



# SMCP

sandro • maje • claudie pierlot • de fursac

## CSR *REPORT*

2020





# *CSR report*

## **1.1 SMCP's CSR approach**

- 1.1.1 The Group and its values
- 1.1.2 Ambition and strategy
- 1.1.3 Main non-financial risks and opportunities
- 1.1.4 Sustainability governance and organisation

## **1.2 Business model**

## **1.3 SMCPProduct: developing a desirable and responsible offering**

- 1.3.1 Sourcing more responsible materials and products
- 1.3.2 Guaranteeing quality sourcing from ethical suppliers
- 1.3.3 Develop and intensify circular economy initiatives

## **1.4 SMCPPlanet: preserving our planet and its natural resources**

- 1.4.1 Reducing our carbon footprint
- 1.4.2 Preferring more ecological forms of freight transport
- 1.4.3 Creating sustainable store concepts everywhere in the world
- 1.4.4 Reduce and recycle our waste

## **1.5 SMCPeople: revealing the potential of our passionate entrepreneurs**

- 1.5.1 The main employee indicators for 2020 (vs 2019)
- 1.5.2 Improving well-being at work
- 1.5.3 Committing to inclusion and diversity
- 1.5.4 Adopting ethical practices and defending our values

## **1.6 Conclusion**

## **1.7 Our methodology**

- 1.7.1 Reporting period
- 1.7.2 Reporting scope
- 1.7.3 Reporting methodology
- 1.7.4 Report verification
- 1.7.5 Methodology used to analyse non-financial risks
- 1.7.6 SMCPProduct pillar indicators
- 1.7.7 SMCPPlanet pillar indicators
- 1.7.8 SMCPeople pillar indicators

## **1.8 Summary table of indicators**

## **1.9 Independent third-party report**

# 1.1 SMCP's CSR approach

## 1.1.1 The Group and its values

---

**Going forward to dress the world in style. SMCP is accelerating its responsible momentum because Parisian chic becomes even more desirable when it is sustainable.**

The year 2020 marks a historic turning point in our sustainability strategy. Although the health crisis and its economic consequences have given this year a very special colour, they have heightened our collective awareness and strengthened all our actions in favour of the planet and humanity. At SMCP, we have all acted together for sustainable growth by taking care of the health of our employees and by responding to the national solidarity call in the face of Covid-19 with our four brands.

With the same conviction that Parisian chic is only elegant if it is sustainable, this year we finished writing our sustainability strategy with a clear vision for the future of accessible luxury. This same year, the Group also decided to join the Global Compact to defend the sustainable development goals in favour of human rights and natural resources. After three years of definition, audits and actions, the time has come for our fourth chapter: the development of truly responsible and eco-friendly brands. SMCP is proud of the ambitions we are working towards by 2025, and we shared them externally during the Investor Day. With our four brands, we are making a concrete and lasting commitment to advancing desirability, dreams and confidence in the world.

### THE GROUP AND ITS VALUES

**Chic and elegance are not in what you wear, but in your attitude.**

In the beginning, there were three women, Evelyne Chérite, Judith Milgrom and Claudie Pierlot who dreamed of dressing Parisians in elegant clothes. Sandro and Claudie Pierlot were created in 1984, then Maje in 1998. The union of these three Brands gave birth to the SMCP Group in 2010. De Fursac joined the Group in 2019. Founded in 1973, the iconic French fashion house aims to elevate Parisian style. Our four brands have the same purpose.

Driven by this desire to inspire Parisian chic around the world with a certain taste for a challenge, SMCP is an international leader in ready-to-wear and accessories, with 1677 points of sale<sup>(1)</sup> in 41 countries, reaching €873 million in annual sales in 2020.

Because we have a leading role in the accessible luxury sector, we aspire to make this Parisian chic sustainable by developing more desirable and responsible collections, season after season, which respect the planet, society and humanity.

Our CSR commitments are reflected in our values. Our strategy is genuine and dynamic, just like the driven entrepreneurs who make up our history.

**Being a passionate entrepreneur:** acting with agility, as if it were your own company. The entrepreneurial heritage of the founders of our four brands is rooted in our veins and we hold their ambition high.

**Acting with a sustainable consciousness:** contributing positively to the planet in our daily actions. We are the ambassadors of our Brands and as such, we share the desire to grow them by placing people and the environment at the heart of our actions.

**Nurturing creativity and innovation:** bringing new ideas to always stay one step ahead. We encourage new ideas and encourage all our employees to write new ideas with us in order to grow the Group's performance in a responsible and sustainable manner.

**Developing a global mindset:** seeing beyond its own field of action. We need to think about the overall impact of our work on an international scale, creating unique experiences that respect all cultures.

**Thinking of elegance as an attitude:** showing respect and caring for others. Sensitive to the world around us, we aspire to an ethical and responsible performance.

<sup>(1)</sup> 1,334 Direct operated stores and 340 point of sales partners

## 1.1.2 Ambition and strategy

### OUR THREE STRATEGIC PRIORITIES AND OUR AMBITIONS FOR 2025

**SMCP has strong ambitions by 2025 for a sustainable transformation of Parisian chic throughout the world.**

Identified in 2019, our three high-value strategic pillars have been carefully designed to ensure the Group's sustainable development where luxury and ethics are two sides of the same coin and where elegance is only attractive if it embodies respect.

In 2020, these three pillars, SMCPProduct, SMCPPlanet & SMCPPeople – our 3Ps, have guided us in building a sustainability strategy with strong ambitions to make real changes in our sector by 2025. We are resolutely committed with our four brands to achieving and even surpassing them. We communicated them externally during the Investor Day and on the e-commerce websites of our Brands, proof and symbol of our contribution to building a world more respectful of people and their environment in the world of Fashion.



#### SMCPProduct – Developing an even more desirable and responsible offering:

SMCP is committed to creating and designing more desirable and sustainable collections by ensuring that at least 60% of our offering is eco-responsible, guaranteeing a sourcing of strategic suppliers that is 100% ethical, and intensifying the circular economy initiatives of all four brands by 2025.



#### SMCPPlanet – Preserving our planet and its natural resources:

The Group is stepping up its efforts to reduce our environmental footprint by at least 20% within five years, by minimising our air transport flows, and by developing our Green Store concept throughout the world.



#### SMCPPeople – Unveiling the potential of our passionate entrepreneurs:

SMCP is committed to strengthening the well-being and professional development of each of our employees by encouraging internal mobility and promotions, with training for all, and by prioritising diversity and inclusion in all our activities. It is our strength and our future.



## 1.1.3 Main non-financial risks and opportunities

The developments below present the risks and opportunities related to CSR which must be read as a supplement to the information in Section 3 "Risk Factors" of the 2020 universal registration document.

### METHODOLOGY

The analysis of non-financial risks is based on work carried out in prior years by PwC in connection with the drawing up of the Group's CSR inventory and by Utopies, a firm specialised in CSR as part of the preparation of the Group's CSR strategy. The preparation of this strategy particularly led to the interrogation of external stakeholders on their view of CSR risks and expectations within the fashion industry. Internal interviews were also carried out to identify the CSR risks and expectations as perceived by Group employees.

This analysis also relies on regulatory and competition intelligence and on the financial risks previously identified and disclosed.

This non-financial risk analysis has been validated internally, in particular by the Group General Counsel, the Group Director of Strategy and Development, the Human Resources and CSR Director and the Group Director for Internal Audits.

Risks	Policies and projects that have been implemented	Indicator
Diversity and inclusion	6.5.3 Committing to inclusion and diversity	Employees
Developing human capital	6.5.1 Main employee indicators for 2020 (vs 2019) 6.5.2 Improving well-being at work 6.5.3 Committing to inclusion and diversity	Employees Turnover Compensation Training
Data protection	URD 2020 – Part 2.7 Legislative and regulatory environment	-
Working conditions within the Group	6.5.2 Improving well-being at work 6.5.3 Committing to inclusion and diversity internally	Employees Turnover Compensation Training Workplace accidents
Supplier relations	6.3.2 Guaranteeing <i>quality</i> sourcing from ethical suppliers 6.5.4 Making the anti-corruption and anti-tax evasion measures a priority	Strategic suppliers Results of employee and environmental audits
Quality and safety of our collections Information and labelling of our products	6.3.2 Guaranteeing <i>quality</i> sourcing from ethical suppliers	Production areas for our FP, FFP, components
Raw materials Animal welfare	6.4.1 Sourcing more responsible materials and products	Responsible collections
Real estate and fixed assets	6.4.1 Reducing our carbon footprint 6.4.3 Creating sustainable store concepts everywhere in the world	Electrical consumption GHG emissions <i>Green concept store</i>
Freight transport	6.4.1 Reducing our carbon footprint 6.4.2 Preferring more ecological forms of freight transport	Transport
Human rights	6.3.2 Guaranteeing <i>quality</i> sourcing from ethical suppliers 6.5.1 Our membership of the Global Compact	Strategic suppliers Results of employee and environmental audits
Corruption and tax evasion	6.5.4 Adopting ethical practices and defending our values	-

## SOCIAL AND SOCIETAL RISKS

Highly conscious of the social and societal risks associated with our international activities in the ready-to-wear sector and in particular to the subcontracted manufacturing of our collections, we have developed a responsible and ethical global strategy.

- *Diversity & inclusion:* we believe that diversity is a force that drives new ideas at all levels of our structure and keeps us one step ahead of the game. The Group has made a commitment through its Human Resources policy to promote diversity and inclusion and to empower women in all the countries in which we operate.
- *Development & enhancement of human capital:* We wish to continue writing the story of our extraordinary growth internationally with all our employees. They are our strength and our ambassadors in the world. Without customer loyalty and adequate capitalisation of our human capital, the Group is exposed to a risk of losing skills in all its functions. That is why we strive to guarantee fair and equitable compensation and fringe benefits for all our employees. We endeavour to encourage autonomy and employee internal mobility by promoting a genuine corporate culture. Lastly, to make sure that we can attract tomorrow's talents, we have also developed new recruitment methods.
- *Data protection:* The Group aspires to a responsible digital transformation. To minimise the risks linked to the processing of customers and employee personal data collected through our marketing & personnel management policies, we have developed an internal organisation compliant with legal requirements after the entry into force of the GDPR.
- *Working conditions:* Our employees may be exposed to a risk of deterioration of their workplace well-being due to our rapid business growth. We are aware that our growth is driven by our employees, hence our commitment to maintain harmonious and secure working conditions wherever we operate. We aspire to a responsible, human-centric performance and have set up internal HR policies designed for the well-being of all our employees.
- *Supplier relations:* To help and encourage our suppliers worldwide who provide us with our supplies and/or manufacture our products to respect our social and societal requirements, we strive to develop and maintain harmonious and trusting relations with them. Our procurement policy is designed to be sustainable and responsible throughout our value chain.
- *The quality and safety of our collections* (clothes and accessories) is one of our core concerns. Because the health and safety of our customers is an absolute priority, we decided to develop a quality appendix to our General Supply Conditions (GSC). In compliance with all the regulations in force (REACH, POP, etc.), it guarantees for all our customers, healthy and safe ready-to-wear products, free of any hazardous substance.

- *Information & labelling of our products:* In accordance with European regulation no 1007/2011/EU, and to acknowledge the confidence of our customers in our Group, SMCP undertakes to be transparent and to disclose the origin of all products on its labels. This commitment is mentioned in our GSC.

- *Animal welfare:* The SMCP Group is extremely vigilant about its sourcing of animal products, hence the required meticulous inspections imposed on our suppliers. To comply with and encourage animal welfare, a particularly relevant issue in our sector, we have defined very specific requirements in our GSC. Furthermore, we carry out sourcing investigations in order to propose alternatives to controversial animal materials.

