



SOCIAL REPORT 2018 / 19

ORTOVOX



PREFACE

DEAR ORTOVOX PARTNERS AND FRIENDS,

We can look back on a successful 2018/19 season:

Working together with our employees, suppliers and partners, our company has made significant progress. But business success is not tied to economic figures alone. The relevance of the environmental and social compatibility of business activity is steadily increasing. Sustainability is also becoming a more urgent issue in the outdoor sector – not least because of the special connection we feel with people and nature.

An intact mountain environment not only safeguards our long-term business success; it is also the basis on which we are able to continue to pursue our passion. This is why we see the publication of our new sustainability strategy as a major company success.

In ProtACT2024, we pledge to mainstream the subject of sustainability more firmly than ever at all levels of the company within the next five years. In so doing, we are combining existing initiatives with new, binding goals to be implemented by 2024.

The protection of people, animals and the environment is a central focus of ORTOVOX's business activities. As wool experts, we champion a fair approach to handling sheep – our wool suppliers. And our commitment to a transparent supply chain is of equal importance, because it is the only way to guarantee responsible dealings with all stakeholders. In addition, we are committed to maintaining a focus on Europe as a manufacturing location and to ensuring that 60 percent of our production takes place here.

As a company, we look forward to the new season and – inspired, motivated and hand-in-hand with our friends, partners and suppliers – to upholding our innermost nature-centered values. Here, we are following our inner voice which urges us to preserve what is important to us!

A handwritten signature in black ink, appearing to read 'Schneidermeier', written over the printed name.

Christian Schneidermeier, CEO



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SUMMARY

ONE MINUTE VERSION

ORTOVOX and its products provide the best possible protection for alpine activities. Alongside rescue products such as avalanche transceivers, avalanche shovels and avalanche probes, the range also includes a varied mountainwear clothing line that has been using the sustainable and highly functional raw material that is wool since 1988. ORTOVOX has been a member of the Fair Wear Foundation since July 2015.

The company has a total of 45 suppliers. Well over half of its textile products (59,55% as measured in terms of FOB) are manufactured in Europe.

This strong focus on Europe is important to ORTOVOX. In the last financial year (July 1, 2018 – June 30, 2019) one of our backpack manufacturers from Vietnam and two mountainwear manufacturers in the Ukraine were audited, with good results. In addition, a shared audit was conducted in a factory in Belarus and another at a subcontractor in Serbia. 99,58% of the production volume thus now comes from "non-risk" countries or from audited factories.

ABOUT ORTOVOX

ORTOVOX PROTECTS

Since ORTOVOX was founded in 1980, it has been the Bavarian company's mission to provide top-quality protection for alpine pursuits. From its very beginnings, ORTOVOX has played a key role in the development of alpine emergency equipment.

Its goal is to make mountain sport safe, thus saving lives.

In 1988, ORTOVOX added mountaineering clothing made from sheep's wool to its product range. Since then, its core competence has been the combination of this natural material with other innovative fibers and materials in every layer of the clothing system. ORTOVOX strives to produce highly functional products offering the best possible protection and maximum comfort. Its target group is made up of those who participate in the mountain sports of ski touring, freetouring, freeriding, climbing, alpine touring and mountaineering.

ORTOVOX sees itself as a premium brand for both summer and winter activities.

Its passion for untouched powder snow on ski tours shapes the brand just as much as shared experiences when alpine climbing, on alpine tours or mountain hikes. Friendship is one of the company's core values – within the team, with customers, business partners and suppliers.

ORTOVOX Sportartikel GmbH is part of Schwanhäusser Industrie Holding GmbH & Co. KG. Its headquarters is in Taufkirchen (south of Munich), where a total of 90 employees work (as of 30th of June 2019).

MILESTONES SUSTAINABILITY



1980: ORTOVOX – THE VOICE OF THE MOUNTAINS

Since the company was founded in 1980 in the south of Munich, ORTOVOX has stood for a sophisticated protection and comfort system for mountain activities. As pioneers in the avalanche safety field, we have played a key role in the development of emergency equipment for mountain sports. In its year of founding, ORTOVOX laid the cornerstone for its success with the ORTOVOX F2: The F2 was the first avalanche transceiver for searching for avalanche victims that could transmit and receive on two frequencies. Since the very beginning, the company and its products have been characterized by their **RESPONSIBLE TREATMENT** of people and nature.



1988: ALWAYS WOOL

Since 1988, ORTOVOX has been using sheep's wool in all its mountain sports clothing. Thanks to their high moisture absorbency, wool fibers are particularly suited for mountain sports, because they warm you even when wet and thus offer high safety reserves in borderline situations.



1995: MERINO WOOL

The first functional underwear made from merino wool is introduced: shirts, pants and polo necks for alpine skiing, ski tours and mountain hikes, which render frequent changing of clothing unnecessary. Thanks to their thin fiber diameter, they offer excellent wear comfort.



2011: SWISSWOOL

As part of its mountainwear range, ORTOVOX develops **SWISSWOOL**, a completely new category of wool insulation product. It receives the ISPO Award for its functionality, design and sustainability concept. Warming Swiss wool is stitched into insulation chambers inside the jacket. The material mix of nylon and wool makes this product, which is manufactured completely in Europe, a highly functional layer. When using fine Swiss virgin wool, particular attention is paid to sustainable production and regional origin.



