



WE ASSUME OUR RESPONSIBILITY

Corporate Social Responsibility (CSR) Report 2013



The Maier Sports GmbH group and its brands:



CONTENTS

Good working conditions	03
About Maier Sports	04
Situation	06
Maier Sports' strategy	10
Overview of production sites.....	13
Fair Wear Foundation Standards.....	16
Integration of suppliers and subcontractors	20
Communication of Fair Wear Foundation membership	21
Additional actions.....	22

GOOD WORKING CONDITIONS

*Responsibility, quality and sustainability
start with the treatment of employees.*

"We want our employees all over the world to have good working conditions similar to those we expect here in Germany," comments Simone Mayer, Maier Sports' Managing Director, products and logistics.

As a German company with production sites in Turkey, China, India and Pakistan, we bear social responsibility for our employees all over the world. We strive to promote good working conditions, occupational health and safety, adequate wages, free choice of employment and to combat discrimination and child labour.



ABOUT MAIER SPORTS

Our employees all over the world are very important to us.

For 75 years, Maier Sports has been developing clothing in the Swabian town of Köngen, progressively establishing its position as a leading functional sportswear brand. The company's high-quality outdoor and ski clothing is sold throughout Europe and Russia.

Maier Sports is a company with tradition and vision. Maier Sports is one of the few German clothing manufacturers to combine its long history as an outdoor specialist with innovative functionality. For 75 years, Maier Sports has built on its key strengths of skilled know-how, design and the very latest in textile technology. Maier Sports places great emphasis on quality and on the responsible treatment of people and nature.

Many years ago, we committed ourselves to ensuring responsible and sustainable processes at our production operations around the world and we consistently apply the requirements and guidelines defined in our own internal Code of Conduct. We developed our Code of Conduct in 2007, setting out social standards governing remuneration, working hours, occupational



health and safety, environmental protection and ruling out both the use of child labour and compulsory labour. Every production partner working for Maier Sports must adhere to this agreement at all times.

Furthermore, Maier Sports has been a member of the internationally respected Fair Wear Foundation (FWF) since 2011 (for more information about the FWF, visit www.fairwear.org). The FWF is regarded as the strictest protector in the monitoring of compliance with fair working conditions in the textile industry. This co-operation highlights Maier Sports' sense of responsibility to its production facilities, and in particular to the employees at these sites, and its consistent and essential efforts to ensure fair working conditions. Our membership of the Fair Wear Foundation brings us valuable support for the continuous improvement of working conditions in our supply chain.

This CSR report is proof of Maier Sports' assumption of its responsibility and insistence on transparency.





1938 | The company was founded in Köngen as Imanuel Maier GmbH

1954 | Construction of the first premises in Köngen

1970 | Gerhard Maier took over management of the company. Specialisation in sportswear (including tennis clothing)

2004 | Acquisition of trademark rights for GONSO

2006 | Introduction of Maier Sports Professional Textiles, the most technical and functional range.

2008 | Relaunch of the Maier Sports logo and introduction of the new corporate emblem to mark the company's 70th anniversary

2009 | Insolvency and separation of the US40 and at.one brands. The focus is placed on Maier Sports and GONSO

2010 | Selected as "Aufsteiger des Jahres" (Rising Star of the Year) by the trade journal outdoor.markt

2011 | Maier Sports was sold to Findos Investor and joins the Fair Wear Foundation

2012 | Expansion of the management team and acquisition of RONO Innovations

2013 | The company celebrated its 75th anniversary and introduced a PFC-free production strategy

SITUATION

We build long-term relationships with our production partners.

For many years, the international clothing industry has been in a state of transition. Quite literally. Production operations are being relocated from country to country, with destinations determined by the lowest wages. These low salaries generally go hand in hand with poor social standards. Bodies such as the International Labour Organisation, Amnesty International and the Clean Clothes Campaign consistently denounce inadequate practices.

In response to this justified criticism, responsible companies - in particular in the outdoor sector - are assuming their social responsibility. They are endeavouring to promote fair working conditions and social standards in critical countries where workers' positions are very weak.

Maier Sports manufactures its products in Turkey and China mainly in plants in which the company holds a direct stake. This allows us to influence decisions made by these local companies and their suppliers.

A small proportion of production is also sourced from subcontractors in India and Pakistan. Maier Sports places great emphasis on building long-term relationships with its production partners.

The clothing industry is acting as a kind of development aid worker in these emerging nations and in many cases is helping to drive further industrialisation. Other sectors then tend to follow the example set by the clothing industry.

This is precisely why it is so important for manufacturing operations to accept their responsibility and promote the implementation of specific social requirements.

The support of a strong partner such as the Fair Wear Foundation is very helpful in this respect. Maier Sports has been a member of the independent Fair Wear Foundation since 2011, and as such pledges to observe the strictest social standards applicable in the textile industry.

