WE’RE A FAMILY BUSINESS.
A GROUP OF ADVENTURERS AND DREAMERS, MOUNTAINEERS LOOKING FOR THEIR NEXT PEAK.
What really counts at the end of our lives, are the relationships with people and how much good we could do.

People are at the centre of what we do. But caring for people means we need to take responsibility for the environment we all live in – more urgently than ever before. I believe our immediate duty today is to ensure a fair and equal industry, while sustaining a world worth living in for generations to come.

Heiner Oberrauch, President
We own 4 mountaineering brands distributed in 60 countries

We employ 600 people

We produce in 23 different countries

We have 167 monobrand stores worldwide

We partner with 6,400 dealers to increase our reach

We distribute 8 active sports brands
The Oberalp Group is a family-owned company.

The Oberrauch Family has been working in the textile industry for six generations. Anton Oberrauch founded the family business back in 1846 when he started to import quality textile products to the Italian market. In 1981, the Oberalp Group was founded and started distributing clothing and other sports products in Italy.

37 years later, we have around 600 employees. And we’re known for building great brands that make the highest quality technical mountaineering products – like SALEWA, DYNAFIT, POMOCA and Wild Country.

We also offer wholesale, distribution, retail and marketing services for other brands that share our drive and passion for sports – like Under Armour, Speedo, Fischer, and many others.

But while we’ve grown as a company, we’re still a family. And no matter how much we will continue to grow, our people will always come first.

OUR PRINCIPLES

1. Passion
We have unlimited enthusiasm for sport and mountains. For six generations this love for sport drives us to develop high quality and technically advanced products and brands. We do this in a reliable and responsible way.

2. People
Positive attracts positive. Our core asset is our team of talented, open, and culturally diverse people who operate effectively, driven by clear goals and shared values.

3. Courage
We are courageous in the ways we explore our curiosity, seek new paths, and then take responsibility for our decisions and actions.

4. Responsibility
We use resources carefully with an acute awareness of our impact and a deep desire to preserve the environment today and for future generations.

5. Ethic
We are a management driven family company and operate our business in a fair and responsible manner. We strive to create meaningful relationships with our international partners.

6. Sweat Together
Sweating together is one of the virtues of sport and we live it also at work. Even good things can be improved. We are brand developers, focusing on constant improvement - always with the objective to lead.

7. Innovation
Our brands live from ideas. Through the continuous innovation of processes, products and ways of thinking and the cooperation with qualified partners we achieve new standards of excellence.

8. Future
Think long-term but act fast and execute well. Financial success is the consequence and ensures our independence.
OUR JOURNEY

SOME OF OUR MOST IMPORTANT MILESTONES SO FAR

1981 Form the Oberalp Group

1990 Take over SALEWA

2003 Acquire DYNAFIT

2005 Enter the footwear industry

2007 Partner with Speedo

2011 Acquire ski skins specialist brand POMOCA

2012 Acquire British climbing brand, Wild Country

2016 Partner with Under Armour

Open new headquarters in the heart of the Italian Dolomites. South Tyrol is the home of the Oberrauch family and its business.
HOW OUR GROUP IS STRUCTURED

OBERALP GROUP

HEADQUARTERS CENTRAL FUNCTIONS
Administration & Controlling, Business Development, CSR, HR, IT, Legal, Logistics, Procurement, Process Management

4 OWN BRANDS

4 PRODUCT DIVISIONS
Apparel, footwear & technical equipment, ski skins, bindings

11 OFFICES WORLDWIDE

OUR DISTRIBUTION BRANDS

speedo UNDER ARMOUR

SMITH

Barts

Julbo

SILVA

SPYDER
SALEWA
*Pure Mountain*

SALEWA is driven by mountaineers who live, work and play in the heart of the Dolomites. For over 80 years, SALEWA has consistently strived to build better equipment to meet the needs of ambitious alpinists. To engineer its game-changing functional products, the company blends tradition and innovation, drawing on an extensive network of research centres, alpine experts and professional athletes. This allows its consumers to focus on what is essential – living life to the fullest or pushing limits, chasing a dream or dreaming bigger.

Founded in Munich in 1935, SALEWA is now a family-run business based in Bolzano, South Tyrol.

[SALEWA.com](https://www.salewa.com)

DYNAFIT
*#SPEEDUP*

DYNAFIT is the brand made by athletes for athletes. We are 100% committed to mountain endurance sports. Our goal is to support athletes, 365 days of the year, with high-performance products to get one step closer to their Mountopia. Speed, lightness, endurance and technology underlie our goal to provide the best performing products to mountaineers. Products are developed in line with this ethos in order to achieve maximum minimalism, simplicity and efficiency. Active mountain athletes play a crucial role in the development of technical mountain sports equipment. They live the sport and create success stories in the process.

Over 200 staff members worldwide embody the values of both the brand and mountain sports in their daily work. They make DYNAFIT unique. The brand is predominantly based in Munich.

[DYNAFIT.com](https://www.dyynafit.com)
OUR BRANDS

POMOCA
Empowering freedom of movement in the mountains

When you’re on a ski tour, you spend 80% of your day climbing on skins. They’re the part of your skis that help you perform and keep you safe. So it’s pretty important to pick the right ones.

POMOCA was founded in 1931. Since then, leading athletes have chosen our skins for their precise, reliable, simple and innovative Swiss technology. The POMOCA office, and all of its production, happens in the French-speaking part of Switzerland.

POMOCA.com

Wild Country
Pure Climbing

Founded in 1977, Wild Country came about as the brainchild of UK-based climber Mark Vallance and was set up to manufacture what was to become the most famous piece of rock climbing gear of all time, the Friend. Wild Country is a company run by climbers that, today makes a focused and specialized range of climbing hardware, harnesses, helmets and apparel. Always looking to improve the perfect rack, it continues to pioneer innovative climbing technology with a company ethos that is about harnessing the experience and expertise of its own employees to design and build high-quality products that are directly relevant to climbers.

Climbing pure or “pure climbing”, perfectly sums up the way we think, feel and climb. We’re always pushing the limits of what is possible. And out of this attitude our products are created.

wildcountry.com
OUR PRODUCT DIVISIONS

Our four product divisions are responsible for transforming our brand visions into product strategies. They develop and propose the seasonal product matrix by following the brands' briefing, contributing to the product line development.

Each division is responsible for the complete product development process, industrialisation and control of the manufacturing process: product management, product design, product development, sourcing and purchasing, production planning and quality control of all products.

They also identify new technical solutions and push product innovation (in collaboration with the innovation team) to meet the brands' objectives, quality and compliance requirements, and financial goals.

Apparel
All our brands' clothing and textile accessories.

Footwear & Technical Equipment
All our brands' footwear, backpacks, tents, sleeping bags, and all technical hardware (climbing equipment and other accessories).

Bindings
The bindings division is underneath the brand DYNAFIT, the only one of our brands developing these products.

Ski Skins
The skins division is underneath the brand POMOCA, as it is our only brand producing these articles.
WE DISTRIBUTE BRANDS THAT WE BELIEVE IN

We’re not just brand distributors – we’re brand experts. We use our knowledge of the Italian market to position and develop brands, working with athletes, journalists, bloggers and dealer contacts to grow their presence.

We create long-lasting relationships with brands that we believe in. They stay with us for years. In 2017, we managed the distribution and sales of these brands mainly in Italy, but also in Austria, Czech Republic, Germany, Hungary, Poland and Slovakia.

Under Armour is a leading US innovator, marketer and distributor of branded performance athletic apparel, footwear and accessories.

In 2016, we started working with Under Armour to help it expand in Italy. The brand has grown hugely in the past few years, especially in Europe, so working with Under Armour to strengthen its position in Italy is a huge opportunity. We have a growing team dedicated to Under Armour – in 2017 we opened the first three Under Armour shops in Italy, with more to come in 2018.

Based in Austria, Fischer has been developing, marketing and distributing first-class Alpine and Nordic skiing equipment since 1924. We’ve been distributing Fischer in Italy since 2013.

Speedo is the world’s leading swimwear and swimming accessories brand. Being passionate about life in and around water, Speedo attracts attention for its revolutionary technologies, designs, and innovations. Today, the company has offices around the world and products available in 177 countries.

We started working with Speedo in 2007. Now, we distribute Speedo in seven countries – Italy, Austria, Czech Republic, Germany, Hungary, Poland and Slovakia. Together, we’ve learned and achieved a lot – and we hope to help them go even further in our territories.

Barts is an Amsterdam-based brand, specialising in a wide range of hats, scarves and bags for winter and summer seasons. We’ve been distributing Barts in Italy since 2005.

Julbo are experts in sun protection for high-risk environments, developing technical lenses and frames that meet everyone’s needs. We’ve been distributing Julbo in Italy since 2013.

Founded in Sweden in 1933, Silva produces outdoor accessories including headlamps and compasses. We’ve been working with them since 2012, and now distribute Silva in Austria, Germany and Poland.

Smith makes innovative, durable and superior eyewear and goggles for a wide range of sports – biking, motocross, skiing, snowboarding, surfing, skateboarding, and wakeboarding. We’ve been distributing Smith in Italy since 2009.

Spyder is a US-based manufacturer of high-end specialised skiing apparel. It’s also the official supplier for the US Olympic Ski Team. We’ve been distributing Spyder in Italy since 2015.
OUR PRESENCE WORLDWIDE

11 OFFICES ACROSS EUROPE AND THE USA
6,400 DEALERS IN OVER 60 COUNTRIES WORLDWIDE
30 MONOBRAND OWNED STORES
19 MONOBRAND FRANCHISED STORES
118 MONOBRAND STORES WITH OUR LICENSEE PARTNERS

SOUTH TYROL GROUP HEADQUARTERS
**OFFICES**

**South Tyrol in Italy is our home.**
It is where our headquarters is based and most of our employees work. It is the home of the brand SALEWA and where the majority of our central functions are located. Part of our sales and marketing teams is also based here.

We have 11 offices across Europe and the USA, so we can stay close to our consumers and partners and meet their specific needs.

Italy (2 offices), Germany, Austria, Switzerland, Spain, France, USA, Poland, Czech Republic, U.K.

Our distributors help us reach all the markets where we don’t have a direct presence. These operations are managed by our export team, located at our Bolzano headquarters.

**DEALERS**

Our dealers are retailers that sell our products internationally. Through these strong partnerships, we strengthen our brands’ awareness around the world.

