
COMMON GOOD REPORT - 2013

Published in October 2014

VAUDE SPORT GMBH & CO. KG



COMPANY

General Information

Business Sector: Textile Industry (Outdoor)

Employees 2013 (Obereisenbach): 469 (317 full-time equivalent)

Subsidiaries: VAUDE Franchise GmbH, a sales branch in Spain, an office in Shanghai as well as a production facility in China

Company Headquarters: Obereisenbach/Tettnang, Germany

Homepage: www.vaude.com

Report Year: 2013

AREA OF ACTIVITY

VAUDE Sport GmbH & Co. KG develops, produces and sells outdoor gear such as performance clothing and casual apparel, backpacks and bags, sleeping bags, tents, shoes and camping accessories. With its products, VAUDE stands for mountain and bike sports expertise, innovation, and social and environmental responsibility in the three company areas of Mountain Sports, Bike Sports and Packs 'n Bags. In addition to its products, economical, ecological and social sustainability of the company are central values for VAUDE.

Now in its second generation, the company remains 100 percent family-owned. Our company headquarters are in Obereisenbach near Tettnang in southern Germany.

Subsidiaries (joint ventures and 100-percent subsidiaries) include: VAUDE Franchise GmbH, another sales branch in Spain, an office in Shanghai as well as a production facility in China. One of the most important suppliers is VAUDE Vietnam. This production facility was founded in 2008 by VAUDE founder Albrecht von Dewitz.

About one-third of the products were manufactured at our Tettnang-Obereisenbach location, China and VAUDE Vietnam. All other products are made on behalf of VAUDE by independent suppliers in Europe and Asia.



VAUDE delivers exclusively to (specialized) retailers - not directly to consumers. In addition to a team of salaried sales representatives¹ in Germany, VAUDE has sales partners almost everywhere in the world.

VAUDE is positioned on three pillars: the strongest - and the company's foundation - is the Mountain Sports segment with a share of 59 percent. Following this is the Bike Sports segment with a share of 32 percent, and the Packs 'n Bags segment with nine percent. The percentage distribution of these segments has not changed for several years. The distribution of revenue across multiple business segments is intended to provide the company stability. Significant growth rates have been achieved in all segments in recent years.

Product Group	Share of sales in percent
Apparel	58 %
Backpacks	29%
Tents	5 %
Sleeping Bags	3 %
Shoes	3 %
Hardware Accessories	2%

With 58 percent of sales, apparel is our largest product group. It has grown disproportionately over the last five years and is now slightly above the EU average for apparel in the outdoor market, which was, according to European Outdoor Group (EOG) data in 2012, at about 53 percent.

The second largest group is backpacks, which accounts for 29 percent of our sales. This is well above the EU average of six percent. Backpacks were VAUDE's first products, and are represented in all three market segments in roughly equal proportions. In many countries, VAUDE is still perceived as a backpack brand. About 20 percent of backpacks are manufactured in Germany at our company headquarters.

¹ Within this report, all references to occupational groups and/or individuals includes both masculine and feminine genders. For the sake of simplicity and readability, we have decided to use the generic masculine. We at VAUDE attach great importance to the fair and equal treatment of men and women and are proud of the high proportion of women in our workforce - over 60 percent.



THE COMPANY AND THE COMMON GOOD

Stemming from VAUDE's traditional, deep-seated awareness of environmental protection, a consistent focus on "sustainable" business has followed in recent years. In its corporate values, VAUDE is committed to social, environmental and economic responsibility.

Sustainability is a fixed component in the VAUDE corporate philosophy.

Dedicated to making y(our) world a better place!

We do good, talk about it and ensure that our commitment and the steps we take towards a more sustainable world are transparent. The Economy for the Common Good (ECG) is – simply stated - based on values that help our personal relationships succeed and make us happy; these include tolerance, respect, cooperation, understanding, respect, sharing, solidarity and compassion.

While in the business world neither interpersonal, social values nor ecological values are traditional elements of corporate governance, there have always been visionaries and the model of the "honest businessman". Unfortunately, today's economic reality is largely a different picture: the consequences are keen rivalry, envy, ruthlessness, exploitation and destruction of the eco-system.

In order to contribute to a mind shift and develop an economy based on public interest, we need to actively contribute these important values and take on corporate responsibility. We see ourselves as a sustainability driver and as a leader, for example, in the following areas:

- Our early commitment started in 2001 to the organic textile standard bluesign® and the widespread use of this standard in all product categories, including clothing, backpacks, tents and sleeping bags.
- Our approach to biodiversity as the first medium-sized company in accordance with the pilot project "Business & Biodiversity" at our headquarters in Obereisenbach, Germany.
- The Eco-Management and Audit Scheme (EMAS) certification at our headquarters that, as one of the first companies in the outdoor industry, we began in 2008 and have carried out annually since then.
- Our successful mobility concept with an eBike pool, bike commute support program (45,000 kilometer as annual target), carpooling system, company bus, public transport (ÖPNV), as well as an incentive system (Mobility Lotto).



- We are one of the first companies in the industry to have completed a comprehensive climate footprint (for the location in Obereisenbach) and compensated for all non-avoidable emissions (since 2011).
- Our strong commitment for a good "work-life" balance with the founding of the VAUDE Kinderhaus childcare center in 2001, and parallel certification by the "Hertie Work and Family" Audit over years.
- Our participation in feasibility tests for the implementation of comprehensive product eco-accounting practices at the international level, the Higg-index and its beginning integration in product development.
- Our high commitment to transparency: as one of the first European outdoor brands to do so, we published a comprehensive Global Reporting Initiative (GRI) (4) report.
- Our comprehensive, voluntary avoidance of tarpaulin products made from polyvinyl chloride (PVC), despite the higher costs that cannot be fully passed on to the consumer.
- Our comprehensive integration of sustainability into corporate strategy leading to a broad commitment at all levels of the company.
- Our strong commitment to industry solutions and global standards, for example, by our participation at the German Sustainability Code, management of the "Sustainability Working Group" of the EOG, participation in the "Advisory Panel" for sustainability of the EOG, Managing Director Antje von Dewitz as an ambassador of The Economics of Ecosystems and Biodiversity (TEEB) study, and an Executive Member of the European Outdoor Conservation Association (EOCA).
- Our model sustainability training for retailers and for sales people in retail shops.

Your contact person for ECG issues at VAUDE is Hilke Patzwall, our Corporate Social Responsibility (CSR) Manager and Environmental Management Officer. For questions about the report or general sustainability at VAUDE, feel free to contact us at csr@vaude.com .



CERTIFICATE : AUDIT

COMMON GOOD BALANCE for VAUDE SPORT GMBH & CO KG
Auditor Dr. Manfred Kofranek



STAKEHOLDER	VALUE	Human dignity	Solidarity	Ecological Sustainability	Social Justice	Democratic Co-determination & Transparency				
A) Suppliers	A1: Ethical Supply Management					<input type="text" value="60 %"/>				
B) Investors	B1: Ethical Financial Management					<input type="text" value="30 %"/>				
C) Staff Incl. Owners	C1: Workplace quality and affirmative action	<input type="text" value="50 %"/>	C2: Just distribution of labor	<input type="text" value="40 %"/>	C3: Promotion of environmentally friendly behavior of employees	<input type="text" value="60 %"/>	C4: Just income distribution	<input type="text" value="20 %"/>	C5: Corporate democracy and transparency	<input type="text" value="20 %"/>
D) Customers / Products / Services / Business Partners	D1: Ethical customer relations	<input type="text" value="40 %"/>	D2: Cooperation with businesses in same field	<input type="text" value="30 %"/>	D3: Ecological design of products and services	<input type="text" value="70 %"/>	D4: Socially oriented design of products and services	<input type="text" value="10 %"/>	D5: Raising social and ecological standards	<input type="text" value="60 %"/>
E) Social Environment: Region, sovereign, future generation, global fellow human beings, animals and plants	E1: Value and social impact of products and services	<input type="text" value="50 %"/>	E2: Contribution to the local community	<input type="text" value="70 %"/>	E3: Reduction of environmental impact	<input type="text" value="80 %"/>	E4: Investing profits for the Common Good	<input type="text" value="90 %"/>	E5: Social transparency and co-determination	<input type="text" value="60 %"/>
Negative Criteria	Violation of ILO norms (international labor standards) / human rights	<input type="text" value="0"/>	Hostile takeover	<input type="text" value="0"/>	Massive environmental pollution	<input type="text" value="0"/>	Unequal pay for women and men	<input type="text" value="0"/>	Non-disclosure of subsidiaries	<input type="text" value="0"/>
	Products detrimental to human dignity and human rights (e.g. landmines, nuclear power, GMO's)	<input type="text" value="0"/>	Blocking patents	<input type="text" value="0"/>	Gross violation of environmental standards	<input type="text" value="0"/>	Job cuts or moving jobs overseas despite having made a profit	<input type="text" value="0"/>	Prohibition of a works council	<input type="text" value="0"/>
	Outsourcing to or cooperation with companies which violate human dignity	<input type="text" value="0"/>	Dumping Prices	<input type="text" value="0"/>	Planned obsolescence (short lifespan of products)	<input type="text" value="0"/>	Subsidiaries in tax havens	<input type="text" value="0"/>	Non-disclosure of payments to lobbyists	<input type="text" value="0"/>
							Equity yield rate >10 %	<input type="text" value="0"/>	Excessive income inequality within a business	<input type="text" value="0"/>

This certification confirms the audit of the common good report. The certificate refers to the common good matrix 4.1. Detailed information concerning the matrix, the indicators and the audit system can be found on www.economy-for-the-common-good.org

Certification valid 31.01.2017

END BALANCE 502

SUSTAINABILITY AT VAUDE

A1 ETHICAL SUPPLY MANAGEMENT

CONSIDERATION OF SUSTAINABLE ASPECTS AND/OR SUPERIOR ALTERNATIVES

Expenditure Items	% of expenditures	Explanation and (social, ecological, regional) evaluation
Property maintenance, service and maintenance of technology	0.56%	i.e. Biodiversity Concept at the company headquarters in Obereisenbach
Salaries and commissions for sales representatives	18.64%	
Building maintenance	0.14%	
Rent	0.59%	
Energy (electricity, water, gas)	0.26%	100% eco-electricity and biogas
Dues and fees	0.18%	i.e. bluesign® membership
Vehicle costs and leasing Vehicles / general	1.58%	Low-emission vehicle fleet
Advertising and trade show costs	4.85%	Print ads on recycled paper, eco-friendly exhibition stand construction (e.g. no carpet)
Products	54.30%	38% share of Green Shape products in the Summer Collection 2013, 50% share of Green Shape products in the Winter collection 2013
Miscellaneous	18.89%	



Energy:

At the company headquarters (including the production facility in Obereisenbach), we have used renewable energy exclusively since mid-2009. Since October 2013, VAUDE has used biogas exclusively, which is produced from 100 percent waste resulting from the production of sugar from sugar beets.

Since 2008 we have published an EMAS environmental report with our energy consumption, and a great deal of energy facts and figures. This report can be found at our GRI website in the area Energy and read in detail. The current EMAS Environmental Report can be downloaded [here](#) (page 26 ff)

Materials and Merchandise:

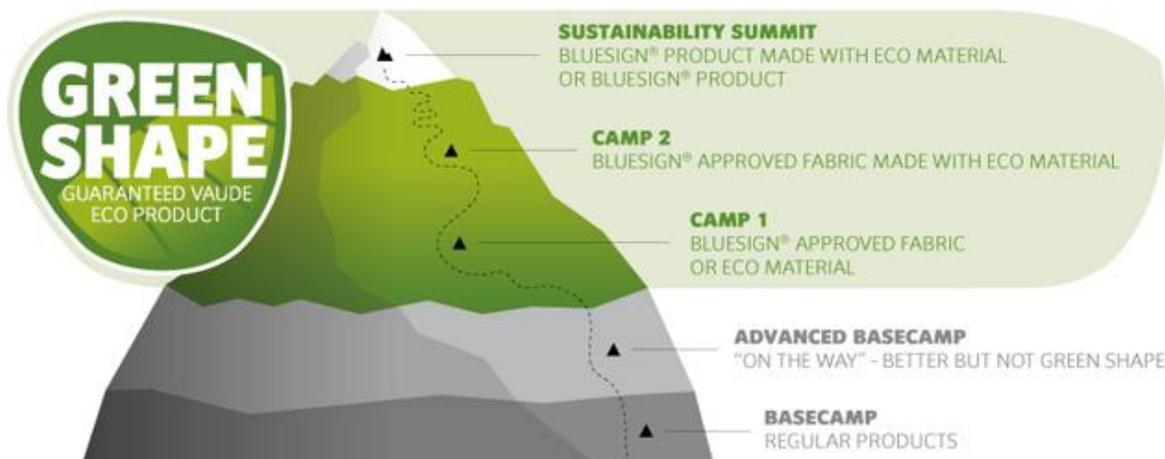
The demands on outdoor products are enormous: in the selection of materials it is therefore necessary to meet the highest standards in quality and functionality. At the same time, it is our goal and a challenge to minimize the impact of our actions as much as possible on the environment.

