harnesses, ropes, rope bags, etc. With our help, the SOS Holiday Village is excellently set up for its outdoor activities. Both the donation programme and the annual trip in summer are set up for the long term and have become permanent fixtures for our company. The head contact for SOS Children's Villages International, Nadja Malak, is also delighted to have „found, in SALEWA, a long-term partner in Germany who shows commitment and provides support on a whole range of levels“.





3.4 Our commitment to social causes and community service

COLLABORATION BETWEEN DYNAFIT AND THE HANDICAPPED WORKSHOPS - CARITAS WERKSTATT POCKING AND DONAUHOF-WERKSTÄTTEN

People working in our company have their days mostly packed full with work. Work also gives people suffering from disabilities a way to acquire self-affirmation, independence and recognition from others for their achievements. The experiences we all make at work can have a positive influence on our personal and social development. So it is important that disabled people are also granted a way into long-term work. This should involve recognition of the different capabilities that employees have, and they should be employed and supported according to their individual needs without being overstretched or not challenged enough.

The workshops have a wide and varied range of jobs on offer, in order to take account of different types and seriousness of disability. In line with different capabilities, scope for development, aptitude and suitability, the participants can choose from the following areas of activity:

- Assembly work
- Laundry
- Carpentry
- Metalwork
- Scanning service
- Domestic science

DYNAFIT has been working with the workshops since 1999. The work mainly involves assembling and making components for touring ski bindings.

Currently the Donauhof workshop 38 employees manufacture toe units for Dynafit tour bindings. Scheduled annual production for 2013 is 154,400 items.

The Caritas Werkstatt Pocking produces around 85,000 tour bindings,

66,400 toe pieces and 100,000 ski stoppers.

Alongside a production area filled with state-of-the-art machines and highly-motivated employees, the workshops are able to bring to the table many years of experience in assembly services for the ski touring segment. Constant improvement of the assembly processes as well as use of their own designed monitoring systems (DIN release value measurement and camera analysis) ensure top quality standards and efficient production.





3.4 Our commitment to social causes and community service

COOPERATION BETWEEN POMOCA AND AMPANS – COMMITTING TO PEOPLE WITH INTELLECTUAL DISABILITIES

Since September 2012, POMOCA has worked closely with the Catalan foundation AMPANS. AMPANS dedicates its energies to people with intellectual disabilities, and its objective is to help raise their independence and quality of life. The foundation is involved in training, occupational opportunity, education and leisure activities for individuals and also families – in all, 770 benefit from the good work of AMPANS <http://www.ampans.cat/en/>

POMOCA's goal is to outsource production of sample items for its collections, in cooperation with AMPANS. Manufacture of sample products will be taken on by the foundation's employees who thus get the chance to have a fixed job and responsibility. It is a priority for us to support AMPANS not just financially but also by trying to help make the people with intellectual disabilities happier and more contented by providing them with employment. Conversely, we also benefit from this collaboration too because it is actually also a business relationship – we provide jobs for people who often have difficulties finding them. In 2012 we generated a small earnings figure of around 3,000 euros. However, next year we are expecting an increase to between 10,000 and 20,000 euros.

We are currently still in the launch phase. Initially it is about getting to know one another better, gathering knowledge about the different working methods and carrying out smaller orders. AMPANS has not had much previous experience working with an international company and this has meant a lot of adapting and changing approaches, and we are getting closer to the point where we can take on larger orders. The workers are for example currently learning about quite a large number of our assembly processes.

The initial phase is all about getting to the point where the assembly

process for the POMOCA accessories collection can be handed over to AMPANS. The plan is to pass on as many working stages to AMPANS as it can manage. In all other areas we are still at the testing stage. We are striving to supply AMPANS in 2014 with the machines and tools required for them to be able to take on and handle further orders independently.

ampans





3.4 Our commitment to social causes and community service

3.4.3 OUR COMMITMENT TO NATURE AND THE ENVIRONMENT

LEADERS HAVE TO MAKE THEIR MARK – DYNAFIT SUPPORTS THE SNOW LEOPARD TRUST

Elegant and gracefully prowling through its natural territory, the last major wild region left on the earth. Himalaya and Karakorum, Tien Shan and Pamir, Hindu Kush and Altai. For more than a million years the spectacular mountain ranges of Central Asia have blessed this unique feline predator with a natural habitat marked by a raw and stunning beauty.

The snow leopard embodies our brand's attitude and values like no other living creature, and this is why we selected a stylised image of its head as the DYNAFIT trademark. But this trademark is more than simply a logo. It is a role model and symbol for all the qualities and skills needed to survive in the mountains.

And yet the snow leopard is tragically threatened with extinction. Poachers secure high prices for the beautiful fur and sell the bones for use in Chinese medicine. Local farmers hunt these big cats to protect their own livestock, in doing so increasingly displace not just the leopards themselves but their natural prey from their natural biosphere. Just a few reasons why the International Union for Conservation of Nature and Natural Resources (IUCN) has listed the snow leopard as „critically endangered“ since 1972. Experts estimate the numbers for snow leopards in the wild to be 4,500 to 7,500. This figure is presumably dropping all the time.

At DYNAFIT we take the view that urgent action is required, and we've set the long-term goal of protecting the snow leopard and its original habitat. To ensure that this is done professionally and sustainably, we support the non-profit organisation Snow Leopard Trust (SLT), based

in Seattle. We provide donations, gifts and carry out international press and publicity work on behalf of the leopards.