We have over 6400 dealers in over 60 countries worldwide.

**STORES**

Our monobrand stores are a vital part of our business. They’re our main contact point with end consumers - the place where we meet our users face-to-face, understand their needs and introduce them to our identity and values.

We have 167 stores worldwide.

30 monobrand owned stores
17 Italy, 7 Germany, 3 Austria, 2 Spain, 1 Switzerland

19 monobrand franchised stores
8 Italy, 5 Poland, 4 Austria, 1 Germany, 1 Switzerland

118 monobrand stores with our licensee partners
103 South Korea, 15 China
Our turnover’s growing every year – and as it grows, our responsibility grows, too. We believe economic, social and environmental sustainability go hand in hand. In 2017, our turnover was €220 million – a growth of 3% on 2016.

* this data includes the turnover of our 4 brands and our distribution brands
** includes UK & Japan
As a family business, we choose how we do things. We’re not only interested in quarterly results. We think long term. We think about the world we’re leaving behind for our grandchildren, and their grandchildren.

Corporate Social Responsibility (CSR) is a choice we invest in, because we believe in it. It’s a crucial part of our company values and daily business.

Back in 2010, we made our commitment to sustainability official by creating a CSR Working Group. Then, in 2012, we installed a CSR Department, today led by the CSR Manager Marie Måwe. We’ve created a CSR roadmap to keep us on track and our CSR team works to integrate sustainability into every department and brand of the Oberalp Group and reports directly to our ownership and our CEO.

We believe corporate social responsibility is not some distant goal, but a mindset, reflected in our immediate daily actions and choices. It’s about how everyone of us chooses to do things. Every day.
EMPOWER PEOPLE
CHANGE COMES WHEN PEOPLE COME FIRST

We’re committed to our team
We support our employees’ wellbeing and professional growth to ensure a strong, motivated workforce

We promote fair factories
We ensure safe and fair working conditions by empowering workers and creating solid relationships with our partners

We share our passion & give back
We share our passion for alpine sports and lifestyle, giving back to the communities where we work and live

ENGINEER GEAR
MINDFUL PRODUCTS FOR PASSIONATE PEOPLE

We make leading products
We provide sustainable and innovative products, and guarantee the highest quality, safety and durability

We produce mindfully
We’re working towards circularity, efficiency and traceability – with minimal impact on people and the planet
We’re constantly improving the way we do sustainability based on conversations with our stakeholders.

If you’re reading this, that means you!

We’re always trying to get better. And we think the best way to do that is to be transparent: to talk about what we’re doing and share the results. That’s what this document is for.

We want to celebrate how far we’ve come and the progress we’ve made. But we also want you to tell us how we can improve.

**WHY AM I READING THIS?**

- Implement our strategy and work towards targets
- Revise, improve and update our strategy
- Analyse our progress and achievements
- Engage with our stakeholders

**Sustainability is not about reaching a goal. It's about constantly evolving.**
A MISSION THAT EVERYONE BELIEVES IN

We make products for mountain lovers, by mountain lovers.

But our mission doesn’t just belong to us. It belongs to our consumers, athletes, owners and employees, too.

To set a mission that really matters to those who matter to us, we must find out their opinions.

CONSUMERS

In 2017 we sent surveys to DYNAFIT, SALEWA and Wild Country’s consumers. We wanted to know which aspects of sustainability they think are most important for our brands.
ATHLETES

We’re constantly talking with athletes about how to make our products better. Because if they don’t work for our athletes, we’ve missed the mark. Their feedback shows us where to go next.

OWNERS

This year, we held a workshop with our owners, the Oberrauch family. We wanted to find out how they see our sustainability efforts evolving, and where they think we can make the biggest impact.
To create a truly sustainable business, we need everyone at Oberalp to believe in our mission. So we sent our employees a survey to see what they think our priorities should be over the next few years.

We are also constantly exchanging ideas and results with:

**NGOs**
Sustainable Apparel Coalition, FWF, Greenpeace, etc.

**INDUSTRY ASSOCIATIONS**
Outdoor Industry Association, European Outdoor Group, etc.

**LOCAL COMMUNITIES**

**OTHER BRANDS**

**MEDIA**

**AUTHORITIES**
The feedback from these different stakeholders helped us make our first materiality matrix: it’s an overview where we rank different sustainability topics according to how important they are to us as a company, and to our stakeholders.
EMPOWER PEOPLE

WE’RE COMMITTED TO OUR TEAM

A big team’s a big responsibility. We have 600 employees working in 11 countries worldwide.

We want all our employees to help us bring about positive change. And we believe the best way to achieve that is to empower them, making them responsible for their actions.

Because, at the end of the day, we’re all passionate about the same thing: the mountains and sports. And that won’t change.

We grew 11% in 2017. Now, we’re a team of 600 people.

Each year we give our staff 5 OBERALP AWARDS. We believe positive change goes hand in hand with motivation.

We believe a good WORK-LIFE BALANCE is essential and we have different perks to support it.
HOW WE SHAPE UP ACROSS THE GROUP IN 2017

2016
43% female
57% male

2017
47% female
53% male

Employees had a permanent contract

Most of our staff are office based

98% staff based in Europe

* Our proportion of women in management positions in Italy is 24%, up from 15% in 2016. We are working to increase this.

(In this context, our definition of a “management position” is anyone managing a team)
MORE THAN WORK

We are a team of passionate mountain brand builders and developers of technical and active sports brands.

What makes our team unique is the passion and motivation we all share. We have the privilege of making our passion our daily work. This is what makes us a strong, motivated, ambitious and hard-working team.

People are at the heart of everything we do.

I love being in a company that thinks long term and has sound values that transpire in all senses, whether it be towards the environment or towards the employees. I enjoy working in an environment where work and passion are combined and spending my days around a bunch of healthy people.

Ellen Ringstad
Group HR Director
WE HIRED 173 NEW EMPLOYEES AND GREW BY 11%
(OF WHICH 60% WERE UNDER THE AGE OF 30)

HIRING RATE* OF 29% AND TURNOVER** RATE OF 22%
(IN 2016, THE HIRING RATE WAS 27% AND OUR EMPLOYEE TURNOVER RATE WAS 24%)

WE WARMLY WELCOMED 11 INTERNS
4 OF WHICH WERE HIRED AT THE END OF THEIR INTERNSHIP
(21 IN 2016)

18 HIGH SCHOOL STUDENTS
JOINED US FOR SUMMER WORK EXPERIENCE IN 2017
(21 IN 2016)

* the number of employees that were hired during 2017 divided by the total number of employees as on 31.12.2017
** employees that left the organisation during 2017 divided by the total number of employees as on 31.12.2017
We have a 360-degree approach to human resources.

That means we think about every aspect of our employees’ development: training, workforce planning, talent acquisition, onboarding and integration, performance management and talent review.

Our company is full of active people who love the sports our brands stand for and the mountains that we work in. We trust our employees to be our biggest ambassadors. If they help us hire someone, we reward them through our Recruiting Referral Policy.

We consider people’s soft skills, as well as their technical ability, when we’re hiring. Once they join, we make sure their start is as smooth as possible with comprehensive induction and training.

We help all our people grow by reviewing their performance annually. It’s a chance for employees to think about what they’ve achieved – and where they want to go next.

We examine these annual reviews for trends. For example, we might see that we need to carry out specific training that’ll benefit our employees. We also look for future priorities and needs.
We believe that positive attitudes bring change and innovation. That’s why we reward employees every year – for their motivation, risk, exploration and challenge – with the Oberalp Awards.

**Creative & Innovation Award**
Generate increased value and levels of performance through continual improvement and innovation.
2017 Winner: Tirol Wool Celliant® project innovators (see more on p. 65)

**Risk Award**
An award for the ability to take risks, by breaking barriers, opening new ways of development and generating new ideas. This award encompasses our culture of risk and entrepreneurialism.
2017 Winner: launch of the Oberalp Convention concept and development of the new POMOCA device, Pomocup

**CSR Award**
An award for innovative projects or activities that have a positive impact on economic, environmental and social conditions in the communities that we work in.
2017 Winner: the Fair Wear Foundation team, which worked hard to achieve Leadership status in 2017 (see more on p. 37)

**Excellent Execution Award**
Adding value for consumers by understanding, anticipating and fulfilling needs, exceeding expectations in execution and achieving outstanding results.
2017 Winner: Under Armour Logistics Project

**Process Improvement Award**
An award for managing change within and beyond Oberalp – by developing capability, efficiency and reducing costs, as well as focusing on process implementation.
2017 Winner: launch of the Document Management System and completion of the Product Development Process
KEEP CLIMBING

We think the simplest way to find out how we’re doing is to ask our people – so every couple of years, we send our ‘Climb Up!’ survey to every employee in the company.

Our last survey was in 2015. It showed that employees were generally satisfied (our all-over group satisfaction level was 79%*, with employee participation at 65%). It also showed that employees believed in our company values. In terms of CSR, 92% of respondents in 2015 thought the company was very aware of its social responsibility.

Other areas we look at in the survey include: their thoughts on management and leadership skills, the quality of their work life, their professional development, communication between management and staff, work organisation, diversity management and work-life balance.

One of the main things we learned with our 2015 survey was that our people wanted to get more regular information on our overall strategy. So in 2017, we developed a communication plan with two employee meetings a year and regular updates on important topics discussed by our executive team.

In 2018, we’ll conduct a new ‘Climb Up!’ survey and make improvements based on the results.

* In comparison to 66%, the average satisfaction level established by an external benchmark, including Italian and international companies working in the fashion, retail, luxury and innovation sectors.
GETTING THE WORK-LIFE BALANCE RIGHT

We give all our employees responsibility in their role. We have a goal-oriented management approach, meaning we trust our team as experts in their field and encourage everyone to bring new creative solutions to the table and think outside the box.

We also use a third party to evaluate how well we’re doing at giving employees a good work-life balance. In 2012, we received the Familie und Beruf (Family and Work) certification from the South Tyrol regional government. Since then, they monitor and evaluate our efforts at our headquarters annually.

Parental leave

Our Italian employees can extend their parental leave from the national standard* to 12 months.

Parents can take parental leave up to the first birthday of their newborn child, and continue to receive 50% of their salary.*

In 2017, 28 employees took parental leave, and 7 of those took extended parental leave.

We look after around 15 children at the daycare centre at our headquarters.

