

MODERN SLAVERY STATEMENT

FY18 (1ST March 2018 – 28th February 2019)

Mountain Warehouse operates a zero-tolerance policy to modern slavery and human trafficking and is committed to making every effort to eradicate the horrendous impact of this hidden crime from our business and supply chain. We recognise that modern slavery and human trafficking are a global and growing issue and no sector or industry can be considered immune. We define modern slavery in line with the United Nations Guiding Principles on Human Rights as *“One person depriving another of their liberty in order to exploit them for personal or commercial gain”*.

This is our second statement and builds on the work and commitments from our 2017 statement, it outlines the steps we have taken in the financial year ending 28th February 2019 to meet our obligations under section 54(1) of the Modern Slavery Act 2015.

OUR BUSINESS

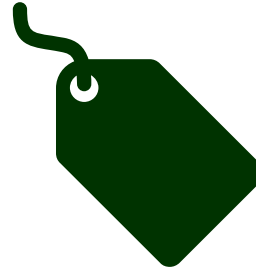
Mountain Warehouse Ltd encompassed three owned brands developed at our London head office – Mountain Warehouse, Neon Sheep and Zakti.

Mountain Warehouse began in Swindon in 1997 with a single store and is now an international multi-channel retailer of clothing, footwear, accessories and equipment. We're proud to develop our own brand to offer the best outdoor gear for all the family.

Neon Sheep is the newest brand in the Mountain Warehouse family selling fashionable stationary, gifts, homeware, beauty, accessories, footwear and clothing through UK stores and online.

Zakti grew out of the Mountain Warehouse activewear and operated standalone stores for a period in 2018. The brand has now been amalgamated back into our Mountain Warehouse stores and online channels and ceases to operate as a standalone offering.

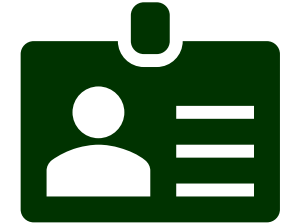
The information in this statement relates to all Mountain Warehouse, Neon Sheep and Zakti operations in the 2018 financial year. Any reference to Mountain Warehouse is intended to encompass all brands within Mountain Warehouse Ltd.



>25,000,000 PRODUCTS SOLD



c3000 EMPLOYEES



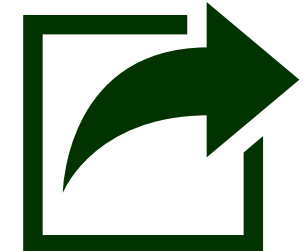
7 CONTRACTORS



340 STORES WORLDWIDE



9 COUNTRIES IN WHICH
STORES OPERATE



12 OWNED & 19 PARTNER
E-COMMERCE SITES

OUR WORKFORCE

Mountain Warehouse directly employed c3000 people in the 2018 financial year.

- **340** stores in the UK, Republic of Ireland, Germany, Austria, Holland, Poland, Canada, America and New Zealand.
- **4** Offices, two in London and international offices in Poland and Canada.
- **2** Customer service centres in Bradford and Coventry.

All of our store staff and customer service centre staff are directly employed and under contract with us. Less than 1% of our workforce are temporary contract workers, all temporary workers are employed at our London head offices.

SALES PARTNERSHIPS

We operate 15 concessions within 13 Garden Centre groups which are staffed by us.

We partnered with 6 third party e-commerce brands in FY2018:

- Amazon (Internationally)
- eBay (Internationally)
- Tesco (UK)
- CDiscount (France)
- TradeMe (New Zealand)
- Mall of Africa

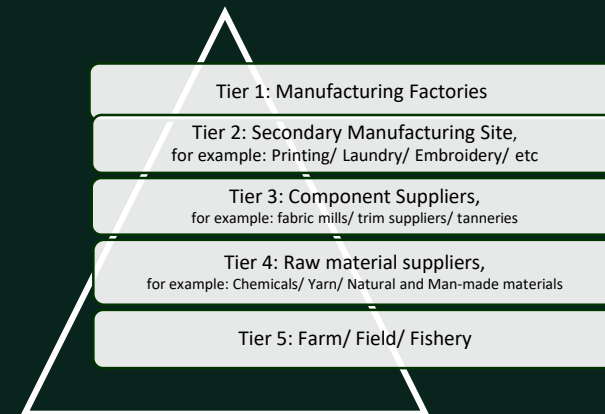


OUR SUPPLIERS

STOCK SUPPLIERS – OWN BRAND

Mountain Warehouse design all of our own brand product at our London office. Our supply chain is split into the opposite tiers. We have mapped all of our tier one suppliers.

