



2014
SUSTAINABLE
DEVELOPMENT
REPORT

Lagardère

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Foreword

GIVING MEANING

This is our sixth annual Sustainable Development Report. It sets out the Lagardère group's CSR approach in 2014, and complements and illustrates chapter 5.3 of the annual Reference Document. That chapter includes the information required by France's Grenelle 2 act of 12 July 2010⁽¹⁾, which has been audited by an independent organisation.

This Sustainable Development Report, made available to stakeholders on the Group's website www.lagardere.com, sets out the new challenges addressed by the 2015-2020 roadmap and is inspired this year by the guidelines of the Global Reporting Initiative G4⁽²⁾ and ISO 26000.

(1) The order implementing article 225 of the Grenelle 2 act, published on 24 April 2012, amends articles R.225-105-1 and R.225-105-2 of the French Commercial Code.

(2) Report prepared in accordance with the Guidelines: Core option.

MESSAGE FROM ARNAUD LAGARDÈRE

In 2014, as it does every year, Lagardère undertook a large number of sustainable development initiatives. In particular, after an initial phase lasting from 2009 to 2014, we decided to update our corporate social responsibility policy.



Previously, our CSR strategy focused on 14 priorities and 12 commitments, but the new 2015-2020 roadmap addresses five strategic and priority issues:

- ▶ promoting access to culture and entertainment;
- ▶ supporting corporate efforts to advance diversity and social transformation;
- ▶ ensuring responsible management of the paper cycle and digital expansion;
- ▶ strengthening sustainability of products, sites, content and services;
- ▶ guaranteeing high standards of business ethics.

Developments in these areas reflect the increased expectations of stakeholders (who are increasingly engaged, due in particular to the use of social networks), tougher regulations (prompting us to have our CSR data checked by an independent third-party organisation for the third consecutive year, while continuing to draw inspiration from international ethics guidelines) and the CSR impact of changes in the scope of some of our businesses.

Growth in digital activities (particularly relative to paper-based activities), the creation of new businesses (such as foodservice activities at Lagardère Services) and the development of businesses in new territories such as those we set up in Africa in 2014 and particularly at Lagardère Active, mean that our CSR policy will

focus more on issues like personal data protection, environmentally responsible products and the promotion of diversity among our talent.

As regards the environment, the relevant divisions continued to make progress with responsible paper management in 2014, further increasing the proportion of paper they buy from certified sources.

As regards our workforce, we continued our efforts, particularly in terms of internal mobility, which has increased between our four divisions.

As regards social and ethical issues, we also stepped up our work, continuing to roll out our anti-corruption programme across our divisions and signing a group contract with a supplier assessment platform.

Finally, Lagardère staff were rewarded for their community commitments through a new Jean-Luc Lagardère Foundation bursary. The bursaries are awarded to charities supported by an employee, enabling them to develop projects that fit with our goal of promoting culture and communities.

All these initiatives are discussed in this new Sustainable Development Report. They show the constant desire of the Group's people to make further progress in the field of corporate social responsibility which, more than ever, I regard as one of Lagardère's key performance drivers.

A handwritten signature in black ink, appearing to read 'Arnaud Lagardère'.

Arnaud Lagardère

General and Managing Partner of Lagardère SCA

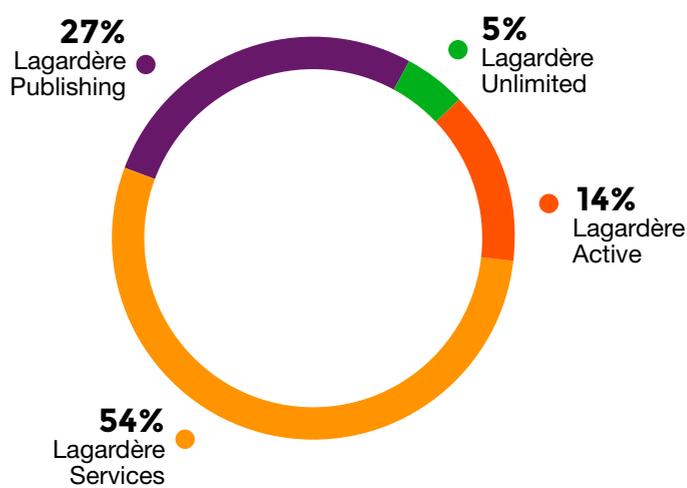
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1.1 A LEADING MEDIA GROUP

Division	Permanent workforce at 31/12/2014	2014 sales (€M)
Lagardère Publishing	6,310	2,004
Lagardère Services	12,843	3,814
Lagardère Active	3,200	958
Lagardère Unlimited	1,168	394
Other Activities	226	-
Total	23,747	7,170

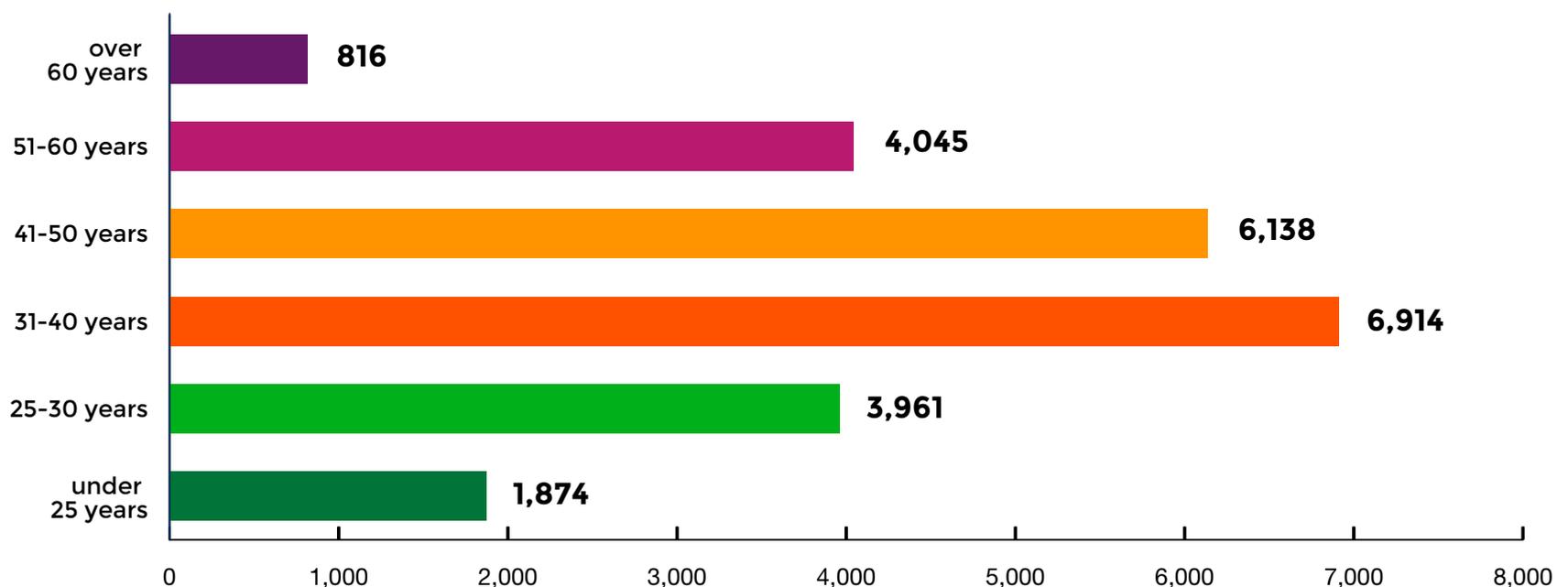
Breakdown of permanent workforce by division



Lagardère is among the world's leading media groups. Its head office is in Paris, and it operates in nearly 40 countries around the world. It is a diversified group that is organised into four divisions: Lagardère Publishing, Lagardère Services, Lagardère Active and Lagardère Unlimited.

The Group's main presence is still in France, which accounts for 39% of the total workforce, ahead of Canada, Spain and the United Kingdom (each around 7%), Italy (5%), the United States (5%), the Czech Republic (4%), Australia (4%) and Germany (3%), the Asia-Oceania region accounts for 8% of the total number of employees.

Breakdown of workforce by gender and age segment



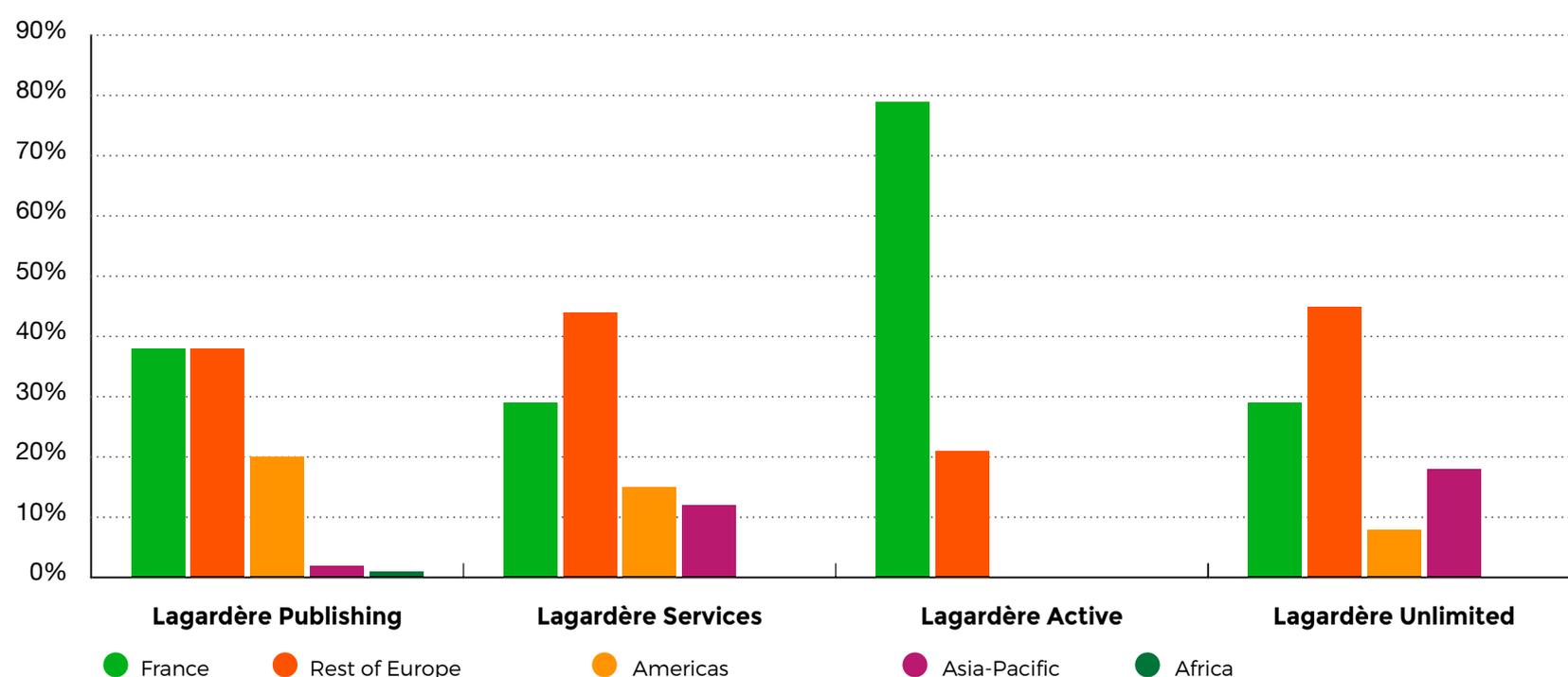
Breakdown of workforce by type of contract

Categories	Executives		Managers (excluding executives)		Journalists and photographers		Other employees		Total
	Female	Male	Female	Male	Female	Male	Female	Male	
Permanent staff	237	366	3,322	2,886	532	437	9,830	6,137	23,747
Non-permanent employees ⁽¹⁾ (full-time equivalent) ⁽²⁾	3.10	1.18	127.73	60.42	32.47	19.45	1260.07	701.79	2,206.21
Total temporary staff (full-time equivalent)	-	-	-	-	-	-	-	-	906.84
Total occasional staff and freelancers (full-time equivalent)	-	-	-	-	-	-	-	-	1,289.08

(1) Non-permanent employees = staff on fixed-term contracts.

(2) The FTE figure is obtained by adding together all employees present during the year (2014), taking into account the proportion of full time they work and the length of time they worked during the year. For example, a person working 50% of full time and working for six months of the calendar year will represent 0.25 FTE (0.50 x 0.50). The FTE figure is much more useful for analysing non-permanent staff than a figure at 31 December, which does not reflect actual movements in this specific staff category.

Breakdown of permanent workforce by division and geographic area (%)



A LAGARDÈRE PUBLISHING

Lagardère Publishing is the third-largest trade and educational publisher in the world. It covers all the Group's book publishing and e-publishing activities and a number of editorial segments such as Education, General Literature, Illustrated Books, Partworks, Dictionaries and Youth Works. Lagardère Publishing has solid

positions in three languages (English, Spanish and French), which account for 60% of the world market, along with a strong presence in the Distribution sector.

Main brands: Grasset, Larousse, Hachette Book Group, Orion, Anaya.

B LAGARDÈRE SERVICES

Lagardère Services has two main business lines: Travel Retail and Distribution. LS travel retail consists of retail activities in travel areas and concessions, covering three business areas: Travel Essentials, Duty Free & Luxury and Food Services. LS distribution

provides distribution and other services to convenience outlets, both independent networks and its in-house retail locations.

Main brands: Relay, Aelia Duty Free, Hubiz, Discover.

C LAGARDÈRE ACTIVE

Lagardère Active combines all of the Group's Press, Radio/TV, Audiovisual Production, Digital and Advertising Sales Brokerage activities. It is organised around leading brands that cover several market segments.

Main brands: Europe 1, Paris Match, Le Journal du Dimanche, Elle, BilletRéduc.com, Doctissimo.

D LAGARDÈRE UNLIMITED

Lagardère Unlimited is a leading agency in the Sports and Entertainment fields. It has a global network of local experts who work hard to provide innovative solutions to clients. Its main business areas are managing marketing rights, organising and operating events,

providing advice on how to manage and operate stadiums and multi-functional spaces, producing content and management media rights, representing athletes and supporting brands.

Main brands: Sportfive, World Sport Group, IEC in Sports.

1.2 SCOPE AND REPORTING METHODOLOGY**A SCOPE**

The reporting systems used to collect workforce-related and environmental information are used at all consolidated subsidiaries⁽¹⁾ that are managed operationally by the Group, with the exception of:

- ▶ entities disposed of or deconsolidated during the financial year;
- ▶ certain entities acquired during the financial year, for which the reporting system will be implemented gradually as they are integrated into the Group, unless divisions want to integrate newly acquired companies immediately into the reporting system;
- ▶ certain entities with fewer than five employees.

The workforce-related information in this document is submitted via a dedicated software system, which covered around 240 Group companies in 2014.

Aside from these three factors, entities are included in or excluded from reporting systems to some extent on the basis of assessments made by the divisions, which are best placed to gauge whether it is operationally appropriate to include or exclude an entity.

Information concerning energy consumption is integrated into the Group's financial data consolidation system. For the French scope, the information covers 174 Lagardère group companies and 39% of the Lagardère group's staff.

In line with work to make its environmental reporting process more reliable, the Group is gradually extending the scope of published energy consumption figures outside France. For 2014, the Group is reporting energy consumption figures for all of Western Europe (Germany, Belgium, Spain, Italy, the Netherlands, the United Kingdom, Sweden and Switzerland), which covers 141 companies and 26% of the Lagardère group workforce.

Taking into account France and Western Europe, information about energy consumption and greenhouse gas emissions cover 315 companies and 65% of the Group's workforce.

B METHODOLOGY

Workforce reporting is organised by the Group's human resources policy, while environmental and social reporting are organised by the Group's Sustainable Development and CSR Department. All reporting takes into account the specific business and local features of each company covered. A protocol is associated with each type of reporting, explaining the process for submitting information, along with a sheet explaining each indicator for which information is being collected. Every year, the protocols are updated to simplify the work done by contributors and to reflect their feedback regarding implementation of the protocol.

Regardless of the software used, the submission of workforce-related and environmental data broadly follows the same path. Data are entered by a contributor in relation to each of the Group's

subsidiaries that fall within the reporting scope, and are then validated and checked by the subsidiary's management. A second level of validation and checks at each division also takes place before the data are sent to the central departments concerned (Human Resources Department and Sustainable Development Department).

Consistency checks are carried out to ensure the quality and accuracy of data submitted, and include a comparison with prior-year data, which helps ensure the reliability of the reporting system.

The Group seeks to make the work done by its staff as simple as possible, to define the parameters of its reporting processes as clearly as possible and to take into account the increasingly international nature of the Group's activities, and these objectives have been made

(1) The list is provided in note 38 of the notes to the consolidated financial statements in the Reference Document.

easier to attain by the introduction of reporting protocols. However, certain difficulties may arise during reporting, potentially creating uncertainty:

- ▶ inaccurate measurements;
- ▶ calculation errors;

- ▶ misunderstanding of the question asked;
- ▶ data input errors;
- ▶ problems defining an indicator;
- ▶ difficulties in answering questions for legal and/or political reasons.

1.3 GOVERNANCE AND ETHICS

A GOVERNANCE STRUCTURE

Lagardère SCA's legal form (a French limited partnership with shares) enables the company to respond effectively to two basic requirements: the absolute separation of power between executive and supervisory bodies and the inclusion of shareholders in the supervision of the company.

The French partnership limited by shares includes two categories of partners:

- ▶ two General Partners, jointly and personally liable, to an unlimited extent, for the Company's liabilities;
- ▶ limited partners (shareholders), who alone can designate the members of the Supervisory Board, with the General Partners being unable to participate in voting.

