



Lagardère



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FOREWORD

GIVING MEANING

Last year we published our first Sustainable Development Report, a document bringing together all the societal, labour-relations, environmental and ethics information that had previously appeared in the annual Reference Document.

This second 2010 report, made available to stakeholders on the Group's website, confirms the strategies adopted last year and expressed according to requirements set by the New Economic Relations (NER) act, the Global Compact and the Global Reporting Initiative.

But this year is somewhat of a transitional year.

In 2011, the adoption of the implementing decrees for the Grenelle II Act should modify the requirements of the NER for the next financial year in terms of scope and control of information. It is also likely that the Global Reporting Initiative will have adopted a sectoral media supplement.

The Lagardère group is monitoring the developments underway and will comply with its new obligations.

MESSAGE FROM ARNAUD LAGARDÈRE

In 2010, we became increasingly aware of our responsibilities in terms of Sustainable Development as a major player in the media sector both in France and abroad. These values are more consistent than ever with Lagardère's values, which have been the foundation of our operations since the very beginning.

Our Group remains fully committed to upholding these values. Initiatives aimed at raising awareness of the social and environmental goals of Sustainable Development began at the beginning of the year with training for senior managers and continued at our various subsidiaries and at our Club Media Campus.

Lagardère Publishing conducted carbon audits in Spain and the UK after those performed for the markets in France and the US. Lagardère Services stepped up its efforts in terms of energy savings and streamlining of transport. And finally, Lagardère Active intensified its efforts in terms of supplies of paper from sustainably managed forests, by obtaining its own PEFC certification number for all of its French magazines.

Our media operations are also involved in this approach: the Gulli network is participating for the second consecutive year, together with Planète Urgence, in a major event for Earth Day, and *Paris Match* helped rebuild a school in Haiti that was destroyed when an earthquake ravaged the country.

Solidarity-based initiatives, launched in particular by the Jean-Luc Lagardère Foundation and the ELLE Foundation, continued with, among others, the signing of a partnership with Studio 13/16 of the Centre Pompidou and sponsorship of a young Haitian student who came to study political science in Paris.

All of these initiatives, and many others, are described in this Sustainable Development Report whose content falls into the framework of the Global Reporting Initiative and the Global Compact. It is available on our website for all of our stakeholders.

Aware of the progress we have made, but also of what remains to be achieved, I am convinced that Sustainable Development is a potential lever for innovation and performance for our Group. It is also a way for all of our employees to give more meaning to their work.



Arnaud Lagardère

General and Managing Partner of Lagardère SCA

INTRODUCTION



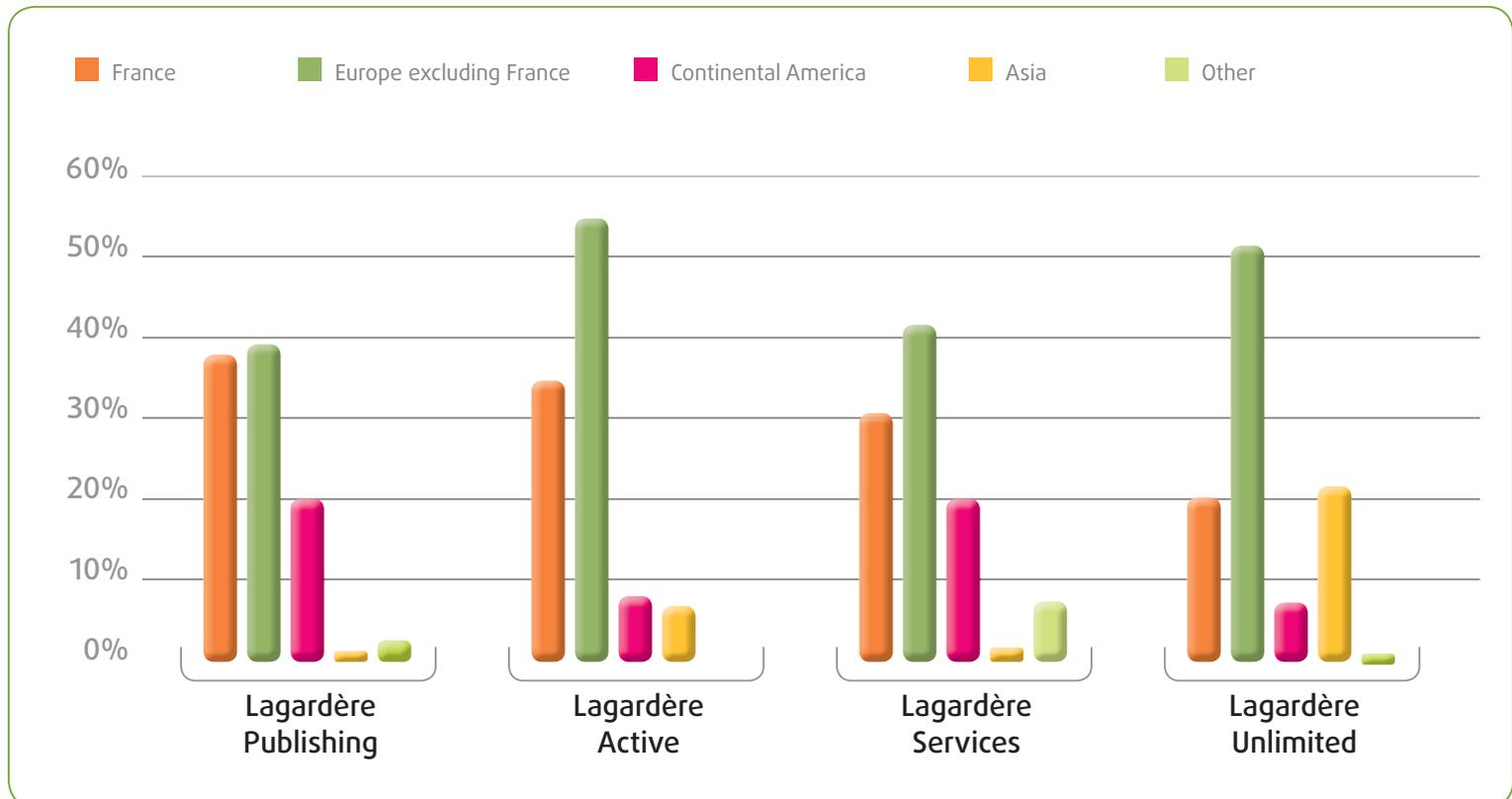
An approach integrated with our growth strategy

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1.1 A LEADING MEDIA GROUP

Division	Permanent staff at 31 December 2011	2010 sales (in M€)
Lagardère Publishing	6,820	2,165
Lagardère Active	9,100	1,826
Lagardère Services	9,877	3,579
Lagardère Unlimited	806	396

• Distribution of permanent employees, by division and geographic area



Operating in 36 countries the world over, the Lagardère group is among the leading media conglomerates at global level. A major communications group with a wide range of businesses, Lagardère is organised into four divisions: Lagardère Publishing, Lagardère Active, Lagardère Services and Lagardère Unlimited.

The diversity of our workforce reflects the Group's strong international growth. At the end of 2010, nearly 66% of our employees were located outside France, which nevertheless remains the Group's main country of operation with 34% of the total staff. Russia and Spain are the next most important countries in terms of workforce.

A LAGARDÈRE PUBLISHING

Lagardère Publishing (or Hachette Livre) is the leading European publisher and second-leading publisher worldwide of general-public and educational books. The leading publisher in France, the UK and Australia/New Zealand, second-leading publisher in Spain and fifth-leading publisher in the US, Lagardère Publishing is a federation of publishers (Hatier, Fayard, Grasset, Orion, Little Brown, Anaya, etc.), diversified among several editorial segments (Education, General Literature, Practical Topics, Tourism, Dictionaries, Booklets, etc.) and with a solid positioning in three languages (French, English and Spanish).

The advent of digital technology is a new opportunity for Lagardère Publishing, which is strengthening its positions in the e-book market in the US as it expands the functions of its Numilog platform and launches a range of content-development initiatives for the Internet, the iPad and the iPhone.

B LAGARDÈRE ACTIVE

Lagardère Active is the leading publisher of magazines in France (based on 2010 paid circulation) with a portfolio of 40 titles including major weekly publications such as *ELLE*, *Paris Match*, *Le Journal du Dimanche* and *Télé 7 Jours*, as well as monthly magazines such as *Psychologies magazine*, *Art & Décoration* and *Parents*.

On 28 March 2011, Lagardère SCA signed a contract for the sale of its international magazine business (102 titles) to Hearst Corporation for the amount of €651 million. The transaction includes a Master License Agreement (MLA) relating to the ELLE trademark in the 15 countries affected by the transfer, in return for which the Group will receive an annual recurring royalty payment. Lagardère will maintain complete ownership of its magazine business operations in France and of its ELLE trademark throughout the world. The closing of the transaction remains subject to approval by local partners in certain countries as well as to certain customary governmental approvals and antitrust clearances in certain jurisdictions.

Lagardère Active also operates 27 radio stations worldwide which attract nearly 42 million listeners per day. In France, the Group's division has a general-interest radio station, Europe 1, and two music networks, RFM and Virgin Radio.

The Group's division also publishes 11 special-interest television stations around the world (Gulli, Tiji, Canal J, June, MCM, MCM Pop and MCM Top, Mezzo, Mezzo Live HD, Tiji Russia and Gulli Russia).

Lagardère Active is also the leading media group in the mobile sector and the third-leading group for the Internet, with a portfolio of over 80 websites throughout the world and an audience of nearly 80 million unique visitors.

Finally, Lagardère Active is the leading audiovisual production group in France with Lagardère Entertainment, a company bringing together all of the Group's audiovisual production and artistic rights management operations.

C LAGARDÈRE SERVICES

Lagardère Services is working to expand in two business lines:

- retail trade, including marketing services for travellers and city-centre and shopping-centre commerce;
- operations covering the distribution of press materials to points of sale.

Present in 20 countries in Europe, North America, Asia and the Pacific, Lagardère Services operates the leading international network of shops dedicated to press sales and convenience services, cultural leisure-time products, duty-free shops and specialised concepts under an international banner or with a strong local identity. The subsidiary thus manages a network of 3,800 shops around the world (including 1,300 shops under the Relay banner in 17 countries, serving more than a million customers per day) and over 50,000 press outlets in Europe and 180,000 in North American which are supplied on a daily basis.

Lagardère Services' main standard bearers are the Relay and Aelia banners.

D LAGARDÈRE UNLIMITED

A new Lagardère division dedicated to Sport Industry and Entertainment, Lagardère Unlimited, which has developed through the acquisition of six groups of companies in France and at international level, operates in six main areas:

- representation of sports and art/entertainment celebrities;
- management of sporting academies;
- organisation and management of sports events;
- media rights management;
- marketing of sports rights and associated products;
- consulting in the management/operation of sports grounds.

E OTHER OPERATIONS

The Lagardère group has stakes in the capital of various other structures for historical and/or strategic reasons.

Lagardère owns a 7.5% stake in EADS (number one in Europe and number two worldwide in the aeronautics, space and defence industry) over which it exercises joint control with the Company's other shareholders.

Lagardère also has a 20% stake in Canal+ France.

Finally, the Lagardère group holds 49% of NMPP (the former Nouvelles Messageries de la Presse Parisienne, now Presstalis) and, in this respect, ensures its general management as an operator.

1.2 GOVERNANCE AND ETHICS

A GOVERNANCE STRUCTURE

The specificities of the legal form of Lagardère SCA (a French limited partnership with shares) make this company an entity that is able to respond effectively to two basic principles: the absolute separation of power between the management bodies and oversight bodies and the integration of shareholders into the oversight of the Company.

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

- General Partners, indefinitely and jointly responsible, on the basis of their own property, for the Company's liabilities.
- limited partners (shareholders), who alone can designate the members of the Supervisory Board, the General Partners being unable to participate in voting.

Management of the Company is handled by the Managing Partners, under the supervision of the Supervisory Board, which represents shareholders.

The Supervisory Board, which represents the shareholders, must give its consent to the appointment of Managing Partners by the General Partners.

The management of Lagardère SCA is today ensured by two General Partners:

- a natural person, Arnaud Lagardère;
- a legal person, the Company Arjil Commanditée-ARCO whose legal representatives are: Arnaud Lagardère, Chairman and Chief Executive Officer; Philippe Camus, Deputy Chairman and Chief Operating 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 assumes permanent and retroactive supervision of Company management, represents the limited partners (the shareholders). Representing a diverse field of expertise, in line with the Group's operations and supervisory functions of the board, the board is currently composed of 15 members (which already includes two women in 2010) appointed by the shareholders at the annual general meeting.

In 2010 the terms of the board members' mandates was shortened (four years at the most), which gives shareholders the opportunity to renew the board by half every two years. Over two-thirds of the members (12 out of 15) are "independent" as defined in the AFEP-MEDEF report on the corporate governance of listed companies such as applied by the Company.

The Supervisory Board has two *ad hoc* committees allowing it to prepare and organise its work:

- an Audit Committee (composed of seven members, over two-thirds of them independent), which assists and prepares the work of the Board, and in particular:
 - 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 and Remuneration Committee composed of three members, two of which are independent, and which was created in April 2010 to effectively assist the Supervisory Board in this area.

B ORGANISING THE ROLE OF SUSTAINABLE DEVELOPMENT

THE STEERING COMMITTEE

The Sustainable Development Steering Committee, coordinated by the Sustainable Development Department, created in 2008 and reporting to the Group Human Relations and Communications Director, a Co-Managing Partner of Lagardère SCA, meets once every two months and pursues the following aims:

1. informing, raising awareness in and mobilising a network of correspondents in the divisions with regard to the Group's social, societal and environmental responsibility;
2. ensuring the continuous improvement of the group's initiatives, in particular by:
 - promoting and organising the sharing of tried-and-tested best practices;
 - reflecting on ways of improving existing actions;

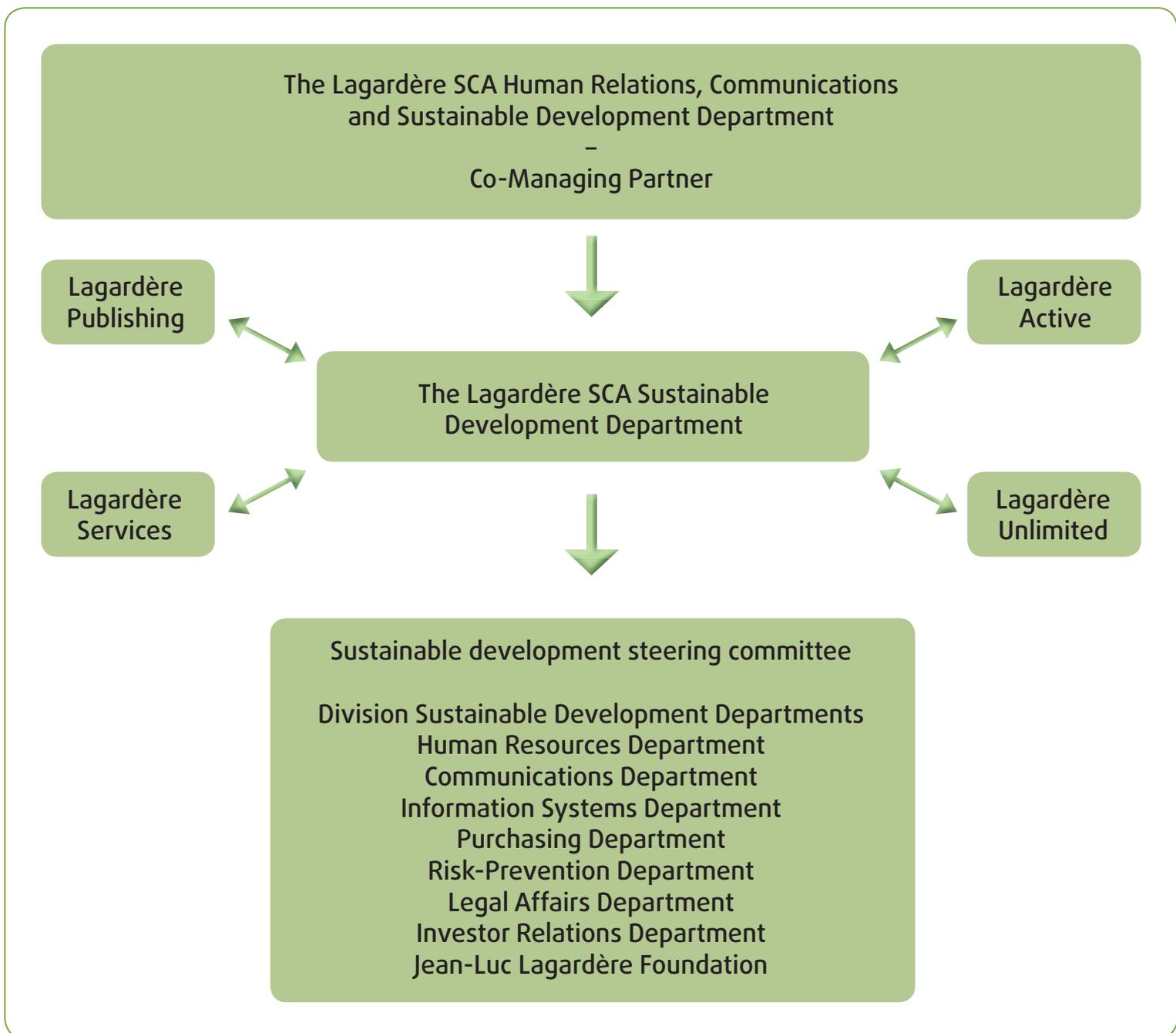
- o acting as a source of ideas for launching positive new initiatives;
- o promoting the creation of occasional topic-specific working groups;
- o implementing, coordinating and improving internal reporting;
- o communicating with the CSR ratings organisations and responding to their queries regarding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

In this context, in 2010 the Sustainable Development committee began analysing the reporting methods and tools used for its social, societal and environmental data and continued its efforts to raise awareness among employees across the entire Group. In January 2010, with the assistance of Arnaud Lagardère, Group senior managers met for a day to discuss the strategic goals of Sustainable Development and participated at the end of the year in the organisation of the Club Media Campus on the topic of Sustainable Development.

Each division has a Sustainable Development department, which handles operational management of Sustainable Development initiatives specific to its area of operations and participates in the Group steering committee.

Various cross-functional departments of the Group also have competence in this area and thus participate in steering committee meetings: The Human Resources Department, Purchasing Department, Legal Affairs Department, Communications Department, Financial Department, IT Services Department, Investor Relations Department and Risk-Prevention Department. The Jean-Luc Lagardère Foundation also participates in the steering committee.

o Organizational chart of the Sustainable Development Department



C

INTERNATIONAL COMMITMENTS

THE UNIVERSAL PRINCIPLES INSPIRING THE COMPANY'S ACTIONS.

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

- the declaration relative to the basic labour principles and rights set forth by the International Labour Organisation (ILO), and its eight basic conventions;
- the OECD's guiding principles for multinational companies;
- the UN's Global Compact.

Lagardère joined the United Nations **Global Compact** in 2003, marking its attachment to universal values. In so doing, the Group undertook to promote respect of the Compact's ten principles of good governance.

With a presence on every continent, Lagardère group is one of the global leaders in the media industry. As a multinational company, it is our duty to rigorously and honourably promote certain universally-recognised rights and principles that have been adopted consistent with 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 "Amis du Pacte Mondial en France", which is the association that represents France in the National Global Compact Networks. To reaffirm our commitment, each year we report the progress achieved by the Group for each of the Compact's ten principles:

HUMAN RIGHTS

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

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

LABOUR STANDARDS

Principe 3: businesses should uphold freedom of association and recognise the right to collective bargaining.

Principe 4: businesses should help eliminate all forms of forced and compulsory labour.

Principe 5: companies should help to effectively abolish child labour.

Principe 6: companies should help eliminate discrimination in respect of employment and occupation.