## ENVIRONMENTAL RISKS

The Group is also highly conscious of the environmental challenges in the textile industry of which it is major economic contributor, therefore it has launched a continuous CSR approach to limit its impact on the planet and on biodiversity.

- *Raw materials:* aware of the importance of the issue of raw materials from an environmental viewpoint and the depletion of resources, the Group undertakes to promote the use of responsible materials.
- *Fixed and movable assets:* the Group is conscious of the impact of its fixed assets (head offices, points of sale, warehouses) particularly in terms of energy consumption and depletion of resources. That is why the Group monitors its electrical consumptions and sets up solutions to use more sustainable furniture.
- *Freight transport:* freight transport is the Group activity with the highest CO<sub>2</sub> emissions. That is why the Group limits air freight as much as possible and encourages more environmentally friendly transports such as rail & maritime freight transport.

## RISKS ASSOCIATED WITH HUMANRIGHTS

We value human life and are aware of the societal differences that may exist in the different countries in which the Group operates. This is why we strive to develop a global responsible policy regarding compliance with human rights.

Our external suppliers are very carefully selected and we strive to maintain harmonious and trustworthy long-term relations with them. From our workshops where our collections are designed, to our suppliers who manufacture them in their plants, down to the marketing in our stores, the Group has made a commitment to comply with the Universal Declaration of Human rights and with the UN International Convention on the Rights of the Child.

To make sure that our international suppliers comply with our Code of Conduct, the Group regularly conducts audits through an independent expert to ensure this.

## RISKS RELATED TO CORRUPTION& TAX EVASION

Conscious of the risks of corruption and tax evasion due to our international activities, we have developed a responsible practice of anti-corruption and anti-tax evasion.

- *Corruption*: To minimise these potential risks due to our international activities, we have set up an internal reorganisation aimed at securing all our commercial relations with our service providers and suppliers worldwide. This reorganisation complies with France's Sapin II Act and is part of our commitment to develop the Audit and Internal Control Department.
- *Tax evasion*: tax evasion is a genuine global challenge to which the SMCP Group is sensitive. At the end of 2017, we internalised our tax operations by creating a Group Tax Manager position, with the aim of ensuring, in particular, compliance with French and international regulation. In each of the countries of its distributing subsidiaries, Group Tax Managers rely on the assistance provided by local accounting and tax firms to perform their duties. The Group

and its retail subsidiaries are not based in any of the countries blacklisted by the European Union as non-cooperative jurisdictions, in March 2020.

- Because we are subject to different and complex tax legislations depending on the countries where we operate, we undertake to ensure and strengthen responsible tax practices. In the relations with its retailing subsidiaries, the Group applies the rules of arm's length trading and sells its goods to its subsidiaries on the basis of the OECD's recommendations, in particular Action 13 of the BEPS plan. Likewise, the Group is subject to the obligation to file the Country-by-Country report and to draft a Transfer Pricing Documentation; to demonstrate the tax transparency desired by the States concerned. Lastly, retailing companies are subject to local regulation, particularly regarding VAT, income tax and other local taxes and levies. The Group is therefore subject to strong local tax compliance constraints, which allow the public authorities of the countries of its business operations to control and collect taxes and levies relating to the Group's activities.
- Lastly, the Group has no ongoing tax dispute.

## 1.1.4 Sustainability governance and organisation

---

### **Sustainability is at the heart of everything our employees do at SMCP.**

Sustainability is at the heart of our Group and sincerely inspires all our services and our four brands to develop ever more desirable and responsible collections.

From the CEO who inspires SMCP's sustainable vision, to the Human Resources Department with a Sustainability Director who sits on the Executive Committee and a Sustainability Manager both committed to change, a multidisciplinary Group Sustainability Committee and the Sustainability Committees specific to each Business Unit which

embody our values according to their own sensitivities, we act with collective intelligence to advance our Sustainability strategy.

At SMCP, we are convinced that, for change to be global, Sustainability must be anchored in operations. Sustainability is reflected in all our business lines, from the creation and production studios, our warehouses and the design of our stores, right up to the highest levels. As proof of our determination to accelerate our responsible transformation, part of the bonuses paid to executive officers is linked to the achievement of the Group's annual Sustainability targets based on our three main pillars: SMCPProduct, SMCPPlanet and SMCPeople.

## 1.2 Business model

The information in this section should be compared with Section 2 “The Group and its activities” of the 2020 universal registration document.

A proven model as an international  
retail pure player combining the codes  
of *luxury* & *fast-fashion*

**Create high-quality Parisian collections** while capitalising on the historic DNA of each of our four brands: internalised creation processes with dedicated Artistic Directors, backed by talented designers and creative teams.

**Maintain global appeal** by leveraging our leading presence in fashion capitals: Paris, Los Angeles, London, New York, Shanghai, Dubai, Milan, etc.

**Offer a high-end bespoke International Customer Service** in our Stores, number one retail channel: a single model on display, cutting-edge training for our multilingual Sales personnel through the SMCP School and points of sale models per brand.

**Roll out a prestigious communication:** advertising campaigns created with renowned photographers and models on multiple media, with a strong online and social media presence.

+

**Propose high-quality latest trend fashion** collections at more accessible prices than those practiced by luxury brands thanks to rapid from design to store product cycles.

**Rely on a flexible supply and diversified supplier base committed** to following the specifications of the Group and our Brands

**Take advantage of an integrated logistics platform and an optimised global supply chain** to enhance efficiency and reduce our environmental impacts.

**Offer an ultra-responsive omnichannel, shopping experience** addition to our Stores, e commerce websites and marketplaces, amplified by social media and renowned influencers.

=

*Spreading timeless trendy parisian chic  
at attractive prices worldwide*

In 2020, we entered a new chapter in our story, which has refined our business vision: the “Global, sustainable and phygital brands” chapter. With this chapter, SMCP continues to combine the codes of luxury and fast fashion while continuing to integrate new priorities to pursue its ambition to become a global leader in accessible luxury:



*Desirability of the brands*

Refining and consolidating the identity of each of our brands to strengthen ties with our customers



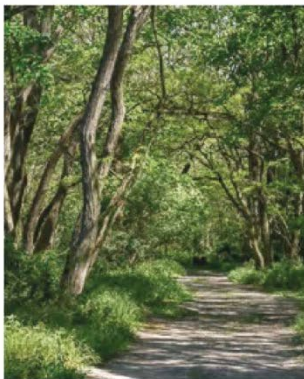
*“One Journey”*

Offering a seamless experience to our customers, between in-store shopping and shopping on our websites



*Agile, fast and efficient business model*

Adapting our business model to each region to remain flexible and agile in our business lines and performance



*Sustainable and responsible development*

Strengthening our commitment to ethical and responsible fashion

# 1.3 SMCPProduct: developing a desirable and responsible offering

## 1.3.1 Sourcing more responsible materials and products

---

**Today, most major ready-to-wear brands are committed to the sustainable transformation of our industry, and SMCP is fully involved in this momentum, working to reduce our social, societal and environmental impacts. It is about the future of Fashion and, more particularly, accessible luxury in the world.**

At the heart of the concerns of the Group and of all our customers, we pay the utmost attention to sourcing responsibly, by favouring certified materials that are respectful of people and the planet in all our new collections.

In 2019, our first full-scope carbon balance highlighted the fact that raw materials accounted for more than half of our carbon footprint. SMCP therefore strengthened its procurement policy by implementing measures aimed at reducing greenhouse gas emissions, using natural resources sparingly and ensuring that the materials used are traceable.

In 2020, these measures guided us in our procurement and we have used them to build a sustainable strategy by 2025. We want to be real agents of change for a more responsible fashion industry, and have defined ambitious objectives for our four brands: **at least 60% of our collections must be eco-responsible within five years.**

To achieve this, SMCP has implemented concrete actions common to our four brands:

- **the definition of guidelines common to our four brands on what constitutes an eco-responsible product:**

For SMCP and its brands, a product is eco-responsible if its raw material consists of at least 30% certified materials (labels guaranteeing organic, recycled materials from sustainably managed forests, from animals treated with dignity) and/or if the product comes from a factory that uses technologies to reduce the environmental impact of the manufacturing process (LWG Gold certified tanneries, jeans manufacturing plants equipped with an EIM washing system which uses up to 95% less water and results in a significant reduction in the use of energy and chemicals).

With this common definition, we are moving in the same direction with our four brands to really reduce our impact on the planet;

- **training all of our Style and Production teams on responsible sourcing:**

In 2019, we began to train some of the Style and Production teams in responsible sourcing with the help of external experts to enable employees in these departments to be fully involved in the transformation and accountability of our collections.

In 2020, we continued these training courses and conducted them in the departments of each of our four brands, representing a total of 65 employees.

The vast majority of our Style and Production teams now have in-depth knowledge of responsible sourcing to make informed decisions:

- understanding the environmental and social issues encountered at each stage of the life cycle of a textile product,
- knowledge of the main existing certifications on the market, their level of requirements and their scope of application,
- a critical look at what the industry and the competition are doing, and supplier proposals;

- **supporting our suppliers to ensure more responsible sourcing:**

We have chosen to work in close collaboration with our existing suppliers to strive as much as possible towards eco-friendly materials. We forge relationships that are built on trust, which allows us to guide our suppliers towards respect for nature and human rights. In addition, we demand exemplary behaviour from our suppliers in terms of integrity. We expect our suppliers to adhere to the values and ethical principles set out in the Supplier Code of Conduct;

- **the commitment of all our Brands reflected in their own DNA:**

**"Sandro for the Future": Sandro is committed to producing less and better, today, and building on this in the future.**

Each season, Sandro goes further in its responsible approach to protecting the planet. Since 2019, the Brand has reduced the number of pieces in its collections by 20% and this is only the prelude to a new way of understanding Parisian chic and ethics. Better production means taking care to source responsibly by favouring natural or eco-designed fibres as much as possible, as well as recycled fibres, and Sandro continues to make progress in this area.

Today, 25% of Sandro collections are eco-responsible. More specifically on the Autumn-Winter 2020 collection:

- cotton: 98% of Sandro T-shirts and sweatshirts are made from organic cotton,
- denim: 100% of Denim undergoes a specific EIM wash,
- viscose: 15% is FSC (Forest Stewardship Council) certified,
- polyester: 20% of Sandro pieces are made of GRS recycled polyester.

**"Dream Tomorrow with Maje": Maje is rethinking the use of its fabrics to imagine a more beautiful world that is more respectful of the planet.**

Maje is currently focusing its efforts on the materials mainly used in its collections to improve their eco-responsibility: denim, viscose, polyester, cotton, wool and leather.

For the Autumn-Winter 2020 collection, 30% of the pieces in the collection of this Parisian fashion house are eco-responsible, thanks to the following:

- 100% of the denim offering being ecowash-certified,
- 69% of leather products being from LWG Gold-certified tanneries,
- 59% of the cotton collections being either organic or recycled,
- 49% of woollen items being made from recycled wool,
- 32% of Maje's viscose being FSC-certified,
- 13% of the polyester being recycled.

**"Claudie Cares": Claudie Pierlot's initiative for fashion that is more respectful of the planet, without compromising on style.**

32% of the pieces in Claudie Pierlot's Autumn/Winter 2020 collection are eco-responsible ready-to-wear items, almost five times more than in the Autumn/Winter 2019 collection, and our brand is not going to stop there. Achievements for the Autumn-Winter 2020 collection:

- 11 organic cotton T-shirts compared to six in Winter 2019,
- 100% of the leathers are from LWG Gold tanneries,
- the use of alpaca wool and feathers has been stopped permanently,
- 57% of the denim has undergone specific EIM washing,
- 7 recycled wool pieces,
- 24 recycled polyester pieces,
- 16 FSC viscose pieces.

**De Fursac** is in the process of formalising its responsible and sustainable procurement policy.

Our fourth brand is working to define a clear and sustainable supply line specific to its DNA.

