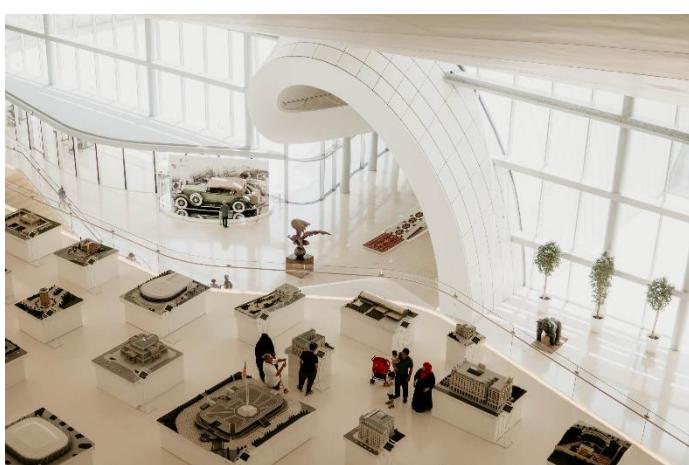


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Communication on Progress



CHARGEURS
High Emotion Technology®

COMMUNICATION
ON PROGRESS





JOËLLE FABRE-HOFFMEISTER
Group General Secretary and
Group CSR Strategy Manager

"Throughout the year which suffered dramatically from the global pandemic, Chargeurs strengthened its CSR commitments and its ability to play a key role in the economy internationally.

The strength of our business model and our innovative capacity enabled us to maintain these advantages and positions in our traditional businesses, despite the backdrop of business disruptions and uncertainties, and even to create new businesses.

By producing reusable masks at the height of the crisis, Chargeurs has established itself in the healthcare sector with a brand that is now synonymous with prevention: Lainière Santé. All our businesses enabled our Group to make an even greater contribution to a balanced environment. Throughout 2020, Chargeurs stepped up its solidarity actions with its stakeholders, and developed businesses which enabled it to protect employee jobs and continue to serve our customers."

UN GLOBAL COMPACT

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



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Claudie Pierlot, CETI, Minimalist, ba&sh	
Kingspan	
Prologis	
Certam, Pôle emploi	
Madewell, Napapijri	





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Antonio Guterres
Secrétaire Général Nations Unies
New York, NY 10017, USA

2021, May the 1st

Subject: Renewal to the Global Compact

Dear Mr. Secretary-General,

I am pleased to confirm that Chargeurs supports the Ten Principles of the United Nations Global Compact on human rights, labour, environment, and anti-corruption.

With this communication, we express our intent to implement those principles.

We are committed to making the UN Global Compact and its principles part of the strategy, culture, and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. Chargeurs will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the Ten Principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the UN Global Compact, and annually thereafter according to the UN Global Compact COP policy.

This includes:

- A statement signed by the chief executive expressing continued support for the UN Global Compact and renewing our ongoing commitment to the initiative and its principles. This is separate from our initial letter of commitment to join the UN Global Compact.
- A description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake) to implement the UN Global Compact principles in each of the four issue areas (human rights, labour, environment, anti-corruption).
- A measurement of outcomes (i.e., the degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results).

Sincerely yours,

Michaël Fribourg

Chief Executive Officer

Joëlle Fabre-Hoffmeister

Secretary General





3 historic leading business lines worldwide

Temporary surface protection, interlining and wool, inherited from the merger of Pricel in 1981 with the Lainière de Roubaix, have been setting the pace of Group life for decades. Chargeurs succeeded in accelerating the development and expanding the international reach of these three business lines by anticipating changes in production methods and consumer trends throughout the world.

Chargeurs Protective Films is the world leader in the design, development and sale of solvents enabling the production of self-adhesive films to protect fragile surfaces during manufacturing processes, transportation and fitting. Plastic sheets, stainless steel, aluminum, pre-coated metals and PVC profiles are all materials whose appearance must remain impeccable and can be protected by film developed by CPF. The range of industries served is very extensive, covering construction, electronics and household appliances and is being steadily expanded to include other applications and sectors.

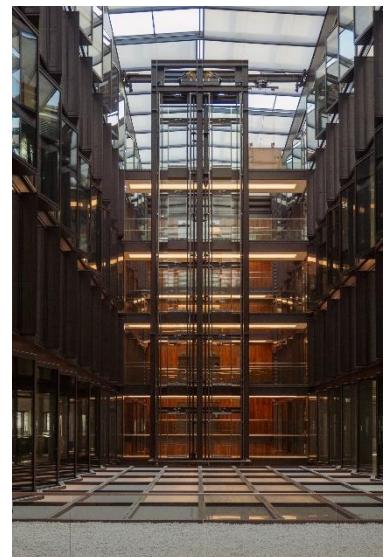
The combination of protective film and specific adhesive, and application by high-precision laminator machines, requires high-tech expertise and seamless coordination between the Group's R&D and marketing teams.

270,4 M€

2020 revenue

International reach covering

85 countries



Chargeurs*PCC Fashion Technologies is a global expert in the production of interlining used in clothing for women and men. Interlining is the only technical garment fabric that gives clothing its shape and structure. It is mainly used to make jackets, coats and shirts. Thermobonding is generally used to attach the interlining between the fabric lining and its exterior layer.

The increasing technicality of garments is driving demand from the world's leading luxury and fashion brands, including ready-to-wear and fast-fashion players, while Green innovation is creating new end-markets. Our Group's responsiveness to shifts in fashion industry trends and the quality of our logistics functions are key differentiating factors in this competitive market.

131,8 M€

2020 revenue

More than **6 000**

customers worldwide

Chargeurs Luxury Materials supplies the finest, softest and most resistant merino wool fibers in the world. Its expertise lies in selecting the best raw wool from producers worldwide, acting as the only wool trader capable of offering wool from every producing region to its prestigious customer base, who rank among the world's most prestigious brands.

The main finished product of CLM is "Wool Top" a long staple, worsted wool used to spin yarn for both the knitting and weaving industries. Wool Top is made from raw or greasy wool which is washed, carded, and then combed. These processes are carried out in combing mills in the United States, Uruguay, Argentina, and China. It is then the turn of marketing teams to deliver the right solution to each customer, whatever the location.

At each stage of the value chain, animal welfare and environmental standards are upheld; traceability of wool is guaranteed by the NativaTM label thanks to blockchain technology.

64,6 M€

2020 revenue

Leading **brands**

partner up with Nativa™:
Stella McCartney, Napapijri, and many more



2 new innovative business lines

2020 saw the creation of two champions in their respective niche markets: Chargeurs Museum Solutions, world leader in museum services, a market delivering strong structural growth and Chargeurs Healthcare Solutions, a new champion born from Chargeurs' entrepreneurial DNA.

Founded in early 2020, after a series of five acquisitions carried out since 2018, **Chargeurs Museum Solutions has become the world-leading supplier of turnkey solutions for museum-quality exhibit services.** CMS is composed of an industrial division, Senfa, which specializes in functionalizing technical textiles, and Chargeurs Creative Collection, the global standard-setter in museum services. CMS' teams elevate their global footprint to meet the diverse needs of major public and private cultural institutions. Their expertise includes end-to-end project planning (including museum installation and design), as well as the creation of immersive and technological experiences with the accompanying audiovisual and editorial content. Together, CMS' subsidiaries are involved in some of the most iconic museum projects around the world, from the United States to Asia, through to the Middle East and Europe.



51,6 M€

2020 revenue

1 large museum

is opened every week the world over



303,6 M€

2020 revenue

Lainière Santé™ face masks named
“**Product of the year 2021**”

in France's 2021 “Product of the year” awards

Created in record time to address the urgent healthcare needs engendered by the Covid-19 health crisis, **Chargeurs Healthcare Solutions** designs high-technology healthcare and personal protective solutions. Its comprehensive range of personal protection equipment (PPE) and innovative disinfectant solutions, benefits from synergies with the expertise of CFT*PCC, CPF and CMS. The marketing model is based on a multi-channel approach targeting B2B customers – major public and private institutions, key international accounts, small and medium-sized companies – as well as B2C customers via its e-commerce website lainieresante.com which has been a resounding success. Targeting both the healthcare industry and the general public, customer satisfaction is a primary concern for this business line. It offers products, modern customer service and a digital order process, together with related services such as inventory control and optimization as well as collection and recycling of used products.

As an industrial champion of premium technologies and services, Chargeurs Healthcare Solutions is dedicated to providing customer satisfaction while also protecting the environment.



Our model for creating shared value

Our resources

Workforce

Nearly 2,500 employees
31% of women
25 languages spoken
100% of managers have a variable part of their remuneration on safety goals

Financial

1,2 net debt/EBITDA (leverage ratio)
€53m in acquisitions
Long-term shareholders including Columbus Holding SAS, the main shareholder

