



CSR REPORT

NON-FINANCIAL PERFORMANCE STATEMENT (NFPS)

Published in April 2022



MARCK & BALSAN

PROTECT AND SHINE



Contents

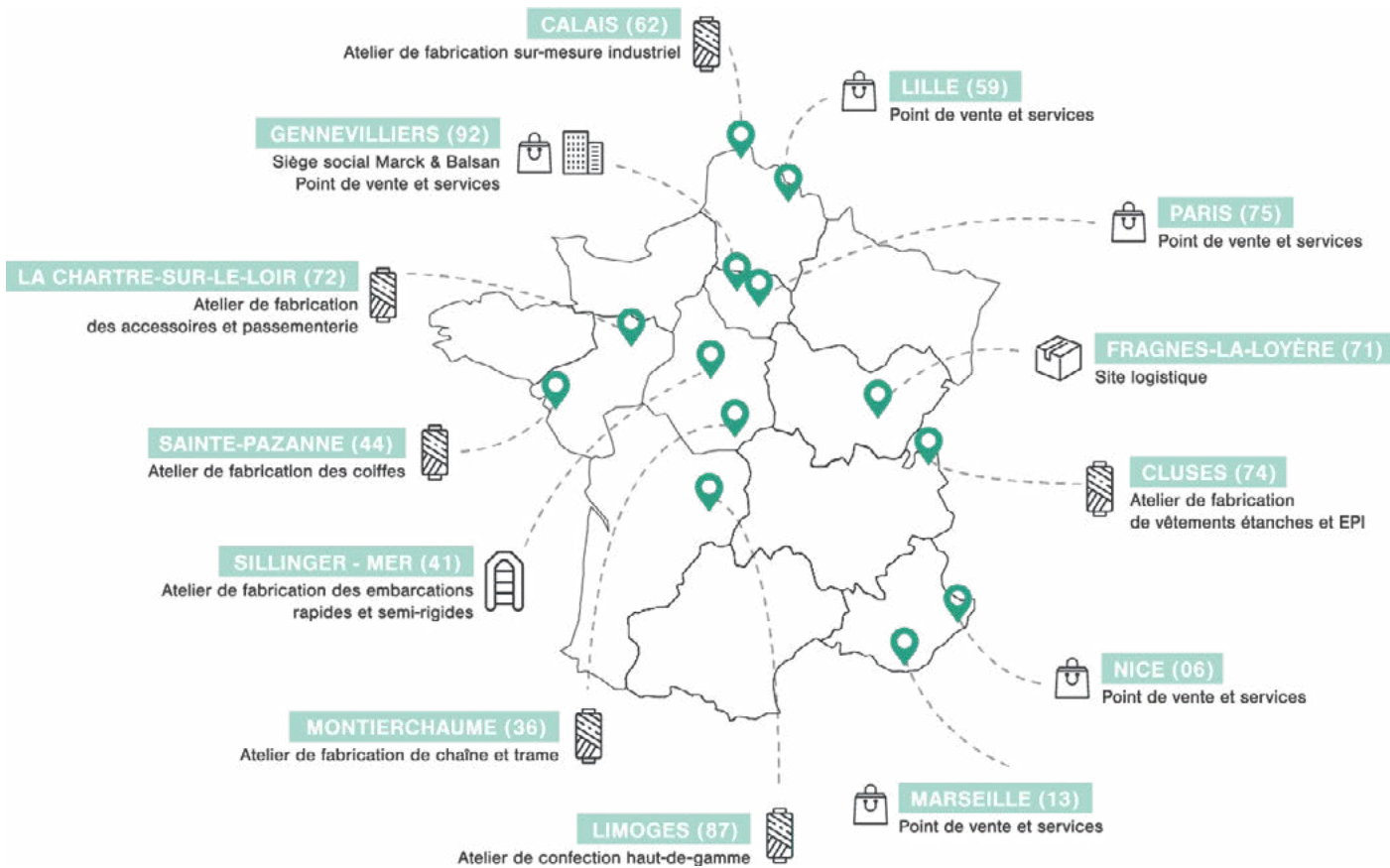
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D1

Governance



Presentation of the company



Marck & Balsan is a French industrial firm that is a benchmark in clothing and equipment for public administrations and private companies in France and abroad.

Marck & Balsan offers comprehensive service provisions encompassing protective equipment, uniforms, equipment and associated services for professionals.

Since its inception, Marck & Balsan has protected and promoted not only its factories in France, but also local labour and know-how

in all its historical territories, in particular its production workshops in Tunisia.

Marck & Balsan has 6 of its own production units in France, each specialising in a specific field: Calais (62), Cluses (74), Montierchaume (36), Sainte-Pazanne (44), La Chartre-sur-le-Loir (72) and Mer (41).

A quality product and service offering in:

Protection

Design and manufacture of Personal Protective and intervention (PPE) clothing for public and private armies and security forces.

Uniform

Manufacture of uniforms, work clothes, prestige clothes, headgear, uniform trimmings and accessories.

Material

Sale and export of military equipment and material subject to authorisation for international defence and security forces.

A group and subsidiary with specific know-how:



Comprehensive solutions for troop equipment, enabling customer countries to meet the United Nations' criteria to be eligible and reimbursed for peace-keeping operations.



Marine construction, the reference brand for the high-end rigid hull boats sector.

502 employees in France on 31 December 2021, of whom 53 at Sillinger

Registered office 74 rue Villebois Mareuil, 92230 Gennevilliers, France

Over **20,000 items** shipped every day

Over **7,500,000 items** delivered every year

Storage capacity of **8 million units**

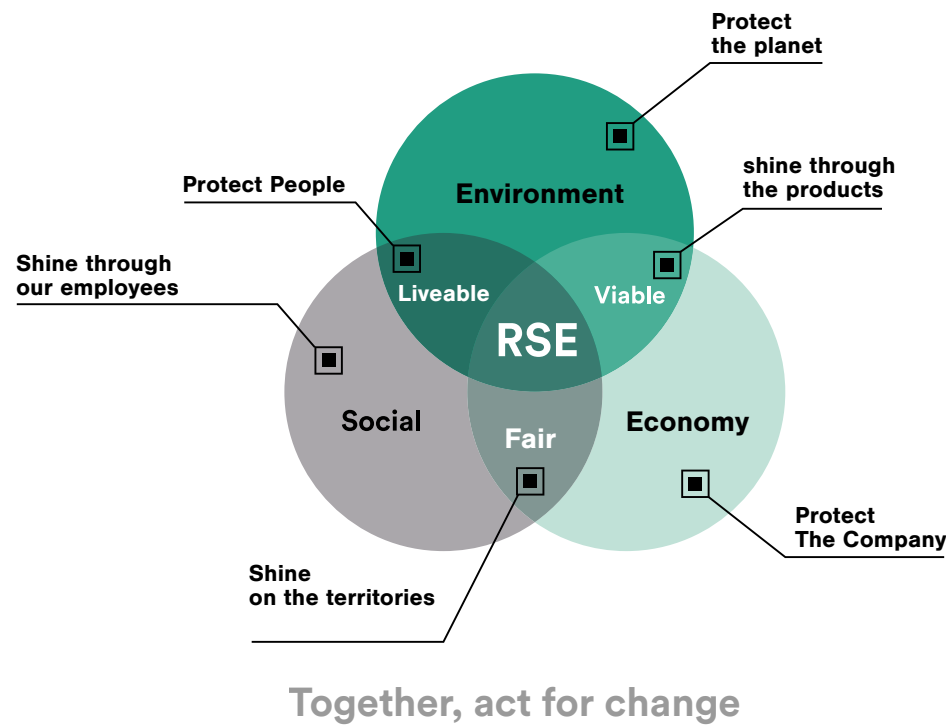
Over **170 years of history** and expertise

CSR strategy

The social responsibility approach initiated by Marck & Balsan in 2013 confirms its intention to make sustainable development a key aim for the company through its commitments.

The CSR strategy is the operational translation of the company's and its leaders' commitments into actions. It is based on the 3 CSR pillars: Environment, Social and Economic.

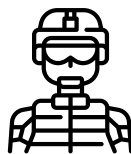
It is built around the operational axes:



This holistic approach builds on the company's values to deploy its commitments throughout its businesses.



Humility



Courage



Loyalty

The CSR strategy key elements address the issues related to the materiality analysis [found in the methodology section ->](#) and serve the ambitions of Marck & Balsan:

The key elements	The issues	The method	The ambitions
Protect the planet	<ul style="list-style-type: none">Our activities' environmental impactsClimate change, biodiversity	<ul style="list-style-type: none">Pursue our actions for more efficient production"Companies Committed for Nature" guide	<ul style="list-style-type: none">Preserve the planet and renew its resources
Protect People	<ul style="list-style-type: none">Working conditions and human rights	<ul style="list-style-type: none">Traceability and assessment of our supply chains (with respect to social and environmental issues)	<ul style="list-style-type: none">Commit to adopting industry best practices
Protect The Company	<ul style="list-style-type: none">Customer satisfactionPreserving know-howProduct quality & safetyBusiness ethicsGovernanceResponsible Marketing & Communication	<ul style="list-style-type: none">Economic, environmental and social project with the B Corp label (framework being considered)	<ul style="list-style-type: none">Build a balanced, cost-effective and sustainable growth model
Shine through M&B employees	<ul style="list-style-type: none">Quality of life at workAppeal, development & talent managementSocial dialogueDiversity & inclusion	<ul style="list-style-type: none">Diversity label (framework being considered)Measure well-being at work	<ul style="list-style-type: none">Develop / promote an inclusive and attractive modelTrust to develop value
Shine in M&B territories	<ul style="list-style-type: none">Societal commitment: territorial roots	<ul style="list-style-type: none">Measure the impact Marck & Balsan has on employment in its territories	<ul style="list-style-type: none">Contribute to sustainable development challenges in its territories
Shine through M&B products	<ul style="list-style-type: none">Impacts of our raw materials	<ul style="list-style-type: none">Implement circular economy principles: develop a committed product and service offering	<ul style="list-style-type: none">Move our products towards environmental excellence
Shine through stakeholders	<ul style="list-style-type: none">Stakeholder dialogue	<ul style="list-style-type: none">Institutionalised partnership and dialogue with stakeholders	<ul style="list-style-type: none">Trust to develop value

Marck & Balsan will [support change management](#) and [deploy projects in a collaborative manner](#) enabling the company to achieve its ambitions.

CSR commitment

“For many years, we have been committed to a societal responsibility approach that applies to all our activities and relationships. This new CSR report confirms our commitments to the Global Compact, which we signed up to in 2016 and highlights the concrete actions we have taken over the past year.

