

5 - 3 CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE CITIZENSHIP – ETHICS

Making action meaningful. Fostering personal fulfilment at work. Combining excellence with ecological awareness. 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 meets both legal requirements and the company's own aspirations.

As a listed Company, Lagardère abides by the rules set forth in the legislation, particularly the new French reporting requirements embodied in Article 116 of *Les Nouvelles Régulations Économiques* (NRE) law of 2001, requiring firms listed on the French stock exchange to measure their social and environmental impacts and disclose this information in their annual reports. The Company also adheres to the principles and recommendations of the various national and international bodies which supervise the role companies play in this sector.

As a media corporation, Lagardère is aware of its special responsibility to audiences and society as a whole in a continuously evolving environment. As a creator of cultural bonds of solidarity and a multiple-channel vector for Sustainable Development values, the Lagardère Group intends to apply its environmental awareness, long demonstrated in the field of paper, to the world of digital products.

5-3-1 THE COMMITMENT OF A LISTED CORPORATION SUBJECT TO FORMAL OBLIGATIONS

In compliance with the French NRE law of 2001, the Group has implemented a corporate social responsibility (CSR) policy. The issues involved and the objectives are revised and fine-tuned annually.

For its employees, the Group endeavours to create a stimulating, appealing internal environment that encourages them to be creative, independent, motivated and imaginative.

Regarding society at large, it strives to meet the changing expectations of readers, viewers and listeners by providing them with quality contents; (it also develops actions through the Jean-Luc Lagardère Foundation. These actions reflect Lagardère's commitment to promoting talent and forging links in the fabric of society, while respecting the founding values of independence, daring and creativity).

Concerning the environment, the Lagardère Group is aware of the necessity to reconcile business expansion with respect for the environment. While taking the requisite organisational steps to control the environmental impact of its business activities, Lagardère also continues to promote a corporate culture of Sustainable Development. The Group also wishes to be a responsible media corporation in an age when public opinion seeks reliable information on this major challenge.

5-3-1-1 IMPLEMENTATION OF THE CSR (CORPORATE SOCIAL RESPONSIBILITY) POLICY

In order to integrate CSR concepts and instruments into the daily life of the Group's various companies, the operating units and their respective managements are responsible for defining labour, social and environmental policies.

In 2004, a Steering Committee (the CSR committee) was set up by the Managing Partners to formally define the Group's position on labour, social and environmental responsibilities, initiate discussions and implement the resulting actions in cooperation with the divisions.

A) THE MEN AND WOMEN ENGAGED IN THE CSR PROCESS

A-1 THE STEERING COMMITTEE

The Steering Committee was set up in 2004 under the aegis of the Group's Legal Department. Since September 2008, it has been run by a new Sustainable Development Department reporting to the Group Human Resources and Communication Vice President. Represented on the committee are the operating units and the functional divisions (finance, legal, procurement, etc.), of the Group. The committee's mission is to:

Provide information, raise awareness and motivate a network of divisional correspondents on matters relative to the Group's labour, social and environmental responsibilities.

Oversee continuous improvement of the Group's actions in this respect, particularly:

- Promote and organise sharing of tried-and-tested best practices;

- Reflect on ways of improving existing actions;

- Act as a source of proposals for launching new initiatives;

- Encourage the creation of working parties for specific themes or situations;

Implement, coordinate and improve internal reporting.

Communicate with the CSR ratings organisations and respond to their queries regarding CSR issues.

A-2 SUSTAINABLE DEVELOPMENT AT DIVISION LEVEL

In addition to the creation of a Sustainable Development Division at Group level, in 2008 the Sustainable Development bodies within the various activities were strengthened.

At *Lagardère Active*, the Sustainable Development Division was created in 2008 in response to the issues facing the Press, Radio, Television and Digital business activities. 2008 was essentially marked by the launch of a Carbon audit process (*Bilan-Carbone*[®]) in all of the division's business sectors.

Creation of Lagardère Active's Sustainable Development Division

Sustainable Development is an extraordinary opportunity for a Group such as ours to bring its teams to work together on a matter of public interest, a genuine challenge to citizenship with repercussions far beyond the boundaries of the Company. As an international multi-media corporation, Sustainable Development issues concern Lagardère Active in numerous ways:

As responsible media, our Press, Radio, Television and Digital channels play an essential role in the distribution of high-quality information, offering the public interpretation and analyses, discussions, testimonials, good practices, etc.

As an economic actor, the Group must integrate the essential elements of Sustainable Development into its strategy and everyday, responsible management of its companies: in relations with suppliers, advertising buyers, partners, readers, listeners, viewers, web surfers, etc.

Anne Chéret – Director of Lagardère Active's Sustainable Development Division

At *Lagardère Publishing*, a steering committee was set up in spring 2008. Similar committees have also been organised at national level in the countries where the Group operates, as the United States and the United Kingdom.

At *Lagardère Services*, the new Strategy, Innovation and Sustainable Development Division began operation in June 2008, by setting up two workgroups, one on the distribution business and the other on travel retail. The remit of these two international groups, comprising around fifteen people with highly diverse profiles, is to draw up action plans to be implemented from 2009.

A-3 THE COMPETENT DIVISIONS

The Human Resources Department

The Human Resources Departments of the different entities and their teams are responsible for human resources policies and reporting. The Group Human Relations Division and the Human Resources Directors of each division discuss labour-related issues at bimonthly meetings; corporate strategy is broached in relation to various workforce aspects and formalised under the authority of the operating managers of each division.

The Procurement Department

The Group Procurement Department implements environmental actions, in particular through Procurement Coordination, which involves all of the divisions.

Sustainable Development criteria are also being progressively incorporated into contracts with suppliers.

More globally, Sustainable Development is becoming an increasingly important cross-functional preoccupation in the application of the Group's procurement policy, which has included it as one of the eight fundamental principles.

General secretaries and technical departments

In collaboration with the CSR Steering Committee, the General secretaries and technical departments are in charge of the ongoing improvement of environmental actions, and play an active role in environmental reporting.

A-4 GROUP EMPLOYEES

Sustainable Development is also a state of mind, an awareness shared by a large number of employees at individual level and within their companies. Some of the Group's entities have drawn up their own guides or good practices independently, fostering a state of mind likely to spread within the Group.

B) 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.

B-1 THE UNIVERSAL PRINCIPLES UNDERLYING ACTION BY THE COMPANY

Both in France and internationally, the Lagardère Group attaches great importance to:

the **principles of the Universal Declaration of Human Rights**;

the **Declaration of Fundamental Principles and Rights at Work** issued by the **International Labour Organisation** (ILO), and its eight fundamental conventions;

the **OECD guidelines** for multinational corporations.

The Group's Code of Conduct affirms the Group's commitment to applying these international standards by defending principles such as:

Freedom of association,

Prohibition of forced labour, compulsory labour and child labour,

Recognition of the right to negotiate enterprise agreements,

Equitable employment practices and equal treatment, which presupposes, among other things, the avoidance of (i) all forms of discrimination for reasons of an individual's race, lifestyle, age, gender, political or religious opinions, union membership or disability, and (ii) all forms of harassment,

Respect for privacy,

Prohibition of corruption.

the **United Nations Global Compact**.

Lagardère joined the United Nations **Global Compact** in 2003, marking its attachment to universal values. In so doing, the Group undertook to promote the respect of the Compact's ten principles of good governance, taken from the Universal Declaration of Human Rights, the ILO fundamental principles on labour rights, the Rio Principles on the environment and development, and the United Nations Convention against Corruption.

B-2 LAGARDÈRE REGULATIONS APPLICABLE INTERNALLY AND TO BUSINESS PARTNERS

In addition to the principles stipulated in the Code of Conduct and various charters drawn up internally by certain subsidiaries, the Group also conducts **an active awareness-raising and performance monitoring operation for business partners**, details of which are presented in section 5-3-1-2 - B-1. Respecting the French NRE law, relations with subcontractors .

The Lagardère Group's Code of Conduct

The Code of Conduct in force within the Group draws its inspiration from the fundamental values on which Lagardère has built its legitimacy and reputation – independence, daring and creativity. This Code is intended to serve as a reference for the business practices of each member of the Group. It defines a certain number of fundamental principles concerning the Group's relations with employees, outside partners and competitors, customers, shareholders and the community at large.

Concerning the Group's relations with employees, the Code addresses the following issues in particular:

working conditions, health and safety conditions;

respect for fundamental rights and equitable practices in terms of employment (particularly, avoidance of all types of discrimination and harassment);

respect for employees' privacy.

The Group intends to foster the development of professional skills through training and promotion.

Concerning relations with non-Group partners and competitors, the Group reaffirms the principle of respect for fair business practices and free competition; it prohibits all forms of corruption in France and elsewhere, and forbids contributions to political parties by or on behalf of Group companies. Its Code of Conduct contains rules regarding the giving and acceptance of business gifts. The principle of strict compliance with the code of conduct for relations with suppliers is repeated in the procurement policy (see section 5-3-1-1 - A-3) the Group implemented in 2008.

Concerning customer relations, the Group reaffirms the principles of honouring commitments to customers and the confidentiality of customer information; its objective is to provide customers with high-performance products and services appropriate to their needs and expectations, and information that is as accurate and fair as possible.

The Group intends to act in the interests and in consideration of its shareholders and, in this respect, the Code states that Lagardère will strive:

Not only to achieve an optimum level of asset valuation but also to protect assets to the best of its ability.

To provide shareholders with information that is intelligible, relevant and reliable, and to be attentive to shareholders, particularly through the intermediary of the Shareholders Committee.

Concerning Group relations with the community at large, the Code stipulates the principle of strict application of the laws and regulations in force and its determination to contribute to Sustainable Development.

The Sustainable Development Charter

In 2005, Lagardère drew up a Sustainable Development Charter to **convey the Group's social, ethical and environmental principles to its partners**, who undertake to defend and respect them. This Charter is now incorporated into calls for tender and contracts, via the Procurement Policy [see 5-3-1-2 - B-1] implemented in 2008. The criteria will be described fully in the section Respecting the French NRE law, relations with sub-contractors .

Codes specific to certain entities

At **Lagardère Publishing**, a new charter was drawn up in 2007, covering the three components of Sustainable Development (social, environmental and economic); this charter has already been signed by around twenty of the divisions printers [see 5-3-1-2 - B-1].

At Hachette Collections, a specific code has also been developed. The criteria and details of this charter and code are given in the section Respecting the French NRE law, relations with sub-contractors .

Charters applicable to employees

In addition to the provisions of the Code of Conduct concerning employees, the Group has implemented several **charters** that employees undertake to respect.

A **Charter for Transactions carried out on Lagardère SCA shares by employees of the Lagardère Group** contains a detailed description of the legal obligations incumbent on company employees in possession of Inside Information (they may not undertake transactions involving the shares concerned or disclose the corresponding information) as well as the corresponding administrative and/or criminal sanctions applied in the event of infringement of these obligations. The charter also sets forth the additional restrictions intended to reduce the risk of such misdemeanours being committed; Group employees who have regular access to Inside Information concerning Lagardère SCA by virtue of their position may only undertake transactions in Group listed shares three times per year: during the four-week periods following the presentation of annual results and half-yearly results, and the Annual General Meeting of Shareholders, naturally on condition that they are not in possession of Inside Information; employees of the Group who, by virtue of their position, may have occasional access to Inside Information, and the beneficiaries of Lagardère SCA stock options, may only carry out such transactions during the forty-five day period preceding the publication of the annual and half-yearly results and during the thirty-day period preceding the Annual General Meeting.

In compliance with the applicable stock market legislation, a procedure was introduced to establish the list of persons with regular or occasional access to Inside Information concerning Lagardère SCA. At the same time, the Managing Partners set up an Insider Committee comprising a representative from their ranks, the Group's Legal Director, the Group's Finance Director and the Group's Human Resources and Communication Director. This Committee is responsible for compiling and updating the lists of persons with access, and proposing measures to reduce the risks of misdemeanours or failure to comply with the relevant legislation.

A **code of ethics** given to each journalist upon arrival at Lagardère Active asserts the fundamental values of the profession: critical thinking, impartiality, fairness, independence, respect of the public, honesty and an open mind.

A **code of "good corporate relations for the companies of the Lagardère Active group"** was drawn up during 2008 and distributed to all employees.

An **IT charter** specifying the rules governing the use of computer tools; this charter applies to all Group employees.

The principle of strict compliance with the laws and regulations in force is repeated in the procurement policy [see section 5-3-1-1 - A-3] the Group implemented in 2008.

C) CSR METHODOLOGY AND INDICATORS

The labour and social information presented in this Reference Document is collected by means of a specific reporting system, with environmental data items concerning water and energy consumption integrated into the Group's financial data consolidation system since 2006.

C-1 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, and
- certain entities which have fewer than five salaried 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 179 Group companies, representing more than 95% of Lagardère's total workforce. The coverage rate is almost 80% for Lagardère Services, 99% for Lagardère Publishing, 99% for Lagardère Active (Press, audiovisual) and 95% for Lagardère Sports. 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 about 550 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 expansion in the Group's business activities over the past few years, principally through external acquisitions, and internal legal reorganisation. Variations in scope between 2007 and 2008 resulted from:

- mergers of certain activities which led to legal reorganisation within the Group,
- disposal of the company Axelis, part of Other Activities.

As **water and energy consumption** indicators have been incorporated into the financial reporting system, changes in the scope of this system 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.

C-2 CHOICE OF INDICATORS AND REFERENCE BASE USED FOR REPORTING

Labour and social reporting follows the Group's Human Resources policy, while 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 board of Lagardère's global scope. Since then, the Group has decided to stabilise the reference base to facilitate monitoring. The reference base for labour and social reporting can be accessed through the Intranet by the 148 staff contributors. It specifies the procedures for data collection and reporting, defining 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, and 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 the operational management within their particular scope.

For reporting 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 workforce of Lagardère is therefore divided into four occupational groups: Executives (*Cadres Dirigeants*), Managers (*Cadres*), 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. A data presence check is run and a consistency check is implemented (the data is compared to data from previous periods, with a systematic alert whenever a variance is deemed significant, requiring explanations from the contributor).

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 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.

The Group is also considering the possibility of basing its reporting on Global Reporting Initiative guidelines, which would enable progress to be made in defining and respecting these indicators.

5-3-1-2 RESPECTING THE FRENCH NRE LAW

The fourth paragraph of Article 116 of the NRE Law of 2001, incorporated as the fifth paragraph in Article L-225-102-1 of the *Code de Commerce*, has been developed further and lists the information to be disclosed in the annual report. All these texts constitute the NRE disclosure requirements for the purposes of this Reference Document.

A) LABOUR INFORMATION

The high performance levels of the Lagardère Group owe much to the skills of its staff. For optimum deployment of human resources that takes into consideration the specific features of the Group's various business lines, the operating units manage human resources independently.

Nonetheless, **the principal human resources concerns** have been defined and formalised by Lagardère, in agreement with the Human Resources Directors of the divisions. The result is six commitments:

to preserve balance in the workforce, in a fair environment based on the principle of equitable employment practices,

to promote equal opportunities and diversity by combating all forms of discrimination,

to provide an attractive remuneration package that is fair, based on the recognition and reward of merit and performance,

to foster personal fulfilment and employee motivation, particularly through skills development and internal career plans,

to promote dialogue between the workforce and management,

to protect health and safety at work.

A-1 PRESERVING BALANCE IN THE WORKFORCE

Information regarding this issue meets the NRE disclosure requirements concerning employee numbers and the organisation of working hours.

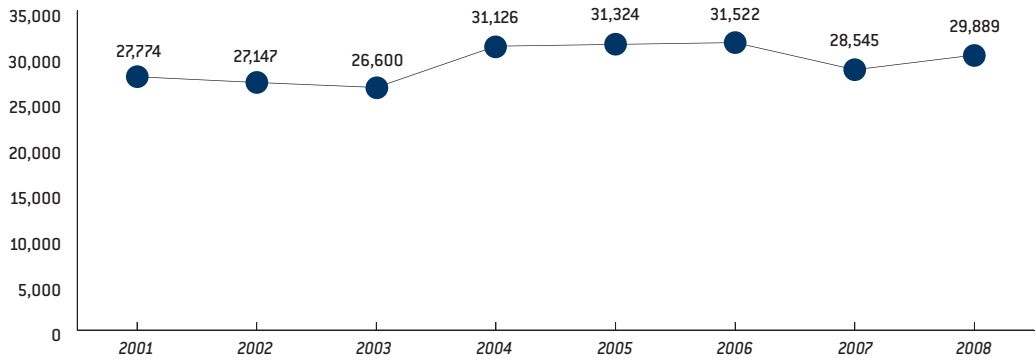
Employee numbers appropriate to the needs of the business line

Changes in the workforce under NRE

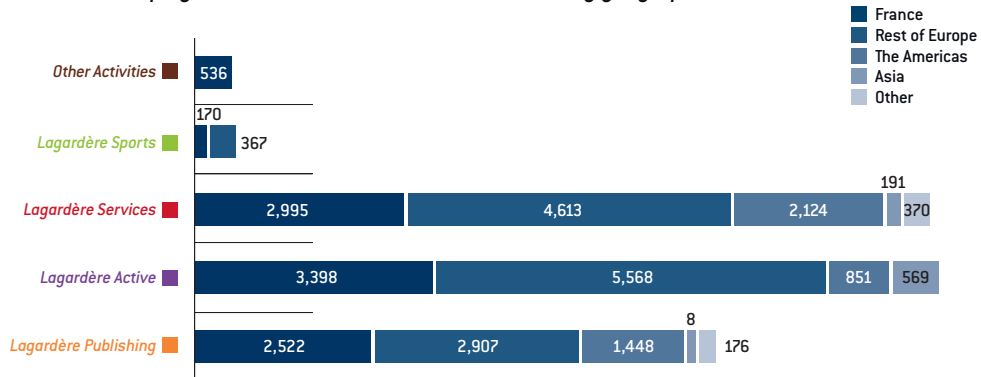
In 2008, the average workforce⁽¹⁾ for the whole Group including Lagardère Media and Other Activities totalled 29,889 compared to 28,545 in 2007. This increase is mainly due to new company acquisitions at Lagardère Active, in the Sports and Book sectors. However, it also reflects a new recruitment drive, particularly in the digital field, to smooth the transition towards these new business lines.

