

Non-financial performance

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6.1 SMCP's CSR approach

6.1.1 The Group and its values

Parisian elegance will be ethical - or it will not be. SMCP believes in more virtuous fashion and acts from every angle to dress the world in the long term.

In 2021, our CSR commitments are gaining momentum. After four years of reflections, audits and eco-responsible actions, we have embarked on a contribution to lasting change in the world of fashion. While the health crisis impacted the opening of our stores again this year, it did not in any way slow down our desire to progress in terms of CSR. Our CSR strategy infuses the DNA of our four brands and all the initiatives of our Business Units, season after season, to reduce our impact on the Planet, People and Society as a whole. Reflecting our proactive approach and our desire for transformation, our two Parisian Houses, Maje and Sandro, launched new solutions this year to rethink the world of ready-to-wear. With the rental of the most beautiful Parisian pieces for a day and an unprecedented second-hand service for timeless and desired collections around the world, we aspire to offer everyone access to Parisian elegance.

THE GROUP & ITS VALUES

Elegance is not in what you wear, but in your attitude.

In the beginning, there were three women, Évelyne Chétrite, 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. 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 elegance around the world with a certain taste for a challenge, SMCP is an international leader in ready-to-wear and accessories, with 1,684 points of sale⁽¹⁾ in 43 countries, reaching €1,038.6 million in annual sales in 2021.

Because we have a leading role in the accessible luxury sector, we aspire to make this Parisian elegance sustainable by developing more desirable and responsible collections, season after season, which respect the Planet, Society and People.

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.

(1) 1,292 Directly operated stores and 392 point of sales partners.

6.1.2 Ambition and strategy

OUR THREE STRATEGIC AREAS AND OUR AMBITIONS FOR 2025

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

Identified in 2019, our three high-value strategic areas 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 CSR 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. In 2021, these three pillars are at the heart of each action carried out by the Group and our brands as gestures to build a fashion world more respectful of people and their environment.



SMCPProduct – Producing even more desirable and responsible collections in just the right amount

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% by 2025. This is made possible thanks to the progress made on the SMCPProduct pillar, but also by minimising our air transport flows, and by rethinking our store concepts 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.



6.1.3 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 2021 universal registration document.

6.1.3.1 METHODOLOGY

The analysis of non-financial risks is based on work carried out in 2018 by PwC and Utopies, firms specialising in CSR, in connection with the drawing up of the Group's CSR inventory and the preparation of the 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. It is subject to an annual internal review.

Risks	Policies and projects that have been implemented	Indicator
Diversity and inclusion	6.5.3 Committing to inclusion and diversity	Employees Gender Pay Gap
Development and enhancement of human capital	6.5.1 The main employee indicators for 2021 (vs 2020) 6.5.2 Improving well-being at work 6.5.3 Committing to inclusion and diversity	Employees Turnover Compensation Training Gender Pay Gap
Data protection	URD 2021 – 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 Gender Pay Gap
Supplier relations	6.3.2 Guaranteeing quality sourcing from ethical suppliers 6.5.4.2 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 quality sourcing from ethical suppliers	Production areas for our Finished Products, Cut and Sew, components
Raw materials Animal welfare	6.3.1 Sourcing more responsible materials and products	Responsible Collections
Real estate and fixed assets	6.4.1 Reducing our carbon footprint 6.4.3 Rethinking our points of sale	Electrical consumption GHG emissions Green concept store
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 quality sourcing from ethical suppliers 6.5.4.1 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	-

6.1.3.2 SOCIAL & 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 and 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* (clothing and accessories) are one of our core concerns. Because the health and safety of our customers is an absolute priority, we decided to develop an 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.

6.1.3.3 RISKS RELATED TO THE ENVIRONMENT AND CLIMATE CHANGE

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 in a context of price volatility.
- *Environmental performance of our suppliers*: to ensure compliance with international environmental regulations in the factories used to produce its products, the Group has set up annual environmental audits, carried out through an independent expert third party.
- *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 CO₂ emissions. That is why the Group reduces air freight as much as possible and encourages more environmentally friendly transports such as rail and maritime freight transport.

6.1.3.4 RISKS ASSOCIATED WITH HUMAN RIGHTS

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 Supplier Code of Conduct, the Group regularly conducts audits through an independent expert.

6.1.3.5 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, by being attentive to ensure that no incidents caused by unethical behaviour by a legal or natural person under the control of the Group or having a relationship with it occur.

- *Corruption*: To minimise these potential risks due to our international activities, we have set up an internal organisation 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*: 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 activities to control and collect taxes and levies relating to the Group's business activities.
- Lastly, the Group has no ongoing tax dispute.

6.1.4 CSR governance and organisation

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

CSR 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 Chief Executive Officer who inspires SMCP's sustainable vision, to the Human Resources Department with a CSR Director who sits on the Executive Committee and a Sustainability Manager both committed to change, a multidisciplinary Group CSR Committee and the CSR Committees specific to each Business Unit which embody our values according to their own sensitivities, we act with collective intelligence to advance our CSR strategy.

At SMCP, we are convinced that, for change to be global, CSR must be anchored in operations. It 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 corporate officers, as well as a portion of the performance conditions of the free share plans, are linked to the achievement of the Group's annual CSR targets based on our three main pillars: SMCPProduct, SMCPPlanet and SMCPPeople.

6.2 Business model

The information in this section should be compared with Section 2 “The Group and its activities” of the 2021 universal registration document.

Since 2020, we have entered a new chapter in our story entitled One Journey, with “Global, desirable, sustainable and phygital brands”. With this chapter, SMCP continues to combine the codes of luxury and *Direct to Consumer*, while integrating new priorities to pursue our ambition to become a global leader in accessible luxury:



Brand desirability

Enhance Brand Desirability by leveraging sharper and reinforced Brand DNA



Phygital network

Consolidate our phygital network to offer a seamless customer experience



Business model agility, speed and efficiency

Strengthen SMCP core business model, keeping agility, speed and efficiency



Sustainability

Accelerate in sustainability and contribute to ethical & responsible fashion, with strong engagements on Product, Planet and People

6.3 SMCPProduct: producing ever more desirable and responsible collections in just the right amount

6.3.1 Increase the number of eco-responsible references in our collections

Convinced that fashion and accessible luxury in particular must be sustainable to continue to be desirable, SMCP is working to reduce its social, societal and environmental impacts around 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 footprint assessment 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.

Since 2020, these measures have 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 by 2025.**

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 and eco-design:**

Since 2019, we have been training our Style and Production teams on an annual basis 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 2021, the second part of this training programme began with the launch of a training course on eco-design so that our Style and Production teams can gradually integrate this concept into their way of thinking and producing our collections.

In 2021, more than 60 employees of our studios were able to benefit from these training courses.

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:**

All of our brands work to support the Group's commitments, particularly with regard to increasing the use of labelled materials such as:

- **The LWG label** (Leather Working Group): It applies to leathers from LWG silver or gold certified tanneries. This label makes it possible to assess the tanneries on the basis of 18 themes (environmental management system, management of chemical inputs, wastewater treatment, etc.) and thus select the best performing in terms of environmental criteria.
- **The RDS label** (Responsible Down Standard): It applies to duck and goose down produced on farms and guarantees animal welfare as well as traceability to the finished product.
- **The RWS label** (Responsible Wool Standard): The sheep wool used in the collections is traceable to the finished product, with the guarantee of animal welfare and better management of pastures.
- **The EU Ecolabel**: It prohibits substances that may be harmful or destructive to the environment. Manufacturers must apply energy efficiency measures, treat waste water, and guarantee certain quality criteria such as the colour fastness and washing resistance of ready-to-wear items.
- **The GRS label** (Global Recycle Standard): Parts made from recycled materials are certified and validated for compliance with environmental and social criteria.
- **RCS Label** (Recycled Claim Standard): verifies the presence and quantity of a recycled component in the final product.
- **OCS Labels** (Organic Content Standard) and **GOTS** (Global Organic Textile Standard): They certify that the cottons come from organic farming and that the fibres are traced and traceable from the field to the finished product.
- **FCS Label** (Forest Stewardship Council): It is based on sustainable wood production (from which cellulose is extracted) through the responsible management of forest resources. The origin of the cellulose is thus traced from the forest to the product.

