

A photograph of three people walking through a bright airport terminal. They are carrying rolling suitcases and backpacks. The scene is captured from a low angle, showing their reflections on the highly polished floor. Large windows in the background let in bright, warm light, creating a silhouette effect on the travelers. The overall mood is one of travel and movement.

# MEADFA Sustainability

21<sup>st</sup> Nov, MEADFA Conference ACCRA

Munif Mohammed

# Overview of Sustainability Position Paper

## Purpose Statement:

- ❑ *MEADFA is taking a leadership position to regenerative business, beyond 'doing no harm', to restore and nourish the environment and to enable our society to flourish.*
- ❑ *MEADFA believes that the success of our member companies depends on responding positively to the challenges of sustainability of our planet and wellbeing of our society.*



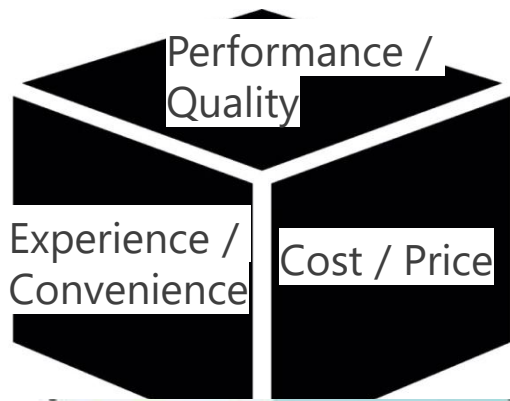


# Our Challenge

**“We are on a highway to climate hell with our foot still on the accelerator,”**

UN Chief, Antonio Guterres, speaking at COP27, Sharm el-Sheikh, Egypt 2022.

The story of life on our planet tells us that Humans are the only species that has conquered nature – mastery over the energy and water cycles. However now we are facing the natural consequences of overuse and exploitation.



Businesses (industrialization) has been the main driver of this overuse and exploitation. Business logic of maximizing short-term shareholder returns in a market system that does not value nature and society (externalities) needs a new direction.



Stable environment

Social License to Operate

Use of Bio-Services

Fairness and equality

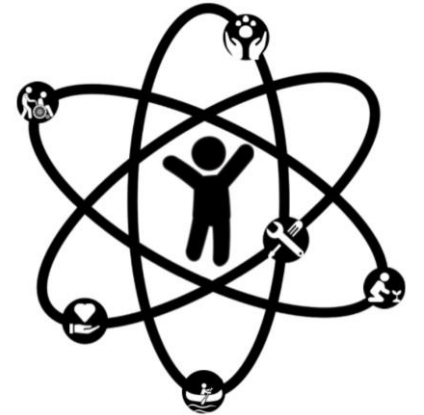
Bio-diversity

Use of Natural Resources



# Member Engagement Model

1. **Highlight** – Inform Members of the need for change in our business practices, products, and services.
2. **Catalyse** – Promote interaction with and within stakeholders to achieve new business model and action for living within planetary and social boundaries.
3. **Convene** – Co-ordinate interaction within and between stakeholders to build relationships, trust, and work towards a supporting our vision and agenda for change.



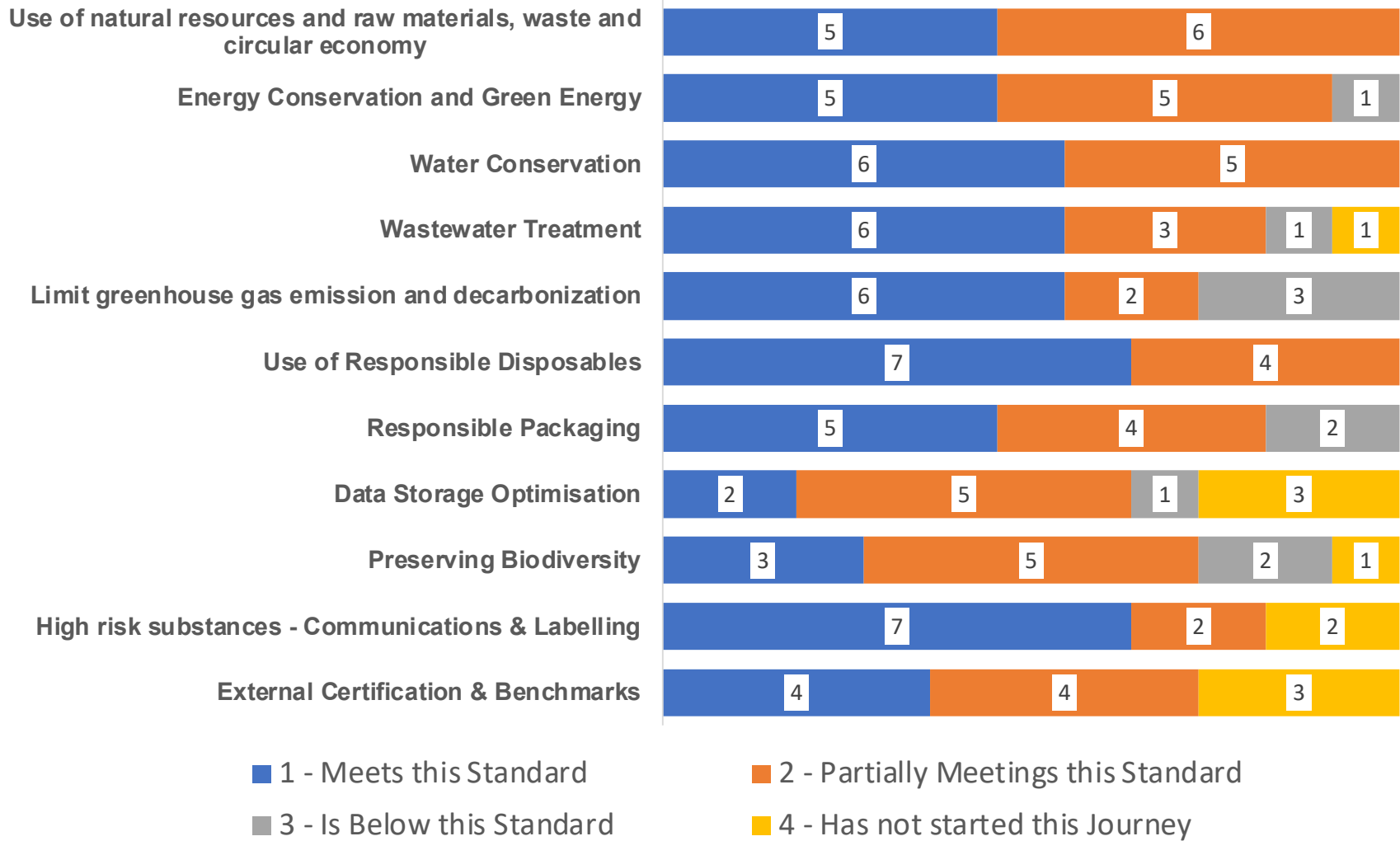
# MEADFA Members Survey Results

Section	Programs & Actions	Description of the Action and Standards	How does your Company rate against these standards (select from the drop box arrow)	What KPIs or Policies does your Company have, if any, to support this standard
1.01	Use of natural resources and raw materials, waste and circular economy	To use natural resources efficiently, with a logic of circular economy. To take into account, as far as possible, the entire life cycle of the product or service at the moment of its design (reduce packaging and over-wrapping, use eco-label products, promote eco-design, think about the ability to recycle finished products, etc.). To favor local production and short supply chains.	2 - Partially Meeting this Standard	Part of PEPS program for direct action & Part of Lagardère Group supplier charter.
2.02	No Child Labor	Not to employ anyone younger than the minimum legal age for employment and/or than the age of completion of compulsory schooling as set out in the Standards in the relevant jurisdiction. In any event, not to employ anyone under the age of 15 or under the age of 18 for hazardous work in accordance with ILO Conventions 138 and 182 and Recommendation 190	1 - Meets this Standard	Employment Contract and Group Compliance policies
3.03	Whistleblower System	The Company has multilingual platform, operated by an external service provider, is accessible 24/7. It enables stakeholders to report, on a confidential basis, any illegal or unethical activities or behavior observed in the context of the activities of the Company and its subsidiaries. The Ethics Line platform is open to all stakeholders of the Company and its subsidiaries – employees and third parties.	1 - Meets this Standard	A Group level Whistleblower System with independent reporting line.

Survey issued in March 2023.

