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FOREWORD FROM THE CEO

VAUDE – working to make (y)our world a better place



Dear Colleagues, Business Partners, and Customers!

"We are dedicated to making y(our) world a better place." At VAUDE, this is not just a promotional slogan. It is our promise and the motivation that drives us. Together with my team, I have stepped up to the challenge of leading VAUDE into economic, social and ecological equilibrium.

This is a challenge that we are happy to take on. As an outdoor brand, our potential for making a difference is considerable: our products are produced mainly in Asia. Features such as waterproofness, wind repellency, soil repellency and breathability are expected of outdoor products. To achieve these properties, our products are primarily made from petroleum-based synthetic materials, and their technical performance is often achieved using chemical finishes.

In accordance with our product philosophy, "Performance Meets Ecology", material technology and production technology is measured against state-of-the-art "best available technology" standards. As a member of the Fair Wear Foundation, we are measured against the strictest social standards.

We have already made great progress. Nevertheless, we still have a long way to go to reach our goal of objectively becoming Europe's most sustainable Outdoor brand by the year 2015. We welcome competition to this "title". Competition inspires all to better performance, and both humans and the environment profit from any form of activism.



We have reached a few important milestones this year:



myclimate
neutral
Product

mydlimate – The Climate Protection Partnership

The entire VAUDE headquarters in Tettnang, southern Germany, is now climate neutral. Our new

technical Alpine backpack Bulin is not only "Made in Germany", it is also made with climate neutral manufacturing.

- The VAUDE mobility concept not only ensures that every year, our employees commute by bike a total distance equal to one time around the earth, but also provides them with an e-bike loan pool and a ride sharing program.
- Objective recognition from the outside is both a reward and a source
 of motivation for us. When our efforts find appreciation, we obtain an
 added-value for the VAUDE brand, which gives us with economical
 growth enough momentum to make the next steps.

We are therefore proud of the awards we have achieved in 2011 and 2012, such as the German Sustainability Award 2011 (Top 3 Most Sustainable Future Strategies) and the B.A.U.M. Environmental Award.

Thank you for taking your time to familiarize yourself with our sustainability report. We are always striving to develop and improve, and we welcome all forms of open dialog! If you have any comments or feedback, please don't hesitate to contact us.

Warm regards,

Antje von Dewitz

Andje v. Dewitz

CEO







2.1. VAUDE:

Obereisenbach and Worldwide

VAUDE's headquarters are located in Obereisenbach, a village in southern Germany close to the bordering countries of Austria and Switzerland. With a view of the Alps and Lake Constance, about 490 highly motivated VAUDE employees work for the "Spirit of Mountain Sports".

VAUDE has its own sales subsidiaries in the Netherlands and in Spain, as well as three production facilities in Obereisenbach, China and Vietnam. Altogether, nearly 1000 VAUDE colleagues work at these sites. About one third of our products are made in our own production facilities. The other products are manufactured on behalf of VAUDE.

VAUDE supplies exclusively (specialized) retailers – and does not directly sell its products to end-users. In addition to a team of salaried sales representatives in Germany, VAUDE has distributors almost everywhere in the world. VAUDE products are produced in Obereisenbach, Europe and the Far East.

The entire Collection Development process takes place at our headquarters in Obereisenbach: from the initial product conception, material testing in our own on-site test laboratory, prototyping, down to the final engineering.

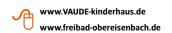
VAUDE's Administrative Offices are located in Obereisenbach: Along with the executive managing board, you will also find the departments for Accounting, Human Resources, Marketing, IT, and, naturally, Environmental Affairs. VAUDE's central Logistics Department is directed from Obereisenbach.

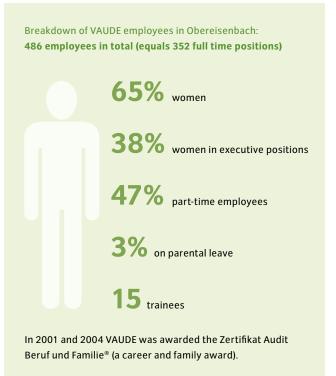
You will find our Customer Service Department here as well, where we recondition used products for consumers in our extensive repair shop.

The central Logistics Department is also located in Obereisenbach. In a state-of-the-art warehouse, all products destined for Europe arrive here, are checked, stored, packed and then distributed to retailers. Products destined for North America and Asia are delivered directly from the production facilities to our distribution partners in each country.

All facilities at our Obereisenbach location are environmentally certified by EMAS and ISO 14001. Naturally, this goes for the bluesign® certified production of our waterproof bike bags, Packs 'n Bags and backpacks in Obereisenbach as well. Our Obereisenbach site is located in a regional planning mixed area.

And last but not least, the **VAUDE Kinderhaus Childcare Center** and the **public swimming pool**, both located in Obereisenbach. The center celebrated its 10th anniversary in 2011 and 31 children are currently enrolled. VAUDE, together with the Bädleverein (a local open-air swimming pool association) saved the public swimming facilities from closing down and since then has leased the pool.





2.2. Company History: Sustainability Milestones

Sustainably successful – an accurate description of VAUDE ever since the company was founded. In the following section, milestones associated with ecological or social commitment are listed. The many awards that our products have won can be found in our milestone list on our website.



1974 Albrecht von Dewitz founds the VAUDE Company

1991

As one of China's first foreign companies, VAUDE establishes the independent production facility, Huade, where the hardware product palette is produced.

1994

The Ecolog Recycling Network is set up; high tech performance clothing can be 100% recycled for the first time.





2001

VAUDE establishes an on-site company childcare center, and receives the "Freedom and Responsibility" award from the German Federal President, Johannes Rau, for social commitment.

VAUDE is the first outdoor gear manufacturer to produce a percentage of their collection in compliance with the stringent bluesign® Standard, guaranteeing maximal freedom from harmful substances throughout the entire production process.

2002

The Baden-Württemberg Department of Trade and Ministry awards VAUDE with third prize in the regional competition "gleiche Chancen für Frauen und Männer im Betrieb" (Equal opportunities for women and men at work.)

VAUDE enters an official partnership with the German Alpine Association (DAV) for the protection of nature and environment.



2005

VAUDE receives the seal of quality "Certificate Audit Career and Family" for its family friendly measures from the Federal Minister of Family Affairs, Renate Schmidt, and the Federal Minister of Economics, Wolfgang Clement.

VAUDE is honored as one of the 35 most family friendly companies in Germany in the national competition "Erfolgsfaktor Familie 2005" (Success Factor Family 2005) by the German Chancellor, Gerhard Schröder.

CEPTÜL UNIVERSITE

VAUDE saves the open-air

the facilities as leaseholder.

swimming pool in Obereisenbach

from closing down and takes over



2008

VAUDE is the first European Outdoor company to attain EMAS and ISO 14001 certification: Minister President Günther Oettinger personally presents the award at the OutDoor trade show.

VAUDE becomes an official member of the bluesign® Standard; the first European Outdoor company to convert the manufacturing of all products, step for step, to the strict bluesign® requirements.







2009

Antje von Dewitz takes over the company management from her father, Albrecht von Dewitz.

VAUDE receives the OutDoor Industry Award in Gold: Category Sustainability: ecological sleeping bag Blue Beech with bluesign® certification.

Baden-Wurttemberg's Minister of Economic Affairs and Caritas awards VAUDE the title "Social commitment 2009" at the LEA mid-size businesses prize.

Second place for human resource management at VAUDE. 84 mid-sized businesses (including VAUDE) in southern Germany took part in a study of "sustainable human resource management." The results: VAUDE employees rated the situation in the company (voluntarily and anonymously) as very positive and VAUDE was honored with second place!

2010

VAUDE and Sympatex Technologies press ahead with the further development of ecological textiles at the highest performance levels.

VAUDE is the first European company to part in the EU Business and Biodiversity Campaign, and is implementing strategic measures for supporting biodiversity.

VAUDE is honored with the Public's Choice Utopia Award as the most sustainable company in Germany.

VAUDE underscores its Corporate Social Responsibility goals of fair working conditions and transparency with membership in the Fair Wear Foundation on November 15. The FWF is an independent non-profit organization working internationally as a multi-stakeholder initiative for the improvement and supervision of socially acceptable working conditions in the textile industry.

VAUDE's production facilities in Obereisenbach, Germany and in Vietnam pass the bluesign® environmental standard's strict screening process.







2011

The WWF Germany and VAUDE seal a far-reaching cooperation for environmental protection. 1% of all revenues from Green Shape products will flow into WWF Germany environmental protection projects for children and youth.

VAUDE is honored as the most sustainable company at the sporting goods trade fair ISPO in Munich with the Eco Responsibility Award. In addition, the environmentally friendly Blue One Tent is awarded.

 $\label{lem:VAUDE Vietnam} \textbf{VAUDE Vietnam is environmentally certified for } \\ \textbf{ISO14001}.$

VAUDE is awarded with the German Sustainability Award, Category TOP 3 German's most sustainable Future Strategies (KMU).







2012

VAUDE wins the VFS Ethikpreis.

VAUDE is nominated for the German CSR-Preis. (a sustainable development award)

VAUDE signs on as one of the first companies in the Deutschen Nachhaltigkeitskodex (German Sustainability Code), and is now a player in the premier league of sustainable enterprises.

VAUDE enters into cooperation with FairWertung: responsible collection of used textile products for non-profit organizations.

For the third time, VAUDE reaches the finals for the company competition "Success Factor Family" of the Federal Ministry for Family Affairs, and may thus continue to belong to the family-friendliest companies in Germany.

Dr. Antje von Dewitz is awarded the B.A.U.M. Environmental Award and is received by President Joachim Gauck in Schloss Bellevue.

The VAUDE company headquarters and all products manufactured here are now climate neutral!





For years, VAUDE has been passionately and actively involved in environmental protection. Why? It runs in our blood: many VAUDE-ers are committed nature-enthusiasts and feel their obligation to contribute to its protection. Because the development of one's own ideals is actively supported at VAUDE, superior products emerge with ever smaller ecological footprints.

We recognize our role as an environmental trendsetter in the outdoor branch and are enthusiastic about filling it. This achievement is especially remarkable as VAUDE is operating as one of the few remaining true mid-sized family businesses in the branch, in a competitive environment dominated by financially strong capital investors.

Environmental protection has a strong foothold in the company's founding principles and is a significant component in the company's values, its vision, as well as in our tangible environmental policy.

Company Values: What we stand for

VAUDE stands for respect in all its interaction with others and the nature around us. We have set our sight on becoming Europe's most environmentally friendly outdoor brand, so that sportsmen and women of today, and those to come can enjoy nature to the fullest. We are pioneers in this way, challenging convention and pushing the limits of the possible. VAUDE's roots are in mountain sports. The passion we experience on the ascent and the peace we find at the top are what drive us.

The mountains are our symbol for the high demands we place on our products, and for the passion we hold for nature.

Our Mission

VAUDE has set its sights on becoming Europe's most environmentally friendly outdoor brand. And not just on paper, but also in objective comparisons that are understandable to the average consumer.

For our fellow humans, for the environment and for the generations to come – with "best available technology" from an ecological perspective.

The strength of our brand and the value of our products is our most valuable resource. Therefore, we at VAUDE focus our defined values across the board – and not on short-term profit maximization

In order to freely follow this path in the long term, we are focused on remaining financially independent. Therefore, it is important that we distribute our resources intelligently and optimize what we have – rather than engage in constant modernization.

We want be the first to take this path, staying ahead of the crowd and leaving behind a sustainable trail.

The Vaude Environmental Policy

VAUDE has an equal obligation to both economic and environmental responsibility. As a mountain sports supplier, we believe that it is vital to protect the "playing field" of our customers and our employees – the great outdoors.

We are committed to the long-term, sustainable use of nature and to active environmental protection.



At our company facilities

- by means of resource conserving economic activity in our administrative department and production
- by using renewable energy and investing in the preservation of biodiversity



With our products and suppliers

- by using innovative, environmentally friendly materials and by recycling
- by means of environmentally friendly production techniques



In the Outdoor branch and in society at large

- by means of active environmental policies in professional associations and collaborative environmental protection projects
- by collaborating with environmental associations, universities and public projects such as the Deutschen Nachhaltigkeitskodex, for example

Our environmental activism reaches far beyond basic legal requirements. We are constantly expanding our environmental commitment. Environmental management is a top priority at VAUDE.





Doing good is a fine thing, but regular inspections by independent experts is even better. Through annual inspections by an independent environmental consultant, we guarantee that the "guard rails" of our commercial activities are keeping us on track. Thanks to EMAS and ISO 14001, all environmentally relevant processes at VAUDE as well as the continuous improvement of our environmental performance are anchored firmly within the company.

