

SUSTAINABILITY AND PERFORMANCE

CSR Report 2022



CHARGEURS

High Emotion Technology®

contents

Chargeurs at a glance	4
Chargeurs worldwide	5
Leap Forward 2025	6
CSR policy at the heart of our strategy	7
Our share value creation model	8
Our integration of CSR challenges	10
Our CSR approach	11
2022 significant events	12
Our non-financial performance indicators	13
Our UN Global Compact membership	14
Our contribution to the Sustainable Development Goals	15
Carbon assessment results and climate trajectory focus	16
Environmental performance of our industrial sites	18
Developing our sustainable products & services ranges	20
The NATIVA™ label, a guarantee of greater sustainability	22
Guaranteeing the health and safety of our employees	24
A revised code of conduct to reflect our commitment	25
Developing the training of our talents	26
Promoting our employees' social commitment	27
Championing our more responsible value chain	28
Our key performance indicators	30
Profiling our employees	31

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.

editorial



At the end of 2022, we experienced unprecedented constraints in accessing essential resources, mobilizing the entire ecosystem in which our businesses and individuals currently operate.

These constraints, which are impossible to ignore, required us to find bold solutions to keep manufacturing activity going, thereby increasing our commitment to make long-term and environmentally-friendly choices.

The Group's business activities are continually evolving and diversifying into new sectors, shaping a business model that is now partly focused on direct customers, who are very demanding in terms of the quality and transparency of our products. We have a long history of supplying business customers and have built the performance of the Technologies Division on the reliability of our processes and the added value provided by our products and services. Committed to satisfying the needs of our clients in the Luxury Division at the highest possible level, we similarly strive to provide them with products and services of the highest quality. These high-quality standards, at all levels, require us to attentively listen to the needs and worries expressed.

More than ever, in a demanding environment, we are hoping to win the trust of our customers, and

we are doing everything we can to prove that we are deserving of that trust. From our Code of Conduct, which has been revised and shared widely with all our stakeholders to reaffirm our commitments, through the redesign of our supply chain, to provide transparency and foster solid partnerships, and the energy optimization of our manufacturing sites, to the development of increasingly sustainable product ranges in our various business lines, we leave nothing to chance in providing the most suitable response to human, societal and environmental issues. We are reminded by our teams, on a daily basis, that trust takes time to develop and relies on each person's sense of responsibility.

At Chargeurs, we are driven by sustainability, as evidenced by the contents of this report which, I hope, are compelling.

Joëlle Fabre-Hoffmeister
Group Secretary General and
CSR Strategy Manager

«The Group's business activities are continually evolving and diversifying into new sectors.»

Chargeurs at a glance

With more than 150 years of history and a historic entrepreneurial spirit, Chargeurs is a world leader in niche markets with high potential for value creation.

It is organized around two strategic divisions - Technologies and Luxury - each with a diversified portfolio of businesses.

With nearly 2,400 employees and a commercial presence on all 5 continents, the Group operates in high-growth sectors and deploys distinctive expertise in sales, manufacturing and logistics, innovation, and marketing to support the transformation of its customers' business models in their quest for operational efficiency and environmental responsibility.

6 businesses with unique expertise:



Technologies Division

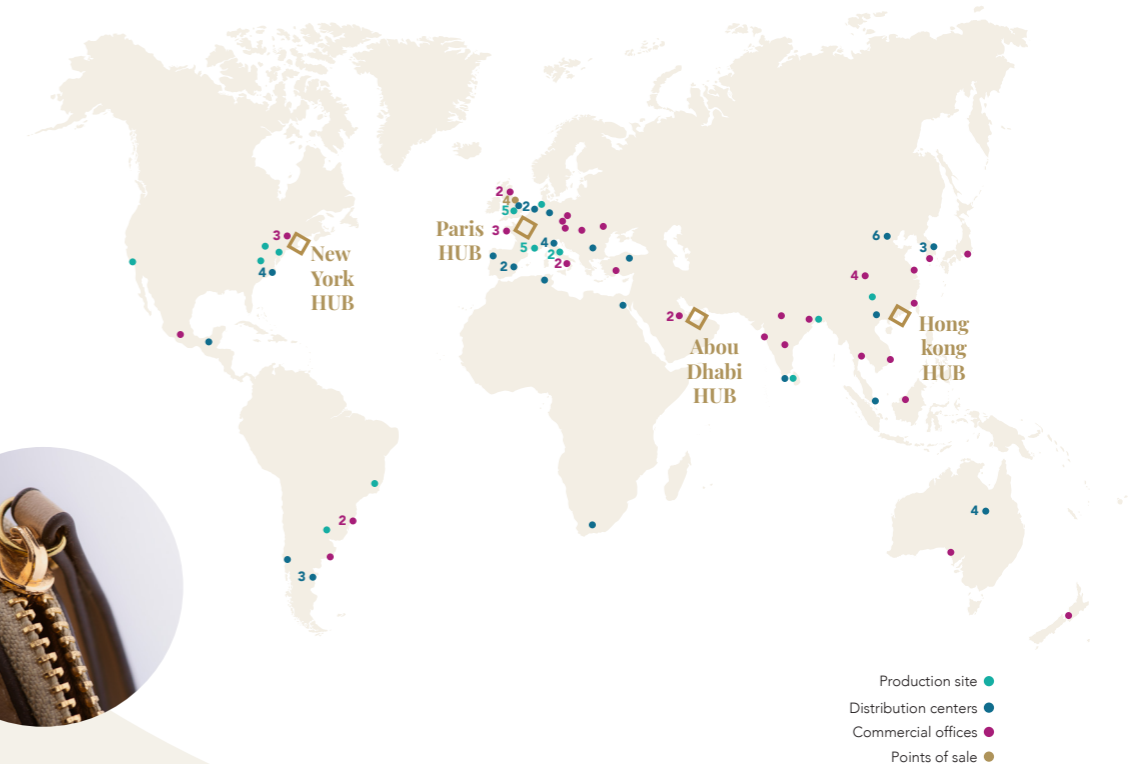
- Chargeurs Advanced Materials**
World No. 1
 Operating under the trading name Novacel, Chargeurs Advanced Materials offers the most extensive range of high-tech surface solutions on the market, aimed at high-end materials, in particular for the construction, interior decoration and household appliances sectors.
- Chargeurs PCC Fashion Technologies**
World No. 1
 Global leader in interlinings for the luxury and fashion industries. Chargeurs PCC Fashion Technologies provides comprehensive solutions to best-selling womenswear and menswear brands and their manufacturers.
- Chargeurs Healthcare Solutions***
 Designs, manufactures, and sells health protection products to public authorities and large and small businesses.

*Due to the standardization of the sanitary context, Chargeurs Healthcare Solutions is integrated into Chargeurs PCC Fashion Technologies in 2023.



Luxury Division

- Chargeurs Museum Studio**
World No. 1
 Designs and produces bespoke layouts for museums, cultural centers and company foundations, aimed at creating innovative visitor experiences.
- Chargeurs Luxury Fibers**
World No. 1
 Supplies the finest wool fibers in the world. Leveraging its proprietary traceability technologies, it acts as the leading eco-responsible wool supplier for premium brands.
- Chargeurs Personal Goods**
Niche leader
 Owns premium brands that supply highly desirable leather products and traditional accessories.



746.4
 millions euros
 of revenue in 2022

Nearly
2,400
 employees

18
 R&D and quality
 laboratory centers

25
 active members
 coordinate the
 Group's CSR
 approach and
 respond to its
 environmental and
 social challenges.

22
 Production
 sites

Leap Forward 2025

Leap Forward 2025 is a strategic development program aimed at accelerating the profitable growth of Chargeurs.

What is a Product As A Service model?

