3

Sustainability report

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3.1 General information [ESRS 2]

3.1.1 Basis for preparation

3.1.1.1 GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY REPORT (BP-1)

This sustainability report covers all the activities and countries in which the SMCP Group and its brands are located. The information is presented on a consolidated basis at Group level and relates to the period from January 1 to December 31, 2024.

This scope of activities identical to that of the consolidated financial statements. The detailed list of the companies covered by the scope of consolidation is available in chapter 6 "Financial statements" of the 2024 universal registration document, and under Note 8.4 "Scope of consolidation" of the Notes to the consolidated financial statements.

This sustainability report presented below was prepared in the context of the first year of application of the CSRD provisions.

The Group has endeavoured to apply the standards-based requirements set by the ESRS and the European Taxonomy, as applicable at the date of preparation of the sustainability report, on the basis of the information available within the deadlines for preparing the sustainability report.

This first Group sustainability report is characterised by specific contextual aspects related to the first year of application of the CSRD requirements, including:

- The non-availability of the information required by the ESRS at December 31, 2024, on the subject of substances of concern, due to the imprecise nature of the guidelines and the time required to report on this new information.
- Uncertainties regarding the interpretation of certain data points to report on the Group's control of systems related to the IROs.

In this context, on the basis of market practices and recommendations and a better understanding of these new regulatory and standards-based provisions, the Group may have to review certain reporting and communication practices in future versions of its sustainability report. These changes, if they occur, will be transparently explained and justified in future sustainability reports. The Group is committed to a continuous improvement approach as part of this reporting and communication process.

Some metrics are not reported on the entire scope of consolidation due to the unavailability of data. Details of the coverage rate are specified for the metrics in question.

The content of the sustainability report has been prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD). It includes information concerning both SMCP's operations and, where relevant, its value chain (upstream and/or downstream), so as to reflect the main impacts, risks and opportunities identified in the double materiality analysis.

The drafting of this report is based on the fundamental principles set out in ESRS 1, namely: relevance, fair representation, comparability, verifiability and comprehensibility.

3.1.1.2 DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES (BP-2)

Estimates and uncertainties

Several environmental metrics are calculated on the basis of estimates, mainly due to the unavailability of data in the Group's upstream value chain.

More occasional estimates are also made of the energy consumption of certain stores located in shopping centres for which the actual consumption is not reported by the landlord.

To date, the Group has not identified an action plan to reduce these estimates. The main estimates are presented in the appendices under paragraph 3.5.1 "Methodological note on data reporting".

Below are the data points that are not published in this sustainability report:

- E2-5 DP 34: The Group was unable to publish the total quantities of substances of concern that leave the company's facilities within products due to the absence of set international standards for substances of concern. However, the Group monitors the products sold to ensure that they do not contain substances considered to be of very high concern as defined by the European REACH Regulation.

Below are the data points that have been interpreted in this sustainability report:

- S1-10 DP 67-71: The Group has chosen to consider that a living wage corresponds to a statutory minimum wage in each of the countries in which it operates. This definition may require further analysis in the future and may be adjusted if necessary.
- E5-5 DP 36: The expected longevity, recyclability and repairability of textile products are not subject to official reference definitions. The products offered for sale by the Group are designed to be worn numerous times in accordance with the care instructions specific to each material. All the parts sold can be recycled in some way (*e.g.* fraying to make insulation) although, like the market as a whole, a negligible share can be recycled in a closed loop to make new clothes. The Group does not have information enabling it to determine whether the end of life of its products differs from the average for clothing and fashion accessories sold in the countries in which it operates. All sold products can be repaired if the damage caused by the user of the product is not excessive. These definitions will be adjusted in the future if stable sector-specific standards are created.

Changes in preparation or presentation of sustainability information

As 2024 is the first year of publication of the sustainability report, all the processes for calculating the metrics were reviewed to be aligned with CSRD requirements. For the majority of the 2024 metrics, the 2023 data is also presented for comparison. However, certain indicators are being calculated and disclosed for the first time in fiscal year 2024 and are therefore not presented in comparison with 2023 data, for example, packaging consumption or the share of at-risk functions covered by training programmes.

Following methodological changes, there has been an adjustment to the calculation of greenhouse gas emissions for 2022, which is the base year for the Group's SBTi-validated carbon footprint reduction targets (Science Based Targets initiative). The 2022 emissions published in the 2023 Statement of Non-Financial Performance have been recalculated in 2024[1], due to:

- using the actual weight of products rather than estimates;
- the application of more recent emission factors from the European PEF 3.1 database;
- the inclusion of emissions related to land use, in particular for agriculture and forestry ("Land use change" emissions in SBTi terminology).

Publication of information from other legislative acts or generally accepted statements regarding sustainability information

SMCP is also subject to European Regulation 2020/852 of June 18, 2020 (known the "Green Taxonomy" Regulation) and delegated regulations (EU) 2021/2139 and (EU) 2021/2178. The information related to this Regulation is available in paragraph 3.2.6 "Information on the European Taxonomy". In addition, the list of data points required in cross-functional and topical standards derived from other EU legislative texts in application of ESRS 2, Annex B, is available in the appendix.

(1) 2022 data published in the 2023 sustainability report: 259,360 tCO_2e.
Revised 2022 data published in the 2024 sustainability report: 283,457 tCO_2e.

Incorporation by reference

The table below specifies the disclosure requirements that have been incorporated by reference.

Disclosure Requirements	Information incorporated by reference	Paragraph in which the information is found
GOV-1 – The role of the administrative, management and supervisory bodies	Details on the missions, composition (GOV-1 20 a), roles and responsibilities (GOV-1 20 b, 22), expertise and ESG skills of the governance bodies and their members (GOV-1 20 c, 23)	4.1 Organisation of governance: "Composition of the Board of Directors on April 16, 2025" page 180; "Main areas of expertise and experience of the directors and the observer" page 195; 4.1.3.2 Missions page 197; 4.1.4.1 Audit Committee page 203; 4.1.4.2 Nominations and Compensation Committee page 204; 4.1.4.3 Sustainability Committee page 205
GOV-1 – Board's gender diversity	Board's gender diversity (GOV-1 21 d)	4.1 Organisation of governance: "Composition of the Board of Directors on April 16, 2025" page 180; "Gender balance representation of women and men" page195
GOV-1 – Percentage of board members who are independent	Percentage of board members who are independent (GOV-1 21 b & e), number of executive and non-executive members (GOV-1 21 a & b)	4.1 Organisation of governance: "Composition of the Board of Directors on April 16, 2025" page 180; "4.1.2.3 Independence of directors" page 196
GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Details concerning the content of meetings and work carried out during the 2024 financial year (GOV-2 24,25,26)	4.1.4.1 Audit Committee - (c) page 203; 4.1.4.2 Nominations and Compensation Committee - (c) page 204; 4.1.4.3 Sustainability Committee - (c) page 205
GOV-3 - Integration of sustainability results into incentive schemes	Details of the CSR criteria taken into account (GOV-3 27,28,29)	4.2 Compensation and benefits page 208
GOV-5 – Risk management and internal controls over sustainability reporting	Details on risk management, assessment method (GOV-5 34), identified Group risks (GOV-5 36 c) as well as organisational and supervisory bodies (GOV-5 36 a,b,d,e)	2.1 Risk factors page 42; 2.3 Internal control and risk management page 62; 2.4 Supervisory bodies page 63; 2.5 The risk management system page 63
SBM-1 – Strategy, business model and value chain	Business model (SBM-1 42)	Business model page 4
G1-6 – Payment practices	Information on payment terms for suppliers and customers (G1-6 33 d)	6.14 Trade and other payables page 300

3.1.2 Governance

3.1.2.1 THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES (GOV-1)

The CSR strategy, covering policy, action plans and objectives is driven by the Group Board of Directors and Executive Committee and implemented by SMCP's CSR Department with the help of contacts within the brands and the various geographical segments. SMCP's CSR Department is made up of experts specialising in the various areas covered by the CSR strategy (traceability, social audits, climate, biodiversity, eco-design, diversity and inclusion, etc.) and who are in charge of proposing strategic options to the governance bodies, providing technical support to business unit operational teams[1] and shaping their roadmaps, managing ESG reporting and responding to requests from stakeholders (non-financial rating agencies, NGOs, etc.).

(1) Brands, France-Europe regions, North America, APAC.

In 2023, a Sustainability Committee was created within the Board of Directors to ensure that societal and environmental issues are taken on board by the Group's governance. The Sustainability Committee met twice during the year, and was chaired by an Independent Director specialising in sustainable development issues. Details concerning its composition and its missions are available in Chapter 4, paragraph 4.1.4.3 "Sustainability Committee". The two other permanent committees of the Board of Directors are also involved in governance of the CSR strategy:

- the Audit Committee is in charge of monitoring the process of preparing non-financial information and managing the risks related to this information. A non-financial internal control programme will be developed in 2025;
- after consulting the Sustainability Committee, the Nominations and Compensation Committee proposes to the Board of Directors CSR targets to be included in the annual and long-term variable compensation plans for the administrative, management and supervisory bodies.

CSR is represented on the Executive Committee by the Director of Human Resources and CSR. Progress reports are regularly produced within the framework of this body to monitor the CSR strategy targets or set new ones. The various pillars of the CSR strategy "SMCProduct, SMCPlanet, SMCPeople" are also subject to specific monitoring by dedicated steering committees involving Group representatives and Group brand representatives.

Information on composition and diversity, roles and responsibilities as well as the expertise and powers of the administrative, management and supervisory bodies[1] (GOV-1 20 c, 23) and their members are available in Chapter 4, paragraphs 4.1.1 to 4.1.4.

With regard to business conduct, SMCP has set up an Ethics Committee composed of the Human Resources and CSR Director, the General Counsel, and the Audit, Internal Control and Compliance Director. This Committee's main missions include:

- helping to define the Group's rules of conduct and ethical culture;
- ensuring compliance with these rules, values and culture through the deployment of the compliance programme;
- promoting the Group's guiding principles and encouraging the development of best practices in these areas through various policies (see paragraph 2.5 "The risk management system") and ensuring that they are properly disseminated;
- collecting, analysing and processing alerts and reports relating to conduct or situations which contravene these rules, values and principles.

This committee meets at least twice a year, including at least once in the with the Group Chief Executive Officer, to manage the implementation of the compliance programme.

3.1.2.2 INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES (GOV-2)

Information on the implementation of CSR policies, the effectiveness of the action plans as well as proposals for new strategic goals are presented to the Sustainability Committee every six months, which reports to the Board of Directors. Details concerning the content of the meetings and work carried out (GOV-2 24,25,26) during the 2024 financial year are available in Chapter 4, paragraph 4.1.4.3 "Sustainability Committee".

In addition, joint meetings were held between the members of the Audit and CSR Committees to monitor the progress of the preparation work for the 2024 sustainability report. This report is finally validated by the Audit Committee based on the conclusions formulated by the Statutory Auditor Deloitte, before being approved by the Board of Directors.

3.1.2.3 INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES (GOV-3)

Integration of CSR targets in the compensation of executive corporate officers

Each year, the CSR targets to be included in the annual and long-term variable compensation (free performance share plans) for the Group's corporate officers (Chief Executive Officer and Deputy General Managers) are proposed by the Sustainability Committee in relation to the three pillars of the Group's CSR strategy: SMCProduct, SMCPlanet and SMCPeople, and submitted to the Nominations and Compensation Committee. These targets are then approved by the Board of Directors.

In 2024, for the Chief Executive Officer and the Deputy General Managers, the non-financial criteria represented:

- 25% of the annual variable compensation (GOV-3 27,28,29 see details in Chapter 4, paragraphs 4.2.1.2 and 4.2.2.1);
- 20% of long-term variable compensation made up of free share plans (see details in Chapter 4, paragraphs 4.2.1.2 and 4.2.2.1).

Among these annual variable compensation criteria, one is systematically focused on improving the Group's climate policy. For 2024, the rating awarded by the Carbon Disclosure Project[2] has a weighting of 40% of the total CSR criteria for the Chief Executive Officer (i.e. 10% of the total annual variable compensation) and 25% for Deputy General Managers (i.e. 6.25% of total annual variable compensation).

(1) See "Main areas of expertise and experience of the directors appointed by the General Meeting and of the observer".
(2) Launched in 2000 as a non-profit association, the Carbon Disclosure Project (CDP) is considered to be the leading global initiative on the reporting and assessment of companies' carbon performance.

For 2025, the climate objective will be to reduce the carbon footprint mainly impacted by product manufacturing. Therefore, the objectives related to increasing the share of recycled materials in the collections and specifically increasing the share of recycled wool and cashmere will have a weighting of 15% in the overall CSR criteria (*i.e.* 3.75% of total annual variable compensation).

A criterion related to the Group's climate policy is also included in the CSR criteria for the long-term variable compensation at 10%. In 2024, the objective was the score obtained in the Carbon Disclosure Project assessment, and in 2025, it was the 14.5% reduction of the Group's greenhouse gas emissions between 2022 and 2025. This reduction target was set in alignment with the SMCP climate objectives for 2030, validated by the Science Based Targets initiative (SBTi).

Integration of CSR targets in the variable compensation of management teams and employees

Since 2024, CSR criteria have been systematically included in the individual targets of members of the Group's Executive Committee and represent on average 10% of their annual variable compensation. Most members of the Management Committees also have annual CSR targets related to their areas of responsibility, which determine a portion of their variable compensation.

SMCP's top management, made up of around 100 managers, are also covered by free performance share plans (LTIPs) including up to 20% CSR criteria. These free share plan targets are identical to those of the corporate officers.

In addition, since 2022, two CSR targets been taken into account when calculating incentives for Group employees working in France (excluding Fursac). They represent 60% of the criteria taken into account. In 2024, the targets were to increase the proportion of products manufactured with certified materials and the quality of employee recruitment and integration.

3.1.2.4 STATEMENT ON DUE DILIGENCE (GOV-4)

SMCP's due diligence procedure is performed by experts in the various ESG areas. This collective approach ensures that the Group's practices are aligned with SMCP's CSR strategies and overall strategy.

Core elements of due diligence	Reference
Embedding due diligence in governance, strategy and business model	3.1.2.1 "The role of the administrative, management and supervisory bodies (GOV-1)"; 3.1.4.1 "Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)"; 3.1.3.3 "Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)"
Collaborating with affected stakeholders at all stages of due diligence	3.1.3.2 "Interests and views of stakeholders (SBM-2)"
Identifying and assessing negative impacts	3.1.4.1 "Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)"
Taking measures to address these negative impacts	See the policies and targets, actions and resources paragraphs of the various ESRS
Tracking the effectiveness of these efforts and communicating	See the metrics paragraphs of the various ESRS

3.1.2.5 RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING (GOV-5)

In 2024, in preparation for the application of the CSRD, the SMCP Group carried out a double materiality analysis. The methodology and results of the double materiality analysis are available in paragraph 4.1 "Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)" of this sustainability report.

Following the double materiality analysis, the double materiality results and the Group's risk mapping were aligned to ensure consistency between the two approaches and that all material matters are integrated in the Group's risk mapping.

The link between the Group risk analysis and the double materiality analysis is presented in this cross-reference table:

Group risks – net analysis	Material matters related to the CSRD – raw analysis
Strategy and execution risk	• Responsible marketing • Circular fashion
Fraud risk, Infringement on regulatory changes and litigation risks	• Business ethics
Supplier dependence	• Balanced relationships with the Group's suppliers • Traceability • Product safety for consumers
Evolution of major global climate and biodiversity matters	• Climate change mitigation and adaptation • Energy consumption • Protection of biodiversity • Eco-design of products and rational use of resources • Water consumption • Waste and end-of-life product management • Pollution of air, water and soil
Human resources management and loss of talent	• Quality of social dialogue • Employee diversity and inclusion • Talent development • Employee health, safety and quality of life at work • Compensation and benefits
Respect for human rights, fundamental freedoms and ethics	• Human rights in the value chain • Respect for animal welfare
Cyberattacks and information system failures	• Cybersecurity and personal data protection

The Group risk analysis is reviewed annually. Details on risk management, the assessment method (GOV-5 34), the Group risks identified (GOV-5 36 c) as well as the organisational and supervisory bodies (GOV-5 36 a, b, d, e) are available in Chapter 2, paragraphs 2.1, 2.3, 2.4 and 2.5 of the universal registration document.

The analysis of Group risks is a clear analysis, which assesses the risk taking into account the control measures put in place by the Company. However, the analysis of ESG matters is carried out on a raw basis, i.e. without taking into account the mitigation procedures and measures put in place by SMCP.

Details of the action plans associated with its risks are presented in Chapter 2, paragraph 2.1 "Risk factors" of this universal registration document.

3.1.3 Strategy

3.1.3.1 STRATEGY, BUSINESS MODEL AND VALUE CHAIN (SBM-1)

SMCP strategy and Group business model

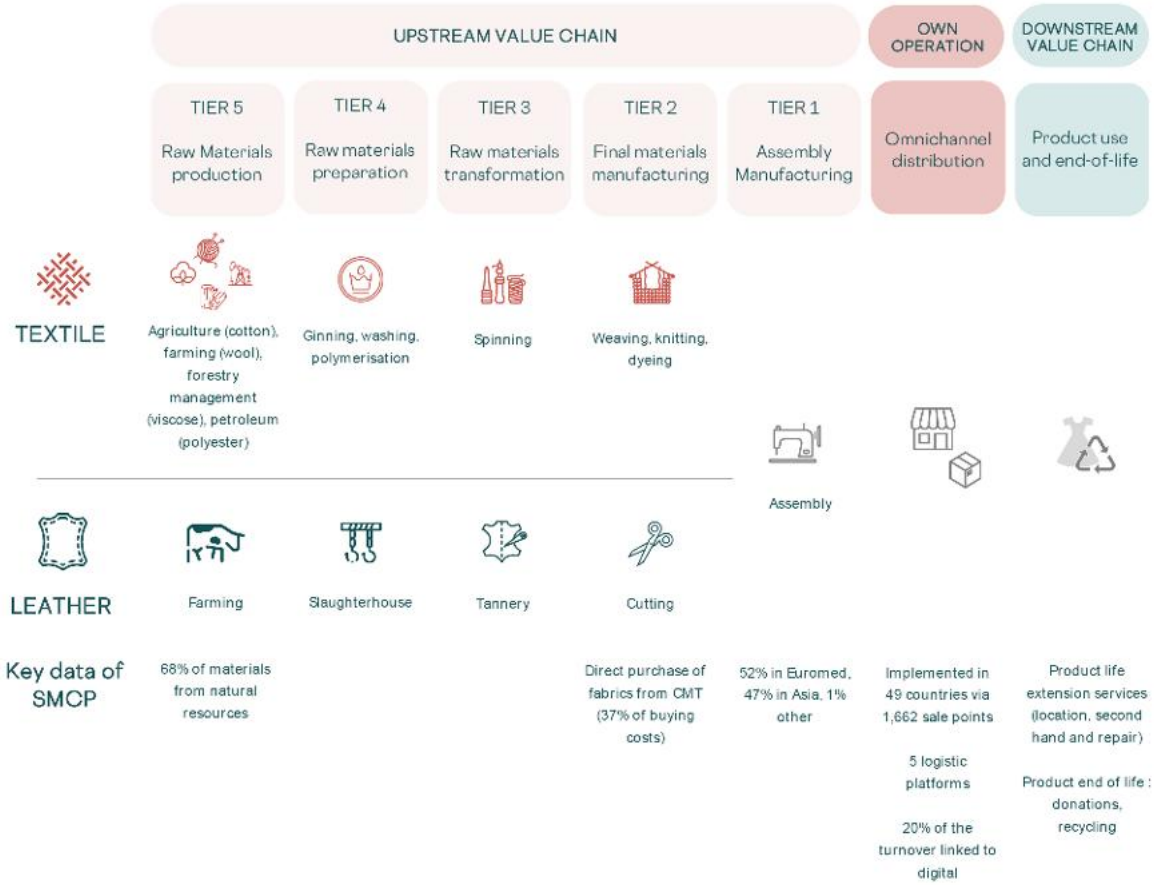
The SMCP Group aims, through its brands, to diffuse Parisian elegance globally with the help of employees acting as passionate and responsible entrepreneurs.

The Group's business model is presented on page 4, in the form of an infographic.

This graphic approach provides a didactic understanding of the Group's operations, its unique points and the resources which it is reliant on to generate economic, environmental, social and societal value for its various stakeholders.

SMCP's operations are based on a creative foundation, historically supported by its founders and today supported by its workshops, which design ready-to-wear and accessories collections[1] in Paris for women and men, but also through a unique alliance between purchases of finished products and cut-and-sew goods. Our agile value chain and accessible brands ensure that the creativity of our luxury collections is known the world over.

The infographic below shows the main stages of the Group's value chain:



The SMCP Group strives to develop the uniqueness, responsibility and influence of Sandro, Maje, Claudie Pierlot and Fursac while using pooled resources. To do this, the Group has built a strategy based on five pillars, including one dedicated to CSR, with a common goal of improving efficiency and productivity. Added to this vision is the Group's aim to be an employer with the same appeal as its brands.

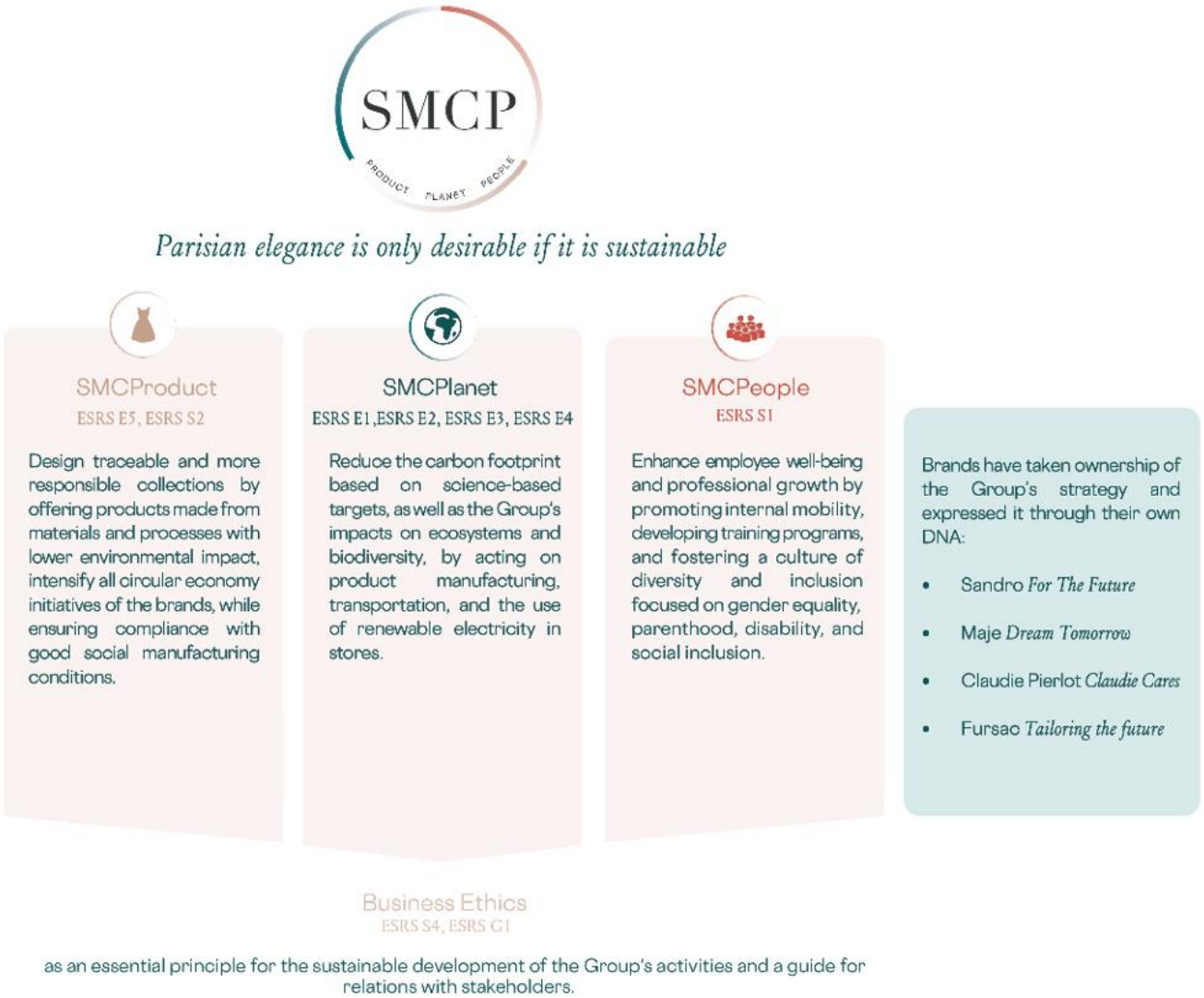
More details on the strategic priorities adopted by the Group are available in Chapter 1, paragraph 1.5 "Strategic priorities".

(1) Accounting for 90% and 10% of revenue respectively.

Integrating CSR at the heart of the business model

As illustrated in the business model, CSR is one of SMCP's strategic priorities.

The Group's CSR strategy is based on three pillars, SMCProduct, SMCPlanet and SMCPeople – the "3 Ps", which aim to meet the major social, societal and environmental challenges identified by the Group in line with its activities and the expectations of its stakeholders.



This strategy is implemented within the Group's four brands through annual roadmaps and targets, with milestones set between 2025 and 2030. The table below reflects the Group's main commitments and how they are related to the CSR strategy and CSRD challenges.

Pillar	ESRS	Key performance indicator	2022	2023	2024	Objective	Target year	Progress
SMCProduct	E5	Percentage of collections with the lowest environmental impact[1] – *in % of SKUs*	46%	52%	**66%**	100%	2030	
	E5	Percentage of certified materials[2] used to manufacture products	32%	43%	**54%**	100%	2030	
	S2	Percentage of socially audited tier-1 suppliers	-	-	**100%**	100%	Annual	
	G1	Percentage of SKUs for which traceability exceeds regulatory requirements[3]	12%	50%	**65%**	100%	2027	
SMCPlanet	E1	Reduction of greenhouse gas emissions – *Scopes 1, 2 and 3 vs 2022*	0%	-18.3%	**-19.8%**	-36%	2030	
	E1	Percentage of air transport	37%	26%	**28%**	<30%	2030	
	E1	Percentage of electricity consumed from renewable energy sources	55%	56%	**64%**	100%	2030	
	E3	Reduction of water consumption related to product manufacturing – *vs 2022*	-	-16%	**-24%**	-30%	2030	
	E4	Reduction of the agricultural area needed to supply the Group with natural materials – *vs 2023*	-	-	**-3%**	-5%	2030	
SMCPeople	S1	Percentage of women on the Company's Board of Directors/Executive Committee	56/62%	56/62%	**56/75%**	> 50%	Annual	
	S1	Deployment of the Parental policy – *as a % of total own workforce*	-	-	**57%**	100%	2025	
	S1	Percentage of employees with disabilities in France	0.60%	0.89%	**0.88%**	1.8%	2026	
	S1	Average number of training hours per employee trained	-	17 hrs	**18 hrs**	22 hrs	2027	
	S1	Percentage of store managers from internal development	-	-	**69%**	⩾ 60%	Annual	
	S1	Score for the question "I would recommend working at my company to a friend"	-	7.1	**7.3**	⩾ 7.5/10	2027	

(1) SKUs comprising at least 50% certified materials are included.
(2) Details of the certifications accepted by the Group are available in paragraph E5 under "Reduce the consumption of virgin materials and opt for certified materials during manufacturing".
(3) Minimum traceability to the spinning stage for ready-to-wear and to the tannery for footwear.

As employee commitment is key to achieving the targets of its CSR strategy, the Group strives to regularly share its progress with its teams, in particular through internal communications, awareness-raising actions or during discussions with management teams.

The Group's CSR performance is based on external assessments commissioned by SMCP and carried out both by the Carbon Disclosure Project (CDP) (on our climate policy) and by the non-financial rating agency Sustainalytics on all ESG topics (environment, social and governance).

Over the past three years, SMCP has achieved the following results:

Body	Description	2022	2023	2024
CDP	CDP is an international organisation that encourages companies to measure and publish their environmental data and assesses them according to their performance and transparency.	B	A-	B
Sustainalytics	Sustainalytics issues a rating on companies that takes into account both their exposure to the ESG risks of their business sector and how they manage these risks.	Low Risk	Low Risk	Low Risk

In 2024, SMCP maintained its Low Risk level, therefore among the 18% of the highest performing companies analysed by agency Sustainalytics (of 15,104 companies assessed). The fall in the CDP score is due to the change in the assessment methodology, which now requires that at least 95% of Scope 1 greenhouse gas emissions to be verified by an external third party in order to obtain the A- assessment rating. This verification threshold was not reached in the 2023 reporting. Apart from this aspect, the SMCP score improved in all the categories of the CDP questionnaire and the reduction of the Group's GHG emissions (-19.8% in absolute value between 2022 and 2024) is ahead of its SBTi reduction targets.

In addition, SMCP is a signatory of the United Nations Global Compact. 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 (SDGs) by the business world. All SMCP contributions to the SDGs can be found in paragraph 3.6 Appendices "UN Sustainable Development Goals Cross-Reference Table".

3.1.3.2 INTERESTS AND VIEWS OF STAKEHOLDERS (SBM-2)

The Group's main stakeholders are mentioned below, with a summary of their expectations with regard to SMCP and the means of dialogue used to interact with them.

Employees, social partners

EXPECTATIONS	MEANS OF DIALOGUE
Quality of life at work, training and development, compensation, diversity and inclusion	Internal communication, internal satisfaction survey, annual reviews, social dialogue, consultations, collective agreements

Clients

EXPECTATIONS	MEANS OF DIALOGUE
Customer experience, desirable and high-quality products, transparency, fair communication, good social and environmental production conditions	Customer satisfaction surveys, after-sales service, social media, sales advisors

Suppliers and workers in the value chain

EXPECTATIONS	MEANS OF DIALOGUE
Sustainable relationships, compliance with contractual conditions, stable and clear CSR guidelines, health and safety, good working conditions	General purchasing conditions, ethics charter, supplier code of conduct, bilateral meetings, audits, alert channel

Civil society, NGOs

EXPECTATIONS	MEANS OF DIALOGUE
Reducing negative social and environmental impacts Creation of positive impacts	Partnerships, donations, external communications, direct exchanges alert channel

Shareholders, investors, directors

EXPECTATIONS	MEANS OF DIALOGUE
Financial and non-financial performance, reduction of financial risks and development of opportunities related to ESG issues	Board of Directors, Annual General Meeting, presentation of results, ESG ratings, investor meetings, publication of regulated information

Public authorities and regulators

EXPECTATIONS	MEANS OF DIALOGUE
Compliance with regulations Job creation	Legal watch and monitoring of forthcoming regulations, involvement in professional bodies, participation in working groups

Fashion industry players

EXPECTATIONS	MEANS OF DIALOGUE
Collaboration, pooling of resources, definition of voluntary CSR standards	Membership of professional organizations: Alliance du Commerce, Fédération de la mode circulaire, Leather Working Group Participation in working groups

These different methods of interaction with all stakeholders enable the Group to be attentive to changes in their expectations, and to adapt its policies to meet them if necessary. Dialogue with stakeholders primarily shed light on the double materiality analysis carried out in 2024. The resulting essential information is also presented to the Board of Directors' Sustainability Committee.

Employees, upstream value chain workers and consumers are core stakeholders in the Group's strategy and business model. It is essential for SMCP to identify their needs, collect their expectations and have the resources to meet these expectations.

Indeed, the skills of SMCP's 6,592 employees enable the Group and its brands to offer unique collections and experiences around the world. These employees embody the Group's richness and uniqueness, coming from a range of backgrounds and spread between the store network (83%), head offices (15%) and logistics (2%). Knowing how important their commitment is to its success, SMCP takes on board their expectations through discussions with employee representatives, entering into collective agreements and the sending out employee satisfaction surveys.

The focus on employees is reflected in the human resources (HR) strategy, which is structured around three main areas: securing HR basics, adapting organisations to the Group's strategy and the desire to attract, retain and develop talented individuals. This strategy is developed further in the paragraph "HR policies (S1-1)", and is based on policies, processes and initiatives that promote well-being, professional development and inclusion, while respecting employees' employment and human rights.

The upstream value chain workers are the employees of the factories partnered with the Group's brands in Europe, the Mediterranean region and Asia. The production of the Group's collections is based on the know-how of these workers, highlighting the essential nature of long-term partnerships between the brands and their suppliers. Respect for decent working conditions and human rights by suppliers is a key component in preventing risks that could have major consequences, including strikes, decline in productivity, damage to the brand image, or loss of market share due to ethical scandals. The 2024 update to the Group's code of conduct and General Purchasing Conditions reaffirmed the importance SMCP places on the health, safety and the employment rights of people working for its suppliers. To date, SMCP has no formal body for communications with these workers. However, the Group stays informed in several ways, including analysing audit reports to identify shortcomings or best practices, see paragraph 3.3.2 "Workers in the value chain (S2)", and by consulting the NGO reports on working conditions in the textile industry.

At the other end of the chain, consumers play a central role in the Group's strategy. Their growing requirements in terms of customer experience, desirable products and quality, transparency, fair communication, ethics and respect for human rights as well as respect for good employment and environmental production conditions, have a profound impact on the Group's strategy. True to their promise to spread Parisian elegance around the world, SMCP's brands strive to offer a unique experience and meet the multiple expectations of a mixed and international clientele. Neglecting these expectations could have major consequences for SMCP, including a loss of loyalty, negative impact on reputation and a poor sales performance. With more than 3.3 million active customers[1] and 7.2 million followers worldwide, SMCP is aware of the importance of their satisfaction in its success.

In addition to the aforementioned information, dialogue with stakeholders also resulted in the following actions in 2024:

- systematic inclusion of CSR information in quarterly financial results presentations and at the Shareholders' General Meeting;
- launching or deepening non-profit partnerships with Apprentis d'Auteuil at SMCP, Maison Mode Méditerranée at Sandro, the Rêv'elles association at Maje and Force Femmes at Fursac;
- participating in working groups under the aegis of the public authorities on biodiversity and environmental labelling;
- the Group's membership of the Fédération de la mode circulaire, a professional organisation that brings together more than 250 members and whose mission is to promote circularity in the fashion industry and to support the transition of its members towards a more sustainable model;
- participating in sectoral working groups on textile sustainability and social display.

In addition, the Claudie Pierlot brand set up a Stakeholder Committee this year to discuss its CSR strategy. This Committee, which meets twice a year with the brand's Chief Executive Officer, is made up of representatives of Global Compact France, the Fédération de la mode circulaire, the Institut français de la mode and a supplier.

3.1.3.3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (SBM-3)

The material impacts, risks and opportunities (IRO) for the SMCP Group are presented in the table below in connection with the ESRS, matters and scopes concerned. The subject of supply chain traceability, which is particularly sensitive in the fashion sector, was added on a voluntary basis by the Group and is therefore not covered by ESRS publication requirements. In accordance with the CSRD guidelines, the impacts, risks and opportunities mentioned reflect an analysis based on the inherent characteristics of the SMCP Group (business sector, geographical location of employees and suppliers, etc.) without taking into account the control measures put in place.

(1) Customers who have made at least one purchase in the last three years.

The table below presents the exhaustive list of impacts, risks and opportunities identified as material. In addition, in order to facilitate the reading of the document, there is a summary of the material IRO for each ESRS.

ESRS	Material ESG matters	Scope concerned	Impacts	Risks/opportunities
E1 – Climate change	Climate change mitigation and adaptation	Upstream value chain	• Negative impact: greenhouse gas emissions, primarily during the manufacture and transport of marketed products	• Operational risk: decline in the production of raw materials and disruption of processing operations in countries heavily impacted by climate change, leading to an increase in product manufacturing costs • Regulatory risk: implementation of a carbon tax on textile products in Europe • Reputational risk: customer disaffection for brands that are insufficiently committed to the fight against climate change, leading to a decline in revenue
E1 – Climate change	Total energy consumption	Upstream value chain and own operations	• Negative impact: consumption of non-renewable energy resources, mainly during the processing of raw materials (spinning, dyeing, weaving), and on the sites operated by the Group (stores, warehouses and registered offices)	• Operational risk: increase in energy prices leading to an increase in product manufacturing and site operating costs
E2 – Pollution	Pollution of air, water and soil	Upstream and downstream value chains	• Negative impact: emissions and discharges of polluting substances into water, air and soil during the product manufacturing stages, and discharges of plastic microfibres into water when washing synthetic fibre clothing • Negative impact: environmental pollution surrounding processing plants (e.g. dyeing factories) that can affect the health of local communities	Non-material
E3 – Water and marine resources	Water consumption	Upstream value chain	• Negative impact: water consumption during product manufacturing in areas subject to water stress, particularly for cotton growing	Non-material
E4 – Biodiversity and ecosystems	Protection and restoration of biodiversity and ecosystems	Upstream value chain	• Negative impact: degradation of ecosystem services related to the use of raw materials (change of use of land/seabed/freshwater areas, direct exploitation of natural resources, climate change, pollution) and their processing (exploitation of natural resources, climate change, pollution)	• Operational risk: drop in cotton crop yields leading to increased costs in the event of a severe degradation of the ecosystem services essential to its production. • Regulatory risk: breach of regulations to address deforestation • Reputational risk: customer disaffection for brands that are insufficiently committed to protecting nature

ESRS	Material ESG matters	Scope concerned	Impacts	Risks/opportunities
E5 – Resource use and circular economy	Material consumption	Upstream value chain	• Negative impact: use of virgin raw materials leading to the depletion of natural resources (natural fibres) or non-renewable resources (synthetic fibres). Various environmental impacts related to raw materials: GHG emissions, pollution, water consumption and harm to biodiversity	• Operational risk: increased costs related to the purchase of certified materials • Regulatory risk: regulations introducing a system of bonuses and penalties on products according to their eco-design credentials • Reputational risk: customer disaffection for brands that are insufficiently committed to the eco-design of products or deemed responsible for excessive production, leading to a decline in revenue
E5 – Resource use and circular economy	End of product life	Own operations and downstream value chain	• Negative impact: low collection rate of end-of-life products meaning that these products are sent to inappropriate waste treatment channels. Poor recyclability of products	Non-material
E5 – Resource use and circular economy	Circular services (repairs, rental, second-hand)	Own operations and downstream value chain	• Positive impact: extension of product life and reduction in the use of raw materials	• Reputational risk: shifting of brand customers to the purchase of second-hand products on CtoC platforms • Financial opportunity: development of additional revenue through second-hand services, rental and repair. Customer loyalty and recruitment thanks to these new services
S1 – Company personnel	Talent development and skills management	Own operations	• Negative impact: harm to employees' well-being at work in the absence of training, development opportunities or professional support • Positive impact: increased well-being at work for employees benefitting from an effective training and development system	• Operational risk: decrease in revenue due to staff training deemed unsatisfactory by customers
S1 – Company personnel	Compensation and social protection	Own operations	• Negative impact: deterioration in the standard of living and health of employees in the event of insufficient compensation and social protection schemes	• Operational risk: increased costs related to measures to increase salaries or improve the level of social protection of employees
S1 – Company personnel	Health, safety and quality of life at work	Own operations	• Negative impact: deterioration of the mental health and physical harm of employees in the event of poor working conditions and a deficient health and safety risk prevention system	• Reputational risk: difficulties in attracting and retaining employees due to insufficient commitment to health, safety and quality of life at work

ESRS	Material ESG matters	Scope concerned	Impacts	Risks/opportunities
S1 – Company personnel	Social dialogue	Own operations	• Negative impact: infringement of the fundamental freedoms of employees in the event of failing social dialogue	Non-material
S1 – Company personnel	Diversity and inclusion	Own operations	• Negative impact: infringement of employees' human rights in the event of discriminatory practices	Non-material
S2 – Workers in the value chain	Respect for human rights, health and safety	Upstream value chain	• Negative impact: violation of human rights, health and physical well-being of personnel employed by suppliers	• Regulatory risk: breach of duty of care regulations • Reputational risk: customer disaffection for brands accused of human rights violations by their suppliers, leading to a fall in revenue
S4 – Consumers	Responsible marketing	Downstream value chain	• Negative impact: promotion of products or practices that harm the environment or human rights	• Regulatory risk: breach of regulations on misleading or false claims • Reputational risk: customer disaffection with brands accused of unresponsible marketing practices (greenwashing , false allegations, stigmatising communications, etc.) leading to a fall in revenue
S4 – Consumers	Privacy	Downstream value chain	• Negative impact: invasion of privacy that could lead to malicious actions in the event of personal data leaks	• Regulatory risk: breach of personal data protection regulations • Reputational risk: loss of interest among customers for brands that do not secure their personal data, leading to a decrease in revenue
S4 – Consumers	Health and safety related to product use	Downstream value chain	• Negative impact: harm to the health or safety of customers due to the use of products that do not comply with the relevant standards (e.g. chemicals)	Non-material
G1 – Business conduct	Business ethics	Upstream value chain and own operations	• Negative impact: damage to the rule of law and increased inequalities due to corrupt practices	• Regulatory risk: breach of anti-corruption regulations
G1 – Business conduct	Balanced relationships with suppliers and subcontractors	Upstream value chain	• Negative impact: economic difficulties for suppliers and subcontractors in the event of abusive practices by the Group	Non-material

ESRS	Material ESG matters	Scope concerned	Impacts	Risks/opportunities
G1 – Business conduct	Cybersecurity and personal data protection	Own operations and downstream value chain	• Negative impact: invasion of privacy that could lead to malicious actions in the event of leaks of customer or employee personal data	• Operational risks: disruption of information systems in the event of cyberattacks leading to additional costs to restore a normal situation, and a fall in revenue if ordering or collection systems are impacted • Regulatory risk: breach of personal data protection regulations
G1 – Business conduct	Animal welfare	Upstream value chain	• Negative impact: animal suffering during breeding or slaughter linked to materials used in the Group's collections (wool, leather)	Non-material
G1 – Business conduct	Traceability*	Upstream value chain	• Negative impact: damage caused to the environment and/or human rights infringement by the Group's direct and indirect suppliers due to a lack of knowledge of the parties involved in the various stages of product manufacturing	• Regulatory risk: inability to comply with regulations requiring knowledge of all product manufacturing steps (e.g. deforestation, due diligence, AGEC Law)

SMCP's strategy and business model are designed to be resilient in the face of sustainability challenges, and to adapt to the growing expectations of stakeholders.

