

Vestiaire Collective

LONG LIVE FASHION

Vestiaire Collective Declaration of Non-financial Performance (DNFP) Report, 2023

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1. Introduction

Our story

A passion for sustainable fashion

Vestiaire Collective is a leading global resale platform for luxury fashion. We are dedicated to transforming the fashion industry

for a more sustainable future by promoting the circular fashion movement as an alternative to overproduction and overconsumption and the wasteful practices of the fashion industry.

Inspired by the “Long Live Fashion” philosophy, it provides its community - those who live for fashion and take care of it for life - with inspiration, tools and features to lead the change as they sell and buy unique pre-loved pieces from each other's wardrobes. The platform is unique thanks to its highly engaged community and its rare, desirable inventory of 5 million items.

Founded in Paris in 2009, Vestiaire Collective is a Certified B Corporation®. As of FY22, we have offices in Paris, Tourcoing, London, Berlin, New York, Hong Kong, Singapore, Lisbon and Seoul.

Sustainable fashion, a sustainable business

Vestiaire Collective relies on an innovative, highly scalable, asset-light business model, based on trust.

We are positioned as a leader in the **rapidly growing luxury fashion resale market**. We accelerated our international expansion with the acquisition of US company Tradesy in April 2022 and the launch of our platform in South Korea.

Here are some results we've achieved:

- Presence in **80** countries, across Europe, the US and Asia
- A run rate GMV c. **0.8 billion euros (2022)**
- **5m+** items across all fashion categories
- **25,000** new fashion items listed everyday
- Our counterfeit detection is **99.9%** accurate
- **65%** of sold items sent via direct shipping

Our business model

How we operate

Our resources

Our Global Team

800+ employees across **10** offices and **5** authentication centers

Our Fashion Activist Community

- **Global** fashion community
- A catalog of **5m+ items** across all fashion categories

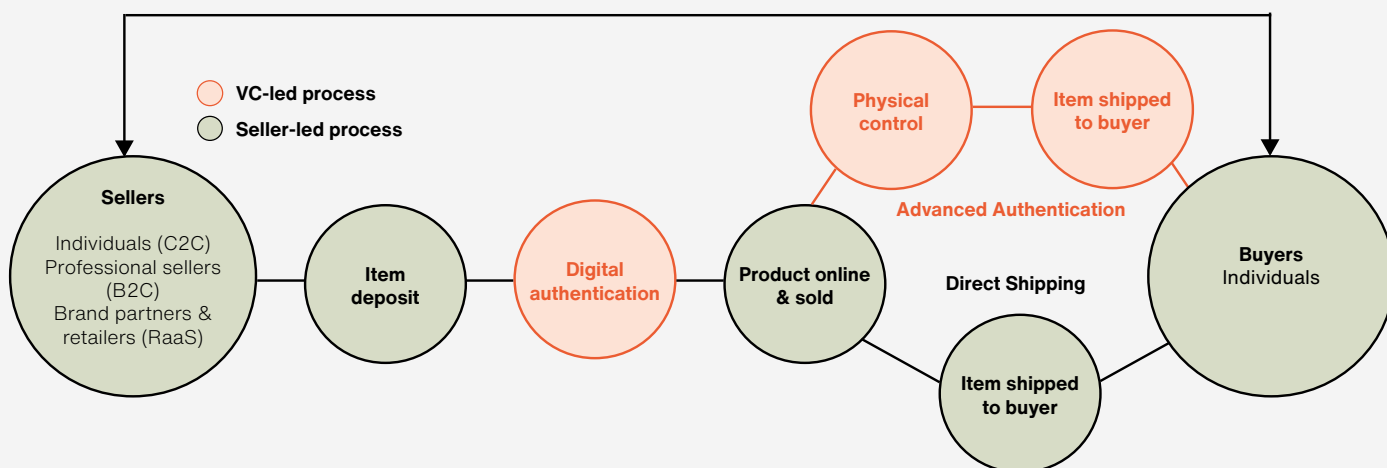
Our Scalable Platform

- Global presence in **80+ countries** across EMEA, the US and APAC
- 14 years of **expertise** in Tech & Authentication

Our Sustainable Ecosystem

- **Partnerships** with suppliers, brands, NGOs
- Strong **network** in sustainable Fashion & Tech

Our operational model



We offer a superior consumer experience based on trust

- **25,000 new fashion items** listed everyday on the app by our sellers and reviewed by our Digital Authentication team
- **65%** of sold items sent via **direct shipping**, **30%** go to warehouses to be **authenticated** and 5% are canceled for various reasons
- **40K items authenticated** every year by each of our **physical authenticators**
- Our **counterfeit detection** is **99.9% accurate**

Our positive impacts

Employees

67% of employees have a feeling of personal accomplishment and meaningful impact at work

Planet

Shopping with Vestiaire Collective saves **90%** of the environmental cost of an item

Fashion industry

82% of the items purchased on Vestiaire Collective prevent a first-hand purchase

Consumers

85% of pre-owned buyers help to reduce overconsumption by trading up to fewer, better-quality items

Society

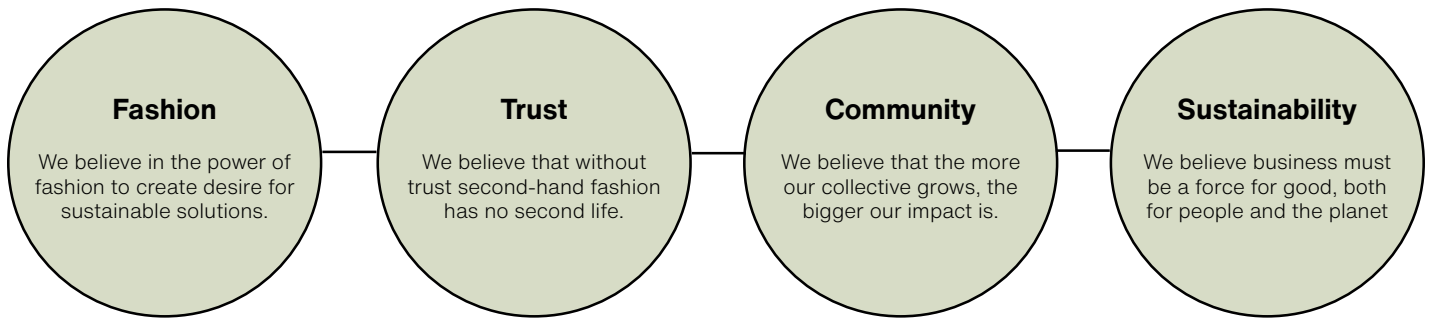
We create **jobs** each year and localize our warehouses in area affected by high unemployment rates

Partners

We integrate and develop circularity for brands historically on a linear model through **Resale as a Service**

Our brand pillars

Fashion, Trust, Community and Sustainability: these are our 4 brand pillars reflecting our mission to transform the fashion industry for a more sustainable future.



Highlights of the year 2022

Long Live Fashion

We introduced our rousing new brand philosophy “**Long Live Fashion**”. Five puppets, all style icons made from recycled clothing, represented the Collective and embodied the various reasons pre-loved is the indisputable future of sustainable fashion.

Fast fashion ban

We turned Black Friday, the day that has come to symbolise overconsumption into a **Better Friday**. We took the strategic move of banning fast fashion from our platform, in line with our long-term mission to change the way people consume fashion.

Making second-hand global

- We acquired the US company **Tradesy** and completed the process of migrating Tradesy’s buyers to our platform.
- In July 2022, we also launched a **fully localised platform in South Korea** and opened our **5th authentication centre in Seoul**.

The measure of change

- We published our first **Impact Report**, showing that buying & selling preloved items on Vestiaire Collective has a 90% lower environmental cost compared to buying new. We hope to inspire our community by communicating transparently, in this way.
- We were thrilled to announce Vestiaire Collective’s **net climate positive impact**. In 2021 we avoided twice the emissions we generated compared to buying new, showing that we have a more positive climate impact than the traditional fashion industry.
- We published our first **Trust Report** highlighting how we’ve become leaders in luxury authentication. Our counterfeit detection is 99.9% accurate thanks to our global team of experts, authentication processes and impeccable quality control at Vestiaire Collective.

Our strategic vision: the future of Vestiaire

Over the past couple of years, we've been growing rapidly, driven by our increased focus on technology and well-executed strategic initiatives, such as the launch of direct shipping or expansion into the US and APAC regions. In fact, we have more than tripled our GMV in 3 years. We are now a true global leader in the luxury fashion resale market, benefiting from strong positive tailwinds.

In the coming years, Vestiaire Collective will continue to strengthen its leading position and to promote profitable growth.

Outpacing the market, today and tomorrow

Today, the luxury resale market is nascent, but growing at an accelerated pace within the broader 3,000 billion dollar fashion market. Today, Vestiaire Collective is one of the leading global resale platforms for luxury fashion and we will continue to build on our platform and leverage our unique, scalable business model to grow our activity in Europe, the US and APAC.

Consumer-first, consumer-last

We believe that ensuring a best-in-class customer experience and engaging with our community is a key driver of sales performance. In the next few years, we will be devoted to strengthening our position as one of the most trusted luxury resale sites and setting ourselves as the daily fashion fix for our community.

Selling local, going global

The acquisition of US company Tradesy and the launch of our platform in South Korea have confirmed Vestiaire Collective's position as a global player. In the coming years, we will continue to consolidate our global footprint and become a leader in key expansion markets.

