

# WHEN FASHION MEANS RESPECT

**Robin Cornelius and Daniel Rüfenacht**  
**Interviewed by Anne Rüffer and Joy Altenburger**  
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The medium-sized production and retail company Switcher SA in Le Mont sur Lausanne, Switzerland, produces about seven million clothing items per year and thereby reaches annual sales of about 80 million Swiss francs. CEO Robin Cornelius, who created the company already during his student days in the year 1981, opposed his fashion to the yuppie trend of striped and logo-bearing shirts of that time. His first collection consisted of a solid-colored T-shirt and a sweatshirt.

The dynamic French-speaking Swiss is currently praised by the business world as a pioneering entrepreneur. His enterprise not only convinces by the quality of its textiles, but above all his innovative commitment in the areas of social and ecological concerns has set new standards. Cornelius, who was distinguished by Ernst Young as “entrepreneur of the year” in 2005, proves that ethical, social, and ecological production conditions and commercial success do not contradict each other in any way. The Switcher company has completely

embraced the principle of sustainable development; its certified “clean production” includes continuous quality controls, both of the articles themselves as well as of their production – with minimal use of chemical substances. In the social area, Switcher is committed to a self-imposed behavioral code, which is based on the work standards of Fairwear Foundation (FWF) and the agreement of the International Labor Organization (ILO), observance of which is verified by independent entities commissioned by the management.<sup>1</sup> This code of conduct sets strict behavioral directives regarding environmental protection and humane working conditions: no child labor; working conditions regulated by agreements; general outline conditions regarding hygiene and safety on the job; observance of working hours and minimum wages. In the production countries of Portugal, India, and China, the company is working with a distribution network of partners that is easy to survey, and partners are equally asked to be accountable for their social and environmental re-

sponsibility. In addition, they are required, together with Switcher, to commit to local social projects – schools, medical services, drinking water supply.

Switcher advocates the improvement of living conditions of local communities directly or indirectly involved in its activities. In India, the YES program (Youngster Education Support) offers continuing education courses to employees between 16 and 25 years of age to convey to them knowledge in reading and writing, health, English, and computer know-how. Along the same lines, Switcher has opened and is financing seven schools there, which offer an education free of charge to more than 1000 children. Since 2002, two buses converted into “mobile schools” have been roaming the countryside so as to offer basic education to children who have no access to a stationary school due to the distance. Four medical installations guarantee medical treatment free of cost for the surrounding population, and the adjacent villages without access to clean water are supplied with drinking water by means of a tank truck.

As an alternative to conventional cotton, the cultivation and processing of which is hazardous for the environment and the workers' health, Switcher has supported projects for growing organic cotton in cooperation with non-government organizations such as Helvetas (Switzerland), and medium-term plans call for a total switch to organic cotton which also guarantees a higher income to the farmers on site.<sup>2</sup>

The latest project of Switcher SA is the Internet platform [www.respect-inside.org](http://www.respect-inside.org). A DNA code enables the general public to get information on the origin of the purchased product – from the country of origin to the point of sale.

The neutral Web site also addresses NGOs interested in the production and living conditions of the persons involved in the supply chain.

**Interview with Robin Cornelius, founder and CEO, and Daniel Rüfenacht, Head of Compliance & Integrity and Public Relations.**

*In 1998/1999 Switcher introduced a code of conduct for its suppliers. What caused you to do this?*

**Cornelius:** Like many things in life, this was more of a coincidence. At that time, my partner and I were in Tirupur, a region in India primarily active in the textile area. One sees the children in the streets, one watches TV. This creates empathy and you begin to look for solutions, to improve conditions for the workers. But our ideas were more of a spontaneous kind and unstructured. Later on, we met Daniel Rüfenacht who was in Tirupur on behalf of OSEC, and we started this project with him. He said that the first thing we needed was a code of conduct. At the end of the nineties, companies did not yet have codes of conduct. These rules were the beginning of a new approach of the entrepreneur to the suppliers.

