

PAPTEX[®]

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SOCIAL REPORT 2021

JANUARY TO DECEMBER 2021

FAIR WEAR MEMBERSHIP SINCE 2016

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PAPTEX TEXTILHANDELS G_{MBH}

PAPTEX Textilhandels GmbH is a wholesaling home textile company established in 1990.

Our main products include bedlinen, tablecloths, blankets, curtains, home decoration and accessories. Our main customers are leading furniture stores, retail and wholesale customers in Austria, Switzerland and Germany. With offices in Dornbirn and Corinthia, Austria.

We are committed to a more sustainable business approach. Worldwide division of labour in the field of textiles has become indispensable today, but the relationship must become fairer so that everyone can benefit from it.

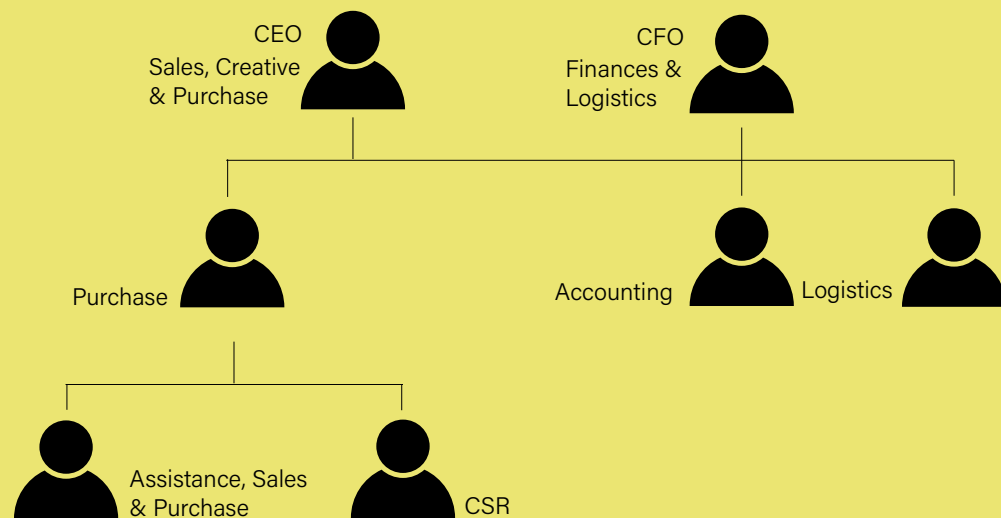
Paptex and its brands represent urban and modern design statements. Our collections include stylish living accessories with a transparent production line. We want the customer to know where the product comes from, how it is made and why it is made that way. The human component is present in every of our products: it passes through numerous hands and tells its own story. We design our home textiles- bedding, terrycloth and drapes.

As members of many organisations and foundations, we take responsibility and accountability to ensure changes in social standards, organic cultivation of raw materials as well as in the environment. We want to make sure our natural resources are economically produced while taking increasing focus on environmental and social standards for further processing.

"2021 was even more challenging than the very challenging 2020, but together with our team and our partners we handled it in a very successful way, we'd like to thank everyone"
- Stefan Grabher, CEO



ORGANISATIONAL STRUCTURE



OUR BRANDS

We live in a hectic, at times exhausting and fast-paced world. Stress at work is the norm and even outside of this we are subject to numerous factors beyond our control. That is why a comfortable, restorative haven—our home—is so important nowadays.



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OUR STORES

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THE FIVE PRINCIPLES OF SUSTAINABLE PRODUCTION

PAPTEX is committed to a more sustainable textile industry with our company's values, but we also seek official accountability. By having a more holistic approach towards sustainability we are able to provide to our customers high-quality products that are some of the more sustainable in the international market.

As a wholesaler, and in addition to our two shops, we also bring environmental and social awareness to the international market. We supply our products for well-known furniture houses but also with ideas and new methods for a more sustainable economy.

GOTS

The Global Organic Textile Standard, or GOTS, is the leading standard for textile processing of ecologically produced natural fibres. It defines environmental technology standards throughout the complete production chain on a high level while examining social criteria. Quality control is secured by an independent certification.

KLIMANEUTRALITÄTSBÜNDNIS2025

Our support for the Klimaneutralitätsbündnis (Climate Neutrality Alliance) represents a further pillar of our brand. Together with many other companies, we have set ourselves the goal by 2025 of fully compensating for our own CO2 emissions (e.g. those generated by transport), thus helping to counteract the greenhouse effect. We are therefore planning to establish a solar power plant on the roofing of our weaving/dyeing mill with the aim of producing "zero-pollution organic textiles".

