

**UNITED NATIONS
GLOBAL COMPACT
COMMUNICATION ON PROGRESS**

**comme il faut
June 2013**

www.comme-il-faut.com

Contents

| Section | Page |
|----------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Company Profile | 3 |
| Vision and Values | 3 |
| CEO Commitment | 4 |
| Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights. | 5 |
| Principle 2: Businesses should ensure that they are not complicit in human rights abuses. | 9 |
| Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | 10 |
| Principle 4: Businesses should support the elimination of all forms of forced and compulsory labor. | 11 |
| Principle 5: Businesses should support the effective abolition of child labor. | 11 |
| Principle 6: Businesses should support the elimination of discrimination in respect of employment and occupation. | 11 |
| Principle 7: Businesses should support a precautionary approach to environmental challenges. | 12 |
| Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. | 12 |
| Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies. | 14 |
| Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. | 14 |
| Contact details | 15 |

comme il faut profile

comme il faut is a group of four separate business entities located in Israel, all wholly owned by **comme il faut** founder and CEO Sybil Goldfainer, and employing around 140 staff in total.

- **comme il faut** – a fashion house created in 1987 with an aspiration to change the landscape of Israeli fashion for women.
- **coola** - a treatment spa for women only.
- **Bayit Banamal Restaurant** - for modern-Israeli taste.
- **Bayit Banamal** - a former grain warehouse in Tel Aviv Port converted into an urban center for shopping, culture, meeting and recreation.

These four businesses are linked by a common set of values, which include a strong commitment to women's empowerment and social involvement.

comme il faut vision

We believe in the power of women to influence.

We choose to take a stand, based on our business and personal responsibility.

Our Company is a home for learning, action and leadership, in which every woman can feel special, significant and influential.

comme il faut values

These values express our most important views and beliefs.

The way we behave is driven by our values.

Commitment to doing good

Active transparency

Free and daring thinking

Desirability

Passion

CEO commitment



Since founding comme il faut over 25 years ago, we have striven to reconcile business and responsibility while building a sustainable business that brings financial success and provides value to our customers, employees, business partners, communities and the environment.

We believe that, as a business, we can leverage our brand and networks to advance social justice, the rights of women and a more equitable society, as well as do our part in preserving the environment.

We commenced our participation in the UN Global Compact in 2007. Our commitment to the ten principles of responsible business remains valid as an important anchor for all that we do.

As comme il faut owner and CEO, and behalf of all of our employees, I reconfirm our commitment to the UN Global Compact and our intention to communicate our progress as transparently as we can, on a regular annual basis. This is sometimes challenging, given the resource constraints of a small business, but we continue to believe this is important and strive to play our part.

This Communication on Progress meets our commitment to report for the years 2011 and 2012.

Sincerely,

Sybil Goldfainer
Founder and CEO, comme il faut

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights.

comme il faut is committed to upholding all laws, regulations and practices which are designed to protect human rights. comme il faut opposes discrimination and recruits individuals while respecting differences of color, race, gender, nationality, religion, sexual orientation and other dimensions of diversity. comme il faut is committed to practices which prevent sexual discrimination, sexual harassment, child labor and forced labor. This commitment is encompassed in the range of ethical standards that comme il faut applies in all its business operations.

Our Ethical Conduct

The **comme il faut** Code of Ethics reflects the way we work and interact with our stakeholders. All our employees are familiar with the Code of Ethics and have committed to upholding the Code. All new employees read and sign the Code of Ethics demonstrating their agreement and commitment. We conduct periodical refresher training for employees in ethical conduct. Employees that wish to make a complaint about a suspected breach of ethics may complain to the **comme il faut** Ethics Officer, without fear of reprisal. You can view our Code of Ethics at: www.comme-il-faut.com/agenda/Code_Emp/Ethics

Workplace

comme il faut employs over 140 people in total in all our business entities. We are proud to have established an open environment that encourages employees to contribute their experience and knowledge and offer feedback and suggestions for improvement. Furthermore, we are proud that 73% of our employees are women, staffing different roles in the company, from executive roles to sales, marketing, design and administration. We believe it is important to support women's economic independence and encourage women to join our business. However, both men and women employees have an equal opportunity to accept roles at comme il faut and contribute and influence.