# MEADFA Members Survey Results

## Environmental Standards



- ❑ 11 important environment standards that require special focus from businesses
- ❑ Best results are in use of responsible disposables (SUP, cups, bottles)
- ❑ Limit GHG and decarbonization is headline issue. Most members reported meeting the expected standards.
- ❑ Data Storage Optimisation further focus. It is a hidden consequence of our digital economy

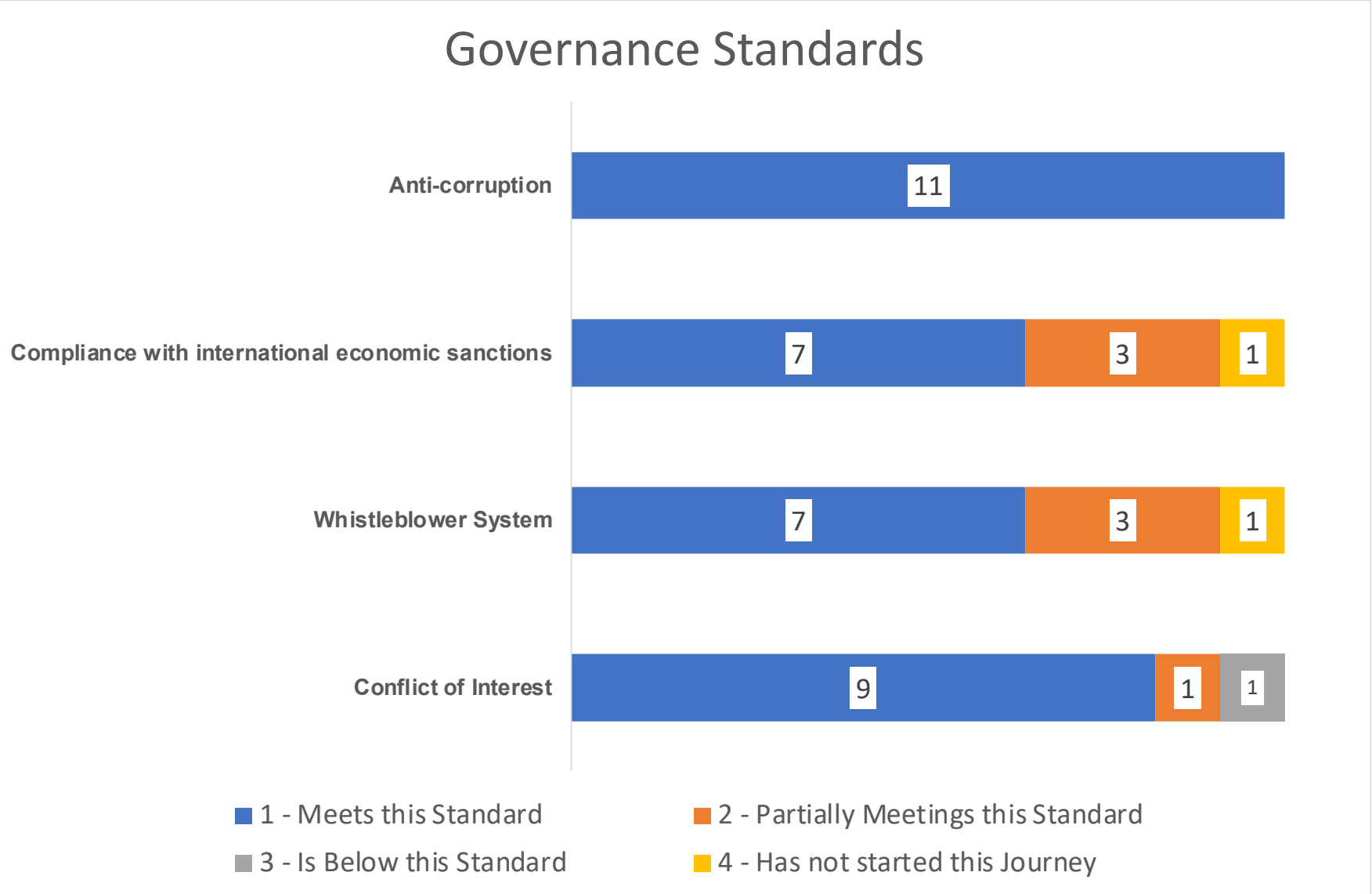
# MEADFA Members Survey Results

## Social Standards



- ❑ 13 important social standards that require special focus from businesses
- ❑ Best results are in meeting the standards on no child labour, minimum wages, equal treatments and health & safety of employees.
- ❑ External Certification & Benchmarking remains the biggest challenge

# MEADFA Members Survey Results



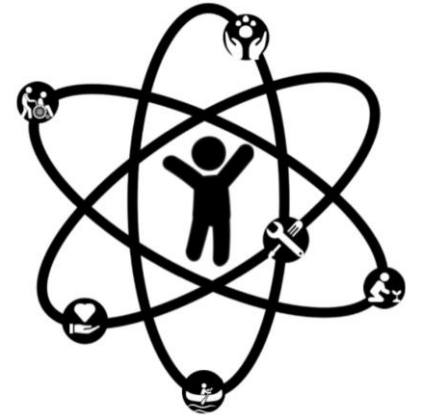
- 4 important governance standards that require special focus from businesses
- Best result is in meeting the standards on anti-corruption.
- More focus is required on compliance with international economic sanctions and whistleblower systems



# Member Engagement Model – in Action

1. **Catalyse** – Promote interaction with and within stakeholders to achieve new business model and action for living within planetary and social boundaries.

- ❑ Database of information, relevant policies and actions to be made available to members from MEADFA.
- ❑ Information, policies and processes collected from members who have an advance standing on the key topics of ESG as discovered from the survey
- ❑ Potential list of contact in our member organisations that could provide assistance and guidance



## 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.»**



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**  
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"

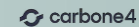
**Since 2019**  
Inclusion in the S&P Global Sustainability Yearbook (Lagardère Group)

**2020**  
Launch of Lagardère Sustainability Academy

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

**2021**  
1st CSR Composite Index

**2021**  
1st full-scale Carbon footprint assessment



**2022**  
Creation of Lagardère Travel Retail CSR Committee

**2022**  
Pledge to Act4nature for Biodiversity protection



**2023**  
Partnerships with Reforest'Action & 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)



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

**2018**  
Partnership with Too Good To Go

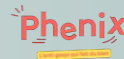


**2019**  
Commitment to ban single-use plastic consumables in our proprietary foodservice brands globally as of 2020



**2020**  
Creation of Diversity & Inclusion Committee (USA)

**2020**  
Partnership with Phenix



**2021**  
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



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

**2023**  
Launch of Climate Fresk training





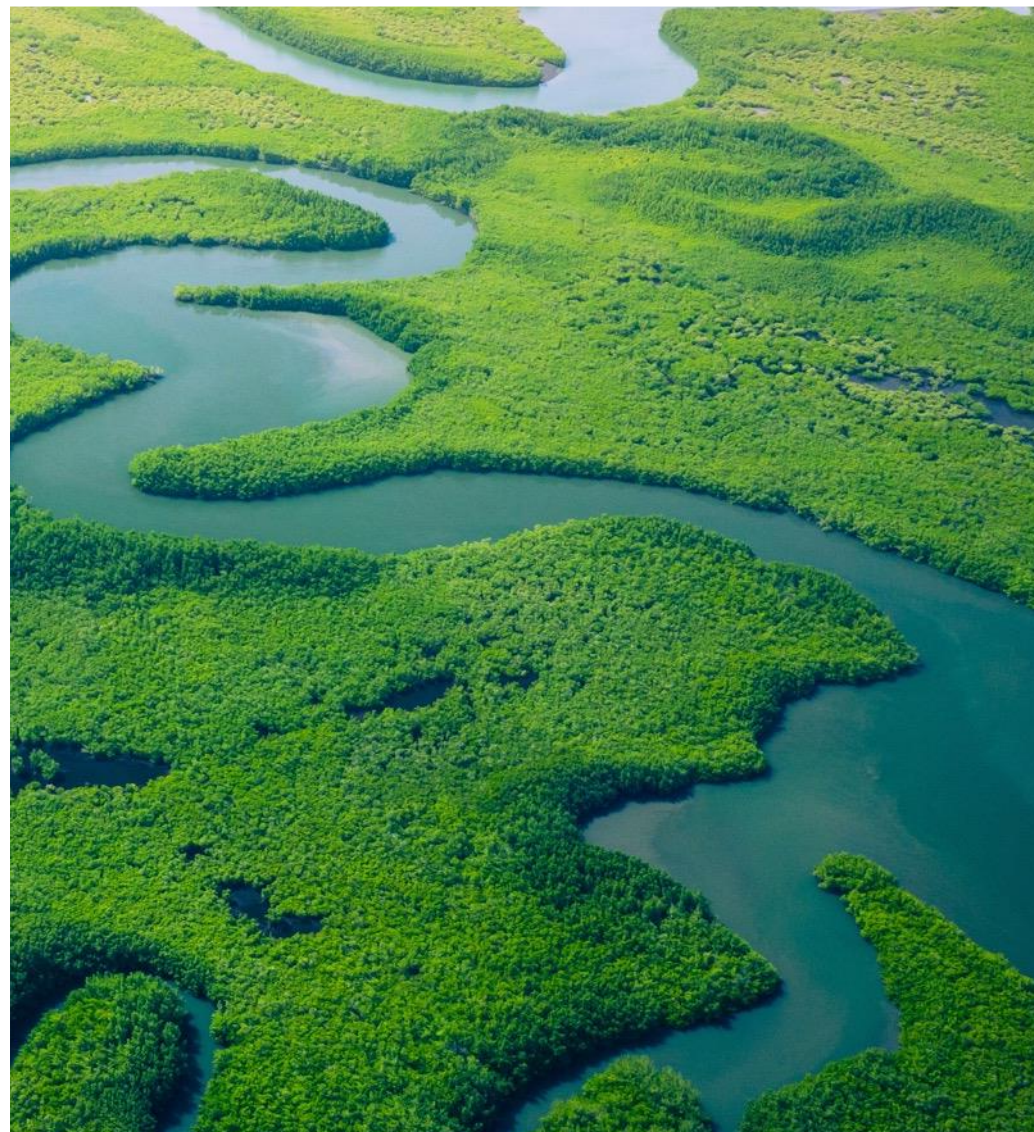
# Lagardère Travel Retail's carbon trajectory

---

Prepared by PEPS Corp. Team

**Lagardère**  
TRAVEL RETAIL

**PEPS**  
Planet. Ethics. People. Social.





# 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 equipment** and the use of **last-generation LEDs** for all new outlets. Additionally, action sheets for energy reduction were developed on specific thematic, and best practices are regularly shared for all countries.



