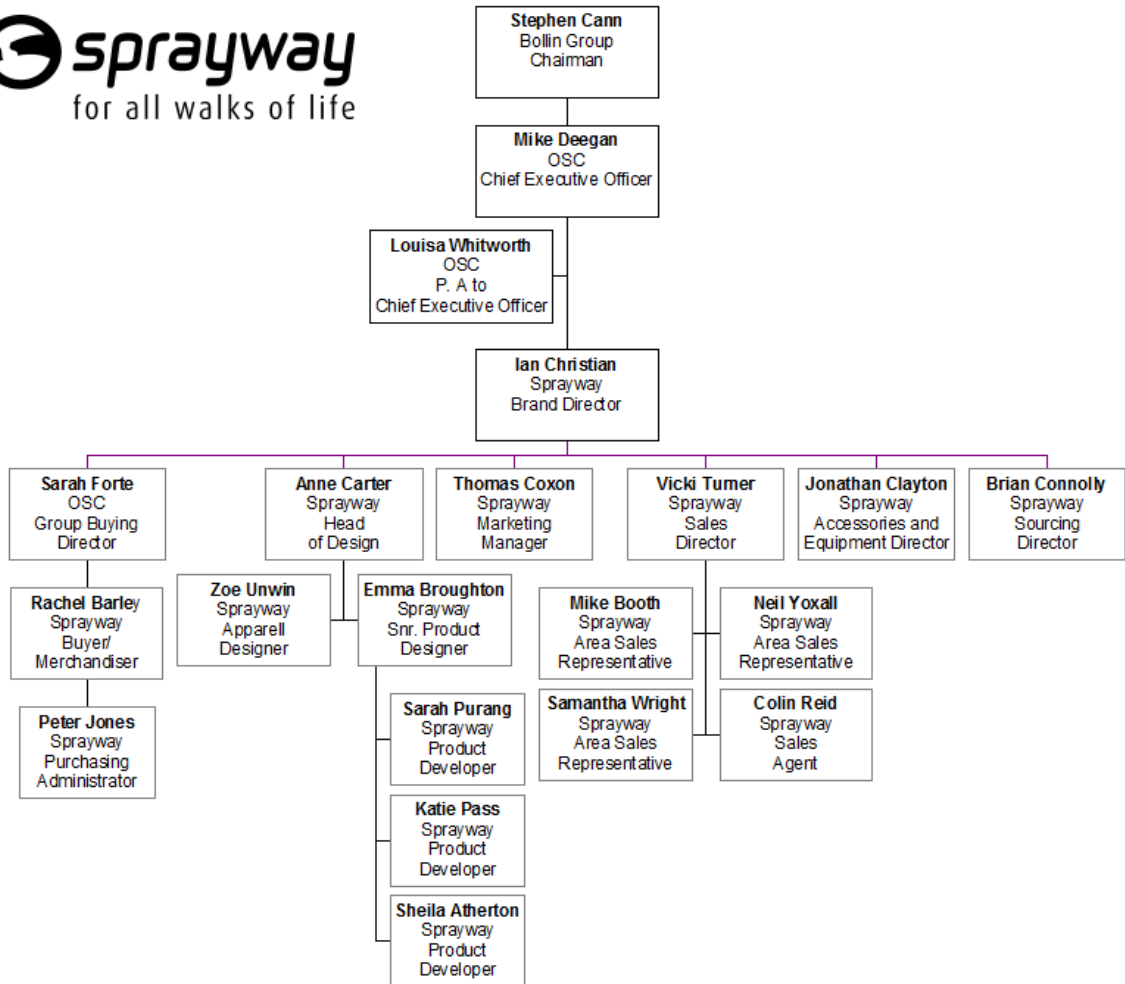




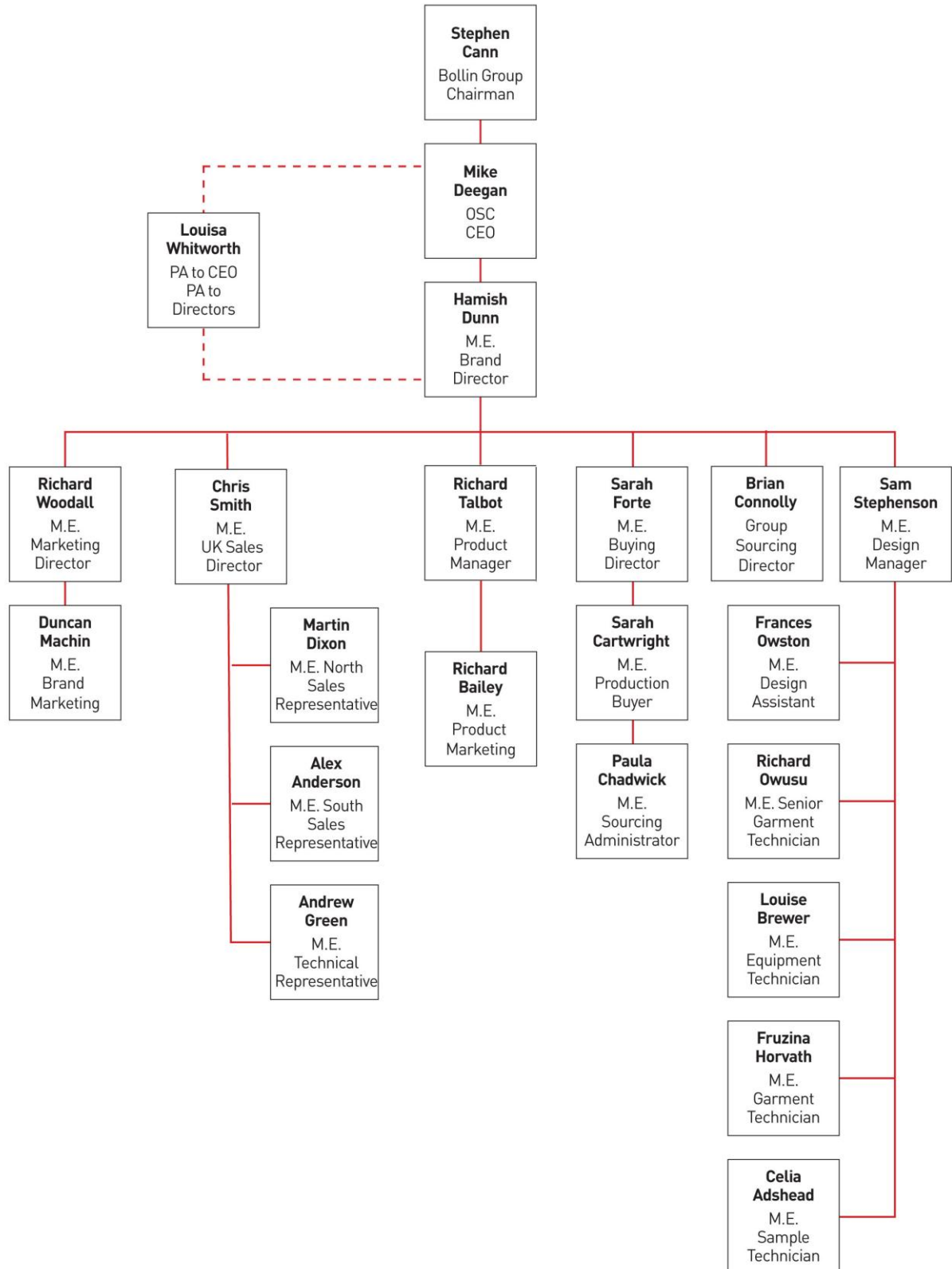
[www.mountain-equipment.co.uk](http://www.mountain-equipment.co.uk) [www.sprayway.com](http://www.sprayway.com) [www.ronhill.com](http://www.ronhill.com) [www.hillyclothing.co.uk](http://www.hillyclothing.co.uk)

