

"A WORLD OF"  
NICHE MARKET  
LEADERS



2018



UNITED NATIONS GLOBAL COMPACT  
COMMUNICATION  
ON PROGRESS



WE SUPPORT



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# History of Chargeurs

## Preface: Michaël Fribourg, Chairman and Chief Executive Officer

“Since its founding in 1872, the Chargeurs Group has consistently stayed one step ahead of each new phase in industrial capitalism. As this book illustrates by telling the fascinating history of our Group, Chargeurs’ business activities have seen extraordinary change over the years. Initially active in the ocean liner and later airline industries, Chargeurs then diversified into textiles and media before becoming what it is today: a world-renowned leader in high-value industrial niche markets.

Powerful, profitable and aggressive, Chargeurs now holds dominant market positions, in plastic films for surface protection and in premium wool for luxury garments and sportswear, in technical fabrics for apparel, advertising and interior decoration.

This performance has been led by our ability both to innovate and to remain true to our heritage.

A heritage that we are perpetuating by meticulously and continuously developing unrivaled expertise, but also by broadening and deepening our international footprint, which today spans 44 countries.

The continuous innovation that we pursue in every aspect of our businesses is what allows us to outperform the competition in every corner of the world, thanks to a competitive, distinctive portfolio of constantly enhanced products and services.

Chargeurs’ mission has always been and will remain to play the role not only of pioneer, but also of game changer in all its markets.”



## 1872 – 1940      Chargeurs Réunis conquering the high seas

The company’s story begins in 1872 as Chargeurs Réunis outfits its ships for refrigerated transport and sets sail on new shipping lines to Latin America. Riding the wave of France’s colonial expansion, the company thrives, providing regular links to Africa and Asia. Despite the heavy toll of the World War I and the Great Depression of the 1930s, Chargeurs Réunis is quick to diversify, adding pleasure cruises and airmail delivery to a plethora of services.



Named after an Argentinian general, the Belgrano, the first ship of the Société de Navigation à Vapeur des Chargeurs Réunis, leaves Le Havre on its maiden voyage to La Plata in Argentina on October 16, 1872.

## 1940 – 1980      The Great expansion

It was under the leadership of Francis Fabre, appointed Chief Executive Officer in 1940, that the maritime company would grow in strength and stature during France's post-war years. Driven, and transformed, by the emergence of containerization, the company diversified into new sectors, both upstream and downstream, expanding its airline business with the creation of UTA. Elsewhere, Novacel, Prouvost, La Lainière of Picardie and SENFA, the future spearheads of Chargeurs, also continued to expand



Chargeurs Réunis relaunches its air cargo business in 1949 with the creation of Union Aéromaritime de Transports. The aim of UAT is to operate long-distance links, especially to Africa.

## 1877 – 2015      The Great change

The merger of Chargeurs and Pricel in 1981 resulted in an irreversible change of core business, further accentuated by the acquisition of Prouvost in 1988. The shipping and airline companies were sold, while Jérôme Seydoux, the new head of the Group, focused on assertively expanding in textiles and, above all, in the media. After a demerger housed all of the manufacturing operations with Chargeurs in 1996, the Group was faced with a number of structural crises before redeploying in its niche businesses.



After its merger with Pricel in 1981, Chargeurs continued to develop its textile operations. In 1987, it acquired several companies, including FTL, a worsted-wool spinning company in Lavelanet. The following year it purchased the Prouvost Group's wool trading and combing assets.



## Since 2015 A leader in niche markets

In 2015, Chargeurs opened a new chapter of its history in reshaping its industrial excellence model.



### Surface protection films, a key component in production processes

These highly technical films maintain and preserve a product's surface integrity at every stage in the manufacturing process (folding, stamping, profiling, etc.), as well as during handling, transportation and fitting. With its strategic focus on delivering continuous innovation and partnering customers by recommending bespoke surface protection solutions, Chargeurs Protective Films is leveraging its distinctive, sustainable approach to extend its lead over the competition



### Chargeurs interlinings, between the seams of high fashion

An expert in the production of interlinings, the all-important technical fabric that enables garments to keep their shape and stay sharp, Chargeurs Fashion Technologies works with the world's leading clothing brands. Interlinings are generally hot-fused between the outer fabric and the lining.



### Pearl, an image-revealing textile substrate

Chargeurs Technical Substrates functionalizes technical textiles used in the fast growing advertising, decoration, interior architecture and construction markets. Extremely delicate and complex to implement technically, coating enables Chargeurs Technical Substrates to functionalize base textiles for specific applications (such as the shading or diffusion of light, soundproofing and GSM or Wi-Fi electromagnetic wave filtering).