2015: ORTOVOX JOINS THE PARTNERSHIP FOR SUSTAINABLE TEXTILES

Since 2014, the **PARTNERSHIP FOR SUSTAINABLE TEXTILES** has fought for the **IMPROVEMENT** of social, economic and ecological conditions throughout the **SUPPLY CHAIN** in the textile and clothing sector. Through our membership, we at ORTOVOX wish to create greater transparency for our customers, set clear targets for sustainable business activity, and place greater emphasis on this topic both within our industry and also throughout the whole of society. In this regard we are active both on a European and a global level.



2015: JOINING FAIR WEAR FOUNDATION

Since July 2015, we have been a member of FAIR WEAR FOUNDATION (FWF). Fair Wear Foundation is an **INDEPENDENT NON-PROFIT ORGANIZATION** that is cooperatively led by retailer organizations and representatives from the textile industry, trade associations and non-government organizations with the **AIM** of **IMPROVING WORKING CONDITIONS** in the **TEXTILE INDUSTRY WORLDWIDE**.

To do that, the foundation has defined the following working guidelines, which are implemented in the ORTOVOX factories:

- | | |
|--|---|
| 1 FREE CHOICE OF WORK | 5 PAYMENT OF A LIVING WAGE |
| 2 NO DISCRIMINATION AT THE WORKPLACE | 6 REASONABLE WORKING HOURS |
| 3 NO EXPLOITATION OF CHILD LABOR | 7 SAFE AND HEALTHY WORKING CONDITIONS |
| 4 FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE ACTIONS | 8 A LEGALLY BINDING EMPLOYMENT CONTRACT |



2016: JOINING EOCA

Since summer 2016, ORTOVOX has been a member of the European Outdoor Conservation Association (EOCA), which promotes environmental protection worldwide. The group of companies from the European outdoor industry has been collecting donations for charitable projects since it was founded in 2006. These projects are not tied to geographical locations: From creating an environmental route in Nepal and waste disposal projects in Kyrgyzstan to protecting brown bears in Spain and protecting peat bogs in Ireland, the EOCA supports projects across the entire world.



2017: ORTOVOX WOOL PROMISE

With the ORTOVOX WOOL PROMISE (OWP), ORTOVOX developed its own wool standard to represent the highest standards of animal welfare and sustainable economic management. Based upon the Responsible Wool Standard (RWS), the OWP adopts an even more extensive approach, focusing on animal welfare, farm and land management, slaughter, and transport. More than 60 indicators are checked regularly on the farms by a certified, independent auditor. Four promises lie at the heart of the OWP: We guarantee that we dispense with the painful practice of mulesing; we attach great importance to personal relationships with farmers; we provide transparency along the entire supply chain; and we focus on sustainable farming.



2018: BRAND PERFORMANCE CHECK

The FWF carries out an annual Brand Performance Check in which internal management systems are observed. ORTOVOX has achieved an above-average score of 99% in the field of Monitoring in spite of its growth and new producers. Together with a score of 78 for Benchmarking, ORTOVOX was rated in the "LEADER" category for the first time.



2019: PROTACT 2024

In PROTACT2024, the company details its sustainability strategy and sets out clear goals for 2024 based on its core values in combination with existing initiatives. On the pages that follow, we set out our roadmap for sustainable activity.

ProtACT 2024

Wool Experts

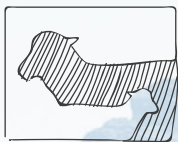


ORTOVOX protects sheep

Animal welfare, especially the well-being of our sheep, dictates the way we act.



WE VERIFY ALL OF OUR WOOL AND MAKE OUR SUPPLY CHAIN TRANSPARENT.



100% OWP

Friendship



ORTOVOX protects friends

Fair treatment of employees, customers and business partners is our priority.



WE COMMIT OURSELVES TO EXEMPLARY WORKING CONDITIONS.



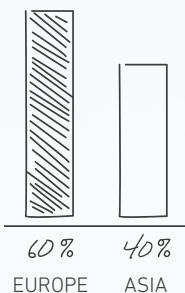
FWF Leader

Alpine Origin



ORTOVOX protects regional uniqueness

Our focus is on production in Europe, although we deliberately use and foster the expertise of other production countries.



>60% Production in Europe

IT'S ABOUT LISTENING TO YOUR INNER VOICE.
IT'S ABOUT TAKING THE RIGHT PATH.
THIS IS OUR PATH TO SUSTAINABLE ACTION.

Mountaineering

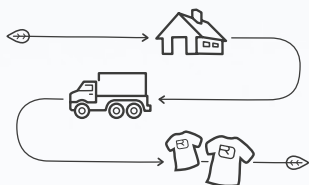


*ORTOVOX protects
the mountain*

We treat the environment respectfully
and use our resources responsibly.



WE SIGNIFICANTLY REDUCE
THE EMISSIONS CAUSED BY
OUR PRODUCTS AND AT OUR
HEADQUARTERS.



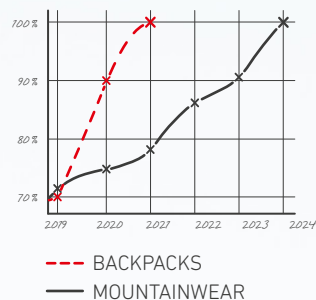
Climate Neutrality

Safety Pioneers



ORTOVOX protects you

Our products protect the user by their
functionality and by consisting of high
quality material.



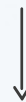
100% PFC free

Function-Driven



*ORTOVOX protects
with sustainable innovations*

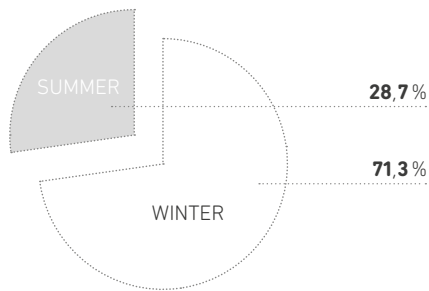
Our passion for mountains spurs us to
continually find new ways to make
products and processes more
functional and sustainable.