SCIENCE  
BASED  
TARGETS

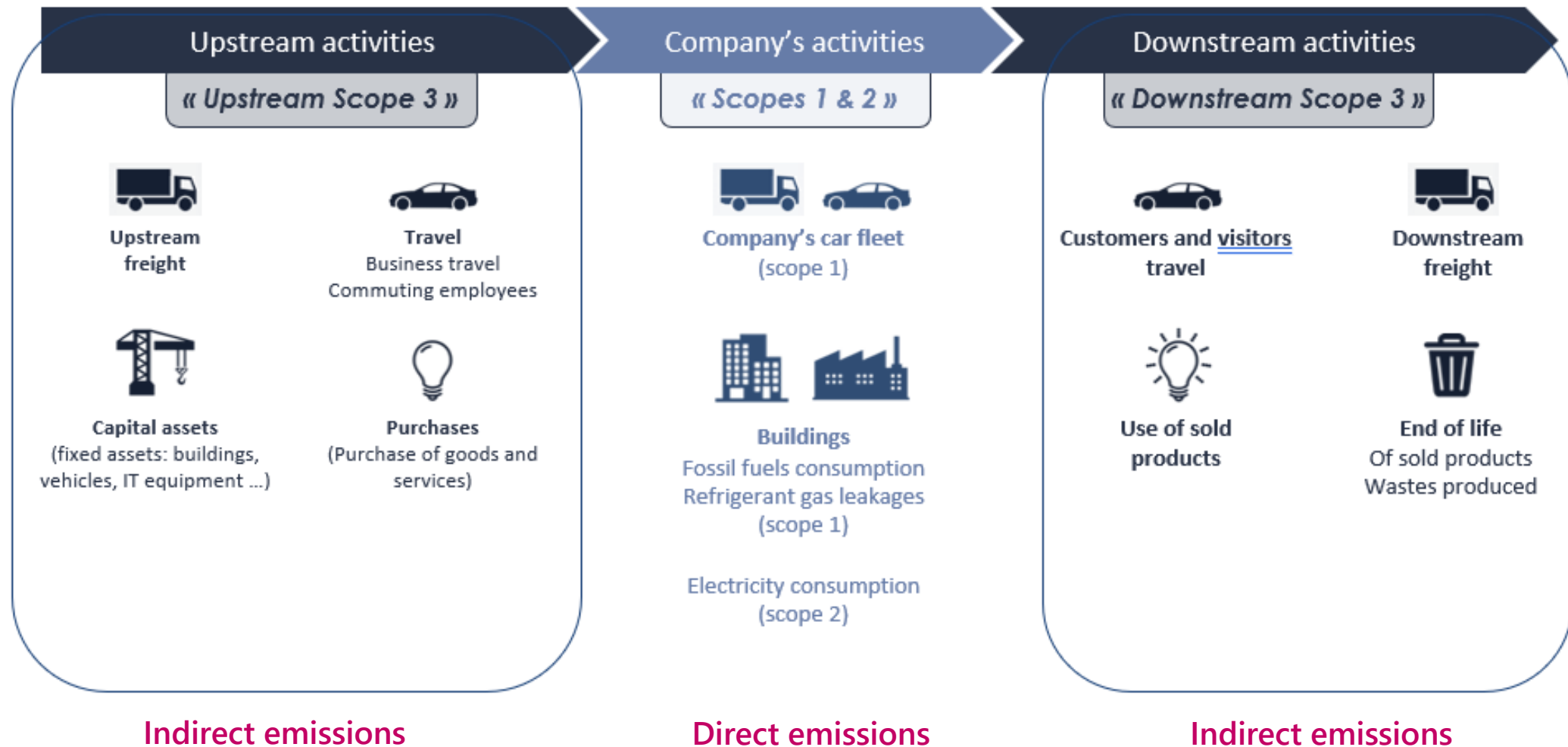
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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.**

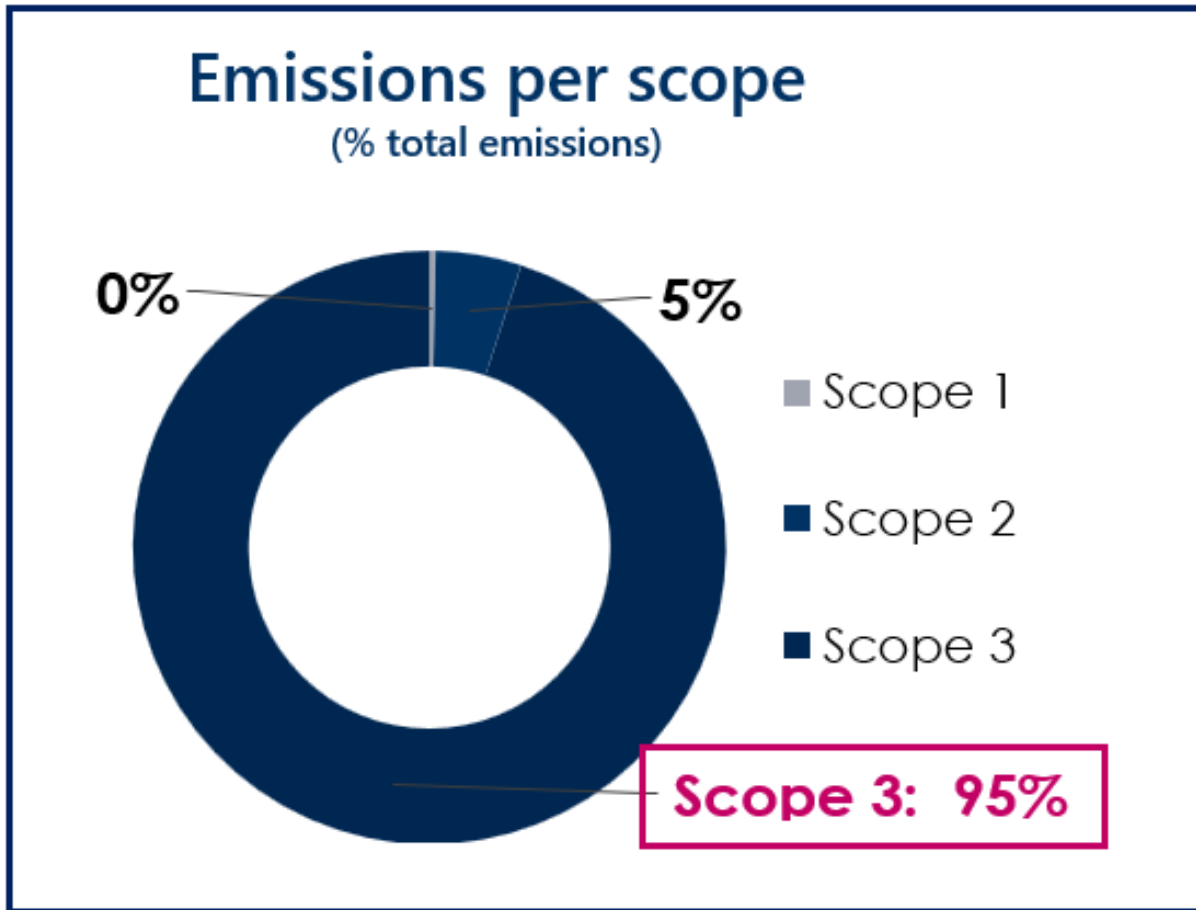


# Carbon Emissions - Definitions of scopes 1 & 2, and 3

## Main sources of emissions of a carbon footprint



# Lagardère Travel Retail's carbon emissions



➔ **95% of our emissions are indirect**

↓  
**out of these >80% are generated by the products & services we buy !**

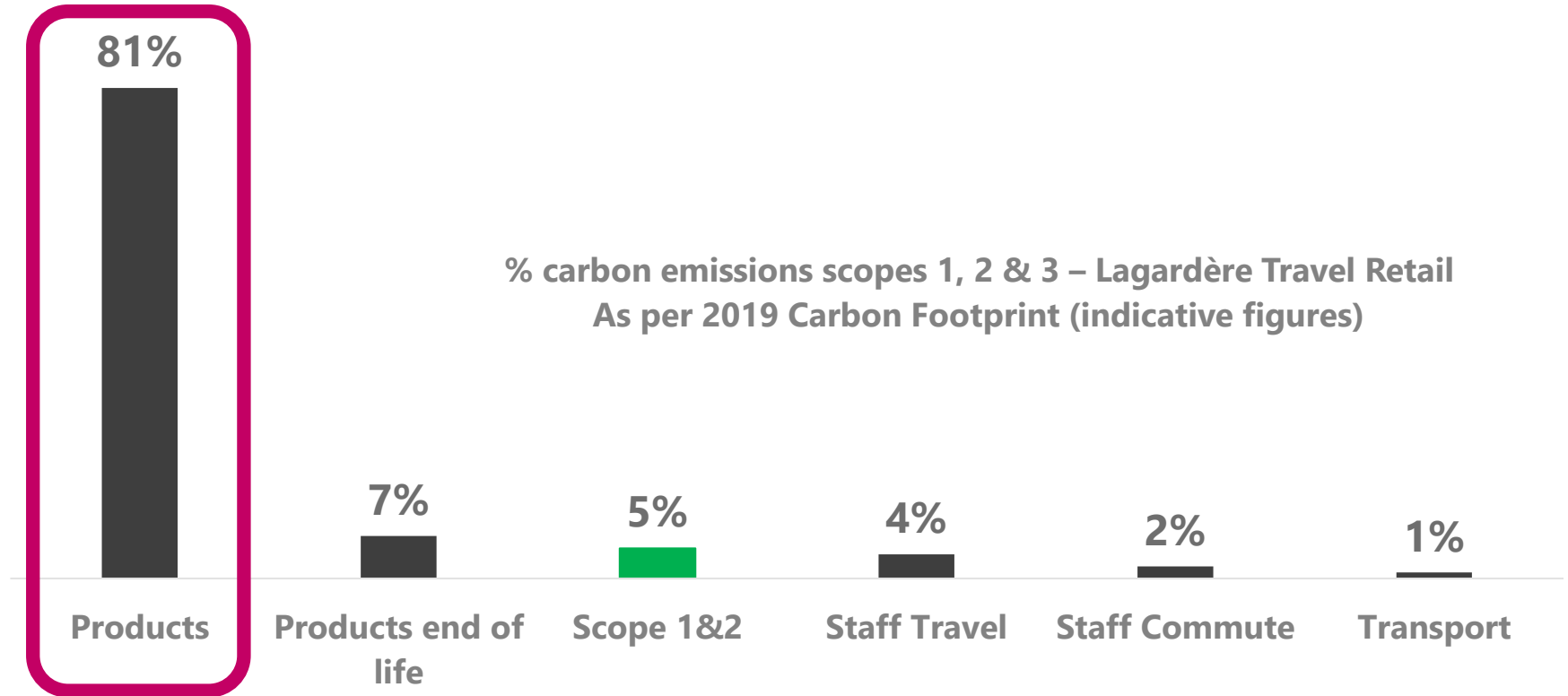
# Scope 3 in detail – Products are our main challenge

