

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 issue, and no 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”*.

MOUNTAIN WAREHOUSE MODERN SLAVERY REPORT

Financial Year 2019/2020 (01.03.2020 – 29.02.2021)

We engage and educate our supply base to ensure our ethics are aligned and expectations clear.

We train our people to identify and raise up risk.

We encourage transparency and seek out non-compliance.

We monitor and score ethical performance to drive out risk.

We constantly engage our supply base to deliver continuous improvement.

We share learnings with our supply base to drive improvements.

We partner with leading modern slavery companies and systems.

This is our fourth statement and builds on the work and commitments from our last statement, it outlines the steps we have taken in our 2020/2021 financial year ending 29th February 2021 to meet our obligations under section 54(1) of the Modern Slavery Act 2015.

This statement relates to Mountain Warehouse International Ltd and group companies. References to Mountain Warehouse are intended to encompass all brands registered under this business entity during the timeframe of this report.

OUR BUSINESS AND WORKFORCE

Mountain Warehouse is an international retailer of affordable outdoor clothing, footwear, accessories, and equipment for all the family. Our Neon Sheep brand operates in the UK selling stationery, gifts, homeware, beauty, footwear, and clothing.

We are passionate about our people and the environment. We are on a journey to design sustainability and ethics into everything we do.

We have c3500 staff internationally. Our staff are split across 2 head offices, 1 customer service centre and stores. This year we have seen the introduction of home working because of the pandemic. We use a small number of recruitment agencies for screening of a limited number of specialist Head Office roles, we maintain control of the hiring processes for these staff. >99% of our staff are directly employed and contracted by us on permanent or fixed term contracts.

All Mountain Warehouse employees have access to dedicated channels through which to voice concerns, supported by our in-house HR team and twenty-four-hour employee assistance programme. Mountain Warehouse is committed to protecting employees when disclosing malpractice and will ensure that all disclosures made in good faith are treated confidentially and without fear of retaliation.

Our staff supported by the board of Directors are dedicated to upholding our fundamental business principles to ensure the rights of all workers in our business and supply chain are respected. Our dedicated Corporate Social Responsibility team works with business teams and suppliers to ensure continual improvement in working practices and risk mitigation.

c3500

Employees

35

Sales
Countries

6

Sourcing
Countries

379

Stores

OUR SALES PARTNERSHIPS

We have maintained relationships with 4 third party e-commerce partners and introduced 2 new partnerships*.

- Amazon (International sales platforms)
- eBay (International sales platforms)
- CDiscount (France)
- TradeMe (New Zealand)
- Catch (Australia)*
- Next (UK)*

These partners are leaders in their markets and their business practices align with our code of conduct.

OUR SUPPLIERS

OWN BRAND

We sourced our product from 6 different countries from 248 tier 1 suppliers using 357 tier 2 factories, employing 132,356 workers of which 53% are female and 47% male. 98% of the workforce is in permanent employment/ 2% temporary or agency. 3% of the total workforce are migrant workers. We strive to work directly with the manufacturing factories for enhanced traceability and reduced risk of transparency challenges. We have fostered long term relationships with our top 50 suppliers which account for 87% of our orders.

We define the tiers of our supply chain as referenced in the diagram opposite. We constantly engage our supply chain to encourage transparency and ensure our business ethics are aligned. As we have not been able to visit our suppliers this year, we have conducted video calls to maintain relationships, share knowledge, understand challenges, set goals, and discourage bad practice.

See risk assessment and due-diligence section for the actions we have taken this year to mitigate the risk of modern slavery in our supply chain.

THIRD PARTY BRANDS

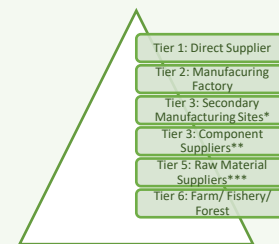
We have introduced more well know third party brands to our business this year with the introduction of a stand-alone brands section on our websites. This has increased our use of third-party brands to 15% of our total suppliers.

We have introduced a dedicated brands team to manage these relationships and ensure our business ethics are aligned.