The Company is managed by the Managing Partners (*Gérants*) under the supervision of the Supervisory Board, which represents the shareholders and approves the appointment of Managing Partners by the General Partners.

Lagardère SCA is currently managed by two Managing Partners:

- ▶ a natural person, Arnaud Lagardère;
- ▶ a legal person, Arjil Commandité-ARCO, whose legal representatives are: Arnaud Lagardère, Chairman and Chief Executive Officer; Pierre Leroy, Deputy Chairman and Chief Operating Officer; Dominique D'Hinnin, Chief Operating Officer and Thierry Funck-Brentano, Chief Operating Officer.

The Supervisory Board, which is responsible for the ongoing and retroactive supervision of the Company's management, represents the limited partners (shareholders).

The Supervisory Board represents a diverse field of expertise, in line with the Group's operations and the Board's supervisory functions. It currently consists of 15 members, including six women, appointed by the shareholders at the Ordinary General Meeting for a term of up to four years (the maximum term was reduced in 2010).

All board members are "independent" as defined in the Afep-Medef report on the corporate governance of listed companies, as applied by the company.

The Supervisory Board has two special committees that help it to prepare and organise its work:

An Audit Committee (composed of five members), which assists and prepares the work of the Board, including:

- ▶ controlling accounts and verifying the reliability and clarity of the information that will be provided to shareholders and the market;
- ▶ monitoring the effectiveness of internal control systems and risk-management procedures.

An Appointments, Remuneration and Governance Committee composed of five members, which was created in April 2010 and whose brief was extended in March 2015 to include assisting the Supervisory Board in these areas.

B ORGANISING THE ROLE OF SUSTAINABLE DEVELOPMENT

THE STEERING COMMITTEE

The Sustainable Development Steering Committee, co-ordinated by the Sustainable Development Department, reports to the Group's Chief Human Relations Communications and Sustainable Development Officer, who is a Co-Managing Partner of Lagardère SCA. This committee meets roughly once every two months and has the following aims:

- ▶ informing, raising awareness among and co-ordinating a network of correspondents within the divisions with regard to the Group's workforce-related, social and environmental responsibilities;
- ▶ ensuring the continuous improvement of the Group's initiatives, in particular by:
 - promoting and organising the sharing of tried-and-tested best practices;

- acting as a source of ideas for launching new initiatives;
- promoting the creation of occasional topic-specific working groups;
- implementing, co-ordinating and improving internal reporting;
- communicating with the CSR ratings organisations and responding to their queries regarding CSR issues.

Each division carries out operational supervision of CSR initiatives specific to its area of operation and is represented in the Group Steering Committee by the officer in charge of those matters.

Various Group cross-functional departments also have competence in this area and therefore participate in the committee's meetings (see diagram).

Sustainable Development organisational structure



C INTERNATIONAL COMMITMENTS

Both in France and abroad, the Lagardère group places high importance on compliance with the following texts:

- ▶ the International Labour Organisation (ILO) declaration relating to basic labour principles and its eight basic conventions;
- ▶ the OECD's guiding principles for multinational companies (updated in 2011);
- ▶ the United Nations Global Compact, which the Group joined in 2003 and for which it produces its annual "communication on progress" (published on the Global Compact website);
- ▶ the Guiding Principles on Business and Human Rights (Ruggie Principles, 2011).

There are several international conventions, declarations and charters referring to human rights which also deal with themes that are important for a media group: freedom of expression, the right to

education, respecting and encouraging cultural diversity, protecting young people and women's rights. The Group pays particularly close attention to the following texts:

- ▶ the United Nations Convention on the Rights of the Child (1989);
- ▶ the European Union's Charter of Fundamental Rights (2000);
- ▶ the Millennium Development Goals (2000);
- ▶ the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions (2005);
- ▶ the Children's Rights and Business Principles (2012).

The Lagardère group, whose CSR strategy incorporates the seven themes of ISO 26000, also notes that the European Commission now defines CSR as "the responsibility of enterprises for their impacts on society".

GLOBAL COMPACT: DECLARATION OF COMMITMENT

With its presence on every continent, the Lagardère group is one of the global leaders in the media industry. As a multinational company, it is our duty to promote certain universally-recognised rights and principles in a rigorous and exemplary manner, in order to achieve globalisation that is more respectful of humanity and the environment. This international commitment is demonstrated through our Group's adherence since 2003 to the United Nations Global Compact. The Compact invites companies to commit to a socially responsible approach.

Along with this basic commitment, Lagardère is a member of the "Global Compact France", which is the association that represents France in the National Global Compact Networks. To reaffirm our commitment, each year we report the Group's progress in each of the Compact's ten principles:

HUMAN RIGHTS

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

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

LABOUR

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

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

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

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

ENVIRONMENT

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

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

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

ANTI-CORRUPTION

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

Arnaud Lagardère
General and Managing Partner of Lagardère SCA

D ETHICS AND PROFESSIONAL CONDUCT

Several documents have been prepared by the Company and are applicable internally or with respect to outside partners.

As part of its new roadmap, Lagardère has decided to include business ethics as one of its priority issues (see section 2.5).

Business ethics have been factored into texts governing relations between the Group and its external partners.

1.4 STRATEGIC PRIORITIES

A PROCESS FOR IDENTIFYING AND RANKING ISSUES

In summer 2014, increased expectations among stakeholders, tougher regulations and changes in the Lagardère group's business activities prompted the Group to adopt a new roadmap for 2015-2020, having previously focused its CSR policy on four priorities and 12 commitments.

Changes in the Lagardère group's business activities, the context in which it operates and its scope have led to changes in the scale and type of its CSR impacts, arising mainly from:

- **development of digital activities**, which are gaining importance over paper-based activities, due in particular to the decline in press

and distribution activities and growth in e-books and Lagardère Active's Internet activities. Although responsible management of paper throughout its lifecycle remains vital, digital issues – including training regarding new digital occupations, personal data protection, efforts to combat piracy and WEEE recycling – are becoming increasingly important;

- **development of new activities**, such as those related to Lagardère Services' Food Services business. Growth in the Travel Retail business is bringing with it greater attention to environmental responsibility among stores in travel areas, and this can be an advantage when bidding for contracts. At the same time, growth

in Food Services activities requires particular attention to food safety matters;

- ▶ **development of business activities in new territories**, such as those set up in Africa in 2014, particularly at Lagardère Active.

As well as factoring in the changing context when redefining the roadmap, the Group took into account risks and opportunities arising from all of its businesses when ranking issues.

The Group has identified five CSR risks: industrial and environmental risks, risks related to rising commodity prices, environmental taxation risks, employee-related risks and image and/or reputation risks. However, these also represent five sources of opportunities, which the Group frequently emphasises: environmental labelling, products enabling consumers to shop in a more sustainable manner, digital literacy, making sustainable development practices an integral part of sports and events activities, and the ability to attract and retain talented staff.

After the 2013 reporting exercise, the Sustainable Development Department also took into account feedback from its contacts within the various divisions in order to see which issues they regarded as most important in their work.

Other factors were also taken into account when redefining the Group's strategic issues:

- ▶ work to assess the relevance of sustainable development indicators, carried out in 2010;
- ▶ specific work on the Group's environmental reporting, dating from 2012;
- ▶ the Media sector supplement to the GRI G4 guidelines published in February 2014;
- ▶ various questionnaires from CSR rating agencies (RobecoSAM/DJSI, Vigeo, Oekom etc.);
- ▶ the sector guide published by Forum RSE Médias In France and CSR Media Forum in the United Kingdom.

B STRATEGIC AND PRIORITY ISSUES

All of the work described above enabled the Group to review the relevant areas for action for its CSR strategy, and to refocus them on five major issues regarded as strategic and priority issues, presented in the table below.

Strategic and priority issues	Areas for action
Promoting access to culture and entertainment	Making content accessible
	Protecting, supporting and educating young people
	Providing media education, raising awareness about social matters
	Ensuring content diversity, promoting reading and freedom of expression
Supporting corporate efforts to advance diversity and social transformation	Selecting talent to reflect diversity in society and in our markets
	Supporting talented staff throughout their career
	Promoting and encouraging talented staff
	Listening to our talent
Managing paper and digital developments responsibly	Managing paper responsibly
	Managing digital developments responsibly
Making products, content, sites and services more environmentally responsible	Making our buildings and activities environmentally responsible
	Monitoring the impact of our activities on the health and safety of consumers
Guaranteeing a high standard of business ethics	Focusing on professional ethics
	Ensuring compliance
	Purchasing responsibly

After identifying and ranking the issues and the associated themes, the new roadmap was then validated by Lagardère SCA's Chief Human Relations, Communication and Sustainable Development Officer, who is also a Co-Managing Partner of the Group.

C GRI G4 INDEX

G4 general standard disclosures

General standard disclosures	Page	External audit	ISO 26000 paragraphs
Strategy and analysis			
G4-1	5	Reference Document pages 82-83	4.7 – 6.2 – 7.2 – 7.4.2
Organisational profile			
G4-3	4	Reference Document pages 82-83	6.3.10 – 6.4.1 – 6.4.2 – 6.4.3 – 6.4.4 – 6.4.5 – 6.8.5 – 7.8
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G4-5	7		
G4-6	7		
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G4-8	7-8		
G4-9	7		
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G4-13	9		
G4-14	10		
G4-15	11 and 53		
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Identified material aspects and boundaries			
G4-17	9	Reference Document pages 82-83	5.2 – 7.3.2 – 7.3.3 – 7.3.4
G4-18	12		
G4-19	13		
G4-20	9		
G4-21	9		
G4-22	No restatement		
G4-23	No substantive change		
Stakeholder engagement			
G4-24	16	Reference Document pages 82-83	5.3
G4-25	16		
G4-26	17		
G4-27	17		
Report profile			
G4-28	4	Reference Document pages 82-83	7.5.3 – 7.6.2
G4-29	4		
G4-30	4		
G4-31			
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G4-33			
Governance			
G4-34	10	Reference Document pages 82-83	6.2 – 7.4.3 – 7.7.5
Ethics and integrity			
G4-56	53	Reference Document pages 82-83	4.4 – 6.6.3

Specific standard disclosures

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CATEGORY: ECONOMIC			
Aspect: Market presence			
G4-DMA	27	Reference Document pages 82-83	-
G4-EC6	28		6.4.3 – 6.8.1 – 6.8.2 – 6.8.5 – 6.8.7
CATEGORY: ENVIRONMENTAL			6.5.1 – 6.5.2
Aspect: Materials			
G4-DMA	42	Reference Document pages 82-83	-
G4-EN1	45		6.5.4
G4-EN2	45		
Aspect: Energy			
G4-DMA	46	Reference Document pages 82-83	-
G4-EN3	48-49		6.5.4
Aspect: Emissions			
G4-DMA	46	Reference Document pages 82-83	-
G4-EN15	48-49		6.5.5
G4-EN16	48-49		
Aspect: Effluents and Waste			
G4-DMA	44	Reference Document pages 82-83	-
G4-EN23	45-46		6.5.3
Aspect: Products and Services			
G4-DMA	42	Reference Document pages 82-83	-
G4-EN27	43 and 47		6.5.3 – 6.5.4 – 6.5.5 – 6.7.5
CATEGORY: SOCIAL			
Aspect: Employment			
G4-DMA	28	Reference Document pages 82-83	-
G4-LA1	31		6.4.3
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G4-DMA	40	Reference Document pages 82-83	6.4.3 – 6.4.5
Aspect: Training and Education			
G4-DMA	34	Reference Document pages 82-83	-
G4-LA9	37		6.4.7 – 6.8.5
G4-LA10	37		
Aspect: Diversity and Equal Opportunity			
G4-DMA	28	Reference Document pages 82-83	-
G4-LA12	7, 31 and 33		6.2.3 – 6.3.7 – 6.3.10 – 6.4.3
Aspect: Non-discrimination			
G4-DMA	28	Reference Document pages 82-83	-
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G4-HR12	23 and 34		6.3.6
Aspect: Anti-corruption			
G4-DMA	54	Reference Document pages 82-83	-
G4-SO4	54		6.6.1 – 6.6.2 – 6.6.3 – 6.6.6
Aspect: Customer Health and Safety			
G4-DMA	50	Reference Document pages 82-83	4.6 – 6.7.1 – 6.7.2 – 6.7.3 – 6.7.4 – 6.7.5 – 6.7.9 – 6.8.8

DMA and Indicators	Page	External audit	ISO 26000 paragraphs
Aspect: Product and Service Labelling			
G4-DMA	21 and 42	Reference Document pages 82-83	-
G4-PR3	21 and 42		6.7.1 – 6.7.2 – 6.7.3 – 6.7.4 – 6.7.5 – 6.7.9

Sector Disclosures: Media

DMA and Indicators	Page	External audit	ISO 26000 paragraphs
G4-M2	21 and 23	Reference Document pages 82-83	6.7.4 – 6.7.5 – 6.7.8 – 6.7.9 – 6.8.4
G4-M3	23-25		
G4-M4	21		
G4-M7	23-24		

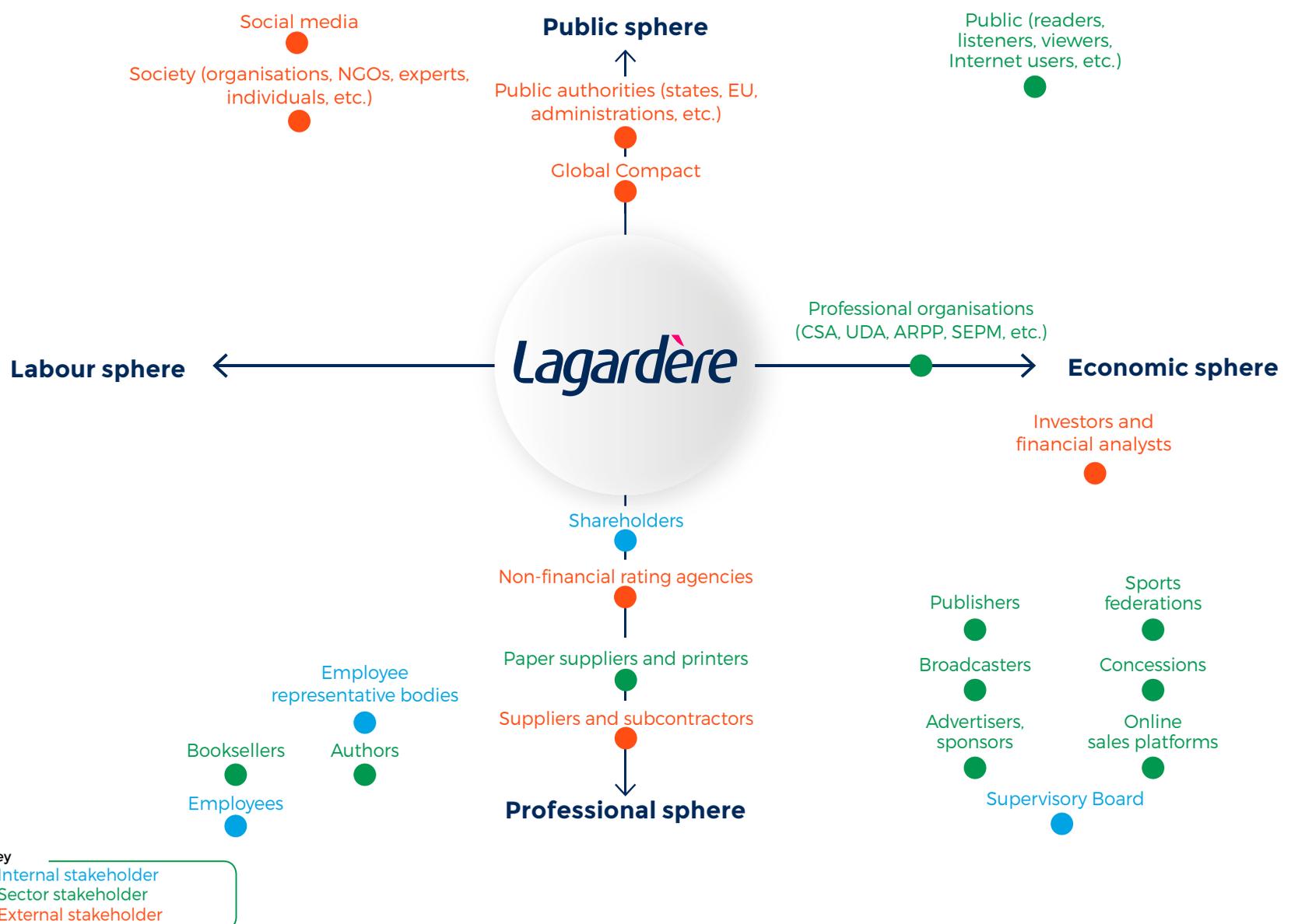
1.5 MAINTAINING DIALOGUE WITH STAKEHOLDERS

Authors and creators, readers and listeners, Internet users and viewers, but also staff and suppliers, rights holders and advertisers, concession grantors and travellers, clients and investors, consumers and shareholders... The Lagardère group's stakeholders are numerous: they lie inside and outside the Group, in the public and private sectors, and they are increasingly engaged.

At the Group level, the Sustainable Development Department in late 2014 started to put together a stakeholder panel consisting of CSR experts and representatives of the main divisional stakeholders. The aim is to help implement the Group's CSR strategy through open, constructive dialogue. The committee is due to meet for the first time in the summer of 2015.

A STAKEHOLDER MAP

The Lagardère group's stakeholders are divided into three categories and are distributed among four spheres, illustrated by the map below.



B TOOLS FOR DIALOGUE

To maintain lasting trust-based relationships, Lagardère is diversifying its methods of dialogue and seeks to adapt as best it can to the environment and organisation concerned.