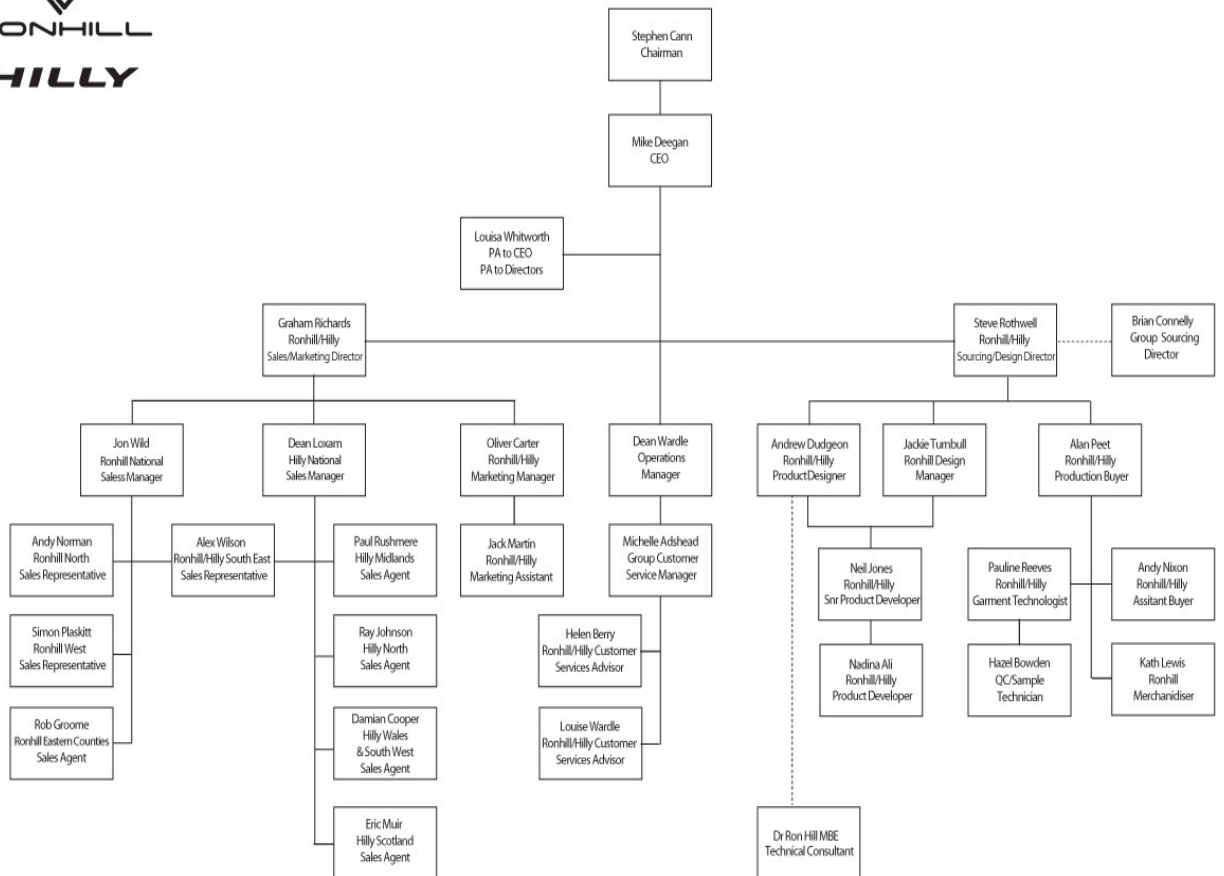
Start date membership

July 2012



# Organisation Chart





## Summary: goals & achievements 2012

- Our company consists of four brands, Mountain Equipment, Sprayway, Ronhill and Hilly
- Mountain Equipment and Sprayway are specialist Outdoor clothing and equipment brands and Ronhill and Hilly are specialist Running clothing and accessory brands.
- We manufacture, waterproof clothing, jackets and trousers, fleece garments, soft shell garments, running tops and bottoms, technical Socks, accessories for running, sleeping bags, backpacks and Tents
- In this our first year of being affiliated to FWF, we informed every supplier that we have joined FWF, provided them with the FWF literature, our work plan and informed them that we will start to monitor and implement the work practices with immediate effect. We also advised them that there will be a time plan of three years to work towards achieving our required standards.
- We visited every supplier and made sure that they had erected the Code of Labour information board.

## Sourcing strategy

- **Sourcing strategy & pricing**

It is the responsibility of the Sourcing/Buying Directors to find and recommend new suppliers. The buying teams then go through a sampling and pricing programme with the recommended factories to see if the factory can make to the required quality standard and see if they are competitive.