## 1.3.2 Guaranteeing quality sourcing from ethical suppliers

---

**As a responsible corporate citizen, the SMCP Group is committed to developing its businesses with respect for the environment, biodiversity and human rights by ensuring that all our suppliers respect it.**

Because their daily work involves the use of our Brand names, the SMCP Group is extremely careful about selecting its suppliers and works with them in very close collaboration in order to encourage and help them comply with our requirements. This allows our brands to have a stable base of suppliers with whom they work from season to season, thus allowing them to establish relationships of trust and a mutual desire for ongoing improvement.

SMCP is now paying closer attention to ensure that our suppliers are fully in line with the Group's fundamental values in terms of ethics, social and societal responsibility and environmental protection. **By 2025, we are committed to ensuring that 100% of our strategic suppliers are audited according to very strict social and environmental audit schedules, and on a very regular basis.**

To achieve this objective, we have implemented various actions:

- **overhauled the CSR appendix of our GSC towards a clear and detailed Supplier code of conduct** that all Group suppliers must sign from January 2021. Here is an excerpt: "SMCP's suppliers undertake to comply without restriction with all applicable laws, regulations and international treaties concerning human, labour and social rights; business ethics practices, particularly the fight against corruption, compliance with competition law and international trade rules; protection of resources, including information and data; respect for the environment";

- **defined precise lists of our strategic suppliers** for each of our Brands. We worked with all the production teams of Sandro, Maje, Claudie Pierlot and De Fursac to define our TOP10 suppliers in various categories, considered as strategic for the production of our collections to intensify audits and monitor action plans:

- TOP10 suppliers of finished ready-to-wear products (in terms of volumes produced),
- TOP10 suppliers of cut-and-sew ready-to-wear products (in terms of volumes produced),
- TOP10 suppliers of fabric (in terms of order value),
- TOP10 suppliers of accessories (in terms of volumes produced).

In 2020, this work resulted in a list of 107 strategic suppliers, representing 80% of our production volumes and 66% of our fabrics purchased;

- **continued social and environmental audits on the factories of our strategic suppliers:**

Since 2017, the specific application of our ethical and social policy is the subject of social audits performed by an independent international firm inside the plants of our suppliers. These on-site audits are based on a large number of criteria. They set in motion a continuous improvement momentum aimed at sharing best practices.

Based on the main international references and standards (SA 8000, GSCP, ETI, ISO 14001 standards and OHSAS 18001 in particular), the audit grid that we use covers major social topics:

- health, safety, hygiene,
- waste management,
- child labour,
- working hours, wages and benefits,
- working conditions.

We also check other essential topics such as quality management, the fight against corruption and purchasing ethics.

Certain points of these topics are particularly important to the Group and its Brands, in particular banning child labour, ensuring that all employees have employment contracts, following international

recommendations on working hours, ensuring that there is no discrimination in the hiring process and that there is no forced labour, complying with the minimum wage, ensuring that personal protective equipment is present and worn correctly, having a certificate that certifies that the site's construction is legal, ensuring that there are fire safety procedures and equipment in place on company premises, ensuring that all plant fittings are correctly maintained, and making sure that chemical products are stored safely.

In 2019, we also began setting up environmental audits performed by an independent international firm. The audits in the production sites of our suppliers reviewed the following topics:

- environmental management system,
- energy management,
- water management,
- air emissions,
- waste management,
- pollution prevention,
- soil management,
- biodiversity management.

At the end of these audits, corrective action plans are drafted and we help our suppliers to implement them through an appropriate personalised follow-up: control audit over a period of two to three

years, desktop review, or immediate follow-up as necessary.

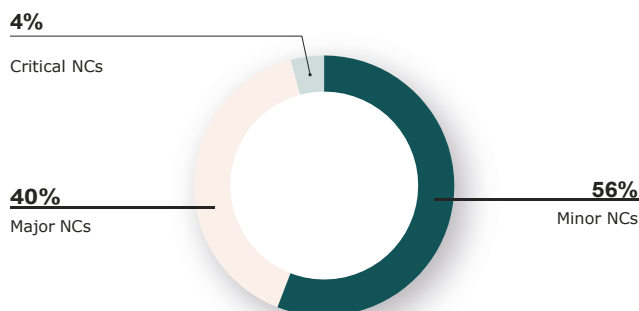
In the context of the health crisis and the difficulty of international travel and the prolonged closure of certain production sites, we were unfortunately not able to carry out all the planned audits. For the summer 2020 and winter 2020 seasons (E20H20), 29 audits were carried out on 16 suppliers (finished products, cut-and-sew products, fabrics and accessories).

24% of our strategic suppliers are covered by an audit carried out by

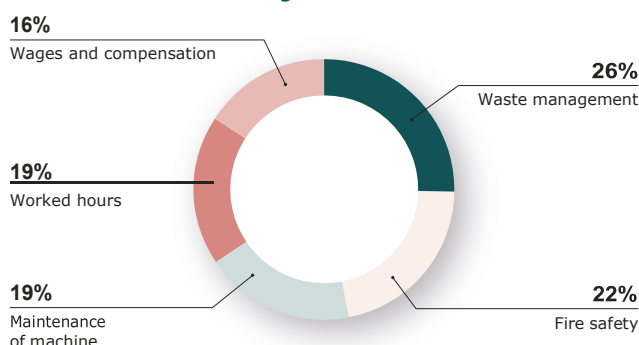
our service provider in 2020 and 43% are covered by an audit carried out by our service provider and/or by an internationally recognised external certification.

The social audits conducted from September 2020 to January 2021 revealed 166 anomalies (an average of eight anomalies per audit), broken down as follows:

**Breakdown by severity of non-compliance cases observed during the 2020 social audits**



**Breakdown by topic of the top five non-conformities observed during the 2019 social audits**

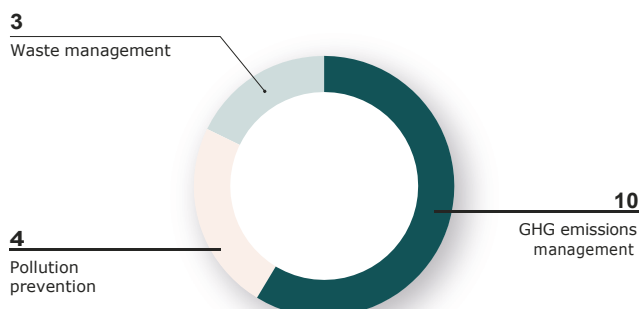


The environmental audits conducted from September 2020 to January 2021 revealed 31 anomalies (an average of three anomalies per audit), which break down as follows:

**Breakdown by severity of non-compliance cases observed during the 2020 environmental audits**



**Breakdown by topic of the top three non-conformities observed during the 2019 environmental audits**



Thanks to our close relations with our suppliers, who are loyal to our values, season after season, the SMCP Group obtained an overall score above the average for customers in the same sector in the portfolio of the audit firm we work with for the fourth year in a row. And we are persuaded that we can still improve this score, by working together;

- **the traceability, quality and safety of our pieces at the heart of our processes:**

The components of our cut-and-sew and finished products are all sourced by our Brands to guarantee absolute traceability, which is disclosed on our labels.

For our finished products, the components are required by our Brands and purchased by the suppliers. Concerning the labelling on their origin, we specifically indicate the country where the item was manufactured.

For cut-and-sew products, the components are sourced and purchased by our Brands, then sent to our suppliers for manufacturing. On the labels, we mention the country where the item was assembled and put together.

In compliance with the applicable national and international regulations, the quality of our items must be flawless in all aspects and must guarantee the total absence of hazardous substances. In 2016, these standards common to our three original Brands were attached to our GSC:

- meet all the toxicological requirements of REACH (azo dyes, allergenic dyes, carcinogenic substances, etc.), of the POP regulation (EC regulation 850/2004) on persistent organic pollutants, the requirements of the regulation on biocides (EU regulation 528/2012) and all those concerning materials of animal origin,
- arranging for quality tests to be conducted by accredited laboratories on materials and products such as weave, knitwear, shoes, leather, fur and jewellery, as well as quality tests specific to certain countries (including the United States, China and Saudi Arabia), and being intransigent if they do not meet our criteria of excellence on safety issues,
- demand strict quality controls by suppliers and arrange for inspection of the final quality of our items by independent service providers prior to their shipping and/or reception.

### 1.3.3 Develop and intensify circular economy initiatives

---

**To tackle fast fashion and over-consumption in the fashion industry and in response to our customers' expectations for a real accessible luxury alternative, SMCP has decided to make a concrete commitment to the circular economy.**

The Group is convinced that this structural and functional change will help to preserve the resources of our planet. With our four brands, we have decided to intensify all our initiatives to produce less and make our Parisian pieces last even longer.

Within the Group, we have identified several promising areas in which to bring about this change:

- **rental:** an alternative economy solution that makes it possible to produce fewer pieces and optimise the use of those already produced, which have often been worn only once or twice, before being forgotten in the back of the wardrobe.

In 2020, despite a challenging health environment for this type of project, our teams in the United States launched a partnership with Rent the Runway, the rental market leader, to rent out some of our Parisian pieces. Despite the context, the launch was successful and we will develop this initiative in France and Europe;

- **second hand:** an ideal proposition for our customers who want to give a second life to their pieces once they have stopped wearing them.

For several years, we have been working in partnership with Vestiaire Collective, a major second-hand player specialising in luxury and affordable luxury goods. To offer even more possibilities to our customers, and provide Parisian chic at a lower cost, we aim to develop other projects all over the world;

- **upcycling:** the ethical approach to recycle our old fabrics. This winter, Maje made a capsule entitled "Remade with Love" composed of everyday clothes, homeware and accessories made from fabrics from previous seasons, which was very well received by our customers. We also regularly make donations to fashion schools;
- **responsible management of our unsold products:** each of our Brands has implemented multiple solutions to give these pieces a second chance. Private sales, outlets or donations to charities, our unsold items always find a new destination. When donating to charities, we prioritise local charities, close to the warehouses where the pieces are stored, in order to optimise transport flows.

We give a new lease on life to our defective items by organising a sale for our employees and their families;

- **reducing the number of pieces:** since 2019, Sandro has reduced the number of pieces in its collections by 20%, in order to better size production volumes and reduce inventory.

# 1.4 SMCPlanet: preserving our planet and its natural resources

SMCP shares a conviction with its four brands: to protect the planet and biodiversity. Every action counts, both the largest and the simplest.

We are also deploying all our energy together to reduce our footprint on the Earth and be an agent of change in the fashion industry, by imagining more environmentally-responsible transport flows for the manufacture and distribution of our Parisian pieces, by developing 100% Green stores worldwide, and by engaging in eco-friendly acts every day.

## 1.4.1 Reducing our carbon footprint

As part of a dynamic and long-term energy transition, the Group has set itself a new target of reducing our total carbon footprint by 20% by 2025.

### REMINDER OF THE RESULTS OF THE CARBON FOOTPRINT ASSESSMENT

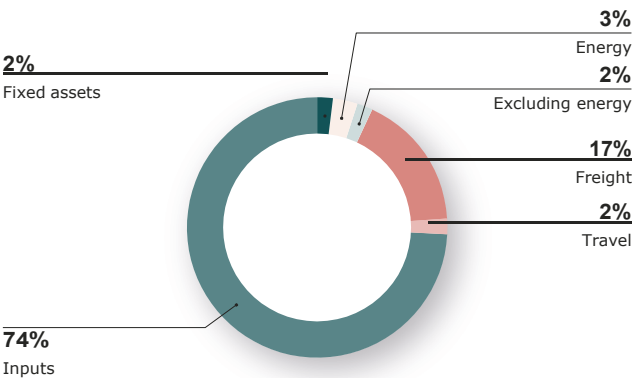
To demonstrate our commitment to a process of continued environmental performance improvement, we hired a specialist company to carry out our first full-scope carbon footprint assessment in 2018. with a specialised company. The results were presented in detail in our 2019 SNFP.

