



Social Report 2016

Mammut Sports Group AG

Published June 2017



We care
MAMMUT about people,
communities and
our planet.

MAMMUT
Absolute alpine.

Fair Working Conditions

Our social responsibility revolves around the issues of fair working conditions and occupational health & safety.

As a first mover in the outdoor industry, Mammüt became a member of Fair Wear Foundation (FWF) in 2008, which audits both, our management system and our factories.

We constantly strive to be among the leading brands concerning social responsibility. Our efforts have been rewarded with the granting of the status „Leader“ through FWF ever since its introduction in 2014.



In Numbers

97%

Covered by our social monitoring system, based on our turnover with sewn products.

56

Suppliers for the production of about 3,5 million items a year.

16

Production countries for all products in the Mammüt product portfolio.

Cover photo:
Garment factory, Myanmar, 2016
Photo: Mammüt

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PART 1

Results & Findings

In this section of the report, we describe the implementation of the Fair Wear Code of Labour Practices in the Mammut supply chain. We report activities and observations by code point and also by country. This gives a comprehensive view of issues within the supply chain and steps taken to improve performance.



1.1 | Mammut Supply Chain 2016 Challenges & Activities

Lower revenues, particularly in the core European markets of Switzerland, Germany and Austria (the so-called DACH region), which account for a high proportion of sales, were largely offset by growth in the markets of Asia and parts of Europe outside the DACH region. At year-end, booked orders and advance orders for the summer season were slightly up on the previous year.

1.1.1 | ACTIVITIES IN 2016

In Europe and the USA, the pressure on the traditional specialist trade structures continued. By contrast, multichannel suppliers and dealers operating exclusively online benefitted from the changing pattern of consumer behavior. Price rises for 2016 initiated after the currency turmoil of the previous year as well as astute cost management have been effective. Nevertheless, the pressure on margins, particularly in the fiercely competitive European market environment, remained strong and was further intensified by the sluggish winter business, which was again affected by unfavorable weather conditions.

A new CEO, Dr. Oliver Pabst, started on 1st September 2016. New department heads in retail, B2C and some subsidiaries were appointed and took their positions during the following months. A new Chief Creative Officer (ex CMO), Adrian Margelist, started in April 2017.

As of the end of 2016, Mammut Sports Group had a presence in 43 countries, including 77 mono-brand stores operating in 11 countries. Mammut Sports Group opened its own online shop in the reporting period, and at the beginning of 2017 established a regional sales office in Hong Kong, which will serve as a base for the coordination and realization of targeted product developments and sales and marketing activities for the Asian markets. On the product front, the focus in 2016 was on modernization of the backpacking and hiking collection, a new freeride ski collection and a complete redesign of the avalanche airbags. The next generation of the Barryvox avalanche transceiver was prepared for 2017, and the Eiger Extreme flagship collection, which has been established for more than 20 years, was revamped.

In 2016, Mammut began to implement the five-year strategic program to create sustainable profitable growth. One of the aims is to improve cooperation with major wholesale customers to increase store traffic through more active management of floor space. Digitization and further refining the business model as well as developing specific capabilities as part of the ongoing change process, coupled with the drive to accelerate internationalization, will have an adverse effect on the operating result and operational free cash flow of the Sporting Goods segment for the time being.

The difficult financial situation is forcing shifts in the supply chain for many brands including Mammut. Despite financial constraints, the human rights due diligence in our supply chain was still carefully observed and we were able to complete many projects according to our FWF workplan, as well as several other CSR projects. We made further progress towards increasing the proportion of bluesign approved fabrics and products and phasing out per- and polyfluorinated compounds (PFCs) from our supply chain.



1.1.2 | RESTRUCTURING OF THE SUPPLY CHAIN

Mammut started a major reorganisation of the supply chain in 2014 and this continued through into 2016. Within the supply chain for textile products, the shift from Europe and China to Vietnam and Bangladesh continued. China reduced from 52% to 40%. Vietnam increased from 15% to 26%, Production in Bangladesh expanded tenfold from 0.8% to 8% of textile purchases. Latvia, Portugal and Turkey reduced proportionally. Production in Turkey stopped in autumn 2016 due to the termination of business of one of our long-term suppliers. Rope production in Switzerland ceased in July 2016 and production was transferred to the Czech Republic.

Production started in three new countries, namely Honduras (1.1%), Cambodia (0.7%) and Myanmar (1%). In each case, the volume is expected to remain small. In the case of Honduras, all the apparel production goes to America. Similarly all production from Myanmar is apparel for the Japanese and Korean Markets exclusively.

1.1.3 | INTEGRATION OF ASIAN SUBSIDIARIES

Mammut has significant sales in Asian markets and in some cases has special collections designed and produced directly by and for the Japanese and Korean markets.

Mammut had had problems in 2014 and 2015 with keeping track of production arranged through the Japanese subsidiary. In order to increase transparency and control, the Japanese subsidiary was linked with Mammut's main ERP system in 2015. During 2016, the coordination with the Japanese subsidiary improved significantly and this made the monitoring of the dedicated supply chain for the Japanese market much easier. Problems still exist because many new suppliers have been engaged to cope with the rapid growth.

1.1.4 | OBJECTIVES FOR 2017

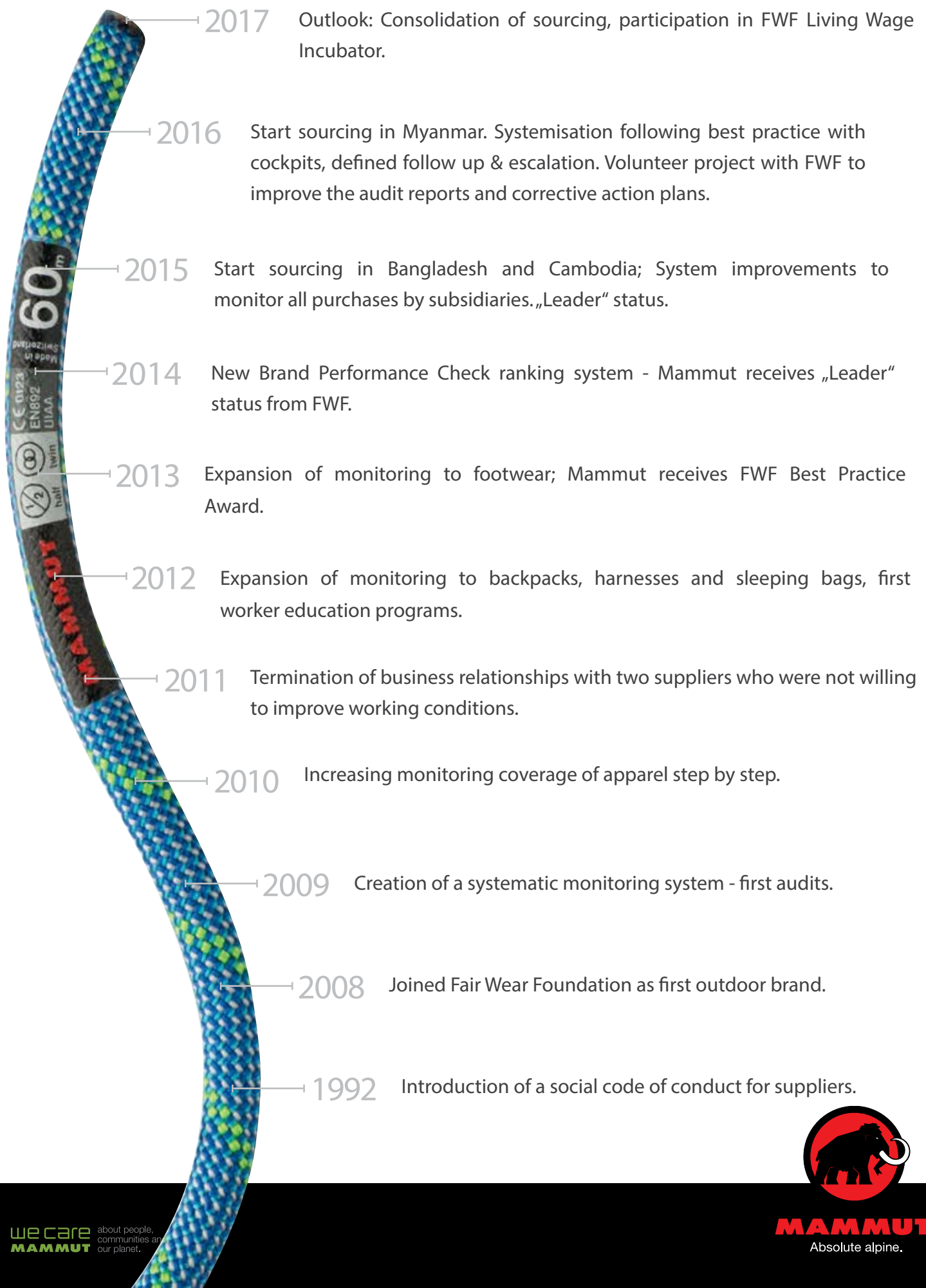
As in 2015 and 2016, there are many projects planned to transfer production to new suppliers. During this transition phase, concurrent production takes place in old locations and new locations. The intermediate stage means that Mammut has more production locations under monitoring than ever before.

In January 2017, Fair Wear Foundation launched the Living Wage Incubator, with the aim of combining knowledge on the living wage implementation process, and building on that with the roll-out of new pilot projects. FWF supports the participating brands with information and guidance, and facilitates interaction between brands so lessons and successes can be shared.

Mammut was one of the first brands to participate. Mammut is working with a Masters student of University of St. Gallen and several major suppliers to investigate the cost of implementing a living wage according to recognised benchmarks. This project is due to be completed in 2017 and will be reported on completion.



1.2 | The Mammut Milestones



1.3 | FWF Code of Labour Practices in the Mammut Supply Chain

The following pages provide a detailed and technical insight into our performance level according to Code of Labour Practices. Long-term challenges remain with regards to overtime, living wages and freedom of association.



1 EMPLOYMENT IS FREELY CHOSEN

» There shall be no use of forced, including bonded or prison, labour (ILO Conventions 29 and 105).

Comment

No breaches regarding forced employment have been found during audits on Mammut suppliers since we started in 2009.



2 FREEDOM OF ASSOCIATION & THE RIGHT TO COLLECTIVE BARGAINING

» The right of all workers to form and join trade unions and bargain collectively shall be recognised (ILO Conventions 87 and 98). The company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions. (ILO Convention 135 and Recommendation 143)

Comment

We require all workers in factories that supply Mammut to be free to join a union and engage in collective bargaining. The reality is that customs, and even local laws, restrict union activities and other forms of worker representation in certain countries. FWF evaluates the status of unions in each factory audit and reports general issues in country reports.



3 NO DISCRIMINATION IN EMPLOYMENT

» Recruitment, wage policy, admittance to training programmes, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies or handicaps (ILO Conventions 100 and 111).

