## Equip Outdoor Technologies UK Ltd Modern Slavery Statement 2020-21

Equip Outdoor Technologies UK Ltd (Equip) supports the UK's Modern Slavery Act 2015 (Act) and has taken steps to prevent modern slavery from occurring in its supply chain and within its operations. This statement, relating to the financial period January 2020-January 2021, has been published in accordance with Section 54 of the Act and applies to Equip and the Equip subsidiaries listed in the appendix.

### Our business and supply chains structure

Equip is an international business with the head office based in Derbyshire, UK. We are proud to own two specialist outdoor brands – Rab (established 1981) and Lowe Alpine (established 1967). We design technical outdoor products to meet the needs of our active customers.



THE MOUNTAIN PEOPLE

2

11

1

1

3

1

1

2

We employ approximately 135 team members in the UK. 100 of these team members work in our head offices designing, marketing, and selling our products or providing core functions to our business. 35 of these team members work in our distribution warehouse and factory site, where we fill our down sleeping bags, distribute to retailers and consumers and operate a service centre for washing and repairing our products.

A further 30 Equip employees work across Germany, the Netherlands, Norway, Canada, and the USA marketing and selling our products to international markets. We also have small teams in China and Vietnam who are responsible for monitoring our manufacturers in Asia.

Equip does not own or operate any overseas manufacturing facilities, but we contract partners to manufacturer our products to our required standards. We work closely with our manufacturers and have long-term stable contractual relationships with them.

In 2020, we worked with 21 manufacturers across Bangladesh, China, India, Indonesia, Myanmar, Philippines, and Vietnam who cut, make, and trim our products. Over 19,000 people are employed by our manufacturers globally.

Bangladesh China India India Indonesia Myanmar Philippines UK Vietnam

Figure 1: Our 2020 CMT manufacturing sites by country

# 2 Managing the risk in our operations

### The risk

The vast majority of our direct employees operate in roles that are low risk for modern slavery, these include teams such as design, marketing, sales, and other core functions. However, we recognise that our colleagues who work in our UK factory and warehouse undertake roles that are considered high-risk for modern slavery by the UK Gangmaster and Labour Abuse Authority (GLAA). According to the GLAA, using agency staff in these sectors is a major risk driver for modern slavery as it undermines accountability and reduces oversight into workers' experiences.

### Our policies and due diligence

We are proud to say that all our regular team members in the factory and warehouse are Equip employees, not temporary agency staff. Therefore, by keeping our teams in house, we are mitigating the majority of the risk associated with our operations.

We occasionally use temporary agency staff during peak periods to support our operation. This occurs a handful of times a year and involves small numbers who typically remain on site for a few weeks.

We recognise there is still a small risk for direct employees as modern slavery can affect anybody. We manage this minor risk by having clear recruitment policies and processes where relevant checks are carried out on all new starters and maintaining open relationships with our staff with regular face-to-face check-ins.

## **3** Managing the risk in our supply chains

### The risk

We recognise that the manufacturing of technical apparel and equipment is a high-risk sector for modern slavery. Though there are human rights risks throughout apparel supply chains, the manufacturing process when the product is cut, made, and trimmed (CMT) is the most labour intensive and is where the majority of violations occur in the industry. Recognising that our CMT manufacturers represent the highest risk of human rights abuses, including modern slavery, our due diligence programme focuses primarily on them.

As well as prioritising by sector, we recognise that the country of operations can impact the risk of modern slavery occurring in our supply chains. According to the Global Slavery Index (2018), of the countries our manufacturers operate in, Myanmar has the highest prevalence of modern slavery and India the second. However, as we recognise that all the countries we source from face human rights risks, we are committed to carrying out due diligence in all of them.

In China, we recognise that there is a risk that our supply chains will be associated with forced labour and human rights violations being inflicted on millions of Uighur people in the Xinjiang region of North-Western China. In response to this risk, we have taken active steps to ensure that none of the cotton sourced for our products originates from the Xinjiang region of China and that none of our manufacturers, or their subcontractors, operate in the region.

### Our policies and due diligence

We maintain long-term relationships with our manufacturers as this enables them to invest in both the individuals that work there and the facilities they provide. We understand long terms partnerships don't guarantee good working conditions, however, we believe our influence and support contributes to improving conditions over time.

We have regular in-country meetings with manufacturers to help forge these long-term relationships. Personnel from Equip at all levels, including our directors, design, operations, materials planning and buying as well as our corporate social responsibility team have regular discussions and make frequent site visits. Our overseas manufacturers can be visited by Equip personal up to eight times a year. Regrettably, our factory visits were significantly disrupted in 2020 due to travel restrictions imposed in response to the Covid-19 pandemic. We continue to make use of other communications tools during this period to maintain good working relationships.