Manufacturing

€14,9m in investments
18 production facilities

Environmental

282,853 MWh consumed
823,511 m³ of water consumed

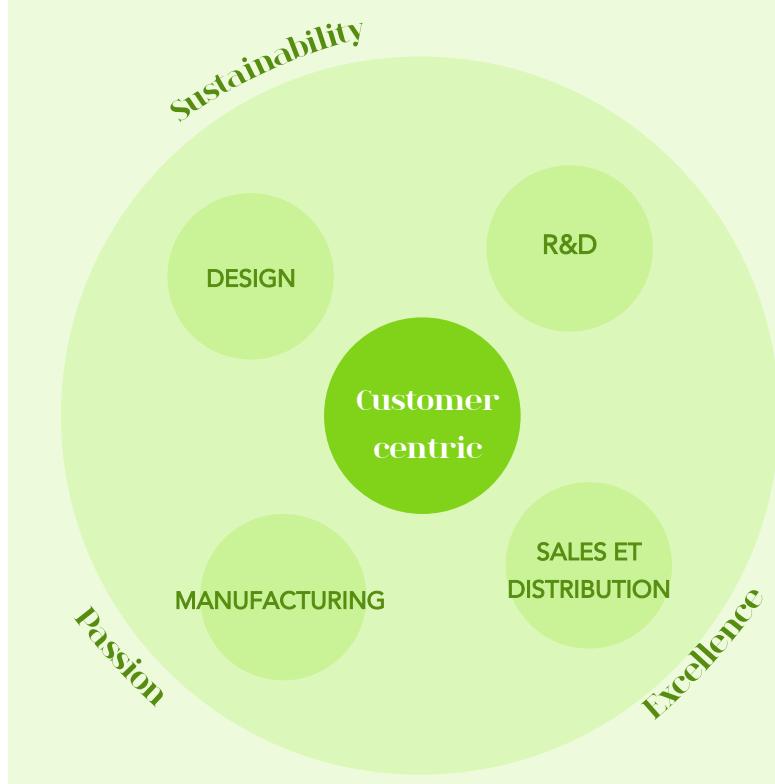
Intellectual

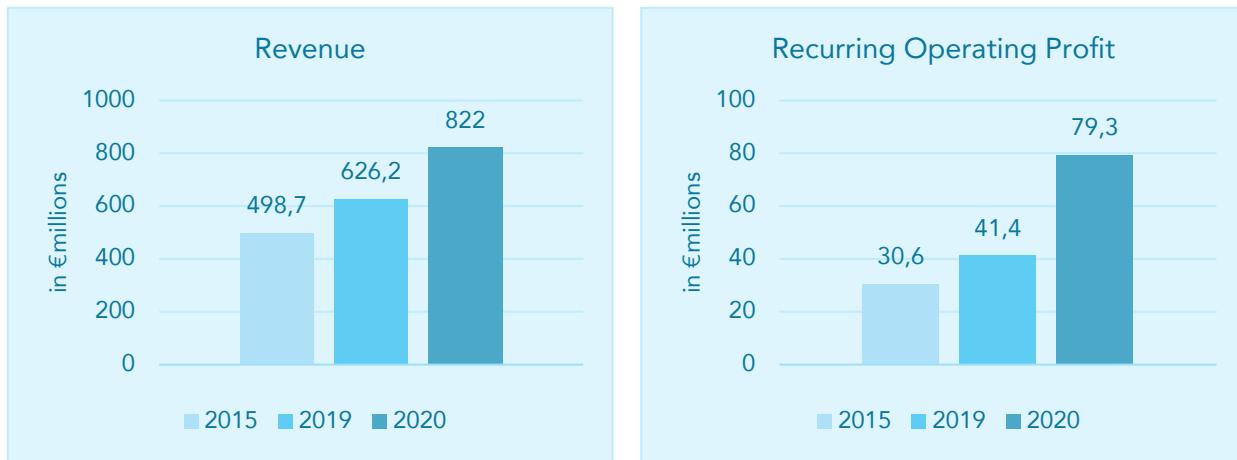
16 R&D laboratories
0,8% investment in employee training

Social/Societal

A strong and determined CSR response
A responsible purchasing strategy
A committed foundation – Chargeurs Philanthropies

Our foundation





Our value creation model

Workforce

- + 133 employees
- 94% permanent contracts
- 28% of the Group's top 50 executives are women
- A declining frequency rate of workplace accidents : 3,8% in 2020

Financial

- €822m in revenue
- €79,3m in recurring operating profit
- IRR per share since November 2015 : + 26,4 %
- 15% of revenue is generated by sustainable products

Manufacturing

- High-tech proprietary technologies
- Developing employment in local economies

Environmental

- CO₂ emissions / Mm² of production: - 2 %
- Water consumption / Mm² of production: - 28 %
- Total amount of waste (t / Mm²): + 6 %

Intellectual

- Partnerships with leading academic institutions such as the Lausanne EPFL science and technology institute as well as ESMT Berlin
- Blockchain innovation to protect textile certification
- 13 hours training per employee

Social/Societal

- Partnerships between Nativa™, the eco-responsible label, and the largest global brands
- 100% of full-time employees benefit from health insurance
- Donations of masks and hand sanitizer to hospitals, nursing homes and non-profit organizations



OUR CSR APPROACH

Chargeurs Group's CSR approach is:

- **Cross-functional and integrated**

Our CSR approach is an integral part of all Group entities. It involves commitments from all business lines and all subsidiaries at all levels.

- **Committed**

Our Group is committed to ensuring all actions are in line with the United Nations' Sustainable Development Goals and, in 2017, signed the UN's Global Compact. In this connection, each year, a Communication on Progress is released, reflecting our unwavering commitments.

In 2020, the Group stepped up its commitment to sustainability with the launch of a sustainability-linked Euro PP issue, based on two key pillars of our CSR strategy: the frequency of work accidents, and the share of revenue generated from "sustainable products and services."

Each year, an independent rating agency, EthiFinance (GAIA rating), specialized in SMEs and medium-sized companies, analyses and assesses the Group's ESG performance. This provides us with an external and independent point of view on our performance and drives us to continue to challenge ourselves to adopt a more ambitious approach.

- **Collaborative**

Since 2016, our CSR approach has been built around networks of highly committed representatives in each of our business lines who are fully aware of the challenges faced. They are both ambassadors and designers of our increasingly proactive approach. This network has been broadened and strengthened and now includes almost 25 active members who meet every month to expand our Group's ESG credentials. They are "our ESG family".

The CSR approach is also built around close collaboration with exacting and vigilant external stakeholders. Our customers are the best ambassadors for our products. As a result, Chargeurs

works closely with its stakeholders to jointly develop products and services that will give clients an ever-more distinctive competitive advantage, testament of their sustainability.

- **Ambitious**

Chargeurs' CSR strategy aims to become more ambitious every year. Chargeurs' historic track record of continuous progress pushes us towards innovation, in the pursuit of excellence. Chargeurs prizes excellence and aims to act as a pioneering leader in each industry in which it operates.

- **Unifying**

ESG is a strong force for internal cohesion, and fosters a sense of belonging, sharing the Chargeurs identity. It enables us to trace our paths together and unites all the women and men at Chargeurs around the same shared values.

Our Group can now rely on strong pillars to pursue and expand its ESG strategy and implement it successfully.

- **Solid and committed operating governance**

The commitment of the Executive Committee is essential to Group success. The approach is steered and managed at Group headquarters with benchmarks from each of our business lines. Regular presentations are made to the Board of Directors.

- **Committed employees**

The commitment of all our employees and their awareness of the importance of the challenges we face are essential drivers of our CSR approach. Our employees are the cornerstone of this, as both actors and genuine ambassadors of our approach.

- **A vigilant and exacting network**

Customer satisfaction and the pursuit of high quality are central to our approach, driven by our desire to lead by example.

Organisation and steering of the approach

General Secretary in charge of CSR strategy

CSR manager at headquarters, in charge of coordination and steering of the approach

Full-time CSR managers and ambassadors in all business lines



Our challenges, our goals

Environmental challenges:

- Carbon footprint
- Water management
- Pollution (air and water)
- Circular economy

Social challenges:

- Safety of employees
- Inclusion and diversity
- Upholding human rights
- Employee training



Our non-financial performance indicators in 2020

The work of structuring and defining Group strategy was broadened from 2016 and in 2019 the Group defined its challenges and priority goals, and in particular four key performance indicators (KPIs).



Workplace accidents
frequency rate



Part of revenue
generated by sustainable
products and services



CO₂ emissions
(by production unit)



Water consumption
(by production unit)



Our performance in the Gaïa Index



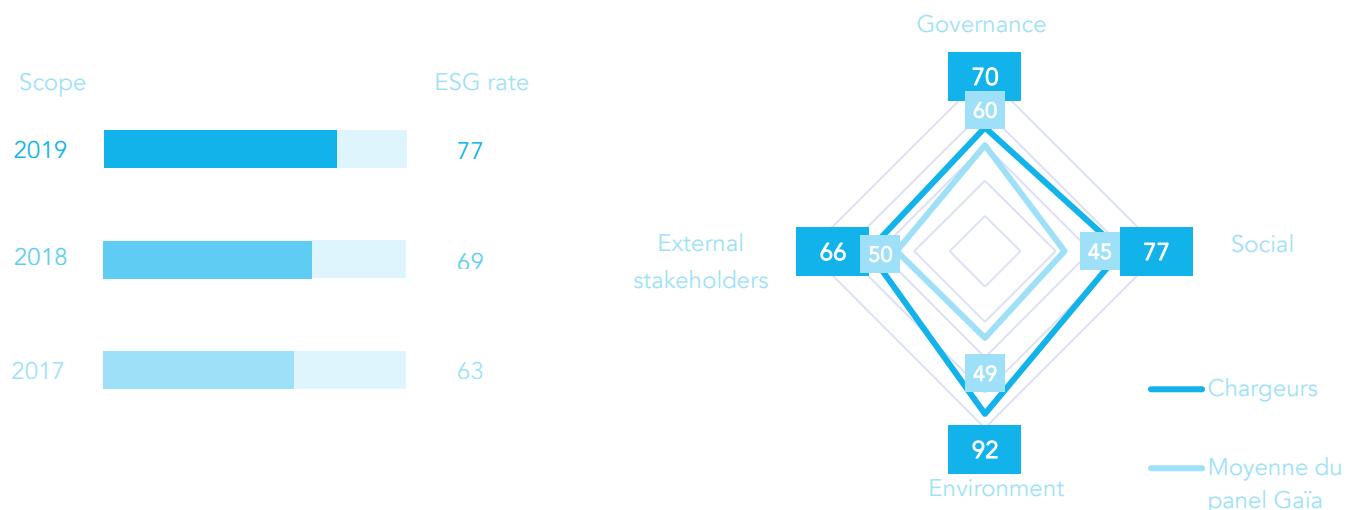
Launched 10 years ago, by the independent non-financial rating agency EthisFinance, which provides investors with corporate social responsibility ratings for small and medium-sized companies, the Gaïa index has become the benchmark for sustainable development of midcap companies.

The Gaïa Index rates companies against more than 130 criteria to assess the transparency and maturity of their CSR policies, practices, and performance.

Of the 230 Paris stock exchange-listed companies that were assessed for the index ("the Gaïa panel"), 70 French companies were recognized for their environmental, social and governance performance. This year, Chargeurs was included among their ranks for the third year running.

In 2020, Chargeurs was assigned a score of 77/100 for its 2019 scope, versus the average of 51/100 for the 230 companies in the Gaïa panel. The Group significantly moved up the ranking, to 42nd place, i.e. 25 slots higher than the previous year, illustrating the sustainable ESG efforts rolled out in all business lines.

Chargeurs stood out particularly well for the environment pillar (92/100) thanks notably to excellent management of water, air, land and waste (100/100); as well as for the social policy and characteristics component of the social pillar, also achieving the top score of 100/100.



This progression did not occur by chance. The recognition of the actions undertaken reflects the commitment of our business lines to the continuous improvement of our obtained ratings.



