

REPORT SWITCHER 2014

100%

traceable apparel

TABLE OF CONTENTS

1	PROFILE	3	4	SOCIAL ISSUES	25
1.1	Letter to Shareholders	4	4.1	Minimum requirements for new suppliers	26
1.2	Sustainable development: Update & Manager's message	5	4.2	Solidarity fund 1%	27
1.3	The Switcher Group	6-7	4.3	Social programs	28
1.4	Brands	8	4.4	Wages verification	29
1.5	Clients	8	4.5	Fondation Switcher	30
1.6	Sponsoring	9			
1.7	Products	9	5	ENVIRONMENT	31
1.8	2015 new models	10	5.1	Impact and life cycle	32
1.9	Human resources	11-13	5.2	Impact on Mont-sur-Lausanne	33
1.10	Economic Data	14	5.3	Mobility	34
2	GOVERNANCE	15	6	CONCLUSIONS	35
2.1	Significant CSR stages	16-17	6.1	Evolution of indicators	36
2.2	Quality labels & partners	18-19	6.2	Commitments 2014	37
			6.3	Commitments 2015	37
			6.4	Index GRI	38
3	TRAÇABILITÉ	20	6.5	Report scope	39
3.1	Factories producing for Switcher	21			
3.2	Textile factories	22			
3.3	Respect-Code	23-24			

VISION

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

MISSIONS

- 1 To identify our clients so as to offer the solutions they expect through a specific service thanks to our 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.

T-shirt 2220 Lady Gaia

Available in 4 colors
CHF 19.-



› Profile	3
› Governance	15
› Traceability	20
› Social issues	25
› Environement	31
› Conclusions	35

1.1 – LETTER TO SHAREHOLDERS: KEY DEVELOPMENTS 2014

What have the key developments been in 2014?

Sourcing: Large-scale transfer of garment factories (the majority of cotton and polyester/cotton models) to the Indian platform integrated into the Switcher group (PGC is the principal shareholder of Switcher SA).

This transfer has resulted in greater control over the production process. The value chain has become shorter and more efficient with a minimum number of actors leading to greater cost-effectiveness and proactivity.

Production logistics: For the past year, we have worked with Planzer SA, our logistics partner for all our inventory control and forwarding needs. After an adjustment period of a few months, the results have been positive. Contracting with the leader of Swiss logistics has clearly been advantageous for Switcher and its customers through increased speed of execution, improved seasonal adaptability and reduced variable costs in a work environment with better equipment and partially under bond. At the employment level, Switcher required that all employees be retained by Planzer.

Human resources: Switcher has improved its internal resource management: restructured teams, simplified procedures, with broad and clarified objectives for each unit. The Ismat study (social audit relating to workplace well-being) helped to identify the causes of job dissatisfaction and strife among coworkers. The study then proposed, validated and successfully tested solutions which are now part of our internal work processes.

Inventory: An asset now better adapted to the market

Oriented towards tighter inventory levels (from May 2015) after a long period of too high inventory levels of merchandise not adapted to market needs.

What changes to product assortment and marketing took place in 2014-2015?

For Switcher, 2014 was the year of the "Geelee", our one-piece innovation which shows just how Switcher has been able to renew itself once again. This new brand is already proud of its success after just one year.

Geelee has attracted a new clientele, reinvigorating our media presence and marketing policies.

More generally, in the future, Switcher 2.0 will retain its two principal markets, Retail and Corporate, through SwissVision, the product assortment geared towards the Swiss tourist market and jumpsuits such as Geelee.

In terms of marketing: simplicity and refocusing—another example of where new territory and big ambitions combine in an expanded budgetary framework.

For sustainable development, one sentence can sum up the future: CSR 2.0 (Corporate Social Responsibility) will be more involved in direct action! I'll leave it to our manager to explain this key area which is part of Switcher's DNA as a pioneer in the field of sustainable development.

1.2 – MESSAGE FROM THE CSR MANAGER KEY DEVELOPMENTS 2014, OUTLOOK 2015

What key developments in CSR have taken place in 2014 and what is the outlook for 2015?

2014 was a very complicated year due to the large-scale relocation to India. After visiting the prospective locations, we had to start from scratch, training the managers of the new production facilities and instilling Switcher standards of excellence. As these demands were always met, certifications and audits were quickly in place.

"Switcher CSR 2.0" takes into account everything that has been done for the past 15 years to make the brand a pioneer in its field. By choosing to set its policy goals towards more direct actions, every occasion is an opportunity to maximize investments to obtain the best possible results.

A symbol of CSR that reinvents itself, the innovative project "Solidarity Fund 1% FOB" was implemented in the fall of 2014 and is scheduled to expand in 2015. It has received very positive feedback from our CSR partners as well as our Switcher customers (for more information see page 27).

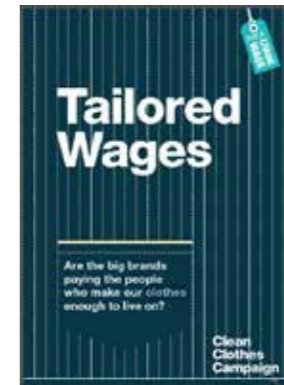
The traceability that we advertise on www.respect-code.org is still guaranteed for all our products. In 2015, we will celebrate the ten-year anniversary of this revolutionary philosophy! (See page XX)

In 2014, Switcher earned the highest score on the "Tailored Wages" study of the Clean Clothes Campaign which analyzes the social performance of 50 textile brands in Europe.

The annual "Brand Performance Check" carried out by the Fair Wear Foundation in 2014 enabled Switcher to achieve the highest score, in the "Leader" category.

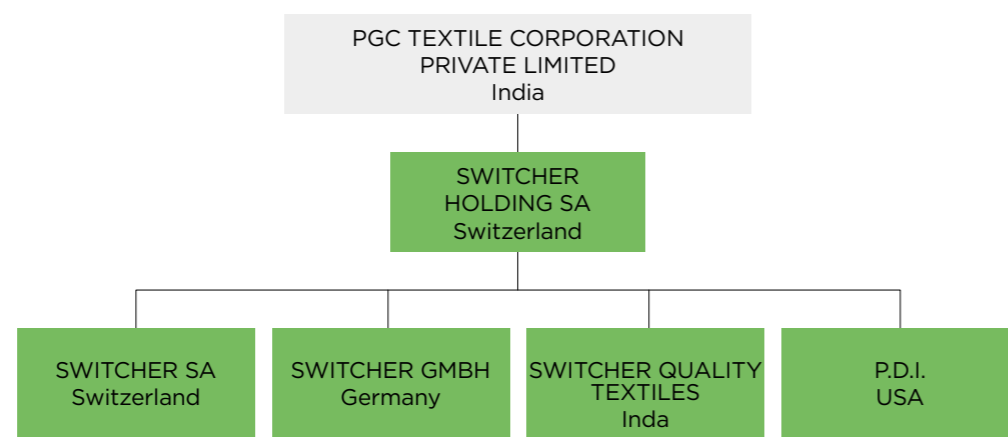
These two signs of recognition confirm our CSR strategy—it is fair and recognized but also an ongoing process, the fight to offer our customers a socially responsible textile product is never over!

100 %
traceable apparel



1.3 – THE SWITCHER GROUP (AS OF 31.12.2014)

GROUP ORGANIZATIONAL CHART



SIGNIFICANT CHANGES IN 2014

- › Transfer of production facilities to a platform in India integrated into the Switcher group.
- › Transfer of logistics operations to Planzer SA on 1 January 2014.
- › Inventory levels adapted to the market.

