



Social Report 2014

Mammut Sports Group AG



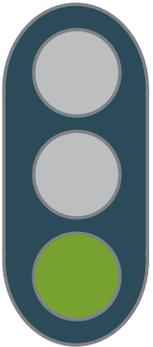
MAMMUT

Absolute alpine.

We care about people,
MAMMUT communities and
our planet.

Fair Working Conditions

Our social responsibility revolves around the issues of fairness as well as health and safety in the workplace.



“Green” light: already in the 90ies, Mammut integrated the Clean Clothes Campaign’s model code of conduct. In 2008, we became a member of the Fair Wear Foundation which audits both our management system and our factories. In 2014, we monitored 98% of our suppliers of sewn products, an excellent level of coverage.

In Numbers

98%

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

44

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

16

Production countries for all products in the Mammut product portfolio.

Cover photo:
A Mammut sleeping bag is being sewn together, China, 2014
Photo: Mammut





Discussion between factory and Mammut managers, China, 2014 | Photo: Mammut

An open dialogue between Mammut and its manufacturers as well as factory management and workers is essential for ensuring fair working conditions.



Factory managers at the Mammut Supplier Day, Seon, 2013 | Photo: Mammut



Worker information at a social audit, China, 2011 | Photo: Mammut



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1 | What is the issue?

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 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

» 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 «

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. 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 Mammút, 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 the Fair Wear Foundation,

Mammút has decided to actively participate in a credible multistakeholder initiative and has pledged to comply with the strictest social standard.

» 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

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 | The Mammut approach

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.

Mammut views “Corporate Responsibility” (CR) as a management approach that makes social and environmental responsibility a concrete element of its company strategy alongside the economic logic. We apply CR to our core business, at both an operational and a product level. It can be divided into the sub-areas of social, and environmental responsibility.

we care
MAMMUT

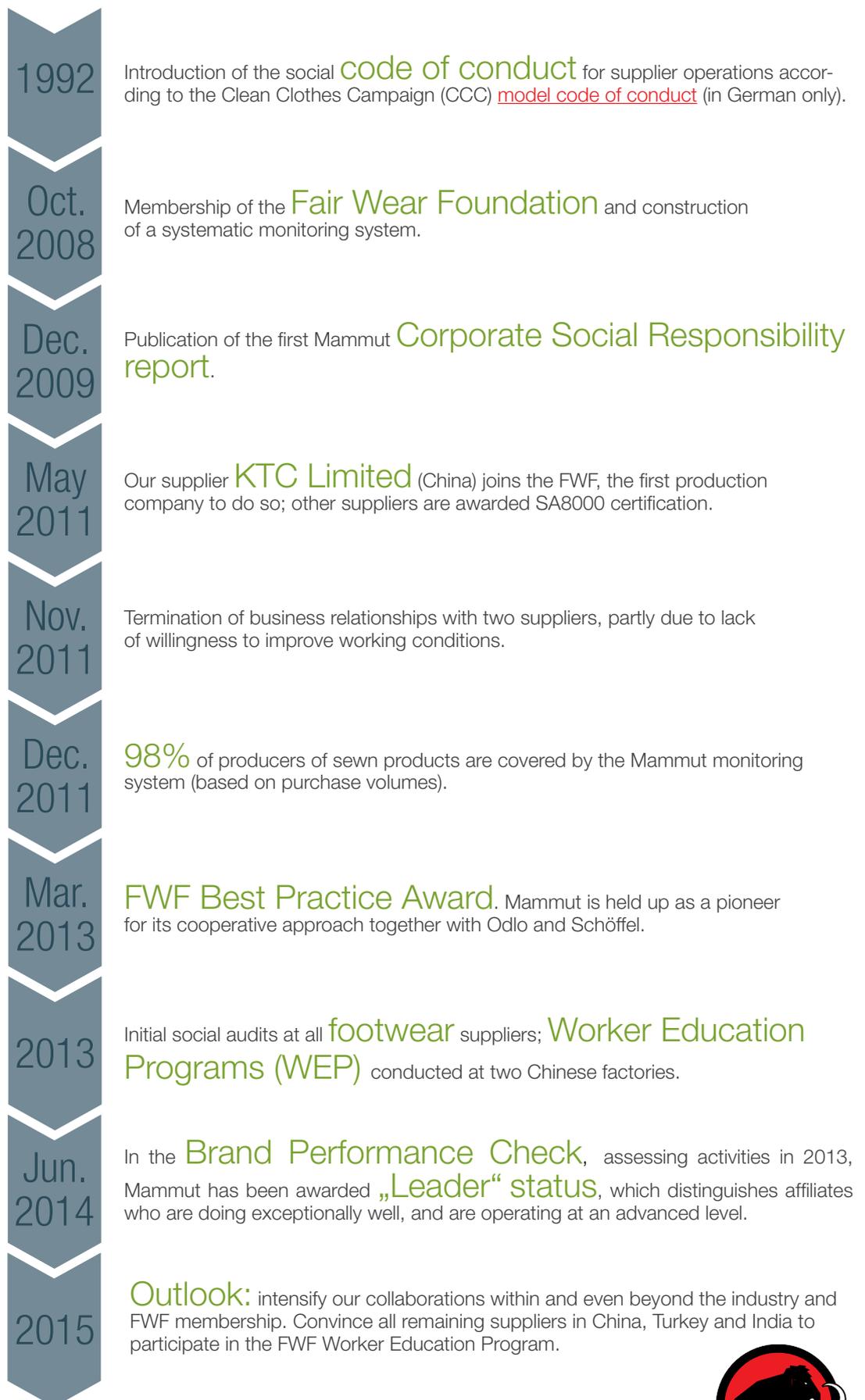
about people,
communities and
our planet.



The 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](#)). 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.



3 | The Mammut milestones





Philippines, 2015 | Photo: Mammut

Impressions from inside
garment makers for
clothing and backpacks.



Philippines, 2012 | Photo: Mammut



WHAT FWF

FWF verifies our social performance and monitoring on a yearly basis. Here is the executive summary of the Brand Performance Check for 2013

In the Brand Performance Check performed 2014, assessing activities in 2013, 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.

says about Mammut

» Mammut meets most of FWF's management system requirements and goes beyond several. The total percentage of own production under monitoring is 99%.