The Group has put policies in place aimed at reducing negative impacts on the environment, employees and its value chain. The corresponding action plans are monitored and controlled as part of SMCP's overall strategy and, more specifically, through the prism of its CSR strategy.

In terms of risks, SMCP identifies and incorporates sustainability matters into its Group risk management plan, thus ensuring that its mitigation measures are appropriate and effective. This approach reduces legal risks, while protecting the Group against potential business interruptions and consolidating the confidence of investors and partners.

At the same time, SMCP is able to capitalise on the opportunities offered by the transition to more sustainable practices and changing consumer expectations. By expanding its ranges of more responsible products and by launching new services to boost the circularity of its offer, the Group is adapting to market dynamics while strengthening the desirability of its brands. This ability to anticipate and respond to new trends allows SMCP to maintain a resilient business model, which is less dependent on fluctuations in resources and better prepared for structural changes in its sector.

Details on the interactions between impacts, risks and opportunities and the Group's strategy and business model are available in the following paragraphs:

- Climate change – E1: paragraph 3.2.1;
- Biodiversity – E4: paragraph 3.2.4;
- Company personnel – S1: paragraph 3.3.1;
- Workers in the value chain – S2: paragraph 3.3.2;
- Consumers – S4: paragraph 3.3.3.

3.1.4 Impact, risk and opportunity management

3.1.4.1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

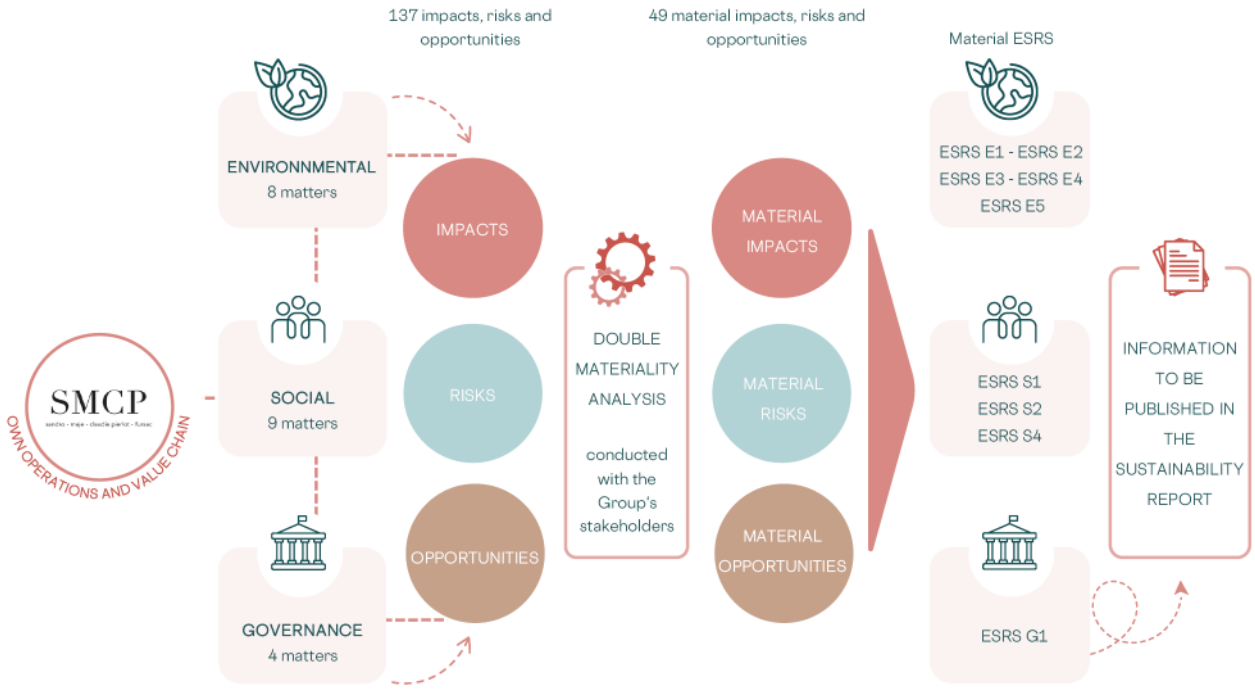
Based on the methodology presented in ESRS 1, SMCP carried out a double materiality analysis in 2024, in order to identify the environmental, social and governance issues related to its activity that could be described as material in terms of their impacts and/or the financial risks and opportunities (IRO) that they represent. This analysis has ultimately been used to identify the data that the Group should publish in its sustainability report.

The double materiality analysis and the preparation of the Group's first sustainability report in CSRD format were overseen by a project committee involving the Group's Finance and CSR Departments. In 2024, a steering committee bringing together the Chief Executive Officer, the Director of Human Resources, the Finance Director, the Director of Audit, Internal Control and Compliance, the Director of Finance Transformation Projects, the CSR Director and Maje's Production Director met monthly to ensure the smooth running of the project and approve the main deliverables.

The double materiality analysis was carried out with the help of a specialised consulting firm that also provided training on CSRD for the members of the steering committee. It was initially reviewed by the members of the Audit and Sustainability Committees in dedicated workshops, before being approved by the Audit Committee and the Board of Directors.

After a first phase of setting out the scope (mapping of stakeholders, identification of the value chain, etc.), the double materiality analysis was carried out based on a three-step methodology:

1) identifying ESG matters specific to SMCP and its value chain and breakdown into impacts (adverse/positive, current/potential), risks and opportunities;
2) assessing the materiality of the impact and the financial materiality of the IRO, i.e. their importance in view of the Group's business activities;
3) consolidating and approving the results of the double materiality analysis to identify the Group's reporting obligations.



Identifying ESG matters and impacts, risks and opportunities (IROs)

As a first step, SMCP identified a list of ESG matters related to its business sector, its business model and its short, medium and long-term development strategy.

This list was then cross-referenced with the topics and sub-topics of ESRS 1, AR-16 proposed by EFRAG, in order to ensure that the Company covers all ESG topics.

Once this list of 21 matters was complete, the impacts, risks and opportunities were identified using the following approach: for each ESG matter identified, the Group considered the associated impacts, risks and opportunities. The analysis framework focused on the following aspects:

- current or potential adverse or positive impacts on the environment, human rights and health and safety;
- financial risks or opportunities related to regulations, employee commitment, operations, customer behaviour and bank and investor expectations.

As for identifying of ESG matters, this approach was based on the specific nature of the Group and its brands. Dependencies on natural resources or suppliers were also taken into account in this analysis. In addition, the entire value chain of the Company as well as all the regions in which the Group operates have been taken into account in the approach to identifying IRO. The list of impacts, risks and opportunities was drawn up by making use of existing strategic documents, and in conjunction with the CSRD steering committee.

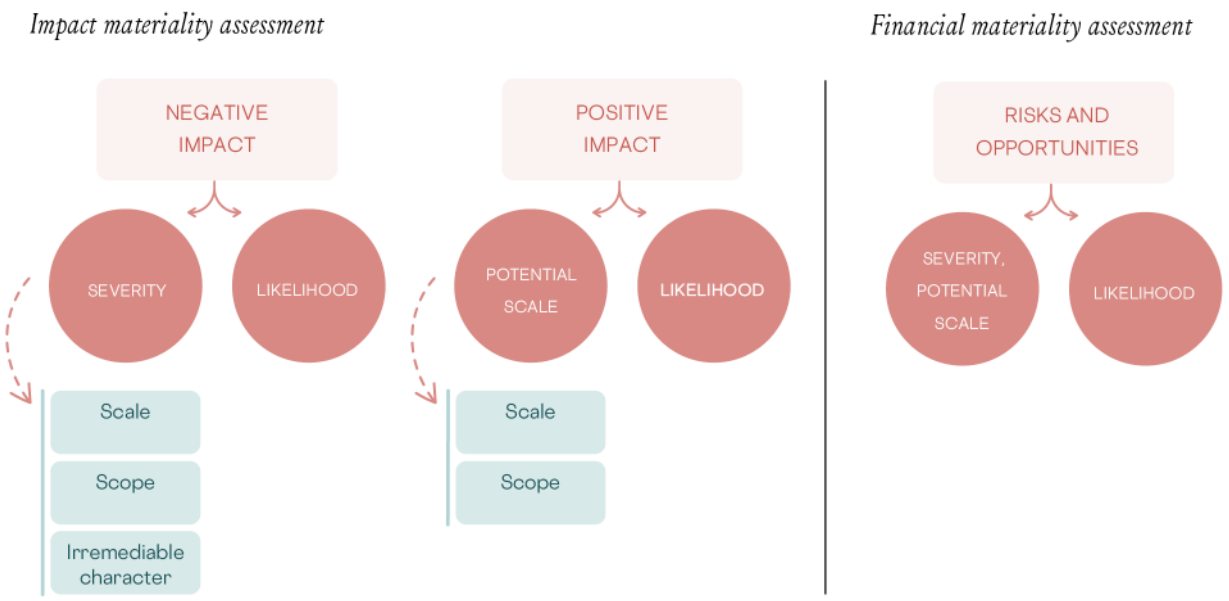
Assessment of IRO materiality

After defining the priority ESG matters for the Group and the associated IRO, around ten rating workshops were held with internal stakeholders, such as members of the Board of Directors and the Executive Committee, and with sales, production, finance and human resources directors. External stakeholder opinions were collated by way of consulting studies published by NGOs, sectoral organisations or public bodies, and by conducting interviews with representatives of the banking sector.

The people consulted were asked to assess the importance of the impacts, risks and opportunities for the various ESG matters according to common criteria, based on a rating scale ranging from 1 to 4, as detailed in the infographic below:

Following this first rating exercise, in the event of discrepancy, the final rating decision was made by the project team and the steering committee during consistency review workshops, ensuring consistency with the results of the Group's risk mapping.

The following methodology was used to assess the various IRO:



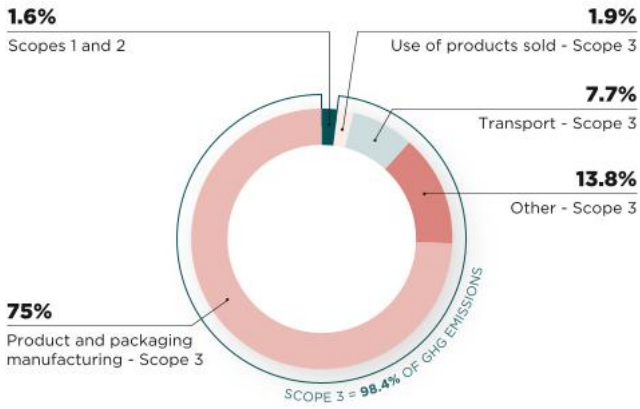
Specifications on IRO identification and assessment procedures in line with the publication requirements for E1, E2, E3, E4, E5 and G1

Climate change – E1

The impacts of SMCP's activities on climate change were assessed on the basis of the results of the Group's carbon footprint carried out each year since 2022, using the GHG Protocol methodology to group emissions into three scopes. These impacts specifically show that, in 2024, indirect emissions (Scope 3) accounted for 98.4% of the Group's greenhouse gas (GHG) emissions and that 75% of emissions are related to the manufacture of products. Carbon reporting makes it possible to identify the main emission sources with a breakdown of materials and the various manufacturing processes.

Scope 1 covers emissions generated by the consumption of gas for heating, petrol for company vehicles and refrigerant leaks from air conditioning systems. Scope 1 represents 0.15% of the Group's emissions. Scope 2 covers the electricity consumption of head offices, warehouses and stores and represents 1.45% of the Group's emissions.

Breakdown of SMCP's 2024 carbon footprint



In 2024, the Group carried out an analysis of the physical and transition risks related to climate change by 2030 and 2050. The material risks identified in this context are presented in the table below:

Physical risks	Transition risks
• Operational risks: decline in cotton crop production worldwide and disruption of processing operations in Asian and North African countries due to the resurgence of acute risks (flooding, heat waves) and chronic risks (decreased productivity due to heat, heavy rainfall, drought), leading to higher product manufacturing costs	• Regulatory risk: implementation of a carbon tax on textile products in Europe • Reputational risk: customer disaffection for brands that are insufficiently committed to the fight against climate change leading to a decline in revenue • Operational risk: increase in energy prices leading to an increase in product manufacturing and site operating costs

Types of risks considered in the analysis[1]

Physical risks result from changes in climate, including the increased frequency and severity of weather events such as floods, droughts and storms, and the breakdown of ecosystems due to the decline of pollinating insects and deforestation.

Transition risks focus on the financial consequences for the Company of a transformation of the economy to adapt to a low-carbon world.

The risk analysis was carried out on the basis of studies and the open access tool Climate Impact Explorer from the Network for Greening the Financial System (NGFS).

A range of metrics was selected on the Climate Impact Explorer tool to cover a representative range of "acute" (extreme events, such as drought, floods and storms) and "chronic" risks (gradual changes such as rising temperatures, humidity or frequency of rainfall).

The selection process also focused on using relevant indicators with regard to the raw materials and transformation processes used to manufacture the products sold by the Group's brands, as well as the location of the Group's sites (registered offices, stores and warehouses).

The analysis was carried out at country level, with the exception of four countries for which an additional regional analysis was carried out (China, United States, India and Turkey). The countries selected correspond to the main areas in which SMCP brand suppliers are located, which were identified using the traceability tool (see paragraph 3.4.4 "Traceability").

(1) Source: I4CE, adapted from TCFD (2016), Recommendations of the Task Force on Climate-related Financial Disclosure.

SCENARIOS CONSIDERED IN THE RISK ANALYSIS

Risks	Scenarios
Physical risks	• RCP[1] 2.6/sustainable development scenario (cross reference SSP1-2.6): CO_2 concentrations in the atmosphere would stabilise at around 450 ppm by 2100, resulting in an average global temperature increase of around 1.5 to 2°C; • RCP 4.5/intermediate scenario (cross-reference SSP2-4.5): CO_2 concentrations would reach around 650 ppm between now and 2100, with an average global temperature increase of around 2.5-2.9°C; • RCP 8.5/development based on fossil fuels (cross-reference SSP5-8.5): CO_2 concentrations would exceed 1,000 ppm between now and 2100, with an average global temperature increase of +4°C.
Transition risks	NGFS scenarios: • "Net zero 2050": Ambitious scenario that limits global warming to 1.5°C thanks to strict climate policies and innovation, to achieve net zero CO_2 emissions around 2050. This scenario assumes that ambitious climate policies will be introduced immediately. Transition risks for the economy could result from high carbon prices, with continuous gradual growth, and significant consumer awareness of climate change and its consequences • "Delayed transition": This scenario assumes that annual global emissions do not decrease before 2030. Strong policies are then necessary to limit warming to less than 2°C. Emissions temporarily exceed the carbon budget and decrease more rapidly than in the "Well below 2°C" scenario after 2030, to guarantee a 67% likelihood of limiting global warming to below 2°C. Transition and physical risks are higher than in the "Net Zero 2050" scenario • "Current policies": This scenario is limited to the policies currently implemented, resulting in high physical risks. Emissions increase until 2080, resulting in a warming of around 3°C. Carbon pricing is low, consumer awareness and demand for sustainable products is limited

(1) Representative Concentration Pathway: a description of scenarios created by the Intergovernmental Panel on Climate Change. RCP scenarios can be used for future climate modelling.

Pollution – E2

The SMCP Group has no operational or financial control over production sites that generate polluting emissions into the water, air or soil. However, the Group's business is indirectly responsible for the emission and discharge of pollutants during the manufacture, use and end of life of the products marketed by its brands.

To assess the nature and scale of the pollution generated by its business activity, SMCP carried out an analysis based on impact factors from the European EF 3.1 database. Calculations are made on the basis of the quantities of materials used in 2023 and the geographical origin of the suppliers. Emissions of plastic microfibres were estimated based on data from the European Environment Agency.

Some metrics have been excluded from the data presented below due to a lack of reliability[1] or an impact level that is too low[2]. Waste production is discussed in the ESRS E5 paragraph. The potential effects on people's health have been considered by consulting studies.

The results of the analysis are summarised below in the form of an infographic.

(1) Ionizing radiation, human toxicity.
(2) Ozone layer depletion.

IMPACTS OF SMCP'S ACTIVITIES ON POLLUTION

Level of importance of the category in the pollution generated by SMCP's activity

Very high · High · Moderate · Low · Very low

Pollution		Raw materials					Process-ing	Transport	Stores	Use and end of life
		Oil*	Wood**	Cotton	Wool	Leather				
Pollution of water	Freshwater eutrophication	Very low	Very low	High	Very high	High	High	Very low	High	High
	Marine water eutrophication	Very low	Very low	High	Very high	High	High	Very low	Very low	Very low
	Ecotoxicity	Very low	High	Very low	Very high	High	High	Very low	Very low	Very low
	Plastic microfibres	High	N/A	N/A	N/A	N/A	High	N/A	N/A	Very high
Pollution of air	Acidification	Very high	Very low	High	Very high	Very high	Very high	High	Very low	Very low
	Fine particulate matter	Very high	Very high	Very high	Very high	Very high	Very high	Very low	Very low	Very low
	Photochemical ozone formation	Very high	Very high	Very high	Very high	Very high	Very high	Very high	Very high	Very high
Pollution of soil	Land eutrophication	Very low	Very low	Very low	Very high	High	High	Very low	Very low	Very low

* *Petroleum is the raw material used to manufacture synthetic fibres (polyester, polyamide, etc.)*
** *Wood is the raw material used to manufacture artificial fibres (viscose, modal, etc.)*

The analysis carried out shows that the production of raw materials of animal origin (wool and leather) is the main source of polluting emissions in the environment from SMCP's activity for the majority of the impacts studied. Textile processing requires significant water and energy consumption, which have impacts on the environment and health, in particular on the eutrophication of fresh water, air acidification, emissions of fine particulate matter and the formation of photochemical ozone. Plastic microfibres are emitted in large quantities when washing synthetic clothing (polyester, polyamide and acrylic). Microplastics can be toxic when ingested by marine species such as birds, fish, mammals and plants.

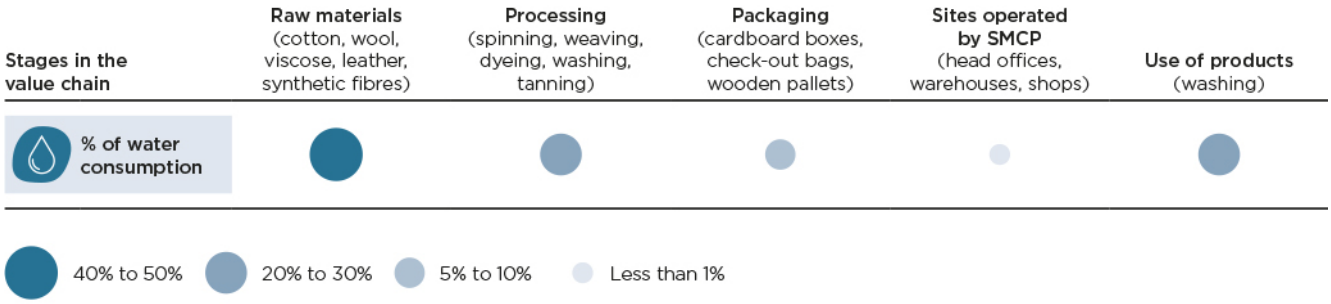
The pollution generated is also likely to impact the health of communities living near production sites.

Lastly, the analysis did not highlight any material risks or opportunities for the Group.

Water and marine resources – E3

The Group's water footprint was calculated on the basis of estimates based on data for the year 2023, and is summarised below[1] in the form of an infographic. Potential effects on public health were considered by consulting studies.

GROUP WATER FOOTPRINT



The analysis shows that the manufacture of products and their use (washing) represent the most water-consuming steps in the SMCP value chain. The consumption of the sites operated by the Group (offices, stores and warehouses) is estimated at less than 1% of total consumption and is therefore not material. Raw materials are the largest source of water consumption, which is mainly related to the irrigation of cotton crops in many parts of the world. The processing of raw materials, and more specifically the tanning and dyeing stages, also consumes a great deal of water. Consumption generated by the washing of clothes by customers is on the same scale as the processing of raw materials.

Water consumption challenges differ depending on the regions of the world from which the water is taken. In order to take this aspect into account, SMCP carried out an analysis of the risk of water stress in its supply chain[2]. This highlights significant risks of water stress in the following countries:

- India and Turkey for cotton growing;
- South Africa for wool;
- Italy, Spain, Portugal, Morocco, Tunisia, Turkey and India for the processing stages.

2030 and 2050 forecasts predict an increase in water stress in these countries over the coming decades.

SMCP does not use marine resources in its activities. Therefore, the sustainability report does not cover this topic. Lastly, the analysis did not highlight any material risks or opportunities for the Group.

Biodiversity – E4

Two levels of analysis were used in the assessment of the impacts of SMCP's activities on biodiversity:

- analysis of the proximity of the Group's registered offices, stores and warehouses to key biodiversity areas. This analysis was performed using the WWF's Risk Filter tool[3];
- global analysis of the impacts of product lifecycle on the five main drivers of biodiversity loss which IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services) has defined and classified by level of importance: change in use of land, freshwater and seas; direct exploitation of natural resources; climate change; soil pollution, water and air pollution; dissemination of invasive alien species. This analysis was carried out on the basis of a combination of quantitative and qualitative data as detailed below.

(1) Calculation of the quantity of water consumed (difference between water withdrawn and water discharged). The consumption of blue water used for agricultural, industrial or domestic purposes is taken into account. Blue water corresponds to the proportion of water from atmospheric precipitation that flows in watercourses to the sea, or that is collected in lakes, aquifers or reservoirs.

(2) Analysis carried out using the World Resources Institute Aqueduct tool.

*(3) The WWF (World Wide Fund for Nature)'s **Risk Filter** is a series of digital tools designed to help companies identify, assess and manage the environmental and social risks associated with their activities. These tools offer geospatial analyses, enabling companies to create relevant and localised action plans.*

	Impacts studied	Sources
Quantitative analysis	• Land-use change • Water consumption • Climate change • Eutrophication (freshwater, marine, land) • Acidification • Ecotoxicity	Impact factors from the European EF 3.1 database applied to SMCP activity data in 2023 (weight of products, materials, geographical location of suppliers, etc.) For water consumption, calculation based on the methodology of the Water Footprint Network
Qualitative analysis	• Change in seabed use • Change in use of freshwater areas • Biotic resources • Plastic microfibres • Invasive species • Noise and light pollution	ENCORE initiative online tool (Exploring Natural Capital Opportunities, Risks and Exposure) assessing impacts based on economic activities (ISIC classification). Studies from the Plastic Footprint Network for plastic microfibres.

PROXIMITY TO KEY BIODIVERSITY AREAS (AREAS AND RISK SCALE FROM THE WWF RISK FILTER)

	Level of risk				
	Very low	Low	Moderate	High	Very high
Sites operated by the Group	55%	44%	1%	0%	0%

Only 1% of the sites operated by SMCP present a moderate level of risk due to their proximity to a key biodiversity area. These are stores in shopping centres in the United States and China whose activity does not have a material impact on local biodiversity. No sites are located near high or very high risk areas.

IMPACTS OF SMCP'S ACTIVITIES ON BIODIVERSITY

Level of importance of the category in the biodiversity impacts generated by SMCP's activity

Very high · High · Moderate · Low · Very low

Impacts of human activities on biodiversity	Level of importance for biodiversity loss	Sub-categories	Raw materials: Oil*	Raw materials: Wood**	Raw materials: Cotton	Raw materials: Wool	Raw materials: Leather	Processing	Transport	Stores	Use and end of life
Land-use change, fresh water-use change and sea-use change	■■■	Freshwater areas	Very high	High	High	High	High	N/A	High	N/A	N/A
		Seabed	Very high	ND	N/A	N/A	N/A	N/A	High	N/A	N/A
		Land	Very low	Very low	High	Very high	High	High	Very low	Very low	Very low
Exploitation of natural resources	■■	Biotic resources	N/A	Very high	ND	ND	ND	N/A	N/A	N/A	N/A
		Water consumption	Very low	Very low	Very high	High	High	Very high	Very low	Very low	Very high
Climate change	■	Climate change	Moderate	Moderate	Moderate	Very high	Moderate	Moderate	Moderate	Moderate	Moderate
Pollution of soil, water and air	■	Freshwater, marine water and terrestrial eutrophication	Very low	Very low	High	Very high	High	High	Very low	High	High
		Acidification	High	Very low	High	Very high	High	High	High	Very low	Very low
		Ecotoxicity	Very low	High	Very low	Very high	High	High	Very low	Very low	Very low
		Plastic microfibres	High	N/A	N/A	N/A	N/A	High	N/A	N/A	Very high
Spread of invasive alien species and other disturbances	■	Introduction of invasive species	High	High	High	High	High	N/A	High	N/A	N/A
		Noise and light pollution	Very high	High	High	High	High	High	High	Very low	N/A

* *Petroleum is the raw material used to manufacture synthetic fibres (polyester, polyamide, etc.)*
** *Wood is the raw material used to manufacture artificial fibres (viscose, modal, etc.)*

The analysis of the impacts of product lifecycles on the main systemic risks of biodiversity loss highlights the key role of raw materials in most of the categories under consideration.

Animal breeding to produce wool and leather is the primary source of impact on biodiversity.

Petroleum, used as a raw material for the manufacture of synthetic fibres (polyester, polyamide, acrylic), has significant impacts on the change in use of freshwater areas and the seabed, as well as on noise and light pollution.

Cotton growing has impacts primarily on the change in use of freshwater areas and on water consumption. The production of wood, which is the raw material for artificial cellulosic fibres such as viscose, has an impact on the use of natural resources.

The raw material processing steps (including spinning, weaving, dyeing and tanning) put pressure on biodiversity through impacts on climate change, water consumption, water and soil eutrophication and air acidification.

Finally, the release of plastic microfibres into the environment is mainly caused by the washing of synthetic clothing.

In 2024, the SMCP Group carried out an analysis of the dependency of its activities on ecosystem services. This assessment was based on the open access tool[1] offered by the ENCORE initiative (Exploring Natural Capital Opportunities, Risks and Exposure) which is the result of a collaboration between the NGO Global Canopy and the United Nations Environment Programme. More than 200 economic activities are analysed for dependencies on 25 ecosystem services grouped into three major groups: provisioning services, regulating services and cultural services. In this case, the assessment analysed the production of the main raw materials used by SMCP, the processing steps for these materials and the marketing of the products. The table below presents the ecosystem services identified as material according to three levels of dependency (very high, high, medium).

SMCP dependencies on ecosystem services

Level of dependency on ecosystem services	RAW MATERIALS					PROCESSING textiles and leather	RETAIL
	Oil Synthetic fibres	**Cotton**	**Wood** *viscose*	**Wool**	**Leather**		
VERY HIGH	-	**Provisioning services:** biomass, genetic material **Regulatory services:** soil and sediment retention, water purification, soil quality, regulation of the global and local climate, pollination, regulation of rainfall	**Provisioning services:** biomass, genetic material	**Regulatory services:** soil and sediment retention, regulation of rainfall **Cultural services:** spiritual, artistic and symbolic services	**Provisioning services:** biomass **Regulatory services:** soil and sediment retention, regulation of rainfall **Cultural services:** education, science and research, spiritual, artistic and symbolic services	**Cultural services:** education, science and research (textiles)	-
HIGH	**Regulatory services:** river flooding, global climate regulation	**Provisioning services:** water **Regulatory services:** water flow	**Regulatory services:** soil and sediment retention, soil quality	**Provisioning services:** biomass, water **Regulatory services:** storm mitigation, water flow	**Provisioning services:** water **Regulatory services:** storm mitigation, water flow	-	-
AVERAGE	**Provisioning services:** water **Regulatory services:** water flow	**Regulatory services:** solid waste sanitation, biological control, air filtration, flooding and storm mitigation	**Provisioning services:** water **Regulatory services:** biological control, global climate regulation, water flow	**Provisioning services:** genetic material **Regulatory services:** water purification, soil quality, biological control, air filtration, river flood mitigation, global and local climate regulation	**Provisioning services:** genetic material **Regulatory services:** solid waste remediation, water purification, soil quality, biological control, air filtration, river flood mitigation, global and local climate regulation	**Provisioning services:** water **Regulatory services:** solid waste sanitation, flood and storm mitigation, water flow (textiles and leather), water purification (textiles) air filtration (leather)	**Regulatory services:** soil and sediment retention, flood and storm mitigation, water flow

The analysis highlights a high level of dependency on provisioning and regulating services offered by ecosystems for the production of raw materials used in the manufacture of products marketed by the Group.

The level of dependency is particularly high for cotton, wool, leather and wood (the raw material from which artificial cellulosic fibres such as viscose are produced) and lower for petroleum, which is the raw material for synthetic fibres.

The level of dependency on ecosystem services for industrial textile and leather processing activities as well as for sales activities is of medium intensity.

(1) Explore tool and Natural Capital Module.

The assessment of the impacts on biodiversity and dependencies on ecosystem services was used as a basis for an analysis of the physical and transition risks to which the Group will be exposed by 2030 and 2050. The analysis was based on the methodology set out by the Taskforce on Nature-related Financial Disclosures (TNFD), which offers scenarios that vary according to two factors:

- the level of degradation of ecosystem services over time, which leads to varying physical risks and causes a range of problems, depending on the company's level of exposure (scarcity of raw materials, operational malfunctions, etc.);
- the prominence of nature protection in public policy, and the pressure exerted by the financial world and civil society on companies in this domain. This factor affects the scale of transition risks.

The conclusions of the risk analysis are presented in the table below.

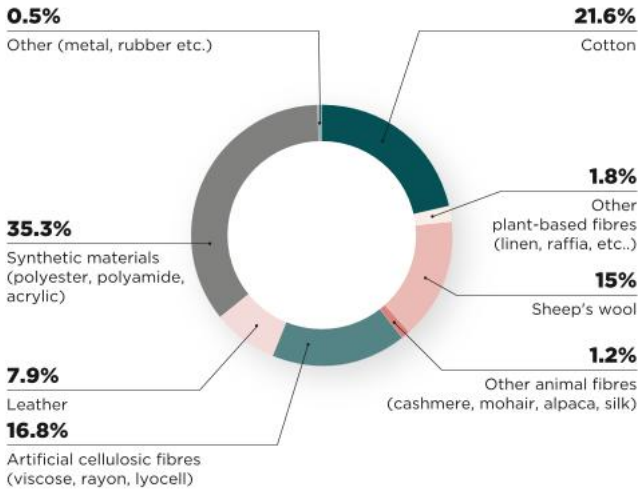
Risk types	Analysis method	Material risks identified
Physical risks	Assessment of physical risks in the main countries which supply the raw materials used by SMCP with a high level of dependency on ecosystem services (cotton, wool, leather, viscose). Country assessment carried out using the WWF's Biodiversity Risk Filter tool.	• Risk of decline in cotton productivity and increase in costs in the event of a severe degradation of the ecosystem services essential to its production. This risk is assessed at a higher level than that of other raw materials due to the geographical location of the cotton crops (e.g. high risk in terms of water supply or soil quality in India, the world's second biggest cotton producer).
Transition risks	Assessment of transition risks based on the work of the research consortium IPR Forecast Policy Scenario + Nature (IPR FPS + Nature) commissioned by the Principles for Responsible Investment (PRI) initiative.	• Risk of increased costs related to the supply of materials targeted by regulations to combat deforestation (primarily leather and viscose for SMCP). • Reputational risk related to poor management of the Company's impacts on biodiversity.

Resource use and circular economy – E5

Most of the materials consumed by the SMCP Group are related to the manufacture of products and packaging. The use of these materials contributes to the depletion of natural resources and is the primary source of environmental impact from the Group's activities (greenhouse gas emissions, pollution, water consumption, ecosystem and biodiversity degradation).

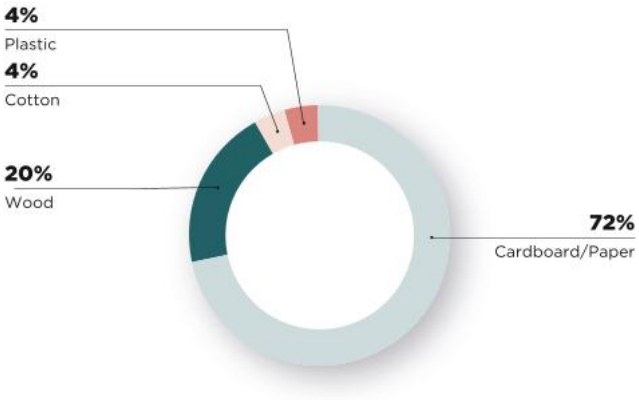
The manufacture of products requires the annual consumption of 5,151 metric tonnes of materials, of which 68% of materials are of natural origin (plant fibres, animal fibres, artificial fibres and leather). The most widely used materials are cotton, polyester, wool, viscose and leather.

Materials used in products



The Group uses packaging to protect its products during transport (e.g. cardboard boxes, wooden pallets, plastic film) or when they are sold (check-out bags, tissue paper, cotton pouches for leather goods, shoeboxes, hangers, reusable clothes bags and cardboard boxes or envelopes for online sales). The production of packaging uses 2,361 tonnes of materials, 96% of which are from natural sources (cardboard, paper, wood and cotton). 72% of packaging is made of paper or cardboard.

Materials used in packaging



The sites (shops, warehouses, registered offices) under SMCP's operational control do not generate significant quantities of waste compared to the quantities produced during the manufacture of products and the end-of-life process for packaging and products sold. The waste produced by the Group's warehouses, registered offices and stores consists mainly of packaging (pallets, cardboard boxes and plastic film) and paper.

The risk analysis is largely based on the conclusions made in the context of other topics that also concern the subject of materials:

- physical risks: as indicated in the previous sections, cotton has been identified as the raw material most exposed to physical risks related to climate change or the degradation of ecosystems, which could lead to an increase in costs;
- transition risks: the emergence of new regulations (carbon tax, deforestation) or changes in consumption habits are also mentioned in the sections on climate and biodiversity risk analyses and are directly related to the use of raw materials.

In addition, certain transition risks may be directly related to the question of materials:

- developing purchases of materials certified by the Group (organic cotton, recycled materials, etc.), which generates additional costs;
- the potential development of new regulations in France and Europe based on bonus and penalty systems calculated based on product eco-design credentials (characteristics of materials, recyclability, physical sustainability, etc.) and/or extrinsic sustainability criteria (duration of marketing, number of SKUs sold, etc.).

The development of new circular economy services such as second-hand, rental or repair services is seen as an opportunity for the Group to diversify its business and find new growth drivers. These new services also make it possible to increase the life of the marketed products, and thus have a positive impact on the environment by helping to reduce the production of new items.

Business Conduct – G1

The analysis of the impacts, risks and opportunities in terms of business conduct was carried out on the basis of consultations with NGOs (e.g. Transparency International's Corruption Perceptions Index), a regulatory review (General Data Protection Regulation, Sapin 2 Law, etc.) and workshops with internal experts (internal audit, legal experts, ISD).

Core components for the rating of impacts and risks include the French and European regulatory environment, the geographical location of the Group's suppliers and the quantity and nature of the personal information held by it (no opportunities were identified).

The potential negative impacts related to the Group's activity, without taking into account the measures put in place to remedy them, relate to the negative consequences of corrupt practices or personal data leaks on the public. The Group's use of materials of animal origin (wool and leather) also raises animal welfare issues. Risks of financial sanctions in the event of breaches of regulations (corruption, GDPR), operational disruptions in connection with cybersecurity issues and loss of revenue in the event of a customer personal data leak have also been identified.

In addition, the subject of supply chain traceability, which is not explicitly mentioned in the ESRS, was assessed as material both in terms of impacts and risks. Traceability is indeed perceived by the Group as an essential prerequisite for any approach aimed at identifying and reducing the environmental and social impacts related to the manufacture of its products, and to fully comply with the various regulations (deforestation, due diligence, etc.).

Consolidating and approving the results of the double materiality analysis to identify the SMCP Group's reporting obligations

The Group has decided to adopt a methodology based on which:

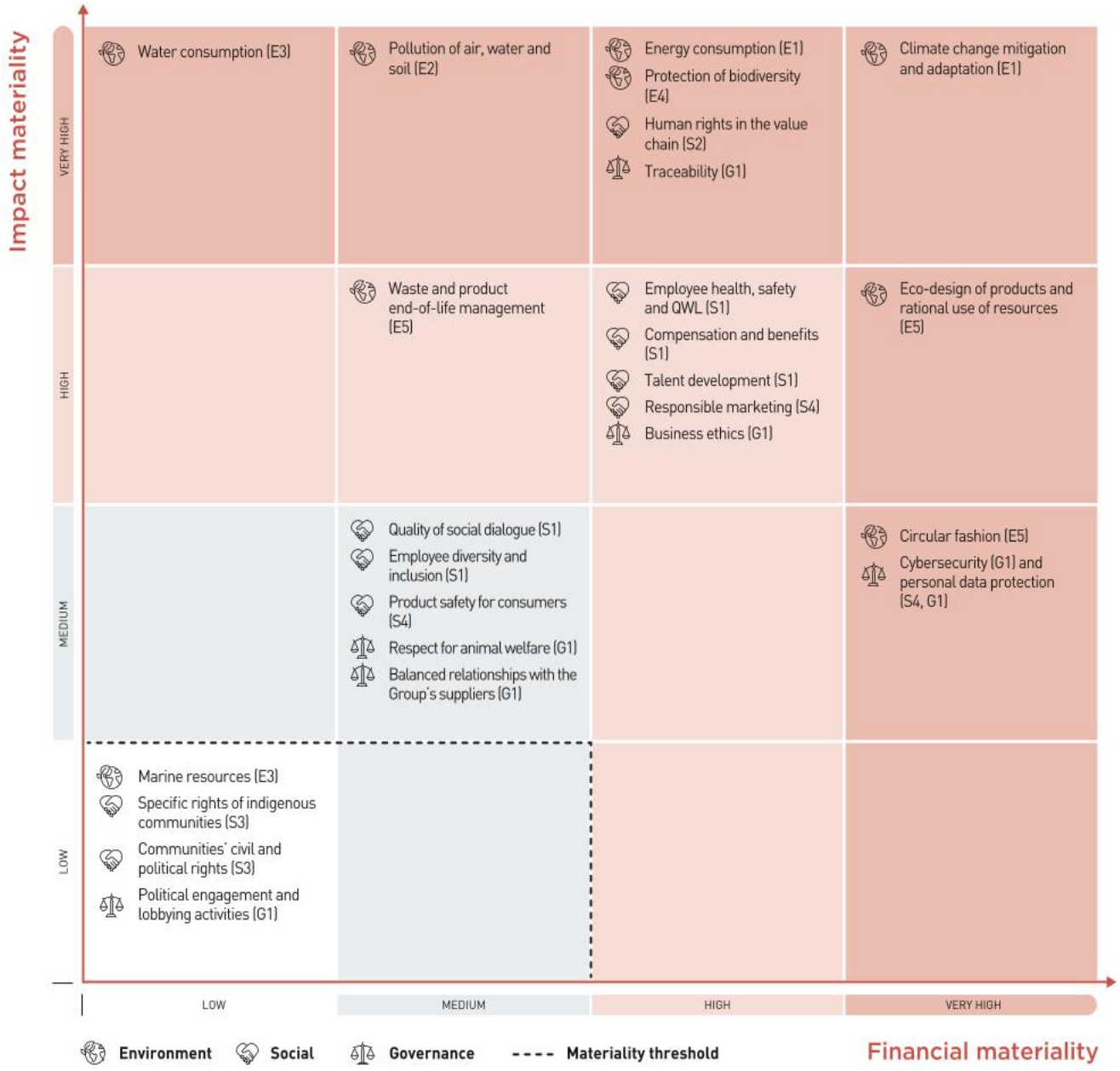
- consistent with the CSRD, the rating reflects the "raw" vision of materiality and therefore does not take into account the mitigation measures put in place by SMCP;
- each IRO has been assessed according to the time period deemed most relevant, based on the time periods set by EFRAG in ESRS 1;
- the presence of a single material IRO implies the materiality of the associated issue;
- if several IROs are material, then the rating used for the associated issue is the highest of the various material IROs.

