



# 2021 CSR Report



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## What is CSR?

Corporate Social Responsibility (CSR) refers to the integration of social and environmental challenges into company business models. A CSR approach involves the implementation of specific actions to improve a company's impact on its environment, in cooperation with its stakeholders, as well as transparent and reliable governance.

# A message from Joëlle Fabre-Hoffmeister



As a global Group operating in five continents, Chargeurs is fully aware of its responsibilities to drive forward the environmental transition. Since our change in governance in 2015, we have structured and strengthened our CSR approach. Today, it is the driving force of all our businesses. True to our purpose of building the niche markets of tomorrow, we combine CSR and economics to reshape our boundaries. Our CSR approach is an effective value creation driver, playing a pivotal role to transform business lines into more integrated and sustainable *Product As A Service* (PAAS) models.

By completing our first full carbon assessment and materiality matrix, we have the required resources to develop a coherent carbon trajectory which will guide our decisions and actions as part of the *Leap Forward 2025* program. As a Group, we also understand that we cannot act alone at a time when, collectively, experts and climate scientists warn us of the impact of climate change. In this spirit, we forge a strengthened dialog with our stakeholders, relying on the formidable ambition of our employees to fulfil our commitments to the United Nations Global Compact (UNGC) which is particularly meaningful considering its collective focus.

In this report, we outline our initiatives and efforts to promote Sustainable Development Goals (SDGs). Moreover, it sheds light on our ambition to always link financial performance with technological performance while upholding our values and commitments.

**Joëlle Fabre-Hoffmeister**  
Group General Secretary and  
Group CSR Strategy Manager

“  
*CSR plays a pivotal role in transforming business lines into more integrated and sustainable Product As A Service models.*  
”

# Chargeurs at a glance

A world leader in its niche markets, Chargeurs operates in three Activities – Technologies, Luxury and Diversification – each with a diversified portfolio of businesses or investments.

With nearly 2,500 employees and a business presence in five continents, the Group is guided by its strong entrepreneurial culture, enriched by its 150-year history to provide its customers with increasingly innovative and sustainable solutions, while constantly improving its operational and financial performances.

## High Emotion Technology: Chargeurs' businesses

Each Activity comprises business lines with long-standing expertise and emblematic brands.



### Luxury Activity

Brings together emblematic luxury brands and high-end personal care products, as well as expertise in visitor experience and world-renowned cultural sites.

- **Chargeurs Luxury Fibers**

Supplies the world's finest wools and leverages its traceability and certification technologies to act as the leading eco-responsible wool trade for premium fashion and luxury brands.

- **Chargeurs Museum Studio**

Includes recognized companies in the cultural and visitor experience sectors, thereby providing customers – cultural institutions, international brands and other organizations – with the opportunity to expand their audience, extend their reach and increase the impact of their messages.

- **Chargeurs Personal Care**

Designs, manufactures and sells health protection and personal care products to a premium customer base.

- **Swaine**

Swaine, the UK's leading luxury goods company, includes the emblematic brands Swaine Adeney (leather goods), Brigg (umbrellas), and Herbert Johnson (headwear), all active in business for more than 270 years.



### Technologies Activity

Leverages its robust capabilities in technological innovation for customers as well as its in-depth knowledge of manufacturing processes in the sectors of materials protection and technical textiles for luxury and fashion, two highly technological niche markets.

- **Chargeurs Protective Films**

Provides the world's largest range of surface protection solutions, notably for the construction and household appliance sectors.

- **Chargeurs PCC Fashion Technologies**

Targets the world's leading luxury, ready-to-wear, sportswear and casual-wear brands by creating technical clothing fabrics including interlining to provide structure and shape.



### Diversification Activity

Brings together the Group's exclusively non-controlling interests, in assets contributing to the complementary development of its asset value.