**Rüfenacht:** At the beginning of the 1990s, the Americans were the first ones to introduce codes of conduct. It was the large groups, which were under fire by NGOs and the media, among other reasons for child labor. Currently there are 10–15 draft proposals such as the BSCI, SA8000 or ISO 26000 standards and many others.<sup>3</sup> For us, it was a genuine jungle, since we did not find any basis for a code of conduct. At the ILO, not much was to be found either; this is why we looked into US companies such as Nike or Reebok and drew up our own from their rudimentary approaches. That was in 1998 – 7 years later than the Americans. But in Switzerland,

we were the first ones who were able to present a comprehensive document at that time. Later, the campaign “Clean Clothes” was started by Brot für Alle, Fastenopfer and the Declaration of Bern.<sup>4</sup> The Clean Clothes Campaign set the frame of reference for codes of conduct. We then proposed an audit to the people in charge, so as to establish a bridge between our code of conduct and theirs. In addition, we monitored our operation independently from the code of conduct. To draw up a code of conduct, as we did at that time, was a difficult task. Today, it is considered normal.

**Cornelius:** Although codes of conduct are to be found everywhere nowadays, more than two thirds of them are not audited. Anyone willing to do so can show a code of conduct among his/her documents, but frequently they are no more than idle words. As is well known, paper is patient. Some do not even include the complete, new main conventions of the ILO, such as child labor and minimum wages. It is important that codes of conduct be independent and verified.

*Such a code of conduct does not originate from profit-orientation; it costs primarily a lot of money and staff resources. What is the benefit of this code to Switcher?*

**Cornelius:** A small company such as Switcher – still smaller at that time – is a family-owned operation. This is why values such as quality of life, a good conscience, a good image, and an informal environment are most important. Cash-flow, profit, and growth rank second. Furthermore, as a small company, we have no shareholders, i.e. that we are not subject to pressure. The CEO is a friend of the suppliers, and back in Switzerland, he speaks to his family, his wife, his friends. He wants to prove that

what he is doing is something good. Everything one does in life is always also in some part for oneself. I wanted to have a good conscience. My then partner asked: Why do we need a school, a canteen, a truck driving through the villages with 12,000 liters of water instead of dyestuffs? Why? My answer was: Why not? The question is: Why do some people do more than others? We began to have ideas and developed them jointly, without worrying about the costs. Had we had a budget, we would not do one third of what we are doing. When you build a school, you also need eight teachers and a dean. In the interim, we have 7 schools, 2 mobile schools, and more than 60 teachers. That costs money, of course. But why should we measure everything all the time? You cannot budget emotions.

*How is this received in your partner countries, and what type of support and/or attempts at boycotting by local competitors and local authorities did you encounter?*

**Cornelius:** Our programs are now very well received by our partner companies. To begin with, working conditions have to be in accordance with our code of conduct, and then we start with social programs serving directly to improve living conditions of workers and their families. As long as you communicate with local authorities and keep them informed of the planned programs, our experience shows that no problems will arise. We do not want to substitute the government, but only help where we feel that assistance is required. For instance, we build schools where the government cannot build any, and the curriculum is the same as in any standard school. The difference is that our teaching methods are expanded by a whole range of “extracurricular” activities. For instance, we organize an interchange between

the Beausoleil School in Villars-sur-Ollon and India. The Swiss students help the Indian children in mathematics, biology, chemistry, and other subjects that are not compulsory at this age level in India. Boycott has never been a topic so far. If at all, other companies are envious of our discerning buyers who not only think of the product but also of the living conditions of the workers.