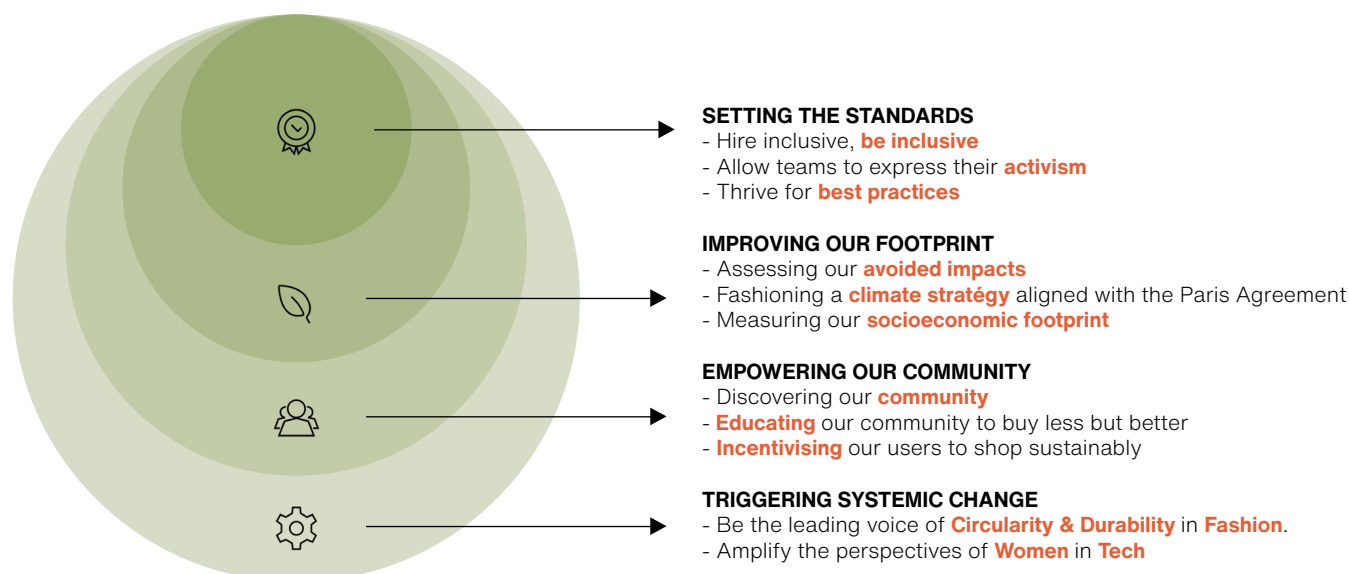
Giving the fashion world a sustainable makeover

Guided by our ambition to promote circularity in fashion, Vestiaire Collective has developed resale partnerships with some of the most high-profile luxury fashion brands such as Chloé, Gucci, Paco Rabanne or Courrèges. We aim to build on this momentum to bring more and more partners onboard and encourage the transformation of the fashion industry for a more sustainable future.

2. The path to transformation: our Impact strategy

We are committed to **transforming the fashion industry for a more sustainable future by empowering a community of fashion activists to drive the change**. Of course, to do so we need an adequate strategy.

Our Impact strategy is based on **4 pillars**, based on the compass of our social, environmental and societal priorities.



Dounia Wone - Chief Impact Officer:

“Vestiaire Collective’s business model is truly unique. Our job in the Impact team is to keep challenging ourselves to improve and maximise our positive impacts, to keep challenging the industry to transition faster.”

Setting the standards

From fairness and diversity, to responsible business practices, to employee activism, we’re on a mission to be a great employer.

Hire Inclusive, be inclusive

We know the fashion industry has a long way to go on the social side and that scale-ups can be fast paced and stressful environments. We aim to embrace a wholehearted inclusive culture in the way we hire. Our employees and the people in our supply chain are key to making our business, therefore we want them to feel valued and part of our global mission. We aim at building a culture where everyone can feel like they belong and thrive.

Allow teams to express their activism

Activism is at the core of Vestiaire Collective, which is why we have made it one of our 5 company values. We believe in empowering our teams to express their passions and make a difference. We’ve put in place various initiatives to support this, including five voluntary DEI (Diversity Equity Inclusion) employee resource groups. These groups tackle different areas, all with the aim of enhancing the working experience for everyone at Vestiaire Collective. Plus, we offer each team member 15 hours a year to dedicate to their chosen charities.

Thrive for best practices

We’ve always been pioneers, and we were the first fashion resale platform to achieve B Corp certification. To achieve this, we thoroughly assessed our practices and took concrete actions, like extending French social benefits to our global team. In September 2021, our B Corp score was 89.4, and we’re dedicated to continuously improving over the years.

Improving our footprint

We want to be at the forefront of impact measurement. By embracing innovative methodologies and considering all types of footprints, we’re leading the charge towards a better future.

Assessing our avoided impacts

A fashion item bought through Vestiaire Collective has a 90% lower environmental cost than buying the same thing, brand-new. Our focus is to continuously understand and boost our benefits to the fashion industry.

Fashioning a climate strategy in line with the Paris Agreement

Our climate strategy is all about reducing the carbon intensity of our activities while maximising the emissions we avoid within the fashion industry. In fact, the great news is that our avoided emissions have already surpassed the emissions we generate. We are now focused on aligning our reduction trajectory to the Paris Agreement.

Measuring our socioeconomic footprint

Social impact measurement is still a work in progress for organisations. In 2021, we took a significant step forward by conducting our first internal diversity and inclusion assessment. This has paved the way for evaluating our wage quality, our contribution to local employment, the diversity impact we create and our economic footprint, which takes into account taxes and suppliers' spending.

Empowering our community

At Vestiaire Collective, we're committed to transforming the fashion industry for a more sustainable future. We're joining hands with our community to change the way people consume fashion.

Discovering our community

Who is our community? We conduct regular consumer surveys to gain insights about our users, their consumption habits and what motivates them to buy and sell on Vestiaire Collective.

Educating our community to buy less but better

We take our responsibility seriously when it comes to raising awareness about the environmental impacts of the fashion industry and climate change. In our last consumer survey, we found that 82% of the purchases made on Vestiaire Collective replaced the purchase of a new item. We're also developing inspirational educational content to help our community understand the impact of their buying choices. We hope that armed with the right information, they will adopt more sustainable behaviours and buy less, but buy better.

Incentivizing our users to shop sustainably

Over the past few years, we have developed features to support our community to make more sustainable choices on our platform. In 2021, we created the 'leaf' feature. It helps members spot opportunities to reduce the kilometres travelled by an item, using the localisation filter and Direct Shipping option. We also launched our Fashion Activist badge, rewarding our users that are both sellers and buyers - we believe that they're at the forefront of new consumption habits.

Triggering systemic change

We're here to shake things up. We are determined to be sustainability leaders in both fashion and tech. Our end game: to inspire consumers, brands and the industry to shape a sustainable future

Be the leading voice of Circularity & Durability in Fashion

Fact is, we can't transform fashion all on our own. We have a full team dedicated to developing innovative and impactful services for brands so that they join hands with us in the circular fashion movement: we call it 'Resale as a Service'.

We fight against fashion waste and for the emergence of a new circular fashion system. That's why we decided last year to ban fast fashion brands from our platform.

We also contribute to many industry working groups to publish data with transparency. It's crucial for the resale sector to become more visible and to lobby for public support. We're determined to make circularity mainstream.

Amplify the perspectives of Women in Tech

As a fashion resale platform with two female founders, we aim to become a voice for women in tech. There are a number of initiatives we're taking to this end. Last year, we signed French Tech's 'Pacte Parité' - its goal is to promote equality between women and men in the French start-up ecosystem, sustainably. Going even further, we intend to build partnerships with more organisations and participate in dedicated events and forums that support women to become an unstoppable force in tech.

3. Risks & opportunities

An in-depth assessment

To fulfil our mission of shaping the future of sustainable fashion, it's crucial to know the risks we need to navigate and the opportunities we could embrace.

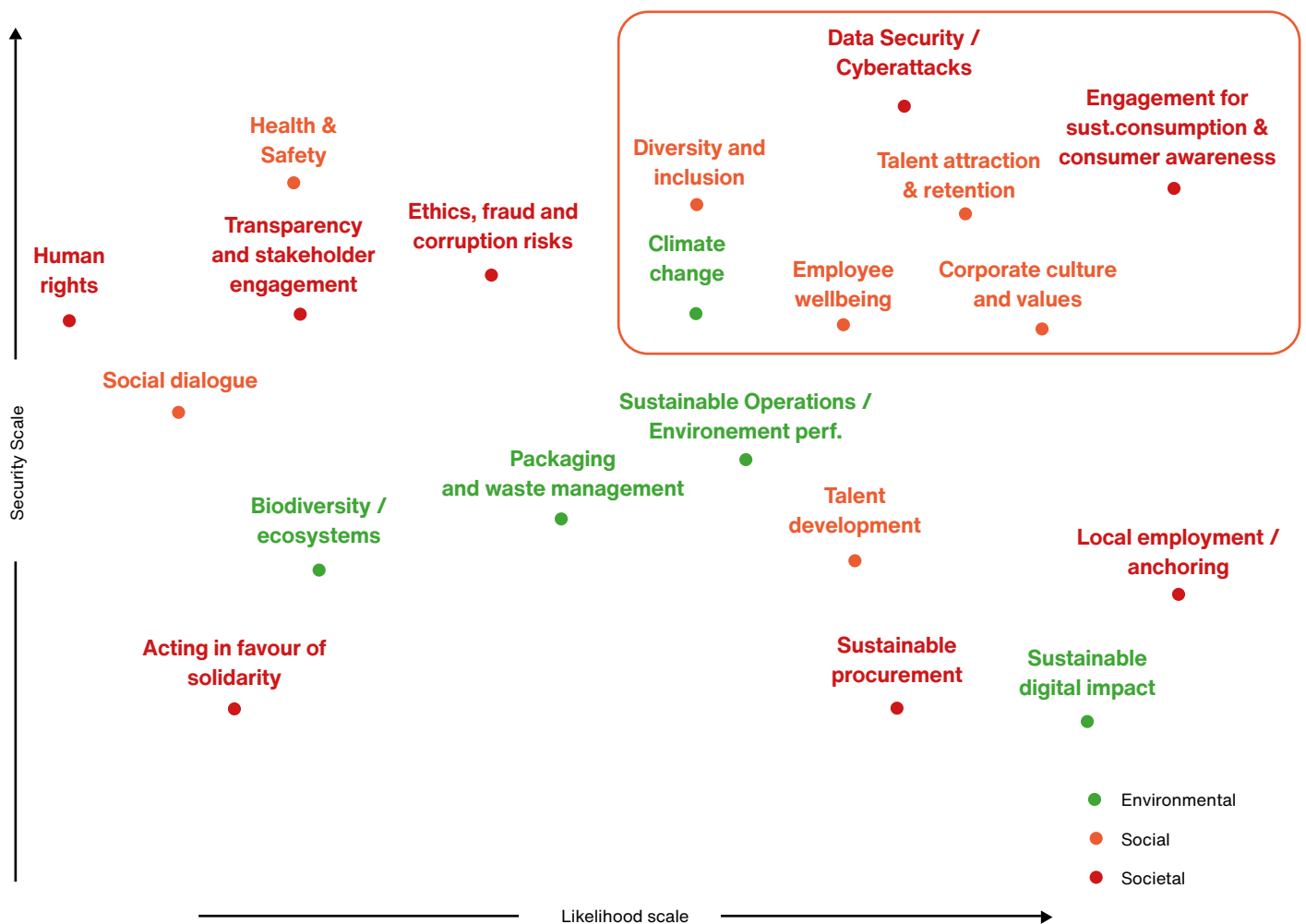
As part of Vestiaire Collective's global risk management process, we undertook a detailed assessment of environmental, social and societal issues and their potential impact on us in the next 1-3 years, in 2022.