⁽¹⁾ Employees on permanent and fixed-term contracts.

Changes in numbers of employees on permanent and fixed-term contracts, in full-time equivalents

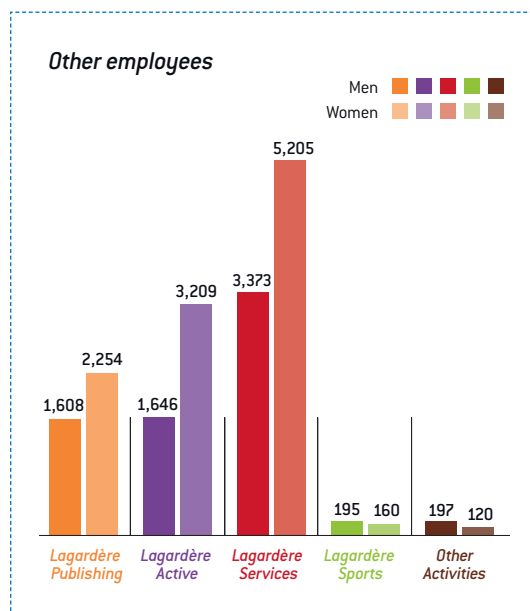
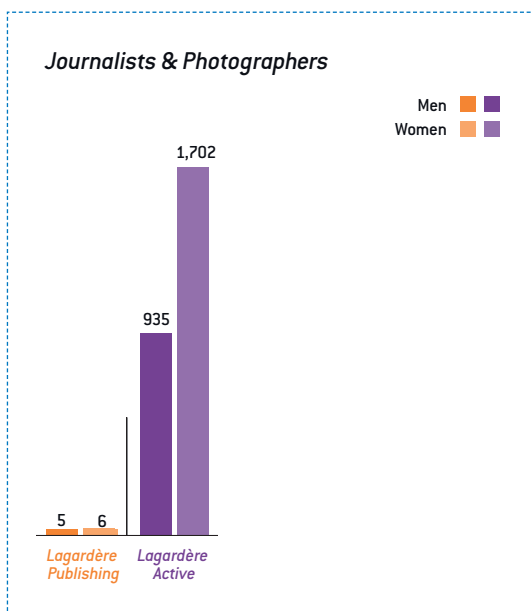
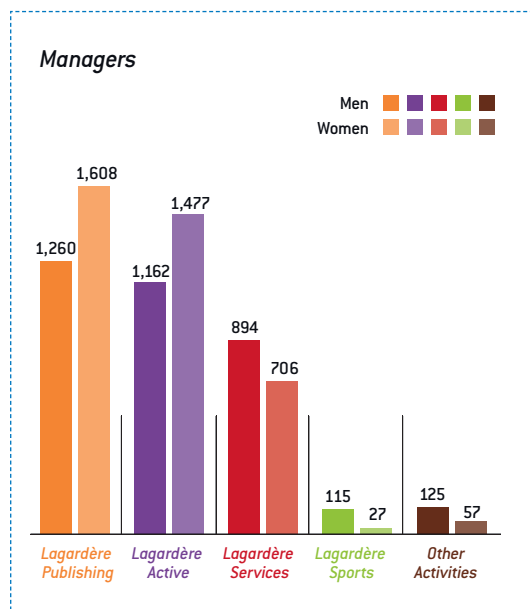
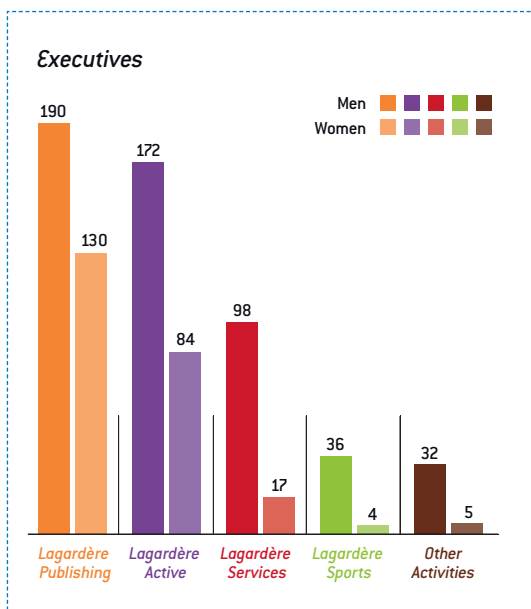


Permanent employees at 31 December 2008: Breakdown by geographic area

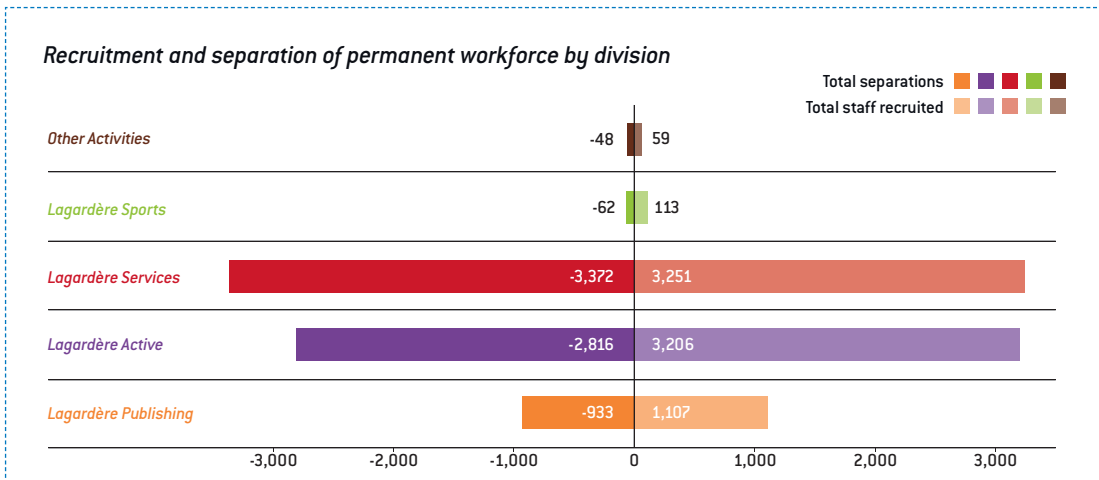


The international expansion of the Group, with operations in 30 countries, is reflected in employee numbers: from 66% at the end of 2007, at the end of 2008 67% of the workforce was based outside France. The Group remains predominantly French-based, however, with 33% of the total workforce in mainland France. After France, the next two principal countries in terms of employee numbers are the same as last year: Russia and Spain.

Breakdown of workforce by occupational group



The breakdown of the workforce by occupational group varies from one division to another, and reflects the diversity of the Group's activities and business lines. At Lagardère Services, for instance, the proportion of managers is 16.7% which can be explained by the large number of unskilled positions inherent to retail trade; in the other divisions, this proportion is between 34% and 53%, due in particular to the nature of editorial content publishing: journalists and photographers at Lagardère Active, editors at Lagardère Publishing, etc. This distribution remains stable from year to year.

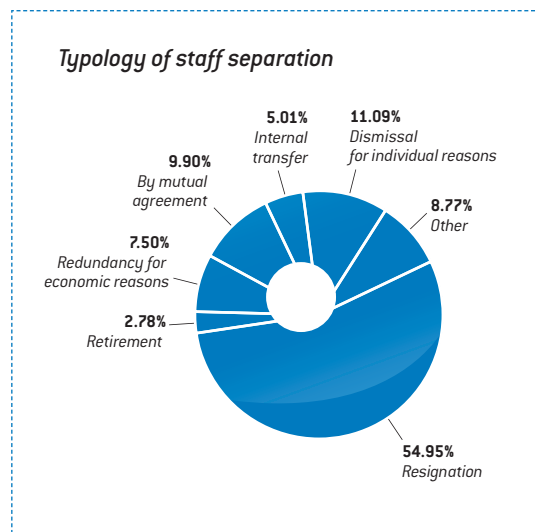
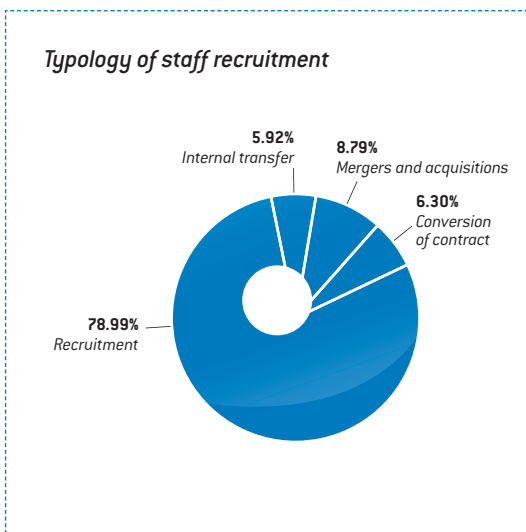


The numbers of staff recruitments and separations were relatively balanced, as in previous years, with 7,736 people hired in 2008 (5,488 in 2007 and 5,870 in 2006) and 7,231 separations in 2008 (5,688 in 2007 and 6,189 in 2006). The restructuring of the Lagardère Active division (see section entitled Dialogue between employees and management) started to produce visible effects, with an increase of almost 2% in separations in the form of economic redundancy and 1% in internal transfers compared to previous years. The resignation rate also rose in this same division: this is a typical effect observed when major structural changes take place in a company.

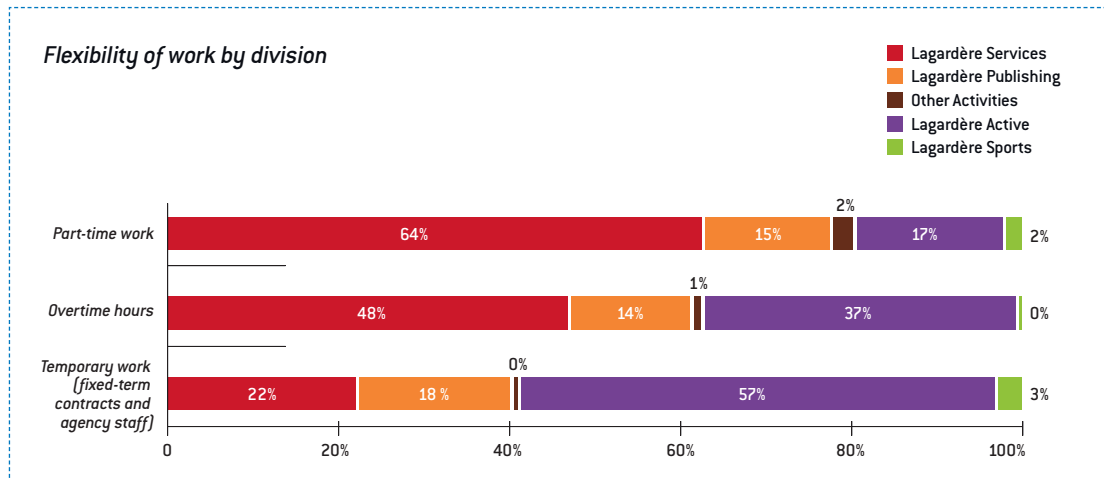
Meanwhile, there was a logical increase in recruitment figures due to the share of internal transfers.

Staff unexpected turnover increased from 14% to 16% in 2008, a reasonable figure given the nature of the business. This reflects the effect of changes at Lagardère Active and the turnover rate among sales staff.

With an excellent reputation and strong brand names, Lagardère has the benefit of tangible staff loyalty (27% of the Group's total workforce have more than ten years seniority, a figure that rises to almost 35% in France) and has great appeal to potential applicants (180,000 job applications were received in 2008, 165,000 in 2007 and 170,000 in 2006 compared to 150,000 in 2005). Once again in 2008 the Group encountered no difficulties in terms of recruitment, even in highly sought-after fields such as the digital business, which was a strong area of recruitment for the Group throughout the year.



Organisation of working hours under NRE



Number of overtime hours worked and part-time employee numbers

/// Number of hours overtime worked in the year by division and geographic area

	2006	2007	2008
Lagardère Publishing			
France	23,624	39,427	34,577
Rest of Europe	19,655	21,438	24,965
The Americas	2		25,139
Asia			0
Other areas		2	0
Total	43,281	60,867	84,681
Lagardère Active			
France	34,568	3,495	2,470
Rest of Europe	23,077	21,990	131,457
The Americas	38,798		37,869
Asia			49,615
Other areas		38,862	0
Total	96,443	64,347	221,411
Lagardère Services			
France	6,190	53,819	62,945
Rest of Europe	98,190	157,291	88,903
The Americas	1,583		90,025
Asia		10,984	10,217
Other areas	119,436	51,380	33,384
Total	225,399	273,474	285,474
Lagardère Sports			
France	,		0
Rest of Europe	,	779	2,055
The Americas	,		0
Asia	,		0
Other areas	,	,	0
Total	0	779	2,055
Other Activities			
France	539	5,249	4,854
Rest of Europe			0
The Americas			0
Asia			0
Other areas			0
Total	65,460	107,239	109,701
Total France	64,921	101,990	104,846
Total Rest of Europe	140,922	201,498	247,380
Total Americas	40,383	0	153,033
Total Asia	0	10,984	59,832
Total Other areas	119,436	90,244	33,384

/// Permanent workforce at 31 December in part-time work

	2006	2007	2008
Lagardère Publishing			
Permanent workforce, male, in part-time work	68	72	64
% permanent workforce, male	2.29%	2.50%	2.09%
Permanent workforce, female, in part-time work	443	467	456
% permanent workforce, female	11.54%	12.28%	11.41%
% permanent workforce	7.51%	8.06%	7.36%
Total	511	539	520
Lagardère Active			
Permanent workforce, male, in part-time work	102	96	161
% permanent workforce, male	2.19%	2.66%	4.11%
Permanent workforce, female, in part-time work	548	436	450
% permanent workforce, female	8.02%	6.86%	6.95%
% permanent workforce	5.66%	5.34%	5.88%
Total	650	532	611
Lagardère Services			
Permanent workforce, male, in part-time work	915	642	604
% permanent workforce, male	18.10%	14.82%	13.84%
Permanent workforce, female, in part-time work	2,397	1,695	1,634
% permanent workforce, female	35.74%	29.93%	27.56%
% permanent workforce	28.16%	23.38%	21.74%
Total	3,312	2,337	2,238
Lagardère Sports			
Permanent workforce, male, in part-time work		7	18
% permanent workforce, male		2.98%	5.20%
Permanent workforce, female, in part-time work		19	46
% permanent workforce, female		14.07%	24.08%
% permanent workforce		7.03%	11.92%
Total		26	64
Other Activities			
Permanent workforce, male, in part-time work	5	36	51
% permanent workforce, male	1.71%	8.96%	14.41%
Permanent workforce, female, in part-time work	9	22	32
% permanent workforce, female	6.08%	11.83%	17.58%
% permanent workforce	3.17%	9.86%	15.49%
Total	14	58	83

The Group takes care to respect the legal regulations specific to each country, both 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 business lines while taking into account the aspirations of the workforce and the use of replacement staff in the event of sick leave or maternity leave. This scheme includes part-time work, overtime hours and temporary work contracts.

Employment of temporary staff (on fixed-term work contracts or through temporary staffing agencies) is an inherent part of the specific nature of certain business lines. 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). Other factors include the constraints related to distribution activities and the organisation of sports events.

The Group has invested considerable efforts into optimising the use of temporary staff (who represent 9% of the total workforce, on a full time equivalent basis), leading to relative stability in the number of fixed-term work contracts: 2,338 in 2008 compared to 2,219 in 2007. Lagardère aims to preserve the degree of flexibility and responsiveness required for the management of its business activities, while maintaining the proportion of staff on such contracts at a reasonable level of around 12% of the global workforce.

As flexibility and the optimisation of labour costs are essential to the distribution activities, Lagardère Services makes considerable use of overtime and part-time work, mainly in America and Asia. This type of organisation is also to be found, to a lesser degree, in the distribution activities of the Book Publishing division, which faces the same needs.

The significant increase in the proportion of part-time contracts at Lagardère Active compared to previous years is partially explained by the implementation of the restructuring plan, as the possibility of a transition to part-time work was one of the supporting measures put in place. This voluntary redundancy plan is described in detail in section A-5 below.

While the proportion of outsourced labour is relatively low in the Group as a whole, in France, due to the nature of its press and audiovisual businesses, 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.

/// Number of staff from temporary staffing agencies, in FTE, compared to average permanent and fixed-term workforce in FTE, by division

2008	France	Rest of Europe	The Americas	Asia	Other	Total
Lagardère Publishing	0.10	0.07	0.08	0.05	0.00	0.08
Lagardère Active	0.01	0.31	0.00	0.02	0.00	0.18
Lagardère Services	0.00	0.06	0.00	0.00	0.00	0.03
Lagardère Sport	0.01	0.11	0.00	0.00	0.00	0.08
Other Activities	0.01					0.01
Total	0.03	0.17	0.03	0.02	0.00	0.10

/// Rate of absenteeism

	Sick leave, men (days/person)	Sick leave, women (days/person)	Sick leave, men and women (days/person)	Paternity leave, men (days/person)	Maternity leave, women (days/person)	Maternity/paternity leave, men and women (days/person)	Accidents, men (days/person)	Accidents, women (days/person)
Lagardère Publishing	4.41	5.81	5.20	0.14	5.36	3.09	0.99	0.56
Lagardère Active	2.40	5.90	4.38	0.10	7.35	4.21	0.18	0.12
Lagardère Services	5.79	6.71	6.30	0.14	4.17	2.39	0.74	0.40
Lagardère Sports	2.31	6.01	3.62	0.03	3.56	1.28	0.94	0.20
Other Activities	4.41	5.61	4.81	0.07	4.86	1.68	0.14	0.01
Divisions	4.08	6.15	5.23	0.12	5.69	3.22	0.59	0.33

/// Minimum working hours by geographic area

	Minimum number of hours per year	Corresponding number of days worked	Corresponding number of hours' work per day
France	1,061.69	151.67	7.00
Rest of Europe			
The Americas	1,631.00	233.00	7.00
Asia	1,659.00	237.00	7.00
Other	1,786.00	235.00	7.60

/// Maximum working hours by geographic area

	Maximum number of hours per year	Corresponding number of days worked	Corresponding number of hours' work per day
France	1,778.40	228.00	7.80
Rest of Europe	2,200.00	220.00	10.00
The Americas	2,268.00	252.00	9.00
Asia	2,640.00	264.00	10.00
Other	2,288.00	286.00	8.00

A-2 PROMOTING EQUAL OPPORTUNITIES AND DIVERSITY AND COMBATING ALL FORMS OF DISCRIMINATION

Some of the information regarding this commitment meets the NRE disclosure requirements concerning equal opportunities for men and women and the employment and integration of handicapped employees.

