



**CSR – Best Practices of Germany
(in english)**

CSR Company: BIONADE

Sector: Alcohol-free refreshing beverages
Core area of business: Organic production of refreshing non-alcoholic beverages
Address: Nordheimer Strasse 14,
97645 Ostheim/Rhön
Contact person: Peter Kowalsky
Function: Managing partner
Number of employees: 120

Description of the company:

BIONADE is a young, innovative family-owned company, which produces refreshing non-alcoholic beverages on an exclusively organic basis and markets them nationally and internationally under the brand name BIONADE. The company was founded in 1995 on the occasion of BIONADE's invention. It is headquartered in Ostheim, in the Bavarian part of the biosphere reserve *Hohe Rhön* and has its roots in the PRIVATBRAUEREI PETER (private brewery) previously located there.

How does the company demonstrate social responsibility?

The product itself:

BIONADE is the world's first and only refreshing non-alcoholic beverage, which is produced by means of fermentation according to the principle of brewing in entirely organic manner while using exclusively the fruits named. BIONADE originates from ecological cultivation and bears the official organic seal of the EC ecological auditor.

Project *Bio-Landbau Rhön* (Organic Farming Rhön):

Organic farming Rhön represents the committed sequel to the BIONADE idea and was founded by BIONADE in the fall of 2005. The project exists under the patronage of E. Huber, the minister of the economy for the German federal state of Bavaria.

BIONADE GmbH guarantees participating cultivators, who convert their operation to organic cultivation, 100% acceptance of their organic barley and elderberries. Organic elderberry has never before been cultivated as a cultural plant in the Rhön-Grabfeld region thereby granting the cultivators entry into an entirely new market. Today, 70 ha of agricultural land for organic elderberries and 150 ha of organic barley exist.

With this project, the increasing demand for the long-term supply of organic raw materials domestically, above all from the structurally weak Rhön region, is secured for BIONADE and as such, an additional future prospect for local farmers. By means of the regional supply of raw materials, lengthily transport routes, which burden the environment, are avoided.

Initiative to preserve ground water:

The sustainable protection of the soil and ground water quality in the Rhön region are directly linked to the Rhön organic farming initiative and the resulting large-scale organic cultivation. BIONADE acts a partner in the initiative to preserve ground water in Lower Franconia, a model region in the EU.

Partnerships for ecology and the environment:

Biosphere reserve Hohe Rhön (UNESCO), *Initiative Grundwasserschutz Unterfranken* (Initiative to preserve ground water Lower Franconia - a EU model region), *Bundesdeutscher Arbeitskreis für Umweltbewusstes Management* (B.A.U.M. - German Federal Work Group for Environmentally-Conscious Management).

Creation and preservation of jobs:

Today, BIONADE GmbH is the largest employer in the area. In the last years, a large number of new jobs have been created in the structurally weak Rhön region and should business continue its growing trend, also do so in future.

Sponsorship of social and cultural projects:

BIONADE is both a sponsor and partner of the *Deutsche Schulsportstiftung* (German Scholastic Sport Foundation) and the federal competition of schools *Jugend trainiert für Olympia* (Youth Training for the Olympics). In addition, BIONADE is involved in numerous projects in the areas of nutrition, health, exercise, culture and education.

For what reasons is the company participating in CSR? How does the company profit from its CSR activities?

BIONADE is a product, which originated on the basis of social responsibility - from the visionary idea of a healthy children's lemonade free from chemicals of any kind. As such, CSR is both a matter of course and a part of the company's commitment and as such, is of particular overall importance in marketing.

The CSR activities also substantiate the competence, credibility and quality of the product. Over the long-term, this positively influences the image of the BIONADE brand name and consequently, the economic success of the company as well. For in today's society, social and ecological engagement is of increasing importance and is rewarded more than ever by employees, suppliers, customers and consumers.

How do the stakeholders profit from companies CSR activities?

Our employees can take pride in their company, their work and their own person while counting on a secure job.

