

MEADFA Sustainability

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MEADFA Sustainability

❑ The party is over!

❑ Wake-up Call

❑ Sustainability (in)action



COP27 - more than 45,000 participants, Sharm el-Sheikh, Egypt.

“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.

Mitigation

- ❑ Global transformation to a low-carbon economy is expected to require investments of at least USD 4-6 trillion a year
- ❑ Serious concern was expressed that the goal of developed country Parties to mobilize jointly USD 100 billion per year by 2020 has not yet been met



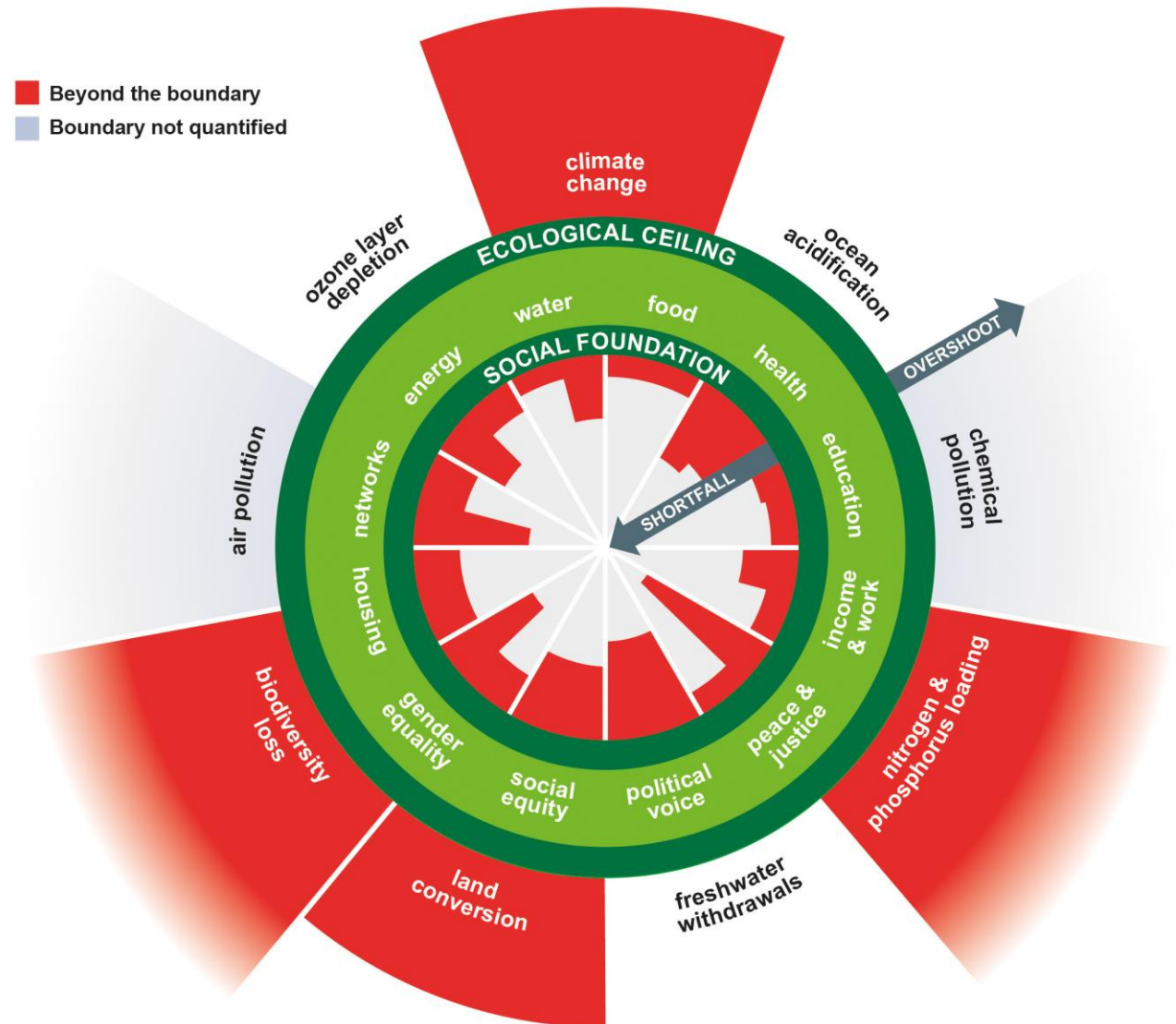
Adaptation

- ❑ The less we mitigate, the more we have to adapt
- ❑ The myth of endless adaptation
- ❑ Adaptation alone cannot keep up with the impacts of climate change, which are already worse than predicted
- ❑ \$1.8 trillion investment in mitigation could generate \$7.1 trillion through a combination of avoided costs and a variety of social and environmental benefits.

Breakthrough agreement to provide “loss and damage” funding for vulnerable countries hit hard by climate disasters