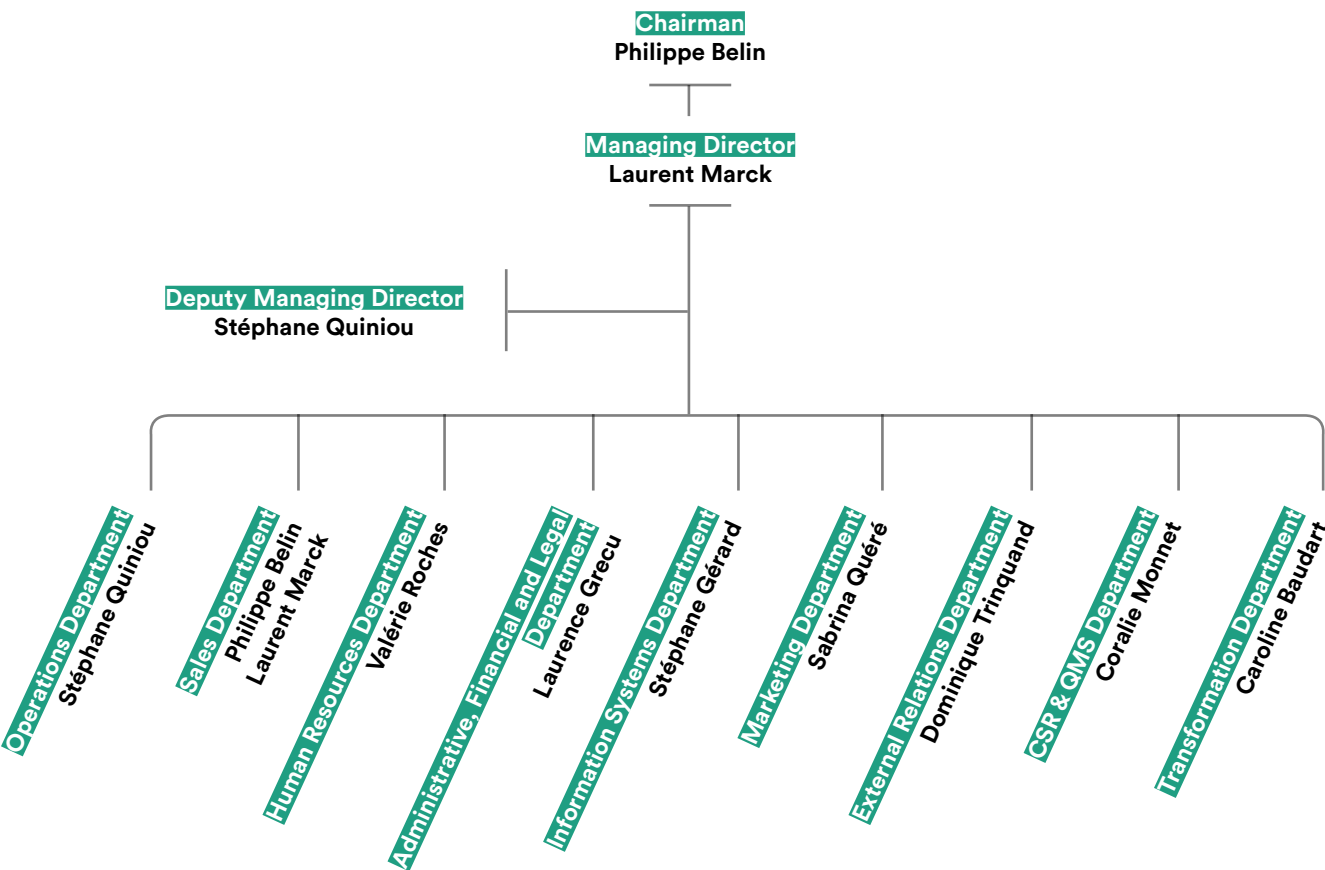
It is built around our “Protect and Shine” signature, the first part is dedicated to our actions protecting the Planet/People/Company and the second part to shining in terms of our products, skills and partnerships in the territories we operate in.

Driven by a management system, our goals are simple, clear and unchanged: reduce industrial and infrastructural activities’ impact, build partnerships in line with our environmental,

ethical and social values, develop our human capital and diversity while contributing to the good health and safety of our employees, customers and partners.

The company has taken a strong and determined approach built on the structuring elements of ISO 26000. Marck & Balsan places Corporate Social Responsibility (CSR) at the heart of its daily and strategic concerns to develop a sustainable and ethical business. Moreover, CSR is represented by a significant part of the company’s policy: “Continue our practical sustainable development actions to contribute to global challenges.”

This commitment by Management has resulted in the CSR & QMS Department being created within Marck & Balsan's Executive Committee:



Philippe BELIN
Chairman

Laurent MARCK
Managing Director

Stéphane QUINIOU
Deputy Managing Director

To serve the company’s missions, Marck & Balsan policy is built around 4 strategic components, one entire component of which focuses on CSR:



Improve the resilience, agility and interdisciplinary nature of the organisation to develop customer satisfaction



Cultivate a winning spirit to consolidate the company’s growth



Build loyalty and develop employees to increase individual and collective skills



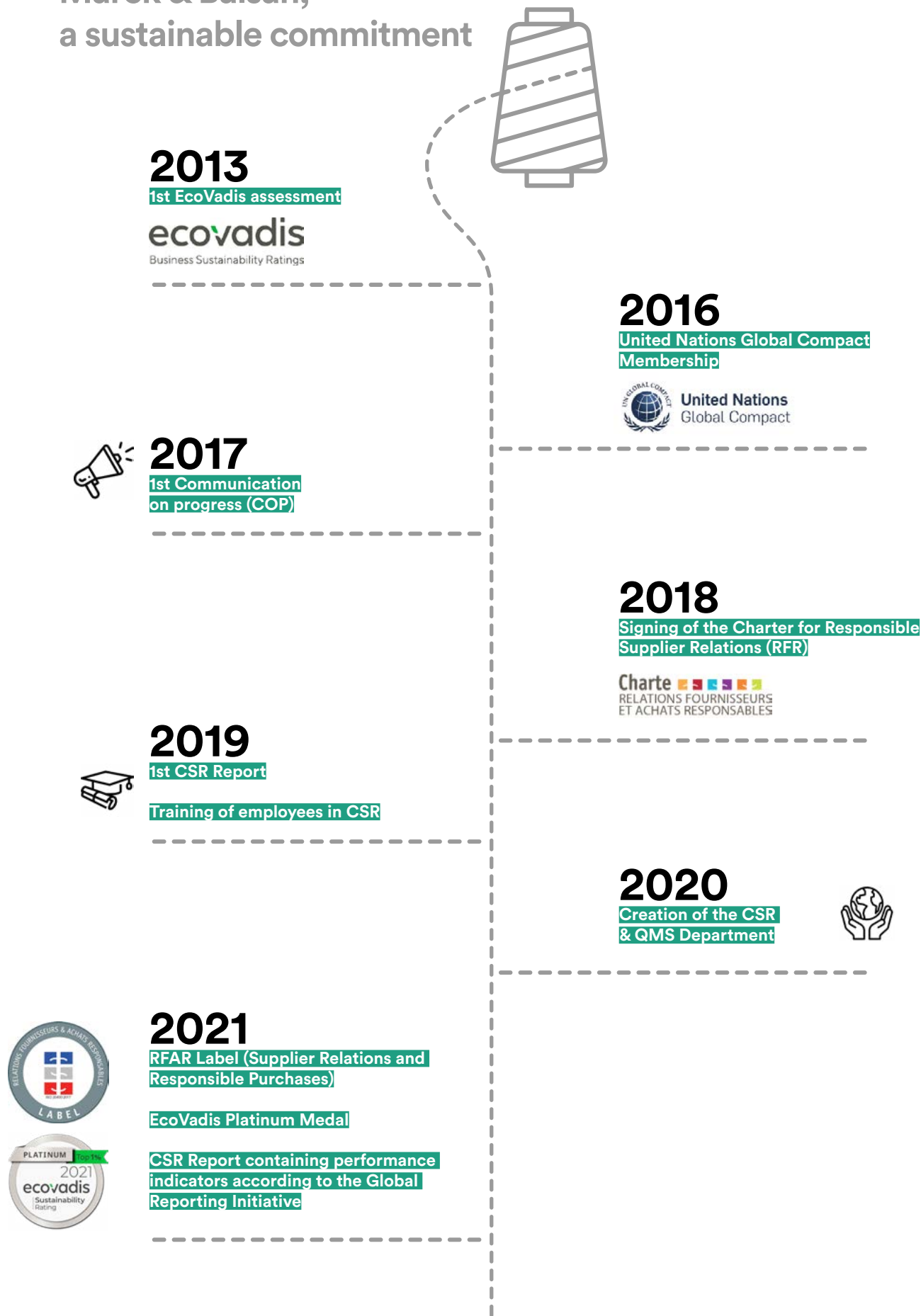
Continue our practical sustainable development actions to contribute to global challenges



This is our **Communication on Progress** regarding implementation of the Ten Principles of the **UN Global Compact** and supporting UN goals.

We would appreciate any comments you may have on its content.

Marck & Balsan,
a sustainable commitment



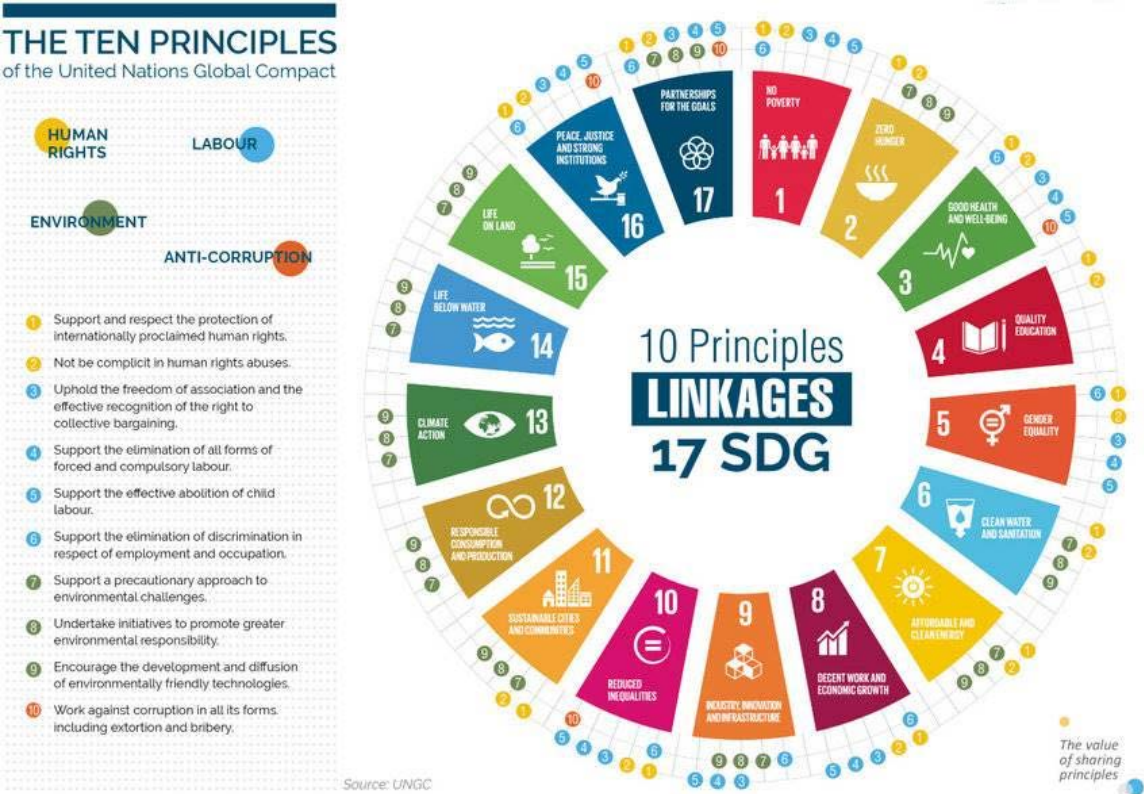
The Sustainable Development Goals (SDGs) were adopted by the United Nations Organization.
They constitute the Agenda 2030, which associates targets to be reached by 2030 to each goal, the aim being to “end poverty, protect the planet and ensure prosperity for all.”