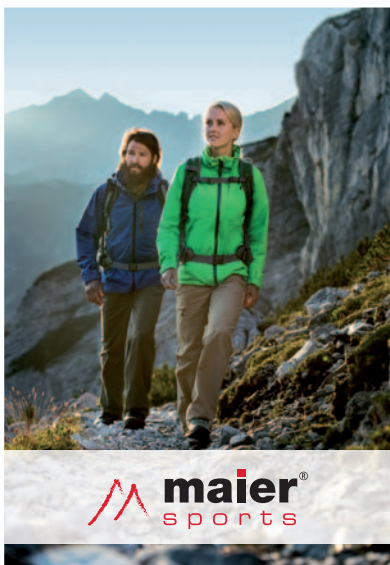


The Maier Sports Group

The Maier Sport Group encompasses three brands. Each brand is positioned in a different segment based on its core competence. Exactly the way many people pursue multiple sports in parallel. Our three brands fit perfectly together. We communicate and co-operate. This brings our customers the benefit of a comprehensive product portfolio, underpinned by the familiar high quality of Maier Sports and specifically tailored to the application areas of each of the three brands.

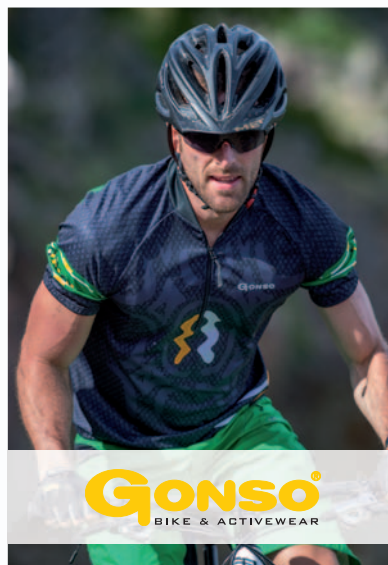
MAIER SPORTS

Maier Sports is a functional ski and outdoor clothing brand. It is aimed at people who enjoy active outdoor pursuits, from leisure sports fans to committed enthusiasts. Maier Sports offers this target group appropriate, high-quality, and fashionable outfits in up to 32 different sizes.



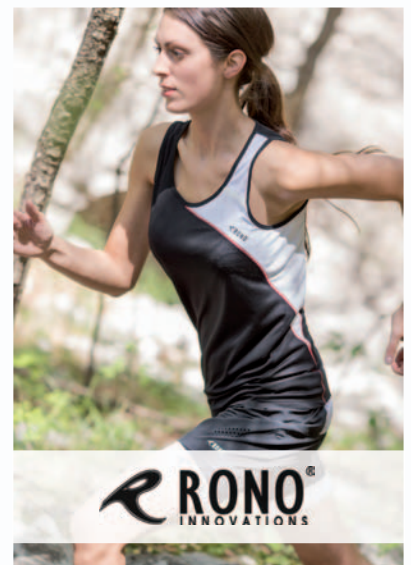
GONSO

GONSO: the first supplier of functional cycling shorts in Germany and a bike-wear specialist. The brand's wide product portfolio includes the perfect equipment for every cyclist. From touring enthusiasts to leisure or occasional cyclists, mountain bike fans or ambitious racers – GONSO has the right outfit to meet every need.



RONO

RONO is the brand by runners for runners. As well as running enthusiasts, many triathletes also rely on RONO. Maximum functionality and top quality are the basic requirements for any product sold under the RONO logo.



Fair Wear Foundation

The Netherlands-based Fair Wear Foundation is a multi-stakeholder initiative representing different business and textile associations, trade unions and non-governmental organisations (NGOs).

It pursues the aim of improving working conditions in clothing manufacture and promoting collective social responsibility. Companies that join the FWF pledge to implement and monitor social standards - the foundations for humane working conditions - in their production operations.

As well as carrying out audits at production sites, the FWF also conducts regular verifications at its member companies.

The FWF has developed its own set of social standards based on the core labour standards defined by the International Labour Organisation (ILO). In the event of any discrepancy or contradiction between the FWF standards and local legislation, the higher requirements apply. The social standards and the requirements for their implementation are recorded in the "FWF Code of Labour Practices". Members of the FWF agree to this Code and to the FWF's monitoring of their compliance.

FWF Code of Labour Practices:

- ▶ manufacturers are responsible for production operations and suppliers.
- ▶ working standards are based on the widely accepted ILO Conventions and the United Nations' Universal Declaration of Human Rights

- ▶ implementation of the Code is viewed as a process that can take several months or even years
- ▶ local stakeholders are involved in audits and corrective actions
- ▶ FWF members' implementation of the Code is verified independently
- ▶ managers and employees are involved in corrective actions

The site's managers must be present during the audit. The audit team must be allowed access to the site and all other important facilities. Audits are carried out by local FWF-trained audit teams in the production country. These teams are an integral part of the system for monitoring social standards.

