

# Brand performance check report Mammut Sports Group AG November 2012

## FWF member since:

October 2008

#### Sources of information:

Interview with Josef Lingg (Chief Supply Chain Officer)

Interview with Markus Jaeggi (Head of Purchasing)

Interview with Mick Farnworth (FWF contact person/Purchasing Hardware)

Interview with Corina Zanetti (CSR Manager)

Annual report and work plan

Archived documents

Database FWF

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## Performance Check Mammut Sports Group AG – November 2012

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## Introduction

In November 2012 Fair Wear Foundation (FWF) conducted a brand performance check at Mammut Sports Group AG (hereafter: Mammut). The performance check is a tool for FWF to verify that Mammut implements the management system requirements for effective implementation of the Code of Labour Practices, as specified in the FWF Charter.

Starting point for the performance check has been the work plan for 2012. FWF tailored the performance check to the specifics of the management system of Mammut in order to assess the key issues of interest. During the performance check, employees of Mammut were interviewed and internal documents have been reviewed.

FWF developed this report on the basis of findings collected during the performance check. The report contains conclusions, requirements and recommendations. If FWF concludes that the management system or performance needs improvement to ensure effective implementation of the Code of Labour Practices, a requirement for improvement is formulated. The implementation of required improvements is mandatory under FWF membership. In addition, FWF formulates recommendations to further support Mammut in implementing the Code of Labour Practices. The numbering of the requirements and recommendations correspond with the numbers of the conclusions.

This report focuses on those aspects of the management system of Mammut that have been identified as key areas of interest for 2012. As FWF approaches the implementation of the Code of Labour Practices as a step-by-step process, it is well possible that performance check reports of subsequent years will focus on different aspects of the management system.

FWF will publish the conclusions, requirements and recommendations of all performance checks on <a href="www.fairwear.org">www.fairwear.org</a>. FWF encourages Mammut to include information from the performance check report in its social report.



## **Executive summary**

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.

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. 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.



## **Positive findings**

#### **Conclusions**

- 1. In 2011-2012 Mammut proactively approached many 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.
- 2. Mammut made an independent assessment of the performance of its key suppliers regarding wage payments. Hereto the company made use of available wage ladders. For suppliers whereof no wage ladder was available to date, the company developed its own wage ladders based on information on wages that was obtained from suppliers.
- 3. 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.

## 1. Sourcing

- 1. 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. All suppliers are requested to sign the Code of Labour Practices (CoLP) and to complete the questionnaire on the FWF labour standards. Performance of suppliers regarding social standards is taken into account in the process of selecting suppliers and placing orders. Possible new suppliers are first checked through desk research and a formal scoring system. Hereafter senior management of Mammut visits a potential supplier before the placing first order. During this visit Mammut' approach to implement FWF membership is discussed.
- 2. In 2012 Mammut started working with 1 additional supplier for backpacks. In 2011-2012 relations with two suppliers (one in India, one in China) were terminated. In both cases willingness to implement FWFs Code of Labour Practices was an important factor in the decision. The factory in India did not agree to guaranteeing minimum wage; the factory in China did not agree to be audited. This development meant that a share of production was moved to Latvia and Turkey.
- 3. Mammut has a system which ranks suppliers in their performance during the process of signing the CoLP, communicating about audits and follow up on the corrective action plan. This is done in a separate file which is not incorporated in the formal supplier evaluation system. As a result FWF finds that this system does not clarify the weight of the level of working conditions vis-à-vis other criteria such as price, lead time, quality and service. Mammut does not have a formal incentive system to reward suppliers for realised improvements of working conditions or a system to grade suppliers regarding performance on working conditions.