Mammut has good knowledge of production processes and remains in long term relationships with most of its suppliers. Mammut rarely adds new suppliers and rather increases the business with the existing factories. Bad performance with regard to social compliance but also other factors lead to reduction of business.

If new suppliers are needed, a thorough investigation is undertaken into potential new suppliers, as well as an assessment of country-specific risks. Performance of suppliers regarding social standards is taken into account in the process of selecting suppliers and placing orders. Possible new suppliers are first checked through desk research and a formal scoring system. Thereafter senior management of Mammut visits a potential supplier before placing the first order. During this visit Mammut's approach to implement FWF membership is discussed. In addition, Mammut informs FWF very early about possible new suppliers in high-risk countries to include FWF country specific requirements. Mammut is identifying weaknesses of its production countries where production takes place at the moment and might take place in future. Among others, the FWF affiliate uses FWF research and guidance documents.

Mammut has a robust sourcing and monitoring strategy wherein follow up on the code compliance of each supplier lies with the responsible sourcing manager. Mammut has a functioning workflow and a designated person to keep its supplier register up to date. The company maintains its supplier register on the basis of order administration and the annual questionnaires that are collected from factories and systematically analysed.

» Mammut meets most of FWF's management system requirements and goes beyond some of them. «

Worker complaints received in 2013 were handled quickly and appropriately. In the future, Mammut should focus on investigations into root causes to prevent the issues from occurring again.

In 2013 Mammut proactively approached other customers of its suppliers to arrange shared audits and shared follow-up of corrective action plans. Mammut exchanged detailed information on the follow-up process with other customers, hereby setting a positive example for other companies.

Mammut was one of the first brands to encourage its suppliers to participate in FWF's Workplace Education Programme, with three suppliers participating in 2012/13; trainings for additional suppliers have been scheduled for 2014. FWF encourages Mammut to offer the Programme in additional production countries.

» Mammut was one of the first brands to encourage its suppliers to participate in FWF's Workplace Education Programme. «

Mammut evaluates steps taken in context of FWF membership as part of regular internal discussions. Performance on monitoring and improving labour standards in the supply chain is measured and evaluated during quarterly meetings that involve the CSR coordinator and top management. A yearly evaluation of FWF membership is made during the process of writing the work plan and receiving FWF's performance check report. Mammut collects feedback from factories as part of ongoing discussions.

Staff of Mammut are sufficiently informed about steps taken to implement FWF membership. This is mainly done through internal meetings, the internal quality management system and newsletters. Staff of Mammut who visit suppliers are sufficiently informed to follow up on corrective action plans during factory visits and actively follow up with the main FWF contact on social compliance at the production sites. In addition, relevant staff of Mammut is actively participating in seminars, round tables and working groups. Staff is updated on relevant social compliance issues regularly and especially again before they travel. Relevant parts of meeting reports of staff of the purchasing department are included in the CAP follow up system. «



What CCC says about Mammut

Since 2004 the Clean Clothes Campaign (CCC) examines the social responsibility of clothing companies. Since 2006 Mammut is one of these scrutinized companies.

2006 » The Mammut-Code guarantees all fundamental labour laws and explicitly refers to the ILO conventions. «

2008 **Follower:** » With Mammut and Odlo two of the many followers joined the Fair Wear Foundation in September 2008. Thereby they made a step in the right direction. «

2009 **Follower:** » Even though the social standards have not yet been implemented at all suppliers, the company is on the right way and improvements regarding the implementation are to expect. «

2010 **Advanced:** » The large number of audits conducted 2009 shows a strong commitment to the FWF membership. «



© Clean Clothes Campaign, 2010

2012 **Advanced:** » Mammut was actively promoting the Fair Wear Foundation within the outdoor industry and has teamed up with other brands to cooperatively drive progress at mutual suppliers. «



© Clean Clothes Campaign, 2012



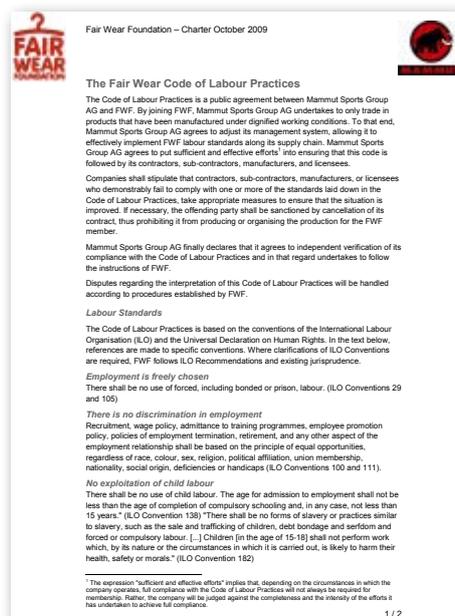
4 | What Mammut requires

As a member of the Fair Wear Foundation, we pledge to only deal with products manufactured under humane working conditions. The Fair Wear Foundation's "Code of Labor Practices" sets out the guiding principles

The Fair Wear Foundation's Code of Labor Practices (CoLP) is based on the International Labor Organization (ILO) Conventions and the Universal Declaration of Human Rights. In cases where clarification of the ILO Convention is necessary, the Fair Wear Foundation (FWF) follows the ILO's recommendations and existing jurisprudence. The Code of Labor Practices encompasses the following eight core principles:

The social standard

1. Employment is freely chosen;
2. No discrimination in employment;
3. No child labour;
4. Freedom of association and the right to collective bargaining;
5. Payment of a living wage;
6. No excessive working hours;
7. Safe and healthy working conditions;
8. Legally binding employment relationship



Poster of the FWF Code of Labour Practices on the Wall. [Here](#) can be found the detailed CoLP.