ENVIRONMENT

Principe 7: companies should apply a precautionary approach to environmental issues.

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

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

ANTI-CORRUPTION

Principe 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 and to outside partners.

CODE OF CONDUCT

In force within the Group since 2005, the Code of Conduct, which will again be updated in 2011, is directly inspired by the values upon which Lagardère founded its legitimacy and reputation: independence, daring and creativity.

The Code of Conduct attests in particular to the Group's dedication to upholding international standards, defending, among others, the following principles:

- freedom of association;
- prohibition of forced or compulsory labour and child labour;
- recognition of the right to negotiate company-wide agreements;
- equitable employment practices and equal treatment;
- respect for privacy;
- prohibition of corruption.

This Code covers a wide section of the policy on dialogue with stakeholders since it describes the relations that the Lagardère group maintains with its employees, external partners and competitors, clientele, shareholders and the community (see below).

In terms of relations with employees, the Code of Conduct underscores the importance of contributing to the professional development of each individual since they represent the Company's largest source of creativity. To achieve this, the Code first reaffirms its commitments in terms of labour standards, health and safety. Next, the Code sets forth the Group's commitments to principles based on merit and recognition, skill development, internal transfers and promotion. Employee relations are also approached through respect for fundamental labour laws as well as through the establishment of equitable employment practices, which is necessary to combat all forms of discrimination and harassment. Lastly, the principle of respect for employee privacy is placed at the forefront.

As for its relationship with outside partners and competitors, the Group upholds the principle of respect for fair commercial practices and free competition. It prohibits all forms of corruption in France and abroad, as well as all political contributions by and on behalf of Group companies. The Code contains rules for giving and accepting business gifts. The principle of respect for the rules of conduct with regard to suppliers is also repeated in the Purchasing Policy (see below) implemented in the Group since 2008.

In terms of relations with customers, the Group upholds the principle of respect for commitments made to them and the confidentiality of information concerning them. It also sets forth the goal of providing them with effective products and services that are customised to their needs and expectations, as well as information that is as honest and loyal as possible.

In addition, the Group intends to act in the interest and in consideration of its shareholders. In this respect, the Code states that Lagardère group will strive not only to achieve optimal asset valuation, but will also protect its assets to the best of its ability. The Company further intends to provide shareholders with intelligible, relevant and reliable information, and to be attentive to its shareholders, especially through its Shareholders' Committee.

Finally, concerning Group relations with the community at large, the Code sets forth the principle of strict compliance with applicable laws and regulations as well as its determination to contribute to Sustainable Development.

THE SUSTAINABLE DEVELOPMENT CHARTER

Developed in 2005, the Sustainable Development Charter aims to convey the Group's social, ethical and environmental commitments to its partners, who undertake to defend and adhere to them. It is now incorporated into calls for tender and contracts, through the Procurement Policy implemented in 2008. Its criteria cover the following points:

- adherence to the principles defended by the International Labour Organisation (in particular the prohibition of child labour and the elimination of any form of forced or obligatory labour);
- prohibition of the use of undeclared work;
- anti-corruption measures;
- adherence to the applicable social regulations;
- existence of a risk-prevention approach founded on workplace safety;
- implementation of a social policy founded on a quality-based approach;
- compliance with the basic principles of environmental protection;
- compliance with the environmental regulations in force;
- management of the environmental impacts of its operations through implementation of an environmental policy based on the principle of continuous improvement;

- promotion of the above principles to partners;
- acceptance of the possibility for Lagardère to proceed with audits to verify application of the principles in this charter, either using its own resources or calling upon the services of a third party.

CODES SPECIFIC TO THE ENTITIES

At **Lagardère Publishing**, a code of ethics covering the three themes of Sustainable Development (social, environmental and financial) was developed in 2007 and some 20 of the division's printers have already signed it.

At Hachette Collections, a specific code of ethics provides in particular for the performance of compliance audits of certain suppliers.

Hachette Collections performed 16 such compliance audits in 2010. 94% of these audits confirmed the compliance of the factories (15 factories) and were also used to introduce improvement measures. 6% of the audits (at one factory) revealed malfunctioning. The factory has since corrected these non-compliances.

FOCUS no.1



Émilie Brun
project manager
for ISO 26000, AFNOR

ISO 26000, a new global standard for corporate social responsibility

The ISO 26000 standard has strengthened the legislative, regulatory and prescriptive context of corporate social responsibility. What new information does it include?

The originality of the ISO 26000 standard is its comprehensive approach and the fact that it covers in a single document issues of governance and aspects related to society, the environment, human right, anti-corruption measures, consumer protection and local development that had previously been treated by different authorities and in different documents (ILO, OECD etc.). ISO 26000 also provides an original treatment of the question of scope of responsibility, using the concept of sphere of influence. The concept of sphere of influence has special resonance for a media group such as yours in terms of awareness-raising and information on corporate social responsibility. It should make it possible to envision true momentum in the societal responsibility approach.

What are the advantages to following the recommendations of this standard for a media group such as Lagardère?

The existence of an international corporate social responsibility standard which is applicable to any company regardless of applicable law promotes the conditions for effective competition and allows French companies to promote the expertise they have gained in corporate social responsibility reporting. The common guidelines to the goals of corporate social responsibility is also a factor promoting dialogue and mutual understanding, in particular for a media group with high exposure in the eyes of its stakeholders.

How do you plan to follow the ISO 26000 on a day-to-day basis?

As an international standard, ISO 26000 is a voluntary application tool available to companies and is not part of a compliance certification procedure. This standard may be implemented at the discretion of the organisations. With this great flexibility in terms of implementation, the French players that participated in developing ISO 26000 are organising an observatory for application of the standard aimed at sharing experiences and helping answer the questions French companies may have about the application of the standard.

For more information www.afnor.org

CHARTERS APPLICABLE TO EMPLOYEES

In addition to the Code of Conduct that concerns employees, the Group set up several other charters that employees must undertake to adhere to.

The **“Charter relative to transactions involving Lagardère SCA securities by employees of the Lagardère group”** describes and recalls all the legal obligations required of employees who have access to privileged information (prohibition of trading the securities in question, prohibition of divulging the corresponding information) as well as the corresponding administrative and/or penal sanctions in the event that these obligations are violated.

In accordance with the stock market legislation in force, a procedure was introduced to establish a list of persons with regular or occasional access to Lagardère SCA Inside Information. At the same time, the Managing Partners set up an Insider Committee comprising a representative from their ranks, the Group’s Legal Director, the Group’s Chief Financial Officer and the Human Resources and Communications Director. This Committee is responsible for preparing and updating the lists described above and proposing measures to reduce the risks of misdemeanors and failure to comply with the applicable legislation.

- A **Code of Conduct** provided to each journalist upon his or her entry at Hachette Filipacchi Associés (Lagardère Active) underscores the basic values of the profession: critical thinking, impartiality, fairness, independence, respect for the public, honesty and open-mindedness.
- A **Charter on “good relations in the Company for Lagardère Active companies”** was developed over the year 2008 and provided to all employees.
- A **Charter on information technology** specifying the rules for use of the IT tools is also applicable to all Group employees.

The Lagardère group also noted the entry into force at the end of 2010 of the ISO 26000 standard setting forth guidelines relative to social responsibility. Over the coming years, it will provide an optimum response to the seven central questions identified by this new standard: Governance of the organisation, Human rights, Workplace relations and working conditions, Environment, Fair practices, Questions relatives to consumers, Communities and local development.

1.3 STRATEGIC PRIORITIES

A CHALLENGES, RISKS AND OPPORTUNITIES

RISKS

Like any company, the Lagardère group is exposed to a number of risks as it carries out its operations. The main risks identified are presented in Chapter 3 (Risk Factors) of the 2010 Reference Document.

In keeping with the Group’s general organisation, operational and functional managers are in charge of the risks linked to their respective areas. The head office pays specific attention to the supervision of risks. Risk management is therefore implemented both at division level and centrally, which handles supervision. A description of the risk-management procedures appears in Chapter 7 of the 2010 Reference Document.

Concerning environmental risks, note that Lagardère is a media conglomerate with business activities mainly in the service sector, which tends to moderate any direct industrial and environmental risks.

The last printing operations having been transferred at the end of 2007 (transfer of the regional daily press), only the operations linked mainly to the Group’s warehouses (in the Press, Book, Distribution and Services divisions) and the spare parts operations (for Automotive) may be exposed to particular risks, which are nevertheless limited and well identified. Some of the sites concerned are operated subject to authorisation or a declaration to the administrative authorities, but none of the Group’s sites are classified SEVESO 1 or SEVESO 2.

Management of industrial and environment-related risks is the responsibility of operational managers at the sites concerned, who ensure compliance with regulations and standards.

Operational managers of sites where particular environmental risks have been identified apply the various rules that concern them, and implement operational procedures, quality systems and a set of security measures specific to each business.

Given the industrial history of some of its sites, the Group remains alert to the environmental damage that may be discovered.

As for environmental risks over the much longer term - fossil fuel shortages (such as oil) or climate change -, they are incorporated into the Lagardère group’s thinking, with the knowledge that they will have significant impact on the nature of its business and that of its stakeholders.

OPPORTUNITIES

Although optimisation of the use of resources (paper, energy etc.) certainly constitutes an opportunity, there are others, including the following:

- **technological innovation**, stimulated by the context of increasing digitization of content which will encourage creativity in our various divisions to offer new products and services;
- **the development of new Sustainable Development content** or multimedia supports, a corollary of consumers' increasing interest in topics related to Sustainable Development;
- **the ability to attract new talent**, who are more and more sensitive to the internal management of companies, as well as to the processes of their business lines, and with regard to their stakeholders, a goal of Sustainable Development.

FOCUS no.2



Alain Grandjean
Partner
and Co-founder
of Carbone 4

Greenhouse gas emission assessments, an opportunity for companies?

The Grenelle Act will require companies with over 500 employees to carry out a greenhouse gas assessment. In your opinion, does this new requirement constitute a risk or an opportunity for companies?

The requirement to carry out greenhouse gas assessments will first and foremost be an opportunity for companies who have not yet performed such an assessment to take stock of their impact on the climate. This assessment will also make it possible for them to realise how dependent they are on fossil fuels, whose price will continue to rise. Reducing emissions will then be a way to reduce this dependence and the associated costs.

Finally, with the reduction of greenhouse gas emissions becoming a shared objective, customers will increasingly expect suppliers to provide a detailed carbon analysis for their products and services. It is an opportunity to develop new low-carbon approaches.

How can the greenhouse gas assessment be used as a relevant performance lever for a media group such as ours?

Media groups will gradually need to reduce their carbon footprint, both in paper and digital media. This action will allow them, as for all companies, to reduce their costs and develop sustainable purchasing networks. The need to prove that paper comes from recycled materials or sustainably managed forests will increase over time. In terms of digital media, the increase in emissions in this sector (around 2% of global emissions today, and probably double this figure by 2020) is not sustainable. We must remember that we have to collectively reduce emissions by 20% before 2020 in Europe and by 75% before 2050 at global level.

Besides carbon emissions, what new indicators will companies have to assess in the coming years?

Human activity has an excessive impact on the biosphere in many areas. Choosing among them is difficult! It is nevertheless likely that future priorities will concern water and biodiversity. But we will also face the questions of raw materials, some of which are strategic in the emerging areas of new information technologies!

For more information www.carbone4.com

B PRIORITIES AND COMMITMENTS

The Lagardère group reconfirms its four priorities and 12 commitments, namely:

Commitments	Initiatives in 2010
Being a responsible employer	
1 - Ensuring workforce balance and diversity	<ul style="list-style-type: none"> - Monitoring the age pyramid - Balancing recruitments/separations and monitoring their type - Monitoring the breakdown of workforce by SPC and gender - Increasing the rate of hiring disabled workers - Launching partnerships for young people in sensitive urban areas
2 - Promoting harmonious working conditions	<ul style="list-style-type: none"> - Signing new collective agreements in Asia (India, Japan) - Monitoring the absenteeism rate - Ensuring that compensation is fair and balanced - Employee stake in Group earnings
3 - Encouraging the development of skills	<ul style="list-style-type: none"> - Developing training for the various business lines - Providing online tools to promote internal transfers - Continuing the Imaginations programme (Aelia)
Developing our business while respecting the environment	
4 - Efficient and responsible paper-management methods	<ul style="list-style-type: none"> - Increasing the percentage of certified and recycled paper used - Obtaining PEFC certification for magazines in France, Italy, The Netherlands and Japan - Optimising paper spoilage rates - Managing unsold stock responsibly
5 - Streamlining transport	<ul style="list-style-type: none"> - Storing paper at the printers - Merging the various operations in the manufacturing process (paper supplier and printer) - Savings achieved at Lapker in Hungary - Streamlining press distribution routes
6 - Introducing environmental measures into the organisation of our operations	<ul style="list-style-type: none"> - Extending the Bilan Carbone® assessments (Lagardère Publishing) - Digitising Lagardère Publicité media - Renovating Relay shop energy systems - Performing an audit of the ISO 14001 certification at La Croix Catelan - Ensuring sustainable printing
Promoting access to information and knowledge	
7 - Defending the pluralism of information and ensure diversity in our content	<ul style="list-style-type: none"> - Diversifying content and media - Ensuring responsible advertising - Protecting young people - Ensuring ethical journalism
8 - Making our content more easily accessible to people in need	<ul style="list-style-type: none"> - Making content accessible to people with disabilities - Reducing the digital divide
9 - Listening to our various audiences	<ul style="list-style-type: none"> - Establishing systems for customer feedback
10 - Encouraging dialogue on Sustainable Development	<ul style="list-style-type: none"> - Seminars at Group level and at Lagardère Active and Lagardère Services. - Club Media Campus - <i>Planète Lagardère Active</i>
Being a media conglomerate that creates social cohesion	
11 - Committing to the promotion of culture and sport	<ul style="list-style-type: none"> - Offering Jean-Luc Lagardère Foundation talent grants - Studio 13/16 - Sciences Po/Lagardère Foundation partnership for high-level athletes
12 - Showing solidarity and promoting the emergence of young talent	<ul style="list-style-type: none"> - Support from the ELLE Foundation and the Jean-Luc Lagardère Foundation for a Haitian journalism student. - The <i>Nos Quartiers ont des Talents</i> initiative

1.4 MAINTAINING DIALOGUE WITH STAKEHOLDERS

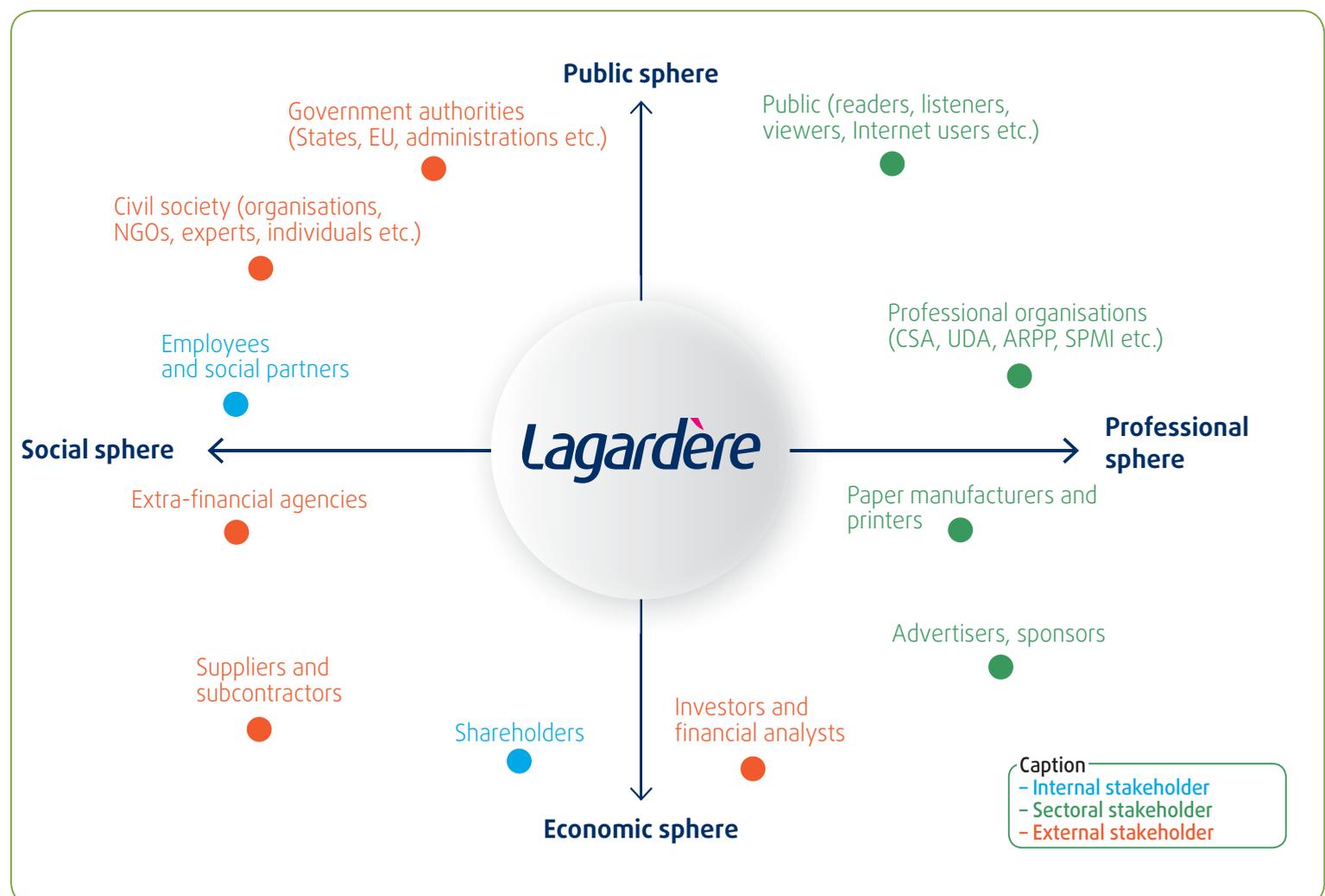
A STAKEHOLDER MAP

A stakeholder is viewed as a group (or an individual) representing a community of interests that may be affected by or impact the accomplishment of company objectives.

Internal stakeholders mainly include shareholders and company employees, and have a direct influence on the health of the Company.

External stakeholders are mainly organisations with no direct control over the Group's operations but which can have an influence (of varying significance) on decisions, strategic orientations, the Group's image or financial contributions made by third parties. Lagardère has defined five external stakeholders: public authorities, investors and financial analysts, non-financial agencies, civil society, suppliers and subcontractors.

Sectoral stakeholders comprise organisations involved in the Group's business sectors, i.e. those affected by media-related activities. There are four of them: paper suppliers and printers, professional organisations, advertisers and consumers (the public).



B TOOLS FOR DIALOGUE

This is one of the key parts of Lagardère group's Sustainable Development policy, which describes its relationship with each of its stakeholders.

The table below illustrates the type of dialogue selected and the type of tool prepared by the Group to communicate with its stakeholders.