# Chargeurs worldwide

# 25

employees active in the business lines, leading the Group's CSR approach



## 16

laboratories and design offices



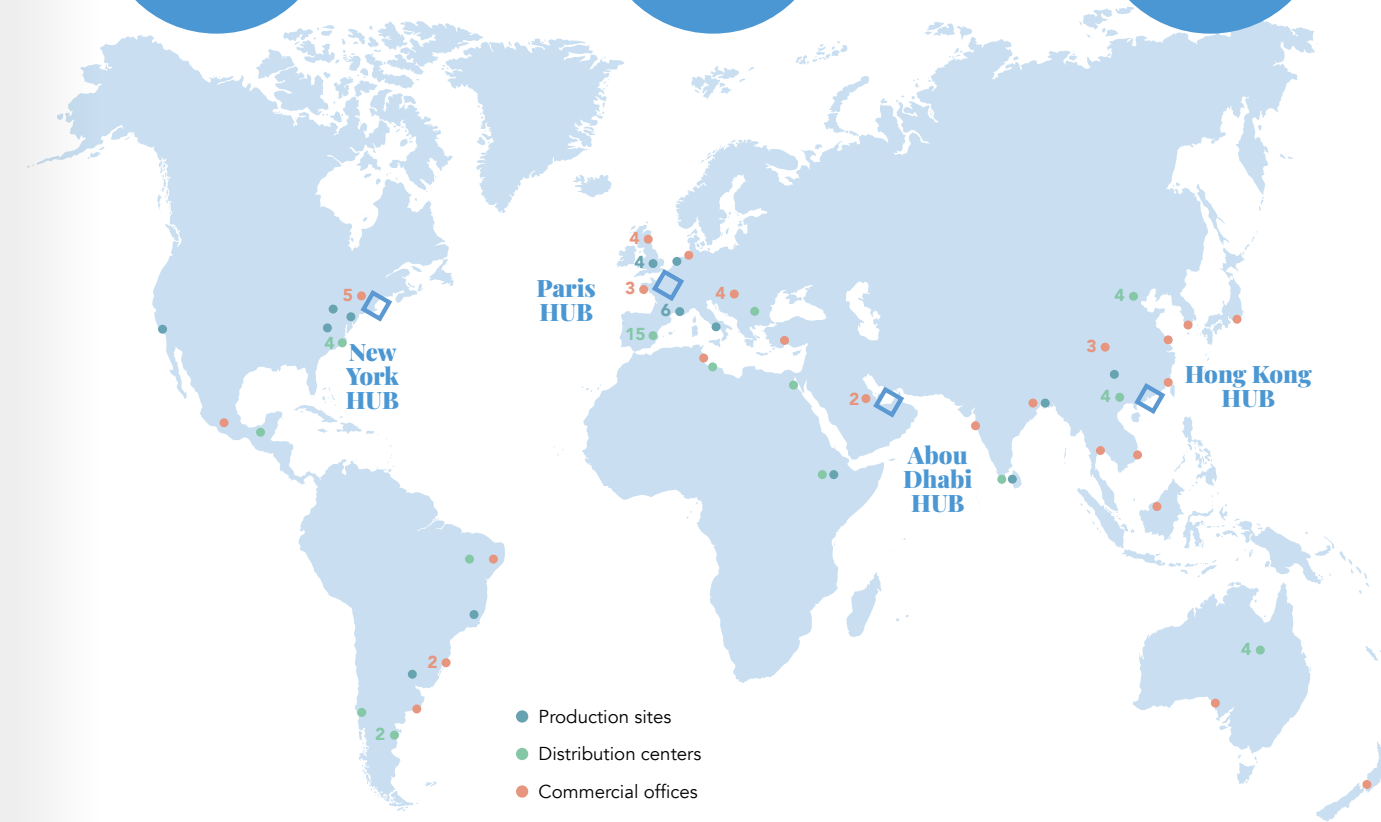
## 22

production facilities

€736.6m  
2021 revenue

Nearly  
**2,500**  
employees

Active in  
**5**  
continents



## Our Sustainable Development Goals





# Leap Forward 2025,

a long-term program aimed at building a world champion in niche markets

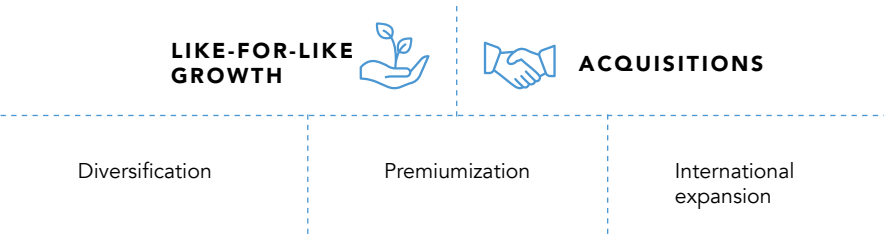
Leap Forward 2025 is a strategic development method aimed at accelerating the profitable growth of Chargeurs. It is based on the combination of two major strategic areas – embedded performance (like-for-like growth), generated from investments, and acquisitions – to enable Chargeurs to achieve revenue and recurring operating profit in excess of €1.5 billion and €150 million respectively by 2025. Ambitious yet realistic, this plan taps into the substantial profitability potential that the Group benefits from in all of its different business lines and is rounded out by an active, pre-emptive and targeted strategy of high-potential acquisitions.

## 2025 targets for revenue and recurring operating profit

2020	→ 2025	
Performance	Embedded Performance = Like-for-like	Embedded Performance + Acquisitions
Revenue	€1bn	€1.5bn
Recurring operating profit	€100m	€150m

The Covid crisis repurposed consumer trends with an increased focus on digitalization, sustainability and innovation. Embracing this transformational shift, Chargeurs introduced an integrated and tailored product and services offering. To this end, the Group prioritizes customer experience, placing environmental performance at the heart of its strategy. The Chargeurs group's new *Product As A Service* model deploys circular economy solutions and responsible production methods.

## Chargeurs leverages two drivers to accelerate the business lines' transition to a *Product As A Service* model:



# Our value creation model

A global leadership position in niche technologies, with high value-added products and services

## Our resources in 2021

**Workforce**

- Nearly 2,500 employees
- 32% of women
- 30 countries with active employees

**Financial**

- 1.6x Net debt/EBITDA (leverage ratio)
- €20m in acquisitions
- Long-term shareholders including Columbus Holding SAS, the main shareholder

**Manufacturing**

- €13m in investments
- 22 production facilities

**Environmental**

- 243,656 MWh consumed
- 495,930m³ of water consumed

**Intellectual**

- 16 design offices and laboratories
- 1.03% investment in employee training

**Sourcing and supply**

- A committed "responsible procurement" approach

**Social/Societal**

- A strong and proactive CSR policy
- A committed foundation: Chargeurs Philanthropies

## Our foundation



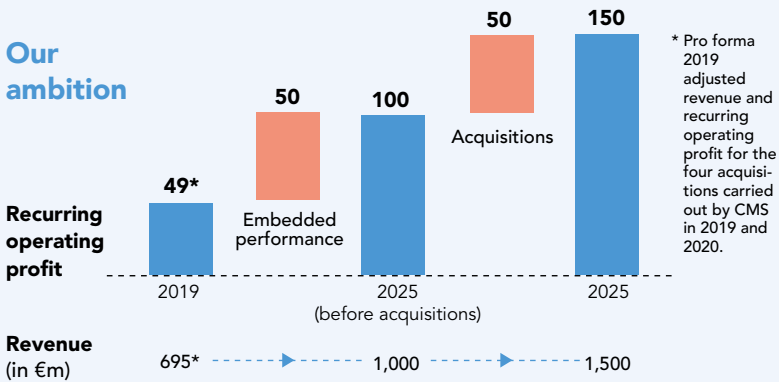
**A self-funded program, with no extra debt burden**

Maintenance of an active dividend policy.

Normalization of capital expenditure.

Maintenance of low financial leverage.

## Our ambition



## Our value creation model in 2021

**Workforce**

- +20 employees (excluding the effect of acquisitions)
- 94% permanent contracts
- 26% of the Group's top 50 executives are women

**Financial**

- €736.6m in revenue
- €50.7m in recurring operating profit
- IRR per share since November 2015: 27% (at 12/31/2021)

**Manufacturing**

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

**Environmental**

- CO<sub>2</sub> emissions/Mm<sup>2</sup> of production: -4%
- Water consumption/Mm<sup>2</sup> of production: -4%
- Waste production (Mm<sup>2</sup>): -10%

**Intellectual**

- Partnerships with leading academic institutions such as the Lausanne EPFL science and technology institute as well as ESMT Berlin
- 21 hrs training per employee

**Sourcing and supply**

- Performance of social and environmental audits at our strategic suppliers
- Partnerships between Nativa™, the eco-responsible label, and the largest global brands

**Social/Societal**

- Partnership with the Maud Fontenoy Foundation
- 100% of full-time employees benefit from health insurance
- Donations of masks and hand sanitizer to non-profit organizations, hospitals and nursing homes
- Support for social integration initiatives

## Our contribution to the SDGs

5
GENDER EQUALITY

8
DECENT WORK AND ECONOMIC GROWTH

9
INDUSTRY, INNOVATION AND INFRASTRUCTURE

6
CLEAN WATER AND SANITATION

4
QUALITY EDUCATION

13
CLIMATE ACTION

12
RESPONSIBLE CONSUMPTION AND PRODUCTION

17
PARTNERSHIPS FOR THE GOALS

# A resolute CSR approach driven by close collaboration with our stakeholders

## Our CSR approach is:

### Cross-functional and integrated

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

### Collaborative

Since 2016, our CSR approach has been organized into a network of almost 25 active members who meet on a monthly basis. The CSR approach is also built around close collaboration with our exacting and vigilant external stakeholders.

### Unifying

CSR is a strong force for internal cohesion, fostering a sense of belonging and sharing the Chargeurs identity. Our internal CSR network is consolidated on an annual basis and we can now rely on robust pillars to implement its strategy successfully.

### Committed

We build and develop our CSR strategy, with a focus on steadfast commitments that serve to structure our actions.

### Ambitious

Our CSR strategy aims to become more ambitious every year. After completing our carbon assessment in 2021, we will publish our climate trajectory by end-2022.

### Value-creating

CSR creates value for our customers, with whom we co-develop integrated solutions as part of new *Product As A Service* models. Its positive impact extends to all stakeholders whose contributions are essential to building long-standing relationships.

## OUR COMMITMENTS



Signatory of the **United Nations Global Compact (UNGC)** since June 2017: our CSR strategy is in line with Sustainable Development Goals (SDGs).



Gaia performance: Chargeurs' progress enabled it to join the first quartile in 2021. The Group scored an overall relative ESG rating of 78/100, exceeding 60/100 for the general benchmark.



