



2023 SOCIAL REPORT

FINANCIAL YEAR FEBRUARY 2022 – JANUARY 2023

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SUMMARY

Despite being a member of Fair Wear (FW) for over three years, Montane joined just before the Covid-19 pandemic began. This presented new, unexpected challenges regarding responsible management of the manufacturing supply chain, including heightened health and safety (H&S) requirements for suppliers, multiple factory closures, and transport restrictions to move product globally. Disappointingly, this caused significant delays to planned factory audits and visits, and limited visibility of the potential impact to workers. The methods utilised to establish better understanding of factory conditions and subsequent impact to workers were explored in Montanes' Financial Year (FY)22 Social Report.

FY22 also saw Montane bring on board a Bangladeshi manufacturer, prompting brand engagement with the International Accord, which was under revision during this period. As well as beginning to work with an additional Bangladeshi supplier in FY23, Montane are pleased to have become an Accord signatory, strengthening visibility of and confidence in, safe and healthy working conditions in the Bangladeshi factories making Montanes' product. The International Accord monitoring and remediation process functions in alignment with FW's Code of Labour Practises (CoLP), in particular #7: Safe and healthy working conditions.

With global restrictions beginning to ease in FY23, Montane audited 8 of the 22 cut-make-trim (CMT)

factories worked with in Asia, and began training with management and workers at 2 factories. Where multiple FW member brands are manufacturing in the same facilities, this was done collaboratively to improve collective influence and reduce duplicated communication.

FY23 was Montanes' first full financial year with a CSR Manager in place. Key focus areas included CSR communications at both a trade and a consumer level, including FW membership and building on product transparency with the launch of Montanes' More Sustainable Choice initiative in August 2022. Montane has maintained both its FW 'Good' status and its Responsible Down Standard certification, and expanded its ethical commitments by signing the International Accord and joining the Leather Working Group.

A further significant development in FY23 has been establishing a new full-time role for an Ethical Compliance Coordinator, who has begun to oversee ethical and social compliance in Montanes' supply chain. This role works within the Operations team, to ensure sourcing decisions are balanced and well informed. Development of a comprehensive risk assessment system relating to factory sourcing and placement of orders is well underway, supporting the broader Responsible Business Conduct Policy.

Through both the FW and International Accord workflows, information regarding factory compliance with the CoLPs continues to be

closely monitored. To support brand and product transparency, all factories Montane works with continue to be disclosed to other FW member brands within FW's online platform, as well as through our brand website. In FY23, Montane began including the country of manufacture on the product pages of the brand website, and plans to

expand this to more products throughout FY24. In line with FW's brand guidance and Responsible Exit Strategy Guidelines, manufacturing in Myanmar has been gradually phased out in agreement with the supplier, whilst the condemned military-led coup continues. A statement detailing this decision can be found on our website.

“Building and selling product is what our industry does best, and it has been hugely impacted by varied and ongoing global disruption throughout 2022. Montane wants to enable customers to make informed buying choices, by providing complete transparency on the ingredients and source of our product line. We strive to achieve this with regards to supply chain social compliance through our brand values, and our work with Fair Wear and the International Accord, to do business in the most responsible and fair way we can. We continue to build communications around this topic to improve consumer understanding of the work we do and the decisions we take to make our business more transparent.”

Gary Bryant, Managing Director at Montane.

HUMAN RIGHTS DUE DILIGENCE

Within FY23, Montane developed a formalised due diligence process as part of the overarching sourcing strategy. This work captured processes long set in place but not formally written down. The sourcing process consists of three parts: pre-evaluation, evaluation, and monitoring.

PRE-EVALUATION

Once a prospective partner is identified, they are visited by a member of the sourcing, production or development teams and issued with a pre-evaluation pack for completion. The pack includes a factory profile including technical and CSR considerations as well as setting out Montanes' requirements for a successful and balanced relationship. These are formulated in alignment with FWs Code of Labour Practices and, where applicable, International Accord signatory requirements.

EVALUATION

Country risk assessments are conducted, especially for countries where Montane do not already source from. Pre-evaluation surveys are evaluated and analysed by Montanes' CSR team. Montane engages the prospective partner in sampling exercises which are evaluated by the development team. The final decision to approve the prospective partner is made by the Operations Director once the evaluation findings have been presented.

MONITORING

Each season, all Montane production partners are required to read, sign, and return a Supplier Manual which contains Montanes' explicit expectations alongside the code of conduct. Development and production processes are continuously monitored by the CSR, development, operations, and QC teams. FW and other 3rd party auditors are engaged for enhanced monitoring and verification. Montane has developed a risk-based scoring system to distinguish partners with good practices; individual production locations will be scored through information identified through audit findings, relationship knowledge, risk analysis and product quality outcomes.



In order to effectively do due diligence, Montanes' aim is to minimise the number of production locations and develop depth and long-standing relationships with existing suppliers. Montane is working towards levelling production on volume styles to prevent overloading suppliers during peak production seasons.

Where a partner does not fall in line with expectations, Montane seeks to work with the partner to make improvements. This is done through open communication and arranging training where relevant. Montane will support all efforts by the partner factory and adjust processes as necessary to aid progress. Only as a last resort, for example where repeated non-compliance is found or in extenuating circumstances, then Montane will seek to responsibly disengage from the partnership.

Montanes' due diligence process charts include the contingency plan for responsible disengagement or exit from a partner when it is needed. This plan sets out key decision making questions around i

mpact of exiting on the factory, impact of exiting on the workers, and impact of stock inventory. Montanes' evaluation and monitoring work will aid in supplying the decision makers with facts. Once it is determined that disengagement is a reasonable outcome, the suppliers are informed in writing of the reasons behind the decision and how Montane will proceed with disengagement. At least one season's notice will be given to suppliers to ensure that they can effectively plan for reduced orders. During the process Montane will work with the factory and where possible with the worker representation to identify longer term impacts of disengagement with a view to mitigating them as far as is practicable.

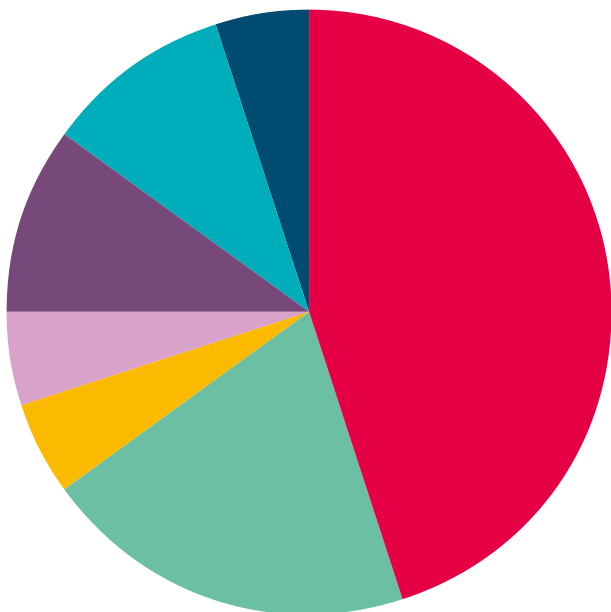
All of the above information is captured within Montanes' Responsible Business Conduct Policy. As with the specific due diligence process, the full content of the RBPC has existed for many years across multiple documents from multiple departments. Montane is continuing work on pulling together a cohesive and comprehensive policy.