FAIR WEAR

The Fair Wear Foundation stands for the improvement of working conditions in the clothing and textile industry. The foundation reviews whether the member companies implement the principles of FWF in their production lines. It was founded in 1999 and has seen a steady increase in member companies ever since. Together with other members, we work on creating awareness for fairness in the production and shipment process. This awareness includes, among other things, limitation of working hours, free choice of work place, no discrimination, safe and healthy working conditions and pay to secure one's livelihood. We stand behind this organisation 100 % and work towards fairness becoming the norm in our industry rather than the exception.

CRADLE TO CRADLE CERTIFIED

Our Cradle to Cradle certified products are made from organic cotton and have been awarded the Cradle to Cradle GOLD certification. From the organic cotton material to the sewing thread, and from the weave and product label to the colour pigmentation - everything is completely biodegradable and can be returned to the biological cycle without trace. In the centre of the evaluation are: Material Health, Material Reutilization, Renewable Energy, Water Stewardship, Social Fairness.

Cradle to Cradle Certified is a registered trademark of the Cradle to Cradle Product Innovations Institute.

VEGAN

The V-Label is under the umbrella of The European Vegetarian Union (EVU). It is a standardised voluntary European certification scheme with the aim of easy identification of vegetarian and vegan products and services. Through the V-Label, companies promote transparency and clarity.

GOTS Global Organic Textile Standard

We are taking steps to becoming exclusively organic.

Since 2010 we have been working with the strictest standard in the industry.

Most of our products and our customer's products are GOTS certified, and the number is increasing rapidly.

Our organic cotton comes from Pamukkale, Turkey.

Klimaneutralitätsbündnis2025

We aim to have a minimum environmental footprint starting at our workshops and throughout the logistics chain.

To make our company carbon neutral by 2025 100% compensation payments

Fair Wear Foundation

The human component is imperative to our working values; we are constantly working on implementing and improving social standards.

We were the first home textiles only member brand

92,42% of our production under monitoring

All of our main suppliers are audited on a regular basis and PAPTEX is audited every year

Cradle to Cradle Certified

Safe for biological cycles for all materials, chemicals, dyes and trims including process chemicals in production.

2019 Cradle to Cradle Certified GOLD bedlinen and terry towels manufactured in Turkey.

In 2020 we were a finalist to the German Sustainability Award for our Cradle-to-Cradle bedlinen.

V-Label

Our CRADLE TO CRADLE CERTIFIED GOLD products are - in contrast to many other textiles - vegan.

This is due to the fact that textiles in general are rarely completely free of materials of animal origin. Since such processing aids do not have to be declared, the impression is given that textiles are vegan.

With our Cradle to Cradle products, we do not use any materials of animal origin and have thus been awarded the international V-Label.



THE FAIR WEAR FOUNDATION

The Fair Wear Foundation is an NGO that aims to improve working conditions in the textile industry. The members must commit themselves to work on implementing and improving eight social standards in the most labour intense parts of their supply chain (cutting, sewing, packing).

The Code of Labour Practices consists of eight labour standards derived from ILO Conventions and the UN's Declaration on Human Rights.

This Social Report contains PAPTEX's effort on implementing and improving these eight social standards at our partner's factories.

THE FAIR WEAR APPROACH

1. Brand Performance Check (BPC)

Every year, Fair Wear reviews our efforts by measuring how we assessed, identified, and resolved issues with our suppliers. The BPC is a tool to check e.g. if our production planning doesn't lead to excessive overtime, if workers are paid fair wages, if health coverage is provided, among others. It assesses our performance, effort, and responsibility as a brand. The results are published on the Fair Wear website as well as on our own.

2. Factory Audits

Fair Wear performs factory audits to find out how well our suppliers comply with the Fair Wear Code of Labour Practices (CoLP). Our suppliers are audited every 3 years on-site. Fair Wear goes through documentation, factory conditions and environment, etc. At the end of an audit, we the brand receive a Corrective Action Plan (CAP), where we can together with our supplier work on findings that need improvement or resolution.

3. Complaint helplines

Fair Wear has a complaint helpline where workers can call when they feel their rights are being violated.

4. Factory training sessions

The Fair Wear Workplace Education Program (WEP) trains workers and management on the Fair Wear Code of Labour Practices (CoLP).



