

EXTRA-FINANCIAL PERFORMANCE DECLARATION  
YEAR 2018



Chantelle Group's Executive Committee has made a formal commitment to articulate, share and sustain the mission and values that define the operating framework for its activities and working relationships within and without.

This is even stronger in a family group, not listed on the stock market, which is not only a legal entity but actually embodied by individuals who invest personally and emotionally in the future of the entity they represent. In addition, the relationship to time is different, decisions are made on the medium and long term and not with the sole ambition of an immediate result.

#### Who are we ?

We have been designing lingerie since 1876.

Each brand of the Group tells a particular story, represents a specific style, and corresponds to a different price range. Our shops work like studios: they are dynamic, collaborative workspaces, designed to encourage exchanges.

#### Our goals :

**We exist to design quality lingerie.** We are constantly looking for new ways to improve the well-being of women and enhance their figure.

**We are transparent** to ourselves and to others. We make choices that we consider ethical and just. Explaining to our partners and to our customers how our values influence our decisions brings us closer and differentiates us from the fast-fashion model.

**We are pioneers in communication,** presenting our lingerie in a daring, artistic and honest way, creating a strong emotional bond with our audience.

#### Our mission

Our mission is to make the purchase of lingerie a unique experience, totally focused on the desires of the client.

By combining creative dynamism and digital expertise, we can not only meet the needs of our customers, but also anticipate them.

We do not act alone: we are a reliable supplier that our distributors can rely on and they recognize the high level of professionalism.

This approach gives our company a long-term vision, both in terms of growth and profitability.

## Our values :

We are:

### ● **Autonomous and responsible**

We are entrepreneurs in the soul. Being an entrepreneur gives a powerful sense of freedom, autonomy and responsibility. This empowerment of everyone is associated with a right to make mistakes, and the desire to always improve.

### ● **Resolutely collaborative**

Collaboration begins with listening, empathy and continues through the search for common and effective solutions.

We promote strong links to mutual benefits with our suppliers and distributors.

Inside the company, our approach is resolutely collaborative.

Our employees must all facilitate the links between our various services, in order to innovate better and more effectively than our competitors.

### ● **Totally transparent**

For us, transparency is a determining factor in building trust, both internally and externally.

Internally, we hosted a free discussion forum to identify the best ideas.

With regard to our customers, we share our convictions, we recognize that we are not perfect, we show that we have the will to improve ourselves.

It's by showing our customers how our values fit into the decisions we make at the corporate level that we get closer to them and differentiate ourselves from ephemeral fashion distributors.

### ● **Passionate and guided by our clients**

At the heart of our DNA: our customers. We are curious about all aspects of the customer experience and the world of lingerie in general. The voice of our consumers plays a key role in each of our innovations.

We're listening. We adapt. We are listening again. We constantly exchange with our customers. We decide according to the customer.

**In 2018**, the Group took a bold turn in rethinking its entire brand portfolio, under a strong and innovative umbrella brand that emerges through the "designed by CL" signature.

**C** HANTELLE **L** LINGERIE

CL becomes an image and a signature brand, gathering under common values, though with the strength of each brand content, all brands of the group<sup>1</sup>:

Nos Marques et Réseaux

<b>Chantelle</b> <a href="http://fr.chantelle.com">fr.chantelle.com</a>	<b>FEMILET</b> <a href="http://www.femilet.dk">www.femilet.dk</a>	<i>Chantal Thomass</i> <small>PARIS</small> <a href="http://www.chantalthomass.fr">www.chantalthomass.fr</a>
<b>Darjeeling</b> <a href="http://www.darjeeling.fr">www.darjeeling.fr</a>	<b>livera</b> <small>live life love livera</small> <a href="http://www.livera.nl">www.livera.nl</a>	<b>CHANTELLE LINGERIE</b>
<b>Passionata</b> <a href="http://fr.passionata.com">fr.passionata.com</a>	<b>Orcanta</b> <a href="http://www.orcanta.fr">www.orcanta.fr</a>	

THE CL GROUP BUSINESS MODEL can be represented as follows:

**7**   
 marques & réseaux



**15 millions**  
 de pièces  
 fabriquées  
 par an 

**+2 millions**  
 de clientes  
 actives sur les  
 enseignes retail 

**50%**  
 du chiffre d'affaires  
 hors France 

**9**   
 sites  
 e-commerce

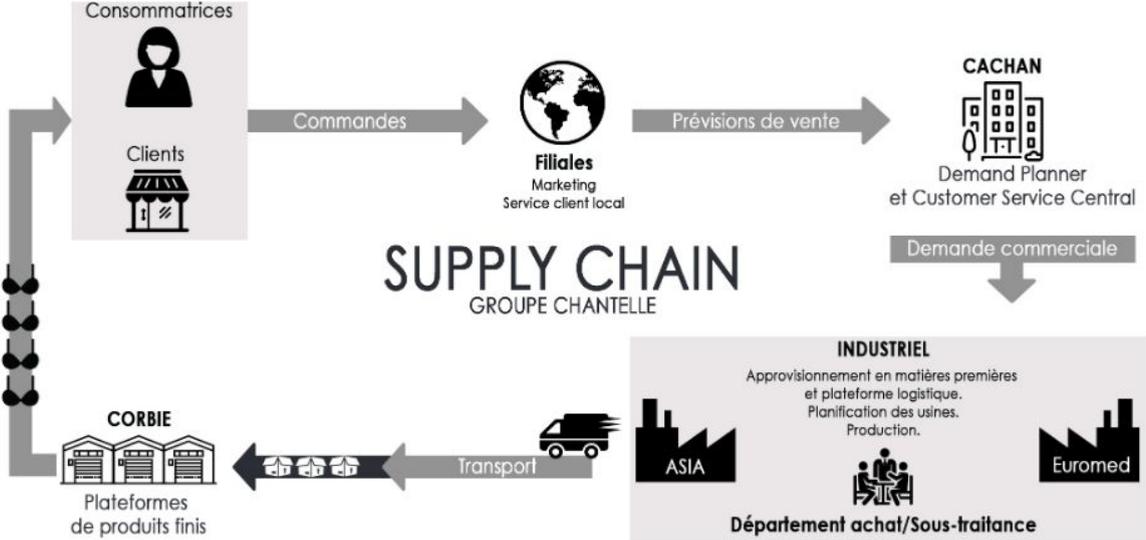
**9**  
 établissements  
 industriels   
**5** plateformes  
 logistique

**270**   
 magasins  
 en propre

<sup>1</sup> LTI  
 Award 2019

ar

Listening to consumers, retailers and wholesalers is essential. The Supply Chain has been able to adapt to meet this legitimate demand that can be expected from a leading economic player in its sector of activity.



