

A high-angle photograph of a lush, multi-level indoor garden. A large, wide waterfall cascades from a glass-roofed structure at the top center. To the right, a modern, silver train is stopped on a track. The garden is filled with various green plants, including palm trees and ferns. People are seen walking on different levels of the garden, and a large circular paved area is visible at the bottom. The overall atmosphere is vibrant and sustainable.

**PEPS**

Planet.Ethics.People.Social.

# PEPS BY LAGARDÈRE TRAVEL RETAIL

Our CSR roadmap to create  
a more sustainable future

*September 2022*

**Lagardère**  
TRAVEL RETAIL



The extent of the environmental and climate crisis requires the business community to take immediate action. Individuals and organizations must play their part in building a more sustainable and responsible future. And they must do it now. **Lagardère Travel Retail is committed to playing a leading role in the transition of the Travel Retail industry to a more sustainable model,** and to achieve this we are joining forces with our partners to accelerate progress and increase the positive impact we are making.

We know this will be a long journey, with many challenges along the way. But we have a responsibility towards our people, the communities within which we operate, and towards future generations. Based on the trajectories of the Science-Based Targets Initiative, and in alignment with the Paris Climate agreement, **we are targeting to reach net zero emissions – across all 3 scopes – ahead of the 2050 date.** This ambition is part of Lagardère group's overall strategy to tackle climate change and reduce carbon emissions, across the entire value chain.

## **In April 2022, we have made a commitment to contribute to a global carbon neutrality by the end of 2023.**

Through measurable and ambitious targets across the four pillars of our CSR strategy called PEPS (Planet. Ethics. People. Social) and with the support of our people and business partners, we are committed to making a difference and lead by example to drive the more sustainable future of Travel Retail.

This brochure is complementary to the Lagardère Group's annual CSR report & the Universal Registration Document in which our CSR achievements are reported in accordance with the Global Reporting Initiative (GRI).

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### **Dag Rasmussen**

*Chairman & CEO*

### **Mélanie Guillardou**

*EVP Foodservice & CSR*

## PEPS: a CSR manifesto to drive sustainability in our business

Our long-term, science-based, cooperative and transparent strategy is articulated around four pillars which cover every aspect where as a business we have an impact and can make a difference: Planet. Ethics. People. Social.

<b>PLANET</b>	— Reduce the environmental impact of our operations, and protect biodiversity, in cooperation with Landlords, Brands, and Suppliers
<b>ETHICS</b>	— Promote Ethical business practices and support Brands and Partners who contribute to a responsible offer
<b>PEOPLE</b>	— Offer our People an inclusive and stimulating work environment where everyone can thrive
<b>SOCIAL</b>	— Excel in deploying global capabilities for the benefit of the local Communities wherever we operate

**«To support our PEPS strategy we have set ambitious targets to measure the progress made in fulfilling our commitments. They are fully aligned with our stakeholders' needs and expectations and will be monitored and reported on a yearly basis.»**

# PEPS : a roadmap to create a more sustainable future

Our CSR strategy is articulated around 4 pillars underpinned by 12 tangible commitments which all relate to one of more of the UN's Sustainable Development Goals



## PLANET

- Reduce carbon emissions to contribute to ambitious industry targets
- Reduce waste
- Promote responsible packaging and disposables



## ETHICS

- Develop local food and products sourcing
- Promote responsible products and ingredients
- Cultivate ethical behaviour



# PEPS

Planet.Ethics.People.Social.



