



Corporate Responsibility Report 2012

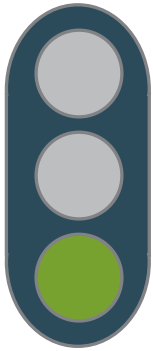
Mammut Sports Group AG

MODULE 1: FAIR WORKING CONDITIONS



Fair Working Conditions

Our social responsibility revolves around the issues of fairness as well as health and safety in the workplace.



"Green" light: in 1992, Mammut integrated the Clean Clothes Campaign's model code of conduct. In 2008, we became a member of the Fair Wear Foundation which audits both our management system and our factories. In 2012, we monitored 98% of our suppliers of sewn products, an excellent level of coverage.

In Numbers

98 %

Covered by our social monitoring system, based on our turnover with sewn products.

44

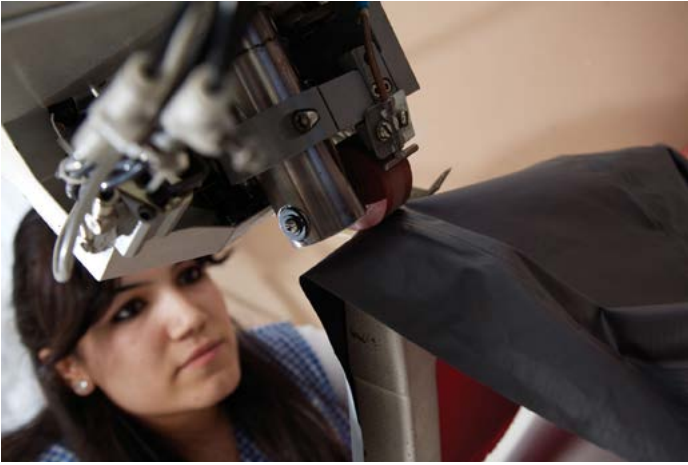
Suppliers for the production of about 3,5 million items a year.

22

Production countries for sewn products.

Cover photo:
Mammut Jackets are ready for
transportation, Turkey, 2009
Photo: Mammut





Sewer at the turkysh producer, 2009 | Photo: Mammút

Sewing, cutting and quality controlling are central steps in the production of outdoor clothing.



Cutter at our turkysh producer, 2009 | Photo: Mammút



Quality control of a Mammut jacket, China, 2012 | Photo: Mammút



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1 | What is the issue?

An increasing number of clothing companies from all sectors are seeking to improve social standards in their suppliers' factories and to prove this to their customers through independent checks

„The clothing industry as a whole faces a huge challenge,“ says Ivo Spauwen, International Verification Coordinator with the Fair Wear Foundation, as he looks out of the bus window at the passing houses and streets – contemplatively but with quiet confidence. The 30-year old coordinator is on his way to a factory audit in Heshan, a city in the southern Chinese province of Guangdong. He is referring to an issue that is very close to his heart, and one that no international company can now afford to ignore: social responsibility for all the people who work, all over the world, in factories that supply major brands. Otherwise known as Corporate Social Responsibility, or CSR for short.

The clothing industry under fire

The last few decades have seen a lot of changes in the clothing industry. As a result of globalization, almost all large companies have relocated their production to distant lands – emerging and developing nations. In many cases, the path from raw

material fiber through to finished garment now passes through countless production sites and several continents. Different laws and employment regulations apply in each country and social standards are generally far lower than those in industrialized nations. Some companies procure components for their collections from up to one hundred different producers, each of which works for multiple customers. The result: an enormous amount of work is required to monitor the conditions under which a product is produced.

»» The garment and sports shoe industries [...] have a responsibility to ensure that good labor practices are the norm at all levels of the industry. Given the current structure of the industry, brand-name garment companies and retailers must use their position of power to ensure that good labor standards are met.¹ ««

Consequently, initiatives such as the international Clean Clothes Campaign (CCC)¹ have uncovered a whole series of scandals in recent years: working weeks of up to 100 hours, monthly salaries that are insufficient to feed the actual worker let alone his or her family, a lack of social security and hazardous working conditions in factories.

¹ Clean Clothes Campaign, <http://www.cleanclothes.org/about-us/what-we-believe-in>
The CCC is a Europe-wide network that works to improve working conditions in the clothing industry around the world. It is active in 14 European countries and works closely with partner organizations in production countries.



Responsibility – all over the world

Non-governmental organizations (NGOs) require companies to take responsibility for fair working conditions in all production locations. Relocating production, they say, does not mean relocating the company's social responsibility. Quite the reverse. Other bodies are calling for a return to production locations in Switzerland or Europe.

Instead of „Made in China“, they are demanding „Made in Switzerland“ or „Made in Europe“.

» Mammut is praised as a pioneer. «

In the fall of 2012, the CCC published a study examining, in particular, working conditions at suppliers to the outdoor sector. Fifteen international outdoor clothing companies came under scrutiny. The result revealed a clear trend towards greater responsibility and increased commitment. Mammut was praised as a „pioneer“. Click [here](#) to go to the CCC study.

2 | The Mammut Approach

In October 2008, Mammut became the first outdoor company to join the independent Fair Wear Foundation initiative. By doing so, we have signed up to the strictest social standard in the textile industry.

Mammut views “Corporate Responsibility” (CR) as a management approach that makes social and environmental responsibility a concrete element of its company strategy alongside economic logic. We apply CR to our core business, at both an operational and a product level. It can be divided into the sub-areas of social, environmental and social responsibility.

Fair Wear Foundation (FWF) is a multi-stakeholder initiative which is supported by company and textile associations, trade unions and non-governmental organizations (NGOs). The latter group also includes the Clean Clothes Campaign (for more information, see [chapter 1](#)).

As an independent verification body, the FWF checks that the actions taken by member companies are effective and coherent. The FWF is regarded as the strictest approach in relation to the monitoring of working conditions in supplier operations.

» In our company, environmental and social corporate responsibility are not issues that sit on an action plan for a year, simply because they happen to be „in“. We view the process as a never-ending journey. We are continuously progressing in a specific direction. «

Quote from Adrian Huber, responsible for Corporate Responsibility



3 | The Mammut milestones





China, 2012 | Photo: Mammut

Impressions from inside
a garment maker for
clothing and backpacks.



Philippines, 2012 | Photo: Mammut

WHAT SAYS FWF on Mammut

FWF verifies our social performance and monitoring on a yearly basis. Here is the executive summary of the performance check for 2012.

Continue to the in-depth [FWF Brand Performance Check](#) on Mammut.

» Mammut meets most of FWF's management system requirements and goes beyond some of them.

The sourcing practices of Mammut generally support effective implementation of the Code of Labour Practices. The company aims at having long term relations with suppliers. In 2012 Mammut started working with 1 additional supplier for backpacks. In 2011-2012 relations with two suppliers were terminated. In both cases willingness to implement FWFs Code of Labour Practices was an important factor in the decision.

Until the end of 2012 Mammut carried out audits at its suppliers for apparel, climbing harness, backpacks and sleeping bags. According to the supplier register provided by Mammut 98% of the total FOB 2011 purchasing value of the company for these product categories is sourced from production sites in low risk countries, or from production sites that have been audited in the last 3 years.

Corrective action plans resulting from audits are followed up on by Mammut by requesting the supplier at least once a year to give an update on progress in realizing improvements. In 2011-2012 Mammut proactively approached other customers of its suppliers to arrange shared audits and shared follow-up of corrective action plans. Mammut exchanged detailed information on the follow-up process with other customers, hereby setting a positive example for other companies.

» Mammut meets most of FWF's management system requirements and goes beyond some of them. «

During the 4 audits carried out by FWF teams in 2012 no violations were found regarding forced labour, child labour, abuse or discrimination. In all these factories wages for regular working hours were above local minimum standards but were below the amount constituting a living wage as estimated by local stakeholders that had been consulted by FWF. Overtime work was also paid according to local law. For the 2 factories in China and Turkey that were re-audited in 2012 it was found that improvements had been realized on job contracts and social security. Also these factories had adopted transparent systems for working hour registration and worker representation had improved. FWF highlights excessive overtime as the main challenge for Mammut for 2013.

» Mammut actively responds to questions resulting from public campaigns to raise awareness among consumers. «

Mammut actively responds to questions resulting from public campaigns to raise awareness among consumers. Company staff participates in external events to give insight in its work to implement labour standards. Mammut also engages with independent researchers who study the effectiveness of FWFs work. Doing so, the company contributes to growing awareness of working conditions in factories among consumers and other parties.

