



DO GOOD LOOKING GOOD™

ANNUAL BENEFIT REPORT

2014

URBANE & GALLANT™



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ANDREW M. PARK

EXECUTIVE
CO-FOUNDER



VI NA LEE

EXECUTIVE
CO-FOUNDER



KYLE NEGRETE

EXECUTIVE
CO-FOUNDER

A MESSAGE FROM THE EXECUTIVE TEAM

AS A COMPANY THAT FORMED OUT OF A COMMON PASSION TO MAKE POSITIVE IMPACT THROUGH BUSINESS, URBANE & GALLANT IS PLEASED TO PUBLISH THIS REPORT IN FULFILLMENT OF OUR RESPONSIBILITIES AS A CALIFORNIA BENEFIT CORPORATION AND A B CORP CERTIFIED COMPANY.

A MESSAGE FROM THE BOARD OF DIRECTORS

PURSUANT TO SECTIONS 14621 AND 14630 OF THE CALIFORNIA CORPORATIONS CODE, THE BOARD OF DIRECTORS HEREBY AFFIRMS THAT, DURING THE YEAR 2014, THE CORPORATION WAS ABLE TO FULFILL ITS GENERAL PURPOSE, FUNCTIONS, AND RESPONSIBILITIES AS A CALIFORNIA BENEFIT CORPORATION, AND THAT THE COMPANY WAS ABLE TO FULFILL ITS SPECIFIC PURPOSE OF CULTIVATING LIFESTYLES OF AUTHENTIC MASCULINITY THROUGH THE CREATION OF ETHICAL FASHION.



URBANE & GALLANT'S MISSION

URBANE & GALLANT'S (U&G) MISSION IS TO CREATE ETHICAL FASHION THAT CULTIVATES LIFESTYLES OF AUTHENTIC MASCULINITY AMONG MODERN DAY MEN. U&G ACCOMPLISHES THIS THROUGH PRODUCTS THAT MAKE IMPACT IN SPECIFIC SOCIAL ISSUES THAT NEED DIRECT INVOLVEMENT FROM MEN.

THIS SOCIAL NEED FOR URBANE AND GALLANT MEN EXISTS BECAUSE OF THE LACK OF POSITIVE MALE ROLE MODELS WHO EXEMPLIFY A MASCULINITY THAT ENCOURAGES BOYS TO CULTIVATE POSITIVE CHANGE IN OUR CITIES, COMMUNITIES, AND FAMILIES. BOYS GROW UP DREAMING ABOUT WORKING WITHIN A TEAM TOWARDS SOMETHING SO GRAND THAT IT SAVES OR CHANGES THE WORLD, BUT THERE ARE FEW OPPORTUNITIES TODAY THAT GIVE OUR YOUNG MEN THIS CHANCE.

IT IS U&G'S GOAL TO BE THIS OPPORTUNITY AND EXAMPLE FOR MEN TO PURSUE A MISSION THAT GOES BEYOND THE SELF AND TO JOIN A MOVEMENT OF OTHER MEN SACRIFICING FOR THE SAME GOAL. WHILE ON MISSION WITH US, YOUNG MEN ARE TAKING THE FIRST STEPS LIVING OUT URBANE AND GALLANT LIVES. ALL CURRENT U&G PRODUCTS ARE SPECIFICALLY DESIGNED, PRODUCED, AND SOLD IN A WAY THAT ENCOURAGES MEN TO BE ON MISSION TO COMBAT GLOBAL HUMAN TRAFFICKING, WHICH INCLUDES LABOR TRAFFICKING AND SEX TRAFFICKING.

U&G SEEKS TO MAKE IMPACT IN THIS PARTICULAR AREA BECAUSE THIS ISSUE EXISTS AS A RESULT OF MEN BELIEVING IT IS OKAY TO EXPLOIT OTHER HUMAN BEINGS FOR PROFIT, WHETHER THROUGH SLAVE LABOR OR COMMERCIAL SEX. AN URBANE AND GALLANT MAN WOULD DO THE OPPOSITE: SACRIFICING HIS STRENGTHS AND ABILITIES TO SEE OTHERS AROUND HIM PROFIT AND THRIVE. IF IT IS THE MEN WHO FEED AND CONTRIBUTE TO THE DEMAND FOR MIGRANT OR DOMESTIC WORKERS AT EVER DECREASING COSTS, THEN IT WILL BE THE MEN WHO END THAT DEMAND. IF IT IS THE MEN WHO FEED AND CONTRIBUTE TO THE DEMAND FOR SEX WITH BOYS, GIRLS, AND WOMEN AT EVER DECREASING COSTS, THEN IT WILL BE THE MEN WHO END THAT DEMAND.

