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Groupe
Lafayette

OUR THREE COMMITMENTS

EDITORIAL



Just over a year after the launch of Go for Good, our label for more sustainable fashion, it is clear that the movement is well under way. Our in-house label brings together nearly 600 brands both within our stores and online, and offers over 12,000 products that ensure substantial environmental, social or local benefits. More than 700,000 customers bought Go for Good products in 2019, which demonstrates the interest in the path that Galeries Lafayette has embarked upon.

This year was devoted to consolidating the approach, given that following its successful launch it was important to show that it was not a one-off operation but that a fundamental shift had been implemented. The challenge has been taken up, since on its 1st anniversary in September 2019, Go for Good recorded an increase in the number of brands and certified products of more than 20%. This was also apparent in the extension of the label to other brands of the Galeries Lafayette Group. La Redoute and Louis Pion joined Go for Good this year, for both their own brand products and the brands they accept on their platforms.

An important step was also taken with the adoption of objectives for 2024 with the clear and ambitious target of developing the range of products and services that we offer to our customers. Go for Good has shown that another type of fashion is possible, with the formulation of these objectives, Galeries Lafayette has implemented a paradigm shift designed to change fashion for good.

Beyond Go for Good, our commitment to responsible trade also permeates all of our initiatives, as will be seen from this report through, among other things, our commitment to gender equality, the donation of unsold products to associations, the reduction of our energy consumption or support for urban agriculture and clean transport. A set of concrete measures that help effect a positive change in our business, that I invite you to discover in this report.

Philippe Houzé
Chairman of the Executive Committee
Galeries Lafayette Group

THE GALERIES LAFAYETTE GROUP



A fashion specialist with stores in the hearts of cities, the Galeries Lafayette Group is a benchmark player in omnichannel retail in France and around the world, spreading the influence of the French Art de Vivre

through its brands: Galeries Lafayette, BHV MARAIS, La Redoute*, Galeries Lafayette-Royal Quartz Paris, Louis Pion, BazarChic, Eataly and Mauboussin*. Thanks to its solid architectural heritage and culture of innovation, the Galeries Lafayette Group welcomes over 60 million visitors every day to its

290 stores and e-commerce sites. The Group maintains a historical, emotional link with its customers, something that is evident at all its physical or digital outlets, offering the very best in retail and design. As a leading private employer in France with 14,000 employees, the Galeries Lafayette Group identity is expressed through its founding values: passion for customer service, bold innovation, collective commitment and a taste for excellence.

* La Redoute and Mauboussin are not included in the scope of the actions and data presented in this report

1894 Galeries Lafayette founded by Théophile Bader	100% A family group	€4.5 bn in retail sales
A major shareholding in the GROUPE CARREFOUR	290 stores	95% of jobs located in France

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

The Group fully supports the United Nations Sustainable Development Goals (SDGs) and uses this roadmap as a guide for its own actions. The 17 Sustainable Development Goals (SDGs) are a call from the United Nations to meet the global challenges of building a better, more sustainable future for everyone by 2030. The Galeries Lafayette Group's Sustainable Development strategy contributes to 12 of these 17 goals.

Each pillar of the Sustainable Development strategy directly or indirectly participates in different goals, as shown by the diagram below:

RESPONSIBLE AND SOCIALLY INCLUSIVE EMPLOYER	3 Good health and well being	5 Gender equality	8 Decent work and economic growth	10 Reduced inequalities	
ACTOR OF ECOLOGICAL TRANSITION	7 Affordable and clean energy	9 Industry innovation and infrastructure	11 Sustainable cities and communities	13 Climate action	
SHOWCASE FOR SUSTAINABLE FASHION	1 No poverty	8 Decent work and economic growth	12 Responsible consumption and production	14 Life below water	15 Life on land