**Nos circuits de distribution**



#### Our Issues are:

- The promotion of a strong corporate culture that brings together employees from around the world, on the Group's production sites, in stores, in subsidiaries and support functions.
  
- The satisfaction of the Consumer with whom we are in direct relation through our network of 270 stores but also by the exchanges and the advices brought by our sales consultants in department stores.
  
- A fine knowledge and strong links with the wholesale channels in Europe and in the United States which requirement leads us to surpass ourselves.
  
- A commitment to the quality and safety of our products that leads us to surround ourselves with suppliers of raw materials and finished products that share our requirements.

The risks created by our business relationships, our products and our services therefore lies mainly in

- (i) -the successful development of employees,
- (ii) -the guarantee of the well-being of our customers combined with the quality and the safety of our products in an ever more demanding regulatory environment,
- (iii) -the selection of suppliers engaged in a societal, social and environmental responsibility approach,
- (iv) -the search for control of significant greenhouse gas emissions generated by the Group's activities, particularly through the use of goods and services produced

For the writing of its extra-financial performance report for the 2018 fiscal year, **CL Group has chosen to express Chantelle's vision of social, societal and environmental responsibility for many years, using the United Nations Sustainable Development Goals (SDGs) to respond to the 2030 Agenda for Sustainable Development** in line with the long-term vision of a Group which story has started 140 years ago.

CL Group is committed to respecting the Sustainable Development Goals by structuring the implementation of its commitment according to its activity and its ability to be involved

(i) The successful development of the Group's employees and the resolute collaborative approach also carried with our customers and suppliers is part of **SDG 8**



and contributory to the following SDGs:

(ii) Guaranteeing the well-being of our customers by ensuring the quality and safety of our products in an increasingly demanding regulatory environment is part of **SDG 3**



and in a contributive way to the following SDGs



(iii) the selection of suppliers themselves engaged in a process of responsibility

societal, social and environmental, is part of **SDG 12**



and in a contributive way to the next SDG



(iv) the control of the significant items of greenhouse gas emissions generated by the Group's activity, in particular through the use of goods and services produced, is part of **SDG 13**



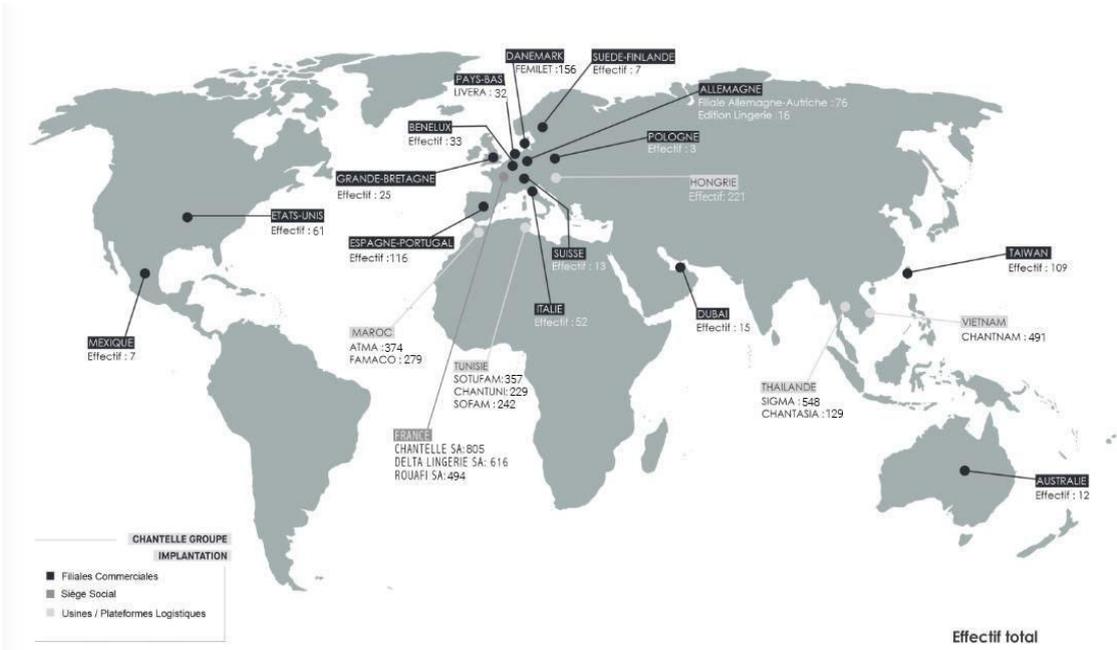
and contributory to the SDGs



But contributing to sustainable development also means making sure that everyone has access to their essential needs and rights. This inclusive economy integrates in Chantelle a dimension of

philanthropy and associative partnership 

*Note: All the terms mentioned in italics in the report correspond to the methodological note defining the consolidation perimeters and coverage perimeters detailed in the last pages*





The successful development of the Group's employees requires a resolutely collaborative approach also carried out with our customers and our suppliers

### ● **A predominantly female population**

The **5,518** male and female employees of the Chantelle Group as of December 31, 2018 work mainly (**65%**) outside France (including **20%** in the Group's commercial subsidiaries and **80%** in the industrial subsidiaries). Approximately **2,000** people work in France, **58%** of whom manage the Retail Network and its 270 "Darjeeling", "Orcanta", "Passionata" and "CL" stores.

The Group's salaried population is overwhelmingly composed of women: **89%**.