- **289** Tier 1 factories in 8 countries (Bangladesh, Belarus, Chile, China, India, Italy, Vietnam, UK)
- **>87,500** Workers in Tier 1
- **36%** of factories are our direct supplier simplifying the tiers in our supply chain.



STOCK SUPPLIERS – THIRD PARTY

- **21** third party brands which is 7% of our total offering
- **11** manufacturing countries (China, Croatia, Czech, India, Italy, Malta, Poland, Slovenia, Spain, Taiwan, UK)

Mountain Warehouse sources specialist products from the well known brands and experts in their fields, for example: Gas Cannisters/Mosquito Repellent.

NON-STOCK SUPPLIERS

- **1719** third party non-stock suppliers

This covers our distribution centres, logistic suppliers, outsourced customer service centres, property management, utilities, maintenance, fixtures and fittings, travel, training and sundries.

OUR POLICIES AND TRAINING

We recognise that imbedding anti-modern slavery practices across our businesses and supply chains is a fundamental requirement. Our Code of Conduct outlines our expectations of our supply chain and incorporates the following policies:

- Employment is freely chosen
- Freedom of association and collective bargaining
- Working conditions
- Child labour
- Living wages
- Working hours and discrimination

Our Employee Handbook: equal opportunities, diversity, non-harassment, disciplinary, whistle blowing and anti-bribery policies supports these aims. All new starters receive the handbook as part of their offer pack.

Our Corporate Social Responsibility (CSR) team, supported by the wider business, is constantly engaging with our suppliers to ensure that we are making every effort to source responsibly and foster a responsible and ethical supply chain.

- All Mountain Warehouse direct stock suppliers are required to hold either a SMETA or BSCI social and environmental audit*
- We are members of the Supplier Ethical Data Exchange (SEDEX) which enables us to share and access responsible sourcing data and audits, identify risks and manage performance.
- We have partnered with SEDEX to offer a Modern Slavery E-Learning to our workforce and suppliers.
- We score our suppliers on CSR markers and work with them to achieve improvements.

* SMETA (Sedex members ethical trade audit) and BSCI (Business Social Compliance Initiative) – Audit programmes based on the International Labour Organisation standards and the United Nations Charter of Human Rights.





RISKS
ACTIONS
COMMITMENTS

Mountain Warehouse has a dedicated Corporate Social Responsibility Team that continually works to identify risk and carry out due-diligence through desk based research, audits, supplier mapping, supplier score cards, employee and supplier engagement, training and external industry recognised resources. These are used to continually make improvements.

RISK/ DUE-DILIGENCE	STEPS TAKEN FY2018	COMMITMENTS FOR FY2019
<p>OUR WORKFORCE:</p> <p>We recognise that modern slavery could occur in our own workforce and that there is higher risk associated with agency staff or staff provided through recruitment agencies. To mitigate this our dedicated recruitment team verifies the identity of each worker and their right to work, before work commences. We minimise the amount of temporary workers, less than 1% in FY18. Our contractual relationship with our recruitment agencies specify compliance with legislative obligations. All Mountain Warehouse employees have access to dedicated channels through which they may voice concerns, either through local reporting mechanisms or through the Employee Assistance Programme. Mountain Warehouse is committed to protecting employees when disclosing malpractice and will ensure that all disclosures made in good faith will be treated confidentially and without fear of retaliation.</p>	<ul style="list-style-type: none"> ➤ Commitment from the board to foster a zero tolerance approach. ➤ Recruited CSR Manager, Junior CSR Specialist and Head of HR to deliver the strategy. ➤ Identified SEDEX as our provider of e-learning. SEDEX is an industry leading platform recognised in the Environmental Audit Committee’s ‘Fixing Fashion Clothing Consumption and Sustainability Report’ as a benchmark for good practice. ➤ Worked with SEDEX to plan roll out of their modern slavery e-learning. Rolled out to directors ahead of the wider business. ➤ Recruitment topics incorporated into trade meetings, management and board meetings. 	<ul style="list-style-type: none"> ➤ Create a preferred supplier list of recruitment agencies ensuring that they align with our values. ➤ Update our recruitment agencies terms and conditions to make specific reference to modern slavery. ➤ Launch an applicant tracking data system to support management of the HR process. ➤ Roll out modern slavery training to our office, customer service and store staff to enable them to identify and report risks or violations. ➤ Ensure all staff are aware of the UK government whistleblowing hotline (add URL) as well as our internal procedure.
<p>SALES PARTNERS:</p> <p>We recognise that there is increased risk with non-owned and staffed operations so we only partner with market leaders in the countries of trade. We have a dedicated marketplaces team that manages these relationships.</p>	<ul style="list-style-type: none"> ➤ Reviewed our partners modern slavery statements, if available, and identified gaps. ➤ CSR and marketplaces team review of risks and next steps. 	<ul style="list-style-type: none"> ➤ Obtain partners latest policy documents and ensure that they are aligned. Re-contracting where necessary. ➤ Engage with our partners on modern slavery to identify opportunities to support each others efforts.