1 Employment is freely chosen



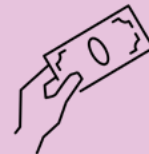
2 Freedom of association and the right to collective bargaining



3 No discrimination in employment



4 No exploitation of child labour



5 Payment of a living wage



6 Reasonable hours of work



7 Safe and healthy working conditions



8 A legally binding employment relationship



SOCIAL REPORT
2021

GOALS AND ACHIEVEMENTS

Even though we were prepared for 2021 to be a challenging year, we were still caught of guard by the many changes and issues it would bring. From the beginning of the year we've been experiencing the COVID-19 aftermath, together with its continuation as a pandemic.

Unfortunately, the respect of human rights in the textile industry has suffered greatly in most parts of the world, especially in high-risk countries where the political and economical situation had already been unstable. While many businesses have since struggled to survive, the social part has been left behind. COVID-19 and its ramifications have taught us how important face to face communication is, from here, we can only go forward giving humans the priority that it deserves.



We have **94.67%** of our production under monitoring, however, we are aiming for a totally transparent production process.

Our main suppliers remain our most important relationships, but their capacity or ability is sometimes limited and requires for subcontractors. In 2021 we reduced our tail end from **6.8% to 5.32%.**

Paptex received a score of **69%** on the Fair Wear's annual Brand Performance Check to Paptex in 2021, maintaining its **"GOOD"** category.

In order to convey our disapproval and unwillingness to do business with any supplier involved in forced labour, Paptex has disclosed a forced labour statement on its website and the statement is to be signed by all suppliers.

Together with our main supplier in Turkey and Fair Wear, we developed a policy to address issues with refugees working illegally in the country. Any foreign national (including refugees) can now work legally, be provided with a contract and enjoy all Turkish benefits at our supplier's.

In 2021 we started developing a Human Right Due Dilligence Policy to increase our monitoring capabilities and change our approach to social compliance to a more risk-based approach.

Paptex improved its supplier evaluation; a system to monitor daily business and our supplier's progress and challenges towards social compliance. In 2021 we added a COVID-19 addendum to get a better understanding of what's happening at factory level and how our supplier's are dealing with the pandemic. We also developed a subcontractor evaluation to oversee and make sure that they too comply with the established requirements.



Our supplier's biggest concerns were to have cancelled orders and lose business, that's why we focused on keeping steady orders for all suppliers, giving them the time and security to plan ahead and be confident about our commitment.

BIODEGRADABLE BED LINEN

During 2021, we participated in a project with a student of the University of Innsbruck. Student Livia examined our biodegradable bed linen as part of her master's thesis and has found that our bed linen was completely decomposed after only 35 days.

With these results, we now have proof that functional, stylish and biodegradable home textiles without a negative impact on the environment aren't dreams of the future anymore and that a circular economy is not only possible, but also profitable.

Sooner or later, larger corporations will no longer be able to close their eyes to this reality.

And as far as consumers are concerned: Inform yourself, ask, remain annoying, demand holistic sustainable & recyclable concepts from your favorite brands and keep up the pressure! Only in this way can we bring about real change together.