Fundamental of Planetary and Social Boundaries

- ❑ We are face with dual challenge of overuse of planetary resources and at the same time underdevelopment of large parts of our society.
- ❑ Wellbeing of our planet and society is at stake.
- ❑ Safe and just space for humanity to live



2012 in an Oxfam report by Kate Raworth

Foundational Statement of our position on sustainability

- ❑ It is clear our planet and society is faced with critical challenges that will require a more **collaborative** and **systemic** change in way we live and use natural & human resources.
- ❑ We believe that **business** can do both good for our **planet** and **people** while also achieving great results for our shareholders.
- ❑ MEADFA Board believes that business in general and **our members** in particular have an important part to play.



Overview of Sustainability Position Paper

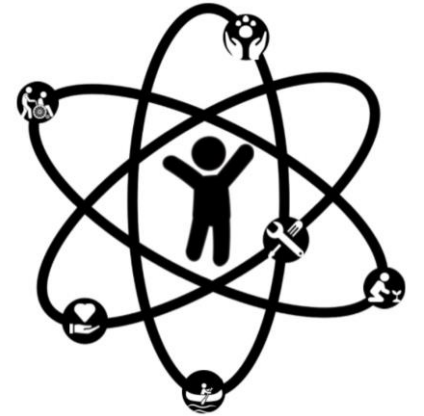
Purpose Statement:

- ❑ *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.*



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.

