



www.maier-sports.com

Start date for membership:

June 2011

1 Summary and goals of the year 2012

Maier Sports has been a member of the Fair Wear Foundation since June 2011. The first year of membership involved completing a number of administrative tasks in order to comply fully with the standards of this leading international organization. To this end, Maier Sports communicated the requirements of the Fair Wear Foundation to all its main suppliers in Turkey and Asia, its suppliers in India, and every subcontractor, providing them with questionnaires and its own Code of Conduct. The company's main European supplier was audited in 2011, followed by its principal Chinese supplier in 2012. The goal was to successfully audit 40% of total operations in 2012. Maier Sports had exceeded this goal at the end of 2012, having audited 46% of total operations.



2 Sourcing Strategy

2.1 Sourcing Strategy & Pricing

The company Maier Sports produces skiwear and outdoor clothing for the European and Russian markets. The collections are manufactured in Turkey and China on behalf of Maier Sports. Maier Sports chose China, India and Turkey as its production sites because the materials and raw materials used there come from the countries themselves. This means that the routes for transporting raw materials to the production sites are short, saving on resources and minimizing environmental pollution in the long term. The company holds shares in each of its production sites, thus assuming a great deal of responsibility for all of its

employees. The goal is to use the production sites as efficiently as possible, rather than simply producing at the lowest possible cost. Maier Sports is also seeking to establish long-term partnerships with the manufacturing companies, which is why it concluded a 20-year and a 10-year cooperation agreement with production facilities in Turkey and China respectively. The company's sourcing policy has changed in recent years from one of utilizing multiple production sites in different countries to produce garments at competitive prices to one of largely limiting the manufacturing of its clothing lines to the sites in which it holds shares. The reason for this decision was to improve the quality of the garments and increase compliance with delivery deadlines.

2.2 Organization of the Sourcing Area

The business management team of the product department works together with the technical management team 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 technology available at each production site and the sites' current capacity.

The procurement and product department comprises a total of eight employees, who are responsible for procurement, provision of technical support to the production sites, and logistics. Team responsibilities are broken down as follows:

1 employee: materials

1 employee: accessories

5 employees: technical support for the manufacturing process

1 employee: logistics

2.3 Production Cycle

The company Maier Sports designs and puts out two main collections each year, plus mid- and off-season collections. The production cycle begins with the start of the planning phase for each collection, and continues with the creation of the line list. Subsequently, orders for two production prototypes 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, and manufacturing orders are assigned when it closes. The production cycle ends as soon as the finished products are received by Maier Sports.



2.4 Selection of New Production Sites

Maier Sports works with companies in which it holds shares. New production sites are selected following a comprehensive study of these sites by business management team members in person. When on the lookout for a new production site, Maier Sports will only select a site that accepts and complies with its Code of Conduct and manufacturing requirements. 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 Assigning Manufacturing Orders

The manufacturing companies that Maier Sports uses to produce its garments have been informed of Maier Sports' partnership with the Fair Wear Foundation and have a sound understanding of the Fair Wear Foundation standards. Each of these companies has to ensure that it complies with the provisions of the Code of Labour Practice. The three standards for price, quality and working conditions, which have been specified by Maier Sports, are given equal consideration when a production site is selected, ensuring none of them is neglected. If a manufacturing company is found to be failing to comply sufficiently with one of the three standards, then it is no longer in a position to work with Maier Sports and cooperation will be terminated. By carrying out detailed inspections of its manufacturing companies and implementing the shareholder principle, Maier Sports is able to influence its

manufacturing companies directly and ensure that they provide socially-responsible working conditions. The production sites used by Maier Sports to manufacture its collections are inspected on an ongoing and regular basis, with monitoring and checks carried out at least every four weeks. 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 Standards are Monitored and Promoted

3.1 Turkey

- a) The share of total output is 16%.
- b) During the 2011 audit, the Fair Wear Foundation checked whether the processes met the requirements and followed the guidelines.
- c) The standards of the Fair Wear Foundation were implemented to the utmost and there were no disputes or curtailments.
- d) No complaints have been made to date regarding the manufacturing companies Maier Sports uses.
- e) There are no partnerships with other corporate clients.
- f) The Turkish manufacturing company was already audited in 2011.

