



## BRAND PERFORMANCE CHECK

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Mammut Sports Group AG

PUBLICATION DATE: JUNE 2017

this report covers the evaluation period 01-01-2016 to 31-12-2016

## ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation believes that improving conditions for apparel product location workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the product location. FWF, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's member companies. The Checks examine how member company management systems support FWF's Code of Labour Practices. They evaluate the parts of member company supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

In most apparel supply chains, clothing brands do not own product locations, and most product locations work for many different brands. This means that in most cases FWF member companies have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of member companies. Outcomes at the product location level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of FWF member companies cannot guarantee results.

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a product location can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of FWF's work.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with member company employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at [www.fairwear.org](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

## BRAND PERFORMANCE CHECK OVERVIEW

Mammut Sports Group AG

Evaluation Period: 01-01-2016 to 31-12-2016

MEMBER COMPANY INFORMATION	
Headquarters:	Seon, Switzerland
Member since:	25-09-2008
Product types:	Outdoor, Sportswear, Bags & Accessories
Production in countries where FWF is active:	Bangladesh, China, India, Macedonia, Republic of, Myanmar, Romania, Turkey, Viet Nam
Production in other countries:	Cambodia, Germany, Honduras, Korea, Republic of, Latvia, Philippines, Portugal, Taiwan
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
SCORING OVERVIEW	
% of own production under monitoring	92%
Benchmarking score	75
Category	Leader

## Summary:

Mammut has shown advanced results on performance indicators and has made exceptional progress. It reaches a monitoring percentage of 92%, which meets the required monitoring threshold after three years of FWF membership. With a score of 75, Mammut is placed in the 'Leader' category.

Mammut has particularly good systems in place to monitor suppliers, evaluate their performance and assess country risks. In resolving a recurrent complaint at one of its Chinese suppliers related to excessive overtime, it conducted a thorough analysis. Mammut learned that the excessive overtime was not directly caused by its production planning, although it did place production orders during peak season. The brand continues to offer detailed forecasts in advance, but also requires the factory to confirm capacity bookings based on a maximum of 60 hours per week. The brand also agreed with the factory to supply the standard minute per style to Mammut so that it can calculate the needed capacity more accurately.

In 2016, Mammut continued its strategy to transfer production from China to Vietnam. The main reasons to relocate production were based on quality, innovation and prices. Chinese production locations open up factories in Vietnam, Bangladesh, Cambodia and Myanmar, actively promoting the shift of production to these countries. Mammut's production was also placed at production locations in Bangladesh and Myanmar, although this accounted for a very small percentage of its total FOB. The shift of suppliers means that Mammut is currently in a transition period where it is decreasing production at Chinese suppliers and starting new relationships with others.

Furthermore, Mammut's Japanese subsidiary is steadily growing. It has added new suppliers to Mammut's overall supplier list. In six years' time, the total number of suppliers grew from 31 to more than 50. This poses challenges in monitoring suppliers and actively following up on audit results.

Despite the fact that Mammut's purchasing department has to approve the placement of production at new suppliers by the Japanese subsidiary, there is still a difference between the human rights due diligence performed by Mammut and its subsidiary. FWF recommends Mammut to bring the subsidiary in line with its human rights due diligence.

FWF strongly recommends Mammut to develop a sourcing strategy focused on the relocation of production. The strategy should consider the steps the brand will take to ensure a responsible exit. The strategy should also take workers' voice and interest into account. Furthermore, it should include consolidation of its supplier base, building long-term relationships and increasing leverage at new suppliers.

## PERFORMANCE CATEGORY OVERVIEW

**Leader:** This category is for member companies 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.

**Good:** It is FWF's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF member companies—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of member companies will receive a 'Good' rating.

**Needs Improvement:** Member companies are most likely to find themselves in this category when major unexpected problems have arisen, or if they are unable or unwilling to seriously work towards CoLP implementation. Member companies may be in this category for one year only after which they should either move up to Good, or will be moved to suspended.

**Suspended:** Member companies who either fail to meet one of the Basic Requirements, have had major internal changes which means membership must be put on hold for a maximum of one year, or have been in Needs Improvement for more than one year. Member companies may remain in this category for one year maximum, after which termination proceedings will come into force.