The community of Ostheim and the Rhön region both profit from the public presence and image of BIONADE, the region gains new jobs, the local agricultural industry is promoted, the natural environment is improved and protected in a sustainable manner through organic farming as well as preservation of soil and ground water.

The suppliers, that is, the cultivators themselves gain an entirely new future prospect through BIONADE and the Rhön organic farming project, they have a secure source of income no longer having to rely on subsidies. A sustainable win-win relationship exists between the cultivators and BIONADE.

The considerable modern context and positive image of the brand name and the company allows commercial partners to profile themselves as well in selling BIONADE.

Mutual synergies result on the basis of collaboration between BIONADE and strategic partners such as e.g. the biosphere reserve, the German scholastic sport foundation or *B.A.U.M.*

Consumers can rest assured that with BIONADE, they are buying a socially and ecologically correct product with sound and traceable organic origin and quality, whose taste is unmatched and which one can drink with pride.

CSR Corporate: Hess Natur-Textilien GmbH

Country: Germany

Sector: Textile industry
Core area of business: Mail-order and e-commerce enterprise for committed natural clothing and textiles
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www.hess-natur.com
Contact person: Mrs. Kuhnert
Email: verena.kuhnert@hess-natur.de
Function: Media relations
Number of employees: approx. 270

Description of the company:

Assortment of skin-friendly natural clothing designed for exceptional wearing comfort. Healthy fashion manufactured in an environmentally and socially responsible manner while meeting the demands of the modern quality-conscious consumer.

Hess Natur, with headquarters in Butzbach (near Frankfurt a.M.), Hesse and additional outlets in Austria and Switzerland, leads the German-speaking market for natural textiles.

The collection comprises high-quality women's, men's and children's wear. In addition to upper-body wear, the collection also encompasses underwear, socks, shoes and textiles for around the home. A further solid constituent of the assortment: baby clothing_B. The products - first started with clothing and diapers for newborns extend up to toys and care products - are offered in a separate catalogue.

How does the company demonstrate social responsibility?

Employees:

- **Combining Profession and Family:**
Awarded the certificate "*Audit Beruf und Familie* (Audit Profession and Family)". This includes et al: Part-time positions for management, flexible working hours, family-friendly part-time employment schemes and provisions governing vacation leave, procurement of a child-care allowance as well as offering child emergency care
- **Compliance with social standards:**
The compliance with social standards (e.g. ban on child labour, equitable remuneration, regular working hours etc.) represent a key constituent of the corporate philosophy and a prerequisite for collaborating with suppliers.

Environment:

- **Natural raw materials:** Use of exclusively renewable raw materials resp. pure natural fibres (wool, cotton, silk etc.) preferably of certified organic quality.
- **Social and environmentally-acceptable fibre production:** 100% of the cotton comes from certified organic cultivation, e.g. from a proprietary environmentally and socially responsible agricultural project in West Africa.
To an increasing degree, Hess Natur is also using wool from *kbT* (certified organic livestock farming), organic silk as well as vegetable-tanned leather.
- **Avoidance of chemicals harmful to health and the environment:** In producing of its textiles, Hess Natur refrains from using questionable auxiliary substances and colorants as well as the conventional high-degree of refinement (no optical brightening agents, no chloride bleaches, no synthetic resins etc.).
- **Regular toxicity audits** of the textiles by independent institutes.
- **Ecological value-added chain:** From the cultivation of raw fibres, all stages of processing right up to the finished fashion article, Hess Natur guarantees compliance with strict ecological quality guidelines. A declaration regarding the entire production chain of each individual article clearly specifying the origin of the raw fibres as well as key stages in production is included in the catalogue.

How do the stakeholders profit from the company's CSR activities?