SHAREHOLDERS

PGC Textile Corporation Private Limited, Inde **86 %**
 Robin Cornelius, Suisse **14 %**

BOARD OF DIRECTORS

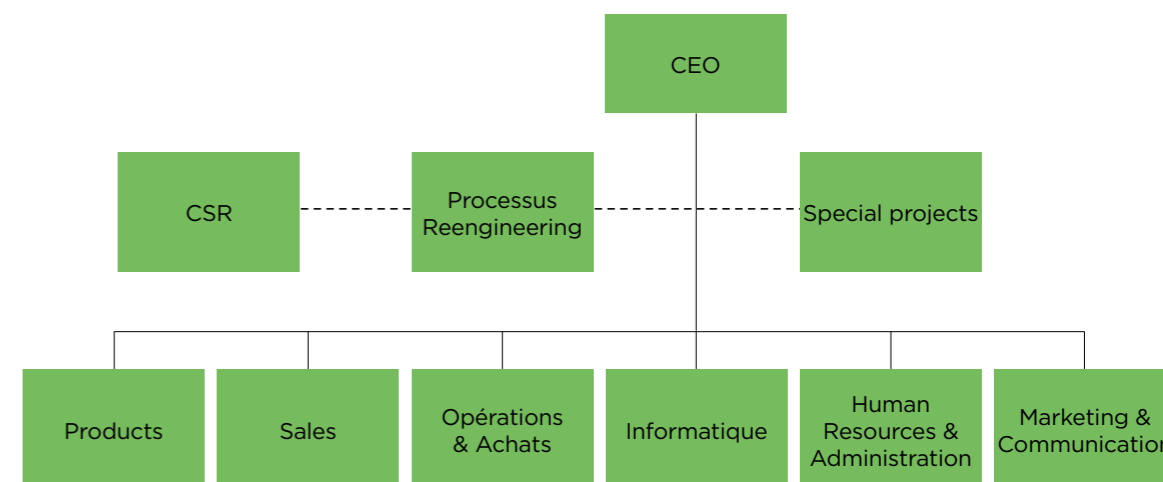
Members of the Board of Directors are elected once a year. They do not receive fees or expenses. In 2014, The Board of Directors met 4 times.

MEMBERS	SINCE
Aadith Vikram Duraiswamy	2010
Subbahiagounder Duraiswamy	2011
Prem Duraiswamy	2010
Sanjeev Ska	2015

ORGANIZATIONAL CHART

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

In 2013, 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.



MANAGEMENT

DÉPARTEMENT	RESPONSABLE	DEPUIS
CEO	Alban Dupuis	2011
CSR	Gilles Dana	1996
Processus Reengineering	Sanjeev Ska	2011
Special projects	Marc Joss	2000
Products	Eleonora Paradies	2013
Sales	Marc Joss	2000
Opérations & Achats	Yann Meyer	2015
Informatique	Sanjeev Ska	2011
Human Resources & Administration	Fatone Lulaj	2014
Marketing & Communication	Stanislas Burki	2012

1.4 – BRANDS



Switcher is the group's main brand. 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 brand 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.



Swiss Vision by Switcher: a tourist product line, both attractive and humorous, which incorporates all the social and environmental values of Switcher. It portrays an image of our country to tourists and the Swiss alike.



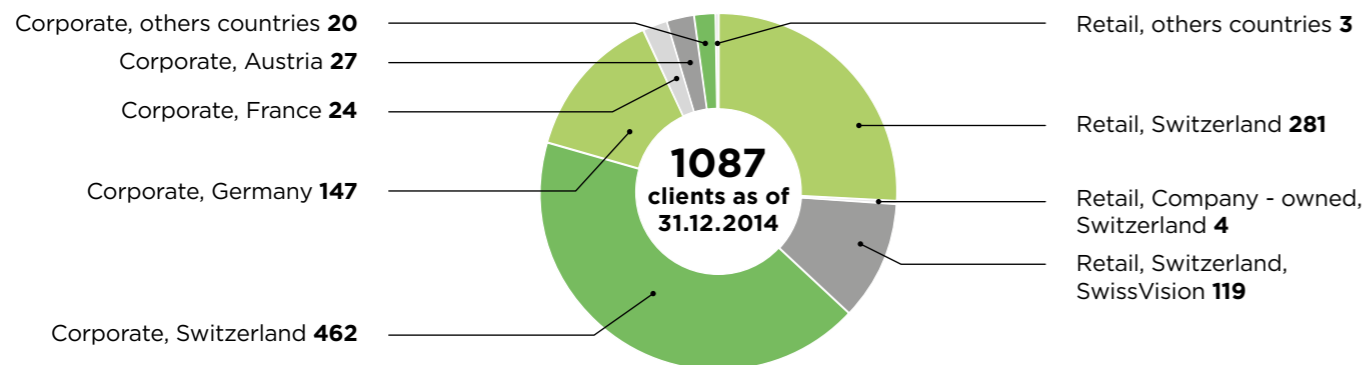
More than a garment, an all-out feel good experience, the Geelee line immerses you in a world of comfort and softness. 100% traceable, manufactured in accordance with Switcher's social and environmental standards.

1.5 – CUSTOMERS

Customers can be divided into four categories:



NUMBER OF CUSTOMERS BY TYPE



1.6 – SPONSORING

Solidarity, the pleasure of being together, creativity and respect of others are all prominent features of the events that Switcher supports. All activities related to education (students, schools, groups) are supported by the Switcher Foundation or the CSR Department (corporate social responsibility).

In 2014, the main sponsored events were :

Sport

20km Lausanne, Lausanne Marathon, Sierre-Zinal, GKB Sport Kids, Ride for the Cause.

Culture, Music & More

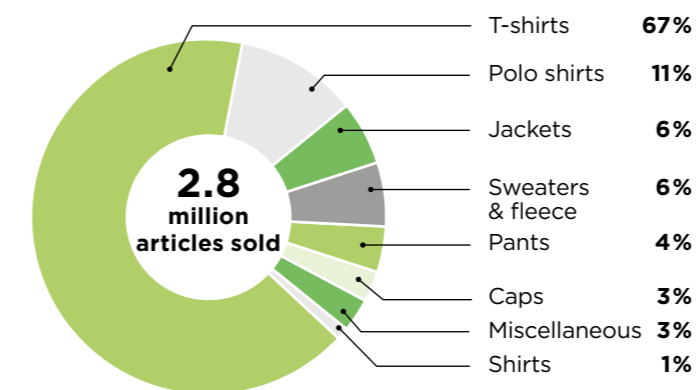
Baloise Session, Gurten Festival Bern, Montreux Jazz Festival, Red Bull-Sound Clash, Paléo Festival Nyon, Open Air St-Gall, Basel Tattoo, Tous en Choeur, Zermatt Unplugged, Cully Jazz, Royal Arena, Festival de la Cité.

1.7 – PRODUCTS

In stock: 100 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 CATEGORY*



100% of the models are traceable
100% of the models are in conformity with Oekotex 100 and REACH standards
100% of the models: exact calculation of the impacts CO₂ and H₂O