RISK/ DUE-DILIGENCE	STEPS TAKEN FY2018	COMMITMENTS FOR FY2019
<p>STOCK SUPPLIERS – OWN BRAND:</p> <p>We face the same challenges as our industry peers due to the complexity of our supply chain and the hidden nature of modern slavery. We recognise that transparency is key to addressing modern slavery risks and are engaged in mapping our supply chain with the aim of cascading our policies and standards down the supply chain to foster a responsible and transparent supply chain.</p> <p>To support this aim we constantly engage and educate our supply chain to obtain social and environmental factory audits, identify gaps and make continual improvements. We recognise the limitations of audits so we actively cross reference the data to identify hidden sources of supply.</p> <p>We aim to foster long term relationships and support our suppliers to encourage collaboration. We score our suppliers on key CSR metrics and work together to achieve key targets for improvement.</p> <p>We recognise that there are higher risks associated with specific countries and types of workforce, for example: migrant labour in Bangladesh, child labour in India and working hours in China.</p>	<ul style="list-style-type: none"> ➤ We have mapped tier 1 of our supply chain and implemented processes to maintain accuracy. ➤ We agree manufacturing factory at point of order and add this data to our purchase orders, cross referencing it to our tier 1 factory list to identify gaps. We also cross referenced our tier 1 list to other sources of data – third party pre-shipment quality inspections, issues log and supplier visits. We have identified 11 hidden factories in FY18. ➤ Manually collated industry recognised social and environmental audits (BSCI/ SMETA) for tier 1 factories, including new suppliers. Currently manually hold 80% of tier 1 audits. No supplier are rated unacceptable. ➤ Rolled out SEDEX audit system in January with 33% supplier registration, completion of the self assessment questionnaire (SAQ) and audit upload which enables us to monitor and report on compliance to drive improvements. ➤ Introduced supplier CSR scorecard and met with top 20 suppliers to deliver score and agree collaborative improvements. 	<ul style="list-style-type: none"> ➤ 100% of suppliers registered on SEDEX and completion of SAQ and audit upload. ➤ Use SEDEX reporting tool to focus improvement programme. ➤ Ensure responsible person in charge of managing the factories CSR programme conducts the relevant SEDEX training module on any areas that score as ‘requires improvements’ on their audit. ➤ Roll out SEDEX modern slavery training to tier 1 factories. ➤ Start to map tier 2 factories. ➤ Use SEDEX modern slavery risk report to identify specific modern slavery risks in our supply chain and build the results into the supplier score card. ➤ Bi-annual supplier visits to build relationships, deliver score card and agree corrective action plans.