NON-STOCK SUPPLIERS

We work with 1711 non-stock suppliers in 10 different sectors and 9 countries. Our product is distributed through third-party distribution centres, 2 in the UK, 1 in Canada and 1 in New Zealand.

| | STORES | OWN ECOMM | SALES PARTNERS |
|----------------|--------|-----------|----------------|
| Austria | X | X | |
| Australia | | X | X |
| Belgium | | X | |
| Bulgaria | | X | |
| Canada | X | X | X |
| Czech Republic | | X | |
| Denmark | | X | |
| Estonia | | X | |
| Finland | | X | |
| France | | X | X |
| Germany | X | X | X |
| Gibraltar | | X | |
| Greece | | X | |
| Guernsey | | X | |
| Ireland (ROI) | X | X | |
| Israel | | X | |
| Isle of Man | | X | |
| Italy | | X | X |
| Jersey | | X | |
| Latvia | | X | |
| Luxembourg | | X | |
| Malta | | X | |
| Netherlands | X | X | |
| New Zealand | X | X | X |
| Norway | | X | |
| Poland | X | X | |
| Romania | | X | |
| Spain | | X | X |
| Slovakia | | X | |
| Slovenia | | X | |
| Sweden | | X | |
| Switzerland | | X | |
| UK | X | X | X |
| Ukraine | | X | |
| USA | X | X | X |



*For example: Printing/ laundry/ embroidery/ etc

**For example: Fabric mills/ trim suppliers/ tanneries/ packaging/ etc

***For example: Chemicals/ yarn/ natural & manmade materials

| OWN BRAND SUPPLIERS | | |
|---------------------|----------------------|-----------------|
| Country | Percentage of orders | No of factories |
| China | 76% | 251 |
| Bangladesh | 16% | 55 |
| India | 4% | 34 |
| UK | 4% | 14 |
| Italy | 0.9% | 1 |
| Pakistan | 0.1% | 2 |

| NON-STOCK SECTORS | |
|---|---------------------------------|
| Sector 1: Landlords | Sector 6: Professional Services |
| Sector 2: Councils | Sector 7: Logistics |
| Sector 3: Utilities | Sector 8: Marketing |
| Sector 4: Maintenance/ Cleaning | Sector 9: IT/ Training |
| Sector 5: Non-stock products (fixtures/ fittings/ stationary) | Sector 10: Travel |

| COUNTRY | NON-STOCK SUPPLIERS |
|--------------|---------------------|
| Austria | 22 |
| Canada | 194 |
| Germany | 102 |
| Ireland | 50 |
| Netherlands | 29 |
| New Zealand | 81 |
| Poland | 71 |
| USA | 83 |
| UK | 1079 |
| Total | 1711 |

OUR POLICIES – OUR SUPPLY CHAIN

Embedding ethical practices into our business and supply chain is fundamental part of our business. We clearly document accepted business practices through our ethical policies and code of conduct which are updated at least annually. Our dedicated CSR team cascade these standards through our supply chain and obtain commitments from our suppliers to uphold these standards.

Our code of conduct aligns with the International Labour Organisation's expectations and covers the following areas:

- Employment is freely chosen.
- Freedom of Association.
- Working conditions are safe and hygienic.
- Child labour shall not be used.
- Legal minimum wages are paid.
- Working hours are not excessive.
- No discrimination is practiced.
- No harsh or inhumane treatment is allowed.

Our ethical manual incorporates the following additional policies:

- Onboarding Policy
- Subcontracting Policy
- SEDEX and Audit Policy
- Child Labour Policy
- Migrant Worker & Refugee Policy
- Home Working Policy
- Environmental Policy
- Animal Welfare Policy

Our CSR team, supported by the wider business, constantly engages our suppliers to ensure that we are making every effort to source responsibly and foster a responsible and ethical supply chain. We have a strict process that all existing and new suppliers and their factories must adhere to:

- By signing our purchase orders, suppliers agree to abide by the terms in our ethical manual and code of conduct.
- Provide accurate factory information for the purchase order.
- Share in-date factory profile and SMETA* or BSCI* audit through SEDEX and maintain annual updates.
- Deliver continuous improvements through timely corrective actions.
- Notify us about any breaches of policy and work with our human rights partner to address.

We have partnered with a leading human rights business to mitigate any instances of modern slavery in our supply chain. This company has reviewed our policies and we have acted on recommendations for improvements.

OUR POLICIES – OUR WORKFORCE

Our directly employed staff receive an Employee Handbook as part of their offer and sign up to these standards, which include policies related to equal opportunities, diversity, harassment, disciplinary, whistle blowing and anti-bribery.

*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.