Resulting in,

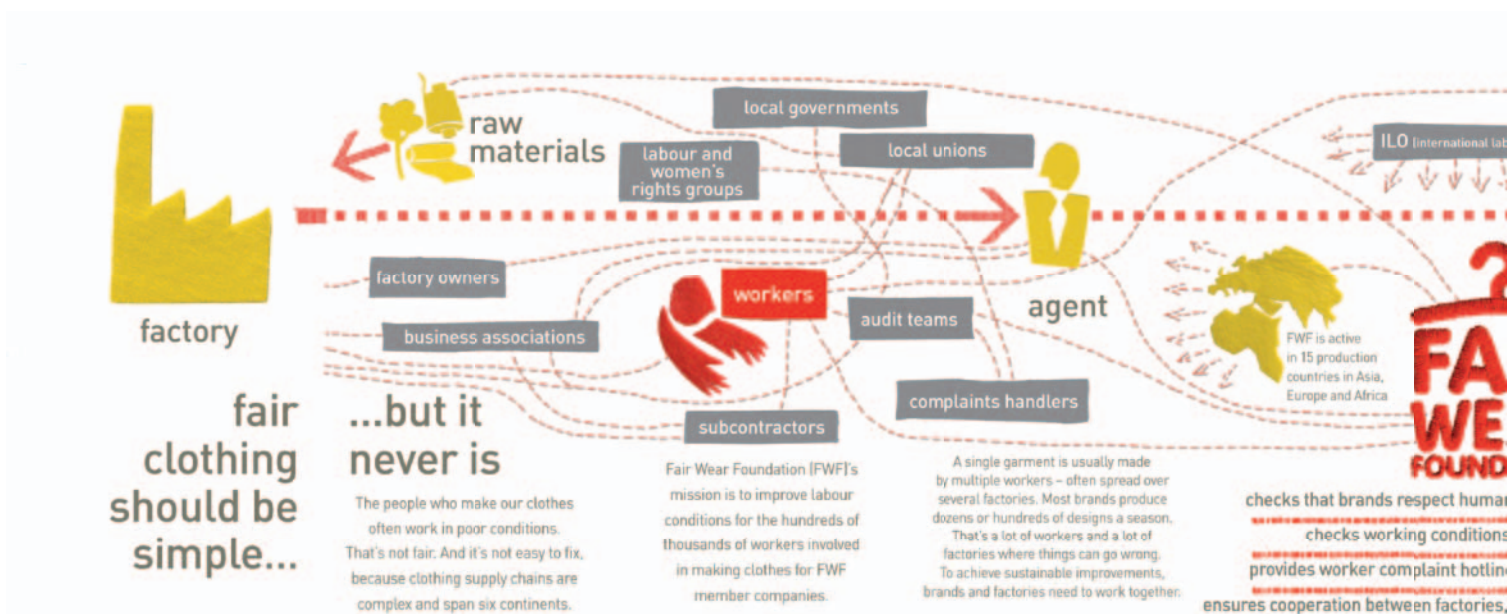
- ▶ easier communication
- ▶ greater trust in comparison with people from outside the country
- ▶ consideration of specific regional and cultural factors.

An audit team generally consists of three inspectors:

- ▶ a document auditor
- ▶ a health and safety auditor
- ▶ an employee interview inspector

An audit takes around one and a half to two days to complete. The following discussions and analyses take place during the audit:

- ▶ with managers and their employees
- ▶ with various workers at the site; some discussions usually take place outside the company



PRODUCTION FACILITIES

In 2013, under the Fair Wear Foundation's monitoring procedure, eight production sites - in Turkey (1), China (6) and India (1) - were audited. This is part of a continuous process.



