

5.3 CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE CITIZENSHIP – ETHICS

Creating purpose. Fostering personal fulfilment at work. Combining excellence with corporate citizenship. Harmonising respect for targets with respect for the planet. These issues are also the core concerns of the Lagardère group.

Lagardère has implemented a policy of Corporate Social Responsibility (CSR) which has a number of objectives: **to incorporate** Sustainable Development into the daily lives of subsidiaries and the production process of our different business lines; to **plan ahead** for the risks of climate and energy crises and consumer demand; to **satisfy** regulatory requirements and **meet** employees' expectations.

As a media Corporation, Lagardère is aware of its special responsibility on these strategic issues in a continuously evolving environment particularly marked by the faster pace of digital development.

Given its extremely diverse customer base, Lagardère SCA's principal commitment is to propose **responsible editorial content**. Over and above this commitment, the Group intends to weave a **social fabric** imbued with solidarity with society as a whole, and more particularly with those who need it most.

Available on Lagardère's website for the second year, the Sustainable Development Report intended for all the different stakeholders describes the Lagardère group's approach, which is now structured around four priorities divided into twelve commitments.

The four priorities are the following:

- reinforcing our position as a **responsible employer**;
- developing business activities **in an environmentally-friendly way**;
- fostering **access to information** and knowledge;
- contributing as a media group to **enhancing the social fabric**.

This Chapter 5.3, which makes regular reference to the online Sustainable Development Report, concentrates on the information listed by France's *Nouvelles Régulations Economiques* (NRE) law of 15 March 2001, including reports on the three domains of Employees, Society and the Environment.

An implementing order for France's Grenelle II law⁽¹⁾ adopted on 9 July 2010, is expected to amend the contents of disclosures required by the NRE law in the course of 2011, as well as its scope of application. It will also specify the conditions in which the information provided should be subject to control by an independent, outside body. The Lagardère group will comply with these new obligations from the start of the next financial year.

5.3.1 THE CSR POLICY – PLAYERS AND INSTRUMENTS

In compliance with the French NRE law, the Group has implemented a Corporate Social Responsibility (**CSR**) policy. The issues involved and the objectives are revised and fine-tuned annually.

5.3.1.1 THE MEN AND WOMEN ENGAGED IN CSR

The Group's divisions are independent and autonomous, and each manages CSR policy internally, under the supervision of a Sustainable Development Department which coordinates the networks of internal correspondents.

At Group level, a Sustainable Development Department reporting to the Human Relations and Corporate Communications Department has coordinated a Steering Committee composed of representatives from several cross-functional departments since September 2008. This Committee is chaired by Group's Chief Human Relations and Communications Officer, who since April 2010 has been a Co-Managing Partner of the Lagardère group.

This Committee is in charge of devising the CSR strategy and action to be undertaken, and conducting dialogue with the different stakeholders.

The Sustainable Development Report describes the organisation and missions of this Steering Committee, as well as those of the different departments concerned.

(1) Which will amend article R225-104 and R225-105 of the French commercial code.

5.3.1.2 THE CSR REFERENCE FRAMEWORK

In addition to the corporate values on which Lagardère has built its legitimacy and reputation, the Group endeavours to respect a certain number of rules: the rules established by national and international bodies regarding business enterprises, and the rules Lagardère has chosen to draw up internally for application to its employees and partners.

The Sustainable Development Report, which for the second year in succession follows the guidelines of the Global Reporting Initiative (GRI) lists these documents, in particular those issued by the ILO and the OECD, as well as the Group's Code of Ethics and the different charters that are applicable either internally or to our stakeholders.

In this Reference Document, it is important to underline the commitment of the Group's Managing Partner, Arnaud Lagardère, to the principles of the Global Compact.

With operations on all the continents, the Lagardère group is one of the world's leading media companies. As an international Group, it is our duty to be rigorous and exemplary in the promotion of certain rights and principles that are universally recognised and adopted for a globalisation that is more respectful of Man and his 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 enterprises to align their operations and strategies with the principles of responsibility.

In parallel to this basic commitment, Lagardère is a member of the "Amis du Pacte Mondial en France", a non-profit organisation which represents France in the Global Compact's National Networks.

To reassert our commitment, each year we report on the progress made by our Group regarding the Compact's ten principles.

HUMAN RIGHTS

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

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

WORKING CONDITIONS

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.

ANTI-CORRUPTION MEASURES

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

Arnaud Lagardère

General and Managing Partner of Lagardère SCA

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The Lagardère group is also aware of the ISO 26000 standard, which sets the guidelines for corporate social responsibility and came into force at the end of 2010. In the coming years, it intends to provide an optimum response to the seven key issues identified by the new standard: **Organizational Governance, Human Rights, Labour practices, The Environment, Fair operating practices, Consumer issues, Community involvement and development.**

5.3.1.3 CSR METHODOLOGY AND INDICATORS

A) REPORTING SCOPE

The reporting system used to collect **labour and social information** is deployed in all the consolidated subsidiaries which are operationally managed by the Group, with the exception of:

- entities that were disposed of or deconsolidated during the financial year;
- certain entities acquired during the year, for which the reporting system will be implemented gradually as they are integrated into the Group;
- certain entities which have fewer than five employees.

The labour and social data presented below (with the exception of data pertaining to changes concerning the total number of Lagardère employees) therefore covers **168** Group companies, representing more than **97%** of the Lagardère group's total workforce. The coverage rate is almost **92%** for Lagardère Services, **96%** for Lagardère Publishing, **94%** for Lagardère Active (press, audiovisual) and **93%** for Lagardère Unlimited. Geographic coverage varies from **90% to 100%** of employees depending on the area.

Environmental information concerning water and energy consumption is integrated into the Group's financial data consolidation system. The corresponding data covers 100% of **Lagardère's consolidated subsidiaries**, representing more than **500** companies. The full list is appended to the consolidated financial statements.

Variations in scope

Changes in the scope of **labour and social** reporting are related to the financial consolidation scope comprising fully consolidated companies. The list is presented in note 37 to the consolidated financial statements, in Chapter 6.

As **water and energy consumption** indicators have been incorporated into the financial reporting system, changes in the water and energy consumption scope are identical to changes in the financial reporting scope. Companies acquired in the course of the year are included in the scope for the entire year in which the acquisition took place, and companies disposed of are removed from the scope from the date of disposal, the relevant data being taken into account up to the actual disposal date.

B) CHOICE OF INDICATORS AND REFERENCE BASE USED FOR REPORTING

- Labour-related reporting follows the Group's Human Resources policy, taking into account the specific needs of each business line and geographic area. In 2006, driven by a concern for continuous progress, the Group improved the indicators used by refining the range of selected indicators in order to obtain a greater level of detail and precision. Certain parameters were also redefined for application across the global scope. Lagardère's concern for continuous improvement and progress led to a second revision of the reference base in 2010, resulting in redefinition of the entire range of indicators. This redefinition, which involved the removal of certain indicators deemed less relevant to certain business activities, and the addition of new ones more in line with the spirit of the GRI, was also an opportunity to streamline the reference base and make it more accessible to contributors.
- The reference base for labour and social reporting can be accessed through the Intranet by over 200 staff contributors; it specifies the procedures for data collection and reporting, as well as the definition of the selected indicators, and the calculation formulas used, to ensure satisfactory, uniform comprehension by all contributors. The data is entered for each Group subsidiary in the reporting scope, then validated either by the Human Resources Director, where relevant, or by the subsidiary's Management; a second level of validation exists in each division. Consistency checks are run on the data entered, including comparison with the data for previous periods and a systematic alert requiring explanation when the variances are deemed significant. These consistency checks guarantee data integrity and therefore contribute to the reliability of the information system. At each level of contribution or validation, operators can extract consolidated reports on the data entered in order to make use of the data for operational management within their particular scope.

In France, Lagardère continues to apply the classification distinguishing between executives/managers and other employees/non managers rather than the statutory reference of "*cadre/non-cadre*" used for local labour reporting.

The Lagardère workforce is therefore divided into four occupational groups: Executives (*Cadres Dirigeants*), Managers, Journalists (including photographers) and Other Employees.

- **The instructions for reporting on water, energy and paper consumption** define the selected indicators and the procedures relative to data collection and reporting. This reference base is sent to all the employees involved in reporting such information. Data is input by a contributor in each of the Group's consolidated subsidiaries. An **automatic** data presence check is run and after consolidation, the data is compared to data from previous periods, in order to control for any variances.
The other environmental indicators selected correspond to the specific environmental issues of each business division; the corresponding data is consolidated and verified at the level of the business divisions, on the basis of the information communicated by their subsidiaries.
- The methodologies relative to certain labour-related and environmental indicators may present limitations due to:
 - difficulties in interpreting the data by some contributors, due to the absence of internationally-recognised definitions;
 - the necessary use of estimations, or the practicalities of data collection and entry.

5.3.2 IMPLEMENTATION OF THE CSR POLICY

The labour, social and environmental information given below corresponds to the requirements of the French NRE law.

5.3.2.1 LABOUR INFORMATION

The Lagardère group's performance levels are a direct result of the qualifications of its staff and appropriate resource management.

- For optimum deployment of human resources that takes the specific features of the Group's various business lines into consideration, the operating units manage human resources in their own way, but following priorities, principles and commitments common to all the business divisions. The common framework is defined and formalised at Group level in agreement with the Divisions' Human Resources Directors.
- As part of the work carried out in 2009 to align reporting with the GRI guidelines, Lagardère has articulated its CSR approach around four priorities, the first of which, "**reinforcing our position as a responsible employer**", directly concerns the Group's commitment in labour-related issues.
- This priority is divided into three commitments that the Group strives to apply with a concern for continuous improvement:
 - ensuring balance and diversity in the workforce;
 - fostering harmonious working conditions;
 - encouraging skills development.

A) ENSURING BALANCE AND DIVERSITY IN THE WORKFORCE

This commitment corresponds to the first NRE disclosure requirements concerning employee numbers and the organisation of working hours.

This first priority involves implementing carefully considered management of human capital and guaranteeing fair treatment of the Group's employees.

To achieve this, the Group undertakes to:

- **adapt resources to organisations**, manage the evolution in employee numbers (adjust recruitments/separations) and call upon external resources when necessary;
- **ensure balance in the workforce**, in particular by seeking a harmonious age pyramid;
- **promote diversity**, one of the key factors in the creativity that drives the Group's businesses.

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A.1 ADAPTING RESOURCES TO ORGANISATIONS

Global changes in the workforce

Permanent workforce at 31 December, by gender and division

Divisions	Men	Women	Total workforce	% Men	% Women
Lagardère Publishing	2,932	3,888	6,820	43%	57%
Lagardère Active	3,238	5,862	9,100	36%	64%
Lagardère Services	4,164	5,713	9,877	42%	58%
Lagardère Unlimited	537	269	806	67%	33%
Other Activities	303	157	460	66%	34%
Group total	11,174	15,889	27,063	41%	59%

Breakdown of permanent workforce at 31 December, by occupational group, gender and division

Divisions	Male Executives	Female Executives	Total Executives	Male Managers	Female Managers	Total Managers	Male Journalists and Photographers	Female Journalists and Photographers	Total Journalists and Photographers	Male Other employees	Female Other employees	Total Other employees
Lagardère Publishing	55%	45%	368	44%	56%	2,886	0	0	0	43%	57%	3,566
Lagardère Active	68%	32%	177	43%	57%	2,494	37%	63%	2,288	30%	70%	4,141
Lagardère Services	83%	17%	102	56%	14%	1,514	0	0	0	41%	59%	8,261
Lagardère Unlimited	97%	3%	51	81%	19%	195	100%	0%	1	58%	42%	559
Other Activities	80%	20%	26	69%	31%	141	0	0	0	63%	37%	293
Group total	65%	35%	724	47%	53%	7,230	36%	64%	2,289	39%	61%	16,820

At 31 December 2010, the number of employees on permanent contracts (CDI)⁽¹⁾ (the “permanent workforce”) was 27,063, compared to 26,893 at the end of 2009. This slight increase is due to changes mainly affecting two divisions: Lagardère Active and Lagardère Sport which has now become Lagardère Unlimited.