“Sandro for the Future”: Sandro is committed to producing less and better, today, and building on this in the future

Each season, since the launch of “Sandro for the Future”, Sandro goes further in its responsible approach to protecting the planet. In 2021, the focus was particularly placed on the selection of raw materials. As the departure point for the creation of its clothing and accessories, Sandro continues to increase the proportion of fine materials made from natural, animal or plant fibres in all its collections, by relying on the most demanding international certifications.

- Today, 45% of the Women's Collection is eco-responsible, and 50% for items for Men. What about tomorrow? Sandro is committed to making 70% of eco-responsible pieces and accessories in the Women's collections by 2025, and 80% in the Men's collections.

- Sandro focuses its efforts on the three most used materials in the fashion world:

- Cotton: 93% of Sandro T-shirts and sweats are made from certified organic cotton. In 2022, this rate will be 100%.
- Wool: 46% is RWS (Responsible Wool Standard) certified. By 2025, Sandro is committed to reaching 85%.
- Viscose: 30% is certified eco-friendly by the FSC (Forest Stewardship Council) or Ecovero label. By 2025, this figure will have more than doubled.

“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.

For the past two years, Maje has been monitoring the five most used materials in ready-to-wear clothing to improve their eco-responsibility: denim, viscose, polyester, cotton and leather. In addition, Maje has decided to go further in the definition of its pieces: they are considered as eco-responsible as long as at least 30% of their composition can be certified as such.

- For the Autumn-Winter 2021 collection, 43% of the pieces in the collection of this Parisian fashion house are eco-responsible, compared to 38% the previous season, thanks to the following:
 - 100% of the denim offering ecowash-certified,
 - 100% of leather products from LWG Gold-certified tanneries,
 - 66% of the cotton collections from organic agriculture or recycled,
 - 41% of woollen items made from recycled wool,
 - 65% of Maje's viscose FSC-certified,
 - 38% of the polyester recycled GRS or RCS certified.

“Claudie Cares”: Claudie Pierlot's committed initiative which opens the doors to fashion for a better future.

Since the launch of “Claudie Cares” in 2018, Claudie Pierlot has truly transformed the way it produces. It offers 51% of eco-responsible ready-to-wear items in its Autumn/Winter 2021 collection, i.e. nearly seven times more than in its Autumn/Winter 2019 collection. It is aiming even higher in 2025: its ambition is to create 80% of eco-responsible lines.

Fursac is in the process of finalising its responsible and sustainable sourcing policy.

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

6.3.2 Ensuring an ethical, responsible and quality sourcing by choosing suppliers who share our values

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 its 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 will be audited according to very strict social and environmental audit grids, 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** sent to all our suppliers and which they must return signed before any collaboration with the Group and its brands. This Supplier Code of Conduct is freely available on our corporate website, 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 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 2021, this work resulted in a list of 115 strategic suppliers, representing 79% 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,
- 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.

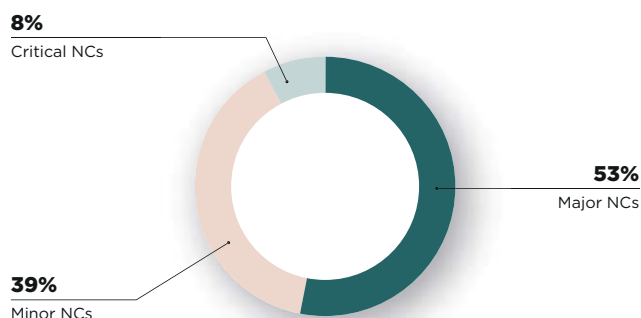
At the end of these audits, corrective action plans are drafted and we help our suppliers to implement them through an appropriate personalised follow-up: control audit over a period of two to three years, desktop review, or immediate follow-up as necessary.

For the summer 2021 and winter 2021 seasons (E21H21), 60 audits were carried out on 33 suppliers (finished products, cut-and-sew products, fabrics and accessories).

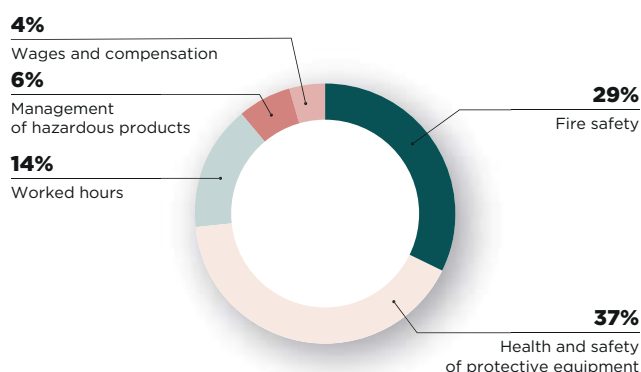
In 2021, 64% of our strategic suppliers are covered by an audit carried out by our service provider and 85% are covered by an audit carried out by our service provider and/or by an internationally recognised external certification.

The social audits conducted in 2021 revealed 103 anomalies (an average of four anomalies per audit), broken down as follows:

Breakdown by severity of non-compliance cases observed during the 2021 social audits

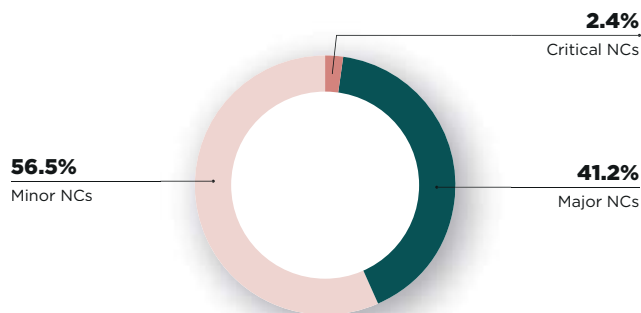


Breakdown by topic of the Top five non-conformities observed during the 2021 social audits

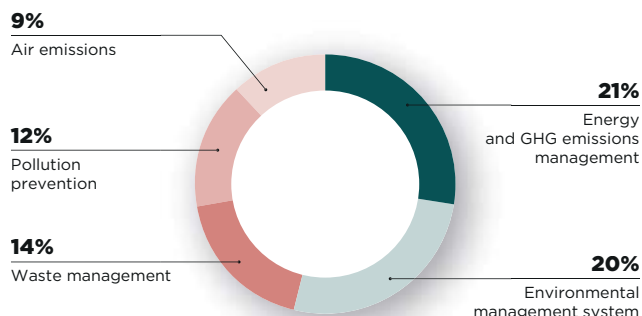


The environmental audits conducted in 2021 revealed 170 anomalies (an average of six anomalies per audit), which break down as follows:

Breakdown by severity of non-compliance cases observed during the 2021 environmental audits



Breakdown by topic of the Top five non-conformities observed during the 2021 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 fifth 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 the regulation 2006/1907/EC of December 18, 2006, known as "REACH" (azo dyes, allergenic dyes, carcinogenic substances, etc.), of the POP regulation (regulation EU/20019/1020 of June 20, 2019) on persistent organic pollutants, the requirements of the regulation on biocides (EU regulation no. 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.

6.3.3 Promoting the circular economy

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. In 2021, with our four brands, we have set up new initiatives to produce less and make our Parisian pieces last even longer.

Within the Group, we are making a lasting change in fashion around four major areas:

- **Rental:** an alternative in line with the ethical aspirations of our customers and our desire to make luxury more accessible. This year, Maje launched #MAJELOCATION, a unique rental service to optimise the use of its already produced iconic pieces and allow its French customers to borrow the one of their dreams, for a day. With our North American subsidiary, we are continuing our leasing actions in partnership with the market leader, Rent the Runway.
- **Second hand:** offering a second life to Parisian pieces that our customers no longer wear, this is the philosophy of Sandro's second hand service, which opened in 2021. A new online platform allows enthusiasts of the brand to sell and buy used Sandro clothing with ease. As a turning point for the Group, we aim to develop initiatives of this scale for all our Parisian Houses, which are already committed to this issue with Vestiaire Collective.
- **Upcycling:** the ethical approach to enhance our old fabrics. For the end of 2021, Sandro has designed a limited-edition capsule of 100% eco-responsible women's pyjamas, made from its stocks of old silk or cotton fabrics. This is the beginning of a series of upcycling actions for the House, which wants to go even further in its environmental commitments.
- **Responsible management of our unsold products:** because we refuse to destroy our pieces and supplies, each of our brands has implemented multiple solutions to offer them a second chance. Private sales, outlet stores, or donations to associations such as Aides, Rois du monde, Ohr Hanna and others, they always find a new destination.

