



# ACCOUNTABILITY PERFORMANCE

2009 INTERIM REPORT



MOUNTAIN  
EQUIPMENT  
CO-OP®

## OUR REPORT IS CHANGING

We are changing our approach to reporting (which is how we hold ourselves accountable to our goals). So far, MEC has published two comprehensive accountability reports, covering 2004–05 and 2006–07. In the future, we want our reporting to be more timely, better influence future change by aligning with our overarching MEC strategy, and communicate our results in a more engaging way.

That is why, in 2011, we will move to a web-based report, along with quarterly “dashboard” updates. In 2011, you’ll be able to find all of the information you would get in past reports, but in a more interactive and timely way. A group of stakeholders representing members, staff, environmental and human rights advocacy groups, supply chain and industry peers will give input on our content, as well as the way in which we present it. We will continue to use the Global Reporting Initiative and AA1000 for guidance.

In the meantime, this shorter report is an interim measure covering the years 2008–09 and is intended to keep you up to date as we move to our new model. Here, we invite you to explore where we’ve been, see our progress over the last two years, and find out where we’re going.



#### ABOUT MOUNTAIN EQUIPMENT CO-OP

- Member-owned retail co-operative based in Vancouver, BC
- Canada's largest supplier of gear for self-propelled outdoor recreation
- Passionate about activity, inspired by positive change for people and the planet
- 3.2 million members
- 13 stores across Canada
- French and English websites
- 1,500 staff
- 11.1 million individual products sold
- 38% of products sold are MEC-brand
- More than 70 contract factories around the world make MEC-brand products
- 88% of members say they are active outdoors on a regular basis
- Member of 1% for the Planet

## WELCOME

**Our core reason for being is to help people enjoy the benefits of self-propelled wilderness-oriented recreation. We do that by selling outdoor gear, clothing, and services.**

Self-propelled, yes. Low impact? Not always. We know that everything we make, say, or do has an impact—social, environmental, or economic—on a planet already stretched to its limit. At MEC, we're committed to making and selling products with people and the planet in mind, stretching ourselves and others to be curious about possibilities, serious about responsibilities, creative in our approach, persistent in achieving results, and transparent about our decisions and challenges. We believe systemic change is possible, and we're committed to modeling a different path for business and communities, where decisions are made with the long-term future in mind.

To get there, we integrate sustainability principles and practices into every stage of the life cycle of our gear. And we report on our impacts and performance for each of these stages. How it's made—selecting and designing products, manufacturing MEC-brand gear, transporting it to our stores. How it's sold—our green operations, engaging employees, and equipping our members. How it's used—our community contributions to conservation and activity. And finally, how the Co-op stays healthy to continue this cycle—our economic performance and co-operative governance.





## OUR APPROACH

Our Charter tells the story of why we exist, who we are, what guides our actions, and where we want to go. Our Long-Term Goals articulate three focus areas where we want to create long-term change, while being the most vibrant and viable outdoor retail business in Canada:

### **Active Canadians**

To increase participation in self-propelled wilderness-oriented recreation in Canada. This is our core reason for being.

### **Conservation**

To support the creation and stewardship of a comprehensive network of parks, wilderness, and outdoor recreation opportunities in Canada. Wild places are where our members play, and are life support systems for the planet.

### **Marketplace Change**

To foster change toward environmental, social, and economic sustainability in the marketplace. This recognizes our role as a business.

## HOW DO WE DO IT?

Our sustainability director reports to the CEO and works across multiple departments, ensuring that MEC delivers on the Board's vision to be a leader in sustainability. Responsibility for operational sustainability results rests with the senior managers in each area. Sustainability coordinators in each store report directly to their store managers and work closely with our small head office sustainability team. They deliver our programs in the communities where we operate. Overseeing all this is the sustainability committee of our Board of Directors, who are democratically elected by our members. Ultimately, these initiatives are intricately linked to every aspect of our business. Every one of us at MEC has a role in our sustainability efforts.

## OUR SUSTAINABILITY AGENDA

Our world is changing. Challenges include economic uncertainties, changing nature of recreation, declining activity among youth, natural resource loss and shortages, and climate change. All of this accelerates the need to increase engagement with communities and move to a lower-impact business model.

Setting priorities is critical, so we can focus our efforts on areas we can influence the most. While we track our progress throughout the business life cycle, our Sustainability Agenda identifies key areas where we are best positioned to make a difference.