SOURCING STRATEGY AND PRICING

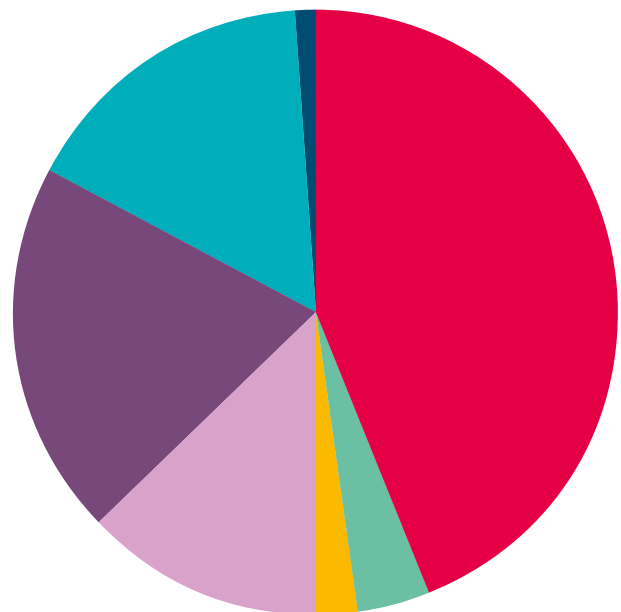
Montane is a distribution company, selling men's and women's clothing, backpacks and accessories for hiking, trail running, mountaineering and climbing. It currently sells into 29 countries and manufactures in 7. The factories who produce Montane products are independently owned, with many of them also producing for other FW member brands.

Montane now sources from 20 CMT factories and 3 non-CMT factories. A breakdown of these manufacturers by country, and by FOB spend, is shown here:

CMT Factories by country
SS22/ AW22



Manufacturing countries by FOB spend
SS22/ AW22



VIETNAM CHINA INDIA MYANMAR CAMBODIA BANGLADESH INDONESIA



FWs 8 Code of Labour Practices (CoLP) are aligned with Montanes' longstanding Code of Conduct, as well with as the labour conventions set out by the International Labour Organisation:

1
EMPLOYMENT IS
FREELY CHOSEN.



3
NO DISCRIMINATION
IN EMPLOYMENT.



2
FREEDOM OF
ASSOCIATION
AND THE RIGHT
TO COLLECTIVE
BARGAINING.



4
NO EXPLOITATION
OF CHILD LABOUR.



These standards are built into Montanes' Supplier Manual and Supplier Purchasing Agreements, which are shared seasonally with suppliers to reinforce their importance in Montanes' sourcing strategy.

5

PAYMENT OF A LIVING WAGE.



7

SAFE AND HEALTHY WORKING CONDITIONS.



6

REASONABLE HOURS OF WORK.



8

A LEGALLY BINDING EMPLOYMENT RELATIONSHIP.



Within FY23, Montanes' sourcing strategy continued to be impacted by the coup in Myanmar. Montane initially moved production into Viet Nam as the coup unfolded, but as a modicum of stability returned to the country Montane felt able to continue with their original commitments with the factory as part of a responsible disengagement process. The Autumn Winter (AW)2023 season will see the final production of Montane products in Myanmar.

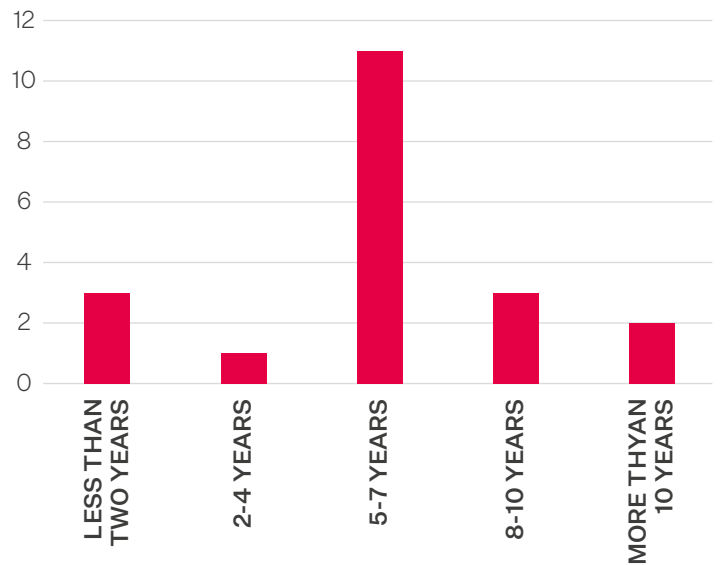
Montane chooses to only work with factories where a long-term relationship is viable. This is reflected in having worked with 80% of factories who manufacture Montane products for over 5 years.

This number has increased from 67% in FY22.

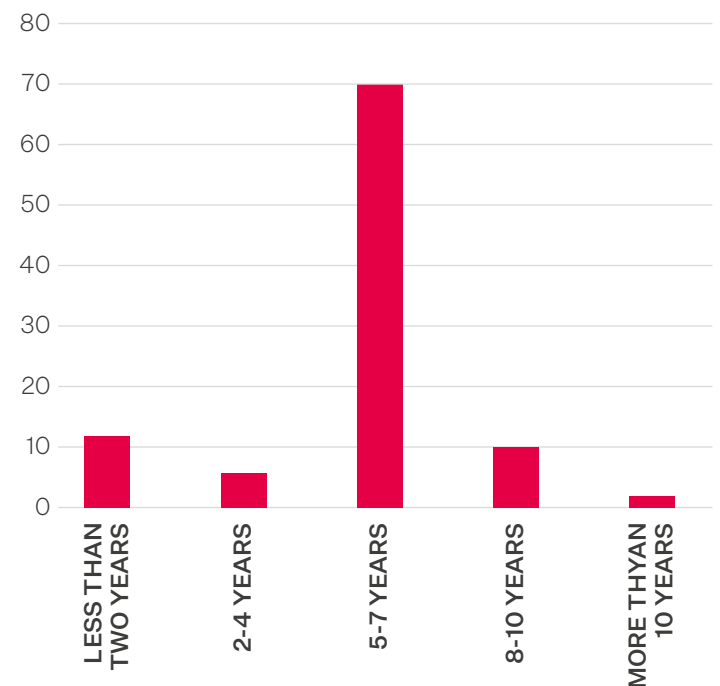
Of the factories where the relationship is less than 5 years, 1 of these is a new factory 100% owned by a parent company where an existing relationship with Montane existed.