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 references:** our daily concern is to produce less. To do this, we are working on the very structure of the collections. Our objective is to reduce the volumes we produce in each of our Houses, in order to have an impact on the entire chain - from our material consumption to the optimisation of our residual inventories. At the global level, Sandro reduced its end-of-season inventories by 27% between 2018 and 2021, despite the Covid context.

6.4 SMCPlanet: preserving our planet and its natural resources

SMCP and its four brands aspire to a more elegant future and global growth that respects the planet and biodiversity.

To achieve this, we are deploying all our energy to imagine more environmentally responsible transport flows for the manufacture and distribution of our pieces, to open our Green Stores worldwide, and to engage in eco-friendly acts every day.

6.4.1 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.

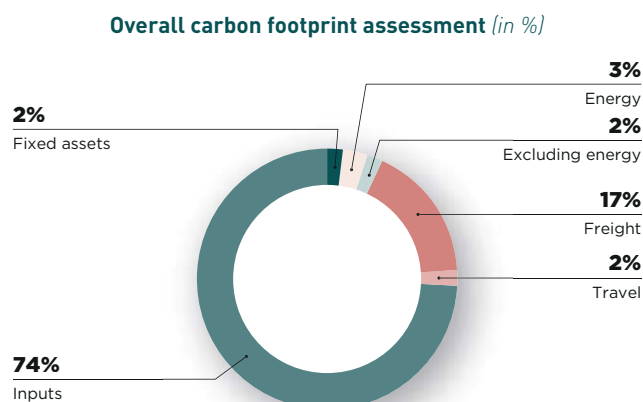
6.4.1.1 REMINDER OF THE RESULTS OF THE CARBON FOOTPRINT ASSESSMENT

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. The results were presented in detail in our 2019 SNFP.

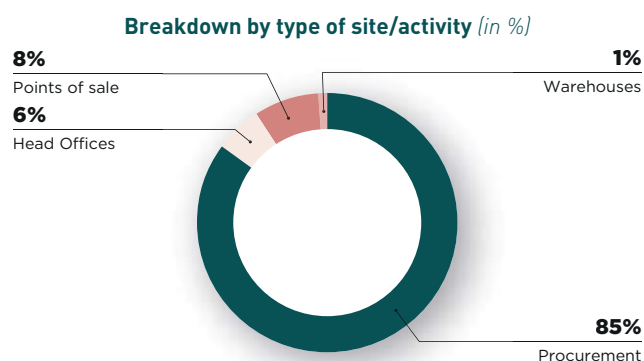
As a reminder, in 2019, we obtained the results in Scopes 1, 2 and 3 (purchases of goods and services, transport and distribution of goods, commercial flights, emissions generated by the production of fuel and energy), which enabled us to:

- 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 CO₂ equivalent (tCO₂), which breaks down as follows:



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.

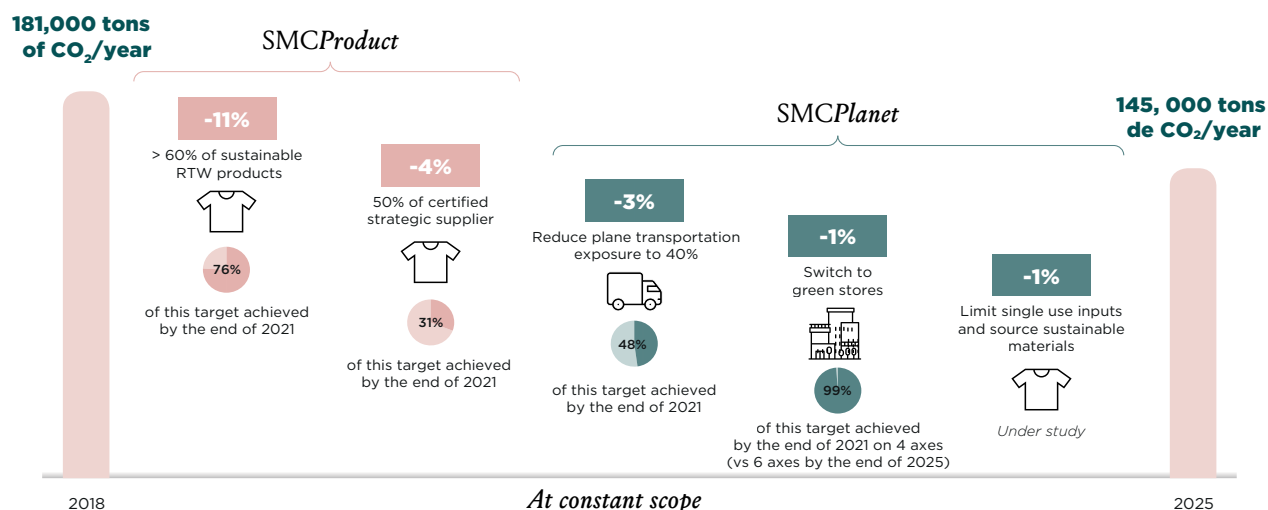


Following these precise results of our carbon footprint assessment, the Group has drawn up a three-to-five-year roadmap to minimise the environmental impact of our activities. We focus on implementing relevant, long-term measures to reduce our greenhouse gas emissions, in France and abroad and thus fight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

Following the consolidation in 2021, the first half of 2022 will be devoted to updating this carbon footprint assessment in order to ensure that our objectives detailed below are well on the way to being achieved.

6.4.1.2 DEVELOPMENT OF AN ACTION PLAN TO ACHIEVE THE REDUCTION TARGET OF THE CARBON FOOTPRINT ASSESSMENT

2021 was decisive for the implementation of the various actions that will enable us to achieve our 20% reduction target.



By closely combining the actions carried out under our SMCPProduct 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.

6.4.2 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.**

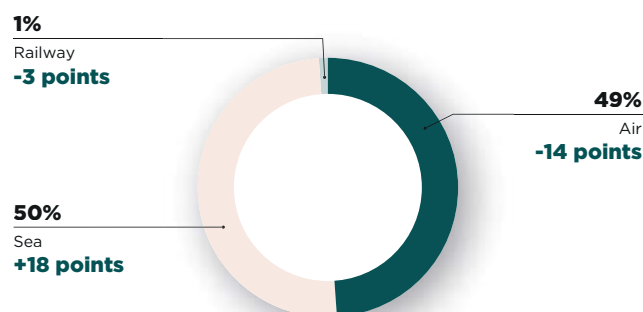
At the same time, and for all of our imports, we are continuing to increase the share of maritime, rail and road transport, which is less harmful to the environment.

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 foreign countries.

Breakdown of Asia to France upstream transport modes vs 2019 (in %)



6.4.3 Rethinking our points of sale

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 ourselves and our customers, we want to reinvent our stores as ethically as possible. In our view, there are six main components that define a Green Store and we are doing everything we can to apply them in all our stores:

- a) 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) systematic LED lighting;
- 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) the installation of sensors in the storerooms (activity detectors for all lighting) and clocks in the window to ensure that the windows are extinguished in the evening;

- f) sorting construction waste during works.

In 2021, 98% of our openings and renovations were compliant with four of our focuses (a, b, c & d) and we are already working to integrate focuses e and f.

As regards the sixth component f, 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.

Lastly, two of our stores were LEED certified in 2021:

- LEED Platinum for the Sandro Unisex Chengdu Taikooli store;
- LEED Gold for the Claudie Pierlot Shanghai Grandgateway store.

In 2021, we intensified the monitoring of the energy consumption of our stores in order to accelerate their transformation. To contribute to this, the Group has recruited a new employee whose mission is to take stock of all our consumption in all our stores, free-standing stores and outlets around the world. SMCP will thus have detailed analyses to streamline our fleet of energy suppliers, and also be able to intervene more quickly in the event of excessively high consumption in one of our stores.

6.4.4 Reducing and recycling our waste, reason our use of single-use supplies

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.

This year, we have redesigned all our in-store supplies by favouring recycled and recyclable materials:

- The majority of our brands' polybags are now fully recyclable and made of recycled materials and their use is reduced season after season;
- The shopping bags are plastic-free for better recyclability;
- We favour the use of recycled wooden hangers in stores. With regard to our transport and warehouse hangers, we are reducing the proportion of suspended pieces in our collections and we are thinking about the materials used to make them easily recyclable.

