

A photograph of a wooden walkway on a rooftop garden. The walkway is made of dark wooden planks and leads towards a building with a clock tower. The garden is lush with green plants and red flowers. A red flag with the text 'LEBHV MARAIS' is flying on a pole. String lights are strung across the scene. The sky is blue with some clouds.

OUR ENGAGEMENT IN ACTION



Groupe
GALERIES
Lafayette

2018 SUSTAINABILITY REPORT

OUR ENGAGEMENT IN 3 AXES

A RESPONSIBLE AND
SOLIDARY EMPLOYER

10 • 13



AN ACTOR OF THE ECOLOGICAL
TRANSITION

14 • 17



A SHOWCASE FOR
RESPONSIBLE FASHION

18 • 21



FOREWORD

As a family owned company stretching back more than 100 years, the Galeries Lafayette group has a singular approach to sustainability and the unique capacity to project itself into future whilst remaining fully rooted in its history. Our sustainable development strategy has been deployed globally for several years already, with the aim of actively proposing change to our customers and continuing to enhance our role as a responsible member of society whilst mitigating the impacts caused by our profession.

The Galeries Lafayette Group is overriding challenges related to its transportation flows and its building portfolio. As a trader, it must also play a role in proposing more responsible forms of consumption, such as we are developing with the Fashion Integrity collection launched in 2016 and which to date has four menswear and womenswear collections to its name. The Group also works on making an increasingly positive impact on civil society as an employer and a responsible partner and by supporting the general interest. This has led to the deployment of a very broad strategy aiming to address all of the firm's challenges so as to formulate a more responsible global proposition.

In this report we invite you to read about of all the progress achieved which, every year, brings us a little closer to our ambition of inventing the retail trade of tomorrow by encouraging new forms of consumption and experiences.

Philippe Houzé

Executive Chairman
The Galeries Lafayette Group

THE GALERIES LAFAYETTE GROUP

Specialised in city-centre fashion retailing, the Galeries Lafayette group positions itself, both in France and overseas, as the benchmark in omni-channel retailing and contributes to promoting the French “Art of Living” through its brands. Strengthened by its architectural heritage and a strong culture of innovation, the Galeries Lafayette group welcomes more than 1 million visitors every day into its 280 stores and on its e-commerce websites. The Group enjoys a long-standing, emotional connection with its clients that it nurtures at every opportunity, both online and in store, to provide the best possible experience in retail and creativity.

A leading private employer with more than 15,000 employees including 96% in France, the Galeries Lafayette group has built its identity on a set of fundamental values: sharing its passion for clients, daring to innovate, growing stronger together and striving for excellence.

1894

GALERIES LAFAYETTE FOUNDED BY THÉOPHILE BADER

A **100%** FAMILY-OWNED COMPANY

4,5 Mds
IN RETAIL SALES

280
STORES

1 M
VISITORS PER DAY

A MAJOR SHAREHOLDER OF THE
CARREFOUR GROUP



LE BHV/MARAIS

LOUIS PION



GUÉRIN
JOAILLERIE

INSTANTLUXE.com

BAZARCHIC
MODE • DECO • VIN • VOYAGES

La Redoute

citynove

OUR VISION

WE ARE **RETAILERS**, **AWARE** OF THEIR **IMPACT** UPON AND THEIR **ROLE** WITHIN **SOCIETY**.

RETAILING OF THE FUTURE

WILL **CREATE BONDS**,

BETWEEN PEOPLE BUT ALSO BETWEEN **PRODUCTS** AND

RESOURCES. IT WILL SEEK TO OFFER **MORE**

RESPONSIBLE PRODUCTS, WHOSE

PRODUCTION HAS **LOWER** IMPACT ON THE **PLANET** AND

ON **PEOPLE**, AND AIMS TO ENCOURAGE **DIFFERENT**

FORMS OF CONSUMPTION FOCUSING ON

EXPERIENCE.