| Employees by Gender | |
|--------------------------|----------------|
| 2010 Women : Men : Total | 105 : 29 : 134 |
| 2011 Women : Men : Total | 104 : 38 : 142 |
| % Women in 2011 | 73% |

Contributing to our Community

We feel that it is important for businesses to make a positive contribution to social justice and equitable treatment for all. We especially focus on the empowerment of women and changing perceptions of women. Our marketing and social campaigns carry strong messages which are often political, provocative and mobilize public opinion, as well as engaging our customers, employee and community partners. We donate at least 10% of our annual profits to community causes, and we prefer to partner with community organizations which we support with both funding and personal, practical involvement and support. In 2011, we donated NIS 189,500 in cash and in-kind donations to several organizations.

Pass-It-On

Entering its fourth year in 2011, the Pass-It-On campaign remains a success. In this campaign, customers are encouraged to bring **comme il faut** garments which they no longer wear and receive a discount toward their next purchase. The garments are then passed on to a non-profit thrift store, which uses the funds from their resale to support subsidized courses for women entrepreneurs.

In April 2011, our customers donated over 1,350 items which were passed on to our non-profit partner for this program, Esheet, which operates a second-hand clothing store called Begeed Café, run entirely by volunteers. The resale of this collection funded the attendance of several women in entrepreneurship courses which they would otherwise have not been able to afford. For more about Esheet, visit: www.esheet.org.il

comme il faut

אישית | קודם טיים
דיווח תקופתי
(ג'ר)

**פסח בפתח,
זמן לאוורר, לוותר,
להעביר הלאה.**

כל פריט שתמסרי, יזכה אותך
בשובר הנחה בשווי 150 ש"ח, לרכישת
פריט מקולקציית קיץ 2011

אנחנו מומינות אותך להעביר אלינו את
ה- *comme il faut* שאת כבר לא לובשת.
אנחנו נעביר את הבגדים לעמותת "אישית",
שם הם יימכרו וימשיכו לשרת נשים נוספות.
ההכנסות יוקדשו למימון הכשרה מקצועית
והשכלה עסקית לנשים.

**מעבירות
2011**

Pass-the-Warmth

In winter 2011, we launched the Pass-the-Warmth campaign in which customers were asked to bring in all forms of unwanted clothing in good condition. This campaign was organized with ASSAF, a non-profit organization that provides humanitarian and psycho-social responses to the refugee community in Israel. Through a range of programs, ASSAF runs programs which protect and strengthen underprivileged African refugees and works to improve attitudes towards this community. The Pass-the-Warmth campaign culminated in a free clothing market for refugees featuring the 1,200 clothing items collected. In addition to the clothing market, we donated high quality garments which were sold, generating a donation of over NIS 6,000 to ASSAF. For more on ASSAF, visit: <http://www.assaf.org.il/>

חורף קר. מעבירות חום.

המעילים, הסוודרים והצעפים שאת כבר לא לובשת יכולים להפוך למישהי אחרת את לילות החורף הקרים - לחמים מאוד. על כל צעיף סרוג, סוודר או מעיל שתעבירי - תקבלי זיכוי ותדעי שעשית למישהי שבאמת צריכה את זה, חורף הרבה יותר נעים.

כל פריטי החורף שיאספו במסגרת 'מעבירות 2011' יועברו לפליטות אפריקאיות באמצעות א.ס.ף - ארגון סייע לפליטים ומבקשי מקלט בישראל | כל פריט שתביאי, מבית *comme il faut* או אחר, יזכה אותך בשובר ע"ס 150 ש"ח, לדרישת פריט מקולקציה 3, החדשה | הפריטים המיועדים להעברה צריכים להיספר במצב טוב ומכובסים | ניתן להעביר מעילים, סוודרים וצעפים סרוגים לכל בתי *comme il faut* עד ה-30.11.2011 | אין הגבלה על מספר הפריטים הניתנים להעברה. | השוברים ניתנים למימוש בקניית מכנסיים, ג'קטים, מעילים, חולצות מכופתרות ושמלות בלבד. | ניתן לממש שובר זיכוי אחד לפריט, עד ה-15.12.2011 | מיצור *comme il faut*