Concerning Lagardère Active, the Division benefited from the recovery in consumer sales particularly evident in advertising investments, and thus resumed a pace of business similar to the “pre-crisis” years. Lagardère Unlimited profited from the acquisition of Best in the United States and organic growth in its business.

The principal variations by business division are as follows:

- **Lagardère Publishing:** The Division’s permanent workforce was down by 194 employees at 31 December 2010 (-2.76%), essentially in the Rest of Europe area (i.e. excluding France) and particularly visible in entities operating in Spain and Great Britain, which together registered a fall of more than 150 in employee numbers.
- **Lagardère Active:** The permanent workforce in this Division increased by 291 employees at 31 December (+3.30%), explained by a rise of almost 4% in employee numbers in the Rest of Europe area; this is due in particular to a considerable workforce expansion in Poland (at Eurozet), Russia (at the media company Plus Zao) and the integration of the North and South networks of RFM and Virgin Radio.
- **Lagardère Services:** The permanent workforce remained practically stable with 9,877 employees at 31 December 2010 compared to 9,838 at the end of 2009.
- **Lagardère Unlimited:** the increase by 92 permanent employees (+12.88%) results from the acquisition of Best in the United States, and development of the Division’s business activities throughout 2010.
- **Other Activities:** the 58-employee decrease at 31 December 2010 is a consequence of discontinuation of the Team Lagardère activity, and the disposal of Arlis.

This positive trend in the permanent workforce at 31 December 2010 is not, however, mirrored in the changes in average employee numbers expressed in terms of Full-Time Equivalent (FTE) numbers for all the employees in the Lagardère group (permanent, non-permanent⁽²⁾ and temporary staff)⁽³⁾.

(1) CDI: Contrats à Durée Indéterminée, permanent contracts.

(2) Non-permanent employees: employees with a fixed-term contract.

(3) The FTE is obtained by adding all the employees who worked for the Group during 2010 in proportion to their working hours and period of employment; an employee who works half a week for six months of the year is thus counted as 0.25 FTE.

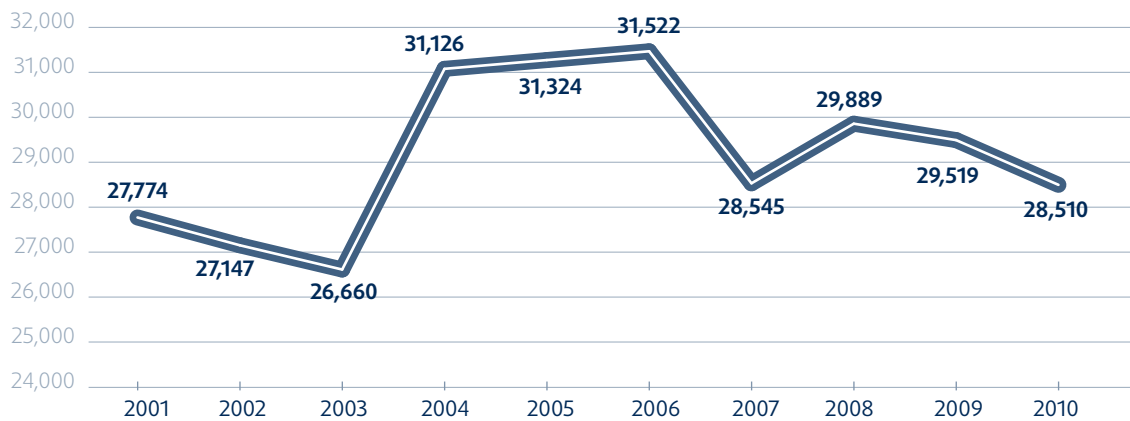
2010 saw a fall in FTE numbers compared to 2009 (slightly more than 3%), largely explained by a reduction in the number of non-permanent employees (more specifically at Lagardère Active: this was mainly caused by a change in the measurement method for this employee category in certain entities of the Division, particularly in Russia and Poland), and employees from temporary staffing agencies. In addition to this, the decline in the permanent workforce at 31 December observed in the Publishing division is proportionally even greater if FTE numbers (for all employee categories combined) are included throughout the year: the decrease in this case is equivalent to more than 270 employees.

The table below shows that the decline in the non-permanent workforce is essentially visible at Lagardère Active (-260 employees, or 25% of the workforce on fixed-term contracts) and the Publishing division (-22%).

• **Changes in non-permanent workforce (FTE) during 2010**

Divisions	2009	2010	Change 2009-10
Lagardère Publishing	395	308	-22%
Lagardère Active	1,044	784	-25%
Lagardère Services	837	804	-4%
Lagardère Unlimited	135	105	-22%
Other Activities	13	10	-23%
Total non-permanent workforce	2,424	2,012	-17%

• **Changes in workforce since 2001 (FTE)**



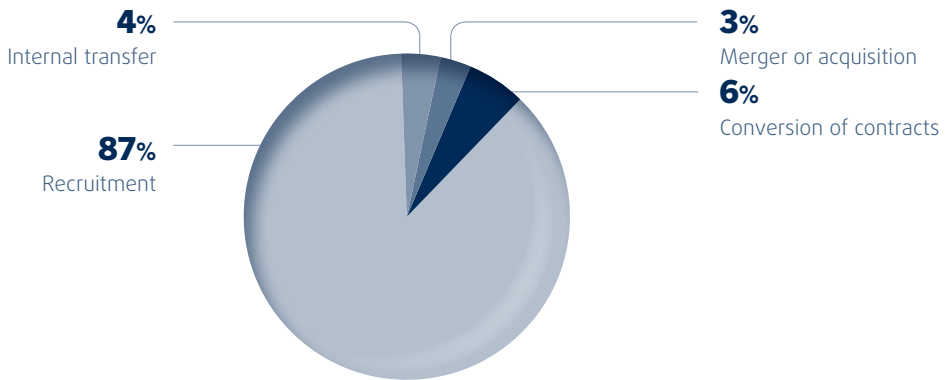
Recruitments – Separations ⁽¹⁾



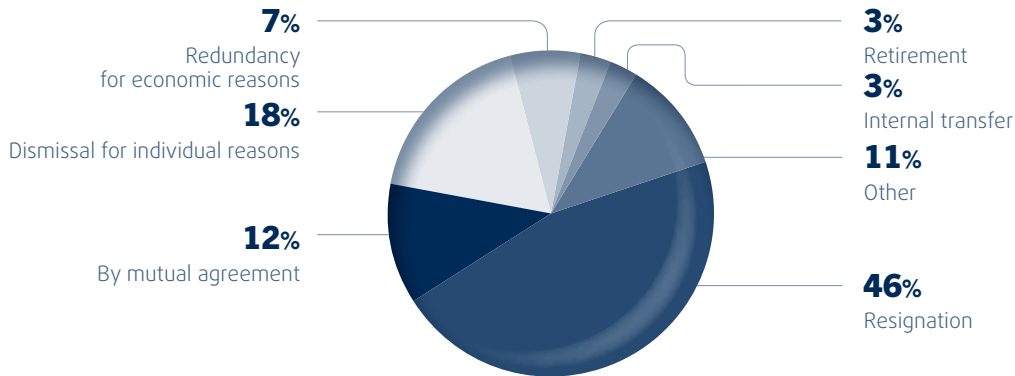
The table of recruitments and separations affecting the permanent workforce shows consistency with the global trend in permanent employee numbers at 31 December.

In 2010, there was a relative fall in the number of separations, from **6,475** in 2009 to **5,974**, and a perceptible rise in recruitments, from **5,077** in 2009 to **5,692** (+12%). The final result is a re-balancing of recruitments and separations compared to 2009, resulting in comparable figures to previous years.

Typology of staff recruitments



Typology of staff separations



(1) Permanent employees.

The breakdown of staff separations indicates a decline in the relative proportion of economic redundancies (**from 10 to 7%**), confirming the gradual recovery from the crisis period of 2008 and 2009.

This trend appears to be confirmed by the number of separations by mutual agreement, which also showed a sharp decrease (**from 16 to 12% as a relative share**), since the rise in this type of separation observed in 2009 (**+6%**) also reflected workforce reduction measures due to the downturn in business.

The proportion of resignations rate was up slightly (**+4 points**), consistent with the general trend in other reasons for separation and also the worldwide economic situation in 2010, which restored some fluidity to the employment market. Similarly, there was a slight rise in the rate of dismissals for personal reasons (**+4 points**).

“Unexpected turnover”⁽¹⁾ therefore rose to **17.3%** compared to 13.5% for 2009.

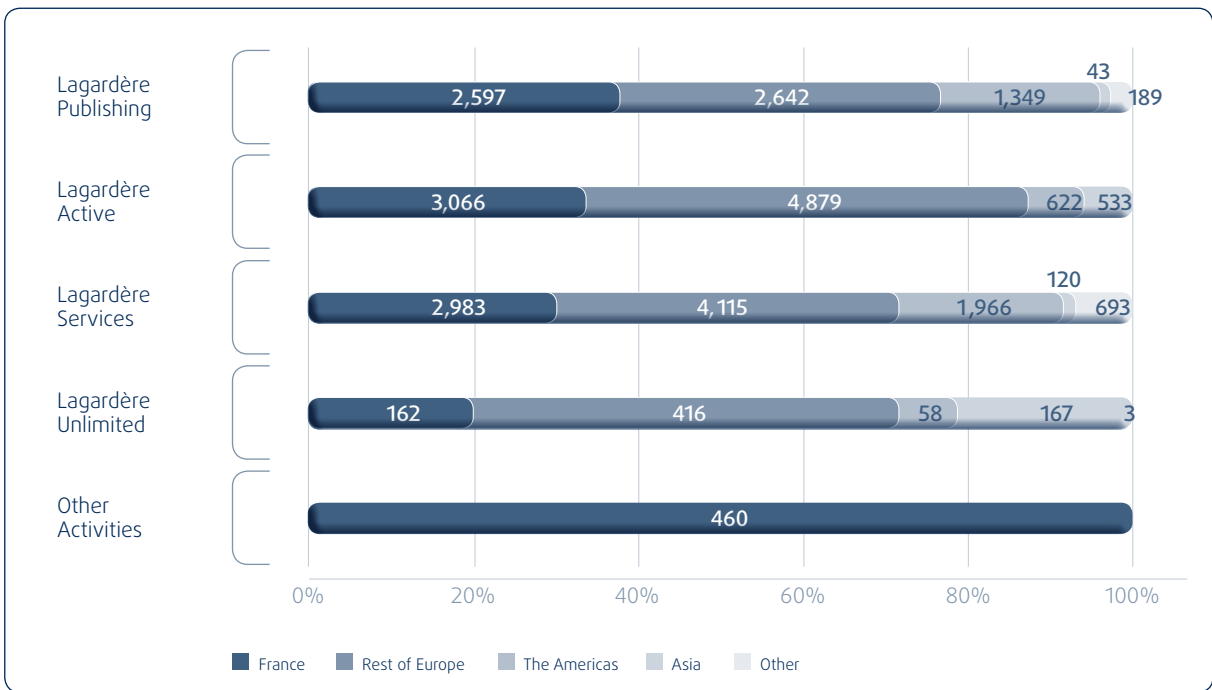
In terms of recruitment, there was a substantial rise in the relative portion of employees hired in 2010 (**87% compared to 77% in 2009**); it is nonetheless important to note that the total number “recruited” by conversion of contract (from a fixed-term contract into a permanent contract) remained stable in 2010, at around **350**.

