Environmental & Social Report 2022

Our sustainable actions in 2022 and objectives for the coming years

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Key figures for 2022

Eco-friendly materials*

76%

Of our ready-to-wear pieces are made from eco-friendly materials

Carbon impact

17%

Reduction in average carbon intensity of Sézane pieces compared to 2021

Social audits

100%

Of our tier 1 ateliers undergo annual social audits

Certifications

75%

Of our ready-to-wear pieces are certified

Green electricity

100%

Of our permanent addresses are powered by renewable electricity sources**

Traceability

100%

Traceability on our production chain of our tier 1 partners

^{*}At Sézane, we consider the following materials to be eco-friendly: organic cotton (GOTS or OCS certified), linen, Tencel®, FSC and Ecovero® viscose, RWS wool, mohair from farms audited by Mohair South Africa or RMS certified, RAS alpaca, Oeko-Tex Standard 100-certified silk, recycled materials (GRS or RCS certified), sustainable leather.

^{**} Wind and hydroelectricity

Making Sézane a more sustainable and responsible brand is a goal our teams and partners are working towards daily.

This report will share our progress this year: 3/4 of our materials are eco-friendly; 75% of our pieces are certified; and we are recognised as a B-corp and mission-led company. Our purpose is to continuously seek ways to transform and improve our processes, placing people at the heart of our decisions while offering quality at a fair price.

N° 01 | Commitment through high standards

B Corp certification

Sézane is a B-corp-certified company. This certification, recognised worldwide, testifies to the hard work of our teams and partner ateliers, from the choice of production methods, raw materials and working conditions, to the environmental footprint and engagement in the community. B-Corp certification requires a brand to undergo an intensive analysis, responding to over 200 questions. We are working towards renewing this certification in 2024. It is a goal that makes us go further and further in our efforts and commitments.

Mission-led company



In addition to obtaining the B Corp label in 2021, we have chosen to become a company with a mission by including our ambitious social and environmental objectives in our articles of association.

Here is the mission we have set ourselves:

"Continuously improving our processes by being an actor of change on a societal and environmental level."

Our engagement audit report is available upon request at sustainability@sezane.com.

N° 02 | Offer collections with three-quarters eco-friendly materials

In 2022, 75% of the materials we used in our collections (PAP and CSA) were eco-friendly. This is a promising result, which we intend to improve progressively over the next few collections. We have the objective of reaching 80% eco-friendly materials in our collections by 2024.

When we refer to 'environmentally-friendly materials' we are talking about materials that have minimal environmental impact. These materials include organic cotton, linen, Tencel, FSC-certified viscose, EcoveroTM, RWS-certified wool, mohair from farms audited by Mohair South Africa, Oeko-Tex Standard 100 certified materials, recycled materials, vegetable-tanned leather, chrome-free or metal free.

91% of our cotton is now organic or recycled: Organic cotton is GM-free, and grown without pesticides or insecticides. 59% is also GOTS certified, one of the industries highest standards.

63% of the polyester used is recycled: Our pieces that contain polyester are predominantly made from recycled polyester.

88% of the viscose comes from sustainably managed forests: Our viscose is FSC Mix, Ecovero[™] and LENZING [™] certified to guarantee that it is derived from controlled and responsible sources and does not contribute to deforestation.

51% of our wool is recycled or RWS certified and 100% mulesing free*: We favour recycled wool, or preferably, wool that is "Responsible Wool Standard" certified, which involves standards of animal welfare, eco-soil management, social achievements on the farms where the wool is harvested, as well as traceability throughout the value chain.

83% of our leather tanning is done responsibly: When combining ready-to-wear and CSA products, we source 83% of our leather from LWG (Leather Working Group) certified tanneries (which we have been a member of since 2019). This guarantee attests to a responsibility regarding water and energy consumption, solid waste and effluent management, air and noise emissions, traceability, health and safety, and management of chemicals and controlled substances such as chromium.

*Mulesing is a traumatic surgical operation for the animal. It involves damaging the skin around the sheep's tail to prevent certain diseases that affect the health of the sheep and therefore the quality of the wool. Mulesing free guarantees that this practice is not used.

N°03 | Twice as many certified pieces compared to 3 years ago

75% of ready-to-wear pieces in our 2022 collections were certified, compared to 30% in 2019. We will go further in the coming seasons: in 2022, we released our first RMS (Responsible Mohair) certified pieces, and by 2023/2024, we want to release our first RAS (Responsible Alpaca) certified pieces.