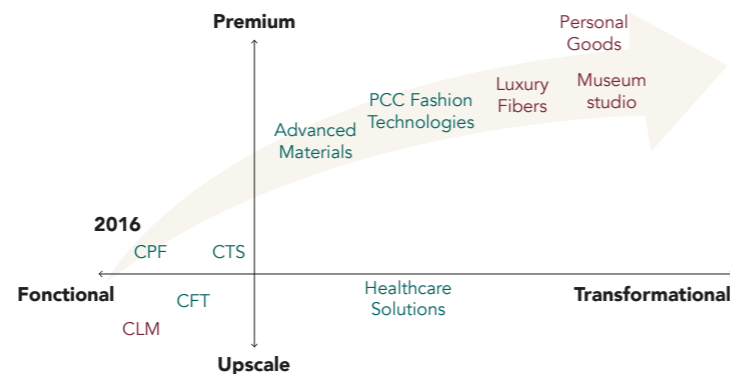
The Product As A Service model involves selling a product as a service, enabling consumers to buy the desired result rather than the product itself. In the current context, this model is part of a transition towards sustainable business models based on circular economy, and which have been facilitated by the emergence of new technologies and digitization.

It is based on the combination of two major strategic areas — embedded performance (like-for-like growth), generated from investments and expansion into new markets, and acquisitions — to enable Chargeurs to achieve revenue and recurring operating profit in excess of €1.5 billion and over €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, preemptive, and targeted strategy of high-potential acquisitions.

2025 targets for revenue and recurring operational profit

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

Chargeurs is steadfastly pursuing the strategic transformation of its portfolio of assets. Since 2015, the Group has embarked on a major transformation: the evolution of its business model to a premium and transformational model balanced between BtoB, BtoBtoC and Direct-to-Consumer activities as well as the development of green offerings and exclusive innovations or differentiating integrated offerings have enabled it to move from a supplier role to the status of strategic partner and advisor to its customers, particularly large accounts. In addition, the Group is transforming the model of its businesses towards a Product As A Service model, based on circular economy and the development of sustainable products and services. Thus, Chargeurs is placing the environmental performance of its businesses at the heart of its strategy and is strengthening their leadership in their respective markets.



CSR policy at the heart of our strategy

The transformation of the Group's activities towards a Product As A Service model is underpinned by a committed and unifying CSR policy that guides it along a sustainable development path and enables its businesses to meet current and future environmental and societal challenges.

All over the world, our teams are involved in concrete initiatives to achieve the objectives of the Leap Forward 2025 strategic program.

Decarbonizing the industry

The decarbonization trajectory for our industrial facilities has been accelerated as a result of the 2022 energy crisis. We have introduced energy saving measures at all our sites.

IN PRACTICE

Chargeurs Advanced Materials has replaced a number of engines and introduced new engine management methods at its Italian site. In parallel, a more efficient cooling unit has been installed. These investments should result in a reduction of approximately 10% in annual electricity consumption at the site, which is the Group's site that uses the most electricity. Other investments approved in 2022 will gradually be made in 2023, leading to significant reductions in our consumption of natural gas.

Sustainable products development

The ranges of sustainable solutions provided by the Group cater to the new needs of our customers and elevate our market positioning.

IN PRACTICE

The OXYGEN range developed by Novacel is a unique range of eco-responsible industrial process films whose main objective is to save resources and reduce carbon emissions. Available in three complementary technologies, this range covers a wide range of surfaces (glass, aluminum, plastic, stainless steel, etc.), providing the best possible response to customers' needs.

Circular economy deployment

The circular economy is an effective solution which we develop to preserve and replenish water, energy, and material resources.

IN PRACTICE

NATIVA™ is a fully traceable merino wool label based on a blockchain technology that guarantees monitoring and sourcing across the entire value chain. It is supported by circular wool production methods that respect human rights, animal welfare and the environment strengthening Chargeurs Luxury Fibers' upscale positioning.

Human capital enhancement

In 2023, with a view to meeting our employees' needs in terms of skills development, we have designed a catalogue of online training courses that will be distributed via the new e-learning platform available to all our employees.

IN PRACTICE

In 2022, several programs, such as the Innovation Network, were set up across the Group and the various business lines to encourage commitment and skills development among employees. Building on their success, some of these programs will soon be extended to other regions of the world where the Group operates, notably the United States.

Our share value creation model

The macro context

- The growing importance of climate issues
- A highly volatile macro-economic environment
- A shift in expectations

Our shared value creation model

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

Group value creation

- Premium offering
- International footprint
- Acquisition strategy and transformational model
- Integration of the climate impact in strategic reflection

Our resources in 2022

Workforce

- Nearly **2,400** employees
- **34%** women
- **30** countries with active employees

Financial

- A solid financial structure
- Long-term shareholders including Columbus Holding SAS, the main shareholder

Manufacturing

- **22** production facilities
- A strong innovation culture

Environmental

- **217, 410 MWh** consumed
- **438, 315 m³** of water consumed

Intellectual

- **18** design offices and laboratories
- **1.6%** investment in employee training

Sourcing and supply

- A committed "responsible procurement" approach
- Our main raw materials: textile fibers, polyester and derivatives, cotton, sometimes bought in the form of threads, sometimes woven, PE films (polyethylene)

Social/Societal

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

Trends

Urbanization — Luxury — Self-elevation

— CSR Cultertainment — Personal Care

CORNERSTONE OF ENTREPRENEURIAL VALUES

Passion
Boldness
Reliability
Commitment

TECHNOLOGIES

Chargeurs Advanced Materials
Chargeurs PCC Fashion Technologies
Chargeurs Healthcare Solutions

LUXE

Chargeurs Museum Studio
Chargeurs Luxury Fibers
Chargeurs Personal Goods

Strengthening

Integration of the climate impact

Strategic vision
Premiumization
International expansion
Acquisitions
Diversification

Management principles

- ◆ Chargeurs' Business Standards
- ◆ Continuous improvement approach
- ◆ Talent management
- ◆ Integration of acquisitions
- ◆ Industrial excellence
- ◆ Financial discipline

our Leadership

in strategic reflection

Our value creation in 2022

Workforce

- **94%** permanent contracts
- **22%** of the Group's top 50 executives are women
- **6.52** Occupational accident frequency rate

Financial

- **€746.4m** in revenue
- **€45.4m** in recurring operating profit
- IRR per share since November 2015: 14% (at 12/31/2022)
- **33.2%** of our sales generated by our most sustainable product lines (Technologies division)

Manufacturing

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

Environmental

- CO₂ emissions/mm² of production: **-7.3%**
- Water consumption/mm² of production: **-11.6%**
- Waste production (mm): **-11.5%**

Intellectual

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

Sourcing and supply

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

Social/ Societal

- **100%** of full-time employees benefit from health insurance
- Donations of masks and hand sanitizer to nonprofit organizations, hospitals and nursing homes
- Support for social integration initiatives

Our integration of CSR challenges

The Group led in-depth dialogue with its stakeholders to identify and prioritize its CSR challenges before producing a 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.

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

We produced a materiality matrix to:

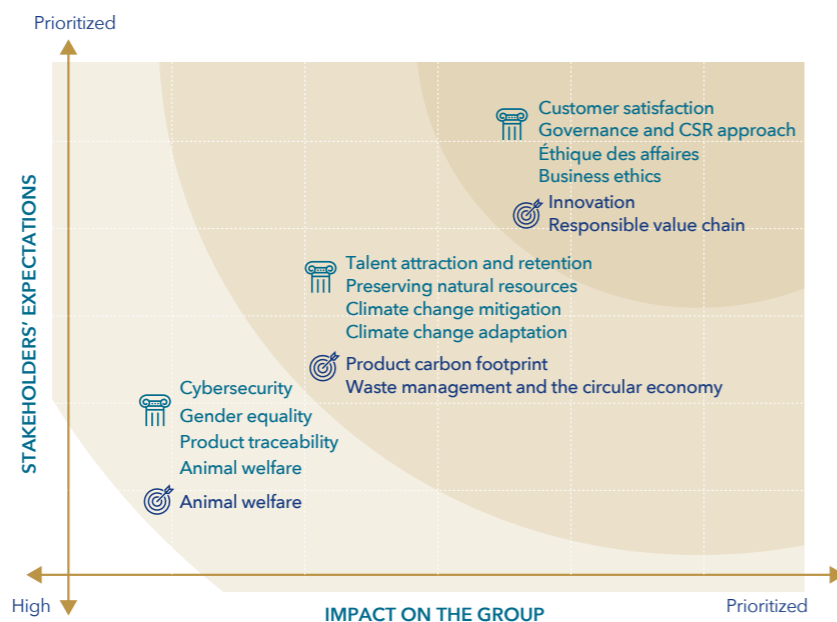
Strengthen dialog with our stakeholders and the transparency of our CSR strategy.