Given the strong feminization of its workforce, the Group is keen to promote balance between work and family life, as well as gender equality and parenthood.

Although there are only 2 women at the Executive Committee, women represent a large majority, ie 57% of the Management reporting directly to the members of the Executive Committee.

The Board of Directors of Chantelle and its French subsidiaries respect parity within its organization

In the agreement on professional equality between men and women and parenthood in force in 2018, the Company committed to work on four topics:

- measures to promote pay equity between men and women
- the improvement of working conditions and the exercise of parenthood,
- the balance between professional and personal life,
- professional training.

This plan provides for particular attention to part-time requests, a follow-up interview when returning from maternity or adoption leave, and the maintenance of full pay for 11 days when taking paternity leave. encouragement to organize meetings after 9 am and before 5 pm to reconcile work and family life. This corporate agreement also recalls the principles of gender equal pay, training and career development.

Gender equality also benefits men by enabling them to become more involved in their family life and by fighting stereotypes.

### ● **An organization of adapted working time**

Each of the Group's industrial sites is an important local economic player.

Abroad, employees recruited by industrial sites generally live near establishments. Their families participate locally in the development of the social, educational and economic fabric.

For these sites, the hiring policy takes into account the general level of wages in the country, the cost of living, a social protection floor, the levels of productivity, the opportunity to reach and maintain a level of employment as well as local economic factors.

In industrial establishments, **overtime** is used to deliver products on time, so that they are available for pick-up and shipping. The respect of the delivery dates is indeed a very strong expectation of the Customers and the Chantelle Group must take all the measures to satisfy these expectations with a high level of service, in coherence with its social responsibility.

The use of overtime is on a voluntary basis and remains limited (average / employee concerned <50 annual hours in the Euromed zone, <150 annual hours in Hungary or Vietnam). Overtime is historically more important in Thailand in consistency with the economic sector.

In France , the use of overtime is very limited :

	2018	number of employees concerned	Hours/employee concerned / year
Chantelle	530	56	13,00
Delta Lingerie	4761	328	14,50
Rouafi	634	141	4,50

The use of part time contracts (CDD) is however a frequent practice in the Retail business to compensate for the absence of one or more members of the team of 3 to 5 people who runs a store during sales periods. or leave for example, for one or more days.

	part time signed in 2018
Chantelle	51
Delta Lingerie	1478
Rouafi	639

The use of temporary employment contracts for periods of one or more days also allows to compensate for absences or workloads related to seasonal peaks.

<i>temporary employees</i>	2018
Chantelle	1 389
Delta Lingerie	40
Rouafi	4

The impacts of the negotiations with the trade unions on the economic performance of the company as well as the working conditions are directly measurable. Thus, concerning **the working time of sales staff required to work on Sunday**: the Chantelle company is forced to adapt to the activity of the commercial zones where its stores are located and to comply with commercial practices by opening the sales outlets on Sunday on a voluntary basis (12 Sundays maximum). Two populations concerned: employees who usually work the week, and those whose Sunday is a usual day of work. The 2017 agreement specifies the financial and rest compensation (salary increase, basket premium, parking fees, compensatory rest, childcare assistance, etc.) to maximize the family life of the employees concerned. . As part of the implementation of this agreement, the company proceeded with the hiring of 5 employees as it had committed to in 2017.

The organization of working hours at the Epernay industrial site has provided for the implementation of the annualization of working hours for the clothing population (calendar, hourly variation, etc.) and the variable hours for the teams. excluding making of the establishment.

Staff costs amounted to € 122,272 thousand in 2018 compared to € 121,951 thousand in 2017.

- **Health and safety conditions**

Issues relating to the improvement of health and safety conditions require special attention from the General Management.

Prevention of Occupational Risks is one of the axes developed within the Company

An annual risk assessment document put in place for each site (the DUER) of in France is regularly updated, associating the Human Resources Department, the Occupational Physician attached to the Head Office and CHSCT members.

**Source: Consolidated Financial Statements Year 2018**

**In France**, for logistics sites receiving and shipping Finished Products, the wearing of safety shoes is imposed even to visitors, the various areas of activity are marked on the ground and with a reinforced display, various controls complete the controls regulations. Sportive warm-ups to prevent musculoskeletal disorders are also practiced.

The number of work-related accidents (excluding commuting) with a medical leave is stable at 23 accidents (stable compared to 2017), after having significantly decreased by 29% between 2016 and 2017, all France Perimeter sites combined.

To fight against occupational diseases (4 cases reported in 2018) mainly musculoskeletal disorders due to the repetition of gestures, the Company adapts the workstations, organizes training gestures and postures, movements to be done before taking a job ( coach).

Security is not only the business of logistics and industrial sites. It also concerns the Darjeeling and Orcanta store teams: a single document in each establishment accompanied by a security procedure and 10 e-learning modules including 5 quizzes (including the evacuation and the action to take in the event of fire, terrorist attack vigilance and the reception of people with disabilities).

Chantelle has set up health coverage for each of its employees with a very good level of reimbursement and a competitive level of contributions.

The rest supported by a Chantelle employee is 6 times less than the average in France.

**The industrial sites in the foreign area** ensure local safety standards and regularly organize safety exercises. Each site looks for the improvement of ergonomic working conditions.

The number of work accidents (excluding commuting) resulting in a medical leave has decreased from 34 in 2017 to 20 in 2018, all sites abroad combined.

An example of the measures implemented locally:

The three Tunisian sites have been particularly active in studying the physical working environments: noise, lighting, humidity and temperature. Free consultations at the doctor's office, vision tests accompanied if necessary by the Company's purchase of eyeglasses were implemented in 2018 and the continuation of the flu vaccination program continued.

In addition, there are reports of CHSCT meetings held quarterly and although there is no specific agreement on the subject of health and safety at work.

- **Training**

Training courses to increase the skills of the company's employees are a key factor for long-term success (adaptation, competitiveness, efficiency, etc.). Initial training and continuous training enable people to adapt more rapidly to the world in which they live, to changes and to the functioning of companies, which are the first to benefit from the implementation of knowledge, know-how and behaviour.

