



# REPORT 2011

SOCIAL  
ENVIRONMENT  
ECONOMY

# SWITCHER 2011 IN SHORT

Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs.

(source: rapport Brundland, ONU 1987)

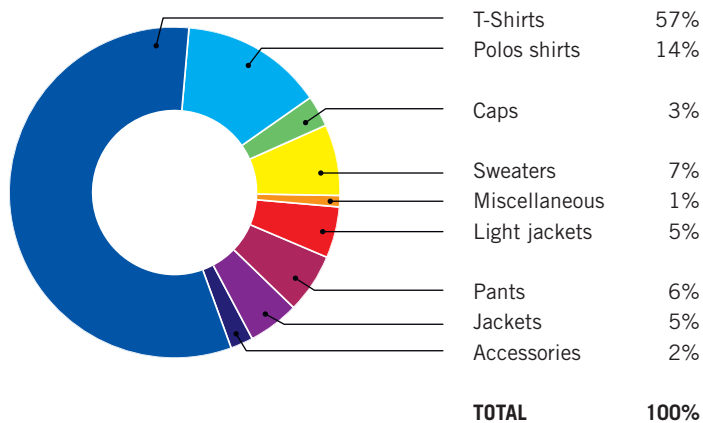
## STRUCTURE

- > **46** million CHF turnover
- > **79** employees
- > **400** points of sale in Switzerland
- > **1105** Corporate clients in Switzerland and Europe

## TRACEABILITY

- > **131** manufacturing steps listed and published

## ARTICLES SOLD BY FAMILIES OF PRODUCTS



# 25.6

million articles with  
a Respect-Code label  
since 2006



[respect-code.org](http://respect-code.org)

# 21

suppliers (factories)  
in 6 countries

# 4.3

million articles sold



## SOCIAL

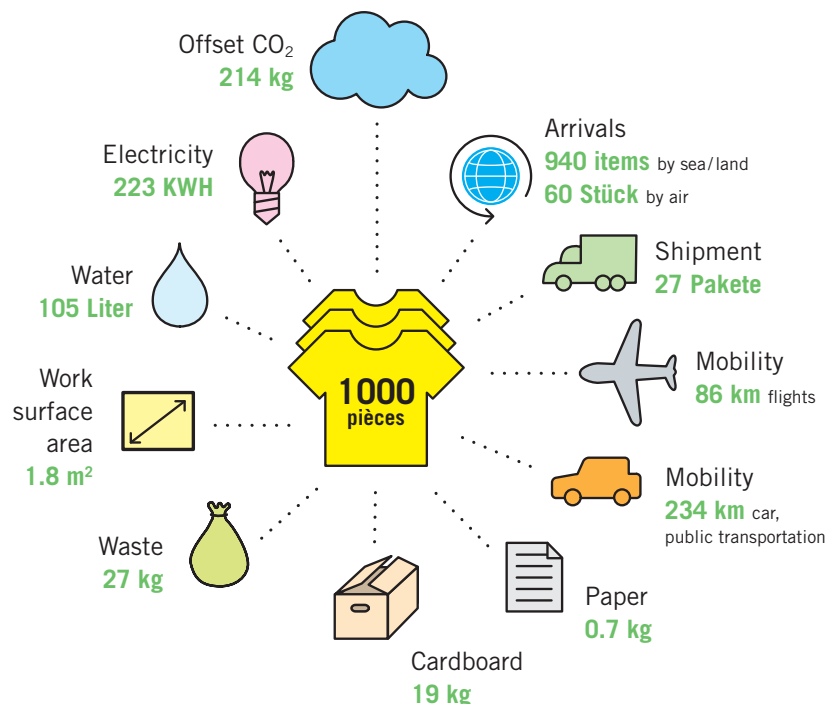
- > Member of the Fair Wear Foundation since 2006
- > **14%** articles sold manufactured in Europe
- > **4.8%** cotton articles sold under the Max Havelaar label



## ENVIRONMENT

- > **913** tons of CO<sub>2</sub> compensated
- > GAIA T-Shirt: Highlight product 2011

### Environmental impacts in Le Mont-sur-Lausanne for each item of 1,000 articles sold



**11%**

cotton articles  
made of organic cotton  
(sales 2011)

**13.9%**

polyester articles  
made of recycled PET  
(sales 2011)

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# PROFILE





## 1.1 | MESSAGE FROM THE FOUNDER



Today's consumers are faced with something of a referendum every time they go shopping. By choosing a specific product, they are voting for a company, a production method and a mode of transport. Seen in this light, consumers have the same responsibility as voters. They decide which companies should grow and which ones are set gradually to disappear.

Here at Switcher, the art and manner of production are at least just as important as the final product itself. In particular, we produce clothing from recycled PET and organic cotton, ensure compliance with fair trade standards and ensure that the dyes in our textiles do not release any harmful substances.

However, in no way does this approach detract from the appeal of our collections. We do all this just so that consumers can buy with confidence and with a clear conscience.

R.

ROBIN CORNELIUS  
FOUNDER AND CHAIRMAN OF THE BOARD OF DIRECTORS



Robin Cornelius and S. Duraiswamy

## 1.2 | INTERVIEW WITH THE CEO

**You have known Switcher for a number of years. Has your perception of the brand changed since you joined the company?**

Switcher is fundamentally a Swiss brand, which is to its credit because it started out from nothing to become what it is today: a heritage; more than that, a timeless symbol of longevity.

The excellent image which the brand enjoys among consumers and organisations such as the Bern Declaration is proof of this. In my role within the company, it is my duty to ensure the longevity of the brand down the generations.

**The textile market has changed dramatically since the 1990s. In your opinion, what have the major changes been?**

Competition has exploded on the supply markets and raw materials are subject to speculation. In short, globalisation affects us too. In this unstable environment, Switcher has to maintain a line and stick to it over time. Switcher's great strength lies in making the most of the brand's impact.

When it comes to the consumer, everything has changed too: choices, tastes, desires, in short their behaviour. Selling a basic was a simpler process twenty years ago. Switcher alone was selling T-shirts in a variety of colours. Today, everybody is doing it. Admission to the market has become accessible. Switcher has to reinvent itself, but with a fundamental trump card: the fact that it is an authentic brand which does what it says.

**What is your own view about the new PGC-Switcher union?**

Our closer relationship with Prem Group Company (PGC) is clearly an advantage. Switcher is now just one entity, from the cotton flower to the point of sale. Consequently, Switcher is becoming more competitive in terms of price, and the customer is benefiting from this. Switcher and PGC form an excellent union. PGC has the production facilities and Switcher embodies the brand: it's the ideal match!

**What positioning do you see for Switcher over the next 5 to 10 years?**

Creating a heritage; affirming its value, its messages and its long-term commitment.

ALBAN DUPUIS  
CHIEF EXECUTIVE OFFICER

### 1.3 | **VISION & MISSION**

#### **VISION**

To be the Swiss benchmark brand in offering expertise across several markets (or simultaneous markets) by cultivating a sustainable development approach.

#### **MISSIONS**

1. To identify our clients so as to offer the solutions they expect through a specific (tailored) service thanks to our (recognised) expertise
2. To promote a unique selection involving the minimum amount of stocked products capable of meeting the needs of several markets
3. To develop production platforms so as to guarantee a controlled stock policy
4. To be a Swiss traceable clothing brand which, through its transparency, proves its respect for the environment and its ethical commitment throughout the production chains
5. The brand: to cultivate awareness as a differentiating factor.

### 1.4 | **REPORT SCOPE**

This report aims at providing a fair and balanced view of Switcher performances during the calendar year 2011 in the area of sustainable development, and endeavours to meet the main expectations of our stakeholders (shareholders, customers, employees, suppliers, etc.).

However, in this report, the activities of Switcher Quality Textiles India are not taken into account. Switcher Holding SA owns 55% of the shares.

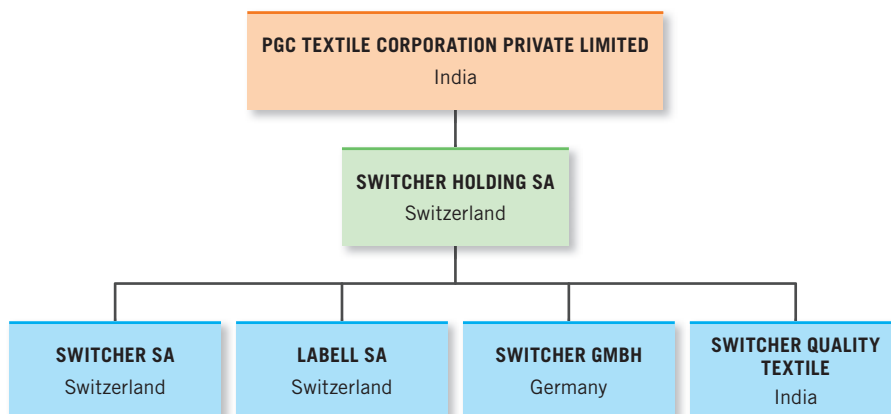
The content of this report has been prepared using indicators chosen in order to take into consideration our activities' impacts on the economy, social issues and the environment. The chosen indicators also take into consideration the Global Reporting Initiative's (GRI) recommendations.



## 1.5 | THE SWITCHER GROUP

### 1.5.1 | Group organisational chart

(as at 31.12.2011)



### Significant changes in 2011

2011 saw an increase in the stake held by the new shareholder PGC Textile Corporation Private Ltd and the existing management team being strengthened by the appointments of Alban Dupuis to the post of CEO and Sanjeev Kumar S.H. to the post of COO.

### 1.5.2 | Stakeholders

(as at 31.12.2011)

PGC International Holdings Limited, Cyprus: **51%**

PGC Textile Corporation Private Limited, India: **35%**

Robin Cornelius, Switzerland: **14%**

### 1.5.3 | Board of Directors

(as at 31.12.2011)

Members of the Board of Directors are elected once a year.

They do not receive fees or expenses.

**In 2011, the Board of Directors met six times. It broke down as follows:**

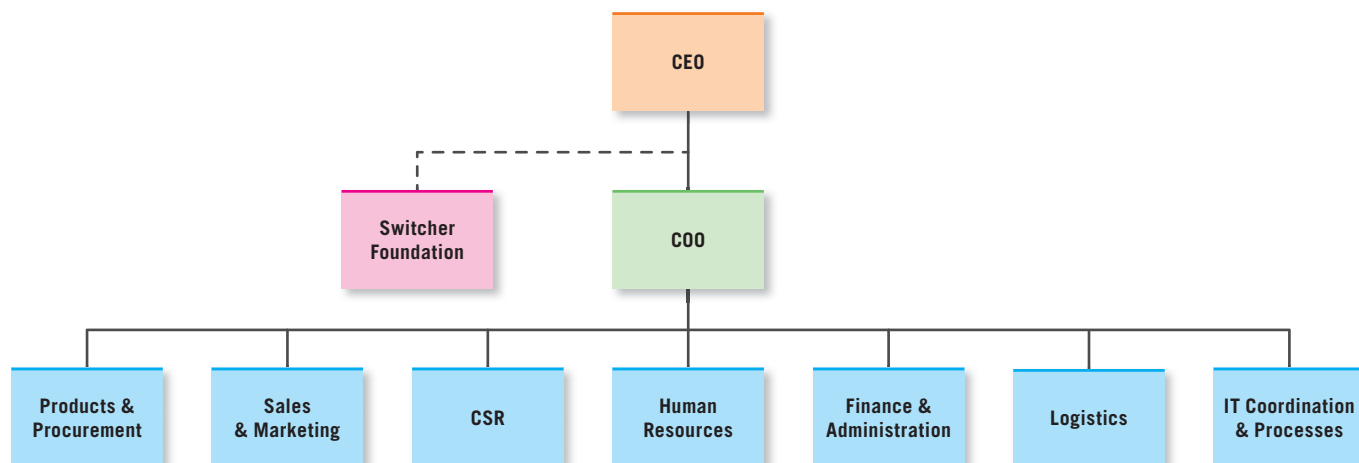
MEMBERS	FUNCTION	SINCE
Robin Cornelius	Member and President	1981
Aadith Vikram Duraiswamy	Vice-President	2010
Prem Duraiswamy	Member	2010
Jérôme de Meyer	Independent Member*	2009
Subbahiagounder Duraiswamy	Member elected by the Board of Directors in 2011, currently being registered	

\* an independent member is thus described when he has no financial interest in the organisation or other potential benefits that could create a conflict of interest – source GRI.

## 1.5.4 | Organizational Chart

Switcher SA is a Swiss limited liability company whose commercial headquarters are in the Mont-sur-Lausanne.

In 2011, Switcher SA continued to put in place an organisation which strives to provide its customers with improved co-ordination and efficiency, in line with the development of its new markets.