## Lagardère Travel Retail's CO2 emissions:

(entities covered by the 2019 carbon footprint assessment):

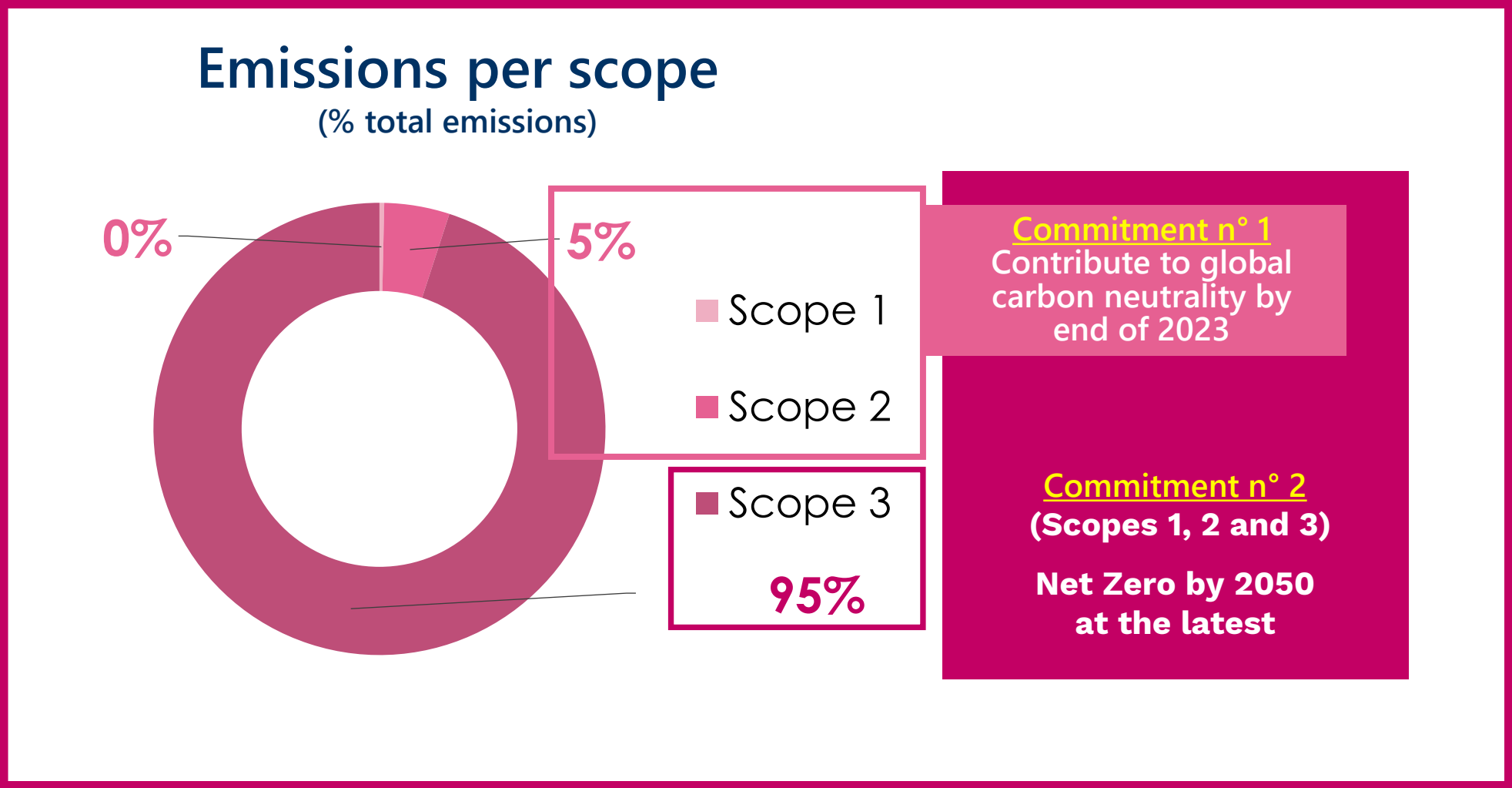
**856 000 tons CO2e**

**59% of total Lagardère Group**



Source : Carbone 4 – 2019 carbon footprint assessment  
Internal figures – not for disclosure

# Lagardère Travel Retail's current carbon reduction commitments





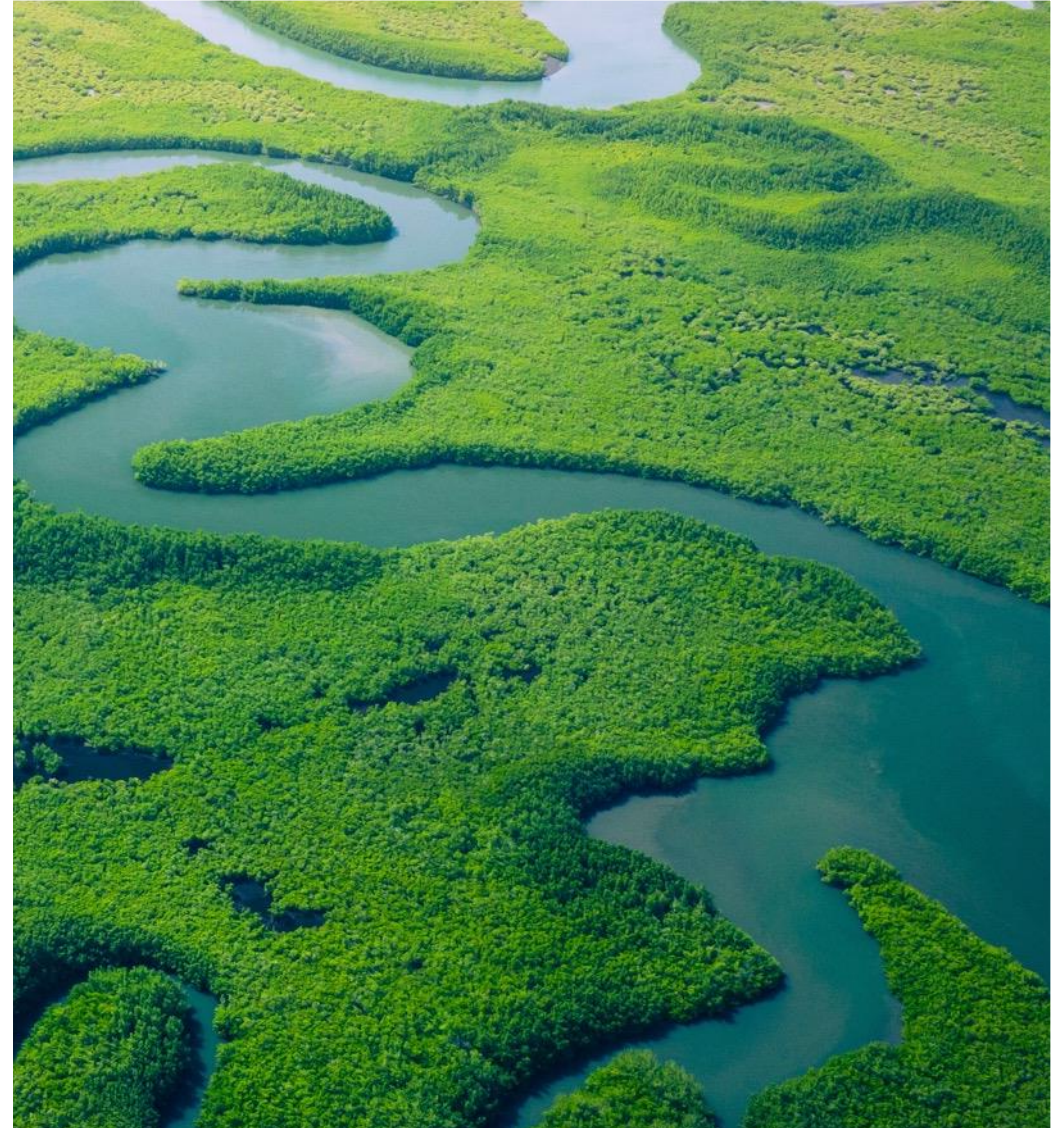
# Deep dive into 5 key product categories