Guaranteeing equal opportunities and treating all individuals objectively is Lagardère's philosophy. With its diverse activities and business lines and skilled staff, the Group as a media operator has an even greater obligation to reflect the society to which it belongs, and encourages diversity in the divisions.

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 Lagardère 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 led to organisation of a seminar devoted to the subject of Diversity in October 2008, attended by all the Human Resources managers from the various divisions.

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

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

Encouraging integration of disabled employees

The level of integration of disabled people into the Group is still too low and has in fact decreased over the past three years. In order to reverse this trend, in 2008 the human resources departments decided to step up both in-house and external campaigns (particularly in schools, which would accept more disabled students if they knew companies would be willing to employ them after their studies). It was proposed to draw on the work carried out at Lagardère Active over the past few years under the banner of the **Je suis Handicap (I am disabled)** mission, to spread these good practices throughout the Group, and improve the integration of disabled people in the various corporate entities.

/// Proportion of disabled employees for one thousand permanent employees at 31 December

	France	Rest of Europe	The Americas	Asia	Other	Total
Lagardère Services	6.01	19.73	0.94	0.00	2.70	10.88
Lagardère Publishing	12.29	9.63	0.00	0.00	0.00	8.36
Other Activities	20.52					20.52
Lagardère Active	9.42	2.51	2.35	5.27	0.00	4.91
Lagardère Sports	0.00	8.17	0.00	0.00	0.00	5.59
Total	9.56	10.11	0.90	3.91	1.83	8.19

DISABILITY TEAM

The Disability team (*) really came into its own in 2008 with the implementation of the agreement for integration of disabled people into Lagardère Active's press/magazine business in 2007-2009. The first steering committee meeting was held in February, many operations were initiated in the course of the year and discussions took place on extending the next agreement to include a further fifteen Lagardère Active companies.

In terms of recruitment, three temporary contracts, one permanent contract and eight alternate work/study contracts (5 apprenticeship contracts and three professional training contracts) were signed. In all, seventeen trainees with disabled worker status joined the company in 2007 and 2008.

Here is a selection of action implemented in 2008:

- as part of the job security plan, coverage of the cost of interface hours needed for translation of course materials into sign language for employees with hearing difficulties on alternate work/study contracts;

- an audit of building accessibility by an ergonomics consultancy: the work undertaken in the wake of this audit to improve access to the company cafeteria was paid for by the Disability team. The buildings will receive further enhancements and adaptations in 2009;

- purchase of several emergency evacuation chairs for employees with reduced mobility;

- in partnership with the Creative handicap association, an art exhibition and a group sculpture workshop were organised for employees. This event provided an opportunity for disabled artists and the Group's employees to meet;

- organisation of nine breakfast meetings for awareness-raising and information about the Disability team in the departments and editorial offices. Among other things, these meetings resulted in a list of 23 new relay correspondents in the different departments and editorial offices;

- whenever a disabled person is recruited, there are actions to raise awareness about disability in the relevant departments. Such actions took place in the mock-up department of *Télé 7 Jours* and *Elle*, to welcome two young girls with hearing difficulties and in the IT department to welcome a young man with reduced mobility;

- organisation of weekly sign language lessons from January to May 2008 for employees who expressed an interest in lessons following awareness-raising actions on hearing disabilities;

- extension of the procedure for the specialist recycling of computing and electronic equipment to companies in Lagardère Active which are not covered by the integration agreement;

- design of a logo, an Intranet site and a poster campaign on the company's premises.

(*) Note: the team acts within the framework of the Law of 11 February 2005 which obliges companies in France with more than twenty employees to have at least 6% of disabled employees or be liable for a levy to Agefiph, or to use this levy through an agreement to finance operations in favour of the disabled.

Outreach to young people in sensitive urban areas

In 2008, the Lagardère Group continued its partnership with the non-profit organisation *Nos quartiers ont des talents* [Our housing estates have talent] in Seine Saint-Denis.

The aim of the organisation, which receives an annual subsidy from the Group, is to help young graduates (with a minimum of 4 years higher education) from working class areas, who tend to find it more difficult than other graduates to obtain job interviews. A mentoring system involving company employees has been set up to support them in their quest for work.

NOS QUARTIERS ONT DES TALENTS. TESTIMONIALS FROM TWO MENTORS

“Nos Quartiers ont des Talents is a refreshing story: a story of open-mindedness, getting to know each other, mirroring and help,” explains Christian, at Lagardère Ressources. “The Lagardère Group is fortunate to be involved in the action of this organisation: both through mentoring by our employees from all the business lines - publishing, distribution, media and sport - and through recruitment whenever possible.

Being a mentor is an excellent opportunity for me. An opportunity to meet young people who have made the effort to go through higher education and who need our help: not only for our network, but simply to make them feel less alone and give them advice on how to go about finding a job. The talents are there, all they need is a chance to blossom. We are delighted to be able to make a contribution”

“Mentoring has been a very enriching experience for me, on both a professional and personal level”, explains Anne-Flore, a manager at Lagardère Publicité. A young human resources manager, she agreed to mentor a graduate through regular monthly contact and follow her progress on the job market. The aim is not to recruit the young person for the company (although that remains a possibility) but to give advice and share experience. “I met her; we gradually got to know each other. I helped to boost her self-confidence, as she was quite shy. I explained to her how to write an application letter, how to obtain interviews, how to answer ads. I allowed her to meet our marketing director to see if what she wanted to do matched the reality in the field. I set goals for her, within time-frames”, continues Anne-Flore, who has agreed to mentor a new candidate proposed by the organisation Nos quartiers ont des talents in 2009.

Furthermore, as part of the Gateways to excellence operation (see C.1) via the Jean-Luc Lagardère Foundation, the Lagardère Group also tries to give talented young people from underprivileged areas a chance to succeed by offering them industrial placements.

Guaranteeing women's career development in the company

Women account for 58% percent of the total workforce, making the debate on sex equality at work is a slightly atypical question for the Lagardère Group. The nature of the company's business lines largely explains this strong female presence, although this should not obscure the progress that remains to be made in terms of equal opportunities and career development.

The fact there is a woman member of the Supervisory Board (who has also been a union representative on the Group Employees Committee for many years) is a sign of the company's determination to remain open, but the Lagardère Group is well aware that the field of senior responsibilities for women is the area where further progress must be made. Making access to the highest levels a possibility for women who seek responsibility is one of the goals the Group intends to set itself over the coming years.

Women are in the majority in the total Lagardère workforce at slightly more than 58% in 2008, representing 61% of total recruitments. Women account for 31% of executive job positions, 53% of managers and 65% of journalists, and the proportion of women among other employees is 61%. All of these figures are stable compared to 2007.

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.

The companies in the Group with the most remarkable female presence include the following:

Hachette Livre SA - Management and Other, with 477 women in a total 700 employees, or 68.14% of the workforce,
 Aelia, which employs 1,266 women in a total workforce of 1,788 employees, or 70.81%,
 Lagardère Publicité with 328 women in a total 404 employees, or 81.19%.

/// Recruitment

Recruitment: % women	Internal transfer: % women	Mergers and acquisitions: % women	Conversion of fixed-term contracts into permanent contracts: % women
62.80%	62.88%	38.38%	62.45%

/// Separation

Resignations: % women	By mutual agreement: % women	Dismissal for individual reasons: % women	Redundancy for economic reasons: % women	Retirement: % women	Internal transfer: % women	Other reasons: % women
58.56%	56.01%	51.75%	57.20%	35.32%	55.52%	50.95%

/// Women's salary increases

Female executives	Female managers (excluding executives)	Female journalists & photographers	Other female employees	Total
84.58%	79.33%	74.41%	78.47%	78.35%

/// Women's average annual salary in euros

Female executives, permanent contracts	Female managers, permanent contracts	Female journalists & photographers, permanent contracts	Other female employees, permanent contracts
125,048.42	46,740.58	54,655.33	21,389.12

/// Proportion of the permanent workforce at 31 December, by occupational group and gender, who attended at least one training course

Female executives	Female managers (excluding executives)	Female journalists & photographers	Other female employees
58.75%	66.71%	42.21%	43.03%

A-3 PROVIDING AN ATTRACTIVE REMUNERATION PACKAGE

Information regarding this issue meets the NRE disclosure requirements concerning pay and changes in pay.

In a highly competitive environment, the Group's approach to salaries consists of offering attractive packages in tune with prevailing market practices (in terms of business activity and the economic and labour conditions in each country concerned). Lagardère's determination to maintain employees' purchasing power and its aim to 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.).

Payroll and changes in pay

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, where relevant, to agreements negotiated with the employee representative bodies of the business sector concerned (particularly in terms of minimum salary and general salary increase scales). In France, for example, the existence of a minimum wage is the result of national legislation applicable to the entire workforce. 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 approximately €35,568 in 2008 (compared to €39,260 in 2007).

/// Average annual salary, by occupational group and division, in euros

	Executives, permanent contracts		Managers, permanent contracts		Journalists & photographers, permanent contracts		Other employees, permanent contracts	
	Male	Female	Male	Female	Male	Female	Male	Female
Lagardère Publishing	1 37,372	1 34,896	4 7,393	42,619	38,589	15,226	23,751	24,113
Lagardère Active	1 79,549	114,823	6 6,894	53,583	29,239	54,827	21,731	22,209
Lagardère Services	1 35,880	8 5,398	4 9,087	37,161			22,425	18,621
Lagardère Sports	2 09,154	2 16,557	1 24,547	105,346			51,226	40,340
Other Activities	22 4,729	1 69,671	69,975	69,075			30,047	29,124
Divisions	1 63,979	1 25,048	5 7,476	46,741	29,276	54,655	23,592	21,389

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

Salary increases

The Group's policy is 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 entity is largely free to award individual and/or collective salary increases appropriate to its business line and the environment.

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

	Executives		Managers (excluding executives)		Journalists & photographers		Other employees		Total		Total
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Lagardère Publishing	86.84%	96.92%	94.92%	87.94%	20.00%	33.33%	86.38%	84.96%	89.81%	86.47%	87.92%
Lagardère Active	58.06%	73.81%	64.4%	73.26%	63.64%	74.56%	48.37%	67.34%	57.20%	70.67%	65.60%
Lagardère Services	83.67%	70.59%	70.25%	74.36%	0.00%	0.00%	86.54%	83.37%	83.14%	82.26%	82.63%
Lagardère Sports	25.00%	0.00%	56.52%	55.56%	0.00%	0.00%	48.21%	41.25%	48.55%	42.41%	46.37%
Other Activities	53.12%	60.00%	58.4%	66.67%	0.00%	0.00%	103.55%	91.67%	83.05%	82.97%	83.02%
Divisions	70.61%	84.58%	76.22%	79.33%	63.40%	74.41%	76.97%	78.47%	75.41%	78.35%	77.12%

Variable salary components

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. More than 46% of the Group's workforce has a variable component of pay (there is a certain disparity between different geographic areas, particularly due to different local market practices, with salary policy remaining the prerogative of local management).

/// Proportion of permanent workforce by occupational group and by gender, who received a variable component of pay

	Executives		Managers (excluding executives)		Journalists & photographers		Other employees		Total		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Total
Lagardère Publishing	89.00%	100.00%	66.00%	54.00%	0.00%	0.00%	61.00%	49.00%	65.00%	53.00%	58.00%
Lagardère Active	70.00%	83.00%	55.00%	58.00%	30.00%	31.00%	30.00%	29.00%	39.00%	37.00%	38.00%
Lagardère Services	91.00%	100.00%	93.00%	95.00%	0.00%	0.00%	37.00%	39.00%	49.00%	46.00%	47.00%
Lagardère Sports	58.00%	50.00%	100.00%	56.00%	0.00%	0.00%	91.00%	78.00%	93.00%	74.00%	86.00%
Other Activities	91.00%	80.00%	34.00%	23.00%	0.00%	0.00%	3.00%	1.00%	22.00%	10.00%	18.00%
Divisions	81.21%	93.75%	69.44%	62.71%	29.68%	31.38%	41.03%	38.59%	50.30%	44.22%	46.76%

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 major occupational categories (table above).

Incentives, profit sharing, employee savings schemes and other employee benefits

Schemes that allow employees to share in the financial results of their company are common within the Group; they mainly take the form of profit sharing and employee savings schemes.

35% of employees in France belong to an employee savings scheme.

1.75% of the shares issued by the Group are held by employees, including 0.59% held through mutual funds.

/// Permanent workforce at 31 December in an entity that has an employee savings scheme, by division

2008	Proportion of the workforce in an entity with an employee savings scheme
Lagardère Services	4.00%
Lagardère Publishing	32.00%
Other Activities	62.00%
Lagardère Active	36.00%
Lagardère Sports	0.00%
Divisions	22.00%

Furthermore, the Group implements a specific policy of profit sharing with employees according to their level of responsibility, performance and results, and encourages the development of a certain degree of loyalty in high potential employees. Shares in Group companies may be allocated to employees: until 2006, this allocation took the form of stock options and in 2007 a free share allocation plan was set up. In 2007, 594,350 free shares were allocated to 387 employees. In 2008, no shares were allocated.

Other benefits

In France, Group employees also 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 instruments are also set up or proposed to 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 each country in which it operates.

Outside France, depending on the state systems in place and local practices, welfare instruments are also set up or proposed to employees.

/// Employee benefit expenses, in thousands of €

By division	2008	2007	Variation
Lagardère Publishing	75,432	74,682	750
Lagardère Active	144,236	172,259	(28,023)
Lagardère Services	65,357	77,670	(12,313)
Lagardère Sports	8,807	4,584	4,223
Other Activities	14,138	14,362	(224)
Total	307,970	343,557	(35,587)

By geographic area	2008	2007	Variation
France	217,412	259,253	(41,841)
Rest of Europe	67,923	61,273	6,650
The Americas	18,576	18,903	(327)
Asia	3,826	3,702	124
Other areas	233	426	(193)
Total	307,970	343,557	(35,587)

A-4 FOSTERING PERSONAL FULFILMENT AND EMPLOYEE MOTIVATION

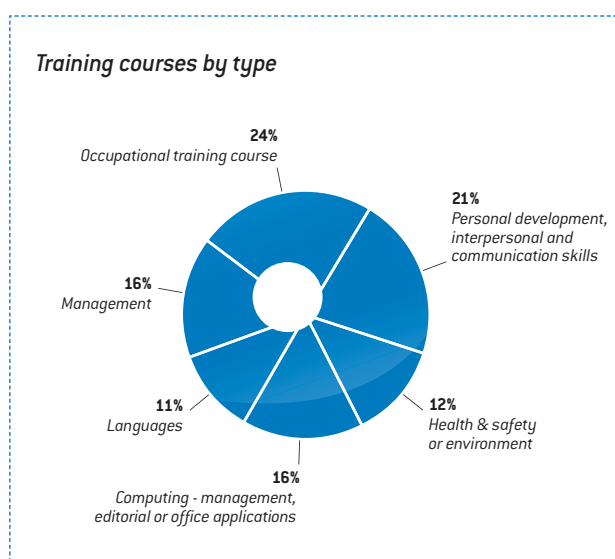
Encouraging skill development through training

In compliance with the principle of autonomy of the Group's individual divisions, measures for skill development and internal mobility are undertaken at the level of each entity. This illustrates Lagardère's commitment to investing in development of the professional skills and individual responsibilities of staff, and fostering fulling career development through increased internal mobility.

In 2008, as in 2007, the Group's main concerns revolved around:

Acquiring the skills related to digital technologies, and in particular, their use in combination with traditional media, and

Improving the management of talents on a cross-business line basis, as well as between the divisions.



In terms of training, each division endeavours to foster and develop the skills of its employees. Training programmes have been drawn up at every level and training efforts in 2008 were sustained: 47% of the Group's permanent workforce attended at least one training course, for a slightly lower average investment of €1,137 per employee trained in France (€724 for the Group as a whole) over an average duration of 2.28 days.

Furthermore, the Group 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. Three programmes - Leadership, Integration and Young Managers - provide support to managers and serve to strengthen their management skills. In 2008, manager training increased once more to represent 15.5% of the Group's training budget compared to 11% in 2007.

The Group also takes measures to enable managers to adapt to and keep abreast of the digital revolution. In 2008 around twenty managers attended Netexplorateur, a new world digital culture forum partly sponsored by the Group. In June 2008, over a hundred young managers watched a presentation on the major digital trends as part of the Media Campus Club.

