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Preamble



"Trust is good, but sense of responsibility is better!"

Dear Reader!

Sometimes we are asked why only a small number of Outdoor Clothing is actually manufactured in Germany. We answer our quality conscious Schöffel customers: This is because high-quality function textiles require special manufacturing standards. For many years already especially Asia can meet them. Schöffel-COO Torsten Müller explains this on page 26. By tradition we have our own tailor shop at our headquarters in Bavarian Schwabmünchen where we train and educate. For more information see the report on page 28. To ensure our standards for products manufactured in fair and premium quality we implement our Code of Labour Practice (CoLP) throughout the whole supply chain (page 8). This is verified by the Fair Wear Foundation (FWF) in which we are members since 2011. By then Schöffel already had integrated far over 80 percent of their production volume into their Monitoring Programm and by that significantly exceeding the 60% FWF requirements for the second year of membership. Together with the FWF Schöffel sets its focus on training our suppliers. Because to us is seems by far better to raise awareness at the production sites than to than exerting control and supervising. We will continue working on this in the future.

We are happy about your interest in our Social Report 2012.





Committed to the future by tradition

A family-run company provides for tomorrow ... today.

"Life can only be understood backwards; but it must be lived forwards." The words of the Danish Philosopher Søren Kierkegaard could – slightly modified - also stand for the self-concept of Schöffel, manufacturer of Outdoor and Ski wear: The internationally active family business is located in the Suebian textile region close to Augsburg and considers itself committed to the future by tradition. CEO Peter Schöffel stands in seventh generation as manager of this medium-sized company. While he can look back upon a success story of more more than 200 years for his house - further chapters, must already be written now, to serve for tomorrow. Also – and especially - with respect to the field of a modern corporate and human resources policy.

Currently Schöffel stands for functional, sportive top products and straightforward brand management. Virtues such as affinity with nature, sustainability and quality are highly important criteria for decisions. "Schöffel customers must be absolutely confident and certain that - in the course of manufacturing our products - human ecological requirements are fully met", says Peter Schöffel. A pronounced sense of social responsibility towards all employees shapes the whole production process of the employer nationally ans well as internationally. While the manufacture of function wear rests in the hands of our highly competent partners in Eastern Europe and Asia Research, development, customer service, marketing, sales and management remain located at our traditional headquarters in Schwabmünchen, where the company is based since 1804.

Approximately 200 employees work here under one roof upon which a photovoltaic system is installed for obtaining solar power and where heat pumps

"Our brand stands for nature nature and an intact environment. For this reason it is absolutely selfevident to also follow these principles in our own house."

and heat exchangers are part of an innovative energy concept aiming for an ideal and natural room climate. "Our brand stands for nature and an intact environment", explains CEOPeter Schöffel, "for this reason it is absolutely selfevident to also follow these principles in our own house, as well." A low temperature heating system reduces energy consumption. Furthermore excess heat of computerservers is utilized, a special facade ensures natural lighting conditions, significantly reduces use of artificial lighting and protects the building from overheating during the summer.

Another big concern of the company is to forward the working conditions in the countries of manufacture. The membership in the Fair Wear Foundation and - associated with it - transparency in supervision of working conditions all over the world was and is one consistent step towards quality assurance and the field of Corporate Social Responsibility (CSR). Exchange with relevant interest groups additionally sharpens the ability for a broader view beyond the corporate horizon. Since 2012 Schöffel is also member of EOCA (European Conservation Association). This initiative of the European Outdoor industry has dedicated itself to protection and preservation of endangered regions, animals and plants. The future has begun here as well, already.

Mastermind For Sustainability: The Fair Wear Foundation

Why Schöffel is member in the independent multi-stakeholder initiative



Peter Schöffel prefers taking one step after the other. Hot needle or quick and dirty are not his style. The head of the family-run businesscares for diligence and consideration also in respect to CSR. "We face the social corporate responsibilities", says the CEO,

"and keep following through on a consistent concept." One decisive step was joining the Fair Wear Foundation (FWF) in 2011.

The independent Non-Profit Organisation has set the objective to promote fair, legal and humane working conditions all around the world in companies manufacuring clothing. The work conditions should at least meet the respective minimum standards of the International Labor Organisation (ILO) as well as the local laws and regulations. The principles of the FWF code of conduct (CoLP) which is accepted and implemented by the members among other – also addresses the responsibility for

the supply chain, internationally accepted fair labor standards, human rights conventions and continuant demands. The implementation is verified by the FWF. Schöffel checks all suppliers responsible for cutting, sewing, embroidering, knitting, ironing, finishing, ticketing, packing and other work-steps of importance to direct manufacture of clothing.

The FWF cooperates closely with a growing number of companies manufacturing textile clothing and wanting to take responsibility for their supply chains. By now 80 member companies from seven European countries stand for more than 120 Brands which sell products in more than 80 countries world wide. Schöffel is one of them. An informational video detailing content and solutions of the Fair Wear Foundation is now available in the Internet in German at

http://www.youtube.com/watch?v=KPJ_Vo9iCeQ

WEP Training in China: Schöffel participating in pilot project

The new Workplace Education Program of the FWF trains employees

Where many people work together, guidelines must be set, agreements must be made and also complied with. That is not always possible without discussion. In a healthy work atmosphere controversial issues and conflicts can commonly be solved in a constructive manner. Such "atmosphere of constructive debate" serves strengthening and improving work conditions, and that can be learned and trained.

The Fair Wear Foundation developed a new training program for their partners to serve exactly that reason: The Workplace Education Program (WEP). This half-day training for (factory) workers and managers of manufacturers and suppliers is currently being introduced in China, India, Bangladesh and Turkey. They are conducted by local experts instructed and evaluated by the FWF. The topics events are mani-



fold and range from detailing rights and responsibilities up to questions regarding health prevention and mutual social interaction.