SUSTAINABLE **RETAIL**

CREATES **POSITIVE VALUE** BY COMBINING

CREATIVITY, RESPONSIBILITY AND INNOVATION. AS A

DEPARTMENT STORE, IT IS OUR RESPONSIBILITY TO

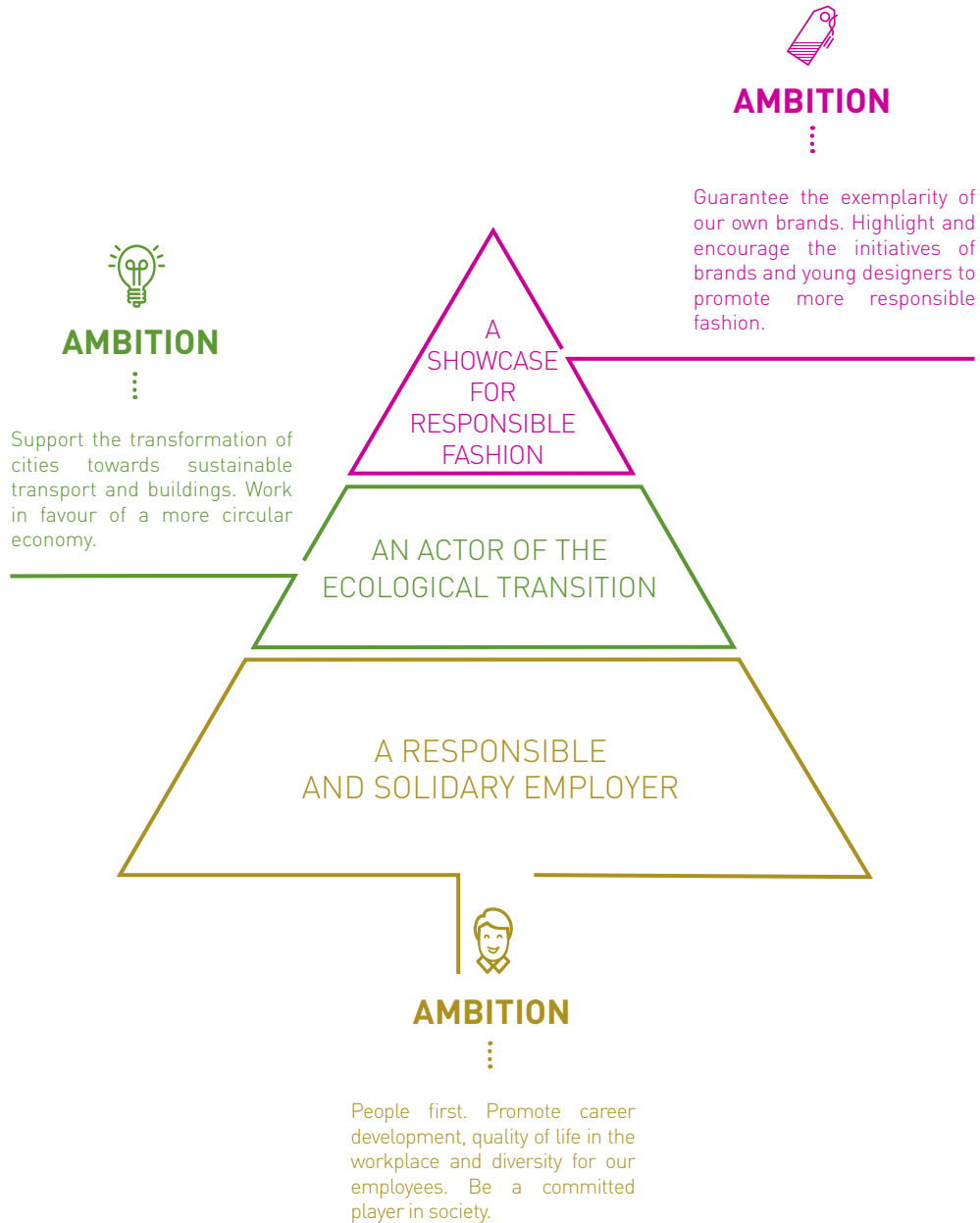
CONTRIBUTE TO THE **EMERGENCE** OF THIS NEW