Comment

In 2016, an audit at a factory in Myanmar discovered that new recruits are tested for pregnancy. This practise is discriminatory. The supplier agreed to stop testing with immediate effect.

No other discrimination issues have been identified at Mammut suppliers so far.



4 NO EXPLOITATION OF CHILD LABOUR



» There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years. (ILO Convention 138) “There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Children [in the age of 15–18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals.” (ILO Convention 182)

Comment

An in-depth investigation by FWF, following allegations by the Dutch Centre for Research on Multinational Corporations (SOMO), revealed that some young workers (14-16 years old) in Myanmar used borrowed ID cards to gain employment. As a result, FWF created new guidance about verifying the age of recruits.

5 PAYMENT OF A LIVING WAGE

» Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income (ILO Conventions 26 and 131). Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.

Comment



Most countries define a legal minimum wage. By referring to third party audits and wage surveys, Mammut can be confident that its main suppliers pay their workers in accordance with legal requirements. In 2012 Mammut terminated the relationship with one Indian supplier due to non-payments of statutory wages in 2011 and unwillingness of the supplier to implement corrective actions. The audits carried out by FWF teams at suppliers in 2016 pointed out that all wages paid were above local minimum standards.

We put a lot of effort in building up our knowledge and know-how concerning living wages. Several workshops and seminars have been visited by relevant Mammut staff and new publications, reports and findings concerning the topic are systematically studied. The topic is regularly discussed at meetings with Mammut management and suppliers. Furthermore, there is also a continuous dialogue with other FWF members and NGOs about how to progress on the definition and implementation of living wages.

Unfortunately, there are still a lot of obstacles to be overcome until a credible payment of living wages can be implemented. These obstacles are collected and addressed on the [Living Wage Portal](#) of Fair Wear Foundation. The elimination of these obstacles one by one will be one of the main goals and tasks regarding fair working conditions for the years to come. The recently initiated Living Wage Incubator, in which Mammut is participating, will likely accelerate the finding of hands-on ways to do more and serve as platform to draw lessons and conclusions on a higher level, based on experiences across various projects.

Comment FWF

During recent years, Mammut has made considerable efforts to increase their knowledge about living wages in production countries as well as on stakeholder level in Europe attending various conferences and roundtables on living wage. The company made an independent assessment of the performance of its key suppliers regarding wage payments. Mammut is encouraged to continue its assessment of performance of key suppliers regarding wage payments. FWF encourages the company to share this information with other members. The next steps would be to start develop an action plan to implement higher wage levels.

Complaint

On 28th May 2015 at 3918 in Turkey, three workers complained that they did not get a pay rise given to other workers. This has been addressed together with Schoeffel.



6 REASONABLE HOURS OF WORK

» Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate. (ILO Convention 1)

Comment

Seasonal overtime is a complex problem for the apparel industry. The entire fashion industry produces summer and winter collections, which means that every store in every country wants every style at exactly the same time. Retailers choose their collections and place their orders after the trade fairs, which are about six months before the season starts in store. There is therefore a race against the clock to order fabrics and make garments in time for the season.

Excessive overtime is found in many factories where FWF teams conduct an audit. To tackle this problem, we have substantially extended the lead time for our orders and share detailed forecast information with our suppliers at very early stages of the production cycle. If significant changes to these forecasts occur, we try to swap order delivery dates with other products so that the supplier does not need additional production capacity for our orders. Orders for classical, multi-season products are typically timed for low-season.



Despite these measures, overtime is a recurring problem, especially for Chinese suppliers. The reasons for this are manifold: Suppliers overbooking their capacity, delays of fabrics or quality issues of components, other customers raising order volume on short notice, infrastructural problems (frequent blackouts, etc.), suppliers struggling to recruit enough workers (especially in China and Vietnam), etc.

For every finding of massive overtime we try to investigate the root cause and invest substantial effort in in-depth discussions with the suppliers concerned. At all factories Mammut is not the only customer, which means that the root cause for overtime can be from Mammut but also from other brands sourcing at the factories.

Comment FWF

Mammut agrees on a production capacity plan with its suppliers at the beginning of the year indicating order dates and order amounts. To facilitate balanced production planning, Mammut shares detailed forecast information with suppliers, which are updated monthly. In addition, Mammut has reserved substantial margin time in its delivery cycles to ensure that order delays can be handled. All suppliers need to agree on order dates.

Purchasing staff showed high levels of awareness for the root causes of excessive overtime and the impact of production planning on reasonable working hours. Mammut has re-structured internal process to improve interaction between different departments involved in production planning.

Sales forecast is given already 9/10 months in advance. At this time, Mammut already agrees with its suppliers 80% of what will be produced at the production site the following year when the company actually has only 20% orders from its customers. Mammut is willing to take this risk to give supplier the possibility to plan the production in a way that overtime does not have to occur.

If suppliers see difficulties in producing the amount in a certain period, Mammut looks for opportunities to shift or split orders. In the same way, Mammut tries to accommodate retail requests without pressuring suppliers to conduct overtime. At the same time, Mammut identified fixed seasonal delivery dates by retail partners as one key challenge to balance production more actively.



Complaints

On 4th October 2012, at factory 3918 in Turkey, a worker complained to FWF about overtime was resolved quickly. Extra machines were bought to cover bottlenecks.

On 6th December 2013 at factory 3267 in China, a worker complained to FWF about excessive overtime. Another FWF member took the lead. Complaint was resolved.

On 30th December 2013 at factory 3264 in China, a worker complained to FWF about excessive overtime and specifically compulsory 7 day working. Excessive overtime stopped at Chinese New Year. Company promised to ensure 1 day per week holiday.

On 17th June 2014 at factory 3264 in China, a female worker complained she works very excessive overtime hours.

In July 2014 at factory 3264 in China, a male worker complained he works very excessive overtime hours due to changes in company policy. Cooperation with two other FWF affiliates to increase pressure on the supplier and request to undo changes in company policy. Directors of the supplier committed to comply with maximum allowed working hours. Monitoring and verification plan has been set up to control whether they keep to their promise. Conducted an unannounced verification audit in high season which came to good results.

On 21st July 2015, a worker complained at 6027 in Vietnam about excessive overtime. The matter was investigated and resolved by another brand, Kjus.

On 31st May 2016 at factory 3264 in China, a worker complained about excessive overtime and seven day a week working. The complainer said that workers were allowed one day off per month in high season. The company produces for three FWF member brands, Mammut, Haglofs and Jack Wolfskin. As the largest customer of the three, Mammut took the lead. As described above, this factory had had similar complaints in 2013 and 2014. Mammut had intensive discussions with the management and the COO visited the factory in August. Coincidentally, on the same day, a second worker complained about excessive overtime. Mammut analysed the capacity planning and reported back to FWF. A FWF verification audit was performed in November 2016. Mammut management visited again in March 2017 to follow up on the complaint. Management have promised to improve and there will be a further verification audit after the peak season in summer 2017.

7 SAFE & HEALTHY WORKING CONDITIONS

» A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimise health risks as much as possible (following ILO Convention 155). Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer is strictly prohibited.



Comment

Most of the recent fire tragedies have occurred in Bangladesh and Pakistan. They all share a few fundamental factors, including poor electrical wiring, locked fire exits, blocked escape routes and non-functioning firefighting equipment.

FWF audit teams are very careful to make detailed checks of fire and electrical safety. These are part of a long list of safety and ergonomic issues checked during the audits. In Bangladesh, all factories used by Mammut have also been audited for fire and building safety in accordance with The Bangladesh Accord and have completed the resulting Corrective Action Plan.



8 A LEGALLY BINDING EMPLOYMENT RELATIONSHIP

» Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour only contracting arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programmes.



Comment

FWF audit teams always include a payroll and contract specialist. This person checks contracts, training certificates and vacation records. He or she also verifies that factory procedures comply with local laws and ILO standards.

Complaints

On 26th November 2013 at factory 3289 in China, a worker complained to FWF from two workers about excessive overtime and prevention from resignation. Resolved within 48 hours.

On 17th June 2014 at factory 3289 in China, a worker complained that he was not able to resign smoothly. Resolved within 48 hours.

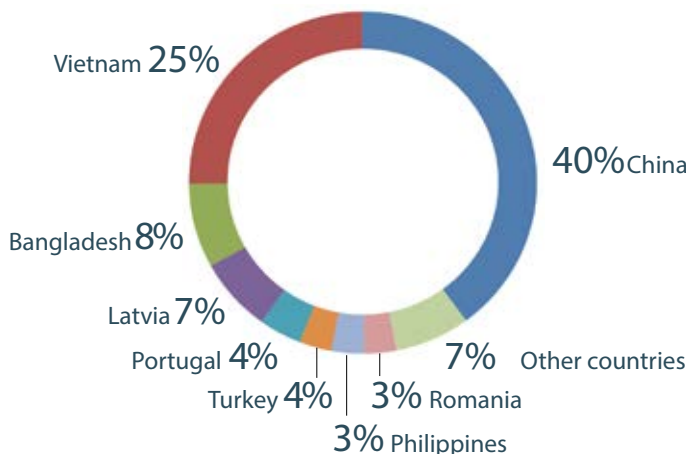


1.4 | Sourcing by Country 2016

1.4.1. | MAMMUT SOURCING SPLIT

Figure 1.4.1

Mammut Sourcing Split
(garment maker level - % of purchases by volume)



Mammut works with suppliers all over the world to produce mountaineering apparel and equipment. In Switzerland we make avalanche safety equipment including beacons and parts for airbag systems. Manufacturing of climbing ropes moved from Switzerland to the Czech Republic in 2016. In China, we make apparel, footwear, gloves, head torches, helmets and sleeping bags. In Vietnam, we make apparel, backpacks, gloves and footwear. Apparel is also made in Bangladesh, Latvia, Germany, Myanmar, Portugal and Turkey. Climbing and safety equipment is made in Czech Republic, Hungary, Italy, Wales, and Taiwan. In 2016, Mammut started apparel production in Myanmar and Honduras. Footwear production started in Cambodia in 2016.

1.4.2. | SUPPLIER PERFORMANCE PER COUNTRY

Table 1.4.2

Overview of Code Compliance by Country

The coloured dots indicate common problems by country that have been found in audits of the Mammut supply chain.

	1. Free Employment	2. Freedom of Association	3. No Discrimination	4. No Child Labour	5.1 Legal Wage	5.2 Living Wage	6. No Excessive Overtime	7.4 Safety & Health (Factory H&S)	8. Working Contracts
Bangladesh	●	●	●	●	●	●	●	●	●
China	●	●	●	●	●	●	●	●	●
Myanmar	●	●	●	●	●	●	●	●	●
Philippines	●	●	●	●	●	●	●	●	●
Romania	●	●	●	●	●	●	●	●	●
Taiwan	●	●	●	●	●	●	●	●	●
Turkey	●	●	●	●	●	●	●	●	●
Vietnam	●	●	●	●	●	●	●	●	●

- Minor non-compliance found and quickly resolved, or no problem found.
- Major non-compliance found and quickly resolved. No recurrence.
- Major or critical non-compliance found. Recurring problems.