/// Average expenditure on training (in euros) for permanent employees, by division and by geographic area

2008	France	Rest of Europe	The Americas	Asia	Other	Total
Lagardère Services	1,294.63	449.15	15.88	680.00	0.54	568.45
Lagardère Publishing	1,695.10	394.40	140.00	2,305.00	531.20	884.34
Other Activities	2,119.90					2,119.90
Lagardère Active	721.00	788.30	204.60	694.80	0.00	706.20
Lagardère Sports	56.10	3,941.00	0.00	0.00	0.00	2,837.89
Total	1,136.90	581.00	56.90	697.70	82.70	724.17

/// Proportion of the permanent workforce at 31 December, by occupational group and by division, who attended at least one training course

	2006	2007	2008
Lagardère Publishing			
Executives	5%	5%	5%
Managers (excluding executives)	49%	47%	43%
Journalists & photographers	0%	0%	0%
Other employees	46%	48%	52%
Total	50%	42%	42%
Lagardère Active			
Executives	3%	2%	3%
Managers (excluding executives)	37%	41%	44%
Journalists & photographers	21%	22%	24%
Other employees	43%	35%	30%
Total	35%	45%	46%
Lagardère Services			
Executives	1%	2%	1%
Managers (excluding executives)	16%	21%	20%
Journalists & photographers	0%	0%	0%
Other employees	82%	78%	79%
Total	53%	40%	55%
Lagardère Sports			
Executives		5%	1%
Managers (excluding executives)		29%	36%
Journalists & photographers		0%	0%
Other employees		65%	63%
Total		15%	15%
Other Activities			
Executives	7%	15%	10%
Managers (excluding executives)	39%	31%	35%
Journalists & photographers	0%	0%	0%
Other employees	54%	53%	55%
Total	46%	32%	42%

/// Proportion of the permanent workforce at 31 December, by occupational group and by geographic area, who attended at least one training course

	2006	2007	2008
France			
Executives	1%	2%	2%
Managers (excluding executives)	34%	52%	49%
Journalists & photographers	9%	8%	12%
Other employees	56%	67%	37%
Total	57%	44%	62%
Rest of Europe			
Executives	4%	3%	5%
Managers (excluding executives)	27%	21%	24%
Journalists & photographers	2%	8%	8%
Other employees	67%	67%	63%
Total	48%	44%	34%
The Americas			
Executives	4%	5%	1%
Managers (excluding executives)	38%	43%	19%
Journalists & photographers	3%	7%	3%
Other employees	55%	45%	77%
Total	25%	18%	51%
Asia			
Executives	2%	3%	3%
Managers (excluding executives)	14%	14%	17%
Journalists & photographers	0%	0%	2%
Other employees	84%	83%	79%
Total	51%	55%	59%
Other areas			
Executives	4%	5%	5%
Managers (excluding executives)	18%	16%	19%
Journalists & photographers	0%	0%	0%
Other employees	78%	80%	77%
Total	75%	72%	80%

Encouraging integration of young people in the Group

The Group's age pyramid reflects the balance between a youthful workforce, with almost 60% of employees aged under 40 and 30% under 30, and experience acquired through seniority, which is a requisite in the field of the traditional media.

Each entity has a significant policy for exchanges with schools and universities, particularly through work placements. In 2008, Lagardère welcomed some 1,561 placement students. The number of alternate work/study contracts reached 359 in 2008.

Promoting internal mobility

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

The Group's Intranet contains tools with information on mobility which employees can use to help define and facilitate their plans. The Intranet also provides access to positions available within the Group, with the possibility of setting up personalised alert messages for notification when new vacancies of potential interest are published on line.

Internal transfers represented 14% of recruitment in 2008 compared to 9% in previous years, and vary from one division to another. Although it is an important issue for the Group, mobility between divisions is hindered by the specific nature of the different entities, their business activity and distant geographic locations. The significant improvement in 2008 must be continued and the Group intends to take further action to organise and amplify the trend, especially for support positions.

Incentives to stimulate employee motivation

Employee motivation is also managed autonomously by the different entities, some of which have developed personalised programmes to involve employees in the life of the company and its expansion in innovative, creative ways.

IMAGINATIONS

The percentage of ideas approved by the idea management programme *ImaginActions* increased in 2008. Designed and implemented by Aelia in 2007, mainly intended for the 1,600 sales staff and managers of the airport boutiques, This programme introduced by the Lagardère Services subsidiary has the dual aim of initiating new dialogue between managers and teams, and placing employees at the heart of corporate life explains Violaine Bazil, head of the programme. For Jean-Baptiste Morin, Chairman of Aelia, This innovation programme also allows each employee to contribute to improving the quality of service in our boutiques. The principle is both simple and rigorous: the idea creator submits a sheet explaining how the idea arose, the proposed solution and the expected result to his or her manager. The manager enters the idea in a software programme that handles routing and processing until the idea reaches the decision-maker, who may be a single expert, the *ImaginActions* committee (several experts) or even the executive committee. One of the main differences from a conventional suggestion box is that the employee is sure to receive feedback on the idea, which, if approved, will then be applied - in the sales outlets if it is a local idea, at company level if it is a strategic idea, or at other levels, such as product referencing, for a complex idea. Of the 541 ideas submitted since the launch of the operation (257 of which were put forward in 2008) 119 have been approved, including 57 in 2008. Each year, the best three ideas are rewarded with an *ImaginActions* trophy, which is given to the most creative and imaginative employees. The winning ideas in 2008 mainly concerned Aelia boutiques and, among other things, brought about improvements in merchandising and communication through changes concerning the sales staff, whose specialist areas are more easily identified thanks to a specific occupational colour code. In summer 2008 the *ImaginActions* committee also launched an idea challenge on the theme of Sustainable Development, which generated around forty proposals.

A-5 PROMOTING DIALOGUE BETWEEN THE WORKFORCE AND MANAGEMENT

Information regarding this issue meets the NRE disclosure requirements concerning reductions in the workforce, industrial relations and collective agreement audits.

Dialogue between employee representative bodies and management is an essential component of Lagardère'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 the autonomy of the 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 1996, and the Group Employees Committee, set up in 1993. These two bodies have regular exchanges with the Management about the key issues and transformations necessary for the Group's business activities.

The Group Employees Committee comprises 30 members representing Lagardère Group employees and five observers representing the EADS⁽¹⁾ group (one for each nationwide union). 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; Poland and the Czech Republic could also have been represented, but, as the Group's companies in those countries have no employee representatives, no seats could be allocated to them).

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* and the Union Representatives may be held if required by the current situation. In 2008, the *Bureau* of the Group Employees Committee met twice. These meetings were the occasion for discussions of the measures to accompany the voluntary redundancy schemes at Lagardère Active, and the company's organisation and strategy.

The first meeting of the Group Employees Committee, whose membership was renewed at the end of 2007, was held in April 2008. This renewal took account of changes in structure and, for the first time, included representatives from the audiovisual sector and the world of Sport that had not participated in the past. The symbolic decision was also taken to discontinue membership of EADS representatives, marking a permanent refocus on the media business. The European Works Committee was also renewed during 2008.

Implementation of employee representation, collective agreements

In 2008, employee representation concerned 68.79% of Lagardère's total workforce. In France, the rate was over 94%. Employees not covered work in very small entities with only a few employees.

112 collective agreements were signed in the course of 2008, generally concerning pay, working hours, social welfare coverage, etc.

Percentage of the workforce covered by a collective agreement, by type:

75.83% of the workforce is covered by an agreement concerning working hours;

62.07% of the workforce is covered by an agreement concerning health & safety and working conditions;

75.32% of the workforce is covered by an agreement concerning pay;

54.29% of the workforce is covered by an agreement concerning social welfare;

24.92% of the workforce is covered by an agreement concerning training.

/// Collective agreements, by geographic area

Areas	Existing collective agreements in force at 31 December	Collective agreements signed during the year
France	376	76
Rest of Europe	51	27
The Americas	7	2
Asia	18	7
Other	0	0
Total	452	112

(1) Until 2008.

In conformity with the applicable provisions, Group entities with a Works Committee have a budget allocated to social welfare actions.

Management of the voluntary redundancy scheme

The information below meets the NRE disclosure requirements concerning voluntary redundancy schemes and the territorial impact of business activities.

Lagardère Active's voluntary redundancy scheme (the result of merging the Audiovisual and Press divisions of Lagardère Media to form Lagardère Active) endeavoured to promote strong dialogue between the workforce and management. The scheme concerned Hachette Filipacchi Associés and Interdico for the Press activity, and Lagardère Active Management, Europe 1 and Lagardère Active Publicité for the Audiovisual activity. In all, 246 people were affected by this scheme which encouraged around fifty internal transfers within and between companies. The objectives pursued, to preserve the competitiveness of each of the sectors concerned, were twofold:

streamlining and merging of general functions common to the different business units (Finance, Legal, Human Resources, Procurement, General services, Technology, Communication, etc.);

rationalisation and recovery of the portfolio of Audiovisual and Press activities.

The Employees' Committees of each legal entity concerned were informed and consulted on the basis of a first economic document explaining the reasons for the merger, in accordance with Book IV of the French Labour Code and a second document, regarding the consequences for employment and the measures to accompany redundancies, in accordance with Book III of the Labour Code^(*).

The sequence of events was as follows:

Negotiations of human resource forecasting and planning (GPEC) agreements in all the entities included in the future group, in preparation for negotiations on the implementation of the restructuring plan related to the merger between the entities: February to April 2007.

Book IV and Book III documents submitted: May 2007.

Three Book IV meetings: between June and October 2007.

Three Book III meetings: between July and October 2007.

Advisory opinion issued by each Works Committee following the Book IV and Book III meetings, in July 2007 for advertising entities, September 2007 for the Press and October 2007 for Audiovisual activities.

Sequence of VRS (voluntary redundancy scheme) events

In each entity concerned, the duration of the call for volunteers was between 1 and 2 months. Depending on service constraints, the voluntary redundancies were taken between August 2007 and December 2008. Notice periods were 2 or 3 months, depending on the occupational category, and were mostly not worked.

Territorial impact

Within the framework of the Voluntary Redundancy Plan initiated in 2008, Hachette Filipacchi Associés (HFA), headquartered in Levallois-Perret in the *Hauts de Seine département* near Paris, was asked by the local French Labour Authorities (DDTEFP) to take part in two actions to revitalise local employment:

- 1) Funding to organise a forum for young jobseekers with graduate or equivalent qualifications (at least 3 years higher education) originating from underprivileged suburbs in the *Hauts de Seine département*. Called DIVERS CITES, the forum was organised in La Défense on 20 October 2008, under the auspices of the local *Préfecture*. HFA offered to take part, along with around 15 other companies established in the area. Two representatives of the HR department held around 30 pre-recruitment interviews as part of the operation.
- 2) The funding of a GPEC action conducted by an HR consulting firm for the benefit of a small business located in the *Hauts de Seine*.

HFA offered to coach this business on the GPEC actions to be engaged after the diagnostic study.

^(*) Book III and IV of the French Labour Code specify the lay off negotiation process with employee representatives.

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 plays an active part in negotiations between management structures and employee representative bodies in France (particularly concerning freelance journalists, entertainment workers and home workers).

In publishing, Lagard•re Publishing is actively involved in joint negotiations between the French national Publishers Union and the trade union organisations.

In press-related occupations, Lagard•re Active was one of the first in 2008 to set an example on the subject of intellectual property in the written press and digital media, by signing a dual-media agreement.

A-6 PROTECTING HEALTH AND SAFETY AT WORK

Information regarding this issue meets the 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**. The entities which comprise logistics and distribution activities have a relatively greater safety culture.

Nonetheless, in each of its divisions, Lagard•re implements a policy of reducing health and occupational risks through preventive action and training. The topics covered include the prevention of stress-related risks, and more generally malaise in the workplace. Awareness-raising programmes on this subject began in November 2006 and have continued ever since. In summer 2007, a questionnaire was sent to the employees of Lagard•re Ressources to assess the stress factor, and identify any at-risk populations and the main causes related to the work environment.

Three lines for action were then determined in 2008, at organisational, individual and managerial level. Training days run by a specialist organisation targeted managers in particular, teaching them to manage their own stress without generating more, and to identify stress in employees in order to help them.

To reduce the frequency and severity rates of work accidents⁽¹⁾, Lagard•re's various divisions conduct continuous prevention campaigns as appropriate to the specific nature and constraints of their business lines. In 2008, the frequency rate for the Group was 9.85 compared to 9.68 in 2007, and in France 16.82 compared to 13.34 in 2007. The severity rate of work accidents remained stable at 0.32 in 2008 for the Group compared to 0.31 in 2007 and 0.7 in France compared to 0.51 in 2007. Similarly, training in hygiene and safety is organised within the individual Group entities.

/// Frequency rate of work accidents, by division and by geographic area

1 per million	France	Rest of Europe	The Americas	Asia	Other	Total
Lagard•re Publishing	29.23	10.84	11.41	0.00	2.73	16.49
Lagard•re Active	5.24	1.77	0.63	0.00		2.5
Lagard•re Services	20.82	11.98	5.89	9.31	21.54	13.52
Lagard•re Sports	11.25	1.55				4.39
Other Activities	6.92					6.92
Total	16.82	6.95	6.82	2.6	14.75	9.85

/// Severity rate of work accidents, by division and by geographic area

1 per thousand	France	Rest of Europe	The Americas	Asia	Other	Total
Lagard•re Publishing	1.16	0.28	0.11	0.00	0.12	0.51
Lagard•re Active	0.14	0.04	0.00	0.00		0.06
Lagard•re Services	0.99	0.32	0.16	0.28	0.34	0.47
Lagard•re Sports	1.24	0.05				0.40
Other Activities	0.06					0.06
Total	0.70	0.18	0.11	0.08	0.26	0.32

(1) Frequency rate = (number of work accidents resulting in sick leave x 10⁶): number of hours worked.
Severity rate = (number of days sick leave x 1,000): number of hours worked.

B) EXTERNAL RELATIONS

B-1 RELATIONS WITH SUBCONTRACTORS

This information meets the NRE disclosure requirements concerning relations with subcontractors.

The Group, which maintains close relations with its numerous subcontractors, 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 their performance levels.

Incorporating the Group's ethical, social and environmental criteria into relations with our partners.

The criteria in the Sustainable Development Charter (see section I-A-2) concern, in particular:

- 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, by its own means or through the services of a third party.

At Lagardère Publishing, a new charter (or code of conduct) was drawn up in 2007, covering the three components of Sustainable Development (labour, environmental and economic). As regards labour, this charter sets forth the respect of children's rights (in particular, the prohibition of child labour) and human rights (prohibition of all forms of forced labour and discrimination); it guarantees decent remuneration and satisfactory work conditions with respect to health and safety. As regards the environment, the charter obliges providers to respect the provisions of the environmental laws and regulations in force, in particular by prohibiting the use of dangerous or toxic products, 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 a specific code of conduct reaffirming the fundamental principles of human rights and children's rights to all suppliers and sub-contractors directly or indirectly involved in the book production processes. To this end, contracts signed with external service providers expressly state the enforceability of this code, so that the principles are binding on the suppliers and sub-contractors.

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 sub-contractors' production sites. In the event of failure to respect the provisions of the code, sanctions including cancellation of the contract and financial penalties may be applied against the defaulting party.

In Asia, audits were carried out by independent third parties, and follow-up inspections performed in 2006 led to five suppliers being excluded. In 2007, four further follow-up inspections were performed, and a large number of initial audits were carried out in 2008. A third of these audits revealed compliance problems and required a follow-up inspection to verify that they had been dealt with effectively. The follow-up inspections of 2008 confirmed that problems had been corrected.

At Lagardère Services, certain specific Asian manufacturers supplying products sold in Europe also signed a charter undertaking to respect the same constraints. Audits are carried out each month to check that these requirements are met.

Supplier/partner awareness-raising and the monitoring of performance levels

The Press division regularly requires all its paper suppliers and printers to report their policy and environmental performances by means of questionnaires.

Paper suppliers are questioned about issues relating to environmental management, sustainable forest resource management, traceability of supplies, use of chlorine-free technology and production of paper incorporating recycled fibres.

The printers are questioned on subjects such as health & safety policy, use of hazardous substances, emission of pollutants (particularly volatile organic compounds resulting from the evaporation of the solvents contained in certain inks) and waste management. Up until 2006, only French printers were questioned about their environmental performances; in 2007, the Press division extended printer performance monitoring to its principal subcontractors (in Italy, Spain, the United Kingdom, the USA and Russia), which represent approximately 65% of printing expenditure outside France.

Lagardère Publishing conducts a policy of **promoting environmental and labour issues** to its paper suppliers and printers, in France and abroad, through a certification incentive scheme.

Lagardère Publishing requires its partners to initiate action to obtain ISO 14001 environmental certification; to date, more than 95% of Lagardère Publishing's paper suppliers are ISO 14001-certified (compared to 90% in 2006 and 80% in 2005).

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

Outside Europe, 75% of Lagardère Publishing's printers in Asia have already obtained OHSAS 18001 certification (a standard that is recognised worldwide 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 85% of the division's printing work. This fosters the continuous improvement of the environmental performances of printers working for Lagardère Publishing, which regularly monitors subcontractors' certification status. As a result of these awareness-raising operations, 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: working conditions, health and safety, OHSAS 18001.

B-2 RELATIONS WITH SOCIETY IN GENERAL

Information regarding this issue meets the NRE disclosure requirements concerning vocational integration organisations, educational establishments, environmental protection organisations, consumer organisations and local populations. Some of the information is detailed in section 5-3-1-2 - A and other items are detailed in section 5-3-2-2 - B.

Regarding **vocational integration organisations**, one of the examples discussed elsewhere is *Nos quartiers ont des Talents*, [see 5-3-1-2 - A-3] which helps young people from difficult areas to gain an initial foothold in the job market; another is the partnership concluded with the French Urban Ministry as part of the *Passerelle vers l'excellence* (Gateways to excellence) operation. [see 5-3-2-2 - C].

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 de Sciences Politiques* in Paris, with which it has run a number of joint programmes for several years [see 5-3-2-2 - C].

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 Division of the Ministry of Culture, to encourage access to reading.

Regarding **environmental protection organisations**, in 2008 Lagardère Services conducted a project in partnership with the WWF, which is also described in detail in section 5-3-2-3 - B.

The children's television channel Gulli, as part of the development of the *Gulli Ma planète* label (5-3-2-2 - B), has also established a partnership with an organisation called *Planète Urgence* (Planet Emergency).

C) ENVIRONMENTAL INFORMATION

C-1 MEASURING ONGOING ENVIRONMENTAL IMPACT

Lagardère is a media corporation, with a highly diversified range of business activities mainly in the services sector, which tends to moderate the direct industrial and environmental risks⁽¹⁾. Accordingly, 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 to the electronic equipment used by its readers, listeners, viewers and web surfers. These environmental concerns extend to all of the subsidiaries outside France. Lagardère's long experience with paper, in particular, in partnership with suppliers and subcontractors who have also long been aware of the ecological impact of this raw material, has reinforced its vigilance - which it exercises for the benefit of its digital development (see section 5-3-2-3).

