

# 2

## NON-FINANCIAL STATEMENT AND DUTY OF CARE PLAN

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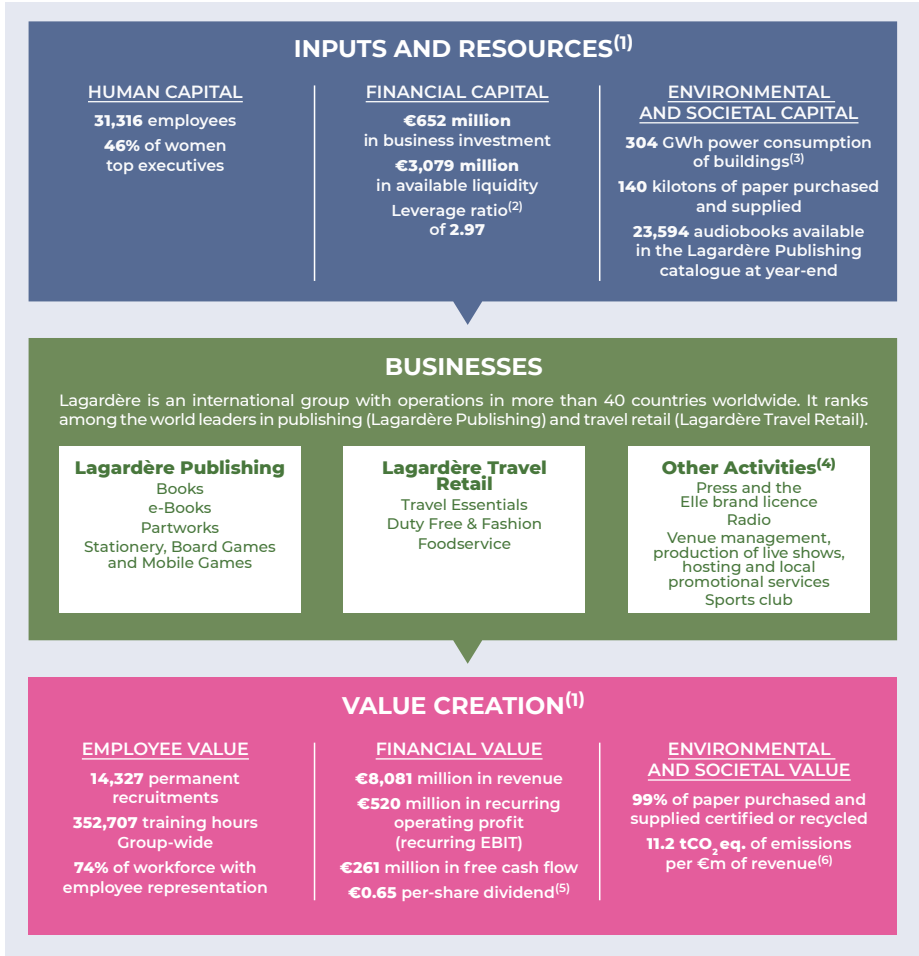
## 2.1 THE LAGARDÈRE GROUP BUSINESS MODEL AFR

The “Lagardère 2023 in brief” section and section 1.3 of this Universal Registration Document provide detailed information on the Group’s strategy, businesses and model, key figures, markets and more.

The Lagardère group’s overarching objective is to develop the loyalty of its audiences and consumers worldwide through powerful brands that deliver content publishing, production, broadcasting and distribution. The key features of this integrated model of value creation are presented in the chart below.

### Business model

## A sustainable value creation model



(1) Data at 31 December 2023.

(2) Leverage ratio: net debt/recurring EBITDA.

(3) Oil, gas, electricity and district heating.

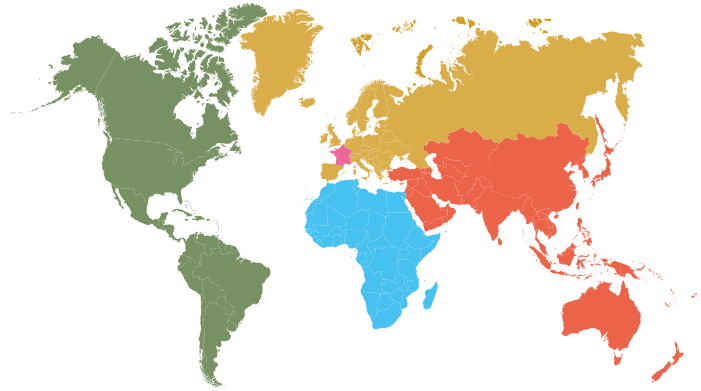
(4) Lagardère News (*Paris Match*, *Le Journal du Dimanche*, *JDD Magazine*, and the Elle brand licence), Lagardère Radio (Europe 1, Europe 2, RFM and Advertising Sales Brokerage), Lagardère Live Entertainment (production of concerts and live shows, venue management, hosting and local promotional services), Lagardère Paris Racing (sports club) and the Group Corporate function.

(5) Dividend subject to shareholder approval at the Annual General Meeting to be held on 25 April 2024.

(6) Scopes 1 & 2 carbon emissions from fixed sources (power consumption of buildings).

Items appearing in the Annual Financial Report are cross-referenced with the following symbol AFR

Workforce by geographic area at 31 December 2023



● FRANCE

Lagardère Publishing	2,707
Lagardère Travel Retail	1,854
Other Activities	1,076
<b>Total</b>	<b>5,637</b>

● EUROPE (EXCLUDING FRANCE)

Lagardère Publishing	2,703
Lagardère Travel Retail	8,703
<b>Total</b>	<b>11,406</b>

● AMERICAS

Lagardère Publishing	1,929
Lagardère Travel Retail	8,727
Other Activities	20
<b>Total</b>	<b>10,676</b>

● ASIA-PACIFIC

Lagardère Publishing	166
Lagardère Travel Retail	3,141
<b>Total</b>	<b>3,307</b>

● AFRICA

Lagardère Publishing	96
Lagardère Travel Retail	194
<b>Total</b>	<b>290</b>

## 2.2 CSR POLICIES, STAKEHOLDERS AND STRATEGY

**AFR**

Create purpose. Foster personal fulfilment at work. Combine professional excellence with respect for the planet. Anticipate the needs of a changing society. These challenges are reflected in the Lagardère group's CSR commitments, without compromising on

three internal objectives: comply with increasingly stringent regulatory requirements, make responsibility an integral part of the development strategy and maintain strong stakeholder relations.

### 2.2.1 CSR POLICY OBJECTIVES

#### 2.2.1.1 ADAPTING CSR TO GROUP STRATEGY

The Lagardère group applies its CSR policy across the Group's various businesses. The CSR roadmap reflects:

- ▶ changes in the Group's activities. The development of activities offering growth potential, as well as changes in the business models of the more historical activities, to the extent that innovation is an essential component that affects the social, environmental and societal impacts of the Group's activities;
- ▶ the Group's increasingly international footprint. The international expansion of the Lagardère group's activities, entry into new emerging markets and the objective of ensuring that growth becomes less centred on France are also factors to bear in mind since they alter the contours of the Group's CSR strategy (inclusion of issues with an international reach, impacts on local communities, promotion of cultural diversity, etc.).

#### 2.2.1.2 COMPLYING WITH INCREASINGLY STRINGENT REGULATORY REQUIREMENTS

The CSR reference framework applies internationally.

In France and in Europe, non-financial disclosure requirements have become more stringent over the years. This section represents the Group's non-financial statement, published pursuant to articles L. 225-102-1 and R. 225-105 of the French Commercial Code. It also contains the duty of care plan, which is obligatory for parent companies and contracting entities (see section 2.7), as well as Regulation (EU) 2020/852 of the European Parliament, known as the Taxonomy Regulation (see section 2.8).

Internationally, Lagardère applies a number of core CSR documents and principles, such as the International Bill of Human Rights, the ILO's Fundamental Principles<sup>(1)</sup> the OECD Guidelines for Multinational Enterprises, and the Guiding Principles on Business and Human Rights.

The Lagardère group draws on other guidelines in carrying out its business activities, such as ISO 26000, Unesco's Convention on the Protection and Promotion of the Diversity of Cultural Expressions and Unicef's Implementation Handbook for the Convention on the Rights of the Child.

Furthermore, the UN's Sustainable Development Goals (SDGs) – formulated in 2015 and setting out the societal priorities for building a more sustainable society – have become the reference for CSR best practice. Accordingly, the Group endeavours to build a strategy consistent with those goals that are most relevant to its businesses. Broken out into 17 global development goals on wide-ranging topics including gender equality, climate action, quality education and innovation, the SDGs cover all of the core sustainability priorities for the period through to 2030. They set out a clear framework of standards and shared language for all stakeholders, ensuring synergy and consistency in actions and initiatives at all levels.

Lastly, as in previous years, Arnaud Lagardère, Chairman and Chief Executive Officer of Lagardère SA, has renewed his commitment to the principles of the Global Compact, which the Group has upheld since 2003.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol **AFR**

(1) International Labour Organization.

With operations on every continent, the Lagardère group is one of the world's leading publishing and travel retail businesses. As an international Group, we need to be rigorous and exemplary in promoting rights and principles that are universally recognised and adopted to ensure that globalisation is respectful of humankind and the environment. This international commitment is expressed through the Group's membership of the United Nations Global Compact, which we joined in 2003, and which encourages businesses to operate responsibly. To reaffirm our commitment, each year we report on the progress made by our Group in the ten principles.

### HUMAN RIGHTS

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.

**Principle 2:** Businesses should make sure that they are not complicit in human rights abuses.

### LABOUR

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**Principle 4:** Businesses should uphold the elimination of all forms of forced and compulsory labour.

**Principle 5:** Businesses should uphold the effective abolition of child labour.

**Principle 6:** Businesses should uphold the elimination of discrimination in respect of employment and occupation.

### ENVIRONMENT

**Principle 7:** Businesses should support a precautionary approach to environmental challenges.

**Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility.

**Principle 9:** Businesses should encourage the development and diffusion of environmentally friendly technologies.

### FIGHTING CORRUPTION

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

**Arnaud Lagardère**

*Chairman and Chief Executive Officer of Lagardère SA*

### 2.2.1.3 STRENGTHENING STAKEHOLDER RELATIONS

Authors and other artists, readers and listeners, employees and suppliers, concession granters and the travelling public, customers and investors, consumers and shareholders: Lagardère's various stakeholders – internal, external, general public and industry – are mapped out in the following chart. The Group maintains regular and constructive dialogue with its stakeholders at local and national level in each of the countries where it operates. Dialogue takes varying forms depending on the stakeholder, both at Group level and in each entity. The information provided herein mainly refers to dialogue structured at the level of the listed company, Lagardère SA.

#### A) EMPLOYEES AND REPRESENTATIVE BODIES

The Group recognises the importance of social dialogue at various levels (sites, entities, subsidiaries, Group) for regular discussion of the operational and strategic decisions that best reconcile the Company's responsibilities to its employees with its economic interests.

Depending on local regulations and cultures, social dialogue is carried out with independent partners serving as employees' legitimate representatives. Occupational health and safety issues, working conditions as well as organisational changes impacting the professional environment are among the main topics dealt with.

At Group level, two committees have been formed to address strategic priorities and the management of operations in France and internationally: the European Works Council, set up in 2003, and the Group Employees' Committee, set up in 2002. Both bodies have regular exchanges with Management about the Group's activities and the changes required to ensure their sustainability.

The Group Employees' Committee and the European Works Council each comprise 30 members who are employees of the Lagardère group in France and Europe respectively. Since the committee's membership was renewed in 2019, French employees have held 15 seats, with the balance held by representatives from the nine other European countries in which the Group has operations – Austria, Czech Republic, Germany, Italy, Netherlands, Poland, Romania, Spain and the United Kingdom.

The articles of association of the Group Employees' Committee and the European Works Council stipulate that each of these bodies must hold an annual ordinary plenary meeting. In addition to these annual meetings, extraordinary meetings or meetings between committee members and these committees may be held if warranted.

The public offer for Lagardère SA launched by Vivendi SE in 2022 meant that social dialogue continued at a sustained and smooth pace in 2023.

The procedures for informing and consulting employee representatives concerning the public offer and the resulting link-up project were completed in July 2023 with the presentation of the expert's report commissioned by the Group Employees' Committee.

Lastly, in the subsidiaries, discussions between management and the bodies focused on the various operational projects underway and their organisational impact, as well as on employees' questions on the Group's acquisition by Vivendi, which closed on 21 November 2023.

**B) NON-FINANCIAL COMMUNITY**

Among stakeholders, the Lagardère group also maintains a dialogue with the community of non-financial analysts.

The Lagardère group accordingly achieved the following performances in 2023 (based on 2022 data), reflecting its high level of commitment, maturity and sustainability and ESG practices:

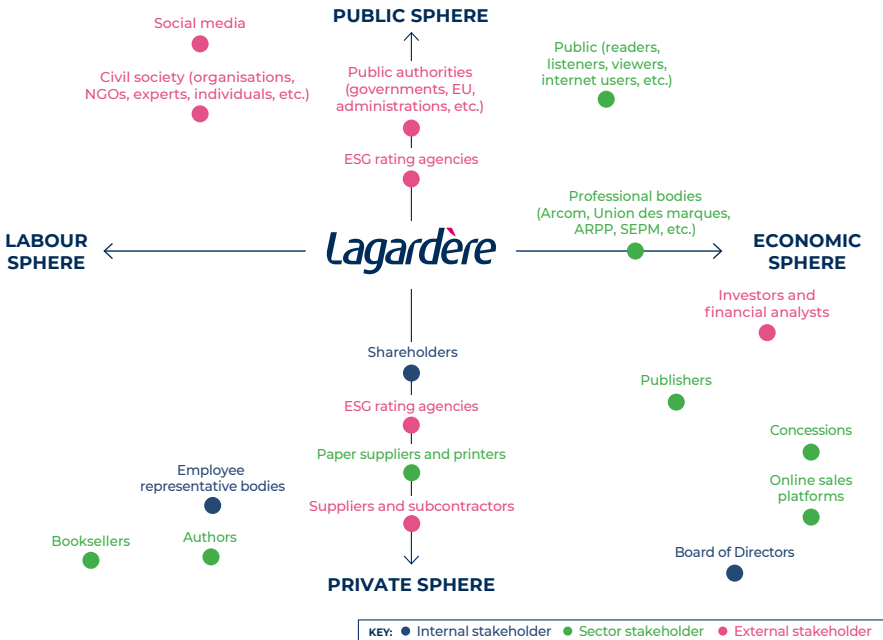
- ▶ Sustainability: "low risk", with a rating of 16.6 (up 1.2 points on the previous period, ranking Lagardère 168<sup>th</sup> out of the 505 companies rated in the "Retail" sector;
- ▶ CDP: C rating, below the average for European companies (B), but in line with the "Publishing" sector (C) in which the Lagardère group is assessed;
- ▶ S&P – Global CSA: score of 48/100 in 2023 (down 12 points from the previous year). However, Lagardère's performance is in the 95<sup>th</sup> percentile compared with other companies rated in the Media, Movies & Entertainment category.

**C) STAKEHOLDER PANEL**

Lagardère set up a stakeholder panel in 2015. This advisory body comprises 13 members (including 12 from outside the Group) who represent the Group's main priorities, business lines and sectors. Chaired by General Management and facilitated by the Sustainable Development and CSR Department, this panel's meetings have three objectives:

- ▶ establishing regular dialogue between Lagardère and its stakeholders at Group level;
- ▶ obtaining a better understanding of stakeholders' perception and expectations of the Group;
- ▶ supporting Lagardère's forward-looking strategy for its main social, environmental and societal priorities.

The panel has already met 11 times since it was first set up. In 2023, a process was undertaken to reconstitute the panel so as to adapt its membership to the Lagardère group's latest double materiality analysis, carried out in anticipation of the implementation of the European Union's new Corporate Sustainability Reporting Directive (CSRD), to which the Lagardère group will be subject in 2025 with respect to 2024.



## 2.2.2 CSR PLAYERS AND GOVERNANCE

In view of the Group's organisation, ambitions and culture, as well as changing stakeholder expectations, Lagardère's CSR governance was strengthened and broadened in 2022 and 2023.

The Board of Directors regularly reviews issues related to Lagardère's CSR and climate strategy. In addition, the Appointments, Remuneration and CSR Committee (ARCSRC) has been tasked with these issues since 2015. Over the course of 2023, the Sustainable Development and CSR Department made four presentations to the ARCSRC to present developments in CSR and the climate action plan. The Audit Committee was also more closely involved in non-financial reporting and the carbon audit, notably during a joint meeting with the ARCSRC dedicated to the Gaia project, whose purpose is to ensure compliance with the CSRD. Furthermore, during its meeting of July 2023 the Board of Directors was given a presentation on developments in its role and responsibilities regarding CSR and the climate strategy.

At Group level, the Sustainable Development and CSR Department, which reports to the Secretary General, who is also a member of the Executive Committee, sets the framework for Lagardère SA's CSR and climate strategy, working mainly with the divisional CSR and HR departments. It oversees the implementation and execution of the strategy within the divisions. Once a year, a Group-Division CSR committee meets in the presence of each division's Chief Executive Officer to review the previous year's initiatives in relation to the Group's objectives and to draw up the roadmap for the following year. In addition, a cross-functional CSR committee meets monthly with the divisional CSR and HR directors to ensure that policies and action plans are aligned throughout the year.

The CSR Department also ensures that the Group's activities are compliant with evolving regulations, carries out non-financial reporting campaigns, establishes a consolidated view of the Group's non-financial data, interacts with the rating agencies and investors, manages communication and relationships with stakeholders on all issues concerning Lagardère SA, and takes charge of the cross-divisional projects incumbent on a listed Group. In 2023, a new steering committee was set up to oversee the strengthening of Lagardère's non-financial reporting, under the dual responsibility of the Secretary General and the Group Chief Financial Officer, both members of the Executive Committee. It brings together the CSR, Finance, HR, Compliance, Internal Control and Operations functions of each division.

Within the divisions, the CSR departments propose and lead each division's strategy, in line with the Group's strategy, and coordinate implementation across all subsidiaries and regions, working hand in hand with all functions and business lines. Governance dedicated to CSR has also been set up at each level, in addition to the regular updates provided by the Executive Committees. Bodies include the Lagardère Travel Retail PEPS<sup>(1)</sup> Committee and the Lagardère Média News advertising sales brokerage CSR Committee. The divisions help the operating entities to identify local challenges and roll out the resources needed to manage them.

The operating entities manage the action plans associated with their activities in order to meet the objectives set by the Group and the divisions. Within this framework, they roll out the systems and programmes provided.

## 2.2.3 THE GROUP'S CSR STRATEGY: RISKS, IMPACTS AND OPPORTUNITIES

In 2023, the Lagardère group continued to roll out its CSR strategy, based on four pillars:

### ► Limiting the environmental impact of our products and services

The Group works towards a pragmatic, environmentally-driven commitment that is relevant to its business activities, focusing on three fronts: climate change, responsible resource management (especially paper and plastics, waste reduction, recycling) and an environmentally responsible approach to the food chain.

### ► Placing people at the heart of our strategy

The Lagardère group has a policy of actively promoting diversity and inclusion, and has made the fight against sexism in the workplace one of the major thrusts of its gender balance policy. Meanwhile, its day-to-day involvement in developing its employees' skills also plays a role in attracting and retaining talent.

### ► Sharing the social and cultural diversity of our businesses

The Lagardère group promotes access to education and knowledge while defending freedom of speech, pluralism of ideas and cultural diversity through the content it produces and distributes, as well as through its various partnerships and cultural and social solidarity programmes.

### ► Ensuring ethical and responsible corporate governance

The Lagardère group is committed to growing its business in accordance with the leading quality, compliance and ethical standards, while endeavouring to seize all the opportunities that arise in addressing the related issues.

The strategy resulted from a materiality analysis initiated in 2017 and updated in 2020 to take into account developments in the Group's activities.

In 2023, the Lagardère group took a new step by carrying out its first ever double materiality analysis, ahead of the CSRD obligations.

Led jointly by the Lagardère group's Risk, CSR and Finance departments, the project involved all divisions and their business lines. Around 40 issues were identified in relation to the Group's activities and assessed using a method based on the same scoring scale as the Group's risk analysis and in the light of external data sources (MSCI, EcoVadis etc.). Thirteen material issues were retained from a pre-selection of 21, thereby confirming and developing the strategic priorities already identified. The double materiality analysis now includes not only a gross assessment of the financial risks CSR challenges pose for the Company, but also an assessment of the impact of the Group's activities on the environment and stakeholders.

Of the 13 material issues identified in this double materiality analysis, five are priorities for the Group as a whole and eight are specific to the divisions, depending on their activities.

(1) PEPS: Planet, Ethics, People, Social.