Other employee benefits

- Access to two holiday homes: one along the coast in Gargano in Southern Italy and another in the mountains of South Tyrol.
- Regular company activities: ski touring or sledding in the winter, trekking in the summer.
- Fresh, seasonal food at a discounted price with daily lunches at our larger offices.
- At our headquarters in Bolzano there’s free access to a company gym and climbing hall, with sports classes (e.g. pilates, yoga) also available.
- Discounted rates at ski school and medical fitness centre.
- Big discounts on our equipment, as well as free test and rent.

IN 2017, 22% OF OUR EMPLOYEES HAD A PART-TIME CONTRACT

35% 65%

* Italian public system foresees 9 months in total, with 30% of salary paid after first five months of leave. We cover the extra salary for our employees to receive 50% of their salary throughout their leave.
If our employees are successful, then Oberalp’s successful. That’s why we’re always trying to develop our people and our teams – investing in training and development so that we’re ready for tomorrow’s business challenges.

We work in an environment that’s constantly changing. So it’s crucial that we’re continually updating our skills, abilities and knowledge.

We believe that empowering employees and making them feel responsible for their actions is the most effective way to bring positive change. In 2017, we conducted four main programmes.

**Sales Academy**
In 2017, we invested heavily in our sales staff, organising training across our brands in Italy and in other territories. The training covered technical skills – like using and understanding KPIs – as well as soft skills – like negotiation and communication.

**Retail Academy**
We gave store managers and retail assistants training on sales techniques, as well as company culture, brand identities and CSR. (Italy and EU central)

**Leadership and culture training**
We gave our managers training on people management and how to effectively lead their teams in the context of Oberalp company culture. (Italy and EU central)

**People management skills training**
We gave new managers specific training about their new roles and responsibilities.

We also support employees individually with training that’s tailored to their needs – like language courses, excel courses, etc. – as well as educating them about sustainability.
CREATING A LEADING MOUNTAIN EDUCATION CENTRE

We give all staff the chance to attend alpine trainings and workshops. It’s a way for employees to develop their mountaineering skills – and, more importantly, it helps them understand the needs of consumers who use SALEWA gear.

We organised two alpine trainings in 2017. Starting in 2018, we’ll be organising a summer and winter camp, where employees can take a five-day trip and get professional training on different mountain sports.

In time, we will work on professionalising our trainings and making them available for a broader external audience. Our vision is to become the leading mountain education centre in the Alps, hosting mountain enthusiasts from around the world.

“We live the mountains together. Personal engagement is very important to us – whether that be with our colleagues, end consumer, or the greater community locally and beyond. Beyond training and skill development, it is also a chance for participants to consider ways we can develop our apparel and equipment to better meet the needs of users.”

Stefan Rainer
SALEWA General Manager
EMPOWER PEOPLE

WE PROMOTE FAIR FACTORIES

A main priority at Oberalp is the health and wellbeing of everyone who makes our products – not just our own employees.

In recent years, we’ve dedicated a lot of effort and resources with the goal to make garment production more fair and equal.

**IN 2017**

- 97% of our cut and sewn products came from monitored factories
- We were awarded ‘leader’ status by Fair Wear Foundation.
- 9% of our factories were consolidated between 2016 and 2017
WHERE WE PRODUCE

Most of our production is outsourced, meaning we do not own any of our factories - apart from the POMOCA production site in Switzerland. This means we have to pick our production partners carefully and make sure we install fruitful and efficient partnerships.

We produce our bindings, skis, ski boots, skins and some of our technical hardware products - like via ferrata sets and ropes - in Europe. This is because the technical expertise and know-how is still based in Europe. Producing close to home means we can monitor every step of production more easily, checking that it meets our safety and performance requirements.

Most of our apparel and footwear is produced in Asia. The center of global know-how and cutting and sewing expertise is currently located there, including some of the most efficient production partners. But this means many of our factories are far away from us, making it harder for us to monitor each step of the process. Achieving fair working conditions in these factories means we have to pick the best partners and work with them to help them reach our high standard of working conditions.

SHARING RESPONSIBILITIES

We do our planning, sourcing and purchasing work in different divisions. Each division has its own internal structure, sourcing strategies and partners. But they all integrate due diligence and social compliance in everything they do.

Along with the CSR team, we regularly tell our sourcing and costing managers about local living costs, potential hazards and geographical risks, and actual working conditions. This means they can make informed decisions.
We work with the best factories, in countries with production expertise. In 2017, we worked with 117 factories across 23 countries.

We were able to concentrate our production and reduce our factories by 9% between 2016 and 2017 - this simplifies our work with improving factory standards.

**OUR PRODUCTION BY VOLUME**

43.5% **EUROPE**
- ITALY
- GERMANY
- MOLDOVA
- FRANCE
- SLOVENIA
- ROMANIA
- AUSTRIA
- GERMANY
- LITHUANIA
- CZECH REPUBLIC
- SLOVAKIA
- SWITZERLAND
- UNITED KINGDOM

54.9% **ASIA**
- TAIWAN
- VIETNAM
- INDONESIA
- CHINA

0.8% **AFRICA**
- ETHIOPIA
- TUNISIA

0.8% **MIDDLE EAST**
- TURKEY
HOW WE EVALUATE WORKING CONDITIONS IN FACTORIES

Our code of conduct tells the world how we work as a company and the standards we stand by. Every one of our suppliers has to sign and commit to it.

It borrows from relevant international human rights treaties – like the International Labour Organisation (ILO) core conventions – and it’s in line with the FWF Code of Labour Practices.

Essentially, it’s about sustainability and compliance. It’s about behaving ethically towards all workers and the environment at every stage of the supply chain. And it’s a tool for employees and suppliers to know their rights. The code of conduct is posted on the wall in every factory we produce in. A hotline is also available for workers to file a complaint when their rights are not being respected.
WHAT WE FOCUS ON

We make lots of products but they all share one focus: mountain sports.

Our work on labour conditions focuses mainly on our suppliers working on cutting and sewing.

This is because:
- 22% of our turnover comes from technical hardware.
  And of these products, 75% are made in Europe, where less monitoring for working conditions is necessary.
- 78% of our turnover is from textile products (cut or sewn goods). Of these products, 83% were produced in Asia or Africa. These regions are those that have a higher risk of poor labour conditions.

This is why we decided some years ago, to focus our efforts on textile products. It is where most regard is needed and also where most of our turnover comes from. Hence, where we can have the greatest impact.

97% of our textile products* in 2017 came from factories where we monitored the working conditions.

* Textile products include the following: APPAREL (menswear, women's wear, accessories, denim, knitwear). FOOTWEAR and TECHNICAL EQUIPMENT (shoes and boots, tents, backpacks and bags, sleeping bags, cords, ropes, slings).
IMPROVING WORKING CONDITIONS

MAKING BETTER TEXTILE FACTORIES WITH FAIR WEAR FOUNDATION

Back in 2013, we chose to partner with the most rigorous labour conditions expert in textiles that we know of: Fair Wear Foundation. This helps us ensure that we’re always putting the wellbeing of our people first.

Fair Wear Foundation has workers’ unions and NGOs on its board so that workers’ interests are always represented. This also means that they have high expectations of the brands they work with, like us. They don’t just audit our factories – they also verify that we walk our talk through the yearly Brand Performance Check. The results are then published both on their website and our own website.

In 2017, Fair Wear Foundation gave us FWF Leader status. It’s only given to brands who are “doing exceptionally well and operating at an advanced level” and “showing best-practices on complex issues”. This tells us we are going in the right direction and doing our work well. FWF’s requirements get higher every year, and we’re continually being challenged to try harder. It’s tough, but that’s also what we like about them. Because in the end we all want to see a more fair and equal textile industry.

For more info visit www.fairwear.org

“Fair Wear represents the ideas and principles of all parts of the industry – business, workers and civil society – and is therefore able to take a holistic approach to improving working conditions. Our controls, at both suppliers and brands, help ensure that changes are systematic and sustainable.

Tina Rogers
FWF External Relations
& Brand Manager Liaison

“
HOW FAIR WEAR FOUNDATION MONITORS US

Partnering with Fair Wear Foundation is a big commitment. Every year, it reviews our work – with unannounced visits to our production sites – to see whether we’re implementing and reviewing our code of conduct in an effective way. It also publishes our progress and gives us a rating in a report. Read the results in our Brand Performance Check 2017.

Leading by example

In 2016, SALEWA won Fair Wear Foundation’s Best-practice Award for its work in Myanmar, together with Jack Wolfskin and Vaude.

Myanmar’s a country with a complex history and a challenging context for workers’ rights. FWF wasn’t active in the country when we started working there, so we teamed up with Jack Wolfskin, Vaude and a local organisation, SMART Myanmar, to set up a labour rights training program. Together, we trained management and workers in three different factories about laws around labour rights, grievance mechanisms and improving dialogue.
HOW WE MONITOR WORKING CONDITIONS

First screening
All potential suppliers need to go through a human rights screening process and fulfil our basic criteria.

Clear rules
All suppliers have to commit to our Code of Conduct.

Worker interviews
Through FWF, we send an incognito team of independent local experts to the factory to interview workers about factory conditions. They also interview workers away from the factory to avoid biased feedback, and they let workers know that their comments are anonymous so that they can speak freely. They then summarise the results and present them to the employer at the audit.

Audits
All suppliers have to agree to audits from third parties every three years. After interviewing factory workers, we do a scheduled, official control of the factory. A health and safety expert checks the premises and paperwork is checked by a legal expert. Afterwards, they write a report on their findings for Fair Wear Foundation and us.

Corrective action plan
We turn the results from the audit into an action plan: a to-do list of specific findings of things that need to be improved, with concrete targets and a clear timeline. Things like a missing emergency exit sign over the entrance have to be corrected immediately, but problems of worker overtime related to production planning can be a longer-term goal. Together with our suppliers, we work out a plan on how to solve these problems and how we can support them.

Regular factory visits
Our quality controllers regularly visit production sites. They’re experts on our social compliance requirements – and the eyes on the ground, monitoring the working conditions in person.

Factory training
Information is power. We set up training sessions in many of our factories that focus on labour rights, social dialogue between management and workers, or special issues like anti-harassment or age verification depending on the needs in a certain country or factory.

