

# APPENDIX B: STAKEHOLDER PANEL REPORT

## STAKEHOLDER PANEL REVIEW

Once we had a full draft of our report, we invited knowledgeable people with perspectives from our key stakeholder groups to review it and provide comments so that we could improve our reporting. We are extremely grateful to all the panel members for giving us the benefit of their experience and helping us to make this a better report. The responsibility for acting on their advice and for any remaining gaps is ours alone.

The panel included the following people:

Alison Bailie (Pembina Institute)

Chuck Barbee (Engineered Apparel, supplier)

Eric Brody (sportswear industry)

Kai Chan (Institute for Resources, the Environment and Sustainability, UBC)

Justin Ellis (Leave No Trace Canada)

Bob Jeffcott (Maquila Solidarity Network)

Robert Kendrick (MEC member)

Stephanie Rauer (MEC staff)

John Restakis (BC Co-operative Association)

Kirk Richardson (Keen Footwear)

## HOW WE DID IT

The panel met for a day and a half in Vancouver at an off-site location. The first afternoon, MEC Director of Sustainability and Community, Esther Speck, explained the process for preparing the report and fielded panellists' questions. Once the MEC managers left, panellists reviewed and commented on report presentation – format, language, visuals, and overall reflection of MEC. The second day was devoted to detailed chapter-by-chapter feedback, without MEC management present, and facilitated by an independent consultant from Solstice Sustainability Works Inc. MEC managers returned at the end of the session to hear and respond to a summary of the day's feedback.

Detailed notes from the two days were circulated to all panel members for review and provided the basis for this summary report. Panel members have also reviewed a draft of this summary report. Panellists received a modest stipend which they could donate to a charity of their choice.

## WHAT WE LEARNED

We received a wealth of valuable feedback, including many detailed editing suggestions that we have accepted. Here we set out the material comments we received and how we have responded, or if we haven't acted on them, why not.

### **Comments on overall structure, tone and presentation**

The product life cycle works as a frame for the report, but needs explanation

Panellists wanted more explanation of how we identified the material issues, how these relate to our goals and strategy, and how the report structure reflects this. *Valuable feedback. Check out the revised introductory chapter, Our Approach.*

### **Improve the links between broad goals and specific targets**

Panellists wanted to understand how we set targets and how these add up to progress toward our broader goals. They also wanted to see medium- and longer-term milestone targets that are specific and measurable. *We acknowledge that the alignment between indicators, goals and targets is not perfect. In some cases we're at an early stage and not in a position to set targets. In some cases targets are meaningful to us even though they don't have a clear link to broad goals. We'll keep working on this.*

### **Graphical and story elements are welcome**

The panel appreciated the stories and case studies and wanted more, especially in areas where MEC faced decision points. They suggested that we add more graphical elements such as diagrams of our product life cycle and that we improve existing graphs to make the information clearer. *Done.*

### **Celebrate your successes**

The panel pointed to our leadership role in the areas of organic cotton, green buildings, employee commuting, waste reduction, and environmental funding and told us not to be so humble. *We were happy to act on this.*

### **Don't hide behind global trends when you're part of the problem**

Our description of global trends, especially relating to manufacturing and offshore production, sounded to the panel like we were using our relatively small size as an excuse. They want us to explain better how our actions contribute to global issues. They also wanted us to explain our responsibilities and show how we could take advantage of opportunities created by global trends, such as the rise of the conscious consumer. *We accept this though we struggle with how to convey what a small player we are in global supply chains without sounding apologetic. We've redone our piece on Global and Local Trends in Chapter 1, to highlight both threatening and opportune trends.*

### **Combine the product design and end of product life sections**

Panelists thought it would be easier to show how we design with the full product life in mind if we made this one story. *We agree and have combined the two chapters into Selecting and Designing Gear.*

## **COMMENTS ON SPECIFIC ISSUES**

The importance of the co-operative identity to MEC's sustainability performance is underplayed.