6.5 SMCPeople: revealing the potential of our passionate entrepreneurs

Within SMCP, each employee is considered at the highest level, whatever their job, and wherever they are in the world.

Because all of our passionate entrepreneurs are our creative force and the future of our four Parisian fashion houses, we respect each other's talent and uniqueness and offer everyone the means to find their place and flourish as long as possible.

6.5.1 The main employee indicators for 2021 (vs 2020)

An increase in the number of employees in a context of international recovery

Permanent and fixed-term contracts (vs 2020)

6,091

+6%

A very strong recruitment drive

Permanent contracts (vs 2020)

2,204

+74%

A stable number of employees with long-term contracts

Permanent contracts (vs 2020)

88%

-2%

A Group with increasing international presence

% of total workforce on permanent & fixed-term contracts at 12/31/2021

10%

North America

23%

Asia

26%

Europe (excluding France)

41%

France

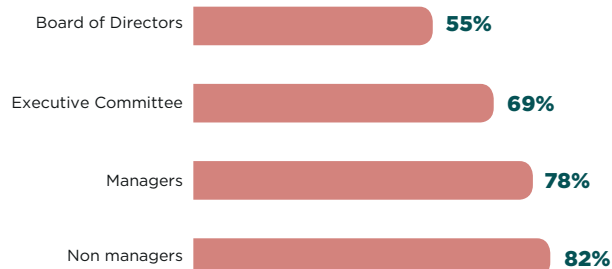
A Group with a large number of women...

Permanent contracts (vs 2020)

81%

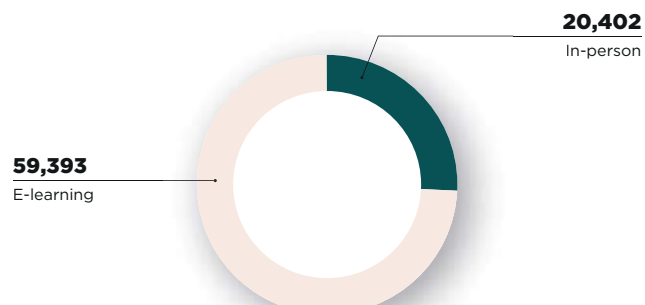
0%

... even in executive positions

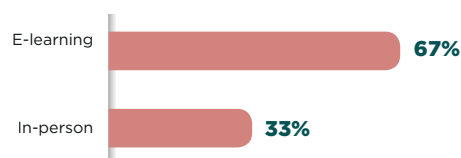


A consistent training policy maintained in times of health crisis thanks to e-learning

Hours of training delivered in 2021



Employees who benefited from at least one training



KEY INDICATORS

Number and distribution of employees

(a) General presentation of the workforce

At December 31, 2021, the Group employed a total of 6,091 employees, approximately 26% of whom were employed for the Sandro brand, 19% for the Maje brand, 12% for the Claudie Pierlot brand and 4% for the Fursac brand. The rest of the workforce is spread over SMCP North America, SMCP Asia, SMCP Global Services and SMCP Logistique.

For the financial year ended December 31, 2021, Group payroll totalled €215.6 million, compared with €200.3 million for the 2020 financial year. The payroll corresponds to the sum of all gross compensation and employer social security expenses, 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, 2020 and 2021:

Country	2020	2021
France	2,359	2,477
United Kingdom	290	286
Germany	181	191
Ireland	73	73
Belgium	58	65
Italy	189	196
Luxembourg	26	31
Spain	296	327
Netherlands	135	125
Portugal	47	67
Norway	18	13
Sweden	33	28
Switzerland	153	168
Denmark	17	13
United States	558	613
Asia	1,315	1,418
TOTAL	5,748	6,091

The table below shows the breakdown of Group employees at the main subsidiaries at December 31, 2020 and 2021:

Subsidiaries	2020	2021
SMCP SA	28	24
SMCP GROUP	157	166
SMCP LOGISTIQUE SAS	144	146
SANDRO ANDY SAS	769	829
MAJE SAS	568	636
CLAUDIE PIERLOT SAS	436	444
341 SMCP SAS	36	0
SMCP ASIA Ltd. and its subsidiaries	1,315	1,418
SMCP USA Inc. & SMCP CANADA Inc.	558	613
FURSAC SA	221	232

The table below shows the breakdown of Group employees by function at December 31, 2020 and 2021:

Categories	2020	2021
Head Offices	898	910
Networks	4,697	5,029
Logistics	153	152
TOTAL	5,748	6,091

The table below shows the proportion of women in France as of December 31, 2020 and 2021:

Proportion of women	2020	2021
Proportion of women in the workforce	74%	75%
Proportion of women managers	74%	74%
Proportion of women supervisors	74%	75%
Proportion of non-managerial women employees	75%	76%

The table below shows the proportion of women in the Group's workforce as of December 31, 2020 and 2021:

Proportion of women	2020	2021
Proportion of women in the workforce	81%	81%

The table below shows the breakdown of the Group's workforce by type of contract as at December 31, 2020 and 2021:

Employees per type of contract	2020	2021
Permanent contracts	5,190	5,378
Other	558	713

* 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, 2020 and 2021:

Age pyramid	2020	2021
< 25 years old	1,043	1,213
25 - 40 years old	3,955	4,008
41 - 55 years old	642	748
56 - 60 years old	73	85
> 60 years old	35	37

Employment and working conditions

The table below shows the change in employment within the Group in France at December 31, 2020 and 2021:

Employment	2020	2021
Turnover - permanent employees	58%	43%
Voluntary departures - permanent employees	23.7%	32%
Recruitment rate - permanent employees	23.9%	32%

The table below shows the trends in absenteeism and overtime working in France at December 31, 2020 and 2021:

Working conditions	2020	2021
Rate of absenteeism*	7.4%	9%
Overtime	0	0
Overtime and supplementary working	22,075	21,147

* Number of days of absence out of the total number of theoretical working days.

The table below presents changes in workplace safety during the financial years 2020 and 2021 (workplace accidents – Group employees):

Safety at work	2020	2021
Number of fatal occupational accidents	None	None
Number of employees having taken sick leave (following an occupational accident or commuting accident)	59	73

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 largely present in management teams. In addition, 66% 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, 2020 and 2021:

Training	2020 (France)	2020 (Europe)	2021 (France)	2021 (Europe)
Total training expenditure (in €)	399,808	164,411	672,142	9,815
Employees having received training	652	130	702	133
Total number of training hours	7,977	1,343	10,441	1,107

For the financial year ended December 31, 2021, an amount equivalent to 0.1% 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 expenses) for the financial years ended December 31, 2020 and 2021 is as follows:

(In millions of euros)	2020	2021
Gross remuneration	157.8	163.1

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 compensation 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 revenue 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.

Labour relations

Employee representation in France 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 21 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 ad hoc 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, Fursac employees are represented by a CSE, which includes 9 members, both elected representatives and alternates. The Group has constructive and peaceful relations with employee representatives from Fursac.

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

6.5.2 Focus on internal development and mobility to promote the fulfilment of our employees

Because we are convinced that professional fulfilment promotes productivity and creativity, we are committed to valuing each of our employees.

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 offer internal mobility opportunities and to enable them to develop as much as possible within the Group.

Today, 96% of our employees worldwide are trained through our international e-learning platform, 67% of them used it in 2021 to train and we aim to reach 100% by 2025. We also aim to considerably increase internal mobility and promotions by 2025, to exceed the current figure of 31%.

6.5.2.1 TRAINING ALL OUR EMPLOYEES

Offering an onboarding experience to all our employees

Onboarding Head office and warehouses: The onboarding process for new employees at the SMCP head office 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 store 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 their 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 via 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 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 the Group.

To engage all our employees in our sustainable strategy, we created a CSR training course on MyLearning in 2021. We inform them about our major social, environmental and societal ambitions for each of our four Parisian brands so that they are imbued and inspired by them every day.

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;
- contribute 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 line.

6.5.2.2 ATTRACTING NEW TALENTS AND DEVELOPING THEM WITHIN THE GROUP

Competitive compensation

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

To attract new talent and develop it within SMCP, it is competitive and fair compared 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 brands, its different businesses and its direct operations in 22 countries, our Group 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 2021, 31% vacancies were filled internally and we aim to increase this figure over the come years.