---

Prepared by PEPS Corp. Team with Utopies &  
Pando

**Lagardère**  
TRAVEL RETAIL

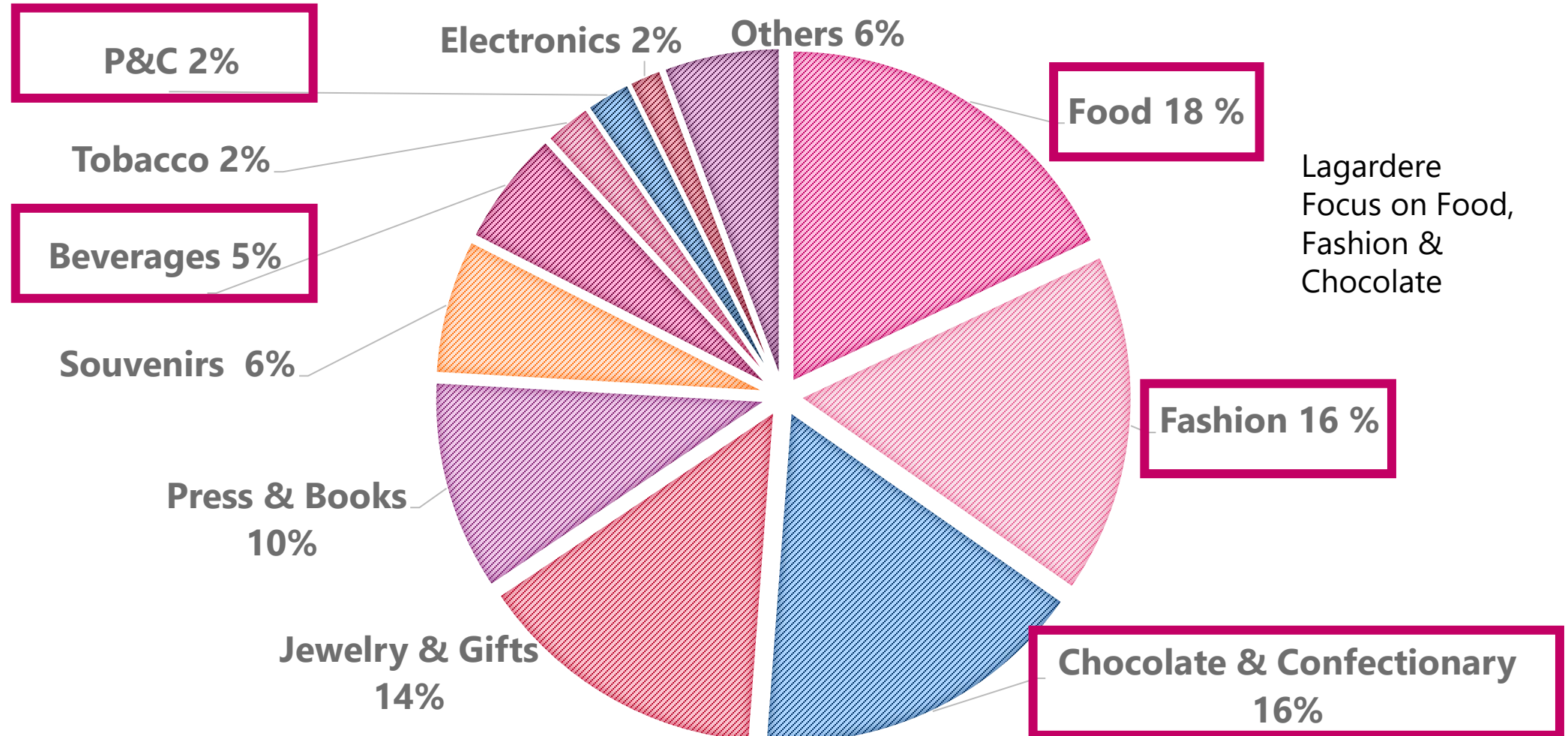
**PEPS**  
Planet.Ethics.People.Social.





# 6 biggest product categories = ~ 84% of our scope 3

% carbon emissions - Scope 3 Lagardère Travel Retail



Source : Carbone 4 – 2019 carbon footprint

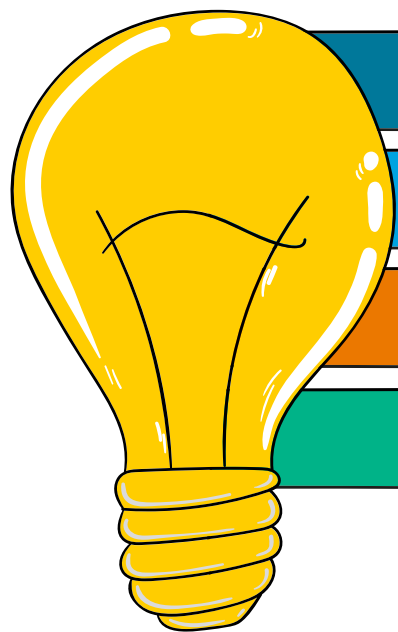
A fashion show runway scene. A model is walking towards the camera, wearing a light-colored checkered suit with a wide shawl that has a colorful, wavy pattern in shades of blue, orange, and white. She is also wearing a floral top. The audience is seated on the left, with some people taking photos. In the background, other models are visible on the runway. The text "FASHION & JEWELRY" is overlaid in the center of the image.