Mammut is currently engaging one of its long term apparel suppliers in FWFs Workplace Education Program (WEP), which offers training activities to strengthen awareness of labour standards and grievance mechanisms among workers and management, and hereby promotes social dialogue on factory level. «



4 | What Mammut requires

As a member of Fair Wear Foundation, we pledge to deal only with products manufactured under humane working conditions. The Fair Wear Foundation's „Code of Labor Practices“ sets out the guiding principles

The Fair Wear Foundation's Code of Labor Practices (CoLP) is based on the International Labor Organization (ILO) Conventions and the Universal Declaration of Human Rights. In cases where clarification of the ILO Convention is necessary, the Fair Wear Foundation (FWF) follows the ILO's recommendations and existing jurisprudence. The Code of Labor Practices encompasses the following eight core principles:

The social standard

1. Employment is freely chosen;
2. No discrimination in employment;
3. No child labour;
4. Freedom of association and the right to collective bargaining;
5. Payment of a living wage;
6. No excessive working hours;
7. Safe and healthy working conditions;
8. Legally binding employment relationship

Poster of the FWF Code of Labour Practices on the Wall. [Here](#) can be found the detailed CoLP.

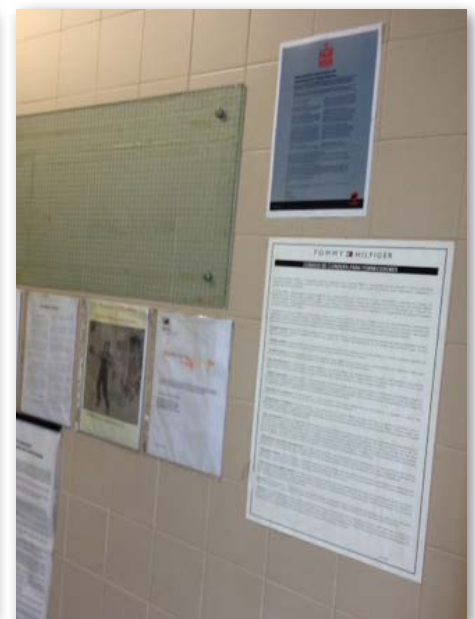
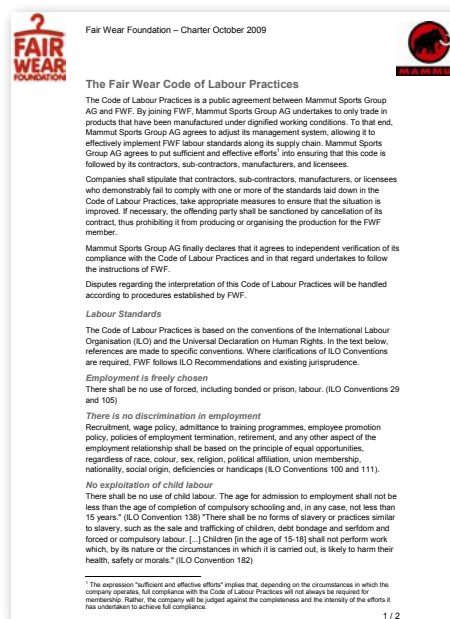
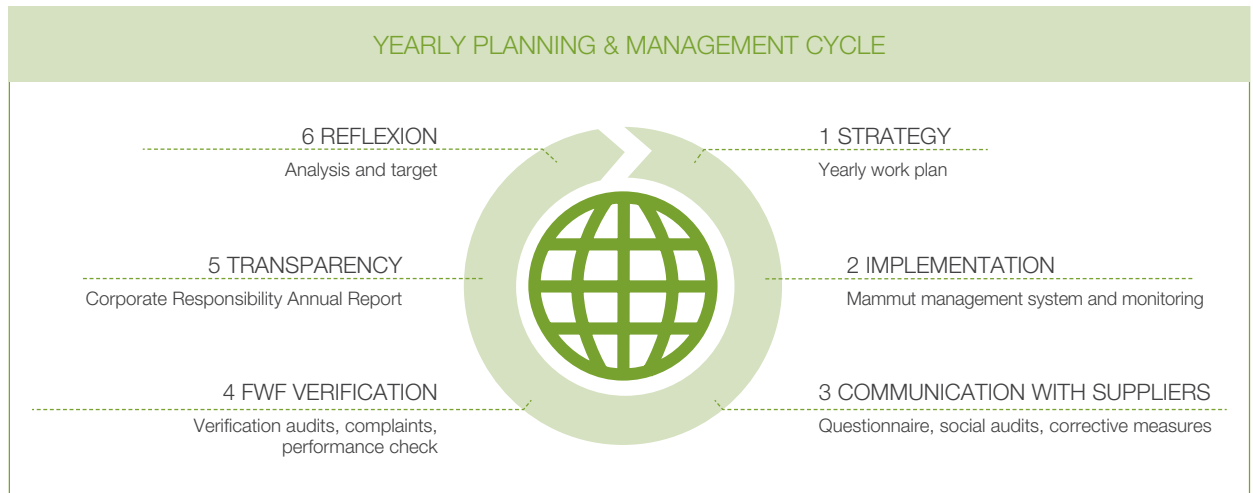


Figure 4.1
Yearly Planning Cycle



The FWF stipulates a stringent planning and management cycle for its member companies (see figure 4.1). The central element is the annual work plan that sets out our strategy and social monitoring actions for the coming financial year. The next step involves performing social audits. Mammut enlists the services of local, independent experts who have been trained by the FWF to carry out audits according to the FWF's guidelines.

The top priority for audits is suppliers who account for 2% or more of our purchases of sewn products. The FWF requires a repeat audit at least every three years, and even sooner in the case of critical breaches of employment law. An audit report is produced after each audit, along with a list of improvements and a schedule. Mammut assumes responsibility for the consistent implementation of improvements. In addition to these audits, the FWF recommends that its member companies carry out specific training programs and courses, for both factory managers and other employees.

As well as monitoring production factories, the FWF also audits our own corporate practices and applies its know-how to promote cooperation at both levels. Annual factory checks (known as Brand Performance Checks, or BPC) are conducted on our premises. The results indicate how effective we have been in focusing our own management philosophy on promoting fair working conditions across the supply chain – rather than hindering this. The check also encompasses our internal monitoring system: the process we follow, under our own responsibility, to continuously monitor our suppliers' day-to-day operations. Transparency of our actions is one of the FWF's core requirements. It therefore publishes the BPC report on its website and requires us, as a member company, to produce an annual report.

Scope

We require all producers of textile products – i.e. clothing, backpacks, sleeping bags, climbing harnesses and footwear – to comply with the FWF Code of Labor Practices. This commitment must be reaffirmed each year.



5 | Production: Fair Wear Foundation

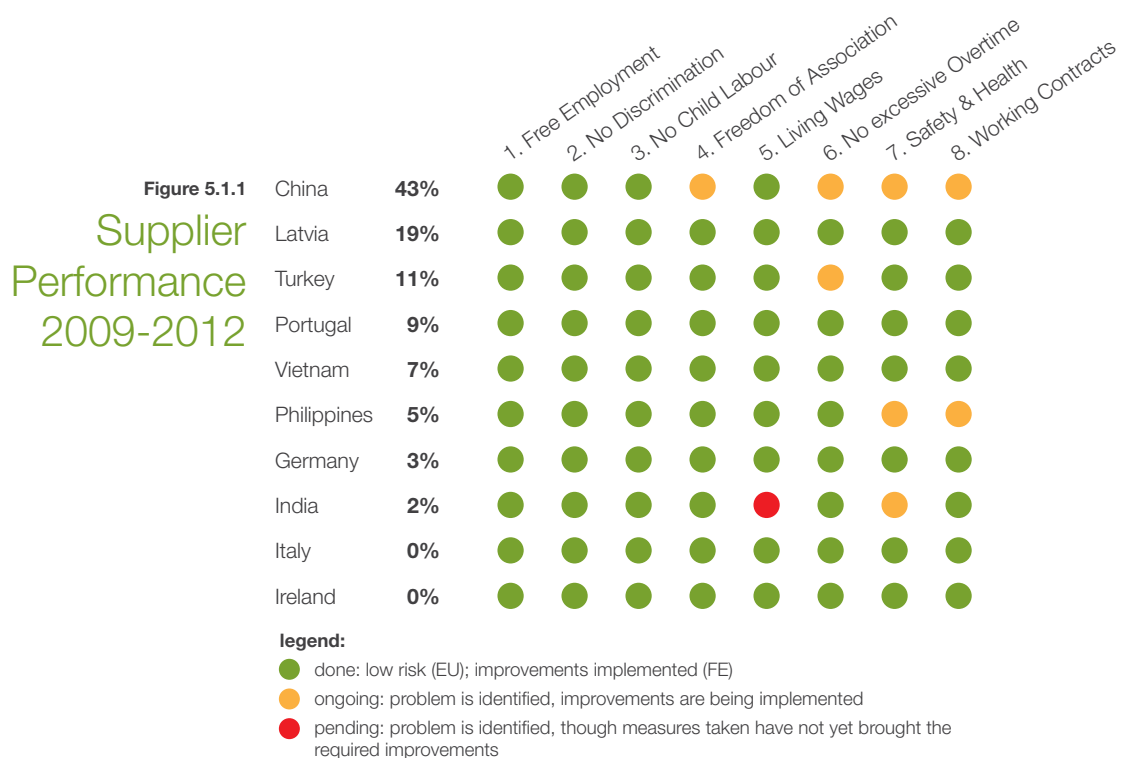
In 2012, our monitoring system covered 98% of our suppliers of textile products. Ten independent social audits were carried out with FWF experts.

