

MOUNTAIN WAREHOUSE INTERNATIONAL LTD

MODERN SLAVERY STATEMENT 2023/24

CONTENTS:

1. INTRODUCTION
2. OUR BUSINESS
3. OUR SALES PARTNERSHIPS
4. OUR SUPPLY CHAIN – STOCK SUPPLIERS
5. OUR SUPPLY CHAIN – NON-STOCK SUPPLIERS
6. OUR POLICIES
7. OUR TRAINING
8. RISK ASSESSMENT
9. DUE DILIGENCE
10. EFFECTIVENESS
11. COMMITMENTS

INTRODUCTION

Mountain Warehouse operates a zero-tolerance policy to modern slavery and human trafficking and is committed to making every effort to eradicate the impact of this 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.

This statement is made on behalf of Mountain Warehouse International Ltd and brands registered under this business entity. This statement is published in accordance with the UK Modern Slavery Act 2015.

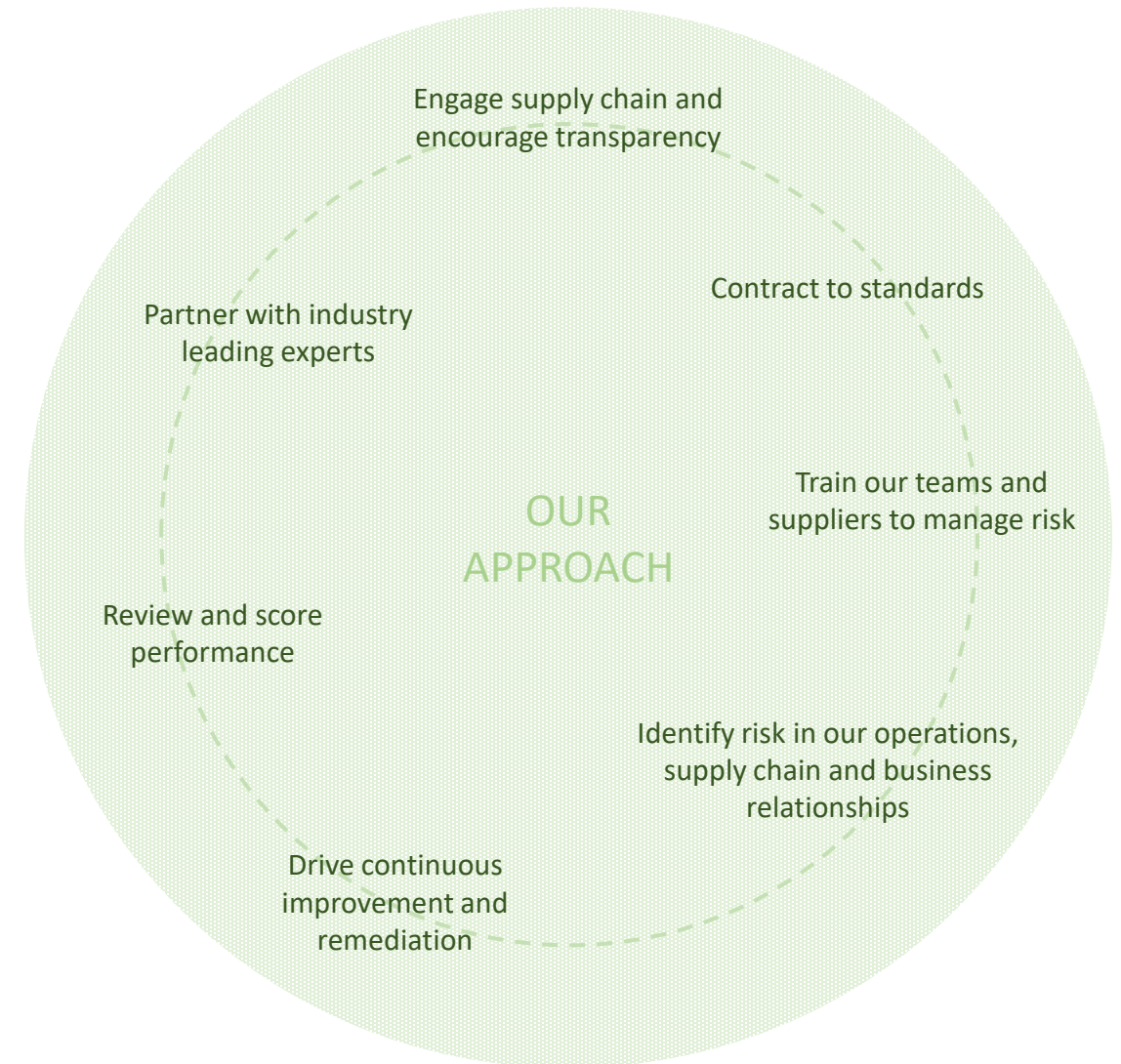
This is our seventh statement and builds on the work and commitments from our last statement, it outlines the steps we have taken to prevent modern slavery during our 2023/2024 financial year ending 25th February 2024.