### Leach, a visual communication and high impact display system

Leach's unique expertise extends across a variety of fields, from artistic design to printing and from production to installation. Upright, curved or with motion effects, its custom-built lightboxes are the result of a constant drive to take its capabilities to the next level and are designed to perfectly fit with customer requirements.



### An exceptional wool fiber arising from the heart of Patagonia

Chargeurs Luxury Materials supplies the world's finest wool fibers. The global leader in premium wool trading, the division is stepping up its strategic focus on outstanding, high value-added products. The business leverages its expertise in determining fiber quality, traceability and stability to select the finest greasy wool tops from producers worldwide for processing in its partner combing mills.

## A STRUCTURED POLICY TO PROMOTE SUSTAINABLE COMPETITIVENESS

**Chargeurs takes a bold yet realistic approach to corporate social responsibility.**

2017 was a landmark year in this respect, with the definition of a structured policy providing a genuine common guideline for all our business units, as well as a means of exchange and dialog with our stakeholders.

Over and above the Group's values, therefore, the Game Changer Program incorporates various ideas for introducing virtuous processes or innovations, in keeping with initiatives already taken in 2016, which aim to:

- improve customer satisfaction and the customer experience;
- promote human development empowering our employees to give free rein to their creativity.

But making our customers and our people the core focus must be more than just wishful thinking.

We have therefore sought to enshrine this objective in a formal policy, driven from the very top. We therefore took a solemn pledge on June 29, 2017 by signing the Global Compact and its fundamental principles.

To make this pledge a high-profile event and a clear framework for our future action, we went to the United Nations headquarters to sign it.

The Global Compact initiative and its ten core principles bring together the world's most innovative companies in terms of sustainability, who commit to exceeding the standards of excellence defined through thematic initiatives that will make a lasting difference.

Membership of the Global Compact must enhance the value we can bring to our customers, employees, shareholders and partners, and to all the local and international communities with which we work. It marks a turning point in our strategy of differentiation in our businesses.

This commitment to continuously improve our practices beyond the universally-recognized sustainable development principles we already respect, has been widely communicated internally within the Group.

Driven by this new impetus, Chargeurs focused its strategy in 2017 on three core thrusts:

- a disruptive approach to our markets and operational issues, documented and enriched by feedback from our customers;
- a new way of promoting our products, based more on their utilization and the solutions they bring our customers;
- a global, innovative approach to talent management, in tune with our international footprint and our Game Changer program.



"Membership of the Global Compact supports our Game Changer strategy in niche industrial markets. Chargeurs now ranks amongst the most innovative companies in the world in sustainable development, raising its standards and the entry barriers to its businesses even higher"

**Michaël Fribourg,**  
Chairman and Chief Executive Officer



Membership of the United Nations Global Compact demands a rigorous approach and is a serious responsibility. Chargeurs has chosen to make this a reference point for all of its employees. All business units have taken the seven pillars selected by the Group and translated them into commitments supported by concrete action plans:

**Governance**

**Human Rights**

**Labour**

**Environment**

**Anti-Corruption**

**Customers**

**Community**







**Chargeurs**

112 avenue Kléber 75116 Paris - France

Téléphone +33 (0)1 47 04 13 40 Fax +33 (0)1 47 04 40 27

H.E. António Guterres  
Secretary-General  
United Nations  
New York, NY 10017  
USA

2018, June the 29th

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,

Michael Fribourg

Président Directeur Général

Joelle Fabre-Hoffmeister

Secrétaire Générale

# Human Rights

## Multicultural teams for true diversity

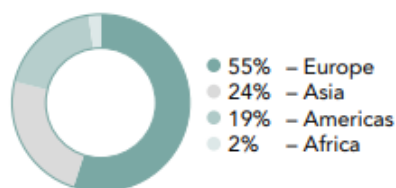
Chargeurs, global industrial and implementation services group integrates into its teams more than forty nationalities. We are convinced that cultural diversity is a major asset and can be a competitive advantage through efficiency and productivity that is often more important than so-called mono-cultural teams.

Project management and problem solving in a global strategy often require different approaches that can be offered by multicultural teams that lead directly to quality solutions. The capacity for innovation and creativity of these teams is complemented by a different and probably more exacerbated open-mindedness

10 REDUCED INEQUALITIES



GROUP HEADCOUNT: GEOGRAPHIC BREAKDOWN



Chargeurs is a resolutely international group that can provide its employees with an endless source of opportunity and makes diversity an everyday reality. Our businesses experience this on a day-to-day basis and adapt their organization structures to this ever more pervasive change.