OUR SUSTAINABLE DEVELOPMENT STRATEGY



OUR 2024 OBJECTIVES FOR MORE SUSTAINABLE FASHION

+25%

of products with Go for Good branding

100%

of new brands listed from 2024 will have a Go for Good offer

+200

young committed fashion brands supported and distributed in-store and online

100%

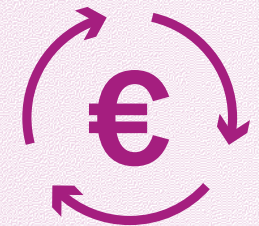
of the Galeries Lafayette own brand that meet sustainable criteria and production of a new line that is 100% traceable on demand



Resale or recycling solutions for all products purchased in-store and second-hand and rental services encouraging the circular economy



A loyalty programme encouraging Go for Good purchases thanks to the payment of additional bonus points



Contributing a portion of profits generated by Go for Good products to projects that support more sustainable fashion

THE HIGHLIGHTS OF 2019



↑ MARCH

First vote by the public in connection with the Go for Good × Ulule programme to elect their favourite committed young brand and ensure that it is supported by Galeries Lafayette.

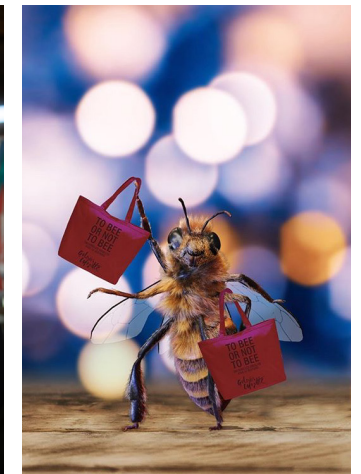


↑ JUNE

La Redoute joins Go for Good.

AUGUST →

Launch of the “Changeons de mode” campaign with more than 600 partner brands to celebrate the first anniversary of the Go for Good movement. Signature of the Fashion Pact at the G7 in Biarritz.



©Bee_influencer 2019/2020 - Fondation de France

↑ DECEMBER

Operation La Ruche de Noel in partnership with Bee’influencer, the Fondation de France’s influencer bee, to raise awareness about the disappearance of bees and to raise funds to protect them.



↑ SEPTEMBER

Participation in the first Impact fair, the Who’s Next fair dedicated to sustainable fashion. Galeries Lafayette and Louis Pion, winners of the LSA La Conso awards, have joined forces with Go for Good in the “Responsible Purchasing” and “Best CSR Product” categories.

MAY →

Launch of a collection and recycling service for perfume bottles in Galeries Lafayette stores.



© Estelle Poulalion

RESPONSIBLE AND SOCIALLY INCLUSIVE EMPLOYER

2019 KEY FIGURES



35%

of vacancies filled by internal mobility



+2,000

employees took part in the 3 Learn for Good training courses on organic cotton, recycled materials and French manufacturing



92/100

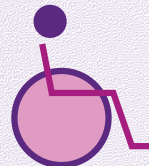
gender equality index score

initiative
#StOpE



4

associations benefiting from the voluntary donation from salary



5.3%

of employees with disabilities

signature of the #StOpE charter against everyday sexism in companies



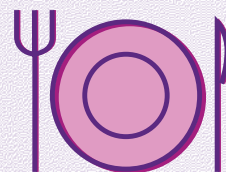
148

skills sponsorship missions



145,000

unsold non-food items donated to associations



110,000

meal equivalents donated to associations

PROMOTING GENDER EQUALITY

In 2019, particular emphasis was placed on gender equality issues, in order to make it a strong focus internally and externally in a company where 65% of managerial positions are held by women. The gender equality index thus showed an increase of 11 points in one year, reaching 92/100. The company also decided to support the **Fondation des Femmes**, a reference structure in France for women's rights and against violence against women, in the creation of the **Cite Audacieuse**, the first French venue dedicated to promoting gender equality. This

commitment is also reflected in work on sexism, with the signing of the **#StOpE** charter against everyday sexism in companies in December 2019, which makes this issue a major area of commitment over the next few years.