The length of relationship by number of factories and by FOB spend can be seen here:

CMT Factory Relationship Length in FY23



FY23 FOB Spend by Length of Factory Relationship



In FY23, Montane maintained relationships with all existing suppliers, including the parent company of the Myanmar facility and the new-for-FY22 technical t-shirt manufacturer in Bangladesh. In addition to this a new Bangladeshi supplier was onboarded. Finally, a relationship was opened up with a new supplier based in Indonesia.

During discussions around onboarding potential new facilities, risk scoping activities are a part of the pre-evaluation process. Factory profiles are requested at the very start of the relationship, and, where possible, a member of the sourcing team will visit the facility. Montane are developing a more comprehensive risk scoping process which will allow for risk identification across new and existing sourcing locations - this work will continue into FY24.

Communication remained predominantly online through email and video calling, however the reintroduction of some international travel within the company opened up the possibility for face-to-face discussions. Members of the sourcing team visited the international ISPO trade fair and a combined sourcing/QC trip to Bangladesh was undertaken in January 2023.

Montanes' pricing policy continues to be guided by target RRP's based on commercial price points determined by the perceived market value.

Montane works together with suppliers across all production programmes to ensure both parties are achieving profitability across the full portfolio of products. Purchasing practices continue to be adjusted to improve volumes across reduced numbers of buys, to aid suppliers in improving efficiency and managing capacity. Planning fabric and production lead-times in line with an appropriate purchasing plan is now carried out to avoid putting unnecessary pressure on suppliers at peak manufacturing periods.

Work around living wages and FOBs continued throughout FY23. Montane engaged with the resources and tools provided by FW, particularly the Fair Price App, and encouraged suppliers based in Viet Nam to attend seminars on the Fair Price process. In addition to this, dialogue was initiated with a long-standing supplier on providing more open costings with the view of understanding how living wages might be achieved. It is understood that the payment of a living wage is an important step in the human rights due diligence process, aiding in the mitigation of many of the risks identified in the production supply chain. However, it is also noted that many suppliers are reluctant to share such information. This work is therefore ongoing as Montane looks to build trust and understanding with suppliers around this issue.

PRODUCTION CYCLE

Montane produces for two cycles or seasons per year – Autumn/Winter (AW) and Spring/Summer (SS), where products are guided by the Design Director and Product Line Manager, and developed by our internal team of Designers and Garment and Product Technologists.

Led by the production capacity of each factory and planned volumes

of each style, Montane begins work around 25 months in advance of a season going to retail. This ensures production lead times are sufficient and suitable for each manufacturer. Nominated fabric suppliers receive forecasts to ensure sufficient griegie is available for Salesman Samples (SMS) and bulk production, to prevent manufacturing delays caused by fabric availability. Montane works

closely with suppliers on delivery dates to help ensure that these can be achieved or if there are unexpected delays, Montane can agree leniency and flexibility.

Montane holds seasonal sales launches 10 months in advance of a new season going to retail, with distributors of Montane products present. Information regarding required dates for product orders

JAN 7-9

Victory over Genocide Day (Cambodia)

FEB 21-22

Language Martyrs Day (Bangladesh)

JAN 26-27

Republic Day (India)



JAN 19-29

Chinese Spring Festival holiday



APRIL 5-6

Tomb Sweeping Festival (China)

APRIL 29 - MAY 4

Labour Day (China)



MARCH 8-9

International Womens Day

APRIL 7-10

Easter

APRIL 30 - MAY 1

Liberation Day (Vietnam)

are provided to the distributors ahead of sales launches, and individual category presentations take place, which allows for tailored product information to be shared.

At the beginning of each development season, key dates are provided to all factories Montane work with regarding fabric forecasting, greige booking, SMS product orders

and delivery, and bulk product orders and delivery. This allows factories to effectively manage their production capacity and to raise any queries or concerns with Montane in good time.

After discussions in FY23, Montane plans to work with suppliers to obtain working hours and overtime hours information which will be used to determine

where Montanes' practices and requirements need improvement, or where a supplier is struggling and needs additional support to be able to adhere to the agreed key dates in the cycle.

Montane plans production key dates around public holidays in manufacturing locations, to minimise the need for overtime in factories:

APRIL 30 -
MAY 3

Reunification Day
(Vietnam)



MAY 1-2

World Labour Day
(Bangladesh)

JUNE 22-26

Dragon Boat Festival
(China)

JUNE 1-2

Pancasila Day (Indonesia)

JULY 19-20

Islamnic New Year
(Indonesia)

AUG 15-16

Independence Day
(India)

SEP 29 -
OCT 7

Moon Festival (China)

OCT 13-16

Ancestors Day
(Cambodia)

NOV
26-30

Water Festival
(Cambodia)



DEC 25-26

Christmas

SUPPLIER RELATIONS

Montane records and monitors the production locations of all products, including the outsourced processes such as embroidery or printing where there are no in-house capabilities. There is a standardised documentation process in place for new and existing factories, of which Montane requests regular updates.

Requirements regarding manufacturers are considered within a two-year time frame, to ensure product volumes are suitably distributed. New suppliers are sourced when growth in volume is seen within a product category or when irremediable issues arise. Product margins are monitored by Montanes' Finance Controller, helping



to maintain profitability in all product categories, and identify whether alternative or additional suppliers are required to meet order volumes.

New suppliers are currently sourced by Montanes' Head of Production and Sourcing and the Product Development Manager. When beginning a new supplier relationship, manufacturers are issued with a Supplier Manual, Supplier Purchasing Agreements and information relating to Montanes' FW membership, including the CoLP. The documents must be signed and returned ahead of any orders being placed. The aim of doing this is to ensure that the high-quality product standards and social compliance expectations Montane set can be met.

All Montane manufacturers are required to complete a Factory Profile, outlining their size, structure, and capabilities. For new factories, a technical audit is arranged to verify the information provided is accurate and supports information obtained via email and video call. This was especially important whilst travel to factories in person continued to be limited in FY23.

