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SMCP Group Resource Use and Circular Economy Policy

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Approved by: Group Sustainability Department*

Introduction

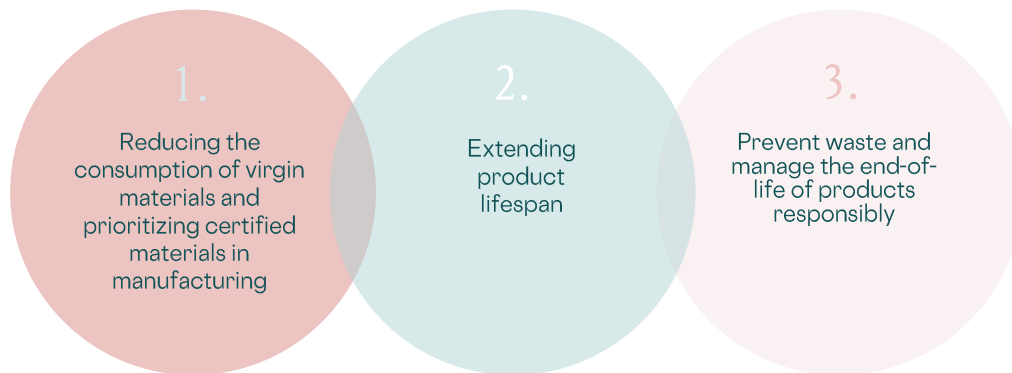
One of the key ambitions of the **SMCP Product** pillar of our CSR strategy is to design more responsible collections by offering products made from materials and manufacturing processes with lower environmental impact, and by strengthening all circular economy initiatives across our brands.

To ensure the effective deployment and monitoring of the measures defined by the Group's strategy, the Group CSR Department works closely with the Production Departments of each brand.

Resource Use and Circular Economy Policy

The policy implemented by the Group in terms of resource use and circular economy is structured around three main pillars, covering every stage of the product life cycle and the entire value chain: manufacturing, use, and end-of-life.

This policy is built on the following key areas:



Reducing the consumption of virgin materials and prioritizing certified materials in manufacturing

Reducing material consumption starts with aligning product production as closely as possible to demand in order to limit unsold quantities. This responsible use of resources involves optimizing product allocation across sales points and centralizing stock management.

The use of recycled materials in products is also a priority eco-design focus aimed at reducing the Group's overall environmental footprint (CO₂ emissions, water consumption, pollution, biodiversity loss, land use, etc.).

In addition to recycled materials, SMCP brands also prioritize materials with lower environmental impact. The selection of these materials is based on independent certification labels with verified environmental benefits, grounded in factual and publicly available data. These criteria are shared with suppliers each season.

The materials recognized by the Group as having a lower environmental impact include:

- Organic cotton certified under the Global Organic Textile Standard (GOTS) or Organic Content Standard (OCS)
- Recycled materials (polyester, nylon, wool, viscose, cotton, leather, etc.) certified under the Global Recycled Standard (GRS) or Recycled Claim Standard (RCS)
- Wool (sheep, alpaca, or angora goat/mohair) certified under animal welfare and ecosystem preservation labels such as Responsible Wool Standard (RWS), Responsible Mohair Standard (RMS), and Responsible Alpaca Standard (RAS)

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- Viscose certified Forest Stewardship Council (FSC), ensuring sustainable wood sourcing, and certain brands of viscose (e.g., LENZING™ ECOVERO™ viscose, Livaeco) that combine FSC certification with more environmentally responsible manufacturing processes (significant reductions in water, energy, and chemical use)
- European linen certified European Flax or Master of Linen
- Leather from tanneries certified Leather Working Group (LWG) Silver or Gold level, meeting the industry's best practices in water, energy, and chemical management

The Group's goal is to reach 100% certified materials in all apparel and accessories, including 30% recycled materials by 2030.

For packaging, the Group's guidelines also prioritize the use of recycled and certified materials (notably FSC or PEFC for paper and cardboard). SMCP's commitments regarding paper and cardboard packaging are outlined in its CanopyStyle and Pack4Good policies, developed as part of its collaboration with the NGO Canopy.

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

To guide its material mix decisions effectively, the Group conducts environmental impact assessments of products based on their composition and manufacturing processes, taking into account associated carbon emissions, water consumption, pollution, and biodiversity impacts.

This detailed analysis, carried out after each season, enables SMCP to measure progress and adjust action plans accordingly. By integrating environmental impacts throughout the product life cycle—from design to end-of-life—the Group continuously optimizes production choices to achieve its objectives.

Extending Product Lifespan

Extending the lifespan of products sold by the Group also contributes to reducing natural resource consumption.

This approach begins with quality policies within the brands, which define testing protocols that must be met before products are placed on the market (e.g., abrasion resistance, color fastness, etc.). SMCP brands also participate in the DURHABI project, led by the French Textile and Apparel Institute (IFTH), which aims to establish a global standard for evaluating the physical durability of fashion textiles.

Since 2021, SMCP has also developed second-hand, rental, and repair services, which help extend the useful life of its products. These new activities also provide valuable insights into product wear and repair challenges, helping improve design and durability for future collections.

The Group intends to continue expanding these circular services across all brands and major markets in the coming years.

Responsible End-of-Life Management

SMCP prohibits the destruction of unsold products worldwide. Unsold items are sold through outlets and private sales or donated to charitable organizations. For defective products, the policy prioritizes repair whenever possible to reintegrate them into the sales circuit. For non-repairable products that cannot be reused, local recycling solutions must be implemented. SMCP complies with local regulations aimed at improving the collection and recycling of used textiles. In France, for instance, the Group contributes annually to the Refashion eco-organization through an eco-contribution that funds the recycling of clothing, household linens, and footwear. Similar Extended Producer Responsibility (EPR) schemes are expected to develop in other European countries over the coming years.

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Collaborating for a Circular Fashion Industry

SMCP is actively engaged in multi-stakeholder and industry partnerships to strengthen environmental management and contribute to collective efforts in circular economy and resource conservation. The Group collaborates with key organizations such as Canopy, the Fédération de la Mode Circulaire, the Leather Working Group (LWG), and the Alliance du Commerce to promote more responsible practices across the fashion industry. In addition, SMCP participates in working groups organized by the French government to accelerate the transition toward a more sustainable fashion industry. These commitments foster the exchange of best practices, collective innovation, and greater positive impact across the entire value chain