When choosing a new supplier, we first of all look for a company profile, to see if they specialise in making our type of product and look to see what other brands they manufacture for. If we think they are suitable we then do a counter sample and costing programme. If that looks promising we then do a factory visit to make sure they conform to our supplier guidelines.

We visit our suppliers at least once per year, with our biggest suppliers been visited two times per year. Our average business relationship with our suppliers is 5 years.

We try not to work through agents. Whenever possible we work directly with factories. We do however work in India through an agent. We have our own office in China and they work with all the factories we have in China, Malaysia, Indonesia, India and Bangladesh.

- **Organisation of the Sourcing Department**

The sourcing department is made up of Brian Connolly, Group Sourcing Director and then three buying teams, headed up by Sarah Forte, Buying Director for Mountain Equipment and Sprayway and by Steve Rothwell, buying Director for Ronhill/Hilly. Each Brand then has one buyer and one assistant buyer

- **Production cycle**

Each year we have two seasons, Spring/Summer and Autumn/Winter. We design every product that we market in our own internal design teams. Each brand has its own separate design teams. The design teams work approx. 12 to 18 months in advance and design the range to an agreed Range Plan and salesman samples are provided by the factories in time for sales launch.

Spring/Summer season Sales Launch in June.

Autumn/Winter season - Sales launch in November.

Road shows, trade fairs and individual presentations take place immediately after the launch and we give the sales force and customers information relating to cut off dates for buying meetings/delivery dates for product.

We forecast our fabric requirement to our nominated fabric suppliers and also forecast our garment requirement to our garment manufactures.

We place orders to the factories to agree lead times of approx. four to five months.

- **Supplier relations**

New factories are selected on the product the factory specialises in producing, quality, price, capacity availability, communication, factory ownership, location and Ethical Guidelines.

Once we have identified a possible new supplier we go through a sampling and quotation programme. If this looks interesting then we visit the factory. We have detailed discussions to see if both parties can work together. It is also important to us that we choose factories that we consider suitable to work with on a long term basis.

Each year we try to add one suitable new factory for each brand; this is to fulfill the extra capacity we require to meet our growth plans. But it is also to replace factories that we drop from time to time. If factories continuously fail to hit agreed shipment dates or have quality issues we move away from them. We always try to work long term with all suppliers, as this is the best way to achieve high quality standards, but if they continue to fall down on this very important requirement we speak to them, we try to get them to achieve our standards, by working closely with them, but if they are not meeting our standards then we move away.

- **Integration monitoring activities and sourcing decisions**

The buying teams monitor every order given to every factory. On time deliveries and any quality issues are recorded.

The sourcing team or buying team visits every factory at least once per year and our main suppliers at least two times per year. At these meetings we discuss the performance for the previous season based on, on time shipments, quality issues and communication.

We discuss pricing level for the following seasons.

We also discuss new orders placed for the next season and try to resolve any issues that may have caused delays in the past that will help to improve the service going forward.

If factories have a history of quality issues or are continuously late with shipments, then we need to discuss these issues and find a way to work better together.

If the results of audits show that a factory is not complying to the good labour conditions as set out by FWF then we will have a meeting with them to set out a procedure to show improvements in the coming years and to satisfy ourselves that the particular factory is serious about complying and if not then we will internally agree and plan a get out strategy

## **Coherent system for monitoring and remediation**

We plan to audit 40% of our production in this our first year, this will be monitored against current buying volumes.

To date we have completed one audit. Our Sourcing Director was actually at the audit and immediately after the audit he sat down with the factory management to discuss the points that were raised. We then forwarded the corrective action plan to the factory immediately after we received it from FWF. The factory replied indicating the actions they were taking, some immediately and some over time. Our Sourcing Director has another follow up meeting in the factory in April 2013, to see for himself what actions have already taken place and to agree the timeline for the remainder of the issues raised on the CAP

We will have a centralised system for monitoring the factories. Each of the teams that interact with the factories is asked to monitor and rate the factories performance and report their findings relating to workers labour conditions. Our teams that will have regular interaction with the factories are:

- A) Buying teams
- B) Design teams
- C) Quality control teams

Each brand will monitor and reconcile into one file and then OSC as a group will coordinate into one master file for factories that more than one brand is working with.