Complaints mechanism
The Worker Information Sheet, listing workers’ international rights, is posted in all our factories, has an anonymous hotline number and email address. Workers can use these to report problems. It’s managed by FWF and they forward the complaints to us so that we can solve them directly with the factory.

Follow up
We continue checking in with each factory until an action plan is completed and problems have been solved.

Transparency
Every year, we publish a detailed report on what we’ve done to improve working conditions. Here’s our 2017 Social Report.

New audit
At the end of each three-year period, we conduct a new audit on our factories. This builds on our previous findings and confirms progress.
We have lots of procedures in place to keep our workers safe and happy. This diagram explains how we work with Fair Wear Foundation to do it.
SOME OF OUR SUCCESS BEHIND THE SCENES - 2017

In China
We introduced an internal health and safety check for smaller factories.

In Vietnam
We negotiated for voluntary overtime and introduced training for workers on their labour rights.

In Bangladesh
We launched anti-harassment training to make workers aware of violence and harassment against women. We also encouraged workers at one factory to start an internal anti-harassment committee.

In Myanmar
We convinced a factory to stop a discriminatory practice when hiring female employees, negotiated the reinstatement of workers in Myanmar who were let go on loose grounds, set up social dialogue training to improve relations between management and workers, and trained staff on how to identify fake IDs so they know if they’re hiring a young worker.

For more information please read our Social Report 2017.
We want to give back to our community – people that love the mountains like we do.

We do this by delivering high quality customer service, and giving people unique opportunities to explore the mountains and the sports we love. We really want to understand what consumer needs are and make sure to target them in the most efficient way.

We share our passion for alpine sports with mountaineers by organising sports competitions and events.

We make sure we put our consumers at the centre, by focusing on their needs and offering quality service.

100% of Dynafit bindings are assembled by differently-abled workers so that everyone can contribute.
COMPETITION, EXPERIENCES AND MOUNTAIN LOVE

Sharing our passion for alpine sports with our consumers isn’t just a good way to conduct first-hand product testing. It also allows us to experience the products we make and the lifestyle we promote alongside our most important stakeholders: the people that use them.

We host a number of competitions where consumers can win experiences that take them to the heart of the mountains.

GET VERTICAL

SALEWA’s Get Vertical is an annual competition that enables participants to live a #PureMountain experience. It’s a chance for us to share our love and passion for the mountains with our fellow mountain enthusiasts, and for them to experience the intensity and pure beauty of the Dolomites – the place we’re fortunate enough to call home.

Each base camp experience hosts ten lucky winners, who get to test their limits and to push them even further. There are four opportunities each year, two during summer and two during winter, to win a specialised multi-day mountain excursion with alpine guides, a free outfit and test gear – along with the chance to experience a night in a mountain hut and another sleeping under the stars at high elevation.

Since 2015, we’ve held 19 base camp experiences in eight different locations, with 300 participants taking part.

The 2017 editions offered:
- A summer alpine climbing and winter ski mountaineering experience in San Martino di Castrozza.
- A summer alpine mountaineering and a winter ski mountaineering experience in Obergurgl.
MOUNTOPIA

DYNAFIT’s Mountopia is a twice a year competition that asks hundreds of mountain athletes to push their physical limits to win an unforgettable, once in a lifetime mountain dream.

In collaboration with GORE® and PrimaLoft®, DYNAFIT offers winners a chance to win a fully-financed, multi-day guided mountain excursion – chosen by the winner.

In 2017, the first and second editions of the competition took place. Both editions urged over 1,000 passionate athletes to answer the call, set their limits high, and share their ‘Mountopia’ – a description of their ultimate mountain sports dream. Ten selected contestants competed head-to-head, with one person emerging the victor.

Two athletes (one for each edition) won the challenge and had the chance to live out their dream. Christopher Mohn, from the US, won a trek to Everest Base Camp and then competed in the highest marathon in the world, Mount Everest Marathon. Igone Campos, from the Basque, won the chance to ski tour in the Chugach mountains.
Our shops are a place for us to meet our consumers – to empower, engage, and inform. It’s also a place for consumers to develop their passion for mountain sports. We organised a number of activities at our shops in 2017:
- Running test to try the new DYNAFIT shoes
- Excursions and hiking with shop clients
- Photography competition
- Evenings with brand athletes
- Book presentations (on mountains and outdoors)

Consumers need to know what’s behind the product they buy. It’s our job to communicate this information transparently. That’s why we’re focusing on telling them more about our sustainability efforts at our shops.

In 2017, we organised a series of trainings with our retail staff to inform them on our latest sustainability updates.

We believe that sustainability communications at our shops will play an increasingly important role over the coming years. From specialised products (like upcycled t-shirts in our outlet stores) and the sale of previously-owned backpacks, to CSR-specific in-store communications and hangtags highlighting sustainable product attributes – we want to give consumers different opportunities to engage with the sustainability missions of our brands.
CASE STUDY

BEST-PRACTICE EXAMPLE: GENOVA SALEWA SHOP

SALEWA’s Genova store does an exceptional job in involving consumers in our business activities, values and passion. In 2017, the team worked hard to organise and participate in local initiatives that promote social and environmental sustainability.

Finale for Nepal
In 2017, the Genova and Finale Ligura shop teams participated in and supported the annual fundraising event in Finalborgo. Local organisation ‘Finale for Nepal’ promotes projects in the Nepalese mountains.

Local territory
The shop works to support local organisations, like Cravasco Climbing and outdoor Liguria, to restore the region and its climbing routes. They believe that if there’s sustainable tourism, it will spread across the region – keeping local jobs, traditions and culture alive. The Genova shop also sponsors the local climbing gym, as well as working with a local organisation supporting children in need, LET (Laboratori Educativi Territoriali).

Sharing our passion
The SALEWA shop organises excursions and hikes open to all consumers. These events are a great way for us to share our knowledge, expertise and – most importantly – passion with our community of mountain enthusiasts. Consumers can also join us at our shop every month for training on safety, snow rescuing, equipment, survival and rope technique.
Caring for our consumers
We always focus on our consumers’ needs, ensuring we deliver on the high standards of our products. Our services include providing product information, warranties and returns. We usually do this over the phone, avoiding transportation to one of our labs.

We have two customer support areas. Our B2B function handles our partners, who sell our products worldwide. Our B2C function handles consumer requests through our website and over the phone.

DYNAFIT & replacement parts
DYNAFIT believes that exceptional service should be part of the user experience. Bindings represent more than 25% of DYNAFIT’s portfolio, and ski boots over 20% of the portfolio in 2017 (based on production value). To make these products last longer, DYNAFIT offers replacement parts for these two product categories.

Our dealers are equipped with these spare parts for the most common types of repairs. Service teams in each one of our offices are always available with help and advice for technical enquiries. When our dealers are not able to carry out repairs themselves, the products are sent to DYNAFIT for servicing.
WE CARE FOR OUR COMMUNITY

We believe that companies have a responsibility to do more.

Through our community projects, we help integrate young refugees, get disabled people into work, give young Nepalese women access to education, and protect endangered wildlife.

CHRISTMAS GIVING

Each year, during our Christmas dinners, we organise a lottery to collect donations for charity organisations and projects around the world. In Italy, the total amount collected from our employees is then increased tenfold by the company. In 2017, together we donated a total of €28,000, distributed amongst 3 projects: the construction of a well in Kenya, financial support for an Italian family in need, and our SALEWA Garden project.

SALEWA GARDEN FOR REFUGEE INTEGRATION

First opened in March 2017, SALEWA Garden’s a 3,000m² plot of land next to our headquarters in Bolzano, Italy, where we produce 40 different kinds of vegetables, fruit, leaves, berries and herbs.

The best thing? It’s maintained by 15 young refugees from various refugee centres. We give them the opportunity to do meaningful work, learn how to cultivate organic fruit and vegetables from a professional horticulturist, and get in touch with the locals. Oberalp employees can also take home the produce on a weekly basis in exchange for a donation to the project.
EVERYONE CONTRIBUTES

**POMOCA**

At POMOCA we’ve been working with manufacturing partners who support people with disabilities since 2013, and our work’s grown exponentially in the last few years. People with mental disabilities contribute to the production on our ski skins, doing tasks like stitching, packing and labelling.

In 2016, we started a collaboration with social organisation, Polyval. Polyval started by doing some basic tasks, like assembling plastic parts and preparing our product bags. We’re now starting to give more complicated tasks to their workers – engaging them in our business, making them feel valuable and keeping them motivated.

**DYNAFIT**

We started working with Caritas at DYNAFIT in 1999. It’s an organisation that enables disabled people to enter the world of work by providing facilities that cater to their specific needs – so they get the independence, involvement and recognition that we believe they deserve. Recently, we’ve been working together with Caritas on a unique project in one of its facilities in Germany, where a team of disabled workers assemble our ski bindings.

Thanks to the success of the partnership – and with our production needs on the rise – we started working with two similar organisations in 2016 and 2017: Herzogsägemühle Werkstatt Peiting and Barmherzige Brüder Algasing.

Both non-profit organisations enable disabled workers to gain practical experience and professional independence. Their workers are also involved in the production of our ski touring bindings.
Between the three groups, we have around 150 disabled workers working on our products – and, in 2017, we produced around 90,000 pairs of bindings and their spare parts.

We’re proud to say that 100% of our bindings are assembled by disabled workers at these organisations.

We are extremely proud to produce our bindings with disabled people nearby our offices in Munich. Even though this approach takes more effort and time it is motivating for all of us how these handicapped people have become a crucial part of the DYNAFIT family.

Benedikt Böhm
DYNAFIT General Manager
SALEWA: Sherpa Girl / Sherpa Women

We started our Sherpa Women project in 2011. Sherpa is one of the main ethnic groups native to the mountain regions in Nepal. Our goal was to enable women to find work and earn a living through training in tourism and trekking.

We supported the project by donating €1 per item sold from a selection of our collection. It was successfully completed in 2016.

26,000 PRODUCTS SOLD.
€26,000 DONATED.

We started a new, similar project called Sherpa Girl, partnering with a small organisation that works to give young girls from poor Nepalese families access to education.

We’ll launch and finalise the project in 2018, continuing to support female empowerment in a region where people live in harmony with the mountains and nature.
Under Armour: WE WILL Inspire Performance

In November 2017, Under Armour renewed the basketball court in Parco Sempione – the largest park in the heart of Milan, Italy. The donation of the court to the city, coincided with the opening of the first Under Armour store there. The objective was to add to the culture of the city, and make sports more available to the entire community.