WE DEVELOP PRODUCTS
THAT ARE **LONG-LASTING**
AND **REPAIRABLE**.



*Mountain
Second Life*



ORTOVOX produces two collections per year – one in winter and one in summer. The winter collection makes up the larger portion, at 71,3%, whilst the summer products account for the remaining 28,7%.

PRODUCT CYCLE

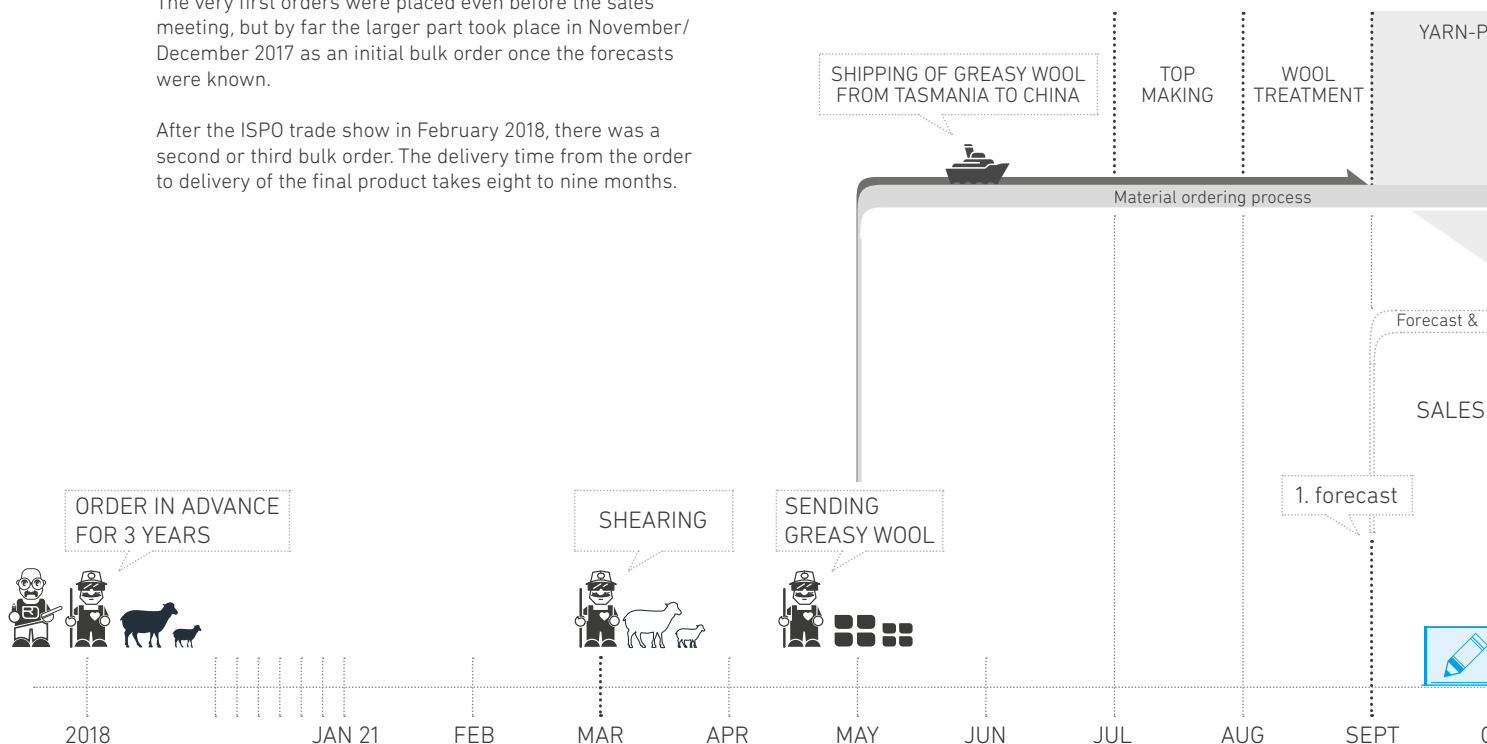
EXAMPLE FROM THE 2018/2019 WINTER COLLECTION:

ORTOVOX has a forward-looking perspective in terms of production planning also in terms of social reasons. When it comes to the ordering of wool (e.g. from OWP-farms), the process takes place three years in advance, in order to give farmers more security in form of long-term contracts. The order of raw wool for 2018/19 products was requested in 2017. Due to the long delivery times for the exclusive materials that ORTOVOX uses, sales forecasting started in August 2017. The figures were then communicated to the material suppliers and clothing manufacturers in September 2017. The order for the raw materials was placed with the material suppliers based on these quantities.

The next forecast, including the color breakdown, was drawn up after the sales meeting in October 2017. This information was then sent to the suppliers.

The very first orders were placed even before the sales meeting, but by far the larger part took place in November/December 2017 as an initial bulk order once the forecasts were known.

After the ISPO trade show in February 2018, there was a second or third bulk order. The delivery time from the order to delivery of the final product takes eight to nine months.