Categories are calculated based on a combination of benchmarking score and the percentage of own production under monitoring. The specific requirements for each category are outlined in the Brand Performance Check Guide.

## 1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	53%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	3	4	0

**Comment:** The percentage of production volume where Mammut buys at least 10% of production capacity has decreased from 72% in 2015 to 53% in 2016. This is due to the fact that Mammut is moving production from China to Vietnam and other countries.

**Recommendation:** FWF recommends Mammut to consolidate its supplier base where possible, and increase leverage at its supplier(s) to effectively request improvements of working conditions. Mammut should describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff. The strategy should take into account a responsible exit that includes workers' voice and interest.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	28%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	0	4	0

**Comment:** Mammut has more than 30 suppliers where it buys less than 2% of its FOB. The number of suppliers where it spends less than 2% of its FOB is more than half of the total number of its suppliers.

**Recommendation:** FWF recommends Mammut to consolidate its supply base by limiting the number of supplier in its tail end. To achieve this, Mammut should determine whether suppliers where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail end will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way.

Mammut should describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	63%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	3	4	0

**Comment:** In general, Mammut values long-term relationships. With most of its Chinese suppliers, it has been working for more than five years. Due to the shift of production locations, the percentage of production locations where a business relationship has existed for at least five years has decreased from 80% to 63%. Despite the fact that Mammut expects a further decrease, it is committed to establish long-term relationships with its new suppliers.

**Recommendation:** FWF recommends Mammut to invest in stable business relationships with suppliers. Long term relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.

It is advised to describe policies regarding maintaining long term business relationship in a sourcing strategy that is agreed upon with top management/sourcing staff. The strategy should outline its commitment to long-term relationships. It should also contain measures to prevent Mammut shifting production to other countries and production locations in the near future.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.3 All new production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

**Comment:** Mammut added sixteen new suppliers to its supplier list. All suppliers had returned the FWF questionnaire, including those of the Japanese subsidiary.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.4 Member company conducts human rights due diligence at all new production locations before placing orders.	Intermediate	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	2	4	0

**Comment:** New suppliers that are selected by Mammut are assessed according to a scoring system. During a visit by senior staff, Mammut explains its position with regards to labour standards and FWF. Information like FWF's country studies, other stakeholder information and FWF's Health and Safety checklist is taken into account. It also collected several existing audit reports.

The Japanese subsidiary is now required to place production orders of all its suppliers through Mammut's headquarters. Although this has ensured that all new suppliers sign the FWF Code of Labour Practices before initial orders are placed, Mammut could not show how its Japanese subsidiary selects new suppliers and what the process of human rights due diligence entails. Therefore, full points could not be awarded.

**Requirement:** Mammut needs to ensure that its human rights due diligence approach is integrated throughout the entire company. The selection of new suppliers should be done in the same manner by Mammut and its Japanese subsidiary.

**Recommendation:** FWF recommends Mammut to provide training to staff its Japanese subsidiary on FWF requirements and human rights due diligence.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	1	2	0

**Comment:** Mammut keeps track of audit reports through a Master list. The Head of Vendor follows up on audit results during visits and emails. Reported progress is updated in the CAPs. Purchasers are informed of the CAP status and also assist in follow up.

Mammut has a supplier evaluation system in which it scores human rights issues per supplier and its overall performance. It has set up a traffic light system where issues are marked as red (critical), orange (major) or yellow (minor issue). Supplier performance is evaluated annually. In some cases, Mammut also discussed the rating of the supplier with the factory.

Due to the complexity of its products, Mammut cannot reward the factory with more orders.

**Recommendation:** FWF recommends Mammut to share and discuss the outcome of the supplier evaluation with all its suppliers. Furthermore, FWF recommends Mammut to consider other incentives to stimulate progress on social issues, for example by offering price increases, bonuses or performance-based financial support to resolve issues.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0

**Comment:** Mammut has two seasonal types of products (summer/winter) and a range of Never Out of Stock-items. Lead times are between 3 - 8 months, depending on the type of product.

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 and include an estimate about the delivery of fabric. All suppliers need to agree on order dates. Mammut is able to shift a part of its Never Out of Stock-production to the low-season.