Sustainability-linked Euro PP (sustainability targets out to 2027).



Sedex SMETA audits: over the past two years, Chargeurs' production facilities have been audited as a priority, along with 17 of its strategic suppliers.



Modern Slavery Statement: the publication of the Modern Slavery Statement signals the Group's commitment to combating all forms of modern slavery in the workplace.



# Our integration of CSR challenges

In 2021, the Group strengthened dialog with stakeholders to identify and prioritize its CSR challenges before producing a materiality matrix. Spearheaded by the Executive Committee, the project is part of the monitored relationship with Chargeurs' stakeholders, developed over time with a focus on continuous improvement. It is also part of a policy on respecting and promoting with its partners the universal principles of the United Nations Global Compact (UNGC), of which Chargeurs is a member.

This dialog is central to the company's overall strategy and contributes to proper governance.

## We produced a materiality matrix to:



### Strengthen dialog

with our stakeholders and the transparency of our CSR strategy.



### Test the relevance

of our CSR strategy by focusing our efforts on the Sustainable Development Goals (SDGs) with the greatest significance for our business activity.



### Identify emerging

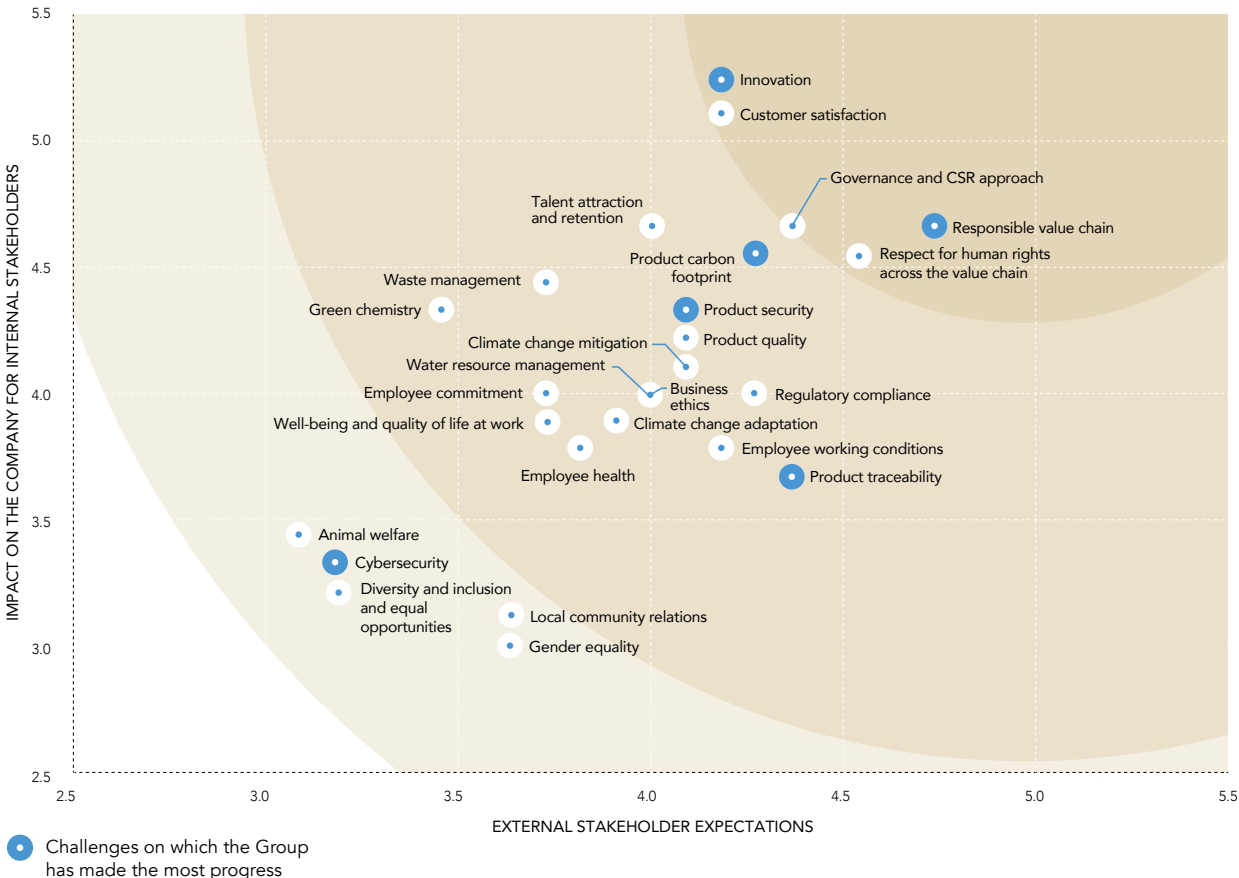
challenges in the medium term and review our strategy where necessary.



### Provide

our contacts with greater transparency on our priorities.

## Materiality matrix



## What is a materiality matrix?

A materiality matrix is a tool designed to identify and prioritize a company's challenges. Each challenge is given importance from the perspective of the company and its stakeholders. It increases a company's credibility with its contacts as well as strengthening social dialog.



# CSR significant events



Chargeurs wins the Trophées Défis RSE 2021 (2021 CSR Challenge Awards) in the medium-sized company category

Founded in 2011, the CSR Challenge Awards distinguish companies that have integrated CSR into their strategy and are conducting tangible and measurable initiatives. Jury members awarded Chargeurs in the medium-sized company category, following assessment of its application based on a grid developed by Ethifinance.

The award recognizes the action plans implemented by all of the Group's business lines. It also recognizes the relevance of a Group-wide CSR approach, encouraging Chargeurs to step up its efforts.



Chargeurs joins Gaia Index first quartile

The Group scored an overall relative ESG rating of 78/100, exceeding 60/100 for the general benchmark. Chargeurs' initiatives on governance and relations with external stakeholders were particularly commended, attesting to the Group's transparent CSR approach, which successfully shapes Group strategy in all its businesses. Today, the Gaia Index serves as the SRI benchmark in terms of socially responsible investment (SRI) for the largest investment firms in France.



Chargeurs Protective Films joins the Alliance to End Plastic Waste to promote recycling, as well as internal efforts to give products a new life and increase its offerings with recycled content



## LA CASERNE

Chargeurs PCC joins La Caserne, the new ecosystem for sustainable fashion located in the heart of Paris, La Caserne is Europe's largest accelerator of the environmental and societal transition dedicated to luxury and fashion. Integrating this new network enables Chargeurs PCC to present new sustainable innovations, including its Sustainable 360™ interlining ranges and its Nativatm traceable merino wool, to young designers who insist on responsible procurement for their raw materials.

# Our non-financial performance indicators

Our Key Performance Indicators (KPIs), which are aligned with the United Nations' Sustainable Development Goals (SDGs), help us to measure the progress of our committed approach:

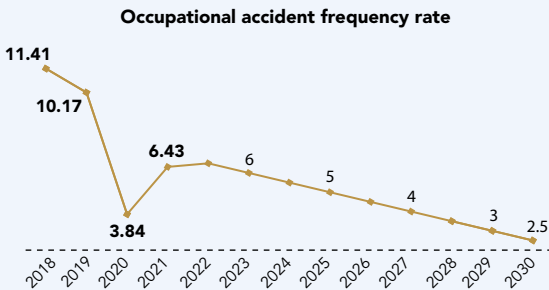


## Safety

After an atypical year in 2020, 2021 confirms the Group's zero-accident commitment, measured by a continuous decrease in the occupational accident frequency rate.