1.8 – COLLECTION 2015



ID	Name	Item	traceability	Fair Wear	REACH & Oeko-Tex	organic cottons	GOTS	Max Havelaar	PET	CO2 Index	H2O Index	Switcher Index
2011	BOB II	t-shirt	●	●	●	●	●	●		2.7	408	A++
2057	GAIAVI	t-shirt	●	●	●	●	●	●		2.8	419	A++
2187	BAOLINO	t-shirt	●	●	●	●	●	●		2.4	366	A++
2210	DAMON <i>NEW!</i>	t-shirt	●	●	●	●	●	●		2.7	411	A++
2211	MATTHEW <i>NEW!</i>	t-shirt	●	●	●	●	●	●		1.8	270	A++
2215	SVEN	t-shirt	●	●	●	●	●	●		1.7	253	A++
2220	LADY GAIA	t-shirt	●	●	●	●	●	●		2.6	394	A++
2222	GAIA	t-shirt	●	●	●	●	●	●		2.8	422	A++
2310	JASNA <i>NEW!</i>	t-shirt	●	●	●	●	●	●		1.4	211	A++
2313	BETTINA <i>NEW!</i>	t-shirt	●	●	●	●	●	●		2.2	338	A++
2315	NORA	t-shirt	●	●	●	●	●	●		1.9	287	A++
2850	SALLY	t-shirt	●	●	●	●	●	●		2.8	416	A++
2855	EFIA	t-shirt	●	●	●	●	●	●		2.8	428	A++
2001	BOB	t-shirt	●	●	●	●	●	●		4.7	929	A
2003	VICTOR	t-shirt	●	●	●	●	●	●		4.5	880	A
2010	MURIEL	t-shirt	●	●	●	●	●	●		1.8	339	A
2166	HELEN	t-shirt	●	●	●	●	●	●		2.0	385	A
2212	BASTIAN <i>NEW!</i>	t-shirt	●	●	●	●	●	●		2.1	424	A
2276	GIORGIA	t-shirt	●	●	●	●	●	●		1.7	319	A
2311	ROMINA <i>NEW!</i>	t-shirt	●	●	●	●	●	●		3.7	727	A
2312	LOANA <i>NEW!</i>	t-shirt	●	●	●	●	●	●		1.5	299	A
2505	THOR <i>NEW!</i>	t-shirt	●	●	●	●	●	●		4.3	516	A
2525	XENA <i>NEW!</i>	t-shirt	●	●	●	●	●	●		2.9	340	A
2610	LILIANE	t-shirt	●	●	●	●	●	●		3.3	624	A
204	Whale	t-shirt	●	●	●	●	●	●		2.1	412	B
2004	Whale	t-shirt	●	●	●	●	●	●		4.1	812	B
2034	Whale	t-shirt	●	●	●	●	●	●		3.0	598	B
2164	Whale	t-shirt	●	●	●	●	●	●		4.0	787	B
2214	Whale	t-shirt	●	●	●	●	●	●		4.1	812	B
2224	Whale	t-shirt	●	●	●	●	●	●		2.9	573	B
2374	Whale	t-shirt	●	●	●	●	●	●		4.1	807	B
4012	ALOE	poloshirt	●	●	●	●	●	●		2.9	430	A++
4020	HARRY II	poloshirt	●	●	●	●	●	●		5.1	774	A++
4030	STACY	poloshirt	●	●	●	●	●	●		4.4	835	A++
4911	JOHN	poloshirt	●	●	●	●	●	●		5.2	785	A++
2766	ANNE	poloshirt	●	●	●	●	●	●		2.8	527	A
4000	SAMUEL	poloshirt	●	●	●	●	●	●		6.4	1264	A
4025	MURPHY <i>NEW!</i>	poloshirt	●	●	●	●	●	●		4.1	488	A
4035	SCARLETT <i>NEW!</i>	poloshirt	●	●	●	●	●	●		3.4	404	A
4114	Whale	poloshirt	●	●	●	●	●	●		5.8	1155	B
4214	Whale	poloshirt	●	●	●	●	●	●		5.3	1054	B
4314	Whale	poloshirt	●	●	●	●	●	●		4.5	892	B
6036	MIA	sweatshirt	●	●	●	●	●	●		7.3	1053	A++
6041	BROADWAY	sweatshirt	●	●	●	●	●	●		12.1	1577	A+
6141	LILLY	sweatshirt	●	●	●	●	●	●		10.0	1300	A+
1005	OSLO	sweatshirt	●	●	●	●	●	●		10.0	1458	A
1006	STOCKHOLM	sweatshirt	●	●	●	●	●	●		8.8	1292	A
1015	WILLIAM <i>NEW!</i>	sweatshirt	●	●	●	●	●	●		6.7	803	A
1022	OHIO	sweatshirt	●	●	●	●	●	●		12.9	1880	A
1066	THANEO <i>NEW!</i>	sweatshirt	●	●	●	●	●	●		13.3	2624	A
1500	LONDON	sweatshirt	●	●	●	●	●	●		9.6	1403	A
1965	THAN	sweatshirt	●	●	●	●	●	●		13.3	2624	A
6068	DALLAS	sweatshirt	●	●	●	●	●	●		8.4	931	A
6097	BRUCE II <i>NEW!</i>	sweatshirt	●	●	●	●	●	●		5.4	924	A
6170	SANTA CRUZ	sweatshirt	●	●	●	●	●	●		12.4	1808	A
6300	MIAMI	sweatshirt	●	●	●	●	●	●		13.2	1921	A
1444	Whale	sweatshirt	●	●	●	●	●	●		8.5	1165	B
3006	CANDICE	sweatpant	●	●	●	●	●	●		6.4	922	A++
3007	CONNOR	sweatpant	●	●	●	●	●	●		5.6	1051	A++
3041	HARLEM	sweatpant	●	●	●	●	●	●		8.5	1110	A+
3002	VICO	sweatpant	●	●	●	●	●	●		9.4	1368	A
3097	PERRY II <i>NEW!</i>	sweatpant	●	●	●	●	●	●		6.9	1995	A
3327	DENVER	sweatpant	●	●	●	●	●	●		8.1	896	A
3500	BRYAN	sweatpant	●	●	●	●	●	●		7.2	994	A
8208	DAYTONA	sweatpant	●	●	●	●	●	●		6.0	663	A
6024	Whale	polarfleece	●	●	●	●	●	●		7.0	106	B
6026	HELSINKI	polarfleece	●	●	●	●	●	●		5.0	76	B
6030	MONTREAL	polarfleece	●	●	●	●	●	●		7.0	105	B
6060	MONTREAL II <i>NEW!</i>	polarfleece	●	●	●	●	●	●		6.7	101	B
6066	HELSINKI II <i>NEW!</i>	polarfleece	●	●	●	●	●	●		5.1	77	B
6080	CORTINA	polarfleece	●	●	●	●	●	●		8.3	125	B
6106	ZINAL <i>NEW!</i>	polarfleece	●	●	●	●	●	●		8.2	122	B
6144	Whale	polarfleece	●	●	●	●	●	●		10.5	158	B
6180	VANCOUVER	polarfleece	●	●	●	●	●	●		11.0	165	B
6210	VESUVE	polarfleece	●	●	●	●	●	●		5.8	88	B
7058	ANDERMATT	softshell	●	●	●	●	●	●	61	9.8	100	A
7068	AVORIAZ	softshell	●	●	●	●	●	●	60	9.3	94	A
7238	WEISSHORN	softshell	●	●	●	●	●	●	68	10.5	107	A
7338	COMBIN	softshell	●	●	●	●	●	●	74	11.3	114	A
7227	TELLIERS	hardshell	●	●	●	●	●	●		11.2	169	B
7639	BROMO	hardshell	●	●	●	●	●	●		13.3	200	B
644	CHURCHILL	cap	●	●	●	●	●	●		2.1	416	A
662	KENNEDY	cap	●	●	●	●	●	●		1.6	311	A

Switcher index: A - B - C - D - E	
5-6 points	A++
4 points	A+
3 points	A
2 points	B
1 point	C

Switcher index: A - B - C - D - E	
Traceable	2 points
Organic cotton	1 point
Fairtrade Max Havelaar Cotton Program	1 point
Recycled PET	1 point
GOTS certified supply chain	1 point

1.9 – HUMAN RESOURCES

The clothing industry is based primarily on labour-intensive production. Switcher undertakes to ensure a constant improvement in the living and working conditions of the production-chain workers producing all the products marketed as well as of the employees of the administrative office located in Le Mont-sur-Lausanne.

STAFF DATA

All employee data only applies to Switcher SA.

Social and family benefits

- › Women benefit from a 16 week maternity leave
- › Paternity leave of one week
- › Monthly payment of CHF 160.- as a contribution to private health insurance.
- › One extra week holiday for employees celebrating jubilees
- › Five weeks holidays
- › Significant discounts at a local fitness center
- › Accident insurance in private division
- › Switcher covers 60% of the professional provisions premium for employees

FORMATION

Four employees took part in a training program in 2014, representing about 350 hours in total.

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

1
APPRENTICE

Total Workforce by employment contract

EMPLOYEES	TYPE OF CONTRACT	FULL-TIME EQUIVALENT
53	Open-ended contracts	49.7
1	Apprentice	1.0
54		50.7

Employee turnover (Dismissals, Voluntary Redundancy, Retirement or Death).