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.

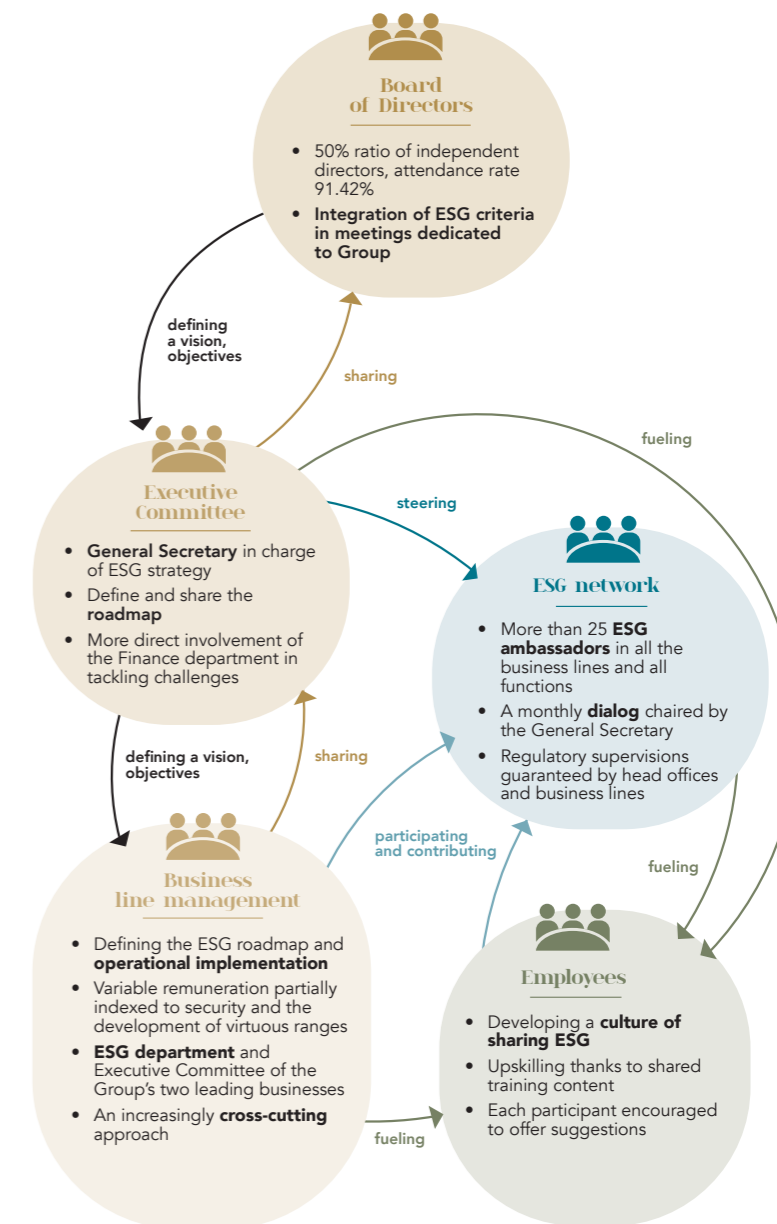
On the basis of the work carried out in 2021, we have decided to summarize our materiality matrix to improve its readability and clarity. We have taken our most material challenges and classified them into three major levels of materiality according to their impact on the Group (on the business) and the expectations of our stakeholders on these subjects. In this matrix, we have also distinguished two families of challenges: fundamental, because they are linked to the basis of our activities, and strategic, because they are essential for our development.



Our CSR approach

The Group's CSR approach is supported by solid and committed governance at all levels of the organization.

It is reflected in the strong integration of challenges at all stages of strategic thinking, both at the corporate and operational levels, and informs the choices made in the various areas: manufacturing, sales, HR, etc. The diagram below summarizes the interactions between the various stakeholders involved in bringing CSR to life within the Group:



2022 significant events

Acquisition of Fournival Altesse

Founded in 1875, Fournival Altesse is a high-end brushmaker, recognized by the French state through "Entreprise du Patrimoine Vivant" (living heritage company) certification, rewarding the excellence of its brushmaking know-how and expertise. Hairbrushes, true hair care products, are made entirely by hand in the Oise department using natural raw materials such as natural woods and silks.



Acquisition of The Cambridge Satchel Co.

A gem of affordable luxury leather goods made in the UK, The Cambridge Satchel Company offers handmade leather goods. Because leather is a natural, reliable and durable material, all the brand's bags last a lifetime.



Novacel: new brand and CSR strategy

"Our teams are committed to preserving everything that holds values by creating a responsible industrial community and doing their best in all their operations while respecting the planet". In 2022, the business developed a CSR strategy specific to its challenges and put in place operational action plans to address the priorities defined.



ESG performance recognized by the rating agency Gaia Research

The Group received a Silver certificate for 2021. Its overall score in 2021 was 63/100, up two points from 2020, and significantly above the national benchmark (53/100) made up of 371 businesses. Chargeurs' initiatives in 2021, particularly on relations with external stakeholders, were particularly commended, attesting to the Group's transparent and structured CSR approach and the concrete action it has taken.



NATIVA™ launches NATIVA Regen

NATIVA Regen is a regenerative agriculture and soil carbon sequestration assessment program that improves environmental protection and animal welfare, and the respect afforded to farmers and communities. This program is supported by an exclusive four-year renewable agreement with the Italian luxury brand, Gucci, under which Chargeurs Luxury Fibers will supply Gucci with responsible and traceable wool produced by farms that follow regenerative agricultural practices certified by CLF.

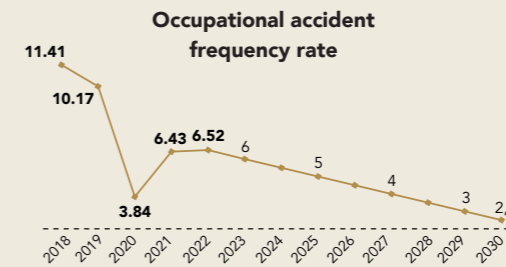


Our non-financial performance indicators

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

In 2022, Chargeurs narrowly missed its objective of 6.5. Efforts are being pursued and stepped up at all the industrial sites to obtain the expected result in 2023, with the full involvement of all managers.

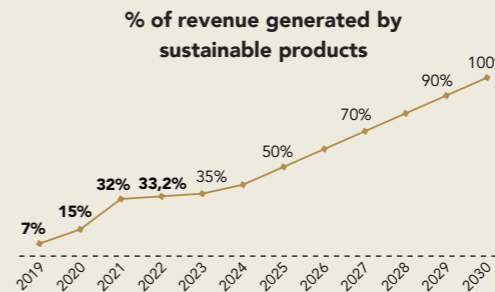


SDG 8.8

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

Sustainable products

In 2022, 33.2% of Chargeurs' revenue was generated by sustainable products. An encouraging result of the Group's transformation.

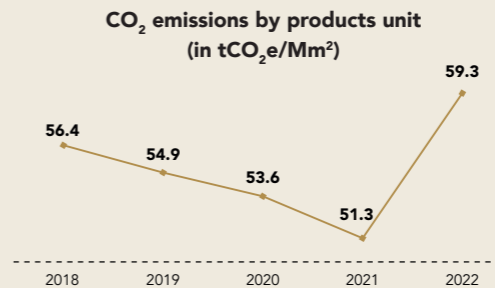


SDG 9.4

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.

CO₂ emissions

Total energy consumption declined by more than 10% in 2022 compared with 2021, but certain consumption is fixed and does not vary in line with volumes produced, which explains the increase observed in 2022.