This sharp rise in the number of new recruits (**+27%**) confirms that the Group has great appeal to potential applicants. Once again in 2010 Lagardère encountered no particular difficulties in terms of recruitment, even in highly sought-after skills.

With its excellent reputation and strong brand names, the Lagardère group also benefits from tangible staff loyalty: more than **28%** of the total workforce has more than ten years seniority, a figure that rises to **38% in France**.

A final key point is the number of employees who moved to a different professional group (or were promoted) in 2010, which was **562**, comparable to 2009; this corresponds to almost **10%** of the Group’s recruitments, although obviously it cannot be included in the recruitment figures.

The Group’s international presence



The international expansion of the Group, with operations in 36 countries in 2010 (compared to 32 in 2009), is reflected in employee numbers: the number of employees working outside France remained stable, at nearly 66% at the end of 2010.

The Group remains predominantly French-based, however, with close to 35% of the total workforce in mainland France. After France, the next two principal countries in terms of employee numbers are the same as last year, Russia and Spain.

(1) The unexpected turnover index corresponds to the calculation of staff turnover including separations not initiated by the company (resignations, deaths, retirement and other).

Adjusting staff numbers to variations in business activity through organisation of working hours

(NRE disclosure requirements concerning the organisation of working hours)

The Group takes care to respect the legal regulations specific to each country, particularly in terms of working hours and the management of overtime. Group entities have implemented a work organisation scheme that provides the flexibility to meet the specific requirements of their operations. This scheme includes part-time work, overtime hours and temporary work. This flexibility allows Group employers to take the aspirations of the workforce into consideration, and provides adaptability when staff on sick leave or maternity leave need to be replaced.

Employment of temporary staff (on fixed-term work contracts or through temporary staffing agencies) is thus an inherent part of the specific nature of certain activities. This is particularly true for seasonal peaks in business at Lagardère Publishing (the publication of new works of literature, generally scheduled from September to November in France, school textbook orders and the Christmas season).

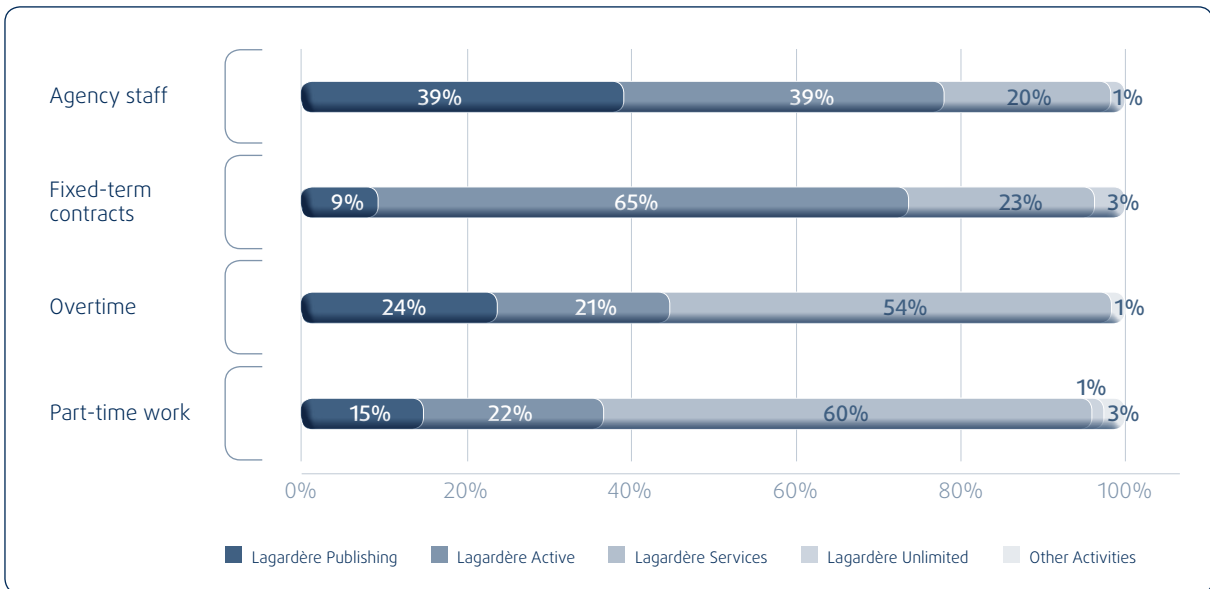
The work organisation scheme also enables the Group to cope with constraints related to Distribution activities (replacing store managers on leave, extensive opening hours, training of store managers, etc.), and the organisation of sports events.

As flexibility and optimising labour costs are essential to the Distribution activities, Lagardère Services makes considerable use not only of temporary staff (see below), but also of overtime and part-time work, mainly in Asia and North America. This type of organisation is also to be found, to a lesser extent, in the Distribution activities of the Book Publishing division, which faces the same needs.

Furthermore, in France, due to the nature of its Press and Audiovisual Production activities, Lagardère calls on the services of specific types of employees: freelance journalists and seasonal entertainment workers. Aware of the special status of these categories, the Group is involved in global discussions of changes affecting them, participating in the various sector-specific negotiations regarding social security coverage, unemployment benefits and occupational training.

The data on work flexibility for 2010 are presented below.

Flexibility of work by division



There was a perceptible fall in 2010 in the number of staff on fixed-term contacts (measured in FTE) (from **2,424 to 2,012**). The proportion of staff on fixed-term contracts therefore fell slightly from 9% of the total workforce in 2009 to a little over **7%** in 2010.

Including staff from temporary agencies, the overall proportion of temporary workers for 2010 is **11%**, which meets the Group's stated aim to preserve the degree of flexibility and responsiveness required for the management of its business activities while maintaining the proportion of staff on temporary contracts at a reasonable level of around 12% of the total workforce.

Concerning overtime, in 2010 a total of **409,609 hours** were worked, a considerable increase over 2009 (**360,082 hours**, +13%). Overtime seems to have acted as a means of adjustment to fluctuations in the Group's business volumes, which were much greater than in previous years.

Part-time work remained stable at around **12%** (13% in 2010 compared to 12% in 2009). This type of organisation is mainly present in the Services division (**60% of work flexibility**) and increased considerably in Other Activities (**+4 points in 2010**); once again, the majority of employees concerned are women, who represent more than **73%** of the total part-time workforce in 2010.

• Workforce in part-time work at 31 December 2010

Divisions	Male	% male part-time/ total male workforce	Female	% female part-time/ total female workforce	Total workforce in part-time work	Total workforce (%)
Lagardère Publishing	63	2%	462	12%	525	8%
Lagardère Active	211	7%	550	10%	761	8%
Lagardère Services	596	15%	1,503	29%	2,099	21%
Lagardère Unlimited	2	0.40%	29	11%	31	4%
Other Activities	58	22%	33	24%	91	20%
Group total	930	8%	2,577	16%	3,507	13%

Adapting the workforce distribution by occupational group and gender



The breakdown of the workforce by occupational group varies from one division to another, and reflects the diversity of the Group's activities.

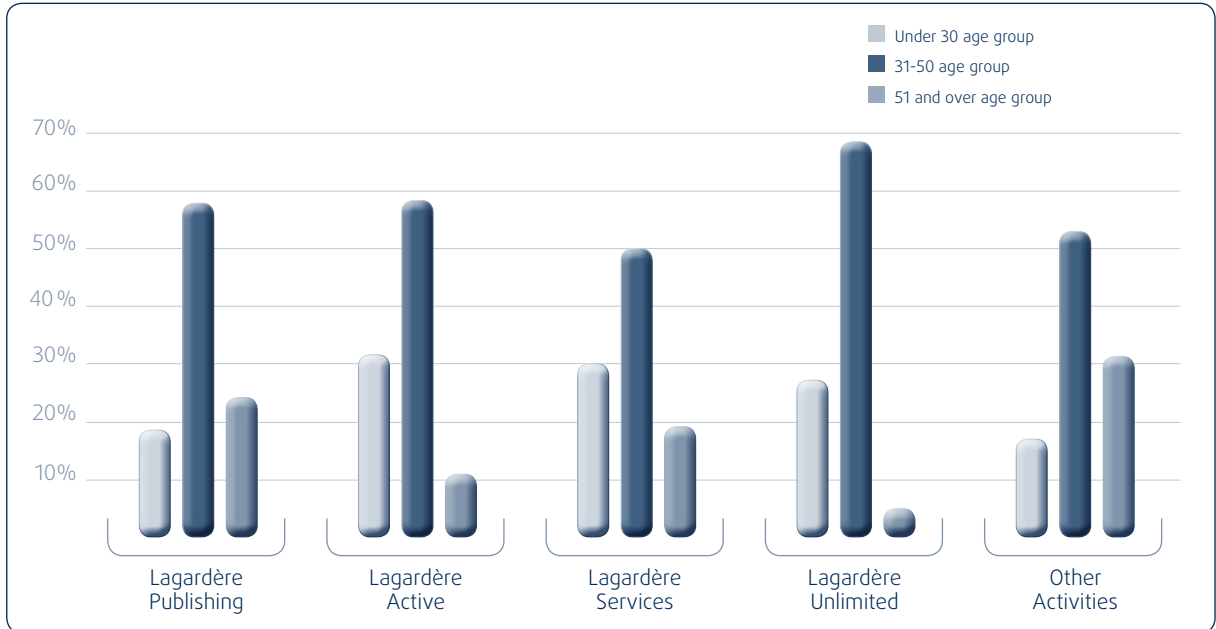
At Lagardère Services, for instance, the proportion of managers is **16%**, which can be explained by the large number of unskilled positions inherent to the retail trade. In the other divisions, this proportion is between **29%** and **48%**, normal for editorial content publishing. This distribution remains stable from year to year.

Furthermore, while 2009 was marked by a substantial reduction (20%) in the number of Journalists, 2010 saw a rise in this group (+7%). The numbers of executives/managers and other employees remained stable in 2010 compared to 2009, at around **7,230** for the former and more than **16,800** for the latter.