In a Group of more than 1,600 employees, we only have 5 expatriates.

## Responsible purchasing criteria



To embed our CSR commitments in our relationships with stakeholders, the Group has worked on establishing a set of criteria to share with suppliers. These criteria were defined with assistance from the business unit Purchasing directors and managers and are based on the principles enshrined in:

- the 1948 Universal Declaration of Human Rights;
- the International Labor Organization (ILO) Conventions.

They constitute the minimum social, environmental and safety standards the Group expects of its suppliers to assure customers that our products are manufactured in socially and ethically acceptable conditions.

### Social criteria

Minimum working age and child labor, freedom of association, right to organize and collective bargaining, prohibition of forced or compulsory labor, equal pay for men and women, and prohibition of all forms of discrimination in employment.

### Environmental criteria

Environmental management systems, measurable objectives and action plans to reduce emissions, consumption of energy and natural resources, and hazardous and non-hazardous waste.

### Health and workplace criteria

Written records of accidents, injuries and illnesses. Written instructions and safety training including proper use of chemicals, tools, machines and personal protection equipment. Regular risk reviews to identify and eliminate potential threats to health and safety in the workplace.

These criteria have been set out formally in a Responsible Purchasing Charter, which will be given to our key suppliers in 2018 with a view to working together to build a longterm, responsible, rational relationship that respects the underlying fundamental principles.

### Chargeurs Group Sustainable Purchasing Charter



By joining the United Nations Global Compact, the Chargeurs group has set the commitment of applying, promoting and supporting the fundamental Corporate Social Responsibility principles in all of its business activities. As such, the Chargeurs group agrees to comply with these principles when collaborating with suppliers, in accordance with the following reference texts:

- The Universal Declaration of Human Rights, 1948;
- The International Labour Organization Conventions, particularly with regard to minimum age and child labour, the freedom of association, the right to organise and collective bargaining, the abolition of forced labour, equal remuneration and the right to not be discriminated against in employment.

This Sustainable Purchasing Charter formally outlines what key expectations we have from our suppliers. These principles represent the minimum social and environmental standards that we expect from entities involved in the production line of our products, in order to guarantee to our customers that all those involved in the process have been treated in a decent manner regardless of the country they are working in. We expect sustainable commitment from our suppliers to comply with these principles when working with us.

1. **Child Labour.** Children must be at least 15 years old to work, in accordance with the ILO principles and the United Nations Convention. The rights of young workers must be respected. If an employee under the age of 18 is hired, he or she must not be assigned to dangerous or arduous tasks and must not be made to work night shifts or overtime.

2. **Discrimination.** Any form of discrimination based on gender, age, social class, sexual orientation, family commitments, marital status, disability, ethnic and national origin, nationality, membership to any organisation of workers including trade unions, political commitment or stance, or any other aspect is strictly forbidden.

3. **Forced Labour.** All forms of forced labour are strictly prohibited, as well as slavery which violates fundamental human rights. The employer must not hold back any wages, profits, goods or important documents such as ID papers as a means to force employees to continue working for the company.

4. **Working Hours.** The employer must comply with national laws and industry standards related to working hours and bank holidays. Furthermore, standard working hours should not exceed 48 hours per week and weekly overtime should be limited to 12 hours on a voluntary basis. Employees have the right to at least one day off per week as well as any other periods of leave provided for by national law.

5. **Remuneration.** The employer must provide his/her employees with at least the minimum wage required by local legislation and is strongly encouraged to pay the standard wage for the sector. If the legal minimum wage does not sufficiently cover the cost of essential living expenses, the employer is urged to provide the employees affected with additional pay. The employer must ensure that employees are fully informed of all aspects related to remuneration, additional pay as well as social and tax deductions, and that it is paid in accordance with all applicable laws and in a way that is convenient for employees. Overtime must be paid on time and at the rate required by national law. Disciplinary measures such as the issuance of fines or other deductions from pay are proscribed.

6. **Freedom of Association.** Employers are aware of and respect the employees' freedom of association and collective bargaining rights.

7. **Occupational Health and Safety.** The employer must provide his or her employees with a safe working environment and take the necessary precautions to prevent any accident or injury from occurring. Clearly defined rules and procedures on health and safety must be established and adhered to, including on the provision and use of personal protective equipment, as well as access to clean drinking water. In addition, employees must be given health and safety training that is relevant to their place of work at least once a year.

8. **Environmental Impact.** By applying the precautionary principle, factories must use products that are compliant with international standards and which clearly display their safety data sheets. Waste and pollution management and processes (waste disposal, handling and disposal of chemicals and other dangerous substances, treatment of emissions and effluents) must comply with the minimum requirements prescribed by relevant legislation and contribute towards minimising the environmental impact of operations.