We examined the kind of risks we need to watch out for - whether reputational, operational, financial or strategic. We also looked at the potential severity of the impact.

A list of 21 potential issues was identified, based on industry benchmarks. Amongst them were 18 risks and 3 opportunities to turn our attention to.

Following this, an assessment about the likelihood of the risk translating into reality and the potential severity was conducted. 17 members of the Executive Committee, VPs and managers of our 3 main regions (EMEA, US, APAC) and external stakeholders (from our partners, investors and charities) were involved in this assessment. Seven of these issues were highlighted as especially important.

The results, as shown below, were presented to the Executive Committee in November 2022 for validation. This was useful for us to chart out next steps and a plan of action.



Environmental, social and societal risks & opportunities

Below are the seven issues - five risks and two opportunities, that were identified as significant for Vestiaire Collective. These are documented, so that we can form policies, procedures, measures to tackle them and include them in the key performance indicators.

Each issue has been aligned to a Sustainable Development Goal (SDG). Led by the UN and supported by governments and organisations around the world, the SDGs inspire collective action to promote prosperity while protecting the planet.

Risk	Description	SDG mapping
Corporate Culture and Values	There is a risk of dilution of our corporate culture and values as we grow rapidly, reorganise or acquire organisations like Tradesy.	SDG 3 Good health and well-being SDG 8 Decent work & economic growth
Talent Attraction & Retention	There is a risk of not being able to attract the best talent and skills or of not being able to retain them. The labour market is highly competitive. Plus, scale-up companies like Vestiaire Collective, usually have high turnover rates.	
Employee Wellbeing	Employees could become disengaged, absent themselves or even quit. Issues that cause disengagement include: a lack of work-life balance, resources, support, solidarity, a feeling of community or inappropriate management practices.	
Diversity, Equity & Inclusion	Vestiaire Collective is a fast growing multicultural organisation, spread across continents. This means we may face challenges relating to diversity, equity and inclusion, in recruitment and career development.	SDG 5 Gender Equality SDG 10 Reduced Inequalities
Data Security & Cyberattacks	As a tech platform and in the context of a global increase in cybersecurity attacks, there is a risk of failing to protect personal customer data, shortcomings in the implementation of personal data protection or that we face temporary or prolonged unavailability of our systems. In addition to the operational impact, such a risk could cause significant reputational damage.	

Opportunity	Description	SDG mapping
Engagement for Sustainable Consumption & Awareness	There is a strong opportunity for Vestiaire Collective to demonstrate the benefits of shopping pre-loved. This is a great way to engage more consumers, bring first-hand brands into the second-hand movement and lobby for political support.	SDG 12 Responsible Consumption and Production
Climate Change	Climate change is one of the biggest challenges the world faces today. Thanks to our circular business model, Vestiaire Collective has a pivotal role to play in the war against climate change, as we contribute to avoiding emissions compared to buying new.	SDG 13 Climate Action

4. Corporate Social Responsibility (CSR) strategy & performance

In this section we are presenting the policies, procedures and measures we have implemented to mitigate the risks and enhance the opportunities that we identified through the risk assessment.

Risks

4.1 Corporate Culture and Values

Risk

There is a risk of dilution of our corporate culture and values, as we grow rapidly, reorganise or acquire organisations like Tradesy.

Task

We need to ensure that we preserve and strengthen culture at every step.

Vestiaire Collective is a global company, with offices and authentication centres spread across the globe. Therefore, it's really important that no matter which part of the world an employee is working in, they carry forward the same corporate culture and values. In this way, teams are cohesive and feel a sense of belonging, which we believe leads to higher productivity and effectiveness.

Strategy & policies

Our corporate culture begins with our mission: to transform the fashion industry for a more sustainable future by empowering our community to drive change.

Then, as people are central to our organisation, we do our best efforts to promote a collaborative spirit and spread our five values: Activism, Dedication, Greatness, Transparency and Community. Our values are also integrated to our individual objectives and performance reviews, in order to ensure that we work as one team with one goal: transforming fashion.

Implementation & results

Our people are our biggest asset: they are the heartbeat of our organisation. As a testament to how much we value our people, Vestiaire Collective decided to make every single employee a shareholder in 2023. In this way, we foster a culture of co-ownership, collaboration and teamwork.

We aim to keep our corporate culture and values in focus, always. Each day, we strive for teamwork and excellence relying on our Vestiaire Attitudes, which are the daily behavioural translation of our values. In addition, we put our values into action in our performance reviews: our performance review process includes a 360 review, focusing on providing actionable feedback and assessing how we show up in line with our values. We also award employees who best embody these values during Town Halls.

We have created a Culture Council with representatives from various business units. They gather on a monthly basis to discuss any issues related to our values or corporate culture. Together, we aim to sharpen and strengthen our culture.

Transparency is critical. Employees are encouraged to speak honestly and be heard through regular employee surveys and Q&As sessions.

Of course, we take every opportunity to celebrate and bring our workforce together. These include monthly town halls, sustainability weeks, end-of-year celebrations, hackathons, and special talks, in collaboration with our Diversity, Equity and Inclusion (DEI) employee resource groups.

Given activism is a core value, we offer employees the opportunity to volunteer with a charity of their choosing. We're delighted to announce that 77 volunteering opportunities were organised in 2022.

Performance (KPIs)

We actively encourage our employees to offer regular feedback through employee engagement surveys. We've devised an all-new tool to facilitate a company-wide engagement survey called Culture Amp, in July 2022. We have had two surveys, using this tool - in July and in October, 2022.

Employee feedback is highly valuable to us in order to understand what's working well and what we can improve as we build the future of our company. This is why one of our goals for 2022 was to increase the global participation rate to 70%. We're really pleased that we surpassed it.

KPI	Unit	2022 value
Culture Amp participation rate	%	80%
Culture Amp participation score	%	58%

4.2 Talent Attraction & Retention

Risk

There is a risk of not being able to attract the best talent and skills or of not being able to retain them. The labour market is highly competitive. Plus, scale-up companies like Vestiaire Collective, usually have high turnover rates.

Task

We aim to attract and retain the best talent and skills out there. To keep our best people with us, we need to make each one feel valued and an integral part of our global mission.

Strategy & policies

Attracting employees

To attract the best talents, we need a talent attraction policy with a strong employee value proposition and benefits. We also need to offer potential employees with a highly positive recruitment experience.

There are a number of benefits we already offer. Our benefits are adapted to local markets, but align with our global vision:

- We provide a dynamic and fast-paced work environment, with many opportunities for career development or potential professional transition supported by Vestiaire Collective.
- People are central to our organisation and we grant free shares to all of them from 2023.
- We offer a hybrid working policy. Employees can work from home, one day a week. They also get three additional flexible days that they can work remotely, anytime during the month.
- We offer a minimum of 20 days of paid time off to all our permanent employees everywhere in the world.
- Paris-based employees and parents have the opportunity to apply for one of 20 company-sponsored nursery places. These are granted through a robust process and criteria recommended by our partner Les Petits Chaperons Rouges.
- We have a partnership with Gymlib to support our French employees in taking time for sports and wellness.

We have also localised our recruitment process. We align local specificities with global guidelines. Our hiring managers are trained and equipped with recruitment skills and how to navigate potential cognitive biases (how to lead an interview and ask situational questions to reduce biases). This training process is ongoing to ensure all new hiring managers are trained. We aim to ensure that the recruitment process is scrupulously fair. To ensure this, each new recruitment is approved by a group of stakeholders and a hiring committee. The committee collectively decides on titles, levels and salaries. The levers we focus on in order to strengthen retention are (i) enabling career opportunities and (ii) strengthening leadership & management, as they have been identified as the key drivers to departures.

Retaining employees

We have a two-way approach to retain our talents: first we analyse the reasons why our people leave and then we put in place strategies to address problem areas.

1. Why people leave

When employees leave the company, we find out why. We regularly monitor our voluntary attrition rate, which measures the reduction in the workforce caused by voluntary departures. In addition to this, we conduct quarterly engagement surveys enabling us to measure how engaged employees are feeling. For example, do they see themselves working for Vestiaire Collective in two years? In the future, we plan to establish correlations between leavers, reasons for leaving and the results from the engagement surveys.

2. Keeping employees invested

We want our employees to feel engaged and enthusiastic about working at Vestiaire Collective. We do this by enabling career opportunities and strengthening leadership and management. The reason we're focusing on these two areas is that they have been identified as key departure drivers.

In 2022, we revamped our People Performance Review (PPR) process. We aim to make sure we're better supporting our employees' development and career growth. We've also made changes to ensure performance assessment decisions are fair. All employees on a permanent contract are eligible to take part in this new twice-yearly PPR process.

We encourage employees to give and receive feedback regularly and constructively throughout the year. We firmly believe this is critical for employee growth and our success as a company. We perform a complete 360 picture as we get feedback from different peers, to have a full picture and not be biased by a single point of view. We provide training on how to do this for managers and employees, alike. Finally, we pull together the results of the performance review from different managers to make sure the outcome is based on consistent multiple opinions, and not the decision of one person.

Implementation & results

Attracting the best talents

In order to attract the best talents we have deployed several initiatives. We have made an external benchmark to offer attractive salaries and reduce potential inequalities. We have also developed a process for referrals and reward employees that co-opt talents.

We aim to ensure that our job openings have high visibility. We publish them not just on our own careers portal, but on several job boards such as LinkedIn, Welcome to the Jungle, APEC, etc. It's important to familiarise students and recent graduates with our values and our mission to transform the fashion industry. We host and participate in meet-ups and organise forums or student events to this end. Some of the events we've been part of include the data bootcamp, Jedha, an event where we welcomed X-HEC Entrepreneurs and a start-up contest with Centrale Paris Tech.

Another way in which we engage potential candidates is through our 'My job in 1 min' videos on LinkedIn, describing our roles. Moreover, as tech hires are important for our growth, we have created a blog called Vestiaire Connected to share our expertise on all things tech.

We've touched on how important it is to us that job applicants have a positive recruitment experience, earlier in this report. To put this into practice, all candidates receive automated replies, acknowledging their application, when they apply. They also receive rejection emails if their application isn't successful. We ask applicants for regular feedback about the process, through surveys, so that we can keep fine-tuning our process.

Learning & development

It's pivotal for employee motivation to feel like they're growing, learning and progressing in their careers. This is key to retaining people. We have implemented various initiatives to make this happen:

1. Career growth framework

We have mapped the different levels of seniority in the company and have outlined expectations of skills and responsibilities for each. This enables employees to be clear about what is expected of them and what skills they need to develop to progress in their careers.

2. L&D strategy

To support our employees' growth, we have defined a clear learning and development strategy. We have outlined learning paths and provided relevant training materials. We often receive learning requests. We have defined clear criteria so that we can prioritise these, based on our budgets.

