



**MOUNTAIN
FORCE**

PRECISION
APPAREL

Mountain Force AG

Social Report 2017



Social Report 2017



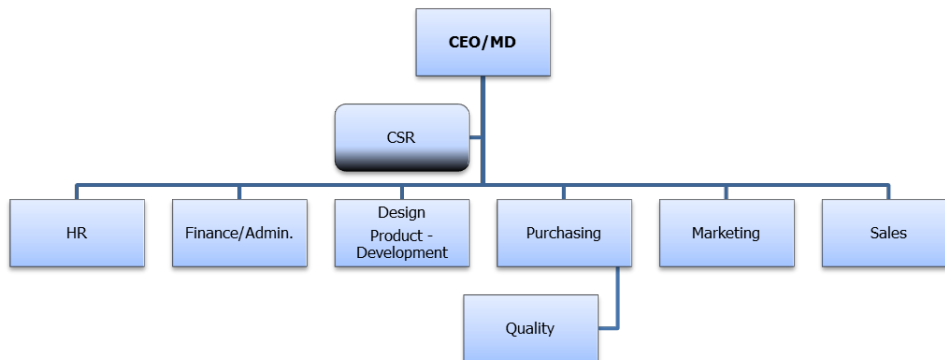
Company URL:

www.mountainforce.com

Fair Wear Foundation member since:

August, 2011

Mountain Force - Organisational chart:



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1. Summary: goals & achievements 2017

Becoming an affiliate of the Fair Wear Foundation in August 2011, Mountain Force took an important step in its pursuit of continuously improving and securing working conditions in its supply chain.

Already before joining FWF in August 2011 Mountain Force was continuously making sure that every employee understands the importance of acting fair with all stakeholders and is committed to the mission of improving labour conditions along its supply chain.

It is of highest importance for Mountain Force to focus on Corporate Social Responsibility. All staff members in direct contact with our supplier such as Design, Product Development and Quality are focused and well trained.

Mountain Force is mainly working with its most important supplier KTC. By implementing the FWF Code of Labour Practices, KTC aims to continually improve the compliance process, provide fair labour conditions to all workers and enhance transparency to the general public. KTC is audited on an annual basis by either the FWF or the FLA, with the past audits being carried out by FWF audit teams in 2012, 2013, 2015 and 2016 and an FLA audit team in 2014.

During 2017 we have visited and inspected our supplier KTC. Our visits have been helpful and insightful for us to better understand factors and challenges on KTC's side as a manufacturer. During the meetings we developed an adapted order and production schedule together with KTC. Early order and sign off dates and a later delivery date to allow for more and sufficient time for development and production on KTC's side. At the visit our development staff took a tour through the factory to inspect working conditions as much as possible during a business trip; we consider our role to actively be involved in monitoring and inspection an important contribution.

During these Mountain Force inspections of the KTC manufacturing site in 2017 we have been receiving proof that KTC is continuously improving its compliance process. Efforts that KTC presently takes regarding training and education of their workers are welcome and strengthen our trust and commitment for ongoing support and partnership.

In November of 2017 FWF conducted a brand performance check at Mountain Force. The performance check is a tool to verify that Mountain Force implements the management system requirements for effective implementation of the Code of Labour Practices, as specified in the FWF Charter. As a result, the performance check report states that "Mountain Force is transparent to the public on its supplier, sourcing practice, production planning and pricing..."

Werner Matzner, Chairman of the board of Mountain Force, is stating very clearly that social compliance and improving labour conditions is playing a significant role in our decision making, strategically and operationally. No compromises are acceptable in regards to CSR.

For 2018 we will stay focused on continuously improving the compliance process.

2. Sourcing strategy

2.1. Sourcing strategy & pricing

Mountain Force is working with KTC to assure that compliance in its supply chain is permanently monitored and properly executed. Due to the high technical requirement of our brand we forged a longterm collaboration with KTC and their unmatched reputation of Knowledge, Technology and Craftsmanship.

Mountain Force has been cooperating since its beginnings in 2005 with KTC and is having face to face meetings at least every three months.

Mountain Force is not working with any agents or intermediaries since our business model only works by having an exclusive agreement with our manufacturer.

2.2. Organisation of the sourcing department

As we are a lean company the sourcing is being handled directly by the chairman of the board, Werner Matzner.

2.3. Production cycle

Mountain Force has only one production cycle per year, as we are offering one winter-collection per year.

We intend to order as early as possible to give KTC sufficient time to run the bulk production. We have to enable KTC to continuously load their allocated production line. Our market environment is very demanding in regards to early and timely delivery hence we constantly have to adapt lead times and therefore we have to live an open partnership with KTC.

2.4. Supplier relations

Mountain Force and KTC formed a strategic partnership some years ago with Mountain Force being a brand of KTC.

2.5. Integration monitoring activities and sourcing decisions

N/A due to the exclusive relationship between Mountain Force and KTC.

3. Coherent system for monitoring and remediation

Since the business relationship between Mountain Force and KTC we had discussed the focus and importance on socially responsible practice and KTC's view of the Code of Labour Practice. We inspect compliance to the FWF CoLC actively and as stated above at least four times a year.

Outcome of the inspections is the basis for the corrective action plan and being followed up by the CEO of Mountain Force personally.

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3.1. KTC - China

Please see above explanation on the close cooperation between Mountain Force and KTC.

KTC is very transparent on its payments of salaries and wages. KTC took also an active part in a report about the social compliance in the outdoor industry, including wage ladders comparisons. KTC is providing decent working conditions to their workers and tries to pay at least the best practice wage or the legal minimum wage – whichever is higher – as the regular wage.

4. Complaints procedure

As described above KTC is the main manufacturer for Mountain Force. Whenever a Mountain Force representative is on site, he checks and follows up on the functionality and any outcome of the “grievance procedure” of KTC.

Please see further details on the KTC social report.

5. Training and capacity building

5.1. Activities to inform staff members

Staff of Mountain Force is sufficiently informed about FWF membership and the implementation of the Code of Labour Practices.

Information about FWF is provided through internal emails and trainings especially sales clinics.

KTC informs and trains its workers about the implementation of the Code of Labour Practices.

5.2. Activities to inform agents

The business partners of Mountain Force have been informed about our membership in the FWF.

5.3. Activities to inform manufacturers and workers

Please see KTC’s social report for detailed information.

6. Transparency & communication

Mountain Force uses various channels to inform their stakeholder about its commitment to FWF. Visualization of our membership to the FWF can be found on our catalogue, our in store books, sales clinic brochures, our hangtags, in our web site, company paper, etc.

We also actively lecture during our sales clinics about the importance of our membership to FWF and our view to the Code of Labour Practice.

The social report 2017 is presented on our web site.

7. Stakeholder Engagement

There have been no key topics/concerns regarding the compliance raised through any of our stakeholders

8. Corporate Social Responsibility

Corporate Social Responsibility is on the agenda at many meetings of Mountain Force. Although we need to continuously increase our transparency internally and externally. CSR needs to be further developed within management, our employees and our stakeholders. Everyone, all the stakeholders around us need to realize that Mountain Force has assumed its responsibility in regards to Corporate Social Responsibility.