**The strategic orientations of the 2018 training** are as follows:

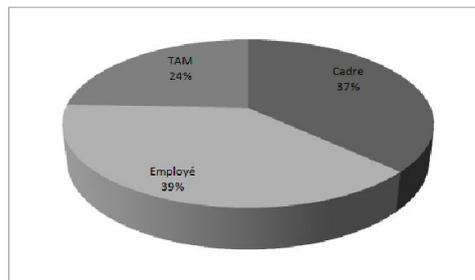
- 1 - Collectively and individually support managers to help them drive change with their teams, motivate their employees and create an overall dynamic.
- 2 - Better know our customers and their needs to bring a product and a quality of service (to be at the forefront of our field of activity and ensure a competitive intelligence).
- 3 - Democratize and better apprehend digital tools to integrate them at the heart of the different businesses:
  - Serving our business to communicate on our brands and sell our products (websites, e-commerce, tablets, etc ...)
  - Serving internal users for more exchanges, fluidity, transparency, modernity and enrich the employee experience.
- 4 - Carry out actions in personal development for:
  - soft skills related to the values of the group,
  - Better professional efficiency (organization, initiative, decision-making, communication, questioning),
  - Enhanced cooperation in an increasingly matrix environment,
  - A working atmosphere conducive to personal fulfillment and performance.
- 5 - Continue to train on languages and in particular English in an international business context.

## How are these measures implemented?

Employee development is important for the Group. Training programs designed and delivered internally by the Group's employees complement external training.

Training courses have been designed internally by the HRD Training Department, for Chantelle Group employees, in order to better match their expectations: this offer is not only about updating the product knowledge of the different brands, reinforcement of skills, sales and marketing, but also cross-functional modules, such as cooperation and transfer of knowledge, professional efficiency, management and communication.

**402** persons (compared to 381 the previous year) benefited from training provided by this internal training program led by the Human Resources Department, as follows:



Nombre de NOM et prénom	Étiquettes de co			
Statut	CHANTELLE 2018	PLAN DELTA 2018	PLAN ROUAFI 2018	Total général
Cadre	104	15	30	149
Employé	132		23	155
TAM	60	25	13	98
<b>Total général</b>	<b>296</b>	<b>40</b>	<b>66</b>	<b>402</b>

These trainings were carried out in addition to external training and training courses organized directly by the Delta Lingerie and Rouafi companies, particularly in the context of "blended learning" (classroom training coupled with e-learning). The mastery of new information systems (including SAP software) through the initiation or improvement of current and future tools is also a major issue.

A portal makes it possible to collect the training needs of the employees of Chantelle.

In addition, employees are the first to be informed of job openings or the mobility opportunities. Internal promotion is thus complemented by the possibility of applying for new positions and taking up challenges.

For Chantelle Company alone, the number of training hours is 8,901 hours (comparable to the 9,930 hours in 2017).

An e.learning platform for the teams of the Delta Lingerie and Rouafi sales subsidiaries has been set up:

Thus, a total of 4,363 hours combining face-to-face and e.learning hours were provided at Delta Lingerie (4,276 in 2017) and for Rouafi: 2,298 hours in total combining face-to-face and e.learning hours ( against 3,707 in 2007))

**Well-being at work** is a factor of fulfillment and competitiveness.

In Cachan a Concierge service allows employees to delegate many tasks of domestic life (laundry, deliveries ...). This service has a space hosting many services, some directly related to health: osteopathy and dietetics; others to well-being (hairdressing, manicure ...) or everyday life (ex: delivery on order of organic baskets).

The QVT (quality of life at work) agreement signed by Chantelle in 2018 mentions the decision to experiment with telecommuting at the head office, leaving to each Directorate to organize itself in the articulation of this one.

The offices of Cachan are gradually changing to the benefit of a working environment adapted to new organizations, favoring collaborative work and exchanges. Outdoor spaces are also arranged for lunch breaks.

Regarding the measures taken to promote **the employment and integration of people with disabilities in France**: The group is doing the necessary adjustments to the premises and is working with AGEFIPH. It uses ESAT partner companies regularly and launches awareness raising campaign for the employees.

With 2,100 employees connected in 22 countries and around 20 different business sectors, the need to exchange information quickly and to share best practices was essential.

With the collaborative platform, My CL, it is also another way of communicating, more spontaneous and regular news on the Group activity through a feed of information.

**Communities can be informative** (retail networks that provide information about their product news or their communication to the shops), **participative** (members can give feedbacks on events seen on the field or in the media), **project** (launching a working group on a transversal issue and which concerns employees of different business units and / or countries), **trades** (sharing best practices between peers in the same sector such as wholesale, purchasing, finance, etc.) and finally **social** people with a common interest such as sport or team membership for dedicated events).

In addition, aware of the aging of the population, particularly in industrial and logistic establishments, Chantelle continues to implement measures to encourage the retention of senior employees.

The triple objective of the Generation Contract is:

- To ensure the sustainable integration of young people into employment,
- promote the maintenance and return to employment of Senior people,
- facilitate the transmission of knowledge and skills in a context of strong renewal of the active population.

These measures are included in the QVT agreement signed in 2018 mentioning in particular:

- the priority for senior workers in the logistics center of Corbie to do day work
- adjustment of the working time at the end of the career with maintenance of a full salary basis for the retirement allowance.

Finally, in order to facilitate the integration of young graduates into working life, the Group welcomes a large number of trainees every year.

The Tunisian subsidiaries, with the reception of **14** trainees in 2018, strongly contributed to this integration. At Chantelle, they were **31** to be welcomed in 2018.



The guarantee of the well-being of our customers associated with the quality and the safety of our products in an ever more demanding regulatory environment.

#### **Listening and information of the consumers:**

The Chantelle group implements a product / service tracking system that takes into account their nature and characteristics. Potential malfunctions are systematically analyzed and recorded and lead to a corrective action. An alert management procedure has been put in place. (Dashboard of allergy alerts).