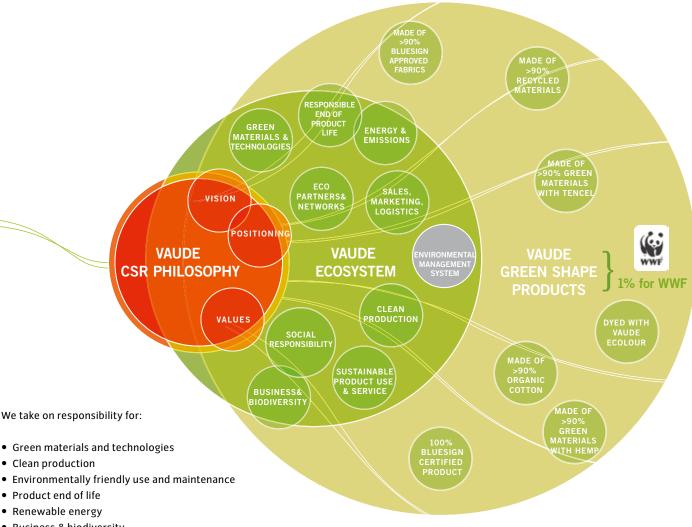
Working to make (y)our world a better place - holistically and systematically.

Sustainability is complex. It is more than the sum of individual measures. The VAUDE Ecosystem is our holistic sustainability strategy. It is based on our mission and our corporate values. It shows how we perceive our social and environmental responsibilities;

In all of our business decisions at our company headquarters and throughout the life cycle of VAUDE products: from the selection of environmentally-friendly materials to the most environmentallyfriendly production technologies, during the product's service life for customers – whether in the mountains, on bike or when out shopping - to their re-use when the original owners no longer want them.



Our Green Shape products can be experienced by all – your VAUDE guarantee for environmentally friendly products made from sustainable materials and with resource-conserving production.



- Green materials and technologies
- Clean production
- Product end of life
- · Renewable energy
- · Business & biodiversity
- Environmentally responsible work in sales, marketing, logistics
- Collaboration with ecological partners & networks
- Social responsibility

The entire VAUDE ecosystem is integrated into the VAUDE Environmental Management. It is certified annually by an independent expert in accordance with EMAS and ISO14001.



Hilke Anna Patzwall / Environmental Management Representative:

"For the first time we are publishing a comprehensive climate footprint for our headquarters in Obereisenbach with this sustainability report. After four years of environmental management, thanks to a solid data base and our first major emission reductions successes, we have compensated for all other unavoidable emissions. VAUDE is now climate neutral in Obereisenbach."

The Environmental Management Representative is responsible for the organization of EMAS and ISO 14001 regulations at VAUDE. She reports directly to the board of directors and is a member of the interdepartmental VAUDE Sustainability Team. The International Sales Director represents the issue of sustainability within the company's executive management. He himself is one of the driving forces behind VAUDE's environmentalism and is personally very committed to the continual improvement in its sustainability as well.

The Sustainability Team is a very non-bureaucratic point of contact for all employees and business partners; it sets priorities and coordi-



nates projects. The team members are well connected with professional associations and working groups within and outside of the Outdoor Industry, with experts and academia. Team members act as sustainability ambassadors in their field. Frequent and regular team meetings guarantee close coordination and timely implementation within the company both "upward" and "downward".

The **involvement of all VAUDE colleagues** in the continual environmental improvement process runs over three channels:

- Direct contact with the Sustainability Team: Sustainability
 Team members are often spoken to directly or notified of an issue by email. They always have an open ear for concerns about sustainability.
- The employee's own team: The VAUDE company is structured into teams; each person at VAUDE is integrated within a specialized team. At least once a year, one of the regularly scheduled team meetings is dedicated to the issue of sustainability. In these meetings, colleagues can directly express their ideas for ongoing improvements to their environmental management representative.

3. The VAUDE internal company suggestion plan -



"innovation@vaude": All eco-ideas, large or small, are viewed with an open mind. Many of these are implemented – with a bonus for the contributor. Our transition to 100% fair trade, organic coffee in the administration building in Obereisenbach was a successful innovation@vaude idea!

Additional **Environmental Management System** components at VAUDE:

- The environmental policy defined by the company management
- The environmental program with annual environmental goals
- The environmental handbook includes which environmental issues are regulated at VAUDE, how and what will be documented and which documenting procedures apply
- An annual review of compliance with current environmental law





Why should a company that manufactures outdoor products be committed to environmental protection?

What exactly is "the problem" and what are the challenges we face? Do we have any real influence on possible solutions or at least improvements?

Our position is clear: any company that "earns its livelihood" through its customers enjoying the outdoors needs to be dedicated to its conservation and protection. In the face of the world's rapidly advancing climate change, the dramatic loss of biodiversity, and the glaring inequality in the distribution of prosperity and education on this earth, it quickly becomes clear that humanity faces enormous challenges if we wish to live in any way responsibly, sustainably and in peace with one another. And yet, we do not actually have a choice whether we "want to" or not. Every one of us – and above all every company – must recognize and actively assume its responsibility as quickly as possible. The goal must be to help shape a cleaner, healthier and more just world. We not only owe this to our outdoor "playground", but to our children as well.

Our challenges are to develop more sustainable products alongside our dedication to achieving sustainability throughout the entire company and in all business operations and decisions.

Our business activities at our Obereisenbach site have direct, measurable environmental impacts. These depend to a large extent on how VAUDE continues to develop at this location – for example, how many additional employees will be hired, how much merchandise is produced, stored or dispatched from this location, how many company vehicles are operated.

The indirect environmental impacts have an even greater significance for VAUDE. They either do not arise at the Obereisenbach site and/or we have no direct influence on them.

For example, the millions of products that we manufacture and sell each year have an enormous environmental impact in their life cycle. Therefore, our focus within the VAUDE ecosystem is on all VAUDE products and their production worldwide. Consequently we are setting

international standards with the VAUDE Green Shape Collection, and are pioneers for "best practice" in the outdoor industry.

Our VAUDE ecosystem and the EMAS and ISO 14001 certification help us to holistically and systematically recognize which environmental aspects result from our business operations, to assess how relevant they are and what influence can we have on them, and then ultimately to decide how to address these challenges.



Overview of Direct and Indirect Environmental Aspects at out Obereisenbach headquarters:

Environmental Issue	Measured in	See Section
Emissions Obereisenbach	CO ₂ e in tons	6
Mobility	tons CO ₂ e	6.1
Printing materials	tons CO ₂ e	6.2
Material manufacturing	Material efficiency (%) tons CO ₂ e	6.3
Packaging	tons CO ₂ e	6.4
Energy	 kWh overall KWh per employee KWh per number of picks (logistics) KWh per tons Productions-Output Obereisenbach tons CO₂e 	6.5
Waste	 tons and/or cubic meters of waste per group tons waste per employee tons waste per ton of production output Obereisenbach tons CO₂e 	6.6
Water	 cubic meter used Liter per employee and workday tons CO₂e 	6.7
Biodiversity	square meters of sealed surface on the propertysquare meters of sealed surface per employee	7
Fire Protection	Not measurable	



Phase	Environmental Relevance		See Section
Green Materials & Technologies	High	High	8.1
Clean Production	High	Middle	8.2
Sales, Marketing, Logistics	High	High	8.3
Service Life	High	Low	8.4
End of Product Life	Middle	Low	8.5







Dr. Antje von Dewitz / CEO:

"Climate neutrality is an important component in our overall commitment to sustainability. With this climate footprint, we recognize our greatest challenges. In the upcoming years, we'll be working hard on reducing our greenhouse gas emissions even further."

We are delighted to have reached this important milestone on the road to thorough sustainability: The entire corporate site in Obereisenbach, Germany and all products manufactured there are now "climate neutral". For the first time, we are publishing a comprehensive climate footprint for our Obereisenbach location in this sustainability report.

After four years of environmental management, our database is comprehensive. We have identified our most important parameters and achieved the first major emission reductions by implementing a variety of projects, both large and small. The remaining, unavoidable emissions have been offset by a compensatory payment to a Gold Standard certified carbon offset project by the non-profit "myclimate" organization.

Protect our planet

Occupant

How climate compensation works: Unavoidable emissions are offset elsewhere by projects that reduce emissions. The balance of emissions is therefore neutral.

Greenhouse gases such as CO_2 are generated at VAUDE by electrical, gas and other fuel energy consumption, by the use of materials for the production of waterproof bags and backpacks, and also from paper consumption, office supplies, data processing and packing materials. Also included are all wastes generated on site, all business trips, all logistics including the transportation of all materials and products in production in Tettnang and from there to all retail and distribution partners.

Based on this data, a team of experts from myclimate calculate the corporate climate footprint for VAUDE Obereisenbach.

VAUDE is the first company in the outdoor branch to be so consistent in its environmental activism and compensate for all unavoidable emissions. Compensation includes the entire administration with 486 employees, production, maintenance, the childcare center, and all of the materials needed for production and product logistics.

The only exception is employee commuting, which has not been included in the compensation program yet. This is where the VAUDE Mobility Concept comes into play: With a bike commuter program, an eBike loan program and car pools, we are raising our employees' awareness about taking climate protection into their own hands (see section 6.1).

Our goal is to systematically expand the climate neutrality of the company to our other production facilities as well.

The amount VAUDE pays to offset its emissions in invested in a myclimate Gold Standard climate protection project in China which helps to reduce greenhouse emissions. The project involves replacing coal consumption from traditional coal burning stoves with improved clean biomass (from corn waste) burning semi-gasifier stoves in rural households within Shanxi Provice in China. While cleaner-burning petroleum-based fuels are increasingly common in wealthier areas, at least 50% of all households still depend on solid fuels like wood or coal as an important household fuel. A practice resulting in pollution exposures that the World Health Organization estimates to be annually responsible for over 450,000 premature deaths in China alone. By substituting coal fuel with biomass, it is possible to not only reduce CO₂ emissions, but also improve indoor air quality, directly benefiting the health of the families.



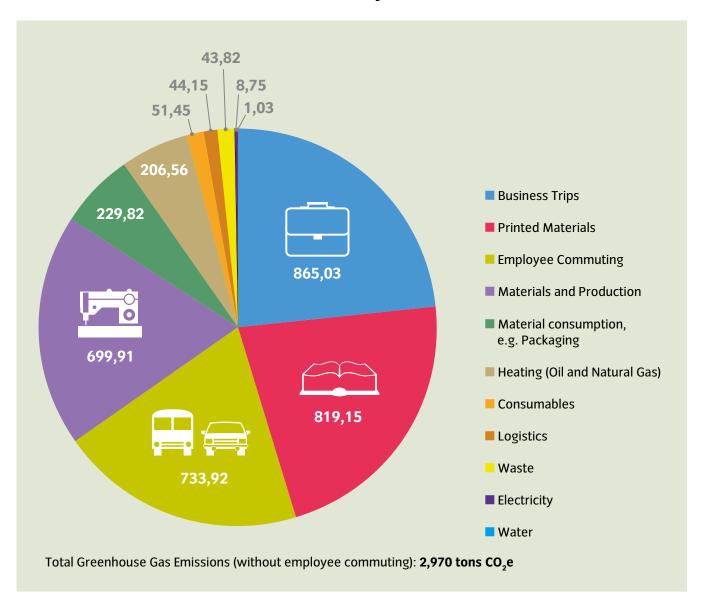


You can read more about the project here:



http://www.vaude.com/en_IN/climate-neutrality.asp

VAUDE Obereisenbach Greenhouse Gas Emissions 2011 (t CO₂e)



This chart clearly identifies our largest sources of emission in Obereisenbach. Although we have identified our emissions in our EMAS reports in recent years, this is the first time that we are using this Sustainability Report to present the total climate footprint across all business segments in Obereisenbach. In previous years we have reported our ${\rm CO}_2$ emissions in tons. myclimate, however, uses metric tons ${\rm CO}_2$ e (${\rm CO}_2$ equivalents) units. ${\rm CO}_2$ e consider other greenhouse gases next to ${\rm CO}_2$, as well as all preceeding production processes. Both the extent of the emission analysis, and the different units used, makes it impossible to directly compare our previous climate footprint with this year's version.

The complete, detailed climate record for the Obereisenbach VAUDE facilities from myclimate can be found on the VAUDE homepage:



http://www.vaude.com/de_DE/klimaneutralitaet.asp

Climate Footprint Factors:

6.1. Mobility

Business travel and commuting are responsible for a good 43% of emissions. Just under half of that is related to our employees' daily commutes! And this despite the fact that we have been actively promoting the "Bike to Work" program." Due to the very rural location of our headquarters in Obereisenbach and an average commute of 27 kilometers, most VAUDE employees still drive to work.



This shows the importance of a company-wide Mobility Management Program. VAUDE has developed a comprehensive mobility program to address both the issues of business travel and commuting. It consists of six components:



In 2011, VAUDE employees bike commuted almost 43,000 km – a distance of more than once around the earth! We more than reached last year's environmental goal of 25,000 bike km.

The VAUDE Bike Commute Program includes not only a repair shop with a bike tube vending machine, a covered and lighted space to park bikes, biking technology and repair courses, showers, but also



eight loaner eBikes that employees can borrow at no cost. Employee's private eBikes may, of course, be "refueled" for free on the company grounds.

We want to encourage more people to leave their cars at home make an ecofriendly and healthy bike commute work. VAUDE's CEO, Antje von Dewitz, is setting a good example!





Carpooling has the highest degree of potential for ${\rm CO}_2$ reductions in our hilly and challenging – even for hardcore cyclists – region. Therefore, we have created a partnership with the "social mobility network" **www.flinc.org.** In our own VAUDE group at www.flinc.org, our employees can quickly and easily offer rides to work or look for rides, all at no cost to the employee.