RELATIONSHIP THROUGH OUR ACTIONS BUT ALSO BY

SHOWCASING **INNOVATIONS** WHICH WILL SHAPE THE

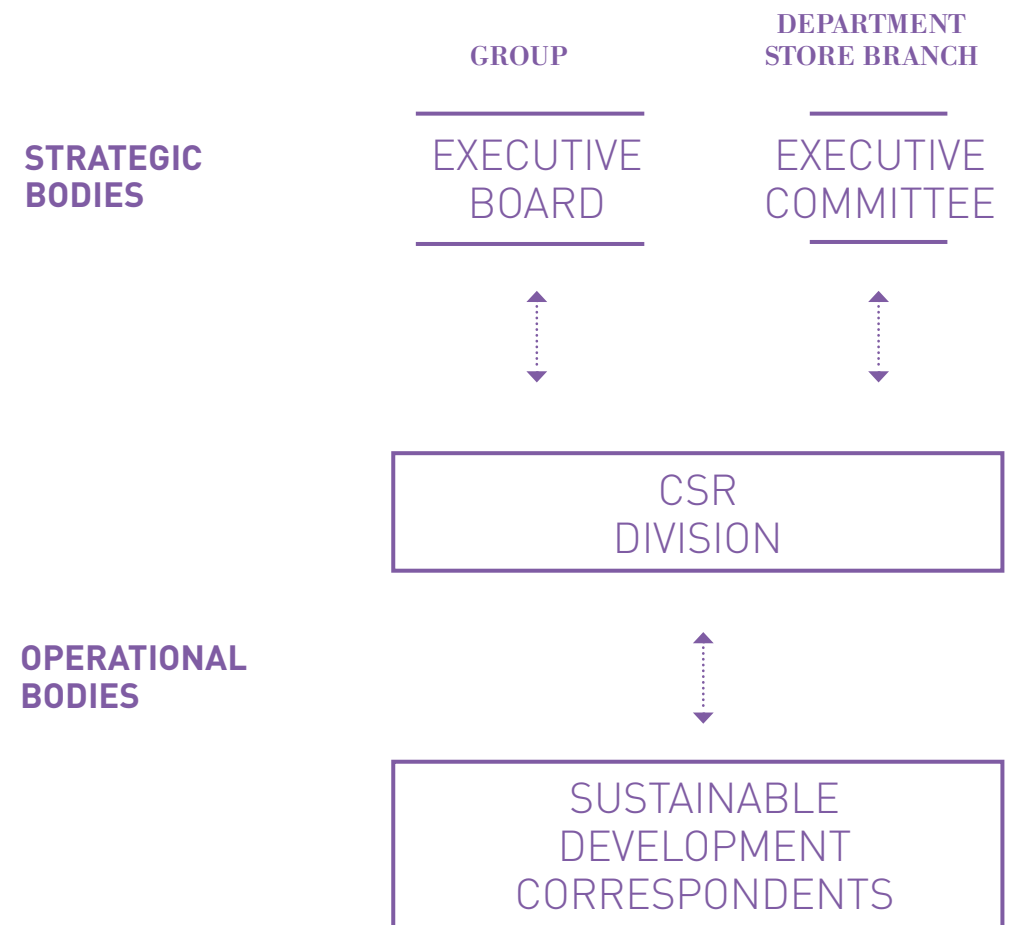
FASHION OF **TOMORROW**.

OUR SUSTAINABLE DEVELOPMENT STRATEGY



SUSTAINABLE DEVELOPMENT GOVERNANCE

The Sustainable Development strategy is led by the Group executive board and the Department Store Division executive committee. It is then deployed by a dedicated team through a network of around a hundred Sustainable Development correspondents working in the group's various departments and sites.



HEADLINE EVENTS FROM 2017

1ST FEBRUARY

BREEAM certification for head office
The head office of the Department Stores Division is certified with a "Very Good" rating for its management of the building.



18 APRIL

Inauguration of the Jardin Perché at BHV MARAIS Rivoli

BHV MARAIS Rivoli opens its Jardin Perché, an urban vegetable patch spanning more than 1,400 sqm and with 23,000 plants grown on site



25 APRIL

Launch of Fashion Integrity Summer 17 collection

The Fashion Integrity Summer 17 collection is launched during the Fashion Revolution Week



30 MAY - 5 JUNE

Sustainable Development Week
22 sites (stores and warehouses) hold events for the European Sustainable Development Week, promoting awareness among more than 3,500 employees.