A customer / consumer service for the French market operates as a unique hotline shop for the Chantal Thomass, Darjeeling, Orcanta, Chantelle and Passionata brands in order to offer the best possible customer follow-up in a short time. This service also handles all requests from shops.

#### **A guarantee of the product safety :**

The Chantelle Group has put into place various actions to take into account environmental issues.

Lingerie, corsetry brands Chantelle, Passionata, Darjeeling, Chantal Thomass and Femilet (since 2018) and swimsuits brands Chantelle and Passionata



**are certified Oeko-Tex standard 100.** (independent control and certification system for raw, intermediate and finished textile products guaranteeing the safety of the substances used).

**Suppliers of Raw Materials or Finished Products of the Group Brands must comply with the REACH regulation** which prohibits the use of chemicals of concern, according to a regularly updated European regulation.

For all suppliers, the specifications are updated regularly to take account of changes in the REACH regulation on the use of chemical substances. Suppliers are required to attest to the implementation of changes resulting from regulatory evolutions.

A Consumer Product Safety Improvement (CPSIA) certificate completes the information to be produced by suppliers of products for the US market.

## Verification checks:

Audits are regularly carried out at the request of Chantelle by independent agencies to verify the adequacy of the certificate signed by the supplier with the tests performed at the request of Chantelle. These controls ensure Reach, Oeko tex and CPSIA compliance for raw materials and finished products.



Corrective actions have been systematically taken in the event of non-compliance.

In addition to compliance with regulatory measures, the Group considered it useful, as part of its duty to advise, to draw the attention of the consumer to the presence of silicone in the support bands of some bras.



Chantelle associates with this SDO the responsibility of setting up working conditions and programs to combat forced labor and modern slavery.

Chantelle is not only committed to respecting these provisions within its own factories but the group requires its raw material suppliers to meet the following commitments:

- Do not employ employees who are not of the legal minimum age provided by the local law or who have not completed their compulsory schooling.
- Do not use any form of forced or compulsory labor (work for which the individual does not offer of his own free will).
- Apply the labor regulations in force in the country of production (time, compensation, benefits) in accordance with the basic conventions of the International Labor Organization (ILO), give written information to the staff.
- Allow at least one day of rest per week and breaks during the working day
- Have a social dialogue policy that allows employees to freely express their legitimate concerns.
- Respect the trade union freedoms.

- Do not use any form of discrimination or harassment of any kind.
- Respect the local rules of safety and hygiene in order to maintain a safe and healthy environment and / or be a member of a notorious ethical and social certification program.
- Provide appropriate protective equipment for employees who are at positions with risks.
- Ensure that work sites are equipped with fire prevention and control systems regularly checked.

The consideration of social and environmental issues into the company's purchasing policy is effective from the start of a commercial relationship with suppliers.

As far as our purchasing practices are concerned, the Group builds sustainable commercial relations with its suppliers, which is a guarantee of mutual satisfaction, for the raw materials that will be cut and assembled in our factories.

**At the end of 2017, the Chantelle Group undertook work to develop a social risk mapping of its suppliers of textile raw materials, finished textile products, accessories and packaging & goodies.** This exercise was also an opportunity to inform and educate the Group's purchasing teams.

This cartography was the subject of a critical review by an external firm.

A follow-up of the Responsible Purchasing documentation (collection of attestations and external audits) has been put in place. The return rate of the certificates and labels requested is not sufficient (70% for CPSIA certificates, 62% for Oeko Tex certificates for raw materials). An action plan will be launched in 2019.

The Chantelle Group is subject to anti-money laundering obligations. It asks its suppliers to make commitments in this regard, including the fight against corruption and influence peddling.

Being supplier and partner of Chantelle Lingerie implies the respect of ethical principles, in particular in terms of social and environmental responsibility.

Also the supplier commits, for its internal or external production, to the **respect of ethical Practices and respects of the regulations**, such as:

- Do not use any form of active or passive bribery or money laundering.
- Alert Chantelle Lingerie's General Management of any unethical behaviour of an employee of Chantelle Lingerie(for example using the practices above mentioned)
- Put in place measures to ensure local compliance with strict measures anti corruption and anti-money laundering.



A process and a data collection tool were set up in order to mutualize the reflections of the Industrial Studies Offices (EIB) and the various Methods departments of the Group factories. This action aims to reduce the waste of materials mainly composed of polyamide, polyester and spandex during the cutting and making operations so as to limit overconsumption or under-consumption of materials. Once the action proposed validated, all the factories are authorized to implement this new solution.

The actions implemented in 2016 characterized by (i) a new method for calculating projected consumption and optimization aimed at **limiting waste** during the development of our lines, (ii) an analysis of the monthly consumption report in order to work on these differences in consumption, (iii) a systematic review of the nomenclatures of our lines before launching the manufacture of new colors on these lines, completed in 2017 by developments in (iv) Monitoring, monthly analysis of over and under consumptions, discussion with industrial sites in order to understand the differences measured and to trace the anomalies encountered in order to correct our nomenclatures as close as possible to our factory requirements (v) Consolidation of our multi-reference investment operation, have made it possible to limit the overconsumption of materials:

**Waste from materials decreased by 62% between 2016 and 2017 stabilized in 2018.**

In France, Group companies have signed contracts with their suppliers for several years, forcing them to take back consumables for recycling. These are mainly toner cartridges, neon lights, batteries etc ...). **75%** of the out-of-scope waste is thus valued. Retail Scope waste is not directly measured as it is collected by shopping centers.

At the Cachan site, **37.7** tonnes of paper and cardboard were collected, after sorting, for recycling (35 tonnes in 2017). **39.7** tonnes of non hazardous waste were also collected in Cachan in 2018 (stable / 2017: 39.5).

But above all, it is important to ensure that the future of the products collected is in accordance with the agreed specifications.

For exemple :

For the headquarters of Cachan **1250 kg** of waste electrical or electronic equipment (D3E) were recycled in 2018. they are central units, screens, printers, cables, kettles, etc ...