The Lagardère Group uses paper, but also makes considerable use of transport, mainly due to its press distribution business activities. While the principal environmental issues for Lagardère are essentially related to the lifecycles of the Group's publications (books, magazines and newspapers), streamlining of transport, monitoring of consumption levels and waste management are important constant concerns.

Carbon audits

Carbon audits are carried out to meet the NRE requirements concerning discharges.

In conformity with the commitments made in 2007, the Group has undertaken to measure its greenhouse gas emissions. Two subsidiaries, Lagardère Active and Lagardère Publishing, have launched a Carbon audit operation.

The results of these audits are currently being analysed.

In the last quarter of 2008, Lagardère Active conducted a Carbon audit across its entire scope (in France and internationally) and for each of its media - Press, Radio, Television and Digital. Lagardère Publishing also conducted an audit of its French-speaking scope, making Hachette Livre the first French publisher to instigate the Carbon audit process.

These Carbon audits take an inventory of the carbon dioxide emissions generated by the Group's business activities, forming a benchmark for action to be undertaken from 2009 to improve the Group's carbon footprint. The exercises commenced at Lagardère Services and Lagardère Sports in 2008, which will be continued in 2009, have already been perceived as a very positive step by the employees of the different divisions. Sustainable Development is a subject that brings people together, particularly the young generation.

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

LAGARDÈRE ACTIVE'S CARBON AUDIT

At the end 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, using the proprietary Bilan Carbone™ method. The method, defined by the French Environment and Energy Management Agency ADEME and applied with the assistance of the company Carbone 4, includes all actors involved in the production and consumption process. The results of the study are analysed medium by medium:

The carbon audit of the Press division examines carbon emissions from our own activity as publishers and advertising sales brokers, but also emissions by the paper mills, printers, binders and transporters for the magazines and newspapers manufactured, as well as those related to the publications end-of-life cycle. The study showed that greenhouse gas emissions for a magazine sold in France range from 500 to 600g CO₂ equivalent, approximately half of which is generated by the manufacturing process.

In terms of emission volumes, broadcasting-reception for television activity is markedly more emissive than programme production. One hour of television broadcasting-reception in France produces approximately 100 g CO₂ equivalent, approximately 2/3 of which are attributable to the television set (the TV activities scope comprises: Gulli, Canal J, TiJi, Filles TV, MCM, MCM POP, MCM TOP, Virgin 17 and Mezzo).

On the same principle as television, one hour of radio broadcasting-reception on a radio receiver in France emits approximately 35 g CO₂ equivalent, 75% of which is generated by the receiver.

The distribution and reception of one page viewed on the Internet in France generates emissions of approximately 7 g CO₂ equivalent, almost 75% of which is from the computers used.

In addition to the actual figures, the advantage of the Bilan Carbone™ method lies in the volume of information gathered, which constitutes an initial benchmark. Lagardère Active will be able to use this base to define areas for progress, pursue the action already initiated, particularly in the Press sector, and schedule new improvement plans. It will be possible for us to monitor and measure the effects produced by the actions taken over time, with a view to reducing the carbon emissions generated by our business activities.

HACHETTE LIVRE FRANCE'S CARBON AUDIT

The first conclusions of Hachette Livre's carbon audit in France, conducted by the company Carbone 4, shows a global figure of **178,000 tonnes CO₂ equivalent per annum**. This figure, as a ratio to turnover, places Hachette Livre in the middle of the table in terms of emissivity, half-way between the service industry (lawyers, banking, etc.) and heavy industry (chemicals, metallurgy, etc.).

Lawyers, banking, etc.: 40 g CO₂ equivalent/€ of turnover

Equipment services, telecoms, luxury goods: 100 g

Hachette Livre: 235 g

Wine-growing: 285 g

Road transport, civil engineering, public works: 500 g

Heavy industry, chemicals: > 1,000 g

The CO₂ cost of a book emerges at around **1 kg CO₂ equivalent per copy sold**, which can be itemised as follows:

Paper: 435 g

Printing: 185 g

Freight: 265 g

Design/administration: 100 g

Note that the carbon audit of the book publishing sector in the United States, conducted by Green Press Initiative at the request of the publishers' union, shows a carbon cost in the USA of 4 kg per book published. It should be observed that this audit includes emissions from retail distribution, which is not the case for the audit of Hachette Livre France.

Note also that an electronic book (e-book) would only become competitive in ecological terms if downloaded at least 80 times a year.

Phase II of Hachette Livre France's Sustainable Development approach will consist of identifying a priority area for improvement for each of these fields of investigation, fixing quantitative objectives and a timetable for execution.





Lagardère Active and Lagardère Publishing were therefore the first divisions of the Group to carry out a carbon audit. These operations were a fascinating experience for both divisions, involving a large number of employees. The carbon audit defines a new benchmark for analysis and measurement, in which the unit of measurement is no longer the economic cost of each activity expressed in euros, but its ecological cost expressed in tonnes of carbon dioxide equivalent. This raises a whole series of concerns, calling into question the existing schemas, with the trade-offs between economic and environmental considerations that are the logical result of any sustainable development policy.

A carbon audit is evidently unsettling, for it forces us to ask questions we would otherwise never have asked and would have preferred not to ask. For precisely the same reason, it is a healthy exercise...

Anne Chéret – Director of the Sustainable Development Division of Lagardère Active

Ronald Blunden – Director of Communication and Chairman of the Sustainable Development Committee of Lagardère Publishing

The different certification processes

Information regarding this issue meets the NRE disclosure requirements concerning the environmental evaluation and certification of companies.

Lagardère Publishing continued its efforts to encourage its partners to initiate action to obtain ISO 14001 environmental certification (see also section 5-3-1-2 - C-1 above). In 2007, more than 95% of Lagardère Publishing's paper suppliers were already ISO 14001-certified (compared to 90% in 2006 and 80% in 2005).

The Group initiated action in 2007 to obtain ISO 14001 certification for operation of the La Croix Catelan site, which forms part of the premises of Lagardère Paris Racing. This process continued in 2008, conducted by a steering committee (comprising the site, sports and technical services managers and the tennis and swimming coordinator) and with the support of control organisation APAVE.

In conformity with the norms requirements, an environmental analysis was first carried out. Eleven fields of activity were identified (catering, tennis courts, swimming pool, changing rooms, technical services, offices, boiler house, park & garden maintenance, sanitation system, car park and roads). In these eleven fields, around sixty significant environmental impacts were noted. A more global analysis was also conducted on the sensitivity of the surrounding milieu: water, soil, noise, integration into the landscape, etc.

At the same time, an examination of the legal constraints applicable to the site was carried out, and it emerged that approximately 158 provisions of French environmental legislation could concern the site.

Once this work is completed, the management will define the environmental policy for the site, and establish an Environmental Management System (EMS) with several objectives:

- implementation of waste sorting and recycling,
- achievement of water and power savings,
- recycling of swimming pool water to water the parks and gardens,
- connecting the technical workshops to the sanitation networks,
- increasing wooded areas,
- thermal coverage of the 50m swimming pool,
- employee training,
- introduction of procedures.

An audit by a certification organisation is scheduled for the first half of 2009.

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 became involved in 2006 in the development, manufacture and European distribution of electrically-driven vehicles (light electric bicycles and quadricycles). With the launch of STEP (*Système de Transport Électrique de Proximité*), an engine-driven system with an energy yield of 90%, almost double that of a thermal engine, the company has gone straight to the heart of ecological mobility, along three criteria: reliability, silence and respect of the environment. These electric bicycle, people carrier and light utility vehicle solutions change user behaviour and meet the needs of companies, local authorities, administrations and private individuals aware of the issues at stake for the planet.

C-2 COMMITMENTS THROUGHOUT PRODUCT LIFECYCLES

Lagardère's environmental policy illustrates the Group's determination to take into account the impact of its business activities at all stages of product or service lifecycle. Lagardère has introduced environmental concerns into discussions with paper manufacturers and printers, and as part of the same process, also monitors their environmental performance levels.

The commitments, objectives and concrete achievements in terms of the environment therefore concern:

- 1) Responsible paper management in production of the Group's magazines and books.**
- 2) Streamlining the transport of books, magazines and newspapers.**
- 3) Monitoring consumption levels and waste management.**

Some of the information below meets the NRE disclosure requirements concerning the consumption of raw material resources, measures taken to limit damage to biological balance, natural milieus and protected animal and plant species.

C-2-1 *Responsible paper management*

This responsibility is effective from purchase of the paper through to management of returns, via all the manufacturing phases of the books, newspapers and magazines.

Responsible management of supplies

Increasing the supplies of paper originating from certified forests is an objective pursued by the book and magazine publishing sectors.

At Lagardère Publishing, the proportion of paper manufactured with pulp made from wood taken from FSC or PEFC-certified sustainably managed forests has continued to increase, from 35% in 2005 to 50% in 2006, reaching 65% in 2007.

Similarly, 65% of the wood used by Lagardère Active's suppliers comes from certified forests. It is interesting to compare the rates observed in the Group with those of certified forests on a global level (8%) or in Europe (55%).

CERTIFIED FORESTS

FSC (Forest Stewardship Council) forestry certification is a means of guaranteeing that the wood used in paper manufacture comes from responsibly managed forests. It aims to ensure that the manner and intensity of forest use will maintain their biological diversity, capacity for regeneration, vitality and ability to satisfy current and future ecological, economic and social needs that are relevant at local, national and global level. Certification also aims to ensure that the forests do not cause damage to other ecosystems.

The other benchmark forest certification programme is the PEFC (Program for Endorsement of Forest Certification); its endorsement is only authorised on condition that the printer is also certified. Printers who wish to take advantage of this label are inspected by an independent organisation which issues PEFC certification according to criteria concerning the traceability of the primary fibre throughout the paper control chain, from the forester to the printer.

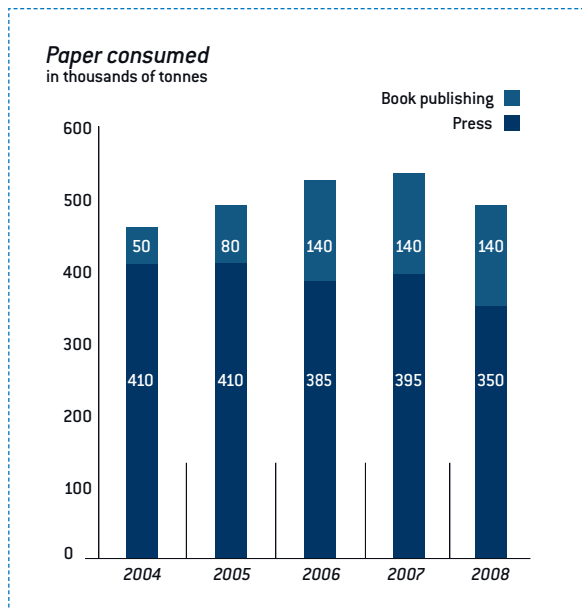
Lagardère Active's main printer, which prints more than 50% of the paper for the magazines, obtained PEFC certification in 2008.

Furthermore, whenever possible the Lagardère Group gives priority to the use of recycled fibres for paper manufacture, in varying proportions depending on the quality of paper and type of printing required. Newsprint, which is a product with a relatively short life cycle, can be manufactured wholly from recycled fibres. *Le Journal du Dimanche*, for example, will be printed on 100% recycled paper starting in 2009.

In the production of magazines and books, however, use of papers incorporating a large proportion of recycled fibres is more difficult, due to considerable disparities in recycled paper's capacity to withstand the thermal and mechanical constraints of industrial printing and, more generally, the intrinsic characteristics of this type of paper (longevity, surface finish, colour). Use of recycled paper thus remains low (approximately 2% in 2008).

Optimising paper use

In 2008, Lagardère Active used 350 thousand tonnes of paper. The decline compared to the tonnage consumed in 2007 can be explained by the deconsolidation of the volumes of newsprint in France for the Daily Regional Press newspapers (*La Provence, Nice/Var Matin*), and the natural erosion of volumes consumed by the magazine press, particularly in the United States, Japan and Europe, a phenomenon that is not offset by the rise in consumption in Russia and China.



The Group has defined a paper management policy for the manufacture of its books, magazines and newspapers, aimed at:

- reducing formats and grammages and converting certain titles to electronic format,
- limiting paper wastage during the manufacturing process,
- improving management of returns.

Reducing formats and grammages and converting certain titles to electronic format

In 2008, the Group's policy for reducing paper consumption in magazine publishing in France focused on the reduction of grammages rather than other techniques. Thanks to the continuous technological progress made by the paper industry, the magazine publishing division aims to use paper with lower grammages whenever quality allows. The grammage of the paper used for printing *Télé 7 Jours*, for instance, was reduced from 52 to 49 grammes between 2006 and 2007. In 2008, the decision was made to reduce it further from 49 to 45 grammes in January 2009. This reduction will bring down paper consumption and weight transported (from the paper mills to the subscriber, via the production/printing and binding processes) by approximately 700 tonnes annually and 30 lorries.

In addition to these efforts, from April 2009 the printing of the *Télé 7 Jours* advertising insert is being brought back to Corbeil in the Paris region from Mulhouse in eastern France, which means that each week, 60 tonnes (or 3,000 tonnes annually in 120 lorries) will no longer have to be transported 450 kilometres.

In total, incorporating the measures taken for 2009, the equivalent of 400 lorries over long distances will no longer be needed, and 900 tonnes of paper will be saved for the same volume of production.

To monitor the results of these policies, the Press division analyses the 'average weight per thousand pages' indicator for a representative sample of titles⁽¹⁾. In 2006, the list of titles in the sample was updated to incorporate changes in the representative value of the titles initially chosen. Based on this new sample of titles, under the combined effects of reducing paper grammages, downsizing formats and converting certain titles to electronic format only, paper consumption was reduced by approximately 1.8% between 2005 and 2007 based on identical print runs.

Because book and magazine readers have different expectations, this policy of smaller formats or reduced grammage cannot easily be applied in book publishing.

Limiting paper wastage during the manufacturing process

Within the Group, production and editorial management teams work in close collaboration with the printers to keep paper wastage to a strict minimum when printing. The rate of wastage corresponds to the percentage of paper lost in the course of the manufacturing process. It is calculated by comparing the quantity of paper used in the printing process with the quantity of paper delivered in the form of books or magazines, as the case may be.

⁽¹⁾ This sample represents almost 2/3 of the quantities of paper used by Hachette Filipacchi Associés, the company which prints the magazines produced in France by Lagardère Active.

These losses are inherent to the manufacturing process, and correspond particularly to paper discarded during the printing phase, when the machines are calibrated : (adjustment of the inks, alignment, etc.), or when the books or magazines are shaped, through trimming in the final formatting of the work, or during binding and assembly. The rate of wastage varies greatly depending on the printing technology used (types of machine, colours) and on the number of books or magazines manufactured (print run).

Action taken by Lagardère Publishing

As part of the policy of optimising paper wastage in the division, the teams at Lagardère Publishing determine the optimal technical choices and precisely calculate the quantity of paper to be allocated to the printer. Reducing wastage is one of the objectives set out in the guidelines and checklists of Lagardère Publishing's Technical departments in France. Outside France, paper consumption is also subject to regular monitoring.

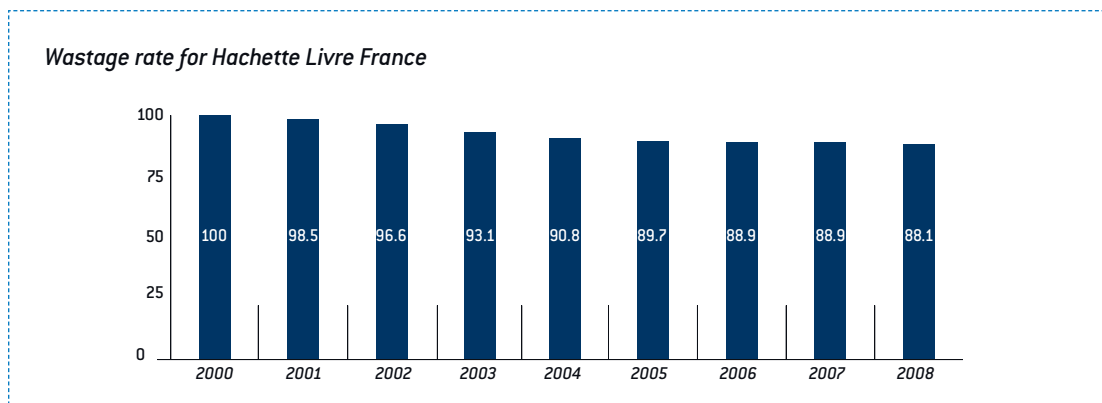
Regular reviews of material consumption and rates of wastage provide a basis for:

- validating selection of printers, printing techniques, types of paper, etc.,
- identification of new technologies that can be used,
- informing the editorial managers of more economical formats, thus allowing them to respond to market demands in the best possible conditions.

For France, an examination of changes in the global wastage rate shows the gains obtained by systematic tracking of paper consumption and the choice of more efficient means of printing.

The rate of paper wastage during manufacture had already been reduced by more than 11% between 2000 and 2007 at Lagardère Publishing in France, and the action undertaken in 2008 made it possible to continue the improvements achieved over the past seven years and achieve a reduction of almost 12%. This represents a decrease in paper wastage of several thousand tonnes a year compared to the situation in 2000, despite the reduction in average print runs designed to lower the number of unsold copies.

Outside France, this wastage rate indicator has not yet been consolidated via an information system.



The downward trend in book print runs could have an unfavourable impact on the rate of paper wastage, by increasing the calibrations required, but conversely, it is expected to have a favourable impact on the rate of returns, by limiting the initial number of copies printed. In response to these issues, whenever possible, Lagardère Publishing uses digital printing methods for small print runs to eliminate wastage during calibration.