*How do you control compliance? Not only with your direct partners, but also among subcontracted suppliers? Do you have any influence on them?*

**Rüfenacht:** In most companies, a code of conduct cannot be controlled. Let us take a large retailer in Europe as an example; in the textile area, such a company will have more than 20,000 direct suppliers. The suppliers work with sub-contractors and those in turn with their own sub-contractors. We turned the business model upside down: We are working with a limited number of suppliers and maintain very personal relationships to them. There is no “cherry-picking” in our operation; that is a golden rule. We do not switch partners to save a dime. On the other hand, each supplier working with us must make available a so-called Social Compliance Officer – a person who verifies compliance with our code of conduct and/or the ILO convention daily. At the beginning of the year, each of our close to 40 suppliers has to answer 600 questions. Each of these questions is linked to our code of conduct, such as: Do you have child labor, yes or no. It is a matter of trust, it is called self-assessment. This gives us an image of the supplier. Before we begin to work with a supplier, he/she has to submit to this test. If we see serious problems with a supplier, we may ask for an audit every year and send an inspector from SGS and Bureau Veritas.<sup>5</sup> Of the nine

conventions, the same two or three cause problems: In China, it’s overtime, in India it may be child labor, but also overtime. Subsequently, everything is verified by the NGOs, by the Clean Clothes Campaign. We submit to them all results from the self-assessment and the audits, they then check all our suppliers in a specific region in the various countries and verify the conditions.

*What happens if you find grievances?*

**Rüfenacht:** If the reply to the question regarding child labor is “yes,” a so-called Corrective Action Plan is automatically drawn up. The Compliance Officer in charge will have to ascertain what has already been done in this regard. Let us take overtime in China: When supplier A has implemented the Corrective Action Plan, supplier B can see what has been done at the former’s operation and then apply it in his/her own operation. As soon as the non-compliant supplier has worked out a solution, this has to be presented to our Swiss office and we then approve it or don’t. The Corrective Action Plan is then initialized electronically. If our checks show that the corrective action is actually implemented, the Corrective Action Plan is closed and the problem has been solved. We thus have complete transparency and can trace any problem back to its origin. This is the absolutely fairest situation you may find in any company worldwide.

*If all the above is of no avail, do you take the necessary action?*

**Cornelius:** Yes and no. When Switcher absolutely needs a product and a supplier can provide it, but does not apply Switcher standards, we give a deadline. Since we talk regularly and directly to the suppliers, something of this type has

never happened so far. In the worst case, somebody may be dropped if he/she really does not want to cooperate within the system.

We have done everything to make the supplier understand that it is a valuable marketing tool to be able to provide clear proof of everything. The supplier thus gains new clients and meanwhile our partners consider it an investment.

*Does such a code of conduct correspond to the mentality of the population and the culture in your producing countries? Is it not rather some utopia based on Western ideas?*

**Rüfenacht:** In Tirupur, for instance, the capital city of the T-shirt, there are French, Swiss, German, US enterprises. All in all, there are about 4000 companies. It is a place where a lot of child labor exists – not among exporters, but among local companies. It becomes dangerous when exporters pass the work to local companies without checking them. Switcher is 100% against child labor. We are convinced that there must not be any child labor in the 21<sup>st</sup> century and we take a clear stand in this regard. A child will not knock on the door of a company out of its own free will. Sometimes these are Mafia cases, leasing cases, the child is sold or has to pay off a debt of the parents, and we cannot support that. We have certain tools, such as the schools in India and our mobile school. Furthermore, we have the Social Compliance Officers who will talk with the parents when their children don't go to school. It is most important that a child go to school, even when it has to work. We don't only claim that we are against child labor; we also offer something concrete. Also in the context of overtime, we often hear the argument: "The more people work, the more money they make, and the better their lives."

This is not necessarily true because overtime is frequently not paid according to the standards. At Switcher, overtime is considered a lack in efficiency. Consequently, we not only work to eliminate the problem of overtime, but in parallel we work on optimizing the organization of work processes.

This shows that a code of conduct is not only a Western utopia but a global standard that is equally applicable in developing countries, the same as in Europe. If Switcher applies this code of conduct on the entire procurement market, Europeans and Asians will work with the same competitiveness. We also serve European industry by not accepting that Asian companies work with twice the number of hours per week at much lower wages.