OBJECTIVES SUSTAINABLE
DEVELOPMENT

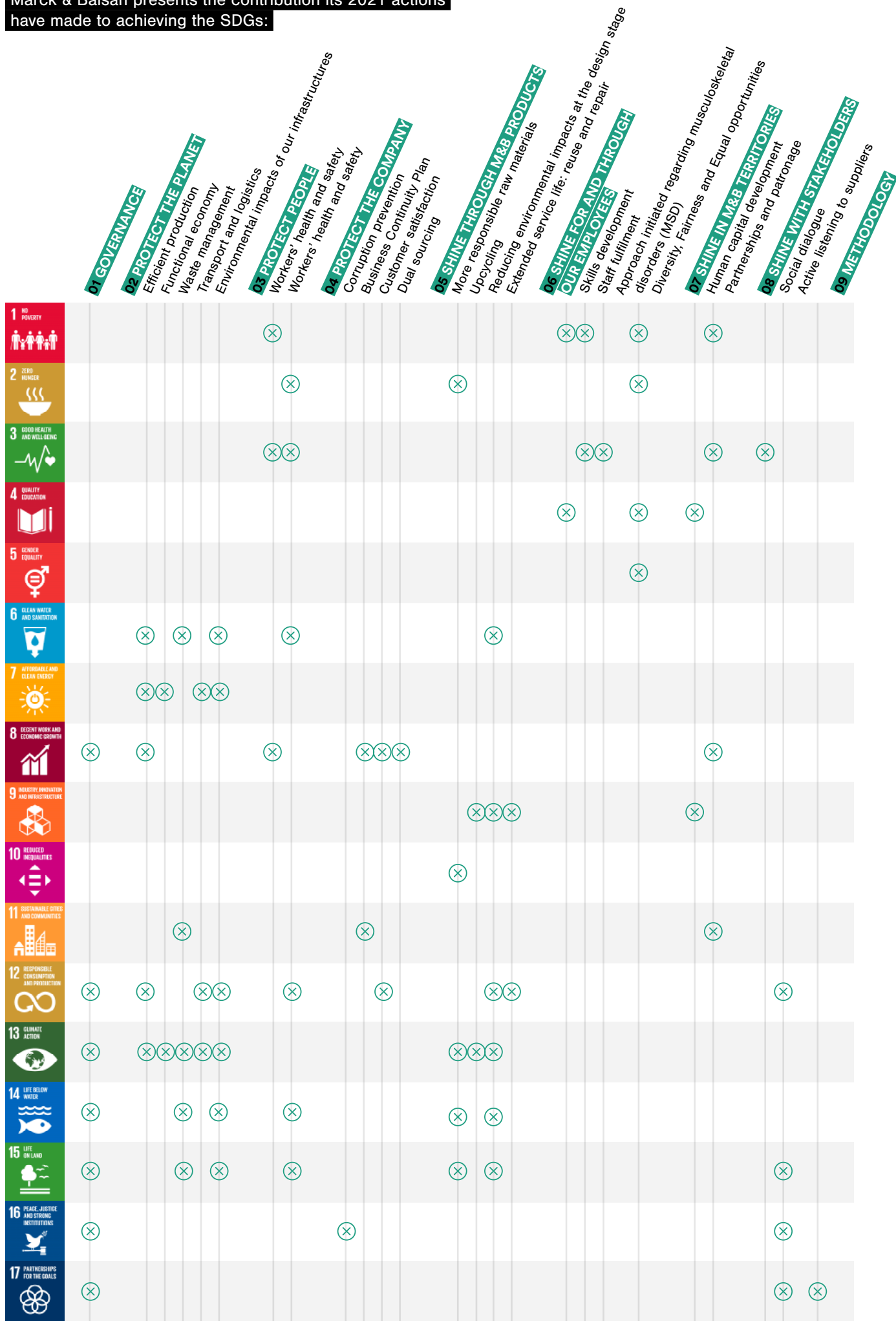


Marck & Balsan signed up to the United Nations Global Compact in 2016 and shares its 10 universal principles on a daily basis, grouped under 4 key areas: Human rights, International labour standards, the Environment, the Fight against corruption.

Today, Marck & Balsan is taking action on the 10 Principles, and these actions are linked to the 17 SDGs.



Marck & Balsan presents the contribution its 2021 actions have made to achieving the SDGs:



Governance

External assessments: EcoVadis and Responsible Supplier & Purchasing Relations (RFAR)

The EcoVadis assessment, based on international standards (Global Reporting Initiative, UN Global Compact, ISO 26000), takes into account the policies, actions and results of the Marck & Balsan management system.

In 2021, Marck & Balsan was awarded the platinum medal for the EcoVadis assessment, the highest distinction, with a score of 76/100. This score brings Marck & Balsan into the **top 1% of companies assessed** by EcoVadis in the “Manufacture of wearing apparel” section.



The company's score is assessed through the 4 CSR performance dimensions: The Environment, Social and Human Rights, Ethics, Responsible Purchasing.



This excellent result and progress confirm Marck & Balsan's commitment to Corporate Social Responsibility (CSR), an undertaking that began several years ago.

Marck & Balsan has been a signatory to the Charter for Responsible Supplier Relations and Purchasing since 2018. In 2021, the company obtained the recognition of the Responsible Supplier Relations & Purchasing label.



Marck & Balsan has drawn up a clear and cohesive Purchasing Policy, with a responsible purchasing policy at its core, in line with the company's general guidelines.

Marck & Balsan favours dialogue to maintain a constructive approach regardless of circumstances, and aims to prioritise mediation in the event of any dispute with its suppliers. An internal mediator can be contacted at the following address: mediateur.fournisseurs@marcketbalsan.fr

See our Purchasing policy on our website ->



Engaging employees in CSR

In 2019 and 2020, CSR training in partnership with Bluequest and the Fédération de la Maille was proposed to employees.

Employees trained were those working in CSR priority areas in 2020 in particular (Responsible Purchasing, Ecodesign, Recycling).

In 2020

100%



Trained according to our priorities



At the European Sustainable Development Week, from 18 September to 8 October 2021, Marck & Balsan wanted to bring employees together around the “Acting every day” idea:

- Awareness-raising around Agenda 2030’s 17 Sustainable Development Goals (SDGs) to encourage effective engagement at all levels (individual and collective).
- Link between the company’s actions and objectives and the SDGs



In 2021

106 participants
in the CSR quiz

26% participation

Caroline

5 Oct 2021



A great idea to continue to raise awareness about CSR! And as we have a way to go to get a 100% score, we’re really looking forward to the next quiz!

MCR

8 Oct 2021



I have a lot left to learn!

Leiya

8 Oct 2021



Very rewarding, thank you.

Marck & Balsan, wants to be a pioneer in sustainable development, limiting the impact of its activities. One of the major environmental issues is climate change. To act and serve this cause, you must first understand it.

For example, it is important to recognise the interdependence of different phenomena affecting or arising out of climate change and thus to find concrete ideas for positive-impact actions.

That is why the CSR & QMS Department has decided to use the framework: “La Fresque du Climat” (“climate mural”) to bring as many employees as possible together around the fight against global warming.

This is the reference tool for individuals and organisations to take up the challenge of climate change.

In a 3-hour workshop, the CSR & QMS team sought to understand and match up each of the 42 cards in the game based on cause-and-consequence links to build the “climate mural”.



1 Creator of “La Fresque du Climat” Cédric Ringenbach, an engineer and former Director of the Thinktank “The Shift Project” and professor of energy-climate issues
All data used on the “La Fresque du Climat” cards are from IPCC (Intergovernmental Panel on Climate Change) reports.

02

Protect
the planet



Marck & Balsan takes daily action to protect the planet.

This action is based on implementing circular economy principles in its business and managing its infrastructures' impact.

In 2022, Marck & Balsan aims to broaden its actions and act collectively to reduce the company's footprint, by rolling out:

- recycling solutions.
- an environmental assessment of its products,
- more ethical management of its infrastructures.

Marck & Balsan's CSR priority in 2021 was to reduce the environmental impacts of its activities and in particular those of its internal production activities.

