

Manroof GmbH social report

Reporting period (2022: January 2022 – December 2022)



MANROOF.CH

FAIR WEAR MEMBER SINCE 2008

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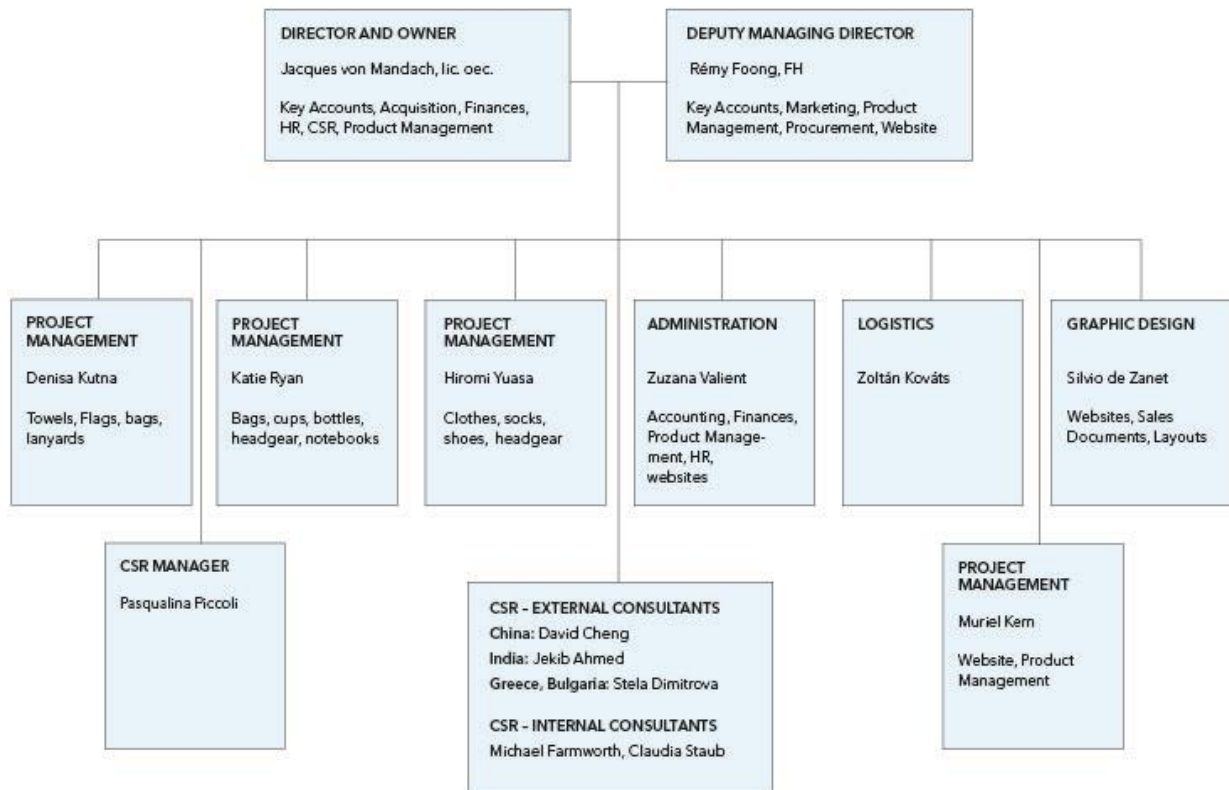
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Manroof GmbH social report

Organisational chart

MANROOF GMBH
Organization chart August 2022



Manroof GmbH is a niche player for textile promotional products in Switzerland. We design, develop, and produce custom-made products such as lanyards, t-shirts, sweaters, caps, bags, and other textile products. All goods are manufactured on demand in Europe, India, or China. In addition to custom-made products, we also process stock garments (especially T-shirts, polo shirts, bags, and jackets) with logos of our customers in silkscreen print or embroidery quality. Like many other FWF members Manroof is not a brand. Manroof's Logo is not printed on our products. It's always our client's logo on the product. Manroof's product are normally not sold as a retail product but sold to be used as give-aways and for promotional purposes.

Since Summer 2022, Pasqualina Bosco is responsible for CSR at Manroof. She has been working for Manroof for many years. She knows the products, promotional market, and our suppliers very well.

By creating a new position of CSR Manager within Manroof, we strive to reinforce our commitment to our CSR work.

In addition, we have a CSR external consultant in China and India who has worked with us before.

Since 2022, we have sought out consultation and support of two CSR experts to better align with FWF or general CSR guidelines.

Established: 1999

Legal form: Ltd. (GmbH)

Owner and CEO: Jacques von Mandach

Employees 2022: 10

Products: lanyards, t-shirts, sweaters, caps, beanies, bags, jackets, flags etc.

Product use: retail and promotion

Clients: 99% in Switzerland (2022)

Country of production (2022), without External Producers:

57.64 % China (2021: 34.87 %),

23.58 % Europe (2021: 52.82 %),

13.09 % Switzerland (2021: 6.94 %)

4.37 % India (2021: 4.53 %)

1.32 % Turkey (2021: 0.84 %)

Summary: 2022 goals & achievements

We have been a member of Fair Wear Foundation (FWF) since 2008. We have chosen this membership as a voluntary management system to monitor the working conditions in risk countries of our suppliers. A primary goal for 2022 was to do our utmost possible to ensure “good working conditions”. We believe that it is our duty to produce fairly. We owe our clients well and fair-produced products. In addition, it helps to differentiate ourselves from our competitors. Besides FWF, we are also members of other standards such as Amfori, GOTS and Fairtrade, which give us even more weight for sustainability.

In 2022, the year after the Corona pandemic, customer events slowly took place again. Some clients which were hard hit by the Pandemic, were getting back to normal. We have managed to maintain in 2022 the same turnover as the previous year. We allocated less resources to our Chinese suppliers and bought more goods from European factories.

In 2020 and 2021 due to the Pandemic, our CEO was not able to visit most suppliers. But in 2022, he visited 10 suppliers in Europe including two in Turkey. Nearly all our suppliers in China and India were visited by our CSR external consultants. Visits are important to ensure that our suppliers understand the expectations regarding our CSR work and to exchange important information about working conditions. In addition, our CEO had in 2022 with almost all our suppliers an online meeting regarding CSR. This meeting was a kind of kick-off point to pave the way for the future and to communicate the expectations to our suppliers.

The year 2022 has been characterized by a big shift in not only FWF guidelines but also in Manroof's CSR activities. At the same time, Manroof found itself under immense pressure due to the 2022 BPC rating of "needs improvements". We acknowledge that the new guidelines and these circumstances have been very challenging. However, our CEO Jacques von Mandach says:

"We are committed to respect human rights and improving living and working conditions throughout our supply chains. Our commitment encompasses any adverse impact on human rights that we might cause, contribute to, or are directly linked to."

A main achievement in 2022 in terms of implementation of the FWF Code of Labour Practises along our supply chain was that we have monitored almost all our suppliers in much higher scale. After establishing RBC policy, we checked our sourcing strategy based on the new Manroof HRDD human rights due diligence process.

Another important measure was to analyse the complete list of all suppliers and define which suppliers should be considered in the future. This will shorten our tail end and would save our resources in Zurich. We will be not able to order goods in Turkey and from other countries. The reasons are the effort would simply be too great and the lack of CSR know how at the suppliers. This will have an impact on our assortment and turnover because different products must be removed from our product range. We hope to compensate these losses with other orders.

A key and starting point were online meetings with all our suppliers where business and CSR expectations were communicated by our CEO. We checked if the supplier was committed to have an open book philosophy and if the supplier agrees to work on improvement of working conditions. Meeting minutes were sent to the suppliers. Another achievement was that we collected the existing audits of our suppliers and created CAP Files (Corrective Action Plan) where necessary. From there, the monitoring activities varied depending on the risks and exposures.

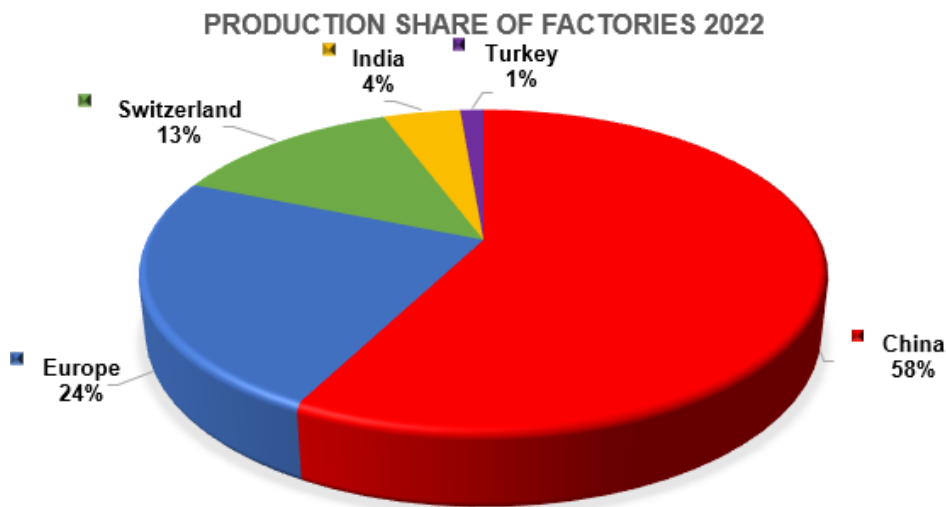
For Manroof, the new FWF guidance will bring new failures because the issue is new and complex.