5.1 | REVIEW & PROSPECTS

In the course of our membership period of close to five years, we have managed to construct a solid internal management system. Since 2009, we have published an annual social report and transparent information on improvements and challenges in relation to fair working conditions. As illustrated in figure 5.1.1, social responsibility in the supply chain is now an integral component of our core business

Overview of supplier performance

Overall, supplier improvement has been positive since 2009. As shown in figure 5.1.1, our traffic light symbols are at green in almost every area. The red dot shows a problem that was discovered at a factory in India in 2009 where the supplier was not paying according to the local minimum wage. Mammut no longer sources at this factory. In the long term, we view our main challenges as being the issues of excessive overtime and living wages.



FWF Best Practice Award

FWF credited us with a pioneering role, in particular in view of our cooperative approach. For our social monitoring, we cooperate with competitors to increase the effectiveness of our actions. In recognition of this commitment, the FWF has awarded us, together with Odlo and Schöffel, the FWF Best Practice Award 2013.

Mammut wins the FWF Best Practice Award

Erika van Dorn,
director of
FWF (r.)
and Corina Zanetti,
Mammut (l.).
2013 | Photo: FWF



Overview of objectives

In 2013, we will base our calculations on our total purchase volume, including products outside the FWF focus. After all, fair working conditions do not apply solely to producers of sewn products, but to all other producers as well. In 2012, we achieved a monitoring coverage rate of 98% of all textile products (based on our purchase volume). Our aim for 2013 is 95% – however basing the calculation on our total purchase volume, i.e. all sewn and non-sewn products.

Figure 5.1.2

Goals 2012-13

	DIMENSION	GOAL 2012	STATUS 12/2012	DIMENSION	GOAL 2013
MANAGEMENT SYSTEM	Living Wages	• Internal data collection & analysis	done	Living Wages	• Further develop analysis
	Extension of monitoring	• Integration of footwear producers	ongoing	Optimisation of monitoring	• Better integrate „low risk“ countries • Measure performance based on purchasing volume all products • Complaints management
SUPPLY CHAIN	Harmonisation	• Cooperation with other brands on auditing & „Corrective Action Plans“	done / ongoing	Audits	• 3 social audits at footwear producers; • 1 verification audit by FWF in China
	Social re-audits	• Every 3 years	done	Trainings	• Encourage and support suppliers to participate in FWF Workplace Education Programm
COMMUNICATION	Internal & external communication	• New product hangtags	done	Industry involvement	• Push cooperation actively
	CR reporting	• Step by step extension of scope	done / ongoing	CR reporting	• Extend reporting acc. to new FWF guidelines • Illustrate and comment CAP • Optimize illustration of performance



RESEARCH

How effective are social standards?



The highly debated question of the effectiveness of employment law initiatives has now come under scrutiny in a comprehensive research project. We asked the author whether this can actually be measured. And if so, how? Claude Meier takes us through his data analysis.

Author: Claude Meier

» When I embarked upon my research project in 2010, the answer to this question seemed relatively clear and simple. To explore the effectiveness of employment law initiatives, I decided to carry out a qualitative analysis. I decided to focus on the clothing sector and I concentrated on two of the best-known initiatives: the Fair Wear Foundation (FWF) and the Business Social Compliance Initiative (BSCI). In addition, I wanted to enlist two Swiss companies as research partners. My main source of data would be factory audit reports as well as internal company documentation. To supplement this information, I planned to carry out various interviews with managers at my research partners and with other organizations (including non-governmental organizations, suppliers and trade unions).

Let's go...

The first step was to obtain access to information, in particular companies' sensitive internal data. To do this, I would need to win the trust of my research partners. However, I strongly believed that as an independent, scientific researcher, I was in a strong position. After all, I am not influenced by any specific individual interests and am bound solely by the requirements of the University of Zurich. The downside of my position as an external party – and I would feel the effects of this later – was that I was completely dependent on (potential) research partners for access to data.

Mountains of papers and a jungle of Excel data

With the required confidentiality agreements duly signed, I was finally able to embark upon the task of gathering data. I was interested in all documents dealing with the practical implementation and evaluation of working standards in so-called risk countries – including internal guidelines, corrective action plans and factory visit reports. Easier said than done: the volume of data grew at a rapid pace and my folder was soon brimming with reports and Excel spreadsheets. My main priority became obtaining an overview.

Tricky audit reports

Audit reports represented an important source of information for me. In general, it is the brand that holds the rights to these reports and not the FWF or BSCI. However, Mammut agreed to grant me access to these documents. Nevertheless, to measure the true effectiveness of an improvement measure, for example, I needed two, or even three, audit reports on the same factory from different times. This posed a real problem since it significantly reduced the benefit of the data I had received. I urgently needed to find a solution – otherwise I would be unable to derive conclusive findings.

I decided to approach the FWF and BSCI directly. After a few brief discussions, the FWF agreed and sent me just over 30 anonymous reports from its database. The situation was a bit different with the BSCI: before releasing the data, the initiative made this access subject to the condition of restricting my research work to the BSCI.

(continue on next page)



I couldn't agree to this, but it represented a significant blow in relation to my independence as a researcher. At the last minute, I managed to persuade a BSCI member company to grant me access to audit reports from different times. I was relieved – my problem was solved.

18 Interviews

The next step was interviews. My objective was to gain an insight into day-to-day working practices. I carried out a total of 18 one-hour interviews. The interviewees were managers of brand companies. I also spoke to representatives of international and Chinese NGOs and trade unions, as well as with BSCI and FWF experts. Everyone was happy to talk to me – even the Chinese organizations. The main difficulty was actually the language barrier, especially with the Chinese partners. In one case, I quite literally didn't understand a word: the trade union managers spoke only Chinese and understood hardly any English. The interview fell apart. Of course, this had an influence on quality, but in general the interviews were successful and provided useful information.

As well as the trip to China, another highlight was a tour of two supplier factories and the opportunity to interview their managers. This made a very important contribution to my study. One that would not have been possible without Mammut's support.

The result?

It took around eight months to finally compile all the data. I then spent a further nine months preparing a detailed analysis using a specially developed, sophisticated point evaluation system. Gradually, the pages of the book began to fill up with text and illustrations.

Now, dear reader, we are coming to the part that you have no doubt been waiting for: my findings. Do employment law initiatives and social standards actually make a difference for workers in a factory? I will give only this much away: Yes, these standards and initiatives can actually lead to improvements at production sites. However, my study shows that on its own this is not enough. A whole range of other factors affect the result locally. Not least, the individual brand's commitment. But I don't want to give any more away. <<

Claude Meier is a postgraduate student at the University of Zürich and a research assistant at the Institute for Strategic Management at the University of Applied Sciences in Business Administration Zurich (HWRZ). Following a commercial apprenticeship and a few years' professional experience, he studied political science, business economics and Indology at the University of Zurich. His study entitled „The effectiveness of standard initiatives in the clothing sector: an empirical examination“ is expected to be published at the end of 2013 by Haupt Verlag Bern.