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 statement outlines the commitments and steps we have made to minimise the risk of modern slavery in our business and supply chain. It has been prepared by the Mountain Warehouse ethical team with collaboration from key business stakeholders and has been approved by the board of Mountain Warehouse International Ltd.



Mark Neale
Chief Executive Officer
August 2024



OUR BUSINESS

MOUNTAIN WAREHOUSE

At Mountain Warehouse we want everyone to enjoy the great outdoors, keeping the whole family warm, dry and active – including the dog! Founded in 1997, we're the UK's largest dedicated outdoor clothing and equipment retailer and have been offering our customers unbeatable value and quality for 25 years.

Our product is sold internationally through our own branded stores and websites as well as a few carefully selected third-party ecommerce channel retailers.

ANIMAL

Born in British waters back in 1987. The story began in the South-West when two surfers designed the first product, quickly gaining recognition within the surfing and action-sports community. Over the past three decades Animal has grown to become a leading lifestyle clothing brand.

Mountain Warehouse took ownership of the Animal brand in 2020. Animal products are now sold internationally through 5 standalone Animal stores, our Animal website as well as concessions in our Mountain Warehouse stores.

We recognise that Modern Slavery can happen anywhere in the world including countries where we directly operate and employ staff. We therefore maintain robust ethical hiring management practices. Our dedicated People team mitigate risk by:

- Checking all right to work documents before employment.
- Providing clear contractual terms in local language.
- Providing access to remedy.
- 24-hour independent employee assistance program in UK & ROI.
- Limiting recruitment agencies to a small number, ensuring our values align.

Mountain Warehouse is committed to protecting employees when disclosing malpractice, we 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.



391 STORES
IN **8** COUNTRIES



11
GLOBAL WEBSITES
IN **59** SALES COUNTRIES



WE EMPLOY
C3700
PEOPLE INTERNATIONALLY

OUR SALES PARTNERSHIPS

We recognise an increased risk with non-controlled operations. We only partner with market leaders whose business practices align with our code of conduct and ethical standards. We are committed to maintaining these relationships and collaborating to minimise risk.

SALES CHANNELS AND BRANDS

As well as our own brand stores and websites we also sell our products through trusted third-party ecommerce channels. We sell through 6 different reputable channels (Amazon, eBay, Next, Debenhams, Walmart and TradeMe). All UK incorporated channels publish their own Modern Slavery Statements.

We also sell third-party brands via our Marketplace. Our dedicated channels and marketplace teams manage these relationships and ensure we only work with businesses that align with our business ethics.

All marketplace brands must sign our Declaration of Compliance. By signing the brand is agreeing to comply with our policies. Any breach of these conditions will result in the account being suspended until Mountain Warehouse is happy that remedial action has been taken.

We are not aware of any instances of modern slavery being attributed to our channels or brand partners. We intend to maintain our current processes and relationships with these partners.