The panel wanted MEC to show how a co-operative business structure contributes to sustainability. *We believe that the co-operative structure provides a good foundation for better decision-making around sustainability but it is not by itself a guarantee of sustainability – it depends on the mission and the expressed values of the members. We've pulled together the information on our co-operative identity into Our Approach chapter and deepened this discussion in the Governance chapter.*

### **Provide more information on MEC's approach to sustainable product design**

The panel wanted to understand how we make decisions about product and fabric choices, and how our relationship with bluesign technologies works. *We have added some information yet are still building our systems. We believe a case study will best demonstrate our decision process and commit to doing this in the next report.*

### **Improve the table that shows findings from factory audits**

Panelists felt that the disclosure of incidents from factory audits was important and suggested:

- Separating hours of work incidents from general wage incidents;
- The distribution of total incidents by type could lead readers to suppose that the types of incidents appearing more frequently in audits are the biggest problems (e.g., health and safety) when these are simply the most apparent, while issues like harassment and abuse are harder for auditors to find;
- Disclosing who performs the MEC audits; and
- Providing data on the number of incidents per factory so that readers can tell whether the incidents are concentrated in one or a few factories, or are widespread.

Panel members also acknowledged MEC's commitment to report on factory locations in 2008 as a positive move that is still rare in the industry. *We have addressed all of these points either in the table or text, and provide violation data per factory on our website.*

### **Name the wage differential issue**

Panelists did not think we were clear in naming the issue of wage differentials in producing countries as a root cause of the falling levels of manufacturing in Canada. *We have made this explicit.*

### **Explain MEC's position on providing a "living wage"**

The panel noted that legal wages paid in many producing jurisdictions and some North American cities are not enough to support a family to meet its basic needs. They believe that MEC should further explain our position on living wage in the report and show how our approach will get us there in the long term. *We have stated our belief in the principle of a living wage in the report and explain why we do not yet have a formal commitment to living wage (e.g., methodology challenges and current focus on legal wages).*

### **Explain how purchasing practices affect workers in factories**

Panelists noted that changes to purchase orders and tight production timelines are one of the causes of excessive overtime in factories. *We are aware that this can happen in our industry. Unlike some large brands we don't have MEC staff located in the factories so it hasn't been possible for us to directly monitor the outcomes of our purchasing decisions. We will do a case study on this for our next report.*

**Explain the dilemma of biodegradable plastic bags**

Panellists pointed out that bags made from corn based plastic have their own sustainability issues. *We agree and have enhanced this discussion.*

**Show the environmental impacts of paper**

Panellists wanted to see the environmental impacts, such as embedded energy and water, associated with our main uses of paper, especially the MEC catalogues. *While we don't plan to do detailed calculations on an ongoing basis, we took this opportunity to show the impact of our catalogue for 2007.*

**Explain MEC decisions regarding timing and mode of transportation**

Panellists noted our challenging targets for GHG reduction related to transportation of products and wanted to know what we were doing to achieve them. They noted that MEC does not yet encourage suppliers to ship by lower GHG intensive modes. *We've added to our transportation discussion.*

**Provide more balance in staff survey results**

Panellists noted the absence of any declining trends in staff survey results. *We used the same indicators as in 2005. The upward trend is a result of our efforts in this area. There is still improvement to be made, some of the results are just slightly higher than 2005 and we missed our overall target for staff engagement. In response to panel feedback on wages, we have added the survey question on staff satisfaction with wages.*

**Provide more information on staff turnover**

The panel suggested that staff turnover be broken out by store. *We have highlighted the high turnover regions.*

**Member satisfaction is only part of the story**

Panellists wanted more discussion of how MEC engages its members – in promoting sustainability, in responsible consumption, and in responsible recreation. *We agree and have brought some stories together in Equipping Members. We will do more work on this in the next report.*

**Discuss the tension between conserving wilderness and promoting access for recreation**

Panellists want to see how a responsible retailer reconciles these aims. *This is important for us and we've added to our discussion.*

**The Big Wild Challenge seems to leave out less experienced members**

Panellists were impressed by our commitment to saving wilderness. In addition to a wilderness-oriented Big Wild challenge, they thought we should encourage members to “get outside” locally too. *The Big Wild is about wilderness and we want all members to be able to engage. We intend to create more accessible challenges for 2009 and are working on a strategy to increase activity in Canada.*

**Provide a measure of durability**

Providing durable products is one of MEC's claims to sustainability. Can this be substantiated, by setting measurable goals in the design stage for product longevity, in terms of both durability and fashion? *An interesting idea. We'll work on this for the next report.*

**Explain the particular challenge of governance in a co-operative**

The panel suggested we discuss the special nature of co-operative governance – when directors come from and are elected by the membership, perhaps without any previous experience in governing a co-operative – and what the implications are for MEC in terms of skills and diversity. *We agree and have increased our discussion.*

Our panel worked thoughtfully and diligently to help us improve our reporting. While we received many other suggestions, these were the most substantive. The others have been accomplished through the editing process. We think the external panel has made this a better report and we look forward to hearing what you think.