NO TO BLACK FRIDAY CAMPAIGN

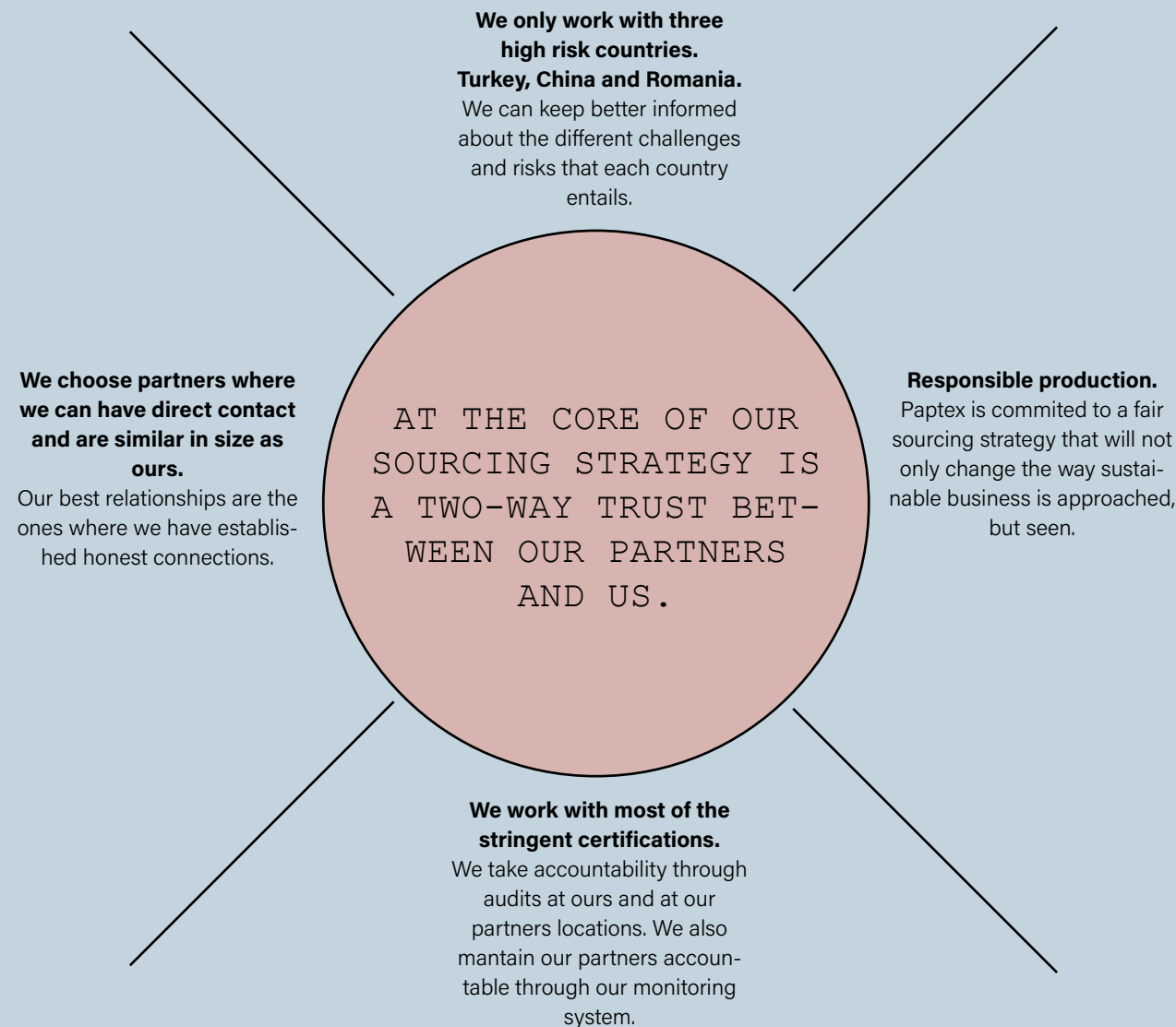
Black Friday has become a world-wide tradition. Not only does it exacerbate excessive consumerism, but is also plagued with many environmental and many ethical issues.

Since 2020 we deliberately decided against promotions and discounts for #blackfriday, as we rely on durable, sustainable and fairly produced home textiles at fair prices. Transparency is the top priority for us, which is why we are regularly audited by the Fair Wear Foundation.

Paptex Textilhandels GmbH has been nominated for the ÖGUT Environmental Award. The ÖGUT Environmental Award is Austria's oldest and most prestigious award in the environmental and sustainability fields.



SOURCING STRATEGY



Our strategy is to find and achieve holistic, cross-thematic solutions and changes. Real, sustainable change takes time and we are trying to positively change what we can with our partners and within.

SOURCING LOCATIONS



TURKEY 5



CHINA 3



ROMANIA 1



AUSTRIA 3



GERMANY 1

Our production accounts for about 80% NOOS (never out of stock) articles. NOOS items are mostly timeless classics. They stay more permanently in the production process, giving the suppliers time to plan ahead.

At our main supplier in Turkey we work on a yearly basis and we source primarily basic articles. Together with our partner we develop an annual plan, allowing them to plan ahead. We pre-purchase large quantities of raw materials and they can use it as needed. Over the past few years, we have greatly increased our stock levels, minimising bottlenecks and "last-minute orders". Additionally, we save costs and waste by simplifying packaging.

In China we have two collections - spring and autumn. Usually, new products are developed together and exclusively for a customer.

Normally, our CEO and our customer visit our Chinese suppliers to develop samples and new collections. The client confirms the collection and we receive the final production planning and estimated delivery date. This process varies between at least half a year to a year.