- 4. According to its 2012 supplier register, Mammut maintains a business relation for more than 5 years with factories that accounted for 69.5% of its total purchasing volume. Less than 1% of the volume came from suppliers with whom a relationship existed for less than a year. It could not be verified at how many suppliers Mammut has substantial leverage (at least 10% of factory production capacity) as a customer. 40% of the production is sourced in low risk countries, 60% in high risk, 5.3% is sourced from a FWF member factory.
- 5. During 4 audits by FWF teams in 2012 all suppliers stated that they are generally satisfied with negotiations by Mammut on prices and lead times. Excessive overtime was found in the factories where FWF teams did an audit in 2012. The audits carried out by FWF teams at suppliers in 2011-2012 pointed out that wages were above local minimum standards. At one supplier in China at was found that some of the rank and file workers earn wages for regular hours that are on par with or above Asia Floorwage. In most factories wages were found to be below the amount constituting a living wage as estimated by local stakeholders.
- 6. Mammut is aware of the occurrence of excessive overtime at its suppliers. The company recognizes delays in product development have an influence in possible delays in production and puts a pressure for risk of needed extra overtime. Mammut identified also other factors as fabric delays and overbooking. According to the company production delays happen mostly from quality issues which need rework.
- 7. To ease production pressure on suppliers Mammut shares detailed forecast information with suppliers, which should help them to plan their capacity for production. The company has reserved substantial margin time in its delivery cycles to ensure that reasonable order delay can be handled. In 2011 Mammut increased the lead time on apparel orders by three weeks to reduce the need for overtime. When retailers to which Mammut delivers ask for a bigger order of a certain style, the company generally tries to swap order delivery dates for 2 different styles that are made at the same supplier. In 2012 the company invested substantial efforts in detailed discussions with suppliers on capacity planning in order to decrease excessive overtime. These discussions are documented in detail by the company.
- 8. Mammut reaches an agreement on prices and delivery times with suppliers on the basis of negotiations after target prices are set on the basis of past experience and sales forecasts. If price increases occur the wage component of the prices is analysed. To a certain level Mammut is willing to accept price increases if these would mean that living wages would be paid.
- 9. Mammut has put efforts in increasing knowledge about living wages in production countries. The company made an independent assessment of the performance of its key suppliers regarding wage payments. Hereto the company made use of available wage ladders made by FWF teams. For suppliers whereof no wage ladder was available to date, the company developed its own wage ladders based on information on wages that was obtained from suppliers.



#### Recommendations

- 5. Mammut is encouraged to continue its assessment of performance of key suppliers regarding wage payments. FWF welcomes the company to share this information with other members.
- 8-9. FWF is presently designing a project with another Swiss affiliate member on implementation of living wages. This project includes transfer of a budgeted amount of money from the affiliate to workers at a selected supplier as a step to improve worker wages. Mammut is encouraged to follow this project and to discuss internally if and how it would be interested in a similar approach.

## 2. Coherent system for monitoring and remediation

- 1. Mammut has designated staff to coordinate activities to monitor and improve working conditions in factories. The company has a systematic way to manage the process to follow up on corrective action plans.
- 2. 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. These include audits by FWF teams and audits under other standards that Mammut actively followed up on. All suppliers that represent at least 2% of the total FOB purchasing value of Mammut have been audited. This means that the company meets FWFs requirement for monitoring working conditions in factories.
- 3. Staff of Mammut visit the suppliers based in high risk countries at least once a year. Staff is updated on relevant social compliance issues before they travel. Relevant parts of meeting reports of staff of the purchasing department are included in the CAP follow up system.
- 4. 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 practice the majority of suppliers give updates more often. Mammut collects pictures and documents via email as a way to provide evidence on realised improvements. This process is supported by the quality offices that collect information from suppliers when needed. In practice this happens mostly with regard to issues related to health and safety. Other issues are checked upon by asking suppliers for information. Follow up audits are issued to assess if improvements were realized.
- 5. 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.