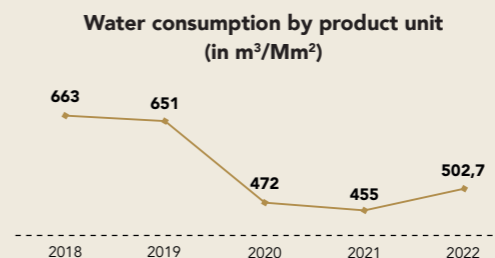


SDG 13.2

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

Water consumption

Projects such as the generalization of products using batch-dyed fibers could significantly reduce water consumption, as an alternative to processes that consume huge amounts of water, as is the case for dyeing.



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).

What are the 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 / develops.

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.

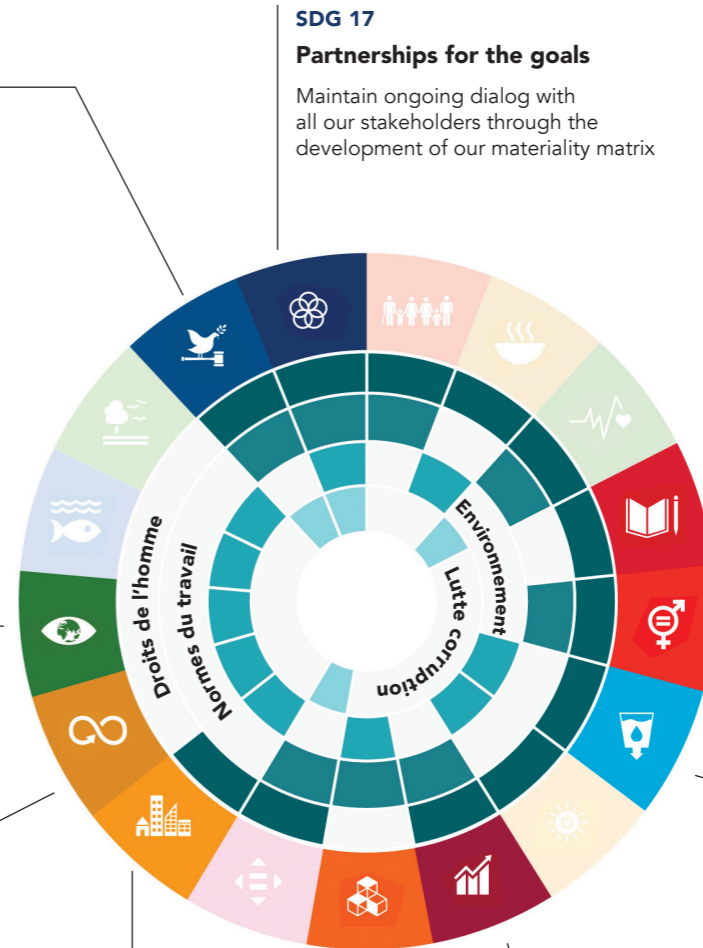
Our contribution to the Sustainable Development Goals

SDG 16
Peace and justice and effective institutions
Combat corruption, raise awareness and train all our employees

SDG 13
Responsible consumption
Recognize the climate issue in our strategy and reduce our CO₂ emissions. Conduct a full carbon assessment to better understand our footprint and prepare a low-carbon trajectory

Continuously improve the environmental footprint of our sites

SDG 12
Responsible consumption
Transform our activities in a sustainable way, using the example of the Nativa™ business model



SDG 17
Partnerships for the goals
Maintain ongoing dialog with all our stakeholders through the development of our materiality matrix

SDG 4
Quality education
Develop training for all our employees to enable us all to upskill
Ensure the sustainability of our expertise and guarantee employability

SDG 5
Gender equality
Guarantee the correct level of women representation across the board

SDG 6
Clean water and sanitation
Reduce our water consumption and improve the environmental footprint of our industrial sites
Source raw materials that use less water, e.g., BCI cotton

SDG 11
Sustainable cities and communities
Encourage local employee social commitment initiatives

SDG 9
Industry, innovation and infrastructure
Continuously improve the environmental footprint of our sites and develop our sustainable product ranges

SDG 8
Good jobs and economic growth
Ensure the safety of our employees, with a zero accident ambition and the active promotion of a safety culture, particularly by organizing an annual Global Safety Day

Carbon assessment results and climate trajectory focus

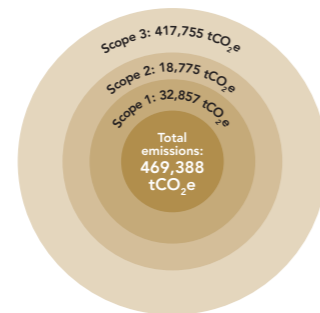
First Chargeurs carbon assessment carried out in 2021 on 2019 scope.



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 excluding the health crisis periods in 2020/2021.

The scope of the carbon assessment includes Chargeurs Advanced Materials, Chargeurs PCC Fashion Technologies, Chargeurs Luxury Fibers (in part) and Chargeurs Museum Studio (only Leach and Senfa, which is now part of Chargeurs PCC Fashion Technologies). As such, the assessment does not take into account the Chargeurs Healthcare Solutions, Chargeurs Personal Goods, Chargeurs Museum Studio, and Chargeurs Luxury Fibers activities in their entirety.

It concerns Scope 1 (direct greenhouse gas emissions), Scope 2 (indirect greenhouse gas emissions relating to energy) and Scope 3 (other indirect greenhouse gas emissions), excluding end-of-life products for the last scope. The carbon assessment calculates total Group greenhouse gas emissions of 469,388 tCO₂e.



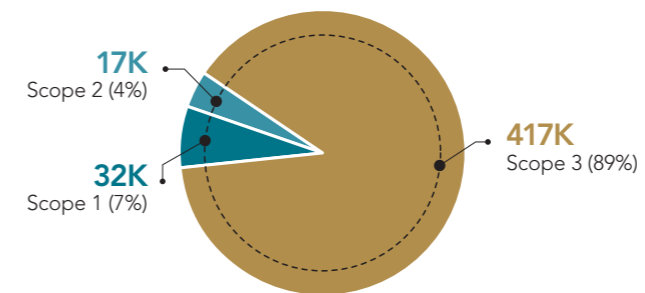
Chargeurs' direct greenhouse gas emissions (Scope 1) are generated by the consumption of gas and fuel oil across all Group sites. These direct emissions total 32,857 tCO₂e.

Chargeurs' indirect GHG emissions (Scope 2), generated by the consumption of energy, including electricity and for heating and cooling, total 18,775 tCO₂e.

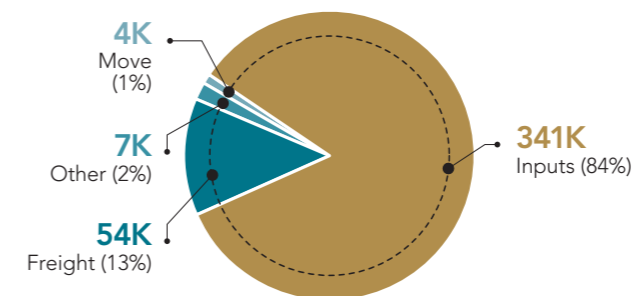
Other GHG emissions not generated directly by the manufacture of products (Scope 3) but by other phases in the lifecycle (including supply, transport and business travel) amount to 417,755 tCO₂e. At Chargeurs, most of these emissions are linked to procurement. These emissions are particularly high-impact at Chargeurs Advanced Materials and Chargeurs PCC Fashion Technologies, accounting for 72% and 75% of their respective emissions.

«The assessment demonstrates the large share of Scope 3, accounting for nearly 90% (89%) of overall emissions.»

Breakdown of the Technologies division's emissions by scope (in tCO₂e)



Breakdown of the Technologies division's scope 3 emissions (in tCO₂e)



Chargeurs is currently conducting a second carbon assessment on the 2022 scope and establishing a climate trajectory and a corresponding action plan

Following our first carbon assessment in 2021 on the 2019 scope, Chargeurs set about implementing an ambitious climate trajectory. This in-depth work is aimed at determining credible targets relative to our business activities and their capacities and relative to our stakeholders, while being commensurate with the efforts required to join a global trajectory that would limit global warming to 1.5 °C or well below 2 °C.