1.4.3. | COUNTRY BY COUNTRY REPORTING

CHINA | 40.0%

1. Free Employment
 2. Freedom of Association
 3. No Discrimination
 4. No Child Labour
 5a. Legal Wages
 5b. Living Wages
 6. No excessive Overtime
 7. Safety & Health
 8. Legal Contracts



ID	Percentage	Industry	1. Free Employment	2. Freedom of Association	3. No Discrimination	4. No Child Labour	5a. Legal Wages	5b. Living Wages	6. No excessive Overtime	7. Safety & Health	8. Legal Contracts
4591	11%	Apparel	●	●	●	●	●	●	●	●	●
5305	8%	Apparel	●	●	●	●	●	●	●	●	●
3289	8%	Footwear	●	●	●	●	●	●	●	●	●
3264	4%	Apparel	●	●	●	●	●	●	●	●	●
3278	2%	Footwear	●	●	●	●	●	●	●	●	●
5304	1%	Apparel	●	●	●	●	●	●	●	●	●
8304	1%	Apparel	●	●	●	●	●	●	●	●	●
5839	1%	Apparel	●	●	●	●	●	●	●	●	●
3303	1%	Apparel	●	●	●	●	●	●	●	●	●
7197	1%	Hardware	●	●	●	●	●	●	●	●	●
3267	0%	Apparel	●	●	●	●	●	●	●	●	●
5745	0%	Apparel	●	●	●	●	●	●	●	●	●
10982	0%	Apparel	●	●	●	●	●	●	●	●	●
10055	0%	Apparel	●	●	●	●	●	●	●	●	●
10011	0%	Apparel	●	●	●	●	●	●	●	●	●
10981	0%	Apparel	●	●	●	●	●	●	●	●	●
10980	0%	Apparel	●	●	●	●	●	●	●	●	●

Comments

Due due to retirement of the generation of migrant workers who flocked to the countries industrial zones following Deng Xiaoping’s market reforms in the 1980s and young people’s reluctance to work in factories, many manufacturers are suffering from shortage of skilled workers. Fewer people want to be migrant workers because they can get jobs closer to home. The coastal industrial areas are thus witnessing an exodus of manufacturing. Factories are relocating to inland locations where workers live locally. Other manufacturers are relocating to Vietnam, Cambodia and Myanmar.

Many factories in the main export manufacturing zones on the coast are opening small subsidiaries inland. 8304 is a subsidiary of 3264. 5839 is a subsidiary of 3018.

Mammut had a significant increase in complaints from workers in Chinese factories since 2014. The FWF complaint line helped solve disputes with employees who wished to resign and dealt with complaints about excessive overtime.

FWF Issues

- 2. Freedom of Association – Unions are not independent.
- 5. Legal Wage - Social Insurances are rarely paid for all employees. This is a historical problem whereby migrant workers were not able to transfer their social security payments back to their home canton. This is being resolved but may workers choose to opt out.
- 6. Excessive Hours - Overtime is a prevalent and recurrent problem in many Chinese apparel factories.



VIETNAM | 25.6%

1. Free Employment
 2. Freedom of Association
 3. No Discrimination
 4. No Child Labour
 5a. Legal Wages
 5b. Living Wages
 6. No excessive Overtime
 7. Safety & Health
 8. Legal Contracts

Factory ID	Percentage	Industry	1. Free Employment	2. Freedom of Association	3. No Discrimination	4. No Child Labour	5a. Legal Wages	5b. Living Wages	6. No excessive Overtime	7. Safety & Health	8. Legal Contracts
3268	5%	Hardware	●	●	●	●	●	●	●	●	●
5414	4%	Footwear	●	●	●	●	●	●	●	●	●
3277	2%	Apparel	●	●	●	●	●	●	●	●	●
3922	2%	Apparel	●	●	●	●	●	●	●	●	●
10759	2%	Apparel	●	●	●	●	●	●	●	●	●
7219	2%	Footwear	●	●	●	●	●	●	●	●	●
5869	2%	Footwear	●	●	●	●	●	●	●	●	●
2935	2%	Apparel	●	●	●	●	●	●	●	●	●
10768	1%	Hardware	●	●	●	●	●	●	●	●	●
10012	1%	Apparel	●	●	●	●	●	●	●	●	●
3919	1%	Apparel	●	●	●	●	●	●	●	●	●
10013	1%	Apparel	●	●	●	●	●	●	●	●	●
3287	1%	Apparel	●	●	●	●	●	●	●	●	●
5744	0%	Apparel	●	●	●	●	●	●	●	●	●
7504	0%	Apparel	●	●	●	●	●	●	●	●	●
6030	0%	Apparel	●	●	●	●	●	●	●	●	●
6027	0%	Apparel	●	●	●	●	●	●	●	●	●
10057	0%	Hardware	●	●	●	●	●	●	●	●	●
9415	0%	Apparel	●	●	●	●	●	●	●	●	●



Comments

Many factories are expanding as manufacturing relocates from China. Apparel and footwear industries are growing quickly, so are other industries like consumer electronics. Wages are rising fast. Backpacks and glove industries are suffering from wage rises and some manufacturers are relocating to Cambodia and Indonesia.

Mammut apparel and footwear production in Vietnam doubled from 2014 to 2016. As with China's coastal areas, the main industrial zones around Ho Chi Minh City have too few workers to fill all of the factories that have been built. As with China, new factories are being built in less crowded provincial locations.

An audit in spring 2015 revealed that 3922 had subcontracted to neighbouring factory 7504 without the knowledge of Mammut head office. Both factories were audited.

FWF Issues

- 2. Freedom of Association - Factory management often distrust unions due to wildcat strike actions by freelance agitators. In May 2014, protests against China escalated to riots which included arson of foreign owned factories.
- 5. Legal Wage – Vietnam has complex labour laws and audits have often found minor violations such as severance and sick pay being paid late as the law specifies payment in seven or ten days from the event rather than at the end of the month.
- 6. Excessive Hours – Overtime is a problem in some apparel factories.
- 7. Health and Safety – Vietnamese labour law specifies six monthly health checks for workers in hazardous occupations and many jobs in sewing factories are considered hazardous. Audits often find failures to comply with these regulations.



BANGLADESH | 8.2%



			1. Free Employment	2. Freedom of Association	3. No Discrimination	4. No Child Labour	5a. Legal Wages	5b. Living Wages	6. No excessive Overtime	7. Safety & Health	8. Legal Contracts
9325	6%	Apparel	●	●	●	●	●	●	●	●	●
5285	2%	Hardware	●	●	●	●	●	●	●	●	●

Comments

Mammut started to work with a very large Korean supplier who has several factories in Bangladesh. Mammut produces apparel and sleeping bags in a new factory complex in Chittagong. This complex was audited by the Bangladesh Accord for Building Safety in 2016 and the corrective actions were completed by spring 2017. The units producing for Mammut were also audited by FWF.

FWF Issues

- 7. Health and Safety – FWF requires additional fire and building safety audits in accordance with the Bangladesh Accord. Both factories that Mammut uses have been audited and corrective actions are being performed to the agreed timescale.
- 7. Health and Safety – Harassment of women is a serious concern. The auditors raised concerns about supervisors shouting at workers. The company arranged for training of supervisors.

LATVIA | 6.9%



			1. Free Employment	2. Freedom of Association	3. No Discrimination	4. No Child Labour	5a. Legal Wages	5b. Living Wages	6. No excessive Overtime	7. Safety & Health	8. Legal Contracts
3285	3%	Apparel	●	●	●	●	●	●	●	●	●
5053	2%	Apparel	●	●	●	●	●	●	●	●	●
5054	2%	Apparel	●	●	●	●	●	●	●	●	●

Comments

Latvia is an EU country and is considered as a low risk country by FWF. Mammut has one supplier in Latvia, which operates three factories. The factories are audited to SA8000 and have good social standards.

PORTUGAL | 4.5%



			1. Free Employment	2. Freedom of Association	3. No Discrimination	4. No Child Labour	5a. Legal Wages	5b. Living Wages	6. No excessive Overtime	7. Safety & Health	8. Legal Contracts
3257	4%	Apparel	●	●	●	●	●	●	●	●	●
3260	1%	Apparel	●	●	●	●	●	●	●	●	●

Comments

Portugal is an EU country and is considered as a low risk country by FWF. Mammut has two long term suppliers in Portugal. The factories have good social standards. Both suppliers sent delegates to a FWF seminar in Portugal in September 2014.



TURKEY | 3.3%



3918 3% Apparel

- 1. Free Employment
- 2. Freedom of Association
- 3. No Discrimination
- 4. No Child Labour
- 5a. Legal Wages
- 5b. Living Wages
- 6. No excessive Overtime
- 7. Safety & Health
- 8. Legal Contracts



Comments

Mammut had been working with a factory in Istanbul since 2006. As a result of adverse trading conditions, partly as a result of Gore-Tex stopping production of fabric in Europe, the factory closed down in autumn 2016.

FWF Issues

- 2. Freedom of Association – Factory management often distrust unions and discourage membership.
- 7. Health and Safety – Auditors found inadequate inspection records for some machines and the boiler. Some machine guards were not correctly fitted.
- 8. Legally Binding Employment – Conditions of Syrian refugee workers are a great concern. Mammut has informed its supplier about FWF's position on employment refugees. To date there is no evidence of Syrian refugees working in the Mammut supply chain.

PHILIPPINES | 2.8%



3280 3% Hardware

- 1. Free Employment
- 2. Freedom of Association
- 3. No Discrimination
- 4. No Child Labour
- 5a. Legal Wages
- 5b. Living Wages
- 6. No excessive Overtime
- 7. Safety & Health
- 8. Legal Contracts



Comments

The textile and light manufacturing industries in the Philippines are currently expanding quite quickly. Wages are lower than in China and similar to Vietnam. Mammut has worked since 2003 with a well-known manufacturer of backpacks and outdoor equipment. Fair Wear Foundation is not active in the Philippines, so Mammut joined with Canadian retailer MEC and American retailer REI to use their audit teams.

FWF Issues

- 7. Health and Safety – Pat down procedures are a common practice at factory entrances. The American Fair Labour Association regards this as an unnecessary practice and an infringement of an individual's rights.
- 8. Legally Binding Employment - Many workers in factories in Export Processing Zones are employed via agencies. This is legal in the Philippines but is discouraged by workers' rights organizations.

ROMANIA | 2.7%



2708 3% Footwear

- 1. Free Employment
- 2. Freedom of Association
- 3. No Discrimination
- 4. No Child Labour
- 5a. Legal Wages
- 5b. Living Wages
- 6. No excessive Overtime
- 7. Safety & Health
- 8. Legal Contracts



Comments

Romania has a tradition of textile and footwear manufacture. Mammut has a long term supplier of mountaineering footwear. Romania is regarded as a high risk country by Fair Wear Foundation but our audits have found few problems.