Our employees share their experience

CHARGEURS PROTECTIVE FILMS



Sandrine Guibert is Head of Marketing and Innovation at Novacel (Chargeurs Protective Films). CSR has played a pivotal role in her work. *"We have seen that it has become a key challenge for all companies and a decision-making criterion."*

"The first key to success in CSR is sincerity. It is a topic that does not tolerate untruths or ambiguities. Then, innovation is a key pillar: knowing how to innovate and question the status-quo to enact genuine change."

Concerned with the end-of-life of its products, Novacel communicates increasingly with its customers to support them in their waste management.

Novacel is making progress on the challenges faced by climate change, Sandrine Guibert underlined:

"We are making progress on this front, implementing action plans from manufacturing right through to the final product, with a range of R&D tools to promote low-carbon production."

CPF was particularly committed to reducing its carbon footprint in 2020 and started a wide-scale initiative to optimize product life cycles. This approach will enable our teams to better communicate with customers on these challenges by offering them the most comprehensive and transparent information on the carbon impact of our products. Further out, the challenge is to design and segment our range in the service of this approach.

CHARGEURS*PCC FASHION TECHNOLOGIES

For **Chris Hill**, CSR Director at Chargeurs-PCC*Fashion Technologies, CSR is above all about *"acting sustainably for humanity and the planet."*

"As a company, we are pro-active in tackling these challenges. Our contribution, as a team, is to ensure that we develop the best ideas."

Management of water resources is a top priority for this business unit. Chris Hill explains: *"There is a whole range of initiatives we can adopt to reduce water consumption, for example using smarter machines."* An estimated 40,000 m³ in water savings have been made thanks to decisions to upgrade machines.

Furthermore, we have also rolled out novel and very effective projects, such as the Dope Dye process used at the Lainière de Picardie site in France which is a dyeing process for fibers that enables huge water savings without any change in the quality of the interfacing produced. The Dope Dye technique enables a reduction in water use of 70-80% compared with traditional dyeing techniques as well as a 7% saving in energy and a reduction in chemicals used of more than 20%.

Chargeurs*PCC's commitment to better management of water resources is also reflected in its sourcing of Better Cotton Initiative (BCI) cotton, promoting agricultural practices that are more respectful of natural resources.

"We are creating positive impacts for the planet, positive for the people who work with us, as well as achieving attractive results, to the delight of our customers. This is particularly rewarding."



CHARGEURS LUXURY MATERIALS

Chris McKenzie is manager and head of CSR at the CLM business line.

A key pillar of Chargeurs' CSR strategy is the development of sustainable products, such as Nativa™-certified wool. "We believe this to be the best strategy for our business to build a future." affirmed Chris McKenzie. "*With big efforts over last few years Nativa™ is increasing year by year!*"

Customers are increasingly keen to tackle the challenges addressed by NATIVA™. Chris McKenzie added: "**There is a significant advance in the Nativa awareness of the brands, which is building and providing CLM the confidence of having adopted the proper business strategy for the future sustainability of CLM business.**"



Between 2019 and 2020, sales of Nativa™-certified wool increased 52%.

At present, CLM plans to pursue and step up the development of Nativa™. "Our target is to generate 100% of sales with Nativa™ by 2025 We aim to have 100% of our revenue generated from NATIVA™ 360° businesses. We are developing other projects like offering Recycled wool and Regenerative Agriculture. This will help us meet more of our current and new client's demands."

"2020 was a special year with many disruptions, much focus was placed on our responsibility to keep our staff and business safe and that our clients remain confident we can maintain our status on social and ethical responsibilities throughout such crisis."

CHARGEURS HEALTHCARE SOLUTIONS



From the outset, **Caroline Gay** has been part of the project team in charge of "repurposing production resources in favor of mask production." She was responsible for regulatory business and certifications linked to then emerging Chargeurs Healthcare Solutions business line.

The strategic choice was immediately to ensure the highest quality standards for users. Commenting on this, Ms. Gay said: "**Right from the start, we began by obtaining certification in line with the new European regulations, which is not yet obligatory, to guarantee the highest quality and ensure the absence of pollutants in masks.**" Guaranteeing mask effectiveness and lack of danger is a priority. From March, teams carried out in-depth reviews to ensure mask safety.

The teams were trained and supported by experts. An in-depth review was carried out right from the start, with French laboratories.

"Right from the start, a specialized firm supported us for technical documentation as well as with the rollout of production, quality controls and traceability. This preparatory work enabled us to create a basic standard at CHS, on which all new products are developed."

CSR takes pride of place within CHS businesses. "*We are increasingly factoring in environmental criteria, such as recyclability, right from the design stage.*" A recycling project for marks is also currently under review.

Soon, CHS production at the Lanière de Picardie site (in France) will include melt-blown, a nonwoven fabric with high filtration features. This production on our own site will enable us to be self-sufficient in the manufacturing of filtration media for surgical and FFP2 masks and to increase French and European capacity for this key element of mask production. A genuine strength to tackle future viruses that may appear.



CHARGEURS MUSEUM SOLUTIONS

Sandrine Hornecker is site manager at SENFA in Alsace (north-east France). She underlined: *"CSR is the practical implementation of sustainable development goals at the company level while at the same time remaining economically viable. Therefore, it involves finding a delicate balance and taking initiatives that promote sustainable development and respect the environment but also our employees and our customers and society in general. CSR also means ensuring our industrial activities consume as few resources as possible. We consume water and energy and, as a responsible company, we must find ways to preserve the resources of our planet."*

A major objective of the Group's CSR approach is safety, to reduce accident frequency.

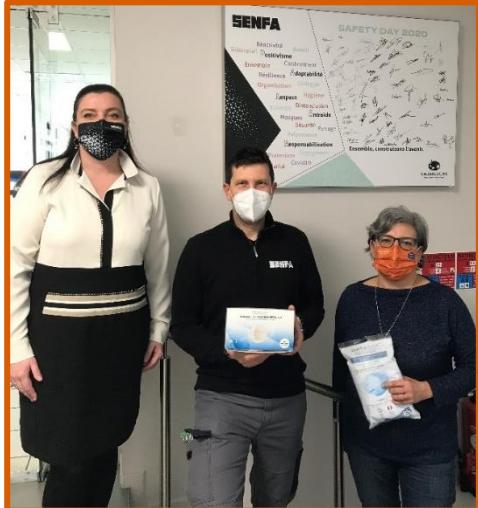
Sandrine Hornecker: "We keep a log of improvements and carry out monthly reviews with an action plan updated every month and appropriate safety awareness communication."

Above all, safety is team work. For **Christine Wantz**, QHSE manager and **Anthony Mossmann**, HSE manager, "it is an ongoing commitment, something we need to keep in mind every day, at all times."

Christine Wantz explains: *"For safety, our main focus is prevention, with the target of creating optimum safety conditions for our employees. There is a big communication component, we work at a human level. We must raise awareness and promote responsibility."*

Anthony Mossmann adds: "At our site, we are faced with various different risks. Risks related to chemicals, machines, sound pollution, as well as thermal, electrical risks and the risk of inhalation of hazardous dust and particles. This range of risks means we must always be compliant with the very latest regulations. Regulations change, and we too must adjust our knowledge and our protection and prevention methods. It is a very dynamic process, involving many different players. It is for this reason that in the area of safety we talk about a management system, a genuine continuous improvement system."

The team at Senfa works tirelessly to communicate on the different safety issues to keep each and every employee informed. For the Safety Day, Anthony explains: *"We really wanted to make this day personal. We worked to ensure it was fun, educational and collaborative. For instance, we organized a treasure hunt to encourage participants to find their own solutions. And, despite social distancing measures, we managed to get employees involved and received positive feedback."* Christine Wantz commented: "Another crucial factor was that we worked with a multidisciplinary team to prepare the event. We succeeded in involving every department of our plant."



From left to right: Sandrine Hornecker, site manager at SENFA ; Anthony Mossmann, HSE manager ; Christine Wantz, QHSE manager



Anthony Mossmann, HSE manager at SENFA



Nos plans d'actions

Health crisis management from the standpoint of the Sustainable Development Goals

Human rights

Promoting human rights across our supply chain:
championing more responsible purchasing

Our responsible purchasing charter

Ensuring compliance with ethical principles: SMETA audits

Publishing our first Modern Slavery Statement

Overseeing raw material sourcing through the Better Cotton Initiative (BCI)

Ensuring the sustainability of our expertise and supporting young talents

Novacel Academy



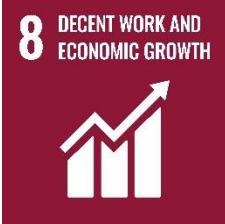
Labour

Safety First! Guaranteeing the safety of our employees

New on-site based safety approach at Novacel Déville-lès-Rouen

Instilling a culture of safety: the Global Safety Day

Lessons from the 2020 Safety Day: Senfa, setting the example



Environment

Developing sustainable products that form the cornerstone of our business lines

Our sustainable products ranges

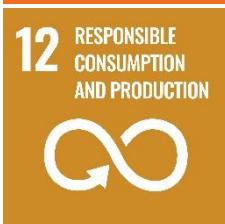
Nativa™ is committed to regenerative agriculture



Improving our carbon footprint

Analysis of product life cycles

A comprehensive carbon footprint review at the Group level



Reducing use of water resources

Technical initiatives to ensure a sustainable reduction in water needs

An innovative dyeing process : Dope Dyeing



Developing circular economy

Monitoring and managing waste production indicators

Use of recycled materials at Chargeurs*PCC

Wool recycling at CLM

Focus on Lanas Trinidad, a wool combing partner in Uruguay

Producing responsible, recycled masks

Anti-corruption

A formal, widely circulated Code of Conduct

Ethics Committee

Delivering anti-corruption training



Health crisis management from the standpoint of the Sustainable Development Goals

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Solid governance to act efficiently

- ✓ Introduction of weekly monitoring of key Covid-19 indicators during the first wave of infection.
- ✓ Creation of a health crisis emergency unit. New rapid and optimized governance. Two weekly meetings with members of the Group's Executive Committee, including, where appropriate, expert contributions to understand developments in the pandemic.

3 GOOD HEALTH AND WELL-BEING



Safety of all the women and men working for our Group

- ✓ Distribution of face masks and hand sanitizer to all operators at our production sites as well as donations for them and their families.
- ✓ Development of remote working practices: 32% of the workforce benefited from remote working.
- ✓ Safety and return to work protocols communicated and displayed at all our sites.
- ✓ Feedback during the Safety Day for all sites (October 6, 2020).