Carrying out a second carbon assessment for 2022 is vital, as the Group's scope and organization have changed significantly since 2019. The 2022 base will make it possible to draw up a trajectory year that more closely resembles our current business activities and a more comprehensive and reliable carbon assessment, thanks to the efforts made since 2020, particularly with regard to data. The 2023 exercise will focus in particular on emissions linked to energy, upstream and downstream freight and raw material purchases, which have been identified as priority emission items thanks to the assessment already carried out.



Environmental performance of our industrial sites

Energy consumption

- Total energy consumption: **217,410.28 MWh (-10.8%)**
- Related greenhouse gas emissions: **51,804.86 tCO₂e (-7.3%)**
- Greenhouse gas emissions by production unit: **59.26tCO₂e/Mm² (+15.5%)**

Total energy consumption decreased this year, but the significant change in volumes produced nevertheless prompted an increase in energy consumption by production unit. Indeed, some consumption is fixed and does not vary according to the volumes produced. The rising share of Chargeurs PCC Fashion Technologies' contribution relative to CAM's also points in this direction. Reducing our energy consumption was a priority in 2022.

«**Total energy consumption decreased this year.**»

Water use

- Total water consumption: **438,315.07 m³ (-11.6%)**
- Water consumption by production unit (Technologies): **502,69 m³/Mm² (+10 %)**

Since 2016 and the introduction of non-financial reporting, the Chargeurs group has been monitoring its water consumption and is committed to a continuous improvement process. At LPBC, as part of the new plan to be rolled out, we could eliminate dyes (a process requiring substantial water consumption) to favor products made from solution-dyed thread (Dope Dye). The widespread implementation of this manufacturing process at our Lainière site in Picardy would reduce water consumption per million m² of products by around 20%.

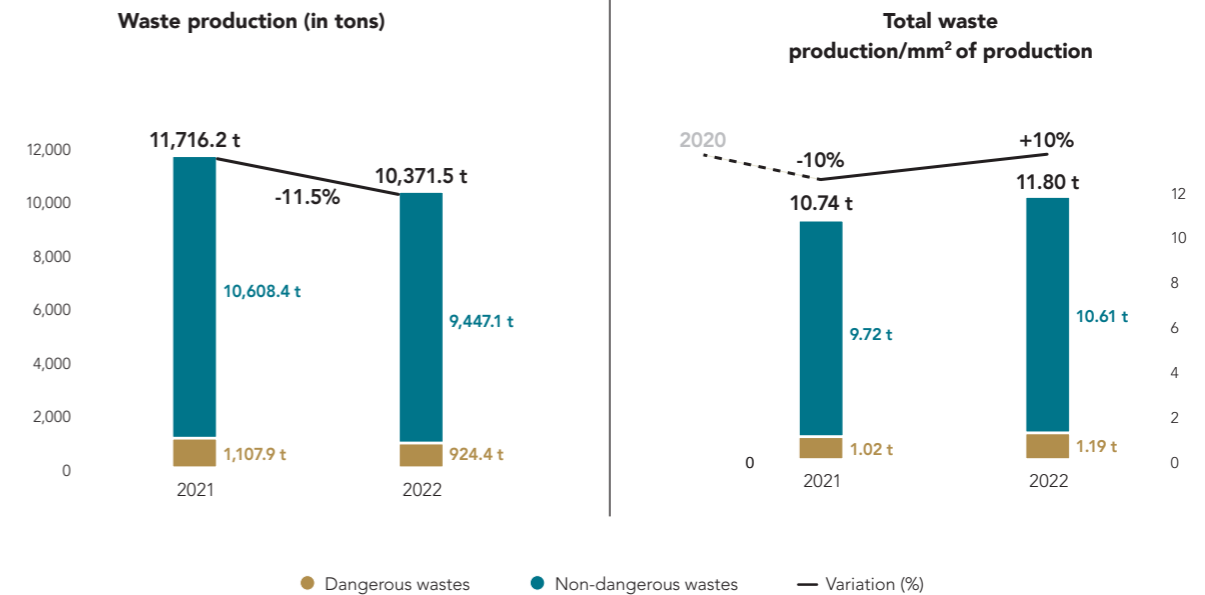


Concrete actions have been implemented to considerably reduce energy consumption at all levels of the Group.

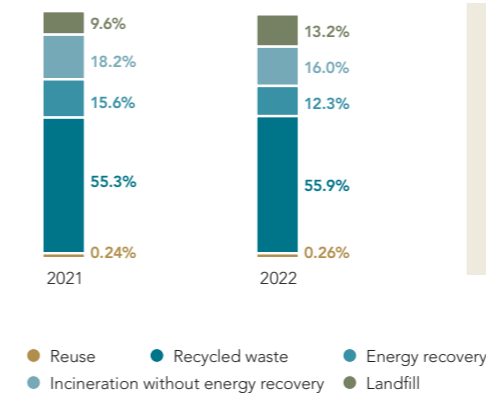
These actions are of three types:

- Actions to save electricity in the short term, with the installation of variable speed drives (at Novacel's Sessa and Déville sites, and Senfa) to improve engine management and reduce electricity consumption.
- Consolidation of a portfolio of projects to reduce our energy consumption, involving greater investment. For example, an in-depth study has been undertaken into a plan to modernize the LPBC plant, which will enable more efficient machines to be used to produce more energy-efficient products.
- The installation of electricity meters and their widespread use, first at LPBC, then at Group level.

Waste and circular economy



Waste processing (%)



As shown by the changes between 2021 and 2022, actions have been taken at our industrial sites to:

- Reduce the amount of waste, especially hazardous waste, despite increasing production;
- Strengthen recycling and reuse.

These efforts will continue in the years to come.

Developing our sustainable product ranges

With a view to meeting the growing demand from our customers for products that are more sustainable and that raise consumer awareness, Chargeurs is continually looking for new solutions to develop its range of virtuous products.

KPI
33.2%
of revenue is generated by our sustainable products.

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.

This ambition is driven by the Group's pursuit of excellence and constant innovation. The development of these ranges demonstrates our increasingly transformation-focused CSR approach, supported by a strong ambition: 100% of our products and services to be virtuous by 2030.

The two main ranges that are emblematic of the responsible and innovative know-how of the businesses in our Technologies division: OXYGEN and Sustainable 360™

Chargeurs Advanced Materials' OXYGEN range

In 2022, the business stepped up the marketing of OXYGEN, its range of eco-designed films that uses three complementary technologies – Recycled (containing at least 25% recycled polyethylene), Vegetal (using of 30% low-density polyethylene of plant origin in mass balance) and Lean (reduction in the quantity of polyethylene used), with a view to reducing carbon emissions and optimizing the use of available resources. The films used in this range are 100% recyclable.

10
products
available for sale.

20%
of our R&D efforts
are devoted to
developing new
products in this range.

Chargeurs PCC Fashion Technologies' Sustainable 360™ range

In 2022, Chargeurs PCC Fashion Technologies continue to develop its Sustainable 360™ range, a range of responsible interlinings made from eco-friendly materials, including recycled CGRS-certified polyester, solution-dyed thread, which reduces water consumption, BCI cotton, hemp, responsibly sourced Ecovero viscose, and bio-based polyamides, sourced primarily from SMETA-audited suppliers.

100%
of the cotton used
in this range is BCI-
certified or organic.

9.5%
fall in water
consumption
compared with 2021.

Focus

In 2022, Novacel received the Innovation Prize from the Chinese association of plastic recyclers and was also called on by the upstream chain (LyondellBasell) for a joint action at the Kunststoff 2022 trade fair regarding the innovative criterion of the 'Oxygen Vegetal' range. These awards demonstrate Novacel's commitment to the environment and the leadership it provides in terms of environmental responsibility.

A continuous innovation approach to sustainable development

The green product offering is constantly evolving, thanks to our Group's pursuit of excellence and constant innovation, and growing customer demand for increasingly sustainable products.

«A recycling project launched in 2022 resulted in the recycling of 11 tons of textile waste».