INDIA | 1.5%

- 1. Free Employment
- 2. Freedom of Association
- 3. No Discrimination
- 4. No Child Labour
- 5a. Legal Wages
- 5b. Living Wages
- 6. No excessive Overtime
- 7. Safety & Health
- 8. Legal Contracts

2377 2% Apparel



Comments

India has a long tradition of textiles, particularly cottons. Mammut has one supplier in India that is a specialist in organic cotton production from the farms through to finished garments.

FWF Issues

- 1. Employment is Freely Chosen – some areas in India have problems with bonded labour. This is not an issue in the Mammut supply chain.
- 5. Legal Wage – Mammut stopped working with a factory in 2011 that was not paying the legal minimum wage.
- 7. Health and Safety – Harrassment of women is a serious concern. To date no evidence of this has been found in the Mammut supply chain.



HONDURAS | 1.1%

- 1. Free Employment
- 2. Freedom of Association
- 3. No Discrimination
- 4. No Child Labour
- 5a. Legal Wages
- 5b. Living Wages
- 6. No excessive Overtime
- 7. Safety & Health
- 8. Legal Contracts

9913 1% Apparel



Comments

Mammut started apparel production in Honduras in 2016. All of the Mammut articles produced are part of a special program for a large US outdoor retail chain. The fabric is of US origin and therefore a regional production is preferred.

FWF Issues

- The factory has been audited on behalf of prominent sports brands and is WRAP certified. Mammut arranged a Sumations team to conduct an audit based on FWF methodology in 2017. The factory has a good performance with no major issues.



GERMANY | 0.9%

- 1. Free Employment
- 2. Freedom of Association
- 3. No Discrimination
- 4. No Child Labour
- 5a. Legal Wages
- 5b. Living Wages
- 6. No excessive Overtime
- 7. Safety & Health
- 8. Legal Contracts

4573 1% Apparel



3253 0% Apparel



Comments

Although wages are high, Germany remains an important manufacturing country for many products. Mammut makes webbings and hats in Germany.



MYANMAR | 0.9%

- 1. Free Employment
- 2. Freedom of Association
- 3. No Discrimination
- 4. No Child Labour
- 5a. Legal Wages
- 5b. Living Wages
- 6. No excessive Overtime
- 7. Safety & Health
- 8. Legal Contracts

9966	1%	Apparel	●	●	●	●	●	●	●	●	●	●	●
9416	0%	Apparel	●	●	●	●	●	●	●	●	●	●	●

Comments

Myanmar is the world’s newest democracy and its textiles industry is still quite small, but rapidly growing. Many aspects of the government and infrastructure are still old fashioned. Labour law has not been updated since the 1950s. Therefore, FWF demands that member brands take extra precautions when working in the country.



Mammut has been sourcing at two factories in Myanmar since summer 2016 season. Mammut is sourcing apparel styles that are specially developed for the Japanese market. A small quantity is also sold in Korea. Production of these articles is arranged through the fabric manufacturers. They proposed Myanmar as it is a preferred sourcing land for Japan and Korea and has reduced customs duty. Purchases are 1% of our total purchasing volume in 2016. We do not expect a significant increase. Mammut decided not to place any production for the European or American markets in Myanmar. Instead, Mammut decided to concentrate production in other locations where local Quality Control staff is available.

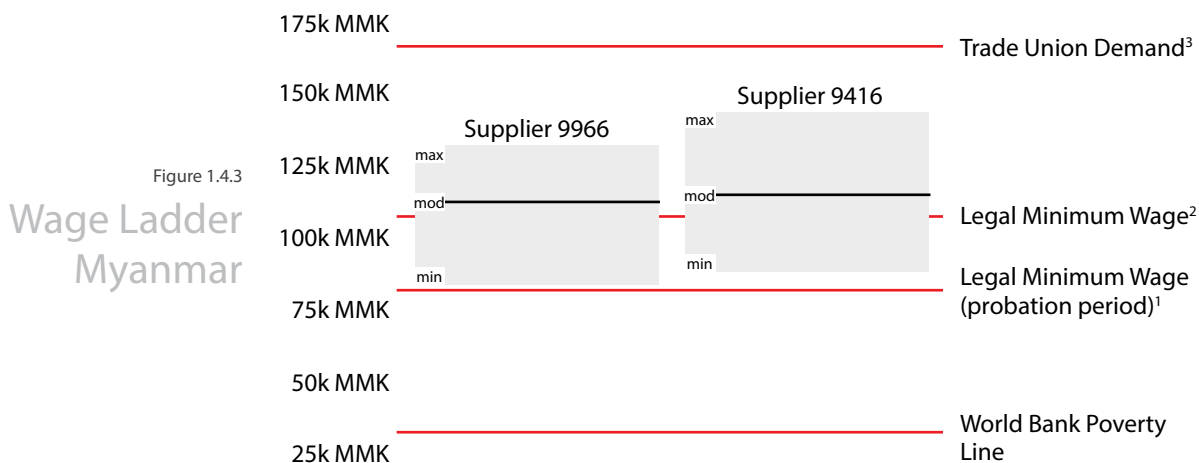
Mammut’s Head of Vendor Control, Mick Farnworth, visited Myanmar in January 2016, together with the FWF country manager. Before production, Mammut contacted the factory management and they completed a FWF questionnaire and accepted the FWF code. The first factory was audited during the January visit by a FWF audit team from Thailand and a local translator. The second factory was audited by the same team in spring. Mammut’s head of apparel purchasing visited in fall 2016 and also attended a textile conference in Yangon. One factory had a WEP training in December 2016.

FWF Issues

- 1. Employment is freely chosen - Myanmar is among the countries with the highest proportion of the population in modern slavery. With regard to the garment industry, forced overtime is an issue of great concern. Audits at both of our suppliers in Myanmar didn’t reveal any evidence of forced labour or forced overtime problems. Never the less, this topic is being addressed in discussions with factory management and closely monitored by Mammut purchasing staff. Furthermore the Worker Education Program (WEP), which has been conducted at one supplier in 2016 and will be conducted at the other in 2017, raises awareness about this issue among managers, supervisors and workers and teaches effective dialogue mechanisms.
- 2. Freedom of Association – Unions are allowed since 2012 but are not widely established. One of our suppliers formally has a union organized, which is not very active or powerful, however. The other supplier has no formal union established. No collective bargaining agreements exist at both suppliers. This issue is being addressed with the WEP and in discussions between Mammut and the factory management.
- 3. No Discrimination – Discrimination and marginalisation of religious minorities, women, people with disabilities, and sexual minorities is common in the workplace. Pregnancy testing of new recruits was found during one audit in Myanmar in 2016. This was immediately stopped after intervention by Mammut. Mammut will arrange a follow-up audit in 2017 to verify that no further discrimination problems recur.
- 4. Child Labour – Child labour is widespread in Myanmar. Dutch NGO SOMO had suspicions of young workers (14-16 years old) being recruited by factories including 9416. This was thoroughly investigated by FWF in 2017 and some workers were found to have used borrowed ID cards to gain employment. One worker who was still under 16 has gone into training until next birthday and her salary is being paid by FWF brands purchasing from the factory. FWF created new guidance about verifying the age of recruits. Mammut had in-depth discussions about child labour with its suppliers and trained them with the new guidance document from FWF. Mammut will investigate the improvement of the recruitment process with a follow-up audit in 2017.



- 5. Payment of Living Wage - One audit found that laws regarding payment during training and probation were not followed correctly. This point is not yet resolved. Mammut will follow-up on the remediation of the issue and will verify the correction with a verification audit in 2017.



Regular wages & fringe benefits for sewing machine operators without overtime.

1 Legal monthly minimum wage for workers in the probation period since September 2015.

2 Legal monthly minimum wage in Myanmar since September 2015.

3 Workers' demand during negotiations for the legal minimum wage.

- 6. Excessive overtime - Excessive and forced overtime is a major issue of concern in Myanmar. However, both audits conducted at suppliers in Myanmar have not revealed and problems in this regard. Mammut will keep a close eye on overtime and analyse eventual breaches of the labour standards in depth with a methodology developed for Chinese suppliers.
- 7. Safe working conditions - The building safety at both suppliers in Myanmar is considered good. Various problems were found in audits and quickly fixed. The follow-up of the corrective action was done by e-mail, checked during the October 2016 visit and will again be verified with a verification Audit to be conducted in 2017.
- 8. Legal contracts - No problems found in two audits in 2016.

CAMBODIA | 0.7%



7218 1% Footwear

- 1. Free Employment
- 2. Freedom of Association
- 3. No Discrimination
- 4. No Child Labour
- 5a. Legal Wages
- 5b. Living Wages
- 6. No excessive Overtime
- 7. Safety & Health
- 8. Legal Contracts



Comments

Mammut has produced footwear with a large Taiwanese supplier for many years. Up until 2015, production was 100% at 3289 in China. Due to shortage of workers in China, some of the Mammut production was moved to 5414 in Vietnam and a small amount was moved to 7218 in Cambodia. The factory was audited by Sumations in March 2016. The audit found that some management had a weak understanding of CSR issues.

FWF Issues

- 7. Health and Safety – A number of issues with health and safety were found, including hot working conditions and poor ventilation.