מקסטו ורד סופרמן, צילום: עמית ישראל, עיצוב: פורית בנימין, מוכן: קלאודיה מנחיא

comme il faut

א.ס.ף ASSAF

Being a Girl

The Being a Girl program offers teenage girls aged 15-16 the opportunity to realize their potential through specially developed workshops based on personal expression through art and culture. The program has run successfully for four years, allowing hundreds of girls an opportunity to explore and learn, encouraging them to work towards achieving personal empowerment. We partnered with the initiators of this program, the Bat-Yam municipality (Bat-Yam is a city south of Tel Aviv), in 2010 for a two year cycle.

In this program, we collaborated in the development of a new workshop with a fashion theme offering teenage girls an opportunity to build self-confidence through fashion design, providing them with the tools and skills to design their own T-shirt which expresses their personal worldview.

Several members of our staff volunteered in the program, including the CEO Sybil Goldfainer and our Chief Designer. We hosted the group in a visit to our design studio, taught them about fashion and helped them with their designs. We also donated T-shirts, fabrics and accessories for the program. Our overall investment was around NIS 20,000.

For more, visit: www.bat-yam.muni.il/show_item.asp?levelId=58165

Principle 2

Businesses should ensure that they are not complicit in human rights abuses.

comme il faut is committed to avoiding complicity in human rights abuses. The comme il faut Code of Ethics guides employees in their relationships with customers, suppliers and other partners. This includes behaving ethically and morally, and also being aware of potential risks for human rights abuses and ensuring safeguards are in place.

We are confident that our suppliers and partners are not complicit in human rights abuses. We have developed long-term relationships with key suppliers which allow us to work in partnership and be very familiar with different aspects of our suppliers' businesses. Many of our suppliers are small, privately-owned businesses who operate on a basis of positive values and ethics.



Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

comme il faut is a responsible employer and upholds all established labor conventions with regard to human rights and employee rights .

comme il faut respects the right of all employees to freedom of association and collective bargaining, and encourages open and free dialog with employees at all times. All comme il faut employees are hired on the basis of open term personal contracts.

Employee Engagement and Communications

Our employees are encouraged to be active and influential by sharing their opinions and ideas about any aspect of what we do. We engage employees through company events, meetings, celebrations and more formal communications of company results, news and targets. As we are a smaller business, we are in touch with everyone on a constant basis, so not much remains under the radar.

Ruti Grienfeld: Feeling Valued

After 30 years of living in New York and owning several clothing stores, it was her family that brought Ruti back to Israel three years ago. Familiar with **comme il faut** as the only fashion store she sought out in Israel when visiting, Ruti found **comme il faut** an obvious choice to enable her continuation in the fashion industry in Israel. Ruti started working as a sales person in the Ramat Aviv store, and was soon promoted to the position of a Store Manager at the Rehovot store. Recently she has been promoted again, this time to the position of Chain Manager – in charge of all 8 **comme il faut** stores. Ruti says: "**comme il faut** is a home, not just a work place. I feel a part of the company and not just an employee."

Ruti also enjoys the openness and inclusive environment of **comme il faut**, where she can contribute from her vast experience. "I feel very included and valued since all employees in this company are always welcome to provide input and offer suggestions. I can use my experience and knowledge to express myself, and provide my input. There is always an open dialogue."