We are a member of SEDEX, joining a growing community of over 60,000 companies in 180 countries. SEDEX is one of the world's leading organisations for management of responsible sourcing. We use SEDEX tools and services to ensure our suppliers are upholding safe, ethical, and sustainable business practices. This helps us to protect the working conditions for people within our supply chain. We use SEDEX to map our supply chain audits and identify risk, so that we can focus our work in the highest risks areas.

OUR TRAINING

This year we updated our employee modern slavery training through our in-house learning platform, iAM Learning, to make it more accessible to staff. 77% of head office and customer service centre staff have completed this and we have implemented a process to ensure all new starters complete within their first three months.

There are several other ethical trainings for existing staff and new starters:

- All buying and product technology are trained seasonally on the supplier onboarding process.
- The buying team are trained on the importance of accuracy of the factory information on the purchase order.
- HR trains all hiring managers on the recruitment system and hiring practices.
- Finance trains all new starters on the process for onboarding non-stock suppliers and picks up with existing manager when they identify that the processes are not being maintained.

When the CSR team identifies a risk in supplier practices, they provide one to one training to support understanding and engagement. They also employ the specialist training provided through the SEDEX training to enhance understanding. If specialist assistance is required in market our partner human rights agency conducts a beyond audit training programme designed to upskill our suppliers to identify risk in their supply chains. We select a number of suppliers each year to participate in this beyond audit training programme.

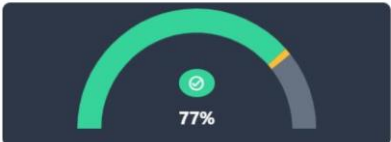
RISK ASSESMENT & DUE-DILIGENCE

We score our suppliers on key ethical performance indicators bi-annually to identify risk, focus our efforts and track effectiveness of actions.

The table on the following pages outlines the actions we have taken this year to identify risk and our due diligence including a review of effectiveness and future commitments.

| RISKS | DUE-DILIGENCE/ PROGRESS | EFFECTIVENESS & COMMITMENTS |
|--|--|--|
| <p>OUR WORKFORCE:</p> <p>Our HR team maintain tight control over the recruitment of our people. We recognise there is a risk of slavey if we do not have 100% visibility of the hiring process, we therefore maintain control of all interviewing and contracting including contractors and staff put forward by agencies.</p> <p>Risk could also be introduced by HR processes being delegated to hiring managers, so HR maintains final contracting and documentation review and approval powers.</p> <p>We have maintained all HR process during the pandemic to maintain low risk levels.</p> | <ul style="list-style-type: none"> ➤ Our board and management foster a zero-tolerance approach to unethical behaviour. ➤ Our dedicated in-house recruitment team contract directly with all employees including contractors and agency hires. They personally check right to work documents and proof of identity before an employee starts. ➤ All staff have signed our code of conduct as part of their contract. Mechanisms to report concerns are available. ➤ Our recruitment system manages applicant data and ensures right paperwork and consents are in place. Applications and offers of employment can only be made through this system. ➤ This year we have anonymised applicant data at the first review stage to remove the risk of unconscious bias. ➤ We also want to ensure we are not discriminating under the Equality Act 2010, we voluntary ask our new starters to provide information to help us build an accurate picture of our workforce that encourages equality and diversity. This information is treated sensitively, in strict confidence and in accordance with data protection legislation. | <p>We deem our hiring practices low risk; we intend to retain tight controls of these practices. We have had no reports of modern slavery in any of its forms in our workforce.</p> <p>We are committed to ensuring our workforce is treated fairly, respectfully, their human rights are upheld and there is right to recourse.</p> <p>See the 'Training' section for further HR actions and commitments.</p> |
| <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 lower risk countries for ethics abuses.</p> | <ul style="list-style-type: none"> ➤ Our dedicated marketplaces team manages these relationships and ensures we only work with business that align with our business ethics. ➤ We host our own sales pages on these partner websites maintaining ownership of the products (excluding Next). ➤ We have introduced direct distribution to customers who purchase through these platforms with c50% of orders being fulfilled in this way (excluding Next). ➤ Our dedicated marketplaces team maintain good relationships to encourage transparency. ➤ We review ethical media output related to these companies to identify risk. | <p>We are not aware of any instances of modern slavery being attributed to our third-party sales partners.</p> <p>We intend to maintain our current processes and relationships with these sales partners.</p> <p>We are committed to only working with reputable businesses that align with our business ethics.</p> |
| <p>OUR OWN BRAND SUPPLIERS</p> <p>During the pandemic we have retained relationships with our suppliers however there has been a greater flux</p> | <ul style="list-style-type: none"> ➤ All tier 1 and 2 suppliers have registered to our audit management system, SEDEX. ➤ All tier 1 and 2 factories are ethically audited by industry | <p>We conducted a review of our factory records to ensure they were up to date and operated an amnesty for existing suppliers to declare hidden factories before we restricted factories that</p> |