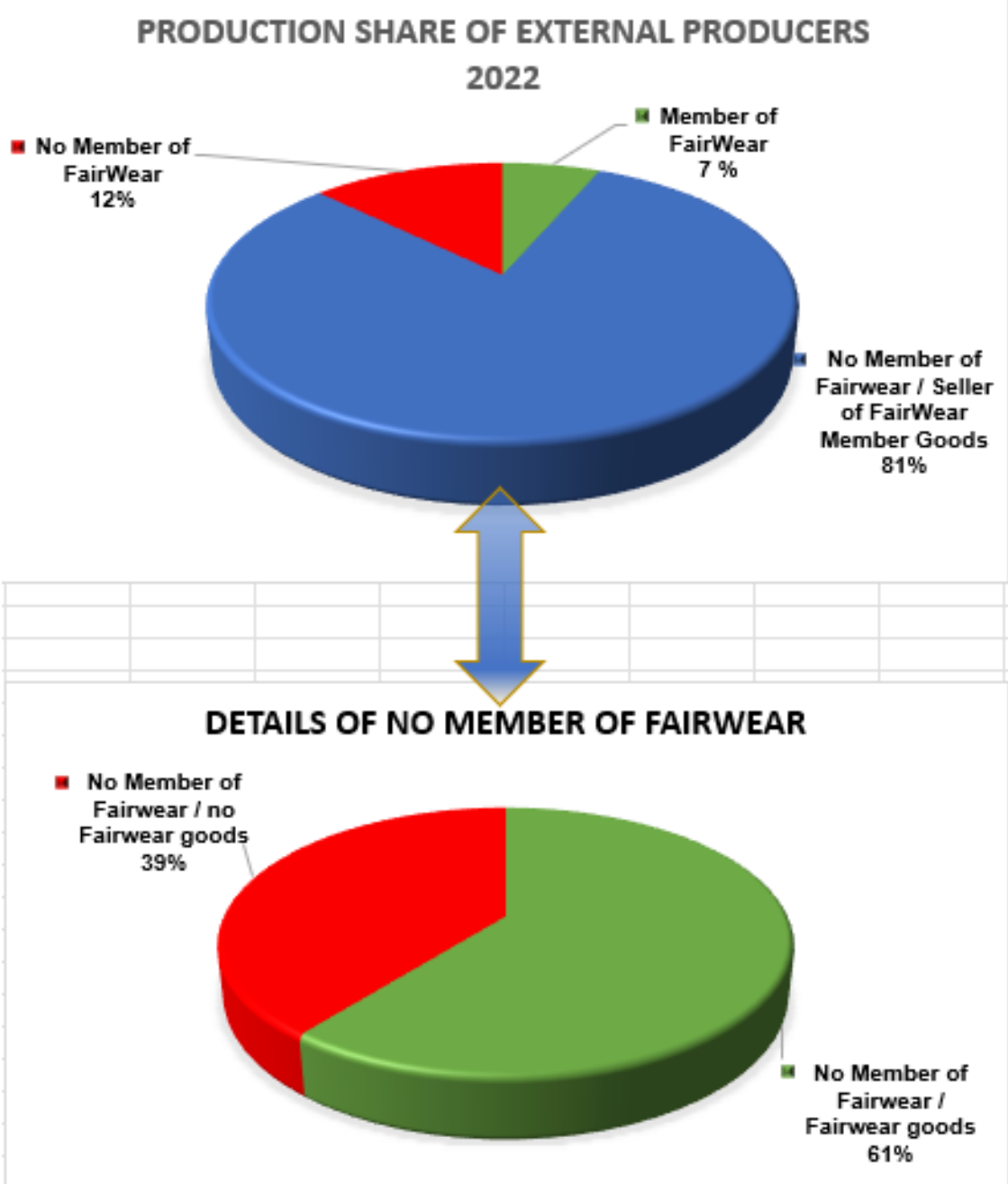
There is still new information given by FWF how the HRDD should be implemented. We will learn and adjust our CSR work and try to improve where necessary.

Production share 2022:

Share in **China** is 57.64% there of 54.62% audited by GS or Audit planed in 2023; 2.25% Exit Strategy for 2023 and 0.77% with no audit

Share in **India** is 4.37 % there of 4.37 % are audited by FWF.





Sourcing strategy

HUMAN RIGHTS DUE DILIGENCE

At Manroof GmbH, human rights due diligence is led by the CSR department, which is composed of a CSR manager and the CEO. The Manroof HRDD is a process to identify, prevent, mitigate, and account the human rights impacts. This process should include assessing actual and potential human rights impacts.

The steps are:

- Identification of the risks
- Definition and prevention of the risks
- Mitigate and account for the risks

Being a FWF member, Manroof uses a **risk-based supply chain improvement cycle**. This means that Manroof reviews their own practices to avoid negative impact, conduct a risk assessment, do a prioritisation, and accordingly engage in prevention and improvement.

The process includes assessing actual and potential human rights impacts, integrating, and acting upon the findings, tracking responses, and communicating how impacts are addressed.

The Human rights due diligence:

1. Covers adverse human rights impacts that the business enterprise may cause or contribute to through its activities, or which may be directly linked to its operations, products or services by its business relationships.
2. Will vary in complexity with the size of the business enterprise, the risk of severe human rights impacts, and the nature and context of its operations.
3. Is ongoing, recognising that the human rights risks may change over time as the business enterprise's operations and operating context evolve. This means that all processes of HRDD need to be adjusted if the risks change. Manroof will review their own practices to avoid negative impact, conduct a risk assessment, do a prioritisation, and accordingly engage in prevention and improvement in line with the OECD due diligence cycle¹.

The most important principles of our company's approach are:

1. the anchoring in the company's principles and policies, see Manroof RBC policy (Responsible Business Conduct policy).
2. the commitment and involvement of the management, and
3. its membership in multi-stakeholder initiatives such as the Fair Wear Foundation (FWF)

To gauge human rights risks, Manroof identifies and assesses any actual or

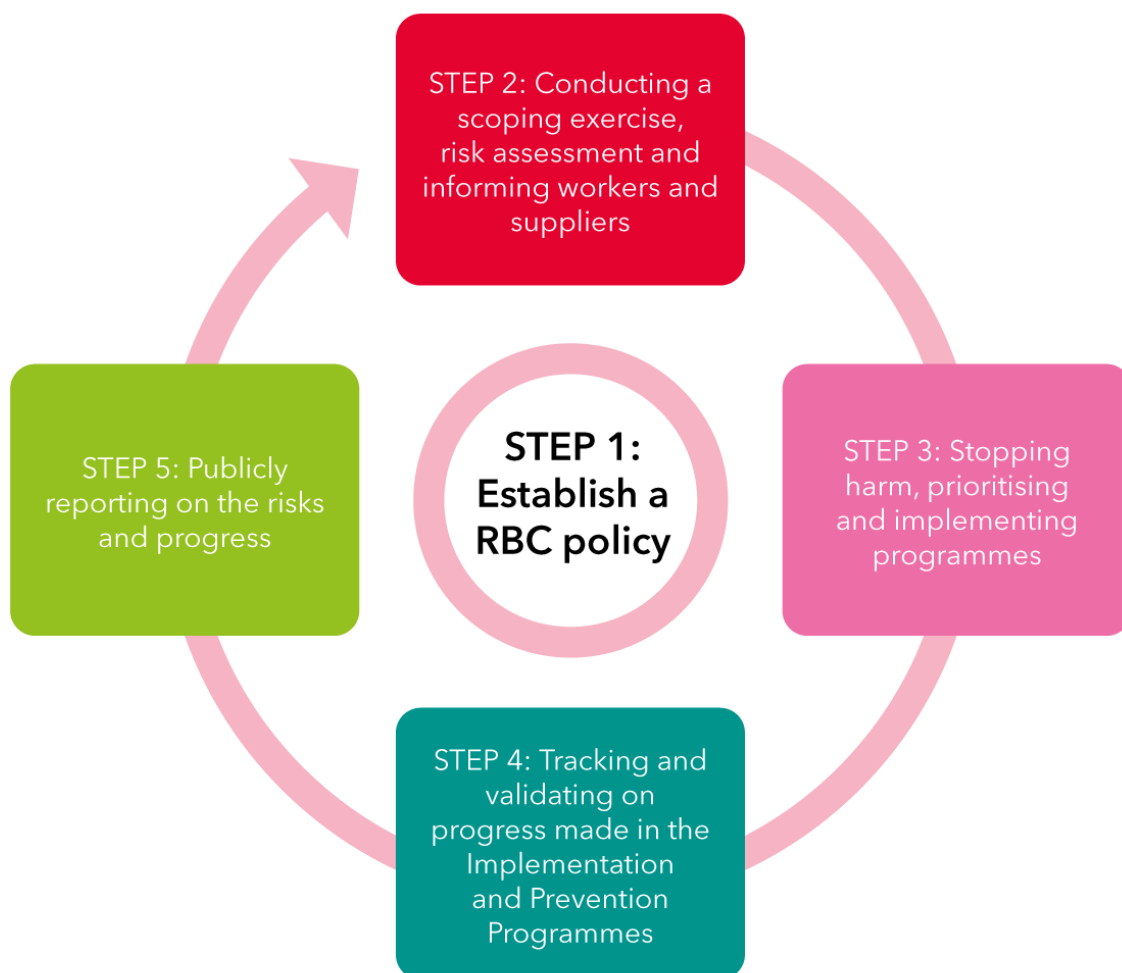
potential adverse human rights impact with which they may be involved either through their own activities or as a result of their business relationships.