5.2 | PURCHASING STRATEGY

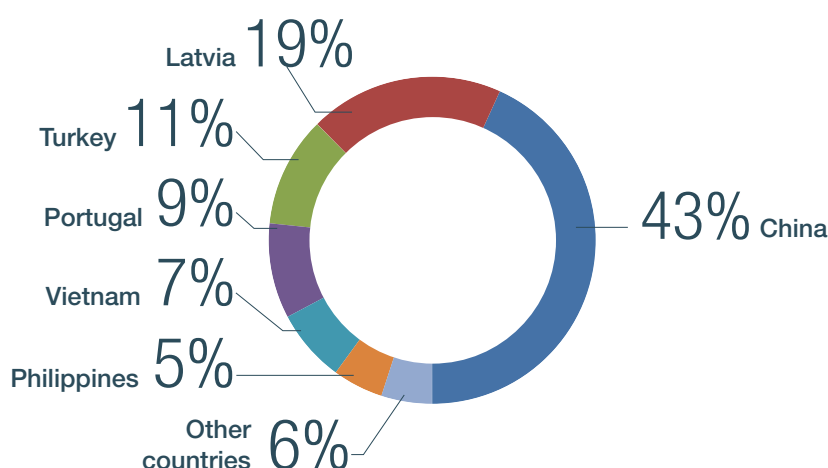
Mammut follows best practices with regards to sourcing procedures and the management of suppliers. We do not work with the cheapest factories or countries. Similarly, we do not follow the trend within the fashion industry of outsourcing to ever cheaper countries. Instead, we prefer to place value on long-term partnerships with our suppliers.

Mammut tends to work with high-quality factories which also produce for other top-level outdoor and sports brands. We arrange independent FWF audits for tier 1 suppliers and make regular visits to the factories. We work together with the factories on timeline planning and capacity reservation. Furthermore, we closely cooperate with other customers in relation to auditing and monitoring.

Product portfolio

Mammut sells mountain equipment, including apparel, hardware (e.g. backpacks, sleeping bags, harnesses and accessories) and mountaineering shoes. We produce 45% of our production takes place in Europe and 55% in the Far East, mainly in China and Vietnam. We have maintained this balance for years (see figure 5.2.1).

Figure 5.2.1
Mammut
Sourcing
Split
(garment maker level)



We have approximately 250 products in our apparel collection, divided into four different target groups: Alpine, Mountain, Snow and Climbing. Between 45% and 65% of the styles are carry-over styles from one season to the next. These products are – wherever reasonable – produced by the same supplier (for further details, see chapter 1.2 in [Mammut Corporate Responsibility >> at a glance](#)).

Supplier relations

For us, longevity is more important than short-term financial success. We strive to develop fair relationships with our business partners as part of a long-term approach, whether along the supply chain, within the specialist retail sector or in other areas. As a result, the average duration of our business relationships with our manufacturers for sewn products is 10 years (status December 2012).

We maintain a continuous dialogue with our suppliers. Our buyers, fabric coordinators and developers visit our suppliers between three and four times a year. Regular meetings are held at trade shows (ISPO, OutDoor) and at our headquarters. In addition, our quality assurance officers (FEQO in China, Vietnam & Philippines) conduct on-site quality inspections at least once a week. The overall quality of the business partnership and strategy is subject to meetings that are held at management level at least every two years (Mammut CEO and/or CSCO). Purchasing decisions are taken by the Head of Purchasing, while the ultimate responsibility lies with the Mammut CSCO.

We do not work with any agents or intermediaries. We have not terminated any business relationships with suppliers in 2012.



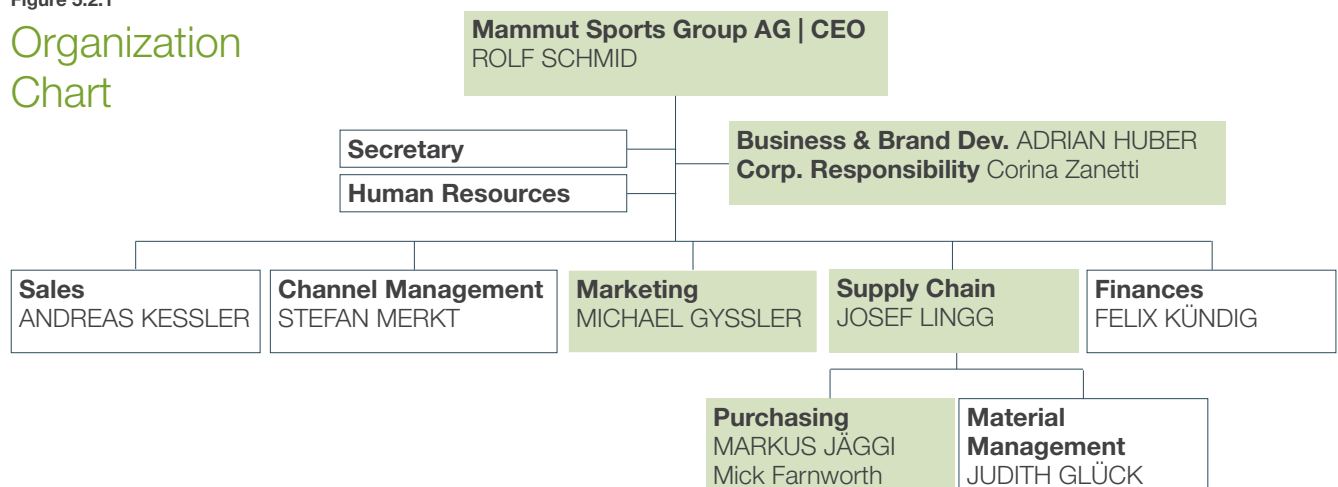
5.3 | ORGANIZATION

Strategic responsibility for ensuring fair working conditions is embedded at management level within Mammut. Reports are presented and strategic issues examined at quarterly management meetings.

Who does what: The Purchasing department within the Supply Chain division is responsible for operational aspects and the implementation of monitoring activities. Since 2008, it has been managed by Markus Jäggi, Head of Purchasing, and Mick Farnworth, Purchasing Manager Hardware. The entire purchasing team also takes part in annual training sessions and is kept up to date with the current monitoring situation. Our buyers are present at social and verification audits carried out at their allocated suppliers.

Figure 5.2.1

Organization Chart



The CR Management team – Adrian Huber and Corina Zanetti – acts as an internal coordination point. It drives the implementation of strategy in relation to Fair Wear Foundation and ensures the achievement of the objectives defined in the work plan. For more information: see [Mammut Corporate Responsibility >> at a glance](#).



Josef Lingg



Markus Jäggi



Mick Farnworth



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Questions & Feedback

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5.4 | SUPPLIER EVALUATION

We have defined clear guidelines and formal checklists for selecting new suppliers. Social compliance aspects are an integral part of the selection and decision-making process.

Selection process for new factories

The purchasing department makes the final decision as to which supplier to should be chosen. Each decision and evaluation (see the criteria in table 5.4.1) is discussed beforehand by the various functions involved (buyers, designers, developers, fabric coordinator, product managers, pattern maker). We proceed as follows:

- Following an initial meeting to establish contact, a potential new supplier must fill in a questionnaire which includes questions on social auditing and certification.
- Before entering into a new business relationship, we visit the potential supplier and examine all production sites and steps. Among others aspects, we check general workplace safety and cleanliness, as well as working conditions.
- Once we have decided, the new supplier is informed on FWF. The supplier is required to complete and sign the questionnaire, including the CoLP, and to display the CoLP in its factory in a location visible to all staff.

Supplier performance

We evaluate the performance of our suppliers regularly. Social Compliance is an integral part of our supplier performance rating. The following criteria are used to determine a supplier's performance:

Table 5.4.1
Supplier
Evaluation
Criteria

Supplier evaluation criteria	new supplier	current suppliers
high quality standard	X	X
planning reliability		X
punctual delivery		X
Cluster a fabric-program to one supplier		X
availability of required technologies / machines	X	
capability to produce the product	X	
capacity for the forecasted quantities	X	X
ability to fulfill timeline and deadlines		X
FOB target prices	X	X
synergies with other programs		X
Compliance with CoLP	X	X
Agreement on improvements based on CoLP	X	
supplier mix, diversification		X
product mix at supplier (carry-over, new styles)		X
deadlines for prototypes, Sales Men Samples		X

Selection process for auditing decision

In accordance with FWF guidelines, we conduct audits at least every three years or when a complaint arises. The first priority is suppliers accounting for 2% or more of our purchasing volume. [Section 5.6](#) provides a detailed view of our suppliers' performance in 2012 in terms of implementing fair working conditions.