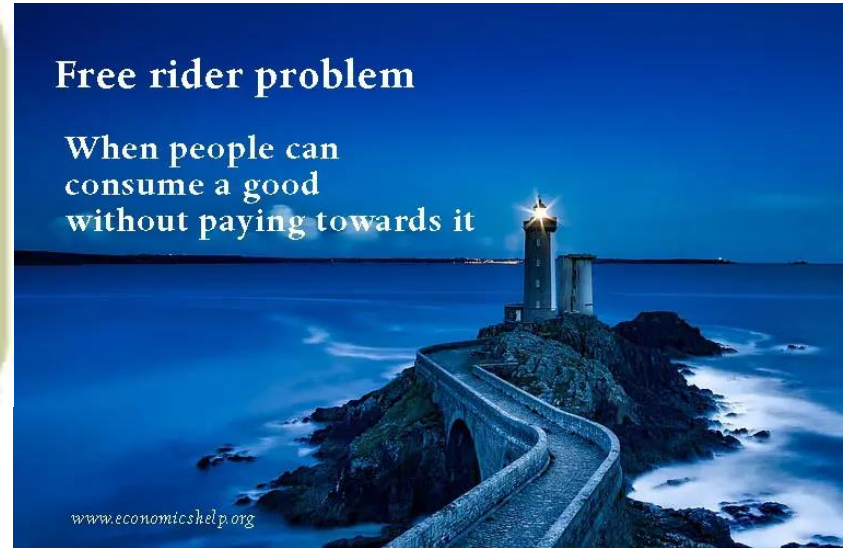


Main Roadblocks to Action

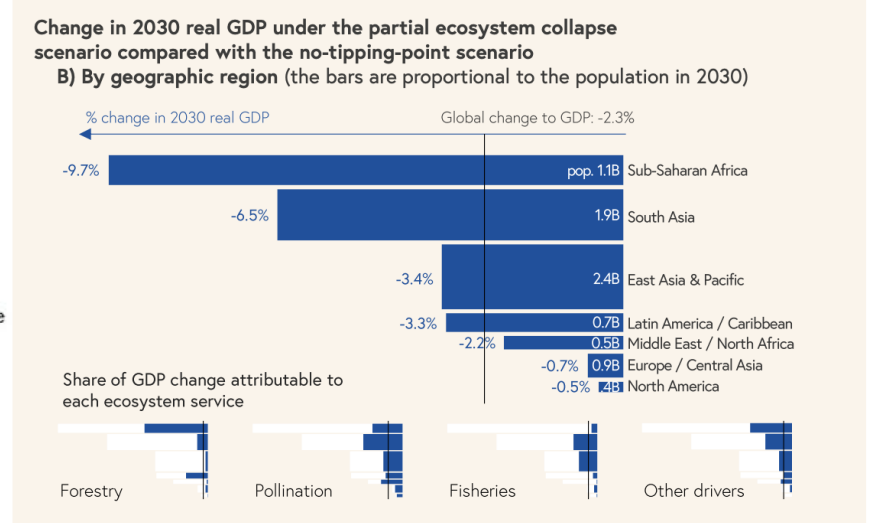
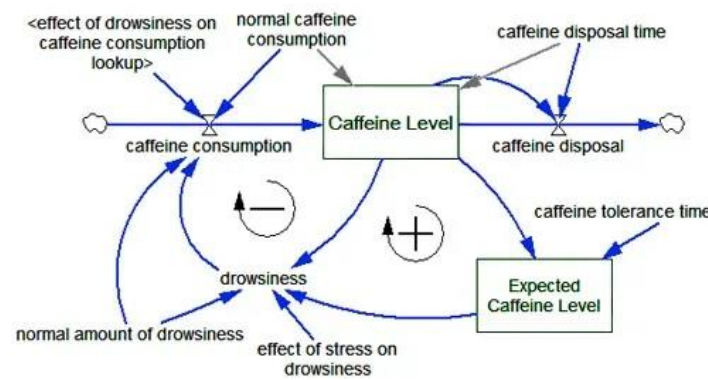
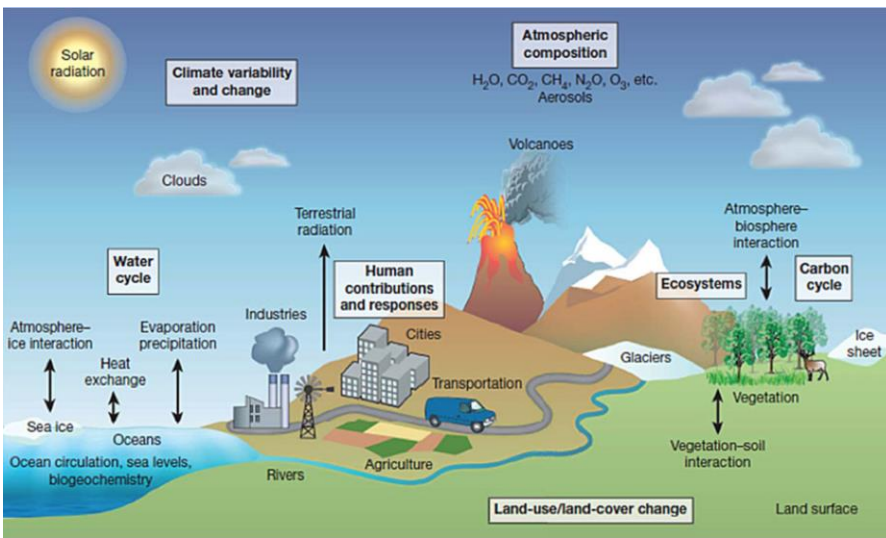


Positive externality
 When consuming or producing a good causes a **benefit** to a third party.
Example - walking to work reduces congestion.