Looking at HRDD, Manroof is committed to cooperate with other member brands and non-member brands throughout all of the below steps, particularly step 2,3 and 4.

This process:

- (a) Draws on internal and/or independent external human rights expertise.
- (b) Involves meaningful consultation with potentially affected groups and other relevant stakeholders, as appropriate to the size of the business enterprise and the nature and context of the operation.

Manroof's Risk-based approach



In Detail the HRDD consists of 5 steps:

Step 1: Establish a RBC Policy

Manroof established a Responsible Business Conduct policy. This policy describes its commitments to human rights due diligence and upholding international standards and explains how this is embedded in the company structures. The RBC policy clarifies Manroof's commitments regarding its own activities and articulates its business partners' expectations – including suppliers, licensees, and intermediaries – across the full length of its supply chain. The RBC policy clarifies Manroof's view and implementation of human rights due diligence for their company and how that is embedded in the

corporate structure. The policy helps Manroof to stay accountable and committed to human rights principles. Top management approves the RBC policy.

Step 2 Conducting a scoping exercise, risk assessment and informing workers and suppliers

Step 2.1: conducting a scoping exercise

Manroof's duty is to scope human rights risks on various levels, such as the country, sector, business model, sourcing model, and product level to identify the most significant risks of harm in its supply chain. It should be periodic, informed and documented. Manroof draws from the known sector and sub-sector risks to determine the likelihood of risks and severity of harm in its own operations and in its supply chain. The primary focus is the countries that Manroof operates in or sources from, the products that Manroof produces or sells and its business and sourcing practices.

When additional information is needed, we conduct enhanced due diligence risk assessments, consult stakeholders, workers, and their representatives. The scoping exercise also provides information for Manroof to make sourcing decisions. For example, implementing a sourcing strategy that privileged countries and suppliers where workers are free to form and join a trade union and bargain collectively. The scoping exercise is, in other words, a scan of the risks in our supply chain. It helps to identify which human rights are at risk in a specific context and how severe human rights impacts are. Some impacts are clearly severe and need to raise a red flag. Such red flags can be:

- general status on fire and building safety
- high risk of forced labour
- A high rate of migrant workers may flag risks of non-compliances in wage legislation
- A national restriction on freedom of association also flags the risk of payment below the living wage, excessive overtime, and violence and harassment

In this scoping exercise, the following guiding questions are helpful:

- Scale: the gravity of the adverse impact. How serious is the harm?
- Scope: number of individuals that are/will be affected? How widespread is the harm?
- Irremediable character: limits on the ability to restore. If the harm occurs, can it be put right?

Step 2.2: Conducting pre-order due-diligence sourcing dialogue

Manroof engages in sourcing dialogue prior to finalising the first purchasing order to ensure all potential suppliers in the scope of Fair Wear membership are aware of their commitments and expectations. For existing suppliers, members should know the knowledge level of the suppliers (factory management as well as worker representation) on compliance requirements and decide if a due-diligence sourcing dialogue is needed.

Before a business relationship is established, this step involves mutual information-sharing and commitment pledging between Manroof and the potential supplier. Manroof expects to gain a basic level of insight into the human rights situation at a potential factory to inform sourcing decisions. The result of this dialogue increases transparency between the company and the potential supplier, which would benefit possible improvement efforts going forward.

Step 2.3: Onboarding workers and managers

Before starting a new business relationship, Manroof evaluates human risk at his supplier. Beside price and quality, Manroof analyses working conditions and the risk at the potential new supplier. This involves mutual information-sharing and commitment pledging between the member and the

potential supplier. An important task is an online or offline meeting between Manroof CEO and the CSR responsible or CEO of the supplier's company. This meeting paves the way so both parties have similar expectations. This first phase of gathering human rights information from the supplier at a potential factory flows into sourcing decisions. And the first phase also helps to have an agreement how human rights should be improved in the future.

Upon the start of the business relationship, Manroof does the following:

- Raise awareness of the workers and the management on human rights
- Stress the importance of gender-representative social dialogue (with democratically elected worker representatives)
- Assess whether there is an effective operational-level grievance mechanism established through social dialogue with workers
- Establish the Fair Wear helpline as a safety net

Manroof has an established Onboarding Process where different steps are defined until a first order is placed.

Step 2.4: Conducting a risk assessment

The risk assessments are a mix of **country risks and factory-specific risks** for possible adverse human rights impact. The risk assessment is informed by different FWF policies and monitoring programmes in order to mitigate risks. In the sourcing dialogue between Manroof and suppliers the identified risks are shared and discussed.

Step 3: stopping harm, prioritising, and implementing programmes

Step 3.1: Stopping harm and prioritise follow-up actions

Once the risk assessment is there and the existing harm is possible or occurred Manroof takes action to remediate and try to stop the existing impact. Based on the outcomes of the risk assessment, Manroof prioritises follow up actions. Manroof formulates a plan to implement the corresponding improvement or prevention programmes, including a timeline and capacity estimation.

Step 3.2: Implementing the improvement programmes (IP) and prevention programmes (PP)

Together with their suppliers and worker representation, Manroof has developed and implemented an improvement or prevention programme for their own practices and for each factory where risks or problems are determined. The Improvement Programmes (IP) include both remediation and prevention activities. When adverse impact is found, remediations are taken. When risk is found, prevention is implemented.

For programmes at the factory level to be successful, four elements need to be taken into consideration:

- **Participation of the factory management:** Manroof involves the right people at the suppliers in different steps. If improvements (both remediation and prevention results) are not up to expectation, Manroof engages with top management or the owner of the supplier.
- **Engagement with workers and their representatives;** workers right to freedom of association and collective bargaining are respected to enable workers to use their collective voice. Elected worker representatives are in place, trained and protected, and involved in the programme. The time for them to participate in the programmes is compensated.
- **Consultation and involvement of stakeholders;** Relevant stakeholders remain involved. It is a process that will be supported by Fair Wear and the multi-stakeholder structures in place. In case of remediation the worker involved is consulted to reflect on the investigation and remediation process.

● **Continuous monitoring and evaluation:** collective worker and factory management feedback are an essential part of the data collected for monitoring and evaluation purpose. Manroof collects information timely and regularly to adjust their programmes to achieve the best outcomes.

A key which helps improvements is the cooperation between FWF members. Manroof try to cooperate with other FWF members in order to source from the same location and implement various programmes. At the same time, Manroof cooperates with non-member buyers sourcing at the same location. Manroof seeks external support for remediation of harm, in engagement with local stakeholders through local multi-stakeholder initiatives. For many years, Manroof has worked with CSR external consultants in China and India, which support the improvements.

Step 4: tracking and validating on progress made in the Implementation and Prevention Programmes

Manroof has a system in place to track implementation and validate the progress made. It seeks assurances that the measures/actions taken by Manroof and their supplier have been effective in preventing and remediating human rights violations. Workers and suppliers play an integral role in monitoring progress against goals. Tracking and validation are included in the sourcing dialogue between Manroof and suppliers. Manroof communicates updates with other FWF members where production is shared.

Step 5: Publicly reporting on risks and progress

Manroof reports internally and to FWF to demonstrate how progress is monitored and made. Reporting includes information on which organisations they work with, how workers and unions are involved, the programmes' outcomes, and which progress is made. Having a system in place to evaluate progress per factory is part of the assessment in the brand performance check. Beyond internal reporting Manroof publicly reports on its HRDD in line with OECD Guidelines and UNGPs.

SOURCING STRATEGY & PRICING

The top sourcing strategy decision or the decision where to source is a mix between price, service and working conditions. The new Manroof HRDD is implemented in our sourcing strategy. The list of existing suppliers and potential supplier has come to a very important and central question. Also, the length of the list has been shortened in 2022 to lift leverage and to save our resources. An extensive supplier list as well as too few suppliers are not compatible with a high demanding and time-intensive monitoring CSR activity with meetings, audits, trainings, etc.

The new Manroof HRDD has changed our sourcing strategy completely. The idea is that we act proactively with this tool and not just when the problems appear after an FWF audit.

Manroof has been in existence for 23 years and has established some very long supplier relationships. Manroof's sourcing strategy is to maintain long-term business relationships with its suppliers. For example, PA supplier has been sending us goods since 2008 and at the same time remains our no. 1 or

no. 2 supplier for many years. This Chinese supplier has done five GS audits in the past years and has cooperated well.