DURATION OF BUSINESS RELATIONSHIP (IN YEARS)	NUMBER OF SUPPLIERS	SHARE OF ALL SUPPLIERS (IN %)
<1	1	2,22
1 – 4	30	66,67
5 – 10	10	22,22
> 10	4	8,89

PURCHASING STRATEGY

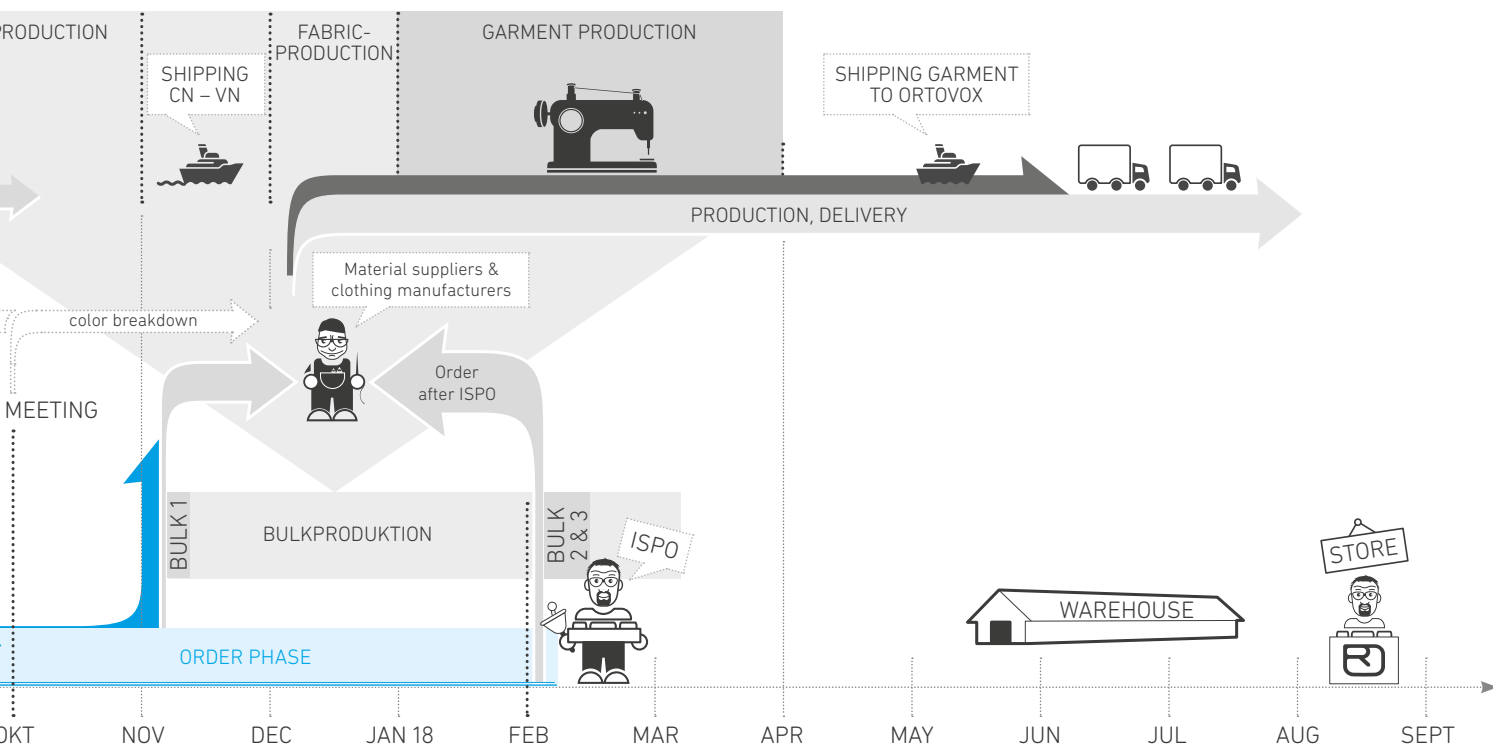
Friendship shapes every interaction at the company – within the team, towards customers, business partners and suppliers, out on the mountain and in day-to-day life. In particular, this philosophy characterizes the relationship between ORTOVOX and its suppliers. 31,11% of them have been business partners for five years or longer.

ORTOVOX uses high-quality materials, most of which it develops itself and produces exclusively for its own products. In keeping with this, it needs to ensure that the materials are handled with care and professionalism. This only reinforces the need for stable supplier relationships.

Frequently changing suppliers is not an option for ORTOVOX.

The company is growing fast (in the mountainwear segment, more than 18% per year on average over the last three years), and new suppliers who believe in our philosophy are therefore continually being sought.

Production concentrates on Europe and Vietnam, but there are also production sites in China, Ukraine and Belarus. ORTOVOX endeavors to produce a substantial amount (currently more than 59,55%) in Europe.



GERMANY
2,02 %

LITHUANIA
8,59 %

AUSTRIA
0,25 %

HUNGARY
12,29 %

ITALY
1,07 %

SERBIA
1,72 %

THE CHALLENGE OF EUROPEAN PRODUCTION



Birgit Demke has been working at ORTOVOX for three years. A clothing technician by training, she is responsible for selecting factories and manufacturers, as well as for quality control on site. Her time-consuming job at ORTOVOX takes her out on the road for around 100 days in the year. Her team includes two freelance employees who are responsible for the Asia and Eastern Europe regions. In the following interview, Birgit explains the challenges she faces in her work.