### We have set six priorities:

WHAT MATTERS	OUR PRIORITIES
Environmental footprint of our gear and operations	1. Reducing material waste and harmful substances in our products
	2. Improving our energy, carbon, and water footprint
Change for workers in factories	3. Improving the human condition in our factory communities
Active Canadians	4. Enhancing the recreation and activity culture in Canada, especially in relation to youth
Wilderness conservation	5. Supporting conservation of ecologically and recreationally important places
Marketplace change	6. Inspiring others and accelerating systemic change towards sustainability in the marketplace, through engagement and advocacy

We leverage our resources to achieve results that are bigger than what we could achieve on our own by:

- improving our own practices
- collaborating along our value chain
- engaging members
- advocating for systems change

Our Sustainability Agenda is embedded in MEC's Five-Year Strategic Plan, which is framed around achieving progress in the areas of product, service, and culture. To track our progress, we set long-term targets and report on performance through our **Accountability Reports** and updates.

### 3-YEAR TREND LEGEND

- ▲ Trend increasing—a good thing
- ▼ Trend decreasing—a good thing
- ▲ Trend increasing—a bad thing
- ▼ Trend decreasing—a bad thing
- No significant change
- 0 2009 is a baseline year

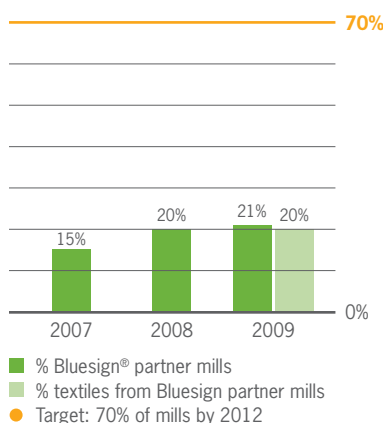
## PERFORMANCE AT A GLANCE

Here we outline our performance over the past three years (toward targets set in 2007). Where are we on track? Where do we need to correct course? Where do we need to rethink goals due to new strategies and learning? The dashboard below shows, at a glance, how we've performed on Key Performance Indicators since the last report. You can read more about each indicator in the sections that follow.

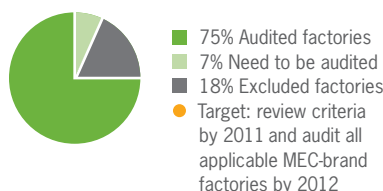
MEC BUSINESS CYCLE	OUR QUESTIONS	KEY PERFORMANCE INDICATOR	THREE-YEAR TREND
1. Selecting and Designing Products	Do MEC textiles have a reduced environmental footprint?	1.1 Directly sourced textile mills that are Bluesign® System Partners (%)	▲
		1.2 Directly sourced textiles from Bluesign System Partner mills (%)	▲
2. Manufacturing MEC-Brand Products	Are we improving the lives of factory workers?	2.1 MEC-brand factories audited in the past 18 months (%)	—
		2.2 Audited MEC-brand factories with black violations (#)	0
		2.3 Factory initiatives that involve collaborations, management capacity building, or worker training (#)	▲
3. Transporting Products	Are we reducing climate impact from transportation?	3.1 Total GHG emissions from product transportation (tCO <sub>2</sub> e)	▲
		3.2 Transport GHG emissions by unit sale (kg CO <sub>2</sub> e per unit sold)	▼
4. Greening Our Operations	Are we reducing our climate impact from buildings?	4.1 Total facilities GHG emissions (tCO <sub>2</sub> e)	▼
		4.2 Facilities GHG emissions by square foot (kg CO <sub>2</sub> e per 1,000 sq. ft.)	▼
		4.3 Total direct and indirect facilities energy consumption (gigajoules)	▲
	Are we moving to zero waste?	4.4 Total materials generated (tonnes)	▼
		4.5 Diversion rate (% recycled or reused)	▲
5. Engaging Our Employees	How engaged is our staff?	5.1 Overall score on 2009 Hewitt Employee Opinion Survey	▲
6. Equipping Our Members	Are members happy with their store and online experience? Can they get the products they want?	6.1 % of satisfied members	▲
		6.2 Service level (% inventory rating)	—
7. Supporting Our Community	How are we investing in conservation and outdoor activity?	7.1 Total community contributions (\$ million)	▲
		7.2 Contributions by access/activity and wilderness conservation (%)	▲
8. Economic Performance	How much gear did we sell? How efficient is our supply chain?	8.1 Total sales (\$ million)	▲
		8.2 Average annual inventory turns (#)	▼
9. Governing Our Co-op	How do members feel about MEC? How many members voted in our Board of Directors election?	9.1 Members who are proud to be MEC members (%)	▲
		9.2 Voter participation rates (%)	▼