The materiality thresholds are as follows:

- the steering committee has set the impact materiality threshold at "greater than or equal to 2". This means that all adverse and positive impacts with a rating greater than or equal to 2 are considered as material;
- The project committee has set the financial materiality threshold at "greater than or equal to 3". This means that all risks and opportunities with a rating greater than or equal to 3 are considered as material. This threshold was set on the basis of revenue and is aligned with the Group's risk rating methodology.

The table presenting the exhaustive list of impacts, risks and opportunities identified as material is available in paragraph 3.1.3.3 "Significant impacts, risks and opportunities and their link with the strategy and business model (SBM-3)".

The result of the assessment is presented in the double materiality matrix below:



This resulted in 21 ESG matters considered material for the SMCP Group.

For the first year of reporting, the SMCP Group has chosen to include the matters deemed non-material in the matrix in order to demonstrate that ESG issues have been dealt with exhaustively.

A consistency review of this matrix will be carried out each year. An in-depth review will be carried out every three years.

3.1.4.2 ESRS DISCLOSURE REQUIREMENTS COVERED BY THE CORPORATE SUSTAINABILITY REPORT (IRO-2)

This sustainability report meets the requirements of the Corporate Sustainability Reporting Directive (CSRD) as presented in Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability information standards.

This report reflects the policies, action plans and key metrics put in place by the Group to support its ESG commitment and meet the expectations of its various stakeholders. The table of disclosure requirements of the ESRS 2 IRO-2 DP 56 is available in paragraph 3.5.2 "Disclosure Requirements in ESRS covered by the undertaking's sustainability report (IRO-2)".

3.1.4.3 INTERNAL CONTROL

For this first year, most of the internal control work focused on three areas:

- involving the Director of Audit, Internal Control and Compliance in the steering committee to ensure alignment of practices within the Group;
- presenting the double materiality and CSRD implications to the Head of Internal Control in order to start reflection on an internal control programme which incorporates the CSRD data points;
- overhauling management reporting processes to specify the controls and checks carried out.

In 2025, the Group plans to define a programme of key controls in connection with the CSRD to ensure that the ESG reporting processes are sufficiently well developed.

3.2 Environmental information

SMCP's environmental strategy is driven by the Board of Directors and managed by the Group's CSR Department. Product manufacturing is responsible for the vast majority of the environmental impacts generated by the Group's activity (greenhouse gas emissions, pollution, water and resource consumption, biodiversity, waste) requiring a high level of coordination between the Group and the brands. Each month, the CSR Department leads a committee bringing together the production departments of Sandro, Maje, Claudie Pierlot and Fursac to monitor the deployment of policies in line with SMCP's environmental targets. These policies are rolled out within the brands by the production departments, which ensure that they are implemented with the teams in charge of product creation and development as well as suppliers. A total of 10 FTEs (full-time equivalents) work on environmental issues at Group and brand level. To ensure the proper deployment of its strategy, the Group measures its progress through the monitoring and management of various metrics presented in the following sections. It also undertakes to communicate its progress on its website or this report.

3.2.1 Climate change [E1]

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE (IRO-1) AND THEIR INTERACTION WITH THE STRATEGY AND BUSINESS MODEL (SBM-3)

Relevant scope	Impacts	Risks/opportunities	Impact, risk and opportunity management policies and actions
Upstream value chain	• Negative impact: greenhouse gas emissions during the manufacture and transport of marketed products	Physical risks • Operational risk: decline in the production of raw materials and disruption of processing operations in countries heavily impacted by climate change, leading to an increase in product manufacturing costs Transition risks • Regulatory risk: implementation of a carbon tax on textile products in Europe • Reputational risk: customer disaffection for brands that are insufficiently committed to the fight against climate change, leading to a decline in revenue	• GHG emissions reduction targets in absolute terms (scopes 1, 2 and 3) validated by the SBTi and falling within a 1.5°C trajectory. Main pillars of the climate strategy: • Purchase of electricity from renewable energy sources and reduction of energy consumption on sites • Reduction of energy consumption and decarbonisation of suppliers' energy mix • Decrease in the percentage of air transport • Raw materials certification • Development of recycled raw materials
Upstream value chain and own operations	• Negative impact: consumption of non-renewable energy resources, mainly during the processing of raw materials (spinning, dyeing, weaving), and on the sites operated by the Group (stores, warehouses and registered offices)	• Operational risk: increase in energy prices leading to an increase in product manufacturing and site operating costs	

In view of the physical and material transition risks for the Group (see paragraph 3.1.4 "Impact, risk and opportunity (IRO) management" to consult the risk analysis) and the policies implemented to remedy them, the resilience of SMCP's strategy and its business model to the effects of climate change is deemed satisfactory.

The physical risks concerning cotton procurement or the disruption of manufacturing plant operations increase with the level of warming and the concentration of greenhouse gases in the atmosphere in 2030 and 2050 (e.g. RCP 8.5 scenario). However, these risks can be controlled by the Group through climate change adaptation policies, by diversifying its cotton supply sources or being flexible in the selection of its suppliers.

The materials and know-how used to manufacture products are not linked to fixed geographical areas or to exclusive suppliers. In addition, the Group is pursuing a strategy of developing recycled materials by 2030 (see paragraph 3.2.5. "Resource use and circular economy (E5)") which will reduce the effects of variations in crop yields linked to climate events.

There are material regulatory and reputational risks related to the climate transition, according to certain scenarios studied (the Network of Central Banks and Supervisors for Greening the Financial System's "Net zero 2050" and "delayed transitions" scenarios). The policies implemented to reduce the Group's carbon footprint and commit to a trajectory of a 1.5°C reduction in greenhouse gas emissions generated by its business activity currently appear to be appropriate responses to manage this risk.

The analyses carried out at this stage did not show any significant impact on the Group's financial statements. The Group's business plan is now drafted jointly by the finance and CSR departments in order to ensure that the assumptions underlying the carbon trajectory are fully incorporated into the financial forecasts (in particular with regard to production volumes, the cost of certified materials, circular economy revenue assumptions or product transportation methods). The first-time application of this method did not lead to a significant change in the Group's profitability forecasts.

TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION (E1-1), INCLUDING POLICIES (E1-2) AND OBJECTIVES (E1-4)

Since 2023, the SMCP group has had a transition plan for mitigating climate change defined as part of the validation of its objectives to reduce its carbon footprint through the Science Based Targets Initiative (SBTi).

In 2024, SMCP updated its objectives with the SBTi in order to:

- use 2022 as the base year instead of 2021[1] previously;
- comply with the SBTi's new "Forest, Land and Agriculture" (FLAG) methodology by integrating emissions related to agriculture and the forestry sector into its accounts and carbon reduction trajectory;
- set more ambitious short-term reduction targets (2030) on scope 3 so that they are compatible with limiting global warming to 1.5°C, in accordance with the Paris Agreement signed at COP 21 in 2015;
- commit to achieving carbon neutrality by 2050.

SMCP thus undertakes to reduce its absolute greenhouse gas (GHG) emissions by:

- -50% on scopes 1 and 2 (market-based[2]) of the GHG Protocol;
- -42.5% on scope 3 of the GHG Protocol for "non-FLAG" emissions related to the production and transportation of products;
- -30.3% on scope 3 of the GHG Protocol for "FLAG" emissions related to the production and transportation of products.

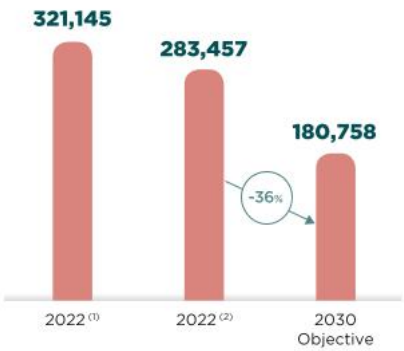
Overall, the Group's absolute GHG emissions reduction target is -36% for scopes 1, 2 and 3.

To monitor its carbon trajectory, the Group implements annual action plans and has set itself specific interim objectives. By 2025, the objective is to achieve a 14.5% reduction in emissions compared to 2022.

SMCP has also committed to the SBTi to achieve carbon neutrality by 2050, which requires a 90% reduction in GHG emissions. In 2025, the Group will submit its action plan to the SBTi to achieve this objective, which will require the use of new technologies to drive additional decarbonisation levers.

In accordance with the SBTi methodology, the SMCP GHG emission reduction target by 2030 only takes into account the most significant Scope 3 emission items when calculating the base year emissions. Policies to reduce the carbon footprint therefore cover scope 1 and scope 2 emissions, and scope 3 emissions related to the production and transportation of products (including packaging) marketed by the Group's brands, representing 88% of total emissions.

Carbon footprint reduction target (tCO_2e)



(1) Total emissions
(2) Emissions included in reduction objectives (Scopes 1 and 2, manufacturing of products, packaging and transport)

These objectives were validated by the SBTi in November 2024 as aligned with the trajectory of 1.5°C, defined as part of the Paris Agreement signed at COP 21 in 2015, to limit global warming to below this threshold.

Stakeholder interests were taken into account when the Group's climate objectives were set, based on discussions with the SBTi, which brings together various international organisations: the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

The climate transition plan was drawn up in consultation with the Group's various departments (Production Department of each brand, Finance Department, Supply Chain Department, CSR Department) and was validated by the Climate Committee and the Board of Directors. It is integrated into the Company's strategy and included in the business plan. The results of the Group's carbon footprint reduction policies are monitored by the Board of Directors' Sustainability Committee, and are presented at the Shareholders' General Meeting and when the financial results are published.

(1) In 2021, the Group had not returned to a normal level of business activity post-Covid.
(2) Market-based: method for calculating GHG emissions related to electricity consumption, reflecting the specific nature of the energy contracts chosen, in particular the purchase of guarantee of origin certificates.

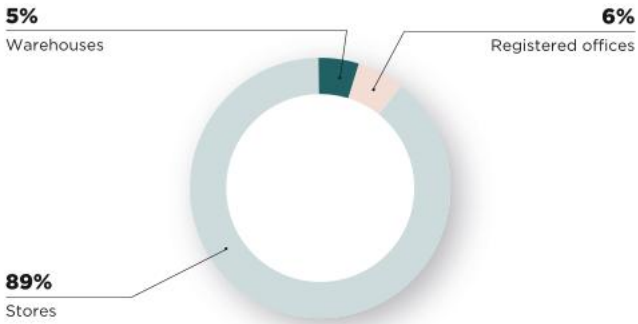
Policies to reduce the carbon footprint mainly cover scope 3 of SMCP's GHG emissions, and are based on three major areas of work:

- improving energy efficiency and switching to renewable electricity at the sites operated by the Group;
- reducing the impact of the marketed products, by working on both the supply of raw materials and the decarbonisation of the energy mix of the most energy-consuming processing steps, while ensuring that production is as accurate as possible to reduce unsold goods;
- reducing the percentage of air freight in the transportation of goods.

Sites operated by the Group

Scope 1 and 2 GHG emissions are mainly related to the energy consumption of SMCP stores, registered offices and warehouses. Electricity accounts for 98% of energy consumption on Group sites. In addition, 89% of energy consumption is linked to the activity of stores, which use electricity for lighting, air conditioning and heating.

Breakdown of energy consumption by type of site



Achievement of the 50% reduction target for scopes 1 and 2 between 2022 and 2030 is based on two main drivers of action:

- reducing the energy consumption of sites, and in particular stores, through the installation of energy-efficient lighting and air conditioning equipment during renovations and openings, and installing consumption monitoring systems to quickly identify any sites which are using too much energy;
- the purchase of electricity with a guarantee of renewable origin, in order to ensure that 100% of the Group's electricity consumption is renewable by 2030.

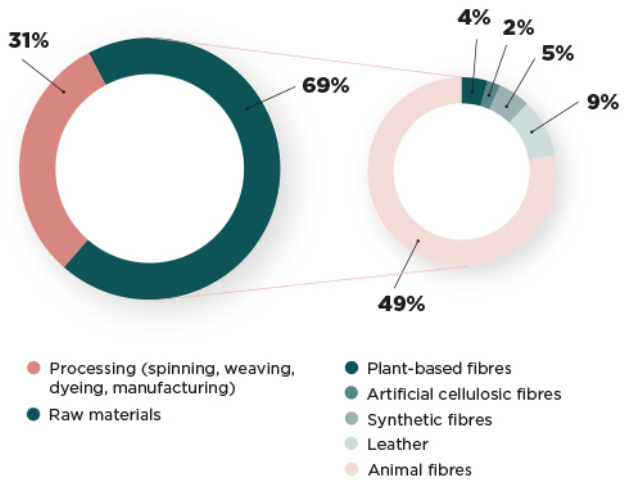
Product manufacturing

GHG emissions related to product manufacturing account for 75% of the Group's emissions. Raw materials are the primary source of emissions, a significant portion of which is linked to the use of fibres of animal origin (wool, cashmere) and leather, which have a larger carbon footprint than plant-based or synthetic materials. Energy consumption during the manufacturing stages and, in particular, during the dyeing phase is the other major source of emissions. The Group's policies therefore focus on these two areas to reduce the scope 3 carbon footprint:

- Raw materials: the objective is to use 100% of certified materials in products by 2030 (organic or recycled cotton, recycled wool and polyester, viscose with a lower environmental impact, etc.). The reduction of GHG emissions from wool makes a decisive contribution to achieving the Group's climate objectives. To do this, a significant proportion of the wool will have to come from recycling, while other sources will need to be in regions of the world where the production of wool produces fewer emissions (including regenerative agriculture practices);
- energy consumed during the industrial processing steps: the Group's brands initially plan to obtain precise information on energy consumption and the type of energy used by the suppliers in charge of spinning and weaving, knitting and dyeing. Reporting enhancements will allow us to refine the calculation of GHG emissions and identify areas for improvement. In phase two, we will work with suppliers to reduce the energy consumption of the most energy-intensive sites, develop the use of renewable energies and ban the use of coal boilers.

In addition to these two main areas of action, reducing the carbon footprint of production also involves measures to reduce the quantities of unsold items (continuous improvement in the allocation of inventories in stores), and developing revenue generated through second-hand, rental and repair services.

Breakdown of GHG emissions from product manufacturing



Freight transportation

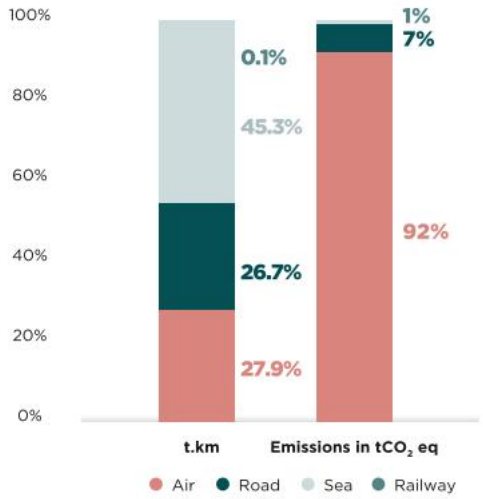
The transportation of goods accounts for 8% of the Group's GHG emissions. 90% of the transport activity corresponds to so-called "BtoB" flows:

- from suppliers to warehouses in Asia, Europe and the United States;
- between warehouses;
- from warehouses to stores.

So-called "BtoC" transport covers e-commerce deliveries available in the countries in which the Group operates.

Air transport accounts for 28% of the volume of transport activity (expressed in tonne-kilometres) and approximately 92% of greenhouse gas emissions from freight. Maritime transport is the Group's most widely used mode of transporting goods. It represents less than 1% of transport-related GHG emissions for 45% of the volume of activity.

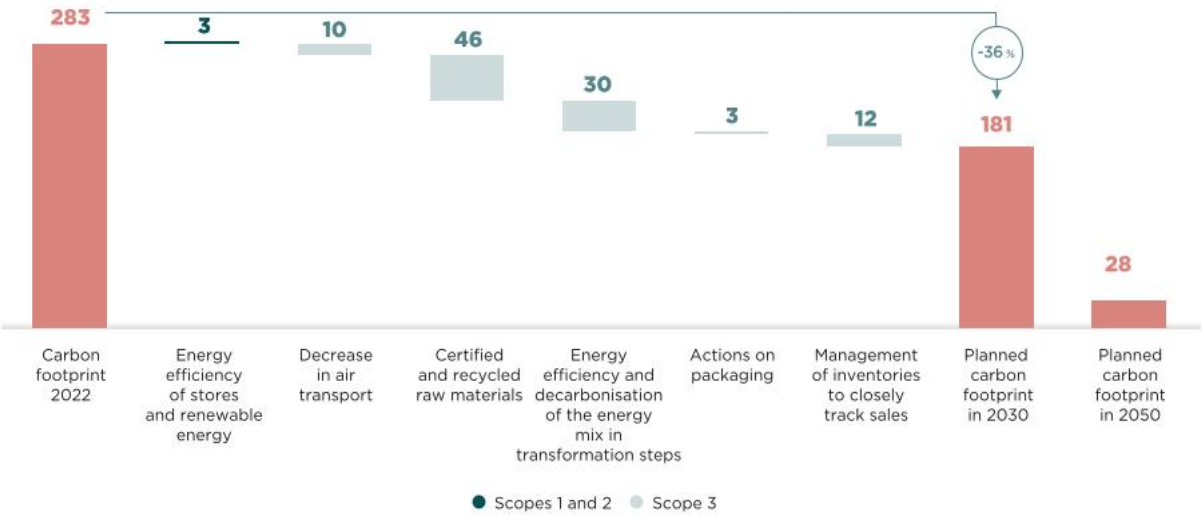
Breakdown of transport-related GHG emissions



The gradual transition from air transport to maritime is therefore one of the priorities for the coming years, in order to reduce the Group's carbon footprint. This policy is based on the overhaul of transport flows (e.g. direct delivery from suppliers in China to warehouses in Asia and the United States, without first going through Europe) and appropriate management of production schedules and inventories.

In summary, the diagram below shows the GHG emission reduction objectives for 2030 and 2050, and the contribution of each decarbonisation lever to achieving the 2030 objective. The reduction trajectory also takes into account the emissions related to the growth of business activity during the period.

SMCP carbon footprint reduction trajectory (K tCO_2eq)



Interactions with the Taxonomy Regulation

Most of the SMCP Group's economic activities are not currently covered by the European Taxonomy Regulation. Eligible turnover only covers second-hand and rental product sales activities considered as contributing to the objective of transitioning to a circular economy.

SMCP's operating expenses (OpEx) eligible for the Taxonomy are not material and are not subject to a specific reporting process. Regarding investments (CapEx), a high proportion is eligible for the Taxonomy on the climate change mitigation criterion. Please note that the Group does not own the buildings that it operates, so therefore, most of the capital expenditure relates to lease agreements and store renovations. In 2024, 97.1% of the Group's CapEx was eligible for the Taxonomy, and 4.3% was aligned with the Taxonomy's climate change mitigation criterion. €8.8 million in capital expenditure is therefore included in aligned expenditure. For more details, see paragraph 3.2.6 "European Taxonomy".

In addition, it is important to remember that the CapEx and OpEx eligible for the European Taxonomy are not representative of the Group's main emissions reduction levers, since they are mainly focused on scopes 1 and 2.

Due to its activity, SMCP is not concerned by investments related to coal, oil or gas-related economic activities.

ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES (E1-3)

In line with the climate change mitigation policies described above, SMCP's carbon footprint reduction actions are grouped here into three main scopes: the sites operated by the Group, product manufacturing and freight transportation.

Sites operated by the Group

Reducing energy consumption involves investing in low-energy LED lighting systems and new air conditioning systems when stores are opened and renovated. We are also rolling out the installation of sensors in storerooms and clocks in the window to ensure that the window lights are switched off in the evening.

In addition, certain stores are subject to environmental certification procedures reflecting the site's good energy performance. In 2024, five new stores were certified: LEED Gold in mainland China and Hong Kong.

In total, 13 of our stores worldwide are now LEED-certified (Leadership in Energy and Environmental Design). The SMCP Group registered offices and the Maje and Claudie Pierlot brands in Paris are HQE (High Environmental Quality) certified, while the SMCP registered office in Shanghai has LEED platinum certification.

The purchase of electricity from renewable sources is another lever for reducing the GHG emissions of the sites operated by SMCP. In 2024, 48% of the Group's electricity consumption was covered by electricity contracts with a guarantee of renewable origin (34% in 2023). 86% of electricity consumption in Europe is covered by this contract type. The next step, planned for 2025, is to develop purchases of electricity from renewable sources in China and the United States.

All of these actions, including store closures, primarily in China, led to an 11% reduction in the Group's energy consumption between 2023 and 2024, and a 28% reduction in GHG emissions related to energy consumption (Scopes 1 and 2). In relation to the 2022 base year, emissions fell by 34%. Some of the CapEx invested to improve the energy efficiency of stores are reported in the Taxonomy under the categories 7.3 "Installation, maintenance and repair of equipment promoting energy efficiency" and 7.7 "Acquisition and ownership of buildings".

Product manufacturing

Each year, there is an increase in the proportion of environmentally-certified materials in SMCP's brand collections. Overall, in 2024, 54% of the materials used by the brands were certified according to one of the standards recognised by the Group[1], representing an increase of 11 points compared to 2023. While not all certifications lead to a reduction in GHG emissions (e.g. RWS wool guaranteeing respect for animal welfare), several of them have a positive impact on reducing the carbon footprint of products: recycled materials (wool, cotton, polyester, viscose), organic cotton, EcoVero viscose®, Tencel, etc.

In addition to this work on materials, actions are carried out to make suppliers aware of the use of renewable energy for manufacturing processes, and to give them more precise information on energy sources. Annual surveys are conducted at the main sites responsible for weaving/knitting or dyeing the brands' clothing. These surveys identify suppliers using a high proportion of renewable energy (solar panels, biomass boilers, etc.) for their manufacturing processes, or who do not use coal. The objective for the coming years is to continue to improve the knowledge suppliers' energy mix, to make the use of renewable energies an important criterion in the selection of dyers and to collect actual consumption data.

All of these actions, coupled with reducing the quantities produced and inventory management measures to reduce the quantities of unsold items, made it possible to reduce GHG emissions related to product manufacturing by 2.4% between 2023 and 2024. The reduction observed is more moderate than the previous year due to an increase in the consumption of animal fibres (wool, cashmere) at Maje. Emissions were down by 21% in this scope compared to the base year 2022. Expenses related to the implementation of these actions correspond mainly to the additional cost of environmentally certified materials, estimated at several million euros for 2024.

(1) See detail of certifications recognised by the Group in paragraph 3.2.5 "Resource use and circular economy".

Freight transportation

The actions carried out aim to reduce the percentage of air transport in the Group's freight transport flows. Considerable progress has been made in recent years in transport between suppliers in Asia and warehouses in France and the United States. For inter-continental flows between warehouses (France – United States and France – China) most journeys are still made by air. A first shipment of products by sea was carried out in 2024 between France and the United States, and it is planned to develop this means of transport on this route in the coming years. With this aim in mind, the Group entered into a partnership with Vela in 2024, a French carrier building a boat capable of crossing the Atlantic in 10 to 15 days with 100% sail propulsion. The first Atlantic crossing is scheduled for 2026 and will transport Sandro and Maje products.

Regarding deliveries to stores from warehouses, alternatives to road transport are starting to appear, particularly in China, where products sold in stores in the Beijing region have been transported by train from Shanghai since 2024. The use of rail transport is expected to grow in China in the coming years.

After a significant decrease in the percentage of air travel between 2022 and 2023, from 37% to 26%, it increased slightly in 2024 to 28%. This change is due to the disruption of global maritime trade due to attacks on ships in the Red Sea, which led to ships no longer passing through the Suez Canal, considerably lengthening the journey time between Asia and Europe. The brands therefore used air transport more in 2024 in order to be able to deliver the collections on time. GHG emissions from transport consequently increased by 13% between 2023 and 2024. Emissions were down by 5% compared to the base year 2022.

MAIN DECARBONISATION LEVERS AND THE GROUP'S LEVEL OF PROGRESS TOWARDS ITS GHG EMISSIONS REDUCTION TARGETS

	Main decarbonisation levers	2022 emissions (tCO_2e)	2023 emissions (tCO_2e)	2024 emissions (tCO_2e)	% reduction 2022-2024	2022-2030 reduction targets
Scopes 1 and 2 (market based) Sites operated by the Group	• Purchase of electricity from renewable energy sources • Reduction of energy consumption in registered offices, stores and warehouses	6,483	5,954	4,273	-34.1%	-50%
Scope 3 Product manufacturing and transport	• Certification of raw materials • Developing recycled raw materials • Reduction of energy consumption and decarbonisation of supplier energy mix • Decrease in the percentage of air transport • Inventory management	276,974	225,567	223,116	-19.4%	-35%
	TOTAL	**283,457**	**231,521**	**227,389**	**-19.8%**	**-36%**

With a 19.8% reduction in its emissions between 2022 and 2024, the Group is in line with its SBTi reduction trajectory targeting -36% by 2030.

CLIMATE CHANGE-RELATED METRICS

Details of the metric calculation method are available in paragraph 3.5.1 "Methodological note on data reporting" in the appendix.

Energy consumption and mix (E1-5)

Energy consumption and energy mix	2022	2023	2024
Fuel consumption from coal and coal products *(MWh)*	0	0	0
Fuel consumption from crude oil and petroleum products *(in MWh)*	0	0	0
Fuel consumption from natural gas *(in MWh)*	499	359	340
Fuel consumption from other fossil sources *(in MWh)*	0	0	0
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources *(in MWh)*	7,136	7,247	5,135
Total fossil energy consumption (in MWh)	7,635	7,606	5,475
***Percentage of fossil sources in total energy consumption** (in %)*	**37%**	**37%**	**30%**
Consumption from nuclear sources (in MWh)	*1,921*	*1,694*	1,309
***Percentage of consumption from nuclear sources in total energy consumption** (in %)*	**9%**	**8%**	**7%**
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) *(in MWh)*	0	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources *(in MWh)*	11,118	11,428	11,692
The consumption of self-generated non-fuel renewable energy *(in MWh)*	0	0	0
Total renewable energy consumption (in MWh)	*11,118*	*11,428*	*11,692*
***Percentage of renewable sources in total energy consumption** (in %)*	***54%***	***55%***	***63%***
TOTAL ENERGY CONSUMPTION *(IN MWH)*	**20,674**	**20,728**	**18,476**

The energy consumption of the sites operated by SMCP fell by 11% between 2023 and 2024. In 2024, electricity represented 98% of the energy consumed by the Group. 63% of the energy consumed in 2024 is electricity from renewable sources, acquired either through renewable electricity contracts or by accounting for the share of renewable energy in the electricity mix in the countries in which the Group operates.

ENERGY INTENSITY BASED ON NET REVENUE

SMCP's activity is classified among sectors with a high climate impact (wholesale and retail trade). The Group's energy intensity in 2024 was 15.2 MWh per million euros of net revenue, down by 9.5% compared to 2023. The net revenue used for the calculation is available in paragraph 5.2.1 "Key figures from the income statement".

	2023	2024	2023/2024 change
Energy intensity per million euros of net revenue	16.8	15.2	-9.5%

Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)

	Historical data				Milestones and target years	
	2022 (base year)	2023	2024	Change 2023/2024	2030	Change 2022/2024
Scope 1 GHG emissions						
Gross Scope 1 GHG emissions *(tCO_2e)*	433	497	401	-19%	-	-
Percentage of scope 1 GHG emissions resulting from regulated emission trading schemes *(in %)*	0	0	0	-	-	-
Scope 2 GHG emissions						
Gross scope 2 GHG emissions *(tCO_2e)* market based	6,050	5,457	3,871	-29%	3,025	-36%
Gross scope 2 GHG emissions *(tCO_2e)* location based	6,255	6,016	7,174	-22%	-	-
Scope 3 GHG emissions						
Gross total indirect GHG emissions (scope 3) (tCO_2e)	*314,662*	*271,418*	265,285	-2%	-	-
1. Goods and services purchased[1]	265,187	218,916	215,609	-2%	178,132	-19%
2. Investment property	3,533	9,168	6,948	-24%	-	-
3. Activities in the fuel and energy sectors (not included in scopes 1 and 2)	1,168	1,206	1,244	3%	-	-
4. Upstream transportation and distribution	22,046	18,445	20,865	13%	15,170	-5%
5. Waste produced during operations	3,822	3,675	4,104	12%	-	-
6. Business travel	355	1,791	1,326	-26%	-	-
7. Employee commuting	5,430	5,514	4,328	-22%	-	-
8. Upstream leased assets	N/A	N/A	N/A	-	-	-
9. Downstream shipping	5,381	4,928	5,105	4%	-	-
10. Processing of products sold	N/A	N/A	N/A	-	-	-
11. Use of products sold	7,015	7,026	5,042	-28%	-	-
12. End-of-life processing of products sold	724	749	714		-	-
13. Downstream leased assets	N/A	N/A	N/A	-	-	-
14. Franchises	N/A	N/A	N/A	-	-	-
15. Capital expenditure	N/A	N/A	N/A	-	-	-
Total GHG emissions						
Total GHG emissions *(tCO_2e)* market based	321,145	277,372	269,558	-3%		
Total GHG emissions *(tCO_2e)* location based	321,349	277,931	270,404	-3%	-	
GHG emissions included in the SBTi reduction pathway						
Scopes 1 and 2 (market-based), Scope 3 – manufacturing and transport of products and packaging – *(tCO_2e)*	283,457	231,521	227,389	-1.8%	180,758	-19.8%

The above table details SMCP's annual carbon footprint from its base year, following the GHG Protocol methodology for calculating and classifying greenhouse gas emissions.

The emissions counted in the Group's reduction trajectory fell by 1.8% between 2023 and 2024, and are down by 19.8% compared to the base year (2022).

The Group did not identify any biogenic emissions in 2024.

(1) Emissions related to the manufacture of products and packaging taken into account in the Group's reduction trajectory are included in the item "emissions from purchased goods and services".

GHG INTENSITY BASED ON NET REVENUE

	2022	2023	2024
Intensity in tCO_2e/€m	266.3	225.3	222.4

MONITORING OF GHG EMISSIONS AS DEFINED AS PART OF THE SBTI TRAJECTORY

	2022	2023	2024	% 2024/2022	2030 objective
Scopes 1 + 2 market-based	6,483	5,954	4,273	-34.1%	-50%
Scope 3 "FLAG" (Forest Land Use and Agriculture): emissions related to product manufacturing and transportation	170,323	132,039	133,035	-21.9%	-30.30%
Scope 3: other emissions related to product manufacturing and transportation	106,651	93,528	90,081	-15.5%	-42.50%
TOTAL	**283,457**	**231,521**	**227,389**	**-19.8%**	**-36%**

The carbon intensity of the Group's activity in 2024 was 222 metric tons of GHG per million euros of revenue. The net revenue used for the calculation is available in Section 5.2.1 "Key figures from the income statement".

The Group has not developed any GHG removal and mitigation projects financed through carbon credits (E1-7) or internal carbon pricing schemes (E1-8), and therefore the disclosure requirements for these topics are not applicable to SMCP. Regarding the requirements related to the expected financial impacts (R1-9) in line with the Regulation, the Group will publish the requested qualitative information next year.

3.2.2 Pollution [E2]

POLLUTION-RELATED MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IRO-1)

Material ESG matters	Relevant scope	Impacts	Risks/opportunities	Impact, risk and opportunity management policies and actions
Pollution of air, water and soil	Upstream and downstream value chains	• Negative impact: emissions and discharges of polluting substances into water, air and soil during the product manufacturing stages, and discharges of plastic microfibres into water when washing synthetic fibre clothing • Negative impact: environmental pollution surrounding processing plants (e.g. dyeing factories) that can affect the health of local communities	Non-material	• Quantitative analysis of the impacts of pollution generated by the Group's business activity • Developing supplier environmental audits • Group membership of the Leather Working Group (LWG) initiative working to improve the environmental performance of tanneries • Reduction of pollution in water, air and soil *via* the policies implemented to increase the proportion of certified materials (see ESRS E5) and decarbonise the energy consumption of suppliers (see ESRS E1)

POLICIES (E2-1) AND OBJECTIVES (E2-3) RELATED TO POLLUTION

The analysis of the impacts of SMCP's activities on pollution is presented in paragraph 3.1.4 "Impact, risk and opportunity management" of the sustainability report, and highlights the fact that the production of raw materials of animal origin (wool and leather) is the main source of polluting emissions released into the environment for most of the impacts studied. Textile processing primarily has impacts on the eutrophication of freshwater and the formation of ozone. Finally, plastic microfibres are emitted in large quantities when washing synthetic clothes.

Pollution policies are based on three topics:

- pollution prevention and reduction;
- eliminating the use of substances of very high concern and reducing the use of substances of concern;
- the implementation of alert and control systems.

These policies are directly linked to those put in place to increase the proportion of certified materials (see paragraph 3.2.5 "Resource use and circular economy (E5)") and to decarbonise the energy consumption of suppliers (see paragraph 3.2.1 "Climate change (E1)").

The objective of achieving 100% of materials certified according to benchmark environmental standards by 2030 helps to address many environmental challenges for the Group, including that of pollution.

Pollution prevention and reduction

All Group suppliers are required to apply the principles of the Code of Conduct, which includes a section on compliance with pollution regulations and the implementation of proactive policies in this area. The strategy pursued to develop the use of materials certified according to benchmark environmental standards (see paragraph 3.2.5 "Resource use and circular economy (E5)") has beneficial effects on the reduction of many types of pollution.

For example, recycled materials can reduce pollution in water, air and soil by around 90%. Organic cotton or EcoVero® viscose can significantly reduce ecotoxicity. An environmental management system that goes beyond the regulatory framework is also required for all processing sites (spinning mills, weavers, dyeing plants, etc.) working on Global Organic Textile Standard (GOTS) and Global Recycled Standard (GRS) certified materials.

The Group's brands also aim to use only leather from Leather Working Group/LWG-certified tanneries. The LWG audit standards include specific sections on effluent management, air emissions and chemical management.

Lastly, the decarbonisation of the supplier energy mix, which is one of the main levers of SMCP's climate transition plan, leads to reductions in fine particulate matter and ozone emissions. Regarding emissions of plastic microfibres when washing synthetic clothing, the Group currently has no policies in place to address this issue.

Substances of concern (E2-5)

The Group is working to reduce the use of substances of concern and very high concern during product manufacturing *via* the purchase of certified materials whose standards require manufacturing plants to comply with the list of prohibited substances due to their impact on health or the environment. The GOTS certification for organic cotton has its own list of prohibited substances, and the GRS and LWG certifications apply the Manufacturing Restricted Substances List - MRSL created by the Zero Discharge of Hazardous Chemicals (ZDHC) initiative.

Tests are also carried out on the marketed products to ensure that they do not contain substances of very high concern mentioned in the European REACH Regulation. More information on the control system is available in paragraph 3.3.3 "Consumers (S4)".

Alert and control system

As a member of the LWG, the Group is covered by an alert system in the event of non-compliance of tanneries with local environmental regulations. Environmental audits will also be launched from 2025 to check compliance with pollution prevention standards at the most at-risk sites (dyeing plants without a certified environmental management system).

ACTIONS AND RESOURCES RELATED TO POLLUTION (E2-2)

The share of certified materials increased from 43% to 54% between 2023 and 2024. This increase contributes to the reduction of pollution generated by the Group's business activity (see paragraph 3.2.5 "Resource use and circular economy (E5)" for more details on certified materials).

In addition, in 2024, 87% of leather came from LWG-certified Gold or Silver tanneries, 29% of cotton was GOTS-certified and 15% of materials were GRS-certified. These three standards guarantee compliance with strict standards for polluting emissions during the processing stages of raw materials.

The financial resources allocated to pollution reduction policies mainly consist of purchases of certified materials. These costs are presented in paragraph 3.2.5 "Resource use and circular economy (E5)".

METRICS RELATED TO POLLUTION

The SMCP Group does not own or operate industrial sites. The ESRS E2 metrics relating to pollution of air, water and soil (E2-4) are therefore not applicable. The products marketed by the Group do not contain substances of very high concern within the meaning of the thresholds defined by the REACH Regulation. The Group does not have data to assess quantities of substances of concern potentially present in its products.

The metrics presented in paragraph 3.2.5 "Resource use and circular economy (E5)" allow the Group to monitor its progress in reducing pollution and substances of concern.

Microplastics emissions

As presented in the analysis of the pollution generated by the Group's activity, microplastics are released into the environment during the manufacture of synthetic fibre products and when customers wash these products.

Based on the research and methodology developed by the Plastic Footprint Network, microplastic discharges caused by SMCP's activity were estimated at 1.2 metric tonnes in 2024. 63% of these discharges occur during product washing.

3.2.3 Water and marine resources [E3]

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO WATER AND MARINE RESOURCES (IRO-1)

Material ESG matters	Relevant scope	Impacts	Risks/opportunities	Impact, risk and opportunity management policies and actions
Water consumption	Upstream value chain	• Negative impact: water consumption in areas subject to water stress during product manufacturing	Non-material	• Calculation of the Group's water footprint • Developing the use of certified and recycled materials whose production requires lower water consumption • Increased use of processing methods requiring less water (dyeing, washing) and LWG-certified tanneries

POLICIES (E3-1) AND OBJECTIVES (E3-3) RELATED TO WATER RESOURCES

SMCP aims to reduce the water consumption related to the manufacture of its products by 30% between 2022 and 2030, which is the most water-intensive item related to the Group's activity (see water footprint in paragraph 3.1.4.1 "Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)"). The Group's policies in this area are based on three priority areas.

Improve the accuracy of water reporting

The water consumption required for the production of raw materials and their processing is currently based on estimates from scientific studies. In order to better manage its water consumption and the effects of the action plans put in place to reduce it, the Group wants its reporting to be based on a sample of actual water consumption data collected at certain key processing steps such as dyeing or tanning (tiers 2 or 3).

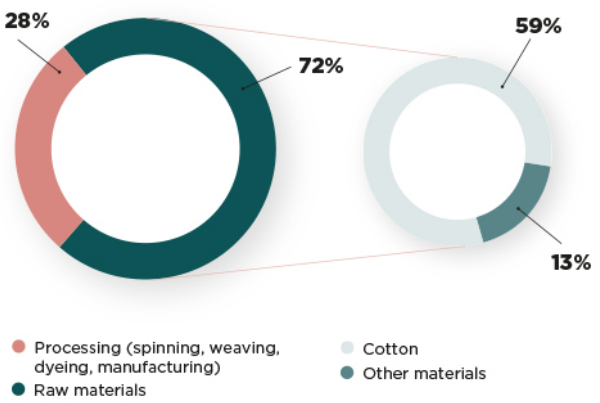
Thanks to the work carried out on traceability (see paragraph 3.4.4 "Traceability"), the Group also has increasingly detailed knowledge of the geographical location of suppliers in its supply chain and the areas in which raw materials are produced. This information makes it possible to identify areas of water stress at the various stages of production, and will ultimately lead to the implementation of targeted actions at the local level to reduce water consumption in the areas most at risk.

Using raw materials whose production is less water-intensive

The Group's brands aim to develop the use of certified materials in their collections which require smaller quantities of water to produce. These include recycled materials (cotton, wool, polyester, viscose) and certain brands of artificial fibres (Lyocell, EcoVero®, LivaEco, Tencel, etc.). For example, the use of recycled cotton instead of conventional cotton leads to a 90% reduction in water consumption. The production of EcoVero® viscose requires 50% less water than standard viscose.