As a reminder, in 2019, we obtained the results in Scopes 1, 2 and 3 (purchases of goods and services, transport and distribution of goods, commercial flights, emissions generated by the production of fuel and energy), which enabled us to:

- identify and rank our sources of emissions;
- have management and updating tools and guidance;
- transparently disclose reliable and quantified information to our stakeholders.

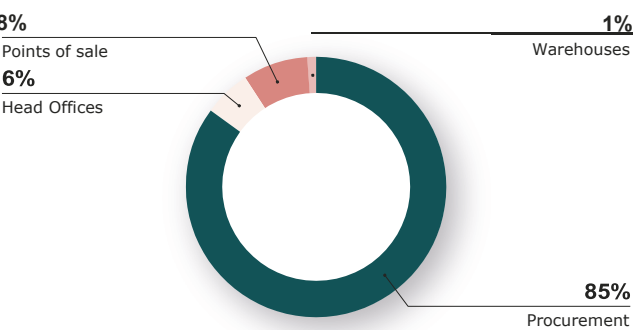
In concrete terms, greenhouse gas emissions for all of our head offices, points of sale and our activities linked to procurement for 2018 were 181,183 tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>), which breaks down as follows:

Overall carbon balance(in %)



Like the ready-to-wear sector, our two main sources of emissions are inputs (all of the Group's purchases – components, finished products, cut-and-sew products, packaging for our points of sale and warehouses, IT consumables, purchases of services, etc.) and freight.

Breakdown by type of site/activity (in %)

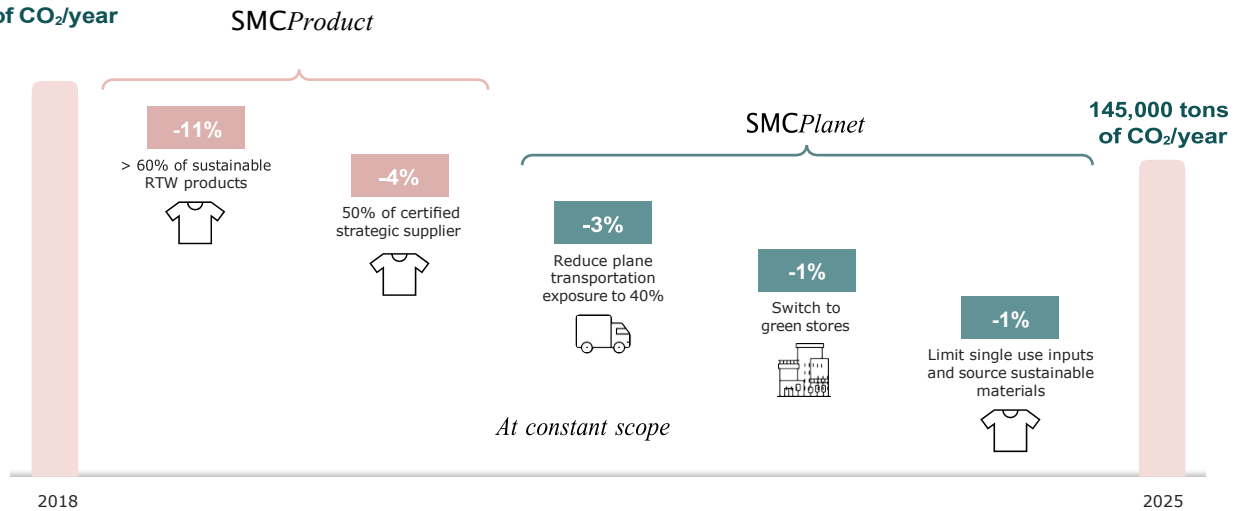


Following these precise results of our carbon footprint assessment, the Group has drawn up a three-to-five-year roadmap to minimise the environmental impact of our activities. We focus on preparing relevant, long-term measures to reduce our greenhouse gas emissions, in France and abroad and thus fight against global warming.

## DEVELOPMENT OF AN ACTION PLAN TO ACHIEVE THE REDUCTION TARGET

2020 was decisive and constructive for the identifying the various areas we need to target to achieve our 20% reduction objective.

**181,000 tons  
of CO<sub>2</sub>/year**



By closely combining the actions carried out under our SMCProduct pillar with those carried out under the SMCPlanet pillar, we are acting in concert to greatly limit our footprint on the planet.

While our commitments to more responsible sourcing represent 75% of our reduction target, those to preserve our planet and its natural resources are essential to achieve our goals.

### 1.4.2 Preferring more ecological forms of freight transport

**With the health crisis, our global goods and merchandise transport was severely disrupted in 2020, but we continued to intensify our efforts to reduce the impact of our logistics flows on the planet and on global warming.**

In our line of sight: air transport. Because it is the mode responsible for the most greenhouse gas emissions, we have decided to reduce it considerably by 2025. We aim to reduce its share of upstream freight by 23 points compared to 2019, and **bring it down from 63% to a maximum of 40% in five years.**

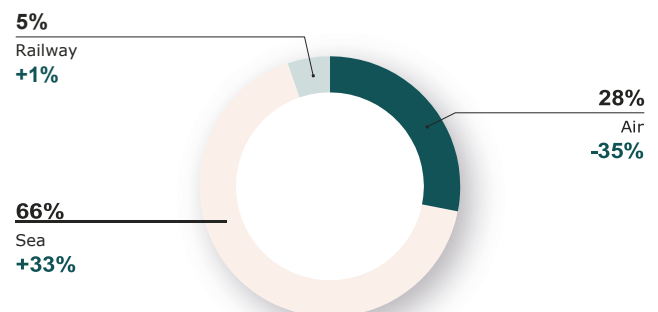
At the same time, and for all of our imports, we are continuing to increase the share of river, rail and road transport, which is less harmful to the environment.

Upstream freight requires our full attention within the Group. Its emissions are considerably higher than those related to outgoing cargo due to the fact that:

- most of our imports are transported by air because of the long distances between our suppliers and our warehouses;
- conversely and downstream, our finished ready-to-wear items are mainly transported over the road from our warehouses to our stores, located in the same geographic region.

Also, to minimise our environmental footprint during our goods transportations, SMCP favours as much as possible the proximity between the warehouses where our pieces are manufactured and our shops where they are sold. For several years now, the Group has had a hub in France for the France-Europe market, a hub in New York for the US-Canada market and a hub in Asia for the Asian market with the ultimate goal of avoiding goods moving back and forth between production in Asia, our warehouses in France and points of sale in Asian countries.

**Split of Asia to France upstream transport modes vs 2019 (in %)<sup>(1)</sup>**



<sup>(1)</sup> The share of air transport has fallen sharply due to the health situation. Although the reduction in the share of air transport is an objective for the Group, this exceptional reduction does not represent the true underlying trend.

## 1.4.3 Creating sustainable store concepts everywhere in the world

---

**Our stores are our showcase to the outside world and should embody our desire for change and eco-responsibility.**

In our drive for sustainable growth, we have defined strong objectives **for 2025: 100% of our openings and renovations will comply with the Green Store concept.**

Because respecting the planet also means responsibly rethinking the relationship between us and our customers, we want to reinvent our stores as ethically as possible. In our view, there are five main components that define a Green Store and we are doing everything we can to apply them in all our stores:

- a) the use of Eco-HVAC air conditioners: reducing as much as possible the proportion of lost-water air conditioning, in favour of air-to-air climate control;
- b) the use of certified materials (FSC wooden floors, recycled brass, etc.) and the reuse of materials and decorative items from one store to another;
- c) LED lighting as standard;
- d) the signing by all our service providers of the Supplier code of conduct to ensure that all those working on construction sites respect our ethical and moral values;

- e) sorting construction waste during works.

In addition, for our upcoming store openings, we are studying a sixth component (f): widespread implementation of sensors, movement detectors for all lighting and taps, in order to minimise our electricity and water consumption.

In 2020, 80% of our openings and renovations had four of these components (a, b, c & d) and we will continue our momentum to reach 100% in a maximum of five years.

As regards the fifth component (e), which is more complex to implement due to our global presence, we are continuing our reflection and are starting pilot tests with various service providers, particularly in France, so that we can then deploy them in all the countries where we operate.

Finally, and we are very proud, alongside all our teams, two of our stores were LEED-certified in 2020:

- LEED Silver for the Maje Beijing TaikooLi store;
- LEED Gold for the Sandro Beijing TaikooLi store.

## 1.4.4 Reduce and recycle our waste

---

**Within the SMCP Group, we advocate an eco-citizen approach and all our employees wholeheartedly participate in this project.**

Since 2017, we have implemented waste sorting measures in all our head office buildings.

In order to reduce our paper consumption, the Group has embraced dematerialisation: dematerialised employment contracts and employee administrative documents, lunch vouchers, invoices in our Accounting Department.

In our warehouses, we have taken action to encourage recycling in all our activities with the compacting of our boxes, the provision of

special bags for plastic packaging and specific paper waste such as tissue paper, and lastly ecoboxes for all our office waste.

In 2019, we distributed mugs and water bottles to all our employees at our head offices to limit the use of single-use plastic as much as possible.

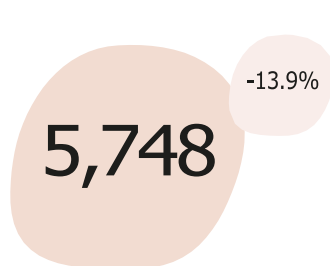
Today, we are determined to eliminate as many single-use inputs as possible for all our supplies (cardboard, polybags and hangers in particular). SMCP has therefore decided to set up a specific cross-functional committee for our four brands from 2021 onwards, the aim of which is to define a clear action plan for 2025 with ambitious targets to eliminate single-use items and/or introduce more eco-responsible alternatives when such items cannot be eliminated.

# 1.5 SMCPeople: revealing the potential of our passionate entrepreneurs

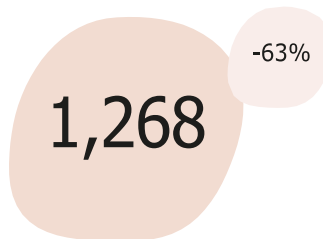
Chosen for their talent, their creativity, their entrepreneurial spirit and their difference, our employees are our driving force and our primary source of inspiration. SMCPeople is our creative force and the future of our four Parisian fashion houses. This is why we take great care to ensure that everyone thrives within our Group, whatever their profession and wherever they are in the world.