Mammut does not know the standard minute per style or the total production capacity of each factory. With some critical products Mammut reserves specific working lines in the factory.

In addition, Mammut has reserved substantial margin time in its delivery cycles to ensure that order delays can be handled. In case of delay, Mammut considers splitting orders or air freight.

In 2016, Mammut has started to change its business model, focusing more on business to customers instead of business to business, reducing its range of products. Therefore, it has also opened up a stock in Germany from where it can supply garments to the stores.

**Recommendation:** FWF recommends Mammut to learn more about the standard minute per style and how the production of its products impact the total production capacity of the factory. Furthermore, FWF recommends Mammut to analyze how the change of business model impacts its production planning and the production planning by factories.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.7 Degree to which member company mitigates root causes of excessive overtime.	Advanced efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	6	6	0

**Comment:** Mammut has a high level of awareness on root causes of excessive overtime on both an industry-level and a factory-level. In its 2016 social report, it has stated several of these root causes, for example seasonal production by many fashion brands, suppliers overbooking their capacity, delays of fabrics or quality issues of components, other customers raising order volume on short notice, infrastructural problems (frequents blackouts, etc.) and suppliers struggling to recruit enough workers (especially in China and Vietnam).

In 2016, seven FWF audits in China, Bangladesh, Vietnam and Myanmar showed that excessive overtime took place. Mammut discussed root causes with these suppliers. It also adapted its production planning, for example by shifting production of NOS-items to the low-season or by giving factories more possibilities to produce in an early stage. In one particular case, Mammut conducted a thorough analysis of working hours, production capacity and the placement of orders (see indicator 3.4). The brand continues giving detailed forecasts in advance, but also requires the factory to confirm capacity bookings based on a maximum of 60 hours per week. The brand also agreed with the factory to supply the standard minute per style to Mammut so that it can calculate the needed capacity more accurately.

Mammut shared its lessons learned with the other FWF member brands that were active at the supplier. Furthermore, Mammut also shared lessons learned with a FWF member with which it shares another Chinese factory where excessive overtime takes place. This FWF member then applied the same type of analysis to this supplier.

**Recommendation:** FWF encourages Mammut to continue its thorough approach and apply a similar approach to all its factories where excessive overtime takes place. The brand could start discussions with other large customers to mitigate the root causes of excessive overtime.

Furthermore, FWF encourages Mammut to actively share its way of doing analysis with other garment brands.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company's pricing policy allows for payment of at least the legal minimum wages in production countries.	Style-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	4	4	0

**Comment:** Mammut follows a partnership approach when negotiating prices. When developing a new style, Mammut involves its suppliers in the process and agrees on a target price based on feedback from suppliers as well as past experience. Part of the process is the discussion of a costing sheet (fabric, CMT and trims).

The starting price can be higher or lower than the target price. Mammut and the supplier then work towards the target price. The price remains fixed for this specific style and is not re-negotiated with every order. Mammut is not yet aware of the costs per labour minute. Mammut asks about wage levels but does not relate the wage levels to the standard minute per style and the direct labour costs. In 2016, Mammut did take steps to learn more about the relationship between standard minutes and the direct labour costs.

**Recommendation:** FWF recommends Mammut to continue its research about pricing and implement the findings in its pricing policy. It should ensure that transparency in costing and productivity will be increased. Relating the costs per labour minute to its pricing policy would be an advanced next step.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if suppliers fail to pay legal minimum wages.	Yes	If a supplier fails to pay minimum wage, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	1	2	-2

**Comment:** At two factories that were FWF-audited in 2016, legal minimum wage issues were found.

According to Myanmar law, during the probation period of the first three months the worker receives 75% of the legal minimum wage. After the three months, the worker should obtain 100% of the legal minimum wage. The FWF-audit found that in some cases, workers were not paid the legal minimum wage after the probation period. Mammut discussed the issue with the supplier, but yet has to verify whether payment is in line with Myanmar law.

At a Chinese factory, records were falsified and workers were possibly coached by factory management. Therefore, it could not be established by the FWF-audit team whether the legal minimum wage was paid. The audit team did estimate that the factory pays the legal minimum wage. Mammut took no further action.