OUR SUPPLY CHAIN – STOCK SUPPLIERS

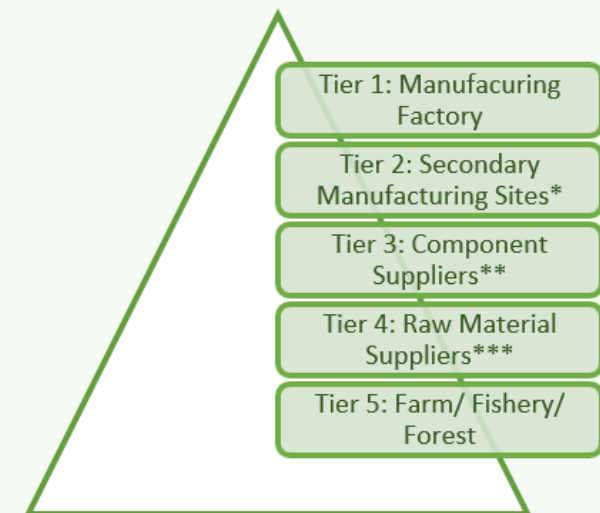
We define the tiers of our supply chain as outlined in this diagram.

We have mapped tier 1 and are in the process of mapping tier 2 and 3, focusing on high-risk supply chains – Cotton and animal origin.

We are a member of SEDEX, one of the world’s leading organisations for management of responsible sourcing. We use SEDEX tools to ensure our suppliers are upholding safe, ethical, and sustainable business practices. This helps us to protect the working conditions of people within our supply chain. We use SEDEX to map our supply chain audits, close non-conformities and identify risk.

“Mountain warehouse is effectively using the Sedex Platform to map their suppliers; allowing them to assess, manage, monitor and remediate risks in their supply chain. Their continuous dedication to maintaining up-to-date connections with their suppliers through Sedex will further enable them to extend the visibility in the coming months and years.”

Sedex 2024



*For example: Printing/ laundry/ embroidery/ etc

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

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

OUR SUPPLY CHAIN – STOCK SUPPLIERS



Our own brand products are designed and sourced by us from our office in London. We operate tight sourcing controls building strong relationships with all our direct suppliers. We contract orders to manufacturing factories and strive to work directly with these factories for enhanced traceability and reduced risk of transparency challenges.

Our dedicated ethical team maintain a continual focus on driving transparency, mutual understanding and aligned business practices in our supply chain. 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.

We use factory audits and SEDEX analytics to identify risks in our factories management procedures and focus our efforts on driving down these risks.

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 improvements in practices.

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.



9
SOURCING
COUNTRIES



201
TIER 1
FACTORIES



117,446
WORKERS



54%
FEMALE



46%
MALE



99%
PERMANENTLY
EMPLOYED



1%
TEMPORARY
STAFF



2%
MIGRANT
WORKERS



TOP 50 SUPPLIERS
ACCOUNT FOR
89% OF ORDERS

OUR SUPPLY CHAIN – NON-STOCK SUPPLIERS

NON-STOCK SECTORS	
Sector 1: Capex	Sector 6: Warehousing
Sector 2: Property (landlords/ rates)	Sector 7: Logistics
Sector 3: Overheads (utilities/ etc)	Sector 8: Marketing
Sector 4: Maintenance/ site costs	Sector 9: Other
Sector 5: Transactional (Non-stock products)	



24 SOURCING COUNTRIES

We work with 2543 non-stock suppliers which we categorise in to 9 spend types. Our product is distributed through third-party distribution centres in the UK, Canada and New Zealand.

We are committed to only working with reputable businesses that align with our business ethics. Our finance team manage these supplier relationships.

We are not aware of any instances of modern slavery being attributed to our non-stock suppliers. We intend to maintain our current processes and relationships with these suppliers.



OUR POLICIES – OUR SUPPLY CHAIN

Embedding ethical practices into our business and supply chain is fundamental part of our business practices. We clearly document accepted business practices through our ethical policies which are updated annually. Our dedicated ethical team cascade these standards through our supply chain and work to ensure the standards are upheld.