Fall 2012 in the course of an on-line webinar for interested FWF members the program was presented Naturally Schöffel was also present. For Marco Hühn the responsible person for CSR at Schöffel it soon became obvious: "We will join in with one of the pilot projects."

Beginning of December 2012 the time had come: The first training program took place at a production partner in the Chinese central province Hubei – in the name of Schöffel and under cooperation with another FWF member.

For the employees on site the event took place – that is understood - during the working hours and was free of cost. While FWF was the responsible party for conducting the training, the two involved competitors Schöffel and Mammut acted as cooperation partners. Together they compensated for up to 66 percent of lost working time of participating factory employees. By this it was ensured that every interested person could participate in the workshop and that this time qualified as paid work time.

As already noted in the preamble, the training was equally directed at workers and managers with the prime objective of raising an increased understanding of mutual rights and responsibilities as well as safety standards at the work place. And in addition to promote effective forms of communication on both sides. Above that the FWF complaint system was presented. This is intended to help employees

"By compensating 66% of lost working hours it is ensured, that the training qualifies as paid work time"

with problems and issues by representing an independent contact point to turn to in case of doubt.

The staff members were divided into groups: About 25 managers and division managers participated in the manager's training session in the morning under guidance of a local partner and about 400 employees from production - more than half of the staff – could follow their explanations during the afternoon in course of four two-hour presentations. The participants should – as prime objective of the event – serve as communicators and multipliers, passing on the information to their colleagues and above all - to implement the learned knowledge.

In the upcoming months it is intended to expand and enhance the WEP with further topics. In any event the WEP training in 2013 will be conducted on location in China at a production partner with two factories.



FWF workshop in China

Code of ethics Code of Labour Practice

Our guidelines for fair working conditions

1. The employment relationship must be voluntary

Forced or compulsory labor – including debt bondage or prison labor is not permitted. (ILO Conventions 29 and 105)

2. No discrimination in work relationship

Employment, payment policy, access to advanced training, promotion arrangements, termination of employment relationships, retirement from working life and all other aspects of an employment relationship must base upon the principle of equal opportunities and be carried out independent of race, color of skin, gender, creed, political attitude, trade union membership, nationality, social origin, weakness or disabilities. (ILO Conventions 100 and 111)

3. No child labor

Child labour is strictly prohibited. The minimum age for employed work may not be below the national mandatory school age and in general not under 15 years. (ILO Convention 138)

Important: Fire extinguisher and First-Aid instructions ...

No form of slavery or comparable conditions such as child trade and trafficking, debt bondage, serfdom or forced labor can be accepted. Children (ages from 15 to 18) shall not perform work "which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children." (ILO Convention 182)

4. Freedom of association and the right of collective bargaining

The right of all employees to found trade unions and to join such, as well as conduct collective contractual bargains must be endorsed by the employers. (ILO Conventions 87 and 98)

In cases where freedom of association and the right to collective negotiating or bargaining are limited by law the company will offer all employees alternatives for independent and free associations and negotiations as well as make possible and support these. The workers' representatives must not be discriminated against and when performing their tasks as representatives must be granted access to all and any workplaces. (ILO Convention 135 and Recommendation 143)

5. Payment of "life-sustaining income from employment"

Wages and bonuses for an ordinary working week must meet at least the minimum legal or industry standards and at all times be sufficient to adequately serve the basic requirements of employees and their families and above that to provide an definitive and discretionary income on top. (ILO Conventions 26 and 131)

Payroll deduction as means of discipline are not permitted. Furthermore payroll deductions not accountable by national law, legislation or provisions are not permitted. The lump sum of possible deductions may in no case result in the employee receiving less than the legally allowed minimum wage. All employees shalle be informed adequately and in detail about the wage elements including the pay rates and paid time scopes.

6. No excessive working hours

Working hours must fully conform with the legal provisions and usual industry standards. Regular working hours may not exceed 48 hours per week. Within a time-scope of seven days – one day off must be warranted for. Overtime hours shall only be performed on voluntary basis. They may not exceed 12 hours per week and not be demanded regularly. Overtime hours must be compensated with an overtime bonus to the standard income. (ILO Convention 1)

7. Safety and health protection at the workplace

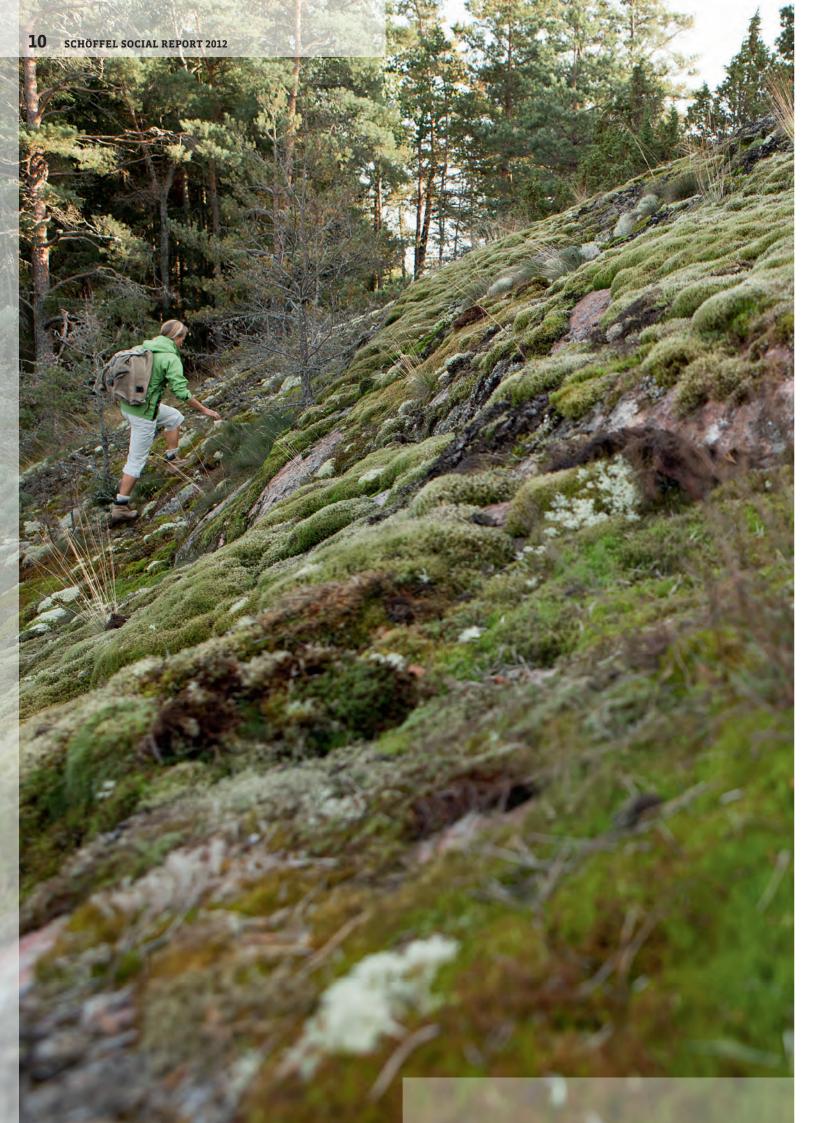
The work environment must be clean and safe. The employer obligates himself to promote optimum work and health protection on basis of the most current state of knowledge regarding potential hazards. Risks and work hazards specific to the profession shall receive special attention. Rules for highest possible degree of accident prevention and minimization of health hazards must be implemented. (in the style of ILO Convention 155)

