



GR O U P E
BEAUMANOIR

**DECLARATION
OF EXTRA-FINANCIAL
PERFORMANCE**

**20
18**



TABLE OF CONTENTS

THE BEAUMANOIR GROUP	03.
OUR SOCIAL RESPONSIBILITY STRATEGY	09.
SUSTAINABLE PRODUCTS AND SERVICES	15.
A FAIR AND MOTIVATING WORK ENVIRONMENT	23.
ETHICAL PARTNERSHIPS	31.
A MANAGED ENVIRONMENTAL FOOTPRINT	41.
CSR RESULTS	49.



THE BEAUMANOIR GROUP

03

Our business and our ambition

More than 13,000 people now work for the Beaumanoir Group worldwide, whether they are employed by our companies or our affiliated partners.

Our activity is organised around two business activities:

- Creation and distribution of ready-to-wear clothing
- The supply chain

The items from our brands, namely clothes and fashion accessories (shoes, jewellery, etc.), are designed by our teams based in Saint-Malo, Paris and Shanghai in collaboration with our supplier partners.

They are mainly sold in the Cache, Bonobo, Bréal, Morgan, Scottage and Vib's stores belonging to the Group or our affiliated and franchised partners, as well as on their own and their partners' online stores.

Our logistics subsidiary, C-Log, takes care of the transit of products from our different supply regions to our seven logistics sites, and then onwards to our stores or directly to our e-commerce customers. C-Log also provides its logistics, transport and cross-channel order preparation expertise to other fashion and luxury brands.

The global textile market is currently undergoing big changes: new players are emerging while others are restructuring; buying practices are evolving with the rapid development of the omni-channel approach; the use of data in serving the customer is becoming a key competitiveness challenge; operational rules are being bolstered, etc.

With this context in mind, the Beaumanoir Group is continuing its digital and omni-channel transformation, while remaining an agile company in serving its partners and customers in order to become a major player in textile distribution.

Our vision: becoming number 1 in customer relations within our various areas of activity.

Our values

The Beaumanoir Group structures its management around seven key values, which define its responsibility towards its customers, employees and partners.

Commercial spirit

Commercial spirit is part of our DNA and guides everything we do. Every day we make use of our abilities in order to satisfy our customers and give life to the entrepreneurial spirit within us: identifying new challenges, thinking outside the box and showing strong initiative all define our purpose.

Humility

Humility is a strong human value within the Beaumanoir Group. Openness to others, the ability to question ourselves and the desire to improve our practices are an important gauge of company sustainability.

Closeness

Closeness is key to building solid and sustainable relationships with our employees, customers and suppliers. We are confident that it is only by being close to our partners that we can understand their needs, meet their expectations, forge mutual trust and benefit from sharing experience.

Respect

Respect means a guarantee to accept diversity, adapting to different cultures and being rigorous in our rules and best practices.

Reactivity

Reactivity is an imperative and a strength in a constantly evolving market. The Beaumanoir Group's organisation structure is based on quickly identifying new ideas, taking decisions and applying them.

Passion

Passion for our job, our enthusiasm, the “pleasure of winning together”, is what drives us. By joining the Beaumanoir Group, you become part of the “TRIBE”!

Progress

Progress is both technological and human, something to which every one of us actively contributes. By entrusting our employees with real responsibilities and drawing on the constant acquisition of knowledge, we are building dynamic and forward-looking organisations.

Our value creation model

WE CREATE VALUE

OUR VISION: BECOMING NUMBER 1 IN CUSTOMER RELATIONS WITHIN OUR VARIOUS AREAS OF ACTIVITY
 OUR VALUES: **Commercial spirit - Humility - Closeness - Respect - Reactivity - Passion - Progress**

CACHE CACHE • BONOB • BRÉAL
 Scottage MORGAN Vib's

GROUP HEAD OFFICES
 IN SAINT MALO, PARIS AND SHANGHAI

Main countries of operation



2538 RETAIL OUTLETS WORLDWIDE
 1457 IN FRANCE 896 IN CHINA

RESOURCES WE NEED

Professional staff

13,500 people,
 including 4,900 employees

Financial resources

Family shareholders

Material and immaterial assets

Stores
 Logistics sites
 Services

Suppliers

390 suppliers of finished products

Affiliate and franchised partners

540 partners in France and China

Raw materials

Renewable and non-renewable materials
 Electricity and natural gas (36 GWh)
 Water

GRUPE BEAUMANOIR
CUSTOMERS
 +25 million loyal customers

Marketing
 Omni-channel distribution

Logistics
 BtoC and BtoB
 6 logistics sites in France
 1 logistics site in China



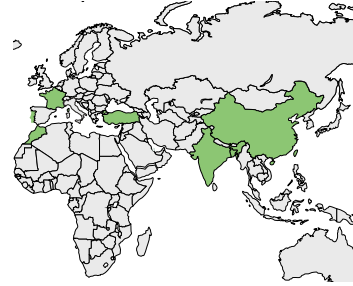
Transport and logistics to third-party customers
 Around 25 customers from the fashion and luxury sector

Purchase of finished products and bespoke products

Transport

Design

Main sourcing countries



VALUE CREATED

Sales revenue
 €1.2 billion

Clothes and fashion accessories

54 million items
 including 6 million accessories

Accessible fashion for men and women

Customer experience
 A significant percentage of retail outlets located in small or medium-sized towns

Customer satisfaction

NPS* between 50 and 60

High-quality logistics services
 63 million items dispatched
 8,000 retail outlets supplied



Employment and development of operating territories

Responsible and innovative products and services



Second life for thousands of items (recycling, donations, etc.)
 41% of electricity from renewable sources

* Net Promoter Score



OUR SOCIAL RESPONSIBILITY STRATEGY

09

Our main Corporate Social Responsibility (CSR) challenges

OUR APPROACH

We introduced a DEFP (Declaration of Extra-Financial Performance) working group in October 2018 , made up of representatives of our various departments, in order to identify primary CSR issues – social, environmental and societal – associated with the Beaumanoir Group’s economic model.