Action taken by Lagardère Active

As part of its policy to limit the rate of paper wastage, Lagardère Active has taken a certain number of measures. For example:

improving the rate of wastage, for the Production and Procurement Divisions of the Press sector in France, is a key factor in negotiations with the printers;

for each magazine print run, in order to keep the rate of wastage to a minimum during the printing phase, the Press division determines the optimal choice of techniques and calculates the number of copies to be printed depending on sales statistics. On the basis of this data, precise print run instructions are given to the printer. A major success factor in this paper waste limiting policy is extensive printing press control procedures and optimisation of machine calibration (inking, size of paper cuts, unwrapping the paper reels on the unwinders, etc.);

Lagardère Active performs regular monitoring of consumption and new technical possibilities in order to provide editorial management with format optimisations, thus enabling them to meet market demands in the best possible conditions.

These measures have successfully reduced the global rate of wastage from magazine manufacture in France by more than 11.4% over the past seven years.

In 2008, Lagardère Active achieved a reduction of some 2% in the wastage rate on the three titles acquired in 2008: *Psychologies*, *Art & Décoration* and *Maison & Travaux*, representing 100 tonnes of paper saved, and a further 0.3% reduction in the wastage rate for the printing of *Télé 7 jours*, the equivalent of 80 tonnes of paper saved.

Improving management of returns

The Group operates a two-level policy regarding returns:

upstream, effective management of the rate of returns can reduce the number of copies manufactured, thereby reducing the consumption of paper and the number of copies to be destroyed;

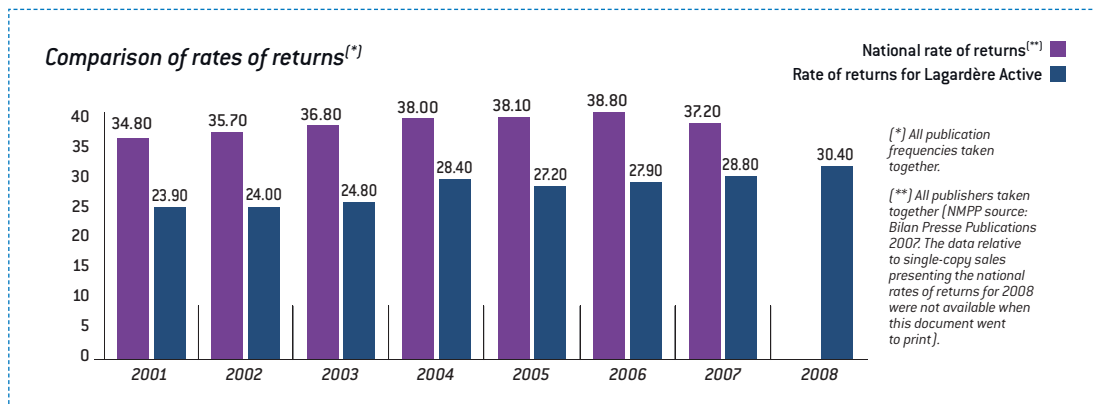
downstream, as copies returned are composed principally of paper, they should be suitable for reprocessing or recycling.

The Group's prevention policy

Proper adjustment of its returns is considered very important by Lagardère Active. The management of sales and, consequently, of returns depends on how newspaper and magazine distribution is organised in each country. The action and performance levels of the Press division in France must therefore be analysed in view of the specific characteristics of each system.

Optimising the adjustment (allocation of quantities of magazines to the sales outlets) in order to reduce the number of unsold copies is also central to Lagardère Services' distribution strategy.

To improve the management of returns, which are an inherent part of the sale-per-copy system, the French Press division makes regular adjustments to the volumes printed and delivered by means of specialised software used by the Sales Directors. Through these operations, the Press division in France (the location for half of its sales) has achieved rates of return well below national rates for more than five years.



A comparison of the average rate of returns for each of the titles published by the division with the national rates of returns in the relevant press group or sub-group⁽¹⁾ shows that over the past five years and for more than three quarters of titles, the adjustments operated by Lagardère Active achieved average rates of returns that were significantly lower than the national average in their category. For the period from October 2007 to September 2008, almost 81.5% of the French Press division's publications had rates of returns lower than the national average in their category.

For books, it is much more difficult to adjust quantities to be printed and delivered: each work is completely new and there is no reference base for estimating the number of copies which will be sold.

An awareness-raising programme for Lagardère Publishing's publishers on the issues of optimising print runs was nonetheless implemented in 2007 and continued in 2008. A training session on flow management (prints-reprints) is also planned, to take place at a Hachette seminar in 2009.

[1] NMPP source: NMPP survey November 2008. Rates of returns for sale-per-copy vary significantly depending on the press group or sub-group.

For example, the national rates of returns for the period between October 2007 and September 2008 were:

- 36.7% for the news and current affairs press,
- 24.9% for women's weekly magazines,
- 52.5% for the "Home" category,
- 32.0% for the "automobile" category,
- 19.5% for television magazines,
- 59.6% for "parenting" magazines.

The division's publishers must balance three factors, (the cost of an extra thousand, the estimated rate of sale of the new copies or reprints, and the time required for reprinting), and continuously strive to optimise work flows.

Recycling of returns

In the press returns processing cycle, the press distributors collect the returns from the points of sale. Some publishers reclaim some or all of their returns, and the remaining unsold copies are destroyed. In France, on average, 90% of the returns generated by the press distribution system for newsstand sales are destroyed, and the remaining 10% are returned to the publishers at their request. Outside France, 100% of the unsold copies not returned to the publishers by Lagard•re Services distribution companies are recycled.

The express service company NMPP (the principal distributor for the Group's titles) hands over returns to collection firms throughout France, which undertake to recycle them.

The Group implements the same policy for processing returns outside France: the subsidiaries of Lagard•re Services who work in non-French press distribution businesses send all returns to recycling companies for destruction. In 2007, these unsold copies represented an annual volume of 90,330 tonnes: 28,006 tonnes for SGEL, 15,231 tonnes for Lapker, 39,424 tonnes for AMP and 7,669 tonnes for Naville.

C-2-2 *Streamlining the transport of books, magazines and newspapers*

CO₂ emissions generated by transport activities contribute to global warming.

The Lagard•re Group's policy includes discussion with subcontractors on how to reduce the environmental impact of transport for its books, magazines and newspapers, while at the same time meeting customers' demands in terms of deadlines. The Group directly influences the transport operations it manages, particularly through its activities as a wholesale distributor.

Rationalisation of transport during magazine manufacturing

The French Press division has defined a policy to rationalise the magazine production transport chain, with a view to reducing its economic and environmental impact.

Under this policy, the Press division requires that all its printers directly store the paper to be used in the manufacturing process rather than making use of a dedicated warehouse. This avoids the need to transport reels of paper between the storage warehouses and the printing workshops. The Press division also conducts regular discussions with subcontractors (particularly printers, express delivery services and the national post office) concerning rationalisation of the transport chain related to printing, binding, dispatching and distribution activities. For instance, one of the stated objectives is to concentrate a maximum number of magazine manufacturing operations on the same site, to limit the transport required between subcontractors.

Furthermore, as mentioned above in relation to the reduction of grammages, this leads to a reduction in the weight of paper to be transported, generating a considerable saving in the number of lorries required and therefore kilometres covered in the course of 2008. This trend should be significantly amplified in 2009.

Rationalisation of transport during distribution

A rigorous transport optimisation policy aimed at reducing the number of delivery rounds, and therefore the kilometres covered, has been implemented both in and outside France.

In France, in compliance with the regulations governing the magazine print media distribution system (the Bichet law), magazines are distributed either by the publisher, or by the express delivery cooperatives (Nouvelles Messageries de la Presse Parisienne or NMPP, Transport Presse, MLP). The significant reduction in the number of newsagents, the diversification of print media products and the drive to optimise costs all led NMPP (the principal distributor of the Group's magazines in France) to reform its distribution logistics a few years ago. This reorganisation made it possible to reduce the number of kilometres covered, thereby reducing fuel consumption and wear on vehicles. NMPP intends to repeat this optimisation process regularly.

Similarly, Lagard•re 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.

Outside France, although newspaper and magazine distribution is specific to each country, the Lagard•re Group is actively involved in setting up a common approach to transport rationalisation. Certain Group subsidiaries act as wholesale press distributors (particularly SGEL in Spain, AMP in Belgium, Lapker in Hungary and Naville in Switzerland), and Lagard•re Services regularly conducts studies to optimise delivery rounds. These optimisation studies have made it possible to reduce the number of kilometres covered. Their continued application is necessary: this ensures that all sales outlets can be supplied on time, with no significant variances from the optimum figures for kilometres covered and minimum transport time, even though the external environment is constantly changing.

TRANSPORT IS A MAJOR CONCERN FOR LAGARDÈRE SERVICES

The four principal wholesale distribution companies (MPA, SGEL, Lapker and Naville) together cover some 50 million kilometres a year to transport magazines from the printers to the sales outlets, mainly in lorries and vans.

Our companies are constantly striving to reduce the number of kilometres covered, through three types of action:

Optimisation of the delivery rounds to sales outlets from regional distribution centres (tertiary transport): specific software programmes have been developed to draw up the best possible delivery schedules, taking into account the many constraints involved (opening hours, weight, stoppage time, average speed, etc.). Reductions in the number of kilometres of up to 10% have been achieved in this way.

Optimisation of the lorry load rate: centralisation of flows is used to reduce the number of lorries required for primary transport (from the printer to the national distribution centre) and secondary transport (from the national distribution centre to the regional distribution centre).

Optimisation of processing centre location: this also results in a reduction in the number of kilometres for secondary transport.

This work, by its very nature, requires repeated, continual application – the parameters vary constantly over time – and is absolutely necessary in order to keep Lagardère Services' carbon footprint to a minimum.

Frédéric Chevalier, Director of Strategy, Innovation and Sustainable Development - Lagardère Services

C-3 REDUCING CONSUMPTION LEVELS AND REVIEWING WASTE MANAGEMENT

The sites occupied by the Group's companies consume power and water and generate waste; some of Lagardère's campaigns are aimed at controlling the impacts these sites have on the environment.

Monitoring the Group's consumption

The information contained in this section meets the NRE disclosure requirements concerning water and power consumption, the measures taken to improve energy efficiency and the use made of renewable energy sources.

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

The data below for 2008 covers 100% of Lagardère's consolidated subsidiaries, totalling almost 550 companies.

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 has not been taken into account: the relevant data is entered once only, by the business unit that receives the invoice from the service company.

These units are distributed as follows:

- for Lagardère Services _____ on 18 sites
- for Lagardère Publishing _____ on 23 sites
- for Lagardère Active _____ on 27 sites
- for Lagardère Sports _____ on 1 site
- for Lagardère Ressources _____ on 2 sites
- for Other Activities _____ on 5 sites

In 2008, the total electricity, gas, oil and water consumed by the Group amounted to approximately 183 GWh, 55.4 GWh, 2.4 million litres of oil and 700,934 m³ of water respectively.

The notable increase in water consumption from 2007 can be explained by the integration of Lagardère Paris Racing into the reporting scope.

		Lagardère Distribution	Lagardère Publishing	Lagardère Active	Lagardère Sports	Other Activities	Total
Electricity (KWh)	2007	117,413,576	39,981,922	62,970,027	787,500	4,544,042	225,697,067
	2008	92,223,016	42,758,875	41,269,705	514,536	6,140,698	182,906,830
Gas (KWh)	2007	20,533,435	22,623,687	5,804,301	NA	4,178,063	53,139,486
	2008	18,725,738	25,233,397	3,035,398	NA	8,419,294	55,413,827
Oil (litres)	2007	1,328,664	714,817	455,500	NA	22,738	2,521,719
	2008	1,341,838	692,674	405,239	NA	1,336	2,441,087
Water (m ³)	2007	405,239	91,160	86,161	3,750	5,559	591,869
	2008	377,632	71,202	61,491	NA	190,609	700,934

For 2008, the CO₂ emissions associated with the energy consumption levels presented above are the following⁽¹⁾:

		Lagardère Distribution	Lagardère Publishing	Lagardère Active	Lagardère Sports	Other Activities	Total
CO ₂ emissions in 2008	CO ₂ from electricity (t)	32,554	15,003	14,582	181	2,334	64,654
	CO ₂ from gas (t)	3,467	4,672	562	NA	42	8,743
	CO ₂ from oil (t)	3,549	1,832	1,072	NA	1,559	8,012
	Total	39,570	21,507	16,216	181	3,935	81,409
Green energy (KWh)	2007	398,897	2,290,539	1,685,000	744,000	462,200	5,580,636
	2008	368,265	2,480,844	1,958,000	NA	2,475,100	7,282,209

The Group's consumption of energy generated by recycling of domestic waste and/or combined heat and power production (cogeneration) (Green energy table) amounted to almost 7.2 GWh in 2008 (5.6 GWh in 2007). This increase can be explained by the integration of Lagardère Paris Racing.

As part of a **process of using renewable energy sources**, the premises housing the head offices of the French Press division and Lagardère Publishing, among the largest in the Group, are heated by Compagnie Parisienne de Chauffage Urbain (CPCU). 75% of the energy supplied by CPCU is produced through procedures that respect the environment: recycling of domestic waste and cogeneration, which are among the procedures that respect the environment most. Hachette Livre's guidelines for heating and air-conditioning its Paris headquarters have been reviewed in order to reduce energy consumption. The programming of air conditioning units has also been adjusted to reduce water consumption.

Given the concern to reduce and/or optimise energy consumption, a global approach to Controlling Energy Expenditure (CEE) 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.

An example of this is the reduction of energy consumption at sales outlets through the implementation of a certain number of measures by Relais H and Aelia.

⁽¹⁾ The sources of the data used in the calculations are the following:

- International Energy Agency Data Services, 2006. "CO₂ Emissions from Fuel Combustion (2006 Edition)" for electricity emission factors.
- Decree dated 28 July 2005 relative to the verification and quantification of emissions declared within the framework of the greenhouse gas emissions quota exchange system (0.185t CO₂/MWh Higherheating value) and oil (3.15 t CO₂/t oil).

In 2008, initiatives continued to design the most eco-efficient Relay stores possible, in particular reducing energy consumption, in three ways:

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

Waste management

Information regarding this issue meets the NRE disclosure requirements concerning 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
- reduce volumes and management costs, where possible.

As an example of this, as part of its environmental policy, Relais H has implemented a number of operations to handle the waste it produces: it reprocesses all items suitable for reuse in the network, in particular, certain items of metal furniture. In addition, since the end of 2006, Relais H has been giving out biodegradable carrier bags (excluding bags with an advertising message) made of cornstarch. This is a considerable environmental advance, since an average of more than 12 million bags of this kind are handed out to consumers each year.

At Hachette Books Group, Green Teams exist, set up to suggest local initiatives to reduce energy consumption or the production of waste.

At Hachette Livre in France, the contents of office wastepaper baskets is retrieved by a specialist company (*La Corbeille Bleue*) which processes and recycles waste. PCs, printers and computer screens from head office and the French subsidiaries are recovered by a company called *Atelier Bocage*, a subsidiary of the NGO Emmaüs, which recycles them.

Lastly, at Lagardère Ressources in Paris, a programme of Sustainable Development initiatives (waste sorting, insulation, energy savings, etc.) has been instigated.

5-3-2 LAGARDERE, A MEDIA CORPORATION ENGAGED IN RESPONSIBLE CITIZENSHIP

Beyond compliance with the NRE provisions, which principally concern companies' internal operations, Lagardère is aware of the particular responsibility it has as a media corporation. It knows that the messages and information conveyed through its magazines, books, audiovisual productions, radio and television channels and websites have a strong intangible impact on society as a whole. Given this responsibility, the Lagardère Group is committed to creating cultural and social bonds, promoting the values of Sustainable Development and harmonising digital innovation with ecological concerns.

5-3-2-1 COMMITMENT TO CREATING SOCIAL AND CULTURAL BONDS

The business activities of Lagardère constitute an essential vehicle for conveying ideas and cultural diversity. Given its extremely diverse customer base, Lagardère SCA's principal commitment is to propose **responsible editorial contents** that satisfy society's expectations. The Group takes care to ensure that this content is also accessible to all audiences and that readers, listeners, viewers and web surfers can interact with the content producers.

Over and above this commitment, the Group intends to play an active role in advancing all debates on the constantly changing world of the media.

Finally, 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.

This aim is principally reflected in the work of the Jean-Luc Lagardère Foundation, Lagardère Paris Racing and TeamLagardère, but also through campaigns conducted by the Group's divisions.

A) COMMITMENT TO THE CUSTOMER: PROVIDING RESPONSIBLE CONTENT

As a global media player intent on satisfying expectations and curiosity, Lagard•re strives to **provide the public with a wide variety of contents** (political, historical, sports, environmental and social, etc.) **through various modes of production, distribution and consumption** (books, magazines, newspapers, websites, television channels, radio stations and production companies), **thereby facilitating access to culture and promoting diversity in opinions and ideas at a national and international level.**

The companies in the Lagard•re Active division are engaged in promoting responsible broadcasting: programmes are pre-viewed and articles to be published are re-read, providing vital security in a field where consideration for audience sensitivity, particularly towards younger audiences, is essential.

A-1 DIVERSITY OF CONTENTS AND MEDIA

The Group's aim as a global player in the media is to provide its listeners, viewers, web surfers and readers with contents that meet their expectations in terms of quality and diversity.

Lagard•re Services, which runs an international network of almost 4,000 cultural product outlets, manages the promotion and distribution of newspapers and magazines in more than 20 countries.

Lagard•re Active's Audiovisual segment offers the public access to a variety of cultural contents:

Europe 1 was positioned in 2008 as a general interest, popular radio station, built around rigorous newscasting with considerable airtime for news events and discussions. A new radio station entirely dedicated to sport, Europe 1 sport, was added to Lagard•re Active's family of stations in 2008.

The Group's music radio stations (Virgin Radio and RFM in France and 23 mainly music radio stations outside France) and music TV channels promote diversity of artistic expression by broadcasting contents from a wide variety of different musical genres.

The Youth channels provide a wide range of genres (animation, drama, documentaries, etc.) in their programme grids. But each channel has its own distinctive identity: comedy on Canal J, early learning and discovery on Tiji, understanding others and culture on Gulli and entertainment on Filles TV.