This approach is based on the principles of the circular economy:

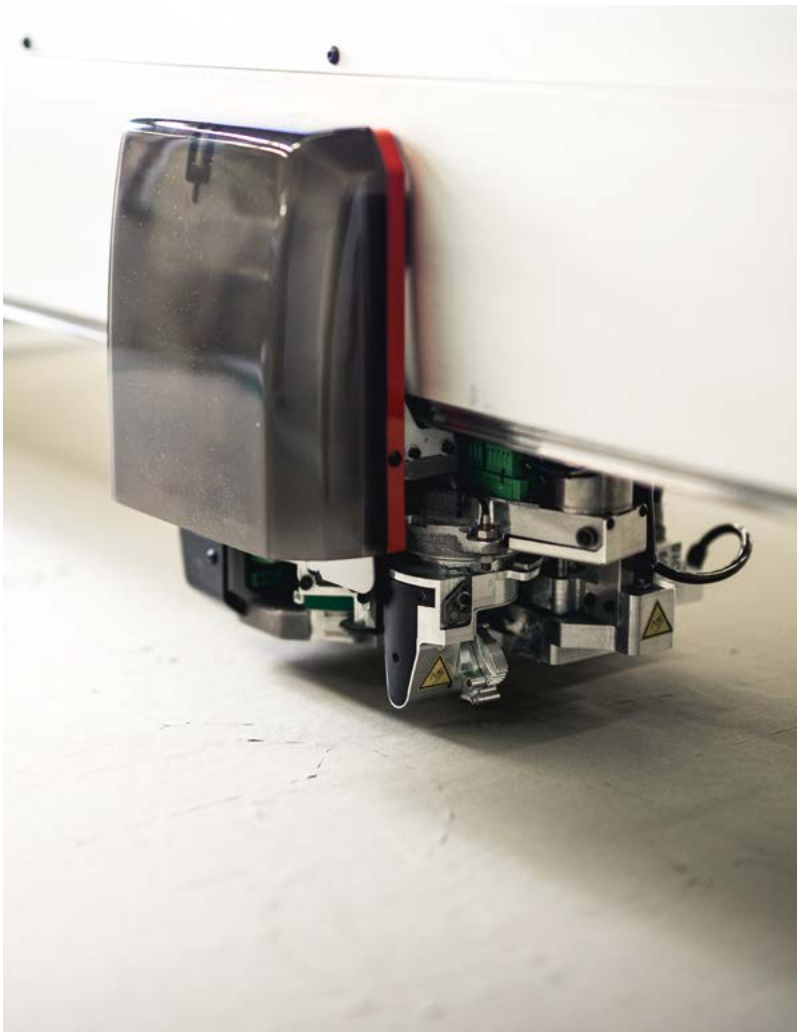


Protect the planet

Efficient production

Marck & Balsan has 7 production sites (6 in France and 1 in Tunisia). It attaches particular importance to improving its practices on these sites.

Marck & Balsan acts to use fewer resources by pooling needs and reducing waste. The topics covered in this section are engineering topics (energy and waste recovery) and design topics (optimise loss rate at the cutting stage).





Recycling material remnants in garment manufacturing

From 2018 to 2021, Marck & Balsan upgraded its machines and acquired 4.0 cutting machines ushering in an on-demand production system. These machines have reduced resource usage, such as fabric and consumables.

Marck & Balsan has been supported by Imagreen, a specialised consulting firm with over 10 years of experience in environmental and social transition issues.

In 2022 Marck & Balsan will continue to roll out a recovery programme for its textile remnant waste at its manufacturing sites, by:

- Sorting and collecting remnants by colour and fabric
- Identifying and classifying waste in order to have an efficient recycling programme
- Fibre transformation
- Reusing for spinning or a non-woven product
- Re-incorporating of recycled yarn into its products



Material obtained after transforming remnants of the main fabric. The innovative technology used produces longer fibres than those obtained through conventional recycling processes. This approach allows for a wide range of solutions.

Reduce loss rates in boat manufacturing (Sillinger subsidiary)

Since 2015, Sillinger has been scanning the manufacturing plans of its entire boat range. This digitisation and using a single fabric reference enable several references to be modulated at the same time.

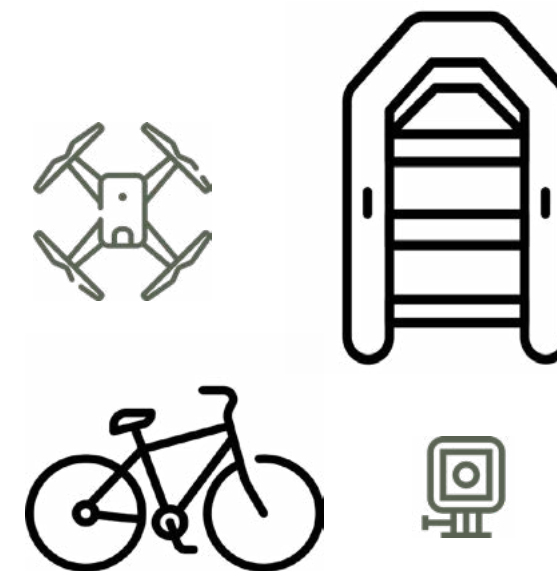
Certain standardised elements are cut during the boat manufacturing process to reduce the loss rate. This standardisation concerns several components: rings, paddle support, etc.



Protect the planet

Functional Economy

The functional economy favours using an object over possessing it, enabling resource consumption to be reduced by multiplying uses and encouraging repair. For example, Marck & Balsan has developed a rental services offer for high added-value products such as drones, boats, cameras. This also makes expensive products accessible to more people and encourages responsible consumption.



Waste management

The company has set up a system to track the total weight of waste by type and treatment mode on all Marck & Balsan sites. This monitoring has been in effect since 2017, and it shows a stability in the volume of waste. Waste treatment has moved towards better practices:

- Waste recycling excluding textiles (paper, plastic, wood, etc.) has increased (47% in 2021 versus 40% in 2019).
- Reusing (donations and sale to discounters) textile waste developed significantly (75% in 2021 versus 0% in 2019).

Protect the planet

Transport and logistics

Marck & Balsan favours short circuits. Products are produced primarily in the company's factories in France and Tunisia, then transported by lorry and boat (instead of by air), thus limiting CO2 emissions. Marck & Balsan has decided to develop partnerships with logistics providers that share its commitments and are also putting initiatives in place to reduce their environmental footprint.

- vehicles meeting the latest EURO V/VI and 100% AdBlue standards,
- delivery drivers who have received training in eco-driving.

Up to then Marck & Balsan had a logistics organisation spread all over France:

3 logistics platforms to ensure speedy and efficient distribution in France and internationally and 5 warehouses. The break-up of logistics activity over several sites increased the number of distribution flows to sub-contractors and customers.

Marck & Balsan chose to consolidate its logistics operations on one single platform, centralising inbound material shipments and outbound finished product shipments. Optimising logistic flows leads to a reduction in environmental impacts associated to goods transport.



Decarbonising goods transport

In 2021, Sillinger developed a partnership with a local carrier that uses biofuel rather than fossil fuel. This reduces potential greenhouse gas (GHG) emissions.

Marck & Balsan is undertaking decarbonisation by:

- promoting the most decarbonised modes of transport, such as rail or sea,
- measuring the carbon footprint of the transport phase.

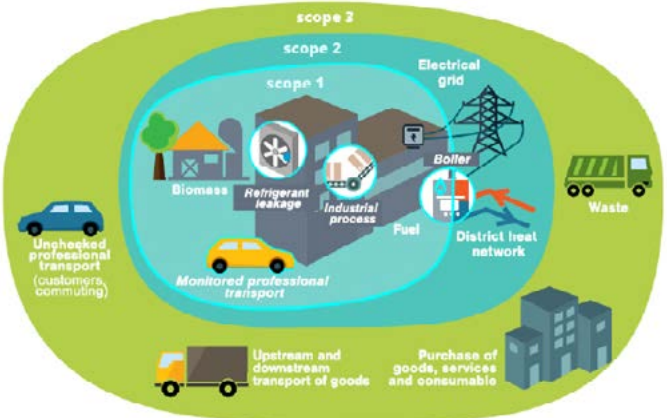
Environmental impacts of our infrastructures

Bilan Carbone ® (carbon footprint assessment)

Marck & Balsan carried out its first Bilan Carbone ® carbon footprint assessment. A Bilan Carbone ® assessment is an estimate of greenhouse gas emissions and enables the carbon equivalent of the gases identified to be established. This assessment covers the scopes 1 and 2:

- Scope 1: direct emissions (e.g. gas consumption, vehicle fuel consumption)
- Scope 2: indirect energy-related emissions (energy consumption of buildings).

Thus Marck & Balsan has quantitative information that enables it to carry out impact reduction actions in 2022. The results of this first footprint assessment will be published on ADEME's GHG footprints' website.



Source: <https://www.fnfp.fr/infodoc/environnement-rse/energie-et-changement-climatique/bilan-de-ges-etes-vous-concernez-quelles>



In 2021 scope 1 and 2

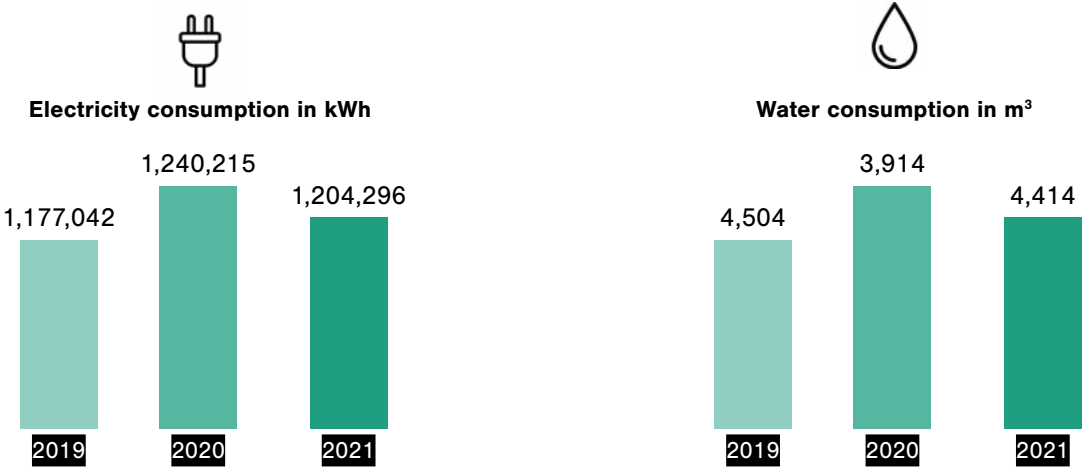
928
tCO2e

For example, Marck & Balsan plans to install solar panels at its logistics platform to decarbonise its energy consumption. The surface area covered will be 24,000 m2, which should enable a 10-15% reduction in potential CO2 emissions.


Energy consumption

Marck & Balsan is taking several actions to reduce energy consumption.

Marck & Balsan has set up reporting on its electricity and water consumption within its organisation (all sites). The company's goal is to control its energy consumption, which enables discrepancies to be analysed and consumption to be optimised.



Electricity consumption on a comparable year and scope basis is stable (less than 5% variation). In 2020, the COVID-19 pandemic and its effects disrupted the organisation. Therefore, the year is not representative and therefore not comparable in terms of consumption.


In 2021 scope 1
237
tCO2e

Mobility

Marck & Balsan's Bilan Carbone® measured the carbon footprint of its vehicles.

Marck & Balsan will extend the analysis of its greenhouse gas emissions to its employees' business trips (between sites, means of transport used, etc.).

Dematerialisation

For several years now, Marck & Balsan has been taking action to move to a “paper-free” operation.

Between 2018 and 2020, Marck & Balsan set up a platform to process all its supplier invoices in a paperless manner.

In 2021, Marck & Balsan gave employees the opportunity to have dematerialised payslips. 60% of employees opted for an electronic payslip.