TO DO THIS, U&G PARTNERS AND WORKS WITH SUPPLIERS AND NON-PROFIT ORGANIZATIONS (NPOS) WHO OPERATE SPECIFICALLY IN RESCUE OPERATIONS, REHABILITATION SERVICES, AND IN THE PROVISION OF TRAINING, EDUCATION, AND EMPLOYMENT FOR SURVIVORS. BENEFICIAL IMPACT IS PASSED FROM THE CUSTOMER TO THESE SURVIVORS WHEN EACH CUSTOMER PURCHASES A U&G PRODUCT THAT IS MANUFACTURED BY A SURVIVOR, PROVIDING HER WITH AN INCOME, SHELTER, A SENSE OF COMMUNITY, AND AN EDUCATION. IN PARTICIPATING IN THIS, EVERY MAN IS SACRIFICING WHAT IS HIS TO SEE SOMEONE ELSE THRIVE AND PROFIT AS URBANE AND GALLANT MEN DO.

AS MORE MEN PRACTICE DOING THIS, WE WILL SEE A GRADUAL BUT SURE CHANGE IN OUR CULTURAL UNDERSTANDING OF WHAT IT MEANS TO BE A MAN—AN URBANE & GALLANT MAN.



WHAT IS A BENEFIT CORPORATION?



A BENEFIT CORPORATION IS A NEW CLASS OF BUSINESS, A LEGAL ENTITY THAT IS REQUIRED BY LAW TO CREATE A GENERAL BENEFIT FOR SOCIETY AS WELL AS FOR SHAREHOLDERS. BENEFIT CORPORATIONS MUST CREATE A MATERIAL POSITIVE IMPACT ON SOCIETY, AND CONSIDER HOW THEIR DECISIONS AFFECT THEIR EMPLOYEES, COMMUNITY, AND THE ENVIRONMENT.

"FIDUCIARY DUTY" FOR BENEFIT CORPORATIONS MUST INCLUDE NON-FINANCIAL INTERESTS, SUCH AS SOCIAL BENEFIT, EMPLOYEE AND SUPPLIER CONCERNS, AND ENVIRONMENTAL IMPACT. ALL BENEFIT CORPORATIONS MUST PUBLICLY REPORT ON THEIR SOCIAL AND ENVIRONMENTAL PERFORMANCES USING ESTABLISHED THIRD-PARTY STANDARDS.

A GROWING MOVEMENT

TODAY, THERE IS A GROWING COMMUNITY OF MORE THAN 1,200 CERTIFIED B CORPS FROM 33 COUNTRIES AND 121 INDUSTRIES WORKING TOGETHER TOWARD ONE UNIFYING GOAL: TO REDEFINE SUCCESS IN BUSINESS TO CREATE PROSPEROUS CORPORATIONS THAT ACT WITH CONSCIENCE. AS OF OCTOBER 2014, TWENTY-EIGHT OF THE FIFTY STATES HAVE INTRODUCED BENEFIT CORPORATION LEGISLATION INTO STATE LAW IN THE SPIRIT OF SOCIAL INNOVATION. CALIFORNIA WAS AMONG THE FIRST TO INCORPORATE LEGISLATION, JOINING THE GROWING MOVEMENT TO DEVELOP LEGAL FRAMEWORKS THAT ACCOMMODATE THE NEEDS OF SOCIAL ENTREPRENEURS AND ESTABLISHED ORGANIZATIONS.