- **Factory A/Country A**

We have only been affiliated to FWF since July 2012 but we have already successfully completed our first audit in line with FWF requirements.

We have four more audits to complete before end of June 2013, which will take us to having audited 42% in value of our yearly turnover in year one, in line with FWF requirement.

As we are new to FWF and had not done any audits before we simply decided to audit our biggest supplier first. They supply 17% of our products (by value).

As this is our biggest supplier, we visit this factory on average five times each year. Twice by our design teams and three times by our buying/sourcing teams.

The audit took place here in early December 2012. Our Sourcing Director also attended the audit as an observer. Immediately after the audit our Sourcing Director and the factory management had a meeting regarding the findings at the audit and agreed action plans.

The main issues raised at the audits were:

- Factory not keeping records of workers grievances
- Workers complaining about low piece rate
- Factory had not registered 4 juvenile workers
- In house Trade Union elected by management, workers to be allowed to elect their own representatives
- Probation workers paid under the minimum wage
- Some overtime hours not been recorded properly
- Peak season overtime is above the legal requirement
- No eye washing facility and no anti-leak facility (secondary container) in the chemical warehouse

The factory immediately agreed to address the issues raised and indeed corrected the issues that required immediate action and on the other issues agreed to correct them within the timeframe given by the audit team.

Our Sourcing Director will visit this factory again in April to follow up.

## **External production**

We do not allow sub-contracting (which is what external production is about) we have our own quality control team that inspects production, so if goods are been sub contracted it becomes obvious to us. If however a supplier asks us if they can sub



contract to an external unit, we will explain that this factory must also follow the Code of Labour Practices of FWF.

If a supplier has more than one factory, making our product, we will include each factory in the audit process.

### **Complaints procedure**

So far we have not received any complaints. The complaint procedure has been posted on the notice boards in each factory. Initially it will be the responsibility of the factory manager to resolve the issue, but in a case where this is not resolved, the OSC buying team:

**Brian Connolly for Sprayway;**

**Sarah Forte for Mountain Equipment;**

**Steve Rothwell for Ronhill/Hilly**

Should be notified and it is then their responsibility to discuss the issue with the factory management to get the issue resolved to the satisfaction of the factory worker/workers.

### **Training and capacity building**

- **Activities to inform staff members**

The groups of people in our company, who will have contact and who will visit the factories are:

1. Buying teams
2. Design teams
3. Quality control teams

These people are all employed directly by our company (we do not outsource any of these functions). These groups of people will be involved in the implementation of the code of labour practice with the factories.

Each brand has a monthly brand meeting and FWF will become a permanent item on the agenda. We will also have our affiliation posted on our web site, on our business cards and on our garment hang tags, so our affiliation to FWF will be very visible both for our staff and for our customers and consumers.

- **Activities to inform agents**

It is our policy not to work with agents/intermediaries, however at present we are working through an agent in India (but this may change in the near future) we have informed them about our affiliation to FWF. We have two meetings each year with

this agent.

This agent will be requested to join FWF seminars and also to monitor audits and to also advise us of any non-compliance by the supplier that they notice on their regular visits to the factories.

- **Activities to inform manufacturers and workers**

In July 2012 when we were accepted as an FWF affiliate, we immediately informed all our suppliers by means of an e-mail which included the information pack from FWF. We asked all suppliers to erect the Code of Labour practice information board in a very prominent position in their factories and asked for confirmation that this was done and a photograph of it on display.

Whenever a representative from our company visits any factory we have asked them to make a point in going to look at the CoLP information board.

## **Transparency & communication**

We have put the FWF logo and information about our affiliation to FWF on all our brands websites and in our seasonal catalogues.

## **Corporate Social Responsibility**

### **Down Codex**

An internal Mountain Equipment initiative that is designed to ensure our down supply chain meets acceptable ethical, environmental and animal welfare standards. We have established a set of rules that all down suppliers must conform to and put an audit process in place to check that what is we are being told about our down supply is actually true. [www.thedownproject.me.uk](http://www.thedownproject.me.uk)

‘Twenty Things to Do’

An internal Mountain Equipment initiative that consists of a set of 20 goals to work towards to bring about a wide range of environmental related benefits. Addressing the areas of operations, travel, logistics, products, environment and community the aims include increased efficiency, lower energy consumption, sustainable resources and reduction in waste production.