Once the waste collected by the specialized company :

- The central units are dismantled by a suitable company in the Val d'Oise, and all materials are valued by refiners.
  - Printers, scanners, cables, small devices are processed in a Service Provider plant in the Oise.
  - The screens are reprocessed in a specialized factory external to the service provider.
- the treatment of non-reused waste from the French industrial sites and logistics are the subject of Donations, resale or Destruction.

Abroad, waste has now been measured since 2018 with the exception of Tunisia, whose waste collection system does not allow an exploitable measurement.

Good practices and Eco-gestures are multiplying and are regularly reminded by email to employees.

End 2018, The new brand of the Group



I: CO is an abbreviation of I: Collect and is a solution provider for the collection, reuse and recycling of used clothing and shoes. Thanks to its innovative take back system and its international infrastructure, I: CO aims to keep consumers' used clothes in a closed-loop production cycle, where these products can be reprocessed and reused with a purpose of reducing waste, conserving resources and protecting the environment.

CL stores invite customers to drop their old clothes to give them a second life.

All the clothes will be sorted and given in a second-hand circuit or recycled. The CL store thanks its customers for the eco-friendly gesture made by giving them a voucher.

In industrial and logistics sites, employees are made aware of the sorting of waste that is then collected by external service providers.

The company has also set up battery collection terminals enabling Cachan employees to deposit used household batteries.

The selective sorting process for waste recovery undertaken by the Morocco plant (selective sorting of ink cartridges, reduction of consumables and plastic films), initiated in 2017, is continuing successfully in 2018. Similarly, the recovery and recycling of oil from sewing machines, especially in Hungary, is spreading to other sites.

**The expectations of a Pollution Control policy also communicated by the Group to its material and product suppliers are:**

- Have an environmental management policy.
- Know how to treat accidental release or discharge of hazardous materials for the environment.
- Maintain a record of greenhouse gas emissions generated as a result of the activity of the society

By this requirement with the suppliers, Chantelle contributes to the SDG 6, the Chantelle Group being - directly - only a weak contributor to the pollution of the water.



Indeed, water is not used in the Group's industrial processes (cutting and assembling).

The water supply does not present any particular difficulty since the sites are located in activity zones. However, there is careful monitoring of water consumption in Morocco and Vietnam, the countries most affected by the physical water scarcity, while the other sites, ie 70% of the Group's industrial sites, are located in the country. areas poorly confronted with the problem of water resource depletion.

**This expectation is relayed to the suppliers** (in the case where the production requires it):

- For the manufacture of raw materials, the supplier must adhere to local standards for annual water consumption per kilo of material produced.
- Put in place actions to save water and recycle it whenever it is possible.
- Guarantee the sewage treatment before discharging into the natural environment, in accordance with at least the local standards regarding water pollution.

The Group and its raw material suppliers are engaged in an approach aimed at optimizing dyeing operations (energy-consuming and water-consuming), which are exclusively carried out by the Group's suppliers, by doing stocks of unbleached raw materials.

These stocks make it possible to gather operations by dyeing only the necessary quantities and thus limiting the waste of materials.

Downstream, the collected data relate to a panel of 25% of our retail network demonstrate an average consumption of about 9m<sup>3</sup> / shop. There is therefore very little water consumed at this level.



With regard to the significant greenhouse gas emissions generated by the company's activities, in particular through the use of the goods and services it produces, a review of the data of Chantelle and of its registered head office had identified 7 potential issues:

**Direct Emissions of GHGs:**

1. Stationary sources of combustion
2. Mobile sources with thermal engines
3. Non-energy processes
4. Fugitive emission
5. Emissions from Biomass

**Indirect emissions:**

6. Consumption of electricity
7. Steam consumption, heat

**The Group has since 2017 been responsible for monitoring gas emissions linked to upstream freight transport:** shipments of raw materials between the Group's warehouses and plants and shipments of finished products from the factories to the Corbie Logistics Warehouse, and downstream: shipments of finished products from the Corbie Logistics Warehouse to customers or shops. Employee travel by means of locomotion other than company vehicles already taken into account under Direct GHG Emissions is now also monitored.

These measures do not concern the transport of waste.

The Group seeks to favor maritime transport whenever possible with regard to industrial and commercial constraints.

The elements are included under the heading "Indirect emissions associated with energy" in the table below.

Bilan GES tous sites							
catégories d'émissions	Postes	Unité (TCO2e)				Ecart des Emissions (%) 2018/2014	Ecart des Emissions (%) 2018/2017
		année de référence 2014 (car bilan GES réalisé par prestataire)	année de "reporting" 2017	année de "reporting" 2017- révisée	année de "reporting" 2018		
0	1 (sans fioul) - France hors boutique	866	746	746	845	-2	13
	(Hongrie) - International	0	94	94	124	/	32
	1 (pour le fioul) - tous les sites	0	2 454	2 454	1 673		-32
	2 - France hors boutique	365	336	356	354	-3	-1
	2 - international	0	224	224	128	/	-43
	4 - France hors boutique	22	0	0	0	-100	#DIV/0!
	4 - Boutiques	0	61	61	65		
	<b>Sous total</b>	<b>1 253</b>	<b>3 915</b>	<b>3 935</b>	<b>3 188</b>	<b>154</b>	<b>-19</b>
Emissions indirectes associées à l'énergie	6 - France	354	4 658	307	310	-12	1
	6 - International	/	3 186	3 186	3 736	/	17
	6 - Boutiques	/	602	602	563	/	-6
	<b>Sous total</b>	<b>354</b>	<b>8 447</b>	<b>4 095</b>	<b>4 609</b>	<b>1 202</b>	<b>13</b>
Autres émissions indirectes de GES	12	/	5 386	5 386	7 415	/	38
	13	/	441	441	605	/	37
	18	/	1 329	1 329	42	/	-97
	<b>Sous total</b>	<b>/</b>	<b>7 157</b>	<b>7 157</b>	<b>8 062</b>	<b>0</b>	<b>13</b>
total général		19 519	15 187	15 860		4	

Remarque unité du gaz : kWh /PCS (PCS pour la France et par défaut pour tous les autres pays ( car manque information Pcs ou Pci)

Note: the 2017 reporting overestimated the indirect emissions associated with energy. This mention of the previous report is taken as a reminder but it is in fact necessary to retain the N-1 reference elements mentioned in the "revised 2017 reporting year" column, ie a total of 15 187 TCO2 compared to the 2018 result: 15 860 TCO2

## Conclusion:

The upgrading actions that have continued in 2018 (Progressive continuation of the renovation of the air-conditioning park in R22, progressive installation of presence sensors to reduce electricity consumption) are still unable to compensate for indirect emissions



How to participate in the conservation of the climate thanks to the energy saving?