- › 24 people left the company in 2014.
- › 16 personnes l'ont rejointe.

38.3
YEARS
average age
of the staff

ACCIDENTS, SICK LEAVE AND ABSENTEEISM

- › Accidents at work: **0 cas**
- › Minor accident: **0**
- › Illness < 3 days: **0.68 %**
- › Illness > 3 days: **3.92 %**
- › Maternity : **0**
- › Occupational illness : **0**
- › Number of death: **1**
- › Number of outside contributors to on-site safety : **0**
- › Absenteeism average rate : **4.6%**
- › Lost days: **593** work days
- › Accident: **0.58%**

Local hiring procedure

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

5.1
YEARS
average seniority

EMPLOYEES BY NATIONALITY

Switzerland	39	Brazil	1
Portugal	1	India	1
France	3	Macedonia	1
Italy	3	Ecuador	1
Belgium	1	Poland	1
Spain	2	Total	54



Employees by Category, Gender and age

CATEGORY	TOTAL	<30 YEARS	31-50 YEARS	>50 YEARS	WOMEN	MEN
Apprentice	1	1			1	
Administrative	16	4	7	5	11	5
Chairman	1		1			1
Commercial staff	6		6		1	5
Logistics	2		2		1	1
Management	14	1	11	2	5	9
Salesforce in pos	14	5	7	2	13	1
TOTAL	54	11	33	10	32	22

Lowest gross salary – at company HQ: CHF 4160.- (100% employment)
 Lowest gross salary – in sales outlets belonging to Switcher: CHF 4160.- (100% employment).

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.

ISMAT 2014-2015

On the occasion of a conference I presided on performance and well-being, organized by the Vaudoise, I met the Switcher CEO Alban Dupuis and an instant connection was made. Ismat was mandated to develop leadership at Switcher to reinforce managerial cohesion and to address the many changes expected in 2014.

An audit of the social climate was carried out, followed by a road map whose objective was the development of collective performances at Switcher. During the course of this project, we also worked on reducing health risks in the workplace, absenteeism and employee turnover in accordance with sustainable business rules so important to Switcher and promoted by the Vaudoise.

Through interactive workshops fostering the sharing of practices and debate, collegiality (the audit carried out at the start of 2014 led us in that direction) was strengthened between the key players of the organization and managerial performance was improved through feedback from lessons learned. A tranquil working environment reigned at the end of 2014 and the team developed the basis for a new skill: developing in a coordinated and speedy manner, through teamwork, new technologies by instantaneously integrating the constraints of each unit manager. A responsive and competitive approach, the envy of many companies!

Vincent Blanc, Ismat consulting SA

Nature du capital		Capitaux privés
DATA PUBLISHED		
		CHF
Chiffre d'affaires net du groupe		
		40'650'561
	Switcher SA	36'803'640
	Switcher Textil Vertriebs GmbH	2'165'322
	Switcher Quality Textiles India PVT LTD	1'681'599
Coûts opérationnels		
	Charges liées au personnel	-8'127'510
	Coûts opérationnels et amortissement	-8'729'495
Financement total	Emprunts	13'200'000
Capitaux propres		21'015'591
Total des actifs		51'161'196
Dépenses RSE (Responsabilité Sociale de l'Entreprise)		386'000
Résultats mis en réserve	Aucune attribution à la réserve (Minimum déjà atteint selon CO 671)	0
Versements aux apporteurs	Aucun dividende n'a été distribué de capitaux d'une quelconque manière	0

Jacket 6097 Bruce II
Available in 4 colors
CHF 39.-



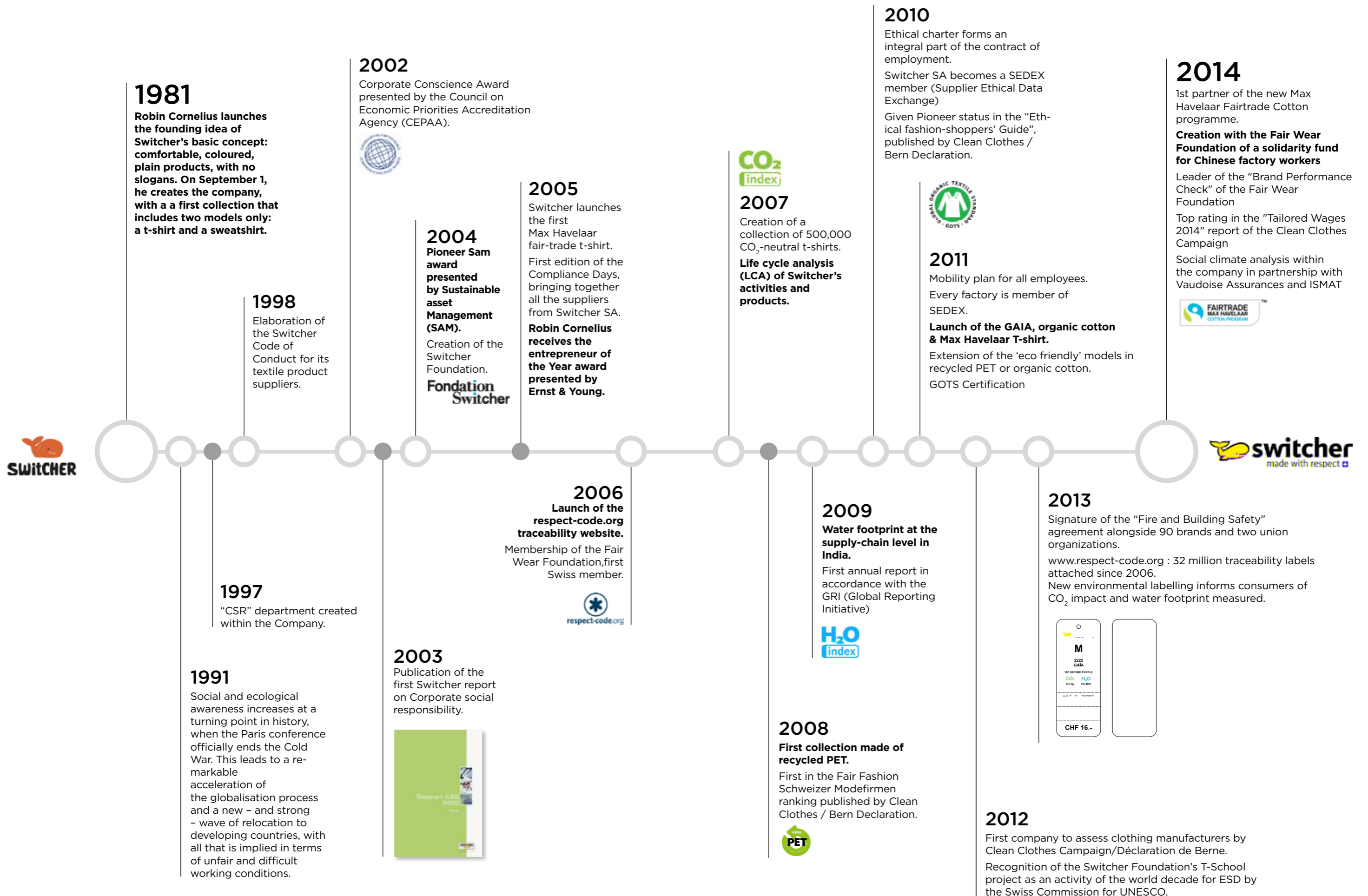
AUDITORS

The Auditors PricewaterhouseCoopers (PwC) audited the accounts for the year ended 31 December 2013.

Profile	3
› Governance	15
Traceability	20
Social issues	25
Environnement	31
Conclusions	35

2.1 – SIGNIFICANT CSR STAGES *

(* Corporate Social Responsibility)



3.2 – TEXTILE SUPPLIERS

6.4

YEARS

average length of business relationships

Switcher enjoys close relationships with its suppliers and favours longterm 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.