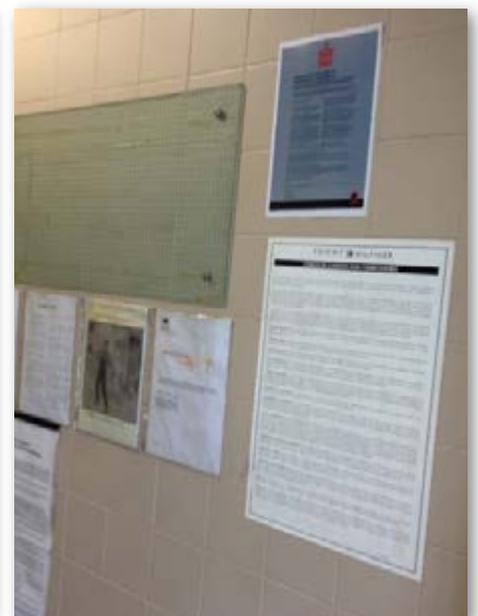


Figure 4.1
Yearly
Planning
Cycle



The FWF stipulates a stringent planning and management cycle for its member companies (see figure 4.1). 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. Mammut commissions local, independent experts - who have been trained by the FWF - to carry out audits according to the FWF guidelines.

The top priority for audits is suppliers who account for 2% or more of our purchases of sewn products. The 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. In addition to these audits, the FWF recommends that its member companies carry out specific training programs and courses, for both factory managers and other employees.

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 the Fair Wear Foundation. This corporate level assessment, known as the Brand Performance Check, is held every year at Mammut's headquarters in Seon. Two Fair Wear Foundation experts monitor, 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 favorite brands and to allow FWF members to communicate their achievements more clearly. „Good“ is the minimum required status to remain an FWF member. Lower assessments require rapid improvement or withdrawal from the FWF.

With a benchmarking score of 75, Mammut can be proud of the fact that in 2014, it has become the first outdoor company to have achieved the FWF Leader rating.

Transparency of our actions is one of the 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.

Scope

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.



5 | Production: Fair Wear Foundation

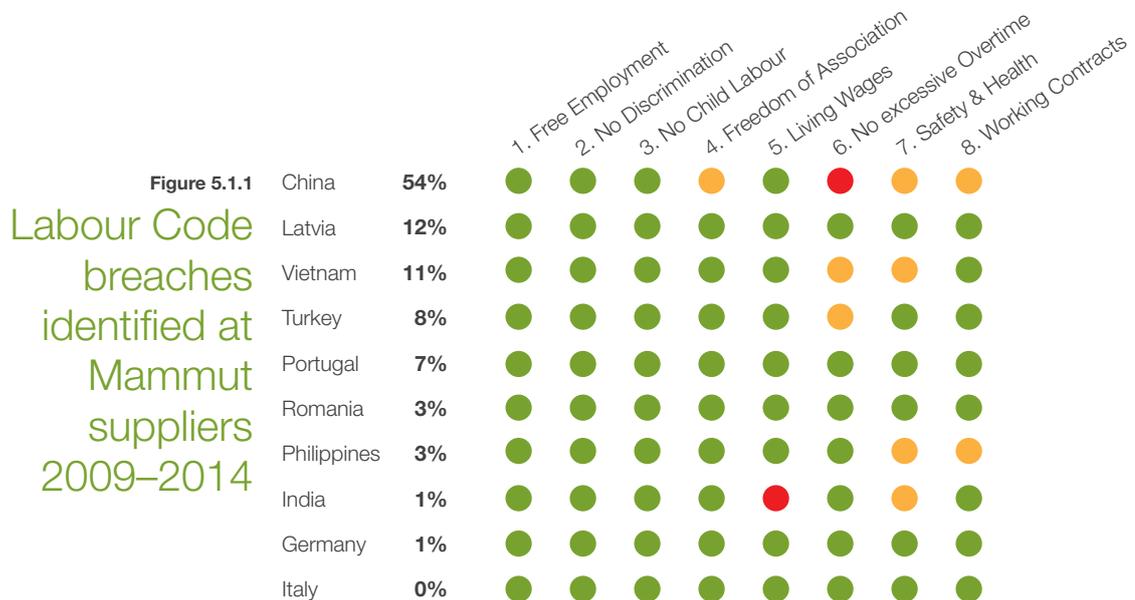
In 2014, our monitoring system covered 98% of our suppliers of textile products. Ten independent social audits were carried out with FWF experts.

5.1 | REVIEW & PROSPECTS

In the course of our membership period of close to seven years, we have managed to construct a solid internal management system. Since 2009, we have published an annual social report and transparent information on improvements and challenges in relation to fair working conditions. As illustrated in figure 5.1.1, social responsibility in the supply chain is now an integral component of our core business.

Overview of supplier performance

Overall, supplier improvement has been positive since 2009. As shown in figure 5.1.1, our traffic light symbols are at green in almost every area. The red dots show a problem that was discovered at a factory in India in 2009 where the supplier was not paying according to the local minimum wage and recurring overtime findings in China. In the long term, we view our main challenges as being the issues of excessive overtime and living wages.



For detailed explanations on non-compliances, see section 5.6 Supplier Performance on pages 22 to 30.

- 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.

In the case of India, wages in one factory that was audited by FWF in 2011 were below statutory minimum wage. Mammut stopped purchasing from the supplier.

In the case of China, weekly working time that exceeds 60 hours was found at several suppliers. In order to ease the pressure on our suppliers we reserve substantial margin time for production and lead detailed discussions with suppliers on capacity planning.



FWF Best Practice Award

FWF credited us with a pioneering role, in particular in view of our cooperative approach. For our social monitoring, we cooperate with competitors to increase the effectiveness of our actions. In recognition of this commitment, the FWF has awarded us, together with Odlo and Schöffel, the FWF Best Practice Award 2013.

Mammut wins the FWF Best Practice Award

Erika van Dorn,
director of
FWF (r.)
and Corina Zanetti,
Mammut (l.).
2013 | Photo: FWF



Overview of objectives

Since 2013, we base our calculations on our total purchase volume, including products outside the FWF focus. After all, fair working conditions do not apply solely to producers of sewn products, but to all other producers as well. In 2014, we achieved a monitoring coverage rate of 98% of all products based on our purchase volume. It is our aim to maintain this ambitious level.