Digital technology nonetheless has an environmental impact, and Marck & Balsan is vigilant in its approach to avoid a pollution transfer from paper to digital.

In addition, Marck & Balsan began a collaborative tool approach to promote document sharing and avoid multiple copies of the same document being replicated in different parts of the company. This will therefore contribute to the reduction of reducing our digital systems' environmental impacts.



03

Protect
People



Marck & Balsan addresses the social challenges of its value chains, both upstream with the control of social rights on its own sites and on those of its suppliers, and downstream by addressing user health and safety issues.

Protect People

Workers' health and safety

Marck & Balsan improves worker safety through its internal audit programme and the actions implemented following safety audits carried out by the CSR & QMS Department on each of the Marck & Balsan sites. Marck & Balsan evaluates its suppliers through a questionnaire that includes criteria for sustainability and a commitment to meet the social, environmental, and compliance obligations that the company considers essential to building collaboration over the long-term, including:

- respect for human rights and workers' rights,
- deploying measures to prevent and detect potential risks to the health and safety of all employees.

Marck & Balsan supports its sub-contractors in implementing improvement actions following social audits by independent bodies. The framework used, based on the SA8000, enables suppliers to be supported in terms of:

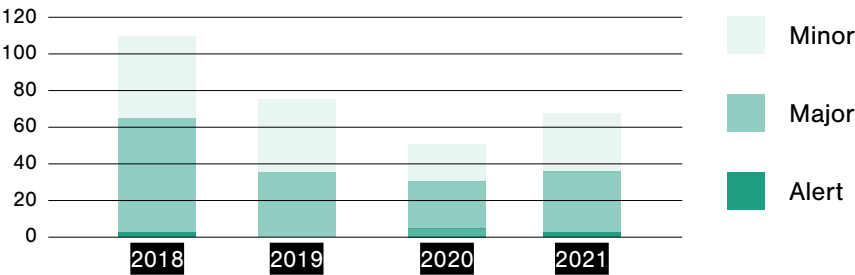
- human rights
- the work environment
- environmental management
- the integrity of the business
- the Management System

The assessment criteria are based on different frameworks, ranging from local laws to international frameworks such as the conventions of the International Labor Organization (ILO).

Marck & Balsan supports its suppliers in these progress actions. The Marck & Balsan teams work with the plants to monitor corrective action plans and help them find the best solutions. The actions carried out are prioritised based how critical the non-conformities are. The COVID pandemic has revolutionised practices and monitoring social aspects at manufacturing sites. This explains the slight increase in the number of non-conformities. Only 1 alert was raised in 2021. An alert triggers immediate actions to correct non-conformities.

For each of the sites audited, the number of non-conformities is tracked:

Trends in the number of non-conformities



Protect People

Product safety

Marck & Balsan asks its suppliers to provide OEKO-TEX® certification as evidence that their products are safe.

Indeed, the OEKO-TEX® Standard 100 label, also known as “Confidence in textiles”, is a label which guarantees the safety of textiles or the products used in the production process so as to protect people (workers and consumers) and protect the planet. It ensures raw materials and finished products are free of allergens and carcinogens.

Marck & Balsan has changed its practices and incorporated this label into its suppliers’ assessment criteria in order to guarantee to customers that the products are safe.

To date, **suppliers with an OEKO-TEX® certificate account for 92% of purchases of raw materials.** The remaining 8% certify their ability to meet the requirements of the European REACH regulation, which lists carcinogens and allergens which must not be present in the products.

Marck & Balsan has established a regulatory control plan to statistically test raw materials and products to ensure compliance with safety requirements and all product technical specifications. This approach was initiated to ensure products meet regulatory and customer requirements.

In 2017, Marck & Balsan decided to have a significant range of its products OEKO-TEX® certified: fire-fighting jackets and trousers, primarily for firefighters.

Year after year, the number of products covered by the certificate has increased from 2 to 80.



D4

Protect
The Company



Marck & Balsan wishes to build a balanced, cost-effective and sustainable growth model.

To do this, it must protect itself from critical crises to which it may be exposed (ethical risks, reputational risks, risks of not being able to meet the needs of its customers...).

Therefore, a constant regulatory watch is in place and preventive actions are carried out with the establishment of a Business Continuity Plan (BCP).

Protect The Company

Corruption prevention

The FIDAL Cabinet has been mandated to carry out an inventory of the tools used to effectively prevent corruption and influence peddling, in light of the provisions of Article 17 of the Sapin 2 Act of 9 December 2016 and the best practices published by the Agence Française Anticorruption.

This inventory led to recommendations being made to meet the requirements of the “Sapin 2” regulation and improve Marck & Balsan's practices. This is a voluntary approach to improving practices since the company is not yet obliged to do so.

In 2021

0

ABNORMAL situations

No abnormal situations was escalated and therefore no investigations initiated during the year.

Awareness-raising actions on the risks of corruption and influence peddling are being carried out.

100%

OF MEMBERS OF GOVERNANCE
BODIES ARE TRAINED

As regards governance bodies, all persons on the Operational Executive Committee (CODIR) and the Strategic Executive Committee are aware of anti-corruption policies and procedures.

Business Continuity Plan

The Covid-19 pandemic has demonstrated the risk of exposure to major crises and the impact on the business of these crises.

In order to anticipate and prevent any critical risks, the company has established a formal Business continuity Plan.

The purpose of this plan is to protect the company by preventing certain events from occurring when possible or mitigating the effects of such events.





Protect The Company

Customer satisfaction

Marck & Balsan has built and rolled out a first tool to measure customer satisfaction.

The measurement can be carried out continuously as part of operational monitoring or at different times in the customer relationship:

- When signing a contract
- One year after the start of the relationship with the customer
- At the end of the contract

The satisfaction rate is monitored monthly and is part of the company's performance dashboard.

Dual sourcing

Marck & Balsan has taken actions to secure its supplies of raw materials and finished products. Indeed, supply chains are under unprecedented pressure. The company seeks to secure its sourcing channels in order to best serve its customers.

The rate of product categories benefiting from dual sourcing is monitored monthly and is one of the indicators on the company's performance dashboard.

82%

Product categories that benefit
from dual sourcing



05

Shine through
M&B products



Marck & Balsan develops quality products to satisfy its customers and shine through more environmentally friendly products.

The people involved in product development were trained in ecodesign as part of CSR training in 2019 and 2020 and the awareness of each new employee concerned is raised during the employee's onboarding on joining the company.

Shine through M&B products

More responsible raw materials

In the Employees trained were those working in CSR priority areas in 2020 in particular Department, the Sourcing function has been defined separately from the Purchasing function and new positions have thus been created. New sourcers have joined Marck & Balsan with the goal of finding more raw and products that incorporate recycled raw materials or organic fibres for its collections.

To ensure the traceability of organic or recycled raw materials, Marck & Balsan relies on such labels as:

- GOTS (Global Organic Textile Standard) attests to the use of organic textiles
- GRS (Global Recycled Standard) attests to the use of recycled textiles
- RWS (Responsible Wool Standard) is concerned with the welfare of sheep and the respect of pastures

These labels vouch for:

- the raw materials means of production
- the integrity and traceability of raw materials
- account is taken of social and environmental criteria

Marck & Balsan is entering into a certification process for these labels to meet customer demands and training on these concepts will be provided for the people who work

on the products.

Regarding product packaging, Marck & Balsan is committed to reducing environmental impacts by:

- using recycled cardboard as well as recycled corrugated cardboard boxes with lids for product packaging,
- purchasing used or recycled pallets on the new logistics platform,
- proposing biosourced and biodegradable plastics for product packaging. Marck & Balsan also offers its customers the possibility of having several products packed together to limit the use of plastic (e.g. masks).
- The use of reusable pallet crates to pick up end-of-life products from customers' premises.

Marck & Balsan wants to support its customers with a committed offer, by developing the end-of-life product collection service.

Marck & Balsan is partnering with Dagobaire with the goal of carrying out a varied and complementary turnkey programme to ensure this circularity.



Shine through M&B products

Upcycling

Upcycling is the recovery of raw materials or products that are no longer used in order to convert them into raw materials or products of superior quality or utility. So it is “superior quality” recycling.

In 2021, Marck & Balsan's marketing and CSR teams identified among the depreciated raw materials those that could be reused to avoid taking them out of stock.
New products were thus developed to recover these raw materials in the form of sunhats, shopping bags or fabric polybags.
The first product was developed on the Marck & Balsan's production site in Tunisia.

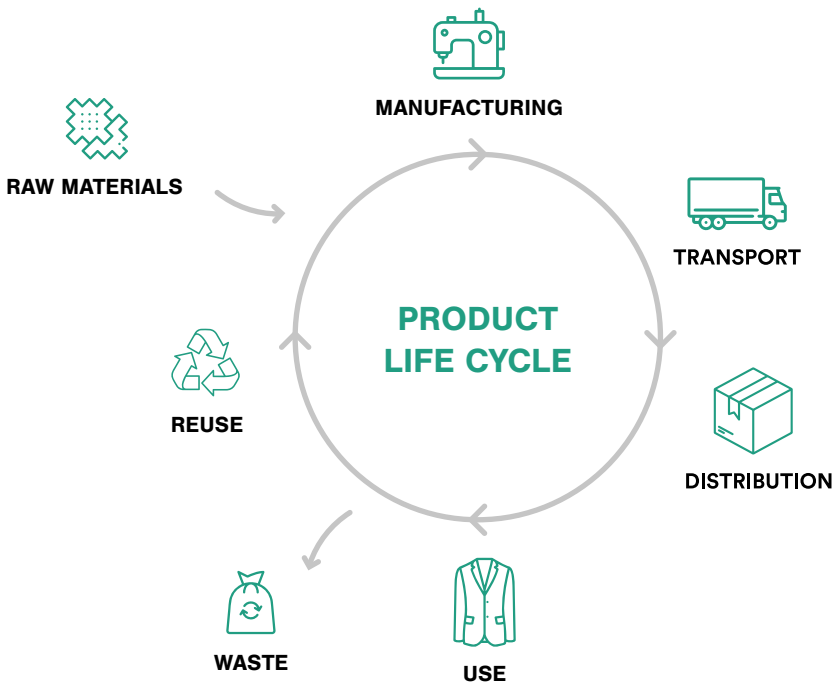
A partnership is under way with an ESAT vocational rehabilitation workshop in Gennevilliers, where Marck & Balsan's head office is located.



Reducing environmental impacts at the design stage

Textile Life Cycle Assessment (LCA) approach

Marck & Balsan seeks to offer its customers and users the most virtuous products possible.
The company has decided to use a Life Cycle Analysis to ecodesign its textile products.
This approach enables the company to be in a position to address customers' new awareness of environmental issues and the impacts of their purchasing actions by providing them with quantitative, comparable and verifiable information.
This approach will enable the company to have environmental performance criteria for the product.