6.5.3 Committing to inclusion and diversity

6.5.3.1 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 business activities: on December 31, 2021, 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 fashion. At SMCP Group, women account for a majority 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. His mission is to carry out an inventory across the whole Group and build a roadmap for 2025 with strong progress objectives.

In a spirit of pro-active sustainable transformation, we launched our first Hackathon in November 2021. Organised in an external Parisian location, warm and conducive to creativity, the event brought together 31 participants divided into five teams who reflected for 48 hours on a crucial and significant subject for the Group: "How to encourage vocations in retail when faced with CSR issues?" Each participant was able to contribute their expertise and propose innovative solutions to be implemented within the Group. These two days ended with a presentation in the Maje Showroom, in front of a final jury composed of internal and external experts. which elected two projects as well as a second jury comprising Group Executive Committee members, which awarded a special prize.

Following this event, and because the solutions proposed by the two winning projects responded to the Group's challenges (attractiveness, employer brand, talent retention), we set up a post Hackathon project group to consider the implementation of a solution with consensus around the two winning projects.

The project group is made up of 14 people, including seven representing Hackathon participants, and seven business line experts (mainly HR).

This project is supported by two sponsors who are members of the Executive Committee: our Group HR and CSR Director, and our Chief Executive Officer of Maje.

The general idea of the project, which we will specify throughout our discussions, is to create an "SMCP Academy" which will allow people far from employment, and which may also be opened internally, to follow a certifying training course on the sales profession of tomorrow.

We want to offer different recruitment networks, by looking for people who do not dare to apply to us, with different life paths, opening up to the diversity of candidates, and offering an innovative training programme focusing on new skills to the sales assistants of tomorrow.

In addition, because we are a Group present in more than 40 countries, we organised an internal GET INSPIRED conference on the theme of interculturality. Facilitated remotely, given the context, by our speaker Benjamin Pelletier, it made it possible to raise awareness of this essential notion for SMCP. During this interactive conference, full of anecdotes, participants were able to acquire tools to better get to know each other, better interpret and better understand the different cultures and their uniqueness.

Finally, committing to inclusion and diversity also means disseminating best recruitment practices to our Managers around the world. To achieve this, in 2021 we created a highly educational MyLearning module, accessible in all languages, entitled "Recruiting without discrimination".

6.5.3.2 EXTERNAL THANKS TO OUR MANY PHILANTHROPIC ACTIONS

For the third 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 2021 within each Business Unit to support social and environmental causes that touch us deeply:

- **Maje's humanitarian initiatives:**

- partnership with Médecins Sans Frontières for the sale of our UNS1 masks⁽¹⁾: €100,000 have been donated to the Association since the start of the pandemic. Maje donates 100% of its profits to its protective pieces and it is not over,
- continuation of the "A Gift for Life" solidarity initiative: Maje employees collected many toys to distribute to hospitalised children at Christmas,
- donation of clothing to various associations, in particular to the Foundation pour Les Femmes, the Red Cross, Mécénat Chirurgie Cardiaque and Smart Works,
- partnership with the French Blood Establishment to enable our employees to donate their blood,
- food collection for the Restos du Coeur.

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

- support for the Ruban Rose Association: €12,000 was donated (i.e. €1 per order) thanks to the partnership with Veepee.
- 1,500 pieces donated (i.e. a total value of €42,000) to associations whose actions we support each year such as:
 - Chirurgie Cardiaque: a solidarity event in 2021 raised funds to support heart surgery on 20 children around the world,
 - La Cravate Solidaire: clothing women and men to promote their professional recruitment,
 - Aides: participating in the fight against AIDS,
 - Odyssea: contributing to the fight against cancer by participating in charity races,
 - Ohr Hanna: helping the Jewish community.

- **Fursac associative projects:**

- the ongoing partnership with La Cravate Solidaire: 48 pieces signed Fursac were donated at the end of the year and €12,070 was donated following a joint La Cravate Solidaire x Fursac operation on November 26, 27 and 28, 2021,
- support for the Aides Association: 360 Fursac pieces were donated,
- participation in the Mécénat Chirurgie Cardiaque *via* a donation of more than 300 pieces,
- the donation of around a hundred rolls of collector's fabrics, around 1,000 m in total, to a Parisian fashion school: Atelier Chardon Savard.

- **SMCP Asia's social and planet protection actions:**

- the Box of Hope with the Love 21 association, which works to empower children and adolescents with Down syndrome through holistic programmes combining cooking, sport and nutrition, in particular,
- on Earth Day, a small group of volunteers from SMCP Asia cleaned up around 60 kg of litter in one hour in Sandy Bay,
- another beach clean-up was organised this time in Shek O. It cleaned up 332 kg of waste!

- **SMCP North America works for the Planet and People:**

- the collection of internal donations for LGBT+ people in difficulty during "Pride Giving" month in June 2021,
 - the financial contribution of our employees to the "Save Children" Association in May 2021,
 - a clean-up and flower planting action in Columbus Park, southern Manhattan, set up by the Green Committee of SMCP NA and the NYC Partnerships for Park.
- For the third consecutive year, **SMCP Global Services** collected gifts in partnership with the FXB association to distribute them to mothers and their children in difficulty.

[1] UNS1 = Non-sanitary use level 1, standardised by AFNOR and recognised by the WHO.

6.5.4 Adopting ethical practices and defending our values

6.5.4.1 OUR MEMBERSHIP OF THE GLOBAL COMPACT

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 based on 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.

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 and perfectly integrated into our Group CSR approach, and to promoting them externally.

All SMCP contributions to the SDGs can be found in Section 6.8 Summary table of indicators.

6.5.4.2 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.

6.6 Conclusion

2021 marked a decisive turning point in our CSR commitments. Determined to permanently change the world of fashion, SMCP has intensified all its actions to reduce its impact on the Planet, People and Society. With our four brands, season after season, we are reinventing new solutions to offer our customers sustainable access to Parisian elegance.

In 2022, we will give the same impetus to each of our pillars, our 3Ps, to achieve our ambitious objectives by 2025. We will endeavour to give even more traceability to each of our pieces with SMCPProduct. We will renew our Carbon Footprint assessment and develop a precise roadmap to increase the reduction of our impacts with SMCPPlanet. 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.

6.7 Our methodology

This SNFP includes social, societal and environmental indicators relating to defined scopes. The purpose of this document is to clearly and precisely specify to the reader the scope and calculation method for each indicator present.

6.7.1 Reporting period

The 2021 SNFP covers the period from January 1 to December 31, 2021.

6.7.2 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.

Concerning the implementation of the green taxonomy, SMCP activities are not currently eligible according to the NACE codes used by the European Commission.

6.7.3 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 business activities.

This SNFP complies with the transcription of the European Directive on non-financial reporting which led to the publication of an order

and its application decree replacing 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 United Nations Global Compact and the OECD Guidelines.

6.7.4 Report verification

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

6.7.5 Methodology used to analyse non-financial risks

The analysis of non-financial risks is based on work carried out in 2018 by PwC and Utopies, firms specialising in CSR, in connection with the drawing up of the Group's CSR inventory and 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. It is subject to an annual internal review.

6.7.6 SMCP product 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.

- 2020: It relates to a World scope but excludes the Fursac brand, which has not yet migrated to the tools available to Sandro, Maje and Claudie Pierlot to monitor this data.
- 2021: It relates to a World scope but excludes the Fursac brand with the exception of the indicator relating to the weight of eco-responsible references in our collections.

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 World scope and concerns all our brands for the 2021 financial year.

RESULTS OF EMPLOYEE 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.

6.7.7 SMCP Planet pillar indicators

Environmental data for the 2021 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

- 2020:

– Stores scope:

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 meter 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 is limited to the total surface areas of directly managed points of sale (including outlets, i.e. 614 stores. Surface areas of corners, affiliates and partners are excluded given that SMCP has no room for manoeuvre in this type of store with regard to energy supply and equipment that uses electricity (air conditioning, light bulbs, etc.).

– Head offices scope:

Energy consumption for the head offices 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 Fursac head office was excluded from the scope.

– Warehouses 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.

- 2021:

– Stores France scope:

The energy consumption of the stores in the France scope is based on billing data. This scope includes 241 stores (outlets and free-standing stores) and excludes corners and affiliates.