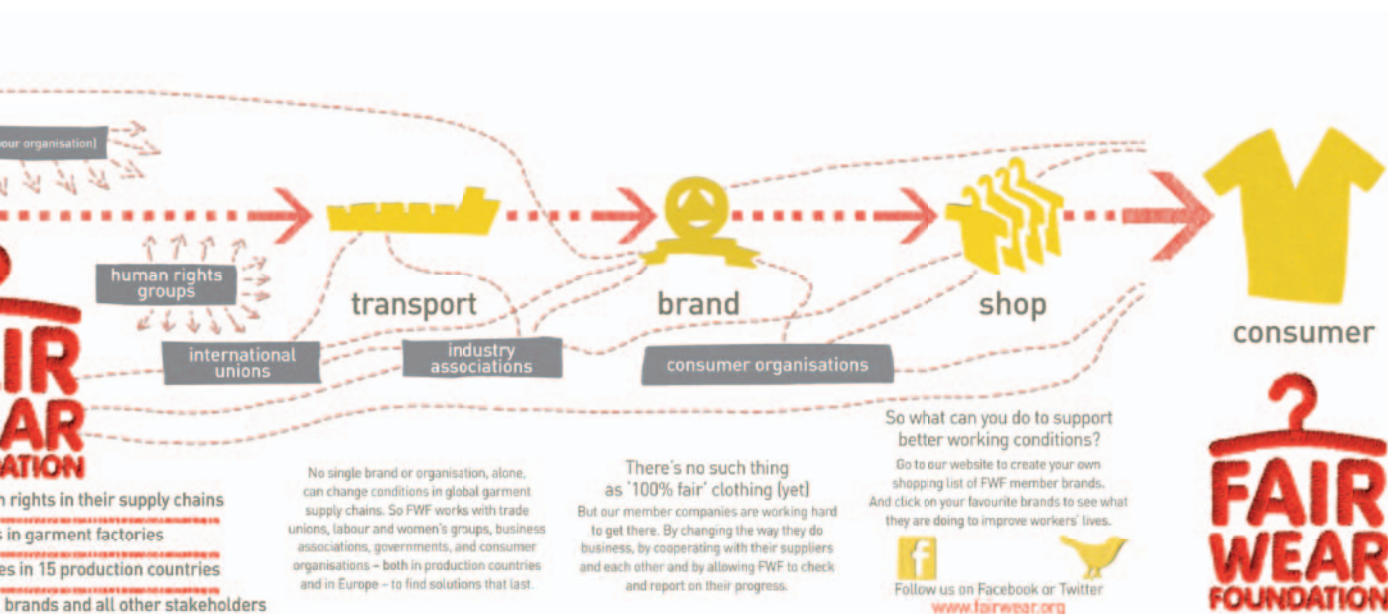
- ▶ verification of company records, in particular relating to payroll, recruitment and working hours
- ▶ check of occupational health and safety provisions.

Before the audit team sends its report, it discusses the results of the audit with the management of the audited site. If the working conditions at the site do not meet the social standards, the team records recommended improvements in a Corrective Action Plan, short CAP. These recommendations are also discussed with the site. The Fair Wear Foundation's audit report is sent exclusively to Maier Sports, which then forwards it to its production sites. After the audit, an agreement covering the required improvements is drawn up between the site and Maier Sports. This defines a time frame for the implementation of the Corrective Action Plan. Implementation of these actions is checked during a follow-up visit by the Fair Wear Foundation or a repeat audit.

As an independent monitoring body, the Fair Wear Foundation assesses the effectiveness of the actions taken by member companies to comply with the mandatory social standards and identifies areas for further development.

These audits are part of a continuous improvement process for working conditions, backed up by active support from the Fair Wear Foundation. Maier Sports requires all suppliers to adhere to the Fair Wear Foundation's social standards. These standards are communicated to all sites.

In many cases, workers have very little knowledge of their rights and obligations. To address this situation, the FWF has developed a Worker Education Programme (WEP). A neutral grievance system gives workers access to competent local representatives who can be contacted in the event of any problems.



MAIER SPORTS' STRATEGY

Optimised timelines for more even utilisation of capacity and reliable planning

Occasional conflicts of interest between procurement and CSR revolve around:

- ▶ timely deliveries at the lowest possible price and of good quality
- ▶ compliance with social aspects aimed at avoiding or reducing overtime and payment of a living wage.

Production cycle

Maier Sport's production plan is based on a clear schedule – an annual timeline – that is transparent for all stakeholders. The company works on two main design collections each year. It also processes individual intermediate programmes and seasonal repeat orders.

The production cycle starts with planning of the relevant collection and creation of the collection master plan. Once the collection has been developed, prototypes are produced for each model. Sample collections for the sales teams must be produced at the start of the sales season.

At the end of the order season, orders are placed for mass production. The technical and cutting departments are closely involved in this process. Textile and cutting technicians apply their know-how to review cutting and processing techniques for the samples and assist with preparation for production. Technical staff are in constant contact with producers and make regular site visits to support production and monitor timely return shipments. Maier Sports' production cycle ends with the arrival of the finished goods and a goods inward inspection at the warehouse by Quality Department.

Maier Sports has revised its timeline and in future will endeavour, as far as possible, to specify earlier deadlines for placing of production orders. This will relieve time

pressure on production. The aim is to reduce overtime by allowing more even utilisation of capacity.

Work Plan and Social Report

The FWF work plan is the foundation of the planning cycle for the coming business year and sets out the strategy for monitoring social guidelines. The FWF also uses the work plan as the basis of its Brand Performance Check and for scheduling audits over the year ahead.

The Social Report considers the previous year. It documents the current situation in terms of compliance with the Fair Wear Foundation's standards at the individual factories.



Organisation of Production

The product and logistics management is in co-operation with technical management responsible for ensuring production facilities' compliance with the standards defined in the Fair Wear Foundation's Code and the Maier Sports' Code of Conduct. As part of this process, a Maier Sports employee makes regular site visits – in general, at least once a month.

Orders are placed according to technical requirements and the capacities of the individual joint venture operations, influenced in particular by the following four key criteria:

- ▶ compliance with social standards
- ▶ quality
- ▶ price
- ▶ timeliness of deliveries.

An order is placed only if all of these four criteria meet requirements and lie within the target corridor. It is important to point out that the best price is not the decisive criterion. Equal emphasis is placed on compliance with social standards, quality and timely delivery.