## 1.5.1 The main employee indicators for 2020 (vs 2019)

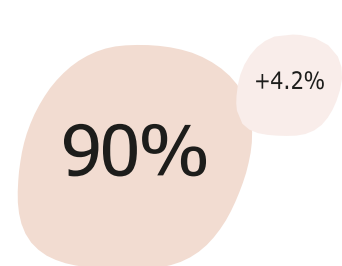
**A slight decrease in the number of employees due to the international context**  
*Permanent and fixed-term contracts (vs 2019)*



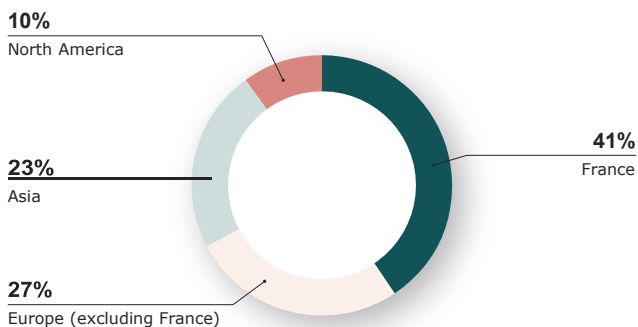
**A sharp decline in recruitment due to the international context**  
*Permanent contracts (vs. 2019)*



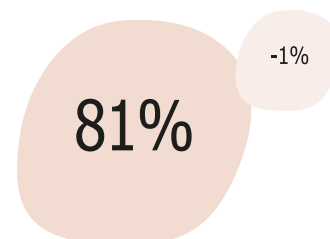
**More employees on long-term contracts despite the uncertain international context**  
*Permanent contracts (vs 2019)*



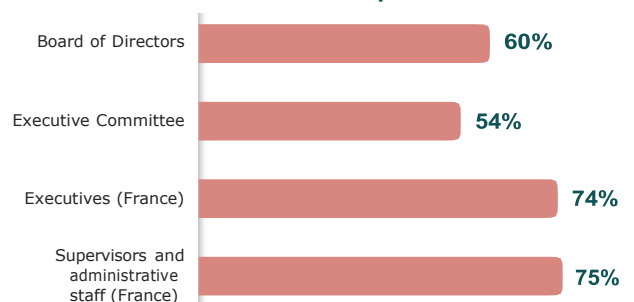
**A Group with increasing international presence**  
*% of total workforce on permanent & fixed-term contracts at 12/31/2020*



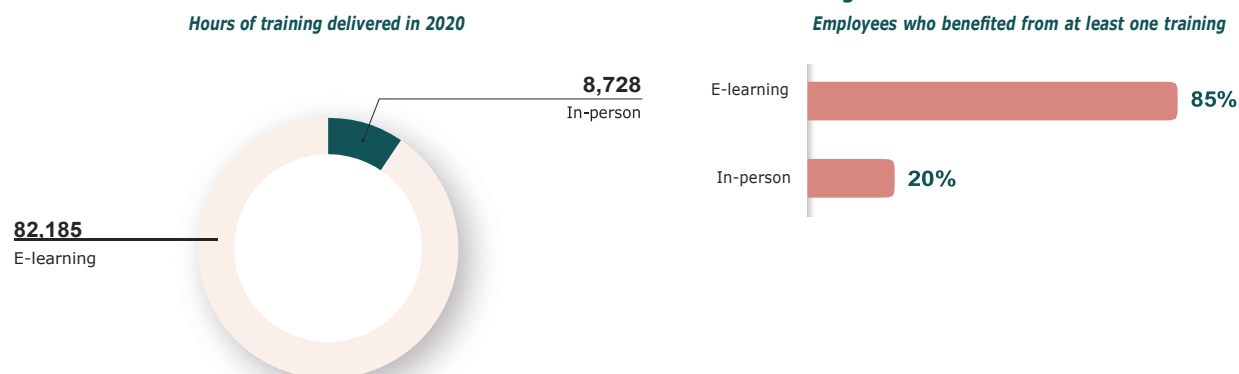
**A Group with increasing female presence...**



**... even in executive positions**



**A consistent training policy maintained in times of health crisis thanks to e-learning**



## KEY INDICATORS

### Number and distribution of employees

#### (a) General presentation of the workforce

At December 31, 2020, the Group employed a total of 5,748 employees, approximately 26% of whom were employed for the Sandro brand, approximately 20% for the Maje brand, approximately 12% for the Claudie Pierlot brand and around 4% for the De Fursac brand.

For the fiscal year ended December 31, 2020, Group payroll totalled €200.3 million, compared with €237.2 million for the twelve-month period ended December 31, 2019. The payroll corresponds to the sum of all gross salaries and employer social security charges, as well as employee profit-sharing and incentive plans.

#### (b) Breakdown of workforce

The table below shows the breakdown of Group employees by country at December 31, 2019 and 2020:

Country	2019	2020
France	2,712	2,359
United Kingdom	400	290
Germany	187	181
Ireland	80	73
Belgium	65	58
Italy	222	189
Luxembourg	24	26
Spain	375	296
Netherlands	145	135
Portugal	39	47
Norway	18	18
Sweden	25	33
Switzerland	180	153
Denmark	17	17
United States	865	558
Asia	1,324	1,315
<b>TOTAL</b>	<b>6,678</b>	<b>5,748</b>

The table below shows the breakdown of Group employees at the main subsidiaries at December 31, 2019 and 2020:

<b>Subsidiaries</b>	<b>2019</b>	<b>2020</b>
SMCP SA	29	28
SMCP GROUP	156	157
SMCP LOGISTIQUE SAS	148	144
SANDRO ANDY	903	769
MAJE SAS	685	568
CLAUDIE PIERLOT SAS	487	436
341 SMCP SAS	58	36
SMCP ASIA Ltd. and its subsidiaries	1,324	1,315
SMCP USA Inc. & SMCP CANADA Inc.	865	558
DE FURSAC SA	252	221

The table below shows the breakdown of Group employees by function at December 31, 2018 (excluding De Fursac) and 2019 (including De Fursac):

<b>Categories</b>	<b>2019</b>	<b>2020</b>
Head Offices	963	898
Sales Networks	5,553	4,697
Logistics	162	153
<b>TOTAL</b>	<b>6,678</b>	<b>5,748</b>

The table below shows the proportion of women in France as of December 31, 2019 and 2020:

<b>Proportion of women</b>	<b>2019</b>	<b>2020</b>
Proportion of women in the workforce	74%	74%
Proportion of women managers	74%	74%
Proportion of women supervisors	75%	74%
Proportion of non-managerial women employees	74%	75%

The table below shows the proportion of women in the Group's headcount as of December 31, 2019 and 2020:

<b>Proportion of women</b>	<b>2019</b>	<b>2020</b>
Proportion of women in the workforce	82%	81%

The table below shows the breakdown of the Group's workforce by type of contract as at December 31, 2019 and 2020:

<b>Employees per type of contract</b>	<b>2019</b>	<b>2020</b>
Permanent contracts	5,730	5,190
Other <sup>(1)</sup>	948	558

(1) Fixed-term contracts, apprentices, interns.

The table below shows the age pyramid for the Group's workforce in France and Europe as at December 31, 2019 and 2020:

<b>Age pyramid</b>	<b>2019</b>	<b>2020</b>
< 25 years old	1,288	1,043
25 – 40 years old	2,631	3,955
41 – 55 years old	491	642
56 – 60 years old	55	73
> 60 years old	24	35

## Employment and working conditions

The table below shows the change in employment within the Group in France at December 31, 2019 and 2020:

Employment	2019	2020
Turnover - permanent employees	57%	58%
Voluntary departures - permanent employees	43.8%	28.7%
Recruitment rate - permanent employees	32.2%	28.9%

The table below shows the trends in absenteeism and overtime working in France at December 31, 2019 and 2020

Working conditions	2019	2020
Rate of absenteeism <sup>(1)</sup>	7.1%	7.4%
Overtime	26	0
Overtime and supplementary working	43,717	22,075

(1) Number of days of absence out of the total number of theoretical working days.

The table below presents changes in workplace safety during the fiscal year 2019 and 2020 (workplace accidents – Group employees):

Safety at work	2019	2020
Number of fatal occupational accidents	None	None
Number of employees having taken sick leave (following an occupational accident or commuting accident)	96	59

## Policy on diversity and gender equality

The Group is committed to encouraging diversity at all levels of its business. The Group's policy on diversity and gender equality helps to enrich interaction and skills development and challenge views, as well as foster innovation.

The Group employs a large proportion of women among its employees. The number of women is higher than men in operational teams and in head offices. Women are also present in management teams. In addition, 58% of the 50 highest-paid employees within the Group are women.

## Training

The table below presents training expenditures, the number of employees who have received training and the total number of training hours at December 31, 2019 and 2020:

Training	2019 (France)	2019 (Europe)	2020 (France)	2020 (Europe)
Total training expenses (in euros)	614,753	180,901	399,808	164,411
Employees having received training	1,046	242	652	130
Total number of training hours	14,826	3,325	7,977	1,343

For the fiscal year ended December 31, 2020, an amount equivalent to 0.4% of payroll in France was devoted to training Group employees in France.

## Compensation policy

The total gross compensation paid by the Group (excluding social security contributions) for the years ended December 31, 2019 and 2020 is as follows:

(In thousands of euros)	2019	2020
Gross remuneration	182.9	157.8

The compensation of almost all Group employees comprises a fixed and a variable component.

The maximum amount of variable compensation is generally set in the employment contract; this remuneration is paid on an annual or semi-annual basis. The targets are set unilaterally by the employer or by mutual agreement, in relation to performance and conduct indicators for the sector in which the employee works.

The Group's compensation policy was introduced in 2012 and is based on three key concepts which the Group applies when reviewing salaries: competitiveness, fairness and motivation. The variable component of the salary of sales team members is indexed against a collective target, such as sales for the store.

The pay increase budgets allocated to the salary policy are defined on the basis of the annual economic performance and are negotiated with social partners at various meetings devoted to the mandatory annual negotiations. Some general increases may take place across the store network with the aim of making the Group's recruitment opportunities more competitive. The mandatory annual negotiations also give rise to analyses and proposals for optimising the allocation of target bonuses within points of sale or the corporate benefits.

## Labor relations

Employee representation is organised at the level of the SMCP Economic and Social Unit (UES). A Social Economic Committee (CSE) has thus been set up at the level of the SMCP UES and is currently composed of 28 elected representatives and alternates, Sandro, Maje, Claudie Pierlot, SMCP Logistique and SMCP employees. The CSE meets once a month and is chaired by the SMCP Social Affairs Director. The diversity of this group allows for rich discussions, nurtures a 360° vision of the subjects discussed, develops the corporate culture and empathy and is a basis for collective intelligence.

To enable it to fulfil its missions, the CSE has also decided to set up several committees and working groups within it whose role is to carry out study and analysis work and to facilitate decision-making in plenary meetings. There is a committee dedicated to health, safety and working conditions, a committee for professional equality and diversity, an economic committee, a training committee and finally a housing assistance committee.

Elected officials also have the opportunity to meet their respective human resources department at monthly meetings, in addition to the CSE meeting. This spontaneous practice makes it possible to maintain local exchanges and to deal with more operational subjects.

Furthermore, De Fursac employees are represented by an Economic and Social Council, which includes 14 members, both principals and substitutes. The Group has constructive and peaceful relations with employee representatives from De Fursac.

Overall, the Group considers that it enjoys satisfactory labour relations with its employees and their representatives. For example, more than 10 collective agreements or action plans have been negotiated since December 2012 with representatives of the employee trade unions, and the response from the Works Council to projects presented by Executive Management is frequently favourable.

## 1.5.2 Improving well-being at work

---

**In the eyes of SMCP, well-being at work is reflected in professional fulfilment, a career achievement.**

We also ensure that all our employees are well received and trained in our values and our business lines from the first day of their arrival, in order to enable them to develop as much as possible internally.

Today, 82% of our employees worldwide are trained through our international e-learning platform and we aim to reach 100% by 2025. We also aim to considerably increase internal mobility and promotions in five years, to exceed the current figure of 33%.

### TRAINING ALL OUR EMPLOYEES

#### Offering an onboarding experience to all our employees

**OnBoarding Headquarters and warehouses:** The onboarding process for new employees at the SMCP headquarters is composed of several key moments:

- once a month, a full morning is dedicated to welcoming new recruits and providing them with a comprehensive view of the Group: presentation of the organisation of the SMCP Group, its Brands and how the various business lines work together;
- our new employees are then given a guided tour of the Vémars and Marly-la-Ville warehouses to discover and understand the logistics business lines;
- all newcomers attend the briefing entitled SMCP VISION. The briefing provides information about the Group's history and its values;
- all newcomers have access to the MyLearning online platform as soon as they join the Group;
- they also receive specific training courses:
  - the "Finance for non-financial people" session which is an introduction to the specific financial vocabulary of the Retail universe,
  - the special session for managers "Rights and duties of managers", presented by our Director of Social Affairs and Pay France/Europe,
  - the training on using "Basware", our financial management software;
- lastly, to allow the new head office recruits to gain in-depth knowledge of the activity of SMCP's brands, at the request of their immediate superior, they may have the opportunity to visit a pilot store of one of the Group's brands for a day. This allows them to discover and experience the daily life of the store's sales team and manager.