We have chosen five of the most reliable labels on the market to certify our collections:

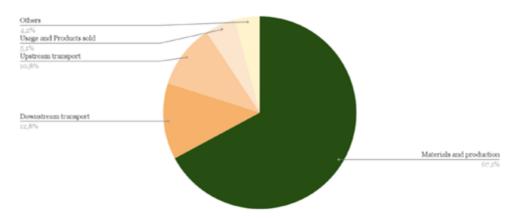
- GOTS (Global Organic Textile Standard): This is the most reliable independent and international certification to guarantee the organic status of textiles, from the harvesting of raw materials to labelling. It includes environmental and social standards with respect to workers' rights and safety.
- Oeko-Tex 100: This guarantees that no harmful chemical substances are present in textile products beyond what is permitted under European regulatory requirements. All of our pieces, certified or not, are tested and chemical free; the independent certification confirms this.
- FSCTM (Forest Stewardship Council) C149941: This environmental label guarantees that our viscose is derived from sustainably managed forests. We were one of the first brands to acquire this certification for garments made from viscose.
- **LENZING™ ECOVERO™:** Viscose is obtained from wood pulp from certified, environmentally responsible and controlled sources via a fully traceable manufacturing process.
- RAF: The Responsible Animal Standard (RAF) verifies the animal welfare and land management requirements of the animal's fibre and tracks it from farm to finish. It combines the RWS (Responsible Wool Standard), RMS (Responsible Mohair Standard) and RAS (Responsible Alpaca Standard) certifications.

*LENZING™ and ECOVERO™ are registered trademarks of Lenzing AG.

N° 04 | Measuring and reducing our CO2 emissions

We calculate our carbon emissions every year using our carbon footprint, so that we can define the most effective carbon impact reduction strategy possible. In the space of one year, we have reduced the average carbon intensity of a Sézane piece by 17.2%.

Our carbon emissions in 2022



We are implementing multiple steps to reduce our emissions:

1/Transport optimisation

All our parcels are manufactured in France using cardboard from sustainably managed forests and recycled cardboard.

We are increasing our efforts to reduce the amount of packaging and plastic in our parcels. For example, since September 2019, we have been offering to remove certain packaging, which has led to a reduction in packaging of over 60% for our leather goods boxes. We have also recently introduced reusable polybags to repackage our returns. Since 2022, our polybags have been made exclusively of 100% recycled polyester, compared to 75% recycled before. This has saved 2 tonnes of polyester over five months!

2/Warehouse mechanisation

A year ago, we launched a project to mechanise our logistics warehouse to increase the efficiency of order processing and shipping. We are also optimising our packaging by adapting the height of the package to its contents. This results in less cardboard being used and less space in our packages. This modernisation has enabled us to reduce the emissions linked to the packaging and transport of our parcels by 25% in 2022.

3/Close monitoring to reduce freight-related emission

We are deploying a TMS (Transport Management System) management tool to manage our deliveries and promote their transport more efficiently. We favour the least polluting options as much as possible (i.e. rail, sea and road transport) and minimise air transport whenever possible.

For final deliveries, we favour transport which releases the least amount of greenhouse gas emissions, and negotiate with our service providers to favour delivery methods with the lowest impact on the environment.

We operate 100% of our last-mile deliveries in Paris and over 40 French cities using electric or natural gas transport and cargo bikes with Chronopost. We have also opened five click-and-collect addresses in Paris, New York and London.

4/Green energy

100% of the electricity we consume in our permanent addresses is from renewable sources (wind and hydroelectric). In 2022, our digital services were also hosted in data centres that are 95% powered by renewable energy.

5/Repairing pieces with our concierge service

We focus on the durability of our pieces. Over time, they can become damaged, and we repair them in our Conciergerie addresses. At least 2,000 pieces were repaired and live on in 2022.

6/Supporting our suppliers in reducing their environmental impact

We have launched environmental audits at our key tier 2 partners (tanneries, printers and dye houses) to help them reduce their environmental impact, particularly on electricity. In particular, we started two factory decarbonisation programmes in Bulgaria and Morocco in 2022.

7/Offsetting our emissions

In 2022, all Scope 1 and 2 emissions and all upstream and downstream freight from 2021 were offset.

N° 05 | Guarantee compliance with social audits and our Code of Ethics for all our partner ateliers

All of our ateliers are audited to make sure they adhere to our Code of Ethics and respect the standards that we have selected (BSCI, SMETA, ICS or WCA audits). The audits are performed by independent auditors, assisted by two members of our Sézane team. These audits allow us to guarantee that legal working conditions are respected (working hours, remuneration, health, safety etc.). This also ensures the strict prohibition of illegal, forced or child labour.

Based on the results, these audits allow us to rank our ateliers in four categories.

Breakdown of ateliers according to their social audit score



Category A, Excellent: 49%

Nearly half of our ateliers have achieved an excellent score in their audit. Some of them go even further regarding social and environmental responsibility, with measures surpassing our audits' requirements. For example, educational support for atelier workers' children, transportation, and meals for team members.

Category B, Very Good: 35%

More than a third of ateliers have met the criteria assessed during the audit.

