

Mayerline
BRUSSELS



Annual Social Report 2010

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Mayerline. A made in Belgium story, for over 50 years.

Mayerline lives and breathes fashion. Like no other, this fashion house manages to strike a balance between the latest fashion dictates and clothing that women love to wear. Today, a committed and enthusiastic team forms the basis for our collections, which attest to their dedication, talent and love of the craft, time and again.

1957-1987 | From atelier to fashion brand

1957: In their modest atelier in Brussels, Joseph Meyer and his wife Jeanne Vrijdags design their first clothing line consisting of jackets and coats. This is soon followed by women's suits and other garments. Jeanne's elegant creations gain them an enthusiastic following of customers. Initially sold at outdoor markets, the collections quickly find their way to better multibrand shops. After a while, Joseph and Jeanne take over several shops of their own. It is in one of these that their son Maurice begins working at the age of 14. He meets his wife Frieda Zegers and, thanks in part to her creative input, the shops grow into well-known fashion concerns.

1965: Pierre Fogiel takes the helm and brings further structure to the company, resulting in brisk growth.

1980: Maurice Meyer becomes Managing Director of Mayerline. The focus is on developing the collection and in 1986 Mayerline is launched as a brand. The first catalogue is published.

1987- 1997 | Mayerline invests in its own strengths. The Belgian retail market forms the basic outlet for the collection and this proves such a success that in 1995 they are able to open their own shops. In 1996 the first "shop in shop" is opened at a branch of the Galeria Inno department stores. All the while, Mayerline remains a fixture in multibrand shops as well.

1997-2007 | The expansion: Belgian roots & international production.

In 1999 Mayerline opens its foreign production site in Lithuania. Shortly afterwards, the shop concept is updated as well. Maurice Meyer, now assisted by his son Christophe, his daughter Annick and a team of loyal and competent employees, aims to expand further.

In 2006 Mayerline has 25 shops of its own and the brand is also distributed in all 15 branches of the Galeria Inno department stores. One year later, boutiques are opened in Mol, Lommel, De Panne, Ieper, Mortsel and Waregem. In the meantime, the line of clothing has become available in 165 multibrand shops. There are also over 20 shops in the Netherlands.

2009 - ... | A look ahead to the future

The expansion within Belgium progresses with the opening of new shops in locations such as Beveren, Waterloo, Halle, Sint-Truiden, Genk ... Mayerline is looking to continue its growth internationally.

Furthermore Mayerline introduced company values to align expectations and way of working of all stakeholders: customers, coworkers, owners and the general public. Out of these values one of the most important ones – sustainability:

Mayerline strives to sustainable development as a company with a healthy return on long term.

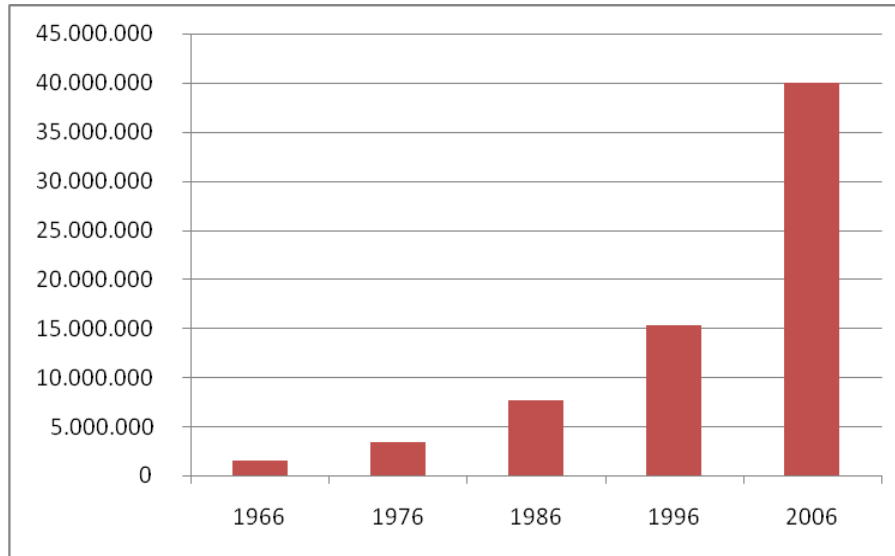
We are building a win-win relationship with all our stakeholders.

Respect for the planet is an important prerequisite in which we take more and more our responsibility, but is as yet no objective in itself.

It is in persuing this value that Mayerline has decided to become a member of Fair Wear Foundation, to practicy have a tool to implement it in cooperation with our suppliers.

This report is the first step in achieving our commitment towards a sustainable word for the future.

