



THE BLINDNESS AROUND CO₂ EMISSIONS

CO₂ emissions reports are usually hard to understand. The methodology used to measure emissions is complex, often vague. Most companies do not include their supply chain, mostly because they neglect what is happening in them.

That is why they publish incomplete results.

In 2019, our sourcing team took almost a year to deepen through all CO₂ emissions of VEJA.

It meant calculating every source of emission down to our supply chain.

We believe the only way to defeat blind spots is to calculate everything and release everything.

HOW ARE CO₂ EMISSIONS CALCULATED?

CO₂ emissions are classified as **Scope 1, 2, or 3.**

Scope 1 covers direct emissions such as VEJA's cars in Brazil.

Scope 2 covers emissions from energy consumption from the offices and shops.

Scope 3 is everything else: all activities carried out by our suppliers and partners (from the fields to the factories and our offices).

Rapidly we understood why companies oversight the full procedure.

Scope 3 is a clear picture of everyone's global impact because it includes the whole production chain.

**All that matters is Scope 3.
And nobody releases it.**



VEJA CARBON FOOTPRINT IN 2019

36 867 tCO₂e*

*: EQUIVALENT TO CO₂ EMISSIONS BUT MAY COME FROM OTHER GASES

If we compare our results to other companies, our CO₂ emissions are high.
Why? Because we considered everything.

PROPORTION OF VEJA'S CO₂ EMISSIONS IN 2019

OFFICES (Paris, Porto Alegre (Brazil) & New York), SHOP (Paris), E-SHOP, 4,6%

All activities related to our offices and shops like wasted materials, acquisitions, facilities, vehicles, electricity, team travels, commuting, gas heating or even our postal services.



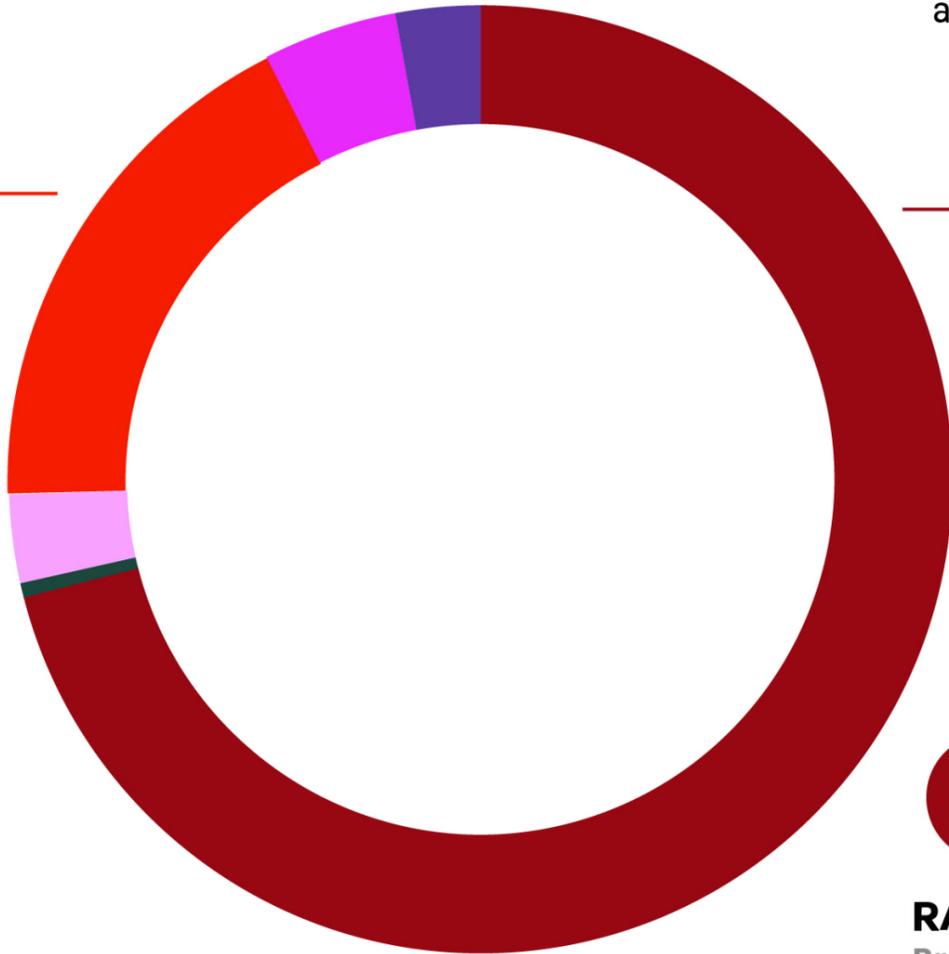
END OF LIFE, 2,9%

Shoe packaging and an approximation of our pairs collected, repaired, reused, and recycled.