- ✓ Maintain activity, jobs (limited use of short-time working)
- ✓ Essential sites (Novacel, Boston Tapes)

11 SUSTAINABLE CITIES AND COMMUNITIES



Mobilizing resources at the service of the community

- ✓ Supporting the emergency needs of local authorities in terms of equipment and logistics.
- ✓ Donations to hospitals and nursing homes: 10,000 liters of hand sanitizer, 80,000 face masks during the first wave.
- ✓ Production capacity rolled out at the peak of the crisis.



4 QUALITY EDUCATION



Educating employees and boosting cohesion

- ✓ Weekly publication of a special in-house newsletter on the health crisis providing useful advice, personal experiences and in particular the mobilization of our global talent.
- ✓ Safety Day covering Covid risk prevention (October 6, 2020).

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Managing health risks and preventing pandemics

- ✓ Adaptation of business production lines to meet global emergency needs in terms of supplies and technology, healthcare solutions and personal protective equipment.
- ✓ Innovation to introduce industrial production of masks, gowns and antibacterial protective solutions.

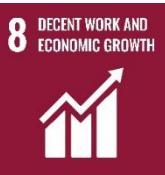


HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Promoting human rights across our supply chain: Championing more responsible purchasing



Target 8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

Target 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

The way we view our responsibility and **our belief that purchasing policies are critical for CSR performance** have led the Chargeurs group to actively promote sound, streamlined practices across its supply chain.

This means playing a leadership role and **promoting environmentally and socially responsible practices**. Much like the Group's own internal oversight mechanism, the Chargeurs Code of Conduct, training, advisory services and skills improvement in this respect require the type of follow-up, dialog and cooperation that is nurtured by close partnerships, i.e., by more than a purely defensive approach linked to risk management. Building these partnerships, which help controls function smoothly, overseeing improvement plans and sharing best practices are all important performance prerequisites that ensure supplier relationships are responsibly managed.

Our responsible purchasing charter

A responsible purchasing charter was drawn up in November 2017 and signed by the Group's strategic suppliers.

By signing up to the United Nations Global Compact, the Chargeurs Group is committed to promoting and supporting the fundamental CSR principles in its activities. In this spirit, the Chargeurs group offers to work with suppliers to adopt these principles, in line with the following benchmark texts:

- the 1948 Universal Declaration of Human Rights;
- the Conventions of the International Labour Organization in terms of minimum age, child labour, union freedom, right of organization and collective bargaining, ending forced or obligatory labour, promoting equal pay and ending all forms of labour discrimination.

Charte des Achats Responsables du Groupe Chargeurs	
En adhérant au pacte mondial des Nations Unies, le Groupe Chargeurs s'engage à appliquer, à promouvoir et à soutenir dans ses activités les principes fondamentaux de l'Organisation Internationale du Travail (OIT) et à faire en sorte que le Groupe Chargeurs puisse se mesurer avec des fournisseurs dans le respect de ces principes, en accord avec les termes de référence suivants :	
1. Déclaration Universelle des droits de l'homme : 1948 2. Convention OIT sur les droits fondamentaux du travail, notamment en ce qui concerne l'âge minimum et le travail des enfants, la liberté syndicale, le droit d'organisation et de négociation collective, l'interdiction du travail forcé et obligatoire, la promotion de l'égalité de traitement entre hommes et femmes, et l'interdiction de toute forme de discrimination fondée sur le sexe.	
La Charte des Achats Responsables formalise donc ces grandes lignes nos principes fondamentaux vis-à-vis de nos fournisseurs. Ces principes constituent les minima sociaux et environnementaux que nous attendons des entités contribuant à la fabrication de nos produits afin de garantir nos engagements en matière de responsabilité sociale et environnementale.	
2. Travail des enfants : le travail des enfants de moins de 12 ans est interdit, conformément aux principes de l'OIT et la Convention des Nations Unies. Les droits des jeunes travailleurs devront être respectés, en particulier l'obligation de ne pas affecter leur éducation par effet direct ou indirect, ni entraîner de risques dangereux ou préjudiciables, et il ne doit pas être affecté par un travail préjudiciable pour sa santé.	
3. Discrimination : il existe une politique d'emploi au regard du sexe, de l'appartenance religieuse, de l'orientation sexuelle, des responsabilités familiales, de la situation de famille, de l'âge, de l'origine ethnique, de la race, de la couleur, de la nationalité, de l'appartenance à des organisations de travailleurs et compris les syndicats, ou l'opinion politique, ou de toute autre caractéristique protégée par la loi.	
4. Travail forcé : l'exploitation qui viole les droits fondamentaux de l'homme. L'employeur ne doit retenir aucune partie du salaire, des biens ou services fournis par un travailleur pour assurer la sécurité d'identité de son personnel pour le forcez à continuer de travailler dans l'entreprise.	
5. Temps de travail : l'employeur doit se conformer aux lois nationales et internationales relatives au temps de travail, au repos et des jours fériés. Ensuite, la semaine de travail sur une base hebdomadaire ne doit pas dépasser 48 heures et le temps maximum de 12h d'heures supplémentaires effectuées sur une base hebdomadaire. Les travailleurs ont droit au minimum à un jour de repos consécutif à leur travail. Nous ne autorisons pas de travail nocturne.	
6. Liberté d'association : Les employeurs reconnaissent et respectent le droit des employés à la liberté d'association et de réunion pacifique.	
7. Santé et sécurité des travailleurs : l'employeur doit fournir un environnement de travail sûr à ses salariés et prendre les précautions nécessaires pour assurer leur sécurité et leur santé dans le cadre de leur travail. Des règles strictes en matière de sécurité doivent être établies et toutes les personnes en charge de la sécurité doivent être formées pour assurer la sécurité sur les lieux de travail au moins une fois par an.	
8. Environnement : Dans l'application du principe de précaution, les usines doivent utiliser des procédés fondés sur les technologies les plus avancées pour minimiser les impacts sur l'environnement. Les précautions et la gestion des déchets et de prévention de la pollution doivent être mises en œuvre pour assurer la sécurité des produits chimiques et autres substances dangereuses. Le traçage des émissions et effluents devra être suivi et progressivement minimisé, et les usages sur l'environnement doivent être réduits au maximum. Les usines doivent également essayer de minimiser les impacts sur l'environnement.	
9. Soins-santé et bien-être : l'entreprise doit inviter à des formations régulières pour sensibiliser les salariés au bien-être progressivement tout le long de la chaîne d'approvisionnement et réduire le taux de conduite.	
10. Politique de participation : l'entreprise doit mettre en œuvre une politique de participation sociale qui garantit que les principes de la charte puissent être respectés. Cette politique vise à assurer que tous les salariés peuvent participer à la vie de l'entreprise et à discuter toutes les actions entreprises.	
Signer une violation : <i>Je signe la présente Charte des Achats Responsables au nom de ma compagnie. Si vous êtes témoin d'une infraction d'un des articles de ce code, veuillez le signaler : ethics@chargeurs.com</i>	
Note et Fonction : <input type="text"/> Date : <input type="text"/> Signature :	



The Responsible Purchasing Charter sets the main lines of our fundamental expectations regarding our suppliers. These principles are the minimum social and environmental requirements we expect of entities involved in the manufacturing of our

products to guarantee to our customers that the people who make them are treated decently regardless of where they work. We also expect our suppliers to follow our example in making sustainable commitments in this respect.

Ensuring compliance with ethical principles: SMETA audits



Chargeurs' production sites have been audited by SMETA (Sedex Members Ethical Trade Audit), a recognized social and ethical audit methodology. It ensures premium audits, covering all aspects of responsible business practices, including four main CSR pillars:

- ✓ Working conditions
- ✓ Health and safety
- ✓ Environment
- ✓ Business ethics



In line with the responsible purchasing charter, and SMETA audits, an initial list of Tier 1 strategic suppliers was audited.

These audits will be continued and stepped up in 2021 with more than 25 suppliers.

Publishing our first Modern Slavery Statement

The Group will publish its first Modern Slavery Statement in accordance with UK Modern Slavery Act 2015.

In our endeavour to be more transparent and better identify and resolve problems within our value chain,

we are developing the most extensive supplier mapping possible as well as our risk assessment.

As a Group, we will raise standards and working conditions at each stage of the value creation chain by introducing clearer measures to identify risks.

"Human rights are one of the fundamental values of the Chargeurs Group and promoting the highest standards of protection is a fundamental goal. It is for this reason that we encourage our business partners, subcontractors and suppliers to commit to the human rights values promoted by the Group."

- Chargeurs Code of Conduct

Overseeing raw material sourcing through the Better Cotton Initiative (BCI)



In the pursuit of more responsible raw materials, Chargeurs*PCC has been a member of the Better Cotton Initiative (BCI) since 2019.

The BCI contributes to the success of the United Nations' Sustainable Development Goals (SDGs) for responsible water management and sustainable agriculture. It promotes more responsible agricultural practices. Use of irrigation is limited to ensure better management of water resources. Use of pesticides and chemical fertilizers should be kept

to a minimum, to avoid pollution of natural resources, guaranteeing higher quality cotton. Lastly, the BCI guarantees decent working conditions.

From January 2021, 100% of cotton used by CFT*PCC is BCI-licensed.

Teams stepped up supply of BCI-licensed cotton in 2020, with the goal of ensuring compliance with basic human rights by our suppliers. Indeed, following allegations of forced labor and major human rights violations in the Uighur community in the Xinjiang region of China, the BCI halted all activity in the area.



Ensuring the sustainability of our expertise and supporting young talents

Novacel Academy



The goal of the Novacel Academy is to sustain and communicate our expertise and knowledge, to train future talents and to create the best teams to guarantee the highest quality of our products.

Anne Loison, Novacel Academy Manager, commented: "As induction techniques were not



taught at schools, we have created our own training programs for the transfer of knowledge specific to Novacel businesses."

The training modules and the integration plan were developed in-house. Acquisition of the necessary skills is mainly achieved with practice and experience. The training is provided by experienced employees, who share their knowledge and discuss with participants. Participants are also included in workshop teams.

The Novacel Academy was inaugurated on February 1, 2021 and is hosting its first class of professional work/study students for a year of highly skilled training.

Very soon, the Novacel Academy could build on the competencies of pre-qualified employees on-site, with a focus on upskilling. The training course could be rolled out to the different CPF sites. Some courses could also cover customer training.



Profiling our Group workforce

Evolving through their activities in an international environment since the Group was founded in 1872, Chargeurs' staff are defined by their diversity.

Diversity

2,228

total employees

25

languages spoken

18 %

Americas

49 %

Europe

33 %

Asia
(inc. Africa and Oceania)

Gender equality

31 %

of women employees

31 %

of women executives

28 %

in the Top 50

Figures on gender equality that remained stable, confirming the Group's ambition to ensure fair representation of women at all levels.

