



[www.maier-sports.de](http://www.maier-sports.de)

Start Date for Membership:

June 2011

## 1. Summary and Goals of the Year 2011

All information regarding the standards of the Fair Wear Foundation was communicated to our main suppliers in Turkey and Asia. During the audit in Turkey, the processes necessary to meet the requirements and guidelines of the Fair Wear Foundation were discussed. An investigation was set up to determine the extent to which the stipulations were met at the production sites. The audit was completed successfully in Turkey.

## 2. Sourcing Strategy

### 2.1 Sourcing Strategy & Pricing

The company Maier Sports produces ski and outdoor clothing for the European and Russian markets. The collections are manufactured in Turkey and China on behalf of Maier Sports. The manufacturing process abides by the standards laid down by the Fair Wear Foundation. Maier Sports chose China and Turkey for their production sites because the materials and raw materials used come from these countries. Thus, the transport routes for the raw materials to their production sites are short, which, in turn, minimises environmental pollution. Maier Sports feels compelled to use production sites optimally rather than just



produce low-priced clothing. The company holds shares in each of its production sites and thus bears responsibility for optimally utilising the sites. Maier Sports desires to establish long-term cooperation with manufacturing companies. Therefore, it set up a 20-year cooperation agreement with a Turkish facility and a 10-year cooperation agreement with Chinese facilities. The sourcing policies at Maier Sports have

changed in recent years. While changing their policies, Maier Sports decided to mainly limit manufacturing of their clothing lines to the sites in which it holds shares instead of utilizing many different production sites in different countries in order to produce garments at competitive prices. The reason for this decision was to improve the quality of the garments and the reliability of delivery dates.

### 2.2 Organisation of the Sourcing Area

The business management of the product department and technical management work together to ensure that the standards of the Fair Wear Foundation are met at the production sites. Orders for manufacturing the collection are assigned based on the technologies available at the individual production sites and on the actual capacities at each plant.

### 2.3 Production Cycle

The company Maier Sports designs and turns out two main collections annually plus flash programs. The production cycle begins with the start of the planning phase for the respective collection. The next step in this cycle consists of creating the line list. Subsequently, orders for two prototypes for production and for the manufacture of the sample collection are sent to the production sites abroad. The sample collection is delivered when the order season begins. At the conclusion of the order season, manufacturing orders are assigned. The production cycle ends as soon as the finished products are received at Maier Sports.

### 2.4 Selection of New Production Sites

Maier Sports currently only cooperates with companies, in which it holds shares. New production sites are selected after business management has personally completed a comprehensive study of these sites. If Maier Sports is on the lookout for a new production site, it will only select a site that accepts and complies with the code of conduct and manufacturing requirements of the company Maier Sports. In addition, new production sites are only selected if they agree to comply with socially responsible work and safety standards.

### 2.5 Monitoring/Promoting Standards and Decision (Manufacturing Orders)

The manufacturing companies that Maier Sports uses to produce its garments have been informed of Maier Sports' cooperation with the Fair Wear Foundation and have a well-grounded understanding of the Fair Wear Foundation standards. Each manufacturing company has to ensure that the provisions of the "Code of Labour practice" are met. The three standards for price, quality and work requirements, which have been specified by the company Maier Sports, are to be considered equally when a production site is selected. This makes sure that none of the three standards is neglected. If it is found out that one of the three standards is not sufficiently met, cooperation with Maier Sports is no longer possible. Both the detailed investigation of the manufacturing companies and the shareholding principle ensure that Maier Sports can directly influence its manufacturing companies and is able to make sure that the social work standards are also met.





The production facilities Maier Sports uses for the manufacture of its collection are checked in a permanent, consistent manner. Monitoring and checks are done at a minimum of every four weeks. Maier Sports is happy to report that it has not yet had to cancel cooperation with any of its facilities due to their inability to meet social standards. The Maier Sports manufacturing philosophy does not only consist of

ensuring optimal sourcing requirements, but is also based on assuming responsibility for its partners' activities.

### 3 How Monitoring and Promoting Standards Are Implemented

#### 3.1 Turkey

- a) The ratio of total output is 16.5%.
- b) During the audit, Fair Wear Foundation checked whether the processes met the requirements and guidelines.
- c) The standards of the Fair Wear Foundation were implemented to the utmost and there were no discussions or curtailments.
- d) Up to the present date, there have not been any complaints regarding the manufacturing companies Maier Sports uses.
- e) There is no cooperation with other corporate clients.
- f) An audit already took place in the Turkish manufacturing company.
- g) The Fair Wear Foundation carried out an audit regarding improvement of the safety standards and a training session on work safety.

#### 3.2 China I

- a) The ratio of total output is 45.9%.
- b) An audit will take place in the second quarter of the year 2012.

#### 3.3 China II

- a) The ratio of total output is 37.6%.

b) In China II, an audit is to be carried out after the China I audit is completed.

#### 4 Manufacturing Companies Working with the Main Production Sites

If it becomes necessary to employ sub-factories, the main production sites have to make sure that they only select factories whose manufacturing processes meet the Maier Sports standards. The main manufacturing companies monitor and check the sub-factories for adherence to the Maier Sports standards.

#### 5 Communication of Membership with the Fair Wear Foundation

The company Maier Sports announces its membership with the Fair Wear Foundation on its website, in customer magazines and in press releases among others. These communication channels inform Maier Sports customers about the fairness standards at their manufacturing sites. In addition, there are meetings by technical administrators, taking place twice a month, which inform employees about current standards and updates of the Fair Wear Foundation. The technical administrators supervise and update the work plan and communicate it to the other employees.

The work plan shows how well the individual production sites implement the Fair Wear Foundation standards. In addition, social reports are prepared, which record the current status of the Fair Wear Foundation standards at the production sites. Changes are communicated via an ongoing exchange and via personal messages to the production sites. The most up-to-date

status at the manufacturing companies is communicated to the Fair Wear Foundation.