A challenge for Manroof is to keep satisfaction of our clients in our business market. Different from FWF brands, Manroof is not a brand, more a service provider. Our products are printed with our client's logos, not with the Manroof logo. The negative consequence is that we have a much wider assortment, and therefore have many more suppliers to monitor. However, we accept the challenge and are committed to fulfil the FWF expectations. In a first place because we want "good working conditions" and not merely because our clients want it.

At one hand our sourcing strategy and FWF membership brings more credibility to show that Manroof is producing under good working conditions. Some clients appreciate it, but some do not. The downside of the FWF membership is that since 2022 our effort in Zürich tripled and we have had to stop ordering with some suppliers. These brings much higher personnel costs in Zürich, but also higher costs for CSR external consultants, audits, trainings, etc. One consequence is also that we had to eliminate some products from our portfolio, so we do sell less. On one hand, we have much higher costs and binding of management capacity and on the other hand we have more or less the same revenue. This is not an easy situation for Manroof.

To fulfil the new Manroof HRDD, we have implemented a different process at Manroof. The process is described in our HRDD. The starting point is the Manroof RBC. New or potential suppliers need to pass an Manroof Onboarding Process. The existing suppliers are monitored since 2022 with a much higher CSR level, especially in risk countries like China and India. In these two countries the level of CSR monitoring is very high. Medium effort is done in Bulgaria, Italy, and Portugal. In other EU countries our CSR monitoring level is low: Germany, Switzerland, Poland, Austria, and Spain. Another factor that plays a role is the value we spend with our suppliers. The more we spend the more the CSR activity is higher. With suppliers in China or India where we place only small orders, we tend to stop cooperation because it does not pay out.

In 2022, we maintained stable business relationship as before. The business with China (especially by PA) increased to 57.64 % (2021: 34.87 %) as well more orders have been placed with Swiss suppliers 13.09 % (2021: 6.94 %)

In addition, Manroof sources all stock garments from sub-suppliers which are mainly FWF members. In 2022 Manroof had only one shared factory with FWF member Living Crafts, at our sole supplier in India.

Because we have enforced our monitoring activities, many more suppliers were visited in 2022. 2 GS audits were done in 2022. 4 GS and 1 FWF Audit are planned in 2023.

The risk assessment is fed by information we get from different sources. The basis of our CSR monitoring work is **supplier information and evaluation system** which we implemented according to FWF guidelines. A systematic approach is required to integrate social compliance into normal business processes and supports good decision-making. The approach is necessary to ensure that Manroof consistently evaluates the entire supplier base and includes information into decision-making procedures. Using this system, we classify our suppliers in the following groups:

Suppliers in high-risk countries: China and India

Monitoring activity is high and intensive. Our external CSR consultants in China and India have the mission to support us monitoring these suppliers. This group contains the bag supplier in China (46.05 %) and the t-shirt supplier in India (4.37 % threshold)

Middle activity in Bulgaria, Italy, and Portugal

Offline and online visits were done in 2022. A cooperation with a Bulgarian supplier was stopped because of different reasons. With the other it will be continued and FWF audit is scheduled for April 2023. At the suppliers in Italy and Portugal we allocate limited resources. An Audit is not planned yet, since we do not see high risks and our monitoring resources are limited.

- **Low CSR monitoring activities in other EU countries:**

In countries like Switzerland, Germany, Austria, Poland, Greece we do random check and irregular visits. With most suppliers, our CEO had an online meeting to discuss CSR issues and minutes were mailed to the suppliers to explain our CSR expectations. This was the case with all suppliers in Poland and Greece.

Turkey:

After having done an HRDD and checking our supplier list, Manroof has ended the cooperation with two Turkish suppliers and removed their products from Manroof product range. This will bring a loss of new orders. During the visit of our CEO at the two Turkish suppliers in November 2022, he had meetings with the management and explained Manroof CSR expectations. We saw that the CSR level of know-how was too low and CSR work would be enormous for Manroof. As such, Manroof decided to stop ordering with them and to stop in general to order goods in Turkey.

CSR Expenses 2022: CSR expenses have increased by 25 % in 2022. Costs for salary at Manroof not included.

Memberships		
FWF	21.04.2022	6'721.00
Amfori	21.01.2022	3'465.00
GOTS / Ecocert	17.03.2022	2'340.25
Fairtrade Max Havelaar	06.10.2022	1'309.57
European Sourcing.com	27.09.2022	264.00
Audit reports and WEP		
WEP D, India	23.02.2022	2'079.00
FWF Audit PA, China	09.12.2022	3'399.00
FWF Audit DS, China	02.12.2022	2'915.00
Invoices CSR Experts		
CSR Expert China (CSR by PA)	28.07.2022	1'201.23
CSR Expert China (CSR by PA, HT, HA)	11.11.2022	2'783.48
CSR Expert China (CSR by KA, DS, RC)	26.12.2022	1'730.34
CSR Expert in Switzerland, Consulting Polices	10.11.2022	3'625.00
CSR Expert China (CSR PA, RPC policy, BPC 2022)	21.12.2022	3'850.00
CSR Expert (Greece)	02.09.2022	509.06
CER Expert (India)	03.01.2023	2'910.60
CSR Expert (Greece)	24.01.2023	862.77
Others		
Living Wage Agreement with P., China	20.10.2022	9'168.00
Jacques von Mandach: Business trip to Poland, Turkey, Bulgaria, Italy	Mai - Dez 22	1'887.32
total		CHF 51'020.63

Pricing Strategy

At Manroof, the pricing strategy is not directly linked to the living wage we pay. Manroof is not a brand and not active in the retail market. This has advantages and disadvantages. On one hand we are not able to make forecast and prevent OT like brands can do. But on the other hand, our advantage is that our selling price is flexible. We make new offers, and we can adjust our prices. So, a price increase can be done as long as market prices are not lower. Manroof is committed to market prices. Our clients do not accept higher prices than the market prices.

So, the FWF labour minute is a good idea but brings Manroof little advantage. To pay living wage to the workers, Manroof prefers to make its own and more simple calculation: Manroof checks with the CSR consultant the salaries, calculates a living wage value based on Anker methodology and finally comes to the GAP which is missing. By taking Manroof's share at the factory, Manroof offers the supplier to pay the GAP to the workers.

PRODUCTION CYCLE

Different from FWF brands Manroof is not a brand, more a service provider. We do not produce collections and we have no forecasts. But for some clients, we can produce goods every year. Even so, the re-order is uncertain. Our products are printed with our client's logos, not with Manroof logo. Production at Manroof is done using the just-in-time (JIT) method. All products are made to order. After specifications are defined, a sample is manufactured. The standard production lead time is 3 weeks after the sample approval. Country-specific festivities, such as Chinese New Year and Diwali Festival are considered when planning the production cycle to guarantee consistent lead times.

FACTORY RELATIONS

Our membership at FWF defines our purchasing method. We prefer working with suppliers who have a production site that meets the following criteria:

- Located in China and India: In 2022 we have done an intensive CSR monitoring work with online meetings, visits, audits, and trainings. We have received or created cap files.
- Located in Bulgaria, Italy, or Portugal: the factory relation is more intense. Before visiting these suppliers, we contacted them by mail, or our CEO had an online meeting explaining our business and CSR expectations. After these meetings we mailed minutes to our supplier so there could not be any misunderstanding about we would like them to do in the future.
We offer to pay an audit in case our leverage is higher than 2 %. This is the case with our Bulgarian supplier where a FWF audit will take place in April 2023. At other suppliers in Italy and Portugal we have only small orders. Italian and Bulgarian suppliers were visited 2022.
- Located in Turkey: We have ended our cooperation with our two Turkish suppliers, and we will not order any goods from Turkey anymore. The value we ordered in Turkey was too low. The CSR work at the Turkish supplier would be tremendous and would not pay out for Manroof.
- Located in EU and Switzerland: At the Greek supplier, were we placed good orders in the past, we have done and paid an Amfori audit in 2021 and we have created a cap file. At the other supplier in EU, we have done a low level of CSR monitoring work. With most of these suppliers we have done only small orders. We have seen that the risks of human rights are small, and our CSR resources are limited.

When searching for new Asian suppliers, we prefer audited suppliers. Any audit or certification is welcome, for example: ISO9001, Amfori/BSCI, SEDEX, SA8000 etc. But certainly, a GS audit is valued

most. We have shared information with another FWF member in Germany and are now in contact with two new factories in China. Now both are doing an Onboarding Process.

Following HRDD, we are regularly checking an overview of existing and possible suppliers. The criteria of this list are a mix of CSR, service, and price. These supplier overview help us to define to shorten our supplier list or to find new suppliers.

In 2022 we had in total 40 suppliers (thereof 7 new – 6 in Europe und 1 in China. In 2022, the goal was to start shortening the supplier list: we managed to work with 40 suppliers. An exit strategy with 7 out of 40 has been implemented. In March 2023, the business is running with 22 suppliers only – of which only 1 is new. At this new factory, a GS Audit is planned for summer 2023.