1.4.4. | SUPPLIER REGISTER 2016

FACTORY DATA				MONITORING ACTIVITIES			
PRODUCTION COUNTRY	FWF FACTORY NUMBER	PRODUCT GROUP	% MAMMUT PURCHASES 2016	COLP SIGNED	LAST AUDIT	AUDIT TEAM	WEP
China	4591	Apparel	10.7%	yes	2016	FWF	-
China	5305	Apparel	8.1%	yes	2015	FWF	2015
China	3289	Footwear	8.0%	yes	2016	FWF	-
Bangladesh	9325	Apparel	6.2%	yes	2016	FWF	-
Vietnam	3268	Hardware	4.8%	yes	2016	FWF	-
China	3264	Apparel	4.5%	yes	2016	FWF	2013
Portugal	3257	Apparel	4.3%	yes	low risk	-	-
Vietnam	5414	Footwear	4.2%	yes	2016	FWF	2014
Turkey	3918	Apparel	3.4%	yes	2015	FWF	-
Latvia	3285	Apparel	3.2%	yes	2016	SA8000	-
Philippines	3280	Hardware	2.8%	yes	2015	FWF	-
Romania	2708	Footwear	2.6%	yes	2015	FWF	-
Vietnam	3277	Apparel	2.3%	yes	2014	FWF	2016
Bangladesh	5285	Hardware	2.2%	yes	2016	FWF	-
China	3278	Footwear	2.1%	yes	2013	FWF	-
Latvia	5053	Apparel	1.9%	yes	2016	SA8000	-
Latvia	5054	Apparel	1.9%	yes	2016	SA8000	-
Vietnam	3922	Apparel	1.8%	yes	2015	FWF	-
Vietnam	10759	Apparel	1.8%	yes	2016	FWF	-
Vietnam	7219	Footwear	1.7%	yes	2017	FWF	-
India	2377	Apparel	1.6%	yes	2016	SA8000	-
Vietnam	5869	Footwear	1.6%	yes	2014	FWF	2016
Vietnam	2935	Apparel	1.5%	yes	2015	FWF	-
China	5304	Apparel	1.4%	yes	2013	FWF	2014
China	8304	Apparel	1.3%	yes	2015	FWF	-
Vietnam	10768	Hardware	1.2%	yes	2017	FWF	-
China	5839	Apparel	1.2%	yes	2016	FWF	2014
Honduras	9913	Apparel	1.1%	yes	2017	FWF	-
Vietnam	10012	Apparel	1.1%	yes	2017	FWF	-
Vietnam	3919	Apparel	0.9%	yes	2016	FWF	2015
Vietnam	10013	Apparel	0.9%	yes	2016	SA8000	-
China	3303	Apparel	0.9%	yes	2017	2017	-
Germany	4573	Apparel	0.8%	yes	low risk	-	-
Cambodia	7218	Footwear	0.7%	yes	2016	FWF	-
South Korea	10053	Apparel	0.6%	yes	no audit	-	-
Taiwan	2997	Hardware	0.6%	yes	2015	FWF	-
Vietnam	3287	Apparel	0.6%	yes	2016	FWF	-
Myanmar	9966	Apparel	0.6%	yes	2016	FWF	-
China	7197	Hardware	0.5%	yes	2016	FWF	-
China	3267	Hardware	0.4%	yes	2016	FWF	2013
Myanmar	9416	Apparel	0.4%	yes	2016	FWF	2016
China	5745	Apparel	0.3%	yes	2014	FWF	-
China	10982	Apparel	0.2%	yes	no audit	-	-
Vietnam	7504	Apparel	0.2%	yes	2015	FWF	-
Vietnam	5744	Apparel	0.2%	yes	2017	FWF	-
China	10055	Apparel	0.2%	yes	no audit	-	-
Vietnam	6030	Apparel	0.1%	yes	no audit	-	-
Portugal	3260	Apparel	0.1%	yes	low risk	-	-
China	10011	Apparel	0.1%	yes	no audit	-	-
China	10981	Apparel	0.1%	yes	no audit	-	-
Vietnam	6027	Apparel	0.1%	yes	2014	FWF	2015
Germany	3253	Apparel	0.1%	yes	low risk	-	-
China	10980	Apparel	0.0%	yes	no audit	-	-
Vietnam	10057	Hardware	0.0%	yes	no audit	-	-
Vietnam	9415	Apparel	0.0%	yes	2015	FWF	-
Macedonia	4508	Apparel	0.0%	yes	2016	FWF	2016

1.5 | Training & Capacity Building

CSR is a constant process of learning and improving – for us as much as for our various stakeholders. Capacity building leads to long-term change.

Various channels are used to inform Mammut staff about our Corporate Responsibility in general, and about the FWF CoLP implementation and monitoring activities in particular. Activities include:

- Quarterly employee newsletter
- Quarterly management information for staff
- Internal blog
- Specific training for sales staff (seasonal)
- Specific training for purchasing and material management staff (at least annually)
- Internal corporate responsibility network involving staff from various departments

Furthermore, we take part in various platforms, seminars, round tables and research. We enter into continuous and constructive dialogue with key stakeholders and seek to progressively extend our knowledge of CR topics.

380 managers and 1800 workers take part in training

With regards to our suppliers and factory workers, Mammut does not have the resources and know-how to develop and implement its own training programs. Instead, we emphasize the importance of our suppliers getting directly involved with Corporate Responsibility and implementing a management system to monitor fair working conditions. We promote SA8000 certification and encourage suppliers to take on social responsibility along their own supply chains.

Furthermore, we encourage suppliers to take part in FWF seminars and training programs, such as the FWF Workplace Education Program (WEP). The WEP aims to introduce workers and managers to safe and effective approaches for communicating problems and resolving disputes. The program also seeks to reduce workplace risks by raising awareness of workplace standards and functioning grievance systems.

So far, the following suppliers - which together account for approximately 30% of Mammut purchases - have participated in the FWF Workplace Education Program:

Table 1.5
Conducted Workplace Education Programs

China	Vietnam	Myanmar	other Countries
<ul style="list-style-type: none"> • 5304 • 3018 • 5305 • 3264 • 3267 • 5839 	<ul style="list-style-type: none"> • 6027 • 5414 • 3277 • 5869 • 3919 	<ul style="list-style-type: none"> • 9416 	<ul style="list-style-type: none"> • 4508 • 2708

Other FWF Trainings

- Vietnam: Several suppliers sent delegates to a FWF conference in 2015
- Portugal: All three suppliers sent representatives to a FWF seminar in 2014

Further supplier training activities include:

- Addressing social compliance during every supplier visit
- Circulating the seasonal Mammut Supplier Newsletter
- Providing posters with the FWF CoLP to put up in the factory
- Encouraging suppliers to take part in FWF seminars and round tables



1.6 | Cooperations

Mammut was one of the very first companies to emphasize the need for harmonization of efforts among FWF members and even beyond. To date, Mammut seeks and facilitates active cooperation and exchange with other brands and stakeholders.

A lot of CSR work is redundant because each customer commissions their own audit at a factory. Each audit takes time and produces a number of corrective actions. Resolving these actions also takes time. Shared auditing is thus beneficial for the factories and the brands because it harmonizes the requirements, reduces duplications, and enables more thorough implementation of the CAP.

Hence, since the very beginning of our FWF membership, we have been seeking to establish cooperation with other brands in order to harmonize auditing and monitoring and thus increase the efficiency and effectiveness of implementation of the CoLP.

Mammut, Odlo and Schoeffel were jointly awarded a best practice award by Fair Wear Foundation for encouraging collaboration at shared factories.

Table 1.6
Mammut
Cooperations

Partner brands	FWF member	N° of factories jointly monitored	Start date of cooperation
Gore Bike	/	1	2013
Haglöfs	yes	3	2012
Kjus	yes	1	2012
Jack Wolfskin	yes	2	2012
MEC	/		2015
Odlo	yes	1	2008
Ortovox	yes		2015
Patagonia	/	3	2011
REI	/		2015
Salewa	yes	1	2013
Schoeffel	yes	3	2011
Swiss Post	yes		2015
Vaude	yes	1	2012
Workfashion	yes		2015



1.7 | Fair Wear Foundation Verdict

Brand Performance Check

FWF verifies our social performance and monitoring on a yearly basis. Here is the executive summary of the Brand Performance Check for 2015.

In the Brand Performance Check performed 2016, assessing activities in 2015, Mammut has been assigned to the „Leader“ category. According to FWF this category is for affiliates who are doing exceptionally well, and are operating at an advanced level.

Continue to the in-depth [FWF Brand Performance Check](#) on Mammut.

» Mammut meets most of FWF's management system requirements and goes beyond several. Mammut has monitored 97% of its production locations.

Mammut has designated staff to coordinate activities to monitor and improve working conditions in factories. Follow up of corrective actions is supported by local staff in China.

Staff of Mammut are well-informed about Mammut's FWF membership during quarterly staff meetings, by an internal newsletter as well as the employee journal. Furthermore, sales staff is briefed regularly on topics concerning FWF. All staff in regular contact with suppliers are well aware of FWF membership requirements and briefed regularly. In addition, relevant staff of Mammut is actively participating in seminars, round tables and working groups concerning social compliance. All staff in direct contact with suppliers has observed a FWF audit. Mammut's CSR person has attended FWF's member seminar in 2015.

Mammut has shown particular achievements in cooperating with other brands and sharing learnings and tools. A mostly stable supplier base built on longterm partnerships as well as considerable leverage at most suppliers allows Mammut to work efficiently on improving labour conditions. While challenges with excessive overtime findings remain, Mammut's production planning generally supports reasonable working hours at factory level.

Mammut agrees on a production capacity plan with its suppliers at the beginning of the year, indicating order dates and order amounts. To facilitate balanced production planning, Mammut shares detailed forecast information with suppliers, which are updated monthly. In addition, Mammut has reserved substantial margin time in its delivery cycles to ensure that order delays can be handled. All suppliers need to agree on order dates. Purchasing staff showed high levels of awareness for the root causes of excessive overtime and the impact of production planning on reasonable working hours. During 2015, Mammut has re-structured internal process to improve interaction between different departments involved in production planning.

Mammut is aware of all production locations and has included them in the FWF database. Regular on-site visits of quality control staff during production limit the risk of unauthorized subcontracting. Due to its efforts during 2015 to integrate production locations producing for its Japanese subsidiary in a common database, Mammut is able to monitor those production locations as well.

Mammut implemented a formal supplier rating system in 2013. Supplier performance is reviewed annually with social compliance being part of the ranking. Mammut aims to increase business with existing, well-performing factories. Bad performance with regard to social compliance but also other factors lead to reduction of business. Mammut sees a link between good social compliance and general good performance and management capacity of the supplier.

Mammut has set up an elaborate management system to identify possible risks. The company uses FWF research and guidance documents, actively monitors publications of other credible sources and attends roundtable discussions and workshops.

Mammut has been observing a trend of long-term partners opening new production locations in different areas or countries; including countries like Bangladesh and Myanmar where FWF has an enhanced monitoring policy in place.

As several long-term suppliers of Mammut are shifting production to new regions or countries, Mammut must continue to be aware of possible risks and take necessary steps to address them. In the process of selecting new suppliers, Mammut conducts human rights due diligence. Information like FWF's country studies, other stakeholder information and FWF's Health and Safety checklist is taken into account. Possible new suppliers are first evaluated through desk research and a formal scoring system. Thereafter senior management of Mammut visits a potential supplier before placing the first order. During this visit Mammut's approach to implement FWF membership and the FWF questionnaire are discussed. FWF audits are usually conducted shortly after orders have been placed; in some cases before regular production has started. «



Focus Issue 1: Overtime

Excessive overtime is a persistent and recurring problem in the apparel industry. The laws vary from country to country but, in simple terms, working over 60 hours a week on a regular basis is considered excessive. Also working 7 days a week is considered excessive overtime.

The Problems

Seasons for Apparel in Outdoor Retail Chains

A major factor in overtime is the structure of the industry. Outdoor retail chains usually have a summer season and a winter season. The whole industry works to the same timelines to deliver all summer products from all brands into stores on the same day. So a powerful retailer specifies that 1st March is the start of the summer season in store. That means that every size of every colour of every garment from every brand has to be in store by this date.

Clearly that means that two months before this date, every factory making summer apparel must ship the bulk orders for every product for every customer. The retailers impose penalties of brands if the merchandise is late. Obviously, in a commercial world, brands impose strict penalties on manufacturers.