RISK/ DUE-DILIGENCE	STEPS TAKEN FY2018	COMMITMENTS FOR FY2019
<p>STOCK SUPPLIERS – THIRD PARTY:</p> <p>There is increased risk with third party stock suppliers as we rely on them to conduct acceptable due-diligence of their supply chains which will be as equally complex as our own. We sell predominantly own brand product and only use third parties for specialist product to ensure that we are using experts in their field, for example: gas cannisters and mosquito repellent. Our buying teams manage these relationships closely.</p>	<ul style="list-style-type: none"> ➤ Mapped third party stock suppliers and implemented a process to maintain accuracy of the list. 	<ul style="list-style-type: none"> ➤ Implement a third party brand onboarding process with the minimum requirement of a robust code of conduct that is actively implemented across their supply chain. ➤ Develop and roll out a self-assessment questionnaire to identify risks and understand key performance indicators such as publishing a modern slavery statement and mapping tier 1 of their supply chain with audits. ➤ Foster a collaborative relationship to work together to minimise the risk of modern slavery in our shared supply chains.
<p>THIRD PARTY NON-STOCK SUPPLIERS:</p> <p>As with third party stock suppliers and sales partners third party non-stock suppliers hold an increased risk as we do not directly own or staff these organisations and they cover a variety of industries each with their own risk profile.</p>	<ul style="list-style-type: none"> ➤ We have updated our non-stock suppliers terms and conditions to include specific reference to modern slavery and other CSR topics and included a clause giving us right to audit. ➤ We have mapped all of our non-stock suppliers. 	<ul style="list-style-type: none"> ➤ Roll out the non-stock suppliers new terms and conditions to all existing suppliers and include in the new suppliers on-boarding pack.
<p>POLICIES:</p> <p>We recognise that we must have clear policies in place that clarify our business ethics and expectations with our supply chain. We recognise that we must take responsibility for championing good practice and striving to eradicate modern slavery.</p>	<ul style="list-style-type: none"> ➤ Reviewed code of conduct and identified additional policies that are required to strengthen our policy. ➤ Re-wrote the non-stock suppliers terms and conditions to include specific reference to modern slavery. 	<ul style="list-style-type: none"> ➤ Write and roll out CSR Policy to bolster code of conduct. ➤ Update employee handbook whistle blowing section to make specific reference to modern slavery. ➤ Roll out updated non-stock terms and conditions ➤ Review terms and conditions of stock suppliers – own brand, third party and sales partners.

RISK/ DUE-DILIGENCE	STEPS TAKEN FY2018	COMMITMENTS FOR FY2019
<p>TRAINING:</p> <p>We recognise that in order to minimise risk we must ensure that our workforce and supply base are educated on the fundamental principles of the modern slavery act so that we can work together to the same goal. In order to achieve this we have adopted the SEDEX* training modules that allow us to easily rollout to our workforce and supply base and track completion.</p> <p><small>*SEDEX is an industry leading platform recognised in the Environmental Audit Committee's 'Fixing Fashion Clothing Consumption and Sustainability Report' as a benchmark for good practice.</small></p>	<ul style="list-style-type: none"> ➤ Identified SEDEX as our provider of e-learning. ➤ Worked with SEDEX to plan roll out of their modern slavery e-learning. Rolled out to directors ahead of the wider business. 	<ul style="list-style-type: none"> ➤ Roll out modern slavery training to our workforce to enable them to identify and report risks or violations. ➤ Ensure all staff are aware of the UK government whistleblowing hotline as well as our internal procedure. ➤ Roll our Sedex modern slavery training to supply base including information on who to contact (whistle blowing) ➤ Ensure responsible person in charge of managing the factories CSR programme conducts the relevant SEDEX training module on areas that score as 'requires improvements' on their audit.
<p>BUSINESS ENGAGEMENT:</p> <p>We recognise that in order to eradicate modern slavery in our supply chain the CSR team will require support and engagement from the wider business.</p>	<ul style="list-style-type: none"> ➤ Independent Environmental Social Governance audit conducted and steps outlined in this report taken to address risk ➤ Quarterly updates to the board on CSR progress. ➤ Annual update to investors on CSR progress. ➤ We financially support the Sreepur Village charity in Bangladesh that provides homes and work for widowed or abandoned women so that they can support their children. 	<ul style="list-style-type: none"> ➤ Set up a working group of key stakeholders who meet quarterly to move forward modern slavery and CSR commitments. ➤ Seek out opportunities to collaborate and join external working groups.

EFFECTIVENESS

Due to the hidden nature of modern slavery it is difficult to root out and address. We are committed to making continual improvements in understanding our supply chain, the evolving risks and conducting due-diligence to inform our actions and commitments for the future.

The FY18 (1st March 2018 – 28th February 2019) statement was prepared by the Mountain Warehouse CSR team with collaboration from key stakeholders within the business and has been approved by the board of directors on 12th July 2019.

We look forward to updating our progress in the 2019 statement.

Shantelle Augier
Chief Commercial Officer
Mountain Warehouse Ltd
July 2019