We have created another group at flinc for carpooling to the various VAUDE events and suggest to participants that they should organize their travel using flinc.



VAUDE Minibus Pooling

Employees took the initiative to form two larger carpooling routes, for which VAUDE provides a minibus. The employees not only save money and take up fewer parking spaces, they also contribute to reducing ${\rm CO_2}$ emissions.

Local Public Transport

Obereisenbach is difficult to reach by public transport. Together with the Regional Transport Association, VAUDE has initiated a project to make professional commuter transport by public bus more attractive, both for commuters and for bus operators. We cannot expect short term results, but it's a step in the right direction.

Travel Policy

By revising the VAUDE Travel Policy, we want to reduce business travel, making it as environmentally-friendly as possible, e.g. by the preference of rail travel over air travel.

Due to the poor accessibility of Obereisenbach and most of our employees' places of residence to public transport along with our (otherwise beautiful) remote location within Germany, the right balance of ecology, time needed and cost for business travel is a particular challenge. The new travel policy should come into effect in 2012.

Fleet Management

Since 2011, the entire vehicle fleet is being replaced by low-emission vehicles. In combination with driver training, this has already led to a reduction in diesel consumption by 2% compared to 2010 (see also the Energy Section).



The VAUDE Mobility Lottery

The best-written mobility concept doesn't save emissions – it has to be lived out and implemented. VAUDE has therefore introduced a Mobility Lottery to motivate as many employees as possible to leave their cars at home.

An explanation from the VAUDE intranet:

The Mobility Lottery

How it works:



- . This employee is asked how they got to work
- . If the employee came with the VAUDE Bus, by carpool or by bike, they win a great prize!
- If the employee came alone to work by car, the prize remains in the "pot"

The VAUDE Mobility concept pays! A small selection of the prizes that have been won in the Mobility Lotto:

- Smartphone Samsung Galaxy Xcover
- Wattcher Energy Monito
- Solar charger VD 3400
- Gift certificate for brunch at the Tettnang Castle for two

6.2. Printed Materials

Printed materials are our own print media. This includes orderbooks, the customer newspaper VAUDE Intern and advertising brochures. They are responsible for over 20% of our emissions in Obereisenbach.

Although we have made these emissions completely climate neutral, we still want to take advantage of online media in the future in order to reduce them.

Together with our partner, WWF Germany, we have negotiated an environmental agreement about paper.



VAUDE Environmental Goal #3:

Transition to 100% recycled paper by 2015. Step by step, from toilet paper to copy paper, from our magazines to our hangtags/info cards, we are transitioning to recycling paper and reducing the emissions associated with new paper.



VAUDE Environmental Goal #2:

Reduce emissions from commuting by 10% by 2014, and to render the remainder climate-neutral through compensation programs.

Why use recycled paper?

Germany is a world champion in paper recycling: about 80% of used paper is recycled. If you collect used paper, we believe you should make use of recycled paper products as well. Using recycled paper products rather than virgin pulp paper reduces emissions associated with paper manufacturing, reduces water consumption, reduces wastewater and conserves forests. Recycled paper is also very low in pollutants.

Source and more information: www.Blauer-Engel.de
Blue Angel is the world's first environmental label.
More info on Forest Stewardship Council (FSC): www.fsc.org





6.3. Materials and **Production**

Our waterproof bike bags, Packs 'n Bags and now for the first time, "Made in Germany" Mountain backpacks are produced in Obereisenbach. Product components are die-cut from a variety of tarpaulin rolled goods. Logos are printed onto products, and small parts for



buckles, attachment systems, etc. are prepared using a hot press. The die-cuts are welded together using an emissions-free, HF welding process for a waterproof bond. Hardback panels – a VAUDE innovation - are riveted on to stabilize the bags. The last step is a stringent, final quality control and the bags are then packaged.



The materials used for this production make up about 19% of the overall emissions in our Obereisenbach facilities as calculated by myclimate. The overall production in Oberei-

senbach and all the products manufactured there are climate neutral.



Thanks to the great success of our Made in Germany Collection, production in Obereisenbach has grown by 58% since 2011. Material efficiency in Obereisenbach production has decreased slightly from 96% to 92%. This is mainly due to the extensive development of the new, HF welded Mountain Backpack, Bulin, which is now newly manufactured in Obereisenbach.



Conventional canvas bags are made from PVC canvas. The problem with PVC is that it contains phthalate plasticizers that prevent the material from becoming brittle. Phthalates are suspected of being carcinogenic. There are strict limits on the use of PVC (REACh), although these standards are currently in effect for children's products only.

See also:



http://en.wikipedia.org/wiki/Pvc

Because there has not been an optimal alternative to PVC to date for classic canvas-type bags, VAUDE continues to use PVC in is its own products. This PVC is, however, a phthalate free version that meets strict limits.

The transition to PVC-free materials is a huge challenge. Our previous target of becoming completely PVC-free by the year 2015, is likely unrealistic in light of the lack of alternative materials on the market today. So we are all the more proud of the enormous success of our PVC-free models; the Hot Couture Collection is completely PVC-free. Our "PVC-free" claim means that these products are manufactured with absolutely no PVC. They look like tarpaulin bags and are just as waterproof, but are made of a PU (polyurethane) coated fabric materials instead of PVC.

6.4. Consumables

Consumable materials include packing materials for the shipment of products, such as cardboard and foils, as well as office paper, computers, lighting, etc.

Overall, consumable materials were responsible for 281 tons of CO₂e in 2011. All emissions were offset by VAUDE. See section 6 or the website:



http://www.vaude.com/en_IN/climate-neutrality.asp

As for its paper commitment, VAUDE has also negotiated an environmental agreement for the purchase of other office supplies and equipment: We want to use our influence as a buyer to assume responsibility for the environment and to support those companies, which – as VAUDE itself does – represent sustainability as a business philosophy. Therefore, we also buy office supplies, cleaning products, coffee, furniture, etc. that are as environmentally friendly as possible.

Our goal is use all materials sparingly and always find the most efficient solution to save in this area of emissions. Laptops, for example, are more energy efficient than desktop computers.

6.5. Energy



Electricity and heat together make up almost 6% of emissions in Obereisenbach. Fuels are also listed here, but for our climate footprint they are included under Mobility considerations.

Energy consumption & figures VAUDE Obereisenbach

			2008		2010			201			11	
#	Consumpiton	Unit (Consump- tion)	kWh	+/- from basic year 2008	Unit (Consump- tion)	kWh	+/- from basic year 2008	+/- from basic year 2009	Unit (Consump- tion)	kWh	+/- from basic year 2008	+/- from previous year 2010
1	Power production photovoltaic (kWh) - full operation began in 2009	71.516	71.516	-	143.528	143.528	+101%	-9%	162.893	162.893	+128%	+13%
2	Electricity consumption Administration, Logis- tics, Production (kWh)	489.596	489.596	100%	613.365	613.365	+25%	+24%	594.969	594.969	+22%	-3%
3	Heating oil (liters)	60.692	608.741	100%	50.113	502.633	-17%	-48%	12.179	122.155	-80%	-76%
4	Natural gas for heating (kWh)	-	0	-	-	359.296	-	-	599.651	599.651	-	+67%
5	LPG consumption for forklifts (kg)	1.535	19.759	100%	844	10.860	-45%	-61%	1.078	13.874	-30%	+28%
6	Petrol (liters)	4.993	45.290	100%	7.899	71.644	+58%	+23%	8.221	74.564	+65%	+4%
7	Diesel (liters)	158.219	1.594.845	100%	167.137	1.684.741	+6%	-2%	163.238	1.645.439	+3%	-2%
8	Total Energy Con- sumption (kWh)		2.758.230	100%		3.242.539	+18%	-1%		3.050.653	+11%	-6%
9	Share of renewable energy in electricity consumption (kWh)	42%	207.623	100%	100%	613.365	+136%	+50%	100%	594.969	+136%	0%
10	Share of renewable energy in total energy consumption (kWh)	8%	207.623	100%	23%	734.879	+201%	+125%	23%	713.878	+211%	+3%
11	Photovoltaic share of electricity consumption		15%		23% -26'			-26%	27%			+17%
12	Number of employees (Annual average)		342		443			+12%	486			+10%
13	Electricity consumption (kWh) per employee	1.4	132	100%	1.3	85	-3%	+11%	1.2	24	-14%	-12%
14	Total energy consumption per employee	8.0)65	100%	7.320 -9% -11%		6.277		-22%	-14%		
15	Number of Picks (Logistics)	3.217	7.788			3.513.237		+10%		2.927.088		-17%
16	Electricity Con- sumption (kWh) per Number of Picks	0,	15	100%	0,	17	+15%	+12%	0,20		+34%	+16%
17	Electricity Consumption (kWh) per ton produc- tion output finished goods site OEB	10.	880	100%	9.210		-15%	-7%	5.666		-48%	-38%
18	LPG consumption (kg) per ton produc- tion output finished goods site OEB	3	34 100%		13		-63%	-70%	10		-70%	-19%
19	m³ enclosed space	63.:	63.291 100%		92.766		+47%	0%	92.766		+47%	0%
20	Heat energy (kWh) per m³ enclosed space	9,	62	100%	9,29		-3%	+88%	7,78		-19%	-16%

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Notes on Energy Consumption

#1 and #11: Increase in solar power production due to more hours of sunshine in 2011.

The proportion of self-generated solar electricity compared to the total electricity consumption is 27%. Since the solar power under the EEG (Renewable Energy Sources Act) is fed into the public electricity grid and not directly used by VAUDE, we report this percentage of renewable energy separately.

#2: In 2011, a total of 595,000 Kw (100% renewable) was consumed, 3% less than the previous year. Considering that the increase in output at the fabrication plant in Obereisenbach rose by 58%, this is great news! Energy management at VAUDE is really starting to show its effectiveness; aside from several other measures, the electrical lighting and the IT infrastructure were updated.

#3 and #4: In 2011 VAUDE's oil heater was replaced with more environmentally friendly and energy-efficient natural gas heating. The results of this can be seen in a 16% reduction of "heat energy per square foot of enclosed space" (Figures #18 and #19).

#5 and #18: Because of an enormous increase in production of 58% in Obereisenbach, significantly more in-company forklift traffic was required (+28% compared to 2010). Forklift gas consumption per output OEB, however, declined by 19% compared with the previous year.

#6 and #7: The VAUDE company fleet has very few gasoline vehicles. Within the overall context of fuel consumption at VAUDE, the slight increase in consumption of 322 liters is negligible.

The reduction in diesel consumption by 2%, despite the addition of 3 vehicles, is encouraging news. The transition to low-emissions vehicles is making a noticeable difference.

Unfortunately we do not have complete data on 2011 kilometers. In the future, we will base fuel consumption figures on fuel consumed per 100 km driven.



VAUDE Environmental Goal #4:

Reduce fuel consumption of the company vehicles according to manufacturing specifications by 5% based on 2008 figures.

#8: The total energy consumption, despite the 58% growth in manufacturing, fell by 6%.

#9: The percentage of renewable energies in electricity consumption continues to be 100%. Now that Germany has liberalized its energy market, individual households and businesses can choose which energy source they will use for their own power consumption. VAUDE has relied exclusively on renewable energy since 2009.



#10: The percentage of renewable energies from our total energy consumption is 23%. For this calculation, in addition to our 100% renewable electricity supply, we also took a 5% bioethanol of all petrol consumed and 7% diesel into account.

#12: In 2011, VAUDE had an annual average of 10% (43) more emplovees than in 2010.

#13 and #14: The power consumption per employee has dropped by 12%; total energy consumption per employee fell by an encouraging 14%. Both resulted from better energy management, more fuel-efficient vehicles and our efficient natural gas heating.

* Note on lines 5 and 14: Compared to published data in previous years, the unit of measurement (kg replacing m3) has been changed for the years 2008 to 2010 to correct for the conversion to kWh.

#15 and #16: The number of picks in our logistics center has decreased considerably because we have switched other modules to the delivery of packaging units. The indicator "power consumption per number of picks," in comparison to previous years does not say much. We will be able to make comparisons again in the upcoming years.

#17: The power consumption per ton of finished products manufactured in Obereisenbach decreased by 38%. This is due to a more efficient energy management system, and also because of the enormous growth of production (58%) compared to 2010.

#18: See #5.

#19 and #20: See #3.

Energy efficiency is the most important direct environmental aspect for our Obereisenbach site.

Our goal in 2011 was to:

"Reduce electric power consumption by 10% in all departments at the company headquarters in Obereisenbach by mid 2012 based on the number of picks (logistics), tons of output (manufacturing) and the number of employees (administration)."

We surpassed this goal in terms of number of employees (-12%) and tons of manufacturing output (-38%). As noted above, energy consumption per pick increased due to altered packing units.

Unfortunately, a further reduction in power consumption at the same level of growth becomes technically impossible at some point in time. We will, however, continue to work toward becoming more energy efficient. The administration department still has potential for cutbacks; raising the awareness level of employees regarding standby power consumption could help them cut back on unnecessary energy use and help reduce emissions here.

6.6. Waste Management

Worthless waste or valuable secondary raw materials? "Waste" is a key environmental problem. Limited raw resources are wasted and potentially hazardous substances end up in the environment.

Waste is responsible for 1.18% of emissions in Obereisenbach. All emissions that are a result

emyclimate Protect our planet

of this waste are climate compensated for by VAUDE.