**PRIORITY ISSUES FOR THE GROUP AS A WHOLE**

**Climate** is a compelling issue for all divisions. Three social issues also stand out across all activities and business lines: **working conditions, health and safety, and workers in the value chain** (in relation to subcontracting activities and supplier relationships). Lastly, **equal opportunities** has been identified as a core value for the Group, which, although associated with risks and impacts, offers significant opportunities for its human resources and commercial activities: diversity of talent is a strength in all businesses, and editorial diversity also guarantees increased market share (particularly in the publishing and media business lines).

- ▶ Governance covers issues including **anti-corruption and business ethics**, particularly for the Group Corporate function and the Lagardère Travel Retail teams, as well as **data protection** for Lagardère News.
- ▶ As three of our four businesses are dedicated to content (books, entertainment, media), **education and access to culture** represent substantial opportunities, as do **freedom of expression and pluralism of opinions**, and also underpin the importance of the Jean-Luc Lagardère Foundation and the Hachette Foundation for Reading.

**ISSUES SPECIFIC TO DIFFERENT DIVISIONS**

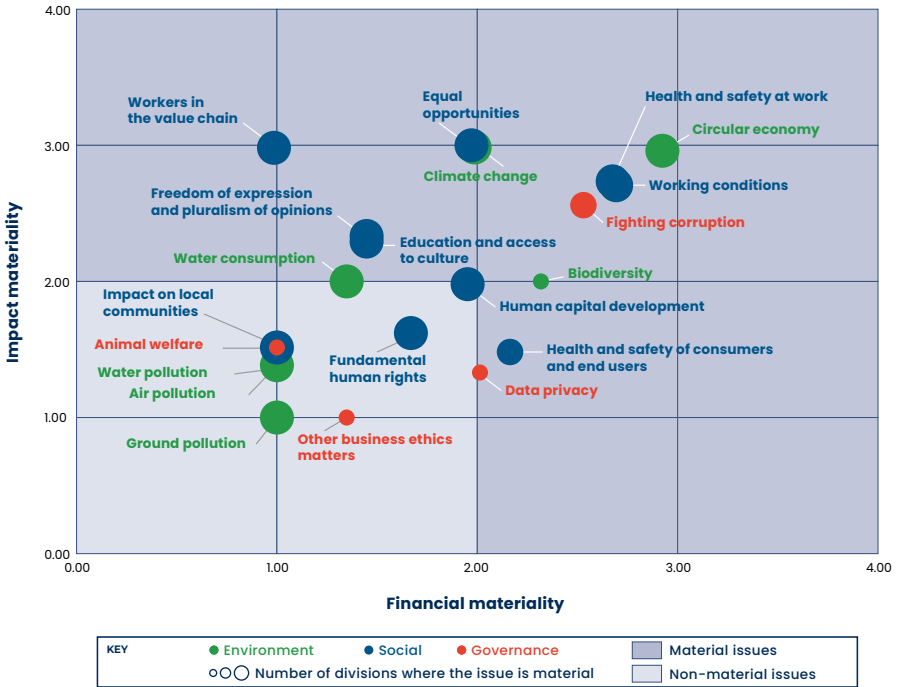
- ▶ Mounting concerns around **biodiversity** intersect with the issue of managing the resources (wood, water, etc.) needed to produce paper for the publishing activities (Lagardère Publishing and Lagardère News).
- ▶ The **circular economy** is a material issue for both publishing and retail.
- ▶ **Consumer health and safety** is a particular concern for both Lagardère Travel Retail and Lagardère Live Entertainment, two activities that are both open to the public.

In 2024, the Lagardère group will continue this approach by fine-tuning the analysis and embedding it more deeply in its strategy, business model and non-financial reporting. "Biodiversity", "Workers in the value chain", and "Health and safety at work", which did not appear in the previous materiality analysis from 2020, are now described in the following sections on the basis of existing actions and will be the subject of more robust action plans in 2024. "Human capital development" (training, retention), which did not reach the level of materiality in the analysis, is nevertheless covered.

The financial quantification of climate risks, as described in section 5.2, also complements and informs this work.









Lastly, with regard to the publication of information aimed at strengthening the bond between the nation and the armed forces and supporting service in the reserves, the Lagardère group has not yet taken any initiatives in this area.

**Lagardère group double materiality matrix**





Corporate social responsibility cross-reference table

ESG challenges	Risks and opportunities	Materiality	Strategy and KPIs (quantitative and qualitative)	SDG
2.3.1 Placing people at the heart of our strategy	Working conditions	Group	<p><b>See chapter 2.3.1.1</b></p> <ul style="list-style-type: none"> <li>Resignation rates</li> <li>Internal mobility rate</li> <li>Average training hours per employee</li> <li>Percentage of employees covered by an engagement survey</li> <li>Proportion of workforce covered by employee representation at 31 December</li> <li>Number of formal disputes involving forced labour or harassment</li> </ul>	
	Health and safety at work	Group	<p><b>See chapter 2.3.1.2</b></p> <ul style="list-style-type: none"> <li>Number of work accidents and days' absence due to sick leave</li> <li>Frequency and severity rate and lost time related to work accidents</li> <li>Percentage of the workforce at an entity with a health and safety committee</li> <li>Percentage of training hours dedicated to occupational health and safety</li> <li>Percentage of the workforce at an entity with regular health monitoring</li> </ul>	
	Diversity and gender balance in human capital	Group	<p><b>See chapter 2.3.1.3</b></p> <ul style="list-style-type: none"> <li>Percentage of women top executives</li> <li>Percentage of women managers</li> <li>Percentage of managers trained in and/or made aware of diversity issues</li> <li>Number of employees with a disability</li> <li>Number of formal disputes involving discrimination</li> </ul>	
	Consumer health and safety	Lagardère Travel Retail Lagardère Live Entertainment	<p><b>See chapter 2.3.1.4</b></p> <ul style="list-style-type: none"> <li>Number of countries audited for health and safety during the year</li> <li>Percentage of countries audited for health and safety at year-end</li> </ul>	
	Workers in the value chain	Group	<p><b>See chapter 2.3.1.5</b></p> <ul style="list-style-type: none"> <li>Percentage of expenditure related to suppliers presenting high CSR risks as assessed by EcoVadis</li> <li>Number of formal disputes involving child labour</li> </ul>	
2.3.2 Sharing the social and cultural diversity of our businesses	Access to and dissemination of education, culture and entertainment	Lagardère Publishing Lagardère News Lagardère Radio Lagardère Live Entertainment	<p><b>See chapter 2.3.2.1</b></p> <ul style="list-style-type: none"> <li>Number of audiobooks available in the Lagardère Publishing catalogue at year-end</li> <li>Percentage of e-books available in ePub3 format among new textbooks (level 1 accessibility) in the Lagardère Publishing catalogue at year-end</li> <li>Percentage of e-books available in ePub3 format among new textbooks that successfully passed the Level 2 Accessibility Check for ePub in the Lagardère Publishing catalogue at year-end</li> </ul>	
	Engaged corporate Foundations	Group	<p><b>See chapter 2.3.2.2</b></p> <ul style="list-style-type: none"> <li>Jean-Luc Lagardère Foundation</li> <li>The Hachette Foundation for Reading</li> </ul>	
	Freedom of expression and plurality of opinions	Lagardère Publishing Lagardère News Lagardère Radio Lagardère Live Entertainment	<p><b>See chapter 2.3.2.1</b></p> <ul style="list-style-type: none"> <li>Number of hours devoted to environmental issues at Lagardère Radio</li> <li>Number of articles dedicated to the environmental cause at Lagardère News</li> </ul>	
2.3.3 Limiting the environmental impact of our products and services	Fighting climate change	Group	<p><b>See chapter 2.3.3.1</b></p> <ul style="list-style-type: none"> <li>Scopes 1 &amp; 2 carbon emissions per €m of revenue (in tCO<sub>2</sub>eq)</li> <li>Scopes 1 &amp; 2 and business travel and commuting carbon emissions per FTE employee (in tCO<sub>2</sub>eq)</li> <li>Group tertiary energy consumption, worldwide (in GWh)</li> <li>Group GHG emissions, worldwide (in tCO<sub>2</sub>eq)</li> </ul>	
	Resource management, anti-waste measures and the circular economy	Lagardère Publishing Lagardère Travel Retail	<p><b>See chapter 2.3.3.2</b></p> <ul style="list-style-type: none"> <li>Total weight of paper (supplied and purchased)</li> <li>Percentage of certified paper and recycled paper</li> <li>Percentage of Foodservice revenue in countries with food waste measurement systems or initiatives in place</li> <li>Percentage of Foodservice revenue in countries that have switched to more responsible consumables, in own banners</li> <li>Water consumption</li> </ul>	
	Biodiversity and ecosystem preservation	Lagardère Publishing	<p><b>See chapter 2.3.3.3</b></p>	
2.3.4 Ensuring ethical and responsible corporate governance	Fighting corruption	Group	<b>See chapter 2.3.4.1</b>	
	Respect for privacy	Group	<b>See chapter 2.3.4.2</b>	
	Other ethical information	Group	<b>See chapter 2.3.4.3</b>	

## 2.3 CSR STRATEGY IMPLEMENTATION, ROLLOUT AND OUTCOMES

AFR

### 2.3.1 PLACING PEOPLE AT THE HEART OF OUR STRATEGY

#### 2.3.1.1 WORKING CONDITIONS

Today's world is changing fast, with new growth models emerging all the time. To keep up, the Lagardère group must attract and support the career development of talented, creative and engaged employees to design innovative products and services and produce high-quality content.

#### A.1 STRATEGY

Operating entities manage their employees independently and locally to bring out the best in their human capital. To achieve this, they implement measures to respond to the specific needs of their activities, businesses and environments.

However, this autonomy is subject to commitments common to the entire Group.

The issues of **engagement** and **quality of work life** have become increasingly important in recent years, particularly in the wake of the health crisis. The Group's divisions therefore ensure that they offer working conditions that are appropriate and proportionate to their activities. By reinforcing initiatives that have been in place for several years and introducing new approaches, they aim not only to retain their teams but also to develop their attractiveness in an increasingly complex and competitive job market. Accordingly, work-life balance, physical well-being, remuneration and employee engagement are core drivers of the Group's strategy in this area.

#### A.2 APPLICATION

##### QUALITY OF WORK LIFE AND EMPLOYEE ENGAGEMENT

After spreading across the Group during the health crisis, working from home has become standard in all divisions, with an average of two days per week. The option is available to employees in any compatible position, which tends to exclude certain jobs like store sales staff and logistics operators.

At Lagardère Publishing, several initiatives to enhance quality of work life and improve employee work-life balance, health and well-being (massage, coaching and relaxation methods, etc.) have been deployed in the various entities of the French subsidiary (Hachette Livre France). A three-year agreement on quality of life, working conditions and the right to disconnect was also drawn up in 2022.

Introductory webinars are also regularly offered to employees on time management, disconnecting and the movements and postures that help to prevent musculoskeletal disorders (MSDs). Other courses raise managers' awareness of the challenges of preventing mental health risks.

In addition, Hachette Livre France has set up a system that allows employees to donate days off to colleagues to enable them to spend time with a seriously ill dependent child, or those who may have lost a child under the age of 25, or who are caring for relatives with disabilities or reduced autonomy.

In the United Kingdom, Hachette UK is fostering physical well-being in the workplace with its Well-being Employee Network, which organises sports activities that are open to all, including softball, netball, running, yoga, pilates and walks in partnership with the Mental Health Mates network.

The UK subsidiary also offers an Employee Assistance Programme telephone hotline, which any employee can call, free of charge and anonymously, to access psychological support, legal, financial or medical advice or elderly or child care advice. Lastly, events are regularly organised to raise employee awareness of mental health issues.

During the year, the vast majority of Lagardère Travel Retail subsidiaries conducted an initial or repeat Gallup survey of employees, measuring the engagement of 81% of employees on permanent contracts as of 31 December 2023 through 12 questions. Based on the findings, action plans are implemented to respond to each situation, in a commitment to fostering and encouraging employee engagement.

Lagardère Travel Retail also aims to use digitalisation as a means of facilitating the daily lives of its employees. In addition to the overall Learning Management System project, designed to foster a global learning culture and promote a shared base for training, many countries have gone further in digitalising their tools in order to simplify time management, performance appraisal processes and other aspects of employees' daily lives.

Every year, Lagardère News participates in the Quality of Life and Working Conditions Week by organising talks, sports activities (coaching, internal tournaments, yoga, pilates) and relaxation (sophrology), thereby contributing to the overall well-being of its employees at work.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol **AFR**

## TRAINING AND INTERNAL MOBILITY

In order to offer employees guidance throughout their career, the Lagardère group's divisions make available a selection of training options in a broad range of fields, including digital technologies, management, communication, health and safety, foreign languages, businesses, etc. The increase in the number of training hours in 2023 underlines the level of commitment throughout the Group, with 72% of the total devoted to professional skills or management practices. These courses are closely correlated to employees' current performance and development potential. At the end of 2023, an e-learning platform was rolled out across the Group, aimed at:

- ▶ offering employees an individualised, effective and flexible learning solution providing access to a catalogue of relevant modules in many different fields;
- ▶ setting up a shared system within the divisions to pool efforts and facilitate content sharing alongside a decentralised management approach;
- ▶ facilitating the training required to comply with applicable regulations.

**352,707** hours of training dispensed across the Group.

Several Group entities are gradually introducing regular climate awareness and training programmes to promote their employees' engagement on climate issues. In 2023, Lagardère Travel Retail organised Climate Fresk workshops at its headquarters in France and among other key communities, including country CSR representatives, managers and heads: 180 people have already attended these themed workshops, and nine employees have upskilled to become trainers themselves. Several countries including Switzerland, Peru, the Czech Republic and the United States have also offered the training internally, and more countries plan to follow suit in 2024. The Lagardère News CSR Week, organised to coincide with the European Sustainable Development Week, is an opportunity to run a series of shared initiatives across various departments via podcasts, key figures, competitions and photo exhibitions. Dedicated climate training has also been introduced for journalists (see section 2.3.2.1).



Lagardère Travel Retail employees during a Climate Fresk awareness-raising workshop.



Screenshot of a Lagardère News CSR Week newsletter.

Internal mobility is a key component of the people engagement and retention strategy, building on the training and employee skills development initiatives.

However, the differences between the Group's activities can make mobility between divisions more challenging for operational functions. In France, however, the Lagardère group has developed a special process to assess mobility opportunities (mainly in the support functions) and the profiles of transfer applicants. Comprising HR mobility officers, this inter-division committee met five times in 2023, in addition to regular discussions among the members.

At Group level, 1.2% of vacancies for permanent positions were filled through internal mobility in 2023. While this figure may appear to be low, it was heavily impacted by the high level of employee turnover at Lagardère Travel Retail, mainly among retail sales staff for whom internal mobility is relatively impracticable. Adjusted for this factor (recruitment in the category "Other employees" at Lagardère Travel Retail), the Group's internal mobility rate fell to 6.8% in 2023 from 8.7% in 2022.

## REMUNERATION

To take into account employees' skill levels, training and responsibility and the specific nature of the business sectors they work in, individual rather than collective pay rises are increasingly common. As such, most of the Group's entities have set up collective performance incentives such as bonuses and variable pay. These practices enable the Group to correlate employee remuneration to the achievement of individual and collective objectives at the level of the subsidiary concerned.

In return for these individually tailored pay measures, to ensure optimum transparency between staff and their management on remuneration, the Group encourages annual interviews, which give employees a better perception of their performance with regard to the requirements of their job.

In addition, the Group seeks to retain its key employees by regularly distributing shares in the parent company, Lagardère SA. Since its launch in 2019, a large number of managers and young talents have benefited from this programme (see the special report of the Statutory Auditors in section 3.8.9).

### A.3 OUTCOMES

#### Resignation rates<sup>(1)</sup> (in %)<sup>(2)</sup>

Division	2023			2022			2021		
	Top executives	Managers	Other employees	Top executives	Managers	Other employees	Top executives	Managers	Other employees
Lagardère Publishing	3.3	7.8	12.8	3.7	8.5	18.9	2.9	7.6	13.5
Lagardère Travel Retail	18.1	19.1	51.6	15	13.3	54.9	8.7	8.8	19.4
Other Activities	6.8	11.3	18.5	4.1	11.8	14.3	4.2	7.4	10.3
Group	11.4	12.3	43.7	9.3	10.8	47.3	6.0	9.8	38.9

The significant divergences in the percentage of voluntary departures by division and professional category in the table above mainly reflect local job markets and starkly different approaches to work between countries. Differences are also found among the subsidiaries.

Voluntary departures are especially common at Lagardère Travel Retail, as retail employees are included in this indicator across a broad scope.

#### Other indicators

Indicator	2023	2022	2021
Internal mobility rate	6.8	8.7	6.0
Average training hours per employee	12.2	12.3	13.3
Percentage of employees covered by an engagement survey <sup>(1)</sup>	70	63	-
Number of formal disputes involving forced labour	0	0	1
Number of formal disputes involving harassment	2	1	2
Percentage of workforce covered by employee representation at 31 December	74	69	69

(1) Data reported for the first time in 2022.

Several formal disputes<sup>(3)</sup> involving harassment were recorded in 2023.

Of the two cases identified, one was still awaiting resolution at 31 December 2023 and the second was settled in favour of the entity further to arbitration (complaint dismissed by the competent authorities).

#### 2.3.1.2 HEALTH AND SAFETY AT WORK

Work plays a central role in the lives of the Group's employees, with most of them spending at least eight hours a day at the workplace, be it an office, warehouse, store or other location. It therefore goes without saying that the working environment should be healthy and safe.

#### A.1 STRATEGY

The Lagardère group's first priority is to comply with the health, hygiene and safety regulations in force and to take all necessary precautions. Where there is a risk to life and limb, the Group recognises employees' right to withdraw their labour in accordance with the law. The Group also strives to reduce health and occupational risks, while ensuring that all employees are sufficiently well-informed to carry out their duties, and committing to maintaining open social dialogue so that issues can be dealt with effectively at the local level.

#### A.2 APPLICATION

Certain divisions are not only deploying policies to mitigate health, safety and quality of work life risks, but also a number of initiatives designed to improve employee working conditions through prevention practices, awareness building campaigns and training. Hachette Livre has adopted the following key measures in France:

- ▶ all employees benefit from individual health monitoring by the occupational health and prevention service at Hachette Livre;
- ▶ risks to the health and safety of employees are assessed in each work unit, in consultation with staff representatives, including the choice of work equipment, the design of workstations and work organisation. The assessment also covers mental health risks. The results of the assessment are then compiled into a single occupational risk assessment document, which lists all the occupational risks to which employees are exposed and ensures that their exposure can be traced collectively;
- ▶ occupational risk prevention programmes are defined and implemented, with an annual assessment;
- ▶ safety training is provided regularly. Particular attention is paid to distribution employees and temporary workers, whose work in logistics exposes them to heightened accident risk (gestures and postures, fire safety, etc.). This training is repeated as often as necessary;

(1) Calculated as (resignations plus recruitments) divided by two divided by the workforce at 31 December of the prior year.

(2) Due to the significant level of employee turnover during the year, this indicator is subject to a degree of uncertainty, despite controls conducted on the data representing just over 1% of the workforce in 2023 (level of uncertainty similar to 2022).

(3) Formal dispute means any legal action or claim officially filed with competent authorities.

► distribution employees are provided with appropriate work equipment (conveyors, harnesses, grippers, safety shoes, gloves, high-visibility vests, etc.) and protection appropriate to the risks involved, certified in accordance with European standards. This equipment is provided, used, adjusted and maintained to ensure the safety of our employees.

At Lagardère News, several initiatives are underway internally to raise awareness and support employees on health and safety issues. For example, the division organised quit-smoking month workshops

in November 2023. And for Pink October, the division organised awareness-raising workshops and self-examination sessions, as well as a cake sale in support of Rose Up, a charity that provides information and support to women with cancer.

In addition to these events, health and safety is a key focus of media activities. For example, all employees receive terrorism prevention training. Journalists receive regular training on travelling in high-risk environments, and are systematically provided with safety equipment when they travel.

### A.3 OUTCOMES

#### Number of work accidents and days' absence due to sick leave<sup>(1)</sup>

Division	Number of accidents	Number of days of absence due to work accidents
Lagardère Publishing	108	6,904
Lagardère Travel Retail	320	10,173
Other Activities	36	1,082
<b>Group total 2023</b>	<b>464</b>	<b>18,159</b>
Group total 2022	338	16,008
Group total 2021	242	8,876

#### Frequency and severity rate<sup>(2)</sup> and lost time related to work accidents

Division	Frequency rate			Severity rate		
	2023	2022	2021	2023	2022	2021
Lagardère Publishing	<b>8.39</b>	10.43	9.29	<b>0.54</b>	0.56	0.32
Lagardère Travel Retail	<b>8.12</b>	5.89	3.35	<b>0.26</b>	0.26	0.13
Other Activities	<b>22.42</b>	13.62	15.77	<b>0.67</b>	0.56	0.67
<b>Group</b>	<b>8.61</b>	<b>7.40</b>	<b>5.27</b>	<b>0.34</b>	<b>0.35</b>	<b>0.19</b>

(1) Reported work accidents and days of sick leave include commuting accidents deemed to have occurred in the course of work.