In 2022, we launched Skill Up, our learning management system. Through this, employees have access to a great library of content including more than 9000 modules on subjects such as management, DEI, professional effectiveness and growth. This helps them learn constantly and provides greater internal mobility. We also enable internal mobility. We advertise open positions internally and provide opportunities to our employees to apply and further develop their career with us.

Every organisation needs strong leadership. We've taken concrete steps to fortify our leadership and management capabilities. We have conducted research: (i) externally to see what market practices are, and (ii) internally to map our gaps. Armed with these insights, we have drafted a program for managers focusing on developing feedback, coaching, goals and performance skills. We offer training in how to have career growth discussions and when needed, difficult conversations.

We also have created a programme for leaders, dedicated to compliance topics, prioritisation, communication and talent management. Those trainings will be delivered by both Vestiaire employees and external trainers.

Constructive labour relations

In France, employees have an employee representative body, known as CSE (social and economic committee), made up of the employer and an elected staff committee. The main mission of the CSE is to dialogue with employees and present all their individual or collective complaints to the employer. The CSE also ensures that all employees must be informed and consulted on the company's economic data and on the decisions that have an impact on working conditions. They also share their opinion on the economic and social decisions taken by the employer. The secondary mission of the CSE is the management of social and cultural activities within the organisation.

The current CSE was elected in December 2019 and is composed of 10 members. Its tenure is 4 years. Meetings between management and the CSE take place monthly and detailed minutes of the meeting are shared with employees.

Some of the issues that the CSE facilitated over the last few years include the implementation of remote working, charters relating to the right to disconnect and leave in case of a child's sickness.

Performance (KPIs)

Voluntary attrition measures the reduction in the workforce caused by voluntary departures, such as resignations or an employee deciding to leave at the end of their probation period. This is a key indicator of our performance with regards to talent retention.

KPI	Unit	2022 value
Voluntary attrition	%	14%

4.3 Employee Wellbeing

Risk

Employees could become disengaged, absent themselves or even quit. Issues that cause disengagement include: a lack of work-life balance, resources, support, solidarity, a feeling of community or inappropriate management practices.

Task

We believe it is the people who hold the future of our organisation in their hands. It is fundamental for us that our employees feel fulfilled, valued and are able to give the best of them.

Strategy & policies

Given how critical work-life balance is to the well-being of employees, we've taken the following steps:

We formalised a Flexible Working Policy and the Right to Disconnect policy. We aim to ensure that employees have guaranteed rest periods and holidays to rejuvenate. We want them to feel a sense of balance between work and their personal lives.

Parenting is a milestone in employees' lives. We'd like our employees who have become new parents to benefit from a period of leave after birth or adoption. To enable this we've implemented the Parental Act, a commitment to a minimum of a month's fully paid parental leave. This scheme is open to all second parents regardless gender or status. We have also enhanced maternity leave within our company. Eligible employees benefit from a minimum of two months paid leave in all countries where the law does not present more beneficial conditions.

Besides, to show our employees our support in the case of family-related events, we offer our employees the opportunity to take family-related leave days for events such as weddings or funerals. While it is a legal requirement in France, we apply this policy worldwide. Another area we focus on, particularly as we're a fast-growing, fast-paced organisation, is the mental well being of our employees. We're serious about providing employees the space and resources to prevent and support work-related mental health issues such as anxiety, stress and burnout.

Implementation & results

Time to talk: Culture Amp surveys

We like receiving feedback from employees on what's working well and what needs to be improved. One of our key goals for 2022 was to strengthen employee engagement and satisfaction. We set up a new tool for a company-wide engagement survey called Culture Amp in July 2022. We also revamped our internal processes so that we run these surveys on a quarterly basis. We set our goals high - to improve our engagement score and increase the global participation rate by up to 70%.

Mindful May: Mental Health Awareness Month

Mental health and wellbeing at work benefits everybody: employees, employers and the bottom line. In May 2022, which is our Mental Health Awareness Month, we took the first steps towards raising awareness on the importance of mental wellbeing in the work context.

Our Mental Wellbeing & Accessibility Employee Resource Group organised a range of events. In fact, we held thirteen events over two weeks: from an initiation to breath work to mindfulness workshops, to neurodiversity and anxiety management and a workshop using creativity to counter stress. We were supported by six external partners: moka.care, The Breathe in Paris School, Le PAON, CLEACH, La Maison Perchée and Disability:IN. Following this, we introduced No Meetings Wednesday Mornings to enable employees to block their calendars to take time out to focus on work. We also regularly raise awareness of the number of meetings and the importance of finding the right balance between production time and meeting time.

Wellbeing by design: new headquarters in Paris

We threw open the doors to our all-new headquarters in Paris at the end of 2021. It's an innovative, eco-designed space that puts employee wellbeing at its very heart. Built into its design is the new flex-office approach to a hybrid working model. We worked with the French architecture firm Les Bâisseurs to create a beautiful and optimal work environment for our employees. The building includes various social and collaborative spaces, as well as dedicated rooms for parenting and meditation. The end goal: promote and facilitate employee wellbeing by design.

Other wellbeing initiatives

There are many other wellbeing initiatives we have offered throughout the year. These include positive psychology training sessions and weekly meditation sessions.

Vestiaire Collective believes physical activity can support mental wellbeing. In December 2022, we launched a new partnership with Gymlib, a sports and wellness subscription service. It offers access to more than 4,000 gyms and 300 sports activities in France. Additionally, we encourage participation in running events (often for charity). Weekly yoga classes are also organised in the Paris headquarters.

Performance (KPIs)

We held two surveys, 2022 - in July and in October. Our engagement score is the average of the two surveys, it is based on the answers to our company-wide survey on Culture Amp. The engagement score is calculated as the average percentage of employees who answered the following four questions favourably:

- I am proud to work for Vestiaire Collective
- I see myself still working at Vestiaire Collective in two years time
- Vestiaire Collective's mission to "transform the fashion industry for a more sustainable future" is the main reason I chose to work here
- I would recommend Vestiaire Collective as a great place to work

KPI	Unit	2022 value
Culture Amp engagement score	%	58%

4.4 Diversity, Equity & Inclusion

Risk

Vestiaire Collective is a fast growing multicultural organisation and as such, we face many diversity, equity and inclusion opportunities. Vestiaire Collective is a fast growing multicultural organisation, spread across continents. This means we may face challenges relating to diversity, equity and inclusion, in recruitment and career development.

Task

We aim to ensure that every employee have equal access to opportunities - whether while applying for a job with us or as they progress in their career with us.

What do we mean by diversity? For us it is about valuing different perspectives and intentionally representing a range of backgrounds in our teams. We look at many dimensions such as gender, age, race, ethnicity, sexual orientation, religious beliefs, educational background, health or disability.

Equity is then about creating consistent, fair and just treatment, at a systematic level. It's about all individuals having access, opportunity, and advancement. At the same time, it's about working to remove any barriers that might prevent someone's full and equitable participation at Vestiaire.

Finally, inclusion is ensuring that everyone feels like they belong and have a voice.

Strategies & policies

First and foremost, we aim to ensure that every employee has the tools to understand and respond to any case of abuse that they might witness, either within the company or its supply chain. Vestiaire Collective has an anonymous whistleblowing process and an anti-discrimination and anti-harassment policy to enable this.

Our diversity, equity and inclusion (DEI) ambition drives our impact strategy. As part of the first pillar of our impact strategy - "Setting the standards" - we make three commitments:

Hire Inclusive, be inclusive

Vestiaire Collective is a multicultural working environment, which is why training and raising awareness is also at the heart of our DEI ambition. We regularly provide resources for managers on how to recruit and manage diverse teams, and raise awareness all year long about different cultures.

We aim at offering all our employees the same benefits for the same roles; regardless of gender, location or other parameters. We particularly focus on gender equality at work: as part of the fashion and tech industries, and as a company co-founded by two women, this subject is at the heart of our corporate culture. We are committed to increase the number of women in leadership roles at Vestiaire from 32% to 50% by 2026.

We are also committed to closing the gender pay gap. We're leveraging several tools to help us along: a commitment to financial resources, coaching for women, training our managers and recruiters to increase awareness about this issue, especially ahead of appraisal cycles.

Allow teams to express their activism

Activism is a core part of us and we encourage our employees to make a difference to issues they are passionate about. In fact, we have empowered our employees by creating five employee resource groups representing our different communities: Women Empowerment, Parents@vestiaire, Ethnic Diversity, Accessibility and Mental Wellbeing, LGBTQIA+. These groups are responsible for running our events calendar (e.g. Women's Month in March, Pride in June) - a great way to raise awareness and engage people. They lead related projects, if needed and also raise issues that need to be brought to the Executive Committee's attention. To ensure clear 360 communication, we have a monthly DEI committee meeting, in which the Chief Impact Officer and the Chief People Officer participate.

Thrive for best practices

Finally, to make sure we are aligned with best business practices, we look at the B Corp framework not only as a label that certifies companies that meet high social and environmental standards but also as a management tool. We pay particular attention to the workers and communities sections that offer direction on various DEI topics.

Implementation & results

Fostering diversity, equity and inclusion at Vestiaire Collective will always be a top priority. 2020 marked a major step forward with the launch of our very first internal quantitative survey dedicated to DEI, with a participation rate of 70%. To understand how included our people felt, we also added in the question: I feel like I belong at Vestiaire Collective in our quarterly Culture Amp surveys as well. We will include qualitative DEI questions in all our Culture Amp surveys in the future. As part of this, we will focus on demographic data, annually.

We first need to measure employees' perception of inclusion and diversity in order to be able to deploy an adapted DEI roadmap.

As the company has evolved and grown significantly in the last two years, we ran another DEI survey in 2022. This time, the participation rate was 50%. Another measurement tool that we use is the French Gender Equality Index, which has five indicators: pay gap, increase gap, promotion gap, identifying the number of women in top 10 salaries in the company, and maternity leave returns. We are adapting this framework across the globe in our new levelling framework.

Having identified issues, one of which was a lack of knowledge around DEI, we then implemented a company-wide DEI training programme.

To ensure equal opportunities for all, we also need to reduce biases and discrimination in the recruitment process. We've made changes to our recruitment process to ensure this:

- We have reviewed our interview scorecards to focus on situational questions, which reduce bias.
- We are developing skills-based training on how to lead an interview and reduce biases for all managers.
- We are developing apprenticeships positions giving opportunities to more students and young people.
- We are participating in selected meetups to attract more women to apply for our tech positions (e.g. Sistech, Paris Data Ladies Meetup).
- We have a dedicated slack channel so that employees can easily see open jobs at Vestiaire Collective.