SNEAKERS TRANSPORTATION, 18%

Factories : Porto Alegre & Fortaleza (Brazil)
Warehouses : Canada, Australia, France, USA

Distribution from Brazil to our warehouses, customers, and retailers.



SHOES FACTORY, 3%

Porto Alegre & Fortaleza (Brazil)

The electricity, waste and fuels consumed by our shoe factory.



RAW MATERIALS, 71%

Brazil & Peru

All the raw materials we use to produce our shoes such as leather, organic cotton, and Amazonian rubber.

The energy consumed by processing any of our raw materials during manufacturing as well as the waste we generate.



RAW MATERIALS TRANSPORTATION, 0,5%

Brazil & Peru

Freight of our raw materials. Collecting and transporting them from the fields to the shoe factories.

PRODUCE IN BRAZIL, A HERESY IN TERMS OF CO₂ EMISSIONS?

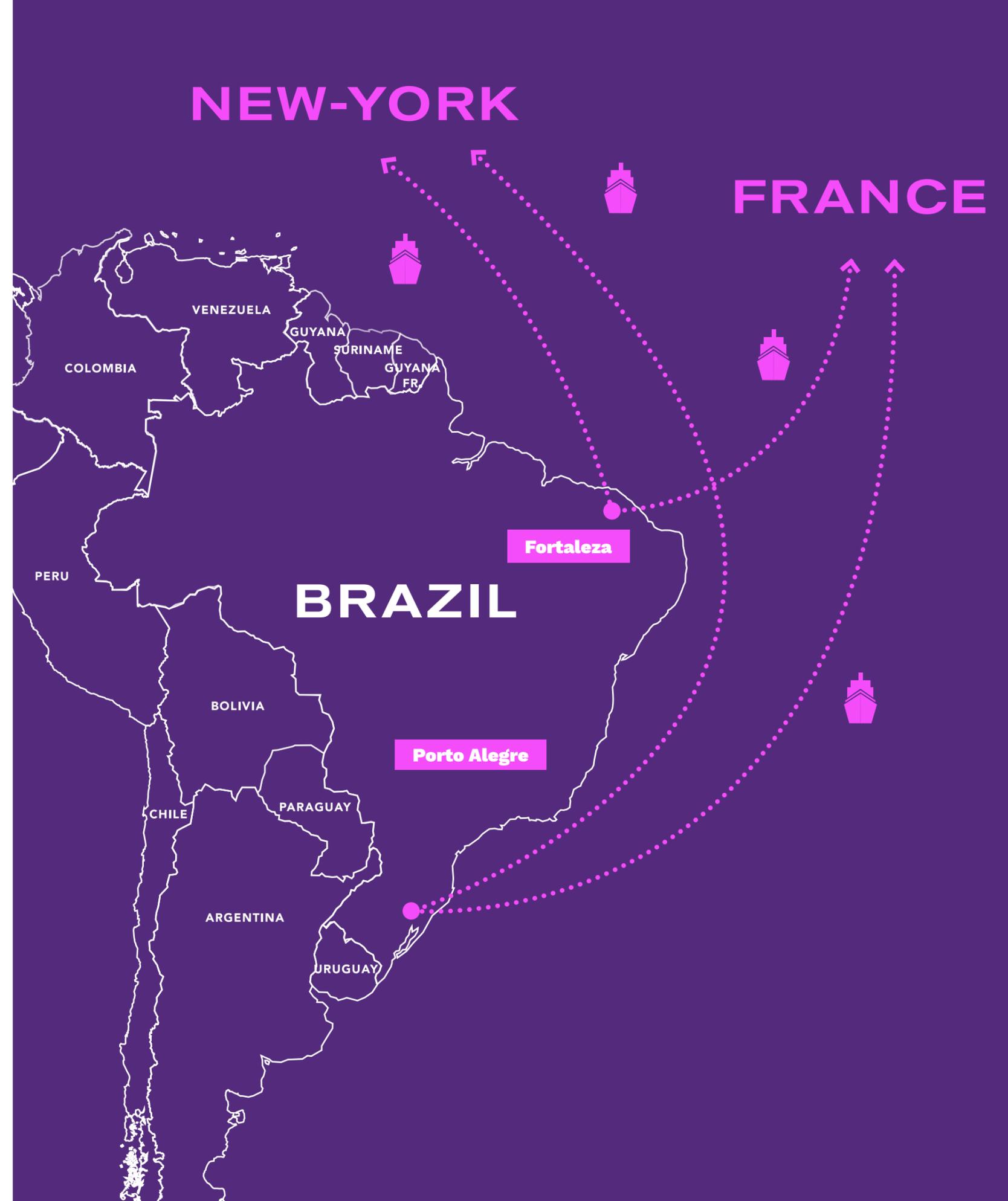
Since 2004, our choice to produce in Brazil has been often questioned, misunderstood, and even criticized. CO₂ emissions are often linked to the impact caused by the transport of goods.