For the work to be as relevant as possible and although the Group is not a listed company under Article L 225-102-1, we decided to include extra-financial challenges related to human rights and the fight against corruption in our analysis.

Initially, we identified a range of relevant extra-financial challenges for our company using the ISO 26000 standard, knowledge of the sector and global CSR baselines¹. 22 risk-carrying challenges were thus selected, for which we identified the impact on the Group’s value chain.

Food insecurity, responsible, fair and sustainable food and the fight against food waste were not chosen as these challenges are not applicable to our areas of activity.

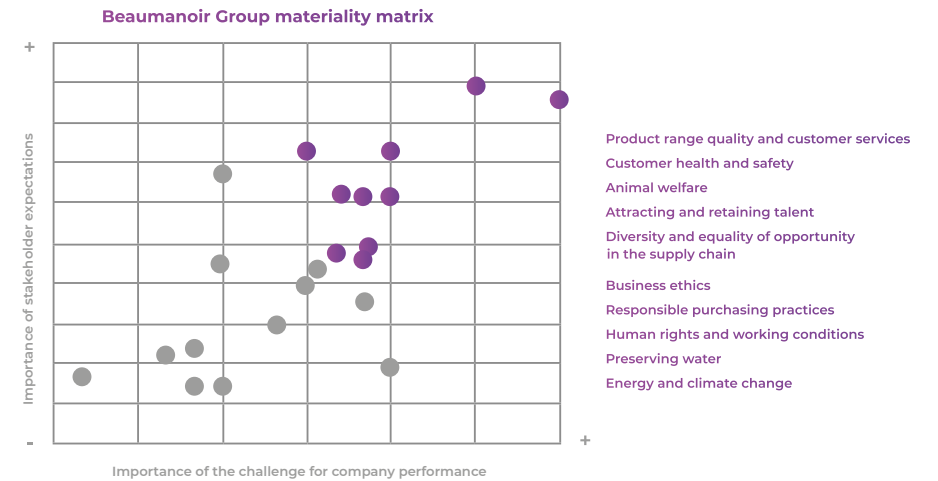
We then updated our materiality matrix. Two aspects were taken into account in prioritising each extra-financial challenge:

- The challenge’s significance for the Beaumanoir Group’s economic performance, evaluated by the DEFP working group according to three criteria: seriousness of impact for the Group, frequency of challenge-related threats and opportunities and the Group’s level of control over the challenge
- The importance of stakeholder expectations for these challenges. For this, we chose to ask three stakeholders questions by telephone and email identified as priority: employees, our brands’ customers and textile suppliers

OUR 10 PRIORITY CSR CHALLENGES

Our materiality matrix allows us to identify priority CSR challenges for the Beaumanoir Group and our stakeholders.

For the first year, we decided to choose 10 challenges that posed the most significant regulatory , financial, reputational or operational risks for the Beaumanoir Group.



These 10 challenges more specifically concern the following stages in the Group’s value chain:

Challenges	Design	Raw materials	Manufacture	Logistics	Distribution	Use and end-of-life
Product range quality and customer services	✓	✓			✓	✓
Customer health and safety	✓	✓	✓		✓	✓
Animal welfare	✓	✓				
Attracting and retaining talent				✓	✓	
Diversity and equality of opportunity				✓	✓	
Business ethics	✓		✓	✓	✓	
Responsible purchasing practices		✓	✓			
Human rights and working conditions in the supply chain		✓	✓			
Preserving water	✓	✓	✓			✓
Energy and climate change	✓	✓	✓	✓	✓	✓

The Beaumanoir Group’s brands and business lines are confident of the importance of the “Circular Economy” challenge in their activities. Since this challenge does not come under one of the ten main CSR challenges in our materiality matrix, we decided not to put it in the Declaration of Extra-Financial Performance this year. But as we want to be part of progress, it will feature in the 2020 DEFP.

¹ Apparel, Accessories & Footwear Sustainability Accounting Standard (SASB 2015), Environmental Impact of the Global Apparel & Footwear Industries Study (Quantis 2018), Pulse of the fashion Industry (BCG 2017), etc.

Our CSR commitments

The Beaumanoir Group's CSR approach is articulated around four major commitments grouping together the ten priority CSR challenges on which the Group concentrates its efforts on the subject of social responsibility.



Ethical partnerships

- . Business ethics
- . Responsible purchasing practices
- . Human rights and working conditions



A fair and motivating work environment

- . Attracting and retaining talent
- . Diversity and equality of opportunity



Sustainable products and services

- . Product range quality and customer services
- . Customer health and safety
- . Animal welfare



A managed environmental footprint

- . Preserving water
- . Energy and climate change





SUSTAINABLE PRODUCTS AND SERVICES

15

Product range quality and customer services

Satisfying customers is essential for the Beaumanoir Group, whose ambition is to become number one in customer relations. Offering quality products, services and support are key components for fostering customer loyalty and continuing our development in the coming years.

Policies: Our brands introduced a product quality policy structured, in particular, around supplier quality charters, checks and laboratory tests. In 2019, the objective is to further improve monitoring and support of our suppliers through further visits to factories and on-site checks. Our logistics business activity has also had an ISO 9001 and OEA certified quality strategy for several years.

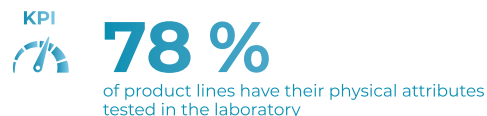
WORKING WITH OUR SUPPLIERS ON PRODUCT QUALITY

Framework agreements define the partnerships between our brands and their suppliers. Signed by all our suppliers, they contain quality requirements for products sold.