(2) Frequency rate = (number of work accidents resulting in lost time x 1,000,000)/theoretical number of hours worked. Severity rate = (number of days of lost time x 1,000)/theoretical number of hours worked.

## Social dialogue and health and safety

Indicator	2023	2022	2021
Percentage of the workforce at an entity with a health and safety committee	86	87	87
Percentage of the workforce at an entity with regular health monitoring	92	90	92
Percentage of training hours dedicated to health and safety	14	5	9

Business levels recovered strongly in 2023, after several years impacted by the Covid-19 crisis. As a result, the frequency rate of work-related accidents increased at Lagardère Travel Retail and for Other Activities compared with 2022. However, severity rates were broadly stable.

### 2.3.1.3 DIVERSITY AND GENDER BALANCE IN HUMAN CAPITAL

Discrimination based on gender, disability, sexual orientation, origin, religion or other factors is an obstacle to the implementation of diversity, which is key to social harmony and performance. The Lagardère group believes that having a diverse workforce drives creativity and growth.

#### A.1 STRATEGY

Adapting to local cultures, the diversity of consumers and the increasing number of markets are strategic factors in the development of all Group businesses. Given its wide range of business activities and the broad array of expertise provided by its workforce, the Lagardère group promotes diversity in its subsidiaries through the commitment of its human resources departments.

First, as stated in its Code of Ethics, Lagardère is opposed to all forms of discrimination based on a person's origin, lifestyle, age, sex, political or religious opinions, trade union affiliation, disability or sexual orientation. It works to apply and promote the International Labour Organization's fundamental principles on eliminating discrimination in respect of employment and occupation and stamping out forced and compulsory labour.

Lagardère's strategy to promote diversity and gender balance has translated these principles into three main focal points:

- ▶ gender balance in the Group;
- ▶ breaking down stereotypes based on race or social class;
- ▶ integrating employees with disabilities.

#### A.2 APPLICATION

##### GENDER BALANCE IN THE GROUP

Women continue to occupy a central position in the Group's workforce. In 2023, for example, they represented **63% of the total permanent workforce** and 60% of managers. Logically, they also accounted for the lion's share of training (60% of training hours received), promotions and pay rises (62% of promotions as managers or to senior executive positions and 63% of pay rises).

The steady increase in the percentage of women in senior management prompted the Group, starting in 2021, to focus its efforts on a smaller number of "top executives", representing a little more 350 people. Within this group<sup>(1)</sup>, the proportion of women has risen from 42% at end-2020 to 44% in 2021, 45% at end-2022

and 46% at end-2023, which was above the objective of 45% set at the beginning of 2021 for the end of 2024.

One of the ways the Group supports women is through a cross-division mentoring programme led by the LL Network, an employee advocacy group set up in 2018 dedicated to promoting gender balance for all employees in France. In 2023, the fourth class of mentees will benefit from the experience of executives from all divisions. This network is also one of the vectors through which the Group demonstrates its commitment to a range of causes in support of women, such as its endorsement of Women's Empowerment Principles and its commitment to the #SToPE initiative to put an end to everyday sexism in the workplace, etc.

At Hachette Livre France, an awareness-raising and self-diagnosis web app available to all employees, addressing the fight against sexism and sexual harassment at work and developed in partnership with Me&YouToo, was launched for all employees in 2021. In 2022, a new tool extended the approach to all dimensions related to diversity. Since then, these tools have been shared with new arrivals when they are onboarded.

In 2022, the subsidiary also reinforced its initiatives promoting gender equality in the workplace by signing an agreement with employee representatives, in which it undertook to maintain the full salary of any employee with at least six months' seniority throughout their entire second parent leave. Note that French law had lengthened this leave from 11 to 25 calendar days (or 28 days in the case of multiple births) but did not mandate payment of the employee's salary over the period.

In the United Kingdom, Hachette UK has endeavoured to foster a culture of openness and inclusion in the workplace. In line with this, a number of support initiatives were launched in 2022 for women during pregnancy, child loss and menopause.

In 2023, Hachette UK also began conversations to demystify the issues of pay and promotion in the workplace. This initiative promoted open dialogue among employees and on social media, empowering women to chart their careers. This proactive policy earned Hachette UK a place in the 2023 ranking of the Top 50 Employers for Gender Equality published by *The Times*.

Lagardère Travel Retail is also stepping up its activities in this area. In 2023, the division asked each of its host countries to implement at least one initiative to promote gender equality. Poland, for example, has rolled out a "Women's Empowerment" coaching programme to enable talented female employees to develop their leadership skills, while Switzerland has run a campaign to raise awareness of women's rights. A programme to develop female talents was run in Spain and Portugal. In parallel, Italy has introduced "Gender Certification" and Romania has supported not-for-profits promoting women. Lastly, the United States has added a women's advancement task force to the entity's Diversity & Inclusion approach.

(1) This group includes (i) members of the Executive Committee and their direct reports, (ii) members of the enlarged Executive Committees and Management Committees of Lagardère Publishing, Lagardère Travel Retail and Lagardère News, (iii) management teams of independent country entities for Lagardère Travel Retail, and (iv) senior executives for Lagardère Publishing.

In Africa, which is a major focus of business development for the division, a partnership has been established with UN Women in Senegal to raise awareness of gender equality among our teams through a support program for 2,500 women agricultural entrepreneurs, whose products are then sold in stores in airports. A pay equity analysis is also underway across the division. Its findings will be released and acted upon in 2024.

Lastly, the Group's weighted equal pay index as calculated based on the scope of entities subject to disclosure in France, moved back very slightly during the year to 89.8/100 from 91.1 in 2022.

**46% of top executives are women.**

**BREAKING DOWN STEREOTYPES**

The broad diversity of Lagardère's employees reflects both the variety of its host geographies and the diversity of its customers and consumers.

Diversity and inclusion committees are becoming more widespread in the divisions, with a focus on diversifying recruitment channels.

At Group level, regular awareness and other training programmes on managing diversity and combating stereotypes continue apace, with 52% of managers trained in 2023.

Several initiatives conducted in partnership with non-profit organisations promoting diversity and inclusion were pursued across the Group during the year. In France, the non-profit organisation Nos quartiers ont des talents (Our neighbourhoods have talent) was supported by sponsors at Hachette Livre and Lagardère News.

During 2022, Hachette Livre also renewed its three-year partnership with Sciences Po Paris, to provide financial support for the school's Priority Education Contracts (CEP) and enable division executives to act as mentors to programme participants.

Hachette UK has continued to take action to combat stereotypes through the Changing the Story programme. Over the last six years, it has worked tirelessly to promote all forms of diversity, building on partnerships and employee networks (see also section 2.3.2.1). In 2019, Hachette UK notably committed to increasing the proportion of employees from ethnic minorities to 15% by 2024. This percentage has been raised to 14.7% in 2023, from 7.7% in 2019.

In the United States, Hachette Book Group is partnering with organisations to make publishing more inclusive, diverse and accessible to all. In 2023, the subsidiary hosted a roundtable discussion on the experience and challenges faced by women of colour in publishing.

Hachette Book Group also hosted an exchange with a panel of publishers, marketers and publicists for the Lambda Literary Foundation, an organisation dedicated to promoting LGBTQIA+ authors. The subsidiary also hosted a Q&A session with the Hurston/Wright Foundation, an organisation dedicated to supporting Black writers, on best practices in finding an agent, pitching a book and the steps involved in getting it published. Lastly, diversity was also promoted by the Group's employees through initiatives such as the Latinx Employee Resource, which organised several events to celebrate Hispanic and Latin American Heritage Month.

Lagardère Travel Retail also continued its actions in 2023. Diversity and inclusion committees have been set up in Spain, Portugal, West Africa (Mauritania, Gambia, Senegal, Gabon and Benin) and the Pacific, following on from those at the headquarters in France and in North America. In Peru, a mentoring programme set up in partnership with non-profit Forge and Lima airport enables Lagardère Travel Retail managers to provide tutoring to disadvantaged young people in the Callao region. It also helps to finance their studies and ultimately leads to their recruitment as store assistants or cashiers.

**INTEGRATING EMPLOYEES WITH DISABILITIES**

In France, Hachette Livre set up its own Mission Handicap programme in 2015, and was among the first companies to sign the charter for the inclusion of people with disabilities in the workplace.

Awareness-raising activities continued in 2023 in the form of workshops on the basics of sign language and a series of webinars on dyslexia and autism, with contributions from the division's experts and authors. In addition, support groups for employees whose children have learning disorders meet regularly. Since 2021, managers have also been trained in inclusive management in partnership with Aviséa, a human resources consultancy.

Hachette Livre also continues to support employees seeking to obtain disabled worker status. In 2023, to mark the European Week for the Employment of People with Disabilities, Mission Handicap sent out a questionnaire aimed at raising awareness of the recognition of disabled worker status and encouraging employees to express their needs to facilitate the implementation of appropriate measures.

In addition, Hachette Livre continued its long-standing partnerships with Cap Emploi and Agephif, as well as non-profit organisations Tremplin and Arpejeh, to promote the recruitment of people with disabilities.

In 2023, Hachette UK implemented neurodiversity and accessibility policies to support people with disabilities, whether visible or invisible. They came with guidance documents for line managers and company-wide authors' roundtables to help raise awareness. Hachette UK is now a Disability Confident Committed employer, reaffirming its commitment to this issue at level 2 of the scheme.

In the United States, the Employee Resource Group (ERG) at Hachette Book Group (HBG) organised an event for all employees with a neurodiversity specialist to raise awareness of different ways of thinking and learning, and to improve inclusiveness within the entity.

At Lagardère Travel Retail, for the second year running, the headquarters teams organised workshops and talks during Disability Week and continued to call on companies that provide adapted work and support for people with disabilities for most of their events. In addition, Spain and Portugal have created a diversity management

**Handicap**

**Les référents Handicap, des interlocuteurs privilégiés pour toutes vos questions**

**A quoi sert une RQTH ?**  
Prévenir l'évolution de mes contraintes ou de ma maladie, analyser mon besoin, rechercher des solutions pour aménager mon poste en lien avec le médecin du travail, financer des équipements, bénéficier d'un jour de télétravail supplémentaire, bénéficier d'un complément de droits CPF, etc. ; en bref, sécuriser mon emploi et mon parcours.

**“ Faire ma reconnaissance du handicap ne m'apporte rien ”**

**Et si j'ai envie de rester discret au sujet de mon handicap ?**  
Les personnes informées ont une obligation de discrétion associée au respect de votre vie privée. Dans tous les cas, il vous appartient de déterminer si vous souhaitez partager votre situation avec votre manager ou votre équipe.

**“ Si je transmets mon titre de Reconnaissance, tout le monde va le savoir ”**

Extract from the Hachette Livre Mission Handicap brochure.

awareness programme for all support functions and store managers. Lastly, Belgium worked with recruitment agencies specialising in the integration of disabled employees, while Peru trained all supervisors in sign language to make them aware of the difficulties faced by hearing-impaired employees. Volunteering and awareness-raising

initiatives on autism and disability have also been developed in close collaboration with Lima airport.

In 2023, like Lagardère Publishing and other Group divisions for several years, Lagardère News took part in DuoDay in France, an event where people with disabilities are paired with employee volunteers for a day in the workplace.

### A.3 OUTCOMES

Indicator	2023	2022	2021
Percentage of women top executives	46	45	44
Percentage of women managers	60	60	58
Percentage of managers to receive diversity awareness-raising or training during the year	52	30	16
Percentage of permanent employees classified as disabled at 31 December	1.97	1.50	1.35
Number of permanent employees classified as disabled at 31 December	616	406	342
Number of formal disputes involving discrimination	10	6	9

Over the past several years, the Group has been monitoring the number of formal discrimination cases brought against Group entities. In 2023, ten disputes were recorded, involving entities based in the United Kingdom and the United States. The three disputes in the United Kingdom were resolved in favour of the entity. Of the seven disputes in the United States, five are pending and two were settled out of court at the beginning of 2024.

#### 2.3.1.4 CONSUMER HEALTH AND SAFETY

All companies have a duty to ensure the health and safety of the people who use their products and services, as well as complying with applicable regulations. Within the Lagardère group, this issue mainly concerns Lagardère Travel Retail's Foodservice business line. An incident involving the quality of products sold would not only impact the health and physical safety of consumers but could also jeopardise the Group's credibility and reputation among both customers and partners.

#### A.1 STRATEGY

Lagardère Travel Retail, which now sells food at more than 1,600 points of sale around the world, is focusing more closely on food hygiene and safety. Developed with the support of Bureau Veritas SGS, Eurofins and Ecosure, all recognised for their expertise in health safety and brand compliance, the division's strategy is based primarily on Food Safety Guidelines distributed in all countries. Last updated in 2020, they impose strict rules that are sometimes more demanding than applicable hygiene regulations.

#### A.2 APPLICATION

Alongside food hygiene and safety, another challenge for the Group is the opportunity to help promote healthy diets that are good for both people and the planet. That is why Lagardère Travel Retail is gradually committing to sourcing its products in a more ethical manner. In early 2018, Lagardère Travel Retail pledged that it would no longer sell eggs or egg-based products from caged hens as of 2025 throughout its worldwide network. Then in 2020 in France, it undertook to source chicken meat only from farms that meet the

criteria of the European Chicken Commitment by 2026. This practice will be extended to other countries in the near future.

The roll out of Lagardère Travel Retail's strategy is organised around five pillars.

1. Food Safety Guidelines include tools for implementing action plans as well as objectives. In every country, a HACCP<sup>(1)</sup> food safety management system is in place in the catering and packaged food sales operations. Daily food hygiene and safety checks are performed at each point of sale, following strict and specific procedures, from the supplier delivery phase to final sale to the consumer.
2. An annual audit plan is conducted at each of the subsidiaries, including in-depth questionnaires for each point of sale and audits for the headquarters of each of the divisions. Eight countries were audited in 2016, ten in 2017, 14 in 2018 and 16 in 2019. After a two-year pause in 2020 and 2021 due to the health crisis, the headquarters audit campaigns resumed in the first half of 2022, with 18 country organisations audited during the year. This work, led by headquarters in France, is rounded out by audits led by the countries themselves, most of which are conducted quarterly, adding up to more than 3,000 audits conducted annually in the Foodservice network.
3. Awareness-raising programmes are conducted in all new Foodservice geographies. In 2022, an e-learning module was deployed in Senegal, Mauritania, Chile and the United Arab Emirates. In 2023, Switzerland and Belgium also adopted this module.
4. Digitalisation of daily checks since 2018 using tablet-based online tools.
5. The WellDone platform (launched in 2019) enables 360° management of operational quality by including a food safety and hygiene section, plus the findings of all in-store audits, including traceability tools going right up to consumer feedback on social media. The goal for 2024 is to complete the rollout of this platform in the Foodservice business line in all countries where it operates, while continuing its rollout in the Travel Essentials segment.

Following the Foodservice business line's commitments on product sourcing and traceability, some countries have already changed their

(1) HACCP: hazard analysis critical control point.



egg supplies in their entirety where local production volumes allow. This is the case in Italy and Austria, for example. Others, such as the Czech Republic, Germany, Spain and the United States have already succeeded in modifying a substantial part of their range and are on track to beat the target of 2025 for the change.

**FIGHTING SEXUAL AND GENDER-BASED VIOLENCE IN PUBLIC TRANSPORT: THE PIONEERING ROLE OF LAGARDÈRE TRAVEL RETAIL FRANCE**

Since 6 December 2023, Lagardère Travel Retail France has been operating the first two UMAP-labelled Safe Place stores in the Paris public transport network. Staff at these safe places are trained to understand sexual and gender-based violence so that they can offer refuge to anyone who has experienced it on public transport. In addition, Lagardère Travel Retail France has committed to obtaining the Safe Place label for each of its stores operating in the RATP network as they open or are modernised.

Alongside the food hygiene and safety issues, the Foodservice business line is becoming increasingly aware of growing demand from contractors and consumers for healthier foods that promote traveller well-being. This has given rise to partnerships with brands that are committed to improving the intrinsic quality of the products or providing locally sourced goods.

**A.3 OUTCOMES**

**Indicator**

Number of countries audited for health and safety during the year  
 Percentage of countries audited for health and safety at year-end

	2023	2022	2021
Number of countries audited for health and safety during the year	18	15	0
Percentage of countries audited for health and safety at year-end	72%	60%	0%

**2.3.1.5 WORKERS IN THE VALUE CHAIN**

Companies exert a direct and indirect influence on the human rights of their employees and contractors, their suppliers' employees and the host communities that depend on their operations. This multiplicity of stakeholders explains why a number of countries have already introduced laws to protect workers in areas such as labour relations, discrimination, the environment, and health and safety.

For nearly ten years, the Group has been formally committed to a continuous improvement process to improve its strategy and practices with regard to supplier relationships.

**A.1 STRATEGY**

Since signing up to the Global Compact in 2003, the Lagardère group has been committed to making respect for human rights and fundamental freedoms a key focus of its sustainable development strategy, although the fact that the Group's activities are service-based tends to limit its direct negative impact on these issues.

The Lagardère group thereby undertakes to uphold the principles inscribed in international treaties such as the International Bill of Human Rights (Universal Declaration, International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights), the fundamental conventions of the International Labour Organization (ILO), and the Guiding Principles

In addition, some of the company's own banners, such as Relais H Café (the leader in the French hospital segment) and Natoos (currently operating in Italy, Austria, Germany, Spain, the Netherlands, the Czech Republic and Romania), are now pillars of the division's strategy, with a focus on local products and vegetarian food.

Lastly, some of the Group's businesses operating in areas open to the public are gradually setting up safe places to provide a refuge to people exposed to violent, discriminatory and/or oppressive behaviour, offering them a quiet place where they can tell their story and seek guidance. Safe place teams are also trained to support victims of violence and harassment. These systems have been rolled out widely at Lagardère Travel Retail France and Lagardère Live Entertainment.



View of a screen in the Arkéa Arena (Lagardère Live Entertainment) announcing the existence of a safe place in the venue.

on Business and Human Rights (implementing the United Nations "Protect, Respect and Remedy" Framework, or Ruggie Principles). The Group's Code of Ethics also outlines a set of guiding principles which employees undertake to apply. Issues including respect for individuals, working conditions and social dialogue are closely monitored.

More specifically, the Group's strategy in this area is based on three pillars:

- ▶ procurement policies that promote issues such as respect for the environment, diversity and social inclusion, quality of governance and easier access to VSEs and SMEs, encouraging purchasers to consider the cash flow constraints of small suppliers and select sustainable suppliers;
- ▶ a Responsible Supplier Charter based on a certain number of international standards, such as the OECD Guidelines, the ILO Conventions and the UN Global Compact, which must be signed by new contractors working with a Group company;
- ▶ a joint project with EcoVadis to conduct regular assessments of the social, environmental and ethical performance of its suppliers and subcontractors.

To comply with the new CSRD obligations, the Group plans to review its relevant strategy and action plans between 2024 and 2025.

**A.2 APPLICATION**

**WORKERS UPSTREAM IN THE VALUE CHAIN**

Under the social section of the Supplier Charter, signatories commit to adhere strictly to fundamental principles relating to child labour, forced and compulsory labour, working hours, minimum wages and benefits, equal opportunities, health and safety, and labour relations. They also guarantee that their own employees and representatives comply with these principles.

In addition, this document strongly encourages suppliers to participate in a social certification process and, pending the establishment of an ISO standard, recommends that they refer to the following certifications or standards:

- ▶ SA 8000 (social certification);
- ▶ OHSAS 18001 (working conditions, health and safety certification);
- ▶ ILO-OSH 2001 (occupational health and safety management system).

Under the Group’s duty of care plan, the divisions rely on work to identify the risks associated with the activities of their suppliers and subcontractors. This work serves to identify the major purchasing families most likely to generate risks in terms of human health and safety, and human rights.

Based on the results of this identification work, the divisions actively implement their specific action plans throughout the year. They primarily focus on suppliers and subcontractors operating in procurement categories at the highest risk level and in countries

considered to have the most exposure to CSR risks, and with which procurement spending is most significant.

At Hachette Livre, there are plans to initiate on-site compliance audits at the supplier or subcontractor premises, or at any of their production sites, with penalties applied for any infringements. In 2023, for example, independent third party audits were performed at 15 supplier production plants in Romania, Morocco, China and Bangladesh. A single case of critical non-compliance was identified at a Chinese supplier. It resulted in the preparation of a corrective action plan. No critical non-compliance was identified at other suppliers in China, Romania or Morocco.

**WORKERS DOWNSTREAM IN THE VALUE CHAIN**

Hachette Livre is intensifying the CSR criteria used in the selection of the road transporters with which it works. For example, for the 2022 call for tenders for courier services, Hachette Livre France included a CSR component in the evaluation criteria for its carriers, based on a questionnaire designed to measure bidders’ maturity and commitment on social, societal and environmental issues. Contracts with selected road transporters now contain a specific CSR clause, which also requires them to subscribe to the EcoVadis platform.