A See section 6 or the homepage:

http://www.vaude.com/en_IN/climate-neutrality.asp

We separate, dispose of and calculate the amounts produced of the following categories:

- Paper Board
- Office Paper
- Plastic Wrapping
- Styrofoam
- Wood
- Residual Waste

In addition, we separate and dispose of the following items, without calculating amounts:

- Organic Waste
- Glass
- Metal
- Flectronic Waste
- Batteries
- · Lightweight packaging
- Hazardous waste such as residual paint, used oil
- Packaging plastics

Number of Employees	342	396		443			486		•••••
Waste fraction	2008	2009	+/- from previous year 2009/2008	2010	+/- from basic year 2008	+/- from previous year 2009	2011	+/- from basic year 2008	+/- from previous year 2010
Paper board (t)	159,70	198,62	+124%	249,00	+56%	+25%	275,51	+73%	+11%
Mixed paper (t)	25,0	21,7	+87%	29,1	+16%	+34%	32,4	+29%	+11%
Plastic wrapping (t)	1,6	2,7	+70%	4,7	+192%	+72%	3,1	+94%	-34%
Plastic Packaging (t)							3,9	(Data avail- able starting 2011)	(Data available starting 2011)
Styrofoam (t)	0,030	0,025	-17%	0,035	+17%	+40%	0,14	+350%	+286%
Electronic Waste (t)							1,3	(Data avail- able starting 2011)	(Data available starting 2011)
Scrap wood (t)	15,0	18,0	+20%	13,2	-12%	-27%	23,4	+56%	+78%
Waste of disposal (t)	43,7	30,1	-31%	53,1	+21%	+76%	57,0	+31%	+7%
Hazardous Waste (t)							0,43	(Data avail- able starting 2011)	(Data available starting 2011)
Total	245,0	271,2	111%	349,1	+42%	+29%	445,9	+82%	+28%
Waste for disposal per employee (kg)	127,7	76,1	60%	119,8	-6%	+57%	117,3	-8%	-2%

The increased volumes of waste can be put into perspective when VAUDE's growth compared to last year is taken into account – over 10% and 43 more employees (annual average). It is encouraging to note the decline of waste foils, which can be attributed to the fact that in 2010, our warehouse construction led to the use of much more foil than usual.

The large amounts of styrofoam and wood were caused by remodeling activities (disposal of cladding and insulation).

The amounts deviate from the previous sustainability report for foils and styrofoam because of a conversion from cubic meters to metric tons.

A small amount of solvent-based materials was disposed of as hazardous waste in 2011, as well as 400 liters of heating oil when the tank was replaced with a different system.

We recognize a potential to reduce our increase in waste by separating more categories of waste in our recycling program. Our goal of reducing our waste volumes by 10% compared to 2010 was not met. A reduction of 2% per person at a growth rate of 10% in the company, however, is a success.



VAUDE Environmental Goal #5:

Reduce residual waste by 10% based on 2010 in kg per employee by 2015.



6.7. Water

At VAUDE, water is used exclusively for sanitary purposes and in the lab (waterproof tests and washing tests), and is drained into the community sewage system. We do not water any lawns or other outdoor features.

Rainwater is collected in two ponds on the premises that can be used as a source of water for extinguishing fires, as well as habitats for amphibians; they are gladly used as a rest area for employees and as a tadpole observation area for the kids from our on-site childcare center.

Emissions from water consumption are negligible (0.3%). All emissions that are a product of our water consumption have been climate compensated for by VAUDE.

See section 6 or the website:



http://www.vaude.com/en_IN/climate-neutrality.asp

	:	2008		2010		2011		
Consumption	Consump- +/- from tion basic year 2008		Consump- tion	+/- from basic year 2008	+/- from previous year 2009	Consump- tion	+/- from basic year 2008	+/- from previous year 2010
Water (m³)	1.480	100%	1.913	+29%	+2%	1.845	+25%	-4%
Employee	342		443			486		
m³ per Employee	4,33	100%	4,32	0%	-8%	3,80	-12%	-12%
Liter per Employee per working day (230 working days a year)	18,82	100%	18,78	0%	-8%	16,51	-12%	-12%



The loss of biodiversity is just as big of a threat to our planet as climate change. Everyday, approximately 100 species become extinct!

Biodiversity includes

- Species diversity
- Biotope diversity (Habitat diversity)
- Genetic diversity within species



As a company whose products are made specifically for use in the outdoors, we take our responsibility for biodiversity very seriously. VAUDE is the very first company to undergo the EU Business & Biodiversity Campaign's Biodiversity Check. This consultancy created a "Biodiversity Concept" for VAUDE and we are gradually implementing the measures that resulted from the assessment. Some examples: wild flower zones and nesting boxes on our company property in Tettnang, as well as sensitivity training of our employees and business partners.

Our commitment to promoting biodiversity is an integral part of our EMAS certified environmental management system because we are convinced that even corporate sectors without an obvious link to biodiversity can have a large impact, such as product development.

In spite of fact that it became necessary to seal a previously unsealed parking area, only 72% of the total land area is sealed or built up. We used a special type of drainage pavement to seal the parking area, which allows rainwater to slowly drain away from the surface rather than accumulate in run-off.









VAUDE Environmental Goal # 10:

Fair Wear Foundation will audit at least 60% of our production volumes by the end of 2012.







8.1. Green Materials & Technologies / Green Shape

8.1.1. Performance meets Ecology

Why is the development of outdoor products an environmental theme at all? The choice of materials and processing technologies are the first stage in the life cycle of a VAUDE product. We require the highest quality from our products and top functionality. They should offer reliable protection from the elements, improve athletic performance and be your favorite gear, day in and day out, for years to come:

Performance meets Ecology.

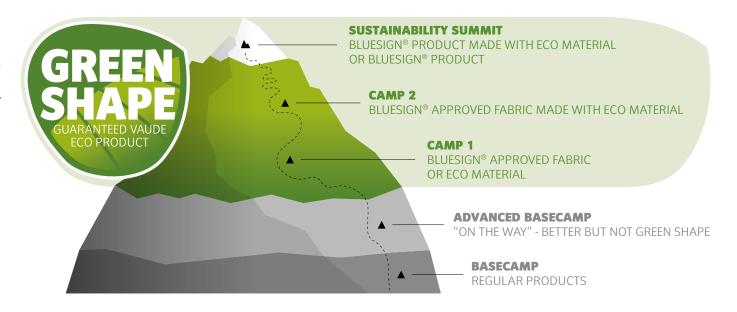
In addition to technical design, the materials and technologies used to make the products play a key role in these criteria. At the same time, these technical materials and technologies also have a drastic direct and indirect impact on the environment.

It goes without saying that our product managers have to deal with key environmental challenges such as resource consumption, material efficiency, recycling and potentially hazardous chemical substances in products, and at production facilities, water and energy consumption, wastewater and residual waste.

But how do you decide whether a material, process or product is "environmentally-friendly"?

Especially when there are no worldwide standards, no operating evaluation systems, and no international or uniform "certificates" to go by?

VAUDE is a pioneer in this field and has developed its own rating system: the Green Shape Mountain. The Green Shape Mountain combines the evaluation of eco-friendly materials and eco-friendly manufacturing processes in one schematic system.



Green Shape is VAUDE's guarantee for environmentally friendly products – made from sustainable materials and resource-conserving manufacturing. Our goal is to provide the best there is to offer for people and for nature.

When is a product Green Shape:

- When it meets the conditions of a "bluesign® product", or
- When it is dyed with VAUDE ecolour, or
- When it is made of at least 90% environmentally-friendly materials:
- bluesign® approved fabric
- organic cotton
- recycled materials
- a combination of those with at least 35% Tencel® or hemp

How we evaluate the Green Shape Collection:

The VAUDE Green Shape Mountain is 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 are included in the top "Sustainability Summit" area – these are bluesign® products. Ideally, 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's not enough to fulfill the criteria for Green Shape product. For example, a t-shirt made from 70% organic cotton: better, but not Green Shape.

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

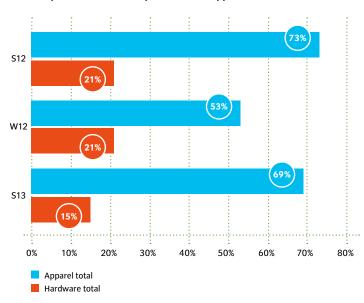
Who decides?

The VAUDE Sustainability team reviews the Green Shape criteria each season, seeking out the advice of independent experts and developing Green Shape targets for each product area.



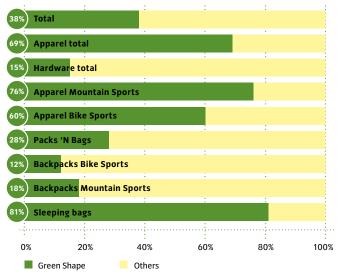
The closer a product is to the summit, the greater its eco benefits. In each Collection, we evaluate the Green Shape Mountain using a data processing system. Based on these ratings, VAUDE, together with product managers, determines ambitious goals for the continued development of the Green Shape Collection.

Development of Green Shape Collection Apparel/Hardware S12-S13



Our goal was to increase the percentage of Green Shape products in the total Summer 2013 Collection from 43% to 50%. This goal was not met; in fact, the Green Shape percentage fell to 38%.

VAUDE Collection Summer 2012: Percentage of Green Shape



Why? It was already foreseeable that we could not keep up the pace of development for more environmentally friendly products. Everything that was achievable up until now, we could implement in the last few years, such as the transition from conventional cotton to organic cotton. From here out, it becomes increasingly difficult to increase the percentage of environmentally friendly products, because our supply market for environmentally friendly materials and technologies and market-ready, eco-innovation continues to be low. This is especially true for hardware such as backpacks, tents, shoes and accessories.

So we are all the more proud of the fact that our Apparel Collection (Bike and Mountain for Summer 2013) once again has a sensational Green Shape percentage of 69%. The Mountain Apparel has even reached 76% Green Shape.



VAUDE Environmental Goal #7:

Increase the percentage of Green Shape Products in the Summer 2014 Collection to: 72% of the Apparel Collection 17% of the Hardware Collection 44% of the VAUDE Collection overall

8.1.2. Green Shape Eco Materials



Recycled Materials – why are they environmentally friendly?



Everybody is talking about recycling – but how do you make new outdoor products out of used "plastic"?

VAUDE makes use of a variety of recycled raw materials such as polyester and polyamide. Used PET bottles are also made into new products.

Used PET plastic bottles are collected, cleaned, ground and processed into granulate, which is then melted and spun into fiber. This creates high quality polyester that requires up to 50% less energy to make, and produces approx. 50% less CO2 emissions. Absolutely no fossil fuel petroleum based raw materials are used.

Used textiles are generally recycled using a chemical process. First fabric is cut into small pieces. The shredded fabric is then granulated and formed into small pellets. The pellets are broken down, polymerized and turned into polyester chips. The chips are melted and spun into new filament fiber used to make new polyester fabrics. This not only reduces landfill waste, it also completely bypasses the need for petroleum in the reclamation of polymers.

VAUDE products that are made of at least 90% recycled materials bear the Green Shape label.

We use recycled materials in a great number of our products; however, unless they include at least 90% recycled materials, they do not fulfill our own strict criteria for a Green Shape product and therefore do not bear the label.



Why does VAUDE use organic cotton?



Conventional cotton production accounts for the use of 25% of all insecticides and 11% of all pesticides in the world, although it only covers 2.4% of the world's cultivated land use (Source: Pestizids- Aktions-Netzwerk e.V. PAN). Conventional cotton is a relatively "dirty" affair – not least of all for the cotton farmers themselves and the residents who live near cotton plantations.

Organic cotton is cultivated following strict ecological standards. The use of pesticides and chemical fertilizers is eliminated. Also taboo: genetic engineering of the seed supply. Cultivating organic cotton uses significantly less water than conventional cotton cultivation and maintains natural soil fertility through crop rotation.

It increases the self-sufficiency of small farmers who are primarily organized into cooperatives, and allows them to set a higher price for their organic cotton, independent from the price set by raw material suppliers on the world market. By purchasing organic cotton, VAUDE contributes to the sustainable development of small farmers and incidentally, to the retention of species diversity in the growing areas.

VAUDE products that are made of at least 90% organic cotton bear the VAUDE Green Shape quality label. 10% of these products may include other fibers, such as elasthane, which benefits product maintenance and increases the lifespan of the product.

VAUDE now uses only organic cotton – the only exception is for shirt materials that use a blend of materials in which the cotton percentage is low and are very difficult to obtain in organic quality on the market.



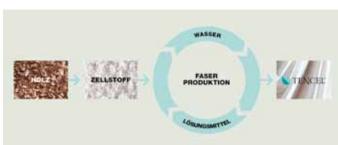
VAUDE Environmental Goal #8:

100% organic cotton for all VAUDE cotton products by 2015.



Natural Performance ■





Tencel® is a natural fiber made from wood pulp cellulose that conserves resources. It is extremely comfortable thanks to a silky smooth surface that transports moisture quickly away from the body and inhibits bacterial growth and odors.

Apparel produced with Tencel® does not require additional anti-odor chemicals to ensure the apparel's high functionality.

