

A high-angle photograph of a lush, multi-level indoor garden. A large, wide waterfall cascades from a glass-enclosed walkway at the top. Below the waterfall, a modern, silver train is stopped at a platform. The garden is filled with various tropical plants, including palm trees and ferns. People are seen walking on different levels of the garden, enjoying the environment. 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

October 2023

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. **We have committed to set a science-based target with the SBTi**, and in alignment with the Paris Climate agreement, **we are targeting to reach net zero emissions – across all 3 scopes – ahead of 2050**. This ambition is part of Lagardère group's overall strategy to tackle climate change and reduce carbon emissions, across the entire value chain.

We have made an industry-leading 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 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).

Dag Rasmussen
Chairman & CEO

Arnaud Rolland
VP 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.

PLANET

—
Reduce the environmental impact of our operations, and protect biodiversity, in cooperation with Landlords, Brands, and Suppliers

ETHICS

—
Promote Ethical business practices and support Brands and Partners who contribute to a responsible offer

PEOPLE

—
Offer our People an inclusive and stimulating work environment where everyone can thrive

SOCIAL

—
Leverage our global network of employees and operations to support local communities

«To support our PEPS strategy we have set ambitious targets to measure the progress towards 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

OUR CO2 REDUCTION TARGETS

- We will be contributing to global carbon neutrality **by the end of 2023**
- 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.

In January 2023, **global energy reduction measures** were taken for all our

operations, headquarters, warehouses, and outlets. This set of actions include measures to **adapt the temperature, IT best practices, energy audits**, and recommendations on **low consumption equipments** and the use of **last-generation LEDs** for all new outlets. Additionally, action sheets for energy reduction were developed on specific thematics, and best practices are regularly shared for all countries.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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. **We are committed to set emission reductions in line with the SBTi**, based on its trajectories and in alignment with the Paris Climate agreement, **we are targeting to reach net zero emissions – across all 3 scopes – ahead of 2050.**

PLANET

We are committed to increasing the sustainability of our operations



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**

TARGETS FOR OUTLETS SELLING WATER BOTTLES

- All stores have an **alternative to single-use plastic water bottle** by the end of 2024
- Accelerate switch of single-use plastic water bottle to 100% RPET, at least **3/4 will be 100% RPET** by the end of 2025