Strategic and priority issues	Examples of tools for dialogue
Promoting access to culture and entertainment	<ul style="list-style-type: none"> - Bursaries from the Jean-Luc Lagardère Foundation - Lagardère's involvement in Forum RSE Médias - Titles available in the Audiolib catalogue - Initiatives taken by youth channels regarding subtitling, learning sign language and combating obesity - Contributions by the Group's media to the Educations-media.csa.fr website - Gulli and Europe 1's involvement in France's "Press and media in schools" week - A regular survey about the exposure given to female experts invited to appear on Europe 1's radio programmes - The <i>Elle</i> readers' award, the Version Femina novel award, the Relay travellers' award and the Arab literature award - Relay's support for Reporters sans frontières
Supporting corporate efforts to advance diversity and social transformation	<ul style="list-style-type: none"> - Group audit regarding perceptions of women's roles and the representation of diversity based on ethnic and social background - Lagardère Entertainment's partnership with école Miroir - The Elle Foundation's support for Programme PasserElles - Involvement in the "Challenge du monde des grandes écoles et universités" - Partnerships with Nos Quartiers ont des talents, Alter'Actions - Lagardère's permanent presence on the forums of major universities (HEC, ESCP Europe, ESSEC etc.) - Internal conferences (integration, leadership) - Mobility committee - Support from the Jean-Luc Lagardère Foundation for high-level athletes studying for Sciences Po certificates - Hachette Livre's Charitable Action Committee - Community commitment bursaries for Group employees - 112 collective agreements signed in 2014
Managing paper and digital developments responsibly	<ul style="list-style-type: none"> - Carbon and paper origin labels on Lagardère Publishing's French-language publications - PEFC certification for the paper chain of custody at Lagardère Active - Advertising space provided free of charge to Ecofolio in Lagardère Active magazines - Protection of intellectual property and press content entrusted to specialist organisations - WEEE collection and recycling
Making products, content, sites and services more environmentally responsible	<ul style="list-style-type: none"> - Minimising energy consumption in Lagardère Services outlets - System for ensuring food safety at Lagardère Services - Lagardère Publicité's support for the Advertisers' Commitment Charter, which is aimed at achieving more responsible communications - Strict supplier listing and monitoring procedure at Lagardère Publishing and Lagardère Active for the production of accessories, box sets and covermounts
Guaranteeing a high standard of business ethics	<ul style="list-style-type: none"> - Lagardère Code of Conduct - Journalist Code of Conduct - Anti-corruption programme (awareness-raising, training) - Responsible Procurement Policy - Responsible Supplier Charter - Framework agreement with Ecovadis

The Lagardère group has also made commitments, in its own name and through its divisions and subsidiaries, to various professional organisations and associations.

For example:

- ▶ Lagardère is a member of the Association française des entreprises privées (Afev – French association of private-sector companies), the Observatoire de la responsabilité sociétale des entreprises (ORSE – French CSR monitoring body) and the College des Directeurs du Développement Durable (C3D – sustainable development executive forum).
- ▶ Lagardère Publishing is a member of the Syndicat national de l'édition (national publishing union) in France, the American Association of Publishers in the United States and the Publishers' Association in the United Kingdom, as well as chairing a number of committees within these various professional unions. Lagardère Publishing is not only a founding member of the Pen Club, an international NGO that supports freedom of expression and promotes literature around the world, but also a founder member of the Pen International Publishers Circle.
- ▶ Hachette and Hatier are members of Savoir Livre, which is run by six educational publishers to monitor developments in the education system.
- ▶ In the United States, Hachette Book Group is a member of the Book Industry Environmental Council (BIEC), which aims to identify and encourage practices that reduce the environmental footprint of the book publishing industry.
- ▶ Worldwide, Lagardère Services is a member of the global association of press distributors.
- ▶ In France, Lagardère Active is a member of numerous unions operating in the press, radio, television, audiovisual production, TV advertising, and Internet advertising sales fields. In addition, magazine editors' union SEPM was chaired by Lagardère Active's head of magazines between February 2011 and January 2013.
- ▶ At the European level, Lagardère Active is also a member of the European Magazine Media Association and the European Publishers Council.
- ▶ Lagardère Unlimited has close relationships with various sports federations.

COLLABORATIVE APPROACH BASED ON "OPEN INNOVATION"

In the last few years, Lagardère has adopted a collaborative approach based on open innovation, aimed at identifying and capturing external knowledge that is useful for the business and using knowledge developed within the business in external applications.

The Lagardère Innovation unit is the Group's entry point for all participants in the innovation ecosystem (start-ups, technology providers, investors, business clusters, incubators, large corporations etc.) and acts as a bridge between these participants and the Group's in-house staff.

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STRATEGIC AND PRIORITY ISSUES

2.1 PROMOTING ACCESS TO CULTURE AND ENTERTAINMENT	21	2.3 ENSURING RESPONSIBLE MANAGEMENT OF THE PAPER CYCLE AND DIGITAL EXPANSION	42
A Making content accessible	21	A Responsible management of the paper cycle	42
B Protecting, supporting and educating young people	23	B Responsible management of digital expansion	45
C Providing media education, raising awareness about social and sustainable development matters	23	<hr/>	
D Ensuring content diversity, promoting reading and freedom of expression	25	2.4 STRENGTHENING SUSTAINABILITY OF PRODUCTS, SITES, CONTENT AND SERVICES	46
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2.2 SUPPORTING CORPORATE EFFORTS TO ADVANCE DIVERSITY AND SOCIAL TRANSFORMATION	27	B Impact of operations on consumer health and safety	50
A Choosing talent to reflect diversity in society and our markets	28	<hr/>	
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2.1 PROMOTING ACCESS TO CULTURE AND ENTERTAINMENT

The Group plays an integral part in society as it changes, particularly within the fields of culture, knowledge, information, entertainment, sport and travel. It has specific social responsibilities arising from its status as a diversified media group.

As a result, with the CSR departments of other media groups, it co-founded the Forum RSE Médias⁽¹⁾ (French media CSR forum), which leads discussions and encourages the sharing of best practice regarding the media industry's specific areas of responsibility. Within the forum, Lagardère's CSR department took part in drafting a media CSR guide, which is available online on the Observatoire de la responsabilité sociétale des entreprises (ORSE⁽²⁾ – French CSR monitoring body) website and was presented in March 2014 at the Bibliothèque Nationale de France.

In addition to these mainly content-oriented commitments, Lagardère also takes a socially responsible approach to its community commitments and its various brands. The Group's forges links within society and seeks to promote culture, sport, education, equality for women and girls in France and worldwide, content accessibility and the protection of youth, via various partnership and corporate philanthropy initiatives.

At the Group level, that commitment is represented mainly by the **Jean-Luc Lagardère Foundation**, which was set up in 1989 as part of the Fondation de France. It aims to spearhead Lagardère's commitment in the areas of culture, community and sport and develops a number of programmes to promote cultural diversity, encourage creativity and foster success.

Every year since 1990, the Foundation has granted Talent Scholarships to creative young people aged under 30 (or under 35 for certain categories) who are active in the cultural and media arenas. Scholars are selected by juries, featuring many prestigious members, in ten categories: Writer, Film Producer, Television Scriptwriter, Musician, Bookseller, Print Journalist, Photographer, Documentary Maker, Animation Filmmaker and Digital Creator. In 2014, the Musician Scholarship was divided into two sub-categories, i.e. contemporary music on the one hand, and jazz and classical on the other.

Since its creation, 248 scholars (including 18 new scholars in 2014) have received awards totalling €5,375,000, including €255,000 in 2014.

At Lagardère Active, the Elle Foundation celebrated its tenth anniversary in 2014. It has already supported 75 projects across all contents since it was set up.

In addition to its long-term commitments – to which it allocated €108,350 in 2014 – in France (Force Femmes, Elle Solidarité mode, Sport dans la Ville, Femme en Avenir) and abroad (Afghanistan, Madagascar, Morocco, Congo Brazzaville, Mali), the Elle Foundation donated €129,462 to support seven new projects in 2014. Notable projects were in Myanmar, (supporting 200 young women in the shantytowns of Yangon), India (supporting 6,300 women in the Trichy district), the **Democratic Republic of the Congo** (for women and girls who have been the victims of rape as a weapon of war), Nepal (teaching dressmaking to around 30 vulnerable young women), and France through numerous projects.

€1.5 million

The total amount of free advertising space donated by Lagardère Active across press, radio, TV and online.

At Lagardère Services, the partnership initiated in 2011 between LS travel retail and Action Contre la Faim raised around €200,000 in 2014.

At Lagardère Unlimited, community initiatives are naturally geared towards sporting events – including football, tennis and golf events – and are aimed mainly at sick or highly disadvantaged children, often in partnership with local charities or foundations like the Red Cross.

A MAKING CONTENT ACCESSIBLE

As a diversified media group, Lagardère must ensure that its content is accessible to all, particularly to those that find content hard to access because of where they live, because they are socially disadvantaged or because they are physically disabled. The Group's subsidiaries are particularly committed to subtitling initiatives and are helping to develop audiobooks.

The Group's youth channels (TiJi, Gulli, Canal J) go beyond the obligations set by the CSA regarding the number of hours of

subtitled programmes they must broadcast. Those three channels also regularly screen programmes that teach viewers sign language, along with programmes translated into sign language.

Since 2008, Lagardère Publishing – via Audiolib, its audiobooks brand – has helped the visually impaired, as well as people with reading difficulties such as young people with dyslexia. Audiolib also regularly updates its website to make it more accessible to blind and partially-sighted people.

Indicator	Unit	2014	2013	2012
Number of new titles added to the Audiolib catalogue during the year	Number	70	55	53
Number of titles available in the Audiolib catalogue at the end of the year	Number	380	310	255
Percentage of Gulli's broadcast volume devoted to subtitled programmes	%	30	40.80	-
Percentage of Canal J's broadcast volume devoted to subtitled programmes	%	26	41.85	-
Number of hours of subtitled programmes broadcast on the youth channels during the year	Hours	4,664 h 29 m	-	-
Number of programmes teaching sign language	Number	5	4	4

(1) Including the CSR departments of TF1, Vivendi, France Télévisions, Bayard Presse and other media organisations like Youphil.

(2) http://www.orse.org/___rse_dans_le_secteur_des_medias-98.html.

Boston Marathon World Run:

an interactive, community-oriented race



MAXIME LEBESSOU

Digital Director, Lagardère Unlimited



Lagardère Unlimited has created the Boston Marathon World Run. What does it involve?

The “Boston Marathon World Run” (BMWR) is a complete virtual experience for fans of running who, wherever they are in the world, can record and share their runs. It is a digital platform that allows runners worldwide to join a virtual community that celebrates movement, fitness and healthy living.

In response to the massive support that followed the terrorist attacks on the 2013 race, the Boston Athletic Association wanted to create an experience that would enable anyone in the world to take part virtually in the Boston Marathon and its surrounding activities. The Boston Marathon is the world’s oldest annual marathon, and is one of the world’s most prestigious running races. It has an exclusive reputation, because the number of runners is very small and it features some world-class athletes.

How does the application work?

This unique experience is available on Apple and Android devices as well as online, which makes it accessible using other devices. It includes a feature in which people can commit to walking or running a certain distance to raise money for One Fund Boston, a charity that was founded after the 2013 attacks. Users receive a personalised race number, a race certificate and a digital badge that they can share once they have completed their distance. They can also share photos and videos. There is also the possibility of teaming up with others by setting up a group or joining an existing one. By following each other’s progress, members of a group push themselves to achieve their distance targets together, because they have adopted a joint money-raising target. The app also includes a function allowing

users to share their activities via Facebook, Twitter and email. The Content Management System also updates incoming content dynamically and allows users to see how far they have run or walked and the amount they have raised.

How has the app been received by the public, and how are you planning to develop it long-term?

The Boston Marathon World Run app was launched in February 2014 and was downloaded 27,000 times in the following two months. It was named “Best New App” and is one of the top-ranking free apps in Apple’s App Store. It has provided a unique platform for those who could not otherwise take part in the Marathon or get involved with One Fund Boston. It has therefore encouraged the Marathon’s other fans to support the charity. The campaign is still active, and over 13,000 users have raised over \$30,000 through the One Fund Boston platform. The concept has attracted the attention of national media organisations like ABC and ESPN.

→ www.bostonmarathonworldrun.net

B PROTECTING, SUPPORTING AND EDUCATING YOUNG PEOPLE

Protecting young people forms part of the corporate social responsibility of media organisations like Lagardère, which create and produce content aimed at young audiences across a number of media. Some media, such as television, have long been subject to rigorous regulation regarding the protection of young people, while others, such as the Internet, require constant vigilance.

The Group's Hachette and Hatier imprints, in addition to their publishing activities – which include youth fiction and a wide range of educational books – are committed to the Savoir Livre charity, which works with France's national education system and the French Ministry for Culture's books and reading department. Savoir Livre's aim is to monitor changes in the education system through studies, surveys, conferences and debates, with the objective of giving children the best possible chance of success.

In addition to Savoir Livre's activities, Lagardère Publishing's youth publishing teams have developed numerous websites aimed at young people. Hatier runs Annabac.com, which is one of the most popular websites among schoolchildren. The website provides advice and resources to help children succeed at primary and secondary school, and plan for their future. In 2013, Hatier also set up "Le Tremplin Prépabac", a major competition that provides €5,000 of funding to support a school pupil's career plan.

604 The number of entrants to the Tremplin Prépabac competition in 2014.

Lagardère's radio and TV broadcasters naturally ensure compliance with legislation and regulations in force, and with conventions signed with the French broadcasting authority (Conseil supérieur de l'audiovisuel – CSA). Each of the Group's channels has signed a convention with the CSA stipulating the permitted broadcasting times of programmes depending on their classification.

All of the programmes pre-purchased and co-produced for Lagardère's children's networks are closely monitored by the relevant senior management team. This work is carried out upstream, for example when characters, scripts, dialogue and graphics are selected.

The Gulli and TiJi channels each have an ethics committee, made up of qualified people and independent experts in charge of monitoring the content of programmes in order to protect children.

The Group's radio stations and advertising brokerage companies help to support child protection by broadcasting advertisements and/or placing advertising banners on websites for French child protection associations.

Since 2007, the Doctissimo.fr website has had a moderator dedicated to the protection of minors.

As regards efforts to combat obesity, the Group's youth channels are committed to promoting a healthy, balanced diet. After signing the first "health charter" with the CSA and the French government in 2009, the youth channels reasserted their commitment by signing up the new charter for a five-year period in January 2014. Under that charter, they take an overall approach to promoting a healthy, balanced diet in their broadcasts, and also in digital media and non-media activities.

Indicator	Unit	2014	2013	2012
Number of hours of obesity prevention programmes broadcast on the youth channels during the year	Hours	330 h 18 m	314 h 49 m	271 h 08 m
Total number of hours of obesity prevention programmes broadcast on the youth channels since 2009	Hours	1,506 h 37 m	1,176 h 19 m	861 h 30 m
Number of unique visitors to Annabac.com during the year	Million	3.8	-	-
Number of official proceedings related to child labour	Number	0	0	0

C PROVIDING MEDIA EDUCATION, RAISING AWARENESS ABOUT SOCIAL AND SUSTAINABLE DEVELOPMENT MATTERS

Helping people to use their critical faculties, to use content responsibly and to decode meanings form part of the social responsibility of media groups like Lagardère.

The media, via their content, can help to give audiences vital assistance in understanding major contemporary social issues such as those relating to the environment, social justice, diversity, health and human rights. The media provide information directly and indirectly, and have the power to influence, which is central to efforts to raise public awareness.

In November 2013, the CSA launched the Education-medias.csa.fr website, a media education website for the general public. Some of the Lagardère group's media, including Europe 1, contributed to the website by providing a large amount of content.

In March 2014, Europe 1 and Gulli joined forces to take part in France's "Press and media in schools" week, organised by CLEMI (*Centre de liaison de l'enseignement et des médias d'information*) and France's national education ministry to help children understand the media system, form their critical judgment, develop an interest in current affairs and forge their identity as citizens.

Media education: a key mission for Gulli



CAROLINE COCHAUX

Head of Programmes and Broadcast,
Lagardère Active



You were selected to be a member of France's education and media monitoring body, which was set up by the CSA in September 2014. How will you be involved?

We are in charge of France's largest youth channel offering in France (Gulli, Canal J, TiJi), and so we have a particular responsibility towards the youngest children. The CSA's education and media monitoring body, led by Mémona Hintermann-Affejee, has the same priorities. Personally, I want to focus on helping the youngest children understand the media and on developing media education, as well as protecting young people in the new digital environment.

I would like to develop a charter for journalistic ethics that uses language a child can understand, involving a simplified media ethics charter for children and a toolbox that enables children to understand media and social networks and to adopt best practice in relation to them.

In partnership with ONISEP, you launched a new programme on Gulli in January, called "Ce sera moi". Is the collaboration useful in terms of ensuing programme quality, promoting the series and making it popular among your young viewers?

It is vital. The programme tries to answer the questions that children ask ONISEP all year round. The jobs we show them on the programme are the ones they are most interested in.

The collaboration has also showed us how important it is to offer the children who appear in the show (produced with Little Big Prod) a totally immersive experience with professionals to complement the theoretical information that is available to them.

ONISEP shows the programme as part of numerous events and, for the first time, it is being shown to Year 7 students in secondary schools. In the next series, we will explore jobs that involve helping other people and those connected with disabilities.

In partnership with Europe 1, you took part in France's "Press and media in schools" week. How was Gulli involved?