Tencel® is produced in a closed production cycle in which emissions are reduced to a minimum. Solvents and water are recovered completely and reused in the process.

The raw material for Tencel® fibers is cellulose from eucalyptus trees harvested from sustainable forestry. Eucalyptus is a fast growing tree that requires no fertilizers or irrigation.

VAUDE products that are made from at least 35% Tencel® and a total of at least 90% from Eco Materials fibers bear the Green Shape label.



Environmental Dyes with VAUDE ecolour

VAUDE ecolour is an environmentally friendly dye process in which the pigments are added during the spinning process. Unlike this new ecolour process, in conventional bath dyeing, yarn is first spun in its natural state and then colored in several rounds of dyeing and rinsing.

VAUDE's ecolour process reduces ${\rm CO_2}$ emissions of the dye process by 63%. In addition, up to 90% less water is used than in conventional dyeing processes, because the numerous rinsing processes are eliminated.

Of course, products dyed with the ecolour process bear the VAUDE Green Shape quality label.



VAUDE ecolour is available for a limited selection of colors and yarns. Therefore, we have used this dye technology to date for bags and backpacks, and bike apparel.





8.1.3. "Environmentally-friendly", but not Green Shape

VAUDE has many products in its collection that are "more ecological" than conventional versions, but that do not automatically fulfill our own strict Green Shape criteria:

Products from less than 90% of environmentally friendly materials

Products with less than 90% organic cotton, recycled materials, or fiber blends with hemp or Tencel®: better than nothing, but they do not quality for Green Shape.

•	Sympatex	SympaTex
	- , p	

This hydrophilic, non-porous membrane is extremely flexible, very thin and extremely windproof and waterproof. It is 100% PTFE*-free, made from recycled polyester such as PET bottles, and biodegrades without producing toxic wastes. The Sympatex membrane is bluesign® approved. A high performance eco membrane alone, however, does not make a Green Shape product. In addition, for example, outer materials must also be bluesign® approved or made from recycled materials

Flourocarbon-free DWR Finishes (Durable Water Repellency)

Fluorocarbons have long been known as a critical issue for outdoor products (but not only here – for work wear, protective clothing, fire-fighting foam, etc. as well.) We are taking a proactive approach to reducing and eliminating the use of fluorocarbons in our products, which includes much more than just avoiding the use of PTFE- membranes.

Unfortunately, there are currently no fluorocarbon-free finishes for textiles (DWR finishes) that are equivalent when it comes to water, oil and dirt repellency. We have been working for years to find functional alternatives and have been testing up-and-coming technological options on the market that eliminate the use of fluorocarbons, or at least using those that are less harmful to humans and the environment.

In the process, it is necessary to consider the requirements of our product developers and customers regarding water, oil and soil repellency of different products. No one would, for example, buy a florocarbon-free children's rain jacket if it would lose its waterproofness after a short time, or become easily stained by suncream or water from mudpuddle jumping.

For our VAUDE products, we are currently using DWR finishes that meet the bluesign® standard's "best available technology" for the particular level of demand for our products. Our goal is to minimize the use of fluorocarbons as much as possible. Once the market provides the technology to completely eliminate the use of fluorocarbons, while preserving the functionality of the products, we will apply this technology. Again, we want to be pioneers in this area.

Cocona

Antibacterial performance thanks to activated carbon particles from coconut shells. This fiber does not require chemical finishing treatments (i.e. nano silver), however, the percentage of activated carbon particles spun into the polyester or polyamide fibers overall is too small (approx. 1%) for the fabric to be accepted as a Green Shape product.

PVC free



PVC (polyvinylchloride) is a very stable and long lasting material. However, it often contains phthalate plasticizers that are suspected of causing cancer. "PVC free" at VAUDE means that these products are made 100% without PVC. One example: our Hot Couture fashion bags. Just as waterproof, but with eco-friendlier materials. This all, of course, is good. But it's not enough for the Green Shape criteria. (Details see also section 6.3)

Made in Germany



Made in Germany: Produced in our own EMAS, ISO 14001 and blue-sign® certified production facilities in Obereisenbach. Nevertheless, a Made in Germany product must fulfill other Green Shape criteria before it is given the Green Shape label.

* What's the problem with PTFE anyway?

Many companies use PTFE (polytetrafluoroethylene) for the production of water-repellent functional textiles. PTFE has been criticized increasingly in recent years because the fluorine compounds that are used for producing PTFE are suspected to be harmful or even carcinogenic. Perfluorinated compounds can also be released into the environment during the burning or disposing of PTFE. Therefore, they can accumulate due to their long-life cycle. The Sympatex membrane is PTFE-free. It is made of polyether and polyester, and therefore represents no health hazard while being 100% recyclable.



Source and further information:

http://en.wikipedia.org/wiki/Polytetrafluoroethylene http://en.wikipedia.org/wiki/Perfluorooctanoic_acid



8.2. Clean Production / bluesign® Standard

The production of outdoor products has a very high environmental relevance. Why? Because valuable resources are consumed in the production of functional apparel and gear (i.e. materials, energy, water). Because the chemicals required have a negative effect on people and the environment. Because we are responsible for the production of "residual products", such as wastewater and air emissions.

The degree of influence that we have at our own three production facilities in Obereisenbach, China and Vietnam is much greater than at the many independent companies that manufacture VAUDE products in contract for us. At all locations, however, we depend on one independent authority to evaluate and optimize the production processes: the bluesign® standard. www.bluesign.com.





The bluesign® standard is the world's most stringent environmental standard for textile products. Like an ecological "purity law", only materials are accepted that present no harm to people and the environment.

Find out more at:



www.bluesign.com

VAUDE produces high performance, top of the line products in accordance with the bluesign® standard for minimal environmental impact. We have been working together with bluesign® since 2001 and were the first outdoor supplier to launch a complete bluesign® certified base layer collection.

All environmental aspects of production are critically evaluated by bluesign® and optimized: energy and material use, water and air emissions, noise levels, wastes, as well as working conditions related to dangerous materials.

By analyzing all raw materials and chemical ingredients using an intelligent "Input Stream Management", we can ensure that potentially hazardous substances are excluded from the production (rather than making random toxic substance tests on the finished end product).

By optimizing materials, as well as water and energy use, maximum resource productivity is achieved, and this throughout the entire production chain, from the chemical manufacturer, to the manufacturers of the fabrics, finishing treatments and garments and ending with the brand itself.



The bluesign® standard differentiates between two levels in its system:



At least 90% of the textile surface of the product must be bluesign® certified, especially inner and outer materials and all prints. The remaining 10% may not come into direct contact

with the skin, and must fulfill the criteria and prescriptive limits of a bluesign® Restricted Substance List.

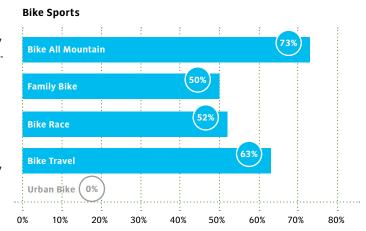


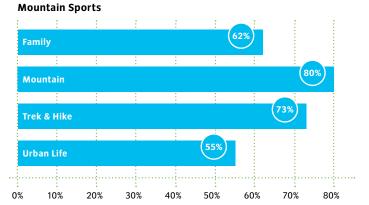
At least 95% of the textile surface of the product must be bluesign® certified, especially inner and outer materials and all prints. In addition, at least 30% of all other components

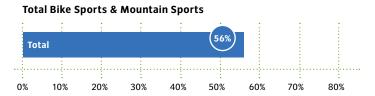
must be bluesign® certified (zips, buttons, embroidery, etc). All other product components may not come into direct contact with skin and must fulfill the criteria and prescriptive limits of a bluesign® Restricted Substance List.

VAUDE Green Shape products are manufactured in both categories.

bluesign® percentage of the Aparrel Collection Summer 2013







VAUDE Environmental Goal #9:

As a bluesign® member, we have committed ourselves to converting our entire textile collection to bluesign® manufacturing. Specifically, our goal is to produce at least 80% of our apparel under the bluesign standard by 2015 and 100% of the Children's Collection.

This goal continues to be a true challenge; bluesign® certified suppliers and materials are still just developing.

Our production facilities in Obereisenbach and in Vietnam are blue-sign $^{\circ}$ audited and ISO14001 certified.

bluesign® guarantees that no "substances of very high concern" (SVHC) as listed in the REACh-regulations (Registration, Evaluation and Authorisation of Chemicals) are included in our products. At bluesign®, all limits for hazardous materials are lower than the legal limits, and also lower than other common textile standards.



8.3. Sales, Marketing and Logistics

8.3.1. Sales:

"Environmental Zones" in Retail

Our environmental activism is only truly sustainable when we are economically successful and can sell our products well. Above all, in sales it's about raising customers' awareness, because only an informed, aware customer is able and willing to take on responsibility with his/her purchases. The indirect environmental aspect "Sales" is an interface between retail and the customer. Therefore, it has a high degree of environmental relevance, and we have a high degree of influence over it.

As a pioneer in the branch, VAUDE was successful in making "Sustainability" a distinct theme in retail by giving it a separate sales area. Like the organic food aisle in a grocery store, "Sustainability" and our Green Shape Products are readily visible to pre-sensitized target groups as well as regular customers who had previously been indifferent.

VAUDE supports retailers with an extensive range of measures – first in line are naturally the Green Shape products themselves. But we also provide deco material, information brochures, posters, displays, etc.

Our own sales staff makes an invaluable contribution as opinion leaders to increasing the awareness of sustainability issues throughout the market and with our customers. It's a win-win situation for everyone concerned: the market, retail, end customers and the environment.

8.3.2. Marketing:

Advertising without Greenwashing

"Do good and talk about it": VAUDE is clearly positioned as a sustainable company. This fact governs all of our company communications, both within the company and outwards. Their environmental relevance should not be underestimated, because we, as a company committed to environmentalism, have a role model and muliplicator effect on other companies, on our customers and on outdoor-loving people. In respect to all environmental aspects, we value these communications as a "means" to an end.

Our influence on this issue, and on the fact that categorically, no "greenwashing" is included in VAUDE marketing, is high. By this we mean that we do not find it necessary to make our brand image "greener" through special marketing efforts. We abstain from paying for highlighting individual sustainability activities or successes. Instead, we comply with the EMAS principals of being responsible, authentic, innovative and transparent, in our marketing practices as well.

So we are all the more pleased with the honors and awards that have come our way!









All consumption of paper and office supplies at VAUDE Obereisenbach is climate neurtral.

See more about this in the Emissions section.





VAUDE works closely together with the "competition", as well as with other "sustainable" sports and outdoor retailers. Together we design concepts for promoting products that are more eco-friendly and for promoting the overall theme of ecological and social responsibility in retail, for end-customers and in the media.

Interested parties can read in-depth information about all aspects of our company's environmental and social responsibility online.



Issues related to sustainability are actively discussed on our VAUDE Facebook page.



The VAUDE Academy, our program for advanced training for employees and executives, offers a wide range of activities related to sustainability, including

fuel-reduction training, climate neutrality, new eco-friendly materials in product development, and how VAUDE implements social responsibility in its manufacturing.

The News page of the VAUDE intranet is updated several times a week with news and tips. In the lobby of our headquarters in Obereisen-

bach, a monitor informs employees and visitors not only about the current data of the on-site photovoltaic installation (kWh current, kWh accumulated, CO₂-savings), but also about other sustainability issues at VAUDE.

8.3.3. Logistics:

Product Transport Routes

We live and work in a global world. Our products are transported long distances accounting for production of CO₂ before they end up at a customer's doorstep. The majority of our products travel eco-friendly, primarily in container ships.



senbach is climate-neutral; this includes delivery of all materials, internal transport to the warehouse and shipping products to retailers.

In the future, we plan to include all shipments (including those from other producing countries) in our company climate footprint, to reduce them to the greatest extent possible and to offset the remainder.

The following three transport routes must be differentiated for in the transport of all VAUDE products:

Transport of Components and Materials to Manufacturers

We have a low level of influence on the transport of materials to our manufacturers. Nevertheless, we try to find production facilities that are as close as possible (and vice versa), and advocate environmentally friendly means of transportation. This also applies to our own factories in China and Vietnam.

Transport of Products from Manufacturers to VAUDE

About 95% of our products sold within Europe are transported by ship from the manufacturer to Hamburg, and from there by railway / truck to Obereisenbach. Transport via ship and train is ecological and makes the most sense. Custom laws and regulations permitting, goods are shipped directly from the manufacturer in Asia to the recipient country without passing through Obereisenbach; for example, within Asia.

Nevertheless, airfreight is sometimes necessary in order to deliver our products to our customers on time. Sometimes, organizational problems are a reason for this and we are constantly working on improvement in this area.

We are on our way, together with our logistics service providers, to reorganize our Supply Chain Management in terms of sustainability and management. In addition to transport, sales and packaging from a logistics standpoint are also included in this reorganization effort. Up until now, we have not put the influence we have on these environmental aspects to enough use.

Products from VAUDE to Customers

Our own warehouse in Obereisenbach provides us with a high degree of influence on this indirect environmental aspect. It has, however, already been largely optimized: shipping from the central warehouse Obereisenbach to our customers (retailers) includes volume optimization of box packaging and collection by truck.