### **John Muir Trust**

A charity supported by Mountain Equipment with an annual corporate membership subscription. The John Muir Trust is a leading UK charity dedicated to the protection of wild land for both nature and people. Inspired by the work, spirit and legacy of John Muir. [www.jmt.org](http://www.jmt.org)

**European Outdoor Conservation Association (EOCA)**

A charity supported by Mountain Equipment with an annual corporate membership subscription. EOCA's Mission is to support valuable conservation work by raising funds from within the European Outdoor sector and promoting care and respect for wild places. [www.outdoorconservation.eu](http://www.outdoorconservation.eu)

**Community Action Nepal (CAN)**

A charity supported by Mountain Equipment with an annual cash donation. CAN helps to bring long term benefits to mountain peoples of Nepal. The charity has established more than 50 community projects focusing on health, water and sanitation, schools, education and cultural development. [www.canepal.org.uk/](http://www.canepal.org.uk/)

**Plas y Brenin**

A not for profit organisation supported by Mountain Equipment with annual large-scale supply of equipment. Plas y Brenin is the National Mountain centre for England and Wales, located at Capel Curig in Snowdonia. The centre is operated by the Mountain Training Trust, which aims to provide the widest range of outdoor opportunities offering the best in value. [www.pyb.co.uk/](http://www.pyb.co.uk/)

**Sport Scotland Avalanche Information Service (SAIS)**

A not for profit organisation supported by Mountain Equipment with annual large-scale supply of equipment. SAIS is funded by the Scottish Sports Council to publish daily forecasts of the avalanche, snow, and climbing conditions at 5 key climbing areas of Scotland during the season. [www.sais.gov.uk](http://www.sais.gov.uk)

**Association of Mountaineering Instructors (AMI)**

A membership organisation supported by Mountain Equipment with funding to assist in administrative costs. The AMI is the representative body for professionally qualified Mountaineering Instructors in the UK and Ireland. AMI is committed to promoting good practice in all mountaineering instruction. [www.ami.org.uk](http://www.ami.org.uk)

**British Mountaineering Council (BMC)**

A membership organisation supported by Mountain Equipment with an annual corporate membership subscription. The BMC is a national representative body that exists to protect the freedoms and promote the interests of climbers, hill walkers and mountaineers. The BMC also represents Britain on various international matters relating to climbing and mountaineering. [www.thebmc.co.uk](http://www.thebmc.co.uk)

**Athlete of the Month Award Scheme**

Monthly scheme set up to allow members of the public to nominate team-mates, coaches, children etc to be recognised and awarded for their success and commitment to running and/or their club.

This is in joint partnership with Athletics Weekly magazine, who produce a feature on the winner. [www.athleticsweekly.com](http://www.athleticsweekly.com)

### **Sponsorship of clubs**

Ronhill sponsors at least 6 grass roots running clubs across the UK. These clubs are: Aldershot, Farnham & District AC, Leeds City AC, Bingley Harriers, Bristol & West AC, Salford Harriers & Tipton Harriers. Within each sponsorship deal we work together with the clubs to create youth development opportunities for aspiring young athletes to take part in races and training academies alongside supplying kit requirements.

<http://www.ronhill.com/content.php?conId=22>

### **Peak District National Park**

A British national park supported by Sprayway. The Peak District runs dedicated programs for the protection of wild land for both nature and people. Sprayway supports various conservation and participation programs and also kits out the park rangers.

With an estimated 22 million visitors per year, the Peak District is thought to be the second most-visited national park in the world.

### **Dartmoor National Park**

Another British national park supported by Sprayway.

The park has two statutory purposes which the Park Authority has the duty to pursue:

1. to conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park
2. to promote opportunities for the understanding and enjoyment of the special qualities of the National Park by the public

In pursuing these statutory National Park purposes they also have a “socio-economic duty” to seek to foster the economic and social well-being of the communities within the National Park.

Sprayway also supplies kit to all staff working for Dartmoor National Park.