Regarding organic cotton, another material favoured by the Group, there is no scientific consensus on whether growing it would consume less water than growing standard cotton. The amount of water needed to grow cotton varies more depending on the country of production and irrigation practices. Improving the traceability of cotton-growing areas is therefore a priority to reduce water consumption linked to the use of this material.

Water consumption related to the manufacture of products



Using more water-efficient processing methods

Alternatives are sought to limit water consumption related to the most water-intensive processing steps (tanning, dyeing, washing).

Tanneries certified according to the Leather Working Group (LWG) standard consume on average between 1.3 (LWG Bronze certification) and 2.7 times (LWG Gold certification) less water than non-certified tanneries. The Group's objective is for 100% of the leather used in its products to come from LWG-certified tanneries by 2030.

Laser or ozone technologies are preferred for denim washing, and can halve the consumption of water and chemical products during this step. New dyeing technologies are beginning to be used by brands such as "dope dyeing" for synthetic fibres, a process that allows the colour to be incorporated directly from the manufacture of the yarn without the need for dyeing baths.

In general, the Group's suppliers are encouraged under its code of conduct (see paragraph 3.4.3 "Management of relationships with suppliers (G1-2)") to preserve water resources.

ACTIONS AND RESOURCES RELATED TO WATER RESOURCES (E3-2)

The use of materials that reduce water consumption in the manufacture of products increased during the year. The proportion of recycled cotton, which contributes significantly to the reduction in water consumption, fell from 5% to 9% between 2023 and 2024 and reached 20% at Maje. Information on this subject is presented in paragraph 3.2.5 "Resource use and circular economy (E5)".

Water consumption related to the manufacture of products decreased by 24% between 2022 and 2024.

The financial resources allocated to the water policy mainly consist of purchases of certified materials. These costs are presented in paragraph 3.2.5 "Resource use and circular economy (E5)".

METRICS RELATED TO THE REDUCTION OF WATER CONSUMPTION (E3-4)

Water consumption related to the Group's own activities is non-material and is therefore not reported.

The Group monitors water consumption in product manufacture as a metric. Details of the metric calculation method are available in paragraph 3.5.1 "Methodological note on data reporting" in the appendix.

	2022	2023	2024	Change 2022/24	2030 objective
Water consumption related to product manufacturing (m^3)	9,912,385	8,319,422	7,554,237	-24%	-30%

3.2.4 Biodiversity and ecosystems [E4]

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO BIODIVERSITY AND ECOSYSTEMS (IRO-1) AND THEIR INTERACTION WITH THE STRATEGY AND BUSINESS MODEL (SBM-3)

Material ESG matters	Relevant scope	Impacts	Risks/opportunities	Impact, risk and opportunity management policies and actions
Protection and restoration of biodiversity and ecosystems	Upstream value chain	• Negative impact: degradation of ecosystem services related to the use of raw materials (change of use of land/seabed/ freshwater areas, direct exploitation of natural resources, climate change, pollution) and their processing (exploitation of natural resources, climate change, pollution)	• Operational risk: drop in cotton crop yields leading to increased costs in the event of a severe degradation of the ecosystem services essential to its production • Regulatory risk: breach of regulations to address deforestation • Reputational risk: customer disaffection for brands that are insufficiently committed to protecting nature	• Measurement of the Group's impacts on biodiversity and ecosystem services essential to its business • Biodiversity strategy built around four pillars: avoid, reduce, regenerate and transform • Avoid: zero deforestation objectives and conversion of natural ecosystems, no use of materials derived from protected wild animal species, identification of suppliers near key biodiversity areas • Reduce: climate and materials strategy (see ESRS E1 and E5) and objective to reduce the use of agricultural land • Regenerate: support for a regenerative wool programme in Uruguay • Transform: participation in sector-specific initiatives and support for nature protection NGOs

BIODIVERSITY AND ECOSYSTEMS TRANSITION PLAN (E4-1) INCLUDING POLICIES (E4-2) AND TARGETS (E4-4)

The preservation of ecosystems and biodiversity is a major focus of the Group's sustainable development strategy. More than 68% of the materials used for the manufacture of products marketed by SMCP brands come from agriculture (cotton, breeding for wool or leather) and forestry (viscose) and depend directly on essential ecosystem services (pollination, genetic resources, regulation of rainfall, retention of sediments in the soil, etc.). The production of the collections also has significant impacts on biodiversity through land use change, the use of natural resources, pollution of the water or air and contribution to climate change. These dependencies and impacts could translate into material risks for the Group in the coming years depending on the level of ecosystem degradation (physical risks) or the level of importance given to the subject by public authorities and civil society (transition risks). The methods used and the results of the risk analysis are presented in paragraph 3.1.4.1 "Description of the processes to identify and assess material impacts, risks and opportunities (IROs)".

In order to meet these challenges, in 2024 SMCP has structured its biodiversity strategy around the following principles:

- make traceability the basic condition necessary for any improvement;
- prioritise material matters, namely the production of raw materials;
- implement the action principles defined by the Science Based Targets Network (SBTN): avoid, reduce, regenerate and transform;
- act both at the local level (identifying suppliers near key biodiversity areas, regenerative wool project in Uruguay) and at the global level (reducing the surface area of agricultural land used, procurement of certified materials, carbon footprint reduction objectives, etc.);
- contribute to achieving the 2030 objectives of the Kunming-Montreal Global Biodiversity Framework, and in particular those aimed at halting the loss of biodiversity, regenerating 30% of degraded spaces or halving the global risk related to pesticides.

After being presented to the Sustainability Committee, the biodiversity strategy was approved by the Group's Board of Directors. Stakeholder interests are taken into account through the inclusion of the Group's strategy in the framework of the SBTN, which brings together NGOs at the international level and the Kunming-Montreal agreements under the aegis of the UN. The Group's strategy also aims to contribute to the European and French strategies[1] on biodiversity. SMCP is also a partner of the NGO Canopy and supports its action to protect forests.

The biodiversity strategy has strong interactions with the Group's climate transition plan. Climate change is one of the main factors of ecosystem degradation, making the reduction of greenhouse gas emissions a major lever for reducing biodiversity loss. In addition, many actions implemented to reduce the Group's carbon footprint (development of recycled materials, decarbonisation of the energy mix of suppliers, etc.) also have positive effects in terms of biodiversity.

A resilience analysis was carried out for 2030 and 2050 based on scenarios defined by the Taskforce on Nature-related Financial Disclosures (TNFD) and based on physical systemic risks and transition risks mentioned in paragraph 3.1.4.1 "Description of the processes to identify and assess material impacts, risks and opportunities (IROs)". Physical risks cover the Group's upstream value chain, while transition risks affect both the upstream and downstream value chains. Risks related to the decline in cotton crop yields can be managed *via* the development of recycled cotton and the diversification of sourcing areas. The policies planned for the protection of biodiversity are also considered sufficient to prevent transition risks related to regulations and consumer expectations. Ultimately, the Group's resilience to the risks of biodiversity loss is deemed satisfactory.

The policies related to biodiversity and ecosystems defined by the SMCP group aim to provide appropriate responses to the material impacts and risks identified and are, as such, strongly focused on procurement methods for the raw materials used in the manufacturing of the Group's products. These guidelines are shared with the Group's suppliers. The traceability of supply chains, right down to the growing and breeding stages, is an essential foundation for their deployment, and dedicated programmes are in place for all of the Group's brands, as described in paragraph 3.4.4 "Traceability" of this report.

The policies are based on the four main action principles defined by the SBTN:

- **avoid** having an negative impact on nature;
- **reduce** unavoidable impacts;
- **restore and regenerate** ecosystems critical to the proper functioning of the planet;
- **transform** underlying systems to address nature's loss drivers.

Avoid

The strategy of avoiding damage to biodiversity and ecosystems is reflected in the following commitments:

- prohibit the use of materials from protected animal species mentioned in the CITES convention and the IUCN Red List. The Group's brands only use animal materials from the food sector (bullocks, calves or lambs for leather) or wool from domestic farms (sheep, mohair, cashmere goat). Furs and leathers of exotic species (pythons, crocodiles, lizards, etc.) are not authorised;
- zero deforestation linked to the supply of at-risk raw materials by 2025. Among the raw materials considered to be at risk in terms of deforestation, SMCP is mainly concerned by wood products (paper, cardboard and viscose) and leather. Achieving this objective requires the use of certifications (FSC in particular for viscose and cardboard) and supplies excluding areas at high risk of deforestation for leather (in particular the Amazon basin unless the tannery is able to prove that the breeding from which the leather is derived has not caused deforestation). The commitments made by the Group to combat deforestation were discussed with the environmental association Canopy;
- zero conversion of natural ecosystems related to operations and supply chains by 2030[2]. Achieving this objective, which is broader than the previous one, requires the use of certifications for raw materials incorporating this dimension of non-conversion of ecosystems (e.g. RWS certification for wool, Regenerative Organic Cotton) and local traceability for materials sourced in high-risk countries;
- identifying sites assessed as at-risk in supply chains due to their proximity to key biodiversity areas, with the aim of reviewing 100% of regular tier 1 (clothing, assembly) and tier 2 (weaving, knitting, dyeing, tannery) suppliers by 2025, and then covering all production steps by 2030. The relevant sites will be investigated to ensure that this risk is properly taken into account by suppliers.

Reduce

Reducing the impacts generated by the Group's activity on ecosystems and biodiversity is the subject of various policies detailed in other parts of the sustainability report, in relation to:

- developing the use of recycled materials (polyester, viscose, wool, cotton, brass, leather) which reduces the use of land for crops and livestock and reduces the use of natural resources (water, wood etc.) while also having positive indirect impacts on the reduction of GHG emissions and pollution. The objective set by the Group is to achieve 30% of recycled materials by 2030 (see paragraph 3.2.5 "Resource use and circular economy (E5)" for more information);

(1) In particular measure 4 of focus area 1: "Act on our imports to reduce our biodiversity footprint abroad".
(2) 2020 is the base year used to determine the conversion of natural ecosystems.

- certify by 2030 of 100% of materials with environmental standards covering issues such as soil management, biodiversity conservation, reduction of water consumption, pollution or GHG emissions, including: GOTS certifications and OCS for cotton, RWS certification for wool, FSC certification for viscose, leather from LWG-certified tanneries, etc. (see paragraph 3.2.5 "Resource use and circular economy (E5)");
- reducing greenhouse gas emissions with objectives validated by the SBTi initiative (see paragraph 3.2.1 "Climate Change (E1)").

In addition to the objectives mentioned above, SMCP made an additional commitment in 2024 to reduce by 5% between 2023 and 2030 the surface area of agricultural land required for its supplies of natural materials (cotton, linen, viscose, leather, wool). This objective goes beyond the minimum threshold set by SBTN (reduction of 0.35% per year).

Regenerate

SMCP aims to financially support regenerative agriculture projects in its supply chains in the coming years that meet the following criteria: soil regeneration, increased biodiversity, eliminating the use of synthetic inputs, improving farmers' livelihoods and improving animal welfare. At the same time, the Group's brands will develop purchases of materials from the supported projects.

Wool, which is the raw material used by the Group with the greatest ecosystem impacts, will be targeted as a priority for the implementation of these projects. An initial pilot will be launched in 2025.

Transform

The transformational component of the strategy aims first and foremost to raise awareness among different audiences (employees, customers) of the interactions between the fashion sector and biodiversity, and to train staff responsible for design and product manufacturing on these issues.

SMCP also wants to collaborate on sector-specific initiatives or working groups to share its knowledge and support greater consideration of biodiversity matters in sector-specific policies or certification guidelines. Therefore, SMCP has been a member of the Leather Working Group since 2023, which has been working on a number of projects including improving traceability in the leather sector to combat deforestation. The Group is also a partner of the NGO Canopy, which fights against deforestation linked to the consumption of packaging (paper, cardboard) and artificial cellulosic fibres (viscose, modal, rayon, etc.).

In view of the qualitative dimension of this pillar of the SBTN, it does not seem relevant to set an objective.

ACTIONS AND RESOURCES RELATED TO BIODIVERSITY AND ECOSYSTEMS (E4-3)

In order to prevent the risks of deforestation related to its supplies, the Group carried out a study to identify the materials and countries with the highest risk. This analysis made it possible to update the General Purchasing Conditions appended to contracts with suppliers with new requirements relating to the FSC certification of viscose and cardboard, and the prohibition of leather procurement from areas at risk of deforestation.

All tier 1 suppliers were also the subject of an analysis (*via* the WWF Risk Filter tool) aiming to identify sites located near key biodiversity areas (see paragraph below "Metrics related to biodiersity and ecosystems (E4-5) – Analysis of the proximity of sites to key biodiversity areas"). This analysis did not reveal any particular risks.

Significant progress in the proportion of certified materials should also be noted and helps to reduce the Group's impacts on ecosystems and biodiversity (see paragraph 3.2.5 "Resource use and circular economy (E5)").

In 2024, SMCP also launched its strategy in favour of regenerative agriculture by committing to an initial four-year project with wool-producing farms in Uruguay. The programme, which is managed by Chargeurs Luxury Fibers, will enable the Group's brands to source Nativa Regen™ certified wool from 2025. Sheep farming practices aim to enrich local biodiversity, to improve soil quality and soil carbon retention while respecting animal welfare and providing additional income to farmers. Scientific partners (Quantis, Uruguay Agricultural Research Organisation) will measure the environmental benefits of these new practices throughout the project using dedicated metrics.

Lastly, SMCP took part in a working group under the aegis of the French Ministry of the Environment to propose actions to be implemented by companies in the fashion sector as part of the national biodiversity strategy[1]. This collective reflection has made it possible to identify levers to make biodiversity an opportunity for companies in the sector, to map risks and to propose ways to reduce pressure on ecosystems. In this context and following the example of the "transform" component of its strategy, the Group was able to share its practices and action plan with the other participants.

The financial resources allocated to the biodiversity policy mainly consist of purchases of certified materials. These costs are presented in paragraph 3.2.5 "Resource use and circular economy (E5)".

(1) National biodiversity strategy 2030, contribution of the textile working group, 2024.

METRICS RELATED TO BIODIVERSITY AND ECOSYSTEMS (E4-5)

In order to monitor its impacts and the progress of its biodiversity policies, the Group has voluntarily defined the metrics and objectives presented here. Details of the metric calculation method are available in paragraph 3.5.1 "Methodological note on data reporting" in the appendix.

Other metrics to monitor the progress of policies contributing to the Group's biodiversity strategy are presented in paragraphs 3.2.1 "Climate change (E1)" (greenhouse gas emissions), 3.2.3 "Water and marine resources (E3)" (water consumption related to the manufacture of products) and 3.2.5 "Resource use and circular economy (E5)" (% of certified materials, % of recycled materials) of the sustainability report.

Analysis of the proximity of sites to key biodiversity areas:

Key Biodiversity Areas are areas that are essential to the global protection of biodiversity. They play a significant role as home to threatened species and geographically restricted species, their ecological integrity, the biological processes they support, and their irreplaceability. The Group has used the WWF's Risk Filter tool to analyse the proximity of the sites it operates to these key biodiversity areas.

	2024	Objective
Sites studied	100% of directly operated sites and tier-one suppliers (production)	2025: 100% of direct fabric suppliers (tier 2, cut-and-sew products) 2030: 100% of indirect strategic suppliers[1] (spinning, dyeing, weaving, production of raw materials)
Percentage of sites with a high or very high risk level	0%	Risk management by the relevant sites

The analysis shows that the sites operated by SMCP and those operated by its tier-one suppliers do not present a high risk of impacts in key biodiversity areas.

Agricultural area used for the Group's supplies of natural materials

2023	2024	2024/2023	2030 objective
7,988 hectares	7,748 hectares	-3%	-5%

The agricultural area used for the production of natural raw materials used in the manufacture of products decreased by 3% between 2023 and 2024.

(1) Suppliers involved in manufacturing high-volume products, for several seasons.

3.2.5 Resource use and circular economy

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY (IRO-1)

Material ESG matters	Relevant scope	Impacts	Risks/opportunities	Impact, risk and opportunity management policies and actions
Material consumption	Upstream value chain	• Negative impact: use of virgin raw materials leading to the depletion of natural resources (natural fibres) or non-renewable sources (synthetic fibres). Various environmental impacts related to raw materials mentioned in ESRS E1, E2, E3 and E4	• Operational risk: increased costs related to the purchase of certified materials • Regulatory risk: regulations introducing a system of bonuses and penalties on products according to their eco-design credentials • Reputational risk: customer disaffection for brands that are insufficiently committed to the eco-design of products or deemed responsible for excessive production, leading to a decline in revenue	• Adjust production to demand to reduce unsold items • Certify materials with benchmark environmental labels with a particular focus on recycled materials • FSC or PEFC certification of paper/cardboard packaging
End of product life	Own operations and downstream value chain	• Negative impact: low collection rate of end-of-life products meaning that these products are sent to inappropriate waste treatment channels. Poor recyclability of products	Non-material	• Zero destruction of unsold items and implementation of repair/recycling solutions for defective products
Circular services (repairs, rental, second-hand)	Own operations and downstream value chain	• Positive impact: extension of product life and reduction in the use of raw materials	• Reputational risk: shifting of brand customers to the purchase of second-hand products on CtoC platforms • Financial opportunity: development of additional revenue through second-hand services, rental and repair. Customer loyalty and recruitment thanks to these new services	• Development of second-hand, rental and repair services offered by the Group's brands

POLICIES (E5-1) AND OBJECTIVES (E5-3) RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The policies implemented in terms of resource use and circular economy are structured around three focus areas covering each stage of the product life cycle and the Group's entire value chain: manufacture, use and end of life.

Reduce the consumption of virgin materials and opt for certified materials during manufacturing

Reducing the consumption of materials consists first and foremost in adjusting the production of products to demand in order to limit the quantities of unsold items. This involves allocating the right quantities of products to points of sale and centralising inventories. The use of recycled materials in products is also a priority area of eco-design to reduce all of the Group's environmental impacts (CO_2 emissions, water consumption, pollution, biodiversity, land use, etc.).

In addition to recycled materials, SMCP's brands also opt for a selection of materials with a lower environmental impact. This selection of materials is based on independent labels whose environmental benefits are established on the basis of factual and public data. These criteria are shared with all suppliers each season.

The materials with the lowest environmental impact recognised by the Group are:

- organic cotton certified by the Global Organic Textile Standard (GOTS) or Organic Content Standard (OCS) labels;
- recycled materials (polyester, nylon, wool, viscose, cotton, leather etc.) certified by the Global Recycled Standard (GRS) or Recycled Claim Standard (RCS) labels;
- sheep, alpaca or angora goat wool (mohair) certified by labels which protect ecosystems and animal well-being: Responsible Wool Standard (RWS) for sheep's wool, Responsible Mohair Standard (RMS) for mohair and Responsible Alpaca Standard (RAS) for alpaca wool;
- Forest Stewardship Council (FSC)-certified viscose guaranteeing wood supplies from sustainably managed forests and specific viscose (e.g. EcoVero™, Livaeco) brands, which in addition to being FSC-certified also guarantee a more environmentally-friendly manufacturing process (significant reduction in water and energy consumption and in chemical use);
- European linen certified by the European Flax or Master of Linen labels;
- leather from tanneries certified by the Leather Working Group (LWG) label at Silver or Gold level. These tanneries meet industry best practices in terms of water and energy consumption and the use of chemicals.

The objective is to achieve 100% of certified materials in products (ready-to-wear and accessories) including 30% of recycled materials by 2030.

With regard to packaging, the Group's guidelines also favour the use of recycled and certified materials (FSC or PEFC for paper and cardboard in particular). The Group's commitments in terms of paper and cardboard packaging are reflected in the Group's CanopyStyle and Pack4Good policy, signed in the framework of its collaboration with the NGO Canopy.

The objective is for 100% of paper and cardboard packaging (logistics and e-commerce boxes, labels, tissue paper, check-out bags and shoe boxes) to be made from recycled or certified materials by 2026.

Extend product life

Extending the life of the products marketed by the Group also helps to reduce the consumption of natural resources.

This approach is firstly implemented through quality policies within the brands which define test protocols to be followed before the products are marketed (abrasion resistance tests, resistance to dyeing, etc.). The Group's brands are also participating in the DURHABI project, managed by the French Textile and Clothing Institute (*Institut français du textile et de l'habillement* – IFTH), which aims to standardise the assessment of the physical sustainability of fashion textile products on a global scale.

In addition, since 2021 SMCP has been developing second-hand, rental and repair services that ultimately increase the useful life of products. The emergence of these new activities is also a useful source of information to analyse the causes of product wear and repair difficulties in order to learn from them and improve the design of the collections.

The Group intends to continue to develop these circular services in all its brands and its major markets over the next few

Responsible end-of-life management

The SMCP group prohibits the destruction of unsold goods anywhere in the world. These are sold in outlets or private sales or donated to charity.

With regard to defective products, the first-line policy is to repair the products when possible and put them back on sale. For non-repairable products that cannot be reused, local recycling solutions should be implemented.

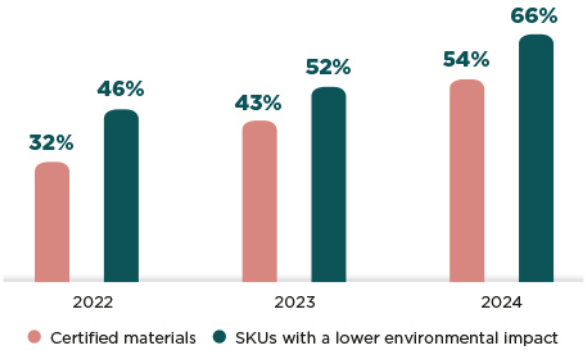
SMCP complies with local regulations working to improve the collection and recycling of used textiles and in France it makes an annual contribution to the eco-organisation Refashion to fund the recycling of clothing, household linen and shoes. The development of extended producer responsibility (EPR) channels of this type is planned in other European countries in the coming years.

ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY (E5-2)

Use of recycled and certified materials

The use of recycled and certified materials in products has continued to grow, increasing from 43% of materials consumed in 2023 to 54% in 2024. 66% of the SKUs in the 2024 collections are made up of at least 50% of certified materials, and this is communicated to customers from the 50% threshold (labels on products, mention on online product sheets).

Change in the percentage of certified materials and in the percentage of SKUs with a lower environmental impact



Recycled materials accounted for 16% of the materials used by the Group in 2024. For Maje and Claudie Pierlot, this rate is more than 20%. More than 50% of the polyester used is made from recycled materials. The integration of recycled materials into natural fibres is a greater challenge than for synthetic materials, due to a potential deterioration in product durability. Recent technological improvements have enabled the Group's brands to increase the proportion of recycled content in natural materials while maintaining their quality standards. By way of example, Sandro used 10% recycled wool in 2024, Maje used 20% recycled cotton and Claudie Pierlot used 30% recycled cashmere.

Regarding other certifications, 51% of the wool used by the Group is RWS or organic certified, 55% of the cotton is organic certified, 52% of the viscose is FSC certified and 87% of the leather comes from LWG Gold or Silver certified tanneries. The brands exceed the Group average for certain materials such as Sandro, which uses 61% RWS or recycled wool, Maje 62% recycled polyester, Claudie Pierlot 87% organic cotton and Fursac 100% leather from LWG Gold or Silver certified tanneries.

Costs related to the purchase of certified materials are estimated at several million euros for 2024.

PERCENTAGE OF CERTIFIED MATERIALS BY TYPE OF MATERIAL

	2024
Organic cotton	55%
Recycled cotton	9%
Total certified cotton	65%
RWS and organic wool	51%
Recycled wool	9%
Total certified wool	59%
Viscose FSC	52%
Leather from LWG Gold and Silver tanneries	87%
Recycled polyester	53%

With regard to packaging, 96% of the cardboard used by the Group is FSC-certified, a standard that guarantees the use of raw materials from sustainably managed forests. Moreover, the percentage of recycled materials in check-out bags has reached an average of 26%, and 100% for tissue paper. In 2024, the Group signed a new contract to use GRS-certified recycled polyester for all plastic film which protects products during transport.

To reduce the quantities of packaging generated by e-commerce, several initiatives have been put in place by the Group's brands: in Europe, Hipli reusable envelopes are offered to customers of the Sandro and Maje second-hand sites, and Claudie Pierlot and Fursac use paper envelopes instead of boxes for certain product shipments. At Maje, all rental products are shipped and returned in reusable bags. In the United States, small e-commerce shipments are made with biosourced and biodegradable plastic envelopes.

Second-hand, rental and repair

Following the launch in 2021 in France of second-hand at Sandro and rental at Maje, the circular services offered by the Group's brands have undergone constant development.

- **second-hand**: Sandro, Maje and Claudie Pierlot have an online second-hand purchase and resale service in France, which was launched by Claudie Pierlot in 2024. Customers are invited to return their products in exchange for vouchers that can be used in-store or online for new or second-hand products. All products are authenticated and cleaned by partners before being put back on sale on the brands' dedicated websites. Since 2024, second-hand pieces have also been available in a selection of Sandro, Maje and Claudie Pierlot stores in France. Sandro also has a second-hand offer available in seven European countries (Germany, Spain, Portugal, the Netherlands, Belgium, Luxembourg and Austria);
- **rental**: the rental service launched by Maje in France has also been available in the United States since 2023. Maje and Sandro products are also available for rental in the United States on the Rent the Runway leading market site. Since 2024, Fursac has been offering suit rental in France on the website of its partner Une Robe Un Soir;
- **repairs:** In 2024, Maje and Sandro launched a new repair service in France for customers. Requests for repairs can be made online or directly in a selection of stores.

Additional information on the alignment of second-hand and rental activities with the European Taxonomy eligibility and alignment criteria is available in paragraph 3.2.6 "Information on the European Taxonomy".

Product donation and recycling

In 2024, items were donated to various non-profit associations (la Cravate Solidaire, Apprentis d'Auteuil, Secours Populaire, etc.) or fashion schools.

Defective products that could not be repaired were sent to recycling channels.

METRICS RELATED TO RESOURCE USE AND THE CIRCULAR ECONOMY (E5-4/E5-5)

Incoming resources (E5-4)

Details of the metric calculation method are available in paragraph 3.5.1 "Methodological note on data reporting" in the appendix.

Materials used in the manufacture of products

	2023	2024
Total weight (tonnes)	5,447	5,151
Weight of recycled materials (tonnes)	810	818
Percentage of recycled materials	15%	16%
Percentage of natural materials	64%	68%
Percentage of certified natural materials	50%	62%

	2023	2024	2030 target
Percentage of certified materials used in the manufacture of products	43%	54%	100%

The certifications recognised by SMCP are:

- organic cotton certified according to the Global Organic Textile Standard (GOTS) or Organic Content Standard (OCS);
- recycled materials (polyester, nylon, wool, viscose, cotton, leather, etc.) certified according to the Global Recycled Standard (GRS) or Recycled Claim Standard (RCS);
- sheep, alpaca or angora goat wool (mohair) with certification standards which protect ecosystems and animal well-being: Responsible Wool Standard (RWS) for sheep's wool, Responsible Mohair Standard (RMS) for mohair and Responsible Alpaca Standard (RAS) for alpaca wool;
- FSC-certified viscose guaranteeing procurement of wood from sustainably managed forests as well as certain viscose brands with a lower environmental impact (*e.g.* EcoVero ™, Livaeco);
- European linen certified by the European Flax or Master of Linen labels;
- leather from tanneries certified by the Leather Working Group (LWG) label at Silver or Gold level.

Between 2023 and 2024, the proportion of certified (natural and synthetic) materials used in the manufacture of products increased from 43% to 54%. 68% of the materials used in the products are of natural origin (cotton, linen, wool, cashmere, wood cellulose, leather). Polyester is the synthetic material most used by the Group.

Materials used in the manufacture of packaging

	2024
Total weight *(tonnes)*	2,361
Weight of recycled materials *(tonnes)*	1,404
Percentage of certified materials	90%
Percentage of recycled/reused materials	59%
Percentage of natural materials	96%
Percentage of certified natural materials	93%

	2024	2026 target
Percentage of FSC-certified or recycled paper and cardboard packaging	96%	100%

The certifications recognised by SMCP are:

- FSC or PEFC certified paper and cardboard
- recycled materials according to GRS and RCS standards
- plastic that is certified as domestic compost.

96% of the packaging used by SMCP is made from natural materials (cardboard boxes, wooden pallets, cotton covers). Plastic materials are used in protective films for products during transport and in delivery envelopes used in North America for e-commerce. The pallets used by logistics are reused, and a significant proportion of cardboard boxes and check-out bags comprise recycled materials.

Resource outflows (E5-5)

There are no official benchmark definitions for the expected durability, recyclability and reparability of textile products. The products offered for sale by the Group are designed to be worn numerous times in accordance with the care instructions specific to each material. All the parts sold can be recycled in some way (*e.g.* fraying to make insulation) although, like the market as a whole, a negligible share can be recycled in a closed loop to make new clothes. The Group does not have information enabling it to determine whether the end of life of its products differs from the average for clothing and fashion accessories sold in the countries in which it operates. All sold products can be repaired if the damage caused by the user of the product is not excessive.

In addition, all of the packaging used by the Group is recyclable.

3.2.6 Information on the European Taxonomy

INTRODUCTION TO EUROPEAN TAXONOMY

With the aim of directing financial investments towards sustainable projects and activities while pursuing the target of carbon neutrality by 2050, in 2020 the European Commission established the Taxonomy Regulation (Regulation (EU) 2020/852).

This Section is prepared by the SMCP Group in accordance with Regulation (EU) 2020/852 of June 18, 2020 (known as the "Green Taxonomy" Regulation) and Delegated Regulations (EU) 2021/2139 and (EU) 2021/2178 together with the Climate DR (2023/2485) and the Environmental DR (2023/2486) aimed at promoting environmentally sustainable investment.

The aim of the Green Taxonomy is to identify economic activities that meet at least one of the following six environmental targets:

- climate change mitigation (CCM);
- climate change adaptation (CCA);
- sustainable use and protection of water and marine resources (WTR);
- the transition to a circular economy (CE);
- pollution prevention and control (PPC);
- protection and restoration of biodiversity and ecosystems (BIO).

In accordance with the Regulation, for the financial year ended December 31, 2024, SMCP discloses the proportion of its revenue, Capex and Opex that are eligible and aligned with the Taxonomy with regard to the six environmental targets.

Turnover, capital expenditure and operating expenses that fall within this reporting scope cover all of the Group's activities and are aligned with the scope of consolidation of the financial statements for 2024.

ASSESSMENT OF ELIGIBLE ACTIVITIES

The majority of the Group's activities (99.5%) namely the sale of ready-to-wear, accessories and footwear are not eligible for the European Taxonomy.

The European Union has defined the activities that could be eligible for the Taxonomy. The relevant activities for SMCP Group include:

- CE 5.1 – Repairs, refurbishment and reconditioning related to repairs;
- CE 5.4 - Sale of second-hand goods;
- CE 5.5 – Product-as-a-Service and other circular usage-driven service models;
- CCM 7.3 – Installation, maintenance and repair of equipment promoting energy efficiency;
- CCM 7.7 – Acquisition and ownership of buildings.

Eligible turnover

In 2024, the SMCP Group's eligible revenue was 5.9 million euros, up 55% compared to 2023. This increase is explained by the development of services which promote the circular economy (see paragraph "Actions and resources related to resource use and circular economy (E5-2)").

It covers the sale of second-hand products operated by the Sandro and Maje brands in Europe, and the rental of products operated by these same brands, directly or through partners in Europe and the United States. It also covers repair activities operated in France for Maje and Sandro.

Partners are companies that provide the operational part of second-hand and rental services for the Group's brands.

These three activities contribute to the Taxonomy's circular economy target.

As mentioned above, the majority of the Group's business activities are not included in the delegated regulations, and 99.5% of the Group's total turnover is not eligible for the Taxonomy.

Eligible Capex

"Taxonomy eligible Capex" represents 97.1% of SMCP's "Total Taxonomy Capex", compared with 95.8% in 2023. This change is explained by the greater weighting of leasehold rights category in Capex in 2024 in comparison to 2023.

The Group does not own the buildings it operates, and the relevant Capex corresponds to new store lease agreements (IFRS 16) and investments related to the development of buildings to promote energy efficiency. 34 leases were newly signed or renewed in 2024, while more than 80 stores were involved in energy efficiency improvement work (switch from LED lighting, change of windows, change of air conditioning system, etc.).

These activities contribute to the climate change mitigation target.

Eligible Opex

In 2024, the "Total Taxonomy Opex" as defined by the related legislation (DR Article 8 (2021/2178)) amounted to less than 10% of the Group's total operating expenses (cost of sales, personnel costs and other current operating expenses). In view of this limited amount and the nature of the expenses concerned, which do not represent the Group's core business, the work carried out concludes that this metric is not material. The numerator is therefore considered to be zero. In accordance with the Regulation, no analysis of the eligible and aligned "Taxonomy Opex" was therefore carried out.

ASSESSMENT OF ALIGNED ACTIVITIES

Aligned turnover

Activity 5.1– Repairs, refurbishment and reconditioning related to repairs

In 2024, the Group launched its repair activity. SMCP analysed the turnover and investment from this activity with the aim of transitioning to a circular economy. Following this analysis, the turnover relating to this new activity is considered non-material.

Activity 5.4 – Sale of second-hand goods

SMCP is affected by activity 5.4 because of its second-hand product sales activities operated by the Sandro, Maje and Claudie Pierlot brands in Europe, which contribute to the circular economy target.

In order to be able to determine the share of its turnover aligned with the Taxonomy criteria, the Group conducted a series of interviews with all of its service providers to examine the alignment of its second-hand goods activities with regard to the criteria of substantial contribution to the circular economy.

SUBSTANTIAL CONTRIBUTION TO THE CIRCULAR ECONOMY

To be considered as a substantial contributor to the circular economy, second-hand goods must be sold in compliance with the following conditions:

- the economic activity consists of selling a second-hand product that has been used by a customer in accordance with its intended purpose (...);
- the product sold is covered by a sales contract (...);
- when the economic activity involves the delivery of packaged products to customers, the product's primary and secondary packaging meets the criteria defined by the European Union.

With regard to the first two points, all second-hand services are covered by General Purchasing Conditions that meet both criteria.

With regard to packaging, SMCP verified the types of packaging and alignment with European Union criteria. After analysis, the stated criteria have been met.

SMCP then verified that it complied with the Do No Significant Harm principle as regards the other five environmental targets and the minimum safeguards.

"DO NO SIGNIFICANT HARM" (DNSH) CRITERIA

- climate change adaptation: in line with the EU Taxonomy, SMCP must also prove that it does not significantly compromise the achievement of the climate change adaptation target. The Group conducted a study of the exposure of its activities to physical and transition climate risks (see paragraph "3.1.4 Impact, Risk and Opportunity (IRO) Management", "Climate change – E1"). No physical risk related to the sale of used goods has been identified. In addition, the Group carried out a study of exposure to physical risks for all second-hand product storage sites using scenarios in accordance with IPCC scenarios (SSP 4-5 and 8-5) using the open source tool R4RE[1]. The results of this study highlighted the exposure of these sites to certain risks. For each risk identified, an additional discussion was held with partners to learn about the mitigation measures that partners had put in place, which were deemed satisfactory;
- water: an analysis was carried out of the potential impacts of the activity on water. Only water consumption for product preparation (cleaning, stain removal) was identified, and as actions to limit water consumption were implemented by all brand partners, the criterion was deemed to be aligned;
- pollution prevention and control: the DNSH criteria relating to pollution were validated after studying the information shared by partners during the various interviews. As potential impacts on pollution in connection with air, water or litter are virtually non-existent, it was deemed that these DNSH criteria had been met.

Activity 5.5 – Product-as-a-Service and other circular usage-driven service models

SMCP is covered by Taxonomy activity 5.5 due to its product rental activities operated directly or through partners, both in Europe and the United States.

In order to be able to determine the share of its turnover aligned with the Taxonomy criteria, the Group conducted a series of interviews with all of its partners.

SMCP then verified that it complied with the Do No Significant Harm principle as regards the other five environmental targets and the minimum safeguards.

SUBSTANTIAL CONTRIBUTION TO THE CIRCULAR ECONOMY:

To be considered as a substantial contributor to the circular economy, the rental activity must comply with the following conditions:

- the activity allows the customer (natural or legal person) to access and use the product(s), while ensuring that the company providing this service retains ownership of it/them;
- the activity makes it possible to extend the life of the product or to increase the intensity of use of the product in practice;
- when the economic activity involves the delivery of packaged products to customers, the primary and secondary packaging meets one of the following criteria: the packaging comprises at least 65% recycled materials, when it is from paper or cardboard, and the remaining primary raw materials are Forest Stewardship Council (FSC)-certified or the packaging has been designed to be reused as part of a reuse system;
- when the economic activity involves the laundry and dry cleaning of used clothing, the activity complies with an ISO type 1 environmental label or equivalent certification.

To verify these various components and to verify that the criteria was being met, the Group conducted interviews with its various partners.

With regard to the first point, all rental services are covered by general purchasing conditions that meet the criteria. The brands own the rented products.

Regarding the criterion of increasing the intensity of use, SMCP made use of the study on "Fashion and economy of use: a slow transformation"[2] carried out by the Paris Île-de-France Chamber of Commerce and Industry in November 2023, which stipulates that "a rented item of clothing is worn 15 times on average while a purchased piece of clothing is worn six times."

With regard to packaging and product cleaning, partners are in charge of cleaning the products, and for packaging the responsibility is shared between the brand or the partner, as appropriate. After verification with partners, the packaging and cleaning characteristics are aligned with European Union criteria.

The Group's rental activities are therefore carried out well in line with the criteria defined by the European Taxonomy Regulation.

"DO NO SIGNIFICANT HARM" (DNSH) CRITERIA:

- climate change adaptation: in this respect, the Group has adopted the same approach as for the sale of second-hand goods. No risk related to the leasing activity has been identified. For product storage sites, the mitigation measures put in place by the partners in the event of risks were deemed satisfactory;
- water: an analysis was carried out of the potential impacts of the activity on water. Only water consumption for product preparation (cleaning, stain removal) was identified, and as actions to limit water consumption were implemented by all brand partners, the criterion was deemed to be aligned;
- pollution prevention and control: the DNSH criteria relating to pollution were validated after studying the information shared by partners during the various interviews. As potential impacts on pollution in connection with air, water or litter are virtually non-existent, it was deemed that these DNSH criteria had been met.

(1) R4RE (Resilience for Real Estate) is a free platform developed by the Sustainable Real Estate Observatory to assess the resilience of buildings to climate risks and biodiversity in Europe.
(2) Link to the study: https://www.cci-paris-idf.fr/sites/default/files/2023-11/Étude%20prospective%20-%20Mode%20et%20 %C3 %A9conomie%20de%20l %27usage_3.pdf

Aligned Capex

Activity 7.3 – Installation, maintenance and repair of equipment promoting energy efficiency

SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION

SMCP is affected by activity 7.3 because of its status as a tenant of retail space.

The Group obtained from its architecture department the information related to the investments made to improve the energy efficiency of retail space. For SMCP, the investments aligned with the Taxonomy primarily relate to the installation of LED lighting, the Energy Monitoring System (EMS) and the new energy-efficient air conditioning systems as well as the replacement of store windows during renovations or store openings.

All of the LED lighting and EMS investments were considered to be energy efficient. For new air conditioning systems, the Group obtained information from its partners on the energy performance of the equipment installed (energy rating, theoretical consumption data). Equipment with a rating of A or higher or a Seasonal Energy Efficiency Ratio (SEER) of more than 5.1 was considered to be efficient. Store windows are only replaced if a sealing problem or thermal leak is identified. As a result, any change of storefront is considered efficient.

Eligible "Taxonomy Capex" for activity 7.3 is €35.3 million.

"DO NO SIGNIFICANT HARM" CRITERIA

In line with EU Taxonomy, SMCP must also prove that it does not significantly compromise the achievement of the climate change adaptation target. In this respect, the Group has carried out a study of the exposure of its assets to physical risks for all eligible assets in accordance with IPCC scenarios (SSP 4-5 and 8-5). The results of this study show that SMCP leased assets are located in low-risk areas. The details of this study are presented in paragraph "3.1.4.1 Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)" under "Specifications on processes to identify and assess IROs in line with the disclosure requirements for E1, E2, E3, E4, E5 and G1".

Following this analysis, the aligned "Taxonomy Capex" for activity 7.3 is €2 million.