By end of 2022, we have ended our cooperation with following suppliers:

Supplier / Product	Reasons:
ST / Lanyard	No commitment of the CEO only few orders, switched orders to FE
NP / Lanyard	No commitment of the CEO only few orders, switched orders to FE
HEB / Flags	Little know how about CSR Would be big challenge and costly to get a good CSR level only little orders, no alternative supplier yet
GÖ / Towels	Little know-how about CSR Would be a big challenge and costly to get a good CSR level only few orders, switched order to PA
EP / Bags	Only few orders. Supplier is a big factory with 3 factories and 730 workers. CSR monitoring would be for Manroof very expensive and time consuming.
PT / Masks	Little commitment, only singular orders for a product we do not sell anymore
SIZ / Pillows	No commitment of the CEO No alternative supplier yet

In 2022 we have following new suppliers:

Supplier	Reason
DC / Caps	Supplier HE could not deliver goods. GS audit done in Nov 2022. CSR consultant visited supplier and started dialog of improvements
FT / Blankets	New product line of blankets in Italy. Supplier already is a supplier of other FWF brands
WBF / Prints	New supplier for prints in Switzerland, visited by CEO 2022
RSC / Garments	Located in Poland, Alternative to China supplier, visited by CEO November 2022

New suppliers 2022 but also in exit strategy 2022

Supplier	Reason
PT / Masks	Supplier for Masks within the pandemic. This supplier is already in exit strategy since we do not sell the product anymore
AIT / Flip Flops	We made only a test order of Euro 1200. CEO has no commitment to CSR, Supplier is in exit strategy
SIZ / Pillows	We made a test order of Euro 330. Supplier is already in exit strategy since CEO has no commitment to CSR

INTEGRATION OF MONITORING ACTIVITIES AND SOURCING DECISIONS

In the last year, Manroof enforced the effort to link monitoring activities to sourcing decisions. The CSR staff and the Manroof buyers exchange once a month the business and CSR performance of the suppliers. There is a debate if a certain manufacturer should no longer be considered or if a certain factory should be included. The basis for these discussions is an interactive Manroof Google table which allows us a systematic evaluation. The debate with which supplier we should work in the future can be a challenging debate and tensions can arise. Even more so if a supplier is delivering good service and products but lacks a solid CSR foundation. Manroof is conscious that sustainability has its price and sometimes a waiver of turnover is a hard sacrifice.

Our increased CSR monitoring activities have led to more CSR information being gathered. This has helped to define better how our future supplier list should look like. In general, when contacting potential suppliers, we also check whether they have an existing audit report or certification (ISO 9001, Amfori/BSCI, SEDEX, FWF audit, SA8000 etc.). Any kind of documentation helps us evaluate new suppliers. As soon as we believe that the purchase volume will increase substantially, we will in a first phase put him into a Manroof onboarding process.

Since becoming a member of FWF in 2008, we performed 24 FWF audits, 22 carried out in China and two in India. 34.87 % of our textile products were manufactured by FWF audited producers in Asia in 2022, mainly in China. Our supplier database of Fair Wear Foundation (Fairforce) shows our relative production share for each supplier and the date of the audit.

In 2022, our external consultants continued their social dialogue with our suppliers in China and India. Their meetings and visits help Manroof to evaluate better our suppliers.

2022 was a year where we look closer to our supplier list in China. After online meetings and evaluations, we have decided to end the cooperation with two suppliers in order to shorten our tail end. One supplier in China we moved to our Onboarding Process. Also, in 2023 we will do our CSR following HRDD and we are looking for possibilities to shrink the supplier list even more. On the other side having more companies in the Onboarding process, helps Manroof to put more pressure on the existing suppliers to make more improvements. And we increase the possibility to have a supplier list with suppliers which perform better with CSR issues.

Coherent system for monitoring and remediation

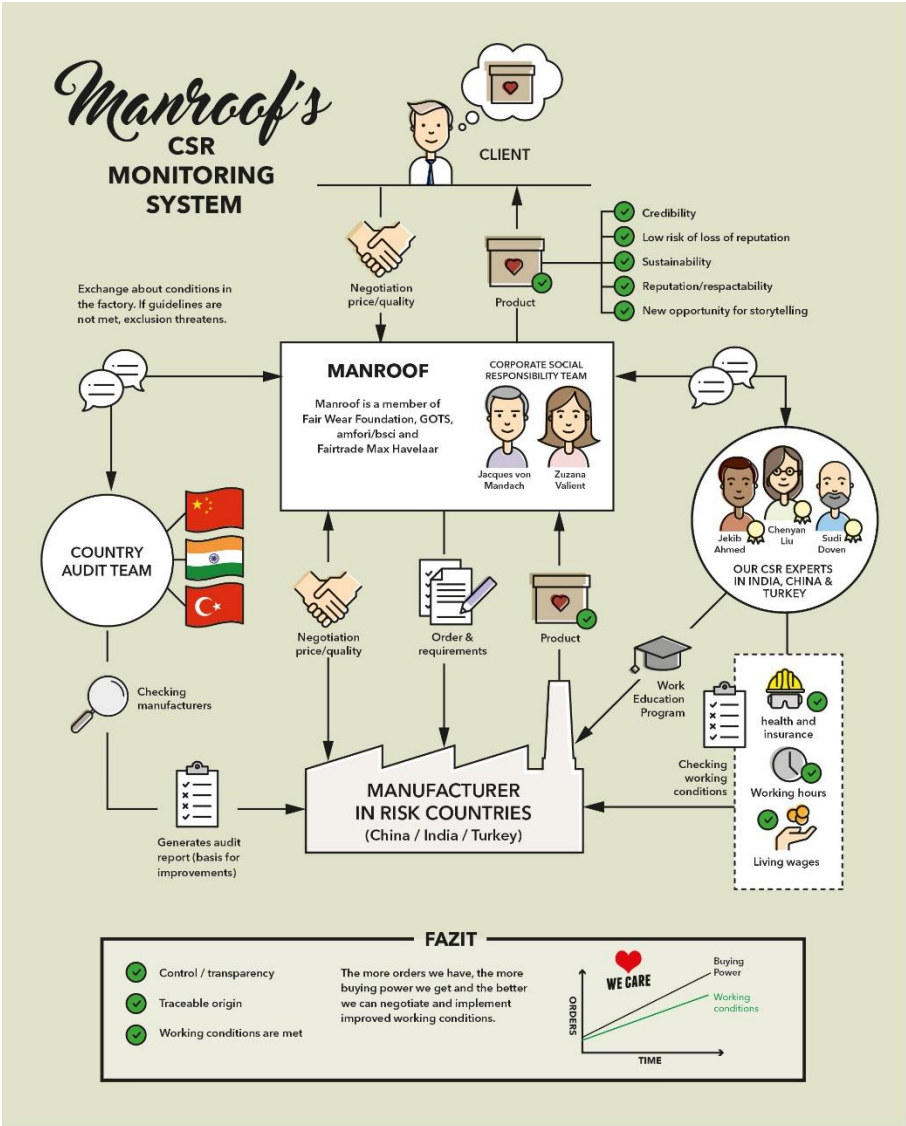
There is a long list of activities or measures which is done for a coherent system for monitoring and remediation. As described in the Onboarding Process it starts with getting basic information like the Questionnaire and COLP. And also by receiving audit reports. The next step are telephone calls, online meetings to discuss a future business relationship. A visit by our CEO or by our external consultant is the resultant next step. If there is no FWF audit available, we offer to pay a FWF audit.

The FWF audit shall be done in regular intervals. These audits are carried out by an independent FWF audit team operating at local level and show us the specific strengths and weaknesses of a supplier its current state. One goal of the audit is to have cap file to check the risks and improvements. The resulting audit report contains suggestions for improvement and is shared with our producers immediately upon receipt. The next step is to prioritize the remedial actions to be taken according to urgency. In order to be able to

accurately assess any risks found for the workers we include country studies. The corrective actions that are taken in cooperation with the factory, are intended to improve any issues found. During factory visits and in constant exchange with our local agents, we check on the progress and successes achieved.

A crucial point is whether the management is really committed to have an open book philosophy and make improvements. Our CSR consultants make an important role at our suppliers in China and India. Helpful is an exchange with other FWF members or Non FWF members which orders with this supplier. A further step is to make supplier agreement. If all lights are green a first order is placed.

Legend: Manroof CSR monitoring system



FACTORY P. / CHINA

Threshold:	46.05%
First Order:	2009
GS audit reports:	2014, 2016, 2019, 2022
Last GS audit:	Nov 2022
Next GS audit:	2025
Quantity workers:	84
Products:	Bags

This is one of our most important suppliers with leverage around 10%. The last audit was carried out in November 2022. Many other audits were done (Amfori/BSCI, Sedex and others) and the factory shared them with us once they received the audit reports. Unfortunately, we never had the impression that the other audits were helping our CSR work. In terms of the work on the FWF CAP, the factory has shown good cooperation on correcting non-compliance points which were found at the FWF audits and sent relevant documents and photos as evidence of the improvement. Mrs. Chenyan Liu has been in close contact with the CSR coordinator for a couple of years. In 2022 external consultant David Chen replaced Mrs. Liu's responsibilities. Mr. Chen visited the factory in July 2022 and a training was conducted about the awareness of the of GS and the topic of Forced Labour was discussed. Our CEO last visited this supplier in 2018. We have since met them via online meetings. A visit for 2023 is planned.