The Trust started in 1981 and is the world's leading institution for the protection of and research into of the snow leopard. Among other things it carries out many long-term studies and works with teams in 12 countries which collectively cover the majority of the terrain that makes up the snow leopards' habitat. The Snow Leopard Trust receives money for its projects via donations, subsidies, charity events and selling handmade products.

We are proud to have supported the SLT in a wide range of projects over the last seven years and have thus actively contributed to snow leopard protection.

One of our major successes has been the Snow Leopard Day project, running since 2010. Spanning the world, ski touring test events are organised where participants can collect vertical metres to aid the snow leopard. Every vertical metre covered is matched by a one-cent donation from DYNAFIT. This money isn't just directly supporting the Snow Leopard Trust: it raises awareness for the work the Trust performs.

- 2007 – In-kind donation: Jackets for gamekeepers
- 2008 – Purchase of handmade soft toys worth \$1,300
- 2009 – Auction of ski prototype – proceeds of €1,100 went to SLT
- 2010 – Inaugural Snow Leopard Day in Austria; 184,500 vertical metres, amounting to a donation of € 1,845
- 2011 – The Snow Leopard Day expands internationally.€ 3,000 collected and donated.
- 2012 – Second International Snow Leopard Day - € 4,000 donated
- 2013 – Third International Snow Leopard Day - € 7,000 donated





3.4 Our commitment to social causes and community service

DYNAFIT PARTNERSHIP WITH THE EUROPEAN OUTDOOR CONSERVATION ASSOCIATION (EOCA)

At the start of 2013, through our DYNAFIT brand, we became a member of the European Outdoor Conservation Association (EOCA), in doing so raising our commitment to conservation. EOCA is an association made up of a group of companies from the outdoor sector. By bundling of resources from over 90 members, support can be targeted towards selected international conservation projects.

The EOCA has provided financial support to the tune of more than 1 million euros over the last six years for 46 projects all round the world. DYNAFIT is committed to long-term collaboration with the EOCA and would like to use membership to drive forward the project close to its own heart – protecting the snow leopards.

And we are all the more overjoyed that in our very first year of participation our project „High altitude habitats for Snow Leopards, Indian Himalaya“, submitted by us and our partner, the non-profit organisation Snow Leopard Trust, was a success. We won people’s support for our project during a public online vote. From 2013 the project will receive a donation of US\$15,000 from the EOCA.

The goal of our project is to preserve the snow leopard’s natural habitat in this country despite the growing tourism in the region and to save these creatures from extinction. The EOCA funding will go directly to maintaining protected areas for the leopard as well as supporting and educating local inhabitants. Providing financial support as well as informing and raising awareness among the local population is the only way to ensure that these creatures and their human neighbours can live alongside one another in harmony.



Pic: Steve Tracy Courtesy of Snow Leopard Trust



3.4 Our commitment to social causes and community service

3.4.4 OUR OTHER DONATION CAMPAIGNS

CHRISTMAS AT OUR HEADQUARTERS – EMPLOYEE DONATIONS FOR SOCIAL PROJECTS

Another initiative at our Headquarters in Bolzano is our Christmas campaign. Every year since 2003, we have held a prize draw during our Christmas celebrations event. The money collected goes to support international and regional aid projects. During the working year our employees receive a lot of gifts from our business partners – especially at Christmas time. But these gifts aren't actually for the employees themselves. They are donated to the Christmas lottery, ensuring that presents get shared out among all employees and no one is excluded. At our Christmas party, our employees can make a donation and draw lots and win prizes picked up by their colleagues. With the money collected we want to help people in need of assistance with their day-to-day challenges while giving them a bit of Christmas cheer.

The amount collected is boosted by a company contribution, with 2012 seeing the total of around €12,000 awarded to the emergency social fund for farmers. We also support a project called „Refurbishment of Mahdwieserhof am Ritten farm“ – after two tragic deaths, the one surviving family member was able to continue the refurbishment work and keep the farm business running thanks to the donation. Emergency social fund for farmers:

<http://www.menschen-helfen.it>

Our collaboration here focused mainly on non-profit organisations such as Caritas, the emergency social fund for farmers or the South Tyrol Vinzenz Gemeinschaft organisation. We donated funds to these organisations and asked them to be made available for selected projects.

(Südtiroler Vinzenz Gemeinschaft:

[Südtiroler Vinzenz Gemeinschaft:](http://www.rolbox.it/vinzenzgemeinschaft.suedtirol)

<http://www.rolbox.it/vinzenzgemeinschaft.suedtirol>

[Caritas: http://www.caritas.bz.it/de.](http://www.caritas.bz.it/de)

Our long-term goal is to donate 10,000 euros each year for these types of aid projects.



Facts and figures

The following table summarises how the funds and material donated to were used in the case of each of the 3 main areas. It is a fundamental priority of ours not to simply restrict our commitment to donations but get employees directly involved and supporting these causes. We allocate time and additional resources for this which are not indicated in this brief overview.

Overview monetary donations and equipment donations

Area	2012
Commitment to mountain inhabitants	27.200
Social partnerships	7.000
Environmental commitment	9.000
Other donations	13.000

Comment: The figures above mainly relate to money and value of in-kind donations made by Salewa, Dynafit, etc.

3.5 Environmental management





3.5 Environmental management

As a mountain sports specialist, nature and the mountains form the main sphere in which we operate. We have a great desire to protect this environment, which we love and which represents our home. We view the notion of environmental protection as the framework within which we undertake everything we do in the name of CSR – responsible behaviour taking account of social, ecological and economic issues. We strive to lessen the impact on the environment wherever possible, and consider it an ongoing process involving all company departments and areas as well as each and every employee. We need each other in order to improve and achieve our goals.