Activity 7.7 – Acquisition and ownership of buildings

SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION

SMCP is affected by activity 7.7 due to its status as the tenant of a number of buildings. For the 2024 financial year, this concerns the buildings that the Group has started a new lease on during the year and assets for which the lease has been renewed during the year.

To do so, for all assets whose leases were signed and/or renewed during the 2024 financial year, SMCP identified the corresponding energy performance certificate as well as the energy consumption linked to the energy performance assessment.

In this respect, eligible "Taxonomy Capex" for activity 7.7 is €156 million euros.

To be considered as a substantial contributor to climate change mitigation, real estate assets must meet the following criteria:

- the building is not dedicated to the extraction, storage, transportation or production of fossil fuels;
- for buildings built before December 31, 2020, the building has at least a class A energy performance certificate or is located in the top 15% of the national or regional building stock. Buildings built after December 31, 2020 must meet the specific criteria set out in the Regulation.

For the first criterion, none of the buildings is related to fossil fuel extraction, storage, transportation or production activities. For the second criterion, SMCP used class A energy performance certificates and for its other assets, SMCP compared the energy intensity of the assets with Deepki's ESG index[3] for France and Europe. In the absence of a benchmark for the North America and Asia regions, LEED certificates were used.

"DO NO SIGNIFICANT HARM" CRITERIA

In line with EU Taxonomy, SMCP must also prove that it does not significantly compromise the achievement of the climate change adaptation target. In this respect, the Group has carried out a study of the exposure of its assets to physical risks for all eligible assets in accordance with IPCC scenarios (SSP 4-5 and 8-5). The results of this study show that SMCP leased assets are located in low-risk areas. The details of this study are presented in paragraph "3.1.4.1 Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)" under "Specifications on processes to identify and assess IROs in line with the disclosure requirements for E1, E2, E3, E4, E5 and G1".

Following this analysis, the aligned "Taxonomy Capex" for activity 7.7 is €6.8 million euros.

MINIMUM GUARANTEES

Minimum safeguards are part of the Taxonomy alignment criteria. They aim to clarify that eligible economic activities can only be considered environmentally sustainable if they are carried out under conditions that meet both social standards and certain minimum governance criteria.

In this context, companies must put in place appropriate processes and procedures to avoid any negative impact or violation regarding four specific matters: human rights (including labour rights), taxation, corruption/bribery and fair competition.

SMCP has implemented a comprehensive approach to ensure compliance with minimum safeguards regarding human rights, taxation, corruption/bribery and fair competition. An assessment of the integration of governance standards into SMCP's existing policies was carried out.

With regard to respect for human rights and labour rights, the Group has set up several initiatives such as a contractual mechanism for suppliers (Supplier Code of Conduct and General Purchasing Conditions) and a whistleblowing system accessible to all stakeholders outside the company.

In addition, all partners and suppliers have signed the Group's Code of Conduct, which includes these various minimum safeguards.

With regard to corruption, bribery and fair competition, the Group has implemented a strict policy based on several components, presented in paragraph 3.4.2 "Corporate culture and business conduct policies, and prevention and detection of corruption and bribery".

Lastly, with regard to taxation, as mentioned in paragraph 2.1.5 "Legal and regulatory risks", the Group ensures compliance with tax laws in the countries in which it operates, provides the required information to the authorities and facilitates their investigations. It applies the OECD principles for a fair distribution of profits through its transfer pricing policy.

Following this analysis, it appears that the activities eligible for the Taxonomy were carried out in a manner that fully complied with the minimum safeguard criteria.

REGULATORY TABLES FOR THE EUROPEAN TAXONOMY

Summary of results

	Revenue		CapEx	
Economic activities	*€m*	*%*	*€m*	*%*
A. TOTAL ELIGIBLE ACTIVITIES	**5.9**	**0.5%**	**200.1**	**97.1%**
A1. Aligned activities	5.9	0.5%	8.8	4.3%
of which CE 5.4 – Sale of second-hand goods	1.8	0.2%	-	-
of which CE 5.5 – Product-as-a-Service and other circular usage-driven service models	4.1	0.3%	-	-
of which CCM 7.3 – Installation, maintenance and repair of equipment promoting energy efficiency	-	-	2.0	1.0%
of which CCM 7.7 – Acquisition and ownership of buildings	-	-	6.8	3.3%
A2. Eligible but non-sustainable activities (not aligned)	-	-	191.3	92.8%
of which CE 5.4 – Sale of second-hand goods	-	-	-	-
of which CE 5.5 – Product-as-a-Service and other circular usage-driven service models	-	-	-	-
of which CCM 7.3 – Installation, maintenance and repair of equipment promoting energy efficiency	-	-	35.3	17.1%
of which CCM 7.7 – Acquisition and ownership of buildings	-	-	156.0	75.7%
B. TOTAL ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY	**1,205.8**	**99.5 %**	**6.0**	**2.9%**
TOTAL (A+B)	**1,211.7**	**100%**	**206.1**	**100%**

Revenue

2024 financial year		2024		Substantial contribution criteria						Do No Significant Harm (DNSH) criteria									
Economic activities	**Codes**	**Absolute turnover**	**Share of revenue**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum guarantees**	**Share of turnover aligned with the Taxonomy (A.1.) or eligible for the Taxonomy (A.2.), 2023**	**Category (enabling activity)**	**Category (transitional activity)**
		€m	*%*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*%*	*M*	*T*
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1 Environmentally sustainable activities (aligned with the Taxonomy)																			
Sale of second-hand goods	CE 5.4	1.8	0.2%	N/EL	N/EL	N/EL	N/EL	YES	N/EL	*YES*	YES	YES	YES	YES	N/EL	YES	0.1%	*M*	
Product-as-a-Service and other circular usage-driven service models	CE 5.5	4.1	0.3%	N/EL	N/EL	N/EL	N/EL	YES	N/EL	*YES*	YES	YES	YES	YES	N/EL	YES	0.2%	*M*	
Turnover of environmentally sustainable activities (aligned with the Taxonomy) (A.1)		5.9	0.5%	N/EL	N/EL	N/EL	N/EL	YES	N/EL	*YES*	YES	YES	YES	YES	N/EL	YES	0.3%	*M*	
Of which enabling		5.9	0.5%	YES	NO	N/EL	N/EL	YES	N/EL	*YES*	YES	YES	YES	YES	N/EL	YES	0.3%	*M*	
Of which transitional		0	0.0%																
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)																			
Sale of second-hand goods	CE 5.4	0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Product-as-a-Service and other circular usage-driven service models	CE 5.5	0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Turnover of activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy) (A.2)		0	0%	%	%	%	%	%	%								0%		
A. Revenue from activities eligible for the Taxonomy (A.1 + A.2)		5.9	0.5%	%	%	%	%	%	%								0.3%		
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
Turnover from activities not eligible for the Taxonomy (A.2)		1,205.8	99.5%																
TOTAL A + B		1,211.7	100%																

Capital Expenditure – CapEx

Investment category	Increase in gross value in 2024 *(in €m)*
Right-of-use assets on leases (IFRS 16)[1]	162.8
Property, plant and equipment (IAS 16)[2]	35.3
Intangible assets (IAS 38)[3]	8.0
"TOTAL TAXONOMY CAPEX" (DENOMINATOR)	**206.1**

(1) Note 6.3.1 to the consolidated financial statements "Right of use".
(2) Note 6.2 to the consolidated financial statements "Property, plant and equipment".
(3) Note 6.1.2 to the consolidated financial statements "Intangible assets".

2024 financial year		2024		Substantial contribution criteria						Do No Significant Harm (DNSH) criteria									
Economic activities	**Code**	**CapEx**	**Share of CapEx**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum guarantees**	**Share of CapEx aligned with the Taxonomy (A.1.) or eligible (A.2.) for the Taxonomy, year 2023**	**Category (enabling activity)**	**Category (transitional activity)**
		€m	*%*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*%*	*M*	*T*
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1 Environmentally sustainable activities (aligned with the Taxonomy)																			
Installation, maintenance and repair of equipment promoting energy efficiency	CCM 7.3	2.0	1.0%	YES	NO	N/EL	N/EL	N/EL	N/EL	YES	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.3%	*M*	
Acquisition and ownership of buildings	CCM 7.7	6.8	3.3%	YES	NO	N/EL	N/EL	N/EL	N/EL	YES	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	5.4%	*M*	
CapEx of environmentally sustainable activities (aligned with the Taxonomy) (A.1)		8.8	4.3%	YES	NO	N/EL	N/EL	N/EL	N/EL	YES	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	5.7%	*M*	
Of which enabling		8.8	4.3%	YES	NO	N/EL	N/EL	N/EL	N/EL	*YES*	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	*0.3%*	*M*	
Of which transitional		0.0	0%																
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Renovation of existing buildings	CCM 7.2	35.3	17.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								24%		
Acquisition and ownership of buildings	CCM 7.7	156.0	75.7%	EL	EL	N/EL	N/EL	N/EL	N/EL								66.1%		
CapEx of activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy) (A.2)		191.3	92.8%														90.1%	N/A	N/A
A. CapEx of activities eligible for the Taxonomy (A.1 + A.2)		200.1	97.1%														95.8%	N/A	N/A
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
CapEx of activities not eligible for the Taxonomy (B)		6.0	2.9%																
TOTAL A + B		206.1	100%																

Operating expenses – OpEx

2024 financial year	2024			Substantial contribution criteria						Do No Significant Harm (DNSH) criteria									
Economic activities	**Code**	**OpEx**	**Share of OpEx**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum guarantees**	**Share of OpEx aligned with the Taxonomy (A.1.) or eligible (A.2.) for the Taxonomy, year 2023**	**Category (enabling activity)**	**Category (transitional activity)**
		€m	*%*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*%*	*M*	*T*
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1 Environmentally sustainable activities (aligned with the Taxonomy)																			
OpEx of environmentally sustainable activities (aligned with the Taxonomy) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	N/A	N/A
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)																			
OpEx of activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy) (A.2)		0	0%														0%	N/A	N/A
OpEx of activities eligible for the Taxonomy (A1 + A2)		0	0%														0%	N/A	N/A
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
OpEx of activities not eligible for the Taxonomy (B)	N/A	31.7	100%																
TOTAL A + B	**N/A**	**31.7**	**100%**																

NUCLEAR ENERGY AND FOSSIL GAS ACTIVITIES

Row	Nuclear energy activities	
1	The Company carries out, finances or is exposed to research, development, demonstration and deployment of innovative facilities for the production of electricity from nuclear processes with a minimum of waste from the fuel cycle.	NO
2	The Company carries out, finances or is exposed to construction and safe operation of new nuclear facilities for the production of electricity or industrial heat, in particular for urban heating purposes or for the purposes of industrial processes such as production hydrogen, including their safety upgrades, using the best available technologies.	NO
3	The Company carries out, finances or is exposed to the safe operation of existing nuclear facilities for the production of electricity or industrial heat, in particular for urban heating purposes or for the purposes of industrial processes such as the production of hydrogen, from nuclear energy, including their safety upgrades.	NO
	Fossil gas activities	
4	The Company carries out, finances or is exposed to construction or operation of facilities for the production of electricity from gaseous fossil fuels.	NO
5	The Company carries out, finances or is exposed to construction, refurbishment and operation of combined heating/ cooling facilities and electricity from gaseous fossil fuels.	NO
6	The Company carries out, finances or is exposed to construction, refurbishment or operation of heat production facilities that produce heat/cold from gaseous fossil fuels.	NO

3.3 Social information

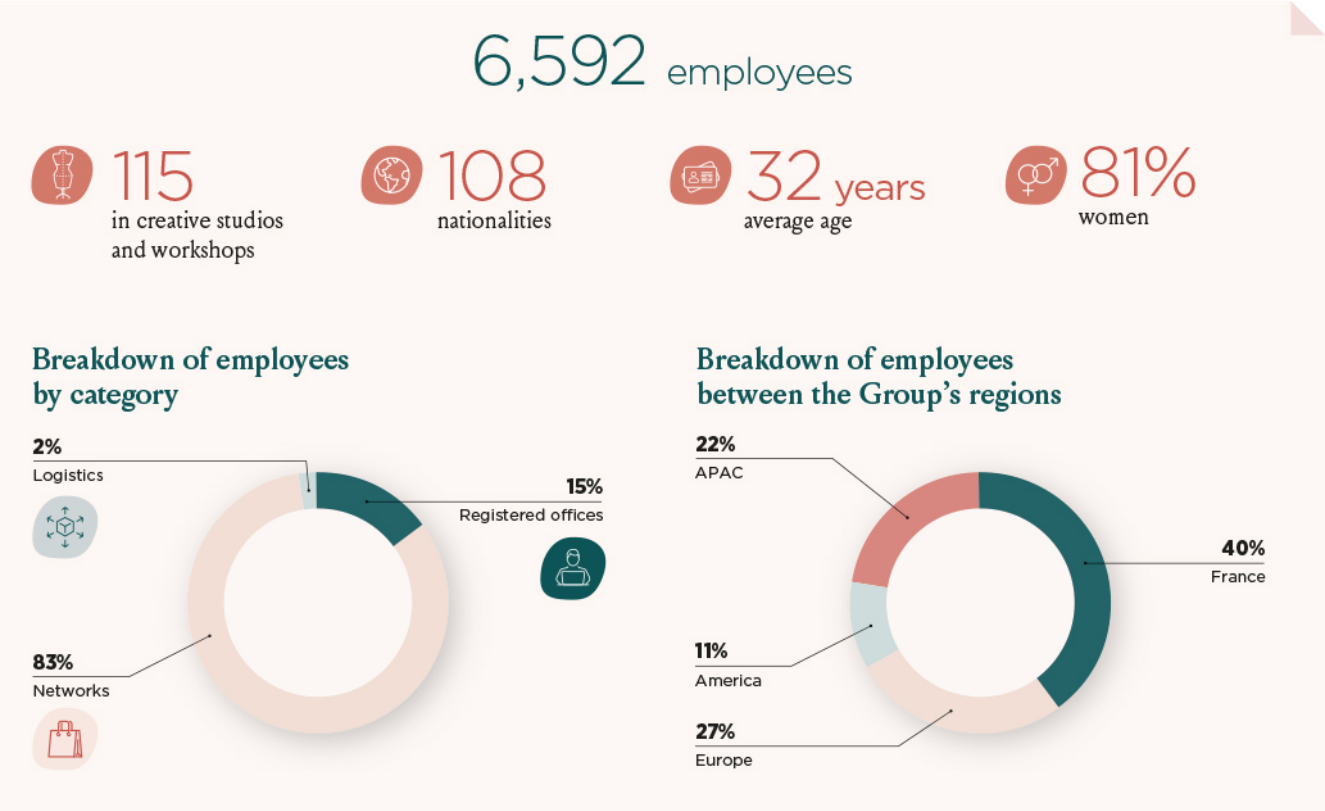
3.3.1 Company personnel [S1]

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO COMPANY PERSONNEL (IRO-1) AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (SBM-3)

Material ESG matters	Relevant scope	Impacts	Risks/opportunities	Impact, risk and opportunity management policies and actions
Social dialogue	Own operations	• Negative impact: infringement of the fundamental freedoms of employees in the event of failing social dialogue	Non-material	• Collective agreements, discussions with employee representation bodies, internal employee survey
Compensation and social protection	Own operations	• Negative impact: deterioration in the standard of living and health of employees in the event of insufficient compensation and social protection schemes	• Operational risk: increased costs related to measures to increase salaries or improve the level of social protection of employees	• Compensation policy
Diversity and inclusion	Own operations	• Negative impact: infringement of employees' human rights in the event of discriminatory practices	Non-material	• Diversity and inclusion strategy built around four pillars: gender equality, support for parenting, disability and social inclusion • 2024 creation of a disability mission in France, signing of disability agreements in France
Talent development and skills management	Own operations	• Negative impact: harm to employees' well-being at work in the absence of training, development opportunities or professional support • Positive impact: increased well-being at work for employees benefiting from an effective training and development system	• Operational risk: decrease in revenue due to personnel training deemed unsatisfactory by customers	• Training programmes and tools, mobility policy, internal employee survey, managing the talent cycle
Health, safety and quality of life at work	Own operations	• Negative impact: deterioration of the mental health and physical harm of employees in the event of poor working conditions and a deficient health and safety risk prevention system	• Reputational risk: difficulties in attracting and retaining employees due to insufficient commitment to health, safety and quality of life at work	• Collective agreements, internal employee survey, communication and awareness-raising

HUMAN RESOURCES POLICIES (S1-1)

The sustainability of SMCP's business model relies on employees and their skills, as they are the interface between the Group's brands, partners and customers around the world. SMCP relies on a rich and diversified talent pool, with nearly 6,592 employees working in stores, head offices and logistics:



The information presented below describes the policies implemented by the Group.

Human resources governance and structure

The Human Resources Department operates under the control of the Board of Directors' Nominations and Compensation Committee.

The HR function is structured around the coordination of centralised business experts at Group level and operational HRDs in each brand and entity. The role of these central teams is to develop and harmonise HR policies across all Group brands and entities, to ensure talent management at the strategic level and to provide advice and technical support to operational staff. They play a crucial role in promoting an organisational culture based on entrepreneurial strength and commitment to each person's mission, and the values of respect, diversity, inclusion and social responsibility.

In addition, the operational HR departments work with their teams to roll out and adapt the SMCP HR policy to each entity, taking into account its challenges, and the local context if applicable.

Their role is to:

- roll out all the HR policies and practices defined by the Group within each brand/entity, at the regional/local level;
- adapt HR strategies to the specific needs of each brand and entity, in compliance with the guidelines, taking into account any context-related constraints;
- manage day-to-day operations, relationships and HR support - in particular employee recruitment and support, performance management, organisational optimisation and well-being.

This governance model allows the Group's HR/CSR strategy to be deployed by centralising expertise and promoting operational flexibility within the brands and entities.

The Group HR experts and operational HR directors are coordinated with an HR Europe Management Committee which brings together experts and HR managers every week, allowing for strategic alignment and the circulation of information useful for a full understanding and integration of the HR strategy.

SMCP values and human resources policies

SMCP's HR policy has its roots in the culture instilled by its founders: a culture built on passion, entrepreneurial spirit, creativity and boldness.

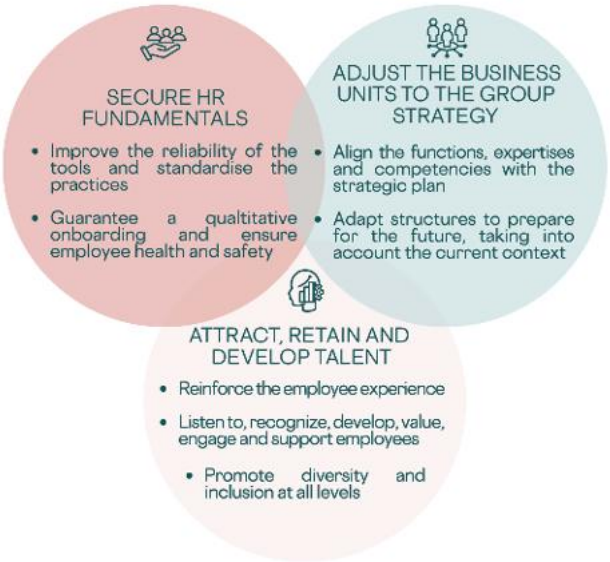
These roots are reflected in the Group's values, shared at all levels of the Company and around the world:

- Being a passionate entrepreneur: acting with agility, as if it were your own company, being visionary and ready for anything;
- Acting with a sustainable awareness: making a positive contribution, incorporating corporate social responsibility into day-to-day actions and thinking long term;
- Nurturing creativity and innovation: bringing new ideas to always stay one step ahead;
- Developing a global mindset: going beyond our own field of action, strengthening links between entities;
- Thinking of elegance as an attitude: showing respect, being kind and caring for others each and every day.

They are also reflected in the SMCP management model. Indeed, this model is committed to giving managers a key ambassador role based on four principles: sharing the vision and promoting an ethical culture of results, seeking authenticity and diversity, being courageous and developing their teams and promoting collaboration and mobility.

The HR vision is simple: to be an employer with the same appeal as its brands. In practice, this HR ambition is based on three strategic pillars:

The Group long term sustainable growth support



The SMCP Group remains firmly committed to its values and ethical principles, including respect for human rights. In this respect, the United Nations (UN) Guiding Principles, the Declaration of the International Labour Organization (ILO) and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises guide the Group's actions.

These commitments are specified in the Code of Ethics and in the supplier Code of Conduct (see paragraph 3.4 "Information on business conduct – [G1]") to ensure responsible conduct throughout the value chain. The Group has a zero tolerance policy towards all forms of human trafficking, forced labour or child labour throughout its value chain (see paragraph 3.3.2 "Workers in the value chain – (S2)") but also in its day-to-day business conduct within its own operations and therefore for its employees.

In view of the Group's business activities and the countries in which it operates, respect for human rights is deemed non-material following the double materiality analysis. However, this subject is considered material at the level of the Group's supply chain (see paragraph 3.3.2 "Workers in the value chain (S2)"). However, SMCP remains attentive to any potential feedback from its employees on issues related to this subject.

The Group is convinced that the way its employees carry out their jobs on a social, environmental and societal level is essential to its success and its sustainability, and is a source of value creation.

In addition, SMCP is committed to eliminating all forms of discrimination based on personal characteristics such as age, gender expression, sexual orientation, parental status, origins, disability, religious beliefs, social environment or education. These commitments are reflected in all of the Group's HR policies (social dialogue, compensation and benefits, talent development and management, and health, safety and quality of life at work).

The Group's Diversity and Inclusion policy is also described in paragraph "Diversity and Inclusion (S1-9 and S1-12)". Although the Group strives to treat all its employees in the same way, specific provisions for disabled or unemployed workers are detailed in this section.

These HR policies are shared with employees, whether in the network, at head offices or in the warehouses, *via* different channels. Initially, the Group's Code of Ethics is communicated to new employees upon their arrival and is permanently available on the SMCP intranet shared by all entities. In addition, in the day-to-day business, these policies and commitments are reiterated in the statements made by the Group and brands' General Management teams, in the messages of the Ethics Committee, or in the statements of the HR teams (see Section below"Processes for engaging with Company personnel and their representatives about impacts (S1-2)").

Policies are also disseminated to employees through specific training courses, such as the "SMCP vision" induction training, or specific modules on the e-learning platform on certain topics (for example, diversity and inclusion or the prevention of corruption and conflicts of interest). Finally, these policies are implemented on a daily basis by the entire management chain. In addition to annual objectives, managers are assessed every year on their ability to embody and promote the Group's values, and to ensure that their teams have completed the mandatory training courses covering these key topics.

PROCESSES FOR ENGAGING WITH COMPANY PERSONNEL AND THEIR REPRESENTATIVES (S1-2)

Within the SMCP group, in order to facilitate and promote a culture of open feedback, several structured processes to promote interaction between Management and employees have been put in place, while strengthening the corporate culture.

At the individual level, employees are invited to share their expectations and needs through the annual performance review process.

At the collective level, monthly talks are held with employee representatives on the Works Council (see paragraph "Social dialogue and collective bargaining – S1-8"). These meetings are an essential channel for information feedback, making it possible to address priority issues for employees.

In addition, regular discussions (*SMCP Update, Moments Claudie*) are held between Management[1] and employees, offering a transparent space for discussion where everyone is invited to ask questions. For in-store teams, there are conferences (Sandro, Maje Tours, etc.) dedicated to the presentation of new collections, which align commercial objectives with a clear vision of the products.

The Group has also introduced an annual satisfaction survey to measure the commitment of its employees and identify areas for improvement on various topics. The results of these discussions are analysed and used to implement appropriate development actions. The Group monitors how likely its employees are to recommend the Company (employee NPS) and has set itself the target of improving this rating to at least 7.5/10 by 2027.

CHANGE IN EMPLOYEE NPS

2023	2024	2027 objective
7.1	7.3	⩾ 7.5

SMCP also organises a Hackathon, bringing together volunteer employees from the Paris region representing the various Parisian head offices (brands and Group). The objective is to encourage participants to work for two days with employees from other departments, whom they do not see in their daily lives, around an inspiring and strategic topic for the Group. After two days of reflection, the teams are invited to present in front of a panel of representatives from different departments, chaired by the Chief Executive Officer. For example, the first SMCP Hackathon, in 2021, resulted in the creation of the SMCP Retail Lab. The second edition of the Hackathon was held in November 2024 and led a discussion on the Group's corporate purpose. The results of this second edition are currently being examined and reviewed by the Group's strategy department.

These initiatives demonstrate the SMCP Group's commitment to promoting constructive dialogue and valuing the involvement of its employees.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR COMPANY PERSONNEL TO RAISE CONCERNS (S1-3) AND CASES, COMPLAINTS AND HUMAN RIGHTS IMPACTS (S1-17)

As explained in paragraph "Human Resources policies (S1-1)", the challenges related to respect for human rights are not material for the Group in the scope of own operations. However, SMCP is attentive to any feedback from employees. To do this, a whistle-blowing system has been set up which is accessible to all its employees. This system is described in detail in chapter G1, paragraph "Policies related to business conduct and the prevention and detection of corruption and bribery (G1-1, G1-3)".

Disclosure requirements related to cases, complaints and human rights impacts (S1-17) are presented below:

	2024
Total number of reported harassment incidents	2
Total number of proven harassment incidents	0
Total amount of fines, penalties and compensation for damages resulting from incidents and complaints mentioned above	0

(1) Depending on the case, this may be General Management of the brands, regions or the departments of the major central functions (finance, HR and operations).

CHARACTERISTICS OF COMPANY EMPLOYEES (S1-6)

Definition of workforce

SMCP's workforce includes people on permanent contracts, fixed-term contracts together with work-study students as of December 31, 2024.

WORKFORCE BY GENDER

Gender	2022	2023	2024
Women	5,288	5,442	5,339
Men	1,237	1,218	1,253
Total	6,525	6,660	6,592

The number of employees has remained relatively stable since 2022. The proportion of women in the workforce remains at around 81%.

NUMBER OF EMPLOYEES FOR EACH SUBSIDIARY

Subsidiaries	2022	2023	2024
SMCP SA	27	26	22
SMCP GROUP	170	189	200
SMCP LOGISTIQUE SAS	149	146	147
SANDRO ANDY SAS	880	871	887
MAJE SAS	634	660	665
CLAUDIE PIERLOT SAS	451	488	488
SMCP ASIA Ltd. and its subsidiaries	1,580	1,599	1,244
SMCP USA Inc. & SMCP CANADA Inc.	659	655	703
FURSAC SA	247	265	249
Other subsidiaries*	1,708	1,761	1,987
TOTAL	**6,525**	**6,660**	**6,592**

* Workforce in Australia and New Zealand is included in other subsidiaries.

NUMBER OF EMPLOYEES IN COUNTRIES IN WHICH THE COMPANY HAS AT LEAST 50 EMPLOYEES REPRESENTING AT LEAST 10% OF EMPLOYEES

Country	Number of employees	% of total workforce
France	2,658	40%
China	847	13%
United States	540	8%

France, China and the United States account for 61% of the Group's workforce.

Breakdown of SMCP employees across the globe

NUMBER OF EMPLOYEES BY GEOGRAPHICAL AREA AND BY GENDER

	2022	2023	2024
France	2,578	2,645	2,658
Europe[1]	1,708	1,761	1,759
America	1,580	1,599	703
APAC	659	655	1,472

67% of the Group's employees are located in France and other European countries. The change in the distribution of employees, and in particular the distribution between North America and the APAC region, reflects changes related to the commercial activity of the Group and its brands (openings and closures during the year).

For 2024, the breakdown by geographic area and gender is as follows:

	Women	Men
France	1,980	678
Europe	1,491	268
America	536	167
APAC	1,332	140

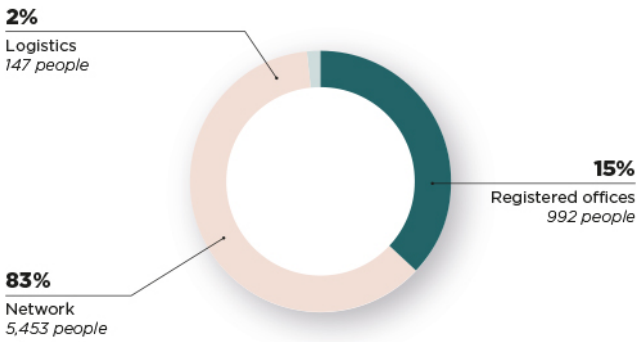
NUMBER OF EMPLOYEES BY GEOGRAPHICAL AREA AND BY CATEGORY

	2022	2023	2024
Registered offices	966	1,020	992
Networks	5,410	5,494	5,453
Logistics	149	149	147

The breakdown by category is stable, with the store network employing 83% of the Group's employees. The 2024 breakdown by geographical area and by category is as follows:

	Registered offices	Networks	Logistics
France	734	1,777	147
Europe	38	1,721	0
America	80	623	0
APAC	140	1,332	0

Breakdown of employees by category



(1) For all the metrics in Section S1, the figures for Europe do not take into account France, for which the results are presented on a separate line.

NUMBER OF EMPLOYEES BY TYPE OF CONTRACT AND GEOGRAPHICAL AREA

	France	Europe	America	APAC
Number of employees	2,658	1,759	703	1,472
Number of permanent employees	2,407	1,366	405	1,127
Number of temporary employees	251	386	4	46
Number of non-guaranteed hours employees	0	7	294	299
Number of full-time employees	2,311	739	409	1,239
Number of part-time employees	347	1,020	294	233

As a result of its activities, SMCP may use temporary contracts or non-guaranteed hours contracts to meet specific needs such as additional personnel for sales periods. The number of temporary employees in the logistics business activity is proportionally greater because of the specific nature of this activity.

NUMBER OF EMPLOYEES BY TYPE OF CONTRACT AND BY GENDER

	Women	Men	Total
Number of employees	**5,339**	**1,253**	**6,592**
Number of permanent employees	4,268	1,037	5,305
Number of temporary employees	550	137	687
Number of non-guaranteed hours employees	521	79	600
Number of full-time employees	3,597	979	4,576
Number of part-time employees	1,742	274	2,016

81% of the Group's employees are women. In addition, 80% of employees have permanent contracts and 69% work full time.

WORKFORCE TURNOVER

Number of employees who left the company	4,755
Rate of staff turnover	57%
Rate of voluntary staff turnover	43%

The figures presented above include voluntary and involuntary staff turnover, excluding Australia and New Zealand, representing 3% of the total workforce. The percentage of voluntary staff turnover in 2024 was 43%. Voluntary departures include resignations, the employee deciding to leave at the end of the trial period and retirements.

In 2024, the percentage of involuntary staff turnover, following a dismissal, a contractual termination, an employer's termination at the end of the trial period or a death is 14%.

The overall staff turnover rate is 57%, up 1 point compared to 2023.

CHARACTERISTICS OF NON-EMPLOYEES (S1-7)

Non-employees represented 4% of the total workforce in 2024. They include corporate officers and interns who are part of the Company's workforce, as well as external staff such as consultants, freelancers or temporary workers.

SOCIAL DIALOGUE AND COLLECTIVE BARGAINING (S1-8)

Social dialogue and collective bargaining policy

In order to encourage a culture of social dialogue and in accordance with its engagement policy, the SMCP Group promotes a close relationship with its employee representatives. With this in mind, in France, the Group relies on several bodies from the Works Council of the UES (Economic and Social Unit, bringing together the Sandro, Maje, Claudie Pierlot brands and the other Global Services and Logistics entities). The Works Council meets at least once a month during plenary meetings chaired by the SMCP Social Affairs Director.

Employee representatives also have the opportunity to meet with their respective Human Resources Department during one-off meetings (at least once a year), in addition to plenary meetings. This practice makes it possible to maintain local dialogue and to deal with more operational subjects.

In addition, at least once a year, elected officials discuss the Company's strategy with Executive Management, the Finance Director and the Director of Human Resources and CSR.

Lastly, the Group also has employee representatives within Fursac in France and in certain European countries (Spain, Luxembourg and Italy).

SMCP undertakes to establish an open dialogue with the representatives of its personnel in order to guarantee respect for fundamental rights at work.

The Group has always wanted to involve its social partners upstream to collectively define its social ambitions. By way of example, based on a collective agreement on the promotion of quality of life at work entered into in 2018, the social partners and management set out, firstly, to consolidate the strong values that have shaped the Group's entrepreneurial culture, and secondly, to reiterate that each employee must act responsibly and as an ambassador of the Group's values in their daily roles. It was in this context that the Group's Code of Ethics was drafted and implemented.

As stipulated in the Group's Code of Ethics, the Company promotes respectful social dialogue and encourages consultation with social partners, as well as considering employee representatives in each of the countries in which it operates. SMCP respects the right to freedom of expression and opinion of its employees as well as the right of everyone to freely and voluntarily create and/or join groups (associations, trade unions) to promote and defend their professional interests.

The SMCP Group negotiates regional or national agreements, or sets action plans that it can deploy at global level, taking into account specific local laws and regulations.

These various action plans and/or collective agreements grant employees benefits compared to those provided for by local laws and regulations, particularly in terms of Diversity & Inclusion. For example, all of the Group's employees have been covered by a harmonised parental policy since January 1, 2025.

In 2024, the Group had not defined a target in connection with social dialogue; one will be defined in 2025.

Actions and resources related to social dialogue and collective bargaining

In France, due to the expiry of terms of office, 2024 was characterised by the reappointment of employee representative bodies within the SMCP UES. A Works Council has been set up at the level of the SMCP UES and is currently composed of 44 elected members and alternates, two Works Council union representatives and six union representatives affiliated to the CFTC and UNSA, who are employees of the Group's various entities.

In 2024, a Disability agreement was signed with the employee representative bodies (see details in paragraph "Diversity and inclusion (S1-9 and S1-12)").

Metrics and related to social dialogue and collective bargaining

	2024
Percentage of employees covered by collective bargaining agreements (Europe scope)	84%
Percentage of employees represented by employee representatives (Europe scope)	63%

In France, 100% of employees are covered by collective agreements and are represented by employee representatives. Outside France, in Europe, collective agreements apply in Italy, Spain, Portugal, the Netherlands, Switzerland, Sweden and Belgium. Employees in France, Spain and Luxembourg have employee representatives. Employees who do not benefit from coverage or representation do so because no local obligation requires it, or because their number is lower than the threshold required for the establishment of collective agreements or staff representatives.

DIVERSITY AND INCLUSION (D&I) (S1-9 AND S1-12)

Policy and objectives related to diversity and inclusion

In 2023, the SMCP Group structured its diversity and inclusion strategy through commitments covering all its employees worldwide. This new strategy was based on the results of an audit conducted in 2022 by an independent third party including an analysis of our diversity and inclusion policies, and a survey of our employees on their perception of how well the Group manages these issues and their expectations.

The diversity and inclusion strategy is the result of collaborative work involving all the brands and regions in which the Group operates, and is based on four areas with objectives to be achieved by 2025 and 2030:

- **gender equality**: the objective is to maintain a representation of women in the Company's management bodies (Board of Directors and Executive Committee) and in the highest compensation levels at a rate of over 50%. In addition, the Group is committed to identifying and addressing, where applicable, any gender pay gap between women and men;
- **parenting**: this policy aims to offer all Group employees (parents and co-parents) parental leave at least equivalent to those offered to employees in France as well as additional rights related to parenting. This is reflected in the granting of 16 weeks of maternity leave and 28 days of co-parent leave, paid in full, to all SMCP employees worldwide as well as paid leave days when returning to work after the birth of a child. In addition, authorised days of absence are granted to all employees in the event of miscarriage, fertility treatment and adoption;
- **disability:** the objective is to reach 3% of employees with disabilities by 2030 in all countries[1] having established public policies to promote the employment of people with disabilities and improve the accessibility of websites and stores. The disability policy is structured around actions promoting the employment and integration of persons with disabilities, facilitating professional integration and job retention, strengthening indirect employment through collaboration with the protected and adapted sector, and through actions that change the way people think within the Company through awareness-raising, training and communication;

(1) France, Germany, Italy, Spain and Portugal, representing 54.61% of the Group's average workforce.

- **social and cultural diversity**: the objectives include both internal and external actions. Internally, SMCP wants to develop integration programmes for teams of people who are excluded from employment, to replicate the approach taken by the Retail Lab training (see details in paragraph "Actions and resources" below). We also intend to give a greater focus to diversity in management positions, even though this is not measurable in all countries. Externally, the Group wants each brand and region to form partnerships with local organisations working to promote equal opportunities or social inclusion.

This policy is based on the following reference documents:

- **agreement on professional equality, quality of life at work and diversity:** signed in June 2022 for France scope. It commits the Group to concrete actions marking key moments in employees' lives:
  - starting with recruitment, with no-CV recruitment campaigns in order to open up opportunities to as many people as possible, and with mandatory training on recruitment without bias for recruiting employees on the MyLearning space, which is open to all;
  - during career management, with the implementation of training and awareness-raising actions on the challenges of diversity and the fight against discrimination, as well as the promotion of internal mobility on a global scale, and finally the deployment of HR development tools to guide and help with objective decision-making;
  - during important moments in life such as supporting employees who are parents.
- **disability agreement**: In 2024, SMCP signed an agreement[1] in France with social partners in order to establish new rights for employees with disabilities. In addition to personalised support, an employee with a disability may, if their situation warrants it, take additional paid days of absence to be able to carry out any administrative procedures and attend medical appointments including for severe endometriosis. Specific support is also provided for employees who are parents and caring for a disabled child with a disability rate of more than 50%, by granting four days of paid leave per year. At the same time, SMCP wants to strengthen indirect employment by creating partnerships with adapted companies (ESAT) and establishments or services providing assistance through work (ESAT from now to the end of its agreement in 2026).These actions are part of a global disability inclusion approach at SMCP, which also includes training for teams working with employees with disabilities, and assistance in the recruitment of new employees with disabilities.
- **Group Code of Ethics**: with a dedicated Section "Promoting dialogue, diversity and inclusion" which states that "the Group is committed to promoting diversity and inclusion and gender equality and to making the necessary efforts to provide employees with a respectful, motivating and stimulating work environment".

Management of harassment and discrimination:

In 2018, the Group set up a whistle-blowing system to provide additional ways in which employees can communicate their concerns. It is open to all employees to report problems, harassment or discrimination *via* a single dedicated address ethics@smcp.com (see details on the whistleblowing procedure in paragraph "Business conduct policies and prevention and detection of corruption and bribery (G1-1, G1-3)").

In order to ensure the proper deployment and monitoring of the measures supported by the Group's strategy, SMCP's Diversity and Inclusion Manager relies on dedicated committees set up for each region and at Group level. The members of these committees reflect the diversity of profiles and business lines within the Company.

Actions and resources related to diversity and inclusion

Launch of the disability policy

The SMCP Group's disability mission was launched in 2024 with the recruitment of a disability project manager and the signing of disability agreements with the SMCP UES and Fursac in France. Disability ambassadors have been identified and trained within all brands to support the daily lives of workers with disabilities.

A commission has been set up to monitor the disability agreements signed with the trade unions and will ensure that the measures undertaken in the agreement are properly applied.

The Group disability mission will also support the North America, APAC and Europe regions in the deployment of a disability policy through recruitment, awareness-raising and training actions.

Employee training and awareness-raising on diversity and inclusion

The Group has set up a dedicated portal on its MyLearning training tool, which is accessible to all employees worldwide. The portal offers general information on diversity and inclusion, a detailed presentation of the Group's strategy in this area, as well as training on key topics at global and/or local level, such as training on non-discriminatory recruitment and "diversity standard" training. Employees can use the portal to replay digital conferences offered to employees during the year. For example, in 2024, on endometriosis or autistic disorders.

In addition to this digital tool, several awareness-raising actions were rolled out in 2024. To inform French employees of the creation of the disability mission and the flagship measures of the disability agreement, a dedicated week was organised with a number of awareness-raising workshops and daily communications. Also, as part of the Paris Paralympic Games, SMCP held a competition to raise employee awareness and to give them a chance of winning tickets for the Games.

Deployment of the parenting policy:

The Group's new parenting policy was rolled out in July 2024 in six countries (France, Ireland, the United Kingdom, Spain, Portugal and Italy) and from January 1, 2025, it now covers all SMCP employees worldwide.

(1) Two identical agreements were signed, one covering the SMCP UES and the second covering Fursac.