**SDG 8.8** Protect labor rights, promote safe and secure working environments and ensure that all workers are protected.

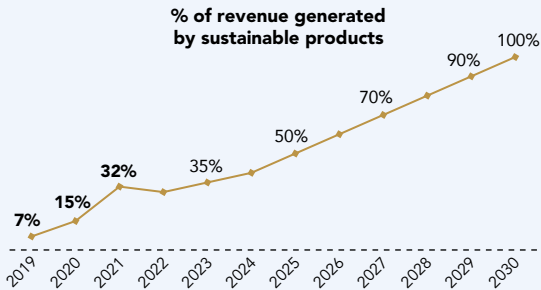


## Sustainable products

In 2021, 32% of Chargeurs' revenue was generated by sustainable products. The 25% target has been exceeded, which reflects the Group's effective performance in developing products with added environmental, social and societal value.



**SDG 9.4** By 2030, modernize our infrastructure and adapt our industries to make them more sustainable, via more streamlined use of resources and increased reliance on environmentally-friendly industrial processes and technologies.



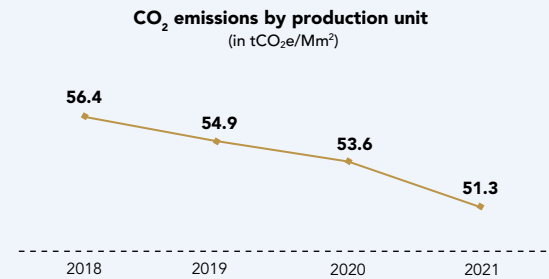
## CO<sub>2</sub> Emissions

In 2021, the Group's carbon intensity for direct Scope 1 emissions and indirect emissions linked to electricity purchases fell.

Energy efficiency at the Group's sites is a priority and considerably reduces our carbon intensity.



**SDG 13.2** Integrate climate change measures into national policies, strategies and planning.



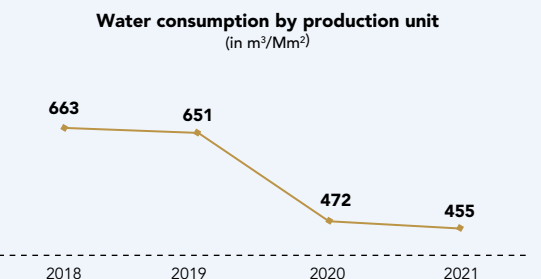
## Water consumption

The Group is stepping up its efforts to optimize water consumption in its processes.

A case in point is Boston Tapes (CPF) where a carbon filter is added to recover water vapor.



**SDG 6.5** By 2030, implement integrated water resources management at all levels.



# Our UN Global Compact membership

We have been a member of the United Nations Global Compact since 2017 and ensure that our CSR approach is fully aligned with the United Nations Sustainable Development Goals (SDGs).

## UN Global Compact principles

### Human rights

- Principle 1**  
Promote and respect the protection of internationally proclaimed human rights.
- Principle 2**  
Make sure that we are not complicit in human rights abuses.

### International labor standards

- Principle 3**  
Uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Principle 4**  
Contribute to the elimination of all forms of forced and compulsory labor.
- Principle 5**  
Contribute to the effective abolition of child labor.
- Principle 6**  
Contribute to the elimination of discrimination in respect of employment and occupation.

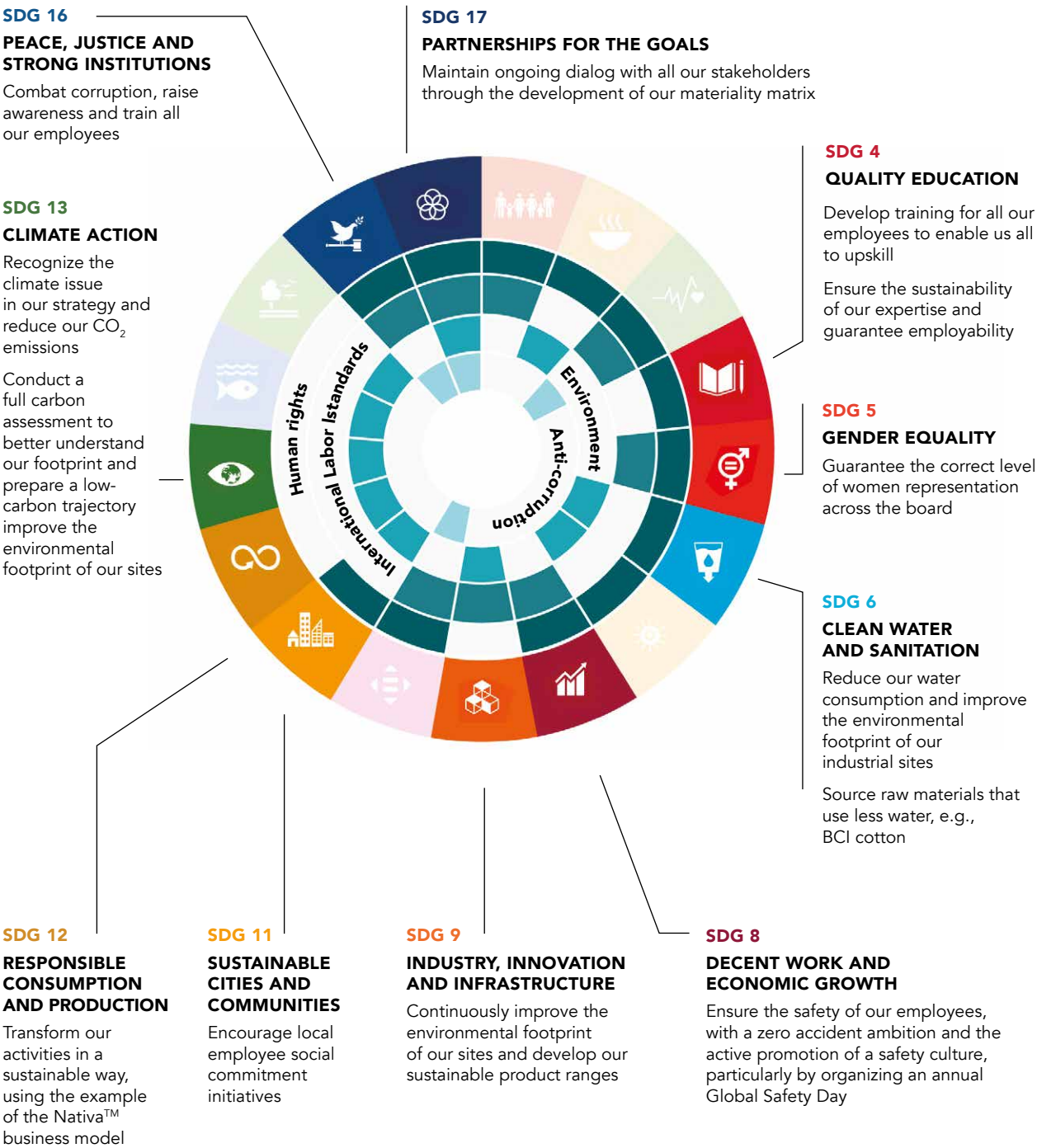
### Environment

- Principle 7**  
Support a precautionary approach to environmental challenges.
- Principle 8**  
Undertake initiatives to promote greater environmental responsibility.
- Principle 9**  
Encourage the development and diffusion of environmentally friendly technologies.