After a long-time business relationship and the CSR work, we believe that we have built a good solid trust between two parties. We believe this supplier will continue to improve working conditions. As for all health and insurance issues we have solved some open points. However, there are still some critical issues like OT where problems continue to exist.

Over Time (OT)

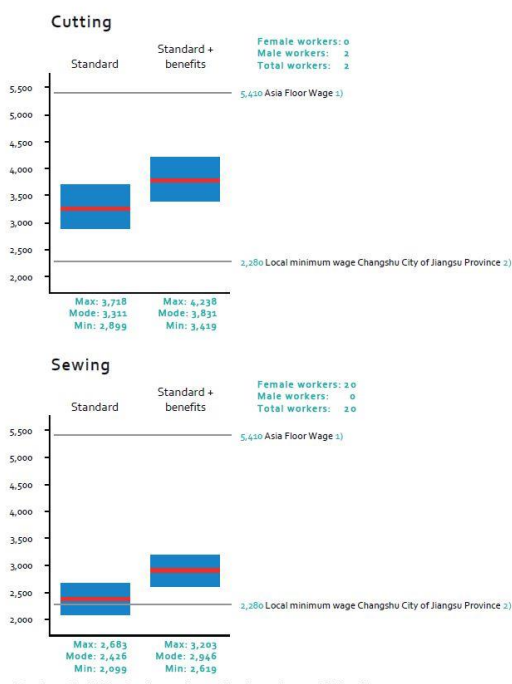
Following the findings of the GS audits following was reported:

- *Based on the attendance records, workers worked more than 60 hours per week, from an average of 67.5 hours up to 83.5 hours.*
- *In general, workers have 1 to 3 days off in a month and they worked consecutively for 7 up to 30 days.*
- *Most workers worked more than 3 overtime hours per day (i.e., 3.5 up to 8.5 hours) for 1 up to 6 days in a month.*

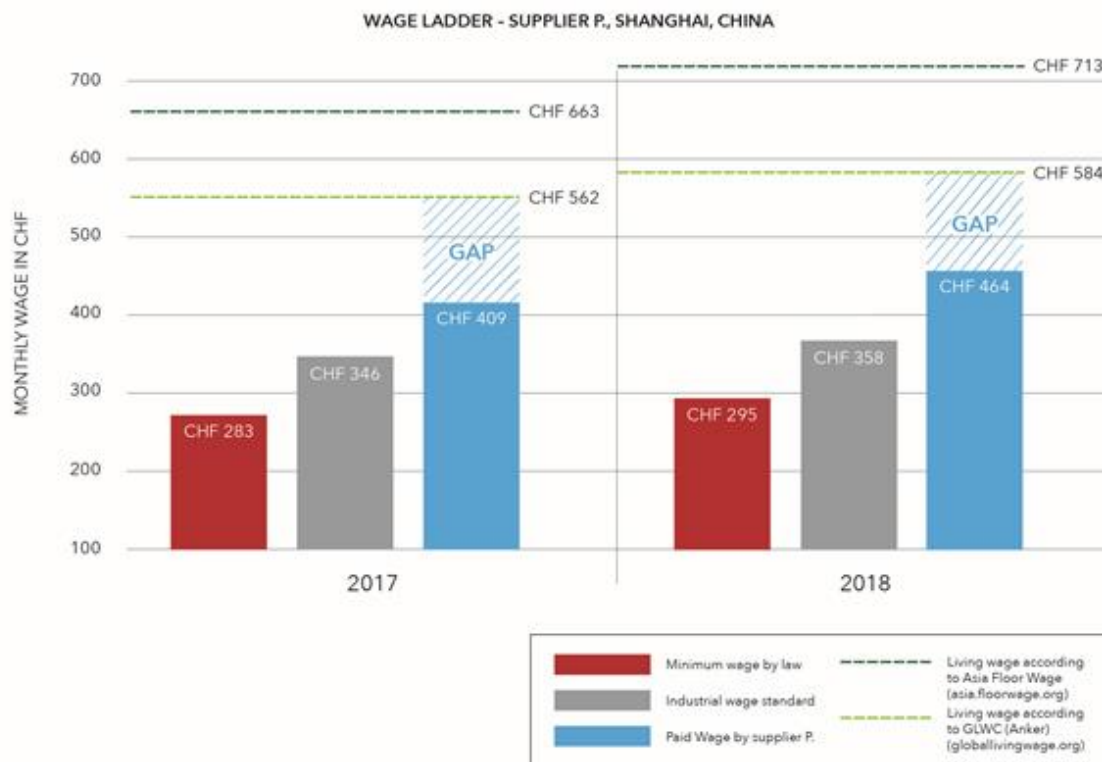
OT is for Manroof the biggest challenge. GS suggests to better arrange production. We have discussed this issue and asked for improvements and measures. PA says *"Workers like doing overtime working since their wage is piece rate, they can earn more money. We cannot improve it now since it already lasted for 18 years. But the CEO of PA planned to get more production staff from 2023 year. I will send you if any update."* - We will send a Questionnaire to discuss the topic with our supplier and try to find solutions. We will continue to randomly check workers' monthly working hours. Our agreement with the factory owner is to limit the excessive overtime working hours. Since 2018, the factory sent us more precise and transparent working hours record for each worker. One day rest in every week is sometimes not guaranteed. We are convinced that full transparency on working hours could create an open dialogue to discuss how we could support each other. We need to discuss further how we can improve.

Living Wage

The GS audit report November 2022 shows the following salaries at factory P.



Manroof uses the Anker Methodology as benchmark. In the charts above, the salary for lower living wage calculated by the Anker Methodology is missing. We calculated that the value of the Anker Methodology should be RMB 4'346 per month (2022). As you can see, most of the salaries are also below living wage calculated by Anker Methodology. In the following diagram we show the gaps for living wage in the years 2017 and 2018, which are similar for the years 2019 - 2022.



FIGURES LIVING WAGE LADDER 2015-18 (IN RMB)

	Minimum Wage	Industrial Wage	Salary PA	Anker Wage	Asia Floor Wage	Inflation China	Inflation China
2015	1'780 (CHF 260)	2'210 (CHF 323)	n/a	3'534 (CHF 517)	3'847 (CHF 562)	2 %	
2016	1'820 (CHF 266)	2'290 (CHF 334)	n/a	3'700 (CHF 541)	4'192 (CHF 613)	2 %	102 %
2017	1'940 (CHF 283)	2'370 (CHF 346)	2'804 (CHF 409)	3'850 (CHF 562)	4'537 (CHF 663)	1,56 %	104 %
2018	2'020 (CHF 295)	2'450 (CHF 358)	3'176 (CHF 464)	4'000 (CHF 584)	4'882 (CHF 713)	2,10 %	105,66 %

bold = according FWF resources regular = estimation

For four years, we collected payment documents and exchanged many communications with the supplier about this issue. The management stated that the workers were paid the approximate industrial wage and the average wage are above the salaries paid in the neighbourhood. The factory explained that it would be difficult for them to change the whole remuneration system as Manroof is

the only client supporting living wage. Other clients are not showing the same commitment and support. Manroof is leading a proactive discussion with factory P. to support the living wage.

Living Wage agreement

In 2019, Manroof started the initiative and created an agreement to solve the living wage problem. FWF gives us a lot of tools and information. One important tool is the *labour minute costing* tool. We have used this tool and we know the cost per piece we would need to pay. This costing tool is for Manroof impractical for the following reasons. One is that Manroof is not able to let its clients pay the additional costs. We still need to offer market prices or go even below market prices. Another reason not to use the *labour minute costing* tool is that we have different kinds of products, and this would bring endless discussions with our suppliers. We need a simple and good solution. First, we fixed a living wage value based on the Anker Methodology, namely 4'000 RMB per month in 2019. Second, we calculated the gap. Our CSR consultant checks the payment slips and confirmed that the lowest salary is 3'176 RMB per month (2019). Thus, the gap is 824 per RMB month. We agreed with our supplier to share the costs. Starting in October 2019 the workers got more to close 10% of the gap. The staff was informed by the management about the additional payment. The gap is covering only Manroof's share at the factory which is about 12%. – Year by year we went up with the gap reaching 2022 80 %. The cost for Manroof for in 2022 was USD 9'168. We reviewed this project together with factory management and both parties were keen to continue, and the factory appreciated this support on living wage. The aim is that Manroof pays 100 % In addition. FWF requests that in the long run the workers will get a living wage salary for all the work. This is also our long-term goal.