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| <p>in manufacturing locations due to the need to flex production to safe areas.</p> <p>We maintain a continual focus on driving transparency and understanding of our supply chain and ensuring mutual understanding and aligned business practices. We continually engage with our suppliers to uphold our policies and processes and drive continual improvements. We encourage our suppliers to take the same actions with their downstream suppliers.</p> <p>We use SEDEX Radar* to identify risks in our factories management procedures and risks in our supply chain and focus our efforts on driving down these risks.</p> <p>We aim to foster long term relationships and support our suppliers to encourage collaboration and shared learnings. We hold our suppliers to account through performance reviews and work together to achieve key targets for improvement.</p> <p><small>*SEDEX Radar uses factory assessment questionnaires, audits, and external data to provide risk reports by country, supply base and forced labour indicators.</small></p> | <p>experts annually with the audits uploaded directly to SEDEX by the auditor. We only work with factories that can demonstrate acceptable audit ratings and remediation of corrective actions in a timely manner.</p> <ul style="list-style-type: none"> ➤ Our CSR team personally engages with new suppliers by video conference to understand their business, set expectations, and draw out risks. New suppliers and factories are only accepted for use after compliance to a strict onboarding process. ➤ We use trackers and SEDEX Radar* to score our suppliers bi-annually, producing a supplier score card. We hold supplier meetings with the top 30 highest risk suppliers using the data to illustrate corrective actions. Follow up meetings are conducted to review progress. ➤ Our CSR team constantly engages with our supply base to draw out risk and drive continual improvements. ➤ We use data from other sources to check the accuracy of the factory details on our purchase orders, for example: QC inspection reports, compliance certificates, nominated supplier records, and supplier engagement. ➤ To identify the risks of unauthorised subcontracting we review the volume of orders for a supplier and assess if their factory capacity/ worker numbers are suitable to fulfil the orders. ➤ Our CSR team keeps up to date with ethical news to identify risks and communicates with suppliers accordingly. ➤ See 'Our Polices' and 'Training' sections for more details of supplier engagement. | <p>could be used on our purchase orders. This drew out 7 hidden factories. The introduction of the restricted factory list on the purchase order system drew out a further 26 hidden factories. All of which have either been onboarded following correct procedures or orders moved to approved factories.</p> <p>We recognise that audits and signed documents cannot be 100% relied upon so we constantly engage with our suppliers to drive continuous improvements and corrective actions.</p> <p>We lodged our previous modern slavery report with TISC modern slavery report registry and received approval, rating us in the top 6% of UK companies for compliance with the reporting requirements.</p> <p>Over the next year we intend to maintain our due-diligence efforts with a focus on supplier engagement.</p> <p>We are committed to working with our suppliers to drive alignment in business practices, draw out and mitigate risk to provide the workers in our supply chain a safe and acceptable working environment free of persecution.</p> |
| <p>THIRD PARTY BRANDS</p> <p>There is increased risk with third party stock suppliers as we have limited control and visibility of their supply chains. Therefore, we only use reputable third-party brands who are well known leaders in their field with an established business history.</p> | <ul style="list-style-type: none"> ➤ Our dedicated brands team supported by our CSR team foster a collaborative relationship with these suppliers to minimise the risk of modern slavery in our shared supply chains. ➤ We engage with new branded suppliers to check that our business ethics are aligned. ➤ We review ethical media output related to these companies to identify risk. | <p>We are not aware of any instances of modern slavery being attributed to our branded suppliers.</p> <p>We are committed to only working with reputable businesses that align with our business ethics.</p> |
| <p>NON-STOCK SUPPLIERS</p> <p>We do not have direct control of these organisations therefore there is an</p> | <ul style="list-style-type: none"> ➤ We have a dedicated non-stock supplier contract that specifically references Modern Slavery. | <p>Non-stock suppliers with long running relationships onboarded before the new contracts were drawn up do not</p> |