### KPI 1.1 MEC DIRECTLY SOURCED TEXTILE MILLS THAT ARE BLUESIGN® SYSTEM PARTNERS (%)

### KPI 1.2 MEC DIRECTLY SOURCED TEXTILES FROM BLUESIGN SYSTEM PARTNER MILLS (% OF YARDS)



### KPI 2.1 MEC-BRAND FACTORIES WITH PURCHASE ORDERS >\$10,000 THAT HAVE BEEN AUDITED IN THE PAST 18 MONTHS (%)



## PERFORMANCE BY INDICATOR

### 1. SELECTING AND DESIGNING PRODUCTS

#### Are MEC textile mills manufacturing with a reduced environmental footprint?

Five years ago, we challenged ourselves to look at the toughest part of our business from an environmental perspective—our gear. This is where our biggest impact occurs: on water, materials, and energy.

In the last report, we introduced a partnership with **Bluesign**® AG, a Swiss organization that has developed leading environmental health and safety standards for the textile industry. Bluesign looks at how factories make textiles, and what chemicals, dyes, and processes are used. They then work with mills to make improvements to reduce the mills' environmental footprint. Once mills agree to implement changes to meet required recommendations, they become Bluesign System Partners.

MEC set an initial target that 70% of our directly sourced textile mills would be Bluesign partners by 2012. By 2009, 6 of our 30 directly sourced mills (21%) had become Bluesign partners (**KPI 1.1**), producing around 390,000 of 1,920,000 yards of fabric (**KPI 1.2**). Going forward, we will continue to work with our existing Bluesign partner mills and focus on finding and evaluating additional mills that can help us achieve our goal of 70%.

### 2. MANUFACTURING MEC-BRAND PRODUCTS

#### How well do we know our factories' working conditions?

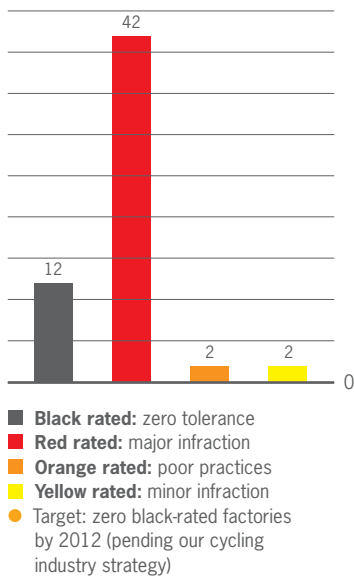
We want to provide gear that has excellent value, is delivered on time, and is made in an ethical way. To help achieve this, we have a Supplier Code of Conduct. To influence change, we need to start by understanding our factories' business and labour practices relative to this Code. This is why we aim to audit our factories at least once every 6 to 18 months, and more frequently if there are challenges we need to monitor.

As of December 2009, 75% of active MEC-brand factories (53 out of 71) had been audited within the previous 18 months (**KPI 2.1**). During this time we found 229 code violations. Seven percent (five factories) were not audited; we will undertake these audits in 2010. The remaining 18% were consciously excluded because they were either:

- small factories in low-risk countries (two factories) or,
- cycling factories, where industry ethical sourcing expectations are new (11 factories). (We are in the process of developing a strategy that is specific to the cycling industry.)

Moving forward, we'll deepen our understanding of worker needs, implement our cycling strategy, and refine criteria for audits to balance resources between assurance and capacity building. We'll also develop a more formal internal tracking system.

## KPI 2.2 AUDITED MEC-BRAND FACTORIES WITH BLACK RATED VIOLATIONS (#)



## Are we improving the lives of factory workers?

In 2008, we developed an approach to prioritize non-compliance issues and develop strategic responses. To rate factories, we grouped violations into four categories: black (zero tolerance), red (potential harm), orange (poor practices), and yellow (minor). Our efforts focus on two fronts: eliminating “black” violations, and building capacity among strategic factories.

