

Management System Audit Report Mammut Sports Group AG Seon

2009-09-16

FWF member since: 1 October 2008

Sources of information

- A: Database FWF
- B: Annual report and work plan
- C: Archived documents
- D: Josef Lingg, Chief Supply Chain Officer and member of the board
- E: Mick Farnworth, Purchasing Manager Hardware & responsible for code implementation
- F: Markus Jaeggi, Head of Purchasing and Planning
Frank Trommer, Buying Team Leader for Apparel
- G: Corina Zanetti, Communication and CSR responsible
- H: Michael Tobler, Sales

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1. Introduction

In September 2009 Fair Wear Foundation (FWF) conducted a management system audit (MSA) at Mammut. The MSA 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 MSA has been the work plan for 2009 of Mammut. FWF tailored the MSA to the specifics of the management system of Mammut in order to assess the key issues of interest. During the MSA, employees of Mammut were interviewed and internal documents have been reviewed.

FWF developed this report on the basis of findings collected during the MSA. The report contains conclusions, requirements, recommendations and an annex which includes detailed findings. If FWF concludes that the management system 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 year. As FWF approaches the implementation of the Code of Labour Practices as a step-by-step process, it is well possible that MSA reports of subsequent years will focus on different aspects of the management system.

FWF invites Mammut to comment on the content of the draft report within ten working days after receiving the draft report. Subsequently the report is made definitive.

FWF will publish the conclusions, requirements and recommendations of all MSAs on www.fairwear.org. The annex with detailed findings will remain confidential. FWF encourages Mammut to include information from the MSA report in its social report.

2. Executive summary

The procedures for executing the work involving FWF were at the time of the management system audit (MSA) already to a large extent integrated in the company's ISO 9001 quality management system. Furthermore, Mammut was working with a well structured planning of sourcing activities with a supply chain of 17 garment suppliers. At the time of the MSA, Mammut had been a member of Fair Wear Foundation (FWF) for nearly a year.

Mammut has taken several measures to increase awareness on CSR issues within the company in general and FWF in particular. Responsible persons within Mammut are well aware of the requirements of FWF and the company's commitment to living up to these.

At the time of the MSA Mammut had not undertaken audits at garment suppliers corresponding to the threshold of 40 percent for the first year of affiliation. Mammut has commissioned audits so that by the end of 2009 the company will be above the threshold of what is required of a company that has been affiliated for two years. FWF has not yet conducted a factory audit at any of the suppliers of Mammut, but will do so during the autumn of 2009 to verify improvements in working conditions. This will give insight into how well the Code of Labour Practices has been implemented in factories.

3. Positive findings

Conclusions

1. Mammut has incorporated procedures concerning their affiliation to FWF into their ISO 9001 quality management system.
2. Mammut aspires to have covered more than 70% of the factories producing apparel through their monitoring system the by the end of 2009, which shows an ambitious commitment to FWF.
3. Mammut has integrated the implementation of the FWF Code of Labour Practices as one of its core CSR strategies.
4. Mammut is collaborating with other FWF affiliate members in monitoring labour conditions in their supply chain.
5. Mammut informed all its staff about its membership in FWF at an early stage of its affiliation and is continuously informing and engaging them about their efforts within their CSR work.

4. Sourcing

Conclusions
<ol style="list-style-type: none">1. Sourcing activities are controlled and monitored through the Mammut quality management system. This system now incorporates three procedures that are directly related to the FWF Code of Labour Practices and its implementation (see conclusion 5 under Coherent monitoring system below).2. Delivery times are fixed in the production cycle giving factories set production times that in most cases also allows for some delays.3. Although Mammut expresses that pricing needs to be fair towards factories, the company does not have a pricing policy that states that prices should allow room for gradual increasing wages towards the payment of a living wage. Mammut assumes that suppliers give reasonable price estimates and do not try to cut corners to give a lower price.4. For some key products Mammut practices double sourcing to compare suppliers regarding pricing (i.e. the company requests an offer from two or more suppliers to compare before placing the order).5. Working conditions are one criterion in the selection of new suppliers. In practice this criterion is covered by a short visual inspection of the factory and through looking at what other certificates or audits have been done at the potential supplier.

Recommendations
<ol style="list-style-type: none">5. Mammut is recommended to compare how well their initial judgements of new suppliers compare with full audits to get an estimate of how well this tool of evaluation works.