TRANSPARENCY

BENEFIT CORPORATION LEGISLATION OFFERS COMPANIES LEGAL INDEPENDENCE FROM THE PROFIT DRIVEN MODEL. THE B CORP STATUS SENDS A POWERFUL MESSAGE TO STAKEHOLDERS, EMPLOYEES, BUSINESS PARTNERS AND CONSUMERS ABOUT THEIR COMPANY AND HOW THEY CONDUCT BUSINESS. HOW A COMPANY TREATS THEIR EMPLOYEES, WHO THEY PURCHASE RAW MATERIALS FROM, AND HOW THEY RUN THEIR OPERATION ARE BECOMING IMPORTANT DIFFERENTIATORS IN BOTH BUSINESS-TO-BUSINESS AND BUSINESS-TO-CONSUMER RELATIONSHIPS. THE KEY TO A MOVEMENT'S SUCCESS IS TO CREATE A GROWING CONSUMER DEMAND FOR RESPONSIBLE COMMERCE, WHICH IN TURN BENEFITS SOCIETY.

NOW THIS MOVEMENT CANNOT GROW UNLESS IT IS ADOPTED AND SUPPORTED BY THE LEADERS AND OWNERS OF EACH BUSINESS. FOR U&G, ITS OWNERS—VINA LEE AND ANDREW M. PARK—ALL TREMENDOUSLY SUPPORT CULTIVATING THIS COMPANY TO CREATE A GENERAL PUBLIC BENEFIT TO SOCIETY AS WELL AS FOR SHAREHOLDERS. THEIR HEARTS, VALUES, AND MISSION ALIGN WITH THE BENEFIT CORPORATION LEGISLATION AND B CORP CERTIFICATION MOVEMENT.