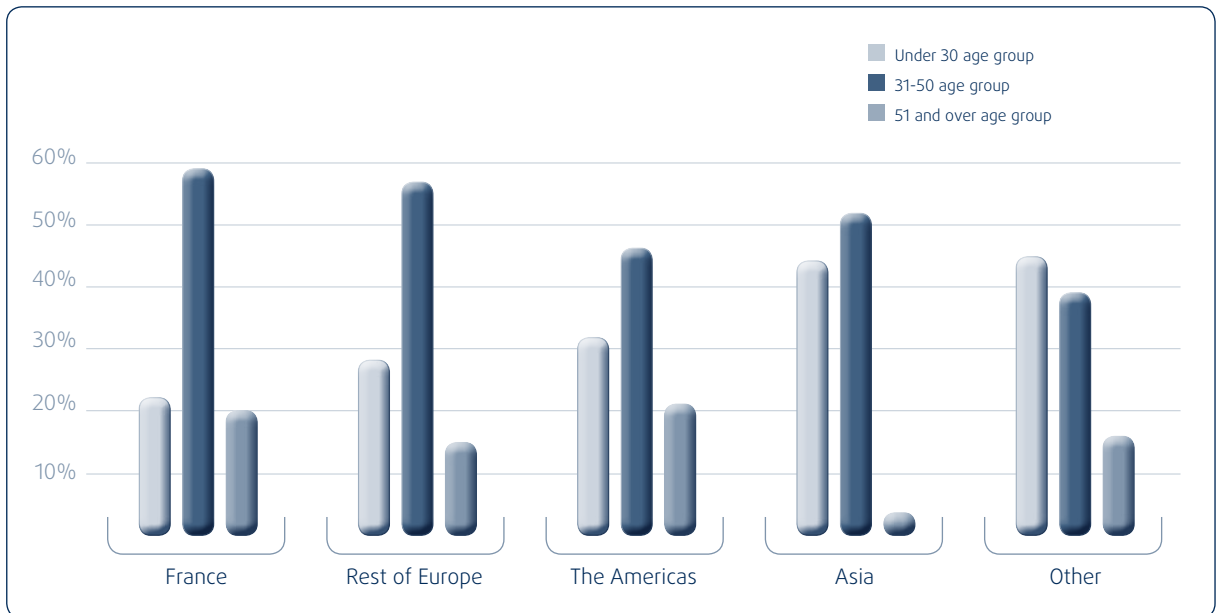
A.2 ENSURING AGE BALANCE IN THE WORKFORCE

The Group’s age pyramid reflects the balance between a youthful workforce, with slightly more than **58%** of employees under 40 and more than **27%** under 30, and experience acquired through seniority, which is a requisite in the field of the traditional media.

• Breakdown of workforce by age group and division



• Breakdown of workforce by age group and geographic area



A.3 PROMOTING EQUAL OPPORTUNITIES AND DIVERSITY AND ANTI-DISCRIMINATION ACTION

(NRE disclosure requirements regarding labour relations and disability)

Lagardère bases its actions in this domain on two major principles: ensuring equal opportunities and treating all individuals with respect.

With its wide-ranging business activities and skilled staff, the Group encourages diversity in the divisions; as media operators and distributors, they have an even greater obligation to reflect the society to which they belong.

It endeavours to promote and develop cross-divisional actions for diversity, particularly by identifying good practices in the different entities and sharing them throughout the Group.

In 2006 the Group's Human Resources Division initiated a meeting of the business divisions' Human Resources teams to consider the subject of equal opportunities and their implementation within the Group.

This was taken further in a seminar devoted to the subject of Diversity held in October 2008, attended by all the Human Resources managers from the various business divisions.

It was decided at this seminar to focus on three aspects:

- the place of women in the company;
- the disabled;
- integration of young people from sensitive urban areas.

Guaranteeing women's career development in the company (NRE)

Women account for almost **59%** of the total workforce, a figure that is stable compared to 2009, and the debate on sex equality at work is thus slightly atypical in the Lagardère group. The nature of the Group's business lines, which largely explains this strong female presence, should not obscure the progress that remains to be made in terms of equal opportunities and career development. The question to address in the different divisions is not so much how to achieve a balance between the number of male and female employees but rather how to apply truly equal treatment in appointments to positions of responsibility.

Making access to the highest levels a possibility for women is one of the goals the Group intends to set itself over the coming years.

In 2010, women represented almost **64%** of total recruitments in the Group, an increase of **0.7%** compared to the previous year.

Women account for **35%** of executives (an increase of 3 points over 2009), more than **53% (stable compared to 2009)** of managers and **64%** of journalists (**-1 point**). The proportion of women among "other employees" is **61%** (equivalent to 2009). All of these figures have been stable over the last two years.

It should be noted that certain companies in the Group are exemplary with respect to women's roles in the workforce:

- Hachette Livre SA - Management & Other: **527** women in a total **743** employees, or **71%** of the workforce;
- Aelia: which employs 1,193 women in a total workforce of 1,690 employees, or 70%;
- Lagardère Publicité: **505** women in a total 667 employees, or 76%.

There is room for progress, however, in Other Activities and at Lagardère Unlimited where there are few women, particularly in the Executive category.

○ Recruitment of women on permanent contracts in 2010, by division

Divisions	Recruitments	Internal transfers	Merger or acquisition	Conversion of contract (fixed-term to permanent)
Lagardère Publishing	386	17	1	63
Lagardère Active	1,039	62	74	107
Lagardère Services	1,719	35	2	55
Lagardère Unlimited	45	10	0	1
Other Activities	10	0	0	1
Group total 2010	3,199	123	77	227
Group total 2009	2,475	194	201	218
Change 2009-2010	+23%	-37%	-62%	+4%

Female permanent staff separations in 2010, by division

Divisions	Resignations	Separations by mutual agreement	Dismissal for individual reasons	Redundancy for economic reasons	Retirement	Internal transfer	Other
Lagardère Publishing	247	28	70	136	44	9	43
Lagardère Active	777	216	124	41	12	43	139
Lagardère Services	861	143	379	75	42	34	246
Lagardère Unlimited	35	8	0	15	0	5	1
Other Activities	4	2	4	1	2	3	1
Group total 2010	1,924	397	577	268	100	94	430
Group total 2009	1,588	487	498	346	88	101	373
Change 2009-2010	+21%	-18%	+16%	-23%	+14%	-7%	+15%

Average annual salary of permanent female staff (in euros), by occupational group and by geographic area

Areas	Executives	Change over 2009	Managers	Change over 2009	Journalists and Photographers	Change over 2009	Other employees	Change over 2009
France	190,468	↗	47,537	→	56,227	→	22,342	→
Rest of Europe	83,702	↘	37,282	↘	28,242	↘	21,292	→
The Americas	278,247	↗	83,811	↗	62,045	↗	27,012	↗
Asia	151,484	↗	58,211	↗	13,593	↗	28,076	↗
Other	99,086	↗	55,119	↗			19,955	↘
Group total	126,151	→	48,792	↗	40,217	↘	22,802	↗

Proportion of permanent female workforce who received a pay rise, by occupational group and by division

Divisions	Executives	Managers	Journalists and Photographers	Other employees
Lagardère Publishing	74%	73%		76%
Lagardère Services	65%	64%		67%
Lagardère Active	30%	54%	41%	37%
Lagardère Unlimited	100%	13%		39%
Other Activities	83%	77%		90%
Total Group average 2010	63%	64%	41%	60%
Total Group average 2009	35%	60%	32%	56%

Percentage of hours of training attended by women

Divisions	Executives	Managers	Journalists and Photographers	Other employees	Total average
Lagardère Publishing	47%	57%		47%	51%
Lagardère Services	12%	47%		59%	55%
Lagardère Active	41%	59%	69%	72%	65%
Lagardère Unlimited	0%	24%		46%	35%
Other Activities	33%	46%		40%	42%
Total Group average 2010	35%	55%	69%	58%	57%
Total Group average 2009	29%	54%	62%	56%	56%

Encouraging integration of disabled employees

Disabled people are still largely underrepresented in the Group. In response to the downward trend in the proportion of disabled employees over three years, the Human Resources departments decided to step up both in-house and external campaigns to reverse the trend and deliberately increase the integration of disabled employees.

Following a highly satisfactory year in 2009 (particularly due to an increase in the proportion of disabled employees), 2010 was marked by a new general trend which can be considered satisfactory as the proportion of disabled employees was on the rise or stable (as is the case in the Americas) in all areas except Europe. The situation in France is exemplary in this respect: the proportion of disabled employees has increased by **4 points** compared to 2007.

The situation in the Rest of Europe (i.e. excluding France), where the proportion of disabled employees fell sharply (**-5 points**), is attributable to a steep decline in the number of disabled employees in the Lagardère Services division, particularly at Lapker in Hungary (from an average 90 disabled employees over the previous three years to 4 in 2010).

This resulted from changes in Hungarian legislation regarding recognition of disabled employee status in 2010. Stricter conditions and procedures considerably reduced the number of disabled employees. The change in sales staff status (from employee to freelance manager) reinforced this impression of a sharp drop, although in fact the company recruited another disabled employee in 2010.

The Group's special attention to the issue of disability must not be forgotten. This is well illustrated by its key policy to spread good practices throughout the Group, initiated by Lagardère Active under the banner of the "Je suis Handicap" ("I am disabled") mission.

Proportion of disabled employees per one thousand permanent employees

Divisions	France	Rest of Europe	The Americas	Asia	Other
Lagardère Publishing	18.5	12.1	0	0	0
Lagardère Services	6	6	1	0	3
Lagardère Active	10	5	0	7.5	0
Lagardère Unlimited	6	1.8	0	0	0
Other Activities	30				
Total 2010	12	7	0.5	4.6	2.2
2009	10	11.7	0.5	3.3	1.8
2008	9.6	10	1	4	1.8
2007	8.5	12	1	4	0

Outreach to young people in sensitive urban areas

In 2010, the Lagardère group continued the partnership initiated in 2006 with the non-profit organisation "Nos quartiers ont des talents" ("Our suburbs have talent"). The organisation was founded in Seine Saint-Denis (north of Paris) in 2005, and is active throughout the Greater Paris Region (where the majority of the Group's French operations are located). This action consists in organising forums where employers and young people from sensitive urban areas can meet (thereby facilitating their access to the labour market), and providing job-seeking guidance and mentoring from HR departments.

B) FOSTERING HARMONIOUS WORKING CONDITIONS

This second priority illustrates both the Group's desire to contribute to fulfilling career development for its employees and its determination to attract the best talents to its ranks.

This is evidenced in the first instance by the policy of offering employees compensation that complies with legislation and labour agreements, situated at the upper end of the market average, rewarding individual performance and, as far as possible, related to the achievement of collective objectives.

The Group also strives to:

- stimulate the creation of social welfare schemes for its employees;
- protect health and safety at work;
- encourage employee relations.

B.1 PROVIDING EMPLOYEES WITH FAIR FINANCIAL CONDITIONS**Providing an attractive remuneration package**

In a highly competitive environment, the Group's approach to salaries reflects its desire to provide attractive packages in tune with prevailing market practices (in terms of business activity and the economic and labour conditions in the country concerned).

Lagardère's determination to maintain employees' **purchasing power** and **encourage commitment and performance** is unaffected by its concern to control labour costs. The Group also has the medium-term objective of **promoting the notion of global remuneration** (salaries, variable salary components, social security, savings schemes, etc.).

Salary levels

Lagardère's salary policy follows fair, equitable and consistent practices.

Salary practices comply with local legislation and are also attuned to the economic and labour conditions prevailing in each country, and agreements negotiated with the employee representative bodies of the business sector concerned (particularly in terms of minimum salary and general salary increase scales).

In certain other countries where the notion of a minimum wage may sometimes be purely symbolic, or there is no minimum wage, salary practices are defined according to the practices of the local labour market.

The average annual salary worldwide (including bonuses and variable remuneration) for all occupational groups taken together was **€37,841** in 2010 (compared to €36,066 in 2009).

• Average gross salary in euros for permanent workforce, by occupational group, gender and geographic area

Areas	Male Executives	Female Executives	Male Managers	Female Managers	Male Journalists and Photographers	Female Journalists and Photographers	Male Other employees	Female Other employees
France	210,697	190,468	58,824	47,537	63,240	56,227	25,395	22,342
Rest of Europe	129,998	83,702	49,145	37,282	30,101	28,242	27,607	21,292
The Americas	288,521	278,247	98,467	83,811	75,034	62,045	27,868	27,012
Asia	212,713	151,484	77,157	58,211	17,647	13,593	26,660	28,076
Other	144,473	99,086	57,377	55,119	0	0	18,199	19,955
Group total	177,235	126,152	60,245	48,792	49,268	40,218	26,072	22,803

These averages are given as an indication only, and should be interpreted with care: they correspond to a wide disparity of situations due to the very nature of the activities and geographic locations, with lifestyles and the cost of living varying greatly from country to country.