Our suite of ethical policies align with the International Labour Organisations expectations on human rights and has been reviewed by a leading human rights organisation. Our policies include:

- Code of conduct covering:
 - No use of forced labour
 - Employment is freely chosen and the right to collective bargaining*
 - Freedom of association
 - Working conditions are safe and hygienic
 - Child labour shall not be used**
 - Living wages are paid
 - Working hours are not excessive***
 - Regular employment is offered
 - No discrimination is practiced, race, sex, age, etc
 - No harsh or inhumane treatment is allowed
- Onboarding policy
- Subcontracting policy
- Audit policy
- Child labour policy
- Migrant worker and refugee policy
- Home worker policy
- Access to remedy

Our ethical team, supported by the wider procurement teams, 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 adhere to:

- By signing our purchase orders, suppliers agree to abide by the terms in our ethical policies and code of conduct.
- Maintain accurate factory information on the purchase order.
- Share in-date factory risk profile and SMETA/ BSCI**** audit through SEDEX and maintain annual updates.
- Provide clear stats on work force and management processes that the factory have in place to manage risk.
- Deliver continuous improvements through timely corrective actions.
- Notify us of any breaches of policy and work with us and our human rights partner to address.

We prioritise orders to suppliers who uphold our policies and demonstrate good ethical management. If a supplier breaches our policy and works with us, we will work collaboratively to deliver corrective actions so that their entire workforce is not unfairly penalised by loss of orders. We will cease working with suppliers who consistently breach policy or refuse to support remediation and corrective actions.

OUR POLICIES – OUR WORKFORCE

Our staff receive an Employee Handbook and sign up to these standards, which include policies related to equal opportunities, diversity, harassment and access to remedy.

*Our code of conduct states that workers have the right to join or form trade unions and bargain collectively. We adopt an open attitude towards the activities of trade unions.

**United Nations Convention on the Rights of the Child (1989) which defines a child as everyone under the age of 18. Eliminations of child labour (under 15 years old, or under 14 if country has ILO exemption)

*** ILO definition – The total hours worked in any 7-day period shall not exceed 60 hours (48 hour working week + 12 hours overtime).

****SMETA (Sedex Members Ethical Trade Audit) and BSCI (Business Social Compliance Initiative) – Industry leading audit programs based on the International Labour Organisation standards and the United Nations Charter of Human Rights.

ACCESS TO REMEDY



Mountain Warehouse are committed to creating a culture of openness and trust. All workers in our head office and supply chain are encouraged to raise any workplace issues via our independent third-party whistleblowing hotline.

We partner with ‘See Hear Speak Up’ a secure and confidential service for all workers in our business and our supply chain to report instances of suspected wrongdoing. Workers can make reports through multiple channels in local language 24 hours a day, 365 days a year.

Our dedicated ethical team has engaged all our factories to ensure that the information has been cascaded through their supply chain and local language posters are displayed in all factories. In 2023/24 we had 0 modern slavery grievances logged from head office and supply chain.

“SeeHearSpeakUp is a unique external and independent global whistleblowing service working with Mountain Warehouse to allow their employees to report matters without fear, bringing areas of concern in the workplace to the attention of Mountain Warehouse in a secure and confidential manner.”

See Hear Speak Up

We also partner with a leading human rights business to mitigate any instances of modern slavery in our supply chain. We set out expectations for remediation in our policies and provide contacts for reporting of abuses through our whistleblowing hotline. If an instance of modern slavery occurs, we are committed to supporting the victim, conducting a thorough investigation and following through corrective actions to ensure that risk is remediated in the best interests of the worker.

OUR TRAINING

OUR EMPLOYEES

We recognise the importance of raising awareness of the different types of modern slavery so that our staff have the tools to act if necessary. We train our staff on modern slavery through our in-house e-learning portal. This training forms part of the mandatory annual trainings for all staff and is part of all new starter's induction training.

There are several other ethical trainings to ensure processes are maintained:

- All buying and product technology teams 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 orders.
- The People Team trains all hiring managers on the recruitment system and hiring practices.
- Finance trains all non-stock procurement teams on the process for onboarding non-stock suppliers.