NB	MANUFACTURE	COUNTRY	RELATION SINCE	PURCHASED ARTICLES IN 2013	PURCHASE (VALUE)	INDEPENDANT AUDIT IN 2014	OEKOTEX100 & REACH	GOTS	CODE OF CONDUCT SIGNED BY THE SUPPLIER
1	ETFOR	Portugal	2006	555'508	26.7%	yes	•	•	•
2	KAROONI	Bangladesh	2013	649'544	10.9%	yes	•		•
3	FILOBRANCA RO	Romania	2008	96'538	8.8%		•		•
4	GUADALUPE	Portugal	2002	143'781	5.9%	yes	•		•
5	TEXTILIUM	Turkey	2011	93'467	5.3%	yes	•		•
6	BAI SHENG AO	China	2014	27'126	5.3%	yes	•		•
7	WONDERFUL	China	2000	88'561	5.2%	yes	•		•
8	JADIFEX	Portugal	2013	134'712	5.0%	yes	•		•
9	FILOBRANCA PT	Portugal	1981	47'475	4.6%	yes	•		•
10	XIAMEN BASSINGTON	China	2004	33'525	3.1%	yes	•		•
11	TRISKY	China	2004	17'124	3.1%	yes	•		•
12	BECRI	Portugal	2011	76'169	3.0%	yes	•	•	•
13	SENTHIL	India	2012	51'741	2.2%	yes	•		•
14	SURPASS	India	2014	54'870	2.0%		•	•	•
15	ANJOS & LOURENÇO	Portugal	2010	20'972	1.6%	yes	•		•
16	YUAN TAI	Taiwan	2009	34'140	1.3%	yes	•		•
17	CPC	Portugal	2014	15'387	1.3%	yes	•		•
18	POCARGIL	Portugal	2007	23'876	1.0%	yes	•		•
19	WELON	China	2013	32'400	0.9%		•		•
20	AINNURRUVAR	India	2014	7157	0.8%	yes	•	•	•
21	AMARAL	Portugal	2013	11'893	0.7%	yes	•		•
22	GREATWAY	China	2008	55'008	0.6%		•		•
23	MANDHANA	India	2002	4'943	0.3%		•		•
24	SISAL	Bangladesh	2014	9'640	0.2%	yes	•		•
25	DONGGUAN	China	2014	1'000	0.1%		•		•
26	FORBODY	Portugal	2008	297	0.0%	yes	•		•
27	R.LOBO	Portugal	2013	8	0.0%	yes	•		•
TOTAL				2'286'862	100.0%				

In 2014, Switcher carried out a large-scale transfer of sourcing to facilities in India, in Tirupur, directly under the control of PGC (principal shareholder of Switcher).

3.3 – RESPECT-CODE



Transparency is one of the key values of Switcher's philosophy. Each customer should be able to find out where the product he is buying comes from. To this end, Switcher has put in place a traceability tool informing the consumer of every production stage, from raw materials to its distribution in Europe.

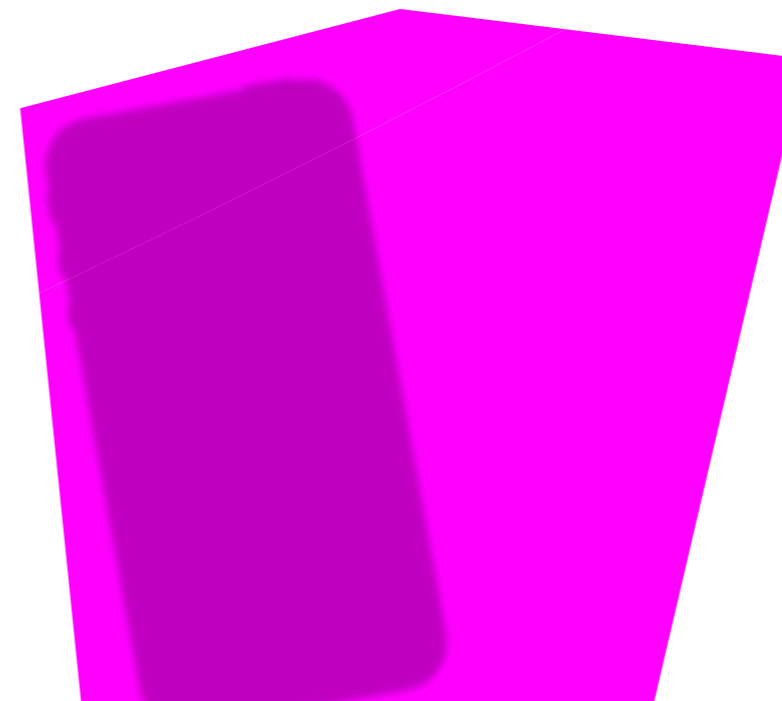
Aims

- › 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 potential buyers and inform them of all of the operations, checks and implementations applied at every stage in the process.



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.



Find all steps of the production of a Switcher product on

www.respect-code.org



www.respect-code.org is the first independent site enabling transparency and information regarding the traceability of consumer goods. Switcher has been using its services since 2006.

www.respect-code.org offers an overview of each stage (source of raw materials, processing factories, transport and distribution). At each stage, independent audits and social and environmental certifications are displayed.



www.respect-code.org considers that a production batch is a homogenous collection of products passing through a defined production line at a given moment.

www.respect-code.org publishes the certificates of factories involved in production lines used by Switcher SA. Below are three examples taken from suppliers' profiles:



Sweat 1015 William
Available in 16 colors
CHF 49.-



SOCIAL ISSUES

Profile	3
Governance	15
Traceability	20
› Social issues	25
Environment	31
Conclusions	35

4.1 – MINIMUM REQUIREMENTS FOR EACH NEW TEXTILE SUPPLIER

(cutting and assembly factories)

- 1 MISSION OF FAIR WEAR FOUNDATION**
The supplier's directors are informed by Switcher of the latter's partnership with Fair Wear Foundation and of its mission: "to improve working conditions in textile manufacture". Internal information communicated to managers and the workforce is an obligation for each supplier and voluntary adhesion to Fair
 - 2 CODE OF CONDUCT** Drawn up by the Fair Wear Foundation, this is based on the 8 main articles of the ILO (International Labour Office) and is signed by each supplier. The code of conduct must be displayed visibly in each factory, written in the local language..
 - 3 SOCIAL AUDIT** Each supplier organizes an annual social audit carried out by a specialized, independent and recognized auditing company.
 - 4 SELF-DECLARATION OF SALARIES** In conformity with the Conduct Code, the supplier must be able to prove at any time that all salaries paid to workers are above the "living wage" established by the salary scales published by Fair Wear Foundation. The supplier accepts that the annual salary statistics communicated to Switcher (minimum, median and maximum salaries depending on the specialisation concerned) are verified during independent audits.
 - 5 SUB-CONTRACTING** The supplier must obtain prior permission from Switcher before the use of services of a sub-contractor is implemented. If approval is obtained from Switcher, the supplier will have to ensure that the sub-contractor conforms to the minimal requirements.
 - 6 TRACEABILITY** For each model the supplier undertakes to identify and communicate each step of the production chain (fibres, spinning, knitting-weaving, dyeing).
 - 7 OEKO-TEX® STANDARD 100.** A valid certificate is required of each supplier; this certificate is to be renewed annually.
 - 8 REACH** (Registration, Evaluation, Authorization and Restriction of Chemicals). This European standard is obligatory for each article delivered. The signed self-declaration is to be renewed annually.chaque année.
 - 9 SEDEX** Each supplier must become a member of SEDEX (Supplier Ethical Data Exchange), a non-profit organisation dedicated to the management of social improvements in each factory.
 - 10* ORGANIC COTTON** For its models in organic cotton, Switcher requires independent proof from the supplier confirming the source of the organic cotton used.
 - 11* GOTS** (Global Organic Textile Standard) For models corresponding to the GOTS standard, each stage of the production chain must present a valid GOTS certificate.
 - 12* FAIR TRADE COTTON** For models in Fair Trade cotton (Max Havelaar), Switcher requires independent and reliable proof of the Fair Trade cotton used from the supplier.
 - 13* RECYCLED PET** For models containing recycled PET, Switcher requires independent proof of the source of the material used from the supplier.
- * obligation for the supplier, according to product typology

4.2 – SOLIDARITY FUND 1% FOB

TEXTILE: FIRST FUND ALLOCATION TO WORKERS IN A FACTORY IN CHINA

On the 26th of November, Switcher made its first allocation from the solidarity fund to 66 textile factory workers in China. The aim of this fund is to promote a fair living wage in the textile industry.