5. Coherent system for monitoring and remediation

Conclusions

1. At the time of the MSA Mammut had not undertaken audits in factories corresponding to the threshold of 40 percent for the first year of FWF membership. Mammut has planned audits so that by the end of 2009 the company will be above the threshold of what is required of a company that has been affiliated for two years (including production in low risk countries).
2. Mammut is not developing in house audit capacity, at this point, but will rely on audits conducted by third parties, including commissioning FWF factory audits. However, all staff of Mammut that visit factories are encouraged to file reports on any issues regarding code compliance that they notice.
3. Mammut has been collecting audit reports commissioned by other buyers from some of their suppliers and discussed the corrective actions with the suppliers.
4. The corrective action plans resulting from audits conducted by other companies, from problems identified by Mammut staff and FWF audits are all integrated in the *Mammut FWF Corrective Action Plan Register*. The *Mammut FWF Corrective Action Plan Register* is a tool to keep track of the status of corrective actions.
5. Mammut has integrated three procedures in its quality management system directly related to the implementation of the code of labour practices. These procedures are; *Maintenance of Fair Wear Supplier Register*, *Monitoring of Fair Wear Foundation Corrective Action Plans* and *Standard reporting format to report non-compliances by all Mammut staff*.
6. Mammut has been following up corrective action plans through dialogue with the suppliers on the progress of the corrective action plan.
7. This year Mammut cooperates with one other FWF affiliate member by means of a joint audit at a shared factory. Mammut is open to cooperation with other customers of manufacturers on monitoring and the execution of Corrective Action Plans.

6. Complaints procedure

Conclusions

1. Mammut has a designated person to handle complaints of workers.
2. Mammut has not received any complaints via the FWF complaints system.

7. Improvement of labour conditions

Conclusions

1. Mammut has followed up audit reports commissioned by other buyers at their suppliers.
2. Fair Wear Foundation has not yet conducted factory audits at factories producing for Mammut. Therefore, FWF has not been able to assess the level of working conditions in this MSA. This will be done in the next year of membership.
3. Mammut showed documentations on improvements on the corrective action plans in their Mammut FWF Corrective Action Plan Register.

Recommendations

1. Mammut is recommended to coordinate follow up of audit reports commissioned by other buyers with the buyers that commissioned the report. This could be done through contacting the other buyer to find out what measures they have taken to implement the corrective action plan and to see if cooperation between the buyers could improve the process of realising improvements.

8. Training and capacity building

Conclusions

1. Staff and distributors of Mammut have been informed about FWF membership at an early stage of their membership (October 2008), since further efforts have been made to increase and integrate CSR awareness within the company. Training on FWF's Code of Labour Practices is planned for Mammut's Chinese quality controller during January 2010.
2. There are plans to give trainings to suppliers on the Code of Labour Practices and how it can be implemented at the factory. Specifically, Mammut will introduce the FWF complaints procedures to factories.
3. Factories have been informed about Mammut's FWF membership through the questionnaire.

9. Information management

Conclusions

1. Mammut has integrated a procedure (*Maintenance of Fair Wear Supplier Register*) to keep the supplier register updated in their quality management system.
2. Mammut has integrated a procedure (*Monitoring of Fair Wear Foundation Corrective Action Plans*) to keep information on the corrective action plans updated in their quality management system.
3. Coordination of work with implementing the Code of Labour Practices is done through meetings between responsible persons, purchasing quarterly reports, purchasing annual reports and the annual CSR report.

10. Transparency

Conclusions

1. Mammut informs the public about its FWF membership through its website as well as in catalogues, for example in the Transa (outdoor retailer) catalogue.
2. Mammut plans to write its first annual social report in accordance with requirements set by FWF and the Global Reporting Initiative.
3. Mammut is actively investigating possibilities on how to become more transparent towards consumers and the public regarding its supply chain.

11. Management system evaluation and improvement

Conclusions

1. A part of Mammut's quality management system is to evaluate periodically the progress of the CSR work, which includes implementation of the FWF Code of Labour Practices.
2. Mammut has collected feedback from agents and manufacturers that will be used in the evaluation of the implementation of the Code of Labour practices.

12. Basic requirements of FWF membership

Conclusions

1. The work plan for the current year has been received and approved by FWF.
2. The membership fee for the previous year has been paid.

13. Recommendations to FWF

Recommendations

1. FWF should make it more clear which other auditing systems affiliated companies can accept and use in their monitoring programmes.
2. FWF need to tackle actively the issue of double auditing of factories.
3. Good FWF communication material to be used on fairs is needed.
4. A flyer for consumers that explains FWF in a good short way or a short film clip could be helpful in the communication work regarding FWF.
5. From a bigger perspective, brands see a need for a global label or standard that is widely recognised regarding social standards.