One of Montanes' newest suppliers is based in Bangladesh and the above steps were followed during the onboarding process. Part of the decision-making process was influenced by the presence of other FW brands at the facility. Through FW, Montane has access to audit reports and training records at the factory, and at the end of the financial year travel opportunities opened up for a visit to the factory for in person verification and follow up. All combined, this gave the sourcing

team a good idea of the viability of proceeding with production orders at the factory. The same process was followed for the other new supplier in Indonesia, however there were no other FW member brands currently operating at the factory. The decision to begin a relationship with this factory was based on their reputation and positive SA8000 report shared with Montane. A visit is planned for early FY24 by Montanes' sourcing team as well as a third-party audit to verify the SA8000 findings and develop the business relationship further.

As noted, the ongoing coup situation in Myanmar has introduced issues into the supply chain. Upon consultation with FW and on the advice of various multi-stakeholder initiatives, Montane has made the decision to withdraw from production in Myanmar. Montane does not employ on the ground staff in Myanmar and the leverage with the factory was insufficient to guarantee that the heightened level of due diligence required in the situation could be achieved. This withdrawal process is ongoing - in August 2022, Montane informed the supplier and agreed to fulfil SS2023 and AW2023 order commitments. Montane is keen to maintain the relationship with the parent group of the supplier and has chosen to relocate some products to their facility in Viet Nam for SS2024. The work towards this move was already underway in FY23. As this disengagement process is in line with FWs guidance, which continues to be developed, further actions in the process will be undertaken in FY24 including working on an impact assessment of the withdrawal with the supplier.

INTEGRATION OF MONITORING ACTIVITIES AND SOURCING DECISIONS

Prior to FW membership, Montanes' supplier KPIs centred around quality, price, capacity and ability to meet specified delivery dates. Duty rates, quality of cross-costed samples, stability within the country and efficiency of communication would also be reviewed in relation to whether a new supplier was suitable. Now, as members, Montane also reviews available audit and occupational health and safety (OH&S) documentation, as well as whether a factory is already familiar with FW principles when assessing potential manufacturers.

Regular business meetings continue to be conducted through video calling to address and remediate issues raised and prevent recurrence. As travel options reopened, sourcing visits also became viable. The January trip to Bangladesh allowed for a sourcing visit to a supplier with whom online discussions about potential business had been ongoing. Due to not being able to visit Bangladesh during the pandemic, a sourcing visit there was subsequently combined with a QC visit as quality issues and a lack of understanding around Montanes' quality

standards were found with the new manufacturer. This was in addition to ongoing poor social audits, in which findings were not being addressed by factory management in a timely manner. The combined sourcing and QC visit was effective and made a significant difference to the quality of goods received toward the end of FY23.

It is important to Montane that all suppliers continue to work in alignment with the agreement outlined in the Supplier Manual, and the FW CoLPs. Confidence in this is achieved through

conducting audits, issuing Supplier Questionnaires annually, and maintaining regular contact with all suppliers. Questionnaire's regarding measures taken during the pandemic have also been circulated periodically to maintain clarity of OH&S measures taken, and potential ongoing factory and worker impacts.

As part of the monitoring process, Montane has organised and participated in audits at production sites. Audits allow Montane to verify information provided by the suppliers as well as flag any potential and actual

risks at the specific location. Montane utilises FWs audit services as well as engaging the services of an external third party auditing company. The willingness of a supplier to participate in remediation work around audit findings, whether social or quality focused, is a consideration within the sourcing strategy.

In FY23 Montane became the 182nd signatory of the International Accord. Both suppliers in Bangladesh are working with the International Accord to achieve and verify and maintain good structural,

fire and electrical safety standards. Looking forward, any new business relationships in Bangladesh will be with suppliers/ factories already operating under the requirements of the Accord or where there is willingness to undertake the work required to do so. This helps Montane ensure that the H&S of the workers is not compromised by their working environment.

Montane has continued to work on evolving the Code of Conduct, encompassing sourcing decision making and responsible exit policies.

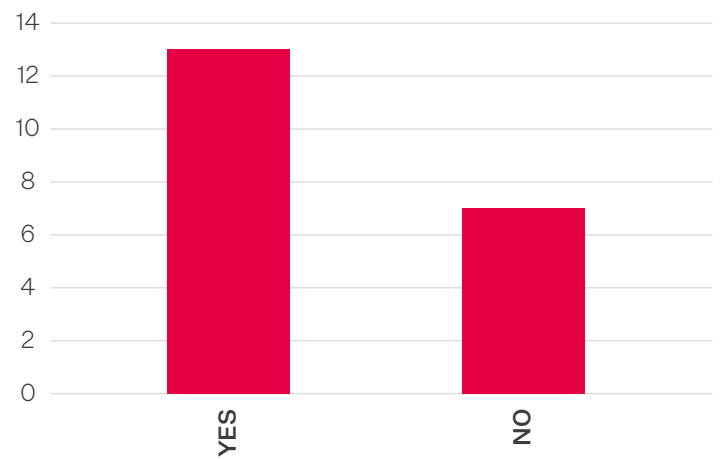
COHERENT SYSTEM FOR MONITORING AND REMEDIATION

Factory audits help Montane to monitor working conditions within the manufacturing supply chain, and assess the extent to which the CoLPs are adhered to, highlighting any potential areas for improvement. Montane aims to ensure that social audits are conducted at least every three years, with plans for auditing being influenced by:

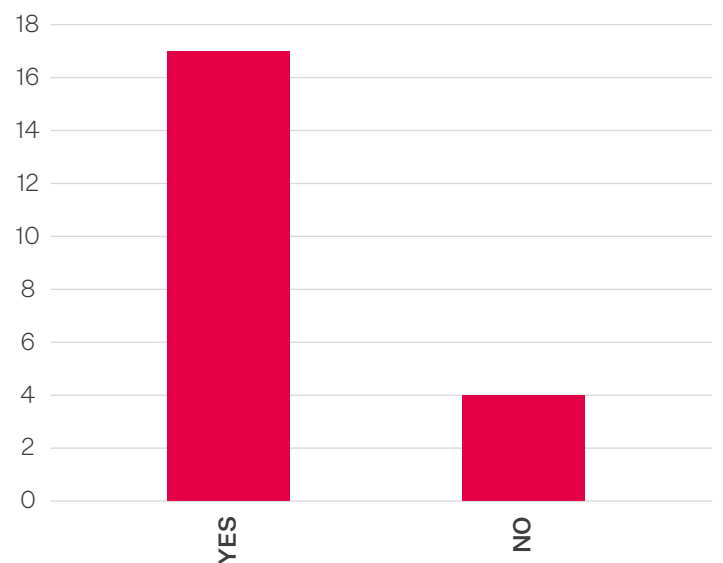
- > **Where a factory is new to Montane**
- > **Where a valid audit is not already in place**
- > **Where potential higher risks are identified**
- > **Where larger volumes of Montane orders are produced**

By the end of FY23, 65% of Montanes' CMT factories had a valid audit in place. A further 19% of factories where there is no audit in place are included in Montanes' audit plan for FY24.