Working with Europe 1, we put on workshops (dubbing programmes, hosting a show, conducting an interview etc.) and held events with our hosts. As a result, 150 children aged 10-14 were able to try out and learn about working in television. It was the first time we had done anything like that, and we look forward to doing it again this year.

That initiative, along with the creation of "Ce sera moi", are at the heart of what Gulli is aiming to do as France's leading youth channel. We want to entertain, to educate, to encourage people to share experiences, to promote dialogue between the generations and to start educating children about the media.

→ www.gulli.fr

D ENSURING CONTENT DIVERSITY, PROMOTING READING AND FREEDOM OF EXPRESSION

Ensuring content diversity, giving exposure to a wide range of ideas, promoting and defending writing, reading and authors, combating illiteracy and supporting freedom of expression are some of the themes connected with the Lagardère group's media activities. Culture is sometimes presented as the fourth pillar of sustainable development, and it lies at the heart of Lagardère's business.

As regards promoting content diversity and cultural diversity, each division makes its own contribution and expresses the theme in its own way.

Diversity can be found everywhere within the Group. At Hachette, the diverse range of titles it publishes reflects the full range of opinions

in around 60 countries and around 15 languages. The audiovisual content produced by Lagardère Entertainment is broadcast in numerous countries, and Elle magazine has various national editions around the world. Lagardère Services has an extensive store network – over 4,000 outlets in around 20 countries – selling a wide variety of products, and Lagardère Unlimited represents around 250 talented people in the sporting and cultural fields.

The Group's radio and TV channels met their commitments to the CSA in 2014. At Gulli, for example, the channel strives to ensure that diversity of social and cultural origin is represented in all of its programmes, events and games at the commissioning, production and broadcast stages.

DIVERSITY AT GULLI AND EUROPE 1

On Bastille Day 2014, Gulli broadcast an advert promoting diversity by presenting faces, stories and talents under the slogan "*Nous sommes la France*" ("We are France").

In 2014, Europe 1 set up a regular survey about the exposure given to female experts invited to appear on its radio programmes.

As regards promoting reading, aside from Hachette Livre's publishing business, which is in itself an incentive to read, and its involvement via the SNE (Syndicat national de l'édition – French national publishers' union) in all public initiatives to combat illiteracy and promote reading, the Lagardère group's various entities organise a number of literary prizes and competitions to encourage all audiences to read. Examples are the *Elle* readers' award, the Version Femina novel award, the Gulli novel award and the Relay travellers'

award. The Group's youth channels help to promote reading, for example screening programmes that help children learn to read and programmes in which presenters read stories on air.

Since 2013, the Jean-Luc Lagardère Foundation has also supported Les Avocats du Diable in Vauvert, which promotes books, reading and literature among the widest possible regional audience, particularly in media libraries, bookshops, schools and prisons.

ARAB LITERATURE AWARD

The Jean-Luc Lagardère Foundation and the Institut du Monde Arabe (IMA) awarded the second Arab literature prize to Egyptian writer Mohamed al-Fakharany for his novel "*La traversée du K.-O*"

(published by Seuil). This prize is awarded to a book written in French or translated from Arabic into French on the theme of Arab youth, written by a person from an Arab League country.

Freedom of expression, i.e. the right to inform and be informed in accordance with Article 19 of the Universal Declaration of Human Rights, is one of the fundamental values of democracy and of the Lagardère group. The tragic events of January 2015 provided the opportunity for the Managing Partners to remember this.

The Group shows its commitment to freedom of expression in various ways. Every year, the Relay store network supports the Reporters

sans frontières charity in its efforts to promote freedom of expression by selling its annual photo album. Relay also helps to promote the charity on its website and in its stores.

Hachette is a founder member of the Pen Club's publishers' circle. The Pen Club is an NGO formed in 1921 to protect freedom of expression, particularly that of persecuted writers, and to promote literature worldwide.

Elle's Happiness Index: searching for the keys to female happiness



VALÉRIA BESSOLO LLOPIÇ

SVP/ International Director of *Elle*,
Lagardère Active



How did you come up with the idea of the Happiness Index?

To make the most of the *Elle* network, we have for several years been pursuing global initiatives – about topics such as fashion and beauty – involving some or all of the magazine's 45 editions worldwide. This time, we wanted to focus on women's role in society, and on *Elle*'s commitment to women, which is part of *Elle*'s DNA and distinguishes us from the competition. We created a strong corporate visual identity, a blog Ellewomeninsociety.com that covers all initiatives on this theme, and on 8 March, we sent out a questionnaire about women and happiness, using the results to create what we call the Happiness Index.

What did the survey consist of and what were the main results?

A questionnaire was sent out through websites in 42 countries and 24,000 readers answered 35 questions about how happy they feel in their professional, personal and love lives, their role as mothers and their commitment to various causes.

All the responses we received were processed by a company specialising in big data, and then analysed by an institute. That gave us results both by country – and there were some big variations between countries on certain questions – and worldwide. For example, 70% of women said they were happy worldwide, and the three main sources of happiness are family, social life and love. Women seem to be happier in Spain and Japan than in Italy and Brazil.

How have you used the Happiness Index?

The main aim was to provide all national editions of *Elle* around the world with editorial content about women and happiness, their aspirations, challenges and priorities, both from a personal and professional point of view. We were able to provide some very precise information that each edition, depending on its own needs and desires, can use as it likes in its magazine, website or events.

In Japan, for example, our teams chose to present the Happiness Index as part of the Women in Society Japan event, which is the local version of our *Elle* Active forum in France. We also made a video about the results of the Happiness Index, featuring the editors in chief of the various editions talking about results from their country. We made the video available on the *Elle* network's websites.

In 2015, we want to extend the initiative through several projects, including creating a gallery of portraits of women from around the world.

→ www.ellewomeninsociety.com

CHARLIE HEBDO

The 2015 Jean-Luc Lagardère journalist of the year prize was awarded to the editorial team of *Charlie Hebdo*. The 15 journalists on the jury wanted to pay homage to their murdered colleagues and particularly their friend Georges Wolinski, who won the prize in 1989 and was a member of the jury.

Le Livre de Poche brought together 60 writers in support of freedom of expression by publishing a book combining classic texts with writing by contemporary authors, and all profits from the book went to *Charlie Hebdo*.

France's national publishers' union (Syndicat national de l'édition – SNE) organised the publication of a collective book "*La BD est Charlie*" featuring 183 cartoons from 173 cartoonists. Several publishers including Hachette were involved in the initiative, in which the printing, paper and distribution were provided free of charge. All profits from the book go to the families of the 17 victims of the January 2015 terrorist attacks.

Indicator	Unit	2014	2013	2012
Number of countries in which Lagardère Entertainment productions are broadcast	Number	185	-	-

2.2 SUPPORTING CORPORATE EFFORTS TO ADVANCE DIVERSITY AND SOCIAL TRANSFORMATION

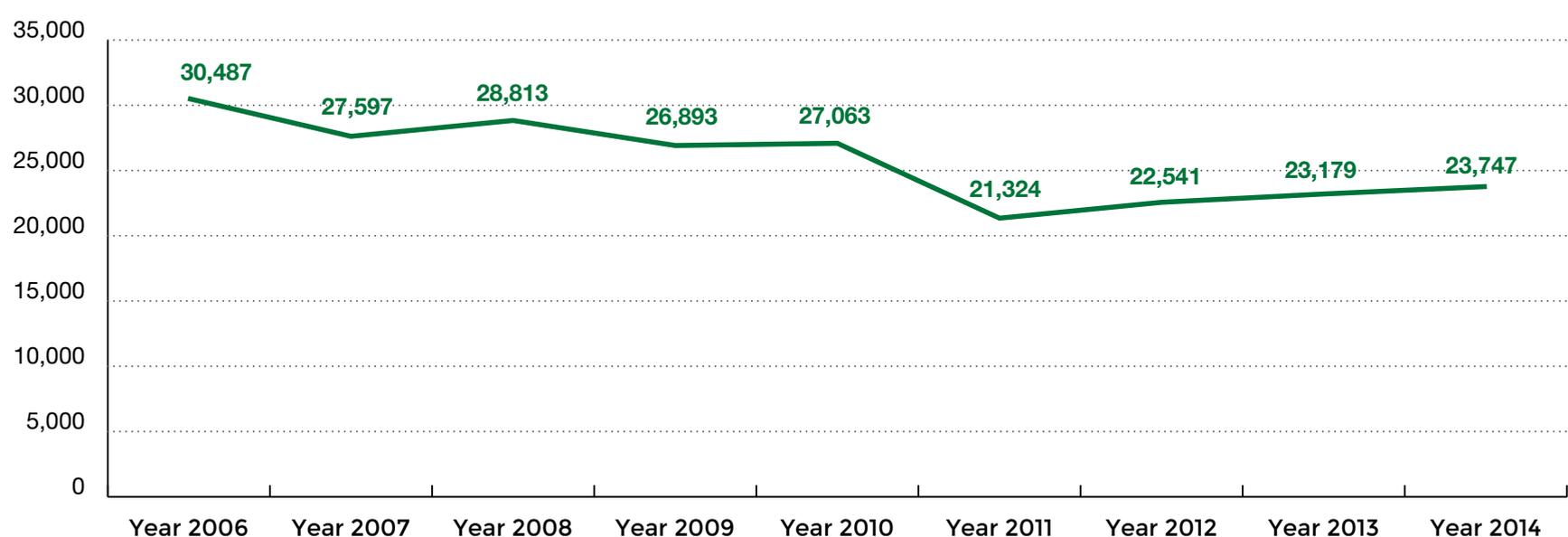
The Lagardère group's performance is directly linked to its employees' skills and the suitability of its resources. To make the most of its employees and to take into account the specific features of the Group's various businesses, operational entities manage their own human resources. However, that autonomy is governed by a set of priorities, principles and commitments shared by all divisions, which

are defined and formalised at Group level in conjunction with the divisional heads of human resources.

Supporting corporate efforts to advance diversity and social transformation is central to those principles and priorities.

Before looking at the components of this policy, it is important to analyse movements in the Group's permanent workforce⁽¹⁾.

Changes in permanent workforce at 31 December



(1) Figures relating to permanent staff (working under unlimited-term contracts in France) presented here and in the following paragraphs represent the actual number of staff present on the last day of the year.

A CHOOSING TALENT TO REFLECT DIVERSITY IN SOCIETY AND OUR MARKETS

In accordance with the aim of promoting cultural diversity and content diversity in its various businesses, workforce diversity is not only an opportunity to attract new talent to the Lagardère group, but also a source of growth and innovation. Initiatives regarding diversity and equal opportunity have three themes: women in the workplace, integrating young people from inner cities and integrating disabled workers.

As regards **diversity and equality**, the Group conducted an audit on the role of women and on diversity of ethnic and social origin in the

fourth quarter of 2014. The results will give rise to a plan of action for 2015. The plan will distinguish between initiatives relating specifically to the divisions, based on the issues inherent in their activities, and Group-wide initiatives.

As regards **promoting diversity of ethnic and social origin** at Lagardère Active, the action plan based on the 2012 audit continued last year, partly through training sessions held in the division's various companies. Another 122 staff received diversity training in 2014.

COUP DE CŒUR DIVERSITÉ ACTIVE AWARD

This award was given to the Un stage et après charity, which aims to help all schoolchildren, regardless of their background and

academic abilities, find out about careers and take part in work experience that will be useful for their future.

Within the division, the plan of action has also given rise to various initiatives:

- ▶ the broadcasting of the Concert de la Tolérance;
- ▶ Lagardère Entertainment's partnership with École Miroir, a free school providing training to actors, directors and authors representing the full cultural and social diversity of France's disadvantaged neighbourhoods;
- ▶ the Elle Foundation's support for Programme PasserElles, led by Mozaïk RH, and for the Sport dans la Ville / Elle dans la Ville charity.

As regards **the role of women**, Europe 1 signed a new gender equality agreement in 2014, and in December 2014 Lagardère

Publishing signed a new three-year (2015-2017) gender equality agreement that aims to:

- ▶ pay more attention to work/life balance;
- ▶ ensure access to training, including efforts to make it easier to return from parental leave;
- ▶ improve the gender balance, particularly in occupations where there is a major imbalance (for example, publishing is dominated by women, while distribution is dominated by men);
- ▶ and maintain equal treatment in terms of both remuneration and career progression.

Permanent workforce by status and gender at 31/12/2014

Division	Executives			Managers			Journalists and Photographers			Other employees			Total		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	M/W
Lagardère Publishing	53%	47%	332	60%	40%	2,656	-	-	-	57%	43%	3,322	58%	42%	6,310
Lagardère Services	25%	75%	130	48%	52%	1,865	-	-	-	65%	35%	10,848	62%	38%	12,843
Lagardère Active	31%	69%	67	56%	44%	1,304	55%	45%	968	61%	39%	861	56%	44%	3,200
Lagardère Unlimited	2%	98%	45	24%	76%	283	0%	100%	1	42%	58%	839	36%	64%	1,168
Other Activities	21%	79%	29	42%	58%	100	-	-	-	53%	47%	97	44%	56%	226
Group total 2014	39%	61%	603	54%	46%	6,208	55%	45%	969	62%	38%	15,967	59%	41%	23,747
Group total 2013	36%	64%	645	54%	46%	6,333	57%	43%	1,118	60%	40%	15,083	58%	42%	23,179

The proportion of senior managers hired locally was almost 90% across the whole Group in 2014.

FOCUS 4

Harmony Day: part of LS travel retail Pacific's commitment to diversity and communities

**JANETTE DOOLAN**Corporate Communications Manager,
LS travel retail Pacific

How does LS travel retail Pacific promote cultural diversity?

Across all its network of sales outlets, LS travel retail Pacific is determined to promote a culture of integration that celebrates the diversity of its staff. We are very proud that our store staff speak over 30 different languages: for each language they speak, the relevant flag is clearly displayed on their name badges. In 2014, LS travel retail Pacific organised Harmony Day, an initiative that took place across Australia to celebrate diversity in the workplace by encouraging staff to share home-cooked dishes and discover different cultural traditions. We have people of over 20 nationalities at our head office, and we encouraged our team to bring traditional home-cooked dishes into work and share them. It was an enjoyable way of promoting integration and mutual respect.

Has LS travel retail Pacific taken part in any other charity events?

Yes, particularly our male staff, at all levels of the company. Firstly, they got supported Movember, which aims to raise money and awareness about men's health. Men from the Pacific team took part in the challenge, which is to grow the best moustache during November, and we would like to extend it to the whole Lagardère Services network in 2015.

Secondly, our CEO Matthieu Mercier took part in the "CEO Sleepout", an annual event organised by Australian charity St Vincent-de-Paul. Every year, business leaders spend a night sleeping under the stars, both to raise money and to generate support for the homeless.

Finally, as part of its community day, the management team completely renovated the children's rooms in a women's shelter.

Your partnership with the CanTeen charity is perhaps the best example?

Yes, we have been partners with CanTeen – a charity that supports young cancer sufferers and their families – since 2007, and we have raised over \$100,000 for it.

2014 was one of our most successful years, because we supported CanTeen's national campaign in Australia and New Zealand. We sold bandanas, pens and badges in our stores throughout October, and we raised over \$14,000 through a "Bandana Day".

We also invited some members of the charity and their families to see a performance at the Sydney Opera House, and afterwards take a tour of the building and meet the artists.

We took part in City2Surf, a 14km running race, and raised money for CanTeen through sponsorship.

Last but not least, we raise money for CanTeen through our plastic bags, for which we charge money in all our stores, and that helps the environment too.

→ www.lsaspac.com

Elle Foundation: a decade of open minds



KARINE GULDEMANN
Executive Manager, Elle Foundation



The Elle Foundation celebrated its 10th anniversary in 2014. What are you most proud of?

Firstly, we are proud that, over the last 10 years, we have been able to turn words into action by supporting over 75 projects in France and worldwide.

Secondly, I would probably say our collaborations with other foundations (such as the Air France foundation, the Kering foundation and Sanofi Espoir), which have enabled us to develop and boost the work done by our NGO partners.

In the first few years, we focused on selecting projects and monitoring the work being done, but from 2009 we have worked hard to involve our staff. We now have around 150 staff committed to working with us, as sponsors, jury members or legal advisors for NGOs.

I am also very proud of the corporate philanthropy award we won in 2012 for our commitment to women, but also our innovative and ambitious vision for corporate philanthropy.

To keep up with the times and our changing society, are you developing Elle Foundation 2.0 (or even 3.0)?

Our collaborative platform means that we can now recruit increasing numbers of volunteers online, collect funds for the charities we support and have a greater presence on social networks. We launched the platform in spring 2014, and it is a fantastic communication tool. It allows us to raise our profile, and also to promote our projects and our commitment to educating women around the world.

More than ever the Elle Foundation is involved in promoting diversity. Can you give some examples in 2014?

We have been delighted to work with the Programme PasserElles, devised by recruitment consultancy Mozaïk RH, which specialises in promoting equal opportunity and diversity. It is a mentoring programme for young female graduates from diverse backgrounds, who are unable to find a job suited to their qualifications.

The Elle Foundation helped 10 young women enter the world of work. In particular, we held themed workshops with our staff.

I would also mention "L dans la Ville", a partnership with the Sport dans la Ville charity, which helps young women achieve personal fulfilment and their professional goals. As part of that programme, we launched the "J'aime ma cité" editorial project in 2014 in collaboration with two journalists from *Paris Match*. In 2015, the work of four teenage girls taking part in the project could be published on ParisMatch.com.