Physical abuse, threat of physical abuse, unusual punishment or disciplinary actions, sexual and other forms of harassment as well as threats by the employer are strictly prohibited.

8. Legally binding employment relationship

Legal obligations from labor and social laws towards employees as well as provisions, in result of regular employment relationships may not be subverted by application of labor leasing or training schemes which do not aim at conveying skills or establishing a regular employment relationship. Younger employees must have the opportunity to participate in schooling and training – programs.





Goals which we achieved in 2012

Objectives

- **1.** Continuation of the successful implementation of the CoLP in the supply chain
- **2.** Raising awareness of responsibilities for CoLP on the side of the suppliers
- **3.** Encourage more suppliers for training measures -> Capacity Building!

- **4.** Up to the end of 2012 80 % of the production volume should be examined by social audits, monitoring and review or come from countries rated Low Risk by the FWF.
- **5.** Fulfilling open CAP measures | Follow up worker complaints

6. Cooperations with other purchasers (FWF- | Non-FWF members)

Measures | Realization

By further checks and adjustments it was possible to achieve this goal. This path must also be continued in 2013.

Schöffel has continued the implementation of training in the supply-chain. Altogether about 40% of suppliers received training in 2012 either by the Schöffel CSR Team or in one case a pilot training with schooling of workers right in the factory by the FWF (cf. pages 6 and 7). Altogether 71% of the suppliers of all Schöffel products received training. In addition suppliers were notified about the publishing of the Social Report 2011.

In 2012 suppliers of 42% of the production volume was checked in six audits, the evaluation of external audit reports of other purchasers verified and the implementation of improvement actions confirmed. As result since beginning membership in 2011 81% of the production volume was examined or subjected to monitoring or originated from designated Low Risk countries.

More than 70% of incomplete improvement measures were successfully closed in 2012. This will also be verified in further audits in 2013 on-site at the production sites. In addition by means of the Complaint System (cf. pg. 24 | 25) the complaint of workers of a company in Turkey was checked and initial measures for improvement initiated. This process, though, has not completed to dated.

The cooperation with several companies (FWF members as well as non-members) was successfully followed through and intensified over 2012.

- **7.** Enhance and refine the management system
- **8.** Continue development of the rating system for suppliers under consideration of sustainability aspects

- **9.** Active dialog with stake-holders
- **10.** External training procedures | Customer-sided
- **11.** Internal training procedures Schöffel

- **12.** Development of an effective management system
- **13.** Risk assessment | Prioritization | Planning | Monitoring

In training and corrective measures the supplierswere guided closer towards the objective ofidentifying and correcting non-compliances by self-assessment.

To date no rating system for Environmental compliance is in effect, although in 2012 a toolkit for suppliers was developed to simplify effective contaminant management alread in pre-stages and to support the actual implementation.

Beginning of 2013 implementation within the supply chain will take place with additional training courses of the CSR team in cooperation with the material purchasing department.

In 2012 the stake-holder dialog was successfully continued dealing with the topics of working conditions in countries of production, chemical management and materials traceability.

Field service, franchisers of Schöffel Lowa Stores, select employees of Schöffel customers received training courses with the topics FWF | Working conditions | Contaminants. Additionally the Social Report 2011 was presented and explained.

In 2012 several departments at Schöffel were informed in detail and trained about topics of and working conditions in the supply chain and the Social Report presented. CSR trainings are part of the content of teaching for apprentices, new employees are introduced to this topic in the course of employment.

The management system was further enhanced and consolidated internally and regular reporting to management as well as briefings about the current status of compliance performed for all employees traveling or abroad.

In further audits it could be established for which companies and regions challenges are to be expected. Accordingly the audit and training programs for 2013 were adjusted. The regular monitoring of suppliers was successfully realized in the Corrective Action Plan (CAP) and now must be checked in re-audits and additionally verified by audits of the FWF.