In 2021, Marck & Balsan initiated this approach by collecting information on two of its iconic products.
A CSR Project Manager will support the deployment of this approach to teams developing products in-house or with our external partners.

Environmental criteria in design—Sillinger boat

Sillinger sub-contracts work on certain parts of the boats, such as the hull and console made from composite raw materials.

- Several actions have been carried out in order to reduce the environmental impact of these parts:
- changing manufacturing processes: moving from contact moulding to infusion moulding; This process change has resulted in:
 - a reduction in resin consumption (an estimated 10% less compared with contact moulding)
 - better mechanical performance of manufactured parts and therefore increased service life.
 - reduced worker exposure times to resins such as volatile organic compounds (VOCs) and therefore

- fewer potential health impacts.
- the subcontractors' manufacturing locations being brought closer together;

For these two components, Sillinger is now working with a local supplier, located 54km from its Mer production site. Bringing production centres closer together reduces transport distances and enables these components to be manufactured in France where environmental regulations are stringent. This therefore contributes to reducing environmental and social impacts.



Extended service life: reuse and repair

Marck & Balsan is renowned for its products' extended service life, strong and stable raw materials and for its textile products' manufacturing quality. Reducing product consumption while maintaining the same service level is the most effective way to reduce environmental impacts in terms of both production and waste generation.

Therefore Marck & Balsan products have long warranty periods. A repair service, particularly focused on PPE, is also available to customers to extend the extend product life.

Sillinger provides a 5-year warranty for the floats on its boats.
In float pressure tests, acceptance criteria are stricter than regulatory requirements.

The notion of reparability is one of Sillinger's strong points. Sillinger stands out through its use of structural products that are at once technical and repairable (hypalon and neoprene, cold bonding, washing guide).



06

Shine for and
through M&B
employees



Marck & Balsan's Human Resources policy is based on its corporate culture and in particular its three core values: Humility, Courage, Loyalty.

It serves one of strategic components of Marck & Balsan's policy: retaining and developing employees to increase individual and collective skills.

Marck & Balsan owes its strength to its employees. The company intends to provide all the women and men who make up its human capital with a positive and harmonious working environment and intends to foster equal opportunities for all.

Shine for and through M&B employees

Skills development

Training

A component of Marck & Balsan's Human Resources policy is to develop skills to enable employees who so wish, to advance and capitalise on their skills and talents, both in terms of know-how and attitude.

The rate of completion of the training plan is an indicator in the company's performance dashboard, with a result of 61% in 2021.

Marck & Balsan Academy

The cutting edge skills of the employees and trades present at Marck & Balsan led to a programme being launched in 2021 to create internal training content, starting with the Management module.

The priority themes to be co-built in the form of training modules (face-to-face and remote) with volunteer employees are: Management, Manufacturing, Commerce, Information System/Digitisation and Corporate Social Responsibility.



Digitising know-how

Perpetuating know-how is a major objective for Marck & Balsan in order to preserve expertise, promote existing skills and develop the products of the future. This positive approach enables Marck & Balsan to address its customers' requirements.

Sillinger guarantees the preservation of its know-how through internal training and digitising its operating procedures.

Expert employees are committed to passing on their know-how, in particular through tutoring, a method they favour.

To facilitate access to data and upskilling of production operators, Sillinger has chosen to give formal shape to its operating methods in the form of tablet-based videos in manufacturing workshops.



Shine for and through M&B employees

Staff fulfilment

Consideration of psychosocial risks

Marck & Balsan is pursuing the actions undertaken since 2018 in the area of psychosocial risk prevention and aims to promote quality of life at work and develop the means of providing a peaceful working environment for all, thus preserving health in the workplace.

To do this, a Steering Committee was set up in 2019. During the Covid health crisis, confidential and free-access psychological support mechanisms were put in place for all employees who wished to make use of them.



Hiring process

Marck & Balsan is developing its employer brand. Concrete actions were implemented in the hiring process in 2021. For example the content and visual appeal of advertisements and hiring promises were improved to better attract skilled employees.



A tailor-made onboarding journey



Dematerialised payslips



Transport accessibility



Parking for cars and bikes



Meal voucher card

Sillinger, the last French foldable boat manufacturer and the only boat manufacturer in the Centre Val de Loire region, must adapt its hiring process to give greater visibility to applicants and entice to join the company:

- 1. Group interview with a presentation of the company and detailed visit of the workshop
- 2. “Bulkhead test” morning with a test at the station
- 3. Hiring, onboarding journey and coaching in pairs with an experienced trainer

Testimony of Elodie C., hired at the Assembly station at Sillinger

“The hiring process is very interesting and very comprehensive. It enabled us to picture ourselves working in the company and gave us an in-depth understanding of the job. The explanations about the product range and the videos during the collective interview gave us a good idea of how wide the range was and how customers used the products. During the bulkhead tests, we were immersed in the workshop, we practiced and used the products and even had the opportunity to talk with employees. All of this helped us see ourselves working at the company. It helped us understand how the workshop operated and gave us the desire to be part of it. Supporting employees during the onboarding journey is very important. Our trainers give us advice on a daily basis, helping us and making us more independent. We learn a trade that can’t be done anywhere elsewhere in the region with atypical products.”

Approach initiated regarding musculoskeletal disorders (MSD)

The clothing trades are carried out in workshops in an environment exposed to noise depending on the type of machine used. The job requires a sitting or standing for extended periods of time depending on the manufacturing stage. This environment requires the company to constantly reflect on how best to set up work spaces using equipment or tools to foster of its personnel’s well-being with the help of outside organisations.

For example, Marck & Balsan has invested in ergonomic chairs, LED lamps on sewing machines, lamps with magnifying glasses to facilitate manual stitching, anti-static mats, anti-fatigue mats, cordless, lighter irons for ironing tasks, or ergonomic transport trolleys to move heavy loads such as fabrics.

Marck & Balsan has also reorganised the production lines on each site in order to reduce moving around.

To combat MSD disorders, Marck & Balsan promotes versatility so as to reduce repetitive gestures by having employees occupy different workstations.

In 2021, Marck & Balsan worked with the support of the CARSAT, an occupational health and retirement insurance fund and with the occupational health authorities. This project takes the form of a 4-stage journey: inventory, choice of position or family of positions, action plan and finally measuring the results.

A study on the ergonomics of the seats provided was carried out as well as a study on noise exposure.

At the Sillinger site, the whole boat must be turned over and back several times during the production process in order to install the floats. This is carried out with the help of a forklift.

To avoid dangers for users and heavy handling, Sillinger has developed a “Turner” device. This system is installed on racks and enables the boats to be lifted, lowered and turned over securely.

In addition to reducing the MSD risk, this system has the following advantages for the user: ease of use, safe, adaptable working height.



As regards industrial accidents, the frequency rate is generally stable and severity levels have decreased. For Marck & Balsan with Sillinger, the figures for 2021 were:

Severity rate: 0.75
Frequency rate: 16.04

Shine for and through M&B employees

Diversity, Fairness and Equal opportunities

Diversity

Marck & Balsan signed the Diversity Charter in 2021. Diversity is the foundation of a society that thrives socially and economically.

- The Diversity Charter helps to develop management that respects differences and is based on trust. It improves team cohesion, fosters more harmonious cohabitation and results in stronger performance. The Diversity Charter promotes diversity in every area: combating discrimination, equal opportunities and inclusive management.

The commitments set down in the Diversity Charter take the form of regularly monitored concrete actions and are factors of social and economic progress. The company or organisation benefits from greater recognition by all internal and external stakeholders in France and around the world when these commitments are implemented in every aspect of the organisation's activities.

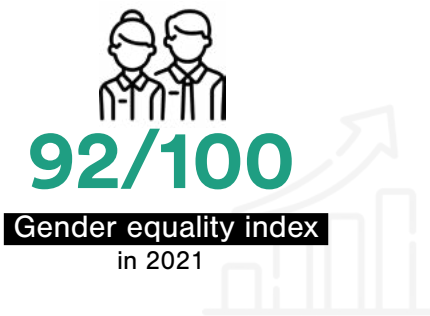


Equality

The gender equality index in 2021 is 92/100 for Marck & Balsan

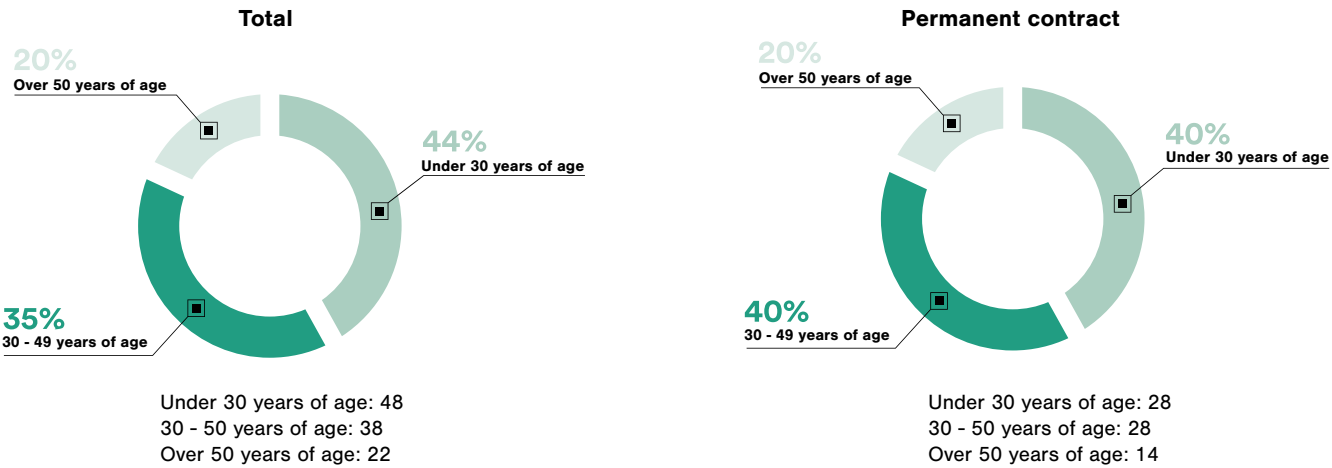
- Up 6 points on 2020,
- Well above the index average of 86

Marck & Balsan governance bodies apply the following policies: gender equality:



Corporate body	% Women	% Men	30 - 50 years of age	Over 50 years of age
Operational Executive Committee	50%	50%	50%	50%
Strategic Executive Committee	46%	54%	46%	54%
Operations & Business Committee	35%	65%	47%	53%
Prospective Committee	43%	57%	43%	57%

In 2021, Marck & Balsan continued to take on new employees. New hires by Marck & Balsan including Sillinger (in % and number):



The 2021 turnover rate was 19.9% for Marck & Balsan and Sillinger.