RESPONSIBLE PRICING

The prices for material, packaging and accessories are set by the supplier and we normally accept the given price. However, if a customer wants to negotiate, the negotiations are based on raw material, stock, and process optimization, never on wages or at the worker's expense. We try to reduce the product prices by using cheaper materials or applications, by stocking larger quantities and saving on packaging and presentation. If we still cannot reach the targeted price, either our customer accepts the set price, or we do not offer the product. We do not succumb to price pressure.

Due to higher interest in China and Turkey, we support our suppliers by pre-financing raw materials. This helps to organise and finance their business. Furthermore, when facing rate fluctuations, we can keep our set prices to avoid putting our suppliers under pressure.

We also pre-pay our invoices to help our Chinese partners finance the bonus payments for their workers before Chinese New Year.

FACTORY RELATIONS

We are proud to have been working with the same main partners on building solid relationships for more than 10 years. Together, they account for 90.12% of our total production volume.

2021 was also a year of many COVID-19 measures and restrictions, which meant another year of not visiting many of our suppliers, especially in China. Even though some locations where hard to follow, we still managed to receive some important documents and information about their current affairs, but the lack of face-to-face communication has taken a toll.

We have been in long-term relationships with small companies; family companies where not everything's perfect, but these companies also have long-term employees, which gives us assurance that they're doing many things right.

Learning from each of our partners is a daily task. Not only about their factory condtions, but how open and willingly they address change and improvements.

NEW SUPPLIERS 2021

One of our Austrian suppliers couldn't continue to work under COVID-19. Hence, we are now working with another company which is, like our previous partner, a social organisation with disabled people as employees.

Because of issues with overtime and incapacity, our main supplier in Turkey got two subcontractors during 2021 to alleviate some of the presure:

1. Subcontractor T4 is producing knitted blankets. They have a total of 204 employees; 58 men and 146 women. They are audited regularly by BSCI Amfori.
2. Subcontractor T5 is a stitcher company. With a total of 130 workers; 108 women and 22 men. They have both BSCI Amfori and ILO Walt Disney audits on a regular basis.

INACTIVE SUPPLIERS 2021

1. Austria 4. This supplier is a social organisation in Austria that hires people with disabilities. Unfortunately, because of COVID-19 they halted operations.
2. Austria 5. We could not place any orders at this Austrian supplier during 2021 since the collection we produced there stopped. But we contacted them with other customers.

QUIT SUPPLIERS 2021

1. Subcontractor C4. We terminated doing textiles with one of our subcontractors in China; we had been diminishing orders since a couple of years back due to the lack of cooperation with social compliance. After several attempts to mend the relationship, we didn't place any new orders during 2021, the turnover for this year represents leftover materials from the previous year.

Country	Production Location	FOB % 2021	FOB % 2020	Leverage
Turkey				
Subcontractors Turkey	Turkey 1	71.57%	56.81%	96.6%
	Subcontractor T1	2.56%	3.57%	0.30%
	Subcontractor T2	1.06%	1.83%	3.48%
	Subcontractor T3	0.24%	0.7%	0.20%
	Subcontractor T4	0.11%	X	0.03%
	Subcontractor T5	0.55%	X	4.66%
China				
Subcontractors China	China 1	18.55%	17%	31.30%
	Subcontractor C1	0.84%	0.75%	1.30%
	Subcontractor C2	0.63%	0.37%	0.84%
	Subcontractor C3	0.17%	2%	2.70%
Europe				
Germany	Romania 1	2.57%	0.3%	1.50%
	Germany 1	0.37%	0.34%	0.58%
Austria	Austria 1	0.15%	X	2.00%
	Austria 2	0.59%	0.3%	100%
	Austria 3	0.03%	0.07%	0.29%

We are looking to maintain our already established relationships to optimize and strengthen processes and alliances.

MONITORING AND REMEDIATION

Our monitoring system is constantly evolving. In 2021, we began to change our Country Risk Assessment tool, going from a simple „newsletter format“ to a more comprehensive tool based on risk analysis by country and by supplier. We are sourcing information about each country, but also specific to each region. Through our supplier evaluation, audits and visits we evaluate each supplier directly and evaluate the latent risks for each one.

Paptex adjusted its supplier evaluation; a system to monitor daily business and our supplier's progress and challenges towards social compliance. In 2021 we added a COVID-19 addendum to get a better understanding of what's happening at factory level and how our supplier's are dealing with the pandemic.

We re-designed our evaluation and added mandatory requirements like paying at least minimum wage and illegal workers or refugees and child labour as an urgent matter that requires immediate remmedation or it can cause the immediate termination of our contract to them.