Thanks to our employee resource groups we have also achieved a range of key results:

- The Parent Employee Resource Group negotiated 20 company-sponsored nursery places for our Paris-based employees. Places are granted through a robust process, based on criteria recommended by our selected partner, Les Petits Chaperons Rouges.
- The Women Empowerment Group organised three women's coaching groups with our partner Cleone. Each group had ten women working together with a dedicated coach, over five one-hour sessions.
- The Ethnic Diversity Group regularly organises How-to-Say events to celebrate different cultures through food.
- The Accessibility and Mental Wellbeing Employee Resource Group organises awareness events and training on positive psychology, meditation and yoga.

We'd like to share our efforts and encourage more tech companies to help create a more equitable world. We have been working closely with French Tech to define and co-sign a joint [Parity Pact](#).

Performance (KPIs)

In 2022, we offered a range of DEI training.

All managers and Executive committee members at Vestiaire Collective were invited to participate in two mandatory 'Introduction to D&I' training sessions:

- #1 Diversity and discrimination
- #2 Bias and stereotypes

Additionally, a range of workshops and training were offered to all employees on a voluntary basis:

- Introduction to Inclusive Management training:
 - #1 Developing an inclusive culture: how to act as a manager?
 - #2 Preventing sexism and discriminations: the role of the manager
- Diverse workshops:
 - Being antiracist at work
 - Ensuring an inclusive workplace for LGBTQIA+ people
 - Ensuring an inclusive workplace for people with disabilities
 - Preventing sexism and sexist violence in the workplace
 - Supporting colleagues with their mental health
 - Working in a multicultural environment

We chose to report on the participation rate of managers in at least one DEI training session in 2022 as our KPI. This reflects the percentage of managers who now have good knowledge of the fundamentals of diversity, discrimination, bias and stereotypes.

KPI	Unit	2022 value
DEI training participation rate for managers	%	66%

4.5 Sustainable Consumption and Awareness

Risk

As a tech platform and in the context of a global increase in cybersecurity attacks, there is a risk of failing to protect personal customer data, shortcomings in the implementation of personal data protection or that we face temporary or prolonged unavailability of our systems. In addition to the operational impact, such a risk could cause significant reputational damage.

Task

It is critical that we ensure the security of all our information systems and that we train our employees to be more aware of cybersecurity risks.

Strategy & policies

We have put the following policies and processes in place:

- Information Security Policy: It demonstrates the Company's commitment to information security objectives. It protects the confidentiality, integrity, and availability of Vestiaire Collective's information resources.
- Cybersecurity Incident Response Plan: this defines our incident response process. This has been established to ensure a quick, effective and orderly response to security incidents. We also analyse and record learnings from each incident.
- Cybersecurity Risk Assessment: a continuous risk assessment of sensitive assets of the company. This allows us to identify, assess, and prioritise risks to information and security systems. It help us identify and prioritise areas for improvement in our cybersecurity program

Implementation & results

Protecting personal data

We aim to reduce the risk of data breaches on the platform and protect Vestiaire Collective users' data. To do this, we run a Bug Bounty Program with the Yogosha platform constantly. Hundreds of security researchers test our applications and website to identify and isolate any security vulnerabilities. Vestiaire Collective runs constant, automated security testing of all our main assets. Internal audits are also conducted quarterly and on an ad-hoc basis by the security team in order to find and mitigate threats to our infrastructure. All risk reduction initiatives allow us to mitigate and resolve vulnerabilities in a timely manner, before they can be exploited. Vestiaire Collective has also appointed a Data Protection Officer. It is compliant with data privacy laws, including but not limited to GDPR.

Cybersecurity awareness and measures

To increase cybersecurity awareness, we provide training on cyber security basics to all new employees. We also run an internal Tech Series, in which we bring attention to cyber threats and how to protect against them. We run regular phishing simulation campaigns. We use multifactor authentication and powerful endpoint security solutions to protect our systems against malware, ransomware and advanced threats. We are continuously working on improving network segmentation which helps us avoid the spread of a cyberattack.

Performance (KPIs)

We monitor the following indicators with regards to data security & cyberattacks:

- The number of vulnerabilities fixed during the year
- The lead time to remediate, i.e. the average time (in days) to remediate vulnerabilities.

NB. Those indicators were not audited by an independent third party organisation this year.

KPI (not audited)	Unit	2022 value
Number of vulnerabilities fixed	#	21
Lead time to remediate	days	96

Opportunities

4.6 Sustainable consumption and awareness

Opportunity

The fashion industry had considerably changed under the influence of Fast Fashion. Consumers are buying more, buying cheaper and wearing those clothes fewer times. In just fifteen years, clothing production has doubled, but clothing utilisation, or the number of times a garment is worn before it ceases to be used, has decreased by 36% (source: Ellen MacArthur Foundation, A New Textiles Economy, 2017).

There is a strong opportunity for Vestiaire Collective to demonstrate the benefits of shopping pre-loved. This is a great way to engage more consumers, bring first-hand brands into the second-hand movement and lobby for political support.

Task

We have the power to demonstrate the benefits of shopping second-hand compared to first-hand. We can galvanise both consumers and brands to become part of the second-hand revolution and advocate for political support towards demonstrated sustainable consumption.

Strategy & policies

Our engagement for sustainable consumption and awareness is embedded in the third pillar of our impact strategy: Empowering our community of users.

Of course, Vestiaire Collective is constantly working to improve its own environmental and social impact. However, some impacts don't rely only on the company itself but on user behaviour. We aim to make it easy for consumers to adopt more sustainable consumption habits, so have developed tools to enable this. At the same time, we're raising awareness on environmental and social topics through an ambitious marketing strategy.

Fast fashion ban

Vestiaire Collective was born from the fact that too many clothes were sleeping on people's closets or even worse, ending up in landfills. Our co-founders wanted to fix this waste issue and bring more consciousness to the way people consume fashion. In 2020, this founding spirit was reaffirmed through the definition of our mission to transform the fashion industry by concretely empowering our community to do so. In other words, by moving our users away from fast fashion, and helping invest in good quality, durable clothes and accessories that allow second and even more lives.

Then, in 2022, we built a comprehensive strategy to fight fast fashion at all levels, through 3 pillars of action: Commit, Educate, Advocate.

- **Commit:** By banning fast fashion brands from our platform, we take a strong stand against this system.
- **Educate:** The purpose behind the fast fashion ban is to educate and inspire our community (and consumers at large) to progressively move away from fast fashion. For our part, we can guide them along the way and offer alternatives. This is why we chose Black Friday, the ultimate symbol of overconsumption, to make this momentous announcement. Every year on Black Friday, we launch our "Say no to Fast Fashion" or "Better Friday" campaigns.
- **Advocate:** Another way to fight fast fashion is to make a case for stronger regulation for clothing brands. We've identified three main regulations in France or the EU to follow in that regard, currently being rediscussed at French and EU levels:
 - Duty of Vigilance Law, to hold Fast Fashion producers accountable for their upwards and downwards supply chains
 - Environmental Labelling: to make sure it accurately reflects clothing durability, not just from a physical but also from an emotional point of view.
 - Extended Producer Responsibility (EPR): to improve the French collection, sorting and recycling system for clothing and textiles and extend it to all EU states.

Impact report

Vestiaire Collective's business model is based on circularity. With the objective of raising awareness among our users, we started in 2021 to report on the impact of our company.

In our first impact report, in 2021, we deep dived into our users' behaviour and our environmental footprint and avoided impact. In the second year, we also integrated socio-economic impact, to have a more holistic view of Vestiaire Collective's impact on the planet and people.

By publishing an annual Impact report, we are communicating more transparently with our community and raising their awareness on the reduced impact they can have by selling & buying on Vestiaire Collective compared to buying new.

Implementation & results

Getting to know our community

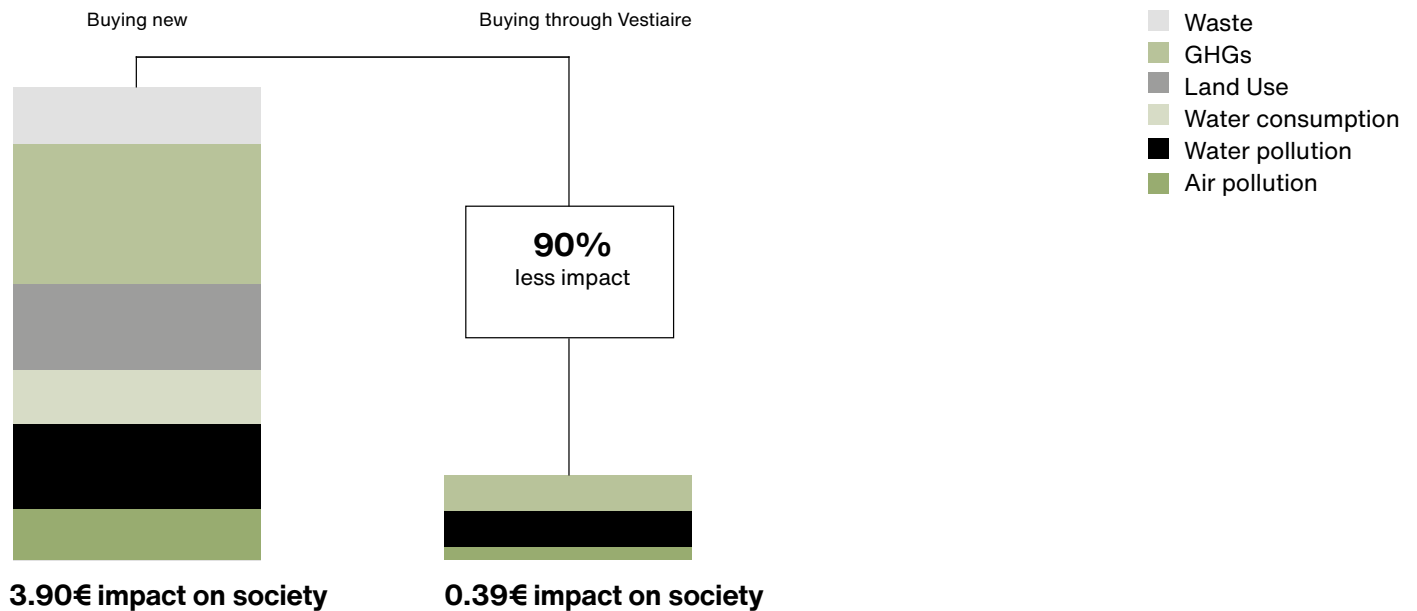
As part of our Impact report, we conducted a consumer survey this year with more than 3,500 users. We wanted to understand who our community is? What are their consumption habits? What motivates them to buy and sell on Vestiaire Collective? Here's what the results revealed:

82% substitution rate

By using Vestiaire Collective, customers often avoid environmental impact associated with traditional purchasing models, by displacing a first-hand purchase with a second-hand one. The substitution rate refers to whether the purchase of a second-hand item replaces the purchase of a new item. In our new consumer survey we found that 82% of the purchases made on Vestiaire Collective replaced the purchase of a new item.