The Group's Audiovisual production and distribution companies supply television channels with programme archives (drama, documentaries, animation) and programmes for immediate broadcast (features, light entertainment, prime-time). Their rich catalogue, comprising a total of approximately 14,000 hours of viewing, is composed of an extensive range of diverse editorial contents.

Lagard•re Publishing's historic vocation is to publish, sell and distribute high-quality innovative books which meet readers' expectations in terms of knowledge, culture and entertainment.

With almost 240 titles published worldwide, the International Press division covers a wide range of press publications. Lagard•re Active added new subject areas to its palette in 2008 with the acquisition of *Psychologies Magazine*, *Maison & Travaux* and *Art & Décoration*.

Lastly, the autonomy and independence of the publishing houses at Lagard•re Publishing and Lagard•re Active contribute to the extensive range of editorial contents these two divisions produce.

A-2 VIGILANCE WITH RESPECT TO ADVERTISING

Advertising regulations in France became stricter in April 2008 when a charter of commitments and objectives for eco-responsible advertising was signed with the Ecology Ministry and the advertising regulation authority ARPP.

From now on, any advertisements that use a primary or secondary claim, indication or presentation, in any form whatsoever (...) that establishes a link between the brands, products, services or actions of an advertiser and respect of the environment, must be submitted for prior verification by ARPP before distribution. Out of a concern to respect this regulatory procedure, Lagard•re Publicité systematically consults ARPP before broadcasting any national campaign that involves such arguments.

In general terms, Lagard•re Publicité is committed to self-regulation of the advertising it sells. It makes sure that regulations are respected in terms of advertising, with the support of Lagard•re Active's Legal Division, which is in regular contact with the advertising brokers to provide advice (particularly concerning the domains of advertising that are subject to regulation).

In the same way, the Legal Division of Lagard•re Active answers any specific questions from operational staff about the content of the advertising messages broadcast on all media (television, radio, magazine press and the Internet).

Each Chief Editor of a publication and Head of a television channel is responsible for questions of editorial ethics, in compliance with the regulations in force. All advertisements in sectors subject to regulation are systematically submitted to the Legal Division for approval.

A-3 CHILD PROTECTION

The Group's broadcasters make sure that the legislation and regulations in force are respected, as are the conventions signed with the French broadcasting authority (*Conseil supérieur de l'audiovisuel* - CSA). The Group's television channels are rigorous in applying the provisions of the CSA concerning the protection of minors.

Each of the Group's channels has signed a convention with the CSA stipulating the permitted broadcasting times of programmes depending on their classification.

Certain programmes are also broadcast to inform and protect minors.

The Youth channels are particularly attentive to journalism ethics and child protection, due to the age of the target audience.

Gulli and Tiji have set up an ethics committee of experts and child specialists qualified to give an opinion on the channels' editorial lines and choices. Gulli has also set up a Gulli Observatory, intended to monitor the relationship between children and the screen, and in January 2008 organised a conference on the subject entitled *Children and screens, who's consuming who?*

Also, the Gullibox, launched by the channel in July 2008, has a twin parental control function.

In all the programmes broadcast, the Management of the music radio stations monitors application of the principles of respect for the individual and protection of children and young people. It is particularly attentive to preventing unplanned events or statements that could be disturbing for young listeners.

The radio stations and advertising brokerage companies also intervene in favour of child protection by broadcasting advertisements and placing advertising banners for French children's charities.

On the Doctissimo website, a moderator's position dedicated to the protection of minors was created in 2007.

Lastly, Lagardère Services expressed its desire to contribute to the protection of youth, as it has for a number of years, through the Relay store network's support of a number of child protection organisations (Unicef, Caritas, the Red Cross, etc.) in some ten countries simultaneously in 2008.

A-4 ETHICS IN THE EDITORIAL PROFESSIONS AND JOURNALISM

In the French Press division, an ethics charter (see B-2) is given to journalists when they join the Group. This charter contains a detailed definition of the code of conduct applicable to journalists in all the editorial sections. The charter also defends self-regulation by the profession, and speaks out against threats of press censorship.

In the Audiovisual business, the General Management of the Europe 1 news and current affairs radio station is particularly attentive to application of the code of ethics for journalism, which guarantees the credibility of the company, as any infringement could severely jeopardise its business operations. The same vigilance is exercised by the General Management of the music radio stations, with regard to the Chief Editors of these radio stations.

Similarly, the production companies are attentive to the code of ethics for journalists right from the recruitment stage, making sure new recruits possess a press card or a diploma guaranteeing an ethical approach to the profession. In television, producers' editorial choices are approved by the channels prior to broadcast, and audiovisual production companies are bound by contractual rules of ethics imposed by the CSA and the broadcasters.

A-5 CONTENT ACCESSIBILITY

Lagardère Active is particularly attentive to the need to provide access to audiovisual contents for people who are deaf or hard of hearing.

Télé 7 Jours and *TV Hebdo* are campaigning to make television programmes accessible to the deaf or hard of hearing: these magazines have raised these issues with the channels and have also created signing to show the deaf and hard of hearing which programmes carry subtitles.

The channels in the Group's Television division implement subtitles under agreements with the CSA.

A-6 FOCUS ON OUR CUSTOMERS

Being attentive to the Group's television viewers, listeners, readers, web surfers and customers is a prerequisite for providing them with editorial contents that match their expectations. For this reason, the Group listens carefully to its customers' opinions.

In France, the Relay sales outlets provide a freephone number for customer complaints, suggestions and remarks, and Relais H conducts regular customer opinion surveys. Focus groups are also organised, bringing together consumers for a better grasp of their expectations in different situations, for example in the metro.

The majority of Lagardère Active's subsidiaries have set up their own customer relations system: in the past, this took the form of readers' letters pages but more recently, blogs and forums have been set up.

The Group's radio stations and television channels also refer to the audience ratings compiled by Médiamétrie to measure the satisfaction of their listeners and viewers.

The websites (Doctissimo, Psychologies, Versions Femina, etc.) are also excellent communication channels. The Doctissimo forum, which is now the leading French-language forum with 150,000 messages posted each day, is a place to exchange opinions, share knowledge, support and mutual assistance.

B) COMMITMENT TO THE WORLD OF THE MEDIA: AN INFLUENTIAL SECTOR PLAYER

B-1 INVOLVEMENT IN UNION ORGANISATIONS AND THE MAJOR DEBATES ON THE SECTOR

The Group belongs to a large number of representative bodies in the media (press and book publishing unions), and actively participates in this capacity in negotiations between management structures and employee representative bodies in France.

Major reforms were instigated in the media sector in 2008, with a view to implementation in 2009. Lagardère Active took part in the discussions prior to implementation of these reforms by the public authorities and members of the profession.

The *États Généraux de la Presse Écrite* – the consultation held by the French government about the future of the written press – saw four months of wide-ranging, in-depth discussions on the conditions for a return to growth by the French press sector, and developing a shared awareness of the urgent need for reforms. Lagardère Active was actively engaged in this work, contributing to the exchange of ideas through written papers and contributions from its divisional representatives.

B-2 DEFENDING PRESS FREEDOM

With business activities generally focused on editorial content publishing, Lagardère attaches particular importance to the freedom of the press and is actively involved in the combat for the right to inform and be informed.

In 2008, according to Reporters Sans Frontières (RSF), 60 journalists were killed and 139 imprisoned across the world.

At Lagardère Services, for almost ten years the Relay chain in France has supported Reporters Sans Frontières (RSF) by selling the Association's annual photograph book in its stores, and transferring the proceeds entirely to the Association.

Other subsidiaries of the Group also support RSF: through donations, by allowing the use of their distribution network for promotion of the Association's work, or by allocating free advertising space.

Lagardère's work in favour of press freedom also includes an involvement in organisations such as Presse-Liberté, set up to defend and promote the freedom of the press. Another example is its partnership with *Visa pour l'image*, the international festival of photo journalism in Perpignan, which held its 20th edition in 2008.

B-3 PROMOTING YOUNG TALENTS IN THE WORLD OF THE PRESS

The *Bourse des Talents* (Talent Bursaries) (see below) are awarded each year by the Jean-Luc Lagardère Foundation to young talents in the world of the press. This concerns three of the ten bursaries awarded by the Foundation, respectively for written press journalist, photographer, and documentary filmmaker.

In 2008, the Elle Foundation (see below) struck up a partnership with the Jean-Luc Lagardère Foundation. At the Talent Bursaries evening in December 2008, the editor of *Elle* awarded three young winners Anna Politkovskaya bursaries, named after the Russian journalist assassinated in 2006. The aim of this cooperation is to enable young women who live in countries where it is difficult to exercise the profession of journalist to come and study at the Paris journalism school CFJ (*Centre de Formation des Journalistes*).

Within the Group's divisions, promotion of talent is also a constant value. The annual *Bourse Lauga* prize was awarded by Europe 1 in 2008 to a student journalist, who won a three-month placement in the radio station's newsroom.

C) COMMITMENT TO SOCIETY: STRONGER ENGAGEMENT LARGELY EMBODIED BY THE JEAN-LUC LAGARDÈRE FOUNDATION

The **Jean-Luc Lagardère Foundation** exists to implement the Group's commitment in the fields of culture and sport; its ambitions are to boost confidence, promote excellence and foster social cohesion.

But the Group is also engaged through its different subsidiaries (sometimes in partnership with the Foundation, sometimes independently) which are involved in sponsorship for a large number of cultural and sports events each year.

The *Les Femmes Version Fémina* prize, for example, in partnership with Crédit Mutuel, is awarded every year to three unelected women who campaign at local level in France for the environment, solidarity, education or protection of the cultural heritage. The magazine *Paris Match* sponsors dozens of cultural events (exhibitions, operas, films, and festivals).

At Lagardère Sports, World Sport Group contributes to the Lebanese Education Fund. The Catella Swedish Open Tennis Tournament organised by PR Event is involved in cancer work, by fundraising during the tournament, and also contributes to a child protection programme through the organisation of a junior tennis tournament. Participants in Upsolut competitions are invited to make donations in favour of aid and education for children in Germany.

The Group's companies also provide support to a certain number of charitable organisations, with a social or humanitarian mission, in the form of:

- financial support (in 2008, the Group and its subsidiaries donated almost three million euros to various charities),
- resources (through donations of advertising space in magazines, or advertising airtime on radio stations and television channels and through the Group's advertising brokers in France and abroad), and
- donations of CDs and DVDs to the communications departments of several large hospitals and associations working with children in hospital.

The Group's commitment is also reflected in the actions of employees who, with the support of management, contribute to social re-integration projects, or action to help people in need.

Our commitment to women

Promoting the education, training and emancipation of girls and women all over the world is one of the objectives pursued by the Group, both through the editorial contents it produces and the events and partnerships it creates.

THE ELLE FOUNDATION

Created in December 2004, the Elle Foundation is an extension of the original idea behind the magazine: "To support the advancement, the emancipation and the role of women in our society". It is simple and enlightening fact that of every 100 children who do not attend school in developing countries, 60 are girls. The Foundation supports innovative, sustainable initiatives promoting education for girls, social integration of women with no qualifications through vocational training, and bursaries for higher education for young women in difficult financial situations. In 2008, six new projects were initiated: one in France, in partnership with the *Maison des journalistes*, to help three journalists who are political refugees enter the French job market and live outside France, in Chechnya, Palestine, China, India and Kenya. A programme in Algeria was also extended.

C-1 COMMITMENT TO CULTURE

Artistic creation

Every year since 1989 the **Jean-Luc Lagardère Foundation** has awarded Talent Bursaries to young talents in the world of culture and the media. To date, 166 winners in the categories of author, bookseller, press journalist, photographer, television script writer, film producer, musician, digital designer, animator and documentary filmmaker have received €3,865,000, of which €285,000 were awarded in 2008.

From July to December 2008, the Jean-Luc Lagardère Foundation actively supported the European Cultural Season, organised under the auspices of Culture France during the French presidency of the European Union by the Foreign Affairs and Culture Ministers.

But it also reaffirmed its commitment to spotlighting new artists and making cultural products available to the widest possible audience, by extending its cultural sponsorship for projects such as the *Marathon des Mots* (Word marathon) and the Europavox Festival.

While there was a particularly strong European favour in 2008, the Foundation also continued to contribute to the international influence of French culture outside Europe.

Regarding the promotion of young cultural and sporting talents to foster social cohesion, the Lagardère Group, via the Jean-Luc Lagardère Foundation, undertook a new initiative in 2008 alongside the Ministry for Urban development and other companies. The operation, called *Passerelle vers l'excellence* (Gateways to excellence), concerns young people from sensitive urban areas who have a passion for sports or music.

The Television division's musical channels have implemented new talent quotas via an agreement signed with the CSA.

Lastly, on the Internet, the website *Fluctuat.net*, which the Group acquired along with Doctissimo, also strives to promote emerging talents, in particular as partner of the *Exprim* collection at Sarbacane whose aim is to promote young talents from suburban areas who carry on the tradition of oral literature and story-telling.

“Alternative” education

In 2008, the Jean-Luc Lagardère Foundation continued to contribute to the educational experiment conducted by the prestigious Institut d'études Politiques de Paris (Sciences Po) in five high schools in the underprivileged Seine-Saint-Denis *département*. This operation aims to test new teaching methods and place greater importance on sport and culture to counteract academic failure. The Foundation, which grants an annual subsidy, has created workshops for music, drama, digital creation and sport, run by the winners of the Talent Bursaries and experts from TeamLagardère. In 2008 for example, one of the winners of the Digital Creation Talent Bursaries, a specialist in video games, organised a workshop on mobile phones.

Another partnership links the Lagardère Group to Sciences Po, via the Foundation, TeamLagardère and Lagardère Paris Racing for a continuous training programme which enables young high-level athletes to pursue academic training in parallel to their sports training, to prepare for their future career transition. Launched in 2007 with 18 students, the programme continued in 2008 with the arrival of eight new athletes.

The training is appropriate to the rhythm and constraints of their sports career, with a foundation in general education and a choice of four specialisations: business, the media, voluntary organisations and international relations.

Promoting reading

Lagardère Publishing makes a broad contribution to various activities for promoting reading across all the continents: literary competitions and prizes, reading and writing workshops, donations of books to vulnerable audiences, combating censorship, etc.

Among the new actions introduced in 2008, the most significant event was certainly the operation launched by Hachette Livre International, thanks to the Jean-Luc Lagardère Foundation, to donate 100,000 copies of a new edition of the French dictionary *Dictionnaire Universel Francophone* for teachers in Madagascar, Benin, Burundi and Haiti in order to strengthen their usage and teaching of French.

Support for research

Principally oriented towards the digital field and more broadly towards innovation, the Foundation's actions in support of research, which help to reduce the digital divide, will be detailed in the last section of this chapter (see 5-3-2-2 - B-2).

C-2 COMMITMENT IN THE WORLD OF SPORT

In terms of sport, the Lagardère Group has two ambitions:

- 1) To make sport the best route to culture and knowledge, by developing its educational and citizenship dimensions.
- 2) To provide high-level athletes with the means to advance, promote their standing in society and broaden their career transition opportunities when they retire.

In addition to the operations Lagardère conducts directly, which are described below, Lagardère's subsidiaries are involved in a number of partnerships and sponsorships; in particular, the Group's radio stations and television channels enter into a large number of partnerships with sports federations each year through the events they organise.

Sport, a pathway to culture and knowledge

In 2008, a number of programmes focusing on sport and social cohesion were developed by the Jean-Luc Lagardère Foundation. Among them, the Foundation strengthened its support to organisations such as:

Ping Attitude (run by Jean-Philippe Gatien).

Fête le Mur (run by Yannick Noah).

Rugby Spirit 93 in collaboration with the Centre National des Sports de la Défense (CNSD) sports centre and the prestigious Sciences Po political science school. This is a weekly sports workshop for high school pupils in Seine-Saint-Denis, run by trainers from the Ministry of Defence.

Boxing Beats in Aubervilliers, north of Paris, which combines sport and help with homework, and uses slam poetry to encourage young boxers to express themselves and find their place in society.

The Foundation also gave support in 2008 to the Fédération Française du Sport Adapté (FFSA, an organisation promoting sports for the mentally-handicapped), by sponsoring the fashion show *À chacun son défilé*, an evening event during which twenty models, all FFSA members, took to the catwalk to present a collection of garments specially designed for mentally-handicapped people.

Support for high-level athletes

TeamLagardère: a training centre for high-level athletes combined with a sport research centre.

Founded in May 2005, TeamLagardère is in charge of an ambitious, innovative programme designed to favour high-level sports training. On a single site, the centre combines human skills and modern equipment for sports, research and medicine, in order to optimise a professional, rigorous approach to training and international competition.

All its teams work on the site of the **Paris Jean-Bouin Sports Club**⁽¹⁾ where they have developed a modern technical platform comprising training rooms and evaluation rooms, finalised in 2008.

TeamLagardère has adopted a Code of Conduct, which stipulates in its introduction that the company's prime objective is to promote sports and place human, material and financial resources at the service of sport. It is determined to pursue this objective while respecting the essential values of honesty, striving for excellence and recognition of the rewards of effort, and respect of physical integrity. Within the framework of this charter, TeamLagardère has deployed exemplary biological monitoring with the twofold aim of combating the use of performance-enhancing drugs and optimising training schedules to avoid overtraining.

In 2008, famous professional tennis players benefited from TeamLagardère's support and expertise, such as Richard Gasquet, Michaël Llodra, Paul-Henri Mathieu, Julien Benneteau, Nicolas Mahut, Aliz Cornet and Michaël Jeremiasz. All obtained their best ranking while with TeamLagardère. Particularly noteworthy was Aliz Cornet's progression from 300th position worldwide when she joined Team Lagardère to 16th position and the status of no.1 in France, and also Michael Jeremiasz's gold medal in the doubles at the Paralympic games in Beijing. TeamLagardère also supported a professional athletics group, including Martial Mbandjock who achieved the best French performance of the year in the 100m (10.06 sec) and Arnaud Assoumani, who won the gold medal for the long jump at the Paralympic games in Beijing.