- **Suppliers from developing countries:** Acceptance guarantees and premiums for organic cotton cultivators generate employment with equitable terms, which make a significant contribution to the sustainable development of these countries.
- **Environment:** Organic cotton preserves both the soil and the ground water supply and thus valuable resources on a global level.
- **Employees:** Employees are able to coordinate their private life with their professional activities and enjoy a high quality of life thanks to excellent working conditions.
- **Customers:** The consumers gain the possibility of purchasing fashion friendly to the skin and free from toxins, which at the same time satisfies the highest demands in terms of quality. Furthermore, the customer "buys" satisfaction from his/her contribution to making the world a better place in wearing textiles produced in an environmentally and socially responsible manner.

For what reasons is the company participating in CSR? How does the company profit from its CSR activities?

- **Persuasion:** CSR is a true "matter of the heart", not a mere marketing strategy. Positive "side-effect": The resulting authenticity secures the long-term and successful existence of the company on the market.
- **Competitive advantage:** Innovative ecological manufacturing and processing methods as well as comprehensive social standards set Hess Natur apart from the competition thereby placing it in the role of a precursor resp. market leader.
- **Employee motivation**
Thanks to the attractive and family-friendly working conditions, employees feel comfortable at their workplace and identify both with the company and its objectives. <<
This results in a high level of motivation on the part of the employees, which in the end also benefits the company.
- **Positive supplier relationships**
Positive and reliable supplier relationships with a high level of product quality represent an important constituent of Hess Natur's success in business as such relationships have a direct influence on the quality of the company's products and service.

Awards and distinctions, et al

- **Organic Textile Award (1996):** Distinction from the "International Federation of Organic Agricultural Movements" (IFOAM) for initiating the world's first agricultural project for organic cotton.
- **Internationaler Designpreis (International Design Prize - 1997)** awarded by the German federal state of Baden-Württemberg for the Hess Natur wedding dress.
- **Distinction grade 4+ (1998):** Outstanding for exemplary improvement of resource productivity, selected by a scientific panel under the direction of Prof. Ernst-Ulrich von Weizäcker.
- **Seal of Quality "Vorreiter ethischen Handelns (Precursor of Ethical Trade)" (2005)** for exceptional ecological and social engagement. Award from Ethics in Business Commission under the patronage of Ulrich Wickert.

CSR company: Memo AG

Country: Germany

Sector: Mail order and e-commerce enterprise
Core business: Office supplies and furnishings, school supplies
which are manufactured according to ecological criteria
Address: Am Biotop 6, 97259 Greußenheim, www.memo.de;
l.hartmann@memo.de, Tel.: 09369 - 905226
Contact person: Lothar Hartmann
Function: Sustainability manager
Number of employees: 83

Description of the company:

Memo is a mail-order and e-commerce outlet offering over 9000 environmentally and socially responsible quality products for the office, school and around the home as well as office furnishings and promotional materials - at competitive prices. Among them over 400 "nachhaltig gute (sustainable quality)" memo brand products. At memo AG, the principles of sustainability have served as the basis for all corporate activities from the very beginning. The mail-order and e-commerce enterprise founded in 1990 acts in an environmentally committed and social responsible manner for the benefit of society as a whole without simultaneously losing sight of economic targets.

How does the company demonstrate corporate responsibility?

At memo AG, the principles of sustainability have served as a basis for all corporate activities from the very beginning: The mail-order and e-commerce enterprise founded in 1990 acts in an environmentally committed and social responsible manner for the benefit of society as a whole without simultaneously losing sight of economic targets.

Design of assortment:

All articles in the memo assortment have been selected according to strict criteria. As such, the environmental and social acceptability of a product - along the entire value-added chain - are a must: from the production of raw materials, to the manufacturing process, distribution and use right up to recycling resp. disposal. Quality, utility and the price-performance ratio of a product are also decisive for listing. Those who place an order with memo can be sure they're getting the single most sustainable up-to-date assortment of products available on the market today.

