

Duty of care plan

Version 1.0 April 2022



éram


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BOCAGE

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 PARADE

In line with our CSR commitments and in application of Law No. 2017-399 of 27th March 2017 on the "duty of care of parent companies and contractors", the Eram Group has drawn up this duty of care plan with the aim of identifying risks and preventing serious violations of human rights and fundamental freedoms, health, personal safety and the environment.



– Scope of the duty of care plan

This duty of care plan mainly concerns the purchase of shoes and clothing for all the Eram Group's brands.

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> DUTY OF CARE PLAN

01

**RISK
MAP**

The Eram Group has devised a risk map to define the process for identifying, assessing, prioritising and managing the risks inherent in its activities.

This map:

1. gives the departments concerned (purchasing, sourcing, auditing, etc.) the data necessary for implementing preventive and detection measures relating to the risks identified by the map;
2. provides information to the Eram Group management.

The Eram Group has identified 3 major risks in the manufacturing chain of its products. These risks are classified into three categories:



Country risks



Sector risks



Aggravating factors

This map covers 38 countries where Eram Group products are manufactured:

- | | | | | |
|----------------------------|-----------------|--------------|------------|-------------|
| ♦ Albania | ♦ Cambodia | ♦ Italy | ♦ Uganda | ♦ Sri Lanka |
| ♦ Germany | ♦ China | ♦ Kosovo | ♦ Pakistan | ♦ Thailand |
| ♦ Argentina | ♦ Spain | ♦ Laos | ♦ Poland | ♦ Tunisia |
| ♦ Bangladesh | ♦ United States | ♦ Luxembourg | ♦ Portugal | ♦ Turkey |
| ♦ Belgium | ♦ Ethiopia | ♦ Macedonia | ♦ Romania | ♦ Ukraine |
| ♦ Bosnia and Herzegovina | ♦ France | ♦ Malaysia | ♦ Rwanda | ♦ Vietnam |
| ♦ Brazil (under condition) | ♦ India | ♦ Morocco | ♦ Serbia | |
| ♦ Bulgaria | ♦ Indonesia | ♦ Myanmar | ♦ Slovakia | |



These risks are measured on the basis of the 14 CSR challenges covering ethics, the environment, human rights and working conditions:

Country risks

- Fraud and corruption
- Protection of personal data
- Property rights and patents
- Depletion of natural resources
- Pollution (water, air, soil)
- Damage to biodiversity
- Climate change and greenhouse gases
- Waste and end-of-life management.

Sector risks

- Health and safety
- Working conditions and the right to join a union
- Discrimination
- Forced labour and modern slavery
- Child labour.

The data relating to the risks for each country comes from the databases of internationally recognised organisations such as Coface, the World Bank, ILO, WIPO, Transparency International, etc.

coface


GROUPE DE LA BANQUE MONDIALE




OMPI
ORGANISATION MONDIALE
DE LA PROPRIÉTÉ
INTELLECTUELLE

 **TRANSPARENCY
INTERNATIONAL**
the global coalition against corruption

Aggravating factors

The above mentioned risks may be aggravated by elements called aggravating factors, for example:

- Supply chains for clothing or footwear may be long and lead to diminished responsibility of the final manufacturer;
- The seasonality of the clothing industry can lead to changes in manufacturers depending on the products selected for a season or which correspond to current trends.



These risks are reviewed annually and ranked according to their importance (low, medium, high and very high). The criticality of each risk is analysed by the Group's legal department, which may update the global prevention plan, for example in a country where a new risk has just been identified.

02

REGULAR ASSESSMENT PROCEDURES

In terms of the risk map, procedures have been drawn up for regular assessment of subsidiaries, subcontractors or suppliers with whom a commercial relationship is maintained.

– Guide Book

Prior to the risk assessment, a **"Social and Environmental Compliance Guide Book"** was produced and sent to our suppliers. It sets out the minimum standards in terms of the environment and human rights. It attests to the Eram Group's commitment to ensuring that its contractors, subcontractors and suppliers comply with these standards. This guide book is part of the purchase contract that all suppliers must sign before manufacturing items for an Eram Group brand. As a result, the guide book is an integral part of the commercial relationship between the Group's companies and their suppliers.