Continuation of the Retail Lab initiative

In line with the actions carried out in 2023, the Group renewed the Retail Lab initiative, offering innovative and certified omnichannel sales advisor training to people who are excluded from employment. This will be rolled out for one year, as part of work-study programmes within the four brands. It is a three-pronged programme: firstly, it is based on a customisation of the omnichannel sales advisor training led by EMA SUP; secondly the Institut Français de la Mode will host several days on fashion culture; and finally, SMCP will be responsible for acclimatising work-study students to the brands, their DNA and their operations throughout the year. At SMCP Retail Lab, SMCP has chosen to host around 20 candidates excluded from employment per year[1], from all backgrounds, with motivation and interest in fashion as the only selection criteria.

Diversity and inclusion metrics

DIVERSITY IN MANAGEMENT

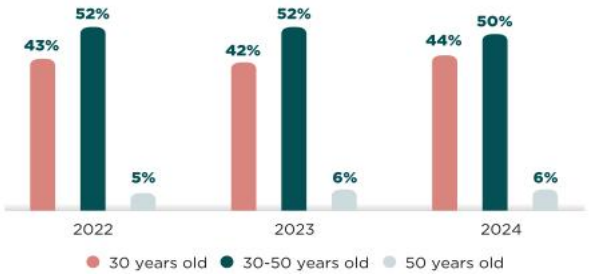
	2022	2023	2024	2025 target
Percentage of women on the Board of Directors	56%	56%	56%	>50%
Percentage of women on the Executive Committee	62%	62%	75%	>50%
Percentage of women in senior management positions	77%	78%	73%	>50%

The percentage of women in the Group's management bodies and in senior management remained well above 50%.

	Women	Men
Number of employees at senior management level	71	26

Women represent 100% of the Company's top 100.

AGE DISTRIBUTION



94% of the Group's employees are under 51 years old. The average age of employees is 32. This breakdown has remained stable since 2022.

PARENTING

	2024	2025 objective
Parenting policy deployment rate *(in % of total workforce)*	57%	100%

Since January 1, 2025, the policy has been rolled out to 100% of SMCP employees worldwide.

For the coming years, the objective is to maintain the 100% rate by extending the parenting policy to any new Group country.

DISABILITY

	2024	Objective
Percentage of people with disabilities among employees – worldwide (scope: countries for which there is an employment obligation regulation for people with disabilities*)	0.48%	2030: 3%
Percentage of people with disabilities among employees – (France scope**)	0.88%	2026: 1.8%

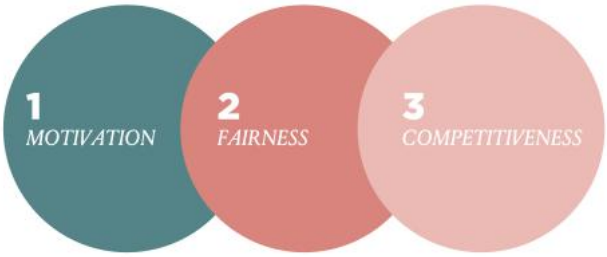
* *i.e.* France, Germany, Italy, Spain, Portugal, representing 54.61% of the Group's average workforce.
** This metric is calculated using the calculation method proposed by the French Disability Act. Details of the calculation are available in the methodological Note in paragraph 3.5.1.

(1) People experiencing difficulties integrating, with little or no qualifications, requiring pathways to employment.

COMPENSATION AND SOCIAL PROTECTION (S1-10, S1-11 AND S1-16)

Policies and objectives related to compensation, and social protection

The Group's compensation policy is based on three key concepts:



SMCP has taken care to develop an attractive compensation policy which acts as an incentive to retain employees, and which is also competitive with equivalent positions on the market to attract new talent. The Group's compensation system provides each employee with a motivating and competitive compensation package, which includes compensation components such as fixed salary, short-term and long-term variable compensation and employee benefits and benefits in kind.

In addition to always respecting the minimum standards set by local legislation, the Group ensures that it applies non-discriminatory wage practices.

Competitive compensation

In 2024, 99% of the SMCP population received a salary at least equal to or higher than the national or local minimum wage. The remaining 1% relates to a country in which the statutory minimum is not defined. In this case, SMCP bases its compensation on local practices communicated via compensation surveys.

SMCP aims to ensure a fair and competitive salary for its employees. The Group ensures that, every year, each employee's compensation is reviewed to ensure that it is aligned with the internal and external market, to attract the right candidates, retain talent, and compensate employees in accordance with their level of performance in their position.

The pay increase budgets allocated to the salary policy are negotiated with the social partners at various meetings devoted to mandatory annual negotiations.

Individual raise requests are structured to guide managers in their proposals, taking into account the employee's situation in relation to their peers and the external market, their performance and their potential for development, while following the Group's policy of non-discrimination (against background, gender, nationality, or any other non-professional criterion).

The Group is monitoring progress and discussions on adequate wages, and will carry out an analysis in the coming years subject to publicly available standards.

Performance-based compensation

To optimise the relationship between the compensation of employees and Group objectives, variable compensation for head office employees is structured to reflect the contribution of each employee to the achievement of collective and individual objectives, defined in line with the Group's strategy.

Objectives combine individual contribution and collective performance. Annual objectives relate to performance indicators for the sector in which the employee works, but also to the Group's performance indicator, which is EBIT. In 2024, 61% of head office employees were eligible for annual variable compensation.

This performance is assessed through an annual appraisal system for all employees, as described in the paragraph "Employee talent development and skills management (S1-13)".

In addition, all sales teams are eligible for a variable portion that is indexed to sales performance, which may be collective or individual.

All members of the management committees (1.9% of the workforce) also receive free performance shares constituting long-term compensation. The number of shares awarded to each manager varies according to the level of responsibility. The free performance shares, delivered at the end of the vesting period, are subject to an employment condition at the time of vesting, and to performance conditions linked to the achievement of internal financial objectives, the performance of SMCP shares compared to companies in the CAC Mid & Small index, and the achievement of CSR objectives (see paragraph 4.2 "Compensation and benefits").

Employee profit-sharing and incentive schemes (France)

In France, employees of companies belonging to the SMCP UES are covered by employee profit-sharing under a collective agreement signed on September 1, 2012. Under this agreement, the special reserve for profit sharing is indexed to the earnings of the companies included in the scope of the agreement in the form of deferred financial profit-sharing entitlements calculated on the basis of the relevant companies' net profit. To be entitled to distribution of the special reserve, employees must be able to demonstrate at least three months' service in one or more companies that are signatories to the agreement.

At Fursac, employees benefit from profit sharing under a collective agreement signed in 2002.

Under these two agreements, the special profit-sharing reserve is calculated pursuant to applicable legal provisions (Article L. 3324-1 of the French Labour Code) and the amounts are distributed in proportion to the gross wage received in the base year.

For 2024, the amount of the special profit-sharing reserve of the SMCP UES was approximately 0.65 months of gross salary for an employee employed for the full year. The amount for Fursac was 0.

Since 2022, employees of companies belonging to the SMCP UES have had a stake in the Company's results through a collective incentive scheme.

The eligibility conditions are the same as those for profit-sharing.

Incentives are calculated based on collective CSR targets, a collective human resources target, and a target linked to French revenue performance.

In 2024, the amount was approximately 0.30 months of gross salary for an employee employed for the full year.

The UES has a company savings scheme with five funds of different types offering varying degrees of risk and performance outlook. Fursac has a company savings scheme which can receive payments of the amounts received under the profit-sharing plan.

Gender equality and equal pay for work of equal value

In order to achieve the Group's objective of equal pay for equal work, SMCP has implemented a shared methodology within the Group, to measure and analyse the gender pay gap annually by level of position in each country. This allows SMCP to carry out corrective action plans each year in cases where there are compensation gaps of more than 5% without justification.

The analysis of the gender pay gap covers the full SMCP workforce as of December 31, 2024. In order to improve the accuracy and relevance of the results, certain exclusions have been applied due to inconsistencies in the collected data. In addition, to date, the information system used does not allow the Group to extract compensation data for certain countries, which are not yet integrated into the tool or whose integration was completed during the year which means that a full-year analysis is not possible. SMCP aims to cover 100% of the workforce in the next five years or *via* another system. These exclusions represent 3.5% of the total workforce.

The gender pay gap analysis is based on gross hourly pay levels in each country.

Within SMCP, the gender pay gap is 12% in favour of men. This figure does not take into account specific compensation components in the countries in which it operates or job levels. In order to offer a more detailed and relevant perspective, SMCP analyses the gaps taking into account job levels in each country. Globally, this gap is 0.5% in favour of women, and in France (representing 40% of employees), this gap is 0.9% in favour of men. These results collectively provide an overview of the gender pay dynamics according to levels of responsibility, therefore facilitating informed decision-making and promoting transparency within the organisation.

Each year, an analysis of the gender pay gap is carried out by comparing the contractual compensation of permanent contracts by country and by level of position in order to implement individual or collective actions in the event of discrepancies of +/-5% which are not justified by experience, performance, scope or level of responsibility. From 2025, this analysis will be carried out on differences greater than +/- 2%.

Difference in compensation between women and men

	2024	Annual targets
Gender pay gap in France (40% of the population)	0.9%	+/- 2%
Gender pay gap taking into account position levels in all SMCP countries	-0.5%	+/- 2%

Social protection

In accordance with its commitment to comply with the legal requirements in each country in which it operates, the SMCP Group ensures that its employees benefit from adequate social protection and actively reinforces its social protection actions when necessary, by striving to align with international standards while respecting local regulations. It focuses its efforts on providing comprehensive support to its workforce, taking into account the unique circumstances of each country and employee type in order to ensure fair and robust social coverage (sickness, unemployment, workplace accidents, parenting and retirement).

It is important to note that the SMCP group's approach to social protection is decentralised, based on compliance with the legal requirements specific to each country. Therefore, coverage may vary depending on the applicable regulations and practices in the respective jurisdictions.

More specifically, in some of the 24 countries in which the Group operates, there may be variations in the coverage of major life events such as illness, unemployment, workplace accidents, parenting and retirement depending on the employee category.

With regard to parenting, the Group wanted to voluntarily implement a policy with a set of rights shared by all employees worldwide (see paragraph "Diversity and inclusion (S1-9 and S1-12)").

Total annual compensation ratio

The total annual compensation ratio is equal to 64.7 in 2024. These results are presented in the context of the Group's multinational structure, established in 22 countries.

It is important to note that the comparison refers to the highest compensation of a multinational listed in France, with employees spread around the world. Such contextual information is essential in order to interpret the compensation ratio in various global contexts, taking into account the specifics of international compensation standards, currency fluctuations and regional variations in salary practices.

TALENT DEVELOPMENT AND EMPLOYEE SKILLS MANAGEMENT (S1-13)

Policies and objectives related to talent development and employee skills management

Retail is a sector known for its high standards, dynamism and competitiveness. As a result, SMCP seeks, through its talent policy, to support its employees in the acquisition of skills and know-how essential to the success of their missions and to offer them personalised development pathways, by ensuring that training and skills management are two essential pillars of the Group's HR policy. This policy aims to:

- **train all employees**[1] **on the Group's values and business lines** from their first days with us, to ensure that they are committed, competent and able to meet the demanding requirements of the sector;
- **promote individual productivity and creativity** through professional development and the enhancement of each person's skills;
- **evolve and develop new skills** through training actions and mobility opportunities.

Employee skills management

The Group's talent policy is built around SMCP values in order to offer everyone opportunities for dynamic career development and progression. Innovation and the ability of teams to adapt are decisive factors in the business lines, where the collections are constantly being renewed and the market is changing at an increasingly rapid pace. Employee development is a central element of the HR policy in order to improve individual performance, but also to strengthen the Company's overall competitiveness.

The Talent Committees monitor Group and local issues with the HR departments of the various regions, providing the same level of information and the same guidelines to everyone. All stages of the talent cycle (current or future campaigns, etc.) are targeted for anticipation, management or assessment.

In view of the central role of the performance appraisal in the talent cycle, SMCP closely monitors the appraisal completion rate. At the end of the campaign, SMCP benefited from a high level of commitment to these processes for all eligible groups (head office and retail) and throughout the Group's geographical scope. The objective is to maintain a rate above 90%.

Internal mobility

SMCP strongly values and promotes internal, vertical and horizontal changes within and between business units. Mobility is considered a key factor in employee loyalty and development in a highly competitive market.

Thanks to its diverse brands, its different business lines and its international presence, the Group offers genuine career prospects to its employees. SMCP benefits from a wealth of expertise and geographical locations that enable it to offer a wide range of opportunities. This policy is embodied in the sales force teams, where the Group encourages internal mobility for all positions, and particularly for those of store managers. The Group has set itself the target that at least 60% of its store managers are recruited through internal promotion. At the end of 2024, 69[2]% of store managers met this definition.

The SMCP career cycle is structured to support development with step-by-step promotions (head salesperson, assistant, etc.) and training to gradually grow into each key role.

The eligibility criteria for mobility foster ambition, with only nine months of service required to be able to benefit from job mobility in retail roles, and 18 months for head office roles.

Mobility is monitored *via* mobility committees. They aim to discuss opportunities to be filled within the various entities, to report on staff needs and to encourage mobility through discussions around employees who could benefit from opportunities for horizontal or vertical internal development.

Training

SMCP is convinced that developing employees' skills, increasing their skills and setting up courses to acquire new knowledge is in the interests of both employees and the Group.

SMCP recruits very diversified levels of experience and qualifications, with the first in-store roles accessible without necessarily having a specific level of education. Thus, for SMCP, training is an essential pillar of the HR strategy, particularly for teams on the ground who work directly with customers in stores.

By investing in the development of employees' skills as soon as they are onboarded, and by offering diversified educational approaches, the Group aims to offer an environment in which each employee can learn and develop the skills necessary to successfully carry out their role by boosting employee well-being at work. The Group has set itself the objective of achieving an average of 22 hours of training per trained employee by 2027.

(1) "SMCP Vision" e-learning training course accessible to all employees worldwide and face-to-face training for new employees at Paris head offices.
(2) The data excludes Australia and New Zealand, which do not have an information system enabling monitoring (representing 3% of the total workforce).

Actions and resources related to talent development and employee skills management

Talent cycle and associated tool

The talent cycle is structured around a number of highlights during the year, which are relevant to the entire Group:

There are two bodies in place to effectively and specifically manage the annual talent review exercise:

- a Talent Review Committee for each business unit, bringing together the Chief Executive Officer and the Human Resources Director of each business unit as well as the Group Human Resources and CSR Director and the Group Talent Development Manager. It is used to prepare for the Group Talent Review Committee;
- a Group Talent Review Committee, bringing together all the Chief Executive Officers of each entity, the Chief Executive Officer of SMCP and chaired by the Group Human Resources and CSR Director and the Group Talent Development Manager. The purpose of this Committee is to present the consolidated results of the various review exercises.

Training of new employees, tools and resources used

The onboarding process for store teams combines in-store learning with the digital MyLearning training platform. The aim is to create a career path adapted to the brand and positions held.

This programme lasts between two and three weeks and is offered to each new salesperson to enable them to find out more about: their brand (history, values and DNA of the brand); sales processes, products (the collections, trends and presentation); store management rules and specific issues (cybersecurity, etc.) using e-learning awareness modules available across the Group. In addition, store-based managers are identified and trained to support new employees.

Onboarding for new employees of the Group's Paris head offices also comprises a number of key steps, including a welcome morning at their brand, several key and mandatory e-learning modules to take in the first few weeks on the MyLearning platform (cybersecurity, anti- corruption and conflicts of interest, etc.); a guided tour of the logistics warehouses and an SMCP vision training course, during which employees are made aware of the Group's global history and its values.

In addition, the Group also offers newcomers the opportunity to spend half a day to a day in one of its stores.

The MyLearning platform is accessible from day one to new employees[1] from store-based teams and head office teams, with a rich and varied catalogue of both onboarding and further development modules.

In addition to the onboarding process, SMCP supports its employees in developing their skills throughout their careers. This process is customised for each business line, with two main groups: retail and head office.

(1) Excluding those joining the Group for less than three months.

To train sales force teams, tailor-made programmes have been built in-house. Among these are all the collection content for the sales forces of each brand. This content aims to communicate the spirit of and the inspiration for the two annual collections (spring-summer and autumn-winter) by offering numerous accounts and videos from the creative teams. They are released gradually during the season, following the rhythm of the many capsules that usually make up each collection.

For head office staff where there are a wide variety of roles, SMCP works with specialised service providers and reviews its training offer every year. Head office training is referenced in a central catalogue for Europe and a specific catalogue for North America and the APAC region in order to best meet local challenges.

A dedicated internal team of SMCP specialists for the MyLearning platform works on the production of new content throughout the year. SMCP works in close coordination with each brand to offer a set of personalised courses. In 2024, this team helped the brands to create training content for the spring-summer and autumn-winter seasons.

There are dedicated training managers for each brand. They are in charge of excellence programmes specific to their brand.

The Group follows employee satisfaction with its training offer by monitoring the score given to the question "I have the opportunity to learn and develop my skills through e-learning, training, certifications or projects" in its internal survey. In 2024, this score was 4.1/5 and was one of the best scores obtained by the Group.

Metrics related to talent development and employee skills management

Employee development

	2023	2024	Annual target
Percentage of employees who have completed the annual performance appraisal [1]	90%	93%	> 90%

(1) This metric corresponds to the disclosure requirement "Percentage of employees who have received regular performance and career development reviews".

Mobility

	2024	Annual objective
Percentage of Store Manager positions filled by internal promotions*	69%	> 60%

* The data excludes Australia and New Zealand (representing 3% of the total workforce).

Training

In terms of training, SMCP monitors the number of hours provided to its employees to ensure that this is consistent with its development ambitions.

AVERAGE NUMBER OF TRAINING HOURS:

	2023	2024	2027 objective
Average number of training hours**	17	18	22

** Corresponding to 161,450 hours for 2024 and 152,735 hours for 2023. E-learning accounts for 86% of the hours completed.

AVERAGE NUMBER OF TRAINING HOURS BY GENDER:

	Women	Men
Average number of training hours	21	21

The data presented here excludes two regions: America, for which identification by gender is not allowed, and the APAC region, for which reporting by gender was not implemented in 2024. After analysis, in France and in Europe, there is therefore no difference in access to training between men and women.

AVERAGE NUMBER OF TRAINING HOURS BY PROFESSIONAL CATEGORY

	Employee	Supervisor	Executive
Average number of training hours	18	25	16

Calculation by category is only available for employees based in France. To date, the information system used does not allow the Group to perform the analysis for all employees due to a non-uniform classification of management categories throughout the world. The "employee" category mainly includes sales assistants, and supervisors covers store managers and assistant managers.

The figures obtained reflect the Company's strategy to invest particularly in these key groups, who are in direct contact with customers and acting as product ambassadors. The difference in the average volume of training between employees and supervisors is explained by store managers' access to special training in line with their managerial responsibilities.

	2022	2023	2024
Percentage of employees who took at least one training course	77%	75%	77%

HEALTH, SAFETY AND QUALITY OF LIFE AT WORK (S1-14 AND S1-15)

Policy and objectives related to health, safety and quality of life at work

The Group's health, safety and work-life balance policy is based on the principle of providing employees with a healthy, safe working environment that allows them top maintain a good work-life balance.

In France, it is supported by a number of agreements:

- **health and safety principles (France):** these principles establish the standards and procedures to ensure the health and safety of employees. They are based on the single occupational risk assessment document (DUERP) intended to improve the safety and physical and mental health of employees, to avoid or limit occupational risks, by including accident prevention measures, safety protocols, access to mental health crisis lines and health and safety training programmes;
- **agreement on professional equality and quality of life at work (France):** this agreement, which was signed on June 23, 2022 with all the representative trade unions within the SMCP UES, aims to promote work-life balance, create an inclusive and diversified working environment and improve quality of life at work;
- **home working and work organisation principles (France):** this agreement, signed unanimously in March 2022, defines the terms and conditions for working from home, ensuring greater flexibility and productivity while maintaining a healthy work-life balance. It includes guidelines on the layout of the home workstation, time management and the relationship with managers, the framework and exceptions, as well as the necessary technological tools and precautions.

The Works Council plays a central role in France in strategic decisions and monitoring of the Company's initiatives, as well as a key role in the governance of the health, safety and work-life balance policy. It brings together elected representatives and trade union representatives at least once a month.

The Health, Safety and Working Conditions Committee (CSSCT), an offshoot of the Works Council, meets at least four times a year and focuses specifically on issues related to health, safety and working conditions. It analyses occupational risks, proposes preventive actions, and ensures that health and safety rules are applied.

Human Resources (HR) managers and Quality of Life at Work (QLW) officers supervise and implement policies and actions relating to work-life balance, and ensure that these policies are aligned with the Company's strategic objectives.

At Group level, global principles in terms of health, safety and work-life balance are deployed in order to guarantee all employees a healthy and safe working environment, while promoting a good work-life balance. These principles are based on international standards and local initiatives adapted to the specific aspects of each country.

The Group uses its survey to measure all employees' satisfaction with its policy. The survey covers several topics, including staff perception of health, safety and well-being, providing the Group with a snapshot of employees' feelings and enabling it to set continuous improvement action plans.

The Group has set an annual target based on the survey question "My workplace protects my health and safety", which is to maintain a minimum score of 4/5.

Actions and resources related to health, safety and quality of life at work

In order to guarantee the well-being of employees throughout their SMCP experience, many initiatives are put in place as soon as they join the Company:

Annual QLW Awareness Week and regular initiatives

A week dedicated to quality of life at work is held each year, including a variety of activities such as sports sessions, nutrition workshops, conferences on digital disconnection, time management, interpersonal skills or other workshops aimed at taking time out for yourself. This week comes in addition to initiatives in the various Group entities and regions, aimed at encouraging balance for employees. Similar initiatives are organised at least once a year in the various regions.

Mental health crisis line and mental health

A 24/7 helpline is available for all employees when they need it, offering psychological support and mental health advice, in addition to occupational health services. Qualified professionals from a professional risk prevention organisation are available to provide immediate confidential assistance.

Satisfaction survey

Since 2023, the Group has implemented internal surveys worldwide to assess the satisfaction of all employees. The results are analysed to identify strengths and areas requiring improvement, in order to adapt action plans and initiatives to improve the well-being of all. A specific health and safety question is linked to a target.

Training and development

Mandatory health and safety training is provided, including first aid, risk management, accident prevention and movements and posture, particularly in warehouses and head offices. In addition, safety training procedures and kits are available to point-of-sale staff.

Specific training is available to improve quality of life at work, such as stress management, time management and non-violent communication. Conferences on work-life balance are also held, together with relaxation technique awareness actions.

Awareness campaigns

The Group organises or supports blood donation and medical screening campaigns several times a year. These initiatives aim to encourage employees to take care of their health and to participate in community actions and donations at events around the world, to help more vulnerable groups. In addition, in 2024, three conferences were offered for Paris head office staff, one on work-life balance, one on endometriosis and one on cancer.

Metrics related to health, safety and quality of life at work

As explained in paragraph "Characteristics of non-employees S1-7", the data on accidents only covers salaried employees of the Group.

Monitoring of absenteeism rate and workplace accident rate

Regular monitoring of absenteeism rates is carried out to identify trends and potential health or stress issues. Corrective actions are implemented based on data analyses. Workplace incidents and accidents are also monitored to assess the effectiveness of safety measures.

	2024
Percentage of employees covered by a health and safety management system	94%
Percentage of employees covered by a health and safety management system (France and Europe scope)	100%
Number of fatalities as a result of workplace accidents and work-related health problems	0
Number of workplace accidents	128
Workplace accident frequency rate (number of workplace accidents per million hours worked)	13.13
Number of cases of occupational illnesses declared during the year	1
Number of calendar days lost due to workplace accidents and deaths due to workplace accidents, occupational illnesses and deaths due to employee-related illnesses	5,947

Unless otherwise specified, the metrics in this table cover the entire scope of the Group's workforce. There is no published data for 2023, as the Group has historically reported these metrics for France and Europe. The data for 2023 is therefore not calculated on a comparable scope.

The absenteeism rate in France, which accounts for 40% of the SMCP workforce, was 6% in 2024 compared to 9% in 2023.

Work-life balance

100% of SMCP employees are eligible for family leave (maternity/adoption leave, paternity/second parent leave).

Percentage of eligible employees having taken this type of leave	2024
Maternity/adoption leave: for female employees during the year or for female and male employees during the year in the event of adoption	6%
Paternity/second parent leave: for fathers and second parents, from the birth or adoption of a child	0.5%

Employee satisfaction survey

	2024	Annual target
Score for the question "My workplace protects my health and safety"	4.1	≥ 4

3.3.2 Workers in the value chain [S2]

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO WORKERS IN THE VALUE CHAIN (IRO-1) AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (SBM-3)

Material ESG matters	Relevant scope	Impacts	Risks/opportunities	Impact, risk and opportunity management policies and actions
Respect for human rights, health and safety	Upstream value chain	• Negative impact: violation of human rights, health and physical well-being of personnel employed by suppliers	• Regulatory risk: breach of due diligence regulations • Reputational risk: customer disaffection for brands accused of human rights violations by their suppliers, leading to a fall in revenue	• Contractual system formalising the Group's environmental and social requirements: Supplier Code of Conduct and General Purchasing Conditions • Whistle-blowing system open to all external stakeholders • Country risk mapping (corruption and human rights) • Traceability system for manufacturing steps • Social audits of suppliers

The SMCP Group's activities generate direct or indirect relationships with workers throughout its value chain. At its sites, the Group has a limited number of service providers and temporary staff working in its warehouses in the Paris region or at its head offices in the context of IT or styling services. Service providers are also in charge of product storage and logistics in China and the United States. With regard to the distribution of collections, sales staff mainly work in the Group's partner stores. Logistics staff are predominantly male, while sales staff are predominantly female, as are people working in the Group's directly-operated stores.

However, the vast majority of workers involved in the Group's business activities are concentrated upstream of the value chain. They are involved in the various stages leading to the manufacture of products marketed by SMCP brands. It is at this level of the value chain that the most significant issues in terms of health and safety, respect for working conditions and human rights are also concentrated.

The double materiality work highlighted the fact that these upstream workers have greater exposure to risks related to health and safety and respect for the human rights. As a result, this Section focuses on the measures implemented for this type of worker.

The SMCP Group does not have its own manufacturing sites, and all of the products sold by its brands are produced by suppliers specialising in the textile and leather businesses located mainly in the Euro-Med region[1] and in Asia[2]. Two production models are used within the Group:

- cut-and-sew work, for which the Group's brands purchase fabrics and supplies directly from suppliers and then subcontract the manufacturing. 37% of the products in the 2024 collections were made using this model;
- the purchase of finished products from suppliers who are responsible for procurement of the various product components. 63% of the products in the 2024 collections are based on this model.

The Group's brands thus maintain direct contractual relationships with weavers, clothing manufacturers and accessory manufacturers. These are mainly small and medium-sized companies where the majority of the workforce is female. The sector presents significant social risks, particularly in terms of undeclared work, excessive working hours, compensation below the legal minimums or infringement of freedom of association with several major production countries that have not ratified the ILO conventions on freedom of association, the right to organise and the right to collective bargaining. The risks of harm to the health and safety of workers relate in particular to non-compliance with building fire and construction standards. The Group considers social (*e.g.* social audits) and environmental (environmental certifications) criteria when selecting its suppliers.

Further upstream in the production chain, other types of suppliers with which the Group's brands do not have a contractual relationship are involved in the production of the materials needed to manufacture the marketed products. Within this scope, there are companies involved in the production of raw materials (cotton, wool, viscose, polyester, leather) and others working in various processing steps (spinning, weaving, knitting, dyeing, tannery). While the social, health and safety risks mentioned above also apply to these players, other risks specific to these operations are to be noted such as the handling of substances hazardous to health during dyeing and tanning operations, as well as a risk of forced labour and child labour in cotton farming.

(1) Turkey, Morocco, Tunisia, Portugal, Spain, Italy, France, United Kingdom, Bulgaria, Romania, Ukraine, Poland, Serbia.
(2) China, Thailand, Cambodia, Vietnam, India.

In the textile industry, the very nature of the production processes involves many steps and a multiplicity of players throughout the value chain. This diversity of stakeholders increases the potential impacts and risks, particularly in terms of respect for workers' human rights.

However, SMCP and its brands work with a wide range of suppliers, which means that they can spread the dependency risk and allows them to be agile in replacing partners in the event of identified shortcomings. In addition, in order to minimise risks, the Group has implemented rigorous control systems, such as traceability (see paragraph "3.4.4 Traceability") and through the use of audits carried out by trusted third parties, which it strives to strengthen each year to ensure responsible practices throughout the supply chain. In addition, as described in Chapter "3.1 General information [ESRS 2]", paragraph "3.1.3.2 Interests and views of stakeholders (SBM-2)", the Group remains attentive to the interests of these stakeholders *via* analysis of audit reports or consultation of NGO reports.

POLICIES RELATED TO WORKERS IN THE VALUE CHAIN (S2-1), OBJECTIVES (S2-4), AND THE ENGAGEMENT (S2-2) AND REMEDIATION (S2-3) PROCESSES

The SMCP Group's policies on respect for social and human rights in its value chain are primarily based on adherence to the principles laid down in benchmark international texts such as the Universal Declaration of Human Rights, the fundamental conventions of the International Labour Organization, the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises.

These principles are applied at the operational level *via*:

- dedicated governance;
- a contractual system for suppliers: Supplier Code of Conduct and General Purchasing Conditions;
- a whistle-blowing system available to any external stakeholder;
- country risk mapping;
- a traceability tool and audit methods.

The policy for managing social risks and human rights violations is defined at Group level by the CSR Department in collaboration with the Legal and Internal Audit Departments. The effectiveness of this policy is monitored by the Sustainability Committee within the Board of Directors. The guidelines issued at Group level are implemented in each brand by the teams responsible for production. The points of vigilance and the minimum safeguards expected from suppliers have been set in order to meet a minimum of the relevant parties' interests (decent working conditions, compensation in line with the work performed and respect for human rights). The procedures put in place aim to ensure consistency of minimum standards between the brands and to facilitate the sharing of information and best practices within the Group. Monthly meetings between SMCP's CSR and Compliance teams and the brands' production departments ensure that the instructions disseminated are properly understood and complied with and that new needs are reported.

Prior to any business relationship, all suppliers are required to sign a code of conduct setting out in detail the Group's requirements in terms of respect for human and labour rights, anti-corruption and environmental protection. The topics of forced labour, child labour, discrimination, harassment, freedom of association, compensation, working hours and health and safety are addressed in specific points. This Code of Conduct is available on the Group's website in French, English and Chinese. The General Purchasing Conditions appended to each contract also refer to the Supplier Code of Conduct and the principles mentioned therein. Further details are provided in paragraph "3.4.3 Management of relationships with suppliers (G1-2)".

In 2024, the Group opened its whistle-blowing channel to stakeholders outside the Company. The email address ethics@smcp.com is mentioned in the Code of Conduct and on the Group's website, and is available to suppliers and their employees. As for reports sent by employees, the information received is examined and processed confidentially by the members of the Ethics Committee (General Counsel, Human Resources and CSR Director and the Internal Audit Director).

Country risk mapping is used to assess the level of exposure of the Group's supply chains to social risks and human rights violations. This mapping is updated each year on the basis of benchmark international publications (Human Development Index, Corruption Perception Index, etc.). It is used by the Group to prioritise audits for tier 2.

In order to verify that its suppliers are complying with its Code of Conduct, the Group relies on social audits carried out by specialised audit firms covering the following topics: health and safety, working hours, compensation, social protection, child labour, discrimination, harassment, freedom of association, forced labour and business ethics.

The Group has set itself the objective that all tier-one suppliers with which its brands have collaborated for the production of the S24 and W24 collections should be covered by a social audit. This obligation covers all suppliers with which the Group plans to continue to collaborate in subsequent seasons. SMCP aims to maintain this rate at 100% each year. Audits are either carried out directly by SMCP's CSR Department, or carried out at the request of companies working with these plants, according to standards recognised by the Group (BSCI, ICS, SMETA, WRAP, WCA and SA 8000). The identification of non-compliance leads to the implementation of corrective action plans with suppliers with improvement deadlines at three months, six months or one year. The discovery of critical non-compliances with no improvement may also lead to a breakdown in the business relationship.

The social risk management policy is also based on a traceability process for all the manufacturing steps of the products marketed by the Group, details of which are available in paragraph "3.4.4 Traceability".

ACTIONS RELATED TO WORKERS IN THE VALUE CHAIN (S2-4)

In 2024, the Group made substantial updates to its Supplier Code of Conduct and General Purchasing Conditions (GPC), to strengthen and clarify its requirements in terms of working conditions and respect for human rights. The main changes to the Code of Conduct concerned working hours (reminder of the ILO standards to be respected), compensation (compliance with legal minimums including for piece work, prohibition of wage deductions), the contribution expected from the supplier to the traceability process for the upstream production steps and the communication of the whistle-blowing system. With regard to the GPC, a specific CSR appendix has been included in order to specify the Group's expectations in terms of traceability of raw materials used in the manufacturing of products. This addition aims to encourage the Group's suppliers to collaborate on information collection. Details of the progress made on traceability are presented in Chapter "3.4 Information on business conduct (G1)" in paragraph "3.4.4 Traceability".

The social audit of suppliers continued to progress in 2024 with all tier-1 suppliers having been socially audited. Among these audits, 79 were commissioned and financed directly by the Group and carried out by an accredited third party. (*i.e.* 25% of audits completed). A roll-out of social audits at tier 2 (weaving/knitting) is planned for 2025, prioritising the targeting of fabric suppliers from which the Group sources directly.

After analysis of the reports (rating, type of non-compliance), the audit results are classified into five categories:

Rating of audit report	Characteristics of identified areas of non-compliance	Examples of non-compliance
Very good performance	N/A	N/A
Good performance	Minor NCs	• Non-formalised procedures • Partial documentation on the completion of safety training
Average performance	Limited number of significant NCs	• Failure to perform fire safety drills • Exceeding the maximum number of overtime hours
Poor performance	At least one critical NC and/or a significant number of significant NCs	• Payment for overtime at a non-premium rate • No emergency exit, no fire alarm
Non-compliance resulting in immediate termination of the relationship	At least one NC classified as "zero tolerance"	• Audit refusal, clandestine subcontracting • Child labour

The non-compliance issues most frequently encountered during social audits at the Group's suppliers relate to working hours and compliance with certain fire safety standards (training of personnel, marking of emergency exits, not carrying out evacuation drills, etc.). Less frequently, non-compliance is also observed in terms of compensation, payment of certain social security contributions and protective equipment. Depending on the nature and severity of the non-compliance, follow-up audits are held within six months, one year or two years to verify that the necessary corrective actions have been implemented by the supplier, and that the non-compliance has been lifted. While the Group's policy is to support suppliers to resolve the problems identified during audits, significant cases of non-compliance combined with the supplier's unwillingness to implement corrective actions may lead to a breakdown in the business relationship. Finally, certain non-compliance issues deemed to be extremely serious (clandestine subcontracting, presentation of false documents, corruption, child labour, etc.) or a refusal to allow a social audit may lead to an immediate termination of the business relationship. In 2024, two suppliers were delisted due to refusal to undergo an audit. No ethics reports concerning the Group's suppliers were received in 2024.

The Group's brands also analyse the social audit reports of new suppliers during the listing process. Suppliers are not listed if their social audit results are poor. In 2024, two suppliers were not listed for this reason.

In addition, SMCP has verified that its suppliers located in high risk areas have provided their employees with appropriate water, sanitation and hygiene services (WASH services).

METRICS RELATED TO WORKERS IN THE VALUE CHAIN (S2-5)

In order to monitor the effectiveness of its impact and risk management policy related to workers in its value chain, the SMCP Group monitors a number of metrics:

Social audit coverage

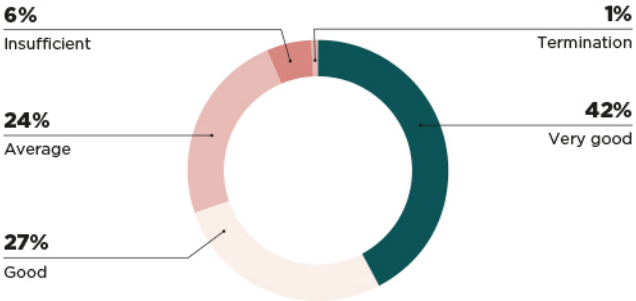
	2024	Annual objective
Percentage of tier-1 suppliers socially audited*	100%	100%

* This metric is calculated based on the number of plants covered by valid audits.

100% of the factories of active tier-1 suppliers[1] (clothing, assembly) that manufactured products for the Group's brands' summer and winter 2024 collections have a valid social audit carried out by an external firm. Audits are either carried out by the Group or carried out at the request of another company according to one of the following standards: ICS, BSCI, SMETA, WRAP, WCA or SA 8000. The objective is to maintain this rate at 100% each year.

In addition to the coverage rate, the Group also monitors the breakdown of audits by level:

Social audit results (tier 1)



69% of social audits had a result qualified as "good" or "very good" with no significant non-compliance.

24% resulted in an average performance requiring the implementation of a corrective action plan. 6% have a result deemed insufficient with significant non-compliance, whose resolution must be the subject of a follow-up audit at six months or one year. Finally, two factories, corresponding to 1% of social audits, were delisted due to their refusal to be audited.

Intentionally, no target has been set for this metric, as the primary target remains the identification of non-compliance.

(1) 35,219 tier-1 suppliers

3.3.3 Consumers [S4]

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO CONSUMERS (IRO-1) AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (SBM-3)

Material ESG matters	Relevant scope	Impacts	Risks/opportunities	Impact, risk and opportunity management policies and actions
Responsible marketing	Downstream value chain	• Negative impact: promotion of products or practices that harm the environment or human rights	• Regulatory risk: breach of regulations on misleading or false claims • Reputational risk: customer disaffection with brands accused of unresponsible marketing practices (greenwashing, false allegations, stigmatising communication, etc.) leading to a fall in revenue	• Communications to manage allegations • Raising customer awareness of the environmental characteristics of products, transparency on product manufacturing steps • Raising customer awareness of the societal causes defended by the brands • Customer satisfaction survey, training of sales teams
Privacy	Downstream value chain	• Negative impact: invasion of privacy that could cause customers to be victims of malicious actions in the event of personal data leaks	• Regulatory risk: breach of personal data protection regulations in the event of a personal data leak • Reputational risk: loss of interest among customers for brands that do not secure their personal data, leading to a decrease in revenue	• Information Security Management System (ISMS) ISMS assessment campaign (tests, audit) • Compliance with the GDPR regulation and Personal Data Committee • Mandatory e-learning training and employee awareness
Health and safety related to product use	Downstream value chain	• Negative impact: harm to the health or safety of customers due to the use of products that do not comply with the relevant standards (e.g. chemicals)	• Non-material	• Supplier specifications and product safety tests

Overall, the SMCP Group's brands target exacting, urban, modern customers in search of sophistication. They stand out for their ability to offer clothing and accessories that combine elegance, creativity and comfort, according to their own style, but always with a keen sense of fashion. The Group does not offer products for children. Details on the targets for each brand are available in Chapter 1, paragraph "1.2.1 Group brands and products".

As explained in paragraph "3.1.3.2 Interests and views of stakeholders (SBM-2)", customers are a central stakeholder in the Group's strategy. Their satisfaction and the response to their expectations are closely linked to the financial results of SMCP and its brands. Customer satisfaction begins with offering a high level of service in stores and online both during and after the sale.

Brands must build a relationship of trust with their customers to establish a sustainable and flourishing business. To build this trust, SMCP must guarantee the safety of the products placed on the market, protect its customers' personal data and provide customer-friendly communications on the environmental or social characteristics of its products. These matters are governed by increasingly stringent regulations, putting the Group at risk in the event of non-compliance. Breaches in this area could also damage the image and reputation of the brands and result in a decline in revenue.

POLICIES (S4-1) AND OBJECTIVE (S4-5) FOR CONSUMERS

The Group does not have specific objectives for each topic developed in this section. The customer satisfaction rate measured through the Net Promoter Score (NPS) was selected as the metric best reflecting the effectiveness of the implemented policies. The objective is to achieve a score of 75/100 by 2025.