In 2009, 21% of our audited factories (12 of 58)<sup>1</sup> had black violations (**KPI 2.2**), including: using unauthorized subcontractors, mandating workers to work overtime, and requiring migrant workers to surrender their passports.<sup>2</sup> While these violations don’t pose immediate harm to workers, they do violate MEC’s Supplier Code of Conduct. The majority of “black” infractions occurred at cycling-related factories. The majority of “red” violations were health and safety issues, “orange” included some wage issues, and “yellow” violations related to policy oversights. By 2012, our target is to have no factories with “black” violations. (This is outside our cycling strategy, which is being defined.)

## KPI 2.3 FACTORIES WITH INITIATIVES INVOLVING BRAND AND NGO COLLABORATIONS, MANAGEMENT CAPACITY BUILDING, OR WORKER TRAINING (#)

Our approach to ethical sourcing is becoming deeper and more comprehensive, based on understanding trends and industry collaboration. We focus on key factories for intensive remediation, while ensuring a more consistent level of monitoring across the remaining factories. In 2009, this involved nine major initiatives (**KPI 2.3**):

### Minimizing Hazardous Conditions

We established intensive environment, health & safety (EHS) projects with two factories (which make bicycles and wet suits). This involved redesigning key processes to minimize hazardous conditions and training line managers to implement better EHS practices.

### Management Capacity Building

We worked with two suppliers to actively integrate worker committees into factory management practices, with oversight by an independent third party (like the Fair Labor Association).

### Industry Collaboration

We developed joint projects with five other brands to achieve greater impact on mutual factories. As we add vendors and manufacturing moves offshore, this becomes a bigger challenge.

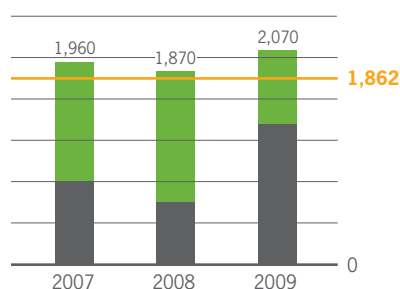
Please see the [MEC Ethical Sourcing Report](#) for more information.

<sup>1</sup> There are more ‘rated’ factories (58) than ‘audited’ factories (53) in the previous KPI because some factory ratings were based on historical data.

<sup>2</sup> The complete list of black category violations are: practices that impede an audit, unauthorized subcontracting, involuntary overtime, withholding passports for migrant workers, child labour, and egregious work conditions that could cause serious injury to workers.



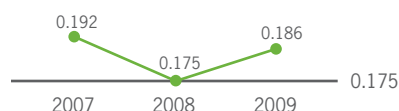
### KPI 3.1 TOTAL GHG EMISSIONS FROM PRODUCT TRANSPORTATION (TCO<sub>2</sub>E)



■ Inbound emissions  
(from manufacturing to the Distribution Centre)  
■ Outbound emissions  
(from the Distribution Centre to stores)  
● Target: 5% below 2007 emissions by 2012

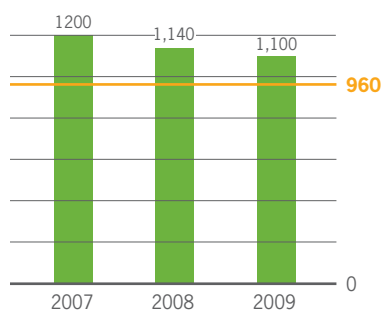
**Note:** tCO<sub>2</sub>e means tonnes of GHG emissions

### KPI 3.2 TRANSPORT EMISSIONS BY UNIT SALE (KG CO<sub>2</sub>E PER UNIT SOLD)



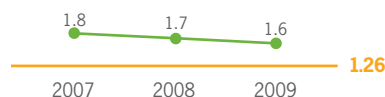
● GHG intensity per unit sold (kg CO<sub>2</sub>e)

### KPI 4.1 TOTAL FACILITIES GHG EMISSIONS (TCO<sub>2</sub>E)



■ Total GHG emissions (tCO<sub>2</sub>e)  
● Target: 20% below 2007 emissions by 2012

### KPI 4.2 FACILITIES GHG EMISSIONS BY SQUARE FOOT (TCO<sub>2</sub>E PER 1,000 SQ. FT.)



● GHG intensity per 1,000 sq. ft.  
● Target: 20% below 2007 emissions by 2012

## 3. TRANSPORTING PRODUCTS

### Are we reducing our climate impact from product transportation?

Moving gear to and from different parts of the world produces greenhouse gas (GHG) emissions. Our 2012 target is ambitious: reduce total emissions from transportation by 5% from 2007 levels. Despite significant efforts, our total GHG emissions from product transportation increased to 2,070 tonnes in 2009 (**KPI 3.1**). The emission intensity per product sold was slightly lower than in 2007 (**KPI 3.2**).