Switcher is convinced that a strategy fostering access to a fair living wage for workers and suppliers is an inherent part of any brand which claims to be sustainable. With this in mind, in 2013 the company created a pilot project: the Switcher Solidarity Fund 1% FOB.

The fund is based on a simple principle: Switcher contributes to a fund made up of 1% of its own purchases from its supplier (textile factory). Once a year, with the approval of factory management, the collected funds are distributed in full to the workers.

The Clean Clothes Campaign came to the same conclusions in its "Tailored Wages 2014" report.

The first solidarity fund "Switcher 1% FOB" was allocated on the 26th of November to a textile factory in China in the presence of Fabian Heller, Deputy Head of the Economic, Financial and Commercial Section of the Swiss Embassy in China; Zhang Xubiao, from the ILO (International Labour Organization); Gilles Dana, CSR Manager at Switcher SA; and three employees from the Fair Wear Foundation.

Under the control of the Chinese team from the Fair Wear Foundation, Switcher allocated to each of the 66 workers at the Bassington factory in Xiamen almost two weeks of pay.

The employees, workers and managers then attended a training program entitled "Introduction to Workplace Awareness and Dispute Handling" which laid out the eight ILO Core Labor Standards, dispute settlement mechanisms, as well as good and bad practices. Following this training program, each employee was supplied with telephone access and an email address (anonymous and external) to be used for advice or complaint requests.

In 2015, Switcher intends to expand this solidarity fund to other suppliers. With the support of the Fair Wear Foundation, and simple and direct tools, the company will continue to participate in improving employee working conditions in order to offer its customers a socially responsible and traceable product line.

The implementation of this initial project proves that even a small brand can affect wages, which are often too low, for factory workers in manufacturing countries.

For more information:
www.respect-code.org/docs/solidarityFund.pdf



Each employee to withdraw their share from the solidarity fund.



Training for all employees specifying the 8 standards of the code of conduct to take place the same day.

4.3 – SOCIAL PROGRAMS

SOLIDARITY FUND, FAIR WEAR FOUNDATION (FWF) INTERVIEW IN APRIL 2015

In 2013, Switcher, a member of the Fair Wear Foundation, launched a project aiming to implement a living wage in a part of its supply chains. Switcher is a Swiss clothing company which like most brands supplies itself from a number of manufacturers. Depending on the year, Switcher works with between 20 to 30 manufacturing facilities in 6 to 7 countries. Despite its relative small size on a market of globalized brands and distributors, Switcher is widely recognized as a leader for its practical and innovative actions in the field of traceability and social responsibility.

The FWF interviewed Gilles Dana, director of sustainable development, on a recent experience involving a number of unexpected challenges that led him to transfer the implementation of his project in Bangladesh to China. These experiences demonstrate how difficult it is to change existing and standardized practices in garment factories: they also show a solution proposed by an ingenious brand that decided to improve employee working conditions.

The FWF Code of Conduct includes eight labour standards, why did you choose to concentrate on the living wage standard?

We see a lot of audit reports and they all come to the same conclusion: the level of wages needs to be improved. Overtime work needs to be reduced. The message is clear. Improving wages seemed to me to be a realistic goal for the brand. The seven other standards are hard to improve, but with a healthy dose of creativity and drive, it'll be possible to have a real impact and see real improvements.

What were Switcher's objectives when you planned this project?

This aspect, the brand's focus on the supply chains, is very different from traditional philanthropy carried out by a number of brands. We then stopped and asked ourselves the question: should we concentrate our efforts on a free clinic or a similar project? The results of questioning local stakeholders pointed us in a new direction: the level of wages needed to be our top priority.

Full interview: <https://www2fairwear.org/wp-content/uploads/2015/02/FWF-Case-Study-Switcher-April-2015.pdf>

AUDITS

The main steps of an audit are:

- › Announced audit and initial meeting with the factory's management.
- › full tour of the factory.
- › 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.
- › conclusion meeting with the factory's management and handing over of corrective action plans.
- › Suivi permanent par Switcher de la mise en oeuvre des actions correctrices.

5
INDEPENDENT
AUDITS
at the premises
of Switcher suppliers

WORKER TRAINING

In partnership with the Fair Wear Foundation, Switcher undertakes to organize social education workshops in the factories, for workers and managers. These programmes aim to raise social awareness, to prevent violence (the majority of the workers are women), to introduce complaints procedures and to improve channels of communication within the factory.

4.4 – WAGES VERIFICATION

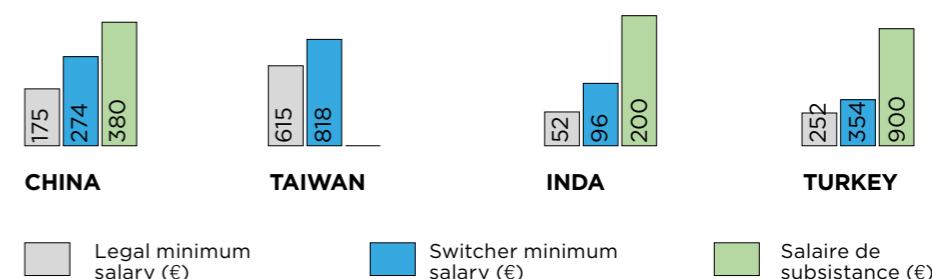
In december 2014, Switcher carried out its first enquiry into the monthly salaries actually paid by each of its 24 suppliers for for standard working hours according to the legislation of each country.

The replies received concern minimum, maximum and median values for each work specialization (cutting, sewing, assistance, ironing, checking, packing). These self-declarations are to be validated by an audit in 2014. Before comparing these effective salaries, not only has their pertinence to be checked but eventual salary-linked contributions : meal tickets, transport costs need to be added. This final information will allow a comparison with the salary scales in each country as established by Fair Wear Foundation at several levels: poverty line, average salary, legal minimum salary, salary recommended by local trades unions, etc..

The following table is a summary of answers received in terms of salary

MONTHLY SALARY OF A SEAM-STRESS	PERCENTAGE OF WOMEN	STANDARD WORKING HOURS PER WEEK	MINIMUM MONTHLY SALARY (€)	MAXIMUM MONTHLY SALARY (€)
India	55%	48	96	200
China	89%	41	274	380
Taiwan	100%	40	818	818
Turkey	33%	45	354	900

The information obtained from this initial enquiry is to be developed during 2015. All salaries paid are above the local regional minimum wage. Subsistence salaries have already been achieved in certain cases and remain an objective in others. To this end, the solidarity fund has already been put into place by Switcher. The outcomes of this first stage will be made available during the second term of 2015.



SWITCHER HAS BEEN A MEMBER OF SEDEX SINCE 2011.

Sedex, the Supplier Ethical Data Exchange, is a not for profit membership organisation dedicated to driving improvements in responsible and ethical business practices in global supply chains.

All Switcher partners must become members of SEDEX.

All audits carried out in factories are stored in the SEDEX database in order to facilitate their access.

4.3 – FONDATION SWITCHER



Our commitment to children and young people, in Switzerland and throughout the world.

Switcher makes a clear distinction between its core-business social responsibility, i.e. working and production conditions in relation to its commercial activities, and the support which it provides to the community in terms of voluntary contributions. Switcher created its own foundation for this purpose in 2004. The Switcher Foundation is active in the areas of childcare, education and training, and designs, implements and finances public utility projects within the scope of its vision of sustainable development.

Education – the Switcher Foundation is convinced that social progress is realized through training and education, not only in developing countries but also in Switzerland.