88.79% of the data collected corresponds to the actual consumption of the points of sale, i.e. 214 stores. The consumption of the remaining 11.21% (i.e. 27 stores) was estimated by taking into account the average actual consumption per square metre and multiplying this figure by the total surface area of the points of sale, then dividing by 12 in order to obtain a monthly consumption:

Estimated monthly consumption = Consumption sq.m.* total surface area / 12

– EMEA Stores scope:

We proceeded in the same way for the EMEA scope, which has 173 points of sale (outlets and free-standing stores) and excludes corners and affiliates.

The consumption of 44 points of sale in the scope (25.43%) was estimated by taking into account the average actual consumption per square metre and multiplying this figure by the total surface area of the points of sale, then dividing by 12 in order to obtain a monthly consumption. The estimates are due to the fact that we often do not have an automatic meter and the meter reading is taken by our suppliers once a year.

When a store was missing certain monthly payments - information not available from our electricity suppliers - we replaced it with an estimate equivalent to the average known consumption:

Consumption from January = average from February to December

The consumption figures of 74.57% of stores in the EMEA scope (*i.e.* 129 points of sale) are actual and are based on billing information.

– North America & Asia Stores scope:

The consumption of the stores in the North America and Asia scope was collected using the same methodology mentioned above and excludes corner points of sale.

The ratios for actual consumption and estimates for the North America scope are as follows:

- Stores in the scope (outlets and free-standing stores): 60
- Estimates: 31 stores (51%)
- Actual data: 29 stores (49%)

The ratios for actual consumption and estimates for the Asia scope are as follows:

- Stores in the scope (outlets and free-standing stores): 170
- Estimates: 135 stores (79.42%)
- Actual data: 35 stores (20.58%)

– Head Offices (France, US & Asia) & Warehouses scope:

The data for the France (including for the first time the Fursac head office), US and Asia head offices are actual, with the exception of two monthly payments that we estimated by calculating the average of known consumption. This information was not available from our electricity suppliers.

We were also able to collect almost all of the data from the warehouses in France, except for two monthly payments which were estimated by averaging known consumption. Once again, this information was not available from our electricity suppliers.

– Additional information:

We indicated whether the energy supplied comes from renewable sources; this information is specified in the contract with the supplier.

We did not have visibility on the sales area of some of our stores and we calculated an average of the areas by country when we did not have this information. We made this calculation to estimate the surface area of 70 stores (all scopes combined).

The ratio of stores with LED lighting was calculated based on the number of free-standing stores and outlets worldwide open on December 31, 2021.

Warehouses located in Asia and the United States are excluded from this reporting because they are managed by subcontractors.

GHG EMISSIONS

The GHG emission data included in the 2021 SNFP are data exclusively for Scope 2. Only a kgCO₂ equivalent emitted was calculated for energy consumption.

The energy consumption in kWh of each country was multiplied by the kgCO₂ coefficients communicated by ADEME corresponding to the given country (Documentation of emission factors of the Carbon Base, ADEME).

Stores under a green energy contract accept an equivalent of 0 kg CO₂ emissions.

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 Asia to France.

GREEN STORE CONCEPT

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 the points of sale managed by the Group.

The indicator "LED coverage of our points of sale" covers a worldwide scope and concerns our free-standing stores and outlet stores. Affiliates, corners and wholesale points of sale are excluded.

The indicator "Openings and renovations aligned with the definition of Green Store" covers a worldwide scope and concerns our free-standing stores and outlet stores. Affiliates, corners and wholesale points of sale are excluded.

6.7.8 SMCPeople pillar indicators

2020

Employee-related data concerns permanent 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 permanent 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 permanent contracts, namely the Company's permanent population who, under optimal conditions, are unlikely to leave the Group. The recognition of permanent 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 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.

2021

Employees

The data are based on the Group-level consolidation of resources extracted from our HRIS IT tools and concern a World scope. They exclude data relating to temporary employees with the exception of payroll, which includes temporary employees and occupational accidents, which relate exclusively to France, excluding Fursac.

Training

The data are based on the Group-level consolidation of resources extracted from our HRIS IT tools and concern a World scope.

Turnover

The data are based on the Group-level consolidation of resources extracted from our HRIS IT tools, concern a World scope and exclusively on permanent contracts as the Group considers that to have a reliable interpretation of the hirings, departures and layoff trends, these indicators must be studied on the population benefiting from permanent contracts, namely the Company's permanent population who, under optimal conditions, are unlikely to leave the Group. The recognition of permanent contracts alone also provides a fairer view of net jobs created by the Group.

For the Internal Mobility indicator, the scope also excludes the mobility carried out for the positions of Deputy Store Managers, Lead Sellers and Salespeople.

Workplace and commuting accidents

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.

Gender pay gap

The data are based on the Group-level consolidation of resources extracted from our HRIS IT tools.

The data on the increase in the salaries of women and men covers a France scope and excludes the Fursac population because this Business Unit (BU) does not have the same reporting tools as the Group's other BUs. It also excludes all fixed-term contracts, interns, apprentices and temporary workers of all brands.

The indicator on the difference in compensation between women and men covers a world scope. Fixed-term contracts, interns, apprentices and temporary workers are excluded.

The indicator on the proportion of women among the top ten earners covers a world scope, without excluding certain populations.

The indicators relating to the bonuses received are calculated on a world scope and exclude the Fursac population because this BU does not have the same reporting tools as the Group's other BUs. It also excludes all fixed-term contracts, interns, apprentices and temporary workers of all brands.

Lastly, the indicators relating to the distribution of full-time and part-time employees are calculated on a world scope and exclude temporary workers.

The "key indicators" on pages 184 to 187 are independent from the SNFP and are not included in the methodological note.

6.8 Summary table of indicators

Indicator	Sub-indicator	Unit	2020	2021	Definition	Data excluded	Scope
SMCProduct							
Responsible Collections	Weight of eco-responsible pieces in all collections	%	26	46	Proportion of SKUs meeting the Group definition of an eco-responsible product: a product is eco-responsible if its raw material consists of <i>at least</i> 30% of 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 EIM washing systems)		World
	Responsible share of revenue	%	-	39.9	Proportion of revenue generated through the sale of eco-responsible SKUs	Fursac	World
Strategic suppliers	Number of strategic suppliers	No.	107	115	Number of suppliers considered strategic by the Group. For each brand: <ul style="list-style-type: none"> • 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. 		World
	Percentage of strategic Finished Product and Cut and Sew suppliers	%	80	79	Proportion of Finished Product and Cut and Sew suppliers (ready to wear and accessories) considered strategic out of all Finished Product and Cut and Sew suppliers in terms of volumes produced		World
	Weight of strategic fabric suppliers	%	66	66	Proportion of fabric suppliers considered strategic across all fabric suppliers in terms of order value		World

Indicator	Sub-indicator	Unit	2020	2021	Definition	Data excluded	Scope
Strategic suppliers	Social certifications	%	23	43	Proportion of purchases made with our strategic suppliers covered by at least one international social certification (WRAP, SMETA, BSCI, SA 8000) valid as of 12/31/2021	-	World
	Environmental certifications	%	19	43	Proportion of our strategic suppliers covered by at least one international environmental certification (ISO 14001, Oeko-Tex Step, LWG Gold, LWG Silver, Bluesign) valid as of 12/31/2021	-	World
	Coverage	%	43	85	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 12/31/2021	-	World
Results of employee and environmental audits	Audits carried out	No.	29	60	Social and environmental audits (initial and follow-up) conducted for the reference year	-	World
	Coverage	%	23.4	64	Proportion of purchases made from our strategic suppliers covered by a social and/or environmental audit, carried out by our service provider: <ul style="list-style-type: none"> • for 2020: carried out in 2019 (one-year retroactivity for results) and/or 2020; • for 2021: carried out in 2020 (retroactivity of one year for results) and/or 2021 	-	World
	Cases of social non-compliance observed	No.	8	4 ⁽¹⁾	Average number of non-compliance events observed per social audit	Mutual recognition	World
	Social audits – Breakdown of anomalies by type of seriousness	%	56	39	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	%	40	53	Percentage of major non-compliance events out of all social non-compliance events observed	-	World

(1) This decrease in the average number of non-compliance events observed during social audits can be explained by the fact that suppliers are now familiar with these processes and have been able to implement corrective measures upstream.