Negative externality
 When consuming or producing a good causes a **cost** to a third party.
Example - airtravel causes an increase in pollution.
 www.economicshelp.org



World 1.75



Approach to our Action Plan

Manageable Ambition




- Lead
- Share
- Follow

Incentives




- Financial Capital
- Multiple Capitals






Take a Lead Position on Environmental Issues

| Environment Elements | Climate Change  | Ocean Acidification  | Chemical Pollution  |
|--|--|---|--|
| Leadership Position | Lead | Lead | Lead |
| Action | Reduce Carbon Dioxide | Reduce Carbon Dioxide | Reduce Packaging |
| Target | Net Zero by before 2050 | Net Zero by before 2050 | 100% recyclable & renewable packaging by 2040 |
| Short-term Milestone | Scope 1&2 Carbon Neutral before 2030 | Scope 1&2 Carbon Neutral before 2030 | Zero Plastic Packaging by 2030 |
| ESG Driver | Reducing the impact of travel industry on Climate Change | Reducing the impact of travel industry on Ocean Acidification | Reducing the impact of our products on Chemical Pollution |
| Strategic Imperative for Business | Protect the demand for travel | Protect tourist destination | Maintain demand for our products |



Share our Actions

| Environment Elements | Freshwater Withdrawals  | Land Conversion  | Biodiversity Loss  |
|-----------------------------------|--|--|--|
| Leadership Position | Share | | |
| Action | Improved Farming & Manufacturing Use of Water | Natural Farming Practice | Habitat Protection |
| Target | To be decided with our Partners | To be decided with our Partners | To be decided with our Partners |
| Short-term Milestone | To be decided with our Partners | To be decided with our Partners | To be decided with our Partners |
| ESG Driver | Safe drinking water available to all | Productive Land for all living beings | Safe home for all living beings |
| Strategic Imperative for Business | Improve ESG ranking leading to improve customer, employee, financial institution, and shareholder engagement | Improve ESG ranking leading to improve customer, employee, financial institution, and shareholder engagement | Improve ESG ranking leading to improve customer, employee, financial institution, and shareholder engagement |

Follow our Partners and Suppliers

| Environment Elements | Nitrogen & Phosphorus Loading  | Air Pollution  | Ozone Layer Depletion  |
|--|---|--|--|
| Leadership Position | Follow | Follow | Follow |
| Action | Natural Farming Practice | Improved Emission Standards | Improved Emission Standards |
| Target | To be decided with our Partners | To be decided with our Partners | To be decided with our Partners |
| Short-term Milestone | To be decided with our Partners | To be decided with our Partners | To be decided with our Partners |
| ESG Driver | Reduce chemical pollution of the environment | Reduce Air Pollution | Stop Ozone Layer Depletion |
| Strategic Imperative for Business | Improve ESG ranking leading to improve customer, employee, financial institution, and shareholder engagement | Improve ESG ranking leading to improve customer, employee, financial institution, and shareholder engagement | Improve ESG ranking leading to improve customer, employee, financial institution, and shareholder engagement |

Take a Lead Position on Social Issues

| Social Elements | Income & Work  | Gender Equality  | Food  |
|--|---|---|--|
| Leadership Position | Lead | Lead | Lead |
| Action | Payment of living Wage | Diversity & Inclusion Program | Payment of living Wage |
| Target | Wages sufficient to support a family | Equality based on talent | Wages sufficient to support a family |
| Roadmap | Scope 1 wages sufficient to support a family | Scope 1 equality | Scope 1 wages sufficient to support a family |
| ESG Driver | Improve the well-being of our employees and their families | Improve the well-being of our employees | Improve the well-being of our employees and their families |
| Strategic Imperative for Business | Increase employee engagement and contribution to the Company | Increase employee engagement and contribution to the Company | Increase employee engagement and contribution to the Company |