INTERVIEW

Insight into our purchasing



Systematic supply chain management is the key to effective corporate social monitoring. Mick Farnworth is in charge of implementing the FWF standard among suppliers. He gives an insight into his daily work.

Interview by Claire Sasso-Sainte with Mick Farnworth, Mammut Purchaser Hardware

What is your current job at Mammut?

I have two parts to my job. I am responsible for purchases of airbags, backpacks, electronics and sleeping bags. My main task here is to make sure that we deliver “on-time and with zero defects”. I have two administration assistants who monitor the flow of orders. I work with the business unit Hardware, including designers, developers and product managers. I also work with the suppliers. I travel for a few weeks each year, including a Far East tour every spring and autumn.

Since 2009, I have also been responsible for the implementation of Fair Wear Foundation’s requirements in the supply chain. We have worked steadily on this and have attained a good standard with all of our textile goods suppliers. We achieved a very satisfying 98% coverage level in our last FWF Brand Performance Check.

What is difficult about your job?

When there is a problem, I am the one who has to sort it out and find out who is responsible. Additionally, it is always difficult to overcome the conflict between the pressure on a buyer to deliver on time at the lowest cost and CSR pressure to prevent overtime and pay living wages.

What is the best thing about your job?

In my twelve years with Mammut I have never had a boring day. It is always interesting and there is always something to do. Moreover, it is very exciting to see the company grow. Being and feeling successful makes it a satisfying job. Mammut does a lot more than other brands and we always try to be the best. CSR is not just marketing talk, it’s real – we do what we say!

What would you like to change?

There are many different CSR standards, and many companies follow slightly different procedures for their audits. This creates extra audits, which tend to find the same problems. What is needed are universal CSR standards and shared auditing.

Moreover, each audit produces a list of faults and consequently a CAP (Corrective Action Plan). Some of these CAPs require expensive work to make improvements. If each customer is small, there is no pressure to go forward. Yet when several customers come together and organize a single audit, everyone saves costs and time. More importantly, you have much more power to resolve the issues on the CAP. In the case of a factory, if 30% of your customers want change, then you are willing to change. Mammut has collaborations with many brands.

What about sustainability priorities?

There are many aspects to sustainability and social compliance. I am very skeptical about people who invest huge resources in “carbon footprints” and the “Eco Index”. I think a lot of this is very academic and often diverts attention from the issues that are truly important today.

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I prefer a practical and pragmatic approach. Last year, more than 460 people died in clothing factory fires. I think that buyers have a duty to ensure that the basics of safety are covered in their supply chains.

How are relationships with suppliers?

In general, Mammut works with very good suppliers, many of which have been partners for ten years or more. I have been working in textile factories for nearly 30 years. When you walk through a factory, you can very quickly tell whether it is well organized. Experience shows that when this is the case a factory is also reasonably compliant with labor conditions.

Mick Farnworth was born in Blackburn, Lancashire, England in 1964. He studied BSc Mechanical Engineering and worked for the British outdoor brand Karrimor for 15 years. He joined Mammut in April 2001 as department manager for backpacks and sleeping bags. He switched to the purchasing department in 2007.



Sewing department of a larger vietnamese garment maker, 2012 | Photo: Mammut



5.5 | INTEGRATION OF MONITORING ACTIVITIES & PURCHASING DECISIONS

Social responsibility is an integral part of our daily business activity and our internal quality management system. Mammut is committed to a continuous improvement process and a pragmatic approach.

The threshold of 90% is monitored and evaluated continuously. It is part of the quarterly reporting to Mammut management as well as a component of the yearly work plan and annual social report. In 2012, Mammut stepped up efforts with many audits and cooperations with other brands. Thankfully, these efforts have paid off and the result of the 2012 BPC was that 98% of the textile supply chain was adequately monitored according to FWF requirements.

Consequent sourcing decisions

Social criteria, as stipulated by the CoLP as well as FWF requirements, have been integrated in our internal management processes, e.g.:

- selection criteria for new suppliers (see [chapter 5.4](#))
- performance evaluation criteria for new suppliers (see [chapter 5.4](#))
- checklist for supplier visits
- quarterly reporting and evaluations for management

So far, only one out of more than 40 suppliers has refused to accept the FWF standards. We discontinued our business relationship with this supplier (ref. 12220) in 2011. We also stopped working with one supplier (ref. 11071) following its repeated refusal to allow a FWF audit at its production site.

Managing corrective action plans

Corrective Action Plans (CAPs) can result from (social, verification) audits, complaints, factory visits or observations by Mammut staff. CAPs are added to the register with the status "pending" as well as with a timeline for implementation. The implementation timelines for CAPs and required evidence of implementation are defined together with the supplier. We follow the advice in the FWF and SEDEX manuals. Minor Occupational Health and Safety (OHS) issues are usually corrected immediately. For major issues, we consult with FWF experts and decide what action to take on a case-by-case basis.

Managing complaints

Mammut has received two official complaints since its affiliation with FWF in 2008. The issues were resolved immediately and there were no further repercussions.

We provide our suppliers with posters, including the FWF Code of Labor Practices in local languages as well as contact details of the local complaints handler. These posters must then be displayed on the factory wall in a location that is visible to every worker. During our regular supplier visits, Mammut purchasing and quality staff verify whether these posters are being displayed in an appropriate place.

Complaints are handled by the person responsible for CSR within the purchasing team, Mick Farnworth. Our internal procedure for following up on receipt of a complaint is as follows:

- verify with FWF if the complaint is valid
- if the answer is yes, inform the Chief Supply Chain Officer (CSCO), the Head of Purchasing and the CSR manager and coordinate the next steps



- discuss the complaint with the relevant supplier and define the necessary corrective actions as well as the implementation timeline
- integrate these actions in the internal CAPs register and follow up until the problem is resolved
- report back to the CSCO, the Head of Purchasing and the CR manager
- provide information about the complaint and associated corrective actions in the next Mammut Supplier Newsletter and in the Mammut Annual Corporate Responsibility Report

Smart use of restrained resources

We need to make the best use of our limited resources and influence. We are pragmatic when it comes to implementing the CoLP. This is particularly true for issues of global and industry-wide importance, e.g. overtime and living wages. In addition, in our view the priority is having a broad picture of the supply chain rather than a very detailed picture of a small number of suppliers.

Mammut was one of the very first companies to emphasize the need for harmonization of efforts among FWF members and even beyond. Since the very beginning of our membership, we have been seeking to establish cooperation with other brands in order to harmonize auditing and monitoring and thus increase the efficiency and effectiveness of implementation of the Code. We are currently cooperating with the following brands on auditing and monitoring:

Table 5.5.1

Mammut Cooperations

Partner brands	FWF member	N° of factories jointly monitored	Start date of cooperation
Adidas	/	2	2012
Burton	/	1	2013
Gore Bike	/	1	2013
Haglöfs	yes	3	2012
Kjus	yes	1	2012
Jack Wolfskin	yes	2	2012
J. Lindeberg	/	1	2012
MEC	/	1	2012
Odlo	yes	1	2008
Patagonia	/	3	2011
Schoeffel	yes	3	2011
Tabor	/	1	2012
Vaude	yes	1	2012

With the aim of making monitoring more effective and efficient, we accept audit reports from third parties such as BSCI, WRAP and STR, since these audits usually identify the major problems. We accept and encourage SA 8000 certification as well as FWF membership. As required by FWF, we carefully check the quality of such reports and we work with other customers of the audited factory to follow up on outstanding points from corrective action plans from these audits. The important thing in our view is that the factory management is clearly committed to social responsibility and takes a systematic approach to fair working conditions. Finally, we emphasize collaboration with competitors on social issues.

Data management

All data from audit reports, reported complaints, factory visits and corrective action plans (CAPs) are kept in the internal Supplier Register (see p. 22) and the CAP register. Both registers are managed by the person responsible for CSR within the purchasing department and updated at least each quarter. Labor standards and CAPs are also discussed at the regular meetings with each supplier.



5.6 | SUPPLIER PERFORMANCE

FWF requires us to report any problems identified and actions taken with respect to the FWF Code of Labor Practices. This reporting must be broken down at both a country level and a supplier level.

Overall performance per country is very positive (for an overview, see [chapter 5.1](#)). The following pages provide a detailed and technical insight into our performance level according to Code of Labor Practices (see below) as well as per supplier ([p. 28-29](#)). The Supplier Register ([p. 26-27](#)) gives an integral overview of our garment-makers and activities since 2008. Long-term challenges remain with regards to overtime and living wages.