Figure 5.1.2

Goals 2014–15

	DIMENSION	GOAL 2014	STATUS 12/2014	DIMENSION	GOAL 2015
MANAGEMENT SYSTEM	Living Wages	<ul style="list-style-type: none"> • Update internal Living Wage study; integrate learnings from EOG-FWF study 	done	Living Wages	<ul style="list-style-type: none"> • Update internal Living Wage Study and follow other companies' living wage implementation projects
	Optimisation of monitoring	<ul style="list-style-type: none"> • Continue extending monitoring to producers of non-woven products • Improving evidence on Corrective Action Plans (CAPs) 	done / ongoing	Optimisation of monitoring	<ul style="list-style-type: none"> • Keep current level of monitoring • Improving evidence on Corrective Action Plans (CAPs)
SUPPLY CHAIN	Audits	<ul style="list-style-type: none"> • 1 social re-audit by FWF in China • 1 FWF verification audit 	done	Audits	<ul style="list-style-type: none"> • 5 social re-audits • 3 new FWF audits
	Trainings	<ul style="list-style-type: none"> • Convince all suppliers in China, Turkey & India to take part in FWF's Workplace Education Program 	in progress	Trainings	<ul style="list-style-type: none"> • Convince all suppliers in China, Turkey & India to take part in FWF's Workplace Education Program. Conduct first WEP in Vietnam.
	Industry involvement	<ul style="list-style-type: none"> • Push cooperation actively 	done / ongoing	Industry involvement	<ul style="list-style-type: none"> • Strengthen cooperation with other brands (joint audits, CAPs follow-up, trainings); beyond FWF scope.
COMMUNICATION	CR reporting	<ul style="list-style-type: none"> • New reporting format 	not done / in progress	CR reporting	<ul style="list-style-type: none"> • New reporting format



5.2 | PURCHASING STRATEGY

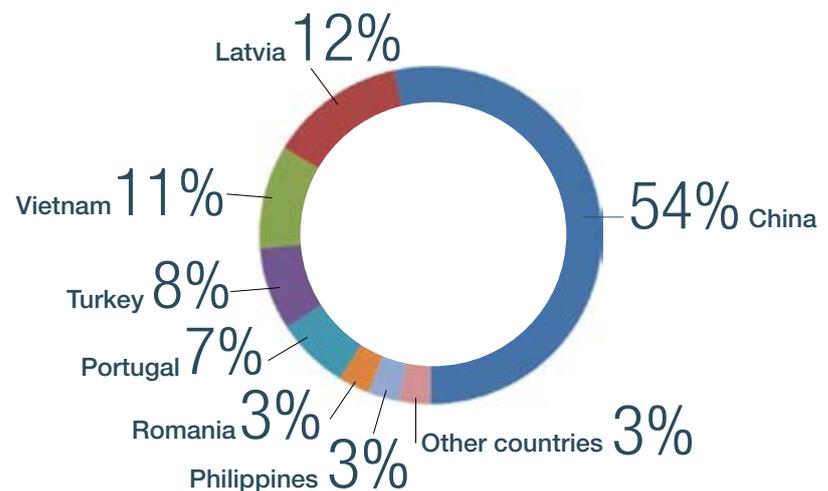
Mammut follows a conservative approach regarding its sourcing procedures and the management of suppliers. Long-term partnerships with our suppliers enjoy the highest priority as this helps us achieving and maintaining high quality and social responsibility standards. If the development of new supplier relationships or production countries still becomes necessary, we proceed very cautiously.

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 1 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.

Product portfolio

Mammut sells mountain equipment, including apparel, hardware (e.g. backpacks, sleeping bags, harnesses and accessories) and mountaineering shoes. Approximately 35% of our production takes place in Europe and 65% in the Far East, mainly in China and Vietnam.

Figure 5.2.1
Mammut
Sourcing
Split
(garment maker level)



We have approximately 250 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 (for further details, see chapter 1.2 in [Mammut Corporate Responsibility >> Overview](#)).

Supplier relations

For us, continuity is more important than short-term financial success. We strive to 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 9.5 years (status December 2014).

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 in China, Vietnam & Philippines) conduct on-site quality inspections at least once a week. 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 CSCO). Purchasing decisions are made by the Head of Purchasing, while the ultimate responsibility lies with the CSCO.

We do not work with any agents or intermediaries. We have terminated four business relationships with suppliers in 2014.



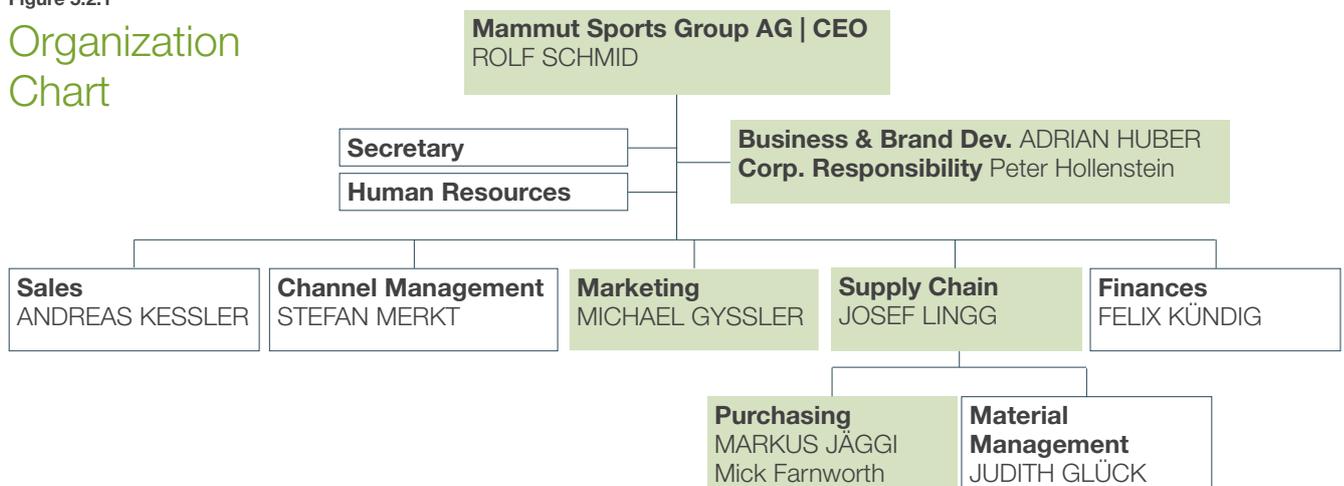
5.3 | ORGANIZATION

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 Supply Chain division is responsible for operational aspects and the implementation of monitoring activities. Since 2008, it has been managed by Markus Jäggi, Head of Purchasing, and Mick Farnworth, Purchasing Manager Hardware. 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.