Our ethical team completed SEDEX risk report training to maintain skill level.

OUR SUPPLY CHAIN

We are committed to training our supply chain to support understanding, engagement, and to ensure our business ethics are aligned.

Our dedicated ethical team constantly engage our supply chain and provide support where risk is identified. This takes the form of one-to-one training. Common training subjects are:

- Ethical management processes, systems, awareness, knowledge and skill.
- Capacity planning where we've identified risk due to low worker numbers vs order volume or excessive overtime recorded in audits.
- How to complete and manage effective corrective active plans.



RISK ASSESSMENT

Risk assessments are a fundamental part of our ethical practices, these risk assessments inform our due-diligence focus and form a baseline for quantifying effectiveness. We take multiple approaches and use different data sets to inform these risk assessments. We consider inherent and site-specific risks from countries, regions, sectors, commodities and worker breakdown.

We monitor and track performance using SEDEX Analytics as well as our own data trackers and industry reports. We conduct the following risk assessments on our supply chain:

- Monthly analysis of SEDEX profiles and audit compliance.
- Daily supplier non-conformity review.
- SEDEX management control scores and workforce statistics.
- Seasonal review of order volume vs worker numbers to identify capacity risk.
- Seasonal supplier ethical scorecards.
- Horizon scanning external sources.
- Factory check against Uyghur Forced Labour Prevention Act Entity List.
- Secondary external check of new factories by 3rd party.

The information is discussed with our procurement teams weekly to drive ethical sourcing decisions and remediation support. Suppliers with better scores maintain and grow business levels while suppliers with poorer scores see a decline in orders until their scores are resolved. Or cease of business if engagement in remediation is not forthcoming.

We review inherent risks when onboarding suppliers in new countries/states and annually for all markets.

These assessments informs business decision making and corrective action focus.

The table on the following pages outlines the key risk factors we have identified, along with the due-diligence actions we have taken in the year ending the 25th February 2024.



Example of a SEDEX Analytics risk score.

Risk score summary		Risk scores				
4.1 Combined risk score	6.9 Inherent risk score	Inherent risk scores	7.5 Labour standards	6.3 Health and safety	5.2 Business ethics	6.2 Environment
		Site characteristics risk scores	4.6 Labour standards	2.0 Health and safety		
3.9 Site characteristics risk score	4.3 Management control score	Management control scores	4.6 Labour standards	4.1 Health and safety	4.6 Business ethics	3.5 Environment

These scores are out of 10 with 0 being the best and 10 being the worst except for the management control score with 5 being the best and 0 being the worst.

The inherent risk scores relates to the country/ sector risk which our suppliers cannot independently control.

The site risk relates to factory risk. Our ethical team engage with our supply chain to drive these scores down.

If the inherent risk is high but the factory is shown to be managing their risk well through a Green score, we continue to use the factory.