## PEOPLE

- Ensure security and well-being at work
- Promote employee engagement
- Foster diversity and equal opportunities



## SOCIAL

- Support local communities
- Encourage and facilitate volunteering
- Leverage our network to make targeted donations



# PLANET

We are committed to increasing the sustainability of our operations

 Reduce carbon emissions contributing to ambitious industry targets

 Reduce waste

 Promote responsible packaging and disposables

## 2025 KEY TARGETS

100% of countries have **waste measurement systems and waste reduction initiatives** in place

100% of countries have **switched to responsible consumables**

## OUR CO2 REDUCTION TARGETS

We will be contributing to global carbon neutrality **by the end of 2023** and we target to reach net zero emissions for all 3 scopes **ahead of 2050**

 **A market leading position to tackle climate change and reduce CO2 emissions.**

Following **our 1st full scope GHG footprint assessment** with Carbone 4, and a thorough analysis of our operations, **we have made a commitment to contribute to a global carbon neutrality by the end of 2023.** This covers all our direct emissions (scopes 1 & 2) and will be achieved by accelerating our **energy consumption reduction programs**, and **switching to green electricity and GOs** in all of our own operations. We are also **working intensively on scope 3,**

the indirect emissions, which include among others the emissions generated by the products and services we purchase and sell. Based on the trajectories of the Science-Based Targets Initiative, and in alignment with the Paris Climate agreement, **we are targeting to reach net zero emissions – across all 3 scopes – ahead of 2050.**



 Through a **qualitative and authentic offer**, Relais H Café is **No. 1 in French-style food concepts in hospitals.** It is also an **eco-citizen brand** fully committed to **fighting food waste.** As part of its efforts, Relais H has **partnered with Too Good To Go to offer baskets made up of the day's unsold goods at a special price.** More broadly through its other brands, Lagardère Travel Retail France also works with the specialized start-up to reduce waste. Since Sept. 2018, almost **50,000 baskets have been saved, which is equivalent to 122 tons CO2e avoided.**



# ETHICS

We are the partner of choice for a responsible offer



Develop local food and products sourcing



Promote responsible products and ingredients



Cultivate ethical behaviour

## 2025 KEY TARGETS

**100% of suppliers** have signed our **responsible supplier charter**

**100% of new staff and risk populations** receive **anti-bribery training**

**100% of eggs** purchased for our restaurants are **cage-free**

France's responsible product commitments for 2022:

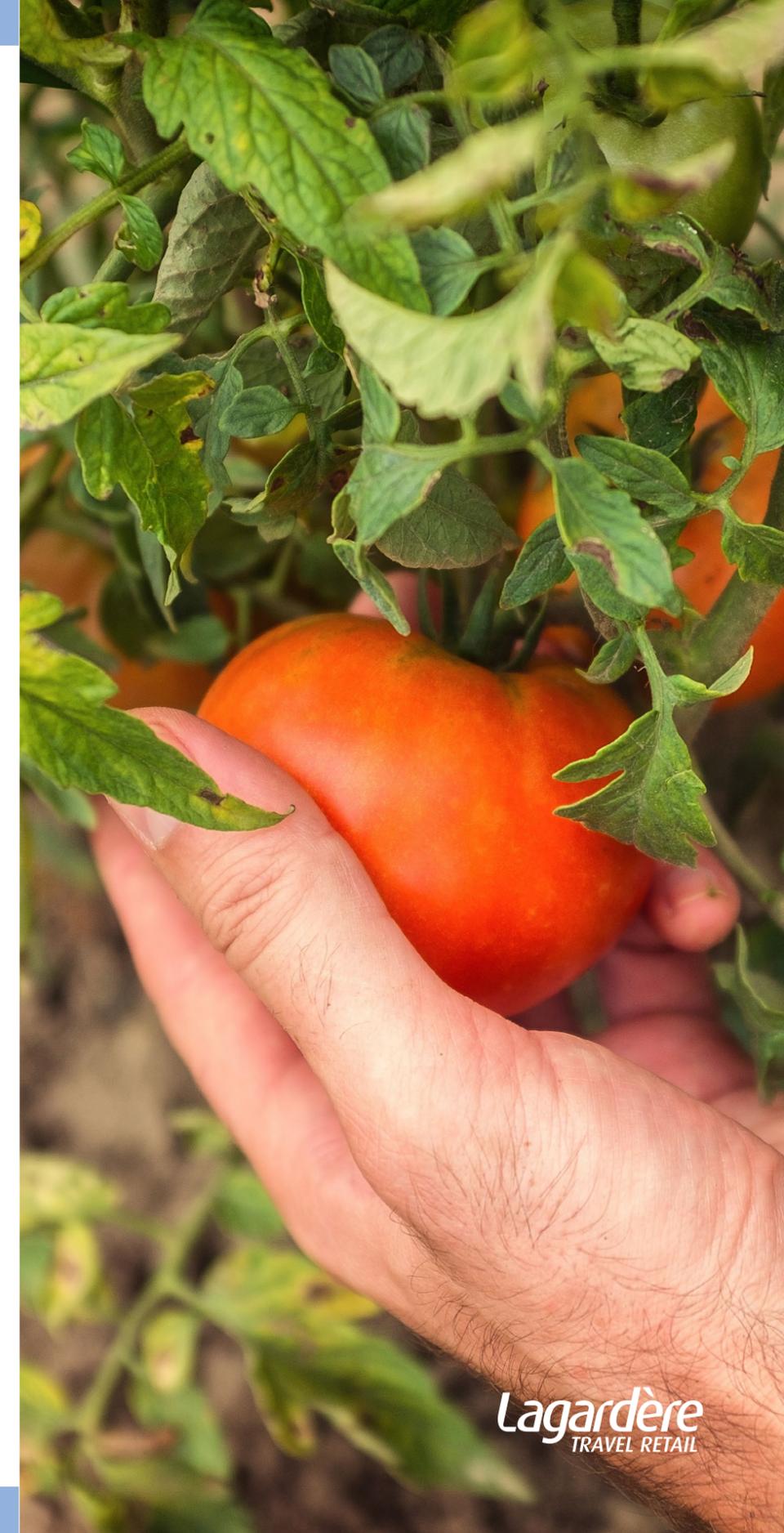
**50%** of the catering offer reserved to **local, organic, sustainable or labelled products**