## MITGLIEDER DER GESCHÄFTSLEITUNG

(per 31.12.2011)

DEPARTMENTS	MANAGERS	AT SWITCHER SINCE
CEO	Alban Dupuis	2011
COO	Sanjeev Kumar S.H.	2011
Human Resources	Danièle Buonocore	2004
Products & Procurement	Séverine Meier	2010
Sales & Marketing	Marc Joss	2000
Logistics	Jérôme Quiblier	2006
CSR	Gilles Dana	1996
Finance & Administration	Jasna Bidari	2008
IT Coordination & Processes	Sanjeev Kumar S.H.	2011
Switcher Foundation	Sandra Schlittler	2005

## 1.5.5 | CSR Organisation

The CSR department is organized as follows:

MEMBERS	FUNCTION	EMPLOYMENT RATIO
Gilles Dana	Departmental Manager	100%
Jerry Suresh	Employee in India	50%
Lucie Pasche	Assistant	10%

## 1.5.6 | Economical Data

Nature of ownership	Private capital	
Legal form	Limited liability company	
		CHF
<b>GROUP'S NET TURNOVER</b>		<b>45'924'391</b>
	Switcher SA	43'223'188
	Switcher Textil Vertriebs GmbH	1'704'415
	Switcher Quality Textiles India PVT LTD	996'788
<b>OPERATIONAL COSTS</b>		
	Costs related to staff	-8'519'294
	Operational costs and amortizing	-9'431'506
Total financing	Loans	11'080'000
Equity capital		18'881'847
Total assets		44'429'675
CSR budget		390'000
Retained earnings	No allocation to the reserve as maximum already reached in accordance with CO 671	0
Payments to capital providers	No dividend was distributed in any way	0

## 1.5.7 | Auditors

The Auditors PricewaterhouseCoopers SA audited the accounts for the year ended 31 December 2011.



1.5.8 | Brands



Switcher SA owns the brands Switcher and Whale.

Switcher is the group’s main label. It is sold to the general public, primarily through a large network of sales outlets. High quality, comfortable and attractive articles are sold in a wide range of colours. They are 100% traceable and manufactured according to extremely high social and environmental standards.

Whale is a range with a very good price-quality ratio aimed at corporate clients. It is 100% traceable and manufactured according to extremely high social and environmental standards.

1.5.9 | Customers

Customers can be divided into three categories:

> **Retail Customers**

These retail sales outlets are divided into stores, shops, corners, key accounts and outlets.

> **Corporate Customers**

Companies involved in manufacturing, screen printing, embroidery, advertising articles and work wear.  
Businesses & clubs: development of designs or collections on demand and made to measure.

> **End Consumers**

Direct clients of the online shop [www.switcher.com](http://www.switcher.com)

**Number of customers by category :**

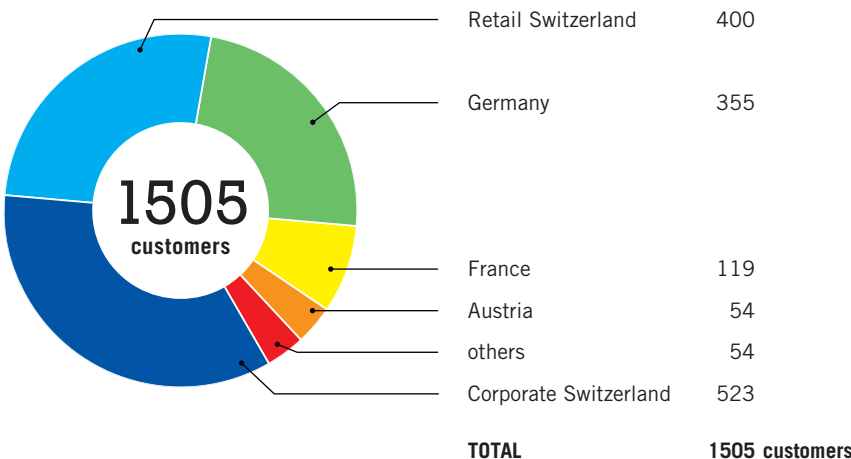
(as at 31.12.2011)

**523** Corporate customers in Switzerland

**582** Corporate customers in Europe

**400** Retail points of sale in Switzerland

- > 56 stores = points of sale with the entire collection
- > 38 shops in the shop = points of sale
- > 164 corners = points of sale inside a shop
- > 128 key accounts = major chains
- > 14 outlets = discount stores



### 1.5.10 | Sponsoring

Switcher sponsors sports, cultural and social activities, as well as those related to the environment. These activities emphasize solidarity, the pleasure of being together, creativity and respect of others. In 2011, the main sponsored events were:

#### SPORT

> 20KM de Lausanne > WOC – World Orienteering Championships > Genova Marathon > FSG – Swiss Federation of Gymnastics > Swiss Olympic

Switcher will be taking part in the London Olympic Games in 2012 with a collection which is in development.

#### MUSIK FESTIVALS

> Avo Session Basel > Blue Balls Festival Luzern > Caprices Festival > Gurten Festival Bern > Montreux Jazz Festival > Paléo Festival Nyon > Open Air St-Gall

#### OTHERS

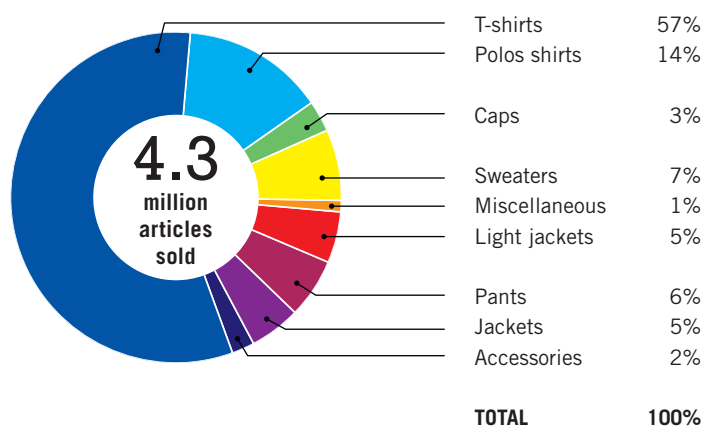
> Forum des 100 > Basel Tattoo > Natur Basel > 25h de Dominique Perret

## 1.6 | PRODUCTS

In stock: over 200 designs on sale at all times; new articles and new colours launched several times each season.

At the request of clients: Switcher develops personalised and unique products from A to Z for businesses, clubs, associations and events.

#### Articles sold by families of products



**44%** of the models are manufactured in a certified SA8000® factory












**50%** of the models are manufactured in a certified ISO14000 factory

**100%** of the models are traceable

**100%** of the models are in conformity with Oeko-tex 100 and REACH standards

**100%** of the models: exact calculation of the impacts CO<sub>2</sub> and water













## THE COLLECTION AS AT 01.01.2012

Ref.	Articles 2012										ISO 14000		REACH CONFORM		
150	BRIGITTE	●	●	●	●				bottles	kg	liters				
153	DONNA	●	●	●	●		●		0,7	101	●	●	●	●	
162	EDDY	●	●	●	●		●		0,8	111	●	●	●	●	
164	JUDE	●	●	●	●		●		1	143	●	●	●	●	
204	WHALE	●	●	●	●				1,4	204	●	●	●	●	
547	CITYHORN	●	●						2,1	409	●	●	●	●	
644	CHURCHILL	●	●						6,6	79			●	●	
662	KENNEDY	●	●						2,1	413			●	●	
1005	OSLO	●	●						1,6	308			●	●	
1006	STOCKHOLM	●	●						9,8	1345			●	●	
1022	OHIO	●	●						8,7	1192			●	●	
1444	WHALE	●	●						12,7	1734			●	●	
1500	LONDON	●	●						8,6	1148			●	●	
2001	BOB	●	●						9,5	1294			●	●	
2003	VICTOR	●	●						4,7	921	●	●	●	●	
2004	WHALE	●	●						4,5	873	●	●	●	●	
2010	MURIEL	●	●						4,1	805	●	●	●	●	
2020	NOLA	●	●						1,8	336	●		●	●	
2034	WHALE	●	●						2,6	501	●	●	●	●	
2042	BASILE	●	●						3,1	593	●	●	●	●	
2057	GAIAMI	●	●	●	●				3,1	592			●	●	
2099	BILL	●	●						2,8	415	●	●	●	●	
2104	WHALE	●	●						2,5	485	●	●	●	●	
2124	WHALE	●	●						2,8	553	●	●	●	●	
2166	HELEN	●	●						3,9	757	●	●	●	●	
2187	BAOLINO	●	●	●	●				1,9	355	●		●	●	
2222	GAIA	●	●	●	●				2,4	362	●	●	●	●	
2276	GIORGIA	●	●						2,8	417	●	●	●	●	
2375	RAFA	●	●						2	378	●		●	●	
2531	RILEY	●	●					4*	2,6	25			●	●	
2610	LILIANE	●	●						3,7	438	●	●	●	●	
2657	BAO	●	●	●	●	●			3,3	618	●	●	●	●	
2667	GALI	●	●	●	●				2,8	415	●	●	●	●	●
2681	TEDDY	●	●	●	●				4,1	607	●	●	●	●	
2685	ALAIN	●	●						4,1	612	●	●	●	●	
2766	ANNE	●	●						4,5	881	●	●	●	●	
2804	WHALE	●	●						2,8	523	●	●	●	●	
2850	SALLY	●	●	●					2,8	553	●	●	●	●	
2855	EFIA	●	●	●					2,8	412	●	●	●	●	
2862	KHADY	●	●	●					2,8	423	●	●	●	●	
2865	YASMIN	●	●	●					2,8	412	●	●	●	●	
2875	TISHA	●	●	●					3,7	559	●	●	●	●	
3002	VICO	●	●						3,9	579	●	●	●	●	
3006	CANDICE	●	●						9,4	1288			●	●	
3007	CONNY	●	●						6,9	1313	●		●	●	
3173	GAB	●	●	●					5,5	1043	●		●	●	
3327	DENVER	●	●						9	1341			●	●	
3500	BRYAN	●	●						8,6	942			●	●	
3533	ASHLEY	●	●	●					7	964			●	●	
3670	ODILE	●	●	●					9	1341			●	●	
3798	FRANK	●	●						3,4	653	●		●	●	
4000	SAM	●	●						6,4	1027			●	●	
4010	HARRY	●	●						6,4	1254	●	●	●	●	
4011	AZILIZ	●	●						5,6	1102	●	●	●	●	
4030	STACY	●	●	●					4,2	829	●	●	●	●	
4114	WHALE	●	●						4,4	828	●	●	●	●	
4214	WHALE	●	●						5,9	1146	●	●	●	●	
4314	WHALE	●	●						5,4	1046	●	●	●	●	
4375	NOVAK	●	●					7*	4,6	885	●	●	●	●	
4514	WHALE	●	●						5,5	53			●	●	
4531	TAYLOR	●	●						44	849	●	●	●	●	
4911	JOHN	●	●	●					6,1	717	●	●	●	●	
6026	HELSINKI	●	●	●					5,2	776	●	●	●	●	
6028	DALLAS	●	●						5,1	61			●	●	
6030	MONTREAL	●	●						8,6	938			●	●	
6036	MIA	●	●						7,1	85			●	●	
6080	CORTINA	●	●						7,9	1497	●		●	●	
6092	VIOLETTE	●	●						8,5	101			●	●	
6124	WHALE	●	●						3,8	45			●	●	
6134	WHALE	●	●						7	561		●	●	●	
6170	SANTA CRUZ	●	●						8,3	668		●	●	●	
6173	JEAN	●	●	●					12,2	1667			●	●	
6180	VANCOUVER	●	●	●					12,8	1909			●	●	
6182	OZIEL	●	●					18*	11,2	133			●	●	
6210	VESUVE	●	●						7	64			●	●	
6300	MIAMI	●	●						5,9	71			●	●	
6426	IVO	●	●						13	1771			●	●	
6426	IVO	●	●						22,7	3614			●	●	
6533	JESSI	●	●	●					9,7	1455			●	●	
6580	WYOMING	●	●					29*	9,5	90			●	●	
6664	WHALE	●	●						4,8	388		●	●	●	
6674	WHALE	●	●						6	481		●	●	●	
6735	IRINA	●	●						5	951	●		●	●	
6798	DAVE	●	●						7,7	1235			●	●	
6830	NEBRASKA	●	●					23*	6,7	60			●	●	
7048	VERCORIN	●	●					49*	7,5	60			●	●	
7227	TELLIERS	●	●						11,4	136			●	●	
7238	WEISSHORN	●	●					68*	10,4	83			●	●	
7338	COMBIN	●	●					74*	11,1	89			●	●	
7509	RHIN	●	●					12*	5,9	46			●	●	
7528	ENGELBERG	●	●					57*	8,1	65			●	●	
7530	RHINO	●	●					8*	5,2	40			●	●	
7628	EBENALP	●	●					67*	9,1	73			●	●	
7639	BROMO	●	●						13,5	161			●	●	
8208	DAYTONA	●	●						6,3	686			●	●	