→ www.ellefondation.org

Breakdown of staff arrivals by gender and type

Division	Recruitments		Contract conversions		Internal mobility		Promotions	
	Women	Men	Women	Men	Women	Men	Women	Men
Lagardère Publishing	221	155	87	57	27	13	249	91
Lagardère Services	2,123	1,241	82	57	38	51	136	92
Lagardère Active	39	54	2	1	27	70	30	20
Lagardère Unlimited	67	91	12	19	4	8	10	24
Other Activities	2	2	1	0	5	8	0	1
Group total 2014	2,452	1,543	184	134	101	150	425	228
Breakdown 2014	61%	39%	58%	42%	40%	60%	65%	35%
Breakdown 2013	63%	37%	64%	36%	51%	49%	58%	42%

Breakdown of permanent workforce given a pay rise by gender

Division	Employees given a pay rise		Total	Breakdown	
	Women	Men		Women	Men
Lagardère Publishing	2,921	2,065	4,986	59%	41%
Lagardère Services	4,390	3,207	7,597	58%	42%
Lagardère Active	1,041	644	1,685	62%	38%
Lagardère Unlimited	249	501	750	33%	67%
Other Activities	75	59	134	56%	44%
Group total 2014	8,676	6,476	15,152	57%	43%
Group total 2013	7,561	5,517	13,078	58%	42%

Breakdown of training hours by gender

Division	Hours of training		Total	Breakdown of hours	
	Women	Men		Women	Men
Lagardère Publishing	24,967	17,883	42,850	58%	42%
Lagardère Services	100,753	63,075	163,827	61%	39%
Lagardère Active	31,810	17,263	49,073	65%	35%
Lagardère Unlimited	5,043	9,838	14,881	34%	66%
Other Activities	741	868	1,609	46%	54%
Group total 2014	163,313	108,927	272,240	60%	40%
Group total 2013	188,744	116,554	305,299	62%	38%

As regards disabilities, the Lagardère group in 2014 renewed and strengthened its partnership with Michaël Jérémiasz, Olympic wheelchair tennis champion, in order to raise awareness about disabilities within Group companies.

A plan of action was presented in the Group's July 2014 HR conference, and the first event took place at the offices of Lagardère Active, involving a para-table tennis activity: two French champions challenged the division's staff and staged an exhibition of their sport, as well as describing their day-to-day lives.

As part of the 2014 "Challenge du monde des grandes écoles et universités" – a one-day event at the Stade Charléty in Paris, which is attended by over 5,000 students and which the Lagardère group has supported every year since 2009 – the Group and Michaël Jérémiasz staged a wheelchair tennis event.

In late 2014, Lagardère Publishing set up a Disability Initiative in the form of a charity (see Focus). That is in addition to the Disability Initiative already created by Lagardère Active, which in February 2014 signed a "charter to promote the training and professional integration of disabled people in the audiovisual communication sector".

Disabilities:

greater commitment from Hachette Livre



ALEXIS RÉROLLE

Head of Human Resources,
Lagardère Publishing



Hachette Livre and Hatier, in April and September 2014 respectively, joined ARPEJEH, a charity that helps disabled teenagers with their education and career plans. What does your partnership involve?

We were involved in two ways in 2014. Firstly, we held an event to introduce young people to the world of work, at the *lycée Balzac* in Paris. We met around 20 Year 10 students with various disabilities (visual impairment/blindness, deafness, autism etc.), showed them the components of a company and discussed their career plans with them.

Secondly, Hachette Livre organised a workshop to help prepare young people for work. It was attended by young people with various physical and mental disabilities and degrees ranging from BTS to Master 2. They each had a one-on-one meeting and, as well as the Hachette presentation, they received various advice about their future careers, including a mock recruitment interview and help with drafting and amending CVs and covering letters.

Activities are also planned for 2015, including a visit to the Maurepas site and a presentation of the jobs that people do there.

You also set up a Disability Initiative.

In December 2014, we set up a Hachette Livre Disability Initiative in the form of a charity, to which all of the group's French companies signed up.

The charity's aim is to encourage the recruitment of disabled people and their integration into the workforce, along with efforts to keep them in work among companies in the Hachette Livre group.

To achieve that, the charity provides assistance to its member companies, depending on their needs and requests, in various areas. These include research into the arrangement of workstations, training and awareness-raising for all staff within the company, and initiatives to keep disabled people in work and redeploy them.

What types of initiatives are you planning in future?

With the creation of the Disability Initiative, which has its own Board of Directors and budget (based on contributions from members), we can consider a fairly broad range of activities. We will probably start with an audit of the strengths and weaknesses of member companies in terms of dealing with disabilities before deciding on our future activities.

→ www.hachette.com

Number of employees with a disability at 31 December

Division	The Americas	Europe	France	Total
Lagardère Publishing	1 →	18 ↘	49 ↗	68 ↗
Lagardère Services	2 →	78 ↗	45 ↘	125 ↗
Lagardère Active	0 →	1 →	40 ↗	41 ↗
Lagardère Unlimited	0 →	3 →	6 →	9 →
Other Activities	0 →	0 →	7 ↘	7 ↘
Group total 2014	3 →	100 ↗	147 ↘	250 ↗
Group total 2013	3	65	151	219

Number of agreements with organisations that specifically employ people with a disability and total expenditure on services

Division	Number of partnerships	Total expenditure
Lagardère Publishing	2	€148,927.32
Lagardère Services	6	€682,700.00
Lagardère Active	9	€392,875.75
Lagardère Unlimited	1	€10,000.00
Other Activities	1	€4,500.00
Total Lagardère group	19	€1,239,003.07

Number of employees working at entities that have signed a document (charter, agreement, statement etc.) to guarantee that employee diversity is upheld and promoted

Division	Total employees covered
Lagardère Publishing	847
Lagardère Services	1,841
Lagardère Active	1,641
Total Lagardère group	4,329
% of Group total	18%

In 2014, as it has every year since 2006, the Lagardère group renewed its partnership with the non-profit organisation “Nos Quartiers ont des talents” (Our neighbourhoods have talent), which aims to help young graduates from “priority” neighbourhoods get their first job, partly through the network of managers at the organisation’s member companies.

As regards corporate philanthropy, the Jean-Luc Lagardère Foundation continued to support, for the sixth consecutive year, the Divertimento symphony orchestra conducted by Zahia Ziouani, and more specifically the Divertimento Academy, which gives young musicians exposure to the symphony orchestra environment and helps them train as an orchestra musician.

LA MAISON DES TALENTS

The Jean-Luc Lagardère Foundation and the Elle Foundation have joined forces with the Fondation Financière de l’Échiquier, which supports female scholars who have just taken the baccalauréat by giving them free accommodation in Paris and tailored academic, personal and pre-vocational support throughout their studies in preparation for entry into France’s elite universities. As well as

financial support, three Lagardère group employees mentor three students from the Maison des Talents throughout the school year, aiming to broaden their horizons, help them put together a career plan, or simply provide them with moral support.

Number of official proceedings related to discrimination or forced labour

There were two sets of official proceedings in 2014, but they did not give rise to any legal decisions against the Group.

The two sets of official proceedings dating from 2013 remain ongoing.

B SUPPORTING EMPLOYEES THROUGHOUT THEIR CAREER

The development of professional skills and individual responsibility among staff is vital for the Lagardère group's success, since its strength relies on the quality in depth of its workforce.

As well as the Group-wide career management policy, and in accordance with the principle of autonomy for each division, each division adopts initiatives suited to the specific features of its activities and occupations.

The Group also invests in supporting and training young people by encouraging work placements and particularly by developing work-study contracts.

This strategy illustrates the Lagardère group's commitment to investing in the skills of its employees, and to fostering fulfilling career development.

Support starts at an early stage, through **constant dialogue with students** when they are still merely potential candidates. Speaking to students is a responsibility, to guide them towards the most appropriate careers, but also a way for us to recruit the best talent.

Accordingly, the Group attends forums held by major French universities (HEC, ESCP Europe, ESSEC, EDHEC and EM Lyon) in order to offer work placements, work/study contracts and jobs to students and young graduates across all of our divisions and businesses.

In addition, we have supported an event that has been particularly important and meaningful to us for six years now: the "Challenge du monde des grandes écoles et universités", which is a one-day event that brings together students and companies and involves a sporting competition, efforts to promote the integration of disabled employees and discussions about the activities of the five partner companies.

ALTER' ACTIONS

The Lagardère group also wants its staff to get involved in social projects. In 2013, it set up a partnership with Alter'Actions, which has an innovative approach to supporting the social and community-based economy, bringing together students from elite French universities and business executives. To date, four Group

employees have taken part in seven assignments with charities promoting the education and integration of women, the integration of disabled people and environmental protection. Some of those charities are already supported by the Elle Foundation.

As regards **supporting employees throughout their career**, the Lagardère group has also decided to provide a specific in-house training course for talented staff.

It starts with an integration day, in which the Group brings together over 100 new managers in a single location and presents its various activities, as well as hosting creative workshops and meetings with executives. The aim is to promote a shared Group culture.

Since 2002, the Lagardère group has also held a three-day leadership course for high-potential staff within its divisions. The aim is to help boost innovation among participants, co-ordinate cross-discipline projects and become change leaders.

Since 2014, the Group has undertaken initiatives enabling young managers to discuss common issues such as the fundamentals of management, conflict management, negotiation, managerial communication and public speaking.

The Lagardère group has also been a member of Netexplo, the global observatory on digital society, since it was created in 2008.

Every year, Netexplo produces an analysis of digital trends based on digital innovations collated by an international network of experts and academics.

The partnership allows Group employees to take part in Netexplo's annual forum, which every year hands out 10 awards, and in various workshops dealing with management and marketing.

In 2014, the Group decided to go further, signing up to the Netexplo Academy programme, which is a content platform containing around 165 videos available online and intended to raise awareness among employees regarding digital changes and impacts.

This digital culture training will be rolled out among the Group's divisions starting in 2015.

Complementing training efforts, **internal mobility** is crucial in developing employee skills and a major priority for the Lagardère group. Accordingly, the Group developed a special system of inter-divisional committees in 2013, and applied it in 2014.

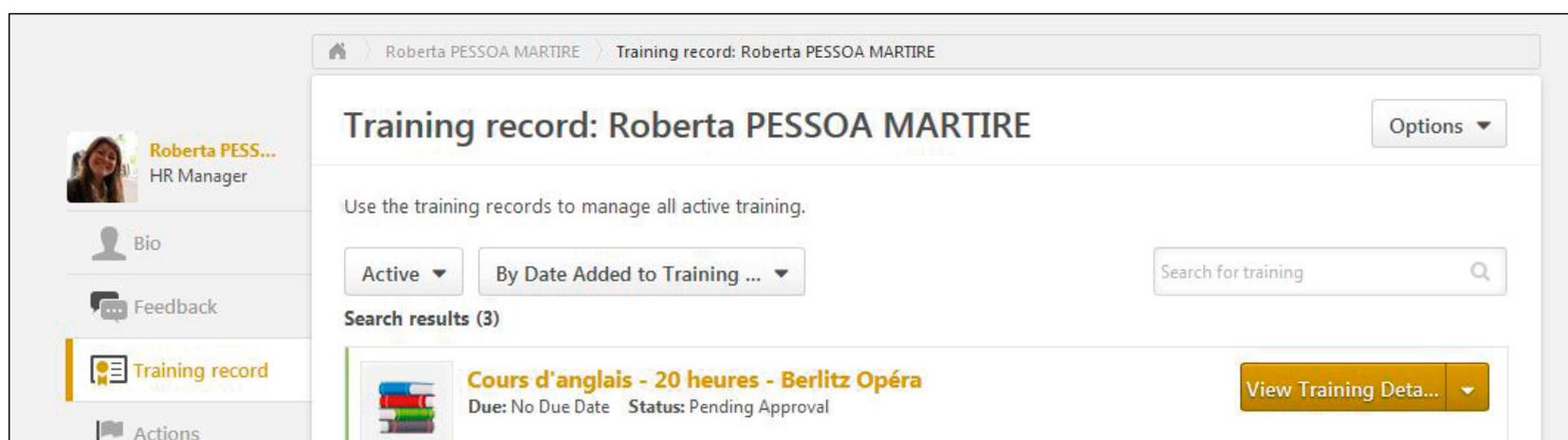
Bond:

a talent-management tool at Lagardère Unlimited



ROBERTA MARTIRE

HR Development Manager, Lagardère Unlimited



Why did you set up Bond, your human resources information system (HRIS)?

We had a number of overlapping objectives. We mainly wanted to take a snapshot of the company in order to identify its talents and the skills it needs to carry out its full range of activities. The second aim was organisational, because we also needed to co-ordinate the various HR approaches within the division and harmonise the policies and procedures that existed in the various entities.

In practical terms, how does it work and what are its benefits?

The HRIS allows us to monitor each employee's progress within his/her company, including recruitment, annual appraisals (skills assessment, objectives, career plan management), pay rises, training requests and attendance, talent assessment and identification and departure management. It gives us a better understanding of our staff and makes us more able to deal with changes in our businesses in HR terms.

It is easy to use for managers, since manual tasks are limited, processes are automated and information is centralised. Wherever they are, managers have permanent access to staff profiles, data on employment contracts and existing processes (annual appraisals, pay rises etc.). Employees also have access to certain information (training, languages, professional development) and can update them in real time. The HRIS can be used for internal communication purposes, through an intranet and a directory that give access to each employee's contact details. There is also a mobile version, which facilitates communication and teamwork.

What is your experience of the system and which other talent-management projects would you like to see?

The first year of implementation was difficult because of our decentralised organisation, but after that, the roll-out was managed very smoothly by our HR teams. They handle all the work required to configure the system in real time, adjusting it in line with our needs, which is vital given that our business is constantly changing. For the second consecutive year, the proportion of annual appraisals covered within our scope has been 80%. The figure was 50% before the system was introduced.

In 2015, as regards talent management, we will be rolling out two additional modules. One will concern integration, aimed at generating loyalty among new recruits, and one will concern recruitment, which is a vital part of our business. We will also focus on identifying talent, harmonising job descriptions and career plans.

→ www.lagardere.com

Internal mobility: guiding talented staff and helping them progress



PHILIPPE MENDIBURU

Head of Human Resources,
Lagardère Ressources



MobiliBUZZ

MARS 2015

N°2

To what extent is the new internal mobility project a key part of the Lagardère group's talent management approach?

Internal mobility helps to create a stronger group, makes staff more employable and opens up new development horizons for those who take part in it. The mobility committee and the HR managers who sit on it look at the files of staff identified by their managers as talented people with potential to work in other divisions and/or businesses. For staff that are already successful in their current roles but want to progress their career within the Group, the committee plays a vital role in guiding talent between the divisions.

The plan is up and running, and in most cases ensures that staff integrate more easily into their new roles.

How was this inter-divisional committee set up? Which tools did you use?

In September 2013, at the request of the Group HR Department and with the approval of the Group Executive Committee and Lagardère Media's Operating Committee, we asked each divisional HR manager to appoint a HR manager to be a mobility contact person, with the task of putting forward candidates for internal mobility.

Vacancies within the Group are offered first to mobility candidates, and interviews with operational staff are organised.

We adopted a streamlined shared communication solution based on the recruitment system, in which all information about jobs and candidates covered in meetings are available to the mobility contacts.

The system for providing mobility contacts with up-to-date information is supplemented by the Mobilibuzz newsletter, which lists vacancies every two weeks, and the mobility contacts are in charge of informing the relevant HR managers in their division about job opportunities.

What have been the results? What are your next objectives?

Results have been encouraging: the committee has held six meetings in one year, helping to arrange 15 successful inter-divisional transfers. The committee also allows us to flag up jobs that are about to become open, and to mention, entirely confidentially, future organisations in which specific skills are being sought.

→ www.lagardere.com

As regards community partnerships, the Jean-Luc Lagardère Foundation has since 2007 been helping high-level athletes gain qualifications helping them to retrain while continuing their sporting

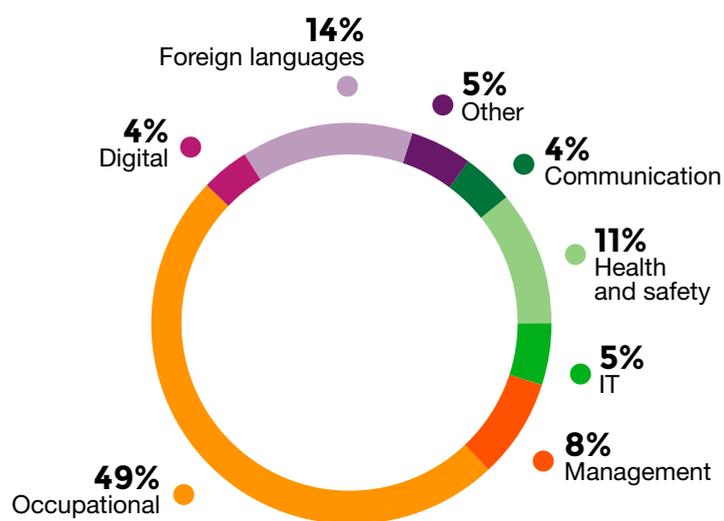
activities. Since 2007, 87 high-level athletes have taken part in the programme.

In 2014/15, 29 athletes are being supported.

Breakdown of training hours by occupational group⁽¹⁾

Division	Executives	Managers	Journalists and Photographers	Other employees
Lagardère Publishing	1,967	21,705	0	19,179
Lagardère Services	1,713	29,649	0	132,466
Lagardère Active	327	22,686	11,005	15,055
Lagardère Unlimited	351	3,426	0	11,104
Other Activities	268	1,145	0	197
Group total 2014	4,625	78,610	11,005	178,000
Group total 2013	4,372	105,979	12,811	182,137

Breakdown of training hours by type



Number of work placements and work-study programmes

Division	Work-study programmes	Interns
Lagardère Publishing	545	400
Lagardère Services	180	186
Lagardère Active	148	598
Lagardère Unlimited	22	263
Other Activities	7	33
Group total 2014	902	1,480
Group total 2013	880	1,425

(1) The average budget per employee is over €350 (€362 in 2013). In France, the average budget is €637 (€660 in 2013).