**Requirement:** Mammut needs to ensure that it knows and shows that factories pay at least the legal minimum wage. It should verify whether the Myanmar factory pays wages in accordance with the law. Furthermore, it should enter into discussions with the Chinese factory about its documentation system.

**Recommendation:** In its discussions with the Chinese supplier, Mammut could explain the aim of FWF and FWF-audits. It could work on building trust and ensuring that the supplier cooperates during FWF audits. The brand could verify by means of a monitoring visit of the FWF-team or by hiring a local documents inspector that wage records are correct and in order.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of production location and member company financial documents.	0	0	-1

Comment: FWF audits did not show late payments by Mammut in 2016.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Production location level approach	Sustained progress towards living wages requires adjustments to member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	4	8	0

**Comment:** During recent years, Mammut has made considerable efforts to increase their knowledge about living wages in production countries as well as on a stakeholder level in Europe by attending various conferences and round tables on living wage. Mammut makes use of available wage ladders made by FWF teams.

In 2016, FWF launched the Living Wage Incubator, a project to assist member brands in designing projects to work towards living wages with their suppliers. Mammut is an active participant of the Living Wage Incubator. Mammut has designed a project in which it is learning more about price calculations by factories and how factories calculate overhead, direct and indirect labour costs. It will publish its findings in 2017.

**Recommendation:** FWF encourages Mammut to actively share its lessons learned with other garment brands. Furthermore, FWF recommends to select a number of factories with which it can actively work towards raising wages. The selection procedure could take into account the leverage Mammut has at suppliers, long-term relationships, presence of other FWF members and an active worker committee or trade union.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	N/A	2	0

**Comment:** Mammut has an own production site for avalanche backpacks and ropes. Both production sites do not fall with the scope of FWF membership.

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## PURCHASING PRACTICES

Possible Points: 44

Earned Points: 30

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## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	73%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	13%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	Yes	
Total of own production under monitoring	92%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100% Measured as a percentage of turnover.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

**Comment:** The Head of Vendor is responsible for following up on issues identified by the monitoring system. This happens in close cooperation with other purchasers and technical staff.

**Recommendation:** FWF recommends to involve staff of its Japanese subsidiary in identifying and following up on issues.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF to approve the auditing system.	Information on audit methodology.	N/A	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1

Comment: Mammut shares audit reports with the factories as soon as Mammut receives the report from FWF. It ensures that timelines are set up. Mammut is exploring how it can share audit findings with worker representation and how to tackle the language barrier.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2

Comment: Mammut has set up a traffic light system to track social issues at suppliers. The brand marks those issues as red, orange or yellow. One of the challenges Mammut faces in following up at suppliers, is that due to a growing number of suppliers, Mammut needs to focus its efforts to follow up. Therefore, It mainly focuses on resolving the red-marked issues. Mammut is especially strong in keeping track of the progress towards resolution of existing CAPs.

Mammut mainly focused on several of its Myanmar, Chinese, Bangladeshi and Vietnamese suppliers. The brand could show that a number of findings were resolved. For example, it tracked the number of workers that were provided social security in a Chinese factory, whether Anti-Harassment Committees were installed and progress on Fire and Building Safety in Bangladesh. Mammut discussed the role of social dialogue with its Myanmar suppliers.

Despite the fact that Mammut keeps track of the progress made, issues were sometimes closed by factory management without proper verification by Mammut or an independent third party.

**Recommendation:** FWF strongly recommends to set up a strategy that includes the growing number of suppliers and the available resources of Mammut. Possible solutions could be to decrease the number of suppliers or increase the amount of resources that can be spend on actively following up on issues. Furthermore, FWF recommends Mammut to only close issues when verification can be provided by showing proof (pictures, documentation) or by on-site visits of Mammut or an independent third party.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	95%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

Comment: Mammut visited almost all of its production locations in 2016.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	3	3	0

Comment: Mammüt regularly collects existing audit reports of other organisations, like BSCI, SAI or other FWF brands who have their own audit system. The brand completes the Audit Quality Assessment tool and follows up on the CAP with the factories.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	5	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Intermediate			3	6	-2
Compliance with FWF Myanmar policy	Advanced			6	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2

Comment: Mammüt sources from 2 Bangladeshi suppliers and 2 Myanmar suppliers. At three suppliers, it only places a small part of its production volume. At one Bangladeshi supplier, it already places a significant part of its production volume.