The following chapter deals in particular with the goals and measures that we have put into place in the name of reducing the direct burden placed on the environment across our company's many premises. In addition, the chapter contains a description of our initiatives and the first key figures to come out for our Transport and Logistics division. Our central focus over the coming years will mainly be on continuing to push down our CO² emissions all the way along our value-added chain.

3.5.1 SITES

Objectives and actions

It is a general objective of ours, in relation to our sites (mainly offices as well as our Headquarters but also our central logistics centre, climbing centre and the POMOCA production site), to adopt a comprehensive, structured and well-documented approach to tackling the environmental impact we may have in vital areas such as energy, water, waste and resource use. We want to accomplish this by setting specific and measurable goals, dividing this into feasible measures and then analysing their results using key performance figures.

This was why we first developed an applicable code of conduct for the whole Group to point employees in the right direction in how to deal with environmental challenges they encountered in their day-to-day business. These principles contain background information as well as specific recommended courses of action in order to effectively reduce environmental pollution. They feature steps such as:

- **Collection and processing of data.** In order to create awareness and identify specific potential areas requiring improvement, we had to collect and analyse extensive amounts of data on our current energy consumption level. Now the data collection and processing is complete, we will be drawing conclusions to enable us to improve our business approach regarding our energy resources.
- **Waste sorting and recycling.** We work exclusively with recyclable paper and use environmentally friendly office equipment wherever possible.
- **Reducing waste and good use of resources.** Throughout the whole company we try to avoid using plastic bottles, preferring ceramic cups and glasses for our drinks. To cut down on waste paper, our printers are all pre-set for double-sided printing.
- **Reduced energy consumption.** At each site, employees must switch off all lights and electronic devices when they leave their workstation for longer periods: there is certainly room for improvement here. At the larger sites such as the Headquarters in Bolzano every floor has someone in charge of ensuring that everyone is keeping to these rules.
- **Reduction of CO² emissions.** Driving to work increases CO² emissions. We want to encourage employees to play their part in reducing these emissions by turning to car sharing, public transport or bikes. We set up our Car-free campaign, which runs over several weeks, and rewards staff members who really buy in to the alternative transport approach. By providing bikes at Bolzano rail station, we are trying to make the journey that

bit easier for employees using public transport.

- **Sustainable business travel.** It goes without saying that driving alone in this situation is a no-goer. Which is why car-sharing groups should be set up and meetings and appointments at other sites grouped together where possible. Travel by train is also an alternative which should really be looked at in the long term.

Each employee is individually responsible for ensuring they honour these principles.





3.5 Environmental management

SALEWA Headquarters, Bolzano: an example of a harmonious relationship between economy and ecology

The new SALEWA Headquarters in south Bolzano has become a place where work, socializing and leisure time exist side by side. We are particularly proud of the building's credentials in terms of sustainability and environmental protection. "We want to make our mark, especially in these economically challenging times – we want to show that a company led on the basis of values and with a sustainable business approach is the right way forward," says company President Heiner Oberrauch, explaining the basic concept behind SALEWA's European Headquarters.

360° planning

Right from the planning stage we used natural materials (cement, wood, glass, steel, loden) to reflect our affinity for nature and the environment. At the same time, 90% of the companies involved in the construction phase were selected from the region in order to keep haulage distances short.

Sustainable energy concept

The heating and cooling system in place at SALEWA Headquarters is based on concrete core activation. The pipes, set in concrete, provide cooling in summer and heat in the winter, rendering separate radiators unnecessary. The activated roof functions both as a heat and cold storage facility, preventing overheating and excessive cooling, thus producing a pleasant room temperature. The photovoltaic system generates 520,000 kWh of electricity per year. This leads to more power being produced than is actually required, thus enabling power to be supplied to 900 households. The system's surface area corresponds roughly to that of two football pitches. In addition to the concrete core activation and the photovoltaic system, the overall energy concept produces only low-level air pollution. Robots in the automated logistics centre feature an energy recovery function. Energy produced via braking is re-used internally.

Work & Life Certificate, KlimaHaus Agentur

KlimaHaus Agentur, specialist in energy certification for buildings, awarded its Work & Life quality seal to Salewa's new Headquarters for its overall energy system concept. SALEWA was the first company in Italy to receive this quality award. The KlimaHaus Agentur experts assessed the Bolzano company's construction project in advance in terms of its environmental sustainability, its socio-cultural contribution and its economic efficiency, awarding Salewa the top 'Summa cum laude' rating in all three sub-categories. In 2012 the certification was officially confirmed and SALEWA Headquarters also collected the Klimahaush Award for its exemplary energy concept.





3.5 Environmental management

Facts and figures

For the first time we have been able to obtain an overall view of our energy, water consumption and waste volume for the year 2012, plus details regarding our company car fleet from all the main buildings across all Oberalp Group sites. These figures will now be used as a departure point for putting important measures into practice.

Notes:

nd = no data reported

na = not applicable

Total energy consumption includes electricity consumption as well as energy used for heating and cooling. For converting gas data in m³ to kWh an average heating value of 10 and a state value of 1 were assumed. This corresponds to a standard calculation of 1m³ = 10 kWh. For converting oil data in l to kWh it was assumed that 1l of heating oil (extra light) corresponds as well to 10 kWh.

The energy mix refers to the percentages of fossil fuel, renewables and other sources (e.g. nuclear power) that make up total electricity consumption, including for heating and cooling.

Due to lack of robust data a range of administration offices as well as stores & other facilities have not been included. However, information relates to 73% of employees working on the Group's own brands and covered by this report.