However, only **18%** of our total emissions are related **to the transport of our sneakers.**

Among these, **8.7%** are directly linked **to the delivery of the pairs** from our factories to our warehouses, situated in our main markets (including France and the USA).

Brazil is the only country that has all the raw materials needed to produce a pair of VEJA sneakers, as well as similar working conditions to those prevailing in Europe.

By concentrating all stages of the production chain in a single region of the world, CO₂ emissions linked to transport can be significantly reduced.



TRANSPORTATION : STOP AIRFREIGHT



2019

81% BOAT

—

19% PLANE

Airfreight is approximately 100 times more polluting than sea freight. In 2019, 81% of VEJA's transportation was by sea and only 19% by plane. However, that 19% represented 95% of our CO₂ distribution's emissions.

Airfreight was employed to ship some pairs when exceptional delays occurred during production and retailers demand us to deliver on time. In 2020, only 7% of our transportation was done by plane.

Following this study, our purpose in 2021 is to ban the use of airfreight to ship our pairs from Brazil to our retailers. This initiative will help us to reduce our transportation CO₂ emissions by 92%.

PROPORTION OF VEJA'S CO₂ EMISSIONS IN 2019

The materials we use to produce our sneakers and the energy to grow and process them play a significant role in our study.

71% of our total CO₂ emissions are generated by **RAW MATERIALS**, such as organic cotton, Amazonian rubber, and leather.

It was clear to us; **Scope 3** is the controvert part that many other companies do not consider as “their emissions”.