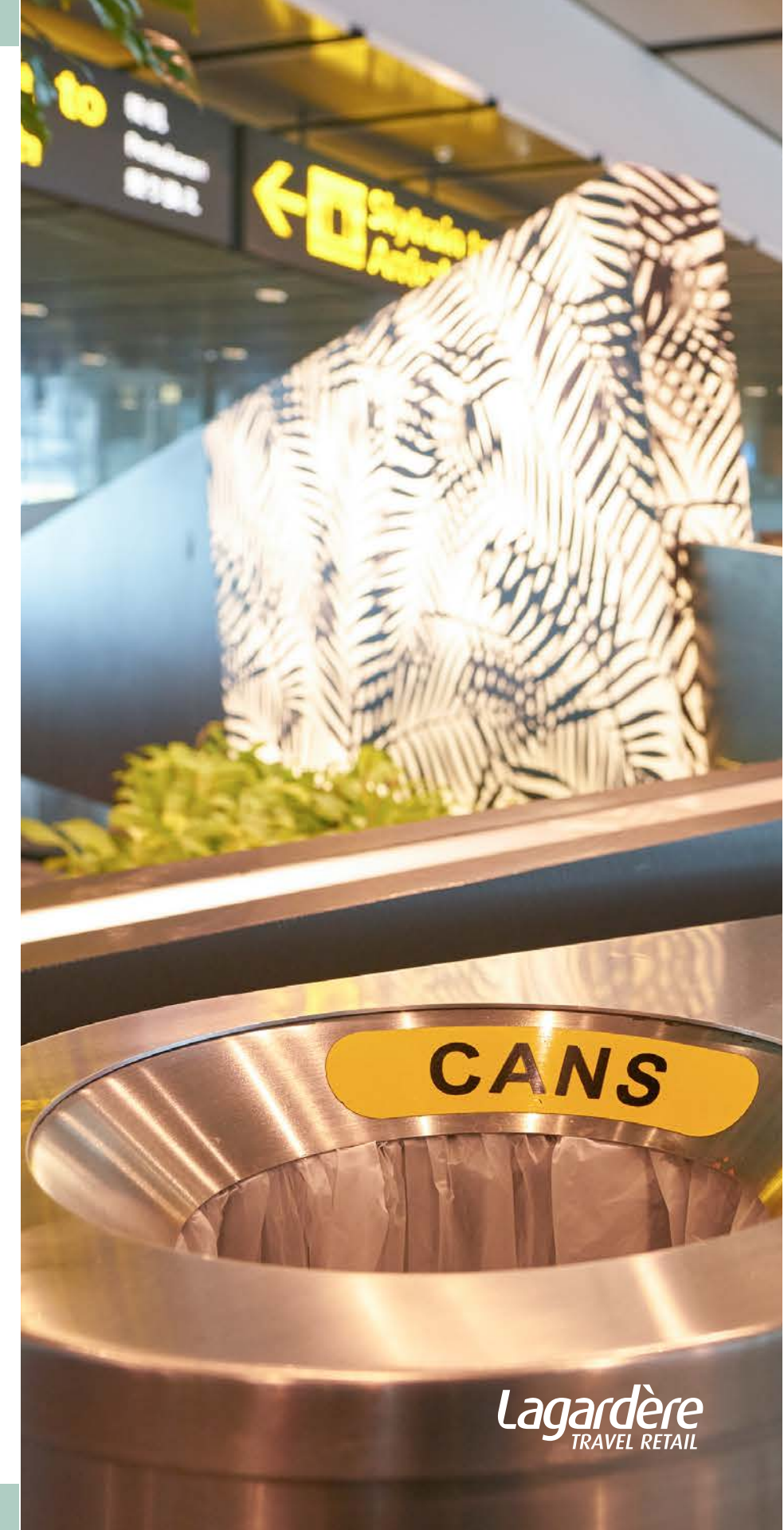


Through a **qualitative and authentic offer**, Relais H Café is the **No. 1 in French-style food concepts in hospitals**. It is also an **eco-citizen brand** committed to **fighting food waste**. An internal anti-waste program called “Défi no gaspi” allows a 50% discount on sandwiches and pastries one hour before closing. More broadly through its other brands, Lagardère Travel Retail France also works with the specialized start-up To Good To Go to reduce waste. Since Sept. 2018, almost **50,000 baskets have been saved, which is equivalent to 122 tons of CO2e avoided**.



Our constant objective is to **move towards circularity** and guide our teams to make the best material decisions for packaging and disposables. We created internal **“Material Guidelines”** for disposables and shopping bags, based on life cycle assessment principles. To continue our fight for plastic reduction **we focused on our number one selling product: the water bottle**.

We are working with international key partners to propose innovative alternatives to single-use plastic bottles such as **fountain solutions, returnable bottles, non-plastic options**, etc. We keep on testing alternatives across our network, and we currently have fountains trials underway in France, Poland, the Czech Republic, and soon in the US.



CANS

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 2024 in proprietary brands:

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

80% of products sold are French

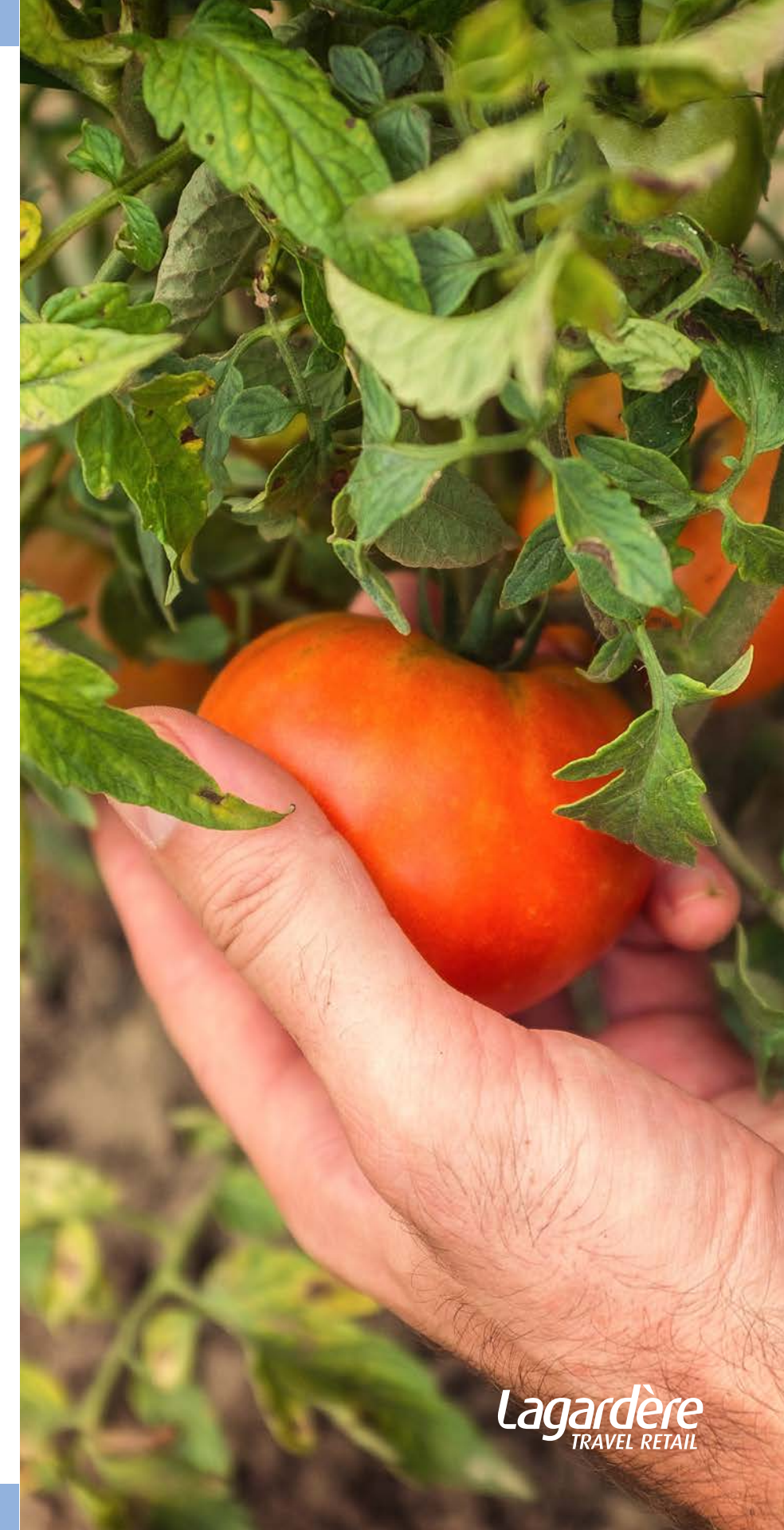


 In Palermo Aelia Duty Free, we have partnered with more than **30 local suppliers**. As a result, **60% of sales in Palermo come from products sourced in Italy**, of which **more than half in Sicily**. Through a qualitative and authentic offer we are also **supporting local economies and producers**.

 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**.




 Lagardère Travel Retail cares about **animal welfare**. After taking the decision in 2018 to **no longer buy eggs produced by hens raised in cages** by 2025, the French and Czech entities joined the **European Chicken Commitment**. They have pledged that by 2026, **100% of chicken meat** sourcing will **meet all the criteria of the European Chicken Commitment**.




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

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

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


50-50 gender balance within Top Executive teams

 **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**.

Since March 2023, a **D&I Committee** has also been created **in our HQ**. A group of 15 people developing actions around the themathics of **discriminations, gender equality, disability and illness**.



 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, 15 countries, have **already trained their managers** to continuously **support engagement of their teams** by setting up dedicated action plans.