Save the planet as you shop: 90% saved environmental costs

We looked at the environmental impact of second-hand compared to new items, using monetisation methodologies. In 2022, we found that buying a fashion item on Vestiaire Collective saved 90% of the environmental cost of a new item. The methodology took air pollution, GHG emissions, land use, waste, water consumption and water pollution impact into account.



Environmental impacts of buying a new product vs buying through Vestiaire Collective

The upscale effect

Our platform opens up luxury fashion to customers that may not be able to afford it first-hand. Our consumer survey found that 80% of our users feel that Vestiaire Collective helps them invest in better quality items.

Incentivising our users to shop sustainably

Go local

As Vestiaire Collective operates globally, but incentivises our community to buy locally.

Over the past few years, we have developed features to nudge our community to buy sustainably. For instance, we created the 'leaf' feature in 2021, to help members spot products closer to them using the localisation filter in order to reduce the kilometres travelled per item. We also developed and deployed the Direct Shipping option, meaning that more users ship items directly to each other, without passing through the company's warehouse, reducing the journeys parcels take from sellers to buyers. We are now able to prioritise and promote local-to-local transitions and initiatives in each of our key regions thanks to our five warehouses across the globe (France, UK, US, Hong Kong and South Korea).

Currently, the share of local transactions is 98% in EMEA (i.e. the share of items sold in EMEA and bought in EMEA) as this is a historical and more mature market. We have a large community of both buyers and sellers in this area. In AMS and APAC our levels of local transactions are still lower, as those regions were developed more recently.

Educate to empower

We believe that knowledge is power. Vestiaire Collective shares tips and educational content with its community to give them the power to make more sustainable choices. In 2020, we teamed up with Steamery Stockholm to produce a sustainable clothing care guide. It offers our users tips to care for their clothes and for the environment. In 2022, we also published educational content on social media such as the: How to build a sustainable wardrobe series. It included tips on how to buy more responsibly as well as information about sustainable and durable materials that are worth investing in.

A few years ago, we also launched our Fashion Activist badge, rewarding our users that are both sellers and buyers, they're at the forefront of new consumption habits.

Ban fast fashion

We identified and removed 27 brands from our platform between September to November 2022. The decision was based on a list of criteria (e.g. low price point, low quality, poor brand image, mass overproduction, etc.) we worked on with our marketplace and curation team. For the first year, we focused on ultra fast fashion. We created social media content explaining our decision to ban fast fashion in an engaging way.

We will continue banning fast fashion brands from our catalogue by refining the criteria, and cross-validating it with industry experts.

To educate consumers further, we produced a video bringing to life the textile waste issue. We also created social media content to explain our decision to ban fast fashion and to give voice to the not-for-profit organisation we partnered with: The Or Foundation.

In 2022, through our partnership with The Or Foundation, we focused on the Extended Producer Responsibility (EPR), and advocated to amplify and expand the current EPR scheme, for instance by raising the ecotax to reflect more accurately the true cost of waste management.

Performance (KPIs)

With regard to the promotion of sustainable consumption and awareness, we measure two main indicators:

- The displacement of first-hand purchases with second-hand by our community, measured by the substitution rate
- The promotion of local transactions, which is reflected through our local-to-local rate, i.e. the share of transactions that are made within the same geography (EMEA, US, APAC).

KPI	Unit	2022 value
Substitution rate	%	82% (vs. 70% in 2021)
Local-to-local rate	%	87%

4.7 Climate Change

Opportunity

Climate change is one of the biggest challenges the world faces today, and fashion is one of the culprits. In 2021, the fashion industry and its supply chain were the world's 3rd largest polluter, producing 5% of the world's GHG emissions (source: World Economic Forum, Net-Zero Challenge: The supply chain opportunity, 2021).

Thanks to our circular business model, Vestiaire Collective has a pivotal role to play in the war against climate change, as we contribute to avoiding emissions compared to buying new. In fact, if we are to limit global warming to 1.5-degrees, we need to live in a world in which 1 in 5 garments are traded through circular business models, by 2030 (source: Fashion on Climate, McKinsey & Company and Global Fashion Agenda, 2020).

Task

Since its creation in 2009, Vestiaire Collective's business model has been dedicated to increasing the circularity of existing fashion items. Yet, implementing an ambitious Climate strategy and driving a carbon reduction roadmap is essential for Vestiaire Collective in order to stick to our mission to bring solutions to transform the fashion industry. Therefore, our climate strategy focuses on two pillars: reducing our carbon intensity and maximising avoided emissions.

Strategy & policies

Reducing our carbon intensity

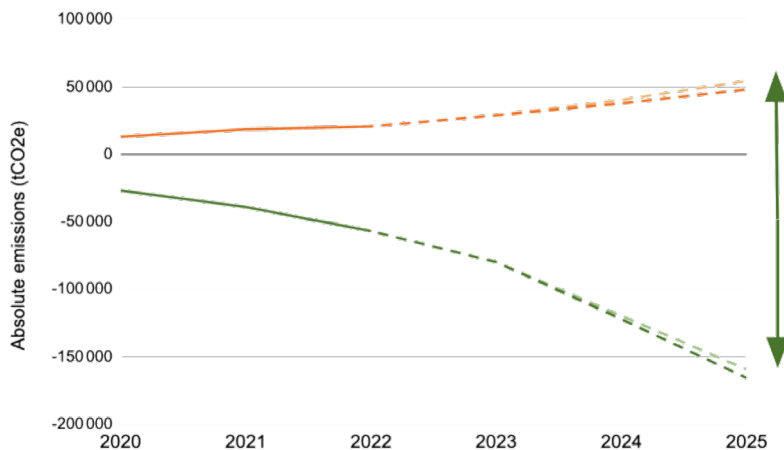
To reduce our carbon intensity per sold item, we have implemented key actions to improve the operational efficiency of our transport and logistics by:

- Reducing the use of air transport and replacing it with road transport.
- Promoting local transactions and developing local warehouses in each region.
- Increasing the ratio of direct shipping.
- Reducing packaging volumes, improving materials and prioritising local providers.

Going further, we also aim at improving our digital impact (both our corporate IT and platform) thanks to the implementation of green IT initiatives, as well as engaging with suppliers through a sustainable purchasing approach.

Buy less, buy better: maximising our avoided emissions

Our second pillar is to maximise our avoided emissions compared to first hand fashion. A key part of this is raising awareness and educating our millions of members worldwide about the burning issue of climate change. We do this by developing features and educational content. Through this, users understand the impact of their choices and are inspired to boost their avoided emissions by buying less, but buying better (second hand).



Current and projected absolute GHG emissions and avoided emissions by Vestiaire Collective

Implementation & results

In order to better understand the environmental impacts of our activities, in 2020, Vestiaire Collective conducted its first life-cycle analysis (LCA) and in-debt carbon footprint assessment. It covered all direct and indirect emissions (scope 1, 2 and 3), both upstream and downstream. Being a second-hand platform, we don't produce anything ourselves, so our impact is mainly related to indirect (scope 3) GHG emissions, especially transportation of products from sellers to buyers.

Vestiaire Collective also avoids more GHG emissions compared to first-hand purchases.

The carbon footprint and avoided emissions assessments are updated on an annual basis to monitor the progress on our climate strategy. In addition, we have committed to the Science Based Targets initiative (SBTi) and are in the process of submitting our GHG reduction target for validation.

Last year, we held our first sustainability hackathon, bringing together multidisciplinary teams from tech, data, product, business, operations and supply. A facilitator from Spring Lab and other external experts joined us, dedicating a full week to deep-diving into sustainability solutions.

Performance (KPIs)

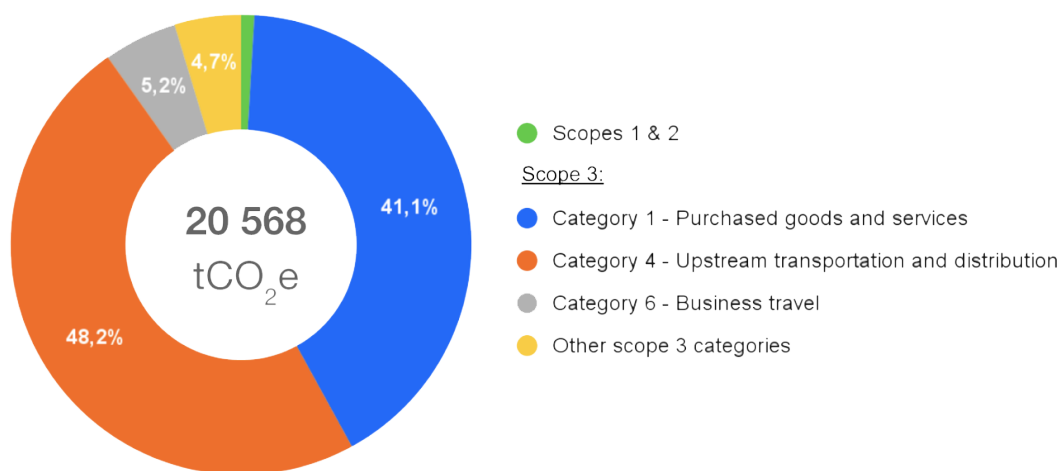
Carbon footprint

To assess Vestiaire Collective's carbon footprint, we based it on the on the GHG Protocol Corporate Standard, which covers the three scopes of a company's GHG emissions:

Our Scope 1 and Scope 2 emissions represent only 1% of our carbon footprint. Our Scope 1 emissions are direct emissions from heating (natural gas). Our Scope 2 emissions are indirect emissions from the purchase of electricity and heating for our offices and warehouses globally.