Since there is no worldwide uniform standard to review whether a material or product is environmentally friendly, VAUDE has developed its own rating system: Green Shape. Green Shape is the VAUDE guarantee for environmentally friendly products – made with sustainable materials and resource-saving production methods.

When is a product Green Shape?

- When it meets the conditions of a bluesign® product,
- When it is dyed with VAUDE eColour
- or
- When it is made of at least 90% environmentally-friendly materials:
 - o bluesign® approved fabric
 - o Organic cotton
 - o Recycled materials
 - o A combination of these with at least 35% Tencel® or hemp





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

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

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

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

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

You can find more detailed information about our environmentally-friendly material selection at our [GRI Website](#). Details on Green Shape, percentages in the collection, goals and challenges are published [here](#).



We are actively dedicated to finding innovative solutions to avoid critical substances for which there are no better alternative to date. We set ourselves the goal of completely phasing out PVC by 2017, and completely eliminating perfluorinated and polyfluorinated chemicals (PFCs) by 2020. (More information on the PVC-free project can be found [here](#), as well as phasing out PFC [here](#).)

ACTIVE EXAMINATION OF THE RISKS OF PURCHASED GOODS AND SERVICES

We know through our business activities, areas of risk arise in both environmental and social spheres. We approach both together with powerful partners at our side (See [E2 – Contribution to the Local Community](#), [D2 – Cooperation with Businesses in the Same Field](#)).

Ecology:

In addition to the selection of materials, the production process of outdoor products has the largest impact as a result of resource consumption, use of chemical substances, wastewater and emissions. VAUDE relies on the bluesign® standard, the world's most stringent environmental textile standard. With the help of independent auditors, production processes are evaluated and optimized. An external control takes place through monitoring by bluesign® technologies AG (more info can be found [here](#)). As a bluesign® member, VAUDE has set the goal of manufacturing the entire textile collection in accordance with bluesign®.

For non-bluesign® certified suppliers, VAUDE uses the "Blue Guide", a bluesign® standard database for certified materials. The VAUDE Restricted Substances List (RSL) is considered a binding document for all VAUDE vendors (our RSL is available [here](#)). Suppliers are in close coordination with the VAUDE materials team. Before opting for a new supplier, we have sample materials tested by accredited laboratories.

In according with the VAUDE harmful substance management system, we regularly take samples in the sampling and production departments in order to verify compliance with the RSL by external laboratories. For this purpose, a quality manual was created that precisely defines these processes and the applicable tests.

If discrepancies to the RSL are found, we first ask for a second test by another laboratory. If this confirms the discrepancy, we discuss the problem and next steps with our suppliers.



Social:

Respecting human rights across national borders and ensuring compliance throughout the supply chain is a major concern for VAUDE. Joining the independent non-profit organization Fair Wear Foundation (FWF) in 2010 was a major milestone in a process of continuous improvement.

As a member, VAUDE is committed to the FWF's strict Code of Labor Practices, (CLP), which reflects the Universal Declaration of Human Rights of the United Nations and the conventions of the International Labor Organization (ILO). We expect the same from our suppliers. In cooperation with the FWF, we ensure compliance with the CLP using three core measures:

1. Each producer receives the FWF's CLP and a questionnaire which must be completed and sent back signed.
2. Each producer is obliged to post the CLP in the local language as well as contact information for a complaints ombudsman in the production facility, who workers can contact anonymously. The workers can thus ensure timely tracking of abuses and grievances, and initialize a defined process to improve working conditions, which is monitored by the FWF.
3. Audits are performed with the involvement of local organizations such as trade unions, business organizations and human rights groups inside and outside the factory. In addition, there are measures to improve working conditions. In 2011, a total of 35% of the total purchasing volume was audited; in 2013 we attained 78%. During the year 2014, we have audited 90% of our supply chain (more information can be found [here](#)).

After each audit, a binding Corrective Action Plan, (CAP) is determined by the audit team together with the management of production operations. CAP measures implementation is ongoing supervised by VAUDE quality control employees, who work locally in the production facility. They report regularly to VAUDE production management. In case of difficulties in the implementation, a solution is sought jointly.

During the year, each production facility is visited personally by a VAUDE production manager and the respective VAUDE product manager. In addition to quality issues, the implementation of the CAP is discussed, and further measures as well as the next audit are scheduled when needed.

Our most current FWF "[Brand Performance Check](#)" and the "[Code of Labor Practices](#)" are publicly available on the FWF's homepage.



We think it is important that those people who manufacture our products be paid fairly. Therefore, we require our producers to pay their employees appropriately.

On average, our Chinese producers pay 50 percent above the national minimum wage and 17 percent below the "Asian Floor Wage" (AFW).

In Vietnam, the wages are on average 115 percent above the legal minimum wage and 13 percent below the AFW.

With its membership in the FWF, VAUDE has assumed a long-term obligation to pay living wages. We are working towards the goal of having our production facilities pay their workers a living wage. The current situation is examined in the FWF audits. At two facilities in Vietnam and at all surveyed production facilities in China, there were a total of 19 complaints about "payment of a living wage". Common reasons are that the legal standard of 200 percent for overtime is not respected (overtime is often only paid 150 percent of the regular wage) or that the wage is below the wage limit calculated by local stakeholders. (For more information, please visit our [GRI website](#).)

BASIC STRUCTURAL CONDITIONS ON FAIR PRICING

VAUDE has a long tradition of long-term relationships with its suppliers. We have worked together for five or more years with almost 70% of our producers. Reliability, pricing policy and communication, as well as quality, environmental protection and social standards are continually improved through intensive collaboration.

Because well-qualified production facilities for outdoor products are, as a rule, used for many different brands and are therefore usually very busy, we are not in the situation to "dictate" prices. Prices are negotiated between VAUDE and the production facility. They depend on many factors, primarily the materials that VAUDE has chosen, but of course also from the processing quality, the agreed upon delivery times, production amounts, etc.

Consumer prices are set by retailers. Our ability to influence profit margins is limited.

B1 ETHICAL FINANCIAL MANAGEMENT

CORPORATE STRUCTURE

VAUDE Sport operates in the legal form of a GmbH & Co. KG. There are four limited partners, each with compulsory contributions and liabilities, who receive profits after shareholder resolution pro rata in advance or distributed as a percentage. The amounts of the distributions are capped by jointly defined maximum values ensuring secure internal financing.



The strength of our brand and the value of our products are our most valuable resources. Therefore, we at VAUDE focus on our defined values across the board – and not on short-term profit maximization. (More information on our values can be found [here](#).)

Banks are key stakeholders for VAUDE. VAUDE's financing options are determined by their ratings. Key covenants include compliance with equity ratio, interest-cover ratio and debt-ratio requirements. In 2013, we met and in some cases exceeded the requirements.

ETHICAL AND SUSTAINABLE FINANCING

VAUDE pursues broadly diversified and sustainable corporate financing. VAUDE's partner banks include Sparkasse Bodensee, Landesbank Baden-Württemberg, DZ Bank, Volksbank Allgäu-West and Commerzbank Villingen. All of these companies are concerned with environmental and social issues, and have already published sustainability reports. Decisions by the bank consortium are made by the majority lenders. The lenders majority consists of creditors whose combined share of credit lines accounted for or exceeded 66 percent of the credit lines.

In addition, as a part of its "Green Financing" project, VAUDE plans to incorporate additional banks with a strong focus on sustainability into its banking portfolio. VAUDE does not participate in speculations with futures and options. Due to international operations, currency swaps are used to reduce the risk of exchange rate fluctuations. Loans are financed exclusively in euros and never in foreign currencies.

VAUDE has an equity ratio of over 30% (36.4% 12/31/2013). Profits generated are primarily re-invested in the company. The state participates in taxes and social security contributions.

FINANCING ORIENTED TO THE COMMON GOOD

VAUDE has very few reserves or financial assets that invested outside of the company. The majority of profits are re-invested directly into the company. The following section shows examples of our prior investments.

Common Good Oriented Investments

Over the years, VAUDE has invested in the common good, such as becoming a founding investor of BaumInvest GmbH & Co.KG, installing a solar system on the company roofs, establishing the VAUDE Kinderhaus childcare center and taking over operations of the local community swimming pool. These projects, while extremely important to VAUDE, represent only a small portion of the company profits of which the majority share is reinvested.



VAUDE's commitment to socially responsible and sustainable business practices reaches far beyond monetary contributions. We regularly participate in panel discussions and events, investing personnel, time and knowledge. Our efforts to make sustainable business even more socially acceptable cannot be expressed strictly in monetary terms (except for travel expenses), nevertheless, we will try to give an overview of the focus areas of our welfare-oriented investments (more on this in [E2-Achievements](#)).

Construction Measures

We make sure that investments made by VAUDE do not hurt the common good and are increasingly investing in social and environmental projects. While we have invested in the production of renewable energy (a photovoltaic system) in recent years, there is currently a large reconstruction project going on at the VAUDE Obereisenbach site. The project involves modern and ecological construction and is based on the German label for sustainable building (DGBN). With a DGNB certification, all fields of sustainable construction are taken into account - energy efficiency, resource conservation, health and consideration of the entire life-cycle costs of a building.

As a basic rule, all construction work is supervised by a landscape architect. As a participant in the EU Business and Biodiversity Campaign, VAUDE also attempts to specifically implement measures to promote biodiversity ([see our GRI website here](#)).

Climate protection

After publishing our climate balance for the first time in 2012, it has been carried out annually since then a compensatory payment for all unavoidable emissions to the Gold Standard certified climate protection project from the non-profit organization "myclimate" (more about it at our [GRI Website](#)).

In addition, around € 250,000 flowed into WWF Germany conservation projects. VAUDE also supports various conservation projects of the EOCA (more info [here](#)).

Regional Investment

In 2006, within the rubric of "neighborhood assistance", VAUDE agreed to take on the local outdoor swimming pool in Obereisenbach helping it to avoid closure. We run the pool entrepreneurial-organizational: personnel planning and maintenance operations are two essential elements. Operating costs continue to be borne by the municipality.



Another regional investment that we, as a family-friendly company, are very proud of is the VAUDE Kinderhaus childcare center founded in 2001. In the middle of our headquarters site, there is a kindergarten which provides VAUDE employees and parents from the vicinity with needs-based care services for their children. (More about both projects [here](#)).

VAUDE was certified in 2001 und 2004 by the audit berufundfamilie® (career and family).

C1 WORKPLACE QUALITY AND AFFIRMATIVE ACTION

GENERAL REMARKS

Ever since the company was established, the management has placed a strong emphasis on a familial character at VAUDE. Despite rapid growth over a short time period and almost 500 employees at the company site in Obereisenbach, VAUDE remains a family company and shares common values among all of its colleagues. A culture of equal opportunity is supported and practiced by all managers.

469 employees work at VAUDE in Tett nang-Oberseisenbach. “Employees” includes all those with permanent or fixed-term contracts, trainees, apprentices, and regular as well as irregular workers with mini-jobs. Employees of the outlet in Metzingen and the swimming pool in Obereisenbach, which is leased by VAUDE, as well as mothers on maternity leave are not included in the figure.

On 31.12.2013, 408 of the 469 employees had a permanent contract, including 273 women and 135 men. 232 of permanent employees worked full-time, 176 worked part-time. This corresponds to a full-time equivalent of 317. Various part-time models were mutually agreed upon.

Temporary contracts are mainly used during the two main delivery times in logistics. For essential activities in the company, no freelancers or contract workers are employed. In 2013, eight people were employed in logistics as contract workers.

We follow clear rules from the Employer's Liability Insurance Association for Trade and Goods (Berufsgenossenschaft für Handel und Waren) for recording and disclosing accident statistics. During the reporting period, we recorded no deaths or lost days caused by occupational illnesses. Overall, five employees, four male and one female were injured. Accident reports, however, are created at VAUDE only when sick leave is more than three days. Therefore, minor injuries are not recorded.



Per 200,000 hours worked, 1.58 accidents occurred at our company. Absenteeism (all absences caused by illness, including accidents at work and occupational illnesses) was 5.35 percent in 2013. Our goal is to reduce this number (more info listed at our website under the GRI aspect “[social](#)”).

EMPLOYEE ORIENTED ORGANIZATIONAL CULTURE AND STRUCTURES

VAUDE trusts that employees are fundamentally self-motivated, and that they enjoy the power to put their skills to use and take responsibility for their work. We believe it is the responsibility of the management and the company as a whole to create conditions of employment that ensure employees are both motivated and able to perform at their own personal best.

Opportunities for regular dialogue are created and used at VAUDE in many places. Employees are systematically challenged and encouraged. Job satisfaction is also determined by regular employee surveys and interviews in which improvement measures are also formulated (see also [C5 - Degree of Transparency and Co-determination Concerning Fundamental Decisions](#)).

VAUDE is committed to issues that go beyond legal standards and involves its employees in these: health prevention, work-life balance, employee training, and talent development are current areas of action. In order to identify future needs for action, “VAUDE work environments” are outlined together with input from employees. These are based on employee values and, taking into account the existing organizational structures and procedures, lead to structural reorganization of the environment to sustainably secure VAUDE’s status as a high-appeal employer.

As a mid-sized, family-owned company, it is our employees, the full development of their potential, and their continuing training that are crucial for us to ensure long-term success in the competitive dynamics of the outdoor industry.