## 3. Complaints procedure

#### **Conclusions**

- 1. Mammut has a designated person responsible for handling complaints and is sufficiently aware of how FWFs complaints procedure works.
- 2. In 2011 FWF did not receive complaints from workers of factories producing for Mammut. In October 2012 FWF received a complaint regarding a supplier of Mammut in Turkey with regard to the standard Reasonable Hours of Work. FWF, Mammut and another FWF affiliate member company are currently discussing the complaint. A report on the complaint will be published on the FWF website.
- 3. Mammut generally sees to it that the Code of Labour Practices (CoLP) including contact information of the local complaints handler of FWF is posted in factories in a location that is accessible to workers. Suppliers are occasionally asked to send photos as evidence that the document is posted. This however does not yet happen in a systematic manner for factories in low risk countries and SA8000 certified factories. Mammut collected this information shortly after the performance check and shared this with FWF.
- 4. During 4 factory audits that were carried out by FWF teams since the previous performance check it was found that the CoLP was posted in a place that was accessible to workers at all 4 factories (2 in China, 1 in the Philippines and 1 in Turkey).

#### Recommendations

3-4. It is suggested to ask suppliers to submit a photo of the posted CoLP with the annual questionnaire and to ask staff visiting a supplier to check if the document is still posted as indicated on the obtained photo.

# 4. Labour conditions and improvements

- 1. 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 meeting local minimum standards but below the amount constituting a living wage as estimated by local stakeholders that had been consulted by FWF. Overtime work was paid according to local law.
- 2. 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.
- 3. In 3 factories excessive overtime was found. In the 4<sup>th</sup> factory time records were not transparent. Similar results were found during previous audits at 2 of these factories. FWF finds that limited improvements were made on the standard Reasonable Working Hours and highlights this area as the main challenge for Mammut for 2013.
- 4. In 3 out of factories minor improvements were needed regarding fire safety and



machine safety. All 4 factories still have room for improvement on health and safety.

5. In all 4 factories the quality of worker representation through trade unions or parallel means could still be improved. Workers are generally not aware of their rights to organize and bargain collectively.

Based on results of audits carried out by FWF teams an overview of improvements in labour conditions in factories has been drawn up. The overview is annexed to this report. Results of audits by other initiatives are not summarized.

#### Recommendations

- 3. FWF recommends Mammut to investigate the root causes of excessive overtime in factories where Mammut orders cover at least 25% of the production capacity. As part of such an analysis all incidents of overtime, their origin and severity should be recorded during a period which is representative for an entire production season. After this analysis, a step-by-step plan could be drafted by the factory to bring the amount of working hours down to legally allowed levels. As an outcome of assessing the root causes of excessive overtime, the plan should specify how and if and to what extent the factory can control overtime hours, and to what extent Mammut could assist. FWF could give references of credible local experts who could facilitate an assessment on working hours in the workplace.
- 4. Mammut is recommended to enrol a greater number of its suppliers in FWFs Workplace Education Programme (WEP), which offers trainings factories producing for FWF members. WEP trainings contribute to social dialogue between workers and management. The introductory training of WEP builds awareness of labour standards and strengthens dispute handling mechanisms. It is made available to FWF members free of charge.

# 5. Training and capacity building

- 1. Staff of Mammut is sufficiently informed about steps taken to implement FWF membership. This is mainly done through internal meetings, the internal quality management system and newsletters. Staffs of Mammut who visit suppliers are sufficiently informed to follow up on corrective action plans during factory visits. Relevant staff of Mammut is actively participating in seminars, round tables and working groups.
- 2. Agents and suppliers of Mammut are sufficiently informed about FWF membership and the implementation of the Code of Labour Practices through the periodic Mammut supplier newsletter wherein FWF membership is a recurrent topic. In 2011 Mammut actively encouraged its suppliers to participate in FWFs supplier seminars in China and Turkey.
- 3. Mammut is currently engaging one of its long term apparel suppliers in FWFs Workplace Education Program (WEP). WEP offers training activities to strengthen awareness of labour standards and grievance mechanisms among workers and management, and hereby promotes social dialogue on factory level. The first training was carried out at one the key suppliers of the company in China at the time of writing



this report.