Figure 5.2.1

Organization Chart



The CR Management team – Adrian Huber and Peter Hollenstein – acts as an internal coordination point. It drives the implementation of strategy in relation to Fair Wear Foundation and ensures the achievement of the objectives defined in the work plan. For more information: see [Mammut Corporate Responsibility >> at a glance.](#)



Josef Lingg



Markus Jäggi



Mick Farnworth



Adrian Huber



Peter Hollenstein

Questions & Feedback

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5.4 | SUPPLIER EVALUATION

We have defined clear guidelines and formal checklists for selecting new suppliers. Social compliance aspects are an integral part of the selection and decision-making process.

Selection process for new factories

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

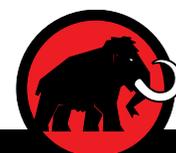
We evaluate the performance of our suppliers regularly. Social Compliance is an integral part of our supplier performance rating. The following criteria are used to determine a supplier's performance:

Table 5.4.1
Supplier
Evaluation
Criteria

Supplier evaluation criteria	new supplier	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

Selection process for auditing decision

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. [Section 5.6](#) provides a detailed view of our suppliers' performance in 2014 in terms of implementing fair working conditions.



INTERVIEW

Systematic supply chain management is the key to effective corporate social monitoring. Mick Farnworth is in charge of implementing the FWF standard among suppliers. He gives an insight into his daily work.



Interview by Lotte Schuurman with Mick Farnworth, Mammut Purchaser Hardware

Insight into our purchasing

Every season Fair Wear Foundation portrays one of its member companies to provide a glimpse of what it means to be an FWF affiliate. In 2014 FWF gave the floor to: Mick Farnworth, a Purchasing Manager at Mammut.

“In the 1990s, Mammut was one of the early companies to send out a labour code of conduct to our suppliers, but when I look back, that was just a piece of paper; a contract to hide problems. The suppliers signed it and everyone was happy. Since then there has been a complete change of awareness of social responsibility and sustainability issues at Mammut.

In autumn 2008, Mammut joined FWF and started auditing in 2009. When we just joined FWF in 2008, suppliers were a little bit sceptical as they already had audits by BSCI, WRAP and FLA, so why did we go with a third party? Our answer was that FWF had the highest standards. It took us four years to bring our supplier monitoring up to FWF standards. And then we had the required 90 percent of our factories under monitoring.

I find it really good that FWF audits with three people for 1.5 days as it is a very thorough approach. Audits are a good way to track the progress and follow up on the CAPS from previous visits. We now have much more detailed analysis of the conditions in the factories which supply Mammut. You’re making the supplier aware of what the problems are and you can correct them together. It is proof of the old motto “what gets measured, gets done!”.

Every year, Mammut is audited by FWF. These Brand Performance Checks are very important to us. It is really helpful to have the new points system so that we can see the emphasis that FWF places on particular activities. We use the result to fine tune our work plan for the following year.

“We put the Fair Wear Foundation logo on three million hangtags.”

Mammut stands for quality and safety. And CSR is a measure of quality, so really important in the way we do business. CSR is an insurance for the brand against scandals. The fashion brands that were sourcing from Rana Plaza and Tazreen were undoubtedly damaged by the bad publicity. Our customers tend to be very socially and environmentally aware, so we are very careful.

Many of our customers were not aware of FWF until we started to put the logo on our hangtags. In 2014, we will print the FWF logo on three million hangtags. This encourages customers to find out more about fair labour conditions in factories. In contrast, very few people go to the Mammut website to read our very comprehensive social report.

“Many brands working together have more influence than one alone.”

Mammut won FWF best practice award in 2013 for encouraging cooperation between brands. We are actively involved in sharing information with other companies. We always ask our FWF case manager if other brands are working at the factories and if they are willing to share the effort for an audit or corrective actions. We firmly believe that we get a better outcome if we collaborate on FWF themes. A supplier takes matters a lot more seriously when several customers want the same change than when it is just one small and picky customer.

Cooperation between brands is also important if there are complaints from workers. Complaints are not actually regarded as a bad thing because they show that the social dialogue process is working. Where several brands are at a factory, it is customary for the largest customer to take the lead in handling the complaint with the supplier.

Continued on the next page



Mammut recently took the lead in two cases from workers in Chinese factories filed complaints about overtime. In both cases, we already have good contacts with the management. Together with the extended leverage, through representing other customers, we could ensure that the complaints were resolved quickly to get to a satisfactory conclusion.

FWF offers a Worker Education Programme (WEP) in several countries. Here again, collaboration with other brands brings improved results. Sometimes suppliers are not at all interested in participating in the training scheme, but when they realise that several customers want this, they are much more amenable.

“The tough challenges are excessive overtime and the living wage.”

In the beginning we were concerned that auditors would find under age labour or forced labour, but thankfully, these problems have not been found in audits of Mammut suppliers. In every audit, some small health and safety issues are identified. Some are easy to fix, like painting an arrow to mark the fire escape route, or checking a certificate is valid. The labour standards relating to overtime and the living wage are harder to implement.

When we analyse the faults found in recent audits, overtime is a recurring issue. Mammut takes steps to eliminate the problem but we have limited influence. Mammut has strict timelines and we book capacity with factories many months in advance. We place orders for classic styles in low season and book greige fabric in advance. Even if there are production problems and delays it should still be possible to deliver on time without excessive overtime.

However, often the overtime problems in our suppliers are a result of other customers actions. In 2013, a FWF audit for Mammut found overtime problems at a Vietnamese glove factory, but this was actually due to salesman’s samples for an Italian customer. Also in 2013, overtime and delays at a Chinese apparel factory were due to a large American customer ordering three times as much as they had forecast. We can only solve this by establishing cooperation with other customers.

We have been actively monitoring progress towards the living wage since 2010. We have attended living wage conferences in Berlin and Geneva and have followed various projects. We have done our own survey of wages in our factories to ensure that statutory wages are respected. The topic is on our agenda but progress takes a long time.