Indicator	Sub-indicator	Unit	2020	2021	Definition	Data excluded	Scope
Results of employee and environmental audits	Social audits – Breakdown of anomalies by type of seriousness	%	4	8	Percentage of critical non-compliance events out of all social non-compliance cases observed	-	World
	Observed environmental non-compliance events	No.	3	6 ⁽¹⁾	Average number of non-compliance events observed per environmental audit	-	World
	Environmental audits – Breakdown of anomalies by type of seriousness	%	52	57	Percentage of minor non-compliance events out of all environmental non-compliance cases observed	-	World
	Environmental audits – Breakdown of anomalies by type of seriousness	%	48	41	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	2	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	%	55	50.1	In terms of finished and cut-and-sew, ready to wear and accessories products 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 Countries included in 2021: Albania, Belarus, Bosnia, Bulgaria, United Arab Emirates, Spain, France, Italy, Lithuania, Morocco, Portugal, Romania, Serbia, Slovakia, Tunisia, Turkey, Ukraine	Fursac	World
	Asia	%	43	49.6	In terms of finished and cut-and-sew, ready to wear and accessories products Countries included in 2020: China, South Korea, Indonesia, Japan, Vietnam Countries included in 2021: China, India, Vietnam	Fursac	World
	Other	%	1	0.3	In terms of finished and cut-and-sew, ready to wear and accessories products Countries included in 2020: Brazil, Mauritius, Madagascar and Uruguay Countries included in 2021: Brazil, Mauritius, Madagascar, Peru, Uruguay, US	Fursac	World

(1) This increase in the average number of non-compliance events can be explained by the fact that in 2021 the environmental audits were carried out in factories that did not benefit from any external environmental certification and were not used to this type of exercise notably in terms of formalised reporting.

Indicator	Sub-indicator	Unit	2020	2021	Definition	Data excluded	Scope
Production areas of our components	EMEA	%	75.5	78	In terms of order value (in €) 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 Countries included in 2021: Germany, Austria, Bulgaria, Spain, France, Greece, Italy, Lithuania, Morocco, Portugal, Czech Republic, Romania, United Kingdom, Slovakia, Switzerland, Turkey	Fursac	World
	Asia	%	24.4	22	In terms of order value (in €) Countries included in 2020: China, South Korea, Hong Kong, India, Indonesia, Japan, Pakistan, Taiwan, Thailand, Vietnam Countries included in 2021: China, South Korea, Hong Kong, India, Indonesia, Japan, Malaysia, Sri Lanka, Taiwan, Thailand, Vietnam	Fursac	World
	Other	%	0.1	0	In terms of order value (in €) Countries included in 2020: South Africa, Sudan Countries included in 2021: Sudan	Fursac	World
SMCPlanet							
Electrical consumption	Consumption of head offices	kWh	943,246	887,000	Energy consumption of the head offices (lighting, air conditioning, etc.)	2020: Fursac head office	World
	Consumption of warehouses	kWh	799,400	1,266,531	Energy consumption of directly managed warehouses (lighting, air conditioning, etc.)	-	World
	Consumption of points of sale	kWh	12,065,090	20,331,714	Energy consumption of points of sale (lighting, air conditioning, etc.)	Points of sale managed as corners, affiliates, wholesale	World
Electrical consumption	Consumption of points of sale	kWh/m ²	206	229	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	Points of sale managed as corners, affiliates, wholesale	World

Indicator	Sub-indicator	Unit	2020	2021	Definition	Data excluded	Scope
Green concept store	LED coverage of our points of sale	%	68	78	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	99	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
	Percentage of green energy contracts	%	-	35.5	Percentage of points of sale with a green energy contract	Affiliates, concessions, wholesale	World
Transport	% use of aircraft for upstream transport Asia-France	%	28	49	% use of aircraft for upstream transport Asia-France	-	World
	% use of vessels for upstream transport Asia-France	%	66	50	% use of vessels for upstream transport Asia-France	-	World
	% use of rail for upstream transport Asia-France	%	5	1	% use of rail for upstream transport Asia-France	-	World
GHG emissions	GHG emissions generated by the Group's electricity consumption	kgCO ₂ eq	4,282,594	8,821,253	GHG emissions generated exclusively by the Group's electricity consumption	Affiliates, corners, wholesale, Fursac head office	World
	GHG emissions generated by the Group's electricity consumption	kgCO ₂ eq/m ²	35.9	56	Smoothed GHG emissions per sq.m. including sq.m. held directly by the Group for warehouses, head offices and points of sale	Affiliates, corners, wholesale, Fursac head office	World
SMCPeople							
Employees	Total employees	No.	5,748	6,091	Number of women and men employed by SMCP on December 31, 2021	Temporary staff	World
	Total women	No.	4,670	4,950	Number of women employed by SMCP on December 31, 2021	Temporary staff	World
	Total Men	No.	1,078	1,141	Number of men employed by SMCP on December 31, 2021	Temporary staff	World
	Women on the Executive Committee	No.	7	9	Number of women on the Executive Committee on December 31, 2021	-	World
	Men on the Executive Committee	No.	6	4	Number of men on the Executive Committee on December 31, 2021	-	World
	Women on the Board of Directors	No.	9	6	Number of women on the Board of Directors on December 31, 2021	-	World
	Men on the Board of Directors	No.	6	5	Number of men on the Board of Director on December 31, 2021	-	World

Indicator	Sub-indicator	Unit	2020	2021	Definition	Data excluded	Scope
Employees	Female managers	No.	379	952	Number of women managers on December 31, 2021	Temporary staff	2020: France 2021: world
	Male managers	No.	134	272	Number of male managers on December 31, 2021	Temporary staff	2020: France 2021: world
	Non-executive women	No.	1,378	3,998	Number of women non-managers on December 31, 2021	Temporary staff	2020: France 2021: world
	Non-executive men	No.	468	869	Number of male non-managers on December 31, 2021	Temporary staff	2020: France 2021: world
	Headquarters population	No.	898	910	Number of employees working in head offices on December 31, 2021	Temporary staff	World
	Warehouse population	No.	153	152	Number of employees working in warehouses on December 31, 2021	Temporary staff	World
	Point of sale population	No.	4,697	5,029	Number of employees working in the points of sale on December 31, 2021	Temporary staff	World
	Population aged under 20	No.	62	123	Number of employees aged under 20 on December 31, 2021	Temporary staff	World
	Population aged 20 to 29	No.	2,476	2,570	Number of employees aged 20 to 29 on December 31, 2021	Temporary staff	World
	Population aged 30 to 39	No.	2,331	2,394	Number of employees aged 30 to 39 on December 31, 2021	Temporary staff	World
	Population aged 40-49	No.	642	731	Number of employees aged 40 to 49 on December 31, 2021	Temporary staff	World
	Population aged over 50	No.	237	273	Number of employees aged over 50 on December 31, 2021	Temporary staff	World
	Geographic breakdown of employees – France	No.	2,359	2,477	Number of employees based in France on December 31, 2021	Temporary staff	World
	Geographic breakdown of employees – Europe	No.	1,516	1,583	Number of employees based in Europe on December 31, 2021	Temporary staff	World
	Geographic breakdown of employees – Asia	No.	1,315	1,418	Number of employees based in Asia on December 31, 2021	Temporary staff	World
	Geographic breakdown of employees – North America	No.	558	613	Number of employees based in North America on December 31, 2021	Temporary staff	World

Indicator	Sub-indicator	Unit	2020	2021	Definition	Data excluded	Scope
Turnover	New hires	No.	1,268	2,204	Number of actual hires in 2020 on December 31, 2021	Fixed-term contracts, interns, apprentices, temporary staff	World
	Departures	No.	2,033	2,602	Number of departures, for any reason, in 2020	Fixed-term contracts, interns, apprentices, temporary staff	World
	Layoffs	No.	162	316	Number of departures due exclusively to layoff by the employer	Fixed-term contracts, interns, apprentices, temporary staff Fursac	2020: France - Europe 2021: world
	Internal mobility	%	33	31	Percentage of open positions filled by a person already working within SMCP	Fixed-term contracts, interns, apprentices, temporary staff Retail: Deputy Store Managers, Lead Sellers, Sales people	World
Compensation	Payroll	Millions of euros	200.3	215.7	Sum of all gross salaries and employer social security expenses, 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.	9,319	22,781	Number of hours of training given in the presence of a trainer in face-to-face and/or virtual classroom mode	-	World
	E-learning training	No.	61,133	59,393	Number of training hours delivered via e-learning	-	World
	Employees who have received at least one training session face-to-face and/or virtual classroom	%	20	36	Percentage of employees having received at least one training session in the presence of a trainer (face-to-face and/or virtual classroom)	-	World
	Employees who have received at least one e-learning training	%	-	67	Number of employees who have received at least one e-learning training session	-	World
Workplace accidents	Workplace accidents	No.	61	97 ⁽¹⁾	Number of employees with lost days due to a workplace or commuting accident	Fursac	France

(1) Increase in the number of workplace and commuting accidents due to the fact that in 2021 stores were open more than in 2020 and that the number of employees grew once again.