JUNE

The Galeries Lafayette group, partner of Fashion for Good

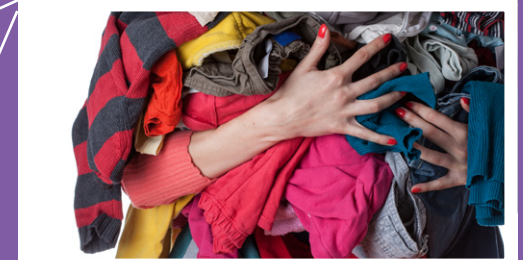
The Galeries Lafayette group becomes a partner of the Fashion for Good Plug and Play Accelerator, working to encourage more innovative and responsible fashion.



SEPTEMBER

Launch of textile recovery campaign

Galeries Lafayette stores, in partnership with Le Relais, offer to collect unwanted textiles, household linen and shoes from customers in its service departments.



16 NOVEMBER

1st Sustainable Development Awards

BHV MARAIS Rivoli and the Biarritz and Toulon Galeries Lafayette stores are congratulated for their environmental management. The Galeries Lafayette Montparnasse store is rewarded for its awareness initiative on the Sustainable Development Week.





A RESPONSIBLE AND SOLIDARITY EMPLOYER

AMBITION

People first. Promote career development, quality of life in the workplace and diversity for our employees. Be a committed player in society.



CHALLENGES



OUR ACTIONS

64%
OF MANAGERS ARE
WOMEN



EMPLOYMENT RATE
5,3%
people with a
DISABILITY



LAFAYETTE
ENTRAIDE
1 000 +



consultations
website
hotline

ONLINE ACADEMY
+12 000 H
of e-learning followed in 1 year



45 **EMPLOYEES**
CERTIFIED

EMPLOYEES
COUNSELLED

193



100
NATIONALITIES
among our **EMPLOYEES**

96%
of the workforce in
FRANCE



200 000
equivalent meals donated



63 **SKILL**
DONATION
MISSIONS CONDUCTED
BY EMPLOYEES



+ 90 000
PRODUCTS
DONATED
TO CHARITIES



A RESPONSIBLE AND SOLIDARY EMPLOYER

One of the cornerstones of our sustainable development policy, this commitment illustrates our desire to place people at the centre of the company's actions, for our employees first of all but also more widely towards society.

PROMOTING THE WEALTH OF DIVERSITY

The group has always strived to nurture and encourage diversity as a source of wealth. The first pillar of this commitment resides in **gender equality**, with more than **two thirds of managerial positions** and **37% of top management** positions filled by women. Within the Group, almost **100 nationalities** are represented by employees. Finally, the Group conducts a **particularly proactive policy in the field of disability**, both for employees, with a **disabled employee rate of 5.3%**, and for customers with stores **upgraded to accessibility standards and by training sales advisors** in welcoming this specific audience.



PROMOTING THE WELL-BEING OF EMPLOYEES

The issue of quality of life in the workplace has taken on growing importance in **recent years**. **Since 2016, a dedicated action plan** has been deployed in many stores to **renovate the facilities used by staff members** (staff rooms, cloakrooms, etc.) or improve training in risk prevention issues. In parallel, the **service Lafayette Entraide** continued its deployment in 2017. Open to all Group employees, this individual and confidential counselling service is available to anyone who is experiencing problems in their personal life.



13/15 room at BHV MARAIS Rivoli
© Estelle Poulalion



A COMMITTED PLAYER IN SOCIETY



The Galeries Lafayette group develops **broad partnerships** with charities that it supports. In addition to financial contributions, the group also works with **non-food product donations** (more than 90,000 products), **food donations** (more than 100 tons) and **skill donations**. The idea behind partnerships is to develop connections and actions within the company such as for example with the **two Emmaüs Défi sales** at BHV MARAIS Rivoli in May and October. 2017 was also the year in which **skill donations** were developed, with **63 missions** and the deployment in stores at the end of the year. This commitment to society is also borne out in a regular increase of procurement from employment outreach and sheltered employment companies (e.g. printing, logistics).