Legend: Living Wage Agreement between Manroof and supplier PA, dated 20.9.22

Agreement
Supplier PA
and
Manroof GmbH, Mattengasse 7, 8005 Zürich, Switzerland
Shanghai and Zurich, 20.9.22
about Living Wage Project
<i>new - duration and cancelation: This agreement starts for the payment of salary October 2022 and ends one year later, salary September 2023. This agreement is valid for one year. The new agreement stays the same, what changes are only the figures. Text in black letters is from old contract, text in red letters is from new contract. CHF 1.00 = RMB 7.28</i>

Introduction: Supplier PA is a factory for bags and textile products. Manroof GmbH (MA) is a trading company and buys the products from PA. As MA is a Global Works (FWF) member he needs to implement a salary system at PA where Living Wage is paid to the production workers.

Living Wage: Is the salary paid for the normal working hours, 40 hours per week. Over Time (OT) is not part of the living wage. The Living wage is salary which enables worker to pay all costs for his living, like apartment / cloth / food / medicine / transport / savings / etc.

About: This agreement is an agreement of the payment of a Living Wage. The Living wage shall be reached immediately. But only for the share of the MA orders at PA.

PA guarantees that:

- The production workers will receive the money which MA will pay to PA for the living wage project. The PA workers get the additional money by end of each month.
- PA guarantees that PA will not lower the salary to the workers because MA is giving money to the workers. In other words: It is not the idea that Manroof's payment will substitute the salary payment of PA.
- PA will show to Manroof pay slips. PA already made contracts with workers before based on Chinese Law. The contract is clearly informing the paying method for regular hours and not for OT.

Manroof in the counterpart guarantees:

- *Payment 80 % of the GAP (before 75 %)*
- That will do everything to keep the buying volume or to even to increase it
- Manroof will continue to place good and big orders with PA

Both companies are interested in a good and a long-term relationship.

Calculation living wage:

Jacques von Mandach calculated in April 2019 that the living wage value is **RMB 4000/month**. This calculation is based on the Anker methodology (www.globallivingwage.com) and the figures for inflation in China.

Following amounts will be added to RMB 4'000/month:

- *The Chinese inflation in 2019- 2023 is around 8.65 %. RMB 346 for the year 2023 and RMB 442 for the year 2024.*
- 2019: 2.90 %
- 2020: 2.40 %
- 2021: 0.85 %
- 2022: 2.5 %
- Total 2019-2022: 8.65 %, average per year 2.20 %
- *Living Wage per month 2023 RMB 4'346, Living Wage 2024 RMB 4'442*
- *Basic salary according to PA per month: 2022 RMB 3'250, 2023 RMB 3'350*

GAP 2023: RMB 4'346 - RMB 3'250 = RMB 1096

The figure of living wage can be substituted by a « **negotiated** » value in the future. Means, if PA and a worker committee confirm that this value is lower or higher. A lower or higher value can be used for the agreement. The negotiation can be done by employer and trade union (or any form of employee committee which accepted by both parties) in PA.

Quantity production workers PA 2022 (production + printing + packing): **61 workers**

The share of Manroof at PA 2022 is 10 %.

Figures for 2023:

The additional cost per month for all workers is:

GAP RMB 1'096 x 61 x 0.10 = RMB 6'685.60/Month or all workers for Manroof orders, RMB 80'227.20/year (CHF 11'020.22) for all workers and Manroof orders.

Manroof share 80 %: **RMB 64'181.76/year** (invoice PA/Manroof Sep 22, CHF 8'816.18), PA share 20 % RMB 16'046.20 /year (CHF 2'204.15).

Each worker gets additional money: RMB 1'096.00/month x 0.10 = **RMB 109.60/month**

Place and Date	Supplier PA	Manroof GmbH
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Supplier PA

INVOICE

CLIENT

TO: MANROOF GmbH

Mattengasse 7

8005 Zurich

Switzerland

Tel: +41 (0) 44 274 15 03

DATE : 2022-10-20

TRM OF PMT : T/T

1.COMMODITY,SPECIFICATION&QUANTITY	2.UNIT PRICE &TOTAL AMOUNT
<p><u>Living Wage Project</u> <u>2022-2023</u></p> <p>The share of Manroof at PA 2022 is 10 %.</p> <p>Figures for 2023:</p> <p>The additional cost per month for all workers is:</p> <p>GAP RMB 1'096 x 61 x 0.10 = RMB 6'685.60/Month or all workers for Manroof orders, RMB 80'227.20/year (CHF 11'020.22) for all workers and Manroof orders.</p> <p>Manroof share 80 %: RMB 64'181.76/year (invoice PA/Manroof Sep 22, CHF 8'816.18), PA share 20 % RMB 16'046.20 /year (CHF 2'204.15).</p> <p>Each worker gets additional money: RMB 1'096.00/month x 0.10 = RMB 109.60/month</p>	<p>Manroof share 80 %: RMB 64'181.76</p> <p><u>TOTAL :USD9,168.00</u></p>
Signed : Joy	

We also learned from FWF that the best wage is a negotiated wage. In the past, meetings with different groups of factory workers and our CSR consultant took place. One objective was training the workers about their rights and answering different questions about this issue. Another objective was to receive the workers' opinion of how much they need for a living wage. In these meetings, the workers said the value of living wage is around RMB 3500. Despite these opinions we have kept our higher calculation with Anker Method.

In the GS audit Nov 2022, it is said that there are some other problems with living wage: 30 workers for packing and inspection, which have reached retirement, are not paid below minimum wage. PA argues this does not go against the law, because they retired. We are determining how much the gap is, and we will work to find a solution here.

Other Manroof suppliers in China, 2022

Name / Product	USD / Manroof threshold	Remarks, CSR activity
2. DC / Caps	USD 58'000.- / 3 %	High CSR Monitoring Level, GS Audit Nov 2022, Cap file Online Meeting with Manroof CEO about CSR expectations Visit and telephone call with CSR consultant.
3. KNG / T-Shirts	USD 25'000.- / 1.6 %	High CSR Monitoring Level, GS Audit 2023 Visit and phone call with CSR consultant.
4. HAI / Towels	USD 23'000.- / 1.5 %	High CSR Monitoring Level, Amfori Audit 2022 / Cap file, GS Audit 2023 Online Meeting with Manroof CEO about CSR expectations Visit and phone call with CSR consultant.
5. FE / Lanyards	USD 5'700.- / 0.4 %	Middle CSR Monitoring Level, Sedex Audit April 2022 / Cap File Online Meeting with Manroof CEO about CSR expectations Visit and phone call with CSR consultant.
6. HE	USD 0 / 0 %	Middle CSR Monitoring Level, GS Audit 2020 / Cap File, Amfori Audit 2019, Amfori Audit 2022 Online Meeting with Manroof CEO about CSR expectations Visit and phone call with CSR consultant
7. SUN / Dry Bags	USD 4'000.- / 0.25 %	Middle CSR Monitoring Level,

		<p>Sedex Audit April 2022 / Cap File</p> <p>Online Meeting with Manroof CEO about CSR expectations</p> <p>Visit and phone call with CSR consultant. 2023</p> <p>Eventually Exit Strategy End 2023</p>
8. GCR / Bags	USD 0 / 0 %	<p>Middle CSR Monitoring Level,</p> <p>Amfori Audit 2019</p> <p>Exit Strategy End 2023</p>

The suppliers above are part of the Manroof tail end's supplier list. Since end of 2022 Manroof has intensified the CSR monitoring activities at these suppliers. The challenge for Manroof is big because Manroof's leverage is small, ca. 1 %.

The human risks are more and less the same risks mentioned in the FWF Country Study:

- Over Time
- Living Wage
- Incorrect payment of wages: Workers do not understand how the salary is calculated
- Missing payment of statutory holidays and annual leave
- No existing workers committee. They have elected workers representatives, but often it is only on paper.

We have confronted our suppliers with the open points. Some improvements have been done.

We created cap files where none were existing.

Additionally, we continued working with suppliers closely through the local CSR consultant, building confidence and engaging them for transparency. In this manner, the aim is to improve the work environment step by step in a way that can help them to build a good relationship between factory management and workers.

In health safety, factories were facing the same issues as the workers disliked wearing the PPE or follow up the safety SOP. The stated reason was the desire to do everything quickly since the workers are paid by piece rate. Manroof has started to provide safety training to suppliers for the following: "How to become a Professional Worker". It's received very good feedback from both suppliers and workers. It will be a long journey as most of those workers (including management) are not trained on "how to protect personal health during working" before their first job. We will need to think about how to change their minds in future.

Supplier in China under Exit Strategy End 2022

8. NIH / Lanyards	USD 19'000 / 1.2 %	Exit Strategy, orders moved to FE
9. ST / Lanyards	USD 9'000 / 0.6 %	Exit Strategy, orders moved to FE

The reason for stopping with these suppliers is mainly the lack of commitment and understanding for our CSR expectations. These two suppliers are “old” suppliers. Service and price were excellent. The decision was not easy for Manroof, but CSR issues has priority.

FACTORY D. / INDIA

Threshold:	4.37 %
First Order:	2017
FWF audit reports:	2 x
Last FWF audit:	Nov 2020
Next FWF audit:	April 2023
Quantity workers:	37
Products:	T-Shirts

We started ordering T-shirts from this supplier in 2017. The service and communication of Factory D. is much better than that of our previous supplier. In December 2017, our CEO visited this new supplier in India. The owner was able to explain in detail the process and the CSR challenges in this factory. The factory has several different audit reports and certifications. The FWF audit report we made in January 2018 had some findings. Once again, the reasons for the findings were a lack of know-how and formality. With the help of an Indian CSR external consultant, Mr Jekib Ahmed, we were able to remediate root cause and improve working conditions. The FWF audit 2020 brought good results and showed that the working conditions improved.