“We are very careful with the selection of suppliers.”

We believe in long term relations. The average relationship with Mammut’s suppliers is seven years, but many have been partners for 10 to 15 years. Our manufacturers regularly visit our headquarters in Switzerland.

For the past ten years, China has been an important source of high quality mountaineering garments. However, as the economy develops, fewer people want to work in sewing factories. We have already experienced capacity problems as factories struggle to find enough workers. Therefore, like many apparel brands, we will have to start production in new regions in the future. Many of our competitors already produce in Bangladesh, Indonesia, Cambodia and even Burma.

Mammut moves more slowly than other companies as we demand excellent standards in quality and social responsibility. It takes us quite a long time for Mammut to select new suppliers. We have made an analysis of several factories; what kind of products do they make and for whom? Do they have ISO certificates? Have they been audited for social standards? Next, we have visited the factories, walked through the production sites and talked to the managers. Before we start production at a new supplier in a developing country, we will perform a FWF audit.”

Mick Farnworth was born in Blackburn, Lancashire, England in 1964. He studied BSc Mechanical Engineering and worked for the British outdoor brand Karrimor for 15 years. He joined Mammut in April 2001 as department manager for backpacks and sleeping bags. He switched to the purchasing department in 2007.



5.5 | INTEGRATION OF MONITORING ACTIVITIES & PURCHASING DECISIONS

Social responsibility is an integral part of our daily business activity and our internal quality management system. Mammut is committed to a continuous improvement process and a pragmatic approach.

The FWF threshold of 90% monitoring coverage of our supplier base is observed and evaluated continuously. It is part of the quarterly reporting to Mammut management as well as a component of the yearly work plan and annual social report. In the Brand Performance Check performed 2014, assessing activities in 2013, FWF came to the conclusion that 99% of Mammut's textile supply chain was adequately monitored according to FWF requirements. Furthermore, Mammut reached a Benchmarking Score of 75 concerning FWF's management system requirements and was thus assigned to the „Leader“ category amongst FWF affiliates.

Consequent sourcing decisions

Social criteria, as stipulated by the CoLP as well as FWF requirements, have been integrated in our internal management processes, e.g.:

- selection criteria for new suppliers (see [chapter 5.4](#))
- performance evaluation criteria for new suppliers (see [chapter 5.4](#))
- checklist for supplier visits
- quarterly reporting and evaluations for management

So far, only one out of more than 40 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.

Managing corrective action plans

Corrective Action Plans (CAPs) can result from (social, 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.

Managing complaints

We provide our suppliers with posters, including the FWF Code of Labor 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 seven official complaints since its affiliation with FWF in 2008, all except one of them concerning overtime.

Complaints are handled by the person responsible for CSR within the purchasing team, 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 (CSCO), 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 CSCO, 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

Smart use of restrained resources

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. We are currently cooperating with the following brands on auditing and monitoring:

Table 5.5.1
Mammut
Cooperations

Partner brands	FWF member	N° of factories jointly monitored	Start date of cooperation
Adidas	/	2	2012
Burton	/	1	2013
Gore Bike	/	1	2013
Haglöfs	yes	3	2012
Kjus	yes	1	2012
Jack Wolfskin	yes	2	2012
Odlo	yes	1	2008
Patagonia	/	3	2011
Salewa	yes	1	2013
Schoeffel	yes	3	2011
Tabor	/	1	2012
Vaude	yes	1	2012

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.

Data management

All data from audit reports, reported complaints, factory visits and corrective action plans (CAPs) are kept in the internal Supplier Register (see p. 22) and the CAP register. Both registers are managed by the person responsible for CSR within the purchasing department and updated at least quarterly. Labor standards and CAPs are also discussed at the regular meetings with each supplier.



5.6 | SUPPLIER PERFORMANCE

FWF requires us to report any problems identified and actions taken with respect to the FWF Code of Labor Practices. This reporting must be broken down at country level and supplier level.

Overall performance per country is positive (for an overview, see [chapter 5.1](#)). The following pages provide a detailed and technical insight into our performance level according to Code of Labor Practices (see below) as well as per supplier ([p. 28-29](#)). The Supplier Register ([p. 26-27](#)) gives an integral overview of our garment-makers and activities since 2008. Long-term challenges remain with regards to overtime and living wages.

List 5.6.1 Performance per Code of Labor Practices

1 free employment

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

Comment

No breaches regarding forced employment found during audits on Mammut suppliers 2009-2014.

2 no discrimination

» 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

So far, no audit at a Mammut supplier identified any discrimination issues (2009-2014).

3 no 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

All audited Mammut suppliers 2009–2014 were completely free of child labour.

In our experience, it is rare to find issues of forced labour, child labour or discrimination among tier 1 suppliers of high-quality consumer goods in any country.



4 freedom of association

» 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 in certain countries. FWF evaluates the status of unions in each factory audit and reports general issues in country reports.

5 living wages

» 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 2014 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. No single definition of a living wage is broadly agreed and accepted by diverse stakeholders. This and other obstacles are collected and addressed on the new [Living Wage Portal](#) of the 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.

Comment FWF

Mammut has put efforts into increasing knowledge about living wages in production countries as well as on stakeholder level in Europe attending conferences on living wage. The company made an independent assessment of the performance of its key suppliers regarding wage payments. The company made use of available wage ladders made by FWF teams. For suppliers where no wage ladder was available, the company developed its own wage ladders based on information on wages that was obtained from suppliers. At one supplier in China it was found that some of the rank and file workers earn wages for regular hours that are on par with or above Asia Floor Wage. In most factories wages were found to be below the amount constituting a living wage as estimated by local stakeholders.



6 working hours

» 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.

Complaints

On 4th October 2012, at factory 3918 in Turkey, a worker complaint 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.

Comment FWF

A production capacity plan is agreed upon with suppliers at the beginning of the year for the coming year. The production capacity plan indicates order dates and order amounts. This plan is made to ensure that production sites reserve correct capacity for Mammut's production needs.

To ease production pressure on suppliers Mammut shares detailed forecast information with suppliers, which should help them to plan their capacity for production.



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.

The company has reserved substantial margin time in its 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 company generally tries 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.