Speedo: Abbracciamoli 2017

Abbracciamoli is an eight-hour swimming marathon organised to raise funds to fight childhood leukemia. This year marked the third edition of Abbracciamoli, with Speedo helping to organise the event, and donating prizes and clothing. This year brought out two of Speedo’s main athletes: Laura Letrari, Olympic medallist at London 2012, and Vicenzo Boni, Paralympic bronze at Rio 2016, and World champion at Mexico 2017. In total over 1,200 people participated raising over €18,000.
PROTECTING WILDLIFE

DYNAFIT: Snow Leopard Trust

The snow leopard is DYNAFIT’s brand symbol and embodies its values and characteristics – a perfect combination of speed, endurance and dynamism.

Sadly, it’s been in danger of extinction since 1972, with an estimated 4,000-6,500 cats remaining worldwide. DYNAFIT is helping to prevent the extinction of this species. Since 2007, we’ve supported the non-profit organisation Snow Leopard Trust, which works to protect this endangered cat through community-based conservation projects.

We organise the Snow Leopard Day each year, a public ski touring event held in several locations worldwide. Participants accumulate vertical meters – and for each vertical meter achieved, DYNAFIT donates one cent to the Snow Leopard Trust organisation.

This support enables the trust to aid 200 herders and their families with a financial contribution, helping to preserve the animals and deter locals from hunting leopards. Village inhabitants were also offered handicraft courses and other education to enable them to earn their livelihood without hunting the animals.
POMOCA: Seal project with EOCA

Until the 1930s, climbing skins were manufactured from real seal skin. As a tribute to this animal and a symbol for ski mountaineers, POMOCA launched a new project in 2016 to protect the Saimaa ringed seal in Finland. It’s been estimated that there are only around 370-380 Saimaa seals remaining, all of which live in Finland’s Lake Saimaa. We support a project managed by the Finnish Association of Nature Conservation, coordinated with the EOCA (European Outdoor Conservation Association).

Kaarina Tiainen, together with the Finnish Association of Nature Conservation, is fighting for the protection of the Saimaa ringed seal – the most threatened seal species in the world. She mainly works to raise awareness around the issue especially with the inhabitants of Lake Saimaa, where the species lives. This involves organising events to promote alternative fishing methods and appearing at festivals and in campaigns.
We produce technical mountain sports apparel and equipment for people that are passionate about the mountains. And our task is to make them responsibly.

Our highest priority is durability - we want our community to consider our products as lasting companions. We’re experts at creating products that embody the latest technology and material innovation. When making our products, we always try to leave as little trace as possible in the nature we love and enjoy – it’s our greatest responsibility as product makers.

We select the most technical, safe and sustainable materials.

We test our products against our list of restricted substances.

We’re shifting away from the use of PFCs.
FROM CONCEPT TO CONSUMER

The collection you'll find in our stores right now was actually developed two years ago. Because while you're out there enjoying our latest products, we're already working hard to develop innovations for your future adventures.

This also means that changes we make to be more sustainable are not immediately visible on the market and that the information on the current collection does not reflect current ambitions and achievements.

### DEVELOPING OUR WINTER 2017 COLLECTION

<table>
<thead>
<tr>
<th>COLLECTION CONCEPT</th>
<th>DESIGN, DEVELOPMENT &amp; PROTOTYPING</th>
<th>FINAL COSTING</th>
<th>SALES SAMPLES ARRIVE</th>
<th>FABRIC DELIVERY TO FACTORY</th>
<th>LEAVES FACTORY</th>
<th>IN-HOUSE</th>
<th>CONSUMER</th>
</tr>
</thead>
</table>

**TWO YEAR TIMEFRAME**
## Lasting Quality is Our Priority

Society’s biggest sustainability challenge right now is overconsumption. Our grandparents only had a few jackets over their entire lifespan – and we should learn from them. Instead of buying a new jacket every season, we should only buy products we love, maintain them for as long as possible and take pride in their history.

This is why our products are designed to provide security in extreme conditions and comfort that lasts. We keep this in mind from the first steps of product development.

---

### Quality Team

Our quality team has two quality managers and 14 quality controllers. The controllers work directly with production sites so they can inspect each production lot and work with suppliers to ensure our high level of quality.

### Quality Manual

We’ve created a quality manual that we share with our suppliers. It sets out the stringent requirements that we’re aiming for, so that we’re delivering best-practice in our sector.

### Quality Gate

We have a quality gate for every stage of our product development. Products have to fulfil certain requirements before they move onto the next stage of development, industrialisation or production.

### Rigorous Testing

Aside from the quality control during the development phases, we use two main forms of testing on our products – mechanical and chemical tests in labs and field tests by employees and athletes. Both give us crucial feedback on our products’ performance before they go to market.

### Listen and Improve

Our after-sales service sends consumer feedback to our technical team so that we can keep getting better.
CHEMICAL SAFETY

One of our top priorities is making sure our materials and products are safe for both humans and the environment.

Along with our in-house chemical management expertise, we work with industry best-practice partners to ensure the highest chemical standards. Our goal is to control the entire lifecycle of our products – from raw material, through the production process, to the finished product.

It is extremely important to have a solid system to ensure product safety and supply-chain monitoring in order to protect our consumers and the environment.

A product that poses hazards to people or the environment is inherently unsustainable, no matter what other sustainable characteristics it has.

Patrizia de Paoli
Chemicals & Compliance Specialist
OUR CHEMICAL STANDARD

In 2014, we teamed up with the Research Institute of Textile Chemistry and Physics at the University of Innsbruck to create our own restricted substances list (RSL). It contains all the chemicals that we’ve either banned from our products, or set a very strict limit on.

Our ambition is a best-practice standard – and we update our list every year to include the latest research.

In 2018, we’re going to release the new Oberalp Chemical Policy. A publicly available list of these restricted chemicals that we will require every partner in our supply chain to sign and commit to.

Look out for more information in next year’s report.

PRODUCT TESTING AND CERTIFICATIONS

Another way we ensure our products are safe is by working with expert partners and third party certifications. Most of the textiles we use in our apparel are bluesign® or OEKO-TEX® certified – indicators of high standards in safety and quality.

In 2017, more than 80% of our textiles were certified by one of our partners. The remaining 20% were tested by independent chemical laboratories to check that they complied with our strict standards. In 2017 we conducted more than 2000 chemical tests on our products.

- OEKO-TEX® guarantees that no hazardous chemicals are used in a material. Test criteria and limit values in many cases go far beyond applicable national and international standards.

- bluesign® takes it one step further: it guarantees that not only the final material, but the whole process of making it, is safe – ensuring safety for everyone involved in the production.
PERFLUORINATED CHEMICALS (PFCs)

Perfluorinated Chemicals (PFCs) are a type of chemical compound used to make everyday products resistant to water, grease and stains. We use them in some of our technical products to ensure water repellence and permeability.

Using PFCs for performance
PFCs guarantee best-in-class performance for technical apparel that needs to be both water-repellent and still allow humidity to exit. These qualities are crucial for professional mountain expeditions – under extreme conditions, it can be the difference between life and death. Despite years of industry research, there’s still no technology that replicates the performance of PFCs.

PFCs and their environment
PFCs have been criticised because, in high concentrations, they’ve been linked to negative health effects in humans and wildlife. They’re persistent, which means they don’t easily degrade in nature. PFCs can also travel easily through water and wind. As they’re easily absorbed in the fatty tissue of living organisms, they become more concentrated along the food chain.

PFCs look like a snake, with a head and a long tail. Different types of PFCs have different tail lengths – the longer the tail, the stronger their ability to repel water, but also the more dangerous they are. That’s why we excluded all long-chain PFCs in 2014, as soon as we got to know of their negative effect.
OUR PROGRESS ON PFCS

Eliminating PFCs has been on our agenda for a while and will continue to be one of our focus points.

But in the lack of good alternatives and because we also have a responsibility to ensure the safety of mountaineers using our products, we continue to use PFCs in some of our products (only short-chain, C6).

Do we need the highest water-repellent and permeable technology when walking our dog to the park? No. To climb Mount Everest? Yes.

We tried to segment our products along this logic, and at the same time we are constantly researching good replacements and new technologies. We decided to take a step-wise approach:

1. As of 2014, as soon as we got to know about the negative effects, we eliminated all long-chain PFCs (C8 and longer) and only use short-chain PFCs (C6 or shorter)
2. Replace PFCs where they are not necessary. We now use a total of 8 different PFC-free water repellent finishings, such as BIONIC-FINISH® ECO, TEFLON™ ECOELITE™ and PHOBOTEX®
3. Reduce the concentration of PFCs
4. Research for and test sustainable alternatives
5. Participate in industry initiatives and research

Wild Country has committed to going completely PFC-free from 2019.
POMOCA: PFC-FREE PIONEER

POMOCA became a world pioneer when we introduced the first completely PFC-free skins (including coating) to the market in 2016. It was the result of many stages of R&D and athlete field testing, starting back in 2014.

Development over time and future outlook of the POMOCA PFC-free skins:

% of skins that are PFC-free

* The remaining 10% are our five different RacePro 2.0 skins. They’re PFC-free skins with an extra top coat of PFC treatment.

We’re researching alternatives for this top coat but right now this is the only treatment available to reach our desired quality and outcome.
CHOOSING THE RIGHT MATERIALS

We choose materials that make your excursions the most comfortable and less impactful to the environment. We are constantly pushing to find innovative materials with high quality features. We want to find the perfect balance between natural resources and the latest technologies.

We are now focusing a lot on a resource coming straight from the heart of South Tyrol - wool.

We are doing research to bring new materials to the table - our R&D experts are looking into the possibility of introducing hemp in our products.

Cruelty-free down and wool

We want to respect all living beings when making our products. Wool and down are the materials with animal origins that we use the most, and we take special care to ensure that the sheep, duck and geese are treated humanely.

POLYESTER AND NYLON

The most common materials in our outdoor apparel and equipment are nylon and polyester, which are often blended with elastane or cotton. We use these materials because they have properties that are suitable for mountaineering activities. They’re light, extremely durable and strong, dry quickly, have flexible colouring, and are easy to care for.

Increasingly, there are more sustainable versions of these materials on the market. Recycled nylon is still rare but recycled polyester has boomed.