*Does this model of work and school mean that you are prepared to accept a certain type of child labor?*

**Cornelius:** Not at all. You have to differentiate the industrial area and agriculture. In Mali, for instance, where we have organic and Fair Trade cotton grown, cotton is picked during October and November. The whole family joins forces. Children are off school, the same as here in Switzerland fifty years ago, when it was time to make hay. These procedures still exist there. We cannot do anything against them, but we do make sure that these children will be attending school the remainder of the time. That's our job; this is why we also went to Africa and verified it. There, we cooperate with Helvetas. Initially, there was even an altercation with the NGOs when we said that we did not want these children (to work for us).

*Let us stay in India, let us stay with these 4000 companies. Maybe you are the only company not*

*hiring children. What happens with these children? What happens with these families that depend on having their children contribute to their living expenses?*

**Cornelius:** We are not the only ones. There are many other operations with “clean” productions. Moreover, we have done a lot of sensitizing work among parents and made it clear to them that they themselves will not get any work if their children are made to work. This is why we have hired these social people, the Social Compliance Officers, who explain to the parents that a child in India has the right to attend school until at least 14 years of age.

*And you will then employ the mother at higher wages instead of the daughter?*

**Cornelius:** Mothers, fathers – adults, precisely. We have 2500 employees there to whom we offer the opportunity of sending their children to our schools free of cost. This is already a first item with which we show clearly that they need not send their children out onto the streets to work. 30% of the children in our schools are the offspring of parents working for us.

Children younger than 14 years of age are not allowed to work in India. We only hire young people 16 years old or older. There are also young people between 16 and 25 years old who wish to train with us for a special vocation. One of Daniel’s ideas was the further education program YES, the Youngster Education Support, for young adults. It is a free program for their spare time, not during working hours, since that would be tantamount to sponsoring and unfair towards the others. If you want to learn more, we help with computers, English, etc. At the end of the day it is all a question of education.

*The situation of female children is dramatic in India. They are considered the last link in the food chain and thus in their importance within society. What does Switcher do for girls? Are there any standards in the code of conduct that are specifically targeted on female child labor?*

**Rüfenacht:** The code of conduct is dedicated to all our workers, male and female, throughout the world. But each country does have its specific problems, which have to be dealt with case by case. At Switcher, you cannot get work if you are younger than 16. From the age of 16 onwards, we offer our YES programs for girls. In their accommodations, we teach workers on topics such as “sexuality, hygiene, infections” from the medical point of view, but also computer, crafts, and cooking courses. To small girls in our schools, we give the so-called cheakies from our spirulina project. These cheakies contain the daily caloric requirements for a child, by which we try to mitigate the chronic malnutrition of these children.

*Do consumers play along, do they remunerate your efforts for more justice?*

**Rüfenacht:** That is the most important topic: The consumer will buy what he/she loves. She will not buy because of ethical values. Market research has shown that maximum 2 to 5% of consumers care for values. The intention to buy is there, but when the purchase is closed, in fact only 2% purchase because the item is supported by a value. The fashion component must be all right, otherwise the items won’t sell.

**Cornelius:** We have launched five new fashionable lines: Sports, outdoors, basics, fashion, and junior. Each line is targeted on a specific buyer segment, and of each sales area, 1% of sales goes to an area defined by us: 1% of the sports range goes to the Schweizer Sporthilfe (Swiss Aid to

Sports) and to the Olympic Games, 1% of our outdoors sales go to water purification, 1% of basics sales goes to Basic Needs such as code of conduct, schools, etc.

*What do you expect of your responsible customers?*

**Rüfenacht:** Well, it is not necessarily up to the consumer; I would rather say it is more a matter of the good behavior of a company. The consumer has very little time to go shopping and we at Switcher would like to free our customers from the worry of thinking about the “responsibility” of the product when purchasing one of our items. The consumer will not check either whether there is an airbag in his/her car or not. It is simply a matter of course and accepted by all and sundry that the airbag is there. Personally, I expect the buyer to opt for a company and not only for a product. If the products are good, the buyer will buy them anyway. Our role is to produce them as responsibly as possible.