* Includes the Salewa Group's central logistic centre. Data to be considered with care due to offices switch in august 2011

** Salewa Austria is participating in a pilot project for biomass heating. As energy consumption is to date not disclosable data on energy consumption have to be handled with care.

Energy and water consumption summary

Eco-Efficiency data 1	Total energy consumption (kWh)			Energy consumption/employee (kWh/capita)	Electricity Mix (kWh)			Total water consumption (m ³)			Water consumption/employee (m ³ /capita)	Number employees
	2010	2011	2012		2012	2012		2010	2011	2012		
Administration offices					Fossil Fuel	Renewable Energy	Other					
Oberalp Bolzano*	na	1.921.109	2.223.455	13.897	0	750.271	0	na	500	1.500	9	160
Oberalp Deutschland GmbH	883.384	513.242	652.350	9.319	61.391	35.081	49.698	632	823	683	10	70
Oberalp Montebelluna Footwear	nd	nd	189.418	8.610	0	49.418	0	nd	203	198	9	22
Oberalp Montebelluna Apparel	nd	nd	170.722	9.485	80.949	34.693	0	nd	150	152	8	18
Salewa Austria**	95.175	38.899	36.848	1.417	2.786	34.062	0	128	134	129	5	26
Salewa Sport AG CH	nd	77.760	92.254	4.011	0	14.604	0	40	34	39	2	23
Production sites												
POMOCA	43.800	47.496	50.700	5.070	0	19.635	16.065	264	144	354	35	10
Total (Reporting)			3.415.747,00	10.382,21	12,63%	81,64%	5,73%		1.988,00	3.055,00	9,29	329



3.5 Environmental management

As the table shows, energy consumption rose at our Headquarters between 2011 and 2012, mainly as a result of an increased requirement for heating. Other sites, e.g. at Salewa CH, increased electricity consumption led to a rise in the overall energy consumption figure. Additionally, figures indicate that between 2011 and 2012 we consumed more water, primarily through increased use at our Headquarters. However, in 2012 we attained a very high overall share of renewable energy in our electricity mix, which is mainly made up of hydroelectric power and solar power. At our Headquarters we only use district heating to provide the building with heating and hot water. At other sites the energy requirement is still largely met using natural gas and oil, with individual initiatives undertaken for heating via biomass.

Waste summary

Total household waste	Total household waste (kg)			Household waste/employees (kg/capita)	Number employees
	2010	2011	2012	2012	2012
Administration offices					
Oberalp Bolzano*	na	nd	216.389	1.352	160
Oberalp Deutschland GmbH	39.061	37.949	22.855	327	70
Oberalp Montebelluna Footwear	nd	nd	3.980	181	22,00
Oberalp Montebelluna Apparel	nd	nd	3.930	218	18,00
Salewa Sport AG CH	4.245	2.865	2.580	112	23
Production sites					
POMOCA	nd	nd	17.800	1.780	10
Total (Reporting)			267.534	883	303

Notes:
 nd = no data reported
 na = not applicable
 Total household waste includes waste such as paper+carton, plastic, glass, aluminium, compost and residual. Data on bulky and hazardous waste or toner have not been included.
 Due to lack of robust data a range of administration offices as well as stores & other facilities have not been included. However, information relates to 67% of employees working on the Group's own brands and covered by this report.
 * Includes the Salewa Group's central logistic centre. Data to be considered with care due to offices switch in August 2011

While we have a coherent overall picture regarding our energy and water consumption for individual buildings, the information available relating to waste amounts is much more opaque, making it harder to define any sort of trend. At sites where data has been available over several years, we have been able to ascertain a reduction in the amount of waste generated. At our German site this is for example thanks to a large drop in the amount of paper waste (+ cardboard) produced. This is an area we will focus on increasingly in the future with the aim of raising the coverage scope of the data and ascertaining the share accounted for by recycling.

Coverage: Data on energy consumption, electricity mix and water consumption relates to 73% of the employees included in the scope of this report – employees from shops and sales representatives are not included here. Data on waste relates to 67% of the relevant employees.





3.5 Environmental management

We have also successfully broken down data for the company's car fleet by country. Data from all the companies' offices worldwide was collected and recorded. Figure 3 provides an overview.

Alongside each member of the company's senior management, any company employee whose position requires them to travel frequently (sales managers, field staff, some marketing and visual merchandising employees) has a company car, so mileage figures and associated emission levels are very high. Most of these employees are also allowed to use these cars privately. Additionally in certain offices there are vehicles (approx. 1-6 depending on employee count and requirement) and sometimes small vans which are lent out for use on various business trips.

Destination information must be entered into the lending system so that colleagues who wish to travel to a similar destination can travel together where possible.

Overview, vehicle fleet, Oberalp Group 2012

	Vehicles	Average CO ² g/km	Mileage driven/year	CO ² Emission Totale (Tonne) 2012
Oberalp Italy	61	140	2.354.000	328,72
Salewa Poland	2	148	70.000	10,36
Oberalp Austria	15	151	688.550	103,63
Salewa Switzerland	11	138	530.267	72,11
Salewa Iberica	3	170	50.000	8,45
Oberalp Germany	23	149	1.115.000	166,30
Wild Country	8	111	180.000	20,14
Salewa France	6	167	446.000	44,25
Pomoca	1	114	35.000	3,99
	130	143	5.468.817	757,95

Coverage: The data on the vehicle fleet covers all offices, providing a comprehensive overview.

Background to interpreting data: We initially focused on gathering data from our individual administrative offices and the production facilities of POMOCA. We excluded showrooms, shops and other properties not connected to the company's core activities from our data gathering. Given that SALEWA's Headquarters changed location, we also concentrated solely on data for 2011 and 2012.