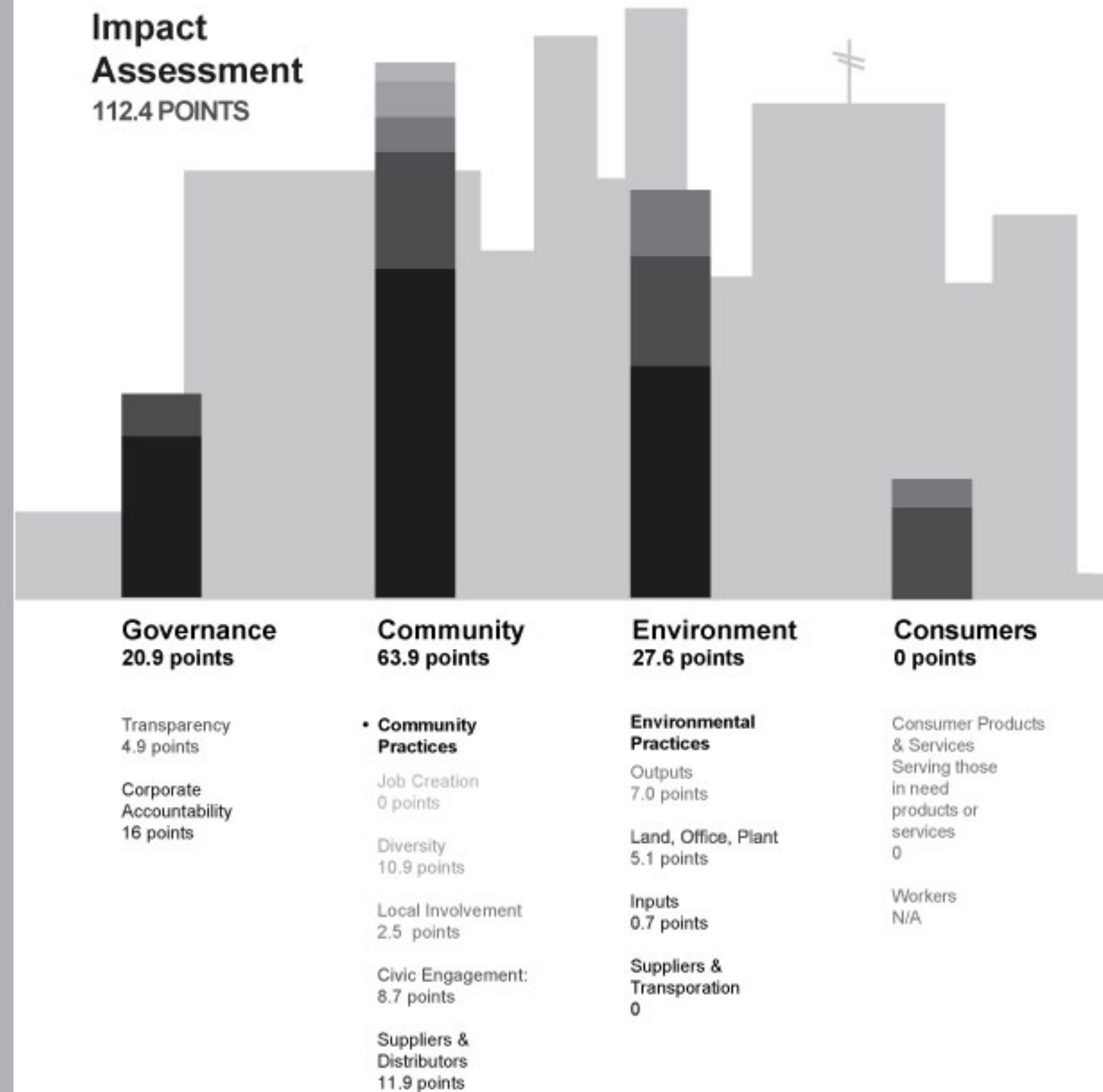
MEASURING PROCESS

B LAB IS A HIGHLY REGARDED NON-PROFIT ORGANIZATION, WITH YEARS OF EXPERIENCE IN EVALUATING AND MEASURING THE SOCIAL AND ENVIRONMENTAL IMPACT OF BENEFIT CORPORATIONS. U&G CHOSE B LAB IN 2013, TO BEGIN EVALUATING ITS IMPACT AND HOW ITS PRACTICES COMPARE TO FELLOW SOCIAL ENTERPRISES. B LAB PUBLISHES THEIR FINDINGS AND EVALUATION IN THE FORM OF AN IMPACT REPORT, WHICH ASSESSES BUSINESS PRACTICE AGAINST MEASURES OF SOCIAL, ENVIRONMENTAL PERFORMANCE, ACCOUNTABILITY, AND TRANSPARENCY. U&G RECEIVED A SCORE OF 107, ABOVE THE REQUIRED SCORE OF 80 TO BE A CERTIFIED B CORP.

U&G IS PARTICULARLY SPECIAL BECAUSE IT HAS THE OPPORTUNITY TO START AS A BENEFIT CORPORATION, MATCHING ITS PRACTICES WITH ITS MISSION AND VALUES. WHEN U&G WAS IN ITS EARLIEST STAGES, THE MANAGEMENT TEAM KNEW U&G HAD TO BE A PART OF THE B CORP COMMUNITY IN LOS ANGELES. B LAB WAS LEGITIMIZING AND CERTIFYING THE IMPACT AND GOOD WORK U&G WAS SET UP TO DO FROM THE VERY BEGINNING, SO IT WAS A NATURAL NEXT STEP TO BECOME CERTIFIED BY B LAB WITH ITS THIRD PARTY STANDARD WHEN THE TIME IS RIGHT. WE ARE SO EXCITED AND PROUD THAT, AS BUSINESS OPERATIONS CONTINUE TO BE BUILT AND ESTABLISHED, U&G ALREADY HAS IN PLACE A SYSTEM OF ACCOUNTABILITY AND GUIDELINES THAT OBLIGATE THE CORPORATION TO MAKE BUSINESS DECISIONS THAT CREATE GENERAL PUBLIC BENEFIT WHILE ALSO BUILDING SHAREHOLDER VALUE.

THERE IS NO ORGANIZATIONAL CONNECTION BETWEEN U&G AND THE B LAB.

Impact Assessment 112.4 POINTS





IMPACT

IN 2014, U&G WAS ABLE TO MAKE BIG IMPACT WITH SMALL OPERATIONS, PRECISELY WHAT WE WANT TO SEE IN A SOCIAL ENTERPRISE STARTUP. GROWING THE BUSINESS THEN MEANS BIGGER IMPACT.

IMPACT BY THE NUMBERS



20 NUMBER OF SEX TRAFFICKING SURVIVORS EMPLOYED

\$ 1,500 PROVIDED IN WAGES (DOUBLE THE CAMBODIAN MINIMUM WAGE)

180 TOTAL HOURS OF PERSONAL EDUCATION PROVIDED



41 YARDS OF CERTIFIED ORGANIC COTTON FABRIC TURNED INTO POCKET SQUARES

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