List 5.6.1 Performance per Code of Labor Practices

1 free employment

» There shall be no use of forced, including bonded or prison, labour (ILO Conventions 29 and 105).

2 no discrimination

» Recruitment, wage policy, admittance to training programmes, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies or handicaps (ILO Conventions 100 and 111).

3 no child labour

» There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years.“ (ILO Convention 138) „There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Children [in the age of 15-18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals.“ (ILO Convention 182)

Comment

In our experience, it is rare to find issues of forced labor, child labor or discrimination among tier 1 suppliers of high-quality consumer goods in any country.

4 freedom of association

» The right of all workers to form and join trade unions and bargain collectively shall be recognised (ILO Conventions 87 and 98). The company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions. (ILO Convention 135 and Recommendation 143)



Comment

We require all workers in factories that supply Mammut to be free to join a union and engage in collective bargaining. The reality is that customs, and even local laws, restrict union activities in certain countries. FWF evaluates the status of unions in each factory audit and reports general issues in country reports.

5 living wages

» Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income (ILO Conventions 26 and 131). Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.

Comment

Most countries define a legal minimum wage. By referring to third party audits and wage surveys, Mammut can be confident that its main suppliers pay their workers in accordance with legal requirements. The issue of defining a living wage is very complicated. In 2012, Mammut conducted a survey of its top 15 suppliers to establish wage ladders. It used FWF software to compare the wages paid in each department with benchmarks such as the Asia Floor Wage. The first survey in 2012 was inconclusive, in that several factors are not clearly defined, for example inclusion of non-wage benefits such as dormitories and meals. Feedback has been passed on to FWF and a further survey will be conducted once the procedure has been improved.

6 working hours

» Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate. (ILO Convention 1)

Comment

Seasonal overtime is a recurring problem for the apparel industry. The root of the problem is complex. The entire fashion industry produces summer and winter collections and this means that every store in every country wants every style at exactly the same time. Retailers choose their collections and place their orders after the trade fairs, which are about six months before the season starts in store. There is therefore a race against the clock to order fabrics and make garments in time for the season.

To a certain extent, overtime can be reduced by buying safe styles early and therefore spreading the manufacturing over a longer period. This can work if one brand is producing a limited range of styles and if its order amounts to a significant portion of the production in a factory. When a factory has several customers, who all want goods for the same seasonal delivery date, the problem is exasperated. We do not have a satisfactory solution, but are continuing to investigate the issue.



7 safety & health

» A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimise health risks as much as possible (following ILO Convention 155). Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer is strictly prohibited.

Comment

Most of the recent fire tragedies have occurred in Bangladesh and Pakistan. They all share a few fundamental factors, including poor electrical wiring, locked fire exits, blocked escape routes and non-functioning firefighting equipment. Mammut does not currently have any production in these countries.

FWF audit teams are very careful to make detailed checks of fire and electrical safety. These are part of a long list of safety and ergonomic issues checked during the audits. Each audit produces a long list of minor issues that are usually corrected within a few days.

8 working contracts

» Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labouronly contracting arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programmes.

Comment

FWF audit teams always include a payroll and contract specialist. This person checks contracts, training certificates and vacation records. He or she also verifies that factory procedures comply with local laws and ILO standards.



Table 5.6.2

Supplier Register

FACTORY DATA						MONITORING ACTIVITIES				
	PRODUCTION COUNTRY	REF.	PRODUCT GROUP	SHARE OF MAMMUT PURCHASING VOLUME 2012 ¹	AUDIT REQUIRED ²	FWF COLP SIGNED	AUDITED	AUDITING BODY / CERT. ³	STATUS CORRECTIVE ACTIONS ⁴	AUDIT PLANNED 2013
EUROPE	Latvia	11201	Apparel	19.2 %	no	yes	Dec. 2011	FWF	no action	no
	Turkey	11223	Apparel	10.9 %	yes	yes	Sept. 2012	FWF	pending	no
	Portugal	11030	Apparel	5.5 %	no	yes	/	/	no action	no
	Portugal	11214	Apparel	3.1 %	no	yes	/	/	no action	no
	Germany	11091	Apparel	2.0 %	no	yes	/	/	no action	no
	Portugal	11059	Apparel	0.8 %	no	yes	/	/	no action	no
	Germany	11262	Slings	0.7 %	no	yes	/	/	no action	no
	Italy	11002	Apparel	0.3 %	no	yes	/	/	no action	no
	Germany	11005	Apparel	0.1 %	no	yes	/	/	no action	no
	Ireland	11045	Apparel	0.0 %	no	yes	/	/	no action	no
TOTAL EUROPE				43 %	11 %	43 %	43 %			0 AUDITS
FAR EAST	China	11072	Apparel	16.4 %	yes	yes	July 2010 Aug. 2011 May 2012	SRG FWF Stiftung Warentest	no action	no
	China	11004	Apparel	11.3 %	WRAP Cert ⁵	yes	Nov. 2009 March 2011	FWF unknown	no action	no
	China	11182	Apparel	8.9 %	FWF member	yes	Apr. 2012	FWF	pending	March 2013
	Philippines	11178	Backpacks	5.0 %	yes	yes	Aug. 2012	FWF	pending	no
	Vietnam	11088	Backpacks	4.9 %	yes	yes	March 2011	SA 8000	no action	no
	China	11083	Sleeping Bags	2.9 %	yes	yes	Aug. 2012	SA 8000	no action	no
	India	11242	Apparel	1.5 %	yes	yes	Jan. 2011	SA 8000	no action	autumn 2013
	China	12235	Backpacks	1.2 %	no	yes	Aug. 2012	SRG	pending	no
	Vietnam	11208	Apparel	1.2 %	no	yes	Mar. 2013	FWF	pending	Mar. 2013
	Vietnam	11160	Apparel	1.1 %	no	yes	2012	Brand	no action	June 2013
	China	11013	Apparel	0.9 %	no	yes	Aug. 2012	FWF	pending	Nov. 2013
	China	11084	Sleeping Bags	0.5 %	no	no	Jul. 2010	BSCI	no action	July 2013
	China	11261	Apparel	0.4 %	no	no	Aug. 2010	WRAP	no action	no
	India	12220	Apparel	0.4 %	yes	yes	2011	FWF	no action	no production after 2012
	China	11136	Apparel	0.3 %	no	yes	Mar. 2009	unknown	no action	no production after 2012
	China	11015	Apparel	0.2 %	no	no	/	/	no action	no
	China	11224	Apparel	0.1 %	no	no	/	BSCI member	no action	no
	China	11071	Apparel	0.0 %	no	yes	Jan. 2011	WRAP	no action	no production after 2012
TOTAL FAR EAST				57 %	49 %	56 %	55 %			6 AUDITS
TOTAL				100 %	60 %	99 %	98 %			6 AUDITS + FOOTWEAR ⁵



Legend to the Supplier Register 2013:

- 1 To calculate a supplier's share of Mammut's purchasing volume, we consider all products, including those not covered by FWF.
- 2 According to FWF, Mammut must audit all suppliers with a share of 2% or more. Re-audits must be conducted at least every three years. Mammut does not require social audits at suppliers who are certified to SA 8000 or are members of FWF.
- 3 FWF recommends working with independent third-party auditors, preferably experts trained by FWF in the FWF Code of Labor Practices. Mammut deploys FWF audit teams. Mammut management or purchasing staff generally accompany social and verification audits at suppliers.
- 4 "No action" indicates that no audit has been conducted and/or was necessary at a specific supplier. We have not received any complaints.
- 5 Mammut produces footwear at three suppliers in Romania and China. These suppliers have been part of our monitoring since 2010 and have signed the FWF Code of Labor Practices. The first third-party audits will be conducted in 2013.



Above: Josef Lingg, Mammut CSCO, verifies working processes during a supplier audit. Below: impressions of factory workers' daily life.