9. **Sub-contractors and Traceability.** The company is urged to provide the charter to its sub-contractors. Our aim is that all stakeholders involved in the supply chain acknowledge and share our code of conduct.

10. **Management System.** The company must establish and implement a Corporate Social Responsibility policy, which ensures that the principles of the Charter are adhered to. This policy aims to establish clear written procedures for each point and document all activity undertaken.

#### Report a Violation:

Any violation of the Sustainable Purchasing Charter can be confidentially reported. If you are aware of a breach of one of the articles of this code, you can report it at: [alertes@chargeurs.com](mailto:alertes@chargeurs.com)

Name & Position:

Date:

Signature:



## **CFT, key ally of the sustainable fashion industry and supporter of local economies**



Chargeurs Fashion Technologies supports students and young designers through training and other initiatives:

### **For students, through conferences and training in fashion and design schools:**

- In 2017: the ISSA, Chardon Savard, Paris Académie Internationale de Coupe;
- In 2018: conferences and training held at Esmod and La Fabrique/ESIV, with others to follow in France, then England, Italy and Germany;
- CFT also offers the possibility of guided tours around its Buire-Courcelles plant (Lainière de Picardie).

### **For designers, through personalized support for selected Young Designers:**

- Technical advice and product studies at the Nertex studio in Paris;
- Sampling;
- Showroom availability in Paris: Young Designer Armine Ohanyan, winner of the 2016 E-Fashion Award, was able to use our Paris studio during the weekend of the Fashion-Week event in September 2017;
- Contacts with our partners Ateliers de Couture (Association Jean-Luc François) and luxury garment makers.



### **The Young Designers' Club This club is currently being set up and will offer members:**

- training and themed workshops on interlining, in the form of regular "morning" get-togethers;
- personalized support;
- visits to the Lainière de Picardie plant;
- access to our network of partners across the world;
- involvement of partners, experts, etc

Keen to teach the new generations about the world of industry, Chargeurs opened up its three French production plants to local schools on March 29, 2018 as part of the French Youth Day initiatives. 125 young people were able to learn about our businesses and gain a better understanding of the career opportunities that industry can offer them. An experience judged to be positive by participants, organizers and press reporters alike.



The 7th National Youth Day is an opportunity to connect young people with businesses through meetings in all sectors of the economy. In the Somme department in Buire-Courcelles, the Lainière de Picardie opened its doors to a group of high school students (left). Click on this link to see a report on France 3: [Reportage France 3](#)  
In Normandie, at the Novacel site in Déville-lès-Rouen (right).



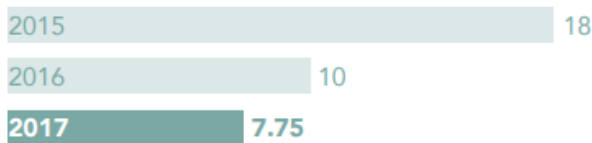
# Labour conditions

## **SAFETY FIRST!**



The health and safety of our employees and subcontractors are an absolute priority across the organization. In 2016, the Group added safety issues to its risk mapping. In keeping with the Safety Charter signed by all Chargeurs production plants in 2015, the focus in 2017 was on obtaining feedback and identifying areas for improvements. Following the Group's audit of its US plants at end-2016, a follow-up audit was conducted at end-2017 to make sure that all remedial actions had been taken. The results of this approach were positive. It has helped to strengthen the consistency of our overall systems and resulted in increased frequency of controls in the field.

### **FREQUENCY RATE (FR) FOR OCCUPATIONAL ACCIDENTS GROUP-WIDE**



### **SEVERITY RATE (SR) FOR OCCUPATIONAL ACCIDENTS GROUP-WIDE**



“Safety is a priority at Chargeurs. All employees working at our production plants and in our offices must be properly protected during working hours. All managers must be aware of their role and their own responsibilities as regards the safety of their staff. I am counting on you to make safety a day-to-day reflex to help us reach our target of zero accidents.”

Michaël Fribourg, Président-Directeur Général

## **SAFETY DAY 1**

The Group organized its first Safety Day on November 13, 2017 to heighten awareness at every stage of its operations and to encourage proactive behaviour that goes beyond mere compliance with regulations and standards and the implementation of multi-year action plans. The aim of the Safety Day was to focus attention on safety issues and to encourage production plants to review the mandatory notices displayed in their premises as well as their safety instructions, and also to update their staff training. It was a successful event worldwide. Each site organized its own program for the day based on a common indicative agenda, which included:

- a video message from the Chairman and Chief Executive Officer recalling the importance of safety and everyone's duty to contribute;
- a video message or a message in person from the business unit head, setting out the key figures for the business unit (see table in appendix) and the targets set for the year;
- workshops on the theme of safety (evacuation drills, posture workshops, onsite traffic regulations, etc.);
- guided tours.