Finding and keeping competent and experienced employees in these often highly specialized professional sectors is important in order to remain competitive in the market.

A key element of our training and development program is the VAUDE Academy course offering which is published annually. Since the beginning of 2012, we have employed a consultant for human resources development who sets the focus of our training program and its continued conceptual development.



The goals of human resources development are both the personal and professional development of our employees, as well as authentically exemplifying and anchoring the corporate culture throughout the company at all levels.

The VAUDE Academy offers approx. 120 events annually in the following six subject areas:

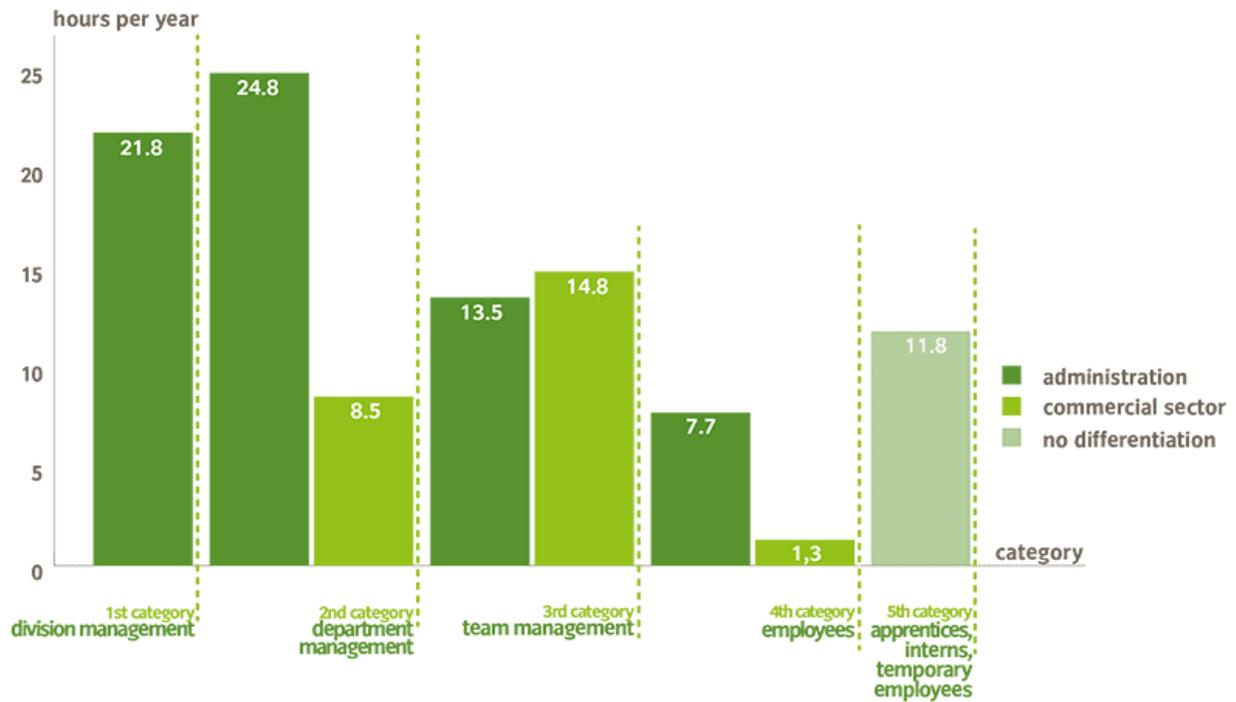
- Understanding VAUDE– Advancing VAUDE
- Working at VAUDE – Basic Concepts and Methodology
- Qualifying at VAUDE – Getting into Peak Form
- Adventure VAUDE – Experience the Spirit
- Staying Healthy at Work – Fit for Life
- Training at VAUDE

For our young professionals, we have offered a talent program since 2012 in which six young employees are intensively monitored and coached on the path to a professional or managerial career over two years at VAUDE.

Since 2013, the focus has been on project management, with a qualification program for future project leaders. With internal and external monitoring, we are training eight colleagues in methodological and social aspects in order to become project managers.

Our exceptional and comprehensive training program is clearly represented in the numbers taking part in the events: each VAUDE employee participated on an average of nearly six hours in internal training at the VAUDE Academy in 2013. Men had an average of 7.82 hours in training, women on average 4.56 hours.





VAUDE is a company that employees trainees. Each year between six and ten new trainees start at VAUDE. We offer training for industrial management with or without additional qualification in international business management, IT specialists' system integration, computer science merchants, specialists in warehouse logistics and alteration tailors. Overall, we supervise approximately 15 trainees, many of whom are employed directly after their training periods.

Once per year at the beginning of the new academic year, we have "Azubi-Tage" to prepare our trainees for their joint time together at VAUDE. For three days, our trainees experience outdoor up close, get to know each other, participate in team building exercises and become familiar with the VAUDE Spirit that will accompany them throughout the upcoming year.

Each employee, regardless of their hierarchical level, has an annual feedback meeting with his or her manager in which annual goals and objectives are also agreed upon. There are guidelines available to all managers and employees for these target agreements and employee reviews. The meeting is documented, goals are defined and possible action for the coming year is determined. This agreement on objectives is signed by the employee and manager, submitted to the Human Resources Manager for review and placed in the personnel file.



FAIR EMPLOYMENT AND PAYMENT POLICY

At VAUDE the issue of compensation is not primarily a question of whether men and women are paid equally, but whether the same or similar activities are compensated for equally. Employees performing similar activities should receive comparable compensation regardless of their gender.

To achieve this and to balance existing pay differences, we began developing and defining a payroll system in 2012. This was created in a project group involving employees from different departments. The system was introduced in 2014 (more information at [C4 - Transparency and Institutionalization](#)).

Further measures include the introduction of a minimum wage and a “cafeteria plan” defining non-monetary additional services, which will be implemented gradually within a fixed timetable.

In addition, VAUDE is taking part in the Logib-D program (“Equal pay at work - Germany”) of the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth along with 200 other companies. Logib-D was launched to raise companies’ awareness of financial equal opportunity for their employees. Compensation structures of the company are analyzed in terms of gender aspects.

Fair wages is also an important issue in our supply chain. Therefore, we also work together with the FWF in order to guarantee this (more on this in Section [C4 - Just Income Distribution](#) and in our [GRI report](#))

OCCUPATIONAL SAFETY AND WORKPLACE HEALTH PROMOTION INCLUDING WORK-LIFE BALANCE / FLEXIBLE WORKING HOURS

The issue of health promotion is another field of activity at the company headquarters in Obereisenbach.

Over the course of the renovation, all office workstations are being modernized, with ergonomic and environmental issues being taken into consideration. All employees in administration will receive height adjustable tables; the offices will be equipped with sound-absorbing ceilings and floors, and floor lamps will be outfitted with daylight sensors.

The company already supports its employees with their requests to the employers’ liability insurance association for items such as ergonomic office furniture.



In addition, informational events take place twice a year to inform interested employees on retirement matters, and by request personalized counseling appointments can be organized with insurance partners.

The different working time models that VAUDE offers are listed in [C1 - General Remarks](#).

Of course, it is very important to us that in addition to offering suitable working conditions, we also offer opportunities for our employees to partake in outdoor sport activities. The VAUDE Academy program usually offers ten to 15 sports events per year, aimed at beginners and advanced students. Our employees can, for example, choose between mountain bike training, climbing instruction, snowshoeing or even trekking tours.

We offer swimming classes on an as-needed basis at our outdoor pool or encourage our employees to participate in the free weekly yoga class. Our boulder room is always available to climbers. Every two weeks, we offer the option of "Massage at Work" with a trained masseuse who comes specifically to Tett nang-Obereisenbach.

Overtime and how to avoid it is also an issue at VAUDE. In order to act preventively against the accumulation of overtime, we follow an approach that does not focus on the actual time spent by an employee at work but whether or not the employee achieves their goal ([see C2-Reduction of Normal Working Time](#)).

The issue of "Safety" also belongs to the broad field of health – above all where work is literally "tackled" (e.g. logistics, manufacturing and maintenance). Our employees receive regular instruction in terms of safety and fire protection from our Health and Safety Representative and an external consultant for industrial safety.

Our work safety concept and visible measures in the company (designation of escape routes, lists of first-aiders, first aid kits, etc.) are reflected in internal audits, and audited at least once a year by environmental verifiers in accordance with EMAS audits. This has proven to be very effective: From 15 accidents in Obereisenbach in 2011, the number dropped to five in 2013.

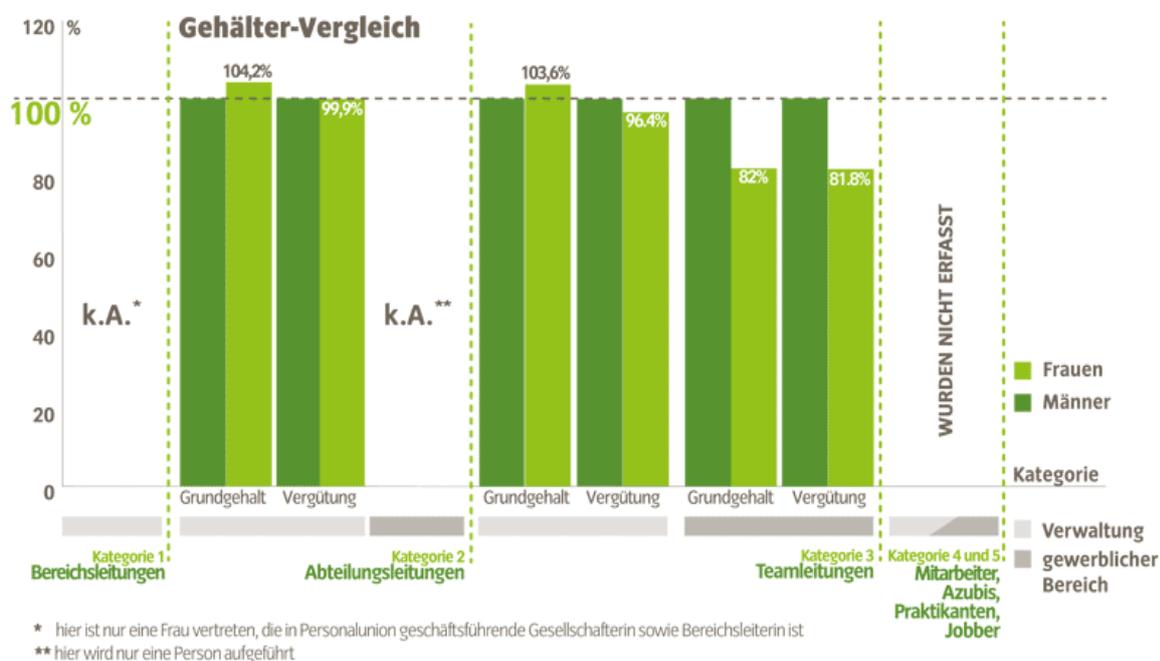
	total	rate
injuries	5	1,58
days lost	270	85.07
days of absence	4,246.5	5.35%



In our Asian production facilities, VAUDE is working with the FWF to pursue improvement measures within the framework of CAP. Solid components of the jointly developed action plan for the improvement of working conditions are, for example, measures on the issue of “Occupational Health and Safety” (OHS) and training. A complaint management system in the production facilities is also an important tool to give employees overseas a voice and to obtain feedback on work conditions (see also [A1- Active Examination of the Risks of Purchased Goods and Services](#) and our [GRI report](#)).

AFFIRMATIVE ACTION AND DIVERSITY

VAUDE has a long tradition with the issue of "work-life balance". Our CEO Antje von Dewitz is a working mother of four and a professional in this field. At VAUDE, she herself received support during pregnancy and after the birth of her children – making this an issue that is close to her heart. One more reason to seriously consider employee’s individual working time preferences. Through mutual trust and a wealth of experience, maximum control over time can be created for all employees.



As a family-friendly company, VAUDE provides targeted support for women on maternity leave so that they can quickly return to work. This explicitly includes women in management positions. To this end, we have defined a clear process which includes allowing women to do some of their work from home. As a company, we strive to stay in touch with these colleagues through regular meetings of all employees on parental leave to emphasize their solidarity with VAUDE.



Furthermore, the appointment of women to senior management positions is a major concern. Our CEO position is filled by a woman, and in addition, 16 of our 46 executives in 2013 were women, which corresponds to a rate of 35 percent.

We are committed to continuing to strategically increase this ratio over the coming years. Since the company handover in 2009, some newly created management positions are now held by women, such as the management of our subsidiary, the VAUDE Franchise GmbH.

In our "Frauen-Power" (Woman Power) program that has been in effect since 2013, we offer select women in management or other important positions whose communication, leadership and entrepreneurial skills are in demand, a way to optimize the use of their female potential.

Ethnic minorities and other diversity factors are not monitored separately. In 2013, we had 32 employees with non-German nationality, which corresponds to a share of employees with a non-German nationality of almost seven percent.

In the future, we plan to reflect our social orientation even more by filling certain positions with people with disabilities within a specifically designed program that will be gradually implemented.

During the reporting period, we had four employees with a status of "severely handicapped" - two men and two women. One of these was a trainee – and altogether this corresponds to a percentage of 0.85 percent. In the next year, we have the stated goal of improving work opportunities at VAUDE for people with disabilities and/or hiring more people with disabilities. We want actively contribute to the inclusion of people with disabilities and to further increase diversity within our workforce.