Stakeholder	Example of implemented discussion tools
Social sphere	
Employees and social partners	<ul style="list-style-type: none"> - Group Committee - European Works Committee - Dialogue and negotiation of agreements with staff representatives and trade unions - Code of conduct - Intranet, in-house newspapers
Public sphere	
Audiences (readers, listeners, viewers and Internet users)	<ul style="list-style-type: none"> - Content initiatives - Satisfaction surveys, opinion polls - Reader mail, blogs, forums, mediators
Civil society	<ul style="list-style-type: none"> - Initiatives and commitments supported by the Jean-Luc Lagardère Foundation and the ELLE Foundation - Partnerships with integration organisations and environmental NGOs - Sustainable Development Report
Public administration	<ul style="list-style-type: none"> - Compliance with laws and regulations - Monitoring of political and legal news
Economic sphere	
Shareholders	<ul style="list-style-type: none"> - Shareholders' Consultative Committee - Annual General Meeting - Website - Letter to shareholders - Reference document - Sustainable Development Report
Investors and financial analysts	<ul style="list-style-type: none"> - Meetings and conferences with analysts - Road shows at institutional investors - Website - Presentation of results - Financial report
Extra-financial agencies	<ul style="list-style-type: none"> - Sustainable Development Report - Responses to extra-financial questionnaires - Website
Suppliers and subcontractors	<ul style="list-style-type: none"> - Efforts to raise social and environmental awareness via the signature of a Sustainable Development charter and an ethics code - Labour relations audits - Introducing Sustainable Development criteria into calls for tender
Professional sphere	
Paper suppliers and printers	<ul style="list-style-type: none"> - Efforts to raise social and environmental awareness via the signature of a Sustainable Development charter and an ethics code - Compliance audits - Certification of the chain of custody for paper - Introducing Sustainable Development criteria into calls for tender - Encouragement to implement certification processes
Advertisers, sponsors	<ul style="list-style-type: none"> - UDA member - Membre de l'ARPP
Professional organisations	<ul style="list-style-type: none"> - Involvement in professional press and publishing federations - Partnerships to defend freedom of the press - SPM membre - Dialogue with the CSA

To maintain lasting relations based on confidence with its stakeholders, Lagardère is diversifying its modes of dialogue and is trying to adapt as best it can to the environment and organisation concerned.

The table below details the tools used (codes, certifications, audits) in the relations with Lagardère's various divisions with certain suppliers and subcontractors.

For example, Lagardère Active has formed a partnership with Ecovadis®, the leading collaborative platform which allows member companies to use its technology and expertise to evaluate the environmental, social and ethical performance of their suppliers around the world. In 2010, Ecovadis® evaluated suppliers who responded to calls for tender launched in the financial year, in particular for multi-technical, multi-services and paper markets.

Lagardère Publishing	Lagardère Active	Lagardère Services	Lagardère Unlimited
Charters and codes in force			
Group Code of Conduct			
Group Sustainable Development Charter			
Code of ethics	-	Relay France Purchasing Charter	-
Hachette Collections Code of Ethics	-	-	-
Certification procedures			
70% of the printers in Asia have OHSAS 18001 certification	PEFC certification for the chain of custody for paper in France (attribution of a certification number)	-	ISO 14001 certification for Lagardère Paris Racing
70% certified or recycled paper (4% recycled)	PEFC and/or FSC certification for the chain of custody for paper in Italy, the Netherlands and Japan.	-	-
At global level, 44% of the printers have ISO 14001 certification	100% of French printers have ISO 14001 certification or the Imprim'Vert label	-	-
97% of the paper purchased in France comes from ISO 14001 certified factories	-	-	-
Audits and verification processes			
16 compliance audits performed in 2010 by Hachette Collections. Only one audit revealed non-compliances. The factory in question then corrected its non-compliances	Member of Ecovadis®, a collaborative platform allowing companies to evaluate the environmental, social and ethical performances of their suppliers around the world.	Performance of audits of Asian suppliers who have signed the commitment charter	-

CHAPTER 2



Priorities and commitments

2.1 Being a responsible employer

- A - Ensure workforce balance and diversity _____ 21
- B - Promoting harmonious working conditions _____ 24
- C - Encouraging development of skills _____ 27

2.2 Developing our business while respecting the environment

- A - Efficient and responsible paper-management _____ 29
- B - Streamlining of transport _____ 36
- C - Introducing environmental measures into the organisation of our operations _____ 36

2.3 Promoting access to information and knowledge

- A - Defend information pluralism and ensure content diversity _____ 45
- B - Facilitating access to our content for people in need _ 46
- C - Listening to our various audiences _____ 47
- D - Encourage dialogue about Sustainable Development _ 48

2.4 Being a media group that fosters social cohesion

- A - Committing to promote culture and sport _____ 51
- B - Showing solidarity and promote the emergence of young talent _____ 53

2.1 BEING A RESPONSIBLE EMPLOYER

The Lagardère group is fully aware that its performance is directly linked to its employees' skills and its adaptation of resources. Accordingly, it chooses to make its mission as a responsible employer its top priority. This takes the form of three commitments:

- ensuring balance and diversity in the workforce;
- promoting harmonious working conditions;
- encouraging the development of skills.

Although these commitments, defined and made official by Lagardère in collaboration with the Human Resources Directors of the divisions, are common to all divisions, the operational entities nevertheless manage their human resources autonomously.

The social commitments are set forth in greater detail in the 2010 Reference Document.

A ENSURE WORKFORCE BALANCE AND DIVERSITY

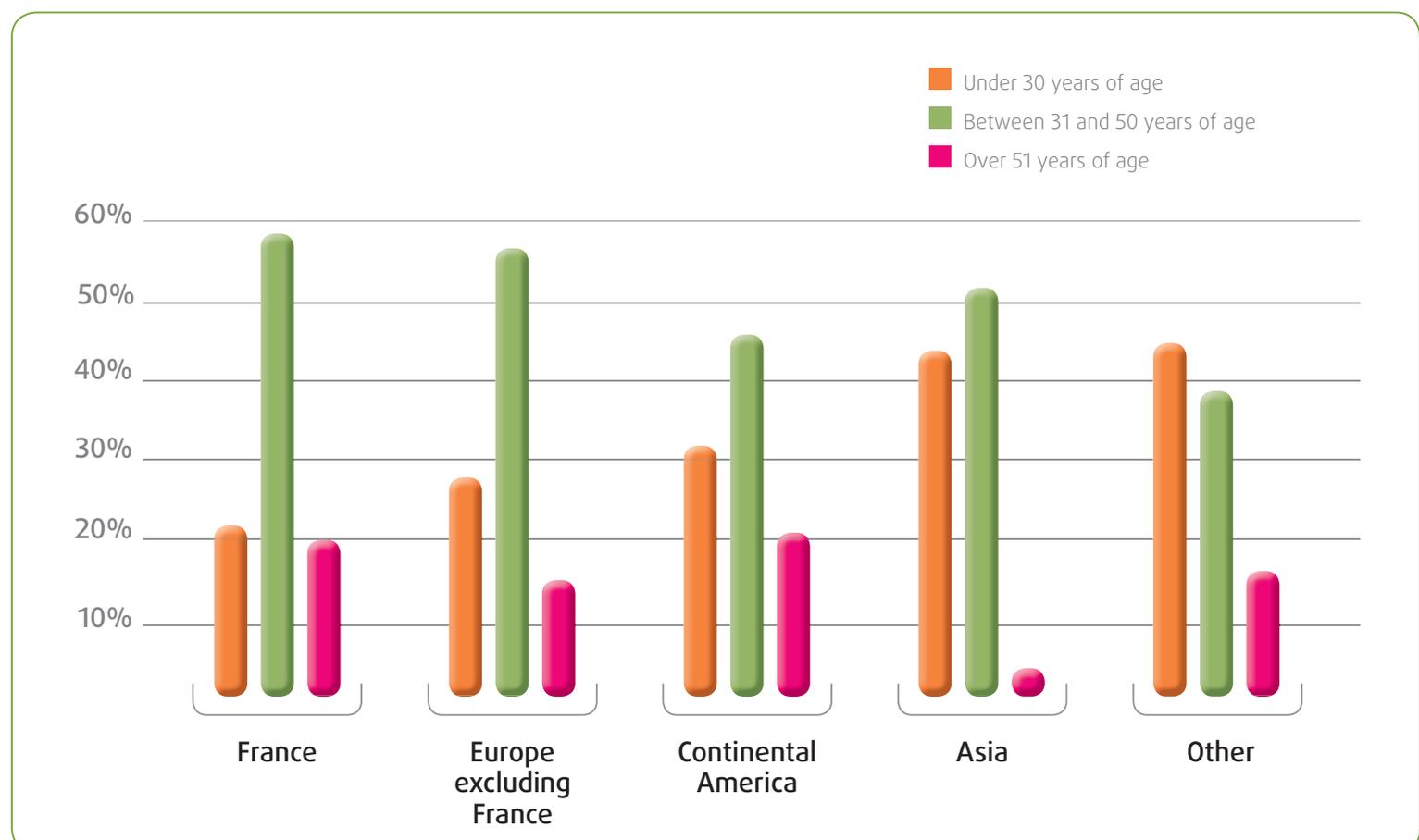
BALANCE THE WORKFORCE TO ADAPT RESOURCES TO THE ORGANISATIONS' NEEDS

Adapting the size of the staff to the needs of operations, while taking the economic and social context into consideration is the Lagardère group's main goal in this area. It aims to adjust its recruitments and separations as precisely as possible according to the situation of the moment.

In 2010, we saw a relative decline in departures compared to 2009 and a noticeable rise in recruitments. But although at 31 December 2010 the permanent staff had risen compared to 2009 (in particular at Lagardère Active and Lagardère Unlimited), the full-time equivalent staff had declined due to a significant drop in non-permanent employees (in particular at Lagardère Active and Lagardère Publishing).

A balanced workforce also requires harmonisation in terms of age. The Group aims to establish a sound balance between young and experienced employees, and to optimally manage the transmission of knowledge and expertise.

• Representation of employees by age range and geographic area



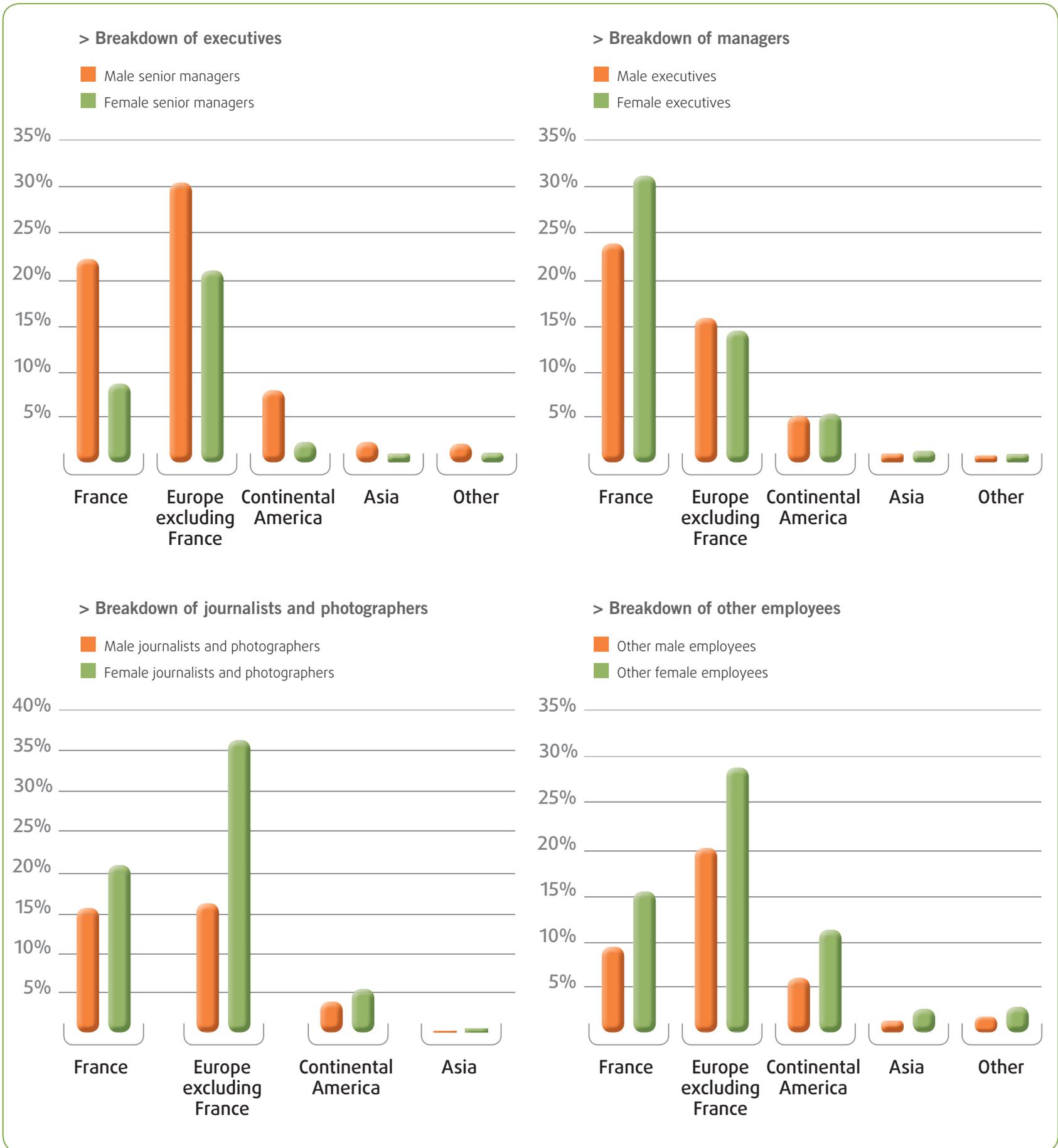
PROMOTE DIVERSITY, A SOURCE OF WEALTH FOR THE COMPANY

Promoting equal opportunity through diversity and fighting all forms of discrimination is the Group’s philosophy on diversity (see below). With the variety of its business lines and the diversity of its employee’s skills as assets, Lagardère decided to invest in three aspects in particular:

- the role of women in the Company;
- disabilities;
- integration of young people from sensitive urban areas.

The role of women in the Company

○ Distribution of employees by SPC, sex and geographic area (in %)



In 2010, women represented 59% of the total Group staff, with a slight rise compared to 2009. The challenge posed in the various divisions is therefore not exactly to reach a balance between the number of male and female employees but to demonstrate true fairness in the assignation of positions with responsibility.

In 2010, women represented nearly 64% of the Group's total recruitments, or an increase of 0.7% compared to the previous year. Women also hold 34% of the senior manager positions (an increase of three points from 2009). Room for improvement has nevertheless been identified in the category excluding divisions and at Lagardère Unlimited, which have few women in senior manager roles.

Compensation

Lagardère aims to contribute to fairness in the compensation of men and women with equal qualifications and equivalent positions. The discrepancies observed in the table below can be explained essentially by disparities linked to the nature of the positions and the associated responsibilities, as well as to differences of age, seniority and qualification existing between the two populations.

• Average gross salary of permanent employees by status, gender and geographic area (in €)

Area	Male senior managers	Female senior managers	Male executives	Female executives	Male journalists and photographers	Female journalists and photographers	Other male employees	Other female employees
France	210,697	190,468	58,824	47,537	63,240	56,227	25,395	22,342
Europe excluding France	129,998	83,702	49,145	37,282	30,101	28,242	27,607	21,292
Continental America	288,521	278,247	98,467	83,811	75,034	62,045	27,868	27,012
Asia	212,713	151,484	77,157	58,211	17,647	13,593	26,660	28,076
Other	144,473	99,086	57,377	55,119	0	0	18,199	19,955
Average	177,235	126,152	60,245	48,792	49,268	40,218	26,702	22,803

The above averages are provided only for reference purposes and should be interpreted with caution: they correspond to a wide disparity of situations due to the very nature of the operations but also to their geographic location, the quality of life and cost of living being very different from one country to another.

The salary scales implemented in some of the Group's subsidiaries are one way of achieving equality. **61%** of the staff is employed by an entity that has defined salary ranges according to position levels, and **78%** of the staff belong to a company that has defined a minimum salary.

Pay raises

The year 2010 was marked by a certain stability in the percentage of the population having received a raise in pay, after a significant decline in 2009. The efforts made in 2010 focused in particular on the categories of female managers and senior managers as well as the category of other employees.

• Percentage of employees having received a pay raise, by status, gender and geographic area

Division	Male senior managers	Female senior managers	Male executives	Female executives	Male journalists and photographers	Female journalists and photographers	Other male employees	Other female employees	All SPCs Men	All SPCs Women	All SPCs
Lagardère Publishing	49%	74%	70%	73%			70%	76%	68%	75%	72%
Lagardère Active	27%	30%	48%	54%	37%	41%	34%	37%	39%	42%	41%
Lagardère Services	56%	65%	66%	64%			70%	67%	69%	67%	68%
Lagardère Unlimited	34%	100%	30%	13%	100%		50%	39%	43%	35%	40%
Excluding divisions	70%	83%	72%	89%			79%	90%	72%	96%	80%
Average	44%	70%	60%	64%	37%	41%	62%	60,2%	59%	60%	59%

Integration of disabled workers

After the year 2009, which was better than the previous year, 2010 was marked by a comprehensive development that was again satisfactory in that, with the exception of the Europe zone, the rate of integration is also high and stable (as in Continental America). The situation in France is exemplary in this regard, as we have observed a rise of **four points** compared with 2007.

The situation of the Europe zone (excluding France), where we observe a significant drop in the integration rate (under five points), is due to a significant decline in the number of disabled workers in the Lagardère Services division, and in particular in the Company Lapker, which saw a certain number of its disabled workers lose this status in 2010 after a reform of the national legislation in this area.

The Lagardère group still feels that disabled workers are largely under-represented at the Company. Special attention will thus continue to be given to this issue over the coming years, in particular in collaboration with Mission Handicap, which has seen particular success at Lagardère Active, with the slogan *Je suis Handicap*.

In September and November 2010, Mission Handicap also organised two events dedicated to an introduction to sign language.

Rate per thousand - disabled employees compared to the permanent staff

Division	France	Europe excluding France	Continental America	Asia	Other
Lagardère Publishing	18.5	12.1	0	0	0
Lagardère Active	10	5.0	0	7.5	0
Lagardère Services	6	6	1	0	3
Lagardère Unlimited	6	1.8	0	0	0
Excluding divisions	30				
Average for 2010	12	7	0.5	4.6	2.2
Average for 2009	10	11.7	0.5	3.3	1.8
Average for 2008	9.6	10	1	4	1.8
Average for 2007	8.5	12	1	4	0.0

Integration of young people from sensitive urban areas

In 2010 the Lagardère group continued its partnership, launched in 2006, with the organisation *Nos Quartiers ont des Talents*, which was founded in Seine Saint-Denis in 2005 and whose scope covers the entire Paris region (the Group's main area of operations in France). Its work consists of organising forums for employers to meet with young people from sensitive urban areas (which helps increase their access to the labour market) as well as creating sponsorships with the Human Resources Directors to guide them in their job searches.

B PROMOTING HARMONIOUS WORKING CONDITIONS

While adjusting the Group's workforce allows operations to meet the needs of various businesses and to address the current socio-economic context, it is also important to establish working conditions that foster employee fulfilment and motivation, and accordingly advance the Company's satisfactory operation.

SIGNING OF NEW COLLECTIVE AGREEMENTS

An indicator of social dialogue, a total of **541** collective agreements were applicable in the Group at 31 December 2010. These agreements cover in particular issues such as working time, compensation and social security coverage. During 2010, **116** new collective agreements have been signed. This figure is relatively stable compared to 2009. Two factors account for this development:

- **in France**, the negotiation obligations set by the government are increasingly demanding; we have observed that 77 new agreements have been signed;
- **in Asia**, 18 new agreements were signed in 2010, (there were already 17 in 2009); these again concerned Hachette Book India (created in 2008) but also concerned Hachette Fujingaho (Lagardère Active) in Japan.



Raynald Rimbault
General Manager
and Co-founder of
*Nos Quartiers
ont des Talents*

Nos Quartiers ont des Talents

Five years after its launch, has the organisation *Nos Quartiers ont des Talents* achieved its goal of promoting equal opportunity?

Nos Quartiers ont des Talents is developing a concept which has still not yet gotten off the ground. Only 5% of young people who earn a Master 2 degree and come from disadvantaged areas join the *Nos Quartiers ont des Talents* programme. By 2015, the organisation's goal is to cover 50% of these young people, and therefore to multiply its reach by 10 in just five years. We hope to reach our goals through our partnerships with several universities in Ile-de-France et in the Rhône-Alpes, Midi-Pyrénées, Aquitaine, PACA, Nord and Bretagne regions.