Our Scope 3 emissions account for 99% of our carbon footprint and represent all indirect emissions that occur in our value chain, both upstream and downstream. These include:

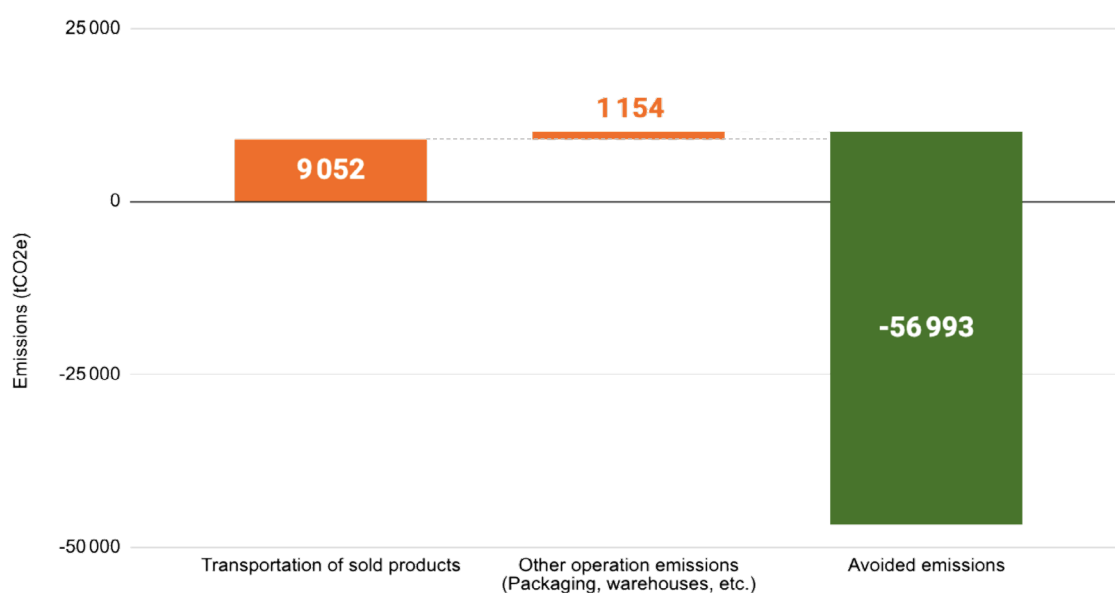
- Purchased goods and services
- Capital goods (facilities and IT inventory)
- Other fuel and energy-related activities not accounted for in Scope 1 and 2 emissions
- Upstream transportation and distribution
- Business travel and commuting
- Use of our platform by consumers



Avoided emissions

Our avoided emissions are the difference between the emissions generated by buying on Vestiaire and a reference scenario of 82% of the items sold on our platform being purchased new (based on our substitution rate).

In 2022, Vestiaire Collective avoided 57 ktCO₂e, 2.8 times more than the emissions we generated, bringing a net climate benefit to the fashion industry.



Vestiaire Collective's net climate impact in 2022

KPI	Unit	2022 value
Scope 1 emissions	tCO ₂ e	30
Scope 2 emissions	tCO ₂ e	160
Scope 3 emissions	tCO ₂ e	20 378
Avoided emissions	tCO ₂ e	56 993

5. Appendix

Independent third party's report on consolidated non-financial statement presented in the management report

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the General Assembly,

In our quality as an independent third party, accredited by the COFRAC under the number n° 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of the statutory auditors of your entity (hereinafter "entity"), we conducted our work in order to provide a conclusion expressing a limited level of assurance on the compliance of the consolidated non-financial statement for the year ended December 31, 2022 (hereinafter the «Statement») with the provisions of Article R. 225-105 of the French Commercial Code (Code de commerce) and on the fairness of the historical information (whether observed or extrapolated) provided pursuant to 3° of I and II of Article R. 225-105 of the French Commercial Code (hereinafter the «Information») prepared in accordance with the entity's procedures (hereinafter the «Guidelines»), included in the management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

Conclusion

Based on the procedures performed, as described in "Nature and scope of the work", and on the elements we have collected, we did not identify any material misstatements that would call into question the fact that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the non-financial performance Declaration

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

Therefore, the Information must be read and understood with reference to the Repository, the material elements of which are presented in the Declaration.

Limitations in the preparation of Information

The Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of the external data used. Some information is sensitive to the methodological choices, assumptions and/or estimates used for their preparation and presented in the Declaration.

The entity's responsibility

It is the responsibility of the Board of Directors to:

- select or establish appropriate criteria for the preparation of Information;
- prepare a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks as well as the results of these policies, including key performance indicators;
- and to implement the internal control procedures it deems necessary to ensure that the Information is free from material misstatement, whether due to fraud or error.

The Statement has been prepared in accordance with the entity's procedures, the main elements of which are presented in the Statement.

Responsibility of the independent verifier

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;;
- the fairness of the information provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code,

i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks. As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information, as this could compromise our independence.

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation
- the compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional standards

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000¹.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Means and resources

Our verification work mobilized the skills of four people and took place between November 2022 and May 2023 on a total duration of intervention of about fifteen weeks.

We conducted a dozen interviews with the persons responsible for the preparation of the Statement, including in particular the Human Resources Department (CPO), the Sustainability & Inclusion Department, the Talent Acquisition and Employee Engagement & Communications Department and the Operational and Global Transportation Department (COO).

Nature and scope of the work

We planned and performed our work taking into account the risks of material misstatement of the Information.

In our opinion, the procedures we have performed in the exercise of our professional judgment enable us to provide a limited level of assurance:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III of the French Commercial Code;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (Talent Attraction & Retention, Engagement for sustainable consumption and awareness), our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities: Tourcoing Warehouse, Paris Headquarters;
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code;

- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 24% and 59% of the consolidated data relating to the key performance indicators and outcomes selected for these tests (59% of the energy consumptions for Scope 2 indirect GHG emissions, 41% of the Scope 3 indirect GHG emissions attributable to stand-alone sites; 24% of the total Scope 2 indirect GHG emissions);
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

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

Paris la Défense, 1 June 2023

Independent Third Party
EY & Associés

Thomas Gault
Partner, Sustainable Development

Appendix 1: Information considered most important

Social information	
Quantitative information (including KPIs)	Qualitative information (actions or results)
- Voluntary Attrition rate (%) - Culture Amp survey participation rate (%) - Culture Amp survey Engagement score (%) - DEI Training participation rate for managers (%)	- Actions put in place in order to attract and retain talents - Implementation of actions aiming at promoting corporate culture and values among collaborators - Actions implemented in favor of wellbeing at work - Operations of promotion and training about diversity and inclusion
Environmental information	
Quantitative information (including KPIs)	Qualitative information (actions or results)
- Direct greenhouse gas emissions (Scope 1) (tCO ₂ e) - Indirect greenhouse gas emissions (Scope 2) (tCO ₂ e) - Indirect greenhouse gas emissions (Scope 3) (tCO ₂ e) - Avoided greenhouse gas emissions (tCO ₂ e)	- Deployment of actions aiming at limiting climate change
Societal information	
Quantitative information (including KPIs)	Quantitative information (including KPIs)
- Substitution rate (%) - L2L rate (% , global scope)	Lead time to remediate* Means of communication put in place to encourage sustainable consumption and raise consumer awareness of environmental issues

Cross-reference tables

Synthesis of key performance indicators

Like any other company, Vestiaire Collective is exposed to a number of non-financial risks and opportunities that may affect its operational or financial performance, cause harm to its reputation, and impact its strategy. The following issues have been classified as key risks and opportunities in light of the Group's activities (see Section 3. Risks & Opportunity Assessment). Vestiaire Collective is committed to addressing each of these risks by putting the appropriate policies and diligences in place. The table below provides a summary of the key performance indicators presented within our Declaration of Non Financial Performance.

Please note that no comparison data with previous years is disclosed as this is our first Declaration of Non Financial performance exercise.

Issue	KPI	Unit	Value
Corporate culture & values	Culture Amp participation rate	%	80%
Employee wellbeing	Culture Amp engagement score	%	58%
Talent attraction & retention	Voluntary attrition	%	14%
Diversity and inclusion	DEI training participation rate for managers	%	66%
Engagement for sustainable consumption & awareness	Substitution rate	%	82%
	Local-to-local rate	%	87%
Climate change	Scope 1 emissions	tCO2e	30
	Scope 2 emissions	tCO2e	160
	Scope 3 emissions	tCO2e	20 378
	Avoided emissions	tCO2e	56 993
Data Security & Cyberattacks	Number of vulnerabilities fixed*	#	21
	Lead time to remediate*	days	96

* The Data Security & Cyberattacks KPIs are relevant indicators but were not audited by an independent third party organisation.

Specific disclosures required by Article L.225-102-1 of the French Commercial Code

Below are presented cross-references to the specific disclosures as required by Article L. 225-102-1 of the French Commercial Code.

Disclosures	Related sections of the report
Climate change consequences of the company's activity and the use of the goods and services it produces	4.6 Climate Change
Social commitments to promote sustainable development	4.5 Sustainable Consumption and Awareness
Efforts to promote the circular economy	4.5 Sustainable Consumption and Awareness
Collective bargaining agreements	4.2 Talent Attraction & Retention
Employee working conditions	4.2 Talent Attraction & Retention
	4.3 Employee Wellbeing
Actions aimed at combating discrimination, promoting diversity and measures taken in favour of disabled people	4.4 Diversity, Equity & Inclusion
Actions to promote the practice of physical and sports activities	4.3 Employee Wellbeing

Lastly, given the nature of the company's business activities, topics relating to the following issues are not discussed in this Management Report:

- Combating food waste
- Fighting against food insecurity
- Protecting animal welfare
- Efforts to promote responsible, sustainable food production and fair food systems

Methodological note

Substitution rate

To investigate the behaviour of our community of buyers and sellers, we conduct consumer surveys. Its aim was to refine our calculations around avoided impact data, investigate overconsumption, and to situate Vestiaire Collective's approach within the second-hand fashion industry, and indeed the industry as a whole.

The survey is emailed to 3,500 Vestiaire Collective users active users in the 6 months prior to the launch of the campaign, including both buyers and sellers, with different levels of engagement (from occasional to regular, and new to old users). The campaign began on February 27, 2023 and lasted 2 weeks.

By using Vestiaire Collective, customers often avoid a proportion of the environmental impacts from a traditional linear fashion model, by displacing a first-hand purchase with a second-hand one. The substitution rate refers to whether the purchase of a second-hand item replaces the purchase of a new item.

To calculate the substitution rate, we used a series of questions building on a methodology first introduced by Farfetch in 2019. This work builds on original work on displacement by WRAP in 2012.