7 safety & health

» 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. Mammut does not currently have any production in these countries.

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. Each audit produces a long list of minor issues that are usually corrected within a few days.

8 working contracts

» 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 complaint 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, even if he follows the legal procedure to apply for resignation 30 days in advance. Resolved within 48 hours.



Table 5.6.2

Supplier Register

FACTORY DATA					MONITORING ACTIVITIES				
	PRODUCTION COUNTRY	FWF FACTORY NUMBER	PRODUCT GROUP	SHARE OF MAMMUT PURCHASING VOLUME 2014 ¹	FWF COLP SIGNED	AUDITED	AUDITING BODY / CERT. ³	STATUS CORRECTIVE ACTIONS ⁴	AUDIT PLANNED 2015
EUROPE	Latvia	5054	Apparel	7.9%	yes	Nov. 2014	SA8000	no action	yes
	Turkey	3918	Apparel	7.7%	yes	Sept. 2012	FWF	no action	yes
	Portugal	3257	Apparel	5.0%	yes	/	/	no action	no
	Latvia	5053	Apparel	4.3%	yes	Nov. 2014	SA8000	no action	no
	Romania	2708	Footwear	3.2%	yes	Sept. 2013	FWF	follow-up	yes
	Portugal	3288	Apparel	1.9%	yes	/	/	no action	no
	Germany	4573	Apparel	1.2%	yes	/	/	no action	no
	Portugal	3260	Apparel	0.2%	yes	/	/	no action	no
	Italy	2948	Apparel	0.1%	yes	April 2014	FWF	no action	no
	Germany	3305	Slings	0.1%	yes	/	/	no action	no
	Germany	3253	Apparel	0.0%	yes	/	/	no action	no
	Ireland	3259	Apparel	0.0%	yes	/	/	no action	no
	Denmark	3292	Apparel	0.0%	yes	/	/	no action	no
	TOTAL EUROPE				32%	32%	32%		
FAR EAST	China	3289	Footwear	12.2%	yes	Nov. 2013	FWF	no action	no
	China	5305	Apparel	11.3%	yes	Dec. 2012	FWF WEP	no action	yes
	China	4591	Apparel	9.6%	yes	March 2014	FWF	no action	yes
	China	3264	Apparel	8.0%	yes	March 2014	FWF	no action	no
	Vietnam	3268	Backpacks	5.2%	yes	Dec. 2014	SA8000	no action	yes
	China	3278	Footwear	4.4%	yes	Aug. 2013	FWF	no action	no
	Philippines	3280	Backpacks	2.6%	yes	Aug. 2012	FWF	no action	yes
	China	5304	Apparel	2.3%	yes	May 2014	FWF WEP	no action	no
	China	3266	Sleeping Bags	2.3%	yes	Aug. 2013	SA8000	factory closed	no
	Vietnam	3277	Apparel	1.9%	yes	Oct. 2014	FWF	no action	no
	Vietnam	2935	Apparel	1.2%	yes	Oct. 2014	FWF	no action	no
	China	3018	Apparel	1.1%	yes	Jan. 2015	FWF	follow-up	no
	India	2377	Apparel	1.1%	yes	July 2014	SA8000 and FWF	no action	yes
	Vietnam	6027	Apparel	1.0%	yes	Oct. 2014	FWF	no action	no
	China	3308	Backpacks	1.0%	yes	Aug. 2012	SRG	no action	no
	China	8304	Apparel	0.9%	yes	/	/	new factory	yes
	Vietnam	3287	Apparel	0.8%	yes	March 2013	FWF	no action	no
	Vietnam	3922	Apparel	0.5%	yes	March 2015	FWF and SA8000	no action	no
	China	3267	Sleeping Bags	0.3%	yes	Oct. 2013	FWF	no action	no
	China	3303	Apparel	0.3%	yes	Aug. 2010	WRAP	no action	no
	Vietnam	7504	Apparel	0.2%	yes	March 2015	FWF	no action	no
	China	5839	Apparel	0.1%	yes	March 2014	FWF	no action	no
	China	8326	Apparel	0.1%	yes	/	/	new factory	no
Vietnam	6030	Backpacks	0.0%	yes	/	/	subcontractor	no	
Vietnam	3270	Backpacks	0.0%	yes	Dec. 2014	SA8000	no action	no	
TOTAL FAR EAST				68%	68%	66%			6 AUDITS
TOTAL				100%	100%	98*			9 AUDITS

*98% monitored to FWF requirements.



Legend to the Supplier Register 2014:

- 1 To calculate a supplier's share of Mammut's purchasing volume, we consider all products, including those not covered by FWF.
- 2 According to FWF, Mammut must audit all suppliers with a share of 2% or more. Re-audits must be conducted at least every three years. Mammut does not require social audits at suppliers who are certified to SA8000 or are members of FWF.
- 3 FWF recommends working with independent third-party auditors, preferably experts trained by FWF in the FWF Code of Labor Practices. Mammut deploys FWF audit teams. Mammut management or purchasing staff generally accompany social and verification audits at suppliers.
- 4 "No action" indicates that no issues were identified during the last audit or that all findings have been resolved and no corrective actions or follow-up audits are pending.



Above: Markus Jaeggi, Mammut Head of Purchasing in a discussion with a factory manager at the Mammut Supplier Day. Below: impressions of factory workers' daily life.

Germany, 2013; China, 2011 & 2014 | All photos: Mammut



Table 5.6.3

Performance per Country & Factory

EUROPE

					1. Free Employment	2. No Discrimination	3. No Child Labour	4. Freedom of Association	5. Living Wages	6. No excessive Overtime	7. Safety & Health	8. Working Contracts
Latvia	5054	8%	Apparel	●	●	●	●	●	●	●	●	●
	5053	4%	Apparel	●	●	●	●	●	●	●	●	●
Turkey	3918	8%	Apparel	●	●	●	●	●	●	●	●	●
Portugal	3257	5%	Apparel	●	●	●	●	●	●	●	●	●
	3288	2%	Apparel	●	●	●	●	●	●	●	●	●
	3260	0%	Apparel	●	●	●	●	●	●	●	●	●
Romania	2708	3%	Footwear	●	●	●	●	●	●	●	●	
Germany	4573	1%	Apparel	●	●	●	●	●	●	●	●	●
	3305	0%	Slings	●	●	●	●	●	●	●	●	●
	3253	0%	Apparel	●	●	●	●	●	●	●	●	●
Italy	2948	0%	Apparel	●	●	●	●	●	●	●	●	
Denmark	3292	0%	Apparel	●	●	●	●	●	●	●	●	
Ireland	3259	0%	Apparel	●	●	●	●	●	●	●	●	

For detailed explanations on non-compliances, see section 5.6 Supplier Performance on pages 22 to 26.