## 6. Information management

#### **Conclusions**

- 1. The supplier register for 2012 meets the requirements of FWF. It lists all factories that manufacture clothing, footwear, harnesses, backpacks, sleeping bags and lamps for Mammut. For each supplier it specifies production location data, FOB value, dates of audits and follow up visits and important other customers of suppliers.
- 2. FWF found that the supplier register does not include all subcontractors of suppliers. In the weeks preceding the performance check Mammut Sport itself found that one of its suppliers in Vietnam makes use of subcontractors that were previously unknown to the company. Within days after the brand performance check, Mammut sent FWF detailed information about these subcontractors. These subcontractors will be included in the supplier register for 2013.
- 3. Mammut has a functioning workflow and a designated person to keep its supplier register up to date. The company maintains its supplier register on the basis of order administration and the annual questionnaires that are collected from factories and systematically analysed.
- 4. Information on the status of corrective action plan is systematically collected and maintained on the corporate server. This information includes updates from purchasing staff and top management visiting suppliers. Discussions with suppliers on specific improvement points are well documented.

#### Requirements

2. Mammut is asked to notify FWF as soon as possible in case unknown subcontractors are discovered.

# 7. Transparency

- 1. Mammut informs consumers and other external parties about its approach to improve working conditions through its corporate website, dealer workbooks, product flyers and store meetings. This happens in correct wording and with references to FWFs website for further information.
- 2. The company makes use of hangtags to inform consumers about its FWF membership. This happens according to FWFs guidelines. Sales staff has been informed about FWF membership of the company during store meetings.
- 3. Mammut released its 2011 social report on its corporate website. This report does not contain an overview of the main results from audits in factories. Mammut has published the report of the 2011 performance check on its website. The company does not publish



corrective action plans resulting from audits on its website.

4. 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.

#### Requirements

3. FWF expects Mammut to specify the main areas for improvements and realised results in the annual social report.

#### Recommendations

3. FWF regards the publication of corrective action plans and realized improvements as a best practice. This could be of interest in the future for Mammut.

## 8. Management system evaluation and improvement

#### **Conclusions**

- 1. Mammut evaluates steps taken in context of FWF membership as part of regular internal discussions between members of the Corporate Responsibility and Purchasing departments. Performance on monitoring and improving labour standards in the supply chain is measured and evaluated during quarterly meetings that involve the CSR coordinator and top management. A yearly evaluation of FWF membership is made during the process of writing the work plan and receiving FWFs performance check report.
- 2. Mammut collects feedback from factories as part of ongoing discussions, but has no formal way of evaluating implementation of the Code of Labour practices.

#### Recommendations

2. FWF regards collecting feedback from factories as input for this annual evaluation as a best practice. The evaluation could for example assess which improvements were and were not successfully implemented in factories, whether the chosen approach has been cost efficient, if the requirements from FWF membership were successfully communicated and whether purchasing practices have been supportive for implementation of the Code of Labour Practices. Also, an evaluation could strengthen support for FWF membership among factories.



# 9. Basic requirements of FWF membership

#### **Conclusions**

- 1. Mammut handed in a work plan for 2012 that was approved by FWF.
- 2. Mammut paid its membership fee for 2012.

## 10. Recommendations to FWF

#### Recommendations

- 1. Mammut sees FWF membership as a strategic partnership and a credible approach to stay on top of social standards.
- 2. Mammut would welcome FWF to develop clear guidelines on what evidence would be sufficient to close non-compliance issues in the CAP follow up process.
- 3. Mammut encourages FWF to make more use of webinar meetings.
- 4. FWFs online wage ladder module should be made more user-friendly.
- 5. Mammut is interested in studies that compare retail prices, take home wages for workers and inflation levels in key production countries. This would help understand is how prices of products moved vis-à-vis real wages.