How would you describe your partnership with the Lagardère group to date?

This partnership has in particular allowed us to communicate information on the Group's major medias in the framework of the first national events. The involvement of the different divisions (radio, print media etc.) played a large role in the success of this event aimed at young university students with the goal of providing information on business lines. I was particularly touched by the availability and willingness to help of one manager in your Group, who regularly agrees to work with our companies and speak about his role as mentor and reference person at Lagardère.

What do you expect from Lagardère over the coming years?

The young people in our programme are very interested in the business lines of the Lagardère group. In fact, every year 45% of our young people come from the communications and marketing sector. We expect that the Group will step up its mentoring activities to assist these young people who are ready and willing to invest their time and energy for a company. The organisation of the morning business-line discovery events (publishing, radio etc.) for example, allows these young people from disadvantaged neighborhoods to learn about the various businesses of the Lagardère group and allows the Group, in its turn, to identify promising young talent for tomorrow!

For more information www.nosquartiers-talents.com

• Percentage of staff covered by a collective agreement, by field and geographic area

Area	Working time	Health, safety and working conditions	Compensation	Social security coverage	Training	Other agreements
France	95%	61%	87%	71%	39%	84%
Europe excluding France	63%	62%	67%	59%	26%	16%
Continental America	50%	50%	50%	50%	9%	0%
Asia	26%	21%	37%	23%	1%	0%
Other	88%	88%	88%	88%	78%	78%
Total	72%	60%	71%	62%	29%	39%

REDUCTION IN THE ABSENTEEISM RATE, A BAROMETER FOR WORKPLACE HEALTH AND SAFETY ISSUES

Absentee rates are a relevant index for employee health, and therefore for the Group as a whole. It is a heterogeneous phenomenon whose features are specific to each company. Absenteeism can be a source of conflict, loss of motivation and tension within a company. It is important to monitor this rate, which is a first step towards a more comprehensive analysis to determine and understand employees' expectations and dissatisfactions concerning their work.

FOCUS no.4

Marianna Nagy
Director of Human Resources and Communications - Lapker, Hungary (Lagardère Services)

Prevention, the focus of social concerns in Hungary

You have made preventive health a key part of your commitments to your staff. Why?

In general, the number of people with illnesses in Hungary has risen sharply over recent years, and the fact that ill employees are granted only 70% of their salary often discourages them from seeing a doctor. A certain number of events in the Company (merger of eight subsidiaries in the head office in 2008, opening of a new site in a context of financial crisis etc.) have especially destabilised the Company's staff. This is why we have taken new measures to regain their confidence.

Could you give us a few concrete examples of initiatives that have been implemented?

The measures taken (for a total cost of €11,800 in 2010) include:

- extended presence of occupation health practitioners at our sites. A doctor is on site during lunch hour and may be freely consulted;
- preventive exams are offered two to three times per year and are financed by the Company (lab analyses, complete check-ups for all executives etc.). 518 people out of 700 benefitted from this scheme;
- distribution of vitamin C and multivitamin tablets;
- introduction of salads, fruit and low-calorie meals at the cafeteria;
- rental of gym spaces to promote physical activity.

In addition to what you are doing for employees, you have also extended your commitment to civil society.

In 2009 and 2010, flooding affected north-eastern Hungary. We delivered drinking water (6,000 1.5L bottles) which is sold in our Travel Retail network, as well as disinfectant products and rubber gloves for the areas concerned. The same products, with the addition of masks, were delivered to cities affected by the red mud industrial disaster in the western area of the country. The total cost was €9,650.

At one of our subsidiaries (Hírker), we also invited disabled persons along with their specialised assistants to come to a training session aimed at helping them rejoin the workforce.

For more information www.lapker.hu

• Absenteeism rates, by type of absence and division

Division	Illness (days/person)	Parental leave (days/person)	Accidents (days/person)
Lagardère Publishing	2.6	1.8	0.02
Lagardère Active	2.7	1.5	0.006
Lagardère Services	3.0	0.9	0.02
Lagardère Unlimited	1.7	0.7	0.002
Excluding divisions	2.2	0.3	0.015
Average for 2010	2.8	1.3	0.01
Figures for 2009	5.2	3.1	0.4
Figures for 2008	5.2	3.2	0.4
Figures for 2007	5.2	2.6	0.5

In 2010 absenteeism declined sharply overall for all types of absence (and in particular for illness: the number of days of absence per person declined by nearly half).

It should also be noted that the ongoing decline in workplace accidents continued over the year 2010; it is the clear result of efforts made in terms of workplace health and safety.

EMPLOYEES' PARTICIPATION IN THE COMPANY'S RESULTS

Employees' participation in the Company's results is a practice encouraged in the Group. It mainly translates to profit-sharing and the introduction of employee savings plans.

Each entity has freedom in terms of the mechanism set up to adapt as best as possible to the regulations that exist locally, the relevance in terms of local goals and finally to the specificities of the operations.

At 31 December 2010, 48% of the employees in France benefitted from a profit-sharing scheme. 22% of the staff benefitted from an employee saving plan. The figure for France is 24%.

C ENCOURAGING DEVELOPMENT OF SKILLS

In accordance with the principle of autonomy within each of the Group's divisions, measures for skill development and internal mobility are implemented within each entity. They illustrate Lagardère's commitment to investments which develop professional skills and individual employee responsibilities, and which foster fulfilling career development through increased internal mobility.

TRAINING

In 2010, with a view to following the recommendations of the GRI, the Lagardère group changed its internal accounting methods and therefore the number of training hours per status (See appendices for tables).

In 2010, as in the previous year, the Group's main goals concerned the acquisition of expertise linked to information technology and digital tools (and more particularly their use in combination with traditional media) as well as improvements in talent management, including at inter-division level.

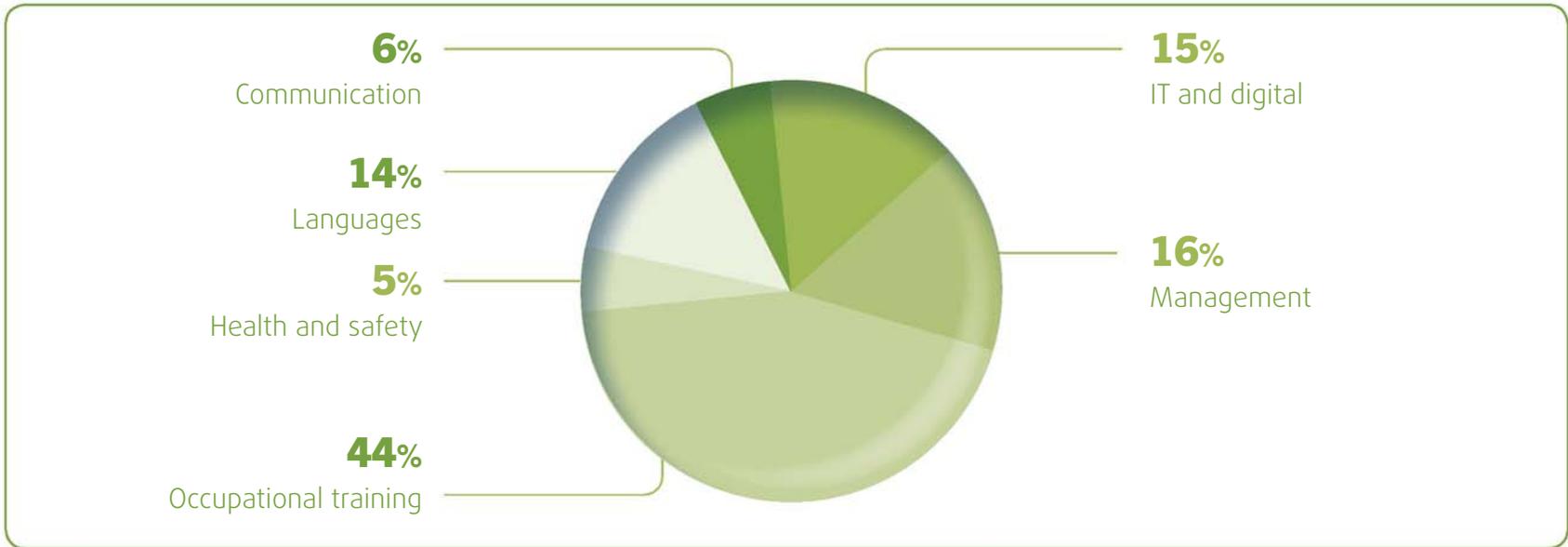
Training plans are therefore developed at all levels, and training efforts in 2010 remained high, with more than 220,000 hours dedicated to training.

In 2010, training expenses totalled over €9,200,000, which corresponded to nearly €340 per employee, or a figure equivalent to that of 2009; this figure reached nearly €600 for France in 2010, compared with a little over €680 in 2009.

The Group also undertakes to develop a true corporate culture in its managers and to transmit these values of creativity, independence, daring and entrepreneurial spirit. These values are in particular conveyed at its internal university Media Campus, a training programme dedicated to Group managers. Two programmes dedicated respectively to leadership and integration are thus implemented to develop the skills of Group managers. In this regard, it should be noted that since this year, the integration seminar is open to all newly arriving managers.

Finally, in 2010, 1,963 interns were brought on board at Lagardère companies, an increase of 251 individuals from the previous year. The number of work-study contracts, which make it possible for young people to discover the corporate world during periods of one to two years while continuing their basic education, reached 457, representing an increase of 31 from the previous year.

Breakdown of training (hours) by type



FOCUS no.5



Christine Grézi,
Assistant Director
of Group Human
Resources
Development

Sustainable development on the menu at Club Media Campus

On 9 December 2010 you organised a Club Media Campus session dedicated to Sustainable Development. Could you explain this choice?

In addition to its growing role in society as a whole, Sustainable Development is becoming a strategic goal for companies. In a media group like ours, it is nevertheless not so easy to understand everything that is at stake. This is why we felt it would be relevant to organise this event with employees who had participated in the Media Campus seminars dedicated to integration, leadership and comprehensive management. The goal was to show how the major national and international challenges of Sustainable Development also exist in concrete forms in the execution of their daily tasks.

What were the key themes of the event?

The topic we chose was how to change one’s vision from global to local. First the comprehensive challenges of Sustainable Development: Julia Haake, Director of Company Partnerships at WWF-France, presented them: climate change, decline in biodiversity, paucity of natural resources etc. Then, corporate social responsibility, and in particular at one of our divisions, Lagardère Publishing: Ronald Blunden, Director of Communications and Sustainable Development explained the key challenges for his division with regard to paper. Finally, the particular responsibility of a media group, with the testimony of Bérangère Bonte, a journalist who has long been in charge of environmental subjects on Europe 1, launching discussion with the audience.

Do you plan to continue your Sustainable Development training efforts?

Yes, in 2011 we plan to integrate the theme of Sustainable Development into our Media Campus training, which is open to Group employees. We are also working with the divisions (in particular Lagardère Active) to determine the possibility of targeting more specific populations. Finally, in 2011 we will offer a training module for all Group employees at Lagardère Ressources.

For more information www.lagardere.com

INTERNAL MOBILITY

With regard to **internal mobility**, the Group's Intranet contains tools for employees that provide information on potential transfers. In the same space, employees have access to positions available within the Group with the possibility of setting up personalised alert messages to be notified of current internal vacancies that correspond to their needs.

In 2010, internal mobility represented **12%** of Group hires (internal promotion and transfers) compared with 7.6% in 2009 and 5.9% in 2008.

Although the specificities of the various entities (operations, geographic dispersion etc.) may constitute an obstacle to mobility between divisions, this improvement between 2009 and 2010 demonstrates that mobility plays an important role in the Group's human resources strategy. For this reason, this increase is not an end in itself, and the efforts made to organise, facilitate and develop mobility will continue to take on a considerable importance over coming years.

2.2 DEVELOPING OUR BUSINESS WHILE RESPECTING THE ENVIRONMENT

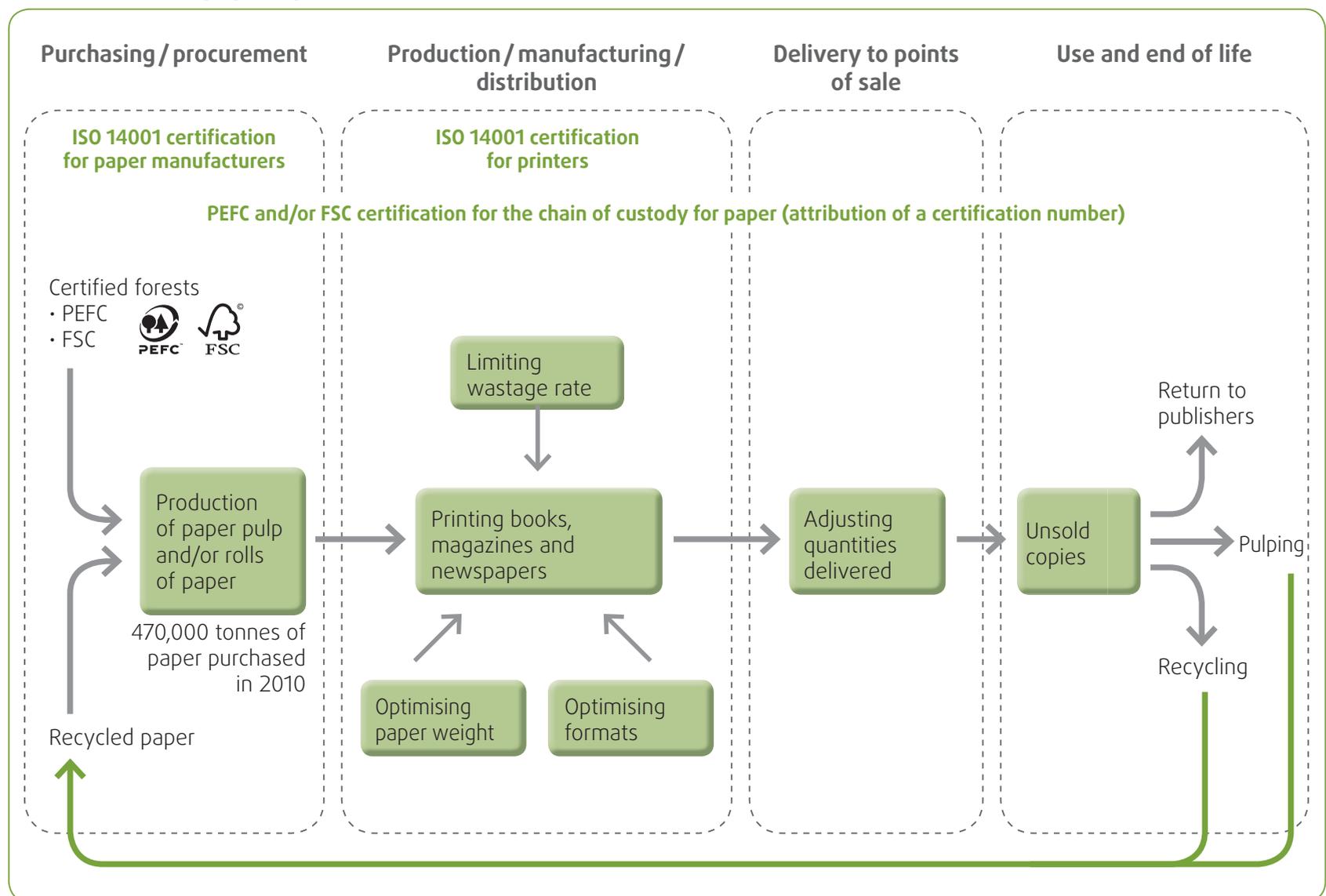
The Lagardère group set itself three specific commitments which illustrate the Group's environmental goals and which it aims to develop year after year in a progress-oriented approach: the effective and responsible management of paper, streamlining transport, and introducing environmental measures in the day-to-day organisation of its operations.

In 2010, the Lagardère group was not penalised (with penalties or non-monetary sanctions) for non-compliance with environmental legislation and regulations.

A EFFICIENT AND RESPONSIBLE PAPER MANAGEMENT

A renewable raw material, wood is used to manufacture paper. This wood, or the sawmill waste, arrive at the pulp mill or paper mill to be transformed into a pulp which is used to make rolls of paper. The rolls are then shipped to the printer to be transformed into books, magazines and newspapers. Once used, these products begin a new life when they are collected and recycled to serve as a raw material for the production of recycled paper pulp (see diagram below).

• The paper cycle



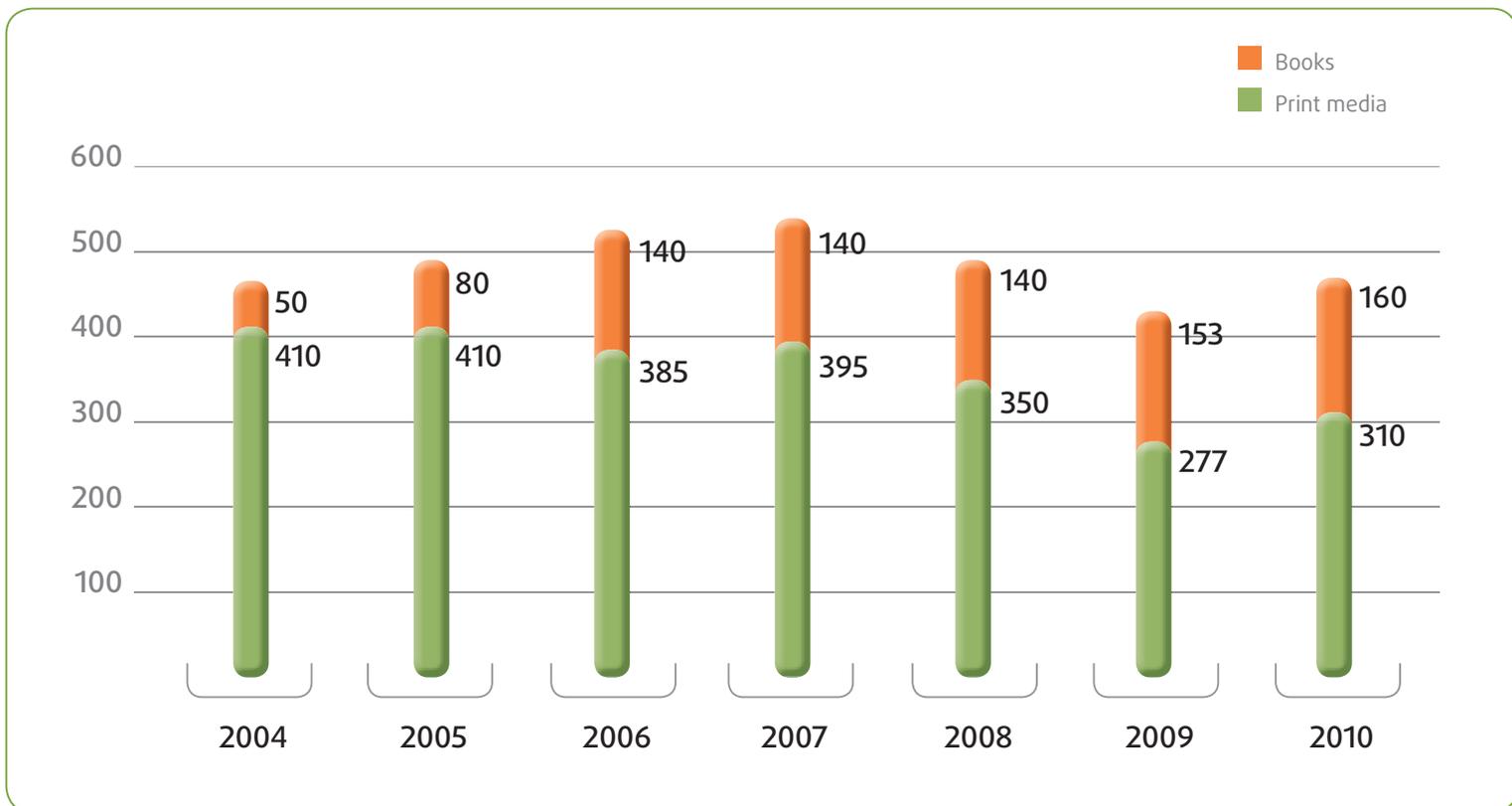
ENCOURAGING READERS TO SORT AND RECYCLE USED MAGAZINES

In 2010, in partnership with Eco-Organisme Ecofolio, Lagardère Active launched three campaigns aimed at encouraging readers to sort their waste for recycling. One was repeated over an additional two weeks during the regional elections, with an image accompanied by the words "To recycle" appearing in *Le Journal du Dimanche*, while the other, appearing in the "green" May issue of *ELLE* printed on recycled paper, used the slogan "Waste sorting is not a fad - it's here to stay".