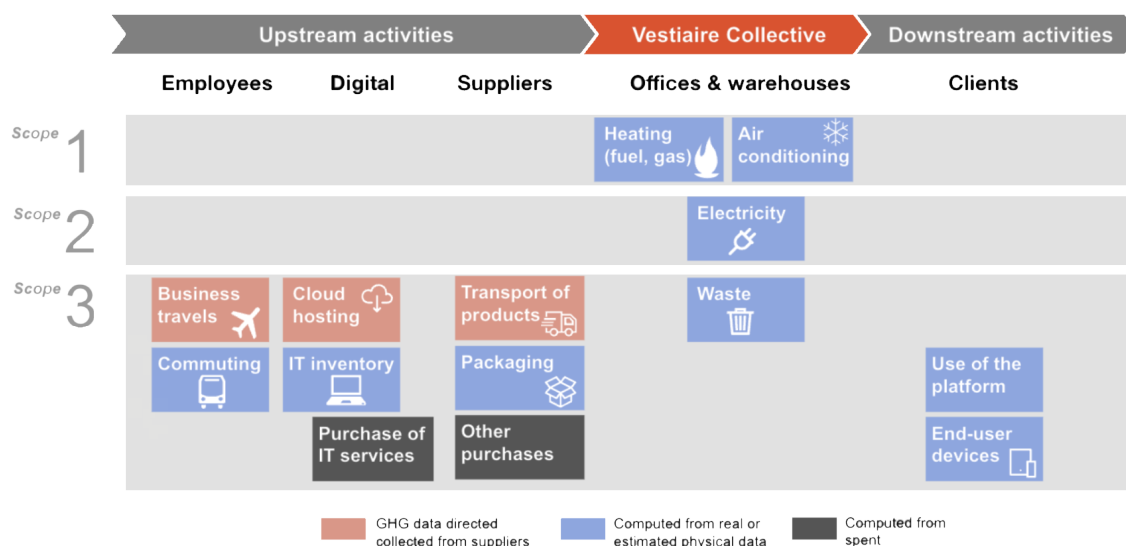
- *Buying the item second-hand on Vestiaire Collective prevented me from buying a new item?*
 - Agree → 100% substitution allocation
 - Disagree → 0% substitution allocation
 - Not sure → see next question
- *You said you're not sure. Which of the following best applies to this item?*
 - It probably prevented the purchase of a new item. For example, I didn't buy any similar new items for quite a while afterwards → half of these responses were counted to calculate the substitution rate - 50% substitution allocation
 - It probably did not prevent the purchase of a new item, because I purchased something similar around the same time or soon afterwards → 0% substitution allocation



Consumer survey results for the substitution rate

Carbon footprint

Our assessment is based on the GHG Protocol Corporate Standard and covers the three scopes of a company's greenhouse gas (GHG) emissions.



VC Carbon Footprint scope

Scopes 1 & 2

Our Scope 1 and Scope 2 emissions represent only 1% of our carbon footprint.

- Our Scope 1 emissions are direct emissions from heating (natural gas, fuel). NB: there are no company vehicles. Depending on available data, we collected either real (e.g. energy consumption in kWh) or estimated physical data (based on ratio per sqm).
- Our Scope 2 emissions are indirect emissions from the purchase of electricity and district heating for our offices and warehouses globally, assessed based on reports/invoices from our suppliers. We extrapolated our electricity consumption from Tourcoing over the first 4 months of the year as invoices were not available for this period.

Scopes 3

Our Scope 3 emissions account for 99% of our carbon footprint and represent all indirect emissions (not included in scope 2) that occur in our value chain, including both upstream and downstream emissions.

- Our scope 3 upstream emissions take into account Purchased goods and services, Capital Goods (facilities, IT inventory), Fuel- and energy-related activities not accounted for in Scopes 1 and 2, Upstream transportation and distribution, Waste generated in operations, Business travels and Employee commuting.

- Our scope 3 upstream emissions take into account the use of our platform by consumers (electricity consumption, manufacturing and end-of-life of users' devices).

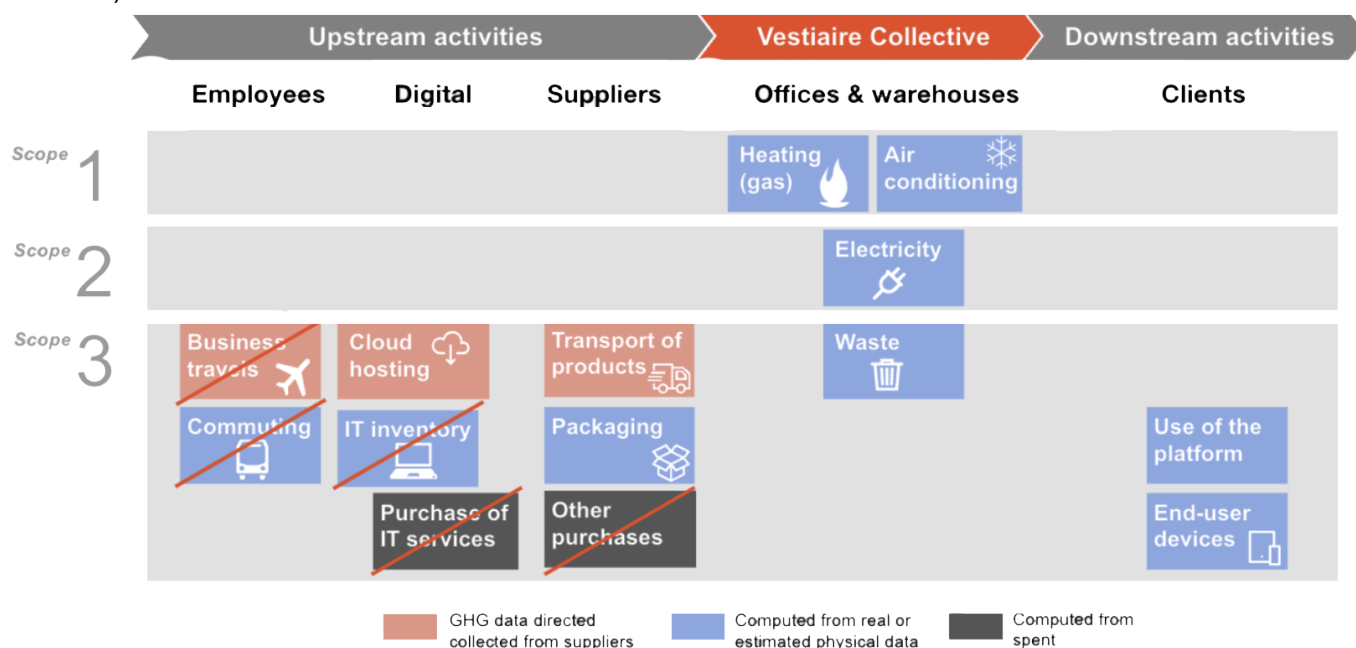
On scope 3 emissions, depending on available data, we collected either GHG reports directly from our suppliers (e.g. for our carriers), real or estimated physical data (e.g. waste volumes) or monetary data (e.g. spend for the purchase of goods and services). Data collected on all the above emissions categories are inputted on the Aktio platform to calculate our carbon footprint. Emissions factors are from the ADEME Base Carbone® and IEA databases.

Avoided emissions

Our avoided emissions are the difference between two scenarios: (1) Buying on Vestiaire Collective and (2) a reference scenario where a share of the items sold on our platform would have been purchased new (cf. substitution rate):

$$\text{Avoided emissions} = (\text{Emissions from new products} \times \text{Substitution rate}) - \text{Emissions from buying on VC}$$

Scenario 1: Buying on Vestiaire Collective (emissions related to the product), based on our own carbon footprint assessment (see above).



VC carbon footprint scope - emissions related to the product only

Scenario 2: A reference scenario where 82% of the items sold on our platform would have been purchased new (cf. substitution rate).

We have calculated the associated emissions of the reference scenario based on the number of sold products per item categories and data from the European Commission's Product Environmental Footprint (PEF) on life-cycle assessment impacts of apparel & footwear items. The 13 product categories covered by the PEF are: open-toed shoes, closed-toed shoes, boots, t-shirts, sweaters and midlayers, shirts and blouses, pants and shorts, jackets and coats, dresses, skirts and jumpsuits, apparel accessories, underwear, swimsuits. For bags, we calculate the reference scenario based on data from Kering's white paper on cradle to gate emissions. For other types of products (jewellery, sunglasses, other accessories, etc.), no avoided emissions are accounted for in the current methodology.

Local-to-local

The share of local-to-local (L2L) is the share of transactions that are made within the same geography.

The % L2L displayed is the share of total transactions that are made within the same geo level 1 (EMEA, AMS, APAC), i.e. where the buyer is in the same geo level 1 than the seller.

Voluntary attrition

Perimeter: All Vestiaire Collective's permanent employees from all locations (i.e. excluding temporary employees, trainees, apprenticeships and contractors).

The voluntary attrition measures the reduction in the workforce caused by voluntary departures (resignations and end of probation period at the initiative of the employee).

The voluntary attrition rate (in %) is calculated as: $(\text{Number of employees who left voluntarily during the period}) \div (\text{Average number of employees during the period}) \times 100$

DEI training participation rate

Perimeter: All Vestiaire Collective's permanent employees from all locations (i.e. excluding temporary employees, trainees, apprenticeships and contractors).

The indicator that we follow is the **DEI training participation rate for managers** i.e. the share of managers having completed at least one DEI training session in 2022. We decided to choose this indicator as in 2022 we've launched a DEI training programme with a specific focus on managers:

Introduction to Diversity and Inclusion

- #1 Diversity & discriminations
- #2 Bias & stereotypes

Introduction to Inclusive Management

- #1 - Developing an inclusive culture: how to act as a manager?
- #2 - Preventing sexism and discriminations: the role of the manager

Workshops

- #1 : Working in multicultural teams
- #2 : Preventing sexism and sexist violence in the workplace
- #3 : Ensuring an inclusive workplace for LGBTQIA+ people
- #4 : Supporting colleagues with their mental health
- #5 : Being antiracist at work
- #6 : Ensuring an inclusive workplace for people with disabilities

Those indicators are computed based on extractions of our LMS system.

The DEI training participation rate for managers (in %) is calculated as: $(\text{Number of managers trained on at least one DEI training in 2022}) \div (\text{Total number of managers as of 31/12/2022}) \times 100$

Culture amp - Participation rate & Employee engagement score

Perimeter: The survey is open to every permanent employee and long-term contractors (i.e. 6 months or more, including interns and apprentices), with a 3 month tenure within the company at the starting date of the survey.

The participation rate measures the average participation to the Culture amp surveys conducted in 2022.

Our engagement score is calculated based on the answers to our company-wide engagement survey on Culture amp. The engagement score is calculated as the average percentage of employees who answered favourably to the following four questions:

- I am proud to work for Vestiaire Collective
- I see myself still working at Vestiaire Collective in two years time
- Vestiaire Collective's mission to "transform the fashion industry for a more sustainable future" is the main reason I chose to work here
- I would recommend Vestiaire Collective as a great place to work

NB: As 2 surveys took place in 2022, the participation rate and employee engagement score are calculated as the average results from those 2 surveys.

Number of vulnerabilities fixed

This indicator measures the total number of vulnerabilities that were identified by our Security team in 2022.

Lead time to remediate

This indicator is the average time (in days) to remediate vulnerabilities in 2022. This number is calculated as the average number of days between the detection and resolution of the vulnerabilities.