Chargeurs Advanced Materials

The business is a member of the Alliance to End Plastic Waste (AEPW) and is involved in a consortium aimed at identifying and developing technologies to recycle plastic products and thus achieve a cleaner, circular and climate-neutral economy.

The European project HolyGrail 2.0 aims at facilitating the sorting of plastic waste to improve recycling. The AEPW, the European Brands Association (AIM) and the Ellen MacArthur Foundation have joined forces to test newly developed sorting units on a semi-industrial scale. The objective is to assess the technical and economic viability of digital watermarks and their positive impact on the increase in plastic packaging recycling. Over 160 companies are taking part in the project.

Novacel's active contribution to the project is part of its commitment to providing its customers and the end-users of its products with solutions for better end-of-life management.



Chargeurs PCC Fashion Technologies

At our interlining production site in Brazil, a recycling project launched in 2022 resulted in the recycling of 11 tons of textile waste from cuttings. This project, which was undertaken with a Brazilian partner, which recovers these fabric offcuts to recycle and transform them, made it possible to reform new yarns from textile scraps that could be directly reused by LP Brazil to make new products.

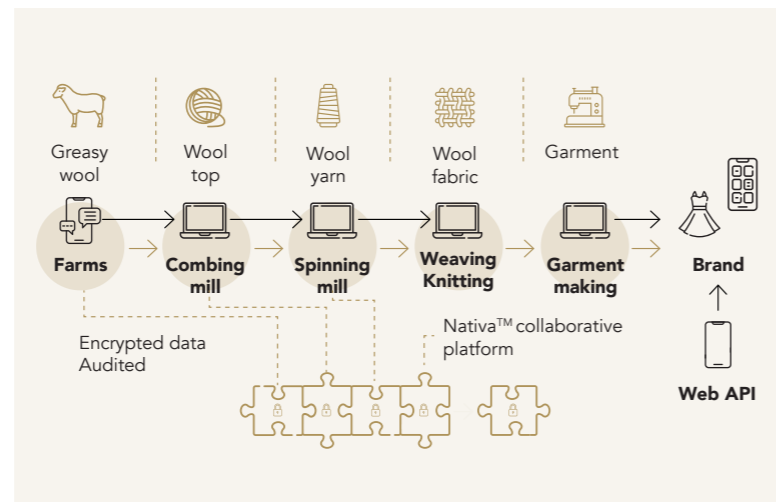


Regarding the Luxury business lines, and the services of Chargeurs Museum Studio in particular, discussions are currently under way to determine what would constitute a virtuous approach in this activity sector. A quantified assessment will be proposed in 2023.

The NATIVA™ label, a guarantee of greater sustainability

A pioneer in the supply of responsible wool, Chargeurs Luxury Fibers has developed NATIVA™, a label that guarantees, using proprietary blockchain technology, the quality and traceability of wool fibers at each stage of the value chain, from farms to points of sale.

Its protocol guarantees respect for animal welfare, sustainable land management and environmental preservation, the well-being of farmers and their communities and the certification process.



NATIVA™ commits to regenerative agriculture

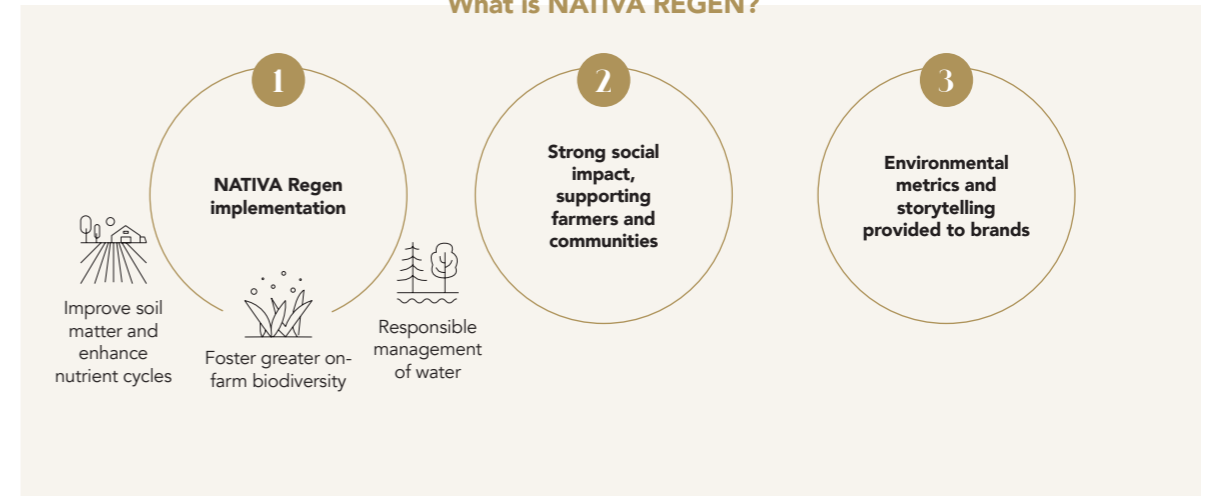
In 2022, Chargeurs Luxury Fibers accelerated the expansion of its regenerative agriculture programs worldwide with the development of a new «NATIVA™ Regen» program in the United States and by increasing its number of farms in Uruguay.

These programs were strengthened by new collaborations, including an exclusive supply agreement between NATIVA™ and Gucci under which the Italian luxury brand will buy traceable wool produced by farms that follow regenerative agriculture practices under the NATIVA™ regenerative agriculture program. The business

also partnered with the UK materials science company, PANGAÏA, whose mission is to protect the environment. These agreements demonstrate the profound shift in its business model towards a Product As A Service model offering high value-added services, which, in time, will help to improve its operational profitability and generate a positive environmental impact.

Chargeurs Luxury Fibers manages global programs in Australia, Uruguay, Argentina and the United States. The business intends to increase its number of farms in those countries and, in the coming years, expand its NATIVA Regen programs to other countries.

What is NATIVA REGEN?



«Stella McCartney is proud to have used NATIVA regenerative wool in our recent collection, helping us to pioneer a conscious luxury movement and create desirable pieces whilst positively impacting soil health, biodiversity and water systems.»

«At Madewell, we're inspired by NATIVA's dedication to social, environmental and animal welfare. Their commitment to transparency, sustainability and responsibility aligns closely with our principles as a brand.»

Focus

The soaring demand for green products has led to collaborations between the Group's business lines. By way of example, to meet the needs of its most prestigious customers, Chargeurs PCC Fashion Technologies has developed, in partnership with Chargeurs Luxury Fibers, a new NATIVA™ wool-based interlining. This product offers customers in the luxury fashion segment premium quality wool that meets the highest global environmental standards.

Guaranteeing the health and safety of our employees

Chargeurs is fully committed to ensuring the health and safety of its employees worldwide.

KPI
6.52
Occupational accident

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.

The Group's commitment is part of a genuine safety policy that includes preventive measures and strict rules governing the working environment of its employees. Safety is a permanent priority in all the Group's activities.

The Global Safety Day

First held on November 13, 2017, the annual Safety Day highlights Chargeurs' efforts to strengthen its risk prevention policy. The goal of this day, held once a year, is to raise awareness and to encourage all Group entities to review the mandatory notices displayed in their premises as well as their safety instructions. To reach its zero-accident goal, Chargeurs is committed to improving the safety culture at all its production plants.

1,411
participants

9,737
hours of safety training throughout 2022

The ETSCAF method at Chargeurs Advanced Materials

Implemented in 2020, the ETSCAF safety approach is a method for preventing accidents in the workplace. Its objective is to work on behaviour, which is responsible for more than 90% of accidents. It aims to achieve a level of interdependence in terms of safety and involves all hierarchical levels in the company, encouraging dialogue and team spirit. In 2022, this method was extended to other Group sites.



A revised code of conduct to reflect our commitment

"A revised, strengthened and more accessible Code of Conduct"

A major cornerstone of our integrity culture, the Code of Conduct has formalized, since its first edition in 2017, all the values, principles and rules in force that unite all Chargeurs group employees around an ambitious, sustainable, and innovative project. Backed by existing international benchmarks such as the Universal Declaration of Human Rights and the International Labour Organisation conventions, this code was updated in 2022, and is now a genuine tool in the service of our sustainable model, enabling us to share a common ethical framework across all our entities.