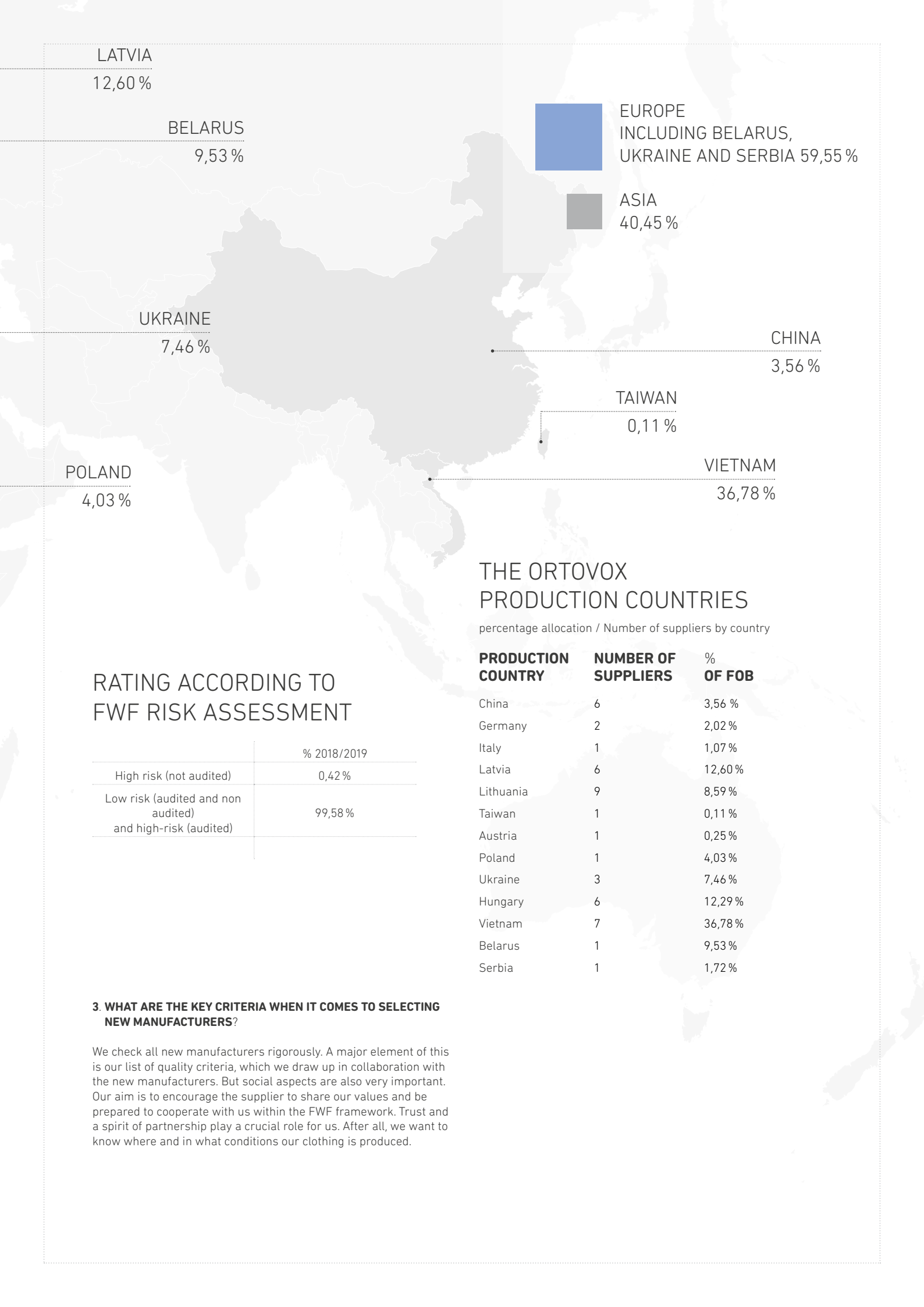
THREE QUESTIONS TO BIRGIT DEMKE, QUALITY MANAGER ORTOVOX

1. WHAT PART DOES THE FAIR WEAR FOUNDATION PLAY IN YOUR WORK?

A big one! I am guided by the standards set down by the Fair Wear Foundation (FWF) whenever I look at a location. I use FWF documents for my regular reviews of each of our manufacturers. I develop an overall impression on the basis of face-to-face meetings and my many years of experience. A more intensive review is then conducted in audits, during which those responsible also look at the documentation. I look at almost everything during my tours. The sewing shop is of particular relevance. What are lighting conditions like? Are the floor spaces kept clear? Are the workplaces ergonomically sound? We are interested in long-term partnerships and seek to establish common values. Trust as a basis is crucial!

2. ORTOVOX AIMS TO PRODUCE 60 PERCENT OF ITS TEXTILE PRODUCTS IN EUROPE. WHAT ARE THE ADVANTAGES OF THAT?

We already manufacture in Hungary, Latvia, Lithuania, Poland, Austria, Italy and Romania. This is part of our philosophy, because the advantages are clear: Delivery times and transportation routes are kept short; we can order smaller quantities; and we benefit from the quality standards in Eastern Europe that have developed over time. However, the labor shortage is a challenge for manufacturers. The textile sector is no longer particularly attractive to young people. This problem is also growing in Asia.