Objectives which we seek in 2013

1.	Continuation of the successful implementation of the CoLP in the supply chain
2.	By the end of 2013 90% of the production volume should be checked in social audits, monitoring and reviews or originate from Low Risk Regions

Fulfillment of remaining incomplete corrective measures

Encourage additional suppliers for training implement learned knowledge

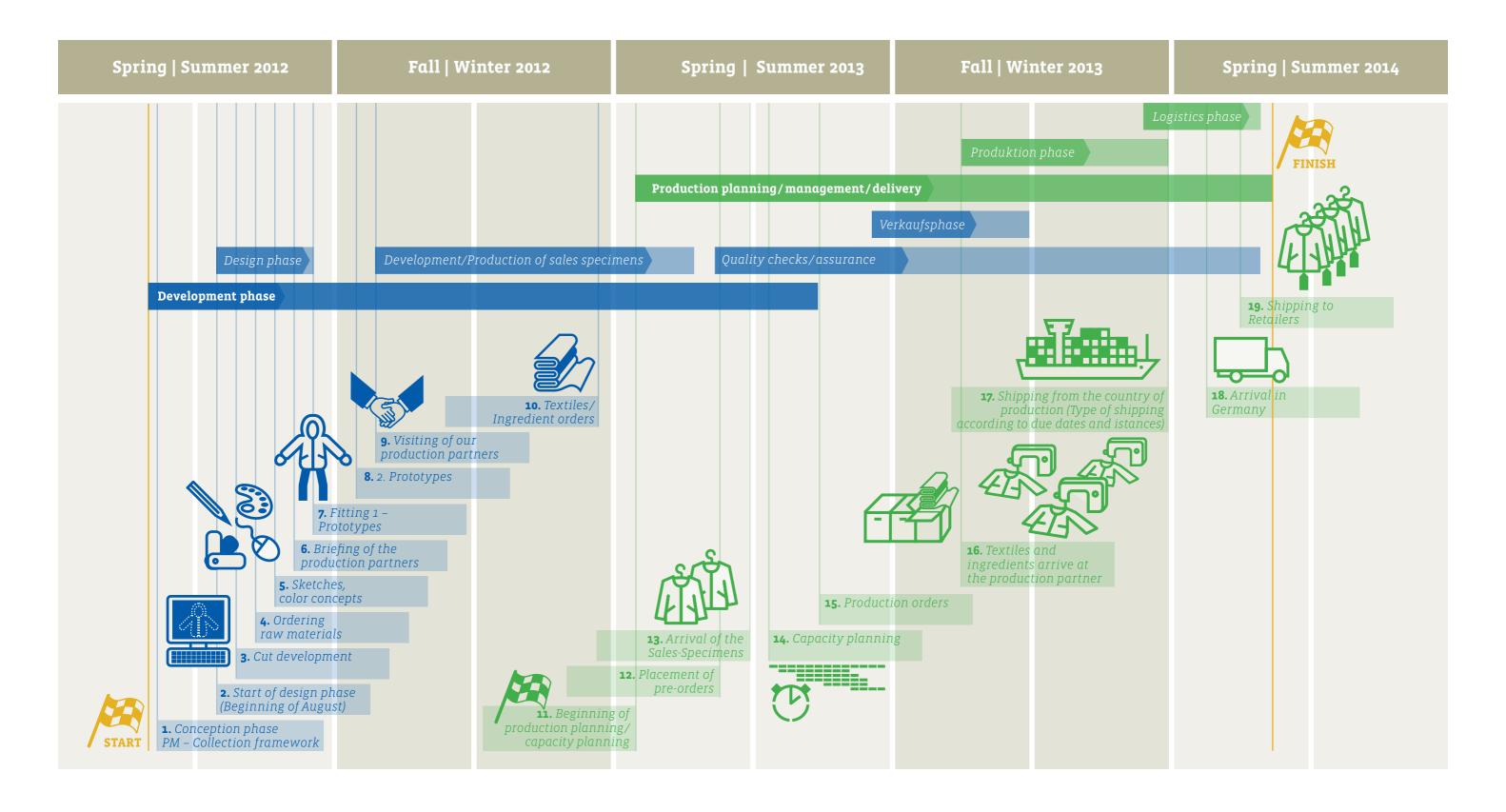
Enhance management and rating systems

Customer information about FWF measures and work guidelines

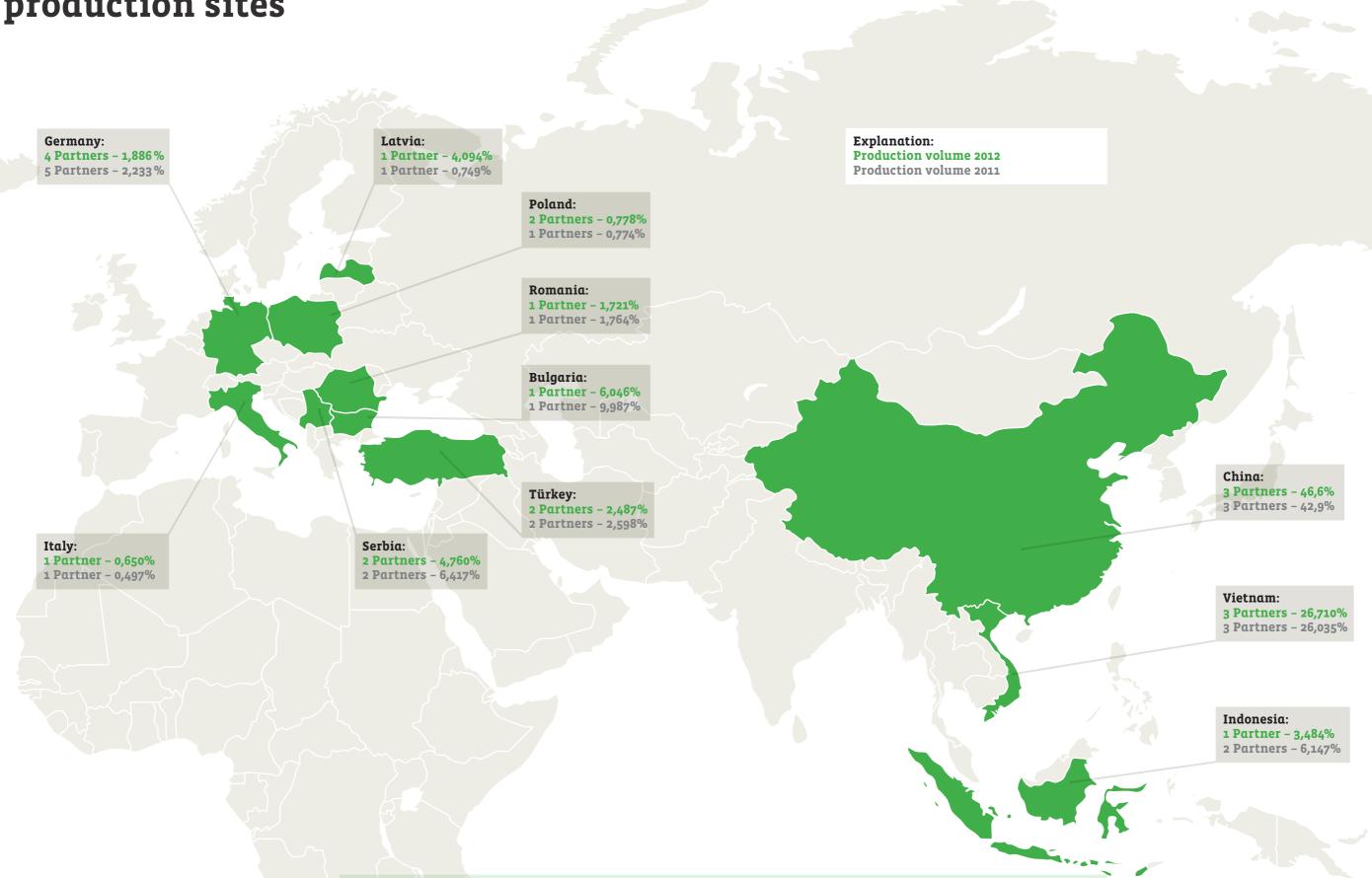
Effective complaint management

Production cycle

From first sketch to final Schöffel jacket



Distribution of production sites



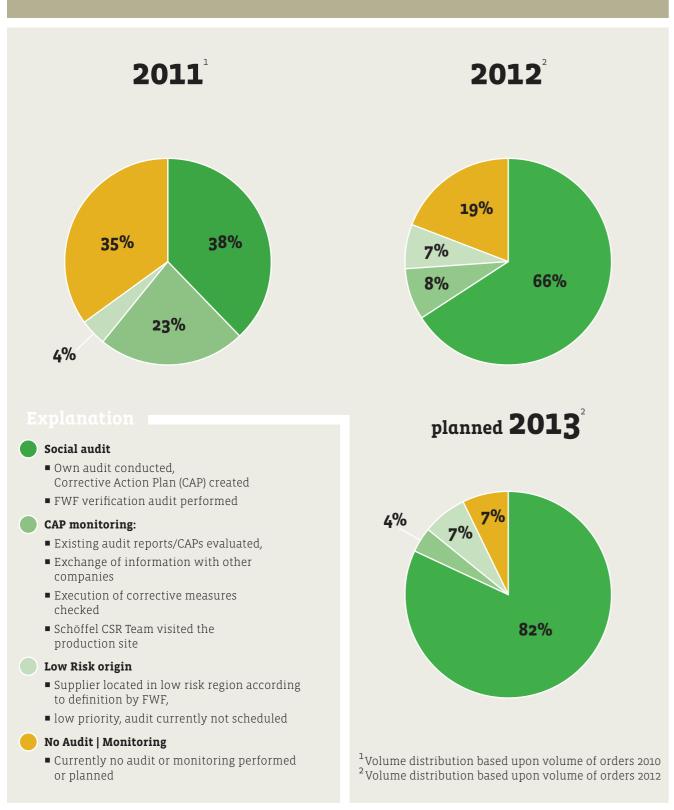
Overview Production Partners

Continent	Factory No.	Factory Location	Share of purchase volume Schöffel 2011 %	Share of purchase volume Schöffel 2012 %	Duration of cooperation in years	
	10-021-001	Romania	1,52	1,72	11	