### Anti-corruption

- Principle 10**  
Work against corruption in all its forms, including extortion and bribery.

# Our contribution to the Sustainable Development Goals



## What are SDGs?

The SDGs are the sustainability goals set by the United Nations for 2030. They are structured into 17 goals with 169 targets. They enable a global and cross-functional vision for sustainability by establishing highly ambitious targets.

The Global Compact adapts these far-reaching goals into 10 principles for companies to follow, covering human rights, international labor standards, the environment and anti-corruption. Throughout this report, each outlined action is linked to a strategic SDG and its target to which the action contributes.



# Developing our sustainable product ranges

## SDG 9

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

## GOAL 9.4

By 2030, modernize our infrastructure and adapt our industries to make them more sustainable, via more streamlined use of resources and increased reliance on environmentally-friendly industrial processes and technologies, with each country contributing according to their means.

## KPI

32%

of revenue is generated by our sustainable products.

Our sustainable product offering is constantly evolving. It is driven by our pursuit of excellence and our constant innovation, coupled with ever-increasing customer demand for more sustainable products that positively impact our planet. The development of these ranges demonstrates our increasingly transformation-focused CSR approach, supported by a strong ambition: to achieve 100% sustainable products and services by 2030.

## Two ranges emblematic of the responsible and innovative expertise of our businesses: Oxygen and Sustainable 360™



### Oxygen range at Chargeurs Protective Films

Surface protection regularly enables a reduction in the carbon footprint of Chargeurs Protective Films' customers. The business line has developed these products combining recyclability and improved safety of its additives. These products are not hazardous and are mostly recyclable.

#### FOCUS

Launched in 2021, Chargeurs Protective Films' eco-designed Oxygen product range is built around three technologies: recycled, vegetal and lean.

By using recycled and bio-sourced raw materials or by limiting inputs, Chargeurs Protective Films reduces both the use of natural resources and customers' carbon footprint.



Novacel is a trusted partner that delivers high-performance and reliable solutions which we require in our production stages. Novacel products enable us to reduce our waste rate by protecting our activities from the inevitable scratches and dirt on construction sites. As a result, we are in a position to guarantee our customers premium quality facilities upon completion.



Grégory Leclerc,  
VM Building Solutions  
Procurement Manager,  
CPF customer



### Sustainable 360™ range at Chargeurs PCC Fashion Technologies

To support our customers and all value chain stakeholders in improving the environmental footprint of the textile industry, Chargeurs PCC Fashion Technologies has enhanced and actively continues to enhance Sustainable 360™, the first-ever comprehensive range of responsible interlinings.



Through their collaboration, the Chargeurs PCC team supports us in meeting our environmental targets. We have a shared ambition to create more sustainable products and to enhance their impact on the environment and stakeholders alike. As we transition towards a more sustainable future, we benefit from the expertise of Chargeurs PCC teams who have implemented a fully transparent and committed CSR approach over a number of years.



Pascal Brun,  
Global Sustainability Manager, H&M, Chargeurs  
PCC Fashion Technologies customer

237  
products

38%

made from Global Recycled Standard (GRS) polyester.

74%

sourced from SMETA-audited sites.

70%

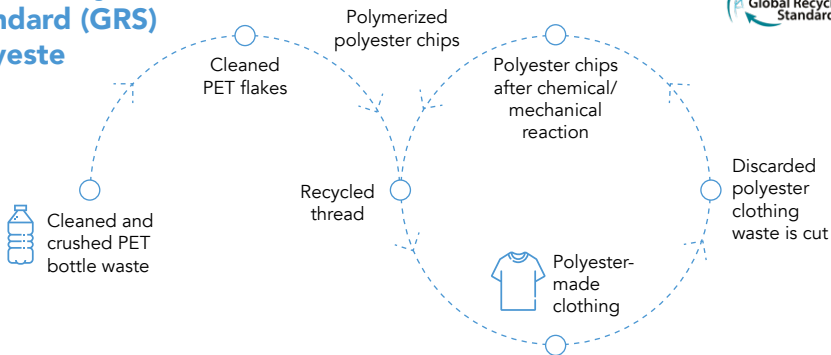
generated water savings.

100%

used cotton produced in line with the Better Cotton Initiative (BCI).



## Global Recycled Standard (GRS) polyeste





# Carbon assessment results and climate trajectory focus

## SDG 13

Take urgent action to combat climate change and its impacts.

## GOAL 13.2

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

To gain a better understanding of our environmental footprint, we conducted our first full carbon assessment in 2021. Through these efforts, we are developing our low-carbon trajectory while ensuring more effective control of our impact.

In 2021, Chargeurs conducted its first full carbon assessment (covering Scopes 1, 2 and 3) based on fiscal 2019, a baseline year serving to identify emissions sources as closely as possible to the Group's business model and excluding the health crisis periods in 2020/2021. The scope of the carbon assessment encompasses Chargeurs Protective Films, Chargeurs PCC Fashion Technologies, Chargeurs Luxury Materials and Chargeurs Museum Solutions (Leach and Senfa).



## Carbon assessment

### Our greenhouse gas emissions

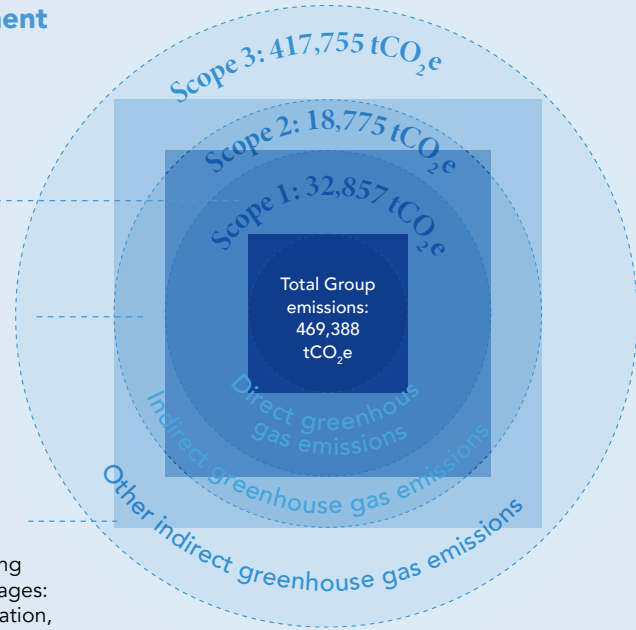
linked to the direct consumption of energy on our sites (gas, fuel oil, etc.).

### Our indirect greenhouse gas emissions

linked to energy consumption, including electricity, heating and cooling.

### All our other greenhouse gas emissions

that are not directly linked to product manufacturing but to other lifecycle stages: procurement, transportation, business travel, etc.



## Climate trajectory

The results of the carbon assessment yielded a tangible base upon which to define an ambitious climate trajectory.

We are focusing on several operational levers to decarbonize our business activities: development of our sustainable product ranges, improvement of environmental and energy performance and our production bases, responsible procurement policy, etc.