Selection of new production facilities

At present, most Maier Sports' products are sewn and produced at facilities in which Maier Sports holds a stake. New production facilities are selected only after extensive personal assessment and evaluation by management.



Any new production facility considered for a contractual relationship must agree to, implement and comply with the Maier Sports' Code of Conduct and the Fair Wear Foundation's Code of Labour Practices. The company must promise to allow verification of socially acceptable working and safety conditions at any time and to immediately implement corrective actions in the event of any grievances or identified transgressions. Orders are placed according to technical requirements and the capacities of the individual sites.



Production

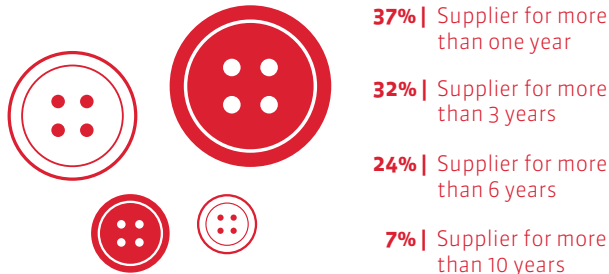
The procurement strategy is designed to allow local purchases of supplies and raw materials in each production country. Production sites are therefore located in countries and regions in which the raw materials and preliminary products can be sourced. This avoids complex and lengthy transportation, which in turn helps to save resources and protect the environment.

The production facility established in Turkey in 1989 is a wholly owned subsidiary of Maier Sports.

In China, Maier Sports has joint venture companies which it set up with a Chinese partner in 2000 and has continuously expanded since then.

- ▶ first joint venture 2000, prod. no. 3226
- ▶ second joint venture 2006, prod. no. 0142
- ▶ third joint venture 2011, prod. no. 3242

Maier Sports plans to continue and develop this strategy in the future. As part of this approach, Maier Sports focuses on building long-term relationships with its partners rather than relocating operations to different countries in pursuit of potentially lower production costs.



Long-term relationships give partners solid foundations for planning and allow stable utilisation of capacity. Maier Sports is therefore creating secure employment at its production sites. A further aim of these long-term partnerships is to guarantee Maier Sports' high quality standards. The same applies for timely and reliable deliveries of goods. Price is ranked just third in the list of priorities.

Implementation of this objective is supported by the creation of a comprehensive programme of "never out of stock products" (NOS). NOS items are products that are offered continuously for sale within the range. This allows suppliers to plan more even utilisation of capacity and alleviate seasonal variations. NOS helps to reduce production peaks in the high season while making better use of capacity in quieter months.

Implementation and monitoring of compliance with guidelines

All garment manufacturers that produce for Maier Sports have been fully informed of Maier Sports' membership of the Fair Wear Foundation and what this membership means for them as our partners. We make sure that our production operations are aware of the obligations they are committing to, not only in relation to quality, price and delivery dates, but in particular in terms of social standards, health and safety provisions, ban on child labour, employment contracts, wages, etc. We ensure that the principles of the FWF's Code of Labour Practices are clearly visible and displayed in the relevant national language for consultation by all employees. The Maier Sports employee who visits local operations to verify their compliance with standards is also a contact person who can provide active assistance in the event of any problems or attend to improvements in the production process.

Specific case

An audit revealed that a subcontractor had failed to meet the agreed requirements. More specifically, the requirement to pay a fair wage as well as incorrect payment of social security contributions.

After being alerted to the situation in October 2013, Maier Sports immediately contacted the subcontractor to request clarification. The factory manager denied the allegation. Despite great efforts, it proved impossible to clarify the situation. During a visit to Asia at the start of December, one of our German technicians discussed the issue with the manager of our local subcontractor. Our technician was shown the payroll records and brought a copy back to Germany. The information was immediately forwarded to the Fair Wear Foundation.

As the subcontractor was being uncooperative, in December 2013, Maier Sports' management decided to terminate the business relationship with this company after completion of the spring/summer 2014 order.

In addition to efficient sourcing conditions, Maier Sports' production and management philosophy is also based on the responsibility we assume for our partners.

OVERVIEW OF PRODUCTION SITES

Procurement of our textiles is distributed as follows between sites in Turkey, China, India and Pakistan:

PRODUCTION FACILITIES/AUDIT PROCEDURE

CHINA

80.0%

74.0%

INDIA

3.0%

1.0%

TURKEY

16.7%

12.5%

PAKISTAN

0.3%

0.0%

■ Production facilities

□ Audit procedure

Turkey

In Turkey, our production partner has been included in the Fair Wear Foundation's audit procedure since 2011. This company is a wholly owned subsidiary of Maier Sports GmbH.

One of our pattern cutters visited the company to train employees in cutting techniques and analyse processes. The aim is to optimise pattern cutting in order to streamline working processes and reduce overtime during peak periods. Technicians make regular visits to Turkey each season to check quality and train employees.