# FASHION & JEWELRY

# Which part of the lifecycle of fashion items has the highest impact (on Greenhouse Gas (GHG) emissions) ?



FASHION  
& JEWELRY



01

Production

02

Retail

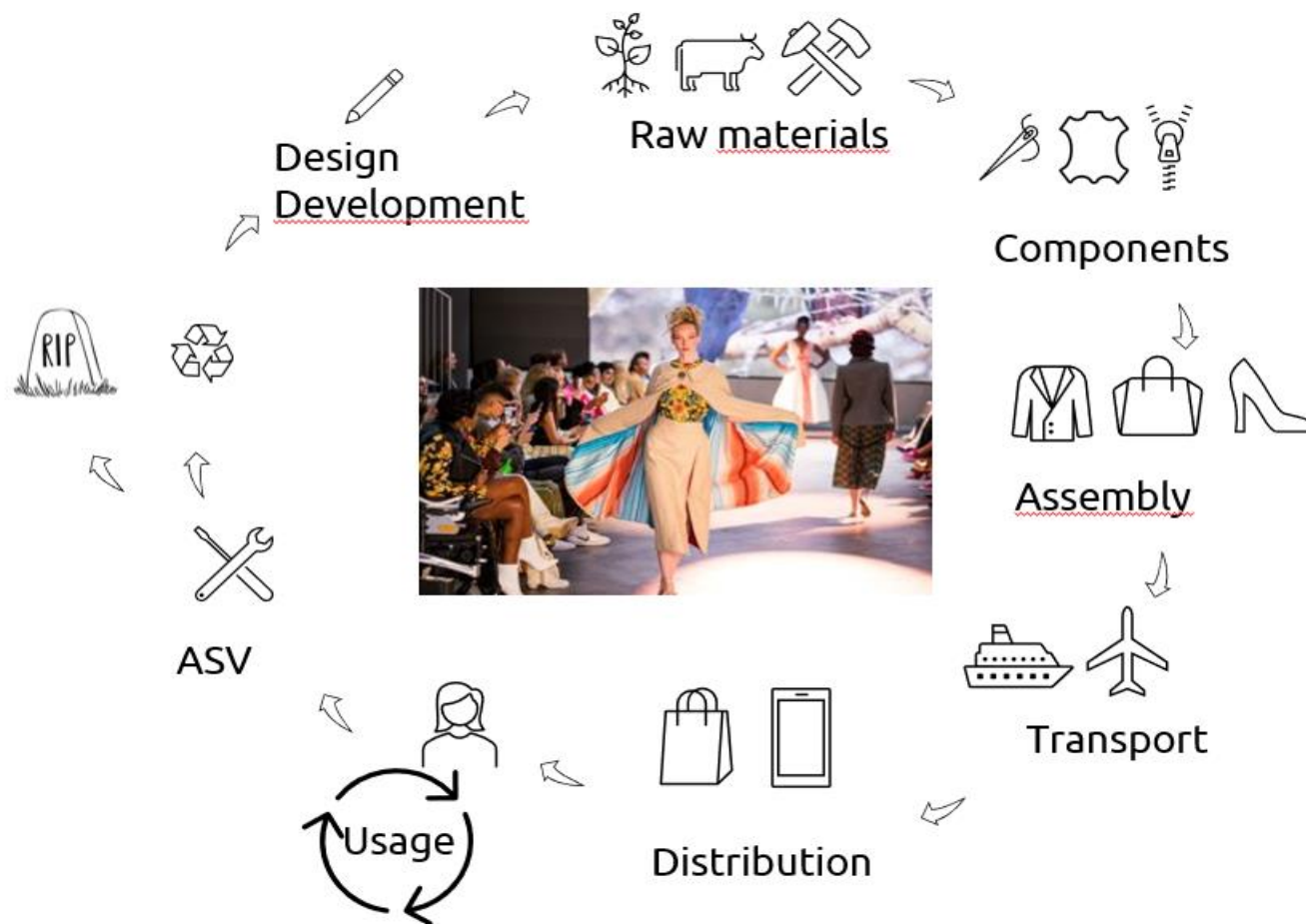
03

Transport

04

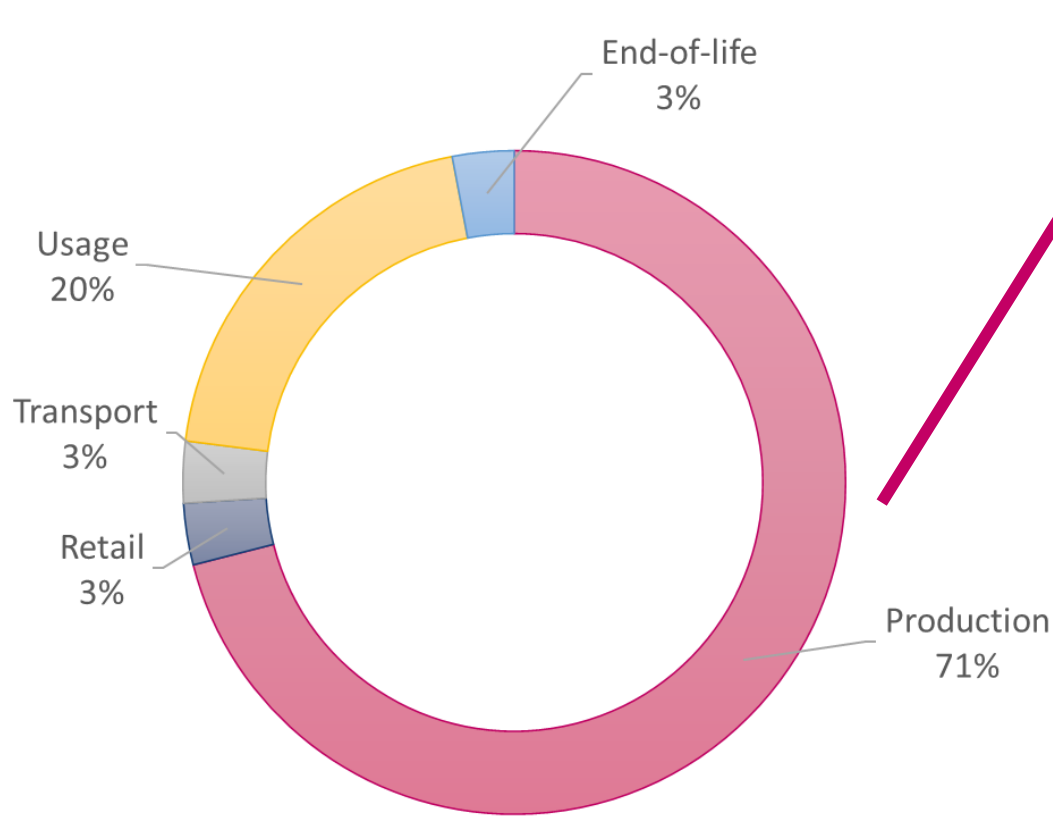
Usage & end of life

## PRODUCT LIFE CYCLE





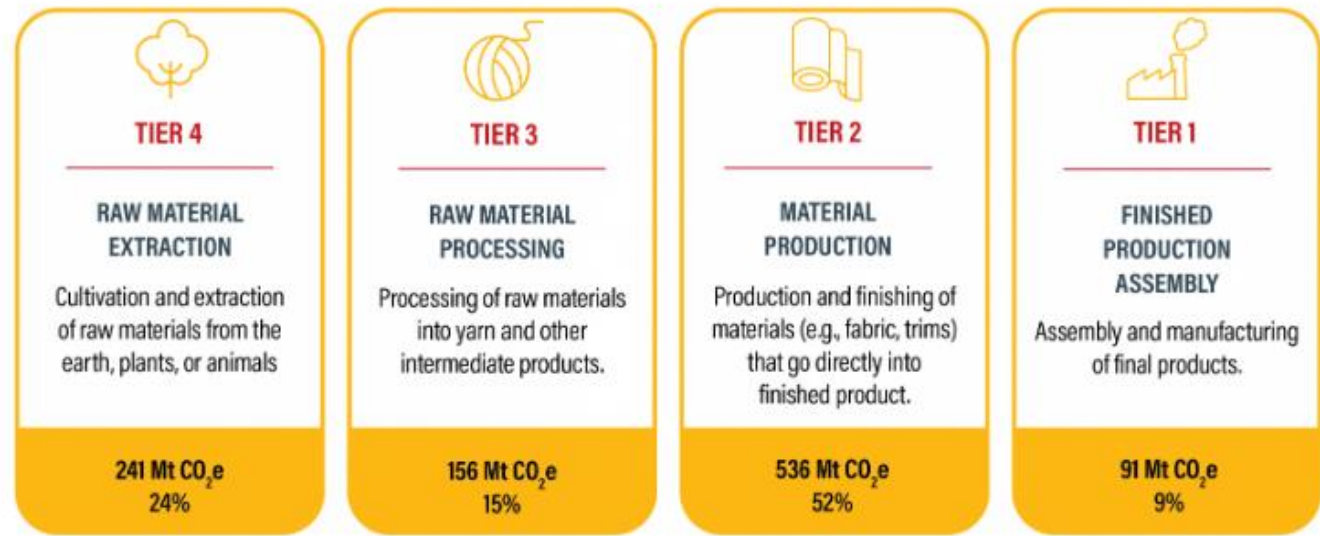
# Which part of the lifecycle of fashion items has the highest impact (on GHG emissions) ?



Source: Apparel and footwear GHG emissions, McKinsey, 2018

## Estimated GHG Emissions for the Apparel Sector, 2019

Total Apparel GHG Emissions: 1.025 billion tonnes CO<sub>2</sub>e (1.025 Gt)