An extensive program to distribute the Code of Conduct has been put in place within the Group, notably through online training accessible to all our employees. This program has also been extended to all our external stakeholders so that we can share with them the same level of requirements in terms of ethics and compliance.

The Code of Conduct is also our first line of defence against the volatility and complexity of the Group's environment.



In parallel with the revision of its Code of Conduct, Chargeurs has also set up an internal control system for 2022. Built to guarantee the right level of control over our risks, it defines a set of procedures that clarify and reinforce the commitments expected of each stakeholder to ensure the smooth running of our business.

«The Code of Conduct is also our first line of defence against the volatility and complexity of the Group's environment.»

Developing the training of our talents

The Group has set up several training programs in all its subsidiaries around the world. These initiatives are essential to support employees in their personal development and growth, as well as in achieving the company's business objectives.

1.6%
investment in employee training

19
hours of training in average per employee

Our training commitments

Various training courses are offered to Group employees in each business line, the most common being:

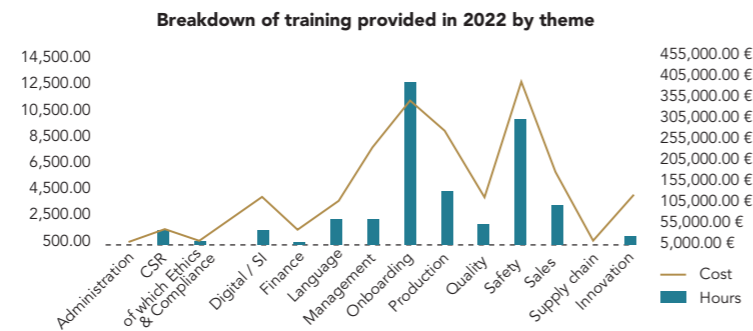
- Integration/onboarding of new employees, on which the Group is particularly focused;
- Safety, representing one quarter of the provided training sessions;
- Cross-functional training dedicated to production, which includes industrial performance.

CSR trainings have also been set up to instill the Group's CSR approach at every operational level. In addition, employees have 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.

The Group has also created its first online training platform: 360 Learning. Particularly well suited to the needs of our decentralized organization, this platform was initially used to distribute mandatory training modules: cybersecurity, anti-corruption, GDPR, etc. A total of ten training courses are currently available on the site and 590 employees have already been able to take advantage of this system.

Many other themes are intended to complete the available catalog in 2023.



Innovation Network

At the initiative of the Innovation Department, an Innovation Network was created in 2022 to develop and promote a culture of innovation within the Group. This network brings together a dozen employees from different Group functions and businesses, with the aim of strengthening cross-business dynamics to foster innovation, particularly in the area of sustainability. Two seminars were held in 2022. The last one was an opportunity for participants to learn and exchange ideas around a Climate Fresk.

Promoting our employees' social commitment

In addition to the strong social and environmental commitment within the Group's businesses, we are fully involved with our local communities in every region in which we operate. This societal commitment, on which Chargeurs prides itself, demonstrates the Group's desire to mobilize its entire human capital, beyond its operational and financial performance, with a view to having a positive societal impact in the regions in which it operates.

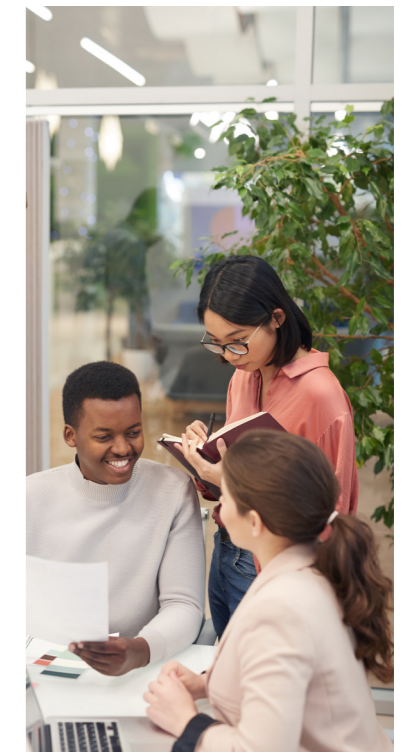
Accordingly, in 2022, the majority of our sites worldwide carried out a variety of initiatives with their local communities. By way of example:

- D&P (Museum Studio) is strengthening historic partnerships with Washington DC area universities offering museum-related programs. The objective is to offer internships/apprenticeships to students, followed by a hiring proposal for promising young graduates, with an internal training program and a career plan within D&P.
- The project «SENFA acts for biodiversity» is carried out within the framework of a partnership with the Maison du Ried, de la nature et de l'Alsace centrale (House of the Ried, of nature and of central Alsace) in Muttersholtz, an association for education in nature and the environment. This project was selected in the Grand Est call for proposals «Companies and biodiversity». It includes a three-

year contract with the Ecopatu'Rhin company, which practices eco-grazing on part of the site's green spaces as well as beekeeping. Senfa also has an active partnership with the association Recycl'sac for the realization of bags with fabric scraps.

- Novacel's UK team supports a young local women's rugby team, the US teams support the baseball and basketball teams of local youth organizations.
- Chargeurs PCC Fashion Technologies works with fashion schools to freely provide quality interlining to students.
- At the Group's headquarters, we have encouraged discussions between our endowment fund Chargeurs Philanthropies and our employees. A number of employees were given the opportunity to attend concerts by the Insula Orchestra, the resident orchestra at Seine Musicale, conducted by Laurence Equilbey, which is involved in sharing and inclusion programs to promote access to music for all. Alongside the Group's employees, students at the Institut de l'Engagement were also invited to dress rehearsals or performances in Paris and Rouen.

«This societal commitment, on which Chargeurs prides itself, demonstrates the Group's desire to mobilize its entire human capital.»



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.

Decarbonizing the supply chain

The carbon assessment already carried out in 2021 on the Group's activities in 2019 demonstrated a preponderance of Scope 3 emissions (indirect emissions), particularly upstream of our activities. The work undertaken since then and continuing in 2023 with a carbon assessment, will allow us to have a more detailed understanding of these emissions. This feeds the reflection around the construction of a climate trajectory and the associated action plans. This reflection necessarily takes into account the challenges to be met in order to decarbonize our supply chains: transport, choice of raw materials used, dialogue and innovation with our suppliers, development of circular economy initiatives, etc.

NATIVA™, through its NATIVA Regen program, supports its customers in reducing their Scope 3 emissions related to wool supply.

Responsible purchasing strategy

Developing responsible purchases is a CSR priority for the Group in 2023. Our Responsible Procurement strategy is based on a number of resources, including the Responsible Procurement Charter, the Sedex platform, the SMETA social and ethics audits, and stronger dialogue with our suppliers. It has been reinforced in the last few years by the annual publication of a *Modern Slavery Statement*.

Modern Slavery Statement

In 2022, Chargeurs renewed its commitment to the 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.



To secure and strengthen its value chain, the Group is committed to developing solid relationships with its suppliers. We aim to place CSR issues at the heart of these relationships and promote best practice in supply chains.

Our tools:

Responsible Procurement Charter

A Responsible Procurement Charter was drawn up in November 2017 and signed by the Group's strategic suppliers.

The Responsible Procurement Charter sets the main lines of our fundamental expectations regarding our suppliers. These principles are the minimum social and environmental requirements we expect of entities involved in the manufacturing of our products to guarantee to our customers that the people who make them are treated decently regardless of where they work. We also expect our suppliers to follow our example in making sustainable commitments in this respect. The Charter has been signed by more than 160 suppliers.

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 premium audits, covering all aspects of responsible business practices, including 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 around 30 of its strategic suppliers.

Awareness-raising and training on challenges in our value chains

In 2023, we are also focusing on awareness-raising and training initiatives to on-board all the teams in the approach and upskill them on these subjects. For example, a customized webinar was organized in November on the issue of forced labor in our value chains with the Stronger Together organization.