Consolidation of Manufacturing

Although the outdoor industry is quite big, production is often concentrated to a small number of factories. Over the past twenty years, many products have become complex requiring special production machinery. Therefore there has been a long term trend to specialist suppliers. Waterproof jacket factories frequently work for up to ten brands. Glove manufacturers often work for twenty brands. Thus, all of their customers work to the same retail timelines, which exaggerates the seasonality problem.

Volatile Demand Cycles

The apparel industry has boom and bust cycles. This is partly driven by economic cycles but also by weather. If the weather is different to the normal patterns, garments sell faster or slower than expected. This results in the brands being overstocked on some items and out of stock on other items. This problem has been getting worse as global warming brings weather chaos. Factories overcome this issue by gratefully accepting orders from every customer, irrespective of capacity planning. Brands tend to wait as long as possible before ordering so that they can minimise stock risk. This further exaggerates the seasonal peaks and troughs in manufacturing.

Factory Management

Many factories measure their performance by the value of goods shipped – i.e. Dollars through the door". Peak season months are seen as successful because they have the best return on capital employed.

Migrant Worker Expectation

Excessive overtime is a frequent problem in Southern China. Many factories are located in industrial parks and workers live in dormitories. These migrant workers work for several months and then take a month long holiday at Chinese New Year. Migrant workers want to maximise their earnings to save money to take back to their hometown. They have no family where they work so they seek overtime. Often, if a factory reduces overtime the workers will move to another factory.

The Living Wage

In many countries workers want to do overtime because they need to earn more than their basic wage in order to make a living. If wages would more reflect a living wage, workers would have less incentive to work 60+ hours. Supporting living wages, also by ensuring that workers can bargain collectively, is also one of the solutions for brands.

Continued on the next page



Possible Solutions

More Seasons

Large fashion retailer chains operate with four, six or even more merchandise seasons. This spreads the deliveries over many months and reduces the peaks in manufacturing. However, this is very uncommon in the outdoor industry which is still fixed in a tradition of summer and winter sports. This is largely driven by retail chains. Paradoxically, single brand stores and shop in shop stores actually prefer more seasons to keep the shops interesting and the colour palette fresh.

Flattening the Season

The other way to flatten seasons is to spread the manufacturing over a long period. Brands can order long term carry over styles in low season. Unfortunately, this means that goods are stocked for longer and hence more financial capital is required. Manufacturers can encourage this with low season discounts or high season surcharges.

Strict Capacity Planning

Manufacturers can also impose strict rules on capacity planning. Unfortunately, the boom and bust cycles since the financial crash and the weather instability, have created a business environment where this is not enforceable.

Reveal the True Cost of Overtime

In the section above, I described that many factories measure their performance by the value of goods shipped. If the same factories measured their gross margins, they would see that the premium payments for overtime eat away their margin contribution. If you pay double time, the margin and overhead recovery disappear.

Build Factories near to Family Homes

It is very clear from audit reports, that in factories where the majority of workers live at home have less overtime than those employing migrants who live in dormitories. The workers have something better to do in the evening and at the weekend.

Conclusion

Overtime is not actually a factory level problem. Overtime is largely created by the traditional culture that has evolved through the retail structure of the industry. Overtime is encouraged by the manufacturing industry that supports the retailers. Overtime can be reduced if brands and manufacturers cooperate effectively.

Mammut Practice and Prevention Measures

- A production capacity plan is agreed upon with suppliers at the beginning of the year for the coming year indicating order dates and order amounts.
- To ease production pressure on suppliers Mammut shares detailed forecast information with suppliers, which should help them to plan their capacity for production. Sales forecasts are given already 9-10 months in advance and are updated monthly.
- We have reserved substantial margin time in our delivery cycles to ensure that reasonable order delay can be handled.
- When retailers (to which Mammut delivers) ask last minute for a bigger order of a certain style, the we generally try to swap order delivery dates of other styles that are made at the same supplier.
- Mammut tries to split the orders equally giving different delivery dates for all orders at each production site.
- All suppliers need to agree on the order dates. In case they see difficulties in producing the amount in a certain period, Mammut sees possibilities to change the orders e.g. shifting a higher amount of production to a time when less production is taking place at the production site.



Focus Issue 2: Living Wage

Payment of a Living Wage is a long term goal for Fair Wear Foundation, its members, and many NGOs. FWF requires brands to commit to taking steps towards ensuring that workers are paid a Living Wage. In order to better understand the implications of this requirement and examine possible solutions, Mammut is conducting research on the relationship between wages paid and product cost.

The Problem

There is a direct link between the wages paid in a factory and the ex works price of the products produced. However, although the broad concept is agreed, product costings are complex and intransparent. The cost of a product is built up from labour cost, materials cost, overheads and profit margin. The labour cost is directly related to wages paid but contains factors such as holidays, factory efficiency, overheads, allowances for training and factors for indirect labour. The exact method of calculation is unique to each factory and is highly influenced by the quantity produced per order and per year.

Mammut Project

Mammut thus started a project in 2016 to try to find a mathematical relationship between wages paid and product cost. Although several suppliers contributed to the project, the conclusion was that the topic is complex and needs further work. In November, Mammut started working with a Masters student from the University of St Gallen on a project to study wages within the Mammut supply chain more in-depth.

Suppliers were provided with an introductory document, which summarizes the most important concepts and tools of the FWF booklet on Labour Minute Costing. Suppliers were then asked to complete an online survey about the factors influencing costings and the barriers to paying a living wage.

The results from this survey were used to create a standardised excel sheet to calculate and better understand the effects of an increase of wages on the FCA price of a T-shirt. To this end, suppliers were asked to calculate the cost of a T-shirt based on fixed parameters (materials prices, annual quantity and batch quantity) before and after the payment of a hypothetical wage increase of 10%.

The resulting relative increase of the standard minute cost was then applied to available living wage benchmarks for different countries, in order to calculate the corresponding standard cost per minute, and a new FCA price for the T-shirt based on the living wage benchmarks.

16 suppliers from 8 countries were contacted to contribute to the project. 13 completed the survey and 7 completed the second part about the T-shirt costings. The project is ongoing and will be reported to the Fair Wear Living Wage Incubator group in 2017.



Focus Issue 3: Improved Audit Reports

In April 2016, Mick Farnworth completed 15 years of service at Mammut and received a bonus holiday week. He decided to dedicate this week to do some volunteer work. He considered that if he could improve the factory audits and subsequent corrective actions, he could potentially help thousands of factory workers worldwide.

In January 2016, Mick had traveled to Myanmar with Fair Wear Foundation country manager, Koen Oosterom. They spent many hours discussing how FWF social audits at factories could potentially be improved. Mick had studied lean manufacturing and also has a lot of experience with quality management systems, so he felt that he could bring in some useful tools and techniques.

Fair Wear Foundation readily agreed to incorporate him and his in-depth knowledge into an ongoing project to improve their audits. In June, Mick went to Amsterdam and worked on the project for a week.

FWF had previously commissioned surveys of their auditors and of CSR managers from 33 brands. There was a lot of agreement from the audit teams and the brands on the requirements and potential improvements with regard to Audit Reports and Corrective Action Plans.

The project team thus proposed a new audit template. With the new system, the audit report would be reduced to about 25 pages, which is about half of the previous version. It would also become easier to read and see the important issues. The resources that are freed up by the streamlining of audits and audit reports could in turn be shifted towards a more thorough follow-up and resolution of corrective actions.

The project team furthermore proposed the development of a standardized Corrective Action Plan (CAP) preparation tool and corresponding guidance for resolving identified issues. The proposed tool would facilitate the analysis of aggregate data at company level or across the whole Fair Wear Foundation membership.

The FWF project team has presented the draft documents to their country managers and audit teams. There will be a lot of discussion, finetuning, training and testing to come. We hope that the next stages also proceed well. Hopefully the new reporting system will be introduced at some point in the near future.



PART 2

Reasons & Methods

In this section of the report, we describe the reasons why we chose to join Fair Wear Foundation. We also describe the structures and procedures in the Mammut supply chain.



2.1 | Background & Objectives

An increasing number of clothing companies from all sectors are seeking to improve social standards in their suppliers' factories and to prove this to their customers through independent checks.

» The garment and sports shoe industries [...] have a responsibility to ensure that good labor practices are the norm at all levels of the industry. Given the current structure of the industry, brand-name garment companies and retailers must use their position of power to ensure that good labor standards are met.¹ «

The last few decades have seen a lot of changes in the clothing industry. As a result of globalization, almost all large companies have relocated their production to distant lands – emerging and developing nations. In many cases, the path from raw material fibers through to a finished garment now passes through countless production sites and several continents. Different laws and employment regulations apply in each country

and social standards are generally far lower than those in industrialized nations. Some companies procure components for their collections from up to one hundred different producers, each of which works for multiple customers. The result: an enormous amount of work is required to monitor the conditions under which a product is produced.

Consequently, initiatives such as the international Clean Clothes Campaign (CCC)¹ have uncovered a whole series of scandals in recent years: working weeks of up to 100 hours, monthly salaries that

are insufficient to feed the actual worker let alone his or her family, a lack of social security and hazardous working conditions in factories. With the Rana Plaza collapse, which killed 1,134 people and left thousands more injured, the working conditions deficiencies in the garment industry reached a negative climax and definitely established the topic on the public and political agenda.

Responsibility – all over the world

Non-governmental organizations (NGOs) require companies to take responsibility for fair working conditions in all production locations and to resolve problems when they arise.

» In our company, environmental and social corporate responsibility are not issues that sit on an action plan for a year, simply because they happen to be “in”. We view the process as a never-ending journey. We are continuously progressing in a specific direction. «

Quote from Adrian Huber, responsible for Corporate Responsibility

Relocating production, they say, does not mean relocating the company's social responsibility. Quite the reverse. Brands must respect internationally recognised norms as established by the ILO and the Universal Declaration of Human Rights and use their position of power to ensure that good labor standards are met.

At Mammut, we support these claims. We are committed to fair working conditions, as much in our own offices as along the supply chain. As a member of Fair Wear Foundation, Mammut has decided to actively participate in a credible

multi-stakeholder initiative and has pledged to comply with the strictest social standard.

¹ Clean Clothes Campaign, <http://www.cleanclothes.org/about/principles>
The CCC is a Europe-wide network that works to improve working conditions in the clothing industry around the world. It is active in 14 European countries and works closely with partner organizations in production countries.