BROC GL: A CIRCULAR AND SUPPORTIVE PROJECT



Broc GL is a **supportive circular economy project**, designed and rolled out by employees. Its aim is to **resell merchandising decor from previous sales campaigns** and donate the proceeds to a charity. The first sale resulted in more than **€8,000 being donated** to Emmaüs Défi. Following this first successful experience, further sales will be organised in 2018.

DEVELOPING EMPLOYEE ENGAGEMENT

Supporting our employees also means helping them develop their skills and rewarding their engagement. In this perspective, the **Online Academy** launched in January helps to expand the **range of vocational courses through e-learning**, and the **Grands Prix de la Passion du Client** (Passion for the Customer Awards) paid tribute to **60 ambassadors** in the Group in October. In-house opinion surveys are also conducted every two years to tailor our actions as close to possible to employees' expectations.



2018 TARGETS

90% response rate for the 2nd employee engagement survey

Deployment of homeworking at head office

200 skill donation missions

Action plan on responsible communications

Development of unsold grocery product donations outside Paris

Survey of our suppliers on their perception of our purchasing practices

Deployment of two training modules on ethics and anti-corruption.



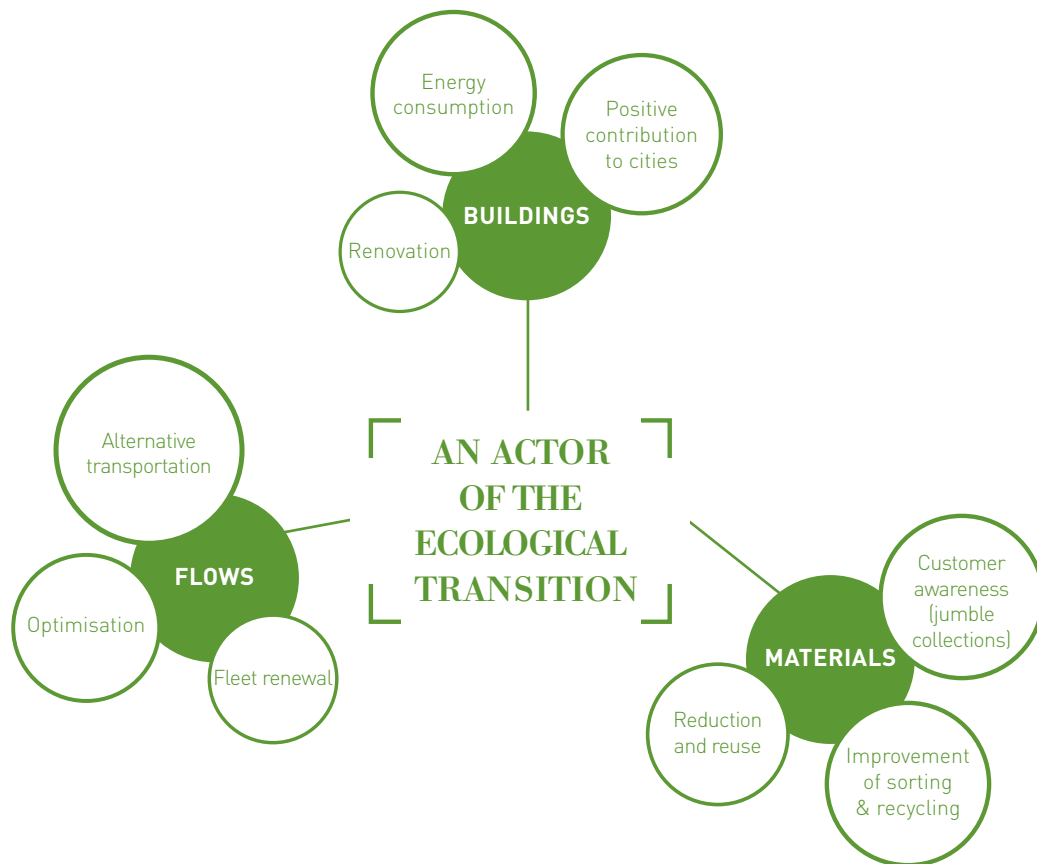
AN ACTOR OF THE ECOLOGICAL TRANSITION

AMBITION

Support the transformation of cities towards sustainable transport and buildings. Work in favour of a more circular economy.