CMT Factories with a Valid Audit in FY23



CMT Factories expected to have a Valid Audit by end FY24





Information regarding each country Montane manufactures in can be found within this section.

Unfortunately, travel was still restricted to Montane staff until January 2023, so visits to suppliers remained unfeasible for much of FY23. The visit to Bangladesh however was a good opportunity to build on the supplier relationship and improve understanding of their capabilities and conditions. The visit was discussed internally across all relevant teams and the findings were shared upon return, paving the way for effective follow-up and remediation where required. Montane plans to follow this model and visit as much of our tier one supply chain in FY24 as is viable. Wherever possible, visits to tier two suppliers will be included as part of that process.

VIETNAM

Montane has utilized the FW Country Studies information and information found in audit reports to determine the key risks in Viet Nam. The highest priority identified risks included excessive overtime and poor overtime records, and restricted Freedom of Association and Collective Bargaining. These risks have all been assessed within the auditing process. Montane participated in audits at three Vietnamese factories throughout FY23 and one other was audited by another FW member brand. Two of the three FW audits were monitoring audits and the third was a verification audit acting as follow up to a worker complaint, details of which can be found later in this document.

The first factory audited was a subcontracted factory where orders and feedback are usually

communicated through an intermediary. However, follow up on the audit outcomes and Corrective Action Plans (CAP) was conducted directly with the factory management. A FW audit had been conducted in 2015 and Montane has had a relationship with this subcontractor since 2016, but had not previously conducted a new audit there. Through Montanes' FW membership it was easy to track an increase in leverage at this factory in FY22, therefore an audit was deemed to be appropriate.

The CAP work is ongoing; Montane has led the feedback to the factory in collaboration with one other FW member brand. No urgent issues were found but some of the high priority findings included lack of records surround meeting minutes and actions, some H&S requirements were not fully compliant and though wages were found to be above minimum wage, they did not meet stakeholder estimations of a living wage. FW were able to verify some documentation provided as part of the remediation process. The factory has proven willing to engage with the CAP work, which has made the audit follow-up process simpler and more effective.

The second factory audited was in collaboration with three other FW member brands. The CAP work was led by one of these brands with the support of Montane and the others. This work is ongoing but in addition to emails and document reviews, some video calls took place between the brands and supplier to help improve understanding throughout the process. Key findings of the audit at this factory involved living wage payments and the payment

of bonuses, allowances and severance, some excessive overtime and unclear overtime records, and some poor maintenance around OS&H.

The factory has proven to be committed to the remediation work and worked with the FW brands to resolve the issues. A further audit is planned within FY24.

The third FW audit at a Viet Nam factory in FY23 was also conducted in collaboration with three other member brands. This audit was initiated in response to a worker complaint (see Complaints Handling p24) in order to verify claims of double bookkeeping, excessive overtime, and overtime payments for supervisors. The first two issues were confirmed as being present at the factory. Other findings highlighted in the audit revolve around gate passes and permissions, and lack of awareness around the collective bargaining agreement negotiated at the factory. No issue highlighted was classified as urgent. The remediation work with the factory on the audit CAP is being led by one of the other FW member brands with the support of Montane and the others. The factory are keen to resolve all points and have committed to the ongoing remediation work.

The final audit in Viet Nam was not arranged through FW and was the final stage of a blended monitoring process which began in FY22 following pre-checks which fell in FY21. This was organised and led by another member brand who included Montane and another FW member brand in the remediation discussions. Two new issues were found at this final audit stage but remediation of all issues continued to be in process, with some

already being resolved. Key findings covered H&S issues around PPE and fire safety training. This facility also received a FW Basic Worker Education Program training. This training was initiated in response to audit findings that workers were not fully aware of FW and the FW complaints mechanism. The factory were keen to participate in the training.

A further 4 Vietnamese factories producing for Montane are due to be audited in FY24.

CAMBODIA

Through FW country studies and audit findings, Montane has identified key risks in Cambodia around excessive working hours, payment of allowances or bonuses, and freedom of association. Montane has continued to work with its existing suppliers in Cambodia throughout FY23, one of which continues to hold the highest % of Montanes' overall production.

One factory in Cambodia was audited in FY23. This audit was organised and funded by another member brand but Montane and one other FW member brand were included in the remediation work as support to the lead brand. The biggest issue noted was the lack of knowledgeable and trained staff in charge of compliance and OH&S. This linked to other H&S concerns around machine safety, obstructed access routes etc due to a lack of a systematically analysed H&S assessment. There were not many points raised for remediation, and the work is ongoing. The other Cambodian factory producing for Montane is due to be audited in FY24.

CHINA

Through FW country studies and audit findings, Montane has identified key risks in China around forced labour and discrimination, excessive working hours and freedom of association. Montanes' supply chain in China continues to remain small and mainly focused around accessories and high value, low quantity products. Montane did not audit any Chinese facilities in FY23 however did take over as lead brand in the remediation work with a factory audited in FY22 where another FW brand disengaged. This audit was noted in the last social report as having been financed by the factory directly.

MYANMAR

Montane is currently still sourcing from Myanmar however a responsible disengagement plan is in progress due to the ongoing military coup. This will continue into FY24 to ensure that the adverse impacts of disengagement can be more effectively managed with the supplier. This situation has led to increased risk quantities and heightened risk levels in the garment sector and across the country as a whole. Previously shared audit findings pre-dating Montanes' relationship with the Myanmar factory revealed concerns around poor record keeping and excess overtime. Due to FW employees exiting Myanmar for safety reasons, an audit was conducted by an external (non-Fair Wear) auditor in FY23, with further issues found around contracts, grievance mechanisms, compensation payments, lack of awareness of worker representation, and various H&S issues. The work around remediation has been led by another FW member brand who employ staff located in Myanmar, who can support the factory

directly. Training was also organised through SMART Myanmar to resolve the issues flagged in the report and in response to complaints made to the FW hotline (see Complaints Handling p26). This remediation work is ongoing. Montanes' statement regarding its position on working in Myanmar has been published on the brand website here.

INDIA

Montane works with one factory in India, maintaining a relationship that started in 2015. The factory is certified to Fairtrade Intl, the Global Organic Textile Standard (GOTs) as well as global social certification standard SA8000. Key risks identified through FWs country study and through long production in India include gender based issues around violence and discrimination, poor working conditions including H&S violations and poor record keeping. The Indian factory producing for Montane was audited in the first quarter of FY23 with another FW brand leading on the remediation work. The key findings of the audit report included poor record keeping around overtime and disciplinary actions, obstruction of access routes, poor representation of women in supervisory positions, and out of date or unavailable building safety certificates. The remediation work is almost resolved with only a few points outstanding, all of which should be verifiable at the next audit. Advanced Violence and Harassment Prevention training was also conducted at this factory, which was identified as necessary to address the high risk of gender based violence and harassment that may be present in Indian garment factories.