**Retail OnBoarding:** The onboarding experience of our strategic employees dedicated to our Brands vary according to their function (Regional Director (RD), Store Manager (SM)/Deputy Store Manager (DSM)/etc.).

Regional Directors receive three weeks of onboarding, where they discover the SMCP head office and get to know their different key contacts (e.g., pay manager, archi/maintenance, accounting, etc.), a pilot point of sale from a sector other than their own and a tour with a pilot RD. This three-week training ends with a sector hands-on experience alongside their manager.

Store managers receive three months of onboarding, including one week at the pilot point of sale alongside an Expert SM, who will visit them at their own point of sale for a whole day and will continue to provide close support, just as their Regional Director during the new recruits first three months of onboarding.

Onboarding for Deputy Managers lasts three to five days at the pilot point of sale alongside an Expert SM.

The onboarding experience of our sales staff is organised by the point of sale Manager, and generally lasts two to three weeks, which gives them ample time to discover their job: Brand (brand history and values/DNA of the House), sale (steps of the SMCP Selling Ceremony and sales techniques), Product (respect for the product, knowledge of collections and trends, enhancement *v/a* the merchandising visual policy), Management (Winstore, validating payments, stock).

#### MyLearning for daily training

Thanks to the deployment of Email4All worldwide and our international online training platform MyLearning, almost all of our employees (95%) can receive daily training on a variety of subjects, thereby developing their skills and enriching their expertise.

We want to give everyone access to strategic modules such as Strategy & Values, Brand Culture, Collections, sales Ceremonies, to enable them to fully accomplish their mission within our Group.

Beyond access to training, these tools have multiple benefits for SMCP and for all our employees:

- develop a feeling of belonging to our Group and Team spirit;
- establish smooth communication and exchange with Management and employees and circulating information and internal surveys;
- contributing to equal opportunities.

To go further in the development of the performances of our employees, we have also designed an in-person component. It includes training courses that can be dedicated to all our employees or to a specific business branch.

## ATTRACTING NEW TALENT AND DEVELOPING IT WITHIN THE GROUP

### Competitive compensation

A real strategic challenge and a performance driver, SMCP has taken care to develop an attractive and incentive-based compensation policy.

To attract new talent and develop it within SMCP, it is competitive and fair with respect to equivalent positions in our market. It is designed to be motivating by encouraging performance and professional fulfilment.

Also, to optimise the relationship between the compensation of employees and Group objectives, financial bonuses are structured to reflect the contribution of each employee to the achievement of collective and individual objectives. Moreover, all employees with the required seniority are eligible for an annual development assessment, which is a key performance and motivation tool.

Likewise, we are building a fringe benefits policy to offer all our teams, regardless of where they live, a good level of benefits, in particular with regard to health coverage.

### Internal mobility

Thanks to its different Brands, our Group, its different businesses and its direct operations in 21 countries offers genuine career prospects to our employees. We strive to transform these into genuine opportunities with our mobility committee which meets every two months.

In practical terms, we make our internal job offers available to everyone, and encourage, whenever possible, the mobility and promotion of our employees, whether from one brand to another, one department to another or again from one country to another.

***In 2020, 33% vacancies were filled internally and we aim to increase this figure over the next five years.***

## 1.5.3 Committing to inclusion and diversity

---

### INTERNALLY

At SMCP, we are convinced that it is men and women who make all the difference, with all their difference.

Our ability to meet the expectations and various needs of an international population is closely linked to our ability to promote and value diversity and inclusion internally.

We excel in terms of the representation of women across all Group activities: on December 31, 2020, they represented 81% of our employees.

The presence of women within management bodies remains a challenge for most companies, including in traditionally female sectors such as the world of fashion. At SMCP Group, women account for a large percentage of members of management bodies. In fact, more than half of our Board of Directors and our Management Committee are women.

Inclusion also means introducing guarantees for future fathers: time off for pre-natal tests are paid by the employer and fathers benefit from half a day off during the weeks following their return from paternity leave.

As proof of our determination to go even further on this issue, we created a Diversity and Inclusion Project Manager position at the end of 2020, by promoting one of our employees internally. Its mission is to carry out an inventory across the whole Group and build a roadmap for 2025 with strong progress objectives.

### EXTERNALLY THANKS TO OUR MANY PHILANTHROPIC ACTIONS

For the second year in a row, our four brands have partnered with a high school from the Apprentis d'Auteuil network to enable young people with serious social difficulties to enter the fashion sector. We contributed to the opening of an educational store and participated in sales training to maximise their chances of success.

In addition to this multi-brand initiative, many actions were put in place in 2020 within each Business Unit to respond to the international call to address Covid-19 and support causes that deeply affect us:

#### • Sandro's solidarity actions:

- 10,000 washable and reusable masks made from offcuts from old collections were made in collaboration with one of our suppliers and given to nursing homes and hospitals,
- the creation of two t-shirts, of which 100% of the proceeds from sales were donated to the French Red Cross and the American Red Cross,
- delivery of breakfasts every Friday for French and American medical teams,
- collection of gifts in partnership with the FXB charity for distribution to deprived mothers and their children,
- the donation of clothing to La pièce solidaire;

#### • Maje's humanitarian initiatives:

- more than 19,000 reusable surgical caps produced for caregivers in European hospitals,
- hand creams donated to various healthcare teams, in collaboration with Absolution,
- continuation of the "A Gift for Life" initiative, which involves collecting gifts for distribution to children in hospital,
- donation of clothing to caregivers,
- masks produced in partnership with Lainière santé; 100% of profits donated to Médecins sans Frontières,
- blood donation

- **the sincere commitments of Claudie Pierlot:**

- donation to the WHO solidarity fund,
- blood donation,
- donations of clothing to the Un petit bagage d'amour and Les Relais du Cœur associations;

- **De Fursac charity projects:**

- 8,000 metres of fabrics, elastic bands and ribbons donated to produce masks and gowns for nursing staff,
- planting trees in Paris in partnership with Bloomforest.,
- clothing donations to the La Cravate Solidaire charity,
- clothing donated to the Mécénat Chirurgie Cardiaque – Enfants du monde (children's heart surgery NGO) Big Christmas sale;

- **the charity works of SMCP Global Services:**

- blood donation,
- collection of gifts in partnership with the FXB charity for distribution to deprived mothers and their children,
- participation in the "Les Restaurants du Cœur" initiative – donations via the Sodexo card;

- **the philanthropy initiatives of SMCP Asia:**

- box of Hope for children in need with the Hong Chi association,
- Christmas decorations were produced, with 100% of sale proceeds donated to the Abandoning Funds for Public Welfare association;

- **SMCP NA works for the planet and for people:**

- clothing donated to Dress for success,
- distribution of meals with City Harvest NYC.

## 1.5.4 Adopting ethical practices and defending our values

---

### OUR GLOBAL COMPACT MEMBERSHIP

As part of a collective effort to make the world a better place, SMCP is proud to have joined the UN Global Compact initiative.

The Global Compact brings together companies and non-profit organisations around CSR and Sustainable Development issues. It offers a framework of voluntary commitment built on the basis of ten principles to be respected in terms of human rights, labour law, the environment and the fight against corruption.

It is also mandated by the United Nations to support the implementation of an Agenda 2030 and the adoption of the Sustainable Development Goals by the business world.

Support for this initiative is significant for the Group and we have shared it with all our employees.

With it, we are committed to adopting these principles so that they are fully reflected in the pillars of our strategy, in our culture and in our daily actions, perfectly integrated into our Group CSR approach, and to promoting them externally.

### MAKING THE ANTI-CORRUPTION AND ANTI-TAX EVASION MEASURES A PRIORITY

Ethical practices and anti-corruption rules are key values for us and one of our major concerns. As the first link in the relationship with suppliers, our Group is particularly exposed to those risks. We pledge to our shareholders, partners, suppliers and employees that we will lead an effective, rigorous anti-corruption policy. Such a policy is part of our commitment to the values of honesty, fair competition, prevention of conflicts of interest, respect for professional secrecy and the battle against all forms of discrimination that we defend as part of our activities.

In accordance with the law on transparency, the fight against corruption and modernisation of economic life, known as the "Sapin II Act" (of December 9, 2016) which requires the drafting of a corruption prevention plan since June 2017, we have introduced measures intended to prevent acts of corruption or influence peddling such as the integration of a "fight against corruption" topic into our social audit grid and the setup of task forces to allow the creation of a mechanism for collecting reports from whistleblowers, training for persons highly exposed to the risks of corruption and conflicts of interest.

With regard to tax evasion, the Group has set up responsible tax practices and follows the recommendations of the OECD. We file the Country-by-Country reporting and write a Transfer Pricing documentation to ensure a fully transparent tax system in the countries concerned. Lastly, we are subject to the local regulations of each country where we operate with respect to VAT, corporate income tax and other local taxes.

## 1.6 Conclusion

Even though 2020 has been a highly unusual year, the Group has been able to accelerate its responsible momentum to dress the world in an elegant way by reinforcing all our actions in favour of the planet and people. Naturally, we mobilised with our four Brands and in each Business Unit to respond to the international call for solidarity in the face of Covid-19.

In 2021, we will continue to intensify our sustainable drive on each of our pillars, our 3Ps, to achieve our ambitious objectives by 2025.

We will strive to strengthen our range of Parisian pieces on all circular economy initiatives so that Parisian chic is more responsible and more accessible with SMCPProduct. Together with a new cross-functional working group, we will focus on developing action plans to reduce single-use inputs in all our activities with SMCPlanet. Finally, we will further increase our solidarity actions and strengthen our Diversity and Inclusion Strategy so that SMCPeople shines for each of our employees around the world.

## 1.7 Our methodology

This DPEF includes corporate social responsibility indicators related to defined perimeters. The goal of this document is to describe clearly and precisely the scope and calculation method regarding each indicator.

### 1.7.1 Reporting period

---

The 2020 SNFP covers the period from January 1 to December 31, 2020.

### 1.7.2 Reporting scope

---

Indicators were collected, calculated and consolidated based on data available internally and extracted from IT tools. The data presented are aimed at covering all activities and all host countries of SMCP and its brands. However, some employee indicators are presented for France only. The purpose of this methodology note is to define those factors.

Topics related to combating food waste, food insecurity and responsible, fair and sustainable food are not dealt with in this Statement of Non-Financial Performance as they are not material with respect to the Group's activity.

### 1.7.3 Reporting methodology

---

The report's content was based on indicators selected to reflect the main economic, social, environmental and societal impacts of the Group's activities.

This Statement of Non-Financial Performance complies with the European Directive on non-financial reporting which led to the

publication of an ordinance and its application decree replacing the so-called "Grenelle II" CSR reporting. The issues identified are based on the Global Reporting Initiative (GRI) guidelines under the GRI sector supplement, "Textiles, Apparel, Footwear and Luxury Goods", the UN Global Compact, and the OECD Guidelines.

### 1.7.4 Report verification

---

SMCP has entrusted the verification of the data presented in its CSR report to the independent third party, Deloitte.

### 1.7.5 Methodology used to analyse non-financial risks

---

The analysis of non-financial risks is based on work carried out in prior years by PwC in connection with the drawing up of the Group's CSR inventory and by Utopies, a firm specialised in CSR as part of the preparation of the Group's CSR strategy. The preparation of this strategy particularly led to the interrogation of external stakeholders on their view of CSR risks and expectations within the fashion industry. Internal interviews were also carried out to identify the CSR risks and expectations as perceived by Group employees.

This analysis also relies on regulatory and competition intelligence and on the financial risks previously identified and disclosed.