The rest of the criteria is based on the general status of the production location regarding Social Compliance and CAP resolution.

We also developed a subcontractor evaluation for our Turkish subcontractors to oversee and make sure that they too comply with the established requirements. We expect to collect important information that we can use to react on time to any situation that may arise.

Each supplier will get their evaluation and their specific results with comments. Our supplier evaluation helps us not only to evaluate our suppliers, but also to make more conscious decisions on our partnerships and sourcing strategy.

Alike the year before, in 2021 we also experienced communication issues and were unable to collect all necessary information; we still did the evaluation and added this lack of communication as an improvement requirement.

Generally, we learned that our suppliers are going through many issues other than just regarding Social Compliance. The political and economical situations in the world are bringing huge risks to our businesses. However, we try to work on what we can; trying to give our suppliers the chance to take control over their productions but still demanding at least the minimal requirements.

	Production Location	Questionnaire	Worker Information Sheet	Minimum wage policy	No use of unknown contractor policy
Turkey					
Subcontractors Turkey	Turkey 1	✓	✓	✓	✓
	Subcontractor T1	✓	✓	✓	✓
	Subcontractor T2	✓	✓	✓	✓
	Subcontractor T3	✓	✓	✓	✓
	Subcontractor T4	✓	✓	✓	✓
	Subcontractor T5	✓	✓	✓	✓
China					
Subcontractors China	China 1	✓	✓	✓	✓
	Subcontractor C1	✓	✓	✓	✓
	Subcontractor C2	✓	✓	✓	✓
	Subcontractor C3	✓	✓	✓	✓
Europe					
Germany	Romania 1	✓	✓	✓	✓
	Germany 1	✓		N/A	N/A
Austria	Austria 1	✓	✓	N/A	N/A
	Austria 2	✓	✓	N/A	N/A
	Austria 3	✓	✓	N/A	N/A

PRODUCTION LOCATIONS 1

FACTORIES TURKEY

Turkey 1

Still struggling with COVID-19 and its repercussions, this location has shown a profound commitment to most Social Compliance requests. In March of 2021, they sent us salary slips and their decision to separate the employees into groups to protect them from the virus. They also informed us that there was overtime, consequence of the pandemic.

Together with our main supplier in Turkey and Fair Wear, we developed a policy to address issues with refugees working illegally in the country. Any foreign national (including refugees) can now work legally, be provided with a contract and enjoy all Turkish benefits at our supplier's.

Then, in April, there was a governmental inspection which resulted in some recommendations, but no serious findings were observed.

We had our two evaluations for suppliers made throughout the year; one for daily business, the other for social compliance. The first semester of the year, this supplier showed lower scores for Correction Action Plan (CAP) related variables, but the scores increased in the second part of the year, when the financial situation stabilised some.

We had the chance to visit this location in May 2021 and observed the COVID-19 measures in place; they measured everyone's temperature in the morning, all employees were wearing masks, there was social distancing (were possible) and disinfectant spray.

Living wages

We also continued discussions about wages, our goal was to reach a target wage by the end of the year. Unfortunately, there were many factors hindering wage increases: there was a 20% legal increase of the minimum wage in Turkey, there was a collapse of the Turkish Lira, organic cotton prices doubled, increase on energy prices and raw materials. Our main goal changed to keeping orders stable, so the business wouldn't collapse. However, we will continue with a reaching a target wage discussions throughout 2022.

Fair Wear developed the Fair Price Application, a web-based application for Labour Minute and Product Costing Calculations to support factory managements in costing for wage increases. This supplier participated in a Fair Price App training in December 2021.