\* number of 0,5 liters bottles



## SWITCHER SOFT VALUES

LABEL	DESCRIPTION	Raw material from fair/responsible trade	Check of chemical components	Audits, checks, certificates	Fair trade, social responsibility	Other environmental achievements	Traceability management
	Fair Wear Foundation is an international verification organization that strives for fair working conditions worldwide. Switcher has been a member since 2006. Switcher commits to respect the eight international labour standards.			●	●		●
 respect-code.org	The Respect Code allows traceability of the product; from raw material to finished garment, transportation and distribution by Switcher. For each stage: certifications, audits, social and environmental projects			●	●	●	●
	The cultivation of organic cotton is done entirely without synthetic fertilizers and pesticides. The use of genetically modified seeds is banned. Land is left fallow for at least three years before conversion to ecological farming. Organic cotton is cultivated in rotation with other crops and is fertilized with manure and compost, which preserve and even increase the soil's fertility.	●		●	●		●
	Through fair trade, the Max Havelaar Foundation contributes to improve the living and working conditions for small farmers and agricultural workers in disadvantaged regions. This label guarantees the payment of a stable and fair price to cotton farmers; a price which is not affected by market fluctuations and allows to cover their production cost.	●		●	●		●
	GOTS (Global Organic Textile Standard) is the worldwide leading textile processing standard for organic fibres, including ecological and social criteria, of the entire textile supply chain.	●	●	●	●		●
	The OE100 standard (Organic Exchange) guarantees traceability and documentation during all the manufacturing stages.	●	●	●			●
	Switcher products with the recycled PET label are being made using "eco-care" polyester yarns from recycled PET bottles. This process means saving of resources and environmental impacts.	●		●			●
	This index shows the emission of CO <sub>2</sub> and other pollutants throughout the whole manufacturing process; from raw material to the finished product.					●	●
	This index shows the theoretical water consumption throughout the whole manufacturing process; from raw material to the finished product.					●	●
<b>ISO 14000</b>	The ISO 14000 family addresses "Environmental management". This shows what the organization does to minimize harmful effects on the environment caused by its activities, and to achieve continual improvement of its environmental performance. The presence of this logo indicates that at least the main factory (cutting and assembly) is certified.			●			●
	SA8000 is a certifiable standard for working conditions and workers rights in production and service companies. The presence of this logo indicates that at least the main factory (cutting and assembly) is certified.			●	●		●
<b>REACH CONFORM</b>	European regulation for registration, evaluation, authorization and restriction of chemicals since June 2007.		●	●			●
	Oeko-Tex standard 100 is a standardized worldwide testing and certification system for textile products at all stages of processing.		●	●			●
	When you buy a Switcher product with this logo, 10 centimes will be paid to support the installation of solar panels in Lausanne.					●	●

## 1.7 | SIGNIFICANT STAGES

**1981**

**Robin Cornelius launches the founding idea of Switcher's basic concept: comfortable, coloured, plain products, with no slogans. On September 1, he creates the company, with a first collection that includes two models only: a t-shirt and a sweatshirt.**

**1998**

**Elaboration of the Switcher Code of Conduct for its textile product suppliers.**

**1997**

**"CSR" department created within the Company.**

**1991**

**Social and ecological awareness increases at a turning point in history, when the Paris conference officially ends the Cold War. This leads to a remarkable acceleration of the globalisation process and a new – and strong – wave of relocation to developing countries, with all that is implied in terms of unfair and difficult working conditions.**

**2002**

**Corporate Conscience Award presented by the Council on Economic Priorities Accreditation Agency (CEPAA).**

**2005**

**Switcher launches the first Max Havelaar fair-trade t-shirt, 100% organic cotton.**

**First edition of the Compliance Days, bringing together all the Social Conformity Officers (SCO) from Switcher SA's suppliers.**

**Creation of the csr.switcher.com website (monitoring system) that manages self-assessments and corrective actions plans.**

**Robin Cornelius receives the Entrepreneur of the Year award presented by Ernst & Young.**

**2004**

**Creation of the Switcher Foundation.**

**Pioneer Sam award presented by Sustainable Asset Management (SAM).**

**Fondation  
Switcher**

**2003**

**Publication of the first Switcher report on Corporate social responsibility.**



## 2007

Creation of a group to promote health within the company.

Creation of a collection of 500,000 CO<sub>2</sub>-neutral t-shirts.

Life cycle analysis (LCA) of Switcher's activities and products.



## 2010

Ethical charter forms an integral part of the contract.

Switcher SA in the course of GOTS certification.

Switcher SA becomes a SEDEX member (Supplier Ethical Data Exchange) and will apply its ethical data exchange system with all suppliers.

Mobility plan for all visitors.

Given Pioneer status in the "Ethical fashion-shoppers' Guide", published by Clean Clothes/Bern Declaration.

100% of Switcher articles carry a respect-code label.



## 2011

### > 30 years of Switcher

- > Launch of the mobility plan for all employees
- > Every factory which supplies Switcher is required to become a member (deadline 31.01.2012)
- > SEDEX: implementation of the system for sharing ethical data for all suppliers: annual self-assessments, audits and monitoring of corrective actions
- > 4<sup>th</sup> Edition of the Compliance Days
- > Launch of the GAIA, organic cotton & Max Havelaar T-shirt for the retail price of CHF 16.–
- > Extension of the "eco-friendly" designs made out of recycled PET or organic cotton

## 2006

Switcher staff satisfaction survey

[Respect-code.org](http://Respect-code.org) traceability website. On December 31, 3.5 million articles bear the Respect-Code label.

Membership of the Fair Wear Foundation, first Swiss member.

Second edition of the Compliance Days.

## 2009

New logo and launch of the "Switcher Made with Respect" campaign.

**Creation and implementation of a new Ethical Charter.**

Water footprint at the supply-chain level in India.

Second staff satisfaction survey.

Partial CO<sub>2</sub> compensation for packages and transport.

Switcher becomes a smoke-free building.

First collection made of Merino wool.

Third edition of the Compliance Days.



## 2008

First voluntary CO<sub>2</sub> compensation.

Practically all Switcher products bear a Respect-Code label.

First collection made of recycled PET.

First in the Fair Fashion Schweizer Modefirmen ranking published by Clean Clothes/Berne Declaration.



[respect-code.org](http://respect-code.org)

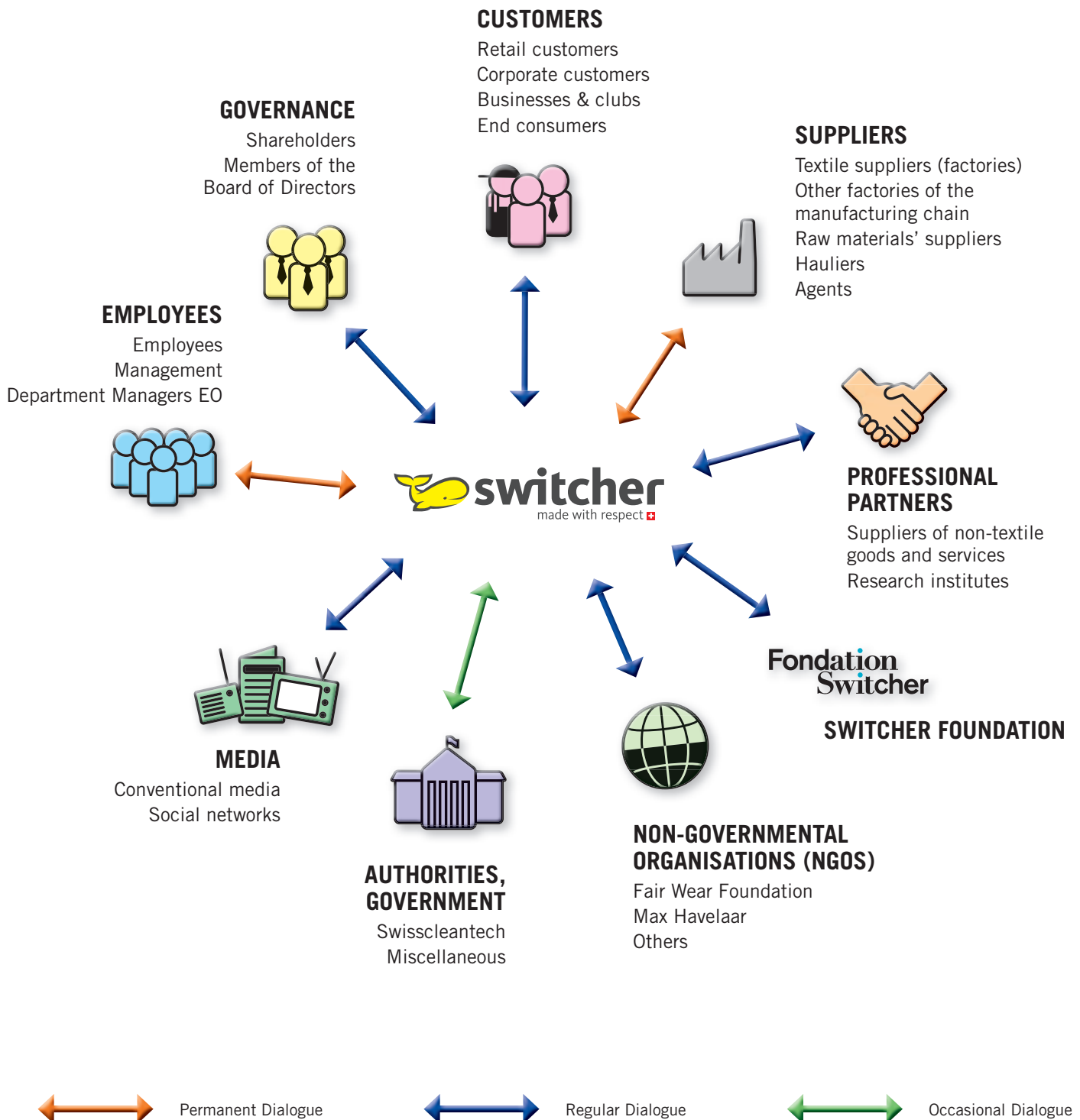




## 1.8 | STAKEHOLDERS

A stakeholder is an individual, community or organisation that affects or is affected by certain aspects related to the products, operations, markets, industries or the results of an organisation.

The diagram below shows the list of main stakeholders with whom Switcher maintains a permanent, regular or occasional dialogue. The goal is to improve and keep up the level of dialogue with the various stakeholders.







**GOVERNANCE**



## OVERVIEW

The Corporate Social Responsibility concept (CSR) is a voluntary contribution by the Company in excess of the legal requirements. It integrates environmental and social responsibility aspects into the commercial process, by a regular exchange with all parties related to its activity.

Switcher's CSR strategy is ratified by the Board of Directors. The CEO entrusts operational responsibility of this undertaking to the CSR Responsible. If necessary, the latter has direct access to the President and a member of the Board.

The three main directions are:

**Transparency** Publication of all products' traceability

**Social commitment** Commitment to fair trade and socially responsible working conditions; implementation of the tools needed to control and reduce substances harmful to health (health & safety).

**Environmental management** Orientation towards recycled or natural materials; all of the impacts of the commercial activity taken into account.

## 2.1 | MANAGEMENT TOOLS

## 2.1.1 | Annual Report

Strategic steering and internal and external communication tool which meets the growing demand for credible and measurable information. It defines the company's scope of responsibility and its management system.

Since 2002, the annual reports have enabled all stakeholders to monitor the efforts and progress made by Switcher.

## 2.1.2 | Ethical Charter

A company's Ethical Charter aims at defining acceptable behaviours, giving each employee, manager or director a sense of responsibility about his or her behaviour, defining a framework for professional behaviour, promoting the brand's values and being a federating instrument for the whole staff (respect – integrity – responsibility – transparency – equal opportunities).

## 2.1.3 | Satisfaction Survey

The survey allows to regularly assess the needs, expectations and satisfaction of employees towards their company. Given the many structural modifications in 2011, the HR Department decided to postpone the satisfaction survey until 2012.

## 2.1.4 | Suppliers' Code of Conduct

Tool intended to improve the working conditions and lives of workers throughout the world. It rests on the International Labour Organization's conventions and the UN's Human Rights declarations, and is based on recognized international standards.

Switcher adopted in full the *Fair Wear Foundation's Code of Conduct* (see chapter 4.3). This document provides guidelines to be followed in areas such as labour rights and conditions for its textile suppliers.