C ENCOURAGING AND PROMOTING TALENT

Managing remuneration is an essential way of recognising the work and performance of staff. The Group's policy is to favour pay rises based on appraised individual results, according to qualitative and quantitative results defined by subsidiaries.

To take into account employees' skills, training and responsibility, but also the specific features of the sectors in which they work, pay rises are increasingly awarded on an individual basis.

Many initiatives in Lagardère's various entities are intended to encourage and reward Group employees, both for their initiative and innovations in their professional roles and for their social commitment.

As well as bursaries awarded by the Jean-Luc Lagardère Foundation, the Group's various divisions provide extensive support to talented young people working in civil society. They organise numerous competitions and awards for talented young journalists, writers, animators, musicians and photographers. Certain Group entities, like Hatier and Editions Lattès, encourage young students and project-promoters by holding competitions in which the winners receive bursaries.

This desire to encourage employees can also be seen within the various divisions and at Group level. A large number of Group companies reward their employees' performance at work and commitment initiatives in various ways.

The following examples cover two areas of action that are particularly highly valued and encouraged within the Group, i.e. innovation and community support.

The Group's annual innovation awards reward innovative ideas devised by employees from all divisions and all countries. Employees develop novel projects that create value, while reflecting the Lagardère group's values of audacity, creativity and independence.

In 2014, 20 projects developed by 15 entities and representing 20 countries competed for the innovation awards.

There were two winners in 2014, one from Lagardère Active (MonDocteur.fr) and the other from Lagardère Publishing (Group Insight Navigator Dashboard). At Lagardère Active, a similar initiative called Booster was also launched in 2014.

The Group has also encouraged employees to support their communities for several years now.

At Lagardère Active for example, the Elle Foundation has received support from many Group employees since it was created, with 197 volunteers signing up in seven years.

At Lagardère Services, and particularly in Asia and Germany, staff are encouraged to get involved in various social initiatives.

65

The number of new staff making commitments in 2014 via Lagardère Active's community department and the Elle Foundation.

Hachette Livre's charity action committee, which was set up in 2010, supported around 10 charity projects put forward by staff in 2014. For example, the committee agreed to support a charity that aims to broaden children's knowledge of biodiversity and distribute teaching aids to help them learn about the environment and sustainable development.

Average annual gross salary by geographic area

Geographic area	Executives	Managers	Journalists and Photographers	Other employees
Africa	€82,387	€53,174	-	€7,880
Asia-Pacific	€206,499	€53,029	-	€24,322
The Americas	€252,196	€94,106	-	€28,323
Rest of Europe	€137,411	€48,082	€14,773	€24,057
France	€223,191	€57,850	€63,744	€25,858
Group total 2014	€179,532	€57,749	€53,891	€25,187
Group total 2013	€166,414	€54,252	€50,332	€24,136

FOCUS 9

Encouraging Group employees through the Jean-Luc Lagardère Foundation's Community Commitment Bursaries

**QUITERIE CAMUS**

Managing Director, Jean-Luc Lagardère Foundation



In 2014, you introduced a new Community Commitment Bursary for Lagardère group employees. What were the reasons behind this?

To carry on from the Foundation's initiatives to raise awareness about its activities among Lagardère group employees, in spring 2014 we launched Community Commitment Bursaries in partnership with the Sustainable Development Department. The aim of the bursaries is to encourage community commitment among Group employees. We are awarding between one and three bursaries per year worth €5,000 each. Employee projects bolster the Foundation's efforts in the fields of culture, sport, diversity, education and medical research. It's a way for all Lagardère group employees to find out more about the areas in which the Foundation works, and to feel more involved.

For the Foundation, the Community Commitment Bursaries raise our profile as the authority that co-ordinates and implements the Group's corporate philanthropy policy.

How did the first year go?

We were a little concerned, because it's not all that easy for employees to present, within the company, the community work they do outside the company. However, staff are happy to see that their employer is supporting their personal charity commitments through bursaries. In addition, the bursaries are awarded to the charities supported by employees, not to the employees themselves. So we were very pleased to received, in our first year, around 20 applications from the Group's various

divisions. At the moment, the bursaries are available to all of the Group's French-speaking staff.

In early summer 2014, a selection committee chose seven projects and the candidates came to present their charitable projects in September before a jury consisting of people from inside and outside the Group. In November, we held our first Community Commitment Bursary awards presentation, which was a very sociable and enjoyable occasion.

Who were the winners?

The first two bursaries were awarded to the Mémoire de Clair de Lune charity, nominated by Pierre-Antoine Coutarel (Lagardère Active) for its plan to open a library in Soclogbo, Bénin, and to set up a service that lends school books to low-income families, and to the Terre des Enfants charity, nominated by Céline Baron and Luc Flamand (Lagardère Active), for its work to combat malnutrition and a lack of education among children in Madagascar. We will be very interested to see how their projects develop.

→ www.fondation-jeanluclagardere.com

D DEVELOPING CLOSE RELATIONS WITH EMPLOYEES

Dialogue between management and labour is an essential part of the Lagardère group's human resources policy. It is based on a clear principle of achieving an ongoing balance between economic and workforce-related issues, and takes place at all levels of the organisation (entities, divisions and the Group).

The Group's staff representatives are independent and freely elected. They enable the Group to establish regular dialogue about matters regarding working conditions and organisational changes that affect jobs.

In all countries, the Group complies with rules that allow staff to organise and set up their own representative bodies. It ensures that those representatives have access to the workplace and to employees. The Lagardère group is also committed to complying with and promoting the ILO's fundamental convention on freedom of association and the effective recognition of the right to collective bargaining.

As well as supporting the principle of divisional autonomy, the Group seeks to promote consultation and dialogue with staff representative bodies and between its various subsidiaries in France and abroad. Accordingly, the Group has set up two committees: the European Works Committee (January 2003) and the Group Employees' Committee (January 2002). The two committees hold regular discussions with management about the issues and changes needed in the Group's business activities.

The Group Employees' Committee consists of 30 Lagardère group employees.

The European Works Committee also has 30 members, who are employees of the Group in Europe. France has 15 seats on the committee and the other 15 seats are divided between eight other European countries (Germany, Belgium, Spain, Hungary, Poland, the Czech Republic, Romania and the United Kingdom).

In July 2015, elections will be held for both committees.

In 2014, as in every year, the Group Employees' Committee and European Works Committee held two ordinary meetings. In those meetings, they reviewed each division's activities and discussed their strategies.

There was a lot of workforce-related news within the Group in 2014. There were extensive discussions between the Lagardère group's staff representative bodies in relation to two major projects, i.e. the disposal of Lagardère Services' distribution business and Lagardère Active's sale of ten magazine titles. Five European Works Committee meetings and one extraordinary meeting were dedicated to the first project, while an extraordinary meeting of the Group Employees' Committee was held to discuss the second.

Within Lagardère Active, constant dialogue took place, involving over 100 meetings between staff representative bodies. The result was that the press business could be reorganised with no forced job losses, through a voluntary redundancy programme.

Collective agreements signed during the year and agreements in place at 31 December

Geographic area	Collective agreements in place at 31 December 2014	Collective agreements signed during the year
Africa	0	0
Asia-Pacific	16	2
The Americas	10	4
Rest of Europe	114	24
France	538	54
Group total 2014	678	84
Group total 2013	624	112

Types of collective agreements and percentage of workforce covered

Geographic area	% of employees covered by collective agreements on health, safety and working conditions	% of employees covered by collective agreements on the integration of people with a disability	% of permanent employees covered by collective agreements on remuneration	% of permanent employees covered by collective agreements on gender balance in the work place
Africa	0%	0%	0%	0%
Asia-Pacific	70%		72%	
The Americas	59%	10%	59%	10%
Rest of Europe	59%	30%	66%	40%
France	76%	37%	84%	76%
Group total 2014	66%	27%	72%	46%
Group total 2013	64%	27%	70%	44%

Geographic area	% of permanent employees covered by collective agreements on working hours	% of permanent employees covered by collective agreements on training	% of permanent employees covered by collective agreements on employee welfare
Africa	0%	0%	0%
Asia-Pacific	71%		71%
The Americas	10%	59%	10%
Rest of Europe	65%	29%	50%
France	96%	39%	72%
Group total 2014	70%	35%	55%
Group total 2013	69%	32%	54%

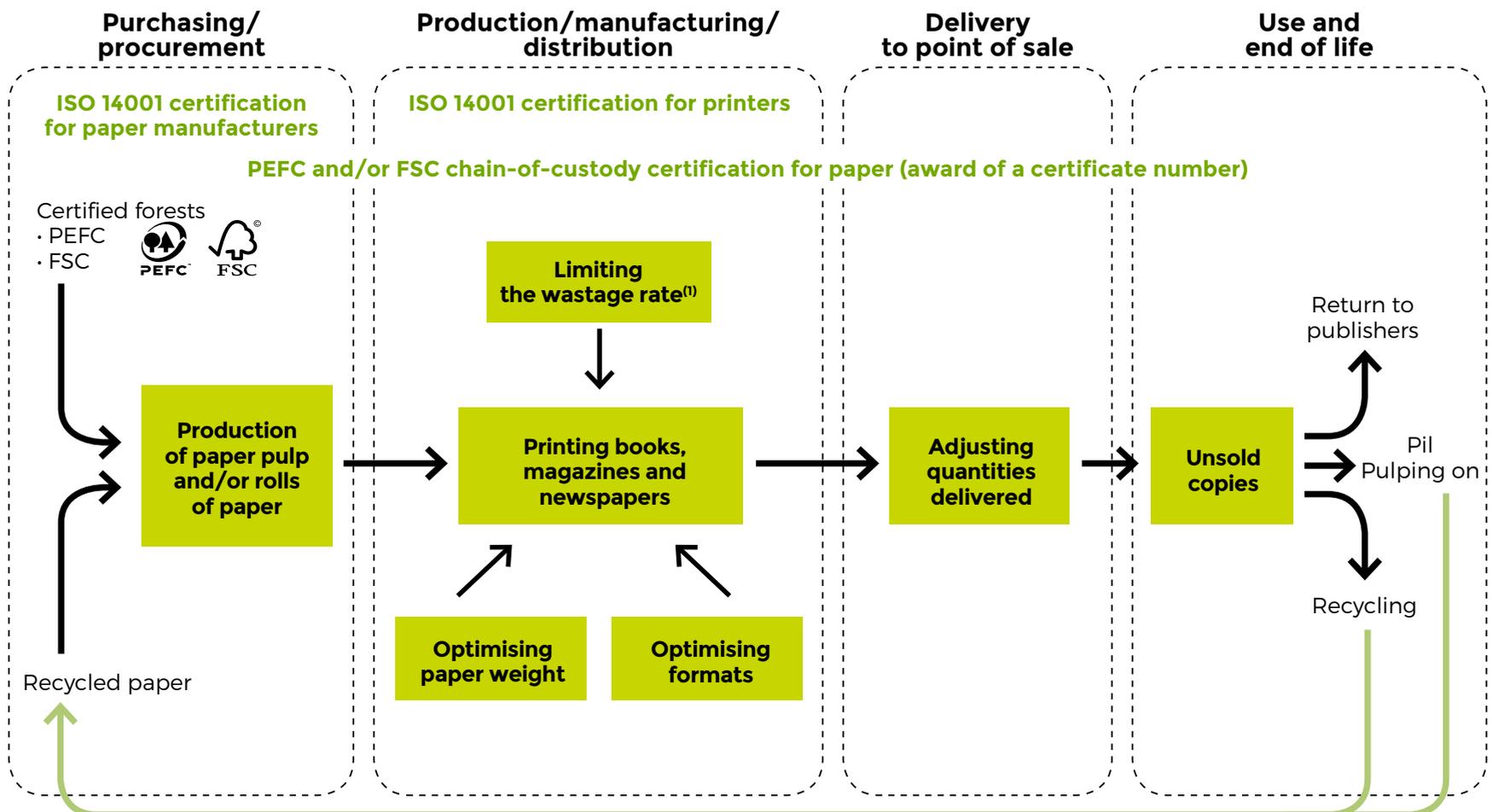
Employee representation

Geographic area	Number of employees covered by employee representation	Percentage of the workforce covered by employee representation
Africa	80	100%
Asia-Pacific	868	46%
The Americas	2,100	64%
Rest of Europe	5,624	61%
France	8,950	97%
Group total 2014	17,622	74%
Group total 2013	17,379	75%

2.3 ENSURING RESPONSIBLE MANAGEMENT OF THE PAPER CYCLE AND DIGITAL EXPANSION

A RESPONSIBLE MANAGEMENT OF THE PAPER CYCLE

The Paper Cycle



In terms of its books and press activities, the Lagardère group is fully aware that paper is a major environmental issue. As a result, the Group has long been committed to a rigorous policy aimed at managing paper responsibly throughout its lifecycle.

Lagardère seeks to increase, year-on-year, the proportion of paper it buys from certified sources, i.e. from sustainably managed forests, and its use of recycled paper. A sustainably managed forest is one where the amount of wood cut each year does not exceed the amount of biomass that grew in that forest in the same year. This ensures that the amount of carbon captured in the forest remains stable, which is not the case where a forest is overexploited or where deforestation occurs.

For two years now, Lagardère Publishing has included two important pieces of information on its French book covers: the type of paper on which the books are printed (certified or recycled), and their individual carbon footprint.

In early 2010, Lagardère Active began the PEFC chain-of-custody certification process. After that process was complete in early 2011,

the division obtained authorisation to display the PEFC logo in the credits or contents section of its magazines. The process is now subject to an annual audit by an approved external consultancy.

Recycled paper is very well suited to the production of newsprint. *Le Journal du Dimanche* is printed entirely on recycled paper.

On the other hand, the supply of recycled paper for magazines is still limited given the volumes required and the number of suppliers. As a result, Lagardère Active tends to use certified paper for its magazines.

Lagardère Publishing and Lagardère Active have also adopted a number of initiatives to limit paper wastage during production. The wastage rate corresponds to the percentage of paper lost during the manufacturing process (printing and finishing) for books and magazines. 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.

Optimising the format of publications is another way of making book and magazine production more efficient.

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

FOCUS 10

Hachette Book Group: *proud to be green!*



SOPHIE COTTRELL

Senior Vice President, Corporate Communications
and Sustainable Development, Hachette Book Group



How does Hachette Livre realise its environmental commitment in the United States?

Five years ago, in the United States, Hachette Book Group started an ambitious environmental programme to reduce its carbon footprint, to increase the proportion of recycled paper and certified paper used to produce books, and in general to avoid using paper from areas threatened with deforestation. We also undertook to reduce our energy consumption in all our buildings, through the relocation of our head office in New York and our offices in Boston. The expansion of our distribution centre in Indiana also addressed that requirement.

What results have you achieved in terms of your carbon footprint and the proportion of certified and recycled paper you use?

As regards our carbon footprint, we reduced our greenhouse gas emissions by 13% in 2013, which was double our target. In the last four years, we have cut emissions by 53%. We have beaten our targets regarding certified paper, because 90% of the paper we use in our production is now FSC-certified. We also apply SFI (Sustainable Forestry Initiative) criteria. If we combine FSC and SFI sources, 97% of our book production is now based on certified fibres. As regards recycled paper, our 20% target is harder to achieve because, as in other countries, recycled paper is rare, poor-quality and expensive in the United States. We have had to make do with keeping the proportion of recycled paper used in production at 9%, although that still represents a major effort given that the figure was 3% in 2008.

Have you also made progress with energy consumption?

The relocations in Boston and New York helped us cut energy consumption by over 15%. Our offices are now located in buildings that meet both cities' strictest criteria in terms of environmental quality standards. This year, we are mentioned in the detailed report produced by the Rainforest Action Network (an NGO that aims to protect forests and combat climate change), which has named us as a leader as regards transparency and reporting. I'm very proud of that.

→ www.hachettebookgroup.com

PRINTING ON DEMAND

At Lagardère Publishing, print-on-demand technology means that books can be printed only when required. It helps also reduce greenhouse gas emissions arising from book production, storage and transportation. The Group has increased its use of this technology in France, the United States and the United Kingdom, and its POD catalogue grew further in 2014.

In France, Hachette Livre has also made this technology available to an ambitious joint project between Hachette Livre and the Bibliothèque nationale de France (BnF) to sell, via a network of bookshops, an initial selection of almost 81,000 copyright-free books from the 200,000 digitised books in Gallica, the BnF's digital library.

Lagardère Publishing and Lagardère Active – which makes upstream efforts to reduce the unsold copy rate by optimally adjusting production – pay close attention to managing unsold copies of books

and magazines, which represent the main environmental issue for the Lagardère group in terms of preventing and recycling waste.