**80%** of **French products** sold in wholly-owned brands



 In Palermo Aelia Duty Free, we have partnered with more than **30 local suppliers**. As a result, **60% of sales in Palermo come from products sourced in Italy**, of which **more than half in Sicily**. Through a qualitative and authentic offer we are also **supporting local economies and producers**.

 Smullers, a Lagardère Travel Retail internal brand, is the **1st fast food brand in the Netherlands** to receive the **Beter Leven quality mark** in recognition of the **high standards it applies to animal welfare**. In all meat-based snacks, Smullers only uses at least one star Beter Leven quality mark. This demonstrates **how fast food can operate responsibly**.



# PEOPLE

We place people at the heart of our strategy and we want to be recognized as the most attractive employer in the travel retail industry



Ensure security and well-being at work



Promote employee engagement



Foster diversity and equal opportunities

## 2025 KEY TARGETS

**50-50 gender balance** within Top Executive teams

**100% of managers** receive **Diversity & Inclusion awareness training**

**100% of countries** run **employee engagement surveys** & implement **staff initiatives**



We have placed **employee engagement** at the **heart of our HR strategy**. In 2018, we have selected the **Q12 survey by the Gallup Institute** to measure it. Since then, **half of the company's employees have already taken the survey** at least once. To date, 11 countries, have **already trained their managers** to continuously **support engagement of their teams** by setting up dedicated action plans.



**Diversity and inclusion** have always been **core values for Paradies Lagardère**, our North American subsidiary. In order to **increase employee and stakeholders' engagement around D&I**, they have created a **D&I Committee**. The local teams have also launched **dedicated sessions about D&I in their annual management seminar** and in a **training programme on unconscious bias**.



# SOCIAL

We provide support to the local communities



Support local communities



Encourage and facilitate volunteering



Leverage our network to make donations

## 2025 KEY TARGETS

**0,5%** of earnings before interest and taxes (EBIT) are **donated**

**100%** of countries have developed initiatives to **support local communities**



Since 2020, we have been partnering with **French start-up Phenix** to **donate overstocks** from stores to **13 local charities** near Paris CDG Airport. In 2020, these **donations represented over 250,000 euros in foods**. This is the equivalent of **160,000 meals saved or 81 tons of waste avoided**.