Purchases are the largest item on our carbon footprint, accounting for most of the emissions associated with our activities. This item represents 72% of Chargeurs Protective Films' carbon footprint and 75% with respect to Chargeurs PCC.

# Leveling up the environmental performance our manufacturing facilities

## SDG 13

Take urgent action to combat climate change and its impacts.

## GOAL 13.2

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

## INDICATORS USED

243,656

MWh consumed

495,940

m³ of water consumed

Decarbonizing the Group's manufacturing activities is a priority of our CSR policy. Chargeurs has kick-started a number of projects, aimed at introducing an energy strategy with a focus on mitigating and reducing the impact of climate change. The strategy is structured into five work priorities:



Environmental and energy footprint monitoring



Building performance improvement



Manufacturing process optimization



Energy and water procurement, production and distribution



Waste management

Each priority focuses on initiatives to reduce the environmental footprint of the Group's activities such as greenhouse gas (GHG) emissions, but also factors that guarantee future energy supply to respond to market dynamics and address the impacts of climate change.

## FOCUS

“To reduce our natural gas and electricity consumption, Chargeurs' teams developed short-term action plans to lower consumption on a daily basis and they listed priority projects for our production facilities. Improved control of our motors thanks to variable speed drives and their automation would, for instance, result in reduced electricity consumption at our Boston Tapes and SENFA sites.

Parallel to this, studies on the recovery of waste heat and its reuse in our processes have increased. These include: a new treatment facility for our gaseous effluents at Boston Tapes; preheating of fresh incoming air in furnaces with outgoing air at SENFA; modernization of machinery; and the injection of recovered heat into the building heating system at LPBC. All of these actions would help to reduce our natural gas consumption.

”



Gaël Blaise,  
Project Manager - Energy & Environmental Performance



# Nativa™ business model

## circular and transparent

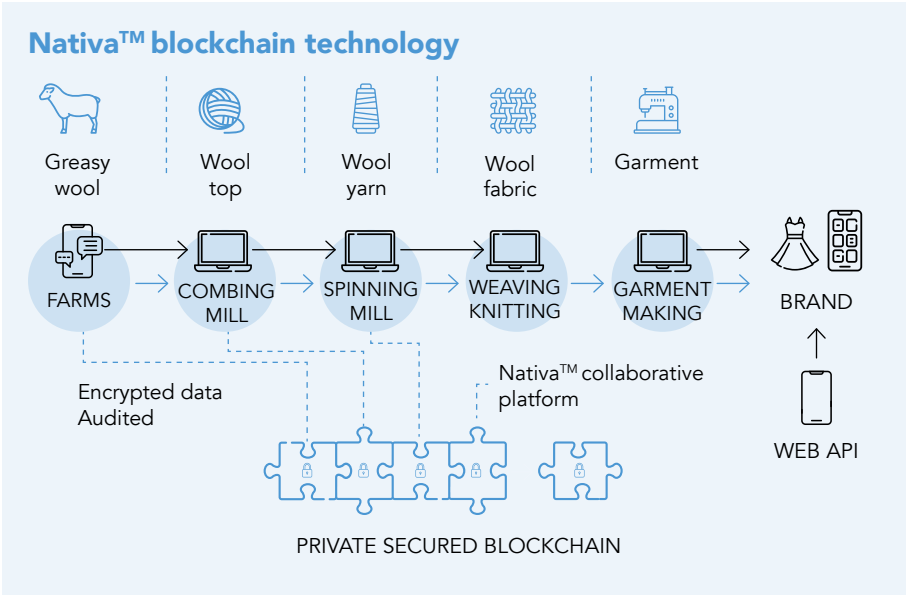
### SDG 9

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

### GOAL 9.4

By 2030, modernize our infrastructure and adapt our industries to make them more sustainable, via more streamlined use of resources and increased reliance on environmentally-friendly industrial processes and technologies, with each country contributing according to their means.

The Group developed the Nativa™ label, which attests to the sustainability and traceability of wool throughout the value chain. Its protocol was designed around four pillars: animal welfare, land stewardship, social responsibility and the certification process. A first of its kind in wool fiber, the Nativa™ Blockchain solution visually tracks all steps in the product lifecycle, from production on the farms to garment manufacturing, including combing, spinning, weaving and knitting:



### FOCUS

#### Benefits of merino wool

Wool is an all-natural fiber that grows year-round. Its fibers are made of keratin, a natural, biodegradable protein comparable to human hair. Wool fibers are 100% sustainable. Wool has multiple qualities:

- |                 |             |                |
|-----------------|-------------|----------------|
| Durable         | Insulating  | Hypoallergenic |
| Organic         | Comfortable | Non-flammable  |
| Animal-friendly | Healthy     | Cost-effective |
| Absorbent       |             |                |

# Nativa™ 360

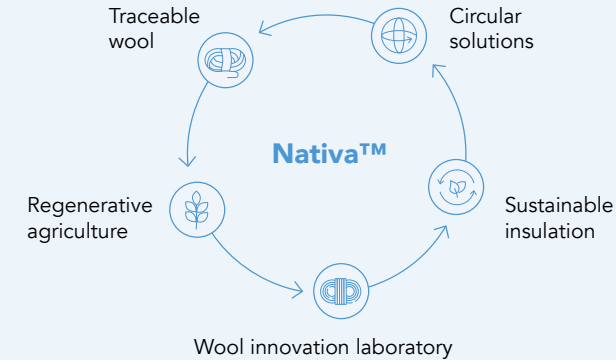
Thanks to its strong environmental commitment, Nativa™ plans to go a step further in promoting regenerative agriculture. In 2021, the eco-responsible label signed a partnership with American brand, The Reformation, for the supply of merino wool, sourced from regenerative agriculture farms in Australia and Uruguay, and contributing towards the brand's ambition to be climate positive by 2025.

## Nativa™ commits to regenerative agriculture

Regenerative agriculture seeks to level up requirements for sustainable agricultural practices and animal welfare by providing animals with better living conditions and improved nutrition. Moreover, it uses the most sustainable agricultural practices, promoting more responsible land use and boosting land carbon sink potential. To that end, it is more respectful of biodiversity and land quality.

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

### Certification Nativa™



### 1 Circular solutions

A comprehensive recycling solution for brand partners, from shipping of surplus fabric to delivery of recycled thread.

### 2 Sustainable insulation

A sustainable insulation process for garments and other materials, with wool as the main component.

### 3 Innovation laboratory

Innovative projects in the wool space, such as high strength thread and natural wool dyes.





# Championing

our more responsible value chain

The way we view our responsibility and our belief that procurement 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.



## Championing our more responsible value chain:



Decarbonize our activities.



Promote and ensure respect for human rights across our entire value chain.

### Responsible Procurement Charter

A Responsible Procurement Charter, signed by Chargeurs' strategic suppliers, sets the main lines of our fundamental expectations regarding suppliers in order to guarantee to our customers that the people who make our products are treated decently regardless of where they work. We also expect our suppliers to follow our example in making sustainable commitments in this respect.

### Sedex SMETA audits

Chargeurs' production sites have been audited by SMETA (Sedex Members Ethical Trade Audit), a recognized social and ethical audit methodology. It ensures comprehensive and independent audits, covering four main CSR pillars:

- Working conditions
- Health and Safety
- Environment
- Business ethics

Over the past two years, Chargeurs' production facilities have been audited as a priority, along with 17 of its strategic suppliers. Over the next two years, the goal is to conduct audits at 40 strategic suppliers and to perform audits for Tier 2 suppliers.