Contributions to environmental protection:

The principle of sustainability rooted deeply in the corporate philosophy has often proven to be an impetus for business ideas of an exemplary nature over the course of the company's history. For example, the mail-order and e-commerce enterprise introduced its own proprietary return system (the "*memo-Wertstoffbox (recyclable material return box)*" already in 1992 for used memo products - long before the redemption of batteries, lamps and bulbs or electrical devices was required by law. In 1998, memo partnered up with Deutsche Post AG in piloting its "*Postbox*" reusable system: By using stable containers composed of recyclable polypropylene, the cardboard component in forwarding was reduced by 50%.

Climate neutrality:

At memo, protecting the earth's climate has been a number one priority from the very beginning: All internal company processes of memo AG are diligently optimised in terms of their climate neutrality, the unnecessary emission of CO₂ is consistently avoided or reduced. For example, in printing all catalogues or promotional material of the mail-order and e-commerce establishment, only plant-based colours and 100% recycled paper are used. The company vehicles are filled at the company's own bio-diesel fuel station. A wood chip heating system on the company grounds replaced the ten year old oil heater at the end of 2006. Starting this year, memo will balance off the low level of unavoidable residual emissions by purchasing corresponding climate protection certificates. In 2007, the company met its considerable target of becoming climate neutral.

Sustainability management:

The integrated sustainability management takes responsibility for the diligent implementation of all sustainable guidelines. The management system of memo - as one of the first to receive simultaneous certification pursuant to DIN EN ISO 9001 and DIN EN ISO 14001 - ensures the constant optimisation of all work and business processes at memo. It secures the quality of products and services while continuing to develop itself further.

For what reasons is the company participating in CSR? How does the company profit from its CSR activities?

Differentiation of environmentally-friendly products:

In the highly competitive market for office furnishings and supplies, memo sets itself apart from the rest with the outstanding quality of its products and service, which offer environmentally-friendly and healthy added utility thereby preserving both society and nature.

The company can count on its motivated employees, who identify with the company and see themselves as a part of it. As a result, all employees think along and actively contribute to the company's success.

How do the stakeholders profit from the companies CSR activities?

Employees:

The employees are the most important factor in the company's success: At memo, they constitute equal partners. The corporate targets and all business processes can be inspected at any time and employees may actively participate in designing these processes. All salaried employees are offered a share in the company allowing them to take part in the economic success of memo AG. But also the workplace itself is characterised by its pleasant and motivating atmosphere: The company building in Greußenheim near Würzburg was planned and constructed according to specifications upholding both environmental and health standards.

Environment and society:

With the carefully inspected, recyclable quality products for the office and home, which are manufactured while conserving resources, memo offers its customers the possibility of covering their everyday requirement for (office) supplies in an environmentally and socially acceptable manner at an affordable price. Intelligent refill, recycling and energy-saving offers present additional ecological and economic benefits when compared with other suppliers. Furthermore, the health-promoting materials and contents of all articles additionally improve quality of life and make for an around worry-free purchase.

CSR Company: Vaude Sport GmbH & Co. KG

Country: Germany

Sector: Textile industry
Core business: Mountain sports and trekking outfitter
Address: Vaude Straße 2, D-88069 Tett nang
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Antje.v.Dewitz@vaude.de
Contact person: Antje von Dewitz
Function: Managing director
Number of employees: approx. 200

Description of the company:

VAUDE ranks among Europe's leading names in mountain sports. Today, VAUDE is one of the few privately managed sole proprietorships in the sector, which successfully managed to counteract the trend towards corporate concentration. The company has generated growth rates in the areas of Mountain Sports, Bike Sports, Water Sports and Daypacks. 60 percent of its sales are generated in Germany, 40 percent through exports. VAUDE products are distributed around the world.

How does the company demonstrate corporate responsibility?

Combining of Profession and Family: In 2001, VAUDE opened its own company-level child care centre, which sees itself as a "family service provider" and whose objective constitutes accommodating the needs of professionally active families. For this corporate engagement, the German president Johannes Rau awarded the company with the prize "*Freiheit und Verantwortung* (Freedom and Responsibility)". Since its opening, the company's birth rate has increased four-fold. The proportion of female employees comprises 60 %, many of whom have children. Furthermore, Vaude offers flexible working hours and values equal opportunities.