	10-017-001	Italy	0,46	0,66	5	
	10-015-001	Serbia	3,40	2,58	14	
	10-054-001	Serbia	2,60	2,18	5	
	10-065-001	Poland	0,72	0,78	21	
	10-064-001	Turkey	1,62	2,11	4	
	10-054-001	Turkey	0,81	0,38	7	
Europe	10-027-001	Bulgaria	9,33	6,05	16	
	10-068-001	Latvia	0,70	2,89	_ 2	
	10-068-002	Latvia		1,20		
	German partners Agencies		1,89	2,14		
	10-004-001	Germany	0,05	0,08	13	
	10-006-001	Poland	0,28	0,19	8	
	10-047-001	Germany	0,12	0,02	6	
	10-002-001	China	0,51	0,90	6	
	10-007-001	Germany	0,82	0,96	11	
	10-040-001	China	14,13 10,36		21	
	10-040-002	China	14,13	19,20		
	10-033-001	China	- 3,59	3,88	5	
	10-033-002	China		1,31		
	10-041-001	China	4,12	7,36		
	10-041-002	China	0,00	3,32	12	
Asia	10-041-003	China	4,12	1,19	2	
	10-039-001	Vietnam	6,60	10,94	10	
	10-035-001	Vietnam	4,73	11,38	8 	
	10-035-002	Vietnam	4,73	0,00		
	10-022-001	Vietnam	4,90	4,39	8	
	10-022-002	Indonesia	4,90	3,48		
	10-022-003	Vietnam	0,00	0,488 3		
	10-068-03	Vietnam	0,00 0,49 2		2	
			100 %	100%	8,0	