Lagardère firmly intends to encourage equal pay for women and men, under equal conditions of employment and qualifications. The differences observed in the table below are due essentially to disparities in the nature of the positions and responsibilities held, as well as differences in age, seniority and level of qualifications between the two groups.

The salary scales implemented in some of the Group's subsidiaries are one means of achieving this equality. **61%** of all employees work in an entity which has defined salary ranges for each level, and **78%** work in a company which has defined a minimum wage.

Policy governing salary increases: rewarding progress in the contribution made by employees and maintaining purchasing power

It is Group policy to encourage salary increases that reward individual performance levels, assessed on quantitative and qualitative criteria defined by the subsidiaries. To take into account employees' levels of skills, training and responsibility, and the specific nature of the sectors they are working in, individualised pay rises are therefore increasingly common. Here again, each business unit is largely free to award individual and/or collective salary increases appropriate to its business line and the context.

In return for these individually-tailored pay measures, to ensure optimum employee-hierarchy transparency on basic pay rise matters, the Group encourages annual interviews, which give employees a better perception of their situation in relation to the job position they hold.

In 2010, the proportion of the workforce who benefited from a salary increase was stable, following a sharp decline in 2009. In 2010 efforts focused particularly on the female Managers and Executives categories and the "Other employees" group.

Proportion of permanent workforce who received a salary increase, by occupational group, gender and division

Divisions	Male Executives	Female Executives	Male Managers	Female Managers	Male Journalists and Photographers	Female Journalists and Photographers	Male Other employees	Female Other employees	Male - All occupational groups combined	Female - All occupational groups combined	All occupational groups combined
Lagardère Publishing	49%	74%	70%	73%			70%	76%	68%	75%	72%
Lagardère Active	27%	30%	48%	54%	37%	41%	34%	37%	39%	42%	41%
Lagardère Services	56%	65%	66%	64%			70%	67%	69%	67%	68%
Lagardère Unlimited	34%	100%	30%	13%			50%	39%	43%	35%	40%
Other Activities	70%	83%	72%	89%			79%	90%	72%	96%	80%
Total Group average	44%	70%	60%	64%	37%	41%	62%	60%	59%	60%	59%

Individual variable salary components: encouraging individual performance

In addition to basic salary, most of the Group's entities make use of individual and collective performance incentives (such as bonuses or a variable component of pay).

These practices make it possible to link an employee's remuneration to the achievement of personal targets and collective objectives at the level of the subsidiary concerned. **44%** of the Group's workforce has a variable component of pay (a certain degree of disparity is emerging between different geographic areas, particularly due to local market practices, with salary policy remaining the prerogative of local management).

Wherever variable pay components or equivalent systems apply, the Group encourages use of objective-based pay systems involving annual performance review interviews to provide employees with a maximum degree of clarity and transparency.

Proportion of employees receiving a variable component of pay, by occupational group, gender and division

Divisions	Male Executives	Female Executives	Male Managers	Female Managers	Male Journalists and Photographers	Female Journalists and Photographers	Male Other employees	Female Other employees	Male - All occupational groups combined	Female - All occupational groups combined	All occupational groups combined
Lagardère Publishing	77%	72%	64%	54%			50%	50%	57%	53%	55%
Lagardère Active	72%	96%	64%	64%	28%	28%	42%	43%	47%	45%	46%
Lagardère Services	100%	100%	100%	100%			30%	24%	45%	33%	35%
Lagardère Unlimited	82%	100%	86%	88%			49%	42%	63%	49%	58%
Other Activities	95%	100%	26%	26%			0%	1%	15%	12%	14%
Group total	81%	80%	73%	66%	28%	28%	37%	35%	49%	42%	44%

The existence of this variable component of pay, notably in occupations with a strong commercial dimension, partially explains the differences in total salary observed between the occupational groups (see table above).

Incentives and profit sharing: collective performance bonuses

Schemes that allow employees to share in the financial results of their company are encouraged within the Group. They mainly comprise profit sharing and employee savings schemes.

Each entity is free to implement its own scheme specifically tailored to the local legislation and appropriate to the local context, i.e. targets and the specific nature of the business.

48% of employees in France belong to a collective incentive scheme.

Employee savings schemes: encouraging savings**• Proportion of workforce belonging to a savings scheme**

Divisions	Proportion of workforce
Lagardère Publishing	33%
Lagardère Active	20%
Lagardère Services	13%
Lagardère Unlimited	17%
Other Activities	100%
Average	22%

22% of all Group employees belong to an employee savings scheme. In France the percentage is **24%**.

1.34% of the shares issued by the Group are held by employees, including **0.45%** held through mutual funds.

Free shares: retaining high potential employees

The Group also implements a specific policy of profit sharing with employees according to their level of responsibility, performance and results, and seeks to develop a certain degree of loyalty in high potential employees through the regular allocation of shares in Group companies.

Until 2006, this allocation took the form of stock options. In 2007, a free share allocation plan was set up (cf. Special Reports of the Managing Partners, in Chapter 7, sections 7.3.4 and 7.3.5).

Employee welfare: top-up health insurance, social welfare plans

In France, all Group employees benefit from complementary health and social welfare plans partially funded by the employers. Certain companies also have a special pension scheme for one or more specific categories of employees, in addition to the general pension scheme.

Welfare benefits also exist or are proposed to all employees in other countries, depending on the state systems in place and local practices.

Each entity thus pays social welfare contributions depending on the obligations and practices in force in its country.

• Employee benefit expenses, in thousands of euros, by division

Divisions	2010	2009	Variation
Lagardère Publishing	79,606	78,529	1,077
Lagardère Active	142,865	141,978	887
Lagardère Services	63,711	62,623	1,088
Lagardère Unlimited	6,831	8,858	-2,027
Other Activities	12,542	13,963	-1,421
Total	305,555	305,951	-396

• Employee benefit expenses, in thousands of euros, by geographic area

Areas	2010	2009	Variation
France	219,441	217,798	1,643
European Union	53,253	55,869	-2,616
Other European countries	8,983	8,188	795
USA and Canada	19,401	18,797	604
Asia-Oceania	3,728	4,166	-438
Other (Middle East, Africa, Latin America)	749	1,133	-384
Total	305,555	305,951	-396

The above employee benefit expenses also include contributions to social welfare organisations paid to the staff representative authorities, according to local practices.

B.2 PROTECTING HEALTH AND SAFETY AT WORK

(NRE disclosure requirements concerning health and safety conditions)

The Group's business activities are mainly concentrated in the services sector, where **health and safety issues are of relatively limited importance**. Entities with Logistics and Distribution activities have a relatively greater "safety culture".

Nonetheless, Lagardère implements a policy of reducing health and occupational risks in each of its business divisions, through preventive action and training.

Stress

In France, the Group began to address the question of the prevention of stress-related risks, and more generally malaise in the workplace, in 2006, independently of government directives on the subject.

In 2009 audits were carried out with the Health & Safety and Working Conditions Committees at Hachette Livre and Corporate level, to assess the stress factor, and identify any at-risk populations and the main causes related to the work environment. The Group is aware of the extensive scope and difficulty of the subject, and long ago decided to work in an open, cooperative manner, at a pace in keeping with the issue's complexity.

Collective action: training and management-workforce dialogue

Regular health and safety training is organised within the Group's individual entities. In 2010 this represented 10,604 hours, or 1,414 days; this figure is lower than in 2009 (2,803 days) due to the additional efforts invested in other training topics, particularly IT/digital and occupational training.

Along with staff representation, health and safety issues were among the subjects most often discussed in specific or general instances of dialogue between management and the employees. **60%** of the workforce is covered by an agreement concerning health & safety and working conditions, and almost 18% of the Group's entities have a specific body in charge of health and safety at work.

Accidents at work: frequency and severity rates

To reduce the frequency and severity rates of work accidents ⁽¹⁾, Lagardère's various divisions conduct continuous prevention campaigns as appropriate to the specific nature and constraints of their businesses.

The efforts deployed over the past few years continue to bear fruit, and in 2010 the frequency rate for the Group once more fell considerably to **4.65** compared to 8.18 in 2009, 9.85 in 2008 and 9.68 in 2007. This rate was stable in France compared to 2009.

The severity rate of work accidents also declined for the Group, to **0.14** in 2010, compared to 0.29 in 2009, 0.32 in 2008 and 0.31 in 2007. There was little change in France where the rate was **0.75**.

(1) Frequency rate = (number of work accidents resulting in sick leave x 10) / number of hours worked.
Severity rate = (number of days sick leave x 1,000) / number of hours worked.

Working hours

The maximum working hours by geographic area were the following:

Areas	Maximum number of days worked per year	Maximum number of hours worked per day
France	210	7
Rest of Europe	241	8
The Americas	246	8
Asia	252	8
Other	254	8

These figures correspond to local practices and systematically comply with local laws. The maximum number of days worked in all areas outside France, as well as the maximum number of hours worked per day, is falling, which is evidence of an improvement in labour conditions.

Absenteeism

Divisions	Average days of sick leave, per person	Average days of maternity/paternity leave, per person	Average days of leave due to accidents, per person
Lagardère Publishing	2.6	1.8	0.02
Lagardère Active	2.7	1.5	0.006
Lagardère Services	3.0	0.9	0.02
Lagardère Unlimited	1.7	0.7	0.002
Other Activities	2.2	0.3	0.0015
Total Group average 2010	2.8	1.3	0.001
2009	5.2	3.1	0.4
2008	5.2	3.2	0.4
2007	5.2	2.6	0.5

Absenteeism was lower overall in 2010 for all types of absence (and for sick leave in particular: the number of days' sick leave per person fell by almost half).

Accident-related absenteeism continued to decrease steadily in 2010, clearly as a result of the campaigns to improve health and safety at work.

B.3 PROMOTING EMPLOYEE RELATIONS

(NRE disclosure requirements concerning labour relations)

Employee relations are an essential component of the Lagardère group's human resources policy, based on the clear principle of seeking a continuous balance between economic and labour issues, at **all levels of the organisation** (entities, divisions and Group).

Group Employees' Committee and European Works Committee

Beyond the principle of autonomy for the business divisions, the Group aims to promote cooperation and dialogue with employee representative bodies and between the various subsidiaries, in France and the rest of the world.

Two Works Committees have been set up to this end: the European Works Committee, set up in January 2003, and the Group Employees' Committee, set up in January 2002. These two bodies have regular exchanges with the Top Management about the key issues and transformations necessary for the Group's business activities.

The Group Employees' Committee comprises 30 members representing employees of the Lagardère group.

The European Works Committee also comprises 30 members who are employees of the Lagardère group in Europe (France holds 15 seats, and the remaining 15 are held by representatives from six other European countries - Spain, Belgium, Hungary, United Kingdom, Italy and Germany).

The articles of association of the Group Employees' Committee and the European Works Committee stipulate that each of these bodies must hold an annual meeting. In addition to the plenary sessions, meetings of the members of the *Bureau* (committee) and the Union Representatives may be held if the current situation so requires.