- 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.

Comments

The European countries listed here include Latvia, Portugal, Italy, Germany, Denmark and Ireland. These countries are regarded as low risk countries by FWF. Therefore, social auditing and further monitoring are not required, provided no issues arise and no complaints are made by workers. Nevertheless, Mammut visits each supplier on a yearly basis and addresses working conditions.

With regards to Turkey, Mammut received a complaint that a worker had been fired because of union membership. The FWF investigators did not find any evidence to support this and rejected the complaint.

Workers also complained about overtime following the FWF audit in September 2012. On investigation, this was due to bottlenecks in the taping and ironing sections in the factory. The factory agreed to purchase extra ironing and taping machines to reduce the problem in the future.



FAR EAST

					1. Free Employment	2. No Discrimination	3. No Child Labour	4. Freedom of Association	5. Living Wages	6. No excessive Overtime	7. Safety & Health	8. Working Contracts
China	3289	12%	Footwear	●	●	●	●	●	●	●	●	●
	5305	11%	Apparel	●	●	●	●	●	●	●	●	●
	4591	10%	Apparel	●	●	●	●	●	●	●	●	●
	3264	8%	Apparel	●	●	●	●	●	●	●	●	●
	3278	4%	Footwear	●	●	●	●	●	●	●	●	●
	5304	2%	Apparel	●	●	●	●	●	●	●	●	●
	3266	2%	Sleeping Bags	●	●	●	●	●	●	●	●	●
	3018	1%	Apparel	●	●	●	●	●	●	●	●	●
	3308	1%	Backpacks	●	●	●	●	●	●	●	●	●
	8304	1%	Apparel	●	●	●	●	●	●	●	●	●
	3267	0%	Sleeping Bags	●	●	●	●	●	●	●	●	●
	3303	0%	Apparel	●	●	●	●	●	●	●	●	●
	5839	0%	Apparel	●	●	●	●	●	●	●	●	●
	8326	0%	Apparel	●	●	●	●	●	●	●	●	●
	Vietnam	3268	5%	Backpacks	●	●	●	●	●	●	●	●
3277		2%	Apparel	●	●	●	●	●	●	●	●	●
2935		1%	Apparel	●	●	●	●	●	●	●	●	●
6027		1%	Apparel	●	●	●	●	●	●	●	●	●
3287		1%	Apparel	●	●	●	●	●	●	●	●	●
3922		1%	Apparel	●	●	●	●	●	●	●	●	●
7504		0%	Apparel	●	●	●	●	●	●	●	●	●
6030		0%	Backpacks	●	●	●	●	●	●	●	●	●
3270		0%	Backpacks	●	●	●	●	●	●	●	●	●
Philippines	3280	3%	Backpacks	●	●	●	●	●	●	●	●	
India	2377	1%	Apparel	●	●	●	●	●	●	●	●	

Comments

China

In China, many FWF audits identified minor issues with the implementation of local regulations. Trade unions exist but they do not have the same freedoms as in the western world. Furthermore, the working contracts of migrant workers, sometimes do not comply with local laws.

Seasonal overtime states a bigger problem. Excessive overtime mostly occurs in June and July for the delivery of winter collections and again in January before Lunar New Year. Red dots thereby mark cases in which the weekly working time exceeded 60 hours.



The issue is complicated in that migrant workers in coastal China expect overtime in order to improve their earnings and will leave a factory if sufficient overtime is not offered.

Mammut is working hard to prevent excessive overtime at its suppliers by booking capacities early and including substantial reserve time in the production process.

Many factories were struggling to recruit enough workers to fulfil their planned capacity in 2014. Young Chinese prefer to work in offices and shops rather than in a factory despite factories offering much higher wages. Thus many factories in the main export manufacturing zones on the coast are opening small subsidiaries inland. This has caused a slight reduction in our overall audit coverage from 98% to 97% as this is site specific. 8304 is a subsidiary of 3264. 5839 is a subsidiary of 3018. Both of these subsidiaries will be audited in 2015.

The owner of sleeping bag factory 3266 decided to retire but was unable to find a buyer who was willing to continue in manufacturing of sleeping bags. The factory closed after 17 years of supplying Mammut.

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

Vietnam

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 neighboring factory 7504 without the knowledge on Mammut head office. Both factories were audited.

At audits in far eastern countries minor problems with occupational health and safety are often found. Typically these problems can be solved rather quickly in cooperation with the factories concerned.



Auditors checking time records (left) and fire safety equipment (right).

All photos: Mammut



5.7 | 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.

More than 600 Chinese workers take part in training

With regards to our suppliers and factory workers, Mammut does not have the resources and knowhow 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 as well as FWF membership, 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 endeavors to introduce both workers and managers to safe and effective approaches for communicating problems and resolving disputes. The program also seeks to reduce workplace risk step-by-step by raising awareness of workplace standards and functioning grievance systems.

So far, Mammut could convince five Chinese suppliers (Ref. 5305, 3264, 5304, 3018, 3267) to take part in the WEP. Approximately 120 managers and supervisors attended the training session for managers. Well over 600 production workers attended the training session for workers.

The WEP will also be available in Vietnam in 2015; all Vietnamese suppliers will be encouraged to participate.

All our Portuguese suppliers have sent representatives to a FWF seminar in September 2014.

A major supplier in Turkey has previously participated in a CSR training scheme organized by another provider. 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



Training session for factory staff in the context of the FWF Workplace Education Program, Dec. 2012, China. Photo: Mammut.



6 | Glossary

Audit (social, 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 4](#). For further information on Mammut's performance with regards to the code, please visit the [chapter 5](#).

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 03/18/2014.