More generally, transporters are subject to a detailed security protocol when working on Hachette Livre sites. For example, for Hachette Livre’s returns centre in France, the protocol specifies the traffic flow and safety rules to be adopted, such as the maximum speed authorised on the site or the obligation for drivers to wear statutory protective equipment.

**A.3 PERFORMANCE**

Indicator	2023	2022	2021
Percentage of expenditure related to suppliers presenting high CSR risks as assessed by EcoVadis	53	50	31
Number of formal disputes involving child labour	0	0	0

**2.3.2 SHARING THE SOCIAL AND CULTURAL DIVERSITY OF OUR BUSINESSES**

**2.3.2.1 ACCESS TO AND DISSEMINATION OF EDUCATION, CULTURE AND ENTERTAINMENT**

Sometimes referred to as the fourth pillar of sustainable development, culture plays a central role in the Group’s businesses, which operate in the worlds of publishing, travel, information and entertainment. This gives Lagardère a specific social responsibility.

The Group businesses aim not only to instil a love of reading, but also to foster critical thinking, knowledge, openness and learning through a range of content available on various media and in brick-and-mortar spaces. They support their readers, listeners and customers in their everyday lives, helping to satisfy their need to learn, discover, gain knowledge and open up to the world around them.

**A.1 STRATEGY**

Promoting cultural diversity, a plurality of opinions, freedom of expression, critical thinking, the ability to analyse and understand the world, the accessibility of content and the transmission of knowledge are just some of the commitments demonstrated by the Group’s operating entities, depending on their particular sensitivities, geographic locations and local situations. This involves, in particular, forming partnerships and deploying new systems.

Accordingly, Lagardère Publishing uses digital technologies to make books accessible to people with reading difficulties. By signing the Accessible Books Consortium (ABC) Charter in 2019, the division has committed itself in France, the United Kingdom and the United States to increasing the number of books in accessible formats, especially those for the blind and visually impaired, or otherwise print disabled. These efforts are also aligned with the preparation for the application by 2025 of the obligations arising from the law of 9 March 2023 transposing into French law the provisions of European Directive 2019/882 of 17 April 2019 on accessibility requirements for products and services. From June 2025, digital books and specialised software placed on the market will have to be “natively accessible” through compliance with criteria relating to content navigation and interoperability with assistive technologies, and the provision of information on content accessibility features.

Lagardère Publishing also contributes to improving access to reading and cultural diversity through a host of programmes.

Meanwhile, Lagardère Travel Retail relies on its store network to organise and/or support a large number of initiatives designed to promote reading and culture.

The Lagardère Live Entertainment, Lagardère News and Lagardère Radio activities also contribute to the development of access for all to education, culture and pluralism.

**A.2 APPLICATION****ON ACCESSIBILITY, LITERACY AND THE PROMOTION OF READING AND ENTERTAINMENT**

Lagardère Publishing promotes and develops audiobooks in France, the United States and the United Kingdom through its various brands. In the context of opening up the world of reading, audiobooks are helpful for visually impaired people, as well as for people who have difficulty reading, such as young people with dyslexia. However, they also have broader appeal in bringing the pleasure of reading to a wider audience, whether for the quality of the narrator's voice, simple convenience or education.

Furthermore, publishing houses in France simultaneously release novels and essays in print form and in a "natively accessible" digital version (ePub 3 format) so that they are accessible to readers using a Braille keyboard or the text-to-speech audio transcription function on a compatible device. Publishers also submit their works to the Platon platform operated by France's national library (Bibliothèque nationale de France – BnF) to allow the creation of files adapted by approved bodies.

Several of the Group's Children and Young Adult, Textbook and Paperback publishers have also signed a partnership with Mobydys, a social and solidarity economy company, to make books from their catalogue accessible in audio or digital formats for readers with dyslexia or learning difficulties (more than 230 at the end of 2023). Some of them have also developed a print offer for these young audiences.

In addition to its daily activities and involvement via the French Publishers' Union (SNE) in every public event dedicated to combating illiteracy and encouraging reading, Hachette Livre leads many of its own initiatives.

In 2023, the publishing house formalised its collaboration with Libraries Without Borders in France by signing a long-term partnership agreement (2023-2026). Its three pillars are financial support, the commitment of Hachette Livre employees to support Libraries Without Borders' work and donations in kind.

**HACHETTE LIVRE ESTABLISHES SKILLS SPONSORSHIP WITH LIBRARIES WITHOUT BORDERS**

In 2023, Hachette Livre organised several skills sponsorship sessions for Services and Operations employees so that they could share their specific expertise in logistics and order preparation with the Libraries Without Borders teams. Around ten employees took part in sorting the books collected by Libraries Without Borders at its long-established warehouse in Épône (France). In particular, some employees helped prepare educational school bags for migrant children arriving in France. The publishing house intends to continue these positive-impact actions in 2024.

In the United Kingdom, Hachette UK partnered with the Royal National Institute of Blind People (RNIB) in 2021 to make all the books in its catalogue available via the RNIB Bookshare platform.

The subsidiary also shared the programme's second year impact report with the National Literacy Trust, which was created to tackle low literacy levels and promote the joy of reading among primary school children in the United Kingdom. More than 22,000 books were donated to participating schools, together with free access to a range of teaching and training resources for teachers. The outcomes show that the programme has improved pupils' reading skills:

the proportion of pupils reading at the national average after taking part was two-thirds (compared with half before the programme).

In the United States, Hachette Book Group runs several initiatives to promote access to reading for the visually impaired and people from underprivileged backgrounds. This is illustrated by the partnership with the National Library Service for the Blind and Physically Handicapped, through which the American subsidiary makes its entire catalogue of digital books (22,454 titles in 2023) and audiobooks (7,426 titles in 2023) available free of charge to people with these disabilities.

Hachette Book Group also continues to be a key partner in a nationwide US initiative (Book Rich Environments) providing children and whole families with quality books on a variety of topics. In 2023, Hachette Book Group donated around 14,000 books as part of this partnership.

Lagardère News is also committed to accessibility and the promotion of culture, through initiatives such as the Europe 1 literary prize. The fourth edition was held in 2023 and focused on solidarity, collective commitment and human values through the choice of books selected by Nicolas Carreau, president of the jury and Europe 1 specialist literature consultant.



Europe 1's 2023 literary prize award ceremony.

Lagardère Live Entertainment is also committed to promoting equity, diversity and inclusion through awareness-raising initiatives to make culture accessible to all audiences.

In this spirit, and following on from their participation in World Autism Awareness Day since 2018, the teams sought to bring the needs of people with autism spectrum disorder and special sensory needs into sharper focus and enhance their audience experience. Collaborative workshops were set up with stakeholders, ranging from non-profit organisations and specialist educators to families and users, offering tours of the venue and audience pathways to define the best reception protocols and most appropriate tools.

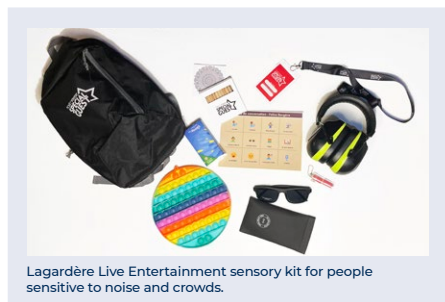
The process resulted in the implementation of a number of measures, such as preparing ahead for the concert experience to reduce anxiety, encouraging appropriate behaviour while waiting for the show to start, reducing noise and dimming lighting in the event of discomfort, managing stress from feelings and emotions, and maintaining communication in all circumstances.

Before the event, people can consult a dedicated page on the Arkéa Arena website to prepare their visit. There, concert-goers can find essential advice on booking and organising their visit.

In addition, to enhance their show-time experience, on the day of the event, people and their companions can also pick up free sensory kits at the Arena containing items such as headphones, dark glasses, a floor plan, a notebook and pencils, earplugs and a conversation

card with essential pictograms. There is also a dedicated entrance and a rest area for people in need of a time out.

Developed in partnership with Adapei 33 and launched at the Arkéa Arena in 2022, the approach was extended to all Lagardère Live Entertainment venues (Folies Bergère, Casino de Paris and Arena du Pays d'Aix) in 2023.



Lagardère Live Entertainment sensory kit for people sensitive to noise and crowds.

In addition, Lagardère Live Entertainment teams work tirelessly to make their venues accessible and suitable for all audiences. Their commitment is reflected in the introduction of specific services for people with disabilities. Each venue is staffed by people with a special awareness of disability issues, to ensure that people get the support they need and enjoy the best possible experience.

#### ON EDUCATION, FREEDOM OF EXPRESSION, DIVERSITY AND PLURALISM

Hachette Livre is a founding member of the PEN International Publishers Circle. PEN International is an NGO formed in 1921 to protect freedom of expression, particularly that of persecuted writers, and to promote literature worldwide. In the three countries where it operates (France, United Kingdom and United States), Hachette Livre actively helps to finance PEN, and contributes to many other local and national initiatives.

In October 2017, Hachette Livre became a founding investor in Educapital, a European investment fund dedicated to education and training. Educapital identifies and partners innovative start-ups in the education and training sectors, particularly in primary, secondary and higher education segments as well as in extra-curricular activities.

As the publishing business is driven by the diversity of the books it releases and the ideas it develops, Lagardère Publishing's responsibility is also to help readers understand the major issues across the world today. Hachette Livre Spain participated in the 14<sup>th</sup> edition of the Manos Unidas Clipmetrajes Festival, a competition open to young people and adults over 18 for a one-minute short film on the theme of water and food management in relation to the UN Sustainable Development Goals.

In its commitment to fostering cultural diversity, Lagardère Publishing has stepped up its initiatives in France and other countries.

Among them, JC Lattès held the fourth edition of the Voix d'Afriques writing competition in 2023, in partnership with Radio France Internationale and the Cité Internationale des Arts. Intended for young authors, this prize aims to showcase new African novel-writing talent in French.

In the United Kingdom, Hachette UK's commitment is conveyed through its Changing the Story programme, which features partnerships, workshops, mentoring, fundraising, donations and editorial choices (see section 2.3.1, in the part dedicated to employees) to promote diversity, social inclusion, equity, accessibility, the dissemination of culture, reading and writing.

Meanwhile, Hachette Book Group (HBG) has renewed its partnership with Apex for Youth, a non-profit organisation that provides employment opportunities for young Asians and immigrants from low-income families in New York. In 2023, HBG participated in the non-profit's Summer Career Exploration Program, with four interns taken on for the summer. They attended training sessions and completed a project related to their internship.

HBG also donated more than 50,000 new books to over 45 charities that promote diversity and support disadvantaged communities in the United States.

#### LAGARDÈRE NEWS CELEBRATES THE 20<sup>th</sup> EDITION OF THE PARIS MATCH STUDENT PHOTO-JOURNALISM GRAND PRIX

Aimed at encouraging the talents of the new generation and rewarding their perspective on current events, the award now consists of six prizes focusing on the environment, eco-responsibility and good citizenship.

The breadth of its nationwide network allows Lagardère Travel Retail France to promote the regional press through a policy of listing regional dailies and special issues, as well as through customised merchandising in dedicated displays. Over 150 regional press titles are available at Relay. As regards books, tourist guides sold in stores promote local culture. Lagardère Travel Retail France works with the largest national publishers, but also with local publishers to offer micro-regional guides tailored to a specific geographical area.

Perpetuating a tradition dating back nearly 30 years, Lagardère Travel Retail France contributes to freedom of expression. Through its network of Relay sales outlets, the division supports the work of Reporters Without Borders (Reporters Sans Frontières) by promoting the association's three annual publications, free of charge. Moreover, the amount raised from their sale is donated to it in full. Relay also promotes the organisation on its website and in its stores, notably through free advertising space and support for the association's prospective events, for example.

Lastly, in 2023, Lagardère News and Lagardère Radio continued their actions under the climate contract signed for Europe 1, Europe 2, RFM and Lagardère Publicité News. This contract stems from France's 2021 Climate and Resilience law, which aims to intensify the ecological transition in all areas of daily life. Its aim is to encourage and promote voluntary commitments and actions on this issue by audiovisual operators. However, Lagardère News wanted to go beyond mere compliance with industry regulations by extending its commitments to media activities. As part of this process, Lagardère News and Lagardère Radio have undertaken to list all the stories reported on air or in the print media dealing with environmental issues, environmental protection and the fight against climate change, as well as the environmental experts involved and the prizes offered on air.

In 2023, the signing of the climate contract resulted notably in the broadcasting of more than 50 hours of "green" radio content and 300 articles in the Group's print media, the creation of a more eco-responsible allocation of resources and the training of journalists on environmental and climate issues.

**A.3 OUTCOMES**

Indicator	2023	2022	2021
Percentage of e-books available in ePub3 format among new books intended for the general public and sold in bookstores (excluding comics and illustrated books) in the Lagardère Publishing catalogue at year-end	99	99	89
Percentage of e-books available in ePub3 format among new books intended for the general public and sold in bookstores (excluding comics and illustrated books) that successfully passed the Level 2 Accessibility Check for ePub in the Lagardère Publishing catalogue at year-end <sup>(1)</sup>	84	71	-
Number of audiobooks available in the Lagardère Publishing catalogue at year-end	23,594	21,011	18,889

(1) Data reported for the first time in 2022.

**2.3.2.2 ENGAGED CORPORATE FOUNDATIONS****A.1 STRATEGY**

In keeping with its business lines and divisions, the Group's approach to corporate citizenship in the fields of culture and education is mainly expressed through the Jean-Luc Lagardère Foundation, created in 1989, and the Hachette Foundation for Reading, created in 2022, under the auspices of the Fondation de France.

The Jean-Luc Lagardère Foundation was set up to support the Group's commitment to culture, community and youth. The Foundation develops a number of programmes to promote cultural diversity, encourage creativity and promote access to education and culture for all.

The Hachette Foundation for Reading is dedicated to encouraging reading, writing and, more generally, proficiency in French across every demographic, with particular attention paid to young people and the reading-adverse. In this way, Hachette Livre wanted to expand its role as a vector and enabler of culture – a commitment that is fully aligned with the publishing mission it has pursued for nearly 200 years.

**A.2 APPLICATION AND OUTCOMES****JEAN-LUC LAGARDÈRE FOUNDATION**

At the heart of the Lagardère group's commitment to the creation of culture lie the prestigious awards presented by respected panels to talented young people under the age of 30 (or under 35 for certain categories) in the culture and media domains, in the following categories: Documentary Film-maker, Animated Film-maker, Writer, Print Journalist, Bookseller, Musician, Photographer, Film Producer and Television Scriptwriter.

Since the inaugural Jean-Luc Lagardère Foundation awards in 1990, 364 prize-winners (13 in 2023) have received a total of €7,420,000, including €170,000 awarded in 2023.

Jean-Luc Lagardère Foundation prize winners also regularly take part in the Foundation's other programmes, in particular its partnerships with the Académie de France-Villa Médicis in Rome and the Centre Pompidou's Studio 13/16, as well as supporting non-profit Lire pour en Sortir and the Marathon des Mots festival.

The Foundation also continued its efforts to promote literature and cultural diversity in 2023 by supporting literary events at the Institut du Monde Arabe (IMA). The aim of this weekly event is to discover and promote emerging and established Arabic and French writers hailing from or dealing with the Arab world.

The support was fully in line with the collaborative spirit that has united the Foundation and the IMA for many years, in particular as regards the Arab Literature Prize which was founded in 2013. It is one of only a handful of French awards recognising new Arabic literature. In 2023, it went to the novel *Je me souviens de Falloujah* (JC Lattès) by Franco-Iraqi author Feurat Alani.

The Foundation also very much honoured its commitment to promote **access to culture for all** in 2023, through several partnerships and support arrangements:

- ▶ the Divertimento orchestra and its academy, which supports hundreds of young beginners (mainly from priority education zones), as well as professionals, as they discover the symphonic orchestra;
- ▶ the Abbaye aux Dames, la Cité Musicale, and more specifically the Jeune Orchestre de l'Abbaye (JOA), which encourages the professional integration of young musicians at the end of their studies and at the dawn of their career;
- ▶ the 12<sup>th</sup> edition of the Jules Rimet Prize for the promotion of sports literature. This prize is organised by the Jules Rimet Sports and Culture Association, which also offers creative writing workshops for young people in football clubs, creating an opportunity to build bridges between sports and culture.

**THE LAGARDÈRE FOUNDATION PROMOTES EMPLOYEE ENGAGEMENT**

As part of its support for Lire pour en Sortir, the only national non-profit organisation helping young people in prison find their way back into society by improving their grasp of the French language through personalised reading programmes with volunteers, Lagardère group employees were able to get involved in 2023 by writing reading guides for the new catalogue of books that will soon be available to prisoners.

The Jean-Luc Lagardère Foundation provides equal support for the programme Lire en famille, which aims to combat the dislocation of family bonds. It involves detained parents choosing children's books that they practise reading aloud with a volunteer before passing them on to their children in the visiting room.

**THE HACHETTE FOUNDATION FOR READING**

In 2023, the Hachette Foundation for Reading organised its second call for projects, with grants ranging from €15,000 to €50,000 depending on the needs of the non-profits selected. Over 200 applications were received. The proposals were first shortlisted by the Foundation team and then reviewed by an internal committee of Group employees, who also interviewed some of the project leaders, before being submitted to the Executive Committee of the Hachette Foundation for Reading.

In the end, 13 projects were given funding. The selected projects include:

- ▶ Art'Sign for the organisation of Sourdland Fête le Livre, a literary event that promotes access to books and the pleasure of reading for deaf people;
- ▶ Asmae-Association Sœur Emmanuelle for Pour une Petite Enfance Épanouie, a project in Burkina Faso to provide children up to the age of 6 with the basic skills they need to start and stay in school;

- ▶ the Centre National du Livre for Nuits de la lecture (Reading Nights) and, more specifically, to enable the distribution of Chèque Lire vouchers to the most disadvantaged people in terms of reading, particularly in rural areas and priority districts for urban policy;
- ▶ Enfants du Désert, to provide books to four libraries in boarding schools in Morocco and enable young girls to improve their schooling conditions and their level of French;
- ▶ the AP-HP Foundation for L'Escal, a space dedicated to teenagers suffering from chronic diseases hospitalised in the Armand-Trousseau hospital (Paris, France), together with the supply of books for a library and the organisation of book-related cultural activities;
- ▶ Zone d'Expression Prioritaire (ZEP), whose Grandir en s'Écrivant (Growing up through Writing) project enables young people aged 14 to 25 to tell their own stories and give an insight into their daily lives through writing workshops run by journalists.

**2.3.3 LIMITING THE ENVIRONMENTAL IMPACT OF OUR PRODUCTS AND SERVICES**

**2.3.3.1 FIGHTING CLIMATE CHANGE**

It has now been scientifically proven that increases in the volume and concentration of greenhouse gas emissions caused by human activities are clearly accelerating climate change and that a temperature increase of more than 2°C, compared to the pre-industrial era, could have catastrophic environmental, economic and social consequences. In a sign of the growing recognition of these risks, at the COP21 in December 2015, nearly 200 governments agreed to strengthen the global response to the threat of climate change by "holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels." This consensus is known as the Paris Agreement.

**A.1 STRATEGY  
CARBON FOOTPRINT**

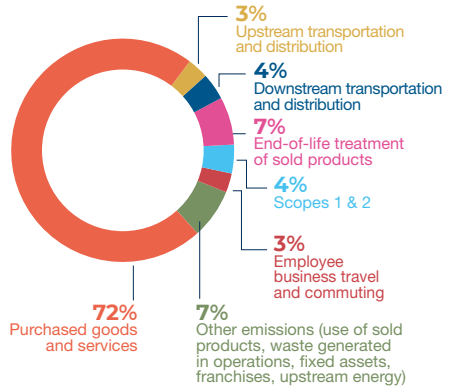
In 2021, the Lagardère group updated its carbon footprint in accordance with Greenhouse Gas Protocol guidance, based on all the direct and indirect emissions from its 2019 scope of reporting. Covering 71% of the Group's 2019 revenue, the update concerned (i) Lagardère Publishing's leading host geographies (France, Spain, North America, the United Kingdom, Australia and New Zealand) but excluding its Partworks and Board Games activities, and (ii) the three Lagardère Travel Retail business segments (Travel Essentials, Foodservice and Duty Free & Fashion) in France, Italy, the Czech Republic, Switzerland, North America and the Pacific. It also concerned all of Lagardère News activities.

The 2019 footprint (calculated in 2021) was, for certain sources, based on estimates and monetary ratios. The results therefore contain a measure of uncertainty, notably in respect of the average emission factors used, the calculation assumptions applied, and the extrapolations and estimates made.

The update enabled us to estimate the Lagardère group's total emissions at just over 1,457,000 tCO<sub>2</sub>eq, broken down as follows by business line:

- ▶ 36% for Lagardère Publishing;
- ▶ 59% for Lagardère Travel Retail;
- ▶ 5% for Lagardère News and Lagardère Radio.