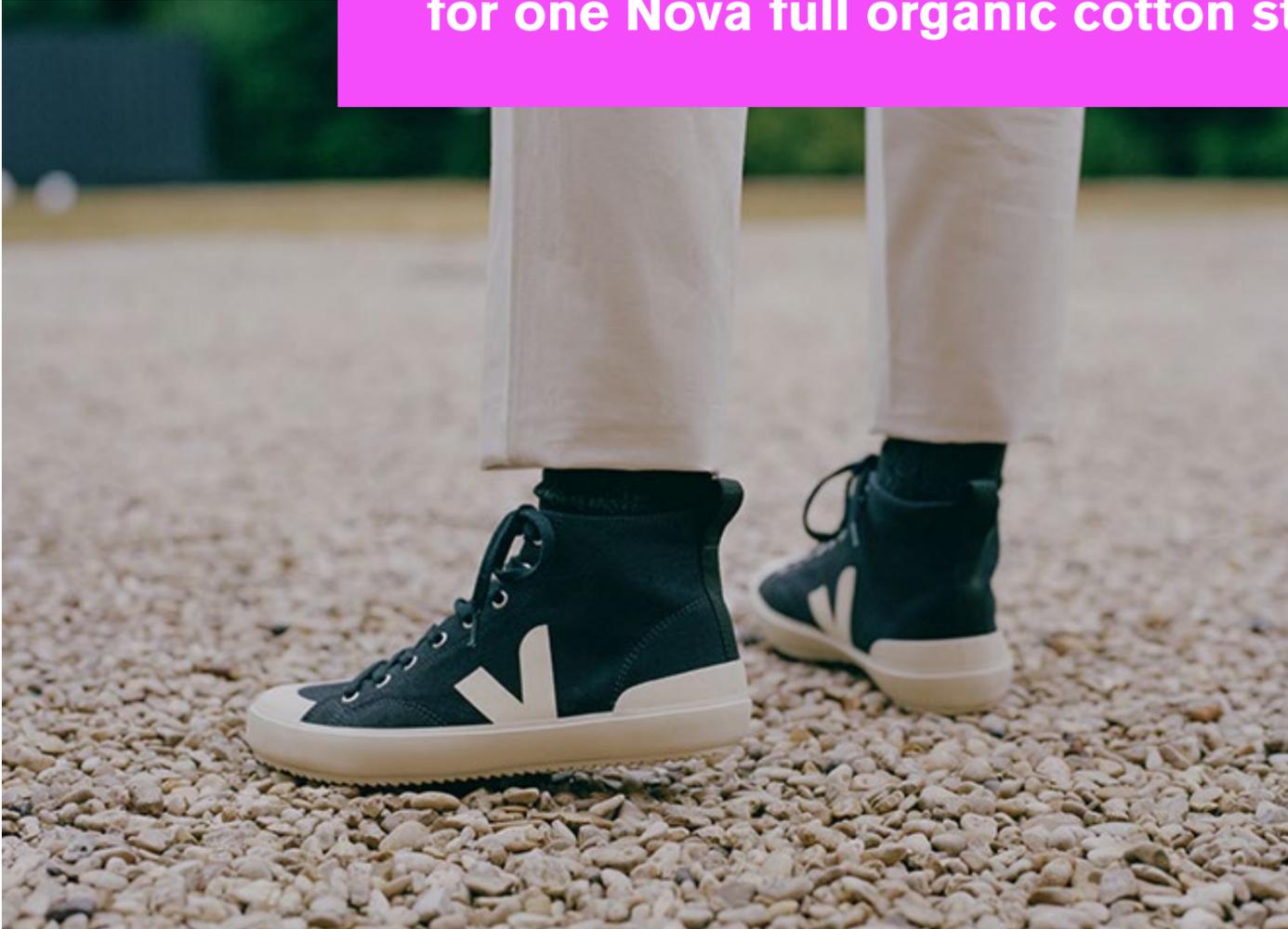
ORGANIC COTTON DURING HARVEST, CEARÁ, 2018

97% of our raw materials' CO₂ emissions are due to leather.

On average, 70% of those emissions occur during cattle raising, the 30% left is production, tanning, and transportation.

Today, we know that a VEJA model made in leather emits four times more CO₂ than a style in organic cotton.

**5,63 kg CO₂e
for one Nova full organic cotton style**



THE LEATHER PROBLEM



**21,5 kg CO₂e
for one Esplar full leather style**

THE LEATHER PROBLEM

Even if leather might not be the most ecological material, it allows us to produce long-lasting sneakers.

All leather used in our sneakers meet REACH standard, they do not contain any chrome VI.

We use ChromeFree leather in all our kid's line and some styles for the adult's collection.

This leather undergoes an innovative tanning process where no chrome, heavy metals, or dangerous acids are involved.

Our tanning process uses less energy and reduces water usage by up to 40% and salt by 80%. After, the water is still recyclable.



THE IMPACT OF ORGANIC COTTON AND AMAZONIAN RUBBER

Growing, collecting, and transforming our organic cotton and Amazonian rubber account for only **1% of our raw materials emissions.**

We bought more than **450 tons of Amazonian rubber** and **390 tons of organic cotton** from 2004 till the end of 2019.

By buying Amazonian rubber from rubber tappers, we enhance the economic value of the forest and the work of the families who protect it.

Our Brazilian organic cotton producers use regenerative agriculture. This practice preserves the soil and makes it more fertile, promotes the absorption of carbon by growing cotton and food crops in the same field, without chemical fertilizers or pesticides.



AMAZONIAN RUBBER DURING HARVEST, ACRE STATE, 2019



ORGANIC COTTON, CEARÁ, 2018

CUTTING DOWN OUR EMISSIONS

1.



**REDUCE
LEATHER
IN OUR
COLLECTIONS**

2.