Share our Actions

| Social Elements | Health  | Education  | Housing  | Networks  | Energy  | Water  |
|--|--|--|--|--|--|--|
| Leadership Position | Share | Share | Share | Share | Share | Share |
| Action | To be decided with our Partners | To be decided with our Partners | To be decided with our Partners | To be decided with our Partners | To be decided with our Partners | To be decided with our Partners |
| Target | To be decided with our Partners | To be decided with our Partners | To be decided with our Partners | To be decided with our Partners | To be decided with our Partners | To be decided with our Partners |
| Roadmap | To be decided with our Partners | To be decided with our Partners | To be decided with our Partners | To be decided with our Partners | To be decided with our Partners | To be decided with our Partners |
| ESG Driver | Improved health and wellbeing of society | Improved engage, contribution and wellbeing of society | Improve safety and wellbeing of society | Improved engage, contribution and wellbeing of society | Improved engage, contribution and wellbeing of society | Improved health and wellbeing of society |
| Strategic Imperative for Business | Improve ESG ranking leading to improve customer, employee, financial institution, and shareholder engagement | Improve ESG ranking leading to improve customer, employee, financial institution, and shareholder engagement | Improve ESG ranking leading to improve customer, employee, financial institution, and shareholder engagement | Improve ESG ranking leading to improve customer, employee, financial institution, and shareholder engagement | Improve ESG ranking leading to improve customer, employee, financial institution, and shareholder engagement | Improve ESG ranking leading to improve customer, employee, financial institution, and shareholder engagement |

Follow our Partners and Suppliers

| Social Elements | Peace & Justice  | Political Voice  | Social Equity  |
|--|--|--|--|
| Leadership Position | Follow | Follow | Follow |
| Action | To be decided with our Partners | To be decided with our Partners | To be decided with our Partners |
| Target | To be decided with our Partners | To be decided with our Partners | To be decided with our Partners |
| Roadmap | To be decided with our Partners | To be decided with our Partners | To be decided with our Partners |
| ESG Driver | Improve safety and wellbeing of society | Improved engage, contribution and wellbeing of society | Improved engage, contribution and wellbeing of society |
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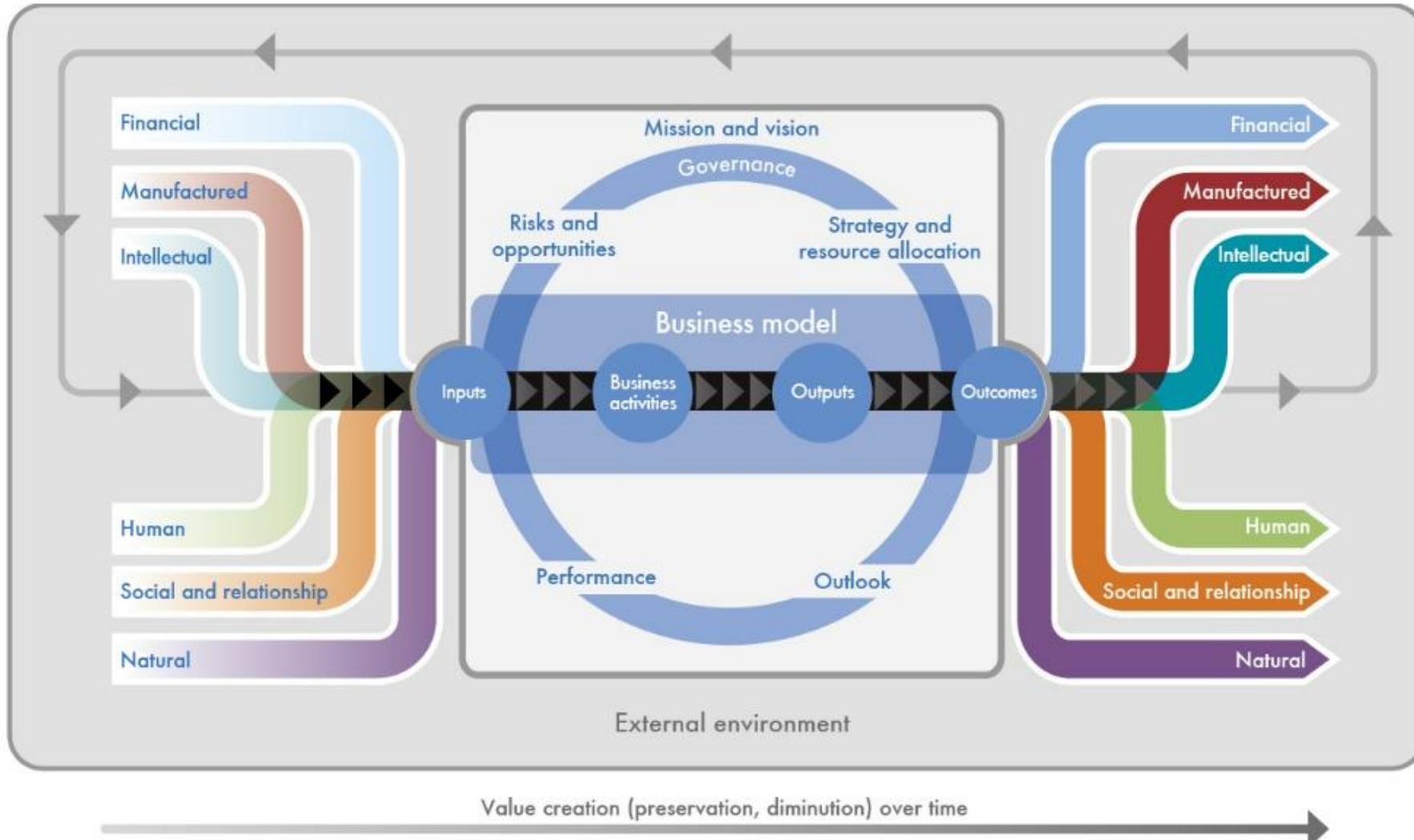
Take a Lead Position on Governance Issues