The aim of the event was to heighten awareness of everyone's responsibility for collective safety and to identify the drivers of a genuine shared safety culture. Staff at all production plants took part, with the vast majority of them adopting a "zero accident" target for the following year.



**Safety Day 2** : On June 13, 2018, a second day dedicated to safety was organized.

As an illustration on four production sites:



**Topics for the Safety Day 2018:**

- Assessment of the safety culture
- Risks Hunt during workshops
- Launch of a safety culture campaign



**Topic for the Safety Day 2018 : Road risk**

In 2017, more than 1,500,000 km were traveled for daily trips. This year, LPBC has chosen to focus its Safety Day on road risk and how to approach the road day after day. With a motto: VIGILANCE, do not let us take over by the routine!



**Topic for the Safety Day 2018:** physical and mental preparation before taking a job

The program:

- Perform the warm-ups to be done before taking a job
- Know joint and muscle relief exercises



**Topic for the Safety Day 2018:** Strengthen employee safety.

The program:

- slogans inside of company in order to create an atmosphere of safety management.
- Safety warning signs
- Fire Evacuation for three shifts
- Safety training for all employees
- Whole inspection for fire protection equipments

## CONCERTO, an innovation for employees well-being



Novacel's revolution is called Concerto, the new Low Noise technology. Novacel, world leader in manufacturing and marketing adhesive film for temporary surface protection applications, is back on the innovation trail. After developing the Novacel®4228REF protective film for fiber and CO2 sheet metal laser cutting applications, which is now the industry benchmark, Novacel is now investing in its customers' safety and wellbeing in the workplace.

### **Roll unwinding noise below 85 dB**



The new Low Noise technology means that rolls of high-adhesive protective film can now be unwound at a noise level of less than 85 dB. This is below the current international standards and, in particular, the standards stipulated in European directive 2003/10/EC, which require personal protection equipment to be worn at a noise level above 85 dB. Our customers' productivity and quality of production obviously depend to some extent on the level of concentration of their production line operators. A less noisy working environment, thanks to Novacel Low Noise technology, helps them to concentrate better. It also helps to protect their health, a vital component of wellbeing in the workplace.

Easier to unwind in addition, Novacel Low Noise technology offers a much reduced unwind force. The rolls are easier to install on the production line and there is less risk of injury to the operators during the daily manual unwinding operations. This is not only a benefit sought by workplace health and safety departments.

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## An ambitious training program, driving the group's talent development

4 QUALITY EDUCATION



The Group considers employee training as a priority and a key issue. In 2017, 13 hours of training were provided per person, a 33% increase compared with the previous year.

All business units were made aware of the importance of developing employee skills at all levels. Health, safety and environmental training accounted for 51.44% of total Group-wide training hours in 2017. The decrease relative to the previous year is not because these issues are seen as any less important but arose from:

1. the general increase in training provided in 2017;
2. the new data consolidation method, which is more rigorous and detailed, splitting out the different types of training more clearly. 2017 will now be the baseline for comparison.

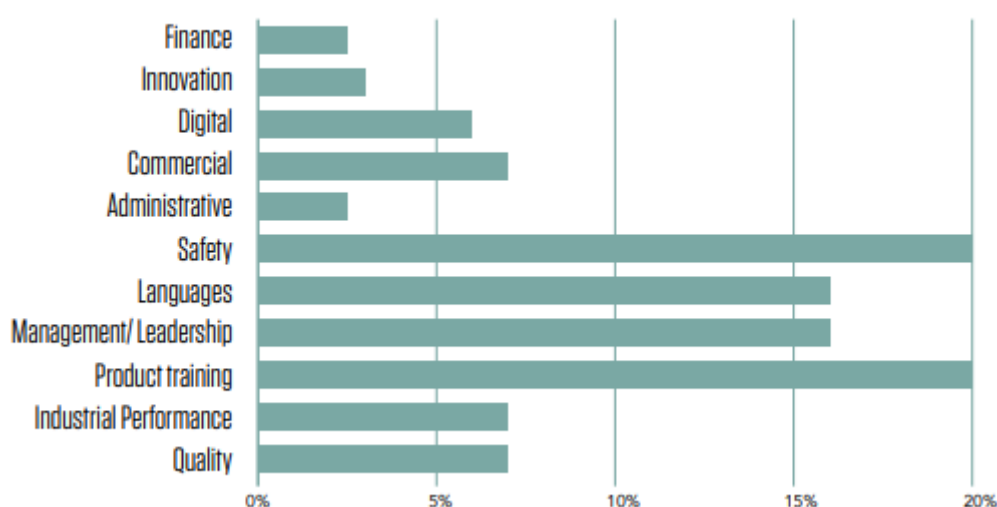
In 2017, 525 employees followed an accredited training course and 1,136 received some form of non-accredited training.