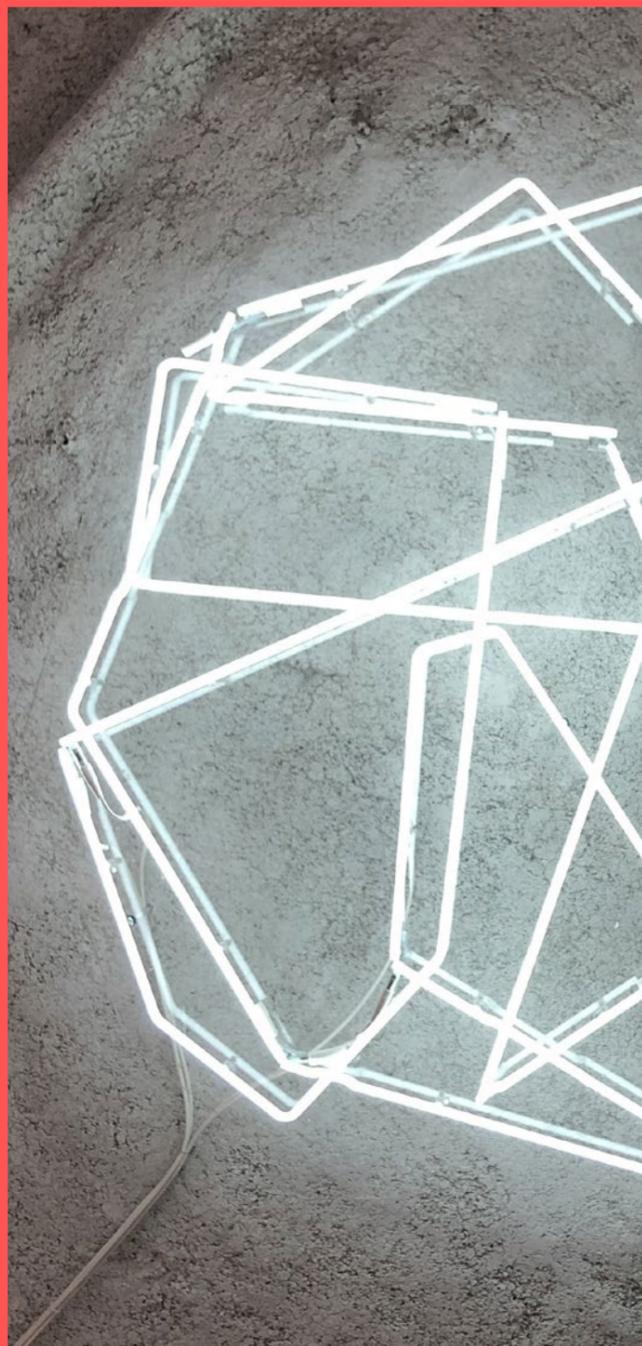
**THE TEAM'S
CARBON
FOOTPRINT**

3.