BANGLADESH

Montanes' production in Bangladesh expanded in FY23 with the addition of a new supplier in a different product category. Montane consider the main risks (identified through FW country information and available resources) to be Freedom of Association, unequal and insufficient wage levels, excessive working hours, and poor H&S in the working environments. To help mitigate the latter, Montane became a signatory of the International Accord in FY23. This has allowed for improved due diligence across the H&S responsibilities, building a greater awareness of potential issues that require remediation. Both Bangladeshi factories Montane works with are monitored by the Readymade Garment Sustainability Council (RSC) as part of the Accord agreement, and there are regular follow up inspections and factory trainings.

Montane staff were able to visit both Bangladeshi suppliers in person at the very end of FY23 when international travel opportunities became a feasible option.

A FW audit was conducted at the newest production site. This had been organised by another FW member brand in response to previous poor audit findings which were shared with Montane. While the highest urgency risk was no longer identified, there were still many points for remediation. Montane has supported the lead brand through regular discussions regarding effective remediation methods and regular virtual calls with the factory. Montane staff were able to check some of the issues during the January 2023 visit. Due to the nature of some of the findings the work continues

to be ongoing to ensure adequate resolution. Audit findings included excessive overtime, and minimum wage payments for apprentice employees. Almost half of the findings related to H&S issues, all of which were reiterated in the RSC reports.

INDONESIA

Montane began production with an Indonesian supplier in FY23. The main risks at this location were found to be around wage levels, excessive working hours, OH&S, and a lack of permanent employment contracts for workers. This supplier did not previously work with any FW member brands, and as FWs operations in Indonesia are limited, Montane had organised a third-party audit for FY23, which then needed to be rearranged for Q1 of FY24. This was done to coordinate with the auditors schedule in order to reduce travel costs and emissions, and was thought feasible from the positive pre-audit evaluation and a recent SA8000 report shared by the factory. Furthermore, a new supplier visit is planned for this location, also due to fall within Q1 of FY24.

EXTERNAL PRODUCTION

Montane does not use any external producers for cut and sewn products, and currently has no plans to do so in the future.

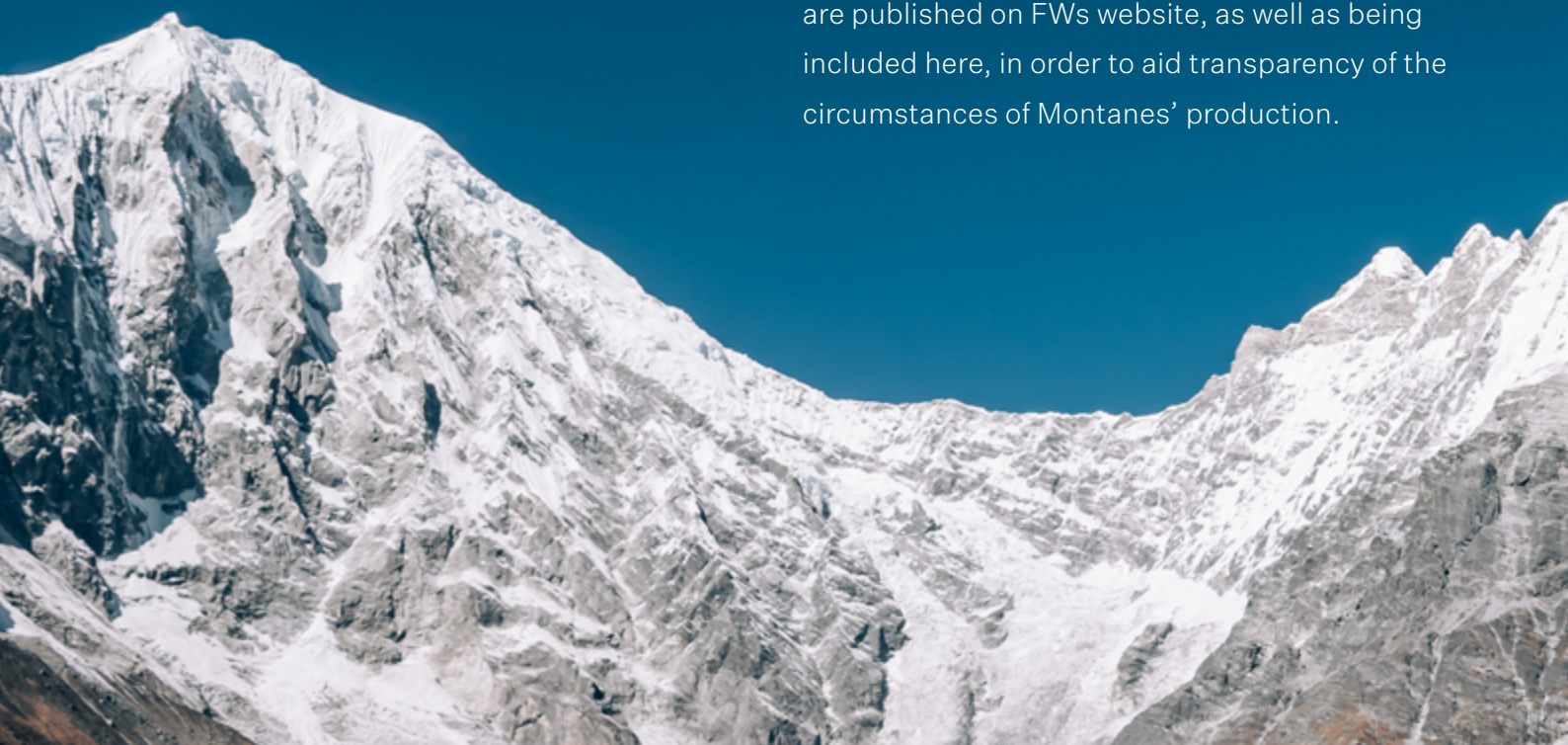
FW do not monitor hard goods manufacturers, however Montane does work with three external suppliers for water bottles and soft flasks. All of these suppliers have completed the FW Supplier Questionnaire, which includes the CoLP. This aids Montanes' understanding of these manufacturers location, size and structure.

COMPLAINTS HANDLING

Montane are committed to addressing and resolving complaints made at the production locations. Awareness of complaints comes through FWs anonymous complaints mechanism: all factories Montane work with are required to display and distribute information regarding FWs mechanism to employees. This information includes contact details for a local FW helpdesk if workers wish to utilise it. Evidence of helpdesk contact information being displayed in each factory (including subcontractors) is kept on file by Montane, and is further verified by auditors or visiting Montane employees.