#StOpE Charter Against Everyday Sexism signed

DEVELOPING EMPLOYEE POTENTIAL

The development of employees, their skills as well as their career path, is a fundamental focus of our action as a responsible employer.

This issue is particularly important in the company, as 34% of managers joined the company as an employee or supervisor and more than one third of vacant positions are filled via internal mobility. This is facilitated by a training policy supported by an in-house Academy that offers both regular job training and tailor-made teaching programmes, like the one carried out in 2019 for **Eataly Paris Marais** employees. The year

was marked by digitalisation as 50 e-learning modules from the training catalogue were made freely available, including 3 initial training capsules on **Go for Good** criteria to train sales advisers in selling points for clients on organic cotton, recycled materials and Made in France. In 2019, 83% of employees underwent training.



Go for Good E-Learning Capsule



INCLUDE ALL DIVERSITIES

In addition to gender equality, the Galeries Lafayette group is committed to all forms of diversity, a source of wealth and creativity. Our diversity is demonstrated by the fact that over 100 nationalities are represented in the company. To be a success, diversity must also mean inclusion. 5.3% of the Group's employees have a disability and more than 100 employees have been supported in maintaining employment in line with the company's Disability Policy. This policy also involves regular internal awareness activities such as participation for the second consecutive edition in the inter-company race "Together"



The inter-company race "Together"

for able-bodied and disabled employees, or the organisation of a "Handi'Engagée" day at all the Galeries Lafayette and BHV MARAIS sites for over ten years.

PROMOTING POSITIVE FASHION FOR EVERYONE

2019 was marked by an overhaul of the policy, to be as close as possible to the issues of sustainable fashion and embody positive fashion for everyone. As such, two new partnerships have been signed, with Casa 93, which offers free training on fashion and design without a degree requirement, and "Un Regard pour toi" which offers shopping experiences to visually impaired people. A positive fashion for everyone must also support the fashion industry ecosystem – as with the "Where the Rain Falls" project conducted with the NGO CARE, which supports 100 small cotton producers who have converted to more environmentally-friendly production methods that are resilient to climate change. The logic of coordinating partnerships as close as possible to the activity and employees has persisted and has been strengthened through measures such as voluntary donation from salaries allowing them to make a monthly micro-donation directly from their payslip. Product sponsorship took the form of more than 145,000 items and 110,000 meal equivalents donated to the associations Dons Solidaires, Emmaüs Défi and A.N.D.E.S. Project sponsorship has enabled projects to be carried out at the heart of the store, such as the Emmaüs Défi pop-up sales corner at Galeries Lafayette Haussmann in October 2019. Lastly, skills sponsorship strengthens ties between employees and partner associations with 148 missions completed by employees.

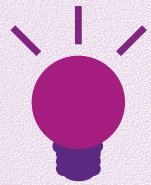


**FONDATION
DES FEMMES**



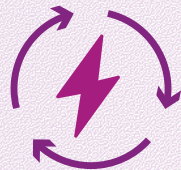
ACTOR OF ECOLOGICAL TRANSITION

2019 KEY FIGURES



-9.4%

reduction in energy consumption for the Galeries Lafayette Haussmann store between 2018 and 2019



100%

of electricity from renewable sources in our Galeries Lafayette and BHV Marais stores in France



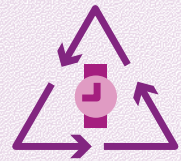
-50%

reduction in the amount of paper consumed (vs 2017)



10,000

perfume bottles recycled



11,000

watches collected from Louis Pion customers for recycling



11

sales of old decoration items from our stores to charities



+18,000

textile deposits to be recycled by our in-store customers



100%

of store deliveries in Ile-de-France using NGV



3,200 sqm

of vegetable garden on the roofs of our stores

INNOVATING TO ENSURE MORE VIRTUOUS LOGISTICS

For several years now, all our stores in Ile de France have been supplied by NGV trucks, thus enabling a 90% reduction in particles harmful to health. Since 2019, the Galeries Lafayette stores in Strasbourg and Luxembourg have also used this delivery method. All orders from the [galerieslafayette.com](https://www.galerieslafayette.com) e-commerce site are also delivered by partners offsetting 100% of the carbon emissions linked to delivery. In order to go further on the subject, the use of kraft paper envelopes was successfully tested this year on 50,000 e-commerce orders, making