Unsurprisingly, Scope 3 (indirect emissions from the supply chain) accounts for 96% of the total. Scope 1 (direct emissions from fossil fuel combustion by vehicles or heating equipment) and Scope 2 (indirect emissions from the purchase of electricity, building heat and cooling) account for the remaining 4%.



**REDUCTION PATHWAY**

On the basis of these findings, the Lagardère group crafted an emissions reduction strategy and its supporting action plan.

Lagardère aims to place all its direct and indirect emissions (Scopes 1, 2 & 3) on a pathway in line with the Paris Agreement, i.e., compatible with the overall objective of reaching net-zero emissions (greenhouse gas emissions reduced to a level as close to zero as possible, with any residual emissions being absorbed, for example by oceans and forests) by 2050.

As a result, over the medium term, Lagardère is committed to reducing these emissions by almost 30% by 2030 compared with 2019. This is an ambitious objective in absolute terms and based on the latest scientific knowledge of climate change. It may be analysed as follows:

- ▶ a 46% reduction in emissions from operations, which include Scopes 1 & 2 emissions, but also a small portion of Scope 3 emissions, i.e., from employee business travel and commuting (or 7% of total Group emissions);
- ▶ a 28% reduction in all other Scope 3 emissions, i.e., emissions from the supply chains (93% of total Group emissions).

### ANALYSIS OF CLIMATE RISKS<sup>(1)</sup>

Moreover, Lagardère will leverage assessments of the physical and transition risks of climate change to improve the definition of its strategy. It was with this in mind that the Group carried out its first study in 2022, before adding a vulnerability analysis in 2023 to quantify the main risks identified.

As a first step in assessing climate risks and opportunities, Lagardère chose the two climate scenarios on which to base the entire analysis process:

- ▶ a "Paris-aligned pathway" scenario, assuming global warming of less than 1.5°C in 2100. This scenario, based on the Representative Concentration Pathway (RCP) 2.6 issued by the Intergovernmental Panel on Climate Change (IPCC), requires an assertive commitment from governments and international institutions, high carbon prices (carbon tax, setting a per-ton price for carbon, etc.), keen consumer awareness of climate change and its impacts and, in general, aggressive action to reduce emissions to meet the objectives of the Paris Agreement. It is an ambitious scenario that calls for robust mitigation measures;
- ▶ a "continuous pathway" scenario, assuming global warming of around 4°C in 2100. This scenario, based on the IPCC RCP 8.5 scenario, assumes a business as usual approach, with limited commitment, low carbon pricing and a steady rise in carbon emissions without any change in current policies. This is a highly pessimistic scenario that will eventually require adaptation to the physical impacts of climate change.

The analysis was conducted over two timeframes, 2030 (short term) and 2050 (long term). A third, closer timeframe (2025) was also studied to provide a baseline.

Using these two scenarios and three timeframes, the Group screened all its business activities for the various categories of transition and physical risks identified by the Task Force on Climate Related Financial Disclosures (TCFD).

For the 2030-2050 period, this analysis resulted in the identification of **two major transition risks, three physical risks and three major opportunities**.

The **two major transition risks** identified are:

- ▶ the risk of higher paper prices as a result of conflicts over the use of wood, with demand expected to increase in other sectors such as construction;
- ▶ the risk of a gradual decline in air traffic due to changes in consumption patterns and regulatory constraints on consumers.

The extent of the transition risks facing Lagardère Publishing and Lagardère Travel Retail was the subject of sensitivity analysis based on the 2022 study assumptions (using "Charlie", the worst-case scenario from the Shift Project's *Pouvoir voler en 2050* [Flying in 2050] study).

Other transition risks were considered in 2022, but were not quantified for 2023. Further work is planned in 2024 to quantify them and determine their materiality.

The **three main identified physical risks** arising from possible climate hazards (heatwaves, high temperatures, floods, storms, violent winds, drought, etc.) concern:

- ▶ an additional risk of an increase in the price of paper due to the pressure exerted by forest fires on timber and pulp production;
- ▶ disruption of airport operations over several consecutive days due to flooding or storms, leading to flight cancellations over a number of days, or even airport closures and reduced traffic;
- ▶ physical damage to buildings caused by flooding or high winds.

Exposure to the physical risks of climate change was analysed by Zurich Resilience Solutions, an external consultant specialising in this area and recognised in the sector, on the basis of a selection of sites representing 70% of the total value of the Group's physical assets and 50% of its revenue. The exposure analysis was supplemented by a vulnerability analysis of the sites to quantify the risk.

All the risks were assessed in terms of their probability of occurrence (see tables below) and their potential financial impact was initially estimated.

(1) Further information is provided in chapter 5 of this document (section 1.4 of note 1 to the consolidated financial statements at 31 December 2023).

Category	Description	1.5°C scenario	Financial materiality in 2030	4°C scenario	Financial materiality in 2030
		Probability of occurrence in 2030		Probability of occurrence in 2030	
Transition risk	Higher paper prices	Possible	Moderate	Possible	Low
	Downturn in air traffic	Possible	Moderate	Very unlikely	Low
Physical risk	Higher paper prices	Possible	Low	Possible	Low
	Disruption of airport operations	Very likely	Low	Very likely	Low
	Damage to buildings	Very likely	Low	Very likely	Low
Opportunities	Identifying new growth drivers	N/A	N/A	N/A	N/A
	Using our position as a content creator to raise awareness and make a difference	N/A	N/A	N/A	N/A
	Developing new low-carbon products and services	N/A	N/A	N/A	N/A

Category	Description	1.5°C scenario	Financial materiality in 2050	4°C scenario	Financial materiality in 2050
		Probability of occurrence in 2050		Probability of occurrence in 2050	
Transition risk	Higher paper prices	Possible	Moderate	Possible	Low
	Downturn in air traffic	Possible	High	Very unlikely	Low
Physical risk	Higher paper prices	Possible	Low	Possible	Low
	Disruption of airport operations	Very likely	Low	Very likely	Low
	Damage to buildings	Very likely	Low	Very likely	Low
Opportunities	Identifying new growth drivers	N/A	N/A	N/A	N/A
	Using our position as a content creator to raise awareness and make a difference	N/A	N/A	N/A	N/A
	Developing new low-carbon products and services	N/A	N/A	N/A	N/A

The risk associated with higher prices for paper raw materials was deemed to be moderate, even assuming a steep increase in costs and a failure to adjust selling prices.

With regard to the risk of a downturn in air traffic, a highly degraded scenario was used, in line with a net-zero emissions pathway (1.5°C) and assuming a halving of airport revenue by 2050. This points to a significant reduction in the profitability of this business. This is a highly material risk for Lagardère and its Lagardère Travel Retail division. However, the gradual nature of any such fall in traffic means that a number of measures can be taken to limit its impact (renegotiation of concession agreements, adjustment of leased floor space, etc.), underlining the resilience of the division's business model.

Long term, the modal shift towards decarbonised modes of transport (i.e., the transfer of freight shipments from one transport mode to another or to some other form of locomotion) would enable profitability to remain on target. This change in the business model was not taken into account in quantifying the risk in question, resulting in the maximum possible quantification of the impact of declining air traffic in an already extreme scenario.

With regard to physical risks, exposure analysis covering nine chronic and acute physical climate hazards (precipitation, heat wave,

drought, storm, flood, cold, hail, wind and forest fire) confirms that Lagardère sites are significantly exposed to precipitation, drought and heat waves.

The vulnerability analysis concludes that the hazards to which Lagardère sites are most vulnerable are (i) high winds and floods due to the resulting damage to buildings, and (ii) storms due to the potential disruption to operations at airports (in the event of airport closures over several days generating a significant drop in airport traffic). The analysis also looked at the potential impacts of an increase in forest fires and heat waves on the availability of timber and consequently pulp.

In the two scenarios considered (1.5°C and 4°C), the magnitude of the impacts is comparable until 2050. The expected impacts increase slowly from 2030 onwards. The impacts estimated to date remain modest overall.

The quantified analysis confirms the assessment expressed in the double materiality analysis, which assigns ratings of 2 for physical risks and 3 for transition risks. A transition plan was deemed necessary in light of the materiality of transition risks. This transition plan will be the subject of a co-construction process with all Lagardère group divisions in 2024.



Subsequently, the transition risks and opportunities not included in the quantified analysis for 2023 will be integrated into a broader analysis, including the impact of the transition plan.

### EDUCATING ABOUT CLIMATE ISSUES: A PRESSING RESPONSIBILITY

Lagardère has long defended the idea that one of its major responsibilities on the issue of climate change lies in its ability to raise awareness, inform and educate the general public. In 2023, the rollout of the climate media contract at Lagardère News and Lagardère Radio resulted in the broadcast of more than 50 hours of “green” radio content and 300 articles in the Group’s print media, the creation of a more eco-responsible allocation of resources and the training of 60 journalists on environmental and climate issues.

## A.2 APPLICATION

### SCOPES 1 & 2 EMISSIONS AND EMPLOYEE TRAVEL

To address energy use of buildings and employee travel (commuting, business travel and vehicle fleet), which together account for around 7% of the Group’s emissions as reported in its most recent carbon audit, Lagardère will activate cross-functional levers for action across its business base.

For buildings, the Group is seeking to minimise energy consumption in its leased or owned offices, warehouses and stores by undertaking initiatives to improve energy efficiency, including:

- ▶ opting for energy-efficient and/or environmentally certified facilities and upgrading energy management tools. For example, Hachette Livre’s head office in Vanves, in the Paris suburbs, has earned HQE NF very high environmental standard certification for commercial buildings, as well as the BBC energy efficiency label, while Hachette UK’s new London headquarters has obtained BREEM certification. In the same vein, the Group will favour the use of buildings heated by electricity or biomass. The Group’s office premises are also increasingly being configured for optimal daily energy consumption (LED lighting, occupancy sensors, labelled computer equipment, equipment sharing, etc.);
- ▶ rolling out energy optimisation programmes across the international network of stores operated by Lagardère Travel Retail, involving such actions as switching to LED bulbs and using refrigerators with doors and equipment that consumes less energy.

In recent years Lagardère has also carried out numerous energy audits on industrial and service sites, and within its store network in France. The findings of this work are used to enrich the sites’ energy efficiency action plans, adding to the catalogue of measures already in place in the various businesses. Lagardère Travel Retail has also carried out energy audits in several of its countries of operation, including Austria, the Czech Republic, Poland, the United States and Singapore. In addition, a global directive covering a series of measures to reduce energy consumption in stores, offices, and warehouses was shared with all countries of operation in January 2023.

Lastly, the gradual application of France’s Tertiary Decree and its energy reduction targets will help to improve building energy performance.

The Group also seeks to promote the use of energy from renewable sources. Whenever possible, the Group will also explore the feasibility of installing solar panels on certain sites to enable self-use of the resulting renewable power.

Business travel-related initiatives will focus on:

- ▶ transitioning the car fleet to electric vehicles;
- ▶ offering eco-driving training and optimising routes, mainly for sales staff;
- ▶ redefining travel policies (to limit travel, encourage the use of train and direct flights, etc.);
- ▶ offering employees sustainable mobility packages to encourage them to commute using soft mobility transport, car-pooling and public transit by offsetting part of the cost.

### SCOPE 3

At Lagardère Publishing, the main levers for action identified as part of the Group’s emissions reduction strategy concern over-production, paper procurement, printing/binding processes and shipping.

To limit over-production, Lagardère Publishing’s teams have systems to optimise inventory visibility across the value chain and forecast sales, and are planning future developments to make the most of the resulting data to set objectives going forwards. While reducing the percentage of books pulped each year, the division will lower emissions over the entire book life cycle and therefore in the key factors mentioned above (paper production, printing-binding, shipping and waste).

With regard to paper procurement and printing/binding operations, Lagardère Publishing is committed to applying stricter environmental criteria in selecting suppliers, systematically opting for suppliers with the lowest emissions and setting them annual carbon intensity objectives.

Finally, to reduce the impact of freight, Lagardère Publishing is looking into the possibility of relocating the manufacture of certain products and consolidating international deliveries. The division has already tightened its environmental criteria for selecting service providers and is working with them to optimise deliveries.

All of these initiatives have proven to be effective, particularly in the paper traceability and book manufacturing processes. In France, for example, Lagardère Publishing reduced its emissions by almost 20% in 12 years, between 2008 and 2020. What’s more, for almost ten years now, the initiatives under way have helped make it possible to display two indicators on every French language book, namely its carbon footprint and the source (certified or recycled) of the fibres used in its paper.

At Lagardère Travel Retail, the primary lever of action concerns the product assortments offered across the store base. To activate it, the division will start by promoting a more sustainable merchandise assortment for which criteria are currently being defined in collaboration with a panel of internal and external experts.

A more detailed analysis of the merchandise portfolio, supplementing the one initiated during the first carbon audit, will be performed in 2024 so that the related emission reductions can be tracked more accurately.

At the same time, the division is intensifying its discussions with its key suppliers to better understand their strategy and commitment to a low-carbon pathway.

Lastly, Lagardère Travel Retail is working on purchasing guidelines to raise awareness and support teams so that they can make informed choices of low-carbon merchandise.

## 4.55 tCO<sub>2</sub>eq/FTE

### A.3 OUTCOMES

The consumption shown in the table below covers all the activities of the Lagardère group.

The data factor in the direct (Scope 1) and indirect (Scope 2) energy consumption of all the offices, points of sale, stores, warehouses, server rooms, radio broadcasting sites, venues and sports academies used for the Group's activities in all the regions indicated above.

For Lagardère Travel Retail, there is uncertainty over the exact amount of consumption. The division operates more than 5,120 points of sale worldwide and does not always have access to energy bills detailing the consumption of each point of sale, as energy costs are often included in the charges paid to licensors (airport/station owners).

As a result, operating staff responsible for reporting consumption data for the store network operated in each region are sometimes required to make estimates using average kWh/sq.m./month, data based on the surface area and type of point of sale.

## Group tertiary energy consumption, worldwide (in MWh)

		Lagardère Publishing	Lagardère Travel Retail	Other Activities	Lagardère Publishing	Lagardère Travel Retail	Other Activities	GROUP	
		2022			2023			2022	2023
Scope 1 energy consumption (MWh)	Consumption of fuel from oil	2,042	37	0	1,188	1,231	0	2,079	2,419
	Consumption of fuel from natural gas	28,702	11,198	6,925	26,749	24,847	5,851	46,825	57,447
<b>Total fossil-based energy consumption (MWh)</b>		<b>30,744</b>	<b>11,235</b>	<b>6,925</b>	<b>27,937</b>	<b>26,078</b>	<b>5,851</b>	<b>48,904</b>	<b>59,866</b>
Scope 2 energy consumption (MWh)	Electricity consumption	31,141	167,375	8,314	27,349	198,614	8,374	206,830	234,338
	Consumption of electricity, heating, steam and cooling purchased or acquired from district heating systems	794	7,777	2,423	280	8,123	1,546	10,995	9,948
<b>Total consumption of electricity, heating, steam and/or cooling (MWh)</b>		<b>31,935</b>	<b>175,152</b>	<b>10,737</b>	<b>27,629</b>	<b>206,737</b>	<b>9,919</b>	<b>217,824</b>	<b>244,286</b>
Energy consumption from renewable sources (MWh)	Electricity consumption, purchased or acquired from renewable sources (included in electricity consumption reported above)	12,382	13,651	248	10,646	35,855	4,154	26,281	50,656
<b>Share of electricity consumption from renewable sources in total electricity consumption (%)</b>		<b>40%</b>	<b>8%</b>	<b>3%</b>	<b>39%</b>	<b>18%</b>	<b>50%</b>	<b>13%</b>	<b>22%</b>
<b>Total energy consumption (MWh)</b>		<b>62,679</b>	<b>186,387</b>	<b>17,662</b>	<b>55,566</b>	<b>232,815</b>	<b>15,770</b>	<b>266,729</b>	<b>304,152</b>

Group GHG emissions, worldwide (in tCO<sub>2</sub> eq)<sup>(1)</sup>

		Lagardère Publishing	Lagardère Travel Retail	Other Activities	Lagardère Publishing	Lagardère Travel Retail	Other Activities	GROUP	
		2022			2023			2022	2023
<b>Scope 1 GHG emissions (tCO<sub>2</sub> eq)</b>									
Gross Scope 1 GHG emissions	Oil	555	10	0	323	335	0	566	658
	Natural gas	5,277	2,065	1,253	4,919	4,591	1,059	8,595	10,570
	Vehicle fuel	779	1,398	118	822	2,333	115	2,294	3,270
<b>Sub-totals</b>		<b>6,611</b>	<b>3,473</b>	<b>1,371</b>	<b>6,064</b>	<b>7,259</b>	<b>1,174</b>	<b>11,455</b>	<b>14,497</b>
<b>Scope 2 GHG emissions (tCO<sub>2</sub> eq)</b>									
Gross location-based Scope 2 GHG emissions	Electricity	6,957	57,065	305	6,291	70,696	307	64,327	77,294
	District heating network	153	1,534	436	47	1,672	278	2,123	1,998
<b>Sub-totals</b>		<b>7,110</b>	<b>58,598</b>	<b>742</b>	<b>6,338</b>	<b>72,368</b>	<b>586</b>	<b>66,450</b>	<b>79,292</b>
<b>Scope 3 GHG emissions (tCO<sub>2</sub> eq)</b>									
Business travel	-	1,387	3,245	1,346	2,826	6,496	861	5,978	10,183
Employee commuting	-	4,137	15,270	277	4,063	19,917	388	19,684	24,367
Activities in the fuel and energy sectors (not included in Scopes 1 & 2)	Upstream oil	108	2	0	63	65	0	110	127
	Upstream natural gas	881	335	238	819	687	201	1,455	1,708
	Upstream vehicle fuel	172	430	27	183	501	41	630	725
	Upstream electricity	1,884	11,948	156	1,748	14,681	157	13,987	16,586
<b>Sub-totals</b>		<b>8,568</b>	<b>31,229</b>	<b>2,045</b>	<b>9,703</b>	<b>42,346</b>	<b>1,648</b>	<b>41,842</b>	<b>53,697</b>
<b>Total GHG emissions</b>									
<b>Group total</b>		<b>22,289</b>	<b>93,301</b>	<b>4,158</b>	<b>22,105</b>	<b>121,973</b>	<b>3,408</b>	<b>119,747</b>	<b>147,486</b>

Indicator	2022	2021	2020
Scopes 1 & 2 carbon emissions per €m of revenue (tCO <sub>2</sub> eq)	11.20	10.90	13.50
Scopes 1 & 2 and business travel and commuting carbon emissions per FTE employee <sup>(1)</sup> (tCO <sub>2</sub> eq) <sup>(2)</sup>	4.55	4.22	-

(1) Employee travel includes both business travel and commuting. In 2023, these data were reported for 96% of the Group's FTE workforce (compared with 93% in 2022). As a result, the Scopes 1 & 2 data presented in the table above, which cover 100% of the Group's FTE workforce, have been recalculated to align with the FTE headcount covered by travel data.

(2) Data reported for the first time in 2022.

(1) The 2022 emissions have been recalculated to take into account the changes made in 2023 to the emission factors used.

2023 differs from the previous year due to the recovery of the Lagardère group's activities to pre-Covid levels, whereas 2022 was still partially affected by the slowdown triggered by the health crisis, in particular at Lagardère Travel Retail. An exceptional summer, particularly in the United States and Europe, took Lagardère Travel Retail's revenue to a record high, with strong growth over the first nine months.

On top of this momentum, Lagardère Travel Retail's organisational scope expanded, notably with the acquisitions of Marché International and Costa Coffee in Poland, leading to an increase in the number of stores.

This allowed Lagardère Travel Retail's activities to benefit from an increase in retail space operated, and in turn pushed up the consumption and emissions recorded in 2023. The increase in the volume of Scopes 1 & 2, and employee commuting carbon emissions per FTE is therefore attributable to the increase in electricity and gas consumption, the resumption of business travel and the larger workforce than in 2022, reflected in more commuting. However, the increase in activity also resulted in a substantial jump in revenue, which in turn limited the rise in the volume of Scopes 1 & 2 carbon emissions per million euros of revenue between 2022 and 2023.

In general, the changes in reported energy consumption and greenhouse gas emissions, depending on the division and type of energy, reflect:

- ▶ changes in organisational structure, with new entities and/or new buildings entering the environmental reporting scope;
- ▶ a better understanding within an entity of the various sources of energy consumption;
- ▶ internal organisational changes (often due to refurbishment or renovation works) that may be temporary or permanent, and lead to increases or decreases in energy consumption;
- ▶ an update of the emissions factors used to convert energy into carbon equivalent.

### 2.3.3.2 RESOURCE MANAGEMENT, ANTI-WASTE MEASURES AND THE CIRCULAR ECONOMY

The manufacturing of certain products essential to the deployment and development of the Group's activities involve the use of natural resources. This reliance requires measures to limit the negative environmental impacts generated by these activities. The Group's vigilance on this issue must meet the growing expectations of customers, consumers and other stakeholders.