### 2.1.5 | Traceability website



Transparency is an essential value for Switcher. The company considers that each consumer has the right to know the origin of the products he or she buys. Private individuals, through their role of consumers, can influence the market's patterns by choosing products that are more respectful of the environment and labourers' working conditions.

Since 2006, Switcher has implemented a tool for the publication of data on [www.respect-code.org](http://www.respect-code.org). Traceability of practically all models sold is published. By entering the code printed on the inside label of each model, the steps and processes the product goes through are displayed, from the raw material to distribution in Switzerland. Respect-Code also enables consumers to know each product's immaterial, environmental and social data for a responsible purchase.

### 2.1.6 | Compliance Days

The objective of the Compliance days is to invite textile suppliers to Switcher's premises and provide them with training and updates about different themes. One of the key elements of these meetings is to let all suppliers open a dialogue and understand the needs and expectations of each party.

Held every two years, the 4th Compliance Day took place in September 2011. The next meeting will be held in 2013.





2.1.7 | Internal information sessions

Internal information sessions enable the CEO to provide information about the general progress of the business and about the targets, outlook and other topical matters relating to the business.

In 2011, four staff information sessions, as well as monthly managers’ meetings, took place.

2.1.8 | Supply strategy

Switcher favours a long-term partnership with its suppliers in order to establish a relationship of trust and co-operation. Our relationships last 6 years on average.

The CSR department is involved in the decision-making process when choosing new suppliers, and meets with the purchasing department every quarter to update the current list of suppliers.

2.1.9. | Audit sharing platform

Sedex (Secure Data Exchange) is the largest international collaborative platform for sharing supply chain data. By promoting responsibility and ethics, it enables each factory to limit risks, protect its reputation and improve supply chain practices.

Switcher has been a member of **SEDEX** since 2011. Every factory which supplies Switcher is required to become a member.

<p><b>Sedex</b> manages four fields:</p> <ul style="list-style-type: none"><li>• Working standards</li><li>• Health and safety</li><li>• Environment</li><li>• Commercial practices</li></ul>	<p><b>Clients</b> can consult and manage ethical information for all their suppliers on a secure site.</p>	<p><b>Suppliers</b> can enter their ethical information and choose to share it with a large number of clients.</p>
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**TRACEABILITY**



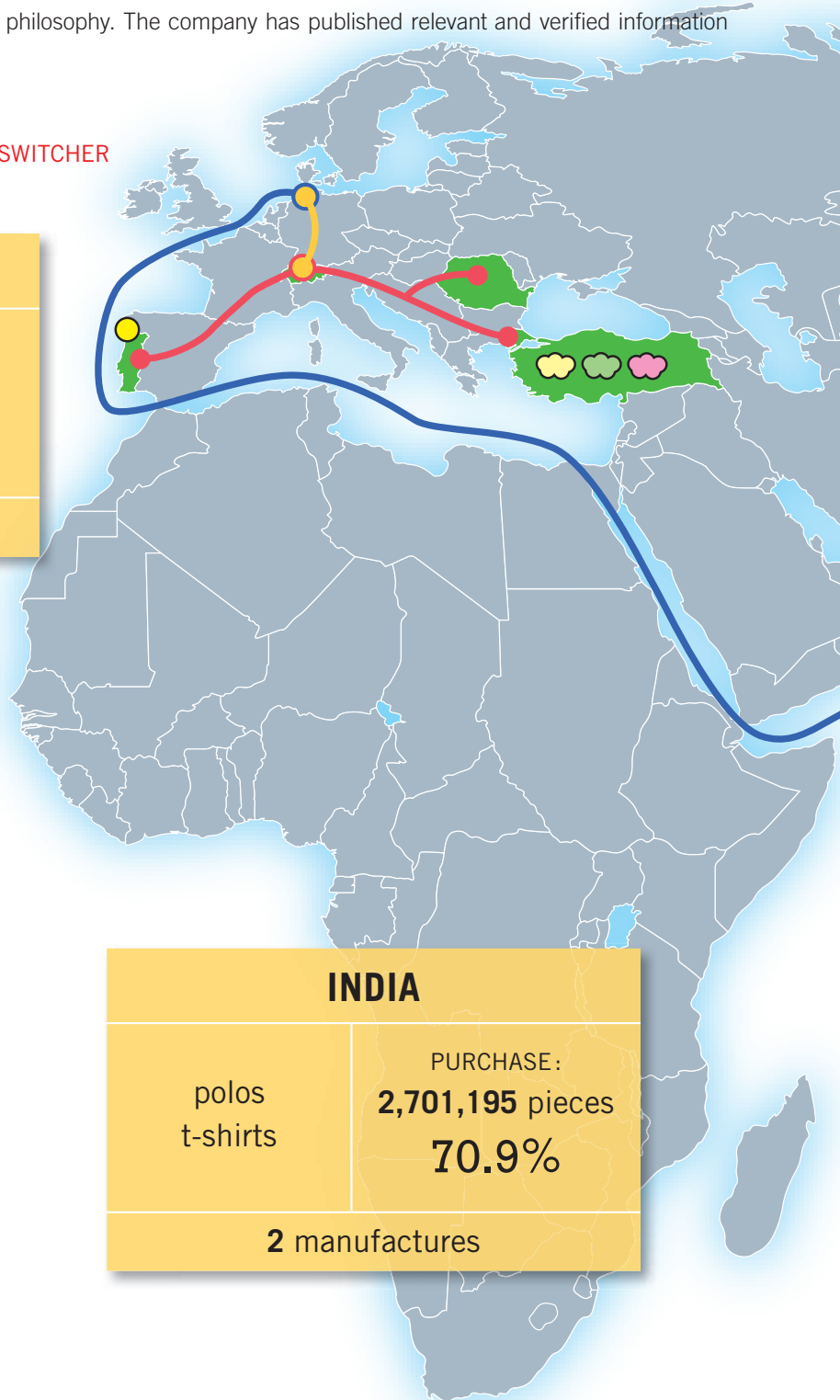
## OVERVIEW

Traceability has become the new reference point for the purpose of comparing brands and ethical management of their supply sources. Informing the customers of a brand has become necessary. Buyers and consumer protection organisations are no longer satisfied with the sole indication “made in”. A traceability label allows consulting every step of the production chain and must reveal the social and environmental criteria implemented in order to enable responsible purchases.

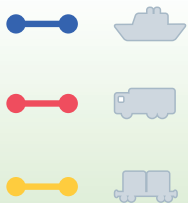
Transparency is one of the core values of Switcher’s philosophy. The company has published relevant and verified information in relation to each product since 2006.

## 3.1 | MAP OF THE FACTORIES PRODUCING FOR SWITCHER

PORTUGAL	
polos t-shirts sweaters	PURCHASE: <b>214,450 pieces</b> <b>5.7%</b>
6 manufactures	

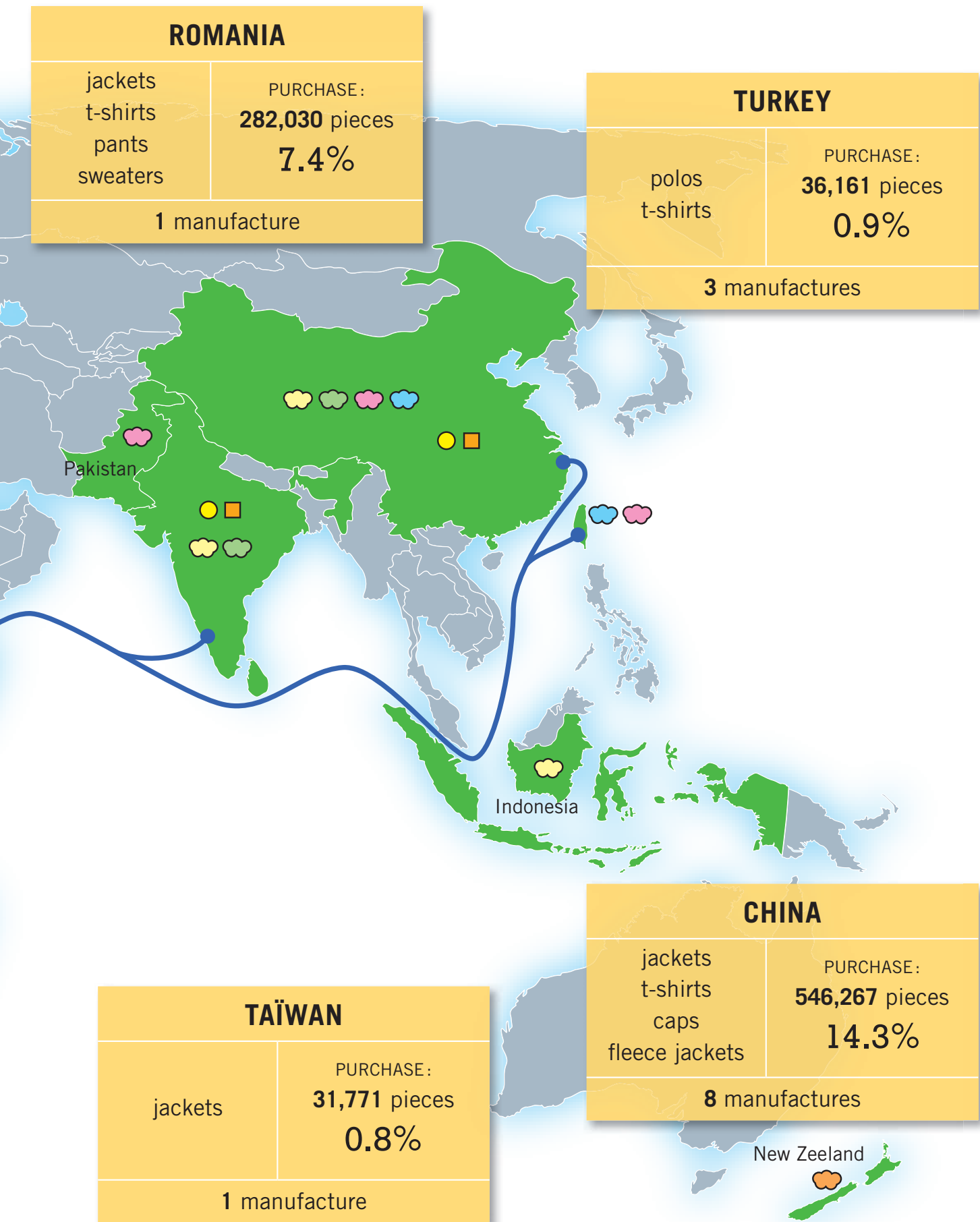


INDIA	
polos t-shirts	PURCHASE: <b>2,701,195 pieces</b> <b>70.9%</b>
2 manufactures	




- Health programme
- Educational programme

- Conventional cotton
- Organic cotton
- Polyester
- Recycled Polyester
- Merino wool



### 3.2 | PGC TEXTILE CORPORATION PRIVATE LTD

PGC has been Switcher's main supplier for over 25 years. Over the years, the visions of the 2 partners have become intertwined, with PGC striving for a responsible industrial activity and Switcher striving for a responsible marketing activity. The SME Switcher convinced one of the leading textile companies in Tamil Nadu to go down this route, which is reflected at PGC today through a number of social and environmental initiatives and in the development of the Switcher Foundation.

 <b>PGC Textile Corporation</b> <small>spinning * knitting * processing * accessories * garmenting * retail</small>		FOUNDATION	EMPLOYEES	2011 YEARLY OUTPUT	ISO9001	ISO14001	SA8000	GOTS	ORGANIC EXCHANGE	SEDEX	OEKOTEX100	ETI	WRAP	FSA	FLO ID
<b>HEAD OFFICE</b>	<b>PGC Textile Corporation private Ltd</b>	1983	443	—	●	●		●	●						
<b>SPINNING</b>	<b>Classic Spinning Mills Ltd</b>	1995	195	1.1 mio kg yarn	●	●		●	●	●					4851
	<b>Prem Durai Spinning Mills</b>	2004	295	1.8 mio kg yarn		●		●	●	●					
<b>KNITTING</b>	<b>Surpass</b>	1993	40	1.25 mio kg fabrics	●	●		●	●	●					4852
<b>DYEING</b>	<b>The Prem Dyeing Works</b>	1985	120	186'327 kg	●						●				4853
	<b>Rainbow Texcolour Processors</b>	2008	156	898'982 kg	●			●	●			●			
<b>C.M.T.</b>	<b>Prem Durai Unit 2</b>	1996	1073	6 mio pces	●	●	●	●	●	●			●	●	4854
	<b>Prem Durai Unit 3</b>	2006	1789	13.275 mio pces	●	●	●	●	●	●			●	●	20034
	<b>Surpass Apparels</b>	2005	1181	14.75 mio pces	●	●		●	●						20034
	<b>Prem Durai Unit 4 *</b>	2009	1535	17.7 mio pces											
	<b>Prem Durai Unit 6 *</b>	2011	151	0.3 mio pces											
	<b>Prem Durai Unit 9 *</b>	2011	144	21'000 pces											
<b>PRINTING &amp; EMBROIDERY</b>	<b>Prem Durai Printing &amp; Embroidery</b>	1994	19	1.39 mio pces	●					●					

\* Recent units, certification in course.