RISK ASSESSMENT AND DUE-DILIGENCE IN OUR SUPPLY CHAIN

POTENTIAL RISK	COUNTRY	DUE-DILIGENCE 27.02.23 – 25.02.24
<p>Tier 1 & 2: Product manufacturing and secondary manufacturing sites.</p> <ul style="list-style-type: none"> - Transparency and unauthorised subcontracting. - Forced labour indicators <ul style="list-style-type: none"> - Excessive overtime* - Management failures - Child labour** - Violation of living wage - Violations of labour rights in Myanmar and Xinjiang, China. 	<p>All sourcing countries</p>	<p>To mitigate the risks of modern slavery, we have maintained our ethical supplier management processes for all manufacturing factories:</p> <ul style="list-style-type: none"> - All Tier 1 factories operated with acceptable level ethical audits and management scores. Factories that did not achieve acceptable levels were put on hold until remediations were lodged and approved by the auditor. - Factory is assigned to the purchase order contracting them to our ethical standards. We cross referenced to other reports that contain factory details to draw out unauthorised subcontracting and onboard the factory following proper protocols or move the styles to approved factories. - We produce ethical scorecards to identify insufficient management processes. We have in person meetings with suppliers either in country, in our head office or via video call to collaboratively discuss the scorecards, gain engagement and agree timely corrective actions. <p>If excessive overtime is identified, the factory must send a comprehensive corrective action plan (CAP) within a reasonable timeframe. We review the CAP and arrange a follow up meeting to ensure actions have been implemented. We recognise that a common reason for excessive overtime is peak periods. Since identifying this, we now review ‘worker number vs order volume’ to draw out risk before we place orders.</p> <p>We have a zero-tolerance approach to child labour. All suppliers are contracted to our ‘Child Labour Policy’ and conduct annual audits to monitor adherence to the policy. If we identify risks, the supplier must follow the policy protocol. If the supplier does not adhere to the protocol, we will terminate the relationship.</p> <p>We have a zero-tolerance policy for wage violations outlined in our code of conduct, which all suppliers must adhere to. If we identify wage risks, we engage with the supplier for remediation, provide access to remedy to the affected workers and provide training on the importance of living wages.</p> <p>We do not have any production manufacturing sites in Myanmar or Xinjiang China, and we continuously monitor our supply chain for this.</p>

* ILO definition – The total hours worked in any 7-day period shall not exceed 60 hours (48 hour working week + 12 hours overtime).

**United Nations Convention on the Rights of the Child (1989) which defines a child as everyone under the age of 18. Eliminations of child labour (under 15 years old, or under 14 if country has ILO exemption)

RISK ASSESSMENT AND DUE-DILIGENCE IN OUR SUPPLY CHAIN

POTENTIAL RISK	COUNTRY	DUE-DILIGENCE 27.02.23 – 25.02.24
<p>Tier 3: Component production (fabric/ trim/ non-textile materials/ packaging/ etc)</p> <p>Transparency</p> <p>Labour violations</p>	<p>All sourcing countries</p>	<p>Our direct suppliers are contracted to disseminate ethical sourcing practices down their supply chain and flag up and manage risk.</p> <p>We continue work to map beyond our direct manufacturing factories focussing on our high-risk supply chains – Cotton and animal origin.</p> <ul style="list-style-type: none"> - We have mapped all our tier 3 Cotton fabric mills cross checking the location to ensure they are not in regions known to practice forced labour or on sanctions lists. We also identify if the fabric mills are Global Organic Textile Standards (GOTS) or Organic Content Standard (OCS) certified as these schemes operate ethical checks as part of certification and chain of custody requirements that indicate low risk. - We have mapped all our leather tanneries. We only work with tanneries that are certified by an accredited 3rd party to reduce the risk of modern slavery. <p>We have identified a significant level of seasonal change through supplier managed sourcing therefore, we have increased our focus on nominated suppliers while maintaining engagement with our suppliers on their direct sourcing. Nomination is only achieved through compliance to our ethical management policies and acceptable quality management. We have nominated suppliers for zippers, other trims, chemical treatments, labelling and packaging. We continue to engage our supply chain to draw out further nomination candidates.</p>

RISK ASSESSMENT AND DUE-DILIGENCE IN OUR SUPPLY CHAIN

POTENTIAL RISK	COUNTRY	DUE-DILIGENCE 27.02.23 – 25.02.24
<p>Tier 4 & 5: Raw material suppliers, growers and farmers</p> <p>Risk of forced and child labour connected to Cotton sourcing</p>	<p>China, India, Brazil, Pakistan, Turkey, Uzbekistan, Benin, Egypt, Burkina Faso, Tajikistan, Azerbaijan, Argentina, Kazakhstan, Kyrgyzstan, Zambia, Mali, Turkmenistan</p>	<p>Cotton is one of our top three most used fibers and has the highest inherent labour risk therefore, we have focused our raw material efforts on our Cotton sourcing.</p> <p>We ban Cotton from the highest risk countries which have consistently demonstrated labour violations – Uzbekistan, Turkmenistan and the Xinjiang region of China. We predominantly source Cotton products from Bangladesh and India.</p> <p>All cotton suppliers declare the Cotton country of origin seasonally through full supply chain mapping down to the farm. The ethical team cross check the information against the UFLPA entity list and the Sheffield Hallam University Forced Labour Lab (public list) to ensure that Cotton is not being sourced from areas that are at high risk of modern slavery.</p> <p>Once the order has been placed, suppliers send chain of custody documents to prove that the route was used. We will not place orders with suppliers until they confirm that they can meet the requirements above.</p> <p>We are aware of a wider risks of forced labour transfers where workers are transferred outside of the Xinjiang region under coercive conditions. To reduce this risk, we communicate to our suppliers that they cannot use government forced labour transfer schemes and continually monitor the list of sanctioned businesses.</p> <p>We continue to grow our use of more sustainable fibers, focusing on organic Cotton. Our organic Cotton is sourced following strict ethical standards and supply chain of custody traceability requirements by an independent auditor. Organic Cotton made up 32% of our Cotton product in this period.</p>