Customer experience

Employee expertise is the cornerstone of a personalised customer experience, and their in-depth knowledge of the products enables them to provide clear and relevant responses to customer queries. With generally only one size per product available on the shop floor, SMCP favours personalised advice over self-service, offering a shopping experience close to that of the luxury sector. Within each brand, dedicated people are responsible for leading this customer experience. Each collection launch is an opportunity to provide new training to advisors on the various protocols, each brand being responsible for the content of its training, the format and the information they wish to relay. In addition, in order to meet consumer expectations, store concepts are constantly evolving and adapting with the aim of offering an even higher quality customer experience (see Chapter 1, paragraph "1.2.8 A unique in-store customer experience");

Product health and safety

The Group's brands rely on a comprehensive system of audits and controls in order to be able to market products that comply with current health, safety and quality standards and regulations. For cut-and-sew products, all components are supplied by the brands. For finished products, the components are set by the brands and purchased by the suppliers. Shared standards for the brands are appended to their General Terms and Conditions of Sale (GTCS) which stipulate in particular that:

- products must meet all the regulatory chemical requirements of Regulation 2006/1907/EC of December 18, 2006, known as "REACH" (azo dyes, polycyclic aromatic hydrocarbons, etc.), and of the POP Regulation (EU Regulation 2019/1021 of June 20, 2019) on persistent organic pollutants, of the Regulation on biocides (EU Regulation no. 528/2012) and all those concerning materials of animal origin;
- the products must also meet the requirements of European, Chinese and American quality regulations;
- quality tests must be carried out by accredited laboratories;

Final inspections are required, carried out by independent service providers before the products are shipped. The choice of pieces to inspect is made on the basis of the quantities ordered, the complexity of the products, any customer returns and the results of the previous season's inspections.

Personal data protection

All information collected from customers by the Group and its brands is managed in accordance with the General Data Protection Regulation (GDPR). For more details, see chapter 1, Section "1.2.4.3 CRM and customer proximity", paragraph "1.7.3 Regulations on the protection of personal data" and chapter 2, paragraph "2.1.1 Cyberattacks and information system failures".

Marketing and communications

In accordance with the Anti-Waste for a Circular Economy Law (AGEC, February 2020), the Group undertakes to make information on the traceability of products available *via* its website and product labels. The information communicated to customers goes beyond what is set by the French regulatory framework (traceability of leather goods, all stages of production beyond weaving and secondary materials). In addition, all commercial and environmental claims are validated by the Group Regulatory Affairs and Compliance Manager, who is in charge of regulatory monitoring, training of the communications and marketing teams and ensuring that the information published by the brands is fair and not misleading to the consumer. For this reason, a best communications practices guide is shared with all brands and is updated as regulations are amended. It was last amended in 2024. An annual check of the claims published on the brands' websites is also carried out, following which corrective action plans are put in place where necessary. Best practices and errors to be corrected are shared with all brands.

Customers are made aware of the environmental impacts of fashion, and the products with the best environmental credentials are highlighted. Products containing more than 50% of certified materials can be identified by information on the labels or online sheets specifying the nature of the reduced environmental impacts compared to a non-certified material (no use of pesticides for organic cotton, protection of natural resources for recycled materials, etc.). This information is also relayed to the sales staff as part of the training materials produced for each collection. In addition, the Sandro, Maje, Claudie Pierlot and Fursac brands have developed maintenance guides distributed to customers in order to preserve product quality over time.

PROCESSES FOR ENGAGING WITH CONSUMERS AND PROCEDURES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS TO RAISE CONCERNS (S4-2 AND S4-3)

The marketing and digital teams of each brand are responsible for communication and digital marketing to their customers. The Group has deployed Customer Relationship Management (CRM) tools allowing brands to launch targeted and personalised communications campaigns. Brands are aware of marketing pressure, and the majority of emails are sent to the most active customers of the brands, with the frequency adapted to customer loyalty. The most active customers are also rewarded with special offers.

The Group's brands carry out marketing studies as and when needed to ensure that they are meeting customer expectations. Sandro, Maje and Claudie Pierlot monitor several Net Promoter Score satisfaction metrics on a weekly basis, based on a key event in the customer experience (online purchase, store visit, contact with customer service, delivery). These metrics allow brands to identify problem areas and implement corrective actions quickly. The Net Promoter Score is a ratio ranging from -100 to 100 that measures how likely respondents are to recommend the service used to other people.

In addition, in order to guarantee a high-end experience for its customers when shopping online, the Group has set up a system of digital style advisors. Their aim is to support customers with their shopping and provide them with fashion advice without pressuring them to buy. The Group is currently deploying a clienteling app that will enable stores to communicate directly with their customers to offer them personalised offers and services such as sending product recommendations or making appointments for fitting sessions.

Lastly, since the relationship with customers does not stop at purchase, the Group's brands have set up after-sales service processes with online contact forms, a telephone line available on 6 of 7 days, as well as a WhatsApp chat service launched in 2024. The brands endeavour to respond to customer requests as quickly as possible with the aim of not exceeding the one-day deadline. The brands monitor the results of the post-contact customer service NPS on a daily basis in order to identify any niggling issues. Since 2024, the complaints management process has been updated in order to provide a better ticket allocation service and optimise both the time and the quality of the response given to customers. Mapping work was carried out between the issues reported by customers and the skills needed to process these requests, so that tickets are automatically allocated to the most competent people to process them. For upheld complaints, the Group and its brands take appropriate remedial action as set out by the General Terms and Conditions of Sale. In addition, the whistle-blowing system as presented in paragraph "3.4 Information on business conduct – [G1]" is also available to consumers. In the event of incidents or proven negative impacts, appropriate remedial actions would be put in place. To date, no incidents have been recorded.

ACTION AND RESOURCES RELATED TO MATERIAL IMPACTS ON CONSUMERS (S4-4)

Train employees to provide a personalised, premium customer experience

As explained in the paragraph "Talent development and employee skills management (S1-13)", retail staff are central to the Group's training policy, thereby ensuring that all store-based teams are ambassadors of brands' values and DNA. For example, at Sandro, through the "Sandro experience" programme, advisors are trained both in the brand's sales protocol and how to adapt it to the customer's specific requirements. The training programme covers in-store greeting, collections, products, product composition, product links, their environmental credentials as well as giving style advice.

Claudie Pierlot has provided retail employees with a summary card covering the essentials of the customer experience. It allows each staff member to assess if they have met the brand's expectations in terms of soft skills and know-how, and to review the e-learning modules available to personnel.

Training courses are also delivered on specific technical topics to promote each brand's know-how. For example, at Sandro Homme and Fursac, a training course dedicated to sartorial art, which means "tailoring", is delivered to store-based teams. It covers various topics such as: the best suit cuts according to the client's body type, different materials used, how to wear a suit and how to take care of a suit.

Facilitating access to fair and transparent information on products and their manufacturing processes

Since 2022, SMCP has been working with an external partner to increase the traceability of its products and communicate the information obtained to customers. Customers can scan a QR code on the product label and on the online product page to find out about the various manufacturing steps and find out about suppliers' social and environmental certifications. In addition to transparency, traceability makes it possible to better understand the social and environmental impacts and to implement appropriate policies. More details are available in paragraph "3.4.4 Traceability".

2024 was marked in particular by the extension of the traceability programme to the Fursac brand. From now on, all four brands trace their products using the same system and communicate the traceability information to their customers in France and in many other countries (Europe, North America).

In addition, in 2024, the Group's CSR Department took part in the various consultations organised by the public authorities to roll out an official environmental certification system for textile products in France. This initiative aims to provide consumers with consistent and standardised information to compare the environmental impact of different products.

Raising customer awareness of the environmental impacts of products and brand commitments

Simple and omnichannel communication about products and their impacts is at the heart of the brands' strategy.

In-store retail teams receive training throughout the year on CSR topics, so that they can disseminate brand messages to customers.

In the spring of 2024, Sandro reworked its CSR training in order to cover a greater number of subjects. The updated version includes procurement and production, understanding labels, product maintenance and second hand as well as the brand's commitments and causes.

At Maje, CSR awareness workshops were held for store managers. The programme includes an introduction to the carbon matters in the sector, an explanation of traceability and existing processes and a reminder of the brand's commitments.

At Claudie Pierlot, as part of the training programme for its summer 2024 and winter 2024 collections, a module was dedicated to the SKUs with the lowest environmental impact and a link to traceability training was included.

In addition to the maintenance guides and advice provided by salespeople at Maje and Sandro, eco-certified maintenance products are offered to customers who purchase certain pieces, so that they can take care of them.

The rollout of circular economy services (second-hand, repairs) has also provided the brands with an opportunity to reiterate the environmental credentials behind the implementation of these actions.

For online sales, in addition to the items available on the product sheets, specific information on items with lower environmental impact is shared with customers to raise awareness. For example, at Sandro, after a purchase of a product made from certified materials (organic cotton, recycled material, etc.), a dedicated newsletter is sent to the customer to inform them of this aspect and present the brand's commitments.

2024 was also characterised by the development of capsule collections in line with the brands' environmental commitments. Claudie Pierlot launched a capsule collection of sports pieces with Circle, a brand specialising in the design of technical pieces made with materials with a lower environmental impact. The pieces in this capsule were made from recycled polyamide (97%) or lyocell certified by independent labels, as part of a 100% European production.

In its rue de Richelieu flagship store, Fursac unveiled a selection of vintage pieces, distinguishable by their label stating "worn by time to complete your present-day Fursac wardrobe". The objective of this project was to show customers how well these second-hand clothes complement its collections.

Finally, all of the Group's brands have chosen a priority area of societal commitment this year in order to gain in impact and clarity for employees and customers. This decision was an opportunity to communicate to their customers about their respective commitments and the charity partnerships launched.

For example, Sandro used the European Heritage Days event to promote its "promoting equal opportunities and the transfer of savoir-faire in the fashion professions" initiative, and to highlight its partnership with the Maison Mode Méditerranée endowment fund, which supports and fashion and culture professionals through general interest projects. During this event, one euro was donated to the associations and organisations working for this cause for each item sold.

Maje has chosen to support female empowerment by partnering with the Rêv'Elles association, which works to inspire, support and motivate young women from lower-income neighbourhoods in their personal and professional development.

Fursac wanted to commit to "promoting reintegration through work", and has therefore renewed its commitment to the Force Femmes association, which supports unemployed women over the age of 45 to return to work. This community project ran from 4 to 10 November 2024 during which for any purchase in France, the brand donated five euros to the association.

Lastly, following a vote organised by employees, Claudie Pierlot has chosen to commit to "bringing joy to people affected by illness". A charity partnership reflecting this commitment will be signed in 2025.

METRICS RELATED TO CONSUMERS

GROUP WEIGHTED NPS

	2024	2025 TARGET
Group-weighted NPS	73	75

At the end of 2024, the aggregate NPS of the Group's Sandro (Europe scope), Maje and Claudie Pierlot (France scope) brands was 73/100, reflecting a high satisfaction rate. The aggregate NPS takes into account three metrics: post customer service contact, post in-store purchase and post digital purchase NPS.

3.4 Information on business conduct

The way in which the Group conducts its business from the ethical, social, environmental and societal perspective is essential to its success and sustainability, and a source of value creation. This requirement applies on a daily basis to business conduct, the conduct expected of employees but also relationships with suppliers, partners and stakeholders. The Group aims to act in compliance with the principles of the Universal Declaration of Human Rights and the European Convention on Human Rights, the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises, the United Nations Convention on the Rights of the Child, the United Nations Women's Empowerment Principles and the International Labour Organization (ILO) recommendations. On this basis, the Group has developed a global responsible policy which specifically covers ethics, respect for human rights and combating discrimination, corruption and influence peddling, which are key values and a major concern for SMCP.

In this context, the Group has implemented a whole system to ensure compliance with its values and to comply with international and national laws, such as the French Sapin II Law and equivalent laws in other countries. This compliance system includes in particular:

- the creation of an Ethics Committee (see Chapter 2, paragraph 2.5 "The risk management system");
- completing the corruption risk mapping to identify the risks of the Group's exposure to corruption and prioritise action plans (see Chapter 2, paragraph 2.1.4 "Financial risks");
- the implementation of a Code of Ethics and various resulting policies (see Chapter 1, paragraph 2.5 "The risk management system");
- the deployment of a Supplier Code of Conduct (see Chapter 1, paragraph 2.5 "The risk management system").

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO BUSINESS CONDUCT (IRO-1)

Material ESG matters	Relevant scope	Impacts	Risks/opportunities	Impact, risk and opportunity management policies and actions
Business ethics	Upstream value chain and own operations	• Negative impact: damage to the rule of law and increased inequalities due to corrupt practices	Regulatory risk: breach of anti-corruption regulations	• Implementation of a Code of Ethics, a policy for the prevention of corruption and conflicts of interest, a Gifts Policy and a Supplier Code of Conduct, a whistle-blowing system and training for employees the most exposed to such risks
Balanced relationships with suppliers and subcontractors	Upstream value chain	• Negative impact: economic difficulties for suppliers and subcontractors in the event of abusive practices by the Group	Non-material	• Supplier Code of Conduct, implementation of General Purchasing Conditions, supplier assessment, employee training

Material ESG matters	Relevant scope	Impacts	Risks/opportunities	Impact, risk and opportunity management policies and actions
Cybersecurity and personal data protection	Own operations and downstream value chain	• Negative impact: invasion of privacy that could lead to malicious actions in the event of leaks of customer or employee personal data	• Operational risks: disruption of information systems in the event of cyberattacks leading to additional costs to restore a normal situation, and a fall in revenue in the event of impacts on ordering or collection systems • Regulatory risk: breach of personal data protection regulations • Reputational risk: customer disaffection for brands that do not secure their personal data, leading to a fall in revenue	• Information security management system ("ISMS"), employee awareness and training programmes on IT risks, network and application security tests, signing of a mandatory security assurance plan for all contracts
Animal welfare	Upstream value chain	• Negative impact: animal suffering during breeding or slaughter linked to materials used in the Group's collections (wool, leather)	Non-material	• Ban on many animal materials (furs, feathers, down, leather from exotic species) • Use of RWS certification for wool
Traceability	Upstream value chain	• Negative impact: damage caused to the environment and/or human rights infringement of the Group's direct and indirect suppliers due to a lack of knowledge of the parties involved in the various stages of product manufacturing	• Regulatory risk: inability to comply with regulations requiring knowledge of all product manufacturing steps (e.g. deforestation, due diligence, AGEC Law)	• Deployment of a traceability tool by all brands to map all stages of manufacturing back to the raw material

3.4.1 Corporate culture and business conduct policies (G1-1), and prevention and detection of corruption and bribery (G1-3)

BUSINESS CONDUCT POLICIES (G1-1) AND PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY (G1-3)

In order to ensure ethical and responsible business conduct, the Group has adopted, on the proposal of its Ethics Committee, clear principles and rules to be followed by its employees as well as all stakeholders involved in the Group's actions.

In addition, corruption risks have been mapped under the supervision of the Ethics Committee. The corruption risks and influence peddling associated with these potential corruption situations were identified and prioritised in a risk map, the results and action plans of which were presented to General Management and the Board of Directors' Audit Committee in July 2022. As part of the update of its corruption risk map in 2025, the Group plans to identify, update, assess and prioritise the corruption risks to which it is exposed. This task will be carried out with the Group's management bodies and all persons identified as being the most exposed to corruption risks.

The principles underlying the Group's policies on business conduct and the prevention and detection of corruption and bribery are set out in the following documents, which are available in French, English and Chinese:

- a Code of Ethics for employees to provide them with a framework for the performance of their duties, including information on the fight against fraud (prevention of corruption and influence peddling, managing conflicts of interest and preventing risks related to money laundering), the prevention of insider trading, the fight against all forms of discrimination, social and environmental responsibility and the whistle-blowing system;
- a Policy for the Prevention of Corruption and Conflicts of Interest, which defines and illustrates the different types of conduct to be prohibited as they are likely to constitute acts of corruption or influence peddling. The policy also covers donations and philanthropic activities and outlines the Group's Gifts and Hospitality policy;
- a Gifts and Hospitality Policy, which illustrates in more detail the rules applicable in this area and provides the applicable procedure for declaring them in the register monitored by the Ethics Committee;
- an internal whistle-blowing policy to oversee the reports received and protect whistle-blowers, as detailed below in the paragraph "Actions and resources related to business conduct and prevention and detection of corruption and bribery";
- a Supplier Code of Conduct, which sets out the Group's fundamental values in terms of ethics, social and societal responsibility and environmental protection, to ensure that suppliers and their subcontractors share the principles of exemplarity (see Chapter 2, paragraph "2.5 The risk management system"). All of the Group's tier-1 suppliers must sign the Supplier Code of Conduct, or demonstrate that they have at least equivalent commitments.

These documents are reviewed by the Ethics Committee as soon as the corruption risk map is updated. The other documents are disseminated to all employees worldwide, whether they are in the warehouse, in a head office or in-store, and to new employees upon their arrival within the Group, and are available on the SMCP intranet shared by all of the entities. Apart from the Gifts and Hospitality Policy, which is only available internally, all of the above ethics policies are also available on the Group's website at https://www.smcp.com/fr/homepage/rse/documents-ethique-rse/. Each brand's management team is made aware of the importance of adopting this shared foundation and making its principles a reality for each of its employees.

Failure to comply with the rules and principles set out in the Group's ethics policies constitutes a serious breach and may, depending on the circumstances, result in disciplinary measures, sanctions up to and including the termination of the employment contract for an employee or for a supplier) in accordance with the provisions of the relevant policy, the Group's internal rules (or any equivalent document), or applicable laws and regulations. As soon as a report is received, it is analysed to determine whether it actually violates the Group's rules and ethical principles. If the report is confirmed, the Ethics Committee will start its investigation phase. At the end of this period, it will determine the measures to be taken according to the breach.

The SMCP Group prohibits any political position on behalf of the company and does not incur any lobbying expenses (G1-5).

Preventing the risk of corruption

The Group attaches great importance to the values of integrity, honesty and loyalty and respect for healthy competition in the development of its business activities. In particular, SMCP and its brands adopt a zero tolerance approach to any form of corruption or influence peddling, both within the Group and through the acts of its suppliers, partners or any of its stakeholders.

The Policy for the Prevention of Corruption and Conflicts of Interest defines and illustrates the different types of conduct to be prohibited as they are likely to consist of corruption or influence peddling. It has been put in place to enable employees to familiarise themselves with the basic principles of anti-corruption legislation, and to take ownership of the necessary procedures and the behaviours to adopt in order to comply with them. It includes an explanation of what constitutes an act of corruption or a conflict of interest, examples of risky situations that may constitute an act of corruption or a conflict of interest, recommendations on managing these risky situations and on the best practices to be adopted and the description of the whistle-blowing system that can be used to report facts identified as being in breach of policy content. The Group is committed to promoting the principles set out in this Policy in its relations with its direct and indirect suppliers, who must comply with it or apply professional and ethical standards at least equivalent to them.

Cybersecurity and personal data

Cybersecurity and data protection information is presented in chapter 2, paragraph "2.1.1 Risks related to the Group's operations".

Respect for animal welfare and protection of endangered species

The Group and its brands have been committed to animal welfare for several seasons: the four brands stopped using fur in 2020 and animal feathers and down in 2023.

Each year, SMCP increases the use of wool that guarantees breeding practices that respect animal welfare (Responsible Wool Standard, organic and recycled certifications). In 2024, the percentage of certified wool reached 59%. In addition, none of the Group's brands use leather from exotic animals (pythons, water snakes, crocodiles, etc.) or test on animals (which is rare in the textiles industry). This commitment is also shared with suppliers, in particular *via* the Supplier Code of Conduct and the General Purchasing Conditions.

The SMCP group expects all its suppliers to apply best practices in terms of animal welfare, and to comply with the regulations in force in this area. This commitment applies to all stages of production that may be affected by the subject of animal welfare: breeding, care, transport and slaughterhouse.

ACTIONS AND RESOURCES RELATED TO BUSINESS CONDUCT AND THE PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

Corruption risk map and strengthening of internal control systems

The corruption risk map (see Chapter 2, paragraph "2.1.4 Financial risks") will be updated in 2025.

In addition, the Audit and Internal Control Department ensures proper compliance with key controls and management procedures. In 2023, it strengthened the Internal Control Essentials ("ICE") internal control standards by adding anti-corruption accounting controls. These controls cover all of the Group's business activities in all the regions in which it operates. These new control points were assessed for the first time in 2023, and the results of these audits were shared with the Audit Committee in February 2024. In addition, compliance checks on certain points of the anti-corruption programme are also carried out during operational audits to ensure the proper implementation of the compliance system.

Employee training

The Group has rolled out a mandatory anti-corruption e-learning training programme for all its employees worldwide, and provides face-to-face training at least once a year for its employees most exposed to corruption risks given their hierarchical position, their mission or their direct relationship with third parties. In 2024, in line with these actions, the members of the Group Management Committee, the Brand Management Committees and the production teams in contact with suppliers received face-to-face training on corruption risks by one of the members of the Ethics Committee. As a result, 100% of the most exposed functions identified by the 2022 mapping received training in 2024. Where necessary (changes in regulations or mapping), the Group changes its training offer in this area in order to guarantee the highest possible level of integrity.

Whistle-blowing system

The Group has set up a whistle-blowing system which is open to all employees, so that they can report facts that, in their opinion, appear not to comply with the Group's ethical rules, or facts that are likely to seriously affect SMCP's business, create a significant liability and/or in the event of a breach of the fundamental principles described in its ethics documents. This includes situations of harassment, discrimination, corruption or fraud. The system stipulates that reports may be sent to the e-mail address ethics@smcp.com, and that they will be treated with the required confidentiality, independence and seriousness.

The use of this system is optional, and employees who witness such a situation may also report it to their line manager, Human Resources Department, employee representatives, the Legal Department or to the Internal Audit Department. All reports are tracked in a dedicated register which formalises the risk analysis and the action plans undertaken.

In North America, in addition to the system described above, employees can report any incidents that do not comply with ethical rules (including violations of the law, situations of harassment or discrimination) to an external service provider by telephone, SMS or *via* an online form.

The SMCP whistle-blowing system is open to all stakeholders and is advertised on the Group's website and in the Supplier Code of Conduct.

Whatever the means used, the whistle-blower's privacy is respected, and where possible, particular attention is paid to ensuring that the factual information provided is sufficiently general not to allow them to be identified. Even if the facts prove to be inaccurate or do not give rise to any follow-up, the use of the system does not in any way expose the whistle-blower to any disciplinary sanction.

The Ethics Committee is responsible for collecting and processing reports. In 2024, the Ethics Committee received four reports *via* the Group's whistleblowing system. These reports are dealt with anonymously and confidentially. Of these four reports, two related to harassment allegations, and resulted in an investigation under the responsibility of the Ethics Committee. Following these investigations, neither of the two cases were found to be harassment. As of the date of this universal registration document, the four reports have been closed. The whistle-blowers were informed of the outcome of their report. Any observed breaches led to appropriate corrective actions.

METRICS RELATED TO CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY

TRAINING FOR AT-RISK FUNCTIONS (G1-3)

	2024
Percentage of at-risk functions covered by training programmes	100%

CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY (G1-4)

	2023	2024
Number of convictions and amount of fines for breaches of anti-corruption legislation and acts of corruption	0	0
Amount of fines for breaches of anti-corruption legislation and acts of corruption	0	0

3.4.2 Management of relationships with suppliers (G1-2)

POLICY ON MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

The SMCP Group and its brands have always sought to build long-term relationships with their partners (including its distributors, manufacturers and, more generally, all of its commercial partners). These relationships must be based on mutual respect and shared values. They are expected to be fully in line with the Group's fundamental values in terms of ethics, social responsibility and environmental protection. SMCP thus requires its suppliers and their subcontractors to behave in an exemplary manner on the subject of forced labour, child labour, illegal, clandestine or undeclared labour, working conditions, harassment, abusive or inhuman treatment, discrimination and corruption. These values are formalised in the Supplier Code of Conduct. The recognition of these requirements and the commitment to comply with these rules are mandatory prerequisites before starting any business relationship with a Group company. To date, all production suppliers with which the brands have a direct contract have signed this document.

The Group is a signatory of the United Nations Global Compact, and takes care to ensure that its suppliers comply with labour laws, applicable social protection laws, as well as applicable social and environmental standards. In addition to its Supplier Code of Conduct, SMCP has formalised its requirements vis-à-vis its suppliers through its General Purchasing Conditions. By signing these documents, suppliers undertake to comply with, and to ensure that their suppliers and subcontractors comply with all the clauses of these documents.

The Group conducts social audits of its production suppliers through an independent expert. The practical aspects of these audits are described in paragraph "3.3.2. Workers in the value chain (S2)". These audits make it possible to assess the level of risk of suppliers on social, environmental, health and safety issues, but also to define any corrective actions and thus implement the necessary action plans.

Any incidents of non-compliance with the Supplier Code of Conduct are referred to the Ethics Committee. The Committee proposes the corrective measures to be put in place, which, depending on the seriousness of the identified breaches, may go as far as the immediate termination of the business relationship with the supplier in question. In general, SMCP ensures that it provides support and advice to all suppliers to improve their practices (see paragraph "3.3.2. Workers in the value chain (S2)".

In addition, the Group has rolled out an "indirect purchasing" policy in response to its strong desire to secure its relations with its suppliers during the various phases of selection, commitment and monitoring. This ensures that the selected suppliers are reliable, that they comply with all applicable laws and regulations as described in the Supplier Code of Conduct, and that they have benefited from fair and transparent business opportunities, to guarantee performance and safety for all. All purchases managed by the Group's Indirect Purchasing Department (including purchases of energy, lighting, furniture, packaging and store consumables) include CSR criteria in the tender specifications, and therefore in their award criteria.

ACTIONS AND RESOURCES RELATED TO MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

Supplier assessment

A risk map of the Group's suppliers was created, which allowed it to identify the risks in its value chain and to rank the categories of suppliers according to their level of risk (high/medium/low).

Employee training

An Indirect Purchasing e-learning course, created and rolled out in 2022, is mandatory for all employees. This module enables everyone to familiarise themselves with the rules and best practices established by the Group. It covers the various stages of the Purchasing procedure and in particular the rules to be followed when launching a call for tenders.

Training on best practices in terms of contracts was provided to all employees in France involved in the selection of suppliers and the negotiation and validation of the Group's commercial relationships and brands. It aims in particular to familiarise its participants with the essential elements of a contract, to clarify the role of each party during the commercial relationship (which extends from the selection of the supplier to the end of the contract) and to know and apply the contracting procedures (including those applicable to the approval and signing of contracts). A similar training course will be implemented in the North America and APAC regions in 2025.

In 2024, training was provided specifically to the brands' production teams in order to review all the rules and best practices in the context of business relationships with suppliers and/or production intermediaries.

METRICS RELATED TO MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

G1-6 – Payment practices (G1-6)

All SMCP purchases (France and Europe) are payable within 45 days end of month from the invoice issue date, unless otherwise agreed between the parties (which may not exceed 60 days from the invoice date or any other provision applicable to a specific business sector). These payment terms do not apply to orders relating to the transport sector, for which the payment terms are 30 days from the date of issue of the invoice. North America has a 30-day payment policy unless otherwise agreed between the parties. In the APAC region, payment to suppliers is made according to the contractual provisions in place. Information relating to supplier and customer payment terms is available, in accordance with Articles L. 441-6-1, D. 441-1 and D. 441-4 of the French Commercial Code, in Chapter 6, Note 6.1.2, paragraph "6.14 Trade and other payables".

For all Group companies as of December 31, 2024, 62% of trade payables (excluding suppliers of non-current assets and supplier invoices not received) were not past due and only 7% were past due for more than 31 days. The amount of past-due payables fell by 37% compared to 2023.

Currently, the Group is not able to calculate the average actual payment period for invoices, but is putting in place an action plan to be able to communicate it by 2026. There are no legal proceedings for late payment to be reported.

3.4.3 Traceability

TRACEABILITY POLICIES AND OBJECTIVES

Traceability is one of the cornerstones of the SMCP Group's CSR strategy. It is a tool for the various Group policies.

With regard to the social risk management policy, traceability allows the Group to have a better understanding of its value chain and in particular to know the factories in charge of the various manufacturing stages of the products marketed by its brands.

From an environmental point of view, identifying the geographical areas of production of raw materials, their processing (spinning, weaving, dyeing, washing, making and tannery) and manufacture, as well as the identity of suppliers and manufacturers and their CSR performance, enables a better assessment of social and environmental impacts and the implementation of targeted action plans.

To do this, a partnership has been in place since 2022 with an external third party, responsible for tracking the journey of parts sold by SMCP brands and collecting the certifications available to suppliers at each stage (social audits, safety and environmental certifications).

The information collected is communicated to customers via QR codes on product labels or online.

The traceability targets are as follows:

- by 2027, cover at least the spinning stage for all ready-to-wear products and the tannery stage for all footwear SKUs;
- by 2030, identify all stages of production up to the countries of production of the main raw materials used by the Group's brands (cotton, viscose, wool, polyester, leather).

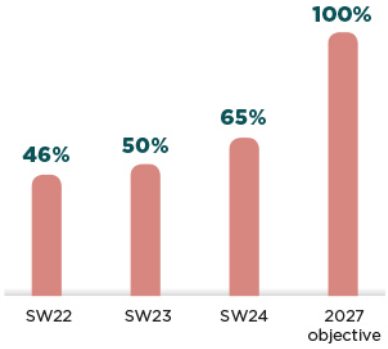
ACTIONS AND RESOURCES RELATED TO TRACEABILITY

The traceability programme underwent new developments in 2024, with the launch of the programme at Fursac and the achievement of a rate of 65% of SKUs for which traceability has gone beyond the regulatory framework of the AGEC[1] Law in France. Moreover, 100% of the SKUs in the Summer 24 and Winter 24 collections complied with this regulation.

SMCP also voluntarily includes product categories not subject to the AGEC regulation in its traceability programme (handbags, leather goods, jewellery, etc.).

Change in the percentage of SKUs for which traceability exceeds regulatory requirements

Change in the percentage of SKUs for which traceability exceeds regulatory requirements



The Group's audit resources were strengthened during the year with the launch of the first laboratory isotope tests with a specialised company to verify the geographical area of cotton production declared by suppliers.

METRICS RELATED TO TRACEABILITY

65% of the SKUs concerned by the AGEC Law are covered by a traceability analysis reaching at least the spinning stage for ready-to-wear or tannery for footwear, an increase of 15 points compared to 2023.

3

(1) *Decree No. 2022-748 of April 29, 2022, which implements Article 13 I of the AGEC Law, the Anti-waste Law for a Circular Economy dated February 11, 2020, setting out mandatory disclosure of the countries in which the last three manufacturing steps have been carried out (weaving, dyeing, assembly/finishing) for textile products. For footwear, the information to be disclosed covers the stitching, assembly and finishing steps.*

3.5 Appendices

3.5.1 Methodological note on data reporting

3.5.1.1 REPORTING PERIOD

This sustainability report covers the period from January 1 to December 31, 2024.

3.5.1.2 REPORTING SCOPE

Metrics 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.

This scope of activities is identical to that of the consolidated financial statements. The detailed list of the companies covered by the scope of consolidation is available in Chapter 6 "Financial statements" of the 2024 universal registration document, under paragraph 8.4 "Scope of consolidation" of the Notes to the consolidated financial statements.

When metrics do not cover the entire scope, the excluded entities, categories or geographical areas are specified in the sections below.

3.5.1.3 ENVIRONMENTAL METRICS

E1 – Climate change

Calculating GHG emissions

For Scope 1, SMCP does not emit greenhouse gases related to the combustion or biodegradation of biomass. The Group's Scope 1 is divided into three categories: GHG emissions from stationary combustion (consumption of gas for heating), GHG emissions from mobile combustion (fuel for company vehicles) and fugitive GHG emissions (refrigerant leaks from air conditioning systems).

The Group has no GHG emissions related to processes. All GHG emissions related to the manufacture of products are calculated in Scope 3 according to the GHG Protocol methodology.

For Scope 2, the Group does not consume steam or energy through heating or cooling networks. Reported emissions represent the electricity consumption of all SMCP buildings. In addition, SMCP does not emit greenhouse gases related to the combustion or biodegradation of biomass.

The methodology used by the Group to measure its carbon footprint is based on the recommendations of the GHG Protocol and also calculates the two categories classified as optional by the SBTi: visitor travel and product use.

Emissions are reported using the following location-based and market-based methods from the GHG Protocol.

The market-based method counts energy from renewable sources purchased using the supplier-specific emissions factor for Scope 2 emissions, demonstrating efforts to supply energy from renewable sources.

The location-based method uses national average emission factors.

The carbon footprint is based on a time period one calendar year, *i.e.* from January 1 to December 31 of the year in question.

The sources of the emission factors used by the Group are the footprint database, the European EF 3.1 database, the Agribalyse database and the International Energy Agency (IEA)'s energy data.

Calculation of Scope 1 is based on the collection of data on gas consumption, company car fuels and refrigerant leaks in all of the Group's air conditioning units.

Calculation of Scope 2 is based on the collection of electricity consumption data for all Group buildings. Therefore, all stores, warehouses and head offices operated by the Group are included. Stores that are open or closed during the year are recorded for the period during which they were open. For buildings for which the electricity consumption is unknown, estimates are based on the average consumption in kWh/square metre of the country during the reporting year.

The calculation of Scope 3 is based on the collection of data from production, logistics, traceability and accounting balance software for the category "3.1 Purchases of goods and services". All calculations related to the purchase of goods are based on physical data: production sites, product weights, production volume, the composition of each product, the energy source used by suppliers when it is known and the annual quantity of packaging produced for all of the Group's products. All calculations related to the purchase of services are based on monetary ratios.

The calculation of the category 3.2 "Fixed assets" is carried out using maintenance data collection and is calculated using monetary ratios.

The category 3.3 "Energy activities (not included in Scope 2)" follows the principles for collecting data on the Group's Scope 2 electricity consumption.

The category 3.4 "Upstream transportation and distribution" is measured annually using data provided by the carriers with which the Group works. The calculation is then made using a CO_2e/t.km ratio for goods transported.

The category 3.5 "Waste produced during operations" takes into account three types of waste. First, packaging waste for which the Group's assumption is to calculate all packaging produced during the year as waste. The data collected is therefore the same as that of category 3.1. Second, production waste is calculated using information provided by suppliers on average manufacturing losses. Finally, information on daily waste from head offices and warehouses is obtained using reporting from sorting and recycling service providers. In this category, only daily waste from stores is not included, since the Group believes that a significant portion of this waste is already included in packaging waste.

Category 3.6 "Business travel" measures emissions related to transport for business trips taken during the year, using annual reporting from the service provider in charge of business travel for all Group employees.

Category 3.7 "Employee commuting" is calculated using an internal questionnaire on employees' work travel habits. This questionnaire is sent to all employees every three years.

Category 3.8 is not applicable to SMCP's business activity.

Category 3.9 measures emissions related to the travel of visitors in SMCP stores, and is based on studies by region to determine transport habits in the cities in which SMCP stores are located. This information is weighted by information on store footfall, which is collected using each brand's commercial software.

Category 3.10 is not applicable to SMCP's business activity.

Category 3.11 assesses emissions related to the use of products. This is an optional category for SMCP. It is calculated using production volumes by product category and extrapolations based on studies on wearing and care habits for textile clothing products.

Category 3.12 "End of product life" shows SMCP's annual production volume, which is calculated using Refashion's study on the end of life of textile products, landfill, incineration and recycling and reuse of products.

Categories 3.13, 3.14 and 3.15 do not apply to SMCP's business activity.

The Absolute Contraction Approach was used for the Energy & Industry (E&I) targets for Scopes 1 & 2 as well as Scope 3. This meets the SBTi Corporate Near-Term criteria (paragraph 5.2). The carbon targets take into account all emissions from Scopes 1 and 2 and more than 63% of Scope 3. The Group's carbon footprint was calculated according to the rules of the GHG Protocol, and only overlooks 3.32% of Scope 3 for the Group's carbon footprint, which is below the 5% limit set by the SBTi Corporate Near-Term Criteria. The overlooked categories are activities for which the Group has no information and no decision-making power, such as electricity consumption in partner warehouses. Emission factors are taken from EF 3.1, Ademe and the International Energy Agency.

Concerning the FLAG trajectory, the SBTi Forest, Land and Agriculture (FLAG) methodology is used, which is also the Absolute Contraction Approach. The Group calculated a FLAG trajectory solely based on the reduction of emissions, and did not take into account any carbon offsetting or sequestration measures. The emission factors are taken from the EF 3.1 database for the Land Management calculation and Agribalyse for the Land Use Change calculation.

Electricity consumption of SMCP sites

- In Europe: the electricity consumption of European stores and head offices is based on the monthly consumption figures provided by electricity suppliers in each country. The electricity consumption of the warehouses was collected in an annual report sent by the electricity supplier. The electricity consumption calculated using the information collected covers 94% of the sites' surface area in square metres. The consumption of the remaining stores was estimated on the basis of surface area consumption ratios (kWh/m²) determined from the consumption of the stores for which actual data are available.
- In North America: the electricity consumption of stores and head offices is based on the monthly consumption figures provided by electricity suppliers in each country. The electricity consumption calculated using the information collected covers 49% of the sites' surface area in square metres. The consumption of the remaining stores was estimated on the basis of surface area consumption ratios (kWh/m²) determined from the consumption of the stores for which actual data are available.
- In the APAC region: the electricity consumption of stores and head offices in Asia is based on a kWh per RMB spent ratio based on monthly invoices. As the stores are in shopping centres, electricity consumption is included in the expenses of each store's landlord. The electricity consumption calculated using the information collected covers 83% of the sites' surface area in square metres. The consumption of the remaining stores was estimated on the basis of surface area consumption ratios (kWh/m²) determined from the consumption of the stores for which actual data are available.

E2 – Pollution

Microplastics emissions

Emissions of microplastics related to the manufacture and washing of products are assessed on the basis of the work of the Plastic Footprint Network, which provides estimates of microplastic release by manufacturing stage and by wash cycle for synthetic garments.

E3 – Water resources

Water consumption related to the manufacture of products sold

Reporting measures the consumption of "blue water", which is the proportion of water from atmospheric precipitation that flows in watercourses to the sea, or that is collected in lakes, aquifers or reservoirs.

Water consumption related to the production and processing steps of raw materials is estimated on the basis of data provided by the Water Footprint Network. Some data come from studies carried out by suppliers (*e.g.* Lenzing) or by the Leather Working Group for leather tanning.

The Group's water footprint focuses on the production of the brands' clothing and accessories. The footprint is divided into two categories: water consumption of raw materials and water consumption of manufacturing steps with a wet process (dyeing and pre-processing steps). For these two categories, calculations are based on the mass of materials used multiplied by water consumption factors from scientific studies.

E4 – Biodiversity and ecosystems

Surface area used for the production of natural materials

The agricultural surface area used for the Group's supplies of natural materials (plant, animal, artificial fibres and leather) is calculated on the basis of the Group's business data (same activity data as for the carbon footprint) and the use of impact factors on land use. The factors used are those in the European EF 3.1 database.

E5 – Resource use and circular economy

The data is derived from the Group-level consolidation of information extracted from our IT tools in connection with production activities. The indicators on the quantities of materials relate to the 2024 calendar year (products delivered between January 1 and December 31, 2024). Material losses occurring during the various stages of product manufacturing are taken into account based on average sectoral data. The indicators for SKUs (% of collections with the lowest environmental impact) correspond to the summer and winter 2024 seasons.

3.5.1.4 SOCIAL METRICS

S1 – Company personnel

Personnel

The data are based on the Group-level consolidation of information extracted from our HRIS IT tools and concern a World scope. Information on the workforce in Australia and New Zealand, having joined the Group in 2023, is reported directly to the Group by the local teams.

Personnel turnover rate

The personnel turnover rate is calculated by taking into account the number of departures during the year compared to the average number of employees.

Disability

The methodology used to calculate the percentage of people with disabilities in France is the following ratio: ratio of beneficiaries of the obligation to employ people with disabilities (BOETH) in the annual average total FTE workforce for 2024.

According to the definition of BOETH in the French Disability Law, all the contracts of employees with valid recognition of a disability in 2024 and present in the workforce between January 1, 2024 and December 31, 2024 were taken into consideration, in proportion to their working time, their age, the length of their contract and the validity dates of their disability recognition. The notion of full-time equivalent (FTE) corresponds to a role carried out on a full-time basis, *i.e.* up to the statutory duration during a full year. Thus, for part-time employees, or employees working for only part of the year, compensation was simulated on a full-time basis. FTEs were calculated per month, and then an average was calculated using all the months of 2024.

Pay

The methodology used to calculate the total annual compensation ratio is as follows:

- all the contracts of employees employed as of December 31, 2024 were taken into account;
- according to the INSEE definition, the median wage is the wage that divides the employees of the company into two equal parts, based on which half of the employees of the company in question earn less and the other half earn more;
- as for the gender pay ratio, certain exclusions were applied. Indeed, the information system used does not allow the Group to extract compensation data for certain countries, which are not yet included in the tool or which have been consolidated during the year, therefore not allowing for an annual analysis. SMCP aims to cover 100% of the workforce over the next five years, either in the tool or *via* another system. These exclusions represent 3.5% of the total workforce;
- the compensation takes into account the fixed compensation, the variable compensation, bonuses, benefits in kind, health and personal protection benefits, free performance shares valued according to their IFRS value, as well as salary saving through profit-sharing and incentive schemes.