In Cachan, heat pumps have been installed as well as control systems with hourly start-up management and controlled temperature management (high / low); The copier fleet was replaced in 2017 by less consumer devices; The office printer fleet is shrinking to limit printing loss. LEDs have been installed on the new luminaires.

The logistics sites do not yet use renewable energies but have taken many measures to improve energy efficiency, including controlled heating of buildings through supervision, lighting of buildings managed in automatic mode via twilight switches and time programmers, systematic use of LEDs during progressive replacement of lighting fixtures.

## Suppliers are also contributors as they are asked:

- For the manufacture of raw materials: to adhere to local standards for the annual energy consumption per kilogram of material produced.
- Put in place an action plan to fight against waste.
- Have studied or study the possible use of renewable energies.



The Group is aware that companies depend on biodiversity, through the materials and "services" it produces for free.

Thus, preserving the ecosystems makes it possible to have a better control of its costs and the quality of its products. Biodiversity is also a source of inspiration and innovation.

**The Group has launched a voluntary PEFC (Forest Certification Recognition Program) certification program guaranteeing the consumer that the cellulose used for packaging and paper comes from sustainably managed forests.**

Through its activities, the Chantelle Group has little impact on the fight against food waste, food insecurity, as well as the promotion of responsible, equitable and sustainable food. The Chantelle Group does not produce fur or leather-based textiles, so respect for animal welfare is not an issue for the Group.



But contributing to sustainable development also means making sure that everyone has access to their essential needs and rights. This inclusive economy integrates in Chantelle a dimension of Mécénat and associative partnership



For 6 years, donations of products have also been made to Secours populaire. As part of its general missions, **Secours populaire français** provides material assistance, through its various structures, to disadvantaged people. It collects new products from companies in the form of in kind donations and redistributes them through its various local structures but also through the federations of Val-de-Marne and Essonne.

In November 2018, 38,827 pieces of lingerie were offered.



Finally, the Chantelle group has made a donation for the third year in a row to the **Donation in Nature Agency**. ADN has set up a platform between large companies and the associative world. In this context, it collects new unsold products from companies in the form of in-kind donations to redistribute them to partner charities in France.

10,847 lingerie pieces were donated in 2018.



Every year for 5 years, Chantelle Group participates in the **Odyssea** race. The Odyssea association fights against breast cancer by organizing charity walks and running open to all.

In 2018, the Group paid Odyssea € 3,500 and € 1,438 for running registration fees.

This very unifying event brings together around 80 Chantelle employees each year!



As a player in the well-being of women, the Group has accompanied the **Seintinelles Association** for 6 years. The objective of this project is to accelerate cancer research and to increase the number of studies conducted with increased awareness in the fight against cancer.

This support took the form in 2018 of the promotion of the association in the external communication tools of the Chantelle Group and two donations for a total of 35 000 euros bringing to 330 000 euros the total amount of donations made to the benefit of this association

Considering the needs of the Association, this donation was mainly used to:

- Participate in the development and running costs of the website and databases.
- Participate in the employment of a permanent employee at the association.
- Participate in the development of communication tools (press and display campaigns)
- Contribute to the developments of the site.



CHANTELLE is also sponsoring a class in Cambodia as part of the **"All at School" project**. This project, initially initiated under the "Marie Claire Flame" operation, of which Chantelle had been a partner since 2006, continued in 2018 in the form of a new payment of € 20,000, bringing the total amount to €130,000. donations made for the education of girls in Cambodia.

The brand Darjeeling, meanwhile, has sold in its stores and on its website, notebooks to donate € 11,730 to the association

## METHODOLOGICAL NOTE OF THE REPORTING EXTRA-FINANCIAL PERFORMANCE DECLARATION

### Reporting period:

The data collected covers the fiscal year ended December 31, 2017. The data is reported at an annual frequency with a mid-year point.

### Scope of reporting:

The scope of reporting EXTRA- FINANCIAL PERFORMANCE DECLARATION aims to be representative of the impacts of the Group's activities. It is defined according to the following rules:

- Inclusion of activities in France: head office activities and all commercial and industrial activities of cutting and making women's lingerie articles as well as logistics activities operated in France;
- Inclusion of industrial activities of cutting and making women's lingerie items abroad, with the possible distinction of localized activities in Asia / outside Asia, as well as a logistics activity in Thailand;

● Exclusion of commercial activities abroad which represent approximately 12.5% of the workforce. Commercial activities in France which represent approximately 23% of the workforce are included. Since 2017, the Environment reporting has included the Delta lingerie and Rouafi companies.

Progressive integration of new entities:

● the entities within the reporting scope EXTRA- FINANCIAL PERFORMANCE DECLARATION included in the financial scope in year N will be included in the reporting scope EXTRA- FINANCIAL PERFORMANCE DECLARATION for the year N + 1;

● The entities sold in year N will be excluded from the reporting scope EXTRA-FINANCIAL PERFORMANCE DECLARATION for year N + 1.