Our "Product Quality" departments have more than 60 employees, including 47 Quality Controllers present in our sourcing countries. They are specifically tasked with ensuring that products are quality compliant in terms of material, manufacture, storage and transit, labelling and packaging, etc.

Laboratory tests and checks are then carried out under our testing policy by external audit providers or our own quality controllers prior to shipping or upon receipt of the goods at our logistics sites. If a problem is found, the defective items can be repaired. When the defect is deemed unacceptable, the item is refused.

Since 2017, the Group has delegated certain checks and delivery approval tasks to their suppliers as part of a trust and accountability strategy, and introduced a system to monitor their checks at the same time. In 2019, the objective is to further improve monitoring and support of our suppliers through further visits to factories and on-site checks.



SUPPORTING OUR CUSTOMERS AND PROVIDING QUALITY AFTER-SALES SERVICE

Our brands rely on customer services, which ensure that our customers are satisfied throughout the buying experience.

Their teams are regularly trained to provide a high-quality welcome and are at hand to respond to any customer questions. They are also responsible for handling problems and complaints as quickly as possible. Additionally, we ask our customers for feedback on a daily basis via our customer satisfaction surveys. If a customer is not satisfied with our products or their experience, we commit to getting back to them as soon as possible to better understand the cause of their discontent and do whatever is necessary to resolve the situation.

For two years, our customer services have been accessible to the deaf and hard of hearing, so they can benefit from service identical to everyone else.

From now until 2020, a post-contact satisfaction monitoring system will be rolled out in France, making it possible to better measure the quality of the services we provide to our customers.

RESULT



More than
152,000
customer contacts handled in 2018
by our Customer Services (France)



KPI
96%
customer calls handled (France)

GUARANTEEING QUALITY LOGISTICS SERVICES

Since 2013, the head office and five logistics sites of our C-Log logistics company based in France have been ISO 9001 certified, which certifies that their quality management system is run properly. The objective is for the Vetry logistics site, taken over in 2017, to obtain the same certification in 2019.

To guarantee high-quality customs processes to its customers, the C-Log head office and its five longstanding logistics sites have been OEA certified (a customs certification) since 2017. The company aims to renew its OEA certification by 2020.

In order to measure customer satisfaction and implement a continuous improvement strategy, C-Log introduced a customer satisfaction system for the first time in 2018 for stores of the Beaumanoir Group's brands, which it intends to renew each year.



KPI
5 logistics sites out of **7** ISO 9001 certified

Customer health and safety

The number one priority for the Beaumanoir Group is to ensure that customers are under no risk when buying our products or visiting our stores and that our products meet the regulations in force. This high standards are vital for the reputation and economic performance of our brands and businesses.

Policies: To guarantee maximum safety to our customers, we established a framework and rigorous systems for checking our products: supplier charters, audits and laboratory tests in particular. Our policy on the chemical substances used in our products or in their manufacturing processes is also, in some cases, stricter than the regulations. In 2019, we will continue to consolidate the systems in place and bolster work to empower our suppliers, as well as monitoring materials used by the Oekotex label.

GUARANTEEING PRODUCTS ARE HARMLESS

Framework agreements, signed by all our textile suppliers, include a certain number of requirements guaranteeing they are harmless and compliant with the regulations in force in the countries where our brands' products are distributed.

In Europe, our products naturally comply with the European REACH regulation, which limits the use of chemical substances and defines the types and amounts permitted. In China, our products are compliant with GB Standards put in place by the government. These standards prohibit certain substances and limit others.

In order to protect health and guarantee safety throughout our production chain, as well as reduce our impact on the environment, we started a process that limits or even eliminates certain chemicals in our products and manufacturing process, which is sometimes even stricter than regulations require. In particular, we encourage the use of materials and accessories manufactured in keeping with the Oekotex label, which prohibits or limits a large number of chemical substances.

Each year, to ensure products are compliant, our "Product Quality" departments in France and China ask external, independent and reputed laboratories to carry out tests. These laboratories are chosen for their compliance with international standards and their accreditation, and for China in particular, their accreditation by the Chinese government.

Any non-conforming product containing unauthorised substances or substances in quantities above the regulatory limits is rejected and cannot be sold.

RESULT



22,500
laboratory tests
on chemical properties



98%
compliant chemical tests

ENSURING THE SAFETY OF OUR RETAIL OUTLETS

For all their retail outlets, the Beaumanoir Group complies with the regulations in force for Public Access Buildings (PABs) in the country in which they are located. These regulations specifically include a safety component (e.g. annual checks of fire extinguishers or electrical equipment) and apply to store openings for their entire operational life.

Safety commissions come to check our retail outlets are compliant.

Animal welfare

Fashion has always used materials from animals in the manufacture of products. Respecting animals has become a significant concern for many people. It is vital for our brands that the Beaumanoir Group offers alternatives to these materials and ensures animal welfare while living up to the growing expectations of its customers.

Policies: The Beaumanoir Group condemns the mistreatment of animals. We are committed to respecting and protecting animals by removing certain animal-derived materials from our collections and requiring guarantees from our suppliers. The ultimate objective is to guarantee that 100% of our supplies come from farms that are respectful to animals.

PROHIBITING CERTAIN ANIMAL MATERIALS

For several years now, all of our brands have stopped using real fur and genuine angora hair in their collections.

FIGHTING AGAINST THE MISTREATMENT OF ANIMALS WITH OUR SUPPLIERS

In 2018, we significantly bolstered the “Respecting animals” section of our Supplier Ethical Charter, with the aim of aligning ourselves with the most stringent international standards such as the Five Freedoms for animal welfare provided by the World Organisation for Animal Health (OIE) or even CITES (Convention on International Trade of Endangered Species).

Therefore, animal-derived materials must come from animals treated ethically and responsibly during rearing and slaughter. Materials from slaughtered animals must only come from animals intended for the meat industry.