RESPONSIBLE SUPPLY MANAGEMENT

This responsibility applies from the purchase of paper through the management of unsold copies, and includes all the steps of manufacturing books, newspapers and magazines.

Weight of paper purchased, in thousands of tonnes



Two phenomena account for the increase in volumes of paper purchased in 2010 at Lagardère Active: the rebound in growth in countries such as China and Russia as well as the reconstitution of paper stock, for various reasons such as the extension of deadlines, uncertainty related to the printers and anticipated prices rises⁽¹⁾.

But increasing supplies of paper from certified forests is the main goal pursued by both Lagardère Publishing and Lagardère Active.

At Lagardère Publishing, the percentage of paper produced using pulp from wood coming from sustainably managed forests and having obtained FSC or PEFC certification continued to increase from 35% in 2005 to 50% in 2006, and from 65% in 2008 to 67% in 2009.

In 2010, the percentage of pulp from certified forests added to recycled pulp reached 70%⁽²⁾ of the total for paper purchased by Lagardère Publishing.

In early 2010, Lagardère Active began a certification process for the chain of custody for paper. The French magazines earned their PEFC certification in early 2011. The Netherlands, Italy and Japan are also PEFC or FSC certified. The certification process is gradually being expanded throughout the entire Group.

The principle of the certification is to set up monitoring procedures guaranteeing that from the supply of raw materials to binding, the wood used to produce the paper on which the magazine will be printed is indeed from sustainably managed forests. This is made possible by the chain of custody which ensures the traceability of the wood at all production stages, from the operations in the forests to the finished magazine via all the other stages including paper pulp, paper manufacturing, printing and binding.

(1) In the second half of 2009, Lagardère Active carried out a proactive initiative aimed at reducing paper inventory.

(2) Until 2009, the percentage of recycled paper waste was close to zero. In 2010, thanks to the initiatives undertaken in the framework of the carbon assessment, this percentage now reaches nearly 4%.

To be certified and obtain a specific number, a publisher must undergo a certification audit carried out by an accredited independent body. The goal of this audit is to verify that all of the physical and administrative flows can be traced satisfactorily throughout the chain of services, up until the point at which the modeling department affixes the logo to the magazine.

FOCUS no.6



Olivier Dumoulin
Director of Purchasing,
Lagardère Active

Certification of the chain of custody for paper in France

Why did you undertake a certification process for Lagardère Active magazines?

This decision was made together with the French and international press operations managers, Bruno Lesouëf and Jean de Boisdeffre. We consume large quantities of paper and wish to prevent our operations from having a negative impact on the environment. Readers of the Group's magazines share this concern. The Purchasing Department has thus set itself the goal of securing its supply to guarantee that the paper on which our magazines are printed is indeed produced from fibers from sustainably managed forests. Certification by independent and internationally recognised independent third-party bodies (PEFC* and FSC**) seemed to us to be the only possibly response.

How do you choose between PEFC and FSC certification?

Operational constraints guide our choice of one or the other of the two standards: the availability of paper in terms of volume and quality, suppliers selected in particular with consideration for the corporate social responsibility commitments, proximity to manufacturing sites etc. We have just obtained PEFC certification for the French magazines, for this is the dominant standard in Europe. The Japanese subsidiary of Lagardère Active has both PEFC and FSC certification.

What does the certification consist of for a publisher like Lagardère Active?

First, buying certified paper is not enough. The inventory of rolls of certified paper must be traceable throughout the manufacturing chain, both in terms of the physical flows of materials and the administrative flows of documents. We have modified the inventory monitoring software and, with the help of our Industrial Purchasing Director Thierry Panhelleux and Production Director Philippe Jourdan, introduced monitoring processes in close collaboration with our paper manufacturers, printers and binders. The project was launched a year ago; we are proud to report that in early 2011 we obtained our own certification number which shall appear on our magazines.

* PEFC: Program for Endorsement of Forest Certification schemes.

** FSC: Forest Stewardship Council.

For more information www.lagardere.com

PEFC AND FSC

The PEFC standard (Programme for the Endorsement of Forest Certification Schemes) is an international system defining rules for sustainable forest management according to the specificities of each country. PEFC certification involves a certain number of commitments guaranteeing forest upkeep and use that respect its three main functions: financial (use), environmental (protection of biodiversity and wildlife) and social (safety for forest workers, training of staff, leisure activity, safety for hikers etc.). Certification may be obtained at different levels: for paper or the magazines, provided that the printer is also certified. The printers wishing to obtain this label are audited by a third-party body which issues PEFC certification according to traceability criteria for virgin fibres in the chain of custody for paper, from the forest operation to the printer.

The other main forest certification is FSC (Forest Stewardship Council), which guarantees that the wood used to manufacture paper comes from responsibly managed forests. This means they are used in a way that they maintain their biological diversity, capacity for regeneration, vitality and current and future ability to meet relevant ecological, economic and social functions at local, national and global level. The FSC standard also aims to guarantee that they do not harm other ecosystems.

Concerning recycled paper

At Lagardère Publishing, the experiment launched in 2009 of printing major general public works on recycled paper continued in 2010 in collections such as *Guides Évasion* and 100% Durable.

At Lagardère Active, recycled paper is very well suited to the production of newsprint. The *Journal du Dimanche* is printed on 100% recycled paper. On the other hand, the offering for magazines still being limited due to the different thermal and mechanical constraints in the resistance of this paper, Lagardère Active uses certified paper for its magazines. Nevertheless, the 21 May 2010 issue of the magazine *ELLE* was printed entirely on recycled paper.

EFFICIENT BOOK AND MAGAZINE PRODUCTION MANAGEMENT

In the framework of their strategy to limit paper wastage, Lagardère Active and Lagardère Publishing are implementing a certain number of dedicated actions.

PAPER WASTAGE RATES

Special attention is given to reducing paper wastage rates in the manufacture of press products. The wastage rate, which corresponds to the percentage of paper lost during the manufacturing process, 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. These losses, which are inevitable in the manufacturing process, correspond to the paper lost during the printing phase (and in particular calibrating: the settings for ink, positioning etc.) and binding (format adjustments, binding and assembly) of the books or magazines. The wastage rates vary greatly depending on the printing technology used (type of machine, colours) and the number of works or magazines produced (printing).

Lagardère Active

For the Production and Purchasing Departments of the Magazine France Division, improvement in wastage rates is a key factor in negotiations with printers. For each magazine printing, to limit the wastage rate as much as possible at the printing phase, the Magazine Division determines the optimal technical choices and calculates the number of copies to print according to sales statistics. On the basis of this data, precise print run instructions are given to the printer. This policy to limit paper wastage is primarily carried out through extensive printing press control procedures and optimised machine calibration (inking, size of paper cuts, unwrapping the paper reels on the unwinders, etc.).

Lagardère Active's ongoing monitoring of consumption and new technological options make it possible to offer format optimisations to editorial managers that would help them best respond to the requirements of the market.

At Lagardère Publicité, the production of advertising inserts for French magazines, which represents significant volumes of paper (around 5,000 tonnes per year) is the focus of a great deal of attention. Over two years, the wastage rate of these media was reduced by 50%.

Lagardère Publishing⁽¹⁾

As part of the policy of optimising the division's paper wastage rate, teams at Lagardère Publishing determine the best technical options and carry out detailed calculations of the amount of paper to be allocated to the printer.

Paper consumption and wastage rates are regularly monitored in France and abroad. This monitoring makes it possible to:

- validate the choices of printers, printing techniques and paper (optimisation of rolls and paper sizes);
- identify new technologies that could be used (rotating rapid-calibration tools, automatic setting of ink devices);
- inform editorial managers of the most economical formats to help them best meet the requirements of the market.

ON-DEMAND PRINTING

To print titles that are out of stock or which have low sales, Lagardère Publishing uses digital printing or print on demand (POD) technology in partnership with Lightning Source (Ingram subsidiary). The Group has been developing these operations:

- since 2004 in the United States; at the end of 2010, 1,736 of the subsidiary's titles were available on an on-demand basis; titles printed on an on-demand basis generally average 67 copies;
- since 2008 in the United Kingdom; at the end of 2010, 285 titles were available via POD; the subsidiary plans to expand this activity in 2011;
- in the middle of 2010 in France (via a joint venture with Lightning Source); over a thousand titles are now available on an on-demand basis; a significant expansion of the catalogue is planned for 2011.

This technology has a positive impact on the environment since it eliminates stocking, multiple transport (no transport from place of printing to a distribution centre) and returns (books are printed only when the customer places the order).

EFFICIENT AND RESPONSIBLE MANAGEMENT OF UNSOLD COPIES

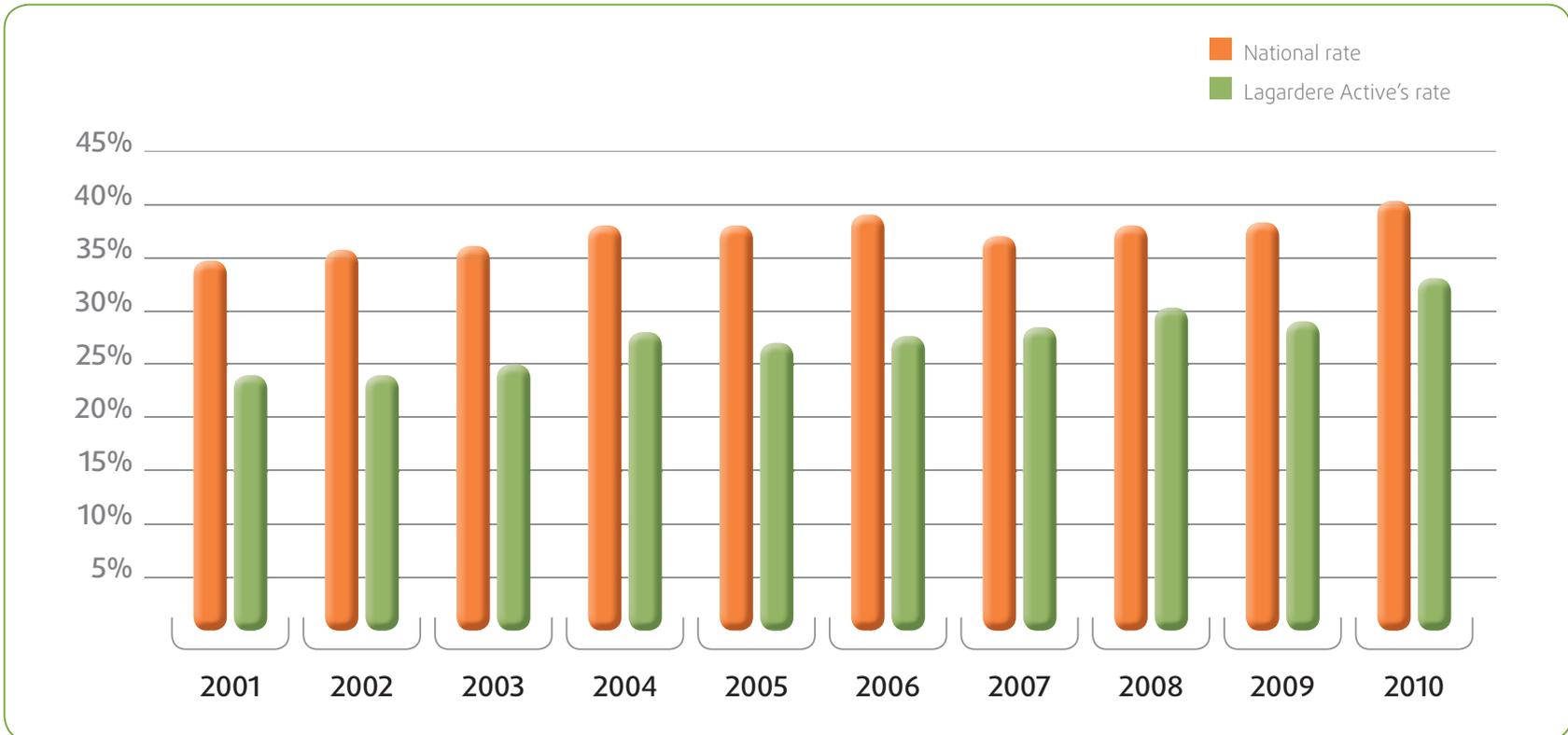
Lagardère Active places high importance on managing its unsold copies. The management of sales and, as a result, of unsold copies, depends on the specific organisation of the distribution of newspapers and magazines in each country. The actions and performance of the Magazine France Division must be analysed with regard for the specificities of each system. Lagardère Active's Magazine France Division takes action upstream to reduce the rate of unsold copies by optimising adjustments made (allocating the number of titles at retail outlets). To best manage unsold copies, which are an inevitable part of an approach involving sales of single issues, the division regularly adjusts the quantities printed and delivered using specialised software used by the directors of title sales.

In France (where half of the sales are made), these actions have made it possible to reach unsold copy rates that have been much lower than the average national rates for nearly 10 years.

In 2010, the average unsold copy rate for newspapers and magazines was 40.2% (41.6% for magazines alone) at national level. During this same period Lagardère Active's unsold copy rate was 32.9%, or 7.3 points below the national average.

(1) The table for the Hachette Livre France paper wastage rate does not appear in the 2010 Sustainable Development Report because of changes in the formats of titles in the Education offering which makes it difficult to continue these rate reduction measures. The two-fold uncertainty, on the one hand concerning the generalisation of compact formats (which are not suited to the sizes of offset printing rollers) and on the other hand concerning the investment of manufacturers in new, better-adapted machines may cause this indicator to become less relevant in the future.

Comparison of unsold copy rates in France



Source: Presstalis study, December 2010. Rates of unsold copies for single-issue sales vary significantly depending on the press group or sub-group. For example, the national unsold copy rates for the period from January 2010 to December 2010 were:
 37.9% for publications dedicated to news and current events;
 40.7% for women's interest magazines;
 55.6% for the home category;
 49% for the automotive/motorcycle category;
 21.7% for magazines dedicated to television programming.

In the press returns processing cycle, press distributors collect the returns from the retail outlets. Some publishers reclaim some or all of their unsold copies, and the rest are destroyed. In France, Presstalis outsources the destruction of unsold copies to collection firms located throughout the country that recycle these surplus copies. On average, 90% of unsold copies generated by the French press distribution system for single-issue sales are destroyed and recycled, with the remaining 10% returned to the publishers at their request. At Lagardère Active, the recycling rate is higher, with approximately 97% recycled and only 3% returned to the publishers. Because most of our business involves weeklies, these magazines deal with current affairs and are less susceptible to "re-marketing" efforts.

Returns of unsold copies mainly concern the magazines *Télé 7 Jours* and Disney Hachette Presse magazines, which are reconditioned into albums containing several issues and bound with a special cover. Other magazines are taken in their original condition and sold in plastic covers ("beach covers"). These products are then put back into the usual marketing cycle through Presstalis. Special-interest magazines, such as home-decor titles (*Art & Décoration*, *Maison & Travaux*), children's titles (Disney Hachette Presse) and game magazines (*Télé 7 Jeux*) get a second life via export sales.



Pete Datos
Vice President,
Strategic Planning &
Publishing Operations,
Secretary General
of the Sustainable
Development
Committee at
Hachette Book
Group in New York
(Lagardère Publishing)

Responsible paper management at Hachette Book Group

After measuring your carbon footprint, what actions did you take?

Not surprisingly, our analysis confirmed that the paper in our books accounts for over 90% of our total carbon footprint at Hachette Book Group (HBG), so we focused most of our actions on paper procurement. We committed to ending the use of paper from endangered forests and set goals for increasing recycled fiber use to 30% and paper certified by the Forest Stewardship Council (FSC) to 20% by 2012. In 2010, we made good progress against these goals, more than doubling our recycled paper usage (from 3% to 7%) and already have exceeded our FSC target (at 21%). In addition, we grew the number of print on demand titles available by 7% and are investing in new ways to forecast demand and manage inventory so that we can reduce returns and unsold books. And our efforts have gone beyond books - for example, we began distributing manuscripts internally via electronic readers, we installed more energy-efficient lighting and sensors in our facilities, and we established no-idle zones for trucks outside our warehouse.

You are also chair of the Book Industry Environmental Council. What is the purpose of this organization?

The mission of the Book Industry Environmental Council (Bookcouncil.org) is to identify, foster and communicate best practices to reduce the carbon footprint of our industry and improve the sustainability of books. We strive to benchmark, track and improve our industry's environmental impact with science-based research and collaboration across a balanced and fully-represented supply chain. Our 40+ stakeholders represent more than 60% of market share in North America, and our membership is comprised of publishers, paper suppliers, printers, booksellers, and environmental NGO's.

What are the next steps in sustainability for HBG in 2011?

We will continue to evaluate new paper options that are more environmentally-friendly or allow us to further reduce basis weights. And we will leverage new overseas partnerships to eliminate endangered-forest fiber from our supply chain. We will closely monitor the growth of e-books and use our new forecasting and planning tool to more accurately predict demand for print and digital formats. We will also continue piloting paperless editorial & composition workflows, exploring digital galleys for media, librarians and booksellers, and moving operational transactions to the digital sphere. Our ultimate goal is to reduce the company's total carbon footprint 20% by 2020.

For more information www.lagardere.com

B STREAMLINING OF TRANSPORT

This is the second environmental challenge faced by the Lagardère group, which is trying to improve the impact of transport, both in the manufacturing of its books and magazines, and in their distribution.

DURING MANUFACTURE

Lagardère Active works in partnership with its subcontractors to limit the environmental impact of transporting its magazines and newspapers during the manufacturing and distribution process (printing, binding, dispatching and distribution), while taking deadlines into account. Several initiatives were undertaken in 2009 by the Magazine France Division as an extension of those launched in previous years:

- the Magazine France Division asked its printers to stock the paper to be used in the production of the products rather than having it transported from a dedicated warehouse;
- where possible, the various operations in the manufacturing process are brought closer together physically (paper manufacturers and printers to limit the transport of paper rolls) or concentrated onto the same site (binding performed by a printer) to limit transport between subcontractors. The printing of the *Télé 7 Jours* advertising insert was brought back to Corbeil from Mulhouse, meaning that 60 tonnes no longer requires transport over 450 kilometres (i.e., 3,000 tonnes annually in 120 lorries). Generally speaking, most French weekly magazines are produced at a distance of less than 100km from Paris. With a few exceptions, the printing takes place at sites in the north of France or in Belgium, but at locations situated on the path of the paper roll supply and therefore in practical terms does not extend the distance the paper has to travel.

DURING DISTRIBUTION

At Lagardère Active

A rigorous policy to streamline transport, aimed at reducing the number of trips and thus the distances travelled, was implemented both in France and abroad. In France, in compliance with regulations relative to magazine distribution regulations (the Bichet Act), magazines are distributed either directly by the publishers or by dedicated cooperatives (Presstalis, Transport Presse, MLP).

The significant reduction in the number of newsagents, the diversification of print media products and the drive to optimise costs led Presstalis to streamline its publication distribution logistics, in order to reduce the number of kilometres travelled, fuel consumption and vehicle wear and tear. In cooperation with Presstalis, the Group simplified its magazine distribution circuit whenever possible, to directly transport magazines from the binder to regional warehouses without passing through the central warehouse. This initiative made it possible to reduce fuel consumption and limit the impact of transport on the environment.