Principle 4

Businesses should support the elimination of all forms of forced and compulsory labor

comme il faut supports the elimination of all forms of forced labor and, as a responsible employer, upholds all established labor conventions with regard to human rights and employee rights. Our employees join comme il faut of their own free will after understanding the detailed terms and conditions of employment offered. Prior to joining the Company, every new employee is offered a written employment contract which contains all the terms and conditions relative to the proposed role and employment. Employees are free to choose to join comme il faut and sign the contract as confirmation of their agreement to these terms

Principle 5

Businesses should support the effective abolition of child labor

comme il faut does not employ children under the age of 16 in any of its operations at any time. In our supply chain, we maintain long standing relationships with most of our suppliers, and interact with them frequently, often daily. We do not formally audit their operations, but, as most are small businesses like ourselves, which are not involved in mass manufacture, we believe the risks for child labor are low. In 2010, we completed a three year process in which most of our suppliers signed our Supplier Code of Ethics, committing themselves to responsible business practices. Since then, all new suppliers sign this Code as part of their contract with **comme il faut**. To view our Supplier Code of Ethics, see: www.comme-il-faut.com/user_files/english/Agenda/social/CodeOfEthics2008_Suppliers.pdf

Principle 6

Businesses should support the elimination of discrimination in respect of employment and occupation

comme il faut believes in equal opportunity and seeks to hire and retain a diverse employee workforce. We practice equal pay policy and compensation and benefits packages apply equally to both men and women in similar roles.

Principle 7

Businesses should support a precautionary approach to environmental challenges

comme il faut is not a high-impact business in terms of the environment. Our scope is small and we have a very modest footprint. Nevertheless we believe in a precautionary approach and constantly work to find ways in which we can make a more positive impact or reduced our negative impact on the environment. We comply with all environmental regulations, and have never received any complaints or fines as a result of our activities. We engage our employees in our value of protecting the environment.

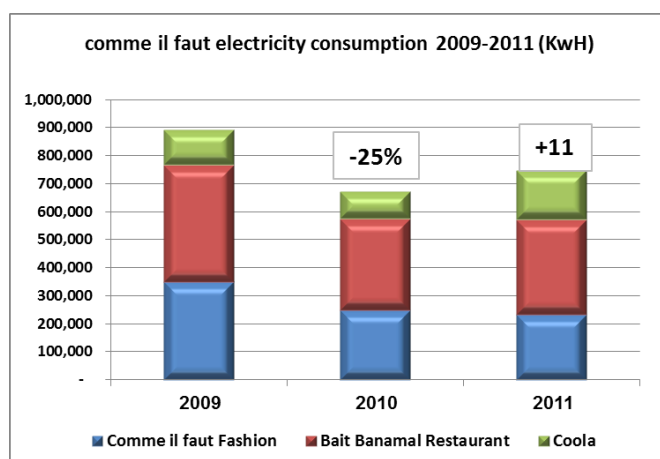
Principle 8

Businesses should undertake initiatives to promote greater environmental responsibility

Our environmental impact is generated mainly through our use of materials, energy and water in production, distribution and sale of our fashion items, as well as from our activities at the restaurant and spa center. Our efforts to mitigate our negative impact include recycling waste, working with recycled materials and reducing our electricity and fuel consumption where possible.

Materials: In our fashion business, our main raw materials are natural fabrics, including flax, silk, wool, cotton and viscose. We use every scrap of material, and maintain a log of unused pieces which can be used in new designs or repeats. We source our materials from well known, established suppliers with whom we maintain long-term relationships. Other materials are food and beverages for the restaurant and some aromatic oils for Coola.

Energy and Carbon Footprint: We make efforts to maintain low energy consumption and reduce our carbon footprint. Between 2009 and 2011, **comme il faut** fashion reduced electricity consumption by 35%, due to store closures, more efficient use of lighting, air conditioning temperature adjustments and improved efficiency in use of other electrical appliances. The total electricity consumption for **comme il faut** in 2011 was 747,868 Kwh. All our electricity is sourced from the National Grid and we do not use any other forms of indirect energy.