The webinar, introduced by Joëlle Fabre-Hoffmeister, Group Secretary General, and Gianluca Tanzi, Managing Director of Chargeurs PCC Fashion Technologies, was followed by nearly 80 Group employees, from departments to local managers, mainly buyers, operational staff at industrial sites, and HR functions.

It allowed us to better understand the different forms of forced labor, to unite around our common goal of raising standards of respect for fundamental rights throughout our value chains, and to raise awareness of the challenge of fighting forced labor.



Better Cotton Initiative

In the pursuit of more responsible raw materials, Chargeurs PCC Fashion Technologies has been a member of the Better Cotton Initiative (BCI) since 2019. The BCI contributes to the success of the United Nations' Sustainable Development Goals (SDGs) for responsible water management and sustainable agriculture. It promotes more responsible agricultural practices.

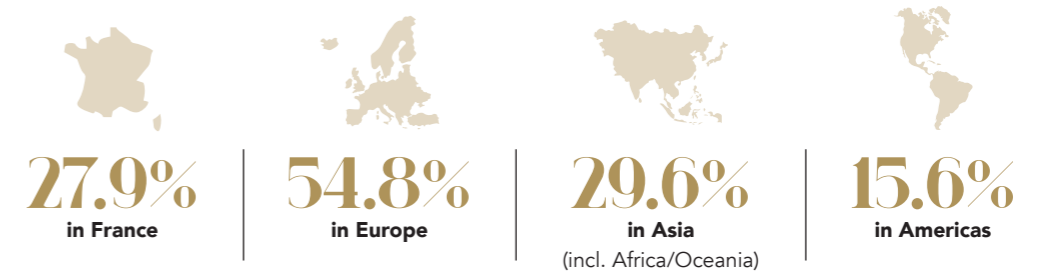
Use of irrigation is limited to ensure better management of water resources. Use of pesticides and chemical fertilizers should be kept to a minimum, to avoid pollution of natural resources, guaranteeing higher quality cotton. Lastly, the BCI guarantees decent working conditions. The accelerated sourcing 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.

Our key performance indications

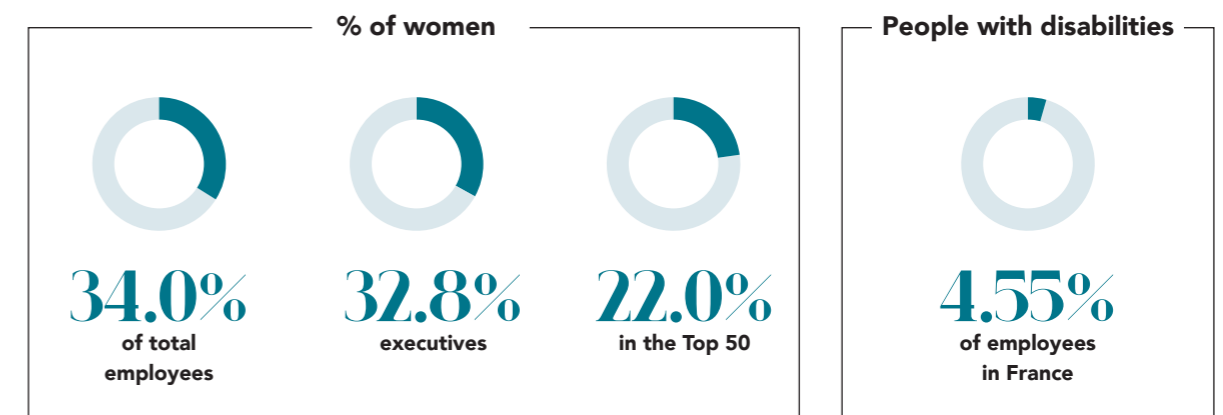
Non-financial performance statement concordance table

Challenges of the materiality matrix	Challenges for the Chargeurs group	Structuring actions and results	KPI
Customer satisfaction	Maximum customer satisfaction, driven by premiumization of the offer	<ul style="list-style-type: none"> Recognition of our brands as innovative and committed Ability to offer complete solutions to our customers 	NPS: 47 (Novacel)
Governance and CSR approach	Solid governance capable of supporting an ambitious CSR approach	<ul style="list-style-type: none"> Independence of the Board of Directors, presentations to the Board of Directors, internal network around CSR, animation of the approach 	50% independent Board members 91.42% presence
Business ethics	Conducting business with integrity	<ul style="list-style-type: none"> Overhaul and strengthening of the Code of Conduct, reinforcement of internal controls, deployment of anti-corruption training 	31% of employees received anti-corruption training
Health and safety of our employees	Preserving the health and guaranteeing the safety of our employees	<ul style="list-style-type: none"> Regular safety training sessions, annual organization of a <i>Global Safety Day</i>, on all our sites, monthly monitoring of the accident frequency rate and objectives for all managers 	Occupational accident frequency rate: 6.52
Innovation	Promoting innovation in all our businesses	<ul style="list-style-type: none"> Promotion of a culture of innovation through the animation of an internal network, partnership with EPFL, development of projects with an environmental impact (recyclability, circular economy, green chemistry) 	33.2% of revenue generated by sustainable products
Responsible value chain	Promoting our values throughout our supply chain and decarbonizing our value chains	<ul style="list-style-type: none"> Development and deployment of the Responsible Purchasing strategy, continuation of audits on ethical criteria at our suppliers, completion of a new carbon assessment and construction of a climate trajectory 	+ 160 suppliers signed the Responsible Procurement Charter + 30 suppliers audited
Talent attraction and retention	Be able to retain our talents and attract new talents	<ul style="list-style-type: none"> Strengthening of HR policies, deployment of training to increase the skills of employees 	Turnover 18.34% 19 hrs training per employee
Preserving natural resources	Ensuring responsible use of water resources	<ul style="list-style-type: none"> Monitoring of water consumption at industrial sites, larger-scale deployment of mass-dyed wire at Chargeurs PCC 	438,315 m ³ of water consumed (-11.6%)
Climate change mitigation	Contributing to climate change mitigation by limiting our impact	<ul style="list-style-type: none"> Carrying out a new carbon assessment based on 2022 to build a climate trajectory Monitoring energy consumption at our industrial sites and associated greenhouse gas emissions 	217 410,28 MWh consumed (-10.8%) Related greenhouse gas emissions: 51,804.86 tCO ₂ e (-7.3%)
Climate change adaptation	Protecting ourselves from the potential impacts of climate change on our activities	<ul style="list-style-type: none"> Risk mapping and risk management policy 	
Product carbon footprint	Minimizing the carbon footprint of our products	<ul style="list-style-type: none"> R&D and innovation to design less carbon-intensive products (virtuous ranges), carrying out a carbon assessment and building a climate trajectory 	Greenhouse gas emissions per million m ² produced (Technologies division) 59.26 tCO ₂ e/Mm ²
Waste management and the circular economy	Promoting circular economy initiatives	<ul style="list-style-type: none"> Continuous innovation on the recyclability of our products and the integration of recycled raw materials, deployment on our industrial sites of initiatives based on the principle of circularity 	-11.5% of product waste 56% of our waste recycled
Cybersecurity	Guaranteeing the security of our information systems and the protection of personal data	<ul style="list-style-type: none"> Strengthening access security, detection and prevention of attacks with strong authentication solutions and AI supervision, GDPR compliance 	
Gender equality	Promoting gender equality	<ul style="list-style-type: none"> Increasing the number of women of managers from 29% in the executive population in 2019 to 32.8% in 2022 	34.05% of women in total employees 32.8% executives 22% in the Top 50
Product traceability	Making it possible to trace our products	<ul style="list-style-type: none"> NATIVA™ allows complete traceability of wool, from farm to finished garment, reinforcing the Responsible Purchasing strategy 	
Animal welfare	Ensuring animal welfare.	<ul style="list-style-type: none"> Deployment of NATIVA™ audits to ensure animal welfare, as the protocol is very demanding in this area 	234 farms certified NATIVA™

Profiling our employees



Parity, Diversity, inclusion



Turnover





Group head office
7, rue Kepler
75116 Paris - France
Tel : +33 (0)1 47 04 13 40
www.chargeurs.com