| Governance Elements | Corporate Purpose | Structure & Resources | Management Oversight | Values |
|----------------------------|---|---|---------------------------------------|---|
| Leadership Position | Lead | Lead | Lead | Lead |
| Action | Create simple statement of what issues that affect people and/or the planet you are trying to solve | Individual Company decide on the structure & resources | Board Oversight | From Brands to Stands |
| Target | Purpose-driven Company | Fully functional structure and resources to implement Purpose and ESG program | Quarterly Board Subcommittee Meetings | Brands trusted to stand for the purpose of the Company |
| Roadmap | Communication of Corporate Purpose & ESG program | Initial Structure and Resource Allocation | Board Sub-Committee | Translation of Purpose to Stands on key concerns for the stakeholders |

Share our Actions

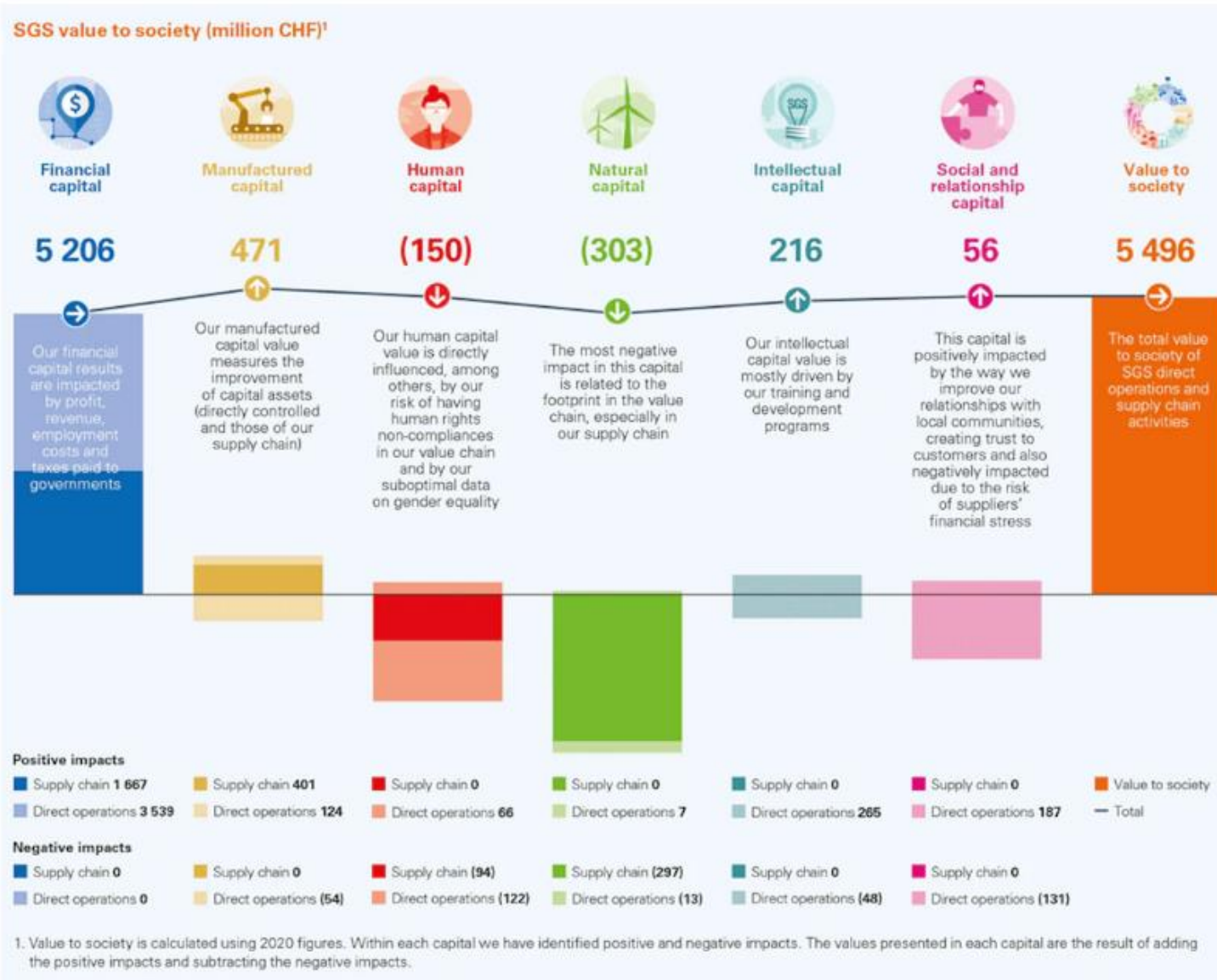
| Governance Elements | Transparency | Integrated Reporting |
|----------------------------|---|---|
| Leadership Position | Share | Share |
| Action | Reporting and commentary on ESG matrix | Integration of ESG to Financial reporting |
| Target | Achieve Top Quartile ranking on DJSI rating | Follow Integrated Reporting (IR) of multiple capital |
| Roadmap | First reporting with external DJSI rating | Selection of at least one non-financial capital for valuation and integration |