LATVIA
12,60 %

BELARUS
9,53 %

UKRAINE
7,46 %

POLAND
4,03 %

EUROPE
INCLUDING BELARUS,
UKRAINE AND SERBIA 59,55 %

ASIA
40,45 %

CHINA
3,56 %

TAIWAN
0,11 %

VIETNAM
36,78 %

RATING ACCORDING TO FWF RISK ASSESSMENT

	% 2018/2019
High risk (not audited)	0,42 %
Low risk (audited and non audited) and high-risk (audited)	99,58 %

THE ORTOVOX PRODUCTION COUNTRIES

percentage allocation / Number of suppliers by country

PRODUCTION COUNTRY	NUMBER OF SUPPLIERS	% OF FOB
China	6	3,56 %
Germany	2	2,02 %
Italy	1	1,07 %
Latvia	6	12,60 %
Lithuania	9	8,59 %
Taiwan	1	0,11 %
Austria	1	0,25 %
Poland	1	4,03 %
Ukraine	3	7,46 %
Hungary	6	12,29 %
Vietnam	7	36,78 %
Belarus	1	9,53 %
Serbia	1	1,72 %

3. WHAT ARE THE KEY CRITERIA WHEN IT COMES TO SELECTING NEW MANUFACTURERS?

We check all new manufacturers rigorously. A major element of this is our list of quality criteria, which we draw up in collaboration with the new manufacturers. But social aspects are also very important. Our aim is to encourage the supplier to share our values and be prepared to cooperate with us within the FWF framework. Trust and a spirit of partnership play a crucial role for us. After all, we want to know where and in what conditions our clothing is produced.

MONITORING 2018 / 19

The 2018/2019 business year was ORTOVOX's fourth year as a member of the Fair Wear Foundation. The focus was placed upon regular and intensive communication with suppliers in addition to the existing monitoring system.

THE ORTOVOX MONITORING SYSTEM IS BASED UPON THE FOLLOWING THREE PILLARS:

1.

TRANSPARENCY

ORTOVOX discloses where products are manufactured and what the on-site working conditions are like. This includes logging all factories, performing factory audits and evaluating existing audit reports. Many suppliers also produce goods for other FWF members. Some of them are also audited in line with FWF specifications and supervised by other members in the follow-up. ORTOVOX is in continuous contact with these suppliers. In order to avoid double audits, other audits are also approved in addition to those conducted by the FWF as long as they meet quality requirements.

2.

CAPACITY BUILDING

After the factory visit, the auditors draw up a corrective action plan setting out all identified infringements of the FWF guidelines and the necessary improvements. Together with the factory, the CSR team works on all points to achieve specific and measurable improvements. Training is an essential tool for building capacity alongside the audits. A better understanding of the topic leads to improvements in general. Training is available for ORTOVOX employees and suppliers. They are taught understanding of sustainability and the necessary steps toward this.

3.

REPORT & VERIFICATION

As a member of the Fair Wear Foundation, ORTOVOX produces a social report once a year. The reporting period corresponds with the last fiscal year. The FWF carries out a "brand performance check" once a year, in which the internal processes of the company and its understanding of relevant sustainability topics are put to the test. By doing so, the FWF checks or reviews the company's contribution to better working conditions. This report is published on the websites www.fairwear.org and ortovox.com. The next brand performance check will be carried out in October 2019.



AUDITS 2018 / 19

MAY 2019 – BELARUS

One clothing manufacturer (ID: 3012) in Belarus was reinspected in May 2019. This audit was led by ORTOVOX with the participation of 4 other FWF member companies. The last time this manufacturer was audited in 2016. ORTOVOX products have been manufactured at the factory since 2011. The manufacturer was inspected by the same experienced audit team that conducted the previous audit in 2016. Significant structural improvements had been made to the building since that audit. These resulted in major improvements for employees in terms of occupational safety. The working environment for employees is now rated as being clean, bright and good. Minor non-compliance issues, such as incomplete first aid kits, require further improvement. On the other hand, working time records were identified as being

inadequate. The current system does not provide a comprehensible record of actual hours worked. Some reworking is done outside regular working hours and is not classed as overtime. Wages are all above the statutory minimum wage. In the case of some workers, wages are even considerably higher and exceed the level of a living wage. According to the audit, the way in which individual wages are calculated lacks transparency for employees. However, interviews with employees confirm that there is a good and trusting working atmosphere.

MAY 2019 – VIETNAM

In the last fiscal year, ORTOVOX initiated an audit at one of the commissioned backpack manufacturers in Vietnam (ID: 8499). Another FWF member took part in the audit. ORTOVOX has been working with this supplier since 2013. The second FWF audit has already been carried out at the factory. ORTOVOX was not present during the audit. The supplier is characterized by a high willingness to cooperate and a very high level of commitment.

The FWF Audit Team reports a fundamentally good willingness to cooperate on the part of the team. The dialogue between Management and workers are rated as good. Several breaches have been identified in the area of occupational safety. Among other things, the use of false respirators or unsafe

electrical equipment is reported here. Contracts are rated as positive. An evaluation of the area of wages could not be made. This is classified as critical. Wage records and documents concerning working hours, could not be inspected due to the absence of the person responsible. ORTOVOX is now in dialogue with the factory and will arrange another visit by an independent auditor. The necessary documents are checked here. The aim is to be able to make a verifiable statement about the wage and working time situation.

JUNE 2019 – SERBIA

In June 2019, audits were conducted at three factories in Serbia. All three factories are under the same management and in turn work for a longstanding ORTOVOX supplier. One of the factories (ID: 5586) has been producing goods for ORTOVOX since 2018. Production is expected to be rolled out to the other factories in the coming business year. The audit was conducted jointly with another FWF member company. The organization in the run-up and the work on the action plan in the follow-up is led by ORTOVOX with the active involvement of the other partner. The inspection was performed by a highly experienced external audit team, which has already conducted many audits in accordance with FWF guidelines. The FWF itself is not active in Serbia. The audit highlighted significant room for improvement in various areas in all three factories. Documentation of working hours was consistently incomplete. Payroll accounting was shown to be extremely non-transparent and at times not fully comprehensible. For a majority of workers, the paid wage was below the statutory minimum wage. The factory has no employee representation or other form of representation for employees' rights. Even though

interviews with workers identified a subjective view that the working environment was not considered burdensome, conditions for workers were nevertheless rated as unsatisfactory. There is no functioning internal complaints system and workers are not aware of their rights.