To achieve this goal, we specifically plan to offer even more people with disabilities attractive employment opportunities. We will continue to make and expand our contacts with institutions for the disabled in the area, as well as with integration services as of 2014.

In addition, we will take a good look at which departments have positions that can be filled by people with disabilities, and which tasks are particularly suitable for them. This applies to both permanent employment opportunities as well as internships. This also includes defining adapted processes in the filling of positions that allow for inclusion.



Within our internal training program, we are increasingly offering presentations on the inclusion of people with disabilities in order to create understanding for these types of situations.

Equal opportunity is also a concern for us in our production facilities outside of Germany. We are working together with the FWF to create an overview of wages and gender distribution. In China and Vietnam, this is rarely a problem.

The FWF verified indirect discrimination and explores the question of whether there are departments in the companies where generally higher wages are paid or whether men are preferably employed, although women could pursue that activity.

There were no complaints at the FWF-audited production facilities in China and Vietnam related to equal opportunity for employees (more information available [here](#)).

C2 JUST DISTRIBUTION OF LABOR

REDUCTION OF NORMAL WORKING TIME

To date, the consideration of the reduction of normal working hours has not been an issue. Full-time employees at VAUDE work 40 hours per week. Anything less than that is classified as part-time and paid 1:1 as full-time (but for less hours). Overall, 43 percent of employees work part-time.

The average working hours per employee was 30.88 hours a week in 2013.

Overtime at VAUDE is credited into a flex-account and used as compensatory time. No reliable figures can be derived, as the majority of the employees didn't record overtime. At this point, no single set of rules has been set. The goal is to establish more trust by demanding less time accounting. Currently, all managers have trust-based working hours. Trust-based working hours for other employees is determined individually. In logistics and manufacturing, trust-based working hours is not currently fully implemented because certain activities build on each other. Coordination of working hours is necessary.

Among other benefits, trust-based working time results in the self-initiated reduction of overtime in consultation with the management which means less "prescribed" reduction.

Due to the high number of employees working externally as sale representatives, it is also ultimately difficult to publish meaningful figures for this area. However, the basic objective applies: new hires as well as organizational and process redesign are preferable to the permanent accumulation of overtime.



We are currently working hard to develop a scheme to reduce overtime. In addition, the company is trying to prioritize and group issues, to enable efficient implementation of meetings and a reduction of time-consuming meetings, which effectively helps avoid overtime.

In manufacturing and logistics, temporary workers are sometimes employed to cope with peak loads. The need is determined within the department.

INCREASE IN PROPORTION OF PART-TIME WORK MODELS

Due to the different areas of responsibility, different working models are offered, which are explained in point [C1-General Remarks](#).

CONSCIOUS APPROACH TOWARDS (LIVING AND) WORKING TIME

VAUDE offers individualized working models, home offices and part-time jobs (see [C1-General Remarks](#)). We are looking at the issue of models for taking leave and are currently discussing various options. This is especially taken into consideration for our colleagues returning from a longer parental leave, so that they can successfully reintegrate their careers and private lives with a variety of flexible working-hour models. Through trust-based working hours our employees have the opportunity to adapt their hours individually to their needs and to the company.

We do a great deal for employee satisfaction. (For detailed information see [C5-Degree of Transparency and Co-determination Concerning Fundamental Decisions](#)).

As part of the VAUDE Academy, training sessions are offered for self-management and time management (see [C1-Employee-oriented Organizational Culture and Structures](#)).

C3 PROMOTION OF ENVIRONMENTALLY FRIENDLY BEHAVIOR OF EMPLOYEES

NUTRITION DURING WORKING TIME

The VAUDE Café offers employees two different meals – including a vegetarian dish. The VAUDE café has been certified organic since the beginning of 2014. For all meat lovers, there is also locally produced, freshly grilled organic sausage.

Employees can also bring their own food, which can be prepared in the kitchens of various break rooms.



Fair trade and organic coffee and tea are always at hand and meetings are often enriched with local fruit.

The VAUDE Kinderhaus offers only organic food from the local catering company, Bio-Genuss.

Health-conscious nutrition, outside the company as well:

Catering at events such as trade shows, sales meetings, company parties, etc., is clearly regulated. VAUDE retail marketing organizes exclusively locally produced food, avoids foods such as citrus and tuna, and has deliberately reduced the purchase of meat. We hope to sensitize outsiders and exemplify consumer awareness.

MOBILITY TO WORKPLACE

		Total for the company
Business travel and commuting in VAUDE vehicles		
	Car/vehicle (km)	2,368,262
Business travel and commuting in other vehicles		
	Air travel (t CO2e)	160.19
	Train (t CO2e)	2.28
	Auto/individual vehicle (km)	1,760,244
	Car-Sharing (km)	111,710
	Public transport (km)	13,694
	Bike/ Walking (km)	46,849



In 2011, VAUDE developed a comprehensive mobility concept and successfully implemented it in 2012. The company headquarters in Tettngang are located in rural, Upper Swabia and were largely unreachable by public transport until 2013. As a sustainable company, we see it as our duty to offer our employees eco-friendlier alternatives to car travel.

The components incorporated in the mobility concept and implemented in 2012 are very popular, not least because of the weekly mobility lotto (see below).

Bike commuting:

VAUDE employees commuted 44,335 kilometers to work in 2013. The VAUDE bike program not only includes a repair shop with an inner tube vending machine, covered and lit bicycle parking, riding technique and repair courses, and even showers, it also includes eight e-bikes that can be checked out, free of charge, by any employee. Employees can also “refuel” their private eBikes at work.

VAUDE encourages employees to leave their cars at home to commute by bike – as an eco-friendly and healthy alternative. CEO Antje von Dewitz sets a good example, clocking up numerous bicycle kilometers every day regardless of the weather!

Due to the hilly surroundings of Obereisenbach, calculating the total distance covered by bicycle kilometers per employee makes little sense: not everyone is within biking distance of work.

Carpooling:

Carpooling has major potential for CO₂-savings. VAUDE therefore has a cooperation with flinc.org, a social mobility network. VAUDE has its own group for employees so that they can quickly and easily offer and find rides, free of charge. Another group was established for various VAUDE events, organizing carpooling through flinc. In 2013, we reduced our commuting kilometers by 50,000 km thanks to carpooling.

VAUDE minibus carpools:

On the initiative of colleagues, two larger carpools were created for which VAUDE provided a minibus. Employees not only save money and use less parking spaces; they also reduce emissions. These carpools saved 7,852 commuting kilometers in 2013.

Public Transport:

The village of Obereisenbach near Tettngang, where the VAUDE company headquarters are located, has long been difficult to reach by public transport. Aside from a school bus that went to the local elementary school, there was no public transportation available. VAUDE was not willing to accept these conditions and therefore initiated a project.



With success: On October 1, 2013, the Regional Transport Association Bodensee-Oberschwaben (bodo), with the support of the Landkreises Bodenseekreis and a local bus company, established a commuter line that connects Obereisenbach to the nearest train station in Meckenbeuren as well as to Tett nang's urban transport grid.

People living in the nearest major cities of Friedrichshafen and Ravensburg, where many of our employees live, are well-connected with Meckenbeuren by train. And even beyond that: with the Lake Constance ferry, employees who even live on the other side of Lake Constance can reach their workplace by public transport. Altogether, VAUDE employees commuted over 13,000 kilometers on public transport in 2013.

Rupert Mayer, Area Director of School and Public Transport, Bodenseekreis County:

"Improving access to the city of Tett nang by public transport and to train connections at the Meckenbeuren train station is part of the Local Transport Plan adopted in mid-2011 by the Bodenseekreis (Lake Constance District). Because of the VAUDE initiative, their company headquarters could be included in the new design. Within our county, we want to ensure commuters access to environmentally friendly mobility."

Travel policy for business travel:

With the VAUDE Travel Policy, we want to achieve business travel that for one, is significantly reduced, and secondly, is done in a way that is as environmentally friendly as possible. We do this, for example, by favoring rail travel over flights. The introduction of a new video conferencing system in 2013 should bring further savings in emissions as well.

Due to the continuing "thrifty" connection of Tett nang-Obereisenbach and most of VAUDE employee residences with public transportation, and our (otherwise wonderful) rural location within Germany, achieving the right balance between ecology, time and costs for business travel is a particular challenge.

Fleet park management:

Since 2011, the entire VAUDE vehicle fleet has been converted to low-emission vehicles. Combined with driver training, this has resulted in a reduction of diesel consumption by two percent in relation to 2010.



Mobility Lottery:

As an additional motivation and incentive system, a *mobility lottery* was introduced, giving away weekly prizes to employees who use eco-friendly commute options (i.e., not alone by car). Each winner is honored on the intranet by name and with a winning photo to increase motivation for other employees. Thus, commuting has become a topic of conversation – people who talk about how they get to work are more likely to think about environmentally-friendly alternatives.

ORGANIZATIONAL CULTURE, AWARENESS RAISING AND IN-HOUSE PROCESSES

The internal corporate governance process also serves to ensure the implementation of the sustainability strategy. The management defines specific business objectives along with indicators and measures that are disseminated in committees and employee reviews systematically at division, department, team, and individual levels. This way, every single employee - regardless of role or function - contributes to achieving the corporate objectives. This is one of our main goals, sustainable growth in all core areas and establishing a balance between economic, environmental and social objectives by 2015.

In addition to his or her core responsibilities, each department head is responsible for putting operative themes into practice, such as implementing energy conserving measures in offices, resource efficient printing, recycling, mobility, etc. in order to promote sustainability in daily work practices. The interdisciplinary CSR Team is available to provide advice and assistance. The majority of internal events that focus on issues and action fields having to do with "sustainable management" are organized as part of the VAUDE Academy, as the following excerpt shows:



- 4.4 VAUDE als klimaneutrales Unternehmen**
Referentin: Hilke Patzwall
Termin: Mittwoch, 22. Oktober 2014, 08.30 - 09.30 Uhr
Ort: Base Camp
Zielgruppe: offen für alle MitarbeiterInnen, für Auszubildende verpflichtend
Anmeldung: bis 3 Tage vor dem Termin bei Beate;
Mindestteilnehmerzahl: 6
- 4.5 PFC-freie Outdoor-Produkte**
Referentin: Hilke Patzwall
Termin: Donnerstag, 13. November 2014, 10.00 - 11.00 Uhr
Ort: Base Camp
Zielgruppe: offen für alle MitarbeiterInnen
Anmeldung: bis 3 Tage vor dem Termin bei Beate;
Mindestteilnehmerzahl: 6
- 4.6 VAUDE wird zum nachhaltigsten Outdoor-Ausrüster**
Referentin: Antje von Dewitz
Termin: Montag, 15. Dezember 2014, 09.00 - 10.00 Uhr
Ort: Base Camp
Zielgruppe: offen für alle MitarbeiterInnen, für Auszubildende verpflichtend
Mindestteilnehmerzahl: 6
- 4.7 Das VAUDE CSR-Team: Die Bedeutung der Interdisziplinarität**
Referentin: Hilke Patzwall
Termin: Dienstag, 16. Dezember 2014, 09.00 - 10.00 Uhr
Ort: Base Camp
Zielgruppe: offen für alle MitarbeiterInnen, für Auszubildende verpflichtend
Anmeldung: bis 3 Tage vor dem Termin bei Beate;
Mindestteilnehmerzahl: 6
- 4.8 Produktlebenszyklus im VAUDE Ecosystem:
Von der Entstehung bis zur Wiederverwertung**
Referentin: Hilke Patzwall
Termin: Donnerstag, 08. Januar 2015, 08.30 - 09.30 Uhr
Ort: Base Camp
Zielgruppe: offen für alle MitarbeiterInnen, für neue Auszubildende verpflichtend
Anmeldung: bis 3 Tage vor dem Termin bei Beate;
Mindestteilnehmerzahl: 6

In this context, the in-house library and media center should be noted; in addition to mountain sports expertise, it provides each employee with various reading materials and documentation on sustainability and CSR. More than 600 books, DVDs, maps, guides, etc. are available for free loan. In addition, in the VAUDE lending pool, our products can be borrowed or tested free of charge by employees.

To raise awareness of sustainability issues outside of company headquarters, we try to involve our sales and other business partners (e.g. licensees) on both theoretical and practical levels. Sustainability workshops are now an integral part of the twice-annual sales meetings (see [D1- Total Extent of Ethical Customer Relations Measures \(Ethical Marketing + Sales\)](#)).

In addition, training sessions on how to save fuel help our sale representatives learn about more eco-friendly driving measures.



C4 JUST INCOME DISTRIBUTION

INCOME DIVERGENCE IN THE COMPANY

Income divergence is limited to a maximum of ten-fold in relation to senior management salaries.

MINIMUM INCOME

The common good-matrix lower income limit cited for Germany of €1,330 monthly net income for full time work is met. This does not apply to those marginally employed as seasonal workers, apprentices and trainees.

For information about wages of our suppliers and producers, see [A1 –Active Examination of the Risks of Purchased Goods and Services.](#)

TRANSPARENCY AND INSTITUTIONALIZATION

Transparency in terms of income already exists at VAUDE for management, but not among all employees.