ECOFOLIO

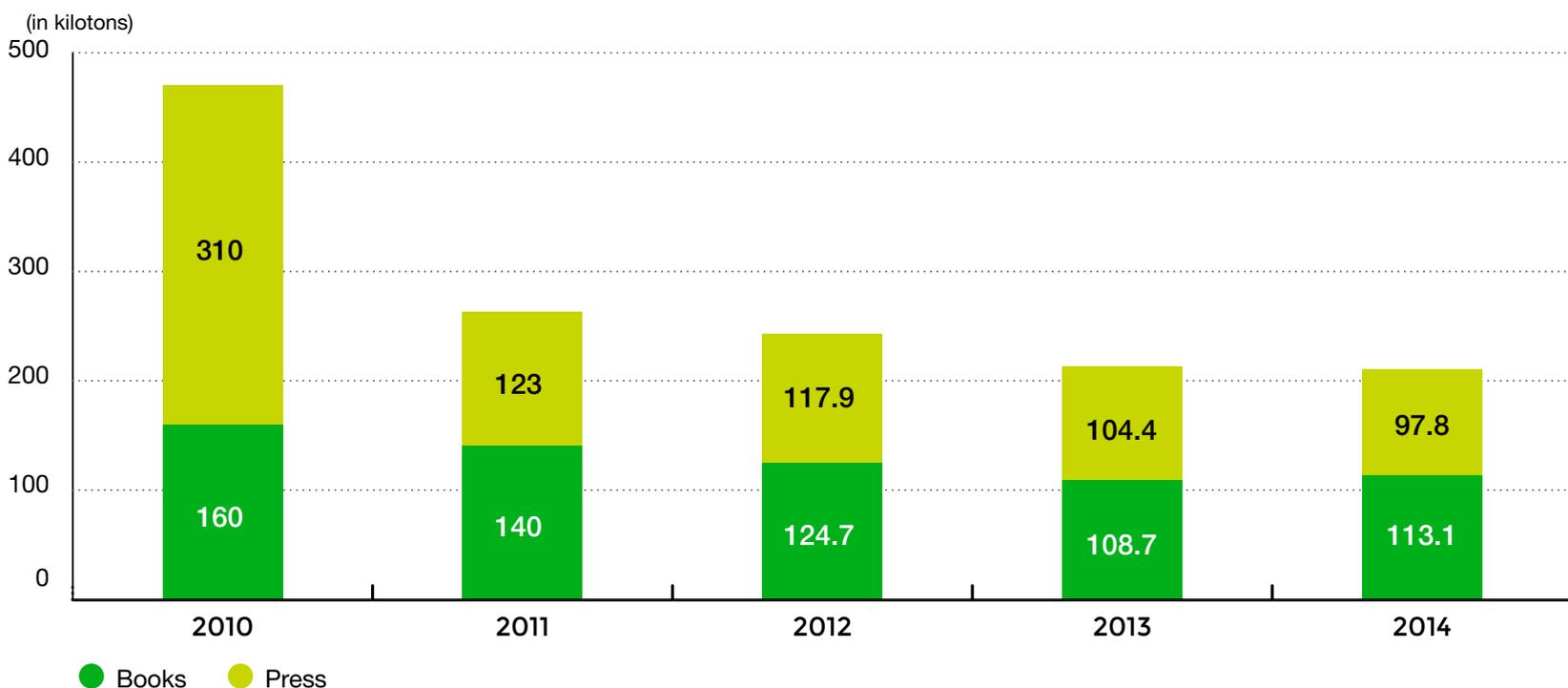
The recovery and recycling of paid or free publications represent important economic, environmental and social issues. To address them, press trade organisations like the SEPM (French union of magazine publishers) have agreed the text of a “voluntary commitment to raising awareness of sorting, collecting and recycling press paper” with France’s ministry for the environment, sustainable development and energy, France’s ministry of culture and communication, and Ecofolio, the government-authorized environmental organisation for the graphic paper industry.

This agreement was signed in July 2013, and Lagardère Active is covered by it as a member of SEPM. Its aim is to define ways for press publishers to help raise public awareness over a three-year period, by donating advertising space within publications for adverts dealing with the campaign’s theme of encouraging waste sorting. The first campaigns started in 2013 and continued in 2014.

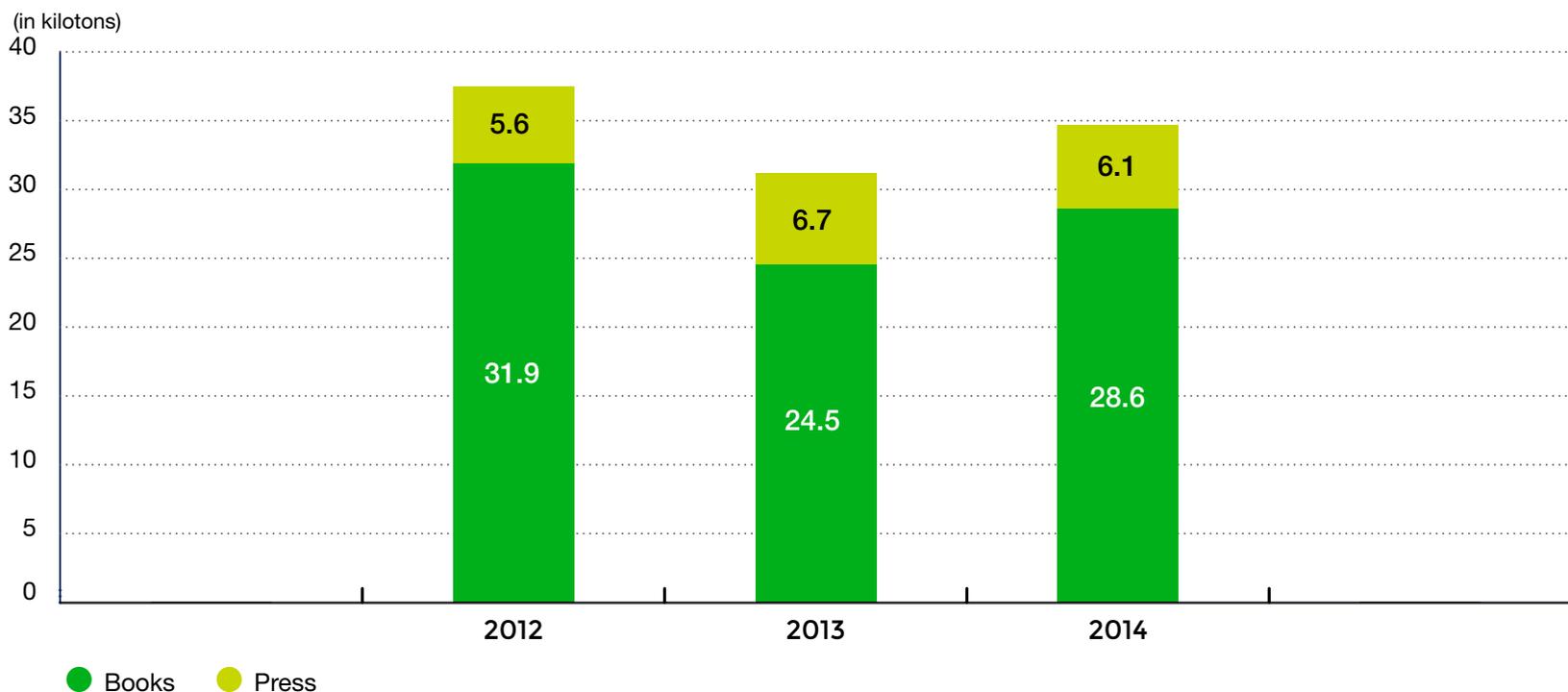
At Lagardère Publishing, the unsold copy rate for books refers to the activities managed by Hachette Livre Distribution, i.e. all activities in France, Belgium, Switzerland, Canada and the large-scale export business. Unsold copies that are not pulped and recycled are returned to inventory.

Hachette Livre also carried out its second carbon audit of its French-speaking operations in late 2012. The plan of action arising from the first carbon audit led to a 16% fall in overall emissions in the second audit, with the carbon footprint being reduced from 1.4kg to 1.2kg of CO₂ equivalent per copy.

Total weight of paper purchased directly by Lagardère



Total weight of paper supplied by printers



Indicator	Unit	2014	2013	2012
Total weight of paper purchased	thousands of tonnes	210.9	213.1	242.6
Certified paper as a proportion of paper purchased	%	95	94	-
Recycled paper as a proportion of paper purchased	%	4	3	-
Total weight of paper provided by printers	thousands of tonnes	34.7	31.2	37.5
Certified paper as a proportion of paper provided by printers	%	57	48	-
Recycled paper as a proportion of paper provided by printers	%	10	9	-
Number of PEFC-certified magazines	Number	29	37	20
Number of titles available in the print-on-demand catalogue (estimated figure for France, United States and United Kingdom)	Number	19,804	10,800	6,584
Lagardère Publishing unsold copy rate	%	24.71	23.91	-
Percentage of unsold copies pulped and recycled	%	57	60	-
Percentage of unsold copies returned to inventory	%	43	40	-
Lagardère Active unsold copy rate	%	31.8	33.1	32.8
Percentage of unsold copies recycled	%	92	93	94
Percentage of unsold copies put back onto the market	%	8	7	6
Number of pages of advertising space provided free of charge to Ecofolio in Lagardère Active magazines	Number	68	70	-

B RESPONSIBLE MANAGEMENT OF DIGITAL EXPANSION

As regards *personal data protection*, the Group Risk Management Department, working with the IT, Legal and Compliance Departments, oversees the system. It does this partly through a self-assessment questionnaire, which is intended to raise awareness among the people concerned and ensure that best practice is being used in the Group's digital activities. The supervision system has three main parts:

1. Regulatory compliance
2. The implementation of technical protection resources (encryption, electronic signatures, the right to know)
3. The creation of IT guidelines

The Group applies regulatory and statutory provisions in force in France (the IT and freedom act, CNIL reporting) and equivalent provisions in other countries in which it operates.

In 2014, each division's IT and legal departments raised awareness among the teams concerned regarding personal data protection and current developments in that field.

The Group's Compliance Department is also planning to implement a programme aimed at compliance with applicable personal data protection standards, comprising a policy, procedures, tools (charters on specific themes, data collection, disclosures, archiving etc.), training sessions and an incident management procedure.

In 2012, Lagardère Publicité signed pan-European framework principles on online behavioural advertising, which aim to give Internet users more control on how their personal data are collected, used, stored and shared by websites and online media sales companies.

At **Lagardère Publishing**, protection of intellectual property is handled by the division’s legal department, which takes action each time a breach of copyright – such as plagiarism or breach of fair use – arises. To counter digital piracy, which is the most serious threat to copyright, Lagardère Publishing uses a specialist company that monitors the Internet, detects fraudulent use of its files and instructs those responsible to cease and desist.

Lagardère Active protects its press content from piracy via a specialist company, under a contract that the SEPM formed in 2012 on behalf of its members.

Lagardère Active also takes all relevant legal action as soon as it is aware of infringements relating to content in which it owns rights.

Lagardère Services ensures that all products sold in its stores comply with all regulations in this area. Suppliers are required to prove that they own the rights and copyright relating to the products concerned.

The Lagardère group is aware of the environmental impact arising from its digital activities (indirectly as regards the production of devices and their energy consumption). In 2013 it decided to step up its efforts to manage the end-of-life phase of its own digital hardware, adopting an indicator monitoring waste electrical and electronic equipment (WEEE) collected within the Group then sold to approved bodies that process and recycle it.

Indicator	Unit	2014	2013	2012
Weight of WEEE collected and recycled	Tonnes	25.7	33	-
Cumulative weight of WEEE collected and recycled	Tonnes	58.7	33	-

2.4 STRENGTHENING SUSTAINABILITY OF PRODUCTS, SITES, CONTENT AND SERVICES

A SUSTAINABILITY OF BUILDINGS AND BUSINESSES

The Group is aware that part of its wealth comes from the environment that surrounds it, and has a policy of minimising its environmental impact in order to take full responsibility for the effects of its activities, products and services. It is therefore keen to incorporate environmental management principles into its activities. These principles are interlinked, and include efforts to tackle climate change, eco-efficiency in the production chain and lifecycle management.

Since 2008, Lagardère Publishing has had an ambitious programme of reducing greenhouse gas emissions arising from its activities. It has carried out two carbon audits, the first in 2009 and the second in 2013, the results of which have allowed it to take appropriate action. Between 2009 and 2013, changes in the various phases of production and distribution led to a 16% cut in greenhouse gas emissions from the division’s activities. Emissions now total 200,000 tonnes of CO₂ equivalent.

Hachette Livre International is also aiming to reduce the carbon footprint of its school books as part of the “mon Specimen” initiative (see Focus).

As well as its efforts regarding paper, Lagardère Active is making ongoing efforts to streamline transport within its production process, by bringing the sites of paper manufacturers, printers, binders and distributors closer together and focusing on modes of transport that emit the least greenhouse gases (trains and boats where possible).

It has also used the resources of the Technologies Department to transform the main physical flows in its business operations into digital flows, using electronic transfer and validation circuits.

At Lagardère Services, cashiers at Relay outlets are instructed to hand out bags (which are fully recyclable) only when requested by customers. Sales outlets in France are also gradually being equipped with fridges that have doors, in order to reduce power consumption across the division’s retail network.

In an approach centred on the use of energy sources that emit low levels of CO₂, several buildings in which Lagardère group staff work are heated by Compagnie Parisienne de Chauffage Urbain (CPCU - Paris district heating company), which uses a combination of energy sources.

Accordingly, the Lagardère group’s head office has, for the past several years, chosen this same energy mix to heat one of its two sites (both located in Paris).

At Lagardère Unlimited, the La Croix Catelan site, the Folies Bergère concert hall and the Casino de Paris use district heating.

Lagardère Services’ head office also switched to district heating in 2014.

Two of the buildings that house Lagardère Active teams in Levallois are heated by Levallois Énergie Maintenance (LEM), which uses a system similar to that used in Paris.

When it moved to Boulogne, Lagardère Entertainment also selected a building with HQE (high environmental quality) and BBC (low energy consumption) accreditation.

In April 2015, Hachette Livre’s building in Vanves obtained HQE certification and the BBC energy performance label.

FOCUS 11

MonSpecimen.com: Hachette Livre International innovating to protect the environment

**RONALD BLUNDEN**

Senior Vice-President, Corporate Communications
and Sustainable Development, Lagardère Publishing



Hachette Livre was the first publisher to carry out a carbon audit of its books and apply dual environmental labelling, and has now embarked on a new initiative. Can you tell us more?

Since 2008, Hachette Livre has had an ambitious programme of reducing greenhouse gas emissions arising from its activities, in order to help the fight against global warming. In the four years following our first carbon audit in 2009, changes in the various phases of production and distribution led to a 17% cut in CO₂ emissions per book published by all our French publishing houses. In 2012, Hachette Livre started putting carbon labels on its books, allowing readers to see the carbon footprint of each book and the origin of the paper used (certified or recycled). Each publishing house has an educational website (www.hachette-durable.fr) and in 2014, Hachette Livre International started an initiative to reduce the carbon footprint of school books.

How?

We looked at how we send specimens to teachers in over 100 countries. Every year between March and May, these specimens were delivered by airmail, increasing the total carbon footprint of each school book. Production lead times mean that specimens need to be sent by air – the most polluting mode of transport in terms of greenhouse gases – to enable teachers

to select the books they need for the following academic year. Naturally, the books that students will use in the autumn are then sent by surface mail. To cut the use of airmail, Hachette Livre International has developed an innovative website Monspecimen.com that allows teachers from all over the world to see all new books published by Hatier, Didier and Foucher, in a quick, customised, flexible and secure way, and to download a selection of teaching resources.

What environmental benefits are you expecting the initiative to deliver?

The markets covered by this pilot initiative are French overseas territories, North Africa, Lebanon, French-speaking Africa, Belgium and Canada. This new solution, as well as saving money and being useful for teachers, is intended to reduce the carbon footprint of distribution activities in this editorial segment by one third within three years.

→ www.hachette.com

The Group's energy consumption in France in 2014

Division	Year	Gas (kWh)	Oil (litres)	Electricity (kWh)	District heating system (kWh)
Lagardère Publishing	2014	8,472,238	288,997	15,067,352	2,394,711
	2013	11,436,498	319,753	15,611,817	3,341,070
Lagardère Services	2014	1,755,472	0	28,429,997	152,000
	2013	2,060,968	0	41,731,749	0
Lagardère Active	2014	4,702,040	3,811	13,920,880	1,463,000
	2013	5,786,304	6,050	15,382,137	1,945,000
Lagardère Unlimited	2014	3,095,456	256,438	3,266,225	992,700
	2013	5,025,031	80,772	3,164,525	2,550,000
Other Activities	2014	15,837	5,507	5,018,339	400,000
	2013	14,282	4,757	4,676,141	410,110
Total	2014	18,041,043	554,753	65,702,793	5,402,411
	2013	24,323,083	411,332	80,566,369	8,246,180

In 2014, energy consumption figures varied in both directions. Electricity consumption remained stable in all divisions except Lagardère Services, where it fell sharply, pushing down total consumption in France. There were several reasons for the large reduction:

- ▶ a change in scope: just over 300 sales outlets left the reporting scope after a joint venture with SNCF was created on 1 January 2014. The joint venture is not included in the scope, reducing the number of outlets including in reporting by 35%;
- ▶ efforts to reduce consumption, pushing down consumption in terms of kWh per m² by 8.9%.

Electricity consumed for heating purposes also fell because weather conditions in winter 2014 were fairly mild.

Increases in consumption varied between divisions and energy types, and broadly resulted from:

- ▶ changes in the organisational scope (integration of new entities within environmental reporting);
- ▶ improved incorporation of the various sources of energy consumption within a single entity;
- ▶ internal changes (often relating to construction works), temporary or otherwise, causing consumption to rise or fall.