Since 2007, our **Pacific Team** has worked with **Canteen, a youth cancer organization**, who became its principal charity partner in 2020. Thanks to the partnership widely communicated in our stores across Australia and New Zealand, over 300,000 AU\$ have been raised since 2008. This helped provide **free support services to young people and their families** to tackle some of the challenges of their difficult cancer journey, such as the **continuation of their studies** through the donation of robots to facilitate remote school attendance.



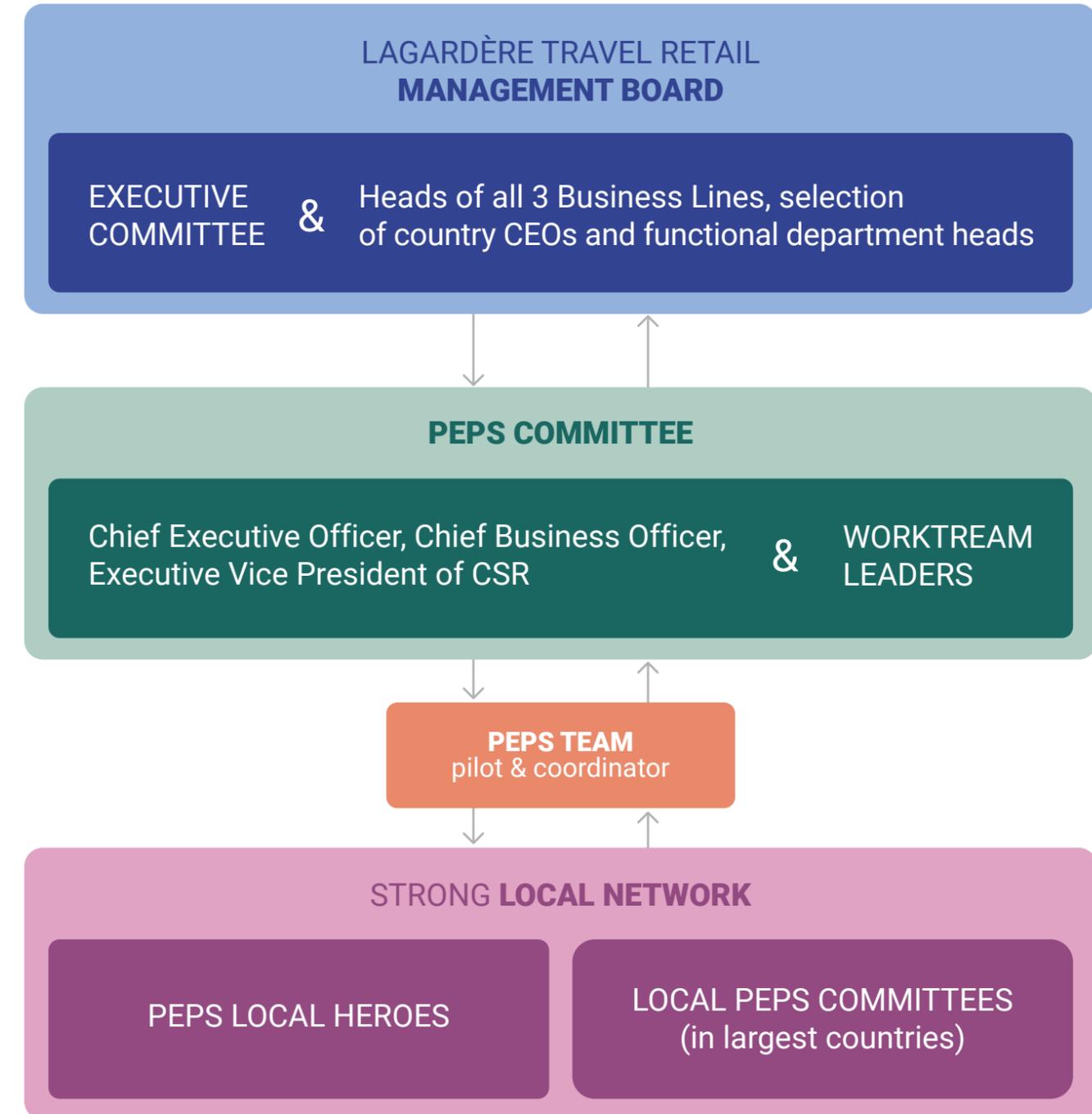
# A GLOBAL GOVERNANCE TO STEER & EXECUTE THE PEPS STRATEGY