A project group from different departments and levels of the hierarchy has created a payroll system and, together with managers in workshops, evaluated each position and classified it within the system. In June 2013, the new findings were incorporated in the 2014 budget. Due to the complexity of the issue, it will be several years before all salaries are completely transferred into the new classification system. During the year 2014, the new salary scheme "Kompass" was presented to employees and also introduced during the summer.

The goal is to create a uniform, fair and clearly structured salary system that reflects both the job duties and responsibilities of each position, as well as the qualifications and skills of individual employees.

As a basis of the system, all positions in the company were rated with a point system and divided into different functional levels. For each of these functional levels, salary ranges have been defined.

The respective salary of each employee within a function level is based on various aspects such as performance, seniority, experience and age. The functional levels and salary ranges are published on the intranet to increase the transparency of our salary structures.



C5 CORPORATE DEMOCRACY AND TRANSPARENCY

DEGREE OF TRANSPARENCY AND CO-DETERMINATION CONCERNING FUNDAMENTAL DECISIONS

Decisions about profit distribution are made by the management and the shareholders' meeting.

As a family-owned business, we attach great importance to democratic decision-making processes, and are interested in establishing co-determination and maximum internal transparency. All VAUDE executives contribute significantly to this by communicating and discussing with employees all corporate-related as well employee-related matters through various channels:

Management Processes:

As part of the management processes, the VAUDE goals process contributes (among other things) to inter-departmental and internal transparency. In this process, each employee helps identify what their own contribution to the company's success could be and how their own objectives can be embedded into the VAUDE goal panorama.

At the beginning of the process, corporate goals and objectives are defined in Company Executive Meetings (CEM) and in Division Committee Meetings (DCM) as well as in Department Heads Meetings (DHM) and target discussions. The panorama of goals is presented and discussed with all managers. Following this, it is systematically transferred and documented in a top-down process at the administration level, division level, department level, team leader level and employee level. The flow of information between managers and employees takes place in a variety of ways - in weekly "Jour Fixes", team meetings and head meetings or also in specially called meetings.

The transfer process takes about 14 weeks, and is accompanied by a corporate development committee. A review of goals through Corporate Development and Controlling takes place every six months.

At the company and department head level, and between employees and their managers, colleague's individual goals are always transparent. Between employees at VAUDE this is the case only at the request of the individual.



Meeting culture:

Meetings at an executive and department head level are mainly used to define and outline strategic issues. These meetings are held twice a year, while CEM and DHM are held monthly. Here again, it is up to the department heads to pass on relevant information to the employees. The essence of current issues is discussed in the quarterly report meetings which are attended by all managers, including team leaders and executive management as well as staff units.

At the operational level, regular weekly “Jour Fixes” meetings are held, in which employees share thoughts and ideas with executives and those colleagues who interface with their own activity. Of course, specially called meetings on specific issues and projects can also be on the agenda.

Employee reviews:

The annual employee reviews play a key role. These meetings allow managers and employees to provide each other with feedback, and discuss employee goals, as well as current work situation, job content, job characteristics, and development prospects. For us it is very important that the appraisal interview takes place as a dialog allowing both perspectives to be presented equitably and aligned. A differentiated guideline is used to prepare and carry out such interviews. Finally, agreements and requests are documented, and validated by both sides. Employee reviews also help determine bonuses that are to be paid when goals have been reached. Here a clear approach is followed: Two percent of the annual gross salary is dependent on the achievement of personal goals. For managers, the focus is also placed on the achievement of business goals, with the weighting to be 30 percent personal objectives and 70 percent corporate objectives.

Employee surveys:

Regular employee surveys – on general as well as specific issues - allow for active participation and workflow optimization. Such surveys make it possible to detect employee wishes and needs, and handle specific issues such as quality improvement or innovation in the company. The results of employee surveys are considered benchmarks, critical content is communicated, and concrete measures are derived and implemented. After the measures have been put into place, specific topics are surveyed again and a target-performance comparison can be made.

In 2011, for example, an employee satisfaction survey was carried out and the results were openly posted on the intranet. In 2012, an IT survey to optimize the IT environment for our employees was also conducted. Employee surveys can also explicitly refer to social conditions.



The last employee survey was conducted in 2013. Here the statement "our compensation system as a whole is highly just and performance-related," found the least agreement. In order to counteract this, we launched a new salary scheme, introduced in 2014.

Intranet:

As a central information, communication and application platform, VAUDE CAMP is the "advertising column" of the company and accessible to all employees. Here everyone can post messages. All VAUDE members are able to post entries and are given access to current information, project data, as well as key figures and facts about the company. To ensure a professional flow of information, a part-time position was established in 2012. This position plans and controls the internal reporting system on the intranet, and is currently optimizing the platform with respect to two key aspects:

Employee Information: Quarterly Reports and other "VAUDE News" are posted by the management on the company intranet. Management protocols are not published. Decisions concerning layoffs and hiring are made transparent in the relevant department.

Employee Participation: The suggestion system that allows all employees to actively participate in the events of the company and contribute new (social, ecological, product) ideas is controlled via the intranet.

Print and Web:

The "VAUDE Intern" customer magazine is published quarterly, informing customers about new products and addressing current environmental and social projects. The annual Sustainability and Social Report has been replaced with a comprehensive GRI Reporting in web form since 2014.

In countries abroad, transparency and participation depends to a great extent on the legislation and culture of the country; however VAUDE would like to further promote these issues as much as possible. Through their membership in the FWF, VAUDE ensures that the relevant standards of the International Labor Organization are met (further information on the FWF and our collaboration can be found [here](#)).



LEGITIMIZING THE EXECUTIVES

The planning of new positions is ensured during the annual budgeting process. Here the managers' personnel wishes are collected, compared with the ideas of the department heads and submitted to the Human Resources Department. Thus, all managers have a voice and contribute in a bottom-up process. Immediate superiors are always present during the job interviews and have veto power with respect to final decisions.

The hiring of new employees is done in consultation with the team in question. We are always striving to find a consensus with all stakeholders. Future managers and key colleagues are also involved in the interviews.

EMPLOYEE CO-OWNERSHIP

VAUDE is 100% family owned. We are currently exploring the idea of issuing securities in the form of profit participation certificates to increase our equity ratio and strengthen our financial independence. At the same time we can offer employees and friends of the brand a way to participate as shareholders in the company.



D1 ETHICAL CUSTOMER RELATIONS

TOTAL EXTENT OF ETHICAL CUSTOMER RELATIONS MEASURES (ETHICAL MARKETING + SALES)

Retail Marketing	Percent Share of Retail Marketing Budget
Development of training materials, collection flyers, VAUDE Intern, decorative elements made from recycled paper and FSC certified wood	12.5%
Sustainable exhibition stands (rent, exhibition stand made from wood, organic catering. Avoidance of carpeting and large graphics) and Sales Meetings (multiday training for sales representatives on products and CSR themes)	46.67%
Other marketing measures such as communication using various channels such as online, ads, giveaways	40.83%
Sponsoring	Percent Share of Sponsoring Budget
WWF and DAV	45%
Other sponsoring measures such as sponsoring of athletes, mountaineering training, Centurion Bike Team, Banff Mountain Film Festival World Tour etc.	55%
Consumer Marketing	Percent Share of Consumer Marketing Budget
Orderbooks (printed on recycled paper)	13.35%
Publicity work, advertising, product features	31.65%
Photo shoots und product photography	20.75%
Online marketing and image films	34.25%

Of the total marketing budget for 2013, 53 percent went to end consumer marketing and 47 percent to retail marketing. 22 percent of total marketing budget was used for sponsoring projects.

The choice of sponsoring projects takes place according to specific criteria by which we ensure that projects fit to VAUDE. In addition to a direct reference to environmentally sound mountain sports, it is crucial that the sponsored projects are sustainable and consistent with our values (our sponsoring criteria can be found [here](#)).



Importance of sustainability for marketing:

The amount and diversity of outdoor goods on the worldwide market has grown tremendously in recent years; buyers can choose from a large number of brands. Supply exceeds demand. This means that products must either differentiate in price, or that the company has an outstanding brand positioning, which is relevant to particular consumer target groups.

VAUDE is positioned as a particularly sustainable brand. VAUDE has made sustainability a compelling differentiator which strengthens confidence in the brand. Marketing is therefore an important tool for VAUDE for raising customer awareness and for positioning the products in the market.

Impact of sustainable marketing at VAUDE:

"Do good and talk about it". VAUDE is clearly positioned as a sustainable company, and this determines all of our company communications - both internally and externally. This type of communication has a special effect, because as an active and dedicated company, our communications have a role model and multiplier effect on others. This relates to our suppliers and competitors, to our customers - and more generally, to the entire target group of outdoor enthusiasts.

We at VAUDE see it as our responsibility to inform customers and increase awareness about the social and environmental challenges in the production of outdoor gear. We also see it as our role to pass on knowledge to our customers and offer solutions for existing problems.

Sustainability Strategy as Marketing Potential:

The totality of all our sustainability efforts provides facts and background information that are relevant to our customers and may have a positive impact on their purchasing decisions.

Communication Content:

VAUDE's marketing messages comes down to one common denominator: "Performance meets ecology". This means that VAUDE manufactures high-performance gear produced under exemplary and fair ecological conditions in accordance with "Best Available Technology" (BAT) – i.e. highest possible performance coupled with ecological and socially responsible production.

Ensuring Consistent Communication:

To help us communicate consistently – both in marketing and in other company sectors – we use a set of guidelines that are fully described in our Corporate Identity (CI).

The VAUDE CI consists of three elements:

- corporate design
- corporate wording
- business conduct guidelines for specific issues



They describe:

- the visual appearance
- the content and manner of communication
- as well as the desired behavior of all VAUDE employees

In the VAUDE rules and standards, specific guidelines are set regarding how sustainability should be lived out, visualized and communicated. To involve our employees in the Corporate Identity, all content is updated regularly and passed on to all employees in company training sessions with the VAUDE Academy.

Specifically, we provide information about the following content that is important for each corresponding product:

- awards and honors
- Made in Germany
- GREEN SHAPE
- bluesign®
- WWF
- FWF
- current corporate awards
- technical labels (ingredient brands, meaningful technical values, which make statements on the performance of the gear or apparel)

These requirements affect:

- a) structure - this means that in marketing, we try to replace print products with digital media as much as possible.
- b) content - we organize our advertising shoots to be as environmentally friendly as possible and convey this approach in our images. For example, our bikers do not ride off-trail through pristine nature, but stay on existing trails; the ski tourers we depict do not rely on ski lifts, etc.

Marketing employees as brand ambassadors for sustainable marketing:

In order for the content of our marketing to come across authentically, our employees should also be able to identify with this philosophy. The Head of Consumer Marketing is part of our CSR interdisciplinary team and is the interface between sustainability management and communication.

To promote this, we offer our marketing team members continuous mountain sports and bike sports activities to take part in. These trips are organized sustainably, for example, by using eco-friendly transportation. The shared outdoor experiences also serve to raise awareness in our employees for the preservation of nature as a "playground" for future generations.



Training and Training Materials

The VAUDE Academy offers sustainability training courses for all employees. In addition, our sales managers receive summaries from the product sustainability, environmental protection and social responsibility segments during the sales meetings.

VAUDE provides additional training material for all applicable product segments that explicitly informs about the sustainability aspects of each product group.