Complaints made by workers to FWs hotline are communicated to Montane and other FW member brands present at that factory in order to ensure effective and collaborative remediation. It is usual that one brand is nominated to lead on the complaints remediation with support of the others. Remediation with the factory is uploaded to the FW online platform, where FW colleagues are able to advise on the adequacy of the process, and verify details or resolution with the complainant, maintaining their anonymity.

Both complaints and the remediation undertaken are published on FWs website, as well as being included here, in order to aid transparency of the circumstances of Montanes' production.





Throughout FY23, Montane received information about one new complaint at the factory in Myanmar:

COMPLAINT #1

Factory 4522: Myanmar

Date Received: 1st June 2022

Labour standards breached:

#6 Reasonable hours of work; #7 Safe & healthy working conditions

This was a complicated complaint and encompassed multiple complaints by multiple complainants all focused around the same issue. By the end of December 2022, there were at least 15 complainants. This complaint is also linked to the complaints made at the same facility in FY22. The complainants in FY23 reported that they were forced to work during their breaks by supervisors who used terrible language to communicate with them. They also reported that where factory hours were reduced to allow workers to go home well within curfew restrictions, the production targets were not reduced but actually increased. Where workers took a days' leave, it was also reported that they were still expected to meet their weekly target. The complainant explained that the verbal abuse was intolerable, with one particular supervisor being particularly problematic. During the verification process of the complaint, it was also found that there new issues around production bonus calculations and workers not receiving an accurately calculated bonus payment.

The remediation has been led by a fellow Fair Wear member brand who have staff available within Myanmar to assist with the process . The factory

was able to reduce the amount of verbal abuse by approximately 65%, however some of the supervisors did not react well to the complaints about them. After discussions with the supplier, the lead brand engaged SMART Myanmar to create an investigative report the result of which was the arrangement o fa series of SMART trainings on capacity building for the Worker Complaints Committee and all supervisors as well as supervisory skill and applied labour law training. Following an implementation period at the factory, if there is no significant improvement further SMART training on workplace relations is recommended.

These trainings all fall within FY24 so the complaint remains open and the remediation work is ongoing.

Montane understands through the complaint details that many of these issues can be attributed to the situation created by the coup in Myanmar. While Montane is working towards responsible disengagement from this factory because of the coup, continued awareness of the complaint and support for the lead brand, the workers and the factory management will be maintained for as long as necessary.

COMPLAINT #2**Factory 10013:** Vietnam**Date Received:** 18th December 2021**Labour standards breached:**

#5 Living wage; #6 Reasonable hours of work

In addition to the new complaint, remediation continued in the first part of the year for the complaint made in FY22 at a factory in Vietnam:

This complaint was made with regards to excessive overtime, lack of overtime compensation for supervisors, and double bookkeeping where records for excess overtime were maintained separately. Please refer to the FY22 Social Report for full details. Following supplier discussion with the Fair Wear brands and meetings held with local Fair Wear representatives, a verification audit was conducted at the factory where two out of three claims were verified. Details of this audit can also be found in the monitoring section- it is the third Fair Wear audit in Viet Nam. The factory agreed with the conclusions of the audit reports and committed to following the Corrective Action Plan. Unfortunately, the complainant could not be reached for evaluation on the remediation but Fair Wear marked the complaint as closed in good faith that the factory continue with the CAP work.



ACTIVITIES TO INFORM STAFF MEMBERS

Montane has provided training to all internal staff members regarding FW membership in Q2 of 2022. A training session was also recorded and made available to all employees on the staff intranet, as well as included within the induction process for new staff members.

To aid awareness and understanding with stakeholders and distributors, an overview of Montanes' FW membership is also included within bi-annual Sales Launches. Publication of annual Social Reports provides greater detail to all staff and stakeholders.

Starting in FY23, a presentation was given by the CSR Manager to key members of the management team - Managing Director, Operations Director, Head of Production and Sourcing, Product Development Manager - focusing on social risks within the supply chain, including a summary of recent FW related activity. Furthermore, since Q4 2022, a monthly meeting by the Ethical Compliance Coordinator has highlighted issues directly affecting the supply chain timelines to the wider Operations team.



ACTIVITIES TO INFORM AGENTS

Montane predominantly works directly with manufacturers, however where agents are in place, they are required to sign Montanes' Supplier Purchasing Agreement & Supplier Manual before working together. Agents have full visibility of the FW Supplier Announcement and Questionnaire sent to factories, the CoLP and Worker Information Sheets (WIS), as well as foresight on any plans regarding training or audits. This helps to ensure that the expectations of both FW and Montane are understood by all parties.

As mentioned above, with regards to distribution agents (sales), a recorded version of internal staff training on Montanes' FW Membership is available.



ACTIVITIES TO INFORM MANUFACTURERS AND WORKERS



All of the manufacturers Montane works with have been issued with a FW Supplier Announcement Letter, which explains what our membership entails, as well as the CoLP poster.

FW WIS in both the local language and in English are also issued to all factories (including subcontractors). These are displayed in each factory and provide workers with awareness of FW, the CoLP, and contact information to a local FW helpdesk if workers wish to utilise the complaints mechanism. Montane keeps photographs provided by the factories on file, to confirm the display of WIS, which is further verified by auditors or visiting Montane employees.

Montane encourages the factories to distribute FW Worker Information Cards. These are also in the local language and include the same information as the WIS but on a smaller scale for workers to take home with them. Conducting audits at the factories helps Montane to establish the extent to which workers understand the CoLP, and whether regular training is being conducted by the factory to remind workers of their rights, and if the training is included as part of the induction program for any new employees.

Further to the above documents, manufacturers are reminded regularly of the CoLP Montane expects them to adhere to at all times, as these are included within the Supplier Manual. This document is issued by the Operations team with every buy placed throughout the year. The CoLP are also

included within the FW Supplier Questionnaires, which are collected annually by the CSR team to maintain clarity of contact details, employee numbers and subcontractors used.

As noted in the factory monitoring section, Montane participated in arranging two lots of FW training in FY23. The first training was a Basic Worker Education Program (WEP) at a Vietnamese factory and three other FW brands participated. This training was initiated in response to audit findings that workers were not fully aware of FW and the worker complaints mechanism. The factory were keen to participate in the training program. The second training was conducted at the factory in India and was the advanced Violence and Harassment Prevention training. This training was identified to address the high risk of gender based violence and harassment that is likely present in Indian factories. This advanced training includes six follow up meetings between the FW trainer and the Internal Complaints Committee of the factory.

In addition to these trainings, two more were planned but postponed as the factories in question both had audits arranged within FY23 and it was thought more appropriate to wait for audit reports to determine the most appropriate type of training. A WEP on Communications is arranged at one of these factories and will take place in FY24. Training at the second planned factory is yet to be decided depending on CAP work and RSC remediation efforts.