| Improvement of labour conditions: summary of most important findings | Factory in China audited in March 2011  | Same factory in China audited in April 2012 to verify improvements   |
|--|---|--|
| Sourcing practices of Mammut Sports                                  | The factory is a production site of a FWF factory member.   | The factory is a production site of a FWF factory member.  |
| Monitoring system of Mammut Sports                                   | The factory is a production site of a FWF factory member.   | The factory is a production site of a FWF factory member.  |
| Management system of factory to improve labour standards             | Factory has not posted FWF Code of Labour Practices in the factory.   | FWF Code of Labour Practices has been posted in several places for view by workers.  |
| Communication and consultation                                       | Some workers are not aware of the existence of the union.   | Workers confirm they are aware of the existence of the union. Factory has conducted a wide ranging worker satisfaction survey. Results will be used as input for further steps to realize improvements.  |
| Employment is freely chosen  | No areas for improvement found.   | No areas for improvement found.  |
| No discrimination in employment                                      | No areas for improvement found.   | No areas for improvement found.  |
| No exploitation of child labour                                      | No areas for improvement found.   | No areas for improvement found.  |
| Freedom of association and the right to collective bargaining        | Union representatives are not selected through an open election.  | Chairman and committees of the trade union still not elected by workers.   |
| Payment of a living wage   | Wages and benefits in compliance with local minimum standards. Wages for a regular working week for most workers are below the living wage benchmarks that FWF collected from local stakeholders.   | All wages and benefits in compliance with local minimum standards. Wages for a regular working week of some workers (mostly in the cutting and inspection department) are below the living wage benchmarks that FWF collected from local stakeholders.   |
| Reasonable hours of work   | Working hours are not fully recorded; some workers punch their card earlier than work time and later than the time they stop working. Some workers have worked more than 3 overtime hours in some work days and / or 7 consecutive days without a rest day. | Factory now makes a precise calculation of all working hours including OT for all workers and pays workers accurately based on the working hours that recorded. All workers are guaranteed a weekly rest day. The factory still has excessive working hours of over 3 hours OT per day for some workers. |
| Safe and healthy working environment                                 | Detergents not properly stored. Storing tank for diesel not properly protected against leakages. Fire alarm for computerized-embroidery too far away from the work place; workers with earplugs will not be alerted visually.                               | Detergents properly stored. Diesel tank appropriately protected. New fire alarm system installed at the embroidering section, can now be heard and seen by workers.  |
| Legally binding employment relationship                              | 60% workers fully registered with national social insurances.  For migrant workers who wish to not enroll for government insurance, factory provides commercial injury and medical insurance.   | 67% workers fully registered with national social insurances.  For migrant workers who wish to not enroll for government insurance, factory provides commercial injury and medical insurance.  |

| Improvement of labour conditions: summary of       | Factory in China audited in August 2012  |  |
|--|--|--|
| most important findings                            |  |  |
| Sourcing practices of Mammut Sports                | No areas for improvement found.  |  |
| Monitoring system of Mammut Sports                 | No areas for improvement found.  |  |
| Management system of factory to improve labour     | Subcontractors are not informed of FWF Code of Labour Practices. Factory               |  |
| standards  | has not set up a system to monitor the social compliance status of its subcontractors. |  |
| Communication and consultation                     | Factory has not posted FWF Code of Labour Practices in the factory.                    |  |
| Employment is freely chosen                        | No areas for improvement found.  |  |
| No discrimination in employment                    | No areas for improvement found.  |  |
| No exploitation of child labour                    | No areas for improvement found.  |  |
| Freedom of association and the right to collective | Workers representatives are not aware of their functions and responsibilities.         |  |
| bargaining   | Workers have no confidence in the worker representation committee.                     |  |
| Payment of a living wage                           | Workers are paid the mimimum wage for regular hours and paid according to              |  |
|  | law for overtime work. Workers are not aware of how to calculate their                 |  |
|  | production bonus based on their personal piece output.                                 |  |
| Reasonable hours of work                           | Monthly overtime hours are estimated to be around 80 to 100 hours per                  |  |
|  | month. Workers are not guaranteed at least one day off in a week.                      |  |
| Safe and healthy working environment               | No ergonomic program is established in the factory. Machine oil is not                 |  |
|  | properly stored.   |  |
| Legally binding employment relationship            | All employees are provided injury and medicine insurances. 28% are                     |  |
|  | provided pension insurance, 5% are provided unemployment insurance. No                 |  |
|  | employee is provided with maternity insurance.   |  |