It should be noted that, in respect to the company car fleet, some cars are used for private purposes and this factor could not be accounted for when evaluating data.

3.5.2 TRANSPORT AND LOGISTICS

Background and objectives

As mentioned in section 2.1, product and passenger transportation has a considerable impact on people and the environment. In its 4th Assessment Report, the Intergovernmental Panel on Climate Change (IPCC) found that the transport sector was responsible for around 23% of global CO² emissions overall in 2006 – and this trend is rapidly increasing. In addition, fuel consumption during product and passenger transportation causes emission of fine particles, sulphur dioxide (mainly from shipping) and nitrogen oxides, resulting in significant detrimental effects on people's health (e.g. bronchial/respiration problems) as well on the soil and bodies of water.

Despite outsourcing transportation of our products to external service providers, the Oberalp Group, in recognition of our own role in taking responsibility for environmental management, has initially set itself the following goal: to closely analyse our CO² emissions attributable to areas other than the transportation and logistics chain, in order to set quantitative objectives and take effective action.



The new logistic center in Bolzano



3.5 Environmental management

3.5.2.1 MEASURES PERFORMED TO DATE

The following section provides a brief overview of actions and initiatives carried out so far, primarily in order to reduce the environmental impact of our logistics and product transportation activities.

Construction of central logistics centre, Bolzano: In our 2011 report, we already mentioned our plans to merge various existing storage facilities from Italy and Austria into one central hub in Bolzano (Italy). Our new Bolzano centre has done just that. In January 2011, we amalgamated the various other stores under one roof in Bolzano, then in summer 2011 transferred the DYNAFIT warehouse (up to that point housed on DB Schenker premises in Innsbruck) and in summer 2012 the German warehouse were also shifted from Aschheim to Bolzano.

Benefits of the new central logistics centre in brief:

- **Optimised transport routes:** All products are delivered to and dispatched from one central location. Detours via other storage facilities are avoided.
- **Improved consignment bundling and capacity utilisation:** Products are collected from our central storage centre in bundled deliveries. This is particularly important in order to avoid any road transportation under-capacities. These bundled consignments are only split later on, coupled up with deliveries from other customers and dispatched onward in the various required directions.
- **Raised energy efficiency via solar power and power-saving motors:** The entire building is supplied with solar power via the photovoltaic system on the Headquarters roof (see also section 3.5.1.3). The interior work for the new logistics centre was assigned to the TGW Logistics Group as general contractor. In the centre itself power-saving motors were installed and an energy recovery system was planned for also the stor-

age and retrieval machines. Furthermore, a sophisticated energy management system automatically starts the storage and retrieval machines. The time and energy required for starting up the storage and retrieval machines is monitored, so a maximum of four machines are able to start at any one time. The remaining machines are put into action at staggered intervals because the acceleration phase of the storage and retrieval machines uses the most energy.

- **Installation of a multibrand shipment system:** Since September 2012 our logistics operations have switched to a concept that we call 'multibrand shipment'. So what does this mean? In our storage facilities we not only stock our own brands SALEWA, DYNAFIT, POMOCA and WILD COUNTRY, but we are also in charge of importing other brands in Italy, German and Austria. Up until last year, if a dealer from Italy for example stocked not only SALEWA and DYNAFIT, but also Löffler, Speedo and Barts, then everything was dispatched separately. A dealer would, in some circumstances, then receive 6 boxes of goods from the Oberalp Group within two or three days. The new system now ensures that customers receive all products from all of the brands delivered together. Since September 2012 we have already dispatched 10,000 deliveries using the multibrand shipment method. This has led to both a reduction in packaging material and also fewer journeys to transport goods. We are aware that the system is not yet running to absolute perfection and that some improvements are necessary. And one inescapable fact is that we are tied to our delivery times to our dealers. However, we will be taking further steps to ensure the most efficient implementation.
- **Further measures carried out:** The reduction in packaging material is not just down to the multibrand shipment system or bundled consignment shipments. The Oberalp Group has also optimised its packaging processes. By using 7 different box sizes, boxes can be completely filled, avoiding the need for extra filling material to be used. By extension, the load space in trucks can also be fully utilised. We are focusing on greater re-use of boxes in our import area if their condition is still good enough

for transporting goods. Since 2011 we have had our own cardboard compactor to compact and recycle boxes that cannot be re-used.

These measures allowed us to reduce wastage related to using boxes as packaging material in 2012 by a good 16%.



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3.5 Environmental management

3.5.2.2 THE NEXT STEPS

Logistics

One area we must focus on in order to reduce material wastage or where we need to look for more environmentally friendly solutions is pallet packaging using films as wrap (done to keep pallets secure during transportation).

CO² footprint pilot project: In order that we contribute to reducing greenhouse gas emissions and other emissions, we started a pilot project in collaboration with DB Schenker Logistics, our major partner in the area of transport and logistics, first of all to record our CO² emissions. DB Schenker <http://www.schenker.at/log-at-de/start/unternehmen/greenlogistics/> is a leading company in the logistics sector and over recent years has increased its work on strategies and solutions regarding eco systems. The company has one of the lowest CO² emission rates per tkm, primarily due to strengths in rail freight and sea freight transport. DB Schenker has set itself some clear goals: a 20% reduction in CO² emissions by 2020. This is to be accomplished through clear measures in terms of fleet refurbishment, energy-efficient driving techniques and optimum capacity utilization.

The Oberalp Group wishes to sign up to these goals and work with established partners on reducing CO² emissions (and equivalents). The pilot project will in future allow us to look more closely at our transport routes and the transport mix, as well as the emissions associated with them, and take appropriate measures.