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| <p>increased risk associated to their practices/ employees. These companies cover a variety of sectors each with their own risk profile.</p> | <ul style="list-style-type: none"> ➤ Our finance team manage the onboarding of all new non-stock suppliers which includes contractual terms. ➤ All Head Office new starters are trained on the onboarding process for non-stock suppliers. | <p>have the latest version, we plan to address this in the coming 12 months.</p> <p>We are committed to only working with reputable businesses that align with our business ethics.</p> |
| <p>OUR POLICIES</p> <p>We strive to eradicate the risk of misunderstanding and to ensure our policies are disseminated through our supply chain. We understand that clear up to date policies are essential to clarify our business ethics and expectations of our supply chain. We recognise that we must take responsibility for championing good practice.</p> | <ul style="list-style-type: none"> ➤ Our ethical manual was published to our supply base strengthening our policies and code of conduct to ensure our expectations are clearly defined. ➤ We have added terms and conditions to our purchase orders so that our suppliers sign up to the policies in our ethical manual when they accept the order. ➤ Our HR team maintains contractual terms with our employees including the signing up to our employee policies which cover ethical standards. ➤ We have introduced an exit process for when suppliers cease working with a factory to maintain accuracy of our data. ➤ We prioritise orders to suppliers who abide by our policies. If a supplier breaches our policies and is prepared to work with us on corrective actions, we will work collaboratively to deliver corrective actions and fair remuneration to any affected workers so that their entire workforce is not unfairly penalised. We will cease working with a supplier who consistently breaches policies. | <p>The relaunch of our ethical policies, processes and terms and conditions has made our expectations clear and enabled us to enforce standards. As a result, we have ceased working with 1 supplier, identified hidden factories and driven supplier engagement.</p> <p>All new suppliers have completed the onboarding process with full compliance to our requirements.</p> <p>We are committed to maintaining the policies, processes, and engagement with our supply chain to mitigate risk and drive continual improvement.</p> |
| <p>TRAINING</p> <p>We recognise the vital importance of raising awareness of the different types of modern slavery and how to identify the signs of risk so that our staff and supply chain have the tools to act if necessary. We devote time and resource to training our people and our supply chain.</p> | <ul style="list-style-type: none"> ➤ All senior management have completed SEDEX modern slavery training. 77% of head office and customer service staff have completed modern slavery training on IAM Learning. All new starters are required to complete the training before they complete their probation. <div data-bbox="603 1704 995 1966" style="border: 1px solid black; padding: 5px;"> <p>Modern Slavery</p> <p><small>20 Min</small></p> <p><small>You might think that this course deals with the past, but Modern slavery is an issue for today and is a heinous and often hidden crime. This course is designed to give you increased awareness!</small></p>  </div> <ul style="list-style-type: none"> ➤ The CSR team seasonally train the buying team on the importance of accuracy of factory data on the purchase order and the onboarding process. There are checks in place | <p>The roll out of modern slavery training via our e-learning platform has improved uptake from 33% to 77% in our head office and customer service centre. We aim to deliver 100% completion by existing staff and completion by all new starters by the end of their probation. We also aim to roll this out to our store staff internationally.</p> <p>We are committed to training our staff and supply base to support understanding, engagement and ensure our expectations are aligned to identify and manage risk and seek out non-compliance.</p> |

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| | <p>to ensure the process is being upheld and regular touch points for continued support.</p> <ul style="list-style-type: none"> ➤ We recognise that audits are not a mitigation of risks by themselves, we have therefore introduced a beyond audit training programme. Each season our highest risk suppliers, based on the ethical scorecard, are selected to take part in this specialist training programme with our human rights partners. This partner assesses the risk in supplier management then trains the supplier on how to draw out risks in their factory's operations. Giving them the skills to go beyond audit to remediate risks and improve factories working practices. ➤ Our CSR team constantly engages with our supply chain to identify lack of understanding and provide training where necessary, fostering transparency and openness. ➤ Our HR team train all hiring managers on expected recruitment processes. ➤ The CSR team updates the business quarterly on actions via quarterly business updates. | |
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This statement was prepared by the Mountain Warehouse CSR team with collaboration from key business stakeholders and has been approved by the board of directors in August 2021.

We look forward to updating our progress in our next statement.

Mark Neale