In this area, the Group's commitments cover three main items, namely paper, food waste and plastic.

**Paper** is historically the Group's predominant raw material. When made from renewable sources, paper can be a quintessentially eco-friendly material – if the impacts of its production from tree to paper are properly managed. Like any product, paper leaves an environmental footprint throughout its life cycle, from the purchase of raw materials to production and recycling unsold items. Pulp is a globalised resource, imported from many countries and transported around the world, and each step in the papermaking process can combine multiple sources. This complexity calls for special vigilance, particularly in managing supplies.

In view of the growing importance of the Foodservice business within Lagardère Travel Retail, and the financial, environmental and social challenges related to **food waste**, it is also imperative to take action to encourage production and consumption patterns to embrace more sustainable practices.

Lastly, the fight against **plastic pollution** has also become a priority for the Group's activities, which began to make tangible progress on this issue in 2020.

In addition to these three major priorities, the Group's subsidiaries are also committed to eco-design and refurbishments of its stores.

#### A.1 STRATEGY

Through its book publishing and press activities, the Group has long led a policy of responsible paper management which applies throughout the paper life cycle. From supply to production to the management of returns, Lagardère works with all its trade partners involved at every stage.

The Group seeks first and foremost to increase from year to year the proportion of purchases of certified paper sourced from sustainably managed forests, in other words those where the amount of wood cut each year does not exceed the amount of biomass that has grown that same year, thereby guaranteeing the maintenance of the carbon stock in the forest rather than allowing forests to be overexploited or entire areas to be deforested. It also endeavours to use recycled paper wherever possible. Whether paper is purchased directly from paper manufacturers or supplied by the Group's printers, the policy is to prioritise printing on paper certified by the Programme for the Endorsement of Forest Certification (PEFC) or the Forest Stewardship Council (FSC).

At the local level, in each of the relevant entities, the technical teams in charge of paper manufacturing and/or procurement, as well as the in-store retail teams, support and embody this strategy, thereby contributing to the gradual reduction of the negative impact of the Group's operations.

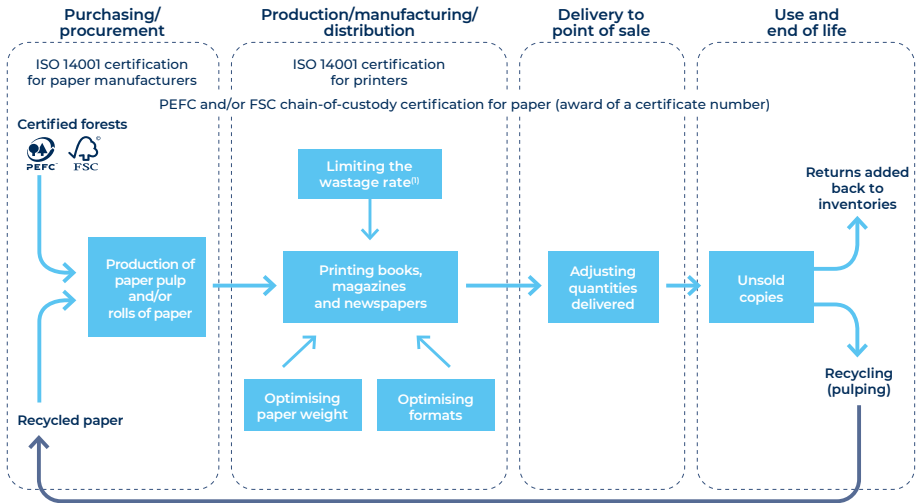
To fight plastic pollution, Hachette Livre conducted an audit in 2020 and used the findings to devise and deploy an action plan in 2021, with targets for 2030.

#### PAPER CYCLE

The main raw material used to make paper is wood, which is a renewable resource. The wood is processed into a pulp which is used to make reels of paper. The reels are shipped to the printer to be made into books, magazines and newspapers. Once used, these products can be collected and recycled to be used as a raw material for the production of recycled paper pulp.

Meanwhile, Lagardère Travel Retail is rolling out initiatives in five areas to combat food waste in its operating units.

With regard to plastic pollution, it is working to gradually eliminate single-use plastic from all the outlets operated under its own banners, and to reduce packaging and consumables.



(1) Wastage rate: percentage of paper lost during the manufacturing process.

**THE ISSUE OF FOOD WASTE**

In 2023, Lagardère Travel Retail took a further step in the fight against food waste, which already goes back several years in its Foodservice business, with the launch of a comprehensive anti-waste programme covering its three business segments. This ambitious programme, known as FLOW (Fighting to Limit Our Waste), has five pillars: measurement, employee engagement, anti-waste procedures, store promotions and surplus management.

**A.2 APPLICATION**

**PAPER PROCUREMENT**

Over the years, initiatives focusing on traceability and monitoring of the quality of paper purchased directly or supplied by printers have made it possible to significantly reduce the proportion of fibres used for publications whose origin cannot be traced and/or to ensure that no fibres are used from forests that are not replanted.

Several measures are implemented alongside responsible paper procurement to control the quality of paper purchased.

Lagardère Publishing asks its suppliers in Asia to ban certain qualities of paper that do not meet the requirements (traceability, fibres from sustainably managed forests, etc.).

Since 2016, Hachette Book Group (HBG) has run a programme to verify fibres sourced from Asia that are introduced into the paper it purchases. Each quarter, samples of the paper used for publications distributed by the US subsidiary are tested to obtain assurance that the paper purchased on Asian markets is from suppliers that respect their environmental commitments. To do this, HBG has contracted a specialist laboratory to test the fibres of books selected at random from among the publications printed in Asia. The aim is to ensure that no precious exotic woods are mixed into the weave and that the paper meets the specifications of Lagardère Publishing.

Similar programmes have been implemented in every Lagardère Publishing entity in France, the United Kingdom and Spain. This represents a significant initiative that rounds out and reinforces the subsidiary's policy of purchasing certified and recycled paper. In 2010, the Group's Press business committed to using only certified PEFC (or recycled) paper printed by certified suppliers, allowing it to place its printers' "PEFC certified" logo on mastheads and in credits. In addition, *Le Journal du Dimanche* is printed entirely on recycled paper, which is ideally suited to the production of newsprint. However, as the supply of recycled paper for magazines remains limited in terms of volumes and the number of suppliers in the market, certified paper is preferred.

The Group's operating staff in charge of paper procurement have for some time run a policy to raise awareness of environmental issues with their paper suppliers and printers, both in France and abroad, by encouraging certification. Consequently, a large majority of Lagardère Publishing's paper purchases are made from ISO 14001-certified suppliers.

**MONITORING PAPER CONSUMPTION**

Operating staff have adopted a number of initiatives to limit wastage (percentage of paper wasted) during the production process (printing and after-press). The wastage rate is calculated by comparing the amount of paper used in the printing process with the amount of paper delivered in the form of books, newspapers or magazines. This rate varies greatly depending on the printing technology used (type of machine, colours) and the number of books and magazines produced (print run).

As part of the policy for reducing the paper wastage rate, dedicated teams determine the best technical inputs and carry out detailed calculations of the amount of paper to be allocated to the printer. Improving wastage rates is a key factor in negotiations with printers.

Paper consumption and wastage rates are monitored regularly to:

- ▶ validate the choice of printer, printing techniques and paper (optimisation of reel width and paper size);
- ▶ calculate the number of copies of magazines and newspapers to print according to sales statistics;
- ▶ identify new technologies that could be used (rotating rapid-calibration tools, automatic setting of ink devices);
- ▶ implement rigorous printing press control procedures and optimised machine calibration (inking, size of paper cuts, etc.);
- ▶ inform editorial managers of the most economical formats to help them best meet market requirements;
- ▶ define and validate the best paper allocation schedules in conjunction with each supplier;
- ▶ identify areas for continuous improvement in conjunction with suppliers.

Adjusting the format of publications is another way of optimising book and magazine production. Lagardère Publishing offers a large range of single-format textbooks by title that are optimised to reduce the paper wastage rate in production. Choosing a lower grammage can also help to reduce paper consumption.

Print-on-demand technology also helps, while also reducing greenhouse gas emissions for production, storage and transport. The Group has developed the use of this technology in France, the United States and the United Kingdom, and its catalogue continued to expand in 2023.

In France, Hachette Livre is also using print-on-demand technology as part of a large-scale project launched in association with France's national library (BnF) to market a selection of more than 288,000 works from the BnF's literary heritage via the network of booksellers. In all, including the national library titles, Hachette Livre's print-on-demand catalogue in France comprises 413,439 works.

## WASTE PAPER

At Lagardère Publishing, returns are assessed on editorial, qualitative and economic criteria, after which a substantial proportion are sent back to the imprint's warehouse, so that they can eventually be returned to booksellers. All the others are destroyed and the pulp reused to make recycled paper. In the years to come, Lagardère Publishing will continue to encourage print runs that are as close as possible to sales.

The Group's Press activities take action upstream to reduce the rate of returns, optimising the number of copies of each title sent to stores. Returns are an inevitable part of newsstand sales, and to manage them as effectively as possible, sales managers use specialist software to constantly fine-tune quantities printed and delivered. Over many years, these actions have reduced rates of returns to below the national average.

**99%** of purchased and supplied paper is certified or recycled.

## FIGHTING FOOD WASTE

With the fight against food waste now a major issue, Lagardère Travel Retail is striving to contribute to efforts across all of its operating regions by rolling out a comprehensive anti-waste strategy aimed at avoiding, reducing and recycling unsold items. Raising awareness of waste issues, monitoring and measuring losses, optimising sales forecasting, production and inventory management, discount mechanisms and donations to charities are among the cornerstones of the FLOW programme.



Promotion of the Défi No Gaspi (No Waste Challenge) initiative at the entrance to a Relay store.

The gradual deployment of a shared SAP information system is also designed to improve the reliability of data measurement and production assumptions. In addition, a number of initiatives have been launched in recent years to reduce waste wherever possible:

- ▶ various promotional offers are organised at the end of the day to limit waste and, as part of the FLOW anti-waste programme, a workshop was organised with country representatives in 2023 to introduce effective promotions and communications at the point of sale to intensify the fight against waste;
- ▶ in France, the Défi No Gaspi initiative helps raise awareness and inform customers. Promotional rules have been standardised in own-banner stores, allowing reductions of 30% to 50% on products on their use-by or best-before date;
- ▶ applications to facilitate the sale of products close to their use-by date via discounted food baskets. In Europe, a large number of restaurants use Too Good To Go (Germany, France, Netherlands, Switzerland, Poland and Italy). Across the Atlantic, the GoodMeal app is used in Chile;
- ▶ in addition to these initiatives, unsold items are offered directly to local charities or via platforms that redistribute donations to NGOs such as Food Angels (Hong Kong), Goodr (United States) and Last Minute Market (Italy).

The country organisations have introduced a number of initiatives to reprocess food waste. In the Czech Republic, a smart composter has been installed to reduce the weight of waste bins and recycle more. The compost is then given to customers free of charge, with instructions on how to use it. In the United Arab Emirates, teams have partnered with startup Bean and Beyond to recover used coffee grounds and produce mushrooms that are then used in their dishes.

To share best practice between countries, a chefs' community has been created, bringing together international chefs to promote anti-waste recipes, as well as vegan and vegetarian options. Their recipes are available via an online platform in all countries.

## PLASTIC REDUCTION

Driven by a constant determination to reduce their environmental footprint, the Lagardère group's subsidiaries are making progress on reducing the use of plastic.

In 2020, Hachette Livre France launched a comprehensive review of its use of plastic throughout its processes. The aim is to obtain a precise measurement of the plastic footprint within the manufacturing and distribution chains. Detailed mapping was carried out to determine the various types of materials and volumes of plastics used in production (banners, lamination or protection for books or boxes, etc.) and logistics (film for securing pallets, packaging, etc.). A comparable review was also carried out on partworks, aligned with the specific nature of that activity.

In 2021, a plastic footprint reduction trajectory and a 2030 action plan were laid out, with the goal of shrinking Hachette Livre France's plastic use by 25% by 2030. The action plan has four main thrusts: reduction in plastic volumes (elimination of non-essential uses, eco-design), improvement in the material mix (responsible purchasing, choice of plastics sourced from established circular channels), changes in structure to facilitate the rollout of the approach (installation of industrial innovations, involvement of all business lines), and commitment of the ecosystem (interprofessional initiatives, communication, etc.). The plan got under way in France in 2022. A diagnosis and action plan to reduce the use of plastics in operations outside France were rolled out in 2023.

Since then, Hachette Livre has made progress in France in implementing its Bas-Plastique action plan, focusing its efforts on product eco-design (reducing the lamination of books, replacing the plastic spacer in certain boxes by cardboard and reducing the use of bundling film) and reducing the use of plastic in logistics (reducing the thickness of machine and manual palletising films, reducing the thickness and incorporating recycled plastic in heat-shrink film, eliminating the use of PVC adhesive tape in warehouses and implementing a progress plan for sorting logistics waste).

In late 2019, Lagardère Travel Retail decided to eliminate all plastic consumables used by its own Foodservice banners worldwide. The initiative was rolled out in France starting in July 2020 and has since been gradually extended to all the host countries.

**99% of countries with a Foodservice business have eliminated single-use plastic consumables (calculated based on revenue; own banners only).**

This major change was possible thanks to rapid action by departments and countries to identify products and suppliers meeting the new specifications. Since the end of 2022, in tandem with this approach, the division has been reviewing the way it uses plastic consumables in order to reduce their use by applying the 4 Rs principle: Remove, Reduce, Reuse and Recycle.

In 2023, guidelines for more responsible consumables were updated and expanded to include checkout bags. Packaging experts were consulted to define worldwide guidelines for preferred, acceptable and banned bag materials for all consumables and checkout bags.

A new worldwide checkout bag policy has been introduced. To reduce the volume of bags distributed, checkout assistants in all countries are instructed to ask customers in advance if they need a bag, and to charge for one if necessary. The bags are made from more responsible materials, as defined in internal guidelines (FSC or PEFC-certified paper, over 80% recycled paper, etc.). In 2023, the division undertook to cease orders for virgin or oxo-biodegradable plastic bags for all of its own banners.



Lagardère Travel Retail checkout bag.

Alternatives to plastic bottles are also being tested with the aim of eventually offering an alternative in all stores. The division is encouraging tests of different types of drink dispensers across its network (Charles de Gaulle airport in France, as well as in Poland and Czech Republic), with further tests planned in the United States from 2024.

## ECO-DESIGN

Defined as the systematic integration of environmental aspects into every stage of a product's development process, so that it makes the lowest possible environmental impact throughout its life cycle, eco-design is gradually gaining importance across all the Group's business activities.

Communication materials for the Hachette Livre eco-design week.



In 2023, Lagardère Publishing continued its annual eco-design programme, launched in 2021 with the aim of initiating or accelerating eco-design practices within its teams and involving all business lines in efforts to achieve the targets linked to its plastic footprint reduction pathway. The programme includes an Eco-design Week (series of online sessions open to all to raise awareness of the key issues of climate change and plastic pollution, and to share best practice at every stage of the product lifecycle) and an internal eco-challenge (to highlight eco-designed products and green processes initiated within the teams).

In 2023, this programme won the Victoire d'Or at the Victoires du Capital Humain awards in recognition of the division's strategy. Meanwhile, Lagardère Travel Retail is making progress on the eco-design of its stores. Three eco-designed stores have been opened: an Aelia Duty Free store in Geneva (2021), a Travel Essentials Discover outlet in Singapore (2022) and the Future is Local store in Prague (2022). This development requires an end-to-end assessment of the store's life cycle, from specifications and choice of materials to the merchandise offering and waste management. In 2023, more than 40 of Lagardère Travel Retail's international designers and architects will be trained in eco-design principles to enable them to bring more circularity into the division's future concepts.

### A.3 OUTCOMES

Indicator	2023	2022	2021
Weight of paper purchased directly (in kilotons)	101.9	140.5	135.1
Weight of paper supplied (in kilotons)	38.1	37.0	44.4
Total weight of paper purchased and supplied (in kilotons)	139.9	177.5	179.5
Percentage of certified paper	94.7	95.5	95.0
Percentage of recycled paper	4.7	3.9	3.9
Percentage of countries <sup>(1)</sup> with a Foodservice business that have a waste measurement system and have run at least one food waste reduction initiative <sup>(2)</sup> (calculated based on revenue; own banners only)	67	65	49
Percentage of countries <sup>(1)</sup> with a Foodservice business that have eliminated single-use plastic consumables <sup>(3)</sup> (calculated based on revenue; own banners only)	99	95	48
Water consumption (cu.m.)	655,213	480,625	432,301

(1) Implementation of initiatives at country level does not mean that they are applied in every point of sale.

(2) Inclusion in this indicator is subject to two criteria: the country has implemented a reporting tool to monitor food waste and has initiatives in place to reduce it. If the country meets both criteria, its Foodservice revenue is added to the others and divided by total Foodservice revenue to obtain the percentage.

(3) To meet this criterion, a country must not use materials that are prohibited in the materials guidelines. If the country is in compliance with the materials guidelines, its Foodservice revenue is added to the others and divided by total Foodservice revenue to obtain the percentage.

### GO GREEN, THE LAGARDÈRE TRAVEL RETAIL FRANCE EMPLOYEE CHALLENGE TO SUPPORT THE CIRCULAR ECONOMY

Launched in 2022, Go Green is an entrepreneurial challenge calling on Lagardère Travel Retail France employees to submit sustainability projects.

The Huggy platform project was selected from among ten initiatives, and became a reality with a first test phase in around 50 stores in the eastern region of France in June 2023. It allows stores to make unused and bulky equipment available to other points of sale.

At the end of 2023, following this conclusive test, the project was rolled out to nearly 900 stores in the network. To date, more than a hundred connections and dozens of exchanges have taken place on various materials.

### 2.3.3.3 BIODIVERSITY AND ECOSYSTEM PRESERVATION

As a publisher, Lagardère Publishing uses natural forest resources upstream in its value chain. Making paper involves the exploitation of forests, which has an impact on biodiversity and local ecosystems. Depending on the forest from which it is sourced, it is essential to consider the risks associated with the origin of the wood used in the paper and pulp industries. Particular attention must be paid to upstream operations, which are likely to contribute to deforestation, or to monocultures replacing natural forests or other environments of high conservation value.

#### A.1 STRATEGY

Attention to raw materials has been at the heart of Hachette Livre's sourcing strategy for several years. To mitigate its impact on biodiversity, suppliers in its value chain are selected within the framework set by the Forest Stewardship Council (FSC®) and the Programme for the Endorsement of Forest Certification (PEFC) to guarantee a sustainable and certified supply of paper.

The use of these labels guarantees compliance with responsible forest management principles, including respect for international treaties, support for the rights of indigenous peoples, maintenance of the social and economic well-being of local communities, promotion of efficient use of a forest's ecosystem services to ensure its economic viability, conservation of biological diversity and the ecosystem values and services associated with it (water resources, soil, landscape, heritage species and habitats, etc.).

Buying certified paper also helps preserve biodiversity, since the sustainable approach involves controlling forest resources, and also takes into account criteria such as the productive and protective functions of forests, biological diversity, and forest health and vitality.

#### A.2 APPLICATION

Since 2022, Hachette Livre has sourced 99% of its paper from recycled or FSC® or PEFC certified suppliers. To mitigate the risk of biodiversity loss through deforestation and forest degradation, programmes have been introduced in Asia to verify the composition of the paper purchased. These include consultation with suppliers and allow for the exclusion of service providers not meeting the requirements laid down in Hachette Livre's supply strategy (traceability, fibres from sustainably managed forests, etc.).

The division is also working on initiatives to develop biodiversity and connect its sites more closely with the surrounding nature. In addition to maintaining the balance of biodiversity and ecosystems upstream in its value chain, Lagardère Publishing is committed to reducing the impact of its direct activities on its immediate environment.

In 2023, Hachette Livre's headquarters in France were awarded the LPO Refuge label by the French League for the Protection of Birds. Specific measures have been taken to encourage the presence and diversity of local bird life.

Similarly, Hachette Livre has set up eco-grazing areas on the Maurepas site. By providing pasture for sheep and goats, the company is contributing to more respectful management of its green spaces, encouraging more abundant biodiversity, in terms of both fauna and flora. This initiative also helps to preserve species that are endangered because they are too small or too scrawny to be used for meat.

## 2.3.4 ENSURING ETHICAL AND RESPONSIBLE CORPORATE GOVERNANCE

### 2.3.4.1 FIGHTING CORRUPTION

The broad diversity of the business activities of both the Group and the outside organisations with which it interacts, as well as its international operations and/or expansion, exposes the Group to corruption and other risks.

#### A.1 STRATEGY

The Group has adopted a zero-tolerance policy in respect of corruption. This policy is embodied in a dedicated compliance programme that has been rolled out across the Group since 2013. In 2023, Arnaud Lagardère issued the Group's updated Code of Conduct, which applies to everyone and sets out the Group's ethical standards.