### **At CFT, training to safeguard and transfer know-how**

Further to the "Know-how" safeguard and transfer program and the professional qualifications introduced a few years ago, CFT's Buire Courcelles plant is now developing apprenticeships in various trades (Warping, Knitting, Finishing, Dyeing, Inspection, Maintenance, IT, Finance) enabling it to safeguard and gradually transfer its technical know-how. Combining practical, hands-on training in the workplace with more theoretical teaching related to the company's business in an apprentice training center, the Buire Courcelles plant took on 13 employees on combined work/training programs in 2017, i.e., 7% of its total headcount. Apart from the gradual transfer of the company's values, methods and objectives, these combined work/ training programs help to prepare young people for working full-time in the company once they have finished their apprenticeship.

An ambitious training program, driving the group's talent development A strict approach was introduced in 2017 to identify support needs, in line with the core pillars of the Game Changer Program. Several training areas were identified for the 2018 training plan: Designed to support the Group's project, this 35 000 hours of training is dedicated for the whole Group from the production line until the Management.

### **TRAINING AREAS – 2018 PLAN**





## A tailor-made training program with the ESMT Berlin School of Business



Especially designed with ESMT for the executive management to support the Game Changer Plan, a training program started in April, 2018. The first session of this program took place in Berlin with 25 participants, all executive managers identified with the business units, coming from all countries.

The contents of the two modules will support participants' work on game changer ideas and strengthen their leadership capabilities. Five challenges have been given to the groups, who will present their suggestions to the Executive Committee in next September. Next session will take place in 2019.



« It is the very first time our Group is implementing such a program, it is great opportunity for the participants to think about the challenges we are facing and to bring in their ideas to support our strategy. We have chosen to work with the ESMT and the Hidden Champions Institute because they perfectly fit with our values of excellence and they were able to understand our business model. I hope that many more managers within the Group will be able to join the next sessions! »

Joelle Fabre-Hoffmeister, Secretary General

# Environment

## ORGANICA, a label for traceability of the wool and animal well-being

15 LIFE ON LAND



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



ORGANICA, a stitch ahead World leader in Merino wool, Chargeurs

Luxury Materials launched its new Organica Precious Fiber wool mark in 2017, a new standard in quality and responsibility not only for the clothing brands but also for the end consumers themselves. Chargeurs has specialized in high added-value textiles since the 1980s and is fortunate enough to serve the biggest global apparel and clothing brands, particularly in the luxury segment.

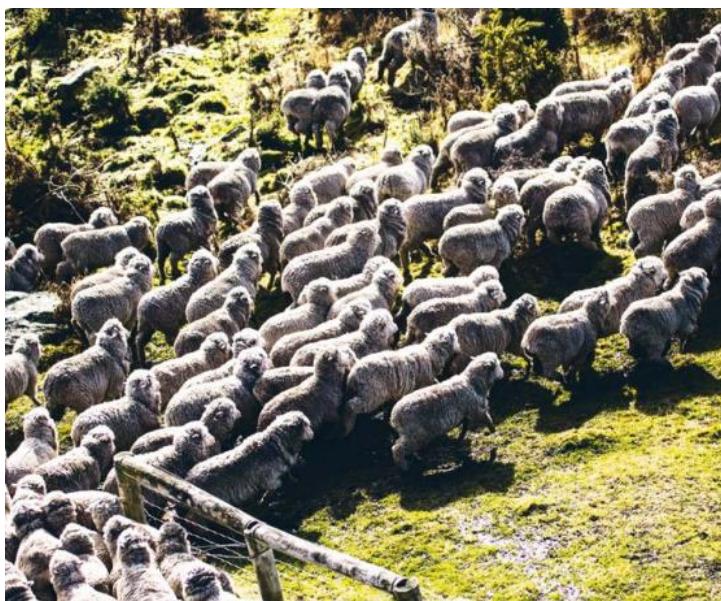
It has always been obvious to Chargeurs that the best will always seek out the best in terms of product quality and business commitment.

So even though the mass consumer market had not yet expressed a demand for it, Chargeurs Luxury Materials designed a new quality wool mark with unprecedented standards in terms of scope and level of detail.