Since the start of 2013, the transport mix is assessed (land transport, air and sea freight) for each Quarter and the associated CO² emissions are determined. The evaluation of the first Quarter is presented in Table x. Figures from previous years were not calculated due to related changes

in the methodology which prevented us making an evaluation of trends. Our goal in future is to use these evaluations to ascertain and analyse trends, in order to then look for alternative solutions where possible based on the computed data.

Facts and figures

Overview emissions - transport mix

Transport type:	AIR FREIGHT	SEA FREIGHT	LAND TRANSPORT ¹
tkm	119.200,20	1.018.160,70	149.189,00
CO ² in kg	67.444,10	118.240 ⁽³⁾	15.401,00 ⁽³⁾
CO ² equivalent in kg	68.829,00	na ⁽²⁾	18.376,00 ⁽⁴⁾
g CO ² /tkm average	565,8	116,1	103,2
g CO ² e/tkm average	577,4	na	123,2 ⁽⁶⁾

*Includes pre-and post-carriage for air and sea freight
 (1) Given the small difference when well to tank is included only overall value is presented.
 (2) Tank to Wheel
 (3) Well to Wheel
 (4) Well to Wheel





3.5 Environmental management

As mentioned above, the data refers to the first Quarter from January to March 2013. The table firstly contains details on the transported tonne kilometres (tkm) recorded for the different transport modes used, i.e. air freight, sea freight and land transport (road). Rail transport has not been represented here as we have focused on the areas where emissions are highest. As is evident here, sea freight is very significant since a large amount of our goods are transported via this mode, followed by land transport and lastly air freight. If we set this in relation to CO₂ emissions then sea freight is way ahead in absolute terms due to the weight of goods transported over long distances via this mode. Next is air freight, despite its lower tonne kilometres figure compared to road transport. The reason for this is that higher greenhouse gas emissions are associated with air freight. This becomes clear when we consider the CO₂ emissions per tonne kilometre. Sea freight performs significantly better here despite its far higher tonne kilometre figure.

Coverage: We carry out 67% of our company's global import shipments (shipment of all our brands and import lines) with DB Schenker Logistics. Schenker handles 70% of our shipments for deliveries (i.e. the route taken by our products in order to travel from our main logistics centre in Bolzano to our dealers). Other logistics partners include DB Group, Rhenus, Bartolini and TNT.

Background on data interpretation: The data was calculated using the ECOTransIT World Instrument. This is an independent tool developed by the Institute for Energy and Environmental Research (IFEU) which the Oeko-Institut and Rail Management Consultants GmbH (RMCon) developed in Germany in order to quantify freight transport emissions. The project was initiated by European rail companies such as DB Schenker Rail, Schweizerische Bundesbahnen (SBB, Swiss national railways), Green Cargo AB, Trenitalia S.p.A, Société Nationale des Chemins de Fer Français (SNCF, French national railways), while later additions were the Red Nacional de los Ferrocarriles Españoles (RENFE) and Société Nationale des Chemins de fer Belges (SNCF, Belgian national railways).

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- Type of vehicle/plane or ship, size, weight, load capacity, engines, etc.
- Capacities in use (load factor, empty runs)
- Cargo properties
- Travel conditions: number of stops, speeds
- Transport route: road category, platform or waterway categories, bends, gradients, flight distances
- Total weight of shipped goods and haulage distance

Air freight: Distances measured in GCD (gross circle distance) + 10% detour allowance for interim stops/unscheduled stops + 95 km (1%) for take-offs and landings (in acc. with CEN TC-320); parameters such as capacity, type of freight or passenger plane and age derived from specific route mix; 1% extra for pre-and post-carriage.

Sea freight: Distances measured account to EcotransIT shipping routes + 5% schedule-dependent variant; parameters such as capacity, type of ship, size, age derived from specific route mix; specific emission factors of the preferred carrier (Clean Cargo Working Group) are included and validated; 12% extra for pre-and post-carriage or extra analyses.

Land transport (road): For analysis of route distances in the network for all legs (pre-carriage/main carriage/post-carriage); parameters such as vehicle size, capacity and emission categories are globally recognised; derived from country-specific EFAs (emission factors) for long-distance transportation and connections are included; driver qualifications are taken into consideration and validated.



Packaging at the central warehouse

4 Goals, Scope and Content of the Report





4 Goals, Scope and Content of the Report

In the final chapter of our report, we would like to summarise and present an overview of the following points:

- What are the report's most important objectives
- How we determined the report's contents
- Which corporate entities, brands, locations and employees this report covers
- Which topics from the Global Reporting Initiative (GRI) Index are covered

The first three points will be discussed in more detail in the next section, while the last point will be covered in Section 4.2.

4.1 GOALS AND SCOPE OF THE REPORT

This report represents the Oberalp Group's second report on the topic of sustainability. The first report was published in 2011 and further reports will be issued on a biannual basis. In general, the report deals with the timeframe encompassed by the calendar years 2011, 2012 and the beginning of 2013. As an apparel company we think in terms of seasonal collections, and as such the evaluations of our suppliers refer to the time period between 1 May 2012 and 30 April 2013.

As already described in chapter 1, the Oberalp Group's own brands are our principal focus. These include the SALEWA Group with the brands SALEWA, DYNAFIT, POMOCA and, new in this report, Wild Country. In 2012, around 450 of our 519 staff were employed in these divisions. However when discussing general measures concerning employees, our commitment to social causes and the overall company philosophy, we are referring to the whole Group. Any possible exceptions to the scope and which specific entities are being referred to, e.g. in reference to specific key figures in the environmental domain, have been explicitly mentioned in the relevant individual chapters.