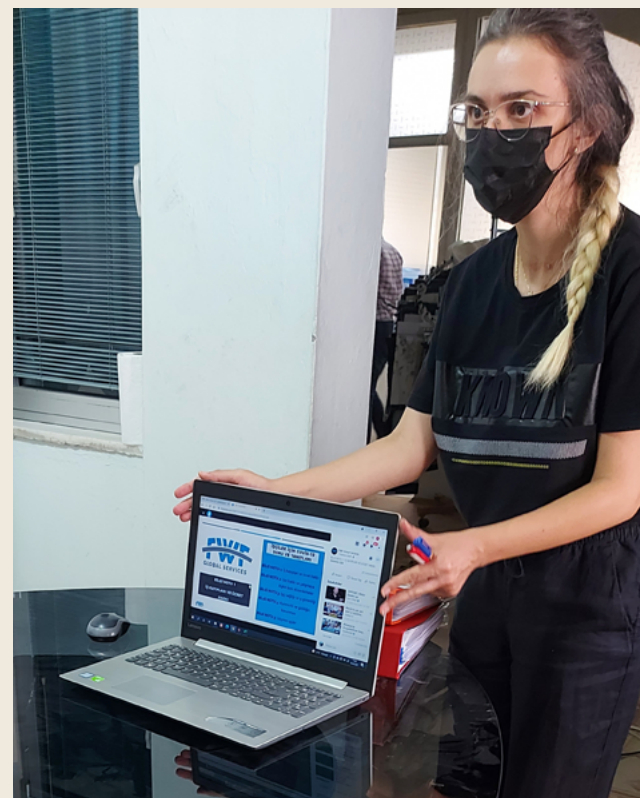
This supplier also showed the Fair Wear's Working Right Videos to employees (Picture 1); the employees reinforce their knowledge about the Code of Labour Practices and pertinent and current local government regulations.

Furthermore, there was a verification audit made by Fair Wear in December 2021 and they already closed some CAPs (Correction Action Plan).

SUBCONTRACTORS TURKEY

In 2021, our main supplier in Turkey started working with 2 new subcontractors which we visited in 2020 and 2021 respectively; one is a stitcher company with Disney and BSCI audits and the other one is making knitted blankets and is also audited by BSCI regularly. Our monitoring activities for subcontractors increased during 2021. Not only do we request that they sign the Fair Wear questionnaire and post the worker information sheets visible to all employees in the local language, but also the agreement of the „minimum wage policy“ and the „no use of unknown contractors policy“.

Also, all subcontractors are now included in our subcontractor evaluation and in our country risk assessment tool.



Picture 1. Showing of Working Rights Videos

FACTORIES CHINA

China 1

Even though this is one of our oldest suppliers, we had a lot of communication issues during the year. 2021 was another year that we were unable to visit China and our suppliers there.

One of the biggest issues were the long delivery delays throughout the year, which are normally paid by the supplier, but this year we paid for that and also covered the increased costs per container. We accepted the supplier's price increases even though because of our business model (NOOS products) it's a huge issue. If you sell a promotion and there is a delay, you lose the promotion. We also accepted payment delays up to 8 months from their side and from our customers too.

They signed the minimum wage policy in order to reassure that their employees are receiving at least regional minimum wage.

Fair Wear did a WEP Training at this location in September (Picture 2). This training served to further inform the employees about the Code of Labour Practices, and reassure them of their rights. In total, 20% of the workers and 50% of management joined the training. They found that at least minimum wage is paid.

Excessive overtime

This supplier has been having an excessive amount of overtime since 2020. We have been working together with Fair Wear and other agencies to determine how we can help. The supplier stated that the fear of losing orders made them overtake more than their capacity allows is one of the reasons behind the overtime. Additionally, there is a shortage of workers in the region. However, our orders for 2021 remained steady and on-time.

By the end of the year, the hours drastically diminished as one of their customers cancelled orders and their production went down to 70%, threatening the collapse of the business. Paptex increased the orders of some products to maintain the employees safe.

Fair Wear developed the Fair Price Application, a web-based application for Labour Minute and Product Costing Calculations to support factory managements in costing for wage increases. This supplier participated in a Fair Price App training in 2021. Unfortunately, due to an internet error, the training could not be completed. There will be a follow-up in 2022.



Picture 2. WEP Training in China

SUBCONTRACTORS CHINA

We have three subcontractors in China. Two belong to the same agency whom we've been working for years. Both subcontractors signed the „minimum wage policy“ during 2021. Even though communication must be improved, they do try to meet our requests.

Subcontractor C1

This subcontractor had a Fair Wear audit in 2019 and is still working on CAPs. Our agent assured us that they are now paying monthly instead of every three months. There was little cooperation.

Subcontractor C2

There was almost no communication with our agent, but we could collect some salary sheets to oversee that they have at least minimum wage covered.

Subcontractor C3

We had some leftover orders from 2020, but we will not be placing any new orders in the future. The cooperation towards social standards was simply not there and we want to have partnerships that share our values.

PRODUCTION LOCATIONS 2

FACTORIES EUROPE

Factory Romania

Romania is listed as a “high-risk country” due to many of its internal political and social circumstances. However, this supplier has always been very responsive and meets with all our demands. Eventhough our leverage began quite small, we have been increasing our orders because of how well this company functions and complies with our standards. We regularly visit them, but couldn't in 2021. They share their audit reports with us freely and openly. The factory has various certificates and is audited regularly by the SA8000.