Delivery by bicycle in inner urban Paris to BHV Marais Rivoli

it possible to reduce packaging waste but also to improve truck filling and therefore reduce the number of deliveries. In order to test new zero emission mobility, Galeries Lafayette is also participating in a pilot hydrogen mobility project with Akuo Energy, Ataway and JCDecaux.

HELPING OUR CUSTOMERS ADOPT MORE RESPONSIBLE CONSUMPTION HABITS

Supporting customers to encourage them to consume more responsibly throughout their customer journey is an integral part of a responsible store approach. In addition to the selection and signage of products with the internal Go for Good label (see p. 19), this is reflected in the paperless ticket, the proposal for sustainable bags (more than 28,000 tote bags made in France from recycled textiles sold in 2019). The collection and recycling systems made available to customers are also part of this approach - collection of textiles in all Galeries Lafayette stores (more than 18,000 deposits in 2019), collection of perfume bottles

(more than 10,000 bottles collected over the year), collection of watches offered by Louis Pion (11,000 watches collected in 2019), as well as occasional operations (bed linen, toys, school bags, kitchen utensils, etc.).





ENCOURAGE RECYCLING OF RESOURCES

The Galeries Lafayette Group strives to conduct its business by **reducing its consumption of resources** on a daily basis and by promoting the recycling of any waste produced. The **consumption of paper** used in the creation of catalogues, the largest item of consumption, was thus **halved between 2017 and 2019**, while the use of recycled paper in catalogues increased to 95%. **Plastic packaging** was also eliminated for Absolument Maison's own-brand bed linen in 2019 (opposite). The Group is also seeking to **implement circular economy solutions**, whether for foodstuffs or decorations. The **Too Good To Go solution**, deployed in 2018, **saved 9,166 meals this year** by selling them at a reduced price at the end of the service. **Broc GL sales**,

sales of former store decor elements, have given a second life to nearly **10,000 items** while **donating more than €20,000** to associations.



Broc GL for the use of resources

IMPROVING THE ENVIRONMENTAL FOOTPRINT OF STORES

Galeries Lafayette has been working for a number of years to improve the environmental performance of buildings, with a **policy of environmental certification of new stores based on the BREEAM label** and the implementation of a responsible site construction charter laying down **environmental criteria for renovation works**. **Centralised Technical Management systems** have been deployed to reduce the energy consumption of stores and warehouses, and **systematic replacement by LEDs** during store remodelling has been implemented. The **Galeries Lafayette Haussmann**

store has adopted an **energy management approach** and has therefore renewed its ISO 50 001 certification this year. These actions have led to a **4.3% overall decrease in the Group's energy consumption** in one year and a nearly 10% decrease in that of the Galeries Lafayette Haussmann store. The **supply of electricity covered by certificates of guarantee of renewable origin** from the Department Stores Branch since 2016 has also **reduced the carbon footprint of energy consumption by 66%**. The Galeries Lafayette Group has been committed too, for over 5 years, to urban agriculture with **3,200 sqm of vegetable gardens on the roofs of our stores** operated by the Sous les Fraises start-up.



Sous les Fraises

SHOWCASE FOR SUSTAINABLE FASHION

2019 KEY FIGURES



243

social audits carried out at own-brand suppliers



793,000

items of Go for Good own brand



20

own-brand Go for Good sectors (organic cotton, linen, cashmere and recycled nylon, etc.)