	<b>CSR REALIZATIONS</b>
	CCSR global dept, created in 1999, directly linked to top management
	39 audits passed in 2011, by independent audit bodies
	2011 participation in Max Havelaar Project: wage ladder
	Full traceability of each delivered pce: <a href="http://www.respect-code.org">www.respect-code.org</a>
	1 free school for 220 children
	3 mobile schools with 150 children
	Wages paid more than the minimum wages
	2 medical care dispensaries for the public and employees
	YES (Youngster Education Support) programm for employees, currently 100 enrolled
	Wet processing with Evaporator and Reverse Osmosis Plant with zero salt discharge
	30 Wind mills producing yearly 14 MW
	ORG FT cotton sourced from Gujarat / India
	12,000 litres of free drinking water supplied every day to villages with water scarcity



## 3.3 | RESPECT-CODE

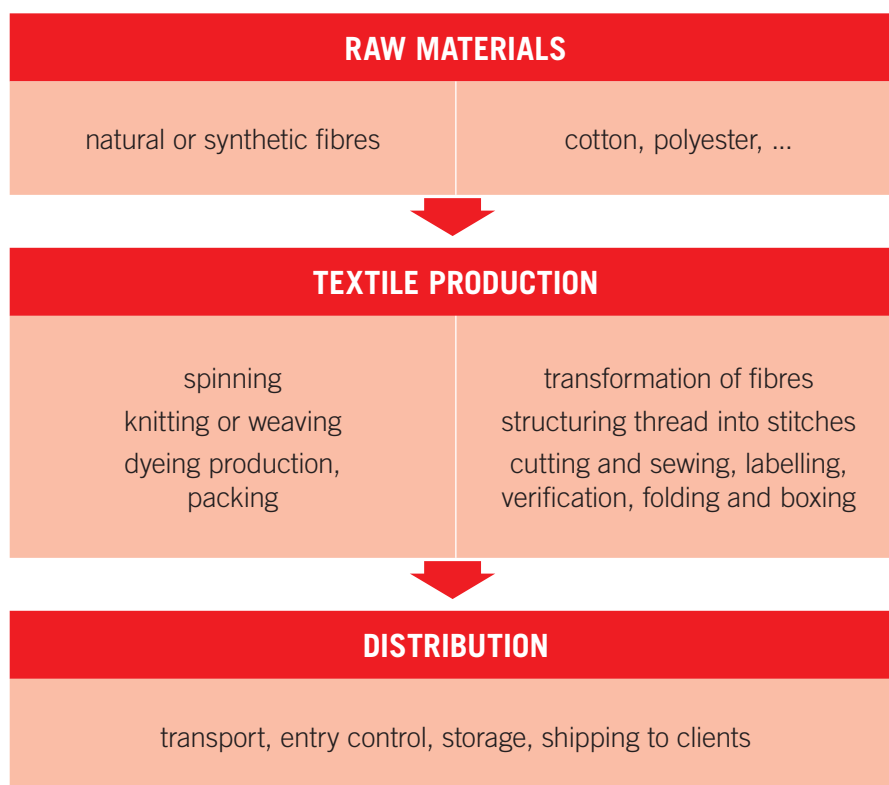
**Transparency**

Production transparency is one of the key values of Switcher's philosophy.

By entering the code found in each product on the website [www.respect-code.org](http://www.respect-code.org), the customer can find out the manufacturing chain, the certificates and audits for each stage, the environmental and social measures put in place, the type of transportation, the number of items in the batch, the date of dispatch and labels.

**Aim**

- > To encourage a respectful and sustainable partnership with operators in these chains in order to create new values such as reliability and shared vision.
- > To offer transparency to a potential buyer and inform them of all of the operations, checks and implementations applied at every stage in the process.

**Application in the supply chains**

For each production batch, the person in charge of traceability is responsible for the manufacturing chain; he checks the exact origin of the raw materials, the identity of factories in charge of each process, and passes on the up-to-date environmental and social certificates available for each factory of the relevant chain. He indicates the modes of transport used, shipping dates and volume of each batch.

At Switcher's, a permanent verification of the chains and batches is ensured by the direct contracts and by an audit plan intended for the most critical factories and those handling greater volumes of articles. This work is completed with the collecting of audit data, the ongoing training of persons locally in charge of traceability and by the analysis of the received data.





# **SOCIAL ISSUES**



OVERVIEW

The clothing industry is based primarily on labour-intensive production.

In the developing countries, the main producers, the social problem is related to the struggle for a decent wage, the improvement in working conditions and the reduction in health risks among the workers. During the cultivation and processing of fibres, the workers are often exposed to harmful chemical substances, without systematically having individual protection gear. They must work in a chain, do over-time, which is often neither remunerated nor compensated, and do not always have the right to negotiate.

Switcher undertakes to ensure a constant improvement in the living and working conditions of the production-chain workers producing all the products marketed.

4.1 | EMPLOYEES

The staff is the focus of special attention. A number of benefits are offered, particularly in relation with social and family aspects:

- > Women benefit from a four-month maternity leave and the opportunity to work part-time after giving birth.
- > Monthly payment of CHF 160.– as a contribution to private health insurance.
- > Minimum of five weeks holidays for every employee, six weeks for employees over fifty.
- > Loss-of-earnings health insurance entirely covered by the employer.
- > Accident insurance in private division.
- > Switcher covers 60% of the professional provisions premium for employees.
- > Movis social consultations are available to employees in full discretion.
- > Paternal leave of two weeks.
- > Employees may buy five Switcher articles at preferential rates every two weeks.
- > One extra week of holiday for employees celebrating jubilees.

Every employee goes through a yearly performance review with goal setting.

4.1.1 | Employee Data

All employee data only applies to Switcher SA.

Total Workforce by Employment Type, Employment Contract and Region

Permanent staff on 31.12.2011	Type of contract	Full-time equivalent
74	Open-ended contracts	70.08
5	Apprentices (temporary work contracts)	5
79		75.08

**1** apprentice  
**and 1** vocational  
reintegration trainee  
joined Switcher in 2011

Two apprentices come from the Repuis Institution, a specialised vocational-training centre which takes girls and boys, released from their compulsory education to undergo vocational and social training.

Temporary workers, consultants	Type of contract	Full-time equivalent
29	Open-ended contracts	658 Tagen
2	Consultants	308 Tagen

Temporary workers were employed as support for logistics.

The consultants are mainly connected with the products and finance departments.

#### Rate of Employee Turnover (Dismissals, Voluntary Redundancy, Retirement or Death)

23 people left the company in 2011 and 12 people joined it.

#### ACCIDENTS, DISEASES AND ABSENTEEISM

- > Number of outside contributors to on-site safety: **None**
- > Absenteeism/Average rate: **5.81%**
- > Lost days: **1264** work days
- > Accident: **0.15%**
- > Accidents at work: **2** cases
- > Minor accidents (first aid given): **2** cases
- > Disease: **5.63%**
- > Occupational disease: **None**
- > Number of death: **None**

Source: Computerized management of absences and attendance time

**39**  
years

average age  
of the staff

#### Local Hiring Procedure and Proportion of Senior Managers Hired Locally

Switcher does not currently apply a recruitment policy directed towards hiring local salaried employees. However, the company shows open-mindedness by welcoming new employees from various countries.

#### Handicap

One person placed by a private institution is employed in the logistics department, returns sector (reconditioning and folding goods).

**7.1**  
years

average seniority

#### EMPLOYEES BY NATIONALITY

Switzerland	44	Erythrea	2
Portugal	13	Brazil	1
France	5	Chili	1
Germany	4	India	1
Italy	3	Czech Republic	1
Belgium	2		
Spain	2	<b>TOTAL</b>	<b>79</b>



**Employees by Category, Gender and Age\***

Category	Total	<30 years	31-50 years	>50 years	Women	Men
Apprentices	5	5			2	3
Administrative	15	8	5	2	10	5
Commercial Assistants	9	3	3	3	6	3
Chairman	1			1		1
Representatives	10	2	7	1	4	6
Logistics	27	5	12	10	7	20
Management	13		11	2	3	10
<b>TOTAL</b>	<b>79</b>	<b>23</b>	<b>37</b>	<b>18</b>	<b>32</b>	<b>46</b>

\* It is be noted that these figures are the gross data and do not take into account seniority or age.

**Ratio of Annual Salary (CHF) by Gender and Employee Category\***

Métiers	Average Woman	Average Man	Difference in %, situation of the women
Administrative Assistants	71'429.–	75'534.–	-5.74%
Commercial Assistants		68'785.–	—
Representatives	84'180.–	79'639.–	5.70%
Logistics	57'878.–	61'870.–	-6.90%
Managers <i>(data based on full-time activity)</i>	126'863.–	151'234.–	-14.78%

\* It is be noted that these figures are the gross data and do not take into account seniority or age.

**4.1.2 | Training**

For each new employee, Switcher offers initial compulsory training sessions on nine themes related to the company.

English are also offered to employees. In 2011, 7 people (44 hours) benefit from this opportunity.

The company also trains apprentices and trainees (four from January to July and five from August to December), which represents 2137 hours of external training and 21.5 hours of internal courses.

In addition, one employee attended an external individual training: HR Assistant Certificate (19.5 hours).

## 4.1.3 | Movis

**13**  
employees

had recourse to the  
Movis services in 2011

Switcher has committed to offer Movis staff free, anonymous and exceptional:

- > Support and individual assistance at any hierarchical level, to those faced with personal and social problems
- > Design and implementation of prevention programmes
- > Consultations with executives and HR managers
- > Specific seminars to improve and maintain social skills and employability

At the end of each year, Switcher receives a report on the number of employees who had recourse to the Movis services with the type of problems treated. No names are mentioned here.

## 4.1.4 | Health &amp; Safety

Switcher is mindful of the prevention of accidents that could occur in the warehouse. For employees receiving deliveries, wearing security shoes is compulsory and the company covers the costs. Switcher also encourages other warehouse employees to wear security shoes (50% participation to the costs).

The following benefits are available for the company's employees:

- |   |   |
|---|---|
| > Smoke-free company  | > Possibility to eat once a week a subsidized meal with the "green fork" label in an EMS in Mont-sur-Lausanne (20 people) |
| > Water fountain connected to the mains                                 | > Sitting massages twice a year (48 people)   |
| > Fresh season fruit  | > Free-of-charge vaccination against the flu (10 people)  |
| > Significant discount on a local fitness subscription (17 subscribers) |   |

The objective of health promotion in the company is to prevent the risk of illnesses in the company (including illnesses linked to working conditions, accidents and stress) and to improve the health and well-being of individuals.

In 2011, with help from our insurance partner, we started to put in place a platform enabling employees to receive support from outside the company and help to steer them in the direction of treatment, curative and preventive solutions.

This project will form part of one of the workshops for the new Guide for Employees.

## 4.1.5 | 2012 projects

In 2012, the HR department will take part in all employee performance interviews. This new process perfectly reflects the new positioning of the department, which wants to be closer to employees at the same time as respecting the company's vision.

The Guide for Employees and the Ethical Charter will also be re-examined so that there is only one reference document within the company. Furthermore, to promote a participatory approach, voluntary participation by employees and management in discussion workshops will be strongly encouraged.

Switcher keeps up close relationships with its suppliers and favours long-term partnerships, thus avoiding supplying tourism. The company carries out work

graded over time that enables suppliers to improve their social and environmental performances. This “step-by-step” policy avoids leaving behind a supplier whose working conditions are not satisfactory, but who nevertheless seeks improvement.

CT  
ANC

[illegible]

## 4.3 | FAIR WEAR FOUNDATION



Fair Wear Foundation (FWF) is an international verification organisation that strives for fair working conditions worldwide. It cooperates closely with a growing number of companies that produce garments and other clothing articles. FWF verifies effective implementation of the improvements made by its members. Thanks to the sharing of expertise, social dialogue and intensification of industrial relationships, FWF increases the efficiency of efforts expended by the companies.