Indicator	Sub-indicator	Unit	2020	2021	Definition	Data excluded	Scope
Gender Pay Gap	Increase in wages for women and men	%	-	+3	Difference in the rate of increase of wages between women and men A positive % should be interpreted as in favour of women, a negative % should be interpreted as in favour of men	Fursac Fixed-term contracts, interns, apprentices, temporary staff	France
	Compensation of women and men	%	-	-9	Difference in average compensation between women and men A positive % should be interpreted as in favour of women, a negative % should be interpreted as in favour of men	Fixed-term contracts, interns, apprentices, temporary staff	World
	Women among the 10 highest salaries	No.	6	6	Number of women among the 10 highest salaries	-	World
	Women who received a bonus	%	-	97	Percentage of women who received at least one bonus (annual, half-yearly, monthly)	Fursac Fixed-term contracts, interns, apprentices, temporary staff	World
	Men who received a bonus	%	-	98	Percentage of men who received at least one bonus (annual, half-yearly, monthly)	Fursac Fixed-term contracts, interns, apprentices, temporary staff	World
	Women with a full-time contract	%	-	72	Percentage of women with a full-time contract	Temporary staff	World
	Men with a full-time contract	%	-	79	Percentage of men with a full-time contract	Temporary staff	World
	Women with a part-time contract	%	-	28	Percentage of women with a part-time contract	Temporary staff	World
	Men with a part-time contract	%	-	21	Percentage of men with a part-time contract	Temporary staff	World

6.9 Cross-reference table UN Sustainable Development Goals

	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Eco-responsible collection (labelled materials)			SMCP				SMCP	SMCP	SMCP	
Eco-responsible sourcing (certified suppliers)			SMCP	SMCP	SMCP		SMCP	SMCP	SMCP	
Circular economy							SMCP	SMCP		
Greener transport								SMCP		
Greener stores				SMCP				SMCP		
Waste reduction							SMCP	SMCP		
Training	SMCP	SMCP				SMCP				
Philanthropy and inclusion	SMCP	SMCP				SMCP				SMCP

6.10 Independent third-party report

Report by one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial performance declaration

Financial year ended December 31, 2021

To the Shareholders' General Meeting,

In our capacity as Statutory Auditors of your company, SMCP, (hereinafter "entity"), appointed as independent third party, accredited by COFRAC under number 3-1048 (Cofrac Inspection Accreditation, no. 3-1048, scope available at www.cofrac.fr) and in the process of adapting our management system as part of the change in the terms of our accreditation decided by Cofrac (transition from ISO 17020 to ISO 17029), we carried out work aimed at formulating a reasoned opinion expressing a conclusion of moderate assurance on historical information (recorded or extrapolated) from the consolidated Statement of Non-Financial Performance, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the financial year ended December 31, 2021 (hereinafter the "Disclosures" and the "Statement" respectively), presented in the Group management report in accordance with the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

CONCLUSION

The environmental indicators presented in the Statement do not make it possible to report on the Group's performance for the 2021 financial year, in particular with regard to its commitments for 2025. The carbon footprint assessment relates to 2018 and greenhouse gas (GHG) emissions are limited to those generated by electricity consumption.

Based on the procedures we performed, as described in the "Nature and scope of our work" section, and the information we collected, with the exception of 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.

PREPARATION OF THE STATEMENT

The absence of a generally accepted and commonly used reference framework or established practices on which to evaluate and measure the Disclosures allows the use of different but acceptable measurement techniques that may affect comparability between entities and over time.

Consequently, the Information must be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement and available on the website or on request at the entity's head office.

LIMITATIONS INHERENT IN THE PREPARATION OF INFORMATION RELATED TO THE STATEMENT

The Disclosures may be subject to inherent uncertainty in the state of scientific or economic knowledge and the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions or estimates used to prepare it and presented in the Statement.

RESPONSIBILITY OF THE ENTITY

The Board of Directors is responsible for:

- selecting or establishing appropriate criteria for the preparation of the Disclosures;
- preparing a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks as well as the results of these policies, including key performance indicators and the information required by the Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- as well as implementing the internal control that it deems necessary to prepare Disclosures that are free from material misstatements, whether due to fraud or error.

The Statement was prepared in accordance with the entity's Guidelines as mentioned above.

RESPONSIBILITY OF THE STATUTORY AUDITOR APPOINTED AS AN INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to present a reasoned opinion expressing a moderate 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. 225-225, Sections I and II, subparagraph 3, including the key performance indicators, and actions relating to main risks, hereafter the "Disclosures".

As we are responsible for making an independent conclusion on the Disclosures as prepared by management, we are not authorised to be involved in the preparation of such Disclosures as this could compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions, in particular with regard to disclosures provided for by Article 8 of Regulation (EU) 2020/852 (green taxonomy), and the fight against corruption and tax evasion;
- the fairness of the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with applicable regulations.

REGULATORY PROVISIONS AND APPLICABLE PROFESSIONAL DOCTRINE

Our work described below was carried out in accordance with the provisions of Articles A. 225 1 *et seq.* of the French Commercial Code, the professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes* (French National Association of Statutory Auditors) relating to this audit in lieu of an audit programme and the international standard ISAE 3000 (revised).

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 to ensure compliance with applicable laws and regulations, ethical rules and the professional doctrine of the French National Association of Statutory Auditors for this intervention.

MEANS AND RESOURCES

Our work mobilised the skills of five people and took place between January and February 2022 over a total intervention period of six weeks.

We were assisted in our work by our specialists in sustainability and corporate social responsibility. We conducted around ten interviews with the people responsible for preparing the Statement, representing in particular the Human Resources, Health and Safety, Environment and Sustainable Development departments.

NATURE AND SCOPE OF OUR WORK

We planned and carried out our work taking into account the risk of material misstatement of the Disclosures.

We believe that the procedures we have conducted, exercising our professional judgement, enable us to formulate a conclusion of moderate assurance:

- 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 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 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, paragraph 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 relating to the main risks.
- 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 to be the most important⁽¹⁾. For certain disclosures (*supplier relations, diversity and inclusion, quality and safety of collections, raw materials*), our work was carried out at the level of the consolidating entity, for the others, work was carried out 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 that we considered the most important⁽²⁾, 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 on the basis of sampling or other means of selection, consisting of verifying the correct application of definitions and procedures and reconciling the data with the supporting documents. This work was carried out on a selection of contributing entities⁽³⁾ and covered between 38% and all of the consolidated data selected for these tests.
- We assessed the overall consistency of the Statement in relation to our knowledge of all the entities included in the scope of consolidation.

The procedures implemented in the context of a moderate assurance are less extensive than those required for a reasonable assurance carried out in accordance with the professional doctrine of the French National Association of Statutory Auditors; a higher level of assurance would have required more extensive verification work.

Paris-La Défense, April 19, 2022

One of the Statutory Auditors

Deloitte & Associés

Albert Aidan

Partner, Audit

Julien Rivals

Partner, Sustainable Development

⁽¹⁾ Results of social and environmental audits, strategic suppliers, gender pay gap, revenue covered by eco-responsible products.

⁽²⁾ Energy consumption (head offices, directly managed warehouses, points of sale), green concept store, greenhouse gas emissions generated by electricity consumption, production area for finished products and cut and sew products, workforce, hires, departures and dismissals, internal mobility, hours of training provided and proportion of employees having received at least one e-learning training course, workplace accidents.

⁽³⁾ Group's business activities in France, Europe (EMEA), Asia and the United States.