FWF- Questionnaire *1	low risk *2	Audit 2011 *2	Audit 2012 *3	Audit 2013 *5	Corrective measures 2012 *2,*3	Training 2011 *4	Training 2012 *4	Training 2013 *4	CAP - Status
yes	no	no	no	no	no	no	no	no	n.a.
yes	yes	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
yes	no	no	no	yes	no	no	no	yes	n.a.
yes	no	no	no	yes	no	no	no	yes	n.a.
yes	yes	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
yes	no	no	Sept.	n.a.	yes	yes	yes	yes	completed
yes	no	no	no	n.a.	no	no	no	no	n.a.
yes	no	no	no	n.a.	yes	no	no	yes	mostly completed
NO.	yes	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
yes	yes	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
							-	-	
yes	yes	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
yes	yes	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
yes	yes	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
yes	no	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
yes	yes	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
yes	no	June	April	no	yes	yes	yes	yes	mostly completed
yes	no	June	no	no	yes	yes	yes	yes	part. incomplete
yes	no	no	May	no	yes	no	yes	yes	mostly completed
yes	no	no	May	July	yes	no	yes	yes	mostly completed
yes	no	no	Sept.	no	yes	yes	no	yes	mostly completed
yes	no	no	no	no	no	no	no	Company relocation in 2013	
yes	no	no	no	n.a.	yes	yes	yes	yes	mostly completed
yes	no	Oct.	no	no	yes	yes	no	yes	completed
yes	no	no	Oct.	no	no	yes	no	n.a.	mostly completed
yes	no	no	Oct.	no	no	yes	no	n.a.	mostly completed
yes	no	no	no	June	yes	yes	no	yes	mostly completed
yes	no	no	no	June	yes	no	no	yes	mostly completed
yes	no	no	no	June	yes	no	no	yes	mostly completed
yes	no	no	no	no	yes	yes	no	n.a.	completed
100%									

Monitoring and training measures in comparison

Monitoring measures



Training measures



Implementation and supervision of social standards (CoLP)

The strategy at Schöffel is founded upon three pillars:

Communication and stake-holder dialog

1

Training, monitoring, improvement measures

2

Transparency and verification

3

- FWF membership, utilization of country studies
- Regular exchange with stakeholder groups (round tables, multi-stakeholder meetings)
- Regular exchange in the sector associations and in working parties
- Regular exchange with suppliers
- Regular risk assessment
- Recording of all production sites
- Audits (FWF teams, certified auditors)
- Visits to the companies by the CSR team
- Implementation of corrective measures
- Training measures
- Answering questionnaires
- Annual reporting
- Annual Brand Performance Check by the FWF
- Verification audits by the FWF
- Publication of complaints

Audit results and implementation progress per region | country at production partners 2012:

China, Category "Increased Risk:"

- 3 production partners with a total of 7 sewings
- Average duration of cooperation with partners: 10,5 years
- Partners manufacture approx. 46,5% of Schöffel's ordering volume
- Own audits: 2011= two; 2012= four
- All factories are currently integrated into the Schöffel Monitoring | CAP programs
- With all partners corrective plans for improvement were devised
- Visits by the Schöffel CSR Team at two partners, one partner participated in the pilot training (WEP) of the FWF

Summary Compliance Status:

No violations respective to child labor, forced labor or discrimination were found. Above this, topics such as correct work contracts | payoffs | timely wage payment currently do not count to the prime issues or problems of our partner companies. The establishment of trade unions, though,is decisively impeded by the local jurisdiction. Through the WEP training the workers are made aware of issues such as individual responsibility and acting collaboratively. In part it also lacks an effective management system for implementation of the CoLP → this could be further improved with trainings and for 2013 is granted special attention.

Payment of living wages and coupled to that the compliance with the handling of overtime hours are still the most important topics. First steps have already been taken and implemented to improve the situation.

Especially safety and health protection at the workplace must be noted: within the last two years a total of 24 infringements were reported by the auditors, of which 20 could already be remedied and four are currently in the process of improvement.

Vietnam, Category "Increased Risk:"

- Three production partners with a total of five sewing locations
- Average duration of cooperation with partners: 6,5 years
- Partners manufacture approx. 26,5% of Schöffel's ordering volume
- Own audits: 2011 = one; 2012 = two
- All factories are currently integrated into the Schöffel Monitoring | CAP programs
- One sub-supplier will be checked 2013
- With all partners corrective plans for improvement were devised
- Visits by the Schöffel CSR Team at all partners since 2011

Summary Compliance Status:

No violations respective to child labor, forced labor or discrimination were found. The topic of work contracts | payroll accounting are well ordered in our partner companies. Especially pleasing is the fact that for all three audited factories the wages were higher than the minimum wage (according to local NGOs), in part even conforming with the Asia Floor Wage. Notably problematic is non-compliance with working hours which frequently occurs during seasonal peak times. Here again measurable improvement was achieved, though. Equally pleasing is that between 2011 and 2012 49 work safety deficiencies could be addressed and cleared. One partner underwent WRAP certification in 2012 and another is currently undergoing certifications according to the SA 8000 standard. This serves as proof that the issue is taken very seriously.

Indonesia, Category "Increased Risk:"

- One production partner with a total of one sewing shop
- Duration of cooperation: eight years
- Partner manufactures approx. 3,5 % of Schöffel's ordering volume
- Own audits: 2011 | 12 none, one audit scheduled for 2013, audit reports received by cooperation with another FWF member
- The factory is currently integrated into the Schöffel Monitoring | CAP programs
- Visits by the Schöffel CSR Team since 2011: two

Summary Compliance Status:

No violations respective to child labor, forced labor or discrimination were found. The greater problem in Indonesia is that workers are frequently employed with time agreement contracts. Supported by a detailed time schedule this situation shall be improved stepwise over time. For 2012 an increase of 9% to the minimum wage for the region of the partner was agreed upon – another successful step in the right direction.