SOCIAL

We provide support to local communities



Support local communities



Encourage and facilitate volunteering



Leverage our network to make donations

2025 KEY TARGETS

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

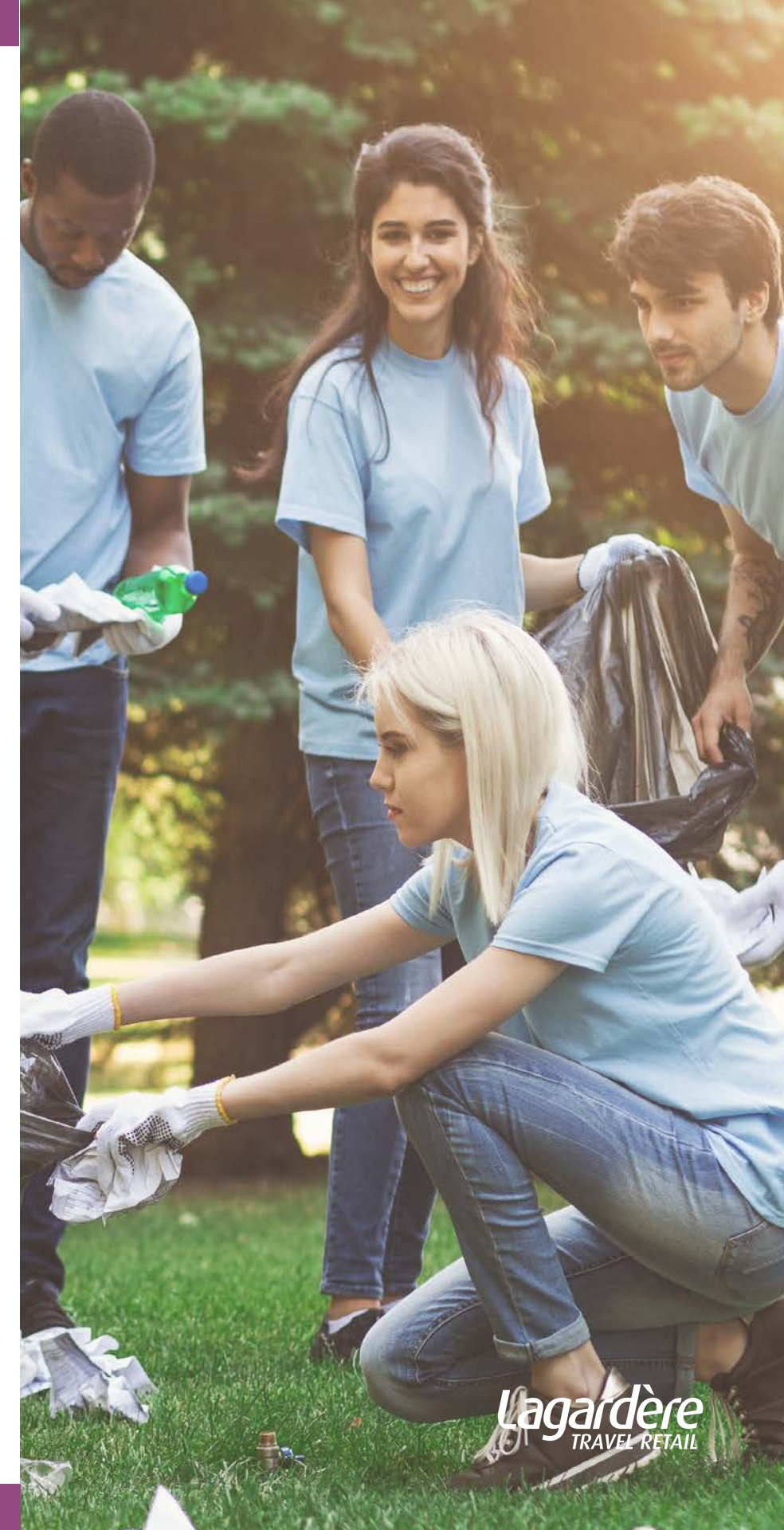
100% of countries have developed an **employee volunteering program**

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



 In 2023, nearly 300 of our colleagues from the Paris Headquarters took part in the sport challenge for the **NGO Action Against Hunger**. Thanks to a combined 800 km of running, 700 km of walking and over 200 hours of sports activities, we **raised over 67,000€** to support the fight against hunger across the world. It is our **company's largest contribution, in 12 years** of supporting the challenge.

 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.