The Group Committee, whose members were renewed in 2009, held a meeting in December 2010, and the *Bureau* of the Group Committee met once in November 2010. The subjects discussed at these meetings included the proposed disposal of the International Magazine Publishing business.

The plenary meeting of the European Works Committee was held in April 2010, and the committee was also renewed in 2010. (The *Bureau* of the European Works Committee met once in 2010).

The subjects discussed at that meeting included the operation of the European Works Committee.

Local employee representation

In 2010, employee representation concerned **72%** of Lagardère's total workforce. This figure was **stable** compared to 2009. In France, the rate was over **97%**. Employees without representation work in very small entities.

Collective agreements

At 31 December 2010, there were **541** collective agreements in force in the Group, an indication of the vitality of employee relations. These agreements generally concerned pay, working hours, social welfare coverage, etc.

116 new collective agreements were signed in 2010, a figure that is relatively stable compared to 2009. This change is due to two factors:

- **in France**, government directives regarding negotiation obligations are becoming increasingly strict each year; 77 new agreements were signed;
- **in Asia**, 18 new agreements were signed in 2010 (after 17 in 2009); once again this concerned Hachette Book India (founded in 2008), but also Hachette Fujingaho (Lagardère Active) in Japan.

Percentages of the workforce covered by a collective agreement, by type were as follows:

- **72%** of the workforce is covered by an agreement concerning working hours;
- **60%** of the workforce is covered by an agreement concerning health and safety and working conditions;
- **71%** of the workforce is covered by an agreement concerning pay;
- **62%** of the workforce is covered by an agreement concerning social welfare;
- **29%** of the workforce is covered by an agreement concerning training.

Percentage of the workforce covered by a collective agreement, by type and by geographic area

Areas	Working hours	Health, safety and working conditions	Pay	Employee welfare	Training	Other
France	95%	61%	87%	71%	39%	84%
Rest of Europe	63%	62%	67%	59%	26%	16%
The Americas	50%	50%	50%	50%	9%	0%
Asia	26%	21%	37%	23%	1%	0%
Other	88%	88%	88%	88%	78%	78%
Total Group average	72%	60%	71%	62%	29%	39%

Social dialogue at industry level

The Group also belongs to a large number of representative bodies in the media, such as the Press and Book publishing Unions. In this capacity, it takes part in negotiations with employee representative bodies in France (particularly concerning freelance journalists, seasonal entertainment workers and home workers).

In publishing, Lagardère Publishing is actively involved in joint negotiations between the French National Publisher's Union and the trade union organisations.

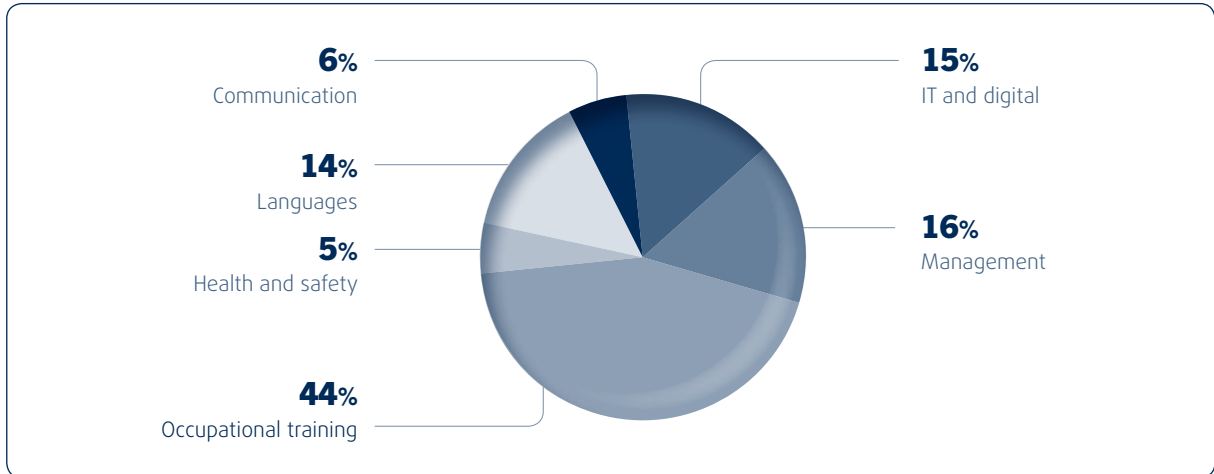
C) ENCOURAGING SKILLS DEVELOPMENT

In compliance with the principle of autonomy of the Group's individual divisions, measures for skills development and internal mobility are taken at the level of each entity. However, they all reflect Lagardère's commitment to investing in development of the professional skills and individual responsibilities of staff, and fostering fulfilling career development through increased internal mobility.

C.1 TRAINING

In 2010, the Group's main concerns again revolved around acquiring the skills related to IT and digital technologies (particularly their use in combination with traditional media), and improving talent management, including on a cross-divisional basis.

• Breakdown of training hours by type



Training is underpinned by each division's concern to foster and develop the skills of its employees.

Training programmes have been drawn up at every level and training efforts in 2010 were sustained, with more than 220,000 hours devoted to training for a total budget of over €9,200,000.

In 2010, the training budget per employee amounted to **€339**, very similar to 2009; this figure amounted to almost **€600** for France in 2010, compared to slightly more than €680 in 2009.

The Group also strives to build a corporate culture in its managers, and foster development of the key values of creativity, independence, daring and entrepreneurship. These values are conveyed through the in-house university "Media Campus", which offers training designed for managers in the Group.

Two programmes - "Leadership" and "Integration" - provide support to managers and serve to strengthen their management skills. In a new move this year, the integration seminar is now open to all newly-recruited managers.

Management training continues play an important role (**16%**), a significant increase compared to 2009 (**10%**).

The core training effort in 2010 focused on occupational training (**44%**) and IT and digital training (**15%**), which may in practice overlap with occupational training in the media businesses, and also nowadays in publishing, where the importance of digital technologies is expanding fast.

C.2 ENCOURAGING PLACEMENTS AND APPRENTICESHIPS

Each entity has a significant policy for exchanges with schools and universities, particularly through work placements.

In 2010, Lagardère welcomed some **1,963** placement students, **251** more than the previous year.

The number of alternate work/study contracts reached **457** in 2010, an increase of **31** over the previous year. This type of contract is particularly advantageous for both the Group and the trainees. It allows young people to gain experience of a real business environment over a relatively long period of time (1 to 2 years), while at the same time continuing their basic training and education.

C.3 PROMOTING INTERNAL MOBILITY

Career management, internal promotion and internal career opportunities involve each entity's management and human resources teams and are essentially the responsibility of each division. For example, annual interviews for assessment and promotion are gradually being introduced systematically throughout the Group.

To help employees define their career plans, information and guidance on mobility is available through the Group's Intranet, which also contains lists of vacant positions within the Group. Employees can create personalised alert message systems for notification when new vacancies of potential interest arise.

In 2010, internal transfers represented over **12%** of the Group's recruitments (internal promotion plus transfers) compared to 7.6% in 2009.

Although the specific nature of the different entities (business activity and distant geographic locations) may hinder mobility between the divisions, the great improvement between 2009 and 2010 shows that mobility is a topic of importance in the Group's human resource policy. This increase is not an end in itself, and the action taken to organise, facilitate and develop internal transfers will continue to be a priority in the years to come.

5.3.2.2 INFORMATION ON EXTERNAL RELATIONS

Two of the four priorities (see above) defined by Lagardère involve concerns related to corporate citizenship, and they have generated six commitments:

- defending the pluralism of news and information and guaranteeing the diversity of our contents;
- increasing access to our contents for vulnerable people;
- being attentive to our different audiences;
- encouraging debate on Sustainable Development;
- making an active commitment to promoting culture and sport;
- showing solidarity and helping new talents to emerge.

These commitments are described in detail in the Sustainable Development Report (part 2), but the NRE law requires disclosure of the Lagardère group's relations with subcontractors and links with Society in general in this Reference Document.

In the different countries where the Group does business, the divisions take into consideration the territorial impact of their activities in terms of employment and regional development. This is reflected in the proportion of Managing Executives hired locally: 94% across the whole Group.

A) RELATIONS WITH SUBCONTRACTORS

The Group maintains close relations with its numerous subcontractors, and responds to these issues in two ways:

- first of all, for some time it has incorporated ethical, social and environmental criteria into relations with partners, in particular by drawing up a certain number of charters or codes of conduct specific to its business entities;
- secondly, it conducts awareness-raising programmes for partners, and monitors and audits their performance levels.

A.1 INCORPORATING THE GROUP'S ETHICAL, SOCIAL AND ENVIRONMENTAL CRITERIA INTO RELATIONS WITH OUR PARTNERS

The criteria in the Sustainable Development Charter, which apply to all foreign subsidiaries, mainly concern:

- respect of the principles defended by the International Labour Organisation (including the prohibition of child labour and all forms of forced or compulsory labour);
- prohibition of illegal employment;
- anti-corruption measures;
- compliance with applicable social welfare regulations;
- existence of risk prevention measures for work safety;
- implementation of a labour policy based on a quality approach;
- respect of the fundamental principles of environmental protection;
- compliance with the environmental legislation in force;
- control of the environmental impact of business activities through the implementation of an environmental policy based on the principle of continuous improvement;
- promotion of the above principles to business partners;
- acceptance that Lagardère may conduct audits in order to verify the application of the principles of this charter, directly or through the services of a third party.

The 7th principle of the Procurement Policy also answers the concerns of the NRE law; "Compliance with the regulations and legislation in force, and the code of conduct with respect to suppliers".

Lagardère Active requires its suppliers in the magazine manufacturing sector (paper suppliers, printers, binders and transporters) to sign the Group's Sustainable Development Charter, and Sustainable Development criteria are gradually being incorporated into calls for tender for equipment and services. Sustainable Development commitments are also set forth in certain contracts. To monitor these issues, a Sustainable Development Committee was set up in 2009 within the Procurement and General Services Department.

At Lagardère Publishing, the charter (or Code of Conduct) was drawn up in 2007, covering the three components of Sustainable Development. Regarding labour, this charter sets forth the respect of children's rights and human rights. Regarding the environment, the charter obliges providers to respect the environmental laws and regulations in force, adopting a responsible waste management policy and encouraging the use of recyclable paper. Lastly, the charter obliges all suppliers to measure the quality of their products or services, the integrity of their business practices and independence *vis-à-vis* the employees and representatives of Lagardère Publishing.

The publishers of Hachette Collections have issued all their suppliers and subcontractors with a specific Code of Conduct reaffirming the fundamental principles of Human rights and children's rights.

The Hachette Collections code stipulates that the publishing houses are entitled to verify that these principles are applied by their suppliers and subcontractors, and consequently may initiate compliance audits during the term of the contracts on the premises of suppliers and sub-contractors, or on any of the suppliers' and subcontractors' production sites. If the code has been breached, sanctions including cancellation of the contract and financial penalties may be applied against the defaulting party. Under this code, Hachette Collections carried out 16 compliance audits in 2010. 94% of these audits confirmed satisfactory compliance (15 plants) and served to implement improvement measures. 6% of the audits (1 plant) detected points of non-compliance which have since been rectified.

At Lagardère Services, certain specific suppliers manufacturing in Asia have also signed a charter undertaking to respect the same constraints. Regular audits are carried out to check that these requirements are met.

This information, which corresponds to the NRE disclosure requirements regarding relations with subcontractors, is also contained in the Sustainable Development Report in the section devoted to stakeholders.