Member companies commit to respect the following international labour standards:

- |   |   |
|---|---|
| > Freely chosen employment                                      | > Payment of a living wage                |
| > No discrimination in employment                               | > Reasonable working hours                |
| > No exploitation of child labour                               | > Safe and healthy working conditions     |
| > Freedom of association and the right to collective bargaining | > Legally binding employment relationship |

**Switcher was the first Swiss textile company to become a member of FWF in 2006 and is a founding member of the Swiss platform**

## SWITCHER AUDIT BY FAIR WEAR FOUNDATION (FWF) ON 16.08.2011

The CSR department and the products and procurement manager were audited, and internal documents were checked. The aim is to check that Switcher is, in fact, implementing the practices required by the ILO (International Labour Organisation) in accordance with the FWF charter.

The report of this audit contains the FWF's conclusions, requests and recommendations. This report is published on the FWF site. The key points are as follows:

- > Switcher is continuing to implement FWF's ethical management requests in a pro-active manner, including during the period recently when changes were made to the company's structure.
- > Switcher actively complies with the FWF strategy, by informing its Indian suppliers that Sumangali practices are prohibited.
- > Switcher became one of the pioneering members of FWF by taking part in 2011 in the pilot project to set up a wage-checking tool in the Fairtrade and organic cotton chain.
- > Proof of loyalty: 67% of Switcher's turnover comes from factories it has been working with for over 5 years.
- > 12.5% of the sales volume comes from low risk countries (Portugal and Romania).
- > Switcher gives its suppliers 50 day minimum production deadlines to avoid the use of overtime.
- > Switcher upholds the principle of the living wage and is working actively on raising it.
- > Switcher still has to improve the percentage of its purchase volume checked.
- > Local FWF teams audited 3 units in India. No violations were detected in terms of child labour or discrimination. Various improvements were suggested to it (living conditions, safety and information for workers).

Factories and their staff are systematically informed of the duties inherent in being a FWF member.



## 4.4 | AUDITS

An audit is an on-site check on a company. A competent and independent auditor is tasked with detecting the anomalies and risks related to the business and drafting a report and a list of corrective actions.

In the textile industry, auditors check workers' working hours and overtime, the remuneration system, contracts and health and safety standards in the workplace. They also check waste management and other environmental aspects.

The main steps of an audit are:

- > initial meeting with the factory's management.
- > full tour of the factory, including areas such as toilets, depots, rest areas, etc.
- > discussion with staff chosen at random, without management present; discussion with workers' representatives when applicable.
- > inspection of documents such as staff files, remuneration system, contribution to social security, etc.
- > conclusion meeting with the factory's management and handing over of corrective action plans.

**6 years**  
average length  
of business  
relationships  
between Switcher  
and its suppliers

**5 independent audits were carried out in 2011 at the premises  
of Switcher suppliers**

**81.6%**  
of 2011 sales  
manufactured  
by a factory  
audited in 2011

Every new supplier (factory) must first undergo an audit before being added to Switcher's list of suppliers. If the factory's standards are too low, obligation will be given to make the necessary improvements before Switcher gives the go-ahead for production. Factories are usually receptive and audits help them to uncover problems they may otherwise have ignored.

The CSR department and/or the audit organisation checks that the necessary improvements have been implemented within the allotted timeframe. A corrective action is a measure taken to remove the causes of an existing nonconformity.

The main corrective action plans in 2011 were focused on:

- > Overtime
- > Management systems
- > Health and safety

#### 4.5 | SMETA AUDITS

The ethical trading audit for Sedex members (SMETA to use the English acronym) was developed by a group of Sedex partner auditors.

SMETA is designed to reduce duplication of efforts in ethical trading audits, to benefit retailers and mass consumer brands and their suppliers. It was developed in response to calls from members who were looking for an audit report format which was easier to share.

SMETA is not a code of conduct, new methodology or certification process. It describes an audit procedure which compiles good ethical auditing technique practices.

SMETA documents are designed to be used alongside current practices established for experienced auditors in order to help them carry out quality audits which will be accepted by many retailers and large brands.

Each Switcher supplier (factory) is required to provide a SMETA audit report once a year. Follow-up is carried out by Switcher's CSR department.

##### **Self-assessment**

Each year, every Switcher supplier factory is required to fill in a standard ethical self-assessment questionnaire provided by SEDEX. The answers either guarantee compliance or trigger a corrective actions process. Switcher's CSR department monitors all of its suppliers' corrective action plans.



#### 4.6 | WAGE SCALE

In 2011, Switcher funded a comprehensive study carried out by Fair Wear Foundation (FWF), for collecting information and putting in place a wage scale for every stage in the manufacture of organic cotton + Max Havelaar T-shirts in India.

Payment of a living wage is one of the 8 standards upheld by FWF. This living wage means that the worker's basic needs are covered (food, clothes, home, medical services and education). The concept is a simple one, and means that someone who works a normal working week should be capable of living decently.

Largely aimed at the export market, the clothing industry has immense potential for taking millions of workers in a number of third world countries out of poverty and providing them with decent living conditions. However, in most countries supplying low-cost products, wages are too low to meet this objective. The obvious answer in order to eradicate poverty among people working in textile production chains is to find mechanisms for raising the lowest wages - quite a challenge within textile chains generating immense wealth.

FWF, along with 4 European firms, including Switcher, developed a web-based tool in 2011 to help brands and factories gradually improve workers' wages.

The first step is to list the wage levels in each factory, how they stack up against various benchmarks and how they compare with those in other factories. To make these comparisons, FWF has developed an innovative on-line wage scale tailored to each country or region, which enables factories, NGOs, unions and brands to meet this challenge.

The 3 aims of a wage scale:

- > to illustrate the monetary values of wages, as well as the various standards in a region or country.
- > to represent wages in a factory and standards in graph form, in order to measure variations.
- > to illustrate the progress made by a factory in improving wages over time.

## 4.7 | MAX HAVELAAR



FLO-id: 4158

The Max Havelaar Foundation (Switzerland) was created in 1992 by six important charity institutions: Action de Carême, Caritas, EPER, Helvetas, Bread for All and Swissaid. A non-profit-making organisation, it is self-financed since 2001 and grants a label for products commercialised on a fair-trade basis.

The Max Havelaar label legitimises Switcher's approach by guaranteeing cotton producers a fixed minimum price – never lower than the market price – to cover their production costs. A “fair-trade” premium is added to this price to promote improved living and working conditions through the financing of community projects (for example environmental training – limited use of chemicals, soil management). With this label, Switcher incorporates an instrument tried and tested in other agricultural industries to control its production chain better. The Max Havelaar label gives the end consumer an additional guarantee of the transparency of Switcher's social approach.

**2011: 172'144 Max Havelaar articles sold, i.e. 4.8% of the cotton designs**

## 4.8 | SOCIAL ACCOUNTABILITY INTERNATIONAL (SAI)

Social Accountability International (SAI) is a non-profit-making organisation, whose mission is to advance human rights by promoting ethical working conditions in the whole world. SA8000® is the recognized standard established by SAI. It is a very efficient and appropriate system to improve the social governance of companies and subcontractors.

The solution offered by voluntary SA8000® standard aims to ensure that companies follow the highest of ethical standards, by giving the administration instruments that meet both the wishes of the workers and those of the company. In 2011, SA8000® certification covered more than 1.3 million workers on some 2,100 production sites distributed over 62 countries.

The organisation brings together the main actors in order to permanently establish and fine-tune the ethical working standards, based on consensus. It accredits the qualified organisations to verify that companies act in accordance with these standards and promotes the notion and implementation of social standards across the world. SAI has several programmes: research and development, accreditation, improvement of the efficiency of audits, training and technical assistance, development of networks with trade unions, companies, NGOs, governments and international institutions.

**Switcher SA is a Signatory Member  
Robin Cornelius is a member of the SAI Advisory Board**



## 4.9 | SWITCHER FOUNDATION



Switcher makes a very clear distinction between its core-business social responsibility, that is the working and production conditions of its commercial activities, and the donations it gives to the community as a voluntary contribution.

For this purpose, Switcher created its own Foundation in 2004. Active in the areas of childhood, education, training and the environment, the Switcher Foundation organizes and finances projects that bring populations a durable improvement of their living conditions.

In 2010, the Switcher Foundation was able to count on a total of proceeds of CHF 111'079.–, of which CHF 97'533.– were granted to projects in the Tirupur area, the centre of Indian textile production, and to Burkina Faso, a cotton-growing country.

**IN INDIA**

- > **Four Switcher schools**, of which three are “mobile” for street children, give about 500 children access to education
- > **Three health clinics** give free medical care to around 800 patients from the local population and to factory workers
- > **12,000 litres of fresh water** are distributed every day to the Tirupur inhabitants who have no access to it
- > **Three Youngster Education Programs (YES)** enable young employees aged from 18 to 25 to continue their education.

**IN BURKINA FASO**

- > **Three nursery schools** in the villages of Tibin, Nimpui, Tanguiga take 150 children cared for by voluntary educational mothers.

**IN SWITZERLAND**

- > **T-School Project** together with the Zurich cantonal Freudenberg secondary school. This multi-disciplinary project on the subject of textiles makes the pupils aware of the various social and ecological aspects of the entire textile production chain, from the cultivation of the cotton to the arrival in the shop. [www.t-schoolproject.com](http://www.t-schoolproject.com)

The Switcher Foundation is officially approved and is subject to the supervision of the Federal Department of Home Affairs.

For further information: [www.fondationswitcher.org](http://www.fondationswitcher.org)





# ENVIRONMENT



OVERVIEW

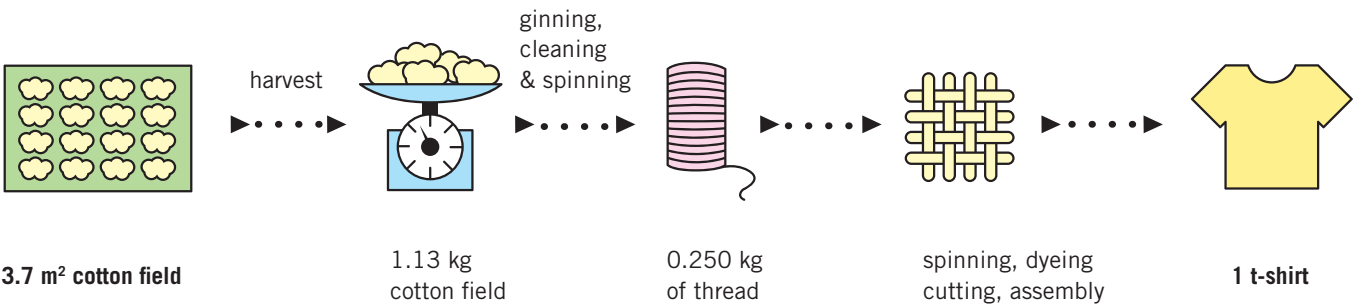
For over 15 years, Switcher has paid daily attention to the impacts of its business in terms of life cycle, CO2, water, offsetting, reducing, transport and raw materials.

Raw materials: Panorama of textile fibres

natural fibres	organic	plant	cotton, linen, hemp, sisal, kapok, etc.
		animal	wool, cashmere, silk, etc.
artificial fibres	synthetic	from fossil sources	polyester, polyamide, elastane, etc.
		from biomass	maize, etc.
	artificial	cellulosic	Lyocell, modal, viscose, etc.
		proteinaceous	soya, etc.

5.1 | COTTON

Cotton plants are a species of shrubs native to India, cultivated in many hot countries for the natural fibres that surround the mature seed. The use of cotton is very ancient, remains of fabric dating 3000 BC having been found in India.





11%

of cotton articles  
made of organic  
cotton (sales)

worldwide cotton harvest: 25 million tonnes, 0.55% of which organically grown

5.2 | GOTS



The Global Organic Textile Standard (GOTS) is the principal world textile process standard for organic fibres, including ecological and social criteria which are supported by an independent certification of the whole supply chain.

Switcher has been certified since December 2010.

### 5.3 | POLYESTER & RECYCLED POLYESTER



**13.9%**  
of polyester articles  
were sold with the  
Recycled-PET label

Polyester is the most produced synthetic fibre in the world (abbreviation: PET or PES), made from refined petrol. Its two main uses are clothing and bottles.

Recycled polyester is made from the collected PET bottles.



#### THE RECYCLING PROCESS:

1. PET bottles
2. PET bottle flakes
3. Recycling of polyester chips
4. Fibre and filament thread
5. Fabric for manufacturing clothing

#### KEYS ARGUMENTS FOR RECYCLED PET:

- > Reduces energy and CO<sub>2</sub> emissions
- > Reuses resources
- > Recycles PET bottles

### 5.4 | MERINO WOOL



Wool from Merino breed sheep. Switcher obtains its supplies exclusively from farms in New Zealand. Used for underwear, its softness, temperature regulation, dimension stability, anti-odour properties and chlorine-free treatment make it a high-end natural fibre.

### 5.5 | CO<sub>2</sub>



Greenhouse gases (GHG) are the main culprits behind global warming. Switcher has been demonstrating its civic responsibility for over 10 years by measuring and publishing the impacts of each design, putting reduction solutions into practice and offsetting some of the CO<sub>2</sub> emitted.