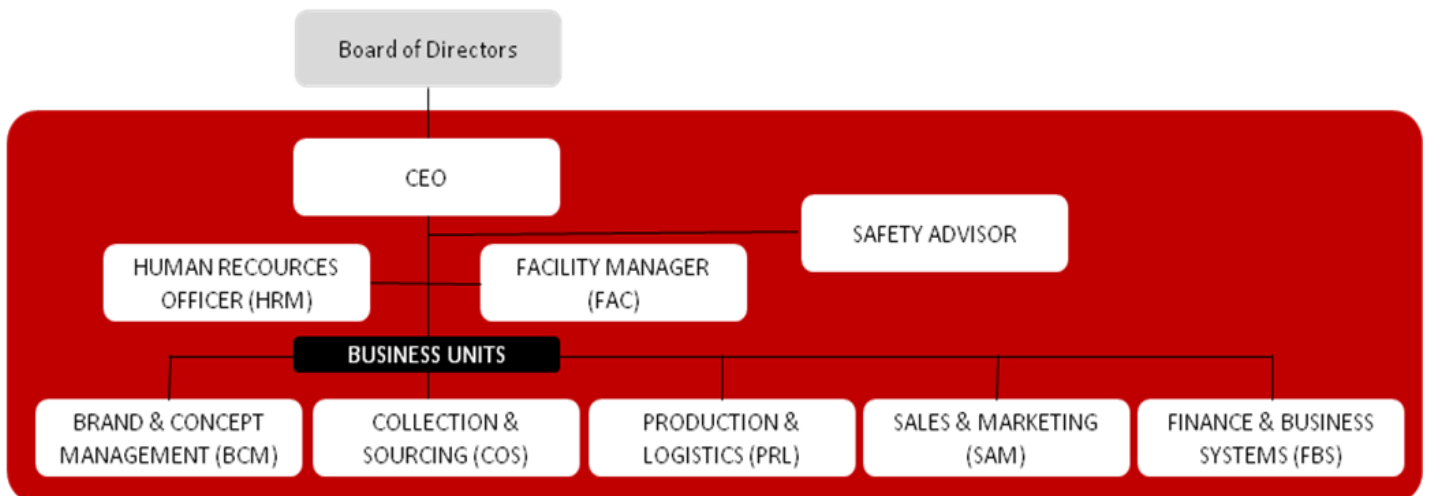
Evolution Mayerline turnover by decade



Annual turnover in 2010

45,84 Mio EUR (estimated)

Organization Chart



Production platform



Corporate Responsibility



Mayerline always paid great attention for having high quality products and to ensure that garments are produced under good labor conditions. Since 2010 it was decided to make it more structured, continues and formal process by applying for the membership of the Fair Wear Foundation.

Mayerline became an affiliate of Fair Wear Foundation in March 2010.

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By joining Fair Wear Foundation, Mayerline adopted the Code of Labor Practices. In this chapter we will give an insight into the implications and consequences of our membership of Fair Wear Foundation.

We started 2010 by preparing ourselves and learning what is FWF. We started informing our suppliers about our membership of Fair Wear Foundation and sending them the Code of Labor Practices and also the questionnaire. As more than 80% of Mayerline suppliers are partners for years, knowing Mayerline culture and product – most of them were familiar with the Corporate Social Responsibility (CSR) policies and had been audited more than once in the past.

Mayerline produces a big part of confection garments in European Union (Lithuania), it was produced/purchased over 26% of total Mayerline production in European Union for 2 collections of 2010. Therefore the focus and the first audit was held in Far East Factory. The joint audit was held for 3 members of FWF & by Fair Wear Foundation audit team in China in August 2010. The audited factory is producing a significant part of Mayerline production (over 26%). Despite the fact the audit was for 3 FWF member companies – total turnover of the factory with these 3 partners is not so big 1-2%, but the factory is still interested in cooperation. As this was the first audit we were responsible - it was a very good practice for ourselves what we should pay attention to, how to coordinate the joint audit, what Corrective Action Plan (CAP) means for us and for the supplier.

CAP was agreed to implement in several steps:

1. solving health & safety issues (fixing emergency sign location and size, warning signs, fire hydrants, publicising the FWF code etc.)

2. implementing transparency on documentation related to working hours and assuring one rest day in every week.
3. By having transparent documentation on working hours - to focus on paying "living wage" for workers.

Despite the fact of 9 points indicated in CAP, we consider situation is not critical and doable to deal with. Next factory visit will be held in March 2011.

As over 80% of total Mayerline production is made with constant suppliers/producers during recent years, therefore we have clear vision to do the audits at 2-3 factories in China during 2011:

Factory	Country of Production	% of total production/purchases for 2010 by Mayerline	2010: % originated in the factories which have been audited or from factories in "low risk countries"	Plan 2011 (60% required by FWF)	Corrective Action Plan in progress
Factory 001	China	26,9%	26,9%	26,9%	+
Factory 002	Lithuania	22,3%	21,9%	21,9%	
Factory 003	China	13,7%		13,7%	
Factory 004	Vietnam	9,8%			
Factory 005	China	7,6%		7,6%	
Factory 006	China	5,4%			
Factory 007	Portugal	3,5%	3,5%	3,5%	
Factory 008	Ukraine	1,9%			
Factory 009	Romania	1,7%			
Factory 010	China	1,0%			
Factory 011	China	1,0%			
Factory 012	Tunisia	0,8%			
Factory 013	Turkey	0,7%			
Factory 014	Lithuania	0,4%	0,4%	0,4%	
Factory 015	Italy	0,3%	0,3%	0,3%	
Other x12	China, Russia	2,9%			
			53,0%	74,4%	

Having focus on Far East suppliers we encourage our European suppliers to join our initiative to be transparent on all the requirements related to Code of Labor practices too.

No complaints received during 2010.

Communication & Transparency

In order to better inform our suppliers we implemented a new web site dedicated for our suppliers. Going www.mayerline.be and clicking "login supplier" you are redirected to www.mli.lt page where all our registered suppliers (including raw materials suppliers) are informed about general conditions, including Code of Labor Practices, anti corruption statement, Environmental Requirements, etc.

Mayerline supplier center is designed as general contract (by asking to confirm the order for production, supplier have to confirm complying the rules indicated at www.mli.lt). As this initiative was implemented only in the middle of 2010, the goal is to make sure that all the suppliers follow the information on this web site (as every supplier has their own login) by end 2012.

In order to realize our future goals, and to work according our introduced company values, we need suppliers with whom we can make clear agreements and that are ready to respect these agreements. We believe in an open and transparent communication.