A.2 SUPPLIER/PARTNER AWARENESS RAISING AND THE MONITORING OF PERFORMANCE LEVELS

Lagardère Active is raising supplier awareness of the need for long-term commitment in favour of the environment. The group maintains close relations with its suppliers and regularly requires all its paper suppliers and printers to state their policy and environmental performances.

Lagardère Active has enlisted the services of Ecovadis, the leading cooperative platform enabling member companies to assess the environmental, social and ethical performances of their suppliers all over the world. This solution combines technology with Corporate Social Responsibility (CSR) expertise, and provides assessments covering more than 150 purchasing categories and 21 CSR indicators. In 2010, Ecovadis assessed the suppliers who bid for contracts tendered in the course of the year, particularly for multi-technology, multi-service and paper contracts.

Lagardère Publishing conducts a policy of promoting environmental and labour issues to its paper suppliers and printers, both in and outside France, through a certification incentive scheme (see below).

In terms of raising supplier awareness on employee issues, Lagardère Publishing's efforts initially focused on subcontractors operating in countries where labour and environmental legislation is less strict than in Europe.

Outside Europe, more than 70% of Lagardère Publishing's printers in Asia have already obtained OHSAS 18001 certification (a standard that is recognised the world over for health, safety and working conditions) or have signed a framework agreement including a labour clause. These awareness-raising operations will be continued not only towards subcontractors outside Europe, but also with Lagardère Publishing's European printers which currently handle over 80% of the division's printing work. As a result, an increasing number of the Group's French and European printers have signed framework agreements comprising a labour clause, or have obtained labour-related certification.

B) RELATIONS WITH SOCIETY IN GENERAL

The **Jean-Luc Lagardère Foundation**, which celebrated its twentieth anniversary in 2009, is central to the Group's relations with society in general. The Jean-Luc Lagardère Foundation exists to implement the Group's commitment in the fields of culture, solidarity and sport; its ambitions are to boost confidence, promote excellence and foster social cohesion.

Every year the Jean-Luc Lagardère Foundation awards bursaries to young talents in the world of culture and the media. Since it was created, 192 winners (including eleven new winners in 2010) have received a total of €4,370,000, including €240,000 in 2010.

Some of the Foundation's actions for 2010 are detailed in the Sustainable Development Report. To take one example, in 2010 the Jean-Luc Lagardère Foundation signed a two-year partnership agreement with Studio 13/16 in the Centre Georges Pompidou, a space where teenagers aged 13 to 16, particularly from "difficult" suburbs, can be creative and develop a relationship with art.

The foundation also renewed its partnership with the Institut d'Études Politiques (IEP) in Paris, both for high-level sports training and for the high school educational experiments intended to "open up knowledge and places" and promote success for all young people.

At Lagardère Active, the Elle Foundation created in December 2004 is an extension of the original idea behind *Elle* magazine: "To support the advancement, the emancipation and the role of women in our society". Since it was set up,

	CHAPTER 7	CHAPTER 8	CHAPTER 9	CHAPTER 10	CHAPTER 11					
215	216	273	274	291	292	295	296	299	300	305

the Foundation has sponsored more than 30 projects promoting women's education in France and other countries worldwide.

In addition to the projects sponsored in 2010, the Elle Foundation joined forces with the Jean-Luc Lagardère Foundation to award a grant to 27 year-old student and budding journalist Gaby Saget from Haiti, to help her to complete her studies at the Institut d'Études Politiques in Paris.

Regarding **vocational integration organisations**, one of the examples described in more detail elsewhere is *Nos quartiers ont des Talents*, which helps young people from difficult areas to gain an initial foothold in the job market.

Regarding **educational establishments**, the Lagardère Group works in partnership with several universities to hire young people on alternate work/study contracts, and maintains close relations with the Institut d'Études Politiques in Paris, with which it has run a number of joint programmes (see above) for several years.

Lagardère Active's media are also involved in promoting young talents. *Le Journal du Dimanche*, with the school of journalism at the Institut d'Études Politiques, organises a best written portrait competition. The prize is a 4-month work placement in the copy room of the newspaper, and publication on the newspaper's website.

At Lagardère Publishing, Hachette and Hatier are involved in *Savoir Livre*, an organisation which works with the French National Education authority and the Books and Reading Department of the Ministry of Culture, to encourage access to reading.

Regarding **environmental protection organisations**, the Lagardère Services subsidiary renewed its partnership with the WWF in 2010 and for 2011, as part of the HDS Digital electronic newsstand.

At Lagardère Active, as part of the development of the *Gulli Ma planète* label, the children's television channel Gulli also renewed its partnership with the organisation called *Planète Urgence* (Planet Emergency).

Lagardère Unlimited, meanwhile, is engaged in partnerships with various associations in the countries it operates in, including Israel.

5.3.2.3 ENVIRONMENTAL INFORMATION

Lagardère is a media corporation, with a highly diversified range of business activities mainly in the services sector, and this tends to moderate its direct industrial and environmental risks⁽¹⁾. Certain NRE environmental disclosure requirements are more specifically aimed at industry (disclosures on "discharge into the air, water and soil", for example, or "noise and smell pollution"), and do not apply directly to the Group.

However, Lagardère is well aware that its status as a media corporation in no way exempts it from sound environmental awareness, particularly related to its business sector, and it strives to extend these environmental concerns to all its subsidiaries outside France.

"Developing our business activities with respect for the environment" is the Lagardère Group's second CSR priority. This priority is illustrated by three commitments:

- ensuring responsible and efficient management of paper;
- streamlining transport;
- incorporating environmental concerns into the organisation of our activities.

A) RESPONSIBLE PAPER MANAGEMENT

This responsibility is effective throughout the lifecycle of the paper.

- It begins with the purchase of the paper.
In 2010, Lagardère bought approximately 470 thousand tonnes of paper.
The Sustainable Development Report explains the Lagardère group's goals and actions in this domain, such as increasing the proportion⁽²⁾ of paper originating from sustainably managed forests⁽³⁾ and using recycled paper whenever possible⁽⁴⁾.

Lagardère Active was awarded PEFC certification in early 2011 (see below) for all its French magazines, reflecting the progress made throughout 2010. Details of the certification procedure are given in the Sustainable Development Report.

(1) A presentation of the management of industrial and environmental risks related to the Group's business activities is given in Chapter 3, section 3.7.

(2) An overview of certifications is provided below in this document.

(3) Among other things, the report explains the extent to which sustainable forest management contributes at this stage to reducing the threat to ecological balance, unspoilt areas, and protected animal and plant species (NRE law).

(4) Since 2009, *Le Journal du Dimanche* has been printed on 100% recycled paper, and Lagardère Publishing now uses almost 4% recycled pulp.

- Responsible paper management continues during the manufacture of the paper itself, magazines and books, particularly with the measures taken to optimise production.
- It ends when the paper's lifecycle ends, with the action instigated to both reduce the rate of returns and recycle the remaining books and magazines. In 2010, the average rate of returns for newspapers and magazines in France was 40.2%. During this same period, the rate of returns at Lagardère Active was 32.9%, or 7.3 points below the national average. As far as the processing of returns is concerned, on average, 90% of the returns generated by the press distribution system for newsstand sales in France are recycled, and the remaining 10% are returned to the publishers at their request. At Lagardère Active, the recycling rate is higher: approximately 97% of unsold magazines are recycled and only 3% are returned to the publishers. Outside France, the proportions are similar and 100% of the unsold copies not returned to the publishers by Lagardère Services' distribution companies are recycled.

B) STREAMLINING TRANSPORT

Transport generates high levels of greenhouse gases, and is a critical environmental concern for the Lagardère group. Transport is used in the manufacturing and distribution of newspapers, magazines and books.

Lagardère Active's policy includes measures to encourage French printers to store the paper to be used on their own premises and recommends the delivery of paper from Italy by train to the printing centre in the Greater Paris Area.

Lagardère Publishing outsources the distribution of books to transport firms which optimise the delivery rounds - and therefore the kilometres covered - in accordance with the constraints imposed by customers.

At Lagardère Services, where one of the two activities carried out abroad is distribution, transport is a major concern.

The four principal wholesale distribution companies (AMP, SGEL, Lapker and Naville) together cover almost 50 million kilometres a year to transport magazines from the printers' to the sales outlets, mainly in lorries and vans. Lagardère Services regularly optimises delivery rounds to reduce the number of kilometres covered: in Hungary for example, transport distance was cut by more than 2 million kilometres between 2009 and 2010. Some subsidiaries are also examining the possibility of using new electric and hybrid vehicles.

C) INTRODUCING ENVIRONMENTAL CONCERNS INTO THE ORGANISATION OF OUR BUSINESS ACTIVITIES

C.1 UPDATE OF CARBON AUDITS

Lagardère Active and Lagardère Publishing were the first divisions of the Group to carry out carbon audits, using the proprietary *Bilan Carbone*[®] method.

The carbon audit of Lagardère Publishing's book publishing activities in France, conducted by the company Carbone 4, showed a figure of 210,000 tonnes CO₂ equivalent per annum in 2009. The CO₂ cost of a book was around 1.3 kg CO₂ equivalent per copy sold.

In 2010, Lagardère Publishing, once again with the assistance of Carbone 4, added the production and distribution of Boxed sets and Part-works to the carbon footprint of its French subsidiary, bringing the total to 246,000 tonnes CO₂ equivalent per annum.

Among Lagardère Publishing's international subsidiaries, in the United States Hachette Book Group also carried out a carbon audit in 2009. The resulting figure was 390,000 tonnes CO₂ equivalent per annum, using a different method from the French *Bilan Carbone*[®] (the loss of CO₂ absorption capacity related to deforestation in particular was calculated differently, and the retail business activity was included).

Lagardère Publishing's Spanish subsidiary calculated its carbon footprint in 2010: it amounted to 41,500 tonnes CO₂ equivalent per annum. The CO₂ cost of a book emerges at around 1.9 kg CO₂ equivalent per copy sold (as economies of scale are smaller in Spain than in France), which can be itemised as follows:

Production: 1,193g

Distribution: 339g

Circulation: 73g

Design/administration: 287g

In 2011, with final harmonisation of European and American calculation methods and inclusion of the carbon footprint from the United Kingdom subsidiary, Lagardère Publishing will be able to calculate the total carbon audit for its global business operations.

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In the last quarter of 2008, **Lagardère Active** conducted a carbon audit across the full spectrum of its activities (Press, Radio, Television and Digital) in France and in the rest of the world. The study showed that greenhouse gas emissions for a magazine sold in France ranged from 500 to 600g CO₂ equivalent, approximately half of which is generated by the manufacturing process.

For each euro of sales revenues, emissions in CO₂ equivalent by electronic media (TV, radio and digital) are twice to three times as high as emissions by the press. However, Lagardère Active has focused its environmental action on the press, for the largest share of its CO₂ emissions comes from its suppliers, paper manufacturers and printers, who can all be directly influenced.

In addition to the actual figures, the advantage of the *Bilan Carbone*[®] method lay in the volume of information gathered, which constituted an initial benchmark. In 2011, Lagardère Active will update its carbon audit to define areas for progress, pursue the actions already initiated, particularly in the Press sector, and schedule new improvement plans.

C.2 MONITORING ENERGY CONSUMPTION

En 2006, the Group incorporated certain environmental data items concerning **water and energy consumption** into its financial data consolidation system.