To date, 94% of our suppliers have signed our new Ethical Charter and are committed to protecting and respecting animals by our side. We are ending our commercial relationship with the suppliers that have not signed our charter.



94%

of our suppliers are committed to animal welfare by our side.

TRACING ANIMAL PRODUCTS

In early 2019, we initiated a pilot traceability project for animal-based materials, starting with wool. We are implementing a continuous improvement strategy.



A FAIR AND MOTIVATING WORK ENVIRONMENT

23

Attracting and retaining talent

It is thanks to our employees and their dedication that the Beaumanoir Group has been able to grow as it has since its creation. Attracting, developing and retaining talent are key opportunities for our brands' and businesses activities' economic performance

Policies: To improve our reputation and make new employees want to join our Group, we introduced innovative recruitment systems and a recruitment policy that encourages permanent contracts. We are also committed to improving our employer brand in order to retain talent. Our objective is to measure the satisfaction of all our employees through employee satisfaction questionnaires that we will roll out gradually by 2021.

RECRUITING NEW EMPLOYEES

Throughout all of our companies and territories, the Group recruits several hundred employees each year across its two main business lines (distribution and logistics). These hires are mainly on open-ended employment contracts and our objective is to keep at least 85% of the total workforce on permanent contracts.

Several schemes were introduced in France to attract talent, in addition to redesigning the Group website's careers page: "job dating" days, referral programmes, the "A Job for my Partner" programme for employees wishing to move to Brittany, participation in school forums and the introduction of partnerships, including the Excellence programme with the Rennes School of Business in 2018. In 2019, new innovative recruitment tools will be rolled out, such as a chat bot for applicants to our stores, or even the Job Hopps application, which allows for a combination of multi-employer contracts.

RESULTS



4,924

employees as of 28/02/2019

More than

121,000

people visited our French website's career page



KPIs

89%

on permanent contracts in the workforce

8%

Almost 8% applied after visiting

DEVELOPING TALENT

There are several programmes to support employees in their careers.

The career review system, People Review, allows individual support plans to be drawn up and refined through employee evaluation and annual development interviews.

Our training policy then gives everyone options for professional development. In 2018, we placed emphasis on new distance training methods – which are more flexible and more suitable for our in-store activities and will continue to be improved over the next few years – as well on management, with the introduction of the Beaumanoir Talent Program. In France, 100% of managers will be trained in management by 2021.

Finally, our range of job roles and policy encouraging internal promotion allows us to offer a career plan and real development opportunities to employees who are interested, responsible, and keen to get stuck in. There is a great number of examples of employees who have changed position since joining the company, whether at our stores, offices and logistics sites.

RESULT



4,666

employees trained in 2018

BOLSTERING OUR EMPLOYER BRAND

To facilitate integration into the "Beaumanoir Tribe" and make starting new roles easier, integration processes have been introduced across the board for staff in head offices and store managers based in France, with a two-week induction course, a mentor scheme and introductory drinks. The brands' objective is to develop integration processes for all our in-store teams from 2020 onwards.

Additionally, internal communication systems were bolstered in 2018, helping to consolidate our tribal spirit, with regular broadcasts of Group news, performances, projects and objectives to employees.

Regular internal events, the ASGB sporting association run by and for employees of the Brittany sites and sponsored by the Group, a Family Day in China and collaborative projects such as a vegetable garden and beehives at our Cambrai site also make it possible for employees to have a good time together.

The Beaumanoir Group will continue to encourage well-being at work among its employees with the establishment of a sports club in Paris in 2019, and a mobility plan in Saint-Malo.

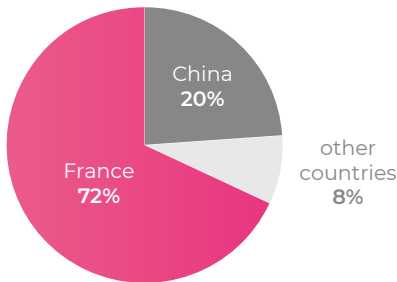


ENCOURAGING HIGH-QUALITY SOCIAL DIALOGUE

In France, the Group has focused on working time with its social partners. Company agreements are regularly signed on this subject, the objective being to ally company performance with quality of life at work.

In 2019, a Group agreement on hiring and maintaining disabled people in work will be signed by all French companies.

Distribution of workforces by country



Diversity and equality of opportunity

Respecting equality of opportunity and treatment between employees is a regulatory obligation and one of the Company's key requirements. It is also an opportunity for development and improved economic performance for a company like the Beaumanoir Group.

Policies: Respect is one of the seven key values of the Beaumanoir Group. Fighting against any form of discrimination at work is a fundamental principle of our Ethical Charter. We also encourage hiring young people, as well as disabled people through our Disability Mission. A Group agreement on hiring and maintaining disabled people in employment should be signed for France in the course of 2019. The aim of this agreement is to create genuine momentum by setting objectives for ourselves and making ourselves commit to taking action in the short and medium term.

FIGHTING AGAINST DISCRIMINATION

In early 2018, the Beaumanoir Group drew up an Ethical Charter in which we reaffirm our commitment to fighting against any form of employment discrimination and promoting, throughout our branches, real professional equality between women and men, diversity and the right to work for all, focusing our social policy on skills and performance.

The Ethical Charter, available on our website, was given out to all Group employees. Mandatory e-learning training was introduced to ensure the principles of this guiding document had been taken on board by all.

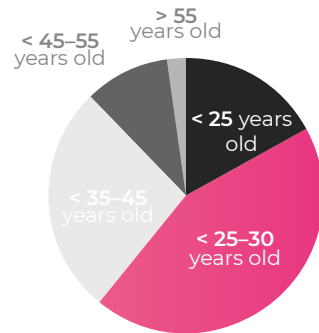
An Ethical Committee, composed of company directors, meets twice a year to ensure teams remain on top of this subject.