Individual training courses are offered on the following themes:

- Sustainability at VAUDE: GRI
- Cultural aspects of good working conditions in Asian factories
- Revision of the Green Shape criteria - updates and new criteria
- VAUDE as a climate-neutral company
- PFC-free outdoor products
- VAUDE as the most sustainable outdoor brand
- The VAUDE CSR team: the importance of interdisciplinary aspects
- Product life cycle in the VAUDE ecosystem: from conception to recycling:
- Sustainability benchmarks for designers and product managers: the Higg Index Rapid Design
- Harmful substances management - avoiding harmful substances in products

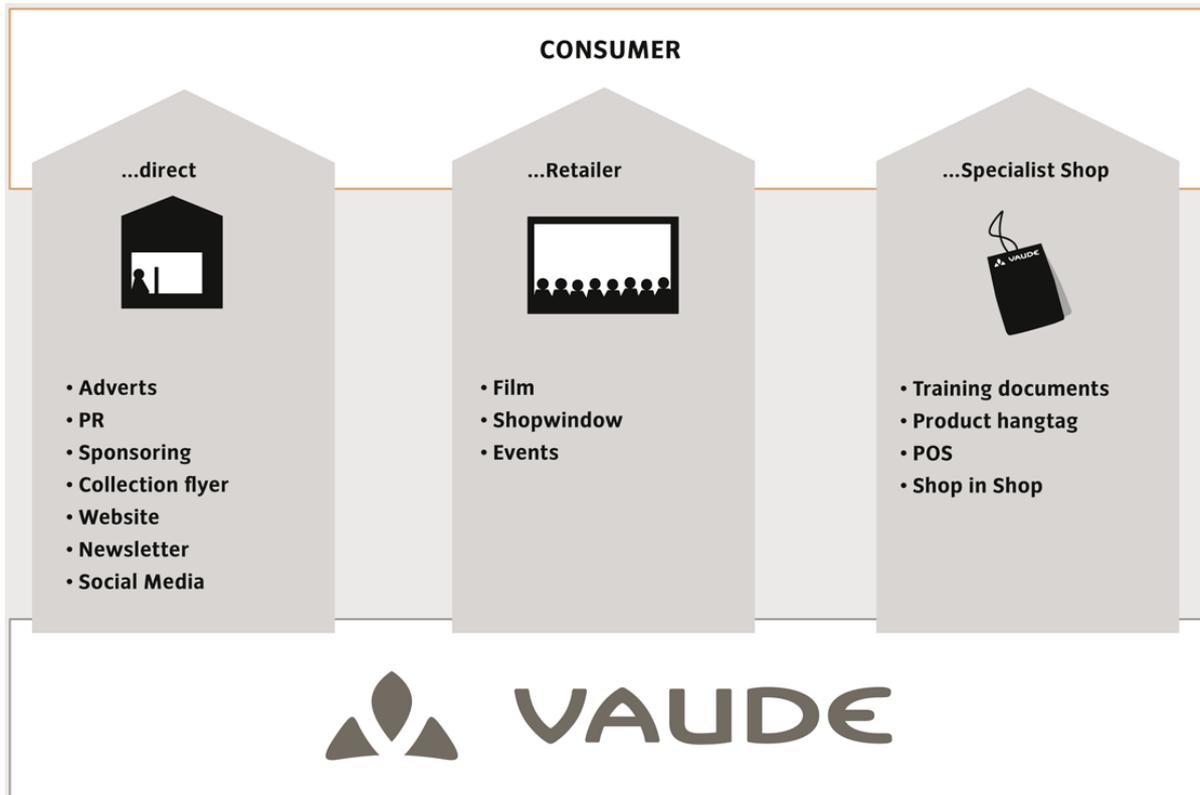
These contents are directly taught by VAUDE sales representatives and international partners in product training workshops to salespeople in outdoor, bike and leather goods stores.

Through our product presentations at tradeshows, in the VAUDE order rooms and in the VAUDE stores, we communicate just how committed we are to sustainability. Sustainability is put into practice in both the presentation of the VAUDE collection, as well as in the design of exhibition stands at tradeshows. This applies to the use of environmentally friendly raw materials, as well as the environmentally friendly production of information items such as banners and displays.



Communication Channels

The following graphic systematically shows how we reach our end consumers with our communication:



Sustainability is addressed across all channels:

- Adverts
- Press Releases
- Sponsoring
- Website
- Newsletter
- Social Media
- Store Window Displays
- Events
- Trained Specialists
- Product Hangtags

In all communication channels for reaching end users and trade specialists, we take care to avoid "greenwashing". This means that we do not go to advertising expenses to try and represent our company "greener" than it actually is. Instead, in our marketing we adhere to the EMAS principles: responsible, credible, innovative and transparent.



Efficiency of the Management Approach

In order to measure the effectiveness and efficiency of VAUDE marketing, we work with key figures. These are used to find realistic objectives and to measure efficiency increases as compared with previous years.

Some examples include:

Social Media Key Figures

On Facebook, we reach our consumers with spectacular nature photography, quotes and messages that demonstrate our appreciation of the outdoors. In 2013, we were able to animate our fans with 300,000 "daily stories" (likes, shares, comments). We aim to double these results in 2014.

At YouTube we are also interested in the activation rate because it shows best how we are reaching our fans emotionally with our outdoor and sustainability movies.

VAUDE Websites

Based on the analysis of hits on our website, we found that the pages on "responsibility" were rarely visited in 2013. Therefore, we will be converting our 2014 online content to integrate sustainability aspects into our well-visited product pages.

Other methods of analysis to find out how VAUDE's commitment affects our brand impression, include retailer and consumer questionnaires.

We conducted and commissioned the following studies in 2012/2013:

Benchmark Study

VAUDE initiated the first representative study of the German outdoor market, which investigated retail satisfaction for 13 manufacturer brands under the following seven criteria:

- Personnel
- Customer Service
- Business Development and Support
- Logistics and Supply Chain
- Consumer Marketing
- Retail Marketing and Consumer Marketing
- Product Range development

In the overall ranking, VAUDE achieved an overall satisfaction of 78% and thus first place.



Image analysis

In 2012, we initiated a study on primary brand awareness and on our image. This study forms a basis for further investigations so that we can see how to change our reputation and our image over the course of time.

Due to the large number of external studies on our brand in terms of sustainability, we have chosen not to repeat this study in 2013 and 2014. We will continue in 2015.

External Sources

To assess the effectiveness of our marketing approach, we also evaluate external studies and surveys:

The readers of Panorama, the membership magazine of the German Alpine Club, with a circulation of more than 600,000 copies, chose VAUDE as the Most Sustainable Outdoor Brand in 2013.

Readers of the magazine Outdoor with approximately 50,000 subscribers chose us as the brand with the Most Environmentally Friendly Gear in 2013.

We adhere to the following voluntary code of conduct:

Store and trade fair stand construction

In addition, we have committed ourselves to constructing our trade fair stands in line with ecologically sound principles: for example, we never use carpets in our trade fair booths, we rely on untreated wood, and we avoid the use of glue plotters (these are letters and lettering that are cut from self-adhesive sheets and glued to windows) whenever possible.

In addition, we try to use each module we build at least three times. In many cases we manage to use them much longer. Over time, our suppliers have gotten to know our requirements and many of them only offer us environmentally friendly products.

We only use natural materials such as regionally grown untreated ash wood in our store construction. Linoleum and steel are used as well.

We are currently working on a set of guidelines for trade fair construction that lays out binding standards for ecological criteria. It should provide clear rules within the company, yet also place our foreign colleagues in a position to build trade fair stands that meet our standards.



Film and photo shoots

Our policy for film and photo shoots specifies, for example, that we do not take any pictures from helicopters. Our bikers do not ride off-trail through pristine terrain. In addition, we do not use environmentally harmful media, but only digital footage.

During the reporting period, there were no violations of regulations or voluntary codes.

EXTENT OF CUSTOMER CO-DETERMINATION

Involving our customers in product development is primarily done through our sales force. Using a sponsor system, consumer and retailer feedback is reflected back to our product development team.

PRODUCT TRANSPARENCY

Our influence is high in many areas. Also in respect to VAUDE marketing, which principally refrains from "greenwashing" (see further details in [D1 - all measures for ethical client relationships, ethical marketing + sales](#)). For the sake of consistency and reducing complexity, we adhere to industry standards such as EMAS, ISO 14001 and the textile standards bluesign[®], Oeko-Tex 100, REACH and the Gold Standard (emissions) and FSC Standard (paper).

Transparency in our core business area – products – is our top priority. With the help of external experts and standards, our own environmental performance is continuously monitored and improved. Here our long-term partner bluesign[®] (since 2001) must be named: VAUDE manufactures highly functional high-end products with the bluesign[®] standard that have minimal environmental impact. We were the first outdoor company to introduce a complete bluesign[®] certified base layer collection to the market.

All environmental aspects of production are critically assessed by bluesign[®] and optimized: this includes use of materials, energy, water, wastewater, emissions, noise, waste and handling of hazardous substances. Through the analysis of all raw materials and chemical ingredients on the basis of an intelligent "Input Stream Management", it is ensured that potentially hazardous substances are already excluded from production (rather than random pollutant tests to be made on the finished products). bluesign[®] membership also enables sourcing aligned to ecological principles (see [A1 - Ethical Supply Management](#)).

If a product meets the bluesign[®] standard - currently the world's most stringent textile environmental standard - it is bluesign[®] certified and we label it accordingly with the appropriate hangtags. In addition to direct labeling at the product, consumers can find information in the annual sustainability report on the current share of Green Shape products in the total collection (more information at our [GRI-website](#)).



In addition, comprehensive information is available, particularly on all components used in the product. VAUDE receives support mainly in positive customer responses, but also from the sustainability awards it often receives.

In 2011, VAUDE was awarded the German Sustainability Award (Category Top 3 Most Sustainable Future Strategies), in 2012 it received the Ethics Award of the Verbunds Service und Fahrrad and was nominated in 2013 by the German Federal Government for the CSR award ([see our website GRI](#)).

Risk analysis takes place at the sales end / customer sphere. Dependence on major customers such as Amazon is analyzed and discussed within the company. Again, it is important to note that VAUDE products are targeted at a group of customers that can generally be described as ethically uncritical. Information on price calculations can be found at [A1 – Basic Structural Conditions on Fair Pricing](#).

SERVICE MANAGEMENT

Although awareness of ecological standards such as bluesign® is constantly growing, there are always new challenges due to the high dynamics and complexity of the entire ecological concept. An increasingly public focus on outdoor products calls for authentic and transparent dealings with individual issues.

VAUDE tries to proactively and comprehensively provide information on its products. When we encounter the limits of our expertise in an area, we use our partnerships with NGOs to obtain expertise from outside. Thus, there is a lively exchange between trade, consumers (partners, athletes, etc.) and NGOs with VAUDE, both about products and about CSR issues. WWF (paper standards), bluesign®, Greenpeace (Detox Campaign) and FWF (social standards), are examples of common dialogues and cooperation in order to create more transparency. It is the responsibility of the CSR team to both improve communication with NGOs and with consumers and suppliers, as well as continue to inform and educate (you can find further information on Customer Health and Safety [here](#)).

For years, our product service department's strong repair shop has helped to extend the life cycle of VAUDE products and to remedy defects. In order to integrate future information from customer complaints more rapidly into product improvement, the complaints handling department at VAUDE is currently being revised. Product service is hereby being supported by the quality management team. VAUDE sees this field of action as an important factor in extending the longevity of VAUDE products even more in the future, and in making our products more sustainable.



Another component of our current complaint system is the position of the contact person for consumers (remember: VAUDE sells exclusively to retailers, not directly to consumers). Not only are complaints accepted and processed here, but also product information is given and questions about the company and related themes are answered – a prime opportunity for consumers to give their feedback, which is then redirected to Product Development, Marketing and/or the CSR team. For this purpose, a specially adapted support site was created <http://help.vaude.com> (for more information on our [GRI-report](#)).

D2 COOPERATION WITH BUSINESSES IN THE SAME FIELD

When VAUDE was founded in 1974, the outdoor community was dominated by medium size companies, and mountain sports products were seen as niche products. In the last two decades, the outdoor market and competitive pressures have grown steadily. Although a small, tight-knit mountain sports community no longer exists as it did then, partnership-based structures have continued and there are many issues that VAUDE tackles together with the European Outdoor Group (EOG) association. Sustainability is a team sport and is experienced and formed together with our stakeholders. Thus cooperation with other companies is still a tradition, and also important when coping with joint challenges.

DISCLOSURE OF INFORMATION, SHARING OF TECHNOLOGY

To provide the highest possible level of transparency is a key corporate goal for VAUDE. Open reporting allows, among other things, our competitors to learn about business issues and to engage in a dialogue with us.

As a rule, VAUDE has an open source policy, especially in the field of CSR. For example, VAUDE views sharing its own methods, test results or findings from working with NGOs with competitors as best practice. This is achieved through a variety of working groups, round table discussions initiated by VAUDE and interest in constructive dialogue. This is not simply because VAUDE on its own can have only a modest effect on the (supplier) market. This approach applies in particular to the broader, more meaningful approach of the Greenpeace Detox campaign.

VAUDE is also aware of its responsibility as a sustainable trend setter in the industry and transparently reports as part of the annual sustainability report - to animate potential imitators as well. As the first mountain sports company in Europe, we published our 2014 Sustainability Report in accordance with the GRI (4) Standard on a separately designed homepage ([Our GRI Report](#)).



VAUDE is not subject to disclosure requirements. We decided (for competitive reasons) not to disclose absolute figures on economic performance. The sales performance of the financial year 2013 saw an increase of 7.3 percent on gross revenues compared to the previous year (further information on our revenue and cost structures are listed on our [GRI website](#)).

SHARING EXPERTISE / RESOURCES

As an SME, we alone cannot carry the burden of many sustainable business activity areas. VAUDE has recognized that systematic limits require team solutions that have yet to be developed, and that in a partnership-based dialog with stakeholders can lead to a win-win situation. In this area, VAUDE, cooperating stakeholders and society at large will all be all significant mid-term and long-term winners.

Because VAUDE's core competence is product development, the company is dependent on competent and reliable experts in both its core business areas as well as peripheral areas.

COLLABORATIONS AND PARTNERSHIPS:

Since 2011, VAUDE and WWF Germany have been partners. This successful collaboration has been extended for another five years until the end of 2018. The focus of the collaboration is on the environmentally friendly products from the "Green Shape" collection, for which VAUDE guarantees sustainable materials and resource-saving manufacturing.

In the past, VAUDE was dedicated to WWF youth projects as well as projects in the Caucasus region. Now our support will go to WWF projects with the most need. In addition, VAUDE is equipping WWF teams with clothing and equipment for outdoor use.

Furthermore, a professional exchange between WWF and VAUDE takes place on various environmental issues, such as on the subject of "packaging". In the past, a jointly prepared paper policy was developed, in which VAUDE committed itself to using only recycled or FSC-certified paper.