Today, 10% of all the polyester we use as a company is recycled. We want to increase this amount substantially over the coming years, while keeping quality and durability at the centre of our material decisions.
WOOL

Wool’s part of our DNA. The Oberrauch family has been closely linked to the material for more than 150 years. It also has a strong connection to the mountains and our home region, South Tyrol.

Using local wool

We can source wool locally, it’s biodegradable, and it’s packed with benefits – excellent insulation, breathability, thermal regulation and outstanding warmth. That’s why we decided to focus on wool to find an innovative insulation technology for our products.

However, it’s not simple. The texture of wool from the Alps is very rough, so it’s not usually used in clothing. Instead, it’s used as a filling in building construction or even thrown away. Either way, sheep still have to be shorn every year to stay healthy, so the wool’s always there.

We wanted to see if we could do something useful with this local resource, both to upgrade the material and to support the local sheep herders. The goal? To refine this regional raw material that’s been tried and tested over generations with a pioneering technology.

Peter Veider – director of the Tyrolean Mountain Rescue, who we’ve equipped with gear for many years – came up with the idea: “We wanted to equip mountain rescue teams with a natural fibre from Tyrol. The plan was to minimise environmental impact with shorter transport routes, while simultaneously supporting alpine sheep farmers – from the mountains, for the mountains. Some of the mountain rescue team own sheep themselves.”

The result of our hard work and strong partnership with the Rescue team is a new insulation technology called TirolWool® Celliant®. It’s a blend of Tyrolean wool and the thermoreflective mineralised yarn, Celliant®. Together, the minerals and the wool are excellent at keeping heat in and getting rid of dampness.
TirolWool®

From the Mountains for the Mountains
Sourced from Tyrolean mountain sheep.

Support local farmers
Farmers receive better money for their wool.

Increase Traceability
We know exactly where our wool comes from and how animals are kept.

Animal Welfare
Farmers shear sheep twice a year in a humane manner to keep the animals healthy.

Responsible Wool Treatment
The wool is washed with Oxy-Wash; a patented oxygen washing technique that does not use chlorine.

In the coming years, we want to use even more Tyrolean wool. In SALEWA’s 2017 collections, we used TirolWool® Celliant® in about 30% of our product insulations. In 2018, it’ll be over 60%. The success of TirolWool® Celliant® inspires us to keep researching new technologies.

Celliant®

Made From Nature
Celliant® is a blend of 13 different natural thermo-reactive minerals.

Recycled Polyester
Celliant® is blended with recycled polyester fibres, produced from post-consumer bottles.

Recycled Heat
Keeps you warm and dry longer, reflecting your body heat back to you.

Better Performance
The insulation allows for faster recovery by improving local blood circulation and promoting oxygen in your bloodstream.

Long-Term Durability
Wear it for years, put it in the washing machine, get it wet; it will continue to keep you warm.
Since autumn 2014, we’ve only used 100% Responsible Down Standard (RDS)-certified down in our apparel.

RDS is currently the most comprehensive animal welfare standard worldwide, guaranteeing that ducks and geese are treated well throughout their lives.

The standard is independent and is based on regular checks and inspections that are conducted without warning.

RDS-certified down means:
- No live plucking or force-feeding of ducks and geese
- Yes to the Five Freedoms for animals
- No slaughtering of animals only for down and feathers
- The entire supply chain is audited by a professional, third-party certification body
- Transparent procedures to protect the credibility of the standard

Monitoring
Each step of our supply chain is monitored and controlled:

1. SOURCED FEATHERS
2. PREPARED AT RDS CERTIFIED FACILITY
3. PRODUCTION OF STYLES
4. DELIVERY TO OUR WAREHOUSE
5. SOLD TO CONSUMERS
We use down in a number of different products. SALEWA chose it for 12% and Dynafit for 16% of its insulations in their 2017 collections.

We also use down in our sleeping bags, 40% of which are produced with recycled down feathers. The rest of our sleeping bags use virgin down or synthetic material.

**SALEWA Eco Down sleeping bags**

The most environmentally-friendly down is recycled. We developed our Eco Down sleeping bags in 2015. They’re filled with recycled down and made with recycled polyester fabric and bluesign®-certified zippers. We started selling them in 2016, and we’ve since increased the use.
MICROFIBRES

What’s the problem with microfibres?
When you think about plastic pollution, you probably picture an ocean infested with plastic bags. However, microplastics – small plastic particles under 5mm in size – are a huge threat to water bodies, soil and air quality. And they’re much harder to see.

This problem came to light through recent research. Sadly, we learned that some of these harmful fibres are believed to come from synthetic materials, like polyester and nylon, when we wash our clothes. Their small size means they can easily travel into our ecosystems and food chains.

We want to be part of the solution
As there is little awareness and research around this topic, we decided to join forces with other brands and start tackling the problem together.

We’re part of the Microfiber Consortium, formed by the European Outdoor Group in early 2017. Together with scientific partners, we support two research projects that try to get a better understanding of the microplastics issue and find solutions to reduce our impact.
WE WON'T STOP INNOVATING

Bringing innovative solutions to old challenges really motivates us. We keep the consumer's safety and comfort at the top and challenge ourselves to innovate and bring exciting solutions to the table every day. We are also aware that innovation is fundamental to create more sustainable products - something we increasingly aspire to. Here are a couple of our latest product innovations.

DYNAFIT HOJI:
The first ski boot for touring, the first touring boot for skiing.

In 2013 – with the support of DYNAFIT – pro freeride skier Eric “Hoji” Hjorleifson and Low Tech inventor Fritz Barthel joined forces on a project that’s revolutionised the ski touring boot market. After years of research, development and extensive testing, we’ve created a ski touring boot that’s reinvented the technological principles of the ski touring industry.

Thanks to the patented HOJI Lock System, you can get a direct connection between the upper and shell - and the flex between the two elements is a thing of the past. The result is downhill performance just like you get with an alpine ski boot.

The HOJI Pro Tour won a 2018 ISPO Gold Award in the freeride/touring ski boots category. It will be available on the market for men and women from Winter 2018-19.

Visit the brand websites for more information on their latest innovations.
Wild Country
REVO: belaying, redefined

Wild Country’s new belay device is a true innovation, raising the bar for everyone. It’s the first bidirectional belay device with a backup. So whether you’re a seasoned climber or roping up for the first time, the REVO makes belaying simple, safe and intuitive.

It took five years of development to bring the REVO to market. Both the development and the industrialisation turned out to be a huge mechanical challenge – often the case with groundbreaking products. Our engineers invested endless time and energy to bring the REVO to a level of quality and functionality that matches our high standards. We know you’re going to love it.

The REVO has been available on the market since 2017.
Environmental challenges affect all of us – businesses, people, nature and future generations. We’re serious about reducing our impact across our entire supply chain.

Circularity and upcycling
We want to close the production loop, and every year we increase our efforts to reduce waste. Our various upcycling projects turn leftovers and wasted material into fun, useful products.

Reducing our carbon footprint
We’re mountaineers and mountain sport specialists, spending most of our time working and living among nature and the mountains. That makes us feel particularly responsible to protect the environment.
GIVING PRODUCTS A LONGER LIFE

Probably the most important step in reducing the environmental impact of our industry is to go from the old "take, make and dispose" thinking to a circular business model. This means for example making production efficient and recycling materials for as long as possible. We are doing our best to go in the right direction. Here are a number of examples of things we do.

**Upcycling**
We’re creating products from production waste, reusing materials that would have otherwise been sent to landfill.

**Care & Repair**
We offer repair services – like fixing, resoling and spare parts – so that products last longer. In 2017, we repaired 474 apparel items – a 20% increase compared to 2016.

**Durable design**
We use fabrics for 2.27 seasons. In our 2017 apparel collections, 56% of our fabrics and 40% of our styles were carried over from previous seasons.

**Recycling**
We’re starting to use more recycled fabrics – mostly recycled polyester and wool.

**Optimising production**
We’re finding ways to minimize waste during production.
We’re proud to say that in 2017, over 20% of our apparel styles contained at least one recycled material.

Along with the increasing use of recycled polyester, we’ve introduced recycled wool into our clothing collection.

“Our grandparents were outstanding in making sure nothing went to waste, saving on resources, borrowing, handing over, finding new use of old stuff and maintaining things for as long as possible. So, to create a future-oriented sustainable lifestyle we must also find our way back to our roots.”

Marie Måwe
CSR Manager
RECYCLED WOOL, MADE IN ITALY

One of our bestselling flagship products, Sarner, isn’t just 100% made in Italy – its wool is also 100% recycled. Our partner in Prato, Italy, sorts discarded woollen goods, mechanically processes the wool, and transforms it into regenerated wool yarn.

The wool holds the Global Recycled Standard and Cardato Recycled certifications, which guarantee recycled content. These certifications also guarantee the highest standards of respect for the environment – specifically water, energy consumption and CO₂ emissions – and social impact.

Our supplier transforms the recycled wool yarn into high quality woollen fabrics. Together we developed these fabrics for our SALEWA Sarner jacket. Thanks to the success of the product, we’re introducing several new styles that feature recycled wool in upcoming SALEWA collections.

Mulesing-free wool
All of our wool suppliers guarantee to avoid mulesing, a practice that causes the animals pain. In this technique, the skin around the sheep’s tail is removed without anaesthesia in order to prevent infestation by fly larvae (myiasis). Animal rights campaigners say this controversial method is cruel and unnecessary. We think it’s unacceptable and that’s why we only use mulesing-free wool in our products.
In 2017, as part of its commitment to reduce the impact of skin production, POMOCA decided to do a life cycle assessment (LCA) on its ski skins. The aim was to find the biggest impact through the lifecycle of the product and identify ways to improve.

We did the analysis on our bestselling skin, which accounts for roughly 80% of our production. The LCA was completed by an independent partner for climate protection, myclimate, and has been verified by a third party.

The LCA mapped out our production chain, with all the inputs and outputs involved in creating the ski skin. This includes the type and quantities of raw materials used, transportation distances, energy consumption at the production facility, waste produced during production and amount of packaging used.