The Bangladeshi suppliers are part of the Alliance for Bangladesh Worker Safety. According to the website of the Alliance, both suppliers have fully remediated the health and safety issues in the factory. Despite significant efforts of Mammut to enroll its suppliers in the WEP Gender Based Violence training, the two factories did not participate in the programme. Mammut did discuss the functioning of the Anti-Harassment Committee with the factories.

In 2015, Mammut Japan had started sourcing at a Myanmar supplier without doing proper due diligence. Immediately after Mammut had learned that production was taken place at a Myanmar supplier, it planned a FWF audit. Mammut Japan had also proposed to place production at another Myanmar supplier for the winter collection of 2016. Before production took place, Mammut ensured that the factory was audited by FWF. The brand followed up on the CAP and also discussed social dialogue with the factories. Mammut was the first brand to enroll a factory in the Workplace Education Programme in Myanmar.

In general, Mammut has good knowledge of the human rights situation in Myanmar. In its social report, it reports per labour standard how it wishes to improve the situation at its Myanmar factories. It has also published the wage ladders.

**Recommendation:** FWF recommends Mammut to continue its efforts to enroll its Bangladeshi suppliers in FWF training on Fire and Building Safety and Gender Based Violence. In case suppliers refuse to participate, Mammut could actively follow up on the functioning of the Anti-Harassment Committee. It could check whether complaints were filed, whether workers are aware of the Committee and what the curriculum of the internal training against harassment looks like.

FWF encourages Mammut to actively discuss and follow up on social dialogue with its Myanmar suppliers. Furthermore, FWF encourages Mammut to continue its practice of actively discussing working conditions in Myanmar with (local) stakeholders.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1

Comment: Many factories that Mammut sources from are shared with other FWF members. Mammut actively cooperates with other members to share information, CAP updates, complaints handling, etc.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	50-100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	1	2	0

Comment: Mammut sources from seven suppliers in low-risk countries. It has ensured that the FWF questionnaire was signed and returned and that the FWF Worker Information Sheet was posted. It regularly visits these suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits above the minimum required monitoring threshold.	80-90%	FWF encourages all of its members to audit/monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	1	3	0

**Comment:** Mammut has conducted full audits above the minimum required monitoring threshold. Including the suppliers in low-risk countries, 84% of its suppliers were audited. It has also fulfilled the requirements for suppliers that are in the tail end, but which have not been audited. The percentage of FOB of suppliers in the tail end was 8%. In total, Mammut has monitored 92% of its supplier base.

**Recommendation:** FWF encourages members to go beyond the minimum required monitoring threshold and rewards members who audit production locations in the tail end as well to mitigate potential social compliance risks.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	2	0

**Comment:** Mammut does not sell garments from other brands.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.13 Questionnaire is sent and information is collected from licensees.	No	FWF believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	0	1	0

Comment: Another FWF member is a licensee of Mammut. Mammut did not yet send the questionnaire for licensees to them.

## MONITORING AND REMEDIATION

Possible Points: 33

Earned Points: 26

### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	2	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	1	
Number of worker complaints resolved since last check	1	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

Comment: The Head of Vendor is responsible for addressing worker complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 System is in place to check that the Worker Information Sheet is posted in factories.	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	0

Comment: Mammut has a system in place to check whether the Worker Information Sheet is posted. Through visits and asking pictures of a posted Worker Information Sheet, Mammut checks whether the Worker Information Sheet is posted.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Percentage of FWF-audited production locations where at least half of workers are aware of the FWF worker helpline.	57%	The FWF complaints procedure is a crucial element of verification. If production location based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Production location participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited production locations where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of production locations in WEP programme.	3	4	0

**Comment:** In total, 26 factories were FWF audited in the last three years. At 6 factories, workers were sufficiently aware of the FWF worker helpline. A total number of 11 factories has received a WEP-basic training session.