Europe, Category "Increased Risk:" Turkey, Romania, Bulgaria, Serbia

- Six production partners with a total of six sewings
- Average duration of cooperation with Partners: 8,5 years
- Partners manufacture approx. 15.1% of Schöffel's ordering volume
- Own audits: 2011 | 12 = one, two audits planned for 2013, audit reports of partnering company in Bulgaria are evaluated
- Four factories are currently integrated into the Schöffel Monitoring | CAP programs

Summary Compliance Status:

No violations respective of child labor, forced labor or discrimination were found. Mostly deficiencies regarding work safety and health protection could be cleared. Currently one complaint of a company in Turkey has been received which is currently being investigated. The partner has already announced to participate in a training in 2013, though.

The FWF Complaint System

Additional safeguarding for adherence to the social standards in the production plants.

The FWF complaint system gives employees in the production plants the opportunity to contact an independent contact point directly in case of problems. The contact information of the complaint manager as well as the labor standards Code of Labor Practice (CoLP) are on display as information panel in every company located at a freely accessible point and with the content explained in training session or during interviews in course of social audits.

After checking the complaint it is forwarded to the FWF headquarters in Amsterdam and also reported to Schöffel. Following this an in-depth investigation of the circumstances takes place. Together with production partner and the complainant the Schöffel CSR Team works out a corrective plan to resolve the problem(s) and/or issues.

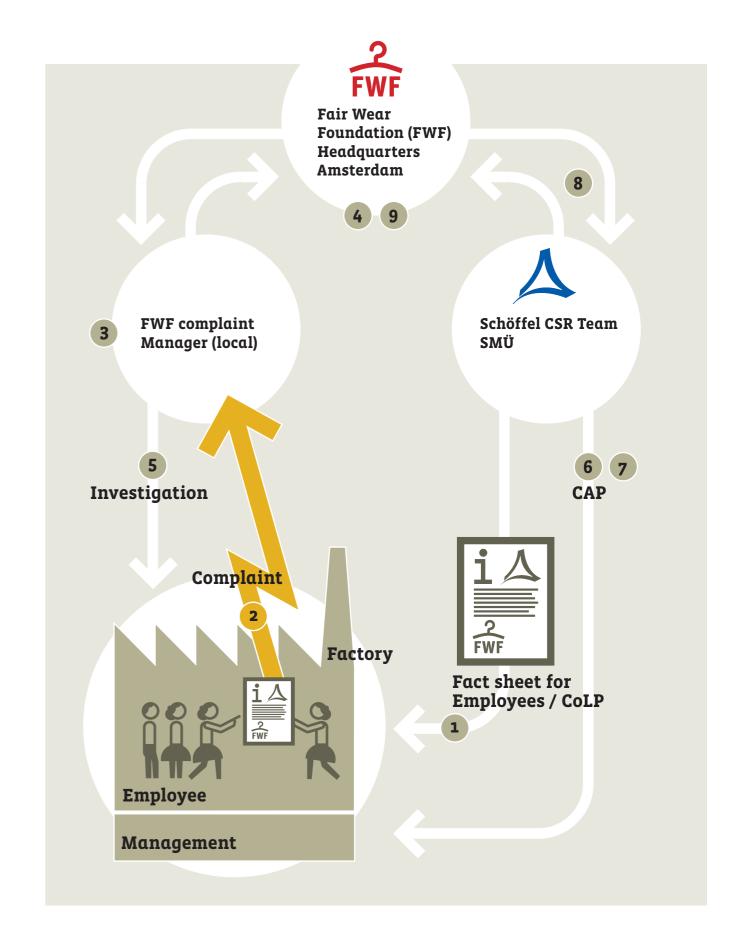
This system is open and available not only to workers but also NGO's, trade unions or the partner companies.

FWF and Schöffel do everything within their power to resolve a complaint in a timely manner.

- **1.** The system is implemented by bulletin of "Fact sheet for employees" implementiert
- **2.** Submission of a complaint
- **3.** The complaint manager checks the circumstances
- **4.** Information to Schöffel and FWF Amsterdam

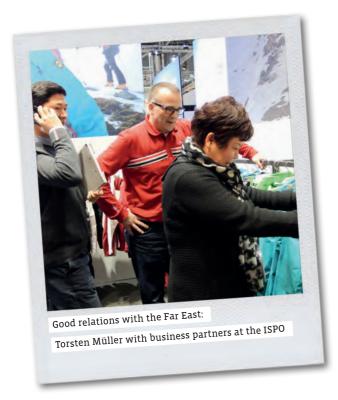
If the complaint is legitimate the following measures come into effect:

- **5.** Investigation of the complaint
- **6.** Preparation of a time and action plan for correction
- **7.** Schöffel verifies the effective implementation of measures
- **8.** VVerification of the measures by the FWF
- **9.** Publication of the complaint and corrective measures



Asia Connection

Questions to Torsten Müller, COO Schöffel, Manager of production



Why does Schöffel produce part of the collection in Asia? Asia classically as well as traditionally a market for the clothing industry. Here great experience and professional competence can be found at reasonable prices. Not to forget capacities such as modern machinery which plays a crucial role in the fabrication of function clothing for the outdoor industry. This ensures a continuously maintainable high level of quality which we and our customers care for very much. Above that we also produce a significant part of the collection on our own continent. One of our biggest suppliers is located in Eastern Europe.

What are the partners Asia especially good at?

The relation of quality – cost is just perfect. Our partners with which we have long-term business relationships can offer us capacity and capabilities which aren't available in Europe in this scale anymore. We visit them frequently for business meetings and

share mutual basic trust. This allows us to gain our own opinion of the working conditions present, e.g. if the manufacturing halls are adequately ventilated, emergency exits are freely accessible or if fire extinguishers are present.

What are the disadvantages of producing there?

As result of the distance we have relatively long run times. This affects and limits flexibility. Additionally we are generally required to issue high minimum order quantities.

Which challenges does a European contracting partner have to face in Asia?

Challenge is always an opportunity, too. In international business different cultures meet each other with distance and differing forms of communication starting to play a definite role. Thanks to our existing long-term business relationships we have established a strongly cooperative basis with most of our partners.

What can one say to end consumers which are critical towards goods "made in China"?