We are having in-depth discussions with our parcel service providers in order to clarify that we also expect social and environmental responsibility from our business partners.

8.4. Sustainable Use & Service

VAUDE has limited influence on how customers use our products in the outdoors and on their way to the mountains, let alone how they wash their gear at home. However, the greatest percentage of a piece of outdoor apparel's $\mathrm{CO_2}$ footprint (nearly 50%) originates during this usage phase! (see, for example, Exemplarische Bestandsaufnahme von THG-Emissionen in der textilen Prozesskette, Systain Consulting 2009)

We can, however, influence our customers by informing them and raising awareness of what they themselves can do. One way we can do this is through our website.

Product Guarantee and Durability

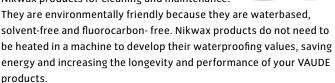
Products are the most sustainable when their quality is high enough to keep them functional to the longest extent possible before they need to be replaced by a new product.

VAUDE is traditionally well-known for its long-lasting products. This is sometimes jokingly referred to as a marketing disadvantage as our end consumers simply do not buy any new products as long as their old "favorite pieces" are still fully functional (even after 10 to 20 years). We use high quality materials and best production technologies. Quality, durability and design are the cornerstones of our product development. We make products that are enjoyed over a long time and that you can depend on. It's a source of pride for us.

VAUDE apparel has a two-year guarantee, all other products and gear have a three-year guarantee. As a matter of course, with appropriate use and regular maintenance, our products hold up for much, much longer.

Product Maintenance and Repair

Outdoor products get sweaty and dirty – of course washing is necessary. We recommend an eco-friendly approach – at 30° C, with as little cleaning agent as possible and without using a dryer whenever possible. We recommend Nikwax products for cleaning and maintenance.



VAUDE is proud of its high quality and products. They are dependable, day-to-day companions, and are manufactured for intense use. We operate a large customer service and repair department at our Obereisenbach location. Retailers and end consumers can send in their products to be repaired.

Use in the Outdoors

Anyone who works or plays in the outdoors should be asking themselves what they can personally do to help protect the environment. We at VAUDE try to set a good example, by offering outdoor training courses, and by choosing partners that we can support to promote environmental accountability in the outdoors (such as the WWF Germany, the German Alpine Club and the Association of Nature and Forest Kindergartens).

Electronics and Batteries

These days, nobody wishes to do without their electronic gear, even in the mountains. GPS, mobile phones, and cameras are standards of modern outdoor equipment, not only for personal comfort, but for more safety in "the wild" as well. With VAUDE's mobile solar chargers, you can recharge batteries using renewable sun energy. When they are used up, batteries should be disposed of with hazardous waste – they do not belong in the environment.

Mobility

Get outdoors – naturally! Your eco-friendliest option – by bike or train. Always asking yourself whether you can get something done without using the car – or by carpooling – pays.



This is also true for the daily commute to work.

You can read about what VAUDE is doing to make the daily commute to work more enviornmentally friendly in section 6.1

8.5. End of Product Life / FairWertung

Where does my product go when I'm finished with it?

The "Life End" of a product is a natural part of the product's life cycle. What our customers do with their products when they are finished with them is an indirect environmental aspect over which VAUDE has almost no influence. In order to make meaningful re-use or recycling possible, VAUDE depends on premium quality and longevity in the design and selection of our materials.

Because of our awareness of this issue, and because we want to do the right thing when it comes to product end of life, VAUDE has been a pioneer in the "green movement": we launched the "Ecolog Recycling Network" in 1994 as the first recycling system of its kind in the outdoor industry for pure sort polyester products. Ecolog products were technically designed so that they could be returned without difficulties into polyester fiber circulation and the Ecolog Recycling Network offered the necessary infrastructure to make it possible.

Because we did not receive enough used products to make the system sustainable, we had to discontinue the project. From a variety



of studies, we know that you have to have sufficient amounts of collection goods to compensate for the logistical effort of recycling. And that individual brands with their own recycling systems can only ever fill a niche and make a small difference in the consumption of raw materials and the amount of products a customer returns.

Nevertheless, we as a manufacturer, intend to meet our responsibilities for the entire life cycle of a VAUDE product – including its "end of life."





Therefore we are working together with FairWertung, e.v. association. Fair-Wertung is a German-wide network of over 100 nonprofit organizations. It has developed new standards for clothing collection and has been dedicated to more transparency and accountability in the collection and recycling of used textiles since 1994.

Through FairWertung, our products can have a second life as second-hand clothing or gear. What the non-profit organizations do not use themselves, they sell to textile recycling companies and use the revenues to finance social projects.

At www.fairwertung.de you can find more information, including which FairWertung Organizations in which regions accept used products and where FairWertung containers are located.

In addition, VAUDE is actively working with the Sustainability Working Group of the European Outdoor Group (EOG) industry association to make our customers more aware of the issue of "End of Product Life".









For all of our social and environmental responsibility, we cannot do it alone. Our core compentency is product developement. For all other aspects, we seek out competent partners, i.e. for classic environmental protection. Particularly when it comes to how our products are used by end consumers, we have little influence – and this accounts for over 50% of the product climate footprint!



VAUDE is committed to conserving nature and protecting it for the outdoor experience, and has found the ideal partner to further this cause: the World Wide Fund for Nature (WWF). This association is one of Germany's largest independent environmental conservation organiza-

tions and also one of the most active.

1% of revenues generated from the VAUDE Green Shape Collection in Germany and Austria (approx 60% of sales), Czechia, Slovenia, Slovakia flows directly into WWF environmental protection projects. This money is used to finance projects such as WWF youth projects, and projects in one of the most important biodiversitiy hotspots of the world – the Caucasus.

VAUDE outfits the WWF-Team with apparel and gear for use outdoors. In addition, as a partner, the WWF also serves as an expert advisor to VAUDE on key environmental issues. This, for example, has led to the development of a joint paper policy in which VAUDE has pledged to only use recycled paper or FSC certified paper.



VAUDE has been an official outfitter of the German Alpine Club for years – the only sports association that is also officially recognized as an environmental protection association.

VAUDE employees taking part in the "DAV Forest Protection Initiative" are released to 50% from work in order to participate. During this activity that takes place every year, members and friends of the DAV plant

hundreds of trees and bushes in the Alps to help prevent soil erosion and reduce avalanche danger, making an important contribution to the preservation of the sensitive alpine ecological balance and the diversity of species. In addition, they learn more about eco-friendly behavior and the expert use of outdoor products.



VAUDE is a partner of the Bundesverband der Natur- und Waldkindergärten (German National Association of Forest Kindergartens): committed to raising kids close to nature and the ongoing, hard-core testing of VAUDE products.

VAUDE executive and leader of the VAUDE Sustainability Team, Jan Lorch, works on the executive committee of the European Outdoor Conservation Association (EOCA, formerly AFC). Each year, this association initiates a highly remunerated competition for environmental protection projects.

Two environmental protection projects submitted by the charitable trust EURONATUR have already been honored by the EOCA with 100% of the winnings going to the projects – (a trans-border hiking trail in Albania/Macedonia, and a brown bear project in the Cantabrian Mountains in Spain.)



VAUDE is both a founding member and active member of the board of directors of the Sustainability Working Group of the European Outdoor Group, the European branch association for the Outdoor Industry. In this group, the branch works together for solutions and "best practices". In addition to important issues such as

international environmentally legal parameters and "End of Product Life", we have developed an Eco Index for outdoor products: www.ecoindexbeta.org. At this time, manufacturers are using this instrument for voluntary internal evaluation of their products and are in the process of intensive further development.



Other major networks are the German working group for envionmentally friendly management, BAUM e.V. and the Council for

Sustainable Development, a federal government advisory board for sustainability issues. As one of the few mid-sized businesses to do so, VAUDE has supported the Council for Sustainable Development in the development of the German Sustainability Code, and in the spring of 2012 signed on as one of the first German companies to the declaration of compliance to this Code. This has ensured that VAUDE is playing in the premier league of companies committed to greater sustainability, and who make their commitment to mandatory criteria both transparent and public.

More information:





www.deutscher-nachhaltigkeitskodex.de



10.1. Get the Spirit: VAUDE Obereisenbach

VAUDE is a family-owned business. This is expressed not only in the ownership by the family of Dewitz. Much more so, it's the basis for one of our key corporate values:

"Family Company"

As a company, we see ourselves as a family; our employees and colleagues worldwide are considered as our relatives. With common values, a lively team spirit, and an open inviration for all outdoor enthusiasts to become a part of our happy family.

We work together and learn together in order to continue to develop ourselves and the VAUDE company. The basis for our cooperation is our positive view of human nature, that people are basically self-motivated. They enjoy the effort of putting their skills to use and are happy to take on responsibilities. We trust our employees and encourage them, support them and challenge them so that they both motivated and able to perform at their own personal best.



The VAUDE Academy offers all employees free training on various topics including communicating our vision and values, knowledge of the major players in the outdoor branch and the market, business-related content, organization and leadership, product expertise,

quality management, environmental management, production and production sites. It also organizes mountain tours and bike tours, provides safety training as well as runs health promotion programs such as informal bike events, swim events, running events, bouldering and yoga.

Our Obereisenbach employees attend an average of eight hours of continuing education per year.



The goal of our human resource development is to credibly incorporate and live the VAUDE Spirit at all levels of the company. A company spirit arises only when it is lived. VAUDE's senior management takes on personal responsibility for the VAUDE culture both inside and outside the company, ensuring that it is visible: We take on responsibility for people and nature.

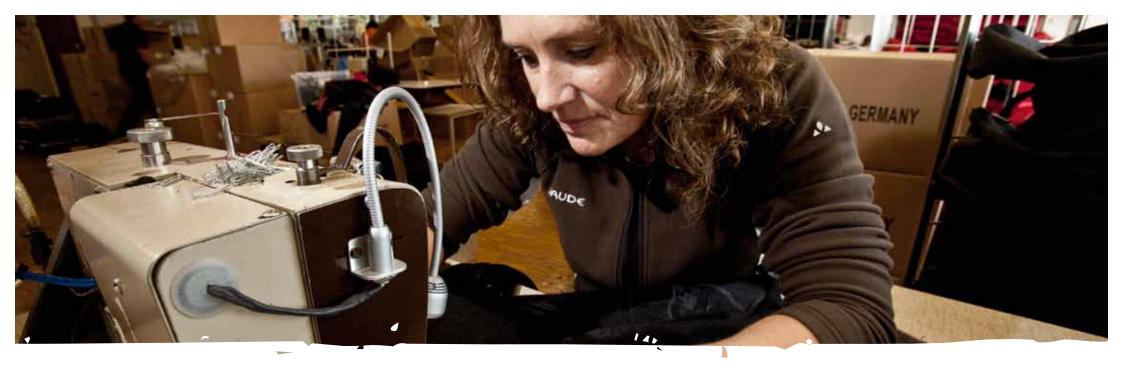
In addition, "family business" means that the balance between family and/or private life with a career has a very high priority at VAUDE. For VAUDE the personal lives of our colleagues are important as well. We strive to find common solutions to meet the needs of their private lives as well. VAUDE offers individualized working models, home offices and part-time jobs.

Especially in rural areas, reliable child care is a key factor in successfully combining work and family. The VAUDE Kinderhaus has provided exemplary childcare services since 2001. 31 children between six months and 10 years are cared for in a nursery and a mixed age group with after-school supervision.

By the way: The birthrate at VAUDE has tripled since the opening of the Kinderhaus Child Care Center and is now three times higher than the German national average!



VAUDE was certified in 2001 and 2004 by the independent Audit Familie and Beruf® (Family and Career).



10.2. Social Responsibility in Worldwide Production



VAUDE is proud of its "Made in Germany" products that are manufactured at our climate-neutral facilities in Obereisenbach, Germany.

A large percentage of our merchandise, however, is produced outside of Germany, much of it in Asia. VAUDE has a long tradition of partnerships, accountable and personal business relationships with our (primarily) longterm suppliers.



VAUDE has been a member of the Fair Wear Foundation since November 2010. This membership assures that fair working conditions are in effect in our production facilities. As a multi-stakeholder initiative, the Fair Wear Foundation verifies the progress that we, together with our foreign business partners, achieve for improved working conditions.

Two major rationales convinced us to join the Fair Wear Foundation: Firstly, the monitoring of working conditions is not only based on selective audits, but on a comprehensive management system. This system gradually optimizes all operational procedures, timelines and responsibilities for the production at the company headquarters so that the company can plan long term. This allows us, for example, to avoid overtime in production due to late ordering by already integrating this aspect when planning the collection.

On the other hand, the Fair Wear Foundation system is based on the principle of shared responsibility between us as principal and the management of production operations, whose understanding of and active participation in improvement measures is imperative for success. Together with the Fair Wear Foundation and local management, we devise a corrective action plan for necessary improvements for each production operation, which we then implement together. The Fair Wear Foundation regularly verifies the progress made.