Framework to link business to sustainability



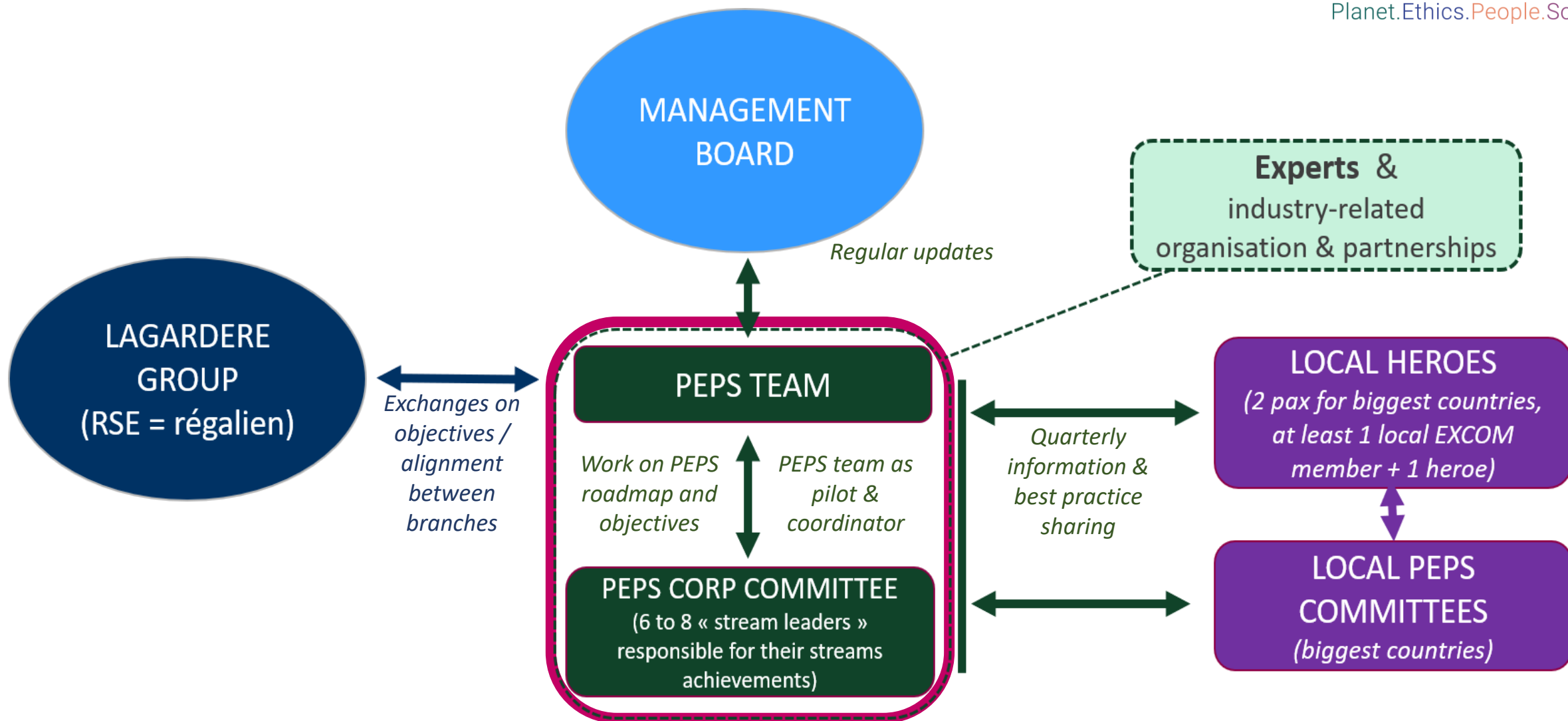
- Understand the sources of value creation for your business
- Value the impact of your operations on multi-capitals
- Manage the trade-offs
- Create long-term sustainable value for all stakeholders

Framework for Managing Multi-Capitals



□ SGS the world's leading testing, inspection and certification company.

PEPS Governance put in place in January 2022



PEPS Governance: CSR Committee & Workstream Leaders

Lagardère Travel Retail CSR Direction members



Dag Rasmussen
Chairman & Chief Executive Officer



Lucio Rossetto
Chief Business Officer



Mélanie Guilldou
EVP Foodservice & CSR

PEPS Team



Tanja Kunz
CSR Manager



Gaëlle Ortega
CSR Coordinator



Mélanie Guilldou
EVP Foodservice & CSR



Nathalie Simon
EVP Travel Essentials



Bruno Gouisset
Purchasing Director & EVP Marchand Core Business



Dr. Munif Mohammed
CEO, Lagardère Travel Retail, Middle East



Maria Gutierrez Sanchez
HR Director, Spain & Portugal



Auriane Potel
Communications Director

PLANET

Reduce carbon emissions

Reduce waste

Promote responsible packaging and disposables

ETHICS

Develop local food and products sourcing

Promote responsible products and ingredients

Cultivate ethical behaviour

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

OUR KEY TARGETS FOR 2023 & 2025

100%

Of countries have **waste measurement systems and waste reduction initiatives** in place

100%

Of countries have switched to **responsible consumables**

Achieve Carbon Neutrality by end of 2023

Scope 1 & 2 by reducing energy usage, switch to green electricity and purchase of REC and compensation for unavoidable residual emission

100%

Of countries have developed initiatives to **support local communities**

50-50

Gender balance within Top Executive teams

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