Source: WRI Authors.  
01.11.22

1 million tonnes = 1 Mt

# Which of these materials generates the lowest GHG emissions (for 1kg of material) ?

Conventional cotton



Photo credit Pexels

Recycled cotton



Photo credit Circle Sportswear

Wool



Photo credit Pexels

Polyester



Photo credit Pexels



# Which of these materials generates the lowest GHG emissions (for 1kg of material) ?

Recycled cotton



Photo credit Circle Sportswear

**0,3 kg eq. CO2**

Conventional cotton



Photo credit Pexels

**1,8 kg eq. CO2**

Polyester



Photo credit Pexels

**2,7 kg eq. CO2**

Wool



Photo credit Pexels

**110 kg eq. CO2**



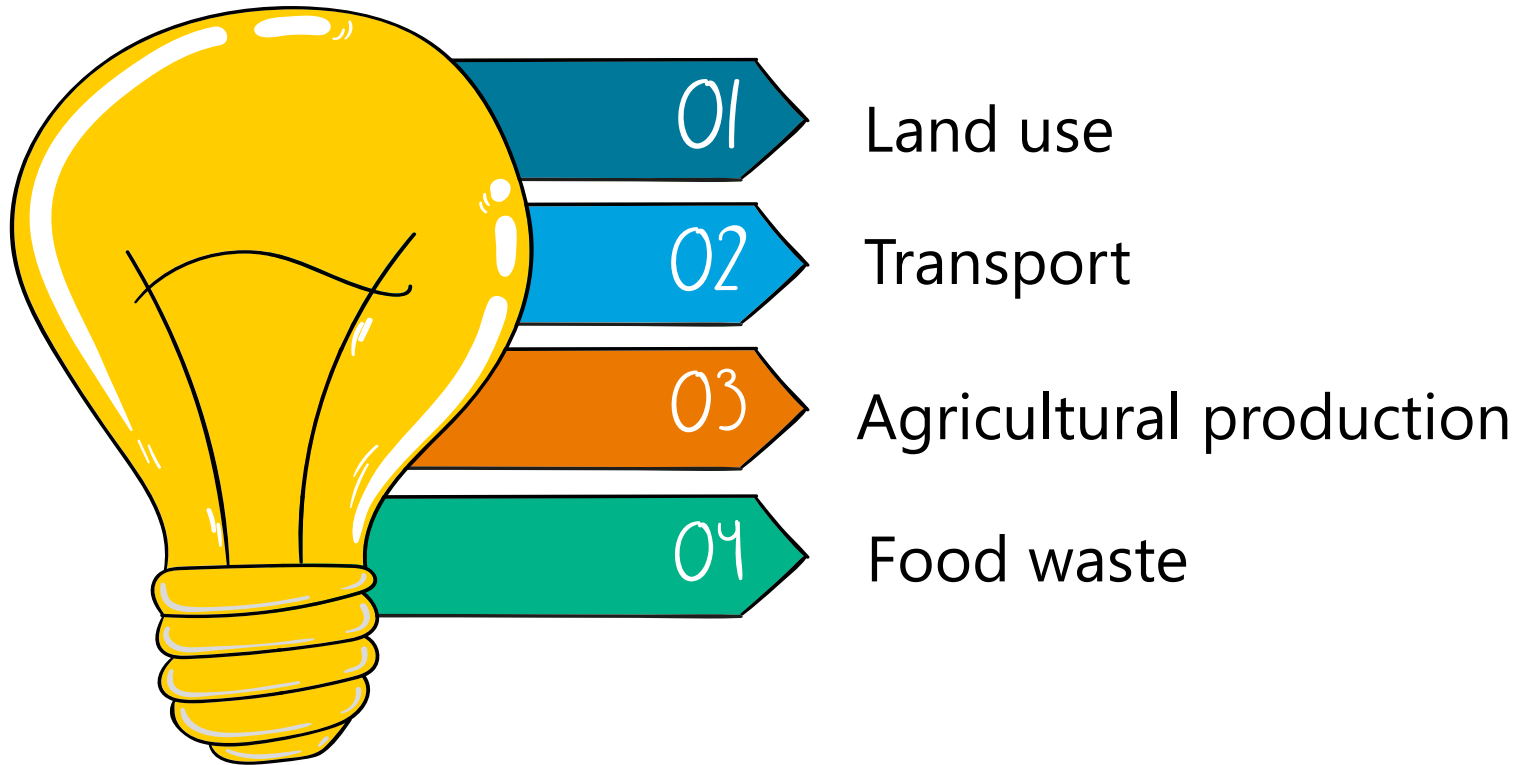


# PREPARED FOOD

# Which part of the lifecycle of food items has the highest impact (on GHG emissions) ?



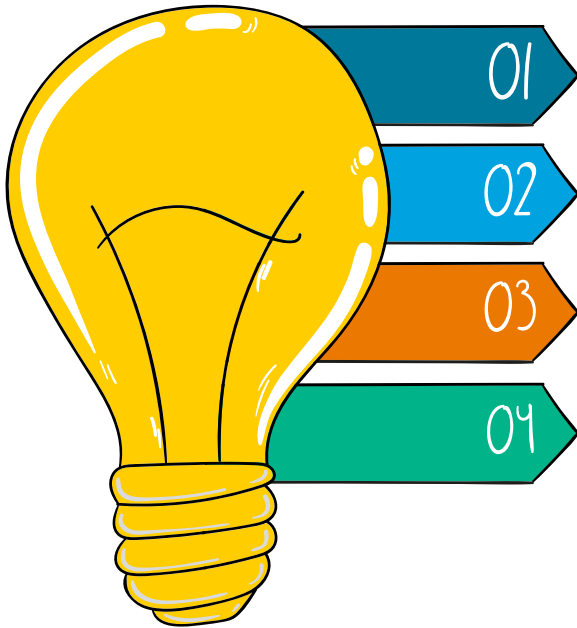
FOOD



# Which part of the lifecycle of food items has the highest impact (on GHG emissions) ?



FOOD



01 Land use

02 Transport

**03 Agricultural production**

04 Food waste

Carbon emissions items	% in total lifecycle carbon emissions
<b>Agricultural production</b>	<b>39%</b>
<b>Land use</b>	<b>32%</b>
<b>Food waste</b>	<b>9%</b>
Transport	5%
Packaging	5%
Retail	4%
Cooking	3%
Food processing	3%

80% of impact



# Which mountain represents the CO2 emissions of which food item?



FOOD



Amount of 1 kgCO<sub>2</sub>e  
emitted per 1 kg of ....

**Potatoes ?**

**Chicken ?**

**Beef ?**

**Fish ?**

**Rice ?**







# The amount of kgCO<sub>2</sub>e emitted per 1kg of food items



FOOD



-  **Red** : ~28 kgCO<sub>2</sub>e per kg of **beef**
-  **Blue** : ~8 kgCO<sub>2</sub>e per kg of **fish**
-  **Orange** : ~4 kgCO<sub>2</sub>e per kg of **chicken**
-  **Grey** : ~3 kgCO<sub>2</sub> per kg of **rice**

On the right, all vegetarian options:

-  **Yellow** : <0,5 kgCO<sub>2</sub>e per kg of **potatoes**



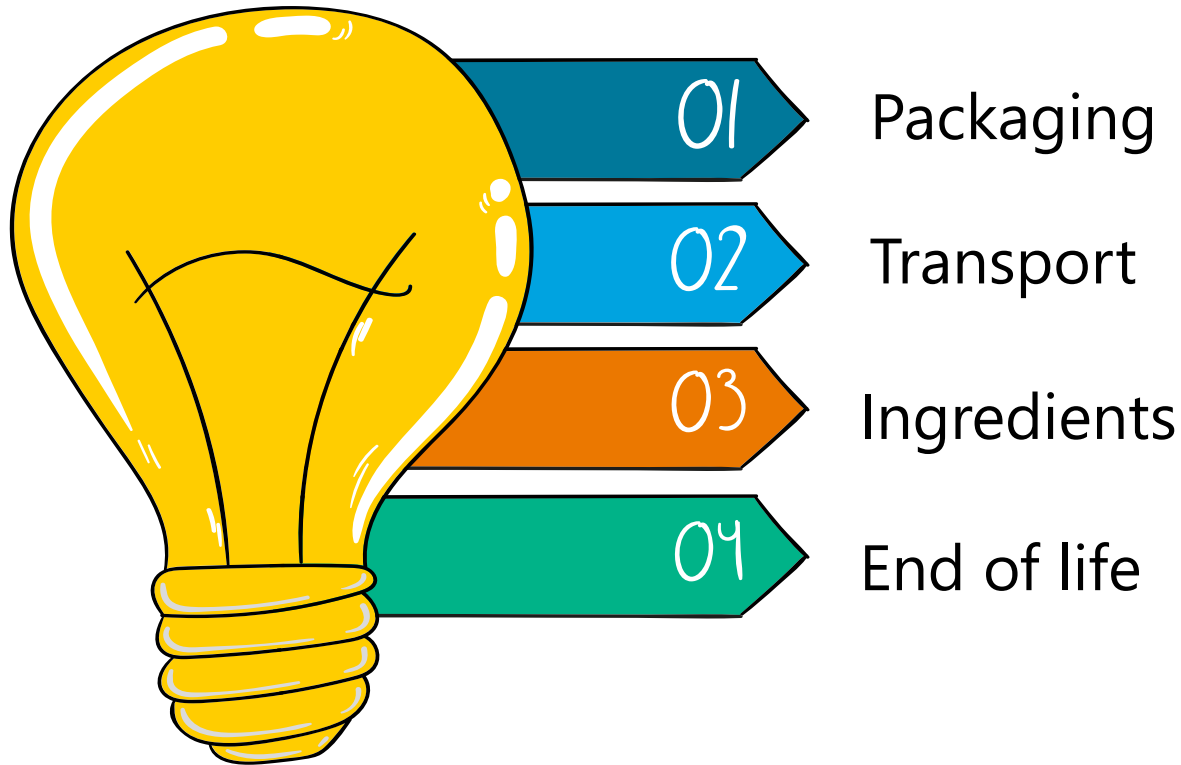
# BEVERAGES (ALCOHOLIC & SOFT DRINKS)



# Which part of the lifecycle of beverages has the highest impact (on GHG emissions) ?



ALCOHOL  
& BEVERAGE

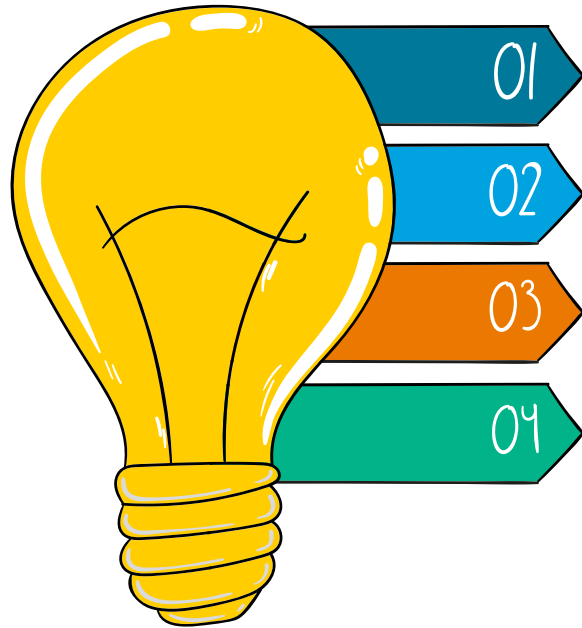




# Which part of the lifecycle of beverages has the highest impact (on GHG emissions) ?



## ALCOHOL & BEVERAGE



**01 Packaging**

02 Transport

03 Ingredients

04 End of life

% carbon emissions

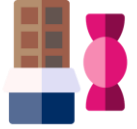
Carbon emissions items	Alcohol	Non alcohol
<b>Packaging</b>	<b>40%</b>	<b>50% - 60%</b>
<b>Operations (distillery, bottling process, energy consumption of plants, etc.)</b>	<b>30%</b>	<b>10%</b>
Ingredients	20%	0% (water) - 30% (soft drinks)
Transport	10%-20%	10%-20%