Consequently, in 2018, the scope of reporting EXTRA- FINANCIAL PERFORMANCE DECLARATION, except explicit mention, consists of the following entities:

Sociale Resaon	Adress	Countrie s	% Intere st	Commercial or industrial activity
CHANTELLE SA	8/10 rue de Provigny 94230 CACHAN	France	Mère	Commerciale et industrielle
DELTA LINGERIE	8/10 rue de Provigny 94230 CACHAN	France	99,9	Commercial
ROUAFI	8/10 rue de Provigny 94230 CACHAN	France	100	Commercial
CHANTUNI	BENI HASSEN Gouvernorat de MONASTIR	Tunisia	99,9	industrial
CHANTELLE VIETNAM	Plot E, Road 2, Dong An Industrial Park, Thuan An District, Binh Duong Province	Vietnam	100	industrial
SOFAM	B.P.17 5080 TEBOULBA	Tunisia	99,9	industrial
SOTUFAM	5014BENIHASSEN Gouvernorat de MONASTIR	Tunisia	99,9	industrial
PASHA KFT	Udvari Vince U.30 7200 DOMBOVAR	Hungary	100	industrial
CHANTMA *	Lot 122 – Z.I. du Sahel HAD SOUALEM	Marocco	100	industrial
FAMACO	ZI Sahel, Lot122 HadSouale 26400 BERRECHID	Maroc co	99,9	industrial
CHANTASIA Co, LTD	88/11 Moo 5, Bangna-Trad KM.39, Bangsamak,Bangpakong, Chachoengsao, 24180 Thailand	Thaïland e	100	Industrial (logistic)
ATMA LINGERIE	Z.I. Takadoum Lot N° 26 RABAT	Maroc co	50	industrial
SIGMA Lingerie Co, LTD	140/1 Moo 5 Putthamonthon 5, Omnoi, Kratumban Samutsakhon 74130 THAILANDE	Thaïland e	49	industrial

\* zero

Lastly, in terms of readability, the following sub-perimeters EXTRA-FINANCIAL PERFORMANCE DECLARATION are communicated if relevant in the report:

● "France scope" refers to all activities in France

● "Retail scope" means, within the scope of France, all the activities of the stores of the company Delta Lingerie "Darjeeling" and stores of the company Rouafi "Orcanta", "Passionata" and "Chantal" Thomass".

● "Foreign Perimeter" refers to all logistic and industrial activities abroad. Commercial subsidiaries located abroad, which together account for about 13% of the Group's workforce, are not subject to reporting.

● "Group scope" for France and Foreign Perimeters, representing with the rules previously explained about 87% of the Chantelle Group's workforce.

● "Cachan" for the head office of the companies included in the French Perimeter which include design, development and administrative offices located in Cachan (France) in the suburbs of Paris (94).

#### **Consolidation and internal control:**

The data is collected centrally or from each entity included in the EXTRAFINANCIAL PERFORMANCE DECLARATION reporting from the following sources: Quality Department, Human Resources Managers, Industrial Management and Supply Chain.

#### **External control:**

The Chantelle Group has appointed FINEXFI as the Independent Third Party for the preparation of a report on the presence and sincerity in the management report of the EXTRA-FINANCIAL PERFORMANCE DECLARATION information required by the Article R.225-105-2 of the French Commercial Code.

## Definitions of indicators and methodological specificities:

### Social performance indicators

Indicators	Description
Total workforce	Total workforce is the total number of employees and alternates of Chantelle and all of its subsidiaries, including foreign sales subsidiaries as reported in the Consolidated Financial Statements.
Breakdown of employees by sex, age and geographical area	It is at the Group Scope level that the breakdown by sex, age (<25, 25/35, 35/45, 45 and +), physically entered in the payroll register of 31/12 the financial year, whether on permanent or fixed-term contracts, including parental or maternal leave, detached persons, suspended contracts, people on long-term leave. The workforce includes apprentices (apprentices and professionalization contracts) but does not include temporary staff or trainees. The detail is reported in Appendix.
Hiring and redundancies	Total realized during the year of hiring on permanent and fixed-term contracts and dismissals relating to permanent contracts on the Group scope. The detail is reported in Appendix.
Remuneration and their evolution	Total amount of remuneration mentioned in the consolidated financial statements for the financial year with a reminder of the year N-1. This information, derived from the consolidated financial statements, therefore also relates to foreign commercial subsidiaries.
Training hours	Number of hours of training followed by employees (permanent and fixed-term contracts) and occasionally by trainees. These hours of training can take the form of e-learning for which the hours reported are the theoretical hours and in the form of physical training with a support and a sheet of registration. The hours of training are recorded in the training implementation year (with the exception of a two-year reprocessing exception). The detail is reported in Appendix
Review of the collective agreements	The scope of publication of information relating to collective agreements is that of France for which we have a comprehensive reporting and a homogeneous definition (the notion of collective agreement in many foreign countries does not correspond to that defined in France ). The impacts of these agreements on the economic performance of the company as well as on the working conditions of the employees are specified

**Indicators of environmental information :**

Water consumption	Refers to the measured water consumption of the sites of the Foreign Perimeter and the France Perimeter with the exception of the Retail Perimeter for which an estimate is made, recorded over the year and on the basis of invoices reduced in proportion to the reporting period.
Energy consumption	Designates, on the basis of invoices reduced in proportion to the reporting period, the consumption of electricity and gas measured on the sites of Perimeter France with the exception of Retail Perimeter for which an estimate is made as well as on the sites of the Perimeter Foreign, in kWh.
Waste	Refers to all the waste measured on the Perimeter France with the exception of the Retail Perimeter for which an estimate is made. The waste produced by the sites of the Foreign Perimeter is not the subject of a systematic measurement but a follow-up by nature of waste.

**● Summary of Greenhouse Gas Emissions**

The environmental information provided as part of this report for the purpose of

The 2017 financial year was updated by the Company using the methodology chosen by the firm 4 sens when it carried out the study on an organizational scope set up in 2015, (i) the head office activity of Cachan, the logistics activity of Corbie, and (ii) a representative sample in accordance with the decree of 24 November 2014, of Delta Lingerie stores with Darjeeling brand and ROUAFI stores with Orcanta .

In accordance with the provisions of Article 173 of the Grenelle II Act, the Chantelle Group has initiated a process to identify significant items of greenhouse gas emissions generated as a result of its activity and the use of goods and services. services it produces (Scope 3) and further extended its study on the Group Scope.

**Organization of Reporting and Information Collection Process:**

An internal reporting repository was used to gather the information needed to report. This repository indicates the definitions and the source of the information reported. The sources of intervention are identified in order to streamline the collection of information.