Environmental protection: In an initiative launched by VAUDE, a number of companies joined forces in 1994 to develop authentic product lines composed of polyester, which are recycled in a closed loop. As the first manufacturer of sporting goods, VAUDE manufactures in compliance with the blue sign standard, which observes a maximum absence of toxins and preservation of resources along the entire value-added chain.

Social minimum standards with suppliers: For its collaboration with its suppliers, VAUDE has a code of conduct in the form of ethical, social and ecological guidelines e.g. for the following areas: - statutory minimum wages, - compliance with statutory working hours - protection against abuse of any kind, - non-discriminating hiring based on race, age and gender, - compliance with statutory minimum age provisions as well as abstention from "involuntary employment", - compliance with all provisions prescribed by occupational safety legislation and those pertaining to safety as well as hygienic standards, - compliance with all statutory environmental regulations and in particular, avoidance of solid and liquid wastes. These regulations represent a fixed constituent of our contacts with suppliers, which are subject to semi-annual verification. Likewise, regular monitoring of compliance with these provisions occurs. This monitoring takes place on one hand by means of announced visits by product managers and management and on the other hand, through surprise inspections by external offices, e.g. by employees from the quality office in Saigon. Breaching the code of conduct results in severe penalties for the supplier up to and including the complete dissolution of the collaboration. In this way, it is ensured that VAUDE only collaborates with partners, whose business practice is exemplary in terms of ethical, social and ecological aspects.

Environmental protection: Since 2002, VAUDE is the official partner of the *Deutscher Alpenverein* (DAV - German Alpine Association) for nature and environmental protection. In this way, the company is able to be engaged more intensively and in a more focussed manner in alpine regions for nature and the environment. Together with the DAV, VAUDE realises products and solutions, which see to a harmonious relationship between mountain sports and nature.

For what reasons is the company participating in CSR? How does the company profit from its CSR activities?

Combining Profession and Family: Benefits when recruiting new staff and retaining highly-qualified professional staff in the company particularly when competing with larger companies. Thanks to these measures, the employees are more balanced and highly motivated. Young parents with their expertise quickly return to the company after having taken parental leave.

Ecological and socially-responsible manufacture of products: The high demands of (potential) customers in terms of product quality, whereupon ecologically and socially responsible production conditions are intrinsically required in the decision to buy. Through the training sessions for suppliers, a sustainable relationship coupled with a win-win situation is expanded. .

Environmental protection in the alpine environment: A healthy and attractive alpine environment is the foundation for recreational mountain sports, which over the long term represents a requirement for the demand for mountain sport equipment. Furthermore, this engagement for the environment has improved the image and public profile of Vaude among mountaineers.

How do the stakeholders profit from the company's CSR activities?

Company: Thanks to family-friendly measures, VAUDE manages to do the most in the scope of its corporate capacities to turn around the demographic transition by means of increased birth rates.

Customer: The customers receive a high-quality product and materials free of toxins characterised by their surpassing quality, with which both social and environmental standards have been complied with.

Suppliers: A win-win situation for the suppliers, who remain competitive by acquiring VAUDE expertise.

Employees in supply operations: Humane working conditions at supplier locations are assured and as such, the employees at these supplier locations are also satisfied with their workplace.

Ecology: Healthy alpine environment and preservation of natural diversity, clean value-added chain.

CSR Company: J. Schmalz GmbH

Country: Germany

Sector: Machine building
Core area of business: Conveying and handling technology
Address: Aacher Straße 29, 72293 Glatten
07443-2403-0; schmalz@schmalz.de
www.vacuworld.com
Contact person: Daniel Just
Function: Assistant to management
Number of employees: approx. 300

Description of the company:

Schmalz is the global leading partner for vacuum technology in the automation, handling and clamping technology.

Vacuum technology by Schmalz is a term recognised in all areas, where components have to be moved during the production process, transported ergonomically or clamped.