The essential goal of this report is to reflect on the process that the Oberalp Group began in the autumn of 2012. The goal here was to integrate the topic of sustainability into all levels of the Group. In addition, this report documents significant results in the form of objectives and measures undertaken and planned. The process of reflection that began in 2012 was also decisive for defining the scope and the relevant themes for the following years and the present report. As already detailed in chapter 2, we started this process by taking a step back and undertaking a detailed analysis of where we stood in terms of our relationship to economic, social and ecological topics. After carefully examining our own self-image through a series of workshops and discussions, we also tried to get a sense of how our company was viewed from the outside by surveying a range of stakeholders and investigating current standards. Based on this we identified our strengths, weaknesses (including deficits), risks and opportunities. This allowed us to define important target areas for further work and led to the development of a Roadmap for the next 4 to 5 years. This Road map includes the essential areas of:

1. Employees
2. Suppliers
3. Sustainable product development
4. Commitment to social causes
5. Environmental management

The respective chapters on each area follow essentially the same general structure:

- Objectives
- What has been achieved, and with which measures?
- What still needs to be done and what challenges were encountered?
- Which new measures were undertaken in response?
- Key figures that document our progress in this area.



During this process we received advice and support from the Terra Institute.

The Terra Institute is a centre of excellence for innovation and future viability of businesses and society. From its Headquarters in Brixen (Italy), the Institute and its 20-member team operate in Italy, Austria, Germany, Sweden and Switzerland to raise companies' awareness of alternative economic models that aim to satisfy people's needs through sustainable living (people, planet & prosperity), and thus achieving systemic balance. You can find more information on Terra's vision and mission here: <http://www.terra-institute.eu/news/youtube-content-type/video-die-vision-mission-des-terra-institut>

For any questions and information requests, feedback or general interest please contact:

csr@salewa.com



4 Goals, Scope and Content of the Report

4.2 CONTENTS IN COMPLIANCE WITH THE GRI INDEX

The Global Reporting Initiative (GRI) aims to support companies' reporting and documentation regarding sustainability in order to help establish this as the standard practice. To accomplish this the GRI has defined principles and indicators designed to help companies measure their economic, ecological and social achievements. These standards have been codified in an extensive framework for sustainability reporting as well as in a continually evolving set of guidelines for reporting. Starting in early 2013, the new version 4.0 of these guidelines was developed. This version contains important changes in the form and content of reporting. For example, increasing emphasis has been placed on the documentation of the management of the value-added chain, delineating boundaries and the scope of reports as well as developing new criteria for certified reporting in compliance with GRI standards.

The Salewa Group's sustainability report has been compiled, in terms of content and approach, in accordance with the older version of the guidelines 3.1, which are applicable until the end of 2015, as well as the version 4.0. The following index is based on the template as featured in the GRI guidelines version 3.1. It includes the essential information about the content of this report, references to where particular content can be found and, where needed, any clarifications to explain particular indicators or gaps in the information. The following index does not include a determination of our status as such an evaluation would have relied quite heavily on our own self-assessment without verification by an independent accredited external auditor.

GRI CONTENT INDEX

1. Strategy and Analysis

	Location of disclosure	Explanation on omissions and additional information
1.1 Statement from the most senior decision-maker of the organization.	page 2, 18	Some more specific aspects such as on targets for the next 3-4 years mainly covered in other chapters

2. Organizational Profile

	Location of disclosure	Explanation on omissions and additional information
2.1 Name of the organization.	page 5	
2.2 Primary brands, products, and/or services.	page 5 -8	
2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	page 9, 10, 13	
2.4 Location of organization's Headquarters.	page 9, 82 ff	Salewa Group Headquarters Address: Waltraud Geebert Deeg 4, Bolzano, Italy
2.5 Number and name of countries where the organization operates	page 9, 10, 13	Focus on major operations
2.6 Nature of ownership and legal form.	page 5, 9, 82	Details on legal form: LTD Company
2.7 Markets served	page 9,10, 13, 14	
2.8 Scale of the reporting organization	page 9, 80	
2.9 Significant changes during the reporting period regarding size, structure, or ownership	page 9, 10	
2.10 Awards received in the reporting period	page 32	No key focus of this report. Information only provided with regard to specific topics such as employees. Different prices for products during the report period.

3. Report Parameters

	Location of disclosure	Explanation on omissions and additional information
3.1 Reporting period for information provided.	page 80	

GRI CONTENT INDEX

3.2	Date of most recent previous report (if any).	page 82 ff	Date of publication: July 2011
3.3	Reporting cycle (annual, biennial, etc.)	page 80, 82ff	Currently biennial, key objective is an annual reporting
3.4	Contact point for questions regarding the report or its contents.	page 80, 82 ff	Contact point: csr@salewa.com
3.5	Process for defining report content.	page 23- 25, 80	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	page 5-14, 80	Boundary of the report also described with regard to specific key areas
3.7	State any specific limitations on the scope or boundary of the report	page 9, 80	Limitations of the report also described with regard to specific key areas
3.8	Basis for reporting	page 9, 80	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	NA	No re-statements of information have taken place
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	page 9-10	Particularly significant changes on measurement methods have taken place due to the introduction of new quantitative key performance indicators. Methods described in detail in the according chapters.
3.12	Table identifying the location of the Standard Disclosures in the report.	page 82 ff	GRI Context index
3.13	Policy and current practice with regard to seeking external assurance for the report	Not	

4. Governance, Commitments, and Engagement

		Location of disclosure	Explanation on omissions and additional information
4.1	Governance structure of the organization	page 5-10,23	No detailed breakdown of individuals at executive level according to age level, minority group membership or other indicators of diversity besides gender.
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	page 82 ff	No supervisory board due to the legal form of the company. Highest governance body as defined by the Group is composed of CEO (Massimo Baratto), CFO (Raimund Mair), President (Heiner Oberrauch). President is no executive officer.
4.3	Number and gender of members of the highest governance body that are independent and/or non-executive members.	page 82 ff	No supervisory board due to the legal form of the company. Unitary board consisting of one non-executive member (President).
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	page 32- 33	Shareholders not applicable. Mechanisms of employee participation described in the according chapter.
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives and the organization's performance (including social and environmental performance)	Not	The roadmap developed as part of the process in addressing sustainability issues will be used as a benchmark for achievements and form part of relevant annual interviews.