Organica, the new standard in premium Merino wool fibers, was born of a passion and a goal shared by Chargeurs Luxury Materials and the Merino wool farmers to produce a fiber of unrivaled quality.

It also reflects a demanding commitment to consumers who are seeking responsible, long-lasting, high-quality products. The Organica wool mark has high standards in terms of animal welfare, land management, environment, CSR (for farms and production plants) and traceability.

By signing up to the Organica approach, the largest global clothing brands are proclaiming their commitment to integrity, quality, traceability and sustainability. And more importantly, they are demonstrating their respect for consumers and the new demanding standards that consumers are now looking for.



## **SUBLIMIS, an innovation more respectful of the environment**



SUBLIMIS® is a 100% polyester fabric coated on one side, designed for direct or transfer sublimation printing using water-based inks, which are more environmentally friendly as they do not contain solvents and are odorless. During the printing process, the inks are placed on the uncoated polyester side and penetrate into the structure of the fibers. As it cools, the ink solidifies in the core of the fabric, giving a highly resistant, durable HD photographic finish. The inks will not fade or crack over time.

By contrast, UV inks, which are printed on the coated side of the fabric, must be handled with care so as not to spoil the printing. Apart from these qualities, SUBLIMIS® meets the fire-resistant standards required for applications in public places.



## **Managing our environmental footprint**

To optimize energy consumption and support the energy transition, Chargeurs' business divisions have implemented action plans to reduce consumption by 2020 that focus on the following key areas: water, energy, greenhouse gas emissions, waste and solvents.

### **Investment in solvent recovery units for CPF**

Following the installation of two solvent recovery units at the Déville-lès-Rouen plant, Chargeurs Protective Films is now setting up another at the Boston Tapes plant in Italy. These units make it possible to reduce solvent purchases, significantly cut volatile organic compound (VOC) emissions and reduce our environmental footprint during the transportation, handling and storage of hazardous substances.

### **Investment in an Ethiopian eco-park for CFT**

To meet customer demand, Chargeurs Fashion Technologies set up its first African production facility at the industrial park located in Hawassa, Ethiopia. It is the country's first major eco-friendly development. The park meets the highest environmental standards and employs Zero Liquid Discharge (ZLD) technology.



*Industrial park located in Hawassa, Ethiopia*



## Investment in the eco-design management system at CTS

The eco-design management system aims to design more environmentally friendly products. This design method is based on a holistic, multi-criteria analysis aiming to reduce a product's future environmental impacts across its life cycle, from raw material extraction to manufacture, transportation, utilization, and end-of-life.

This management system helps to control the relatively high amounts of energy used to functionalize textiles for specific applications, such as the shading or uniform diffusion of light, soundproofing or electromagnetic wave (GSM, WiFi) filtering.

In recognition of this commitment, the French standards association AFAQ-AFNOR has awarded the management system the AFAQ Confirmed Eco-Design label, which equates to level three out of a possible four and certifies that the environmental management system for CTS products is sufficiently mature.



## Investment in biogas recovery and transformation

For the past three years, Chargeurs Luxury Materials' partner combing mill in Uruguay has been treating effluents containing biodegradable organic matter with a technology that generates biogas, which is used as a source of renewable energy and considerably reduces greenhouse gas emissions.



An electricity generating facility from biogas in Lanás Trinidad, Uruguay



Equipment for recovering and converting biogas in Lanás Trinidad, Uruguay

## A formal, widely circulated code of conduct

Following the risk mapping exercise in 2016, Chargeurs drew up its Code of Conduct in 2017, enshrining all of its principles in a single document to be understood and adopted in all of its business units. It is a clear, transparent reflection of the Group's policies, intended to harmonize practices. It is now being circulated throughout the Group, having first been presented to the employee representative bodies and to all managers.

Designed as both a tool and a reference framework, the Code of Conduct sets out the responsibilities of everyone, and particularly management, in terms of:

- respect for human rights and the prevention of child labor;
- zero tolerance of bribery and corruption;
- respect for commitments to customers and suppliers;
- safeguard of production facilities and employee protection;
- fair business practices.

Constant attention is paid to the practices of our employees and subsidiaries to ensure that they consistently set an outstanding example. Trust is one of our core values. 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. This commitment is in line with our corporate values and is supported by the close relationships between the corporate business teams and their subsidiaries, as demonstrated by the regular visits to host countries by senior executives and by members of the corporate Finance and Human Resources departments. The Code of Conduct also meets a legal requirement introduced by the Sapin II law of December 9, 2016. As required by the new law, and inspired by the work undertaken by the Middlednext Group, Chargeurs has set up a whistleblowing procedure, with a dedicated email address available on its website.