China, 2011 | All photo: Mammut



Table 5.6.3

Performance per Country & Factory

EUROPE

					1. Free Employment	2. No Discrimination	3. No Child Labour	4. Freedom of Association	5. Living Wages	6. No excessive Overtime	7. Safety & Health	8. Working Contracts
Latvia	11201	14%	Apparel		●	●	●	●	●	●	●	●
Turkey	11223	8%	Apparel		●	●	●	●	●	●	●	●
Portugal	11030	6%	Apparel		●	●	●	●	●	●	●	●
	11214	3%	Apparel		●	●	●	●	●	●	●	●
	11059	1%	Apparel		●	●	●	●	●	●	●	●
Germany	11091	2%	Apparel		●	●	●	●	●	●	●	●
	11262	1%	Schlingen		●	●	●	●	●	●	●	●
	11005	0%	Apparel		●	●	●	●	●	●	●	●
Italy	11002	0%	Apparel		●	●	●	●	●	●	●	●
Ireland	11045	0%	Apparel		●	●	●	●	●	●	●	●

Legend:

- done - supplier is low risk (EU); improvements implemented (FE)
- ongoing - problem is identified, improvements are being implemented
- pending - problem is identified, but measures taken have not yet brought the required improvements
- supplier has not yet been audited

Comments

The European countries listed here include Latvia, Portugal, Italy, Germany and Ireland. Certain make out less than 0 % out of our purchasing volume. They are regarded as low risk countries by FWF. Therefore, social auditing and further monitoring are not required, provided no issues arise and no complaints are made by workers. Nevertheless, Mammut visits each supplier on a yearly basis and addresses working conditions.

With regards to Turkey, Mammut received a complaint that a worker had been fired because of union membership. The FWF investigators did not find any evidence to support this and rejected the complaint.

Workers also complained about overtime following the FWF audit in September 2012. On investigation, this was due to bottlenecks in the taping and ironing sections in the factory. The factory agreed to purchase extra ironing and taping machines to reduce the problem in the future.



FAR EAST

				1. Free Employment	2. No Discrimination	3. No Child Labour	4. Freedom of Association	5. Living Wages	6. No excessive Overtime	7. Safety & Health	8. Working Contracts
China	11072	16%	Apparel	●	●	●	●	●	●	●	●
	11004	11%	Apparel	●	●	●	●	●	●	●	●
	11182	9%	Apparel	●	●	●	●	●	●	●	●
	11083	3%	Schlafsäcke	●	●	●	●	●	●	●	●
	11013	1%	Apparel	●	●	●	●	●	●	●	●
	12235	1%	Rucksäcke	●	●	●	●	●	●	●	●
	11084	0%	Schlafsäcke	●	●	●	●	●	●	●	●
	11261	0%	Apparel	●	●	●	●	●	●	●	●
	11136	0%	Apparel	●	●	●	●	●	●	●	●
	11015	0%	Apparel	●	●	●	●	●	●	●	●
	11224	0%	Apparel	●	●	●	●	●	●	●	●
Vietnam	11088	5%	Rucksäcke	●	●	●	●	●	●	●	●
	11208	1%	Apparel	●	●	●	●	●	●	●	●
	11160	1%	Apparel	●	●	●	●	●	●	●	●
Philippines	11178	4%	Rucksäcke	●	●	●	●	●	●	●	●
India	11242	1%	Apparel	●	●	●	●	●	●	●	●
	12220	0%	Apparel	●	●	●	●	●	●	●	●

Comments

In China, many FWF audits identified issues of minor gravity with the implementation of local regulations. Trade unions exist but they do not have the same freedoms as in the western world. Seasonal overtime occurs mostly in July for the delivery of winter collections and again in January before Lunar New Year. The issue is complicated in that migrant workers in coastal China expect overtime in order to improve their earnings and will leave a factory if sufficient overtime is not offered. Audits at the factories 11182, 11013 and 11084 have been scheduled for 2013.

In Vietnam, we have not had any issues or complaints with regards to working conditions. Factory 11160 will be audited in June 2013.

As for India, in 2011, a FWF audit found one factory (ref. 12220) that was not paying the local minimum wage. The supplier was not willing to correct this. After discussions involving the supplier, FWF and customers, Mammut decided to stop working with this supplier. The supplier's final production order for Mammut was completed in the spring of 2012.

In relation to our Philippine supplier, a FWF audit found that a large number of employees were actually employed by manpower agencies. This is legal in the Philippines but can make it difficult to ensure that holiday pay and overtime are managed correctly. The supplier has committed to checking that the agencies achieve and maintain the required standards.



RESEARCH

How to implement living wages?



Why is it so difficult to guarantee for living wages in the apparel industry? Martin Hobi and Mark Starmanns conducted a survey among Swiss companies, including Mammut, and Indian producers.

Mammut used to work with two supplier companies in India. We stopped working with one of them due to wage issues. The supplier referenced in this research is SA 8000 certified (see [S. 29](#)).

Text & Photos: Martin Hobi, Mark Starmanns

Nichtregierungsorganisationen (NGOs) und Gewerkschaften aus Europa und Asien kritisieren, dass die national festgelegten Mindestlöhne für NäherInnen in Niedriglohnländern zu tief angesetzt seien. Das führe dazu, dass die ausbezahlten Fabrik-löhne meist nicht ausreichten, um einer NäherIn und ihrer Familie bei einer normalen Arbeitswoche ein menschenwürdiges Leben zu ermöglichen. Die ArbeiterInnen in der Bekleidungsindustrie könnten sich oft nur dank Überstunden über Wasser halten, und nur selten reichte das Geld auch noch für den Schulunterricht der Kinder oder für andere Ausgaben. Aber wie können Existenzlöhne umgesetzt werden?

At the indian producer of Mammut

Im Rahmen der Asian Floor Wage Campaign (AFW) entwickelten NGOs und Gewerkschaften ein Modell zur Berechnung von Existenzlöhnen.² Das Modell ist international bekannt und wird oft als einer der Existenzlohn-Benchmarks verwendet. Auch die Fair Wear Foundation (FWF) verwendet die AFW-Angaben im Rahmen der sogenannten „Wage Ladder“ (dt. Lohnleiter). Die FWF verlangt von ihren Mitgliedern die Zahlung eines Existenzlohns. Die Lohnleiter zeigt die in einer Fabrik ausbezahlten Löhne und bringt sie in Relation zu bestehen-den Lohn-Benchmarks. Ziel der FWF ist es, Transparenz über die Fabrik-löhne zu schaffen. Zudem soll die Lohnleiter als Grundlage zur Verbesserung der Löhne vor Ort dienen.

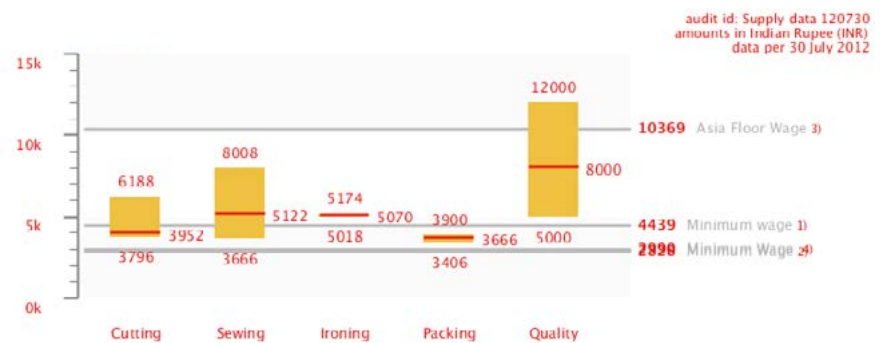


Illustration 5.6.3

wage ladder of
an indian Supplier
of Mammut

- 1) Minimum wage Textile mills (apprentice) defined by national government Tamil Nadu (as of: August 2011)
- 2) Minimum wage: Tailors defined by national government for tailoring industry, Tamil Nadu (as of: August 2011)
- 3) Asia Floor Wage as of Feb 2012 (as of: February 2012)
- 4) National Floor Level of Minimum Wage, stipulated by the central government for all industries. (as of: April 2011)

This chart was created using the Fair Wear Foundation wage ladder tool, which is available for public use. The wage ladder tool is provided for informational purposes only. This chart does not imply that the user is a member of or certified by Fair Wear Foundation. Please visit www.fairwear.org for more information.

Abbildung 5.6.3 zeigt das Beispiel eines indischen Lieferanten von Mammut (Ref. 11242). Rechnungsgrundlage bildet der Lohn in indischen Rupien für eine 40-Stunden Woche. Die gelben Balken stellen die Spanne zwischen dem niedrigsten und dem höchsten ausbezahlten Lohn dar. Die rote Linie in den gelben Balken zeigt den am häufigsten bezahlten Lohn. Dabei werden die Unterschiede zwischen den verschiedenen Arbeitsbereichen („Cutting“, „Sewing“, usw.) sichtbar. Die Löhne in den Bereichen Schneiden, Nähen und Verpacken sind eher kritisch, während die Bereiche Bügeln und Qualitätskontrolle klar über dem Mindestlohn und teilweise gar über dem AFW-Benchmark liegen. In der Qualitätskontrolle werden die grössten Unterschiede zwischen dem höchsten und dem tiefsten ausbezahlten Lohn verzeichnet. Zusatzleistungen, wie Unterkunft und Verpflegung, wurden in dieser Berechnung nicht mitgerechnet.