Third-party assessments are defined on the basis of the risk map and are carried out before the business relationship is formally entered into. Once the business relationship is established, these assessments are periodically updated depending on the level of risk or in the event of an occurrence that could change this risk.

The main purpose of these assessments is to manage the beginning and continuation or discontinuation of the business relationship. These assessments are also adapted to the risk map.

For these assessments, the Group has set up a team in France with teams of experts acting as relays in producing countries to carry out these assessments and help the manufacturers with action plans.

The Eram Group mainly uses independent providers for the initial on-site audits of manufacturers.

For example, the assessment of fire risk in Bangladeshi factories is carried out by the country's public safety experts.

– Guide Book: 2 levels of assessment

1st level: 100% of factories

All suppliers must:

- Sign the specifications which include ethical commitments they must observe.
- Fill in a document summarising the main information about the factory; its capacity, number of workers or its location.

2nd level: social and environmental

Since 2014:

- social and environmental audits are carried out by independent auditing companies.
- specialised audits are carried out such as wastewater treatment and fire safety.

03





AN APPROPRIATE ACTION PLAN

– Assessments and audits: appropriate actions to mitigate risks or prevent serious harm.

The Eram Group has a collaborative policy with its suppliers and subcontractors. Local teams of experts help manufacturers correct any non-compliances within the context of action plans defined together.

In addition to social audits of all manufacturers with whom a company has a commercial relationship, specific audits are carried out for certain risks.

Examples of consideration for specific risks

	Risk	Preventive action	Assessment action	Purpose of the assessment
 Turkey	Risk of employing Syrian or Iraqi workers in conditions far inferior to normal working conditions in that country.	Discussions with suppliers.	Surprise social audit. The auditor was accompanied by an Arabic translator to talk with any workers who did not speak Turkish.	Make sure that the manufacturer does not employ workers in non-compliant working conditions.
 China	Risk of child labour.	Discussions with suppliers with training if necessary. The guide book specifies our commitment in this regard.	Surprise social audit with in-depth inspection of the company's human resources policy (recruitment, access to premises, personnel files, etc.).	Ensure that the manufacturer does not employ children.
 Bangladesh	Fire hazard.	A dedicated technician from the Bangladesh team is trained to prevent the risk of fire. A cooperation agreement has been signed with the Bangladesh Fire Service to audit, train and support suppliers.	Fire safety audit by the Bangladeshi Fire Service.	Ensure that the manufacturer has a fire safety level that meets current regulations.
 India	Risk of unfair treatment of women compared to men	The guide book specifies our zero tolerance of any kind of discrimination. Support for factories in India with an NGO specialised in improving working conditions for women in businesses.	Surprise social audit (if necessary) with in-depth inspection of the company's human resources policy including confidential interviews with workers	Make sure that the manufacturer has no discriminatory practices towards women
All countries	Risk of forced labour for workers	The guide book specifies our zero tolerance commitment in this regard.	Surprise social audit (if necessary) with in-depth inspection of the company's human resources policy including confidential interviews with workers	Make sure that the manufacturer does not employ people as forced labour

04

A WHISTLEBLOWING MECHANISM AND COLLECTION OF REPORTS

In addition to the social audit, the Group has set up several whistle blowing mechanisms concerning the existence or occurrence of risks, in consultation with trade unions represented in the company:

- A public email address comite-ethique@groupe-eram.com through which anyone can express a problem or provide information about negligence;
- The Worker Survey: workers are surveyed by internal teams. The workers can express themselves anonymously about their working conditions;
- Dedicated offices and audit teams in many countries that can receive reports directly;
- Technical teams (quality controllers, production managers, etc.) may be asked to report any problems they observe during their visit;
- Contacts are maintained with other brands in the sector and with government departments in certain countries; they may inform us of a possible new risk.



The Eram Group also pays close attention to any reports from the media, non-governmental organisations or trade unions.

05

**A SYSTEM FOR
MONITORING
MEASURES
AND ASSESSING
THEIR
EFFECTIVENESS**

Currently, all audit reports are digital; indicators for monitoring "Compliance" performance of factories, countries and markets are produced.

The Eram Group uses FFC software to provide a better overall view of results. It helps identify the main problems encountered in a country or a market to implement actions and improve working conditions.

Internationally recognised auditing companies are commissioned to conduct additional audits in factories that have been audited by our internal teams. This is part of our continuous improvement initiative for internal procedures.



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