ENCOURAGING EMPLOYMENT OF YOUNG PEOPLE

Helping young graduates on the job market into employment has always been important to the Beaumanoir Group. Today, 60% of our employees are younger than 30.

In France, we already have several partnerships with schools and hope to introduce new partnerships in 2019, with fashion schools in particular.

Distribution of workforce by age



ENSURING GENDER EQUALITY

We are mindful of ensuring women and men are treated equally throughout their career within the Group.

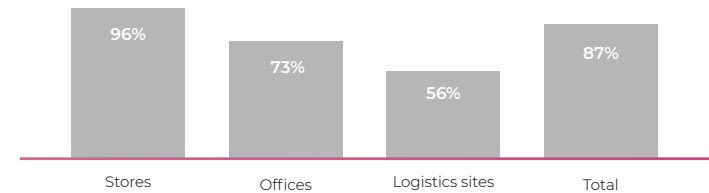
The human resources teams ensure that only ability to do the job is taken into account when hiring, and that access to training is identical for everyone. The composition of interns participating in the B Manager training programme therefore respects the appropriate share of women in management for the Group.

In terms of pay, a job classification grid was implemented in 2018. It verifies equity between employees and identifies job categories and any wage gaps, particularly between men and women. Any unjustified gaps identified were reported to managers for consideration and correction.

Additionally, other initiatives have been implemented in accordance with staff representatives as part of action plans for gender equality, and reviews are performed each year to identify any areas for improvement.



Percentage of women in employed workforce



EMPLOYMENT AND RETENTION OF DISABLED PEOPLE

The Beaumanoir Group has been working for several years to encourage the hiring and retention of disabled people, by improving workstations, purchasing services and products, improving employees' understanding of disability, raising employee awareness of European Disability Employment Week and even home-based employment of severely disabled people for certain administrative tasks.

In 2018, the Group participated in the virtual recruitment fair, "Hello Handicap", and recruited several people on fixed-term contracts.

The Group appointed a Disability Manager in 2018 to give our strategy new momentum.

Disabled person employment rate





ETHICAL PARTNERSHIPS

31

Business ethics

In a constantly developing regulatory context, compliance with ethical business rules is a key value for the Beaumanoir Group and is vital for ensuring sustainable and profitable development

Policies: Our commitment is to be a responsible company wherever we operate and for all our directors and employees to comply with the laws and regulations in force. We rely on our Ethical Charter, employee training and a system that means anyone can alert management of unethical incidents or behaviour in order to prevent conflicts of interest, corruption and fraud, and comply with competition laws. In 2019, the objective is to continue rolling out our awareness-raising programme, particularly in our international subsidiaries.

REAFFIRMING OUR REQUIREMENTS IN TERMS OF BUSINESS CONDUCT

After risk-mapping work carried out in 2017, the Beaumanoir Group drew up an Ethical Charter for all of its employees, suppliers and partners.

This Ethical Charter, available on our website (<https://www.groupe-beaumanoir.com/le-groupe-et-ses-valeurs/>), lists the main values of the Group and the ethical principles we uphold in the context of business conduct: reliability, sincerity, equity, social responsibility and the fight against corruption.

It also specifies the rules that must guide employee behaviour in their professional practices, particularly with our partners.

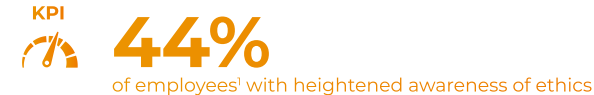
PREVENTING AND FIGHTING AGAINST CORRUPTION AND TAX EVASION

We have a strict, explicit and detailed policy on corruption within our Ethical Charter, as well as a procedure to follow in the event of discovering suspicious conduct.

In order to further bolster our programme fighting against fraud and tax evasion, we introduced new rules concerning the referencing and payment of our suppliers in 2018.

TRAINING EMPLOYEES

For our employees to be able to get to grips with the Ethical Charter, an information and awareness campaign was launched in 2018 with a dedicated and mandatory e-learning module in France. Classroom training for employees most at risk (purchasing teams, quality controllers, etc.) were introduced at the same time, particularly in our main purchasing and liaison offices.



OFFERING AN ALERT SYSTEM

At the same time, a Commission made up of Group directors presided over by Executive Management was created in 2018. The purpose of the commission is to handle any reports from the reporting procedure available to all our employees, but also to ensure continuous progress in terms of compliance.

¹ Employees working in offices (excluding stores and logistics sites)

Responsible purchasing practices

Due to its area of activity, the Beaumanoir Group has to work with numerous suppliers. It is important for us to comply with the regulations in force governing relationships between customers and suppliers. It is also important to secure our supply chain and build solid partnerships with companies, developing ourselves in the long term and committing to a progressive momentum together.

Policies: The Group's responsible purchasing approach is based on the "Supplier Relationship Management" programme, with the aim of establishing sustainable, balanced and trusted relationships with our suppliers. Our objective for the years to come is to continue rolling out this programme and thus stabilise our supplier base, especially with those who want to build long-term partnerships.

IMPROVING SUPPLIER RELATIONSHIP MANAGEMENT

The Beaumanoir Group currently works with 390 textile and fashion accessory suppliers worldwide.

To improve efficiency, and adapt and refine our strategy based on supplier categories, we started work in 2017 on supplier relationship management, introducing the "Supplier Relationship Management" (SRM) programme in France.

The purpose of this programme is, among other things, to:

- Improve our knowledge of suppliers
- Streamline and stabilise our supplier base
- Manage risks
- More easily identify potential suppliers with whom we can develop strong partnerships
- Encourage the development of commercial relationships in the long term
- Better monitor suppliers' financial and extra-financial performance
- Encourage innovation

For many years, our Chinese subsidiary has evaluated their suppliers every year on a range of quantitative criteria, which then means they can be classified according to their level of performance. Thus, suppliers identified as strategic are offered a partnership with long-term mutual commitments.

