



## **STATEMENT OF POLICY AND PRACTICE REGARDING LEATHER SOURCED FROM BRAZIL**

At Mountain Hardwear, we are committed to building a company of which we can all be proud – not only of the innovative products we create and the financial results we achieve, but the manner in which we achieve them. Whether it's responsible sourcing, giving back to our communities, or reducing our environmental impact, we believe corporate responsibility is a company-wide effort. Stakeholder input is invaluable to the continuous improvement of our corporate responsibility programs.

Recently, Mountain Hardwear and other leading footwear and apparel companies have been approached by advocacy groups asking if any of the leather used in our products is sourced from Brazil and, if so, whether we have policies and compliance practices in place to ensure that no Brazilian-sourced leather originates from cattle raised on illegally deforested areas within the Amazon Biome.

Mountain Hardwear has never relied on Brazilian-sourced leather for a significant portion of its annual leather needs. For example, during the 12-month period that ended in August 2009, less than three percent (3%) of our total leather purchases came from factory partners who sourced any portion of their total leather rawhides from Brazil.

In our ongoing effort to provide consumers with as much assurance as possible about the ethical sourcing of our products, we requested and received written certifications from each of these factory partners stating that they have policies and compliance practices in place designed to, among other things, prevent purchase of any rawhide from cattle that has been raised in the Amazon Biome.

Therefore, while the complexity of the supply chain makes it impossible for us to know an exact percentage, it is likely that Brazilian-sourced leather accounted for between zero and one percent (0-1%) of our total leather purchases during that period, and we believe that zero percent (0%) was from the Amazon Biome.

We communicate regularly in writing to each of our current and prospective leather suppliers informing them of our expectations under the provisions of our manufacturing partner Code of Conduct. As part of those communications, we will reiterate our determination to ensure that none of the leather rawhides we purchase originate from ranches that graze cattle in the Amazon Biome.

We realize that there may be additional processes to consider that would provide greater assurances about the sources of leather used in our products. We will continue to learn more about those practices and will work with our vendors, our independent manufacturing partners, and other leading global footwear brands to develop and implement practices that promote and reward adherence to industry protocols and ethical standards across our entire supply chain.