One of the general challenges in Turkey is the social insurance system which, although comparable to the German system, is not always applied with the same consistency. There is still progress to be made in the areas of freedom of association, wages, working hours and in particular occupational safety.

China

Maier Sports operates joint ventures with three production sites in China. Two of these three sites are included in the FWF's audit procedure. The third site was audited in 2013 by the "Business Social Compliance Initiative" (BSCI).

Production number 3226 has been included in the Fair Wear Foundation's audit procedure since 2011 and the company has been subject to an additional verification audit since March 2014. Production number 0142 has been included in the Fair Wear Foundation's audit procedure since 2013. Production number 3242 was audited by the BSCI in 2013.



The BSCI is a business-driven platform for improving social standards in a worldwide value chain. It offers companies a systematic monitoring and qualification system to improve working conditions. The FWF recognises BSCI audits for a period of one year.



In the 2013 reporting year, each site was visited regularly by one of our six technicians to train employees at our Chinese partners in quality assurance and to support processes in all production-related areas. One of our joint ventures produces initial patterns and production patterns. A Maier Sports pattern cutter visited the company to explain improvements in the cutting programme to employees, provide training, analyse processes and reduce work steps. The aim is to optimise pattern cutting in order to streamline working processes and reduce overtime during peak periods.



In view of China's position as Maier Sports' most important production country, all of the main production plants have been audited within the last three years.

The major long-term issues in this country are regulation of working hours and adequate wages. Trade unions exist, but in many cases employees have insufficient knowledge of these organisations' functions and duties.



Since the only way to change this situation is by educating workers about their rights, Maier Sports offers sites the option of running the FWF's Worker Education Programme (WEP). Unfortunately, poor uptake so far means it has not been possible to run a WEP.

The WEP is intended to raise awareness of social standards. It is also designed to inform both workers and management of their rights and obligations and to increase their understanding of these issues. In addition to the eight core labour standards, another important component of the training is the grievance management system and improving communication within production operations.

Raising a grievance with the FWF must always be the very last step. The emphasis must therefore be on effective internal communication and a reliable internal grievance system.

India

Maier Sports works with a supplier located in India. This company has been included in the Fair Wear Foundation's audit procedure since 2013.



Maier Sports decided to carry out an audit in India in 2013, despite the fact that this country accounts for just 3% of the company's entire production. Maier Sports realised that the producer's development stage was not yet sufficient to achieve a good audit result. However, by documenting the weaknesses, the audit procedure is now allowing a targeted approach to be taken to address each of these issues in turn.



Maier Sports' objective is also to give these companies an opportunity and to build long-term business relationships. This means applying existing know-how to raise quality levels and increase understanding of social standards.

General conclusion

The results of the audits at production sites highlight three main issues:

- ▶ freedom of association
- ▶ payment of fair wages and
- ▶ regulation of working hours.

These three key issues must be continuously monitored and followed up. Depending on the scope of the corrective actions, implementation may take many months or even years.

FAIR WEAR FOUNDATION STANDARDS

*Eight fundamental and clearly defined requirements
form the core of the FWF audits.*

This section provides a broad overview of the current situation and general problems relating to the eight fundamental points of the Code of Labour Practices stipulated by the Fair Wear Foundation: The agreement with the Fair Wear Foundation specifies that all discrepancies and transgressions identified, as well as all actions implemented in compliance with the Fair Wear Foundations' Code of Labour Practices (CoLP), must be documented.

1. Employment is freely chosen

There shall be no use of forced, including bonded or prison, labour. (ILO Conventions 29 and 105).

- ▶ No violations of the provisions on compulsory labour were identified during the audits.



2. No discrimination in employment

Recruitment, wage policy, admittance to training programmes, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies or handicaps (ILO Conventions 100 and 111).

- ▶ No violations of the provisions on abuse or discrimination were identified during the audits.

1 employment is freely chosen



Workers cannot be forced to work, for example by withholding their salaries or by locking them up.



2 no discrimination in employment



Most garment workers are women. They often face discrimination and harassment. FWF works towards better conditions for women and for other vulnerable groups like migrant workers.





3. No exploitation of child labour

There shall be no use of child labour. “The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years.” (ILO Convention 138).

There shall be “no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour”.

Children in the age of 15-18 shall not perform work which, “by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals.” (ILO Convention 182).

- No violations of the provisions on child labour were identified during the audits.

3 no exploitation of child labour

Children should be able to go to school. Once they're old enough to work, they should be protected from hazardous work or long hours.



4. Freedom of association and the right to collective bargaining

The right of all workers to form and join trade unions and bargain collectively shall be recognised. (ILO Conventions 87 and 98).

The company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers.

Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions. (ILO Convention 135 and Recommendation 143).

- Once again, we can only point out that freedom of association exists and management continues to ensure this.



4 freedom of association and the right to collective bargaining

For sustainable change, it's crucial that workers have a voice in the improvement of their working conditions. The right to form unions and bargain with factories is the first step.