In 2022, our external consultant visited the factory several times. His work is based on the results of the FWF audit report and the information he received in prior years.

Risks Identified at Factory D:

During our visits in 2022, some of the risks which were identified along with the factory which needed improvement were:

- The diesel generator set was operating without adequate required stack and permission from the government authorities
- The assembly area allocated needs more space since the current space was slightly less than adequate
- The boundary for the premises was not fenced adequately towards the parking area in the front
- Some of the emergency lights did not function when checked
- Factory had a temporary accommodation facility provided to workers inside the factory premise due to Covid situation. Now that Covid situation no longer exists, this accommodation facility cannot be inside the premises.
- There are changes in the production layout being made, however the evacuation map posted in the floors have not been updated accordingly and do not match the current layout

Work progress in 2022:

In 2022, we continued our work for better working conditions. We on focused on the following aspects:

Empowering works committee on creating a level playing field for basic negotiations on some advanced entitlements/welfare measures

Working closely with ICC (Anti Sexual Harassment Committee) on sensitizing on gender-based violence (GBV) and building their capacity.

Advanced training on occupational health and safety for the workers as well as management team

Some of the issues resolved in 2022 have been:

- The diesel generator set license has been obtained from the local authority and stack has been installed for adequate height
- The assembly area has been adequately allocated and maintained
- The boundary for the premises has been properly fenced towards the parking area in the front to ensure safety
- All emergency lights are properly functioning and are being checked at regular intervals
- Factory has stopped the temporary accommodation facility. It has also been decided to take the building used for the accommodation out of the factory premise and bifurcate the factory premise separately to avoid any confusions in the future.
- Factory has shifted their payroll calculation method from using 26 days for calculation to using the actual number of days in the respective month for calculation. This has ensured that there is never any loss of money due to the calculation error for workers. This is the most efficient and correct way of calculating the wages of workers.
- Factory has ensured that all fire drills are conducted at the prescribed intervals without any lapse and record for the same is duly maintained

Living Wage:

Since 2019, the factory has been consistently paying the legal minimum wages to all its workers to date. We have been monitoring the factory regularly and there has also been a FWF audit in 2020 which confirmed that all workers receive the legal minimum wages. All the workers are paid higher than the Legal Minimum Wages. The LMW of unskilled, semi-skilled and skilled and highly skilled are INR 8695, INR 9562, INR 10519 and INR 11573 respectively. In this factory, the wages range from INR 9870 to INR 13650.

As of now there is no Living Wage benchmark available in India for rural West Bengal region and comparison to any other state of India is not relevant as there are vast differences between the cost of living from one state to the other. FWF has provide us a Living Wage figure from a study conducted by Anker and Anker from a rural region in Uttar Pradesh to use as a reference value which is INR 13735. Although this can never be used in rural Kolkata for the reasons mentioned already, yet we are trying to keep an update on the gap between this value and the current wage levels in the factory.

The factory has been working towards increasing their wage levels continuously. Apart from the legal minimum wages increase in every 6 months, factory has an internal policy of increment of wages once in every 2 years, this is over and above the increase in the minimum wages.

Below is a comparison of the lowest wage level of workers in Feb 2021 and Feb 2023. In the last 2 years, the lowest wage in the factory has increased by 12% and factory is planning to have its next wage increment in April 2023.

	Wage Level in Feb 2021	Wage Level in Feb 2023	% Increase in wage
Lowest wage for unskilled worker	8804	9870	12%

Factory believed in transparent dialogue between workers and management and have an independently elected Works Committee. The Elections for the Work Committee for their new term has been concluded in March 24, 2023. Factory management aims to bring the wage ladder discussion to the Works Committee meeting scheduled this month and involve the works committee for agreeing on the new wage increment levels through a collective mutually agreed process.

In 2022, we continued our work for better working conditions. Our CSR consultant focused on the following aspects:

- Working more proactively with elected works committee towards strategizing target wage between management and workers
- Empowering works committee on creating a level playing field for basic negotiations on some advanced entitlements/welfare measures
- Working closely with ICC (Anti Sexual Harassment Committee) on sensitizing on gender-based violence (GBV)
- Advanced training for occupational health and safety committee

Plan for 2023:

This year 2023, we will continue our work for better working conditions. We will work with the factory team to focus on the following aspects:

- Election of the new Works Committee for the new term, ensure elections are democratically conducted
- Training of Works Committee members
- Wage ladder discussions along with the Works Committee
- Working more proactively with elected works committee towards strategizing target wage between management and workers
- Empowering works committee on creating a level playing field for basic negotiations on some advanced entitlements/welfare measures
- Working closely with ICC (Anti Sexual Harassment Committee) on sensitizing on gender-based violence (GBV) and functional procedures for the ICC
- Training of team on Internal Audit
- Go through another WEP training module of FWF for workers

EXTERNAL PRODUCTION

We have suppliers who are external producers. They are textile product traders but not producers. They sell textile products from different brands, also FWF member brands. Of course, we always try to order brands from suppliers that are FWF members. We informed our external producers about our FWF membership. We check the bpc reports and social reports of the FWF members where we buy goods.

Complaints handling

We have not received any complaints. Should we receive a complaint, we will try to solve the problem and lead an open discussion with the supplier.

Manroof has a workflow in place to monitor that the Code of Labour Practices, including the contact details of FWF's local complaints handlers, are posted at the factory production locations.

Training and capacity building

ACTIVITIES TO INFORM STAFF MEMBERS

All Manroof employees are aware of our membership with the Fair Wear Foundation. The information flow within the company is very fast. All employees have been informed in detail regarding our FWF membership.

ACTIVITIES TO INFORM AGENTS

We have only one agent, factory B. / China. Our cooperation within the CSR framework is working very well. This agent has highly skilled employees who take care of the improvements in our bag suppliers' factory H. This year, two orders were placed with this agent, in two different factories. Both factories have been informed about FWF and the new Global Worker Sheet has been posted in both factories.

ACTIVITIES TO INFORM MANUFACTURERS AND WORKERS

The suppliers' managements in high-risk countries were informed about Manroof's involvement with the FWF and the Code of Labour Practices by email as always. Our largest suppliers know that we demand constant social improvements. These suppliers informed their workers about the FWF. An important tool is the WEP (Work Education Programs) and the trainings which our CSR external consultants give to the factory. Our CSR external consultants made 2019 several trainings at supplier P. and D. In 2020, due to the Corona Pandemic only our Indian CSR consultant was able to visit our supplier in Calcutta.

Information management

We have requested and received a list of all subcontractors, with name, address, and product. Our suppliers have sent them the Code of Labour practices, and they have mailed us photos as proof.

We continue to request this list every year to keep it current.

Transparency & communication

Manroof communicates its FWF membership on the website, in the catalogue and the emails. We also mention it in our sales calls or written communication with our clients. In addition, our CEO attends different seminars and meetings.

Stakeholder engagement

There are no stakeholders engaged at Manroof or at our suppliers' factories. Manroof uses resources from non-profit organisations such as the FWF, the Clean Clothes Campaign (CCC), and the media to get more general information about CSR issues.

Corporate Social Responsibility



	<p>In 2012, Manroof acquired the license to produce Fairtrade Max Havelaar products. We are as well a supporter of the Swiss Fair-Trade organization. The Fairtrade brand is well known in Switzerland. The license enables us to produce with Fairtrade Max Havelaar certified productions all over the world. The regulations are very strict. Only selected factories are meeting the requirements. At this moment, it is not possible to produce Fairtrade Max Havelaar certified goods in China. We used the license to place orders in India, Turkey, and Pakistan.</p> <p>FLO-ID: 27588</p>
	<p>Manroof has been certified by Imo Control since 2013. The certification entitles us to process and market textiles according to the Global Organic Textile Standard (GOTS) 3.0.</p> <p>We used the license to source products in India.</p> <p>Certificate of Compliance No. 151929, valid until 30.6.2022</p>
	<p>In 2015, we joined amfori/BSCI (Business Social Compliance Initiative) because we are increasingly ordering non-textile products, and the Fair Wear Foundation does not monitor these products. Therefore, we want to know and improve working conditions at the non-textile factories as well.</p>

	<p>The company Manroof produces textiles and promotional items with the label SWISS MADE in collaboration with Swiss production sites. We support local production as much as possible.</p>
	<p>We have many approaches inside the company to protect the environment:</p> <ul style="list-style-type: none"> - We recycle (we reuse packing, we drink tap water only in the office – no PET bottles) - We use eco electricity - We transport large orders per sea freight - we try to place orders with Swiss companies (Swiss Made) and support the market in the country - we offer many products made of recycled materials, such as bags, lanyards, office supplies, and drinking bottles

This report was written in March 2023 by Mr. Jacques von Mandach