Average number of training hours

The average number of training sessions was calculated as the ratio of the total number of training hours delivered to the total number of people who took at least one training course.

The total number of training hours corresponds to the sum of the training hours completed in person or virtually, and the total number of e-learning training hours completed.

The total number of e-learning training hours completed has been corrected: all training session exceeding three hours have been removed from the reporting, because, in view of the catalogue of training courses offered, these periods are considered to be erroneous and could have led to an overestimation of the volume.

S2 – Workers in the value chain

Social audits

The metrics presented cover the Group's four brands.

The first metric measures the share of plants with which the Group's brands have collaborated for the production of the S24 and W24 collections that are covered by a valid social audit.

For a social audit to be considered valid, it must cover the production period and be part of the list of standards recognised by the Group.

The second metric shows the breakdown of supplier social audit ratings into five levels. It expresses the weight of each rating in the total valid audits. When a plant is covered by several valid audits, the lowest score is taken into account to establish this metric.

S4 – Consumers

Weighted Net Promoter Score

The Group's weighted Net Promoter Score (NPS) is calculated as follows:

- the weighted NPS of each brand is calculated by calculating the weighted average of the post customer service contact, post in-store purchase and post digital purchase NPS;
- these results are then consolidated into a weighted average according to the total weight of respondents of each brand in the total number of respondents.

3.5.1.5 GOVERNANCE METRICS

G1 – Traceability

The metrics presented in this section relate to the Sandro, Maje, Claudie Pierlot and Fursac brand SKUs.

The first metric corresponds to the SKUs covered by the AGEC Law, which are aligned with this regulation. Please note that since January 2023, brands must provide consumers with information on the location of the main manufacturing steps (weaving, dyeing and garment making). This obligation covers the main material of ready-to-wear products (excluding leather) and footwear.

The second metric highlights the number of SKUs covered by the AGEC Law for which the traceability analysis has reached at least the spinning stages for ready-to-wear and tannery for footwear. This metric reflects traceability that goes beyond the regulatory requirements of the AGEC Law.

These metrics are calculated on the basis of extracts from the traceability solution used by the Group.

3.5.2 Disclosure Requirements in ESRS covered by the undertaking's sustainability report (IRO-2)

Due to the double materiality results, the topics included in the sustainability report are:

ESRS	Disclosure Requirement	Pages
ESRS 2	BP-1 – General basis for preparation of the sustainability report	66
ESRS 2	BP-2 – Disclosures in relation to specific circumstances	66-67
ESRS 2	GOV-1 – The role of the administrative, management and supervisory bodies	69-70
ESRS 2	GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	70
ESRS 2	GOV-3 – Integration of sustainability-related performance in incentive schemes	70-71
ESRS 2	GOV-4 – Statement on due vigilance	71
ESRS 2	GOV-5 – Risk management and internal controls in relation to sustainability reporting	72
ESRS 2	SBM-1 – Strategy, business model and value chain	4, 73-74
ESRS 2	SBM-2 – Interests and views of stakeholders	77-78
ESRS E1	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	78-82
ESRS E1	IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	83-95
ESRS E1	IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability report	96,162-164
ESRS E1	ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes	70-71
ESRS E1	E1-1 – Transition plan for climate change mitigation	98-101
ESRS E1	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	78-79
ESRS E1	ESRS 2 IRO-1 – Description of processes to identify and assess significant impacts, risks and opportunities related to climate change	85-87
ESRS E1	E1-2 – Policies related to climate change mitigation and adaptation	98-101
ESRS E1	E1-3 – Actions and resources in relation to climate change policies	101-103
ESRS E1	E1-4 – Targets related to climate change mitigation and adaptation	98-101
ESRS E1	E1-5 – Energy consumption and mix	103
ESRS E1	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	104
ESRS E1	E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	Not applicable
ESRS E1	E1-8 – Internal carbon pricing	Not applicable
ESRS E1	ESRS E1-9 – Degree of exposure of the portfolio to climate-related opportunities	Not applicable in 2024
ESRS E2	ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	87
ESRS E2	E2-1 – Policies related to pollution	106
ESRS E2	E2-2 – Actions and resources related to pollution	106
ESRS E2	E2-3 – Targets related to pollution	106
ESRS E2	E2-4 – Pollution of air, water and soil	106
ESRS E2	E2-5 – Substances of concern and substances of very high concern	106
ESRS E2	E2-6 – Anticipated financial effects from pollution-related risks and opportunities	Not applicable in 2024
ESRS E3	ESRS 2 IRO-1 – Description of the procedures to identify and assess significant water and marine resources-related impacts, risks and opportunities	89
ESRS E3	E3-1 – Policies related to water and marine resources	107
ESRS E3	E3-2 – Actions and resources related to water and marine resources	108

ESRS	Disclosure Requirement	Pages
ESRS E3	E3-3 – Targets related to water and marine resources	107
ESRS E3	E3-4 – Water consumption	108
ESRS E3	E3-5 – Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Not applicable in 2024
ESRS E4	E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model	109-111
ESRS E4	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	79,109
ESRS E4	ESRS 2 IRO-1 – Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	89-93
ESRS E4	E4-2 – Policies related to biodiversity and ecosystems	109-111
ESRS E4	E4-4 – Targets related to biodiversity and ecosystems	109-111
ESRS E4	E4-5 – Impact metrics related to biodiversity and ecosystems change	112
ESRS E4	E4-6 – Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	Not applicable in 2024
ESRS E5	ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	93-94
ESRS E5	E5-1 – Policies related to resource use and circular economy	114
ESRS E5	E5-2 – Actions and resources related to resource use and circular economy	115-116
ESRS E5	E5-3 – Targets related to resource use and circular economy	114
ESRS E5	E5-4 – Resource inflows	116
ESRS E5	E5-5 – Resource outflows	117
ESRS E5	E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Not applicable in 2024
ESRS S1	ESRS 2 SBM-2 – Interests and views of stakeholders	77-78
ESRS S1	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	80-82, 126
ESRS S1	S1-1 – Policies related to Company personnel	126-129
ESRS S1	S1-2 – Processes for engaging with Company personnel and their representatives about impacts	129
ESRS S1	S1-3 – Processes to remediate negative impacts and channels for Company personnel to raise concerns	129
ESRS S1	S1-4 – Taking action on material impacts on Company personnel, and approaches to managing material risks and pursuing material opportunities related to Company personnel, and effectiveness of those actions	126-142
ESRS S1	S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	126-142
ESRS S1	S1-6 – Characteristics of the undertaking's employees	130-132
ESRS S1	S1-7 – Characteristics of non-employees in Company personnel	132
ESRS S1	S1-8 – Collective bargaining coverage and social dialogue	133
ESRS S1	S1-9 – Diversity metrics	135
ESRS S1	S1-10 – Adequate wages	136
ESRS S1	S1-11 – Social protection	137
ESRS S1	S1-12 – Persons with disabilities	135
ESRS S1	S1-13 – Training and skills development metrics	140-141
ESRS S1	S1-14 – Health and safety metrics	142
ESRS S1	S1-15 – Work-life balance metrics	142
ESRS S1	S1-16 – Remuneration metrics (pay gap and total remuneration)	137
ESRS S1	S1-17 – Incidents, complaints and severe human rights impacts	129
ESRS S2	ESRS 2 SBM-2 – Interests and views of stakeholders	77-78

ESRS	Disclosure Requirement	Pages
ESRS S2	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	81, 143
ESRS S2	S2-1 – Policies related to value chain workers	144
ESRS S2	S2-2 – Processes for engaging with value chain workers about impacts	144
ESRS S2	S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	144
ESRS S2	S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	145
ESRS S2	S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	144,145
ESRS S3	ESRS 2 SBM-2 – Interests and views of stakeholders	Non-material
ESRS S3	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Non-material
ESRS S3	S3-1 – Policies related to affected communities	Non-material
ESRS S3	S3-2 – Processes for engaging with affected communities about impacts	Non-material
ESRS S3	S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	Non-material
ESRS S3	S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Non-material
ESRS S3	S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Non-material
ESRS S4	ESRS 2 SBM-2 – Interests and views of stakeholders	77-78
ESRS S4	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	81,147
ESRS S4	S4-1 – Policies related to consumers	148
ESRS S4	S4-2 – Processes for engaging with consumers about impacts	148-149
ESRS S4	S4-3 – Processes to remediate negative impacts and channels for consumers and end users to raise concerns	148-149
ESRS S4	S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	149-150
ESRS S4	S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	150
ESRS G1	ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies	70,151
ESRS G1	ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	94,151
ESRS G1	G1-1 – Corporate culture and business conduct policies	153-154
ESRS G1	G1-2 – Management of relationships with suppliers	155-156
ESRS G1	G1-3 – Prevention and detection of corruption and bribery	153-154
ESRS G1	G1-4 – Confirmed incidents of corruption or bribery	155
ESRS G1	G1-5 – Political influence and lobbying activities	153
ESRS G1	G1-6 – Payment practices	156

3.5.3 Required data points in cross-functional and topical standards derived from other legislative texts of the European Union (ESRS 2, Annex B)

ESRS	Disclosure Requirement	SFDR	Pillar 3	Regulation on benchmarks	European climate law	Pages
ESRS 2	GOV-1 Board's gender diversity	x		x		195
ESRS 2	GOV-1 Percentage of board members who are independent			x		196
ESRS 2	GOV-4 Statement on due diligence	x				71
ESRS 2	SBM-1 Involvement in activities related to fossil fuel activities	x	x	x		Not applicable
ESRS 2	SBM-1 Involvement in activities related to chemical production	x		x		Not applicable
ESRS 2	SBM-1 Involvement in activities related to controversial weapons	x		x		Not applicable
ESRS 2	SBM-1 Involvement in activities related to cultivation and production of tobacco			x		Not applicable
ESRS E1	E1-1 Transition plan to reach climate neutrality by 2050				x	98-100
ESRS E1	ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks		x	x		Not applicable
ESRS E1	E1-4 GHG emission reduction targets	x	x	x		98-101
ESRS E1	E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x				103
ESRS E1	ESRS E1-5 Energy consumption and mix	x				103
ESRS E1	E1-5 Energy intensity associated with activities in high climate impact sectors	x				103
ESRS E1	E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	x	x	x		104
ESRS E1	E1-6 Gross GHG emissions intensity	x	x	x		105
ESRS E1	E1-7 GHG removals and carbon credits paragraph				x	Not applicable
ESRS E1	E1-9 Exposure of the benchmark portfolio to climate-related physical risks			x		Not applicable in 2024
ESRS E1	E1-9 Disaggregation of monetary amounts by acute and chronic physical risk		x			Not applicable in 2024
ESRS E1	E1-9 Location of significant assets at material physical risk		x			Not applicable in 2024
ESRS E1	E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes		x			Not applicable in 2024
ESRS E1	E1-9 Degree of exposure of the portfolio to climate-related opportunities			x		Not applicable in 2024
ESRS E2	E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	x				Not applicable
ESRS E3	E3-1 Water and marine resources	x				107
ESRS E3	E3-1 Policies related to water and marine resources	x				107
ESRS E3	E3-1 Sustainable oceans and seas	x				Not applicable
ESRS E3	E3-4 Total percentage of water recycled and reused	x				Not applicable
ESRS E3	E3-4 Total water consumption in m^3 per net revenue on own operations	x				Not applicable
ESRS E4	ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	x				79,109

ESRS	Disclosure Requirement	SFDR	Pillar 3	Regulation on benchmarks	European climate law	Pages
ESRS E4	E4-2 Sustainable land/agricultural practices or policies	x				109-111
ESRS E4	E4-2 Sustainable oceans/seas practices or policies	x				Not applicable
ESRS E4	E4-2 Policies to address deforestation	x				109-111
ESRS E5	E5-5 Non-recycled waste	x				Not applicable
ESRS E5	E5-5 Hazardous waste and radioactive waste	x				Not applicable
ESRS S1	ESRS 2- SBM-3 – S1 Risk of incidents of forced labour	x				128-129
ESRS S1	ESRS 2- SBM-3 – S1 Risk of incidents of child labour	x				128-129
ESRS S1	S1-1 Human rights policy commitments	x				126-129
ESRS S1	S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			x		129
ESRS S1	S1-1 Processes and measures for preventing trafficking in human beings	x				129
ESRS S1	S1-1 Workplace accident prevention policy or management system	x				141
ESRS S1	S1-3 Grievance/complaints handling mechanisms	x				129
ESRS S1	S1-14 Number of fatalities and number and rate of work-related accidents	x		x		142
ESRS S1	S1-14 Number of days lost to injuries, accidents, fatalities or illness	x				142
ESRS S1	S1-16 Unadjusted gender pay gap	x		x		137
ESRS S1	S1-16 Excessive CEO pay ratio	x				137
ESRS S1	S1-17 Incidents of discrimination	x				129
ESRS S1	S1-17 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	x		x		129
ESRS S2	ESRS 2- SBM-3 – S2 Significant risk of child labour or forced labour in the value chain	x				143
ESRS S2	S2-1 Human rights policy commitments	x				144
ESRS S2	S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	x		x		Not applicable
ESRS S2	S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			x		144
ESRS S2	S2-4 Human rights issues and incidents connected to its upstream and downstream value chain	x				145
ESRS S3	S3-1 Human rights policy commitments	x				Not applicable
ESRS S3	S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	x		x		Not applicable
ESRS S3	S3-4 Human rights issues and incidents	x				Not applicable
ESRS S4	S4-1 Policies related to consumers and end-users	x				148
ESRS S4	S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	x		x		Not applicable
ESRS S4	S4-4 Human rights issues and incidents	x				Not applicable
ESRS G1	G1-1 United Nations Convention against Corruption	x				151,153
ESRS G1	G1-1 Protection of whistle-blowers	x				154
ESRS G1	G1-4 Fines for violation of anti-corruption and anti-bribery laws	x		x		155
ESRS G1	G1-4 Standards of anti-corruption and anti-bribery	x				153-154

3.5.4 Cross-reference tables (SDGs, GRI)

3.5.4.1 CROSS-REFERENCE TABLE WITH UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Pillar	Related ESRS	Sustainable Development Goals (SDGs)
SMCProduct	E5	6, 7, 12, 13
	S2	6, 8, 12
SMCPlanet	E1	7, 13
	E2	15, 12
	E3	15, 12
	E4	15
SMCPeople	S1	4, 5, 8, 10
	S4	12
Business conduct	G1	12, 16, 17

3.5.4.2 GRI CROSS-REFERENCE TABLE (2021)

GRI standard title	Information component	2024 sustainability report
GRI 2: General information 2021	2-1 Organisation details	Chapter 8 – 8.1 Presentation of the issuer
	2-2 Entities included in the reporting on the organisation's sustainability	Chapter 6 – Note 8.4, Scope of consolidation,
	2-3 Reporting period, frequency and point of contact	Chapter 3 – 3.5.1 Methodological note
	2-4 Restatement of information	Chapter 3 – 3.1.1 Basis for preparation; 3.5.1 Methodological note
	2-5 External insurance	Chapter 3 – 3.6 Independent third-party report
	2-6 Activities, value chain and other business relationships	Chapter 1-1.2 Activities
	2-7 Employees	Chapter 3 – 3.1 – Characteristics of the undertaking's employees
	2-8 Workers who are not employees	Chapter 3 – 3.1 – Characteristics of non-employees
	2-9 Governance structure and composition	Chapter 4 – 4.1 Organisation of governance
	2-10 Nomination and selection of members of the highest governance body	Chapter 4 – 4.1.2.2 Rules governing the composition of the Board of Directors
	2-11 Chair of the highest governance body	Chapter 4 – 4.1 Organisation of governance
	2-12 Role of the highest governance body in overseeing impact management	Chapter 4 – 4.1.4 Committees
	2-13 Delegation of responsibility for impact management	Chapter 4 – 4.1.4 Committees and Chapter 2 – 2.3 and 2.4
	2-14 Role of the highest governance body in sustainability reporting	Chapter 4 – 4.1.4 Committees
	2-15 Conflicts of interest	Chapter 4 - 4.1.5 Declarations relating to members of the administrative and management bodies and conflicts of interest
	2-16 Communication of major concerns	Chapter 3 – 3.4. Information on business conduct
	2-17 Shared knowledge of the highest governance body	Chapter 4 – 4.1 Organisation of governance
	2-18 Assessment of the performance of the highest governance body	Chapter 4 – 4.1 Organisation of governance
	2-19 Compensation policies	Chapter 4 – 4.2 Compensation and benefits
	2-20 Process for setting compensation	Chapter 4 – 4.2 Compensation and benefits and 4.1.4.2 Nominations and Compensation Committee
	2-21 Total annual remuneration ratio	Chapter 3 – 3.1, Compensation and social protection and (S1-10, S1-11 and S1-16), Total annual compensation ratio
	2-22 Statement on sustainable development strategy	Chapter 3 – 3.1.3 Strategy
	2-23 Political commitments	Chapter 3 – 3.4. Information on business conduct
	2-24 Integration of political commitments	Chapter 3 – 3.4. Information on business conduct
	2-25 Process to remedy negative impacts	Chapter 3 – 3.4. Information on business conduct
	2-26 Mechanisms for seeking advice and raising concerns	Chapter 3 – 3.4. Information on business conduct
	2-27 Compliance with laws and regulations	No non-compliance

GRI standard title	Information component	2024 sustainability report
GRI 2: General information 2021	2-28 Membership of associations	Chapter 3 – 3.1.3.2 Interests and views of stakeholders (SBM-2), Chapter 3 – 3.2.4 Biodiversity and ecosystems [E3]
	2-29 Stakeholder engagement approach	Chapter 3 – 3.1.3.2 Interests and views of stakeholders (SBM-2)
	2-30 Collective agreements	Chapter 3 – 3.1, Social dialogue and collective bargaining (S1-8)
GRI 3: Relevant topics 2021	3-1 Process for setting relevant topics	Chapter 3 – 3.1.4 Impact, risk and opportunity (IRO) management
	3-2 List of relevant topics	Chapter 3 – 3.1.4 Impact, risk and opportunity (IRO) management
	3-3 Managing relevant topics	Chapter 3, all sections
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	Chapter 3 – 3.2.4 Biodiversity and ecosystems [E3]
	101-2 Managing impacts on biodiversity	Chapter 3 – 3.2.4 Biodiversity and ecosystems [E3]
	101-3 Access to and sharing of benefits	not applicable
	101-4 Identifying impacts on biodiversity	Chapter 3 – 3.1.4 Impact, risk and opportunity (IRO) management, Biodiversity
	101-5 Sites that have impacts on biodiversity	Chapter 3 – 3.1.4 Impact, risk and opportunity (IRO) management, Biodiversity
	101-6 Direct impact drivers of biodiversity loss	not applicable
	101-7 Changes in the state of biodiversity	Chapter 3 – 3.2.4 Biodiversity and ecosystems [E3]
	101-8 Ecosystem services	Chapter 3 – 3.2.4 Biodiversity and ecosystems [E3]
GRI 304: Biodiversity 2024	304-1 Operating sites owned, leased or managed, located in or adjacent to protected areas and areas rich in biodiversity outside protected areas	Chapter 3 – 3.1.4 Impact, risk and opportunity (IRO) management, Biodiversity
	304-2 Significant impacts of activities, products and services on biodiversity	Chapter 3 – 3.2.4 Biodiversity and ecosystems [E3]
	304-3 Habitats protected or restored	Not applicable
	304-4 Species on the IUCN red list and on the national conservation list whose habitats are located in areas affected by operations	Not applicable
GRI201: Economic performance 2016	201-1 Direct economic value generated and distributed	Chapter 5 – 5.2.1 Key figures
	201-2 Financial implications and other risks and opportunities due to climate change	Chapter 3 –3.2.1, Material impacts, risks and opportunities related to climate change and their interaction with the strategy and business model
	201-3 Defined benefit plan and other pension plan obligations	Chapter 6 – Note 6.13 Employee benefits
	201-4 Public financial assistance	Not applicable
GRI 202: Market presence 2016	202-1 Ratios between the standard first level salary by gender compared to the local minimum wage	Not applicable
	202-2 Percentage of senior managers recruited from the local community	Not applicable
GRI 203: Indirect economic impacts 2016	203-1 Capital expenditure in infrastructure and sponsorship	Chapter 3 – 3.2.5, Product donation and recycling and 3.3.3, Raising customer awareness of the environmental impacts of products and brand commitments
	203-2 Significant indirect economic impacts	Chapter 3 – 3.2.5, Product donation and recycling and 3.3.3, Raising customer awareness of the environmental impacts of products and brand commitments
GRI 204: Purchasing practices 2016	204-1 Percentage of expenses with local suppliers	Not applicable

GRI standard title	Information component	2024 sustainability report
GRI 205: Anti-corruption 2016	205-1 Activities assessed in terms of corruption-related risks	Chapter 2 – 2.1.4 Regulatory developments and litigation risks
	205-2 Communication and training on anti-corruption policies and procedures	Chapter 2 – 2.1.4 Regulatory developments and litigation risks and chapter 3 - 3.4. Information on business conduct
	205-3 Confirmed incidents of corruption and measures taken	Chapter 3 – 3.4. Information on business conduct
GRI 206: Anti-competitive behaviour 2016	206-1 Legal actions against anti-competitive behaviour and anti-trust practices	No non-compliance
GRI 207: Taxation 2019	207-1 Tax policy approach	Chapter 1–1.7.8 Tax regulations and chapter 2–2.1.5 Legal and regulatory risks
	207-2 Tax governance, control and risk management	Chapter 1–1.7.8 Tax regulations and chapter 2–2.1.5 Legal and regulatory risks
	207-3 Stakeholder engagement and management of tax policy issues	Chapter 1–1.7.8 Tax regulations and chapter 2–2.1.5 Legal and regulatory risks
	207-4 Country-by-country reporting	Not reported
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Chapter 3 – 3.2. 5 Resource use and circular economy
	301-2 Recycled materials used	Chapter 3 – 3.2.5 Resource use and circular economy
	301-3 Recovered products and packaging materials	Chapter 3 – 3.2.5 Resource use and circular economy
GRI 302: Energy 2016		Chapter 3 – 3.2.1, Energy consumption and mix (E1-5)
GRI 303: Water and effluent 2018		Chapter 3 – 3.2.4, Water and marine resources
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	Chapter 3 - 3.2.1, Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)
	305-2 Indirect GHG emissions (Scope 2)	Chapter 3 - 3.2.1, Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)
	305-3 Other indirect GHG emissions (Scope 3)	Chapter 3 - 3.2.1, Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)
	305-4 GHG emissions intensity	Chapter 3 - 3.2.1, Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)
	305-5 GHG emission reduction	Chapter 3 - 3.2.1, Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)
GRI 306: Waste 2020		Not applicable
GRI 308: Environmental assessment of suppliers 2016	308-1 New suppliers analysed using environmental criteria	Chapter 3 – 3.2.5 Resource use and circular economy (E5)
	308-2 Adverse environmental impacts in the supply chain and measures taken	Chapter 3 – 3.2.5 Resource use and circular economy (E5)
GRI 401: Employment 2016	401-1 Recruitment of new employees and staff turnover	Chapter 3 – 3.1 – Characteristics of the undertaking's employees
	401-2 Benefits granted to full-time employees and not to temporary or part-time employees	Chapter 3 – 3.3.1 - Company personnel
	401-3 Parental leave	Chapter 3 – 3.1, Health, safety and quality of life at work (S1-14 and S1-15)
GRI 402: Employee/ management relations 2016	402-1 Minimum notice periods for operational changes	Not applicable
GRI 403: Health and safety at work 2018		Chapter 3 – 3.1, Health, safety and quality of life at work (S1-14 and S1-15)

GRI standard title	Information component	2024 sustainability report
GRI404: Training and education 2016	404-1 Average number of training hours per year per employee	Chapter 3 – 3.1, Talent development and employee skills management (S1-13)
	404-2 Employee skills upgrade and transition assistance programmes	Chapter 3 – 3.1, Talent development and employee skills management (S1-13)
	404-3 Percentage of employees covered by performance and career development reviews	Chapter 3 – 3.1, Talent development and employee skills management (S1-13)
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity of governance bodies and employees	Chapter 3 – 3.1, Diversity and inclusion (S1-9 and S1-12)
	405-2 Ratio of basic wage and compensation of women and men	Chapter 3 – 3.1, Compensation and social protection (S1-10, S1-11 and S1-16)
GRI 406: Anti-discrimination 2016	406-1 Incidents of discrimination and corrective measures taken	No incidents
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers for which the right to freedom of association and collective bargaining may be at risk	Chapter 3– 3.3.2 Workers in the value chain [S2]
GRI 408: Child labour 2016	408-1 Operations and suppliers presenting a significant risk of child labour	Chapter 3– 3.3.2 Workers in the value chain [S2]
GRI 409: Forced or compulsory labour 2016	409-1 Operations and suppliers presenting a significant risk of forced or compulsory labour	Chapter 3– 3.3.2 Workers in the value chain [S2]
GRI 410: Safety practices 2016	410-1 Training of safety personnel on human rights policies and procedures	Not applicable
GRI 411: Rights of indigenous peoples 2016	411-1 Incidents of violations of the rights of indigenous peoples	Not applicable
GRI 413: Local communities 2016	413-1 Activities involving the local community, impact assessment and development programmes	Chapter 3 – 3.1.3.2 Interests and views of stakeholders (SBM-2) and 3.3.3, Raising customer awareness of the environmental impacts of products and brand commitments
	413-2 Activities generating substantial actual or potential negative impacts on local communities	Not applicable
GRI 414: Social assessment of suppliers 2016	414-1 New suppliers analysed using social criteria	Chapter 3– 3.3.2 Workers in the value chain [S2]
	414-2 Adverse social impacts on the supply chain and measures taken	Chapter 3– 3.3.2 Workers in the value chain [S2]
GRI 415: Public policies 2016	415-1 Political contributions	No political contributions
GRI 416: Consumer health and safety 2016	416-1 Assessment of the impacts of product and service categories on health and safety	Chapter 3 – 3.3.3 Consumers [S4]
	416-2 Incidents of on-compliance concerning the impacts of products and services on health and safety	No non-compliance
GRI 417: Marketing and labelling 2016	417-1 Requirements for product and service information and labelling	Chapter 3 – 3.4.4 Traceability
	417-2 Incidents of non-compliance concerning product and service information and labelling	No non-compliance
	417-3 Incidents of non-compliance concerning marketing communications	No non-compliance
GRI 418: Confidentiality of customer data 2016	418-1 Well-founded complaints about breach of customer data confidentiality and loss of customer data	No non-compliance

3.6 Report on the certification of sustainability information and audit of the information provided by SMCP in line with the disclosure requirements provided for by Article 8 of Regulation (EU) 2020/852

Financial year ended December 31, 2024

To the SMCP General Meeting,

This report is issued in our capacity as Statutory Auditors for SMCP. It covers the information on sustainability and the information provided for in Article 8 of Regulation (EU) 2020/852, relating to the financial year ended December 31, 2024, and included in Section 3 "Sustainability report" of the Group's management report (hereinafter the "Sustainability report").

Pursuant to Article L. 233-28-4 of the French Commercial Code, SMCP is required to include the aforementioned information in a separate section of the Group's management report. This information was prepared in a context of first-time application of the aforementioned articles and characterised by uncertainties as to the interpretation of the texts, the use of significant estimates and the absence of established practices and frameworks, particularly for the analysis of double materiality by a scalable internal control system. This information provides an understanding of the impacts of SMCP's activity on sustainability matters, as well as the way in which these matters affect the development of the Group's business, results and position. Sustainability matters include environmental, social and corporate governance matters.

Pursuant to Article L. 821-54 (II) of the aforementioned Code, our mission is to carry out the work necessary to issue an opinion, expressing limited assurance, on:

- compliance with the sustainability information standards adopted pursuant to Article 29b of Directive (EU) 2013/34 of the European Parliament and of the Council of December 14, 2022 (hereinafter ESRS meaning *"European Sustainability Reporting Standards"*) of the process implemented by [entity] to determine the information to be reported, and compliance with the obligation to consult the Works Council provided for in Article L. 2312-17 (6) of the French Labour Code;
- the compliance of the sustainability information included in Section 3 "Sustainability report" of the Group's management report with the requirements of Article L. 233-28-4 of the French Commercial Code, including with the ESRS; and
- compliance with the disclosure requirements of Article 8 of Regulation (EU) 2020/852.

This mission is carried out in accordance with the relevant ethical rules, including independence, and the rules on quality set out by the French Commercial Code.

It is also governed by the guidelines of the *Haute Autorité de l'Audit* (Supreme Audit Authority)'s *"mission to certify sustainability information and audit the information disclosure requirements provided for in Article 8 of Regulation (EU) 2020/852"*.

In the three separate parts of the report that follow, we present, for each of the areas of our mission, the nature of the verifications that we have carried out, the conclusions that we have drawn from them, and, in support of these conclusions, the items which were the subject of particular attention on our part and the procedures we carried out in respect of these items. We draw your attention to the fact that we do not express a conclusion on these items taken in isolation, and that the procedures explained must be considered as part of the overall context of the formation of the conclusions issued on each of the three areas of our mission.

Finally, when we deem it necessary to draw your attention to one or more items of sustainability information provided by SMCP in the Group's management report, we will include a paragraph of observations.

LIMITATIONS OF OUR MISSION

As our mission aims to provide limited assurance, the nature (choice of audit techniques) of the work, its scope (range) and duration are less than those necessary to obtain reasonable assurance.

In addition, this mission does not consist in guaranteeing the viability or quality of SMCP's management, in particular by making an assessment that would go beyond compliance with the information requirements of the ESRS on the relevance of the choices made by SMCP in terms of action plans, targets, policies, scenario analyses and transition plans.

However, it does enable us to draw conclusions on the process of determining the sustainability information published, the information itself, and the information disclosed pursuant to Article 8 of Regulation (EU) 2020/852, and on the lack of identification or, on the contrary, identification of errors, omissions or inconsistencies of such importance as to be likely to influence the decisions that could be taken by readers of the information subject to our verifications.

Our mission does not cover any comparative data.

COMPLIANCE OF THE PROCESS IMPLEMENTED BY SMCP TO DETERMINE THE DISCLOSED INFORMATION WITH THE ESRS AND COMPLIANCE WITH THE OBLIGATION TO CONSULT THE WORKS COUNCIL PROVIDED FOR IN ARTICLE L. 2312-17 (6) OF THE FRENCH LABOUR CODE

Nature of verifications carried out

Our work consisted in verifying that:

- the process defined and implemented by SMCP enabled it, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities related to sustainability matters, and to identify which material impacts, risks and opportunities led to the reporting of sustainability information in Section 3 "Sustainability report" of the Group's management report, and
- the information provided in this process also complies with the ESRS.

In addition, we monitored compliance with the obligation to consult the Works Council.

Conclusion of the verifications carried out

Based on the verifications we performed, we did not identify any significant errors, omissions or inconsistencies concerning the compliance of the process implemented by SMCP with the ESRS.

Concerning the consultation of the Works Council provided for in Article L. 2312-17 (6) of the French Labour Code, we hereby inform you that this obligation has been complied with.

Items that received special attention

We present below the items that received special attention on our part concerning the compliance of the process implemented by SMCP to determine the information to be disclosed with the ESRS.

Concerning the identification of stakeholders

Information relating to the identification of stakeholders is mentioned in Section 3.1.3.2 "Interests and views of stakeholders" of the Group's management report.

We have taken note of the analysis carried out by SMCP to identify the stakeholders, which may affect the entities in the scope of the information, or be affected by them, their activities or direct or indirect business relationships in the value chain.

We interviewed management and other persons we deemed appropriate and inspected the available documentation. Our audit consisted in particular of:

- assessing the consistency of the main stakeholders identified by the entity with the nature of its activities and its geographical location, taking into account its business relationships and value chain;
- assessing the appropriateness of the description given in Note 3.1.3.2 "Interests and views of stakeholders" of the Group's management report, in particular, with regard to the methods used to collect the interests and views of stakeholders set up by the entity.

Regarding the identification of impacts, risks and opportunities

Information related to the identification of impacts, risks and opportunities is mentioned in Section 3.1.4 "Impact, risk and opportunity (IRO) management" of the Group's management report.

We have taken note of the process implemented by the entity concerning the identification of actual or potential impacts (negative or positive), risks and opportunities ("IROs"), in connection with the sustainability matters mentioned in the AR paragraph 16 of the ESRS 1 "Application Requirements" and, where applicable, those specific to the entity.

We have taken note of the mapping carried out by the entity of the IROs identified, including in particular the description of their distribution in own activities and in the value chain, as well as their time horizon (short, medium or long-term), and we have assessed the consistency of this mapping with our knowledge of the entity and, where applicable, with the risk analyses carried out by the Group's entities.

We have:

- assessed the way in which the entity has considered the list of sustainability topics listed by ESRS 1 (AR 16) in its analysis;
- assessed the consistency of the actual and potential impacts, risks and opportunities identified by the entity with the available sector-specific analyses;
- assessed the consistency of the current and potential impacts, risks and opportunities identified by the entity, in particular those specific to it, as they are not covered or insufficiently covered by the ESRS standards, based on our knowledge of the entity;
- assessed how the entity has taken into consideration the different time horizons, particularly with regard to climate matters;
- assessed whether the entity has taken into account the risks and opportunities that may arise from both past and future events as a result of its own activities or business relationships, including the actions taken to manage certain impacts or risks;
- assessed whether the entity has taken into account its dependencies on natural, human and/or social resources when identifying risks and opportunities.

Regarding the assessment of impact materiality and financial materiality

Information relating to the assessment of impact materiality and financial materiality is mentioned in Section 3.1.4 "Impact, risk and opportunity (IRO) management" of the Group's management report.

Through interviews with management and inspection of the available documentation, we obtained an understanding of the impact and financial materiality assessment process implemented by the entity, and have assessed its compliance with the criteria defined by ESRS 1.

In particular, we have:

- assessed the consistency of the thresholds determined thereunder with our knowledge of the entity;
- verified that all impacts (positive or negative), and actual or potential risks and opportunities identified by the entity have been assessed;
- assessed whether the entity has assessed the IROs independently of any mitigation measures;
- verified that the financial materiality assessment was carried out without inappropriate offsetting of risks and opportunities;
- assessed the appropriateness of the information provided in Section 3.1.4 "Impact, risk and opportunity (IRO) management" of the Group's management report.

We also assessed the way in which the entity established and applied the information materiality criteria defined by ESRS 1, including those relating to the setting of thresholds, to determine the material information disclosed:

- for the indicators relating to the material IROs identified in accordance with the relevant topical ESRS standards;
- for the information specific to the entity.

COMPLIANCE OF THE SUSTAINABILITY INFORMATION INCLUDED IN SECTION 3 "SUSTAINABILITY REPORT" OF THE GROUP'S MANAGEMENT REPORT WITH THE REQUIREMENTS OF ARTICLE L. 233-28-4 OF THE FRENCH COMMERCIAL CODE, INCLUDING WITH THE ESRS.

Nature of verifications carried out

Our work consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the information provided makes it possible to understand the preparation and governance methods used for the sustainability information included in Section 3 "Sustainability report" of the Group's management report, including the methods used to determine the information relating to the Group's value chain and the disclosure exemptions used;
- the information is presented in a legible and comprehensible way;
- the scope selected by SMCP in relation to this information is appropriate; and
- on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of its users, that this information is free of significant errors, omissions or inconsistencies which are likely to influence the judgement or decisions of users of this information.

Conclusion of the verifications carried out

On the basis of our verifications, we did not identify any significant errors, omissions or inconsistencies regarding the compliance of the sustainability information included in Section 3 "Sustainability report" of the Group's management report with the requirements of Article L. 233-28-4 of the French Commercial Code, including with the ESRS.

Observation

Without undermining the conclusion expressed above, we draw your attention to the information appearing at the beginning of the Sustainability report in the notes entitled "1.1.1 General basis for preparation of the Sustainability report (BP-1)" and "1.1.2 Disclosures in relation to specific circumstances", which describes the uncertainties and limits faced by SMCP in the general context of the first-time application of the CSRD Directive.

Items that received special attention

Information provided in accordance with the ESRS E1 environmental standard

The information published in respect of climate change (ESRS E1) is mentioned in Section "3.2.1 Climate change [E1]" of the Sustainability report appended to the Group's management report.

We present below the items that have received special attention on our part concerning the compliance of this information with the ESRS.

Our work consisted in assessing the appropriateness of the information presented in chapter 3.2.1 "Climate change [E1]" of the sustainability information included in the Group's management report and its overall consistency with our knowledge of the entity.

Regarding the information published in respect of the greenhouse gas emissions report:

- We assessed the consistency of the scope considered for the assessment of the greenhouse gas emissions with the scope of the consolidated financial statements, the activities under operational control, and the upstream and downstream value chain;
- We obtained an understanding of the protocol for establishing the greenhouse gas emissions inventory used by the entity to establish the greenhouse gas emissions report, and assessed its application methods on a selection of emission categories and sites for Scope 1 and Scope 2.
- Regarding Scope 3 emissions, we assessed:
  - the reasons given for including or excluding the various categories and the transparency of the information given in this respect,
  - the information collection process,
- We assessed the appropriateness of the emission factors used and the calculation of the related conversions, as well as the calculation and extrapolation assumptions, given the inherent uncertainty in the state of scientific or economic knowledge and the quality of the external data used;
- For physical data (such as energy consumption), we used sampling to reconcile the underlying data used to prepare the greenhouse gas emissions assessment with the supporting documents;

- We implemented analytical procedures;
- With regard to the underlying estimates which we deemed to be used by the entity for the preparation of its greenhouse gas emissions report:
  - Through interviews with management, we obtained an understanding of the methodology used to calculate the estimated data and the sources of information on which these estimates are based;
  - We assessed whether the methods were applied consistently or whether there were any changes since the previous period, and whether these changes are appropriate;
- We verified the arithmetical accuracy of the calculations used to establish this information.

With regard to the verifications under the transition plan for climate change mitigation, our work mainly consisted in assessing whether the information published under the transition plan meets the requirements of ESRS E1, appropriately describes the assumptions underlying this plan, it being specified that we do not have to comment on the appropriateness or the level of ambition of the objectives of this transition plan.

Information provided in accordance with social standards (ESRS S1 to S4)

The information published in respect of the Group's workforce (ESRS S1) is mentioned in chapter 3.3.1 "Company personnel [S1]" of the Sustainability report appended to the Group's management report.

Our main procedures on this information consisted in:

- on the basis of interviews conducted with management or with persons we deemed appropriate (Human Resources Department, etc.):
  - obtaining an understanding of the collection and compilation procedure for the processing of qualitative and quantitative information, with the purpose of reporting material information in the Sustainability report;
  - implementing procedures to verify the correct consolidation of this data;
  - assessing whether the description of the policies, actions and targets implemented by the entity covers the following areas: health and safety, quality of life at work, talent development and skills management, diversity and inclusion, compensation, social protection and social dialogue;

We have also:

- examined the geographical scope for which the information was prepared;
- assessed whether the methods and assumptions used by the Company to determine the disclosed information are appropriate with regard to ESRS S1;
- compared the disclosed information with the items appearing in the consolidated financial statements, the entity's internal accounting data, such as management statements, and any other publications relating to these subjects that we may have identified;
- examined, using sampling, the supporting documents against the relevant information;
- verified the arithmetical accuracy of the calculations used to prepare this information, where applicable, after applying rounding rules.

COMPLIANCE WITH THE DISCLOSURE REQUIREMENTS OF ARTICLE 8 OF REGULATION (EU) 2020/852

Nature of verifications carried out

Our work consisted in verifying the process implemented by SMCP to determine the eligible and aligned nature of the activities of the entities included in the consolidation.

It also consisted in verifying the information published pursuant to Article 8 of Regulation (EU) 2020/852, which involves verifying:

- compliance with the rules governing the presentation of this information, to ensure that it is legible and comprehensible;
- the absence of significant errors, omissions and inconsistencies in the information provided, based on a selection, that are likely to influence the judgement or decisions of the users of this information.

Conclusion of the verifications carried out

On the basis of the verifications that we carried out, we did not identify any significant errors, omissions or inconsistencies regarding compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

Items that received special attention

We determined that there were no such items to disclose in our report.

Paris-La Défense, March 28, 2025

Deloitte & Associés

Bénédicte SABADIE