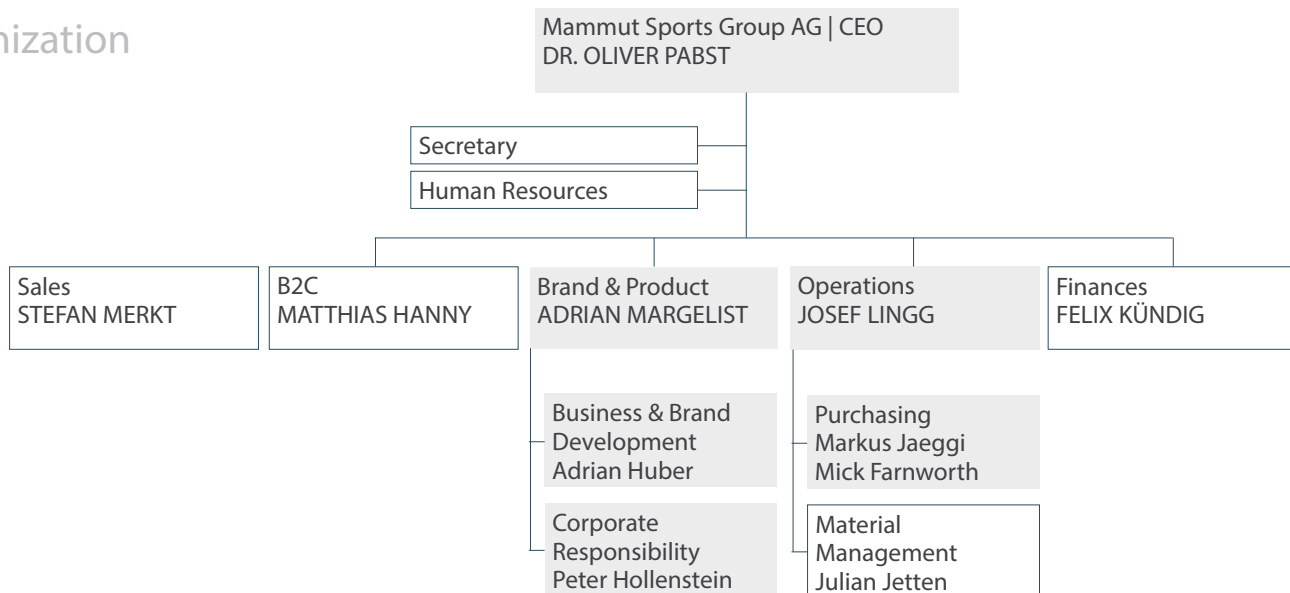
2.2 | Our Organization

Strategic responsibility for ensuring fair working conditions is embedded at management level within Mammut. Reports are presented and strategic issues examined at quarterly management meetings.

Who does what: The Purchasing department within the Operations division is responsible for operational aspects and the implementation of monitoring activities. Since 2008, it has been managed by Markus Jaeggi, Head of Purchasing, and Mick Farnworth, Head of Vendor Control. The entire purchasing team also takes part in annual training sessions and is kept up to date with the current monitoring situation. Our buyers are present at social and verification audits carried out at their allocated suppliers.

The CR Manager – Peter Hollenstein – acts as an internal coordination point. He drives the implementation of strategy in relation to Fair Wear Foundation and ensures the achievement of the objectives defined in the work plan.

Figure 2.2
Organization Chart



Josef Lingg



Markus Jäggi



Mick Farnworth



Adrian Huber



Peter Hollenstein

Questions & Feedback
MAMMUT
Corporate Responsibility
Peter Hollenstein
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2.3 | The Fair Wear Foundation Approach

Poor labour conditions can only be solved through multi-faceted solutions. The FWF approach brings together the key components needed for sustainable change. It means companies work step-by-step to improve conditions in their supply chains. It also means cooperation among a slew of stakeholders, and accountability among all of us. When fully executed, the FWF approach means results.

Fair Wear Foundation (FWF) is a multi-stakeholder initiative which is supported by company and textile associations, trade unions and non-governmental organizations (NGOs). The latter group also includes the Clean Clothes Campaign (for more information, see chapter 1.1). As an independent verification body, the FWF checks that the actions taken by member companies are effective and coherent. The FWF is regarded as the strictest approach in relation to the monitoring of working conditions in supplier operations.

2.3.1 | THE FAIR WEAR FORMULA

The Fair Wear formula was devised to address the realities of today's global garment industry. Each component of the formula represents a key aspect of FWF's system. Taken together, these promise sustainable changes for garment and textile workers.

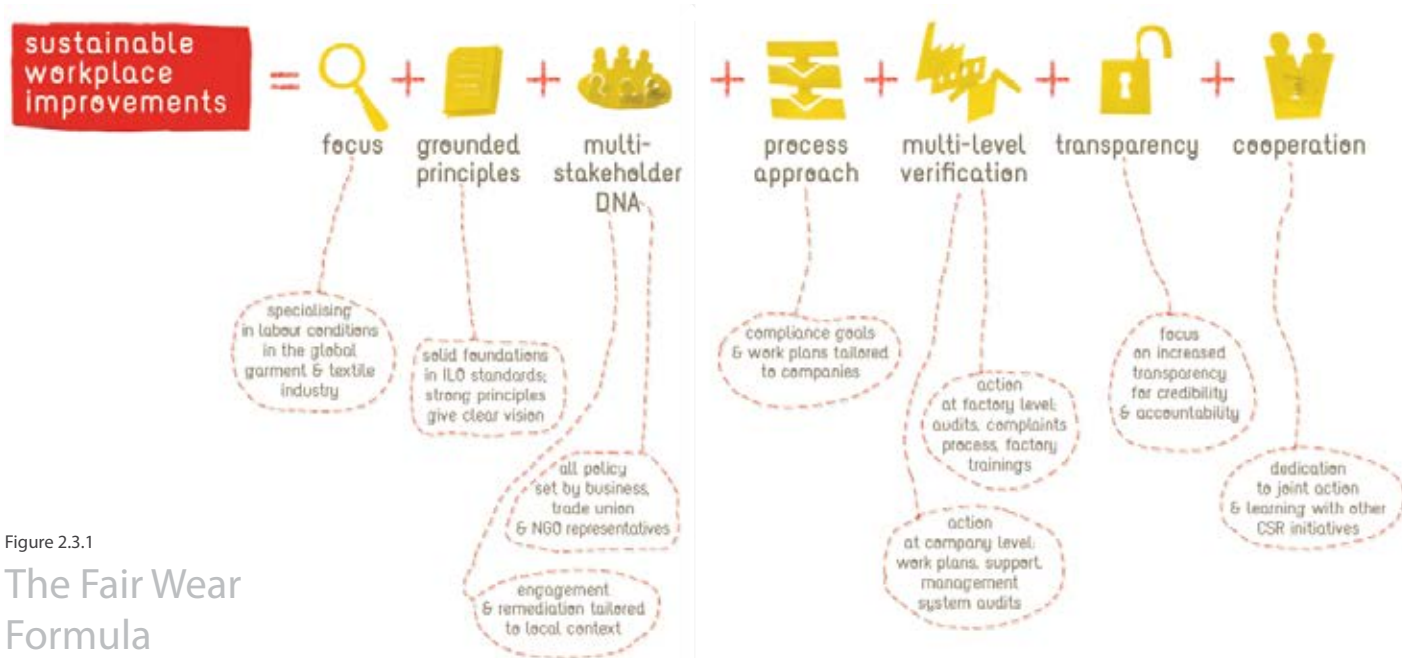


Figure 2.3.1
The Fair Wear Formula



2.3.2 | THE FWF CODE OF LABOUR PRACTICES

As a member of Fair Wear Foundation, we pledge to only deal with products manufactured under humane working conditions. Fair Wear Foundation’s “Code of Labour Practices” (CoLP), which is based on the International Labour Organization (ILO) Conventions and the Universal Declaration of Human Rights, sets out the eight guiding principles.

All manufacturers involved in the production of Mammut products sign FWF’s „Code of Labour Practices“ and thus commit to the progressive implementation of the requirements. They also agree to display a Fair Wear Foundation Poster in their production locations, which informs the workers about their rights in local language and gives them guidance how to proceed if they are not treated correctly.

Figure 2.3.2
Fair Wear
Foundation
Poster for
Suppliers

Do you have QUESTIONS about your salary, working hours or any of these other issues?

- employment is freely chosen
- freedom of association and the right to collective bargaining
- no discrimination in employment
- no exploitation of child labour
- payment of a living wage
- reasonable hours of work
- safe and healthy working conditions
- a legally binding employment relationship

If you want more information, or feel you have not been treated correctly:

- Talk to your supervisor, if possible
- Talk to your representative if there is a worker committee
- Get advice from your union or from a charity

If these don't work, you can e-mail **Fair Wear foundation**:

@ complaints@fairwear.org

Fair Wear Foundation will always treat your call confidentially.
Our employees will answer your questions in [languages].
If you wish to file a complaint, we will investigate the issue. If possible, we will help you to solve the issue you have raised. Fair Wear Foundation is an independent, nonprofit organisation. You can learn more at www.fairwear.org



2.4 | Fair Wear Foundation Implementation at Mammut

In October 2008, Mammut became the first outdoor company to join the independent Fair Wear Foundation initiative. By doing so, we have signed up to the strictest social standard in the textile industry.

FWF stipulates a stringent planning and management cycle for its member companies (see figure 2.4). The central element of this process is the annual work plan that sets out our strategy and social monitoring actions for the coming financial year. The next step involves performing social audits.



In addition to these audits, FWF recommends its member companies to carry out specific training programs and courses, for both factory managers and other workers.

All data from audit reports, reported complaints, factory visits and corrective action plans (CAPs) are kept in the internal Supplier Register and the CAP register.

2.4.1 | AUDITS

Mammut books audits to monitor suppliers and FWF also do additional verification audits. In both cases, they are often shared by all member brands working at the factory. We commission local, independent experts - who have been trained by FWF - to carry out audits according to the FWF guidelines. The top priority for audits are suppliers who account for 2% or more of our purchases of sewn products.

FWF requires suppliers to be audited at least every three years, or sooner in the case of critical breaches of employment law. A comprehensive audit report is produced after each audit, along with a list of improvements and a schedule. Mammut assumes responsibility for the consistent implementation of improvements.

With the aim of making monitoring more effective and efficient, we accept audit reports from third parties such as BSCI, WRAP and STR, since these audits usually identify the major problems. We accept and encourage SA8000 certification as well as FWF membership. As required by FWF, we carefully check the quality of third-party reports and we work with other customers of the audited factory to follow up on unresolved points from Corrective Action Plans. The important thing in our view is that the factory management is clearly committed to social responsibility and takes a systematic approach to fair working conditions. Finally, we emphasize collaboration with competitors on social issues.



2.4.2 | CORRECTIVE ACTION PLANS

Corrective Action Plans (CAPs) can result from (monitoring, verification) audits, complaints, factory visits or observations by Mammut staff. CAPs are added to the register with the status “pending” as well as with a timeline for implementation. The implementation timelines for CAPs and required evidence of implementation are defined together with the supplier. We follow the advice in the FWF and SEDEX manuals. Minor Occupational Health and Safety (OHS) issues are usually corrected immediately. For major issues, we consult with FWF experts and decide what action to take on a case-by-case basis.