First-time appointment of a woman in charge of a manufacturing site – Sandrine Hornecker, Senfa General Manager.

Disabilities

3,3 %

of staff in France with disabilities

Turnover

12 %

a declined figure for several years

Chargeurs recognizes the employment challenges presented to people with disabilities. As such, the Group intends to launch initiatives that support access on its sites.

Subsidiary-focused societal initiatives

22

purposeful initiatives launched by subsidiaries the world over
In addition to Group-wide initiatives, our sites have decided to participate in societal initiatives. The latter may include partnerships with schools or environmental non-profit organisations and sponsoring.





LABOUR

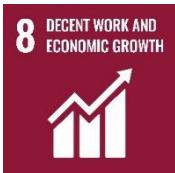
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

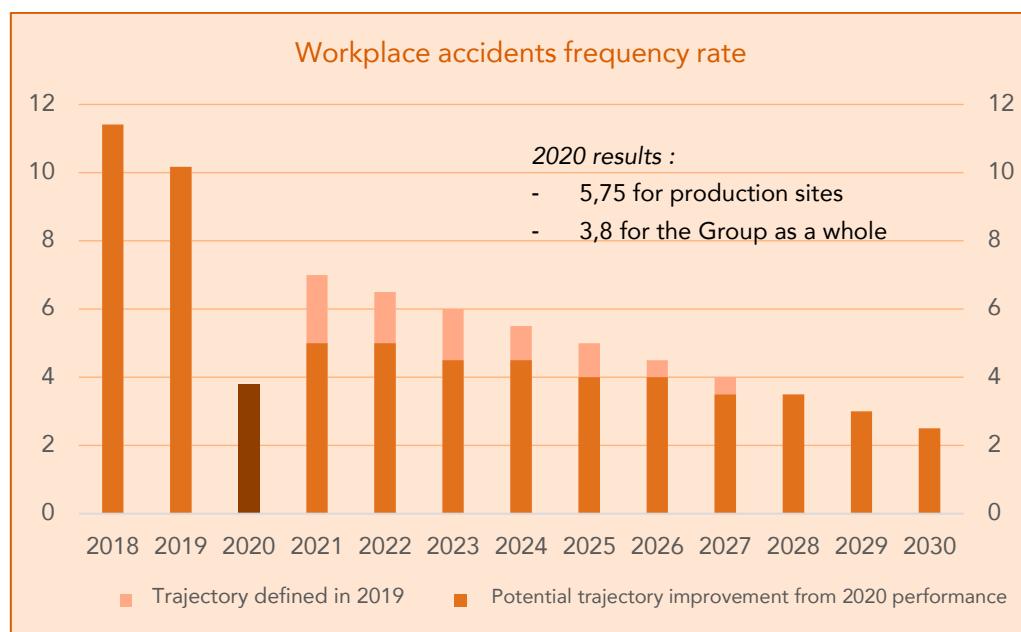
SAFETY FIRST! Guaranteeing the safety of our employees



SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Target 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

A key performance indicator: the occupational accidents frequency rate



Employee safety in the workplace is one of the Group's top priorities.

The frequency rate of lost-time work accidents is a particularly closely monitored indicator, with monthly reporting for all production sites.

The results achieved in 2020 are the fruit of efforts carried out during the year, with, in particular, the introduction of enhanced protocols and action plans; but this performance should be viewed with caution considering that activity of our business lines suffered declines in both production and work time. Nevertheless, our performance drives our teams to strive to lower the accident frequency rate even more in 2021 and thereafter.





New on-site based safety approach at Novacel Déville-lès-Rouen

At the Novacel site, a new work accident prevention method, ETSCAF, was introduced in 2020, and has enjoyed remarkable success.

Teams have been supported by a consulting firm specialized in corporate security in this approach that puts employees first.

These efforts were particularly effective, after three accidents during the first half of the year, the

number was reduced to just one for the second half, and the length of accident-free time was significantly increased, to 154 consecutive days.

This year, the site obtained ISO 45001 certification, a standard set for organizations keen to enhance worker safety and reduce workplace risks and foster better, safer working conditions.

Instilling a culture of safety: the Global Safety Day

First held on November 13, 2017, the annual Safety Day highlights Chargeurs' efforts to strengthen its risk prevention policy. The goal of this day, held once a year, is to raise awareness and to encourage all Group entities to review the mandatory notices displayed in their premises as well as their safety instructions, and also to update their staff training and promote a safety culture based on the Bradley Curve.

To reach its zero-accident goal, Chargeurs is committed to instilling a culture of safety at every production plant and will continue to hold Safety Day events to seize every opportunity to move forward in this area. Goal: boost awareness and get each and every employee involved in the continuous improvement process.

Lessons from the 2020 Safety Day: Senfa, setting the example

Last year, the Safety Day took place on October 6, 2020, with a focus on managing and preventing Covid-19-related risks.

Senfa teams took advantage of this event and this theme to boost employee efficiency. The goal was for each employee to adopt these themes at their own level.

A multidisciplinary team steering the project (QHSE, production, communication, HR, management) rallying all site departments.

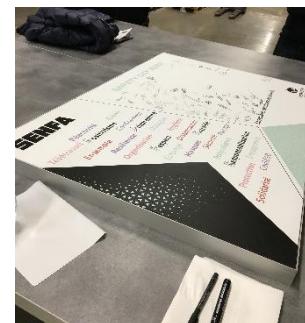
The team devised multiple-choice questionnaires, one-on-one meetings, and even a treasure hunt for certain site-specific issues.

The participants had to find five words by asking questions related to the concept of safety. These key words represent the five values to share to tackle the health crisis:

- Positiveness
- Autonomy
- Responsibility
- Engagement
- Respect.

Each word is linked to examples of what had been done on site and what could still be improved.

The first letters of these values are used in the word PREPARE, sending the message: "We are prepared for the future."



The organizing team succeeded with its mission: the sparked employee interest and everyone understood the issues related to Covid-19 safety and risk prevention, all in a fun atmosphere despite social distancing measures. Employees provided the teams with very positive feedback.





Supporting our employees



Target 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

Onboarding

To sustain the Group's expansion, particular attention is paid to the talented individuals who make it what it is today. Most of the people who work for Chargeurs' business lines are passionate about what they do. Their commitment is needed to ensure that the quality of Group products and services remains high. "Passion" is one of the Group's values, as are "Commitment," "Boldness," and "Reliability." These values, which are shared by everyone in the Group, must be imparted to new employees as soon as they join.

This is why Chargeurs has developed several programs to welcome new staff, guide talented young employees, and help experienced managers to roll out Group strategy on the ground.

The *Onboarding* and *Executive Talents* programs spread a corporate culture that prides itself on high standards by exploring concrete operational problems with program participants.

Training

Despite the disrupted backdrop in 2020, training continued at a high level in our different areas of business. In particular, teams were trained in safety, and prepared the launch of the Novacel Academy, as well as adaptations to the Game Changer management training program.

The following numbers reflect this:

- **13 hours** of training per employee on average of the total Group workforce
- **17 hours** of training on average for each manager trainee
- **19 hours** of training on average for each non-manager trainee

Talent sponsorship to develop in 2021 (CMS)

The CMS business line plans to develop talent sponsorship in 2021.

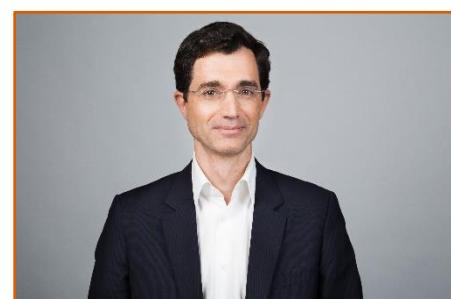
This will enable employees to contribute their expertise to non-profit organizations working for cultural promotion and development.

Partnership with ESMT Berlin

Since 2017, in partnership with one of the leading European business schools, ESMT Berlin, Chargeurs has developed an exclusive course for top managers as part of its Game Changer strategic plan.

In particular, this partnership was built with the Hidden Champions Institute of ESMT, with Chargeurs recognized as a Hidden Champion.

The training program seeks to not only consolidate and leverage the knowledge of participants, but also to put their knowledge into practice to roll out the Game Changer strategy. The idea was to go a step further than mere training in a bid to deliver immediate impact.



Büлent Göгdün program director at ESMT Berlin. Commenting on the partnership, Mr. Göгdün said: "A hidden champion is usually a middle-sized company, not well-known by end-users (therefore hidden) and that operates as market leader in its specific field (therefore champion)."





The program was designed as an ideas incubator, with attention to client needs as its starting point. The support provided by ESMT enabled participants to adopt a renewed and more agile mindset using practical tools and methods.

Mr. Gögdün added: "For me, two main things happened. We could create ideas that support the Game Changer Plan, and participants learned a different way to work."

"The program involved all managing board members who came to Berlin at the end of the

sessions, to listen and challenge the ideas." From these ideas, several were implemented such as the Online Academy at Chargeurs*PCC and Smartech Protection at CPF.

Today, the partnership reinvents itself around exchanges between ESMT and Chargeurs to include the Group's new strategic position Leap Forward 2025. The goal of the next session in 2021 will be to guide employees in the Group's expected evolution by 2025, regarding its ability to enhance its assets and its organic growth.





ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Developing sustainable products that form the cornerstone of our business lines



SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Target 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

A key performance indicator: the portion of revenue generated from sustainable products and services



This goal represents a more transformative CSR approach, with a strong ambition: 100% sustainable products and services by 2030.





Our sustainable products ranges

Sustainable products and services are defined as those that contribute to environmental, social and economic progress while also protecting public health.

