

Overview of VEJA's sustainability reporting

Veja is a French footwear and accessories brand. It employs 193 employees, and in 2020 brought in \$120 million in annual sales. Frank Bold has prepared this document as an example of good reporting practice by SMEs.¹

Environmental matters

Climate change

- Veja describes its **business model** and its **impact on climate change**, covering the following **KPIs**:
 - 95% of energy is used from renewable sources,
 - GHG emissions Scope 1 and 2 (together, they represent less than 0,15% of Veja's total carbon footprint),
 - GHG emissions Scope 3, including raw materials, freight, shoe factories, distribution, end of life and offices.
- Veja provides solutions for all identified issues, including:
 - Most of Veja's emissions result from leather production. The company is searching alternatives to leather and is setting a **climate target** to increase the ratio of the leather alternatives by 26% in 2021,
 - 90% of Veja's products are transported by sea and 10% by air. Veja has set a target to reduce the emissions resulting from transportation by 92% in 2021.

Hazardous chemicals

- Veja publishes a breakdown of materials used in the production.
- Veja is testing the products for the most common hazardous chemicals used in the fashion industry (the results are published online).
- Veja prohibits the use of PVC in their supply chain.
- All dyes meet REACH standards.

Packaging

- Veja discloses the ratio of sustainable materials used for packaging (60% recycled cardboard and 80% recycled plastic).

Social matters

Risk commodities and production mapping

- Veja publishes a **map of activities and resources** used in different locations.
- A **list of materials suppliers** is published on Veja's website.
- Veja mainly uses organic cotton and natural Amazonian rubber and describes **risks** created for the environment as well as human rights, and explains how the risks are addressed:
 - Veja works directly with producers,
 - The products are fair trade,
 - Organic cotton is produced in Brazil and rubber harvested by local family workers in Amazonia for higher prices set in advance for both commodities,
 - The price includes a financial premium for improving working conditions and forest conservation,
 - Contracts with cotton and rubber producers are available online.

Suppliers

- Veja publishes a **Code of Conduct (CoC)**:
 - All suppliers and their factory workers are trained,
 - CoC is published online and available in local language in all production locations, including details on communication channels for requests of non-compliance,
 - Veja provides data on number of complaints received every year (zero in 2020),
 - Social audits are carried out every year and reports and corrective action plans are published online.
- Criteria for **supplier selection**:
 - ILO standards and further requirements on:
 - housing,
 - freedom of association,
 - standards of living and purchasing power parity,
 - vacation and working hours, paid and regulated overtime,
 - comparison of the average salary to living wage.

Other employee and social matters

- All shops and e-shops are handled by **people excluded from the labour market**:
 - 62% of workers hadn't worked in 2 previous years, 69% have a vulnerable status,
 - Veja provides jobs, social support and career plans.
- Due to the sustainable production, the price of the product is 3-times higher than in a random Chinese factory:
 - comparison of the expenses is published online,
 - Veja saves the costs of advertisement that usually represent 75% of the final price.
- Veja is a **certified B corp**.
- Veja **avoids tax havens** with the exception of their e-commerce website relying on banks with branches in tax havens.

¹ This document covers an overview of Veja's sustainability reporting in 2021. All the links in the document were accessed in July 2021.