At the end of 2010, Presstalis introduced a new invoicing scale based on a per-pallet cost. This change in the invoicing system encouraged publishers to optimise the loading of pallets and therefore the lorries, which in turn reduces the rotation frequency.

Lagardère Active also seeks to limit air transport of its magazines to the greatest possible extent. For certain titles, air transport has been replaced by maritime transport, which emits lower levels of CO₂.

At Lagardère Services

Transport represents a major strategic challenge. With the four main distribution companies with wholesale operations (AMP, SGEL, Lapker and Naville), a little under 50 million kilometres are travelled every year to route print media from printers to the very extensive point-of-sale networks, mainly by lorry or van. Lagardère Services regularly optimises its runs with a view to reducing the kilometres travelled: in Hungary for example, this approach made it possible to economise over 2 million kilometres between 2009 and 2010. Certain subsidiaries are examining the possibilities for using new electric and hybrid vehicles.

C INTRODUCING ENVIRONMENTAL MEASURES INTO THE ORGANISATION OF OUR OPERATIONS

In addition to responsible paper management and streamlining transport, the Group strives to introduce environmental concerns into the daily management of its business.

Initiatives of different types concerning either core businesses (Bilan Carbone®) or the operations of the structures were adopted in 2010.

FOCUS no.8
FOCUS no.8



Guillaume Beuscart
Director of Legal
Affairs and Finances.
AMP Belgium
(Lagardère Services)

Responsible moving

What were the reasons behind your move of your head office and warehouse?

The head office of AMP housed the corporate operations for the distribution of print media in Belgium and the warehouse for the greater Brussels region, for a total of nearly 300 people, 24 hours a day and seven days a week. Over 800 points of sale are supplied on a daily basis from this logistics platform. As the building, which was constructed in 1970, no longer met the Company's needs (poor energy results, difficult layouts, dilapidated state etc.), the need to move became obvious. It was clear that we needed to reconcile certain economic constraints and ecological responsibility while separating the corporate operations from logistics. We opted for a warehouse that met our criteria and was built in 2004. Logistic operations were launched there at the beginning of 2011.

How have you included this ecological responsibility into operations at your new warehouse?

At the various stages of set-up, our teams included environmental measures both in terms of lighting (replacement of old lighting systems with new lower-consumption lighting, different lighting solutions for different operations, light wells etc.), energy management (electronic temperature regulator, exterior metal devices to reduce energy loss) and user comfort (soundproofing of offices).

Does your Sustainable Development approach extend to your new head office?

Corporate operations will be moved in May 2011 to a business center built at the beginning of the last decade. AMP has committed to a Sustainable Development approach aimed at obtaining the BREEAM* certification, the highest level of certification for a green building. This certification includes six areas of work: mobility and transport, construction (water, energy etc.), digital infrastructure, catering, biodiversity and communications. The common commitments between owner and tenant are embodied in the definition of a ecological code of conduct and the set-up of a suitable building management approach for reducing carbon emissions.

*BREEAM: Building Research Establishment Environmental Assessment Method.

For more information www.lagardere.com

CONTINUATION OF THE BILANS CARBONE® CARBON ASSESSMENTS

At Lagardère Active

To analyse the dependence and vulnerability of its operations in terms of energy constraints, and to limit GHG emissions, in 2008⁽¹⁾ Lagardère Active had a Bilan Carbone® assessment carried out for all of its print media, radio, television and digital operations at national and international level. The method used, with the assistance of the firm Carbone 4, was the one developed by Ademe.

The cost in CO₂ of a French magazine comes out to between 500 and 600g of CO₂ equivalent, while that of a foreign magazine represents 700-800g of CO₂ equivalent (different pagination and different energy source).

In 2011, a new Bilan Carbone® assessment will be performed at Lagardère Active.

(1) This study revealed that the GHG emissions for a magazine sold in France fell into a range of between 500 and 600 g of CO₂ equivalent, of which around half was generated in the manufacturing process.

At Lagardère Publishing

In 2009, the Bilan Carbone® assessment for the book-publishing operations of Lagardère Publishing in France, also performed by Carbone 4, established its figure at 210,000 tonnes of CO₂ equivalent per year.

This result, carried over into its sales figure, positions Hachette Livre in the middle of the table in terms of emissions and service activities (attorneys, banks) and heavy industries (chemicals, metalworking).

The carbon cost of a book comes to around 1.3 kg of CO₂ equivalent per copy sold and breaks down as follows:

- production: 927 g;
- distribution: 226 g;
- distribution: 32 g;
- creation/administration: 128 g.

It should be noted that the carbon footprint of retail sales (bookshops, hypermarkets, large specialised stores) is not taken into consideration in France.

In 2010, again assisted by Carbone 4, Hachette Livre added the production and distribution of box sets and booklets to the carbon footprint of its French subsidiary's activities, which brings it to 246,000 tonnes of CO₂ equivalent per year.

With regard to Lagardère Publishing's international subsidiaries, in the US, Hachette Book Group also evaluated its carbon footprint in 2009. It came to 390,000 tonnes of CO₂ equivalent per year, using a method different from the French method (see box below).

FOCUS no.9
FOCUS no.9



Marie Trauman
Project Leader,
Secretary General
of the Sustainable
Development
Committee,
Lagardère Publishing

Expanding the scope of the Bilan Carbone® assessments

In 2010, you extended the Bilan Carbone® assessment of your operations to the publication of booklets and box sets. What results have you obtained?

Our box set and booklet operations include offering objects made of materials such as plastic, silicone, steel, glass and porcelain. On average, the carbon cost of a box set (980 g on average) is 3.5 kg of CO₂ equivalent, and the cost of a booklet (218 g on average) is 0.9 kg of CO₂ equivalent while that of a book (400 g on average) is 1.1 kg of CO₂ equivalent (carbon footprint excluding distribution, office and warehouse operations). All told, this brings the carbon footprint of the Group's France division to 246,000 tonnes of CO₂ equivalent. We were nevertheless surprised to learn that the material with the greatest weight among these products was the paper, since it is produced in China, where the energy used emits more carbon.

You have also implemented the Bilan Carbone® method at the Group's Spanish subsidiary. What results has this yielded?

Our operations in Spain represent 41,500 tonnes of CO₂ equivalent per year. Reported by number of copies produced in a year, the carbon footprint of a Group book in Spain is 1.9 kg of CO₂ compared to 1.3 kg of CO₂ for a Group book in France. The subsidiary produces fewer books than in France, and the economies of scale that can be achieved are therefore fewer. It should also be noted that the electricity in Spain is of thermal origin and not nuclear as it is in France.

What are the next steps?

To obtain an overview of the carbon footprint of the Group as a whole, we launched a Bilan Carbone® assessment for our UK subsidiary. In 2011 we should also be able to finalise the harmonisation of our European calculation methods for production with the American methods. It is on the basis of this global indicator that we measure our environmental performance and continue our efforts to reduce greenhouse gas emissions.

For more information www.lagardere.com

In 2010, Lagardère Publishing's subsidiary in Spain calculated its own carbon footprint, which came to 415,000 tonnes of CO₂ equivalent per year. The carbon cost of a book nevertheless comes to around 1.9 kg of CO₂ equivalent per copy sold (with economies of scale being lower in Spain than in France) and breaks down as follows:

- production: 1,193 g;
- distribution: 337 g;
- distribution: 73 g;
- creation/administration: 287 g.

In 2011, Lagardère Publishing obtained the total Bilan Carbone® assessment for its international operations thanks to the finalisation of the harmonisation of European and American calculation methods, and the addition of the carbon footprint of the group's UK subsidiary.

Three factors account for the discrepancy between American and French assessments (the average carbon footprint for a pound being much greater in the US than in France):

- inherent differences in the **Group's operations** in each region (greater distances in the US);
- different **scopes** (carbon emissions from retail operations taken into consideration in the US);
- the use of different **methods** to calculate carbon emissions linked to forest use. This last point plays the largest role in the difference between the two results. Carbone 4 (the firm that performed the Bilan Carbone® assessment for Hachette Livre in France and Spain) counts the carbon emissions from the "forest" part only if the stock of carbon is not reconstituted afterward (deforestation). Carbone 4 does not count emissions generated from the use of a sustainably managed forest. Until now, Green Press Initiative (GPI), which performed carbon assessments for the entire publishing sector in the US, did not take regrowth into account and counted mass emissions of carbon even for wood from sustainably managed forests. GPI is currently working on a more advanced method that takes regrowth into account and makes it possible to compare different scenarios of forest operations over time. The two parties are discussing this subject and should reach a consensus on the basis of which Hachette Livre will try to harmonise its comprehensive Bilan Carbone® assessment in 2011.

In addition to the extension of its Bilan Carbone® assessments, Lagardère Publishing has acquired a new tool for calculating CO₂ emissions associated with the operations of harvesting wood.

SAVING ENERGY AND OPTIMISING CONSUMPTION

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

The audits were used to identify specific areas for progress, and improvement efforts have been (and will continue to be) implemented on the sites concerned. The measures implemented are for the most part linked to:

- lighting, with the low-voltage lamps or metallic iodide lights replacing existing lights;
- air-conditioning or ventilation and heating with, in particular, the introduction of procedures making it possible to reduce thermal exchanges, the Group's sites being for the most part of the tertiary category. In 2009 Lagardère Ressources also obtained a new air-conditioning system which not only made it possible to anticipate the upcoming prohibition of the use of R22 gas but also to achieve the following energy savings:
 - 830 cubic metres of water per year;
 - 141,500 kW per year, or a 50% savings in electricity for cooling.

In an **approach centred on the use of energy sources that emit low levels of CO₂**, the premises housing the Paris head offices of the Magazine France Division and Lagardère Publishing, which are among the largest head offices in the Group, are heated by Compagnie Parisienne de Chauffage Urbain (CPCU), of which 73% of the energy supplied is produced using energy recovered from household waste and cogenerated gas.

The same applies to the head office of the Lagardère group which, for the past several years, has chosen this same energy mix to heat one of its two sites (both located in Paris), which represents 17% of its heating consumption.

This year, for consistency with its approach based on ongoing improvement, the Group decided to present the amount of its CO₂ emissions relative to its tertiary energy consumption (the consumption of its offices and premises in which Group employees work), not only in comprehensive form and consolidated at Group level (Table 1: 100% of the subsidiaries covered), but also adopting a breakdown by country (Table 2), for several reasons:

- greater rigour and transparency in the calculation of CO₂ equivalences for electricity, CO₂ emission factors differing from one country to another (since the methods used to produce electricity differ depending on the country in question);
- provide a better representation of the consumption (and associated carbon emissions) of the Lagardère group according to its geographic operations.

The table of the Group's energy consumption and carbon emissions by country (Table 2) thus covers 90% of the Lagardère group and 88.65% of the consolidated sales.

Finally, we also decided to make a specific table (Table 3) showing the consumption of each division for France which represents around 1/3 of the Group's employees and 1/3 of the consolidated sales.

Concerning the method of calculation and conversion to carbon equivalent, the emissions factors proposed by Ademe's carbon assessment tool, in its updated 2010 version (version 6) were adopted. With regard to consumption of gas and fuel oil, the carbon equivalences use the upstream emissions of these two types of energy.

Finally, for consistency in the comparisons with the information from the previous year, the 2009 data was recalculated using the same method used for the 2010 data.

FOCUS no.10



Jean-François Lyet
Technical Director,
Lagardère Publishing

New tools for calculating carbon footprints

In 2010 you acquired a "forest and paper CO₂ calculator". How does this tool work?

The forest and paper CO₂ calculator which Carbone 4 developed for us will allow Hachette Livre to evaluate, for a given supplier site or paper type, the CO₂ emissions associated with wood harvesting to produce pulp or paper according to the geographic origins of the wood. The tool also differentiates certified and uncertified wood, and distinguishes the two main certification labels, FSC and PEFC. The goal of this tool is to help the Group make more responsible choices.

How will these elements factor into the determination of a given work's carbon footprint?

In the Company, we have developed a model to consolidate the data of the forest and paper CO₂ calculator with the carbon footprints of each production operation and each transport between the sites of paper manufacturers, printers and distributors. Once it is operational, this model will provide the estimated carbon footprint of each title published. In particular, for level 1 suppliers, it takes into account the locations of the various participants, the distances travelled between these locations and the transport modes used (road, maritime), as well as supplier production factors such as types of equipment, energy consumed, nature of buildings, input consumables and even the business travel of professionals or suppliers' employees.

In concrete terms, how will you use these results to make more responsible choices?

This model will allow us to compare the carbon footprints of different solutions for producing the same title, and to submit these results in estimates sent to publishers as is done for financial aspects or timeframes. We will thus all be able to make more responsible choices on a day-to-day basis.

For more information www.lagardere.com

• **Table 1: the Group's energy consumption and CO₂ equivalents**

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

Identical energy consumption data in 2009 and 2010

In 2010 the Group's energy consumption was as follows:

- water: 722,794 cubic metres;
- electricity: 188 GWh;
- gas: 60.6 GWh;
- fuel oil: 2.7 million litres;
- energy recovery and/or cogeneration: 7.2 GWh.

All told, this consumption represented nearly 81,000 tonnes of CO₂ equivalent. All of these data are constant overall from the previous year. Considering that these carbon emissions do not currently represent a major challenge for the Group in terms of its strategic operations (for these emissions are disproportionate to the carbon footprint of the Group's core business), Lagardère has not yet set real objectives for reducing these emissions. The Group is nevertheless trying to stabilise them as best it can.

• **Table 2: the Group's energy consumption and CO₂ equivalents, by country**

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

Table 3: the Group's energy consumption and CO₂ equivalents for France

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

At Lagardère Services, several initiatives were taken by the various subsidiaries. In Germany, for example, a campaign promoting Sustainable Development and carbon-emissions reduction made it possible to install a new eco-friendly lighting system as well as motion sensors and timers and to develop a guide to reducing energy consumption. In Poland (see Focus below), energy spending was cut by 16% in just one year.

FOCUS no.11



Przemyslaw Lesniak
Director of the retail trade network in Poland, Lagardère Services

Smart energy management in Poland

What were HDS Poland's motivations for changing its former energy management system?

The Company decided to outsource its electricity management in view of the ongoing increases in electricity costs and the need for better cost control. The goal was also to reduce the consumption of energy at each of our individual points of sale.

Did you use a new information technology system to implement these improvements?

Yes, in addition to our introduction of a new cost-control system, the firm Energy Solution suggested that we install a new electricity consumption monitoring system with a sophisticated monitoring method used in pilot stores. New information technology solutions make it possible to monitor the electricity consumption of each store in real time, providing access to such information as precise opening and closing times, with a text message sent to the regional manager when the store has been closed for over 10 minutes. This system can be used to check whether a particular device, a refrigerator or case for example, is plugged in, and to access its electricity consumption. It can also be used to monitor the number of customers entering the store at various times of day.

What were the first results of the system introduced?

An intelligent application of this information made it possible to considerably reduce the consumption of energy: we saved €32,300 over the year and reduced the energy consumption by 16% compared to the previous year, for the stores in question. This new system is currently in operation at 130 points of sale. The goal is for the entire network to benefit from this, which would represent savings in the order of €200,000, and it would naturally be part of a general approach based on environmental protection.

For more information www.lagardere.com

DIGITISING MEDIA

At Lagardère Active

With the support of the Technologies Department, we were able to transform the physical flows of document into applications using electronic validation circuits, which helped us reduce the circulation of documents, streamline the validation circuits and increase the effectiveness of the operations. This digitisation of media was implemented for financial applications and the flow of documents for advertising space. Lagardère Publicité helped set up the Electronic Data Interchange (EDI) standard for the dematerialisation of documents circulating among partners (advertising orders, campaign schedules etc.). Lagardère Publicité also created a portal where advertisers can access ads that have appeared in the press.

At Lagardère Publishing

Although Lagardère Publishing accelerated its move to digital in 2010, (in particular in the US and UK; see 2010 Reference Document 5.2.1.1), it is also continuing to compare the carbon footprints of the paper and digital media.

FOCUS no.12
FOCUS no.12



Ronald Blunden
Director of
Communications
and Sustainable
Development,
Lagardère Publishing

Print vs. Digital

Which is greener?

Proponents of digital technology affirm that a book downloaded to a screen saves trees, reduces shipping, inventory and paper pulping, which helps save the planet. On the other hand, those defending the traditional book reply that the tablet computers and other readers have a catastrophic carbon footprint, both at the manufacturing stage and in their operations and destruction.

Who should we believe?

While it is true that printed books consume biomass (the wood used to produce paper), it is also true that using paper from sustainably managed forests, as well as recycled paper, can improve the carbon footprint of book production.

As for the electronic book, it is a complex product that consumes a great deal of energy. Apple has announced that an iPad's carbon weight is 130 kg in CO₂ equivalent, while advising firm Cleantech estimates 168 kg for the Kindle. In 2008 Carbone 4 concluded that the manufacture of one Sony e-book reader emitted 230 kg of CO₂ equivalent (compared with a footprint of between one and seven kg CO₂ equivalent for one book).

To compare the ecological footprint of the two, it would be necessary to divide the first figure by the second one, which would indicate that reading between 20 and 200 books on a screen is the threshold beyond which the digital solution is more attractive than its print counterpart. But downloading and reading the works on electronic devices requires a great deal of electricity, due to the activity of the servers storing the data and the necessary frequent recharges of the devices.

As for the traditional paper book, although no source of energy is required to use it, its transport from paper manufacturer to printer, and then printer to distributor, and finally distributor to bookseller represents a heavy carbon emission!

Even score?

Not entirely, if we take one essential factor into account: the lifespan of the products. The lifespan of a book is difficult to evaluate, but its order of magnitude may be estimated at 10 years, while that of a portable consumer electronics device is only 18 months before the purchase of a replacement product.

For more information www.lagardere.com

Waste management

Lagardère Active has planned the installation of a waste-sorting centre on the Paris Region sites. The goal is to facilitate the sorting and recycling of raw materials and reduce the amount of waste incinerated (or final waste). The paper sector is specially handled, to optimise recovery. Construction of the centre began in the first half of 2011.

At Lagardère Unlimited

Lagardère Unlimited maintains a policy of collecting and sorting paper, packaging and electric/electronic equipment with a view to recycling them. This programme is especially active in France as well as in subsidiaries located in Switzerland, Germany, the United Kingdom, Israel and Singapore

Lagardère Unlimited installed a video-conference system at its Paris premises with a goal to limiting employee travel and reducing the GHG emissions associated with air travel.

At Lagardère Paris Racing Ressources

After a long and rigorous process, the La Croix Catelan site implemented an Environmental Management System in accordance with ISO 14001 standards. Certification was granted at the end of 2009.

The first audit was performed in December 2010.

FOCUS no.13
FOCUS no.13



Marie Schierer
Environmental
Management
System Manager
at Lagardère Paris
Racing Ressources

Monitoring the ISO 14001 certification at La Croix Catelan

After obtaining your ISO 14001 certification on 2 December 2009, what goals did you set for 2010?

In 2010, the development of our system, still in its beginning stages, focused on sorting hazardous waste (drums of chlorine, acid, paint, aerosols, neon, batteries, used oils etc.), verifying compliance with environmental regulations, introducing monitoring of scheduled initiatives to improve our environmental commitment and performing emergency drills to learn to react quickly and effectively in the event of a fire, water or gas leak, toxic spill etc.

What were the results of your first audit in December 2010?

The audit concluded that our goals for 2010 had been reached. LPRR's staff has made our environmental management system more dynamic. Each participant was able to introduce new methods, approaches and actions supporting Sustainable Development into his or her day-to-day tasks. This year we will deploy risk-prevention measures for external companies taking action at the site. We must familiarise our service providers and subcontractors with our environmental approach and limit the risk of incidents that can impact the environment or human safety.

What are your goals for 2011?