CO₂ equivalents of the Group's tertiary energy consumption in France in 2014 (in eq. t CO₂)

Division	Year	Scope 1			Scope 2			Total Scope 1 + Scope 2
		Gas	Oil	Total	Electricity	District heating system	Total	
Lagardère Publishing	2014	1,855.42	939.24	2,794.66	1,175.25	466.97	1,642.22	4,436.88
	2013	2,676.14	1,023.21	3,699.35	1,124.05	648.17	1,772.22	5,471.57
Lagardère Services	2014	384.45	0.00	384.45	2,217.54	29.64	2,247.18	2,631.63
	2013	482.27	0.00	482.27	3,004.69	0.00	3,004.69	3,486.96
Lagardère Active	2014	1,029.75	12.39	1,042.14	1,085.83	364.29	1,450.12	2,492.26
	2013	1,354.00	19.36	1,373.36	1,107.51	505.70	1,613.21	2,986.57
Lagardère Unlimited	2014	677.90	833.42	1,511.32	254.77	193.58	448.35	1,959.67
	2013	1,175.86	258.47	1,434.33	227.85	494.70	722.55	2,156.88
Other Activities	2014	3.47	17.90	21.37	391.43	78.00	469.43	490.80
	2013	3.34	15.22	18.56	336.68	79.56	416.24	434.80
Total	2014	3,950.99	1,802.95	5,753.94	5,124.82	1,132.48	6,257.30	12,011.24
	2013	5,691.61	1,316.26	7,007.87	5,800.78	1,728.13	7,528.91	14,536.78

Like French energy consumption, greenhouse gas emissions resulting from energy consumption also fell in 2014.

Lagardère is gradually extending the scope of published energy consumption figures outside France. For 2014, the Group is reporting

energy consumption and greenhouse gas emissions covering all of its Western European scope (Germany, Belgium, Spain, Italy, the Netherlands, the United Kingdom, Sweden and Switzerland).

FOCUS 12

Carré Daumesnil: an HQE-certified building



FRANCK PEYRE

Deputy Director of the Group Real Estate Department, Lagardère



Why did you choose to have the building certified?

The Carré Daumesnil site is owned by the Lagardère group and let to non-Group companies. It is a 20,000m² office building in the 12th arrondissement of Paris. The aim of “NF HQE Bâtiments Tertiaires en Exploitation” certification is to ensure that environmental issues are properly taken into account during the building’s operational phase, and that a continuous improvement process is in place. We wanted to apply the Group’s sustainable development policy in the real-estate field by operating the building in a responsible manner. The environment and commercial value are too often regarded as being in conflict, whereas in fact they are compatible and complementary. The certification adds value to Carré Daumesnil. We also want to set an example, because we hope that the building’s tenants will seek their own HQE certification for the offices they are renting.

What steps were involved in obtaining the certification, and what are its advantages?

Building work and various other measures were taken to achieve the performance level desired by the Group’s property department and required by the certifying organisation Certivea. Since Lagardère owns the building but does not occupy it, the certification concerns its common areas.

However, it was a genuinely collective, joint project. The upgraded facilities significantly improve the working environment for people in the building, and the project has made occupants more aware of environmental protection issues.

What has changed day-to-day for the tenants?

The building work and modifications required to obtain the certification involved installing water-saving systems, creating a waste processing area and introducing parking spaces with charging points for electric vehicles. The waste processing area means that waste can be sorted more effectively, and allows building staff to respond immediately, with the right tools, if any pollutants leak. We also installed an insect hotel in the patio area to improve biodiversity. The insect hotel is a wood construction about a metre tall, with compartments of various sizes designed to host different species of insect.

All tenants received regular updates about the improvements and the HQE certification process. They have been encouraged to seek certification for their own areas of the building. We hope that the certification and the modifications we have made to the building will serve as an example, so that they can do something similar.

→ www.lagardere.com

The Group's energy consumption in Western Europe in 2014

Division	Gas (kWh)	Oil (litres)	Electricity (kWh)	District heating system (kWh)
Lagardère Publishing	3,686,827	81,643	11,695,818	0
Lagardère Services	12,983,355	374,875	18,040,846	0
Lagardère Active	75,000	0	7,207,665	0
Lagardère Unlimited	174,000	960	1,229,508	419,070
Total	16,919,182	457,478	38,173,837	419,070

CO₂ equivalents of the Group's tertiary energy consumption in Western Europe in 2014 (in eq. t CO₂)

Division	Year	Gas	Oil	Total	Electricity	District heating system	Total	Total Scope 1 + Scope 2
Lagardère Publishing	2014	788.98	260.45	1,049.43	4,129.90	0.00	4,129.90	5,179.33
Lagardère Services	2014	2,778.44	1,195.85	3,974.29	5,428.21	0.00	5,428.21	9,402.50
Lagardère Active	2014	16.05	0.00	16.05	3,322.73	0.00	3,322.73	3,338.78
Lagardère Unlimited	2014	37.24	3.06	40.30	379.32	378.84	758.16	798.46
Total	2014	3,620.71	1,459.36	5,080.07	13,260.16	378.84	13,639.00	18,719.07

B IMPACT OF OPERATIONS ON CONSUMER HEALTH AND SAFETY

At **Lagardère Publishing**, suppliers that produce box-sets and accessories are subject to a listing procedure and controls on each item produced, to ensure that products comply with new product-safety regulations and standards (regarding toys, contact with food etc.).

Since the end of 2012, the division has, on its own initiative, systematically provided French retailers and bookshops with product compliance information where required, via a dedicated portal. The division is also a member of the French committee in charge of preparing toy safety standards, and we have introduced a new incident and crisis management procedure relating to product safety, which we have applied since the start of 2015. This enables us to respond more effectively to all incidents.

At **Lagardère Services**, health and food safety are a key priority in its food retail and foodservice activities. Its new entity, Airst, has trialled a healthy eating concept in Italian airports (see Focus).

Relay France has also taken certain measures to ensure that products are healthy and safe for consumers. For example:

- ▶ A HACCP system to ensure food safety has been implemented in activities involving foodservice and the sale of packaged foodstuffs.
- ▶ At each sales outlet, health and food safety are subject to daily checks based on strict, precise procedures, from the time the supplier delivers products until the time the consumer receives them. External controls are also performed by independent organisations, which carry out hygiene audits and microbiological analyses on finished products, raw materials, mains water and equipment.

As part of commercial agreements with brands, which generally belong to large French and international groups that are subject to the same rules and requirements, the Group systematically requires a commitment to complying with international agreements regarding the environment, consumer protection, consumer health and safety and product traceability. Lagardère Services also pays particular attention to all advertising (posters, displays of promotional objects, etc.) in stores across the network.

Climate:

LS travel retail Deutschland reducing its carbon footprint



JULIA HAUSTEIN

Engineer, LS travel retail Deutschland



What does LS travel retail Deutschland's environmental protection programme involve?

Protecting the environment and preventing climate change are central concerns for LS travel retail. In 2011, we set up the LS travel retail climate management programme, appointing ClimatePartner, a Munich-based consultancy specialising in environmental protection and climate management to assess the amount of CO₂ produced by our stores and our head office in Wiesbaden. ClimatePartner also identified the main ways in which we could cut greenhouse emissions, which involved calculating our carbon footprint. We quickly realised that, in our stores, most CO₂ emissions come from electricity consumption, whereas at our head office, emissions are caused more by travel undertaken by our staff.

What measures have you taken in response?

Based on the survey results, we developed and implemented a set of practical measures. Where we could, we worked with our landlords to replace traditional electricity systems with energy-saving systems. Our stores now use only recyclable bags that carry the "Blauer Engel" label. Since 2013, our head office and around 80 sales outlets have switched over entirely to a more efficient electricity system, the bags we use in our stores contain at least 80% recycled plastic and we have reduced CO₂ emissions from fuel consumption by 14%. LS travel retail staff have also received training on environmental protection and climate change. For example, in training sessions about saving fuel, they learned how to reduce fuel consumption and therefore CO₂ emissions.

What have been the results?

Adding up the results of all these measures, we have cut CO₂ emissions by 32%. Given that we control only 37.4% of our total CO₂ emissions – with the rest generated mainly by our suppliers' logistics operations – we have achieved no less than 85% of the total possible reduction in emissions.

→ www.ls-travelretail.de

Vivibene: a health project that adds value



MICHELE TREVISAN

Head of Global Formats & Marketing, Airst



What is the Vivibene project?

Vivibene was launched in December 2013 and was designed specifically by Airst. It involves selecting foodstuffs with high nutritional value in order to offer travellers healthy menus across all of our Italian outlets.

We are fully convinced that a healthy lifestyle, based on a balanced diet, is essential for all people's physical and mental wellbeing, and that it represents the first step in preventing degenerative diseases.

That's why Airst decided to link up with a recognised partner, the Umberto Veronesi foundation, to support its research into cancer prevention.

What does the partnership with the Umberto Veronesi foundation involve?

The Umberto Veronesi foundation was created in 2003, and it supports scientific research by *sponsoring* promising researchers and high-level projects in the fields of oncology, cardiology and neuroscience. Its work is supported by a number of internationally renowned researchers, including 11 Nobel prize-winners.

The foundation is also committed to sharing the results of its scientific research and making them accessible to the widest possible audience. It believes that if people are better informed, they will have a better quality of life and be healthier, and it is particularly committed to raising awareness of scientific discoveries regarding preventative action in people's everyday lives.

What did Airst want to achieve with the Vivibene project?

We had three aims with Vivibene: to provide diet-related information to travellers, to help improve public health and to support research. Vivibene has helped us raise the profile of our CSR strategy and make it a source of value for Airst. Even before Vivibene, we have always offered our consumers high-quality products: that's always been one of our strong points. But this new concept has enabled us to develop a marketing approach aimed at enhancing our brand reputation. By supporting the foundation, we can finance research while working with nutritionists to devise a high-quality food offering. The project gives us a dual advantage: we are winning new clients while retaining our old ones, and enhancing our reputation among our commercial partners.

→ www.airst.com

At Lagardère Active, magazine covermounts meet all safety requirements. As required by regulations, full documentation (CE compliance certificate, test results, production files) are retained and provided on request. The factories that produce covermounts are audited. For each item produced, quality control is carried out before the products are shipped. The division carries out an annual review of

importers and visits to correspondents in China are organised twice a year.

In addition, the division pays particularly close attention to the content produced and distributed by all of its media outlets with respect to its consumers, including readers, listeners, Internet users and viewers.

RESPONSIBLE ADVERTISING

Lagardère Publicité supports the Advertisers' Commitment Charter, which is aimed at achieving more responsible communications. It monitors the content of advertising messages, and condemns practices such as "greenwashing". Lagardère Publicité also follows the recommendations of the ARPP (Autorité de Régulation Professionnelle de la Publicité). It submits the content of advertising messages for prior verification on a regular basis – and systematically for TV adverts – to ensure

that the messages comply with the required standards. Lagardère Publicité ensures compliance with advertising regulations with the support of Lagardère Active's Legal Department. The Legal Department answers any specific questions operational staff may have about the content of advertising messages broadcast on all media (television, radio, magazines and the Internet).

2.5 GUARANTEEING HIGH STANDARDS OF BUSINESS ETHICS

A FOCUSING ON PROFESSIONAL ETHICS

The Lagardère group's Code of Conduct was revised in 2012 and aims to establish a Group-wide collection of guidelines inspired directly by Lagardère's values. Compliance with those guidelines ensures that all of the Group's people share a common set of values that apply to all Lagardère group companies, as well as its contracting partners, consultants, freelancers and volunteers.

However, Group entities can supplement them with conduct rules or principles that are more detailed and/or suited to their specific activities and to the regulatory, ethical and commercial environment of the countries in which they operate (divisional conduct charters).

The Code also contains a reminder that the Lagardère group permanently adopts a neutral position regarding politics and religion. As a result, the Group does not finance political parties or charities whose purpose is to support a given political party and/or religion or to contribute to national or local election campaigns.

In addition to provisions of the Code of Conduct that concern employees, the Group has adopted several other charters that employees must adhere to.

The "Charter relative to transactions involving Lagardère SCA securities by employees of the Lagardère group" sets out all the legal obligations required of employees who have access to inside information (ban on trading the securities in question, ban on disclosing corresponding information) as well as the administrative and/or criminal sanctions that apply in the event that these obligations are breached.

An IT charter specifying rules for the use of IT systems is also applicable to all Group employees.

At Lagardère Active, the journalists' conduct charter reiterates the fundamental values of the journalistic profession and aims to ensure freedom of the press and independence regarding content.

B ENSURING COMPLIANCE

As part of the Group's overall compliance efforts, the Compliance Department has established an anti-corruption programme including an anti-corruption policy and procedures. Implementation of the programme continued in 2014, partly through awareness-raising efforts, within Lagardère Unlimited before being extended to

Lagardère Services, Lagardère Active and (in the first half of 2015) Lagardère Publishing.

The anti-corruption programme will soon be supplemented by a programme to ensure compliance with international commercial and financial sanctions (asset freezes and embargos).

Indicator	Unit	2014	2013	2012
Number of employees having received anti-corruption training at 31 December	Number	1,133	-	-

C RESPONSIBLE PROCUREMENT

The Lagardère group has followed a Procurement Policy since 2008. It was revised in 2013, resulting in a Responsible Procurement Policy that addresses group purchasing staff in particular, and promotes respect for the environment, diversity and social integration, governance quality, improved access for small companies, consideration of small suppliers' cash positions and the selection of responsible suppliers.

As well as the procurement policy, which lays down the basic principles that each employee concerned must apply and implement, the Lagardère group has also had a supplier's charter since 2005. It was updated in 2012 and renamed the Responsible Supplier's Charter. It is based on certain international reference documents, such as the OECD Guidelines, the conventions of the International Labour Organisation and the Global Compact. Since 2013, the charter has been systematically provided to new suppliers entering into contracts with a Group company.

In late 2014, the Lagardère group signed a framework agreement with Ecovadis, which provides a collaborative platform that enables companies to assess the environmental and workforce-related performance of their suppliers. Supplier assessments will be gradually implemented in 2015.

Lagardère Publishing has a policy of raising environmental and workforce-related awareness among its paper manufacturers and printers in France and abroad, by encouraging them to adopt certification procedures.

In accordance with the Responsible Supplier's Charter (known as the "code of ethics" at Hachette Collections), publishers must arrange compliance audits covering its own premises and all supplier and subcontractor production sites, with penalties for any breaches. Hachette Collections carried out nine audits in 2014. All of these audits found that the relevant production plants were compliant.

FOCUSING ON WATER CONSUMPTION

Lagardère Publishing and Lagardère Active are well aware that producing paper uses a large amount of water, and so they also pay close attention to the way in which their paper suppliers and printers control their water consumption and discharge non-polluted water.

The main paper producers have adopted several initiatives (e.g. closed-loop recycling, separate circuits) resulting in significant

progress in this area over the last 15 years. Printers are also very pro-active in this field and are using all technological advances available to them, particularly regarding the rinse water circuit, in order to cut water consumption and ensure that they discharge clean water.

Indicator	Unit	2014	2013	2012
Number of suppliers signing the Responsible Supplier's Charter during the year	Number	127	65	-
Cumulative number of suppliers that have signed the Responsible Supplier's Charter	Number	192	65	-
Proportion of revenue generated with ISO 14001-certified printers – Lagardère Publishing	%	48	-	-
Proportion of revenue generated with ISO 14001-certified printers – Lagardère Active	%	22	-	-
Proportion of ISO 14001-certified paper producers – Lagardère Publishing	%	78	97	97
Proportion of ISO 14001-certified paper producers – Lagardère Active	%	99	99	99

Ecovadis: a further step towards responsible procurement

**ARNAUD DE LAMEZAN**

Group Purchasing and Real Estate Director, Lagardère



To what extent does the Responsible Procurement Policy contribute to the overall performance of the Group's procurement approach?

It is a traditional Procurement Policy that sets out a framework and methods that enable the Group to reduce costs, limit risk and boost supplier innovation.

It focuses on notions such as TCO (total cost of ownership), which takes into account the total cost of a product or service. From that point of view, an apparently inexpensive product/supplier combination can turn out to be uncompetitive if you factor in all associated costs (logistics, flexibility, lifespan, replacements, accessories, maintenance etc.).

The policy also encourages Group companies to consider SMEs, particularly local ones, and look at the contribution made by companies that focus on integrating disabled people into the workforce (as promoted by AGEFIPH in France), which are often competitive.

It also promotes the respectful treatment of suppliers and sets out conduct and ethical rules for dealing with them, in accordance with the Group's values and the direct financial interest of Group companies. We are planning to make further efforts in that area.

After the new Responsible Supplier's Charter came into force in 2013, you reached a new milestone with Ecovadis in 2014. What does that collaboration involve?

The aim is to go even further with responsible sourcing, i.e. selecting responsible new suppliers in tenders and supporting existing partners with their improvement efforts.

The Responsible Supplier's Charter we developed in 2013 consists of a commitment, signed by our suppliers, to comply with the CSR rules contained in it.

The new approach, which supplements the charter, involves Ecovadis sending highly detailed CSR questionnaires to suppliers, and documentary proof is required for most of the answers. After analysing the results, Ecovadis assesses the suppliers and gives them a rating. The procurement staff concerned will then use those ratings when selecting new suppliers or dealing with existing suppliers.

So it's an in-depth approach, and we will initially apply it only to certain suppliers selected according to business-specific criteria.

What are your eventual aims for this partnership?

We believe that it's an effective way of helping our suppliers – and therefore our entire upstream logistics chain – to make improvements and adopt behaviours that better address workforce-related, social and environmental issues, which is what we are striving to do within our Group.

→ www.lagardere.com

Key indicators

Indicator	2014	2013	Change
Number of titles available in the Audiolib catalogue in 2014	380	310	+23%
Number of young creatives in the cultural and media fields who have received awards from the Jean-Luc Lagardère Foundation since its inception	248	230	+8%
Percentage of promotions involving women during the year	65%	58%	+12%
Number of employees taking part in the Mediacampus programme during the year	180	150	+20%
Certified paper as a proportion of paper purchased	95%	94%	+1%
Cumulative weight of WEEE collected and recycled (tonnes)	58.7	33	+78%
Cumulative number of suppliers that have signed the Responsible Supplier's Charter	127	65	+95%

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→ www.lagardere.com

Lagardère

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