Factory Germany

This production location is a difficult and sour situation. Even though they are in a so called “low-risk country” they have no transparency and have shown no interest to attend to any of our social requests. We have found a new partner in Liechtenstein and will try to shift all of our products there as soon as possible.

FACTORIES AUSTRIA

Austria 1

Because our other supplier had to stop operations during 2021, we had to find another. This supplier is also a social organisation. They too hire people with disabilities which fill some of our cushions with natural materials like spelt, millet and/or stone pine, they also do packaging and labelling.

Austria 2

This supplier is also our daughter company. It is located very close to one of our shops and we visit them at least once a month.

Austria 3

We visited this supplier during 2021. They have always met all requirements.

All of our Austrian suppliers meet very high standards regarding social compliance, they all have signed the Questionnaire and have the Worker Information Sheet posted in visible areas around their places of work.



COMPLAINTS

Fair Wear created a helpline for all workers to communicate if they face any violation of the eight labour standards. The helpline can be found on the worker information sheet that is posted in the workshops. In case there is a complaint, Fair Wear launches an investigation and requires the brand to work on it with the factory. This process usually involves the factories' management and workers representatives. To maintain transparency, every complaint is posted on the Fair Wear website. We have not received complaints in 2021.

TRAINING AND CAPACITY BUILDING

Paptex Textilhandels GmbH has a welcome package for all of our new staff; it's a series of documents about our involvement with different agencies, including Fair Wear. Detailed information sheets are accessible on our shared computer server as well. There are online and telephone meetings in which we discuss our involvement with Fair Wear and other agencies. We also have a WhatsApp group where all the employees are informed of updates and current activities.

During 2021, we developed an inside training program for our sales staff; it's a presentation which describes Fair Wear's Code of Labour Practices, it's importance and our work regarding social compliance. The training will be carried out in 2022.

Also during 2021, our sustainability manager attended many webinars; differences between production countries, labour rights in China, human rights due diligence beyond first tier, purchasing practices, risk assessment, responsible business conduct policy among others specific to our production countries.

We work with two agents; one in Turkey and one in China. They are both informed about the Code of Labour Practices. Our agent in China joined a specific online training for agents about the Code of Labour Practices.



Figure 1. Sustainability and social compliance training material for staff.



Figure 2. Cradle to Cradle Certified material for staff.

INFORMATION MANAGEMENT

Transparency and trust from both parties are crucial to receive accurate information. We try to discuss directly with our suppliers and visit them on a regular basis. But because in 2021 we couldn't have face-to-face visits with all suppliers, we communicated by phone, e-mails, WeChat and other online platforms. During these calls and online meetings, we addressed specific concerns about the Code of Labour Practices (CoLP).

All our production locations and subcontractors are identified and regularly informed about any updates regarding Fair Wear and other agencies.

With our monitoring system and information gathered from previous audits, personal visits or by phone or e-mail, we keep track of the status of our supplier's engagement regarding the Code of Labour Practices (CoLP). Even if we were not able to visit our suppliers, we could track their progress and efforts, their challenges or lack of involvement.

To achieve sustainable improvement, we must have the factory's management on board. When we are in tune, we can together experience the benefits that arise from complying with the standards.



Figure 3. Our values posted at our stores.



“PRO-HUMANITY”

Just as we thought we were looking at the “light at the end of the tunnel” regarding COVID-19, a new devastating event has appeared very close to us. The war in Ukraine has left millions fleeing the country for safety. Many Ukrainians are coming to Austria in the hopes of finding peace.

Paptex Textilhandels GmbH has decided to take action and has donated around 60,000€ of textiles to Ukrainian refugees. That is enough to provide 200 arriving refugees with the necessary basic equipment; duvets, fitted sheets, pillows, bed linen, towels & shower towels.

A delivery truck arrived to Bludesch, Vorarlberg, Austria on the 17th of March to the Caritas Vorarlberg building along with our CEO and employees from our Mary Rose store in Dornbirn, Austria. It was particularly important to us to offer the best quality: From Fair Wear audited products to organic cotton, everything is included, it's premium quality that we offer to our customers in our shops.

It's hard to imagine what people are going through right now. The least we can do from our point of view is to give them a good start. We are pleased that we were able to provide some help to these people and be able to welcome them with open arms and our products here in Vorarlberg.



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