Under the guidance and supervision of **the Management Board, the PEPS Committee and the PEPS team are supporting each of the four pillars of our CSR strategy.**

**Workstream leaders** who are part of the PEPS Committee **are responsible to drive action** in their respective fields, progressing the commitments, ensuring targets remain relevant and are fully met.

At a local level, a strong and active community of **over 30 PEPS Local Heroes are responsible for embedding the PEPS strategy**, and adapting it to their local environments and stakes.

**Local PEPS Committees** are also about to be formed to **accelerate the roll-out of our CSR strategy.**



RECENT AWARDS & LABELS



Since 2018  
SA 8000 social responsibility certification (Italy)



Since 2019  
"Top Employer" label (Italy)

Since 2019  
"Disability Confident" certification (Luton)  
Since 2021 (Birmingham)



2020  
Employer Excellence Award (China)



2020 (autumn)  
"ValueAble" label for 5 Foodservice operations (Italy)



2021 (May)  
"Better Life" certificate for Foodservice branch (The Netherlands) as the 1st fast food chain in the country



2021 (Oct.)  
4 FAB Superstars Awards for "Humanity, Leadership & Inspiration" and "Innovation"



2021 (Oct.)  
5 Moodie TR Superstars Awards to recognize outstanding individual & collective contributions during the crisis



HQE  
REFERENT CERTIFICATION RECONSTRUCTION CERTIFIEE  
2021 (Dec.)  
Move to new headquarters with sustainability certifications

KEY DATES

1995  
Creation of Store Planning Committee (SPC)



2011  
Partnership with Action against Hunger

2017  
Launch of "LL" network to promote CSR topics (Lagardère Group)



2019  
Launch of CSR strategy "PEPS"

Since 2019  
Inclusion in the S&P Global Sustainability Yearbook (Lagardère Group)

2020  
Launch of Lagardère Sustainability Academy

2020  
Launch of "Ethics Line" reporting platform (Lagardère Group)

2021  
1st CSR Composite Index

2021  
1st full-scope Carbon footprint assessment  
carbone4 | consulting

2022 (Jan.)  
Creation of Lagardère Travel Retail CSR Committee

S2 2022  
Roll-out of CARE responsible product program in EU countries (DF & Fashion branch)

2050  
We target to reach net zero emissions for all 3 scopes before 2050

1994  
1st "Code of Conduct" (Lagardère Group)

2003  
Adherence to UN Global Compact (Lagardère Group)



2015  
1st Volunteering Days at Duty Free & Fashion Business Line

2018  
Partnership with Too Good To Go



2019  
Commitment to ban single-use plastic consumables in our proprietary foodservice brands globally as of 2020



2020  
Creation of Diversity & Inclusion Committee (USA)



2020  
Partnership with Phenix

2021 (Dec.)  
Opening of Pop-up Store in partnership with the UN Geneva Perception Change Project promoting the 17 SDGs



2021 (Dec.)  
Opening of our 1st eco-design Duty Free store in Geneva (green lab)



# PEPS

Planet.Ethics.People.Social.

## We are on a journey to make our business and the Travel Retail industry more sustainable

**PEPS**  
IN NUMBERS

**+120**

PEPS initiatives rolled out around the world

**30**

PEPS Local Heroes

More than

**1,5M**

Euros in donations\*

**2,500**

Employees involved in volunteering

**4,500**

Hours spent by employees in volunteering