Committed orientation with the customer, groundbreaking innovations, outstanding quality, a broad competence in consulting and creative employees make up the foundation of our success.

How does the company demonstrate social responsibility?

Environmental protection – also at our supplier locations:

For years, certified environmental and quality management systems compliant with EMAS, ISO 14001 and ISO 9001 have been a matter of course, products are manufactured while employing the maximum possible resource efficiency, likewise suppliers are selected, who meet requirements in terms of quality and the environment. In addition, the company generates more energy from renewable sources such as wind and hydro power, solar energy and renewable raw materials than it consumes. The company is entirely energy-autonomous and in 2000, even generated a surplus of energy. The *Ökolehrpfad* (ecological discovery trail) depicts the sense and purpose behind Schmalz's preservation of the environment to a large number of visitors.

Ethical code of conduct for management:

The company addresses issues such as corruption, balance sheet falsification and financial self-service by management with its defined code of conduct for employees and management, which sees to fair economic practices.

Employees:

The company-own Schmalz Academy assists employees in their professional development. They are integrated to an extensive degree in corporate decision-making and gain deep insight into plans for the future as well as business figures. A flexitime arrangement scheme ensures a high degree of flexibility - fixed working hours don't exist. Employee participation by means of special benefits such as profit sharing, interest-free homebuilding loans and health premiums accommodate the employees. For years, J. Schmalz GmbH has enjoyed a growing number of employees as well as growing revenues and profits.

Awards: *Deutscher Preis für Wirtschaftsethik* (German Prize for Ethics in Business - 2005)
7th place *Deutschlands beste Arbeitgeber* (Germany's Best Employer - 2004)
Top 100 – Europe's Best Employer (2004)
Environmental award of the *BDI* (Federal Association of German Industry - 2004)
Green Week-Award of the ICEO (2004)
Environmental award of the German federal state of Baden-Württemberg (2000)

For what reasons is the company participating in CSR? How does the company profit from its CSR activities?

Environmental protection - also at our supplier locations:

The company's efficient and innovative environmental concept reinforces the positive image of the establishment. At the same time, the environmental costs within the company are reduced by means of the efficient use of resources while minimising emissions. The same applies to suppliers, who represent a key constituent of Schmalz's economic success. Along the discovery trail, Schmalz passes on its own expertise to visitors in order to depict the diversity of ecologically equitable conduct and the possibilities presented by it as well as the positive effects achieved as the result of such action.

Ethical codes of conduct for management:

Fair economic practices reinforce the business relationships based on mutual trust, which represent a key constituent of the company's success. As a result, Schmalz is a valued business partner.

Employees:

The company's own training centre, the Schmalz Academy, offers employees a wide range of opportunities for further education. The insight and integration of employees in company decisions results in a corporate culture defined by trust not to mention the motivation of the employees. To enable employees to also benefit from the earnings of their work, Schmalz introduced a profiting sharing scheme featuring asset growth; interest free homebuilding loans and health premiums in order to increase the degree of employee identification with the company. The employees think along, see themselves as a part of the company and as well as jointly responsible for the company's success. The flexitime scheme allows for one's profession and family to be combined thereby presenting associated benefits in recruiting and retaining personnel. In addition to attractive wages, Schmalz is thereby also able to make offers, which win over and retain managers.

Suppliers:

The suppliers profit from the transfer of expertise regarding environmental and social standards. As a result, supplier relationships are expanded and reinforced while improving the profitability of Schmalz.

How do the stakeholders profit from companies CSR activities?

With its environmentally-friendly power generation, Schmalz contributes to reduce the emission of CO² thus doing its part for climate protection preserving both the environment and society as a whole.

Employees profit from a pleasant working environment, the balance between one's profession and private life not to mention the additional income from sharing in company profits. Schmalz's code of conduct serves as a role model and contributes to equitable competition in the economy.

Through the certification and standardisation of Schmalz products, customers gain a solid basis for their own efficient use of resources in production. The resulting positive image transfer is certainly also of significance for communicating their own sustainability policy.



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