RESULT



390
Suppliers



KPI

74%

of our key suppliers¹ have worked with the group's brands in both 2017 and 2018

SUPPORTING CHANGE

With this objective in mind, the Beaumanoir Group created a Group Sourcing department in 2018, with a team dedicated to implementing the SRM programme.

In 2017 and 2018, new tools were created or updated, such as:

- Framework agreements governing the commercial relationship with all our suppliers (specifications)
- Supplier profiles and factory profiles that allow us to know more about our suppliers
- Supplier evaluation and categorisation tools
- Comprehensive business reviews with key suppliers

In 2018, the purchasing teams in France and abroad were also trained in responsible purchasing practices, including commercial relationship management and contract termination.

¹ Suppliers representing more than 80% of the Beaumanoir Group's purchasing value in 2017 and 2018.

Human rights and working conditions in the supply chain

It is vital for an international group and a significant purchaser like the Beaumanoir Group to take the necessary measures so that products sold are manufactured in respect of human rights and international regulations on working conditions.

Policies: We introduced a Supplier Ethical Charter which details our requirements on human rights and labour law, which our suppliers commit to upholding in their factories. This mechanism is supported by a social auditing policy and inspection visits in all our sourcing countries, and, where necessary, a support programme for factories to implement corrective actions.

TRACING OUR SUPPLY CHAIN

We currently work with 390 suppliers and 930 factories across 26 countries.

In 2018, we continued our factory mapping work, mainly for the accessories section and our Chinese subsidiary. We have now completed our “factory mapping” covering all first-tier factories where our textile products and accessories are made, as well as a section of the second-tier factories.

RESULTS



26

Number of production countries

930

Number of factories¹

GETTING SUPPLIERS TO COMMIT

To mobilise our suppliers on these issues, our Supplier Ethical Charter specifies our brands' requirements regarding production sites, manufacturing conditions and products.

¹ Excluding non-textile accessories

² amfori BSCI is an international organisation that groups together contributors from different business sectors with the objective of improving working conditions in their supply chain and in at-risk countries. amfori BSCI suggests a shared Code of Conduct based on recognised international conventions in relation to the protection of workers' rights.

This charter also includes the code of conduct of amfori BSCI, of which we have been members since 2013², and which lists our requirements in relation to society and the environment: prohibition of child labour and forced labour, special protections for young workers, work hours and pay, health and safety at work, freedom of association, non-discrimination, lack of precarious employment, environmental protection and corporate social responsibility policy.

In 2018, we further bolstered our ethical charter, particularly on the issues of undeclared sub-contracting and the qualification of new factories. We also reformulated the ethical charter of our Chinese subsidiary so that all of our subsidiaries' practices and requirements would be aligned on this issue.

To work with our brands, all our partners must sign our Supplier Ethical Charter and thus commit to respecting our code of conduct and the social and environmental standards within it. To date, 94% of them have signed our new charter. Our brands will stop working with suppliers who have not done so in the coming months.

MAKING OUR ENTIRE SUPPLY CHAIN COMMIT

We are asking our suppliers to send our code of conduct to their sub-contractors and suppliers (for a “cascade effect”).

In 2018, we launched the pilot project “Going Beyond Tiers 1 – Cascade Effect”, the aim of which was to manage and improve working conditions for our entire supply chain, beyond just the first tier. We trained all our suppliers in Bangladesh on this issue and carry out progress reports and checks with them each quarter. In 2019, the objective is to take the feedback from this pilot project on board to be able to improve it and roll it out at a later stage in other countries.

AUDITING OUR SUPPLIERS

To check our social and environmental standards are being maintained, we regularly audit whether our suppliers' production sites are compliant. Social audits are carried out in the factories identified as priority in terms of order volume, the country of production and the type of the products made, etc. They are either carried out internally by our five social auditors established in China, Turkey, Bangladesh, Morocco and in France, or by recognised external providers accredited by amfori BSCI. Throughout the year, we conducted 404 social audits.

Professional staff in our purchasing and liaison offices, distributed around the main sourcing countries, also ensure a sustained presence on the ground and perform checks upon each visit to a factory on the main elements for social conformity using our internal tool, the “Factory Checklist”.

In 2018, our Chinese subsidiary conducted its first audits. To date, for all our operations, 59% of the factories from our mapping exercise were audited in depth, and the objective is to reach 100% in the long term.

RESULT



404

social audits performed
over the period



KPI

59%

of factories audited

SUPPORTING OUR SUPPLIERS WITH
A PROGRESS STRATEGY

The Beaumanoir Group is committed to a progress strategy for the creation of secure and trusting partnerships with our suppliers, particularly regarding social performance.

We inform our suppliers in advance of the amfori BSCI process and the audit procedure carried out by our teams or external providers along with their evaluation criteria. They also have the option of doing preparatory training for the audit and to self-assess in order to improve certain points in advance, if necessary.

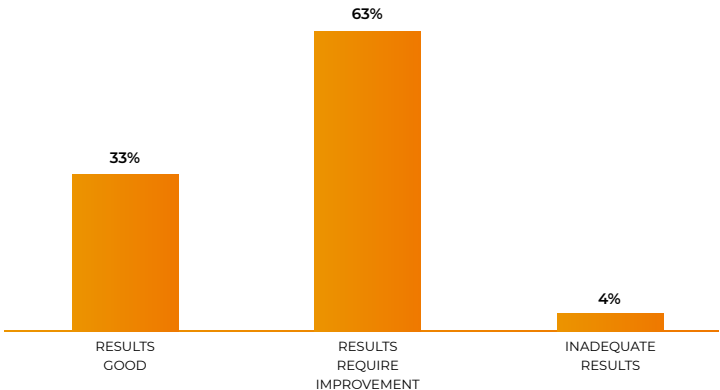
Once the audit has been carried out, if the results are not adequate, we support them in implementing a corrective action plan that will enable them to initiate a continuous improvement strategy. In the sourcing countries, compliance and production managers in factories can also attend free training sessions organised by amfori BSCI. Our Sustainable Sourcing division directs our partners towards these different training courses based on their needs or the nature of the non-conformity discovered during audits.