*In addition to your code of conduct you have introduced an ethics charter. What are the contents of this charter, what are the objectives you set yourselves with it, and what is your experience to date?*

**Cornelius:** The code of conduct is one of many tools of our ethics management system. The ethics charter outlines the guidelines for the entire ethical conduct of the company; both the management as well as the staff are evaluated by them. Similar to the US concept “we hire and fire on principles.” Each time we make a decision we have to think about how to minimize our impact on the environment, how we can permanently improve the living conditions of the people who depend on us, and how finally we can bring a fairly traded product to the consumer. Overall, we find only some minor devia-

tions from our ethical guidelines, which are simply communicated to Switcher’s stakeholders.

*In your opinion, what topics in your environment are the most pressing ones to be tackled by corporations? And what can you contribute to it?*

**Cornelius:** I care very much for topics such as transparency and accountability. In the area of sustainability, the environment, the social and economic aspects also depend on these topics. I would like to contribute by having the courage to point out a feasible way with my own company.

*What dream does the entrepreneur Robin Cornelius wish to realize next?*

**Cornelius:** That what I am telling you today about our philosophy will be a matter of course tomorrow.

**Robin Cornelius**, Founder and proprietor of Switcher



SA. When he was a student of economics at Lausanne University in 1981, he hit upon the idea which lay at the origin of the Switcher brand and devoted 50% of his time to this activity while pursuing his studies

of political science in the daytime and driving a taxi in the evening. In the space of 25 years, he has succeeded in creating a brand with a degree of recognition better than 90% and sales running to more than 6 million articles each year in Switzerland. He is now assisted in his business by over 100 colleagues and is able to devote more and more of his time to projects in which he takes a particularly keen interest, such as the search for new markets, environmental protection, social commitment and improvement of the living conditions of people working in the markets from which Switcher procures its goods. At the head of an environmentally and socially aware business, he has convincingly demonstrated the fact that transparency and traceability in the production of textiles and respect for human rights at all stages in the value creation chain are not in any way prejudicial to the economic development of a business.

With his respect-inside project, he now wants to extend his expertise to other fields and activities. As a dynamic and original entrepreneur, he is highly committed today to the promotion of SMBs and their values in the economic fabric of Switzerland and other countries.

**Daniel Rüfenacht's** professional path began in the



Swiss Office for Trade Expansion OSEC where he dealt with the sales promotion in favor of developing countries in the sectors of fashion, biological and organic fabrics, crafts, and inventions. In this function,

he also participated in the development of a social Swiss trademark and carried out tests of social compatibility in Africa and Asia for attaining this trademark. Parallel to his business activities, he obtained a post-graduate diploma in ecology from the Académie internationale de l'environnement in Geneva. After having gained experience in the textile industry in Zurich, he joined the Switcher Inc. team to deal with sustainable development and communication. After 18 months of professional education, he obtained an MBA in communication from the Universities of Lugano and Memphis. He is a member of the Switcher Management Board. As Director of the Compliance & Integrity department he primarily sees to it that the Switcher Code of Conduct is applied and respected among all suppliers. He is also in charge of:

\_\_\_ all contacts of Switcher Inc. with governments, the media, and NGOs, such as Max Havelaar for Fair Trade and Helvetas for organic cotton

\_\_\_ the introduction of the CSR strategy for Switcher

\_\_\_ the elaboration and introduction of control tools for social compatibility with all suppliers of the manufacturing chain, from the cotton farmer to the end user

\_\_\_ participating in the administration of the Switcher Foundation

\_\_\_ the creation and management of the respect-inside tracing trademark ([www.respect-inside.org](http://www.respect-inside.org)).