Table presenting Chargeurs' sustainable products and services (by business line)

Business line	Sustainable product	Description	Our value creation model
CFT-PCC	Sustainable 50® range Now Sustainable 360®	This product range is the first comprehensive collection of interlinings using eco-friendly materials, in particular BCI cotton (100% BCI cotton used from January 1, 2021), hemp, recycled polyester (GRS polyester), and cupro.	Environnemental, Social
CPF	Gamme OXYGEN	OXYGEN vegetal: This protective film is produced from more than 80% biosourced plastic (recycled from sugar cane waste). OXYGEN recycled: This film is produced using more than 20% recycled polyethylene. OXYGEN Lean: An innovative extrusion technology that reduces the amount of raw materials used by at least 20%.	Environnemental
	Low Noise	Protective films. Unrolling a standard roll of highly-adhesive film creates the same amount of noise as a concert (or a jackhammer, i.e. more than 100 dB). This is critical when an operator is exposed to this noise for one-quarter of work time. Low Noise technology significantly reduces the noise during unrolling (<85 dB).	Social
CLM	Nativa Precious Fiber®	Nativa™ is a label that guarantees the quality and traceability of wool fibers at every stage of the value chain, from the farms where the sheep are raised and sheared, to the clothing items of fashion brands. Each link in the Nativa™-certified value chain must comply with the principles defined in its CSR protocols in terms of animal welfare, land management and industrial standards. In this respect, each year, an audit is carried out by an independent firm.	Social, environmentally-friendly and fully traceable
CMS	ALT range ALTERRA ALTIMIS	Technical fabric made from fully recycled materials (each square meter of fabric contains two recycled plastic bottles). The new PEARL range has all the hallmarks of a best seller with a reduced environmental impact of around 25%. ALTERRA won the best product award at the SGIA expo in New Orleans (USA) in 2017.	Environnemental
CHS	Lainière Santé™	Lainière Santé designs technical healthcare and personal protection solutions. This comprehensive offering includes hand sanitizers, textile solutions for PPE (reusable fabric masks, masks made from recycled fabric, bactericide protective films).	Societal

Our sustainable product offering is constantly evolving, thanks to our Group's pursuit of excellence and our constant innovation, driven by ever-increasing customer demand for more sustainable products that positively impact our planet.

Chargeurs*PCC's Sustainable 50 range, which covers all the business line's high environmental value-added products is a resounding success and was significantly expanded during the year. It was rebranded Sustainable 360TM in November 2020.

At March 2, 2021, the range included 210 products, 40% of which are made from Global Recycled

Standard (GRS) polyester, 80% generating water savings and 32% from SMETA-audited sites. All the cotton we use in this range is produced in line with the Better Cotton Initiative (BCI).

At CPF, the success of our Low Noise products was confirmed in 2020, with more than €5 million generated in revenue (up 30% versus 2019).

CLM generates an increasing portion of business with Nativa™-certified fibers. The business line has set a goal of working with 100% Nativa™-certified wool by 2025.





Nativa™ is committed to regenerative agriculture

Thanks to its strong environmental commitment, Nativa™ plans to go a step further in promoting regenerative agriculture. The first pilot project was launched in 2020. The goal is to apply more exacting standards as regards farming practices and animal welfare.

Regenerative agriculture is more respectful of biodiversity and land quality.

It uses the most sustainable agricultural practices, promoting more responsible land use and boosting land carbon sink potential. It increased animal welfare by providing livestock with better living conditions and better nutrition.

To roll out this project, teams worked in partnership with pioneering regenerative agriculture organizations and their recognized standards to

certify regenerative farms. The first pilot project was carried out with farms in Australia which were granted the Nativa™ certification.



Further out, the goal is to work with more regenerative farms and to train some Nativa™ farmers in such sustainable practices.

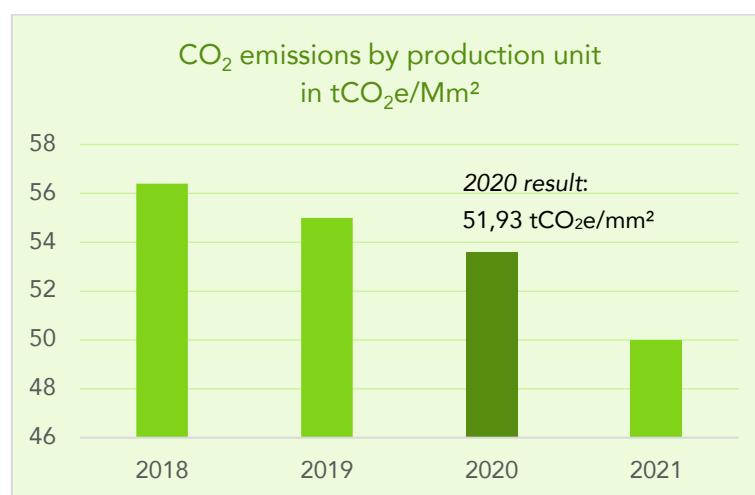
Improving our carbon footprint



SDG 13: Take urgent action to combat climate change and its impacts.

Target 13.2: Integrate climate change measures into national policies, strategies, and planning.

A key performance indicator: CO₂ emissions (by production unit)



Chargeurs is aware of its own carbon footprint and is constantly striving to enact sustainable positive change to reduce it.





Analysis of product life cycles

With the goal of offering customers information of the environmental impact of its products, each year, CPF carries out life cycle analyses (LCA).

This project was steered with the technical support of a firm specialized in calculating emission levels, with water and energy modelling in particular. It enabled life cycle assessments of more than 100 products representing 80% of revenue at Novacel.

A comprehensive carbon footprint review at the Group level

To boost its eco-friendly credentials, for 2021, the Group plans to complete a comprehensive review of its carbon footprint, including investigation of Scope 3 emissions. Thereafter, a low-carbon climate strategy will be defined.

This is a key large scale project and will be a determining factor in setting the Group's future climate strategy. It was born of the desire to be able to define a realistic carbon trajectory that would be achievable in the coming years.

The LCAs enable us to provide enhanced and transparent communication on the environmental impact of our products.

LCAs were also carried out at Senfa on certain product ranges such as ALTERRA, ALTIMIS and SUBLIMIS.

The goals of this project are:

- to mobilize employees in the fight against climate change;
- to consolidate a major pillar in Group ESG strategy;
- to identify action drivers to reduce our carbon footprint;
- to become autonomous in assessing and steering our climate strategy/carbon trajectory.

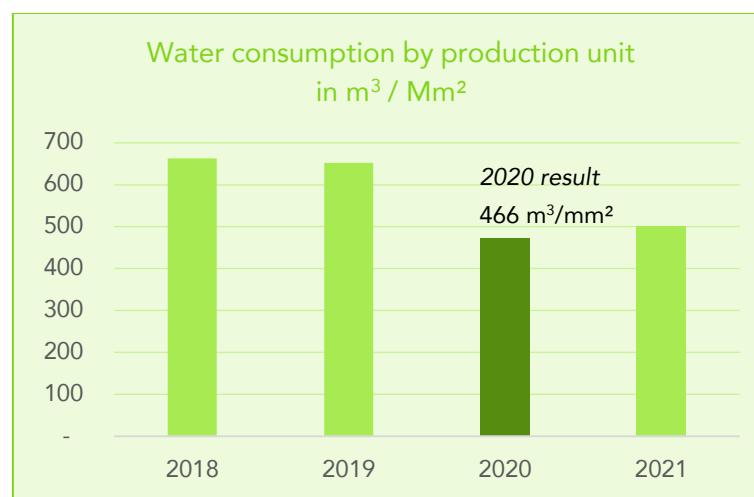
Reducing use of water resources



SDG 6: Ensure availability and sustainable management of water and sanitation for all

Target 6.5: By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.

A key performance indicator: water consumption (by production unit)



Water resources are scarce and extremely valuable. Our goal is to reduce our consumption as well as all wastage and pollution.





Technical initiatives to ensure a sustainable reduction in water needs

At several of our production sites, projects have been launched to switch to more efficient machines. Within CFT*PCC, 40,000 m³ of water are saved on an annual basis thanks to initiatives to upgrade machines.

An innovative dyeing process: Dope Dyeing

A strategic project to cut water consumption is used in the Dope Dyeing process for fabrics. Use of this process is currently in the testing phase at Lainière de Picardie in France. At this site, water used solely for dyeing accounts for 20% of total water consumption.

With traditional dyeing processes (beam dyeing), it takes 30 liters of water to dye one kilogram of polyester. The Dope Dyeing process involves

These investments to upgrade our equipment enable better management of water resources, reflecting our continuous efforts at all Group levels to combat water wastage.

introducing the dye in liquid form before the thread that makes up the fabric is formed. This means that the water used in the dyeing process can be saved, without affecting the quality of the end-product.

The Dope Dye process enables a reduction in water use of 70-80% compared with traditional dyeing techniques as well as a 7% saving in energy and a reduction in chemicals used of more than 20%.

Developing the circular economy



Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

Target 9.2: Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.

Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

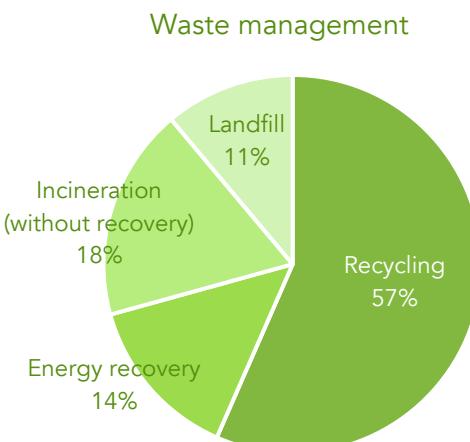
Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.

As in any manufacturing industry, the Group's operations use natural resources and produce waste. Monitoring and improving the end of life of our products is a major challenge.

Developing the circular economy is an opportunity to transform our business model sustainably and to reduce our environmental impacts, in particular to reduce our carbon emissions.

Transitioning to the circular economy is a challenge in terms of innovation. We strive to ensure recyclability of our products right from the design stage, also ensuring they are made with recycled materials, to promote circular use of our resources.

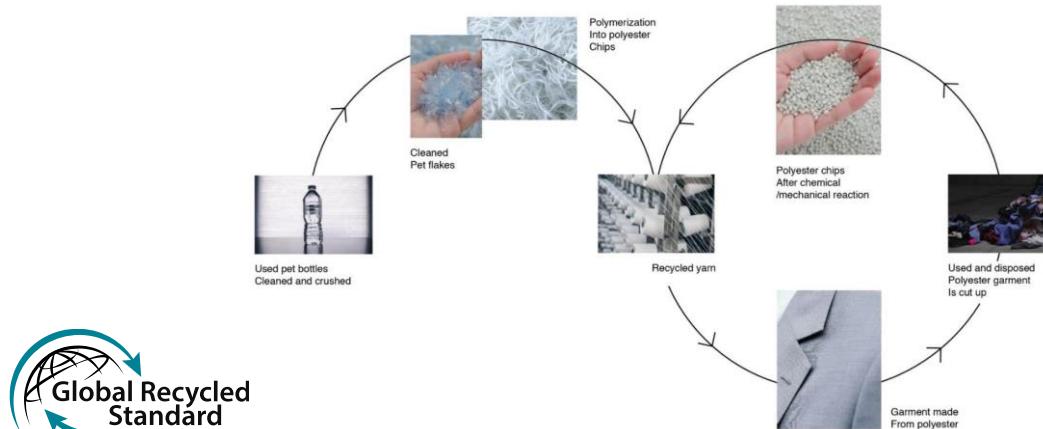
Monitoring and managing waste production indicators





Use of recycled materials at Chargeurs*PCC

40% of the S360 range, formerly S50, is made from Global Recycled Standard (GRS) recycled polyester. The fibers used are created from recycled plastic bottles and polyester clothing items.