5. Payment of a "living wage"

Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income. (ILO Conventions 26 and 131).

Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.



- ▶ Wages for normal working hours are above the local minimum wage but below the amount viewed as a living wage by the stakeholders consulted by the FWF.
- ▶ Implementation of living wages is not an easy undertaking that can be achieved overnight.

5 payment of a living wage



Working for a living – that's the idea. Wages for a normal working week should be enough to meet basic needs of workers and their families and to provide some discretionary income.



6. No excessive working hours

Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period.

Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate. (ILO Convention 1).

- ▶ Overtime was paid according to the applicable local legislation.
- ▶ The challenge for Maier Sports in the future is reducing overtime and ensuring full payment of employees' social security coverage.

6 reasonable hours of work



Working six days a week, eight hours a day. That's what the UN says is the max. Any more than that should be voluntary, paid and not more than twelve hours a week.



7. Safe and healthy working conditions

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards.

Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for.

Effective regulations shall be implemented to prevent accidents and minimise health risks as much as possible (following ILO Convention 155).

Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer is strictly prohibited.

- ▶ At one site, the Fair Wear Foundation established that a stain-removal workstation using solvents was not equipped with the prescribed ventilation system. Management promised to resolve the issue. The answer took the form of moving the problematic stain-removal workstation close to a window. Circulation of air provides natural ventilation in this location.
- ▶ A creative solution. However, at the same time this illustrates the remaining urgent need for education to raise awareness of the significance and importance of social standards, occupational health and safety, and ensure their implementation.



8. Legally-binding employment relationship

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment.

- ▶ In relation to statutory labour and social obligations, we must rely on the FWF's experts and their audits, as this is difficult or impossible for outsiders to verify.

7 safe and healthy working conditions



Workers have a right to safe and healthy working conditions. That means accessible fire exits and proper safety gear. And if they need to work with hazardous materials or equipment, they need to know how.



8 a legally binding employment relationship



Workers have legal rights to a contract and certain benefits, like pension payments, social security, insurances and severance pay. Employers need to respect those rights.



INTEGRATION OF SUPPLIERS AND SUBCONTRACTORS

Co-operation with suppliers of our main production operations.

In situations where additional subcontractors are enlisted to support our own production facilities, our local partner companies are responsible for selecting these co-operation companies. They are obliged to appoint only companies that operate according to Maier Sports' standards, as set out in the Code of Conduct and the Fair Wear Foundation's Code of Labour Practice. Our local partner companies carry out verifications of subcontractors. Maier Sports' technicians also make

regular visits to these subcontractors. As well as providing technical assistance, our technicians support subcontractors with the implementation of social standards.

We are specifically interested in establishing long-term relationships of trust with our suppliers and subcontractors. We are convinced that continuous exchanges of experience and know-how are essential to ensure high-quality products and workmanship.



COMMUNICATION OF FAIR WEAR FOUNDATION MEMBERSHIP

We want people to know about the joint efforts of the FWF and Maier Sports.

Maier Sports views its membership of the Fair Wear Foundation as a very important component of its corporate strategy and a reflection of its sincerity in assuming social responsibility. We therefore actively communicate this membership and ensure the transparency of the results of the process-based audit procedure. We publish our annual CSR report on our website.

We communicate our Fair Wear Foundation membership on our website, in our dealer workbook, in press releases and in our customer magazines. We also refer to our FWF membership and its significance in Europe's biggest training competition for retail staff, the VDS Super Cup organised by the Verband Deutscher Sportfachhandel (German Sports Retailers Association). The groups of students who regularly visit the company are also given information about the Fair Wear Foundation. We run internal training courses to inform our employees about our co-operation with the Fair Wear Foundation and explain the consequences in terms of compliance with social standards.



At weekly technician meetings, employees are also updated on the current situation, ongoing processes and any new developments in relation to the Fair Wear Foundation.

We therefore give our employees, sales partners and consumers the opportunity to gain an insight into Maier Sports' efforts to improve working conditions in critical production countries.



ADDITIONAL ACTIONS

Corporate Social Responsibility goes far beyond good working conditions

New staff member

In the 2013 reporting year, Maier Sports' management decided to create a new position within the company to support the CSR team. According to the job description, the new employee spends 50% of her working time dealing with issues relating to the Fair Wear Foundation.

The vacancy was filled on 1 January 2014, allowing Maier Sports to focus even more intensively on the implementation, verification, compliance and development of social standards at partner operations and their suppliers. We expect this to lead to further noticeable improvements within the coming year.