As a member of the Fair Wear Foundation, we have committed ourselves to strict standards based on the International Labour Organization (ILO) in all of our production facilities:

- **♥** Legal labor contracts

The full Code of Labour Practices from the Fairwear Foundation can be downloaded from our homepage:



http://www.vaude.com/en_IN/social-responsibility.asp



10.2.1. Focus 2011

Based on the work plan that we developed together with the Fair Wear Foundation for the year 2011, the focus of our work in 2011 was placed on the following aspects:

- During the first year of membership in the Fair Wear Foundation, our own two production companies in China and Vietnam (our main suppliers for backpacks) were audited by the Fair Wear Foundation (FWF). Together, these suppliers represent about 35% of our purchasing volume. Both companies produce exclusively for VAUDE.
- VAUDE employs a team of permanent quality controllers in both producing countries who monitor local production, operations and quality of our products.
- In both production countries, we train these employees so that together with the local production operations management they can monitor the compliance of the Fair Wear Foundation Code of Labour Practices and the implementation of all agreed improvements. Quality controllers are all locals who speak the local language and are familiar with the national, regional and local conditions and regulations.
- Based on the findings of the two audits, we commissioned an independent organization to support the implementation of the Code of Labour Practices and the corrective action plan (CAP) at our factory in China. Within a short timeframe this led to a greater sensitivity on the part of the local management as well as extensive positive changes.
- To incorporate the FWF monitoring system throughout the company and in particular in the entire product development and production process, we carried out a series of internal briefings, trainings and documentation. To accomplish this, we used the intranet, the VAUDE Academy (see section 10.1) and the collection presentations for all of our distributors, which take place twice a year.

• As a requirement for membership in the Fair Wear Foundation, VAUDE developed a work plan for the responsible withdrawal of our production facility in Burma. According to the plan, we will terminate cooperation with our producer in Burma by the end of 2012. This exit strategy is scheduled as a gradual phasing out of production, which means that order volumes for subsequent collections will decrease. Due to the recent developments in Burma, the Fair Wear Foundation will adjust its limitations for production in Burma in accordance with the position of the ILO. This may have an effect on our relationship to our producers to Burma.

In February 2012, the Fair Wear Foundation performed its annual review of our achievements ("performance check"). The Fair Wear Foundation audit report can be viewed online:



http://www.fairwear.org/506/resources













10.2.2. Product Development,Supplier Selection, Production

The VAUDE brand and its products stand for mountain sports expertise, innovation and social and environmental responsibility. We demand long-lasting durability, functionality and highest quality from our products. Our product development, choice of producers and product manufacturing must meet these standards as well.

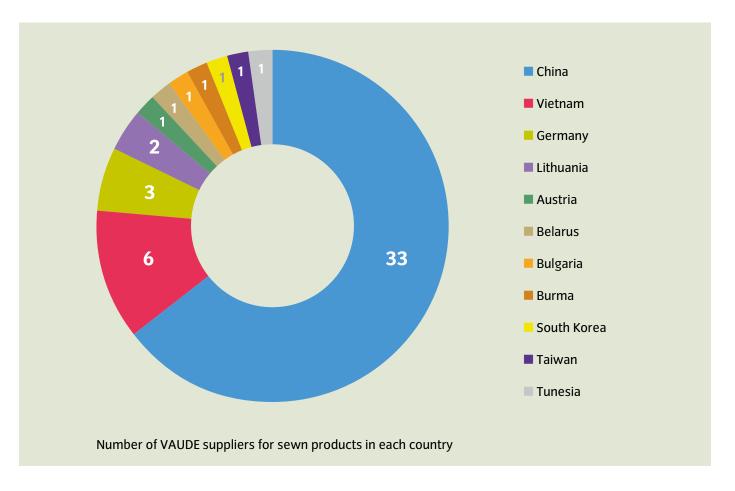
We traditionally have a strong interest in building up long-term relationships with our suppliers. Instead of a "hire and fire" policy, we build up over the years an in-depth joint understanding of common quality standards, as well as a durable mutual base of trust that is imperative for an open and constructive cooperation, allowing us to follow a common path. Occasionally, "the road may get bumpy" in every respect. Yet before we make any decisions to part ways with a producer, we try hard to improve cooperation. This applies to reliability, price policy and communications, as well as quality, environmental and social standards.

We have worked together for five or more years with almost 70% of our producers.

We have worked together for more than 10 years with nearly 30% of our apparel producers.

Environmental and social criteria play a critical role in the selection of new suppliers as well. All suppliers must sign the Code of Labour Practices as part of their contract. If a supplier already has other environmental or social certifications, these will be considered when evaluating the supplier. Before a new supplier is contracted, the VAUDE production manager, who is also a member of the VAUDE Sustainability Team, visits the facilities.

Our suppliers are located in Europe and Asia, most of which are in China and Vietnam.



We develop and produce two collections a year (Summer and Winter), except in the Packs 'n Bags segment, which has four collections a year.

When collaborating with a supplier, the product technical arrangements as well as our forecasting process are important. Here we define early on model, color and size quantities to be produced.

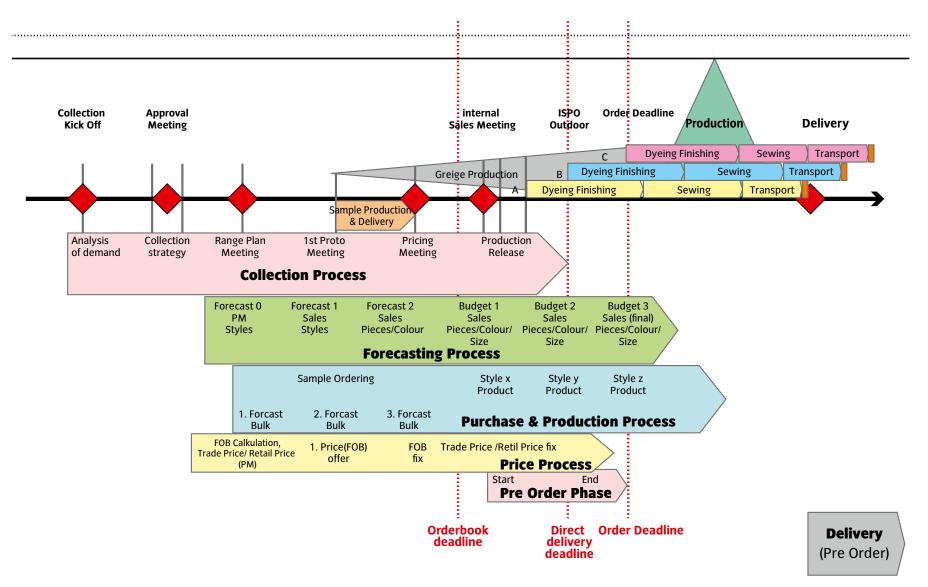
We require from our sales department an early, detailed and autho-

ritative planning of pre-and re-order quantities. The sales department compares our planned quantities with the supplier's capacities, and talks through with them whether and in what time these can be realized. The better our forecasts are, the better the supplier can plan, and the less unscheduled overtime is accumulated during production.

The prices are also set at an early stage in negotiations with the supplier.



Production Cycle Apparel (Mountain)



10.2.3. Monitoring System

VAUDE's monitoring is a part of the FWF Management System. When selecting a new production partner or during ongoing collaborations with existing suppliers, both the Code of Labour Practices and the FWF questionnaires play an inherent part, as does the Quality Manual and Restricted Substance List to avoid pollutants.

In the annual work plan, which is approved by the Fair Wear Foundation, we determine which suppliers are to be audited in the following year.

After each audit, a binding plan of action (Corrective Action Plan - CAP) is determined together with the audit team and the management of production operations. The execution of the measures contained therein is constantly supervised by the VAUDE Quality Controller, who works directly on site at the facilities. These controllers report regularly to VAUDE production management. In case of difficulties in implementation, a solution is sought.

During the year, the production manager and the responsible product managers visit each production partner. In addition to quality issues, the execution of the CAP is discussed and what further measures, if necessary, are to be taken and when the next audit is to take place.

Once a year, meetings in different regions of China and Vietnam take place by invitation and under the direction of the VAUDE production partners; the focus is on quality, and environmental and social issues.

The Fair Wear Foundation determines the dates for follow-up audits in accordance with their regulations and at their discretion. At this time progress achieved in implementing the CAP is reviewed and verified, and the CAP is updated.

VAUDE has set up in both production facilities the official grievance system of the Fair Wear Foundation. Here, employees can turn to trusted third parties who examine their complaint and forward it to VAUDE Germany and the Fair Wear Foundation. The employee placing the complaint remains anonymous to the employer.

During the annual performance check, the Fair Wear Foundation examines at the VAUDE headquarters how the monitoring system is integrated within all relevant work processes. The results are published on the website of the Fair Wear Foundation:



http://www.fairwear.org/506/resources/

VAUDE publishes the results of the audit and the actions taken in its Annual Sustainability Report.

10.2.4. Results of the 2011 Audits

10.2.4.1. China

VAUDE's backpack production in China has existed since 1992 as a joint venture with a Chinese business partner who runs the company largely independently. It was the first foreign production facility to be established in the entire Yangzhou region.

The main reason for the decision to set up our own production facility in China was in addition to the lower production costs, the possibility for us to implement our own developments and innovations from prototype to finished product, and to train staff to become backpack experts, without having to share this know-how with producers that produce for other brands as well.

There are 385 full-time employees in the facility, of which 77% are women. VAUDE is the sole customer of this business.

The audit of the Fair Wear Foundation was carried out in April 2011. The audit team positively highlighted staff accommodations, airconditioned workplaces and leisure facilities including gym, etc..

The following list is of local stakeholders consulted by the Fair Wear Foundation:

- Labor Action China (LAC), Hong Kong
- Worker Empowerment (WE), Hong Kong
- Institute of Contemporary Observation (ICO), Shenzhen
- Labour Education and Service Centre (LESN), Hong Kong
- China Women Working Network (CWWN), Hong Kong
- Joint Peking University-Polytechnic University China Social Work Research Centre (Beijing / Hong Kong)
- Hong Kong Liaison Office of the international trade union movement (IHLO), Hong Kong
- China National Textile and Apparel Council (CNTAC), Beijing



Section 1981 Committee on	
Code of Labour Practices	Results of the Audit
Monitoring System	The Fair Wear Foundation recommends that VAUDE continue to strengthen awareness among production facility management for social standards, further develop the internal monitoring system and insure that it is clearly communicated within the facilities. VAUDE has implemented these recommendations and together with the Fair Wear Foundation initiated a training program that is in place since 2011.
Management System & Documentation	Before the audit, the factory had not established written policies on the major aspects of social compliance requirements. In the meantime these have been established and communicated to the employees. No formal grievance procedures for employees were established. These have been implemented together with the Fair Wear Foundation.
No forced labor	No violations observed. A written voluntary policy regarding no forced labor was established.
No discrimination in employment	No violations observed. A written voluntary policy regarding non-discrimination in employment was established.
No exploitation of child labour	The legal minimum employment age in China is 16 years. Two 15 year old workers were found to be employed at the time of the audit. In the meantime, both have reached the legal age. A written voluntary policy regarding no child labor and its strict observance was established. It stipulates that young people need to be medically examined at least once a year and
	are not allowed to work overtime or with chemicals.
Freedom of Association and the Right to Collective Bargaining	No violations observed. A written voluntary policy on freedom of association and protection of workers' right to collective bargaining was established.

Results of the Audit			
In China, the legal minimum wage is set by local governments and often varies greatly even over short distances.			
The audit team found some discrepancies in the payment of the minimum wage and overtime, and in the documentation. All discrepancies were corrected.			
Regular working hours are Monday to Saturday from 8:00 a.m. to 7:00 p.m, with a half-hour break. Two thirds of workers report that they voluntarily work overtime in order to earn more. Massive overtime is a very widespread problem in China's textile mills.			
The audit team found a partially incomplete coverage of the massive overtime working hours and at the same time not enough days off. These deviations are a focus in the training program that VAUDE has started with the Fair Wear Foundation and which has already achieved critical successes.			
During the audit the majority of discrepancies were identified in respect to this aspect, for example, that people did not wear their personal protective equipment nor had insufficient training in first aid. The producer has implemented all corrective measures.			
A widespread problem in China, and also a problem at the factory: not all employment contracts were regulated as written contracts. This has since been corrected. The employees agree that their contracts are to be kept at the plant.			

Fair Wear Foundation Wage Ladder: Wages for VAUDE China March 2011



- 1) Local legal minimum wage (as of: February 2011)
- 2) Asia Floorwage Campaign (as of: May 2011)
- 3) China national poverty line, formulated by government (as of: April 2009)
- 4) Average wage (40 hour working week) in Yangtze River
 Delta (according to Worker Empowerment) (as of: June 2009)
- The benchmarks in the above wage ladder refer to a regular working week (40 hours), whereas the depicted bandwidths for actual wages refer to total working hours including overtime.
- The wages quoted were gross piece-rate wages for 10.5 hours per day, 6 days per week. Workers should be paid
 at least RMB 1706 for March 2011, calculated by the legal overtime rates and the overtime hours worked.
- · Workers in the cutting, sewing and packing workshops were paid at piece rate.
- The wages quoted do not include group leaders.