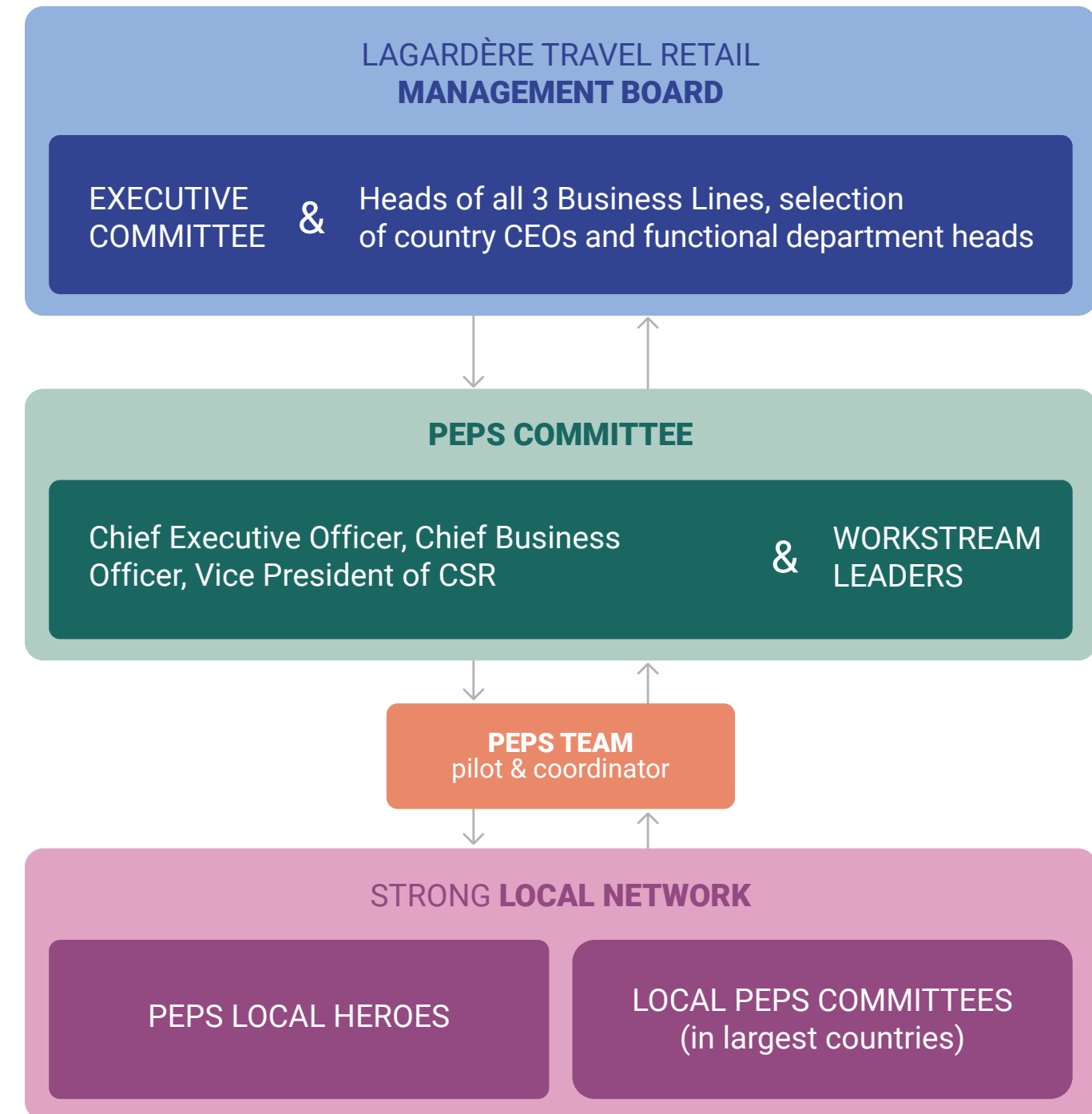


A GLOCAL GOVERNANCE TO STEER & EXECUTE THE PEPS STRATEGY

Under the guidance and supervision of **the Group's 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, ensuring targets remain relevant and are fully met.

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



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)

Since 2020
Employer Excellence Award (China)



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

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



2021
Move to new headquarters with sustainability certifications

2022
3 FAB Awards including ESG for "Best Women Leadership Initiative" and "Star Team" for support to Ukrainian refugees



2022
LAS Awards of Environmental Excellence Initiative (Senegal)

2023
2 Lima Airport Partners Awards, for "Promotion of Peruanity and Culture" and "Support to Communities"



2023
4 FAB Awards including for "Sustainability and Environment initiative of the Year" for the PEPS strategy

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

2022
Creation of Lagardère Travel Retail CSR Committee

2022
Pledge to Act4nature for Biodiversity protection
act4nature international

2023
Partnerships with Reforest'Action & The SeaCleaners
reforestACTION THE SEACLEANERS

2023 Plastic reduction commitments

2050
We target to reach net zero emissions ahead of 2050

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

2003
Adherence to UN Global Compact (Lagardère Group)
UN GLOBAL COMPACT

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

2018
Partnership with Too Good to Go
Too Good To Go

2019
Commitment to ban single-use plastic consumables in our proprietary foodservice brands globally as of 2020
ECO FRIENDLY 100% RED

2020
Creation of Diversity & Inclusion Committee (USA)

2020
Partnership with Phenix
Phenix

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



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

2022
Opening of eco-design stores, Discover Singapore, and, Future is Local in Prague
Future is Local



2023
Committed to set a science-based target with the SBTi

2023
Launch of Climate Fresk training

2023
By the end of 2023 we will contribute to global carbon neutrality



PEPS

Planet.Ethics.People.Social.

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

**PEPS
2022
IN NUMBERS**

+120
PEPS initiatives rolled out around the world

30
PEPS Local Heroes

More than
1,5M
Euros in donations

3,400
Employees involved in volunteering

9,500
Hours spent by employees in volunteering

Lagardère
TRAVEL RETAIL