This document, overseen by the Group Risk, Internal Control and Compliance Department under the authority of the Secretary General, a member of the Executive Committee, is applied through specific procedures that provide a framework for business activities deemed at risk, as well as control processes to ensure that procedures are followed. In addition, an ethics whistleblowing line, available on the Group's website since 2020, can now be used by all Group stakeholders to report possible acts of corruption.

As such, the Group refuses to promise, offer, authorise, grant, solicit or accept illicit payments or other undue benefits with a view to winning or retaining contracts, illegally influencing the decision-making process, abusing any real or supposed influence on a third party to obtain a favourable decision or any other illegitimate advantage.

#### A.2 APPLICATION

The anti-corruption programme is designed and coordinated centrally by Group Compliance. It is being deployed and applied by the operating entities.

On the ground, Compliance Correspondents communicate anti-corruption principles through training and provide operational staff with assistance and support in analysing risks, carrying out the necessary due diligence on future partners, taking appropriate measures to prevent the occurrence of acts of corruption and answering questions from employees.

Managers and employees are trained in anti-corruption issues. They are required to comply with regulations in force and to apply the anti-corruption policy in their relations with all third parties, including governments, quasi government bodies, and public and private customers and suppliers. When the Group embarks on external growth transactions, specific due diligence is conducted to identify any corruption risks. Furthermore, the Group prohibits political donations.

Issues related to business ethics are also described in the Risk Factors chapter of this document, under the heading "Business ethics" (see section 4.1.3.3).

**A.3 OUTCOMES**

Anti-corruption performance is monitored at several levels:

- ▶ the implementation of the anti-corruption programme is monitored by the Risk Committees, which meet twice a year for each business. The meetings bring together the Group's General Management and that of each division;
- ▶ any significant issues are reviewed by the Financial Committee and undergo specific analysis to measure compliance risks, including corruption risk;
- ▶ internal control procedures cover compliance aspects;
- ▶ internal audit regularly checks the implementation of the anti-corruption programme at the different entities.

**2.3.4.2 RESPECT FOR PRIVACY**

With the explosion in the amount of data available online and the surge in cyber-attacks in recent years, personal data protection is an issue that requires heightened responsibility and vigilance.

**A.1 STRATEGY AND APPLICATION**

The Group's information systems contain personal data on Group employees and third parties, in particular, including magazine and partworks subscribers, the travelling public (duty free) and website visitors (media, education).

The Group began actively implementing the General Data Protection Regulation (GDPR) in 2016, with the full support of General Management. After initial awareness-raising initiatives run by the Group in its divisions, a dedicated task force was set up at Group level, comprising the Data Protection Officer (DPO), the Group IT Director and the Chief Compliance Officer.

A Steering Committee has also been set up with the divisions under the responsibility of the DPO, and a network of correspondents created in the divisions. This has made it possible to establish a Group policy and to validate the various applications, tools and policies for compiling information on data processed, ensuring that personal data are duly protected and that breaches are managed. On the latter point, the Group Chief Information Security Officer also proactively monitors the Internet to identify content leaks, particularly leaks of personal data.

The GDPR compliance programme is part of the Group's continuous improvement approach, alongside all other risk management and compliance programmes. In 2023, the Group's cross-functional processes were identified, and the most sensitive were the subject of impact analyses. In addition, internal audits are performed regularly on this programme, which is also monitored by the Group Audit Committee.

Issues related to the protection of personal data are also described in the Risk Factors chapter, under the heading "Risks associated with data security" (see section 4.1.3.2).

**2.3.4.3 OTHER ETHICAL INFORMATION**

To prevent tax evasion, the Group takes steps to identify and reduce tax risks, which are reviewed specifically as part of the Group's risk mapping exercise led by the Risk, Compliance and Internal Control Department. In addition, tax policy, risks and disputes are presented periodically to the Audit Committee.

The Group ensures compliance with the applicable regulations of the countries in which it operates as regards tax reporting, calculation and the payment of taxes, levies and duties of all kinds. It complies with its annual country-by-country reporting (CbCR) obligations as regards tax, and underlines the importance of transparency and cooperation with national and local authorities, particularly during tax audits.

The Group is also committed to complying with the principles set out in European directives and by the OECD as regards the fight against tax evasion and the arm's length principle. In particular, it does not transfer profits to countries with more advantageous tax systems. It refuses artificial arrangements or any that could result in tax evasion or avoidance, and establishment in non-cooperative states or territories with regard to French law and the OECD.

Tax issues are dealt with centrally by a Tax Department under the responsibility of the Group's Chief Financial Officer, a member of the Executive Committee. For complex issues or questions bearing on the interpretation and application of standards, as part of major transactions and during tax audits and litigation, it calls on recognised expert external advisors.

## 2.4 SUMMARY TABLE OF OTHER MONITORED INDICATORS

AFR

	2023	2022
<b>Employee indicators</b>		
<b>Headcount</b>		
Permanent workforce at 31 December <sup>(1)</sup>	31,316	27,383
Lagardère Publishing	7,601	7,479
Lagardère Travel Retail	22,619	18,803
Other activities	1,096	1,101
Women	19,873	17,586
Men	11,443	9,797
Top executives	381	365
Executives and managers	7,415	6,567
Other employees	23,520	20,451
Employees under 30	8,315	8,085
Employees aged 30-39	8,541	7,213
Employees aged 40-49	6,707	5,816
Employees aged 50 and older	7,753	6,269
France	5,637	5,532
Europe (excluding France)	11,406	8,876
North and South America	10,576	10,146
Asia-Pacific	3,307	2,502
Africa	290	327
Temporary employees <sup>(2)</sup> as of 31 December	4,409	-
Contract employees <sup>(3)</sup> , full-time equivalents <sup>(4)</sup>	929	819
Number of temporary hours worked during the year on a full-time equivalent basis	1,025	986
<b>Organisation of working hours</b>		
Full-time employees	24,173	22,969
Part-time employees	7,143	4,414
<b>Social dialogue</b>		
Number of collective agreements in force at 31 December	553	497
Number of collective agreements signed during the year	205	115
% of employees covered by a collective gender equality in the workplace agreement	60	58
% of employees covered by a collective health, safety and working conditions agreement	63	61
% of employees covered by a collective agreement on the inclusion of people with disabilities	43	39
% of employees covered by a collective employee benefits agreement	54	54
% of employees covered by collective working hours agreement	70	68
% of employees covered by a collective training agreement	46	47
% of employees covered by a collective compensation agreement	67	63
<b>Environmental indicators</b>		
Natural gas consumption (in GWh)	57	47
Fuel-oil consumption (in GWh)	2	2
Electricity consumption (in GWh)	234	207
Steam consumption for heating (in GWh)	10	9
Scope 1 carbon emissions from natural gas consumption in buildings (tCO <sub>2</sub> eq)	10,570	8,595
Scope 1 carbon emissions from oil consumption in buildings (tCO <sub>2</sub> eq)	658	566
Scope 1 carbon emissions from vehicle fuel consumption (tCO <sub>2</sub> eq)	3,270	2,294
Scope 2 carbon emissions from electricity consumption (tCO <sub>2</sub> eq)	77,294	64,327
Scope 2 carbon emissions from district heating network consumption (tCO <sub>2</sub> eq)	1,998	2,123
Scope 3 carbon emissions from energy consumption not included in Scopes 1 & 2 (tCO <sub>2</sub> eq)	19,147	16,181
Scope 3 carbon emissions from business travel (tCO <sub>2</sub> eq)	10,183	5,978
Scope 3 carbon from employee commuting (tCO <sub>2</sub> eq)	24,367	19,684

(1) Permanent workforce numbers set out here correspond to the number of employees on permanent contracts who were actually in service on the last day of the year concerned. As employee turnover is high, particularly in Travel Retail, a consistent definition cannot be applied over time to determine the number of employees. This figure reflects some degree of uncertainty (just over 1%) despite the controls performed.

(2) Temporary workforce numbers set out here correspond to the number of employees on fixed-term contracts who were actually in service on the last day of the year concerned.

(3) Contract employees alternate between periods worked and not worked to meet the employer's specific requirements.

(4) The FTE figure is obtained by adding together all the employees who worked for the Group over the course of the year, based on their standard working hours and the hours they actually worked over the twelve months concerned. For example, an employee who works half a week for six months of the calendar year is counted as 0.25 FTE (0.50 x 0.50). This measure is more appropriate for analysing the casual workforce, given that a figure at 31 December would not reflect the actual situation over the year as a whole.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol **AFR**

## 2.5 CSR METHODOLOGY AND SCOPE

**AFR**

### 2.5.1 SCOPE OF CONSOLIDATION

The reporting system used to collect social, environmental and societal information is deployed in all the consolidated subsidiaries<sup>(1)</sup> whose operations are managed by the Group, with the exception of:

- ▶ entities sold or deconsolidated during the fiscal year;
- ▶ certain entities acquired during the year, for which the reporting system is being rolled out gradually;
- ▶ entities meeting certain size criteria:
  - for energy data, exclusion of premises hosting fewer than ten employees,
  - for carbon reporting related to employee travel (company cars, employee commuting and business travel), exclusion of entities with fewer than 50 employees (with the exception of four entities with between 64 and 381 employees that have been excluded from the 2023 data collection process due to immateriality or unavailability of data).

Labour, social and environmental data presented in this document are reported using dedicated software covering all consolidated subsidiaries (subject to the previously-mentioned exceptions).

Taking into account the global footprint and with the energy scope exclusions listed above:

- ▶ data on Scopes 1 & 2 energy consumption and greenhouse gas emissions from point sources and water consumption cover 99.96% of the Group's permanent workforce as of 31 December 2023;
- ▶ data on employee travel and associated greenhouse gas emissions (company vehicle fuel, business travel and commuting) cover 97% of the Group's permanent workforce as of 31 December 2023.

Comparative data from one year to the next are on a like-for-like basis. As such, for 2023, the data for previous years have been recalculated using the scope of consolidation for 2022 as a reference.

### 2.5.2 REFERENCE LIBRARY FOR INDICATORS AND REPORTING METHODS

Data are entered by a contributor for each Group company included in the reporting scope. This information is then validated/verified by the subsidiary's management (Human Resources Department or Finance Department) before being sent to the Group Sustainable Development and CSR Department, which checks the consistency of the data.

Consistency checks aim to ensure the quality and fair presentation of reported data, including comparisons with prior periods, thereby improving the reliability of the reporting system.

Although the Group seeks to make contributors' work as easy as possible, by defining a clear reporting process and factoring in the international nature of its operations and activities (objectives that are closer to being achieved since the reporting guidelines were put in place), certain difficulties, sources of uncertainty, may arise during the reporting process:

- ▶ inaccurate assessments;
- ▶ calculation errors;
- ▶ poorly understood questions;
- ▶ data entry errors;
- ▶ problems defining an indicator;
- ▶ problems responding because of legal and/or political reasons.

The reporting method for social, environmental and societal data follows the same process.

#### A.1 SOCIAL REPORTING

Labour reporting follows the Group's Human Resources policy, taking the specific needs of each business line and/or geographic area into account. It is based on a library of more than 150 indicators that have been regularly updated, initially in 2006 and again in 2010.

The library of social indicators was reviewed in detail in 2012 in order to make it easier to understand for contributors and more relevant for the Group's divisions and activities, as well as to take account of the provisions of the implementing order of article 225 of France's Grenelle 2 law.

In 2019, the library of social indicators was once again reviewed to streamline and align it with the changes in the Group's organisation.

Rather than using a Group average approach, frequency and severity rates and lost time due to work accidents are now calculated using the number of theoretical hours worked per year per FTE in each of the Group's entities. This calculation method enables the Group to take account of the business and geographical specificities of each subsidiary and thereby generate more representative results.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol **AFR**

(1) The list is provided in note 38 to the consolidated financial statements in this Universal Registration Document.

## A.2 ENVIRONMENTAL AND CARBON REPORTING

Environmental reporting follows the Group's sustainable development policy, also taking the specific needs of each business line and/or geographic area into account.

In 2012, specific work was carried out on the environmental indicator reference library to improve its reliability and especially to make it more relevant in view of the Group's many activities. In 2013, the library was reviewed for the purposes of harmonising the methods used for calculating the proportions of certified and recycled paper contained in paper purchases and supplies.

Data on energy consumption disclosed concern the energy used to produce and supply the goods and services related to the Group's activities as well as that used to heat and light the premises and sites where the Lagardère group's employees work (offices, storage warehouses and retail stores). Data on electricity consumption also include electricity used by the radio broadcasting sites that are directly managed by the Group. Since 2015, data of this nature have been reported building by building.

With regard to Lagardère Travel Retail's store network, a common reporting line is defined at the level of each country to gather data on electricity consumption (as well as oil and gas, where applicable) for all points of sale to be consolidated on a country-by-country basis.

The greenhouse gas emissions reported in section 2.3.3.1.A.3 refer to:

- ▶ Scope 1, i.e., direct emissions from point sources (gas and fuel oil consumed in buildings) and mobile combustion sources (fuel consumed by owned vehicles);
- ▶ Scope 2, i.e., indirect emissions related to purchases of energy, and notably consumption of electricity and district heating. These emissions are calculated using the location-based approach;
- ▶ certain Scope 3 emissions, in particular:
  - indirect emissions from employee business travel,
  - indirect emissions from employee commuting,
  - indirect emissions from energy consumption, not included in Scopes 1 & 2 (upstream portion of emissions).

The emissions factors used by the Group in its calculations of greenhouse gas emissions and conversion into CO<sub>2</sub> equivalents are determined by reference to the Ademe "Base Empreinte", the French public database of emissions factors needed to establish carbon accounting. These factors are reviewed annually and are an integral part of the reporting procedure review process.

As part of the carbon audit carried out in 2021 with the help of consulting firm Carbone 4, the Group has updated all of its Scopes 1 & 2 emission factors, in particular to take into account only the combustion portion of energy emissions (the upstream portion is included in the item "Scope 3 carbon emissions from energy consumption not included in Scopes 1 & 2").

Greenhouse gas emissions are calculated directly by the Group Sustainable Development and CSR Department based on the energy data reported by the entities.

## A.3 SOCIETAL INFORMATION

The reporting protocol for societal data, which is mainly based on qualitative questions, has been in place since 2015 and comprises around 15 indicators common to all of the Group's divisions and about 10 indicators specific to certain activities.

## 2.6 REPORT OF THE INDEPENDENT THIRD PARTY

**AFR**

Report by one of the Statutory Auditors, designated as the independent third party, on the consolidated non-financial statement

### To the General Meeting,

In our capacity as Statutory Auditor of Lagardère (hereinafter "the entity"), appointed as an independent third party, and certified by COFRAC under number 3-1886 (whose scope is available at [www.cofrac.fr](http://www.cofrac.fr)), we carried out our work in view of providing a reasoned opinion expressing a limited assurance conclusion on historical information (whether observed or extrapolated) contained in the consolidated non-financial information statement (hereinafter the "Information" and the "Statement" respectively), prepared in accordance with the entity's procedures (hereinafter the "Guidelines") for the year ended 31 December 2023, included in the management report pursuant to the legal and regulatory provisions of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

### CONCLUSION

Based on our work, as described in the section "Nature and scope of our work", and the information collected, nothing has come to our attention that causes us to believe that the Statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly and in accordance with the Guidelines.

### COMMENTS

Without modifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we have the following comments:

- ▶ as part of the update of the dual materiality assessment, the risks relating to health and safety and workers in the value chain do not yet cover any policies for the Lagardère Travel Retail division;
- ▶ the policies on respecting privacy for Lagardère News and on fighting corruption do not cover any key performance indicators.

### PREPARATION OF THE NON-FINANCIAL STATEMENT

The lack of a generally accepted and commonly used reference framework or established practice on which to base the assessment and measurement of the Information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the main elements of which are presented in the Statement and available on request from the entity's head office.

### LIMITATIONS INHERENT IN THE PREPARATION OF INFORMATION

As stated in the Statement, the Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Certain information presented in the Statement is sensitive to methodological choices, assumptions or estimates made in its preparation.

### ENTITY'S RESPONSIBILITY

It is the responsibility of the Board of Directors:

- ▶ to select or establish appropriate criteria for the preparation of information;
- ▶ pursuant to legal and regulatory requirements, to prepare the statement, which must include a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented in light of those risks, the outcome of said policies, including key performance indicators, and the information provided for in article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- ▶ to prepare the Statement by applying the aforementioned Guidelines of the entity; and
- ▶ to put in place such internal controls as it determines necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared in application of the Entity's above-mentioned Guidelines.

### RESPONSIBILITY OF THE STATUTORY AUDITOR, APPOINTED AS AN INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- ▶ the compliance of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- ▶ the fairness of the information provided in accordance with article R. 225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks, hereinafter the "Information".

As it is our responsibility to express an independent conclusion on the Information as prepared by management, we are not authorised to be involved in the preparation of the Information as this could compromise our independence.

It is not our responsibility to comment on:

- ▶ the entity's compliance with other applicable legal and regulatory provisions, particularly the information required by article 8 of Regulation (EU) 2020/852 (Green Taxonomy) the French duty of care law and anti-corruption and tax evasion legislation;
- ▶ the fairness of the information required by article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- ▶ the compliance of products and services with the applicable regulations.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol **AFR**

## APPLICABLE REGULATORY PROVISIONS AND PROFESSIONAL STANDARDS

The work described below was performed in accordance with the provisions of articles A.225-1 *et seq.* of the French Commercial Code, with our audit programme consisting of our audit procedures, and with the professional guidance of the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes, CNCC*) applicable to such engagements, in particular, the CNCC technical opinion – Statutory Auditor engagement – Independent third party engagement – Non-financial information statement, and with ISAE 3000 (Revised)<sup>(1)</sup>.

## INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of article L. 821-28 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements, and the French professional standards for Statutory Auditors applicable to such engagements.

## MEANS AND RESOURCES

Our verification work mobilised the skills of five people and took place between December 2023 and March 2024 over a total duration of intervention of around ten weeks. To assist us in our work, we called on our specialists in sustainable development and corporate social responsibility. We conducted around ten interviews with the people responsible for preparing the Statement, representing the Sustainable Development and CSR, Human Resources, Technical and Purchasing, Services and Operations, and Risk, Compliance and Internal Control departments.

## NATURE AND SCOPE OF THE WORK

We planned and performed our work taking into account the risks of material misstatement of the Information.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion:

- ▶ we obtained an understanding of all the consolidated entities' activities and the description of the principal associated risks;

- ▶ we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- ▶ we verified that the Statement covers each category of information required under article R. 225-102-1 III of the French Commercial Code (i.e., social and environmental, respect for human rights, and the fight against corruption and tax evasion), and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- ▶ we verified that the Statement presents the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks;
- ▶ we verified that the Statement presents the business model and the principal risks associated with the activity of all entities included in the scope, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- ▶ we verified that the Statement includes a clear and reasoned explanation for the absence of a policy regarding one or more of those risks, as required by article R. 225-105;
- ▶ we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important<sup>(2)</sup>. Our work was carried out on the consolidating entity and on a selection of entities;
- ▶ we verified that the Statement covers the scope of consolidation, i.e., all the consolidated entities in accordance with article L. 233-16, subject to the limitations set out in the Statement;
- ▶ we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;

(1) ISAE 3000 (revised) – Assurance engagements other than audits or reviews of historical financial information.

(2) Selected qualitative information: responsible paper management policy deployed by Lagardère Publishing and actions implemented to trace and monitor the quality of paper purchased; actions implemented by Lagardère Publishing in favour of accessibility, literacy and the promotion of reading and entertainment; actions implemented by Lagardère Publishing and Lagardère Travel Retail to reduce their use of plastic; policy and actions implemented by Lagardère Travel Retail in terms of consumer health and safety; actions implemented by Lagardère Travel Retail, Lagardère Publishing and Lagardère News in terms of health and safety at work; policy and actions implemented in terms of the fight against corruption.



- ▶ for the key performance indicators and other quantitative outcomes that we considered to be the most important<sup>(1)</sup>, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques or other methods of selection, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 11% and 33% of the consolidated data selected for these tests;
- ▶ we assessed the overall consistency of the Statement based on our knowledge of all the entities included in the scope of consolidation.

The procedures performed for a limited assurance engagement are less extensive than those required for a reasonable assurance engagement carried out in accordance with professional standards applicable in France; a higher level of assurance would have required us to carry out more extensive procedures.

French language original signed at Paris-La Défense, on 20 March 2024

**One of the Statutory Auditors,  
Deloitte & Associés**

**Arianne Buaille**

Partner, Audit

**Julie Mary**

Director, Sustainable Development

(1) Quantitative social information: permanent workforce at end of period; non-permanent workforce at end of period; average permanent workforce (in FTEs); overall voluntary departure rate and the rate by professional category; average number of training hours per permanent employee; percentage of women top executives, percentage of women in management; work-related accident frequency rate.