CHALLENGES



OUR ACTIONS

2 ENVIRONMENTAL CERTIFICATIONS



-17% GREENHOUSE GAS EMISSIONS



relating to **GOODS FLOWS**

500 T OF FURNITURE RECYCLED



RECYCLED PAPER CATALOGUES



50%



3 200 sqm OF VEGETABLE GARDENS ON ROOFS



Haussmann - BHV MARAIS - Annecy

+25% VOLUME OF RECYCLED WASTE



DELIVERIES IN PARIS

BIOGAZ & GNV



100%

TOTE-BAG

GREEN SOLIDARY MADE IN FRANCE

On sale in all Galeries

LAFAYETTE STORES



AN ACTOR OF THE ECOLOGICAL TRANSITION

The company must imagine the future of its economic activity and revisit it in view of environmental factors, both in its use of resources and in its production and distribution system. Working towards a more environmentally friendly economic activity is also a source of resilience.



© Estelle Poulalion

BETTER WASTE MANAGEMENT

The Group's policy on waste is **twofold: reducing its generation and improving its sorting**. Sorting was improved in store (a **sort rate of 49%** compared with 43% in 2016), principally owing to the recycling furniture. Work was also conducted on **customer bags** (100% percent of new bags at tills are now made from recycled and FSC certified paper), and e-commerce packaging with a **35% reduction in cardboard weight**. Finally, 50% of the Galeries Lafayette catalogues have been printed on recycled paper since 2017.

VIRTUOUS BUILDINGS FOR A MORE SUSTAINABLE CITY

As a **specialist in city centre retail**, the company has particularly testing challenges for its historical **property portfolio**. **Controlling energy consumption** is particularly important. This led to a policy whereby **light bulbs are automatically replaced by LEDs** during retail space refits. Thanks to an efficient energy management system certified ISO 50001, the **Haussmann store reduced its energy consumption (-3%)** despite staying open later in 2017 than in 2016 (by half an hour) and opening every Sunday. Projecting buildings into their utility of the future cannot just boil down to managing their impacts: they must also **make a positive contribution to the city**. This is how the group came to become involved in **urban agriculture with three vegetable gardens** in Haussmann, BHV MARAIS Rivoli and in Annecy (a total of **3,200 sqm**), to measure environmental contributions and test new forms of short selling channels.



RAISING OUR CUSTOMERS' AWARENESS TO THE CIRCULAR ECONOMY

In 2017, the Group introduced **solutions to encourage customers to adopt good recycling practices**. All Galeries Lafayette stores introduced the collection of unwanted **textiles, household linen and shoes** in association with Le Relais, with nearly **3,000 contributions in the space of six months**. **BHV MARAIS Rivoli** conducted a pilot operation with **Tefal** on **collecting used frying pans and saucepans**, with 1.3 tons collected in two months. Finally, a series of reusable bags was launched to encourage people not to use single-use bags. This range included an **eco-friendly tote bag** produced from recycled materials, made in France by the sheltered employment sector.



MORE ECOLOGICAL TRANSPORT FLOWS

Logistics flows have already been the subject of improvement work for several years in the perspective of **reducing and enhancing their environment impact**, (in particular with optimisation or reverse logistics). All deliveries **within Paris** are now made by a **fleet of vehicles running on CNG**, with the objective of extending this to all of the **Paris region in 2018**. Specific attention was paid this year to **air freight**, whose **emissions have been cut by 39%**. The mobility subjects relating to employee travel will be addressed more widely in 2018 with the formulation of **company mobility plans**. A first step has been taken for employees of Galeries Lafayette stores through the **introduction of bike mileage allowances**.



2018 TARGETS

- 100% of catalogues printed on recycled paper
- Production of a digital catalogue
- Digitalisation and reduction of till receipt
- Environmental certification for the Prado store
- Environmental specifications for conversion works
- Deliveries with CNG vehicles in Paris region

A SHOWCASE FOR RESPONSIBLE FASHION

AMBITION

Guarantee the exemplarity of our own brands. Highlight and encourage the initiatives of brands and young designers to promote more responsible fashion.