This non-financial risk analysis has been validated internally, in particular by the Group General Counsel, the Group Director of Strategy and Development, the Human Resources and CSR Director and the Group Director for Internal Audits.

### 1.7.6 SMCProduct pillar indicators

---

#### DATA ON SOURCING AND COLLECTIONS

The data is derived from the Group-level consolidation of resources extracted from our IT tools in connection with production activities.

It relates to a global scope but excludes the De Fursac brand, which has not yet migrated to the tools available to Sandro, Maje and Claudie Pierlot to monitor this data.

#### DATA ON STRATEGIC SUPPLIERS

The data is derived from the Group-level consolidation of resources extracted from our IT tools in connection with production activities.

It relates to a global scope and concerns all our brands for the 2020 fiscal year.

#### RESULTS OF SOCIAL AND ENVIRONMENTAL AUDITS

The data come from the Group-level consolidation of resources extracted from our external service provider's audit reports and our IT tools in connection with production activities, relate to a global scope and concern all our brands.

## 1.7.7 SMCPlanet pillar indicators

---

Environmental data for the 2020 SNFP pertains to the Group's electricity consumption for stores under direct management, headquarters and warehouses.

The GHG emissions calculated and reported in this SNFP relate to Scope 2 – electricity consumption.

### ENERGY

The energy consumption for the network is calculated based on actual electricity usage bills for a specific scope (France), giving a smoothed average consumption per square metre which can then be applied to the worldwide store portfolio under direct management, given that the entire portfolio has the same concept stores.

The network here is limited to directly managed points of sale (including outlets), *i.e.* 614 stores. Concessions, affiliates and partners are not included, given that SMCP does not have any room for manoeuvre in this type of store with regard to energy supply and equipment that uses electricity (air conditioning, bulbs, etc.)

Energy consumption for the headquarters is the consumption obtained from the electricity bills of each entity concerned. The scope represented by the head offices is the SMCP head office, the Sandro head office, the Maje head office, the Claudie Pierlot head office, the SMCP North America head office and the SMCP Asia head office. The De Fursac head office was excluded from the scope.

Energy consumption for the warehouses is the consumption obtained from the electricity bills of each entity concerned. The scope represented by warehouses concerns warehouses located in France. It does not

include subcontracted warehouses in Asia or the USA, since SMCP has no influence over the energy supplied to those particular warehouses.

### GHG EMISSIONS

The GHG emissions data included in the 2020 SNFP are data exclusively for Scope 2. Only one kgCO<sub>2</sub> equivalent emitted was calculated for energy consumption.

The energy consumption in kWh of each country was multiplied by the kgCO<sub>2</sub> coefficients communicated by ADEME corresponding to the given country (Documentation of emission factors of the Carbon Base, ADEME).

Stores in France that have a green power contract have a CO<sub>2</sub> equivalent emission of 0.

The scope of GHG emissions is therefore the same as the scope for the electricity consumption calculations.

### TRANSPORT

The data come from the Group-level consolidation of resources extracted from our IT tools in connection with the supply chain activities and relate to upstream transport for Asiaà France.

### GREEN CONCEPT STORE

The data come from the Group-level consolidation of resources extracted from our IT tools in connection with maintenance and architecture activities. They relate to points of sale directly managed by the Group.

## 1.7.8 SMCPeople pillar indicators

---

Employee-related data concerns indefinite-term and temporary contracts except the data relating to manager/non-manager breakdown and to hirings, departures and layoffs, which exclusively relate to permanent contracts. This is because managers are recruited on indefinite-term contracts and the Group considers that to have a reliable interpretation of the hirings, departures and layoffs trend, these indicators must be studied on the population benefiting from indefinite-term contracts, namely the Company's permanent population who, under optimal conditions, are unlikely to leave the Group. The recognition of fixed-term contracts alone also provides a fairer view of net jobs created by the Group.

For the other social data, the excluded data concerns temporary employees, interns and apprentices. This can be explained by the fact that the Group wishes to enhance the reliability of its monthly

employee reporting to all of its business units and that this can be done by using a reporting scope based only on permanent contracts and fixed-term contracts, which have an identical definition worldwide.

All employee-related indicators on the world scope with the exception of the data on manager/non-manager breakdown which is gathered for France only, because the manager/non-manager status is not equivalent in all countries. Data on layoffs and occupational accidents concern France only. This limited scope can be explained by the fact that the Group is currently working on consolidating this data at world level and is unable to provide a world report at this stage.

The "number of workplace accidents" indicator covers only workplace and commuting accidents that resulted in lost days, and not the total number of workplace and commuting accidents.

## 1.8 Summary table of indicators

Indicator	Sub-indicator	Unit	2019	2020	Definition	Data excluded	Scope
<b>SMCProduct</b>							
Responsible collections	Weight of eco-responsible pieces in all collections	%	3	26	Proportion of pieces that meet the Group's definition of an eco-responsible product: a product is eco-responsible if at least 30% of its raw material is certified (labels guaranteeing organic, recycled materials from sustainably managed forests, from animals treated with dignity) and/or if it has been produced in a factory that has implemented technologies to reduce the environmental impact of the manufacturing process (LWG Gold-certified tanneries, jeans manufacturing plants equipped with an EIM washing system).	Collections De Fursac	World
Strategic suppliers	Number of strategic suppliers	No.	88	107	Number of suppliers considered strategic by the Group. For each of the brands: <ul style="list-style-type: none"> <li>• TOP10 suppliers of finished ready-to-wear products (in terms of volumes produced);</li> <li>• TOP10 suppliers of cut-and-sew ready-to-wear products (in terms of volumes produced);</li> <li>• TOP10 suppliers of fabric (in terms of order value);</li> <li>• TOP10 suppliers of accessories.</li> </ul>	2019: De Fursac suppliers	World
	Percentage of strategic FP and FFP suppliers	%	77	80	Proportion of FP and FFP suppliers (RTW and access) considered strategic out of all FP and FFP suppliers in terms of volumes produced	2019: supplier weight De Fursac	World
	Weight of strategic fabric suppliers	%	65	66	Proportion of fabric suppliers considered strategic across all fabric suppliers in terms of order value	2019: weight of suppliers De Fursac	World

Indicator	Sub-indicator	Unit	2019	2020	Definition	Data excluded	Scope
Strategic suppliers	Social certifications	%	-	23	Proportion of our strategic suppliers covered by at least one international social certification (WRAP, SMETA, BSCI, SA 8000) valid on 12/31/2020	-	World
	Environmental certifications	%	-	19	Proportion of our strategic suppliers covered by at least one international environmental certification (ISO 14001, Oeko-Tex Step, LWG Gold, LWG Silver, Bluesign) valid on 12/31/2020	-	World
	Coverage	%	-	43	Proportion of our strategic suppliers covered by a social and/or environmental audit carried out by our service provider and/or covered by an international social and/or environmental certification (WRAP, SMETA, BSCI, SA 8000, ISO 14001, Oeko-Tex Step, LWG Gold, LWG Silver, Bluesign) valid on 12/31/2020	-	World
Results of employee and environmental audits	Audits carried out	No.	32	29	Social and environmental audits (initial and follow-up) conducted for the reference year	-	World
	Coverage	%	33	23.4	Proportion of our strategic suppliers covered by a social and/or environmental audit, carried out by our service provider: <ul style="list-style-type: none"> <li>• for 2020: carried out in 2019 (one-year retroactivity for results) and/or 2020;</li> <li>• for 2019: carried out in 2018 (retroactivity of one year for results) and/or 2019.</li> </ul>	-	World
	Cases of social non-compliance observed	No.	7	8	Average number of non-compliance events observed per social audit	-	World
	Social audits – Breakdown of anomalies by type of seriousness	%	45	56	Percentage of minor non-compliance events out of all cases of social non-compliance observed	-	World
	Social audits – Breakdown of anomalies by type of seriousness	%	50	40	Percentage of major non-compliance events out of all social non-compliance events observed	-	World
	Social audits – Breakdown of anomalies by type of seriousness	%	5	4	Percentage of critical non-compliance events out of all social non-compliance cases observed	-	World

Indicator	Sub-indicator	Unit	2019	2020	Definition	Data excluded	Scope
Results of employee and environmental audits	Observed environmental non-compliance events	No.	3	3	Average number of non-compliance events observed per environmental audit	-	World
	Environmental audits – Breakdown of anomalies by type of seriousness	%	22	52	Percentage of minor non-compliance events out of all environmental non-compliance cases observed	-	World
	Environmental audits – Breakdown of anomalies by type of seriousness	%	78	48	Percentage of major non-compliance events out of all environmental non-compliance cases observed	-	World
	Environmental audits – Breakdown of anomalies by type of seriousness	%	0	0	Percentage of critical non-compliance events out of all environmental non-compliance cases observed	-	World
Production areas of our finished and cut-and-sew products	EMEA	%	62	55	In terms of finished and cut-and-sew, RTW and access products Countries included in 2019: Albania, Belarus, Bosnia, Bulgaria, Spain, United Arab Emirates, France, Great Britain, Italy, Macedonia, Morocco, Poland, Portugal, Romania, Serbia, Slovakia, Tunisia, Turkey, Ukraine Countries included in 2020: Albania, Belarus, Bosnia, Bulgaria, United Arab Emirates, Spain, France, Great Britain, Italy, Lithuania, Morocco, Poland, Portugal, Romania, Serbia, Slovakia, Tunisia, Turkey	De Fursac	World
	Asia	%	37	43	In terms of finished and cut-and-sew, RTW and access products Countries included in 2019: China, India, Countries included in 2020: China, South Korea, Indonesia, Japan, Vietnam	De Fursac	World
	Other	%	1	1	In terms of finished and cut-and-sew, RTW and access products Countries included in 2019: Mauritius, Madagascar, Uruguay and Venezuela Countries included in 2020: Brazil, Mauritius, Madagascar and Uruguay	De Fursac	World

Indicator	Sub-indicator	Unit	2019	2020	Definition	Data excluded	Scope
Production areas of our components	EMEA	%	62	75.5	In terms of order value (in €) Countries included in 2019: Germany, Albania, Austria, Belgium, Bulgaria, Spain, France, Great Britain, Greece, Italy, Lithuania, Morocco, Netherlands, Poland, Portugal, Czech Republic, Romania, Slovakia, Switzerland, Turkey Countries included in 2020: Albania, Germany, Austria, Belgium, Bulgaria, Spain, France, Great Britain, Greece, Italy, Lithuania, Morocco, Netherlands, Portugal, Czech Republic, Romania, Slovakia, Switzerland, Turkey	De Fursac	World
	Asia	%	33	24.4	In terms of order value (in €) Countries included in 2019: China, South Korea, Hong Kong, India, Indonesia, Japan, Taiwan, Thailand Countries included in 2020: China, South Korea, Hong Kong, India, Indonesia, Japan, Pakistan, Taiwan, Thailand, Vietnam	De Fursac	World
	Other	%	5	0.1	In terms of order value (in €) Countries included in 2019: South Africa, Madagascar, New Zealand, Venezuela Countries included in 2020: South Africa, Sudan	De Fursac	World
<b>SMCPlanet</b>							
Electrical consumption	Head office consumption	kWh	834,527	943,246	Electricity consumption at head offices (lighting, air conditioning, etc.)	2019: De Fursac, Maje and Claudie Pierlot headquarters 2020: De Fursac head office	World
	Consumption of warehouses	kWh	888,968	799,400	Electricity consumption of directly managed warehouses (lighting, air conditioning, etc.)	-	World
	Point of sale energy consumption	kWh	4,413,132	12,065,090	Point of sale electrical consumption (lighting, air conditioning, etc.)	2019: electricity consumption by the heating/air conditioning system, consumption of reserves 2019 and 2020: points of sale managed as concessions, affiliates, wholesale	World