Quantitative environmental information: percentage of certified paper; percentage of recycled paper; Scopes 1 & 2 energy consumption; Scopes 1 & 2 carbon emissions; Scope 3 carbon emissions related to business travel and commuting; Scope 1, Scope 2 and employee travel carbon emissions (business travel and commuting) per FTE.

Quantitative social information: percentage of e-books available in ePub 3 format among new textbooks intended for the general public and sold in bookstores (excluding comics and illustrated books) in the Lagardère Publishing catalogue at year-end; percentage of Foodservice revenue in countries with food waste measurement systems and waste reduction initiatives; percentage of Foodservice revenue in countries that have switched to more responsible consumables (in compliance with materials guidelines), in own banners; percentage of expenditure related to suppliers presenting high CSR risks as assessed by EcoVadis.

## 2.7 APPLICATION OF THE DUTY OF CARE LAW FOR PARENT COMPANIES

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### 2.7.1 MAIN POINTS OF THE DUTY OF CARE PLAN

For more than 20 years, the Lagardère group has striven to carry out its businesses while strictly adhering to a certain number of universal principles. The Group's first Code of Ethics dates from 1994 and was subsequently revised in 2005, 2012, 2016 and 2020. It sets out guidelines on integrity and professional conduct for all employees of the Lagardère group. The issues of human rights and fundamental freedoms, and of the health and safety of people and the environment are integral to the principles covered by the Code.

A cross-disciplinary working group was set up in the second half of 2017 to prepare the Group's compliance with French law 2017-339 of 27 March 2017 on the duty of care for parent companies and their contractors. Under the supervision of the Sustainable Development and CSR Department, this committee drew together representatives from all divisions, as well as representatives from the directly affected

corporate departments, namely the Group's Legal Department and the Risk, Compliance and Internal Control Department.

The first step involved mapping out the risks linked to the Group's supply chain. At the end of this stage, seven procurement categories were identified as being most likely to give rise to risks involving Lagardère group subcontractors or suppliers: printing activities and printing-related services, production of paper pulp, wholesale supply of accessories and household items, own-label products sold in stores, disposable items used in restaurants, energy supply (electricity, gas, steam, air-conditioning), and production of plastics.

After the risk mapping process, the operating entities ranked suppliers in order of priority for their supplier assessment plan, which will be implemented over the next several years.

The year under review was the sixth year of the plan's rollout.

### 2.7.2 MONITORING

All methods used to monitor measures taken in application of the Group's duty of care can be found in the following sections of this Universal Registration Document:

- ▶ regarding issues relating to human rights and fundamental freedoms, see section 2.3.2 on the challenges of access to and dissemination of education, knowledge and culture, as well as sections 2.3.1.5 and 2.3.4.2 on workers in the value chain and the right to privacy;

- ▶ regarding issues relating to personal health and safety, see section 2.3.1.2 on occupational health and safety, as well as section 2.3.1.4 on consumer health and safety;
- ▶ regarding environmental issues, see section 2.3.3 on fighting climate change and on the issues of natural resource management, anti-waste and the circular economy.

A set of indicators is used to assess the effectiveness of measures taken for each of these topics. The whistleblowing tool has been in place within the Group since 2020.

## 2.8 IMPLEMENTING THE TAXONOMY REGULATION

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### REGULATORY FRAMEWORK AND COMPLIANCE

In accordance with European Regulation 2020/852 of 18 June 2020 on the establishment of a framework to encourage sustainable investment in the European Union (EU), the Lagardère group is obliged to disclose certain key performance indicators (KPIs) corresponding to the proportion of its revenue, capital expenditure (CapEx) and operating expenditure (OpEx) that is derived from products or services associated with economic activities that qualify as environmentally sustainable under the Regulation. This classification system, known as the European taxonomy for sustainable activities or the "Green Taxonomy," establishes a list of economic activities deemed to be environmentally sustainable based on scientific criteria and aligned with the EU's green deal objectives.

For 2023, the disclosure requirements for these key performance indicators cover eligibility with regard to the six environmental objectives defined in the Regulation (climate change mitigation, climate change adaptation, sustainable use of water and marine resources, circular economy, pollution prevention, protection and restoration of ecosystems) as well as alignment with the two climate objectives (as in 2022).

For each objective, the appendices provide definitions of the eligible activities, along with the corresponding NACE codes, and the technical screening criteria for determining whether they are effectively sustainable (i.e., "aligned" with the Regulation's objectives). To qualify as sustainable, these activities will also have to meet the minimum safeguards set out in the Taxonomy Regulation.

Any activities that are not included in the initial list of defined activities or which do not correspond to the definitions are considered to be undefined in the framework and as such "non-eligible".

As it is obliged to disclose these indicators, which show the proportion associated with potentially sustainable activities while taking into account the Regulation's technical alignment criteria, Lagardère has assessed the eligibility of its activities:

- ▶ with regard to Delegated Regulation (EU) 2023/2485 (supplementing the Climate Delegated Act) for climate objectives;
- ▶ with regard to Delegated Regulation (EU) 2023/2486 for the other four environmental objectives.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol **AFR**

## PRESENTATION OF THE 2023 KEY PERFORMANCE INDICATORS

The financial data used in this analysis correspond to all the consolidated data for the year ended 31 December 2023. They have been prepared jointly by the Group's local and central teams based on the consolidated financial statements prepared under IFRS at 31 December 2023, and in accordance with guidance provided by applicable regulations<sup>(1)</sup> for the definition of the revenue, CapEx and OpEx components to be disclosed. The results of the analysis are presented in detail below.

## ELIGIBLE AND ALIGNED TURNOVER (REVENUE)

Concerning turnover, and with regard to the regulatory framework presented above, Lagardère News and all activities of Lagardère Live Entertainment are eligible for the climate change adaptation objective (identified in Annex II of Commission Delegated Regulation [EU] 2021/2139 published in April 2021) and are considered enabling. An activity qualifies as contributing to the climate adaptation objective and as an enabling activity if it directly enables other activities to reduce the adverse impacts of climate change and to maximise the positive impacts<sup>(2)</sup>.

The Group's other activities (Lagardère Publishing and Lagardère Travel Retail) belong to sectors that are not eligible with regard to any of the Taxonomy's environmental objectives.

The table below shows the correspondence between the eligible activities as described in the Regulation and the related Lagardère group activities.

Activity code	Industry	Activity	Description of the activity	Corresponding Lagardère activity
8.3	Information and communication	Programming and broadcasting activities	Programming and broadcasting include the activities of creating content or acquiring the right to distribute content and subsequently broadcasting that content, such as radio, television and data programmes of entertainment, news, talk, and the like. Also included is data broadcasting, typically integrated with radio or TV broadcasting.	Lagardère Radio (Europe 1, Europe 2, RFM)
13.1	Arts, entertainment and recreation	Creative, arts and entertainment activities	Creative, arts and entertainment activities include the provision of services to meet the cultural and entertainment interests of their customers. This includes the production and promotion of, and participation in, live performances, events or exhibits intended for public viewing and the provision of artistic, creative or technical skills for the production of artistic products and live performances.	All the activities of Lagardère Live Entertainment

In 2023, activities deemed eligible with regard to the two climate objectives represented 1.36% of the Lagardère group's revenue and activities considered to be aligned accounted for 0.003%<sup>(3)</sup>.

Analysis of the substantial contribution to climate objectives, designed to calculate the aligned portion of revenue from the programming and broadcasting activities, was based on the climate contract in place since July 2022 at Lagardère News, whose radio activities have now been separated and grouped together in a new limited partnership, Lagardère Radio. Under it, Lagardère News has committed to promoting and reporting editorial content dealing with climate change and other environmental issues. Based on this data, the reporting teams estimated the airtime's monetary value by allocating to it the portion of the radio economic activity spent on "green" content. To do so, they calculated the amount of time spent on "green" content-related topics or discussions by considering only the airtime of certain programmes, excluding music and evening airtime when the absence of guests makes it more complicated to discuss the issues in question.

In the case of the creative, artistic and entertainment activities, the substantial contribution was analysed by identifying, among all the shows and concerts programmed in 2023, the dates whose content could have generated aligned revenue.

Subsequently, to ensure compliance with the substantial contribution criteria, the teams based themselves on the Group's physical climate risk assessments carried out in 2022 and 2023. As the analysis of the physical risk exposure of eligible activities and the climate risk and vulnerability assessment have not brought to light any material risks for the Group's activities to date<sup>(4)</sup>, no physical risk adaptation plans need to be implemented. As a result, the activities concerned are considered to be adapted.

Lastly, the final step was to ensure that the eligible activities are conducted in compliance with certain minimum safeguards. In practice, this means complying with certain standards of behaviour specified in a number of international texts, such as the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles and rights set out in the eleven fundamental instruments of the International Labour Organisation's Declaration on Fundamental Principles and

(1) Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology for complying with that disclosure obligation.

(2) EU Regulation 2020/852 of 18 June 2020, article 11 and article 16.

(3) See note 5 to the consolidated financial statements in chapter 5 for a detailed presentation of financial information by reporting segment.

(4) See section 2.3.3.1 "Non-financial statement" and chapter 5, note 1 to the consolidated financial statements at 31 December 2023, paragraph 1.4, for further details of this work.

Rights at Work and the International Bill of Human Rights. The Group therefore performed a gap analysis to verify the compliance of its policies with the minimum safeguards. For this, the teams relied in particular on the Platform for Sustainable Finance's draft report on minimum safeguards published in October 2022, which identifies four substantive topics where compliance with minimum safeguards should be verified: human rights (including labour and consumer rights), corruption/bribery, taxation and fair competition. All these issues are covered in the Group's Code of Ethics (available on the corporate website) and are also discussed in section 2.3.4 of this Universal Registration Document and in the Group's duty of care plan.

## CAPITAL EXPENDITURE (CAPEX) AND OPERATING EXPENDITURE (OPEX)

In accordance with the Regulation, the CapEx KPI denominator covers the increase in the gross balance sheet value of right-of-use concessions and leases (IFRS 16), property, plant and equipment (IAS 16) and intangible assets (IAS 38), as well as additions to property, plant and equipment and intangible assets resulting from business combinations (IFRS 3).

In 2023, this denominator stood at €1,165 million and mainly corresponds to business combinations during the period for €478 million, notably in the Travel Retail business with the acquisition of Tastes on the Fly, Marché International and Costa Coffee, as well as increases in the right-of-use assets under store leases (concession agreements) in the Travel Retail business. These assets are the counterpart of the present value of future fixed lease payments that the Group agreed to pay upon signature of a property lease or concession agreement enabling it to operate retail premises. Consequently, they do not correspond to the acquisition of property, plant or equipment but instead to the right to use premises that remain the property of the lessor or the concession grantor.

The material CapEx relating to the activities below were analysed:

- ▶ the installation, maintenance and repair of energy efficiency equipment (activity 7.3.);

- ▶ the installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings (activity 7.5);
- ▶ acquisition and ownership of buildings (activity 7.7).

The analysis shows that **48% of Lagardère's CapEx are Taxonomy-eligible and 22.3% are Taxonomy-aligned** for 2023<sup>(1)</sup>.

For the CapEx alignment analysis, the substantial contribution and the DNSH criteria were applied to calculate the proportion of alignment. The physical risk vulnerability assessment carried out in 2023 shows that, even in the 4°C scenario, the estimated impacts in 2050 remain modest, with the estimated amount of damage to the assets tested less than 1% of their carrying amount.

For the CapEx corresponding to activity 7.7, the analysis consisted of obtaining an Energy Performance Certificate (EPC) of at least class A. When the EPC was not available, buildings forming part of the top 15% of the most energy-efficient buildings expressed as operational primary energy demand (PED) were considered to be aligned.

The CapEx reflected in the numerator corresponding to activity 7.3 was not material in 2023.

Taxonomy-eligible OpEx, as defined in the Regulation and expressed in the denominator, includes direct costs relating to:

- ▶ non-capitalised building renovation measures, maintenance and repair;
- ▶ short-term leases;
- ▶ maintenance and repair of buildings and vehicles;
- ▶ day-to-day servicing of assets.

**This OpEx denominator for 2023 amounted to €63 million, representing less than 1% of the Group's total operating expenses** (external charges, payroll costs, etc.), which is not representative of its business model. The work carried out therefore showed that this indicator is not material for the Group. Consequently, the analysis of eligible and/or aligned OpEx was not carried out and the numerator is considered to be zero.

(1) See notes 17, 18 and 19 to the consolidated financial statements in chapter 5 for a detailed presentation of non-current asset data.

**Revenue at 31 December 2023**

(in €m)	Denominator at 31 Dec. 2023	Objective: climate change adaptation		
		Total eligible	Total aligned	% alignment
Lagardère Publishing	2,809	-	-	-
Lagardère Travel Retail	5,018	-	-	-
Other Activities	254	110	0.2	0.003%
<b>Total revenue</b>	<b>8,081</b>	<b>110</b>	<b>0.2</b>	<b>0.003%</b>

**CapEx at 31 December 2023**

(in €m)	Denominator at 31 Dec. 2023	Objective: climate change mitigation		
		Total eligible	Total aligned	% alignment
Intangible assets	251	0	-	0.00%
Property, plant and equipment	355	0.3	0.3	0.03%
Right-of-use assets under leases	559	559	259.5	22.27%
<b>Total CapEx</b>	<b>1,165</b>	<b>559.3</b>	<b>259.8</b>	<b>22.30%</b>

The breakdown of the increase in CapEx by type of asset is shown below:

(in €m)	31 Dec. 2023	31 Dec. 2022
Increase in intangible assets	30	26
Increase in intangible assets due to changes in the scope of consolidation	221	86
<b>Total intangible assets</b>	<b>251</b>	<b>112</b>
Increase in property, plant and equipment	238	149
Increase in property, plant and equipment due to changes in the scope of consolidation	117	8
<b>Total property, plant and equipment</b>	<b>355</b>	<b>157</b>
Increase in right-of-use assets under leases	419	208
Increase in right-of-use assets under leases due to changes in the scope of consolidation	140	41
<b>Total right-of-use assets under leases</b>	<b>559</b>	<b>249</b>
<b>Total CapEx</b>	<b>1,165</b>	<b>518</b>

The main increases result from business combinations during the period, totalling €478 million, particularly in Travel Retail with the acquisition of Tastes on the Fly, Marché International and Costa Coffee.

New right-of-use assets resulting mainly from tenders awarded during the period represent €419 million, compared with €208 million in 2022.

Line	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Financial year	2023		Substantial contribution criteria					DNSH criteria ("Does Not Significantly Harm")											
	Code(s) <sup>(12)</sup>	Turnover <sup>(3)</sup>	Proportion of Turnover <sup>(4)</sup>	Climate Change Mitigation <sup>(6)</sup>	Climate Change Adaptation <sup>(8)</sup>	Water <sup>(7)</sup>	Circular Economy <sup>(8)</sup>	Pollution <sup>(9)</sup>	Biodiversity <sup>(10)</sup>	Climate Change Mitigation <sup>(11)</sup>	Climate Change Adaptation <sup>(12)</sup>	Water <sup>(13)</sup>	Circular Economy <sup>(14)</sup>	Pollution <sup>(15)</sup>	Biodiversity <sup>(16)</sup>	Minimum Safeguards <sup>(17)</sup>	Proportion of Taxonomy-aligned (A.1) or eligible (A.2), OpEx, year N-1 <sup>(18)</sup>	Category enabling activity <sup>(19)</sup>	Category transitional activity <sup>(20)</sup>
€m		Currency	%	Y; N; N/EL <sup>(1)</sup>	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T

**A. Taxonomy-eligible activities**

**A.1. Environmentally sustainable activities (Taxonomy-aligned)**

Programming and broadcasting activities	CCA/8.3	0.22	0.003%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	NA	NA	NA	NA	NA	NA	Y	0%		
<b>Turnover of environmentally sustainable activities (A.1.)</b>		<b>0.22</b>	<b>0.003%</b>	%	%	%	%	%	%	NA	NA	NA	NA	NA	NA	Y	0%		
Of which enabling		0.22	100%	%	%	%	%	%	%	NA	NA	NA	NA	NA	NA	NA		E	
Of which transitional		0	0%							NA	NA	NA	NA	NA	NA	NA			T

**A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)**

				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Programming and broadcasting activities	CCA/8.3	80	0.99%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								2%		
Creative, arts and entertainment activities	CCA/13.1	30	0.37%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
<b>Turnover of Taxonomy-eligible but not environmentally sustainable activities (A.2)</b>		<b>110</b>	<b>1.36%</b>	%	%	%	%	%	%								2%		
<b>Turnover of Taxonomy-eligible activities (A)</b>		<b>110</b>	<b>1.36%</b>	%	%	%	%	%	%								2%		

**B. Taxonomy-non-eligible activities**

Turnover of Taxonomy-non-eligible activities		7,971	98.64%
Total (A+B)		8,081	100%

(\*) Y: Yes/N: No/N/EL: Not eligible.

Financial year	2023		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
	Code(s) <sup>(12)</sup>	Proportion of CapEx <sup>(4)</sup>	Climate Change Mitigation <sup>(6)</sup>	Climate Change Adaptation <sup>(6)</sup>	Water <sup>(7)</sup>	Circular Economy <sup>(8)</sup>	Pollution <sup>(9)</sup>	Biodiversity <sup>(10)</sup>	Climate Change Mitigation <sup>(11)</sup>	Climate Change Adaptation <sup>(12)</sup>	Water <sup>(13)</sup>	Circular Economy <sup>(14)</sup>	Pollution <sup>(15)</sup>	Biodiversity <sup>(16)</sup>	Minimum Safeguards <sup>(17)</sup>	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) CapEx, year N-1 <sup>(18)</sup>	Category enabling activity <sup>(19)</sup>	Category transitional activity <sup>(20)</sup>
€m	Currency	%	Y; N; N/EL <sup>(1)</sup>	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T

**A. Taxonomy-eligible activities**

**A.1. Environmentally sustainable activities (Taxonomy-aligned)**

Installation, maintenance and repair of energy efficiency equipment	CCM/7.3	0.3	0.03%	Y	N/EL	N/EL	N/EL	Y	N/EL	NA	Y	NA	NA	NA	NA	Y	0%	E	
Acquisition and ownership of buildings	CCM/7.7	259.5	22.27%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	NA	Y	NA	NA	NA	NA	Y	3%		
<b>CapEx of environmentally sustainable activities (A.1.)</b>		<b>259.8</b>	<b>22.3%</b>	Y	N/EL	N/EL	N/EL	N/EL	N/EL	NA	Y	NA	NA	NA	NA	Y	3%		
Of which enabling		0.3	0.03%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	%	E	
Of which transitional			%							NA	NA	NA	NA	NA	NA	NA	%		T

**A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)**

				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM/7.7	299.5	25.71%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										28%
<b>CapEx of Taxonomy-eligible but not environmentally sustainable activities (A.2.)</b>		<b>299.5</b>	<b>25.71%</b>	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										28%
<b>CapEx of Taxonomy-eligible activities (A)</b>		<b>559.3</b>	<b>48.00%</b>	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										31%

**B. Taxonomy-non-eligible activities**

CapEx of Taxonomy-non-eligible activities		605.7	52.00%																
<b>Total (A+B)</b>		<b>1,165.0</b>	<b>100%</b>																

(\*) Y: Yes/N: No/N/EL: Not eligible.



Financial year	2023		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
	Code(s) <sup>(2)</sup>	Proportion of OpEx <sup>(4)</sup>	Climate Change Mitigation <sup>(5)</sup>	Climate Change Adaptation <sup>(6)</sup>	Water <sup>(7)</sup>	Circular Economy <sup>(8)</sup>	Pollution <sup>(9)</sup>	Biodiversity <sup>(10)</sup>	Climate Change Mitigation <sup>(11)</sup>	Climate Change Adaptation <sup>(12)</sup>	Water <sup>(13)</sup>	Circular Economy <sup>(14)</sup>	Pollution <sup>(15)</sup>	Biodiversity <sup>(16)</sup>	Minimum Safeguards <sup>(17)</sup>	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) OpEx, year N-1 <sup>(18)</sup>	Category enabling activity <sup>(19)</sup>	Category transitional activity <sup>(20)</sup>
€m	Currency	%	Y; N; N/EL <sup>(1)</sup>	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T

A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Activity 1			%																
Activity 1			%																
Activity 2			%																
OpEx of environmentally sustainable activities (A.1.)		%	%	%	%	%	%	%	%	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	%	
Of which enabling			%	%	%	%	%	%	%	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	%	E
Of which transitional			%							N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	%	T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Activity 1																			%
OpEx of Taxonomy-eligible but not environmentally sustainable activities (A.2.)		%	%	%	%	%	%	%	%										%
OpEx of Taxonomy-eligible activities (A)		%	%	%	%	%	%	%	%										
B. Taxonomy-non-eligible activities																			
OpEx of Taxonomy-non-eligible activities		63	100%																
Total (A+B)		63	100%																

(\*) Y: Yes/N: No/N/EL: Not eligible.

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