This question cannot be reduced to a simple "Made in China" – actually it should be expanded to "Made in Asia." European production was (and is) possible. But it is expensive – the end consumer very likely wouldn't pay the resulting price for a comparable product. In the mean-time, discounters also have gained a rather degree of popularity. The buyer must be aware that products made available at lowest prices cannot be produced expensively. But noneth less "Made in Asia" shouldn't be frowned upon by default. The market is in continuous motion. Especially as member of the Fair Wear Foundation we are working towards payment which ensures subsistence, providing social safety, adherence to standards for health and safety at work.

EoCA: Nature is worth it!

Why Schöffel is member of the European Outdoor Conservation Association



If in the mountains or at the sea, in the forest or at the beach, when hiking, cycling, walking, during

summer or winter, alone or together with friends – anyone enjoying nature, will do everything possible to ensure that nature can remain as it is. Unadulterated and genuine, unspoiled, clean, pristine. This is an ambitious goal – fauna and flora, air and water, trees and plants are exposed to numerous dangers which can easily throw a functional ecosystem out of balance. Adequate projects for preserving the environment are urgently needed.

Schöffel - as manufacturer of outdoor clothing - therefore bears special responsibility. Preservation of Nature as natural habitat is more than a concern. By joining the EOCA, the European Outdoor Conservation Association, we have joined a group of renowned companies of the European outdoor industry. And all support the mission of promoting, supporting and financially aiding relevant projects all over the world – by payment of contributions and donations. All membership fees - suppliers, service providers and retailers also belong this group – are directly and to 100 % are forwarded to the respective projects. The projects are open tendered and published in specialized media as well as promoted in international events. EOCA for example is regularly present at specialized fairs with its own booth and offers ample information about currently actie projects. Aside of the members can also co-determine which projects are chosen and realized.

The boards of stated environmental preservation organizations can apply for grants of up to 30.000 € for specific projects. Where the selected projects are as diverse as members of EOCA. The non-profit orga-

nization is currently comprised of 92 members from all over Europe. As charitable organization EOCA stands up for giving nature back what was only only borrowed to us and wishes to prove in constructive manner that only unity is strength and goals can ultimately be achieved as collective effort.

Since founding in 2006 EOCA supported 46 projects in 27 countries with a total amount of 1.076.000 Euros! In course more than 200 kilometers of hiking trails were repaired, 20.000 hectares of wilderness protected. 70.000 seedlings planted and more than 72 tons of garbage collected in wilderness and nature.

The projects are not limited geographically. Among others e.g. the establishment of an environmental path in Nepal, a waste disposal project of a mountain summit in Kirghistan, the protection of brown bears in northern Spain, reforestation of an indigenous old-growth forest in the Czech Republic and the establishment of a border cross-border hiking path between Macedonia and Albania were realized. Protecting peat bogs in Ireland and preserving an ancient forest in Sweden from logging were promoted, as well.

This highly satisfying development within EOCA proves to its founders - the European Outdoor Group - that they are trekking the right path. They set up the organization modeled in the manner of the US Conservation Alliance. The American Alliance will celebrate its 25th anniversary in 2014 and counts 170 member organizations. Since its founding more than 7.5 million US Dollars in donations were raised.

For further information about EoCA visit: www.outdoorconservation.eu

Schöffel Apprenticeship: Tailor-made!

Apprentice program for young professionals fits and sits

The "old hands" at Schöffel headquarters in Schwabmünchen were flabbergasted: The half-dozen new apprentices breathed new life into the late summer of 2012. Not only that the young people were greeted and motivated by dedicated colleagues – ahead by a few years of apprenticeship – with self-made sweet cornets. A well-prepared introduction-rallye, for which they had to fill in question-naires and consequently also take up direct contact with many employees, led the "newbies" through the whole house – right in their first week at work. First expert discussions were held and some doors opened more than just a crack to permit the young professionals a peek behind scenery of their new employer.

"Under protection and familiarity of the group this avoids entrance fear right from the start," says the spokeswomen of the new Schöffel training team. This team is responsible for the apprentices and establishment of a newly developed educational concept – fitting to the young professionals almost like made-to-measure. Especially for family held companies the social responsibilities start in the own house. "Beim Schöffel schaffen" (Working at Schöffel) has traditional weight in the textile region Augsburger Land – as more than 200 years of successful corporate history can only be written with dedicated staff. This history commits to dedication to the future. Those beginning their education in the internationally active company receive

"It is important for us to train our professional staff ourselves."





high-quality education with professional, social and communicative competencies.

"It is important to us to train our professional staff ourselves," it is emphasized at Schöffel. "Our apprentices know the company and all connection points in and out." These are perfect conditions to be taken in as full staff member after completing apprenticeship. for example as fashion sewer or fashion tailor: Because even if the mass production of the Schöffel Outdoor and Ski wear takes place

"On the outside Schöffel isan international company.
But on the inside its a big and very close family."

outside of Germany there is enough to do right here: Cutting, development of the model, quality control and checking incoming goods, shipping and customer care belong to their varied field of tasks which is taught in two or three years of training. The job additionally offers interesting career opportunities: For example those pursuing further education to a travel technician will trail along the modern manufacturing process at the manufacturers nationally and internationally.

Aside of the industrial education the commercial education is top priority at Schöffel. How is such an international company managed, anyhow? What does the management of an outdoor clothing manufacturer have to accomplish? Bookkeeping, accounting, personnel management, corporate interaction – even office work has more than enough "material" in a textile company. Development, purchase, sales, marketing – the prospective industrial business managers run through many interesting departments. "By that we create a close connection to the company and thus build a solid foundation for long-term work relationships," a trainer summarizes.

After the first months in training the apprentices have in the meantime become "old hands" themselves and gathered many impressions, taken over their own small projects and presented them as well as temporarily having stood in for experienced colleagues. And when the "new newbies" show up next fall it is them to pass on their own experience, too.