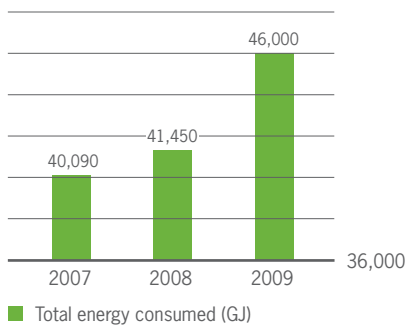
We made changes to our business by moving from truck to rail transportation from our Distribution Centre to the east coast stores, which lowered our outbound footprint by over 30%. However, supplier delays and other issues led to an increased use of inbound air transportation, which is a significant source of emissions. Our inbound emissions from air shipping tripled from the previous year—from 40 tonnes in 2008 to 140 tonnes in 2009. While we're disappointed by the overall increase in GHG emissions, we're proud of our outbound results and will continue to expand our use of rail and reduce air transport where possible.

## 4. GREENING OUR OPERATIONS

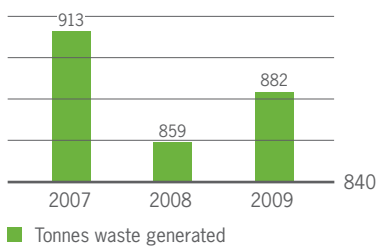
### Are we reducing our climate impact from buildings?

In 2009, we continued to purchase more alternative green energy through Bullfrog Power. Our stores in Alberta, Ontario, and Nova Scotia now use Bullfrog wind and low-impact hydro energy. We reduced our facilities' GHG emissions by 8% from 2007 levels (**KPI 4.1**). The emission intensity per square foot of building also decreased slightly from 2007 (**KPI 4.2**). We are proud of these reductions. However, we know that substantive energy conservation steps are needed to achieve our 2012 target of an absolute 20% GHG emission reduction over 2007 levels (which equals about 1.26 tonnes of emissions per 1,000 sq. ft.). We will work to achieve this through green building investments, improved energy monitoring, and behaviour changes.

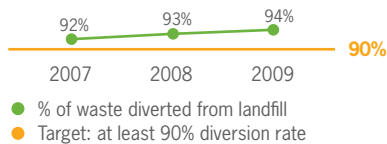
#### KPI 4.3 TOTAL DIRECT AND INDIRECT FACILITIES ENERGY CONSUMPTION (GIGAJOULES)



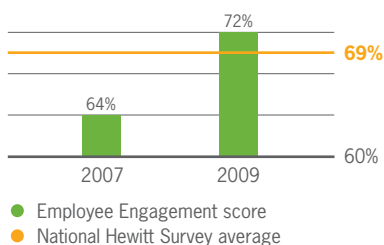
#### KPI 4.4 TOTAL MATERIALS GENERATED (TONNES)



#### KPI 4.5 DIVERSION RATE (% RECYCLED OR REUSED)



#### KPI 5.1 OVERALL SCORE 2009 HEWITT EMPLOYEE OPINION SURVEY



### How much energy do our buildings use?

Our total energy consumption has been increasing since 2007, though there was less of an increase between 2007 and 2008 (**KPI 4.3**). In 2008, we focused our efforts on educating store staff and encouraging conservation efforts. We opened two new stores—in Burlington (Ontario) in December 2008, and Longueuil (Quebec) in October 2009. Longueuil uses geothermal energy, which is renewable and has a low carbon footprint. The biggest overall increase was in natural gas consumption, especially at our new Distribution Centre, which is substantially larger than its predecessor.

### Are we moving toward “zero waste”?

Inspired by our vision of zero waste, we focus on reducing the amount of material that passes through our doors, and take steps to divert any waste from landfills. In 2009, even though we added two new stores, we decreased total materials generated to 882 tonnes, partly because we improved transportation packaging for MEC-brand products (**KPI 4.4**). We also celebrate an increased diversion rate of 94% (**KPI 4.5**), exceeding our target of 90%. This diversion rate is largely due to the disciplined and creative efforts of our store staff. We continue to look for more diversion opportunities, both at the national and local level.