REQUIRING COMPLIANCE

The adherence of our suppliers to fixed social and environmental standards is essential for all our brands.

For production sites that deviate considerably from the Supplier Ethical Charter and the Code of Conduct, we apply a graded sanctions system which extends from a warning for sites that commit to implement sufficient corrective actions, to the definitive termination of commercial relations for sites refusing to commit to a progress strategy.

Level of compliance of audited factories
(excluding Chinese subsidiary)





A MANAGED ENVIRONMENTAL FOOTPRINT

41

Preserving water

Water plays an essential role in our value chain, whether upstream in sourcing fibres and processing textiles, or downstream in the use of our products by our customers. Conserving water is thus a priority for the Beaumanoir Group, particularly in increasing the resilience of its business model regarding a strained natural resource and limiting risk of damage to our reputation.

Policies: The Beaumanoir Group is committed to reducing the quantity of water consumed and preserving its quality through a policy of targeted environmental audits, rolled out in 2018 in key production units. Our objective is for 100% of these units to be audited by 2020. At the same time our brand Bonobo has employed an eco-friendly product design and innovation strategy for several years, which, in particular, targets ways to preserve water.

PRIORITISING ECO-FRIENDLY FIBRES

Cotton is one of the main materials used for the manufacture of our brands' textile products, particularly by Bonobo, a denim specialist.

Conscious of the huge environmental impact of conventional cotton growing, Bonobo set itself the objective of using only eco-friendly cotton in its collections by 2022, whether this is Better Cotton from a well thought-out agricultural process, organic cotton or recycled cotton.

Other than cotton, Bonobo is also committed to developing the use of other eco-friendly fibres: organic and recycled fibres meeting international standards and fibres recognised for their low impact on the environment (flax, Tencel®, etc.).

By in developing the classification of its fibres, Bonobo is contributing to reducing the water consumption and pollution associated with its products.

REDUCING THE WATER FOOTPRINT RELATED TO PRODUCT TREATMENT

One of the major challenges for water consumption and pollution in the textile sector is the dyeing and fading of products.

In 2018, we initiated an environmental audit program of our denim and pants washing plants and garment dye plants ; our main objective was to guarantee a functioning wastewater effluent treatment plant in each factory.

Several audits were conducted by external providers and by our Compliance Officer team. To further accelerate this strategy and achieve our objective of having 100% of factories audited by 2020, we have chosen to bolster our internal skills. In late 2018, all our Compliance Officers as well as our main Bangladesh suppliers were trained in auditing techniques for a wastewater effluent treatment plant.

In 2019, we anticipate launching a pilot mapping and auditing project for denim and pants washing plants and garment dye plants at our Chinese subsidiary.



INNOVATING

Bonobo has been working to change washing and washing processes for denim for several seasons, replacing them with new technologies that use less water and chemical treatments, such as:

- Ozone fading, obtained by transforming oxygen in the air to give the faded and used effect to denim
- Laser, to create effects on the denim while dry and without using chemical products
- Fading using recycled fruit pits, mainly olives
- The e-flow procedure for its new Jean Vert (Green Jean) range, launched in spring 2018, which will be expanded in the course of 2019
- Colourings from agri-food waste (nut shells, beetroot residues, palm leaves, etc.) on several designs sold in early 2019

These innovative fading processes reduce water consumption by 70 to 100% for each pair of jeans compared to traditional processes. Ozone and e-flow fading also conserves at least 50% of chemical products.

GETTING CLIENTS TO COMMIT

In France, the Beaumanoir Group brands are making their customers aware of what they can do to preserve more water when they wash their products.

Therefore, the labelling of our clothes changed in 2018. Recommendations for caring for products while preserving the planet feature on our washing labels, as well as the logo of "clevercare.info", a website where eco-friendly clothing care advice is given.

Additionally, we provided the Cofreet "Mon Etiquette" application to French sales teams. This provides high-quality advice to customers on caring for their clothes and raises awareness on preserving the environment, and water in particular.

¹Environmental audit on wastewater effluent treatment plant

Energy and climate change

Faced with regulations aiming to reduce energy consumption and the associated pollution, the rising cost of energy and the Company's high expectations regarding the climate, the Beaumanoir Group must act across the entire value chain to limit the impact of its activities and improve its economic performance.

Policies: For several years, our brands and businesses have been committed to reducing their energy consumption and improving the energy performance of their buildings and equipment by introducing energy efficiency policies. We are also limiting the impact of our activities on the climate through a major commitment to renewable energy, and an objective to achieve 100% green electricity use in France by 2025.

MEASURING OUR IMPACT

Over the last few years, several of the Group's companies and brands have performed carbon inventories (scopes 1 to 3), greenhouse gas inventories (scopes 1 and 2) and energy audits. This work help our teams map the main sources of emissions and consumption and prioritise their actions.

In 2019, our Cache-Cache, Bonobo, Bréal, and Morgan brands, as well as our Vib's label will perform new energy audits for their activities.

REDUCING OUR ENERGY CONSUMPTION

In France, several measures were taken to reduce in-store energy consumption

- Systematic installation of LED lighting and high-performance heating and air-conditioning equipment when renovating and opening retail outlets
- Optimisation of lighting and heating plans
- 2018 roll-out of an energy-efficiency programme in all our branches in partnership with a specialist company continuing through 2019 and 2020.

In some C-Log logistics sites in France, energy consumption was optimised by installing LED bulbs, using compartmentalised lighting, reducing heat loss, using building energy management software, etc. Two of our logistics sites are now HQE Construction and THPE certified and HQE Production certified, respectively.