CO <sub>2</sub> OFFSETTING	TONNES OF CO <sub>2</sub>
105'360 T-shirts sold & offset	297
ProClima packages in partnership with Postlogistics	241
containers, in partnership with Kühne + Nagel	260
business trips by air	101
transportation by lorry from Portugal	11
mobility plan for visitors	3
total CO <sub>2</sub> offset (tonnes)	913

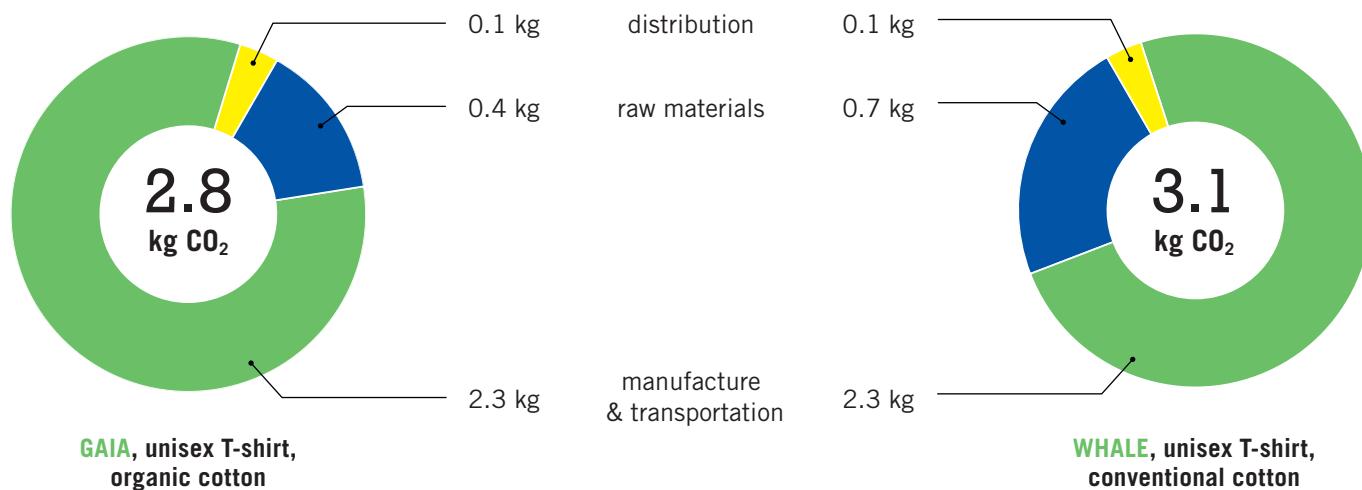
Offsetting partner: myclimate, Zürich.

2011 offsetting project: Uttarakhand, India, use of biomass briquettes instead of coal.





### DIFFERENCE IN THE CO<sub>2</sub> IMPACTS OF 2 T-SHIRTS: ORGANIC COTTON AND STANDARD COTTON



**Saving made with a design made from organic cotton:  
0.3 kg CO<sub>2</sub>, i. e. 11%**

### 5.6 | WATER



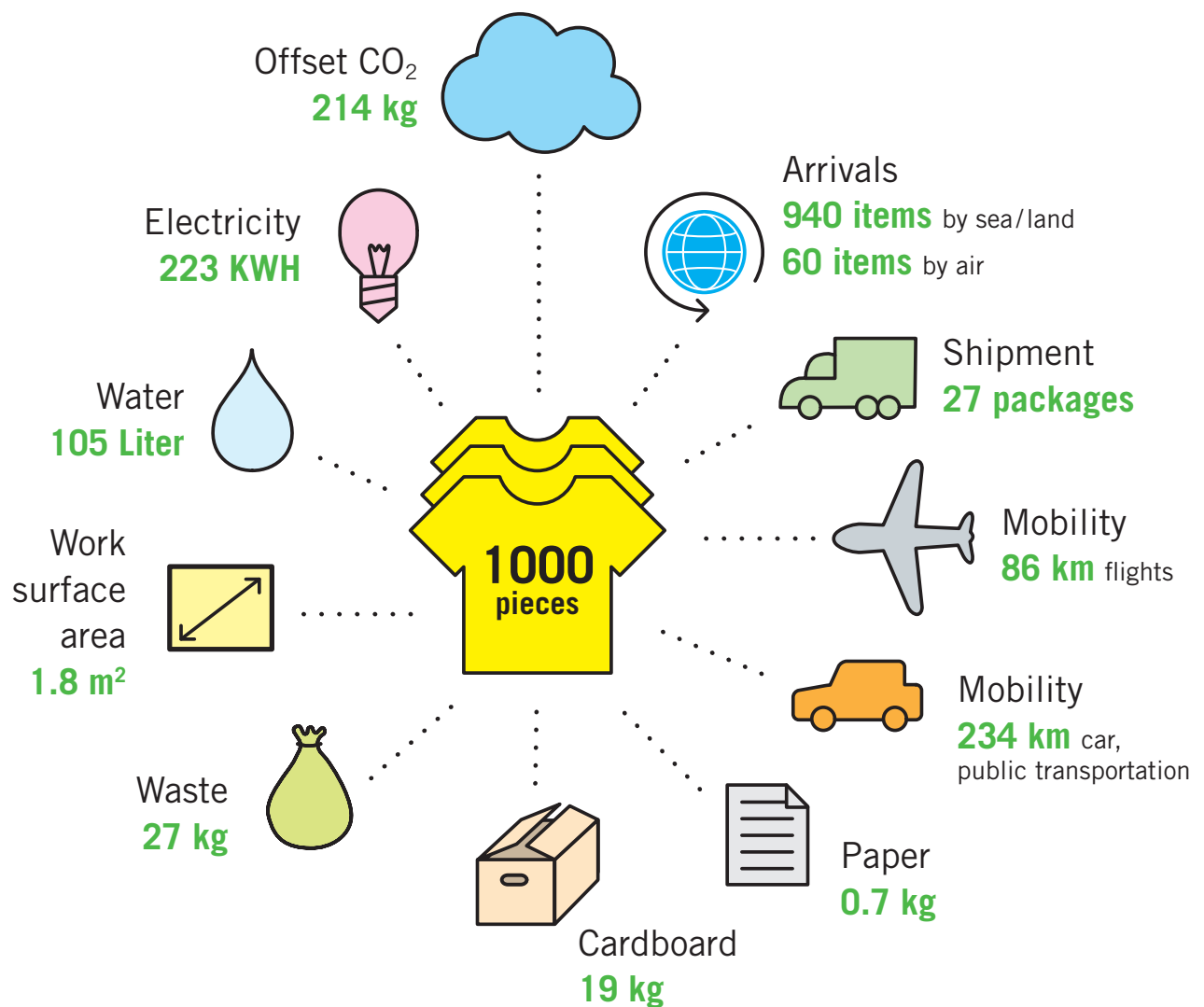
In 2009, Switcher financed a study of the water used throughout the supply chain of its products coming from India. Knowing the volume of water was the basis for making changes and reducing consumption. Thanks to the water purification plant at PGC, our principal supplier, and the recovery of salt after dyeing in Tirupur (India), the water saving is 26%.

**Water saving: 154 litres for 1 T-shirt  
thanks to the purification and salt recovery plant**

## 5.7 | ENVIRONMENTAL IMPACTS IN LE MONT-SUR-LAUSANNE

At the Mont-sur-Lausanne site, Switcher set up 11 indicators in 2009 which it promised to monitor in order to determine its environmental footprint. The functional unit selected is the sale of 1,000 articles.


### Environmental impacts for each slice of 1,000 articles sold





## 5.8 | ENERGIE &amp; RESOURCES

The consumption of energy of non-renewable origin is one of the main causes of greenhouse gas emissions. It is our duty to reduce this use.

The photovoltaic solar panels (installed in 2002 on the roof of the Switcher building) by Edisun Power, the City of Lausanne and Switcher produced 31,558 KWH in 2011, an equivalent to the annual energy consumption of eight Swiss households.

 ENERGIE	KWH
Electrical consumption	282'140
Gas consumption (heating)	672'136
TOTAL	954'276
<b>Indicator:</b> KWH/1000 articles sold	<b>223</b>

 WATER CONSUMPTION	LITRES
TOTAL	449'000
<b>Indicator:</b> litres/1000 articles sold	<b>105</b>

 WORK SURFACE AREA	m <sup>2</sup>
Administrative surface area	1'900
Storage surface area	5'800
TOTAL	7'700
<b>Indicator:</b> m <sup>2</sup> /1000 articles sold	<b>1.8</b>

## 5.9 | PARCEL ARRIVAL AND SHIPMENT

Road transportation alone is allowed for European suppliers. Marine traffic (Asia) must be loaded onto the rail network when it arrives at European ports.

 PARCEL ARRIVALS	NUMBER OF PACKAGES
sea/land	80'872
air	5'496
TOTAL	86'397
<b>Indicator:</b> parcel arrival/1000 articles sold	<b>940</b> by sea/land <b>60</b> by air


 PARCEL SHIPMENT	NUMBER OF PACKAGES
to Switzerland, by PostLogistics	85'829
to Switzerland, by Camion Transport SA	19'850
to international destinations, by DHL	8'719
TOTAL	114'398
<b>Indicator:</b> packages/1000 articles sold	<b>27</b>

## 5.10 | MOBILITY

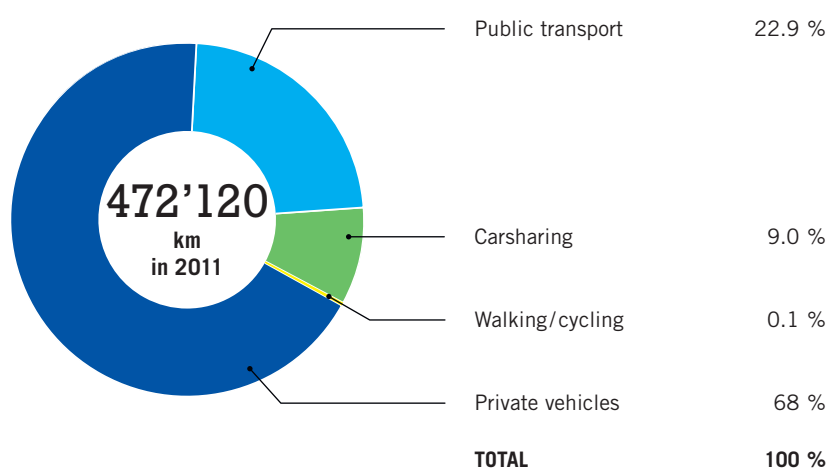
In 2010, Switcher launched a visitors' mobility plan on the Mont site. On arriving at reception, each visitor announces his or her means of transport and starting point; car-pooling and travel by public transport are rewarded by a voucher to buy in a Switcher shop. The CO<sub>2</sub> impact of private vehicle travel is automatically compensated, either by the visitor or by Switcher. Each visitor is given an awareness card. The mobility plan also includes the fleet of vehicles (energy cat. A) and offsetting all business trips by air.

Since September 2011, employees have been included in the mobility plan:

- > fee-charging parking space
- > free parking space for car pooling
- > compensation offered to employees using public transport or soft mobility
- > compensation offered for any use of public transport within employees' family circles and for their private trips

 MOBILITY	PRIVATE VEHICLES	CARSHARING	PUBLIC TRANSPORT	BY FOOT, BICYCLE	FLIGHT	TOTAL
commuting trips	321'420	42'460	107'976	264		472'120
visits to customers	478'636					478'636
management cars	48'826					48'826
business trips by air					365'700	365'700
TOTAL	848'882	42'460	107'976	264	365'700	1'365'282
<b>Indicator:</b> km/1000 articles sold				<b>234</b> by car & public transport <b>86</b> by air		

COMMUTING 2011







## 5.11 | PAPER, CARDBOARD &amp; WASTE


Paper can be recycled five to seven times before deterioration of its cellulose fibres. It is therefore possible to obtain 100% recycled paper.

Since 2009, Switcher has implemented five measures :

- > Suppression of pre-printed logos for all the company's stationery
- > Paper and envelopes: a single supplier, FSC standard and production in Switzerland
- > Printing of both sides by default
- > Budget allocation by department of the real costs of printing
- > Limitation of colour printing

 PAPER CONSUMPTION	KG
TOTAL	3'000
<b>Indicator: kg/1000 articles sold</b>	<b>0.7</b>

 CARDBOARD CONSUMPTION	KG
TOTAL	82'840
<b>Indicator: kg/1000 articles sold</b>	<b>19</b>

 RECYCLING	KG
cardboard	97'420
paper	2'600
waste to be incinerated	4'610
PET bottles	105
alu, batteries, toners, private IT material	n.a.
various sorted waste	9'900
glass	700
clothes	1'503
TOTAL	116'838
<b>Indicator: kg/1000 articles sold</b>	<b>27</b>

The selective sorting of waste is an efficient measure for the recycling and economically justified valorisation of materials. By enabling the recycling of some household waste on the workplace, Switcher encourages waste collecting by making it more convenient, as it is done directly at the employees' workplace. Messages of encouragement are regularly sent out.