Between 2020 and 2021, Chargeurs PCC conducted 11 audits at Top 50 product suppliers, an audit was also performed at a Sustainable 360™ supplier with two audits specific to cotton suppliers.

### Modern Slavery Statement

In 2022, Chargeurs published its second Modern Slavery Statement, in accordance with the UK Modern Slavery Act. Chargeurs affirms its responsibility as a global company to combat all forms of modern slavery throughout its supply chain. With this in mind, the Group has outlined its policies, due diligence processes and internal initiatives to secure its supply chains. In 2022, Chargeurs is reaffirming its commitment to respecting human rights and the dignity of workers throughout its value chain, particularly through training to increase risk awareness among teams working with suppliers.

## FOCUS

### Chargeurs PCC Fashion Technologies

In the pursuit of more responsible raw materials, Chargeurs PCC Fashion Technologies has been a member of the Better Cotton Initiative (BCI) since 2019. From 2021, 100% of cotton used by Chargeurs 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 Uyghur community in the Xinjiang region of China, the BCI halted all activity in the area. The accelerated sourcing of BCI-licensed cotton is in line with the Group's responsible procurement policy, demonstrating the Group's unwavering commitment to respect the fundamental human rights of its suppliers.

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.



# Guaranteeing the health and safety of our employees

### SDG 8

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

### GOAL 8.8

Protect labor rights, promote safe and secure working environments and ensure that all workers are protected, including migrant workers, in particular women migrants, and those in precarious employment.

### KPI

6.43

Occupational accident frequency rate

From the onset of the Covid-19 crisis, Chargeurs made every effort to guarantee the health and safety of its employees the world over. The Group's commitment was total and part of a framework including an effective safety policy integrating preventive measures and strict action plans governing the work environment of employees. Safety is a constant priority, which applies to all Group activities.

### Annual organization of a Safety Day across all our sites

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 each and every site.

More than  
**90%**  
participation.

**12,295**

hours of safety training throughout 2021 (vs. 6,931 hours in 2020).

### ETSCAF safety methodology at Chargeurs Protective Films

Since 2020, Chargeurs Protective Films has introduced new methodology to prevent workplace accidents. CPF's goal is to focus on behavioral practices which cause over 90% of accidents. This methodology aims to achieve a level of interdependence in terms of security, involving all hierarchies within the company and fostering dialog and team spirit.

Following its introductory year at the Novacel site, the method has increased the length of accident-free time to 154 consecutive days. 2021 also saw significant improvements, for the second year running. Backed by its success, the methodology was applied to the Main Tape and Troy facilities (United States) in 2021.

On the Novacel site, the entire Executive Committee has been trained in this methodology and is responsible for holding regular safety discussions with employees. In 2022, each manager must participate in seven safety visits.



# Ensuring the sustainability of our expertise and developing employability

### SDG 4

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

### GOAL 4.4

By 2030, substantially increase the number of young people and adults with the skills, particularly technical and vocational skills, needed for employment, decent jobs and entrepreneurship.

Employees are the prime asset of Chargeurs. It is essential to pass on our expertise to new generations and to develop their employability to be increasingly creative and innovative.

### Novacel Academy success

In February 2021, the first intake of the Novacel Academy started their course on coating. At the end of training, the work/study students obtained a professional certificate as an operator of manufacturing equipment, a qualification that is recognized in industry.

This transfer of skills and expertise specific to Novacel ensures know-how stays in-house and builds high-performance teams. On the back of its success, Novacel Academy was applied to the Boston Tapes facility in Italy. The Academy will shortly be rolled out at production facilities in the United States.



**100%**

of first intake work/study students hired.

“Thanks to Novacel Academy, I learned how to understand and use machines quickly and efficiently. I am now a fully independent Manufacturing Operator, in a position to transfer my technical knowledge. With its practical and human-centered approach, this training course helped me secure professional certification and develop my future employability.”

**Maximilien**, a Novacel Manufacturing Operator, permanently hired upon completion of his work/study program



A Novacel Academy instructor and two work/study trainees

### IN ACTION

#### Combating job insecurity through professional integration and social services

Year-round professional integration initiatives were conducted at the Senfa and Lainière de Picardie production facilities in France. The Group hired approximately 30 people on permanent contracts as part of the production of health protective masks, representing more than 50,000 hours worked.

These assignments were followed by hiring permanent-contract employees among some of Chargeurs' staff. The occupational social service assistant, who works at the LPBC site, also plays a key role in combating job insecurity. Our assistant acts as the interface between our employees and the company and

may be called upon for the following issues: disabilities, workplace quality of life, support for change, reorganizations, internal measures, mutual insurance and personal protection funds, retirement, housing, family, budgeting and excessive debt, etc.



# Management seminar

## Leap Forward 2025

In April 2022, the Group’s extended management team met for a seminar designed as a toolbox to pursue the targets of the *Leap Forward 2025* program and prepare for the current challenges at stake. This seminar focused the attention of the participants on two key success factors: Leadership and Management. This left everyone feeling energized with tangible aspects to sharpen their leadership profile and strengthen their management skills. We are cultivating a winning spirit that characterizes Chargeurs as we build for the next 150 years.



# Upskilling

## our employees

The Group has several training programs in place in all its subsidiaries around the world. These initiatives are essential to support employees in completing projects that are both ambitious and fulfilling.

1.03%  
investment in overall  
employee training

21  
training hours on average  
per employee in 2021,  
up 15% vs. 2019

“ The seminar activities, led by motivational speakers, helped us gain a real insight into the strategic management of companies, innovation and communications. More importantly, it provided an opportunity to meet, discuss and collaborate with colleagues from all continents and Group divisions. At the end of the seminar, each working group laid out their own strategic vision, supported by a concrete action plan to drive the success of Leap Forward 2025. ”



Francesco Santoro,  
Group IT Project  
Manager

### Our training commitments

Each of the Group’s business lines ramped up their efforts, exceeding 2019 levels, with a focus on:

- Integration/onboarding new employees, on which the Group is particularly focused;
  - Cross-functional training dedicated to production, which includes industrial performance;
  - Safety, representing one quarter of the provided training sessions.
- CSR training which also focuses on developing a Group-wide CSR approach at each and every stage of operations. Employees have also received training in ethics and anti-corruption, including a presentation of the regulatory framework and role play exercises.
- Through such training, employees are exposed to better understanding the risks and obligations involved and they are also equipped with prevention tools.

#### IN ACTION

#### ESMT Berlin: An intra-group management program



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 *Leap Forward 2025* strategic plan.

In 2021, the program gathered 30 managers from the five divisions as well as from head office, in hybrid mode, for the first time. The program concentrated on implementing Chargeurs’ *Leap Forward 2025* strategy, with a focus on management and innovation. The course supports change management and the Group’s transformation as well as developing an understanding of strategy for all managers.



2022 intake together at ESMT Berlin



# Fighting against corruption

Integrity in how we do business guides all of our employees, suppliers and other stakeholders in their day-to-day work relations. The Chargeurs group undertakes to lead by example as a bearer and champion of the highest business standards, adhered to by all.