In addition to these achievements, TeamLagardère extended its activities to include other disciplines, with priority for high-level athletes from the Lagardère Paris Racing club. In particular, it provided training and coaching in preparation for the Beijing Olympics for Laura Flessel (fencing) and Lucie Decosse (Judo).

In the course of the year, TeamLagardère's sponsors' circle *Club des Partenaires* also evolved. It now has three official sponsors: Sony, Lacoste and BMW, and the following companies as technical suppliers: Amer Sports France (Suunto), Babolat, Zimmer MedizinSysteme and Matsport.

Finally, TeamLagardère's scientific expertise centre initiated a research and development project with EADS, Lyons 1 University, Compiègne University of Technology and IMASSA (the Ministry of Defence) for the development of technological tools to promote sports performance and sport for health. These scientific programmes, and all the expert activities developed at TeamLagardère, show real market potential.

Lagardère Paris Racing Sports Club

On 1 September 2006, the Group was awarded the occupation and operating rights for La Croix Catelan sports centre, in compliance with the 20-year concession agreement signed with the City of Paris on 20 July 2006. La Croix Catelan sports centre was formerly operated by the non-profit organisation Racing Club de France (RCF).

In September 2006, the Group initially signed an agreement with RCF for the purpose of transferring the tennis and modern olympic decathlon activities attached to the La Croix Catelan sports centre.

At the end of 2006, in a second phase, the Group and RCF together drew up the general transfer rules applicable, from 1 January 2007, to RCF's other sports activities. At the same time, a 20-year lease running from 1 January 2007 was signed with RCF for the building housing the sports centre in Rue Eblé in Paris, where these activities mainly take place.

To oversee the integration of the La Croix Catelan and Rue Eblé sports centres, the Group founded a professional sports limited company (SASP) in 2006. This company is the holder of the occupation rights to the two centres, which it manages.

Also in 2006, the Group set up a non-profit organisation called Lagardère Paris Racing, which hosts the various sports sections.

The development of La Croix Catelan site continued in 2008.

The sports and leisure highlights of 2008 were the following:

The beginning of June was marked by the opening of natural grass tennis courts, making La Croix Catelan one of the very few sites in France to offer this playing surface. Use of the grass courts is primarily for high-level tennis players up to the Wimbledon tournament, and then accessible to all other players.

⁽¹⁾ Lagardère set up an institutional partnership in 2004 with the Paris Jean-Bouin sports club, the non-profit organisation that holds the concession to operate the Paris Jean-Bouin stadium. The aim is to assist the hundred-year-old sports club, which has 3,000 members in six sports disciplines, in modernising and developing its sports activities, and make the Jean-Bouin stadium an active centre for animating and influencing sporting life in Paris. The Mairie de Paris has decided to unilaterally cancel the public domain occupation agreement that bound the Paris Jean-Bouin Association and the city of Paris since 2004.

The 2nd edition of the Swimming Open also took place from 17 to 19 June on La Croix Catelan site and clearly provided good preparation for French swimmers, who were remarkably successful at the Olympic Games.

The third event in this period was the junior Lagard•re Trophy tournament (*Mondial Paris Cadets - Trophée Lagardère*) organised by the Paris Tennis League. It attracted around 350 players from some forty different countries across all the continents, enabling members of the site and visitors to watch tomorrow's champions.

The Olympic Games were the highlight of the 2008 sports year. 43 athletes from Lagard•re Paris Racing were selected for the games, and they won 11 medals - 7 Gold, 2 Silver and 2 Bronze. These excellent results (compared to the 4 medals expected) were facilitated by the work with TeamLagard•re.

In mid September, the Jean-Luc Lagard•re Trophy took place. This competition attracted tennis Legends from all over the world, including Stefan Edberg, the winner of the tournament, Sergi Bruguera, and Guy Forget, all competing on the tennis courts at La Croix Catelan. The spectators stands were full throughout the entire 4-day event.

5-3-2-2 CONVEYING SUSTAINABLE VALUES THROUGH MULTIPLE MEDIA

A) THROUGH IN-HOUSE AND EXTERNAL EVENTS ORGANISED BY ITS TEAMS

A-1 IN-HOUSE EVENTS AND CAMPAIGNS

The information in this section meets the NRE disclosure requirements concerning the employee information and training in environment-related issues.

Each entity independently manages its way of promoting Sustainable Development values and principles to employees. At Group level, in 2008 the intranet site opened a space dedicated to Sustainable Development, which will be improved in 2009.

Employee awareness-raising was also the subject of specific programmes during the Sustainable Development week. At Lagard•re Ressources, for example, conferences, posters and exhibitions were organised, and a game devoted to the Sustainable Development issues was installed on the Group's intranet site.

Furthermore, all year round, any employee of the Group is entitled to request reimbursement of their subscription to the *Vélib* public bicycle rental scheme.

A-2 EXTERNAL EVENTS

The most important event was the colloquium organised by the Gulli television channel at the Senate in January 2009 on the theme of 'The Sustainable Development responsibility of the Media'. Specialists such as photographer Yann Arthus-Bertrand and writer Erik Orsenna, experts, journalists, politicians such as the Secretary of State for Ecology and a representative from the Education Authority, non-profit environmental organisations and family associations were able to discuss and exchange views on this major subject.

For the third consecutive year, the *l'Im* magazine *Première* sponsored the International festival of Environmental Films organised by the Regional Council of the Greater Paris Area from 19 to 25 November 2008, publishing and distributing 350,000 copies of the festival guide (on recycled paper).

B) THROUGH EDITORIAL CONTENT: BOOKS, MAGAZINES, TELEVISION AND RADIO PROGRAMMES, WEBSITES...

The Group aims to raise the general public's awareness of Sustainable Development issues through its editorial contents and distribution activity. Some of the contents produced and delivered (whether books, magazines, newspapers, websites, radio and television programmes or *l'Im* and television productions) deal with the subject of Sustainable Development, thus making the general public conscious of the related issues.

In book publishing, Lagard•re Publishing was particularly prolific on environmental questions in 2008: all of its publishing houses brought out educational and issue-based works. They include:

- at Marabout, an Eco-citizen Guide, *À vous d'agir*, and *Trucs et astuces pour une maison écolo*;
- at Pluriel, the French version of *Earth in the Balance: Ecology and the Human Spirit*, by Al Gore;
- in the *Livre de Poche* collection, *La Planète en péril* by Jean-Marie Pelt;
- at the *Éditions du Chêne* art books, *Maisons écologues*, etc.

In magazine publishing, the Group's magazines (particularly *Paris Match* and *Psychologies*) devoted a number of features and articles to Sustainable Development and health, generally from a prevention angle. Alcoholism, smoking and anorexia were also often covered.

In January 2008, **Psychologies** magazine created a section called *Vivre ensemble* (Living together), which covers questions to do with the environment, solidarity, online social networks and real-life social networks. Every month since July 2008, a page called *Psycho s'engage* (Psycho commits) has reported on individual actions by editorial board members to reduce their own impact on the environment.

Elle Déco magazine, **Le Journal de la Maison** and **Maison & Travaux** also devoted articles and features to Sustainable Development throughout 2008.

The audiovisual media were also prolific on the subject.

One important contribution is the daily Sustainable Development news broadcast every morning on Europe 1.

The Youth channels once more broadcast children's programmes concerning Sustainable Development.

GULLI MA PLANÈTE

In 2008, the free responsible channel for children and families took another step forward on the road to Sustainable Development by launching its **Gulli ma Planète** logo. Via this new label, Gulli broaches the dangers hanging over the future of the Earth and the consequences of these dangers, in its programmes, website and paper magazine.

On the channel's website, the name of the ecology section is Gulli ma Plan•te and specific contents are developed on the subject of Sustainable Development, with possible links to the contents of the French Environment and Energy Management Agency, ADEME. A special Greenquiz has also been set up in partnership with the NGO Plan•te Urgence to allow children to take part in a vast reforestation programme, while learning about protecting the planet.

The Gulli magazine, *The Mag*, now regularly includes an eco-citizen feature article.

Lastly, the **Gulli ma Planète** label is associated with trade fairs, salons, festivals, cinema promotions, DVDs, books, etc.

The Group's production companies are also involved.

In 2008, Image et Compagnie, and Maximal Production, for example, produced several documentaries on climate change, health, prevention and nutrition.

The Psychologies.com and Doctissimo websites, which both have blogs and forums on Sustainable Development, regularly cover all these subjects in the form of feature articles and interviews.

The promotion of diversity is also a subject that meets the demands of Sustainable Development.

The musical channel Mezzo, which has 16.5 million subscribers in 39 countries watching 24/24, was actively involved in broadcasts highlighting the diversity of origins and cultures in 2008.

5-3-2-3 ACTIVELY CONTRIBUTING TO THE DIGITAL AND ECOLOGICAL REVOLUTION

Over the years, the Lagardère Group has skilfully adapted to different modes of distribution of contents and met the changing expectations of consumers. Through the written press, books, television, radio, and websites, the Group is present on all the information distribution channels, successfully achieving a harmonious balance between activities that convey contrasting ecological images. Paper is perceived as an enemy of the environment, while digital activities appear to be environmentally-friendly due to the fact that they are dematerialised.

Of course, the situation is much more complex than it seems. Paper is undeniably more ecological than is often thought, and digital technologies less ecological than people claim.

The European paper industry has been taking action over a number of years to control its discharge and waste, limit its water consumption and greenhouse gas emissions, recycle water, certify forestry and create responsible labels.

Meanwhile, the first studies carried out on the ecological impacts of digital infrastructures show that while they offer real opportunities for innovation, they do in fact have an impact on the environment.

Aware of this new concern, the Lagardère Group intends to reconcile its determination to expand and innovate in digital information with the aim to be at the cutting edge of ecological responsibility.

A) AWARENESS OF THE ECOLOGICAL IMPACT OF DIGITAL INFRASTRUCTURES

A-1 CAREFUL CONSIDERATION OF THE FIRST DATA TO BE PUBLISHED ON THE SUBJECT

The Lagardère Group takes an interest in the studies of the impact of digital infrastructures that are in circulation. For the purposes of its carbon audits (see page 96), it has also calculated the CO₂ emissions generated by one Internet page and the use of one e-reader. While all the indicators show that more resources are consumed in the production of machines than in their use, **Information and Communication Technologies (ICT)** also have an ecological footprint. In particular, recycling of the waste generated by components, some of which contain toxic substances requiring specific treatment, must be taken into account.

Aware of the environmental issues related to the shift to digital, the Lagardère Group intends to closely support the potential ecological progress of these digital infrastructures as they apply to the distribution of contents, and thereby gradually work towards a truly sustainable information society.

A-2 COMMITTED ANALYSIS TO REDUCE THE GROUP'S OWN FOOTPRINT

The new Sustainable Development Steering Committee initiated global discussions on this subject in the last quarter of 2008, and certain units have already incorporated the ecological issues inherent to digital infrastructures into their different actions. In 2009, all the teams working in the digital field will be established on the same site (around 500 people): this is expected to give rise to new best practices on the subject. A vast programme to rationalise the installed base of printers, and raise employee awareness of sustainable development issues, was launched at the beginning of 2009, and will be extended to cover the entire scope of Lagardère Active. Also in 2009, discussions on how to reduce the footprint of websites were initiated.

At Lagardère Ressources, work is under way on workstation ergonomics, electricity consumption and heat dissipation by computing equipment. Telepresence remote communication technologies will be examined in 2009, in order to limit pollution-generating physical travel. Lastly, under its Green IT approach, the Lagardère Group's information systems division now includes a Sustainable Development section in its calls for tender.

The television channel Gulli, which launched its *Gullibox* (DTT set-top box) with Metronic in 2008, ensured that as well as being packed in recyclable cardboard, the device is low-consumption and only consumes 1.5W on standby.

B) RECONCILING INNOVATION AND RESPONSIBILITY

The digital business has become a major strategic development line for the Lagardère Group, with the merger of its press, radio, television and Internet activities at the end of 2006 to form Lagardère Active, and the creation of a specific digital division. The Group's Internet sales represented 1% of total sales in 2006 and 3% in 2007. In 2008, with 15.3 million unique visitors to its websites, Lagardère Active had become the leading French media group on the web (February 2008, Nielsen Netratings).

The other divisions in the Group have also been very active. In 2008, Lagardère Publishing acquired Numilog, a distributor of electronic books. Through this platform, Lagardère also contributed to the launch of the Sony Reader, the first digital book reader in the world. Approximately 2,000 Hachette titles were available in this format from its launch in October 2008. In May 2008, Hachette Livre also launched a free digital encyclopaedia that can accept contributions from users (encyclopédie-larousse.fr).

In September 2008, Lagardère Services' digital newsstand was awarded the e-commerce Trophy for Technological Innovation. HDS Digital and WWF took their partnership a step further in April 2008 by launching the WWF unlimited eco-subscription, the first fixed-price subscription in the world allowing unlimited magazine downloads (€1 for each subscription taken out is paid to the WWF to support a forestry protection scheme in New Caledonia). At the end of 2008, this interactive site already had 200,000 subscribers with access to more than 500 titles (magazines, books, comic books) available to download.

B-1 DIGITAL TECHNOLOGIES, A PLATFORM SUITED TO SUSTAINABLE DEVELOPMENT

Digital technologies and ICT are perceived as impressive tools for Sustainable Development. In terms of democratisation and accessibility of knowledge, the transmission and distribution of information, and instructional and educational materials, these technologies are revolutionary vehicles at the service of participatory democracy and Sustainable Development.

Certain Lagardère Active websites (in particular the Psychologies, Doctissimo and Gulli sites) already incorporate environmental and Sustainable Development concerns into their contents.

The Group's new Sustainable Development Division also has a weekly electronic information service that lists and highlights any initiatives (in-house or external) in the field of Sustainable Development for interested employees.

B-2 THE LAGARDÈRE GROUP'S COMMITMENT TO REDUCING THE DIGITAL DIVIDE

The combat against the digital divide is also an issue that concerns the Lagardère Group, as an operator both on the Internet, and on Digital Terrestrial Television (DTT) which will totally replace analogue television by 2011. On 4 February 2009, the channel Gulli actively participated in France's first switchover from analogue television to all-digital television in Coulommiers, in the greater Paris area.

A major share of the research projects supported by the Jean-Luc Lagardère Foundation contribute to reducing this divide.

In 2008, the Foundation became a sponsor of the music research institute Ircam (*Institut de recherche et de coordination acoustique/musique*), as the two organisations share the same determination to place digital culture at the heart of the artistic professions and develop digital arts. The Foundation also supports the Digital Pathway Program in France, a programme for training and access to employment in the digital domain, intended for young people from underprivileged housing areas.

The Jean-Luc Lagardère Foundation also continued to finance a bursary in partnership with the Supélec foundation in 2008, associated with a project called *The challenge of semantics in the digital age*.

As part of the Young Talent bursaries awarded each year by the Foundation, in 2008 the Digital creator bursary was awarded to a project for the development of a multimedia information platform (similar to the rue89 website) on Cambodia and Cambodians, set up with a network of correspondents and digital support. The foundation also awarded a special prize for a project for the development of an Internet portal promoting audio books.

Lastly, the Jean-Luc Lagardère Foundation also continued to support Red-Star Lab which, in conjunction with the legendary Red-Star football club of Saint-Ouen in the Paris area, has become a leading testbed for digital activities. By initiating young people from underprivileged housing estates in ICT, the Red-Star Lab contributes in its own way to reducing the digital divide.

Faced with the question of the ecological impact of digital infrastructures which has emerged recently for all actors in the sector, the Group has already demonstrated its capacity to anticipate, and will endeavour to give priority to the most environmentally-friendly technologies.

The innovation division (Polinn), set up in 2006, actively participates in discussions on digital matters. Discussions on safety will also be required in the coming years, given the massive-scale development of new digital and electromagnetic infrastructures.

In this field as in its paper-related activities, the Lagardère Group intends to strike a good balance between excellence and responsibility.

/// Table of reporting required by the NRE law

Labour topics (Article R225-104 Commercial Code)	Sections in this chapter
Total employee numbers, recruitments on permanent and temporary contracts, separations with reasons, overtime, external labour	5-3-1-2 - A-1
Workforce reduction and job protection plans, employee conversion schemes, rehire of employees made redundant and support measures	5-3-1-2 - A-1 & A-5
Organisation of working hours, working hours for full-time and part-time employees, absenteeism with reasons	5-3-1-2 - A-1
Pay and changes in pay, social security charges, profit sharing and corporate savings schemes, sex equality	5-3-1-2 - A-2 & A-3
Relations between workforce and management and review of collective agreements	5-3-1-2 - A-5
Health and safety	5-3-1-2 - A-6
Training	5-3-1-2 - A-4
Employment and integration of disabled workers	5-3-1-2 - A-2
Employee benefits	5-3-1-2 - A-5
Scale of subcontracting and the way the company promotes the ILO's fundamental principles to subcontractors	5-3-1-2 - B-1
The way the company takes into consideration the territorial impact of its business activities on employment and regional development	5-3-1-2 - A-5
Relations with society (associations for employee integration, environmental protection, consumers, educational establishments, etc)	5-3-1-2 - B-2
Environmental topics (Article R225-105 Commercial Code)	Sections
Consumption of water, raw materials and energy	5-3-1-2 - C-3
Measures taken to improve the energy efficiency and use of renewable energies	5-3-1-2 - C-2 & C-3
Discharge, pollution and waste	5-3-1-2 - C-3
Measures taken to limit the impact on the biological balance	5-3-1-2 - C-1
Seeking company evaluation/certification	5-3-1-2 - C-1
Internal environmental management departments	5-3-1-1 - A
Employee information and training	5-3-1-1 - A-4 5-3-1-2 - A-4 & 5-3-2-2 - A-1
Resources dedicated to reducing environmental risks, organisation set up to cope with pollution incidents	3-6-1 & 7-4-3-2 - D-6
Amount of provisions and guarantees for environment-related risks	3-6-2
Amount of indemnities paid during the year in application of an environment-related court ruling	3-6-2
All information on the objectives the company assigns its foreign subsidiaries with regard to articles 1 to 6	5-3-1-2 - C-1