Internationally – the Foundation is committed to prioritizing the number of underprivileged children in full-time education and to ensuring that they complete the educational programme

Switzerland – it invests in pedagogical projects which aim to train young people in sustainable development and human rights.

Transparency – each euro given by the general public is attributed to a project, with Switcher SA covering the majority of administrative costs. The Foundation is apolitical and non-demoninational and is recognized as being of public interest. It comes under the jurisdiction of the Federal Department for Home Affairs.

AMONG OUR PROJECTS

SWITZERLAND – T-SCHOOL PROJECT

An educational project on the topic of clothes, creating awareness of diverse social and ecological aspects of a textile production line. This project has been recognized by Unesco as an “Activity of the Decade for Education in Sustainable Development” www.t-schoolproject.com

BURKINA FASO – DRAW ME A SCHOOL Promoting pre-school education in rural areas by setting up nursery schools run by the local population. Each year, 150 children benefit from a learning-rich environment while their mothers work in the fields.

INDIA – SWITCHER PREM SCHOOLS For over 15 years, Switcher Prem school provide free education to needy children in the Tirupur area. At present, 500 children attend our schools, studying from pre-school to secondary levels.



Sweat 1500 London
Available in 15 colors
CHF 49.–

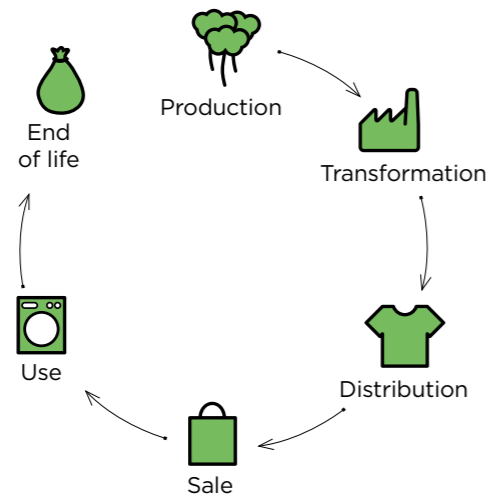


ENVIRONNEMENT

Profile	3
Governance	15
Traceability	20
Social issues	25
› Environnement	31
Conclusions	35

5.1 – IMPACTS AND LIFE CYCLE

LIFE CYCLE ANALYSIS



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).

ENVIRONMENTAL LABELLING



The new Switcher label informs each consumer of CO₂ impacts and the water footprint generated by the model in question. Such environmental labelling is a pioneer action by Switcher. This information cannot yet be compared with other brands; it helps to create consumer awareness and to promote responsible purchasing choices.

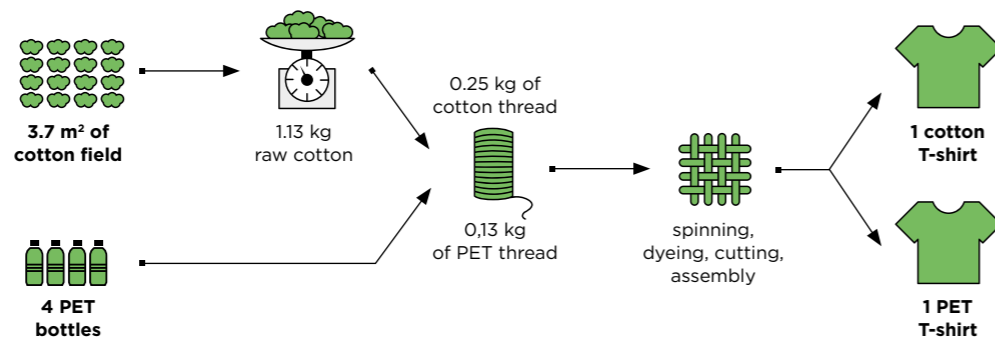
COTTON & PET

41%
OF COTTON
ARTICLES
made of organic
cotton



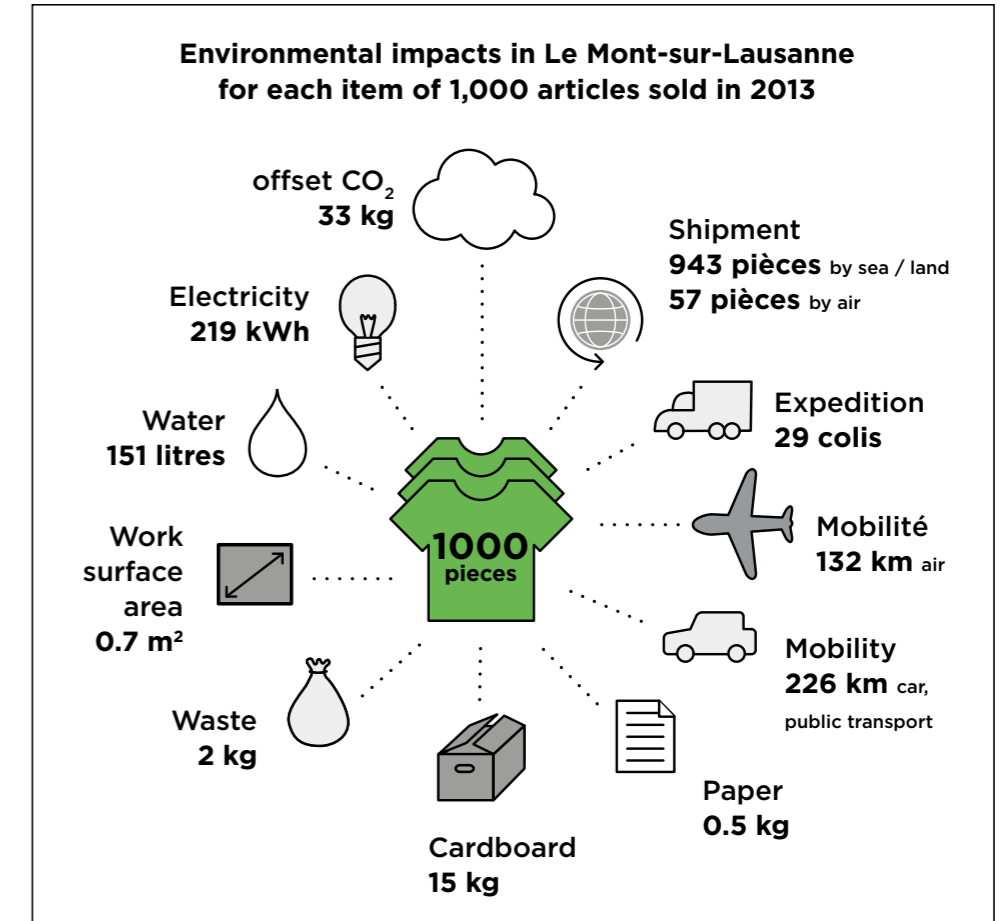
For over 15 years, Switcher has paid daily attention to the impacts of its business in terms of life cycle, CO₂, water, offsetting, reducing, transport and raw materials.

FROM COTTON / PET TO T-SHIRT



5.2 – ENVIRONMENTAL IMPACTS

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.



The photovoltaic solar panels (installed in 2002 on the roof of the Switcher building) by Edison Power, the City of Lausanne and Switcher produced 24'058 KWH in 2014, an equivalent to the annual energy consumption of eight Swiss households.