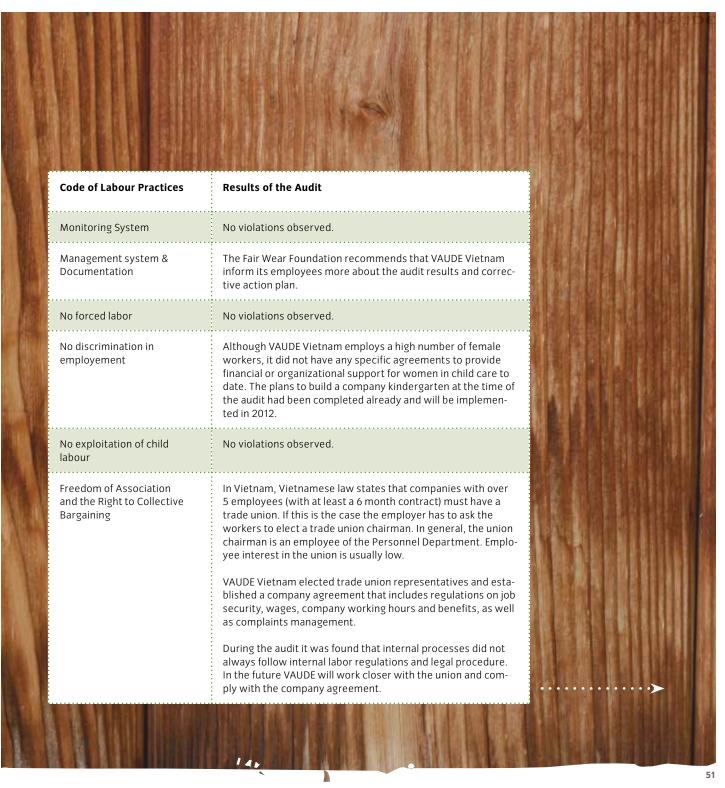
No complaints were submitted in the 2011 to VAUDE or the Fair Wear Foundation through the official grievance management.

10.2.4.2. Vietnam

VAUDE acquired the facility in Vietnam in 2008 and went on to modernize it completely. 800 employees work here full-time, of which 86% are women. All employees receive a fixed salary; there is no pay per piece. Backpacks and harnesses are manufactured here. VAUDE Vietnam is ISO 14001 and ISO 9001 certified, and has undergone bluesign® screening.

The Fair Wear Foundation audit was conducted in October 2011. The audit team positively highlighted that the facilities were new, clean and tidy, and that the written guidelines for quality, environmental and social standards were accessible. The Fair Wear Foundation will carry out a monitoring audit in 2012 to review implementation of corrective measures.





Code of Labour Practices	Results of the Audit	
Payment of a living wage	No violations observed. VAUDE Vietnam pays at least 12% more than the legal minimum wage prescribes, along with a variety of bonuses, for example, for manufactured quality. All employees are covered by social and health insurance. This insurance covers medical and maternity care, maternity leave etc. from. Overtime is paid at 150%, 200% on Sundays and 300% on public holidays.	
No excessive working hours	Regular working hours at VAUDE Vietnam are Monday to Saturday from 7:00 a.m. to 4:00 p.m. with a lunch break from 12:00 to 1:00 p.m According to the agreement, overtime is not to exceed three hours a day. There are no distinct main or off-season times. Often people wish to work overtime in order to earn more. According to local worker representatives, excessive overtime is a common problem in the textile industry in Vietnam. In the employee interviews the audit team received differing statements as to voluntary overtime and pay received for excessive overtime, deviating in part from statements made by the management. One anonymous complaint about massive overtime was submitted in 2011 through the complaint management. The avoidance of excessive overtime is a priority in the corrective	
Safe and healthy working environment	action plan. During the audit, the majority of discrepancies found had to do with this aspect of labor conditions, for example insufficient training for work with forklifts or incomplete documentation of work-related accidents. The local labor rights organizations report that this is a widespread problem in Vietnam. VAUDE Vietnam will resolve these discrepancies.	
Legally binding employment relationship	No violations observed.	



Fair Wear Foundation Wage Ladder: Wages for a regular work week plus overtime and bonuses





10.2.5. Transparency & **Communications**

VAUDE is dedicated making (y)our world a better place. We want to work sustainably, both socially and environmentally, and to be transparent. We make use of our opportunities to talk about our activities in order to find more supporters and to raise awareness among our business partners and customers. Section 8.3.2 describes our marketing measures - particularly on sustainability issues. In this Sustainability Report, we communicate openly and honestly about our successes and the challenges we face.

As a member of the Fair Wear Foundation, we work with all members at the annual multi-stakeholder meeting of the German members and at the Members Day. By continuously setting environmental and social responsibility on the agenda in our industry associations, we are encouraging the mainstreaming of these topics in the industry.

We accept the challenge of public debates and provide answers before critical audiences, such as at the Evangelical Church Conference 2011 in Dresden: In the panel discussion "Can Fashion be a Sin?" of the Clean Clothes Campaign, VAUDE Sustainability Officer Hilke Patzwall debated the desires, responsibilities, and feasibility of better working conditions with over 400 participants



http://www.evlks.de/aktuelles/themen/14895_16488.html









Sustainable Goals 2012-2015

We are on a rewarding journey of continual improvement and increased sustainability. It's the reason for the ambitious environmental goals we set for ourselves each year with concrete and measurable objectives. Each department at VAUDE is responsible for the fulfillment of these goals with the active support of the VAUDE Sustainability Team. In part, goal achievement is recognized with bonuses. In addition, goals are audited annually by an independent EMAS environmental consultant.

Here is a compellation of our environmental goals.

Explanations and background information (including whether the goal was taken over from previous years) can be found in the preceding sections of this report.

With only a few exceptions, we have reached all of our goals.

1:

Bike commute at least 40,000 km in 2012!

2:

Reduce emissions from commuting by 10% by 2014, and render the remainder climate-neutral through compensation programs.

3:

Transition to 100% recycled paper by 2015. Step by step, from toilet paper to copy paper, from our magazines to our hangtags/info cards, we are transitioning to recycling paper and reducing the emissions associated with new paper.

4:

Reduce fuel consumption of the company vehicles according to manufacturing specifications by 5% based on 2008 figures.

5:

Reduce residual waste by 10% based on 2010 in kg per employee by 2015.

6:

Implement the Biodiversity Concept measures related to wildflower strips, hedges and water management at our Obereisenbach head-quarters by 2013.

7:

Increase the percentage of Green Shape Products in the Summer 2014 Collection to:

- 72 % of the Apparell Collection
- 17 % of the Hardware Collection
- 44% of the VAUDE Collection overall

8:

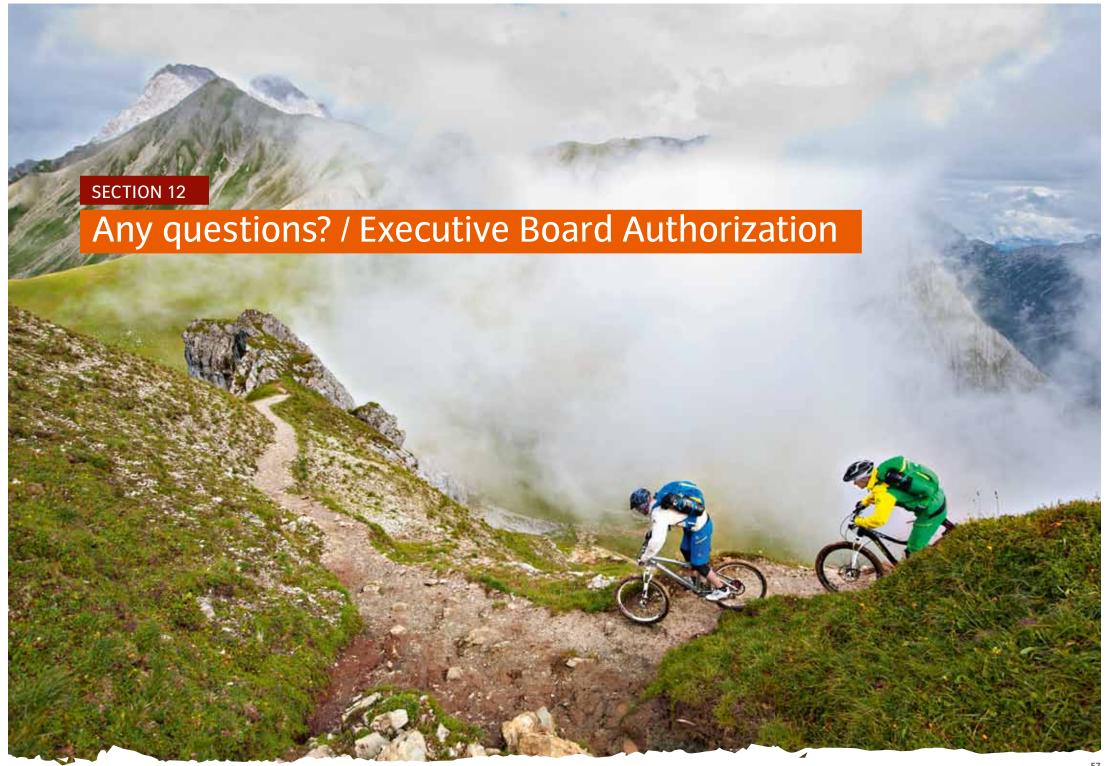
100% organic cotton for all VAUDE cotton products by 2015.

9:

As a bluesign® member, we have committed ourselves to converting our entire textile collection to bluesign® manufacturing. Specifically, our goal is to produce at least 80% of our apparel under the bluesign® standard by 2015 and 100% of the Children's Collection.

10:

Fair Wear Foundation will audit of at least 60% of our production volumes by the end of 2012.



To the best of our knowledge, this report accurately reflects our activities for more sustainability. We are proud of it – it shows that we are working on the challenge of constant improvement. Credibility, transparency and authenticity – inside the company and out – are the recurring themes you will find at VAUDE. So we are pleased to be able to present the public with this sustainability report.

Obereisenbach, 13th June 2012



Shelje v. Dewitz

ppa. Jan Lorch,International Sales Director &Head of Sustainability Team



Milke Paraull,

Environmental Representative



Help us to become even more sustainable – drop us a line!

VAUDE Sport GmbH & Co. KG
Hilke Anna Patzwall (Environmental Representative)
VAUDE-Straße 2, 88069 Tettnang
Email: sustainability@vaude.com
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	2008			2010				2011			
Core Indicators according to EMAS	Core Indicator	Absolute	+/- from basis year 2008	Core Indicator	Absolute	+/- from basis year 2008	+/- from basis year 2009	Core Indicator	Absolute	+/- from basis year 2008	+/- from previous year 2010
Share of renewable energy in electricity consumption (kWh)	42%	207.623 kWh	100%	100%	613.365 kWh	+136%	+50%	100%	594.969 kWh	+136%	0%
Share of renewable energy in total energy consumption (kWh)	8%	207.623 kWh	100%	23%	734.879 kWh	+201%	+125%	23%	713.878 kWh	+211%	+3%
Energy Efficiency: Electricity Consumption per ton output of finished goods Obereisenbach (kWh/t)	10.880		100%	9.210		-15%	-7%	5.666		-48%	-38%
Energy Consumption per ton output of finished goods Obereisenbach (kWh/t)	(51.294	100%	0% 48.691		-21%	-25%	29.054		-55%	-40%
Material Efficiency Production OEB (Input/Output, %)		105%	100%	104%		-1%	-3%	112%		+7%	+8%
Water Consumption per ton output of finished goods OEB (m³/t)		32,89	100%	8 28,73		-13%	-23%	17,57		-47%	-39%
Waste per ton output of finished goods OEB (t/t)		5,44	100%	5,24		-4%	-3%	4,25		-22%	-19%
Hazardous Waste per ton out- put of finished goods OEB (kg/t)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		4,06	n.a.	n.a.
Biodiversity (sealed area per ton output of finished goods OEB (m²/t)		551	100%	373		-32%	-25%	236		-57%	-37%
Emissions per ton output of finished goods OEB (t CO ₂ e/t)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-	28,29	100%	n.a.





The next consolidated EMAS Sustainability Report will be published by June 2014.

The next updated Sustainability Report will be given to our Environmental Verifier for validation by June 2013.

Commissioned as environmental expert / environmental verification organization:

Dr. rer. nat. U. Ammon (Zulassungs-Nr. DE-V-0259) Intechnica Cert GmbH (Zulassungs-Nr. DE-V-0279) Ostendstr. 181

90482 Nürnberg

The following confirmation of validation refers to this whole sustainability report with the exception of the 10th chapter. Chapter 10 contains the Social Report, which VAUDE publishes as a member of the Fair Wear Foundation.

The undersigned, Dr. Udo Ammon, EMAS Verifier with registration number DE-V-0259 accredited or licensed for areas 14 and 32.2 (NACE Code Rev. 2) confirms that he has reviewed whether, as claimed in the consolidated Environmental Statement, VAUDE Sport GmbH & Co. KG's site meets all the requirements of Regulation (EC) No. 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS).

By signing this statement, he confirms that

- the review and validation have been carried out in full compliance with the requirements of Regulation (EC) No. 1221/2009,
- the results of the review and the validation confirm that there is no evidence of non-compliance with the applicable environmental regulations,
- the data and information provided in the organisation's/site's Environmental Statement/the updated Environmental Statement convey a reliable, credible and truthful picture of all of the organisation's/site's activities in the areas indicated in the Environmental Statement.

Nürnberg, 22. June 2012

Dr. rer. nat. U. Ammon

Environmental Verifier