## 5. ENGAGING OUR EMPLOYEES

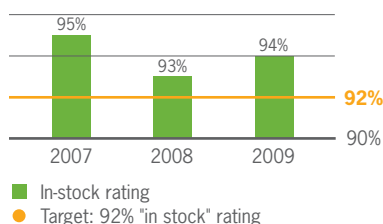
### How engaged are our employees?

Our staff set us apart—they live our passion for gear, the outdoors, people, and the planet. We want MEC to be an outstanding place to work—to find and keep great employees. Every two years, we conduct the Hewitt Best Employers Employee Opinion Survey to see how well we’re inspiring and supporting our employees. At 72% engagement levels, our 2009 results exceeded our expectations. This is an 8-point increase from 2007, and 3 points above the national average (**KPI 5.1**). We believe this is because of steps we’ve taken to improve training, feedback, and communications. To help us connect across the country, we launched Mondo (our Intranet) in fall 2009. Challenging economic times may have also influenced the scores; staff may have greater appreciation for the Co-op, which has remained healthy during this time.

### KPI 6.1 % OF SATISFIED MEMBERS (STORE, WEB)



### KPI 6.2 % SERVICE LEVEL (WEIGHTED AVERAGE INVENTORY RATING, BY UNITS)



## 6. EQUIPPING OUR MEMBERS

### How happy are members with their in-store and online experience?

In 2009, overall member satisfaction was 88% (**KPI 6.1**). This tells us we're doing a good job serving our members—both in-store and online. That said, we believe we can continue to improve our website as well as store product information and availability. On an ongoing basis, we hear from members through in-store suggestions, online suggestions, email, and other contact channels. We review every piece of feedback, respond to members, and often make changes to reflect what we hear.

Note that in 2009 our approach for measuring store satisfaction changed from in-store surveys to online surveys. This makes it simpler to ensure a consistent methodology. Our 2009 rise in member satisfaction may be partially due to this change.

### How often are members able to find the product they want when they want it?

Our gear has to be available to members when they need it. However, there are costs to achieving this goal. Holding a lot of gear in stock has a financial cost. We set ourselves a target of achieving an "in stock" rating of 92%. In other words, approximately 92 times out of 100, members should be able to immediately purchase the products they want (**KPI 6.2**). Over the past three years, we have consistently exceeded this target. We do know, however, that our members would like our results to be better, and will review this target in 2010.



**Since 1978, we've supplied bike gear to our members—tools, parts, clothing, and accessories—everything but bikes.**

In fall 2009, after much deliberation, we introduced MEC-designed bikes. Why? It's a good fit for our members, and cycling is key to our culture and business. (About 90% of MEC members own a bike, compared to 50% of the general population.) One of our objectives is to help more people be active in the outdoors; selling bikes is a strategy to achieve that. (It's also better for the planet.)

We now offer 12 styles of bikes in 4 categories—road, urban, mountain bike, and specialty—as well as service shops in stores that support bike sales.

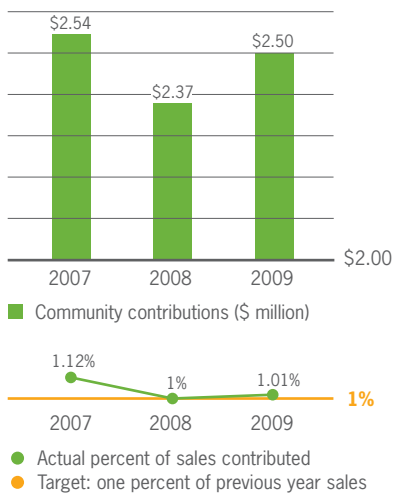
Our bike launch hasn't been without its challenges. Overall, our members support our bike sales, but some bike shops haven't been in favour, citing competition and our co-operative tax status.

However, the cost of operating a co-op is similar to that of other businesses. MEC pays capital and municipal property

taxes, as well as income tax on any year-end earnings (which are generally low). (Find out more about our tax status on [mec.ca](http://mec.ca).) We also pay for our co-operative governance system and donate 1% of our sales to the community.

At MEC, we strongly believe in the importance of growing the overall market, and in working with other bike shops and the community to achieve our goal of getting more people outside.