INFORMATION MANAGEMENT

Montanes' CSR, Operations and Development teams work together to ensure a broad understanding of the manufacturers producing our goods, any subcontractors being used, and any proposed. An updated factory profile is requested annually and stored in a central location accessible to all team members. Audit, training, and complaints summaries have also been consolidated in a central location, accessible to all team members, and include a summary of key findings and updates as well as actions required. In addition

to freely accessible profiles and summaries, there are regular discussions around the nuances of any findings. These aid continued awareness across departments of the implications of social risks for sourcing or development decisions.

Montane requests regular updates from suppliers, works with verification audits and in the last quarter of FY23 has resumed a program of travel in order to ensure the most recent and relevant information is collected.

All CMT factories Montane works with are disclosed through FW and on Montanes' own website. Written consent to do this is held on file for all CMT factories permitting disclosure. Work is in progress with suppliers to gain better understanding of subcontractors - most have already given written permission to disclose the working relationship.

TRANSPARENCY AND COMMUNICATION



Montane makes this Social Report and the FW Brand Performance Check Report available on both FWs website and the brand website to aid transparency to consumers. The Brand Performance Check reviews and reports on whether Montane is meeting the expectations set for FW members and allows consumers to track Montanes' progress in implementing the FW CoLPs across all production locations. Montane updates the Further.Forever hub on its website, including communication on FW membership, signing the International Accord, and other social risk topics: this information can all be found under the "Ethical Trading" pillar.



STAKEHOLDER ENGAGEMENT

Since early 2020 Montane has been under the ownership of Inverleith LLP. The board of directors are engaged in social compliance topics and this is discussed within regular board meetings.

With regards to stakeholder engagement, Montane relies heavily on FW stakeholder resources, particularly utilising the country studies available, including gender reports and covid-19 reports. Through a FW Brand Liaison, Montane have also been able to receive feedback and input from local FW team members on unclear responses to audit findings, complex localised issues, or where translation is required.

Montane also relies on information available through our membership with the European Outdoor Group (EOG) to help stay informed on updates in production locations.

In addition to these relationships, Montane has utilised information published through other multi-stakeholder initiatives and non-governmental organizations such as the IndustriALL Global Union and the Ethical Trading Initiative to be useful tools in gathering and processing information.

Finally, Montane appreciates the input of worker stakeholders. The worker representative interviews as part of the social auditing program are invaluable: issues highlighted by representatives can form the basis of points for remediation within audit CAPs. Worker engagement with the complaints and grievance mechanisms are also found to be essential in understanding issues that may not be highlighted otherwise. A good example of this are the complaints made at the Myanmar factory regarding supervisor bullying, which could be hidden during on-site audit visits.



CORPORATE SOCIAL RESPONSIBILITY







All Montane products come with a lifetime guarantee against manufacturing faults, for the reasonable lifetime of the product.



Any wool used in Montane products is certified to be mulesed free.



In 2022 Montane launched its More Sustainable Choice initiative, helping to build product transparency and support more informed buying decisions from Montane customers. Information about this initiative can be found [here](#).



TRACK MY DOWN

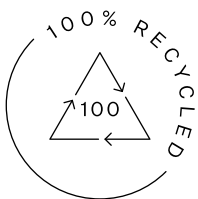
All virgin down used in Montane products is certified to the [Textile Exchange Responsible Down Standard \(RDS\)](#), and uses the Track my Down tool. More information can be found [here](#).



From summer 2022 any cotton used in Montane products has been certified as being 100% organic.



Montane recognise the importance of positive Animal Welfare and responsible sourcing of animal derived materials. This is highlighted through LWG membership, using only non-mulesed wool, and only RDS certified virgin down. No silk, fur, angora, or exotic skins are used in Montane products.



TRACK MY DOWN

In winter 2022 Montane introduced recycled down to our product offering. This is all GRS certified, and also uses the Track My Down tool.



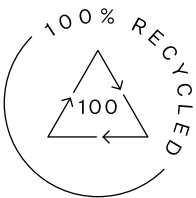
Montane is now a member of the Leather Working Group (LWG), to support responsible sourcing and processing of the leather used, and minimise possible negative impacts to the environment and workers in this supply chain.



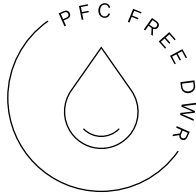
Montane exclusively uses Polygiene as an anti-odour treatment on next-to-skin products. Polygiene is a silver based, Bluesign approved treatment, where the silver used is also recycled.



In May 2019 Montane joined the **European Outdoor Group's Single Use Plastic Project**, which is working to develop a UK wide (and a European) recycling stream for polybag waste.



In 2021 Montane completed a transition to 100% recycled polybags with all product manufacturers.



In 2022 Montane expanded its use of PFC Free DWRs, targeting a complete transition away from C6 chemicals in Montane products by 2026.



In 2018 Montane launched a (UK only) **repairs service**, to provide customers with the opportunity to give their well-used and much loved products a new lease of life.



In 2022 Montane signed the International Accord, to help to ensure maintenance of good health and safety in the factories it manufactures with in Bangladesh.



Montane are a **member of EOCA**, supporting their global conservation efforts to promote care and respect for wild places.



As part of **Montane's ongoing collaboration with the British Mountaineering Council (BMC)**, Montane supports the BMC's charity of choice; The Climate Project. By donating 5% of sales from its SS22 **MONTANE X BMC product**, Montane is supporting The Climate Project to restore areas of peat bogs around the UK, in turn helping to capture carbon more effectively within the peat.



Montane's ongoing support of **Fix the Fells**, aims to protect paths around the Lake District for future generations.



The **George Fishers Tea Round** is an epic 30 mile walking or running route based in the Lake District. Participants are encouraged to donate to Fix the Fells. To boost the positive impact from this challenge, Montane matches any donations made.



The **Montane Alpine Club Climbing (MACC) Fund** was set up at 2016, to support the Alpine Club's most intrepid expeditions, covering long distances in inhospitable environments. Up to £10,000 is made available annually, to British climbers and mountaineers attempting first ascents and/ or new routes in little known and remote alpine areas.



Montane is a member of the UK's Cyclescheme, which supports staff in purchasing a bike without VAT. This encourages an active and healthy workforce whilst also enabling a lower carbon transport option.



In an effort to keep its local area tidy, and get staff outside together, Montane employees conduct a bi-monthly litter pick, with pizza lunch afterwards as a thank you to staff who take part.



OUR RESPONSIBILITY

Montanes' **Further.Forever.** platform comprises of four key pillars; Built to Last, Ethical Trading, Commitment and Responsible Choices.







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Fair Wear Member Since October, 2019