EFFECTIVENESS

Our dedicated Ethical Team continuously monitors our supply chain conducting monthly risk assessments and continuously engaging our supply chain. We have focussed our efforts on driving down non-conformities identified in ethical audits and educating our factories to drive continuous improvement.



REDUCTION IN NON-CONFORMITIES - 27.02.23 – 25.02.24

If non-conformities occur, factories are required to remediate them within the deadline specified in the audit. Evidence that issues have been remediated must be lodged on the SEDEX platform and approved by the SEDEX approved auditor and our ethical team. Since our last modern slavery statement, our non-conformities have reduced by 20% overall and have seen a significant reduction in critical non-conformities.

Some examples of common non-compliance are:

- Grievance policy not communicated to employees.
- Not all workers familiar with Ethical Trade Initiative base code.
- Insufficient social insurance.
- Excessive overtime.

Hidden factories are drawn out through conversations with suppliers and through cross checking factory information on the purchase order to other reports that contain factory information. We identified 14 hidden factories. 9 of these were bought onboard following proper protocols and 5 were moved to approved factories.

We encourage workers in our supply chain to report any instances of malpractice through our 3rd party whistleblowing service. We are pleased to report we had zero grievances logged.

EFFECTIVENESS – CASE STUDY

We aim to foster long term relationships and support our suppliers. Therefore, where non-conformities cannot be resolved quickly, we work with the supplier over an acceptable period to deliver remediation.

The factory are required to send a corrective action plan outlining the steps they will take to resolve the issue. They assign a date for remediation and a person responsible for ensuring these actions are followed. We have regular check ins with the supplier to ensure that actions are being resolved.

One of our rucksack factories annual SMETA audit flagged instances of workers working 63.5 hours a week*. This exceeds the International Labour Organisation's definition of acceptable working hours of 60 hours a week.

We engaged with the supplier to produce a corrective action plan and regularly reviewed their progress on this.

By engaging in remediation, the factory proved a reduction in working hours to within the acceptable limits at their follow up audit. This re-audit reviewed working hours over several months to ensure the remediation was sustainable.



*ILO definition – The total hours worked in any 7-day period shall not exceed 60 hours (48 hour working week + 12 hours overtime).

COMMITMENTS

We are committed to minimising and managing modern slavery risk in our business and supply chain, and providing access to remedy to ensure workers are protected if malpractice occurs. We are dedicated to maintaining supplier and partner relationships and upholding our business principles through mutual respect, understanding, and training.

We will constantly monitor and engage our supply chain to manage and draw out risk, training our teams and supply chain to foster aligned business ethics. As well as maintaining our current good practices we intend to deliver the following in the next year:

- Continue to map high-risk supply chains down to the Farm/ Forest – Cotton, forest commodities, and Animal Origin.
- Expand our nominated suppliers.
- Expand audit due diligence – moving suppliers to semi announced or unannounced audits. Currently, 64% of audits are either semi announced or unannounced. By next year we aim for this to be 80%.
- Bolster marketplace brands onboarding supplier checks.
- Risk focus and enhanced supplier engagement with factories using temporary or migrant workers.

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