Since 2012 we have been working with the umbrella organization FairWertung e.V.. FairWertung is a nationwide network of over 100 non-profit organizations. It has developed new standards for clothing collections and, since 1994, has petitioned for more transparency and accountability in the collection and recycling of used clothes. With FairWertung, our products get a second life as second-hand clothes or gear. Items that the nonprofit organization cannot use itself are sold to textile recycling companies and their proceeds finance other social projects. In addition to our repair shop in Product Service ([see D1 - Service Management](#)), this is another component that can lead us in the long term closer to a closed production life cycle. See our [GRI Website](#) for more information.



The bluesign® standard is the world's most stringent textile standard for environmental protection, consumer protection and worker safety. It is always dependent on the best available technology worldwide. We have been with bluesign® since 2001, working together to produce highly functional high-end products with a minimal environmental impact (see [D1 – Product Transparency](#) and our [GRI-Website](#)).

In addition, VAUDE has integrated biodiversity into its environmental management system. As one of the very first companies, VAUDE carried out a Biodiversity Check from the EU Business and Biodiversity Campaign, and is gradually implementing the measures that were defined. These include, for example, wild flower meadows and nesting boxes on the premises in Tettwang, but also raising awareness of customers and business partners.

See our [GRI-Report](#) for more information.

Since 2010, VAUDE has been a member of the FWF to ensure independent monitoring of working conditions in production facilities, and has been engaged in dialog with FWF experts and other member companies to achieve global improvement of working conditions (see [A1 - Active examination of the risks of purchased products and safety processes](#) and our [GRI website](#)).

VAUDE is one of the few medium-sized businesses that has supported the Council for Sustainable Development (Rat für Nachhaltige Entwicklung - RNE) in the development of the German Sustainability Code. In the spring of 2012, we signed the declaration of compliance with this code as one of the first German companies, and together with the RNE expressed our experiences and demands to the Chancellor's Office. Thus VAUDE plays in the top ranks of companies that are committed to sustainability, and who make their commitment transparent and public with binding criteria. We expect many imitators - among SMEs as well - and hope to put sustainability even higher on the political agenda. [See the VAUDE Statement \(German\)](#).

Within the outdoor industry, there is quite a positive, open collaboration between competitors on environmental and social issues. The knowledge that many issues cannot be solved single-handedly has meant, for example, that joint FWF audits are carried out in production facilities.

Various outdoor brands work on common projects with their production facilities in the supply chain to accelerate the practice of paying living wages.

In the environmental sphere, there are various joint working groups, e.g. on chemical management, animal welfare and the advancement of the Higg Index.

VAUDE is also involved at the regional level. The company is actively involved in various working groups at the local Chamber of Commerce (CC).



Antje von Dewitz is a member of the Mitgliederversammlung der diakonischen Einrichtung für Menschen mit geistigen und körperlichen Einschränkungen Pfingstweid (General Assembly of the diaconal institution for people with mental and physical disabilities Pfingstweid) and advises the institution on business issues.

Activities in other organizations, committees and associations

- Federal Association of the German Sporting Goods Industry (BSI)
- Section Outdoor BSI
- European Outdoor Conservation Association (EOCA)
- European Outdoor Group (EOG)
- Bertelsmann Stiftung
- Naturkapital Deutschland (TEEB)
- B.A.U.M. Unternehmerbeirat Mittelstand
- Allgemeiner Deutscher Fahrradclub ADFC
- German Fashion Association
- Dialog Textile and Apparel (DTB)
- Common Good Economy (ECG)
- Global Reporting Initiative (GRI)

COOPERATIVE MARKETING

The use of shared resources, the exchange of know-how, as well as the implementation of joint projects and initiatives primarily takes place in the context of the BSI and EOG, the European industry association of the outdoor industry. VAUDE is an active founding member of the Sustainability Working Group, a subgroup of the EOG. In these organizations, the industry works together on solutions and “best practices”, crossing all boundaries of competition. Along with important issues such as international environmental legal conditions, and "end of product life", an [Eco Index](#) was developed for outdoor products, which considers the ecological footprint of a product throughout the value chain.

It is available as "open source" and further developed by the Sustainable Apparel Coalition into the so-called "[Higg Index](#)". Any textile manufacturer can currently use this instrument for voluntary environmental assessment of their own products. It was updated in 2013 in accordance with the Higg Index 2.0 (further information [here](#)).



Examples of companies with whom VAUDE appears together on the market are UVEX and Centurion. VAUDE also cooperates with Nikwax – a manufacturer of environmentally safe and powerful cleaning and waterproofing agents – as well as sells their products.

D3 ECOLOGICAL DESIGN OF PRODUCTS AND SERVICES

EFFICIENCY AND CONSISTENCY IN ECOLOGICAL COMPARISON OF COMPETITORS OR ALTERNATIVES

VAUDE stands for the sustainable use of natural ecosystems and has set itself the objective goal of becoming Europe's most sustainable outdoor company by 2015. We place our emphasis primarily on environmentally friendly products made from sustainable materials and resource-saving production. VAUDE has a clear, comprehensible strategy throughout the product life cycle and in respect to its business decisions. Recognizable measures for "greening" products / services become apparent through closer examination of the ecosystem.

The [VAUDE ecosystem](#) is our holistic sustainability strategy – and an essential core of VAUDE's environmental policy. It is based on our mission and our corporate values. It shows how we systematically carry out our responsibilities for individuals and natural ecosystems and try to make them measurable. As an EMAS-certified company, we have published an annual Sustainability Report since 2008; we published our first [online report](#) according to the GRI (4) standard in 2013. The corporate philosophy, organization of sustainability issues in the company and VAUDE Green Shape products - everything here is precisely explained and made transparent with our environmental and social indicators.

ACTIVE DESIGN FOR ECOLOGICAL UTILIZATION AND SUFFICIENT CONSUMPTION

We take responsibility: in all corporate decisions at the company headquarters and throughout the entire life cycle of VAUDE products – from the selection of environmentally friendly materials to eco-friendly production technology, during the time consumers use our products - whether in the mountains on bike or out shopping - to a product's disposal if the original owner no longer wants it.

Our fields of action are:

- Green Materials & Technologies
- Clean Production
- Environmentally-friendly Use & Maintenance
- Product End of Life
- Renewable Energy



- Business & Biodiversity
- Ecologically Eesponsible Work in Sales, Marketing, Logistics
- Collaboration with Partners & Ecological Networks
- Social Responsibility

VAUDE has developed mobile solar chargers that, for example, can be attached to backpacks. With these solar cells, electrical devices can be charged with renewable and emission-free, off the grid energy. This not only saves energy, but also reduces hazardous waste (batteries), which might otherwise be left behind by consumers in sensitive environmental zones.

The longevity of our products is also supported by our repair shop ([see D1 – Service Management](#)).

In 1994, VAUDE established the Ecolog Recycling Network. However, because too few products were returned to make the system “sustainable”, we had to end the program.

We are working within the EOG Sustainability Working Group on reviving the Ecolog concept throughout the (European) industry. Our goal is to close the product life cycle, in that the raw materials cycle is closed by real recycling.

In addition, our cooperation with FairWertung was expanded in 2013. More information on the issue of disposal can be found [here](#).

The use of recycled materials plays an important role in product development

ACTIVE COMMUNICATION OF ECOLOGICAL ASPECTS

Environmental and lifestyle aspects are an essential part of customer relationships and are regularly and comprehensively communicated ([see D1-Service Management](#) and our [GRI report](#)).

The CSR Team serves as a central focal point: consisting of experts from the fields of strategy, environmental management, production, sourcing, quality management, reporting and controlling. The CSR team is the contact partner for all employees, business partners and customers. Questions / criticisms / suggestions can be directed to the [CSR-team](#).



D4 SOCIALLY ORIENTED DESIGN OF PRODUCTS AND SERVICES

FACILITATION OF ACCESS TO INFORMATION / PRODUCTS/ SERVICES FOR DISADVANTAGED CUSTOMER GROUPS

A portion of sales are made available to support social and environmental projects (see [B1 – Financing Oriented to the Common Good](#)). However, social tiered pricing structures are not implemented. A major barrier to accessibility of VAUDE products is their price.

All product prices can be found on the [VAUDE website](#) as well as product descriptions. Physical, visual, linguistic and intellectual access to VAUDE products is therefore barrier-free. All VAUDE products can also be ordered online at our website.

Offering our customers high quality and environmentally friendly products results in increased costs incurred along the production chain. Organic textiles, technologies and production processes have their price. VAUDE consciously avoids dumping methods and relies on a growing consumer awareness among retailers and consumers.

Consumers can find low prices in the VAUDE outlet store in Obereisenbach and in our outlet in Metzingen. At these locations VAUDE products (2nd choice, prototypes, older collections, etc.) are offered at heavily discounted prices. VAUDE products are offered at low prices as second hand clothing or given to those in need through the collaboration with the nonprofit organization FairWertung.

QUALIFYING STRUCTURES ARE SUPPORTED BY SALES POLICIES

As a general rule, it is not standard policy to give consumers – who only order in small quantities – the same conditions granted to wholesalers. Wholesalers demand better conditions due to the large volume of their orders.

Regarding services, we have to consider the needs of our clients. Customers who only order small quantities, for example, do not need to have an integrated IT Service or a shop-in-shop concept as a buyer of large quantities would.

Our complete range of products is available to all of our customers. In addition to pre-orders, we offer the option of reordering products when needed. This is especially an advantage for smaller customers who do not make large pre-orders.

We offer all of our customers training on our products.



D5 RAISING SOCIAL AND ECOLOGICAL INDUSTRY STANDARDS

COOPERATION WITH COMPETITORS AND PARTNERS OF THE VALUE CHAIN

See [D2- Sharing Expertise/Resources](#).

ACTIVE CONTRIBUTION TO RAISING LEGISLATIVE STANDARDS

Our content-participative contribution aimed at increasing legislative standards in the medium term consists of various activities that all have one thing in common:

We present the VAUDE Sustainability Strategy at various events, provide insight into its implementation and reveal future challenges. We also welcome any discussion and try to play an active role as a "best practice".

Together with the BSI, we have also created a position paper that was submitted to the Federal Ministry of Economics. A call for government grants for sustainable action was included, as well as an appeal for an incentive system to support sustainable business practices.

In addition, VAUDE has actively participated in the Council for Sustainable Development's (Rat für Nachhaltige Entwicklung - RNE) design of the German Sustainability Code (Deutscher Nachhaltigkeitskodex - DNK) - a voluntary transparency instrument for publicly traded and listed businesses as well as SMEs ([see D2 – Sharing Expertise / Resources](#)).

In our opinion, paying greater attention to the social significance and value of natural ecosystems in public and private decision-making is an important goal. The project "Naturkapital Deutschland – TEEB" sponsored by the Federal Ministry of the Environment seeks to synthesize current research on ecosystem service valuation and showcase successful examples of accounting for social and economic importance of natural capital in Germany. This is an important component in addition to a national biodiversity strategy, environmental legislation and a national sustainability strategy that can offer decision-makers clarity and direction. VAUDE's CEO, Antje von Dewitz, a member of the project advisory board sees this as a personal concern and a valid reason for her to contribute to the project's success. Through her presence, guidance and mediation she is trying to endorse that more thought be paid to natural capital and an open public discussion on these issues. Antje von Dewitz is also a member of Kuratorium der Deutschen Umwelthilfe (Board of Trustees of German Environmental Aid). For more information on natural capital - [TEEB DE](#).)

More about our political commitment on our [GRI-Website](#).

Our partnerships with the FWF gives us the opportunity to contribute to the improvement of social standards in the industry (see [A1 - Active Examination of the Risks of Purchased Goods and Services](#)).



RANGE, CONTENT-RELATED SCOPE AND DEPTH

VAUDE integrates all key social and environmental aspects in its sustainability policy, and implements targeted action, collaborations and partnerships to create higher standards in the industry.

Respect for our social and physical environment, and ecologically intelligent action are key corporate values at VAUDE. Within the VAUDE ecosystem, we analyze the environmental impacts of products throughout their life cycle. We create models, strategies and practical measures based on this analysis. For example, in product development a material strategy that focuses on eco-friendly materials and technologies has been developed. Corresponding guidance documents go far beyond legal requirements.

In addition to our own (Green Shape) standard, we also draw on existing standards (such as EMAS, ISO 14001 and independent textile standards such as bluesign®, Oeko-Tex 100 Standard, Gold Standard (emissions) and the FSC Standard (paper)). The conventions of the ILO are decisive for our social standards.

E1 VALUE AND SOCIAL IMPACT OF PRODUCTS AND SERVICES

PRODUCTS / SERVICES MEET A BASIC NEED, SERVE THE DEVELOPMENT OF HUMAN BEINGS / THE COMMUNITY / THE EARTH, AND GENERATE POSITIVE USE

Within the realm of our potential as an outdoor company, we try to establish and impart social and ecological reasoning and action, in addition to meaningful products and production processes. VAUDE's sustainable approach provides great potential for meaningful identification that suits the current zeitgeist for both employees and consumers.