## 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 and safety in the workplace, the environment, and respect for equality, particularly in terms of the wage gap between men and women. It is designed to prevent forced and child labor as well as all forms of harassment and discrimination. The Code also commits the Group to ensuring freedom of association, acting scrupulously with regard to transparency and the fight against bribery and influence peddling.

- Anonymous whistleblowing procedure for violations of the Code of Conduct
- Our Chief Compliance Officer ensures the Code is properly understood and applied

## Ethics Committee

Made up of three well-known figures from outside Chargeurs, selected for their impartiality and experience, the role of the Ethics Committee is to define and recommend best governance and ethics practices for the Group to the Board of Directors, and to oversee and verify the proper implementation of the Code of Conduct.

## Employee anti-corruption training

We have worked with auditors and experts to create an e-learning module, which we have adapted to potential specific Group scenarios.



# Chargeurs Philanthropies



Chargeurs Philanthropies, the Chargeurs group's endowment fund, supports the initiatives of the Institut de l'Engagement (IDE). The Institute assists young people following a strong commitment, notably through community service, by providing a comprehensive support program that caters to their aspirations. These young persons come from all backgrounds and are committed to all types of causes. The Institut de l'Engagement helps them to pursue their projects, whether it involves resumed or further studies, professional integration or a business setup.

Every year, IDE works closely with almost  
**3,000**  
young people, selecting  
**700**  
winners.



Chargeurs participated in the IDE's Campus de l'Engagement event held from July 4-6, 2022 in Autrans (Vercors region, southeastern France), which brought together nearly 300 participants, winners and company employees. A special moment for discussions, meetings and co-development, this event was an excellent opportunity to present two key Group challenges to the winners: decarbonizing our activities and disseminating our corporate culture internally.

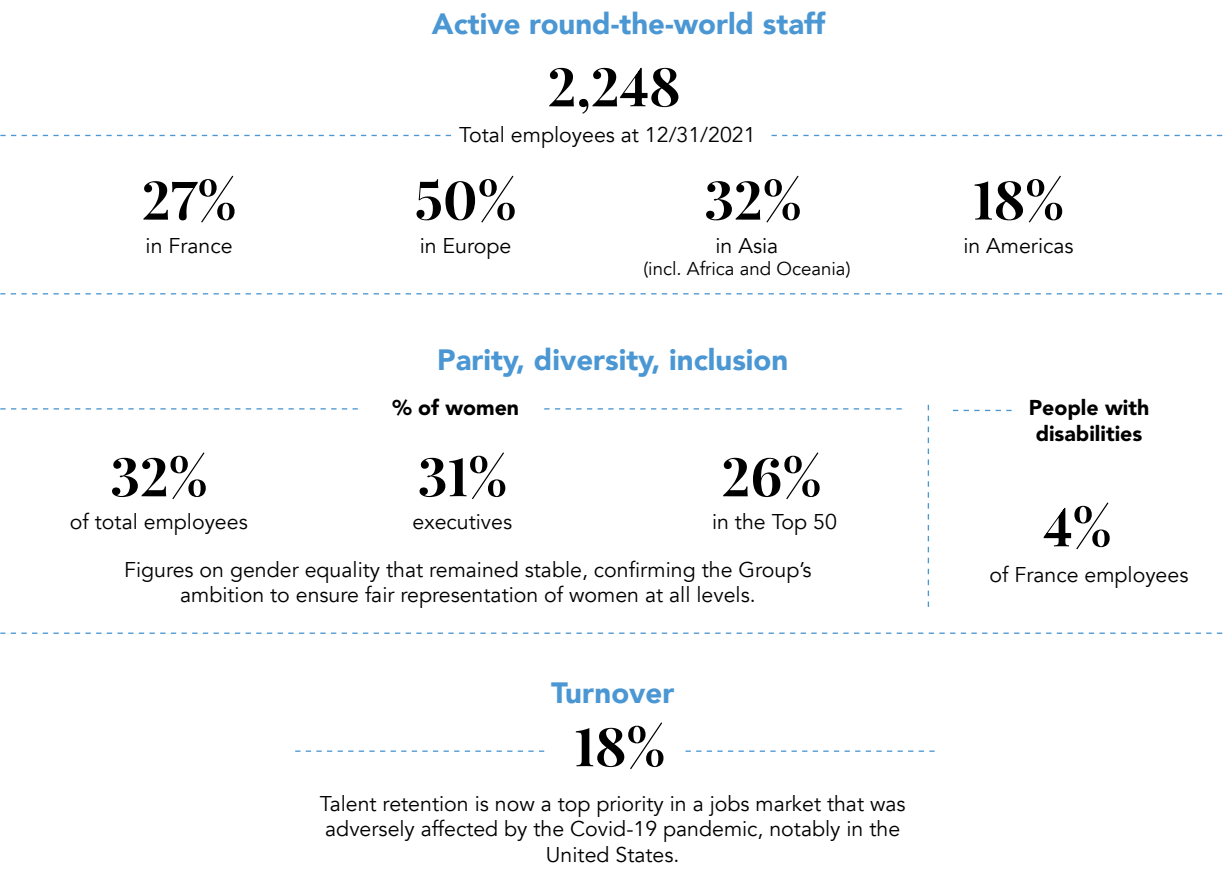
It marked an incredible human adventure for all participants with engaging interactions between talented, inspiring and committed young people!



# Our key performance indicators

CHALLENGE	INDICATOR USED	2021 RESULTS	
Developing our sustainable product ranges	% revenue generated by our sustainable products	32%	The share of our revenue generated by our sustainable ranges is growing, with very strong ambitions for the years ahead.
Understanding our carbon footprint to ensure more effective control: 2019 carbon assessment results	Total emissions	469,388 tCO <sub>2</sub>	We completed our first full carbon assessment within the scope of fiscal 2019. It marks a major milestone on our path to improving the management of our carbon footprint.
	Scope 1	32,857 tCO <sub>2</sub>	
	Scope 2	18,775 tCO <sub>2</sub>	
	Scope 3	417,755 tCO <sub>2</sub>	
Leveling up the environmental performance of our manufacturing facilities	Carbon intensity of our activities: tCO <sub>2</sub> e/Mm <sup>2</sup>	51.3 tCO <sub>2</sub> e/Mm <sup>2</sup>	We measure the environmental impact of our manufacturing facilities by calculating carbon emissions (Scopes 1 and 2) and water consumption (in m <sup>3</sup> ) per million square meters of production. We succeed in improving these two key indicators each year.
	Water consumption intensity of our activities: m <sup>3</sup> of water/Mm <sup>2</sup>	455 m <sup>3</sup> /Mm <sup>2</sup>	
Deploying circularity initiatives	Product waste	10.7 t	
Championing our more responsible value chain	Number of on-site CSR audits performed	17	
Guaranteeing the safety of our employees	Occupational accident frequency rate	6.43	Safety is a top priority for our Group, and we make every effort to reduce the occupational accident frequency rate.
	Severity rate	0.31	
	Safety training	12,295 hrs	
Upskilling our employees	Training per employee	21 hrs	
	Total training hours	48,735 hrs	
Fighting against corruption	Employees receiving anti-corruption training	100%	
Conducting best governance practices	Independent Directors	3 i.e., 50% of the Board of Directors	
	Director attendance	100%	

# Profiling our employees





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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.