ARRIVALS	ARTICLES	PARCEL SHIPMENT	COLIS
Sea / land	2'156'505	To Switzerland, by PostLogistics	67'797
Air	130'495	To Switzerland, by Camion Transport SA	8'175
Total	2'287'000	To international destinations, by DHL	7'570
ARRIVAL (PIECES) /1000 articles	943 by sea / land 57 by air	Total	83'542
		PARCEL /1000 articles sold	29

5.3 – MOBILITY

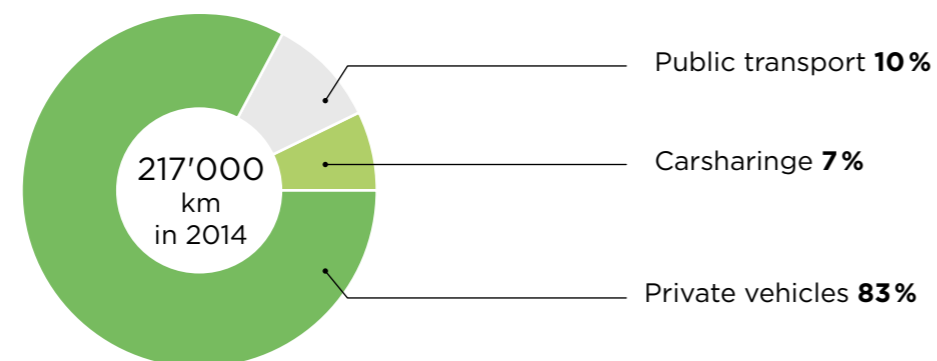
In 2010, Switcher launched a visitors' mobility plan on the Mont site. On arriving at reception, each visitor announces his or her means of transport and starting point; carpooling and travel by public transport are rewarded by a voucher to buy in a Switcher shop. The CO2 impact of private vehicle travel 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 2011, employees have been included in the mobility plan:

- › fee-charging for 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 2014	PRIVATE VEHICLES	CARSHARING	PUBLIC TRANSPORT	FLIGHT	TOTAL
Commuting trips	181'000	15'000	21'000		217'000
Visits to customers	362'000				362'000
Management cars	57'000				57'000
Utility vehicles	8'000				8'000
Business trips by air				376'000	376'000
Total	608'000	15'000	21'000	376'000	1'020'000
Indicator km/1000 articles sold	226 by car & public transport				
	132 by air				

COMMUTING 2014



CONCLUSIONS



Polo 4030 Stacy
Available in 12 colors
CHF 49.-

Profile	3
Governance	15
Traceability	20
Social issues	25
Environement	31
› Conclusions	35

6.1 – EVOLUTION OF INDICATORS 2012-2014

INDICATORS	2012	2013	2014	EVOLUTION 2013-2014
Production steps	6	7	7	
Manufactures	24	24	27	
Audits	10	9	5	
% articles sold with Max Havelaar label	14%	20%	17%	
Apprentices / trainees	4	2	1	
% articles produced in Europe	40%	63%	50%	
% articles sold in organic cotton	28%	31%	41%	
% articles sold in PET recycled	47%	49%	27%	
Sold pieces (million pieces)	3.9	4.2	2.8	
Retail customers	617	721	407	
Corporate customers	1073	913	680	
Employees	74	76	51	

PER 1000 UNITS SOLD	2012	2013	2014	EVOLUTION 2013 > 2014
Compensation CO ₂ (kg)	119	32	33	
Electrical consumption (KWH)	238	226	219	
Water (L)	127	123	151	
Work surface area (m ²)	2.4	1.8	0.7	
Parcels arrival by air	68	60	57	
Parcels shipped	28	26	29	
Mobility cars & Public transportation (km)	207	215	226	
Business trips by air (km)	99	36	132	
Paper consumption (kg)	1	0.6	0.5	
Cardboard consumption (kg)	14	13	15	

IN PROGRESS

STABILITY

DETERIORATION

6.2 – 2014 COMMITMENTS

EMPLOYEES

- › Management training in the analysis of social climate (project ISMAT - La Vaudoise)
- › Work procedures, written, indexed and applied

ENVIRONNEMENT

- › Proportion of bio cotton > 33%

SOCIAL

- › Purchasing within Europe > 60%
- › 1st

6.3 – 2015 COMMITMENTS

6.4 – INDEX GRI

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. 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 scope of this report, the company chose the spheres in which our influence is the greatest and so report about our own operations.

INDEX GRI	1. STRATEGY AND ANALYSIS	PAGE(S)
1.1	STATEMENT FROM THE CEO	4

INDEX GRI	2. ORGANIZATIONAL PROFILE	PAGE(S)
2.1	Name of the organisation	6
2.2	Primary brands, products and services	8
2.3	Structure of the organisation	6, 7
2.4	Commercial headquarters	7, 39
2.5	Countries where the organisation operates	8
2.6	Nature of ownership and legal form	6
2.7	Markets served	8, 9
2.8	Scale of the reporting organisation	8, 9, 21
2.9	Significant changes regarding structure	6
2.10	Awards received in the reporting period No prize received during 2014	

INDEX GRI	3. REPORT PARAMETERS	PAGE(S)
3.1	Reporting period	39
3.2	Date of most recent previous report	39
3.3	Reporting cycle	39
3.4	Contact point for questions regarding the report	39
3.5	Process for defining report content	2
3.6	Boundary of the report	39
3.7	Specific limitations on the boundary of the report	7
3.8	Basis for reporting	6, 7
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report	6
3.12	GRI index	38

INDEX GRI	4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT	PAGE(S)
4.1	Governance structure of the organisation, including committees	7, 15-19
4.2	Board of Administrators: executive duties of the President	6
4.3	Board of Administrators: number of independent and/or non-executive members	6
4.4	Mechanisms for shareholders and employees to provide recommendations	13
4.12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or endorses	5, 18-19, 23-30
4.13	Memberships in associations, industry associations and/or national/international advocacy organisations	18-19
4.14	List of stakeholder groups	6-8
4.15	Basis for identification and selection of stakeholders	6-8
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	13, 26-29

INDEX GRI	ECONOMIC INDICATORS	PAGE(S)
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	14
EC5	Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation	11-13
EC7	Procedures for local hiring and proportion of senior management hired from the local community	13

INDEX GRI	ENVIRONMENTAL INDICATORS	PAGE(S)
EN2	Percentage of materials used that are recycled input materials, in weight or volume	31-34
EN3	Direct energy consumption by primary energy source	32-33
EN4	Indirect energy consumption by primary source	32-33
EN5	Energy saved due to efficiency improvements	31-34
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	31-34
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	31-34
EN8	Total water withdrawal by source	10, 37
EN 16	Total direct and indirect greenhouse gas emissions by weight	10, 31-34
EN 18	Initiatives to reduce greenhouse gas emissions and reductions achieved	10, 31-34
EN22	Total weight of waste by type and disposal method	32-33
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce	34

INDEX GRI	SOCIAL INDICATORS	PAGE(S)
LA1	Total workforce by employment type, employment contract and region	11
LA2	Total number and rate of employee turnover by age group, gender and region	12
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region	11
LA10	Average hours of training per year per employee by employee category	11
LA12	Percentage of employees receiving regular performance and career development reviews	11
LA13	Composition of governance bodies and break-down of employees per category according to gender, age group, minority group membership and other indicators of diversity	13

REPORT SCOPE

This report aims at providing a fair and balanced view of Switcher performances during the calendar year 2014 in the area of sustainable development, and endeavors to meet the main expectations of our stakeholders (shareholders, customers, employees, suppliers, etc.). 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.

REPORT PARAMETERS

This report covers the period from January 1 to December 31 2014. It is established on an annual basis and is available in PDF format in three languages on www.switcher.com.

PROJECT, TEXT AND DRAFTING

Gilles Dana — gilles.dana@switcher.com
Caroline Bonafiglia — caroline.bonafiglia@switcher.com

PUBLISHER

Switcher SA, Petit-Flon 28,
CH-1052 Le Mont-sur-Lausanne
© Switcher SA

TRANSLATIONS AND CORRECTIONS

Apostroph Group, Lausanne

GRAPHIC DESIGN

Yanis Carnal — y-c@y-c.ch

OTHER LANGUAGES AVAILABLE IN PDF

Bericht 2014 (allemand)

Report 2014 (anglais)

Pocket versions available

French, German, English

PREVIOUS REPORT

Rapport CSR 2013

SWITCHER SA GENERAL INFORMATION

FLO-id: 4158

GOTS: certified by IMO-CH, lic. no. 100591

SEDEX: AB member S000000035480

IDE: CHE-105-874.018-TVA



 **switcher**
made with respect 