**RECYCLE
OUR SHOES**

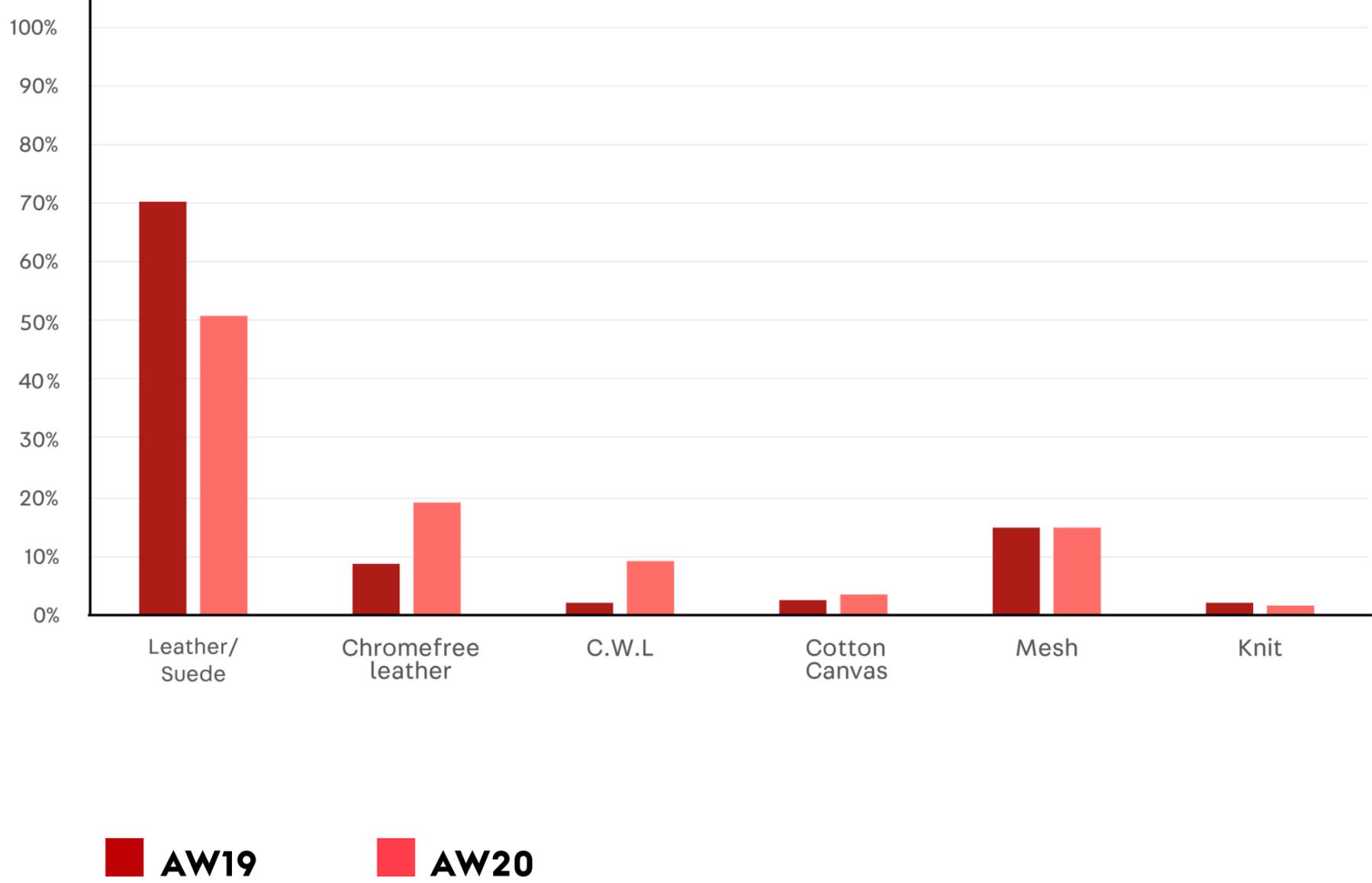
4.



**CHOOSE
CLEAN
ENERGY**

CUTTING DOWN OUR EMISSIONS

PROPORTION OF MATERIALS USED IN THE PRODUCTION



1. REDUCE LEATHER IN OUR COLLECTIONS AND USE RECYCLED FIBERS

For AW19, the leather models represented 70% of our total production.

One year later, the studio team continued to develop the vegan collection, which reduced the number of models made in leather to 51%.

VEJA also uses innovative materials such as B-mesh, made from 100% recycled plastic bottles.

CUTTING DOWN OUR EMISSIONS

2. THE TEAMS' CARBON FOOTPRINT

The change had to start with our teams and their daily practices at the offices.