CHALLENGES



OUR ACTIONS



fashion
INTEGRITY

TRANSPARENCY,
from the field to the store



116

SOCIAL AUDITS
in past 2 years

+64%

ENVIRONMENTAL AUDITS

2 **COLLECTIONS**
of womenswear and 2 men's suit models in 2017



WOOL



LINEN

PRODUCTS



21 230 **ARTICLES**



INSTANT LUXE

15 luxury brand handbags and pouches offered for

RENT



FASHION FOR GOOD

20* **20 START-UPS**
accelerated in 1 year



DANS L'OEIL DE MARSEILLE

25*

RESPONSIBLE TRIPS

in the new catalogue selected according to 3 criteria

31

LOCAL DESIGNERS



ACCOMMODATION



LOCAL CULTURE



NATURE



CARDBOARD



DESIGN



DECORATION



GOURMET

A SHOWCASE FOR RESPONSIBLE FASHION

Department stores have a crucial role to play to offer their clients new forms of consumption, in response to growing expectations. This mission, which starts firstly with the duty of leading by example on own-brands products, has two targets: towards customers and also towards brands.

MORE RESPONSIBLE OWN BRANDS

In recent years, the Group has been fully committed to **controlling social and environmental risks** among its suppliers of own-brand products. This policy starts with **suppliers signing a mandatory code of conduct** and the Group conducting a **risk analysis** of production sites and running **social audits**. Additional checks are gradually being implemented on sites with potentially significant **environmental impact**.



FASHION INTEGRITY, TRACEABLE RESPONSIBLE FASHION

Invented during an in-house innovation competition, the Fashion Integrity project offers customers **traceable and more responsible clothing**. In the interest of transparency, articles display the detail of **manufacturing stages** but also how responsible they are (organic cotton, recycled materials, etc.). **Four collections** were brought out in 2017, in both menswear and womenswear.

Fashion Integrity Womenswear Summer 17 collection

PROPOSING DIFFERENT CONSUMPTION FORMS TO CUSTOMERS

Customers wishing to **consume differently** should be able to **do so today simply and easily**. To achieve this, they should be offered a **range of more responsible products**, through the listing of new brands or promotion of responsible lines within the brands stocked by stores. **Local offers could also be developed such as with *Dans l'oeil de Marseille*** at the Marseille Bourse Galeries Lafayette store. The Group also wishes to promote new forms of consumption, such as rent or second-hand retail, which extend the lifespan of products.



SUPPORTING INNOVATION IN RESPONSIBLE FASHION

In 2017, the Galeries Lafayette group became a partner of the Fashion for Good Plug and Play start-up Accelerator in Amsterdam. This organisation, dedicated to the subject of responsible fashion, aims to **accelerate social and environmental innovation** both during **production stages, use and end-of-life of fashion products**. The aim for the Group is to encourage **virtuous circle** by facilitating **encounters between brands and young companies innovating** in sustainable development.



Launchpad exhibition Plug and Play - Fashion for Good



2018 TARGETS

Launch of a range of more responsible products from environmental, social or local perspectives

Introduction of partnerships with small specialist brands

Development of environmental audits

Work on new supply lines for Fashion Integrity collections: recycled nylon, denim

Deployment of new services (renting, repair)

SKILL DONATION

On 8 March 2017, a team of Galeries Lafayette employees spent a day giving beauty makeovers to women from fragile backgrounds..



“

From a personal viewpoint first of all, it was really touching to gradually see smiles appearing on the faces of these women, and a twinkle in their eye. It's a good feeling to give something without expecting anything in return. Skill donation is about just turning up and giving, and we get as much out of it as the recipients do.

”

Camille P.,
An employee who took part in a skill donation operation.

THE GROUP'S VALUES



PASSION FOR OUR CUSTOMERS



DARING TO INNOVATE



STRONGER TOGETHER



STRIVING FOR EXCELLENCE



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Lafayette

Galerias
Lafayette

LE BHV/MARAIS

LOUIS PION

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« Impression réalisée dans un établissement permettant l'insertion des personnes en situation de handicap.
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