The data below for 2010 covers 100% of Lagardère's consolidated subsidiaries, totalling 506 companies, with the following breakdown:

Lagardère Publishing	> 92
Lagardère Active	> 244
Lagardère Services	> 69
Lagardère Unlimited	> 69
Other Activities	> 32

Consumption included in certain site overheads (representing a relatively small number compared to the number of companies consolidated) and not itemised is estimated according to the type of premises and the number of occupants concerned; to ensure consistency in the consolidated data, internal re-invoicing between consolidated companies is not taken into account: the relevant data is entered once only, by the business unit that receives the invoice from the service company.

In line with its continuous improvement approach, the Group has decided this year to present the amount of CO₂ emissions relative to its tertiary energy consumption (consumption by offices and other premises occupied by the Group's employees), not only globally and consolidated at Group level (table 1: 100% of subsidiaries covered), but also with a breakdown by country (table 2). There are several reasons for this:

- to show more rigour and transparency in calculating the CO₂ equivalence of electricity, as the CO₂ emission factors differ from one country to another (because the way electricity is produced depends on the country concerned);
- to give a better representation of Lagardère's consumption levels (and the associated CO₂ emissions) depending on the geographical site.

The table of the Group's consumption levels and CO₂ emissions by country (table 2) covers 90% of Lagardère's workforce and 88.65% of the consolidated turnover.

Lastly, it was also decided to make a specific table of consumption levels for each business division in France (table 3), which represents approximately 1/3 of the Group's total workforce and 1/3 of consolidated turnover.

The method for calculation and conversion to carbon equivalents uses the emission factors proposed by the 2010 update (version 6) of ADEME's Carbon database. Carbon equivalences for gas and oil consumption include emissions upstream of these two types of energy.

To obtain a meaningful comparison with the previous year, the data for 2009 has been recalculated following the same methodology as the data for 2010.

• The Group's energy consumption and CO₂ equivalents, by division

Divisions	Year	Water (m ³)	Electricity (kWh)	MtCO ₂ e ⁽¹⁾	Recycling and/or cogeneration ⁽²⁾ (kWh)	MtCO ₂ e	Gas (kWh)	MtCO ₂ e	Oil (litres)	MtCO ₂ e	Total MtCO ₂ e
Lagardère Publishing	2010	82,796	40,524,000	13,555	1,935,277	377	27,438,100	6,368	971,437	2,858	23,158
	2009	73,982	39,916,698	13,272	2,046,098	399	26,018,376	6,038	1,132,156	3,331	23,040
Lagardère Active	2010	69,115	46,485,167	15,419	1,948,000	380	4,514,183	1,048	356,017	1,048	17,948
	2009	69,324	49,477,607	16,530	2,218,000	433	5,269,118	1,223	299,711	882	19,015
Lagardère Services	2010	409,002	91,540,123	26,742	373,631	73	19,663,711	4,563	1,392,387	4,097	35,475
	2009	424,156	93,408,398	26,460	371,948	73	18,432,080	4,278	1,256,183	3,696	34,507
Lagardère Unlimited	2010	10,108	2,653,143	920	85,000	17	667,172	155	7,160	21	1,113
	2009	8,177	2,417,194	854	-	0	569,494	132	-	0	986
Other Activities	2010	151,773	6,997,781	595	2,609,300	509	8,297,422	1,926	2,557	8	3,037
	2009	172,774	6,680,579	568	2,543,400	496	8,130,104	1,887	1,957	6	2,957
Total	2010	722,794	188,200,214	57,231	7,221,208	1,409	60,580,588	14,060	2,729,558	8,032	80,732
	2009	748,413	191,900,476	57,684	6,909,446	1,347	58,419,172	13,558	2,690,007	7,915	80,504

(1) MtCO₂e: metric tonne carbon dioxide equivalent.

(2) Recycling of domestic waste and/or combined heat and power production.

The Group's energy consumption levels in 2010 were therefore the following:

- Water: 722,794 m³
- Electricity: 188 GWh
- Gas: 60.6 GWh
- Oil: 2.7 million litres
- Recycling of domestic waste and/or combined heat and power production (cogeneration): 7.2 GWh.

Altogether, these consumption levels are equal to almost 81,000 tonnes of CO₂ equivalent. All this data is stable overall compared to the previous year.

• The Group's energy consumption and CO₂ equivalents, by country

Countries	Water (m ³)	Electricity (kWh)	MtCO ₂ e ⁽¹⁾	Recycling and/or cogeneration ⁽²⁾ (kWh)	MtCO ₂ e	Gas (kWh)	MtCO ₂ e	Oil (litres)	MtCO ₂ e	Total MtCO ₂ e
France	222,700	61,953,732	5,266	6,762,577	1,319	23,551,611	5,467	386,349	1,136	13,188
Russia	3,507	1,061,844	349	-	0	-	0	80,551	237	586
Spain	39,891	14,758,905	5,165	-	0	3,446,969	800	312,544	919	6,884
United Kingdom	13,984	9,783,053	4,940	-	0	2,695,073	625	261,058	768	6,333
USA	113,574	17,477,418	9,770	-	0	11,567,896	2,685	6,080	18	12,473
Canada	145,321	11,808,048	2,173	-	0	780,352	181	66,289	195	2,549
Switzerland	34,388	4,128,108	107	290,700	57	60,000	14	166,890	491	669
Belgium	15,123	15,676,326	4,076	-	0	8,058,493	1,870	465,177	1,369	7,315
Australia	11,010	5,391,000	4,965	-	0	-	0	-	0	4,965
Poland	1,022	3,726,152	2,456	-	0	83,428	19	193,278	569	3,044
Hungary	17,050	8,289,597	2,852	-	0	5,103,350	1,184	267,394	787	4,823
Germany	51,633	16,530,997	6,678	85,000	17	4,556,183	1,057	70,100	206	7,958
Total	669,203	170,585,180	48,797	7,138,277	1,393	59,903,355	13,902	2,275,710	6,695	70,786

(1) MtCO₂e: metric tonne carbon dioxide equivalent.

(2) Recycling of domestic waste and/or combined heat and power production.

• The Group's energy consumption and CO₂ equivalents, by division, in France

Divisions	Water (m ³)	Electricity (kWh)	MtCO ₂ e ⁽¹⁾	Recycling and/or cogeneration ⁽²⁾ (kWh)	MtCO ₂ e	Gas (kWh)	MtCO ₂ e	Oil (litres)	MtCO ₂ e	Total MtCO ₂ e
Lagardère Publishing	29,158	13,551,908	1,152	1,935,277	377	12,210,992	2,834	382,492	1,125	5,488
Lagardère Active	39,561	15,160,771	1,289	2,218,000	433	2,902,585	674	1,300	4	2,399
Lagardère Services	745	25,838,934	2,196	0	0	140,612	33	0	0	2,229
Lagardère Unlimited	1,463	404,338	34	0	0	0	0	0	0	34
Other Activities	151,773	6,997,781	595	2,609,300	509	8,297,422	1,926	2,557	8	3,037
Total	222,700	61,953,732	5,266	6,762,577	1,319	23,551,611	5,467	386,349	1,136	13,188

(1) MtCO₂e: metric tonne carbon dioxide equivalent.

(2) Recycling of domestic waste and/or combined heat and power production.

Under the Group's ambition to **increase use of low-carbon emission energy sources**, the Parisian head offices of the French Press division and Lagardère Publishing, which are among the largest in the Group, are heated by Compagnie Parisienne de Chauffage Urbain (CPCU). 73% of the energy supplied by CPCU comes from recycled domestic waste and gas produced by cogeneration.

The same applies to the head offices of the Lagardère group, which opted for this same energy mix several years ago to heat one of its two sites (both in Paris), which accounts for 17% of its heating consumption.

Given the concern to reduce and/or optimise energy consumption, a global approach to "Controlling Energy Expenditure" has been instigated in partnership with the Group's electricity supplier, with the aim of identifying all potential sources of energy savings, assessing the potential gains and implementing the corresponding action.

These audits were used to identify specific areas for progress, and improvement operations have been (and will continue to be) implemented on the sites concerned. The majority of measures applied relate to:

- lighting, chiefly the use of low-energy consumption light bulbs or metal iodide lamps to replace existing lamps;
- air conditioning or ventilation and heating, particularly the implementation of processes designed to reduce heat exchanges, as the group's sites are principally tertiary service sites.

One example of this is the reduction of energy consumption at Lagardère Services' sales outlets in France through the implementation of a certain number of measures. In 2010, initiatives continued to design the most eco-efficient stores possible, in particular reducing energy consumption, in three ways:

- by working on better insulation of premises;
- by installing LEDs and T5 bulbs and promoting rational use of lighting;
- by installing new air conditioning systems and recycling the air.

In 2009, a new air conditioning centre was also installed at the head office of the Lagardère group. In addition to preparing for the ban on the use of R22 gas scheduled for 2012, the new systems generated the following energy savings:

- 830 m³ of water per year;
- 141,500 kW per year, which represents a 50% saving in electricity for refrigeration.

The Sustainable Development Report presents some of the energy saving measures taken in the different divisions.

C.3 WASTE MANAGEMENT

The wide disparity in situations and local constraints leads the divisions to conduct local improvement operations, while making use of the Group's exchanges of best practices. The objectives pursued remain the same:

- reinforce volume tracking and waste sorting by type;
- improve downstream traceability, particularly with respect to the selected subcontractors; and where possible reduce volumes and management costs.

In the course of 2011, Lagardère Active will roll out a waste sorting system for its establishments in the Paris area, to increase the volume of recyclable materials collected (primarily paper) and ultimately reduce the volume of waste.

C.4 CERTIFICATION PROCESSES

ISO 14001 certification

- La Croix Catelan obtained ISO 14001 certification in December 2009 and carried out the follow-up audit in December 2010. The Sustainable Development Report explains the progress made in 2010 and the objectives for 2011.
- Lagardère Publishing continued its efforts to encourage its partners to initiate ISO 14001 environmental certification procedures. To date, 97% of the paper bought by Lagardère Publishing in France comes from ISO 14001-certified factories (compared to 92% in 2009, 95% in 2008, 90% in 2006 and 80% in 2005).
- Since 2009, all French printers selected by Lagardère Active have obtained the Imprim'vert quality label or ISO 14001 certification. At Lagardère Publishing, 44% of printers worldwide were ISO 14001-certified in 2010.

FSC or PEFC certification

At Lagardère Publishing, the proportion of paper manufactured with pulp made from wood from FSC or PEFC-certified sustainably managed forests has continued to increase, from 35% in 2005 to 50% in 2006, reaching 65% in 2008 and 67% in 2009.

In 2010, pulp from certified forests and recycled pulp together accounted for more than 70% of the total for all types of paper purchased by Lagardère Publishing ⁽¹⁾.

The experimental printing of General Literature publications on recycled paper, which began in 2009, continued in 2010 with collections such as the "Guides Evasion" and "100% Durable".

At the beginning of 2010, Lagardère Active instigated a certification process for the paper control chain. The French magazines were awarded PEFC certification at the beginning of 2011; the Sustainable Development Report gives details of the procedure followed. The Netherlands, Italy and Japan are also PEFC or FSC certified, and the certification process is being gradually extended to cover the whole Group.

C.5 ECOLOGICAL INITIATIVES FOR NON-MEDIA ACTIVITIES

In addition to the policies aimed at enhancing control and reducing the environmental impact of its business activities, through its subsidiary Matra Manufacturing & Services the Group has been involved since 2006 in the development, manufacture and European distribution of electrically-driven vehicles (electric bicycles and scooters, light electric quadricycles).

(1) Until 2009, the proportion of recycled pulp used was close to 0. In 2010, thanks to the action undertaken in connection with the carbon audit, the proportion of recycled pulp used is now 4%.