What is a life cycle assessment?
If you want to reduce the negative impacts related to a product, you have to know where to start. A life cycle assessment (LCA) is a method to assess the environmental impacts of a product - looking at the entire life of the product, from extracting the raw material, to the day when it becomes waste. And all the steps in between such as manufacture, transport and use. The results of an LCA let you understand which steps in the life cycle have the biggest impact. This way you know what to focus on.
THE PRODUCTION OF OUR SKINS

RAW MATERIAL

FUEL

ELEC. ENERGY

THERM. ENERGY

1. MOHAIR WOOL

2. TRANSPORT TO GERMANY

3. PRODUCTION OF VELVET

4. TRANSPORT TO FRANCE

5. COATING APPLIED

6. TRANSPORT TO (POMOCA) SWITZERLAND

7. PRODUCTION OF SKI SKIN

8. COMPANY GATE

SYSTEM BOUNDARY

WASTE

SKI SKIN

OBERALP GROUP SUSTAINABILITY REPORT 2017
WHAT WE LEARNED FROM THE STUDY

1. Velvet production accounts for 84% of the environmental impact
   The velvet we use to produce a skin is made by weaving mohair wool and nylon together. The environmental impact of the mohair wool is pretty high – it releases air and water pollutants, requires land use and generally contributes to global warming. We’re aware of the negative impact from the production of mohair wool and we’re committed to only sourcing it from best-in-class suppliers.

   However, it’s an essential component for the production of ski skins and right now we can’t replace it with another material.

2. Transportation doesn’t have a big impact
   Transportation doesn’t account for much of the environmental impact of a ski skin. The wool coming from South Africa doesn’t weigh much and all the other transport distances are relatively short, as they’re all within Europe.

3. We can reduce waste during the production process by optimising our laser-cutting
   When we cut skins out of bigger rolls, the cut-offs add up to a lot of waste. By improving this process and reducing the amount of cut-offs generated with each cut, we could avoid 22.26 tonnes of CO₂ emissions each year.

   THESE SAVINGS IN CO₂ EMISSIONS ARE EQUIVALENT TO PRODUCING:

   - 3,640 T-SHIRTS
   - OR 36,000 LITRES OF BEER
OPTIMISING POMOCA’S PRODUCTION PROCESS

Our ski skin LCA found that the cutting process was one of the easiest things to change, so we tackled it straight away. The result? A new technology that optimises the cutting process, reducing the amount of cut-off material to the absolute minimum.

Normally, we cut skins from 6-15cm rolls. Our new method cuts the skins from a much wider roll, around 140cm. This means we can cut multiple skins from one roll, keeping cut-offs to a minimum. We’re now saving 5-8% more material by applying the laser cutting process for a range of skins – and we’re planning to extend this to our entire product line by 2020.
UPCYCLING

POMOCA: new life for skin waste
In 2016, POMOCA decided to give a second life to its ski skin waste material by partnering with Skinalp – a small company from Aosta Valley, Italy, that produces accessories from the production waste of ski touring skins.

Skinalp started by making belts but has recently introduced wallets and office bags to their product line. 100% of its production is based in Italy (apart from the skins, which we produce in Switzerland). A portion of the proceeds go to a Nepalese non-profit that supports housing for children.

Wild Country’s upcycling project: Curbar Jacket
Textile companies around the world have excess textiles lying around in warehouses destined to become waste. We think these materials should be put to use. So we decided to get creative with some of our leftover high-tech fabrics.

Engineered for climbing, the Curbar Jacket is made of high-performance leftover material from SALEWA’s production. This collaboration between two of our brands means we’re creating something new and avoiding waste at the same time.

The jacket’s designed at the Wild Country base, in the heart of one of the UK’s most famous climbing areas – the Peak District. Curbar offers robust and reliable weather protection, and outstanding mobility that moves with you – ensuring unrestricted arm-lift, even when the jacket’s tucked under a harness.
SALEWA Restless Collection: turning waste into resource

Our designers studied the entire production process for a number of our products and found they could use the offcuts, the pieces of a fabric that are left as waste after a garment has been cut out. This led to the launch of SALEWA’s Restless Collection in winter 2017. We used offcuts that would typically be thrown away to create both a kid’s vest and wool gloves.

Our Sarner wool gloves are made of offcuts from making the Sarner Hoody and Bergrettung merino t-shirt. The Fanes TirolWool® kid’s vest is made from Sarner TirolWool® 100 jacket offcuts.
SALEWA – may nothing go to waste

Upcycling t-shirts
In the apparel industry, non-used fabrics often go to waste. That does not make sense to us. Together with one of our fabric suppliers, we decided to make t-shirts and fleeces from our leftover fabrics, and sell them in our outlets.

From banners to bags
We change our in-store marketing banners every year – but we don’t want to see this material go to waste. Since 2016, we’ve collaborated with social organisation AKRAT to turn our marketing waste into useful products, like pillows and string backpacks.

From basic to unique
When SALEWA changed its logo a few years ago, we couldn’t use old material like hangers anymore. Together with students from the University of Bolzano’s design faculty, we transformed leftover hangers into design pieces. They’ll soon be multiplied by AKRAT and sold in local shops.
REDUCING OUR CARBON FOOTPRINT

Back in 2015, we conducted a Corporate Carbon Footprint study on our entire company, to see where our biggest environmental impacts are. This was the outcome:

![Our environmental impact diagram](image)

Our study showed that over 80% of our impact is actually related to our production. However, we don’t own any of our production – it’s all outsourced, except for our skins production in Switzerland. But this doesn’t mean we will sit back and ignore the problem.

Some of what we’ve achieved so far:

- Our Code of Conduct, which all suppliers sign and agree upon, sets clear standards on environmental protection.
- We’re bluesign system partners and many of our partner factories are, too.
- Starting in 2018, we’ll be working with our suppliers with the Higg Index™ as a way to benchmark and track our environmental performance.
- We encourage employees to organise car-sharing for their business travels.
- Our car-free to work competition rewards employees who opt out of commuting to and from work by car. In 2016, together, we commuted car-free for a total of 91,738 km, an estimated saving of 22.86 tonnes of CO₂ emissions.
- LED lighting in shops: as of 2017, we only use LED lighting in all new or renovated shops.
- Offices energy consumption: In 2017, our global energy consumption was 9917 GJ (2.754.647 Kwh), a decrease compared to previous years.

* Indirect impact refers to all our outsourced operations (production, transportation, etc). Because a company has no direct control over them, the responsibility is normally limited.

** The Higg Index is a self-assessment and benchmarking tool for apparel and footwear industries for assessing environmental and social sustainability throughout the supply chain.
Our headquarters and energy reduction
We opened the doors to Oberalp’s new global headquarters in 2011. It’s the heart and soul of our company. A warm, welcoming, ecological workplace for over 200 Oberalp employees. It’s also a second home to local residents, consumers, alpinists and more – since the building offers a climbing gym, a centre for conferences and events, a SALEWA shop, and a café.

From the start, we designed the building to be as efficient as possible, minimising our impact on the environment:

- We have a photovoltaic system that produced 475,705 kWh of energy in 2017, which we fed into the public energy grid. The amount of solar energy we produced and fed to the grid in 2017 covered 91% of our energy consumption, helping us compensate for most of our emissions.

- We’ve also worked to minimise our energy consumption. Since 2012, despite the opening of 4 new office floors, we’ve decreased it by 38% – and between 2016 and 2017, it decreased by 9% due to the installation of LED lighting in our warehouse.

- Our heating and cooling system is based on concrete core activation. Pipes run through the concrete walls and ceilings, acting as large thermal storage units and regulating the building temperature while saving energy.

- Next to our solar panels, we have a living green proof that provides natural insulation.

- We manage 75% of all warehouse operations through an automated central warehouse system, which features an energy recovery function through the braking system.
Logistics centre

Our central warehouse, opened in 2011 along with our offices, is built over four floors and is around 10,000 m². More than 70% of our orders are fulfilled through the automatic warehouse system, which handles around 30,000 pieces each day. The automatic system can’t handle some items due to their size (e.g. skis) so they’re dealt with by a manual warehouse system.

Sustainability and energy efficiency in our logistics centre has been the focus since day one.

- All cardboard boxes used both by us and our suppliers are 100% recycled carton. We compress all used cardboard boxes with our compressing machine before sending them to a recycling company.

- We monitor the time and energy consumption to start up our machines so that a maximum of four machines can start at the same time.

- We set the remaining machines in motion with a time lag, because acceleration requires the most amount of energy.

- We feed the energy generated during the braking phases back into the system via corresponding power feedback modules.

<table>
<thead>
<tr>
<th>KPI</th>
<th>Target</th>
<th>2016</th>
<th>2017</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of units shipped without logistics errors</td>
<td>&gt;99.95%</td>
<td>99.98%</td>
<td>99.99%</td>
<td></td>
</tr>
<tr>
<td>% of deliveries on time (compared to ETA)</td>
<td>&gt;90%</td>
<td>95%</td>
<td>95%</td>
<td></td>
</tr>
<tr>
<td>% deliveries with transportation system partner having green policies</td>
<td>&gt;90%</td>
<td>93%</td>
<td>93%</td>
<td></td>
</tr>
</tbody>
</table>
We work with a wealth of different organisations to report on our sustainability efforts.

Why are there so many? Because we believe that being held accountable – and revealing how we’re doing – is a vital part of our responsibility as a transparent organisation.

Memberships in external initiatives
- European Outdoor Group
- Outdoor Industry Association
- Fair Wear Foundation
- Bluesign
- Responsible Down Standard
- Economia Alto Adige
- EOCA
  Only POMOCA
- SOS Kinderdörfer
  Only in Germany, Austria, Switzerland
- Caritas Werkstätten
  Only in Germany, Austria, Switzerland

Memberships of Association
- Assoimprenditori Alto Adige
- ASSOSPORT
- CVCI
  Chamber of Commerce of Vaud region
  Only POMOCA
- International Ski Mountaineering Federation (ISMF)
  Only POMOCA
- Thinksport
  Sport lobby in Switzerland.
  Only POMOCA
- Bundesverband der deutschen Sportartikelindustrie (BSI)
Our 2017 Sustainability Report is an important milestone in our journey towards a transparent and structured reporting process. It gives details on our sustainability performance and the industry’s key indicators. And it provides information on issues that affect our stakeholders.

We prepared this document in accordance with the GRI Sustainability Reporting Standards issued in 2016 by the GRI – Global Reporting Initiative. The breadth and detail with which we cover issues in the Sustainability Report reflect the materiality analysis carried out according to the approach described in the paragraph ‘Approaching sustainability’. This report has been prepared in accordance with the GRI Standards: Core option.