Shortcomings were also found in the area of occupational safety. The factories lack a systematic approach to managing issues of occupational safety. This manifests itself in particular in a lack of emergency planning, an antiquated electrical wiring system, and other more minor safety factors, such as the absence of safety guards fitted to sewing machines. In the case of this supplier, together with the manufacturer and the other FWF member company involved ORTOVOX is following through to bring about a rapid improvement in working conditions and is working intensively to achieve major improvements within just a few months.

EVALUATION BY COUNTRY AND FACTORY*

The audits were and are commissioned and supervised also by other members of the Fair Wear Foundation. In order to remediate the findings in the different countries, following measures have been taken by ORTOVOX and other brand members: Follow-up of CAP, on-site visits, regular dialogue via email and phone, collection of photographic proof for documentation of improvements. The following overview shows the results of FWF audits conducted in high-risk countries.

COUNTRY	DB#	1. Management	2. Working Time	3. Compensation	4. Child Labour	5. Forced Labour	6. Freedom of association and collective bargaining	7. Discrimination	8. Health and Safety	9. Environment	10. Legal binding employment relationships
Belarus	3012	●	●	●	●	●	●	●	●	●	●
Serbia	5586	●	●	●	●	●	●	●	●	●	●
Vietnam	10081	●	●	●	●	●	●	●	●	●	●
Vietnam	4568	●	●	●	●	●	●	●	●	●	●
Vietnam	12268	●	●	●	●	●	●	●	●	●	●
Ukraine	3847	●	●	●	●	●	●	●	●	●	●
Ukraine	5361	●	●	●	●	●	●	●	●	●	●
<div> <div>●</div> Minor non-compliance found and quickly resolved, or no problem found. </div> <div> <div>●</div> Major non-compliance found and quickly resolved. No recurrence and/or CAP in progress. </div> <div> <div>●</div> Major or critical non-compliance found. Recurring problems. </div>											

CHINA

In general, many audits reflect known difficulties in the Chinese textile industry: there are some shortcomings in workplace safety and mostly management systems for monitoring the working conditions. Freedom of association in factories is frequently restricted, which is due to legal conditions in China. Overtime is a common problem. Wages for regular working hours do not meet the level required by local or international stakeholders.

VIETNAM

The audits (DB ID: 10081, 12268) performed by the FWF revealed that payment of a living wage, excessive overtime, and shortcomings in workplace safety are the most frequent problems in Vietnam. Whilst safety-related shortcomings are quickly addressed, wages and overtime are complex, multi-causal issues that require an extensive overhaul. To this end, ORTOVOX regularly seeks dialogue with suppliers, other companies and organizations.

In addition to the Fair Wear Foundation, there are other trustworthy and exacting organizations and initiatives that campaign for better working conditions in factories. An example of this is the "Better Work Program" of the International Labour Organization (ILO). More information about this can be found at <http://betterwork.org/vietnam/>

The audits include interviews with workers, management and trade union representatives, and the factory and document inspections. As a follow-up, "Better Work" advisors visit the factory regularly. FWF and Better Work have been working collaboratively since 2017. This means that the FWF recognizes Better Work reports but obliges the companies involved to continue to engage in dialogue with the factories. The factory workers also have the opportunity to make use of the FWF complaint hotline.

BELARUS

Belarus is classified as a high-risk country by the Fair Wear Foundation. However, our supplier there (ID: 3012) has very high working standards. There is merely a lack of a living wage, even though the statutory minimum wage is paid at the factory. ORTOVOX is intensely involved in the communication process with the factory.

UKRAINE

Ukraine is classified as a high-risk country by the Fair Wear Foundation. Due to political instability, FWF has withdrawn from active support. In Ukraine, there is a relatively well-developed textiles industry in which goods are produced by many Western companies. A criticism that is frequently voiced is the low wages of the workers. The supplier (ID: 3847) has been producing for ORTOVOX since 2017, but the partnership with the superordinate producer has existed for over 10 years. The producer is distinguished by its high wages within the textile industry; these, however, do not meet the demands of international stakeholders for a living wage. The high level of both employee satisfaction and working standards should be emphasized.

SERBIA

According to the FWF, Serbia is a high-risk country. The FWF is not active there. The country, and the Serbian economy in particular, is currently undergoing a protracted period of upheaval. Even though Serbia operates as a liberal market economy, the country is still struggling to cope with the historical burdens of its war-torn past and socialist market economy. Key problems in this regard include a weak infrastructure, a weak legal system and corruption. Textile manufacturing is an important sector of industry in Serbia. Low wages are a particular risk factor here. There is a high risk that workers in Serbia earn even less than the minimum wage. An audit conducted at the factory where ORTOVOX has goods produced (ID: 5586) established an extremely opaque wage system and unacceptable wage levels. ORTOVOX is currently working vigorously with this partner to improve working conditions for the people there as quickly as possible.