In our offices, the characteristics of our office equipment, default configurations and our employees' awareness of good deeds for the environment all contribute to reducing our energy consumption. Taking this further, a Green IT strategy will be rolled out in the course of 2019 in offices and logistics sites located in France.

RESULTS



Energy consumption: **36,330** MWh
of which electricity: **31,531** MWh
of which gas: **4,799** MWh

Distribution of energy consumption by site



PRIORITISING RENEWABLE ENERGY

Since 2015, the Beaumanoir Group has bought electricity from renewable sources for their logistics sites, offices and stores. Its objective is to achieve 100% green electricity for all French sites by 2025.

KPIs



Percentage of electricity from renewable sources
worldwide: **41%**
France: **51%**

REDUCING GREENHOUSE GAS EMISSIONS

The Group, its brands and businesses are working to reduce significant greenhouse gas emissions

- Raw materials: Use of organic, recycled and eco-friendly fibres with a low carbon footprint throughout the Bonobo collections.
- Transport: Significant increase in the use of maritime transport for dispatching products and reconciliation of our brands' sourcing areas. In 2018, transport by train was tested between France and China and will potentially be developed in the next few years for large imports.
- Logistics: ISO 14001 certification for head office logistics activities and five logistics sites in early 2019. The aim is to certify a sixth logistics site in 2019.
- Use of products: Raising customers' awareness of good clothing care techniques using labels, brand websites and in-store team training. Bonobo is also offering their customers a solution to trade in their used clothing in partnership with the social firms Le Relais in France and Groupe Terre in Belgium.

While waste is not one of our major sources of greenhouse gas emissions, reducing and re-using it are important objectives for the Beaumanoir Group. In 2018, initiatives involving the removal of some of the individual plastic packaging used in transporting our clothing items and the introduction of solutions for the re-use of waste from some of our retail outlets are both noteworthy.





CSR RESULTS

49

INDICATORS PUBLISHED IN THE REPORT

CHALLENGES AND INDICATORS	TYPE	SCOPE	UNIT VALUE
PRODUCT RANGE QUALITY AND CUSTOMER SERVICES			
Percentage of product lines whose physical properties are laboratory tested	KPI	worldwide	78%
Percentage of logistics sites ISO 9001 certified	KPI	worldwide	5/7
Number of customer contacts handled by Customer Services	Result	France	152,214
Percentage of calls handled by Customer Services	KPI	France	96%
CUSTOMER HEALTH AND SAFETY			
Number of laboratory tests on chemical properties	Result	worldwide	22,507
Chemical testing compliance rate	KPI	worldwide	98 %
ANIMAL WELFARE			
Percentage of suppliers who have signed our ethical charter	KPI	worldwide	94%
ATTRACTING AND RETAINING TALENT¹			
Total workforce	Result	worldwide	4,924
Percentage of permanent contracts among total workforce	KPI	worldwide	89%
Average seniority	KPI	worldwide	4.7 years
Number of trained employees	Result	worldwide	4,666
Number of people who visited the Beaumanoir website's careers page	Result	France	121,105
Percentage of people who applied after visiting the careers page	KPI	France	8%
DIVERSITY AND EQUALITY OF OPPORTUNITY¹			
Percentage of women in the workforce	Result	worldwide	87%
Percentage of women in executive positions	KPI	France	53%
Workforce under 25 years old	Result	worldwide	824
Workforce 25–35 years old	Result	worldwide	2,143
Workforce 35–45 years old	Result	worldwide	1,333
Workforce 45–55 years old	Result	worldwide	502
Workforce over 55 years old	Result	worldwide	122
Disabled person employment rate	KPI	worldwide	2.5%
Disabled person employment rate	KPI	France	3.3%
BUSINESS ETHICS			
Percentage of employees ² with heightened awareness of ethics	KPI	worldwide	44%
RESPONSIBLE PURCHASING PRACTICES			
Number of textile and fashion accessory suppliers	Result	worldwide	390
Percentage of stable suppliers on the 20/80	KPI	worldwide	74%
HUMAN RIGHTS AND WORKING CONDITIONS			
Number of factories ³	Result	worldwide	930
Number of production countries	Result	worldwide	26
Number of social audits performed in the period	Result	worldwide	404
Percentage of factories audited	KPI	worldwide	59%
WATER CONSUMPTION AND POLLUTION			
Percentage of washing plants audited	KPI	Europe-Middle East	45%
ENERGY AND CLIMATE CHANGE			
Energy consumption	Result	worldwide	36,330 MWh
Percentage of electricity from renewable sources	KPI	worldwide	41%

METHODOLOGY AND REPORTING SCOPE

The CSR indicators are described in a detailed reporting protocol drawn up by the Group CSR department along with the departments involved in extra-financial reporting. This protocol, available to collection managers, defines the indicators, the spatio-temporal scope, the indicator data collection methods and calculation methods.

The “Beaumanoir Group” is not a legal entity. This term covers CCV Beaumanoir Holding, the holding company for the group and all companies controlled by the Group.

The indicators published in the DEFP correspond to all companies and sites of the “Beaumanoir Group”, unless otherwise specified in the text.

The indicators published in the DEFP cover the period from 1 March to 28 February or the seasons Spring/Summer and Autumn/Winter 2018, with the exception of the following indicators which are based on the calendar year:

- Employee training
- Employment of disabled people
- Energy consumption

¹ excluding Luxembourg (5 employees on 28/02/2019)

² office employees (excluding logistics sites and store employees)

³ excluding non-textile accessory factories

A woman with blonde hair, wearing a straw hat, an olive green top with a lace collar, and black shorts, is sitting on the hood of a vintage white car. She is holding a small pink bag. The background is a tropical setting with palm trees and a white building.

G R O U P E
BEAUMANOIR



G R O U P E
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CACHECACHE.

BONOB

BRÉAL



Vib's

Scottage

MORGAN

MORGAN DE TOI

©Log

fashion starts with you