Experiencing nature, enjoying it together, or even “conquering” it should not be hampered by subpar equipment. On the contrary, we can only achieve our own personal goals when the conditions are right. This includes your own gear. VAUDE demands high functionality from its gear and apparel: waterproofness, windproofness, breathability, optimal temperature regulation and moisture transfer as well as minimal weight are key objectives in our product development department. Similarly, we attach great importance to the social and environmental performance that goes into and supports our products. Our position is clear: if your livelihood depends on your customers finding enjoyment and recreation in the outdoors, you should take great care to protect them.

As part of our sustainability strategy, we are working hard to minimize our negative environmental impacts and take into account social aspects (see [D3 - Efficiency and Consistency in Ecological Comparison of Competitors and Alternatives](#)). The impact of tourism on ecologically sensitive regions are, for example, identified as an environmental impact on which VAUDE has only limited influence, since it depends on the user's behavior.



However, in order to raise awareness about this issue and to contribute to the ecological common good as a company, VAUDE has partnerships with the DAV, the [Federation of Nature and Forest Kindergartens in Germany \(BvNW\)](#), and the WWF to promote environmental education. Our partnership with the DAV depends largely on outfitting the national teaching teams, and an intensive exchange on ecological and social impacts of our products. For VAUDE, teaching teams serve as multipliers for environmentally friendly behavior in the outdoors. The BvNW teaches children to love and respect nature at an early age.

With this activism, we hope to offer consumers an option for ecological and socially responsible consumption, in addition to offering premium outdoor sports products and creating social value.

ECOLOGICAL AND SOCIAL COMPARISON OF PRODUCTS / SERVICES TO ALTERNATIVES WITH SIMILAR FINAL BENEFITS

Social Aspects:

It is our responsibility to have a positive impact on our spheres of influence and to exemplify our commitment to making (y)our world a better place through our own actions. In relation to working in production facilities, this above all means ensuring fair working conditions.

VAUDE is involved in a continuous improvement process in this area. VAUDE manufactures approximately eight percent of its products in Obereisenbach, Germany. Most of our other products are manufactured in Asia. We are aware that many labor-intensive processes take place in countries with critical social standards. With our membership in the FWF, VAUDE can help ensure that any shortcomings are detected and corrected. This multi-stakeholder initiative audits the working conditions in foreign production facilities and works with VAUDE and the production facilities to develop and implement action plans (see [C4 –Just Income Distribution](#)).

At the company's headquarters in Tettang, VAUDE has a much greater impact and therefore more leeway. We offer our employees many opportunities for a better work-life balance (see [C1 – Workplace Quality and Affirmative Action](#)).

Ecological Aspects:

In order to achieve ecologically and socially positive effects in the long term, we have identified areas of conflict and environmental impacts, and are addressing them as part of the VAUDE ecosystem.

Here we are moving well beyond minimum legal requirements and have come a long way compared to other SMEs in the sector. Specific challenges and the measures we have implemented are identified throughout the ECG report and in our GRI Report. Two current examples of our sustainable business activities leading us towards environmentally and eco-friendly products are: Phasing out fluorocarbons (PFCs) and the use of organic cotton.



The VAUDE Bag Production Facility is located on the grounds of the company headquarters. Here we have set up a manufacturing facility in Germany that is subject to the most stringent environmental requirements and ambitious environmental objectives (see [E3 – Reduction of Environmental Impact](#)) possible, and is certified by EMAS, ISO14001 and bluesign®. We are especially proud of our "Made in Germany" bags. The selection of packs and bags for the city or for biking are a true rarity. "Made in Germany" is seldom seen in the production of “baggage”. No wonder that some of the models have evolved into our customers’ true favorites!

E2 CONTRIBUTION TO THE LOCAL COMMUNITY

ACHIEVEMENTS

	Description of Investment	in percent of expenditure
Investments in the community (EC1):	<ul style="list-style-type: none"> - Donations - Kinderhaus childcare center costs - Open-air pool costs - Sponsoring WWF 	0.89%

Contributions at a regional level:

At our company headquarters in Obereisenbach, VAUDE contributes in the community in a variety of ways. In 2006 VAUDE agreed to take on the local outdoor swimming pool in Obereisenbach to relieve the village financially and organizationally. As the initiator, we promoted the creation of a bus line that connects our Obereisenbach site to the public bus and rail service. In the fall of 2013, the bus "Bähnle line" was introduced. As a result, the infrastructure of the area has not only significantly improved for VAUDE employees, but also for all the people in this idyllic and remote environment.

At the company headquarters, VAUDE offers its employees a variety of measures to reconcile work and private life, such as the VAUDE Kinderhaus. In operation since 2001, thirty one children between 6 months and 10 years are cared for in a nursery and mixed age groups with an after-school care club.

The Kinderhaus offers both children of VAUDE employees as well as children from the vicinity demand-driven care services.

As a BvNW partner, VAUDE advocates raising children with a love of the outdoors, and makes its VAUDE children’s products available for testing.



VAUDE employees who participate in the "Forest Protection DAV Event" can count up to half of their contributed hours as working hours. In this annual event, DAV members and friends plant hundreds of trees and shrubs in the Alps to prevent soil erosion and avalanches, while making an important contribution to the preservation of a sensitive alpine ecological balance and biodiversity.

As one of the very first companies, VAUDE carried out a Biodiversity Check from the EU Business and Biodiversity Campaign and is gradually implementing the measures that were defined. These include, for example, wild flower meadows and nesting boxes on the premises in Tettwang, but also raising the awareness of customers and business partners.

See our [GRI-Website](#) for more information.

Contributions on a global level

As a global company, VAUDE contributes to the community in a myriad of ways. Many individual measures have already been discussed in this report.

IMPACT

With our comprehensive sustainability strategy, we are striving to minimize and avoid negative impacts in product development. Our pioneering role contributes positively to structural change and to sustainable economics in the entire industry (more information on the sustainability of our public welfare commitments can be found on the [GRI-Website](#)).

INTENSITY

In our commitment, we focus on our core business: product development of sustainable outdoor products. Our interdisciplinary CSR team implements sustainability strategies anchored in the [corporate goals](#). We support the voluntary commitment of our employees such as participation in DAV Forest Protection (see [E2 - Achievements](#)).

E3 REDUCTION OF ENVIRONMENTAL IMPACT

ABSOLUTE AND RELATIVE IMPACT

Aspect	Overall
Energy/ Energy Consumption in KWh	1,724,659
CO ₂ Emissions (Scope 1) in tCO ₂ e	687.93
CO ₂ Emissions (Scope 3) in tCO ₂ e	3,291.26
Water Consumption in m ³	2,284
Waste in t	678.8



You can find more key figures [here](#).

VAUDE tries to holistically and systematically recognize the environmental aspects that can occur in business operations, evaluate them and decide how influence can be exerted. VAUDE has identified the following direct and indirect environmental aspects at its Obereisenbach site:

- Materials
- Energy
- Water
- Biodiversity
- Emissions
- Waste and Waste Water
- Products & Services
- Transport

It is unfortunately not yet possible to compare environmental impact within the industry. With the release of the GRI (4) report, VAUDE contributes to transparency in the industry and is considered a pioneer. As one of the first outdoor companies, we were EMAS / ISO14001 certified. In addition, we continuously try to reduce our environmental impact, both at our Obereisenbach site and in our supply chain, and, of course, also on products (see [A1 - Ethical Supply Management](#) and our [GRI report](#)).

We have made the following investments in order to reduce our environmental impact:

	Description of Investment	in percent of expenditure
Investments in environmental protection (EN31):	<ul style="list-style-type: none"> - More efficient lighting - Waste Disposal - Preparing reconstruction for DNGB certification - CSR and QM Budget (partial) - CSR Team (partial percent by position) 	0.63%

MANAGEMENT AND STRATEGY

Based on our sustainability strategy (see [D3 – Efficiency and Consistency in Ecological Comparison of Competitors and Alternatives](#)), environmental considerations are taken into account in all corporate decisions and throughout the life cycle of products, including the selection of environmentally friendly materials, environmentally friendly production technology and utilization of products.



Creating a balance between environmental, economic and social objectives is an essential core objective that has been defined by the management.

Implementing objectives and reducing environmental impact is structurally anchored. There are clear internal responsibilities for specific sustainability goals in all departments. With the help of EMAS and ISO 14001, environmentally relevant processes, the identification of potential adverse environmental effects and the continuous improvement of environmental performance are integrated in the company. This improvement process operates over 3 channels:

- Integration of the Environmental Program with annual environmental goals as part of the company's goals: All objectives for the next three to five years are included in our corporate objectives. Seven out of 17 targets have sustainability as a priority. The company goals are developed in a top-down / bottom-up process and after their ratification are communicated to employees. In our recent employee survey, the statement "I am familiar with the business objectives" was evaluated with a rating of 1.8.
- Due to the distribution over divisional, departmental, team and individual targets, a majority of employees work directly on environmental goals.
- Direct communication with the CSR team: CSR team members are directly contacted by employees or alerted by e-mail.

Components of the VAUDE Environmental Management System are:

- Certification such as EMAS
- Creating of the climate balance – see [“Climate-neutrality at the company headquarters in Tettwang”](#)
- Climate Compensation
- Mobility Management – see [“44.335 km of bike commuting”](#)
- Biodiversity Management – see [“Why biodiversity is important to us”](#)
- Membership in environmental organizations and initiatives such as bluesign®
- Continued training for the CSR Team
- Professional Literature
- Development and implementation of new projects

More information about our environmental management system can be found here.



E4 MINIMIZATION OF EXTERNAL DIVIDEND PAYOUT

EXTERNAL DIVIDEND PAYOUT

There are four participating limited partners (all members of the family von Dewitz), two of whom are involved in the company; there are no dividend payments to external owners.

USE OF PROFITS ORIENTED TO THE COMMON GOOD

Except for withdrawals by shareholders, our regular profits are used 100 percent to increase equity. In general, the equity ratio is raised in order to remain financially independent. This was improved by 36.4 percent as compared to the year before. In the new salary scheme, the bonus system has also been revised. This was adjusted to being based on the position's function level and linked to individual and corporate goals. The bonus system can be viewed by all employees.

The listing of all social and environmental investments can be found in [E2 - Achievements](#).

E5 SOCIAL TRANSPARENCY AND CO-DETERMINATION

TRANSPARENCY

VAUDE has published an annual sustainability report with an EMAS environmental statement since 2008. Since the fiscal year 2013, we have reported in accordance with GRI (4) standards. This makes us even more transparent and objectively measurable. An integral part of the report is the annual environmental program with binding, concrete and measurable environmental goals (see [E3 – Reduction of Environmental Impact](#)). Since 2012, the sustainability report also includes a full carbon footprint and a detailed social report.

Another transparency instrument that VAUDE actively accompanied the development of, as well as used and published itself, is the German Sustainability Code (see [D5 - Active Contribution to Increasing Legislative Standards](#)). This ECG report is another important step towards increased transparency (for more information about the reporting see [here](#)).

CO-DETERMINATION

We at VAUDE are always open and interested in exchanges with our stakeholders. In some cases there are related standardized structures, such as quarterly exchanges with the company management. We also communicate with our external stakeholders, but so far this has been less formalized. Our most intense contact is with our customers and suppliers.



When necessary, VAUDE is represented as a guest at the local council. Since 2014, VAUDE has annually invited the council to the headquarters in Obereisenbach. In addition, VAUDE is a member of various working groups of the region, such as the Climate Action Plan of the Landkreises Bodenseekreis.

We also regularly discuss topics that involve production in the outdoor industry with NGOs such as Greenpeace and with animal welfare organizations such as Four Paws. For more information, please visit our [GRI website](#).

PROSPECTS

VISION / GOALS

Much has happened again at VAUDE in 2013 in terms of sustainability. By and large, we were able to achieve our goals.

Our goals are:

WE ARE ECONOMICALLY SELF-SUFFICIENT AND POSITIONED FOR A PROMISING FUTURE.

WE ARE TRANSPARENT AND AUTHENTIC.

OUR PRODUCTS ARE SUSTAINABLE AND TECHNICAL.

OUR COMPANY IS HOLISTICALLY FOCUSED ON ENVIRONMENTAL FRIENDLINESS.

WE HAVE HIGH ENVIRONMENTAL STANDARDS IN THE SUPPLY CHAIN.

OUR EMPLOYEES ARE SATISFIED AND WE ARE AN ATTRACTIVE EMPLOYER.

WE HAVE IMPLEMENTED HIGH SOCIAL STANDARDS IN THE SUPPLY CHAIN.

You can find more detailed information on our goals [here](#).



PREPARATION PROCESS OF THE COMMON-GOOD BALANCE SHEET

The following employees participated in the creation of our Common Good Balance:

Janis Drögekamp, Corporate Development & Member of the CSR Team

Hilke Patzwall, VAUDE Environmental Representative & Member of the CSR Team

Antje von Dewitz, CEO

Jan Lorch, Member of the Management Board (Sales & Head of CSR Team)

Erwin Gutensohn, Member of the Management Board (Finances)

Helmut Norwat, Head of Human Resources & Administration

Philipp Kleinhans, Thomas J. Dalsant and Lisa Fiedler, Interns in the CSR Team

Time period / working hours:

The preparation of this report and the ECG Matrix took place from June - October 2014. A total of approximately 100 hours have been invested.

Communication:

The ECG report will be published on the intranet and VAUDE website in accordance with the external audit.

Date: Tett nang, October 2014