Inclusion

Marck & Balsan is very proud to have had 9 volunteer employees participate in the Duo-Day operation on Thursday, 18 November 2021 even though it was not possible to form a duo.

Through this operation, the company wishes to:

- enable workers with disabilities to present their professional capacities and strong points,
- affirm the company's social values,
- raise awareness among teams.



07

Shine in M&B
territories



Marck & Balsan has kept its historical roots in France: the company employs over 500 people in France and in this way it preserves its expertise and know-how.

Beyond its industrial heritage, Marck & Balsan is developing partnerships to further anchor its activities in France and increase the positive impacts of these activities.

Shine in M&B territories

Human capital development

Marck & Balsan promotes sustainable employment with:

- 95% of its employees on permanent contracts based in France
- 70% of its workforce spread across 6 sites in France

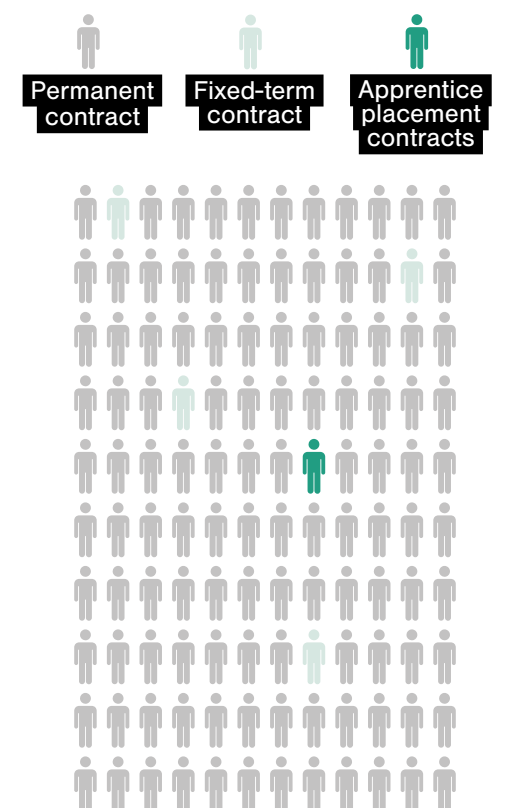
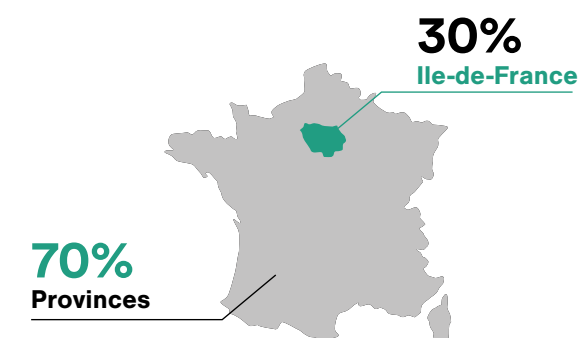
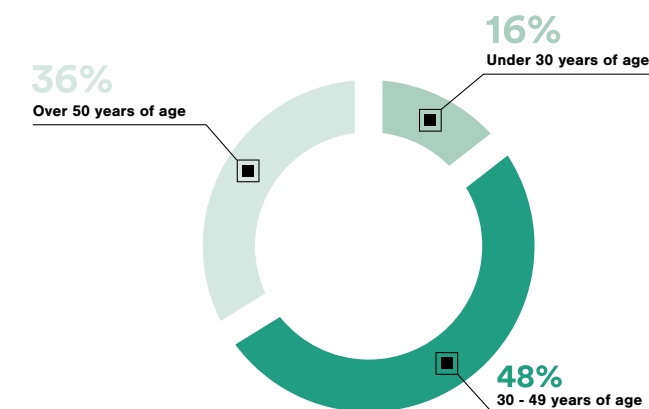
Marck & Balsan:

- draws on its historical know-how that has been passed down from generation to generation over the last 170 years
- innovates by having 10% of its employees involved in research to develop ever more effective equipment to protect its customers from the numerous risks they are exposed to (fire, cold, chemical, war...).

Total workforce 502 employees as of 31/12/2021: Marck & Balsan and Sillinger

Buying French products supports bringing production back to France.

When someone buys a pair of socks, a scarf, beanie, underwear, or another product made in France per year, they contribute to creating 4,400 jobs.



Shine in M&B territories

Partnerships and patronage

Marck & Balsan acts for local development and to preserve expertise in France. In 2020, Marck & Balsan set up the Patronage commission with commission members from several departments (marketing, HR, legal) who together choose partnerships based on 2 clearly defined ambitions:

- Foster French culture, professions, expertise...
- Protect: partnership for health, disability, natural hazards...

Mutual assistance day for the French Navy

Marck & Balsan has been a partner of Entraide Marine-Adosm since 2019. Entraide Marine-Adosm is an association that helps civilian and military personnel and their families in the French Navy who are going through hard times.

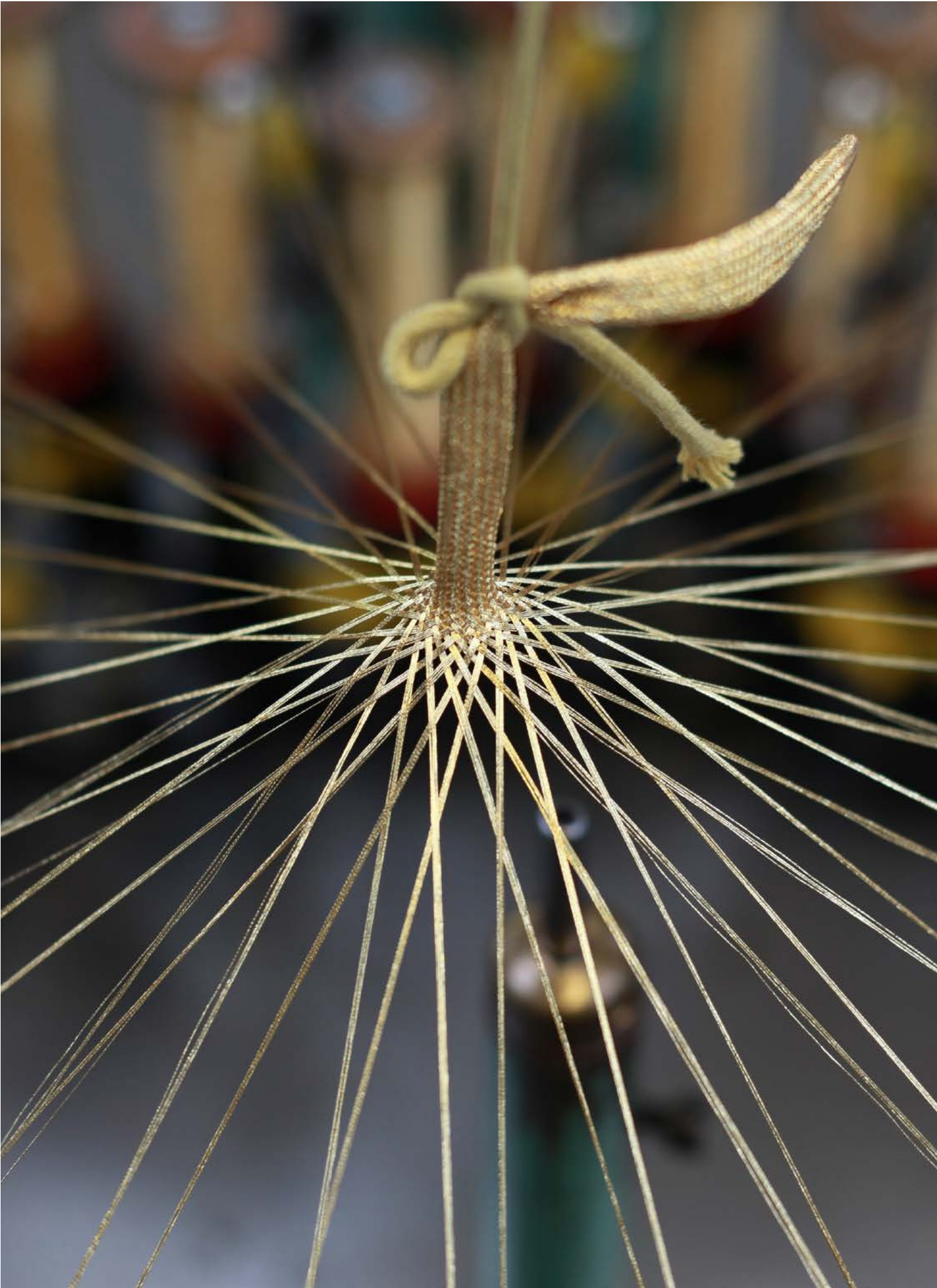
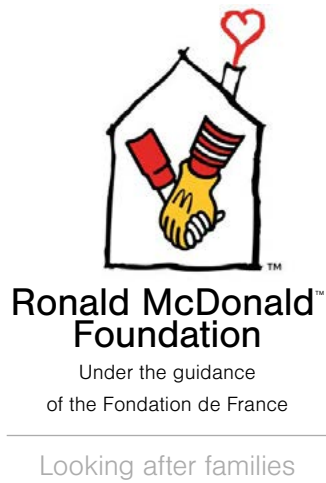
The association organises the Navy’s mutual assistance days every year in order to raise funds.

After donating 300 pompons in 2019, Marck & Balsan helped in 2021 by offering bridge mats that were sold on those days. Marck & Balsan made these, available in 2 sizes, in France in the Sainte-Pazanne (44) workshop.



The Ronald McDonald Foundation

With the launch of the new McDonald’s collection in the spring of 2021, a special operation in support of the Ronald McDonald Foundation was launched: €6,757 were donated to this foundation. This foundation enables the relatives of hospitalised children to remain close to them thanks to the 10 Parent Houses built near the hospitals.