**Recommendation:** Mammut can stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF's worker hotline. In addition to sending the worker information sheet, Member companies can use the worker information cards available for download on FWF's website.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure	Yes + Preventive steps taken	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	6	6	-2

**Comment:** In 2015, Mammut has received a complaint concerning overtime hours and the non-payment of legal minimum wage. Another FWF member took the lead, since it had a larger share of production. The outcomes of verification showed that the legal minimum wage was paid by the factory, but that workers did work excessive overtime and were not always guaranteed a day off per week. The complaint was closed in 2016 after a WEP-basic training took place and working hours were in-line with the legal limits.

In 2016, Mammut received another complaint from a worker in a Chinese factory concerning excessive overtime. This is a recurrent complaint at this factory as more workers had complained about it. After the previous complaints, Mammut had already taken steps to adapt its production planning to ensure that its production planning did not contribute to excessive overtime. After the last complaint, Mammut made an extensive analysis of the working hours per month, the date of the complaints and the placement of Mammut orders. The brand learned that complaints came in during peak season, but it was not related to the placement of orders by Mammut. At the same time, Mammut did learn that orders for Mammut were sometimes produced during peak season.

The brand continues giving detailed forecasts in advance. As preventive steps, it currently requires the factory to confirm capacity bookings based on a maximum of 60 hours per week. The brand also agreed with the factory to supply the standard minute per style to Mammut so that it can calculate the needed capacity more accurately what should help Mammut in doing production planning. To convince factory management, Mammut has also made a cost-analysis of overtime hours compared to regular working hours showing that the cost of overtime hours decreased factory margin.

**Recommendation:** FWF recommends Mammut to discuss with factory management and other relevant customers how to tackle the issue of excessive overtime. The brand could discuss how production planning could be changed, which products could be shifted to the low-season and how overtime relates to costing.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	Active cooperation	Because most production locations supply several customers with products, involvement of other customers by the FWF member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	0

Comment: Mammut actively cooperates when addressing complaints. It shares information with other FWF members and updates them about progress made.

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## COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 14

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## 4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	-1

Comment: Staff of Mammüt are well-informed about FWF membership. Mammüt informs staff through:

- A quarterly employee newsletter
- Quarterly management information for staff
- An internal blog
- Special training for sales and distribution employees (seasonal)
- Special training for employees in the Purchasing and Material Management department (at least once a year)
- An internal Corporate Responsibility Network bringing together employees from different departments
- A special CSR evening for all staff

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

Comment: All staff in regular contact with suppliers are well aware of FWF membership requirements and briefed regularly. In addition, relevant staff of Mammüt is actively participating in seminars, round tables and working groups concerning social compliance. All staff in direct contact with suppliers has received a training on social compliance.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Member does not use agents/contractors	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume)	28%	Lack of knowledge and skills on best practices related to labour standards is a common issue in production locations. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	4	6	0

**Comment:** Mammut mainly sources from countries where FWF is active. In the last three years, 11 WEP-training sessions were conducted at suppliers from Mammut.

**Recommendation:** In order to ensure awareness and enhance understanding of the relevant labour standards, grievance mechanisms and the importance of a good mechanism for communication between employers and workers in the workplace, FWF developed the Workplace Education Programme. FWF currently offers the following training modules for the WEP: Basic, Communication, Gender Based Violence, Supervisor and the Factory Guide. More info on availability in countries can be found on the FWF website. Mammut should motivate its main supplier(s) to join WEP training sessions, especially in Bangladesh and Myanmar.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Production location participation in trainings (where WEP is not offered; by production volume)	0%	In areas where the Workplace Education Programme is not yet offered, member companies may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	0	4	0

**Comment:** Mammut did not provide training to factories in countries where FWF does not offer the Workplace Education Programme.

**Recommendation:** All factory workers and management should be informed about FWF, labour standards and grievance mechanisms. In order to further communication between employers and workers in the workplace FWF recommends Member companies to ensure suppliers participate in training. Training must meet FWF quality standards to receive credit for this indicator: top management, supervisors and workers should be included in the training, separately. Workplace standards and dispute handling should be included in the training. At least 10-20% of the workforce must be trained, depending on the size of the factory. Worker participation should be balanced and representative.