In addition to our internal factory visits, for several years we have required our manufacturers to be audited against the <u>amfori BSCI Code of Conduct</u> which establishes standards that companies must abide by to protect their workers' human rights. We require manufacturers to be audited by third parties at least every two years, share the audit reports with us, and work with us to correct any non-compliances.

In 2020, Equip became a member of Fair Wear, a movement for change that seeks to push the garment industry towards the new normal: a world where working conditions are fair for the people who make our clothes. We are committed to supporting garment workers' rights to safe, dignified and properly paid employment, and making garment production fair for everyone. We uphold and promote Fair Wear's <u>Code of Labour Practices</u> (COLP), which includes a specific standard for ensuring freely chosen employment.



We informed all our manufacturers that we had become a member of Fair Wear and outlined what this meant for them. We require all our manufacturers to:

- Endorse Fair Wear's Code of Labour Practices
- Inform their workers of the COLP by displaying information in their workplaces in their local language
- Inform their workers of Fair Wear's <u>Complaints Procedure</u> by displaying information in their workplaces in their local language
- Co-operate with us if a complaint is filed by one of their employees, committing to remedying the issue and addressing any root causes to prevent it from happening again
- Agree to be audited against the COLP by a third-party, which includes private interviews with workers
- Co-operate with us to develop and complete a corrective action plan if any non-compliances are identified in the audit

In response to our Fair Wear membership announcement, we required our manufacturers to provide written confirmation that they endorsed the COLP and to provide photographic evidence that the COLP and Complaints Procedure had been displayed in a prominent position on their site in the local language where their workforce could read them. In 2021, we are revising our supplier manual so that it also includes the Fair Wear requirements.

Being a member of Fair Wear requires us to continue to adopt fair purchasing practices that promote safe, dignified, and properly paid employment. We are committed to ensuring continuous production for our manufacturers and provide yearly production forecasts to help them plan accordingly. We also avoid short term deliveries as we recognise that this places undue pressure on our manufacturers and increases the chance of excessive overtime or temporary workers.

Although our business was significantly affected by the Covid-19 pandemic in 2020, we upheld our responsibility to the people who make our products. To support the workers employed in our supply chains, we did not cancel any order in production and where costs had already been incurred by the manufacturers, we worked with them to manage the impact. We worked collaboratively with our manufacturers to re-plan volumes and space out orders to lessen the impact for all of us.

# Training

All Equip team members that visit our manufacturers are made aware of potential human rights issues, including modern slavery, by our corporate social responsibility team. They are expected to raise any concerns with the factory management at the time or report to the Equip corporate social responsibly team for investigation.

As we continue on a Fair Wear membership journey, our CSR team will deliver training on countryspecific human rights issues for our relevant colleagues.



# **5** Measuring our performance

### KPIs

We believe it's important that we measure our performance against our commitment to prevent modern slavery and uphold human rights in our operations and supply chains. To do this, we are introducing the following key performance indicators that we will track in subsequent statements.

As our first Fair Wear Brand Performance Check will be conducted in May 2021, we will be able to report on our progress against these indicators from our 2021-22 statement onwards.

#### Indicator

Fair Wear Brand Performance Check score for the reporting year.

This annual assessment scores our approach to improving working conditions for workers in the factories making products out of 100. Our purchasing practices, supplier monitoring and transparency are all assessed. The methodology is available <u>here.</u>

Percentage of production volume from manufacturers where a business relationship has existed for at least five years.

This indicator measures how well we know our manufacturers. Long-term relationships allow us to encourage our manufacturers to introduce strong human rights safeguards.

Percentage of production volume from manufacturers that have been visited by one of our team members in the reporting year.

This indicator measures our supply chain oversight and demonstrates our commitment to maintaining close relationships with our manufacturers. Third-party audits are conducted in addition to these visits.

### Our next steps

In 2021-2022, we will build on our human rights performance by:

- Creating a formalised manufacturer evaluation procedure to complement our existing supplier selection processes
- Improving due diligence on our UK-based service suppliers, such as those providing cleaning and security services to our offices, who fall outside of our amfori BSCI monitoring programme
- Piloting an engagement project with two key manufacturers that aims to understand and transition to living wages for workers and to remove excessive overtime
- Delivering improved training internally on country-specific human rights issues based upon Fair Wear's expert guidance and methodology
- Reporting on our new KPIs established in this 2020-21 statement

### Statement approval

This statement covers the financial period January 2020-January 2021 and has been approved by the Board of Equip Outdoor Technologies UK Ltd on 23 February 2021.

Signed by Matt Gowar Chief Executive Officer at Equip Outdoor Technologies UK Ltd. 23 February 2021

### List of Equip subsidiaries

Equip Deutschland GmbH Equip Benelux BV Equip Outdoor Technologies UK Ltd Equip Outdoor Technologies Ltd Equip USA LLC Equip Canada Inc Equip Norway AS Lowe Alpine Systems International Ltd Rab Carrington Ltd