Scope of reporting
The reported information and data refer to 2017 (from 1 January 2017 to 31 December 2017), unless otherwise noted. Any data referring to previous years is presented for comparative purposes only, so as to allow an assessment of the evolution of our operations over time. Where the data comes from estimates, it is flagged accordingly. The performance indicators were collected on an annual basis and the reporting frequency will be annual.

Our headquarters are in:
Via Waltraud-Gebert-Deeg Str. 4, 39100, Bolzano, Italy.

Calculation criteria
Several of our operating departments were involved in the process of data gathering and report drafting, in order to shape this report. One of our ultimate objectives through the report is to strengthen our reporting system, and enhance the accuracy and reliability of the information and data we provide.
The following table presents the correlation between the material topics (mapped in the materiality matrix on page 21) and the GRI Standard aspects, together with an explanation of the material topics and their boundaries.

<table>
<thead>
<tr>
<th>Material topic</th>
<th>Definition</th>
<th>GRI Indicator</th>
<th>Boundary - where the impact occurs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product responsibility</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product quality and durability</td>
<td>Always strive to increase the quality of products, ensure maximum safety standards and design products to have a longer life-time</td>
<td>n.a.</td>
<td>Inside, Outside (Suppliers)</td>
</tr>
<tr>
<td>Chemicals management</td>
<td>Avoid the use of dangerous chemicals in our products, find alternatives to harmful chemicals and test products</td>
<td>n.a.</td>
<td>Inside, Outside (Suppliers)</td>
</tr>
<tr>
<td>Customer service</td>
<td>Always improve the efficiency of our consumer service to meet client needs, for example through product repair services</td>
<td>n.a.</td>
<td>Inside, Outside (Dealers)</td>
</tr>
<tr>
<td>R&amp;D and innovation</td>
<td>Push for innovation and new technologies, participate in industry research projects, find new opportunities for brand differentiation and expansion</td>
<td>n.a.</td>
<td>Inside, Outside (science, education)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Material topic</th>
<th>Definition</th>
<th>GRI Indicator</th>
<th>Boundary - where the impact occurs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental responsibility</strong></td>
<td>Work with our suppliers to ensure all factories respect environmental regulations and reduce land, water and air pollution</td>
<td>Supplier Environmental Assessment</td>
<td>Outside (Suppliers)</td>
</tr>
</tbody>
</table>
### Materiality Topic Correlation

<table>
<thead>
<tr>
<th>Material topic</th>
<th>Definition</th>
<th>GRI Indicator</th>
<th>Boundary - where the impact occurs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social responsibility</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human rights in the supply chain</td>
<td>Make sure all factory workers are respected and face fair working conditions</td>
<td>Human Rights Assessment; Supplier Social Assessment</td>
<td>Outside (Suppliers)</td>
</tr>
<tr>
<td>Community development</td>
<td>Organise activities and initiatives, for example to support the local region, help refugee integration and support mountain communities</td>
<td>Local communities</td>
<td>Inside</td>
</tr>
<tr>
<td>Employee well-being &amp; development</td>
<td>Support all our employees in their career development, periodically organise training and education programmes for skill development and capacity building</td>
<td>Employment; Training and Education</td>
<td>Inside</td>
</tr>
<tr>
<td><strong>Economic/governance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open and clear communication</td>
<td>Make sure consumers and the general public have easy access to information about our activities, in particular on our sustainability work</td>
<td>Marketing and Labelling</td>
<td>Inside, Outside (Dealers, NGOs, Consumers, Media, Authorities &amp; Regulations)</td>
</tr>
</tbody>
</table>
The following table presents the GRI Disclosures covered by this Report according to the option “In Accordance-core”, as prescribed by the GRI Sustainability Reporting Standards 2016 of the Global Reporting Initiative. For each Disclosure, a brief description is provided and the page/section in the Sustainability Report where the information can be found. A specific comment is provided for Disclosures that have not been covered, or have only been partially covered.

<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Disclosure</th>
<th>Page ref:</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 102-1</td>
<td>Name of the organization</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>GRI 102-2</td>
<td>Activities, brands, products and services</td>
<td>7-11</td>
<td></td>
</tr>
<tr>
<td>GRI 102-3</td>
<td>Location of HQ</td>
<td>91</td>
<td></td>
</tr>
<tr>
<td>GRI 102-4</td>
<td>Location of operations</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>GRI 102-5</td>
<td>Ownership and legal form</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>GRI 102-6</td>
<td>Markets served</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>GRI 102-7</td>
<td>Scale of organisation</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>GRI 102-8</td>
<td>Information on employees and other workers</td>
<td>23;25</td>
<td>Oberalp applies the Precautionary Principle to cope with possible risks and to protect the environment.</td>
</tr>
<tr>
<td>GRI 102-9</td>
<td>Supply chain</td>
<td>32-34</td>
<td></td>
</tr>
<tr>
<td>GRI 102-10</td>
<td>Significant changes to the organisation and its supply chain</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>GRI 102-11</td>
<td>Precautionary Principle or Approach</td>
<td>n.a.</td>
<td>Oberalp applies the Precautionary Principle to cope with possible risks and to protect the environment.</td>
</tr>
<tr>
<td>GRI 102-12</td>
<td>External initiatives</td>
<td>85</td>
<td></td>
</tr>
<tr>
<td>GRI 102-13</td>
<td>Membership of Associations</td>
<td>85</td>
<td></td>
</tr>
<tr>
<td>GRI 102-14</td>
<td>Statement from senior decision-maker</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>GRI 102-16</td>
<td>Values, principles, standards, and norms of behaviour</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>GRI 102-18</td>
<td>Governance structure</td>
<td>n.a.</td>
<td></td>
</tr>
<tr>
<td>GRI 102-40</td>
<td>List of stakeholder groups</td>
<td>18-20</td>
<td></td>
</tr>
<tr>
<td>GRI 102-41</td>
<td>Collective bargaining agreements</td>
<td>n.a.</td>
<td>No employees are covered by collective bargaining agreements</td>
</tr>
<tr>
<td>GRI 102-42</td>
<td>Identifying and selecting stakeholders</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>GRI 102-43</td>
<td>Approach to stakeholder engagement</td>
<td>17-20</td>
<td></td>
</tr>
<tr>
<td>GRI 102-44</td>
<td>Key topics and concerns raised</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>GRI 102-45</td>
<td>Entities included in the consolidated financial statements</td>
<td>n.a.</td>
<td></td>
</tr>
<tr>
<td>GRI 102-46</td>
<td>Defining report content and topic</td>
<td>17-20</td>
<td></td>
</tr>
<tr>
<td>GRI 102-47</td>
<td>List of material topics</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>GRI 102-48</td>
<td>Restatements of information</td>
<td>n.a.</td>
<td>This is the first Report in accordance to the GRI Standards.</td>
</tr>
<tr>
<td>GRI 102-49</td>
<td>Changes in reporting</td>
<td>n.a.</td>
<td>This is the first Report in accordance to the GRI Standards.</td>
</tr>
<tr>
<td>GRI Standard</td>
<td>Disclosure</td>
<td>Page ref:</td>
<td>Comments</td>
</tr>
<tr>
<td>--------------</td>
<td>------------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td>GRI 102-50</td>
<td>Reporting period</td>
<td>n.a.</td>
<td>The reported information and data refer to 2017 (from 1st of January 2017 to 31 December 2017). Any data referring to previous years is presented for comparative purposes only.</td>
</tr>
<tr>
<td>GRI 102-51</td>
<td>Date of most recent report</td>
<td>n.a.</td>
<td>This is the first Report in accordance to the GRI Standards. The previous reports were published for 2013 and 2015.</td>
</tr>
<tr>
<td>GRI 102-52</td>
<td>Reporting cycle</td>
<td>n.a.</td>
<td>Annual</td>
</tr>
<tr>
<td>GRI 102-53</td>
<td>Contact point for questions regarding report</td>
<td>n.a.</td>
<td><a href="mailto:csr@oberalp.com">csr@oberalp.com</a></td>
</tr>
<tr>
<td>GRI 102-54</td>
<td>Claims of reporting in accordance with the GRI Standards</td>
<td>n.a.</td>
<td>This report has been prepared in accordance with the GRI Standards: Core option.</td>
</tr>
<tr>
<td>GRI 102-55</td>
<td>GRI Content index</td>
<td>89-91</td>
<td></td>
</tr>
<tr>
<td>GRI 102-56</td>
<td>External assurance</td>
<td>n.a.</td>
<td>This report has not been externally assured.</td>
</tr>
</tbody>
</table>

**GRI 200: Economic**

**Economic Performance**

| GRI 201-1   | Direct economic value generated and distributed | 14 |  |

**GRI 300: Environmental**

**Materials**

| GRI 301-2   | Recycled input materials used | 73-74 |  |

**Energy**

| GRI 302-1   | Energy consumption within the organisation | 82-83 |  |

**Supplier Environmental Assessment**

| GRI 308-1   | New suppliers that were screened using environmental criteria | 39-40 |  |

**GRI 400: Social**

**Employment**

| GRI 401-1   | New employee hires and turnover | 23; 25 |  |
| GRI 401-2   | Employee benefits | 29 |  |
| GRI 401-3   | Parental leave | 29 |  |

**Training and Education**

| GRI 404-1   | Average hours of training per year per employee | 30 |  |
| GRI 404-3   | Percentage of employees receiving regular performance and career development reviews | 26 |  |

**Human Rights Assessment**

| GRI 412-1   | Operations that have been subject to human rights reviews of impact assessments | 36-41 |  |

**Local Communities**

<p>| GRI 413-1   | Operations with local community engagement, impact assessments, and development programs | 41;48-54 |  |</p>
<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Disclosure</th>
<th>Page ref:</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 400: Social</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier Social Assessment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 414-1</td>
<td>New suppliers that were screened using social criteria</td>
<td>39-40</td>
<td></td>
</tr>
<tr>
<td>Marketing and Labelling</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 417-2</td>
<td>Incidents of non-compliance concerning product and service information and labelling</td>
<td>n.a.</td>
<td>No incidents of non-compliance have been reported during 2017.</td>
</tr>
<tr>
<td>Socioeconomic Compliance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 419-1</td>
<td>Non-compliance with laws and regulations in the social and economic area</td>
<td>n.a.</td>
<td>No incidents of non-compliance have been reported during 2017.</td>
</tr>
</tbody>
</table>