3.2 China I

- a) The share of total output is 65%.
- b) During the 2011 audit, the Fair Wear Foundation checked whether the processes met the requirements and followed the guidelines.
- c) The standards of the Fair Wear Foundation were implemented to the utmost and there were no disputes or concerns.
- d) No complaints have been made to date regarding the manufacturing companies Maier Sports uses.

3.3 China II

- a) The share of total output is 4%.
- b) Maier Sports' technical department and business management team visited the manufacturing site on around 10 occasions during the year, while working conditions were discussed with reference to our Fair Wear Foundation membership.
- c) Plans were discussed for audits to be conducted in 2013 to determine the state of working conditions.



4 Manufacturing Companies Working with the Main Production Sites

If it becomes necessary to employ subcontractors, the main production sites must ensure that they only select partners whose manufacturing processes meet Maier Sports' standards.

Maier Sports is committed to ensuring that the number of subcontractors is kept to a minimum in order to enable it to inspect them. The names of active subcontractors must be disclosed and entered in the supplier register. In addition, all subcontractors must be audited by the Fair Wear Foundation.

5 Complaints management

Maier Sports ensures that all relevant information about the Fair Wear Foundation, including contacts, is communicated at all its companies. Public notices showing the details of contacts are displayed at the companies, making the information available to all employees at any time. The issues raised in complaints are discussed directly with the business management team in order to find a solution. So far, neither employees of the Fair Wear Foundation, nor those of the companies themselves have made any complaints.

6 Training

6.1 Internal training initiatives

Maier Sports regularly informs all of its departments about the activities of the Fair Wear Foundation. One of the ways it does so is by publishing a monthly newsletter that reports on the Foundation's activities.

6.2 Training initiatives for agencies

Maier Sports does not currently work with any agencies abroad.

6.3 Training initiatives for manufacturing companies and their employees

Maier Sports regularly informs all its production sites of any changes or new developments with regard to the Fair Wear Foundation. All the training initiatives of the Fair Wear Foundation are available to the manufacturers, who participate in them on a voluntary basis. Employees of the manufacturing companies are released from their normal duties to attend these training events, in consultation with the relevant manufacturer.

7 Publicizing our Fair Wear Foundation membership

Maier Sports' membership of the Fair Wear Foundation is communicated through several channels, including our website, our customer magazine, and press releases. In this way, Maier Sports makes its customers aware of the fair conditions at its production sites. Employees are also informed of the current situation and any new developments with the

Fair Wear Foundation at technicians' meetings, which are held twice a month. The work schedule is maintained, updated and publicized by the technical staff.

Information about developments at the individual production sites is provided in the work schedule of the Fair Wear Foundation. In addition, Maier Sports also produces social reports on the current situation at the manufacturing companies with regard to the Fair Wear Foundation standards. Changes are communicated as part of ongoing information-sharing and by personally notifying the production sites. The Fair Wear Foundation is informed of the current status at the manufacturing companies with regard to compliance with its standards.

8 Corporate Social Responsibility

Maier Sports is celebrating its 75th anniversary in 2013, and has launched its Mission Clean Function working group to mark the occasion. The Mission is our way of promoting our goal of sustainably protecting the environment and the natural world and actively fulfilling our responsibility to act in a socially-responsible and sustainable manner.

The working group was set up at the end of 2012 and has already commenced its work. Its first goal is to put an end to the use of polyfluorinated and perfluorinated chemicals (PFCs) in the textile production process. To this end, Maier Sports is working closely with experts from the fabric-manufacturing, textile-processing and textile-chemistry industries to develop new technology that will allow outdoor recreational and extreme-sports clothing to be fully functional and environmentally friendly at the same time.