Sustainability

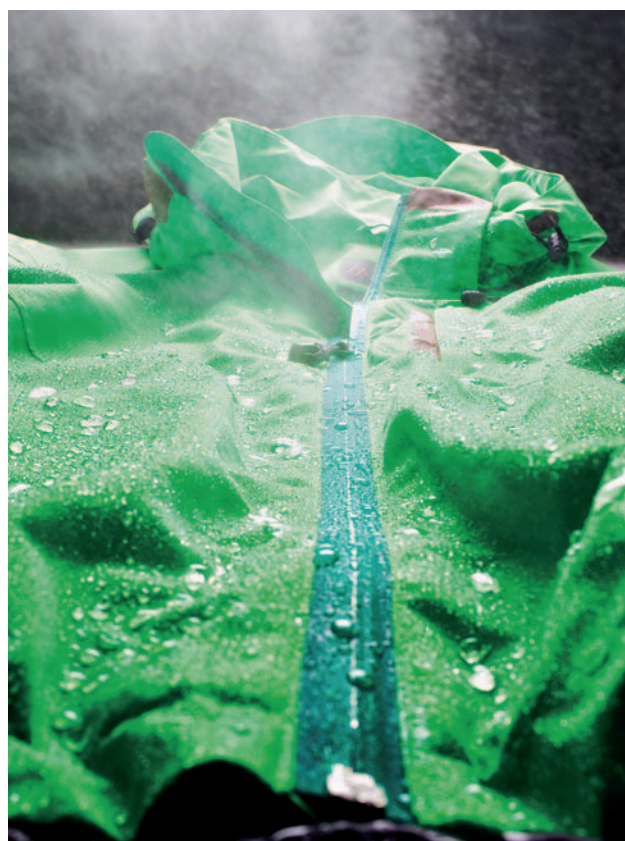
Mission Clean Function

Under the Mission Clean Function, Maier Sports has committed to make its production as resource-sparing and environmentally friendly as possible. The objective is to protect nature, with particular emphasis on water, as the basis for all life.

PFC-free treatment

In 2013, the first concrete result of the Mission Clean Function was the introduction of a DWR (durable water resistant) textile treatment for functional clothing containing no perfluorinated or polyfluorinated chemicals (PFCs). Maier Sports is therefore one of the first companies to implement this requirement imposed by Greepeace and other bodies. PFCs find their way into the environment during the production process and when garments are washed or disposed of. These fluorine

compounds are non-degradable and remain permanently in nature. Scientists assume adverse and possibly serious effects on animal and human health. Research is still in its infancy. This makes it even more important to switch to harmless materials.



By 2020 at the latest, Maier Sports intends to convert all of its functional jackets and trousers to the environmentally friendly and non-toxic PFC-free impregnation. The company is striving to completely eliminate PFC treatments even earlier if possible. "We will probably manage to make this switch considerably earlier," explains Simone Mayer from the management team.

"Aktiv gegen Kinderarbeit" ("Active against Child Labour")

Maier Sports vigorously rejects the use of child labour. We document this in various ways, including through our support for the "Aktiv gegen Kinderarbeit" campaign. This campaign informs responsible people in Germany, in particular in the political, economic and social spheres, about the contribution they can make to overcoming inhumane and exploitative child labour. German cities, municipalities, districts and states have already been included on the campaign's list of organisations that reject the procurement of products derived from exploitative child labour. The list also publicises the stances of well-known companies and brands in relation to the issue of "child labour". Maier Sports ensures that its attitude is transparent.

Company/ brand	Company policy against child labour	Verification of production facilities	Allegations regarding child labour	Commitment against child labour
-------------------	--	--	---------------------------------------	------------------------------------

Maier Sports	■	■	■	■
-----------------	---	---	---	---

The campaign is being supported throughout Germany, in particular by Eine Welt and human rights groups, Weltladen fair trade stores, local Agenda21 offices and church groups. "Aktiv gegen Kinderarbeit" is an earthlink campaign. For more information, visit www.aktiv-gegen-kinderarbeit.de/firma/maier-sports/

Voluntary five year guarantee

We believe in the quality and durability of our products. We therefore voluntarily provide a five-year guarantee on all our shirts, trousers and jackets. We back this up with our name. Durable products are very sustainable products that save resources and protect the environment. Our repair department in Köngen is an additional pillar of this concept.



Recycling old trousers

We are also planning and implementing a trouser campaign in 2014. Customers who hand in an old pair of trousers when purchasing a new pair will be given a reward.

Depending on their condition, the old trousers are donated to charitable causes or professionally recycled. This too represents a small contribution towards more sustainable operations.



ABOUT MAIER SPORTS

Tradition with vision: Maier Sports is one of the few German clothing manufacturers to combine its long history as an outdoor specialist with innovative functionality. For 75 years, Maier Sports has built on its key strengths of skilled know-how, design and high technology. Maier Sports not only places great value on quality, but also on responsible behaviour towards people and nature. As part of this approach, Maier Sports has developed a Code of Conduct setting out standards governing remuneration, working hours, occupational health and safety, environmental protection, and ruling out the use of child labour and compulsory labour. Since 2011, Maier Sports has been a member of the internationally respected Fair Wear Foundation. This co-operation highlights Maier Sports' awareness of its responsibility to its production facilities, and in particular to the employees at these sites, and its consistent and essential efforts to ensure fair working conditions.