## An ethics committee established

In addition to the Code of Conduct, the Group has also 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;
- providing an advisory opinion on the suitability of the measures adopted by the Group in various situations



## General terms and conditions of sale, aligned with the respect of the ethical rules



An Ethics Clause has been incorporated into the Terms and Conditions of our French sales subsidiaries.

This is a first step towards substantive work with all our stakeholders for an ethical approach to the markets.

"The Purchaser declares that it will comply with all the legal provisions relating to bribery, trading in influence or even favoritism.

The Buyer declares and acknowledges that no funds will be, directly or indirectly, promised or paid to a public official or used to finance a benefit, for the purpose of influencing an act or decision falling within the functions of that public official.

The Purchaser may not in any way offer or provide, directly or indirectly, any benefit, pecuniary or otherwise, to a representative of the State, a representative of a public international organization, a political party, an employee or agent of any private company, a lending institution or a bank for the purpose of obtaining or maintaining a commercial transaction. "

CHARGEURS CSR PORTFOLIO		
Pillars	Commitments	Indicators
Human Rights	Support our suppliers to respect UN Global Compact principles	Number of suppliers' signatures
	Train the purchase managers to "responsible purchase"	Number of purchaser trained / number of purchaser
	Control of Rank 1 suppliers on the Human Rights' respect	Number of "rank one" suppliers committed on the Human Rights' respect
	Spread the Responsible Procurement to suppliers	Suppliers' signatures
	CLM is committed to the protection of Human Rights, equal opportunity employment and the incorporation of all fair labor practices	Number of valid stakeholder' claims in respect of any breach of UN Universal Declaration of Human Rights (any type: authorities, employees, customers, shareholders, suppliers, community)
Labour Conditions	Annual interviews for all CFT employees (in long term contract) integrated before January 1st	Number of interviews done / Number of employees
	Realize a meeting support for all new CFT employees (long term, short term, apprentices, trainees, temporary employees) in which we will develop not only our safety rules but environmental and quality actions	Number of safety training done / Number of new employees
	Safety training	Number of safety training hours / Total training hours
	Reduce the working accidents	Frequency rate (France)
	Reduce the working accidents	Severity rate
	Put in place ISO 45 001 standard	Number of production sites certified
	Employees Interviews	Number of interviews / total employees
	Training on skills development and continuous improvement for all staff	Number of training hours per professional category / total number of training hours
	Create and organize a program on safety	Number of employees following a safety training
	Employees Informations: Create SENFA News CLM ensures that as a result of its activity, it will not risk the health and safety of our employees and community and, avoid harming the lives of local people. Safety is guaranteed by implementation of appropriate training and management systems. We promote and adequate balance between work and private life, responsible management and career development within the company	Number of publications in the year
		Total hours in safety training / headcount
		Severity rate
Environment	Evaluate all energy consumptions and waste productions (physical, in the air, in the water)	Number of evaluation done / Number of sites
	Reduce the environmental footprint	Water consumption (M3 / MM2)
		Electricity consumption (MWh / MM2)
		Trash rate (taux de déchets) (Tons / MM2)
		COV emissions in (ton carbon / MM2)
	Eco design management system	Achievement rate of CSR objectives
	Control energy consumption	CO2 emissions / MM2
	Quality Management	% of second choice (without customers claims)
	Reduction of raw materials used	Decrease the weight
		Ton DIS / KM2
Fight against corruption	Communication on ethical code given in hand. Every employee has to sign a document in which he is committed to follow ethical rules	Number of document signed / Number of employees
	Spread the ethical code in all subsidiaries	Number of sites / subsidiaries having communicate on the ethical code
Customers	Improve the customer satisfaction by sending a questionnaire to our clients	A: % of customers solicited for questionnaire B: % of answers
	Customers' appointments	% of customers volumes visited
	Trademarks protection by deposits	Number of deposits
	UV marking and RFID	Launch the UV marking and RFID
	CLM guarantees ou product's traceability and work permanently to improve customer satisfaction	Number off activities promoted to increase and improve customer confidence (any kind : visits, agreements, complaints)
Community	Develop partnerships with local schools	Number of signed agreements with schools, participations in social and learning events,...
	Partnerships with schools	Number of visits / partnerships
	CLM supports community educational programs (student scholarships and sponsoring sports, educational, entrepreneurial, and o ther supplementary programs for schools) and promotes participation in different activities.	Number of social and local area activities

# OUR VALUES



**RELIABILITY**  
**PASSION**  
**COMMITMENT**  
**BOLDNESS**