OVERVIEW OF ALL SUPPLIERS

LOW RISK

FWF DATABASE CODE	FACTORY LOCATION	1ST YEAR OF PURCHASE	PRODUCING FOR OTHER FWF MEMBERS	FWF QUESTIONNAIRE	FWF COLP POSTED	AUDITED OR LOW RISK	AUDIT SCHEME
8484	Austria	1990	no	yes	yes	yes	
10080	Germany	2016	no	yes	yes	yes	
14246	Germany	2019	N/A	yes	yes	yes	
8495	Hungary	2012	no	yes	yes	yes	
10671	Hungary	2015	no	yes	yes	yes	
10515	Hungary	2009	yes	yes	yes	yes	AQAP 2110:2016
3845	Hungary	2009	yes	yes	yes	yes	AQAP 2110:2016
8487	Hungary	2013	no	yes	yes	yes	
8494	Hungary	2015	no	yes	yes	yes	
5846	Italy	2017	no	yes	yes	yes	SA 8000
14251	Latvia	2018	yes	yes	yes	yes	
5053	Latvia	2015	yes	yes	yes	yes	ISO 9001 ISO 14001 SA 8000
13199	Latvia	2018	yes	yes	yes	yes	ISO 9001 SA 8000
5054	Latvia	2015	yes	yes	yes	yes	ISO 9001 ISO 14001 SA 8000
3285	Latvia	2015	yes	yes	yes	yes	ISO 9001 ISO 14001 SA 8000
13200	Latvia	2018	yes	yes	yes	yes	ISO 9001
9952	Lithuania	2016	yes	yes	yes	yes	
14248	Lithuania	2018	no	yes	no	yes	
14247	Lithuania	2018	no	yes	yes	yes	
14250	Lithuania	2018	yes	yes	yes	yes	
14249	Lithuania	2018	yes	yes	yes	yes	
2881	Lithuania	2010	yes	yes	yes	yes	
13198	Lithuania	2018	no	yes	yes	yes	
10514	Lithuania	2013	yes	yes	yes	yes	
8510	Lithuania	2011	yes	yes	yes	yes	
8483	Poland	2010	yes	yes	yes	yes	ISO 9001

HIGH RISK

FWF DATABASE CODE	FACTORY LOCATION	1ST YEAR OF PURCHASE	PRODUCING FOR OTHER FWF MEMBERS	FWF QUESTIONNAIRE	FWF COLP POSTED	AUDITED OR LOW RISK	AUDIT SCHEME	DATE
3012	Belarus	2011	yes	yes	yes	yes	FWF	June 2019
10079	China	2016	no	yes	yes	no	No	/
3801	China	2011	no	yes	yes	yes	BSCI	November 2016
4561	China	2017	yes	yes	yes	yes	FWF/Sumations	August 2016
5839	China	2016	yes	yes	yes	yes	FWF	August 2016
12960	China	2017	no	yes	yes	no	No	/
12543	China	2017	no	yes	yes	no	No	/
5586	Serbien	2018	yes	yes	yes	yes	FWF/Sumations	June 2019
2997	Taiwan	2017	yes	yes	yes	no	No	/
12673	Ukraine	2018	yes	yes	yes	yes	FWF	October 2018
5361	Ukraine	2018	yes	yes	yes	yes	FWF	June 2018
3847	Ukraine	2017	yes	yes	yes	yes	FWF	June 2018
8497	Viet Nam	2010	no	yes	yes	yes	Better Work	December 2016
12268	Viet Nam	2017	no	yes	yes	yes	FWF	November 2017
3268	Viet Nam	2015	yes	yes	yes	yes	Better Work	June 2019
4568	Viet Nam	2017	yes	yes	yes	yes	FWF/Sumations	March 2019
3919	Viet Nam	2018	yes	yes	yes	yes	FWF	May 2017
8499	Viet Nam	2013	yes	yes	yes	yes	FWF	May 2019
10081	Viet Nam	2015	yes	yes	yes	yes	FWF	October 2018

OBJECTIVES 2019/2020

During the past fiscal year, a formalized sustainability strategy was introduced to clarify corporate responsibility at ORTOVOX. As one of six goals, ORTOVOX aims to maintain its leader status within the Fair Wear Foundation until 2024. To this end, the company will seek to implement a pilot project in the coming fiscal year involving two factories in Ukraine. Here, in an effort to tackle the shortage of skilled labor in the textile sector and once again make opportunities for workers more attractive, the focus will be on employee satisfaction. One of the main focuses of this Workplace Satisfaction Program is the living wage. ORTOVOX continues to place its faith in membership of the Textiles Partnership and is involved as an active member in the partnership's living wage initiative.

The ORTOVOX WOOL PROMISE – the company's own wool standard – also continues to play a major role in terms of animal welfare and responsible treatment of nature. Sustainability has been identified as a strategic management issue within the company. In view of the company's ongoing growth, ORTOVOX is committed to ensuring that all efforts geared to sustainability continue to be systematically anchored throughout the company in the coming fiscal year.

GLOSSARY

CAP	Corrective Action Plan (catalogue of measures for improvement as part of the audit result)
CSR	Corporate social responsibility
EOCA	European Outdoor Conservation Association
FOB	Free on board (international commercial term)
FWF	Fair Wear Foundation
HIGH RISK	FWF follows a risk-based approach. Meaning that countries without the presence and proper functioning of institutions (trade unions, works councils, labour legislation and labour inspection), which can guarantee the compliance with basic standards, are considered "high-risk" countries.
ILO	International Labour Organization
ISPO	International Trade Fair for Sports Equipment and Fashion in Munich
LOW RISK	The category low risk implies the presence of and proper functioning of institutions (see explanation above).
OWP	ORTOVOX WOOL PROMISE



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"Since October 2018, we have shared a top position in CSR. In this way, ORTOVOX practices social responsibility, specifically the compatibility of family and working life. We want to set an example for other companies on this topic, too."