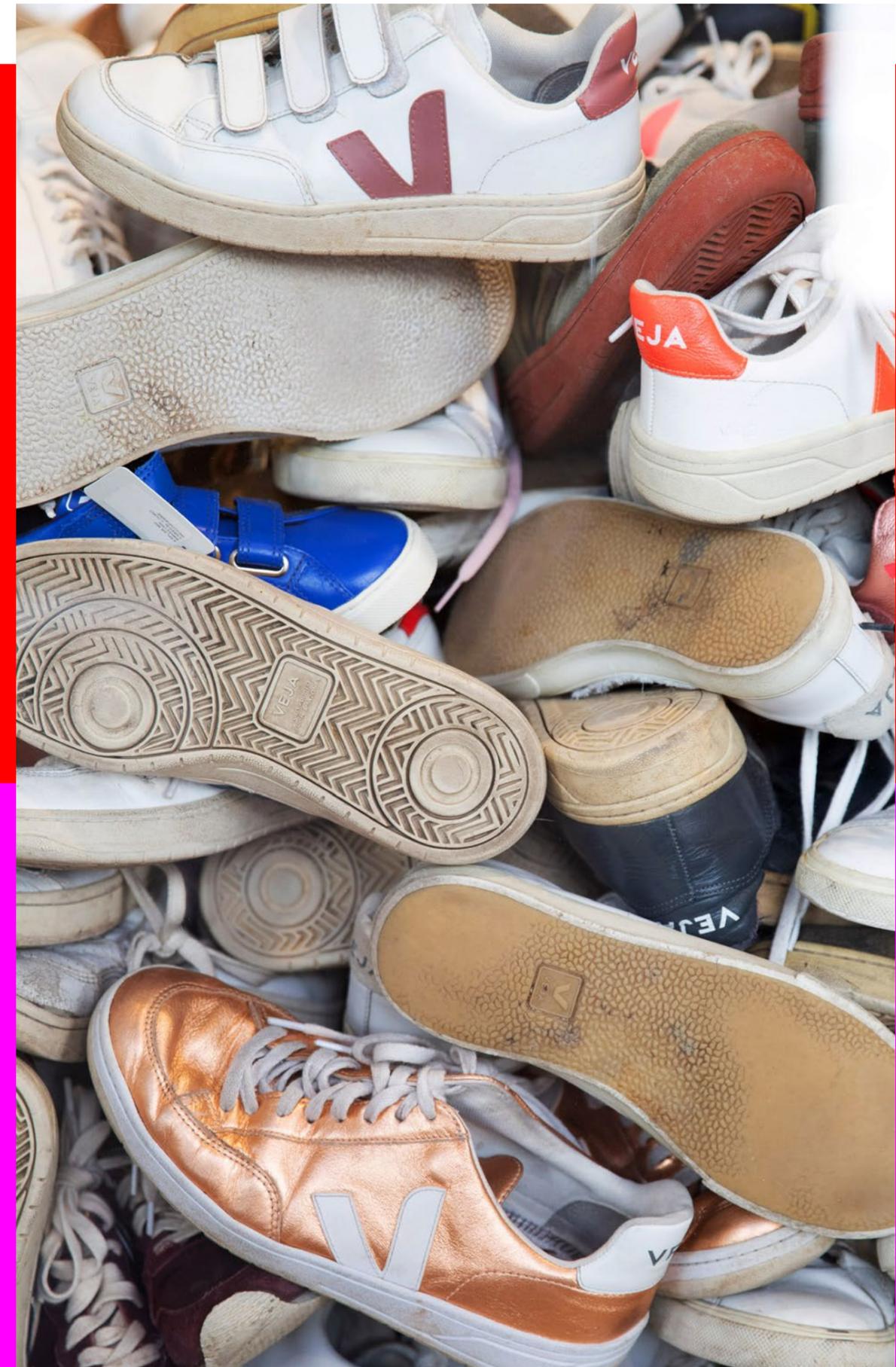
As our offices are based in Paris, Brazil and New York, our teams take public transport, bicycles or even come on foot to the offices as it is more convenient in big cities.

When traveling is needed for conferences or trades, we use the train as the main transport if it takes less than six hours.

3. RECYCLE OUR SHOES

We knew we could reduce end of life emissions by 40% by offering our customers to return their worn pairs. We are now able to reduce these emissions.

We started with our **VEJA X DARWIN** project in June 2020, where we collect used sneakers for cleaning, repairing, or recycling. We are also collecting old VEJA in Paris and soon in all our stores.



RECYCLING BOX, VEJA X DARWIN, 2020

CUTTING DOWN OUR EMISSIONS

4.
CHOOSE
CLEAN
ENERGY

In France, 95% of the 126.200-kWh consumed by VEJA in 2019 come from renewable sources (two offices, four shops in Paris).

We have been using **Enercoop** in France since 2008 to get 100% green electricity and **Abest** in the US, which provides our store 100% renewable electricity with wind energy.

Our Brazilian office uses the national grid made out of 65% hydro-powered electricity.

KLEBER MATHEUS' WORK, VEJA STORE PARIS, 2020



KLEBER MATHEUS' WORK, VEJA STORE NEW YORK, 2020