Wool recycling at CLM

To further its commitment to sustainable development, CLM aims to extend the life of wool and take full advantage of the exceptional qualities this fiber offers.

Based on this ambition, CLM has developed a wool recycling solution for its partner brands which includes collection of surplus wool, sorting, recycling, spinning and delivery of the recycled thread. As part of the transparency standards for

Nativa™, this recycling process is GRS certified and is fully traceable using Nativea™ blockchain technology.

CLM is in the process of concluding initial partnerships with several brands such as Madewell, exchanging information in terms of recycled materials. Recycling is carried out with specialist partners in the Prato region of Italy



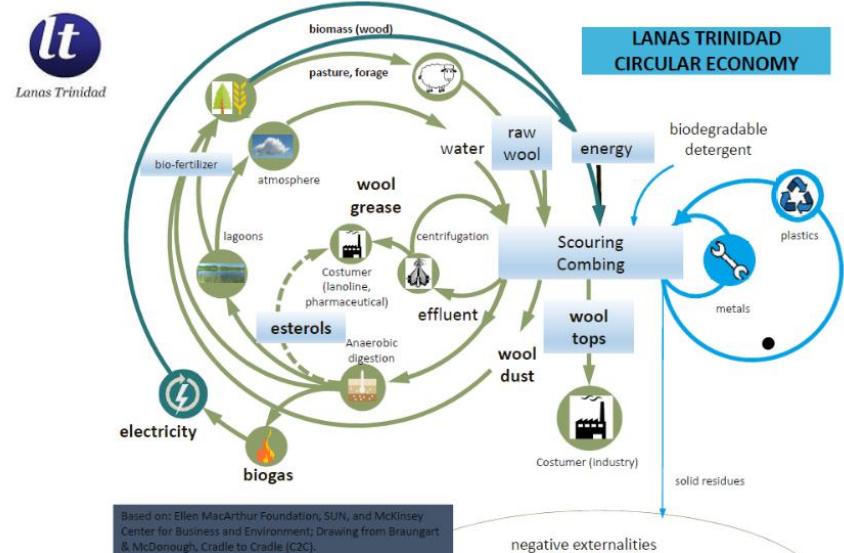


Focus on Lanas Trinidad, a wool combing partner site in Uruguay

Lanas Trinidad has been applying circular economy practices for several years and its achievements have been recognized by the United Nations and the Uruguayan government.

Applying circular economy practices at Lanas Trinidad: reduced water consumption, with the collection of one million cubic meters of rain water;

- reduced water consumption, with the collection of one million cubic meters of rain water;
- covers 25-30% of energy needs thanks to the recovery of waste water;
- produces renewable energy thanks to sustainable management of forests and irrigation;
- reuses wool residues and irrigation residues in forage farming.



Producing responsible, recycled masks

A circular economy project is being reviewed for masks. This project was inspired by the observation that used masks are being discarded and are polluting the natural landscape. Added to this, it is our Group's aims to recycle and reuse industrial waste.

The prospective goal is to be able to produce new masks from recycling other masks.

The review of the project was carried out in collaboration with the CETI (Centre européen des textiles innovants - the European Center for Innovative Textiles) for materials testing, and recycling is carried out by partners.

Materials tests are encouraging. There will be two fully recycled mask types on offer: reusable fabric masks and surgical masks.

Another project, also in the test phase, covers the transformation of disposable surgical masks into plastic pellets, which can then be used as raw materials.

In any case, upstream of these recycling projects, the Group is organized to collect used masks at sites where they have been used to minimize their environmental pollution.





ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

A formal, widely circulated Code of Conduct

In 2017, Chargeurs grouped together and enshrined in its Code of Conduct all the values, rules and principles it wants applied within the Group. The Code provides rigorous guidance on topics such as health, safety, environment, forced and child labor and all forms of harassment and discrimination and promoting respect for equality, especially in terms of the wage gap between men and women. The Group commits to ensuring freedom of association, acting scrupulously in terms of transparency and the fight against bribery and influence peddling. The Group has also updated its code of conduct related to stock market transactions and the prevention of insider trading. The updated code now complies with the European Union's market abuse regulation ("MAR regulation" 596/2014) that came into force on July 3, 2016. The document also meets a legal

requirement introduced by the Sapin II law of December 9, 2016.

As required by the new law, all employees, subcontractors and temporary staff can report violations of the Code of Conduct to the Group's ethics authorities through a whistleblowing procedure, with a dedicated email address available on the group's website. This procedure, open to all stakeholders, guarantees their anonymity.



A Chief Compliance Officer works to ensure the Code is properly understood and applied. To prevent and manage situations involving bribery, conflicts of interest or fraud, all employees are required to acknowledge their agreement to the principles set out in the Code of Conduct.

Ethics Committee

In addition to the Code of Conduct, the Group has created an Ethics Committee, which includes three well known people from outside the Group selected for their impartiality and their experience. The Group's Chief Compliance Officer can refer to the Committee as necessary, particularly in whistleblowing cases but also for:

- defining and recommending best governance and ethics practices for the Group to the Board of Directors;
- overseeing and verifying the proper implementation of the Code of Conduct;
- providing an advisory opinion on any situation that may violate the Code of Conduct;
- investigating violations reported through the whistleblowing system and deciding what action needs to be taken: closing the case, adopting appropriate corrective measures or initiating disciplinary and/or legal proceedings.

Delivering anti-corruption training

The Group seeks to train and educate all its employees in anti-corruption practices. We have worked with auditors and experts to create an e-learning module, which we have adapted to potential specific Group scenarios. All employees have received communication in this respect. And all employees can access the module. Our goal is to train all employees by June 30, 2021.



Cross-reference table of our Communication on Progress

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Global Compact Principles	Action plans	Commitments
HUMAN RIGHTS		
<p>Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses.</p>	<ul style="list-style-type: none"> - Responsible purchasing charter - Transparency and traceability in the NATIVA™ chain - BCI cotton sourcing - Sedex / SMETA audits 	<ul style="list-style-type: none"> - Conducting ethics audits on Sedex pillars with more than 25 strategic suppliers
LABOUR		
<p>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>the elimination of all forms of forced and compulsory labour;</p> <p>the effective abolition of child labour; and</p> <p>the elimination of discrimination in respect of employment and occupation.</p>	<ul style="list-style-type: none"> - Improved workplace safety protocols - Sedex/SMETA audits - BCI cotton (no forced labour) - More women in the workforce - Training for all employees - Supporting our young talent 	<ul style="list-style-type: none"> - Reducing the occupational accident frequency rate - Introducing a responsible procurement strategy
ENVIRONMENT		
<p>Businesses should support a precautionary approach to environmental challenges;</p> <p>undertake initiatives to promote greater environmental responsibility; and</p> <p>encourage the development and diffusion of environmentally friendly technologies.</p>	<ul style="list-style-type: none"> - Environmental KPIs - Reducing our use of natural resources - Committing to NATIVATM biodiversity - Driving eco-responsible innovation - Developing sustainable product ranges - Carrying out a full review of our carbon footprint (direct and indirect emissions) 	<ul style="list-style-type: none"> - Guaranteeing 100% sustainable products by 2030 - Developing a climate strategy - Reducing our water consumption
ANTI-CORRUPTION		
<p>Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<ul style="list-style-type: none"> - Delivering anti-corruption training - Code of Conduct 	



Our stakeholders share their experiences

CHARGEURS•PCC FASHION TECHNOLOGIES

CLAUDIE PIERLOT

PARIS

Claudie Pierlot is an iconic Made in France ready-to-wear brand and a long-standing customer and partner of Chargeurs*PCC. For a number of years, the House has focused on sustainable product ranges developed by Chargeurs*PCC.

Amélie Bouché is Sourcing Manager at Claudie Pierlot and has worked as CSR Ambassador for three years on the Claudie Cares project. In particular, the brand aspires to make 80% of its ready-to-wear products eco-designed by 2025. **"We care deeply about going a step further with our partners and suppliers to drive forward eco-design."**

Marie-Ange Guesnel works as Production Manager at Claudie Pierlot and is a member of the Claudie Cares committee. Marie-Ange contributes to the eco-design of products that will be labelled Claudie Cares and monitors progress on sustainable collections for the brand. **"We started with the Chargeurs*PCC teams by launching eco-designed thermobonding, which enabled us to take a step further than the initial goal we had set since we initiated work on in-house garment supplies, which is particularly challenging."**

Commenting on relations with Chargeurs*PCC teams, Marie-Ange said: **"We are pleased to partner up with Chargeurs. Our professional relationship dates back a long time and there is an attachment to the brand. Our relationship is founded upon genuine trust and we collaborate in a consultancy capacity. What's more, we were supported in our CSR strategy."**

Commenting on the growing influence of CSR on the Claudie Pierlot brand, Amélie said: **"I think that the pandemic we are currently navigating has accelerated consumer awareness of the importance of CSR both on a global and local scale. At Claudie Pierlot, we have spent several years working on such issues. Now really is the time to go one step further in an effort to meet the demands of increasingly informed consumers."**



The CETI is positioned as a transformational player in the textile sector promoting circularity and sustainable development. Isabelle Cornu, Head of Marketing, Business Developer of Sustainable Innovation, supports companies in their CSR strategies.

Isabelle Cornu explains to us: **"Last year, we started exploring mechanical recycling with CHARGEURS based on the group ambition to internalize recycling facilities for its customers and own leftovers."**

Several tests were carried out on different recycling techniques and different mask types to explore potential solutions. Thermodynamic recycling via densification, is to be tested during the year. This method will enable the transformation of masks into pellets which can then be formed into thread and woven to make fabric or used in unwoven material. Upon completion of these test phases, the CETI will be able to advise the Group on the best solution to adopt.

"There is great dialogue between the teams. Communication is very frequent, and very fluid. It is as if we were all part of the same company, we really felt like we were a Chargeurs laboratory for this particular project."



These tests will also contribute to European research and innovation projects for textile recycling via densification promoting the circular economy for masks.