(continue on the next page)

² Asia Floor Wage Campaign (AFW), „Stitching a Decent Wage Across Borders“, 31 August 2009.



Difficulties for companies and producers

Aus Martin Hobis Befragung von Mammut und weiteren Schweizer FWF-Mitgliedsunternehmen sowie indischen Lieferanten, die er im Rahmen seiner Masterarbeit durchgeführt hat, wird klar: Die Umsetzung von Existenzlöhnen ist kein einfaches Unterfangen, das sich von einem Tag auf den nächsten realisieren lässt.

Schweizer Unternehmen sehen das grösste Hindernis darin, dass Produzenten mehrere und unterschiedliche Käufer haben. Abhängig davon, wie hoch der Anteil eines Unternehmens am Gesamtumsatz des Lieferanten ist, verfügt es über mehr oder weniger Gewicht. Ist dieser Anteil hoch, kann es eher Existenzlöhne durchsetzen, auch wenn sich die anderen Käufer lediglich am Mindestlohn orientieren. Schwieriger wird es, wenn ein Markenunternehmen nur einen kleinen Anteil am Umsatz des Lieferanten hat. In diesem Fall ist nicht sicher, dass die FabrikarbeiterInnen tatsächlich faire Löhne erhalten, selbst wenn ein Markenunternehmen Einkaufspreise zahlt, die die Auszahlung von Existenzlöhnen berücksichtigen. Nur wenn sich mehrere Käufer zusammen tun, können Verbesserungen der Löhne umgesetzt werden.

Die indischen Produzenten ihrerseits nennen nebst der Käuferstruktur eine Reihe weiterer Faktoren, die die Zahlung von Existenzlöhnen schwierig machen. Genannt werden beispielsweise die ungleiche Verteilung der Bestellmengen über das Jahr; der Druck der Einkäufer zur Reduktion der Einkaufspreise; oder die geringe Loyalität der ArbeiterInnen gegenüber ihrem Arbeitgeber.

What can companies do?

Kooperation in der Lieferkette ist das zentrale Stichwort. Die verschiedenen Käufer eines gleichen Produzenten müssen sich zusammen tun und gemeinsam auf Existenzlöhne hinarbeiten. Sie müssen den Produzenten sensibilisieren und mit ihm entsprechende Lösungswege erarbeiten. Zum besseren Verständnis des lokalen Kontexts ist zudem hilfreich, mit lokalen Experten und zivilgesellschaftlichen Akteuren zusammen zu arbeiten.

Dr. Mark Starmanns ist Research Fellow an der Universität Zürich zum Thema Fairer Handel. Er ist Co-Initiator der Plattform GET CHANGED! The Fair Fashion Network mitinitiiert und wirkt bei BSD Consulting als Berater zum Thema Nachhaltigkeitsmanagement mit.

Martin Hobi studierte Geographie und Politikwissenschaften an der Universität Zürich. Im Rahmen seiner Masterarbeit untersuchte er die Herausforderungen bei der Umsetzung von Existenzlöhnen.



5.7 | TRAINING & CAPACITY BUILDING

CSR is a constant process of learning and improving – for us as much as for our various stakeholders. Capacity building leads to long-term change.

Various channels are used to inform Mammut staff about our Corporate Responsibility in general, and about the FWF CoLP implementation and monitoring activities in particular. Activities include:

- Quarterly employee newsletter
- Quarterly management information for staff
- Internal blog
- Specific training for sales staff (seasonal)
- Specific training for purchasing and material management staff (at least annually)
- Internal corporate responsibility network involving staff from various departments

Furthermore, we take part in various platforms, seminars, round tables and research. We enter into continuous and constructive dialogue with key stakeholders and seek to progressively extend our knowledge of CR topics (refer also to [Mammut Corporate Responsibility >> at a glance](#), section 2.5).

400 Chinese workers take part in training

With regards to our suppliers and factory workers, Mammut does not have the resources and knowhow to develop and implement its own training programs. Instead, we emphasize the importance of getting directly involved with Corporate Responsibility and implementing a management system to monitor fair working conditions. We promote SA 8000 certification as well as FWF membership, and encourage suppliers to take on social responsibility along its own supply chain.



Furthermore, we encourage suppliers to take part in FWF seminars and training programs, such as the FWF Workplace Education Program (WEP). The WEP endeavors to introduce both workers and managers to safe and effective approaches for communicating problems and resolving disputes. The program also seeks to reduce workplace risk step-by-step by raising awareness of workplace standards and functioning grievance systems. Together with Schöffel, Mammut convinced a Chinese supplier (Ref. 11004) to be one of the first suppliers to take part in the WEP in December 2012. Approximately 25 managers and supervisors attended the training session for managers. About 400 production workers attended the training session for workers.



Training session for factory staff in the context of the FWF Workplace Education Programm, Dec. 2012, China. Photo: Mammut.

Mammut has informed all suppliers in Turkey and China about the FWF WEP and encouraged them to take part in the training session. A major supplier in Turkey is currently taking part in a CSR training scheme organized by another provider. Further supplier training activities include:

- Addressing social compliance during every supplier visit
- Circulating the seasonal Mammut Supplier Newsletter
- Providing posters with the FWF CoLP to put up in the factory
- Encouraging suppliers to take part in FWF seminars and round tables



6 | Glossary

Audit (social, verification) Audits serve to control whether a company respects labour standards in its daily business. It gives but a momentary insight, though, and is not sufficient to assure social compliance. In case of Mammut, social audits are commissioned and paid for by us, while verification audits are commissioned and paid for by the FWF.

Brand Performance Check Fair Wear Foundation requires from member companies that they adapt their purchasing policy and management system to allow for improvements of working conditions at suppliers. To this end, FWF conducts yearly management system audits, so called Brand Performance Checks, at each of its member companies.

CSR, CR Corporate (Social) Responsibility. It stands for the responsibility a company assumes over the social and environmental impact of its economic activity.

CoLP FWF Code of Labour Practices. As a member company, Mammut commits to respect the Code within our purchasing practices. Further more, we must work towards its implementation along our supply chain. For details on the FWF CoLP, see [chapter 4](#). For further information on Mammut's performance with regards to the code, please visit the [chapter 5](#).

EOG European Outdoor Group. Mammut is a member and co-founder of the EOG. [More on the EOG](#).

FWF Fair Wear Foundation. The FWF is an independent multi-stakeholder initiative. It uses a comprehensive verification system to promote the progressive and on-going improvement of working conditions. [More on FWF](#).

ILO International Labour Organization. The ILO helps advance the creation of decent work and the economic and working conditions that give working people and business people a stake in lasting peace, prosperity and progress. [More on ILO](#).

Monitoring Monitoring is an umbrella term for all types of direct systematic recording, observation or surveillance of an operation or process. The repeated regular performance is a key element of the study.³

Social Compliance Result of conformance to the rules of social accountability by the extended organization including not only the organization's own policies and practices but also those of its supply and distribution chains. It is a continuing process in which the involved parties keep on looking for better ways to protect the health, safety, and fundamental rights of their employees, and to protect and enhance the community and environment in which they operate.⁴

Stakeholder Group with an interest or concern in the company. More on this subject in the module [Mammut Corporate Responsibility » at a glance](#).

SWG Sustainability Working Group. This is the EOG working group on the issue of sustainability within the outdoor industry. Mammut is a co-founder of the SWG and is actively involved in finding cross-sector environmental solutions. [More on the SWG](#).

WE CARE This is your green thread through Mammut's corporate responsibility activities. More details can be found in the module [Mammut Corporate Responsibility » at a glance](#).

³ Wikipedia, search term „Monitoring“, <http://de.wikipedia.org/wiki/Monitoring>, visited on 21/05/2013.

⁴ Business Directory, search term „Social Compliance“, <http://www.businessdictionary.com/definition/social-compliance.html>, visited on 21/05/2013.



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2 Environmental Responsibility: Production & Materials



3 Community Engagement



Questions & Feedback

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