| Improvement of labour conditions: summary                     | Factory in Turkey audited in October 2009   | Same factory in Turkey audited in Sep 2012 to verify   |
|---|---|--|
| of most important findings                                    |   | improvements   |
| Sourcing practices of Mammut Sports                           | No areas for improvement found.   | Wages do not meet local stakeholder estimates of a living  |
| Monitoring system of Mammut Sports                            | This was the first audit on behalf of Mammut Sports.  | Mammut Sports actively followed up on previous audit by revisiting the CAP periodically with the factory.  |
| Management system of factory to improve labour standards      | No areas for improvement found.   | No areas for improvement found.  |
| Communication and consultation                                | There is a worker representative committee but regular meetings reports are not available. Some representatives had resigned but were not replaced. Workers not aware of FWFs Code of Labour Practices. | Weekly meetings were done with worker representatives. Worker representatives elections were renewed once a previous worker representative quit. FWF Code of Labour practices was posted.  |
| Employment is freely chosen                                   | No areas for improvement found.   | No areas for improvement found.  |
| No discrimination in employment                               | No areas for improvement found.   | No areas for improvement found.  |
| No exploitation of child labour                               | No areas for improvement found.   | No areas for improvement found.  |
| Freedom of association and the right to collective bargaining | No areas for improvement found.   | No areas for improvement found.  |
| Payment of a living wage                                      | No areas for improvement found.   | All wages were at least legal minimum wage. However, wages do not meet local stakeholders estimate of a living wage.   |
| Reasonable hours of work                                      | No transparent information on leave and overtime work.  | Annual leave and overtime is properly recorded. Excessive overtime found: Daily combined (regular + overtime) working hours exceed 11 hours per day.   |
| Safe and healthy working environment                          | No risk assessment has been done on health&safety. There is no noise and dust measurement report. There is no health&safety committee.  | Health&safety assessment has been done. Noise and dust measurements were done. There was a dedicated area for spot removing process. Health&safety committee is available and known by workers. Job accidents not properly recorded. |
| Legally binding employment relationship                       | Workers have not received a copy of the employment contract.  | A copy of contracts is provided to workers.  |

| Improvement of labour conditions: summary of Factory in the Philippines audited in Aug 2012 |  |  |  |  |
|---|--|--|--|--|
| most important findings   |  |  |  |  |
| Sourcing practices of Mammut Sports   | No areas for improvement found.  |  |  |  |
| Monitoring system of Mammut Sports  | No areas for improvement found.  |  |  |  |
| Management system of factory to improve labour standards                                    | Factory rules and penalty system need to be reviewed.                                      |  |  |  |
| Communication and consultation  | Factory has not posted FWF Code of Labour Practices in the factory.                        |  |  |  |
| Employment is freely chosen   | No areas for improvement found.  |  |  |  |
| No discrimination in employment   | Factory policies discriminate against HIV patients.  |  |  |  |
| No exploitation of child labour   | No areas for improvement found.  |  |  |  |
| Freedom of association and the right to collective bargaining                               | No areas for improvement found.  |  |  |  |
| Payment of a living wage  | Payrolls and payslips do not show all hours worked and all wages paid to workers           |  |  |  |
| Reasonable hours of work  | Factory lacks a transparent timekeeping system.  |  |  |  |
| Safe and healthy working environment  | Many improvements needed with regard to fire safety, machine safety and chemicals storage. |  |  |  |
| Legally binding employment relationship   | No areas for improvement found.  |  |  |  |