"CETI is very proud to be part of this sustainable route, matching with its mission to accelerate circular economy. Each project in this scope help Textile community go beyond actual technical barriers."

Tamara Davydova is the founder and creative director of the emerging brand Minimalist, built on circular economy principles.

"I created Minimalist with a commitment to circularity and purity of design using the best-quality materials. Each garment is designed with the intention of being fully recyclable at the end of its lifecycle. My commitment isn't just to what you see on the outside of a garment; inner components or as I call them "ingredients" are just as important. The Sustainable 360TM line from Chargeurs*PCC allows me to source high-quality sustainable inner components that align with my vision of creating a circular fashion brand."



Tamara Davydova wearing the sustainable shoulder pads of Chargeurs*PCC's Sustainable 360™ range



The partnership between Chargeurs*PCC and ba&sh, the Paris-based ready-to-wear fashion house, is founded on mutual trust in premium products and the teams' technical expertise. The range of made-in-France recycled products provides an opportunity to support the brand in the development of its CSR strategy. It also serves to strengthen ties between Chargeurs*PCC and ba&sh.

Sylvia Pres, Brand Production Manager, commented:

"Since 2017, ba&sh brand has made Sustainable Development one of the pillars of its strategy and key criteria for selecting its partners. We have a very clear vision for our supply chain and surround ourselves exclusively with partners who develop sustainably. This is why we are delighted that Chargeurs*PCC is committed to sustainable development and offers a very nice range of recycled interlinings made in France. These innovative, high-performance and eco-responsible fusible interlinings allow us to close the loop and match the very varied fabrics of our sustainable collections"



CHARGEURS PROTECTIVE FILMS



Kingspan is a leading, global building materials supplier based in Ireland, with an ambitious CSR approach ("Planet Passionate").

The relationship between Kingspan and Novacel was strengthened from 2018 to become a genuine partnership, strong at both the local and Group levels.

"In the current context, it is important to have a robust supply chain, with good suppliers who ensure continuity and added value." commented **Mark Broderick**, Procurement Director.

"I think we have a very very good relationship with Novacel teams, who have been very professional in their approach with us, and who have been working with us on sustainability. I suppose we don't have all the answers, but we are finding a way to have a more sustainable supply chain and sustainable materials and I think the teams are very open and very proactive to get that done."

"We are looking for holistic solutions, to make sure we have a continuous improvement process for the coming years that enhances both our business and the business at Chargeurs as well."

Kingspan is firmly focused on reducing its carbon footprint. In 2020, the Group benefited from Novacel product life cycle reviews, providing comprehensive information on the carbon footprint of each product. "We need to work with our suppliers because they account for the largest share of our carbon footprint."

Kingspan and Novacel are currently working on the most innovative products: *"We are always on the lookout for the most sustainable materials."*

In November 2019, Novacel took part in Kingspan's "Suppliers Day," an event that brought together the most innovative suppliers.

CHARGEURS MUSEUM SOLUTIONS



Prologis is a US investment fund specialized in logistics real estate. Active in 19 countries across four continents, Prologis manages more than 4,500 buildings and its business creates around 850,000 jobs.

Francesca Hawken is Marketing Manager for Prologis UK, which manages 22 logistics parks in the United Kingdom.

Leach began providing Prologis with its solutions in early 2019. The teams quickly forged a close relationship, with a focus developing a highly environmentally-friendly offering.

Leach provided innovative screening solutions using the Alterra range using recycled plastic bottles. Leach then successfully provided a cost-effective solution with the use of fully recyclable materials including 750 recycled waste plastic bottles.

"In such an initiative, you must absolutely focus on the environmental value of the products. We needed solutions and the teams came up with a compelling idea. After several testing phases, it worked really well, and the sustainability of the materials gives us a real competitive edge."

"At Prologis, we pride ourselves on the knowledge that product quality has not been impacted. Working with Leach has proven to us that we did not have to compromise on quality and that we were in a position to charge a reasonable price. It is in everyone's best interests to transition towards more sustainable products."



CHARGEURS HEALTHCARE SOLUTIONS



CERTAM is a center of innovation and technological exchange located near Rouen in Normandy (northern France). The convergence of skillsets prompted them to answer a call for tender from the General Secretary of the French defense procurement agency (Direction Générale de l'Armement - DGA) to act as a relevant third-party partner to conduct testing and assessment of the performance of so-called "mass-market" masks (fabric, washable and reusable 50 times).

When the Group decided to redirect production in favor of masks, it turned to CERTAM to conduct the tests needed to deliver high-quality masks.

Frédéric Dionnet, CEO at CERTAM, commented: *"We have three businesses with Chargeurs: a laboratory which provides support to the teams in the design of new products, a rigorous mask certification procedure, and, lastly, a more marketing-focused business to support teams in promoting the product."*

Teams rapidly built up a relationship of mutual trust. *"We are hands-on people and we were able to exchange with hands-on people. We had an easy-going and smooth business relationship. Right away, we wanted to work with the teams. At a human level, we were confident and felt at ease right from the start."* This relationship was strengthened when CERTAM teams visited the Lainière de Picardie plant in December 2020.

CERTAM is committed to CSR practices and, in this respect, has been granted the Ecovadis Gold rating. *"For several years we have been working in favor of the environment. Since we work towards addressing social challenges, it is part of our corporate culture. We foster creativity, it is the basis of innovation and our core business."* For Frédéric Dionnet, CSR in mask production is also about keeping French industry alive with production sites such as Lainière de Picardie.



Pôle emploi (France's official government agency for unemployment) is a customer of Lainière Santé reusable fabric masks as part of a French tender won by the Group in autumn 2020.

Hélène Rambour, Pôle emploi CSR Manager, commented on the development of CSR within Pôle emploi:

"After considering our mission and society's expectations of Pôle emploi, we realised that a CSR approach could add fresh impetus to our mission to serve people who are at vulnerable stages in their careers."

Alexandre Pace, Head of Real Estate and National Contracts, commented: *"Our focus on masks is part of a drive to fight climate change and adopt a low-carbon strategy. It is in our organisation's DNA to strive to combat global warming and find service providers and products with the least possible negative impact."*

Réjane Marchesseau, who works in Procurement, commented on Pôle emploi's active CSR engagement as regards procurement policy: *"In markets, we focus on both the environmental and the social aspects. For several years, Pôle emploi has had a very active policy of social integration clauses in its contracts and we continue to work on environmental issues. Our contracts include CSR aspects by conducting routine reviews of these two aspects."*

"The contract holder must comply with this approach from the moment it is included as a clause. This has advanced the cause. It makes the holder consider their approach when reading and signing contracts. These are small steps to make big changes. Every little helps, though."

Hélène Rambour added: *"With this approach, we underscore the message that CSR is forward-thinking. It provides us with a stance on our expectations of our suppliers, which not only reflect the expectations of all public institutions, but also society and our employees."*



Réjane Marchesseau commented on relations between Chargeurs and Pôle emploi, which are unusual since they are developed within the constraints and forms of public procurement: "A framework is established from the design phase, which lasts the entire contract term. As such, we pay special attention to defining needs and drafting contractual documents. All of our contracts incorporate a needs definition phase. We use this period to identify our requirements, whether technical or CSR-related. Our focus on masks is special since such procurement is unfamiliar territory to us. **We now have a better understanding of expectations, which is why we are in a position to identify criteria with a technical and CSR focus, for instance.**"

Alexandre Pace added: "As soon as we had better identified our needs and desires, we quickly shifted focus to washable masks, since they are more in line with our convictions. We took the time to consider feedback from our employees when issuing the tender that the Chargeurs group subsequently won. We wanted the masks we were going to order to align perfectly with our employees' expectations."

CHARGEURS LUXURY MATERIALS



Madewell is a ready-to wear brand of the USQ group J.Crew. It became one of the group's flagship products with huge success and is positioned in favor of sustainable development.

"Sustainability has become a key focus at Madewell and we believe that all businesses should have a positive impact on the world." said **Gonzalo Pertile**, CSR manager at J.Crew group.

Gonzalo Pertile tells of the partnership with the CLM teams: "We started our relationship with Chargeurs about 2 years ago. *Since the beginning we aligned on our shared values around sustainability, caring for the planet and our communities*, and that's how we began our journey to source responsibly produced wool from certified Nativatm farms from around the world. Our teams at Madewell work very closely with Chargeurs and we value the strong partnership that we have been able to build. This is a partnership that continues to evolve as we both further our commitments to social and environmental responsibility."

Madewell announced a series of commitments in March 2020. Between now and 2025, 100% of key fibers used in Madewell products will be ethically and sustainable sourced and will not include any virgin plastics. *"Having partners like Chargeurs is essential to the success of our sustainable development strategy."*

The CLM teams accompany the brand in meeting this goal by guaranteeing fibers from farms that take a rigorous approach to animal welfare, responsible land management and ethical working conditions.

Attentive to customers, Madewell aims to increase the transparency of its products. In this connection, Nativatm provides completely traceable wool from the farm to the end product, thanks to blockchain technology which informs the customer of the different stages of the production chain.

"We are excited to continue partnering with Chargeurs in innovative ways that result in a positive impact for the farmers, the sheep and the environment."



NAPAPIJRI

Napapijri is a key brand of US group VF Corporation. Hermin Uzer, product development manager and Silvia Villa, head of marketing and communication, give us their point of view on the partnership built with CLM.

"From a product perspective, the most valuable part is the clarity on the whole supply chain that Nativa™ has been giving us, the full traceability, the Blockchain in that direction, which helped us choose NATIVA™; this is the biggest difference with other certifications, Nativa™ covers a lot more." explained Hermin Uzer.

Silvia Villa: "From a marketing perspective, the support has been amazing, both in Blockchain and the willingness to collaborate has been really a case of co-creation" She added: "The openness is really valuable. In the content creation process, it could have been a struggle (for instance) sending a photographer to Patagonia to our farms and actually being able to photograph and interact with two farmers who take care of producing wool for Napapijri, we were able to feature that in our campaign. **On top of the valuable product, a lot of added value has to do with the cooperation and support.**"



Napapijri and VF Corporation continue with their ever-more ambitious sustainable development strategy. Sourcing ethically produced wool is one of their goals.

"The quality of the product changes based on how we are able to make things. It goes above and beyond the quality itself."

This strategy is also in line with changing consumer expectations which has intensified since the health crisis. **"Consumers are much more conscious in everything they are buying, there is a mindset change. There is a different sense of responsibility and consciousness. We are being more conscious about the consequences of our choices."**