Reflecting the slight increase in our activity in 2011, our carbon footprint increased by 10%. However, our 2011 levels of carbon emissions remain 28% lower than in 2007, as a result of consistent efforts to save on all forms of energy throughout our operations. Improvements in quality procedures for fashion production have led to fewer adjustments and more efficient operations in all aspects of the fashion supply chain.

| Carbon Emissions Breakdown 2007 - 2011 (in Tons) | | | | | |
|--------------------------------------------------|------------|------------|------------|------------|------------|
| Type | 2007 | 2008 | 2009 | 2010 | 2011 |
| Electricity | 766 | 869 | 651 | 490 | 600 |
| Flights | 15 | 7 | 6 | 5 | 4 |
| Car Travel | 66 | 76 | 104 | 69 | 19 |
| Total | 847 | 951 | 761 | 564 | 622 |

Water: Our water consumption is modest, and used mainly for general cleaning and personal consumption, and dishwashing in the restaurant. We find opportunities to save water in many small ways, for example, in our restaurant where we serve tap water for customers at their request. Water is served in recycled wine bottles, and often customers do not finish the entire bottle, leaving as much as half of it untouched. We use what is left to water the plants in the restaurant.

Waste: We make an effort to minimize our waste as much as possible through using recyclable materials and recycling our own waste. We operate a tightly controlled supply chain to ensure maximum efficiency and minimum waste generation. Most of the waste generated in our head office is organic waste from the dining room and some fabric leftovers which we donate to kindergartens or artists. At Coola, where much of the waste is composed of small plastic bottles of products used for our treatments, we collect the bottles and place them in a recycling bin ready for collection and recycling. Similarly, at the restaurant, we recycle whatever possible and paper, carton, glass and plastic bottles are separated for collection. Cooking oil also recycled. We avoid much food waste through precise ordering of food ingredients which are delivered fresh each day, enabling quantities to be adjusted to meet bookings plus passing trade.

Principle 9

Businesses should encourage the development and diffusion of environmentally friendly technologies.

comme il faut supports environmental responsibility behavior in the fashion industry. We make an effort of promoting this agenda with our customers, and help them be more responsible consumers of fashion. comme il faut works according to 'slow fashion' principles, using natural raw materials, designed to deliver enduring quality, and supporting locally made garments for which fair prices are paid, and which do not require harsh handling (such as dry-cleaning).

Our supply chain works along similar principles of responsibility by carefully selecting those suppliers that can provide high quality materials or products and that the environmental impact of their production methods is minimal.

Advancing Slow Fashion through European Supplier Partnerships

Although we sell only in Israel, our influence extends to Europe where we support suppliers who are similar to ourselves, and operate in a way which advances slow fashion. In this way, we also increase the responsible choices available to our local customers. Our long-standing partnerships include fabrics, shoes and accessories.

Rocco P

This well established shoe brand from San Patrizio, Italy is a highly-valued partner of comme il faut. The Rocco Pistolesi brand was founded in 1961 and has kept its hand-made tradition over the last 50 years. The company's policy is to make not more than 200 pair of shoes a day. The strict policy allows for a high quality product, each made with special attention to details using a combination of traditional and modern techniques. Production process includes up to 40 different stages, which most of them are performed by hand. To read more about Rocco P, visit: www.roccop.it

Majo

The Majo brand was founded in 1986 by Carla Coppari and Stefano Romani and their trademark is the unique design of each of their products which are fully handcrafted. This production method creates bags that are one of a kind and completely unique. The brand has a 'back to the roots' approach which revives old local craftsmanship that has been almost lost in this era of mass production. We have partnered with Majo, selling their brands in Israel for over six years. To read more about Majo, visit: www.majolab.com

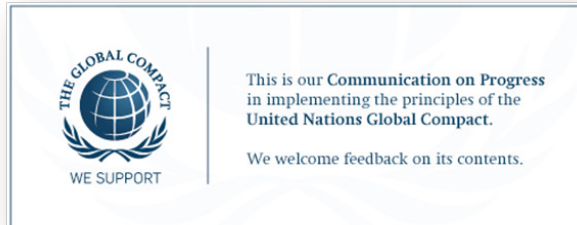
Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

comme il faut expressly forbids corruption in all its forms, including extortion and bribery, and makes this clear to all employees through the Code of Ethics and related training.

Contact Details

comme il faut welcomes the opportunity to discuss any aspect of this report, and welcomes queries and feedback.



Please consider providing your feedback to:

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Thank You!

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