Renovation of the nautical space, exterior spaces and the building grant us many possibilities for Sustainable Development: for example the treatment of pool waters (dechlorination of water before discharging it into the sewer system), recovery of rainwater and runoff water with the creation of drainage devices and large planted ditches to collect water and allow its progressive absorption into the ground water. We will also increase our planted areas with the installation of different plant species and additional lawns.

For more information www.lagardereparisracing.com

2.3 PROMOTING ACCESS TO INFORMATION AND KNOWLEDGE

A DEFEND INFORMATION PLURALISM AND ENSURE CONTENT DIVERSITY

DIVERSITY IN CONTENT AND IN MEDIA

As a major player in the media industry, the Group strives to provide its listeners, viewers, Internet users and readers content that meets their expectations in terms of quality and diversity.

Lagardère Services, which operates an international network of nearly 4,000 stores, distributes and sells newspapers and magazines in over 20 countries.

As a global media player committed to meeting the expectations of its audiences, **Lagardère Active** has committed to producing varied content (political, historical, sports-related, environment, societal etc.) through various modes of production, distribution and consumption (magazines, newspapers, websites, radio stations, television networks, production companies, mobile devices and tablet computers), thus promoting access to culture, information and the diversity of opinions and ideas both at national and international level.

Lagardère Publishing's mission is to publish, sell and distribute innovative high-quality works that meet reader expectations in terms of knowledge, information, culture and entertainment. The autonomy and independence of the publishing houses at Lagardère Publishing and Lagardère Active contribute to the extensive range of editorial content produced by these two divisions.

DIVERSITY

As opinion relays, the media has an incontestable role to play in society; for this reason, in 2010 Europe 1 and Gulli, followed in 2011 by Hachette Filipacchi Associés (print media titles), signed the CSA diversity charter. In this regard, the medias commit to ensuring that the diversity of French society is represented, both in the networks' staff and in their programming.

VIGILANCE WITH RESPECT TO ADVERTISING

Like all sector participants, Lagardère Publicité supports the Advertisers' Commitment Charter aimed at achieving more responsible communications and which monitors the content of advertising messages and condemns greenwashing practices, among others. It also follows the recommendations of the ARPP (Autorité de Régulation Professionnelle de la Publicité, formerly BVP) and regularly submits the content of advertising message for prior verification of the message's compliance with the standards. Lagardère Publicité thus provides advising to agencies and advertisers to ensure that their advertising messages adhere to the ARPP's recommendations. In general, Lagardère Publicité is committed to a self-regulation approach concerning the advertising it sells. It ensures compliance with advertising regulations with the support of Lagardère Active's Legal Affairs 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).

CHILD PROTECTION

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

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

Considering the age of their audiences, the Group's children's networks are particularly attentive to ethics in journalism and measures to protect children. All of the programmes prepurchased and coproduced for Lagardère Active's children's networks are closely monitored by the division's general management and teams. These efforts are performed upstream, for example when characters, scripts, dialogues and graphics are selected.

Gulli and Tiji introduced an ethics committee composed of child-development experts and specialists with the necessary expertise to advise them on the editorial choices of these networks. Gulli has also set up its Gulli Observatory aimed at monitoring the relationship between children and television.

As for Gulli, all the programming is previewed by the Acquisitions Director's teams. There is also a viewing committee made up of several people from the station. Certain programmes are also aimed at informing and protecting minors.

OBESITY PREVENTION

In February 2009, Lagardère Active's children's networks (Canal J, Tiji and Gulli) committed to participating in obesity-prevention measures together with the Ministry of Culture and Communications, the Ministry of Health and the Superior Audiovisual Council by signing the Food Charter. Each of these channels has committed to airing between 25 and 35 hours per year of programming dedicated to obesity prevention and highlighting good eating habits and regular physical activity. For the first year of the charter's implementation, the three children's networks largely exceeded their goals by airing over 126 hours of programming linked to the website of the Institut National de Prévention et d'Éducation Pour la Santé (INPES).

In the framework of its programmes, the Music Radio Department (France and International) monitors the principles of respect for human dignity and the protection of children and teenagers. It takes particular care to prevent any slips that could shock young listeners.

The radio stations and advertising networks are also involved in efforts to protect children via the broadcasting of advertising spots and/or the set-up of website banners for organisations dedicated to child protection. The position of moderator dedicated to the protection of minors was created for the site Doctissimo.fr in 2007.

In 2010, at Lagardère Services, the network of Relay stores supported child-protection organisations (such as Unicef, Caritas and the Red Cross) in a dozen countries, as it has been doing for many years now.

ETHICS IN JOURNALISM, FREEDOM OF THE PRESS

With its operations oriented toward content publishing, Lagardère attaches special importance to freedom of the press and takes active measures to support the right to inform and be informed.

At Lagardère Services, Relay France has been supporting Reporters Sans Frontières (RSF) for nearly 10 years, selling the association's annual photography publication and returning all of the profits to it.

Other Group subsidiaries support RSF by making donations, providing distribution networks for the promotion of its works, and granting advertising space.

B

FACILITATING ACCESS TO OUR CONTENT FOR PEOPLE IN NEED

DONATION OF BOOKS

Lagardère Publishing supports literary competitions and awards, reading and writing workshops, the donation of books to people in need, literacy initiatives and activities promoting reading on all continents.

MAKING CONTENT ACCESSIBLE TO PEOPLE WITH DISABILITIES (AUDIO BOOKS, SUBTITLING, ETC.)

Lagardère Publishing offers non-fiction (in particular personal development titles) and fiction content for the visually impaired via Audiolib, its audiobook brand created in 2008. The Audiolib catalogue had 155 titles at the end of 2010, including 57 published during that year. Audiolib is releasing more and more works at the same time as the corresponding paper version. These audio books help improve access for the visually impaired, as well as people with reading difficulties, such as young dyslexics.

COMMITMENTS SIGNED WITH THE CSA FOR CHILDREN'S NETWORKS

In general, all of the Group's networks are responsible for respecting commitments made to assist the deaf and hearing-impaired, but the children's networks take this a step farther.

Tiji: beginning on 12 February 2010, the publisher committed to broadcasting a sign-language initiation program (*Sur le bout des doigts*, a short programme introducing sign language to children) and beginning in 2011 will include a programme translated into sign language (*Devine quoi ?*, an animated series for children ages three to six).

Canal J: beginning on 12 February 2010, 10% of all programmes must be captioned. The publisher also broadcasts two programmes per week related to the deaf and hearing-impaired.

Gulli: beginning in 2010, the publisher makes 20% of all its programming accessible to the deaf and hearing-impaired, in particular during periods of high activity, and airs two programmes per week related to the deaf and hearing-impaired.

At the beginning of 2010, Gulli and Canal J began offering two programmes offering an introduction to sign language, with the sponsorship of Emmanuelle Laborit, who in 1993 was the first deaf actress to receive a Molière theatre award:

- *Fais-moi signe*, a show teaching young viewers phrases and expressions in sign language;
- *À qui veut l'entendre ?*, in which a young hearing girl spends several days immersed in the world of the deaf.

REDUCING THE DIGITAL DIVIDE

Reducing the digital divide is an important goal for the Lagardère group, which has a presence on the Internet as well as digital terrestrial television (with Gulli), which is to completely replace analog television by the end of 2011.

C LISTENING TO OUR VARIOUS AUDIENCES

At Lagardère Active, ongoing dialogue is maintained with readers, viewer, listeners and Internet users through different tools such as blogs, forums, clubs (such as Club Europe 1), reader mail etc.

At Lagardère Services, customer satisfaction surveys were carried out on a wide scale (in the form of studies in various countries, or in France in the form of pre-addressed cards).

SECRET SHOPPERS AT RELAY

In most countries, the division also introduced a "secret shopper" programme that makes it possible to rate Relay stores against a global evaluation target (on points such as cleanliness, customer service, etc.) This programme (held every six months at the 600 Relay points of sale and hospital cafeterias in France) also makes it possible to define an action plan for each point of sale.

Customer satisfaction surveys are also performed on a regular basis so that targeted actions can be planned for each store.

D

ENCOURAGE DIALOGUE ABOUT SUSTAINABLE DEVELOPMENT

IN-HOUSE AND EXTERNAL INITIATIVES AND EVENTS

In-house

Initiatives aimed at raising awareness of the social and environmental goals of Sustainable Development began at the beginning of the year with a seminar for senior managers and continued in our various divisions, in particular at Lagardère Services, which held a meeting for its 120 main executives from some 20 countries around the world, and at Lagardère Services, which in addition to a seminar held in January 2011, produced the magazine *Planète Lagardère Active* aimed at all of its stakeholders.

FOCUS no.14



Anne Chéret
Sustainable
Development Director,
Lagardère Active

Planète Lagardère Active

Is it a new Group title?

Yes, because we designed it to be a magazine in its own right, with articles, interviews, news coverage, and even advertising space offered to partners – everything necessary to give it the look and feel of a magazine. We called upon the talent of the internal teams at Lagardère Custom Publishing and our journalists, as well as employees and other individuals who agreed to collaborate with us to bring *Planète Lagardère Active* to life.

But it will not be available at newsstands, and the next issue will be released the next time we want to distribute information on our achievements.

Whom is it for?

Our stakeholders. Employees are naturally not always aware of what is happening inside the Group. For advertisers, professional bodies, organisations and NGOs, and all people who are concerned by and interested in Lagardère Active's commitment to Sustainable Development.

What are the main messages you wanted to send?

First of all, that Lagardère Active is aware of the economic, social and environmental challenges of Sustainable Development, in which our own challenges lie: issues related to climate/energy, water and forests, as well as equal opportunity, diversity and disabilities, and media responsibility.

Next, the fact that Sustainable Development efforts represent a great opportunity to rally a company around a comprehensive project that gives consistency and meaning to actions. It is a cross-functional approach covering all of the Company's functions and business lines. It is especially valuable in a group such as ours, which is made up of a large number of independent entities.

And finally, that the Group is involved in a transformation process, demonstrating determination but also humility with regard to issues that are often complex. Our stakeholders are thus essential allies for this approach.

For more information www.lagardere.com

Outside the Company

On 22 April 2010, for the second year in a row, Gulli organised a major event for Earth Day in the Triangle Field of Parc de la Villette in Paris. This event, organised with the NGO Planète Urgence, attracted 5,546 people who worked together to form a giant “human” tree. The channel had committed to planting one tree for each attendee in the Deli Serdang district to the northeast of the island of Sumatra. All told, nearly 5,546 trees will be planted in “Gulli Forest” in coastal areas of Indonesia.

On 24 January 2010, the firm Electron Libre, a Lagardère Entertainment subsidiary, worked with DMLS TV to produce a free concert aimed at solidarity with Haiti and aired live from the Zénith in Paris. This concert, aired on France 2 and simultaneously rebroadcast on France Inter and throughout the world thanks to TV5 Monde and RFO overseas networks, attracted nearly 3.4 million viewers.

RAISE AWARENESS THROUGH CONTENT

► A few examples of initiatives aimed at raising awareness of Sustainable Development through content

	Gulli, Canal J, Tiji	Europe 1	<i>Journal du Dimanche</i>	Be
Content related to sustainability	126 hours of programming promoting best practices in nutrition broadcast over a year	Environmental topics from Monday through Saturday at 6:10 a.m. and 6:45 a.m.	Coverage of the Nagoya Biodiversity Summit	October issue dedicated to the Greenpeace mission in the Democratic Republic of the Congo
	Gulli has committed to making 20% of its programming accessible to the deaf and hearing-impaired and offering two programmes per week dedicated to related topics			

In 2010, Lagardère Active’s various media continued giving priority to different themes related to Sustainable Development. While *Psychologies magazine* and the site Doctissimo regularly launch related topics on the Internet, the Group’s other media (magazines, radio, TV) have also increased their coverage of this subject (a few examples are presented in the table above).



Valérie Toranian
Managing Editor,
ELLE

ELLE magazine's États Généraux de la Femme

In 2010, 40 years after the États Généraux de la Femme in 1970, *ELLE* magazine decided to relaunch discussion of this topic.

Why did you choose this time to launch a new edition of the États Généraux de la Femme?

It is true that the context has changed since 1970, the period which saw a great deal of attention given to feminist issues and with a population that had just experienced the events of May 1968. Nevertheless, this struggle for equality between the sexes is still very current: a large number of women feel that society privileges men, that nothing is done to help them reconcile their professional and family spheres, and that it is still very difficult to access high-responsibility positions in the corporate world and in politics.

It was therefore the time to examine all these issues and hear what women had to say about it now. We organised debates in five cities in France and on the Internet on topics such as work, relations with men, the role of the family, social issues and environmental concerns. Consideration of these issues will benefit society as a whole, and not only women, as some may believe.

In your opinion, what are the key proposals that came out of these debates?

At the end of the debates, we submitted a white paper with 24 proposals to French Prime Minister François Fillon. These proposals represent the current concerns of women, who want true equality in pay, parenting assistance at the workplace, paid parental leave and shared parental leave following the Swedish model, support for monitoring of stereotypes of women, and the creation of refuge centres for women who have experienced violence.

Can we expect to see additional États Généraux de la Femme events over the coming years?

First we will wait to see how our proposals are followed up. But yes, we will of course organise new États Généraux events - perhaps not right away, but certainly before another 40 years goes by!

For more information www.elle.fr

2.4 BEING A MEDIA GROUP THAT FOSTERS SOCIAL COHESION

The Lagardère group has a variety of commitments.

Although the Jean-Luc Lagardère Foundation and the ELLE Foundation are at the forefront of social issues, all of the Group's medias are involved humanitarian actions. The Jean-Luc Lagardère Foundation, which celebrated its 20th anniversary in 2009, aims to apply Lagardère's commitment in the areas of culture, solidarity and sport with a view to increasing confidence and excellence and forming bonds based on solidarity.

THE ELLE FOUNDATION

Created in December 2004, the ELLE Foundation is the extension of the idea of the magazine's founder: "Help foster the development and emancipation of women and improve their place in society." The observation is edifying: out of every 100 children in developing countries who do not attend school, 60% are girls. The Foundation encourages innovative and long-lasting initiatives promoting education for young girls, the economic integration of women lacking qualification via professional training and the granting of scholarships for advanced studies to young girls in difficult financial situations. The Foundation provides financial support for projects proposed and implemented by French organisations and NGOs, and which are submitted to and approved by its board of directors, which meets two or three times per year.

The goal of the Foundation is to take action in the framework of partnerships. It also amplifies its own actions by mobilising the support of companies and institutional partners. For each project approved, the ELLE Foundation looks for a financial partner that will allow it to at least double its investment. The financial allocation is paid directly to the beneficiary.

In 2010, the Lagardère group contributed €3.4 million to various organisations.

In 2010, the free advertising space granted by Lagardère Active through different media (print, radio, television and Internet) represented €3.9 million, an amount corresponding to the value of the gross rate for the spaces in question.

This free advertising space was granted to various humanitarian, environmental and social causes in the areas of healthcare, research, disabilities, environment, solidarity, child protection and road safety.

THE ORGANISATION LES FEMMES VERSION FEMINA

The *Les Femmes Version Femina* award, recognising women who are remarkable for their vitality, humanity and generosity and who are involved on an individual basis or through organisations in worthy causes, celebrated its 10th edition this year. To mark the event, the award was expanded into an organisation to ensure longer-lasting results for the magazine's aims (financial and media support for women throughout France who are taking action through organisations).

Like *Paris Match*, several other Group media have gotten involved in solidarity initiatives or partnerships that embody Lagardère's societal commitments (see Focus p.52).

A COMMITTING TO PROMOTE CULTURE AND SPORT**PROMOTION OF CULTURE**

In 2010, the Lagardère group increased its efforts to promote access to reading: financial support from the Jean-Luc Lagardère Foundation for the third edition of the Toulouse *Marathon des mots*, a content partnership between Gulli and Bibliomédias (the leading digital lending service available at libraries), the fourth edition of the *Version Femina*/Virgin Megastore literary award, continuation of Hachette Livre's participation in the organisation *Savoir Lire*, together with National Education and the Books and Reading Department of the Ministry of Culture.

In the area of music, through two initiatives at Cité de la Musique and in Algiers, the Jean-Luc Lagardère Foundation supported the Orchestre Symphonique Divertimento, directed by Zahia Ziouani, which participates in educational projects that raise the public's awareness of symphonic music and opera. The Foundation also continued its partnership with the Strasbourg Musica Festival, for which it has provided financial support since 2008, and which is a springboard for talented young composers with, in particular, the *Samedis de la jeune création européenne*.



Olivier Royant
Managing Editor of
Paris Match

Paris Match takes action to support Haiti

Why did you want *Paris Match* to get involved in a humanitarian project in Haiti?

Considering the scale of the disaster, we wished to go beyond our role as witness. In circumstances such as these, *Paris Match* is always at the forefront of information. We tell the story, give a voice to the people involved and return several months later in some cases. But what role do we really play in helping the victims of such a disaster? In this specific case, we wished to take part in a concrete project and get our readers involved too. With the support of Lagardère Active's Communications and Solidarity Department, we evaluated the situation, entered a partnership agreement with an NGO (Première Urgence), gathered the necessary financing, and launched a rehabilitation programme at the Carius Lhérisson school in Port-au-Prince.

Why did you choose a school?

Because education is the key. Because helping hundreds of children return to school in a comfortable and safe environment is the best chance we can give the population. We picked a public school in the Martissant district, located in the southern part of Port-au-Prince. At least 250,000 people live in this immense shantytown, which is among the poorest areas of the capital. The school Carius Lhérisson, which was partially destroyed by the earthquake, has nearly 2,500 students. The project initiated by *Paris Match* is now one of the first to be implemented in the reconstruction efforts. After over four months of construction, this public school was inaugurated on the 11th of last March. We were able to show our readers the result of our commitment in our issue of 7 April.

Does this initiative in Haiti prefigure a long-term commitment to this type of project for *Paris Match*?

This is a point we are discussing. We are in fact both witness and reporter of many national and international events. We have the ability to rally our readers and companies that have confidence in us. I think we should be working in places where we are able to have an added value. In the case of Haiti, we are proud of what we have helped to set up. We must now see this project through to the end. But it is an amazing experience, and I would be very happy to be able to extend it.

For more information www.parismatch.com

CULTURE FOR TEENAGERS

Continuing to uphold the commitments it made to children and teens over 20 years ago, in 2010 the Jean-Luc Lagardère Foundation entered a partnership with Studio 13/16 at the Centre Pompidou. This studio, which opened in September 2010, is the "first space exclusively dedicated to teenagers in a major cultural institution". It offers young people aged 13 to 16 (in particular those from disadvantaged neighborhoods) the opportunity to practice their artistic talent in multidisciplinary workshops (visual arts, music, dance, video, digital creation, graphic design etc.) coordinated by artists.

PROMOTION OF SPORT

The Jean-Luc Lagardère Foundation continued a certain number of commitments, and in particular renewed for another two years (at a cost of €100,000 per year) its partnership with Sciences Po, launched in 2007 to offer ongoing customised training for high-level athletes to prepare for a change in direction.

For its part, Lagardère Unlimited continued its partnership with the organisation Sport dans la Ville. Finally, the Lagardère group accompanies and supports its employees when they participate in certain sporting events, such as the Parisienne women's race and the Paris Half-Marathon.

B

SHOWING SOLIDARITY AND PROMOTING THE EMERGENCE OF YOUNG TALENT

JEAN-LUC LAGARDÈRE FOUNDATION GRANTS

Every year since 1989, the Foundation has been granting Talent Scholarships to young designers aged under 30 and active in the culture and media sphere. A prestigious jury selected winners in ten categories: Writer, Film Producer, Television Scriptwriter, Musician, Bookseller, Print Journalist, Photographer, Documentary Maker, Animation Filmmaker and Digital Creator.

Since its creation, 192 winners (including 11 new ones in 2010) have received a total of €4,370,000, including €240,000 this year. In addition to the financial assistance, the grant presented to each awardee serves as a springboard for his or her career.