+40,000

online votes to support the committed young brands in the Galeries Lafayette x Ulule programme



1

Responsible Jewellery Council certification



3

pilot plants for a level alert system on working conditions

GO FOR GOOD

nearly 600 brands

8.4% of the offer in-store

+12,000 items

3 pillars

 ENVIRONMENT AND HEALTH

 LOCAL

 SOCIAL

6 sectors

FASHION ACCESSORIES

FOOD JEWELLERY

HOME BEAUTY

3 top criteria

OEKO-TEX® STANDARD 100

ORGANIC COTTON

MADE IN FRANCE

The Good Spot on the 3rd floor of the Galeries Lafayette Haussmann store



GO FOR GOOD, THE GALERIES LAFAYETTE GROUP LABEL FOR MORE SUSTAINABLE FASHION

Launched in September 2018 at Galeries Lafayette, the **Go for Good label** continued to expand throughout 2019. This internal label aims to speed up transformation in the fashion industry by rigorously selecting and reporting to customers those products that have a lower impact on the environment, supporting local production or contributing to social development. With more than 500 brands and 10,000 items at its launch, Go for Good had sent a strong signal to the entire industry that change is on the way and that sustainability and desirability can go hand in hand in fashion. 2019 was devoted to consolidating the label, with the

opening of permanent 100% Go for Good corners dedicated to emerging brands in the Galeries Lafayette stores and the expansion of this movement to two Galeries Lafayette group brands: Louis Pion and La Redoute. The anniversary of the first year of existence of Go for Good, which was celebrated with Vivienne Westwood as guest of honour, there were nearly 600 brands and 12,000 items distinguished by the label, an increase of nearly 20%. On this occasion, ambitious objectives for 2024 were laid out in respect of the development of the sustainable service products (see p.7), thus committing Galeries Lafayette to a change in its overall model. Go for Good was also awarded two prizes at the LSA La conso S'engage awards, in the Responsible Purchasing and Best CSR Product categories for the Go for Good Louis Pion range.



COMMITTED OWN BRANDS

The Group has always sought to be a pioneer in respect of its own brands, by **monitoring product manufacturing conditions** and by **developing the use of more sustainable materials or production processes**. Based on its participation in the ICS* since 2003, the Group's approach to preventing and controlling risks of breaches of Human Rights is based on contractual obligations and the **performance of social audits at own brand suppliers (234 audits in 2019)**. In addition, the **use of more sustainable materials** such as organic cotton, European linen, cashmere or recycled nylon is developing rapidly. **More than 700,000 ready-to-wear**

and home Go for Good products were sold in 2019, representing a two-fold increase in volumes in one year. To go even further, **100% traceable supply chains** from raw materials to stores continue to be created.

* *Initiative for Compliance and Sustainability*. A multi-sector initiative bringing together 47 brands aimed at improving working conditions in global supply chains.



Fashion Pact signatories gathered in Paris in October 2019

ENCOURAGE INNOVATION AND ACCELERATE TRANSFORMATION

The Group is also working more broadly to **accelerate changes in the sector towards more sustainable fashion**, by engaging not only with young brands but also with other stakeholders in the sector. With regard to young brands, first of all, **via the Lafayette Brand Booster** which supports committed brands, but also via the **Ulule programme** which rewards popular young start-ups with a grant and expert coaching, or via participation in the **Plug and Play Fashion for Good** accelerator dedicated to technological innovations throughout the textile and leather production chain.

GO FOR GOOD x ULULE
ENCOURAGER LA CRÉATION ENGAGÉE



This approach has also resulted in the participation in a number of sectoral initiatives launched in 2019 to change the face of fashion:

- **The Fashion Pact**, a coalition of companies in the sector to work on climate, biodiversity and ocean issues;
- **Paris Good Fashion**, an initiative aimed at making Paris the capital of sustainable fashion;
- Participation in the **Impact event**, the first Who's Next fair dedicated to these issues.



GO FOR GOOD
POUR UNE MODE PLUS RESPONSABLE

OUR VALUES

**PASSION
FOR CUSTOMER SERVICE**



**BOLD
INNOVATION**



**COLLECTIVE
COMMITMENT**



**TASTE
FOR EXCELLENCE**