GRI CONTENT INDEX

4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Not	
4.7	Process for determining the composition, qualifications, and expertise of the members of the executive management, including any consideration of gender and other indicators of diversity.	Not	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	page 16, 20, 24-25, 40 55, 71	Company principles addressing sustainability aspects. Existing internal mission and vision statement on CSR. Code of conduct on environmental management + detailed handout to new employees on social issues available. More comprehensive principles need to be elaborated.
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance	page 82 ff	CSR Team and manager directly reporting to the CEO, part of the highest governance party.
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Not	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	page 82 ff	The precautionary principle has been discussed particularly regarding the development of the Restricted Substances List and the supplier audits.
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	page 56	Mainly relates to initiatives such as the Bluesign® which not only provide principles to endorse but also follow a more thorough process of enforcement. In addition, the company
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	Not	Fully covered in 2010 report and not key focus of this version.
4.14	List of stakeholder groups engaged by the organization.	page 26 -27	
4.15	Basis for identification and selection of stakeholders with whom to engage.	page 26	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	page 26 - 27	Though process has been started by organising surveys and starting engagement initiatives key objective is to look further into forms of dialogue with different stakeholders
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	page 27	Some topics to be further deepened with individual stakeholder groups

5. Disclosure on management approach

	Location of disclosure	Explanation on omissions and additional information
G3.1 Disclosure of management approach related to ist human rights and suppliers	page 36 - 42	Basis has been elaborated. Further information on corrective measures action plan needs to be elaborated.

GRI CONTENT INDEX

6. Performance Indicators

Economic

		Location of disclosure	Explanation on omissions and additional information
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	page 12 -13, 31, 69	No breakdown on operating costs and detailed analysis of economic value generated versus economic value distributed.
EC4	Significant financial assistance received from government.	page 30, 82 ff	The Salewa Group has not received any significant financial assistance from government. Some support from public funding programmes.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	page 32, 36-38, 52	Mainly relates to the Group's Headquarters regional procurement policy as well as the commitment of some brands to suppliers in Europe.
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	page 59	

Environmental

		Location of disclosure	Explanation on omissions and additional information
EN1	Materials used by weight or volume.	page 51	Materials broken down by product styles.
EN2	Percentage of materials used that are recycled input materials.	page 51, 54	Qualitative information on use of recycle input materials available.
EN3	Direct energy consumption	page 72- 73	Broken down by non-renewable/renewable for electricity mix
EN5	Energy saved due to conservation and efficiency improvements.	page 72- 73	Information mainly related to Headquarters.
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	page 75-78	Mainly related to Transport & Logistics initiatives. No quantification.
EN8	Total water withdrawal by source.	page 73	No breakdown by source. Mainly referring to water consumption.
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	page 71-75, 76-78	Mainly refers to community engagement activities on biodiversity conservation
EN16	Total direct and indirect greenhouse gas emissions by weight.	page 75, 77	Includes information on CO ² emissions caused by business travel and transport & logistics.
EN17	Other relevant indirect greenhouse gas emissions by weight.	page 77	Includes information on CO ² emissions equivalents caused by transport & logistics.

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EN22	Total weight of waste by type and disposal method.	page 74	No detailed breakdown regarding composting, reuse, recycling, incineration, landfill.
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	page 48- 57	Refers mainly to the mitigation of environmental impacts such as materials used.
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	page 75-78	
Social			
		Location of disclosure	Explanation on omissions and additional information
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	page 29, 30, 34	No detailed breakdown by employment type or contract, but by age group and gender
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	page 34	No detailed breakdown
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	page 31, 34	No detailed breakdown by gender.
LA10	Average hours of training per year per employee by gender, and by employee category.	page 30, 34	No detailed breakdown by gender and employee category.
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	page 30, 34, 82ff	All employees receive at least once an annual performance and career development review, more than once if strategically important. No detailed breakdown.
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	page 29,30, 34	Main focus on gender and age groups.
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	page 42	In progress
HR4	Total number of incidents of discrimination and actions taken.	page 82 ff	No reported number of incidents of discrimination
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	page 82 ff	The Group is carrying out a detailed assessment of countries at risk for human rights incidents.
SO4	Actions taken in response to incidents of corruption.	page 82 ff	No incidents of corruption occurred.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	page 82 ff	Non financial and in-kind contributions to political parties, politicians, and related institutions by country.
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	page 82 ff	No legal actions in the reporting period.
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	page 82 ff	No significant fines in the reporting period.



GRI CONTENT INDEX

PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	page 57	First steps taken
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	page 48, 82 ff	Number of re-calls 2011-2012: 4
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	page 56	Mainly refers to Bluesign® approved fabrics
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	page 48, 82 ff	Market research carried out in Italy included dealers satisfaction survey
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	page 82 ff	No significant fines in the reporting period.



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