**70% of impact**

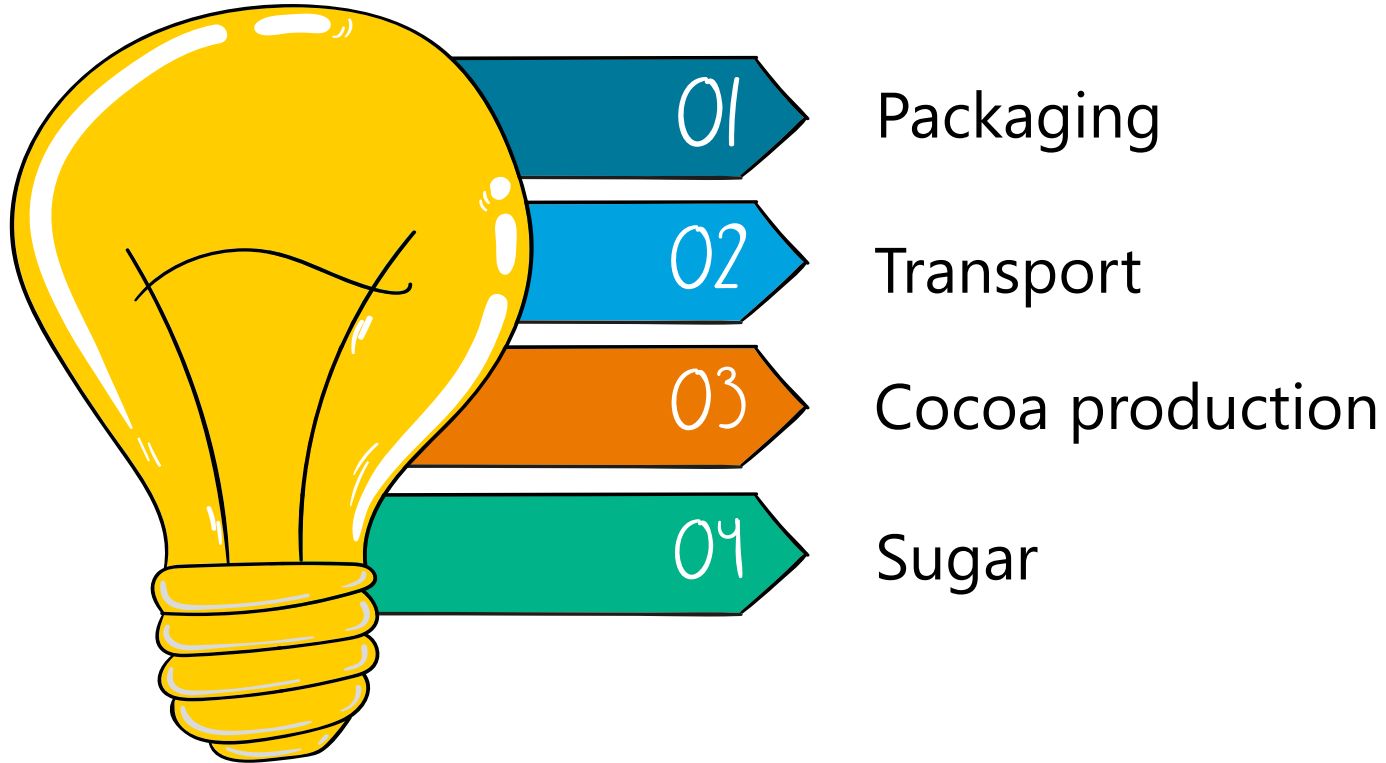
# CHOCOLATE & CONFECTIONARY



# Which part of the lifecycle of chocolates & confectionary has the highest impact (on GHG emissions) ?



CONFECTIONERY &  
CHOCOLATE

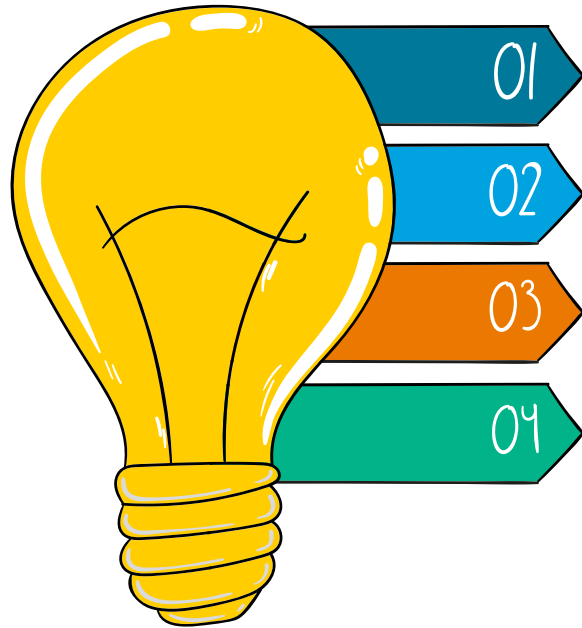




# Which part of the lifecycle of chocolates & confectionary has the highest impact (on GHG emissions) ?



CONFECTIONERY & CHOCOLATE



01 Packaging

02 Transport

03 **Cocoa production**

04 Sugar

Carbon emissions items	% in total lifecycle carbon emissions
Cocoa production (impact on deforestation, fertilizers)	70%
Other ingredients (milk, sugar, palm oil)	10%
Operations (production, energy consumption of plants, etc.)	<10%
Transport	<5%
Packaging	<3%
Other categories (employees business travel and commute, etc.)	<2%
Product end of life	<1%

80% of impact

Source : Ademe Agrybalise 2023

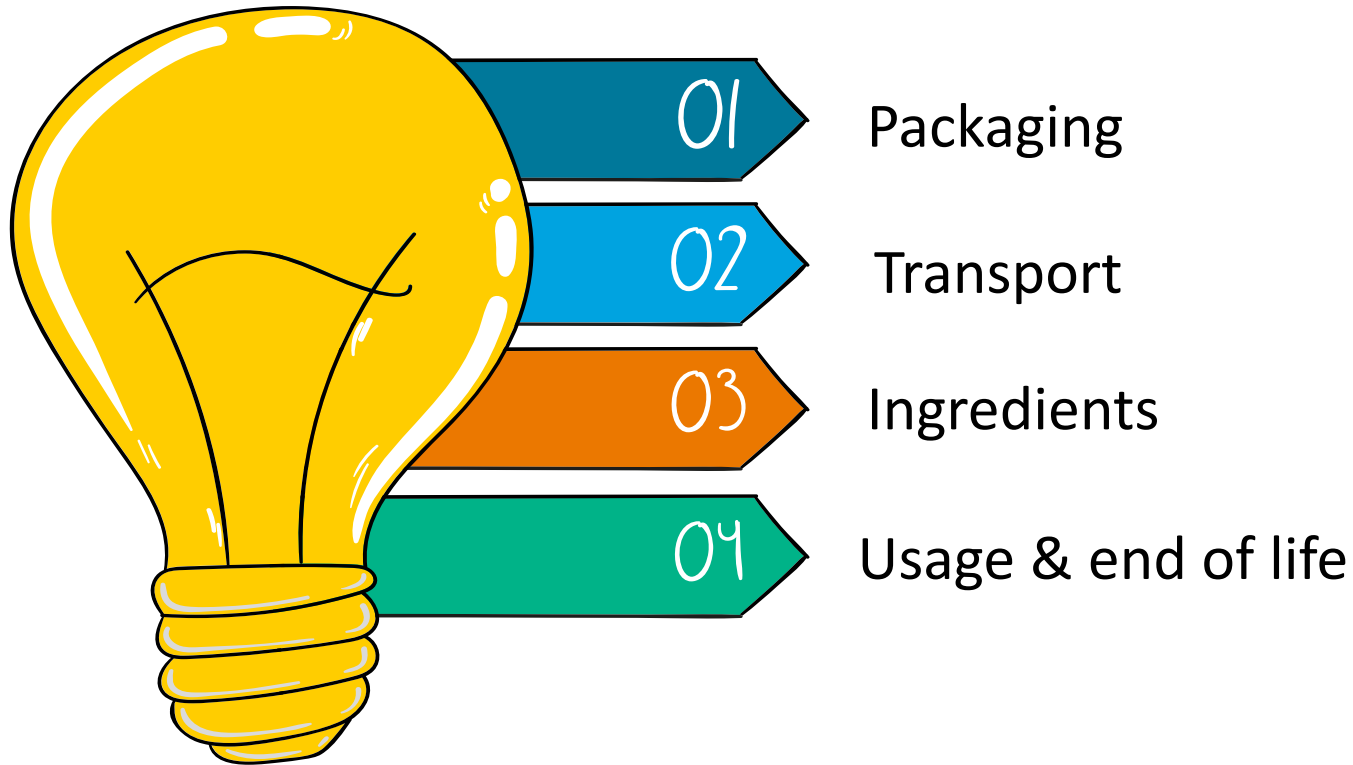
# PERFUMES & COSMETICS



# Which part of the lifecycle of cosmetics & perfumes has the highest impact (on GHG emissions) ?



COSMETICS  
& PERFUMES

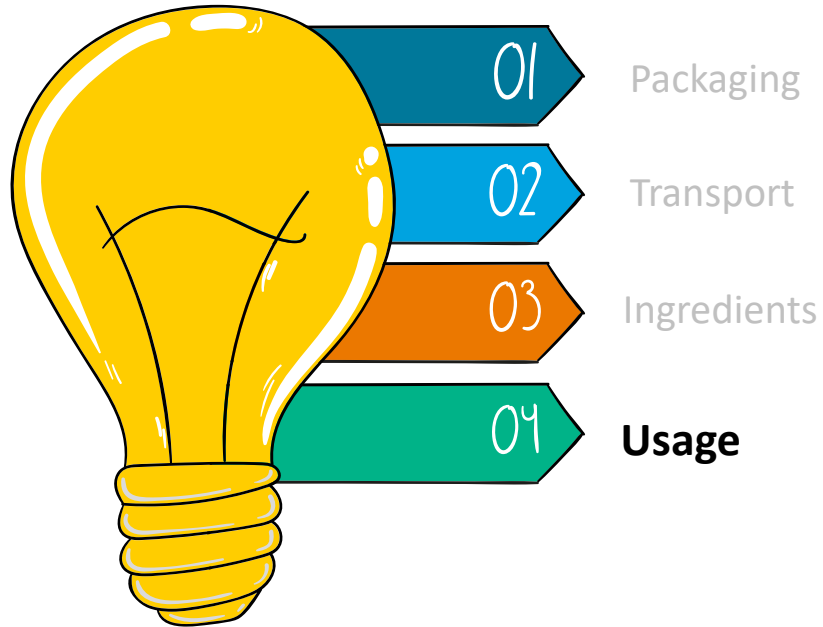




# Which part of the lifecycle of cosmetics & perfumes has the highest impact (on GHG emissions) ?



COSMETICS  
& PERFUMES



Carbon emissions items	% in total lifecycle carbon emissions
<b>Usage</b>	<b>40%</b>
<b>Packaging</b>	<b>20%</b>
<b>Ingredients</b>	<b>10%</b>
<b>Transport</b>	<b>10%</b>
Point of sales	5%
Operations (production, energy consumption of plants, etc.)	<5%
Product end of life	<5%
Other categories (employees business travel and commute, etc.)	<5%
Agricultural practices & sourcing	<5%

**80% of impact**

Source : Quantis lifecycle analysis 2020

## Next Steps

**Identify the main drivers for each category and type of products**

**Develop decarbonization strategies for every key product category**

**Strategic collaboration with key suppliers to push their decarbonization agenda, and collect reliable product carbon emission data**

**Develop guidelines for a local & responsible product assortment**  
(Lead: DFG, with support of the corp. PEPS team, and Utopies)

**Identify & implement the most relevant “test & learn” actions**

**Develop guidelines for in-store communication**

**Establish a solid carbon reporting system**  
(in collaboration with Group Lagardère)