### KPI 7.1 TOTAL COMMUNITY CONTRIBUTIONS (\$ MILLION)



### KPI 7.2 CONTRIBUTIONS BY ACCESS/ACTIVITY AND WILDERNESS CONSERVATION PRIORITIES (%)



**Note:** 31% of activity/access contributions also support conservation priorities

### KPI 8.1 TOTAL SALES (\$ MILLION)



## 7. SUPPORTING OUR COMMUNITY

### How are we investing in wilderness conservation and self-propelled activity?

Our community focus is to help Canada be a leader in protecting wild places, and enable more Canadians to play outdoors. To make progress toward this ambitious vision, we provide grants, invest in partnerships, and engage in initiatives that leverage our resources, including advocacy. We contribute one percent of our sales to community projects, and we're a member of 1% for the Planet.

In 2009, despite a challenging economic environment, we contributed just under \$2.5 million (1% of the previous year's sales) in grants, partnerships, and strategic initiatives (**KPI 7.1**). We also kept our administrative ratio below our target of 14%.

Among hundreds of grants, we celebrate many individual stories that add up to big change. For example, a grant to the Sierra Club to help protect the Flathead River Valley. Or a new partnership with the International Mountain Biking Association.

Please see [mec.ca](http://mec.ca) for a full list of grants awarded.

### What percent goes to activity/access and wilderness conservation priorities?

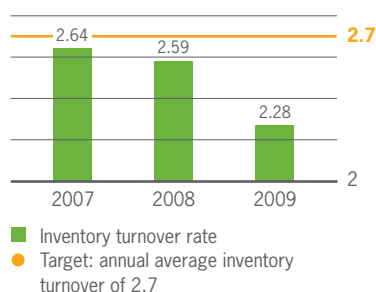
Our community priorities focus on conserving wild spaces and creating a culture of outdoor activity. Our investments focus on either one of these goals, often achieving progress toward both (e.g., acquiring land to ensure recreation access and biodiversity values). In 2007, we wanted to increase our support for outdoor recreation, and set a target of investing at least 40% of our dollars in access/activity. We have surpassed this target for the past three years. In 2009, 48% of our contributions supported access/activity goals (31% of that achieved both access and conservation priorities) (**KPI 7.2**).

## 8. ECONOMIC PERFORMANCE

### How much gear did we sell?

Providing great gear and service to get people outside, and delivering on our environmental and social objectives, means we must be an economically healthy business. In 2009, despite a financially challenging environment, our annual sales grew by 6% (including gear rentals and services) (**KPI 8.1**). Our units sold grew by 3%, to 11,075,000 units. We also targeted 2% same-store sales growth, which we did not achieve in all stores. However, we're pleased with our results, though we will remain proactive in managing our expenses in 2010.

**KPI 8.2**  
**AVERAGE ANNUAL INVENTORY TURNS**



## How often was inventory restocked throughout the year?

“Average annual inventory turns” measure how often we restock our inventory throughout the year. Because holding inventory is costly, higher “turn rates” are a good thing, and mean we’re more efficient in managing our supply chain.

Unfortunately, our average annual inventory turn ratio has been steadily decreasing over the past five years. This means that the number of times inventory is sold and replaced over the years has been decreasing (stock is kept longer before being sold). In 2009, our inventory was in stock for about 160 days before being sold, up from 138 days in 2007 (**KPI 8.2**). (In other words, in 2009, stock was replaced 2.3 times throughout the year.) Reasons for this include longer time spent on rail travel in Canada, and supply challenges which delay stock. Our efforts to maintain member service also lower turn rates, as we stock lower-turnover specialty items, and higher quantities of popular items, to ensure we meet demand. Regardless, our aim is to increase turns and supply chain efficiency. This continues to be a priority project for 2010.



**We believe advocacy—lending our voice to actively support an issue or cause—can be important to help achieve systemic change. While we’re used to advocating on issues aligned with our community and business needs, intentional involvement in public policy debates is still new for us.**

**In 2009, MEC selectively advocated on behalf of:**

### **Navigable Waters Protection Act**

In February 2009, an amendment to this Act was proposed as part of the federal budget bill. In short, the amendment compromised navigation and environmental rights, decreasing protection for rivers, creeks, lakes, and seas. MEC collaborated

with a group of stakeholders, and communicated with federal policy decision makers to encourage withdrawal of this amendment and ensure a proper stakeholder consultation was undertaken. Unfortunately, the bill passed without changes. We are continuing to watch how this unfolds.