In addition to the recycling of paper and cardboard, the collecting centre gathers the following household and professional waste:

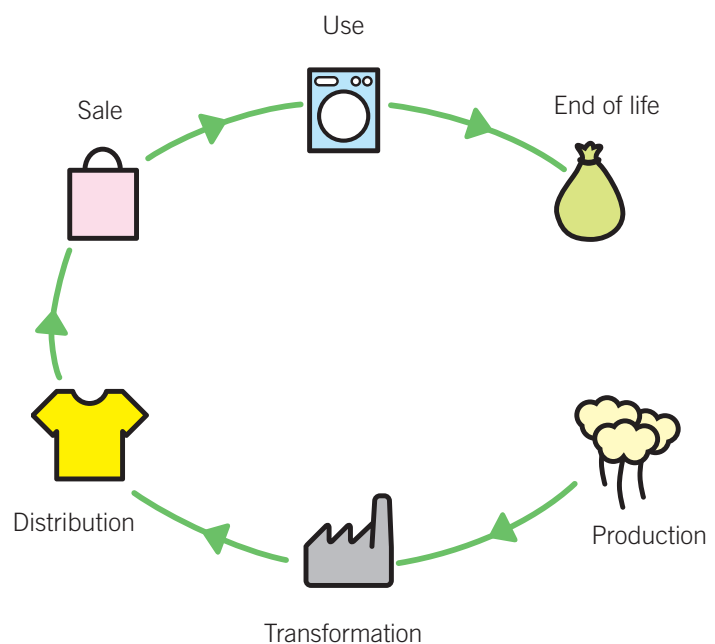
- > Toners (Swico)
- > PC, printers, electronic material (Swico)
- > Second-hand clothes (Texaid)
- > Batteries (neighbourhood collecting centre)
- > Coffee capsules (Nespresso)

TEXAID is a company that groups together six mutual aid institutions. Its goal is to organize the collecting of clothes in the whole of Switzerland.

Switcher gives TEXAID all faulty articles (about 11,000 articles/year) and puts at the disposal of its employees collecting containers for household use.

## 5.12 | LIFE CYCLE ANALYSIS (LCA)

The life cycle analysis covers the entire life of a garment. It includes the production of raw materials (cotton, synthetic fibres), their transport to the place where they are transformed (spinning, knitting, weaving, dyeing as well as cutting, stitching and finishing). The finished product is then transported, mainly by ship, rail and road, to the storage centre in Switzerland. The garments are distributed at the various points of sale. The Switcher points of sale are included in the life cycle. This is where the consumer comes into play and is responsible for the following stages. Indeed, the customer goes to the shops by car or public transport to buy clothes. He or she will then wear them, which involves washing, drying and ironing them. Finally, at the end of its life, the garment will be destroyed, either by incineration or recycling.



## 5.13 | PARTNERS



**öbu**  
works for  
sustainability.

**Quantis**

Quantis is a spin-off of the laboratories of two major engineering schools (École Polytechnique Fédérale de Lausanne [Lausanne Federal Polytechnic School] and École Polytechnique de Montréal [Montréal Polytechnic School]), Quantis benefits from the best life cycle analysis experts, at the same time as maintaining close links with university research. Quantis is one of the worldwide leaders in LCA. Switcher has been working with Quantis since 2006.

**Öbu**

A Swiss initiative which boasts more than 350 companies today, Öbu has set itself the task of promoting the development of the Swiss economy according to sustainable principles. Öbu develops tools for its members and also provides them with experience-sharing platforms and sessions. Switcher has been a member of Öbu since 2008.

**myclimate**

myclimate's international network makes a relevant and innovative contribution to climate protection and to a sustainable development. myclimate is one of the world's leading providers of voluntary carbon offsetting measures. myclimate's carbon offset projects are characterised by their compliance with very strict criteria. myclimate also creates carbon assessments and raises awareness for climate change and climate protection in climate education projects.

**Swisscleantech**

The main task of swisscleantech is to represent the interests of its members in politics and in relation to the public (275 members). It enables them to form networks with other cleantech operators. Furthermore, swisscleantech supports benchmark projects for the cleantech economy.

**Helvetas**

Helvetas is one of the major non-governmental organisations (NGOs) in Switzerland. In Africa, Asia and Latin America, Helvetas aims at improving the living conditions of deprived people. Their commitment centres on basic needs such as fresh water, food, income, education, co-determination and peace.



# CONCLUSIONS

A coastal landscape featuring a large, light-colored rock formation in the middle ground, partially covered in green moss. Waves are breaking against the base of the rock and the shore. In the foreground, there is a sandy beach and a reddish-brown cliff face on the left. The sky is overcast and grey. The word "CONCLUSIONS" is overlaid in white, bold, sans-serif capital letters on the left side of the image.



6.1 | EVOLUTION OF  
THE 2010-2011 INDICES

INDICES	2010	2011	EVOLUTION
Production steps	119	131	→
Production countries	7	6	↑
Manufactures	21	21	→
Audits	1	3	↑
% articles sold with Max Havelaar label	3.8	4.8	↑
Apprentices / trainees	7	5	↓
% articles produced in Europe	12.5	14	↑
% articles sold in organic cotton	9.2	11.0	↑
% articles sold in PET recycled	23.2	13.9	↓
Sold pieces (million pieces)	4.7	4.3	↓
Retail customers CH	299	400	↑
Corporate customers CH & Europe	1091	1105	→
Employees	88	79	→




















PER 1000 UNITS SOLD	2010	2011	EVOLUTION
Offsetting CO <sub>2</sub> (kg)	252	214	↓
Electrical consumption (KWH)	184	223	↓
Water (L)	103	105	→
Work surface area (m <sup>2</sup> )	1.6	1.8	→
Parcels by air	97	60	↑
Parcels shipped	25.7	27.0	→
Mobility cars & Public transportation (km)	279	234	↑
Business trips by air (km)	106	86	↑
Paper consumption(kg)	0.7	0.7	→
Cardboard consumption (kg)	19	19	→
Waste (kg)	27.1	27.0	→

↑ in progress






→ stability

↓ on the decline

## 6.2 | COMMITMENTS 2011

	<b>EMPLOYEES</b>	
	> Update of the Cepec System of Post Levels CEPEC	
	> Satisfaction survey	
	> Mobility plan for the employees	
	> Continuation of the training of the 3 first-aid workers, level 2	
	<b>GOVERNANCE</b>	
	> New compliance system with SEDEX	
	<b>CUSTOMERS</b>	
	> Resumption of the organisation of the businesses days and retail committees	
	> Better integration of values RSE in the Internet sites	
	<b>SUPPLIERS</b>	
	> Compliance Days	
	> Intensified participation of the Produced & Purchases Dept. in RSE processes	
	<b>PROFESSIONAL PARTNERS</b>	
	> Revaluation of our LPP associate, taking account of more transparency	
	<b>SWITCHER FOUNDATION</b>	
	> Enlarging of the Switcher Prem School (India)	
	<b>NON-GOVERNMENTAL ORGANIZATIONS</b>	
	> Participation in the pilot project with Max Havelaar and FWF to improve the social conditions throughout the Fair Trade product supply chain	

## 6.3 | COMMITMENTS 2012

	<b>EMPLOYEES</b>	
	> Participative workshops for the new Guide for Employees	
	> CSR training for all employees	
	> HR participation at yearly performance review	
	<b>GOVERNANCE</b>	
	> Use of the SEDEX platform to share audits and self-assessment of suppliers	
	<b>CLIENTS</b>	
	> Development/transmission of CSR know-how to clients	
	> Better integration of CSR values in the internet site	
	<b>SUPPLIERS</b>	
	> Use of SEDEX	
	<b>SWITCHER FOUNDATION</b>	
	> Windmill Project: Acquisition and installation of a wind mill in the park of Tirupur (India)	
	> Switcher Prem School: launch of additional classes	
	> T-School Project : development and diffusion of the project in the primary schools (Switzerland)	

## 6.4 | GRI INDEX



The **Global Reporting Initiative** (GRI) was established in 1997 with the mission to create guidelines applicable worldwide in the area of sustainable development, and to create conditions for the reporting of economic, environmental and social performance, at first for companies. It offers benchmark indicators to measure the progress of sustainable development projects in companies.

This report represents every year an important step to enable Switcher to communicate its commitments in the area of sustainable development.

In this report, Switcher has met the GRI C-level requirements. This shows that the information on the company and its social responsibilities is in accordance with the G3 GRI guidelines.

For the boundaries of this report, the company chose the spheres in which our influence is the greatest and so report about our own entity's operations.

GRI Index	1. Strategy and Analysis	Chapter
-----------	--------------------------	---------

1.1	Statement from the CEO	1.2
-----	------------------------	-----

GRI Index	2. Organizational Profile	Chapter
-----------	---------------------------	---------

2.1	Name of the organisation	in short/ 1.5.1
2.2	Primary brands, products and services	1.5.8/1.6
2.3	Structure of the organisation	1.5
2.4	Commercial headquarters	1.5.4
2.5	Countries where the organisation operates	1.5.9
2.6	Nature of ownership and legal form	1.5.2
2.7	Markets served	1.5.9
2.8	Scale of the reporting organisation	in short/ 1.5.6/4.1.1
2.9	Significant changes regarding structure	1.5.9
2.10	Awards received in the reporting period	No prize received during 2011

GRI Index	3. Report Parameters	Chapter
-----------	----------------------	---------

3.1	Reporting period	1.4
3.2	Date of most recent previous report	p. 55
3.3	Reporting cycle	p. 55
3.4	Contact point for questions regarding the report	p. 55
3.5	Process for defining report content	1.4
3.6	Boundary of the report	1.4
3.7	Specific limitations on the boundary of the report	1.4
3.8	Basis for reporting	1.4/1.5.1
3.10	Re-statements of information provided in earlier reports	1.4
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report	1.5.1
3.12	GRI index	6.4

GRI Index	4. Governance, Commitments and Engagement	Chapter
-----------	---	---------

4.1	Governance structure of the organisation, including committees	1.5.4
4.2	Board of Administrators: executive duties of the President	1.5.3
4.3	Board of Administrators: number of independent and/or non-executive members	1.5.3
4.4	Mechanisms for shareholders and employees to provide recommendations	2.1
4.12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or endorses	in short/4.3
4.13	Memberships in associations, industry associations and/or national/international advocacy organisations	4.3/4.7/4.8
4.14	List of stakeholder groups	1.8
4.15	Basis for identification and selection of stakeholders	1.8
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	1.8/2.1/4.1.3

GRI Index	Economic Indicators	Chapter
-----------	---------------------	---------

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	1.5.6
EC5	Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation	4.1.1
EC7	Procedures for local hiring and proportion of senior management hired from the local community	4.1.1

GRI Index	Environmental Indicators	Chapter
-----------	--------------------------	---------

EN2	Percentage of materials used that are recycled input materials, in weight or volume	in short/4.2/5.7
EN3	Direct energy consumption by primary energy source	5.8
EN4	Indirect energy consumption by primary source	5.8
EN5	Energy saved due to efficiency improvements	5.8/5.9/5.10
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	5.8/5.9
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	5.8/5.9/5.10
EN8	Total water withdrawal by source	5.6/5.7/5.8
EN 16	Total direct and indirect greenhouse gas emissions by weight	5.5/5.7
EN 18	Initiatives to reduce greenhouse gas emissions and reductions achieved	5.5/5.7/5.10
EN22	Total weight of waste by type and disposal method	5.11
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce	5.9/5.10

GRI Index	Social Indicators	Chapter
-----------	-------------------	---------

LA1	Total workforce by employment type, employment contract and region	4.1.1
LA2	Total number and rate of employee turnover by age group, gender and region	4.1.1
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region	4.1.1
LA10	Average hours of training per year per employee by employee category	4.1.2
LA12	Percentage of employees receiving regular performance and career development reviews	4.1
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity	1.5.5/4.1.1
LA14	Ratio of basic salary of men to women by employee category	4.1.1

## REPORT PARAMETERS

This report covers the period from January 1 to December 31 2011. It is established on an annual basis and is available in PDF format in three languages on [www.switcher.com](http://www.switcher.com).

### Project, text and drafting

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Rapport 2011 (French)  
Bericht 2011 (German)

**Pocket versions available  
in French, German and English**

### Previous report

2010 CSR Report

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