Indicator	Sub-indicator	Unit	2019	2020	Definition	Data excluded	Scope
Electrical consumption	Points of sale energy consumption	kW/m <sup>2</sup>	81.4	206	Smoothed electricity consumption by points of sale per square metre Estimate based on part of the France stores scope and applied to the Global scope	2019: electricity consumption by the heating/air conditioning system, consumption of reserves 2019 and 2020: points of sale managed as concessions, affiliates, wholesale	World
Green concept store	LED coverage of our points of sale	%	70	68	Percentage of points of sale with full LED lighting in the sales area	Affiliates, concessions, wholesale	World
	Openings and renovations compliant with the Green Store definition	%	-	80	Percentage of openings and renovations that met the four Green Store criteria: eco-HVAC, LEDs, eco-responsible materials/ long-life cycle materials, signature of code of conduct)	Affiliates, concessions, wholesale	World
Transport	% use of aircraft for upstream transport Asia-France	%	63	28	% use of aircraft for upstream transport Asia-France	-	World
	% use of vessel for upstream transport Asia-France	%	33	66	% use of vessel for upstream transport Asia-France	-	World
	% use of rail for upstream transport Asia-France	%	4	5	% use of rail for upstream transport Asia-France	-	World
GHG emissions	GHG emissions generated by the Group's electricity consumption	kgCO <sub>2</sub> eq	-	4,282,594	GHG emissions generated exclusively by the Group's electricity consumption	Affiliates, concessions, wholesale, De Fursac head office	World
	GHG emissions generated by the Group's electricity consumption	kgCO <sub>2</sub> eq/m <sup>2</sup>	-	735.9	Smoothed GHG emissions per sq.m., including sq.m. held directly by the Group for warehouses, head offices and points of sale	Affiliates, concessions, wholesale, De Fursac head office	World
<b>SMCPeople</b>							
Employees	Total employees	No.	6,426	5,748	Number of women and men employed by SMCP on December 31, 2020	Temporary staff	World
	Total women	No.	5,258	4,670	Number of women employed by SMCP on December 31, 2020	Temporary staff	World
	Total Men	No.	1,168	1,078	Number of men employed by SMCP on December 31, 2020	Temporary staff	World
	Female members of the Executive Committee	No.	6	7	Number of women on the Executive Committee	-	World
	Men on the Executive Committee	No.	7	6	Number of men on the Executive Committee	-	World

Indicator	Sub-indicator	Unit	2019	2020	Definition	Data excluded	Scope
Employees	Women on the Board of Directors	No.	8	9	Number of women on the Board of Directors	-	World
	Men on the Board of Directors	No.	6	6	Number of men on the Board of Directors	-	World
	Female managers	No.	368	379	Number of female managers	Temporary staff 2019: De Fursac	France
	Male managers	No.	116	134	Number of male managers	Temporary staff 2019: De Fursac	France
	Non-executive women	No.	1,525	1,378	Number of female non-managers	Temporary staff 2019: De Fursac	France
	Non-executive men	No.	457	468	Number of male non-managers	Temporary staff 2019: De Fursac	France
	Headquarters population	No.	920	898	Number of employees working in the head offices	Temporary staff 2019: De Fursac	World
	Warehouse population	No.	148	153	Number of employees working in warehouses	Temporary staff 2019: De Fursac	World
	Point of sale population	No.	5,358	4,697	Number of employees working in points of sale	Temporary staff 2019: De Fursac	World
	Population aged under 20	No.	171	62	Number of employees under the age of 20	Temporary staff 2019: De Fursac	World
	Population aged 20 to 29	No.	3,194	2,476	Number of employees aged 20 to 29	Temporary staff 2019: De Fursac	World
	Population aged 30 to 39	No.	2,267	2,331	Number of employees aged 30 to 39	Temporary staff 2019: De Fursac	World
	Population aged 40-49	No.	582	642	Number of employees aged 40 to 49	Temporary staff 2019: De Fursac	World
	Population aged over 50	No.	212	237	Number of employees aged over 50	Temporary staff 2019: De Fursac	World
	Geographic breakdown of employees – France	No.	2,466	2,359	Number of employees based in France	Temporary staff 2019: De Fursac	World
	Geographic breakdown of employees – Europe	No.	1,771	1,516	Number of employees based in Europe	Temporary staff 2019: De Fursac	World
	Geographic breakdown of employees – Asia	No.	865	558	Number of employees based in Asia	Temporary staff 2019: De Fursac	World
	Geographic breakdown of employees – North America	No.	1,324	1,315	Number of employees based in North America	Temporary staff 2019: De Fursac	World
Turnover	New hires	No.	3,417	1,268	Number of new hires in 2020	Fixed-term contracts, interns, apprentices, temporary staff	World
	Departures	No.	3,212	2,033	Number of departures, for any reason, in 2020	Fixed-term contracts, interns, apprentices, temporary staff	World

Indicator	Sub-indicator	Unit	2019	2020	Definition	Data excluded	Scope
Turnover	Layoffs	No.	190	162	Number of departures due exclusively to layoff by the employer	Fixed-term contracts, interns, apprentices, temporary staff De Fursac	France
	Internal mobility	%	36	33	Percentage of open positions filled by a person already working within SMCP	Fixed-term contracts, interns, apprentices, temporary staff	World
Compensation	Payroll	Millions of euros	237	200.3	Sum of all gross salaries and employer social security charges, as well as profit-sharing and incentive plans	-	World
Training	Training given in the presence of a trainer (face-to-face and/or virtual classroom)	No.	17,734	8,653	Number of hours of training given in the presence of a trainer in face-to-face and/or virtual classroom mode	2019: data relating to De Fursac employees	World
	E-learning training	No.	54,307	82,185	Number of training hours delivered via e-learning	2019: data relating to De Fursac employees	World
	Employees who have received at least one training session face-to-face and/or virtual classroom	%	36	20	Percentage of employees having received at least one training session in the presence of a trainer (face-to-face and/or virtual classroom)	2019: data relating to De Fursac employees	World
	Employees who have received at least one e-learning training	%	95	85	Number of employees who have received at least one e-learning training session	2019: data relating to De Fursac employees	World
Workplace accidents	Workplace accidents	No.	107	61	Number of employees with lost days due to a workplace or commuting accident	2019: De Fursac	France

# 1.9 Independent third-party report

## **Report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial performance declaration presented in the Group management report**

---

To the annual shareholders' general meeting,

In our capacity as statutory auditors of SMCP S.A., appointed as independent third party and certified by COFRAC under number 3-1048 (scope of the accreditation available on [www.cofrac.fr](http://www.cofrac.fr)), we hereby present to you our report on the consolidated statement of non-financial performance for the fiscal year ended December 31, 2020 (hereafter the "Statement"), presented in the Group management report as required by the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

### **COMPANY'S RESPONSIBILITY**

The Board of Directors is responsible for drawing up a Statement that is compliant with the laws and regulations, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied to address these risks and the results of these policies, including key performance indicators. The Statement was drawn up by applying the Company's procedures, (hereafter the "Guidelines") the significant elements of which are presented in the Statement and are available from the Company's registered office upon request.

### **INDEPENDENCE AND QUALITY CONTROL**

Our independence is defined by the provisions set out in Article L. 822-11-3 of the French Commercial Code and the Code of Ethics of the profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

### **RESPONSIBILITY OF THE STATUTORY AUDITOR APPOINTED AS INDEPENDENT THIRD PARTY**

On the basis of our work, our responsibility is to present a reasoned opinion expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions set out in Article R. 225-105 of the French Commercial Code;
- the true and fair nature of the disclosures pursuant to Article R. 225-105, Sections I and II, subparagraph 3, including the key performance indicators, and actions relating to main risks, hereafter the "Disclosures".

However, it is not our responsibility to give an opinion on: neither the entity's observance of other applicable legal and regulatory provisions, particularly regarding anti-corruption and anti-tax evasion measures; nor the compliance of products and services with the applicable regulations.

### **NATURE AND SCOPE OF OUR WORK**

Our work described below was conducted in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code determining the terms in which the independent third-party body conducts its mission and in accordance with the professional doctrine of the Compagnie Nationale des Commissaires aux Comptes relating to this intervention [as well as to the international standard ISAE 3000] (*Assurance engagements other than audits or reviews of historical financial information*).

Our work allowed us to assess the compliance of the Statement with the regulatory provisions and the true and fair nature of the Disclosures:

- we obtained an understanding of the activity of all the companies included in the scope of the consolidation, and of the presentation of the main risks;
- we have assessed the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- we verified that the Statement covers each category of information specified in Article L. 225 102 1 Section III on social and environmental reporting as well as the sub-paragraph 2 of Article L. 22-10-36 on compliance with human rights and the fight against corruption and tax evasion;
- we verified that the Statement presents the disclosures described under Section II of Article R. 225-105 when relevant with respect to the main risks and includes, where appropriate, an explanation of the reasons justifying the lack of information required by Article L. 225-102-1, Section III, subparagraph 2;

- we verified that the Statement presents the business model and the main risks linked to the activity of all the entities included in the scope of consolidation, including, when relevant and proportionate, the risks created by its business relations, its products or services as well as the policies, actions and results, including key performance indicators;
- we referred to documentary sources and conducted interviews to:
  - assess the selection process and the validation of the main risks as well as the consistency of the results including the key performance indicators adopted with respect to the main risks and policies presented, and
  - corroborate the qualitative information (actions and results) that we considered the most important<sup>(1)</sup> – for those relating to certain risks (environment, diversity and inclusion, circular economy), our work was carried out at the level of the consolidating entity, for the others at the level of the consolidating entity and in a selection of entities;
- we checked that the Statement covers the scope of consolidation, namely all the companies included in the scope of consolidation in accordance with Article L. 233-16 with the limits specified in the Statement;
- we reviewed the internal control and risk management procedures set up by the entity and assessed the collection process set up by the entity aimed at ensuring the completeness and fairness of the Disclosures;
- for the key performance indicators and the other quantitative results<sup>(2)</sup> that we considered the most important, we implemented:
  - analytical procedures consisting of checking that the collected data had been consolidated correctly and the consistency of the changes in this data,
  - detail tests using sampling techniques, consisting of verifying that the definitions and procedures had been applied correctly and comparing the data on supporting documents. This work was carried out with a selection of contributing entities<sup>(3)</sup> and covered between 38% and all of the consolidated data of key performance indicators and results selected for these tests;
- we assessed the overall consistency of the Statement with respect to our knowledge of the Company.

We believe that the work that we have carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

## MEANS AND RESOURCES

Our work mobilised the skills of four people between March and April 2021.

We were assisted in our work by our specialists in sustainability and corporate social responsibility. We conducted approximately ten interviews with the persons responsible for preparing the Statement.

## CONCLUSION

The environmental indicators presented in the Statement do not make it possible to report on the Group's performance with regard to its commitments: energy consumption and associated greenhouse gas emissions are limited to electricity consumption and are not sufficiently reliable; the carbon footprint relates to the year 2018.

Based on our work, except for the items described above, we detected no material misstatement likely to call into question the fact that the Statement is compliant with the applicable regulatory provisions and that the Disclosures, taken as a whole, are presented fairly in accordance with the Guidelines.

Paris-La Défense, April 30, 2021

One of the statutory auditors

Deloitte & Associés

Albert Aidan  
Partner, Audit

Julien Rivals  
Partner, Sustainability Services

(1) Reflection conducted by the Group on the impacts of logistics flows; Group's internal commitment to diversity and inclusion; Responsible management of unsold goods.

(2) Total number of employees; Total number of women; Total number of female managers; Number of new hires; Number of layoffs; Number of departures; Number of hours spent on e-learning; Number of employees who have received at least one e-learning training; Number of internal transfers; Number of social and environmental audits conducted; Coverage of the social and environmental audits conducted; Electricity consumption (head offices, warehouses, points of sale).

(3) Group activity in France and in Europe.