### **The Copenhagen Communiqué**

Leading up to the climate change talks in Copenhagen, MEC was the first Canadian signatory of the Copenhagen Communiqué, a global campaign by corporate leaders calling for an ambitious, robust, and equitable global deal on climate change. Through a collaborative

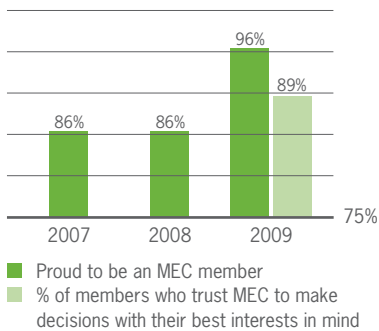
invitation through Canadian Business for Social Responsibility, over 140 Canadian signatures were obtained.

### **The Big Wild**

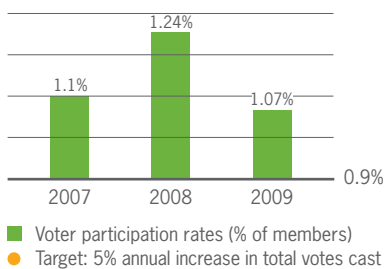
With the Canadian Parks and Wilderness Society, MEC is co-founder of The Big Wild, an initiative encouraging Canadians and political decision makers to act in protecting our wild land and water. Through [thebigwild.org](http://thebigwild.org), thousands of Canadians took action to support the conservation movement. We were able to support critical “wins” such as the expansion of the Nahanni National Park Reserve.



### KPI 9.1 MEMBERS WHO ARE PROUD TO BE MEC MEMBERS (%)



### KPI 9.2 VOTER PARTICIPATION RATES (%)



## 9. GOVERNING OUR CO-OP

### How do members feel about MEC?

We ask our members whether they are proud to be MEC members. 96% report they are proud or very proud (**KPI 9.1**). We are pleased by this result, though we recognize the significant increase is likely due to a methodology change. We now ask this question of an ongoing panel of members who may be more familiar with MEC than participants in past studies. In 2009, we also asked members whether they trust MEC to make decisions with their best interests in mind. A full 89% agreed or strongly agreed (which means we're on the right track).

### What percentage of members voted in the election for our Board of Directors?

The percentage of voters decreased from 2007, despite our efforts to encourage and increase voter turnout. The total votes cast in 2009 were 32,056, compared to 34,308 in 2008 (**KPI 9.2**). This misses our target of a 5% annual increase in total votes cast. We will continue to focus on effective communications and incentives to encourage voting. However, it's important to remember that because we're a co-op, member engagement includes much more than voter turnout.



**2009 was a year of cautious optimism for MEC. After the global economic crisis hit its peak in fall 2008, we wondered what the coming year would hold for MEC and its members.**

As a result, we charted a conservative course in 2009. Early in the year, our Board decided against share redemptions, and we implemented a short-term freeze on hiring

and wage increases. Staff worked hard to keep expenses down.

What did we find? The results were uplifting. As true outdoor enthusiasts, members' buying behaviours continued to reflect the weather, more than the nation's consumer psyche. And, as a result of good fiscal management and 6% sales growth over the previous year, we were able to partially

reverse our earlier decisions. By year end, we provided a modest share redemption, allowed some strategic new hires, and provided staff with wage increases. We were also able to maintain full product and service lines, without compromising our members' ability to get the gear they needed. And we maintained our 1% for the Planet commitment.

## ACKNOWLEDGEMENTS

### Photography

**Cover, Steve Ogle**

**Potato Mountain, Chilcotin, BC, Canada**

*Ryan Gill and son Tobin figure out how much further they need to go for Tobin's first overnighther.*

**1** David Bishop

**2** Ryan Creary

**9** David Bishop

**12** David Bishop

### Paper and Printing

This report was printed on Mohawk Options 100% PC white, which is FSC certified and 100% post-consumer recycled paper. It is processed chlorine free and made with Green-e certified, wind-generated energy. FSC certification ensures the paper came from responsibly managed forests and verified recycled sources.

This report was printed by Hemlock Printers Ltd., the first printer in the Pacific Northwest to receive FSC Chain-of-Custody certification. MEC supports Hemlock's commitment to produce the highest quality results with the lowest environmental impact.



## CONTACT US

We hope this update has been helpful. Your feedback is important to us.

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*Stay tuned for the full 2011 report!*