## TRAINING AND CAPACITY BUILDING

Possible Points: 13

Earned Points: 7

## 5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Advanced	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	6	6	-2

**Comment:** Mammut is well aware of all production locations and has included them in the FWF database. It has an open dialogue with factories about the use of subcontractors. At the same time, it also has a policy in place that does not allow for unannounced subcontracting. Regular on-site visits of quality control staff during production limit the risk of unauthorized subcontracting.

The brand has successfully integrated the production locations producing for its Japanese subsidiary in its database. Mammut is duly informed when the Japanese subsidiary decides to work with new suppliers. Mammut has not yet included all embroidery and printing subcontractors.

**Recommendation:** FWF recommends Mammut to ensure that all production locations, including subcontractors for printing and embroidery are included in its supplier list.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1

**Comment:** Relevant staff has access to audit reports and CAPs. Purchasers and technicians that visit the supplier are regularly updated on CAP issues and follow up by the Head of Vendor. Staff members are actively involved in discussing follow up. Relevant feedback of purchasing staff is included in the CAP follow up system.

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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

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## 6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	FWF's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about FWF are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	FWF membership is communicated on member's website; other communications in line with FWF communications policy.	2	2	-3

Comment: Mammut communicates about FWF on its website, in its supply chain newsletter, product flyers, workbooks, etc. As a FWF leader, Mammut uses the FWF logo on hangtags.

All communication adheres to the FWF communication policy.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Published Performance Checks, Audits, and other efforts lead to increased transparency	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	2	0

Comment: Mammut has placed the Brand Performance Check reports on its website. On-going discussions take place about publishing its supplier list.

Recommendation: FWF recommends Mammut to publish one or more of the following reports on its website: audit reports and supplier information. Good reporting by members helps to ensure the transparency of Mammut and FWF's work.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.3 Social Report is submitted to FWF and is published on member company's website	Complete and accurate report published on member's website	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy.	Social report that is in line with FWF's communication policy.	2	2	-1

Comment: Mammut has submitted its social report and posted it online.

## TRANSPARENCY

Possible Points: 6

Earned Points: 5

## 7. EVALUATION

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management	Yes	An annual evaluation involving top management ensures that FWF policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

**Comment:** 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 FWFs performance check report. Mammut collects feedback from factories as part of ongoing discussions.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	49%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	2	4	-2

**Comment:** In the 2016 Brand Performance Check report, two requirements were formulated. Mammut was required to ensure that its human rights due diligence approach was an integrated approach and that it conducted human rights due diligence in Myanmar.

Furthermore, Mammut was required to take more explicit steps to deal with harassment on the work floor in Bangladesh.

Mammut worked towards further integration of its human rights due diligence approach with its Japanese subsidiary. It ensured that new suppliers were known to Mammut before orders were placed and that the FWF questionnaire for new suppliers was signed. Still, not yet all procedures were aligned in 2016, for example in how it selects new suppliers and the process and decision-making that precedes the selection.

Mammut discussed harassment on the work floor with its Bangladeshi supplier. An anti-harassment committee was set up at one of the factories. Furthermore, Mammut made significant efforts to enroll the suppliers in the WEP Gender Based Violence-training, despite refusal of the suppliers. Mammut could have taken more efforts to check whether the Anti-Harassment Committee was actually functioning properly.

Since half of the requirements were fulfilled, Mammut is awarded half of the points.

**Recommendation:** FWF recommends Mammut to actively follow up on all requirements, especially those concerning Myanmar and Bangladesh.

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## EVALUATION

Possible Points: 6

Earned Points: 4

## RECOMMENDATIONS TO FWF

Mammut recommends FWF to ensure a timely delivery of audit reports and to improve the audit format.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	30	44
Monitoring and Remediation	26	33
Complaints Handling	14	15
Training and Capacity Building	7	13
Information Management	7	7
Transparency	5	6
Evaluation	4	6
Totals:	93	124

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

75

PERFORMANCE BENCHMARKING CATEGORY

Leader

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

02-06-2017

Conducted by:

Wilco van Bokhorst; Sandra Gonza

Interviews with:

Michael Farnsworth - Head of Vendor Control

Markus Jaeggi - Head of Purchasing

Andreas Elleman - Purchasing- hardware and footwear

Adrian Margelist - Chief Marketing Officer

Peter Hollenstein - Corporate Responsibility Manager

Frank Trommer - Purchasing Manager Apparel