Category C, Compliant: 17%

These ateliers are predominantly compliant with our requirements; however, some minor instances of non-compliance were uncovered during the audit. We are subsequently assisting them in correcting this as quickly as possible.

Category D, Warning: 0%

These ateliers are those that have not been capable of demonstrating complete adherence to our Code of Ethics. This includes non-compliance to working hours, the environment or safety conditions. In 2022, none of our ateliers were in this category.

All our partners also sign our Code of Ethics and renew this commitment yearly. Its objective is to clearly define minimum standards for working conditions, human rights, environmental responsibility and animal welfare throughout our supply chains. By signing it, our partners commit to respecting its requirements.

Going further in our partnerships with the pilot projects

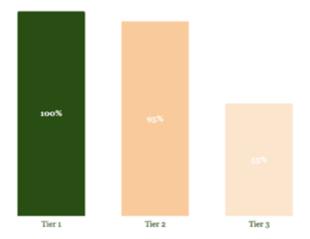
In the perspective of sustainable partnerships, we are setting up support projects to improve the working conditions at our workshops. We have launched the Worker Voices programme. The first stage of the programme is an anonymous questionnaire submitted by employees to study their working conditions and level of satisfaction on several dimensions. The second stage aims to correct the points of improvement identified in the survey. In 2022, six workshops benefited from implementing pilot actions ranging from creating an on-site canteen to launching a project to promoting gender equality in the workplace.

N° 06 | Mapping our supply chains to guarantee the highest social and environmental standards

To create collections, four main stages of production are generally necessary. We classify these into four groups from the beginning to the end of the manufacturing process.

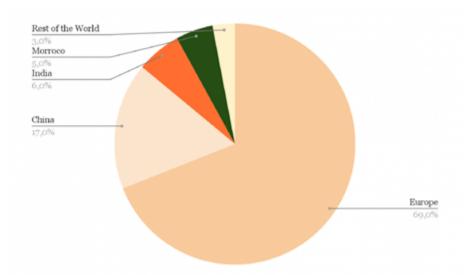
- Grade 1. The assembly of the finished piece
- Grade 2. The production of the fabric (for example weaving the cotton)
- Grade 3. The transformation of primary materials (for example spinning the cotton)
- Grade 4. The extraction of primary materials (for example, cotton production and harvesting)

Traceability of the production chain by tier



Our traceability is now 100% for our tier 1 suppliers and 95% and 55% for tier 2 and 3 suppliers, respectively. Over the past two years, we have maintained our results for tier 1 suppliers and improved them by 5 and 20 points, respectively, for tier 2 and 3 suppliers. By 2025, we aim to achieve 100% traceability for tier 2 suppliers and 70% for tier 3 suppliers.

Our production volume by country in 2022



In 2022, two-thirds of our production was in Europe which offers us irreplaceable techniques for leather goods in Portugal, leather and knitwear in Italy, and warp and weft in Bulgaria. The second production area is Asia, with invaluable expertise, particularly in silk and prints, and embroidery in India.

The rest of our production includes, for the most part, Morocco, where we have developed our denim products based on their incredible know-how. Other countries represented are Madagascar, where we work on our raffia accessories, and Vietnam, Thailand and Peru.

Conclusion | Our commitments

5 million euros raised for DEMAIN

DEMAIN (French for tomorrow) is our philanthropic program that has supported concrete actions in favour of access to education, culture, and equal opportunities for children worldwide. Since January 2018, 5 million euros has been donated to DEMAIN to support 30 000 children through 40 partner organisations. Go to demain-demain.com to discover our concrete actions and objectives.

Mercredis Roses

The fight against cancer goes far beyond the pink October campaign. That's why, every first Wednesday of the month, Sézane and Octobre launch a Création Rose, with 100% of profits going to cancer research, as well as 10% of the day's sales from the denim line.

In 2022, this initiative raised nearly 400,000 euros for the fight against cancer, benefiting three major institutions: Gustave Roussi, The World Cancer Research Fund and The Pink Ribbon Foundation.

References

Our certifications

Discover more about the different standards and certifications that we use:

GOTS: https://www.global-standard.org/the-standard

Oeko-Tex Standard 100: https://www.oeko-tex.com/en/our-standards/standard-100-by-oeko-tex

RAF: https://textileexchange.org/knowledge-center/documents/raf-certification-procedures/

FSC: https://fr.fsc.org/fr-fr/certification

LENZING ™ ECOVERO ™: https://www.ecovero.com/takelessgivemore

Our social audit grades

The correspondence between the categories A/B/C/D communicated in this report and the results obtained by the WCA standard- the most frequently used for social audits amongst our suppliers are the following:

A: >95% **B:** between 85% and 95%

C: between 71% and 84%

D: 70% <