2.4.3 | COMPLAINTS

We provide our suppliers with posters, including the FWF Code of Labour Practices in local languages as well as contact details of the local complaints handler. These posters must be displayed in a location inside the factory that is visible to every worker. During our regular supplier visits, Mammut purchasing and quality staff verify whether these posters are being displayed in an appropriate place.

Mammut has received eight official complaints since its affiliation with FWF in 2008, most of them concerning overtime. Complaints are handled by the Head of Vendor Control, Mick Farnworth. Our internal procedure for following up on receipt of a complaint is as follows:

- verify with FWF if the complaint is valid
- if the answer is yes, inform the Chief Supply Chain Officer (COO), the Head of Purchasing and the CR Manager and coordinate the next steps
- discuss the complaint with the relevant supplier and define the necessary corrective actions as well as the implementation timeline
- integrate these actions in the internal CAP register and follow up until the problem is resolved
- report back to the COO, the Head of Purchasing and the CR manager
- provide information about the complaint and associated corrective actions in the next Mammut Supplier Newsletter and in the Mammut Annual Corporate Responsibility Report
- FWF publicly reports about all complaints on its website

2.4.4 | COOPERATION WITH OTHER BRANDS

We need to make the best use of our limited resources and influence. We are pragmatic when it comes to implementing the CoLP. This is particularly true for issues of global and industry-wide importance, e.g. overtime and living wages.

Mammut was one of the very first companies to emphasize the need for harmonization of efforts among FWF members and even beyond. Since the very beginning of our membership, we have been seeking to establish cooperation with other brands in order to harmonize auditing and monitoring and thus increase the efficiency and effectiveness of implementation of the CoLP.

2.4.5 | CONSEQUENT SOURCING DECISIONS

So far, only one out of more than 50 suppliers has refused to accept the FWF standards. We discontinued our business relationship with this supplier (ref. 12220) in 2011. We also stopped working with one supplier (ref. 11071) following its repeated refusal to allow a FWF audit at its production site.



2.4.6 | THE BRAND PERFORMANCE CHECK - AUDIT OF MAMMUT

As part of our FWF membership, we commit not only to periodically monitoring working conditions at our suppliers, but to subjecting our internal management systems to an annual review by Fair Wear Foundation. This corporate level assessment, known as the Brand Performance Check, is held every year at Mammut's headquarters in Seon. A Fair Wear Foundation expert monitors, based on **predefined indicators**, the extent to which our management systems and processes contribute to improving working conditions at our suppliers. For example, how delivery times are organized or how long supplier relationships last for. This is because the working conditions in suppliers' factories are indirectly influenced by the processes and requirements of the contractor. The results of this review are then summarized and published in a comprehensive report. This report is primarily designed as detailed feedback and guidance for the respective brands. It also gives interested stakeholders an insight into the social performance of a brand.

Since 2014, FWF members are divided into three categories based on their rating in the Brand Performance Check: „Leader“, „Good“ and „Needs Improvement“. The idea is to make it easier for interested consumers to assess the social performance of their favourite brands and to allow FWF members to communicate their achievements more clearly. „Good“ is the minimum required status to remain a FWF member. Lower assessments require rapid improvement or withdrawal from FWF.

Mammut achieved Leader status in 2014, 2015 and again in 2016. According to Fair Wear Foundation, „this category is for affiliates who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.“

Transparency of our actions is one of FWF's core requirements. It therefore publishes the BPC report on its website and requires us, as a member company, to produce an annual report.



2.5 | Management of the Mammut Supply Chain

Mammut follows a conservative approach regarding its sourcing procedures and the management of suppliers. Long-term partnerships with our suppliers enjoy the highest priority as this helps us achieving and maintaining high quality and social responsibility standards.

2.5.1 | PURCHASING STRATEGY

Mammut sells mountain equipment, including apparel, hardware (e.g. backpack sleeping bags, harnesses and accessories) and footwear. Approximately 30% of production takes place in Europe and 70% in the Far East, mainly in China and Vietnam. We have approximately 600 products in our apparel collection, divided into five different target groups: Alpine Climbing, Rock Climbing, Freeride/Snow, Backpacking/Hiking and Alpine Performance. Between 45% and 65% of the styles are carry-over styles from one season to the next. These products are – wherever reasonable – produced by the same supplier.

Mammut tends to work with high-quality factories which also produce for other top-level outdoor and sports brands. We arrange independent FWF audits for tier one suppliers and make regular visits to the factories. We work together with the factories on timeline planning and capacity reservation. Furthermore, we closely cooperate with other customers in relation to auditing and monitoring.

For us, continuity is more important than short-term financial success. We strive develop fair and long-term relationships with our business partners, whether along the supply chain, within the specialist retail sector or in other areas. As a result, the average duration of our business relationships with our manufacturers for sewn products is approx. 9 years (status December 2016).

We maintain a continuous dialogue with our suppliers. Our staff visits our suppliers between three and four times a year. Regular meetings are held at trade shows (ISPO OutDoor) and at our headquarters. In addition, our quality assurance officers (FEQO China, Vietnam & Philippines) conduct on-site quality inspections for each production order.

The overall quality of the business partnership and strategy is subject to meetings that are held at management level at least every two years (Mammut CEO and/or COO). Purchasing decisions are made by the Head of Purchasing, while the ultimate responsibility lies with the COO. We do not work with any agents or intermediaries.

2.5.2 | SUPPLIER SELECTION AND EVALUATION

The purchasing department is responsible for the final selection of suppliers. Each decision and evaluation (see the criteria in table 5.4.1) is before discussed between the various functions involved (buyers, designers, developers, fabric coordinator, product managers, pattern maker). We proceed as follows:

- Following an initial meeting to establish contact, a potential new supplier must fill in a questionnaire which includes questions on social auditing and certification.
- Before entering into a new business relationship, we visit the potential supplier and examine all production sites and steps. Among others aspects, we check general workplace safety and cleanliness, as well as working conditions.
- Once we have decided, the new supplier is informed about the FWF. The supplier is required to complete and sign the questionnaire, including the CoLP, and to display the CoLP in its factory in a location visible to all staff.



Supplier performance

We evaluate the performance of our suppliers regularly. Social Compliance is an integral part of our supplier performance rating. The following criteria are used to determine a supplier's performance:

Table 2.5.2
Supplier
Evaluation
Criteria

Supplier evaluation criteria	new suppliers	current suppliers
high quality standard	X	X
planning reliability		X
punctual delivery		X
Cluster a fabric-program to one supplier		X
availability of required technologies / machines	X	
capability to produce the product	X	
capacity for the forecasted quantities	X	X
ability to fulfill timeline and deadlines		X
FOB target prices	X	X
synergies with other programs		X
Compliance with CoLP	X	X
Agreement on improvements based on CoLP	X	
supplier mix, diversification		X
product mix at supplier (carry-over, new styles)		X
deadlines for prototypes, Sales Men Samples		X

We require all producers of textile products – i.e. clothing, backpacks, sleeping bags, climbing harnesses and footwear – to comply with the FWF CoLP. This commitment must be reaffirmed each year.

In accordance with FWF guidelines, we conduct audits at least every three years or when a complaint arises. The first priority is suppliers accounting for 2% or more of our purchasing volume.

2.5.3 | EVALUATION OF NEW PRODUCTION COUNTRIES

Relocation of parts of production to new production countries happens relatively rarely and is usually triggered by underlying developments in the existing production regions or changes in our supplier base (e.g. capacity bottlenecks) or preliminary steps in the supply chain (e.g. origin of materials). The decision to relocate production is often not only based on cost factors.

The key factors considered when selecting new production countries are the availability of know-how and technology for the production of high-quality and functional textiles, the origin of the materials and the planned sales markets. For example, certain essential items of machinery and know-how for the production of high-quality outdoor equipment are simply no longer available in European locations. In addition, Mammut is increasingly becoming a global company - in terms of both purchases and sales of finished products. If the materials used come from the Far East or if the finished products are destined for our rapidly growing sales markets in Asia, then regional production is an advantage.

To date, there is no standardized assessment for new production countries. The Purchasing department is responsible for conducting a general analysis of potential new production markets, while each country is assessed individually by our Corporate Responsibility department in relation to risks and specific features affecting working conditions and environmental pollution. This assessment is conducted in close liaison with Fair Wear Foundation's country specialists and supported by information from NGOs, the media, etc.

On the basis of the results of this analysis, the Corporate Responsibility department then draws up a recommendation for the Purchasing department and accompanying measures are defined, if required.



Glossary

Audit (monitoring, verification)	Audits serve to control whether a company respects labour standards in its daily business. It gives but a momentary insight, though, and is not sufficient to assure social compliance. In case of Mammut, social audits are commissioned and paid for by us, while verification audits are commissioned and paid for by the FWF.
Brand Performance Check	Fair Wear Foundation requires from member companies that they adapt their purchasing policy and management system to allow for improvements of working conditions at suppliers. To this end, FWF conducts yearly management system audits, so called Brand Performance Checks, at each of its member companies.
CSR, CR	Corporate (Social) Responsibility. It stands for the responsibility a company assumes over the social and environmental impact of its economic activity.
CoLP	FWF Code of Labour Practices. As a member company, Mammut commits to respect the Code within our purchasing practices. Further more, we must work towards its implementation along our supply chain. For details on the FWF CoLP, see chapter 1.3.2. For further information on Mammut's performance with regards to the code, please visit the chapter 2.3.
EOG	European Outdoor Group. Mammut is a member and co-founder of the EOG. More on the EOG.
FWF	Fair Wear Foundation. The FWF is an independent multi-stakeholder initiative. It uses a comprehensive verification system to promote the progressive and on-going improvement of working conditions. More on FWF.
ILO	International Labour Organization. The ILO helps advance the creation of decent work and the economic and working conditions that give working people and business people a stake in lasting peace, prosperity and progress. More on ILO.
Monitoring	Monitoring is an umbrella term for all types of direct systematic recording, observation or surveillance of an operation or process. The repeated regular performance is a key element of the study. ³
Social Compliance	Result of conformance to the rules of social accountability by the extended organization including not only the organization's own policies and practices but also those of its supply and distribution chains. It is a continuing process in which the involved parties keep on looking for better ways to protect the health, safety, and fundamental rights of their employees, and to protect and enhance the community and environment in which they operate. ⁴
Stakeholder	Group or individual with an interest or concern in the company.
SWG	Sustainability Working Group. This is the EOG working group on the issue of sustainability within the outdoor industry. Mammut is a co-founder of the SWG and is actively involved in finding cross-sector environmental solutions.
WE CARE	This is your green thread through Mammut's corporate responsibility activities.

³ Wikipedia, search term "Monitoring", <http://de.wikipedia.org/wiki/Monitoring>, visited on 03/18/2014.

⁴ Business Directory, search term "Social Compliance", <http://www.businessdictionary.com/definition/social-compliance.html>, visited on 03/18/2016.