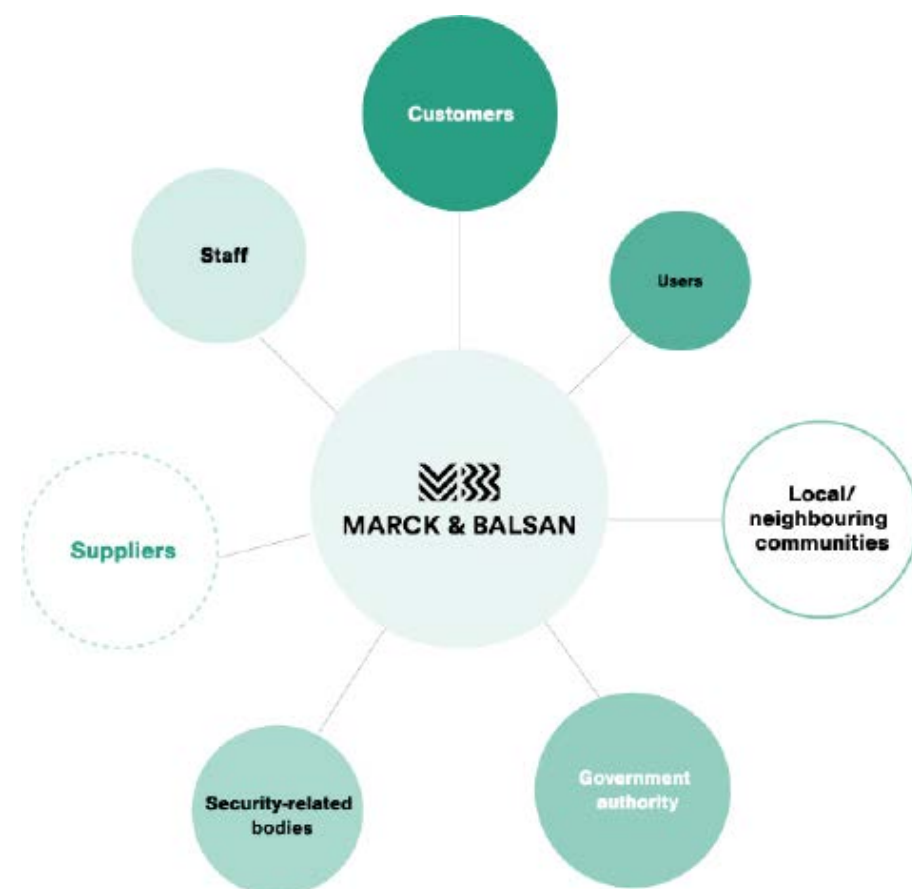
08

Shine with
stakeholders



Marck & Balsan seeks to know how stakeholders perceive its practices in order to build sustainable business activities with a strong positive impact.

By knowing its stakeholders Marck & Balsan is better positioned to address their requirements. Constructive dialogue with stakeholders also helps create sustainable value for all.



Dialogue with the Ministry of the Economy, Finance and Recovery on the CSR commitment

Marck & Balsan's CSR commitment was welcomed by Agnès Pannier-Runacher, junior minister responsible for Industry and Olivia Grégoire, Secretary of State for the Social, Solidarity and Responsible Economy who both visited the company's head office in Gennevilliers to receive a report on responsible government purchasing from French members of parliament Nadège Havet and Sophie Beaudouin-Hubière.

"You have a very strong commitment to social and environmental responsibility, both in terms of your environmental footprint, your social and societal role and finally because you make iconic products."

A. Pannier-Runacher



Shine with stakeholders

Social dialogue

One illustration of how social dialogue works at Marck & Balsan was the manner in which decisions taken regarding health and safety conditions during the Covid crisis were regularly shared with staff representatives. These staff representatives were associated with the various actions implemented right from the outset of the crisis. The health crisis was the subject of discussion and feedback from staff representative bodies, supervisors and employees throughout 2020 and 2021.

A crisis management questionnaire was drawn up to measure employee satisfaction. It enable employees' opinions to be gathered on the areas best managed during the crisis (health and safety conditions put in place at the outset of the crisis, donations of masks to employees

and their families, communication and interaction with employees etc.). It also helped identify and prioritise improvement opportunities.

Survey return rate of: 50%

Rate of returns on the sites: 40% of respondents are based at headquarters / 60% on the other sites

A Covid Guide, drawn up in May 2020 and regularly updated in response to changes in government knowledge and guidelines, helped all employees in organising their work during this pandemic crisis.



Active listening to suppliers

Marck & Balsan seeks to be attentive to suppliers' needs in order to build relationships of trust with them.

In 2021, active listening was carried out during a telephone discussion to assess the quality of the relationship between Marck & Balsan and its suppliers accounting for 20% of purchases. This approach was appreciated by suppliers and highlighted Marck & Balsan's strong points →



An anonymised global assessment also helped identify areas for improvement. Actions to be implemented in 2022 are integrated into the responsible purchasing action plan, the progress of which is monitored monthly by the Responsible Purchasing & Supplier Relations steering committee (RFAR).

Furthermore, to deal with sensitive issues before a situation deteriorates but also to continuously improve relations with suppliers, suppliers may refer to an internal mediator at Marck and Balsan. In 2021, no request for mediation was made.

In 2021

0

Requests for mediation

Testimony of François Girard, Managing Director of Entreprises Responsables +:

“Marck and Balsan is a company sincerely committed to CSR and Responsible Purchasing. Beyond their own commitment in this area, we can only welcome its active participation in activities promoting the RFAR and Responsible Purchasing label to have it shared with other companies in their sector and thus make a positive contribution to the image of this sector in France.”

09

Methodology



Methodology

Reporting content

The goal of the Marck & Balsan responsibility report is first and foremost to meet a requirement of accountability to internal and external stakeholders, in particular by making information available. In this societal report, the most relevant information for Marck & Balsan's business activities as defined by a materiality analysis was taken into account.

The aim of this analysis is to identify and prioritise the main CSR issues by comparing information from different sources, depending on the company's activities and the expectations identified by external and internal stakeholders. The interest and added value of such an exercise lies in the ability to provide a consensus view of the priority issues in order to select the most relevant qualitative information and indicators for the report.

The issues are pre-defined by the Global Report Initiative (GRI-G4 "aspects"). They are structured into a total of 58 categories.

The Marck & Balsan materiality analysis was conducted by comparing information from internal sources (employees, managers) and external sources (customer requirements and expectations, press reviews, external reports, etc.) This matrix is consistent with Marck & Balsan's commitments and objectives.

This report consists of Marck & Balsan's Non-Financial Performance Statement (NFPS) for the 2021 financial and calendar year, and additional elements for the production of the UN Global Compact's Communication on Progress (COP).

Reporting scope and period

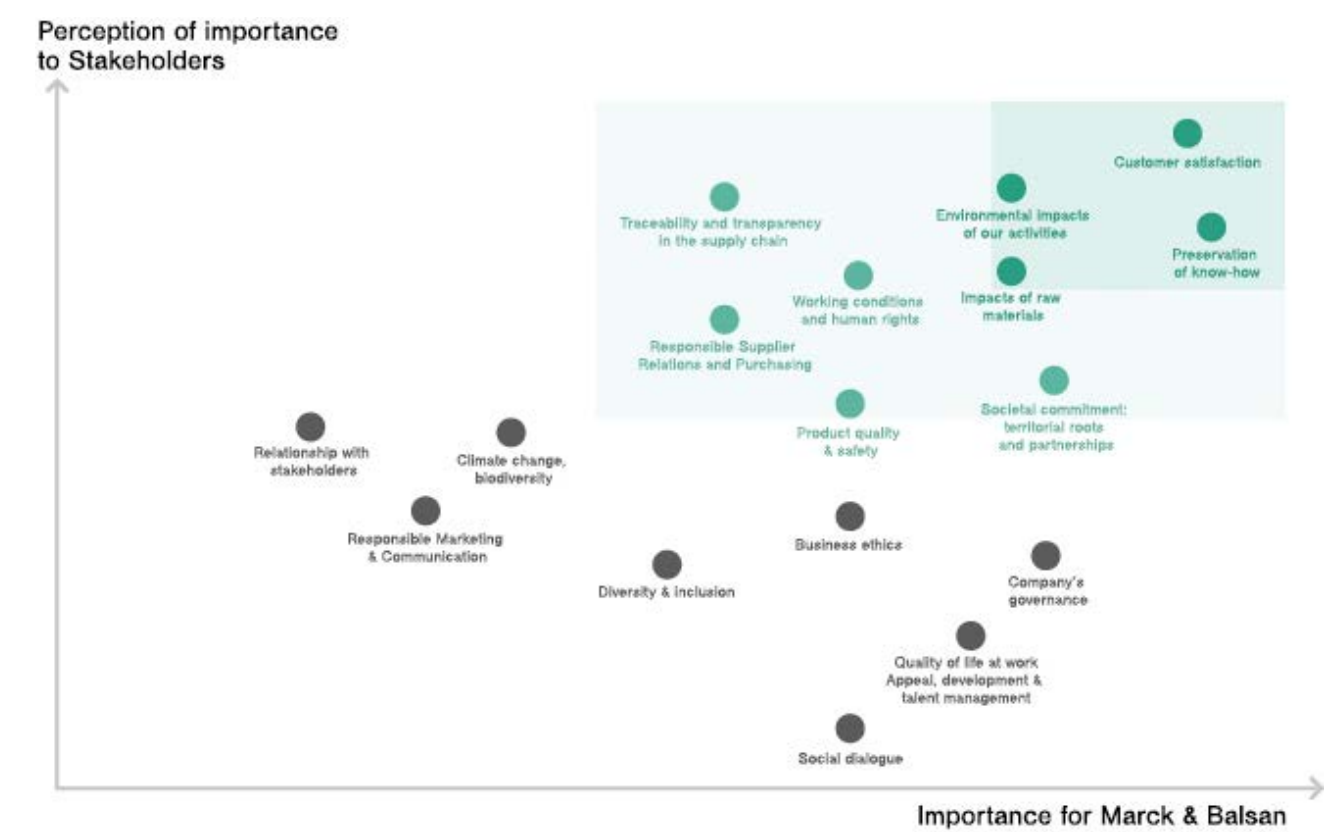
The reporting scope includes Marck & Balsan and its subsidiaries: Sillinger, Marck, Fasitex, Groupe Marck Burbina, M.H.K. Outfit Limited and Balsan Tianjin.

These entities account for 100% of the consolidated balance sheet and consolidated net banking product 2021.

Entities outside the scope: MIM & Tech and Sillinger Senegal due to their negligible business volumes.

This report covers the period from 1 January 2021 to 31 December 2021.

CSR issues and Materiality analysis



Risks

Marck & Balsan has identified the key risks for each issue identified in its materiality matrix. This approach helps to prevent potential risks and remedy those that have already occurred. A corporate CSR risk matrix has thus been established and is used to steer the action plan. This matrix is structured as follows: issue(s), opportunity(ies), risk(s), potential impact on Marck & Balsan's business.

In addition to the obligations in the different CSR frameworks used by Marck & Balsan (NFPS; RFAR etc.), this matrix makes it possible to ensure the actions put in place are robust and there is coherence between the company's strategy and the risks present. It is an important means to protect the company.

Here is an example of Risk:

Category	Issue (x)	Opportunity(ies)	Risk(s)	Impact on M&B's business
Quality of products/ services and customer relationship	Product quality & safety	Brand image; winning over new customers; key factors in the potential success of the company	Risk to the brand "value", loss of turnover	Customer dissatisfaction Risks of product failures that can jeopardise user health and safety



Marck & Balsan CSR

Together, act for change!

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