PARTNERSHIPS IN SUPPORT OF YOUTH

In addition to the partnership with the organisation *Nos Quartiers ont des Talents* (see page 25), the Foundation continued its partnership with Sciences Po in the framework of the "pedagogical experiments at high schools" initiative aimed at "opening up access to knowledge and territories" and promoting success for all young people. The pedagogical innovation developed in high schools that fall into the scope of priority education has since 2006 allowed for the creation of over 350 pedagogical projects which now benefit over 2,900 students

A YOUNG HAITIAN JOURNALIST ENROLLS AT SCIENCES PO

On 12 January 2010, the earth shook, leaving ruins, misery and desolation. Gaby Saget, 27, a communications student at the time in the Human Sciences School of the University of Haiti, and winner of a journalism award, saw her school destroyed and her education interrupted. She launched a call for help to which the ELLE Foundation and Jean-Luc Lagardère Foundation responded, deciding to give her a grant to cover her living expenses, which would allow her to continue her studies in Paris. The Paris school Sciences Po agreed to participate in this project, waiving Gaby's tuition and granting her the opportunity to take the Master's entrance exam after one year of "à la carte" studies. Today, Gaby wishes to extend her experience and deepen her knowledge in journalism. This grant is her chance to perfect her training, which she will put to the service of her community and her country, Haiti.

Summary of the Lagardère group's various serial commitments

	Jean-Luc Lagardère Foundation	ELLE Foundation	Group, divisions and/or brands
Culture/ literature/ music	Financial support for the Strasbourg Musica festival.		Gulli: content partnership with Bibliomédias, the leading lending system of digital cultural products on the Internet.
	Grant for the Orchestre Symphonique Divertimento, which participates in educational projects aimed at raising awareness of symphonic and opera music.		Version Femina: fourth edition of the <i>Version Femina</i> /Virgin Megastore award.
	Grant for the Toulouse Marathon des Mots.		Hachette and Hatier: participation in the organisation Savoir Lire, whose goal is to promote access to reading.
Sports	Partnership with Sciences Po covering training for high-level athletes.		Lagardère Unlimited: support for the organisation Sport dans la Ville.
	Partnership with the organisation Fête le Mur.		
Education	Partnership with Sciences Po covering the introduction of pedagogical experiments at high schools (development of pedagogical innovation at high schools falling into the scope of priority education).	Granting of scholarships for advanced studies to young girls in financial difficulty.	Paris Match: partnership with the NGO Première Urgence to help rebuild a school in Haiti.
		Since 2009, support for the programme Preplus to help young girls receiving scholarships to prepare for the entrance exams at prestigious universities.	
	Partnership between the two Foundations to cofinance a living-expenses grant to help a young Haitian journalist continue her education at Sciences Po.		ELLE USA: awarding of scholarships at the Rhode Island School of Design.
Environment			HDS Digital: partnership with the NGO WWF in the framework of the digital kiosk.
			Gulli: partnership with the NGO Planète Urgence on Earth Day. 5,546 people gathered at a special event, helping finance the planting of 5,546 trees on the island of Sumatra.
Promotion of print media and journalism		Organisation of the Anna Politovskaïa scholarship to reward young foreign journalists with internships and/or training.	Journal du Dimanche: partnership with the Paris school of journalism IEO to organise a "best portrait" competition, with the winner granted a four-month internship in an editorial department.
			Relay France: donation to Reporters Sans Frontières (RSF) of all of the profits from sales of the work <i>100 photos pour la liberté de la presse</i>
Teens and Young Talents	Partnership with Studio 13/16 of the Centre Pompidou.		Lagardère SCA: partnership with the organisation Nos Quartiers ont des Talents.
	Scholarships of the Foundation.		
Women			Version Femina: creation of the organisation Les Femmes <i>Version Femina</i> to provide financial, media and promotional support to French women active in their organisations.
			ELLE: from January to June 2010, organisation of the États Généraux de la Femme, at the end of which a white paper with 24 propositions was drafted.

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CHAPTER 3



Appendices

3.1 Methodology and scope

A - Scope of consolidation	57
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3.2 Indicators and cross-reference tables

A - Cross-reference tables for the report with the guidelines (and indicators) of the GRI, the principles of the Global Compact and the topics of the ISO 26000 standard	58
B - GRI Index	59
C - Summary of indicators	61

3.1 METHODOLOGY AND SCOPE

A SCOPE OF CONSOLIDATION

The reporting system used to collect labour and social information has been deployed at all consolidated subsidiaries which are operationally managed 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, and
- certain entities with fewer than five employees.

The social and societal data (with the exception of the data for changes in staff, which cover all Lagardère employees) cover 168 Group companies representing over 94% of Lagardère's total staff. This rate of coverage reached nearly 92% for Lagardère Services, 96% for Lagardère Publishing, 94% for Lagardère Active (print media, audiovisual) and 93% for Lagardère Unlimited. Geographic coverage varies from 90% to 100% of employees depending on the area.

Environmental information concerning water and energy consumption is integrated into the Group's financial data consolidation system. The corresponding data thus covers 100% of Lagardère's consolidated subsidiaries, which is to say over 500 companies. The reporting on **water and energy consumption** having been integrated into the financial reporting system, the changes in scope of this reporting is identical to the financial reporting scope. Companies acquired in the course of the year are included in the scope for the entire year in which the acquisition took place, and companies disposed of are removed from the scope at the disposal date. The relevant data is taken into account up to the actual disposal date.

B REPORTING STANDARDS

The social reporting adheres to the Group's human resources policy while taking into account the specificities of its operations or the local context. In 2006, to ensure continual progress, the Group improved its social indicators, not only refining the range of indicators to add more detail and accuracy, but also defining certain parameters to enable an application across Lagardère's global scope. Then in 2010, with a view to obtaining improvements and making ongoing progress, we revised the standard a second time, redefining the range of indicators. This redefinition, which saw the elimination of certain indicators which were deemed less relevant to certain operations, and the addition of new indicators that more closely match the spirit of the GRI, also allowed us to simplify the standard and thus make it more accessible to the contributors.

The data is entered for each of the Group's subsidiaries that fall in the reporting scope, and then validated either by the Human Resources Director or by the management of the subsidiary; a second level of validation at each branch is also planned. Verifications to ensure the consistency of the information entered are performed; these verifications include comparisons with data from previous years and systematic alerts requiring justification when the discrepancies are deemed significant. These consistency verifications make it possible to ensure the integrity of data and also participate in the reliability of the information system. At each level of contribution or validation, the operations staff can extract data from the consolidated statements to be able to use this information for operational management in their scope.

The standard relative to information on water, energy and paper consumption specifies the definition of the indicators selected as well as the procedures for gathering and reporting the data. This standard is sent to all the employees involved in reporting such information. The data is entered by an employee at each of the Group's consolidated subsidiaries. An **automatic** verification of the existence of the data is implemented and, after consolidation, the data is compared to the information of the previous year for the purpose of monitoring discrepancies between two years.

The other environmental indicators selected correspond to the specific environmental goals of each division of operations; the corresponding data are consolidated and verified at division level on the basis of the information communicated by their subsidiaries.

The methods relative to certain social and environmental indicators may have limits due to:

- difficulties of interpretation by certain contributors linked to the absence of internationally recognised definitions;
- necessary estimates or practical methods for gathering and entering information.

3.2 INDICATORS AND CROSS-REFERENCE TABLES

A

CROSS-REFERENCE TABLES FOR THE REPORT WITH THE GUIDELINES (AND INDICATORS) OF THE GRI, THE PRINCIPLES OF THE GLOBAL COMPACT AND THE TOPICS OF THE ISO 26000 STANDARD

Heading	GRI G3 Standard	Global Compact Principles	ISO 26000 standard
Foreword	-	-	-
Message from Arnaud Lagardère	1.1	-	6.2
Introduction: an approach integrated with our growth strategy			
A leading media group	2.1 - 2.10	-	
Governance and ethics	4.1 - 4.4	No. 10, No. 4, No. 5	6.2
Strategic priorities	-	No. 7	-
Dialogue with the stakeholders	4.14; 4.15	No. 1, No. 2, No. 4, No. 5	-
Assert itself as a responsible employer			
Ensure workforce balance and diversity	LA1; LA2; LA13; LA14; EC7; HR4	-	6.3.6, 6.3.7, 6.3.10, 6.4.3, 6.8, 6.8.5
Promote harmonious working conditions	LA4; LA7	No. 3	6.3.10, 6.4.3, 6.4.4, 6.4.5, 6.4.6
Encourage development of skills	LA10	-	6.4.7
Developing our business while respecting the environment			
Introduction: regulatory compliance	EN28	No. 8	6.5.1.2
Efficient and responsible paper management	EN1; EN2; EN26	No. 8, No. 9	6.5, 6.5.4
Streamlining transport	EN26	No. 8	6.5, 6.5.4, 6.6.6, 6.7.5
Introduce environmental concerns to the organisation of our businesses.	EN4; EN8; EN16; EN26	No. 8, No. 9	6.5.4, 6.5.5, 6.6.6, 6.7.5
Promote access to information and knowledge			
Stand up for information pluralism and ensure diversity in our content	-	-	-
Make our content more easily accessible to people in need	-	-	-
Listening to our various audiences	-	-	-
Encourage discussion on Sustainable Development	-	-	-
Be a media conglomerate that creates social cohesion			
A commitment to the promotion of culture and sport	-	-	-
Show solidarity and promote the emergence of young talent	-	-	-
Appendices			
Methodology	3.1 - 3.8; 3.10; 3.11	-	-
Set of indicators	-	-	-
Cross-reference and concordance table	-	-	-
GRI Index	3.12	-	-

B

GRI INDEX

GRI Index and Content	Report Heading	Pages
Strategy and analysis		
1.1 Statement from the most senior decision-maker	Message from Arnaud Lagardère	5
Organisational profile		
2.1 Name of the organisation	A leading international media group	7
2.2 Primary brands, products and/or services		7-9
2.3 Operational structure of the organisation		7-8
2.4 Location of organisation's headquarters		7-8
2.5 Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.		7
2.6 Nature of ownership and legal form		9
2.7 Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries)		7-8
2.8 Scale of the organisation		7-8
2.9 Significant changes during the reporting period regarding size, structure or ownership		7-8
2.10 Awards received in the reporting period		
Report Parameters		
3.1 Reporting period (e.g., fiscal/calendar year) for information provided.	Foreword	4
3.2 Date of the most recent previous report, if any		4
3.3 Reporting cycle (annual, biennial, etc.)		4
3.4 Contact point for questions regarding the report or its contents		
3.5 Process for defining report content	Strategic priorities	14-16
3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	Methodology	57
3.7 State any specific limitations on the scope or boundary of the report		57
3.8 Basis for reporting on joint ventures, subsidiaries, and other entities that can significantly affect comparability from period to period		57
3.10 Explanation of the effects of any restatement of information provided in earlier reports and the reasons for such restatement (e.g., acquisitions, change of base years/periods, nature of business, measurement methods)		57
3.11 Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report		57
3.12 Table identifying the location of Standard Disclosures in the report		Appendices

GRI Index and Content	Report Heading	Pages
Governance, Commitments and Engagement		
4.1 Governance structure of the organisation, including committees under the highest governance body (board of directors or other), responsible for specific tasks such as setting strategy or organisational oversight	Governance and ethics	9
4.2 Indicate whether the Chairman of the Board (or other) is also an executive officer (and if so, their functions within the organisation's management and the reasons for this arrangement)		9
4.3 For organisations that have a unitary board structure (or similar structure), state the number of independent and/or non-executive members		9
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the board of directors (or similar body)		9
4.14 List of stakeholder groups engaged by the organisation	Dialogue with stakeholders	17
4.15 Basis for identification and selection of stakeholders with whom to engage		17-19
Performance Indicators		
Economic Indicators		
EC1: Economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Summary of indicators	61
EC7: Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.		62
Labour Practices and Decent Work Indicators		
LA1: Total workforce by employment type, employment contract, and region.	Ensuring workforce balance and staff diversity (+Summary of indicators)	61
LA2: Total number and rate of employee turnover by age group, gender, and region.		61-62
LA4: Percentage of employees covered by collective bargaining agreements.	Promote harmonious working conditions (+Summary of indicators)	62-63
LA7: Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.		62
LA10: Average hours of training per year per employee by employee category.	Encourage development of skills (+Summary of indicators)	63
LA13: Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Ensuring workforce balance and staff diversity (+Summary of indicators)	62
LA14: Ratio of basic salary of men to women by employee category.		23
Human Rights Indicators		
HR4: Total number of incidents of discrimination and actions taken.	Summary of indicators	62
Environmental Indicators		
EN1: Materials used by weight or volume.	Ensuring efficient and responsible paper management (+Summary of indicators)	63
EN2: Percentage of materials used that are recycled input materials.		63
EN4: Indirect energy consumption by primary source.	Introduce environmental concerns to the organisation of our businesses (+Summary of indicators)	63
EN8: Total water withdrawal by source.		63
EN16: Total direct and indirect greenhouse gas emissions by weight.		63
EN26: Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Section 2: Develop our business with respect for the environment	29-44
EN28: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Summary of indicators	63

C SUMMARY OF INDICATORS

The Lagardère group has identified a number of indicators which appear in the following table.

Some of them correspond to specific standards (NER act, GRI, Global Compact, ISO 26000). Others are sectoral indicators specific to the Group's business.

Indicator	Unit	Geographic area or boundary	2009	2010	GRI
Economy					
Consolidated sales	M€	Group	7.892	7.966	EC1
Distribution of consolidated sales	M€	France	2.652	2.741	
		Europe excluding France	3.492	3.550	
		Continental America	1.009	971	
		Asia/Oceania	568	527	
		Other	171	176	
		Lagardère Publishing	2.273	2.165	
		Lagardère Active	1.725	1.826	
		Lagardère Services	3.387	3.579	
Lagardère Unlimited	507	396			
Payroll costs	M€	Group	1.608	1.652	
Dividends paid to shareholders	M€	Group	164.86	165.14	
Income taxes paid	M€	Group	123	67	
Amount of donated gifts	M€	Group	3	3.45	
Amount of donated public space	M€	Lagardère Active	3.1	3.9	
Social & societal					
Workforce					
Total average staff	No.	Group	29.519	28.510	LA1
Percentage of employees with permanent contracts	%	Group	87	89	
Percentage of employees with temporary contracts	%	Group	13	11	
Permanent staff, female	No.	Group	15.653	15.889	
Permanent staff, male	No.	Group	11.240	11.174	
Permanent part-time staff, female	%	Group	15.5	15.8	
Permanent part-time staff, male	%	Group	7.3	8.3	
Permanent staff in France	%	France	34	34.2	
Permanent staff in Europe	%	Europe excluding France	45	44.5	
Permanent staff in continental America	%	Continental America	15.5	14.8	
Permanent staff in Asia	%	Asie	3.4	3.2	
Permanent staff in rest of world	%	Other	2.1	3.3	
Recruitments/separations					
Total recruitments	No.	Group	5.077	5.692	LA2
Hiring	%	Group	77	87	
Merger	%	Group	8	3	
Transfer	%	Group	8	4	
Transformation	%	Group	7	6	
Total separations	No.	Group	6.475	5.974	
Resignation	%	Group	42	46	

Indicator	Unit	Geographic area or boundary	2009	2010	GRI
Redundancy for personal reasons	%	Group	14	18	LA2
Redundancy for economic reasons	%	Group	10	7	
Breach of contract	%	Group	16	12	
Transfer	%	Group	4	3	
Retirement	%	Group	3	3	
Other	%	Group	11	11	
Diversity & equal opportunity					
Proportion of "local" senior managers	%	Group	-	94	EC7
Percentage of senior managers	%	Group	2.6	2.7	LA13
Female	%	Group	0.8	0.9	
Men	%	Group	1.8	1.8	
Percentage of managers	%	Group	26.9	26.7	
Female	%	Group	14.2	14.2	
Men	%	Group	12.7	12.5	
Percentage of journalists and photographers	%	Group	7.9	8.5	
Female	%	Group	5.1	5.4	
Men	%	Group	2.8	3.1	
Percentage of other employees	%	Group	62.6	62.1	
Female	%	Group	38.1	38.1	
Men	%	Group	24.5	24	
Permanent employees under age 30	%	Group	27.5	27.6	
Permanent employees between 30 and 50 years of age	%	Group	55.2	55.1	
Permanent employees over age 50	%	Group	17.3	17.3	
Disabled permanent employees	%	Group	8.9	7.5	
Number of official legal claims related to discrimination	No.	Group	-	9	HR4
Labour Standards					
Absenteeism for reasons of illness	days/person	Group	5.2	2.8	LA7
Absenteeism for parental leave	days/person	Group	3.1	1.3	
Absenteeism related to accidents	days/person	Group	0.4	0.1	
Accident frequency rate	1 per million	Group	8.18	4.65	
Accident severity rate	%	Group	0.29	0.14	
Professional Relations & Social Climate					
Employees covered by an agreement on working time	%	Group	76	72	LA4
Employees covered by an agreement on workplace health, safety and working conditions	%	Group	66	60	
Employees covered by a compensation agreement	%	Group	76	71	
Employees covered by a social coverage agreement	%	Group	63	62	
Employees covered by a training agreement	%	Group	25	29	
Employees covered by workers' representation	%	Group	74	72	
Collective agreements in force at 31 December 2010	No.	France	396	432	
Collective agreements in force at 31 December 2010	No.	Europe excluding France	43	48	
Collective agreements in force at 31 December 2010	No.	Continental America	8	10	
Collective agreements in force at 31 December 2010	No.	Asie	46	51	

Indicator	Unit	Geographic area or boundary	2009	2010	GRI
Total number of individual days without work due to striking	No.	Group	-	2,768	LA4
Training					
Average number of training hours per managing executive	No.	Group	-	12.19	LA10
Average number of training hours per manager	No.	Group	-	8.95	
Average number of training hours per journalist/photographer	No.	Group	-	6.15	
Average number of training hours per employee in other categories	No.	Group	-	6.63	
Average training expenses per permanent employee	€	Group	352	339	
Environment					
Raw materials					
Quantity of paper purchased	tonnes	Lagardère Active	277,000	310,000	EN1 et EN2
Quantity of paper purchased	tonnes	Lagardère Publishing	153,000	160,000	
Percentage of paper from certified forests	%	Lagardère Publishing	67	67	
Percentage of paper made with recycled fibres	%	Lagardère Publishing France	-	4	
Percentage of paper made with recycled fibres	%	Lagardère Publishing USA	3	7	
Average rate of unsold copies	%	Lagardère Active France	29.2	32.9	
Rate of recycling for unsold copies	%	Lagardère Active France	97	97	
Tertiary energy consumption					
Electricity	millions of kWh	Group	192	188.2	EN4
Gas	millions of kWh	Group	58.4	60.6	
Energy recovery and/or cogeneration	millions of kWh	Group	6.9	6.9	
Fuel oil	millions of litres	Group	2.69	2.73	
Water consumption	thousands of cubic metres	Group	748	722	EN8
CO₂ emissions associated with indirect energy consumption					
Total emissions	CO ₂ equivalent (tonnes)	Group	80,504	80,732	EN16
CO ₂ electricity	CO ₂ equivalent (tonnes)	Group	57,684	57,231	
CO ₂ gas	CO ₂ equivalent (tonnes)	Group	13,558	14,060	
CO ₂ cogeneration	CO ₂ equivalent (tonnes)	Group	1,347	1,409	
CO ₂ fuel oil	CO ₂ equivalent (tonnes)	Group	7,915	8,032	
Environmental management					
Percentage of printers certified ISO 14001	%	Lagardère Publishing	-	44	
Percentage of paper suppliers certified ISO 14001	%	Lagardère Publishing France	92	97	
Regulatory compliance					
Amount of significant funds for failure to comply with laws and regulations	€	Group	0	0	EN28
Total number of non-monetary sanctions	No.	Group	0	0	

Lagardère

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